MALAWI

STRATEGY SUPPORT PROGRAM

IFPRI Malawi Monthly Maize Market Report **June 2023**

The Monthly Maize Market Report was developed by researchers at IFPRI Malawi to provide clear and accurate information on the variation of maize prices in selected markets throughout Malawi. All prices are reported in Malawi Kwacha (K).

Highlights

- Retail prices of maize increased by 6 percent in June.
- Maize prices were highest in the Southern region.
- ADMARC sales were reported in 1 out of 26 markets monitored by IFPRI.
- No ADMARC purchases were reported in any of the markets monitored by IFPRI.
- At market exchange rates (used for informal imports and exports), retail prices of maize in Malawi were lower than in Tanzania, Zambia, and Zimbabwe, but higher than in Mozambique and South Africa, leading to informal imports from Mozambique.

Prices increased by 6 percent in June

Figure 1 shows a trend in prices in the past 12 months ending in June 2023, and, for comparison, over the 12 months ending in June 2022. At the beginning of the harvest season, we start reporting prices of newly harvested maize, which has a higher moisture content than maize from the previous harvest. High moisture content makes it unsuitable for storage or milling. During drying, it loses about 20 percent of its weight. Solid lines in Figure 1 represent observed maize prices. Dotted lines represent prices adjusted for moisture content and thus the true price trend.

In June, retail prices for maize maintained a steady upward trend, following the pattern from the previous month (Figure 1). The price of maize at retail level rose by 6 percent, with an increase from a weekly average price of K482/kg in the last week of May to K510/kg in the last week of June, as shown in Table 1. This is twice as much as in June 2022 when maize was sold at an average price of K255/kg. The lowest weekly average price of maize was reported in the first week of June in Chitipa where a kilogram was sold at K404/kg. In contrast, Chikwawa market reported the highest weekly average price (K600/kg) throughout the month of June.

Mangochi, which experienced the largest increase in maize prices during the previous month, now observed the largest decline – 7 percent between the last week of May and the last week of June. Traders attribute this price reduction to ease of accessing maize from Mozambique. Conversely, Ngabu experienced a notable increase in maize prices of 27 percent, but from a low base. Generally, prices throughout the southern region converged during June, attributable to imports from Mozambique helping to stabilize maize supply.

Figure 1. Long-run trends in average maize retail prices

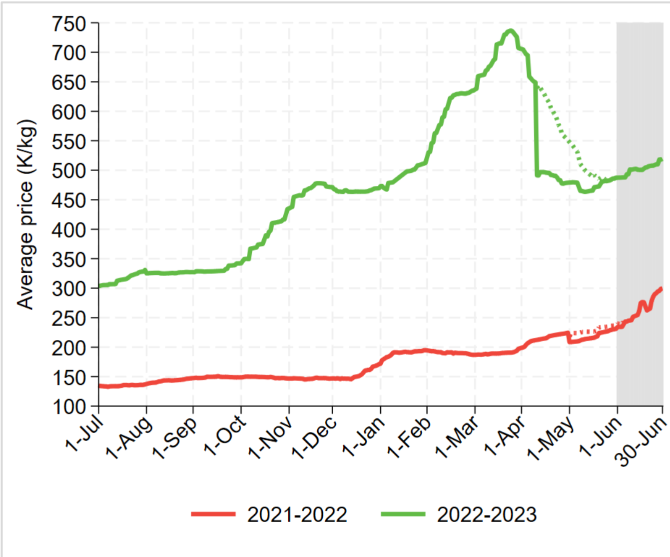
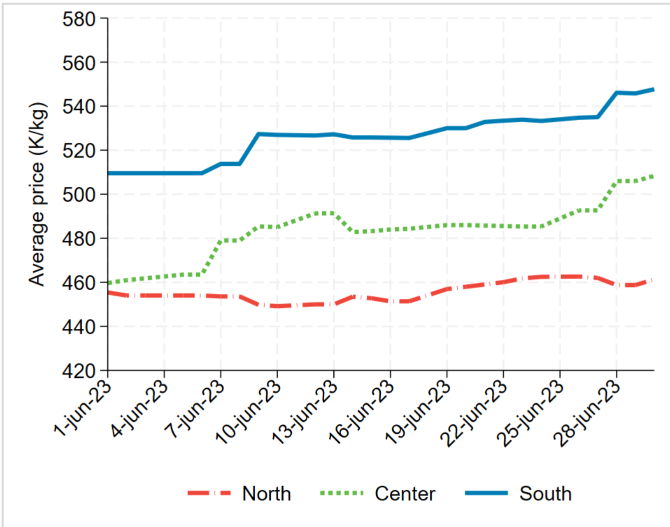


Figure 2. Average daily maize retail prices by region



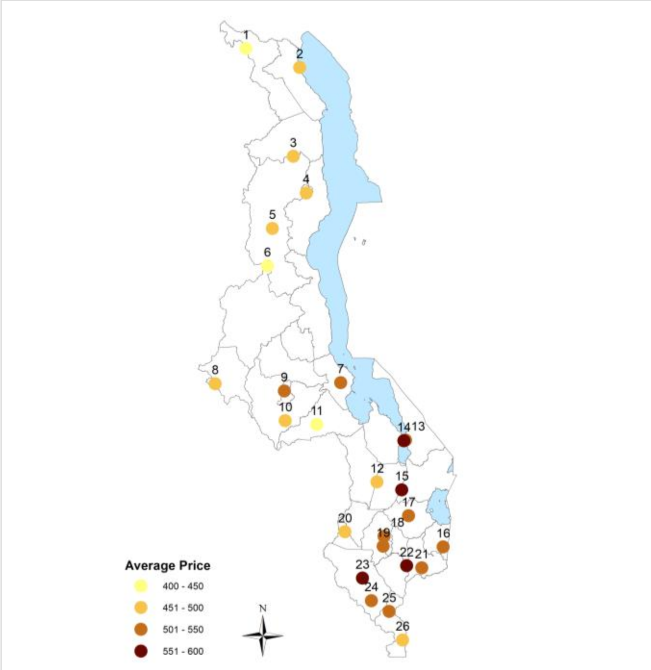
Retail maize prices highest in the Southern region

At the regional level, monthly average retail maize prices also increased from K496/kg, K465/kg, and K430/kg in May to K511/kg, K466/kg, and K454/kg in June in the South, Centre, and North, respectively (Figure 2). Although the highest retail price of maize persisted in the South, while the lowest prevailed in the North, the North experienced the highest increase in maize prices in June. Monthly average prices of maize in the North increased by 6 percent during June, compared to 3 percent in the South while remaining almost unchanged in the Centre.

Table 1. Weekly average retail prices (K/kg)

	Week ending on					
	28-May-23	7-Jun-23	14-Jun-23	21-Jun-23	28-Jun-23	Change
Chitipa[1]	429	404	422	419	436	2%
Karonga[2]	429	505	489	480	500	17%
Rumphi[3]	438	450	456	467	456	4%
Mzuzu[4]	514	495	471	479	489	-5%
Mzimba[5]	409	454	448	467	469	15%
Jenda[6]	414	417	418	417	419	1%
Salima[7]	499	480	497	500	513	3%
Mchinji[8]	461	462	474	490	490	6%
Nsungwi[9]	500	511	550	500	505	1%
Mitundu[10]	433	443	463	483	484	12%
Chimbiya[11]	410	427	447	452	462	13%
Balaka[12]	500	489	525	487	494	-1%
M'baluku[13]	497	501	511	525	534	7%
Mangochi[14]	580	552	564	550	537	-7%
Liwonde[15]	582	572	567	567	563	-3%
Chiringa[16]	500	500	500	500	504	1%
Mpondabwino[17]	530	519	540	542	554	5%
Lunzu[18]	517	533	523	531	552	7%
Mbayani[19]	545	540	540	540	550	1%
Mwanza[20]	469	471	458	463	463	-1%
Mulanje[21]	501	526	512	542	533	6%
Luchenza[22]	502	505	554	569	583	16%
Chikwawa[23]	583	600	600	600	600	3%
Ngabu[24]	422	447	498	510	535	27%
Bangula[25]	459	481	524	533	534	16%
Nsanje[26]	413	415	458	464	499	21%
All markets	**482**	**488**	**500**	**503**	**510**	**6%**

Figure 3. Location of markets

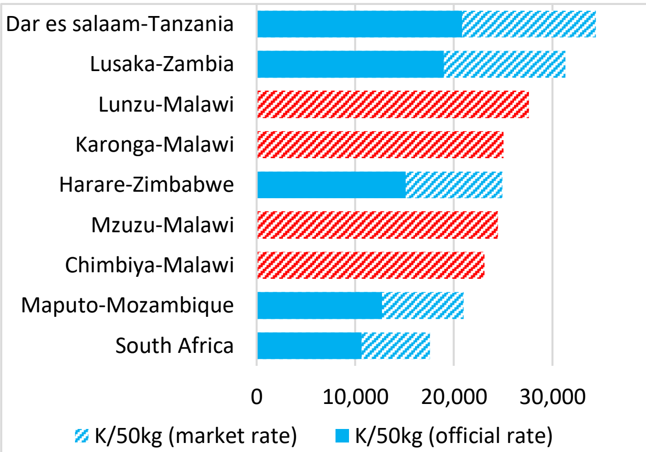


Note: The number on the map corresponds to a market in Table 1

Regional prices

Retail prices of maize in selected markets in Malawi were the highest in the region at the official exchange rate of K1,060/USD (Figure 4). However, when considering the (black) market rate of K1,750/USD, which is used for informal imports and exports, retail prices of maize in Tanzania and Zambia surpassed those in Malawi. In contrast, neighbouring Mozambique offers more affordable prices at both exchange rates, leading to an increase in imports across the southern region.

Figure 4. Regional comparison (June 2023)



Note: Weekly average price for the week ending on 28th June

ADMARC Activities

Out of the 26 markets monitored by IFPRI, only Karonga market reported ADMARC sales for 6 days in the second half of the month of June.

How data was collected

IFPRI Malawi has been monitoring retail maize prices and ADMARC activities in selected markets since October 2016. Currently, data is collected from 26 markets across the country, with monitoring occurring six days per week, excluding Sundays. At least three monitors report data from each market. Data is collected by means of phone calls to the monitors. Regional prices reported in Figure 4 are sourced from weekly reports from Commodity Insights Africa.

Government of Flanders

For further information contact
Chimwemwe Banda
(C.Banda@cgiar.org)
at IFPRI Malawi.