MALAWI

STRATEGY SUPPORT PROGRAM

IFPRI Malawi Monthly Maize Market Report **July 2020**

The Monthly Maize Market Report was developed by researchers at IFPRI Malawi with the goal of providing clear and accurate information on the variation of daily maize prices in selected markets throughout Malawi. The reports are intended as a resource for those interested in maize markets in Malawi, namely producers, traders, consumers, or other agricultural stakeholders.

Highlights

- Retail maize prices remained stable during July 2020.
- Prices in the South were higher than in the Centre and North.
- ADMARC purchases and sales were reported in 15 of the 26 markets monitored.
- Retail maize prices in Malawi were lower than in most eastern African markets.

Prices remained stable in July

Since the first week of July, the average retail maize price per kg has remained stable. Average prices fell by 2.3 percent during the second and third week of July but returned to MWK 175/kg in the fourth week. The average price during the last week of July was 18.1 percent lower than in July 2019.

Over the past four weeks, prices fell in 8 markets, stayed constant in 8, and rose in 10 markets (Table 1). The largest price decline (19 percent) was recorded in Karonga and Bangula markets while the largest price increases (11 percent) were recorded in Liwonde, Chiringa and Mbayani.

A separate crowdsourcing exercise showed that the average farmgate price in July was MWK 142/kg. About 93 percent of the farmers who reported having sold maize in July, sold at prices lower than the minimum farmgate price of MWK 200/kg set by the Ministry of Agriculture and Food Security in April.

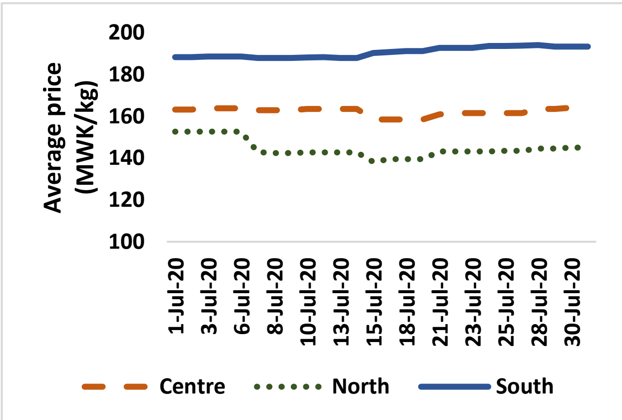
Table 1. Maize retail prices (MWK/kg) by market

Market	4-Jul-20	11-Jul-20	18-Jul-20	25-Jul-20	31-Jul-20	Change
Chitipa	133	140	120	137	140	5%
Karonga	173	140	140	140	140	-19%
Rumphi	165	157	153	165	165	0%
Mzuzu	150	150	150	143	150	0%
Mzimba	148	147	143	143	143	-3%
Jenda	140	123	130	133	133	-5%
Salima	160	173	163	177	177	10%
Mchinji	170	160	160	160	160	-6%
Nsungwi	177	170	160	160	170	-4%
Mitundu	170	170	163	167	170	0%
Chimbiya	140	145	145	145	145	4%
Balaka	170	170	167	173	173	2%
M'baluku	173	180	190	190	190	10%
Mangochi	183	180	180	187	183	0%
Liwonde	180	180	200	200	200	11%
Chiringa	180	180	200	200	200	11%
Mpondabwino	197	197	197	197	197	0%
Lunzu	165	165	165	170	170	3%
Mbayani	180	180	180	200	200	11%
Mwanza	200	187	193	193	193	-3%
Mulanje	200	200	200	200	200	0%
Luchenza	200	200	200	200	200	0%
Chikwawa	200	200	200	200	200	0%
Ngabu	190	190	180	180	180	-5%
Bangula	223	170	167	180	180	-19%
Nsanje	193	197	200	200	200	3%
All markets	**175**	**171**	**171**	**175**	**175**	**0%**

Prices are higher in the South

Retail maize prices remain highest in the South and lowest in the North (Figure 1), as is the usual pattern. During July, prices rose slightly in the South, remained stable in the Centre, but fell modestly in the North. However, towards the end of the month, prices remained stable in all three regions. By the end of the month, prices in the Centre were MWK 29/kg lower than in the South and MWK 19/kg higher than in the North.

Figure 1. Daily average maize retail prices during July 2020



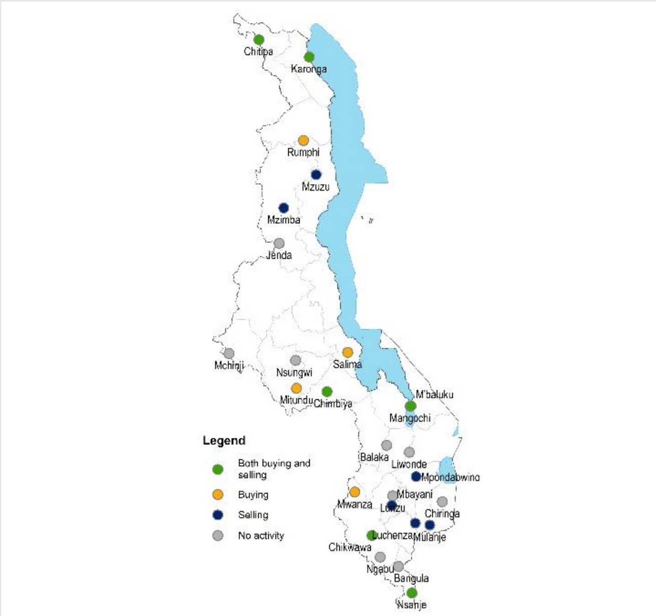
ADMARC Activities

The Agricultural Development and Marketing Corporation (ADMARC) announced in March 2020, that it would start purchasing maize during the first week of April. By the end of the third week of July, ADMARC purchases and sales were recorded in 15 of the 26 markets monitored by IFPRI.

ADMARC purchases were reported in Chitipa, Karonga, Rumphi, Mzimba, Mitundu, Chimbiya, Salima Mbayani, Mpondabwino, M'baluku, Mangochi, Mulanje, Mwanza, Chikwawa, and Nsanje. ADMARC sales were reported in Chitipa, Karonga, Mzuzu, Mzimba, Mchinji, Mbayani, Luchenza, Mpondabwino, Mangochi, M'baluku, Mulanje, Chikwawa, Ngabu, Bangula, and Nsanje. Figure 2 shows the locations where ADMARC activities took place in July.

ADMARC has purchased about 55,000 MT of maize this season but stopped purchasing towards the end of July due to lack of funds. Some farmers and traders are still waiting to receive payment for the maize they delivered to ADMARC earlier in the season.

Figure 2. Location of ADMARC activities in July 2020

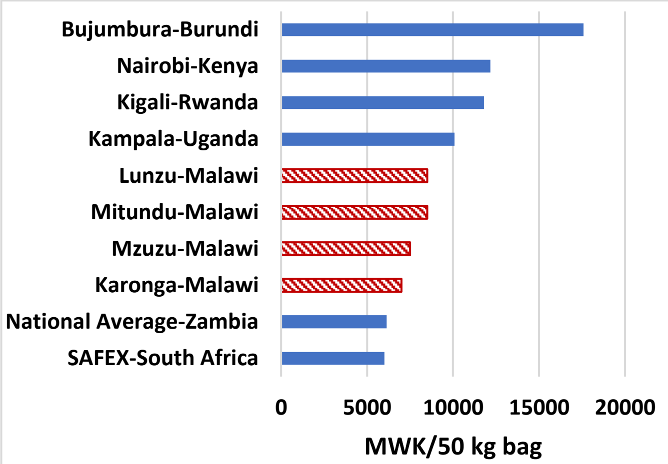


Regional prices

Figure 3 shows retail maize prices per 50kg bag in selected markets in Malawi and in six other regional countries by the end of July. The highest price was recorded in Bujumbura (Burundi) followed by Nairobi (Kenya) and Kampala (Uganda). SAFEX, the main grain futures market in South Africa, recorded the lowest price.

By the end of July, prices in Malawi's Lunzu, Mitundu, Mzuzu and Karonga markets were higher than the national average price of maize in Zambia and on SAFEX.

Figure 3. Retail maize prices in selected markets in eastern and southern Africa (as of end of July 2020)



Note: Price for Mozambique is as of June 2020.

How data was collected

IFPRI Malawi has been monitoring retail maize prices and ADMARC activities in selected markets since December 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 of these markets. Data is collected by means of automated short message service (SMS) with follow-ups made by telephone if necessary. The regional prices reported in Figure 3 are sourced from IFPRI Malawi, the Johannesburg Stock Exchange (JSE), the Regional Agricultural Trade Intelligence Network (RATIN), and the Zambia Statistics Agency.

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