MALAWI

STRATEGY SUPPORT PROGRAM

IFPRI

IFPRI Malawi Monthly Maize Market Report **November 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 fell by 3 percent during November 2020.
- Prices in the South remained higher than in the Centre and North.
- ADMARC sales were reported in 8 of the 26 markets monitored by IFPRI.
- Retail maize prices in Malawi were lower than in most eastern African markets.

Prices decreased by 3 percent

During the month of November, retail maize prices decreased by 3 percent. The average retail price was MWK 196/kg. This price is about 2 percent higher than in October and 23 percent lower than during the same time last year.

Prices rose in 3 markets, remained constant in 10 markets, and fell in 13 markets. The largest price increase was recorded in Mzuzu market (6 percent) followed by Chiringa (5 percent) and Karonga (2 percent) markets. The largest price decline was recorded in Lunzu market (17 percent) followed by Salima (12 percent) and Chimbiya (9 percent) markets.

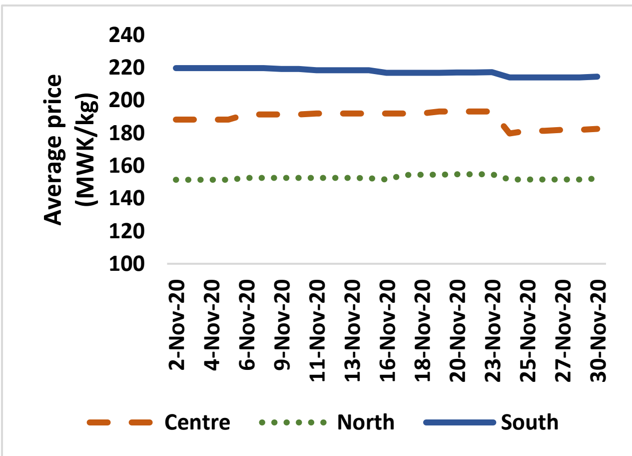
Table 1. Maize retail prices (MWK/kg) by market

Market	7-Nov-20	14-Nov-20	21-Nov-20	28-Nov-20	Change
Chitipa	150	150	150	150	0%
Karonga	150	150	160	153	2%
Rumphi	150	150	150	147	-2%
Mzuzu	150	150	150	160	6%
Mzimba	150	150	147	147	-2%
Jenda	165	165	170	153	-7%
Salima	220	220	220	193	-12%
Mchinji	180	180	180	180	0%
Nsungwi	200	200	200	193	-3%
Mitundu	180	180	180	180	0%
Chimbiya	180	183	190	163	-9%
Balaka	200	200	197	200	0%
M'baluku	220	220	220	213	-3%
Mangochi	213	207	207	207	-3%
Liwonde	200	200	200	200	0%
Chiringa	200	200	200	210	5%
Mpondabwino	245	245	230	230	-6%
Lunzu	250	250	250	207	-17%
Mbayani	220	220	220	220	0%
Mwanza	233	233	233	233	0%
Mulanje	225	225	225	220	-2%
Luchenza	200	200	200	200	0%
Chikwawa	220	220	220	220	0%
Ngabu	220	220	220	217	-2%
Bangula	230	230	230	230	0%
Nsanje	220	207	207	207	-6%
All markets	**199**	**198**	**198**	**194**	**-3%**

Prices are higher in the South

Retail maize prices remained highest in the South and lowest in the North (Figure 1), as is the usual pattern. Prices in all regions remained stable throughout the month of November, with a decline towards the end of the fourth week. This price decline was more pronounced in the central region followed by the southern region. At the end of the month, prices in the Centre were MWK 36/kg higher than in the North and MWK 28/kg lower than in the South.

Figure 1. Daily average maize retail prices during November 2020



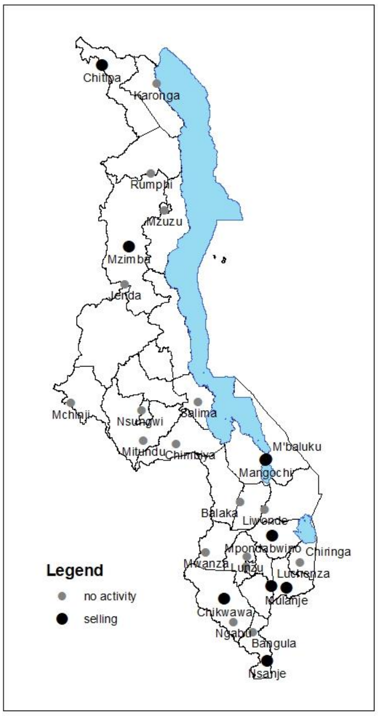
ADMARC and NFRA Activities

In November, no ADMARC purchases were reported in any of the 26 markets IFPRI monitors. However, sales were reported in eight of the markets monitored, namely Chikwawa, Chitipa, Luchenza, Mangochi, Mpondabwino, Mulanje, Mzimba, and Nsanje (Figure 2).

In October, the Ministry of Finance authorized ADMARC to borrow MWK 22 billion from commercial banks, of which MWK 20 billion should be used to enable the corporation to buy maize from smallholder farmers during the 2020/21 growing season.

The NFRA announced it would start purchasing maize for restocking of the strategic grain reserve (SGR) from cooperatives at the preferential price of MWK 215/kg in late September. Maize purchases from traders by the NFRA at the higher cooperative price were halted in early October. However, to take advantage of the MWK 15/kg price premium, some 'resales' from traders back to cooperatives and other informal agreements were reported.

Figure 2. Location of ADMARC activities in November 2020

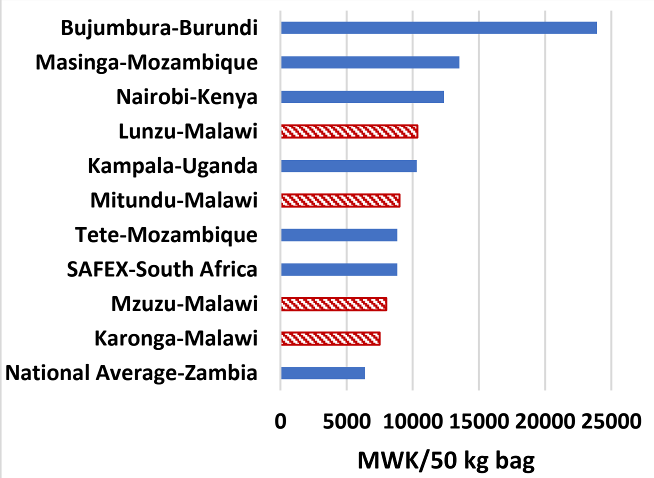


Regional prices

Figure 3 shows retail maize prices per 50 kg bag in selected markets in Malawi and other regional markets at the end of November.

Retail maize prices in central and northern Malawi markets were lower than in most other regional markets except for some markets in Uganda, Mozambique, South Africa, and Zambia. Maize prices on SAFEX, the main grain futures market in South Africa, were higher than in Karonga and Mzuzu markets, but lower than in Mitundu and Lunzu. The highest price was recorded in Bujumbura (Burundi) followed by Masinga (Mozambique).

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



Note: Prices for Burundi and Kenya are as of end October 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), Sistema de Informação de Mercados Agrícolas (SIMA), and the Zambia Statistics Agency.

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