IFPRI | MALAWI

STRATEGY SUPPORT PROGRAM

**IFPRI Monthly Maize Market Report** **July 2017**

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, sellers, consumers, or other agricultural stakeholders.

## *Highlights*

- The average maize retail price per kg decreased from **MK137** at the beginning of July to **MK132** at its end.
- Price continues to be higher in the North as compared to South or Central Malawi.
- The number of markets where ADMARC is buying has increased.

## *Prices continue to decline in July 2017*

Retail maize prices continued to decline across most markets during the month of July 2017 (Table 1). There was an overall price decrease of 4% compared to 2% in June 2017. Only three markets (Mzimba, Mchinji, and Mwanza) reported price increases, while prices remained steady in the three other markets (Mponela, Mulanje, and Nsanje). In the other nine markets monitored, prices declined. Rumphi, which had reported the highest price increase in June, registered the largest price decrease during July (12%).

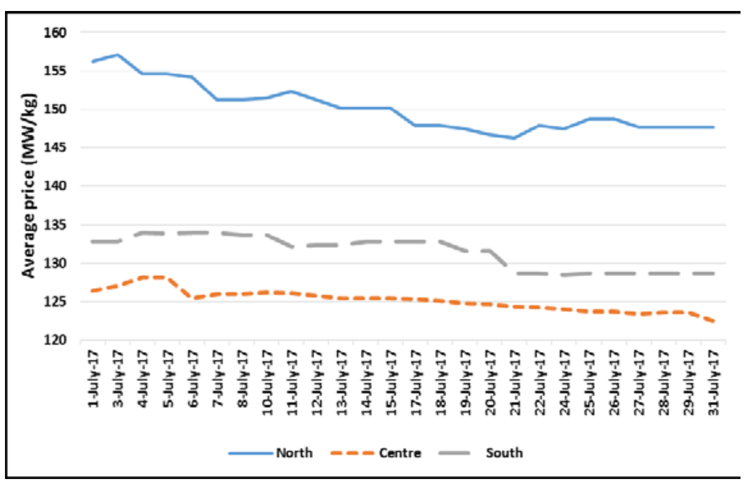
**Table 1. Maize retail prices (MK/kg) by market**

| Market | 1-Jul-17 | 8-Jul-17 | 15-Jul-17 | 22-Jul-17 | 29-Jul-17 | Monthly change |
|---|---|---|---|---|---|---|
| Karonga | 168 | 168 | 163 | 162 | 162 | -3% |
| Rumphi | 182 | 168 | 170 | 162 | 160 | -12% |
| Mzimba | 128 | 132 | 131 | 131 | 131 | 2% |
| Mzuzu | 148 | 138 | 138 | 138 | 138 | -6% |
| Nkhamenya | 130 | 123 | 122 | 120 | 118 | -9% |
| Mponela | 122 | 122 | 122 | 122 | 122 | 0% |
| Mchinji | 135 | 137 | 138 | 138 | 138 | 2% |
| Mitundu | 133 | 135 | 135 | 132 | 130 | -3% |
| Chimbiya | 109 | 109 | 107 | 105 | 106 | -3% |
| Liwonde | 133 | 133 | 125 | 125 | 125 | -6% |
| Lunzu | 167 | 167 | 167 | 150 | 150 | -10% |
| Mulanje | 133 | 133 | 133 | 133 | 133 | 0% |
| Mwanza | 120 | 127 | 130 | 123 | 123 | 3% |
| Chikwawa | 134 | 131 | 131 | 131 | 131 | -2% |
| Nsanje | 110 | 110 | 110 | 110 | 110 | 0% |
| **All markets** | **137** | **136** | **135** | **132** | **132** | **-4%** |

## *Overall price decrease across the regions*

Although maize prices decreased in all the three regions during July, prices in the North remained considerably higher than in South and Central Malawi throughout the month (Figure 1). However, unlike the Centre and the South, prices in the North increased slightly towards the end of the month before stabilizing. As at the end of the month, average maize prices were MK148/kg, MK123/kg, and MK129/kg in the North, Center and South, respectively.

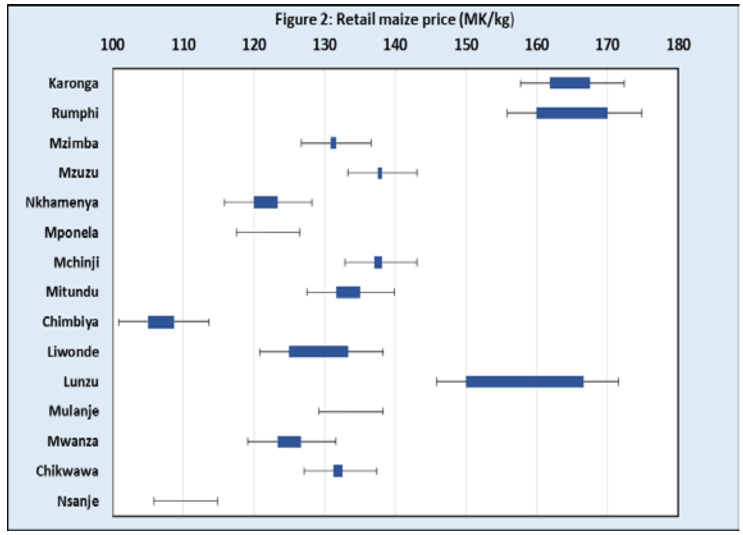
**Figure 1. Daily average maize prices since 1st July 2017**



## *Static price ranges in three markets*

Figure 2 shows the distribution of average daily maize prices in each market during July 2017. The furthest-left and furthest-right points on each plot indicate the minimum and maximum prices during the month. The shaded box shows the first quartile and third quartiles of the price distribution for each market. In three markets (Mponela, Mulanje, and Nsanje) traders reported no change in either the level or range of prices. Lunzu and Liwonde had the widest price ranges.

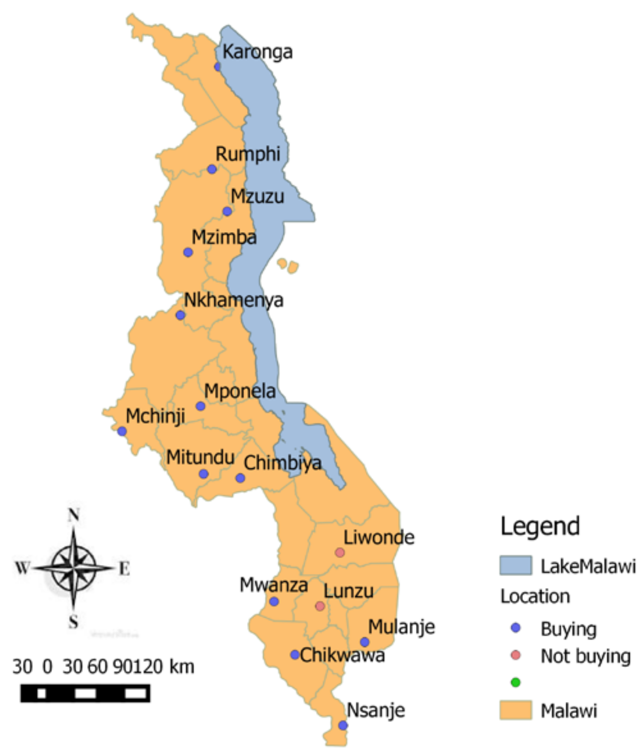
**Figure 2. Distribution of average maize retail prices, July 2017**




## *ADMARC buying maize at MK170/kg and continues to sell at MK250/kg*

On 23rd June 2017, ADMARC announced the opening of the 2016/17 maize buying season at the price of MK170/kg. ADMARC temporarily suspended buying in some markets in early July to undertake stock-taking. Despite this, the number of depots in which ADMARC was reported to be buying expanded from 8 in June to 13 in July (Figure 3). The two markets (Lunzu and Liwonde) where ADMARC was not buying, also registered the widest price ranges. The corporation is still selling maize harvested last season at MK250/kg and has received Government funding amounting to MK5 billion for financing purchases.

**Figure 3. Location of markets where ADMARC was buying maize in July 2017**




## *How data was collected*

IFPRI has been monitoring retail maize prices and ADMARC activities in selected markets since November 2016. Currently, the data is collected from 15 markets across the country. The monitoring covers six days in a week, excluding Sundays. At least three monitors report in each of the markets. Data is collected by means of automated short message service (SMS) with follow-ups made by telephone if necessary.

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