MALAWI

STRATEGY SUPPORT PROGRAM

IFPRI Monthly Maize Market Report **December 2019**

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 rose by 5 percent during December; this is 190 percent higher than December 2018.
- By the end of December, maize prices were at or above MWK300/kg in 14 of the 26 markets monitored.
- Average retail prices remained highest in the South and lowest in the North.
- ADMARC sales were reported in just over half the markets IFPRI monitors during December.
- Maize prices in Malawi remain lower than in most eastern and southern Africa markets.

Prices increased by 5 percent in December

Average retail maize prices increased by 5 percent during the month of December. The average retail maize price was MWK275/kg in the 26 markets IFPRI monitors. This is 190 percent higher than in December 2018. Prices rose in nineteen markets, remained constant in six markets and fell in one market (Table 1). Retail prices were at or above MWK300/kg in fourteen markets (shaded in Table 1).

The 5 percent price increase in December follows a 12 percent increase in November, increases of 2 percent each month in August, September and October, and an atypical 23 percent Increase in July (Figure 1). The largest price increase was recorded in Nsanje (20 percent) followed by Chitipa (17 percent). Liwonde market in Machinga was the only market that recorded a price decrease (1 percent). By the end of December, retail prices in all markets were higher than the revised minimum farmgate price of MWK180/kg announced by the Ministry of Agriculture, Irrigation and Water Development (MoAIWD) in August 2019.

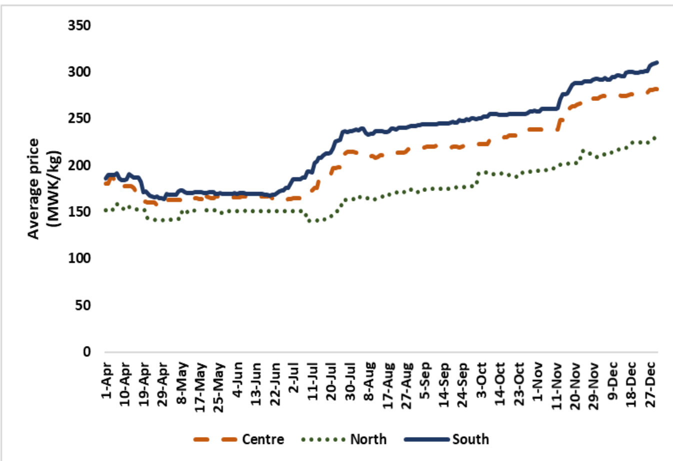
Table 1. Maize retail prices (MWK/kg) by market

Market	7-Dec-19	14-Dec-19	21-Dec-19	28-Dec-19	Change
Chitipa	191	200	230	223	17%
Karonga	211	220	216	230	9%
Rumphi	203	222	218	220	8%
Mzuzu	212	212	213	213	1%
Jenda	230	233	243	250	9%
Mzimba	220	220	230	230	5%
Salima	287	280	300	300	5%
Mchinji	260	260	260	273	5%
Nsungwi	283	283	283	283	0%
Mitundu	270	270	270	270	0%
Chimbiya	277	280	273	280	1%
Balaka	293	287	283	300	2%
M'baluku	300	300	320	333	11%
Mangochi	300	300	295	300	0%
Liwonde	300	300	297	297	-1%
Chiringa	287	290	293	307	7%
Mpondabwino	314	314	325	329	5%
Lunzu	300	300	300	310	3%
Mbayani	320	320	320	320	0%
Mwanza	300	320	300	313	4%
Mulanje	300	300	300	300	0%
Luchenza	300	300	300	300	0%
Chikwawa	250	250	250	280	12%
Ngabu	280	300	300	313	12%
Bangula	272	285	286	309	14%
Nsanje	250	253	300	300	20%
All markets	**270**	**273**	**277**	**284**	**5%**

Prices remain highest in the South

Average retail maize prices were highest in the South and lowest in the North (Figure 1), as is the usual pattern. After a small decline in the month of April at the beginning of the main harvest, prices remained relatively stable in May and June. In July, prices increased by 9 to 31 percent in all regions and have increased gradually since then, except for a 12 percent increase in November. A wider gap than usual between prices in the Centre and South, and the North has existed since in July. By the end of December 2019, prices in the South were about MWK22/kg higher than in the Centre while prices in the Centre were about MWK56/kg higher than in the North.

Figure 1. Daily average maize retail prices April – December 2019



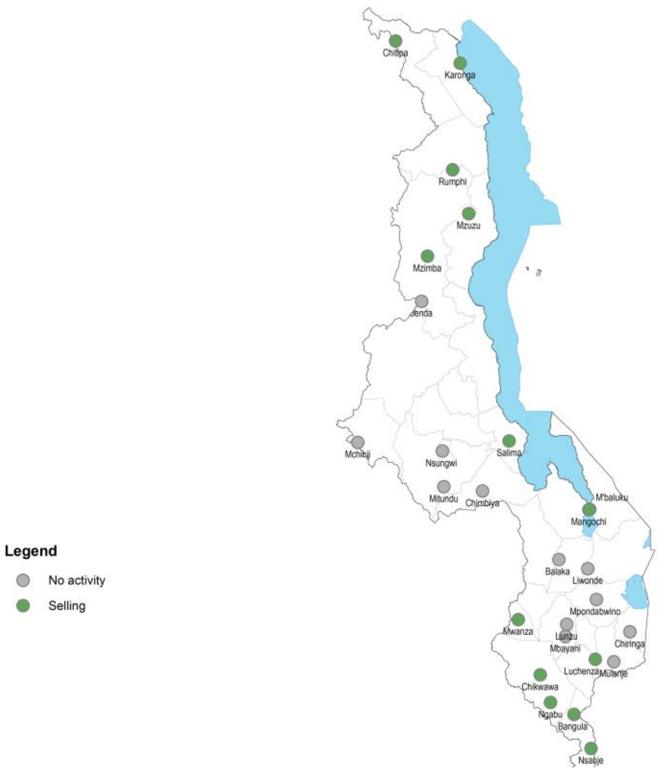
ADMARC and NFRA activities

In November 2019, the MoAIWD revised the purchase price of maize by ADMARC and NFRA to MWK230/kg for deliveries at rural depots/markets and MWK250/kg for deliveries to central depots. However, most traders have not been willing to sell to ADMARC or the NFRA at prices less than MWK280/kg to MWK300/kg. With humanitarian caseload rising to almost 1.9 million during the lean season, demand for maize for public distribution is likely to remain strong over the next few months.

Out of the 26 markets monitored by IFPRI across Malawi, ADMARC sales at MWK150/kg were reported in fourteen markets (Chitipa, Karonga, Rumphi, Mzimba, Mzuzu, Salima, M'baluku, Mangochi, Mwanza, Luchenza, Chikwawa, Ngabu, Bangula, and Nsanje). However, there have been complaints about the rationing of quantities and poor quality of maize sold. No ADMARC purchases were recorded in any of the markets monitored, although ADMARC is understood to have procured around 3,300 MT in central Malawi in November 2019. Figure 2 shows the locations where ADMARC sales took place in December.

The provisional results of two stock verification exercises indicate that there are currently 35,000 to 40,000 MT of uncommitted maize stocks in the country.

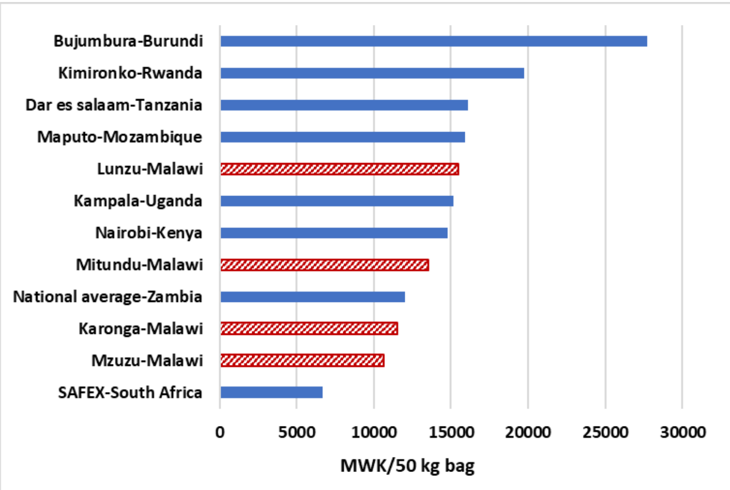
Figure 2. Locations of ADMARC activities in December 2019



Regional prices in December 2019

Figure 3 shows retail maize prices per 50kg bag in selected markets in Malawi and in eight other regional countries at the end of December. The highest price was reported in Bujumbura (Burundi) followed by Kimironko (Rwanda), Dar es Salaam (Tanzania), and Maputo (Mozambique). SAFEX, the main grain futures market in South Africa recorded the lowest prices. By the end of December, prices in Malawi remained lower than in most eastern and southern Africa markets. However, prices in Lunzu market near Blantyre were higher than in Kampala (Uganda), Nairobi (Kenya) and Lusaka (Zambia), while prices in Malawi's Mitundu market were higher than in Lusaka (Zambia).

Figure 3. Retail maize prices in selected markets in eastern and southern Africa (as of end December 2019)



How data was collected

IFPRI has been monitoring retail maize prices and ADMARC activities in selected markets since December 2016. Currently, the 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 Central Statistical Office of Zambia.

USAID FROM THE AMERICAN PEOPLE

UKaid from the British people

For further information contact: Dennis Ochieng (D.Ochieng@cgiar.org) or Rosemary Botha (R.Botha@cgiar.org) at IFPRI Malawi.

To learn more about IFPRI Malawi's work, please visit us online at: http://massp.ifpri.info
or follow us on Twitter (@IFPRIMalawi)