

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 new maize declined by 0.1 percent in May.
- New maize prices were highest in the Southern region.
- ADMARC sales were reported in 10 out of 26 markets monitored by IFPRI.
- No ADMARC purchases were reported in any of the markets monitored by IFPRI.
- Retail prices of maize in Malawi were higher than in other countries in the region, but lower than in Tanzania at the market exchange rate.

Prices declined by 0.1 percent in May

Figure 1 shows a trend in prices in the past 12 months ending in May 2023, and, for comparison, over the 12 months ending in May 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.

Maize prices in the retail market showed a consistent downward trend from the previous month until mid-May, primarily driven by the higher supply of newly harvested maize entering the market (Figure 1). The weekly average price of new maize decreased from K483/kg in the last week of April to K482/kg in the final week of May, reflecting a marginal decline of 0.1 percent (Table 1). In comparison, during the corresponding period in the previous season, maize was being sold at an average price of K227/kg, indicating a significant annual increase of 112 percent.

Mzimba market recorded the lowest weekly average retail price for maize in the third week of May, with sales at K365/kg. Conversely, Chikwawa reported the highest weekly average retail price, reaching K596/kg in the first week of May. Rumphi experienced the most significant decrease in maize prices, with a decline of 27 percent, while Mangochi saw the highest increase in weekly average retail price, rising by 18 percent. The scarcity of maize stocks in Mangochi, partly caused by a poor harvest, has contributed to the escalating price of maize. Consequently, traders are now acquiring stocks from Mozambique.

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

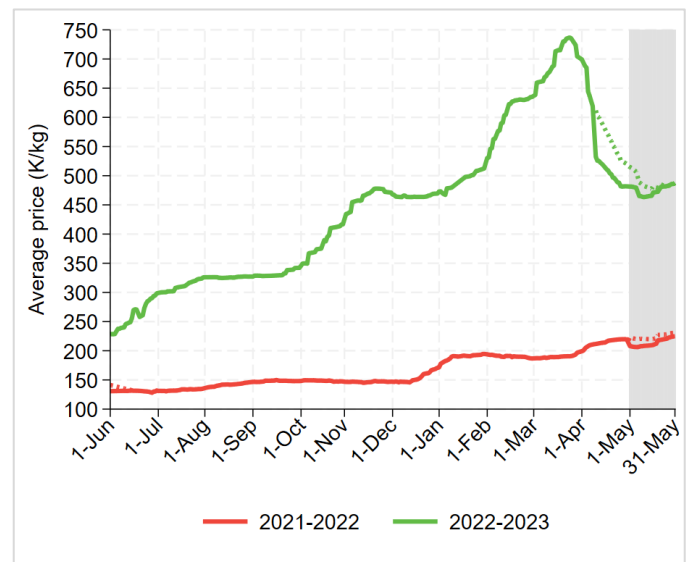
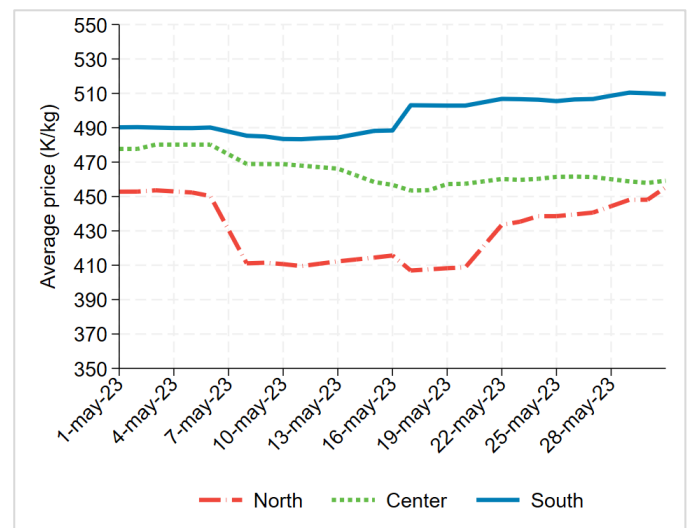


Figure 2. Average daily maize retail prices by region



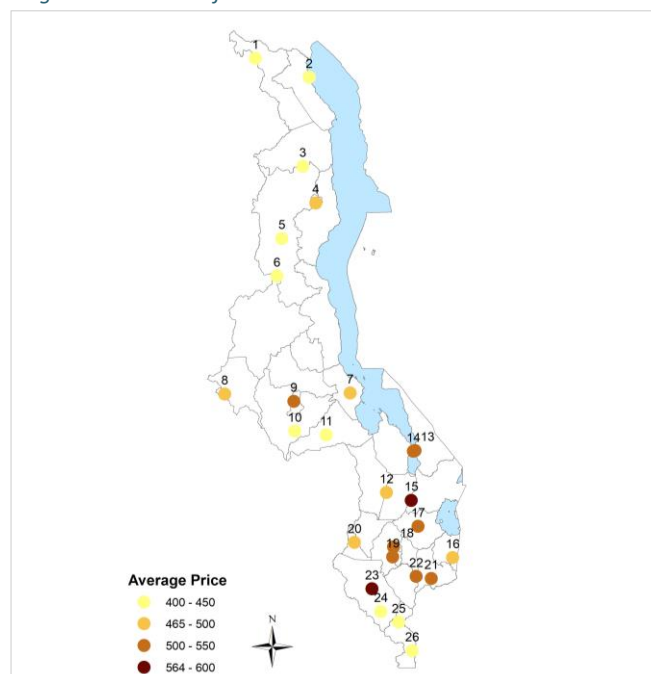
New maize prices highest in the Southern region

In the month of May, the regional prices of new maize returned to their typical pattern, with the South selling at the highest monthly average price of K496/kg, K465/kg in the Centre, and K430/kg in the North (Figure 2). In most markets, maize retails at or below the minimum farmgate price set by the government at K500/kg. This means that most farmers who have sold maize during this harvest season have done so below the government-mandated price. In most markets, the availability of old maize is diminishing as it becomes progressively harder to find. In the Southern region, it was priced at an average of K496/kg per month, while in the Central region, it was sold for K466/kg, and in the Northern region, the average monthly price stood at K470/kg.

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

	Week ending on					Change
	28-Apr-23	7-May-23	14-May-23	21-May-23	28-May-23	
Chitipa ¹	400	414	415	407	429	↑ 7%
Karonga ²	468	433	398	400	429	↓ -8%
Rumphi ³	596	512	409	402	438	↓ -27%
Mzuzu ⁴	490	492	473	491	514	↑ 5%
Mzimba ⁵	405	429	373	364	409	↑ 1%
Jenda ⁶	410	415	400	407	414	↑ 1%
Salima ⁷	491	461	480	481	499	↑ 2%
Mchinji ⁸	488	483	475	462	461	↓ -5%
Nsungwi ⁹	561	579	510	500	500	↓ -11%
Mitundu ¹⁰	457	465	449	427	433	↓ -5%
Chimbiya ¹¹	465	404	422	412	410	↓ -12%
Balaka ¹²	403	442	466	491	500	↑ 24%
M'baluku ¹³	426	495	508	502	497	↑ 17%
Mangochi ¹⁴	493	504	550	547	580	↑ 18%
Liwonde ¹⁵	574	552	543	577	582	↑ 1%
Chiringa ¹⁶	480	483	489	500	500	↑ 4%
Mpondabwino ¹⁷	494	489	490	503	530	↑ 7%
Lunzu ¹⁸	513	491	464	533	517	↑ 1%
Mbayani ¹⁹	540	551	543	547	545	↑ 1%
Mwanza ²⁰	490	466	454	469	469	↓ -4%
Mulanje ²¹	500	500	500	500	501	↑ 0%
Luchenza ²²	550	521	482	495	502	↓ -9%
Chikwawa ²³	600	596	548	524	583	↓ -3%
Ngabu ²⁴	406	432	404	427	422	↑ 4%
Bangula ²⁵	452	424	436	461	459	↑ 2%
Nsanje ²⁶	394	399	391	410	413	↑ 5%
All markets	483	478	464	471	482	↓ -0.1%

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 K1,030/USD (Figure 4). However, when considering the (black) market rate of K1,620/USD, which is used for informal imports and exports, retail prices of maize in Tanzania exceeded those in Malawi. The affordable prices in Mozambique at both exchange rates are fostering imports in many areas of the southern region, where the availability of new local maize is also diminishing.

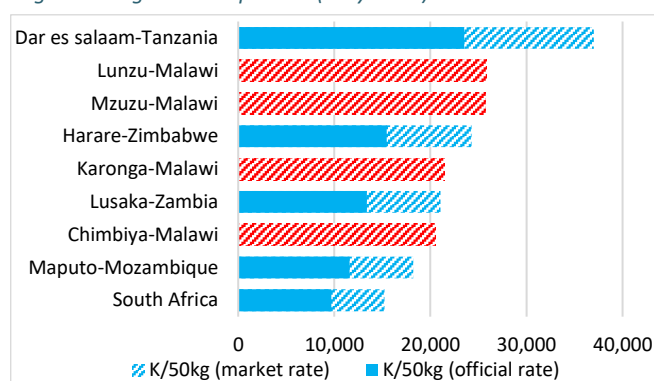
ADMARC Activities

ADMARC sales were reported for at least a day in 10 of the 26 markets monitored by IFPRI: Karonga in the North, Salima in the Center, M'baluku, Mangochi, Mwanza, Luchenza, Chikwawa, Ngabu, Bangula and Nsanje in the South. ADMARC sells maize at K300/kg, so its sales may have contributed to pushing maize prices below the government-mandated minimum farmgate price of K500/kg.

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.

Figure 4. Regional comparison (May 2023)



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

