IFPRI MALAWI

STRATEGY SUPPORT PROGRAM

IFPRI Malawi Monthly Maize Market Report **August 2023**

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

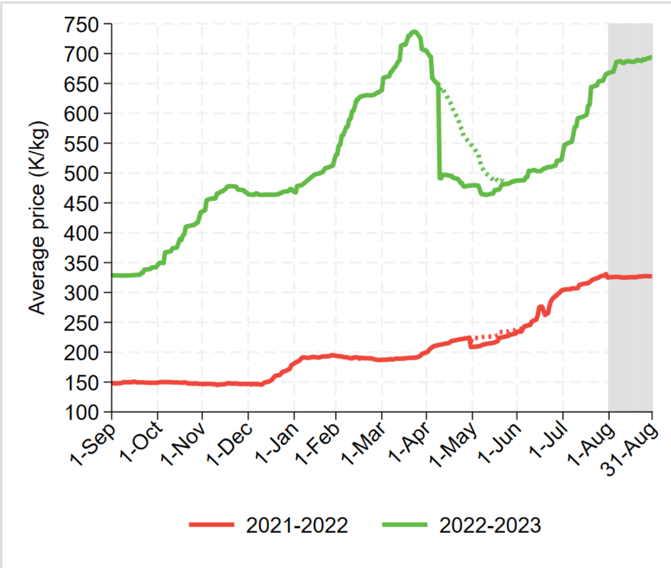
- Retail prices of maize increased by 6 percent in August.
- Maize prices were highest but relatively stable in the Southern region, while continuing to grow in the Northern and Central regions.
- ADMARC sales were reported in 5 of 26 markets monitored by IFPRI, mostly in the Southern region.
- Retail prices of maize in Malawi were higher than in South Africa, and Mozambique at both the market and official exchange rate, and comparable to Tanzania, Zimbabwe, and Zambia at the market exchange rate, used for most trade.

Prices increased by 6 percent in August

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

Weekly average maize retail prices continued to increase in August, but their growth slowed from 27 percent in July to 6 percent in August (Figure 1), from K649/kg in the last week of July to K690/kg in the last week of August (Table 1). However, this overall trend hides stark regional differences.

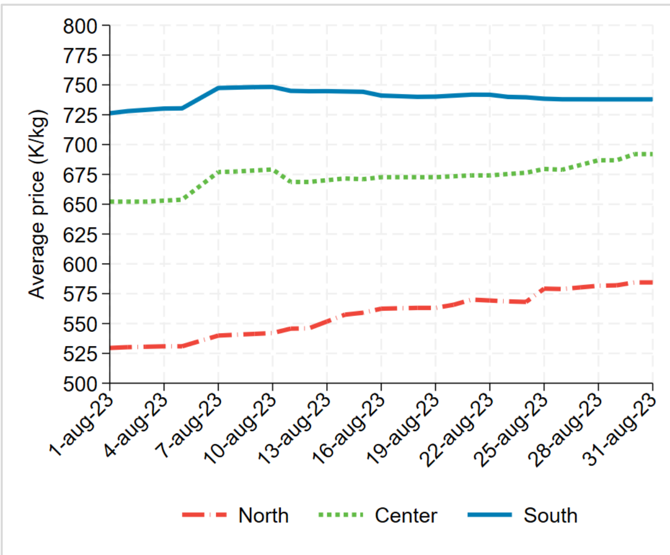
Figure 1. Long-run trends in average maize retail prices



Maize prices highest but stabilized in the Southern region

Throughout August, maize prices were highest in the Southern region and lowest in the North, which is a typical pattern. Indeed, the highest price of the month was recorded in Chikwawa at K830/kg and the lowest in Rumphi at K503/kg (Table 1). In the first week of August, prices continued their upward trend from the previous month in all but two monitored markets. The trend continued in the north and – at a slower rate – in the centre. In the Southern region, however, prices stabilized and in some cases even declined in the latter part of the month (Figure 2). Regional price differences thus narrowed during August, although prices still remain lowest in the North, well below the ADMARC selling price of K600/kg.This coincided with the Ministry of Agriculture's announcement of its plan to open

Figure 2. Average daily maize retail prices by region

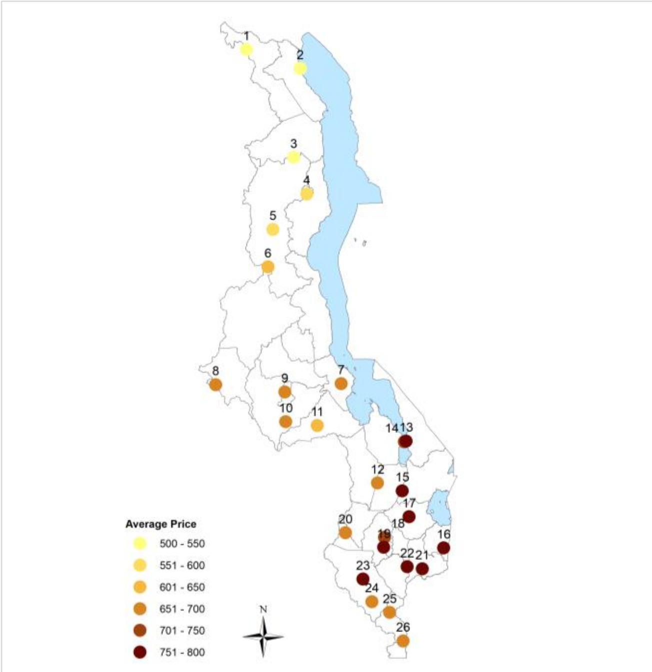


ADMARC depots, which motivated some traders to sell their stock before ADMARC initiated sales at potentially lower rates. Additionally, imports of maize into the lower Shire valley seem to have picked up, with Mozambican traders now bringing maize directly to Nsanje instead of Malawian traders having to transport it from Mozambique.

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

	Week ending on					
	28-Jul-23	7-Aug-23	14-Aug-23	21-Aug-23	28-Aug-23	Change
Chitipa[1]	458	505	537	544	570	24%
Karonga[2]	495	507	528	566	564	14%
Rumphi[3]	500	513	510	503	527	5%
Mzuzu[4]	521	550	560	572	593	14%
Mzimba[5]	529	537	555	589	581	10%
Jenda[6]	566	583	589	609	617	9%
Salima[7]	640	665	700	700	693	8%
Mchinji[8]	638	677	698	697	686	7%
Nsungwi[9]	600	659	670	659	678	13%
Mitundu[10]	667	667	661	670	695	4%
Chimbiya[11]	607	623	637	637	644	6%
Balaka[12]	705	688	703	696	707	0%
M'baluku[13]	700	742	755	760	760	9%
Mangochi[14]	668	686	704	727	764	14%
Liwonde[15]	720	768	783	777	758	5%
Chiringa[16]	750	761	800	800	800	7%
Mpondabwino[17]	792	800	797	785	788	-1%
Lunzu[18]	703	725	737	710	719	2%
Mbayani[19]	753	759	768	756	750	0%
Mwanza[20]	664	686	686	685	689	4%
Mulanje[21]	723	757	783	771	772	7%
Luchenza[22]	749	792	787	796	764	2%
Chikwawa[23]	710	804	830	799	766	8%
Ngabu[24]	664	666	675	690	700	5%
Bangula[25]	657	687	687	684	683	4%
Nsanje[26]	700	674	698	684	666	-5%
All markets	**649**	**672**	**686**	**687**	**690**	**6%**

Figure 3. Location of markets



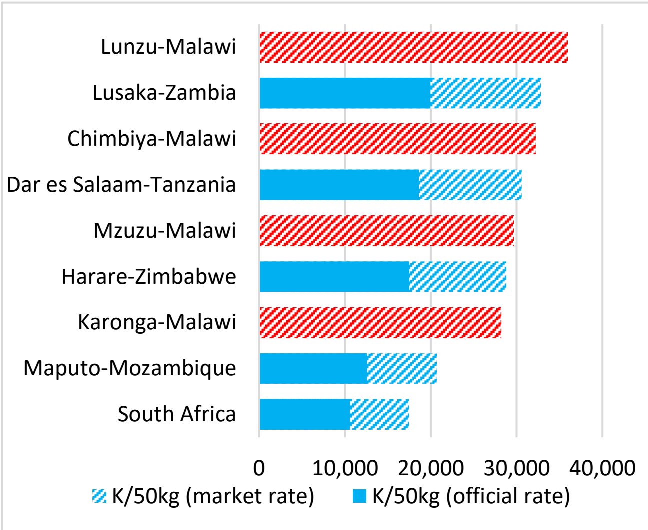
Regional prices

Maize retail prices in selected markets in Malawi have consistently ranked as the highest in the region, especially when evaluated at the official exchange rate of K1,095/USD (Figure 4). In contrast, both Mozambique and South Africa have consistently provided the most competitive prices, whether at the official exchange rate or the market rate of K1,800/USD. Owing to the relatively higher maize prices in the Southern region of Malawi in comparison to Mozambique, maize traders from Mozambique have begun supplying maize directly to the Malawian market.

ADMARC Activities

ADMARC sales were reported in 5 out of the 26 markets monitored by IFPRI, 1 in the centre (Salima) and 4 in the south (Mpondabwino, Lunzu, Luchenza and Bangula).

Figure 4. Regional comparison (August 2023)



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

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.

Government of Flanders

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