IFPRI Malawi Monthly Maize Market Report **December 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 13 percent in December.
- Maize prices were highest in the Southern region.
- ADMARC sales were reported in 4 of 26 markets monitored by IFPRI, mostly in the Southern region.
- Retail prices of maize in Malawi were higher than in neighboring countries, attracting informal imports.

Prices increased by 13 percent in December

Figure 1 shows a trend in prices over the 12 months ending in December 2023, and, for comparison, over the 12 months ending in December 2022. At the beginning of the harvest season, we start reporting prices of newly harvested maize, which has a higher moisture content compared to 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, reflecting the true price trend.

On average, maize was selling at a retail price of K859/kg in the last week of December, 13 percent more than the price in the last week of November (K762/kg) (Figure 1 and Table 1). In contrast to the previous year, when the market saw a 2 percent decrease during the same period, this year has seen a notable shift. Traders indicate that the current increase in prices, occurring typically when they procure from farmers, is attributed to most farmers withholding stocks due to uncertainties surrounding rainfall. Consequently, wholesale maize has become scarce while demand remains high.

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

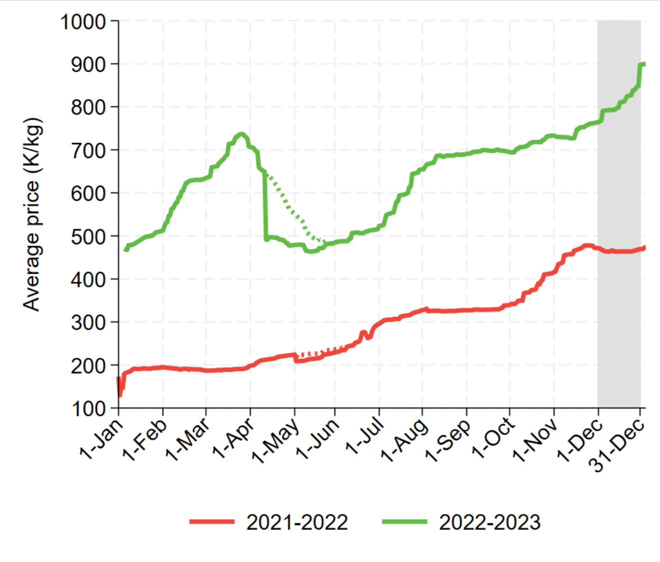
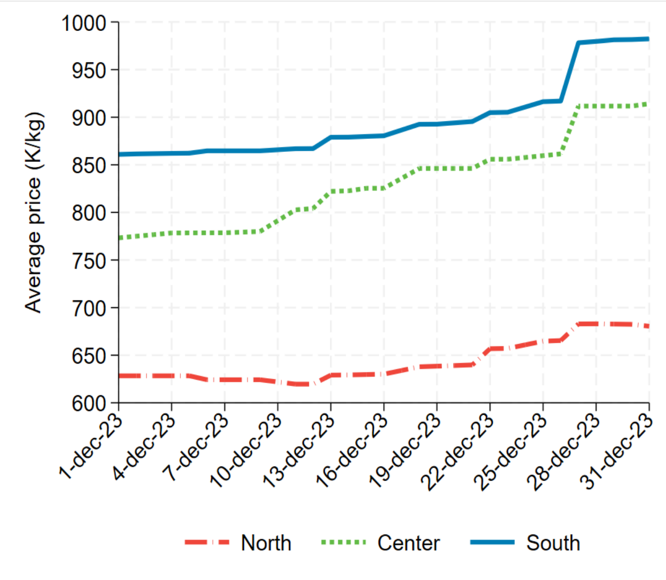


Figure 2. Average daily maize retail prices by region



Maize prices highest in the South

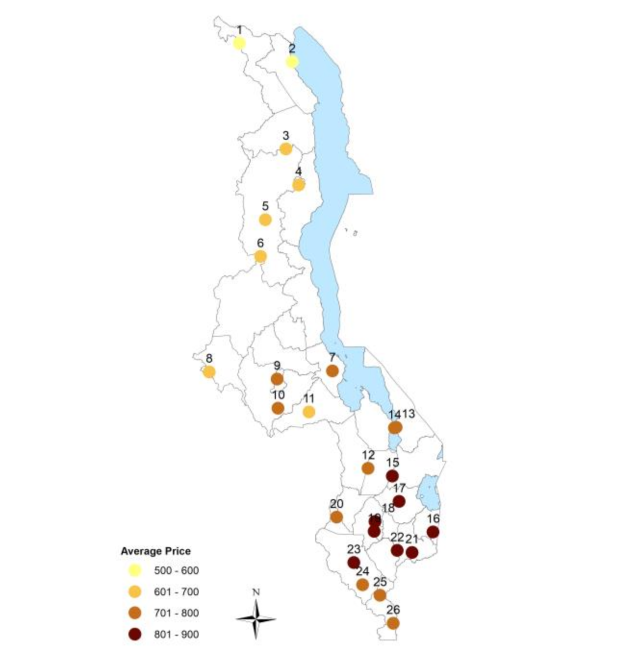
Although all of Malawi experienced a considerable price increase in the last week of December, there are substantial differences between the three regions (Figure 2 & 3). The Southern region recorded the highest monthly average retail price of K897/kg, with Chikwawa market in the region recording the highest weekly average retail price in the final week of December (K1,000/kg).

Nsanje market in the Southern region and Chimbiya market in Dedza in the Central region witnessed the most substantial rise in maize prices, both at 24 percent. Traders attribute this to the increase in wholesale prices as well as transportation costs associated with longer journeys to procure maize. In the Central region, the monthly average settled at K831/kg, reflecting a 7 percent difference from the prices observed in the Southern region. Conversely, in the Northern region, two markets stood out: Chitipa reported the lowest monthly average retail maize price at K567/kg in the first week of December, while Rumphi had the smallest price change, maintaining consistent prices between the final week of November and December (Table 1). Consequently, the Northern region reported the lowest monthly average retail maize price, settling at K643/kg, marking a 28 percent difference from prices observed in the South.

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

	Week ending on					
	2-Nov-23	7-Dec-23	14-Dec-23	21-Dec-23	28-Dec-23	Change
Chitipa[1]	617	567	573	587	630	2%
Karonga[2]	575	579	577	588	614	7%
Rumphi[3]	650	643	609	600	650	0%
Mzuzu[4]	648	650	650	661	688	6%
Mzimba[5]	679	683	683	687	698	3%
Jenda[6]	625	642	651	690	723	16%
Salima[7]	789	800	803	843	900	14%
Mchinji[8]	713	738	770	808	838	18%
Nsungwi[9]	747	755	769	830	883	18%
Mitundu[10]	710	800	840	856	869	22%
Chimbiya[11]	706	793	820	857	876	24%
Balaka[12]	807	824	827	862	921	14%
M'baluku[13]	800	856	870	883	926	16%
Mangochi[14]	793	806	817	817	851	7%
Liwonde[15]	867	917	927	933	952	10%
Chiringa[16]	841	841	864	900	929	10%
Mpondabwino[17]	900	869	883	907	933	4%
Lunzu[18]	826	880	893	910	929	12%
Mbayani[19]	836	896	900	900	950	14%
Mwanza[20]	757	765	779	821	900	19%
Mulanje[21]	817	900	900	921	952	17%
Luchenza[22]	837	900	905	917	954	14%
Chikwawa[23]	887	948	930	970	1000	13%
Ngabu[24]	836	887	887	887	930	11%
Bangula[25]	787	830	834	843	863	10%
Nsanje[26]	775	820	830	860	962	24%
All markets	**762**	**792**	**800**	**821**	**859**	**13%**

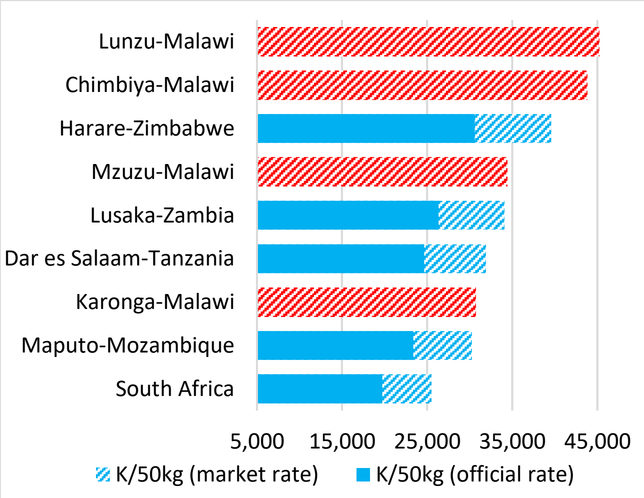
Figure 3. Location of markets



Regional prices

Retail prices of maize in selected markets in Malawi were generally higher than those in neighboring countries at the official exchange rate (K1,700/kg) (Figure 4). Lunzu market in Blantyre and Chimbiya market in Deza stood out by registering the highest price at the market exchange rate (K2,200) as well. In contrast, South Africa and Mozambique upheld the lowest prices across both exchange rates.

Figure 4. Regional comparison (December 2023)



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

ADMARC Activities

ADMARC sales were reported in 4 of the 26 markets monitored by IFPRI, 1 in the Northern region (Karonga) and 3 in the Southern region (Balaka, Mbayani in Blantyre and Mpondabwino in Zomba). No ADMARC purchases were reported in any of the 26 markets.

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 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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