IFPRI Malawi Monthly Maize Market Report **May 2024**

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 bottomed out in mid-May.
- Prices of maize were highest in the Southern region and lowest in the Northern region.
- No ADMARC sales were reported in any of the 26 markets monitored by IFPRI.
- ADMARC purchases were reported in 7 Southern region markets.
- Retail prices of maize in Malawi were lower than in Zimbabwe, Mozambique and Zambia.

Prices bottomed out in May

Figure 1 shows a trend in prices over the 12 months ending in May 2024, and, for comparison, over the 12 months ending in May 2023. 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.

Similar to the previous season, average daily maize prices bottomed out in mid-May (Figure 1). Specifically, the weekly average price of maize decreased from K596/kg in the final week of April to K592/kg in the second week of May, before rising again to K613/kg in the final week of the month (Table 1), still well below the government's minimum farmgate price of K650/kg.

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

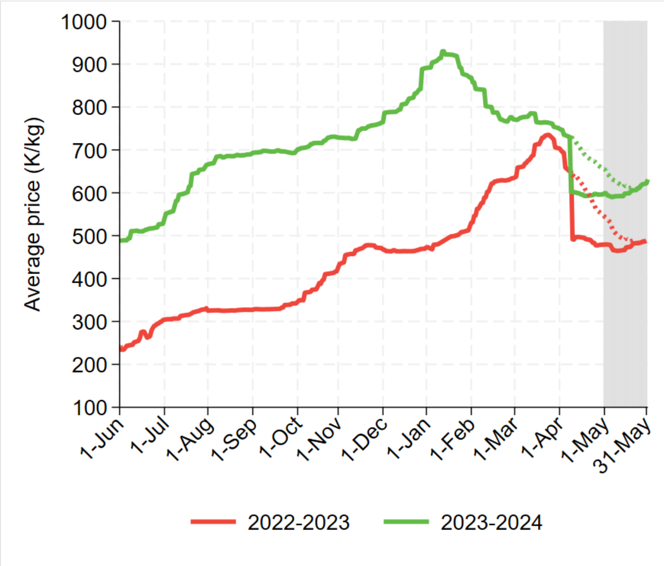
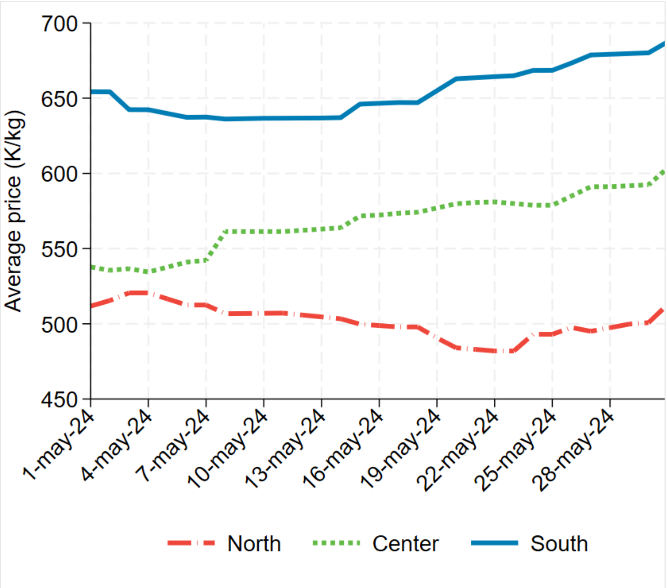


Figure 2. Average daily maize retail prices by region



Prices highest in the South

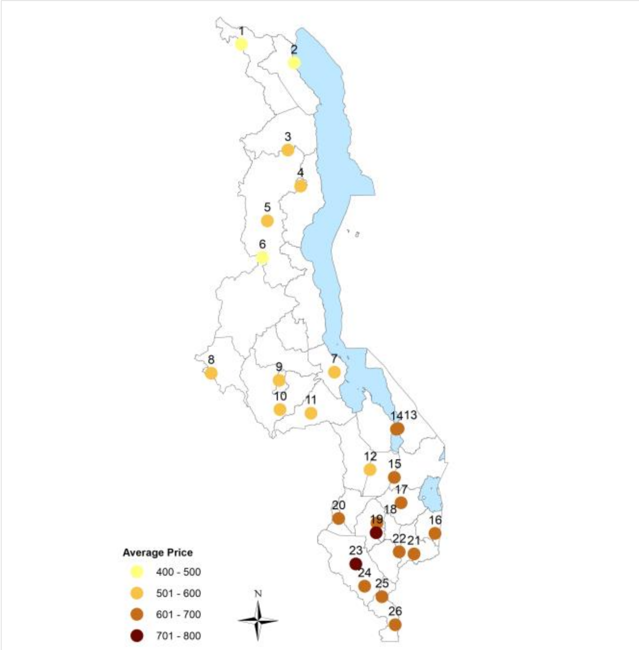
Retail prices surpassed the minimum farmgate price only in the Southern region (Figure 2). However, even there, farmgate prices must have been lower than the retail prices we observe. In the South, the monthly average price reached K654/kg. Chikwawa market in the South recorded the highest weekly average price of K714/kg in the final week of May (Table 1).

The Northern region had the lowest monthly average price of K502/kg (23 percent lower than the Southern region), with Karonga recording the lowest weekly average of K409/kg in the second week of May. Some markets in the North saw declining prices until the end of the month, with Mzimba recording the steepest decline of 13 percent (Table 1). In the Central region, the monthly average price was K568/kg. Mitundu market in the Central region saw the most significant increase in weekly average prices, rising by 19%, partly due to the poor harvest caused by inadequate rains, leading to supply shortages.

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

	Week ending on					
	28-Apr-24	7-May-24	14-May-24	21-May-24	28-May-24	Change
Chitipa[1]	448	475	483	488	501	12%
Karonga[2]	425	416	409	411	422	-1%
Rumphi[3]	539	561	542	517	511	-5%
Mzuzu[4]	612	575	575	617	599	-2%
Mzimba[5]	500	576	576	477	436	-13%
Jenda[6]	435	492	450	450	480	10%
Salima[7]	600	557	607	598	606	1%
Mchinji[8]	547	553	575	588	589	8%
Nsungwi[9]	600	557	600	600	600	0%
Mitundu[10]	474	479	487	537	562	19%
Chimbiya[11]	567	544	542	556	561	-1%
Balaka[12]	563	575	553	572	596	6%
M'baluku[13]	606	600	593	608	650	7%
Mangochi[14]	633	598	550	590	642	1%
Liwonde[15]	700	687	667	700	690	-1%
Chiringa[16]	595	600	600	663	705	18%
Mpondabwino[17]	707	679	679	663	670	-5%
Lunzu[18]	694	645	623	631	657	-5%
Mbayani[19]	669	700	706	700	702	5%
Mwanza[20]	682	664	657	660	661	-3%
Mulanje[21]	681	632	642	639	660	-3%
Luchenza[22]	700	677	667	673	687	-2%
Chikwawa[23]	690	691	700	697	714	3%
Ngabu[24]	600	632	627	671	683	14%
Bangula[25]	626	653	653	670	684	9%
Nsanje[26]	601	625	633	653	666	11%
All markets	**596**	**594**	**592**	**601**	**613**	**3%**

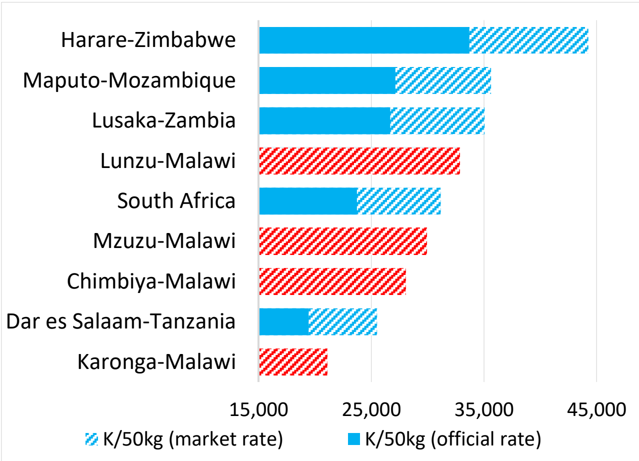
Figure 3. Location of markets



Regional prices

Maize in Malawi was cheaper at the market exchange rate (K2,300/$) than in Zimbabwe, Mozambique and Zambia – countries whose harvests were at least as poor as Malawi's this year. Most maize is traded at the market exchange rate. Tanzania, which realized a good harvest this year, saw lower maize prices than Malawi at both the market and official (K1,751/$) exchage rates.

Figure 4. Regional comparison (May 2024)



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

ADMARC activities

In May, no ADMARC sales were reported in any of the 26 markets monitored by IFPRI. However, ADMARC made purchases in 7 Southern region markets: Balaka, Mangochi, Liwonde in Machinga, Chiringa in Phalombe, Mwanza, Luchenza in Thyolo, and Nsanje.

How data was collected

IFPRI Malawi has been monitoring retail maize prices and ADMARC activities in selected markets since May 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.

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