IFPRI Malawi Monthly Maize Market Report **July 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

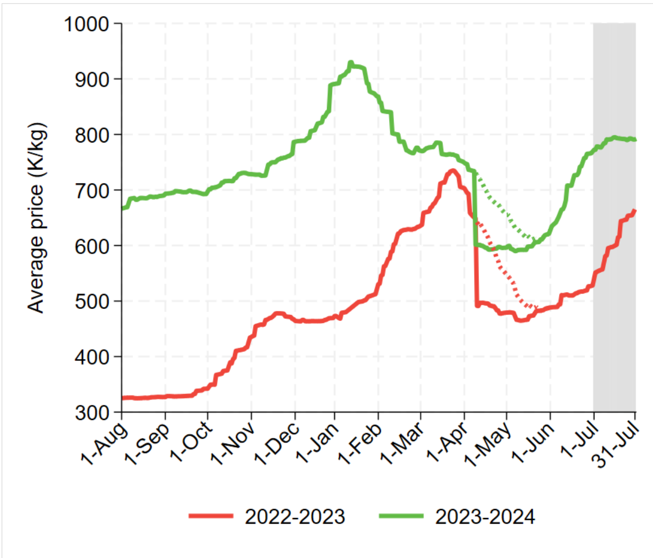
- Retail prices of maize increased by 4 percent in July.
- Prices of maize were highest in the Southern region.
- No ADMARC sales were reported in any of the 26 markets monitored by IFPRI.
- ADMARC purchases were reported in 4 markets.
- Retail prices of maize in Malawi were similar to those elsewhere in the region except in Tanzania, where maize is considerably cheaper at both the official and market exchange rates, presenting an opportunity for imports.

Prices increased by 4 percent in July

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

After a sharp increase in June and early July, daily average retail prices of maize stabilized in the second half of July, resulting in only a 4% increase in the weekly average prices between the final week of June and the final week of July (Table 1). Despite the stability, the weekly average price of maize in July 2024 was K792/kg, which is 22 percent higher than the price observed in the final week of July 2023 (K650/kg).

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



Prices highest in the South

In July, retail prices of maize continued to exhibit a typical regional pattern, with highest prices in the South (K862/kg on average) and lowest prices in the North (K627/kg on average). In the Central region, maize retailed on average at K758/kg (Figures 2 and 3). Most markets monitored by IFPRI saw moderate price increases between the last week of June and the last week of July (Table 1).

Figure 2. Average daily maize retail prices by region

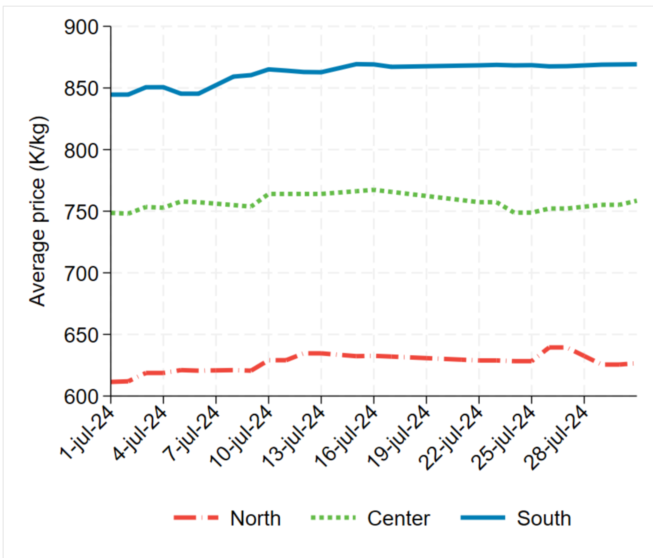
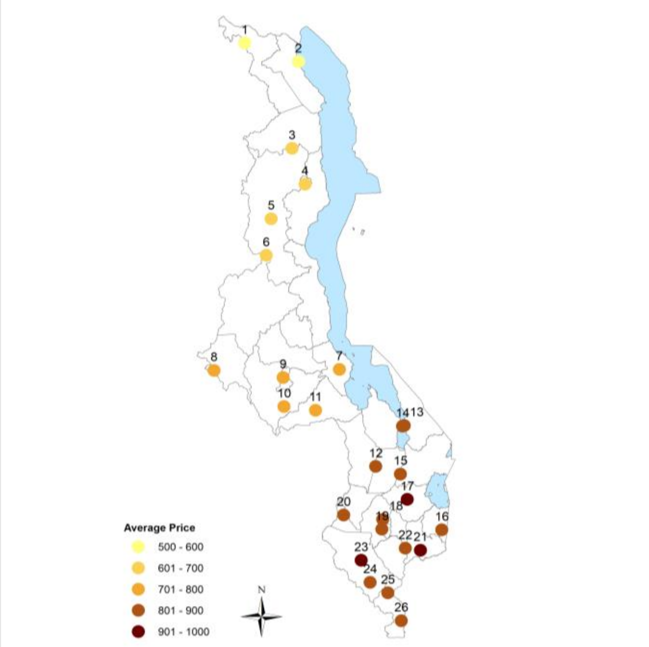


Table 1. Weekly average retail prices (K/kg)

	Week ending on					
	28-Jun-24	7-Jul-24	14-Jul-24	21-Jul-24	28-Jul-24	Change
Chitipa[1]	560	554	543	534	552	-1%
Karonga[2]	589	584	600	596	600	2%
Rumphi[3]	574	600	610	637	650	13%
Mzuzu[4]	594	640	650	648	641	8%
Mzimba[5]	587	650	675	703	735	25%
Jenda[6]	659	679	696	670	615	-7%
Salima[7]	755	752	735	761	783	4%
Mchinji[8]	736	772	758	782	743	1%
Nsungwi[9]	675	721	755	723	723	7%
Mitundu[10]	757	780	800	788	767	1%
Chimbiya[11]	737	743	758	763	749	2%
Balaka[12]	798	794	787	809	842	6%
M'baluku[13]	804	819	817	815	813	1%
Mangochi[14]	761	800	800	804	810	6%
Liwonde[15]	853	846	889	839	828	-3%
Chiringa[16]	829	845	886	894	883	7%
Mpondabwino[17]	860	878	892	933	927	8%
Lunzu[18]	824	869	856	842	845	3%
Mbayani[19]	819	831	860	890	873	7%
Mwanza[20]	807	807	827	843	875	8%
Mulanje[21]	847	852	895	925	943	11%
Luchenza[22]	836	846	869	894	877	5%
Chikwawa[23]	819	860	912	914	920	12%
Ngabu[24]	868	895	883	870	847	-2%
Bangula[25]	864	872	872	850	840	-3%
Nsanje[26]	890	900	900	900	898	1%
All markets	**758**	**776**	**789**	**793**	**792**	**4%**

Figure 3. Location of markets

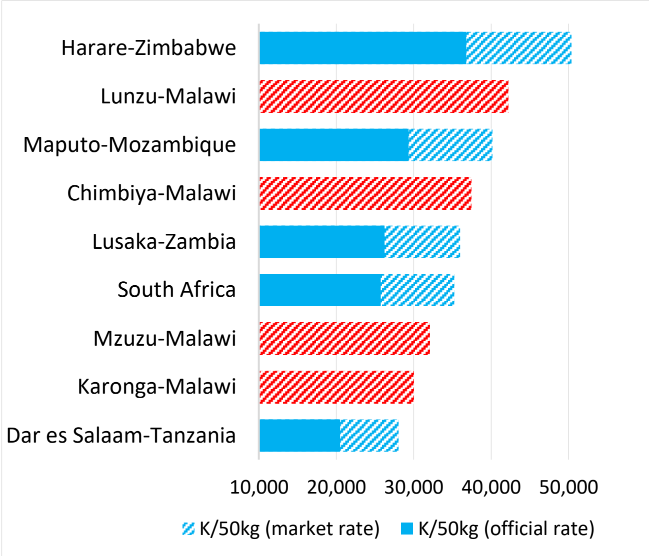


Note: Weekly average price for the week ending on 28th July

Regional prices

Retail maize prices in Malawi were higher than in Mozambique, Zambia, South Africa, and Tanzania at the the official exchange rate (K1,751/$) (Figure 4). Meanwhile, neighboring Tanzania continues to report the lowest maize prices at both the market exchange rate (K2,400/$) and the official exchange rate. This price disparity presents a strategic opportunity for the Malawian government, which faces challenges in replenishing its reserves from domestic sources, to explore importing maize from neighboring countries. This move could bolster national reserves and help stabilize local prices, ensuring a secure food supply.

Figure 4. Regional comparison (July 2024)



ADMARC activities

In July, no ADMARC sales were reported in any of the 26 markets monitored by IFPRI. However, ADMARC made purchases in four select markets, specifically Karonga in the North, Salima and Mitundu in the Centre, and Mwanza in the South.

How data was collected

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