IFPRI MALAWI

MAIZE MARKET REPORT DECEMBER 2024

Highlights

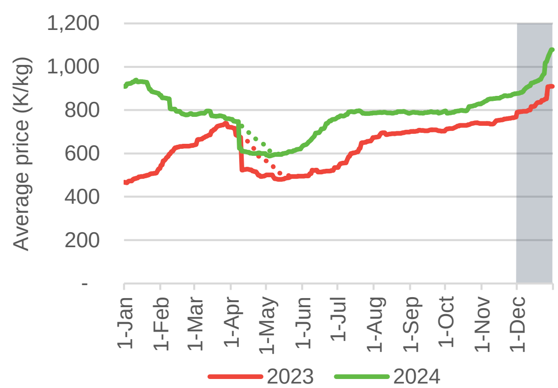
- Retail prices of maize increased by 15 percent in December.
- Maize prices were lowest in the Northern region, where informal imports from Tanzania enter the country, and increased southward.
- At the market exchange rate, retail prices of maize in Malawi were similar to those in Zambia and lower than in Mozambique and Zimbabwe.

Maize prices increased by 15 percent in December

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

Maize retail prices saw a significant rise during December, averaging K1002/kg in the last week of the month—an increase of 15% compared to K871/kg in the last week of November. This price trend is comparable to the previous year, which saw a 13% increase during the same period. In both years, the largest price surge occurred in the final week of December. Traders attribute this increase to several factors, including wholesalers raising their prices due to uncertainties about rainfall patterns, which have led to concerns over future supply. Additionally, the limited market supply is exacerbated by rising transportation costs caused by fuel shortages and an increase in the informal exchange rate (K3100/$), further driving up the cost of imported inputs and goods.

Figure 1: Trends in maize retail prices



Prices highest in the South

Table 1 and Figure 2 show a clear north-south price gradient, which is typical in Malawi and also reflects a regional trend of maize from Tanzania, which had a production surplus in 2024, is traded southward, Maize enters Malawi informally from Tanzania and northern Zambia at the market exchange rate, gaining value as it moves southward. Prices of maize along the southern part of Malawi's border with Zambia have largely equalized, so little trade in the commodity flowed in either direction by the end of December. Prices along Malawi's border with Mozambique have also equalized on average, but local differences in relative supply and demand cause the direction of trade to change in both space and time (Figure 3).

An increase in the price of imported maize from around K650/kg at the end of November to K750/kg at the end of December, likely due to a weakening value of the Malawi Kwacha in informal markets as well as to dwindling surplus stock in Tanzania, contributed to some of the growth in maize prices in Malawi. High transport costs due to fuel shortages in Malawi further contributed to high prices in the Central and Southern regions, as did demand in Mozambique, where maize entered from Malawi for up to K1,250/kg by the end of December (up from K1,100 in November).

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

Market	Week ending on 30-Nov	7-Dec	14-Dec	21-Dec	28-Dec	Monthly change
1 Chitipa	692	703	740	774	898	30%
2 Karonga	717	744	770	791	861	20%
3 Rumphi	670	675	689	730	724	8%
4 Mzuzu (boma)	698	725	749	750	816	17%
5 Mzimba (boma)	735	752	762	800	868	18%
6 Mzimba (Jenda)	773	794	781	791	854	10%
North	725	745	755	773	832	15%
7 Salima	873	881	928	930	976	12%
8 Mchinji	876	896	935	964	1,090	24%
9 Lilongwe city (Nsungwi)	800	805	856	885	962	20%
10 Lilongwe (Mitundu)	875	900	922	963	1,048	20%
11 Dedza (Chimbiya)	858	866	917	991	1,071	25%
Center	837	847	893	925	1,004	20%
12 Balaka	877	896	945	972	1,094	25%
13 Mangochi (M'baluku)	931	938	964	965	1,082	16%
14 Mangochi (boma)	910	920	991	1,027	1,050	15%
15 Liwonde	978	987	1,011	1,028	1,073	10%
16 Phalombe (Chiringa)	917	917	917	917	986	8%
17 Zomba (Mpondabwino)	992	998	1,000	1,000	1,095	10%
18 Blantyre (Lunzu)	963	985	1,022	1,067	1,141	19%
19 Blantyre city (Mbayani)	935	938	956	975	968	3%
20 Mwanza	928	929	974	993	1,080	16%
21 Mulanje	948	958	1,003	1,017	1,036	9%
22 Thyolo (Luchenza)	968	967	969	973	1,022	6%
23 Chikwawa (boma)	1,000	1,001	1,021	1,053	1,098	10%
24 Chikwawa (Ngabu)	996	1,022	1,022	1,036	1,121	13%
25 Nsanje (Bangula)	923	938	1,010	1,043	1,174	27%
26 Nsanje (boma)	973	1,000	1,003	1,000	1,082	11%
South	946	955	980	997	1,059	12%
Malawi	**871**	**882**	**912**	**935**	**1,002**	**15%**

Figure 2: Location of monitored markets

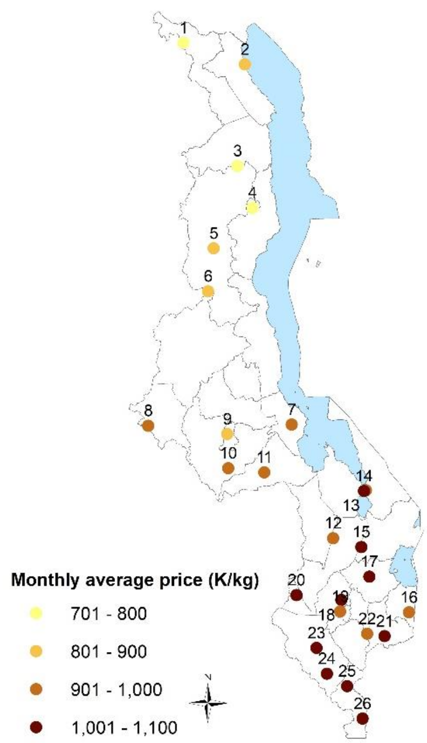
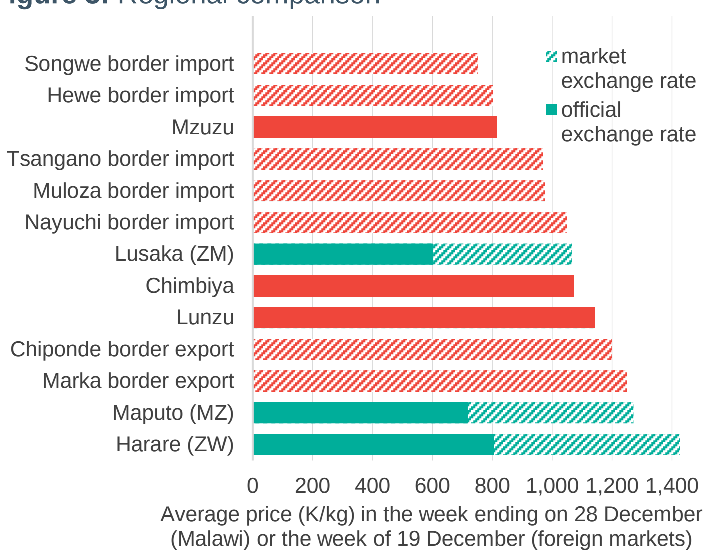


Figure 3: Regional comparison



How data were collected

IFPRI Malawi has been monitoring maize retail maize in selected markets since December 2016. All prices are reported in Malawi Kwacha (K). Price data are collected telephonically six times per week (excluding Sundays) from 26 markets across the country. Additionally, local import and export prices are collected on a weekly basis from 14 border crossing points. Three monitors (typically small grain traders) report from each location. Regional prices reported in Figure 3 are sourced from weekly reports by Commodity Insights Africa.

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