IFPRI | MALAWI
STRATEGY SUPPORT PROGRAM

IFPRI Malawi Monthly Maize Market Report **July 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 27 percent in July.
- Maize prices were highest in the Southern region.
- No ADMARC sales or purchases were reported in any of the markets monitored by IFPRI.
- 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 27 percent in July

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

During the month of July 2023, maize retail prices continued to rise. Traders attribute this price surge to multiple factors, including fuel scarcity, which led to higher transport costs, impacting overall prices. The weekly average maize prices rose by 27 percent from K512/kg in the last week of June to K650/kg in the last week of July (Figure 1) – the steepest monthly increase this year. Compared to the same period last year, maize prices are currently 104 percent higher. Despite the government's directives on clearance on importation of maize, this increase may be due to the fact that while most traders remained unaware of this development, those who were aware, still incurred additional expenses involved in crossing the border with maize from Zambia and Mozambique.

Between late June and late July, Chiringa market in Phalombe district experienced the highest increase in weekly average retail maize prices, with a notable surge of 49 percent (Table 1). This can be attributed to the scarcity of maize in the area, coupled with a high demand. Conversely, the northern region experienced the smallest growth in prices (and even a small decline in Karonga) thanks to harvest being only recently completed there.

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

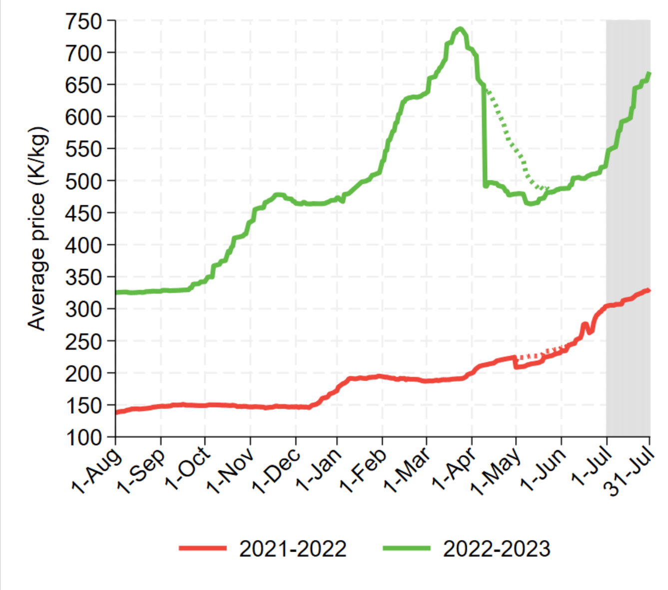
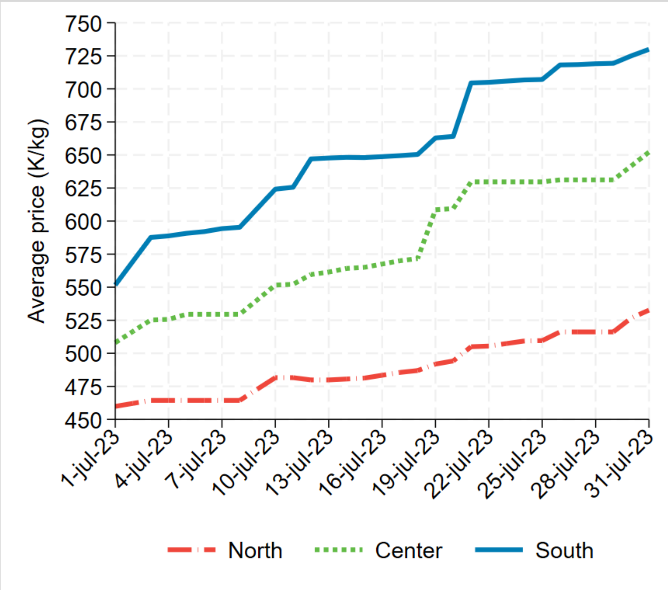


Figure 2. Average daily maize retail prices by region



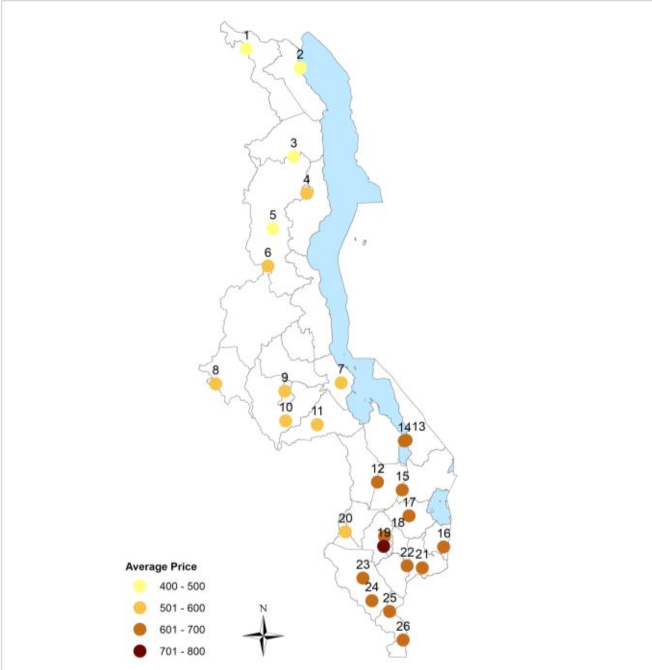
Retail maize prices highest in the Southern region

The Southern region witnessed the highest monthly average retail price of K653/kg, which is 13 percent higher than the Central region's K580/kg and 38 percent higher than the Northern region's K489/kg (Figure 2 & 3). The price disparity is primarily due to dwindling supply from Mozambique (where most traders in the South have been purchasing their maize) resulting in traders having to travel longer distances to obtain maize, thereby driving up the prices in the southern region (Figure 2). Notably, the highest weekly average price for maize was also recorded in the southern region, specifically at Mpondabwino market in Zomba district, where a kilogram of maize sold for K792/kg in the 4th week of July (Table 1).

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

	Week ending on					
	28-Jun-23	7-Jul-23	14-Jul-23	21-Jul-23	28-Jul-23	Change
Chitipa[1]	432	431	446	448	458	6%
Karonga[2]	500	487	484	490	495	-1%
Rumphi[3]	456	460	492	500	500	10%
Mzuzu[4]	489	496	488	498	521	7%
Mzimba[5]	469	473	481	500	529	13%
Jenda[6]	419	433	473	503	566	35%
Salima[7]	513	544	553	586	640	25%
Mchinji[8]	490	530	575	615	638	30%
Nsungwi[9]	505	537	558	585	600	19%
Mitundu[10]	484	506	533	582	664	37%
Chimbiya[11]	462	501	537	576	607	31%
Balaka[12]	494	541	659	700	705	43%
M'baluku[13]	534	591	616	631	700	31%
Mangochi[14]	537	576	625	649	681	27%
Liwonde[15]	563	587	654	702	717	27%
Chiringa[16]	504	584	600	657	750	49%
Mpondabwino[17]	554	613	634	669	792	43%
Lunzu[18]	552	573	639	700	705	28%
Mbayani[19]	616	647	696	728	753	22%
Mwanza[20]	463	501	546	580	664	43%
Mulanje[21]	533	567	600	618	723	36%
Luchenza[22]	583	594	645	699	748	28%
Chikwawa[23]	600	616	652	658	710	18%
Ngabu[24]	535	587	621	640	666	24%
Bangula[25]	534	576	623	644	657	23%
Nsanje[26]	499	579	614	643	700	40%
All markets	**512**	**543**	**579**	**608**	**650**	**27%**

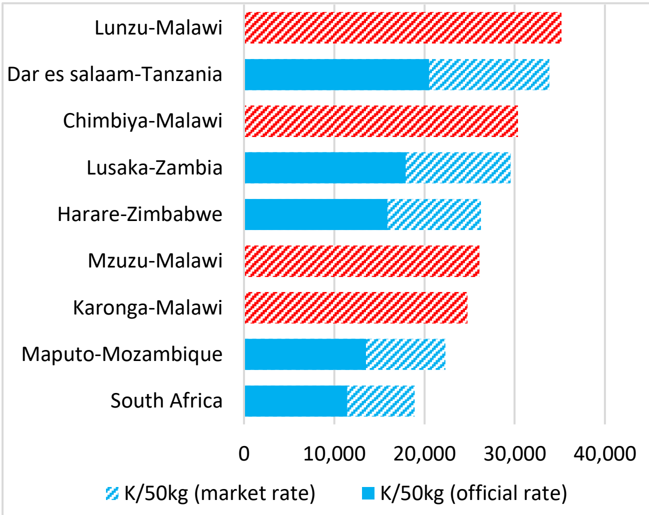
Figure 3. Location of markets



Regional prices

Retail prices of maize in selected markets in Malawi remained the highest in the region at the official exchange rate of K1,060/USD (Figure 4). At the market rate of K1,750/USD, Mozambique has consistently offered the lowest prices compared to Malawi's neighboring countries, making it the preferred option for most traders in the southern region to source their maize. Moreover, due to the higher maize prices in the central region of Malawi compared to Zambia, some Zambian maize traders residing near the border have also favored Malawi as their selling market of choice.

Figure 4. Regional comparison (July 2023)



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

ADMARC Activities

No ADMARC market monitored by IFPRI sold or purchased maize in the month of July.

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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