IFPRI Malawi Monthly Maize Market Report February 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

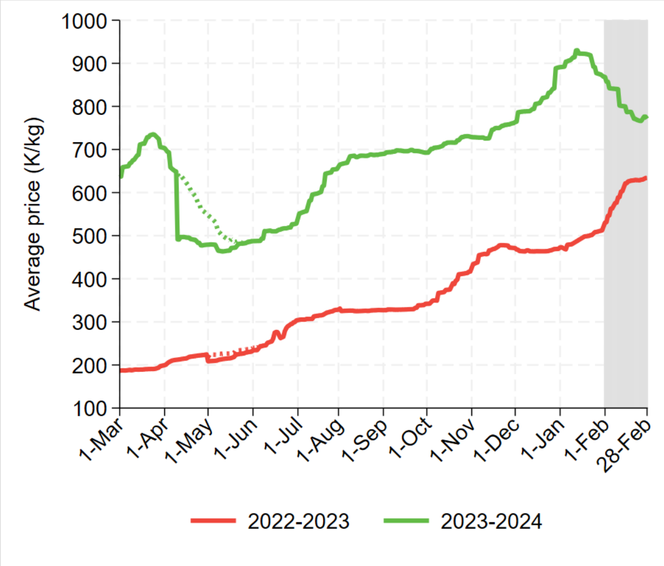
- Retail prices of maize declined by 12 percent in February.
- Maize prices were highest in the Southern Region and lowest in the Northern region.
- ADMARC sales were reported in 22 of 26 markets monitored by IFPRI.
- Retail prices of maize in Malawi were higher than in neighboring countries.

Prices declined by 12 percent in February

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

In the month of February, average daily maize prices continued to decline, with all 26 IFPRI monitored markets experiencing a decrease for the first time in 2024 (Figure 1). Weekly average maize prices dropped from K880/kg in the final week of January to K771/kg in the final week of February, representing a 12 percent decline (Table 1). The largest decline in prices, amounting to 24 percent, was observed in Mwanza market.

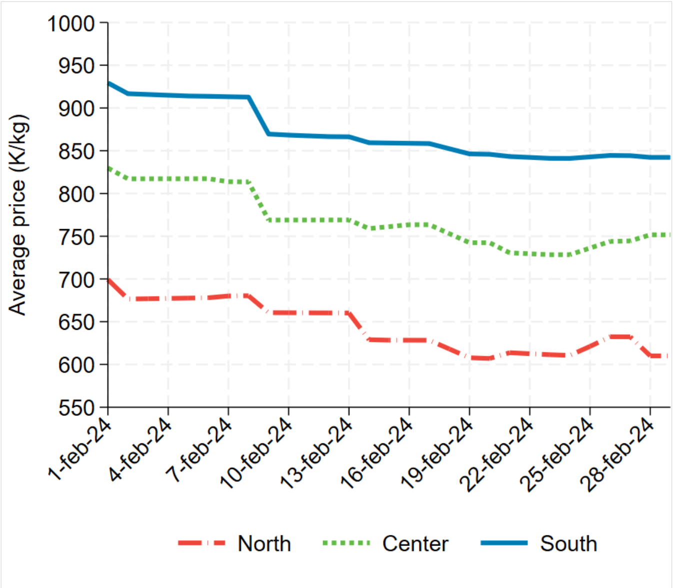
Figure 1. Long-run trends in average maize retail prices



Maize prices remain highest in the South

All three regions experienced declining prices in the month of February (Figures 2 and 3). The Southern region reported the highest monthly average retail price of K870/kg, marking a 12 percent decrease from January's price of K991/kg. Additionally, the highest weekly average price was recorded in a market within the Southern region, Mpondabwino market in Zomba, where maize was sold at K1005/kg in the first week of February.

Figure 2. Average daily maize retail prices by region

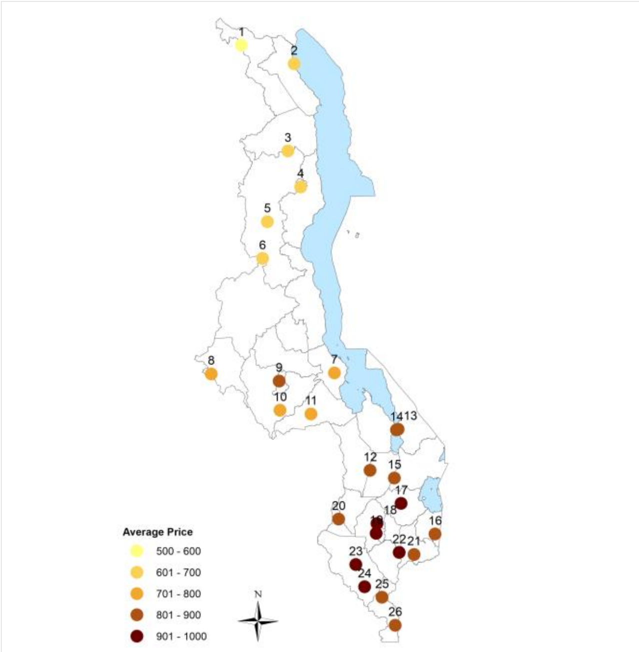


The Central region reported the highest decline in monthly average retail maize prices in February. Prices in the region decreased by 16 percent, dropping from K911/kg in January to K769/kg in February. This decline coincided with the start of garden (*dimba*) maize harvesting by some farmers in the region, leading to increased availability of maize to traders. The Northern region reported the lowest monthly average price of maize at K643/kg, down from K710/kg in January, making it the region with the lowest prices compared to others. Additionally, Chitipa market, located within the Northern region, recorded the lowest weekly average price of K574/kg in the third week of February, further highlighting the region's overall lower prices compared to others.

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

	Week ending on					
	28-Jan-23	7-Feb-23	14-Feb-23	21-Feb-23	28-Feb-23	Change
Chitipa[1]	623	619	602	574	593	-5%
Karonga[2]	660	683	643	614	591	-10%
Rumphi[3]	667	638	626	583	592	-11%
Mzuzu[4]	750	707	684	662	667	-11%
Mzimba[5]	749	742	733	627	617	-18%
Jenda[6]	737	696	665	653	652	-12%
Salima[7]	866	765	760	722	740	-14%
Mchinji[8]	858	800	743	701	688	-20%
Nsungwi[9]	900	912	814	800	800	-11%
Mitundu[10]	880	833	806	787	725	-18%
Chimbiya[11]	829	782	746	745	735	-11%
Balaka[12]	900	872	814	788	777	-14%
M'baluku[13]	857	836	828	810	823	-4%
Mangochi[14]	917	913	873	850	829	-10%
Liwonde[15]	936	867	838	813	800	-15%
Chiringa[16]	867	850	848	817	802	-7%
Mpondabwino[17]	1033	1005	937	943	929	-10%
Lunzu[18]	1013	995	901	868	879	-13%
Mbayani[19]	983	973	916	902	875	-11%
Mwanza[20]	1052	821	800	821	805	-24%
Mulanje[21]	924	900	861	842	826	-11%
Luchenza[22]	967	950	919	900	883	-9%
Chikwawa[23]	999	959	906	878	918	-8%
Ngabu[24]	929	937	905	900	871	-6%
Bangula[25]	975	875	857	800	802	-18%
Nsanje[26]	1000	1000	890	850	821	-18%
All markets	**880**	**843**	**804**	**779**	**771**	**-12%**

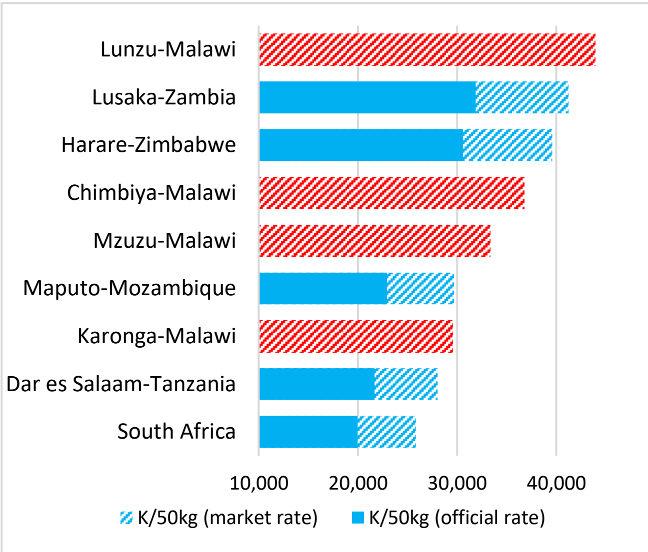
Figure 3. Location of markets



Regional prices

Selected markets in Malawi reported the highest average price at the official exchange rate compared to other countries in the region. Lunzu market in the South reported the highest weekly average price of maize at both the official exchange rate (K1,700/$) and the market exchange rate (K2,200/$), with a 50 kg bag of maize fetching K43,950. Conversely, South Africa recorded the lowest prices at both exchange rates, with a 50 kg bag of maize selling for K19,975 and K25,850 at the official and market exchange rates, respectively.

Figure 4. Regional comparison (February 2024)



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

ADMARC activities

ADMARC sales were reported in 22 of the 26 markets monitored by IFPRI, 5 in the Northern region, 4 in the Central region and 13 in the Southern region. 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 February 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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