International Journal for Applied Research in Economic and Agricultural Policy

Volume 4, Issue 5, 2026, PP: 01–09

Analyzing the Decline of Maize Prices in Malawi: A Comparative Assessment of the MCP (2025) and DPP Eras

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ABSTRACT

Maize is Malawi's staple food and a key driver of both household food security and the national cost of living. During the Malawi Congress Party (MCP) administration in early 2025, prices for a 50 kg bag of maize soared toward record highs, exacerbating food insecurity and inflation pressures. Following the election of the Democratic Progressive Party (DPP) government, maize prices have declined dramatically by 2026. This article examines the economic, agricultural, and policy factors underpinning this shift in maize prices from nearly MK80,000 or higher per 50 kg bag in 2025, to approximately MK45,000–MK50,000 in 2026. The analysis draws on market data, food security outlooks, government interventions, and external supply trends to explain price dynamics and implications for food policy.

Keywords – Maize Prices, Food Security, Agricultural Policy, Market Intervention, Malawi, Price Dynamics.

I. INTRODUCTION

Maize is central to Malawi's food system, and fluctuations in its price directly influence national poverty, food security, and inflation. In 2025, maize prices increased sharply, with some markets reporting prices between MK75,000 and over MK85,000 per 50 kg bag amid limited supply and high demand. Later, this trend reversed significantly, with prices declining as new harvests arrived and supply eased. Understanding the drivers behind this transition is crucial for policymakers and stakeholders seeking sustainable food security solutions.

II. METHODOLOGY

This study uses a comparative policy and market analysis approach, synthesizing secondary data from recent market reports, food security updates, government interventions, and regional trade movements published during 2024–2026. The analysis identifies underlying supply, demand, macroeconomic, and policy factors influencing maize price shifts.

III. MAIZE PRICE TRENDS IN MALAWI (2024–2026)

A. Record High Prices During MCP Governance

In early 2025, maize prices in Malawi surged across markets amid crop shortages, high input costs, and constrained national stocks. Reports indicated that a 50 kg bag was selling for as much as MK75,000–MK90,000 in major towns, reflecting severe market pressure and limited availability.

B. Price Decline in Mid–Late 2025 and Early 2026

Market data show that maize prices began declining by April 2025, mainly due to arrivals from the new harvest and increased informal cross-border imports. Retail prices fell by an estimated 21–25 percent as fresh stocks entered markets and traders competed on supply.

By early 2026, some markets reported median maize prices around MK45,000–MK50,000 per 50 kg bag, a significant decrease from peaks observed in early 2025.

IV. KEY DRIVERS OF PRICE DECLINE

A. Increased Domestic Supply from New Harvest

An essential factor in the price drop was the intake of newly harvested maize during late 2025 and early 2026. As farmers brought maize to market, increased supply alleviated scarcity pressures, directly contributing to downward price adjustments.

B. Cross-Border Maize Imports

Informal and formal maize imports from neighboring countries — particularly Tanzania, Mozambique, and Zambia — supplemented domestic stocks and helped contain price escalation. Cross-border trade infused additional volumes into Malawi's markets when domestic output was insufficient, moderating price inflation.

C. Government Policy Interventions

The DPP administration implemented market measures aimed at stabilizing maize prices:

1. Export ban on maize introduced to retain stocks within Malawi and support local food availability.
2. Price stabilization procurement — government procurement of strategic maize stocks helped improve buffer supplies.
3. Input support programs such as the Farm Inputs Subsidy Programme (FISP) aimed to encourage production and improve future harvests.

V. MACROECONOMIC AND EXTERNAL FACTORS

A. Exchange Rate and Imported Costs

Though foreign exchange constraints persisted through 2025, slower depreciation in late 2025 eased import parity costs for maize and critical agricultural inputs — helping dampen price escalation.

B. Food Security and Lean Season Outlook

Reports indicated persistent food price volatility through late 2025, with staple food prices remaining above average despite declining trends. Seasonal harvesting and humanitarian responses contributed to price moderation.

VI. IMPLICATIONS FOR FOOD SECURITY AND HOUSEHOLD WELFARE

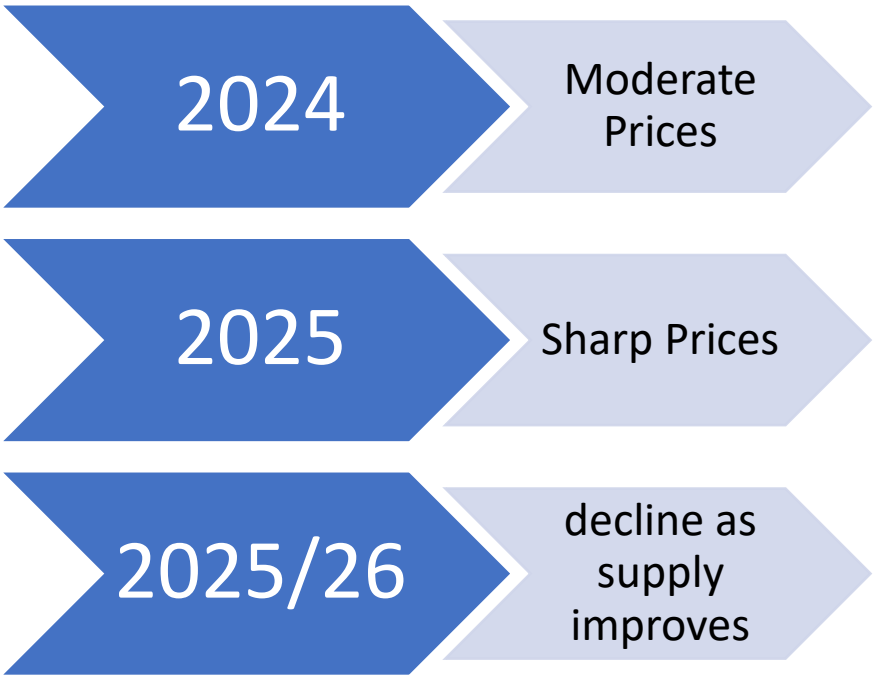
Table 1: Effects of Maize Price Shift on Malawi's Economy

Aspect	Impact of High Prices (2025)	Impact of Price Decline (2026)
Food Security	Reduced affordability, increased hunger risk	Improved access to staple food

Household Expenditure	Higher cost of living, reduced disposable income	Lower food costs, improved budget flexibility
Market Stability	Inflation pressure on CPI	Lower inflationary pressure on food basket
Farm Incentives	Mixed — higher price expectations	Potential stabilization of future production

VII. TABLES AND DIAGRAMS

Figure 1: Maize Price Evolution (2024–2026)



Price Trend Line:

2024 → Moderate prices → 2025 → Sharp rise → 2025/26 → Decline as supply improves

Caption: Graph illustrating maize prices over time, highlighting peak during early 2025 and decline through early 2026.

Table 2: Chronology of Key Policy Actions Affecting Maize Prices

Period	Policy/Action	Expected Effect on Prices
Early 2025	MCP era supply stress	Price spike
Mid-2025	Cross-border import flows increase	Price moderation begins

Late 2025	Government export ban	Protect domestic availability
Late 2025/early 2026	Procurement and lean season response	Strengthened supply and price stabilization

VIII. DISCUSSION

The maize price dynamic in Malawi illustrates the intricate interplay between market supply conditions, government policy, regional trade flows, and macroeconomic factors. The peak prices of early 2025 reflected acute supply constraints and broader economic stressors. Subsequent declines are linked to improved harvests and stronger supply chains — partly reinforced by policy responses targeting food security.

However, persistent food insecurity conditions in certain regions, as reported by food security outlooks, suggest that while prices have moderated, accessibility continues to be uneven, especially in the south. This underscores the need for sustained interventions, improved storage infrastructure, and long-term agricultural productivity support.

IX. CONCLUSION

The marked decline in maize prices from near record highs in 2025 to lower levels in early 2026 reflects improved harvest volumes, strategic market interventions, and external supply contributions. These trends have important implications for food affordability and broader economic stability in Malawi. Continued focus on market monitoring, farmer incentives, and food security safety nets will be essential to maintain price stability and household welfare.

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