



RESEARCH INSIGHTS

GLOBAL COMMODITY PRICES AS OF 2 JULY 2025

*Prepared by: EDF Research Unit
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■ Introduction

Global commodity markets experienced a shift in direction between May and June 2025, with overall prices increasing after several months of decline. The Total Index rose, driven by a significant increase in energy prices, alongside continued gains in fertiliser and gold prices.

Global commodity prices rose between May and June 2025, led by increases in energy, fertiliser, and gold.

In contrast, prices for several agricultural commodities, including groundnuts, soybean meal, and sunflower oil, declined, while others, such as soybeans and tea, remained relatively stable. These movements reflect a combination of seasonal supply adjustments, shifting global demand, and persistent geopolitical uncertainty.

This Market Insight, based on data from the World Bank Pink Sheet as of July 2, 2025, highlights key commodity price movements over the past month and assesses their potential impact on Malawi. It explores how these changes may influence the country's trade position, inflation, and broader economic outlook. Table 1 summarises global price indices by category, while Table 2 in the Appendix details price changes by individual commodity.

■ 2. PRICE MOVEMENTS BY BROAD CATEGORY

Table 1: Monthly Global Price Indices by Category (January – June 2025)

Month	Total Index	Energy	Non-energy													Precious Metals
			Agriculture									Fertilizers	Metals & Minerals			
			Beverages	Food	Oils & Meals			Grains	Other Food**	Raw Materials			Base Metals (ex. iron ore)			
										Timber	Other Raw Mat.					
JAN	108.1	103.5	117.2	122.3	238.8	114.4	103.9	109.4	132.7	82.4	76.9	88.4	124.3	106.0	114.8	202.6
FEB	105.7	99.2	118.9	122.7	240.4	113.8	103.5	109.5	131.3	84.3	78.3	90.8	133.5	109.6	118.4	216.1
MAR	102.2	95.1	116.6	118.2	217.7	110.9	103.9	104.7	125.5	85.5	80.5	90.9	128.4	111.8	121.9	222.7
APR	96.4	87.9	113.6	117.5	216.0	110.3	103.7	105.1	123.7	84.8	82.2	87.7	129.2	104.0	112.6	236.6
MAY	94.0	84.0	114.1	116.7	226.6	108.3	101.9	102.2	122.3	81.0	83.2	78.6	133.2	106.8	116.2	243.0
JUN	99.0	92.2	112.9	113.4	207.9	106.8	102.6	100.1	118.3	81.3	84.2	78.1	143.0	108.7	119.2	249.3

Source: : World Bank/EDF Research

2.1. Total Index

The Total Index captures the average price movement of all commodities in the Pink Sheet of the World Bank, which covers energy, agriculture, raw materials, fertilisers, and metals/minerals combined. The index rose from 94.0 in May to 99.0 in June 2025, reflecting a 5.3% month-on-month increase. This marks the first upward movement in the index after five consecutive months of decline since the start of the year. The rebound



was primarily driven by sharp increases in energy prices, fertilisers, metals and minerals, and precious metals.

For Malawi, a net importer of commodities, this trend is likely to place an upward pressure on import bills, particularly for essential inputs such as fuel and fertilisers. If sustained, the rise could gradually tighten inflationary conditions and weigh on the trade balance. However, for commodity-exporting economies, the June rebound offers some relief from earlier revenue shortfalls, potentially supporting fiscal balances and easing pressure on external accounts.

2.2. Energy

The Energy Index covers oil, natural gas, and coal, which are critical for transportation, electricity generation, and industrial production. The index rose from 84.0 in May to 92.2 in June 2025, a 9.8% month-on-month increase, marking a sharp rebound after a sustained period of decline earlier in the year. This rise suggests a tightening in global energy markets, likely due to recovering demand, possibly influenced by seasonal factors, improved economic activity, or emerging supply constraints.

For Malawi, the increase in energy prices may raise production costs, contributing to domestic inflation and placing additional strain on fuel import bills. This could erode the cost advantages that fuel-dependent businesses enjoyed in May. At the regional level, while higher prices may boost export earnings for energy-producing countries such as South Africa, Mozambique, and Botswana, they also increase logistics and input costs across the continent.

Landlocked countries like Malawi and Zimbabwe face steeper fuel and freight expenses, while manufacturing hubs such as Kenya and Ethiopia may experience reduced industrial competitiveness due to higher electricity and operating costs. In the current era of intra-African trade, these pressures risk slowing cross-border trade and undermining the momentum of regional integration under the African Continental Free Trade Area (AfCFTA).


2.3. Non-Energy

Non-energy Index includes agriculture, raw materials, fertilisers, and metals and minerals. The index declined slightly from 114.1 in May to 112.9 in June 2025, representing a 1.05% month-on-month decrease. The limited decline suggests that global supply and demand conditions for non-energy commodities remain broadly balanced.

2.4. Agriculture

The Agriculture Index consists of beverages (such as coffee and cocoa), food (including grains, oils, and other staples), and raw agricultural products. The index declined slightly from 116.6 in May to 113.4 in June 2025, representing a 2.7% month-on-month decrease, and reflecting a continued softening of global agricultural commodity prices. Within the subcomponents, beverage prices fell by 8.2%, from 226.6 to 207.9, while food prices edged down by 1.4%, from 108.3 to 106.8, indicating sustained easing in both categories.

For Malawi, these movements suggest further improvement in global supply conditions, particularly for staple



foods and beverage crops, which may help contain domestic food price inflation and reinforce household food security. However, the decline in beverage prices, especially for exportable crops like tea, could place additional pressure on Malawi's agricultural export earnings, with potential knock-on effects on rural livelihoods and foreign exchange inflows. If sustained, this trend could dampen incentives for smallholder investment in export-oriented cash crops.

2.5. Raw Materials

Raw materials include timber and other industrial inputs like rubber and cotton. The index remained broadly stable between May and June 2025, with timber prices rising slightly from 83.2 to 84.2, a 1.2% increase, while other raw materials declined marginally from 78.6 to 78.1, a 0.6% decrease. These modest shifts indicate continued stability in global demand for industrial inputs used in construction and manufacturing.

For Malawi, which imports some of these materials to support infrastructure development and industrial activity, the largely unchanged price environment is likely to have only a moderate effect on input costs. The minor increase in timber prices may slightly raise construction expenses, but the overall stability in raw material costs means that there is unlikely to be any major disruption to project planning or industrial production.

2.6. Fertilisers

The Fertilisers Index, which includes urea, potash, and phosphates, rose from 133.2 in May to 143.0 in June 2025, representing a 7.4% month-on-month increase. This marks a continued escalation in global fertiliser prices, intensifying cost pressures across agriculture-dependent economies, including Malawi.

Given Malawi's heavy reliance on imported fertilisers to support its predominantly agrarian economy, this sharp price increase is likely to exacerbate both household-level and national challenges. Smallholder farmers, who form the backbone of the agricultural sector, face rising input costs that may reduce fertiliser uptake, lower yields, and jeopardise profitability.

In parallel, the government's Affordable Inputs Programme (AIP), which is central to ensuring food security and supporting rural livelihoods, remains under strain. With plans to distribute approximately 428,000 tonnes of fertiliser during the 2024–2025 season, rising global prices threaten the programme's coverage, affordability, and overall effectiveness.

This price surge highlights the urgent need for timely procurement, efficient logistics, and well-targeted distribution mechanisms. Without these, delays and cost overruns could further compromise agricultural productivity and food security, particularly in vulnerable rural areas, since the price has been increasing.

2.7. Metals and Minerals

Metals and minerals encompass both base metals (such as copper, aluminium, and zinc) and precious metals (such as gold and silver). The overall index rose from 106.8 in May to 108.7 in June 2025, representing a 1.8% month-on-month increase. Within this category, base metals increased from 116.2 to 119.2, a 2.6% rise, indicating firm demand across both industrial and investment-linked metals.

For Malawi, which imports industrial metals for construction and manufacturing while exploring potential mining opportunities, this modest upward movement signals slightly higher import costs, but still within a manageable range. Stable to moderately rising prices can support predictability in project planning and cost management for infrastructure development.

However, for countries heavily dependent on mineral exports, the modest gains may offer limited revenue relief, though not enough to significantly shift external account balances or drive mining sector expansion without stronger market momentum.

2.8. Precious Metals

Precious metals like gold and silver are important safe-haven assets during times of economic uncertainty. The index rose from 243.0 in May to 249.3 in June 2025, representing a 2.6% month-on-month increase, extending the strong upward trend observed in previous months. This continued rise reflects persistent global market uncertainty and sustained investor demand for safe-haven assets, particularly gold.

Overall Assessment

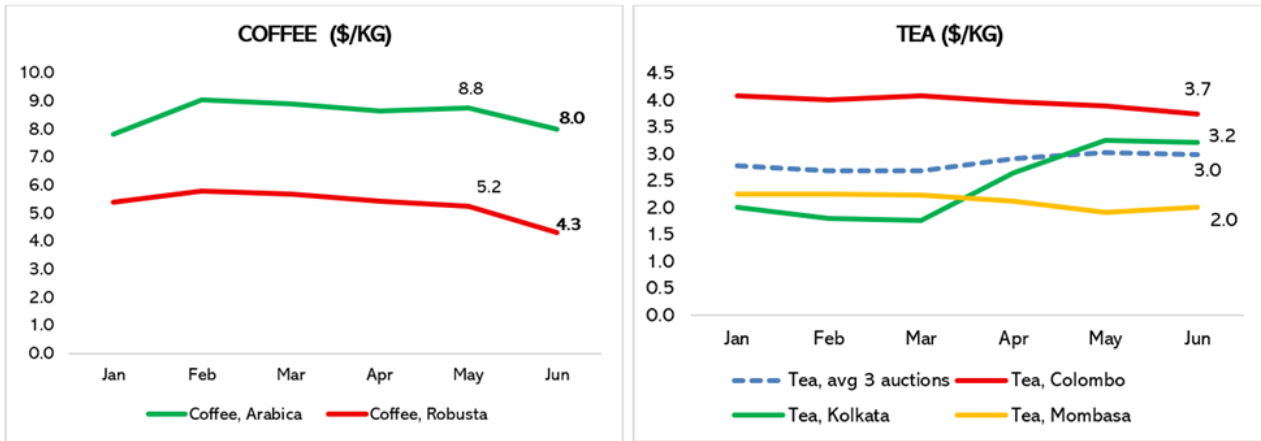
The overall picture of global commodity prices from May to June 2025 shows a moderate upward shift, reversing the sustained declines observed in the first five months of the year. The rise in the total index was primarily driven by a strong rebound in energy prices, which added cost pressures for agriculture-dependent economies.

Altogether, the June rebound suggests a shift in global commodity market dynamics, with inflationary pressures beginning to re-emerge, particularly for energy and agricultural inputs, after a prolonged period of decline. This evolving environment presents mixed implications for countries like Malawi, with import costs rising in some sectors even as other price trends remain favourable.



3. PRICE MOVEMENTS BY COMMODITY

Chart 1: Coffee and Tea Price Trends



Source: World Bank/EDF Research

3.1. Coffee

Malawi primarily exports Arabica coffee, cultivated in high-altitude areas such as Mzuzu and Thyolo. From May to June 2025, Arabica prices fell from \$8.8/kg to \$8.0/kg, representing a 9.1% decline. This downward movement suggests some softening in global demand or increased supply from key producers. While prices remain above January levels, the June drop may weigh slightly on export earnings if the trend continues into the third quarter.

In contrast, Robusta prices declined sharply from \$5.2/kg in May to \$4.3/kg in June, a 17.3% drop. This steeper fall reflects intensified global competition and possibly oversupply in low-cost markets. Given that Robusta is a less significant crop for Malawi, the impact on national earnings is limited, but the trend highlights the importance of focusing on Arabica to sustain higher margins and export revenues.

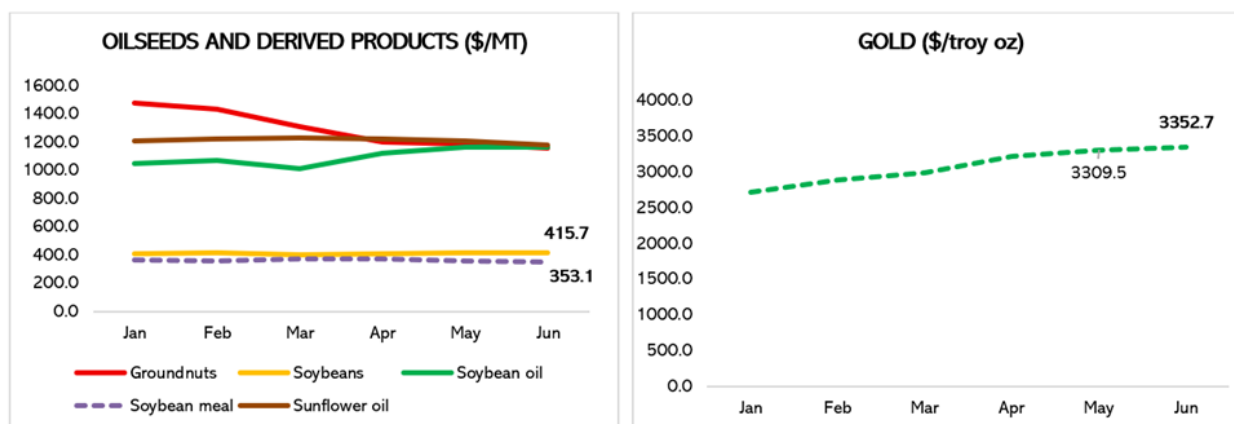
3.2. Tea

Similarly, the tea price charts offer insights into Malawi’s position in the global tea market. The line labelled “Tea, avg 3 auctions,” which represents the average monthly price of tea sold across the three major international auction markets: Colombo (Sri Lanka), Kolkata (India), and Mombasa (Kenya), remained stable at \$3.0/kg from May to June, indicating price consolidation across these key trading platforms.

For Malawi, which primarily exports black tea through the Mombasa auction, prices rose slightly from \$ 1.90/kg in May to \$ 2.00/kg in June, a 5.3% increase. Despite this modest improvement, Mombasa prices remain well below those at Colombo (\$3.7/kg) and Kolkata (\$3.2/kg). This persistent gap continues to limit Malawi’s export potential, highlighting the need to pursue quality improvements, market diversification, and value addition to command better prices in global markets.



Chart 2: Oilseeds, Derived Products and Gold Price Trends



Source: World Bank/EDF Research

3.3. Oilseeds and Derived Products

Groundnut prices declined from \$1,188.8/tonne in May to \$1,155.6/tonne in June, a 2.8% decrease, continuing the downward trend observed since January. This ongoing softening reflects improved global supply, potentially narrowing export margins for producers in countries like Malawi. As a key smallholder crop, lower groundnut prices could weigh on rural incomes unless productivity gains offset price losses.

Meanwhile, soybean prices rose slightly from \$414.1/tonne to \$415.7/tonne, a 0.4% increase, suggesting market stability. In contrast, soybean oil prices increased marginally from \$1,163.0 to \$1,166.7/tonne (up 0.3%), whereas soybean meal prices fell from \$358.0 to \$353.1/tonne, a 1.4% decrease. This divergence in soy product pricing suggests shifting demand patterns, potentially lower livestock feed demand for meal, but steady edible oil consumption.

Additionally, sunflower oil prices declined more noticeably, falling from \$1,208.0 to \$1,182.5/tonne, a 2.1% decrease. As Malawi explores local sunflower value chains, this price drop could influence processing incentives and farmgate prices. On the other hand, for consumers, lower international oil prices may help moderate cooking oil costs on the domestic market.

Taken together, these price movements carry mixed implications for Malawi, where oilseed crops like groundnuts and soybeans are strategic for both nutrition and export diversification. Lower prices for groundnuts and sunflower oil may strain farmer incomes and affect rural livelihoods, especially where value chains are underdeveloped.



However, the relative stability in soybean and oil prices presents an opportunity to expand processing and domestic value addition. To respond strategically, Malawi may need to focus on improving oilseed processing capacity, quality standards, and regional market integration to enhance competitiveness across the value chain.

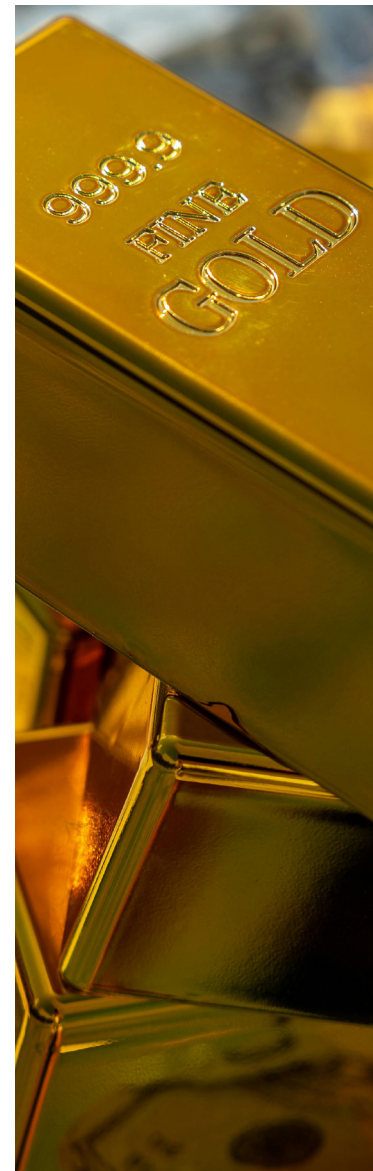
3.4. Gold

Gold prices continued their upward trajectory in June 2025, rising from \$3,309.5/troy oz in May to \$3,352.7 in June, a 1.3% month-on-month increase. This marks the sixth consecutive monthly increase, with prices rising by nearly 24% since January, driven by persistent global economic uncertainty, inflationary pressures, and strong investor demand for safe-haven assets.

This trend remains highly relevant for the Export Development Fund (EDF) given Malawi's ongoing efforts to formalise and expand gold mining. The increase in global gold prices directly enhances the value of Malawi's gold reserves, thereby strengthening the Reserve Bank of Malawi's (RBM) foreign exchange position and contributing positively to the country's national reserves. Rising prices also increase the commercial viability of local mining projects and can attract further investment into the sector, supporting Malawi's economic diversification strategy and offering the potential for higher mineral export revenues.

At the same time, higher global gold prices offer greater income potential for artisanal and small-scale miners (ASMs). This could boost rural household incomes and incentivise increased production. However, it may also draw more unregulated actors into the sector, increasing the risk of smuggling and undermining EDF's gold-buying operations. Moreover, price transmission gaps between global markets and local transactions could prevent ASMs from capturing the full benefit of higher prices if middlemen exploit market inefficiencies.

To mitigate these risks, EDF's gold buying programme must continue to ensure transparent pricing, fair market access, and secure channels for small miners. This will help maximise community-level benefits, support the formalisation of the mining sector, and contribute meaningfully to Malawi's export earnings and macroeconomic resilience.



4. PROPOSED RECOMMENDATIONS FOR MALAWI

- Enhance Agricultural Productivity to Offset Input Cost Pressures: With rising fertiliser and energy prices, Malawi should prioritise investments in climate-smart agriculture, efficient irrigation systems, and improved seed varieties. These efforts will help farmers maintain yields despite higher input costs and improve resilience in food production.
- Expand Support for Value Addition and Agro-processing: To reduce dependence on raw commodity exports, the government should strengthen value addition initiatives in sectors like tea, soybeans, and groundnuts to boost export competitiveness and rural incomes.
- Strengthen Market Access and Diversification Efforts: Malawi should pursue trade facilitation reforms and expand access to regional and premium international markets for its key exports. Strategic partnerships under the AfCFTA, the Southern African Development Community (SADC), and bilateral trade agreements can open new revenue streams and reduce dependence on low-price auction platforms.

5. CONCLUSION AND OUTLOOK

The analysis highlights that while Malawi faces renewed pressures in the global commodity markets, the overall upward movement in prices from May to June presents both risks and opportunities. The increase in energy and fertiliser prices may raise import costs and heighten inflationary risks, particularly for sectors that rely on fuel and agricultural inputs. At the same time, declining prices for some key exports like groundnuts could affect rural incomes and reduce foreign exchange earnings.

However, there are still opportunities to strengthen the economy. Stable prices for soybeans and tea, alongside continued momentum in gold, can support export growth if properly leveraged. Prioritising investment in value addition, quality improvements, and formalisation of the mining sector remains essential to ensure Malawi captures more value from its commodities.



APPENDIX

Table 2: Global Price Trends by Commodity (January–June 2025)

GLOBAL COMMODITY PRICE DATA									
	COMMODITY	UNIT	ANNUAL AVERAGE	MONTHLY AVERAGE PRICES (2025)					
			REAL PRICES (2024)	JANUARY-DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY
BEVERAGES	Cocoa	(\$/kg)	6.37	10.75	9.86	8.08	8.15	8.99	8.40
	Coffee, Arabica	(\$/kg)	4.88	7.81	9.05	8.92	8.64	8.77	8.01
	Coffee, Robusta	(\$/kg)	3.84	5.41	5.81	5.69	5.43	5.24	4.33
	Tea, avg 3 auctions	(\$/kg)	2.64	2.78	2.69	2.69	2.91	3.02	2.99
	Tea, Colombo	(\$/kg)	3.58	4.08	4.00	4.07	3.96	3.89	3.74
	Tea, Kolkata	(\$/kg)	2.44	2.00	1.80	1.77	2.65	3.25	3.22
	Tea, Mombasa	(\$/kg)	1.90	2.24	2.25	2.22	2.11	1.91	2.00
	OILS & MEALS	Coconut oil	(\$/mt)	1,319.43	1,978.40	1,990.00	2,356.00	2,483.00	2,741.50
Groundnuts		(\$/mt)	1,533.31	1,481.40	1,434.09	1,312.74	1,202.02	1,188.76	1155.62
Fish meal		(\$/mt)	1,476.18	1,580.81	1,592.38	1,644.69	1,681.15	1,663.54	1688.19
Groundnut oil **		(\$/mt)	1,559.96	1,660.81	1,664.06	1,675.59	1,679.03	1,680.30	1694.32
Palm oil		(\$/mt)	836.98	1,070.31	1,067.27	1,067.60	994.37	907.58	935.39
Palm kernel oil		(\$/mt)	1,226.53	1,961.53	1,947.46	2,063.59	2,090.39	2,002.84	1859.78
Soybeans		(\$/mt)	401.82	410.83	412.15	401.11	407.60	414.35	415.66
Soybean oil		(\$/mt)	887.88	1,047.62	1,068.51	1,011.43	1,119.53	1,156.01	1166.72
Soybean meal		(\$/mt)	384.27	368.00	358.13	368.75	369.38	358.00	353.13
Rapeseed oil		(\$/mt)		1,149.13	1,159.10	1,193.09	1,256.48	1,241.91	1270.02
Sunflower oil	(\$/mt)		1,207.00	1,220.00	1,232.50	1,225.00	1,211.25	1182.50	
	Maize	(\$/mt)	165.60	214.44	220.88	207.41	215.00	203.87	196.10
	Sorghum	(\$/mt)							
	Rice, Thai 5%	(\$/mt)	511.22	478.00	437.00	425.00	415.00	431.00	419.00
	Rice, Thai 25%	(\$/mt)	485.74	459.00	424.00	410.00	401.00	416.00	408.00
	Rice, Thai A 1	(\$/mt)	497.57	464.17	419.06	404.11	396.89	405.45	393.35
	Rice, Viet Nameese 5	(\$/mt)	484.34	447.27	401.70	378.42	377.75	379.25	377.16
	Wheat, US SRW	(\$/mt)	200.59	230.58	243.51	227.54	219.58	221.27	217.31
	Wheat, US HRW	(\$/mt)	233.43	254.09	264.61	255.37	249.58	237.00	240.05
OTHER FOOD	Banana, Europe	(\$/kg)	0.93	1.02	1.03	1.08	1.12	1.14	1.16
	Banana, US	(\$/kg)	1.07	1.11	1.25	1.18	1.10	1.09	0.92
	Orange	(\$/kg)	1.96	2.57	1.91	1.44	1.41	1.38	1.36
	Beef **	(\$/kg)	5.15	6.46	6.62	6.77	6.71	6.62	6.67
	Chicken **	(\$/kg)	1.27	1.54	1.63	1.63	1.74	1.78	1.78
	Lamb **	(\$/kg)	4.64	5.83	5.65	5.61	5.89	6.08	6.40
	Shrimps, Mexican	(\$/kg)							
	Sugar, EU	(\$/kg)	0.31	0.34	0.34	0.35	0.37	0.37	0.38
	Sugar, US	(\$/kg)	0.73	0.80	0.82	0.82	0.83	0.81	0.78
	Sugar, world	(\$/kg)	0.39	0.40	0.42	0.42	0.40	0.39	0.37
RAW MATERIALS	Tobacco, US import	(\$/mt)	5,125.41	6,519.40	6,735.77	6,812.98	5,494.53	5,525.31	5626.53
	Cotton, A Index	(\$/kg)	1.66	1.72	1.72	1.71	1.73	1.72	1.73
	Rubber, TSR20 **	(\$/kg)	1.52	1.93	2.01	1.98	1.71	1.70	1.61
	Rubber, RSS3	(\$/kg)	1.98	2.37	2.41	2.36	2.13	2.19	2.16
FERTILIZERS	Phosphate rock	(\$/mt)	132.49	152.50	152.50	152.50	152.50	152.50	152.50
	DAP	(\$/mt)	489.72	582.70	603.75	615.13	635.00	669.20	715.38
	TSP	(\$/mt)	412.30	478.00	480.63	478.50	496.00	541.50	641.25
	Urea	(\$/mt)	293.89	380.50	436.50	394.50	386.88	392.00	420.50
	Potassium chloride *	(\$/mt)	256.39	302.00	318.75	336.25	351.88	362.50	363.13
METALS & MINERAL S	Aluminum	(\$/mt)	2,101.67	2,573.40	2,657.60	2,658.29	2,371.60	2,448.79	2525.96
	Iron ore, cfr spot	(\$/dmu)	95.05	99.58	105.08	100.10	97.24	96.97	92.33
	Copper	(\$/mt)	7,942.78	8,991.41	9,330.60	9,739.68	9,176.80	9,532.98	9835.07
	Lead	(\$/mt)	1,797.96	1,921.36	1,956.55	2,033.21	1,903.46	1,957.75	1973.86
	Tin	(\$/mt)	26,121.87	29,612.36	31,832.96	34,047.87	32,565.05	31,981.17	32544.03
	Nickel	(\$/mt)	14,608.13	15,394.14	15,288.09	16,065.69	15,113.29	15,345.79	15003.11
	Zinc	(\$/mt)	2,411.68	2,818.96	2,800.14	2,889.29	2,621.55	2,644.37	2654.65
PRECIOUS METALS	Gold	(\$/troy oz)	2,074.46	2,709.69	2,894.73	2,983.25	3,217.64	3,309.49	3352.66
	Platinum	(\$/troy oz)	829.86	949.23	978.25	980.05	958.81	979.50	1251.48
	Silver	(\$/troy oz)	24.56	30.41	32.15	33.19	32.23	32.76	36.01

Source: World Bank/EDF Research



Feedback



research@edf.mw