



The Food Price Monitor: East Africa is a monthly report developed for the Food Security Portal (FSP), facilitated by IFPRI, with the goal of providing clear and accurate information on price trends and variations in selected maize and rice markets throughout East Africa. The reports are intended as a resource for those interested in maize and rice markets in East Africa, namely producers, traders, consumers, or other agricultural stakeholders.

Highlights

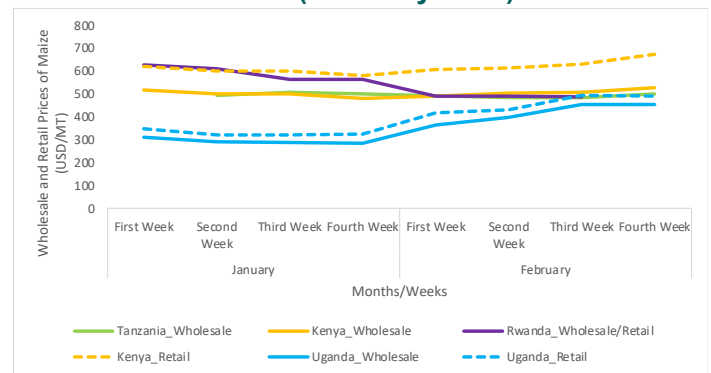
- ▶ From January to February, maize wholesale and retail prices increased in Kenya and Uganda, remained relatively stable in Tanzania, and reduced substantially in Rwanda.
- ▶ In Kenya, the rise in the price of maize reflects inflation that increased to 9.2 percent in February from 9 percent in January and a deterioration of maize supply as many farmers had sold almost all their grains after harvest, fearing a drop in prices due to the impending maize imports coupled with drought in the previous planting season.
- ▶ Likewise, for rice, prices were stable in Tanzania, with a slight rise in Rwanda and Uganda in the first week of February, and then stabilized throughout the month.
- ▶ As of February, both the Governments of Kenya and Tanzania have instituted tax waivers and import permits to increase the importation of maize and rice to suppress prices. These interventions might explain price movements in the subsequent months.

Changing Maize Prices in East Africa

In Uganda, there was a gradual rise in the wholesale and retail price of maize from the first to the last week of February. For Rwanda, there was a significant drop in the maize price from the last week of January to the first week of February by 13 percent (from USD 562/MT to USD 489/MT); after that, the prices remained stable. Prices in Tanzania remained relatively stable throughout the weeks in February at almost the same level as they were in January. Tanzania’s Daily News (February 7, 2023) reported that 15 maize-selling centers had been opened across the country where maize was to be sold at a subsidized price of between USD 0.28 and USD 0.36 per KG. Such an intervention is one way through which spiraling prices would be suppressed and perhaps explains the observed prices. Kenyan wholesale prices also remain relatively stable, whereas the retail prices in Kenya follow a gradual increase almost at the same rate as the increase in retail prices in Uganda. In February, prices were lowest in Uganda, although the price differences tended to converge unlike in January. As the lean

season approaches, we expect maize prices in Uganda to soar as supply is reduced.

Figure 1: Average wholesale and retail price of maize in East Africa (February 2023)

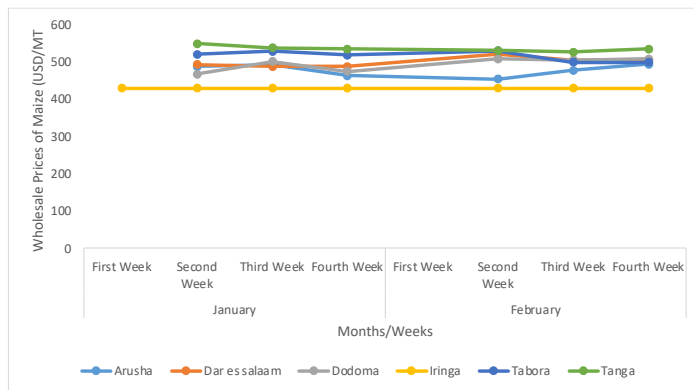


Source: Authors’ construction using data from FSP (for Uganda and Tanzania), Ministry of Agriculture Livestock and Fisheries (for Kenya), and e-SoKo (for Rwanda).

Tanzania

Figure 2 shows the weekly average wholesale prices of maize grains in selected markets in Tanzania. Prices were relatively stable in the markets of Iringa and Tanga but were unstable in the bigger towns of Dar es Salam, Dodoma, Arusha, and Tabora. Iringa and Tanga are major maize-producing areas, while Dar es Salam and Arusha are the main consumer markets for maize. Arusha is linked to Kenya in the North, which is also a market for maize produced from Tanzania. The wholesale prices remained highest in Tanga, followed by Tabora and then Dar es salam. The prices were lowest in Iringa. The high prices reported in the Tanga region were primarily driven by drought and poor harvest of maize in the second season.

Figure 2: Average weekly wholesale prices of maize in selected markets in Tanzania (February 2023)



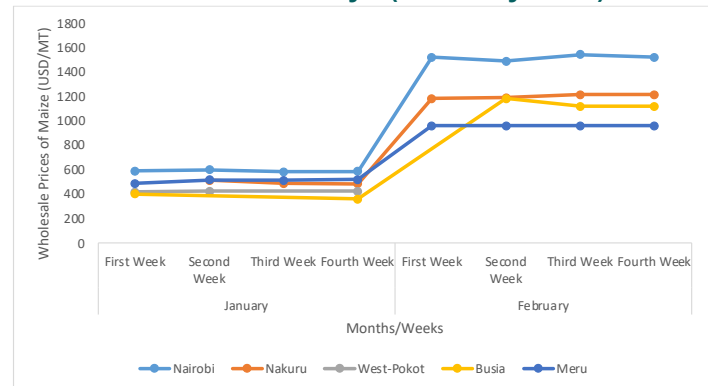
Source: Authors' construction using data from the Ministry of Investment, Industry, and Trade

Kenya

Recently, Kenya suffered an acute food shortage (Anyanzwa, 2023, p.14) and a surge in domestic demand for maize grains from traders. This situation can be evidenced by the trends in the wholesale prices of maize grains across all the selected markets in Kenya (Figure 3). There was also the speculation that Government would import maize grain into the country, so most of the farmers depleted their sales. We observe Nairobi recorded the highest rise in prices by 160 percent. They rose from USD 585/MT in the last week of January to USD 1520/MT in the first week of February and maintained that level throughout the month. Nakuru market followed. The wholesale prices rose from USD 485/MT in the last week of January to USD 1184/MT in the first week of February and maintained that level until the end of the month. In the Busia market, wholesale prices rose from USD 360/MT in the last week of January to USD 1184/MT in the beginning of February. Maize prices in the

Busia market are usually the least in Kenya due to dependence on cheaper Maize grains from Uganda. However, in February, this ceased to be the case and was exacerbated by the Ugandan traders hoarding maize in anticipation of reasonable prices from the Kenyan traders. Meru market posted the least prices. They rose from USD 520/MT in the last week of January to USD 960/MT in the first week of February and maintained this constant rate throughout the month.

Figure 3: Average weekly retail prices of maize in selected markets in Kenya (February 2023)

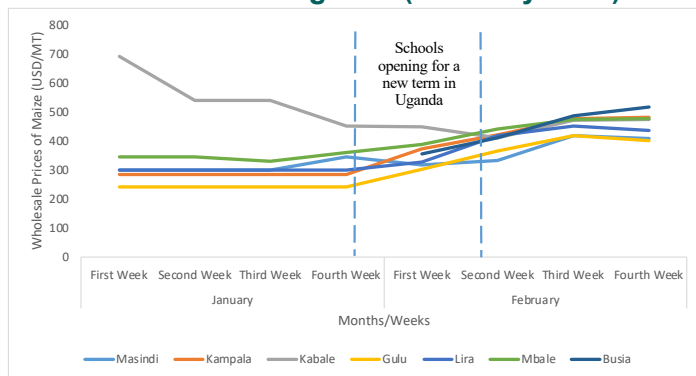


Source: Authors' construction using data from the Ministry of Agriculture Livestock Fisheries and Cooperatives

Uganda

Wholesale prices of maize grains in Ugandan selected markets were more volatile in February than in January (Figure 4). Prices in markets; Kampala, Lira, Gulu, Masindi, Mbale, and Busia, took an upward trend except for the Kabale market, where the prices fell but to the same level as the rest as observed. The rise in the wholesale prices in most of the markets emanates from several factors: (1) high demand from Kenyan traders; for example, the price in Busia seems to be the highest due to its proximity to Kenya, where the demand for maize is relatively high (2) A second likely compounding factor leading to the surge experienced in most of the markets is due to the increased demand from the schools following the re-opening for the new term (3) as the lean season of less supply approaches, prices are likely to be surge.

Figure 4: Average weekly retail prices of maize in selected markets in Uganda (February 2023)



Source: Authors' construction using data from the Daily Traders Market Survey

Comparison of wholesale and retail maize prices in East Africa

In Table 1, we observe Uganda had the highest percentage change in the wholesale and retail prices between January and February with an increment of 42 percent and 39 percent, respectively, followed by Kenya, averaging 1 percent and 5 percent increment, respectively then, Tanzania the wholesale price decreased by 2 percent and in Rwanda, the wholesale and retail prices dropped by 17 percent. We rule out the possibility that increases in prices reported in Uganda might be due to increased fuel prices (affecting transportation costs and, therefore, the overall cost) because fuel prices reduced on average from USD 1.59 per liter to USD 1.51 for petrol while diesel reduced from USD 1.61 to USD per liter to USD 1.27 per liter. In Kenya, petrol prices reduced from USD 1.42 to USD 1.04 per liter. In Tanzania, the average price of petrol reduced from USD1.27 per liter to USD 1.26 per liter.

Table 1: Changes in average monthly retail and wholesale price of maize in East Africa for January and February

Commodity	Country	Market Levels	Monthly Average Prices January 2022 (USD/MT)	Monthly Average Prices February 2023 (USD/MT)	Monthly % Change	Trends
Maize	Kenya	Retail	599	630	5	▲
	Kenya	Wholesale	499	506	1	▲
	Uganda	Retail	330	458	39	▲
	Uganda	Wholesale	294	418	42	▲
	Rwanda	Retail	590	490	-17	▼
	Rwanda	Wholesale	590	490	-17	▼
	Tanzania	Wholesale	500	489	-2	▼

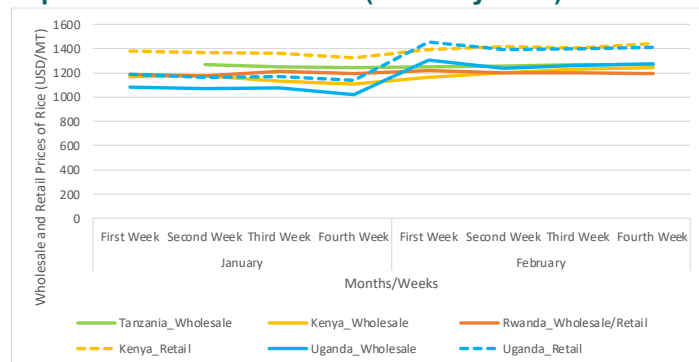
▼ = Decrease ▲ = Increase ► = Constant

Source: Authors construction using data from FSP (for Uganda), Ministry of Agriculture Livestock and Fisheries (for Kenya), Ministry of Agriculture (for Tanzania), and e-SoKo (for Rwanda)

Changing Rice Prices in East Africa

Wholesale and retail prices of rice remained relatively stable in February in Tanzania and Rwanda, while they increased from the last week of January to the first week in February for Kenya and Uganda (Figure 5). In Kenya, the retail prices rose from 1322 USD/MT in the fourth week of January to 1457 USD/MT in the first week of February, while the wholesale prices rose from 1110 USD/MT in the fourth week of January to 1166 USD/MT in the first week of February. In Uganda, the wholesale and retail prices of rice shot up at the beginning of February and stabilized towards the end of the month. For example, the retail prices rose from 1141 USD/MT in the last week of January to 1457 USD/MT in the first week of February. They reduced to 1412 USD/MT in the last week while the wholesale prices rose from 1021 USD/MT in the last week of January to 1308 USD/MT in the first week of February and then reduced to 1273 USD/MT in the last week. The surge in the wholesale and retail prices of rice in Kenya and Uganda might be emanating from the fact that the second season harvest had been depleted, and the lean season was setting in. In Tanzania, the wholesale prices of rice were more stable throughout January and February. In Uganda, the reopening of schools at the beginning of February and the fall in rice supply to the markets stemming from the lean season led to surge in rice prices. Most traders relied on old stock from the previous season.

Figure 5: Average daily wholesale and retail prices of imported rice in East Africa (February 2023)

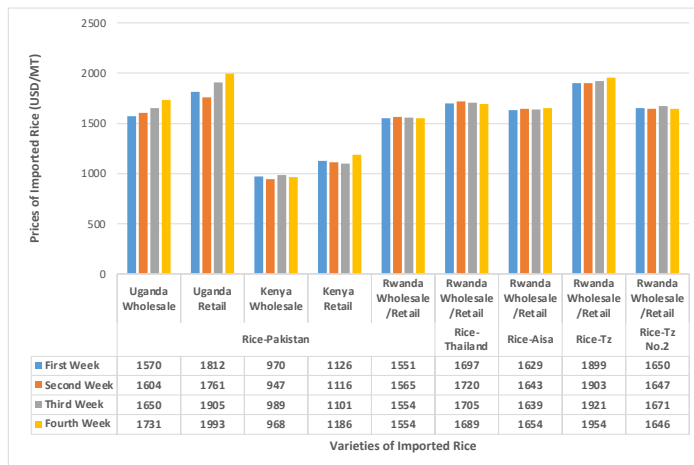


Source: Authors' construction using data from RATIN (for Uganda, Tanzania, and Rwanda), and the Ministry of Agriculture and Livestock for Kenya

Figure 6 shows the weekly average wholesale and retail price of imported rice varieties in East Africa. For Uganda, prices generally showed a positive small marginal increase over the weeks. There were some variations in the wholesale and retail prices in Kenya although their prices remained much lower for the same quality than that in Uganda for all the weeks. In Rwanda, there are variations in the price of rice depending on its origin. The rice from

Tanzania is the most expensive given that it is preferred by the Rwandese because of its tastes.

Figure 6: Weekly average wholesale and retail prices of imported rice varieties in East Africa (February 2023)



Source: Authors' construction using data from the Ministry of Investment, Industry and Trade for Tanzania, eSoKo for Rwanda and Ministry of Agriculture Livestock Fisheries and Cooperatives for Kenya and Uganda Bureau of Statistics for Uganda

Table 2 shows the monthly retail and wholesale monthly percentage changes of rice. Generally, there was a positive increase in all the retail and wholesale rice prices in the East African region. Between January and February, Uganda recorded the highest percentage increase in wholesale and retail prices of rice, averaging 20 and 21 percent, respectively. Kenya followed this at a 4 and 5 percent increase for both retail and wholesale prices. In Rwanda, rice prices increased by 1 percent, while in Tanzania, the wholesale prices rose by only 1 percent.

Table 2: Monthly retail and wholesale prices changes of rice in East Africa (January - February 2023)

Commodity	Country	Market Levels	Monthly Average Prices January 2022 (USD/MT)	Monthly Average Prices February 2023 (USD/MT)	Monthly % Change	Trends
Rice	Kenya	Retail	1359	1414	4	▲
	Uganda	Retail	1165	1415	21	▲
	Rwanda	Retail	1193	1206	1	▲
	Kenya	Wholesale	1147	1210	5	▲
	Uganda	Wholesale	1063	1270	20	▲
	Rwanda	Wholesale	1193	1206	1	▲
	Tanzania	Wholesale	1254	1263	1	▲

▼ = Decrease ▲ = Increase ► = Constant

Source: Authors construction using data from the Ministry of Investment, Industry and Trade for Tanzania, eSoKo for Rwanda and Ministry of Agriculture Livestock Fisheries and Cooperatives for Kenya and Daily Market Traders Survey for Uganda

Summary and Future Outlook

In February, we observed high maize and rice market prices in the East African countries except in Rwanda for maize. To avert the high prices in Kenya, the Government has allowed business people to import 900,000 tons of duty-free white maize and 600,000 tons of duty-free milled maize from this February to August (Ambani, 2022). This is likely to reduce the high maize prices in Kenya. Similarly, Tanzania has authorized the importation of 90,000 tons through an import duty tax waiver to bring down the skyrocketing rice prices with the hope that the prices of rice would reduce from the last month of February through March (Kalumbia, 2023). In addition, the African Development Bank postulates a reduction in the inflationary pressures within the East African countries in the subsequent months in line with the global outlook of the food price index by FAO. The FAO food price index recorded a decrease in February by 0.6 percent to 129.8 points in February and recorded 18.7 percent from its peak in 2022 (FAO, 2023). However, there were no changes in the FAO cereal price index. Respective Governments in the four countries also anticipate that the food prices this year will be lower than last year (Ashimwe, 2023). Ultimately, given the above factors we anticipate that in the subsequent months, the prices of the two significant cereals will stabilize. This is even more likely given that fuel prices have been more stable in the past two months as compared to the end of last year.

Data and Methodology

Data for wholesale and retail prices of rice and maize for Uganda and Tanzania were obtained from the (1) Food security Portal (FSP)¹ facilitated by the International Food Policy Research Institute, (2) Kenya Market Information System² sourced for the Ministry of Agriculture Livestock Fisheries and Co-operatives (MALF) for Kenya, and e-Soko (3)³ for Rwanda. Also, we maintain that the data source for commodity prices for Rwanda neither indicates whether the prices are retail or wholesale. Further, the data for Kenya and Rwanda were collected in the local currencies, measured in Kshs/Kg and Rwf/Kg, and converted to USD/MT.

Additionally, we averaged the weekly and daily wholesale and retail prices of maize and rice across the markets for each country in East Africa while drawing comparisons between January and February. We also analysed within-country weekly average wholesale prices of maize in selected markets of Uganda and Kenya. We also computed monthly average changes in rice wholesale and retail prices between January and February for the East African region to quantify any changes in the two periods. Finally, we constructed graphs of wholesale and retail prices of domestically produced and imported rice for Uganda and Rwanda.

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