FOOD PRICE MONITOR: KENYA

APRIL 2022

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

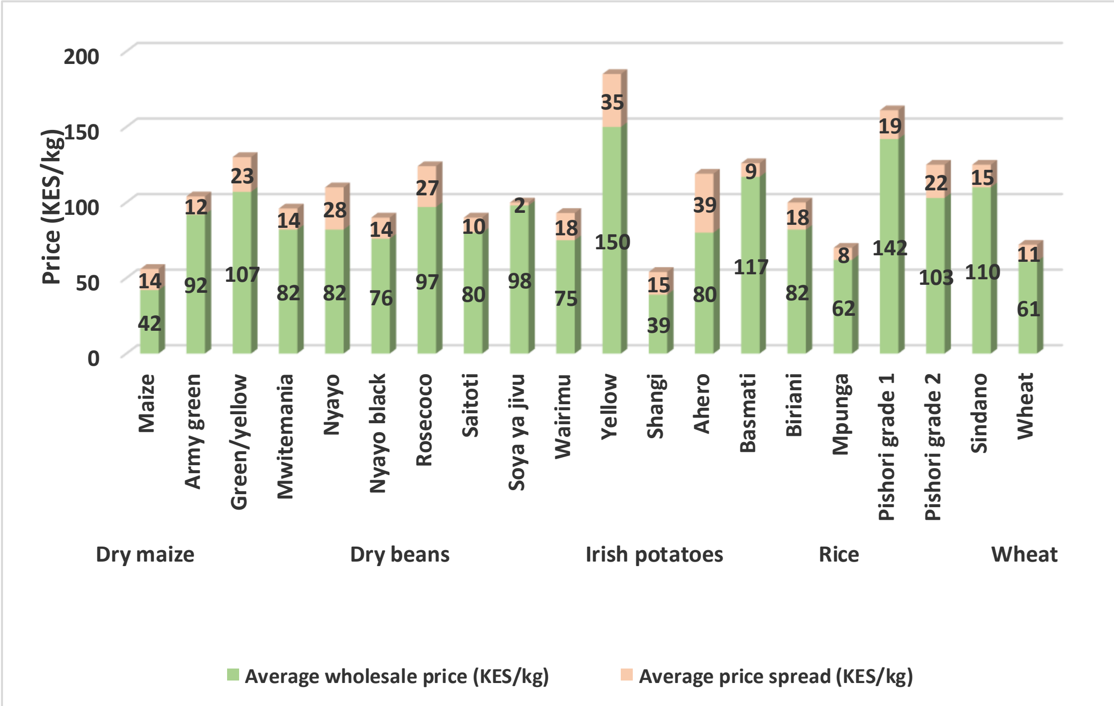
Highlights

- Differences in wholesale and retail prices margins can be largely attributed to commodity characteristic/perishability, seasonality, repackaging costs, the existence of middlemen and produce brokers, and increased fuel costs.
- Observed variation in dry beans prices can be attributed to seasonality, transport costs, and disruptions in the supply chain.
- A record high maize prices in April resulted from scarcity, high demand, and erratic weather patterns.
- Increased prices of Irish potatoes specifically in the populous non-producing cities can be attributed to high demand and unavailability of the commodity due to its perishable nature.
- High rice and wheat prices in the populous cities can be attributed to these areas' reliance on imports and global shortages occasioned by the ongoing Russian-Ukrainian war.

Overall Wholesale and Retail Prices for April

Average wholesale and retail prices for maize, beans, potatoes, rice, and wheat in major Kenyan markets in April are shown in **Error! Reference source not found.**. Most commodities recorded lower price margins of between 10% and 19%; these included some dry beans varieties [Army green (12%), Mwitemania (14%), Nyayo black (14%), Saitoti (10%), and Wairimu (18%)], most rice varieties [including Biriani (18%), Pishori grade 1 (19%), and Sindano (15%)], dry maize (14%), Shangi Irish potatoes (15%) and wheat (11%). A few dry beans varieties [Green yellow (23%), Nyayo (28%), and Rosecoco (27) and Pishori rice grade 2 (22%) showed price margins of between 22% and 28%. Notably, a few commodities including Yellow beans and Ahero rice recorded significantly higher price margins of 35% and 39% respectively. Variances in wholesale and retail price margins can be largely attributed to a combination of various dynamics including commodity characteristics/perishability, seasonality, repackaging costs, the existence of middlemen and produce brokers, and increased fuel costs which consequently drove up the cost of production and transport.

Figure 1: Overall average wholesale and retail prices (KES/Kg)



Source: Daily Market Survey for the month of April

Wholesale and Retail Commodity Prices

Commodity prices varied regionally. A number of dry beans varieties were recorded across regions, but only green/yellow and Wairimu beans were common in all the selected regions, while Rosecoco beans was common in all the regions except Mombasa (Table 1). Some dry beans varieties were only found in specific regions for instance Nyayo black, Saitoti, and Soya ya Jivu were found in Mombasa, Yellow beans in Eldoret, Army green beans were available in Mombasa, Nairobi and Nakuru while Nyayo beans were available in Kisumu, Mombasa and Nairobi regions. Compared to the national average retail prices for most bean varieties, Eldoret, Nairobi, Nyeri and Kisumu regions showed higher retail prices. The observed variation in prices can be attributed to seasonality, transport costs, and disruptions in the supply chain.

Dry maize recorded higher wholesale and retail prices in Eldoret, Nakuru, and Nairobi compared to the national average wholesale and retail prices of 42KES/kg and 56KES/kg respectively. Retail prices in Eldoret, Nakuru and Nairobi were 61KES/kg, 63KES/kg, and 56KES/kg, while wholesale prices were 47KES/kg in Eldoret, 46KES/kg in Nakuru and 43KES/kg in Nairobi. On average, prices of maize have reached a record high of 3,780 KES (retail) and 5,040 KES (wholesale) per 90kg bag. Global prices for food and maize are currently high and are projected to increase further in the coming months attributable to the average world logistics which have gone up by 40% (Star Business Kenya, April 2022).

Compared to the national average wholesale price of 39KES/kg, Irish potatoes recorded higher prices in Kisumu (44KES/kg) and Nairobi (68KES/kg). Similarly, Kisumu and Nairobi showed highly significant retail prices of 83KES/kg and 81KES/kg, respectively, compared to the national average price of 54KES/kg. Increased prices in the populous cities can be attributed to high demand and low supply of the commodity due to its perishable nature.

Pishori rice was common to all regions. For Pishori grade 1 rice varieties, Eldoret, Mombasa, and Nairobi recorded higher wholesale prices of 168KES/kg, 145KES/kg and 152KES/kg, respectively, compared to the national average wholesale price of 142KES/kg. High rice prices in the populous cities can be attributed to these areas' reliance on imports. Imported rice comprises 89% of the rice consumed in the country (Kenya News Agency, 2022).

Dry wheat recorded high wholesale prices in Eldoret (68KES/kg), and Kisumu (77KES/kg regions compared to the national average wholesale price of 61KES/kg. Similarly, the same regions including Nairobi showed significantly high retail prices of 80KES/kg, 82KES/kg, and

80KES/kg, respectively, compared to the national average retail price of 72KES/kg. High prices of wheat is attributable to the global shortage of the commodity, and dependence of the imports. According to Business Daily Africa May 2022 report, the rising cost of wheat in the international market is set to exert pressure on Kenyan households as the market responds to a tightening supply globally. This will be worsened by India's announcement on banning the export of produce as it seeks to protect its local stocks in the wake of the Russian-Ukrainian war that has disrupted supplies. Kenya relies on global wheat supply to meet the local demand, importing up to 75% of the grain from the world market.

Table 1: Average wholesale and retail prices (kes/kg) by region for April

Product	Variety	Average of wholesale price (KES/ kg)						Average retail price (KES/kg)						Total average wholesale price (KES/kg)	Total average retail price (KES/kg)
		Eldoret	Kisumu	Mombasa	Nairobi	Nakuru	Nyeri	Eldoret	Kisumu	Mombasa	Nairobi	Nakuru	Nyeri		
Dry beans	Army green			100	88	87				100	120	93		92	104
	Green/yellow	166	96	100	106	98	79	180	140	100	128	100	130	107	130
	Mwitemania			97	89	68	74			98	120	70	100	82	96
	Nyayo		76	78	93				120	90	120			82	110
	Nyayo black			76						90				76	90
	Rosecoco	118	86		97	93	89	140	130		120	98	130	97	124
	Saitoti			80						90				80	90
	Soya ya jivu			98						100				98	100
	Wairimu	78	72	69	80	80	70	85	110	80	102	86	97	75	93
	Yellow	150						185						150	185
Dry maize	Maize	47	39	38	46	43	38	61	55	48	56	63	50	42	56
Irish potatoes	Shangi	31	44	35	68	27	33	36	83	40	81	43	41	39	54
Rice	Ahero		80						119					80	119
	Basmati	124		110		112	120	133		120		120	130	117	126
	Biriani			82						100				82	100
	Mpunga			62						70				62	70
	Pishori grade 1	168		145	152	122	126	192		150	172	144	148	142	161
	Pishori grade 2	117	98			92		138	136			100		103	125
	Sindano	122		106		112	100	130		120		129	120	110	125
Wheat	Wheat	68	77	55	58	59	51	80	82	60	80	60	70	61	72

Source: Daily Market Survey for the month of April

Wholesale and Retail Price Trends by Region

Differences in weekly prices were seen across regions between week 1 and weeks 2 through 5. In Eldoret, all dry beans varieties, Sindano rice, and dry wheat showed stable wholesale and retail prices. Food commodities that showed increased wholesale and retail prices include Irish potatoes, dry maize, and Pishori grade 1 and 2 rice varieties. Increase in wholesale prices ranged between 7% and 28% whereas retail price increases ranged between 10% and 27%. Increased food commodity prices in Eldoret is attributable to seasonality, increased fuel costs, and high demand.

In Kisumu, a comparison between week five and week one showed stable retail and wholesale prices for most commodities and increased retail and wholesale prices for a few. Most dry beans, maize, and some rice varieties saw stable wholesale prices. Shangi Irish potatoes saw significant increased wholesale and retail prices of 41% and 17% respectively. Increased Irish potatoes price is as a result of seasonality, involvement of middlemen, and increased transport cost occasioned by fuel shortage across the country.

Stable wholesale and retail prices were observed in the Mombasa region for most commodities. A comparison of wholesale prices between week 5 and week 1 showed stable wholesale prices for all commodities with the exception of Mwitemania and Soya ya Jivu beans which saw increased prices of 20% and 11% each. Dry maize saw increased wholesale and retail prices of 17% and 25% respectively attributable to looming shortage of the commodity across the country owing to delayed rainfall.

The Nairobi region saw increased prices for most food commodities. Wholesale prices between week five and week one showed significant increase in prices of almost all commodities ranging between 4% and 18%. Dry beans and wheat saw stable retail prices. Notable was dry maize which recorded significant increase in both wholesale and retail prices of 15% and 20% respectively. Nairobi region is a non-producing populous city with high demand of food. This coupled with below average national crop production resulting from poor short rains, and scarcity of fuel during April worsened maize availability in the city.

Similarly, a comparison of wholesale and retail prices between week five and week one in Nakuru showed significant increase in prices of most food commodities. Dry beans saw increased wholesale and retail prices ranging between 6% and 17% for wholesale and between 15% and 18% for retail prices. Maize also saw significant increase in both wholesale and retail prices of 31% and 27%, respectively.

FOCUS ON RICE ACROSS SELECTED REGIONS

Rice is the third most important cereal crop after maize and wheat. It is mainly produced by small-scale farmers in Central (Mwea), Western (Bunyala), Coast (Tana delta, Msambweni) and Nyanza provinces (Ahero, West Kano, Migori and Kuria). Due to its adaptability to all production ecologies, rice is grown in several counties including: Kirinyaga, Kisumu, Homa Bay, Migori, Meru, Embu, Tharaka Nithi, Isiolo, Marsabit, Busia, Kakamega, Bungoma, Turkana, Garissa, Elgeyo Marakwet, West Pokot, Baringo, Taita Taveta, Kilifi, Kwale, Tana River, Lamu, Siaya and Murang'a.

The commodity takes between three and four months to be fully ready for harvest. In the major producing region of Mwea, the main harvest season is in November and the ratoon harvest season is in August. Nearly 100% of Kenya's rice is produced in irrigation schemes, with the Mwea scheme accounting for over 80% of total production whereas smaller irrigated rice schemes are in Bura, Ahero, and in Bundalangi. Rice produced in Kenya falls within three major categories: Long-grain Sindano rice, Medium-grain rice, and Aromatic basmati rice (Pishori is the most expensive brand of rice sold in Kenya commonly grown in the Mwea irrigation scheme and its extension areas). Despite being the third most consumed staple, the country is not self-sufficient to meet its demand, it produces less than 20% of its demand and relies on imports. In 2021, Pakistan, Tanzania, India, Thailand, and Italy were the leading rice exporters to Kenya (USDA, 2022).

Different rice varieties are traded across the regions; commonly traded rice varieties include Pishori, Basmati, and Sindano. Major sources of rice traded in various regions were sourced from Mwea irrigation scheme (Pishori grade 2, and Basmati), Tanzania (Pishori grade 1, Mpunga, and Sindano), Pakistan (Basmati and Biriani), and Ahero irrigation scheme (Ahero). In April, Pishori grade 1, Basmati and Sindano rice recorded higher average retail and wholesale prices in most regions. Higher rice prices in the populous cities of Nairobi, Mombasa, and Eldoret could be as a result of nighre demand and these areas' reliance on imports with associated high import prices and transaction costs.

Figure 1: Average wholesale and retail prices of rice (KES/kg) in selected regions

Variety	Average wholesale price (KES/ kg)						Average retail price (KES/kg)						Total average w/sale price (KES/kg)	Total average retail price (KES/kg)
	Eldoret	Kisumu	Mombasa	Nairobi	Nakuru	Nyeri	Eldoret	Kisumu	Mombasa	Nairobi	Nakuru	Nyeri		
Ahero		80						119					80	119
Basmati	124		110		112	120	133		120		120	130	117	126
Biriani			82						100				82	100
Mpunga			62						70				62	70
Pishori grade 1	168		145	152	122	126	192		150	172	144	148	142	161
Pishori grade 2	117	98			92		138	136			100		103	125
Sindano	122		106		112	100	130		120		129	120	110	125

Source: Daily Market Survey for the month of April.

In Nyeri region, a comparison of wholesale and retail prices between week 5 and week 1 showed slight increase and stable prices for most commodities. For wholesale prices, commodities which saw slight increase in prices included green yellow beans (1%), Wairimu beans (2%), Irish potatoes (6%), maize (1%), and Sindano rice (1%). Most commodities saw stable retail prices with the exception of Wairimu beans and Irish potatoes which saw increased prices of 11% and 3% respectively.

Comparison of National Average Prices between March and April 2022

A comparison of overall prices (national averages for all commodities) for March and April 2022 (Table 2) shows some stable and some increased wholesale and retail prices for most commodities. Stable prices of between -5% and 2% and slight increases of between 3% and 8% were recorded. Some commodities including Soya ya Jivu, Yellow beans, maize and Pishori grade 2 rice saw higher increases in either wholesale or retail prices. Increased wholesale and retail prices between March and April is attributable to global geopolitical influences and supply chain concerns, fuel scarcity, and weakening of the Kenyan currency against the US dollar thereby increasing the cost of imports.

Table 2: Comparison of March and April 2022 prices

Product	Variety	Average Wholesale Price (KES/Kg)			Average Retail Price (KES/ Kg)		
		March	April	Percentage change	March	April	Percentage change
Dry maize	Maize	39	42	7%	49	56	13%
Dry beans	Army green	88	92	4%	100	104	4%
	Green/yellow	98	107	9%	122	130	6%
	Mwitemania	77	82	6%	96	96	0%
	Nyayo	86	82	-5%	110	110	0%
	Nyayo black	76	76	1%	90	90	0%
	Rosecoco	91	97	6%	120	124	4%
	Saitoti	80	80	0%	90	90	0%
	Soya ya jivu	83	98	15%	95	100	5%
	Wairimu	70	75	6%	89	93	5%
	Yellow	123	150	18%	155	185	16%
Irish potatoes	Shangi	36	39	7%	49	54	9%
Rice	Ahero	82	80	-3%	118	119	1%
	Basmati	115	117	1%	124	126	1%
	Biriani	82	82	0%	100	100	0%
	Mpunga	62	62	0%	70	70	0%
	Pishori grade 1	139	142	2%	152	161	6%
	Pishori grade 2	94	103	8%	111	125	12%
	Sindano	113	110	-3%	127	125	-2%
Wheat	Wheat	59	61	4%	70	72	3%

Key	
<2 but >-5	Stable
>3 but <8	Slight Increase
>9	Increase

Source: Daily Market Survey for the month March and April

FOCUS ON KISUMU REGION

Kisumu is the third-largest city in Kenya after the capital, Nairobi, and the coastal city of Mombasa. It is the third-largest city (after Kampala, Uganda and Mwanza, Tanzania) in the Lake Victoria Basin. It is a large market located in a food-deficit area with marginal agricultural productivity; however, the region provides a suitable environment for agricultural and aquacultural activities. Most food consumed within the city is sourced from outside counties such as Trans-Nzoia, Uasin-Gishu, Narok, and Bomet counties in the former Rift Valley province, as well as Busia (Kenya) and Busia (Uganda).

Commodity prices are collected from Stadium (Corona) market, a new market to which traders were relocated after major open-air markets were closed for major infrastructural transformation and upgrading. The market serves most of the neighboring sub-counties and counties in Nyanza region, which depend on it for fresh produce and other agricultural and non-agricultural products. Various agricultural products are sold in the wholesale market as well as the retail section. Stadium/Corona market is run by the County government of Kisumu and is open for trading for all members of the general public. The market operates seven days a week and on a typical day, the market is open from 3:00 am.

Traders source food commodities from various regions, dry maize are sourced from Trans-Nzoia (Kitale) and Uasin-Gishu (Eldoret) counties, Irish potatoes from Narok, Elgeyo-Maraket and Nakuru counties (Molo), dry beans from Western and Uganda (Busia) and wheat from Busia (Kenya-Uganda border) and Uasin-Gishu Counties.

During April, prices of most commodities remained mostly stable except for Irish potatoes which showed increased prices for every week from week 1 to week 5. Nyayo beans recorded higher wholesale price of 93 KES/kg during the first week of April then a decline was recorded from week 2 which stabilized until week 5.

Table 3: Average Retail and Wholesale Prices, Kisumu Region

Product	Variety	Average wholesale price (KES/kg)					Total average wholesale price (KES/kg)	Total average retail price (KES/kg)
		Week 1	Week 2	Week 3	Week 4	Week 5		
Dry beans	Green/yellow	96	96	96	96	96	96	140
	Nyayo	93	75	75	75	75	76	120
	Rosecoco	86	86	86	86	86	86	130
	Wairimu	72	72	72	72	72	72	110
Dry maize	Maize	39	39	39	39	40	39	55
Irish potatoes	Shangi	36	37	42	49	50	44	83
Rice	Ahero	80	79	80	80	80	80	119
	Pishori grade 2	98	98	98	98	98	98	136
Wheat	Wheat	76	77	77	77	77	77	82

Source: Daily Market Survey for the month of April.

Outlook for the Month of May

During the month of May, the following changes are expected:

- Higher food prices are expected in the coming months due to delayed short rains and predicted poor long rains.
- The ongoing Russian invasion of Ukraine is expected to add further pressure to food prices.
- Rising input costs specifically fertilizers will increase the cost of food production hence escalating food commodity prices.
- Scarcity and rise in the cost of fuel are seen as contributors to the food prices.
- Severe macroeconomic difficulties, including currency weakness, would significantly increase prices of imported inputs and imported food commodities such as wheat and rice are expected to increase.
- Policy adjustments and increased political activity ahead of the August elections in the country might affect business performance including acquisition of inputs and food importation.

ABOUT THIS SERIES

The Food Security Portal (FSP), facilitated by the International Food Policy Research Institute (IFPRI), aims to improve food security for the world's poor and increase the resilience of global food systems against food and financial crisis. The project brings together international, regional, and country-level data, news, and research aimed at meeting countries' immediate food security needs and building long-term global food security. The FSP is designed to pool information in structured ways to ensure high-quality, timely, and relevant data and to provide the opportunity for collaboration among policymakers, development professionals, and researchers.

This report is part of the FSP's efforts to monitor country-level food prices in order to improve the governments' ability to respond to and prevent food crises. It presents monthly price trends and movements for key food commodities, including dry beans, dry maize, rice, wheat, and Irish potatoes, in selected major regions and markets in Kenya.

DATA COLLECTION AND METHODOLOGY

The study was conducted in the Mombasa, Nairobi, Nakuru, Eldoret, Kisumu, and Nyeri regions of Kenya. These regions comprise the key markets in major urban centers. The five selected commodities comprise the major staple foods in Kenya[1].

Data assistants, some of whom were traders, collected average daily wholesale and retail prices from the main markets of the selected regions. Data was collected daily for six days (Mondays to Saturdays) from stockists/wholesalers and traders in the morning hours.

During the last week of the month, the following qualitative data were captured:

- General observations on food prices during the month, including price variations and the lowest, highest, and prevailing wholesale and retail prices
- The source of food commodities and their availability throughout the month
- The effects of the COVID-19 pandemic, as well as government restrictions including curfews and cessation of movement, on food prices and availability (both supply and demand)
- Traders' adaptation strategies to the COVID-19 pandemic, including sourcing and selling

Additional secondary data was obtained from the Ministry of Agriculture, Kenya Government Food Security War Room (FSWR), Ministry of Agriculture Livestock and Fisheries (MoALF), and Regional Agriculture Trade Intelligence Network (RATIN).

[1] NB: While the report covers wheat, consumption of that commodity in Kenya is comprised mainly of wheat products (flours, pastries, and highly processed foods) rather than raw wheat itself.

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