



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

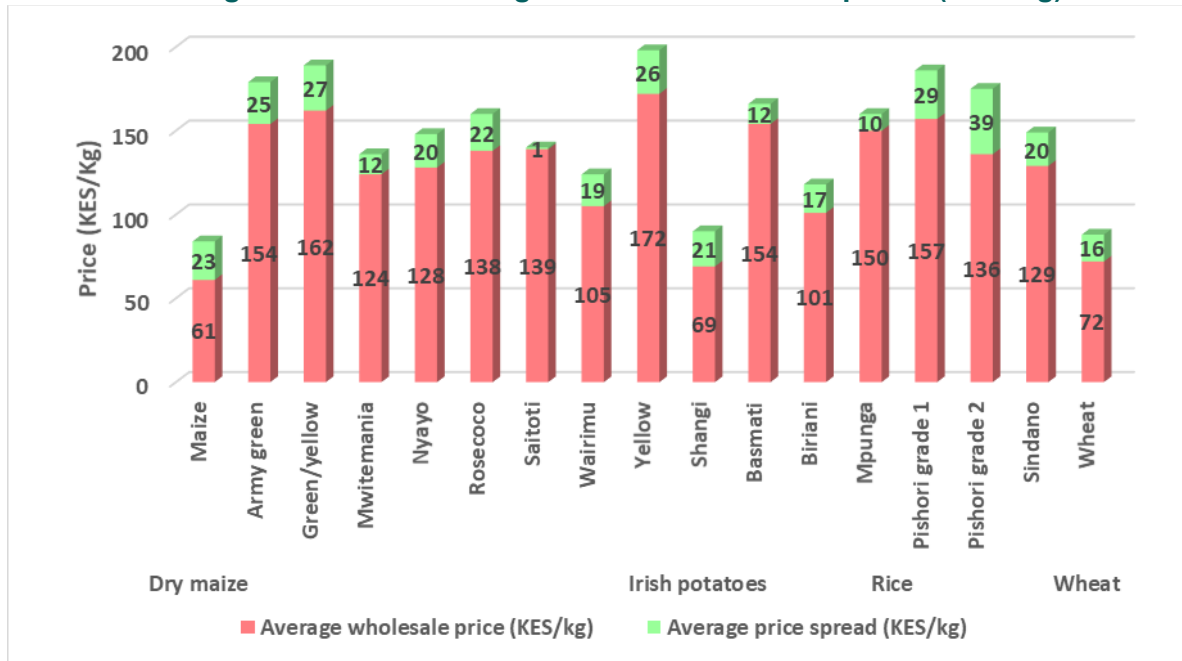
- ▶ Higher margins observed in wholesale and retail price margins for some commodities can be attributed to seasonality, transport costs, repackaging costs, and the existence of middlemen and produce brokers. High
- ▶ High price margin of maize is attributable to its high demand despite the peak season. This is as a result of low supply of maize resulting from overreliance on rain-fed agriculture
- ▶ High demand for rice is due to an acute shortage of maize, prompting traders to take advantage of the situation to hike rice prices
- ▶ The high prices of Irish potatoes have been attributed majorly to the high cost of production due to the increase in farm inputs such as seeds, pesticides, and fertilizers

Overall Wholesale and Retail Prices for November

Average wholesale and retail prices for maize, beans, potatoes, rice, and wheat in major Kenyan markets In November are shown in Figure 1. A few dry beans and rice varieties recorder lower prices margins of between 1% and 10%; the included Mwitmania beans (10%), Saitoti beans (1%), Basmati rice (8%) and Mpunga rice (7%). Most commodities showed price margins of between 15% and 18%; these included some dry beans varieties [Army green (16%), green yellow (17%), Nyayo (16%), Rosecoco (16%), Wairimu (18%), Yellow beans (15%), and some rice varieties [Biriani (17%), Pishori (18%), and Sindano 16%]]. A few commodities recorded higher price margins

comprising Maize (38%), Irish potatoes (30%), Pishori rice 2 (29%) and wheat (22%). Availability of food commodities within and around producing areas is attributable to lower price margins. Higher margins observed in wholesale and retail price margins for some commodities can be attributed to seasonality, transport costs, repackaging costs, and the existence of middlemen and produce brokers. High price margin of maize is attributable to its high demand despite the peak season. This is as a result of low supply of maize. Kenya’s food shortages have been attributed to overreliance on rain-fed agriculture, inefficiencies along the value chain and the high cost of inputs (Business Daily, November 2022).

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



Source: Daily Market Survey for the month of November 2022

Wholesale and Retail Commodity Prices

Various dry beans varieties were recorded across regions but only green/yellow and Wairimu beans were common in all the selected regions, while yellow beans was only found in Eldoret and Saitoti only found in Mombasa. Rosecoco bean variety was found in all the regions with exception of Mombasa region, while Mwitmania was only found in Mombasa and Nakuru regions (Table 1). As expected, all beans varieties recorded higher retail prices compared to wholesale prices. Compared to the national wholesale average prices, Army green, Green yellow, Nyayo, Rosecoco, and Wairimu beans showed higher wholesale prices. Eldoret, Mombasa, and Nyeri regions recorded higher wholesale prices for most beans varieties. Nairobi recorded higher retail prices for all beans varieties with the exception of Army green and Green/Yellow while Kisumu recorded higher retail prices with the exception of Green/yellow beans. The observed variation in prices can be attributed to seasonality, location, and variety type of beans. Nairobi and Kisumu are high populous cities and non-producing areas hence the demand of beans is high. Green yellow and Army green are the most preferred beans varieties because they are delicious, and associated with lowest cooking time.

Compared to the national average wholesale and retail prices of 52KES/kg and 60ES/kg respectively, dry maize recorded higher wholesale and retail prices in all regions with the exception of Eldoret region. Sky rocketing prices of maize across the country is attributable to below-average production due to poor agro climatic conditions. Other factors include high demand, currency depreciation, and high inflation (Business Daily November, 2022).

Irish potatoes recorded higher prices in Nairobi (98KES/kg) and Nyeri (71KES/kg) compared to the national average wholesale price of 69KES/kg. Similarly, Kisumu and Nairobi showed highly significant retail prices of 111KES/kg and 110KES/kg respectively, compared to the national average price of 90KES/kg. Increased prices in the populous cities can be attributed to high demand and unavailability of the commodity due to its perishable characteristic. Irish potato production has been growing rapidly in the country due to increased growth in the fast food industries, the cost of essential commodities has been on an upward trend since the beginning of 2022, thus pushing up the cost of living (khusoko, Kenya November 2022).

Pishori rice was common to all regions, Biriani and Mpunga rice were common to Mombasa, whereas Sindano and Basmati rice (both non aromatic rice) were common to Eldoret, Mombasa, Nakuru and Nyeri regions. Eldoret, Mombasa, Nairobi Nyeri recorded significantly higher wholesale prices for Pishori grade 1 rice varieties ranging between KES 200/kg to KES 210 per kg compared to the

national average retail price of 186KES/kg. The soaring rice prices is due to its high demand, since maize crops failed, Kenyans have turned to rice, leading to an increase in demand for the cereal. According to Nation Africa, November 2022, high demand for rice is due to an acute shortage of maize, prompting traders to take advantage of the situation to hike rice prices.

Dry wheat recorded high wholesale and retail prices in Kisumu and Nairobi regions, compared to the average national wholesale (72KES/kg) and retail prices (88KES/kg). High wheat prices is greatly attributable to

international pressures like Ukrain and Russia wars, export ban by India the world's second-biggest producer of the staple cereal after China. Consequently, Kenyan households have felt the pressure especially on the non-producing and populous regions. Kenya relies on global wheat supply to meet the local demand, importing up to 75 % of the grain from the world market (Kenyan Wall Street Newsletter, May 2022).

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

Product	Variety	Average wholesale price (KES/Kg)						Average retail price (KES/kg)						Total average whole sale 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			170	153	159				180	179	167		154	179
	Green/yellow	173	169	169	149	155	155	198	223	179	177	169	185	162	189
	Mwitemani a			172		75				180		91		124	136
	Nyayo		120	138	138	115			161	140	170	122		128	148
	Rosecoco	143	124		149	132	144	152	171		178	135	171	138	160
	Saitoti			139						140				139	140
	Wairimu	106	110	110	105	88	111	118	150	120	125	99	130	105	124
	Yellow	172						198						172	198
Dry maize	Maize	47	61	62	69	60	65	51	69	70	84	65	81	52	60
Irish potatoes	Shangi	52	58	61	98	64	71	61	111	69	110	87	82	69	90
Rice	Basmati	125			134	220	138	137			150	224	153	154	166
	Biriani			105	96	104				110	120	120		101	118
	Mpunga			150						160				150	160
	Pishori grade 1	175		195	190	103	179	200		200	210	151	205	157	186
	Pishori grade 2	128	145					150	201					136	175
	Sindano	122		175		122	109	130		180		150	139	129	149
Wheat	Wheat	54	90		79	66		60	117		103	74		72	88

Source: Daily Market Survey for the month of November 2022

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, most dry beans (green yellow, Wairimu and yellow beans) and Irish potatoes showed increased wholesale and retail prices. Rosecoco beans, maize and basmati rice recorded reduction in retail prices. Most rice varieties, and wheat showed stable prices. Increased prices of some food commodities in Eldoret is attributable to high demand of the produce and increased transaction costs for instance high fuel prices leads to increased transportation costs.

In Kisumu, a comparison between week five and week one showed decline in retail and wholesale prices for most commodities and stable retail and wholesale prices for a few. Green yellow beans, Wairimu beans, maize and Irish potatoes recorded decline of retail prices of between 1% and 8%. Nyayo beans, Rosecoco and wheat saw stable retail prices. Reduction in prices of food commodities in Kisumu is attributable to availability of food commodities in the region and neighboring regions and Countries (Uganda and Tanzania).

Stable wholesale and retail prices were observed in 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 Irish potatoes which saw slight increase in prices of 3%. Increased prices of Irish potatoes is attributable to high demand in the region which upholds potatoes as a special delicacy cooked in different ways for example; bhajia, viazi karai, kachri bateta, fries, and potato wedges.

The Nairobi region saw decline in prices for most food commodities with a few recording stable prices. Wholesale prices between week five and week one showed slight reductions of wholesale prices of between 4% and 11% for all dry beans, wheat, maize and Irish potatoes. All available rice varieties saw stable wholesale and retail prices. Despite Nairobi region being non-producing populous city with high demand of food, commodities are sourced from various producing regions. Rice is sourced from Mwea the major rice producing region in Kenya, and some varieties from Tanzania, maize is sourced from Busia Uganda, Nakuru, Narok, Kitale and Uasin Gishu. While beans is sourced from Busia Kenya and Uganda. Availability of food commodities is attributable to seasonality given that October to November are harvesting seasons for various food commodities.

Similarly, a comparison of wholesale and retail prices between week five and week one in Nakuru showed a combination of reductions, increases and stable prices.

FOCUS ON POTATOES ACROSS SELECTED REGIONS

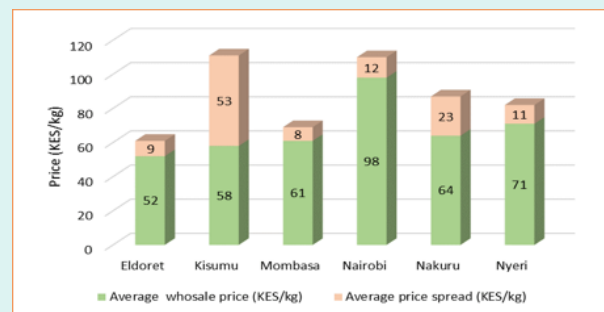
Irish potatoes are one of the staple foods in Kenya, just like maize and rice. They are consumed by a lot of Kenyans and can be mashed, boiled or used to make French fries or chips. Potatoes are generally grown in the higher altitude areas, on rain-fed land, where they compete favorably with maize production. The commodity is grown 15 counties, Nakuru or Nyandarua County being the leading producing regions. Other major potato-growing counties include Nyeri, Kiambu, and Murang'a.

There are several potato varieties but Shanghi variety is the most common because of its attributes comprising: quick maturity, multipurpose (chipping, table usage, mashing, making crisps, or potato flakes), very little dormancy, monopolistic forces and market availability.

The Shanghi potato variety recorded various prices across the regions in November. Nairobi and Nyeri regions recorded significantly higher average wholesale price of 98KES/kg and 71KES/kg respectively and higher retail prices of 110 KES/kg and 110 KES/kg compared to the national average wholesale price of 69KES/kg and retail price of 90KES/kg.

Higher prices in the populous cities can be attributed to transportation costs, seasonality, and higher demand. The high prices of Irish potatoes have been attributed majorly to the high cost of production due to the increase in farm inputs such as seeds, pesticides, and fertilizers. Additionally, the markets are highly dominated by brokers and middlemen who still contribute to the high cost of production.

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



Source: Daily Market Survey for the month of November 2022.

Rosecoco, Wairimu beans, Pishori and Sindano rice saw increased retail prices ranging between 3% and 10%. Irish potatoes and wheat recorded decline in retail prices of 7% and 8% respectively. Food commodities that showed stable prices included green yellow beans, Mwitmania, maize, Basmati and Biriani rice. Stable and reduction of food prices in Nakuru is attributable to seasonality. Most regions around Nakuru harvested maize, beans and Irish potatoes between September and November.

In Nyeri region, a comparison of wholesale and retail prices between week 5 and week 1 showed slight reduction in retail prices of most commodities. Commodities that saw slight price decline included Wairimu (2%), Irish potatoes

(2%), Basmati (8%) and Sindano rice (7%). Price reductions is attributable to availability of commodities in the region and other neighboring counties.

FOCUS ON NYERI REGION

Nyeri is a town situated in the Central Highlands of Kenya. It is 150 km North of Nairobi in the densely populated and fertile central highlands lying on the base of Aberdare Ranges. It is a pleasingly arranged town in the Aberdare foothills, with extensive green meadows and gardens, much of the surrounding area is utilized for farming where coffee and tea are important cash crops. Other crops grown are maize, beans, wheat, bananas, Irish potatoes, sweet potatoes, and other vegetables

Agribusiness is one of the main economic activities within the county; thus, commodities in the region come directly from local farmers and from neighboring counties. Prices for target crops were collected the modern Karatina open-air market, the second largest regional trading hub for wholesale and retail in East Africa. The open-air market is located in Karatina Town and serves most of the neighboring sub-counties and counties in the region. A variety of goods are sold in the wholesale market as well as the retail section, including all types of fruits, all kinds of vegetables, cereals, and many other market goods. The market operates seven days a week and on a typical day is open from 5am and closes at 8pm. The town council of Karatina ensure that the market is up to standard and is well organized.

During November, comparing week five to week one, some commodities recorded slight increase in wholesale prices shown by Wairimu beans (1%), maize (5%). And Irish potatoes (3%). Commodities which showed slight reduction on wholesale prices were green yellow beans (1%), Basmati (6%) and Sindano rice (11%). Variation in prices can be attributable to surpluses occasioned by the harvest season in the region and neighboring counties, and high demand of commodities.

Table 2: Average Retail and Wholesale Prices, Nyeri 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	156	154	153	156	155	155	185
	Rosecoco	144	144	144			144	171
	Wairimu	109	109	111	113	110	111	130
Dry maize	Maize	64	64	64	66	67	65	81
Irish potatoes	Shangi	70	70	70	73	72	71	82
	Basmati	144	136	137	136	136	138	153
Rice	Pishori grade 1	180	178	178	179	180	179	205
	Sindano	108	112	111	110	96	109	139

Source: Daily Market Survey for the month of November 2022.

Outlook for the Month of December

December normally marks the cessation of the October-November-December short-rains season in Kenya. The forecast indicates that several parts of the country are likely to experience below-average (generally depressed) rainfall. The rainfall distribution, both in time and space, is expected to be generally poor. Due to weather conditions coupled with other factors, the following changes are anticipated during the month of December:

- Maize prices across the country will remain high because of below-average harvest, high demand, currency depreciation, and high inflation.
- Bean prices are expected to increase due to below-average harvest, and rising demand during the festive season.
- Rice prices are expected to decline as the main production season in the Mwea irrigation scheme began in July and harvests are expected in December and January. In addition, imports may also increase, which would stabilize prices and temper price increases. However, prices may remain high as the demand for rice significantly increases during the festive season.
- Irish potato prices are expected to increase due to a combination of issues, including the fact that most regions will be past the main harvest season by then. Given the perishable nature of the crop, it does not permit long storage periods. Finally, during the festive season, demand will outweigh supply given that the crop may be boiled, mashed, roasted, or fried to create numerous variations of mouth-watering meals during the festive season.
- Wheat prices are expected to remain stable due to minimal, and mostly imported, current stocks. Prices are expected to increase after December as a result of increased demand associated with the festive season.

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 Kenya¹.

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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