

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.

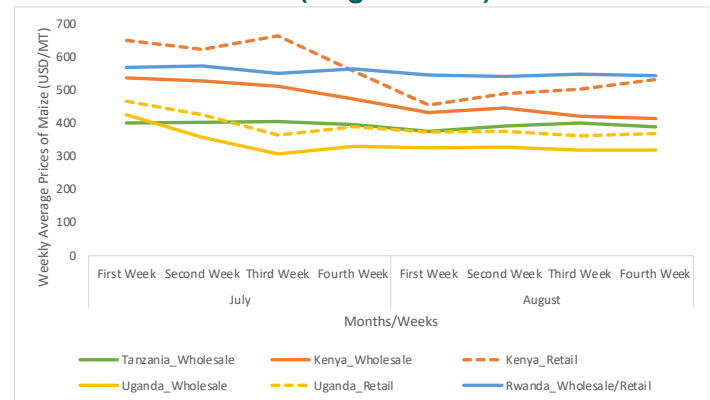
Highlights

- ▶ Except in Rwanda and Tanzania, the wholesale and retail maize prices were relatively lower at the end of August than at the beginning of July, primarily due to the harvest season. Wholesale and retail prices were generally lowest in Uganda and highest in Rwanda in August.
- ▶ The price of rice also declined in August for most countries except Kenya. Even the price of all imported rice varieties declined in August compared to July, and Rwanda experienced the most notable decline in the price of its different imported rice varieties.
- ▶ Observed changes and variations in prices of Maize and rice within the East African region are due to increasing fuel prices, the weakening local currencies, and non-tariff barriers imposed by some countries like Tanzania on their exports.

Changing Maize Prices in East Africa

Except in Rwanda and Tanzania, the wholesale and retail maize prices were relatively lower at the end of August than at the beginning of July, primarily due to the harvest season. Wholesale and retail prices were generally lowest in Uganda and highest in Rwanda in August (See Figure 1 below). In Kenya, the price trends of Maize during the month of August were mixed. After the decline of prices from July into August, subsequent weeks in August had increased prices. Specifically, there was a general upward trend for wholesale prices in the first two weeks, with prices rising from USD/MT 431 to USD/MT 444. Then, there was a decline in the following two weeks, reaching USD/MT 414 in the last week. Retail prices in Kenya generally increased in August, with a 7 per cent increase from the first to the second week and a 6 per cent increase from the third to the fourth week.

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



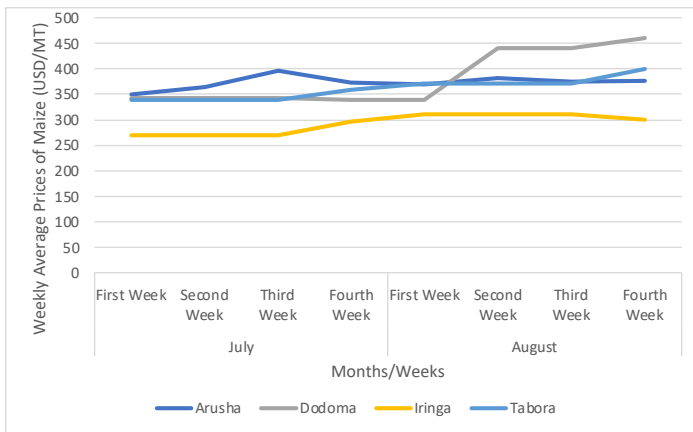
Source: Authors' construction using data from FSP (for Uganda and Tanzania), Ministry of Agriculture Livestock and Fisheries (for Kenya), and e-SoKo (for Rwanda).

Tanzania

In Tanzania, there was generally a slow, gradual increase in the price of Maize from the first to the third week before it

levelled off in the fourth week, which might partly be explained by the rise in fuel prices¹. The changes align with the decrease in stock as the season gradually shifts from peak harvest to depleted stock. In Uganda, the prices remained relatively stable. Across the markets in Tanzania, the average wholesale price of Maize also remained relatively stable except in Dodoma, where there was a sharp increase of eight percent from the first week to the second week of August. Notably, the prices seem to increase in the last week of August, so they are likely to be higher in September. The prices increased towards the last week in August for most markets might be due to the tightening of stocks (FEWS NET, 2023). The price increase was also due to the rise in fuel prices to 463 USD/MT and 391 USD/MT for petrol and diesel, respectively (The Citizen, 2023).

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



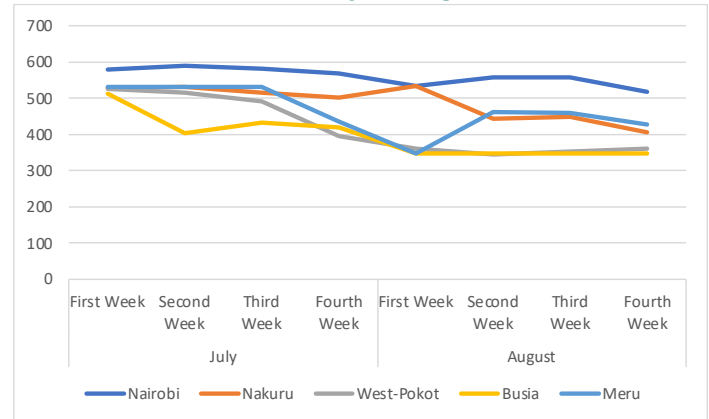
Source: Authors' construction using data from the Ministry of Investment, Industry, and Trade

Kenya

Across Kenya, prices were highest in the Nairobi market and lowest in the Busia market at the border with Uganda. Specifically, in Nairobi, prices continued to decrease in August, starting at 533 USD/MT in the first week and reaching 517 USD/MT by the fourth week. West Pokot witnessed a decline in wholesale prices from 361 USD/MT in the first week of August to 361 USD/MT by the last week of August. In Busia, the prices were stable at 348 USD/MT throughout the month, while Meru saw a slight fluctuation of price increase in the second and third weeks but a decrease again in the fourth week. The overall trend from July to August indicates a decline in wholesale prices, with some variations during the month in different markets. Increased harvests from neighbouring countries like Uganda helped to reduce

maize prices in Kenya, especially in the Kenyan Busia market. Also, the Government's intervention to stabilize and or subsidize fuel prices might have been a factor in lowering the prices (Anyanzawa, 2023). Oil marketers were compensated with a price differential of Ksh7.33 (\$0.05) per litre of petrol, Ksh3.59 (\$0.02) per litre of diesel and Ksh5.74 (\$0.04) per litre of kerosene². Without some Government intervention, fuel prices would have increased the transportation costs of transferring Maize from producing regions to areas of consumption.

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



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

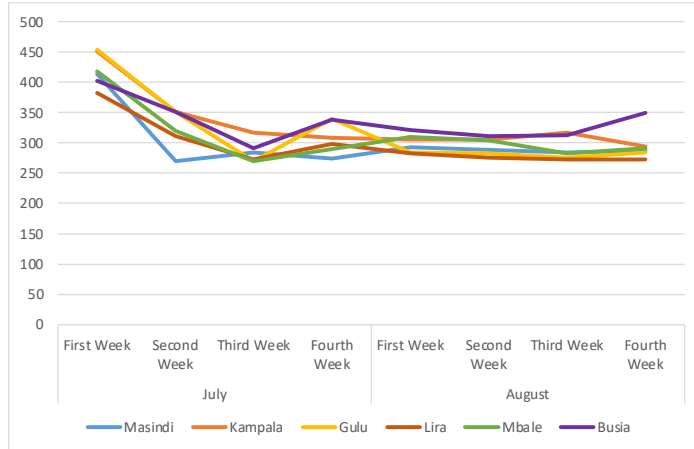
Uganda

Across the markets in Uganda, the highest average wholesale prices for Maize were recorded in the Busia market at the border with Kenya and were lowest in the Northern markets of Gulu and Lira. The average wholesale prices were also relatively low in the capital, Kampala district. In addition, whereas in the last week of August, prices seemed to be rising in other markets elsewhere in the country, in Kampala, they seemed to be decreasing. The maize supply from other districts in Uganda likely continued to trickle in to Kampala.

¹ <https://www.thecitizen.co.tz/tanzania/news/national/fuel-prices-why-tanzanians-must-brace-for-tougher-times-4325010>

² <https://www.theeastafrican.co.ke/tea/business/imf-backs-president-ruto-fuel-price-stabilization-plan-4339556>

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



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

Rwanda

In Rwanda, the price of Maize remained relatively stable and at the same level throughout July and August, which might be explained by the removal of Value Added Tax and the Government of Rwanda setting the price of Maize and its by-products as a way of cushioning poor households from the global inflation stemming from increased demand post-Covid-19 and the Russian-Ukraine war (Ndushabandi, 2023; Ashimwe, 2023)

Comparison of wholesale and retail maize prices in East Africa

Overall, the average wholesale and retail price of maize grain recorded a general downward trend from July to August (Table 1). Kenya experienced the most significant decreases in retail and wholesale prices, with percentage changes of 20.6% and 16.4% per cent. Uganda and Rwanda also saw notable decreases, while Tanzania had a relatively minor reduction in wholesale prices. Rwanda had the most minor decrease in prices at 3 per cent. Overall, the average monthly wholesale and retail percentage change in prices was higher from July to August than the previous month of June to July due to the harvest period.

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

Commodity	Country	Market Levels	Monthly Average Prices July 2023 (USD/MT)	Monthly Average Prices April 2023 (USD/MT)	Monthly % Change	Trends
Maize	Kenya	Retail	632	494	-20.6%	▼
	Uganda	Retail	441	369	-10.1%	▼
	Rwanda	Retail	505	544	-3.3%	▼
	Kenya	Wholesale	534	427	-16.4%	▼
	Uganda	Wholesale	354	321	-9.3%	▼
	Rwanda	Wholesale	505	544	-3.3%	▼
	Tanzania	Wholesale	516	388	-3.1%	▼
Constant						

▼ = Decrease ▲ = Increase ► =

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)

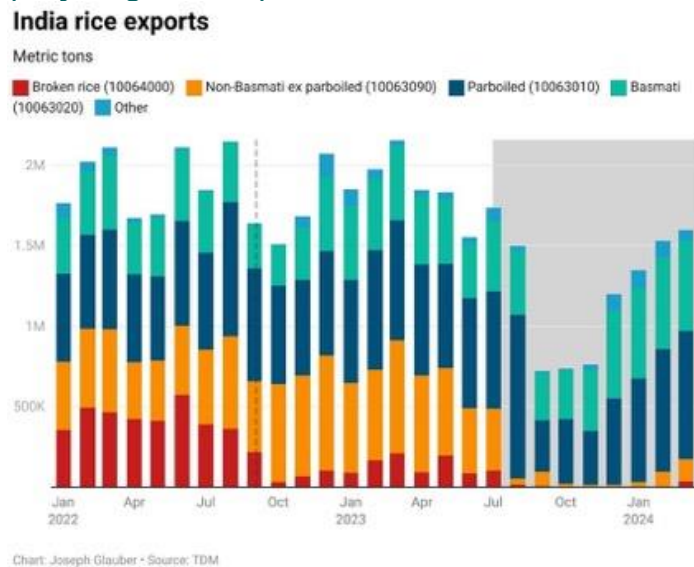
Changing Rice Prices in East Africa

The weekly average wholesale price of rice was lowest in Rwanda and Tanzania and highest in Kenya. The average weekly price of Rice in Kenya increased gradually from the fourth week of July into the second week of August and then stabilized in the last two weeks. The weekly wholesale price of Rice in Kenya exhibited some fluctuations, starting at 1166 USD/MT, increasing to 1198 USD/MT in week two, then decreasing to 1141 USD/MT in the third week, and then rising slightly to 1151 USD/MT in the last week. However, the retail prices were relatively stable (See Figure 5). The price variation suggests a dynamic response to market factors, including an increase in the price of Indian Rice due to export restrictions. Yet, during drought and high fertilizer prices, many Kenyans relied on imported rice from India³ (Voice of Africa, 2023). Rising and varying prices in Kenya can also be partly explained by the increasing fuel prices and the weakening of the Kenyan currency against the dollar (Anyanzwa, 2023).

³ <https://www.voanews.com/a/rice-shortages-high-prices-hit-most-vulnerable-/7233443.html>

Data on price trends and variations of other imported rice varieties, specifically from India, are missing. Therefore, it is difficult to make inferences on what the restrictions India imposed on its rice exports might be in the East African countries. Figure 6 shows that India's reduced rice exports from January 2022 to January 2024. Between 2022 and 2023, India's rice exports to East Africa fell by 57.8 per cent, according to Gluaber and Mamun (2024). This was after India setting restrictions on its exports of broken rice and non-Basmati white rice in August 2022 and the ban on non-basmati rice and restrictions on basmati rice and parboiled rice exports in July 2023. In Kenya, the media reports a likely increase in the price of rice due to India's ban on some of its exports⁴.

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



Summary and Future Outlook

The prices of Maize and Rice continue to be highest in Kenya, partly due to the increase in fuel prices. With the

President of Kenya's current move to curb further fuel price increases through the compensation of oil marketers with the price differentials, "a stabilization mechanism," the commodity prices will likely decrease in the subsequent months, especially from the anticipated October-to-December harvest. The weakening of the shilling in Uganda, Tanzania, and other countries will likely affect the price of imported Rice and Maize in the subsequent seasons. Tanzania's move to regulate the export of cereals by ensuring that purchases are made from the National Food Reserve Agency may be a factor in lower prices in Tanzania in the subsequent months as imports get restricted and domestic supply increases.

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)⁵ facilitated by the International Food Policy Research Institute, (2) Kenya Market Information System⁶ sourced for the Ministry of Agriculture Livestock Fisheries and Co-operatives (MALF) for Kenya, and e-Soko (3)⁷ 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.

⁴ <https://www.voanews.com/a/rice-shortages-high-prices-hit-most-vulnerable-7233443.html>

⁵ The Food Security Portal data for East African countries is from the Regional Agricultural Trade Intelligence Network (RATIN) and is available at food price monitoring Africa weekly average - dataset - [ckan \(foodsecurityportal.org\)](http://foodsecurityportal.org)

⁶ Ministry of Agriculture Livestock Fisheries and Co-operatives, Kenyan Market Information System. Data available via http://amis.co.ke/site/market/900?product=1&per_page=100

⁷ e-SOKO price data is available from the Ministry of Agriculture and Animal Resources of the Republic of Rwanda: <http://www.esoko.gov.rw/esoko/Dashboard/Login.aspx?DashboardId=4&dash=true&Login=true>

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