



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

- ▶ Maize prices in East African countries namely Uganda, Kenya, Tanzania, and Rwanda have decreased in November due to several reasons. These reasons include a good harvest earlier in the year, importation bans such as the one in Kenya, and waiving of value-added tax on maize in Rwanda to support poor households. However, the aftermath of the El Nino rains may cause an increase in maize prices in the first and second quarters of 2024, which could potentially undo the progress made.
- ▶ Prices of locally produced rice have been stable throughout East Africa, with varying monthly average percentage changes in Uganda, Kenya, and Tanzania. These changes are likely related to reported fluctuations in inflation across the region. Despite this, the outlook for domestically produced rice remains positive due to an expected increase in harvest following drought seasons, thanks to the El Nino rains.
- ▶ Price for imported rice remained unstable throughout November in the East African region. This is attributed to the weakening of local currencies against the US dollar, caused by a tightening of the US Fed policy.
- ▶ Moreover, the future doesn't look good for imported rice prices, especially those from Asia. Even though Asia supplies 90% of the world's rice, hotter and drier monsoon weather, as well as weaker yields, are causing prices to remain high. Additionally, countries like India have imposed export restrictions on rice, which will lead to a decrease in global rice output.

Changing Maize Prices in East Africa

Prices of maize in the selected East African countries were gentler in November than in October. Further, Rwanda exhibited the highest prices of maize in the region, followed by Kenya and then Tanzania, but Uganda had the lowest price (Figure 1). Illustratively, we observe that prices of maize eased in November in Rwanda compared to October. This is in tandem with the decrease in monthly inflation by 1 percent, as reported by the National Institute of Statistics for Rwanda (2023). Similarly, the wholesale and retail prices of maize in Kenya eased in November compared to October. This also reflects the fall in monthly inflation by 1% from 6.9% in October to 6.8% in November. In addition,

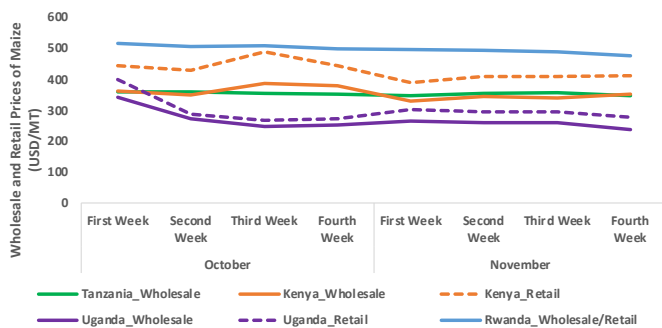
during the same period, prices of maize flour, a by-product of dry maize, fell 6.5% (Kenya National Bureau of Statistics, 2023). In addition, easing the retail and wholesale prices of maize in Kenya could be supported by increased output from the harvest season in certain maize-producing regions of Kenya (Bii and Mwangi, 2023). The drop in the prices of maize in Kenya can also partly be explained by increased production during the season of about 18 million bags because of the government fertilizer subsidy program¹.

Nevertheless, maize prices were a bit unstable throughout the month. This instability in maize prices observed in Kenya may be due to the acute scarcity of maize in some regions, while others have had increased output from the

¹ <https://nation.africa/kenya/news/ruto-price-of-unga-has-dropped-to-as-low-as-sh145-per-2kg-4428556>

harvest (Anyanzwa, 2023; Bii and Mwangi, 2023). Additionally, high fuel prices, after unwinding fuel subsidies and increasing VAT on fuel from 8% to 16% (Okafor, 2023), are driving up transportation costs, which could be contributing to price instability. In Tanzania, maize prices remained significantly stable, reflecting the stagnation in headline inflation at 3.3% in November and October, and a subsequent decrease in monthly food inflation decreased to 3.7 percent from 4.5 percent recorded in October (Tanzania National Bureau of Statistics, 2023). In Uganda, maize's wholesale and retail prices rose slightly in November from the preceding month but were more stable throughout November. This could be attributed to the maize importation ban in Kenya to protect Kenyan farmers (Hajasu, 2023).

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

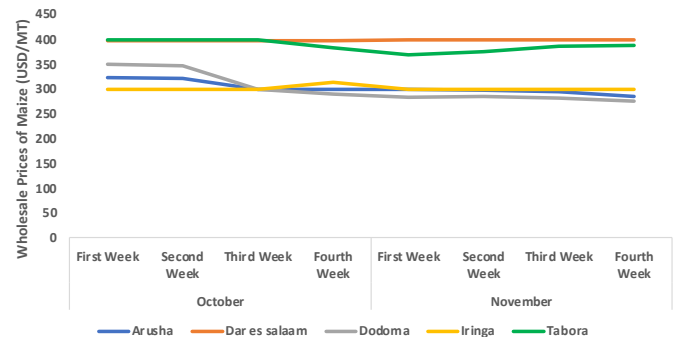


Source: Authors' construction using data from FSP (for Uganda and Tanzania), Ministry of Agriculture Livestock and Fisheries (for Kenya), and e-SoKo (for Rwanda).

Tanzania

In Figure 2, between October and November, the wholesale price movements of maize in the selected markets in Tanzania remained the same except for the Iringa market, where they took up turn in November, surpassing Dodoma and Arusha markets. Specifically, Dar es Salaam and Tabora markets registered the highest wholesale prices with a significant variation from the other selected markets. This variation could be due to the heightened demand in those regions (Bank of Tanzania, 2023). Regardless, the Iringa market followed the Arusha market, and Dodoma had the lowest wholesale prices. Despite this, general price stability was observed in all the selected markets. This could be attributed to the effectiveness of the non-trade embargo policy imposed on maize from Tanzania to other East African countries (Anami and Tairo, 2023). Further, it is attributed to the good harvest regions in the 2022/23 crop season (Bank of Tanzania, 2023).

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



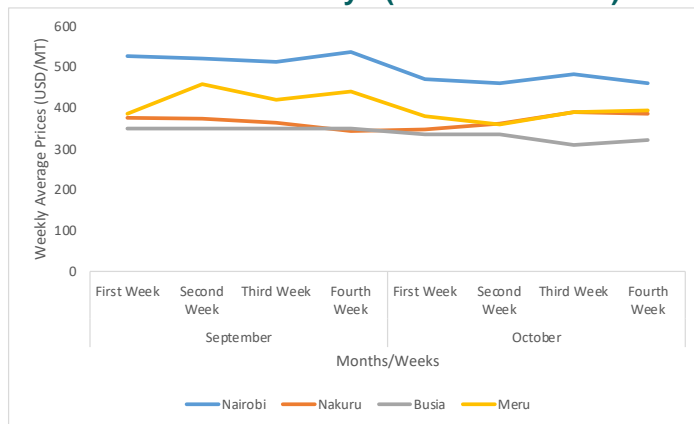
Source: Authors' construction using data from the Ministry of Investment, Industry, and Trade

Kenya

In Figure 3, as observed in October, the weekly average wholesale prices of maize in the Nairobi market remained elevated and more volatile in November. The Meru market exhibited higher wholesale prices of maize from the beginning of November, but it was surpassed last week by the Nakuru market. Busia market continued to show the lowest wholesale prices. Meanwhile, wholesale prices were also volatile in the Nakuru market, although they stabilized towards the end of the month. These price movements allude to the increased cost of living emanating from the high fuel prices (Okafor, 2023). The increased purchasing power amongst Nairobi and Nakuru dwellers during the pandemic led to increased demand, hence the observed volatile high prices. The high wholesale prices of maize

seen in the Meru market could be attributed to the poor harvest that was experienced in that area due to the drought conditions (Anyanzwa, 2023). However, wholesale prices of maize in the Busia market remained remarkably stable and were the lowest amongst the selected markets in Kenya. This was primarily due to the maize importation ban by the Kenyan Government, followed by a bumper harvest geared towards supporting domestic maize producers (Hajusa, 2023).

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



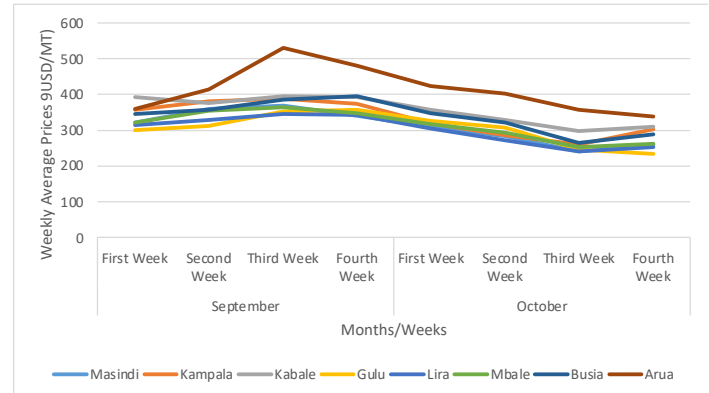
Source: Authors' construction using data from the Ministry of Agriculture Livestock Fisheries and Cooperatives

Uganda

In Figure 4, the wholesale weekly average prices of maize in selected markets in Uganda exhibited a downward trend in November compared to October. This is as a result of the after-effects of the July harvest season. Notably, the maize importation ban by Kenya has also led to increased output in Uganda, dampening the price (Hajasu, 2023). However, the highest prices were registered in Arua and Kabale, respectively. This is largely because the high fuel prices feed into the transportation costs of the maize grains from the maize-producing regions to local markets within the Arua main market and Kabale main market, respectively. Also, the poor condition of the roads leading to the Arua district means that the maize will take a long time to reach these markets, which distorts the market forces of demand and supply. Kampala market followed, although the Mbale market overtook it at the end of November. The high purchasing power of residents dwelling in Kampala and the rapid urbanization of areas surrounding Kampala means high demand, which explains the high prices. However, the spontaneous price hike observed in Masindi and Mbale towards the end of the month could be attributed to the increased demand from Kenyan traders. The lowest prices observed in northern parts of the country, in Lira and Gulu,

could be attributed to the increased supply from the July bumper harvest.

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



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

Comparison of wholesale and retail maize prices in East Africa

From Table 1, there was a general decline in the monthly average wholesale and retail prices of maize in November across the East African countries. Illustratively, the retail and wholesale prices in Kenya decreased by 16.4% and 11.8% respectively. This alludes to the decline in monthly inflation by 1% from 6.9% in October to 6.8% in November (Kenya National Bureau of Statistics, 2023). The retail and wholesale prices in Uganda reduced by 21.0% and 20.9% respectively. This vindicates the slowdown of food inflation to 6.4% in November from 6.6% in October (Uganda Bureau of Statistics, 2023). Also, the maize importation ban in Kenya has led to increased output in Uganda, dampening the maize prices (Hajasu, 2023). In Tanzania, the monthly average wholesale price of maize was reduced by 6.4%. This is in tandem with the decrease in monthly food inflation in November (Tanzania National Bureau of Statistics, 2023). In Rwanda, the monthly average price eased by 9.0%. This is also in tandem with the decrease in monthly food inflation (National Institute of Statistics of Rwanda, 2023). The wholesale and retail price in November this year is much lower than in the same month last year as shown in Table 1 below. For example, the wholesale price of maize in Kenya in November 2023 was at 341 USD/MT while in 2022 it was at 535 USD/MT. In Uganda, the wholesale price of maize in November 2023 was at 256 USD/MT while in November 2022, it was at 575 USD/MT. High maize production due to favourable weather conditions in 2023 explains the significantly lower prices in November 2023 compared to November 2022.

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

| Commodity | Country | Market Levels | Monthly Average Prices October 2023 | Monthly Average Prices November 2023 | % Change | Trends | Monthly Average Prices November, 2022 |
|-----------|----------|---------------|-------------------------------------|--------------------------------------|----------|--------|---------------------------------------|
| | | | | | | | |
| Maize | Kenya | Retail | 484 | 405 | -16.4 | ▼ | 650 |
| Maize | Uganda | Retail | 370 | 292 | -21 | ▼ | 575 |
| Maize | Rwanda | Retail | 538 | 489 | -9 | ▼ | 741 |
| Maize | Kenya | Wholesale | 387 | 341 | -11.8 | ▼ | 535 |
| Maize | Uganda | Wholesale | 323 | 256 | -20.9 | ▼ | 575 |
| Maize | Rwanda | Wholesale | 538 | 489 | -9 | ▼ | 741 |
| Maize | Tanzania | Wholesale | 375 | 351 | -6.4 | ▼ | 467 |

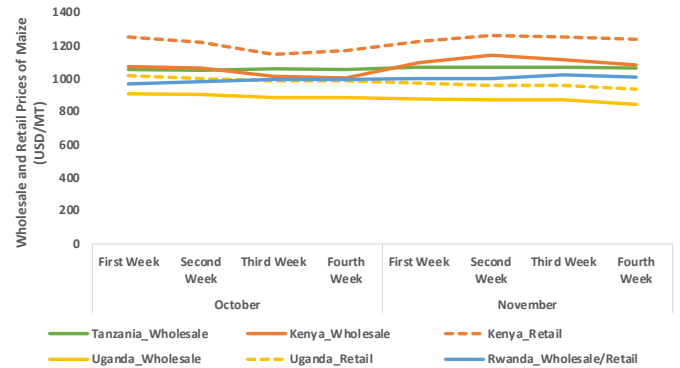
▼ = Decrease ▲ = Increase ► = Constant

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

Like the weekly average wholesale and retail prices of maize above, rice's wholesale and retail prices exhibit a similar pattern (Figure 5). Kenya had the highest average retail and wholesale prices for rice in the region, which has caused a lot of pressure on households due to the rising costs of food. This is mainly due to the implementation of the new value-added tax policy on fuel, which increased the tax rate from 8% to 16% (Okafor, 2023). On the other hand, Uganda had the region's lowest and most stable prices during October and November. This could be attributed to the high fuel prices that increased retail prices, as well as the bumper harvest experienced in July, which pushed prices down. Also, the cereals import ban instituted by the Kenyan president could have increased the output in the market (Hajusa, 2023). Meanwhile, the weekly average prices in Rwanda were also more stable throughout October and November, but they remained elevated. This is also in tandem with the decrease in monthly food inflation (National Institute of Statistics of Rwanda, 2023). Meanwhile, in Tanzania, the weekly average wholesale prices of rice were relatively stable throughout the two months.. To support this, the Bank of Tanzania (2023) argued that while prices of food crops were easing, prices of specific markets remained elevated due to increased demand from the neighbouring border countries.

Figure 5: Weekly average wholesale and retail prices of rice in East Africa (October – November 2023)



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

Unlike stable maize prices, the general monthly average retail and wholesale price of domestically produced rice posted mixed trends (Table 2). To demonstrate this, retail and wholesale prices in Kenya increased by 0.6% and 4.6% respectively. Retail prices decreased by 12.2% in Uganda, but wholesale prices increased by 1%. There are two vital factors at play here. First, the surge in fuel prices influences retail prices, and second, the harvest season in July, which brings down wholesale prices. In Tanzania, the monthly average wholesale price decreased by 4.0%. This is attributed to the good harvest regions in the 2022/23 crop season (Bank of Tanzania, 2023). In Rwanda, the monthly average price of rice increased by 1.3%. Rice prices in 2022 in the same month were much higher than the current prices in November (Table 2) for the same reasons as explained in the case of maize.

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

| Commodity | Country | Market Levels | Monthly Average Prices October 2023 | Monthly Average Prices November 2023 | % Change | Trends | |
|-----------|----------|---------------|-------------------------------------|--------------------------------------|----------|--------|------|
| | | | | | | | |
| Rice | Kenya | Retail | 1236 | 1244 | 0.6 | ▲ | 1403 |
| Rice | Uganda | Retail | 1087 | 955 | -12.2 | ▼ | 1428 |
| Rice | Rwanda | Retail | 994 | 1007 | 1.3 | ▲ | 1378 |
| Rice | Kenya | Wholesale | 1060 | 1109 | 4.6 | ▲ | 1143 |
| Rice | Uganda | Wholesale | 857 | 866 | 1 | ▲ | 1428 |
| Rice | Rwanda | Wholesale | 994 | 1007 | 1.3 | ▲ | 1378 |
| Rice | Tanzania | Wholesale | 1049 | 1007 | -4 | ▼ | 1162 |

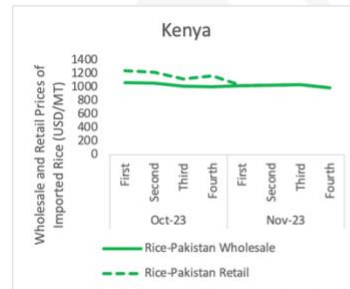
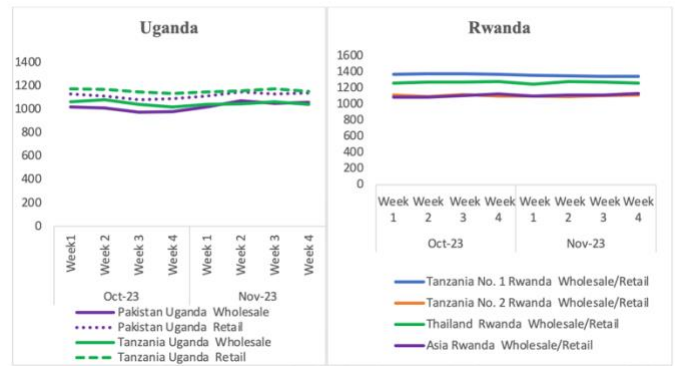
▼ = Decrease ▲ = Increase
 ▸ = Constant

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

In Kenya, rice's wholesale and retail prices declined by 3.8 percent and 6.3 percent, respectively, between September and October although Kenya's retail prices remained the highest in the region. The prices dropped from 1081 USD/MT in September to 1039 USD/MT in October, and the average retail price dropped from 1277 USD/MT in September to 1196 USD/MT in October. For weekly price changes, the wholesale price dropped by 2.5 percent from the last week of September to the first week of October. Retail prices dropped significantly by 5.7 percent from the last week of September to the first week of October.

In Figure 6, we observe mixed patterns of up-and-down swings in the wholesale and retail prices of the imported rice varieties in East African countries. In Uganda, the retail and wholesale prices of rice imported from Tanzania were higher than those of rice imported from the Pakistani variety. In Rwanda, rice imported from Tanzania (Tanzania No.1) recorded the highest prices compared to rice (Tanzania No.2), Asia, and Thailand varieties. This was followed by rice (Tanzania No.2) then Asia and Thailand varieties posed mixed trends. In Kenya, the wholesale prices of Pakistani rice were the lowest in East Africa, while the retail prices were within range albeit the lowest in the region. The volatility of imported rice varieties is largely attributed to several factors. These include (i) Weakening local currencies against the US dollar as the US Fed continues to tighten the monetary policy to ease further inflationary pressures. (ii) Increased demand and preference for certain varieties by households. For example, rice imported from Tanzania is highly preferred and demanded by households and firms compared to other rice varieties.

Figure 6: Prices of imported rice varieties in East African countries (November 2023)



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

Summary and Future Outlook

The prices of maize in selected East African countries (including Uganda, Kenya, Tanzania, and Rwanda) have increased for various reasons. Uganda is currently experiencing its perennial harvest season in July, while Rwanda has waived value-added tax on maize to help poor households. In Tanzania, a non-trade embargo on maize has created a surge in domestic supply, and the importation ban from Kenya has kept maize prices in Uganda low. However, the after-effects of the El Nino rains could further keep maize prices elevated on the horizon, especially in the first and second quarter of 2024.

With regards to rice, the prices of domestically produced rice slowed and were stable. The enabling factors largely stemmed from increased output due to protectionist policies and the bumper harvest in the mid-year. As for imported rice, the prices remained unstable throughout November in the East African region. This is attributed to the weakening of local currencies against the US dollar, caused by a hawkish US Fed policy. Despite the outlook for domestically produced rice is likely to remain subtle due to the expected bumper harvest from the El Nino rains following drought seasons. The outlook for imported rice prices, particularly those from Asia, is bleak. Despite being the global supplier of 90% of the world's rice, the prices are likely to remain high due to the hotter, drier monsoon weather and weaker yields. Furthermore, the export restrictions imposed by countries such as India's ban on rice exports in July will lead to a further decrease in the rice output in the global market (Cunningham, 2023).

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)² facilitated by the International Food Policy Research Institute, (2) Kenya Market Information System³ sourced for the Ministry of Agriculture Livestock Fisheries and Co-operatives (MALF) for Kenya, and e-Soko (3)⁴ 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.

² 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 \(foodsecurityportal.org\)](https://data.ckan.org/dataset/food-price-monitoring-africa-weekly-average)

³ 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

⁴ 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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