



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

- ▶ Average weekly wholesale and retail prices for maize in June were generally lowest in Rwanda and Kenya and highest in Uganda.
- ▶ In Uganda, the sharp increase in maize prices seen in the last two weeks of the month corresponds with the Government of Uganda's imposition of restrictions on travel and transport to curb the high infection rates of COVID-19.
- ▶ In Kenya, the sharp decrease in maize prices in the first two weeks of June is associated with the removal of restrictions on maize imports from Uganda and Tanzania.
- ▶ Rice prices in Tanzania were on average lower than in Kenya, Uganda, and Rwanda by 66.5 percent, 44.7 percent, and 44.3 percent, respectively.
- ▶ Ahead of the significant July harvest, maize and rice prices are both expected to stabilize at reduced levels. Nevertheless, government restrictions on travel and transport to curb the spread of COVID-19 may alter these expectations.

Introduction

This brief analyzes the evolution of weekly maize and rice prices in four East African countries: Uganda, Kenya, Tanzania, and Rwanda. Maize is an important staple food in all four countries. Per capita, annual maize consumption is highest in Kenya and Tanzania at about 125 kg and 112.5 kg, respectively. In all four countries, shifts in consumer preferences resulting from rapid urbanization have increased rice consumption. Rice demand in Rwanda is about 145,000 tons per year; of this total consumption, local production meets

40 percent, while importation meets the other 60 percent. Among the four covered countries, Tanzania is the largest producer of rice and exports its rice to the other three.

The wholesale and retail primary price data used in the report comes from the Food Security Portal's (FSP) COVID-19 Food Price Monitor.¹ In Uganda, price data is sourced from markets in Gulu and Lira (Northern Uganda), Kabale and Masindi (Western Uganda), and Kampala (Central Uganda and the capital city). Maize price data from Uganda is for maize meal, and rice price

1 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-dataset)

data is for imported rice only. In Kenya, price data is sourced from markets in Mombasa, Nairobi, Eldoret, and Nakuru. Mombasa is a southern coastal city in Southeast Kenya, Nairobi is the capital city, and Eldoret and Nakuru markets are located along the Western Rift Valley (Kenya's grain basket). Price data from Rwanda is from several markets, including Gicumbi, Ruhengeri, Mulindi (Northern Rwanda), and Rubavu and Kamembe (Western Rwanda). In Tanzania, price data is from Arusha, Dare Salam, Iringa, and Mbeya (Southern Tanzania). Between 50 and 60 percent of maize produced in Tanzania grows in the regions around Arusha, Iringa, and Mbeya, while Arusha and Dar es Salaam are major commercial areas consisting of non-farm consumers. Mbeya is Tanzania's rice-producing district.

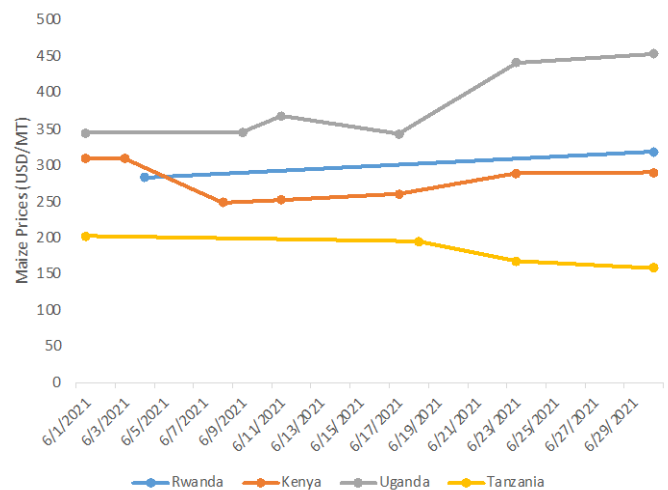
Aside from data obtained from the FSP in USD/ton, other data for various markets in Rwanda was obtained from the e-SOKO project and is measured in RWF/Kg.² Data are converted to USD/MT to provide a uniform measurement scale across regional markets. Furthermore, prices are averaged across all available markets within a country and presented using visual illustrations such as line graphs and box and whisker plots. Other secondary data sources include daily

media outlets like newspapers and institutional websites such as Government Statistical Bureaus.

Changing Maize Prices in East Africa

The average wholesale price for maize meals was generally lowest in June in Tanzania, followed by Kenya and Rwanda. Maize prices were highest in Uganda throughout the month of June (Figure 1), particularly in the last two weeks of the month. Weekly retail prices for maize were generally lowest in Rwanda and highest in Uganda and generally follow the same trend as wholesale prices (Figure 2).

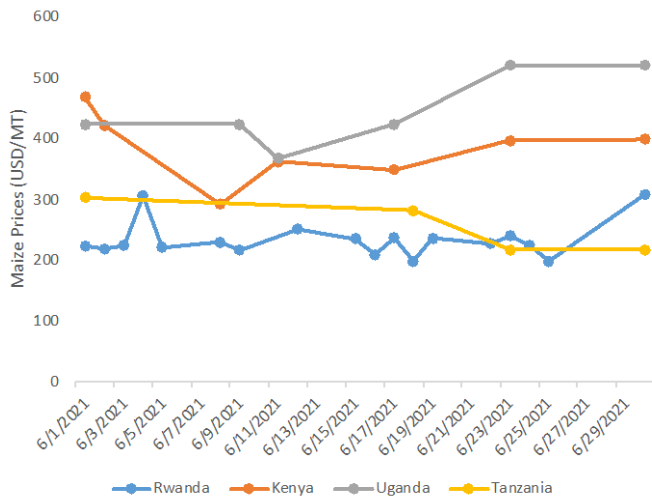
Figure 1: Average wholesale price of maize in East Africa (June 2021)



Source: Authors construction using data from FSP

² 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>

Figure 2: Average retail price of maize in East Africa (June 2021)



Source: Authors construction using data from FSP and e-SOKO (for Rwanda)

Uganda recorded uniform regular wholesale and retail prices for maize in the first two weeks of June in all markets in the country; however, these prices increased by between 19 and 34 percent from the second week of June to the end of the month. Markets in Kabale (Western Uganda) saw the highest increase of about 34 percent. Wholesale prices in Uganda remained relatively stable after this sharp increase, but retail prices continued to increase within a range of 1 to 6 percent per week in all markets except Masindi.

Prices increases starting in the third week of June in Uganda are associated with the sudden restrictions instituted by the President of Uganda on June 18 to combat the increased spread of the COVID-19 virus. Among other restrictions, travel between districts and public and private means of transport were stopped for 42 days. Although trucks carrying agricultural supplies were allowed to move within and across districts in the country,

the travel restrictions are likely to significantly disrupt supply. An extract from Uganda’s *Daily Monitor* (Box 1) illustrates the possible impacts of these travel restrictions on the price of agricultural commodities.

“The prices of food stuff have risen because of high transportation costs. We fear making losses because the truck owners charge us highly. If this lockdown continues, prices of food will continue going up and customers may not buy them because many people are not working now.”

Source: Daily Monitor, June 25th, 2021. <https://www.monitor.co.ug/uganda/news/national/food-prices-shoot-up-in-up-country-towns-cities-3450760>

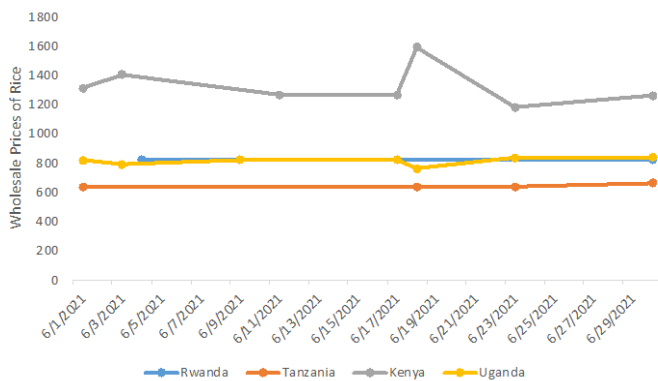
In Kenya, there was a marked reduction in wholesale and retail maize prices between the first and second week: about 18 and 22 percent, respectively. Kenya relies on imported maize from Uganda and Tanzania to meet high demand. In April, the Government of Kenya imposed restrictions on the importation of maize from these two countries, citing high aflatoxin levels. The lifting of this ban toward the end of May was followed by a surge in maize imports, increasing supply and ultimately reducing prices. For example, the number of bags of maize imported from Tanzania increased by 607 percent (from 16,731 to 118,329) following the lifting of the ban. Wholesale maize prices were highest in markets in Mombasa and Nairobi and lowest in Eldoret.

In Tanzania, the retail price of maize fell by between 11 and 33 percent between the third and fourth weeks of the month. This reduction in maize prices is mainly attributed to adequate supply following the beginning of harvest.

Changing Rice Prices in East Africa

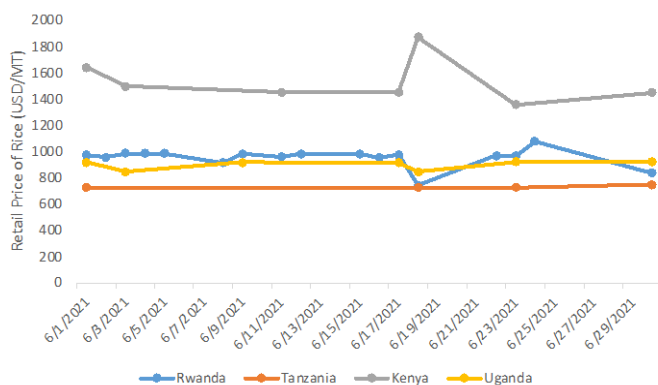
Both the wholesale and the retail prices of rice were higher in Kenyan markets than in Ugandan and Rwandan markets (Figures 3 and 4). Tanzania recorded the lowest prices compared to the other countries in the region throughout June. Wholesale rice prices in Tanzania were on average lower by than prices in Kenya, Uganda, and Rwanda by 66.5 percent, 44.7 percent, and 44.3 percent, respectively. Tanzania is a major regional producer of rice and imports its rice to other East African countries.

Figure 3: Average wholesale price of rice in East Africa (June 2021)



Source: Authors construction using data from FSP

Figure 4: Average retail price of rice in East Africa (June 2021)



Source: Authors construction using data from FSP and e-SOKO (for Rwanda)

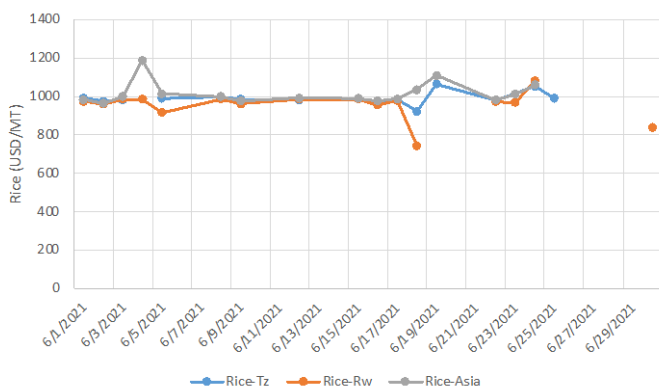
In Kenya, the highest weekly average wholesale and retail rice prices were recorded in Nakuru: USD 1874/MT and USD 1879/MT, respectively. Mombasa reported slightly lower and more stable prices, averaging about USD 1500/MT throughout June.

In Uganda, the average weekly wholesale price of imported rice was highest in the markets in the western region. In the capital city (Kampala), the cost of imported rice fell in the third and fourth week, in contrast to maize prices, which increased considerably in the last two weeks of June following the institution of travel restrictions. This difference might be attributed to the fact that rice imports were not affected by the government restrictions on travel and transport, unlike maize, a substantial amount of which is sourced locally. In addition, rice is not widely consumed in Uganda as a staple food, unlike maize, demand for which remains constant throughout the year. Finally, lockdown measures are also associated with reduced purchasing power, especially by poorer households, and therefore with reduced demand for non-staple food items such as rice.

In Tanzania, weekly average rice prices in the selected markets remained relatively stable throughout June. Dar es Salaam recorded the highest prices, followed by Iringa and Mbeya. The difference in prices between these different markets is due to the high transaction costs for moving rice from producing areas like Mbeya to urban consumers in areas like Arusha and Dar es Salaam.

In Rwanda, average weekly rice prices remained relatively stable throughout June. Through its Ministry of Trade and Industry, the Government of Rwanda regulates the price of commodities such as rice by setting standard farm gate prices to a desirable level below which farmers should not sell. On June 24, the standard farm gate price was reduced from Rwandan Franc (RWF) 270 to RWF259 for short-grain rice (low quality) and from RWF290 Rwf279 for long-grain rice (high quality) (Ntirenganya, June 25, 2021). This standard farm gate price reduction made locally produced rice more competitive with rice imported from Tanzania and Asia (Figure 5). Furthermore, the price of rice imported from Asia was highly volatile at the beginning of June and then stabilized; this pattern was then repeated toward the end of the month. This price volatility may be attributed to exchange rate shocks that negatively affects a country's imports, especially agricultural commodities.

Figure 5: Average retail prices of imported rice in Rwanda (June 2021)



Source: Authors own construction using data from e-Soko

Rice imported from Asia is also more expensive than rice imported from Tanzania (Figure 4), while

the rice produced within Rwanda is relatively cheap.

Summary and Future Outlook

Price movements for maize and rice in the four selected East African countries were affected in June by several government directives: COVID-19 restrictions (Uganda), the removal of importation restrictions (Kenya) and the establishment of standard farm gate prices (Rwanda). The future outlook on price movements will largely be driven by:

1. Covid-19 restrictions: The recent surge in COVID-19 infections in the region has forced respective governments to institute restrictions on movement and business operations. Rwanda instituted additional lockdown measures from June 23, 2021. Kenya has maintained restrictions on movement in COVID -9 hotspots, such as the country's western Lake Basin region, and Uganda instituted strict lockdown measures for 42 days starting on June 18. These efforts aim to reduce the spread of COVID 19; however, they also affect the supply and demand of commodities such as rice and maize, and consequently their prices. Maize and rice prices are likely to be volatile in July as a result of these measures.
2. Anticipated July/August harvest period: In the coming weeks, farmers will be harvesting crops planted in the first season of 2021. Rainfall and temperatures during planting

(typically in March and April) will largely determine the supply from this season and, subsequently, maize and rice prices. In Kenya, for example, there are indicators of poor distribution of rain from March to May 2021,

which is likely to lead to low yields (FEWS NET, May 2021) during the upcoming harvest (July-October).

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