

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

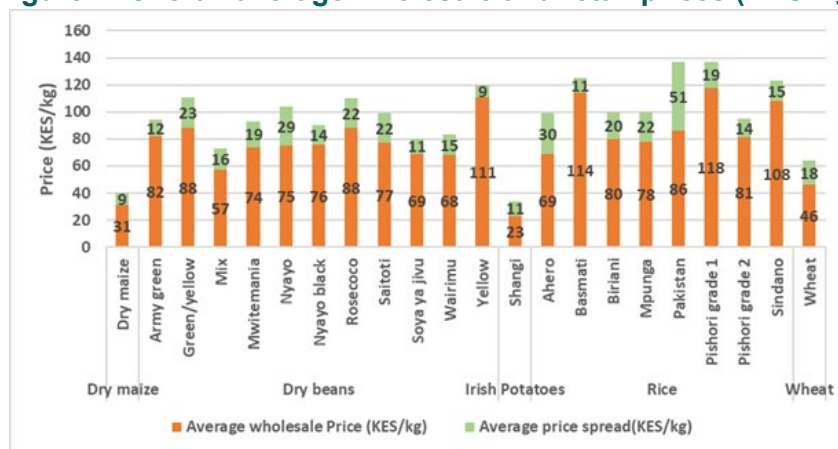
- ▶ As expected, average wholesale prices for the month of August were lower than average retail prices, with margins ranging from 8% to 59%.
- ▶ Most commodities, including dry beans, dry maize, wheat, Pishori rice grade1, and Sindano rice, experienced stable wholesale and retail prices throughout the month. However, imported rice prices increased significantly.
- ▶ Wholesale and retail prices for several commodities varied regionally, mainly due to seasonality and demand.
- ▶ The price of Irish potatoes was lowest in August, following a downward trend that started in July. Prices will most likely continue to decline to the end of September when they are expected to rise again as the harvest season ends.

Overall Wholesale and Retail Prices for August

As expected, average wholesale prices for the month of August were lower than average retail prices (Figure 1). In addition, price margins varied: some food commodities recorded a consistently higher price margin (above 20%), while others recorded a consistently lower price margins (less than 10%) and a few recorded a price margin

of between 14% and 18%. Commodities with higher price margins included Pakistan rice (59%), Shangi Irish potatoes (48%), and Ahero rice (43%). Commodities that recorded lower price margins included yellow beans (8%) and Basmati rice (10%). Notably, commodities that recorded both higher and lower price margins in July saw similar margins in August. Production source, re-packaging, seasonality, and the existence of middlemen and produce brokers contributed to the differences in wholesale and retail price margins.

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



Source: Daily Market Survey for the month of August

Wholesale and Retail Commodity Prices

Wholesale and retail prices for several commodities varied regionally (Table 1-1). Compared to the national¹ average price of 40 KES/kg, August retail prices for dry maize were higher in Kisumu (47KES/kg), Nairobi (44 KES/kg), and Nyeri (45 KES/kg). Average wholesale prices for dry maize were higher in Mombasa (33 KES/kg), Nakuru (32 KES/kg), and Nyeri (33KES/kg) than the national average price of 31KES/kg. Other than the Eldoret region, several regions recorded higher average dry maize retail prices compared to the government recommended price of 33KES/kg during the COVID-19 period. Farmers around the Eldoret region began the maize harvest during the month of August, leading to a reduction in the prices in that region.

The average retail price for green/yellow beans was higher in Eldoret (130 KES/kg), Kisumu (125 KES/kg), and Nairobi (120 KES/kg) than the national average price of 111 KES/kg. Most dry beans varieties, including *Mwitmania*, *Nyayo*, and *Rosecoco*, recorded higher average retail prices in Eldoret, Kisumu, and Nairobi regions; this can be attributed to the fact that most of these varieties in these regions were imported from neighboring Uganda. All regions other than Nakuru recorded higher average retail prices compared to government recommended price of 93KES/kg for *Rosecoco* and 76KES/kg for *Mwitmania* beans. The lower prices seen in Nakuru can be attributed to the fact that some of these beans were harvested in Nakuru, Narok and neighboring counties, thus driving local prices below the national average.

Irish potatoes (*Shangi* variety) recorded the highest average wholesale prices in Nairobi (42 KES/kg) and Mombasa (28 KES/kg) compared to the national average wholesale price of 23KES/Kg. Similarly, higher average retail prices were observed (60 KES/kg in Nairobi) and (35 KES/kg in Mombasa) compared to the national average price of 34 KES/kg. Compared to the government recommended price of 50KES/kg, all regions except the Nairobi region saw lower average wholesale and retail prices. Irish potatoes were still in season during the month of August in most producing regions; this strong supply drove down prices. The higher prices seen in the city of Nairobi can be attributed to the transportation cost of Irish potatoes, as well as the high demand for the commodity.

Compared to the national retail average price of 137 KES/kg, Pishori grade^{1 2} rice recorded higher prices in most regions. including Eldoret (152 KES/kg), Mombasa (150KES/kg), Nyeri (150 KES/kg), and Nairobi (145KES/kg). *Sindano* rice also recorded higher retail average prices in Nairobi (130KES/kg), Mombasa (130KES/kg), and Eldoret (125KES/kg) than the national average price of 123KES/kg. However, all varieties across all regions experienced lower prices than the government recommended price for Basmati rice of 170KES/kg.

Dry wheat recorded higher retail prices in Nairobi (72 KES/kg), Nyeri (KES/kg 71) and Eldoret (70 KES/kg) and higher wholesale prices in Eldoret (50 KES/kg) and Nairobi (50 KES/kg) compared to the national average retail price (64 KES/kg) and wholesale price (46 KES/Kg). Notably, all regions recorded higher prices compared to the government recommended price of 36KES/kg. This can be attributed to seasonality, as wheat is mainly harvested in the month of September.

¹ Prices from the six regions combined: Mombasa, Nairobi, Nakuru, Eldoret, Kisumu and Nyeri

² Kenya's version of Basmati rice

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

Commodity	Variety	Average wholesale price (KES/KG)						Average Retail Price (KES/kg)					
		Eldoret	Kisumu	Mombasa	Nairobi	Nakuru	Nyeri	Eldoret	Kisumu	Mombasa	Nairobi	Nakuru	Nyeri
Dry beans	Army green			78		100				90		110	
	Green/yellow	128	83	79	82	75	82	130	125	90	120	90	111
	Mix						57						73
	Mwiternia		70	74	82	66	76		100	90	120	65	94
	Nyayo		70	76	78				109	90	114		
	Nyayo black			76						90			
	Rosecoco	122	77		82	81	78	130	117		120	90	93
	Saitoti		75	78	78				121	90	120		
	Soya yajivu			69						80			
	Wairimu	80	59	69	64	64	66	90	104	80	84	70	79
Yellow	111						120						
Dry maize	Dry maize	29	30	33	31	32	33	30	47	40	44	36	45
Irish potatoes	Shangi	13	15	28	42	19	19	16	32	35	60	30	31
Rice	Ahero		69						99				
	Basmati	116		108	113	114	117	120		120	127	130	130
	Biriani			80						100			
	Mpunga			78						100			
	Pakistan		86						137				
	Pishori grade 1	150	78	130	126	84	120	152	128	150	145	100	150
	Pishori grade 2	93	75			72		94	120			80	
	Sindano	124	73	119	110	103	99	125	115	130	130	121	120
Wheat	Wheat	50	35	48	50	45	46	70	60	60	72	50	71

Wholesale and Retail Price Trends by Region

Weekly prices varied across regions. In the Eldoret region, most commodities — including dry beans, dry maize, wheat, Pishori rice grade1, and Sindano rice — portrayed stable wholesale and retail prices throughout August. Alternatively, Irish potatoes showed an increase in wholesale price (33%) between week 1 and week 5, while Basmati rice recorded a decline of 7%.

A comparison of week 1 and week 5 for the Kisumu region showed variations in retail and wholesale prices. There was a reduction of wholesale prices for most dry beans, including green/yellow (11%) and Rosecoco (4%), and for dry maize (18%). On the other hand, retail price trends showed an increase in prices between week 1 and week 5: 32% for green/yellow beans, 27% for Nyayo beans, and 29% for Rosecoco beans. Price reductions were recorded for dry maize (8%), while price increases were recorded for Shangi Irish potatoes (76%) and Ahero rice (4%).

Stable retail prices were observed in the Mombasa region for all selected commodities across the month of August. Alternatively, there were price variations in wholesale prices for some commodities. Price reductions were observed for dry maize (3%), dry wheat (5%), Mwiternia beans (6%), and Nyayo beans (3%), whereas price increases were seen for Shangi Irish potatoes (12%) and Sindano rice (3%). Variances in wholesale and retail prices can be attributed to production source, re-packaging, seasonality, and the existence of middlemen and produce brokers.

The Nairobi region recorded varied outcomes for wholesale prices. A comparison week 1 and week 5 showed a reduction in prices for Mwiternia beans (6%), Nyayo beans (3%), and Wairimu beans (11%) and an increase in prices for green/yellow beans (4%), Shangi Irish potatoes (4%), and dry wheat (14%).

The Nakuru region recorded stable retail prices for most commodities, with slight increases seen in Mwiternia beans (8%) and Sindano rice (4%). A comparison of week 1 and week 5 displayed mixed results, with different

commodities showing increased, reduced, and stable prices.

A comparison of wholesale prices in week 1 and week 5 in Nyeri showed that most commodities recorded increased prices, with the exception of mixed beans, Wairimu beans, Sindano rice, and dry wheat. The reverse scenario was seen for retail prices: a reduction in prices was recorded in Mwitemania beans (4%), Wairimu beans (6%), and Shangi Irish potatoes (6%).

Comparison of National Average Prices Between July and August

A comparison of overall prices (national averages for all commodities) for July and August (Table 2) shows varying degree of change in wholesale and retail prices. Most commodities portrayed stable prices, with reductions of less than 5% and increases of 5% for both wholesale and retail prices. Pakistan rice, on the other hand, recorded increases of 21% for wholesale and 21% for retail. A slight increase in retail price was displayed by a few commodities, including Saitoti beans, Wairimu beans, and Pishori grade 1 rice. Variation in prices between the two months can be attributed to seasonality of produce, transportation costs, and import costs.

FOCUS ON RICE ACROSS SELECTED REGIONS

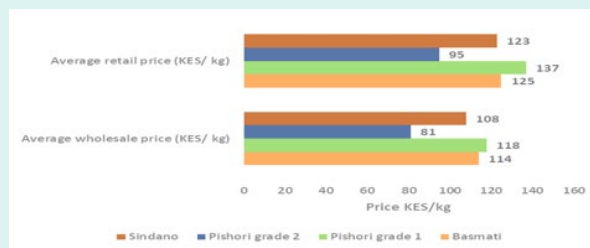
Rice, popularly known as Mchele in Kenya, is mainly produced by small-scale farmers in the Central (Mwea), Western (Bunyala), Coast (Tana delta & Msambweni), and Nyanza regions (Ahero, West Kano, Migori and Kuria). Rice takes between three and four months to be fully ready for harvest. In the major producing region of Mwea, the main harvest season is in November and the ratoon harvest season in August. Rice is mainly produced within irrigation schemes, although smaller quantities of upland rice are produced in Western Kenya. Rice produced in Kenya falls within the following categories:

- Long-grain Sindano rice
- Medium-grain rice
- Aromatic basmati rice (Pishori; This is the most expensive brand of rice sold in Kenya. It is mostly grown in the Mwea irrigation scheme and its extension areas.)

Rice has become the third most important cereal crop in Kenya, after maize and wheat. Annual rice consumption is estimated at 500,000MT (950,000 MT including re-exports) and is expected to grow to over 1.2 million MT by 2030 (GoK, 2019). In comparison, local rice production is estimated at only 180,000MT; this means that imports remain key. Kenya imports rice mainly from Pakistan (52%), Tanzania (14%), India (13%), and Thailand (12%) (Trend economy, 2021).

Different rice varieties are traded across the regions; commonly traded rice includes Pishori grade 1, Pishori grade 2, Basmati, and Sindano. In August, Pishori grade 1 and Sindano rice recorded higher average retail prices in most regions, whereas Basmati rice recorded the lowest price margin of 10%. The higher prices seen for Pishori grade 1 and Sindano can be attributed to both the quality and the source of these rice varieties. Imported rice is expected to fetch higher prices than locally produced rice, while high-quality (graded) rice is likely to fetch higher prices than non-graded and broken rice. Nevertheless, all rice varieties across the regions recorded lower prices than the government recommended price for basmati rice of 170KES/kg.

Figure 2: Average Wholesale and Retail Price (KES/kg) of Rice in Selected Regions



Source: Daily Market Survey for the month of August

Table 2: Comparison of July and August prices

Product	Variety	Average Wholesale Price (Kes/Kg)			Average Retail Price (Kes/kg)		
		July	August	Percent change	July	August	Percent change
Dry maize	Dry maize	32	31	-3%	42	40	-5%
Dry beans	Army green	94	82	-13%	105	94	-10%
	Green/yellow	89	88	-1%	107	111	4%
	Mix	60	57	-5%	77	73	-5%
	Mwiternania	81	74	-9%	94	93	-1%
	Nyayo	78	75	-4%	104	104	0%
	Nyayo black	78	76	-3%	90	90	0%
	Rosecoco	87	88	1%	106	110	4%
	Saitoti	77	77	0%	92	99	8%
	Soya ya jivu	69	69	0%	80	80	0%
	Wairimu	67	68	1%	79	83	5%
Yellow	109	111	2%	120	120	0%	
Irish potatoes	Shangi	26	23	-12%	36	34	-6%
Rice	Ahero	72	69	-4%	101	99	-2%
	Basmati	115	114	-1%	128	125	-2%
	Biriani	82	80	-2%	100	100	0%
	Pakistan	71	86	21%	114	137	20%
	Pishori grade 1	120	118	-2%	131	137	5%
	Pishori grade 2	80	81	1%	91	95	4%
	Sindano	104	108	4%	123	123	0%
Wheat	Wheat	50	46	-8%	67	64	-4%

key

>+10	Increasing
>+5 but <+10	slight increase
>-5 but <+5	Stable
>-5 but <-10	slight decrease
<-10	Decreasing

Source: Daily Market Survey for July and August

Outlook for the Month of August

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

- Rice prices are expected to increase, as the main production season in the Mwea irrigation scheme began in July with harvests expected in December and January. There is also the possibility of increased imports, which may stabilize prices and temper these increases.
- Maize prices are expected to continue rising, especially in Nakuru, Eldoret, and Kisumu, as the major maize-producing areas are currently off-season. Price increases may continue until November-December when harvesting in the Rift Valley begins. However, prices in the Central region (Nyeri and Nairobi) may stabilize or decrease slightly in August when the region begins harvesting maize in August-September.
- Bean prices are expected to remain stable as most producing regions in the Central and Rift Valley regions commence harvesting in August. In some areas (Central, Eastern, and Mombasa), bean prices may fall slightly.
- Irish potatoes prices saw a downward trend in most regions for the last few weeks of July. This trend will continue as more producing areas enter the harvest season.
- Wheat prices are expected to remain stable due to minimal and mostly imported current stocks. This trend is likely to continue until September.

FOCUS ON MOMBASA REGION

Mombasa is a coastal city in Southeast Kenya along the Indian Ocean. It is the the country's second-largest city after the capital, Nairobi.

Commodity prices are collected from Kongowea market, the largest wholesale market in East and Central Africa. Kongowea also serves most of the neighboring sub-counties and counties in the Coast region, which depend on it for fresh produce and other agricultural products. Diverse agricultural products are sold in the wholesale (mass) market as well as the retail section. Although the market is a wholesale market, there is a section for retailing agricultural produce. Kongowea is also the major source of produce for Mombasa County retail markets.

Kongowea is run by the county government of Mombasa and is open for trading for all members of the general public at a fee. The market operates seven days a week and on a typical day, the market is open from 4.00 am. Traders within the Kongowea wholesale market are mainly Kenyans, some of whom have linkages with traders from Tanzania and Uganda. Traders source beans from Uganda and Loitoktok, while rice sourced is from Mwea, Tanzania, and Pakistan. Irish potatoes are sourced from Nakuru (Molo and Mau Narok) and Nyandarua (Kinare, and Ol-Kalau), and wheat is sourced from the Rift Valley (Narok, Uasin-Gishu, and Nakuru Counties).

In August, all commodities recorded constant retail prices, while slight fluctuations in wholesale prices were recorded for some commodities. For instance, Mwitmania beans recorded an increase of 4% in week 5, while Sindano rice an increase of 3% starting in week 3. Maize recorded a slight drop (by 1 KES/kg) in week 5, while wheat showed price fluctuations across the weeks.

Table 3: Average prices (KES/Kg) for commodities in Mombasa

Commodity	Average weekly wholesale Prices (KES/kg)					Average monthly wholesale prices	Average monthly retail prices
	Week 1	Week 2	Week 3	Week 4	Week 5		
Green/yellow	79	79	79	80	80	79	90
Mwitmania	73	74	73	73	76	74	90
Nyayo black	78	77	76	76	76	76	90
Saltini	78	78	78	78	78	78	90
Waram	69	69	69	69	69	69	80
Dry maize	33	33	33	33	32	33	40
Irish potatoes	25	29	30	29	29	28	35
Birana	80	80	80	80	80	80	100
Mpanga	78	78	78	78	78	78	100
Poloni grade 1	130	130	130	130	130	130	150
Sindano	116	119	120	120	120	119	130
Wheat	49	47	49	47	47	48	60

Source: Daily Market Survey for the month of August.

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 Kenya³.

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).

³ 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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