



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

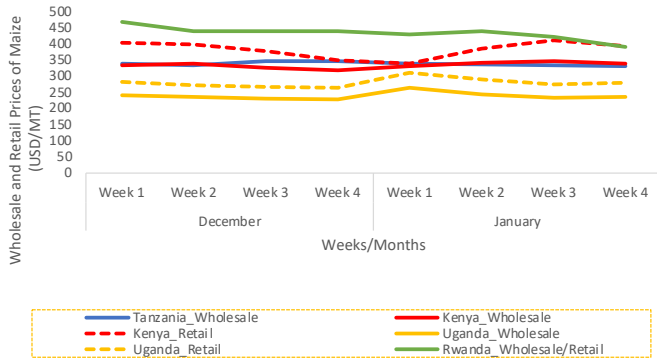
- ▶ Maize prices in East African countries, namely Uganda, Kenya, Tanzania, and Rwanda, decreased in January primarily due to the high harvest season experienced across the region. The October – December season experienced above-average rainfall, favoring increased crop output.
- ▶ In Rwanda, waiving value-added tax on maize to support poor households stabilized prices. However, the upcoming El Nio rains poised to be experienced across the East African region might elevate the prices of maize.
- ▶ Prices for imported rice remained unstable throughout January in the East African region. This is attributed to the weakening of local currencies against the US dollar and the protectionist policy being pursued by the Asian governments due to the dry monsoon winds.
- ▶ Uganda maintained the lowest wholesale rice prices in the region, followed by Tanzania, but Kenya had the highest retail and wholesale prices, followed by Rwanda. Specifically, wholesale and retail rice prices in Uganda were more stable due to the ample second-season harvest, causing increased supply and reduced regional demand. In Kenya, wholesale prices of rice were greatly stable, but the retail prices remained elevated due to a weak national currency, inflating prices of agricultural inputs, including fuel and production costs.

Changing Maize Prices in East Africa

The weekly average wholesale and retail prices of maize in the East African region were relatively elevated in January compared to December (Figure 1). That said, Uganda had the lowest prices of maize in the region, followed by Tanzania, but the highest prices were recorded in Rwanda and Kenya. An in-depth examination of specific countries reveals interesting outturns. For instance, in Uganda, despite prices of maize rising in the early weeks of January preceding December, they reduced towards the end of the month. This is owed to the ample second-season harvest causing increased supply and reduced regional demand (FAO, 2024; FEWS NET, 2024). Equally, in Tanzania, wholesale prices of maize were more stable. The low prices were supported by abundant supplies from last year's harvest and expectations of an above-average harvest in the coming months (FEWS NET, 2024). In Kenya, wholesale prices

were remarkably stable, but the retail prices remained elevated. High prices were underpinned by a weak national currency inflating prices of agricultural inputs, including fuel and production costs (FAO, 2024). In Rwanda, prices of maize rose from December to the beginning of January but stabilized towards the end of January, as observed. This is due to adequate domestic availability in the markets. Further downward pressure was exerted by the removal of the value-added tax (VAT) on maize in April 2023 (FAO, 2024).

Figure 1: Average wholesale and retail price of maize in East Africa (January 2024)

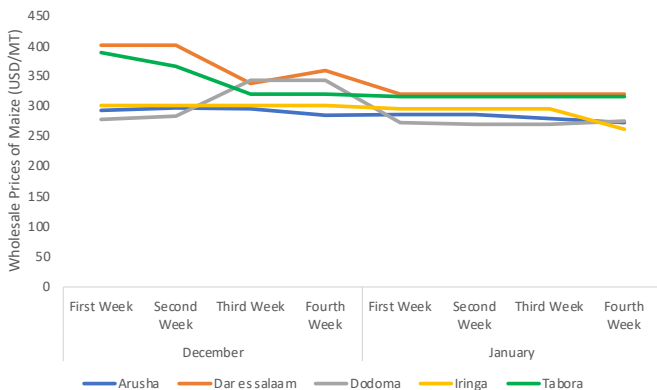


Source: Authors' construction using data from FSP (for Uganda and Tanzania), Ministry of Agriculture Livestock and Fisheries (for Kenya), and e-SoKo (for Rwanda).

Tanzania

Compared to December, the wholesale price movements of maize in the selected markets in Tanzania remained stable except for the Iringa market, where they began falling in the third month (Figure 2). In January, Dar es Salaam and Tabora markets experienced the same prices, which were the highest in Tanzania, followed by Iringa, although they declined towards the end of the month. Arusha market and Dodoma market posed the lowest prices in Tanzania. However, prices in the selected markets in Tanzania declined due to abundant supplies from last year's harvest and expectations of an above-average harvest in the coming months (FEWS NET, 2024). Further, the Bank of Tanzania (2024) reported that prices of maize decreased due to adequate food supply in the country and eased demand from neighboring countries.

Figure 2: Average weekly wholesale prices of maize in selected markets in Tanzania (January 2024)

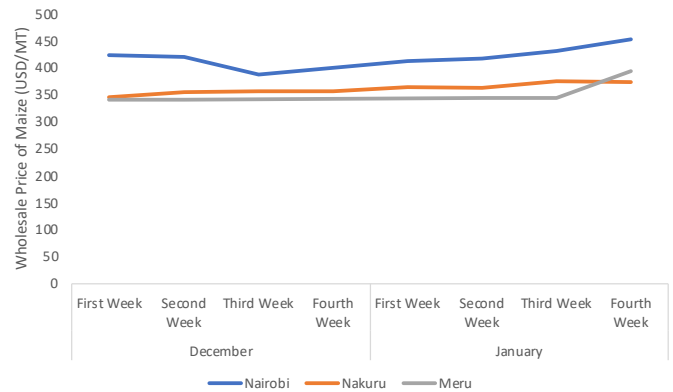


Source: Authors' construction using data from the Ministry of Investment, Industry, and Trade

Kenya

The weekly average wholesale prices of maize in selected markets in Kenya were stable but remained elevated (Figure 3). Nairobi, as usual, recorded the highest prices, followed by the Nakuru market and then the Meru market. According to FAO (2024), wholesale prices of maize in Kenya remained stable primarily in January 2024 at levels below their very high year-earlier values. Still, they remained above the levels of two years earlier, underpinned by weak national currency inflating prices of agricultural inputs, including fuel and, hence, production costs. Similarly, FEWS NET (2024) found that maize prices were also stable across most markets in Kenya.

Figure 3: Average weekly retail prices of maize in selected markets in Kenya (January 2024)

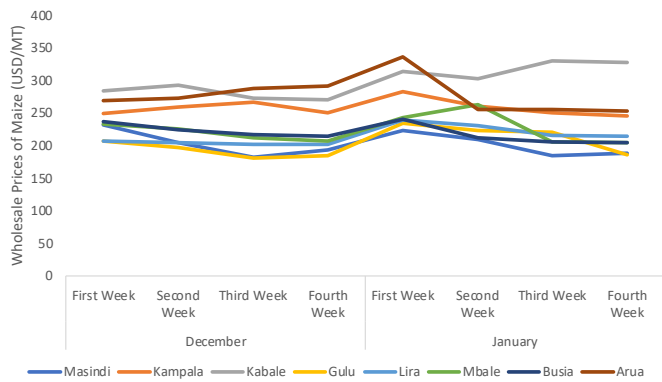


Source: Authors' construction using data from the Ministry of Agriculture Livestock Fisheries and Cooperatives

Uganda

The wholesale weekly average prices of maize in selected markets in Uganda remained elevated albeit stable (Figure 4). From the last week of December to the first week, the wholesale prices increased throughout the markets within Kampala. The Kabale market recorded prices that surpassed Kampala and Arua markets. These are areas that don't produce maize; instead, it is transported from surrounding maize-producing regions. Prices in Mbale markets slumped and stabilized in the third week. In Lira markets, prices rose in the first week and stabilized in the rest of the week of the month. In Gulu markets, prices rose at the beginning of January, stabilized, and then fell towards the end of the month. The Mbale market recorded the lowest prices in Uganda, following a pattern similar to that of the other markets. Notwithstanding, the stability of the maize prices in these markets is owed mainly to ample supply from the harvest and reduced regional demand (FAO, 2024; FEWS NET, 2024).

Figure 4: Average weekly retail prices of maize in selected markets in Uganda (January 2024)



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

Comparison of wholesale and retail maize prices in East Africa

The monthly average wholesale and retail price of maize increased in Kenya, while for other countries, it reduced (Table 1) comparing prices in December 2023 and January 2024

Table 1: Changes in average monthly retail and wholesale price of maize in East Africa for December 2023 and January 2024

Commodity	Country	Market Levels	Monthly Average Prices December	Monthly Average Prices January	% Change	Trends
Maize	Kenya	Retail	380	381	0.08%	▲
Maize	Uganda	Retail	270	287	6.33%	▲
Maize	Rwanda	Retail	444	418	-5.82%	▼
Maize	Kenya	Wholesale	328	337	3.03%	▲
Maize	Uganda	Wholesale	232	243	4.54%	▼
Maize	Rwanda	Wholesale	444	418	-5.82%	▼
Maize	Tanzania	Wholesale	340	333	-2.07%	▼

▼ = Decrease ▲ = Increase ► = Constant

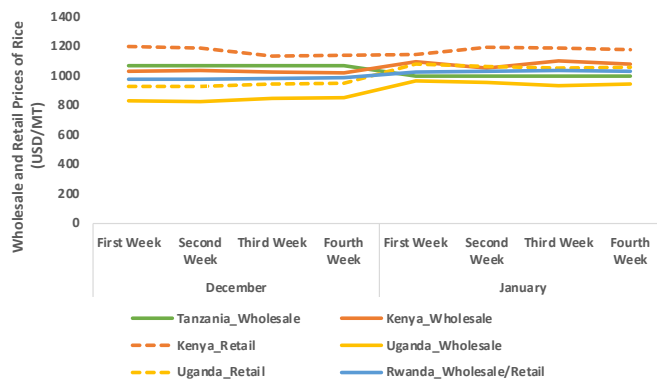
Source: Authors construction using data from FSP (for Uganda), Ministry of Agriculture Livestock and Fisheries (for Kenya), Ministry of Agriculture (for Tanzania), and e-SoKo (for Rwanda)

Changing Rice Prices in East Africa

Despite the weekly average wholesale and retail prices of rice in the East African region rising in January, they remained stable throughout the month (Figure 5). Uganda maintained the lowest wholesale prices in the region, followed by Tanzania, but Kenya had the highest retail and wholesale prices, followed by Rwanda. Specifically, wholesale and retail prices of rice in Uganda were more stable. This is owed to the ample second-season harvest causing

increased supply and reduced regional demand (FEWS NET, 2024). Also, wholesale prices of rice in Tanzania were more stable. This was supported by abundant supplies from last year's harvest and expectations of an above-average harvest in the coming months (FEWS NET, 2024). In Kenya, wholesale prices were greatly stable, but the retail prices remained elevated. This was underpinned by a weak national currency, inflating prices of agricultural inputs, including fuel and production costs (FAO, 2024). In Rwanda, prices of maize rose from December to the beginning of January but stabilized towards the end of January, as observed. This is due to adequate domestic availability in the markets. Further downward pressure was exerted by removing the value-added tax (VAT) on rice in April 2023 (FAO, 2024).

Figure 5: Weekly average wholesale and retail prices of rice in East Africa (January 2024)



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

There were mixed trends in mixed monthly average retail and wholesale price of rice. Illustratively, in Kenya, the retail and wholesale prices increased by 0.93 percent and 5.17 percent respectively. This alludes to the increase in monthly food inflation by 0.4 percent (Kenya National Bureau of Statistics, 2024). In Uganda, both retail and wholesale price rose by 26.81 percent and 1.17 percent. This rise in retail prices alludes to the rise in headline inflation in Uganda by 0.2 percent from 2.6 percent in December 2023 to 2.8 percent in January 2024 (Uganda Bureau of Statistics, 2024). In Tanzania, the monthly average wholesale price decreased by 5.0 percent. This is in tandem with the decrease in monthly food inflation from 2.3 percent in December 2023 to 1.5 percent in January (Tanzania National Bureau of Statistics, 2024). In Rwanda, the monthly average price of rice increased by 5.6 percent.

Table 2: Monthly retail and wholesale prices changes of rice in East Africa (January 2024)

Commodity	Country	Market Levels	Monthly Average Prices December	Monthly Average Prices January	% Change	Trends
Rice	Kenya	Retail	1164	1175	0.93%	▲
Rice	Uganda	Retail	938	949	1.17%	▲
Rice	Rwanda	Retail	980	1030	5.16%	▲
Rice	Kenya	Wholesale	1028	1081	5.17%	▲
Rice	Uganda	Wholesale	838	1063	26.81%	▲
Rice	Rwanda	Wholesale	980	1030	5.16%	▲
Rice	Tanzania	Wholesale	1049	996	-5.00%	▼
▼ = Decrease Constant			▲ = Increase			▶ =

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 Uganda, the retail and wholesale prices of rice imported from several countries increased from the last week of December 2023 to the first week of January 2024. The wholesale and retail prices of Pakistan rice were higher than the rice imported from Tanzania. In Rwanda, the price of imported rice varieties remained relatively stable throughout January. 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, there was a gradual increase in the wholesale price of Pakistani rice from December to January and the prices were more volatile in the weeks in January. 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) reduced regional demand due to harvest season experience across the region.

Figure 6: Weekly average wholesale and retail prices of imported rice varieties in Rwanda (November-December 2023)



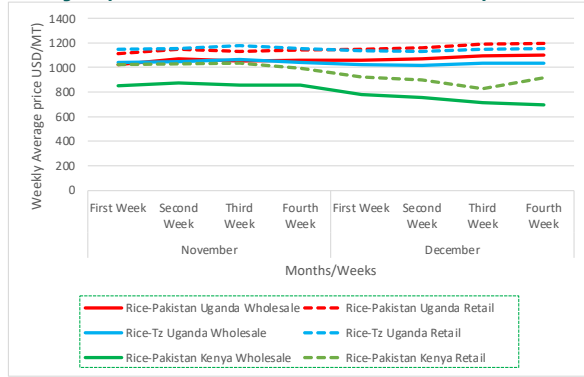
Source: Authors construction using data from the Ministry of Investment, Industry and Trade for Tanzania, eSoKo for Rwanda and the Ministry of Agriculture Livestock Fisheries and Cooperatives for Kenya and the Daily Market Traders Survey for Uganda

In Uganda, both wholesale and retail prices showed moderate fluctuations in the wholesale and retail price of imported rice varieties throughout November and steadily increased throughout December (Figure 7). There are no differences in both Pakistan and Tanzania retail prices, however, in the later weeks of December, the wholesale price of Pakistan rice was slightly higher than the wholesale price of Tanzania rice probably due to increased consumption following the festive season. The price of imported rice varieties in Uganda remained relatively stable in the first weeks and then gradually increased in the later weeks. The newspaper reported a rise in rice prices from -1.7 in November to 1.3 per cent in December¹

Kenya had the lowest price of Pakistan rice in December which declined from the fourth week of November to the last week (Figure 7). The decline in the price of Petrol and Diesel by 5 Kenya shillings and 2 Kenya shillings respectively in Kenya which reduced transport and inflation costs (Energy and Petroleum Regulatory Authority, 2023) could explain the decline in Pakistan rice in Kenya. The decrease may also be due to increased exportation by countries such as Pakistan and Thailand as reported in

¹ <https://www.monitor.co.ug/uganda/business/markets/uganda-s-annual-inflation-closes-2023-at-4-6-percent-4482620>

Figure 7: Weekly average wholesale and retail prices of imported rice varieties in Uganda and Kenya (November-December 2023)



Source: Author's construction using data from Ministry of Agriculture Livestock Fisheries and Cooperatives for Kenya and Daily Market Traders Survey for Uganda

Summary and Future Outlook

Generally, the weekly average wholesale and retail prices of maize in the East African region have been relatively stable. This was largely attributable to the preceding harvest season across the region. In Rwanda, the waiver in value-added tax stabilized maize prices. However, the after-effects of the El Nino rains are poised to start in the first and second quarters of 2024 to reverse this stability. Meanwhile, the domestic wholesale and retail rice prices in the region were stable and elevated in certain periods within the month. This was largely due to the good harvest preceding the season and reduced regional demand. However, imported rice remains largely unstable owing to the weakening of local currencies against the US dollar and the protectionist policy pursued by governments in Asia due to drier monsoon winds. For instance, the export restrictions imposed by countries, such as India's ban on rice exports in July, will further decrease rice output in the global market (Cunningham, 2023).

The wholesale price of maize and rice was highest in January 2023, followed by January 2024, and lowest in January 2022, as shown in the figure below. January 2023 follows the period after the commencement and during the Russian-Ukraine war, while January 2022 is the time of the Covid 19 pandemic before the spark of the Russian-Ukraine war. The Russian-Ukraine war in March 2022 impacted the

supply markets much more than the Covid 19 through its effects on fuel and fertilizer prices and trade restrictions. The increase in fuel costs increased transportation costs and contributed to high wholesale and retail prices of cereals. Due to the movement restrictions, low prices observed in January 2022 may have been due to the low demand due to Covid 19. Cereal prices in the region continue to be affected by external factors like global fuel and fertilizer prices. Any shocks that affect the production of the two products will also likely affect the future prices of the grains.

Due to cross-border trade within the region, the currency exchange rates will likely affect future prices. As observed in the figure below, the value of the local currencies over the USD was volatile and low over the past two months (December 2023 and January 2024). With the local currencies losing value, imported maize or rice prices will likely keep increasing within the region in the foreseeable future.

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 \(foodsecurityportal.org\)](http://ckan.org/foodsecurityportal.org)

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

⁴e-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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