



FOOD PRICE MONITOR: MAIZE AND RICE IN EAST AFRICA

JULY 2024

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

- ▶ In July, the weekly average wholesale and retail prices of Maize and rice saw a decline, continuing the trend observed in the previous month. The monthly average prices displayed a mix of both positive and negative trends. This price drop can be explained by the bumper harvests, which resulted in an excess supply, as well as a decrease in fuel costs due to falling global fuel prices – Brent crude oil spot price in July ended at 81 USD per barrel, down from the month's average of 85 USD per barrel.
- ▶ Kenya maintained the highest wholesale and retail prices for key staple foods, specifically Maize and rice. This trend indicates a significant cost for consumers in the market. Following Kenya in these pricing benchmarks are Rwanda, Tanzania, and Uganda, which also reported elevated prices for these essential commodities, albeit at lower levels than those seen in Kenya. These variations in pricing across the countries may have implications for food security and economic stability within the region.
- ▶ Furthermore, imported rice prices remain volatile but are generally lower than those seen in June. This volatility is due to ongoing global supply shocks and the impact of dry monsoon winds, which have affected production in Asia. Additionally, government restrictions on rice exports, such as those implemented by India, have further contributed to this situation. However, the outlook is positive, as imported rice prices are expected to decline in the coming months, following the decrease in international rice prices.

Changing Maize Prices in East Africa

In July, staple food prices in East Africa either declined or stabilized due to the increased supplies resulting from ongoing harvests taking place from May to September in many markets across Tanzania, Uganda, and Kenya (FEWS NET, 2024). Additionally, in several countries within the Eastern Africa region, prices of key staple foods decreased during the first half of 2024, attributed to favourable production rates. For example, in Kenya, Rwanda, and Uganda, staple maize prices decreased significantly, trading between 20% and 46% lower than the prices recorded in 2023 (FAO, 2024). These trends are illustrated by the patterns observed in wholesale and retail prices of maize grains shown in Chart 1.

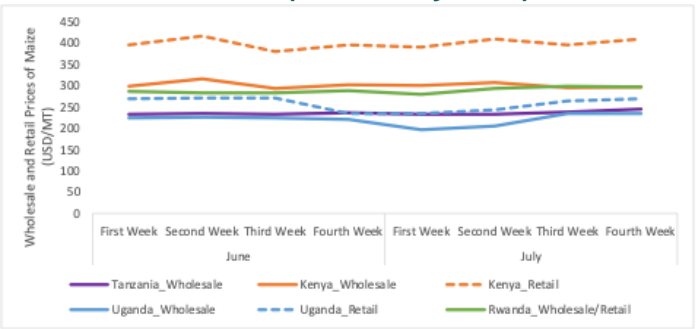
In Kenya, retail prices fluctuated throughout July, while wholesale prices were stable at the beginning of the month but gradually declined by mid-month, continuing to fall until the end. The retail prices displayed more volatility due to the import of maize grains from Uganda. The average July to September harvest in Kenya increased supply, leading to a decrease in maize prices in most southwestern markets (FEWS NET, 2024).

In Uganda, both wholesale and retail prices decreased simultaneously at the beginning of July but rebounded toward the end of the month. This trend aligned with a slight decrease in fuel prices, where petrol prices dropped from 5,460 Ugandan Shillings per Litre in June to 5,436 Ugandan Shillings in July, and diesel prices fell from 4,986 Ugandan Shillings in June to 4,919 Ugandan Shillings in July (Uganda Bureau of Statistics, 2024). The stabilization of maize prices was also attributed to ample supply (FEWS NET, 2024).

Rwanda experienced a slight decline in prices during the first week of July, but they increased in the second week and maintained that upward trend. This change can be linked to the bumper harvest in Tanzania, which supplemented domestic production. In Tanzania, wholesale prices remained mostly unchanged throughout July, thanks to the excess supply created by bumper harvests and a decrease in fuel costs due to lower global fuel prices (AGRA, 2024). Additionally, in Tanzania, prices in southern production areas decreased slightly or stabilized as the harvest season neared completion, while prices in local markets in Northern

areas also fell due to the ongoing harvest (FEWS NET, 2024).

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



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

According to the weekly average monthly prices, there was an overall decline or stability in the monthly average price of Maize in July 2024, which was significantly lower than the prices observed in the same month in 2023 (see Table 1). This decline is largely attributed to the bumper harvest across the region, as indicated by other studies.

While the wholesale and retail prices of Maize in July 2024 decreased compared to July 2023, some East African countries, including Rwanda, Kenya, and Tanzania, experienced price increases. Retail prices in Rwanda rose by 2.5% from June to July and by 48.1 % compared to the previous year, marking the highest surge in monthly average prices. Tanzania followed with a 1.1% increase. In contrast, Uganda saw a decrease in both wholesale and retail prices, and wholesale prices also dropped in Kenya.

Table 1: Changes in average monthly retail and wholesale price of maize in East Africa for June - July, 2022-2024

Country	Market Levels	Monthly Average Prices June 2024 (USD/MT)	Monthly Average Prices July 2024 (USD/MT)	% Change June & July 2024	Monthly Average Prices July 2023 (USD/MT)	% Change July 2023 & July 2024
Kenya	Retail	397	401	0.9	622	-35.6
Uganda	Retail	261	253	-3.2	411	-38.5
Rwanda	Retail	285	292	2.5	563	-48.1
Kenya	Wholesale	303	300	-1.1	511	-41.3
Uganda	Wholesale	223	217	-2.6	354	-38.6
Rwanda	Wholesale	285	292	2.5	563	-48.1
Tanzania	Wholesale	234	237	1.1	400	-40.8

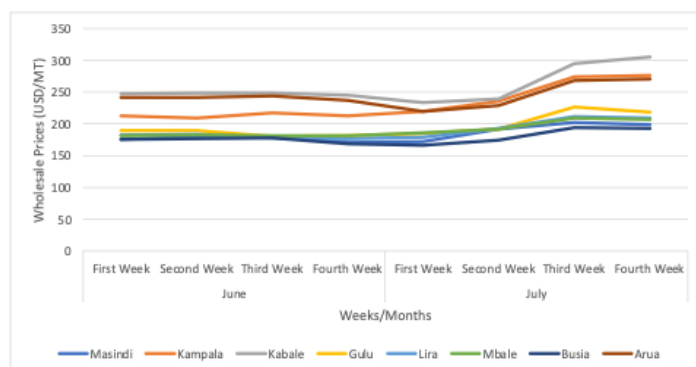
Source: Authors construction using data from FSP (for Uganda), Ministry of Agriculture Livestock and Fisheries (for Kenya), Ministry of Agriculture (for Tanzania), and e-SoKo (for Rwanda)

Uganda

In Figure 2, we observe that the weekly average wholesale prices of maize grains sold in selected markets across Uganda displayed a downward trend from the previous month until early July. However, prices rebounded in the third week of July and stabilized throughout the fourth week. The highest prices were recorded at the Kabale main market, followed by the Kampala market and then the Arua main market. Prices in these markets have been relatively higher and more varied compared to other markets. This disparity could be attributed to several factors, such as the high demand for Maize in Kampala and from Rwanda via the Kabale market, which is located near the border with Rwanda. Additionally, Arua district does not produce Maize and depends on supplies from other markets, primarily Kampala and Busia, which are quite far from maize-producing regions like Masindi. Lastly, fuel prices in districts like Arua and Kabale are relatively high, which is expected to contribute to elevated food prices in these areas.

On the other hand, the wholesale prices of maize grain in markets such as Gulu, Mbale, Lira, Masindi, and Busia are relatively similar. However, Gulu has the highest prices, followed by Mbale, Lira, and then Busia. The lower prices in the Busia market can be attributed to its status as a border town, which benefits from maize inflows from Kenya and local supply. In contrast, the Masindi market in a maize-producing district is experiencing lower prices due to a bumper harvest. Masindi is also one of Uganda's top maize-producing districts, with large private farmers and big companies engaged in the production. It produces approximately 21000 tonnes annually¹. Gulu and Lira markets primarily source their Maize from Masindi, although prices in Gulu are also influenced by the demand from South Sudan, which borders the Gulu district in northern Uganda.

Figure 2: Average weekly wholesale prices of maize in selected markets in Uganda (June - July 2024)

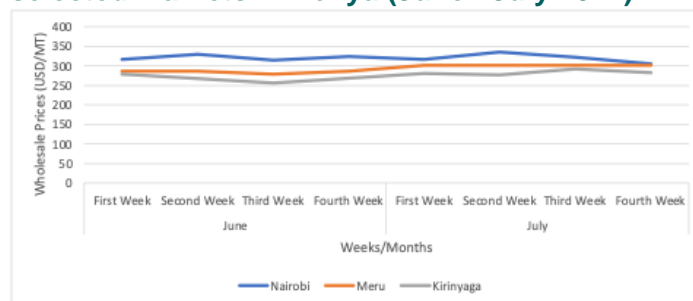


Source: Author's construction using data from the Daily Market Traders Survey for Uganda

Kenya

In Figure 3, wholesale prices of Maize in selected markets in Kenya show fluctuations, except in the Meru market, where prices remained more stable. The Nairobi market recorded the highest prices, likely due to the high demand from city dwellers. Following Nairobi, the Meru market exhibited stable prices, potentially attributed to consistent inflows from other regions that produce Maize, complementing the local supply. In contrast, the Kirinyaga market recorded the lowest prices, although these were relatively volatile. This volatility can be explained by variations in the local supply at the markets.

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



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

Tanzania

In Figure 4, the wholesale prices of maize grains in selected markets in Tanzania were mostly stable, except in the Arusha and Dodoma markets. Wholesale prices remained elevated in the Dar es Salaam market, followed by the Tabora market. In contrast, Arusha, Dodoma, and Iringa markets had the lowest prices. The high wholesale prices in the Dar es Salaam market can be attributed to its status as the country's leading consumer market. Arusha is another significant market, connected to Kenya in the north. Dodoma represents the central region of the country, which is a semi-arid area facing a deficit in maize production. In the Iringa market, the stability in the wholesale prices is attributed to the bumper harvest experienced in the area. Also, Iringa is in a renowned maize-producing area in Tanzania.

¹ <https://www.masindi.go.ug/activities/maize-production>

Changing Rice Prices in East Africa

In July, we noted that rice's wholesale and retail prices in East African countries exhibited mixed trends. Kenya had the highest prices in this region, followed closely by Rwanda. Meanwhile, the wholesale prices in Tanzania were nearly the same as those in Uganda, although the retail prices in Uganda remained high (see Chart 6).

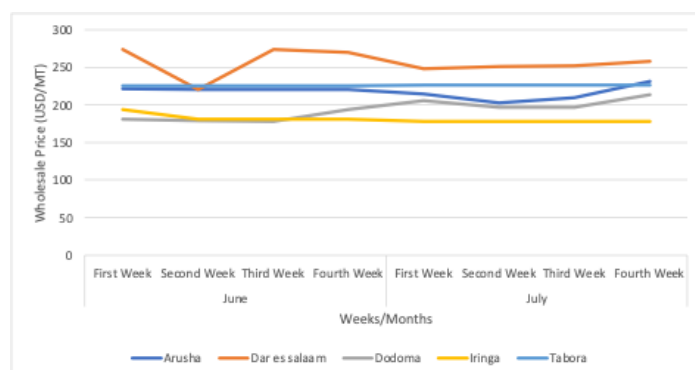
During the first week of July, there was a noticeable decline in retail and wholesale prices in Kenya. This downward trend persisted until the third week of the month when prices began to decrease consistently. Various factors, including market demand and supply chain dynamics, likely contributed to this shift, impacting the overall pricing landscape for rice across the country.

In Rwanda, the price levels experienced a notable decline in July, contrasting with the upward trend observed in June. Despite this decrease, prices exhibited remarkable stability, remaining relatively consistent throughout the month. This stability suggests that while there was an initial decrease, the market quickly found equilibrium, preventing significant fluctuations. Overall, the economic indicators reveal a calmer price environment in Rwanda compared to the previous month.

Relatedly, as observed in Rwanda, the wholesale and retail price levels of rice in Uganda experienced a notable decline throughout July. This downward trend can largely be attributed to the robust harvests witnessed in Uganda. Also, the influx of rice from Tanzania has increased the supply and created competitive pricing within the region. Moreover, the Ugandan market has benefited from the recent removal of non-tariff barriers that previously hindered the import of grains from Tanzania. This regulatory change has facilitated smoother trade and contributed to Uganda's sustained low rice pricing. As a result, consumers are now enjoying more affordable rice options, reflecting the positive impact of regional agricultural dynamics and trade policy adjustments.

In Tanzania, wholesale rice prices exhibited remarkable stability from June through July 2023. This steady pricing trend can primarily be attributed to a significant bumper harvest, made possible by the favorable weather conditions experienced during the growing season. In addition, the country recently experienced above-the-average El Niño rainfall precipitations from the last quarter of 2023 into the first quarter of 2024. This abundant rain has benefited rice cultivation, allowing farmers to produce robustly and eventually stabilize prices. Moreover, it's important to note that Tanzania primarily focuses on exporting its rice grains, limiting domestic consumption. This restricted demand in the local market plays a crucial role in preventing sharp price increases, thereby helping maintain a stable environment for wholesalers and consumers alike. Overall, favorable weather, increased harvest yields, and export-driven market dynamics have created a period of stability in the Tanzanian rice price landscape.

Figure 4: Average weekly retail prices of maize in selected markets in Tanzania (June - July 2024)



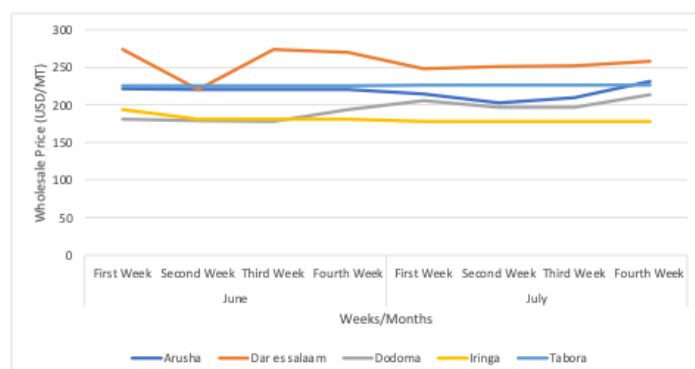
Source: Author's construction using data from the Ministry of Investment, Industry and Trade for Tanzania

Rwanda

In Chart 5, the wholesale prices of maize grains traded in various administrative provinces of Rwanda show relatively unstable prices in Kigali City, the Western Province, the Southern Province, and the Northern Province. In contrast, prices were more stable in the Eastern Province. The highest prices were recorded in the Western Province, followed closely by Kigali City, where prices were more dispersed compared to other provinces. This trend may be attributed to the higher demand from city dwellers in Kigali City and the Western Province.

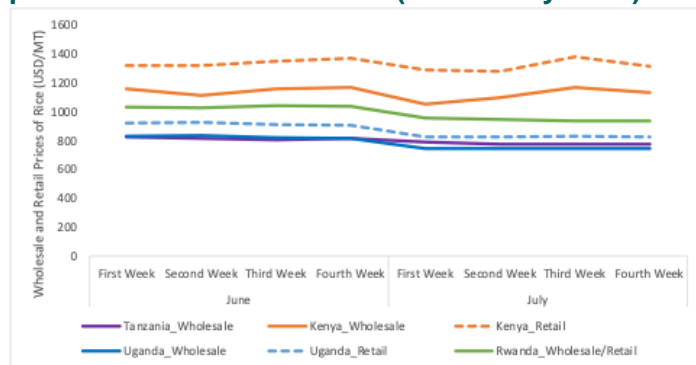
Additionally, prices in the Northern and Southern Provinces were relatively similar and lower, converging with the prices in the Eastern Province. This price stability could be explained by the bumper harvests in the region and an influx of Maize from neighbouring countries like Uganda and Tanzania.

Figure 5: Average weekly retail prices of maize in selected markets in Rwanda (June - July 2024)



Source: Authors' construction using data from the eSoKo by the Ministry of Agriculture of Rwanda

Figure 6: Weekly average wholesale and retail prices of rice in East Africa (June - July 2024)



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.

Table 2 reveals a resounding decline in the monthly average wholesale and retail rice prices across the East African region during July 2024. This reduction represents the largest decrease observed in the region for that month, highlighting the shifting dynamics of the rice market across the region. Specifically, in Kenya, the retail prices of rice experienced a decrease of 1.9%, while wholesale prices saw a more significant decline of 3.2%. In Tanzania, the situation also reflects a downward trend, with wholesale rice prices dropping by 4.4%. This decline suggests possible changes in supply and demand factors within the Tanzanian market that have affected pricing. Rwanda experienced a different pattern: prices fell by 8.7%. Similarly, in Uganda, the wholesale and retail prices experienced a downward trajectory. Both the retail and wholesale prices fell by approximately 9.8% respectively. However, when compared with July in 2023, the monthly average wholesale and retail prices of rice were lower in July 2024 except for retail and wholesale prices in Kenya.

Table 2: Monthly retail and wholesale price changes of rice in East Africa (June - July 2024, July 2023, and July 2022)

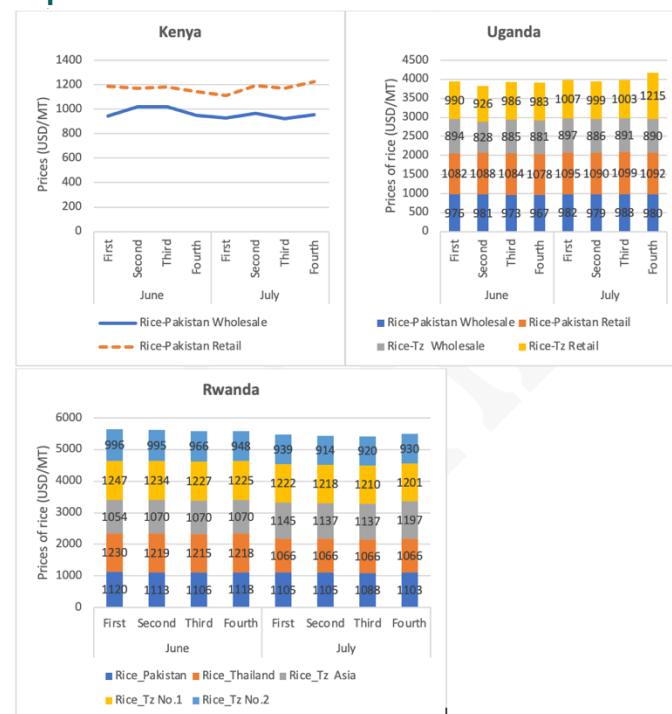
Country	Market Levels	Monthly Average Prices June 2024 (USD/MT)	Monthly Average Prices July 2024 (USD/MT)	% Change June & July 2024	Monthly Average Prices July 2023 (USD/MT)	% Chan July 2023
Kenya	Retail	1336	1311	-1.9	1031	27.7
Uganda	Retail	915	825	-9.8	1142	-27.1
Rwanda	Retail	1031	942	-8.7	1268	-25.7
Kenya	Wholesale	1147	1109	-3.2	1107	0.3
Uganda	Wholesale	822	742	-9.8	1000	-25.5
Rwanda	Wholesale	1031	942	-8.7	1268	-25.5
Tanzania	Wholesale	813	777	-4.4	1017	-23.1

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

Figure 7 shows the wholesale and retail prices of imported rice in Kenya, Uganda, and Rwanda. These countries depend on rice imports from Asian suppliers, mainly India and Pakistan, as well as Tanzania. In July, rice prices in these nations remained stable and low, largely due to predictions of increased rainfall from the La Niña weather phenomenon. This could help offset reduced rice yields caused by the dry monsoon in the 2023-24 season, particularly in major producers like India and Thailand (Mancombu, 2024). Specifically, in Kenya, the wholesale and retail prices of rice imported from Pakistan exhibited significant fluctuations between June and July, highlighting market volatility in this segment. In Uganda, however, the scenario was different; the prices for Pakistani rice remained markedly high throughout June and July. In contrast, rice sourced from Tanzania maintained lower prices, making it a more economical option for consumers.

Meanwhile, Rwanda had a distinct price hierarchy among the different rice varieties. Thai rice commanded the highest prices, followed by Pakistani rice. Other varieties included rice variety number one from Tanzania, rice imported from various other Asian nations, and lastly, rice variety number two from Tanzania, the most affordable option. This detailed pricing landscape underscores the complex dynamics of the rice market in these East African countries, influenced by regional and international supply factors and exchange rate fluctuations.

Figure 7: Weekly average wholesale price of imported rice varieties in Rwanda



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

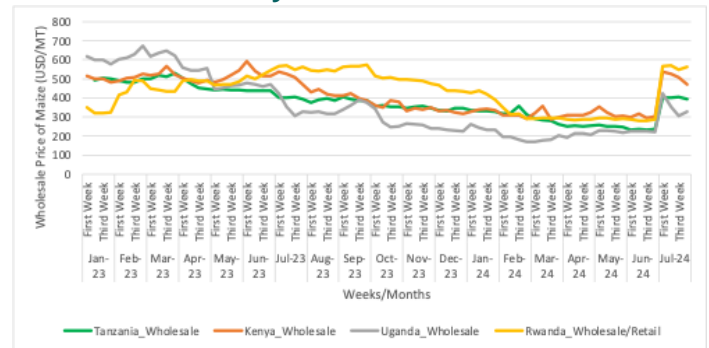
Overall, the observed wholesale and retail prices of Maize and rice throughout the East African countries indicate a significant downward trend, coupled with an impressive level of relative stability. This favourable pricing situation can primarily be attributed to the substantial bumper harvests recorded across the region and similar agricultural successes in neighboring countries.

The weather phenomena, particularly the El Niño-related precipitation, which affected the region during the last quarter of 2023 and the first quarter of 2024, played a crucial role in achieving these bumper crops. The ample rainfall provided ideal growing conditions, increasing crop yields and effectively stabilizing market prices for both Maize and rice. As a result, consumers and farmers alike have benefited from the overall stability in food prices, which has helped to reinforce food security in the region.

In July 2024, the weekly average wholesale and retail maize prices increased compared to the same period in 2023, as illustrated in Chart 10. Additionally, prices in the other East African countries have risen significantly compared to six months ago and are now nearly on par with wholesale prices in Tanzania. Uganda specifically recorded significant drops in the price of maize since October 2023 attributed to several factors including favorable weather conditions and non tariff barriers from neighboring importing countries like South Sudan and Kenya who imposed bans on importation of maize due to high levels of aflatoxins². However, as per the first week of July 2024, maize prices shot up to the level it was in July 2023. This is positive news for Ugandan maize farmers struggling with low prices for their crops.

While there are indications of price stability in the coming months, prices are expected to remain lower than last year. One reason for this year's lower prices is the decline in input costs, such as fertilizers. For instance, in Kenya, the prices of CAN, DAP, and NPK fertilizers have decreased by 10.4 percent and 81 percent over the past year. This cost decline has coincided with an increase in maize supply, which will likely contribute to a further reduction in maize prices.

Figure 8: Weekly average wholesale prices of maize from January 2023 to June 2024



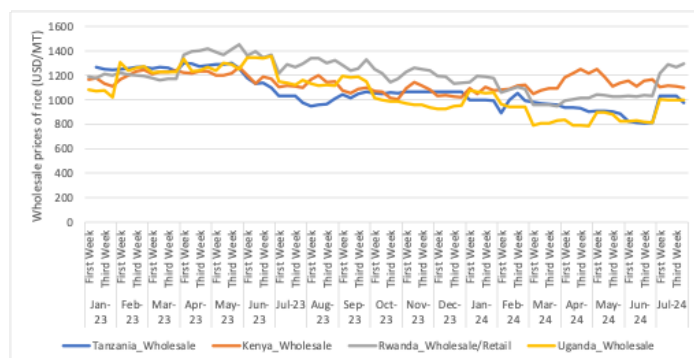
Source: Author's construction using data from the Ministry of Investment, Industry and Trade for Tanzania, eSoKo for Rwanda Ministry of Agriculture Livestock Fisheries and Cooperatives for Kenya and Daily Market Traders Survey for Uganda

Over the past year, wholesale and retail prices of rice have fluctuated considerably across various countries, as depicted in Chart 11. Given these trends, we anticipate that rice prices will likely continue to be unstable in the coming months, with a particular focus on Kenya, where prices are expected to reach their peak. In Kenya and Rwanda, we predict retail prices will rise to comparable levels in 2023, consistent with the patterns observed over the last six months. This increase can be attributed to several factors, including supply chain disruptions and ongoing economic conditions in the region. Furthermore, a notable development in Uganda is the introduction of a new legal requirement established by the Uganda Revenue Authority. This regulation mandates that all imported rice be clearly labeled, a measure intended to curtail the activities of traders who may attempt to evade import duties on rice sourced from outside the East African region. As a result, these changes are expected to lead to an uptick in imported rice prices. On a more positive note, the anticipated decrease in transportation costs across East Africa in the upcoming months could help mitigate some food price pressures (Wamala & Ladu, 2024). This reduction is primarily linked to the recent global decline in fuel prices, which should consequently lead to lower transportation expenses. As a result, we may observe a downward trend in the prices of Maize and rice within the region, potentially alleviating some financial strain on consumers. It is also important to consider the ongoing impact of global weather patterns on agricultural commodity prices. Climate changes have traditionally influenced the pricing of Maize and rice in East Africa, and this will likely continue. For instance, international rice prices experienced a spike because of El Niño and restrictions on exports from India. However, since early January 2024, there has been a noticeable decrease in these prices, attributed to the conclusion of El Niño's impact and a reduction in fertilizer costs (FEWS NET, 2024). This overall trend provides a glimmer of hope that the prices of imported rice in Uganda, Rwanda, Kenya, and Tanzania may begin to stabilize or

² https://www.newvision.co.ug/category/business/ban-of-agric-goods-over-aflatoxins-to-impact-NV_169614

even decline soon. Consequently, this could result in lower domestic rice prices, benefiting consumers across these nations (International Rice Research Institute, 2024).

Figure 9: Weekly average wholesale and retail price of rice from January 2023 to July 2024



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

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)³ facilitated by the International Food Policy Research Institute, (2) Kenya Market Information System⁴ sourced for the Ministry of Agriculture Livestock Fisheries and Co-operatives (MALF) for Kenya, and e-Soko (3)⁵ 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.

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³ 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/foodsecurityportal)

⁴ 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

⁵e-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>

About the authors

Annet Adong: Center for Development Research, University of Bonn Germany

Ronald Ochen and Jolly Achola: Makerere University, Kampala Uganda

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1201 Eye Street, NW, Washington, DC 20005 USA | T. +1-202-862-5600 | F. +1-202-862-5606 | Email: ifpri@cgiar.org | www.ifpri.org | www.ifpri.info

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