FOOD PRICE MONITOR: MAIZE AND RICE IN EAST AFRICA

JUNE 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.

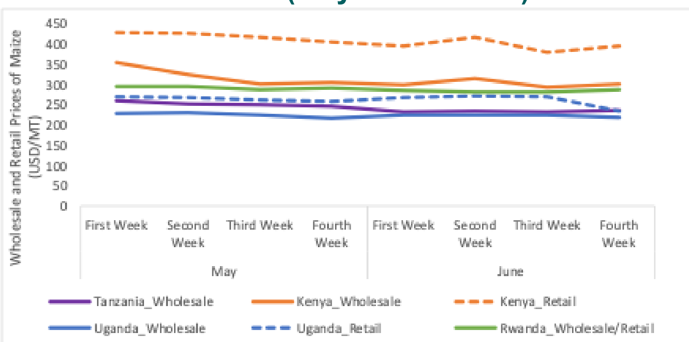
Highlights

- Across all the countries, there was a decline in the average monthly wholesale price of Maize, with the highest percentage decline being in Tanzania and the lowest in Uganda.
- The price decline can be attributed to the bumper harvests that created excess supply and the drop in fuel costs due to the reduction in world fuel prices.
- Rice prices continue to remain volatile, and it is anticipated that imported rice prices will experience a decline in the subsequent months following the decrease in international rice prices.
- In June, there was a notable decline in fuel prices in Tanzania, Kenya, Uganda, and Rwanda, which might likely affect essential commodities, including Maize and rice.

Changing Maize Prices in East Africa

There were variations in Maize's weekly average wholesale and retail prices in the East African countries between May and June 2024 (see Figure 1). In Uganda, there was a gradual increase within the weeks in June, while Kenya had some fluacting pattern. In Tanzania, prices declined gradually from the last week of May into the first week of June, but remained relatively stable in the remaining weeks of June.

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

In Kenya, the monthly average retail price for Maize decreased by 5.3 percent from 419 USD/MT to 397 USD/MT, while the monthly average wholesale price decreased by 5.7 percent from 321 USD/MT in May to 303 USD/MT in June (Table 1). In Uganda, wholesale prices of Maize remained relatively stable, with only a slight decrease from 224 USD/MT in the first week to 220 USD/MT in the fourth week. However, retail prices showed a more significant decrease. Fuel prices also decreased by 0.2 percent, as reported by the Uganda Bureau of Statistics. Lower fuel prices mean that transport costs remain relatively stable and low. In Rwanda, the average monthly wholesale/retail price declined by 2.6 percent in June. In Tanzania, there were slight changes in the weekly average price of Maize. The monthly average price of Maize declined greatly by 7 percent from 252 USD/MT in May to 234 USD/MT in June. This price decline can be attributed to the bumper harvests that created excess supply and the drop in fuel costs due to reduced world fuel prices (AGRA, 2024).

Comparing the monthly average price of Maize in June 2024 and the same month in June 2023, there is a significant decline ranging from 38.6 percent to 46.6 percent across all the countries. Uganda had the highest percentage decline, while Kenya had the lowest decline between the two years. The favorable weather conditions in 2024 led to a bulky harvest and an increased supply.

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

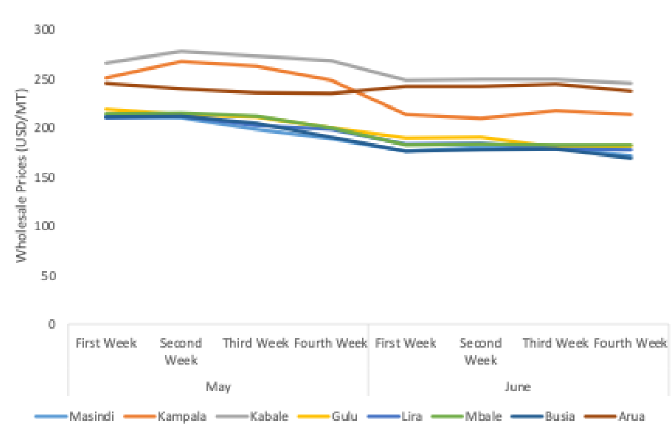
Country	Market Levels	Monthly Average Prices May 2024	Monthly Average Prices June 2024	% Change May & June 2024	Monthly Average Prices June 2023	% Chang betwee June 20 & Jun 2024
Kenya	Retail	419	397	-5.3%	647	-38.64
Uganda	Retail	264	261	-1.3%	513	-49.12
Rwanda	Retail	293	285	-2.6%	521	-45.30
Kenya	Wholesale	321	303	-5.7%	541	-43.99
Uganda	Wholesale	225	223	-0.7%	470	-52.50
Rwanda	Wholesale	293	285	-2.8%	521	-45.39
Tanzania	Wholesale	252	234	-7.0%	439	-46.64

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

Throughout June, maize prices were highest in Kabale and lowest in Busia. Busia borders Kenya in the East, and most Maize from Uganda reaches Kenya through Busia. Prices in Arua were initially stable and then decreased by the end of the month. Mbale had the most negligible price variation, indicating a stable market in that region. Gulu, Lira, Masindi, and Mbale had similar price trend patterns, while Arua and Kabale also experienced identical price patterns. Masindi, Gulu, and Lira experienced overall price decreases throughout June, while Kampala and Kabale showed slight fluctuations but remained relatively stable. Gulu experienced a reduction in the middle of the month but showed a slight recovery by the fourth week.

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

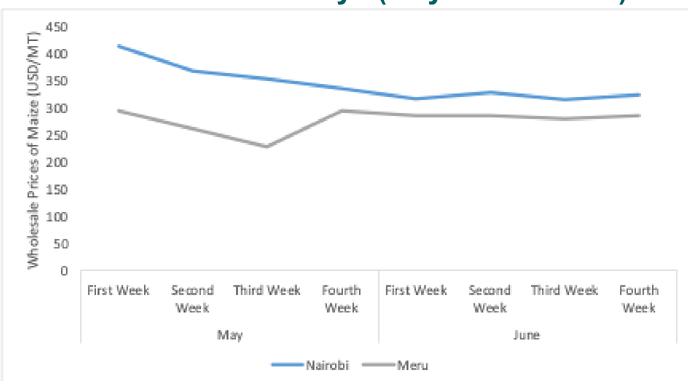


Source: Author's construction using data from the Daily Market Traders Survey for Uganda

Kenya

The price of Maize was highest in Nairobi, and there were fluctuations throughout the month. Conversely, Meru had more stable prices in June than in May (Figure 2). Particularly in Nairobi, there was a slight increase from 317 USD/MT in the first week to 329 USD/MT in the second week, followed by a decrease to 315 USD/MT in the third week, and then an increase to 324 USD/MT in the fourth week. In contrast, Meru's price was consistent at 286 USD/MT for the first, second, and fourth weeks, slightly decreasing to 279 USD/MT in the third week.

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

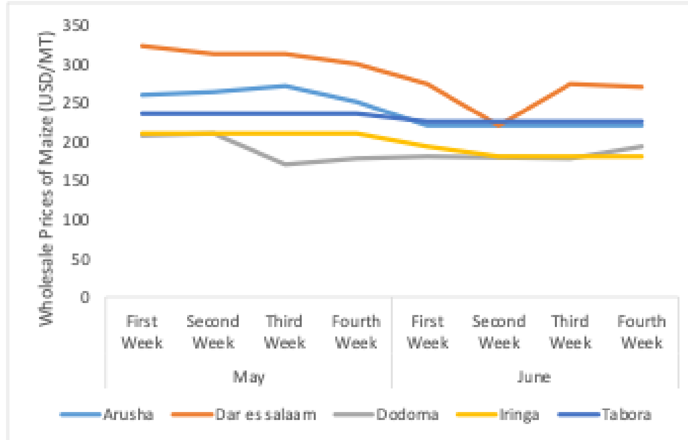


Source: Authors' construction using data from the Ministry of Agriculture Livestock Fisheries and Cooperatives for Kenya.

Tanzania

In Tanzania, prices were highest in Daresalam and lowest in Iringa and Dodoma (Figure 4). There was a price difference of 13.1 percent between Dare Salam and Tabora, 15 percent between Daresalam and Arusha, and 28.9 percent between Daresalam and Iringa. Prices were generally stable throughout the markets except Daresalam. Dar es Salaam is the country's leading consumer market. Arusha is another important market and is linked with Kenya in the north. Dodoma represents the central region of the country, a semi-arid, deficit area. Tanga is a coastal town in the north with trade connections with Kenya

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

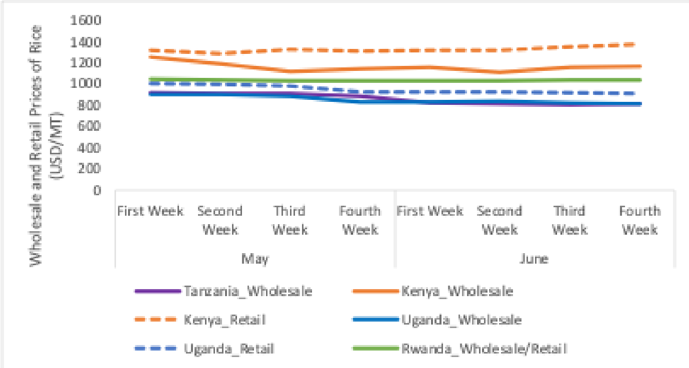


Source: Author's construction using data from the Ministry of Investment, Industry and Trade for Tanzania

Changing Rice Prices in East Africa

The weekly average price of rice remained relatively stable and the lowest in Uganda and Tanzania (Figure 5). The average weekly price in Rwanda was also relatively stable during the same period. In Kenya, prices fluctuated, with a slight upward trend observed in retail prices toward the end of June. In Kenya, average wholesale prices decreased by 1.3 percent from the first week to the fourth week. In Tanzania, there was an overall one percent decline in wholesale prices from the first week to the last week of June. In Rwanda, there was a slight fluctuation in the price of rice throughout June, whilst in Uganda, there was a 2.1 percentage decline in the average weekly wholesale prices from the first to the fourth week in June and a 2.5 percentage decline in the average weekly retail prices from the first to the fourth week in June. The decrease in prices in Uganda and Tanzania can be attributed to the abundant harvests in Tanzania, which significantly impacted local prices in neighboring countries. This effect was particularly noteworthy due to the region's widespread preference for Tanzanian rice.

Figure 5: Weekly average wholesale and retail prices of rice in East Africa (May - June 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.

In Kenya, the retail monthly average price of rice increased by 2.2 percent from 1307 USD/MT in May to 1336 USD/MT in June (Table 2). Meanwhile, the monthly average wholesale price decreased by 2.2 percent during the same period, dropping from 1173 USD/MT in May to 1147 USD/MT in June. In Uganda, the average monthly retail price saw a significant 6.2 percent decrease from 975 USD/MT in May to 915 USD/MT in June 2024. Similarly, the average monthly wholesale price experienced a 6.1 percent decrease during the same period, going from 875 USD/MT in May to 822 USD/MT in June. This sharp decline could be attributed to the surplus from the harvesting season in Tanzania, where mostly Tanzanian rice is consumed, thus affecting the domestic local price of rice. In Rwanda, the monthly average price of rice remained relatively stable, with only a slight decrease of 0.2 percent. The average price of rice in May was 1034 USD/MT, which decreased to 1031 USD/MT in June. In Tanzania, the monthly wholesale price of rice saw a significant decrease of 9.9 percent, indicating an oversupply of rice in the market. The average price of rice in May was 902 USD/MT, which decreased to 822 USD/MT in June.

Compared to the same month last year, there was a decline in the average monthly price of rice across all the countries except Rwanda (Table 2). The decline in the price of rice was highest in Uganda (32 percent) in both retail and wholesale prices, followed by Tanzania (28.5 percent). Kenya had the lowest decrease. However, Rwanda had an increase in the price of rice of 11%.

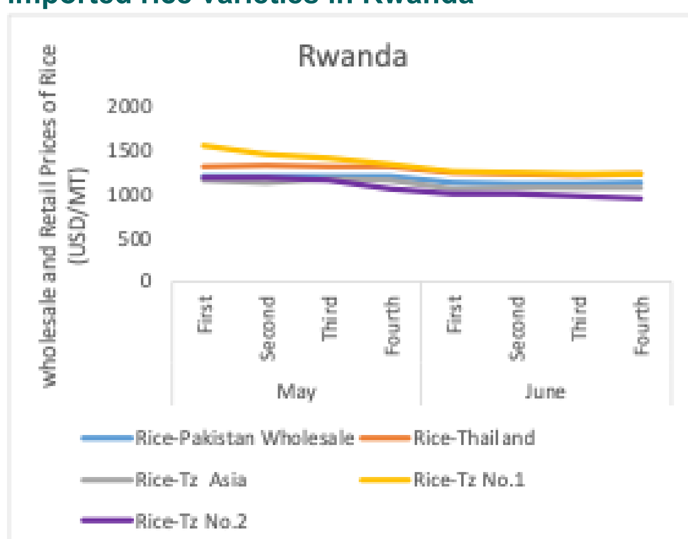
Table 2: Monthly retail and wholesale price changes of rice in East Africa (May - June 2024, June 2023, and June 2022)

Country	Market Levels	Monthly Average Prices May 2024	Monthly Average Prices June 2024	% Change May & June 2024	Monthly Average Prices June 2023	% Change June 2023 & June 2024
Kenya	Retail	1307	1336	2.2%	1367	-2.2%
Uganda	Retail	975	915	-6.2%	1346	-32.1%
Rwanda	Retail	1034	1031	-0.2%	923	11.7%
Kenya	Wholesale	1173	1147	-2.2%	1173	-2.3%
Uganda	Wholesale	875	822	-6.1%	1202	-31.6%
Rwanda	Wholesale	1034	1031	-0.2%	923	11.7%
Tanzania	Wholesale	902	813	-9.9%	1137	-28.5%

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

The East African countries also import rice from other Asian countries, including India, Pakistan, and even Tanzania. In June, the price of imported rice varieties in Rwanda, Uganda, and Kenya continued to decrease. Analysts attribute this to the anticipated La Niña weather from July, which is expected to bring more rain to Asia, potentially offsetting the reduced rice production caused by El Niño's dry conditions in 2023-24, especially in India and Thailand (Mancombu,2024).From May to June, there was a decline in the price of all imported rice varieties in Rwanda (Figure 6). Thailand rice and Tanzanian rice varieties maintained competitive prices for rice throughout the month, while Pakistan rice prices fluctuated relatively. Tanzania rice variety two and Asian rice had fluctuating prices.

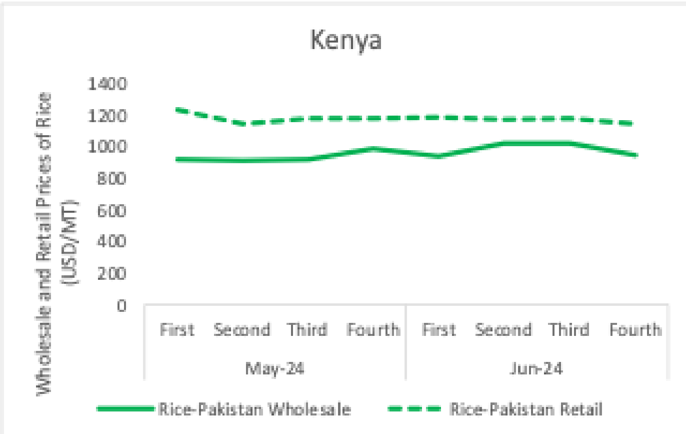
Figure 6: Weekly average wholesale price of imported rice varieties in Rwanda



Source: Analysis using data from eSoKo for Rwanda of the Ministry of Agriculture

In Kenya, Pakistan wholesale prices show a slight upward trend from May to June, while retail prices remain relatively stable with some minor fluctuations.

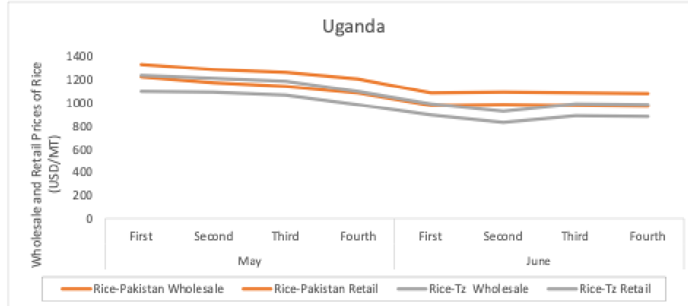
Figure 7: Weekly average wholesale price of imported rice varieties in Kenya



Source: Analysis using data from the Ministry of Agriculture Livestock Fisheries and Cooperatives for Kenya

In Uganda, there was a decline in the price of imported rice from Pakistan and Tanzania in June compared to May. However, effective 1st June, the Uganda Revenue Authority imposed a 75 % import duty tax on rice outside East Africa. This will likely translate into a higher price of imported rice in the coming months. The decline in the price of imported rice in Uganda could be due to the surplus supply of Tanzanian rice due to the harvesting season in Tanzania. There was a slight downward trend in the wholesale prices of Pakistan rice. Prices decreased from 976 USD/MT in the first week to 967 USD/MT in the fourth week. The retail prices also showed a slight downward trend. Prices also decreased from 1082 USD/MT in the first week to 1078 USD/MT in the fourth week. There was more fluctuation in the wholesale prices compared to Pakistan's rice. Prices decreased significantly from 894 USD/MT in the first week to 828 USD/MT in the second week, then increased again to 881 USD/MT in the fourth week. Similar to wholesale, retail prices also show some fluctuations. Prices decreased from 990 USD/MT in the first week to 926 USD/MT in the second week, then slightly increased to 983 USD/MT in the fourth week.

Figure 8: Weekly average wholesale price of imported rice varieties in Uganda



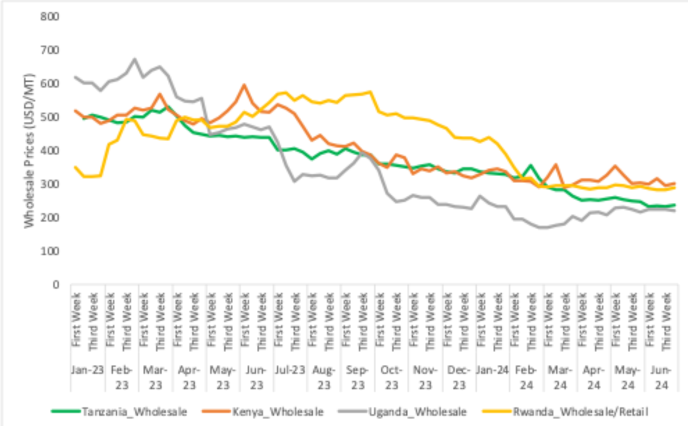
Source: Author's construction using data from the Daily Market Traders Survey for Uganda

Summary and Future Outlook

Mid-year maize prices in all the countries showed a downward trend, decreasing from May to June 2024. Compared to the same period in 2023, prices instead increased. The average monthly price of Maize across the East African countries in 2024 was generally half the price in the same month in 2023. Following the trend in the average weekly wholesale price of Maize in the past 12 months (Figure 8), it is likely that maize prices will increase in countries like Rwanda and Kenya and might remain stable in Tanzania and Uganda. Above-average harvest in Tanzania and Uganda will exert downward pressure on prices.

Nevertheless, the prices in Uganda have increased significantly compared to six months ago, and they are almost at the same price level as wholesale prices in Tanzania. This is good news for Ugandan maize farmers affected by the low prices of their produce. Despite tendencies towards stable prices in the subsequent months, prices will remain lower than at the same time last year. This year's lower prices are partly explained by the decline in input prices like fertilizer (AGRA, 2024). For example, in Kenya, the prices for CAN, DAP, and NPK fertilizers declined by a range of within 10.4 percent and 81 percent over the past 12 months. This has been accompanied by an increase in the supply of Maize, which will contribute to a decline in maize prices.

Figure 9: Weekly average wholesale prices of maize from January 2023 to June 2024

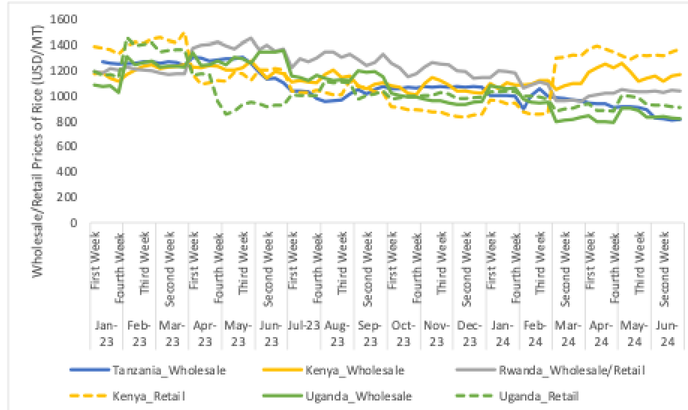


Source: Author's construction using data from the Ministry of Investment, Industry and Trade for Tanzania, eSoKo for Rwanda Ministry of Agriculture Livestock Fisheries and Cooperatives for Kenya and Daily Market Traders Survey for Uganda

In the past 12 months, rice's wholesale and retail prices have exhibited significant volatility in all countries (Figure 9). As such, we expect the prices to remain unstable in the subsequent months and likely to be the highest in Kenya. For Kenya and Rwanda, prices will likely increase to levels in 2023, following their trends in the past six months. In Uganda, imported rice prices will likely increase due to a new legal requirement imposed by the Uganda Revenue Authority that requires all imported rice to be well-labeled. The new litigation aims to curb traders that evade import duties from rice imported outside East Africa.

Additionally, transportation costs are expected to decrease across East Africa in the next months due to the global drop in fuel prices, which likely will reduce the price of Maize and rice within the region (Wamala & Ladu, 2024). Ongoing global weather changes will continue influencing Maize and East Africa's rice prices. International rice prices, driven up by El Niño and India's export restrictions, have declined since January 2024 due to the end of El Niño and a drop in fertilizer prices. This trend offers hope that imported rice prices in Uganda, Rwanda, Kenya, and Tanzania will stabilize or decrease further, reducing domestic rice prices(International Rice Research Institute, 2024).

Figure 10: Weekly average wholesale and retail price of rice 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

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

[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)

[2] 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

[3] 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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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