



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

- ▶ The wholesale price of maize in Rwanda continued to increase gradually from throughout October. Wholesale maize prices remained relatively stable in Uganda and Kenya and were lowest in Tanzania.
- ▶ The upward trend in the wholesale and retail prices of maize in Rwanda can be attributed to the lean season, when the first season's supply is depleted. At the same time, low prices in Tanzania reflect the adequate supply of maize in that country relative to other countries in the region.
- ▶ Weekly average wholesale and retail rice prices fell from September to October for all countries, with the exception of retail prices in Tanzania. These changes can be attributed largely to government interventions in most countries to stabilize surging fuel prices.
- ▶ Kenya continued to see the highest and more volatile wholesale and retail rice prices of any country in East Africa.
- ▶ Fluctuations in the exchange rates of local currencies against the US dollar continued to distort imported rice prices in Rwanda and Uganda.

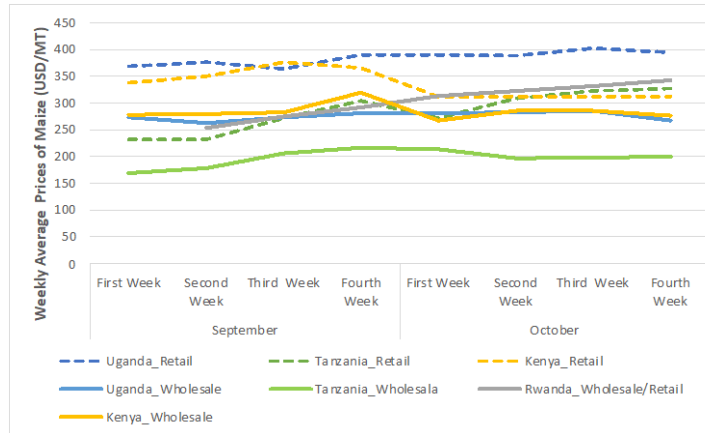
### Changing Maize Prices in East Africa

In October, weekly average wholesale and retail maize prices continued to rise in Rwanda; maize prices fell in week one for Kenya and Tanzania and remained relatively unchanged in Uganda ex-

cept a reduction in week four (Figure 1). Wholesale prices in Kenya fell by 16 percent between September and October (319 USD/MT to 267 USD/MT), while prices in Tanzania dropped by 1.4 percent (217 USD/MT to 214 USD/MT) (Figure 1). The stability and dampening of wholesale maize prices in these countries are due largely to

government intervention in the skyrocketing prices of petrol and diesel seen in September.

**Figure 1: Average wholesale and retail price of maize in East Africa (October 2021)**



Source: Authors' construction using data from FSP

In contrast, retail maize prices in Tanzania were volatile and less stable and exhibited an upward trend between September and October. While wholesale prices in Uganda were more stable in September, retail maize prices increased, surpassing retail prices in the other countries throughout October (Figure 1). The high transportation costs emanating from a surge in fuel prices can largely explain the observed retail prices. Inflation in Uganda rose by 0.5 percent in October, compared to a rise of 0.4 percent in September; this increase stemmed from rising food and transport prices (Uganda Bureau of Statistics [UBoS], 2021). The upward trend in wholesale and retail maize prices in Rwanda can be attributed to the lean season when the first season's supply is depleted. The increase could also reflect the onset of heavy rainfall in week one. Heavy precipitation would likely cause distortions in transportation costs of food

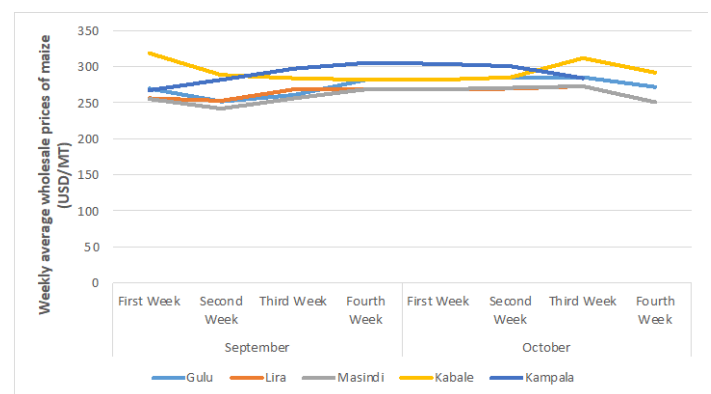
crops (Rwanda Meteorology Authority [RMA], 2021).

*Weekly average prices of maize within markets in the East African countries*

**Uganda**

In Uganda, the average weekly wholesale price of maize was highest within the capital city and lowest in the maize-producing district of Masindi (Figure 2). In weeks one and two, there were no significant changes in average weekly wholesale prices; however, in weeks three and four, wholesale prices fell. Retail maize prices in Uganda were generally more stable throughout September and October. However, retail prices in Gulu (Northern Uganda) rose by 20 percent, from 350 USD/MT in week three to 423 USD/MT in week four. This increase is surprising because maize is produced in Gulu and other markets situated in Northern Uganda, such as Lira. The differences in maize prices across locations signals variances in geographical food inflation across the country (UBoS, 2021).

**Figure 3: Average weekly wholesale prices of maize in selected markets in Uganda (October 2021)**

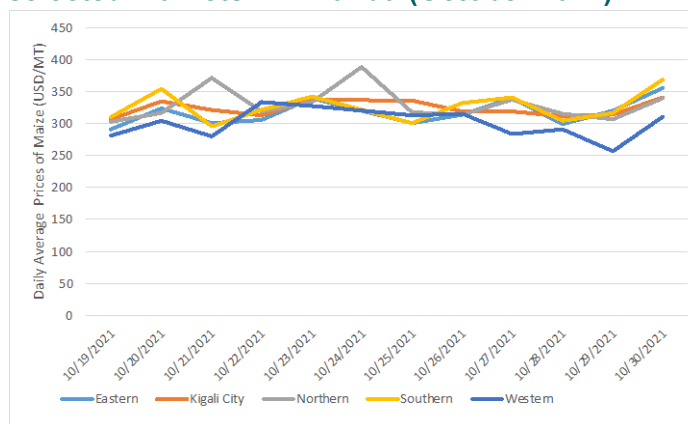


Source: Authors' construction using data from FSP

## Rwanda

Figure 3 illustrates daily average prices of maize averaged across the various markets in specific provinces in Rwanda. Generally, prices were more volatile, exhibited by up and down swings throughout October, although prices converged around almost the same mean. In the Northern Province, maize prices were significantly higher in the middle of October but took a downturn toward the end of the month. On average, the Western Province recorded the lowest prices throughout the month. Despite enhanced maize imports from Tanzania, the variations in prices across the different provinces can be attributed to heavy rainfall: about 100mm to 300mm was expected at the beginning of October. Associated impacts of this heavy precipitation include localized floods and landslides, with localized damage to infrastructure and crops (RMA, 2021). Further, the continued political impasse between Uganda and Rwanda, which has resulted in the halting of cross-border movement of goods and people (The East African, 2021), might also have influenced Rwanda's price instability, as imported maize from Uganda is cheaper than imported rice from other countries in the region.

**Figure 4: Average weekly retail prices of maize in selected markets in Rwanda (October 2021)**

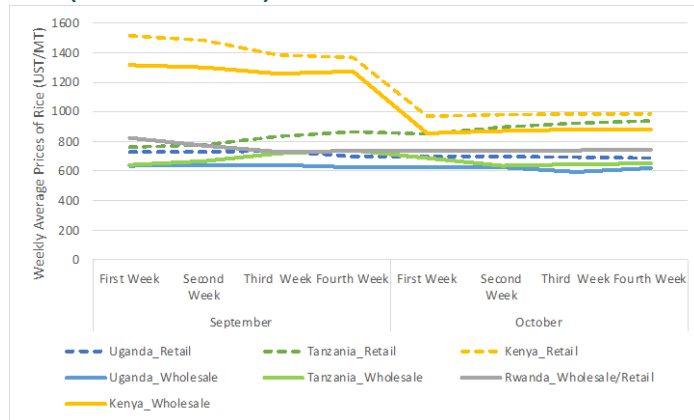


Source: Authors' construction using data from FSP

## Changing Rice Prices in East Africa

Average weekly wholesale and retail rice prices in East Africa were more stable in October than September (Figure 5). For example, Kenya saw higher wholesale and retail prices in September compared to October. Specifically, average weekly wholesale rice prices in Kenya dropped by 29 percent from 1366 USD/MT in week five of September to 970 USD/MT in week one of October. This drop in prices aligns with reductions in inflation, which fell from 6.9 percent in September to 6.5 percent in October (KNBS, 2021). The pattern of prices in Tanzania remained relatively stable and can be largely explained by the high rice stock in the National Reserves.

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



Source: Authors' construction using data from FSP and e-SOKO

The upward trend in retail rice prices in Tanzania from September to October could be attributed to the continued rise in domestic pump prices of petroleum, which was mainly associated with an increase in oil prices in the world market (BOT, 2021). In Uganda and Rwanda, average wholesale and retail rice prices evolved around the same mean and were more stable throughout September and October compared to other countries. Rice, unlike maize, is not a staple food for Uganda and Rwanda, and demand usually remains constant throughout the year. It is also likely that the bumper harvest in July and increased imports from Tanzania boosted local supply amidst heightened demand from the lifting of restrictions to curb the spread of COVID-19.

**Table 1: Changes in the average monthly retail and wholesale price of rice in East Africa for September and October**

Country	Market Levels	Monthly Average Prices September	Monthly Average Prices October	Monthly % Change
Kenya	Retail	1436	981	-32
Uganda	Retail	724	696	-4
Rwanda	Retail	767	743	-3
Tanzania	Retail	809	902	11
Kenya	Wholesale	1288	872	-32
Uganda	Wholesale	638	616	-3
Rwanda	Wholesale	767	743	-3
Tanzania	Wholesale	692	644	-7

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

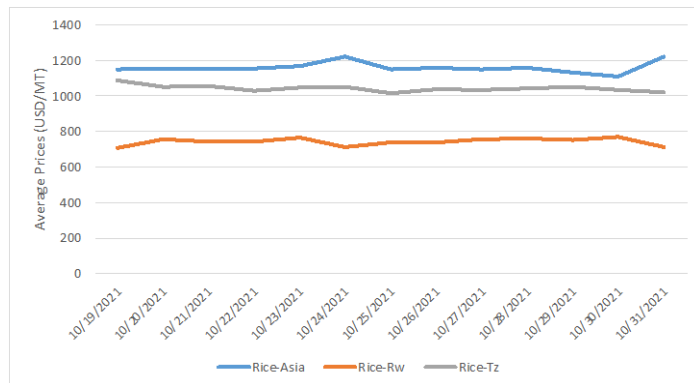
Average weekly wholesale and retail rice prices decreased from September to October for all countries, with the exception of retail prices in Tanzania (Table 1). These changes may be attributed to: (1) government interventions in some countries, such as Tanzania, to stabilize surging fuel prices and (2) adequate food supply and stable exchange rates, which partially dampened the impact of high oil prices (Bank of Tanzania, 2021). Similarly, the Kenyan government intervened to stabilize fuel prices when they rose sharply in September; petrol prices then dropped from Kshs.135.54 per liter in September to Kshs.130.53 per liter in October (KNBS, 2021). In Uganda, the government has not yet intervened to stabilize fuel prices, which began rising at the end of October.

#### *Changes in average weekly rice prices in Rwanda*

To provide a look at the impact of unstable exchange rates and global supply disruptions due to COVID-19 on prices in the region, Figures 5 and 6 display trends in imported rice prices in Rwanda and Uganda. There was a broader deviation in

daily average prices of imported rice (from Tanzania and Asia) in Rwanda than in Uganda (Figure 5). These differences may be attributed to the depreciation of the Rwanda Franc against the US dollar, which made imports more expensive than domestically produced rice.

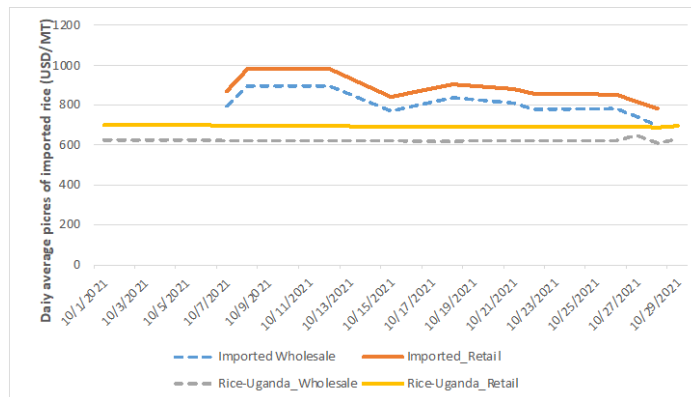
**Figure 5: Average daily prices of imported rice in Rwanda (October 2021)**



Source: Authors' construction using data from e-Soko

The recent up-turn in the strength of the Uganda shilling against the US dollar can explain the low imported rice prices observed in Uganda. However, imported rice prices in Rwanda were generally more stable and less volatile than those in Uganda. Further, the prices of domestically produced rice were less stable in Rwanda and more stable in Uganda throughout the month. Overall, domestically produced rice in both countries was cheaper than imported rice. In addition, fluctuations in the exchange rates of both countries against the US dollar help explain the price variations.

**Figure 6: Average daily prices of imported rice in Uganda (October 2021)**



Source: Authors' construction using data from FSP

## Summary and Future Outlook

In October, wholesale and retail maize prices were lower in most countries compared to September, which can be explained primarily by government interventions to lower skyrocketing prices of fuel that have increased transportation costs. Wholesale maize prices remained lowest in Tanzania compared to other countries, which can be explained by surplus maize production and government intervention to regulate prices. Imported rice prices were higher and more volatile in Rwanda than in Uganda, due largely to the depreciation of the Rwanda Franc against the US dollar. In Uganda, the shilling gained against the US dollar, which can explain the leaner volatility and lower imported rice prices seen in October. In general, government intervention in regional economies through the adjustment of monetary policy tools is required to stabilize prices and exchange rates; thus, the price of food crops may continue to increase in Uganda due to the lack of government intervention in skyrocketing fuel prices. In Kenya and Tanzania, food prices may

remain stable in the coming months due to such intervention. In Rwanda, food prices may remain high in the coming months due to several factors: (1) the lean season, (2) cross-border trade disruptions with Uganda, and (3) a weak Rwanda Franc compared to the US dollar.

## Data and Methodology

This monthly market report analyzes the evolution of daily maize and rice prices in four countries within East Africa: Uganda, Kenya, Tanzania, and Rwanda. Price data is sourced from the COVID-19 Food Price Monitor of IFPRI's Food Security Portal (FSP)<sup>1</sup>; for Rwanda, data is also sourced from e-SOKO<sup>2</sup>. The e-SOKO data does not distinguish between wholesale or retail prices. For Tanzania, data is also sourced from the Ministry of Agriculture, which provides national wholesale weekly average data on food

prices, accessible via <https://www.kilimo.go.tz/index.php/en>. For Kenya, wholesale and retail price data used for the October report were extracted from the Food Price Monitor October report, also accessible at <http://ssa.foodsecurityportal.org>. For all countries, prices are averaged across markets within the country to allow for comparison. Graphical illustrations are also used, as are secondary data from publicly available information sources like press releases. The findings are only indicative of the current prevailing price movements for maize and rice in the region. It should be noted that the various data sources report prices at different frequencies; in addition, inferences are made at the national level based on select markets.

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<sup>1</sup> 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](http://foodprice.monitoring.africa/weekly-average-dataset-ckan) ([foodsecurityportal.org](http://foodsecurityportal.org))

<sup>2</sup> 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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