



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

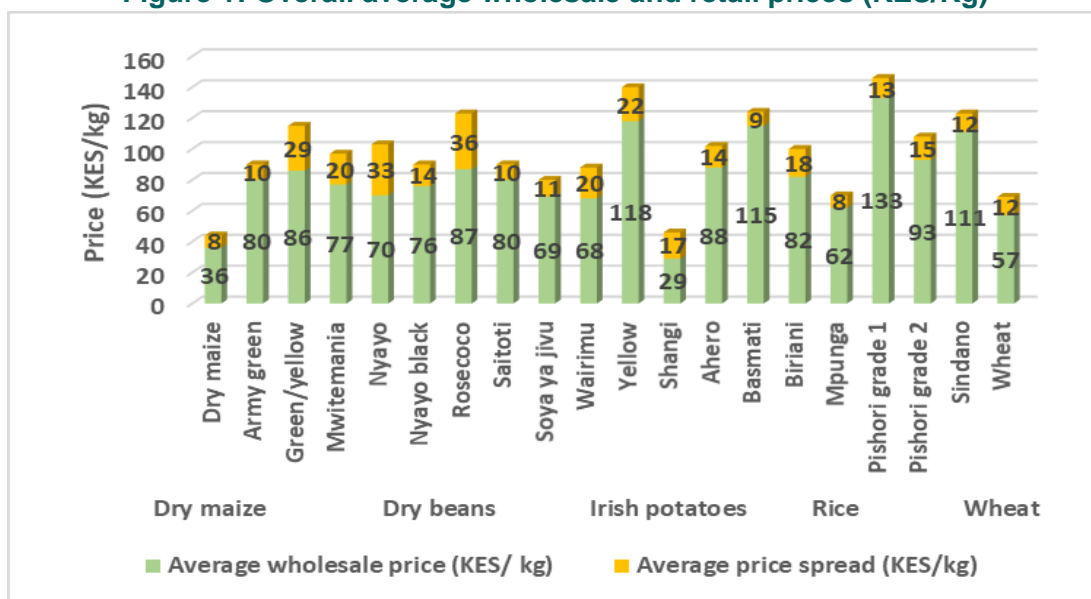
- ▶ As expected, prices were generally significantly higher in the larger urban markets of Nairobi, Mombasa, and Kisumu in December due to high demand during the festive season.
- ▶ Significant increases were recorded for yellow/green beans, Nyayo beans, Rosecoco beans, and *Shangi* Irish potatoes. This is attributable to December festivities and high demand for specific delicacies.
- ▶ Dry maize prices recorded significant increases, especially in Eldoret, Kisumu and Mombasa, owing to a shortage of maize occasioned by depressed short rains.
- ▶ Monthly maize price trends in Nairobi, a non-producing region, saw higher prices compared to Eldoret, a major producing region. Atypically high prices were recorded in June and in September through December; these can be attributable to increased demand during the maize shortage.
- ▶ Rice, wheat, bean, and Irish potato prices are expected to increase further in the coming months due to seasonality, increased fuel prices, involvement of many middlemen, and higher demand.

Overall Wholesale and Retail Prices for November

Figure 1 illustrates wholesale and retail prices for maize, beans, potatoes, rice, and wheat, averaged across selected markets in Kenya for the month of December. Most commodities recorded lower price margins of between 8% and 19%: dry beans varieties (Army green (13%), Nyayo black (18%), *Saitoti* (13%), and *Soya ya Jivu* (16%)) and most rice varieties (*Ahero* (16%), *Mpunga* (13%), Pishori grade 1 (10%), Pishori grade 2 (16%), and Sindano (11%)). Other commodities recorded price margins of between 22% and 29%: dry maize (22%), *Biriani* rice (22%), dry wheat (22%), *Mwitmania* beans (26%), and *Wairimu* beans

(29%). Finally, some commodities recorded even higher price margins of between 34% and 59%: yellow/green beans (34%), Nyayo beans (47%), Rosecoco beans (41%), and *Shangi* Irish potatoes (59%). Although observed differences in wholesale and retail price margins can be attributed to a mix of forces, such as transport costs due to high fuel costs, unfavorable weather, disruptions in the supply chain, and seasonality, particularly high demand for food during the festive season was experienced across the country, especially following the COVID-19 lockdown. During the December festivities, increased demand for specific goods—in this case Irish potatoes, some dry beans varieties such as green yellow, Nyayo, and Rosecoco, and rice—caused prices to increase, as supply does not accompany the increased demand.

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



Source: Daily Market Survey for the month of December

Wholesale and Retail Commodity Prices

Commodity prices varied regionally (see Table 1). Most dry beans recorded lower wholesale and retail prices in most selected regions compared to national¹ wholesale and retail prices. However, average wholesale prices were higher in Eldoret for green/yellow beans (96KES/kg), Rosecoco beans (95KES/kg), and *Wairimu* beans (78KES/kg) compared to their average national prices of 86 KES/kg, 114KES/kg, and 95KES/kg, respectively. Nyeri and Nairobi regions showed higher average retail prices for *Mwitmania* and *Wairimu* beans compared to average national retail prices of 96KES/kg and 85KES/kg, respectively.

Dry maize saw higher wholesale prices in Eldoret (44KES/kg), Kisumu (37KES/kg), and Nairobi (39KES/kg) compared to the national average wholesale price of 36KES/kg. A similar trend was seen for retail prices in Eldoret (55KES/kg), Kisumu (47KES/kg), and Nairobi (50KES/kg) compared the national average of 44KES/kg. These prices were higher compared to November, with a significant margin of 17KES/kg for wholesale price and 25KES/kg for retail prices recorded in Eldoret. Although Eldoret is the major maize-producing zone and December was the peak of the maize harvest, high prices seen in December can be attributed to the effects of the festive season and a shortage of maize in the country. The maize shortage was caused by a combination of factors, including drought, depressed short rains, international food supply

shocks, and protectionist policies by a number of countries, and high global food costs due to Covid-19, all of which led to low agricultural production. At the same time, some manufacturers slowed production of agricultural inputs, including fertilizers, which drove up input prices (The Star Business Kenya, 2021).

Irish potatoes saw marginally higher average national wholesale prices and slightly higher nation retail prices (a margin of 8KES/kg) compared to November. Mombasa and Nairobi displayed higher wholesale prices (33KES/kg and 45KES/kg) compared to the national average wholesale price of 29KES/kg, while Kisumu and Nairobi recorded significantly higher retail prices (78KES/kg and 65KES/kg) compared to national average retail price of 46KES/kg. These higher prices can be attributable to the effect of the festive season and other factors, including increased fuel prices, involvement of many middlemen, and higher demand for the commodity in major urban centers. As populous cities with limited agricultural activities, Nairobi and Mombasa source a majority of food items from surplus regions across the country. All regions showed lower prices for Irish potatoes compared to the government recommended price of 50KES/kg, with the exception of Nairobi and Kisumu.

Several rice varieties were traded across the country, but Pishori² rice was common to all regions. Compared to the national wholesale average price of 133 KES/kg, Pishori grade 1 rice recorded higher wholesale prices in most regions, including Eldoret (150 KES/kg), Mombasa (145 KES/kg), and Nairobi (150 KES/kg). Similarly, the same

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

² Kenya's version of Basmati rice

regions recorded higher retail prices compared to the national retail average price of 148KES/kg.

Dry wheat saw higher wholesale prices in Eldoret (64KES/kg) and Kisumu (75KES/kg) compared to the national average price of 57KES/kg; several regions also saw higher retail prices—Eldoret (75 KES/kg), Kisumu (75

KES/kg), and Nairobi (80 KES/kg)—compared to the national average retail price of 69KES/kg. Notably, all regions recorded higher dry wheat prices compared to the government recommended price of 36KES/kg. The high prices seen in December can be attributed to increases in fuel prices and involvement of middlemen.

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

Product	Variety	Average w/sale price (KES/kg)						Average retail price (KES/kg)					
		Eldoret	Kisumu	Mombasa	Nairobi	Nakuru	Nyeri	Eldoret	Kisumu	Mombasa	Nairobi	Nakuru	Nyeri
Dry beans	Army green			80						90			
	Green/yellow	118	84	80	77	74	83	140	138	90	108	85	130
	Mwitema nia			87	83	67	72			90	120	80	100
	Nyayo		69	76	67				119	90	100		
	Nyayo black			76						90			
	Rosecoco	118	80		78	80	83	140	128		120	90	138
	Saitoti			80						90			
	Soya yajivu			69						80			
	Wairimu Yellow	78	64	69	67	60	73	85	100	80	100	65	100
Dry maize	Maize	44	37	33	39	31	33	55	47	40	50	36	39
Irish potatoes	Shangi	17	28	33	45	25	26	21	78	35	65	43	31
Rice	Ahero		88						102				
	Basmati	118		110			112	120	125		120		120
	Biriani			82						100			
	Mpunga			62						70			
	Pishori grade 1	150		145	150	94	128	174		150	160	100	147
	Pishori grade 2	94	98			88		107	126			90	
Sindano	122		106		116	100	130		120		120	122	
Wheat	Wheat	64	75	55	52	47	50	75	75	60	80	55	70

Source: Daily Market Survey for the month of December

Retail Price Trends by Region

National monthly³ retail prices for dry maize rose in June and then followed stable trends until November; prices then increased atypically in December (see Figure 2). In major producing regions, maize is planted during the long rain/main season in March and April and harvested from September to November. Therefore, June's higher maize

prices can be attributed to low supply. November saw significantly lower prices due to a surplus following the harvest. The higher prices were recorded in December; although December is a festive month and *ugali*⁴ was expected to be substituted by other food commodities like

³ A comparison of price trends between July to December for food commodities common in the six regions.

⁴ The most common mealtime starch: a thick, stiff porridge made from white cornmeal.

rice, *chapati*⁵ and fried potatoes, December's higher prices were attributable mainly to the country's maize shortage.

Most dry bean varieties showed higher prices in June and stable prices between July and October. This was attributable to seasonality; the Rift Valley and the Western region grow beans once a year during the March-May season (also referred to as the long rains) and harvest in June. The Central and Eastern regions grow common beans during the short rains (October-December) and harvest in December-January. Higher prices were recorded in November and December; green/yellow, Mwiternia, and Rosecoco beans all showed increased prices during December, with price margins of between 7% and 16% when July and December prices were compared. These varieties are the most common beans consumed during the festive season.

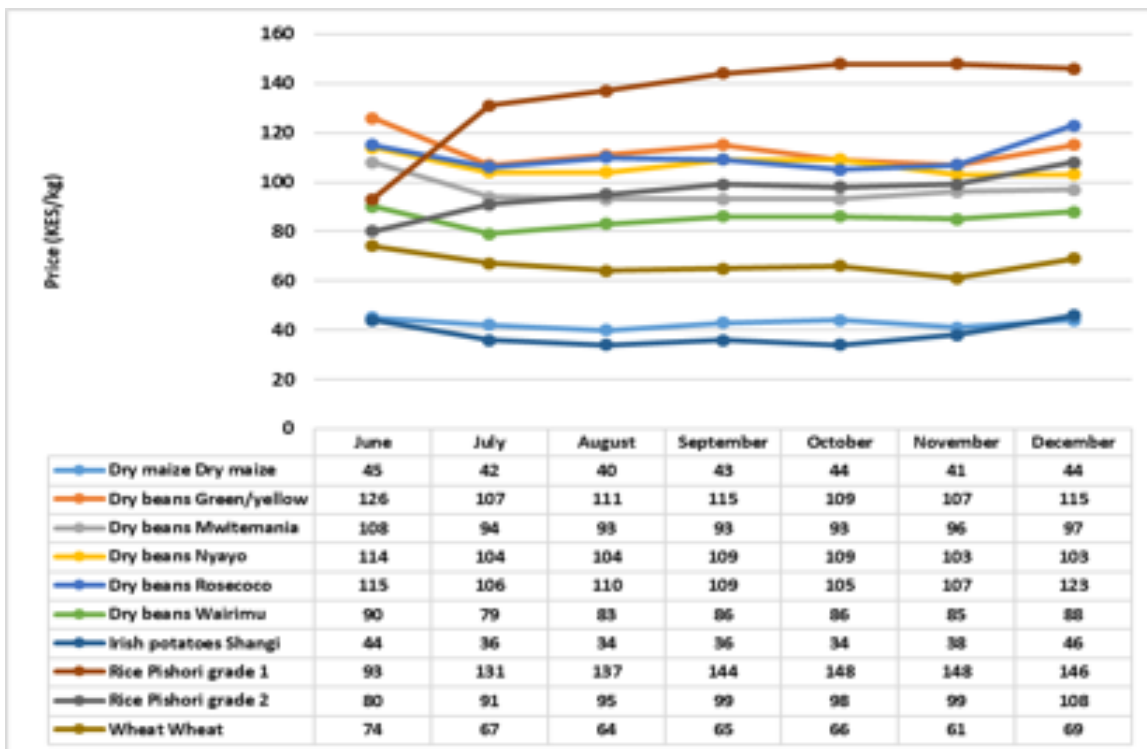
National monthly retail prices for Irish potatoes (*Shangi* variety) showed higher prices in June (44KES/kg), followed by price fluctuations between July and October. Prices started increasing in November, and the highest prices of 46KES/kg were recorded in December. A significantly

higher price margin of 28% was recorded between July and December. These higher prices are attributable to various forces, including the effects of the festive season, increased fuel prices, involvement of many middlemen, and higher demand for a limited supply.

Various rice varieties were merchandised across regions, but Pishori grade 1 and 2 rice were common to all the selected regions. Pishori rice showed increasing prices from June to December, with Pishori grade 1 rice recording a higher margin of 57% and Pishori grade 2 recording a margin of 35%. Increasing rice prices can be attributed to seasonality, rising fuel costs, existence of middlemen and produce brokers, and the effects of the festive season.

National monthly retail wheat prices showed modest price fluctuations from June to December (see Figure 2). Kenya is a net wheat importer, with imports comprising about 75% of the wheat consumed locally; the country is thus affected by the performance of the Kenyan shilling against the U.S. dollar in the foreign exchange market, and the continued depreciation in the shilling contributed to December's price increases.

Figure 2: Monthly national retail price trends



Source: Daily Market Survey for June to December 2021

⁵ Unleavened flat bread and a staple food among the Swahili-speaking people of East Africa.

Outlook for the Month of January

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

- Maize prices are expected to be high due to increasing demand after the festive season and low production after delayed rainfall onset. Projected price increases are due to a rising demand, especially in neighboring Southern Sudan, Uganda, and Tanzania. Prices are likely to increase further in the coming months, as no imports are expected from neighboring countries due to ongoing drought in the region.
- Bean prices are expected to increase due to poor short rains and long rains that affected the major bean-producing areas. These poor harvests have increased reliance on imports, which may lead to higher prices.
- Rice prices are expected to decline as the main production season in the Mwea irrigation scheme begins in July and harvests occur in December and January. In addition, imports may also increase, which would stabilize prices and temper price increases.
- Irish potato prices are expected to increase due to a combination of factors, including the fact that most regions will be past the main harvest season by then. Irish potatoes are perishable and do not permit long storage periods. Prices are also anticipated to increase in major cities, including Nairobi, due to high demand by multinational fast food franchises (e.g., KFC) following a shortage of production in their leading source markets.
- Owing to reliance on imports, wheat prices are expected to increase due to the performance of the Kenyan shilling against the U.S. dollar in the foreign exchange market and the continued depreciation in the shilling.

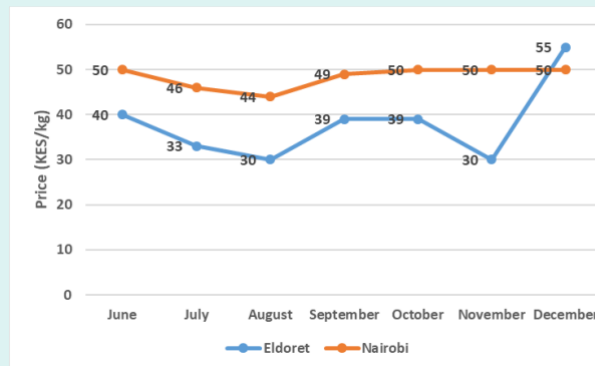
FOCUS ON MAIZE PRICE TRENDS IN NAIROBI AND ELDORET

Maize is a basic staple food consumed in Kenya, and its availability is synonymous with food security. It is produced in large scale in the Rift Valley region, particularly Trans-Nzoia, Nakuru, and Uasin Gishu Counties. Maize price trends in Nairobi, a non-producing region, and Eldoret, a major producing region, both showed high maize retail prices in June (see Figure 3). This is attributable to maize's seasonality: the main long-rains grain harvest, which is the most important to national output, occurs in November and December in the Eldoret market.

Nairobi showed higher retail maize prices from July to December compared to the Eldoret region. This is attributable to continued flow of maize from Kenya's producing regions and in surplus areas of Eldoret region.

Prices marginally dropped in July and August as maize imports from neighboring Tanzania entered the market amid high demand in Kenya due to expectations of poor weather and below average October-to-December harvests (Business Daily, November 2021). Unlike the usual harvest season characterized by surplus and low prices, the significant rise in retail prices in both regions in September through December is due to increased demand during a maize shortage in the country. Notably, December showed significantly higher retail prices (55KES/kg) in the major producing region of Eldoret compared to the Nairobi region (50KES/kg). This is attributable to the source of supply, involvement of many middlemen, and higher demand for the commodity. In the Nairobi region, traders sourced dry maize from Narok, Busia, and Meru regions, while in Eldoret market, maize was sourced from local farmers during a time of short supply.

Figure 3: Monthly maize price trends for Nairobi and Eldoret



Source: Daily Market Survey for the month of November.

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 Kenya⁶.

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).

⁶ 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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About the authors

Ruth T Chepchirchir: African Research and Economic Development Consultants Limited (AFREDEC), Nairobi, Kenya

Maina B.J.K: African Research and Economic Development Consultants Limited (AFREDEC), Nairobi, Kenya

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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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