



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

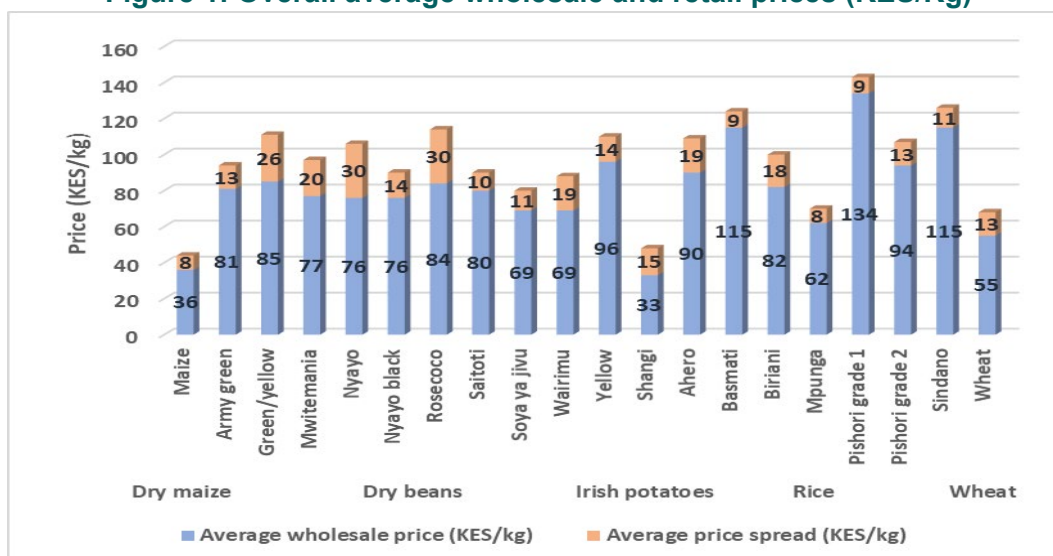
- ▶ As expected, most January prices were significantly higher in all selected regions due to high demand, low seasonal output, high import costs, and adverse weather conditions.
- ▶ The spurt in Shangi Irish potato prices is attributable to a combination of factors: a growing global potato shortage due to bad weather, rising demands from the fast-food industry post-pandemic, and the oligopolistic nature of the commodity.
- ▶ Dry maize prices recorded significant increases, especially in Eldoret, Kisumu, and Nairobi, owing to a shortage of maize in the country occasioned by depressed short rains. High maize prices in Eldoret are due to the shortage of maize in Trans-Nzoia County, which is one of Kenya's leading maize-producing counties.
- ▶ Dry wheat saw high retail prices in non-producing regions and in the populous cities due to their dependence on wheat imports. Demand for the cereal in these areas is increasing at a rate faster than domestic production.
- ▶ Selected food commodity prices are expected to increase further in the coming months due to seasonality, increased fuel prices, involvement of many middlemen, and higher demand for the commodities.

Overall Wholesale and Retail Prices for January

Average wholesale and retail prices for maize, beans, potatoes, rice, and wheat in major Kenyan markets in January are shown in Figure 1. Most commodities recorded lower price margins of between 10% and 18%; these included some dry beans varieties [Army green (16%), Nyayo black (18%), Saitoti (13%), Soya ya Jivu (16%), and yellow beans (15%)] and most rice varieties [including Mpunga (13%), Pishori grade 2 (14%), and Sindano (10%)]. A few commodities showed price margins of between 21% and 28%, specifically Mwitmania beans (26%), Wairimu

beans (28%), maize (22%), Ahero rice (21%), Biriani rice (22%), and dry wheat (24%). Finally, several commodities recorded significantly higher price margins of between 31% and 45%. These included green/yellow beans (31%), Nyayo beans (39%), Rosecoco beans (36%), and Shangi Irish potatoes (45%). The observed variations in wholesale and retail price margins can be attributed to a combination of factors, including production source, transport costs, repackaging costs, seasonality, and the existence of middlemen and produce brokers. Additionally, the higher price margins on beans may be due to higher demand for some bean varieties from schools, which reopened in January following the December holiday season.

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



Source: Daily Market Survey for the month of January

Wholesale and Retail Commodity Prices

Several varieties of dry beans were recorded across regions, but only green/yellow and Wairimu beans were common in all the selected regions (Table 1). Most dry beans recorded lower wholesale prices compared to the government recommended price of 93KES/kg. Nairobi and Kisumu regions showed higher retail prices compared to the national average prices for all beans varieties, whereas Eldoret, Mombasa, and Nakuru showed lower retail prices compared to the national average prices. The observed variation in prices can be attributed to seasonality, transport costs, and disruptions in the supply chain.

Dry maize recorded higher wholesale and retail prices in Eldoret, Kisumu, and Nairobi compared to the national average wholesale and retail prices of 36KES/kg and 44KES/kg respectively. Wholesale prices in Eldoret, Kisumu and Nairobi were 42KES/kg, 38KES/kg, and 40KES/kg, while retail prices were 52KES/kg in Eldoret, and 50KES/kg in both Kisumu and Nairobi. Maize prices have been increasing gradually due to rising demand and a shortage in Kenya and neighboring East African counties; this shortage has been occasioned by drought in the region. Eldoret, which is a major maize-producing zone, recorded the highest retail maize price (52KES/kg) due to the shortage of maize in Trans-Nzoia County (The Star Business Kenya, 2022).

Compared to the national average wholesale price of 33KES/kg, Irish potatoes recorded higher prices in Mombasa (38KES/kg) and Nairobi (56KES/kg). Similarly, Kisumu and Nairobi showed highly significant retail prices of 70KES/kg and 77KES/kg, respectively, compared to the national average price of 48KES/kg. Increased prices in the populous cities can be attributed to high demand and unavailability of the commodity due to its perishable nature.

Pishori rice was common to all regions. Eldoret, Mombasa, and Nairobi recorded higher wholesale and retail prices for Pishori grade 1 rice varieties compared to the national average wholesale and retail prices of 134KES/kg and 143KES/kg, respectively. Notably, all varieties across all regions experienced lower prices than the government recommended price for Basmati rice (170KES/kg). High rice prices in the populous cities can be attributed to these areas' reliance on imports; imported rice comprises 89% of the rice consumed in the country (Kenya News Agency, 2022).

Dry wheat showed high retail prices in Eldoret (71KES/kg), Kisumu (75KES/kg), Nairobi (80KES/kg), and Nyeri (70KES/kg) compared to the national average retail price of 68KES/kg. Wheat prices were higher in non-producing regions and in the populous cities due to these areas' dependence on imports. Kenya produces only 10% of the total wheat consumed in the country (Metropol Newsletter, 2022).

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

Product	Variety	Average wholesale 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	80	89				90	120	90	
	Green/yellow	96	87	80	88	75	84	110	134	90	120	85	128
	Mwitema nia			87	84	66	73			90	120	78	100
	Nyayo		77	76	75				117	90	110		
	Nyayo black			76						90			
	Rosecoco	96	81		83	79	83	110	122		120	88	129
	Saitoti			80						90			
	Soya yajivu			69						80			
	Wairimu Yellow	78	67	69	71	58	72	85	103	80	100	61	100
Dry maize	Dry maize	42	38	33	40	31	33	52	50	40	50	34	39
Irish potatoes	Shangi	22	31	38	56	21	30	26	77	47	70	32	34
Rice	Ahero		90						109				
	Basmati	113		110		115	122	121		120		124	130
	Binani			82						100			
	Mpunga			62						70			
	Pishori grade 1	150		145	150	94	130	157		150	170	100	137
	Pishori grade 2	94	103			86		101	130			90	
Sindano	129		106		124	100	135		120		128	120	
Wheat	Wheat	53	71	55	56	45	51	71	75	60	80	50	70

Source: Daily Market Survey for the month of January

Retail Price Trends by Region

Differences in weekly prices were seen across regions between week one and weeks two through five. Eldoret recorded mixed results, with different commodities seeing increased, reduced, and stable prices. Most dry beans varieties recorded a reduction in both wholesale and retail prices across the weeks with the exception of Wairimu beans, which showed stable wholesale and retail prices. Dry maize saw a reduction of wholesale and retail prices up to week four and a significant increase in wholesale and retail prices (20% and 9%, respectively) when week one prices were compared to week 5. The increases in maize prices can be attributed to high demand occasioned by depressed short rains. Irish potatoes saw increased wholesale and retail prices across the weeks; a comparison of wholesale and retail prices between week 5 and week 1 saw atypically high price increases of 46% and 51%, respectively. These increases could be attributable to seasonality and high demand. Most rice varieties saw a decline in retail prices with the exception of Sindano rice,

which recorded 15% higher prices. Wheat prices saw reductions in wholesale (22%) and retail (7%) prices. Wheat is normally harvested between November and December within Eldoret region, which can explain the decline seen in prices.

Kisumu recorded similarly mixed results, with different commodities seeing increased, reduced, and stable prices. A comparison of wholesale prices between week 5 and week 1 showed increased prices for most dry beans (green/yellow beans (11%), Nyayo beans (35%), Rosecoco (8%), Wairimu (12%)), as well as Pishori grade 2 rice (2%). Price reductions were observed for dry maize (3%), Shangi Irish potatoes (19%), and wheat (14%), whereas stable wholesale prices were recorded for Ahero rice.

Stable retail prices were observed in Mombasa region for all selected commodities. A comparison of wholesale prices between week 5 and week 1 showed stable prices for all commodities with the exception of Irish potatoes, which saw increases of 11%.

The Nairobi region also recorded mixed results, with different commodities seeing increased, and stable prices. A comparison of wholesale prices between week 5 and week 1 showed a significant increase in wholesale prices for most commodities including Irish potatoes (22%), Nyayo beans (20%), green/yellow beans (13%), and Wairimu beans (8%). Slight increases were seen for Mwiternia beans (4%) and dry maize (3%), while Pishori grade 1 rice recorded stable wholesale prices. All commodities saw stable retail prices when week 1 was compared to week 5 with the exception of Nyayo beans and Shangi Irish potatoes, which saw increased prices of 20% and 17%, respectively.

Nakuru also recorded mixed results, with different commodities seeing increased, reduced, and stable prices. A comparison of wholesale prices between week 5 and week 1 showed slight increase in prices for green/yellow beans (1%), dry maize (8%), Shangi Irish potatoes (10%), Basmati rice (7%), and Sindano rice (9%). Slight price reductions of between 3% and 5% were observed for Mwiternia beans (3%), Rosecoco beans (3%), Wairimu beans (4%), Pishori grade 2 (5%), and wheat (5%). Stable wholesale prices was recorded for Pishori grade 2 rice.

Mixed results were also recorded in Nyeri. A comparison of retail prices between week 5 and week 1 showed a significant increase in the price of Shangi Irish potatoes (33%) and a slight increase in dry maize (5%). Price reductions were recorded for green/yellow bean (7%), Rosecoco beans (4%), Wairimu beans (10%), Pishori grade 1 (4%), and wheat (7%). Food commodities that saw stable prices included Mwiternia beans, Basmati rice and Sindano rice.

Notably, a comparison of wholesale and retail prices between week 1 and weeks 2 through 5 shows significant increases in the price of Irish potatoes in most regions. For wholesale prices, a comparison between week 1 and week 5 saw increases of between 10% and 46%, with Eldoret recording the highest increase (46%). Similarly, retail prices saw increases in most regions (between 14% and 52%), with Eldoret again recording the highest increase (52%). The growth in potato prices in recent months, and specifically in January, can be attributed to a combination of forces: a growing global potato shortage due to bad weather, rising demands from the fast-food industry post-pandemic, and the oligopolistic nature of the commodity, which is characterized by very few market participants in the form of rural brokers, urban brokers, and transporters who hold market power.

FOCUS ON IRISH POTATOES ACROSS SELECTED REGIONS

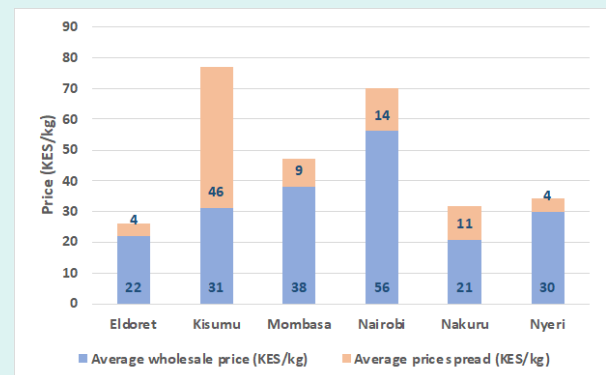
Irish potatoes are the second most consumed staple in Kenya. Potatoes are generally grown in the higher altitude areas in 15 counties on rain-fed land, where they compete favorably with maize production. Over 50% of the Irish potatoes consumed in Kenya come from either Nakuru or Nyandarua County. Other major potato-growing counties include Nyeri, Kiambu, and Murang'a.

Shangi potatoes are the most common variety because of their favorable attributes, including quick maturity, multi-purpose nature, low dormancy, monopolistic forces, and market availability.

The Shangi potato variety recorded various prices across regions in January. Kisumu, Nairobi, and Mombasa regions recorded significantly higher average retail price of 77KES/kg, 70KES/kg, and 47KES/kg, respectively. Kisumu, Nairobi, and Nakuru showed higher retail and wholesale price margins of 46KES/kg, 14KES/kg, and 11KES/kg, respectively. The higher prices seen in the populous cities can be attributed to transportation costs, seasonality, and higher demand.

Prices of food items in January 2022, including Irish potatoes, were relatively high compared with prices recorded in January 2021. The price of Irish potatoes increased by 3.87% in January 2022 (All Africa 2022).

Figure 2: Average wholesale and price spread (KES/kg)



Source: Daily Market Survey for the month of January.

Comparison of National Average Prices between December 2021 and January 2022

A comparison of overall prices (national averages for all commodities) for December 2021 and January 2022 (Table 2) shows increased wholesale and retail prices for all selected commodities. Most commodities saw slight (between 5% and 15%) to moderate (greater than 16% but less than 25%) increases in wholesale and retail prices.

Food commodities that saw substantial increases of more than 25% included most dry beans (green/yellow, Mwitemania, Nyayo, Rosecoco, and Wairimu beans) and Shangi Irish potatoes. Shangi potatoes recorded significant changes for wholesale and retail prices (59% and 47%,

respectively). Atypical increases in wholesale and retail prices between December and January can be attributed to low seasonal output, high import costs, and adverse weather conditions.

Table 2: Comparison of December 2021 and January 2022 prices

Product	Variety	Average Wholesale Price (Kes/Kg)		Percentage change	Average Retail Price (Kes/ Kg)		Percentage change
		December 2021	January 2022		December 2021	January 2022	
Dry beans	Army green	80	90	13%	81	94	16%
	Green/yellow	86	115	34%	85	111	31%
	Mwitemania	77	97	26%	77	97	26%
	Nyayo	70	103	47%	76	106	39%
	Nyayo black	76	90	18%	76	90	18%
	Rosecoco	87	123	41%	84	114	36%
	Saitoti	80	90	13%	80	90	13%
	Soya ya jivu	69	80	16%	69	80	16%
	Wairimu	68	88	29%	69	88	28%
	Yellow	118	140	19%	96	110	15%
Dry maize	Dry maize	36	44	22%	36	44	22%
Irish potatoes	Shangi	29	46	59%	33	48	45%
Rice	Ahero	88	102	16%	90	109	21%
	Basmati	115	124	8%	115	124	8%
	Biriani	82	100	22%	82	100	22%
	Mpunga	62	70	13%	62	70	13%
	Pishori grade 1	133	146	10%	134	143	7%
	Pishori grade 2	93	108	16%	94	107	14%
	Sindano	111	123	11%	115	126	10%
Wheat	Wheat	57	69	21%	55	68	24%

Key	
>+5 but <+16	Slight increase
>+16 but <+25	Moderate increase
>26	Substantial Increase

Outlook for the Month of February

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

- Maize prices are expected to be high due to increasing demand and declining maize production owing to adverse weather conditions. Prices are predicted to increase further in the coming months, as drought in the region is expected to slow the flow of imports from neighboring countries.
- Bean prices are expected to increase due to poor short and long rains. This low rainfall affected the major bean-producing areas, increasing reliance on imports and driving up prices.
- Rice prices are expected to decline as the main production season in the Mwea irrigation scheme began in July and harvests are expected 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 a growing global potato shortage due to bad weather, rising demands from the fast-food industry post-pandemic, and the oligopolistic nature of the commodity
- Owing to Kenya's reliance on imports, wheat prices are expected to increase due to the effects of the performance of the Kenyan shilling against the US Dollar in the foreign exchange market, as well as the continued depreciation in the shilling.
- Increased political activity ahead of the August 9 elections may affect business performance, including acquisition of inputs and food importation, as investors adopt a wait-and-see approach to investments.

FOCUS ON NAKURU REGION

Nakuru is the capital of Nakuru County and is the fourth largest city in Kenya. The region has a dry, sub-humid equatorial climate with two rainy seasons: the long rains during March-May and the short rains during October-December.

The area surrounding the city is known for its agricultural potential, numerous small farms, and also vast agricultural enterprises. The main crops grown around Nakuru and marketed in the include coffee, wheat, barley, maize, beans, and potatoes.

Food commodities in the region come directly from local farmers and from neighboring counties; Irish potatoes are sourced from Mau Narok, Molo, Njoro, and Kuresoi sub-counties and from neighboring Nyandarua and Uasin Gishu Counties. Dry maize and beans are obtained from local producers and traded with neighboring counties (Trans Nzoia, Uasin Gishu, Bomet, and Elgeyo Marakwet); rice comes from Mwea and neighboring Tanzania, while wheat comes from local farmers (Kiambu region) and Narok County.

Commodity prices are collected from Wakulima market, a wholesale and retail market located within the Central Business District. The market serves most of the neighboring sub-counties and counties in the region. Various agricultural products are sold in the wholesale market as well as the retail section. The market operates seven days a week and on a typical day is open from 5am.

During January, price fluctuations were recorded for both average wholesale and average retail prices for all commodities. Comparing week 5 to week 1, the commodities that showed declines in both wholesale and retail prices included Mwitmania beans, Rosecoco beans, Wairimu beans, and dry wheat. Commodities that saw increases in wholesale and retail prices included dry maize, Shangi potatoes, and Basmati rice.

Table 3

Product	Variety	Average of wholesale price (KES/kg)					Average of retail price (KES/kg)					Total average wholesale price (KES/kg)	Total average retail price (KES/kg)
		Week 1	Week 2	Week 3	Week 4	Week 5	Week 1	Week 2	Week 3	Week 4	Week 5		
Dry beans	Common beans	74	76	76	76	76	85	85	85	85	85	75	85
	Mwitmania	67	67	64	64	64	88	88	87	87	85	64	78
	Rosecoco	88	88	88	78	78	98	98	87	87	85	72	88
	Wairimu	68	58	58	58	58	85	88	88	88	88	58	61
Dry maize	White	22	38	38	22	24	15	38	38	38	45	31	24
	Shangi	28	22	28	28	22	38	35	31	22	48	21	22
Rice	Basmati	112	112	115	128	128	128	128	123	138	138	115	124
	Polished grade 1	84	84	84	84	84	88	88	88	88	88	84	88
Wheat	Polished grade 1	88	88	84	84	84	98	98	88	98	98	86	98
	Softness	114	128	128	128	128	128	128	128	128	128	124	128
	White	44	45	45	45	45	58	55	45	45	45	45	58

Source: Daily Market Survey for the month of January.

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 Kenya¹.

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).

¹ 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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