



FOOD PRICE MONITOR: MAIZE AND RICE IN EAST AFRICA

APRIL 2023

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.

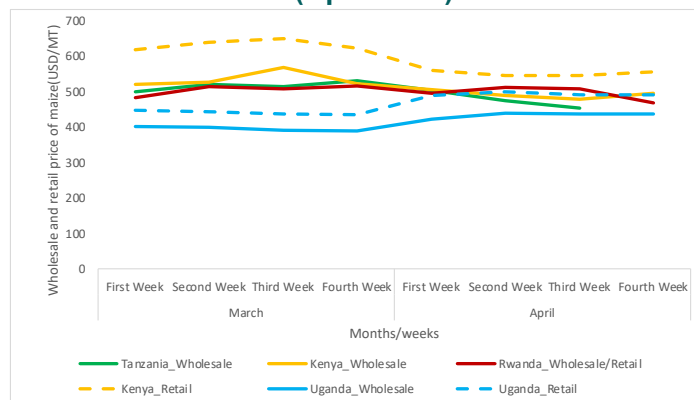
Highlights

- ▶ Tanzania, Kenya, and Rwanda had an overall decrease in wholesale prices of maize from March to April, with Kenya having the highest percentage decrease of 13 percent. Only Uganda had an increase in maize prices of between 12 and 10 percent for retail and wholesale prices, respectively.
- ▶ The drop in prices might largely be explained by the respective Governments intervening in the markets to curb the surge in prices through Value Tax Waivers in Rwanda, the Government's participation in the purchase of the commodities, and the move to formalize trading Businesses in Tanzania. Lastly for Kenya, the Government's importation of 48,000 tons of maize explains the significant reduction in maize prices between March to April.
- ▶ The price of rice was also reduced in all the countries from March to April except in Tanzania, and rice imported from Tanzania was the most expensive in Rwanda. An exceptional increase in the price of rice around the Easter period was noted within markets in Uganda, showing increased demand around that time.

Changing Maize Prices in East Africa

From March to April, there was a downward price shift for maize in Tanzania, Kenya, and Rwanda and an upward shift in Uganda. For instance, in Kenya, the price decline for retail and wholesale maize prices was significant from the last week of March to the first week of April, then a relatively stabilized price trend in the second and third weeks and a slight increase in the fourth week. Particularly for Kenya, from the last week of March to April, the wholesale price of maize decreased by 3.4 percent from USD 523 to USD 505, then it dropped to USD 488 in the second week and further to USD 478 in the third week but increased slightly to USD 495 in the last week. The decline in the price of maize was due to the drop in inflation to 7.9 percent in April from 9.2 percent in March (Kamau, 2023). Also, the importation of 48000 tons of maize in April by the Kenyan Government in a bid to reduce the skyrocketing maize prices could have contributed to the decline in the price of Maize¹ (Kitimo, 2023). In May, the President of Kenya made a pronouncement that the price of maize would soon be reducing by importing more to the country²

Figure 1: Average wholesale and retail price of maize in East Africa (April 2023)



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

In Tanzania, the weekly wholesale price decreased by a larger margin during April from the first to the third week. Specifically, the wholesale price of maize fell by about 4.9 percent from USD 530 to USD 504 in week one, then declined further to USD 475 in week two, then to USD 453 in week three. This could be due to the reduced fuel prices for petrol and diesel that dropped on average by 5 percent from USD 1.22 per litre to USD 1.16 per litre from March to April, respectively, easing transportation costs as per the average monthly fuel prices accessed from the Bank of Tanzania. The Tanzanian Government also issued an injunction restricting foreigners from purchasing agricultural produce directly from farmers. All foreigners must access products from registered traders with tax identification numbers, a tax compliance certificate, and an export licence³. The restriction is a setback to foreign traders, primarily from within the region, as importation costs increase. However, it is a plus for the Government of Tanzania as it ensures that all transactions are formal and can be taxable.

In Rwanda, there was some volatility in the wholesale/retail price of maize across the weeks of April, with an overall low percentage decline of 2 percent. The price decreased by 4 percent from USD 515 in the last week of March to USD 494 in the first week of April, then slightly increased to USD 511 in the second week, dropped to USD 507 in the third week, then finally dropped to USD 468 in the last week. The drop in the price of maize was likely due to a value-added tax waiver in the price of maize announced by the Rwandan Ministry of Trade and Industry on April 19th 2023, to help lower the high price of maize⁴. Despite the waiver, some traders were still charging high prices of maize in some areas of Rwanda.

In Uganda, there was a gradual increase in maize's retail and wholesale price throughout April, largely because of the lean season and the exportation of maize to Kenya. The price of maize increased from USD 389 in the fourth week of March to USD 423 in week one, then to USD 438 in week two, before stabilizing. As the price of maize in Kenya declined, its' price was increasing in Uganda. Beyond exporting most of its maize to Kenya, most Ugandan households have sold off their Maize around this month and instead purchase it expensively a phenomenon of "sell low and buy high" (Burke et al., 2019).

¹ <https://www.standardmedia.co.ke/coast/article/2001470987/ship-docks-in-mombasa-with-48000-tons-of-white-maize>

² <https://www.standardmedia.co.ke/coast/article/2001470987/ship-docks-in-mombasa-with-48000-tons-of-white-maize>

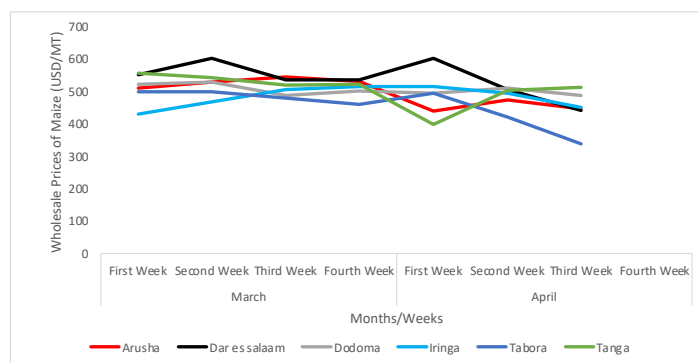
³ <https://nation.africa/kenya/business/maize-millers-protest-rule-barring-farmgate-purchases-in-tanzania-4250050>

⁴ <https://www.newtimes.co.rw/article/6771/news/economy/rwanda-waives-vat-on-maize-flour-rice-to-help-tame-food-price-inflation>

Tanzania

As shown in Figure 2, there are variations in wholesale prices of maize grains across selected markets in Tanzania. Dar es Salaam and Tanga markets experienced opposite price movements. In Tanga, there was a sharp decrease in price between the last week of March and the first week of April, while Dar es Salaam had a sharp increase between the last week of March and the first week of April. Then, in the second week, there was an increase in price between weeks one and two of April in Tanga, while Dar es Salaam had a sharp decline in that same period. Tabora and Dar es Salaam also had similar price trends in April, although Tabora had lower prices than Dar es Salaam. The wholesale price of maize in Dodoma increased from the last week of March to the second week of April, then decreased in the third week. In Iringa, the wholesale price of Maize remained relatively stable from the last week of March to the first week of April, then declined for the next two weeks. Most of the markets witnessed a declining price trend toward the third week of April. This could be due to the reduction in the exportation of maize to other countries and a drop in fuel prices⁵, especially in Dar es Salaam.

Figure 2: Average weekly wholesale prices of maize in selected markets in Tanzania (April 2023)



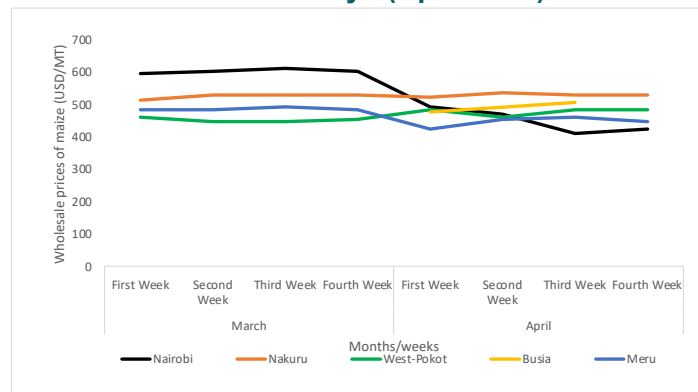
Source: Authors' construction using data from the Ministry of Investment, Industry, and Trade

Kenya

The different markets in Kenya had varying price trends in the wholesale price of Maize in April (Figure 3). For example, while Meru and Nairobi had similar price trends in March, they had opposite price trends in April. The price of maize in Meru increased from the first week of April to the second and third week and declined in the fourth week, while for Nairobi, the wholesale price of maize declined in the first week of April to the third week and rose slightly in

the fourth week. The price of maize was relatively stable in Nakuru in March and April. West Pokot experienced a volatile price trend in April. Nakuru had the highest price throughout the month of April among the five markets. Nairobi had the overall highest percentage price decrease from March to April.

Figure 3: Average weekly retail prices of maize in selected markets in Kenya (April 2023)



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

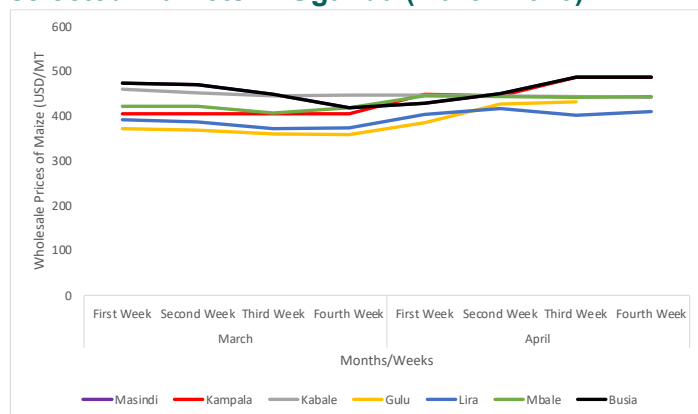
Uganda

From Figure 4, Kampala and Busia markets had the highest prices of Maize from the second week of April to the last week. The price of Maize is usually high in Busia because it is at the border with Kenya, where cross-border trade happens, while that of Kampala is high due to other factors like transportation costs since maize in Kampala is from other districts within the country. Masindi had the lowest prices throughout the month. The Kabale market experienced a relatively stable price throughout April. The price of Maize in Mbale and Masindi markets were stable from the second week till the end of the month. There was a general increase in the prices of maize across all the markets because of the limited domestic production due to the effect of below-average rainfall⁶.

⁵ <https://www.thecitizen.co.tz/tanzania/news/business/relief-as-fuel-prices-drop-in-tanzania-4185914>

⁶ <https://docs.wfp.org/api/documents/WFP-0000148789/download/>

Figure 4: Average weekly retail prices of maize in selected markets in Uganda (March 2023)



Source: Authors' construction using data from the Daily Traders Market Survey

Comparison of wholesale and retail maize prices in East Africa

Tanzania, Kenya, and Rwanda had an overall percentage decrease in wholesale prices of maize from March to April, with Kenya having the highest percentage decrease of 13 percent (Table 1). Only Uganda had a percentage increase in maize prices of between 12 and 10 percent for retail and wholesale prices, respectively. The huge decrease by eight percent in maize prices in Tanzania may partially be explained by the difficulties that foreign traders from other countries in the region are facing importing food crops from the region⁷ such that there is less competition amongst the buyers.

Table 1: Changes in average monthly retail and wholesale price of maize in East Africa for March and April

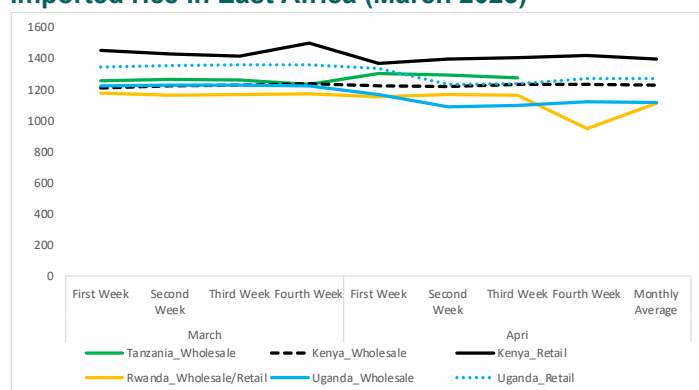
Commodity	Country	Market Levels	Monthly Average Prices March 2023 (USD/MT)	Monthly Average Prices April 2023 (USD/MT)	Monthly % Change	Trends
Maize	Kenya	Retail	632	552	-13	▼
	Uganda	Retail	441	492	12	▲
	Rwanda	Retail	505	495	-2	▼
	Kenya	Wholesale	534	492	-8	▼
	Uganda	Wholesale	396	434	10	▲
	Rwanda	Wholesale	505	495	-2	▼
	Tanzania	Wholesale	516	477	-8	▼
▼ = Decrease ▲ = Increase ► = Constant						

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)

Changing Rice Prices in East Africa

There were mixed trends in the price movements for Rice from March to April for the different East African countries (See Figure 5 below). Kenya had a decline in the retail price of rice between the last week of March and the first week of April, by 8.5 percent, from USD 1498 to USD 1370 USD, then in the second week increased to USD 1396, further increased to USD 1403 in the third week, and to USD 1419 in the last week. The wholesale price of rice in Kenya slightly declined in week one, with slight increases throughout the month. This could be due to reduced demand and anticipation of regional supplies for the May-August harvest from the neighboring countries (Relief Web, 2023).

Figure 5: Average daily wholesale and retail prices of imported rice in East Africa (March 2023)



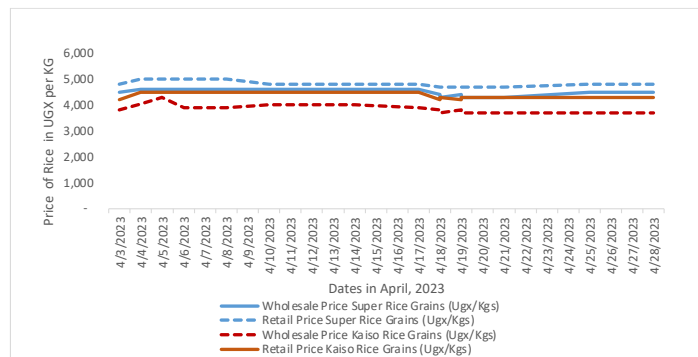
Source: Authors' construction using data from RATIN (for Uganda, Tanzania, and Rwanda), and the Ministry of Agriculture and Livestock for Kenya

In Uganda, rice's wholesale and retail prices drastically decreased by 4.7 percent and 11.1 percent, respectively, from the last week of March to the second week of April, with relatively slow changes throughout the rest of the month. The wholesale price decreased from 1225 USD to 1167 USD in week one, then declined to 1089 USD in week two, slightly increased to 1100 USD in the third week, and further to 1119 USD in the last week of April. The retail price declined by 1.6 percent, from 1357 USD in the last week of March to 1335 USD in week one of April, then dropped further to 1233 USD, increased to 1240 USD in the third week, and finally to 1269 USD in the last week. There was a reduction in the price of rice, possibly due to a decrease in inflation by 2.1 percent from March to April (Benjamin, 2023) and because of the increased consumption of the cheaper rice varieties and imported rice due to the increasing price of the commonly preferred brand known as super (Katushabe, 2023). Any increases in the retail price of rice be-

⁷ <https://dailynews.co.tz/govt-offers-maize-farmers-best-prices/>

tween the 3rd and 6th of April, as shown in Figure 6, corresponds to the days for the festive season of Easter, especially for the cheaper rice variety.

Figure 6: Wholesale and retail prices of rice varieties in Kampala markets in Uganda



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

In Rwanda, the price of rice also slightly decreased from the fourth week of March to the first week of April, from 1171 to 1156 USD, then increased to 1169 USD in week two, 1164 USD in week three, down to 951 USD in the fourth week of April. This drop, especially in the last week, could be explained by the value-added tax waiver on rice and the Government's setting of a maximum price for rice to reduce food inflation.⁸

In Tanzania, the price of rice increased from the last week of March to the first week of April by 5.4 percent, from USD 1234 to USD 1301. It then reduced to USD 1295 and USD 1273 in the third week. Tanzania's cereal board continues to buy maize from farmers and sell it to citizens, cushioning⁹ the consumers from erratic price changes.

East African countries also rely on imported rice to meet their consumers' additional demands and preferences. Figure 7 below shows the variations in wholesale and retail prices of imported rice varieties in East Africa. Rwanda had the highest imported rice prices, followed by Uganda and lastly Kenya. Kenya continues to have the lowest price of imported rice due to the import tax waiver on imported rice. In December 2022, the Government of Kenya announced that the traders would be allowed to import up to 900,000 tonnes of duty-free white maize and 600,000 tonnes of duty-

free milled rice from February to August 2023 to boost food security¹⁰.

The variation in the price of imported rice in Rwanda by the variety mirrors consumer preferences. Specifically, consumers prefer Tanzania rice with a good flavor and taste. Globally, rice prices increased in April compared to March as harvest were underway for Asian suppliers (FAO, 2023). According to FAO (2023), the All Rice Price Index averaged 124.2 points in April 2023, up 2.5 percent from its March value and 17.8 percent above its year-earlier level, explained by increased purchases by Indonesia and news of the Philippines' National Food Authority proposing to re-em-bark on state import¹¹

Figure 7: Weekly average wholesale and retail prices of imported rice varieties in East Africa (March-April 2023)



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

Table 2, shows the monthly retail and wholesale percentage changes of the price of rice between March and April, 2023. The retail and wholesale price of rice decreased in all three countries except Tanzania which had a three percentage increase in the price of rice, and Kenya which had a constant average wholesale price. Uganda had the biggest percentage decrease for both the wholesale and the retail price of rice.

⁸ <https://www.newtimes.co.rw/article/6771/news/economy/rwanda-waives-vat-on-maize-flour-rice-to-help-tame-food-price-inflation>

⁹ <https://www.thecitizen.co.tz/tanzania/news/business/cereals-board-expects-sh26-billion-from-rice-sale--4173374>

¹⁰ <https://nation.africa/kenya/business/state-waives-import-duty-on-maize-rice-for-six-months-to-avert-food-crisis-4055984>

¹¹ <https://www.fao.org/3/cc5981en/cc5981en.pdf>

Table 2: Monthly retail and wholesale price changes of Rice in East Africa (March-April 2023)

Commodity	Country	Market Levels	Monthly Average Prices March 2023 (USD/MT)	Monthly Average Prices April 2023 (USD/MT)	Monthly % Change	Trends
Rice	Kenya	Retail	1450	1397	-4	▼
	Uganda	Retail	1354	1269	-6	▼
	Rwanda	Retail	1170	1110	-5	▼
	Kenya	Wholesale	1227	1227	0	►
	Uganda	Wholesale	1227	1119	-9	▼
	Rwanda	Wholesale	1170	1110	-5	▼
	Tanzania	Wholesale	1254	1290	3	▲
	▼ = Decrease ▲ = Increase ► = Constant					

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

Summary and Future Outlook

This report analyses the changes in the weekly price of maize and Rice within the East African countries in April 2023. Key highlights include the reduction in the wholesale price of maize in all the three countries namely Tanzania, Kenya and Rwanda except for Uganda. For Rice, the prices reduced for all the countries except for Tanzania. The reduction in prices is largely explained by the intervention of the respective Governments into the markets to cushion the consumers from surging prices, to ensure formality of trading businesses and to protect the farmers. The Government interventions include: (1) direct purchase of produce from farmers by the Tanzania cereal board (2) import tax waivers for the case of Rwanda and Kenya. The reduction in fuel costs and changes in the inflation rate also emerge as likely explanations for any price changes. Also, as countries slowly recover from the COVID-19 and Russia-Ukraine war crisis, inflation is seen reducing in all the East African countries month by month. The above factors will remain the driving forces behind any price evolution in the subsequent months.

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)¹² facilitated by the International Food Policy Research Institute, (2) Kenya Market Information System¹³ sourced for the Ministry of Agriculture Livestock Fisheries and Co-operatives (MALF) for Kenya, and e-Soko (3)¹⁴ 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.

¹² 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 \(food-securityportal.org\)](https://food-securityportal.org)

¹³ 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

¹⁴ 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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