FOOD PRICE MONITOR: KENYA

JUNE 2024

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.

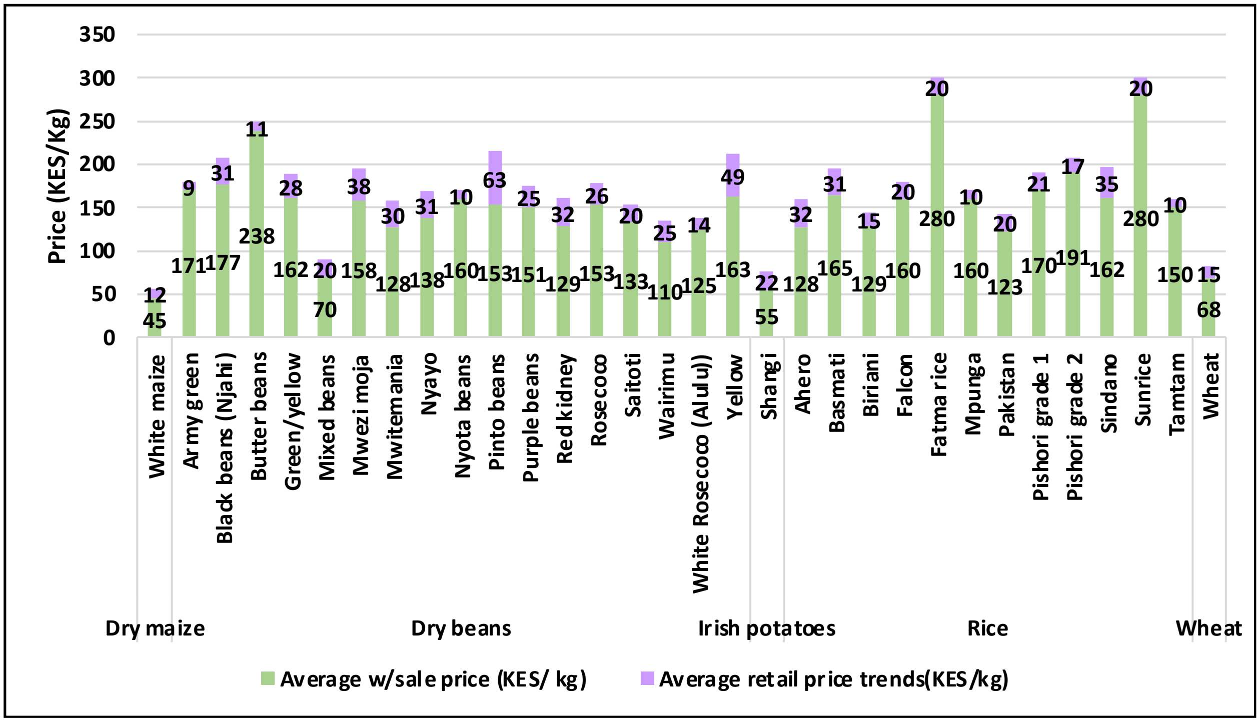
Highlights

- Nakuru had lower retail prices for all beans due to availability and surplus in the region. Similarly, Nakuru and Nyeri recorded low retail and wholesale prices. Seasonality, market dynamics, and bean variety contribute to these price variations.
- The higher prices of dry maize in populous towns like Mombasa and Nairobi are due to high demand and the fact that these regions are non-producing areas.
- The price increases for Irish potatoes in densely populated areas can be attributed to several factors, including increased demand, the scarcity of the commodity due to its perishable nature, the presence of intermediaries, and rising transportation costs driven by higher fuel prices.
- Elevated prices of rice and wheat in various regions are due to a heavy dependence on the international market to meet consumption needs, leading to increased prices from importation costs.

Overall Wholesale and Retail Prices for June

Figure 1 depicts the wholesale and retail prices for maize, beans, potatoes, rice, and wheat in major Kenyan markets during June 2024. Some commodities, such as certain dry beans (Army green, Butter beans, Nyota, Saitoti, and White Rosecoco beans) and rice varieties (Biriani, Falcon, Fatma, Mpunga, Pishori, Sunrice, and Tamtam), exhibited lower price margins ranging from 1% to 15%. In contrast, most dry beans (Black beans, Green yellow, Mwezi moja, Mwitemania, Nyayo, Purple, Red Kidney, Rosecoco, and Wairimu), some rice varieties (Ahero, Basmati, Pakistan, and Sindano), and wheat showed price margins between 16% and 25%. Additionally, certain commodities recorded higher price margins ranging from 29% to 40%, including dry maize, some dry beans (mixed, Pinto, yellow), and Shangi Irish potatoes, which saw a significantly higher price margin of 40% due to high demand.

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



Source: Daily Market Survey for the month of June 2024

Wholesale and Retail Commodity Prices

Different varieties of dry beans were found across various regions in Kenya. Njahi (black beans), green/yellow, Nyayo, Mwitemania, and Wairimu beans were prevalent in all selected regions. Army green, Saitoti, and Butter beans were widely available in all regions except Kisumu and Nyeri, while Rosecoco beans were present in all regions except Nyeri. White Rosecoco beans were available in all regions except Eldoret and Mombasa. Similarly, Red Kidney beans were available except in Kisumu and Nakuru, and yellow beans were available in all regions except Eldoret and Kisumu. The Eldoret region recorded the highest number of bean varieties, while Nyeri recorded the least (see Table 1).

As expected, retail prices for all bean varieties were higher than wholesale prices. Eldoret and Kisumu reported higher retail prices for most bean varieties compared to the national average, while Eldoret and Mombasa saw higher wholesale prices. Nakuru had lower retail prices for all beans due to availability and surplus in the region. Similarly, Nakuru and Nyeri recorded low retail and wholesale prices. Seasonality, market dynamics, and bean variety contribute to these price variations.

All regions reported the availability of dry white maize. Mombasa, Nairobi, and Nyeri displayed higher retail prices at 75 KES/kg, 60 KES/kg, and 63 KES/kg, respectively, compared to the national average wholesale price of 57 KES/kg. The higher prices in populous towns like Mombasa and Nairobi are due to high demand and the fact that these regions are non-producing areas.

Some regions reported higher retail prices for Irish potatoes, with Kisumu at 95 KES/kg and Nairobi at 106 KES/kg, compared to the national average retail price of 77 KES/kg. Similarly, the wholesale price in Nairobi is significantly higher at 94 KES/kg compared to the national average of 55 KES/kg. The price increases in densely populated areas can be attributed to several factors, including increased demand, the scarcity of the commodity due to its perishable nature, the presence of intermediaries, and rising transportation costs driven by higher fuel prices. According to the FEWS NET: Kenya Price Bulletin, June 2024, Kisumu is a large market located in a deficit area with marginal agricultural productivity. In contrast, the prices of Irish potatoes have decreased in other regions over the past weeks due to high supply in the markets (The Star Farmer, July 2024).

Every region reported the availability of Biriani and Pishori rice, with Basmati rice being common everywhere except in Mombasa. Sindano rice was available in all regions except Nairobi. Additionally, Mombasa offered other varieties such as Fatma, Tamtam, Mpunga, and Sunrice, while Falcon rice was found in Eldoret and Ahero, and Pakistan rice was present in Kisumu. Eldoret recorded higher wholesale prices for most common rice varieties. These elevated prices are due to a heavy dependence on the international market to meet consumption needs, leading to increased prices from importation costs.

Dry wheat experienced high wholesale prices in Eldoret at 90 KES/kg and Nairobi at 74 KES/kg, surpassing the national wholesale average of 68 KES/kg. Similarly, higher retail prices were observed in Eldoret (100 KES/kg), Nairobi (90 KES/kg), and Kisumu (91 KES/kg) compared to the national average retail price of 83 KES/kg. Market dynamics, particularly when demand exceeds supply, primarily contribute to the elevated wheat prices in densely populated and non-producing regions, exacerbated by heavy reliance on imports.

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

Product	Variety	Average retail price (KES/ kg)						Average w/sale price (KES/ kg)		
		Eldoret	Kisumu	Mombasa	Nairobi	Nakuru	Nyeri	Eldoret	Kisumu	Mombasa
Dry beans	Army green	190		185	190	164		180		180
	Black beans (Njahi)	273	249	170	190	165	200	246	158	160
	Butter beans	323			229	195		282		
	Green/yellow	222	230	170	180	140	200	198	172	165
	Mwezi moja	180	228		180			170	142	
	Mwitemania	180	201	150	173	75	170	170	154	140
	Nyayo	177	191	170	175	122	177	163	140	165
	Purple beans		202	150					157	145
	Red kidney		213			109			154	
	Rosecoco	198	206	180	180	130		175	151	170
	Saitoti	180		150	178	103		170		125
	Wairimu	125	164	140	120	113	150	100	131	135
	White Rosecoco (Alulu))	198		80				175		75
	Yellow	198	226					175	150	
Dry maize	White maize	58	41	75	60	37	70	48	37	75
Irish potatoes	Shangi	59	95	74	106	72	54	57	49	55
Rice	Ahero		160						128	
	Basmati	220	250		150	180	180	199	187	
	Biriani	175	150	140	121	150	131	155	135	130
	Falcon	180						160		
	Fatma rice			300						280
	Mpunga			170						160
	Pakistan		150				136		131	
	Pishori grade 1	230		220	205	151	190	200		200
	Pishori grade 2	220	197					200	182	
	Sindano	246	233	170		180	179	199	177	160
	Sunrice			300						280
	Tamtam			160						150
Wheat	Wheat	100	91	75	90	70	75	90	68	60

Source: Daily Market Survey for the month of June 2024

Wholesale and Retail Price Trends by Region

During the first week and weeks two through four, there were notable fluctuations in weekly prices across various regions. In Eldoret, commodities generally experienced stable or decreasing prices. Retail and wholesale prices for dry beans showed both stability and increases, while dry maize and Shangi Irish potatoes recorded rising prices. Wheat prices remained stable, and all rice varieties, except for the Sindano variety, maintained stable prices; the Sindano variety saw an increase. The rise in both wholesale and retail prices can be attributed to factors such as scarcity, increased demand, and seasonal variations.

In Kisumu, commodities exhibited mixed price trends from week 1 to week 4. Most food commodities saw decreasing wholesale prices. Dry beans experienced price drops ranging from 0.4% to 10%, dry maize prices decreased by 1.4% to 1.6%, Irish potatoes by 0.5%, and wheat by 1.8%. Most rice varieties also recorded decreasing prices, except for Biriani and Pishori, which remained stable, and Sindano, which saw a 2% increase in wholesale prices. The overall decline in prices is attributed to the availability of food commodities from neighboring counties and imports from Tanzania and Uganda in the East Africa region.

In Mombasa, a comparison of wholesale and retail prices between weeks 1 and 4 shows that all food items, including various dry beans, white maize, all types of rice, and wheat, remained unchanged. This price stability is attributed to imports from countries such as Tanzania, Uganda, and Pakistan, along with the availability of food commodities from nearby producing areas.

In the Nairobi region, commodities displayed mixed price trends, with most experiencing either decreasing or stable prices. A comparison of retail price trends between week 1 and week 4 revealed that most varieties of dry beans maintained stable prices, while some, including Mwitemania, Nyayo, Rosecoco, and Saitoti, recorded decreases ranging from 0.8% to 6%. Prices for dry maize and wheat remained stable, whereas rice varieties exhibited mixed trends with stable, decreasing, and increasing prices. Shangi Irish potatoes saw a notable increase in both wholesale and retail prices, rising by 2.1% and 3.2%, respectively. These price hikes in Irish potatoes could be attributed to seasonal factors, increased marketing costs, and market dynamics.

A comparison of wholesale and retail prices between week 1 and week 4 in Nakuru revealed a mixture of trends, including stability, increases, and decreases. Most dry bean varieties maintained stable retail prices, but Army green, Rosecoco, and mixed beans saw increases of 7%, 5%, and 3%, respectively. Maize recorded a significant retail price increase of 15%, while Shangi Irish potatoes saw a decrease of 6%. Wheat and most rice varieties had stable prices, except for Pishori rice, which saw an 8% decrease. The stability and reduction in prices for most food commodities can be attributed to the availability of food items, given that Nakuru is one of the major producing regions.

FOCUS ON MAIZE ACROSS SELECTED REGIONS

Maize farming is a cornerstone of agriculture in Kenya, playing a critical role in food security and the national economy. The crop is cultivated extensively across various regions, including the Rift Valley, Western Kenya, Nyanza, Central Kenya, and parts of Eastern Kenya. Notably, Uasin Gishu and the neighboring Trans-Nzoia counties are considered Kenya's breadbasket due to their large-scale maize and wheat farms, which contribute significantly to the country's overall agricultural output. Farmers in these regions grow various types of maize, including hybrid varieties bred for high yield potential and disease resistance. Small-scale farmers often prefer open-pollinated varieties because they allow for seed saving and replanting. Additionally, specialized types such as highland and drought-tolerant varieties are cultivated to suit specific agro-climatic conditions.

Despite its importance, the maize trade in Kenya faces numerous challenges that impact both farmers and traders. Price volatility is a major concern, influenced by factors such as weather changes, market speculation, and government policies on imports and exports. Post-harvest losses, due to inadequate storage facilities and pest infestations, further reduce profitability for maize traders. High transportation costs, especially in rural areas where maize is grown, add to the overall expenses of marketing maize.

Moreover, maize traders struggle to access reliable markets and market information, which limits their ability to make informed decisions and secure favorable prices. Government regulations, trade policies, and licensing requirements pose additional obstacles, affecting the operations and profitability of maize traders. Intense competition, both locally and internationally, complicates marketing efforts and impacts profit margins.

In June 2024, Mombasa experienced elevated wholesale prices for white dry maize, while Mombasa, Nairobi, and Nyeri reported higher retail prices compared to the national averages. These increased prices can be attributed to heightened demand, seasonal fluctuations, and elevated marketing expenses.

Figure 1: Average wholesale and retail prices of maize (KES/kg) in selected regions

		Average w/sale price (KES/ kg)						Average retail price (KES/ kg)						Total average w/sale price (KES/ kg)	Total average retail price 9KES/ kg)
Product	Variety	Eldoret	Kisumu	Mombasa	Nairobi	Nakuru	Nyeri	Eldoret	Kisumu	Mombasa	Nairobi	Nakuru	Nyeri		
Dry maize	White maize	48	37	75	40	35	34	58	41	75	60	37	70	45	57

Source: Daily Market Survey for the month of June 2024.

When comparing prices between week four and week one, Nyeri exhibited a mix of price stability, increases, and decreases across various food commodities. At the retail level, most bean varieties maintained stable prices, except for green yellow beans, which saw a slight decrease of 0.2%, and Nyayo beans, which recorded a 3% increase. Prices for dry maize and dry wheat remained stable. Some rice varieties had stable retail prices, while others decreased by 2% to 3%. Shangi Irish potatoes experienced significant price increases, with wholesale prices rising by 7% and retail prices by 8%. This rise is attributable to scarcity and high demand for the perishable commodity, which is highly sought after for delicacies in most regions.

Comparison of National Average Prices between May and June

A comparison of national average prices for all commodities between May 2024 and June 2024 reveals that most wholesale and retail prices remained stable, with some experiencing slight decreases or increases (Table 2). Most commodities exhibited stable retail and wholesale prices, with changes ranging from a 3% decrease to a 5% increase. A few commodities saw decreases between 4% and 15%, and slight increases between 5% and 25%. This trend can be attributed to the availability of food commodities from various producing areas and imports from neighboring East African countries and beyond.

Table 2: Comparison of May and June prices

Product	Variety	Average Wholesale Price (Kes/Kg)			Average Retail Price (Kes/ Kg)		
		May	June	Percentage change	May	June	Percentage change
Dry maize	White maize	45	45	0%	59	57	-4%
	Yellow maize	38	39	3%	46	50	8%
Dry beans	Army green	159	171	7%	175	180	3%
	Black beans (Njahi)	167	177	6%	204	208	2%
	Butter beans	228	238	4%	243	249	2%
	Green/yellow	157	162	3%	183	190	4%
	Mixed beans	77	70	-10%	98	90	-9%
	Mwezi moja	164	158	-4%	196	196	0%
	Mwitemania	133	128	-4%	161	158	-2%
	Nyayo	136	138	1%	168	169	1%
	Nyota beans	160	160	0%	170	170	0%
	Pinto beans	155	153	-1%	218	216	-1%
	Purple beans	150	151	1%	173	176	2%
	Red kidney	111	129	14%	120	161	25%
	Rosecoco	153	153	0%	176	179	2%
	Saitoti	131	133	2%	149	153	3%
	Wairimu	108	110	2%	135	135	0%
	White Rosecoco (Alulu)	128	125	-2%	143	139	-3%
	Yellow	163	163	0%	201	212	5%
Irish potatoes	Shangi	59	55	-7%	82	77	-6%
Rice	Ahero	131	128	-2%	160	160	0%
	Basmati	163	165	1%	195	196	1%
	Biriani	131	129	-2%	153	144	-6%
	Falcon	160	160	0%	180	180	0%
	Fatma rice	280	280	0%	300	300	0%
	Mpunga	160	160	0%	170	170	0%
	Pakistan	128	123	-4%	165	143	-15%
	Pishori grade 1	178	170	-5%	199	191	-4%
	Pishori grade 2	191	191	0%	210	208	-1%
	Sindano	162	162	0%	189	197	4%
	Sunrice	280	280	0%	300	300	0%
	Tamtam	150	150	0%	160	160	0%
Wheat	Wheat	68	68	0%	83	83	0%

Key

<5 but>-3	**Stable**
>-4 but >-15	**Decrease**
>5 but<25	**Increasing**

Source: Daily Market Survey for the month June 2024

FOCUS ON NAKURU REGION

Nakuru is a prominent city in Kenya's Rift Valley region, serving as the capital of Nakuru County and standing as the fourth-largest urban area in the country, following Nairobi, Mombasa, and Kisumu. The city enjoys a moderate climate throughout the year, with two distinct rainy seasons: the long rains from March to May and the short rains from October to December.

Nakuru's economy thrives on three main sectors: manufacturing, agriculture, and tourism. The region around Nakuru is known for its rich agricultural potential, featuring a mix of small farms and large-scale enterprises. Key crops grown in the area include coffee, wheat, barley, maize, beans, and potatoes, which contribute to both local consumption and sales.

Food commodities in Nakuru are sourced directly from local farmers and neighboring counties. Irish potatoes are procured from Molo, Olkalau, Kinangop, and other parts of Nyandarua County. Dry maize comes from local producers in Trans Nzoia, Uasin Gishu, and Nandi, and is also traded with neighboring counties, particularly Busia and Namanga borders. Beans are sourced from Kirinyaga and Murang'a counties, as well as Tanzania and Uganda. Rice is supplied from Mwea and neighboring Tanzania, while wheat is sourced from local farmers in Trans Nzoia and Narok County.

Commodity prices are gathered from the wholesale and retail marketplaces in Nakuru's Central Business District, known as Bargain and Wakulima, respectively. This market complements the Nakuru-Top market, serving most of the surrounding sub-counties and counties in the area. Both retail and wholesale markets offer a diverse range of agricultural goods and operate daily from 5 a.m., with peak activity between 6 and 9 a.m. on Mondays and Saturdays due to the arrival of new goods.

In June, many commodities maintained stable prices, while others experienced fluctuations. Wholesale prices for most dry beans, excluding Army green, Nyayo, and Red Kidney beans, saw increases ranging from 1% to 17%. Dry maize exhibited a price increase of 7%, Irish potatoes saw a decrease of 10%, while wheat prices remained constant. Some rice varieties remained stable, while others saw decreasing prices. The stability and decreases in prices can be attributed to the seasonal abundance of commodities, given Nakuru's status as a major production region in the country.

Table 3: Average Wholesale and Retail Prices, Nakuru Region

Product	Variety	Average w/sale price (KES/kg)				Average w/sale price (KES/kg)	Average retail price (KES/ kg)
		Week 1	Week 2	Week 3	Week 4		
Dry beans	Army green	136	160	159	159	153	164
	Black beans (Njahi)	161	161	161	161	161	165
	Butter beans	202	202	202	202	202	195
	Green/yellow	117	117	117	124	118	140
	Mixed beans	70	70	70	70	70	90
	Mwitemania	74	74	74	74	74	75
	Nyayo	113	113	114	115	113	122
	Red kidney	102	106	106	106	105	109
	Rosecoco	113	113	113	113	113	130
	Saitoti	80	80	80	80	80	103
	Wairimu	103	103	103	103	103	113
Dry maize	White maize	34	34	35	36	35	37
Irish potatoes	Shangi	31	34	25	28	30	72
Rice	Basmati	156	156	156	156	156	180
	Biriani	134	134	134	134	134	150
	Pishori grade 1	142	129	129	129	132	151
	Sindano	153	153	153	153	153	180
Wheat	Wheat	60	60	60	60	60	70

Source: Daily Market Survey for the month of June 2024.

Outlook for the Month of July

In July 2024, the following changes are anticipated:

- Commodity food prices for beans and maize are expected to continue declining due to the availability of short rains production and imports from Uganda and Tanzania.
- In contrast, rice and wheat prices are likely to increase due to the adverse effects of excessive rainfall and flooding, which could impact domestic production.
- The price of Irish potatoes is expected to decline due to a high supply in the markets.

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 Kenya[1].

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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