FOOD SECURITY PORTAL FACILITATED BY IFPRI

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FOOD PRICE MONITOR: MAIZE AND RICE IN EAST AFRICA

OCTOBER 2024

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.

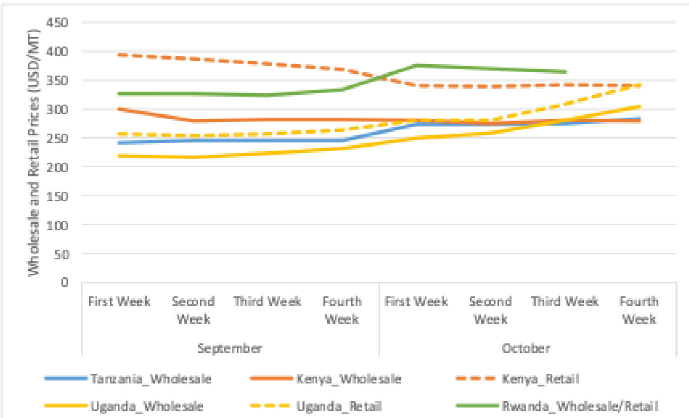
Highlights

- The price of Maize increased across all East African countries except Kenya, which experienced a decline in price due to its recent bumper harvests. However, Kenya still had the highest average weekly retail and wholesale maize prices.
- Maize prices in Uganda seem to converge to the average price in the East African region towards the end of October 2024. For the past year, the cost of Maize in Uganda has been declining and was the lowest in the area due to factors such as limited exports following bans from neighboring importing countries like South Sudan
- Similarly, rice prices increased across East African countries primarily due to the depletion of the July harvest, except for Kenya, which experienced a price decrease. In the case of Tanzania, there were increased exports to neighboring Southern and East African countries.
- The year-on-year average monthly price differences between 2023 and 2024 show that prices of the two cereals remained lower in 2024 than in 2023, partly due to the favorable weather conditions but also because 2023 was a recovery time from the effects of the COVID-19 pandemic.

Changing Maize Prices in East Africa

Prices in most East African countries rose steadily in October, possibly reflecting possible supply changes (Figure 1). Only Kenya had a decrease in its retail and wholesale maize prices. Moreover, there was a widening gap in the price trend between wholesale and retail prices in October following favorable rainfall during the previous planting seasons, in addition to imports from neighboring countries like Uganda and Tanzania, which contributed to the readily available maize stock. (FAO,2024)

Figure 1: Average wholesale and retail price of maize in East Africa (September - October 2024)



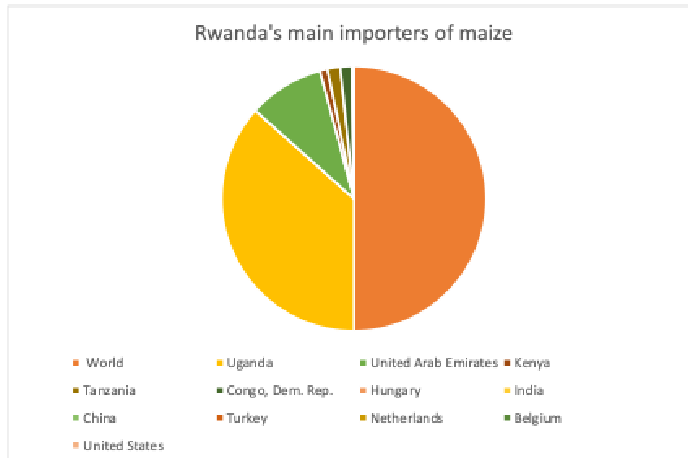
Source: Authors' construction using data from the Ministry of Investment, Industry and Trade for Tanzania, eSoKo for Rwanda Ministry of Agriculture Livestock Fisheries and Cooperatives for Kenya and Daily Market Traders Survey for Uganda

In Tanzania, wholesale prices elevated in October but remained relatively stable throughout the month. Notably, in Tanzania, wholesale Maize price increased by 11 percent from the last week of September to the first week of October, which remained constant till the fourth week when the wholesale price elevated slightly by 3.6 percent. Tanzania had the second lowest prices till the last week of October, when it had the lowest price of Maize. In October 2024, maize prices in Tanzania were likely elevated due to a combination of factors, including strong regional demand for Tanzanian maize exports and seasonal price fluctuations as the harvest season drew to a close (ReliefWeb,2024).

Uganda also had a slow upward increase in both wholesale and retail prices. In Uganda, both wholesale and retail prices showed a forward upward movement. This price rise surpassed the price of wholesale Maize in Tanzania and Kenya in October. This was due to supply constraints in Uganda during this period caused by inadequate rainfall in most of the maize-producing areas in northern Uganda (Relief Web, 2024b). It is the first month since October 2023 that maize prices in Uganda increased significantly compared to other countries. For 2024 and most of 2023, the price of Maize was very low due to unfavorable rainfall and the ban of imports by its neighbors, such as Kenya and South Sudan, from complaints of aflatoxin[1].

Rwanda also experienced an increase in the price of Maize, which increased from the fourth week of October and reduced slightly in the third week from the rise in the cost of Maize in Uganda and Tanzania, which are maize importers to Rwanda (Figure 2).

Figure 2: Rwanda's main rice importers



Source: Data is sourced from World Integrated Trade Solution[2]

All countries experienced an increase in the prices of Maize from September to October except Kenya, which experienced a decline. In Kenya, retail prices declined by 12.1 percent from September to October. In Uganda, retail prices increased by 14.8 percent, and in Rwanda, prices increased by 10 percent. Wholesale maize prices experienced a slight decline of 2.5 percent in Kenya, and a significant increase of 18.2 percent in Uganda and 11.3 percent in Tanzania.

The previous year's price changes in October 2023, compared to October 2024, show a decline across all the countries. Tanzania and Rwanda had the highest maize price decline. Prices were generally high in 2023 as countries were recovering from the COVID-19 pandemic shock that affected several input markets.

[1] https://www.monitor.co.ug/uganda/news/national/south-sudan-releases-ugandan-maize-trucks-one-month-later-4272398#:~:text=Thank%20you%20for%20reading%20Nation.Africa&text=The%20State%20Minister%20for%20Foreign,and%20officials%20protested%20the%20move.

[2] https://wits.worldbank.org/trade/comtrade/en/country/RWA/year/2022/tradeflow/Imports/partner/ALL/product/110220

Table 1: Changes in average monthly retail and wholesale price of maize in East Africa for September – October, 2022-2024

Country	Market Levels	Monthly Average Prices September 2024 (USD/MT)	Monthly Average Prices October 2024 (USD/MT)	% Change September & October 2024	Monthly Average Prices October 2023 (USD/MT)	% Change October2023 & October 2024
Kenya	Retail	382	341	-12.1	452	-15.5
Uganda	Retail	258	303	14.8	306	-15.8
Rwanda	Retail	327	364	10.1	507	-35.5
Kenya	Wholesale	286	279	-2.5	369	-22.5
Uganda	Wholesale	223	273	18.2	279	-19.8
Tanzania	Wholesale	245	276	11.3	357	-31.3

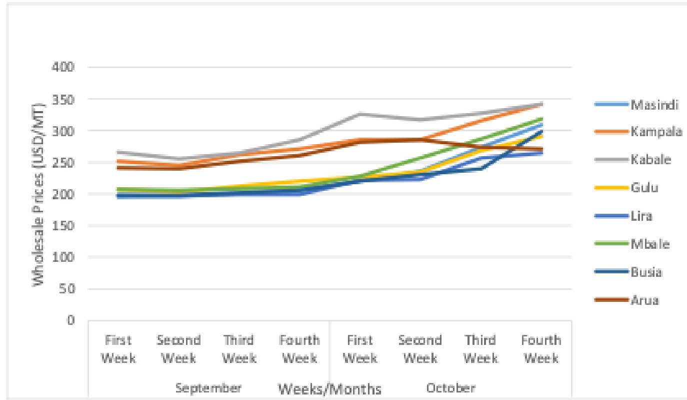
Source: Authors construction using data from FSP (for Uganda), Ministry of Agriculture Livestock and Fisheries (for Kenya), Ministry of Agriculture (for Tanzania), and e-SoKo (for Rwanda)

Uganda

Figure 3 shows the trend in wholesale prices (measured in USD per metric ton) across different locations in Uganda over two months spanning from September to October 2024. The locations include Masindi, Kampala, Kabale, Gulu, Lira, Mbale, Busia, and Arua. The wholesale prices across all locations show an increasing trend over time, indicating a consistent rise in market prices. This increase is more pronounced from the third week of September 2024 onwards. Kabale exhibits the highest price levels throughout the period, peaking at around 350 USD/MT by the fourth week of October 2024. Kampala, Arua, and other regions maintain relatively close price levels but gradually diverge in the latter weeks of October 2024. Kampala and Arua maintained similar trends, suggesting similar market conditions in these regions, especially when buying Maize from different areas. Masindi, Lira, and Busia started with lower prices but experienced significant growth in October 2024. Gulu, Mbale, and Lira exhibit convergence in the middle of the period but later diverge in an increasing price trend.

The overall rise in maize prices in Uganda could be attributed to seasonal fluctuations, especially in the Northern region, due to supply chain constraints. Relief Web (2024b) notes that there were significant rainfall deficits during the first rainy season, from March to June, which greatly affected crop yields, especially in the northern West Nile, Lango, and Acholi subregions, where seasonal precipitation was among the lowest on record. However, the differences in price movements between some regions reflect variations in transportation costs, and local supply dynamics affecting trade. For example, Kabale's relatively high price levels may indicate supply constraints and transportation costs compared to other regions since the Maize consumed here is from other regions.

Figure 3: Average weekly wholesale prices of maize in selected markets in Uganda (September – October 2024)



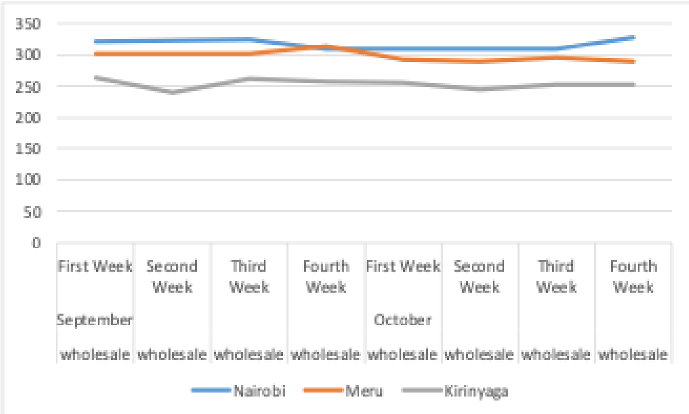
Source: Author's construction using data from the Daily Market Traders Survey for Uganda

Kenya

Nairobi generally maintains the highest price level across the period, from September to October 2024 with slight fluctuations and an increase in the last week of October (Figure 4). Kirinyaga had the lowest price trend throughout the period, with a slight dip in the early weeks of October but a small recovery towards the end. Prices in Meru were high due to drought. Meru closely follows Nairobi's prices but shows a peak in the fourth week of September before slowly declining slightly in October.

In southeastern Kenya, several areas experienced an early cessation of rains in mid-May 2024, leading to significant crop wilting. As of early July, between 40% and 85% of cropland in these regions was affected by severe drought (FAO,2024). This could explain the high price of Maize in Meru. The reduction in the price of Maize in Kenya is also attributed to the decline in the transport Index by 0.3 percent between September 2024 and October 2024 (KNBS,2024). This was mainly due to a decrease in petrol and diesel prices.

Figure 4: Average weekly retail prices of maize in selected markets in Kenya (September - October 2024)

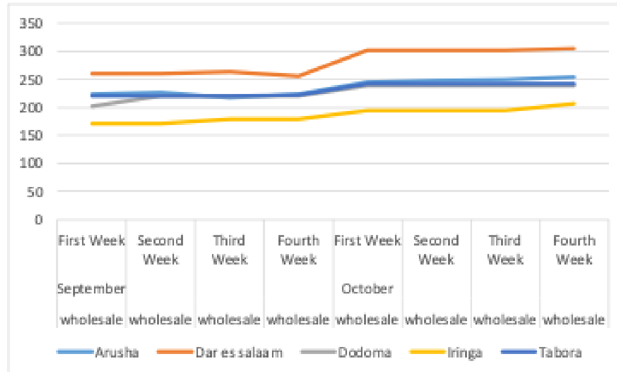


Source: Authors' construction using data from the Ministry of Agriculture Livestock Fisheries and Cooperatives for Kenya.

Tanzania

Dar es Salaam consistently records the highest prices, with a steep increase at the beginning of October, reaching approximately 300 USD/MT (Figure 5). Arusha and Tabora maintained relatively similar price trends, gradually increasing from around 200–230 USD/MT. Dodoma, Arusha, and Tabora started lower but followed a steady upward trend during October 2024. In these regions, the markets had similar price trends and very similar prices for the two months. Iringa recorded the lowest price levels throughout the period, beginning near 150 USD/MT and increasing slightly over time. The price increase in Dar es Salaam between the fourth week of September and the first week of October suggests potential external market influences, such as supply constraints due to increased demand. Other regions experienced a steadier, more gradual price increase, indicating a relatively stable market. The sharp price increase in Dar es Salaam may indicate higher demand or transportation costs associated with urban centers.

Figure 5: Average weekly retail prices of maize in selected markets in Tanzania (August - September 2024)



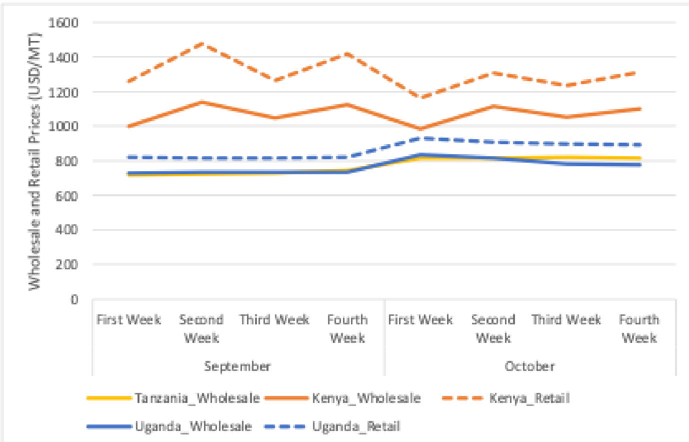
Source: Author's construction using data from the Ministry of Investment, Industry and Trade for Tanzania

Changing Rice Prices in East Africa

Figure 6 displays wholesale and retail prices (USD/MT) for Tanzania, Kenya, and Uganda between September and October 2024. The trends show significant variations in price levels and dynamics across these countries, influenced by several factors. In Tanzania, prices increased slightly between October and September 2024 due to increased exports in the third quarter. The FEWSNET report (2024b) indicates that export volumes were 44 percent higher than the previous quarter, the 2023 third quarter, and the five-year average.

In Kenya, wholesale and retail prices follow the same trend in October as in September 2024, increasing and decreasing every subsequent week. Retail prices were consistently higher than wholesale prices, although they experienced similar price trends. The large gap between wholesale and retail prices could suggest increasing transaction costs, especially for transportation or distribution expenses. In Uganda, wholesale and retail prices were stable in October 2024, with only minor decreases in the last two weeks and a price elevation from the previous week of September to October's first week. Uganda and Tanzania had relatively similar rice price patterns.

Figure 6: Weekly average wholesale and retail prices of rice in East Africa (September - October 2024)



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

Table 2 shows the wholesale and retail price changes of rice across markets in Kenya, Uganda, Rwanda, and Tanzania for September and October 2024, with additional comparisons to the previous year, October 2023, and a yearly percentage change.

Uganda and Tanzania experienced an increase in the average monthly retail and wholesale rice prices while Kenya experienced a decline in both wholesale and retail prices. The increase in price is due to the depletion of the july harvests that were still in stock as the lean season approaches. In Kenya, retail prices decreased by 7.3 percent and wholesale prices decreased slightly by 1.4 percent. In Uganda, retail prices rose by 10.8 percent, while wholesale prices rose by 9.5 percent. Finally, in Tanzania, the wholesale price increased by 12.3 percent monthly. Rwanda had a very slight increase of 0.1 percent.

Comparing the prices in 2023 with 2024 in the same month, there are significant declines in prices in 2024 compared to the previous year for most of the countries except Kenya. Kenya experienced a slight rise in the price in October 2024. Unlike 2023 when most of the countries were recovering from the effects of the COVID 19 pandemic on fuel and input costs, 2024 had lower prices of these commodities facilitating lower transport costs and high production. The weather was also more favourable in 2024 than in 2023 (FEWSNET, 2024).

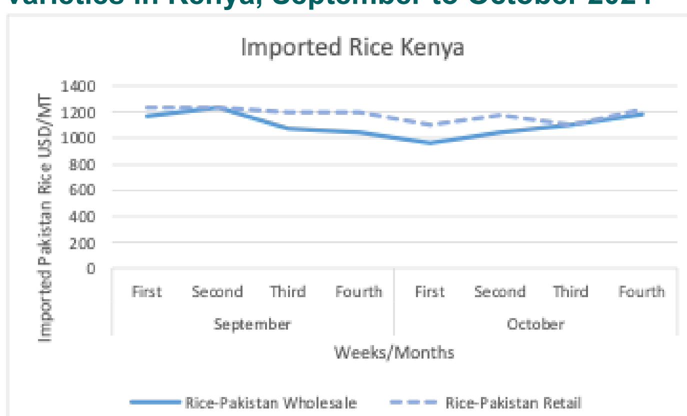
Table 2: Monthly retail and wholesale price changes of rice in East Africa (September – October 2024, October 2023, and October 2022)

Country	Market Levels	Monthly Average Prices September 2024 (USD/MT)	Monthly Average Prices October 2024 (USD/MT)	% Change September & October 2024	Monthly Average Prices October 2023 (USD/MT)	% Change September 2023 & 2024 October
Kenya	Retail	1354	1255	-7.3	1196	4.9
Uganda	Retail	819	907	10.8	997	-9.0
Rwanda	Retail	723	724	0.1	893	-18.9
Kenya	Wholesale	1079	1063	-1.4	1039	2.4
Uganda	Wholesale	734	803	9.5	896	-10.4
Tanzania	Wholesale	729	818	12.3	1055	-22.4

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

From September to October 2024, imported rice prices in Uganda and Kenya experienced variations. In Kenya(Figure 7), there was a gradual increase in the average weekly wholesale prices of imported Pakistan rice throughout October 2024, returning to near initial levels in the first week of September 2024. On the other hand, the average retail prices experienced fluctuations in the first two weeks before a gradual increase in the third week and thereafter. There was no correlation between price increases in the imported rice varieties and the exchange rates (shown in Appendix 1). The observed price increments might be due to other factors related to the region's imported rice supply, including freight charges[3].

Figure 7: Weekly average price of imported rice varieties in Kenya, September to October 2024

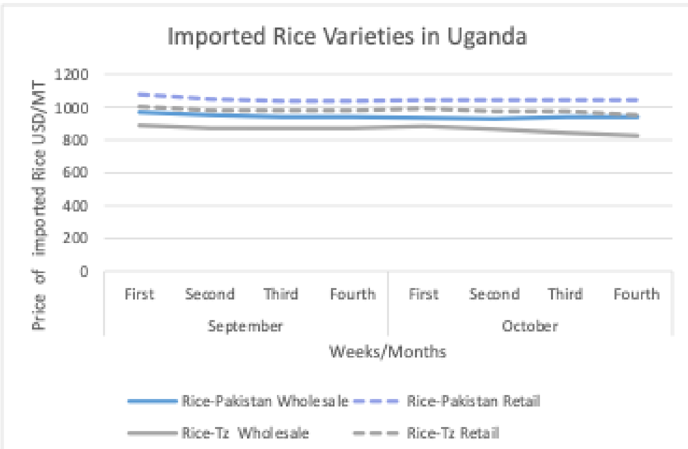


Source: Authors' construction using data from the Ministry of Investment, Industry and Trade for Tanzania, eSoKo for Rwanda and the Ministry of Agriculture Livestock Fisheries and Cooperatives for Kenya and the Daily Market Traders Survey for Uganda.

[3] https://www.spglobal.com/commodity-insights/en/news-research/latest-news/agriculture/123124-pakistans-2025-rice-export-landscape-likely-to-change-as-india-lifts-ban#:~:text=Africa,in%20their%20decision%2Dmaking%20process.

In Uganda, the retail prices for Pakistan and Tanzanian rice displayed similar trends in price changes, which remained relatively stable despite volatile exchange rates. While retail prices for both varieties were relatively stable throughout the month of October 2024, the wholesale prices displayed a relative decline for Tanzanian rice and a slow increase in the price of imported Pakistan from the second week of October 2024.

Figure 8: Weekly average price of imported rice varieties in Uganda from September to October 2024



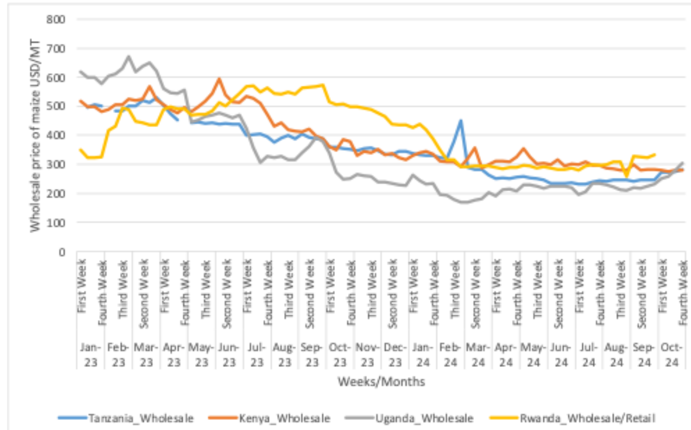
Source: Author's construction using data from the Daily Market Traders Survey for Uganda

Summary and Future Outlook

Overall, there was an increase in the price of Maize and rice in most countries except Kenya following the depletion of supplies from the seasonal harvest in July. The year-on-year price differences show a decline in the price of Maize and rice across all the East African countries from October 2023 to October 2024, except Kenya. Kenya showed a slight positive increase in the cost of rice. In Figure 8, Maize prices across all four countries exhibit a significant downward trend from January 2023 to around mid-2024, with some fluctuations followed by slight stability from mid-2024 towards the last quarter of the year. The overall decline and stabilization in the price of Maize from mid-2024 indicate improved market conditions and reduced demand pressures. Rwanda's prices were the highest in mid-June 2023, while Uganda's prices were the lowest for most of 2023 and 2024, potentially reflecting lower exports. Due to more substantial domestic maize production, Uganda and Tanzania have the lowest prices.

Maize prices in Uganda seem to converge to the average price in the East African region towards the end of October 2024. For the past year, the price of Maize in Uganda has been declining and is the lowest in the area due to factors such as limited exports following bans from neighboring importing countries like South Sudan. So, it is likely that prices will continue to increase with increased demand for seed for planting and the increased demand from the opening of the school terms. Uganda's government also plans to enhance quality by registering only certified companies that supply Maize. This move will likely impact prices and supply volumes (Okitela, 2024).

Figure 9: Weekly average wholesale prices of maize from January 2023 to October 2024



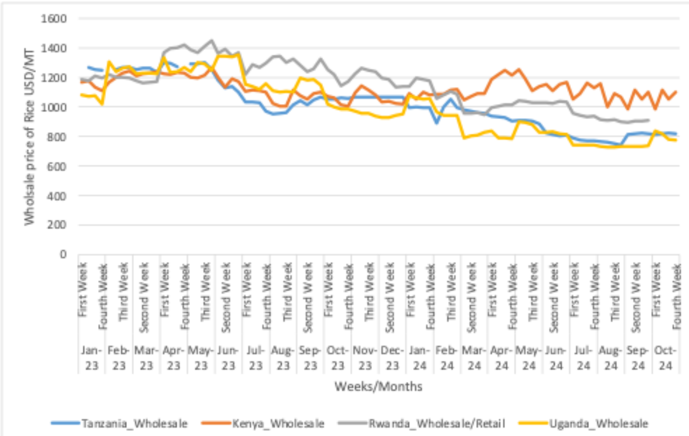
Source: Author's construction using data from the Ministry of Investment, Industry and Trade for Tanzania, eSoKo for Rwanda Ministry of Agriculture Livestock Fisheries and Cooperatives for Kenya and Daily Market Traders Survey for Uganda

Figure 10 illustrates the wholesale price trends of rice across the African countries Tanzania, Kenya, Rwanda, and Uganda from January 2023 to October 2024. There has been a gradual downward trend in rice prices across all countries over the past 22 months. This reflects the potential reductions in global or regional prices and or increased domestic supply. Price fluctuations were more pronounced in Kenya and Rwanda than in Tanzania and Uganda. Kenya consistently had the highest rice prices, while Uganda had the least.

A gradual decline occurred in Tanzania due to the government's efforts to regulate cereal prices by purchasing from farmers. By October 2024, rice prices stabilized to below USD 818/MT. Kenya had significant price volatility in mid-2023, peaking just above USD 1,200 /MT in April 2024. In Rwanda, prices were highest by the end of the first quarter of the year, which gradually reduced through 2023 to lower prices in 2024, far below the price of rice in Kenya. Uganda showed a slow price decline until October 2024, when it had the lowest price. The Bank of Uganda's October 2024 Monetary Policy report forecasts that inflation in Uganda will stay below 5% over the next 12 months. Contributing factors include reduced demand, lower import costs, bumper harvests leading to decreased food crop prices, and a stronger Uganda shilling (Uganda Development Bank, 2024). Therefore, the price of rice and Maize is expected to remain relatively stable.

Tanzania will continue to be the primary supplier of Maize and rice in East Africa until June 2025, even as demand rises in Southern Africa due to drought conditions linked to El Niño (FEWSNET,2024b).

Figure 10: Weekly average wholesale prices of maize from January 2023 to October 2024



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

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)[4] facilitated by the International Food Policy Research Institute, (2) Kenya Market Information System [5] sourced for the Ministry of Agriculture Livestock Fisheries and Co-operatives (MALF) for Kenya, and e-Soko (3)[6] 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.

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[4] 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 (foodsecurityportal.org)

[5] 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

[6] 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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