

This report shows market activities across the East Africa region's selected main grain markets from **October 24th to 28th October, 2016**. The monitoring is carried out by Eastern Africa Grain Council (EAGC) monitors based in all the 5 EAC on a daily basis. Monitoring is also done in South Sudan and Malawi. In Malawi, we do monitoring through partnership with Agricultural Commodity Exchange for Africa.

The report helps stakeholders and users to have a general overview of the market price trends across the region. This is a service of EAGC primarily to its members and other interested stakeholders. The full market data of daily wholesale and Retail market prices is available in www.ratin.net

GRAIN NEWS HIGHLIGHTS

Africa: The African Export-Import Bank (Afreximbank) and the Export-Import Bank of Korea (KEXIM), entered into a memorandum of understanding expected to inject \$100 million to support trade between Africa and South Korea. Under the deal, signed in Seoul, KEXIM will extend a \$100 million loan to Afrexim bank to support trade transactions between South Korea and Africa as part of a commitment by the two institutions to co-operate in matters of common interest.

Regional: Malawians should expect both good and bad moments following the directive by President Arthur Peter Mutharika that ADMARC markets across the country be opened. The good news is obviously that Malawians will find it easy in terms of distance to access the staple food as about 1,200 ADMARC selling points are expected to be opened but, the bad part is that the maize price has been hiked. A 50 kilogram bag which was last year during the same period sold at K5,500 will be selling at K12,500 representing about a 127% increase.

Tanzania: It is now all smiles for Tanzanian farmers after a fertiliser production company 'YARA Tanzania Limited' announced between 35 and 40 per cent reduction of fertiliser transportation cost following

the launching of railway transport from Dar es Salaam to Upcountry on Tuesday (25/10/2016). YARA Director General, Mr Alexandre Macedo said inland transport cost has been contributing to the increase of fertiliser prices in various regions.

Uganda: While the agricultural and services sectors have grown over the years, their contribution of tax revenue to the national treasury has remained dismally low, a study has found. Researchers at the Economic Policy Research Centre (EPRC) found that there were mismatches in contributions of economic sectors to overall tax revenue performance.

Rwanda: Government has tabled a Bill before Parliament that seeks to regulate the business of providing warehouse services and value certificates for stored agricultural produce in a move that is poised to boost commodities exchange in the country.

Kenya: Tana River and Kilifi counties are set to get at least 60 per cent of the harvest (40,000 bags) from the 2,500 acres Galana-Kulalu irrigation scheme farm. The two counties are among the worst hit in the ongoing wave of famine across the country, are poised for what will be the first direct dividend from the irrigation-supported food security project.

REGIONAL MARKET ANALYSIS

TANZANIA

Table 1: Summary of weekly grain prices in Tanzania

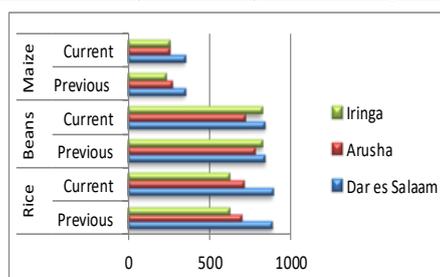
Weekly Average Wholesale Grain Prices in Tanzania on (\$/MT)						
	Rice		Beans		Maize	
	Previous	Current	Previous	Current	Previous	Current
Dar es Salaam	887	889	841	842	350	351
Arusha	700	711	778	720	272	254
Iringa	622	620	825	823	233	253

Previous: Week ending 21st, October 2016 Current: Week ending 28th, October 2016

Maize, Beans and Rice : Reports from EAGC RATIN monitored markets show wholesale prices for Beans is still on a decline with Arusha being affected greatly. Arusha markets lost about 7.4% (\$ 58) of last weeks average price whereas Dar es Salaam and Arusha markets were affected by a loss \$1 and \$2 per tonne respectively. The price reduction is as a result of the snowballing effect of restriction in exports of unprocessed grains. For rice was relatively stable in Dar es Salaam and Iringa markets. However in Arusha, prices increased by 1.5% (\$11/MT). Prices are expected to rise in the coming weeks as stocks decrease heading into the lean period of production.

The price of Maize did not have significant change in Dar es Salaam markets. Iringa performed well with a marginal increase of 8.5% (\$20/MT) indicative of increase in demand for the commodity. Arusha markets ended the week with loss of value of 6.6% (\$18/MT). Prices are expected to remain stable with marginal increase due to sufficient supplies occasioned by restrictions in cross border trade

Graph 1: Summary of weekly wholesale prices in (USD/MT)



Sorghum, Millet and Wheat : Prices of Millet were stable in Iringa and Arusha markets. In Dar es Salaam markets, Price decreased marginally by 1.5% (\$9/MT). However, prices are expected to increase in the short run due to suppressed supplies as the crop is not in production till the second quarter of next year. For Sorghum, the prices remained stable across all market indicative of equilibrium. Prices for sorghum are expected to increase marginally heading into the lean period.

Table 2: Summary of weekly grain prices in Tanzania

	Millet		Sorghum		Wheat	
	Previous	Current	Previous	Current	Previous	Current
Dar	570	561	421	421	608	608
Arusha	432	430	561	561	467	467
Iringa	664	664			701	703

R W A N D A

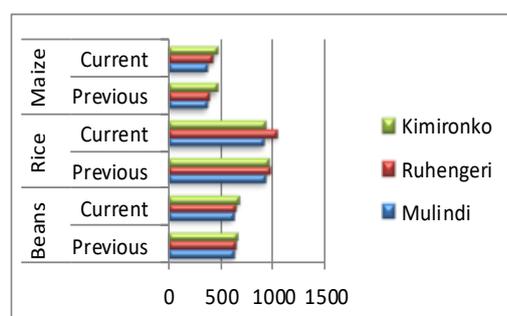
Table 3: Summary Average wholesale Grain prices in Rwanda

Market	Beans		Rice		Maize	
	Previous	Current	Previous	Current	Previous	Current
Mulindi	619	617	922	908	363	362
Ruhengeri	640	629	961	1032	384	415
Kimironko	645	672	952	920	456	459

Previous: Week ending 21st, October 2016 Current: Week ending 28th, October 2016

Beans, Rice and Maize: Reports from EAGC RATIN monitored markets indicated decrease in prices of rice in Mulindi and Kimironko markets by 1.5% (\$14/MT) and 3.4% (\$32/MT) respectively. Ruhengeri market performed well in this front with a marginal increase of 7% (\$71/MT) and this shows demand has been sustained from last week. Price of Maize also increased significantly in Ruhengeri by 7% (\$31/MT), in Kimironko prices increased marginally by 0.6% (\$3/MT) whereas in Mulindi, prices were relatively stable. Maize prices are expected to increase in the coming weeks heading into the lean period of production of these three grains.

Graph 2 Summary of average wholesale prices Rwanda (USD/MT)



Beans recorded mixed results, in Ruhengeri and Mulindi markets, prices decreased by 1.7% (\$11/MT) and 1.7% (\$2/MT) respectively. Kimironko performed well with an increase 4% (\$27/MT) in price of beans indicative of high demand due to low supplies as 2016A season crop is yet to be harvested.

Table 4: Summary of wholesale prices of Millet and Wheat in Rwanda (USD/MT)

Market	Millet		Wheat	
	Previous	Current	Previous	Current
Ruhengeri	687	818	576	566
Kimironko	961	934	739	724
Mulindi	685	719	721	745

Previous: Week ending 21st, October 2016 Current: Week ending 28th, October 2016

Wheat and Millet: As shown in the table 4 above, the price of millet increased significantly in Ruhengeri by 19% (\$131/MT). Mulindi equally had a marginal increase of 4.9% (\$34/MT) whereas in Kimironko market, Millet lost 2.8% (\$27/MT) of the average market price. For wheat, Ruhengeri and Kimironko recorded marginal decrease in price with 1.7% (\$10/MT) and 2.02% (\$15/MT) respectively. Mulindi was the only market that had an increase in price of wheat, there was a 3.3% (\$24/MT) increase.

U G A N D A

Table 5: Summary of weekly grain prices in Uganda

Maize and Rice

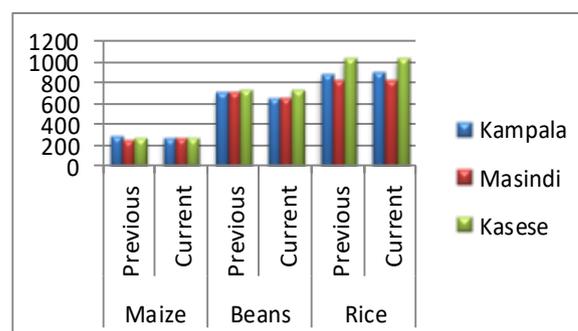
Weekly average wholesale grain prices in Uganda (USD/MT)						
	Maize		Beans		Rice	
	Previous	Current	Previous	Current	Previous	Current
Kampala	287	264	701	645	877	909
Masindi	249	267	704	657	821	821
Kasese	264	264	733	734	1026	1027

Reports from EAGC RATIN monitored markets show a decrease in the price in Beans. Kampala and Masindi performed dismally in Beans with a 7.9% (\$56/MT) and 5.6% (\$47/MT) decrease respectively. Rice prices were stable with Masindi having no change, Kampala and Kasese had marginal increase of 3% (\$12/MT) and \$1/MT respectively.

Maize prices was stable in Kasese and had significant increase in Masindi of 7% (\$18/MT). However, in Kampala prices took a significant dip of 8.1% (\$23/MT) of last week's average price. The prices of Maize and Beans are expected to rise in the coming weeks as it's

the sowing phase for these crops, therefore supply will decrease leading to an increase in prices.

Graph 3. Summary of average wholesale prices Uganda (USD/MT)



KENYA

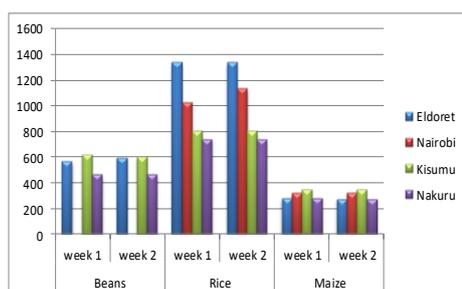
Table 6: Summary of Average grain prices in Kenya

Market	Beans		Rice		Maize	
	Previous	Current	Previous	Current	Previous	Current
Eldoret	569	596	1339	1339	281	278
Nairobi	-	-	1031	1135	321	325
Kisumu	619	603	803	804	352	352
Nakuru	468	468	743	743	286	278

Previous: Week ending 21st, October 2016 Current: Week ending 28th, October 2016

Bean and Maize: Prices of commodities decreased marginally in the monitored markets. Currently, maize price decreased in major markets except in Nairobi market which had a 1% (\$4/MT) increase. The fall in prices is attributed to increase in supply as we head to the harvesting season for the long rain crop. Prices of maize are expected to decrease in the next few weeks due to increase in supply from long rains crop. Beans prices were stable in Eldoret and Nakuru markets. Kisumu did not perform well as it lost 2.6% (\$16/mt) of last weeks average market value. Prices will continue to slump in the short run as stock from long rain crop gets into the market.

Graph 4: Summary of weekly grain prices of Beans, Rice and Maize in Kenya:



Rice: Rice prices remained stable in most markets with only significant increase of 10% (\$104/MT) in Nairobi, this is indicative of increase in demand in this particular market. The prices are expected to remain stable in the coming weeks as demand

Table7 : Summary of Sorghum & Millet prices in Kenya in (\$/MT)

Market	Millet		Sorghum		Wheat	
	Previous	Current	Previous	Current	Previous	Current
Eldoret	703	737	348	368	425	422
Nairobi	452	452	572	575	445	442
Nakuru	703	653	308	301	289	289
Kisumu	686	603	318	301	-	..

Previous: Week ending 21st, October 2016 Current: Week ending 28th, October 2016

Wheat: As shown in table 7, the price of wheat decreased in Eldoret and Nairobi by 0.7% (\$3/MT) and 0.6% (\$3/MT) respectively but remained stable in Nakuru. Prices are expected to increase in the coming weeks as production the crop will not be in production any time soon-er.

Millet and Sorghum: From the monitored markets, prices of Millet went up in Eldoret only by 4% (\$34/MT). In Nairobi, the prices were stable however, Nakuru and Kisumu lost 7.11% (\$50/MT) and 12.09% (\$83/MT) respectively. Millet prices are expected to decrease as supplies increases from the long rains harvest which ends this month.

Sorghum prices were relatively constant in Nairobi (0.4% increment). Eldoret experienced a decrease of \$33/MT making it the largest loser with a drop of 5% in market value of millet in one week. Nakuru had significant increase with a gain of 7.6% (\$50/MT) and this indicates increased demand of the commodity.

These EAGC RATIN reports shows a scenario of stable prices in most of the markets. This could be attributed to relative constant supply of grains in the Kenya. The prices are expected to reduce marginally in the coming weeks as long rains harvest from Wheat, Maize and Beans comes into the market.

CONCLUSION

- Reports from the EAGC RATIN monitored markets across the region indicated price stability in some commodities . The price of maize has not changed significantly in the past week in Kenya , Uganda and Rwanda. Sorghum also did not change in Tanzanian and Kenya markets.
- In Kenya, we expect price of maize to go down in the next 2-3 weeks as harvest from Long rains cropping season enters the market. Government reports also show an anticipated increase in supply as a total of 70,000 bags will be sourced from Galana-Kulalu Irrigation farm.
- Prices of Rice Tanzania and Uganda remained relatively stable in most of the markets. However, in Tanzania prices are expected to rise in the coming weeks due to reduction in supplies as the country heads towards the lean period of production of the crop.

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