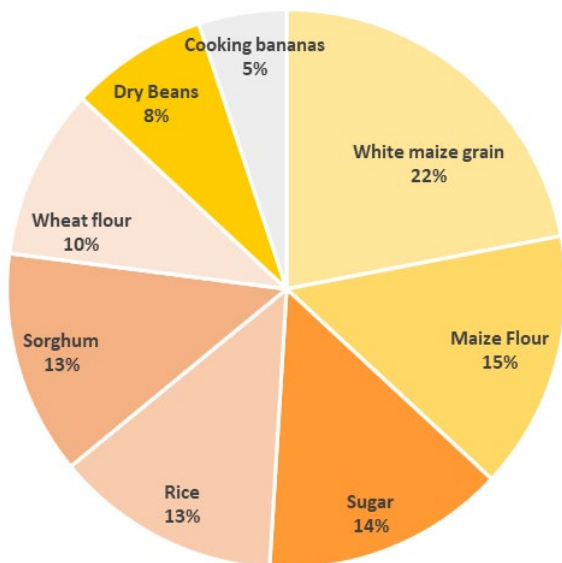


## SUMMARY POINTS

Figure 1: Main Staple Food Commodities Informally Traded Across Selected Borders in Eastern Africa in the Third Quarter of 2022.

Source: FEWSNET and EAGC









- Maize grain remained the most traded commodity in the region in the third quarter of 2022 (July to September) as shown in Figure 1 above and trade flows remained above average due to below-average harvests amid high demand. Wheat flour trade declined from 16 to 10 percent from the previous quarter due to reduced demand following the erosion of purchasing power.
- Regional trade in sorghum, rice, and dry beans was below average driven by below-average harvests and reduced trading margins, and cheaper substitutes.
- The prices of staple food commodities followed seasonal patterns but were elevated given below-average harvests, high costs of production and marketing, and Russia-Ukraine conflict-related high global commodity prices.
- Livestock trade between Ethiopia, Somalia, and Kenya declined because of the end of religious festivities in July and was below average due to a prolonged drought that reduced the number of quality animals in the market. However, trade increased between Uganda and South Sudan because of the high demand for rural restocking and urban consumption.

## ABOUT THIS REPORT

The Market Analysis Sub-group of the Food Security and Nutrition Working Group (FSNWG) monitors informal cross-border trade of 88 food commodities and livestock in eastern Africa in order to quantify the impact on regional food security. This bulletin summarizes informal trade across selected borders of Tanzania, Burundi, Rwanda, Uganda, Kenya, Somalia, Djibouti, Ethiopia, Sudan, South Sudan, and DRC. Cross-Border trade and price data is provided by the Famine Early Warning Systems Network (FEWS NET), the Eastern Africa Grain Council (EAGC), the Food and Agricultural Organization of the United Nations (FAO), the National Bank of Rwanda (NBR), the World Food Program (WFP), Farmgain (Uganda), FAMIS (Sudan), FSNAU (Somalia), MoA (Kenya and Burundi), RATIN all of East Africa, and the Tanzania Trade Development Authority.

Informal trade represents commodity flows outside of the formal system, meaning that activity is not typically recorded in government statistics or inspected and taxed through official channels. These flows vary from very small quantities moved by bicycle to large volumes trucked over long distances. This report does not capture all informal cross-border trade in the region, just a representative sample.

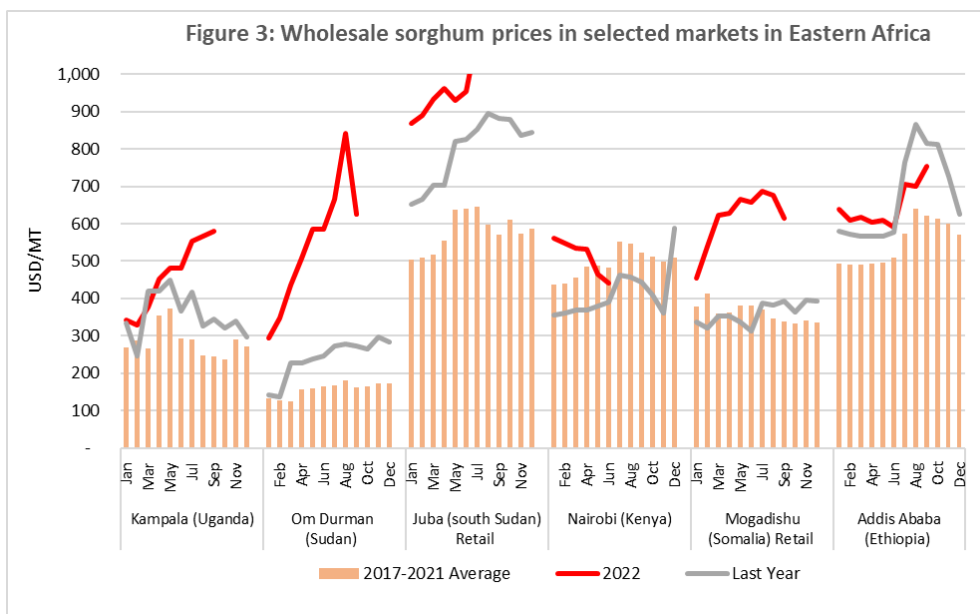
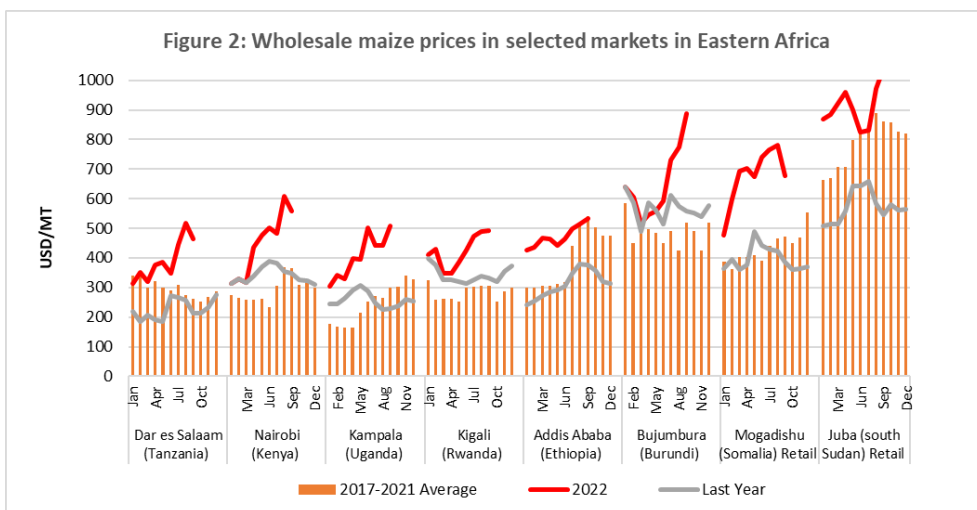
### Key Commodities & Cash Crops by Country

	<b>Maize &amp; Maize Flour:</b> Ethiopia, southern Somali, South Sudan, Kenya, Uganda and Tanzania
	<b>Beans:</b> Consumed throughout East Africa
	<b>Wheat &amp; Wheat Flour:</b> Consumed throughout East Africa and is particularly important in urban areas
	<b>Rice:</b> Consumed throughout East Africa
	<b>Sorghum &amp; Sorghum Flour:</b> Sudan, South Sudan, Northern Ethiopia, Central and Northern Somalia
	<b>Sesame:</b> An important cash crop for certain livelihoods in Ethiopia and Sudan

\*Additional products may be covered in the annexes.

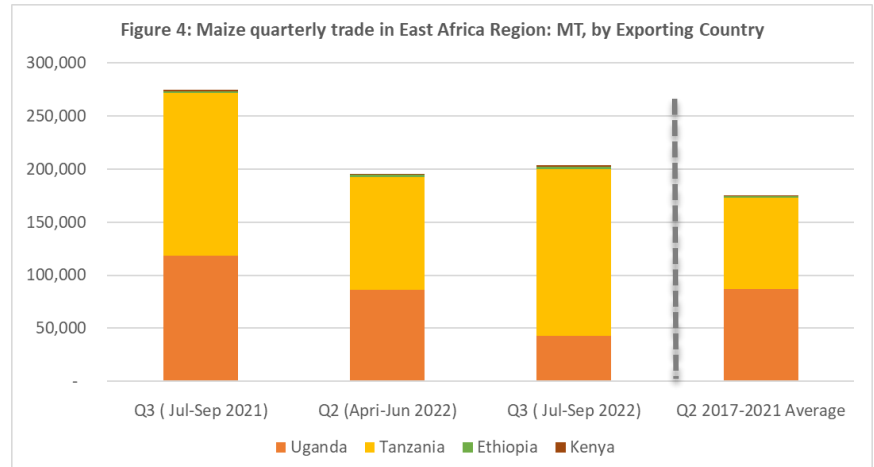
## MAIZE AND SORGHUM PRICES IN EAST AFRICA JULY TO SEPTEMBER 2022

Maize and sorghum prices in USD (**Figures 1 and 2**) across most markets in East Africa continued rising atypically and rapidly through August 2022, with the seasonal price decline after the July-to-August harvest being shallow and short-lived. These unseasonal price trends were attributed to the previous below-average harvest in most deficit-producing countries. In contrast, the rising prices in surplus-producing Uganda, Tanzania, and Ethiopia were ascribed to high domestic and regional demand. Maize prices remained significantly higher than last year and recent five-year average prices due to the high costs of production and marketing brought about by the strengthening of the USD against local currencies increasing the costs of imports, Russia and Ukraine conflict-related high global fertilizer, and fuel prices; and the high international prices of maize, wheat, and rice purchased to compensate for local production shortfalls.

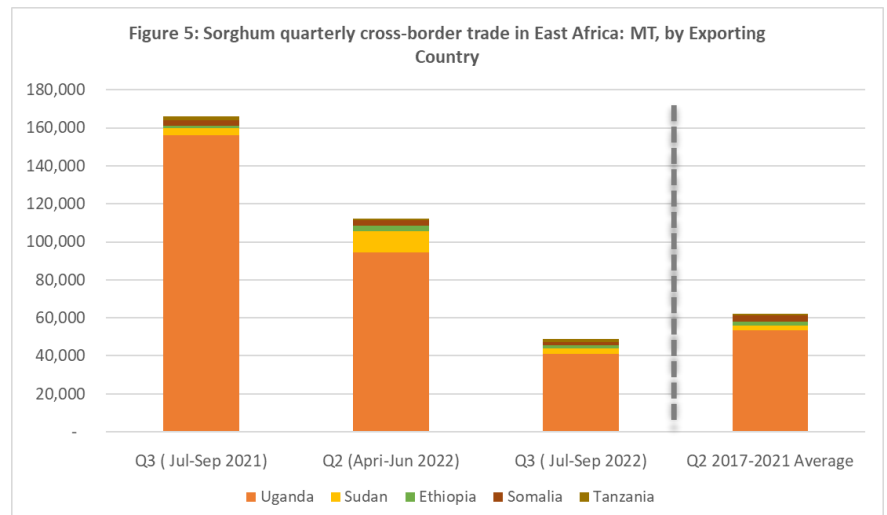


## THE STATUS OF CROSS BORDER TRADE IN THE THIRD QUARTER (JUL-SEP) OF 2022

In the third quarter of 2022 (between July and September), around 204,000 MT of **maize** were traded in the East Africa Region. The traded quantities were similar to the previous quarter, 26 percent lower than the third quarter of last year and 23 percent higher than the recent five-year average of the third quarter (**Figure 4**) because of increased exports due to below-average harvest in the deficit-producing countries within the region. Tanzania and Uganda accounted for 78 and 21 percent of the total exports, while Kenya and South Sudan represented 83 and 14 percent of the total imports, respectively. Tanzania exports and re-exports from Zambia to Kenya were significantly higher than the 2017-2021 average levels because of the availability of significant saleable stocks, a substantial 2022/2023 deficit in Kenya estimated at around 700,000MT. Also, the import duty waiver by Kenya from May to September 2022, which was expected to bring in 540,000MT of maize, brought an additional 80,000MT because of high global commodity prices stemming from the effect of the war in Ukraine. Exports from Tanzania to Rwanda were also above average as export from Uganda to Rwanda remained low despite the opening of borders between Rwanda and Uganda because of below-average harvest in Uganda. Similarly, exports from Uganda to South Sudan and Kenya declined unseasonably due to the below-average June-to-July harvest. However, exports from Ethiopia to South Sudan were above average as demand in South Sudan increased following below-to-near-average harvests in parts of South Sudan. Also, exports from Ethiopia to Somalia were higher than average because of increased demand in Somalia following four consecutive seasons of below-average harvests.



Approximately 49,000 MT of **sorghum** were traded in East Africa in the third quarter of 2022. The volumes traded were 56, 71, and 34 percent lower than the last quarter, the third quarter of last year, and the recent five-year average of third quarters, respectively (**Figure 5**). Uganda accounted for 84 percent of the total regional exports, while Sudan, Ethiopia, and Tanzania exported roughly equal amounts of the rest. South Sudan, Rwanda, and Kenya represented 72, 12, and nine percent of all regional imports, correspondingly. The reduced volumes traded were attributed to consecutive seasons of below-average harvest in Uganda that significantly reduced volumes available for regional exports, including to South Sudan, which was 25 percent below average for the third quarter (**Annex**). Sorghum exports to South Sudan from Sudan were 96 percent above average following reduced inflows from Uganda. Uganda's sorghum exports to Rwanda, primarily for brewing, increased significantly as trade continued to pick up

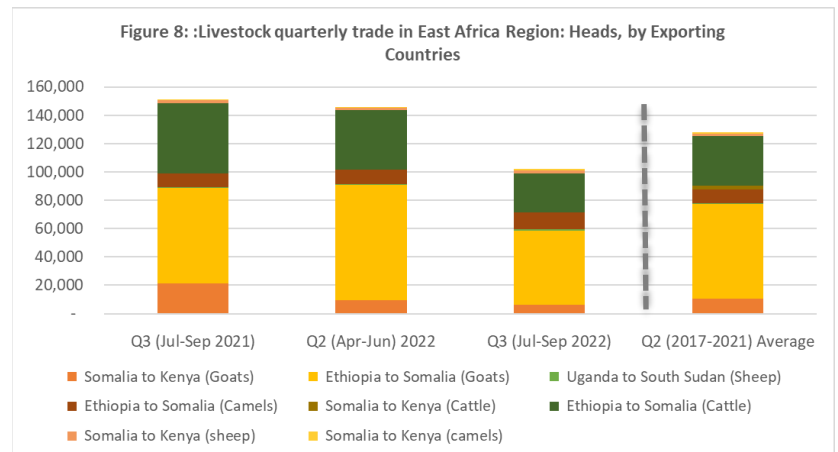
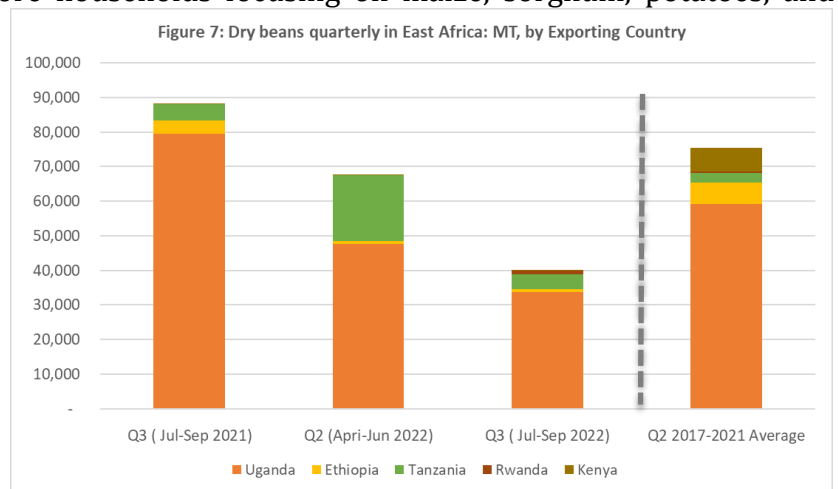
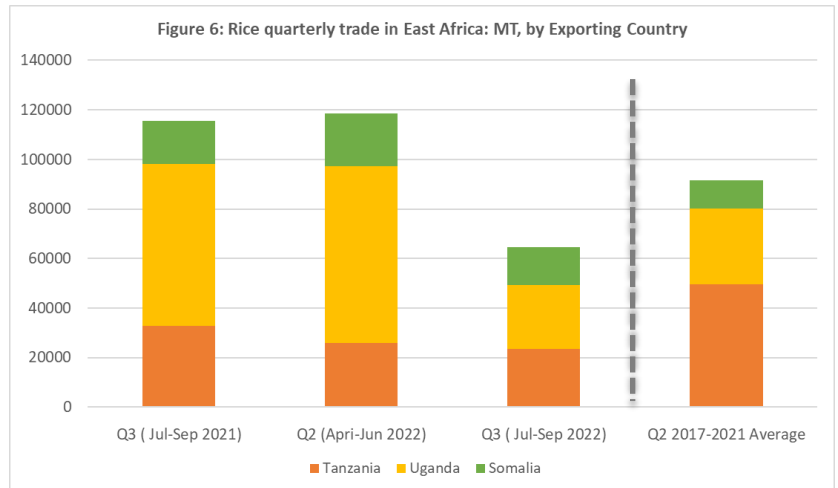


following the opening of the borders in January 2022 after three years of closure. Exports to Somalia from Ethiopia were 47 percent higher due to high demand following consecutive seasons of below-average harvest in Somalia. Somalia’s sorghum exports and re-exports from Ethiopia to Djibouti were also 57 percent above average because of high demand.

An estimated 65,000 MT, including 50,000 MT of locally produced **rice** and around 15,000 MT of international re-exports from Somalia, were traded in the region in the third quarter of 2022. The volumes traded were 45, 44, and 29 percent lower than the last quarter, the third quarter of 2021, and the recent five-year average of the third quarter, respectively (**Figure 6**). Uganda, Tanzania, and Somalia represented 40, 36, and 24 percent of the exports, while South Sudan, Kenya, Ethiopia, and Uganda accounted for 40, 24, 21, and 10 percent of the imports, respectively.

The reduction in trade was mainly attributed to reduced imports from Tanzania by most countries in the region as household purchasing power reduced following high inflation, with more households focusing on maize, sorghum, potatoes, and cooking bananas. In addition, most households opted to purchase cheaper rice imported from overseas, although consumers prefer the taste and aroma of Tanzania’s rice. Somalia’s re-exports of rice imported overseas to eastern Ethiopia was 51 percent above average.

In the third quarter of 2022, approximately 40,000 MT of **dry beans** were traded in the region. The volumes traded were 41, 55, and 53 percent higher than the previous quarter, the third quarter of 2021, and the recent five-year average of third quarters (**Figure 7**). Ugandan and Tanzanian exports accounted for 84 and 10 percent of the total regional exports, respectively. South Sudan and Kenya represented 53 and 37 percent of the total imports, correspondingly. The main driver for the decline in regional trade was consecutive seasons of below-average harvest in Uganda that reduced stocks available for trade and higher domestic prices in Tanzania that discouraged exports from Tanzania. However, exports for small-sized beans from Rwanda to Uganda and normal-sized beans from Uganda to Rwanda were above average as business picked up following the opening of the borders in January 2022.



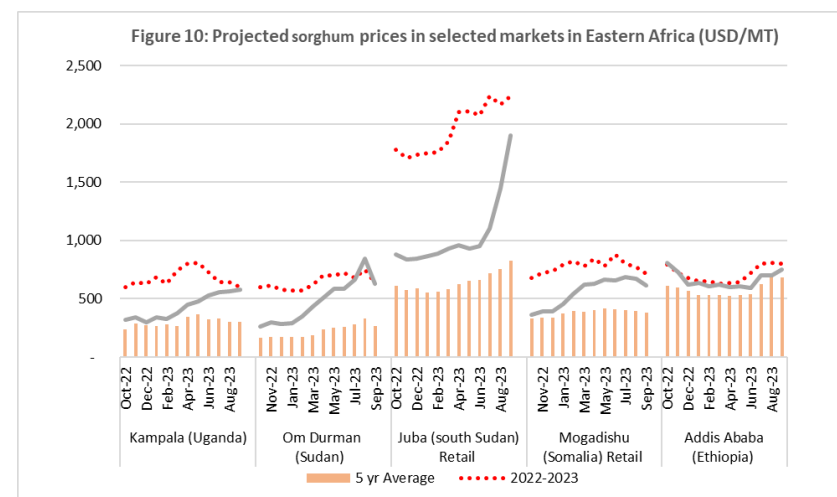
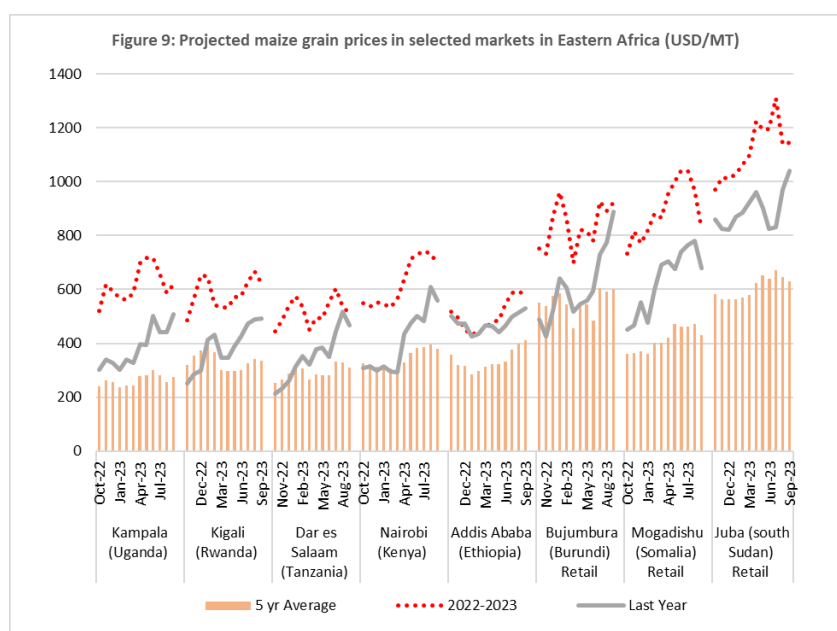
Livestock trade in East Africa was below the previous quarter, the third quarter of 2021, and the 2017-2021 average (**Figure 8**). The low levels of trade were attributed to the seasonal decline in goats, and cattle exports from Ethiopia to Somalia and Somalia to Kenya declined following the end of religious festivities in 2022. However, the third quarter of 2022 livestock trade was below average because of the reduced availability of commercial livestock following several seasons of below-average rainfall and scarcity of water and feed. Goat and sheep exports from Uganda to South Sudan were higher than the previous quarter, the third quarter of 2021, and the 2017-2021 average because of increased demand for rural restocking and urban consumption in South Sudan.

### CROSS BORDER TRADE OUTLOOK OCTOBER 2022 TO MARCH 2023

The analysis in this section uses staple food commodity parity price trends (expressed in US dollars per MT), which may be different when analyzed in local currencies. Some cross-cutting expectations include:

Tanzania, Zambia, Ethiopia, and Uganda are expected to remain the primary sources of maize for the deficit-producing countries in East Africa (Kenya, South Sudan, Somalia, Rwanda, and Burundi) through March 2023, even though the 2022/2023 production is expected to be slightly below average by up to eight percent from the 2017-2021 average level except for Ethiopia where production is expected to be average. Maize prices are expected to trend seasonally across the key markets in the region, declining around January and February following the October-to-December harvest and resuming an increasing trend after that as stocks start to tighten (**Figure 9**). The prices are projected to remain significantly higher than last year and 2017-2021 average levels because of expectations of below-average harvest, high costs of production and marketing, and high global commodity prices, which will probably not provide an option for exerting downward pressure on local prices by waiving import duties.

Sorghum production in Uganda and Ethiopia, primary source countries, is expected to be below-to-near average, except in Sudan, where production will likely be above average. Exports to the other deficit countries, including South

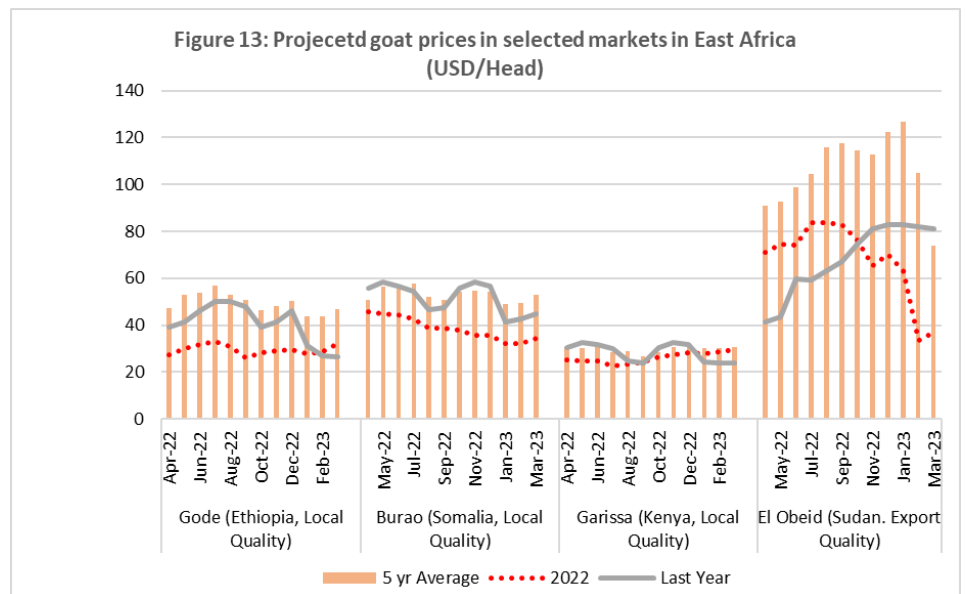
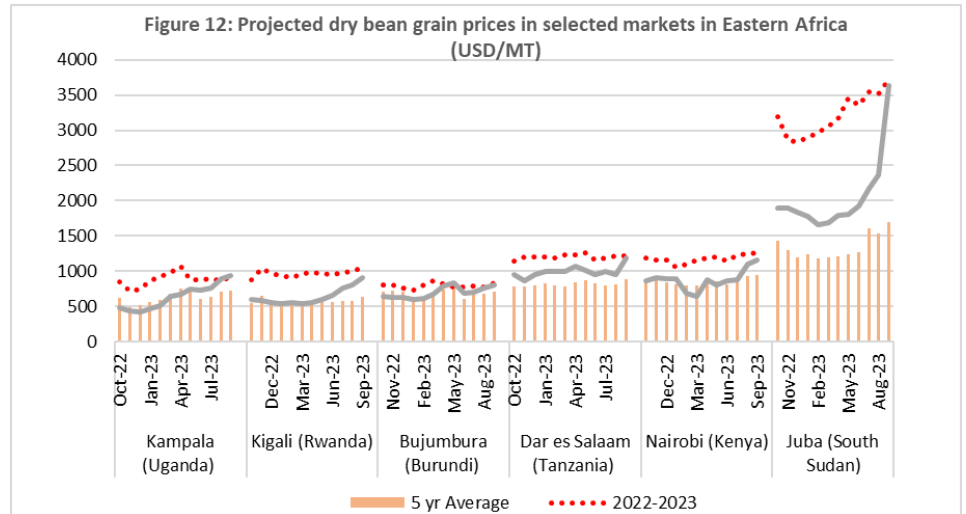
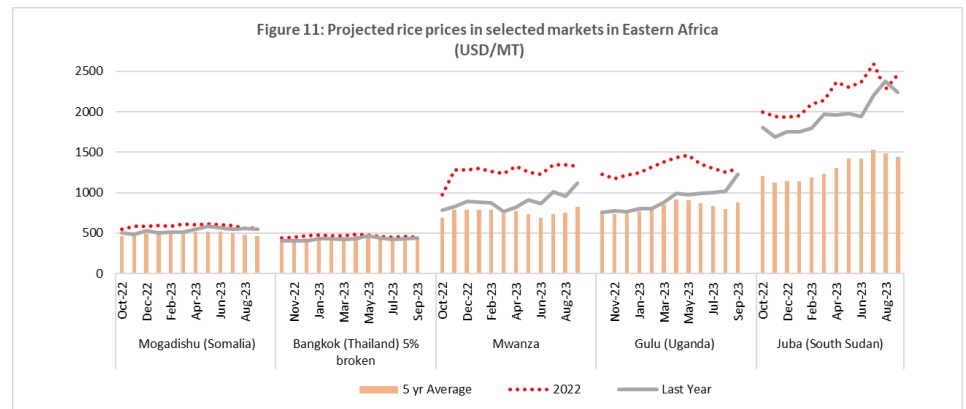


Sudan and Somalia, are expected to be below average because of high domestic demand for both human and industrial use. Due to increased production and marketing costs, prices will likely trend seasonally and be significantly above the 2017-2021 average (Figure 11).

Rice production is expected to be average in the main producing countries of Tanzania and Uganda and in all the other countries which are deficit producers. The prices are expected to trend seasonally but remain significantly elevated because of high domestic and regional demand following high prices of substitute commodities, including maize and sorghum, in addition to high global commodity prices (Figure 12).

Most countries expect dry bean production in East Africa to be near to above average. Uganda and Tanzania are expected to be the main source countries for the rest of the countries in the region. Prices are projected to follow seasonal trends and remain slightly higher than last year and recent five-year average levels because of increased costs of transport (Figure 13). However, in South Sudan, prices are expected to be significantly higher than last year, and the 2017-2021 average levels as currency depreciation and higher fuel prices result in increased transport costs.

Regional livestock trade is projected to decline in the fourth quarter of 2022 because of drought-related reduced sales. The prices are expected to trend seasonally depending on rangeland conditions but remain below last year's and 2017-2021 average levels because of poor animal body conditions (Figure 13). Regional trade and prices are expected to increase in the first half of 2023 as the stocking and fattening of animals for exports to the Middle East picks up.



## ANNEX

Table 1: Cross-border trade between July and September 2022 among selected country pairs:  
Key staple food commodities.

Commodity	Trade Flow Corridors (source destination)	Trade Volumes in MT (Livestock in Heads)	% Change			Historical Comparison		
			Last Quarter	Last Year	5 Year Average	Last Quarter	Last Year	Average
Maize	Uganda - South Sudan	28,488	-64%	-75%	-43%	▼	▼	▼
	Uganda - Kenya	13,306	85%	244%	-72%	▲	▲	▼
	Tanzania - Kenya	155,558	49%	3%	171%	▲	▶	▲
	Tanzania - Rwanda	2,065	-6%	21%	22%	▼	▲	▲
	Ethiopia - Kenya	3	-95%	-99%	-100%	▼	▼	▼
	Ethiopia - Somalia	1,354	-29%	3%	35%	▼	▶	▲
	Kenya - Tanzania	1,293	209%	36%	355%	▲	▲	▲
Sorghum	Uganda - South Sudan	32,666	-65%	-79%	-25%	▼	▼	▼
	Uganda - Kenya	4,460	122%	105%	-25%	▲	▲	▼
	Uganda - Rwanda	3,991	132947%	132947%	512%	▲	▲	▲
	Ethiopia - Djibouti	7	-60%	-60%	19%	▼	▼	▲
	Ethiopia - Somalia	1,070	-45%	6%	47%	▼	▲	▲
	Somalia - Djibouti	1,515	-50%	-50%	57%	▼	▼	▲
	Sudan - South Sudan	1,991	-47%	9%	96%	▼	▲	▲
Sudan - Eritrea	3	-91%	-67%	-94%	▼	▼	▼	
Rice	Uganda - South Sudan	25,912	-64%	-60%	-2%	▼	▼	▶
	Tanzania - Kenya	13,661	-9%	-22%	-25%	▼	▼	▼
	Tanzania - Rwanda	2,866	20%	32%	-89%	▲	▲	▼
	Somalia - Kenya	1,613	-6%	-28%	-41%	▼	▼	▼
	Somalia - Ethiopia	13,590	-31%	-10%	51%	▼	▼	▲
	Tanzania - Burundi	572	-59%	-91%	-74%	▼	▼	▼
Beans	Uganda - South Sudan	21,295	-47%	-70%	-20%	▼	▼	▼
	Uganda - Kenya	10,230	35%	19%	-68%	▲	▲	▼
	Uganda - DRC	3	0%	0%	-100%	▶	▶	▼
	Tanzania - Kenya	4,072	-79%	-14%	-21%	▼	▼	▼
	Ethiopia - Kenya	331	156%	-91%	-93%	▲	▼	▼
	Ethiopia - Sudan	618	-27%	155%	-91%	▼	▲	▼
Camels	Somalia - Kenya	1,069	-33%	39%	-6%	▼	▲	▼
	Ethiopia - Somalia	11,719	18%	21%	18%	▲	▲	▲
Cattle	Somalia - Kenya	101	-67%	-25%	-96%	▼	▼	▼
	Ethiopia - Somalia	17,747	-57%	-64%	-49%	▼	▼	▼
Goats	Somalia - Kenya	6,205	-33%	-71%	-42%	▼	▼	▼
	Ethiopia - Somalia	52,520	-35%	-22%	-21%	▼	▼	▼
Sheep	Somalia - Kenya	1,804	0%	-13%	30%	▶	▼	▲
	Uganda - South Sudan	11,215	82%	87%	401%	▲	▲	▲

Figure 14: cross-borders points monitored by FEWS NET and East Africa Grain Council in Eastern Africa

