



EASTERN AFRICA GRAIN MARKETS AND TRADE

20th June 2019.

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Highlights

In Kenya and Uganda, prices were on an upward trend since the beginning of the year as domestic supply declined markedly. In Rwanda and Burundi, there was a marginal increase in demand with notable price gains as stocks realized from the first season harvest diminished seasonally. May prices of Maize, Beans, Rice and Sorghum were below the five-year average with variable gains observed compared to the previous month. The May to August harvest season in Tanzania is expected to improve Maize, Rice and Beans supply in the region in the near term.

Maize: In Uganda, price gains were unseasonably fast in most markets due to tightened supply. Supply remained somewhat stable in the Southern DRC with prices stability observed in the past three months whereas in Kenya, diminishing domestic supply increased demand pressure with prices gaining significantly in most markets. In Burundi and Rwanda, slight gains were observed as stocks diminished seasonally.

Beans: Supply tightened marginally in Rwanda and Burundi in May with a seasonable increase in prices observed in the monitored markets. Trade between Uganda and Rwanda was low following the closure of key trade routes. In Kenya, there are concerns over the poor performance of the 2019 crop as crop failure was observed in the eastern and coastal agricultural regions. Prices of maize have been on an upward trend in the past two months. In Tanzania, the msimu harvest is expected to intensify in June with prices projected to decline significantly.

Kenya



Maize

In Kenya, prices were on an upward trajectory in all the monitored markets as domestic and regional supply was reported being low (See fig. 1). In Nairobi, maize traded at about USD 348/MT, a 12 percent increase from the previous month. Price gains were also influenced by the poor 'Long-Rains' season outlook that has dampened expectations on supply to the markets. Currently, crop establishment has been affected by late and below average rains with forecasts pointing towards below average production in the eastern part of the country, however, some recovery in production is expected southwestern production region following improved rains between mid-April and late May. But generally, a significant shortfall in production is expected in 2019. To avert price gains in the third and fourth quarter of the year, the Government is planning to import from the international market to bridge the demand gap as regionally, supply may be low following the poor performance of the Ugandan crop as production is projected to be lower by up to 50 percent. In the medium production region of Nakuru, prices averaged USD 352/MT, a 21 percent gain month-on-month whereas, in the high production region of Uasin Gishu, prices leveled at USD 333/MT in Eldoret marking a 31 percent month-on-month increase as prices

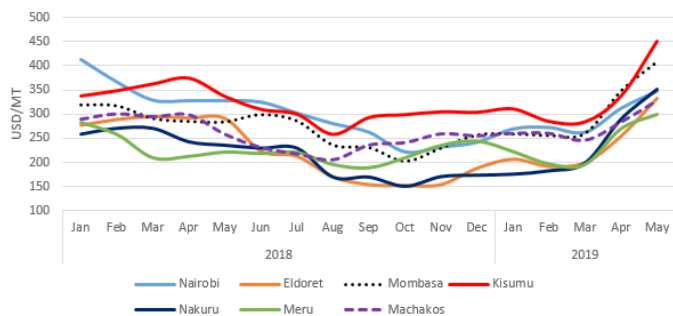
Table 1: Average Quarterly wholesale prices of Grains in Eastern Africa (USD/MT).

Market	Apr 2019	May 2019	Percentage Change		
			Previous Month	Same Month last year	Five-year Average
Dry Beans (USD/MT)					
Kigali (Rwanda)	491	481	-2 ▶	-10 ▼	-5 ▶
Nairobi (Kenya)	505	592	17 ▲	0 ▶	-30 ▼
Kampala (Uganda)	649	707	9 ▲	56 ▲	-16 ▼
Dar es Salaam (TZ)	642	693	8 ▲	-8 ▶	-23 ▼
Juba (South Sudan)	1,359	1,415	4 ▲	-24 ▼	-
Lubumbashi (DRC)	988	1,057	7 ▲	-	-
Goma (DRC)	509	537	6 ▲	-	-
Bujumbura (Burundi)	657	636	-3 ▶	28 ▲	-13 ▼
Maize (USD/MT)					
Kigali (Rwanda)	207	251	21 ▲	32 ▲	-27 ▼
Nairobi (Kenya)	312	348	12 ▲	6 ▲	-12 ▼
Kampala (Uganda)	292	309	6 ▲	67 ▲	-2 ▶
Dar es Salaam (TZ)	273	245	-10 ▼	-28 ▼	-34 ▼
Juba (South Sudan)	427	461	18 ▲	-27 ▼	-
Lubumbashi (DRC)	445	446	0 ▶	-	-
Goma (DRC)	307	338	10 ▲	-	-
Bujumbura (Burundi)	280	304	9 ▲	-29 ▼	-40 ▼
Rice (USD/MT)					
Kigali (Rwanda)	762	844	11 ▼	-8 ▼	-6 ▼
Nairobi (Kenya)	1,372	1,391	1 ▶	20 ▲	12 ▲
Kampala (Uganda)	950	986	4 ▶	-7 ▼	-3 ▶
Dar es Salaam (TZ)	840	938	12 ▲	4 ▶	3 ▶
Juba (South Sudan)	1,373	1,399	2 ▶	26 ▲	-
Goma (DRC)	917	86	-2 ▶	-	-
Bujumbura (Burundi)	941	885	-6 ▼	5 ▶	-12 ▼
Red Sorghum (USD/MT)					
Kigali (Rwanda)	344	408	3 ▶	19 ▲	7 ▲
Nairobi (Kenya)	457	462	-8 ▼	1 ▼	-10 ▼
Kampala (Uganda)	272	411	82 ▲	51 ▲	18 ▼
Dar es Salaam (TZ)	306	334	-2 ▶	9 ▲	-36 ▼
Juba (South Sudan)	426	445	-10 ▼	4 ▶	-
Goma	360	403	-	12 ▲	-
Bujumbura (Burundi)	492	470	-9 ▼	-5 ▼	-

The red upward-facing arrow (▲) denotes an increase of five percent or greater. The blue horizontal arrow denotes no change or changes that are smaller than 5 percent, and the green downward-facing arrow denotes price decreases that are five percent or greater. The three arrows respectively correspond to the percent change in prices this month compared to last month, last year, and the five-year average. The "-" symbol indicates that data are not available.

increased seasonably faster because of low stocks in the markets. Prices are forecasted to trend near average to above average levels in the coming months (See figure 3). Imports from Tanzania are expected to shore up supplies especially in the eastern and south-eastern regions of the country where production is projected below average.

Figure 1: Maize price trends in selected markets in Kenya, Source: RATIN.



Beans

The price of beans increased unseasonably faster in all monitored markets. Field reports indicate that stocks were low in most markets because of below average domestic production as imports from the region decreased significantly. Prices gained precipitously in the markets with a 17, 36, 19, 16 and 30 percent in Nairobi, Mombasa, Kisumu, Eldoret, and Meru respectively compared to the previous month. Compared to the previous year, prices were significantly higher. In central rift, the commodity averaged USD 550/MT in Nakuru and the highest price was in Kisumu (USD 885/MT). Supply from the region decreased significantly as stocks from surplus producer countries declined seasonally with import parity prices reported to be high. Like maize, imports from

Figure 2: Dry beans price trends in selected markets in Kenya, Source: RATIN.

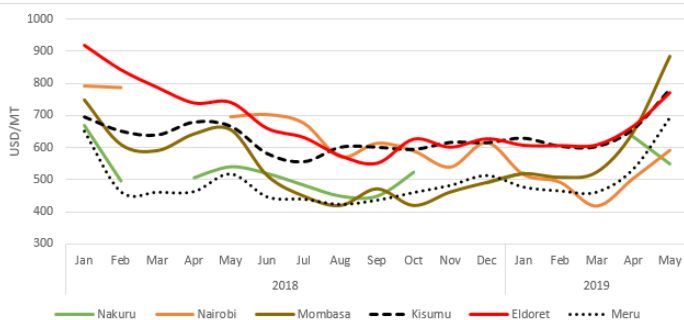
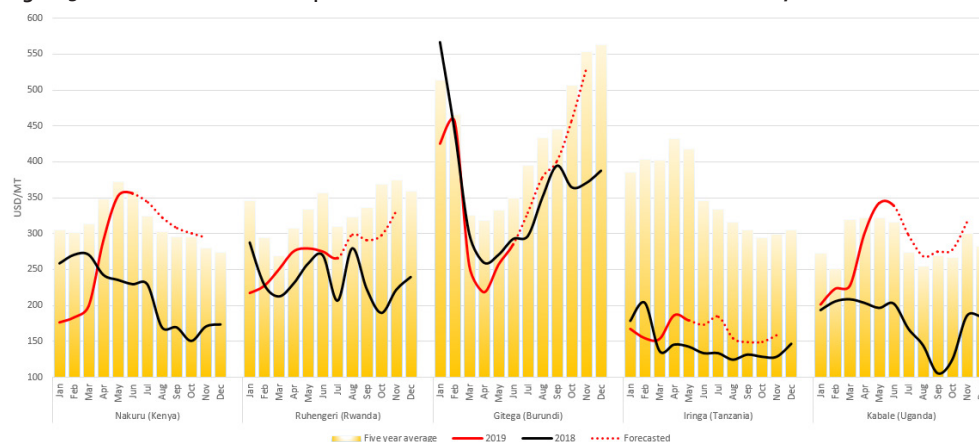


Figure 3: Observed and forecasted prices of Maize in selected markets in East Africa, Source: RATIN.



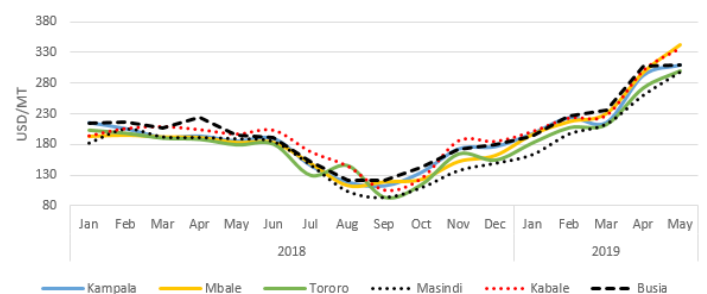
Tanzania and Uganda are expected to ease demand pressure in the coming months, however, prices will remain high following shortfalls in domestic stocks because of below average rainfall in the lower and upper eastern region, a key supply area for the country.

Uganda

Maize

Uganda's exports to the region fell to unprecedented levels with about 416.23 MT traded through the monitored trade routes. This was 98 and 97 percent lower compared to year-earlier levels and the five-year average respectively. Commodity availability was low as stocks diminished seasonally. However, in Kampala, a 10 percent month-on-month decline was recorded. The decrease was as a result of lower offtakes by Millers as the demand of maize meal declined following the closure of schools for holidays. Maize was trading at USD 336/MT and USD 342/MT in Kabale and Mbale, this was 12 and 15 percent increase month-on-month. In Kasese, field reports indicated that traders were operating at least storage capacity with prices leveling above 5-year average by 57 percent. The first season output is expected to be below average by 50 percent, which means supply will remain depressed leading to an increase in demand both domestically and regionally because Uganda has over the years played a significant role in easing supply gaps in deficit producer countries in the region. Therefore, prices will increase at a faster pace due to low domestic stocks due to lower tradable stocks.

Figure 4: Maize price trends in selected markets in Uganda, Source: RATIN.

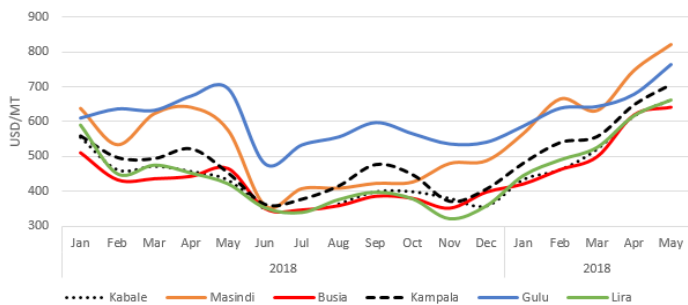


Beans

Just like maize, exports of beans declined by 26 percent month-on-month as stocks decreased seasonally. A look at the prices trend (See figure 4) shows an uncharacteristic increase in prices from the beginning of the year with a delay in harvest leading to increased demand

pressure. In May, prices were higher than the year-earlier levels and above the five-year average in the monitored markets with field reports indicating an acute scarcity of the commodity. Prices are expected to remain high in the coming months following below average crop performance expected in many parts of the country, however, the harvest is expected to commence in earnest around late June following the delayed onset of the first season rains in the south, therefore, demand pressure may reduce due to improved subsistence stocks at the household level.

Figure 5: Beans price trends in selected markets in Uganda, Source: RATIN.



Tanzania

Maize

There were mixed outcomes in the maize markets. In Dar es Salaam, the commodity traded at USD 245/MT, a 10 percent decrease month-on-month with field reports indicating that traders were releasing old stocks in anticipation of prices decreasing seasonably following the main season harvest. On the contrary, in the Lake region, the supply of the commodity was low resulting in an 18 percent gain month-on-month. The commodity averaged USD 231/MT, the highest amongst the northern monitored markets, however, harvest from Kagera, Geita, and Shinyanga is expected to shore up supplies in later in June with production expected to be favorable. In the Southern region, reports indicated that harvest has commenced with above average output expected therefore, demand pressure is expected to ease. In Iringa, prices increased unseasonably by 13 percent but a downward trend is expected in the coming months following improved availability. Prices are forecasted to trend way below the five year average in the southern production market of Iringa. Therefore, if trade remains open in the coming months, Tanzania is expected to play a pivotal role in plugging eminent supply shortfalls in the region.

Beans

The price of beans increased by 8 percent month-on-month in Dar es Salaam as increased consumption reported during the Ramadhan festivities, therefore, significant demand was noted. In the southern region prices trended downwards in anticipation of new stocks from the main season harvest. In Mbeya, the commodity was trading at USD 511/MT, an 11 percent decline from the previous month's average. In the frontier market of Tunduma, there was a marginal gain of 4 percent. In Arusha, prices increased unseasonably with 10 percent gain recorded compared to the previous month, however, the decline in prices is expected in the near term following improved availabilities from the main season harvest. Prices are forecasted to trend seasonably and below the five-year average till the end of the year.

Figure 6: Maize price trends in selected markets in Tanzania, Source: RATIN.

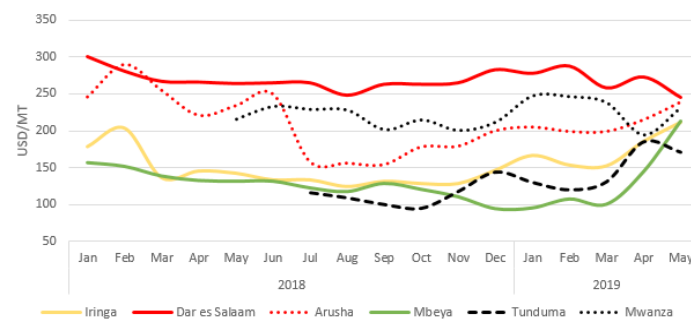
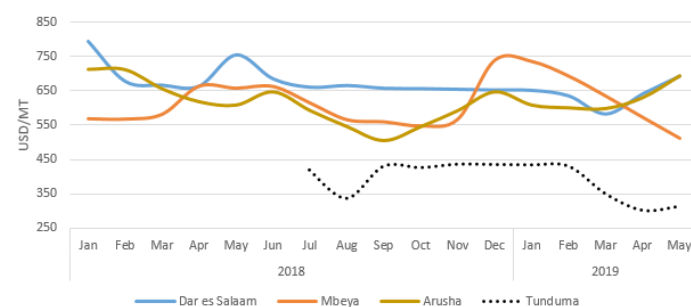


Figure 7: Beans price trends in selected markets in Tanzania, Source: RATIN.



Rwanda

Maize

In Rwanda, maize imports from the region declined unseasonably as trade with Uganda, the foremost trade partner in maize was curtailed by the restrictions in movement of cargo that has been in place since late February. In May about 271.6MT was imported, marking a 90 percent decline from average. The impact of low supply from supply was mitigated by imports from other countries, specifically, Tanzania. The impact of the border closure on maize markets was majorly felt by the northern markets due to the close proximity to southwestern production markets of Uganda. In Ruhengeri and Byumba, prices increased marginally as commodities supplies through Cynika and Gatuna borders declined significantly. In Kigali's Mulindi market, prices leveled above the previous month's average by 21 percent and were above the earlier-year levels by 32 percent. Prices are projected to increase in the coming months as stocks diminish seasonally.

Figure 8: Observed and forecasted prices of Beans in selected markets in East Africa, Source: RATIN

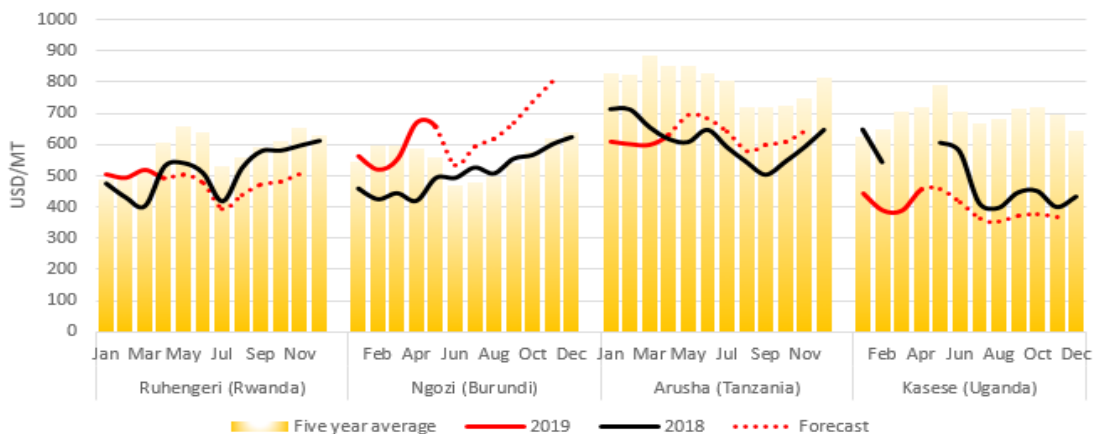
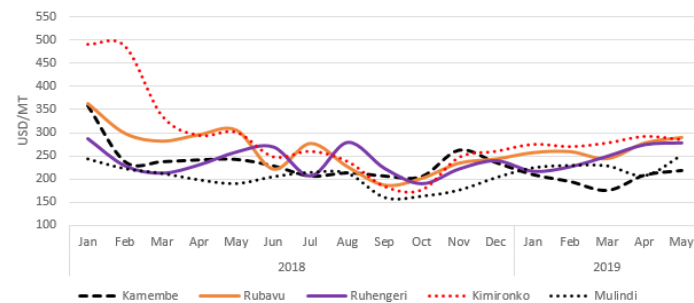


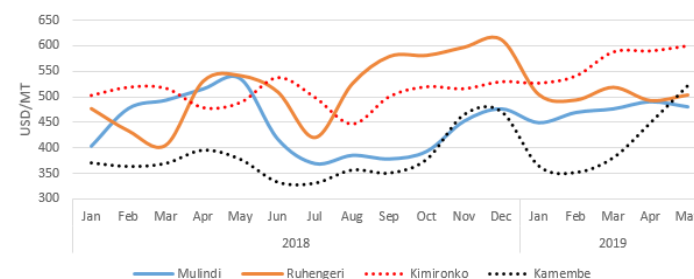
Figure 9: Maize price trends in selected markets in Rwanda, Source: RATIN.



Beans

Beans prices remained relatively stable with stocks reported to be somewhat ample. In the rural markets, most households were purchasing from the markets as much of the domestic stocks were used as seeds during the February and March planting season. In the northern market of Gicumbi, curtailed exports to Uganda led to depressed conditions for the better part of April and early May as Uganda imports significant quantities from the market. Prices are forecasted to trend below the five year average in the coming months following improved availabilities from the season B crop.

Figure 10: Beans price trends in selected markets in Rwanda, Source: RATIN.

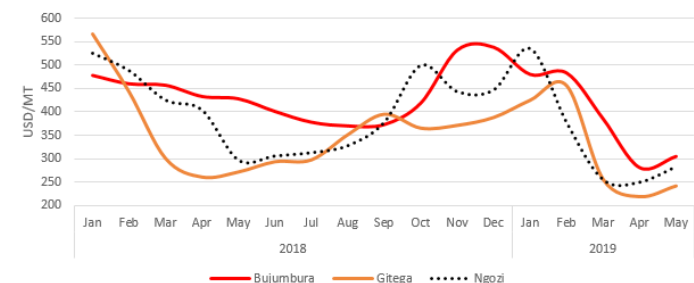


Burundi

Maize

Prices were generally lower than the earlier-year levels in the monitored markets indicating better availabilities this year. Prices increased seasonally in the monitored markets and are expected to increase until late August when the stocks from the Imbo plains are usually harvested. Prices are projected to trend below the five-year average.

Figure 11: Maize price trends in selected markets in Burundi, Source: RATIN.

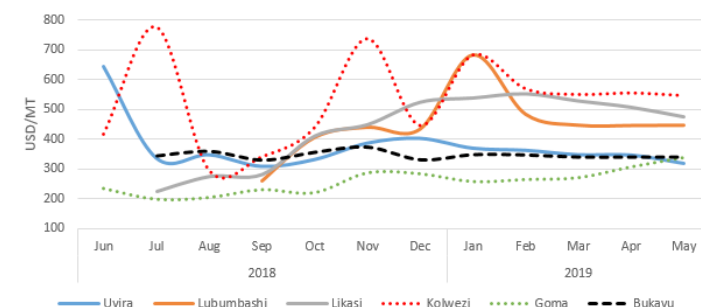


Democratic Republic of Congo

Maize

In the Democratic Republic of Congo, prices were relatively stable in South Kivu main consumer markets. In Uvira, the commodity was trading at USD 318/MT, an 8 percent decline month-on-month with supply reported to be ample. In Bukavu, recently gathered harvest eased demand with prices remaining stable for the third consecutive month. Prices are expected to gain seasonably in the third quarter; however, inbound harvest from the first season around August is expected to improve supply with production prospects of the main season cereals estimated to be near average due to average rains throughout the season. In the South, prices remained stable since February averaging about USD 446/MT in Lubumbashi however there are concerns over a slowdown in imports from Zambia following the temporary export ban on maize. Therefore, prices are expected to gain in the coming months due to tightened supply.

Figure 12: Maize price trends in selected markets in DRC, Source: RATIN.



Appendix 1: Informal Cross Border trade by source and destination country in MT. Source EAGC RATIN.

Commodity	Trade Flow	Mar 2019	April 2019	Percentage Change		
				Same Month last year	Previous Month	Five year average
Maize	Uganda-Rwanda	3	4.43	-99 ▼	48 ▲	-99 ▼
	Uganda-Kenya	4,138	411.8	-98 ▼	-90 ▼	-97 ▼
	Tanzania-Kenya	1,108	1,349	-26 ▼	22 ▲	-
	Rwanda-DRC	2,149	2,491.8	50 ▲	16 ▲	-
	Zambia-DRC	266	219	-	-18 ▼	-
Dry Beans	Tanzania-Rwanda	1,615	921	159 ▲	-22 ▼	-
	Tanzania-Zambia	2,479	1,939	-	-22 ▼	-
	Uganda-Rwanda	0.6	0.2	-99 ▼	-67 ▼	-99 ▼
	Uganda-Kenya	2,157	1,238.82	-90 ▼	-43 ▼	-81 ▼
	Uganda-DRC	156	235.03	-78 ▼	51 ▲	-
	Rwanda-DRC	894	1,198.85	-49 ▼	34 ▲	-
	Rwanda-Uganda	11	9.53	-99 ▼	-13 ▼	-99 ▼
Rice	Tanzania-Zambia	529	513	-	-3 ►	-
	Tanzania-DRC	1,540	176	-	-88 ▼	-
	Tanzania-Uganda	7,400	10.791	-6.3 ▼	46 ▲	377 ▲
Sorghum	DRC-Rwanda	501	556.6	-10 ▼	11 ▲	-
	Uganda-Kenya	1,108	134.7	-91 ▼	-88 ▼	-91 ▼

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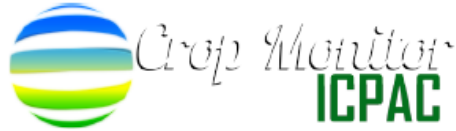
APPENDIX 1: EAGC RATIN monitored borders and markets



Partnerships



ICPAC
IGAD Climate Prediction
& Applications Centre



Prepared by members of the **GEOGLAM Community of Practice**, Coordinated by the **IGAD Climate Prediction and Application Center**



**EARTH OBSERVATIONS FOR FOOD SECURITY
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