

EAGC Grain Watch

Oct-Dec 2024
Quarterly



Eastern Africa grain markets and trade

Q4 | October - December 2024

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INTRODUCTION

This report provides an update on East Africa's grain market in Quarter 4 of 2024. The report summarizes updates on climate and weather patterns, policy, and market price highlights and major currency changes during the quarter. While regions in Ethiopia, western Kenya and parts of Tanzania benefited from favorable rainfall, areas like northeastern Kenya, Rwanda, and Uganda, suffered from drought and delayed rainfall, affecting crop yields and food security. Policy interventions, such as Kenya's stalled maize-buying program and Tanzania's suspension of export permits, further destabilized the market. Despite these challenges, regions like Uganda and the Central Rift in Kenya showed potential for improved harvests in early 2025, depending on rainfall patterns. To mitigate future challenges, this report, which sources data from EAGC RATIN, FEWSNET, ECX, and Ethiopia's Ministry of Trade, emphasizes the importance of investing in drought-resilient crops, irrigation, and climate-smart technologies, while improving policy frameworks and early warning systems for a more resilient grain sector.

Regional Market Update

The fourth quarter of 2024 highlighted the critical role of the grain sector in East Africa's economy despite significant climate variability, market challenges, and policy gaps. While regions like western Kenya and parts of Tanzania benefited from favorable rainfall, areas such as northeastern Kenya, Rwanda, Burundi, and parts of Uganda faced erratic precipitation and drought, exacerbated by La Niña. These climatic conditions disrupted planting, harvesting, and crop yields, amplifying food insecurity risks. Policy interventions, such as Kenya's

stalled maize-buying program and Tanzania's export permit suspension, impacted market stability and regional trade. High input costs, poor-quality grain, and fluctuating prices further strained farmers and consumers. To address these challenges, the report emphasizes investing in drought-resilient crops, irrigation infrastructure, cross-border trade, and climate-smart technologies while enhancing policy frameworks and early warning systems to build a resilient grains sector in the region.

Country Summary Updates

KENYA

The North Rift faced compounding issues, including claims from some farmers of fake fertilizers and uncertified seeds, which were believed to have negatively impacted yields. In addition, the Government's Ksh3,500 per 90kg maize-buying initiative was not implemented, leaving farmers vulnerable to fluctuating market prices. In Upper Eastern Kenya, stable maize prices (Ksh37 per kg) reflected an average harvest, but delayed rains kept farmers cautious about the upcoming planting season.

The Coastal region experienced delayed and inconsistent rainfall, which resulted in poor crop performance in counties like Kwale, Kilifi, Tana River, and Taita Taveta. Maize prices in Mombasa ranged from Ksh55–60 per kg, while yellow beans and unpacked rice commanded high prices, costing Ksh160 and Ksh120–200 per kilogram, respectively. These high prices highlight the significant cost pressures facing consumers in the region.

Western Kenya's grain sector benefited from favorable conditions during the long rainy season. The completion of cereal harvesting under average to above-average rainfall highlighted the role of adequate rainfall. Good yields in Western Kenya contrast starkly with the challenges faced in other parts of the country, shedding light on the disparities driven by regional climatic differences.

In Eastern Kenya, planting of maize during the short rains was hindered by delayed and below-average rainfall. November rains, arriving later than anticipated, resulted in uneven germination. With forecasts predicting dry conditions through February 2025, farmers faced

significant hurdles in crop establishment. Moreover, La Niña conditions were expected to worsen drought impacts, especially in the eastern and southeastern regions, emphasizing the urgency of adopting drought-resilient agricultural practices and irrigation systems.

While the Central Rift experienced moderate rainfall that supported maize harvesting and bean planting, northeastern Kenya's grains' sector activities were adversely affected by severe rainfall deficit—amounting to only 45%-75% of average precipitation. Record-high temperatures further exacerbated crop stress, amplifying the risks of food insecurity in the region.

Country Summary Updates

UGANDA

Uganda's grain market faced mixed outcomes in Q4, 2024. In the unimodal Karamoja region, the first-season maize harvest was completed under generally favorable conditions, though erratic rainfall slightly reduced production. In the bimodal regions, the second-season maize crop was developing well, but concerns persisted due to dry conditions and delayed rainfall in the central and western areas. Heavy rainfall in October and November offered partial relief, though intermittent rainfall in December stressed the importance of consistent precipitation for crop success. Maize prices fluctuated due to variable supply, while beans, millet, and sorghum prices rose in October and November before stabilizing, as market supply improved during harvests.

The unimodal Karamoja region concluded its first-season maize harvest under generally favorable conditions, albeit with a slightly reduced production, due to erratic rainfall. These conditions underline the vulnerability of rain-fed agriculture to climatic variability.

In bimodal areas, the development of the second-season maize crop was progressing well, although rainfall at the onset was slow while conditions in central and western regions were dry, raising concerns about yield potential. In October and November, heavy rains provided some relief, but intermittent rainfall in December underscored the importance of consistent precipitation for crop development.

RWANDA AND BURUNDI

In Rwanda and Burundi, the planting and development of Season A maize crops progressed well in Q4, 2024, targeting a January harvest. However, delayed rainfall negatively impacted early planting and germination, raising concerns about yield outcomes. Despite improved rainfall from mid-September, below-average precipitation had been

forecast through the end of 2024, which was viewed as a potential constraint to crop productivity. These conditions highlighted the need for adaptive farming practices and investment in water management, to counter seasonal rainfall variability.

Market trends

Maize prices fluctuated across the quarter, reflecting supply dynamics influenced by harvest patterns and rainfall variability. Beans, millet, and sorghum prices rose in October and November before stabilizing in December, suggesting a recovery in market supply as harvesting progressed.

Regional Market Update

TANZANIA

Tanzania's grain market faces both challenges and opportunities. In bimodal regions, delayed rainfall affected maize crop yields, while in unimodal areas, planting was underway despite early dryness. Policy disruptions, such as the suspension of export permits by the National Food Reserve Agency (NFRA) and the government's maize contracts with Zambia, limited private sector trade and impacted farmer incomes. Price variations were seen across regions, with maize prices ranging from Tsh450 to 1,000, while red beans and rice commanded high prices, due to strong demand and limited supply. Improved rainfall and policy adjustments could help stabilize the market.

In Tanzania's bimodal regions, the Vuli season maize crop was in vegetative to reproductive stages. However, delayed seasonal rains created uncertainty about yields. This underscored the importance of timely rainfall for crop transitions from vegetative to reproductive phases. In unimodal regions, the Msimu season cereal planting was underway, though early season dryness posed challenges. As rainfall improves in early 2025, planting activities are expected to gain momentum.

Policy and market impacts

Tanzania's agricultural sector faced disruptions due to the National Food Reserve Agency (NFRA)'s suspension of export permits, which hindered cross-border trade. The Government's fulfillment of maize contracts with Zambia further limited private-sector activity. These policies, while aimed at stabilizing domestic food supplies, have implications for regional trade dynamics and farmer incomes. **Maize prices varied widely (Tsh 450–1,000), reflecting regional disparities in supply. Red beans and rice commanded premium prices (Tsh1,900–3,400 and Tsh1,500–3,500, respectively), driven by strong demand and limited supply.**

Regional Outlook

The regional outlook for the coming months indicates a challenging climate scenario, with drought risks looming over northeastern Kenya. Below-average rainfall during the October-November-December (OND) period was expected to contribute to drought conditions, particularly in Somalia, where rainfall was forecast to be only 30%-45% of the average, leading to poor vegetation conditions. La Niña's influence could worsen this situation, as poor rainy seasons are expected to continue in the eastern Horn, heightening the drought risks in Somalia and parts of Kenya. While some regions, such as western Kenya, northern Ethiopia, and western Tanzania, experienced rainfall exceeding 150% of the average during October-November, the December-February (DJF month) forecast

predicts continued dry conditions in eastern Kenya and southern Ethiopia, with wetter conditions expected in central and southern Tanzania.

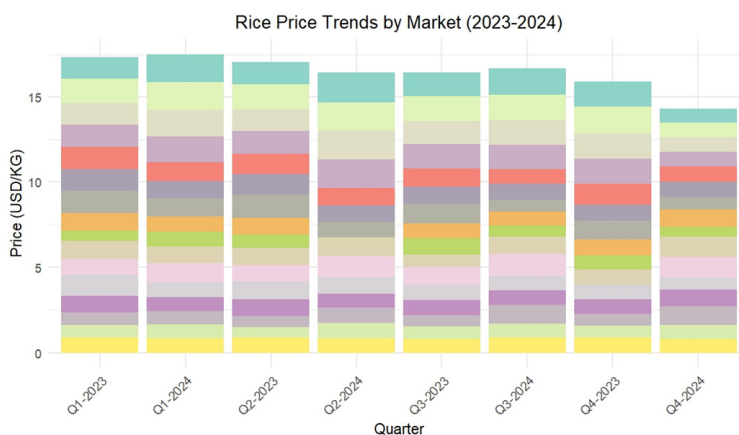
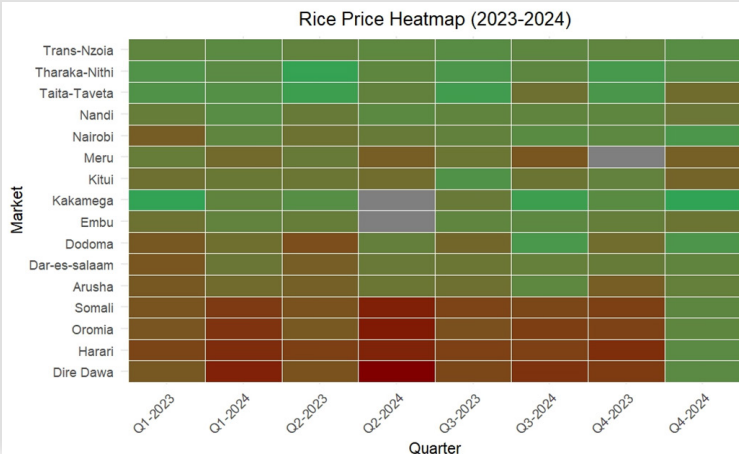
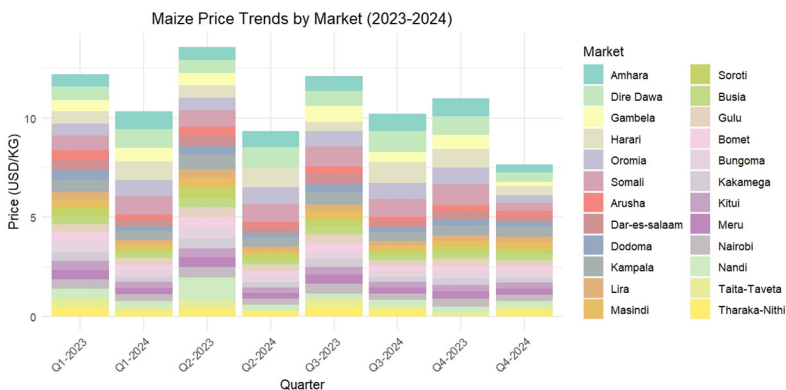
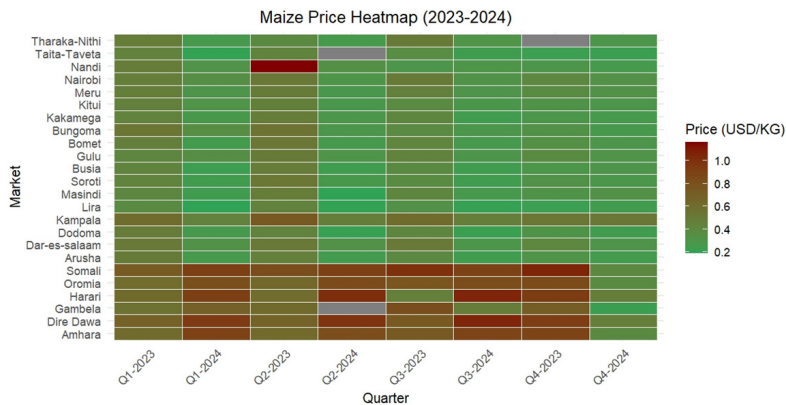
In Tanzania in the bimodal regions, including the North and Coastal areas, the Vuli season maize crop progressed through its vegetative and reproductive stages. However, the delayed onset of seasonal rains cast uncertainty over yield outcomes, highlighting the critical role of timely rainfall for successful crop development. Meanwhile, in the unimodal regions, farmers have begun planting cereals for the Msimu season. Early dryness had an posed initial challenge, but with improved rainfall anticipated in early 2025, planting activities are expected to gain momentum.



Regional maize market price update

There is a consistent downward trend in maize prices across all regions from Q1-2023 to Q4-2024, indicating either an increase in supply or a decrease in demand, or both.

While the overall trend is downward, the rate of decrease varies significantly by region, with some regions like Gambela and Dire Dawa in Ethiopia showing more volatility. Tanzania's regions showed the least volatility, suggesting a more stable maize market compared to Ethiopia, Uganda, and Kenya.



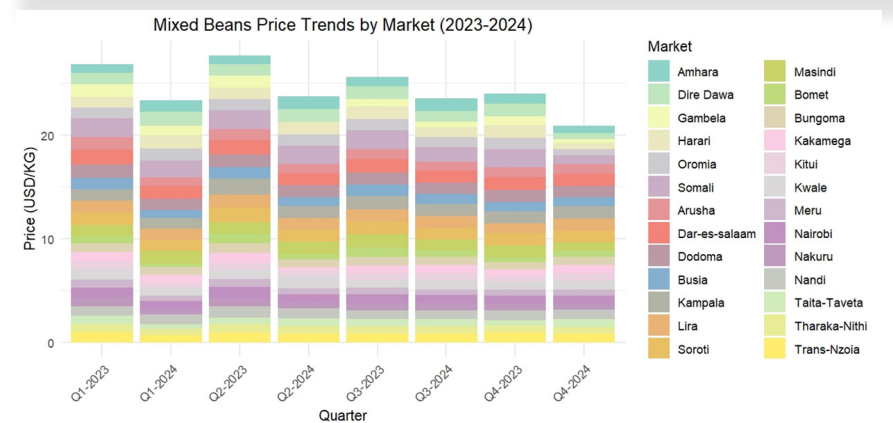
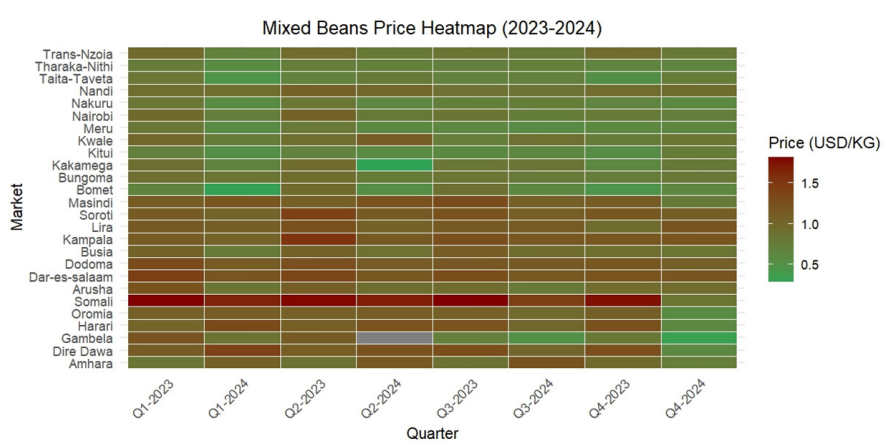
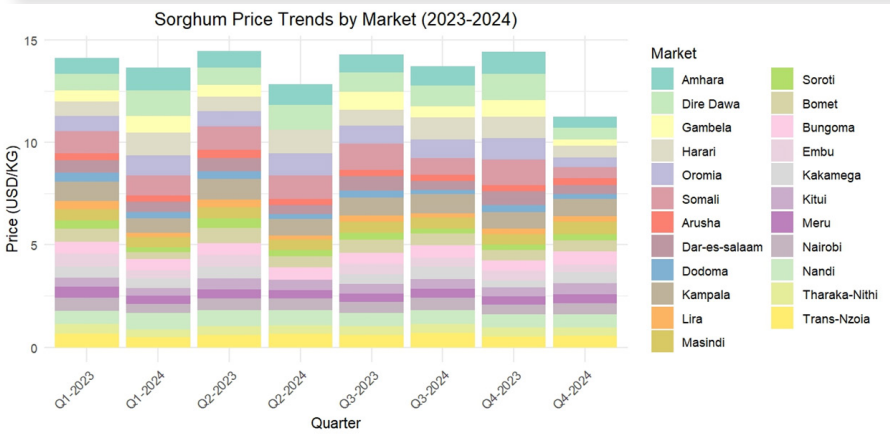
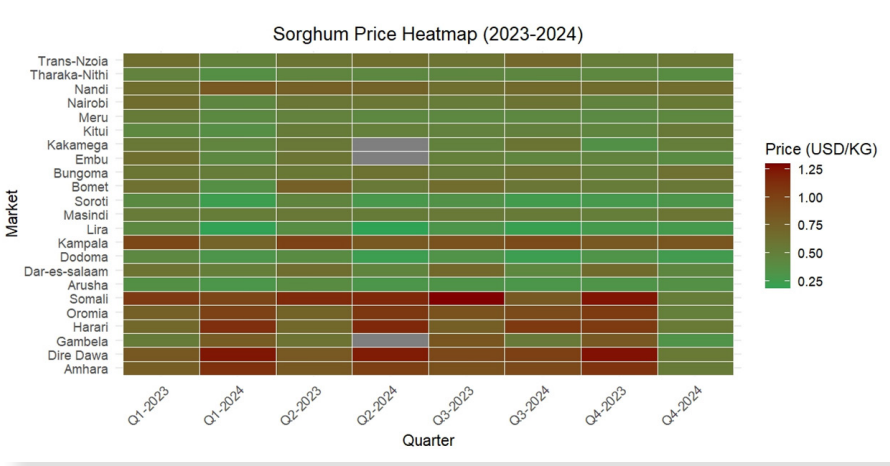
Regional rice market price update



Most regions showed a peak in prices around mid-2024, followed by a significant drop towards the end of 2024. This could suggest a stabilization or a response to market conditions or policy changes. There are notable differences in price trends across regions. For instance, Kenyan regions generally showed lower prices compared to Ethiopian and Tanzanian regions, which might reflect different economic conditions, local production levels, or import/export dynamics. The data indicates a degree of volatility, especially in regions like Dire Dawa and Harari in Ethiopia, where prices saw dramatic changes over the period.

Regional sorghum market price update

A noticeable peak in sorghum prices around mid-2024 in most regions was noted, followed by a decline towards the end of the year. This pattern, as demonstrated on the graphs above and below, might have been influenced by seasonal factors, market demand, or supply chain disruptions. Regions in Ethiopia showed higher price volatility compared to Tanzania, Uganda, and Kenya, possibly due to differences in agricultural practices, local consumption patterns, or external trade policies. In contrast, Ugandan and Kenyan regions, generally exhibited more price stability, with only minor fluctuations over the period.



Regional beans price updates

Most regions across the four countries showed a general decline in mixed beans prices over the period, suggesting a potential increase in supply or decrease in demand. There are notable regional variations within each country, with some regions experiencing more significant price drops than others. Tanzania's regions showed more stability in prices compared to others, while Ethiopia, Uganda, and Kenya had more pronounced fluctuations..

Country level updates

KENYA

As the year ended, Kenya's grain markets experienced mixed harvest outcomes, fluctuating prices, and policy uncertainties that continued to shape the food security outlook as highlighted below:

- » Upper Eastern experienced stable harvests amid favorable weather. Key grain commodities experienced stable prices. Per kilo, maize fetched Ksh37, beans Ksh 85, sorghum Ksh50, green grams Ksh120 and finger millet Ksh 115. The region's hot and dry weather provided ample sunlight, such that if rains arrived on time, subsequent harvests would remain steady.
- » Weather challenges and grain market price volatility in North Rift resulted in a challenging maize harvest, which began in mid-September. The harvest was disrupted by mid-October rains, which affected drying and storage. Price fluctuations reflected the market's instability, with maize selling at Ksh2,400 per 90kg bag during early harvest, and peaking at Ksh3,500 in November, before settling at Ksh3,200 in December. Despite earlier government assurances, the Ksh3,500 per 90kg maize-buying initiative was not implemented, leaving farmers to struggle with market uncertainties. Additionally, low yields were attributed to the use of fertilizers that had quality issues and uncertified seeds, raising concerns over input quality. Looking ahead, farmers have already begun land preparation for the 2025 planting season.
- » Lower-eastern Kenya grappled with drought and rising prices. Harvests were significantly lower than expected due to unreliable rainfall, leading to poor crop growth. The weather remained sunny, with temperatures ranging from 15°C - 30°C, with no rainfall. As a result, grain prices were projected to rise, driven by declining supply and increasing demand.
- » Mombasa continued to experience high food prices, with maize selling for Ksh55–60 per kilo, yellow beans at Ksh160, and unpacked rice ranging between Ksh120 and Ksh200. Delayed and inconsistent rains in Kwale and Taita Taveta led to poor crop performance, further exacerbating supply shortages. The outlook for the coming months remains concerning, with low harvests expected and prices likely to remain elevated.
- » In contrast, the Central Rift region benefited from moderate rains, which supported a stable maize harvest and successful bean planting. This led to decreasing maize prices, from Ksh40 to Ksh32, while bean prices dropped slightly from Ksh130 to Ksh120. Wheat prices remained steady at Ksh60, and green grams at Ksh120. Looking ahead into 2025, beans are expected to mature in Q1, while maize prices are likely to remain stable. Ongoing aggregation efforts should support market stability.

Kenya's grain market outlook

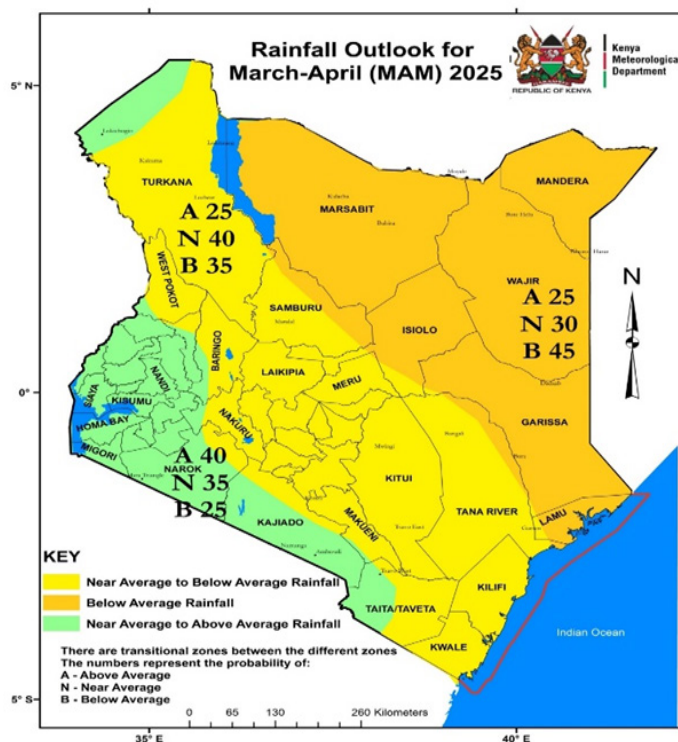
Kenya's grain sector in Q4 faced a mix of stable and volatile conditions, with drought risks, price fluctuations, and policy gaps shaping the food landscape. While some regions, like the Central Rift, saw improvements, others, like Lower Eastern and Mombasa, continue to struggle. With La Niña's potential impact on upcoming rainfall seasons, stakeholders were encouraged to remain vigilant, ensuring that farmers have access to quality inputs, market support, and timely interventions to navigate these challenges.

Country level updates

2025 March-April-May (MAM) Climate Outlook

As reported by the Kenya Meteorological Department, March to May (MAM) is Kenya's major rainfall season (long rains), influencing much of equatorial Eastern Africa. The Lake Victoria Basin, Highlands West of the Rift Valley, and both the Central and South Rift Valley typically see the highest rainfall amounts, often exceeding 300mm. The highlands East of the Rift Valley (including Nairobi County) and the Coastal strip also receive significant rainfall, shaping the season's impact across the country.

The national consolidated forecast The MAM 2025 forecast shows near to above-average rainfall over the Lake Victoria basin, South Rift Valley, highlands west of the Rift Valley, southern Southeastern lowlands, and northern Northwestern Kenya. Near to below-average rainfall is expected over the Central Rift Valley, highlands east of the Rift Valley (including Nairobi County), most of Northwest Kenya, Coastal region, Southeastern lowlands, and some areas of the highlands west of the Rift Valley. Below-average rainfall is expected over the northeastern regions and the north coast.



Sourced from the Kenya Meteorological Department

UGANDA

Grain prices in Uganda fluctuated with maize dropping to Ugx. 900/kg by December 2024. Heavy rainfall boosted crop growth but hindered drying, while drier conditions later improved post-harvest handling.

- » As Uganda closed the final quarter of 2024, grain market prices fluctuated significantly, driven by seasonal weather patterns and shifting supply dynamics.
- » Maize grain prices remained relatively stable in October and November, averaging Ugx. 1,200 per kilogram. However, by December, prices had dropped to Ugx. 900 per kilogram, reflecting increased supply from recent harvests. Meanwhile, beans, millet, and sorghum prices initially rose in October and November, driven by strong demand and logistical challenges, before easing in December as supply improved.
- » The quarter was marked by heavy rainfall in October and November in Western and Eastern Uganda, which supported crop growth but also posed challenges for drying and storage, particularly for maize. By December, rainfall became more intermittent, allowing for better post-harvest handling but also signaling a transition into the dry season.

Uganda's grain market outlook

Early forecasts indicated improved rainfall in early 2025, which could support better yields and a stronger grain supply. If favorable weather conditions persist, farmers and traders could benefit from improved production, potentially leading to stable or slightly lower prices in the coming months.

Country level updates

TANZANIA

Tanzania's grain market faced price fluctuations, trade restrictions, and supply challenges due to strong demand, government interventions, and past weather impacts. Maize, rice, and other grain prices varied across regions, while export permit suspensions and maize contracts with Zambia tightened domestic supply, affecting market competition and potentially impacting price stability in early 2025 as described below:

- » The market experienced fluctuating prices, policy-driven trade disruptions, and concerns over future yields. While demand remained strong, government interventions and earlier weather challenges influenced supply and pricing dynamics across key commodities
- » Grain prices varied significantly across regions in Tanzania. Maize prices ranged from Tsh450 to Tsh1,000 per kilogram, reflecting differences in supply availability and local demand. Rice remained the most expensive staple, priced between Tsh1,500 and Tsh3,500, while yellow beans traded at Tsh1,900–3,400. Other grains such as red beans (Tsh1,600–2,000), sorghum (Tsh500–2,000), and finger millet (Tsh1,200–2,400) saw moderate fluctuations throughout the quarter.
- » The policy landscape featured government policies that played a crucial role in shaping the grain market landscape. The National Food Reserve Agency (NFRA) disrupted cross-border trade by suspending export permits, limiting private sector engagement and affecting regional grain flows. The Government also continued to fulfill maize supply contracts with Zambia, further restricting private traders' access to export opportunities. These policy decisions led to tighter domestic supplies, and limited competition in the market, potentially influencing price stability in Quarter 1, 2025.

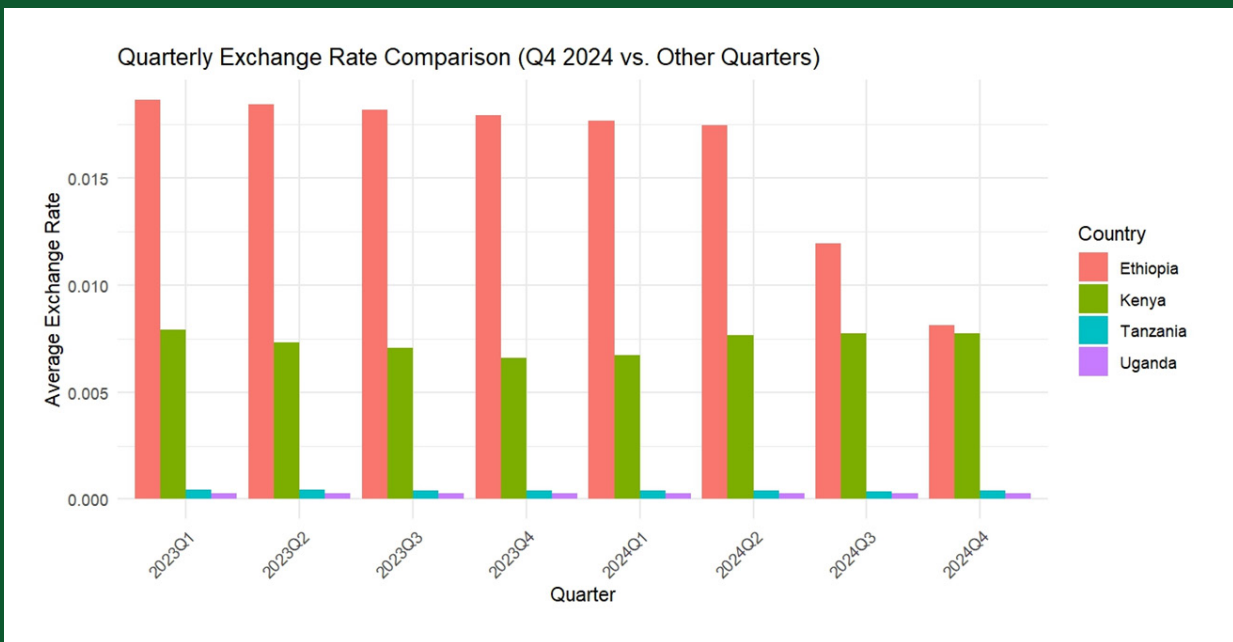
Tanzania's grain market outlook

Anticipated rainfall in the first quarter of 2025 is expected to boost planting activities, offering hope for better production. However, earlier drought conditions may still limit overall yields, meaning farmers will need sustained support and favorable weather conditions to ensure strong output. Market stability in Tanzania will depend on both domestic policies and external trade dynamics, making it essential for stakeholders to monitor upcoming climatic patterns and policy shifts closely.

Regional Currency Exchange Analysis

As shown on the graph below, in 2023, Ethiopia maintained the highest exchange rate among the four countries with minor fluctuations. However, in 2024, it experienced a sharp decline particularly in Q3 and Q4, possibly due to policy changes or external economic factors. Kenya's exchange rate remained stable, with a slight increase in Q4, 2024, suggesting potential currency depreciation or

market fluctuations. In contrast, Tanzania and Uganda displayed minimal variability, indicating steady economic policies and stable currencies. The significant shifts in Q4, 2024, especially Ethiopia's declining exchange rate nearing Kenya's level, highlight key economic dynamics, while Tanzania and Uganda continued their trend of stability.



Ethiopia's Exchange Rate Decline in 2024

Ethiopia has consistently had the highest exchange rate among the four countries. In 2023, Ethiopia's exchange rate remained relatively stable across all four quarters, showing only minor fluctuations. However, a significant decline is evident in 2024, with the exchange rate dropping sharply in Q3 and further in Q4. This downward trend could indicate a strengthening of Ethiopia's currency or external economic influences such as policy changes or foreign exchange interventions.

Kenya's Stability with a Slight Increase in Q4 2024

Kenya's exchange rate remained stable throughout 2023 and early 2024, with slight variations. There was a small dip observed in mid-2023, but the exchange rate remained within a narrow band. Interestingly, Q4 2024 marks a slight increase, suggesting possible currency depreciation or market fluctuations toward the year's end.

Regional Currency Exchange Analysis



Tanzania and Uganda Show Minimal Variability

Compared to Ethiopia and Kenya, Tanzania and Uganda’s exchange rates are significantly lower. Their exchange rates have remained nearly constant across all quarters in 2023 and 2024, with only marginal changes. This indicates relative currency stability, possibly due to steady economic policies and external trade influences.

Comparison with Previous Quarters

Q4 2024 shows a significant departure from previous trends, especially for Ethiopia and Kenya. As demonstrated on the table below, Ethiopia’s currency appears to have strengthened substantially, bringing its exchange rate closer to Kenya’s. Kenya’s slight increase in Q4 2024 might suggest external market pressures or domestic economic conditions influencing currency depreciation. Tanzania and Uganda continue their trend of stability, reflecting consistent monetary policies.

Country	2023 Trend	Q3 2024	Q4 2024	Observations
Ethiopia	Stable	Declined sharply	Further decline	Currency possibly strengthening or influenced by policy shifts
Kenya	Stable with minor variations	Stable	Slight increase	Potential depreciation due to market conditions
Tanzania	Minimal changes	Stable	Stable	Consistent monetary policy
Uganda	Minimal changes	Stable	Stable	Consistent monetary policy

Exchange rate comparison summary based on 2023, Q3 2024 and Q4 2024 trends

About the Eastern Africa Grain Council

The Eastern Africa Grain Council (EAGC) is a membership-based organization representing the grain sector in Eastern and Southern Africa. The Council exists to facilitate efficient, structured, profitable and inclusive grain trade in its 10 mandate countries, namely Kenya (Regional Headquarters), Uganda, Tanzania, South Sudan, Ethiopia, Burundi, Rwanda, Zambia, Malawi and the Democratic Republic of Congo.

EAGC draws its membership from grain sector value chain actors in its Member States, which include farmers, traders and processors. Support service providers and complimentary sectors such as agro-input suppliers, financial services and animal feed manufacturers also form part of the Membership. In facilitating structured grain trade in the Eastern Africa region, EAGC provides trade facilitation services through the EAGC G-Soko Grain Trading System; market and cross-border trade information through the Regional Agricultural Trade Intelligence Network (RATIN – www.ratin.net); pursuing appropriate policy reforms to support growth of structured grain trade through the Agricultural Trade Policy Advisory Forum for Eastern and Southern Africa (ATPAFESA); and capacity building of grain industry stakeholders through the Grain Business Institute (GBI).

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