

Highlights

Outlook for Maize: A late start to the 2018/19 rainy season, along with erratic and below average precipitation could potentially delay the 2019 maize harvest in Uganda, Tanzania and Kenya. Expectations are generally depressed for the 2019 harvest in East Africa. Below average harvests are anticipated in Burundi, Rwanda and South Sudan if poor rains in April will materialize.

Regarding markets, in Q2 of 2019 supply is expected to tighten seasonally. Prices of maize and beans are projected to trend at near average levels with increase observed in most markets. However, in Tanzania, maize grain and rice prices are projected to trend significantly below average levels owing to ample market availability.

Eastern Africa Season review: The main cropping season in central part and southern part of the region normally starts with onset of from March to May rainfall season. However, majority of cropping regions have experienced extended dry conditions with delayed rainfall. This has disrupted planting activities in the countries where rainfall has commenced and delayed planting in those countries yet to receive rainfall. The Tropical Cyclone "Idai" experienced in early march in Mozambique area redirected precipitation away from the Eastern Africa region resulting to persisting dry conditions.

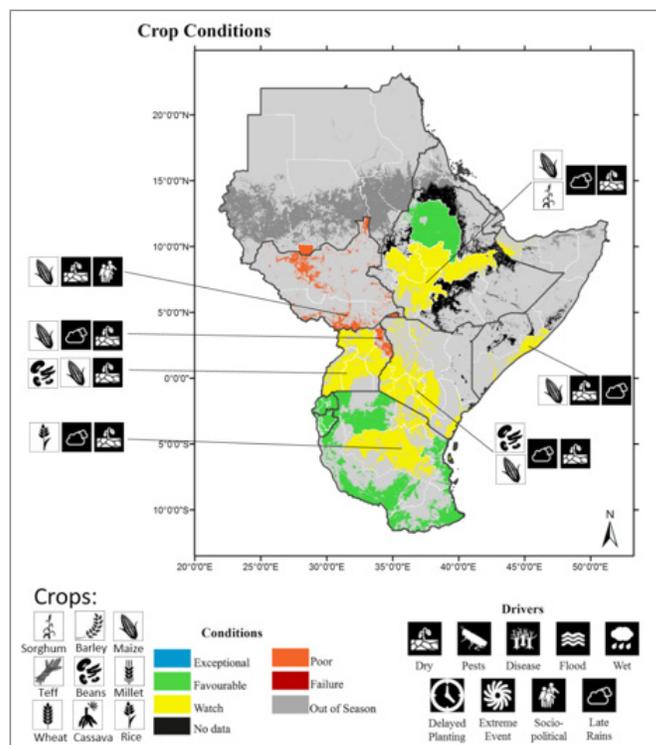
Q1 Market summary: In Kenya, Tanzania, Burundi, and Rwanda prices remained stable in the first three months of the year whereas, in Uganda, a remarkable increase in prices was observed in the first quarter. However, in the monitored markets, prices were lower compared to 2018 prices.

- In Kenya prices of maize increased marginally due to anticipated poor May April May (MAM) rains season however, stocks are ample from 2018 long rains season.
- In Tanzania prices were stable owing to above average output in 2018.
- In Rwanda and Burundi, the recently gathered harvest eased pressure on demand for grains staples.
- Imports from Uganda and Tanzania into Kenya declined significantly with reports indicating ample stocks however; hoarding of commodities by farmers and traders due to anticipated price gains in the near future is expected to impact on market supply.
- In Uganda, prices increased significantly as a result of low supply. The second season crop output was below average due to poor weather conditions. Therefore, price gains in the fourth quarter and the better part of the first quarter of 2019 were not adequately mitigated with the low stocks realized. An upward trend in prices is expected to persist heading into the lean period (April to June).
- In South Sudan, the poor macro-economic situation has left prices elevated in most markets. However, the main season harvest was completed in January thus prices decreased for some grain staples. Imports from Uganda are expected to meet demand gap due to low domestic production however, the poor seasonal outlook for the first season in Uganda may affect supply to not only South Sudan but also other deficit producer countries in the region.

Disclaimer: EAGC makes no warranties, guarantees, or representations of any kind as to the information contained in this publication. This publication is disseminated for your information, and provides an update on selected market trends and events at a particular point in time; EAGC and its employees are not responsible for any errors contained therein and for any losses which may arise in its consequent use. The designations employed and the presentation of material in this information product do not imply the expression of any opinion whatsoever on the part of EAGC concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

1.0 Season Review

In **Kenya**, high potential cropping areas of the southwestern "maize basket", substantial rainfall deficits at the start of the "long rains" season, with cumulative precipitations in February and March below-average, seriously disrupted and delayed planting operations. As the "long-rains" season normally extends until August in these areas, with rainfall forecasts pointing to below-average rains in April followed by improved precipitations for the remainder of the rains season, a near-average harvest, albeit delayed, is still possible. In the bi-modal south eastern and coastal marginal agricultural areas, the early season dryness was more severe, with no significant precipitations received so far. In these areas, by contrast, with seasonal rains normally subsiding in early June, under the forecast of below-average rains in April, a reduced crop output is highly likely. Poor harvests will potentially result in a second consecutive reduced output, after the 2018/19 "short-rains" harvest, gathered last February, estimated at more than 60 percent below-average. Similarly, in **Uganda**, southern bimodal areas of South Sudan and some north eastern bimodal areas of **Tanzania**, delayed rains and dry conditions in March seriously affected planting and establishment of first season crops, and if poor rains in April will materialize, substantial cereal crop production shortfalls are expected. In **South Sudan**, despite some localized security improvements since mid-2018, the prolonged conflict continues to constrain access to fields, and the economic crisis is resulting in soaring prices of inputs. In unimodal central and southern areas of the **United Republic of Tanzania**, where "msimu" crops will be harvested in May,



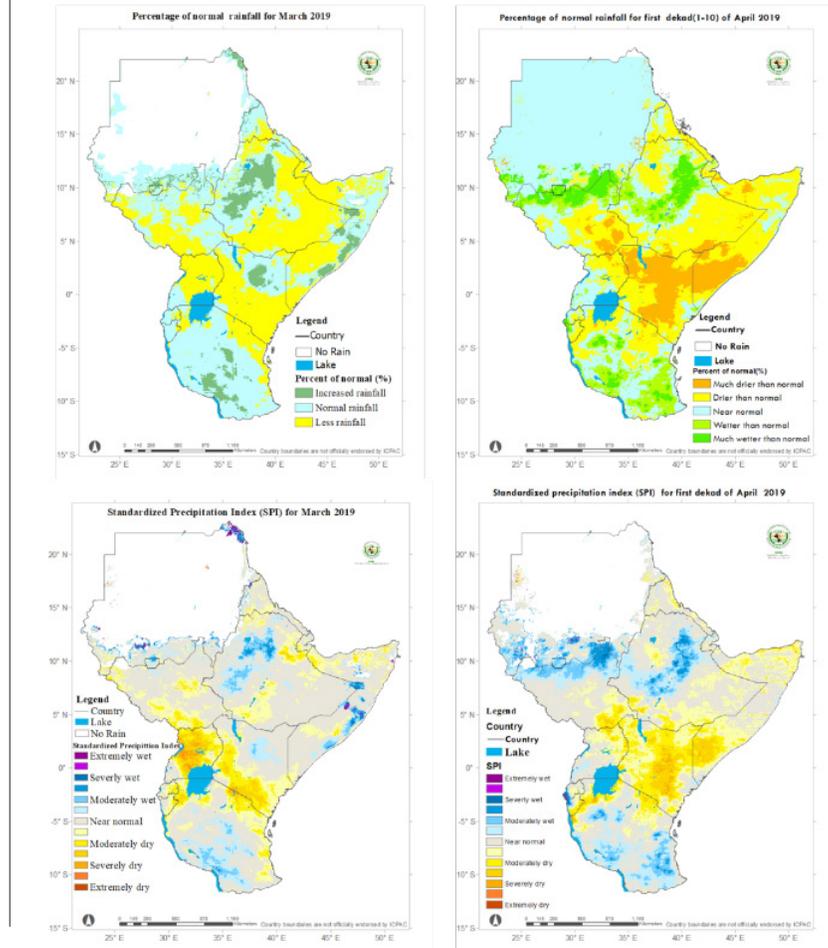
rains in March were up to 60 percent below average, but the rainfall deficits did not have a major impact on vegetation conditions, as rainfall in previous months had been adequate. By contrast, in central Tabora and Singida provinces, where rains in February were also below-average, crops are currently affected by moisture stress.

In **Somalia**, "Gu" rains are normally fully established in April. However, there is some concern due to delay of onset rains in March and dry conditions already present and which may continue. In northern parts of the subregion, in **Ethiopia**, planting of "belg" crops, for harvest from June, is usually completed in March. Abundant early season rains benefited planting and germination of crops in northern "belg" receiving areas of eastern Oromia and Southern Tigray, while in parts of Southern Nations, Nationalities, and Peoples' Region (SNNP) and in Eastern Oromia rains in February and March were 35-75 percent below average, with a negative impact on sowing activities and vegetation conditions. In the Sudan, prospects for the irrigated winter wheat crop are favourable. However, reduced availability of fuel and currency shortages, affecting ability to pay hired labour, are hindering agricultural operations, and the harvest, normally completed in March, will be delayed by at least one month.

Satellite derived vegetation indicators show vegetation conditions in most countries are classified as poor to very poor compared to long term conditions. The effect of the extended dry conditions show both rangelands and crop growing regions as having below average conditions. Even with the possibility of rainfall in May, the crop growing areas may not have a full length season thus below average crop yields expected. In pastoralist areas, late rains may result in water scarcity and pasture in availability.

This is likely to result in animal losses and natural resource conflicts. With forecast rainfall in May (see ICPAC climate forecast on <http://www.icpac.net/index.php/climate-monitoring/seasonal-forecasts.html>), the rangelands are likely to recover since rainfall

Rainfall Performance March 2019 and Beginning of April 2019



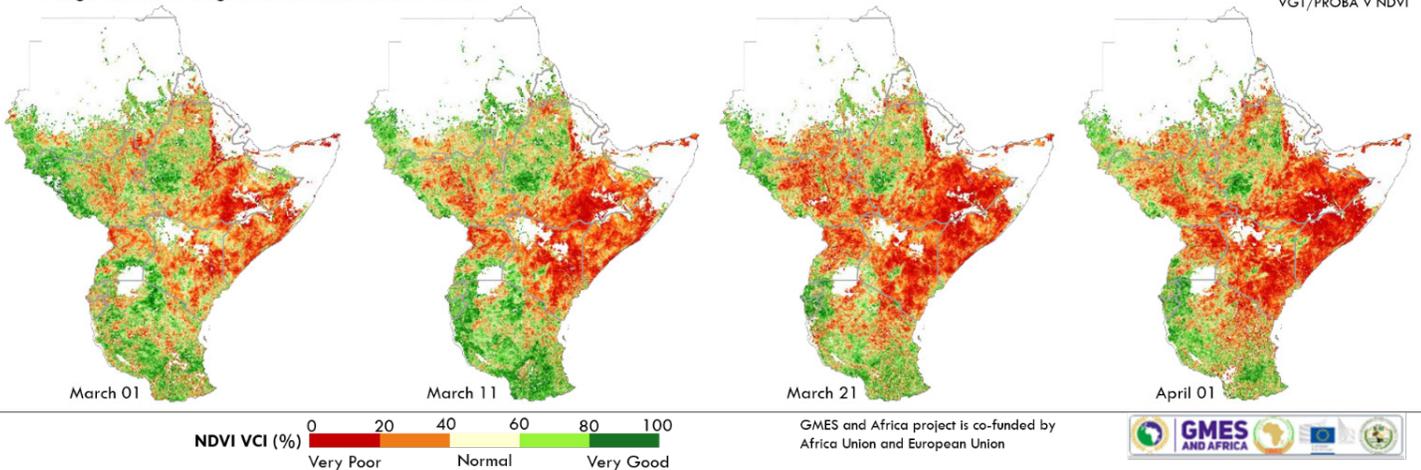
distribution effects are lesser felt by livestock farmers as compared to crop farmers.

In estimation about 80% of the Horn of Africa region vegetation conditions is under poor to very poor vegetation conditions and 60% of the region under below normal rainfall performance for the month of March 2019.

Information Source: The Crop Monitor for Early Warning is a part of GEOGLAM, a GEO global initiative. www.croponitor.org

Progression of Vegetation Conditions in IGAD

Data Source: SPOT VGT/PROBA V NDMI



GMES and Africa project is co-funded by Africa Union and European Union

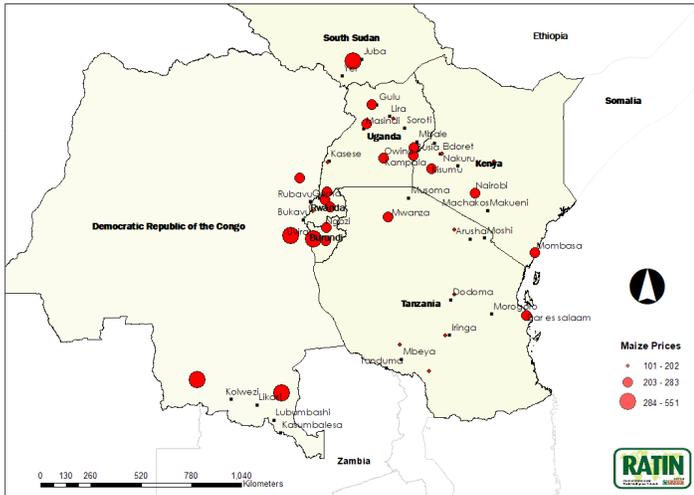




2.0 Maize Markets and Trade

In the first quarter, maize prices were lowest in the Tanzanian markets owing to ample stocks occasioned by high opening stocks and above average harvest in 2018. In contrast, prices were highest in Southern DRC and South Sudan as the former was in the lean season and for the latter, poor macro-economic conditions had an impact on staple food prices.

Figure 2.1: Q1 Wholesale Maize Prices in monitored markets in East Africa.
Source: RATIN



2.1 Trade in the region

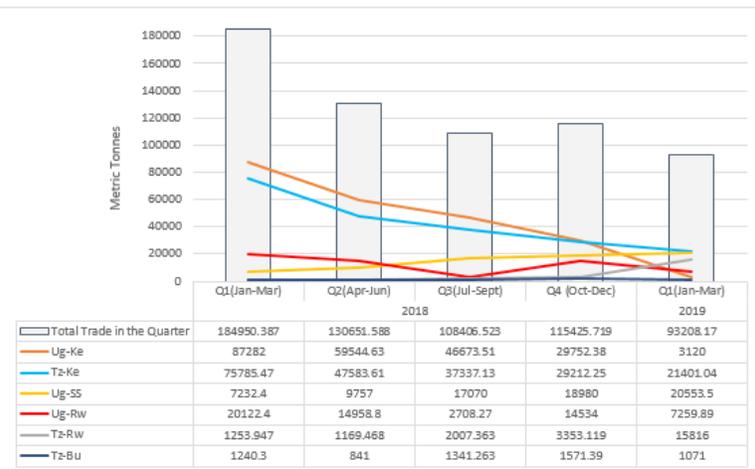
In the first quarter, 93,208.17 metric tonnes was traded through monitored trade points. This was a 19 percent decline quarter-on-quarter occasioned by seasonal decline in stocks. Imports into Kenya decreased steadily since last year as better domestic stocks in 2018 and higher opening stocks significantly reduced the domestic deficit gap; in the western Kenya production markets, prices were lower than the traditional source markets in Uganda, therefore import parity price were higher. In Q1, total imports into Kenya from the region declined by 58 percent quarter-on-quarter with 24,521.21 metric tonnes reported as imports. Trade with Uganda contracted by 94 percent compared to the five-year average with about 3,120 metric tonnes imported.

In Tanzania, exports expanded by 27 percent quarter-on-quarter and was higher by 45 percent compared to year-earlier levels (about 41933.52 metric tonnes traded in Q1). In the quarter, Tanzania accounted for about 45 percent of total maize trade in the region as stocks were ample following exceptional crop performance in 2018. Demand from Kenya declined seasonally as the long-rains harvest was completed in December therefore significantly improved domestic availabilities; a decline of 26 percent quarter-on-quarter was recorded in Q1. Exports to Burundi declined by 30 percent quarter-on-quarter as domestic supply was shored up by the first season harvest that was concluded in early March; about 1,017 metric tonnes was imported in the first quarter.

In Uganda, exports declined significantly in Q1 where about 30,933.87 metric tonnes was traded; a 51 percent decline quarter-on-quarter and 65 percent lower than earlier-year levels. The decline in trade was not only occasioned by below average crop output in the second season, but also improved availabilities in structurally deficit countries. Recent harvest in Burundi, Rwanda, Eastern DRC and Kenya had a bearing on trade with Uganda.

In Southern DRC, trade restrictions by Zambia government have led to significant decline in formal trade. A downward trend in trade was observed since the beginning of the year with about 2,552 metric tonnes imported in January; 650 metric tonnes in February and 281 metric tonnes in March as supply from source markets in Zambia tightened. The restrictions on exports from Zambia presented opportunities for other southern Africa countries with imports from Tanzania increasing 10 fold compared to the previous quarter with about 3,234 metric tonnes traded in Q1. In Eastern DRC, trade with Rwanda declined by 8 percent quarter-on-quarter as domestic availabilities improved with recently gathered stocks from the first season harvest in the eastern region (about 4,396.2 metric tonnes imported in Q1).

Figure 2.2: Quarterly Sum of Formal and Informal Cross border Trade of Maize Grain in Main Trade Corridors in Eastern Africa. Sources: FEWS NET and RATIN



Kenya

In Kenya, production in 2018/19 is estimated to recover by 35 percent in 2018/19 to about 4 million tonnes. Therefore, supply is projected to increase to about 5 million tonnes compared to 4.6 million tonnes in 2017/18 with imports expected to decrease by 50 percent. Production in 2019/20 is projected to decrease to about 3.6 million tonnes as season implementation may be affected by delayed importation of fertilizer by the Government, below average and erratic rainfall in the first cropping season.¹

In the markets, ample availability was reported early in the year however, price gains in urban markets were occasioned by hoarding of stocks by farmers in the source markets (Central and North Rift). Traders and farmers were looking for better margins as prevailing prices in Q1 could not permit breaking even. In addition, the involvement of government in the markets increased farmers' expectation after the announcement of purchase price of Kes 2,500/90Kg by the Strategic Food Reserve Agency (SFRA). Traders were bidding lower prices than the SFRA offer with farmers not keen to release the commodity at a price lower than Kes 3,000/90kg. This stalemate led to prices increasing in most markets despite the country realizing above average stocks in 2018. The situation was compounded by poor second season crop in most parts of central and eastern Kenya. In addition, late onset of the long season rains dampened expectations of the 2019 crop therefore, farmers and traders are looking forward to price gains in the near future.

¹ Production, demand and supply estimates of maize and rice compiled from United States Department of Agriculture (USDA) data.

A look at the producer markets in Kenya, prices were up by 13 percent quarter-on-quarter in Nakuru, trading at USD 186/MT in Q1 whereas, in Eldoret prices averaged USD 198/MT, a 21 percent increase quarter-on-quarter. Prices in Q2 are projected to trend above Q1 levels due to low stocks as the short rains output was below average. Therefore, local supply deficit is expected to widen in the coming quarter and bulk of the imports are expected from Tanzania and Uganda towards the end of the second quarter.

Tanzania

In Tanzania, production in 2018/19 is estimated to remain somewhat stable compared to 2017/18 with about 5.4 million tonnes. With higher opening stocks, market supply will remain ample through the end of the year. Supply is estimated at about 6.4 million tons against the annual demand of about 5.3 million tonnes.

In the first quarter, supply was stable in the monitored markets. In Dar es Salaam, price increase marginally by 3 percent quarter-on-quarter and were 29 percent lower compared the five year average. The *msimu* season establishment was good over much of the southern region however, below normal rainfall was recorded in the northern part and the lake region but prospects look favorable. In Q1, prices increased seasonally in the production markets due to demand from the urban markets. In Iringa, a 17 percent quarter-on-quarter gain in prices was recorded with the commodity trading at about USD 152/MT. In Tunduma, prices were up 7 percent quarter-on-quarter, trading at about USD 127/MT. With good prospects expected over much of the southern production region and some bimodal areas, the May to June harvest is expected to shore up supplies resulting to prices decreasing.

Uganda

The 2018/19 market supply is forecasted to decrease by 14 percent to about 2.7 million tons. Domestic consumption is forecasted to decrease marginally by about 1.9 percent (2.5 million tons). Exports are expected to decrease significantly in the 2018/19 owing to better outputs to be realised in structurally deficit producer countries that typical rely on Uganda to plug shortfalls.

In Uganda, prices in the first quarter increased on account of tightened supplies. The second season crop output in late 2018 was below average in many parts of the country, therefore, price gains were registered in almost all monitored markets. In Kampala, prices increased by 33 percent quarter-on-quarter with the commodity trading at USD 212/MT. Stocks were low in producer markets with an increase of 31 percent quarter-on-quarter observed in Kabale; in Kasese stocks were low with the commodity selling on retail basis only. In the eastern region, price gains were observed in Mbale, Busia and Tororo at 47,32 and 39 percent quarter-on-quarter respectively. The draw down in domestic stocks will have a significant impact in the region's trade dynamics as Uganda is a surplus producer of maize. The 2019 main season establishment as at March was not favourable and this could have significant impact not only in the domestic supply, but also on other countries that are reliant on Uganda for plugging domestic gaps. Prices are forecasted to increase seasonally in the second quarter.

Table 2.1: Average Quarterly wholesale prices of Maize Grain in urban markets in Eastern Africa (USD/MT). Source: RATIN

Market	2019 Jan-Mar Average	Percentage Change		
		Five year average	Previous Quarter	Same quarter last year
Kigali (Rwanda)	177	-27 ▼	0.4 ►	25 ▲
Nairobi (Kenya)	268	-22 ▼	16 ▲	-27 ▼
Kampala (Uganda)	212	-21 ▼	33 ▲	4 ►
Dar es Salaam (Tanzania)	278	-29 ▼	3 ►	-29 ▼
Juba (South Sudan)	384	-	1 ►	-27 ▼
Goma (Eastern DRC)	265	-	0.3 ►	-
Lubumbashi (Southern DRC)	537	-	26 ▲	-
Bujumbura (Burundi)	448	-12 ▼	-9 ▼	-3.4 ►

Figure 2.3: Wholesale Maize Prices for production markets in East Africa. Source: RATIN

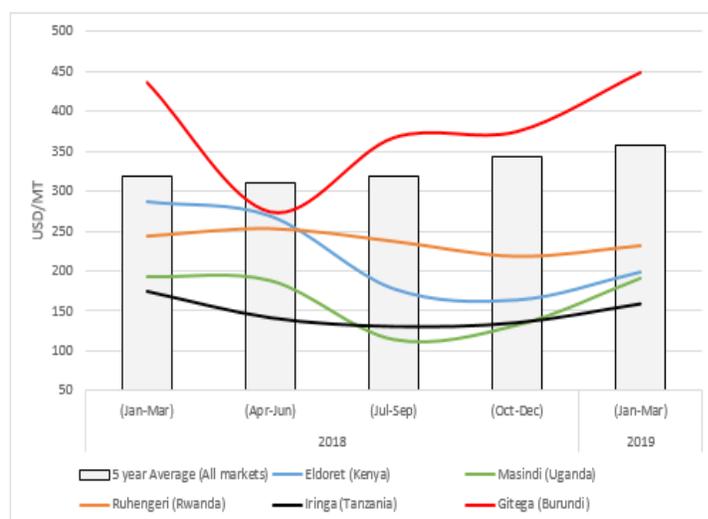
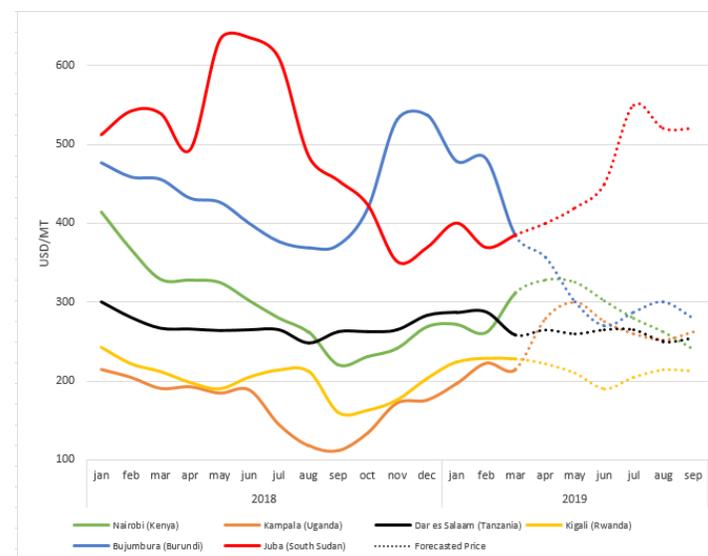


Figure 2.4: Wholesale Maize Prices and projections for consumer markets in East Africa. Source: RATIN





Burundi

In Burundi, an equilibrium is forecasted with demand and supply equated at 210,000 tons. In Q1 harvest began in earnest towards the end of February however, early harvest of green maize began late January. With improved availability, price eased by 9 percent compared to the previous month and 12 percent lower than average. Prices are expected to decrease in the coming quarter due to ample domestic stocks



Rwanda

In Rwanda, production is projected to increase by 8% by about 400,000 tonnes with supply improving by 6%, as 575,000 metric tonnes is estimated in 2018/19 marketing year against a demand of 510,000 tons.

In Rwanda, prices decreased in the first quarter as domestic supply from the 2019 first season significantly improved availability in the markets. In Kigali, stable supply was reported in Q1 with marginal gains observed, the commodity was trading on average at USD 177/MT, the lowest amongst the urban monitored markets. In the production markets, demand pressure eased significantly due to better household availability. In Kamembe, a 17 percent decline quarter-on-quarter was recorded in Q1 with prices forecasted to remain relatively stable in the second quarter.



Democratic Republic of Congo

In Southern DRC, low market supply and weak local currency impacted on prices of maize in the Q1. The commodity was trading on average at USD 537/MT Lubumbashi, up by 26 percent quarter-on-quarter. Restrictions on exports by Zambia had an impact on supply as the southern region is structurally a deficit producer. The main season harvest in the second quarter will ease demand pressure though below average harvest is expected in Haut Katanga. The export restriction by Zambia may persist as this year's crop harvest is expected to be below average.

Outlook Summary

1. Maize opening stocks for MY 2019/20 will likely be above average for the region and will primarily be supported by Tanzania's and Ethiopia's above average stocks. Opening stocks will likely be above average in Kenya, and Uganda but will be below average in Rwanda, Burundi, and South Sudan.
2. A late start to the 2019/20 rainy season, along with erratic and below average precipitation could potentially delay the 2019 maize harvest in Uganda, Tanzania and Kenya. Expectations are generally depressed for the 2019 harvest in East Africa; below average harvests are anticipated also in Burundi, Rwanda and South Sudan.
3. There is likely to be great country level variations in maize supply across Eastern Africa during MY 2019/20. Of concern are expectations for below average net supply in Kenya, Rwanda, Burundi, and South Sudan which could potentially lead to above average import gaps for these countries. Above average import gaps in typically surplus producing Uganda will likely limit their ability to supply structurally deficit countries within the region, which could severely constrain both formal and informal regional trade flows. Under such a scenario, structurally deficit countries will have to rely on international markets to fill any significant import gaps.

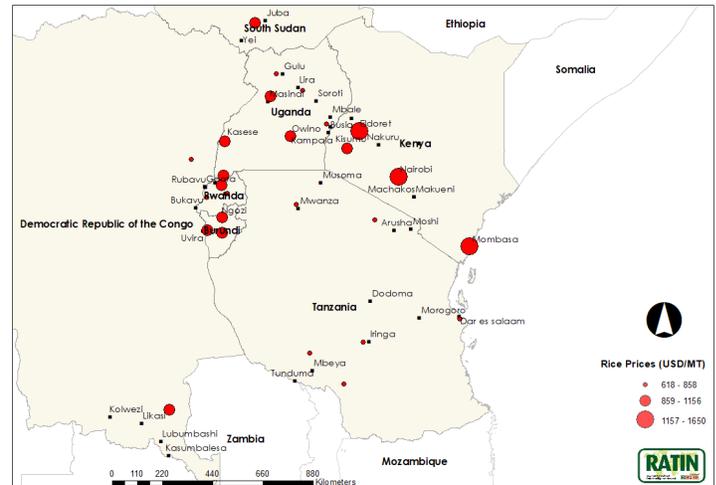
4. Maize grain prices in the Eastern Africa region are projected to trend at near average levels through September 2019. However, in Tanzania, maize grain prices are projected to trend significantly below average levels owing to ample market availability.



2.0 Rice Markets and Trade

In the region, prices were lowest in the producer markets of Tanzania and highest in the urban markets of Kenya. The region is typically a deficit producer with requirements met by imports from the international markets.

Figure 3.1: Q1 Wholesale Rice Prices in monitored markets in East Africa.
Source: RATIN



Tanzania

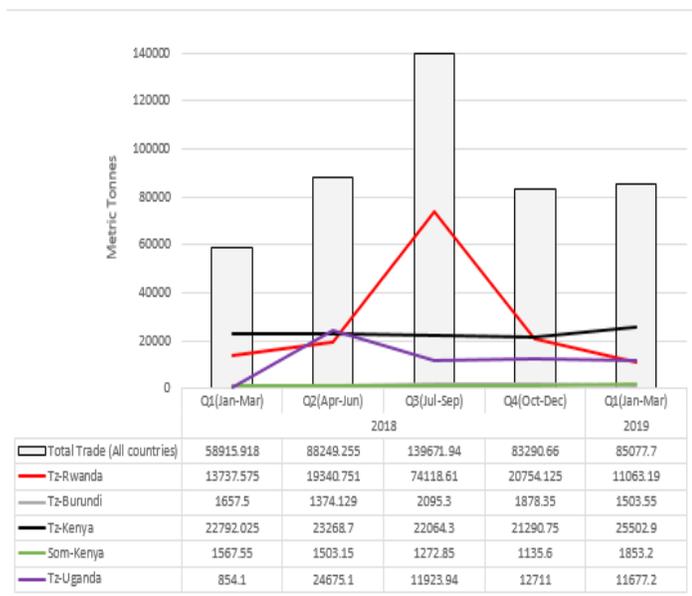
In Tanzania, production was forecasted to expand by 39 percent in 2018/19 marketing year to about 2.2 million tonnes (1.4 million metric tonnes milled basis) with total demand remaining stable at about 0.9 million metric tonnes. In 2018, production benefitted from timely, well distributed, and above average rains, which led to increased output over much of the production regions in central and northern Tanzania. Therefore, production recovered with about 629,019 metric tonnes surplus expected in this marketing year.

Price movements were seasonal with gains observed since the beginning of the year; the country was in the lean season. Compared to last year, volatility was lower with marginal gains recorded in most markets. In the southern highlands, Iringa and Mbeya markets had marginal gains of 2 and 5 percent quarter-on-quarter. In the aforementioned markets prices averaged at USD 777/MT and USD 680/MT respectively in Q1. In Dar es Salaam, prices were stable compared to Q4, 2018 and averaged USD 846/MT; this was 9 percent lower compared to the year-earlier levels as supply from Mbeya and Morogoro mitigated demand pressure. In the northern markets, the off-season harvest in Q4 of 2018 improved availability at the beginning of year consequently, prices declined by 6 percent in Arusha where the commodity traded at USD 717/MT in Q1, 2019.

2.1 Tanzania exports to the region

With ample stocks from the main season harvest in 2018 and higher opening stocks, there was tradable surplus. Q1 exports to Uganda reached unprecedented levels with about 11,677.2 metric tonnes traded informally. The 12-fold upturn in volume traded YoY was as a result of improved availability and concomitant high demand for fragrant rice varieties in Uganda. Inversely, exports to Rwanda shrunk by 79 percent compared to the five-year average, and lower by 37 percent quarter-on-quarter as improved domestic availabilities from the recently gathered 2019A crop. Likewise, improved domestic supply from 2019A season in Burundi led to a 20 percent decrease quarter-on-quarter as about 1,503.55 metric tonnes was traded. Exports to Kenya increased by 19 percent quarter-on-quarter with about 25,502.9 metric tonnes exported in Q1 (See figure 3.2).

Figure 3.2: Quarterly Sum of Formal and Informal Cross border Trade of Rice in Main Trade Corridors in Eastern Africa. Source: FEWS NET and RATIN



Kenya

In Kenya, milled rice production was estimated at 80,000 metric tonnes in 2018/19 marketing year. Consumption has increased by 9.3 percent year-on-year to 800,000 metric tonnes. Therefore, there is a huge gap in supply which is plugged by imports from the international markets by traders. Within the region Tanzania exports significant quantities of rice to Kenya.

In the past two years, production of paddy has stagnated at about 121,000 metric tonnes with efforts to expand Mwea irrigation scheme on course (Accounts for 80 percent of rice production). Currently, much of the supply in Kenyan markets is from Pakistan. The cost of locally produced Basmati rice from Mwea (Pishori) is highest among the monitored varieties in the region (See figure figure. 3.3)

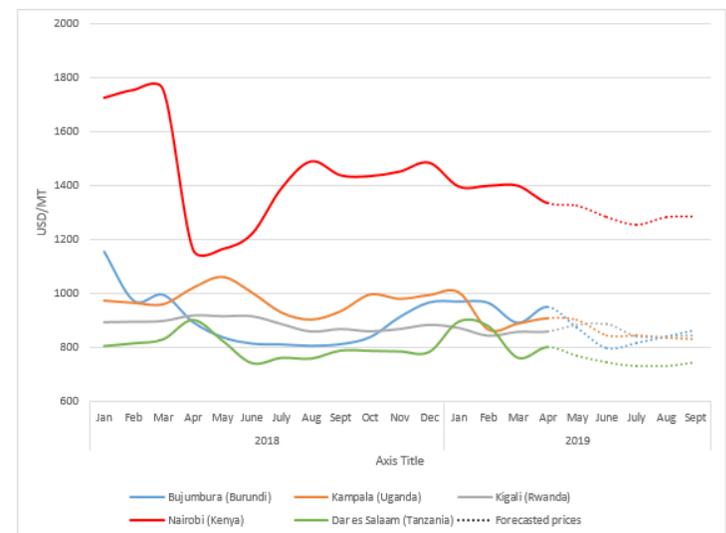
In East Africa, Nairobi market prices were above the region's urban markets average by 35 percent trading at USD 1,399/MT. In other urban markets, price decrease was observed with imports from Tanzania improving supply in the western markets. In Kisumu, prices declined by 8 percent quarter-on-quarter settling at about USD 1,325/MT in the first quarter. In Eldoret, prices were above the five year average and

the previous quarter by 19 and 11 percent respectively trading at USD 1,651/MT with supply of *pishori* from Nairobi reported to be low in Q1. In Mombasa, prices decreased by 8.5% compared to the previous quarter with stocks from the international market reported to be ample.

Table 3.1: Average Quarterly wholesale prices of Rice in urban markets in Eastern Africa (USD/MT). Source: RATIN

Market	2019 Jan-Mar Average	Percentage change		
		Five year average	Previous quarter	Same quarter last year
Kigali (Rwanda)	858	-13 ▼	-1.5 ►	-4 ►
Nairobi (Kenya)	1,242	0.8 ►	-15 ▼	-28 ▼
Kampala (Uganda)	925	-7 ▼	-10 ▼	-8.7 ▼
Dar es Salaam (Tanzania)	846	-9.4 ▼	8 ▲	3.5 ►
Juba	1,214	-	0.3 ►	3.8 ►
Lubumbashi	1,178	-	-9.3 ▼	-
Bujumbura	810	-2 ►	-5 ►	-26 ▼

Figure 3.3: Wholesale Rice prices and projections for consumer markets in East Africa. Source: RATIN



Uganda

Production in 2018/19 was estimated at 15000 MT against consumption of 244,000 MT. Like other East African countries, imports from Tanzania and the international markets eased demand pressure in the first quarter. There was a remarkable gain in trade with Tanzania which consequently improved availability of the commodity. Increased domestic stocks from the second season in December improved market supply prices which settled at USD 956/MT and below the previous quarter by about 7 percent. In the western region, prices were relatively stable in Kasese with the gathered harvest improving stocks; prices averaged USD 1,009/MT in the first quarter.



Rwanda

In the first quarter, the recently harvested crop shored up supply with a marginal 2 percent increase in season A production (about 59,286 MT) with much of the produce coming from eastern districts of Nyagatare and Gatsibo¹. On average, Rwanda produces about 113,000 tons against a demand of about 123,000 metric tonnes. In the first quarter, Rwanda imported about 11,603MT of rice from Tanzania. This was 19% decline from year-earlier levels. Trade with the region typically decline in the first quarter owing to better domestic stocks. With improved supply, prices declined in the monitored markets. In Kigali, a marginal decline of 1.5 percent quarter-on-quarter was observed in Q1. Price are expected to decrease in the second quarter as a result of better regional availability.

1. National Institute of Statistics of Rwanda (NISR) (2019). Seasonal Agricultural Survey Report-Season A, 2019.

Outlook Summary

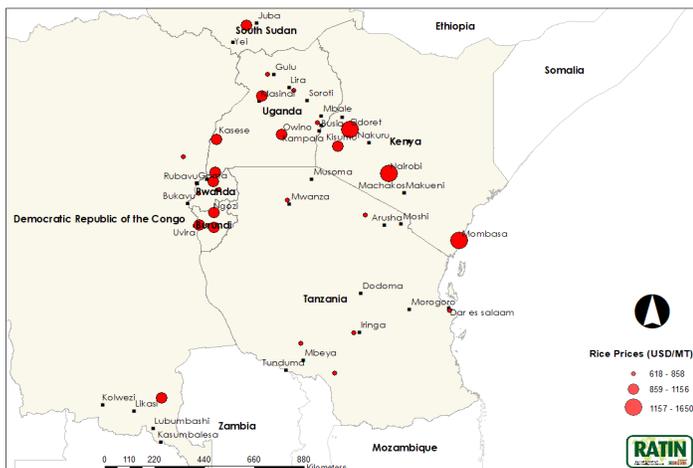
1. The 2019 season has advanced in Eastern Africa with mixed prospects expected in June, when most countries will be in the harvesting phase. Despite lingering concern over March and April rains, production of the first season crop is expected to be near average. In Uganda and Kenya, unseasonable dry conditions in February and March may adversely affect production leading to higher import gaps compared to last year. In Rwanda and Burundi, production prospects are favourable however imports from Tanzania and the international markets are expected to plug shortfalls as the two countries are deficit producers.
2. Imports from the international markets are expected to increase following low regional output.
3. Prices are expected to ease in the the southern markets of Tanzania following improved availability from the main season harvest



4.0 Beans Markets and Trade

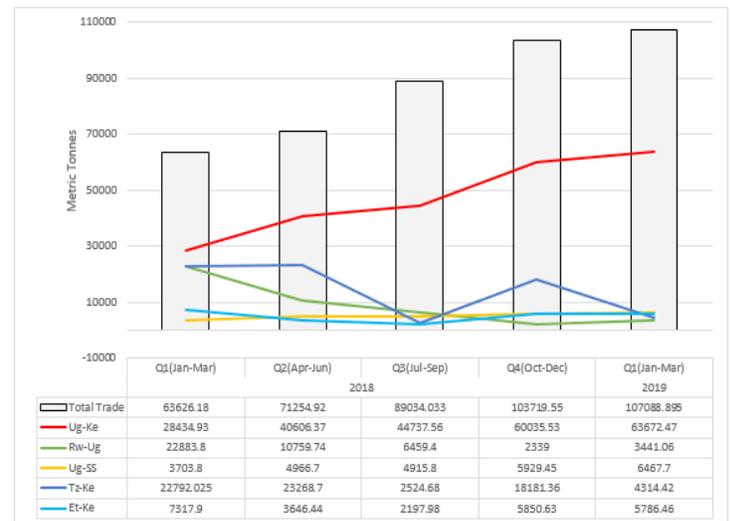
Within the region, beans prices were lowest in Rwanda and Burundi as recently gathered stocks from the first season significantly improved market availability of the commodity. Prices were high in the Southern DRC, Sudan and western markets of Kenya. In the first quarter, some markets benefitted from improved availability in the DRC, Rwanda and Burundi. Therefore, seasonal price decline was observed.

Figure 4.1: Q1 Wholesale Dry Beans Prices in monitored markets in East Africa. Source: RATIN



In the first quarter, 107,089 metric tonnes of dry beans was traded through the monitored trade corridors, this was a 3.2 percent gain quarter-on-quarter and a 68 percent increase compared to a similar period last year. In the second quarter, trade in the Great Lakes is expected to decrease as there are concerns about availability of the commodity owing to the poor crop performance in Uganda, Kenya and some parts of Tanzania due to late rains and dry weather condition in March. In the southern DRC, imports from Tanzania are expected to decrease seasonally as stocks diminish and as for Zambia, the lingering trade ban on exports from October 2018 had a significant impact on trade however, informal trade is still thriving. In the first quarter, about 2,991 metric tonnes was imported informally into DRC from Zambia, up 134 percent quarter-on-quarter. Demand for beans from Uganda by Rwanda eased as the country had adequate stocks from the 2019 harvest that was completed in February. Consequently, imports decreased by 51 quarter on quarter and trade was also impacted by the closure of Cyanika and Gatuna borders in late February. Trade between Kenya and Uganda increased significantly with about 63,672 metric tonnes imported in the first quarter; this was 6 percent gain quarter on quarter and 123 percent upturn compared to previous year levels. The surge in trade can be attributed to low production that was occasioned by intense rains last year. In addition, the second season harvest failed in some sections of central and lower eastern Kenya therefore demand from the region is expected to remain high.

Figure 4.1: Quarterly Sum of Formal and Informal Cross border Trade of Dry Beans in Main Trade Corridors in Eastern Africa. Source: FEWS NET and RATIN



Kenya

In Kenya, the 2018/19 short-rains harvest was below average resulting to increased demand pressure however, supply was shored up by imports from Uganda. Therefore, stocks were ample in the urban markets. However, in the production markets low supply was noted in Meru, Makueni and Machakos following low output earlier in the year. In Nairobi, prices declined by 18 percent quarter-on-quarter averaging USD 476/MT in Q1 with much of the supply coming in from Uganda. In Kenya, prices are projected to gain in the second quarter following below average rainfall in Uganda, a key source for dry-beans and equally, below average domestic production following late onset of rains in March.

Tanzania

In Tanzania stocks were reported to be ample with harvest from the bimodal areas late in the quarter improving domestic stocks in the north and northeastern markets. In Dar es Salaam prices eased by 5 percent quarter-on-quarter and generally, prices were below the five-year average in all the monitored markets. In the second quarter, prices are expected to ease following the positive production outlook for the main crop.

Rwanda

In Rwanda, prices eased because of improved domestic availabilities following the first season harvest. In the northern region, prices reduced by 19 percent quarter-on-quarter averaging USD 490/MT. In Kigali, prices leveled at USD 456/MT in Q1, a 7 percent decline from the previous quarter and the five-year average. Supply is expected to tighten in the second quarter as stocks diminish seasonally but will recover in May as the second season harvest will improve availability. The second season prospects looks favorable. However, of concern is the trade disruption with Uganda that has affected the two-way trade between the two countries.

Burundi

In Burundi, the first season harvest in January led to prices decreasing in the production regions. In Gitega, improved supply led to prices decreasing by 4 percent quarter-on-quarter with supply in other markets reported to be ample. Prices are forecasted to remain stable in the second quarter but will decline in the third quarter with inbound second season harvest. Similar to Rwanda, the second season is well established therefore early prospects are favorable.

Democratic Republic of Congo

In Southern Democratic Republic of Congo, price gains of 2 and 8 percent quarter-on-quarter were observed in Lubumbashi and Likasi respectively as the region was in the lean season of production. Much of the supply was from Zambia which was equally facing deficits as 2018 production was lower than average. However, prices are expected to decrease seasonally in the second quarter, as inbound stocks from the main season will improve market availability. In the eastern markets, supply from the first season improved stocks with imports from Uganda and Rwanda complementing domestic supply, prices declined by 7 and 5 percent quarter-on-quarter in Goma and Uvira respectively. Prices are expected to remain relatively stable with regional trade playing a major role in stabilizing supply.

Uganda

In Uganda, low domestic supply was reported in the quarter. Consequently, prices increased remarkably in the first quarter. The second season crop in 2018 was affected by poor rains leading to supplies tightening earlier than usual. Among the monitored production markets in East Africa, Masindi exhibited price gains in two consecutive quarters (See fig 4.2), with prices settling at USD 621/MT in Q1. In Kampala prices were up by 28 percent quarter-on-quarter with gains also observed in the eastern markets. The first season demand pressure is expected to build on account of low stocks as prospects for the first season crop are not good. Extended dry conditions and late rains may affect this year's production.

Table 4.1: Average Quarterly wholesale prices of Dry Beans in urban markets in Eastern Africa (USD/MT). Source: RATIN

Markets	2019 Jan-Mar Average	Percentage Change		
		Five year average	Previous quarter	Same quarter last year
Kigali (Rwanda)	465	-7 ▼	-7.4 ▼	2 ►
Nairobi (Kenya)	476	-34 ▼	-18 ▼	-32 ▼
Kampala (Uganda)	527	-25 ▼	29 ▲	2 ►
Dar es Salaam (Tz)	624	-33 ▼	-5 ▼	-12 ▼
Juba (S. Sudan)	1,418	-	27 ▲	-26 ▼
Likasi (DRC-South)	943	-	10 ▲	-
Goma (DRC-East)	580	-	-7 ▼	-
Bujumbura (Burundi)	768	-	9 ▲	-17 ▼

Figure 4.2: Wholesale Beans Prices for production markets in East Africa. Source: RATIN

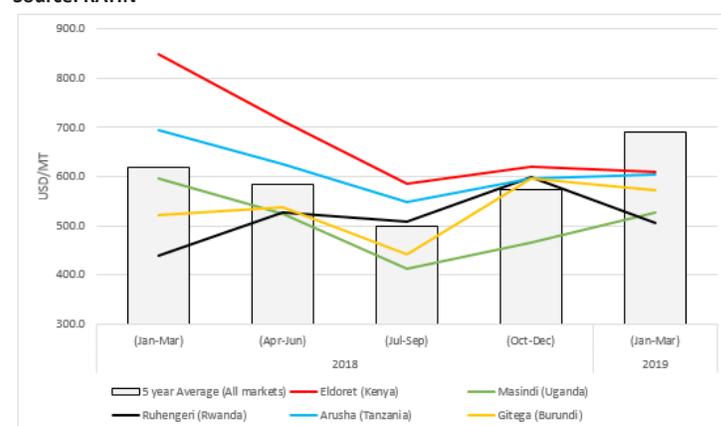
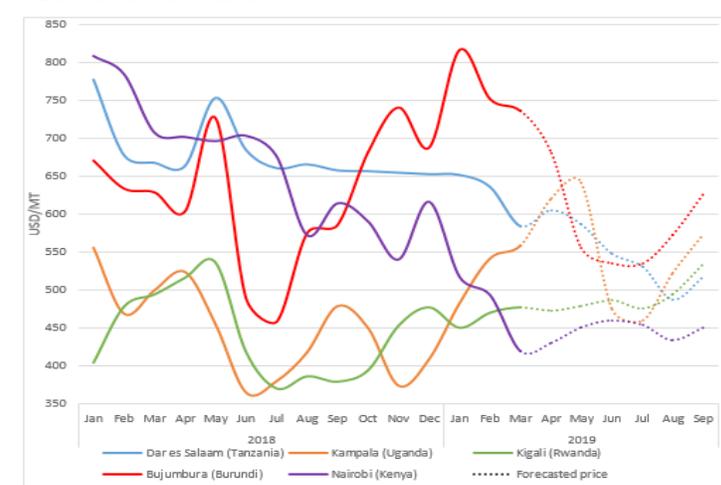


Figure 4.3: Wholesale Dry Beans Prices and projections for consumer markets in East Africa. Source: RATIN



Outlook Summary

With dry conditions experienced at the beginning of the season in the region, significant production losses is expected with prices gaining towards the end of the third quarter in Uganda and Kenya. In Burundi and Rwanda, prices are expected to remain stable with domestic supply in the second quarter reducing demand pressure. The closure of borders between Rwanda and Uganda will impact on the two-way trade. Much of the soya and dry beans imports are sourced from Uganda. Therefore, supply of dry beans will diminish earlier than usual in Rwanda and may impact eastern DRC markets.

5.0 Regional Agricultural Trade Policy Developments

January to March 2019

4.1 Regional Trade Policy Developments

Comprehensive review of the EAC Common External Tariff (CET)

The EAC Regional Task Force Meeting for Comprehensive Review of the EAC Common External Tariff (CET) was convened on 26th February – 2nd March, 2018 in Kigali, Rwanda. The purpose of the meeting was to consider the Regional Report proposed CET structure bands and criteria for classifying and categorizing goods under CET.

In consideration of Tariff bands (CET structure), the meeting agreed on the criteria for classifying and categorizing of goods. Concerning Tariff bands structure, the meeting identified tariff lines where there was convergence, exceptions and movement to inform further country consultations in agreeing on appropriate tariff bands.

The meeting also considered recommendations on management of exemption regimes and duty remission scheme (DRS), recommendations on the sensitive list, proposed measures to be taken to eliminate stays of application (SOAS), review of the regional work plan and matters referred to the CET review during the Sectoral Council on Trade, Industry, Finance and Investment (SCTIFI). The process of reviewing

The EAC initiates the process of developing regional Standards for Hermetic Storage Technologies

The East African Community has embarked on a process of developing East African Standards for Hermetic Storage Technologies (HST) that will be key in protecting manufacturers and end consumers (farmers) from substandard hermetic storage products. National consultations are expected to commence in April 2019 in preparation for a Regional Meeting at a future date.

The process for developing East African Standards for HSTs builds on the standardization work initiated in Kenya by EAGC in partnership with the Kenya Bureau of Standards and manufacturers of hermetic storage products whereby draft Standards for HSTs have been developed and are currently undergoing Public Review up to mid-April 2019.

Standards for HSTs, particularly hermetic storage bags and plastic hermetic grain silos, are expected to play a key role reduction of post-harvest losses by ensuring that only hermetic products that meet minimum performance parameters are allowed to be marketed within the EAC. These Standards are also the first of their kind globally and are envisaged to eventually form the basis for continental and international hermetic storage standards under ARSO and ISO respectively.



Rwanda

The Closure of Katuna and Cyanika Borders by the Government of Rwanda.

On 27th February 2019, Rwanda closed all her three border points with Uganda for Cargo Trucks, Passenger Service Vans, private cars and pedestrians. The reason for the temporary closure according to a statement issued by the Rwanda Revenue Authority was to pave more room for the contractor to complete the construction of the One-Stop Border Post (OSBP) at Gatuna/Katuna border, and a road at Cyanika border. The statement said that all trucks had been diverted to the Mirama Hills/Kagitumba Border Post.

The impasse is having significant adverse effects on communities in both Uganda and Rwanda. Communities living in the border areas are most affected as they typically access food, utilities and basic services such as schools across the border. Uganda and Rwanda are key trading partners particularly in the trade of food commodities. Ugandan farmers and traders are currently unable to access the market in Rwanda. Rwanda accounts for approximately 28 percent of Uganda's total exports of both maize and soybeans.

EAGC is engaging the relevant authorities in both countries to come up with a way to resolve the closure and come up with alternative solutions in order to resume trade between the two countries.



Tanzania

Grain sector worried about potential export ban by Tanzania – as Govt of Tanzania moves to allay such fears

The Ministry of Agriculture of Tanzania issued a clarification in response to reports by the media that the country was halting food exports to pave way for an audit of food reserves. Hon. Omary Mgumba, the Deputy Minister for Agriculture, said that although export of surplus food will continue unhindered, with the industry players only required to comply with export permit requirements.

These concerns arise particularly in the context of unfavourable patterns in several parts of Eastern and Southern Africa. A drought in Southern Africa has been compounded by destruction of crops and a large humanitarian crisis in Mozambique, Malawi and Zimbabwe following Cyclone Idai in March 2019, which has led to many industry stakeholders speculating significant outflow of grains from Tanzania to its southern neighbours at the expense of its East African counterparts who are also struggling with delayed rains.



Kenya

The Senate Rejects the Amendments to the Warehouse Receipt System Bill proposed by the National Assembly

On 14th March 2019, the Speaker of the National Assembly informed the House that the Senate had rejected the amendments proposed by the National Assembly to the Warehouse Receipt System Bill. The Bill has thus been referred to a Mediation Committee in accordance with Articles 112 and 113 of the constitution.

A Mediation Committee will consist of equal number of Members from both the National Assembly and Senate. The Committee will be tasked with reaching bicameral consensus on contentious issues in the WRS Bill.

If the Mediation Committee reaches a consensus on the Bill, the Bill shall be forwarded for Presidential Assent within 7 days. However, if the Committee fails to reach consensus, then the Bill is defeated.

EAGC will continue to engage the Agriculture Committees in both Houses of Parliament to find an appropriate way forward for the Bill to be passed.

The draft Food Crops Regulations are subjected to a Public Hearing

The Agriculture and Food Authority (AFA) convened a Public Hearing on 14th March 2019 to review the draft Crops (Food Crops Regulations) 2018, which have been developed under the Crops Act 2013. The Crops Act provides for the regulation of the entire agricultural sector in Kenya through AFA. The proposed draft Crops (Food Crops) Regulations 2018 stipulate regulatory provisions for scheduled food crops, including but not limited to cereals, pulses and tuber crops.

A review of the proposed Regulations reveals some important deficiencies. These include:

1. Inhibition of free movement of food commodities
2. Increased administrative procedures that increase cost of doing business.
3. Greater government intervention in food commodity markets (price-setting)
4. Duplication of roles with other government agencies
5. Focus on controlling the sector and not stimulating growth and development.

EAGC has presented a formal Submission on the draft Regulations to AFA on behalf of the grain sector in Kenya and will continue to closely monitor the proceedings of the crops act and advocate for better policies and regulations that will benefit all the parties in the grain value chain.

6.0 Appendices: Percentage Change in Wholesale Nominal Prices per Country

6.1: Kenya

Location	Mar Average	Percentage Change		
		Five year Average	Previous Month	Same month last year
Maize Ksh/Kg				
Nairobi	26	-22 ▼	-3 ▶	-21 ▼
Kisumu	28	-21 ▼	0 ▶	1.1 ▶
Eldoret	20	-34 ▼	-23 ▼	-31 ▼
Nakuru	20	-32 ▼	11 ▲	-25 ▼
Mombasa	26	-18 ▼	4 ▶	-10 ▼
Makueni	24	-	-8 ▼	-20 ▼
Meru	19	-	0 ▶	-
Red Beans Ksh/Kg				
Nairobi	55	-	-28 ▼	-1.8 ▶
Kisumu	70	-	0 ▶	-1.4 ▶
Eldoret	74	4 ▶	5.7 ▲	-14 ▼
Mombasa	51	-	2 ▶	-12 ▼
Makueni	75	-	7 ▲	-10 ▼
Meru	61	-6.1 ▼	0 ▶	-
Red Sorghum Ksh/Kg				
Nairobi	44	-3 ▶	0 ▶	-10 ▼
Kisumu	30	-18 ▼	0 ▶	-14 ▼
Eldoret	48	24 ▲	4 ▶	0 ▶
Nakuru	35	-14 ▼	0 ▶	-20 ▼
Mombasa	30	-29 ▼	7 ▲	-14 ▼
Meru	35	-	-8 ▼	-8 ▼
Wheat Ksh/Kg				
Nairobi	35	0.5 ▶	0 ▶	-2.7 ▶
Mombasa	35	-27 ▼	6 ▲	9.4 ▲
Eldoret	50	20 ▲	4 ▶	0 ▶
Nakuru	35	0.5 ▶	-3 ▶	0 ▼
Rice Ksh/Kg				
Nairobi	140	24 ▲	0.7 ▶	-5 ▶
Mombasa	130	-0.3 ▶	0 ▶	-12 ▼
Kisumu	105	2.3 ▶	3 ▶	-11 ▼
Eldoret	164	12 ▼	0 ▶	17 ▲

6.2: Rwanda

Location	Mar Average	Percentage Change		
		Five year Average	Previous Month	Same month last year
Maize Rwf/Kg				
Kigali	200	-9 ▼	0 ▶	12 ▲
Kimironko	244	-22 ▼	3 ▶	-14 ▼
Ruhengeri	220	8.4 ▲	11 ▲	22 ▲
Rubavu	215	-	-5 ▼	-10 ▼
Kamembe	155	-	-9 ▼	-2 ▶
Red Beans Rwf/Kg				
Kigali	451	27 ▲	-0.4 ▶	24 ▲
Kimironko	490	21 ▲	4 ▶	-9 ▼
Ruhengeri	457	24 ▲	6 ▲	14 ▲
Red Sorghum Rwf/Kg				
Kigali	336	44 ▲	-1 ▶	0.6 ▶
Kimironko	336	3.3 ▶	4.3 ▶	-27 ▼
Ruhengeri	312	18 ▲	4 ▶	-7.4 ▼
Kamembe	290	-	2 ▶	-18 ▼
Rubavu	329	-	8 ▲	2 ▶
Wheat Rwf/Kg				
Kigali	432	-15 ▼	-0.5 ▶	-16 ▼
Ruhengeri	363	-18 ▼	3.4 ▶	-27 ▼
Rubavu	569	-	1 ▶	-7 ▼
Kimironko	416	-16 ▼	-2.3 ▶	-18 ▼
Rice Rwf/Kg				
Kigali	755	12 ▲	3 ▶	-0.7 ▶
Kimironko	800	13 ▲	0 ▶	-2 ▶
Ruhengeri	957	33 ▲	9 ▲	6 ▲
Kamembe	750	-	0 ▶	0 ▶

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.

6.3: United Republic of Tanzania

Location	Mar Average	Percentage Change		
		Five year Average	Previous Month	Same month last year
Maize Tsh/Kg				
Dar es Salaam	603	-23 ▼	-10 ▼	0.5 ▶
Dodoma	462	-	13 ▲	22 ▲
Iringa	357	-52 ▼	-0.2 ▶	16 ▲
Arusha	465	-20 ▼	0.8 ▶	-18 ▼
Mbeya	237	-	-5.2 ▼	-24 ▼
Tunduma	306	-	9 ▼	-
Yellow Beans Tsh/Kg				
Iringa	1,800	0.6 ▶	-0.5 ▶	0.1 ▶
Arusha	1,600	-17 ▼	-3 ▼	-11 ▼
Dar es Salaam	2,200	2.4 ▶	-0.1 ▶	4.3 ▶
Mbeya	1,650	-	-0.2 ▼	10 ▲
Red Sorghum Tsh/Kg				
Dar es Salaam	640	-27 ▼		
Arusha	1,210	39 ▲	0.7 ▶	-45 ▼
Dodoma	319	-	24 ▲	-3 ▼
Wheat Ksh/Kg				
Dar es Salaam	1,280	-0.3 ▼	7 ▲	-0.07 ▶
Iringa	1,345	6 ▲	0.1 ▶	-0.5 ▶
Arusha	1,124	7 ▲	-6 ▼	-6 ▶
Mbeya	967	-	9 ▲	13 ▲
Rice Tsh/Kg				
Dar es Salaam	2,178	12 ▲	7 ▲	-3 ▶
Iringa	1,618	0.1 ▶	5 ▶	-15 ▼
Arusha	1,829	4 ▶	23 ▲	-6 ▼
Mbeya	1,660	-	6.2 ▲	-12 ▼

6.4: Uganda

Location	Mar Average	Percentage Change		
		Five year Average	Previous Month	Same month last year
Maize Ugx/Kg				
Kampala	790	-12 ▼	-3 ▶	12 ▲
Masindi	784	-0.2 ▶	9 ▲	12 ▲
Mbale	848	-3.2 ▶	7.2 ▲	21 ▲
Tororo	781	-12 ▼	3.5 ▶	10 ▲
Kabale	837	-10 ▼	3 ▶	7.4 ▲
Busia	866	-8.3 ▼	5 ▶	5 ▶
Kasese				-
Lira	743	-12 ▼	-4 ▶	5 ▶
Soroti	840	-	12 ▲	-
Gulu	800	-	4 ▶	0.8 ▶
Mixed Beans Ugx/Kg				
Kampala	2,056	-11 ▼	4 ▶	14 ▲
Masindi	2,350	-1 ▶	-4 ▶	2.4 ▶
Tororo	1,873	-10 ▼	8.8 ▲	15 ▲
Kabale	1,915	-2 ▶	14 ▲	12 ▲
Busia	1,839	-11 ▼	9 ▲	15.8 ▲
Kasese	1,437	-32 ▼	1 ▶	-
Red Sorghum Ugx/Kg				
Kampala	864	-28 ▼	-5 ▶	-23 ▼
Masindi	1,100	-4 ▶	13 ▲	-4 ▶
Tororo	828	-9 ▼	-6 ▼	-0.4 ▶
Kabale	864	-28 ▼	-23 ▼	-23 ▼
Busia	867	1 ▶	1 ▼	12 ▲
Lira	943	34 ▲	21 ▲	35 ▲
Gulu	221	-	11 ▲	-72 ▼
Soroti	868	-	22 ▲	18 ▲
Rice Ugx/Kg				
Kampala	3,282	8 ▲	3.5 ▶	-6 ▼
Masindi	3,553	16 ▲	5 ▶	5 ▲
Owino	3,289	10 ▲	5 ▶	-6 ▼
Tororo	2,852	-2 ▶	6.2 ▲	9.4 ▲
Kasese	3,600	16 ▲	-1.3 ▶	77 ▲
Gulu	2,725	-	3 ▶	-0.6 ▶
Kabale	3,352	11 ▲	3 ▶	-5.6 ▼

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.

6.5: Democratic Republic of Congo

Location	Mar Average	Percentage Change		
		Five year Average	Previous Month	Same month last year
Maize Cdf/Kg				
Bukavu	550	-	o ▶	-
Uvira	561	-	-2.2 ▶	-
Kasumbalesa	721	-	18.9 ▲	-
Lubumbashi	720	-	-6 ▼	-
Likasi	855	-	-2.6 ▶	-
Kolwezi	891	-	-1.5 ▶	-
Mixed Beans Cdf/Kg				
Goma	995	-	10 ▲	-
Bukavu	1,270	-	0 ▶	-
Uvira	1,000	-	0.1 ▶	-
Kasumbalesa	722	-	-24 ▼	-
Lubumbashi	1,637	-	1.2 ▶	-
Likasi	1,500	-	0.2 ▶	-
Ground Nuts Cdf/Kg				
Bukavu	1,980	-	2 ▶	-
Kasumbalesa	776	-	-19 ▼	-
Kolwezi	1,651	-	0.2 ▶	-
Likasi	1,840	-	-2.6 ▶	-
Lubumbashi	2,131	-	-2 ▶	-
Uvira	2,960	-	-1 ▶	-
Rice Cdf/Kg				
Goma	1,360	-	-4.4 ▶	-
Kasumbalesa	1,115	-	-18 ▼	-
Lubumbashi	1,801	-	-6 ▶	-

6.6: Burundi

Location	Mar Average	Percentage Change		
		Five year Average	Previous Month	Same month last year
Maize Bif/Kg				
Bujumbura	691	-11 ▼	-19 ▼	-13 ▼
Gitega	460	-11 ▼	-43 ▼	-18 ▼
Ngozi	500	-	-25 ▼	-32 ▼
Red Beans Bif/Kg				
Bujumbura	1,324	1 ▶	-0.7 ▶	20 ▲
Gitega	850	-19 ▼	-15 ▼	-5.8 ▼
Ngozi	995	5 ▶	8 ▲	28 ▲
Red Sorghum Bif/Kg				
Bujumbura	936	-3 ▶	20 ▶	-8 ▼
Gitega	886	14 ▲	10.4 ▲	-16 ▼
Ngozi	924	18 ▲	23 ▶	28 ▲
Wheat Bif/Kg				
Bujumbura	1,176	-3.7 ▶	-8 ▼	-22 ▼
Gitega	1,157	-8.2 ▼	-3.5 ▶	-24 ▼
Ngozi	1,057	-16.5 ▼	-4 ▶	-28 ▼
Rice Bif/Kg				
Bujumbura	1,678	11 ▲	-2 ▶	-4 ▼
Gitega	1,739	17 ▲	3 ▶	-3 ▼
Ngozi	1,700	12 ▲	0 ▶	-11 ▼

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.

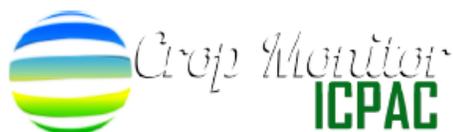
Figure 6: RATIN monitored borders and markets



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
AND AGRICULTURE CONSORTIUM**

Down to Earth Decisions for Food Security and Agriculture

Contacts

Regional Head office & Kenya Country office

Lavington, Mbaazi Avenue, Off Kingara Road
P.O. Box 218, 00606 Nairobi, Kenya
Cell: +254 733 444035 +254 710 607313
Email: grains@eagc.org

EAGC Tanzania Office ,

Dar es Salaam Office: Plot 33, Daima Street Mikocheni B, off
Rose Garden Road P.O Box 33619, Dar es Salaam Tanzania
Tel:+255 754 354 582

EAGC Uganda Office

Plot 958 Galukande close,
Muyenga, Opposite Kironde road
P.O. Box 28435 Kampala, Uganda
Tel: +256 393 112 854 +256 414 501 903

EAGC Democratic Republic of Congo Office

DRC Email: drcprograms@eagc.org

EAGC Rwanda Office

Mulindi Grain Market
P.O. Box 4497 Kigali, Rwanda Cell: +250 788821312

EAGC South Sudan Office

Hai amarat, Dehavana lounge next to Lugali house
P.O. Box, 505 Juba- South Sudan
Tel: 0955048125/0925179680

EAGC Burundi Office C/o IFDC Office

Tel: +257714 80983 Bujumbura,
Burundi Email: grains@eagc.org

EAGC Malawi Office C/o Global Communities

Malawi Off Mphonongo Street, Area 43/Plot 491
P.O. Box 30209
Lilongwe, Malawi