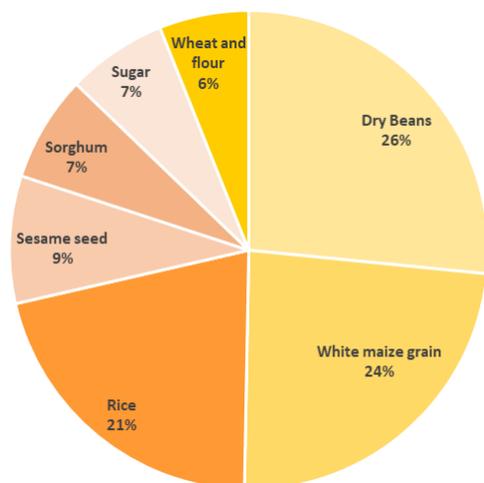


## SUMMARY POINTS

Figure 1: Main Staple Food Commodities Informally Traded Across Selected Borders in Eastern Africa in the First Quarter of 2019.

Source: FEWSNET and EAGC



- In the second quarter of 2019, dry beans were the most traded commodity because of consecutive above average harvest in Uganda and Tanzania and high demand in the structural deficit countries of Kenya, Rwanda and South Sudan. See Figure 1.
- Staple food commodity parity price trends (expressed in US dollars per MT) were mixed. Prices in consumption markets have started to increase towards and are near average levels because of expectations of below average harvest.
- Regional trade in staple food commodities was mixed in the second quarter of 2019. Trade in maize and sorghum was atypically lower from the first quarter because of good carryover stocks and ample availability from the previous harvest in Kenya, a main regional importer. Although rice and dry bean trade declined or remained stable from the last quarter, the quantities traded were above average because of increased regional supply from Tanzania and re-exports from Somalia.
- Maize prices across most markets in the Eastern Africa region are expected to trend seasonably but above or similar to last year levels in the second half of 2019 because of expected below average supplies in many countries in the region.
- Regional trade in livestock is expected to start declining seasonably in the third quarter of 2019 because of weak demand and declining prices following the end of the July-to-August religious festivities.

## ABOUT THIS REPORT

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

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

### Key Commodities & Cash Crops by Country

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

\*Additional products may be covered in the annexes.

### PRICE MAIZE AND SORGHUM TRENDS IN EASTERN AFRICA IN SECOND QUARTER OF 2019

Maize grain prices followed seasonal trends across most markets in the second quarter of 2019. See figure 2. However, the prices rose above or were similar to 2018 prices with prices rising above the recent five-year average levels in some markets due to tight supplies from the previous harvest and expectations of below average harvest in many countries in the second half of 2019. Sorghum prices also followed seasonal trends in the second quarter of 2019 as depicted in figure 3. The prices were higher than last and recent five-year average levels in most markets in Uganda, Somalia and Ethiopia, attributed to high domestic and regional demand; below average production<sup>1</sup>; higher costs of production and marketing in Ethiopia driven by high inflation respectively. The prices were lower than last year and recent five-year average levels in the main market of Juba in South Sudan because of increasing inflows from Uganda as a result of improving security along trade routes in South Sudan; increased production mainly for the brewing industry in Kenya; and better production than last year in South Sudan.

Figure 2: Maize prices in selected markets in Eastern Africa (USD/MT)

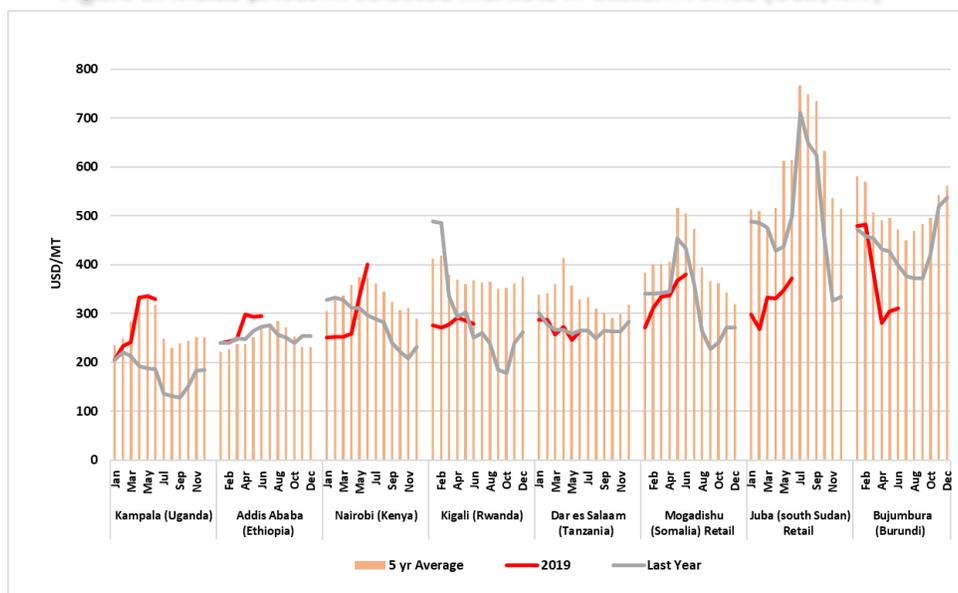
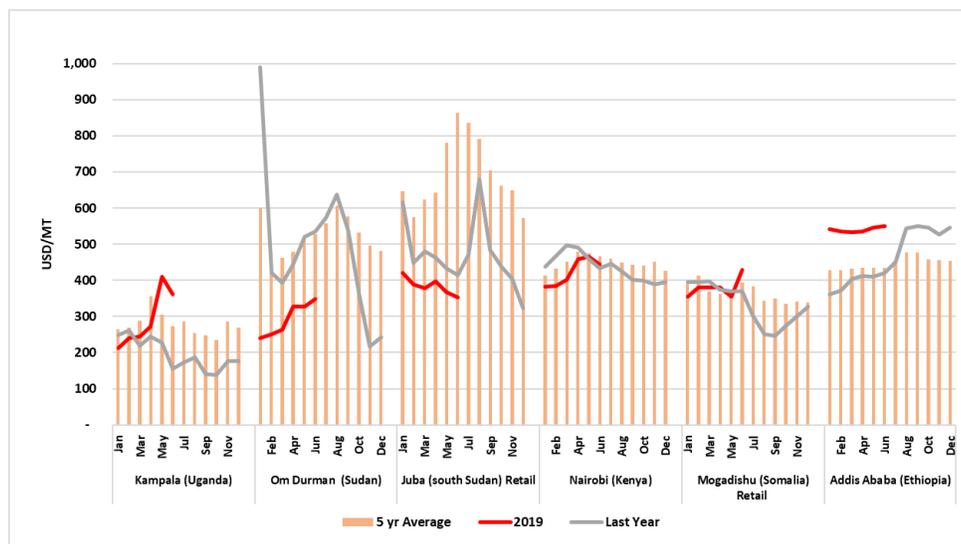


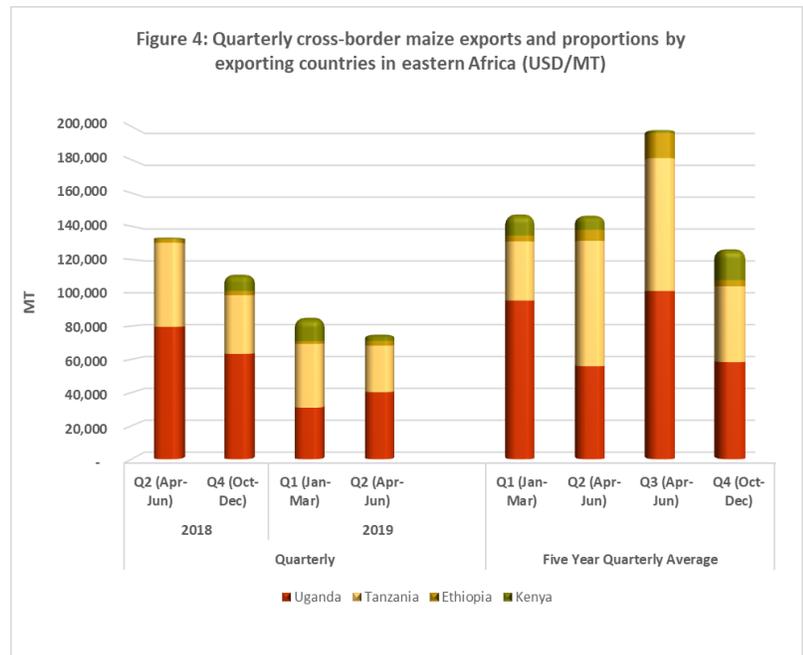
Figure 3: Sorghum prices in selected markets in Eastern Africa (USD/MT)



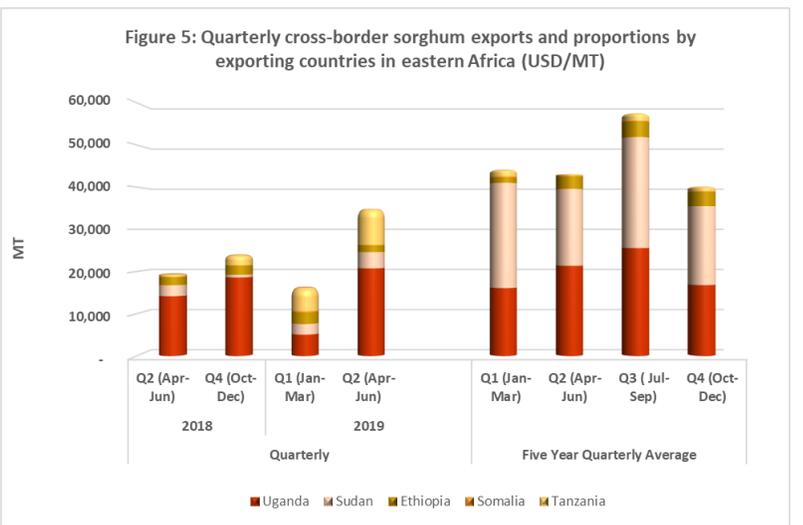
<sup>1</sup> [East Africa Regional Supply and Market Outlook, March 2019](#)

## THE STATUS OF CROSS BORDER TRADE IN THE SECOND QUARTER (APR-JUN) OF 2019

**Maize:** In East Africa, approximately 147,000MT of maize was traded in the region in the second quarter of 2019. See figure 4. The volume traded was 12, 44 and 49 percent below the previous second quarter, same quarter last year, and the recent five-year average levels. Uganda and Tanzania accounted for 54 and 38 percent of the total exports, while South Sudan and Kenya, represented 45 and 44, 27 and 24 percent of the total regional imports. The low volume of trade was attributed to average production amidst increasing domestic demand in Uganda; accumulation of supplies by some export traders in Uganda in expectation of higher prices in Kenya; uncertainty in the export procedures by private traders in Tanzania that restricted flows into Kenya; political-related restrictions on cross-border trade in two key border points between Rwanda and Uganda. Maize exports from Ethiopia to central and northern Somalia was also above average following increased demand because of below average January harvest in Somalia.



Conflict events in South Sudan have significantly gone down relative to 2013-to-2018 because a significant portion of the population expect that the peace agreement signed last year will be implemented in full. The population’s goodwill has led to improved security that has recovered traders’ and consumers’ access to some rural markets in Western Bahr-el Ghazal, parts of Upper Nile, Unity and Western and Eastern Equatoria, increasing trade flows along Juba-Nimule, Juba-Bor, Juba-Yei, Juba-Rumbek, Ameit-Wau-Raga with limited hinderance. All routes emanating from Juba carry a significant portion of Uganda imports, hence the increased inflows from Uganda which was 241 and 388 percent higher than the second quarter of last year and recent five year respectively. See Table 1. However, persistence insecurity along Juba-Mundri-Rumbek, Kaya-Yei-Maridi continued to limit trade flows and market recovery in markets served by these routes.



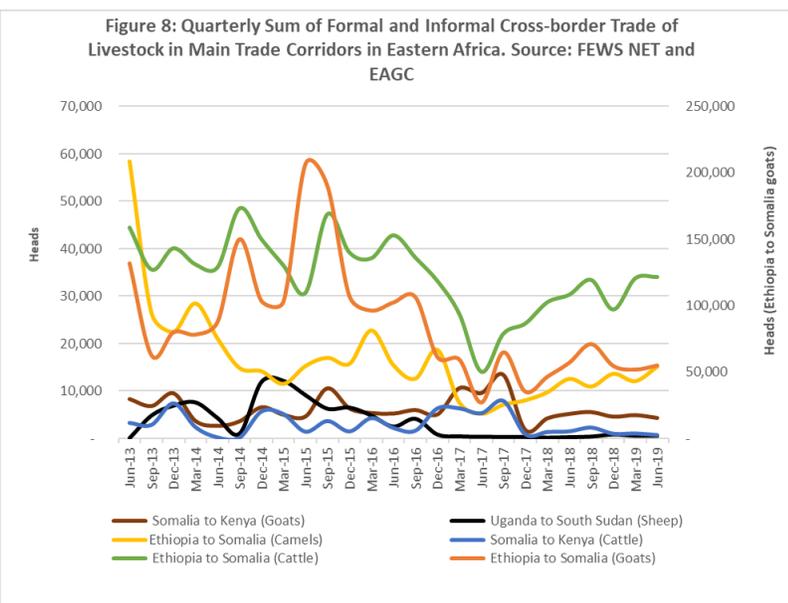
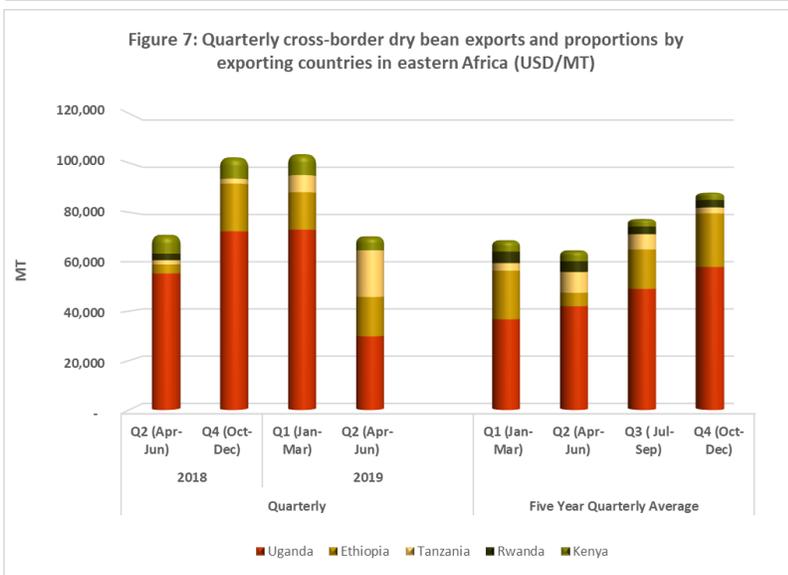
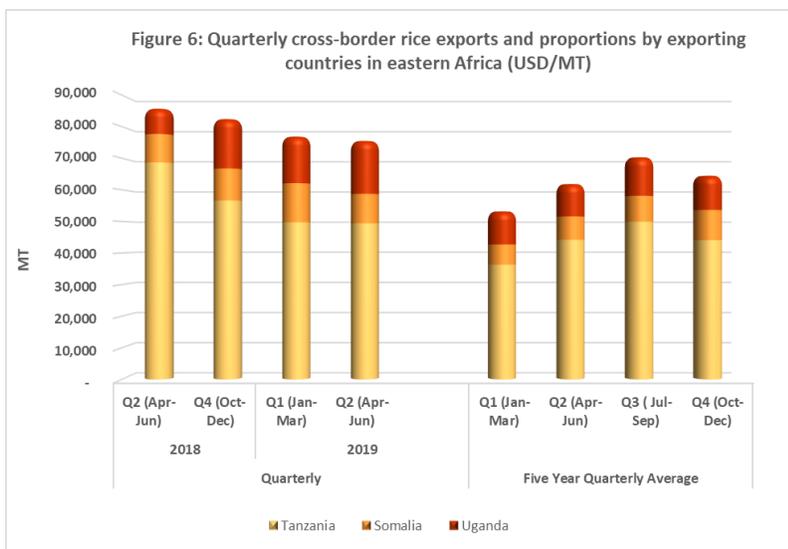
**Sorghum:** Around 35,000 MT of sorghum was traded in the East African region in the second quarter of 2019. See figure 5. The volumes traded were 116 and 80 percent above the previous second quarter and same quarter last year respectively, but still 19 percent below the recent five-year average levels. Exports from Uganda, Tanzania and Sudan represented 60, 25 and 11 percent of the total sorghum exported within the region. South Sudan, Rwanda and Ethiopia accounted for 61, 24 and six percent of the total imports in the region. Sorghum exports from Uganda to South Sudan were above average due to improved security and increased supply along some key trade routes after the signing of peace agreement last year as explained earlier. Exports from Tanzania to Rwanda increased significantly because of growing demand for brewing in addition to replacement of imports from

Uganda. Sudan’s currency depreciation and uncertainty along some trading routes because of political crisis, had some trade rerouted from the main producing eastern region into Ethiopia.

**Rice:** Regional trade in locally produced rice and some re-exports of rice imported from overseas was about 76,000 MT in the second quarter of 2019. See figure 6. The trade as similar to the last quarter, 12 percent lower than the second quarter of 2018 which was exceptional, but 22 percent higher than the recent five-year average levels. Tanzania, Uganda and Somalia accounted for 65, 22 and 12 percent of the total regional exports, while Uganda, Kenya, South Sudan, Rwanda and Ethiopia represented 27, 23, 22, 16 and 10 percent of the regional imports. Exports from

Tanzania to other countries in the region has been persistently exceptional since the second quarter of 2018. This is attributed to improved quality as cases of local rice mixed with low quality imports from Pakistan have become rare. That is why Tanzania’s locally produced rice is no longer subject to the East Africa common external tariffs like rice imported overseas, therefore enhancing its regional flow. Thus, exports to Uganda was 90 percent above recent five-year average, as were exports of domestic and re-exports of Tanzanian rice to South Sudan which were 129 percent above recent five-year average but also supported by improving security in South Sudan. Re-exports overseas rice to the Somali region of Ethiopia declined following above average exports in the first quarter in preparation of the June-to-July Ramadan religious festivities.

**Dry beans:** Second quarter dry beans traded in the region was about 70,000 MT which declined (see figure 7) seasonably from the previous season by 32 percent, but was similar to the second quarter of 2018, and marginally above the recent five-year average level. Uganda, Tanzania, Ethiopia and Kenya accounted for 42, 27, 23 and eight percent of the total exports respectively, while Kenya, Tanzania and South Sudan imported 66, eight and seven percent of the total. The season decline in regional trade was exacerbated by below average

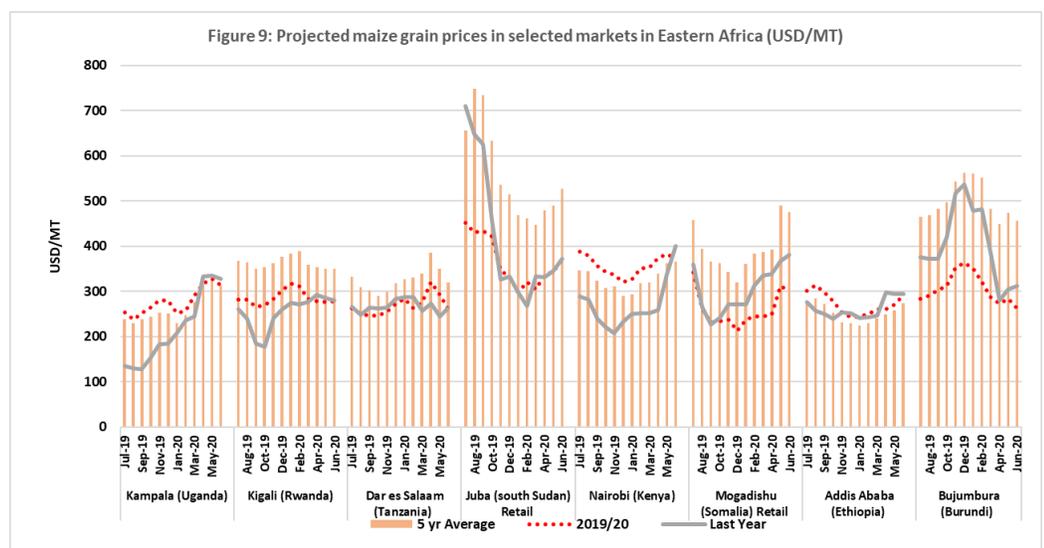


production in Uganda that tightened supplies. However better production and availability of supplies increased exports from Tanzania and Ethiopia to Kenya. Early in the second quarter, the February crop in eastern Kenya flowed into northern Tanzania attracted by higher prices.

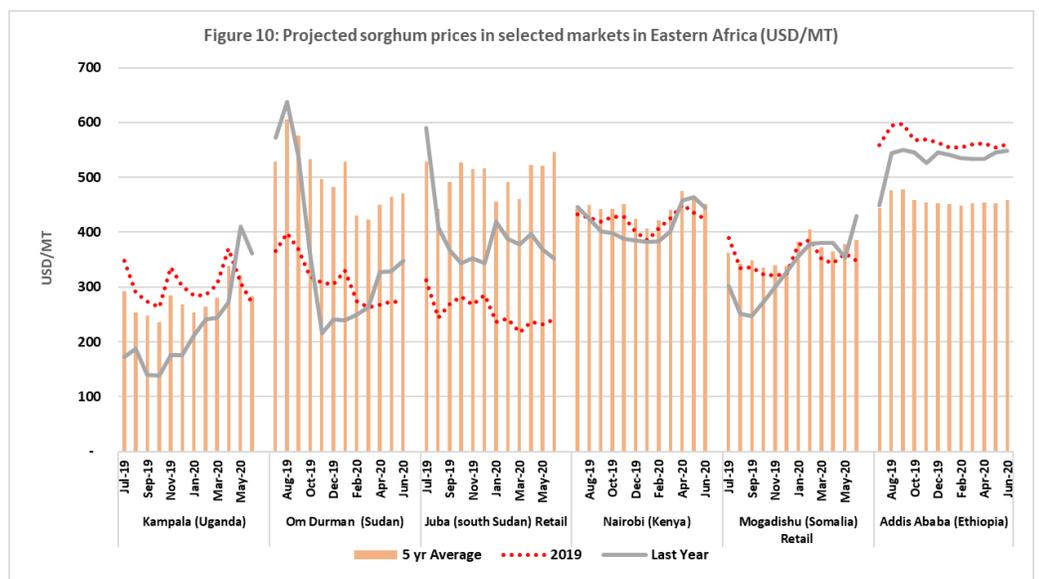
**Livestock:** Livestock trade flows in the region were mixed. See figure 8. Exports of goats and camels from Ethiopia to Somalia increased while that of cattle remained stable at high levels because of strong local and export demand during the May-to-June Ramadhan festivities, and expectations of sustained high demand during the August Haj festivities. Livestock exports from Somalia to Kenya, and Uganda to South Sudan, remained stable due to ample availability in the destination markets.

### CROSS BORDER TRADE OUTLOOK APRIL TO SEPTEMBER 2019

**Maize** prices across most markets in the Eastern Africa region are expected to trend seasonably but above or similar to last year levels in the second half of 2019 because of anticipated below average supplies in many countries including surplus-producing Uganda. See Figure 9. Prices across most consumption markets including Kenya and Rwanda are expected to be above average because of reduced regional imports in addition to forthcoming below average harvest. The expected below average June-to-July production in Uganda coupled with average May-to-August production in Tanzania will likely reduce total surplus available in the region. Hence cross-border trade is anticipated to be below average in the third quarter.



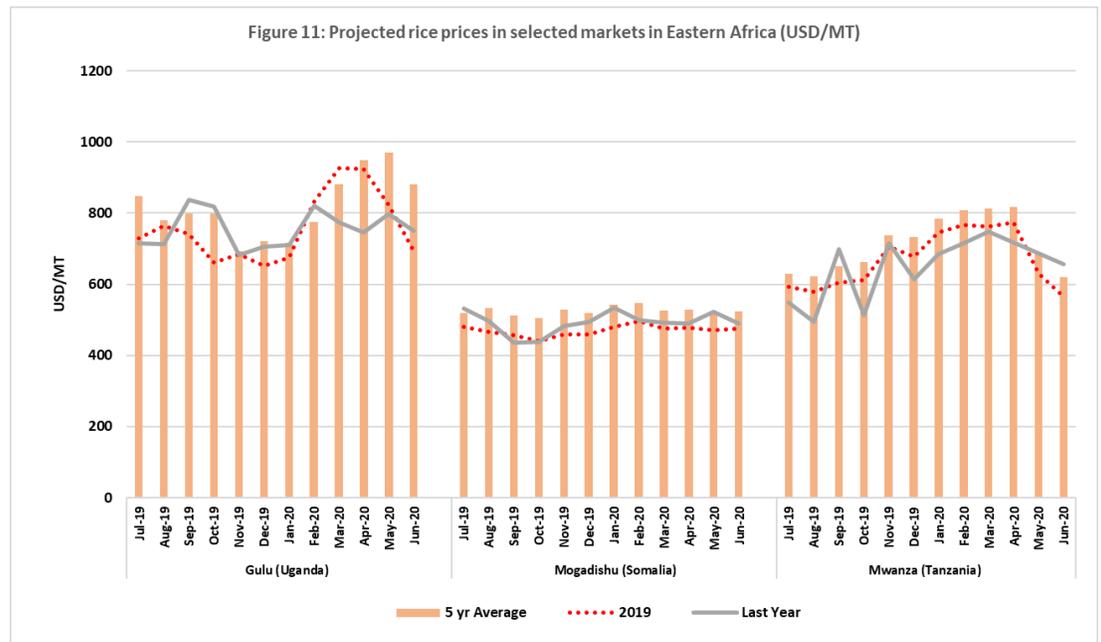
**Sorghum** prices are expected to be higher than last year and recent five-year average levels in the second half of 2019 across most markets in Uganda, Kenya, Somalia, Sudan, and Ethiopia due to tight supplies; and in addition to high costs in Sudan and Ethiopia. See figure 10. The prices are expected to remain lower than last year and recent five-year average levels in South Sudan due to increased regional inflows as security improves along some trade routes. Regional trade in sorghum is expected to increase in the third quarter driven by improving domestic security and demand in South Sudan, attracting and supplies



from Uganda; and growing demand in the region for brewing. Persistent political crisis in Sudan may result in increased exports to South Sudan and Ethiopia as traders avoid uncertain domestic transactions.

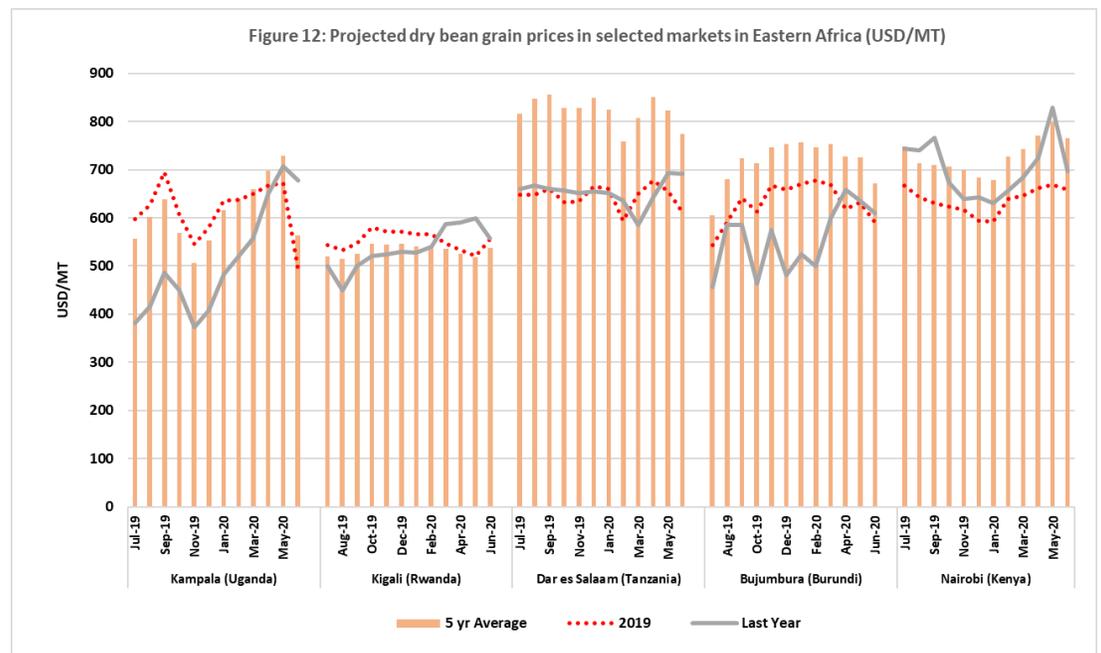
**Locally produced rice**

prices are expected to remain similar to last year and around the recent five-year average levels in the second half of 2019. See figure 11. Regional trade in locally produced rice is expected to remain exceptional because of expected below average substitute maize crop, and high demand for the Tanzania rice despite ceiling at higher price than overseas imports, because of its aroma, water absorption, and swelling properties preferred by many households in the region.



**Dry bean**

prices will most likely remain above last year levels in the second half of 2019 because of high domestic and regional demand, see figure 12. However, dry bean trade in Eastern Africa is expected to increase with increased supply from the July through to December harvests in Tanzania, Uganda and Ethiopia; and supported by the expanding market in South Sudan.



**Regional trade in livestock**

is expected to start declining seasonably in the third quarter of 2019 because of weak demand and declining prices following the end of the July-to-August religious festivities. Trade in livestock is anticipated to drop even further in the fourth quarter as livestock keepers retain the animals for fattening during the October-to-December rainy season.

## ANNEX

Table 1: Cross-borders trade between April and June 2019 among selected pairs of countries for some staple food commodities.

Commodity	Trade Flow Corridors (source destination)	Trade Volumes in MT	% Change			Historical Comparison		
			Last Quarter	Last Year	5 Year Average	Last Quarter	Last Year	Average
Maize	Uganda - South Sudan	33,314	62%	241%	388%	▲	▲	▲
	Uganda - Kenya	6,921	122%	-88%	-83%	▲	▼	▼
	Tanzania - Kenya	25,978	21%	-47%	-64%	▲	▼	▼
	Tanzania - Rwanda	1,194	-92%	261%	-14%	▼	▲	▼
	Ethiopia - Kenya	834	27710%	527%	-84%	▲	▲	▼
	Ethiopia - Somalia	1,713	21%	9%	53%	▲	▲	▲
	Kenya - Tanzania	3,308	-76%	244%	-62%	▼	▲	▼
Sorghum	Uganda - South Sudan	20,335	1590%	201%	49%	▲	▲	▲
	Uganda - Kenya	422	-84%	-93%	-90%	▼	▼	▼
	Uganda - Rwanda	3	-100%	-100%	-100%	▼	▼	▼
	Ethiopia - Djibouti	3	0%	-1%	-65%	▶	▶	▼
	Ethiopia - Somalia	679	-19%	6%	6%	▼	▲	▲
	Somalia - Djibouti	3	-100%	-100%	-100%	▼	▼	▼
	Sudan - Eritrea	928	-41%	-45%	-92%	▼	▼	▼
Rice	Sudan - South Sudan	752	181%	-15%	-89%	▲	▼	▼
	Uganda - South Sudan	16,896	13%	106%	129%	▲	▲	▲
	Tanzania - Kenya	15,995	-37%	-31%	-7%	▼	▼	▼
	Tanzania - Rwanda	12,144	10%	-37%	-15%	▼	▼	▼
	Tanzania-Uganda	20,146	73%	-18%	90%	▲	▼	▲
	Somalia - Kenya	1,557	-17%	37%	-11%	▼	▲	▼
	Somalia - Ethiopia	7,778	-26%	-1%	-9%	▼	▼	▼
Beans	Tanzania - Burundi	1,107	-26%	-19%	-44%	▼	▼	▼
	Uganda - South Sudan	4,705	-27%	-5%	6%	▼	▼	
	Uganda - Kenya	24,466	-62%	-40%	-28%	▼	▼	▼
	Uganda - Rwanda	2	-100%	-40%	-61%	▼	▼	▼
	Rwanda - Uganda	3	0%	-100%	-100%	▶	▼	▼
	Uganda - DRC	602	0%	-94%	-83%	▶	▼	▼
	Tanzania - Kenya	19,190	36%	317%	-28%	▲	▲	▼
Ethiopia - Kenya	15,922	175%	337%	223%	▲	▲	▲	
	Ethiopia - Sudan	42	-100%	214%	-92%	▼	▲	▼
Camels	Somalia - Kenya	341	-35%	-30%	-62%	▼	▼	▼
	Ethiopia - Somalia	10,041	-16%	-20%	-27%	▼	▼	▼
Cattle	Somalia - Kenya	441	-68%	-69%	-79%	▼	▼	▼
	Ethiopia - Somalia	22,701	-33%	-25%	-26%	▼	▼	▼
Goats	Somalia - Kenya	2,859	-42%	-44%	-47%	▼	▼	▼
	Ethiopia - Somalia	36,641	-29%	-36%	-56%	▼	▼	▼
Sheep	Somalia - Kenya	695	-29%	-44%	2%	▼	▼	▶
	Uganda - South Sudan	1,395	115%	546%	-57%	▼	▼	▼

Figure 13: cross-borders points monitored by FEWS NET and East Africa Grain Council in Eastern Africa by July 2019

