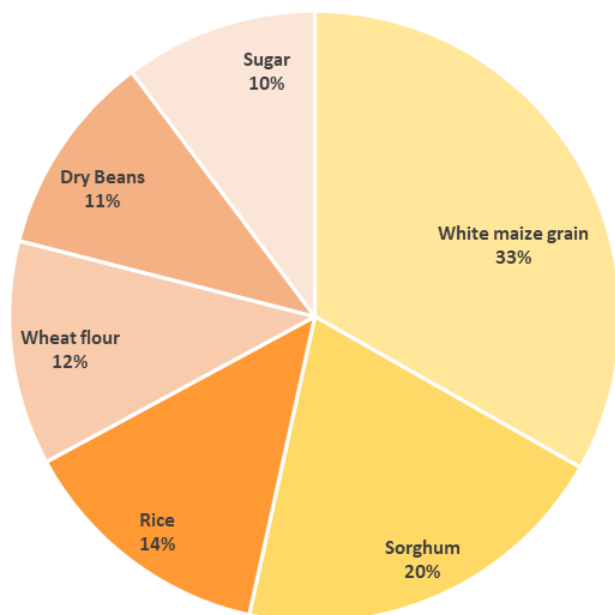


## SUMMARY POINTS

Figure 1: Main Staple Food Commodities Informally Traded Across Selected Borders in Eastern Africa in the Third Quarter of 2021.

Source: FEWSNET and EAGC









- The projected amount of exportable maize in surplus-producing Tanzania, Uganda and Ethiopia is 1,402,420 metric tons (MT) between July 2021 and June 2022. This volume is similar to last year (July 2020 to June 2021) but 25 percent lower than recent five-year average levels.
- Although the volumes traded in East Africa were lower than in the previous second quarter, the quantities were nevertheless higher than average because of increased supplies from Uganda to South Sudan supported by relative and nascent improvement in economic conditions, from Tanzania to Kenya due to expectations of below average harvest.
- Livestock trade especially for cattle and goats increased atypically because of high local and regional demand despite the end of exports to the Middle East in July.
- Staple food commodity parity price trends (expressed in US dollars per MT) are expected to vary across the region in the next nine months, trending seasonably. The prices are projected to be higher than average in South Sudan Ethiopia, Sudan, and Somalia due to high inflation and or below average harvest.

## 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. Cross-Border trade and price data is provided by, the Famine Early Warning Systems Network (FEWS NET), the Eastern Africa Grain Council (EAGC), the Food and Agricultural Organization of the United Nations (FAO), the National Bank of Rwanda (NBR), the World Food Program (WFP), Farmgain (Uganda), FAMIS (Sudan), FSNAU (Somalia), MoA (Kenya and Burundi), RATIN all of East Africa, Tanzania Trade Development Authority.

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

### Key Commodities & Cash Crops by Country

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

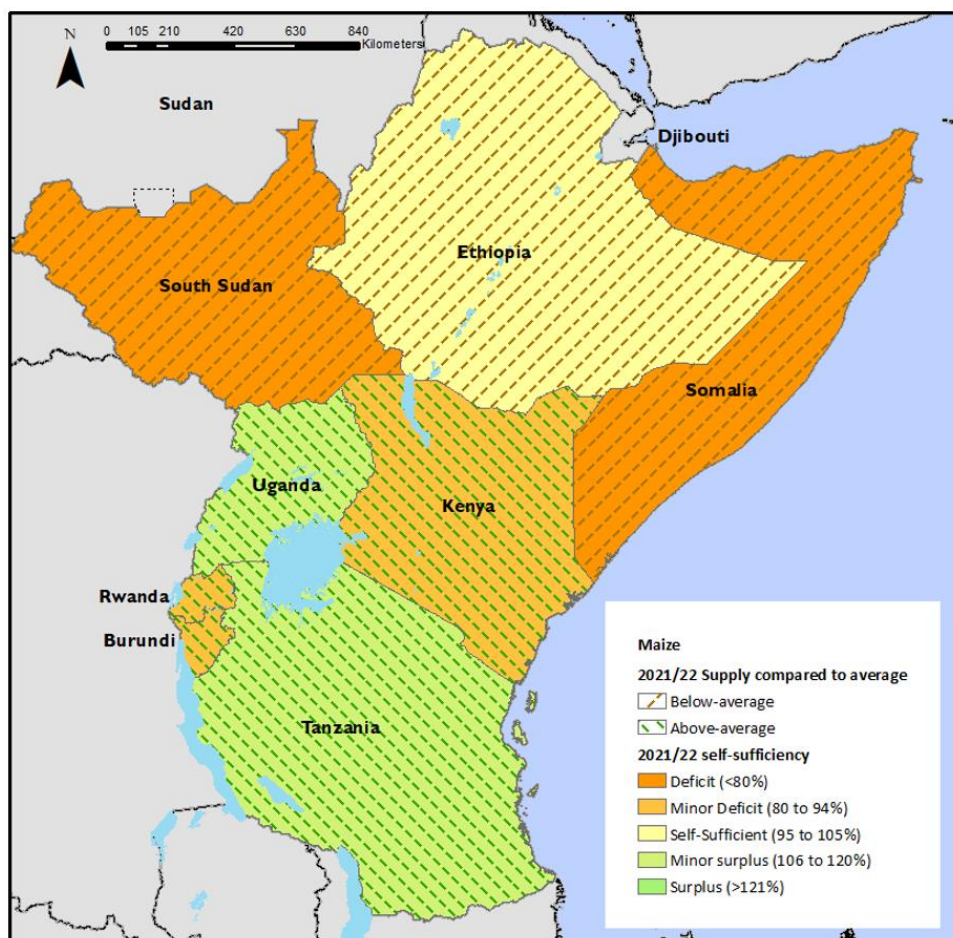
\*Additional products may be covered in the annexes.

## PRODUCTION AND MARKETING PROSPECTS IN EAST AFRICA JULY 2021 TO JUNE 2022

According to FEWS NET East Africa maize supply outlook report of October 2021, preliminary estimates suggest that 2020/21 production in surplus Tanzania and Uganda will be similar to 2020/21 but slightly higher than average levels. Ethiopia's production is estimated to be similar to 2020/21 and seven percent lower than average levels. Harvests in import-dependent Somalia, Kenya and South Sudan will be 27, 25 and 20 percent lower than last year and 32, 9 and 17 percent lower than average levels respectively because of poor rainfall performance. Production in Burundi and Rwanda will be similar to last year but 14 percent above average.

The estimated amount of exportable maize in surplus-producing Tanzania, Uganda and Ethiopia is 1,402,420 metric tons (MT) between July 2021 and June 2022. This is similar to last year (July 2020 to June 2021) but 25 percent lower than recent five-year average levels. While supply was above average across many countries in the region, it was below average in Uganda which accounts for 14 percent of the production but 31 percent of the tradable surplus because of reduced carryover stocks from the previous year's below average harvest. Also, production was lower in Ethiopia as mentioned earlier because of excessive rainfall, flooding, inaccessibility to farm inputs due to COVID-19 restrictive measures, politically related insecurity, and inter-communal clashes. Tanzania and Ethiopia account for 37 and 32 percent of the tradable maize, respectively. Tanzania and Ethiopia account for 37 and 32 percent of the tradable maize, respectively. (Figure 1).

**Figure 1. Projected 2021/2022 Maize Self-Sufficiency and Supply Levels compared to Average**

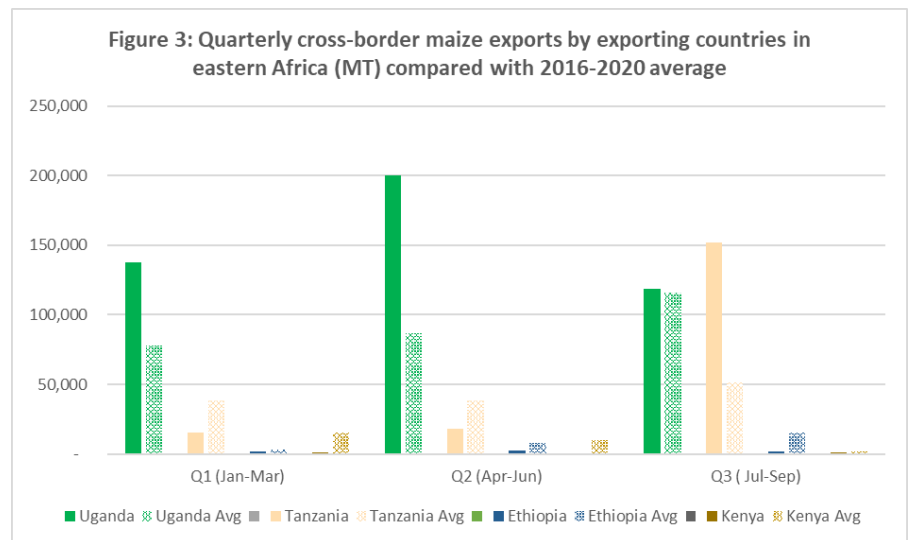


Source: FEWS NET estimates based on data from regional governments and multi-agency assessments

## THE STATUS OF CROSS BORDER TRADE IN THE SECOND QUARTER (JUL-SEP) OF 2021

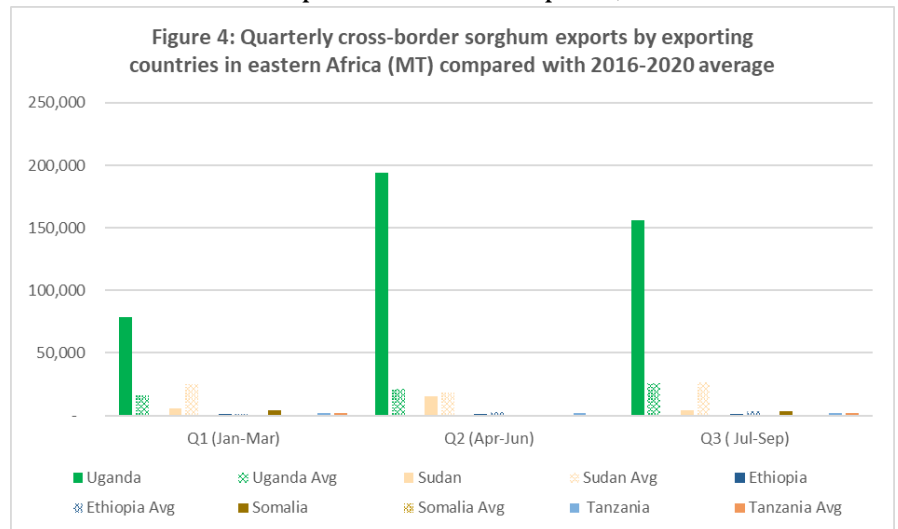
### Maize

In the third quarter of 2021 (July-to-September), approximately 273,000 MT of maize grain was traded within the Eastern Africa region. While the volume traded was 14 percent lower than the respective quarter in 2020, the amount was 58 and 72 above the second quarter and recent five-year average levels correspondingly. Tanzania and Uganda accounted for 56 and 43 percent of the total exports while Kenya and South Sudan represented 57 and 42 percent of the imports respectively (Figure 3). The above average volume traded were supported by seasonal exports from Tanzania to Kenya as increasingly fresh supplies from the May-to-August harvest entered the market amid high demand in Kenya due to expectations of below average October-to-December harvest. Although exports from Uganda to South Sudan were lower than the previous quarter, the amount traded were above average, spurred by relative peace in South Sudan and expanded market functioning, paved road constructions, availability of hard currency, relatively stable currency exchange rates, and declining rate of inflation. Also exports from Ethiopia to South Sudan, northern Kenya, central and northern Somalia were higher than the previous quarter and the third quarter of 2020 but lower than average, due to realized and expected below-average harvests in the destination countries.



### Sorghum

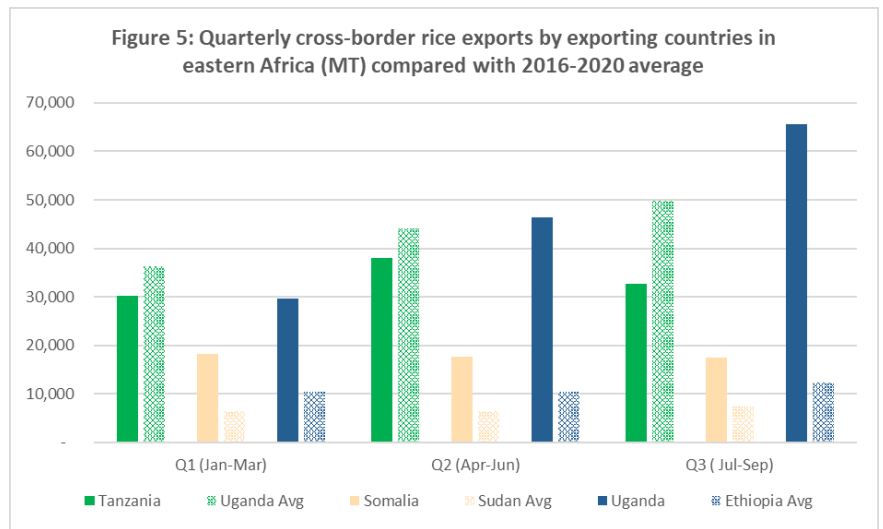
Approximately 166,000 MT of sorghum was traded in the region in the third quarter of 2021. The amount was 21 percent below the previous quarter but 123 and 189 above last year and recent five-year average of third quarter levels, respectively (Figure 4). Uganda accounted for 94 percent of the exports, while South Sudan accounted for 94 percent of total imports. While exports from Uganda to South Sudan were 18 percent lower than the previous quarter, the amount traded was exceptionally higher than 2020 third quarter and recent five-year average levels because of expanded market and trade route functionality, availability of hard currency and stable exchange rates, expanding construction of paved roads and declining inflation rates in South Sudan, all of which have incentivized trade. While exports from Ethiopia to Somalia and Djibouti, and from Somalia to Djibouti were not as substantial as Ugandan exports to South Sudan, they were still significantly above average because of increased demand in Somalia due to below average harvest and increasing demand in the deficit consumption market of Djibouti.



**Rice**

An estimated 116,000 MT of locally produced rice and around 17,000 MT of international re-exports from Somalia were traded in the region in the third quarter of 2021. The volume was 13, 116, and 43 percent higher than the previous, last year and recent five-year average of the third quarter levels, respectively (Figure 5).

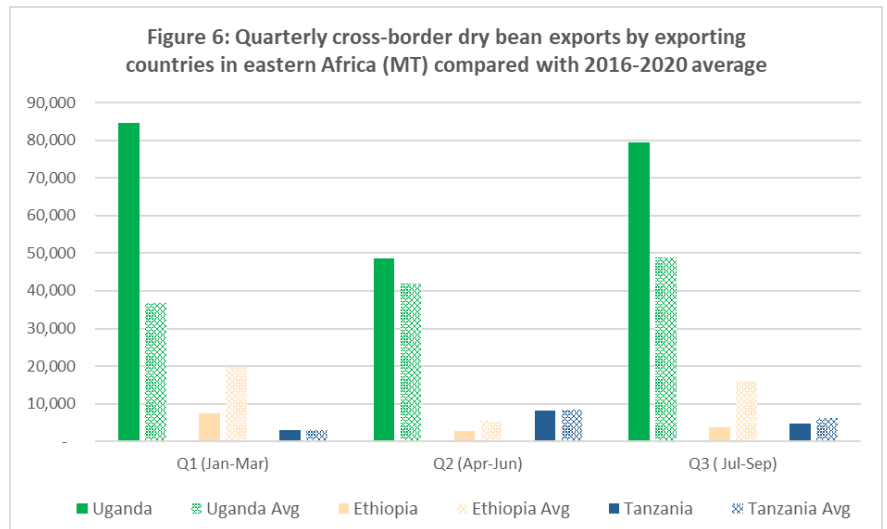
Uganda, Tanzania, and Somalia represented 57, 28 and 15 percent of the total exports while South Sudan, Kenya, Ethiopia, and Uganda, accounted for 57, 17, 13 and six percent of the total imports, respectively. The increased regional trade was attributed to exports from Uganda and re-exports of Tanzanian rice from Uganda to South Sudan following relative peace across most sections of South Sudan despite localized clashes and insecurity, availability of hard currency and stable exchange rates, continuous pavement of roads. Exports to Kenya were also above average as expectations of below average-harvest incentivized traders to increase purchases. While exports from Somalia to eastern Kenya and Ethiopia were less than the amount exported from Uganda and Tanzania, they were above average because of expectations of high food prices as the forthcoming harvest is expected to be lower than average. Exports from Tanzania to Burundi were also higher than average as shown in the annex attracted by higher prices.



**Dry Beans**

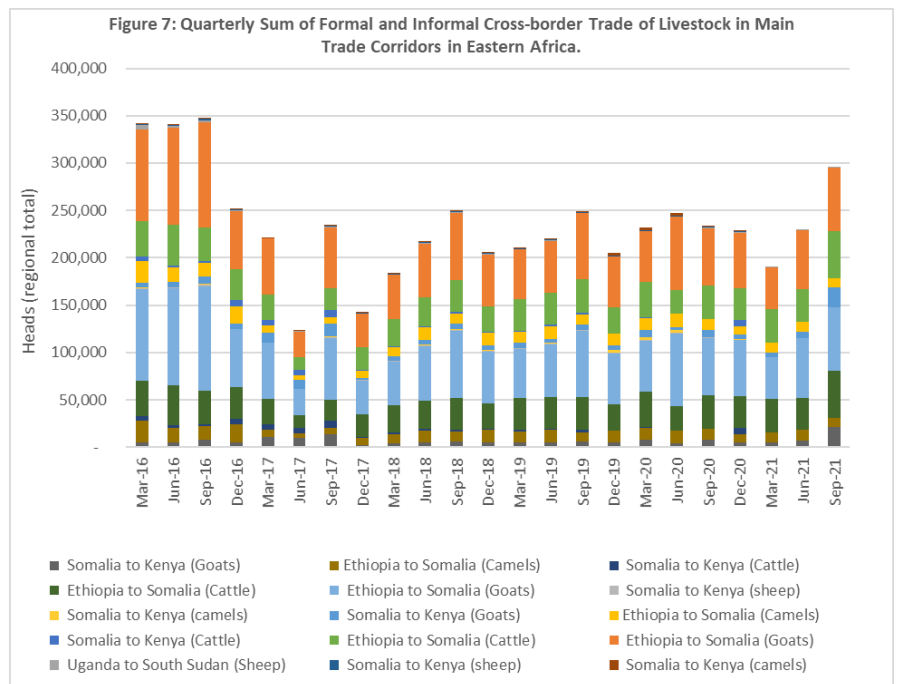
Around 88,000 MT of dry beans were traded in Eastern Africa in the third quarter of 2021. This volume was 40 and 36 percent above previous second quarter and last year’s third quarter, and similar to the recent average levels for third quarters (Figure 6).

Uganda accounted for 90 percent of the exports while Tanzania and Ethiopia represented around five percent of the exports each. South Sudan and Kenya accounted for 80 and 19 percent of the imports respectively. The increased trade volumes were due to increased exports from Uganda to South following improved market conditions after the peace agreement and the aforementioned economic reforms. Seasonal exports of fava beans from Ethiopia to Sudan increased despite ongoing tensions between the two countries. Nevertheless, the volumes traded were insignificant at regional level.



**Livestock**

Cattle exports from Ethiopia to Somalia increased unseasonably after the end of the religious festivities and peak demand in July both in Somalia and in the export market of the Middle East (Figure 7). This was attributed to atypical high local demand in Somalia in addition to better than expected availability of dry pasture amid two consecutive seasons of below average rainfall. Goat exports from Somalia to Kenya increased significantly towards the December holidays in Kenya and concomitant high demand, with goat sales expected to pick-up from last December following the easing of COVID-19 measures earlier in the year. Livestock along other regional corridors remained seasonably stable.



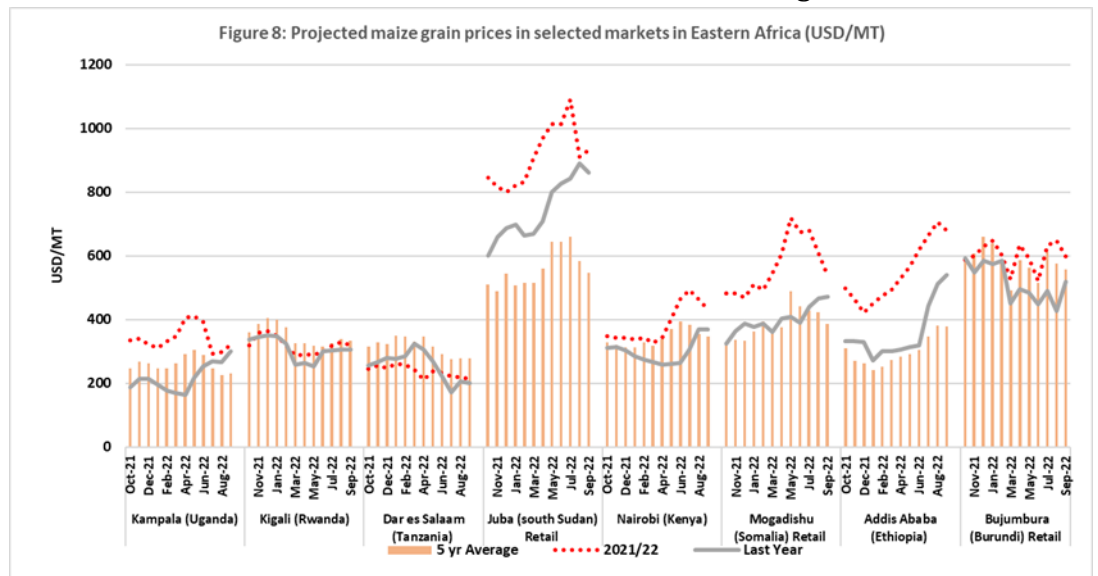
**CROSS BORDER TRADE OUTLOOK OCTOBER 2021 TO APRIL 2022**

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

- Regional trade is expected to increase in 2021/2022 in spite of below average harvest in many countries as regional supplies from surplus countries flows to deficit areas.
- The results of macro-economic reforms in South Sudan and Sudan are starting to stabilize foreign exchange rates and reducing the rate of inflation. Nevertheless, prices are expected to respond slowly and will likely remain above average levels. The prices are also expected to remain high due to poor economic conditions in Burundi and in Ethiopia which is additionally affected by conflict in the northern region.

Maize prices are expected to follow seasonal trends but remain near or below average in most markets in

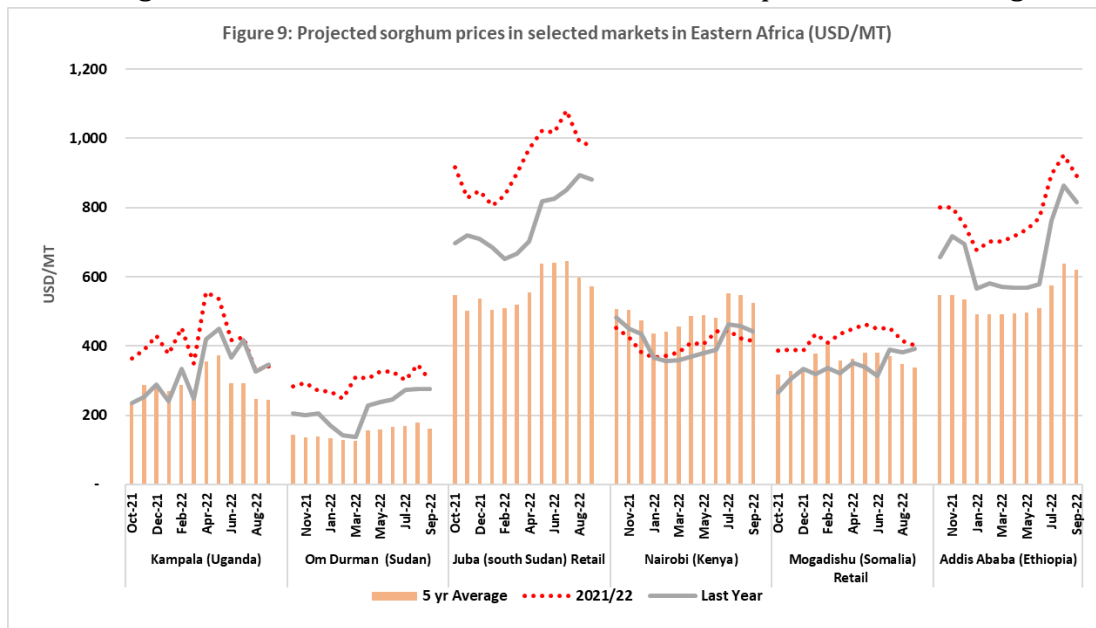
Tanzania, Rwanda, and Burundi, due to average-to-near average May-to-August harvest exerting downward pressure on prices in the second half of 2021 and early 2022, and in Kenya because of support from regional sources to fill the structural deficit in the third quarter of 2022 amid increased supply from local harvest. (Figure 8). However, prices may likely move above the average levels in Kenya in the 2022



marketing year due to expected below-average harvest. Projected prices in Somalia are expected to be significantly higher than average levels due to consecutive below-average harvest and in both South Sudan and Ethiopia because of high inflation.

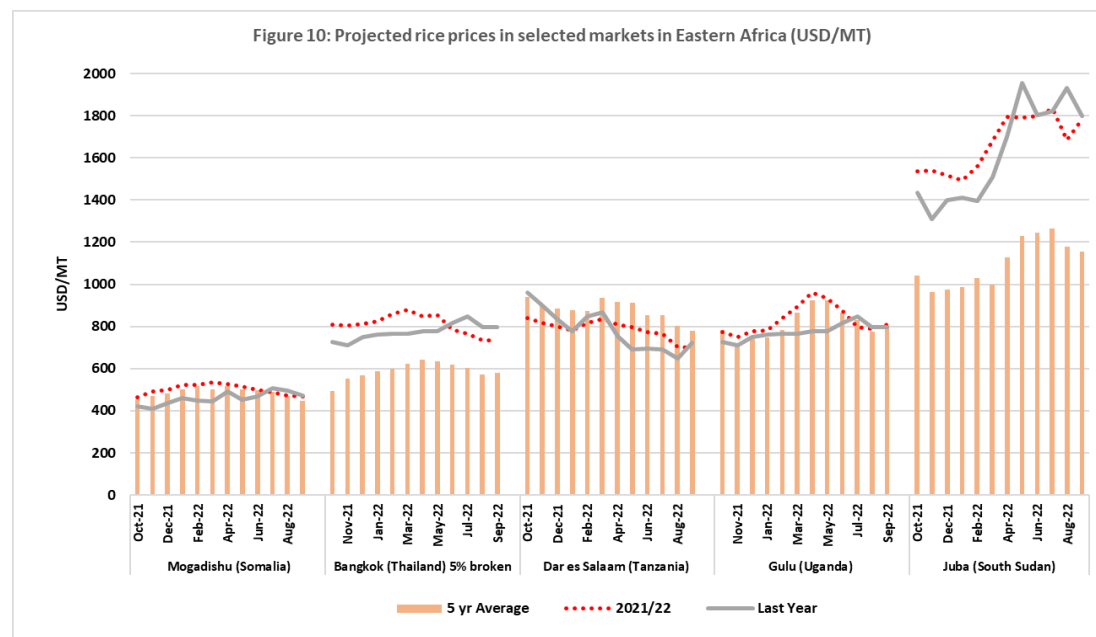
Prices of **sorghum** are expected to follow seasonal patterns through June 2021, see Figure 9. However, they will likely be above recent five-year average levels in Sudan, South Sudan, and Ethiopia because of high and increasing inflation, and in Uganda and Somalia because of expectations of below-average June-to-July Harvest.

Outflows from Sudan will likely continue to increase because of lower prices and removal of the export ban but high transport costs will probably restrict outflows to distant markets. Exports from Uganda to South Sudan are expected to continue to increase due to prevailing relative calmness as the peace agreement is implemented and slight improvement in availability of hard currency due to weekly auctions by the Central Bank of Sudan. The below-average June-to-July harvest in Somalia will likely encourage more exports from Ethiopia to central and northern Somalia where prices are higher than in the main producing southern Somalia markets.



Exports from Uganda to South Sudan are expected to continue to increase due to prevailing relative calmness as the peace agreement is implemented and slight improvement in availability of hard currency due to weekly auctions by the Central Bank of Sudan. The below-average June-to-July harvest in Somalia will likely encourage more exports from Ethiopia to central and northern Somalia where prices are higher than in the main producing southern Somalia markets.

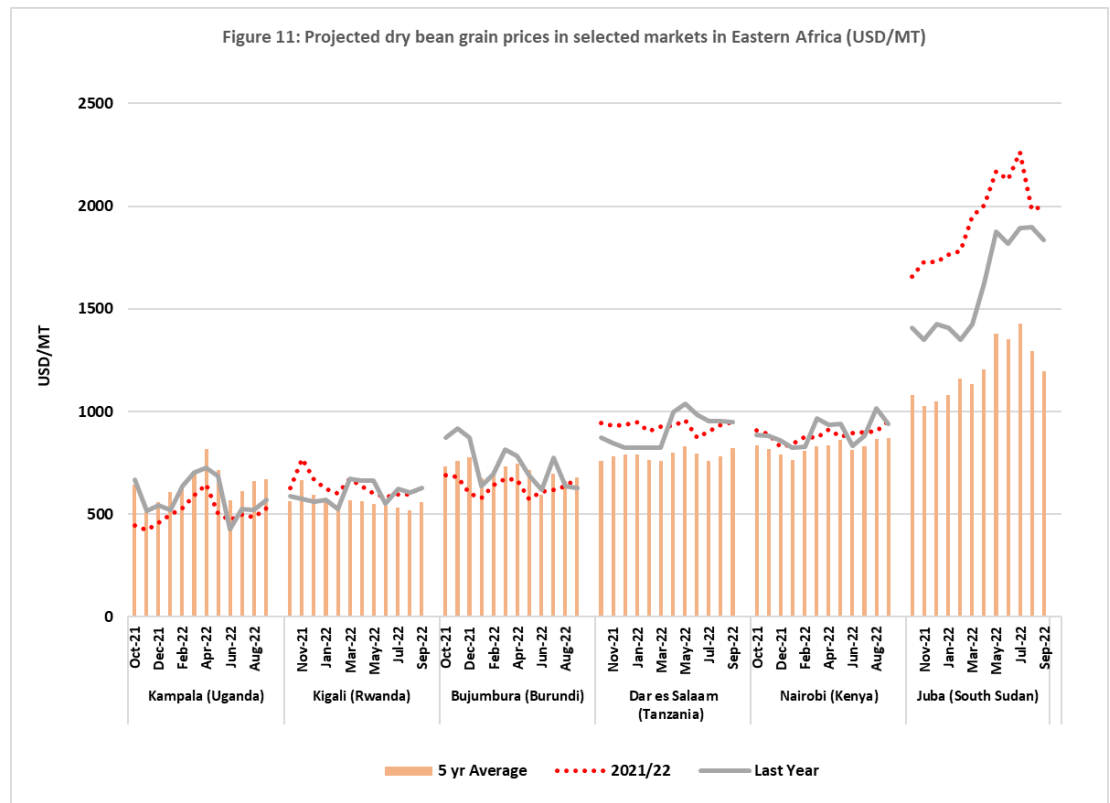
Prices of locally produced **rice** are projected to trend seasonably across most markets in the region. Prices are expected to be near recent five-year levels in Uganda because of high demand domestically and in South Sudan, and in Somalia because of above average international prices amid high local demand due to below average harvest of maize and sorghum and increased demand in eastern Ethiopia and Kenya. Prices are likely to remain below average levels in Tanzania because of average-to-above average local production. (Figure 10). Prices are expected to remain significantly above average in South Sudan due to high inflation. Rice exports from Tanzania to regional markets is expected



Prices are expected to remain significantly above average in South Sudan due to high inflation. Rice exports from Tanzania to regional markets is expected

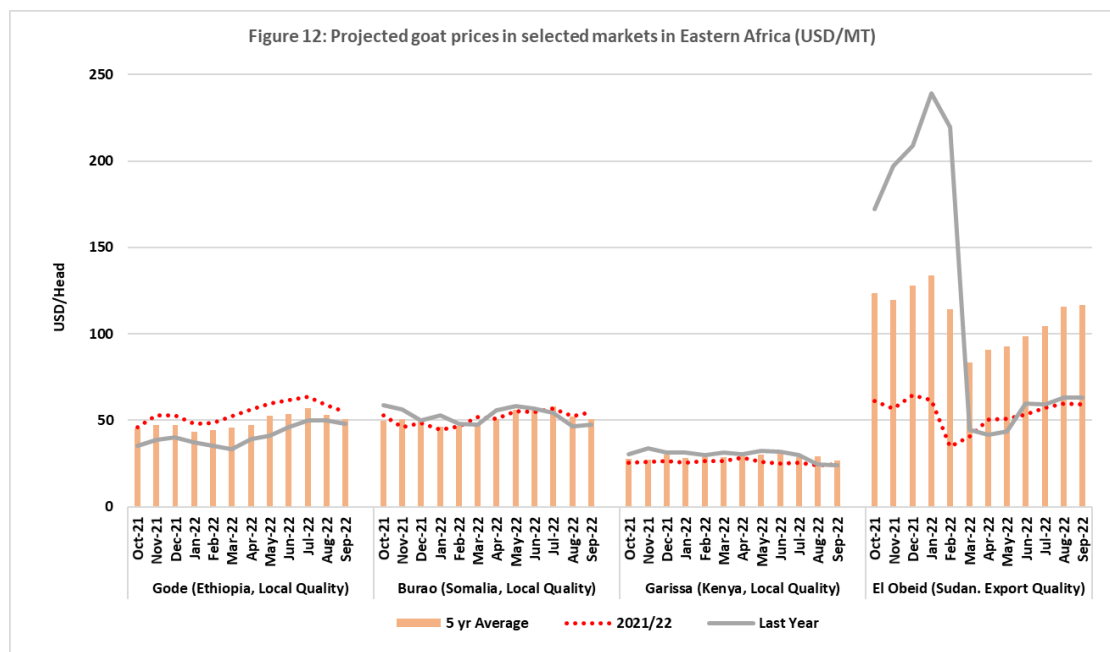
to increase in the rest of 2021 spurred by below average maize harvest, high demand for re-exports via Uganda to South Sudan and above average Asian rice prices.

**Dry bean** prices are expected to follow seasonal trends over the next nine months but remain near or above recent five-year average levels in Tanzania, Rwanda, and Kenya due to high domestic and regional demand amid some reduced production following heavy rains in 2019 and 2020 which reduced carryover stocks into July 2021 and June 2022 production and marketing season. See Figure 11. Consecutive average-to-above average harvests will sustain below average prices in Burundi and Uganda, increasing exports from Uganda to South Sudan and Kenya, and from Burundi to eastern Democratic Republic of Congo. Prices will likely remain significantly above average in South Sudan because of expected below-average dry bean domestic production following excessive rains and flooding in parts of South Sudan.



Prices will likely remain significantly above average in South Sudan because of expected below-average dry bean domestic production following excessive rains and flooding in parts of South Sudan.

**Goat** prices will likely remain below last year's prices in Kenya and Somalia because of expected below-average rainfall that will degrade rangeland conditions compromising livestock body conditions. Also, uncertain demand in the Middle East due to COVID-19 restrictions will reduce demand, exerting downward pressure on prices. Prices will continue to follow seasonal trends in Sudan, although currency depreciation will likely sustain below average prices in 2021/2022 despite high inflation and concomitant high costs of feed, water, medications etc. which are being passed on to consumers. See Figure 12.



## ANNEX

Table 1: Cross-borders trade between July and September 2021 among selected pairs of countries for some staple food commodities.

Commodity	Trade Flow Corridors (source destination)	Trade Volumes in MT (Livestock in Heads)	% Change			Historical Comparison		
			Last Quarter	Last Year	5 Year Average	Last Quarter	Last Year	Average
Maize	Uganda - South Sudan	114,540	-38%	243%	244%	▼	▲	▲
	Uganda - Kenya	3,865	-72%	-94%	-87%	▼	▼	▼
	Tanzania - Kenya	151,331	876%	364%	367%	▲	▲	▲
	Tanzania - Rwanda	0	-100%	-100%	-100%	▼	▼	▼
	Ethiopia - Kenya	443	15%	273%	-91%	▲	▲	▼
	Ethiopia - Somalia	1,317	-22%	86%	-7%	▼	▲	▼
	Kenya - Tanzania	953	31673%	240%	-88%	▲	▲	▼
	Sorghum	Uganda - South Sudan	153,923	-18%	574%	507%	▼	▲
Uganda - Kenya		2,171	-70%	-47%	-45%	▼	▼	▼
Uganda - Rwanda		3	0%	0%	-100%	►	►	▼
Ethiopia - Djibouti		18	113%	493%	492%	▲	▲	▲
Ethiopia - Somalia		1,013	-10%	64%	28%	▼	▲	▲
Somalia - Djibouti		3,050	14796%	126%	1682%	▲	▲	▲
Sudan - South Sudan		1,835	-74%	402%	-64%	▼	▲	▼
Sudan - Eritrea		4	-75%	584%	-53%	▼	▲	▼
Rice	Uganda - South Sudan	65,532	41%	162%	323%	▲	▲	▲
	Tanzania - Kenya	17,481	37%	80%	10%	▲	▲	▲
	Tanzania - Rwanda	2,173	-39%	-17%	-82%	▼	▼	▼
	Somalia - Kenya	2,252	13%	129%	21%	▲	▲	▲
	Somalia - Ethiopia	15,153	-4%	97%	70%	►	▲	▲
	Tanzania - Burundi	6,607	319%	542%	230%	▲	▲	▲
Beans	Uganda - South Sudan	70,827	293%	71%	739%	▲	▲	▲
	Uganda - Kenya	8,616	-72%	14%	-70%	▼	▲	▼
	Uganda - DRC	3	0%	0%	-100%	►	►	▼
	Tanzania - Kenya	4,759	-42%	-24%	-3%	▼	▼	►
	Ethiopia - Kenya	3,633	36%	5%	-47%	▲	►	▼
	Ethiopia - Sudan	242	3867%	11705%	1306%	▲	▲	▲
Camels	Somalia - Kenya	769	198%	-18%	-29%	▲	▼	▼
	Ethiopia - Somalia	9,679	-11%	-17%	-25%	▼	▼	▼
Cattle	Somalia - Kenya	135	26%	-29%	-95%	▲	▼	▼
	Ethiopia - Somalia	49,500	45%	42%	50%	▲	▲	▲
Goats	Somalia - Kenya	21,137	198%	177%	219%	▲	▲	▲
	Ethiopia - Somalia	67,300	8%	11%	9%	▲	▲	▲
Sheep	Somalia - Kenya	2,069	22%	41%	136%	▲	▲	▲
	Uganda - South Sudan	5,989	32%	69%	263%	▲	▲	▲



Figure 13: cross-borders points monitored by FEWS NET and East Africa Grain Council in Eastern Africa by September 2021



Recommended citation: FEWS NET: East Africa Cross Border Trade Bulletin, October 2021