



EASTERN AFRICA GRAIN MARKETS AND TRADE

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Highlights

In Eastern Africa, staple grain prices increased due to diminishing stocks as most countries were in the lean period of production. In Rwanda and Burundi, recently gathered harvest eased demand pressure on maize, rice, and beans. In April, prices of Maize, Rice, Beans, and Sorghum settled below the five-year average and year-earlier levels owing to last years above average crop output.

Maize: Prices gained significantly in Uganda markets due to low supply partly attributed to the failure of the second season crop in 2018. Poor macro-economic conditions led to higher marketing cost for imported maize in South Sudan leading to price gains whereas in Kenya and Tanzania, diminishing domestic supply increased demand pressure.

Beans: Supply in Rwanda and Burundi was ample in April whereas, in other countries in other monitored countries, a seasonable decrease was reported in the markets. The lingering diplomatic tiff between Rwanda and Uganda resulted to slump in the two-way trade between the two countries.

Rice: Supply from the international markets was stable in April. Tanzania exports to Uganda and Kenya significantly improved supply in urban markets with marginal price decline observed in the monitored markets.

Sorghum: Prices increased seasonally in the monitored markets as a result of tightened supply in the region. Uganda, the region's foremost producer recently had a below average output and currently, much of was the country in the lean period. Therefore, exports to deficit producer countries such as Kenya and South Sudan declined significantly in April.

Price of maize is forecasted to trend near to above average in Kenya and Uganda. In Tanzania, prices are expected to remain below average in the next six months owing to good prospects from the main season. Tanzania is expected to play a pivotal role in bridging the region's maize demand gap in June and July.

Markets

Compared to the previous month, prices have gained in most markets due to a decline in stocks and concerns over the first season performance, which is forecasted to be below average in some in Kenya and Uganda. In addition, there were concerns were around trade restrictions between Uganda and Rwanda which has affected the demand for soya beans, dry beans and maize in the western markets of Uganda. In Kenya, stocks of maize have declined seasonally with Maize Millers lamenting about

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

Market	Mar 2019	Apr 2019	Percentage Change		
			Previous Month	Same Month last year	Five-year Average
Dry Beans (USD/MT)					
Kigali (Rwanda)	477	491	3 ▲	-5 ▲	-1 ▲
Nairobi (Kenya)	419	505	21 ▲	-	-34 ▼
Kampala (Uganda)	558	649	16 ▲	24 ▲	-22 ▼
Dar es Salaam (TZ)	584	642	10 ▲	-3 ▲	-35 ▼
Juba (South Sudan)	1,284	1,359	6 ▲	-8 ▼	-
Lubumbashi (DRC)	1,014	988	-3 ▲	-	-
Goma (DRC)	616	509	17 ▲	-	-
Bujumbura (Burundi)	736	780	6 ▲	-21 ▼	-40 ▼
Maize (USD/MT)					
Kigali (Rwanda)	228	207	-9 ▼	5 ▲	-36 ▼
Nairobi (Kenya)	262	312	19 ▲	-5 ▲	-16 ▼
Kampala (Uganda)	215	292	36 ▲	51 ▲	-8 ▼
Dar es Salaam (TZ)	258	273	6 ▲	3 ▲	-38 ▼
Juba (South Sudan)	385	427	11 ▲	-13 ▼	-
Lubumbashi (DRC)	446	445	0 ▲	-	-
Goma (DRC)	271	307	13 ▲	-	-
Bujumbura (Burundi)	384	280	-27 ▼	-35 ▼	-43 ▼
Rice (USD/MT)					
Kigali (Rwanda)	858	762	-11 ▼	-17 ▼	-21 ▼
Nairobi (Kenya)	1,400	1,372	-2 ▲	-	8 ▲
Kampala (Uganda)	891	950	7 ▲	-7 ▼	-9 ▼
Dar es Salaam (TZ)	762	840	10 ▲	-7 ▼	-8 ▼
Juba (South Sudan)	1,156	1,373	19 ▲	30 ▲	-
Goma (DRC)	842	917	9 ▲	-	-
Bujumbura (Burundi)	933	941	1 ▲	5 ▲	1 ▲
Red Sorghum (USD/MT)					
Kigali (Rwanda)	381	344	-10 ▼	8 ▲	-14 ▼
Nairobi (Kenya)	439	457	4 ▲	-36 ▼	-5 ▲
Kampala (Uganda)	244	272	11 ▲	-8 ▼	-19 ▼
Dar es Salaam (TZ)	274	306	12 ▲	-12 ▼	-35 ▼
Juba (South Sudan)	492	385	11 ▲	-37 ▼	-
Goma	309	360	17 ▲	-	-
Bujumbura (Burundi)	515	492	1 ▲	-27 ▼	-

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.

the acute gain in prices in the production markets of Eldoret, Kitale, and Nakuru. Tanzania had ample stocks of maize with marginal price gains observed in most markets. In Uganda, a low supply of maize beans and sorghum was reported in the monitored markets. Burundi and Rwanda's recently gathered harvest has eased demand pressure on most grain staples. In the DRC, imports of Maize from Zambia in Katanga Province still play a significant role in market supply whereas, in the east, imports and the first season eased demand pressure for Maize and Beans in the Kivus. Prices in South Sudan remained elevated due to poor macro-economic conditions however, commodity availability improved compared to last year.

Maize

In April, maize prices increased in most of the consumer markets in the region (See table 1). The prices decreased seasonably in Bujumbura (Burundi) and Kigali (Rwanda) because of ample availability from domestic sources following the first season harvest in January and February. In Kampala (Uganda), prices increased by 36 percent month-on-month because of low supply as the country was in the lean period of production. In Nairobi (Kenya) a 19 percent gain was recorded with reports indicating that supply from source market in the North Rift was low. In addition, imports from Uganda were lower compared to previous years. In Juba (South Sudan), an 11 percent month-on-month gain was recorded with supply reported to be stable however, high inflation led to a significant price increase. In Lubumbashi (DRC), supply from Zambia to the market was reported to be stable in April with prices remaining stable.

Regional supply from the main harvest period from May to July is expected to be lower than average. Therefore, regional demand is expected to tighten earlier than usual with Kenya, Uganda and South Sudan recording significant price gains in the coming months. If Kenya imports from the international market at the beginning of the 2019/20 marketing year materialize, the regional demand will ease as Kenya has the highest per capita consumption in East Africa and is estimated

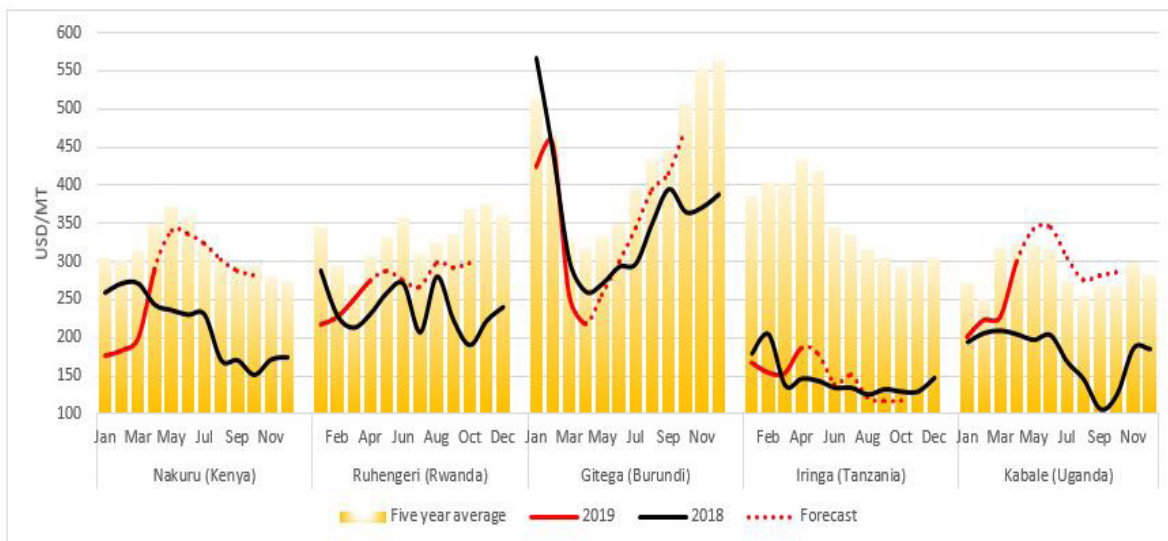
to have significant production shortfalls. However, the process to procure the commodity is yet to begin. Therefore, imports may come in later in the third quarter of the year given the long turn around time (about 2 months) required to procure from the international market. With regional balance amongst the surplus producer favoring Tanzania than Uganda, there will be increased trade activity with the former due to above average crop output between May and August.

In the coming months, prices are expected to follow seasonal trends in Rwanda and Burundi as domestic supply and imports from Tanzania will ease demand pressure. In both countries, prices are expected to trend below the five-year average. In Kenya, prices are expected to remain elevated and will trend near the five-year average in the production markets of North-Rift. In other markets, prices are expected to be higher than last year's levels. Production in Eastern part of the country will be lower following the late onset of rains and cessation of rains in May, however, in the western part of the country, crop condition is expected somewhat recover following the longer spread of the rains season. However, aggregate production is expected to be below average.

In Iringa (Tanzania), prices are forecasted to be below the five-year average with above average harvest expected from the Msimu and Masika crop in the coming months. With higher opening stocks in 2019/20 and above average harvest, prices in the southern markets are expected to be lowest in East Africa in the coming months. Trade with the southern Africa countries such as Mozambique, and Malawi is expected to increase in the third quarter following crop losses to floods in March.

In Kasese (Uganda), prices are forecasted to increase significantly in the coming months. Domestic supply will remain low as the main season areas were affected by delayed rains in March and April, therefore, affecting crop establishment. Though trade between South Sudan and Uganda has increased in the recent past following improved security situation in the latter, high prices of the commodity in Uganda will lead to price gains in South Sudan markets following higher marketing cost of imported maize.

Figure 1: Observed and forecasted prices of Maize in selected markets in East Africa, Source: EAGC RATIN.



Beans

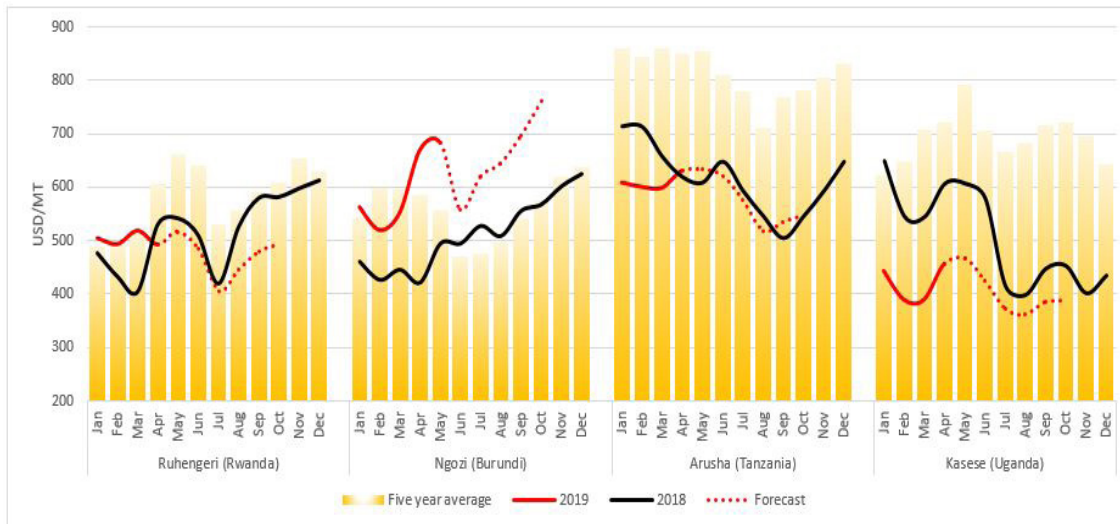
The beans prices trend was mixed across the monitored markets in the region in April 2019 (See table 1). Prices settled below the five-year average but were higher compared to the previous month average. The prices increased seasonably in Kampala and Kenya as supplies tightened.

In Kampala (Uganda), prices were up by 16 percent month-on-month with stocks reported to be low in the market as prices increased in the source markets in Eastern Uganda; the low availability was occasioned by poor second season late last year. In Nairobi (Kenya) prices increased

by 21 percent, month-on-month as supply remained constrained. Much of the country's domestic supply was affected by low output following heavy rains in the first season (main) of last year that affected the crop. In contrast, the second season (short rains) was characterized by low rainfall which equally resulted to crop failure in the production region of lower and upper eastern. The deficits were met by imports from Uganda

and Tanzania. In Rwanda, price gains were marginal at 3 percent month-on-month. Supply to the markets was ample in April following recently gathered harvest in February. Similar to Rwanda, supply was ample in Burundi following the first season harvest. Price increased by 6 percent month-on-month but was 7 percent lower than the five-year average.

Figure 2: Observed and forecated prices of Beans in selectected markets in East Africa, Source: RATIN



Prices are forecasted to trend below the five year average in Ruhengeri (Rwanda) following good domestic availability from the season B harvest in May as the season was generally favorable. However, the two-way trade between Uganda and Rwanda has been affected by the diplomatic tiff between the two countries since late March. Traders in both countries have to look for alternative

markets as the situation is yet to improve. In Ngozi (Burundi), prices are forecasted to remain elevated but will decline seasonally following inbound stocks from the second season crop in June. With forecasted improved availability from May to July, the seasonal decline in price is expected in the second quarter with prices gaining in the third quarter. In the third quarter, imports from Tanzania are expected to ease demand but prices.

In Tanzania, above average season output is expected in both the Bimodal and the Unimodal regions of the country. Early harvest is expected to commence in May with prices expected to decline seasonally in the second quarter of 2019. In Arusha, prices will trend far below the five-year average and expected to follow last year's trend. Just like the case of Maize, Tanzania is expected to fill the region's import gaps since production in Kenya and Uganda is expected to be below average.

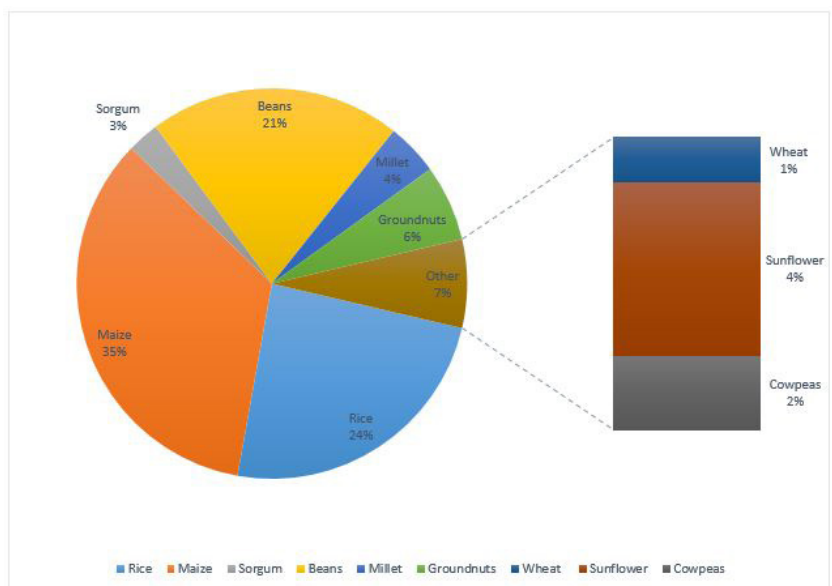
Trade

In April, there was a 19 percent increase in trade month-on-month as most countries in the region were in the lean period. Maize accounted for 35 percent of traded commodities (21,205 MT) with rice, beans and sorghum recording 24, 21 and 3 percent of April's trade respectively (see fig 3). Compared to last year April, trade in the region has eased significantly. The poor second season in some countries in the region led to low regional tradable surplus however, trade usually deeps from the beginning of the year and starts peaking around May and June when early harvest is available in the markets.

Maize

Diminished stocks in the region led to a sharp decline in maize trade. Uganda one of the region's surplus producer is reeling from below average output from late last year, which resulted to low availability of the commodity in most markets. In April, trade between Uganda and Kenya was unseasonably low. About 4,138 metric tonnes of maize was exported to Kenya, this was 82 percent decrease compared to a year earlier levels and 57 percent lower than the five-year average. Trade between Uganda and Rwanda was at an all-time low due to the lingering

Figure 3: Total informal trade through monitored trade points. Source: RATIN



diplomatic tiff that led to trade restrictions between the two countries. With improved domestic availabilities in Rwanda, Eastern DRC, and Burundi, imports will remain low in May and part of June but likely peak up early in the second quarter.

Total trade declined by 38 year-on-year however, increased trade activity was observed at Namanga border, which links Tanzania and Kenya. There was a 269 percent gain month-on-month of black beans with supply from Northern Tanzania reported being ample as traders are releasing old stocks in anticipation of new stocks in May. The upturn in trade is a result of below-average output from the second season crop in most parts of Kenya and conversely, low stocks from Uganda. Imports from Uganda into Kenya decreased by 80 percent year-on-year as supply remained low. In Eastern DRC, the early harvest of the beans has eased demand pressure from Rwanda and Uganda with a significant decline in trade observed through the monitored borders. In Southern DRC, imports from Zambia declined by 37 percent month-on-month.

Trade between Kenya and Tanzania and the region has declined seasonally but expected to peak around June when the main season harvest commences in the southern region. Exports to the DRC decreased by 13 percent month-on-month as tradable stocks diminished whereas, exports to Uganda were up by 303 percent year-on-year following the relaxation of trade requirements between the two countries. International re-exportation of rice from DRC into Uganda averaged 20 metric tonnes at Mpodwe as traders from the western markets of Uganda sought cheaper rice from DRC markets.

Trade in sorghum had mixed outcomes. The region's surplus producer, Uganda, was in the lean period, however, exports to Kenya increased by 126 percent month-on-month, which can be attributed to the closure of Rwanda borders as traders maximize on available markets. Uganda's trade with South Sudan is peaking up considerably with field reports indicating traders from South Sudan have gone as far as Kasese in western Uganda to source the commodity. Depending on availability, South Sudan is likely to increase imports in the coming months.

Figure 4: Total Sum of informal Trade for Sorghum, Maize, Dry Beans and Rice in East Africa. Source: EAGC RATIN.

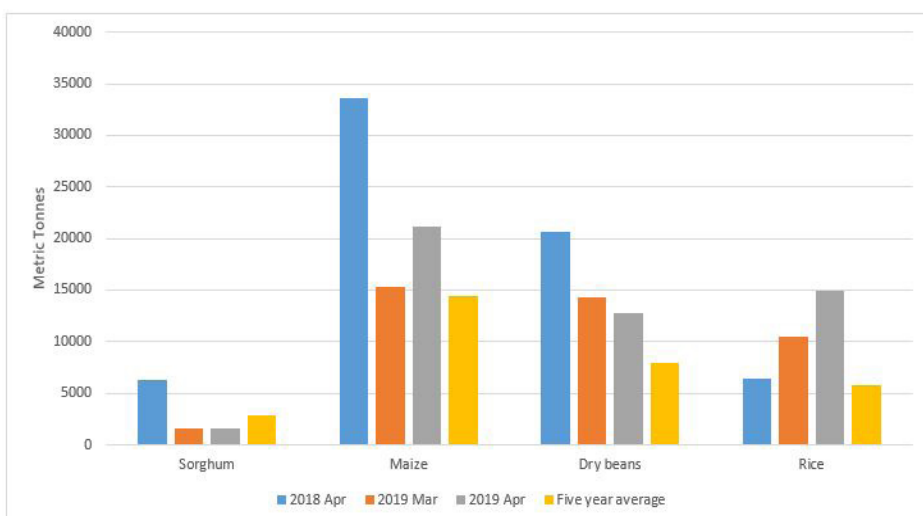


Table 3: Informal Cross Border trade by source and destination country in MT. Source EAGC RATIN.

Commodity	Trade Flow	Mar 2019	April 2019	Percentage Change		
				Same Month last year	Previous Month	Five year average
Maize	Uganda-Rwanda	122	3	-99 ▼	-97 ▼	-99 ▼
	Uganda-Kenya	633	4,138	-82 ▼	554 ▲	-57 ▼
	Tanzania-Kenya	-	1,108	-61 ▼	-	-
	Rwanda-DRC	2,148	2,149	29 ▲	0	-
	Zambia-DRC	1,901	266	-	-86 ▼	-
Dry Beans	Tanzania-Rwanda	437	1,615	548 ▲	270 ▲	-
	Tanzania-Zambia	2,810	2,479	-	-12 ▼	-
	Uganda-Rwanda	2.76	0.6	-99 ▼	-78 ▼	-
	Uganda-Kenya	5,205	2,157	-80 ▼	-59 ▼	-41 ▼
	Uganda-DRC	357	156	-72 ▼	-56 ▼	-
	Rwanda-DRC	1,759	894	-47 ▼	-49 ▼	-
	Rwanda-Uganda	81	11	-99 ▼	-86 ▼	-
Rice	Tanzania-Zambia	691	529	-	-23 ▼	-
	Tanzania-DRC	1,724	1,540	-	-11 ▼	-
	Tanzania-Kenya	128	234	21 ▲	83 ▲	-
	Tanzania-Uganda	5,906	7,400	303 ▲	25 ▲	493 ▲
	DRC-Uganda	25	23	-8 ▼	-8 ▼	-
Sorghum	DRC-Rwanda	887	501	9 ▲	-43 ▼	-
	Uganda-Kenya	490	1,108	-36 ▼	126 ▲	-25 ▼

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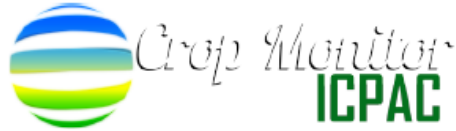
APPENDIX 1: EAGC RATIN monitored borders and markets



Partnerships



ICPAC
IGAD Climate Prediction
& Applications Centre



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



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