AN OVERVIEW

Food prices were higher than average: According to data from the National Institute of Statistics of Rwanda (NISR), main staple prices in June were higher than five-year-average, with an increase of about 39 percent. Prices were also higher than same time last year, but slightly lower than in previous month.

Food and non-alcoholic beverages consumer price index in June was lower than previous month by 3 percent, while higher than same time last year by 14 percent. The signal of inflation reflected in consumer prices increases the cost to about 33 percent; which would be lower and increase purchasing power in case of enough market supply (Figure 2). This continues to exert significant pressure on households’ resources and ability to meet basic needs, mostly because income levels do not proportionally increase with prices.

Near normal rainfall with a decreasing trend was experienced in March-June: Season B rainfall was near normal but trending downwards, up to 40% below average in southwestern locations (Figure 4), resulting into lower than usual agricultural output.

Figure 1: Evolution of food and non-alcoholic beverages consumer price index

Source: Based on NISR CPI data

HIGHLIGHTS

Key staple prices were higher than their respective five-year averages by around 39 percent; which translates into weakened purchasing power of the most vulnerable.

March to June period was marked by below average rainfall; which adversely impacted on overall agricultural output.

Paddy rice, Yam & Taro, and groundnuts’ production visibly increased in season 2017 A, while the trend for other crops was variable.
Figure 2: Prices and anomalies

Nominal prices (RWF/Kg)

Real prices (RWF/Kg)

June price anomalies

Source: Based on NISR price data
Production of Maize and beans in season 2017 A experienced about 10 percent decrease compared to 2016 A: According to data from NISR, production of key staples such as Maize and beans slightly declined in season 2017 A compared to same season last year, while the trend for other crops was variable (Figure 3). Low domestic supply, in addition to lack of cheaper imports from the region occasioned by poor agricultural performance continues to be reflected into high food prices. There is an increased likelihood of food access issues in the following few months, as household stocks deplete, with an increased reliance to markets.

Figure 3: Agricultural production
Rainfall anomalies: The anomalies depict the deviation of current rainfall from the average (Figure 4). In other words, current rainfall compared to the Long Term Average (LTA) back, might result in positive (above average) or negative (below average) percentages.

Figure 4: Rainfall anomalies

First 10 days  2nd 10 days  3rd 10 days  Monthly

Source: FAO

Figure 5: Seasonal calendar