



RWANDA | UPDATE ON FOOD SECURITY DRIVER APRIL 2022-MAY 2022— ISSUE N° 61

HIGHLIGHTS:

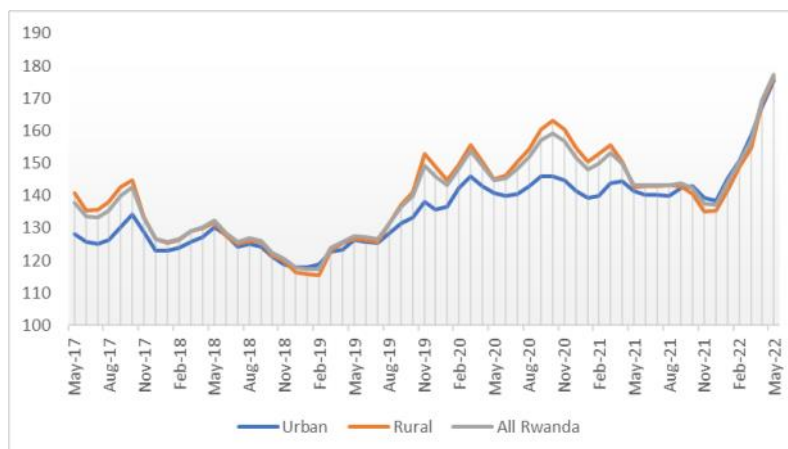
- According to the National Institute of Statistics of Rwanda (NISR), the consumer price index (CPI) for food and non-alcoholic beverages was around 29 percent higher in May 2022 compared to five years ago, 23.4 percent higher compared to the same time last year, and 4.6 higher compared to the previous month of April 2022. Prices for most key staples such as maize grain, Irish potatoes, and maize flour were between 21 percent and 46 percent higher than five-year averages, except for beans prices which were stable.
- As reported by the WFP Regional Bureau (RBN), the ongoing headline and food inflation mean that the purchasing power of households is affected and is reducing the affordability of both food and non-food items, with poor households more likely to be affected by the observed inflation.
- According to NISR, Rwanda's deficit in the balance of Formal external trade in goods was US\$ 230.35 million in April

1. Inflation

Consumer Price Index (CPI) rose to 14.8% and the CPI for Food by 23.8% in May 2022 compared to April 2022

During April and May 2022, Rwanda's consumer price index (CPI) increased by 10.5% and 14.8 percent, respectively, compared to the same months in 2021. This increase is mostly driven by three categories of the CPI: (i) Food & non-alcoholic beverage, (ii) household equipment, and (iii) restaurants & hotels categories with 23.8%, 16.3%, and 12.8%, respectively, in May 2022 compared to May 2021.

Figure 1: Food and non-alcoholic beverages consumer price index



Source: Based on NISR CPI database, (Base 2014; Reference: February 2014=100)

The increase of the CPI for Food was mostly driven by bread & cereals and meat in April 2022, while vegetables and cereals had the highest increase rate in May 2022

The food and non-alcoholic beverages consumer price index (CPI) increased by 23.8 percent in May 2022 compared to May 2021, mainly driven by bread & cereals and vegetables with 27% and 21.3% increases, respectively. Price indices of meat and milk & products & eggs also remained high with 11.6% and 8.3% increases in May 2022, compared to May 2021.

Compared to 5 years ago (May 2017), the food CPI in May 2022 was 29 percent higher. Meat, bread & cereals, and milk & products CPI were 60 percent, 30 percent, and 27 percent higher in May 2022 compared to May 2017.

The continued increase in CPI for food during April and May is attributed to the general price rise since the beginning of the year and reduced stocks of season A harvests for cereals and seasonality reasons for vegetables. The observed increase is also linked to increased fuel and transportation costs, for instance, between March and June, fuel prices increased by 16 percent and 25 percent for petrol and diesel, respectively.

As reported by the WFP Regional Bureau (RBN), the above headline and food inflation mean that the purchasing power of households is affected and is reducing the affordability of both food and non-food items, with poor households more likely to be affected by the observed inflation.

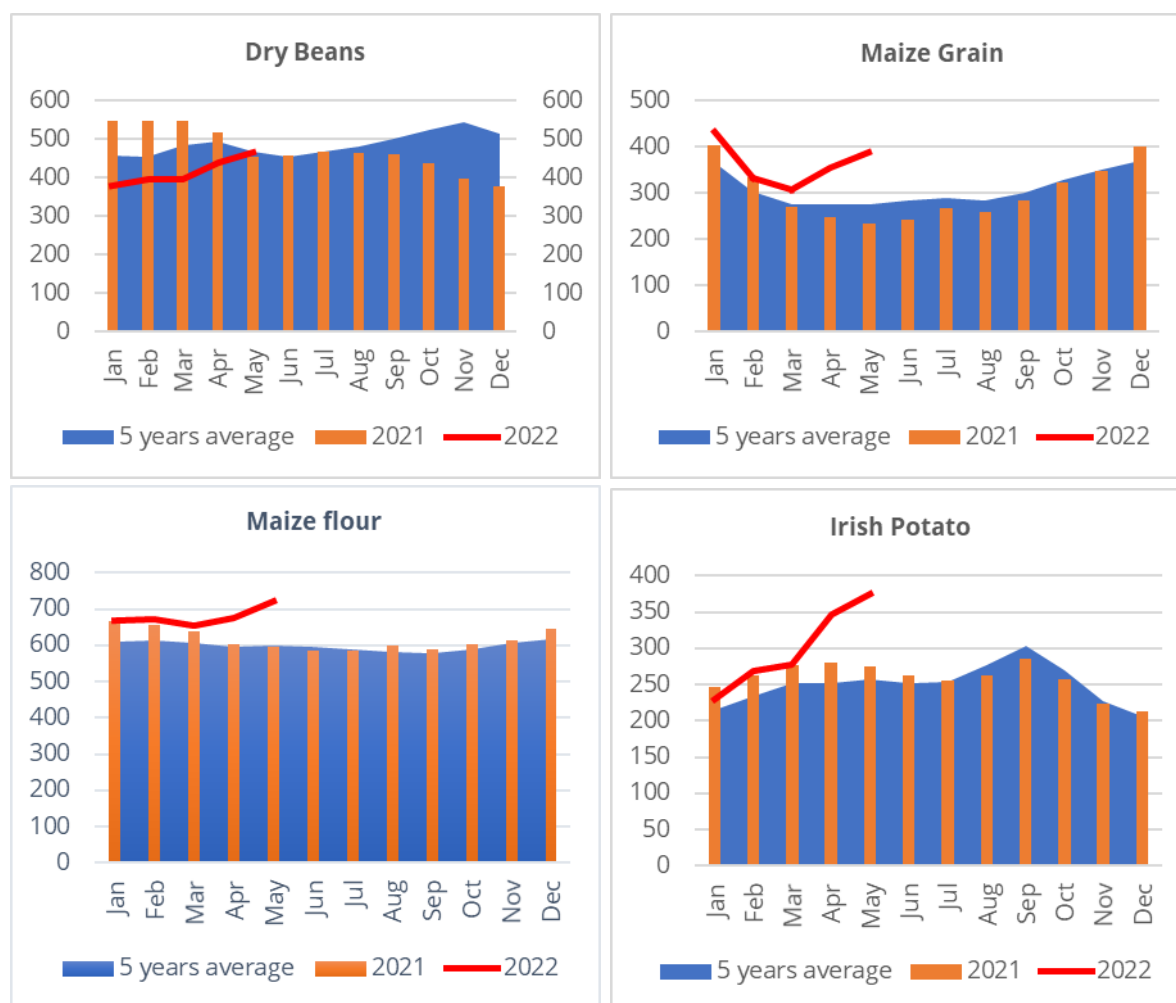
2. Prices of Staple commodities

This section summarizes the price changes for four staple commodities, namely dry beans, maize grains, maize flour, and Irish potato in April and May 2022, compared to the previous year and the past 5 years' average prices. Prices of all these four commodities do not follow the same trend as the 5-year average, where stable prices for maize grains, flour and Irish potatoes stabilize during May and June.

In May 2022, prices of maize flour & grains, and Irish potatoes are much higher than the past 5 years' average (figure 2), where maize flour, maize grains, and Irish potatoes are 21%, 42%, and 46% higher in May 2022 compared to the 5 year's average. Prices of these staple commodities are also very high compared to the previous year, where increases of 21%, 66%, and 36% were registered for maize flour, maize grains, and Irish potato, respectively. In May 2022, prices of dry beans were stable compared to the 5-year average, and 3 percent higher than the previous year, the same month.

These price increases are associated with a combination of factors such as reduced stocks of season A 2022 harvest for cereals, and increased fuel prices. Stable bean prices are a result of the May harvest of early maturing bean varieties cultivated in season B 2022.

Figure 2: Selected commodities price trends



Source: Based on NISR Commodity Price data

3. Food security status

According to the 2021 comprehensive food security and vulnerability analysis (CFSVA), 20.6 percent of the Rwandan population is food insecure, with 18.8 percent moderately food insecure and 1.8 percent severely food insecure. The 2021 CFSVA also indicated that 32.4 percent of under five years children had chronic malnutrition (stunting) while 2.4 percent of these children had acute malnutrition/wasting (with 1.8 percent experiencing moderate acute malnutrition (MAM) and 0.6 percent experiencing severe acute malnutrition (SAM)). Compared to 2018, wasting rates among children under 5 years increased from 2 percent to 2.4 percent while stunting rates and underweight levels declined from 34.9 percent to 32.4 percent, and from 12.6 percent to 9.3 percent, respectively.

Furthermore, the CFSVA report indicated that two-thirds of the food consumed by households is acquired from the market, while the remaining share comes from their own farm produce and other sources. Market dependency is higher in urban areas compared to rural areas where most households are involved in agriculture. This high market dependency is an indication that most households are vulnerable to ongoing price increases, both rural and urban households. Moreover, 25 percent of households spend more than 65 percent of their budget on food, which classifies them as having high economic vulnerability to access food based on the CARI (Consolidated Approach for Reporting Indicators of Food Security) methodology. Since both food and non-food items prices are on the rise, the purchasing power of households is therefore heavily affected.

4. Other macroeconomic indicators

The External trade balance deficit continues to increase

According to the NISR, during April 2022, the deficit in the balance of formal trade in goods was US\$ 230.35 million in April 2022, representing a deficit increase of 3.53 percent compared to the previous month of March 2022, and a 43.61 percent deficit increase compared to the deficit of April 2021.

Table 1: April 2022 formal external trade balance in goods (US\$ million)

| FLOW | Value: US \$ Million | | | Shares in percentage | | | Percentage Decrease | Increase/ |
|-----------------------------------|----------------------|----------------|----------------|----------------------|---------------|---------------|-----------------------|-------------------------|
| | 2021 | 2022 | | 2021 | 2022 | | April2022/ Mar2022 | April2022/ April2021 |
| | April | Mar | April | April | Mar | April | | |
| A. Total Exports (f.o.b) | 108.7 | 176.6 | 140.8 | 28.8 | 30.7 | 27.5 | -20.2% | 29.5% |
| Domestic exports | 70.6 | 98.81 | 96.3 | 18.7 | 17.2 | 18.8 | -2.6% | 36.4% |
| Re-exports | 38.1 | 77.78 | 44.6 | 10.0 | 13.5 | 8.7 | -42.7% | 16.9% |
| B. Total Imports (c.i.f) | 269.1 | 399.09 | 371.2 | 71.22 | 69.3 | 72.5 | -6.99% | 37.92% |
| Total External Trade (A+B) | 377.9 | 575.67 | 512.04 | 100.00 | 100.00 | 100.00 | -11.05% | 35.50% |
| Trade Balance (A-B) | -160.4 | -222.50 | -230.35 | | | | 3.53% | 43.61% |

5. Rainfall anomalies

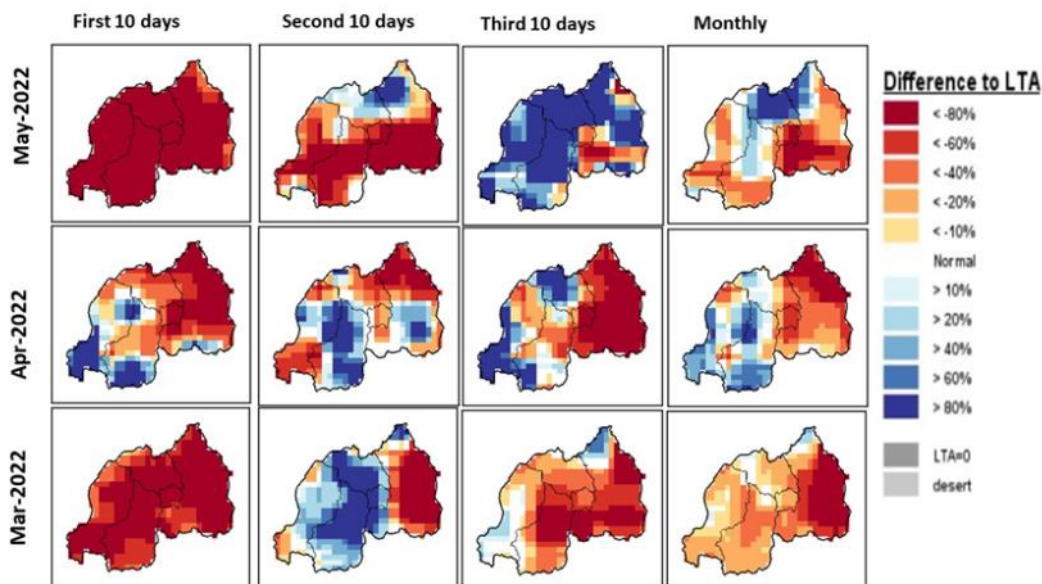


Figure 3: [FAO](#)

Anomalies depict the deviation of current rainfall from the average. In other words, current rainfall compared to the Long Term Average (LTA), might result in positive (above average) or negative (below average) percentages.

May 2022 rainfall was below the long-term average during its first decade, and above the long-term average in most parts of the country during its third decade. April 2022 rainfall was above the long-term average for the Western and Southern parts of the country, with below long-term averages for the Eastern and central regions of the Country. This is different from March 2022 where the average rainfall was below the long-term average. During the three consecutive months from March to May, the Eastern part was characterized by below-average rainfall.

According to Meteo Rwanda, the country received rainfall ranging between 50 and 200 mm in May, 100 and 300 mm in April, and 50 and 300 mm in March 2022. Low average rainfall could have a negative impact on agriculture production for season 2022 A, especially in Eastern Province that received below long-term average rainfall from March to May 2022.