



Eastern Africa Market and Trade Update

Joint Procurement & VAM | Food Security Analysis

WFP Regional Bureau for Eastern Africa | October 2022

Highlights



Although global food and fuel prices have decreased since the price spike that started February through June 2022, this has not been reflected in domestic commodity prices as they are still elevated and continue to rise. Most domestic currencies in the region have been a free fall against the US\$ and weakening trend is expected to continue through the end of the year.



Despite the start of seasonal harvests in unimodal areas, the prices of staple cereals remained significantly higher in the third quarter, much elevated than previous year and the recent five-year average in most markets. Staple commodity prices increased m-o-m in most markets in Rwanda, Burundi, Kenya, Ethiopia, Sudan, and South Sudan, due to a reduction in stocks and localized factors (drought, macro-economic challenges, conflict etc). Maize prices however decreased in Uganda and parts of Tanzania due to supply from the below-average June-to-July harvest.



The high cost of food and fuel will keep upward pressure on inflation across the region. The continued increase in cost of living is expected to constrain disposable income and purchasing power of low-income households.



There is an overall concern of a tight global and regional supply outlook for maize due to weather related lower production prospects in the European Union, the United States of America and in Eastern Africa amidst export restrictions by Tanzania limiting WFP's grain source markets.



WFP/ Marco Frattini

International prices of wheat decline while maize and rice hold steady in August



According to [IGC](#) and [FAO](#) the August **global grain (wheat, maize and rice)** prices exhibited mixed trends; either firmed slightly or marginally reduced when compared to the previous month but were 10-18 percent higher than their levels a year ago. The fall in international wheat prices in August was influenced by increased seasonal availability from ongoing harvests in the northern hemisphere and resumption of exports from Ukraine's Black Sea Ports after months of conflict induced blockade. Global wheat prices were 60 percent above their recent five-year average level.

Table. 1: Average International Cereal Price change

	Price (USD/ton)	Price Change		
	Aug-22	1M	1Y	5Y
US (Gulf) Wheat (US No. 2)	383	0%	18%	60%
US (Gulf) Maize (US No. 2, Yellow)	294	-4%	16%	68%
Thailand (Bangkok) Rice (Thai A1 Super)	391	-1%	10%	5%

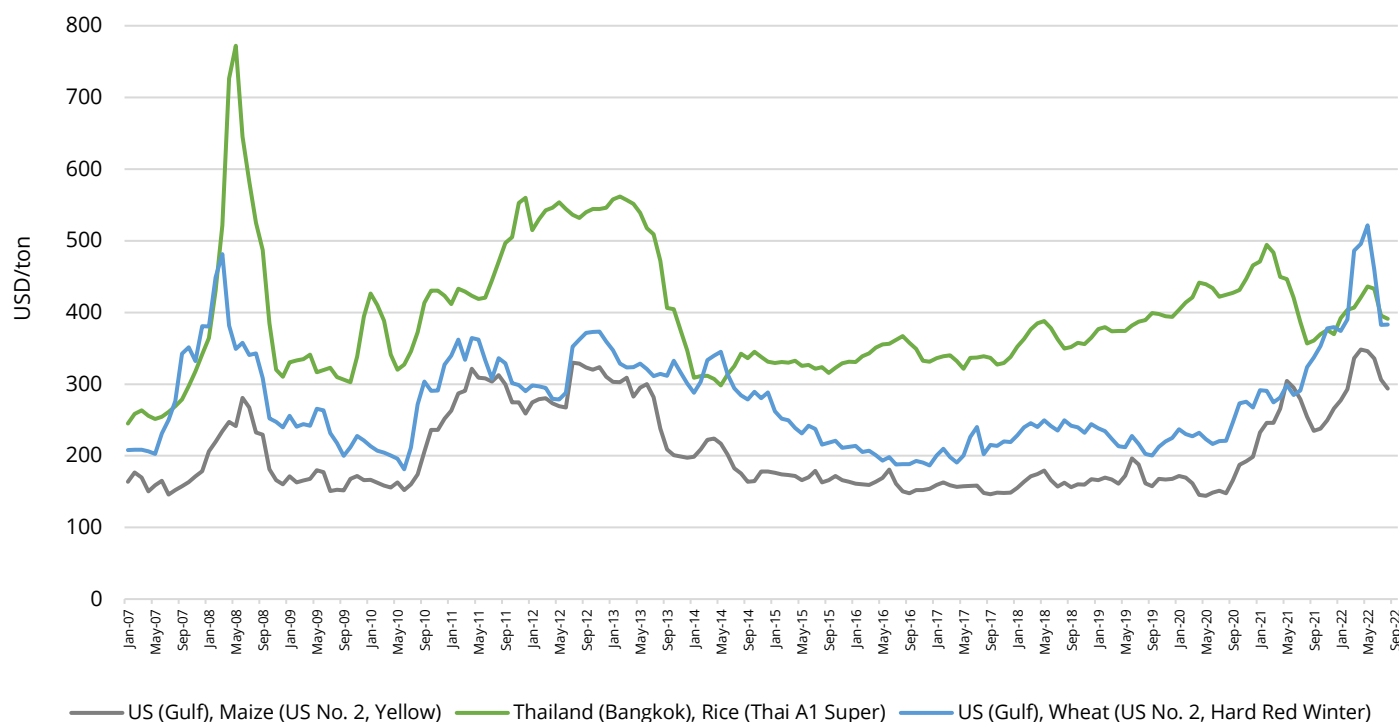
The [global maize prices](#) increased slightly because of tighter global supply amidst strong demand and lower production prospects in the EU and the USA because of hot, dry conditions, while the resumption of exports from Ukraine prevented prices from increasing further.

The Thai A1 rice (Bangkok origin) declined marginally in August after having decreased a month earlier by 15 but was 10 and 5 percent more than in the same month last year and the recent five-year average.

Global maize and rice prices are expected to remain high for the rest of 2022 due to reduced production prospects occasioned by persistent drought conditions in northern hemisphere countries, unfavourable weather in the Midwest USA, and uneven rainfall distribution in India, Bangladesh and Sri Lanka.

Improved wheat outlook largely due to conducive weather conditions in Canada, the USA and in the Russian Federation will likely continue to stabilize world wheat prices, only negated by the ongoing global food and energy price crisis and the partial blockade of the black sea trade corridor.

Fig. 1: International Grain Prices



Overall, international cereal prices will likely remain higher than their levels last year and the recent five-year average. This together with domestic currency depreciations and regional cereal production shortfall, will be reflected in higher prices of food and fuel and increased inflation in Eastern Africa.

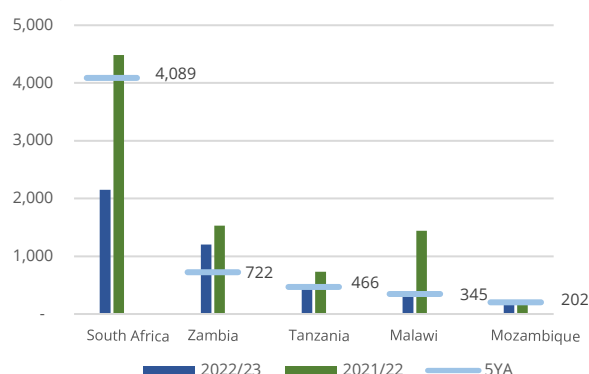
Tight global & regional maize supplies amidst export restrictions by Tanzania



Maize

Southern Africa - Maize supplies in Southern Africa for 2022/23 are estimated [to be close to the five-year average, but 10 percent below 2021/22](#) marketing year with largest annual reductions in harvest from the main producers and exporters; Zambia (-25%), Malawi (-19%), and South Africa (-10%). However, the estimated 30% higher than average opening stocks for marketing year 2022/23 helped offset the reduction in harvest from the region. The bulk of maize imports into Eastern Africa will therefore likely be sourced from South Africa, Malawi and Zambia given they have large exportable maize surpluses in the current marketing year (Fig. 2). These source markets are also favourable given lower maize grain parity price levels.

Fig. 2: Exportable maize surplus, Southern Africa (mt)



Source: Compiled from Southern Africa Regional Maize Supply and Market Outlook, August 2022

Tanzania and Uganda- While Tanzania is traditionally the main source of maize to Eastern Africa, only second to Uganda, recent restrictions on maize exports through slow pace in issuance of export permits because of reduced harvest, and below average harvest in Uganda has seen some Eastern Africa countries e.g. Kenya shifting the bulk of maize imports from Zambia, South Africa, and Malawi. Tanzania's role in regional markets is likely to be limited this year.

In Uganda, the current year below average crop production season follows two consecutive poor harvests in 2021. Even though the harvest season is ending in most areas thereby increasing tradeable volumes in the markets, the prices remained elevated due to the high regional demand from Kenya and South Sudan amidst tight supplies. This is likely to continue exerting upward pressure on domestic prices as .

Tanzania's maize production this year on the other hand was impacted negatively by the delayed onset of the rains, estimated to have reduced by 9% compared the 2021/2022 marketing year. There is a strong export demand within Eastern and Southern Africa keeping prices elevated.

EU, USA, Brazil and Mexico- overall, there an overall concern of a [tight global supply outlook](#) for maize due to weather related lower production prospects in the European Union and the United States of America concerns characterized by hot, dry conditions and higher-than-earlier anticipated demand from the European Union. However, in Brazil, harvest is nearing completion and is expected at a record high and prices have declined in August m-o-m, and below their previous year's values. In Mexico, production prospects are [generally unfavourable](#) due to prolonged dry weather conditions on yields expected to compromise harvests later in the year. Increased maize exports from Ukraine are essential to the global markets, which are currently spread quite thin in view of an expected fall in global maize production.

Pulses

Overall, availability of beans in the region is limited despite recent seasonal harvests in Rwanda, Burundi, Uganda, and Tanzania.

Uganda: The ended harvest season for beans improved availability in the market but stocks are limited because of below average overall output following dry conditions earlier in the season. Demand remains high escalating the prices further; increased by 12% increase between the month of August and September, currently trading @\$1,050/MT for mixed beans. This records prices higher than the 5-year average for beans in the markets.

Rwanda: The forecasted below-average Season A rainfall from September to December and the increased cost of agricultural inputs are likely to reduce crop yields for Dec 22 to Jan 2023. The concluded season B harvest was average, increasing food availability and access, but food prices remain atypically high in the harvest/post-harvest period.

Burundi: in the month of August, the stock level of beans low and declining in almost all provinces of the country compared to the previous month and same time last year because of below average 2022A seasonal harvest, with August prices of legumes increasing by more that 10% m-o-m as severe lean season sets in from end of September 2022.

Global crude oil, fertilizer & cooking oil prices down in the last three months through August but still at historical highs



While **crude oil prices** are still above their levels in the last 10 years, they've been ticking downward in the last three months having gone down from a high of \$ 120/barrel in June to \$ 98/barrel in August (Brent futures), representing 17% decline while U.S. standard, the West Texas Intermediate (WTI) crude oil decreased by 20% from \$115 to \$92 over the same period (Fig. 3). The recent price decline is because of reduced demand amid growing worries over a [potential global recession](#) linked to the Ukraine Crisis, but also partly supported by the release of strategic petroleum reserves, and a ramp-up of production from the Organization of the Petroleum Exporting Countries (OPEC) and OPEC+ countries.

According to the [US EIA](#), rising production from OPEC+ countries and the United States will ramp up global liquid fuels inventories and slowing growth in global oil demand leading to fall in crude oil prices.

After two years of straight rising input prices, the **global fertilizer prices** declined from April through August 2022 with TSP, DAP, and Urea dropping respectively by 18%, 21% and 36%. The current price decrease attributable to increase production in response to higher prices and trade flow realignments in the aftermath of the Black Sea Crisis. Despite lower prices in recent months, fertilizers prices were still considerably higher than their levels last year (Fig. 4).

Global **cooking oil (palm, sunflower, and rapeseed)** prices have been on a downward trend since June 2022 through August, pushing the current quotations for the different origins slightly below their year-earlier levels. According to the [FAO Food Price Index](#), the decline of palm oil prices in August (32% compared to June and 3% m-o-m) was driven by increasing export availabilities from Indonesia, because of lower export taxes and seasonally rising output. The world sunflower oil prices declined (21% compared to June and 4% m-o-m) because of persistent reduced global import demand that coincided with the gradual resumption of shipments from Ukraine's Seaports. International quotations for rapeseed oil dropped (18% compared to June & 6% m-o-m) because of expected ample supplies for the upcoming 2022/23 season. While world soy oil prices declined in August by 9 percent compared to June 2022, they rebounded moderately m-o-m because of concerns that unfavourable weather conditions in the USA may reduce soybean production (Fig. 5).

Fig 3: Crude Oil price Trends (US \$/bbl)

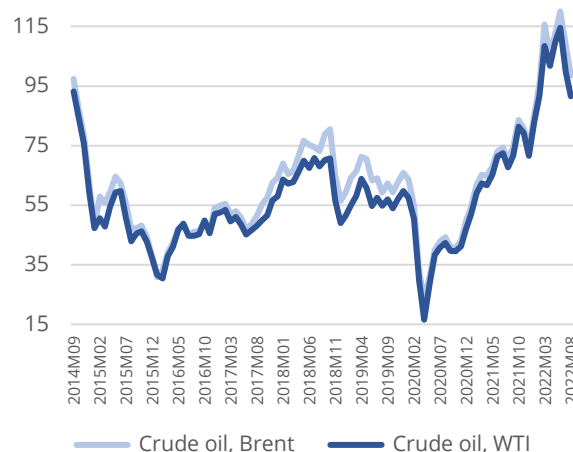


Fig. 4: Global fertilizer prices (US \$/mt)

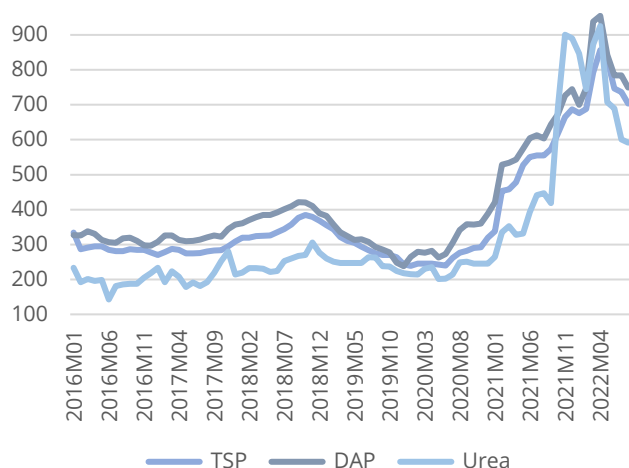
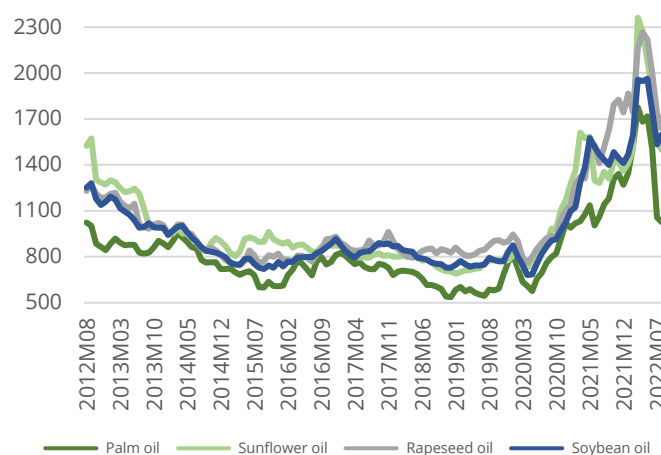


Fig. 5: Global Cooking Oil Prices (US \$/mt)



Imported food prices increase despite ease in global markets



Despite recent ease in global wheat, cooking oil, crude oil and fertilizer prices after several months of rising prices following the war Ukraine, these benefits have not been realized by consumers in most of the countries in Eastern Africa as August 2022 domestic prices of imported commodities remained higher than they were June 2022 (Table 2). This is primarily because of massive currency depreciation, higher shipping and inland transport costs, the later due to increased pump prices. Fuel is high because of high taxes (tax is about 49% of the cost of a litre of petrol in Nairobi, 44% of the diesel cost and about 42% the cost of a litre of kerosene). Scrapping of fuel subsidies in Kenya, Ethiopia and Sudan also added the pressure to fuel prices. Accordingly, pump prices increased significantly between June and August 2022 as well as over the last one month. Imported food (wheat flour, bread, wheat, pasta, rice, sugar and vegetable oil prices as of August 2022 were also remarkably higher in all the countries when compared to pre-war levels (Jan 2022): 14-43% in Burundi; 50-86% in Djibouti; 15-92% in Ethiopia; 11-29% in Somalia; 20-50% in South Sudan; 21-93% in Sudan and 25-58% in Uganda and 17-36% in Rwanda. Similar trend was observed when compared to the same month (August) last year. Prices of wheat, mainly consumed in urban areas and mostly imported from Russia and Ukraine, increased month-on-month mostly in Sudan (4-19 percent), Ethiopia (7-12 percent); because currency depreciation in these two countries made wheat imports more expensive despite recent ease in the global prices. On the hand, domestic vegetable oil prices declined or remained stable m-o-m in August in most countries in line with the international market trends except in Burundi, Sudan and South Sudan.

Table 2: Percentage change in imported food commodity prices

Country	Market, Commodity	pre-Ukraine crisis (Aug		
		vs. Jan '22)	m/o/m (Aug vs. June '22)	y/o/y (Aug '22 vs. Aug '21)
Burundi	Gitega, Vegetable oil	14%	0%	35%
	National Average Veg Oil	18%	4%	34%
	National Average Palm Oil	43%	8%	35%
	National Average Fuel (Diesel)	101%	22%	180%
	National average Fuel (Petrol)	106%	20%	193%
Djibouti	Vegetable oil	50%	0%	41%
	Bread	86%	0%	79%
	Wheat flour	7%	0%	8%
	Rice (Imported)	7%	0%	7%
	Pasta	4%	0%	24%
	Fuel (Kerosene)	1%	0%	3%
Ethiopia	Addis Ababa, Wheat (white)	15%	7%	14%
	Diredawa, Wheat (white)	6%	11%	7%
	National Average Veg Oil	40%	-5%	19%
	National Average Wheat Flour	15%	-4%	22%
	National Average Sugar	92%	11%	100%
	National Average Pasta	55%	12%	54%
	National Average Rice	28%	-6%	35%
	National average Fuel (Kerosene)	71%	18%	86%
	National Average Fuel (Diesel)	89%	18%	140%
Somalia (SoShs)	Baidoa, Rice (imported)		11%	
	Belet Weyne, Rice (imported)		12%	
	National Average, Rice Imported	11%	1%	20%
	National Average, Vegetable Oil	29%	0%	55%
	National Average, Pasta	7%	1%	18%
	National Average, Wheat Flour	17%	2%	28%
	National Average, Sugar (White)	20%	5%	26%
	National Average Fuel (Diesel)	67%	4%	88%
	National average Fuel (Petrol)	62%	3%	85%
South Sudan	Juba, Wheat (flour)	2%	0%	11%
	National Average, Wheat Flour	34%	13%	19%
	National Average, Rice	20%	14%	7%
	National Average, Vegetable Oil	50%	14%	17%
	National Average Fuel (Diesel)	86%	15%	63%
	National average Fuel (Petrol)	86%	7%	46%
Sudan	Al-Fashir, Wheat	29%	15%	146%
	Dongola, Wheat	9%	0%	154%
	Kadugli, Wheat	91%	19%	268%
	Khartoum, Wheat	21%	4%	138%
Uganda	Kampala, Rice	58%		55%
	National Average, Vegetable Oil	25%	1%	38%
Rwanda	Rice (imported)	17%	-4%	22%
	Vegetable oil	36%	-1%	40%
	Fuel (petrol)	31%	10%	48%
	Fuel (Diesel)	41%	7%	52%

Currency depreciation exerting upward pressure on inflation



Shrinking hard currency reserves and currency depreciation continued to put upward pressure on prices and drove inflation across most countries in the region during the third quarter of the year. Over the past twelve months, nearly all currencies have lost value against the US \$, the highest recorded in South Sudan (66% depreciation) followed by the Sudanese Pound (21%), Ethiopia Birr (14%), Kenya Shilling (9%) and Uganda Silling (8%). Other currencies that have weakened against then USD over the same period include Eritrea Nakfa (5%), Burundi Francs (4%), and Rwanda Francs (3%). This has led to increased cost of importing food, higher external public debt repayment costs and soaring inflation (Table 3). Headline inflation in August 2022 was in triple digits in Sudan (117%), in double digit terms in Ethiopia (33%), Rwanda (20%), and Burundi (20) while approaching 10 percent in Kenya (9%) and Uganda (9%) Table 3.

Most countries in the region have experienced increasing inflation trends since the start of the year, which also coincided with the Ukraine war. As a result, the August cost of living when compared to January 2022 was higher in Rwanda (19%), South Sudan (18%), Burundi (7%), Uganda (6%), Kenya (3%) and Djibouti (3%). This is a reflection that the Ukraine crisis is piling additional pressure on the below average regional cereal production. This comes at time when the region is already over stretched by different shocks, limited policy space and strained external fiscal balances. Even though Inflation rate remains very high (3 digits) in Sudan, it has been declining since the peak of more than 400 percent in June 2021. The main reason behind the decrease is because the Sudan's economy phasing out a high stagnation period that was accelerated by political and economic instability following the military coup in October 2021. All these factors pushed the prices of food and services to the maximum level in the last quarter of 2021 and the first quarter of 2022. Now prices are beginning to stabilize.

Food inflation is higher than the overall inflation in August 2022 in most countries in the region, except in South Sudan, implying more expensive cost of food and therefore less affordability compared to non-food items. Uganda (25%), Rwanda (14%), Djibouti (14%) and Somalia were ranked among the among the top countries in the world with the highest real food price inflation.

Table. 3: Trends in currency exchange rates and inflation

Country	Currency fluctuation/ change against the US \$		Annual Headline Inflation			Food Inflation		
	LCU/USD (Aug-22)	June Y-o-Y ('22 vs. '21)	pre-war (Jan '22)	Aug-22	Change	pre-war (Jan '22)	Aug-22	Change
South Sudan	654	-66%	-12%	8%	20%	-15%	2%	16%
Sudan	566	-21%	260%	117%	-143%			
Ethiopia	53	-14%	35%	33%	-2%	40%	33%	-7%
Kenya	121	-9%	5%	9%	3%	9%	15%	6%
Uganda	3,834	-8%	3%	9%	6%	5%	34%	29%
Eritrea	120	-5%	5%	5%	0%			0%
Burundi	2,056	-4%	12%	20%	7%	14%	24%	10%
Rwanda	1,035	-3%	1%	20%	19%	-3%	34%	37%
Djibouti	178	0%	3%	6%	3%	4%	13%	9%
Somalia	568	3%	7%	8%	1%	12%	18%	6%

Source: National Bureaus of Statistics of the different countries

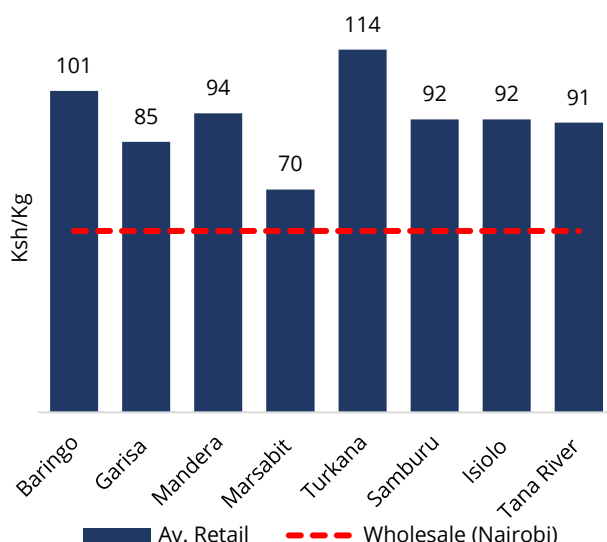
Inflation will likely remain higher in the last quarter of 2022 given the spill-over effects of the Ukraine crisis, worsening drought in the eastern Horn of Africa, increasing fuel prices, regional cereal shortfall, currency depreciation and increasing foreign currency shortages. This in conjunction with the projected slower economic growth this year in most countries extends a toxic mix of stagflation which will continue to erode purchasing power of households that rely on markets for food.

Prices of locally produced cereals at historic levels in drought hotspots in Kenya, Somalia and Ethiopia



Food prices continued to soar through the 2022Q3 in most markets in the drought affected Horn of Africa countries with ASAL areas of Kenya, Southern Ethiopia, and Somalia the worst hit, experiencing mild to severe drought conditions since late 2020. Reduced availability due to drought induced below average production has exerted upward pressure on food prices and compromise household access to food through markets.

Fig. 6: Average maize retail prices in Arid lands vs wholesale in prices in Nairobi



In Kenya's worst drought affected counties, food prices remained above the national and Nairobi prices and their long-term averages mainly due to reduced supplies and increased cost of transportation (Fig. 6).

Across most Arid counties average price of maize was above 90 shillings per kg as of July with significant variation across markets depending on supply and accessibility. Milk production has also been significantly affected in these areas with some households reporting almost zero production since May due to deteriorating livestock body conditions and livestock out-migration in search of pasture (NDMA). Moreover, livestock prices have also trended below long-term averages in most parts of the affected regions, affecting household income and economic access to food.

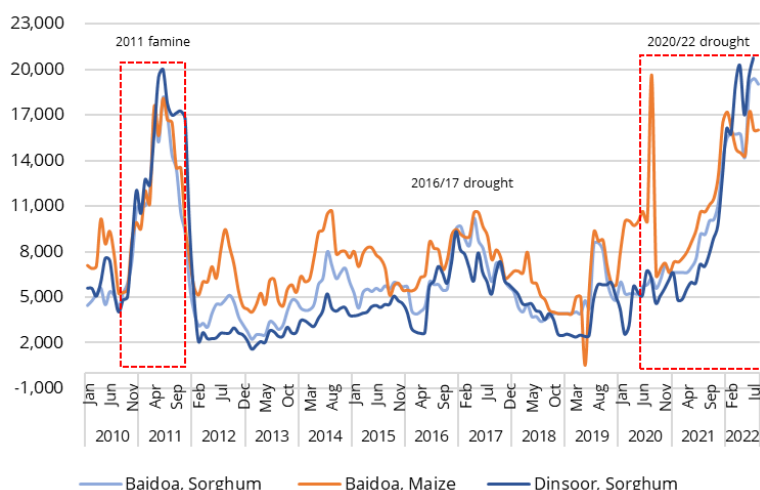
As of August, maize prices were still on [increasing trends](#) in the five drought affected counties of Garissa, Kilifi, Kajiado, Taita Taveta, and Wajir month-on-month despite start of harvests in bread basket counties.

In Somalia, food prices have remained elevated in most parts over several months mainly due to reduced availability caused by the ongoing drought which is now into its third consecutive season. In Bay Region where risk of famine is eminent from October in the absence of scaled-up humanitarian assistance, food prices have surpassed 2011 famine and 2016/17 drought episode record levels (Fig. 7). In Baidoa market, the average retail price of sorghum has sustained an upward trend since early 2021 hitting new record highs in recent months, surpassing levels observed during the 2011 famine. By August, the average price of red sorghum retailed at 19,000 SoSh per kilogram, which is 109% and 185 percent above a year earlier and the 5-year average levels respectively.

Table 4: Changes in red sorghum prices in key markets in South-Central Somalia

Red sorghum prices (Aug '22) compared to Aug'11	
Baidoa	16%
Dinsoor	17%
Galkayo	20%
Hudur	62%

Fig. 7: Staple price trends in Bay Region



A similar trend was observed in Dinsoor market where the commodity's price were more than thrice the long-term average levels over the same period.

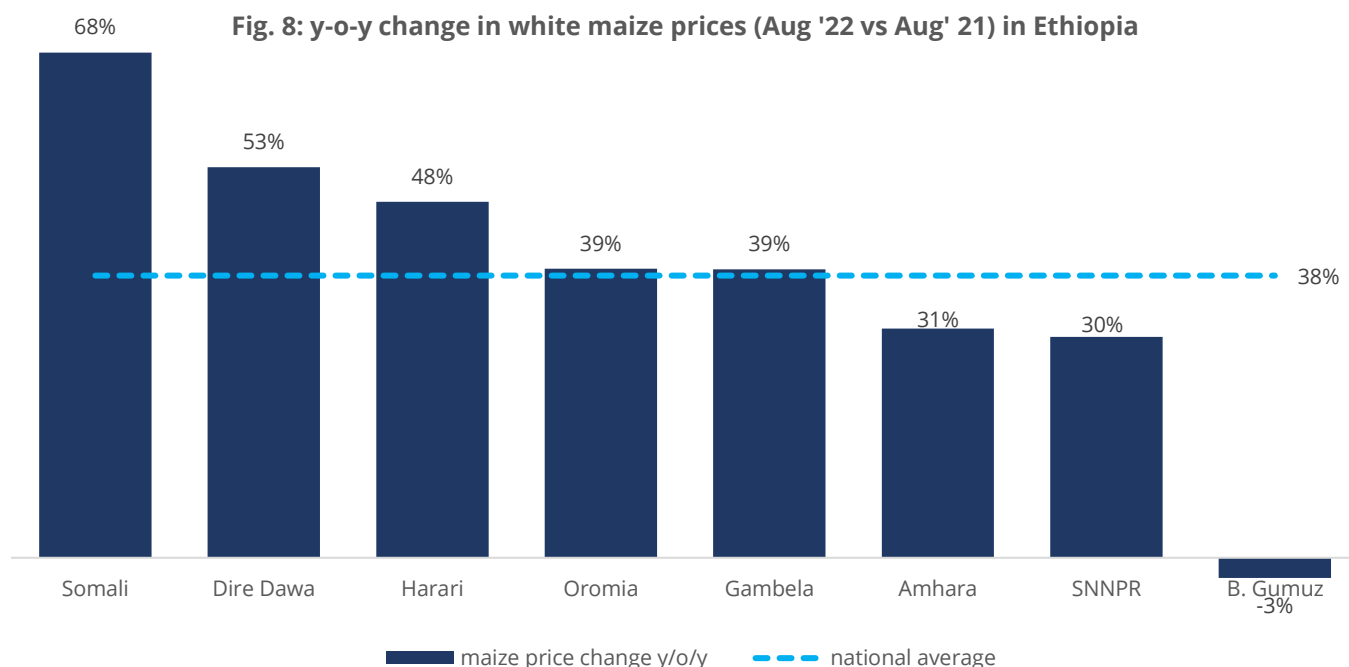
The food price crisis is worst in Central and Bay-Bakool Regions of Somalia: In Galkayo (Mudug) and Hudur (Bakool), staple red sorghum prices are 20-62% higher than they were during the 2011 famine and drought emergency while in Bay they are 16-17 percent higher (Table 4). The other key staple maize also registered increased prices in the Bay region, though at a slower rate than for sorghum. As of July, maize retailed at 16,000 SOS/kg, 51 and 82 percent above a year earlier and 5-YA levels respectively. The high local cereal prices are mainly a consequence of below average production in preceding seasons that significantly affects availability.

While Ethiopia is normally considered a food sufficient country for maize, the ongoing drought in the southern parts has greatly negatively impacted on production, reducing supplies in local markets, which together with macro-economic challenges exerted upward pressure on food prices. Afar, Oromia, SNNP and Somali regions are the hardest hit by the ongoing drought, and majority of households that typically consume own production now rely on costlier foods from markets. As of August, average staple food prices in Oromia region retailed 8-52 percent above year earlier levels across markets. High prices were also observed in SNNPR where prices increased by 17-40 y-o-y. Across the drought hit regions, maize price was most elevated in Gode, Somali region retailing at 4,800 Birr/100kg by August, 113 and 227 percent above levels recorded a year ago and 2-year average respectively (Tab. 5).

Table 5: prices of locally produced cereals in Southern Ethiopia

Region	Market	Current price/100 kg (Aug)	% Change from 3-months	% y-o-y change	% Change from 2-year ave.
Oromia	Bedessa	3500	13%	35%	56%
	Chiro	3800	19%	52%	137%
	Haromaya	3600	3%	44%	67%
	Mechara	3200	-7%	39%	52%
	Negele	5020	15%	22%	30%
	Robe	2700	0%	8%	57%
	Shashemene	2600	0%	13%	51%
	Yabelo	3500	17%	17%	67%
SNNPR	Arba Minch	3350	16%	29%	77%
	Dila	3149	17%	40%	80%
	Hawassa	3330	48%	15%	89%
	Karati	3500	-3%	17%	59%
	Sawla	3300	14%	29%	82%
	Sodo	3290	22%	29%	77%
Somali	Gode	4800	20%	113%	227%

On a regional average, the Somali region which is the most severely affected by drought, has not just the highest prices in non-conflict areas but also the highest increase in price of maize in the whole of the southern Ethiopia over the past year, having more than doubled. The increase in maize prices in Somali Region was 30% more than the national average increase in maize prices. Somali Region, Gode (113%) market has the highest price increase over the last one year followed by Filtu (90%), and Babile (68%) Fig. 8.



Staple grain prices increase despite harvests reaching markets

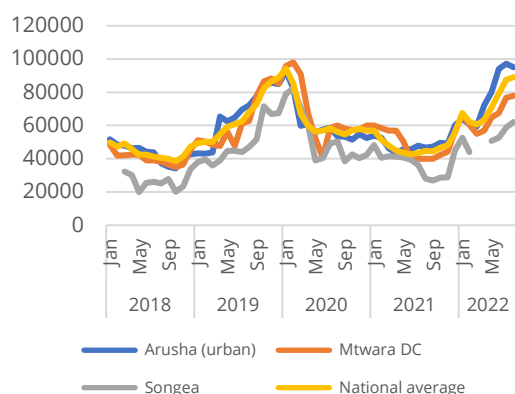


Staple commodity prices increased in August m-o-m in most markets in Burundi, Rwanda, Kenya, Ethiopia, Sudan, and South Sudan, due to a reduction in stocks and other localized drivers. Maize prices decreased slightly m-o-m in parts of Uganda and Tanzania (the regional breadbaskets) due to supply from the below-average June-to-July harvest and regional imports. The highest monthly increase in staple cereal prices was in Sudan (19-27%), south Sudan (13-33%), and Burundi (20%) Table 6. Beans prices were reduced in Rwanda and Burundi due to ample harvests.

Table 6: local produced cereal price changes

Country	m/o/m (Aug'22 vs. Jul'22)	pre-Ukraine Crisis (Aug'22 vs. Jan'22)	y/o/y (Aug'22 vs. Aug'21)	Last Quarter Aug'22 vs. June '22
Somalia (S/C) Maize (white)	2%	16%	24%	6%
Sorghum (red)	3%	8%	21%	1%
Sorghum (white)	4%	17%	29%	8%
Burundi Maize (white)	20%	17%	46%	20%
Cassava flour	-6%	4%	12%	-6%
Beans	-10%	19%	19%	-10%
Djibouti Sorghum (red)	0%	15%	21%	28%
Millet	0%	12%	12%	0%
Beans (white)	0%	-11%	1%	-18%
Ethiopia Sorghum	5%	33%	47%	11%
Maize (white)	1%	34%	41%	10%
Teff (red)	0%	26%	41%	0%
Beans (fava)	3%	18%	23%	15%
South Sudan Maize (white)	33%	91%	110%	78%
Millet (white)	13%	91%	46%	21%
Sorghum (red)	26%	157%	167%	57%
Beans (red)	18%	37%	42%	29%
Sudan Sorghum	27%	197%	266%	38%
Millet	19%	175%	259%	33%
Uganda Sorghum	-4%	67%	64%	-2%
Millet	-6%	25%	29%	-7%
Maize (white)	-6%	80%	91%	1%
Beans	7%	67%	53%	10%
Rwanda Corn (flour)	4%	25%	40%	10%
Dry beans	5%	103%	65%	36%
Irish Potato	1%	76%	54%	7%
Dry maize (grain)	4%	16%	93%	12%

Fig. 9: Wholesale maize prices in Tanzania



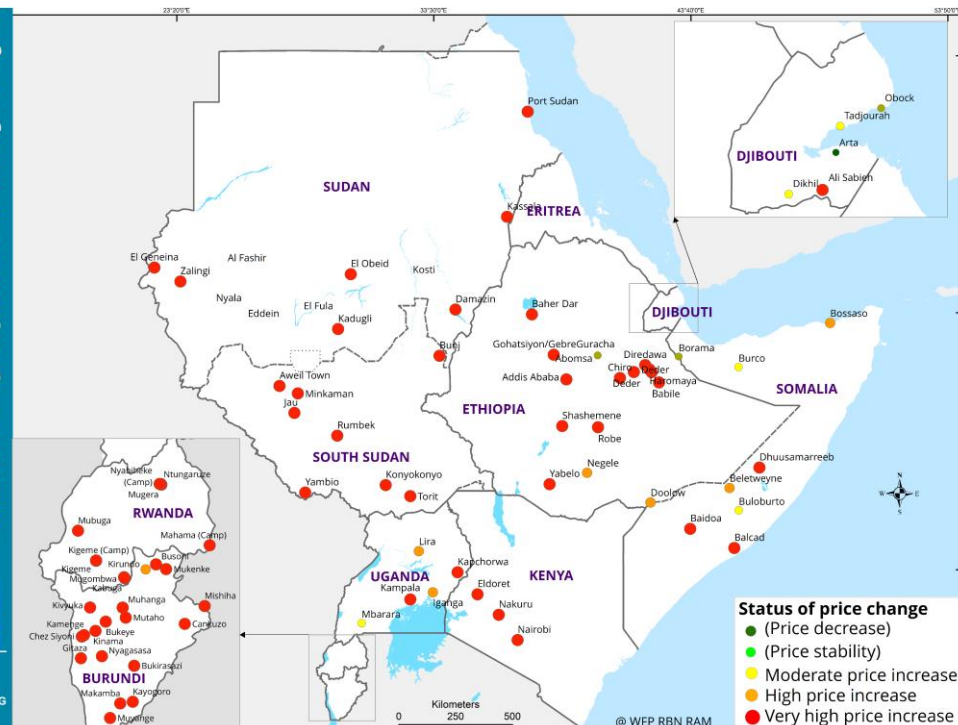
Compared to pre-Ukraine war period (January 2022) and the same month last year, staple cereals and beans increased significantly in all countries, but most prominently in Sudan, South Sudan, and Uganda. Staple cereal prices have been consistently high in Sudan, South Sudan, and Ethiopia in the last three years or more while in Somalia, the 2022 prices were the highest in recent years. Maize prices in Tanzania has been on an upward trend since August 2021 and have only declined recently because of new harvests (Fig. 9).

Prices of locally produced staples significantly above normal levels



WFP RBN Region
Cereal Price Change: August 2022 vs 5Yrs Average for August

WFP
World Food Programme
SAVING LIVES
CHANGING LIVES



When compared to the five-year average, the current locally produced staple prices are for the first time in recent year significantly higher in nearly all countries but most widely in Ethiopia, South Sudan, Sudan, Kenya, Rwanda, Burundi and Somalia (Map 1).

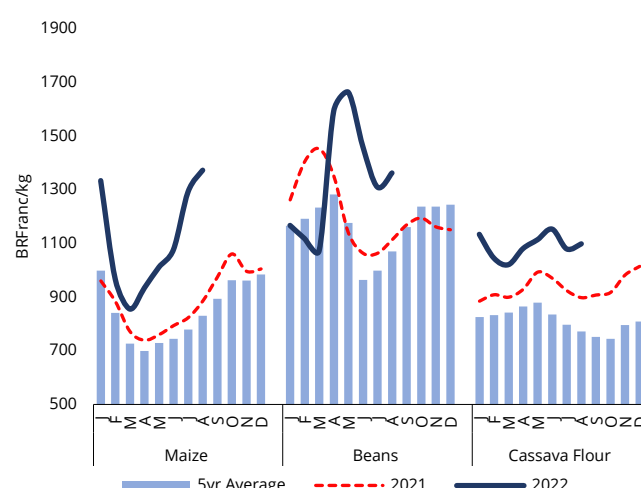
The seasonally higher staple cereal prices are driven by a combination of factors including climatic shocks, conflict and macro economic challenges and the spill-over effects of the Ukraine crisis. There are pockets where the seasonal supplies from the MAM harvests (Uganda and North-West Somalia) and price controls (Djibouti) have moderated price increases against the long-term average.

Burundi



In quarter three, staple food prices remained elevated in most parts of the country though following seasonal patterns. On average, maize price recorded a m-o-m increase of 20 percent at the beginning of the third quarter and by August price had hit record high level in recent past retailing at 1,372 BR Franc/kg. By contrast, cassava flour and beans prices eased in July by 6 and 10 percent respectively at the beginning of season B harvests before slightly increasing seasonably in August retailing between 17 to 23 percent above previous year levels. Food prices remain high in most parts of the country despite near average ongoing season B harvests having boosted supply and is mainly attributed to rising fuel price and attendant cost of transportation, and rising headline inflation observed over the past several months.

Fig. 9.1: National staple food price trends

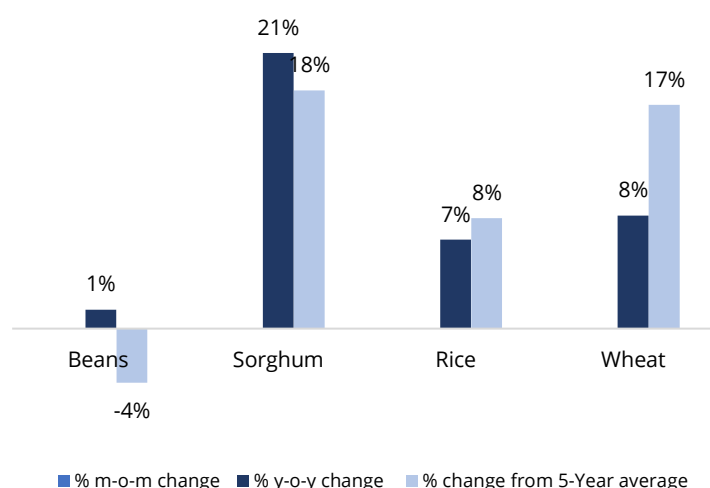


Djibouti



Most staple food prices have generally remained stable across the country for several months with slight increases observed for imported food (Wheat flour, rice, pasta, and vegetable oil) in the second quarter that reflected the turmoil in the international food and commodity markets and rising costs of transport. However, at the beginning of the third quarter, imported food prices except pasta, eased consistent with the international market trends. White bean prices fell by 18 percent in the beginning of the third quarter retailing at 223 DJT Franc/kg in July through August, one percent above year earlier level and 4 percent below the 5-year average level. Red sorghum price firmed up by 28 percent over the same reference period retailing on average at 144 DJT Franc/kg between July and August mainly due to reduced availability that could have been affected by reduced imports from neighbouring Ethiopia besides below average production.

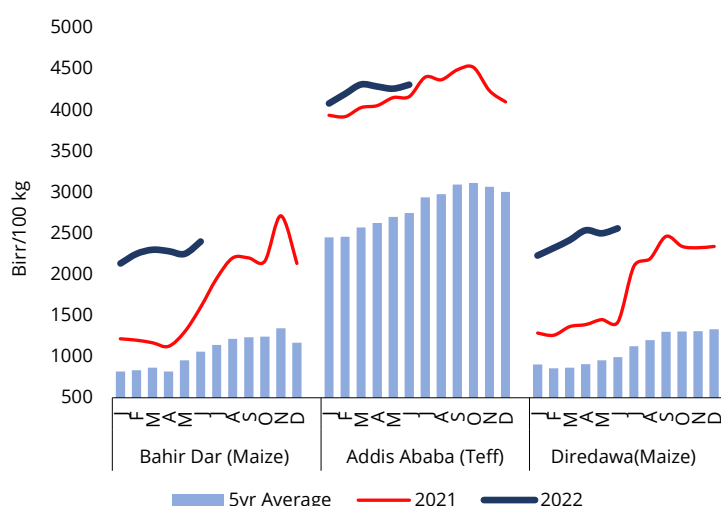
Fig. 10: Staple cereal price trends in Djibouti



Ethiopia



Fig. 11: Staples price trends in selected markets



Food prices, although in line with seasonal trends, have generally sustained an upward trend hitting all-time highs in recent years across most markets since late 2020 driven by a combination of factors including the ongoing drought in the south, continuous currency depreciation, and conflict in Northern parts of the country that has disrupted trade, markets and livelihoods. This together with rising pump prices because of abolished fuel subsidies has sustained the high headline inflation at 34 percent, only second to Sudan in the region.

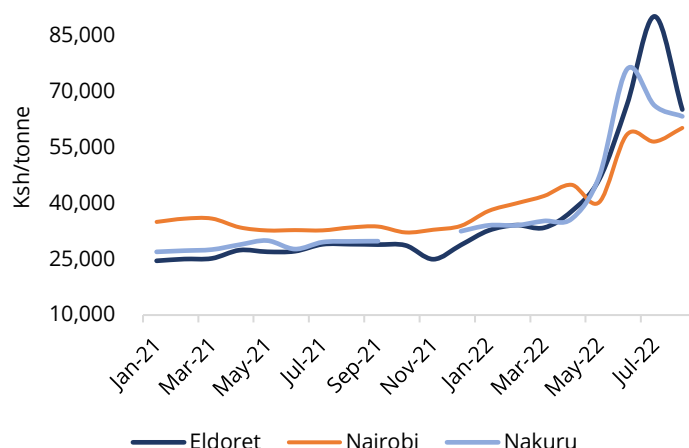
In the capital Addis Ababa, record high wholesale prices were recorded in August, with red sorghum trending at least 58 and 178 percent above year earlier and long-term average levels respectively. Wheat and teff wholesale prices have also exhibited similar patterns in the capital (Figure 2) over the reference period.

Kenya



Over the years, local production has been supplemented by imports mainly from neighbouring Uganda and Tanzania to meet local consumption requirements. The current drought and dry conditions in the region together high fertilizer prices is expected to result in an estimated 16 decline in regional cereal production, widening deficits and increasing price volatility. Maize price has been on an upward trend in most parts of the country since May through July 2022 including in major producing regions reflecting reduced availability and market adjustments to tight regional supplies, rising cost of fuel and transportation. However, after months of sustained upward trend, wholesale maize price slightly eased in August as harvests started in maize breadbasket Rift-Valley and other unimodal areas. In the reference markets of Eldoret and Nakuru, maize prices went down 25 and 4 percent respectively m-o-m while in Nairobi, the staple commodity's price firmed up by 6 percent. The temporary ease in maize prices will likely be short lived as projections points to below average yields for the ongoing harvest season while Tanzania is restricting maize exports.

Fig.12: Maize wholesale price trends in Kenya



Rwanda



Despite season B harvests fairly improving availability, food prices continued to soar throughout the third quarter in most parts of the country. The national average price of maize followed seasonal pattern though remaining way above year earlier and long-term average levels, at 92 and 77 percent respectively. Over the same reference period, dry beans retailed on average between 667-764 RWF/kg almost doubling price levels recorded same time previous year by September. According to [FEWSNET](#), beans harvest in Eastern regions is expected to be below average due to poor rainfall distribution which would likely affect yield and thus keep prices high due to reduced availability. In addition, high cost of farm inputs led to reduced of crop under cultivation culminating in below average production.

Fig. 13: Staple cereals price trends in Rwanda

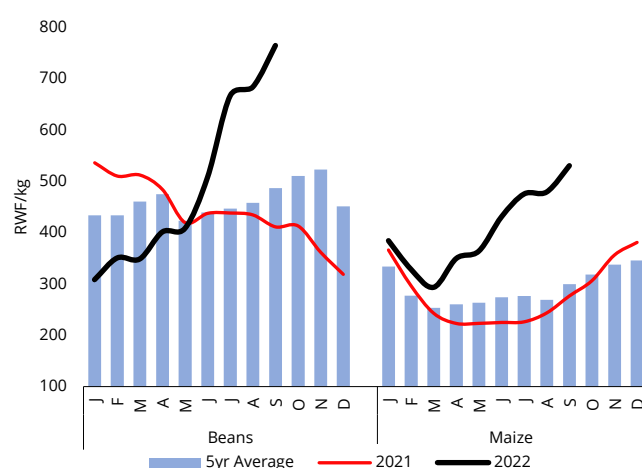
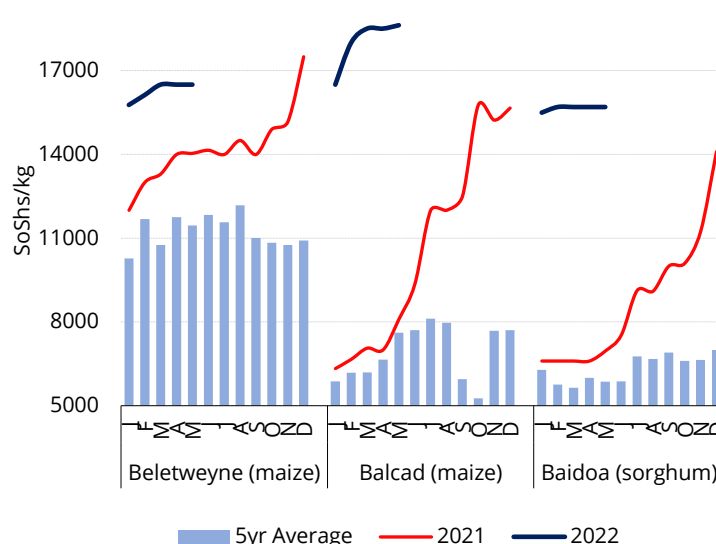


Fig. 14 Cereal price trends in selected markets in Somalia



Somalia



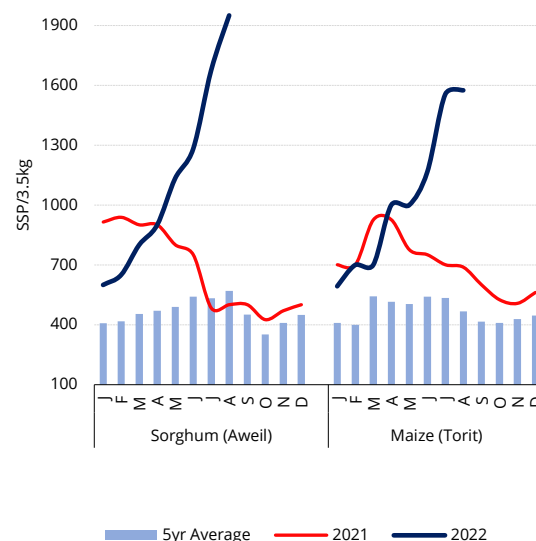
Prices of locally produced grains remained at very high levels in August due to the worst drought in 70 years, with a looming famine expected between October and December 2022 in Baidoa and Burhakaba districts of Bay Region in the absence of humanitarian assistance. Nonetheless, prices of maize and sorghum stabilised in August when compared to June in most southern markets thanks to the arrival of the minimal and below-average "Gu" harvest. In Baidoa market, prices of sorghum also stabilized in August m-o-m due to increased availability from humanitarian supplies. However these prices are still significantly higher than they were a year ago, triple their values of a year earlier and the pre-Ukraine war period (January 2022) in most southern and central Somalia markets. A few exemptions to the recent ease on maize and sorghum prices include in Mogadishu Karan and Dusamareb market in Galgaduud Market, maize prices increased by 9 percent.

South Sudan



Food prices across most parts of South Sudan have been on exceptional rise since the beginning of the year driven by various factors including below average production due to poor distribution of rainfall, reduced import flow from Uganda and conflicts and insecurity disrupting trade flow in parts of the country and mainly due to insufficient supplies and a sharp depreciation of the parallel market exchange rate. In the beginning of the third quarter, sharp spikes in food prices were observed in most markets with staple cereal prices more than doubling previous year and long-term average levels across most markets. As of August, the national average price of maize was 1,721 SSP/3.5 Kg, 208 and 120 percent above long term average and year earlier levels with a m-o-m increase of 33 percent. Similarly, white sorghum retailed on average at least 167 and 206 percent above previous year and above the long-term average levels with significant variations across markets. Prices of maize and sorghum surged in August by 72-89 percent in Juba, Akobo (20-39%), Mikngkaman (11%), Rumbek (8-55%), Aweil (upto 78%), GokMachar (18-30%), etc.

Fig.15: Sorghum and maize price trends in South Sudan

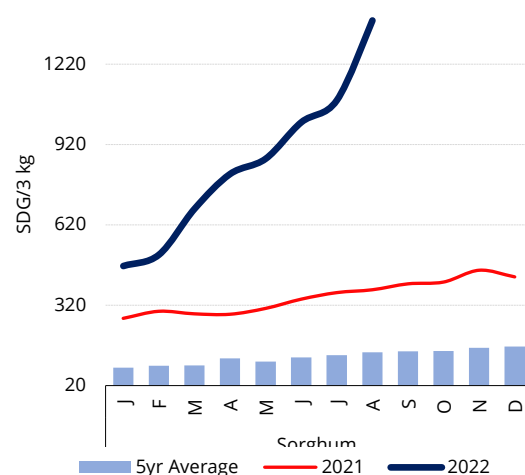


Sudan



For close to three years, staples food prices in Sudan have sustained steady upward trend hitting new record highs since 2020, mainly attributed to macro-economic challenges such as weakening currency and high inflation following the after-effects of COVID-19 & political upheavals and lately, the knock-off effects of the Ukraine Crisis on imported wheat and wheat product prices. During the third quarter, food prices sustained rising trends in most markets across the country with national average price of sorghum hitting new record highs in August having registered a m-o-m increase of 27 percent and retailing 862 percent above the long-term average. According to [Sudan CO Update](#), sharp spikes in quarter three could also be attributed to supply shortfall from the below average 2021 harvest as well as concerns over the performance of the 2022 harvest, which is likely to have been adversely affected by below-average early season rains, localized losses to floods and by soaring prices of fuel and fertilizers. This has compounded the lean seasonal effects resulting in historic sorghum prices. Similar price patterns were observed for millet across most markets with generally sharp spikes in August and variation across markets, ranging from 1,513 SDG/3kgs (El Geneina) to 2,500 SDG/3kgs (in Kosti and Nyala).

Fig. 16: National average sorghum price trends in Sudan

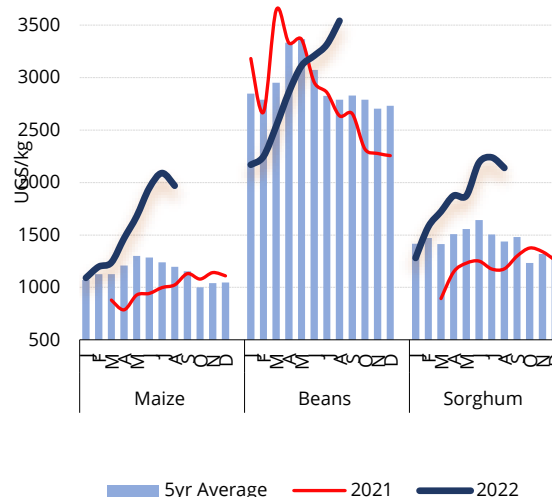


Uganda



In the third quarter, the national average price of maize and sorghum trended seasonable above previous year and long-term average levels with slight ease in August as the below average first season harvests improved household availability and entered markets. The national average price of maize fell by 6 percent in August retailing at 1,968 UGS/kg almost double year earlier levels and 64 percent above the long-term average. Sorghum price also dropped in August by 4 percent while remaining 81 and 41 percent above previous year and 5-year average levels respectively with variations across markets. Bean price on the other hand continued to increase registering a m-o-m increase of 7 percent in August. High staple cereal prices in the country are mainly attributed to below average production in preceding seasons due to erratic rainfall patterns and high costs of production.

Fig.17: Staple cereal price trends in Uganda





Ethiopia: Multiple shocks including conflict related trade and production disruptions, rising inflation and drought in the southern parts of the country and the government scrapping of fuel subsidies, which drove a 30 percent increase in petrol and a 40 percent increase in diesel prices, will likely put further pressure on market prices through 2022.

Djibouti: food price and exchange rate controls and recent easing in the global wheat price are likely to extend stability in the prices of staple cereals through 2022. Slight sorghum price increase is expected given high prices in Ethiopia where its sourced.

South Sudan: insufficient supplies because of below average production in Uganda and Kenya and the continuously difficult macroeconomic situation due to low foreign currency reserves and the weak national currency will likely exert additional pressure on prices and extend increasing trends throughout 2022.

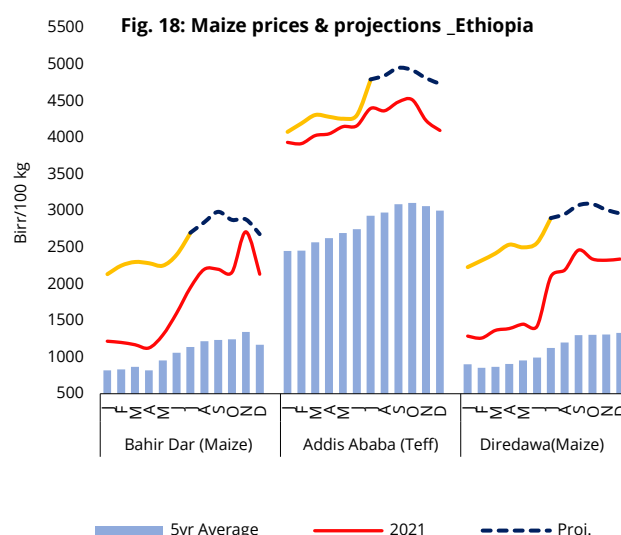


Fig. 19: Sorghum prices & projections _Aweil market, South Sudan

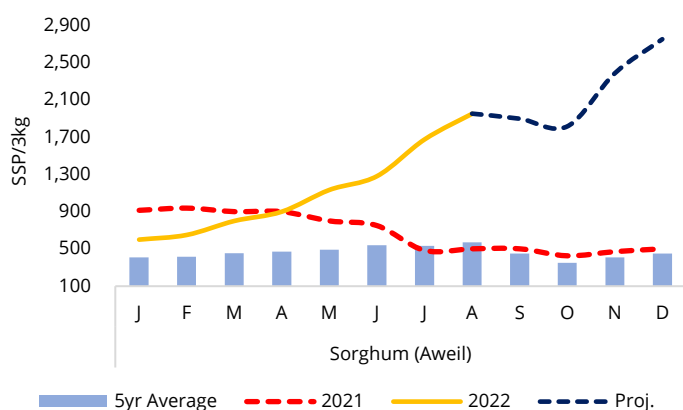
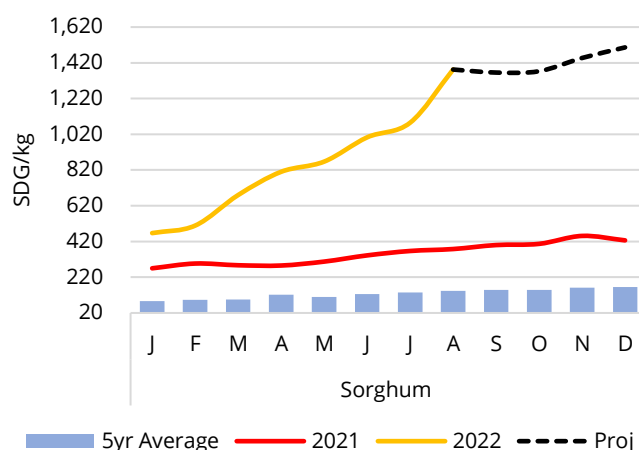
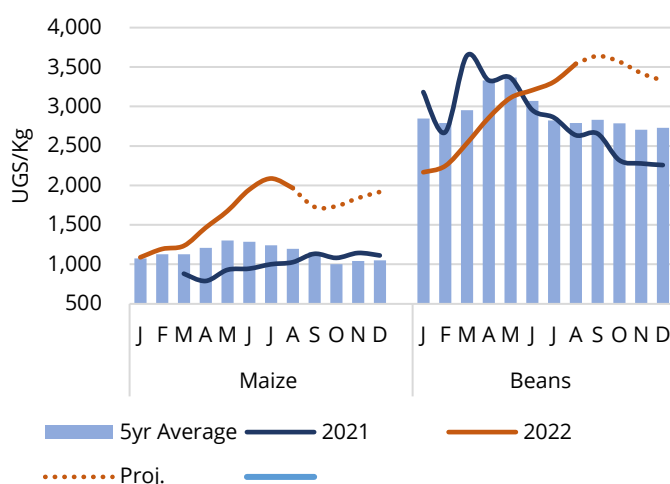


Fig. 20: Sorghum prices & projections _Sudan



Sudan: The high reliance on imports from the Russian Federation and Ukraine (over 50 percent) and the prevailing high prices of wheat on international markets, coupled with low foreign currency reserves and the continued devaluation of the national currency, raise serious concerns about the country's capacity to fulfil its wheat import requirements. Sustained increasing trend of cereal prices is expected throughout 2022 given the difficult macroeconomic situation, coupled with high prices of fuel and agricultural inputs inflating production and transportation costs. Heightened political instability and intercommunal clashes exerted further upward pressure on prices.

Fig. 21: Maize and beans prices & projections Uganda



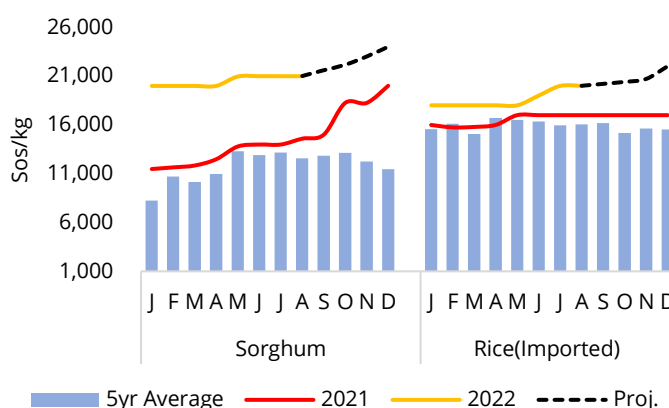
Uganda: Below average production, increased cross-border exports to South Sudan and Kenya because of higher and attractive prices from grain exporters will likely mop out the thin domestic surplus and drive maize prices up in local markets from October through December 2022.

Kenya: Staple food prices are expected to remain elevated in the coming months in most areas across the country due to below average production in the country and neighbouring Uganda and the worsening drought in ASALs. In addition, the removal of fuel subsidies in September which resulted in an immediate 14 percent increase in fuel prices in addition to the continued depreciation of the Kenya Shillings against the US \$ will continue to be passed to consumers through higher food prices.



Somalia: Despite recent minimal ease in monthly staple cereal prices, food prices in South-Central Somalia are expected remain high through at least the end of 2022 given already exceptionally high food prices because of the ongoing severe drought. With seasonal climate projections pointing to another below average Gu harvest, prices will likely continue rising trends and remain elevated into the first quarter of next year (2023). However, in localized areas with substantial in-kind humanitarian food assistance distributed as part of the drought response scale-up, stability in maize and sorghum prices could be expected.

Fig. 22: Maize & rice prices and projections, Beletwyne, Somalia



Rwanda & Burundi: Staple food prices are expected to remain elevated and increased in both counties through 2022 in most markets because of reduced seasonal availability in Rwanda and also rising fuel prices and attendant cost of transportation, currency depreciation and shortage of hard currency and rising headline inflation in Burundi.

Fig. 23: Maize & beans prices and projections Rwanda

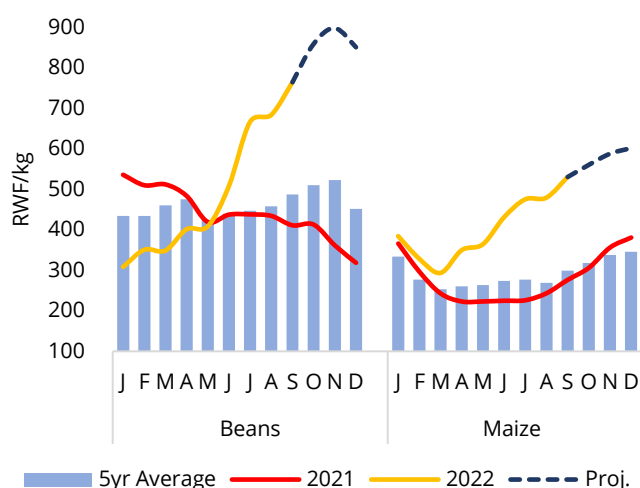
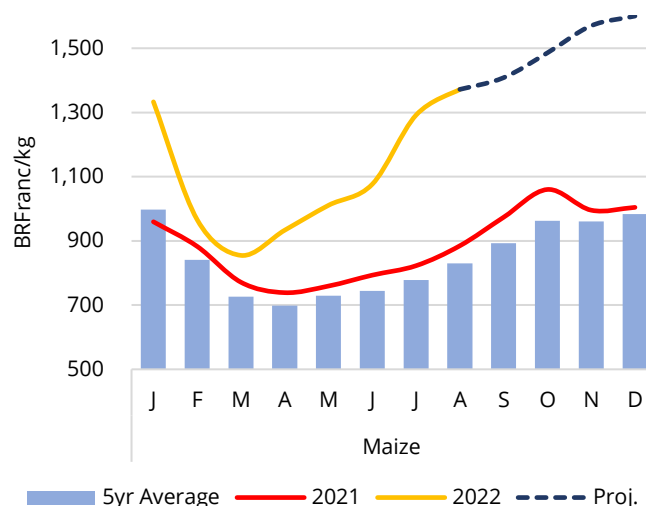


Fig. 24: Maize prices and projections, Burundi





WFP/Selina Chan

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