



World Food  
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WFP Regional Bureau for Eastern Africa  
**Market and Trade Update – 2022 Q4**  
Joint Supply Chain and RAM

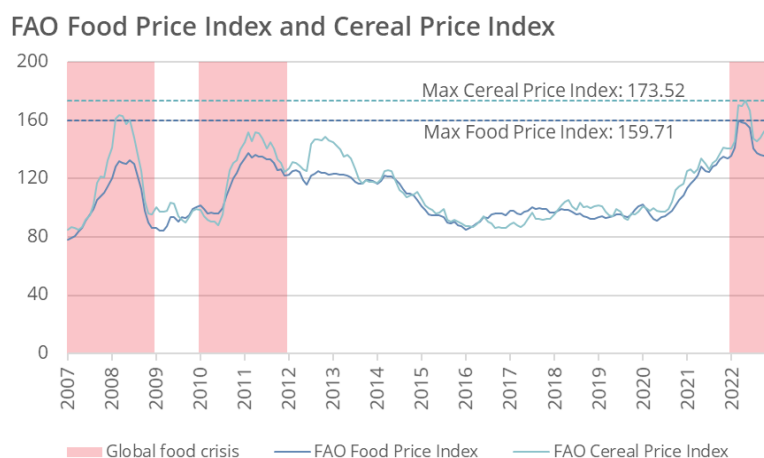
January 2023

## Highlights

- After peaking in the second quarter of 2022, international food and crude oil decreased throughout the rest of the year. Nevertheless, international commodity prices are still well above average levels five-year trends.
- Despite reduced output and rising production and transport costs, import demand for cereals was still high which has affected regional trade dynamics and the price of imported food. Wholesale maize prices in key producing and exporting countries (**Tanzania, Kenya, and Uganda**) remained high in the last quarter of the year; prices are likely to be elevated until the next harvest in mid-2023.
- Crude oil prices continued to fall in the last quarter of 2022. However, average fuel prices across the region were stable and significantly higher than a year ago. As of December 2022, average pump prices stood at USD 1.5/L –55 percent higher than the same month last year. Petrol prices in **Burundi** continued to increase in the last quarter of 2022 whereas prices in **South Sudan, Somalia, and Uganda** declined.
- The prolonged drought in the Horn of Africa has greatly impacted food prices by undermining food availability and economic access to food. For nearly two years, staple food prices have sustained an upward trend in most parts of **Somalia**, even surpassing price levels recorded during the 2011 famine. In the Arid and Semi-Arid Lands (ASAL) of **Kenya** and across most markets in Oromia and Somali regions of **Ethiopia**, local cereal prices continued to soar through the last quarter of 2022 and remained well above the national average.
- In the last quarter of the year, local currencies across Eastern Africa continued to lose their value against the U.S. dollar (USD), with **South Sudan** and **Sudan** recording the highest depreciation of the local currency against the USD both in the official market and parallel markets.
- The cost of living in Eastern Africa are still significantly higher than a year ago. The annual inflation rate across the region averages at 24.2 percent. December marked the ninth monthly decline in annual inflation in **Sudan**; however, the country still records the highest annual inflation rate in the region (at 87.3 percent). **Ethiopia, Rwanda, Burundi, and Uganda** continued to record double-digit inflation in the last quarter of 2022.
- Food prices are pushing up the overall cost of living for households, with **food inflation averaging at 27.2 percent** in Eastern Africa. **Sudan, Rwanda, Burundi, Ethiopia, Uganda, and Kenya** continued to record double-digit food inflation throughout quarter four of 2022.
- In the last quarter of the year, the average per capita monthly price of a local food basket was stable across Eastern Africa. However, it is still significantly higher than a year ago. As of December 2022, the average per capita monthly price of a local food basket **reached USD 19.2** across the Region – representing a **46.3 percent increase** from the same month last year. **Sudan and South Sudan** continued to record the highest year-on-year (y-o-y) increase (up 89.4 and 80.5 percent, respectively). **Somalia and Sudan** continued to record the **most expensive food baskets in the region** (USD 28.8 and USD 28, respectively).
- In line with global price developments, the average price of imported vegetable oil across Eastern Africa recorded a declining trend in the last quarter of the year, with variations among countries. Nevertheless, in y-o-y terms, vegetable oil prices are firming, by showing a 24.7 percent increase between December 2022 and December 2021. **Ethiopia and South Sudan** recorded the highest increases (up 56.5 and 51.8 percent, respectively), followed by **Sudan** (up 23.8 percent). Vegetable oil prices are well above the five-year average in all countries of the Region.

## 1. International Commodity Price Outlook<sup>1</sup>

Figure 1: FAO Food and Cereal Price Indexes, 2007-2022

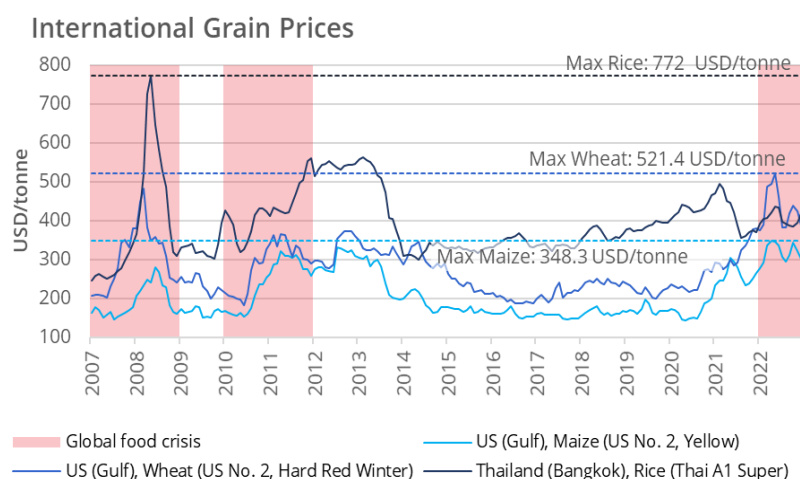


Throughout the last quarter of the year, the FAO Food Price Index (FFPI) has continued to gradually decrease, with December marking the ninth consecutive month of decline. However, as Figure 1, shows, in 2022 global food prices hit their record high, surpassing the peaks recorded in the 2007-2008 and 2010-2011 global food crises. Factors behind this sharp increase include uncertainties

about the global economic output and strong food demand, market disruptions, higher energy and input costs and extreme weather events in producing countries – affecting agricultural output.

International wheat prices fell in the last quarter, boosted by improved supply following the extension of the Black Sea Grain Initiative in November and ongoing harvest in the southern hemisphere. This increased competition in the international markets exerting downward pressure on cereal prices. As of December, the reference US No.2 Hard Red Winter wheat price fell by 8 percent compared to November 2022. However, it remained 2 percent more expensive than a year ago and 45 percent higher than the average levels recorded in the last five years. International maize prices showed a similar declining trend over the reference period.

Figure 2: International Grain Price Trends



For example, the latest price quotation for the US (Gulf) Maize (US No.2, Yellow) fell by 6 between November and December 2022, while remaining 14 percent higher than December 2021. In contrast, international rice prices increased between October and December underpinned by varied factors, including local currency strengthening against the U.S. dollar (USD) in some Asian suppliers and good buying interest. For instance, the price of Thai A1 rice variety increased by 6 percent between November and December 2022 and was 13 percent higher than the price recorded in December 2021.

Table 1: Average International Cereal Price change

Commodity	Price (USD/ton)	Variations		
	Dec-22	m-o-m	y-o-y	5y-avg
US (Gulf) Wheat (US No. 2)	387	-8%	2%	45%
US (Gulf) Maize (US No. 2, Yellow)	302	-6%	14%	59%
Thailand (Bangkok) Rice (Thai A1 Super)	418	6%	13%	8%

<sup>1</sup> This section is based on FAO [Food Price Index](#) and [Food Price Monitoring and Analysis](#).



## 2. Price of Imported Maize declined towards the end of 2022, yet levels remain high<sup>2</sup>

### Tanzania and Southern Africa

In Tanzania, a major regional supplier, maize prices slightly increased over the month of December. Supply was reported to be below average due to a poor long-rains crop: approximately 4.5 metric tonnes (MT) were harvested against an estimated annual consumption of about 5-5.2 MT. The short rains harvests expected in April 2023 could improve the supply; however, the maize balance sheet is expected to remain tight until next harvest and prices are projected to remain high for the next 5-6 months.

Following higher demand from Zimbabwe and the depreciation of the Kwacha, price of exportable maize from Zambia increased by approximately 7 percent in December. To reduce exports, available stocks will only be sold to millers, which, will likely lead to a decline in exportable surplus and an increase in the price of exportable maize.

### Kenya

Maize prices have remained high due to a combination of factors which include below-average yields, farmers holding onto stocks in anticipation of higher prices and the temporary suspension of GMO crop imports and cultivation by the Kenya High Court.

Maize is trading at KES 5,600-5,700/90kg bag (USD 506-515/MT) in Mombasa and KES 5,500-5,600/90kg bag (USD 497-506/MT) in Nairobi. If GMO imports are allowed, it is estimated that South African white maize will be sold at USD 60-70/MT, less than the current prices in South Africa, and that Ukraine yellow maize will be sold at USD 100-120/MT less (excluding import duties).

To further control prices of imported maize, the Government of Kenya is planning to waive import duties on maize coming from outside the Common Market for Eastern and Southern Africa (COMESA) and the Eastern Africa Community (EAC) between February and August 2023.

Other cereals are trading at a much lower price than maize and could provide an opportunity for substitution, relieving pressure from the maize balance sheet.

### Uganda

Following the recent harvest, maize prices showed a declining trend in December. However, they remained high due to factors including limited supplies from the previous seasons, above-average regional demand for Ugandan staples and high fuel and transportation costs. In Kampala, the old crop is trading at UGX 1,650-1,750/kg (USD 447-474/MT) and new crop is estimated at UGX 1,550-1,650/kg (USD 420-447/MT).

Restrictions on movement due to the Ebola virus outbreak have not affected movement and transport of goods. However, they have impacted the timely execution of contracts.

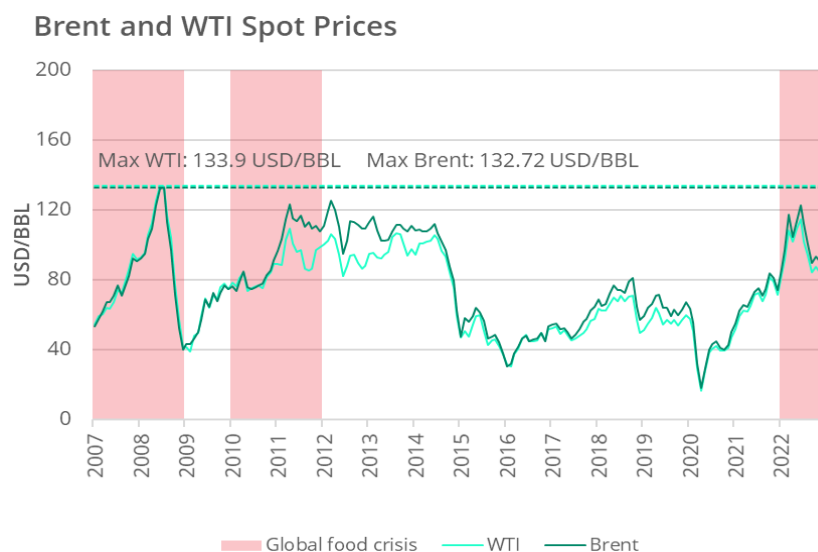
Export demand to Kenya, Rwanda, the Eastern Democratic Republic of Congo, and South Sudan is expected to remain sustained in the short-to-medium term, which, combined with consecutive seasons of below-average national production, is likely to keep prices elevated.

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<sup>2</sup> This section is based on FAO [Cereal supply and demand balances for sub-Saharan African countries Situation as of November 2022](#); [Crop Prospects and Food Security Situation as of December 2022](#); Commodity Insight Africa Weekly Fundamental Soft Commodity Report as of Week 3 December 2022.

### 3. Pump Prices Stay High Despite Crude Oil's Downward Trajectory<sup>3</sup>

Figure 3: Brent and WTI Spot Prices, 2007-2022



Crude oil spot prices continued falling in the last quarter of 2022, pressured by concerns of an economic slowdown in major economies. Uncertainties around the economic and demand outlook amid rising global COVID-19 cases in Asia (mainly in China), and lower refining margins for gasoline and diesel in Europe and the U.S. have all contributed to the decline observed.

Nevertheless, crude oil prices are still higher than one year ago. In December, ICE Brent

stood at USD 81.34/b (up 39.6 percent compared to December 2021), and WTI stood at USD 76.52/b (up 38.5 percent compared with the same reference period).

At the local level, petrol prices across the region were stable in the last quarter of 2022, at an average of USD 1.5/L. However, average pump prices in December 2022 across Eastern Africa remained 55 percent higher than the same month last year.

After implementing the second round of fuel price revision, petrol prices in **Ethiopia** stabilized in the last quarter of the year, but there was an increase of 7.4 percent between November and December 2022 (from ETB 57.05/L to ETB 61.3/L). The phase-out of fuel subsidies continues to have repercussions on consumers as pump prices recorded in the last quarter of 2022 are almost double those in the same reference period in 2021.

Petrol prices in **Burundi** recorded an increasing trend in the last quarter of 2022 – selling at BIF 6,827/L in December 2022 (up 40.7 percent since October 2022). The average fuel price in December 2022 was more than double the average price recorded the same month a year ago.

To try to control the adverse impact of high inflation rates on consumers, the national governments of **Kenya** and **Rwanda** kept fuel prices unchanged in the last quarter of the year. However, the average petrol prices recorded in December in both countries were 36.4 and 29 percent higher than the average levels recorded in December 2021.

**South Sudan, Somalia, and Uganda** recorded a declining trend in fuel prices in the last quarter of the year. Nevertheless, the cost of petrol December 2022 was still significantly higher than in December 2021 in the three countries (up 71.4, 39.4, and 21.1 percent, respectively).

In the first few months of 2023, high fuel prices are likely to continue to impact on food production and transportation costs, eventually contributing to above-average food prices in markets which will increase the amount of money households need to budget to meet their basic food needs.

<sup>3</sup> This section is based on [OPEC, Monthly Oil Market Report, December 2022](#) and petrol price data monitored by [WFP](#) (Burundi, Ethiopia, Somalia, South Sudan) or national governments ([Kenya](#), [Rwanda](#), [Uganda](#)). No data for Djibouti and Sudan.

#### 4. Drought continues to greatly impact on food prices in the Horn of Africa

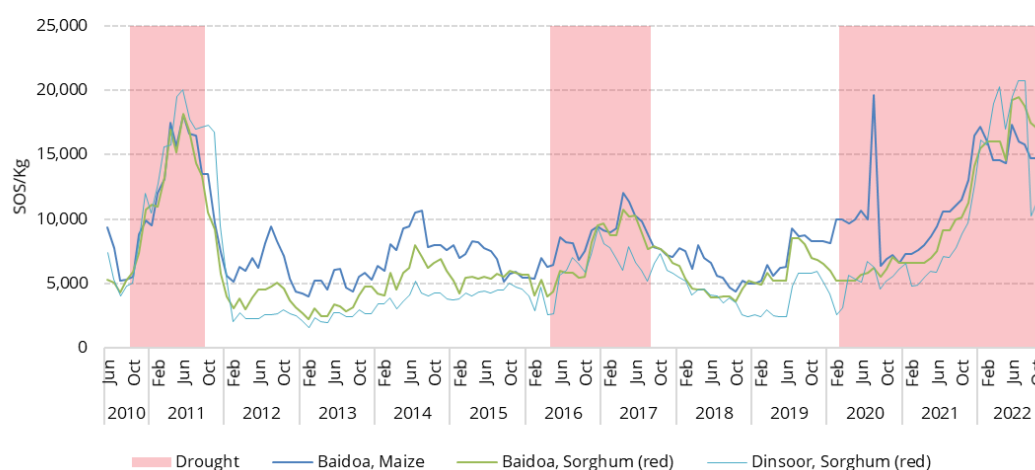
The prolonged drought in the Horn of Africa significantly impacted food prices throughout 2022, undermining food availability and economic access to food. Reduced availability due to below-average production continues to exert upward pressure on prices against the backdrop of eroded livelihoods, increasing populations' vulnerability to food insecurity.

For nearly two years, staple food prices have sustained an upward trend in most parts of **Somalia** particularly in the drought-hit regions, even surpassing price levels recorded during the 2011 famine (Fig. 4). In the Bay region, staple cereal prices remained high in the last quarter of 2022. In the reference market of Baidoa, red sorghum price in December 2022 stood at SOS 17,000/Kg –21 percent higher than 2021 levels, and more than double the long-term average. Similar price patterns were observed for maize.

In Baidoa prices remained at almost at same level throughout quarter four; sorghum prices in Dinsoor increased in November, having registered a month-on-month (m-o-m) increase of 16 percent.

Figure 4: Staple Cereal Price trends in Bay Region

##### Staple Cereal Price trends in Bay Region, Somalia (2010-2022)



Across most markets in the Oromia and Somali regions of **Ethiopia**, local cereal prices continued to soar through the last quarter of 2022, primarily due to reduced availability following the prolonged drought. The latest prices of key cereals (maize, sorghum and teff) retailed at least 40 percent above levels recorded in the previous year, having increased significantly between 5-25 percent relative to three months ago - except for a few selected markets where prices slightly eased.

The October-December rains have generally not been favourable especially in drought-hit areas of Ethiopia, Somalia, and Kenya, which will likely result in another below-average seasonal harvest and further deterioration of livestock body conditions. The devastating impacts of drought on food availability and affordability are therefore likely to persist in these regions through mid-2023.

The Arid and Semi-Arid Lands (ASALs) of **Kenya** have been the most severely affected by the drought; however, poor rainfall distribution in the country's major maize production regions resulted below-average production in 2022 – which has significantly impacted crop availability and consequently pushed prices up across the country. Throughout quarter four, cereal prices remained elevated and well above the national average in most ASAL counties, retailing at above 90 KES/Kg (Fig. 5). A slight ease in prices was observed in some counties (e.g., Garissa) and it was mainly attributed to considerable increase in supply from ongoing

food aid distribution.<sup>4</sup> In Turkana County, the average retail price of maize was 115 KES/Kg by December with significant variation across markets.

Livestock prices and milk production also remained below average in most drought-affected counties, with minimal improvements recorded in December in areas which had received some rainfall.<sup>5</sup>

High fuel prices continue to add inflationary pressure on food prices, especially in hard-to-reach areas within the drought-affected regions.

## 5. Climbing costs of living despite the ease in international commodity prices<sup>6</sup>

In the last quarter of the year, local currencies across Eastern Africa continued to lose their value against the U.S. dollar (USD).

As of December 2022, **South Sudan** continued to record the highest depreciation of the local currency against the USD – taking into account both official and parallel market. Compared to a year ago, 1 SSP traded at USD 663 on the official market (down 36.6 percent) and USD 653 and on the parallel market (down 35.8 percent).

Similarly, the **Sudanese Pound (SDG)** depreciated against the USD on both the official and parallel market. In December 2022, 1 SDG traded at USD 579 on the official market (down 24.4 percent compared with December 2021), and USD 580 on the parallel market (down 22.4 percent in the same reference period).

**Ethiopia**, where a parallel market for exchange rates also exists, also recorded a significant y-o-y depreciation of the ETB on both the official and parallel market, with 1 ETB trading at USD 54 (down 9.5 percent) and USD 98 (down 39.3 percent), respectively.

Figure 5: Maize Price in Selected ASAL Counties in December

Maize Price in Selected ASAL Counties, December 2022

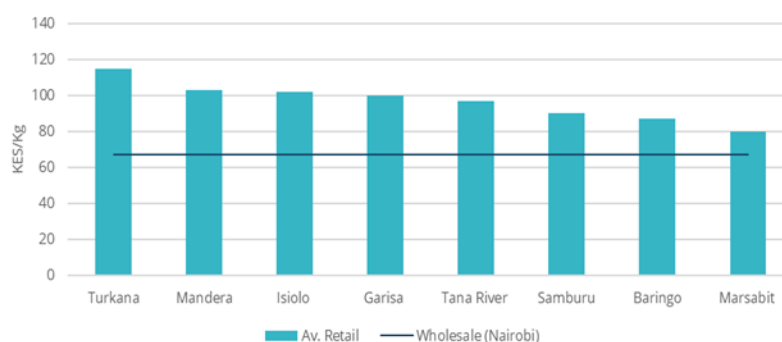


Table 2: Trends in exchange rates

Trends in exchange rates					
Country	Currency	Type	Dec-22	m-o-m	y-o-y
Burundi	BIF/USD	Official	2,080	-0.3%	-2.8%
		Parallel	3,550	-0.8%	-4.2%
Djibouti	DJF/USD	Official	178	0.0%	0.0%
Ethiopia	ETB/USD	Official	54	-0.4%	-9.5%
		Parallel	98	-10.2%	-39.3%
Kenya	KES/USD	Official	123	-0.7%	-8.1%
Rwanda	RWF/USD	Official	1,060	0.6%	-3.5%
Somalia	SLS/USD	Official	32,550	-0.8%	-5.6%
	SOS/USD	Official	8,520	-0.1%	-0.1%
South Sudan	SSP/USD	Official	663	-5.8%	-36.6%
		Parallel	653	-4.4%	-35.8%
Sudan	SDG/USD	Official	579	0.0%	-24.4%
		Parallel	580	0.0%	-22.4%
Uganda	UGX/USD	Official	3,681	2.0%	-3.6%

<sup>4</sup> National Drought Management Authority Drought Early Warning Bulletin for December 2022, Garissa County

<sup>5</sup> National Drought Management Authority Drought. Early Warning Bulletins, December 2022.








































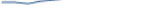
<sup>6</sup> This section is based on annual inflation and food inflation rates released by national bureaux of statistics. At the time of the writing of this report (22/01/2023), updated inflation rates for Djibouti were missing. Regional averages presented in this section could change once the values will be made available. Data sources for exchange rates reported in this section are WFP Field Monitor and National Central Banks.

In Kenya, the KES continued to depreciate against the USD, with 1 KES trading at USD 123 (down 8.1 percent compared to December 2021).

As Eastern Africa economies are net importers of many commodities, including fuel, exchange rate volatility coupled with rising import costs have increased the demand for greenback, widened public debts, and eventually added to inflationary pressures observed.

Cost of living across Eastern Africa are significantly higher than one year ago, with the annual inflation rate across the Region averaging at 24.2 percent. In 2022, annual inflation in **Sudan** recorded a declining trend, falling from 262.3 percent in March 2022 to 87.3 percent in December 2022. However, the country continues to record the highest annual inflation rate in Eastern Africa.

Table 3: Trends in annual and food inflation rates

Country	Annual Inflation		Food Inflation	
	Dec-22	Jan-Dec 22	Dec-22	Jan-Dec 22
Burundi	 26.6%		 39.1%	
Djibouti				
Ethiopia	 33.8%		 32.9%	
Kenya	 9.1%		 13.8%	
Rwanda	 31.7%		 59.2%	
Somalia	 6.1%		 9.4%	
South Sudan	 -11.6%		 -25.0%	
Sudan	 87.3%		 65.4%	
Uganda	 10.2%		 23.0%	
<b>RBN</b>	 <b>24.2%</b>		 <b>27.2%</b>	

**Ethiopia, Rwanda, Burundi,**

and **Uganda** continued to record double-digit annual inflation in the last quarter of the year, which stood at 33.8, 31.7, 26.6 and 10.2 percent, respectively in December 2022.

In **Kenya** and **Somalia**, costs of living remained high but stable in the last quarter of the year, with December 2022 annual inflation at 9.1 and 6.1 percent respectively.

Food prices are pushing up the overall cost of living for households, with food inflation averaging at 27.2 percent in Eastern Africa. **Sudan, Rwanda, Burundi, Ethiopia, Uganda,** and **Kenya** continued to record double-digit food inflation throughout quarter four of 2022.

Food inflation was extremely high in **Sudan**, recording the highest food inflation rate in the region at 65.4 percent. Despite the slow of vegetable and cereal prices between November and December 2022, food inflation in **Rwanda** stood at 59.2 percent (down from a record 64.5 percent rise in the previous month). Following a decrease in prices of cereal products, food inflation in **Ethiopia** slightly eased to 32.9 percent in December 2022 compared to 34.2 percent in the previous month. Increased prices of rice and maize, seafood and pulses pushed food inflation up in **Burundi** in December 2022 (at 39.1 percent).

In **Somalia**, food inflation decreased in the last quarter of the year (from 15 percent in October 2022 to 9.4 percent in December 2022) as food market prices eased.

Despite the ease observed in global food and oil markets; climate variability, soaring costs of agricultural inputs, and depreciation of domestic currencies against the USD will challenge a possible seasonal ease in local market prices and food prices are likely to remain well above the previous year and five-year average level in the first half of 2023.



## 6. Cost of the Food Basket Remained Stable but High<sup>7</sup>

In the last quarter of the year, the average per capita monthly price of a local food basket was stable across Eastern Africa but significantly higher than the same quarter a year ago. As of December 2022, the average per capita monthly price of a local food basket reached **USD 19.2** across the Region – representing a **46.3 percent increase** from the same month last year. **Sudan and South Sudan** recorded the highest increases compared a year ago (up **89.4** and **80.5** percent, respectively). **Somalia and South Sudan** recorded the **most expensive food baskets in the region** (USD 28.8 and USD 28, respectively).

Table 4: Trends in the monthly per capita cost of the food basket

Trends in the monthly per capita cost of the food basket				
Country	Dec-22		Variations	
	LCU	USD	m-o-m	y-o-y
Burundi	39,718	11.2	1.9%	44.7%
Djibouti				
Ethiopia	1,253	12.8	-3.0%	42.6%
Kenya	1,610	13.1	-9.8%	21.8%
Rwanda	18,420	17.4	-2.7%	68.0%
Somalia	937,112	28.8	-1.6%	9.3%
South Sudan	18,262	28.0	-1.9%	89.4%
Sudan	14,671	25.3	-9.9%	80.5%
Uganda	63,817	17.3	-3.9%	14.2%
<b>RBN</b>		<b>19.2</b>	<b>-3.9%</b>	<b>46.3%</b>

Increased production and transport costs and reduced productivity due to the prolonged drought led to the y-o-y increase in staples (up 61.2 percent) and pulses (up 79.3 percent).

Following the harvest between November and December, sorghum prices in **Sudan** and **South Sudan** showed a declining trend for last 3 months of the year. Nevertheless, average sorghum price in **Sudan** as of December 2022 was more than double the price recorded the same month last year. The cost of imported wheat increased by 23.7 percent between December 2022 and December 2021.

In December 2022, the price of sorghum flour in **South Sudan** was stable compared to November 2022 (down 1.4 percent); however, it was more than twice as expensive when compared to the December 2021.

Despite the recent harvest, the cost of beans in **Rwanda** and **Ethiopia** in December 2022 was more than double than in December 2021. **Uganda** also recorded a y-o-y increase in beans price (up 51.2 percent).

Nutrient-rich food continues to be less affordable than a year ago, with **Sudan** continuing to record a twofold increase in milk prices and **Somalia** recording a 24.1 percent increase in the cost of camel milk. In **Uganda**, the cost of powdered milk increased by 8.5 percent on y-o-y basis. In line with global price developments, the average price of imported vegetable oil across Eastern Africa recorded a declining trend in the last quarter of the year, with variations among countries. Yet, in y-o-y terms, vegetable oil prices are firming up, by showing a 24.7 percent increase between December 2022 and December 2021. **Ethiopia** and **South Sudan** recorded the highest y-o-y increase in price of vegetable oil (up 56.5 and 51.8 percent, respectively), followed by **Sudan** (up 23.8 percent). Vegetable oil prices are well above the five-year average in all countries of the Region.

Table 5: Trends in selected components of local food baskets

Trends in selected components of local food baskets												
Country	Cereals			Vegetable oil			Beans			Milk		
	Dec-22 Price LCU/Kg	m-o-m	y-o-y	Dec-22 Price LCU/L	m-o-m	y-o-y	Dec-22 Price LCU/Kg	m-o-m	y-o-y	Dec-22 Price LCU/L	m-o-m	y-o-y
Burundi	2,386	6.0%	61.8%	9,155	0.3%	4.6%	2,386	6.0%	80.1%			
Djibouti												
Ethiopia	67	-5.6%	35.0%	213	1.5%	56.5%	99	15.3%	112.3%			
Kenya	109	-3.5%	67.9%	294	-13.8%	20.7%	130	-3.0%	18.1%			
Rwanda	1,027	1.4%	68.6%	2,989	-4.4%	18.9%	843	-15.7%	164.7%			
Somalia	27,223	0.9%	4.2%	59,593	-0.6%	11.5%				49,821	-1.9%	24.1%
South Sudan	962	-1.4%	103.6%	1,918	-4.4%	51.8%	1,341	-3.0%	49.1%	5,839	1.5%	103.3%
Sudan	365	-16.9%	149.7%	1,423	1.6%	23.8%						
Uganda	1,999	-0.7%	-1.2%	9,033	-5.4%	9.9%	3,412	-5.0%	51.2%	1,649	-1.8%	8.5%
RBN		-2.5%	61.2%		-3.2%	24.7%		-0.9%	79.3%			

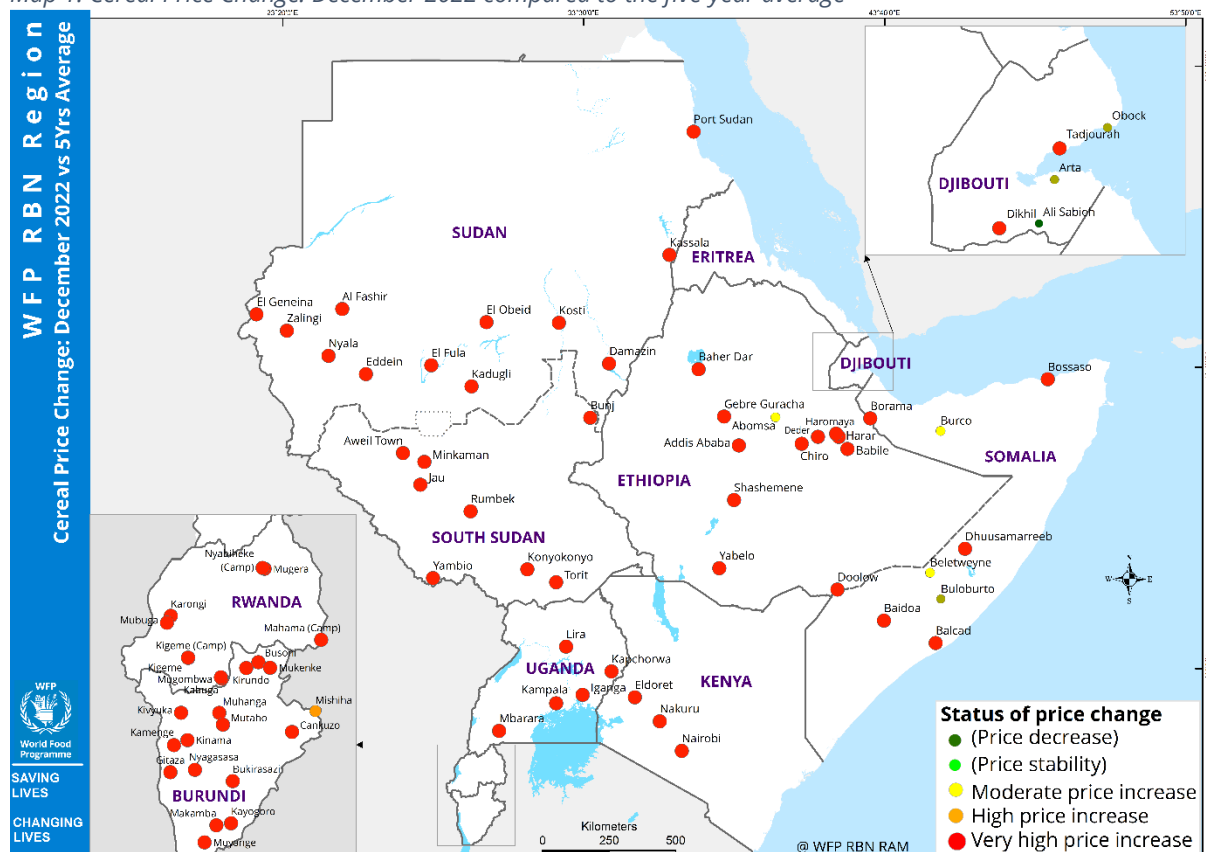
<sup>7</sup> At the time of the writing of this report (22/01/2023), December food price data from WFP field monitor was not available. Regional averages presented in this section could change once the values will be made available.

## 7. Prices of Main Staples Still Significantly Above Normal Levels

As already observed in quarter three, cereal prices are significantly higher than the five-year average. As map 1 shows, international and regional trade dynamics coupled with climatic shocks and reduced crop production have impacted prices across all monitored markets in the region.

In December 2022, monitored markets in **Burundi, Rwanda, Sudan, South Sudan, and Uganda** recorded very high price increases (higher than 50 percent compared with the five-year average); a few markets in **Somalia, Ethiopia** saw a moderate to high price increase (from 11 to 50 percent increase compared to the average price recorded in the past five years).

Map 1: Cereal Price Change: December 2022 compared to the five-year average



The following section *Country Updates* provides a more detailed description of cereal price trends across each of the countries falling under the WFP Eastern Africa Region. For each country, 2021 and 2022 monthly prices trends of main staple foods consumed are compared against the five-year average.

## 8. Country Updates<sup>8</sup>

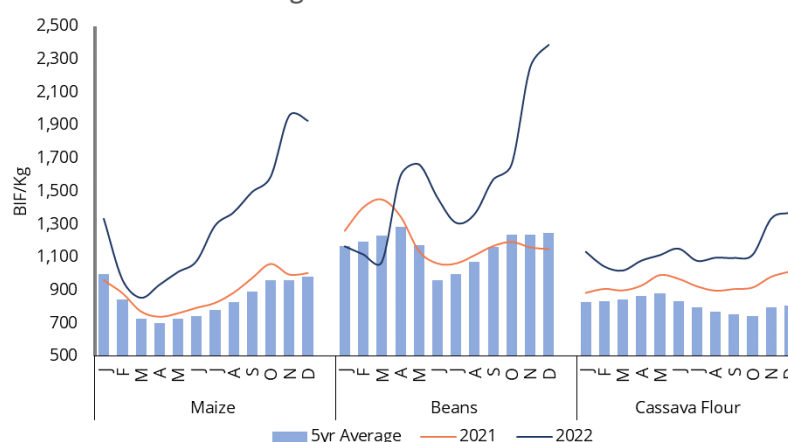
### Burundi

Despite increased market availability from the “2022B” season harvest, gathered between June and July and estimated at above-average levels,<sup>9</sup> higher cost of transportation continued to exert upward pressure on food prices in the last quarter of 2022.

The average retail price of maize in the country in December was between 1,589 and 1,958 BIF/Kg – roughly double 2021 levels, showing a minimal m-o-m ease of about 2 percent. Beans and cassava flour prices increased during the last quarter of the year. The latest national average price of beans recorded in December was 107 percent higher than in 2021, representing a new record high.

Figure 6: Burundi: National Average Price Trends

Burundi: National Average Price Trends



### Djibouti

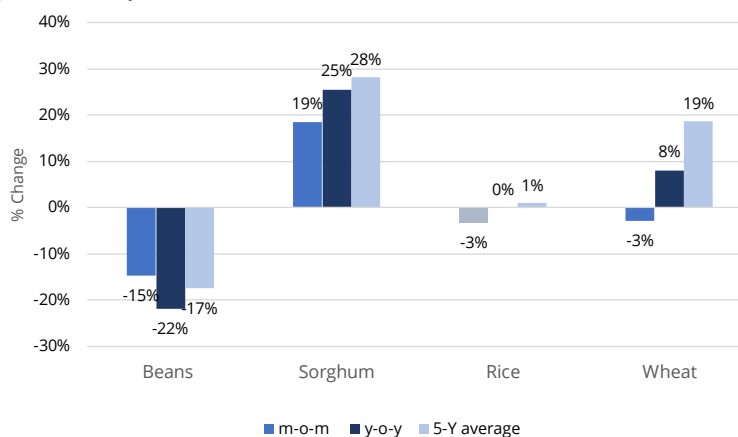
Price of imported foods<sup>10</sup> have remained relatively stable throughout the year, with upward spikes observed during the second quarter – reflecting disturbances in the international markets. Despite the ease observed in quarter three of 2022, food prices increased in the last quarter of the year.

The price of red sorghum slightly increased across most markets monitored by WFP, mainly due to lower availability in local markets, resulting from reduced imports from neighbouring Ethiopia.

For example, in Arta and Adjournal markets, red sorghum retailed at 140 and 200 DJF/Kg, respectively in November,<sup>11</sup> recording a m-o-m increase higher than 40 percent. On the other hand, the national average price of wheat and rice eased by about 3 percent between October and November 2022 (Fig. 7), in line with international price trends over the same reference period.

Figure 7: Djibouti: Staple Cereal Price Trends

Djibouti: Staple Cereal Price Trends



<sup>8</sup> Section based on WFP Field Monitor Data available on [WFP Dataviz](https://dataviz.wfp.org/). Gaps in the plot are due to missing data.

<sup>9</sup> [FAO. GIEWS. Burundi Country Brief, November 2022.](#)

<sup>10</sup> Including, sorghum, wheat flour, rice, pasta, and vegetable oil.

<sup>11</sup> Latest available.

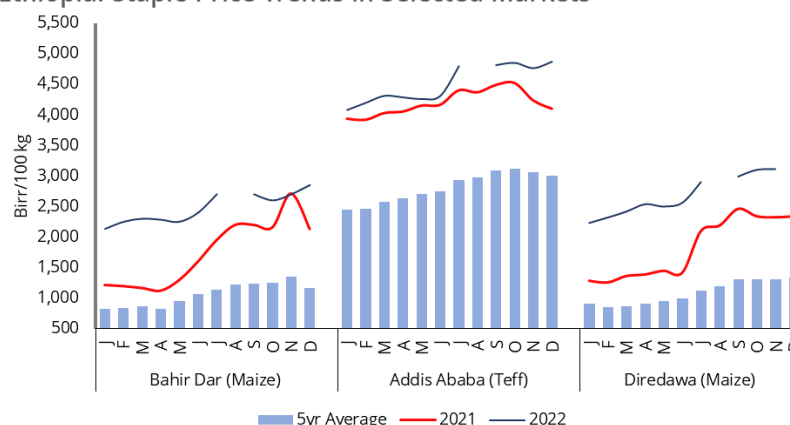
### **Ethiopia**

Overall, staple food prices remained high throughout the year driven by reduced availability due to drought, currency depreciation and conflict in the Northern parts of the country. Although in most markets the average price of maize ranged between 2,700-3,500 ETB/100 Kg in the fourth quarter, in drought-affected areas such as Gode market, Somali region, the commodity traded as high as

4,800 ETB/Kgs as of November. In Dire Dawa and Baher Dar markets, the wholesale price ranged between 2,600-3,100 ETB/100 Kg –more than double the five-year average and 34 percent higher than November 2021 levels (Fig. 8). Prices of other key staples such as teff and red sorghum also recorded similar patterns over the reference period.

Figure 8: Ethiopia: Staple Price Trends in Selected Markets

**Ethiopia: Staple Price Trends in Selected Markets**

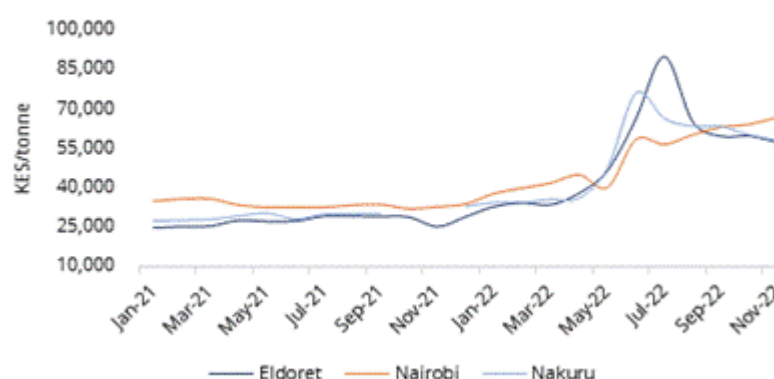


### **Kenya**

In 2022, maize prices recorded increasing trends in most parts of the country. This was mainly due to below-average production in Kenya and neighbouring Uganda and Tanzania – where Kenya sources the commodity to supplement local production. Increased cost of transport also significantly added to inflationary pressure on prices, which was more evident in markets in hard-to-reach and drought-affected areas of the country.

Figure 9: Kenya: Maize Wholesale Price Trends

**Kenya: Maize Wholesale Price Trends**



After months of sustained upward trends, a significant ease in commodity prices was recorded in major producing regions (Eldoret and Nakuru) at the beginning of the last quarter corresponding to the beginning of the harvests (Fig. 9). As of November, wholesale prices in major regional reference markets in Eldoret and Nakuru dropped by 4 percent on a m-o-m basis though remaining high above 2021 and 5-year average levels. Over the same reference period, maize recorded historic wholesale prices in Nairobi trading at an average of 67 KES/Kg in November – that is a 4 percent m-o-m increase.

### **Rwanda**

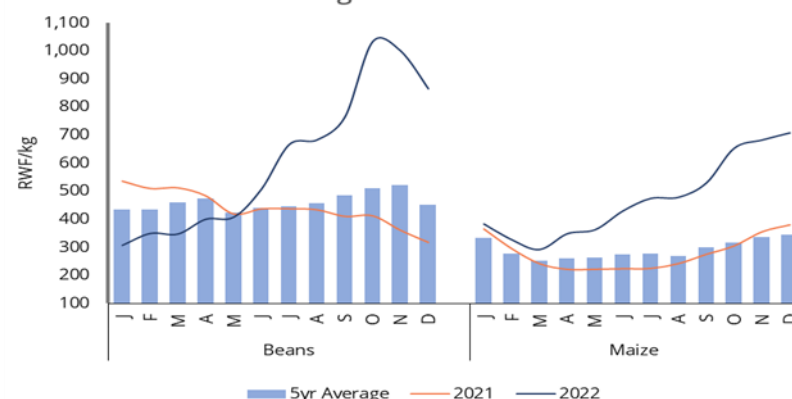
In most parts of the country, staple food prices have been increasing since mid-quarter two, primarily driven by increasing cost of transportation and reduced supplies (due to poor distribution of rain and high cost of production).



Underpinned by reduced supplies, the national average price of maize sustained a steady upward trend throughout quarter four, retailing between 86-114 percent above 2021 levels. In contrast, dry beans prices decreased over the same period boosted by increased supply as new harvests began entering markets in December. Prices are likely to ease in early 2023 following improved supply from the Season A harvest (accounting for approximately 60 percent of the country's staple food production).<sup>12</sup>

Figure 10: Rwanda: National Average Price Trends

#### Rwanda: National Average Price Trends

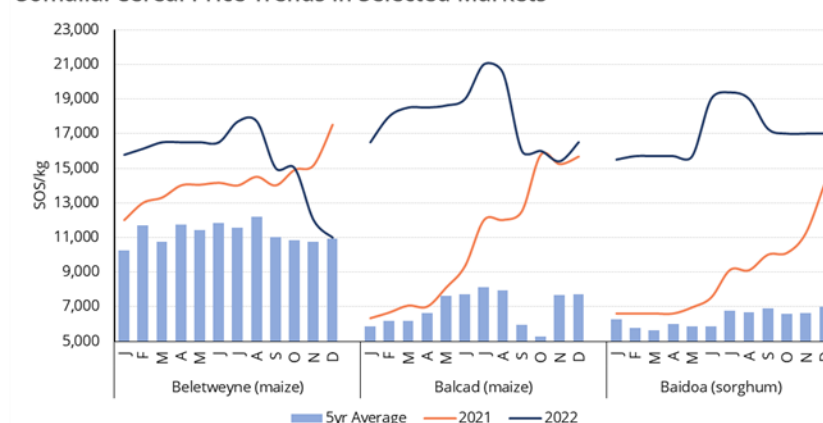


### Somalia

Staple food prices remained well above the long-term average and 2021 price levels throughout the whole 2022, primarily driven by reduced availability following the prolonged drought. In quarter four, coarse cereal prices recorded mixed trends across markets, slightly easing in a few markets and increasing or remaining stable in others. In Baidoa, red sorghum retailed at 17,000 SOS/Kg in December 2022 – that is 143 and 21 percent above the 5-year average and 2021 levels respectively. In Beletweyne and Balcad markets, a slight ease in maize price was recorded at the beginning of quarter four as the new below-average harvests entered markets.

Figure 11: Somalia: Cereal Price Trends in Selected Markets

#### Somalia: Cereal Price Trends in Selected Markets

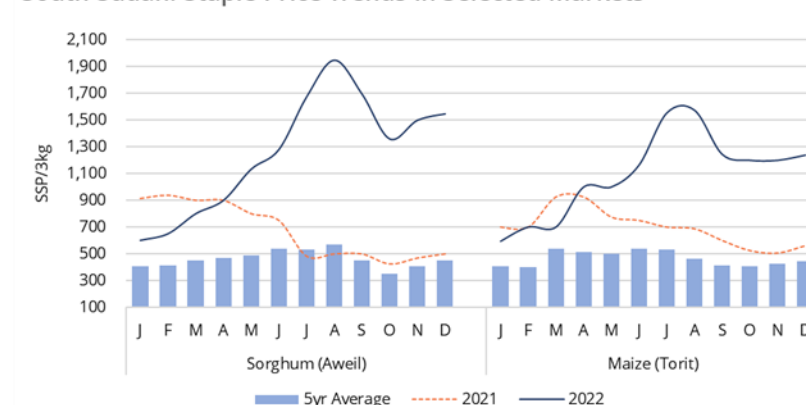


### South Sudan

Food prices remained elevated in most markets across the country in 2022 driven by reduced production due to poor rainfall distribution, reduced import flows from neighbouring countries and insecurity in some parts of the country disrupting trade flows.

Figure 12: South Sudan: Staple Price Trends in Selected Markets

#### South Sudan: Staple Price Trends in Selected Markets



<sup>12</sup> FEWS NET. Rwanda. High food prices and reduced food stocks result in Stressed (IPC 2) outcomes. November 2022

Nationally, the average price of maize stood at 1,744 SSP/3Kg in December and remained 80-95 percent above year earlier levels across the last quarter.

Significant staple cereal price variations were observed across markets. In Aweil, the sorghum price sustained an upward trend throughout quarter four, retailing 210-219 percent higher than 2021 level. Similar trends were observed for the maize price in Torit market, with the latest price recorded at 1,239 SSP/3kg, at least 121 percent above 2021.

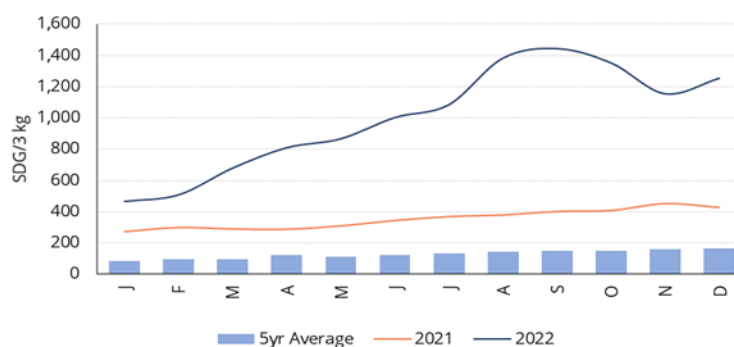
### Sudan

Over the past two years, macro-economic challenges and reduced crop production have negatively impacted on food prices in Sudan, and they have been steadily increasing since late 2020.

At the beginning of the fourth quarter however, the prices of sorghum and millet recorded a downward trend across most markets monitored by WFP, mainly boosted by improved supply from the November-January millet and the sorghum harvest season. Nevertheless, the national average price of sorghum during the last quarter of 2022 was more than triple than the five-year average and 2021 levels, with the latest average price recorded in December at SDG 1,253/3kgs. Notable sorghum price variations were observed across markets, ranging from as low as 682 SDG/3Kgs in El-Genaina to 2,016 SDG/3Kgs in Zangili. Similar price patterns were observed for millet prices, with variations across markets.

Figure 13: Sudan: National Average Sorghum Price Trends

#### Sudan: National Average Sorghum Price Trends



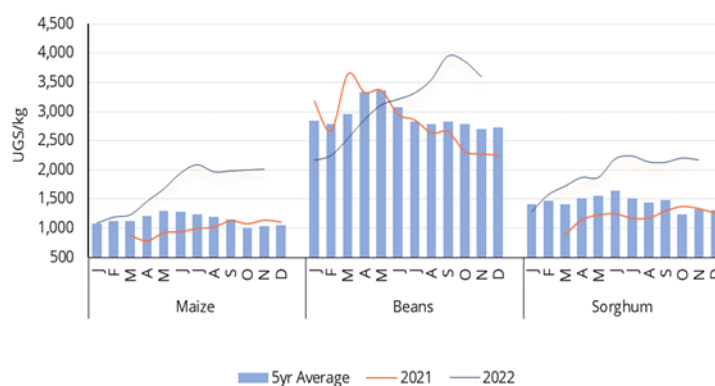
### Uganda

Food prices in Uganda have generally remained high since the beginning of the second quarter of 2022 primarily due to below-average seasonal production following unfavourable rainfall distribution and high production costs due to price increases of fertilizer and fuel.

During the last quarter of the year, staple cereals prices trended higher than season levels recorded in previous year and the long-term average. The national average price of maize increased slightly at the beginning of the last quarter trading at 2,013 UGX/Kg – that is almost double the levels recorded in previous year and 93 percent above the five-year average by November. Similar patterns were observed for sorghum while bean prices eased in quarter four, by registering a m-o-m decline of 7 percent in November, backed by improved supply from ongoing second season harvest in bimodal areas.<sup>13</sup>

Figure 14: Uganda: National Staples Price Trends

#### Uganda: National Staples Price Trends



<sup>13</sup> FEWS NET. Uganda Key Message Update: Stressed (IPC Phase 2) and Crisis (IPC Phase 3) populations reduce with second season harvests, November 2022.

## 9. Market and Trade Outlook January 2023 – April 2023

### Djibouti

Stable macro-economic conditions in the country have helped stabilize food prices. However, as Djibouti is a highly import-dependent country, domestic food prices tend to follow similar patterns to the international or regional markets. Sorghum prices spiked in the last quarter and are expected to remain elevated due to reduced supply from Ethiopia, while wheat and rice prices will likely be consistent with price trends observed in the international markets.

### Ethiopia

Multiple shocks including macro-economic challenges, conflict, and the current drought in the southern parts of the country have driven food prices to record highs in 2022. Supply shortfalls due to below-average rainfall are likely to greatly impact on staple food prices across most parts of the country through early year 2023.

### Kenya

After several months of a sustained upward trend, a considerable fall in maize prices in major maize-producing regions was recorded in the last quarter of 2022 – corresponding to the beginning of the harvest. However, improved supply may not last for long as projections point to a below-average long rains harvest. In drought-hit areas (where food prices are already at record high), prices are likely to remain elevated over the coming months compounded by the high cost of transportation.

### Rwanda and Burundi

In both countries, staple food prices remained elevated in the last quarter of 2022 mainly due to reduced supplies in local markets, macro-economic challenges, and high cost of transportation. Improved market supply is likely to have slight positive impacts on staples prices. However, it might not be enough to outpace production costs and it is unlikely that this will eventually lead to a significant decline in food prices in early 2023.

### Somalia

The prolonged drought has negatively impacted food availability for nearly two years, leading to record high food prices in most parts of the country. Forecasted below-average rains are likely to continue to affect availability. Consequently, food prices are likely to remain elevated through mid-2023. Additionally, livelihood recovery may take a long time which will continue to leave populations vulnerable to food insecurity.

### South Sudan

During the last quarter of 2022, food prices trended above the five-year average and 2021 seasonal levels. Below-average cereal production in the country and neighbouring suppliers is likely to have negative impacts on availability across markets, keeping prices elevated in the next few months. In addition, reported localized insecurity incidents are disrupting trade flows and will likely impact on food prices in affected areas.

### Sudan

Staple cereal prices fell during the last quarter of 2022 but remain well above the five-year average and 2021 levels. The price ease observed has coincided with harvest seasons and may also be attributed to the strengthening of the local currency. If the country's macro-economic situation improves, food prices will likely ease.

### Uganda

The ongoing harvest in bimodal areas is expected to improve supply in local markets, which may result in slight price easing. This will probably be short lived as high fuel costs and atypically high demand in neighbouring countries are likely to push cereal prices up in the coming months.

Additionally, in unimodal areas of Karamoja, the 2022 main season harvest was below average pushing maize and sorghum prices to a record level in quarter four of 2022. This trend is likely to persist through 2023 for several months.



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