



World Food
Programme

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WFP Regional Bureau for Eastern Africa
Market and Trade Update – 2023 Q1
Joint Procurement and RAM

April 2023

Highlights

- Despite the recent harvests in key producing and sourcing countries for the region (**Rwanda, South Africa, Tanzania, and Uganda**), below-average rainfall coupled with rising production and transport costs impacted on the amount of available produce for domestic consumption and export. Accordingly, wholesale prices of maize and beans remained high in the first quarter of the year and are likely to remain above average until the next harvest in mid-2023.
- Besides the reduced availability driving prices high, significant loss of livelihoods following the drought continue to exacerbate food insecurity in the Arid and Semi-Arid Lands (ASALs) of **Kenya**, southern **Ethiopia**, and **Somalia**. Across most ASALs counties, the maize price remained elevated throughout the first quarter of 2023 at more than double the long-term average.
- As of March 2023, cereal prices across all WFP monitored markets in **Burundi, Ethiopia, Rwanda, Sudan, and South Sudan** increased by more than 50 percent compared to the five-year average. A few markets in **Djibouti, Somalia** and **Uganda** saw a moderate to high price increase (from 11 to 50 percent above the five years average price).
- Below-average harvests and increased cost production also affected beans prices across the region. Between March 2022-2023, beans prices almost tripled in **Burundi** (up 172 percent) and almost doubled in **South Sudan** (up 99.2 percent).
- In the first quarter of the year, many local currencies across Eastern Africa continued to lose their value against the U.S. dollar (USD), with **South Sudan** and **Ethiopia** recording the highest depreciation of the local currency against the USD in the parallel market (down 47.5 and 33 percent, respectively).
- Crude oil prices continued to record a declining trend; however, average fuel prices across the region remained high in the first quarter of the year. As of March 2023, average pump prices stood at USD 1.4/L, 39.7 percent higher than the same month last year. Due to shortages, petrol prices continued to soar in **Burundi** (up 68.8 percent between March 2022-2023). Pump prices in **Ethiopia** remained unchanged in the first quarter of 2023 at ETB 61.3/L; however, they almost doubled compared to a year ago (up 93.1 percent as of March 2023).
- The cost of living across Eastern Africa continued to be significantly higher than one year ago, with the annual inflation rate across the region averaging at 17.6 percent in March 2023. **Ethiopia, Burundi, and Rwanda**, continued to record double-digit annual inflation throughout the first quarter of the year, which stood at 34.2, 32.6 and 31 percent respectively in March 2023.
- Soaring food prices continued to push up the cost of living for households, with food inflation averaging at 25.2 percent in Eastern Africa in March 2023. **Rwanda, Burundi, Ethiopia, Uganda, and Kenya** continued to record double-digit food inflation throughout first quarter of the year. Between January and February 2023, food inflation continued to be extremely high in **Sudan**, recording among highest double food inflation rates in the region (at 58.7 and 53.9 percent, respectively).
- In the first quarter of the year, the average per capita monthly price of a local food basket was stable across Eastern Africa but higher than the same quarter a year ago. As of March 2023, the average per capita monthly price of a local food basket reached USD 18.2 across the Region – representing a 41.6 percent increase from the same month last year. **Burundi, South Sudan, and Rwanda** recorded the highest increases compared a year ago (up 80.7, 78.9 and 72.6 percent, respectively). **Somalia, South Sudan, and Sudan** recorded the most expensive food baskets in the region (USD 29.6, 22.8 and USD 21.8, respectively).

1. International Commodity Price Outlook¹

Figure 1: FAO Food and Cereal Price Indexes, March 2022-2023

FAO Food Price Index and Cereal Price Index

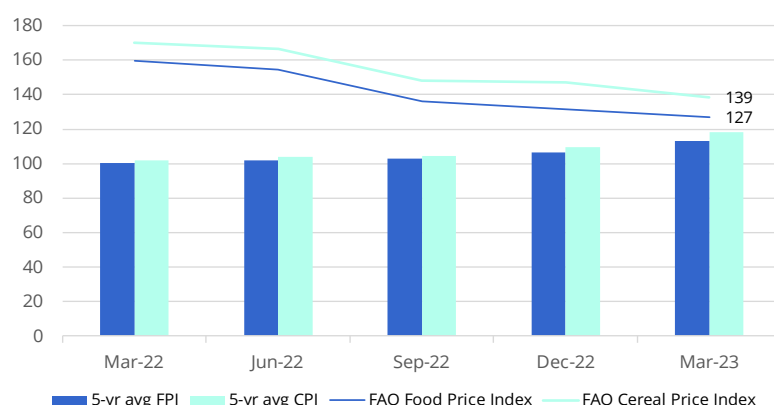


Figure 2: International Grain Price Trends, March 2022-2023

International Grain Prices

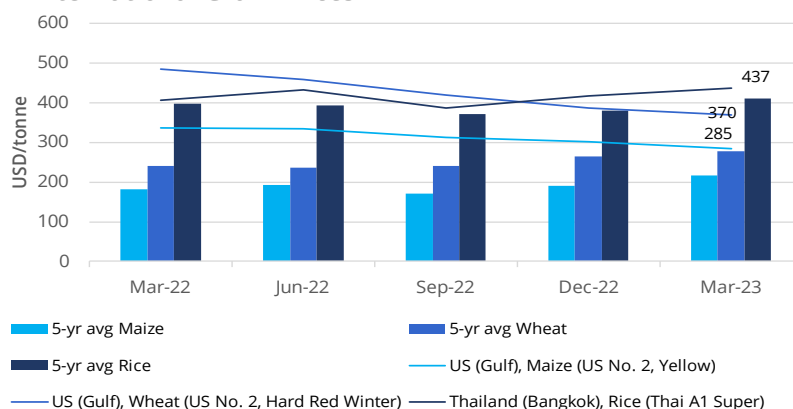


Table 1: International Grain Price Trends, March 2022-2023

Commodity	Price (USD/ton)	Variations		
	Mar 2023	m-o-m	y-o-y	5y-avg
US (Gulf) Wheat (US No. 2)	302	-4.5%	-15.3%	31.6%
US (Gulf) Maize (US No. 2, Yellow)	387	-6.3%	-24.0%	33.4%
Thailand (Bangkok) Rice (Thai A1 Super)	418	-2.4%	7.4%	6.4%

competition among producers contributed to the downward pressure on prices.

Seasonal availability from harvests along with exceptional production prospects in Brazil and currency depreciation in Argentina, led to a decline in maize prices; the latest price quotation for the US (Gulf) Maize (US No.2, Yellow) fell by 24 percent between March 2022 and March 2023.

Ongoing or upcoming harvests in major Asian supplier countries have pushed down international rice prices in the first quarter of the year; however, international rice prices are still higher than a year ago. For instance, the price of Thai A1 rice variety decreased by 2.4 percent between February and March 2023 but was 7.4 percent higher than the price recorded in March 2022.

Throughout the first quarter of the year, the FAO Food Price Index (FFPI) has continued to decrease, with March marking the twelfth consecutive month of decline since the peak recorded a year ago (Figure 1). Although international prices are still above average; the gap between the five-year average and prices recorded at the end of each month has narrowed (from 59 percent in March 2022 to 12 percent in March 2023). Factors behind the trend observed include the decline in international prices of cereal, vegetable oil and dairy.

International prices of all major cereals continued to edge down during the first quarter of the year, mainly due to favourable harvests or production prospects in key international suppliers. The extension of the Black Sea Grain Initiative which has allowed exports from Ukrainian ports along the Black Sea to continue also contributed to the decline. As of March 2023, the reference US No.2 Hard Red Winter wheat price fell by 15.3 percent compared to March 2022. Good harvests in exporting countries and the related increased

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

2. Below-average Harvests Impact Availability in Major Regional Suppliers²

Uganda

Fluctuations in exchange rates coupled with high regional demand from Kenya, South Sudan and Tanzania are keeping prices elevated in Uganda, with maize trading at USD 454/MT in monitored markets in Kampala as of April 2023.

Tanzania

Regional demand for maize still exceeds supply, and the situation is not expected to change until July when the long rains crop harvest gathers momentum as supply from the short rains crop harvest remains limited.

Considering this, the exportable surplus for maize is expected to be 20 percent below average in MY 2022-2023. Maize prices remain elevated, with average commodity prices reported to be about USD 588/MT on delivered-at-place (DAP) basis.

South Africa

Wholesale prices of maize declined for the fourth consecutive month in March 2023, reflecting the persisting downward trend in the international maize market and good domestic production prospects. As of the end of March, wholesale quotes for white corn in Randfontein was 4,088.33 rand per tonne (USD 224).

Current indications point to potentially the second largest maize crop on record in 2023 following favorable weather conditions. The total corn crop is estimated at 15.6M tonnes for the 2022-23 MY. The nation will maintain its status as a net exporter of corn. Exports are estimated at 2.5M tonnes – with the top exporting countries including Taiwan, Japan, Vietnam, Botswana, and Mexico.

Zambia

Weakening national currency coupled with tighter domestic supplies, pushed the nominal national average price of maize up by 11 percent in March compared to the preceding month, hitting a new record high (Old maize crop targeted at the feed and export market selling at USD 292- 319/MT). In response to this and to keep maize meal prices under control, government is selling maize at subsidized prices (USD 201/MT) to food millers; no export permits have been issued since January 2023. Due to the high domestic and regional wholesale prices, there are rising concerns an informal export market could develop.

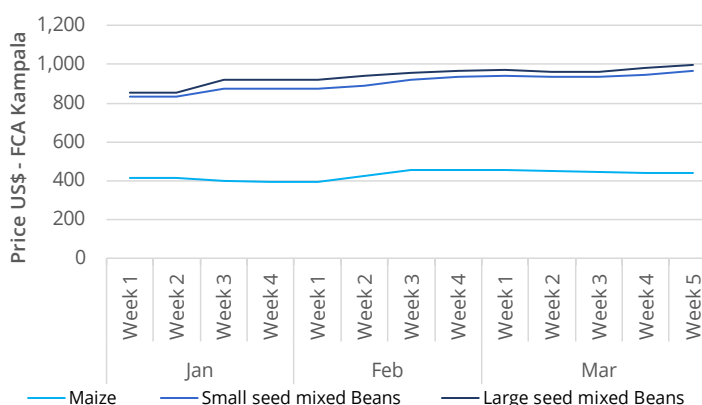
Table 2: Area Planted, Yields and Production of Commercial and Subsistence Corn, South Africa

	Area 1,000 ha	Yield MT/ha	Prod 1,000 MT	Area 1,000 ha	Yield MT/ha	Prod 1,000 MT	Area 1,000 ha	Yield MT/ha	Prod 1,000 MT
Market Year	2020/21 (actual)			2021/22 (estimate)			2022/23 (forecast)		
<u>Commercial production</u>									
White	1,692	5.1	8,600	1,575	4.9	7,790	1,550	5.2	8,100
Yellow	1,063	7.3	7,715	1,048	7.2	7,597	1,050	6.5	6,900
Sub total	2,755	5.9	16,315	2,623	5.9	15,387	2,600	5.7	15,000
<u>Subsistence production</u>									
White	276	1.7	445	297	1.6	482	220	1.0	400
Yellow	87	2.3	191	82	2.3	185	80	2.5	200
Sub total	363	1.8	636	379	1.8	667	300	2.0	600
Total	3,118	5	16,951	3,002	5	16,054	2,900	5	15,600

Source: CEC and post estimates

Figure 3: Weekly Price Trend (Maize and Mixed Beans), Kampala 2023

Weekly Price Trend (Maize & Mixed Beans)



² This section is based on FAO; [Crop Prospects and Food Security Situation as of March 2023](#) and [Food Price Monitoring and Analysis \(FPMA\) Bulletin #3, April 2023](#); Commodity Insight Africa Weekly Fundamental Soft Commodity Report as of Week 2, April 2023.

3. Drought continues to impact on food prices in the Horn of Africa

The prolonged drought in the region which has now lasted more than five seasons continued to impact staple food prices through the first quarter, particularly in the worst hit countries: **Ethiopia**, **Somalia** and the Arid and Semi-Arid Lands (ASALs) of **Kenya** where food prices remained elevated in affected areas. Besides the reduced availability driving prices high, significant loss of livelihood due to the ongoing drought continue to exacerbate food insecurity in the affected areas as households' economic access to food is undermined.

Across most of **Kenya's** ASAL counties, maize prices remained elevated throughout the first quarter of 2023 at more than double the long-term average. The primary driver of staple food prices in these areas is reduced availability due to below-average

production and reduced inflow from other neighbouring counties. Accessibility and localized conflicts over scarce resources have also impacted market prices, with significant variations observed within the same county.

In **Somalia's** Bay region (the worst hit region), sorghum and maize prices remain elevated above the long-term average during the first quarter with a slight ease observed.

Similarly, in **Ethiopia's** Somali region cereal prices remained high over the reporting period mainly linked to reduced availability due to the severe drought.

Even though the onset of the long rains in March brings a sigh of relief from the undesirable effects of the prolonged drought, the

compounded effect of several failed seasons on food prices will continue to be felt over the coming months as production and regeneration of livelihoods (in affected Agro-pastoral regions) will likely take multiple seasons even if the season turns out to be favourable.

Figure 4: Maize average price in selected ASAL Counties, March 2023

Maize Price in Selected ASAL Counties and Nairobi, February 2023

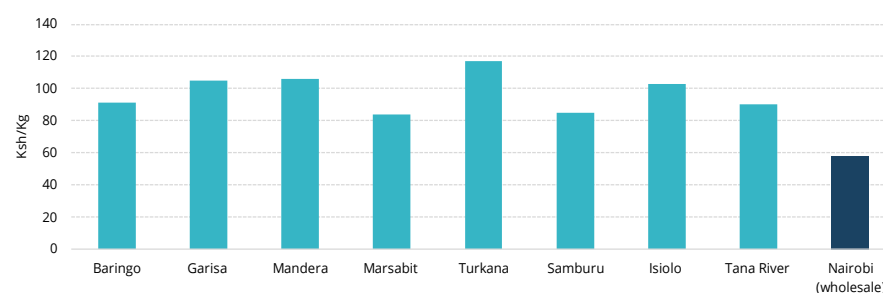
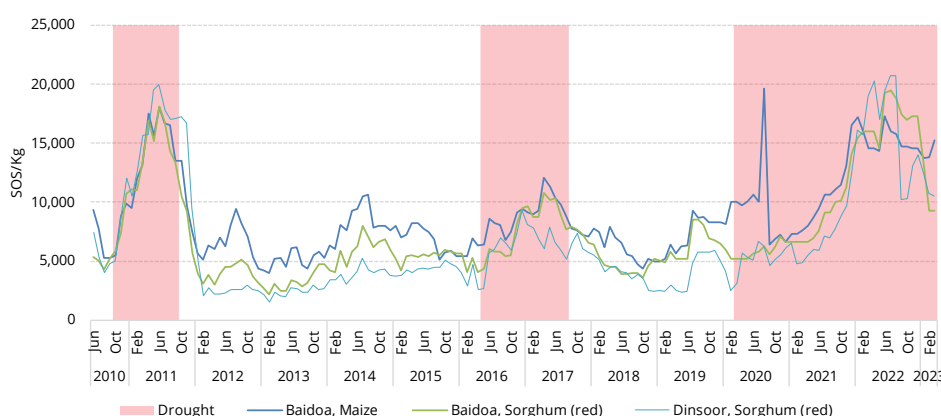


Figure 5: Staple Cereal Price trends in Bay Region, 2010-2023

Staple Cereal Price trends in Bay Region, Somalia (2010-2023)



Source: FSNAU

4. Weak Currencies, mounting inflationary pressures impacting on costs of living³

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

As of March 2023, **South Sudan** continued to record the highest depreciation of the local currency against the USD – taking into account the parallel market. Compared to a year ago, 1 SSP traded USD 831 and on the parallel market (down 47.5 percent).

Ethiopia, where a parallel market for exchange rates also exists, also recorded a significant y-o-y depreciation of the ETB, mainly on the parallel market, with 1 ETB trading at USD 100 in March 2023 (down 33 percent compared to March 2022).

Table 3: Trends in exchange rates

Trends in exchange rates					
Country	Currency	Type	Mar-23	m-o-m	y-o-y
Burundi	BIF/USD	Official	2,096	-0.3%	-2.8%
		Parallel	4,200	-6.0%	-26.2%
Djibouti	DJF/USD	Official	178	0.0%	0.1%
Ethiopia	ETB/USD	Official	54	-0.4%	-5.5%
		Parallel	100	-5.0%	-33.0%
Kenya	KES/USD	Official	130	-3.4%	-11.9%
Rwanda	RWF/USD	Official	1,086	-0.8%	-7.2%
Somalia	SOS/USD	Official	33,727	-2.0%	-6.7%
	SLS/USD	Official	8,533	-0.1%	-0.4%
South Sudan	SSP/USD	Official			
		Parallel	831	-7.3%	-47.5%
Sudan	SDG/USD	Official	598	-1.3%	-1.3%
		Parallel	603	-0.5%	4.1%
Uganda	UGX/USD	Official	3,739	-1.5%	-4.1%

The **Sudanese Pound** (SDG) was stable against the USD on both the official and parallel market. In March 2023, 1 SDG traded at USD 598 on the official market (down 1.3 percent compared with March 2022), and USD 603 on the parallel market (up 4.1 percent in the same reference period). The ongoing clashes are also likely to impact the value of the local currency, with the exchange rate likely to become more volatile.

In the same reference month, the KES (**Kenya**) continued to depreciate against the USD, with 1 KES trading at USD 130 (down 11.9 percent compared to a year ago). The **Rwandese Franc** (RWF) and **Somali Shilling** also lost value in the same reference period.

The cost of living across Eastern Africa continues to be significantly higher than one year ago, with the annual inflation rate across the region averaging at 17.6 percent in March 2023.

Ethiopia, **Burundi**, and **Rwanda**, continued to record double-digit annual inflation throughout the first quarter of the year, which stood at 34.2, 32.6 and 31 percent, respectively in March 2023.

In **Kenya**, **Uganda** and **Somalia**, the cost of living remained high but stable in the same reference period; in March 2023 annual inflation at 9.2, 9 and 5.7, percent respectively. Annual inflation in **Sudan** continued to record a declining trend in the first two months of the year⁴, falling from 83.6 percent in January 2023 to 63.3 percent in February 2023. The country

Table 4: Trends in annual and food inflation rates

Country	Annual Inflation		Food Inflation	
	Mar-23	Mar22/23	Mar-23	Mar22/23
Burundi	▲ 32.6%		▲ 48.9%	
Djibouti				
Ethiopia	▲ 34.2%		▲ 32.8%	
Kenya	■ 9.2%		▲ 13.4%	
Rwanda	▲ 31.0%		▲ 62.6%	
Somalia	■ 5.7%		■ 5.0%	
South Sudan	▲ 1.3%		▼ -7.0%	
Sudan				
Uganda	■ 9.0%		▲ 20.9%	
RBN	■ 17.6%		■ 25.2%	

³ 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 (18/04/2023), updated inflation rates for Djibouti and Sudan 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.

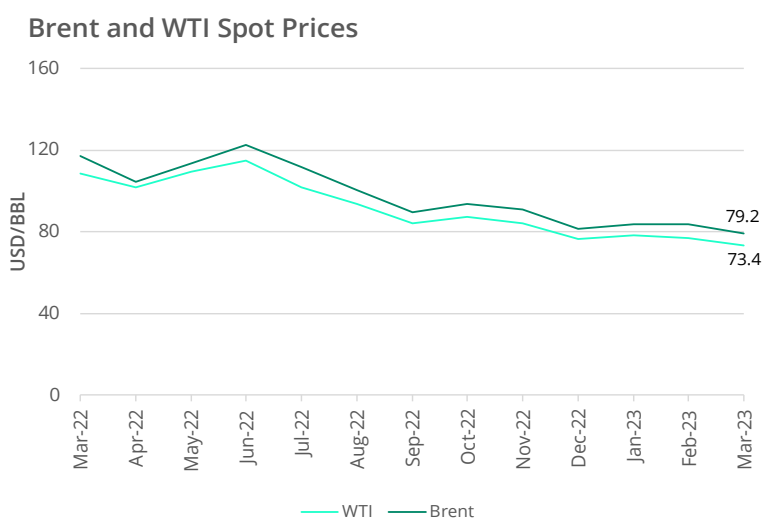
⁴ No data for March available at the time of the time of the writing of this report (18/04/2023).

continues to record the highest annual inflation rate in Eastern Africa; however, the downward trend is likely to be affected by the ongoing clashes.

Soaring food prices continue pushing up the overall cost of living for households, with food inflation averaging at 25.2 percent in Eastern Africa in March 2023. **Rwanda, Burundi, Ethiopia, Uganda, and Kenya** continued to record double-digit food inflation in first quarter of the year. Between January and February 2023, food inflation continued to be extremely high in **Sudan**, recording among the highest double-digit food inflation rates in the region (at 58.7 and 53.9 percent, respectively).

5. Weakening Currencies to make Fuel more Costly⁵

Figure 6: Brent and WTI Spot Prices, March 2022-2023



Crude oil spot prices continued to decline in the first quarter of 2023 (figure 6), reaching levels significantly lower than March 2022 – corresponding to price spikes related to uncertainties about the conflict in Ukraine. In March 2023, ICE Brent stood at USD 79.2/b and WTI stood at USD 73.4/b (both down 32.4 percent compared to March 2022).

The decrease in global prices has not been reflected in local pump prices due to shortages of oil in the countries of the region and weakening currencies. As of March 2022, petrol prices across the region stood at an average of USD 1.4/L (up 39.7 percent compared to March 2023), with variations across countries.

Table 5: Petrol prices per litre (local currencies and USD) and variations

Country	Petrol price		Variations		
	USD/L Mar-23	LCU/L	m-o-m Feb-23	y-o-y Mar-22	
Burundi	1.5	6,485.2	▲	5.0%	▲ 68.8%
Djibouti					
Ethiopia	0.6	61.3	■	0.0%	▲ 93.1%
Kenya	1.4	180.1	■	1.1%	▲ 32.8%
Rwanda	1.4	1,544.0	■	0.0%	▲ 22.9%
Somalia	1.0	34,104.2		0.8%	■ -2.7%
South Sudan	2.2	1,793.4	▲	16.0%	▲ 62.3%
Sudan					
Uganda	1.4	5,138.0	■	0.0%	■ 1.0%
RBN	1.4		■	3.3%	▲ 39.7%

Burundi has recorded recurrent petrol shortages since November 2022, with February 2023 marking the fourth month of these crises. Pump prices have increased accordingly compared to a year ago. For example, in March 2023, pump prices were 68.8 percent higher than March 2022.

Reduced imports, depletion of reserves and weakening currency⁶

are among the causes of the shortages and related price spikes.

In **South Sudan**, petrol prices also increased towards the end of the first quarter of 2023, reaching SSP 1,793.4/L in March 2023 (up 62.3 percent compared to March 2022).

⁵ This section is based on [OPEC, Monthly Oil Market Report, April 2023](#) and petrol price data monitored by [WFP](#) (Burundi, Ethiopia, Somalia, South Sudan) or national governments ([Kenya](#), [Rwanda](#), [Uganda](#)). No data for Djibouti and Sudan.

⁶ France 24. [‘There’s not a drop left’: Petrol shortage has ground Burundi to a halt’](#). March 2023.

Pump prices in **Ethiopia** remained unchanged in the first quarter of 2023 at ETB 61.3/L; however, they almost doubled compared to a year ago (up 93.1 percent). The **Rwanda** Utility Regulatory Authority also kept pump prices unchanged in the first quarter of the year – nevertheless, prices of fuel were 22.9 percent higher than a year ago. In **Kenya**, fuel prices were stable in first quarter of the year; however, they are still significantly higher than a year ago stood (up 32.8 percent at KES 180.1/L as of March 2023).

Between January and February, fuel prices in Somalia were stable and reached SOS 34,104.2/L in March 2023 (that is down 2.7 percent compared to the same month a year ago).

6. Below-average Production Pushing the Cost of the Food Basket Up⁷

In the first quarter of the year, the average per capita monthly price of a local food basket was stable across Eastern Africa but higher than the same quarter a year ago. As of March 2023, the average per capita monthly price of a local food basket reached USD 18.2 across the Region – representing a 41.6 percent increase from the same month last year. **Burundi, South Sudan, and Rwanda** recorded the highest increases compared a year ago (up 80.7, 78.9 and 72.6 percent, respectively). **Somalia, South Sudan, and Sudan** recorded the most expensive food baskets in the region (USD 29.6, 22.8 and USD 21.8, respectively).

Increased production and transport costs coupled with below-average production despite the recent harvests in many producing countries led to a significant y-o-y increase in the price of staples (up 54.2 percent) and pulses (up 115.8 percent).

Below-average rains and reduced utilization of fertilizers led to reduced 2023A season production in **Burundi**, which impacted maize flour prices, which saw an increasing trend in the first quarter of the year. As of March 2023, maize flour prices almost tripled compared to March 2022.

Below-average harvest and increased production and production costs also affected beans prices across the region. As of March 2023, they almost tripled in **Burundi** (up 172 percent); more than quadrupled in **Rwanda** (up 317.2 percent) and almost doubled in **South Sudan** (up 99.2 percent).

Conversely, but in line with global trends recorded between March 2022-2023, vegetable oil prices substantially declined in **Rwanda, Djibouti and Somalia and Uganda** (down by 19.6, 19.5, 14.4 and 11.9 percent, respectively).

The price of milk has eased in the first quarter of the year; however, it is still above the levels recorded a year ago. As of March 2023, milk prices in **Sudan** were 33.4 percent higher than March 2022; in **Somalia** they were 16.1 percent higher than a year ago.

Table 6: Trends in the monthly per capita cost of the food basket

Trends in the monthly per capita cost of the food basket				
Country	Mar-23		Variations	
	LCU	USD	m-o-m	y-o-y
Burundi	41,326	9.8	3.5%	80.7%
Djibouti	2,294	12.9	-2.7%	-10.5%
Ethiopia	1,228	12.3	5.4%	38.1%
Kenya				
Rwanda	19,663	18.1	6.7%	72.6%
Somalia	998,682	29.6	5.7%	8.1%
South Sudan	18,984	22.8	-6.6%	78.9%
Sudan	13,149	21.8	1.3%	25.3%
Uganda	68,310	18.3	2.9%	39.5%
RBN		18.2	2.0%	41.6%

⁷At the time of the writing of this report (18/04/2023), no data for retail food price data from WFP field monitor in Kenya was not available. Regional averages presented in this section could change once the values will be made available.

Table 7: Trends in selected components of local food baskets

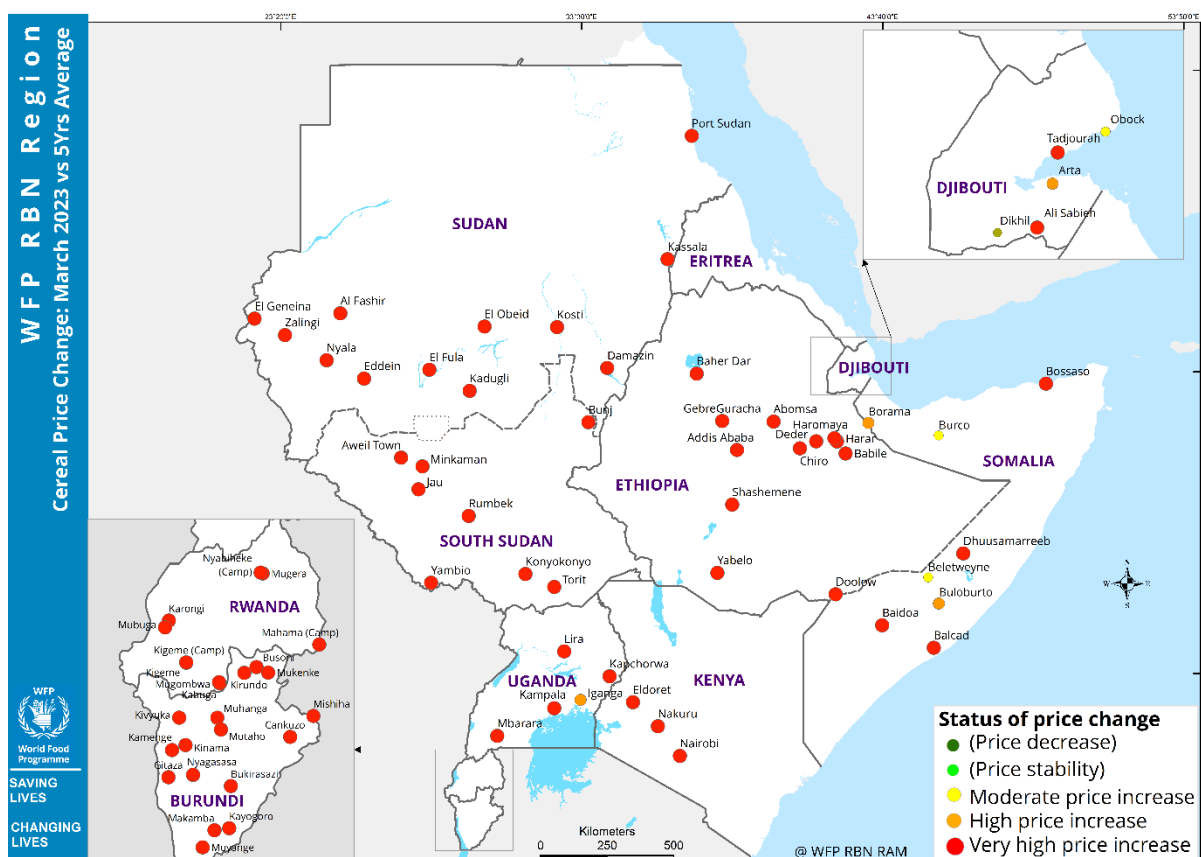
Country	Trends in selected components of local food baskets											
	Cereals			Vegetable oil			Beans			Milk		
	Mar-23 Price LCU/Kg	m-o-m	y-o-y	Mar-23 Price LCU/L	m-o-m	y-o-y	Mar-23 Price LCU/Kg	m-o-m	y-o-y	Mar-23 Price LCU/L	m-o-m	y-o-y
Burundi	3,135	7.1%	171.4%	9,240	1.8%	14.2%	3,135	7.1%	172.0%			
Djibouti	132	-4.3%	-5.7%	330	0.0%	-19.5%	228	-3.0%	-11.5%			
Ethiopia	67	6.9%	22.2%	191	0.8%	2.0%	91	-2.0%	55.8%			
Kenya												
Rwanda	997	3.8%	68.1%	2,526	-4.6%	-19.6%	1,408	21.5%	317.2%			
Somalia	28,731	2.8%	4.0%	58,945	2.5%	-14.4%				52,361	6.5%	16.1%
South Sudan	944	-12.0%	79.2%	2,268	11.2%	57.3%	1,779	15.2%	99.2%			
Sudan	335	0.7%	44.5%	1,683	4.7%	29.9%				5,414	3.3%	33.4%
Uganda	1,885	8.1%	52.5%	8,201	-3.7%	-11.9%	4,112	7.5%	62.2%	1,725	-3.0%	9.9%
RBN		1.6%	54.5%		1.6%	4.8%		7.7%	115.8%			

7. Prices of Main Staples Still Significantly Above Normal Levels

Cereal prices continue to be 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.

As of March 2023, all monitored markets in **Burundi**, **Ethiopia**, **Rwanda**, **Sudan**, and **South Sudan** recorded very high price increases (higher than 50 percent compared with the five-year average); a few markets in **Djibouti**, **Somalia** and **Uganda** 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: March 2023 compared to the five-year average



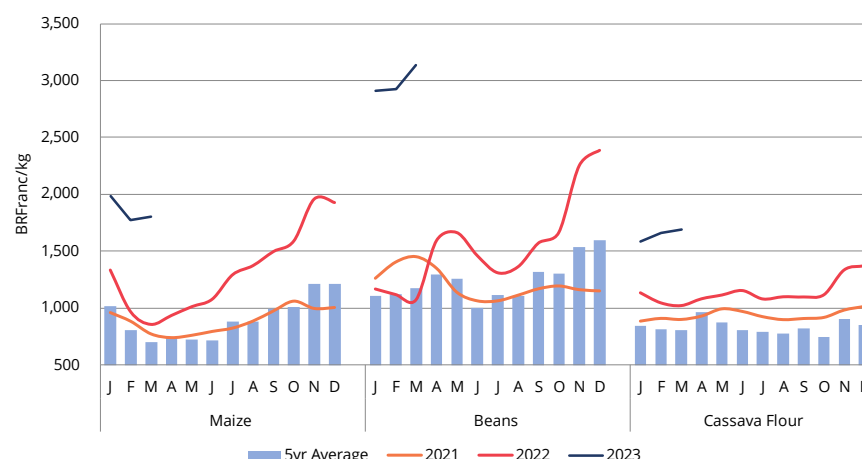
The following section *Country Updates* provides a more detailed description of cereal price trends across each of the countries falling under the WFP Eastern Africa Region. For each country, 2021 and 2022 monthly price trends of main staple foods consumed are compared against the five-year average.

8. Country Updates⁸

Burundi

Staple cereal prices trended seasonably above previous year and the long-term average levels across most parts of the country as season A harvests are estimated to be below average. The national average maize price ranged between 1771-1983 BRF/Kg during the first quarter of 2023, at least 95 percent above the long-term average.

Burundi: National Average Price Trends

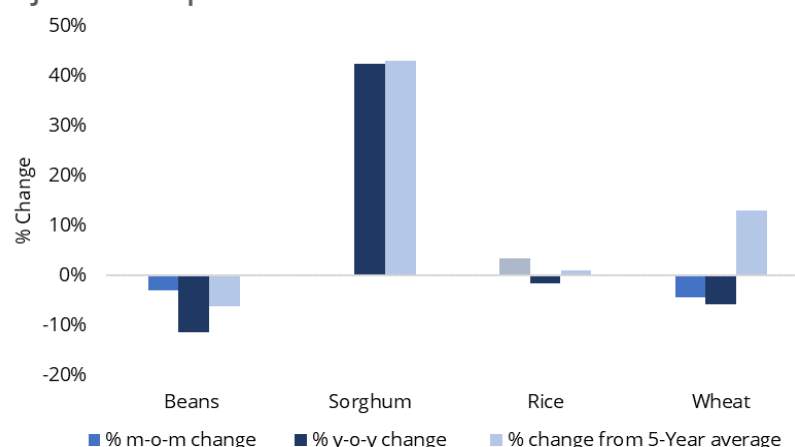


While the average retail price of cassava flour was between 40-65 percent higher than the previous year, beans recorded the highest average price increase, with latest national average price at 192 percent above the 2022 level. The atypically high staple food prices in the country are driven by a combination of factors including, macro-economic challenges, high cost of production, high cost of transportation and below-average production in recent seasons including the ongoing season.

Djibouti

Except for sorghum, prices of most food commodities remained relatively stable recording minimal change from levels recorded during the same period in 2022 throughout 2023 Q1. As a country that heavily relies on imports, stable food commodity prices are mainly attributed to stable macro-economic conditions besides ease in international commodity prices (wheat and rice). The latest national average retail price of red sorghum was at least 40 percent above the 5-year average and 2021 levels with significant variation across markets monitored ranging from 110 DJT per kg (Obock) to 250 DJT per kg (Tadjourah). The high sorghum prices in the country are attributed to reduced local availability following reduced imports from neighbouring Ethiopia where drought and other factors have greatly impacted

Djibouti: Staple Cereal Price Trends



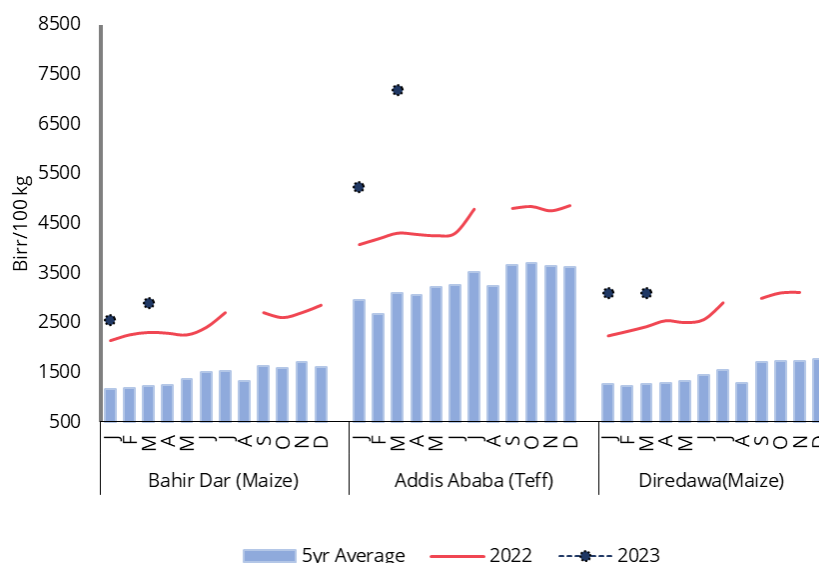
⁸ Section based on WFP Field Monitor Data available on [WFP Dataviz](https://data.wfp.org/). Gaps in the plot are due to missing data.

production. Wheat and rice recorded minimal price changes retailing 2 and 6 percent respectively below 2022 levels consistent with international price trends.

Ethiopia

The combined effects of the prolonged drought which significantly affected availability, currency depreciation (which increased prices of imported fuel and inputs) and localized conflict disrupting food systems continued to impact food prices in most parts of the country. During the first quarter of 2023,

Ethiopia: Staple Price Trends in Selected Markets

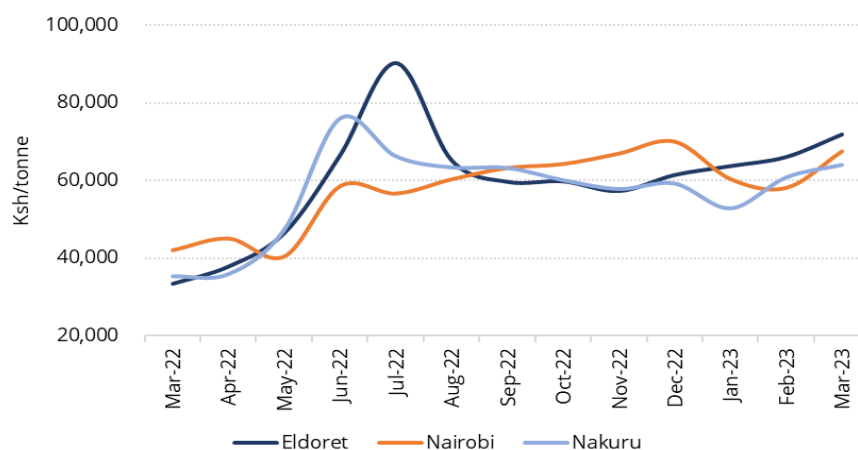


staple cereals generally exhibited an increasing trend across the country hitting new record levels in some markets. Maize retail prices ranged between 2600 – 4200 Birr per 100kgs, with the highest prices recorded in Gode market, Somali region (which is among the worst drought hit regions in the country). Similar trends were observed for sorghum prices over the same reference period. In the capital Addis Ababa, wholesale prices for key cereals (teff, maize and sorghum) were between 77-132 and 13-71 higher than the long-term average and 2022 levels respectively, with teff recording the highest average price change at record high price by March.

Kenya

Dry conditions experienced in Kenya and neighbouring Tanzania and Uganda, where the country sources maize to supplement local production, significantly affected availability driving maize prices high. During the first quarter

Kenya: Maize Wholesale Price Trends



of 2023, maize prices in major maize production regions (Eldoret and Nakuru) recorded a sustained upward trend after considerably easing in the last quarter of 2022 during the harvest season in major maize production regions. The government of Kenya authorized the importation of 1,500,000 MT between February

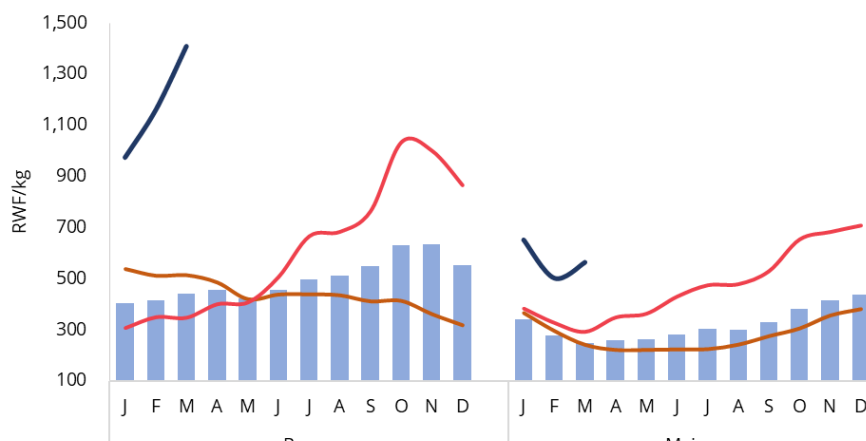
and August to plug the deficit⁹. Delays in importation and high competition for the limited stocks exerted upward pressure on the commodity's price¹⁰.

As of March, maize wholesale prices were nearing the historic levels recorded around July last year in Eldoret and Nakuru, trading nearly triple the long-term average and at least 83 percent above levels recorded a year earlier at the same time. High prices were also recorded in Kenya's drought-affected regions where the high cost of transportation and insecurity due to competition over scarce resources has also added inflationary pressure on prices especially in hard-to-reach markets.

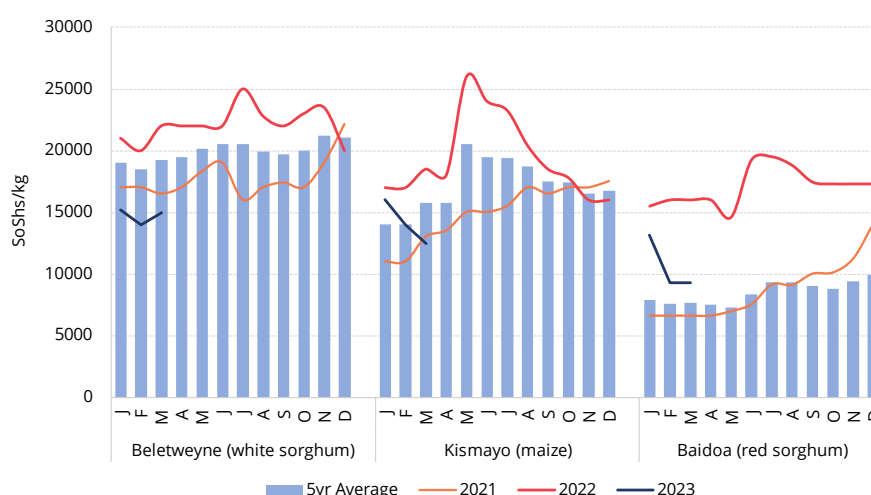
Rwanda¹¹

Despite season A harvests replenishing stocks, staple cereal prices have remained elevated high above previous year and long-term average levels throughout 2023Q1 driven by a combination of factors. The average price of maize retailed between 502- 651 RWF per kg, at least 87 percent above the five-year average with significant variation across markets. Beans prices exhibited similar price patterns increasing atypically over the reporting period and as of March, the average retail price was at 1,408 RWF per kg, more than 200 and 300 percent above the 5-year and 2022 averages. The high cost of production linked to both local and external factors is considered among the primary drivers of high food prices in the country. Additionally, increased prices observed lately are also due to increased demand for seed ahead on season B planting season¹².

Rwanda: National Average Price Trends



Somalia: Cereal Price Trends in Selected Markets



Source: FSNAU

⁹ FEWS NET. Kenya. High food prices and ongoing drought impacts continue to drive food insecurity as long rains begin, March 2023.

¹⁰ Business Daily. Prices of maize jump on high demand, importation delays. February 2023.

¹¹ Based on WFP monitored markets located in and around refugee camps. At the national level, beans prices increase by 2.55 percent between March 2022-2023 and tripled (up 202 percent) compared to the past five years.

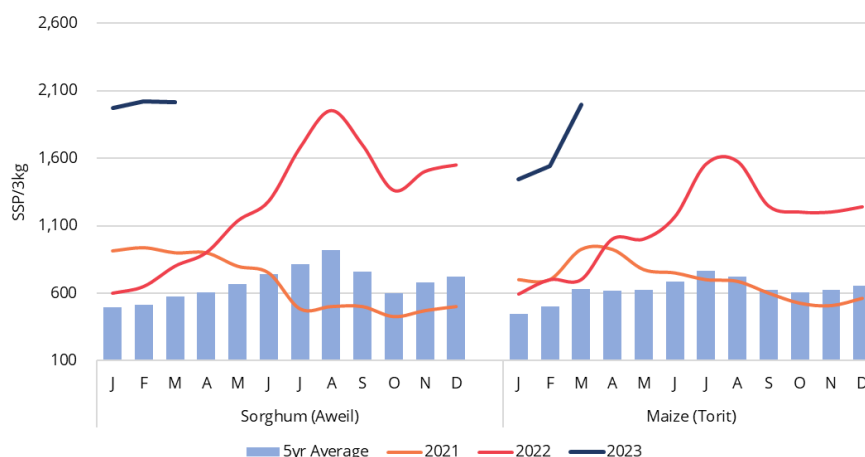
¹² FEWS NET. Rwanda. Minimal (IPC Phase 1) outcomes expected due to Season A harvest, March 2023.

below 2022 levels. Despite the below-average harvest, maize, and red sorghum prices in Kisimayo and Baidoa declined in the first quarter due to slightly increased stock from 2022 Deyr seasonal harvest.

South Sudan

Staple food prices remained high in most parts of the country throughout the first quarter of 2023 driven by a confluence of factors including below-average production, macro-economic challenges, flooding, conflict, and insecurity disrupting trade routes in some parts of the country.

South Sudan: Staple Price Trends in Selected Markets

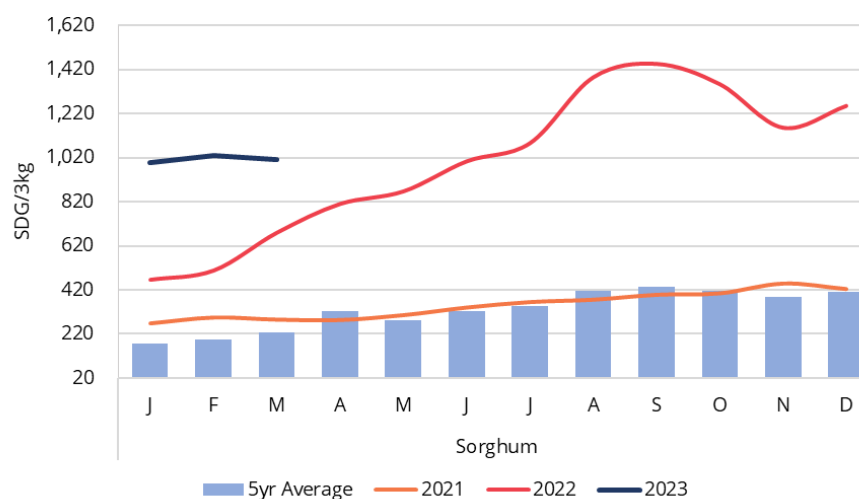


Across most markets, cereal prices during 2023 Q1 were more than double the long-term average and 2022 levels. Even though white sorghum prices remained relatively stable across most markets over the reference period, the commodity's price remained atypically high. For instance, the national average price of white sorghum ranged between 2,029-2,202 SPSS per 3kgs, 133-160 percent above levels recorded the same time the previous year. In Aweil market, the latest sorghum price was at 2016 SSP per 3kgs, 152 and 251 above year the 2022 levels and 5-year average respectively. Similar price trends were observed for maize prices.

Sudan

Since 2020, food prices in Sudan have skyrocketed hitting record levels in 2022, mainly attributed to macro-economic challenges such as currency depreciation and high inflation affecting the cost of production and transportation besides other factors. As the economic conditions continued to improve until the end of March

Sudan: National Average Price Trends

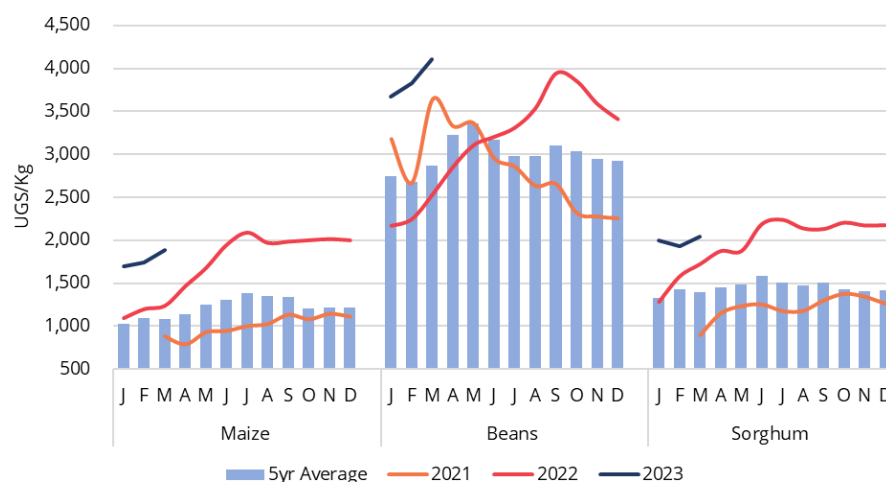


(in comparison to previous year), food prices were easing across most markets though remain high. During the first quarter of 2023, sorghum price either remained stable or slightly decreased compared to 2022 Q4 across various key markets monitored, supported by improved availability from the main harvest estimated to be above-average [CFSAM 2023](#). The national average price of sorghum ranged between 998-1030 SDG per 3kgs, over 300 percent higher than the 5-year average with slight m-o-m decrease of about 2 percent recorded in March. Similar price patterns were observed for millet prices though with high variation across markets ranging from 1000 SDG per 3kg (Zilingi) to as high as 2000 SDG per 3kg (Kadugli and Damazin).

Uganda

During the first quarter, staple cereal prices trended seasonably above the long-term and 2022 levels. Maize, sorghum, and beans prices sustained upward trends between January and March despite new harvests in bimodal regions entering markets. Nationally, maize retailed

Uganda: National Average Price Trends



between 1700-1885 UGS per kg on average, at least 60 and 46 percent above the 5-year average and previous year levels respectively. Similar patterns were observed for sorghum over the same reference period with the highest average price recorded in March at 2,040 UGS per kg, 19 percent above levels recorded a year earlier having recorded a m-o-m increase of about 6 percent. Dry beans prices also sustained an upward trend throughout the first quarter. The high staples prices could be linked to a combination of factors including reduced availability locally due to below-average production in the backdrop of increased demand in neighbouring countries.

9. Market and Trade Outlook May – July 2023

Djibouti

Most food commodity prices remained stable throughout the first quarter supported by favourable stable macro-economic conditions in the country and an ease in international prices (wheat, vegetable oil and rice). Sorghum price is however expected to remain high in most parts of the country over the coming months due to reduced import flow from neighbouring Ethiopia where drought and other factors have greatly affected production in previous seasons.

Ethiopia

Food prices are likely to remain elevated in most parts of the country primarily due to production shortfall, prevailing poor economic conditions amongst other factors that continue exerting upward pressure on prices. Although the start of the rainy season appears favourable, it will take some time for the markets to replenish their supply, and hence prices are likely to remain high.

Kenya

In the first quarter of 2023, prices for maize in the main producing regions (Eldoret and Nakuru) significantly increased due to competition for scarce supplies of maize from the previous harvest. The commodity's price is anticipated to remain high over the upcoming months as importation challenges also continue to significantly limit availability, pushing up prices. In areas affected by drought where transportation costs also exert additional pressure on prices, similar patterns are anticipated over the coming months.

Rwanda and Burundi

Despite the season A harvest improving supply, staple food prices in Rwanda and Burundi continued to soar through to the first quarter of 2023 and are expected to remain high in coming months throughout the minor lean season. Macro-economic challenges, high production and transportation costs are key factors driving up food prices both countries and unless these improve, prices are likely to remain high in near future. Additionally, increased demand for the season B planting seed will also exert additional upward pressure on prices.

Somalia

Food prices are likely to remain high in most parts of the country primarily due to reduced availability following consecutive failed harvests. Despite the onset of long rains reported in some parts of the country, the situation is likely to not change significantly in next few months even if the season performs well. High food prices are therefore likely to persist.

South Sudan

Food prices will likely remain high over the upcoming months due to the compounded effect of multiple shocks, including below-average output in the country and among neighbouring suppliers, trade route disruption due to flooding and insecurity among others.

Sudan

Despite good harvests in just concluded harvesting season, macro-economic challenges might be further worsened by the ongoing conflict which may disrupt trade in some parts of the country are likely to exert upward pressure on food prices.

Uganda

Maize price in local markets will continue to be under pressure due to high regional demand despite good harvests in the bimodal areas in just concluded harvest season. In unimodal areas of Karamoja, reduced availability due to below-average production will also likely impact prices over the coming months.



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