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**RESEARCH ASSESSMENT & MONITORING (RAM)
PROCUREMENT**

EASTERN AFRICA MARKET AND TRADE UPDATE

2023 Quarter #3



**World Food
Programme**

**SAVING
LIVES
CHANGING
LIVES**

October 2023

Key Findings

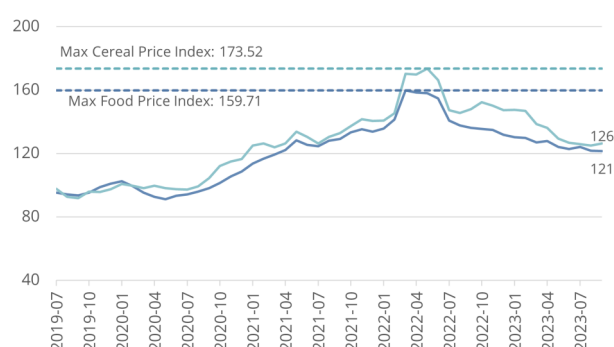
- Despite being below year-earlier levels, international cereal prices recorded mixed trends in the third quarter of the year; however, food prices are still above pre-pandemic levels, which will continue to weigh on the affordability of food on local markets and eventually impact food security.
- The good harvest in the first half of the year did not lead to a significant decline in wholesale cereal prices across the region. The forecasted El Niño event is expected to generally favour cereal production. However, risks of flood and trade disruptions linked to the heavy rains remain and prices are seen to remain above average as high fuel and transport costs are likely to persist.
- Prices of coarse grains were exceptionally high in **South Sudan** and the **Sudan**, underpinned by tight supplies and severe macroeconomic difficulties, including currency depreciation. Trade disruptions linked to the conflict led to significant price spikes in **Sudan**, with retail prices of millet and sorghum surging in September as the national currency further depreciated on the parallel market.
- In the third quarter of the year, many currencies across Eastern Africa continued to lose their value against the U.S. dollar (USD), with **South Sudan** and **Burundi** recording the highest depreciation both in the official and parallel markets.
- As of September 2023, average pump prices stood at USD 1.4/L: 10.8 percent higher than the same month last year. Following the latest review of fuel prices, petrol prices in **Kenya** hit the record of 200 KES/L for the first time in the country's history (that is up 7.8 percent between August and September 2023 and up 17.9 percent between September 2022 and 2023). The Ethiopian government also revised fuel prices, with petrol reaching 74.9 ETB/L – which corresponds to a 7.8 percent increase between August and September 2023 and a 56.5 percent year-on-year (y-o-y) increase.
- The cost of living across Eastern Africa continued to be high, with the annual inflation rate across the region averaging 13.2 percent in September 2023. **Burundi**, **Ethiopia**, and **Rwanda** continued to record double-digit annual inflation throughout the third quarter of the year. Official inflation rates for **Sudan** have not been issued since February 2023; however, they are expected to exceed 300 percent by the end of the year considering the price spikes observed since the outbreak of the conflict in April.
- Food prices remain high across Eastern Africa, with average food inflation at 17.3 percent as of September 2023. **Burundi**, **Ethiopia**, and **Rwanda** continue to record double-digit food inflation.
- As of September 2023, the average per capita monthly price of the WFP local food basket reached USD 16.5 across the Region – representing a 6.6 percent increase from the same month last year. Compared to a year ago, the food basket increased by 46.3 percent in **South Sudan** and it went up by 29.2 and 25.2 percent in **Burundi** and in **Ethiopia**, respectively. In the third quarter, **Sudan**, **Somalia**, and **South Sudan** continued to record the most expensive food baskets in the region (USD 24.8, 21.4, and 19.3, respectively).

1. International Commodity Price Outlook¹

Driven by declines in international prices of vegetable oils, meat and dairy products, the FAO Food Price Index was stable in the third quarter of 2023 (121.5 points in September 2023, almost unchanged from its value in August).

In September 2023, international sugar prices rose due to growing concerns about limited global supply in the upcoming season. During the same period, international cereal prices varied. Despite being lower than the previous year, international maize prices increased for the first time in seven months

FIGURE 1: FAO FOOD PRICE INDEX AND CEREAL PRICE INDEX



Source: FAO

(see Table 1).

Despite being below year-earlier levels, international maize prices saw an upturn in September 2023 after seven consecutive months of decline (see Table 1). Different factors could explain the increase

observed, including slower selling in Argentina, high demand for Brazil's exports and increased barge freight rates in the United States.

By contrast, international wheat prices continued to ease in the third quarter of the year, driven by ample post-harvest supplies in the Northern Hemisphere and good production prospects in the Russian Federation. Yet, concerns around crop quality in specific regions and ongoing disturbances in Ukraine limited the extent of price declines.

Amidst low import demand, international rice prices remained stable in September 2023; however, significantly higher than the levels from the previous year (see Table 1). Subdued trading, combined with currency depreciations against the United States dollar, stabilized or lowered export prices in key exporting Asian countries such as Thailand, Viet Nam and Pakistan. Quotations for United States of America rice also showed a slight increase, influenced by rising prices in competing South American exporting countries and concerns about the milling yields during the ongoing harvest in the United States.

Despite the decline, food prices are still above pre-pandemic levels, which will continue to weigh on the affordability of food in local markets and eventually impact food security.

TABLE 1: INTERNATIONAL GRAIN PRICE TRENDS, SEPTEMBER 2023

| Commodity | Average International Cereal Price change | | | |
|--|---|-------|--------------|----------------|
| | Price (USD/tonne) | | Price change | |
| | Sep-23 | m-o-m | y-o-y | 5-year average |
| US (Gulf), Maize (US No. 2, Yellow) | 224 | 4.7% | -28.5% | 9.1% |
| US (Gulf), Wheat (US No. 2, Hard Red Winter) | 315 | 1.5% | -24.9% | 14.3% |
| Thailand (Bangkok), Rice (Thai A1 Super) | 476 | 0.6% | 22.5% | 24.6% |

Source: FAO FPMA

2. High Regional Wholesale Prices Persist Post-Harvest ²

UGANDA

The June-August 2023 harvest (which contributes about 60 percent of the annual crop) was above average, with maize, millet, and sorghum prices generally stable across most monitored markets; some markets saw declines ranging from 8 to 60 percent.

On average, maize prices traded at USD 432/MT FCA Kampala over the third quarter; whilst the retail price of beans remained high due to the sustained deficits from four below-average seasons.

The onset of the September to December second-season rains eased the atypically dry conditions observed from June to August, with a positive impact on agricultural activities. The forecasted El Niño event is expected to generally favour above-normal cereal and perennial crop harvests from November through January. However, the heavy rainfall is expected to negatively impact legume production. Prices are seen to remain above average levels as high fuel and transport costs are likely to persist in line with global trends.

TANZANIA

Due to enhanced rains and widespread use of inputs, the long rains harvest (which accounts for 85 percent of annual crop) was average-to-above average. Despite the surplus, **Tanzania** is likely to be a net importer from **Zambia** later in the season to compensate for the high volumes exported into neighbouring **Kenya** and **Rwanda**. There was no official export ban on maize, however, export restrictions in the form of delayed issuance of export permits were observed as the Government of Tanzania prioritized national food security.

RWANDA

Over the third quarter, maize supplies flowed from both **Tanzania** and **Uganda**. Towards September, higher maize prices were recorded in Kigali as the harvest wound down in **Tanzania**, with maize trading at an average of USD 433/MT (RWF 520/Kg) in September.

Food prices are expected to continue rising during the October to December lean season. The good rains forecasted for October to December are likely to yield a good harvest during Season A at the beginning of 2024, thereby enhancing food access. Still, the risk of flash flooding, landslides, crop damage, infrastructure destruction, and displacement of people in localized areas, particularly in the western parts of **Rwanda** remains.

BURUNDI

The near-average 2023 Season B harvest contributed to the stabilization of staple food prices observed in September. However, food prices remained significantly elevated, ranging between 30 and 75 percent above the previous year's prices and between 80 to 120 percent above the five-year average. The surge in food prices was attributed to regional inflation, increased costs associated with agricultural inputs, and elevated fuel and food transportation costs.

Rainfall in September created favorable conditions and 2023 Season C in November is expected to be above average. The government's initiatives aiming to expand cropping areas (such as the promotion of irrigation systems and subsidies for fertilizers and improved maize seeds) are also likely to contribute to the forecast increased output.

Nevertheless, the harvest period of 2023C expected in November 2023 might be affected by losses or crop damages due to excessive rainfall (e.g., possible flooding in the marshlands) due to the El Nino phenomenon.

KENYA

Staple food prices remained elevated in the third quarter due to several factors: limited supply from consecutive below-average production seasons, costly imports from **Tanzania** and **Uganda**, and rising fuel prices that increased marketing costs.

In August, the wholesale maize prices in the urban reference markets of Nairobi, Mombasa, Kisumu, and Eldoret were around 30 to 40 percent higher than the five-year average. On average, maize traded at USD 349/MT (KSH 4600/90Kg bag) in Nairobi/ Mombasa and it traded at USD 326/MT (KSH 4300/90Kg bag) in Eldoret.

Similarly, beans wholesale prices in the urban reference markets are 50 to 60 percent higher than the five-year average, with prices in Mombasa around 120 percent above average due to high demand and low local availability.

Fuel prices hit historically high levels in September and are already driving up the costs of food and non-food commodities due to the increased production and transportation costs.

Due to the forecast El Nino, the 2023 October to December short rains are likely to be above average, which positive effects on short-cycle crop harvests in December 2023 – except for beans that are likely to be negatively impacted by the above-average rainfall.

SUDAN AND SOUTH SUDAN

Coarse grain prices in **South Sudan** and **Sudan** were notably high, driven by limited supply and significant macroeconomic challenges, such as a weak currency.

In **Sudan**, prices were further supported by trade disruptions caused by the conflict, with retail prices of millet and sorghum surging in September as the national currency further depreciated on the parallel market. Traders holding onto their stocks in anticipation of higher prices due to highly unfavorable prospects for the 2023 cropping season, led to further price spikes.

SOUTHERN AFRICA

As of September 2023, wholesale prices of maize in **South Africa** increased between 6 and 8 percent following a modest weakening of the national currency and a firming up of international benchmark prices. Partly countering these pressures and limiting larger price gains is the good domestic supply situation, which has also kept domestic prices close to export parity levels and below year-earlier values.

In the net importing countries of **Botswana**, **Eswatini**, **Lesotho** and **Namibia**, retail prices of maize meal generally declined in August 2023, continuing the trend of the previous month.

In **Zambia**, the price of maize grain and meal products increased by about 10 percent in September compared to the previous month, pushing prices to new record highs and reinforcing the higher year-on-year levels. Continued currency weakness is a key driver behind the elevated prices, whilst strong regional export demand for maize is also adding some inflationary pressure.

No formal export permits have been issued by the Government since early in the year and the expectation for the remainder of the season is unchanged. Informal exports to **DRC**, **Kenya**, **Tanzania** and **Malawi** are expected to remain intact.

3. Exchange Rate Pressure and Costs of Living Limit Access to Food³

As foreign exchange reserves are depleted, many local currencies across Eastern Africa continued to lose value vis-à-vis the U.S. dollar (USD) in the third quarter of the year.

As of September 2023, **South Sudan** continued to record high depreciation, in both the official and parallel market, with 1 USD traded at 993 and 1,026 SSP, respectively – that the currency lost more than 35 percent of its value compared to September 2022.

Burundi recorded a significant y-o-y depreciation of the BIF, both on the official and parallel market (down 28 and 24 percent, respectively compared to September 2022).

The **Sudanese Pound** (SDG) continued to lose its value amid the conflict. As of September 2023, 1 USD traded around 800 SDG compared to 700 SDG and 800 SDG on average in August and September 2023, respectively.

The commercial banks' average rate increased to around 640 SDG/USD following the increased demand for foreign currency to import inputs and goods.

Due to lower inflows of foreign exchange and higher

global interest rates, the **Kenyan** shilling (KES) continued to depreciate against the USD, with 1 KES trading at USD 147 in September 2023 (down 18 percent compared to a year ago). The **Rwandan Franc** (RWF) also lost value in the same reference period (with 1 USD traded at 1,190 RWF – that is down 12.6 percent compared to a year ago).

TABLE 3: TRENDS IN ANNUAL AND FOOD INFLATION RATES

| Country | Annual Inflation | | Food Inflation | |
|-------------|------------------|-----------|----------------|-----------|
| | Sep-23 | Sep 22/23 | Sep-23 | Sep 22/23 |
| Burundi | 26.8% | | 35.3% | |
| Djibouti | | | | |
| Ethiopia | 28.3% | | 27.1% | |
| Kenya | 6.8% | | 7.9% | |
| Rwanda | 18.4% | | 33.1% | |
| Somalia | 5.4% | | -4.7% | |
| South Sudan | 3.8% | | | |
| Sudan | | | | |
| Uganda | 2.7% | | 5.1% | |
| RBN | 13.2% | | 17.3% | |

Source: National Bureaux of Statistics

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 13.2 percent in September 2023. **Ethiopia** and **Rwanda** continued to record double-digit annual inflation in the third quarter of the year. [Due to the conflict, inflation rates for Sudan](#) were not issued since February 2023; however, inflation is expected to exceed 300 percent by the end of the year considering the price spikes observed since the outbreak of the conflict in April⁴.

Food prices remain high across Eastern Africa, with average food inflation at 17.3 percent in September 2023. **Burundi**, **Ethiopia** and **Rwanda** continue to record double-digit food inflation.

TABLE 2: TRENDS IN EXCHANGE RATES

| Trends in exchange rates | | | | | |
|--------------------------|----------|----------|--------|--------|--------|
| Country | Currency | Type | Sep-23 | m-o-m | y-o-y |
| Burundi | BIF/USD | Official | 2,865 | -0.2% | -27.9% |
| | | Parallel | 4,600 | -8.7% | -23.9% |
| Djibouti | DJF/USD | Official | 178 | 0.0% | 0.0% |
| | | Parallel | 108 | -0.9% | -16.7% |
| Ethiopia | ETB/USD | Official | 55 | -0.6% | -4.9% |
| | | Parallel | 108 | -0.9% | -16.7% |
| Kenya | KES/USD | Official | 147 | -1.9% | -18.0% |
| Rwanda | RWF/USD | Official | 1,190 | -1.4% | -12.6% |
| Somalia | SOS/USD | Official | 30,603 | | 4.8% |
| | | Official | 8,650 | | -1.7% |
| South Sudan | SSP/USD | Official | 993 | 0.1% | -36.3% |
| | | Parallel | 1,026 | -1.0% | -37.4% |
| Sudan | SDG/USD | Official | 640 | -4.7% | -10.3% |
| | | Parallel | 800 | -10.0% | -28.1% |
| Uganda | UGX/USD | Official | 3,732 | -1.2% | 2.4% |

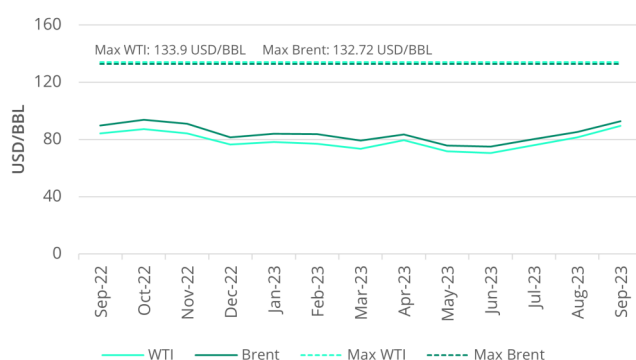
Source: National Central Banks and WFP Field Monitor

4. Uptick in international oil prices leading to high local pump prices⁵

Crude oil spot prices recorded an uptick in the third quarter of the year following a strong product demand driven by increased air and road travel activities. As of September 2023, Brent and WTI reached 92.6 and 84.9 USD/BBL, which corresponds to an m-o-m increase of approximately 10 percent and a y-o-y increase of 3.2 for Brent and 6.1 percent for WTI.

FIGURE 2: TRENDS IN BRENT AND WTI

Brent and WTI Spot Prices



Source: OPEC

At the local level, pump prices remained high with petrol prices across the region averaging at USD 1.4/ L as of September 2023 – corresponding to an m-o-m increase by 3.2 percent and a y-o-y increase of 10.8 percent.

Petrol prices in **Kenya** hit the record of KES 200 for the first time in the country's history following the latest review of fuel prices by the Energy and Petroleum Regulatory Authority (EPRA). Among the reasons behind this change are trade disruptions following the conflict in Ukraine and increased demand for energy products by European countries ahead of winter. To reflect international dynamics in local markets, the **Ethiopian** government also revised fuel prices, with petrol increasing reaching 74.9 ETB/L – which corresponds to a 7.8 percent between August and September 2023 and a 56.5

percent y-o-y increase.

In **South Sudan**, fuel prices were stable but high, with a sharp y-o-y increase that reflects the exchange rate depreciation (up 26.3 percent). Despite the y-o-y decline observed (down 17.4 percent), petrol prices in Uganda have shown one of the highest m-o-m increases (up 8.2 percent, at 5,384 UGX /L.

The decline in fuel prices in **Somalia** continued in the third quarter of the year, although at a slower pace, with petrol prices at SOS 35,903.1/L in September 2023 – down 5 percent compared to September 2022.

TABLE 4: PETROL PRICES PER LITRE (LOCAL CURRENCIES AND USD) AND VARIATIONS

| Country | Petrol price | | Variations | | |
|---------------|--------------|----------|---------------|----------------|--|
| | USD/L | LCU/L | m-o-m | y-o-y | |
| | Sep-23 | | Aug-23 | Sep-22 | |
| Burundi | 1.4 | 6,645.1 | ▼ -2.0% | ▼ -4.3% | |
| Djibouti | | | | | |
| Ethiopia | 0.7 | 74.9 | ▲ 7.8% | ▲ 56.5% | |
| Kenya | 1.4 | 212.3 | ▲ 8.7% | ▲ 17.9% | |
| Rwanda | 1.4 | 1,639.0 | ■ 0.0% | ■ 1.9% | |
| Somalia (SoS) | 1.2 | 35,903.1 | ■ 1.1% | ▼ -5.0% | |
| South Sudan | 2.3 | 2,394.7 | ■ -1.2% | ▲ 26.3% | |
| Sudan | | | | | |
| Uganda | 1.4 | 5,384.0 | ▲ 8.2% | ▼ -17.4% | |
| RBN | 1.4 | | ▲ 3.2% | ▲ 10.8% | |

Source: WFP Field Monitor and National Bureaux of Statistics



5. Cost of Food Remains High in the Third Quarter, reducing access to nutrient-rich commodities⁶

High production and transport costs as well as international trade dynamics continue to weight on the cost of food commodities on markets. As of September 2023, the average per capita monthly price of the WFP local food basket was 6.6 percent higher than the September 2022 cost. The average per capita monthly price of a local food basket reached USD 16.5. Compared to a year ago, the food basket increased by 46.3 percent in **South Sudan** and it went up by 29.2 and 25.2 percent in **Burundi** and in **Ethiopia**, respectively. In the third quarter, **Sudan, Somalia, and South Sudan** continued to record the most expensive food baskets in the region (USD 24.8, 21.4, and 19.3, respectively). Despite showing m-o-m stability, cereal prices in September 2023 are still significantly higher than in September 2022, mainly in **South Sudan**, where the weakness of the currency and high production and transport costs are still affecting the cost of food. The price of sorghum increased by almost 43.6 percent between September 2022-2023; bean prices increased by 83.5 percent in the same reference period. **Burundi** and **Rwanda** also saw a significant y-o-y increase in maize and beans prices (up 69.1 and 46.7 percent, respectively).

TABLE 5: TRENDS IN THE MONTHLY PER CAPITA COST OF THE WFP LOCAL FOOD BASKET

| Country | Sep-23 | | Variations | |
|-------------|---------|-------------|-------------|-------------|
| | LCU | USD | m-o-m | y-o-y |
| Burundi | 40,233 | 9.4 | 3.7% | 29.2% |
| Djibouti | 2,419 | 13.6 | 1.6% | -13.1% |
| Ethiopia | 1,519 | 14.1 | 11.0% | 25.2% |
| Kenya | | | | |
| Rwanda | 14,263 | 12.0 | 4.2% | -16.1% |
| Somalia | 653,687 | 21.4 | -1.2% | -33.6% |
| South Sudan | 19,827 | 19.3 | -2.0% | 46.3% |
| Sudan | 19,858 | 24.8 | 2.9% | 16.0% |
| Uganda | 65,307 | 17.5 | 1.1% | -0.9% |
| RBN | | 16.5 | 2.6% | 6.6% |

Source: WFP Field Monitor

Due to trade disruptions and the weakness of local currencies, prices of imported vegetable oil more than doubled in **Sudan** between September 2022-2023 and increased by 22 percent in **South Sudan**. Elsewhere in the Region, vegetable oil prices remained stable in the third quarter and went down compared to year-earlier levels – reflecting price fluctuations observed at the international level. Milk prices recorded in September remain significantly higher than the levels observed a year ago in **Sudan** (up 29.7 percent), whilst the y-o-y increase in the price of milk in Uganda was less pronounced (up 8.9 percent).

TABLE 6: TRENDS IN SELECTED COMPONENTS OF THE LOCAL FOOD BASKET

| Country | Cereals | | Vegetable oil | | Beans | | Milk | |
|-------------|-------------|--------------|---------------|-------------|-------------|--------------|-------|-------|
| | m-o-m | y-o-y | m-o-m | y-o-y | m-o-m | y-o-y | m-o-m | y-o-y |
| Burundi | 4.5% | 27.8% | -0.2% | 1.1% | 4.7% | 69.1% | | |
| Djibouti | 0.0% | 1.5% | 0.0% | -29.2% | 0.0% | 3.6% | | |
| Ethiopia | 13.4% | 31.7% | -7.1% | -10.2% | 1.2% | 0.5% | | |
| Kenya | | | | | | | | |
| Rwanda | 5.8% | 15.1% | -2.1% | -26.5% | 5.0% | 46.7% | | |
| Somalia | -1.3% | -2.8% | -0.2% | -13.1% | | | -1.0% | 1.9% |
| South Sudan | -0.2% | 43.6% | -2.9% | 22.0% | -7.7% | 83.5% | | |
| Sudan | 0.6% | -6.9% | 2.4% | 107.0% | | | -3.9% | 29.7% |
| Uganda | -4.3% | -22.8% | -0.6% | -23.4% | 1.4% | 9.2% | 2.6% | 8.9% |
| RBN | 2.3% | 10.9% | -1.3% | 3.5% | 0.8% | 35.4% | | |

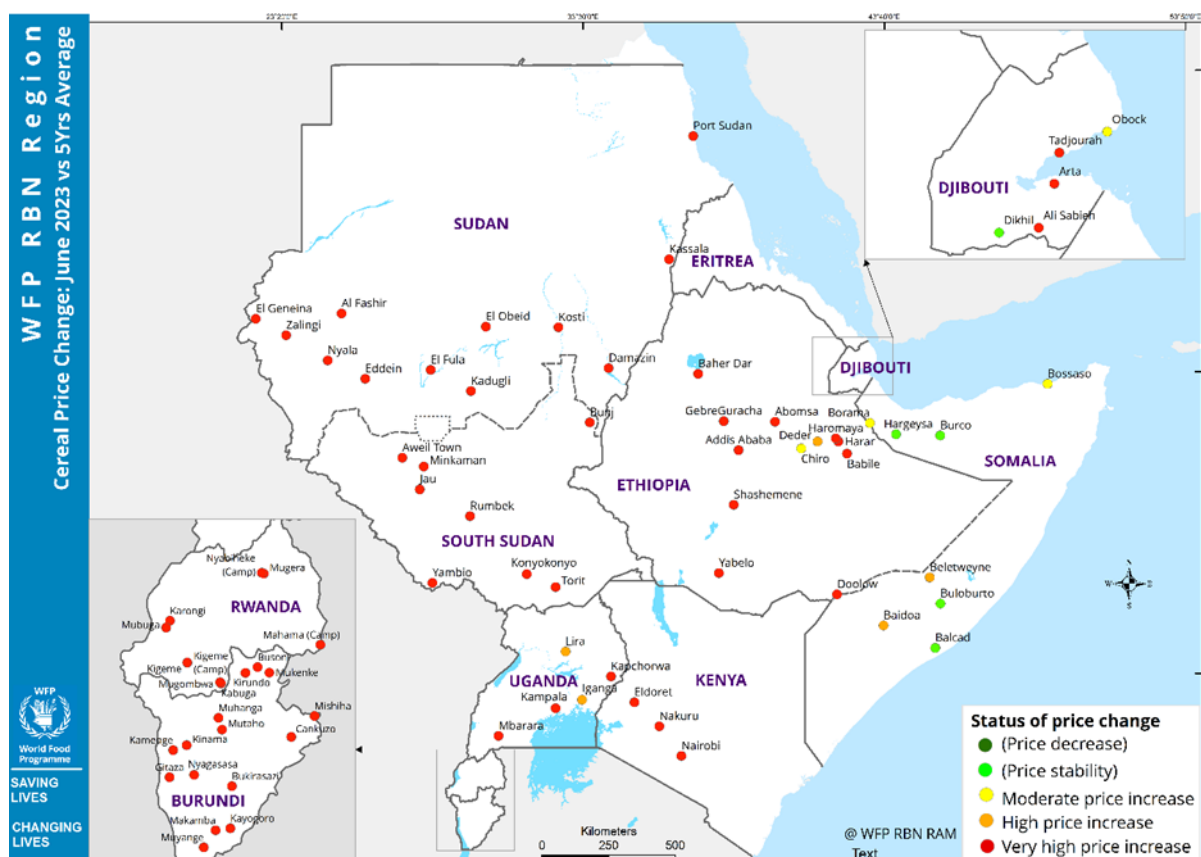
Source: WFP Field Monitor

6. Cereal Prices Significantly above Normal Levels

As Map 1 shows, cereal prices continued to be significantly higher than the five-year average across most WFP-monitored markets in the Region. Prices of cereals recorded a very high price increase (50 percent higher than the average of the past five years) in **Burundi**, **Ethiopia**, **Rwanda**, **Sudan**, and **South Sudan**.

A few markets in **Djibouti**, and **Uganda** saw a moderate to high increase in cereal prices (from 11 to 50 percent compared to the average price recorded in the past five years). Cereal prices in most monitored markets in **Somalia** recorded a decline compared to the five-year average.

MAP 1: CEREAL PRICE CHANGE: SEPTEMBER 2023 COMPARED TO THE FIVE-YEAR AVERAGE



Source: WFP Field Monitor



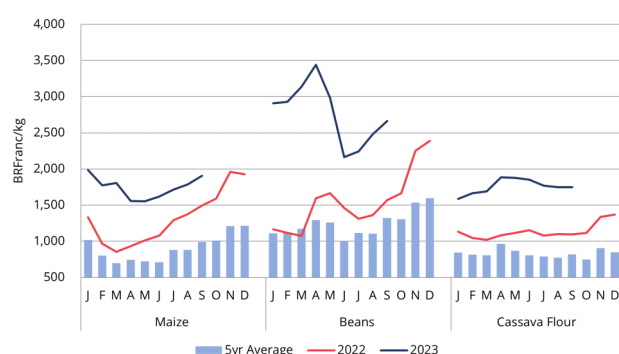
7. Country Updates⁷

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, the 2022 and 2023 monthly price trends of main staple foods consumed are compared against the five-year average.

BURUNDI

Throughout the third quarter, staple food prices remained significantly elevated above the long-term and year-earlier levels despite season B harvests improving supply. The national average retail price of maize and cassava flour ranged between 92-126 percent and 30-65 percent above the five-year average and year-earlier levels respectively. Similar patterns were observed for dry beans, retailing at least 69 percent above a year earlier level and more than double the long-term average. There were significant variations in staples prices across markets. The high food prices in the country are a result of the combined effect of varied factors including macro-economic challenges characterized by high inflation rates, increased cost of production and higher transportation costs linked to sharp increases in fuel prices.

FIGURE 3: BURUNDI - NATIONAL AVERAGE PRICE TRENDS



Source: WFP Field Monitor

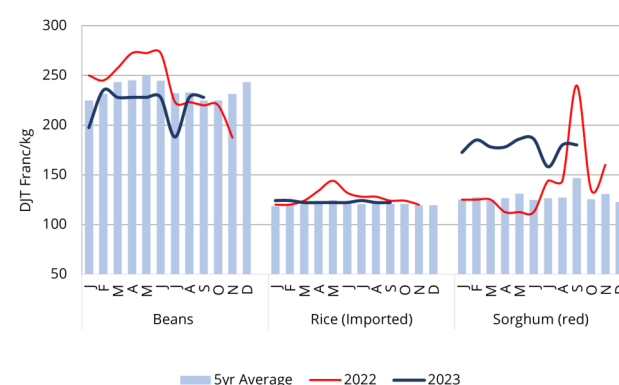
DJIBOUTI

Food prices have generally remained stable in most parts of the country supported by a stable macro-economic environment and favorable international market price trends. Imported rice and wheat flour

prices remained stable between July and September, trading at almost the same levels recorded a year ago. Sorghum (white and red varieties) prices on the other hand remained relatively higher than the long-term average mainly due to low availability as supply from neighboring countries has not normalized since the recent prolonged drought. White bean price slightly firmed up from mid-quarter retailing on average at 228 DJT Franc/ kg in September, slightly above a year earlier level but lower than the long-term average.

ETHIOPIA

FIGURE 4: DJIBOUTI - STAPLE CEREAL PRICE TRENDS

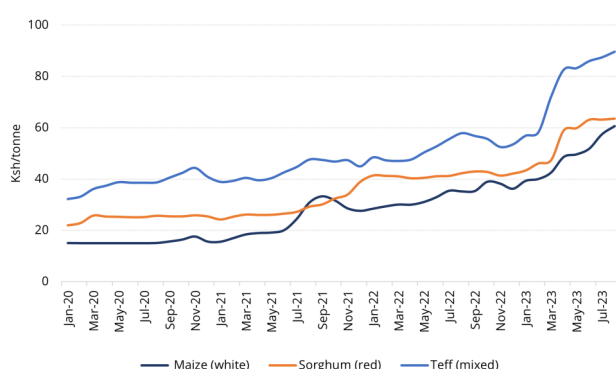


Source: WFP Field Monitor

Prices of key staples (maize, sorghum and teff) sustained an upward trend across most markets throughout the third quarter. The soaring prices despite Belg harvests improving supply in some parts of the country are due to combined effects of a challenging macro-economic environment, consecutive below-average harvests in recent seasons and localized conflict/tension. In the capital Addis Ababa, maize and teff prices slightly firmed up in August recording m-o-m

increases of 6 and 3 percent respectively, while sorghum prices remained relatively stable over the period. In the monitored Diredawa market, maize retailed at 4500 ETB/100kgs, 32 percent higher than the year earlier level. A similar upward trend was recorded in most cereal markets across the country throughout reference.

FIGURE 5: ETHIOPIA - STAPLE PRICE TRENDS IN SELECTED MARKETS

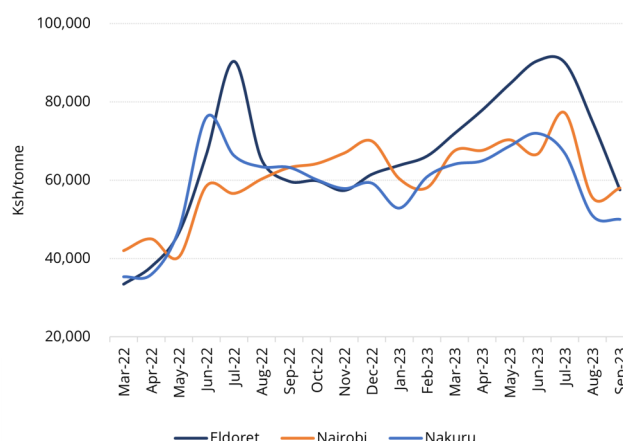


Source: WFP Field Monitor

KENYA

Beneficial rains from March to May followed a prolonged drought, boosting staple crop yields across most of the country. This improved both household supplies and market availability. In the third quarter, prices for staple maize decreased in key markets, although they remained above the long-term average. In the reference, urban markets of Nairobi and Nakuru, maize wholesale price was between 40-95 percent higher than the long-term average while trading 8-20 percent below a year earlier levels. Even though ongoing harvests in major maize-producing regions is expected to further improve supply, maize price may likely remain above the long-term average in most parts of the country due to tight demand, high cost of production and transportation costs.

FIGURE 6: KENYA - CEREAL PRICE TRENDS IN SELECTED MARKETS

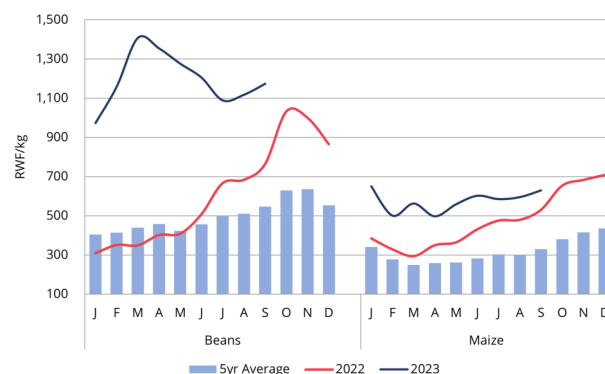


Source: WFP Field Monitor

RWANDA

Staple food prices remained elevated in most parts of the country throughout the third quarter despite season B harvests and improved cross-border trade improving market supply. Maize and beans prices trended seasonably with the national average maize price ranging between 586-630 RWF/kg, almost double the long-term average and at least 19 percent higher than the previous year. Beans price also firmed up over the reference period trading between 1089-1174 RWF/kg, at least 54 percent higher than a year earlier and more than double the long-term average. Staples prices are likely to remain elevated ahead of the lean season, with high inflation eroding vulnerable households' purchasing power.

FIGURE 7: RWANDA - NATIONAL AVERAGE PRICE TRENDS

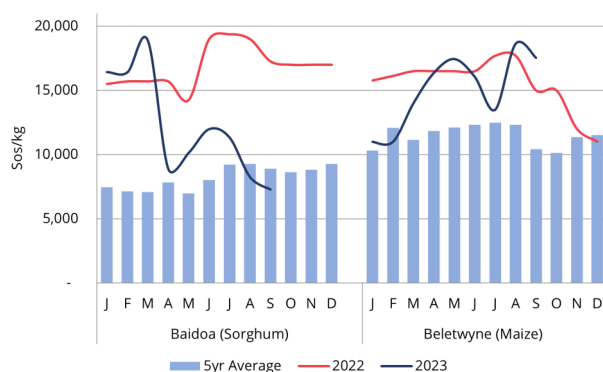


Source: WFP Field Monitor

SOMALIA

Throughout quarter three, staple food prices showed mixed trends in markets across the country declining in most markets while rising in others. In the Baidoa market (Bay region) for instance, the average price of sorghum sustained a downward trend with the latest prices recorded in September at 7,290 SoS/kg, 18 and 58 percent below the long-term average and previous year levels. Similar trends were observed in most markets as good Gu harvests significantly improved household availabilities and market supply of locally produced cereals (maize and red sorghum) throughout reference. In a few markets such as Quardho, red sorghum price firmed up in August recording an m-o-m increase of 5 percent through trading at least 17 percent below the previous year's level. On the other hand, prices of imported foods (wheat flour, rice, and vegetable oil) firmed up over the reference period in most WFP-monitored markets.

FIGURE 8: SOMALIA - CEREAL PRICE TRENDS IN SELECTED MARKETS



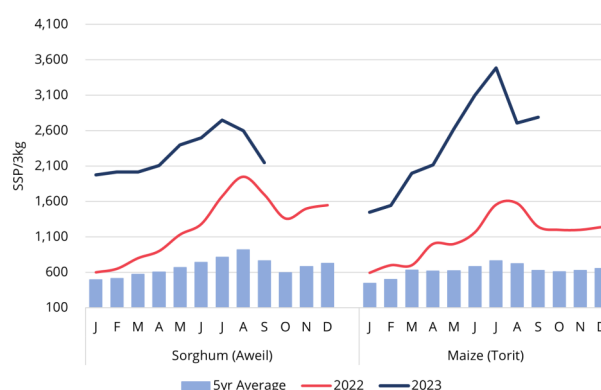
Source: WFP Field Monitor

SOUTH SUDAN

Food prices have been on an increasing trend in markets across the country over the past several months, driven by multiple factors including macroeconomic challenges, localized conflict, and insecurity among others. The national average price of maize and imported white sorghum hit record levels while exhibiting mixed trends in various markets during

the third quarter. As of September, the national average retail price of sorghum was at 3,254 SSP/3kgs, more than triple the long-term average and 68 percent higher than prices recorded at the same time last year. Significant price variation across markets was observed ranging from as low as 1,729 SSP/3kgs in Wanjok to as high as 4,411 SSP/3kgs in the Yida market. Similarly, maize prices exhibited mixed trends across markets increasing in some while either remaining stable or decreasing in others. For instance, in Torit, slight price ease was recorded in August before firming up in September.

FIGURE 9: SOUTH SUDAN - STAPLE PRICE TRENDS IN SELECTED MARKETS



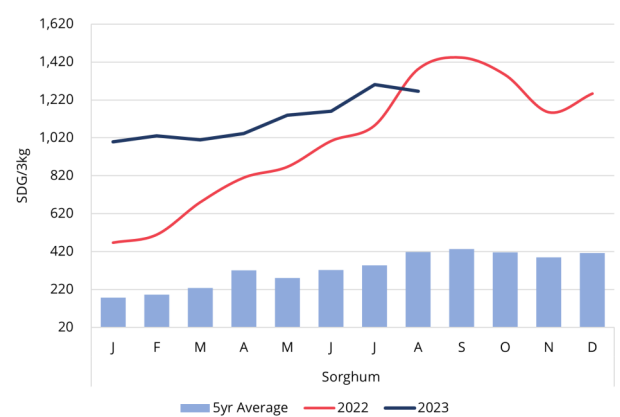
Source: WFP Field Monitor

SUDAN

A general upward trend in food prices has been recorded in most parts of the country since April, primarily linked to supply chain disruption due to the ongoing conflict and macro-economic challenges besides other factors. The national average price of sorghum ranged between 1,160-1,300 SDG/3kgs during quarter three, more than 200 percent above the long-term average and slightly below levels recorded in the previous year. Observed ease compared to the previous year is linked to good harvests in the most recent harvest season. Though significantly elevated above the year-earlier and the 5-year average, wheat flour prices exhibited declining trends over the reference period in line with trends observed in the international markets.

However, the rapid deterioration of the local currency against the USD is expected to exert upward pressure on wheat flour prices over the coming months.

FIGURE 10: SUDAN - NATIONAL AVERAGE PRICE TRENDS



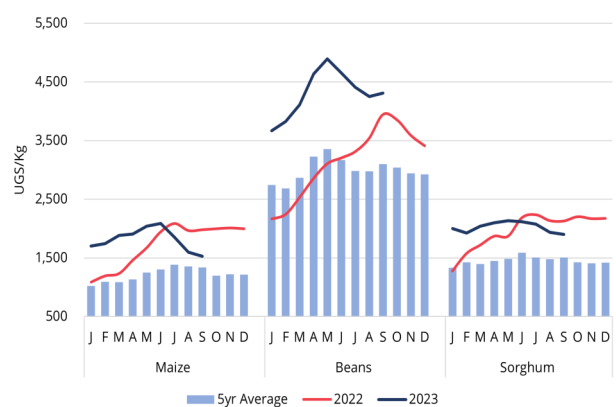
Source: WFP Field Monitor

UGANDA

Throughout the third quarter, maize and sorghum prices trended seasonably below year-earlier levels exhibiting a downward trend over the period. This is linked to improved market supply as first-season harvests between July and August entered markets. As of September, the national average price of maize was at 1,531 UGS/kg, 23 percent below the previous

year's level and 14 percent above the long-term average. Similar trends were observed for sorghum with the latest average retail price at 1,899 UGS/kg, 11 percent below the year earlier level. Dry beans on the other hand retailed seasonably higher than the five-year average and previous year levels throughout quarter three, exhibiting mixed trends across markets. The national average price of beans was at least 40 percent higher than the 5-year average and 10-33 percent higher than previous year levels through the third quarter. High bean price is partially attributed to tight supply versus high demand pushing up prices.

FIGURE 11: UGANDA - NATIONAL AVERAGE PRICE TRENDS



Source: WFP Field Monitor



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8. Market and Trade Outlook - October-December 2023

DJIBOUTI

The country's food needs are mainly met through imports and hence imported food (wheat, rice, pasta, and vegetable oil) prices will likely be in line with the international market price trends over the coming months. A stable macro-economic environment also plays a key role in food price stability in the country. For Sorghum, the Meher harvests (Nov-Jan) in Ethiopia will likely improve market supply in the country through cross-border trade and help ease prices.

ETHIOPIA

The combined effect of factors including macro-economic challenges, reduced availability and localized conflict continue to exert upward pressure on food prices. The *Meher* harvests - which constitute a greater share of overall cereal production in Ethiopia - commences in November in both the Western agricultural areas and *Belg*-receiving areas and are expected to improve supply and slightly ease prices.

KENYA

Staple maize prices decreased in some parts of the country during the third quarter as first-season harvests mainly coming from bimodal areas reached markets. As unimodal harvests begin in the main maize-producing regions, market supply is expected to improve. However, high demand and higher transportation costs may likely keep prices up despite improved availability, especially in hard-to-reach areas. The forecasted El Niño conditions may also likely indirectly impact on food prices over the coming months should it materialize.

RWANDA AND BURUNDI

Food prices remained significantly above long-term levels despite season B harvests improving supply. Food prices are expected to remain high over the coming months (lean season) given the current macroeconomic situation and rising cost of fuel.

SOMALIA

Prices of locally produced cereals (red sorghum and maize) were significantly below the previous year and 5-year average levels in most markets throughout quarter three, supported by ample availabilities from the Gu harvests. Some parts of the country however realized minimal Gu harvests due to flooding in April-June rains. Staple cereal prices may slightly firm up over the coming months as stocks deplete.

SOUTH SUDAN

Food prices continued to soar through the third quarter in most parts of the country driven by multiple factors. Tight supply in the backdrop of a poor macro-economic environment and localized conflicts will likely keep prices up over the coming months. Moreover, should the forecasted El Niño rains materialize and cause flooding, supply chain disruption would further exert upward pressure on food prices.

SUDAN

Even though improved availability from most recent good harvests helped keep prices of sorghum below the previous year's level, prices have sustained an upward trend in most markets since the war broke out in April. Supply challenges due to insecurity coupled with deteriorating exchange rates will likely keep staples prices up over the coming months in most parts of the country.

UGANDA

Improved supply from recent harvests helped ease prices in local markets over quarter three. High demand for cereals in neighbouring countries may push prices up in local markets as traders export more in the short term. In the unimodal areas (Karamoja region), below-average rains affected yields and over the coming months, prices will likely soar as stocks get depleted.

References

1. This section is based on FAO [Food Price Index](#), [Food Price Monitoring and Analysis](#), [International Grains Council \(IGC\)](#).
2. This section is based on Commodity Insight Africa Weekly Fundamental Soft Commodity Report as of Week 2, August 2023; the Agricultural Market Information System (AMIS) [Market Monitor no. 112](#); April 2023 [World Bank Commodity Markets Outlook](#) FEWS NET Country Analysis Report ([Uganda](#)).
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 (21/09/2023), updated inflation rates for Djibouti, Burundi and Sudan were not available. Regional averages are likely to be above the levels presented in this report. Data sources for exchange rates reported in this section are WFP Field Monitors and National Central Banks.
4. WFP Sudan. [WFP Market Monitor](#). September 2023.
5. This section is based on [OPEC, Monthly Oil Market Report, October 2023](#) and petrol price data monitored by [WFP](#) (Burundi, Ethiopia, Somalia, South Sudan) or national governments ([Kenya](#), [Rwanda](#), [Uganda](#)). No data for Sudan.
6. Section based on WFP Field Monitor Data available on [WFP Dataviz](#). At the time of the writing of this report (21/07/2023), no data for retail food price data from WFP field monitors in Kenya was available. Regional averages presented in this section could change once the values will be made available. Cost of the food basket in USD provided in this report was computed using the informal exchange rates in countries where it exists (Burundi, Ethiopia, South Sudan and Sudan). The cost of the food basket for Somalia is in Somali Shillings.
7. Section based on WFP Field Monitor Data available on [WFP Dataviz](#). Gaps in the plot are due to missing data.

NOTE ON THE WFP LOCAL FOOD BASKET

The below table includes components and quantities of the food basket for each Eastern African country (sourced by WFP field monitor).

| Food item | Monthly Quantity (Kg per capita) | | | | | | | | |
|------------------|----------------------------------|----------|----------|-------|--------|---------|-------------|-------|--------|
| | Burundi | Djibouti | Ethiopia | Kenya | Rwanda | Somalia | South Sudan | Sudan | Uganda |
| Beans | 3.6 | 1.6 | 1.5 | 7.5 | 3.6 | | 1.5 | | 5.4 |
| Cassava | | | | | | | | | 0.6 |
| Cowpeas | | | | | | 1.0 | | | |
| Fish (dry) | | | | | | | | | 0.6 |
| Leafy vegetables | | | | | | | | | 3.0 |
| Maize | 10.8 | | | 32.3 | 12.3 | | | | 8.7 |
| Meat (cow) | | | | | | 0.7 | | 0.2 | |
| Meat (goat) | | | | | | | | 0.2 | 0.3 |
| Milk | | | | | | 2.5 | | 0.8 | |
| Millet | | 0.3 | | 22.5 | | | | | |
| Oil (vegetable) | 0.8 | 2.5 | 0.5 | 5.3 | 0.9 | 0.7 | 0.9 | 0.8 | 0.8 |
| Onion | | | | | | | | 1.5 | |
| Pasta | 0.2 | 3.0 | | | | | | | |
| Rice | | 5.5 | | 22.5 | | 11.9 | | | |
| Sorghum | | | | | | 15.8 | 15.0 | 13.5 | 1.5 |
| Salt | | | | 0.8 | 0.2 | 2.5 | 0.2 | | 0.2 |
| Sugar | | 3.1 | | 0.8 | | 0.8 | | 1.2 | |
| Tomatoes (dry) | | | | | | | | 0.8 | |
| Wheat flour | | 4.7 | 15.0 | | | 0.6 | | | |

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