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WFP Regional Bureau for Eastern Africa Market and Trade Update 2024 Q1

Joint RAM and Procurement

May 2024

Highlights

- An increase in global vegetable oils and dairy prices led to an increase in international food prices in March 2024 after seven consecutive months of decline. The FAO Food Price Index (FPI) went up by 1.1 percent compared to February 2024, however it was still below the year earlier levels (down 7.7 percent).
- Global oil prices recorded an upward trend in the first three months of 2024 following the heightened geopolitical tensions stemming from attacks on commercial ships in the Red Sea shipping channel, along with general regional instability in the Middle East.
- An escalation of conflict in the Middle East might sustain oil prices. Macroeconomic challenges (including high interest rate and currency fluctuations) as well as the impact of extreme weather events on local production of key exporting countries pose an additional upward risk on global food prices, which are likely to trickle down to local markets and erode purchasing power.
- Increased production due to El Niño-enhanced rainfall boosted staple commodities availability in Eastern Africa, which, in turn pushed down staple food prices in most markets in the region, except for **Sudan**, **South Sudan**, and some markets in **Ethiopia**.
- In **Sudan**, prices increased due to conflict-related supply disruptions, currency depreciation, and declining stocks because of hampered agricultural production. Coarse grain prices rose in **South Sudan** due to tightening stocks and increased demand and higher production and transport costs.
- Local currencies across Eastern Africa continued to lose value vis-à-vis the U.S. dollar (USD) in the first quarter of the year. The South Sudanese Pound (SSP) lost almost 50 percent of its value in March 2024 both in the official and parallel market. Following a rupture in one of its oil pipelines to international markets, revenues from the oil sectors are at risk, which is likely to accelerate the depreciation of the SSP in the upcoming months.
- The Burundi Franc (BIF) also recorded a significant depreciation both on the official and parallel market (down 28 and 24 percent, respectively compared to March 2023), with the value of parallel rate almost doubling that of the official rate. As traders are increasingly relying on the parallel market to import goods, prices of imported key food and non-food items are likely to surge in the upcoming months.
- Average pump prices remained high in the first quarter of 2024, with petrol prices across the region averaging at USD 1.5/L as of March – corresponding to a y-o-y increase by 48.2 percent. In **Sudan** and **South Sudan** average pump prices more than doubled between March 2023 and March 2024 (up 178.1 and 109.1 percent, respectively), which reflects the currency depreciation and reduced fuel availability. **Ethiopia** also recorded a sharp y-o-y increase in average pump prices (up 26.7 percent between March 2023 and March 2024) following the removal of subsidies.
- Fragile macroeconomic conditions are affecting the cost of living across Eastern Africa, which remain high despite recording a declining trend¹ in the first quarter of 2024. As of March 2024, the annual inflation rate across the region averaged 8.3 percent. **Ethiopia** continued to record double digit annual and food inflation (26.2 and 29 percent, respectively). Due to the conflict, inflation rates for **Sudan** were not issued since February 2023; however, inflation is estimated to have reached

500 percent during first quarter of 2024 considering the surge in prices for goods and services. In **Burundi**, annual inflation and food inflation as of February 2024 (latest available) were still at double digit (17.8 and 17.6 percent, respectively).

- As of March 2024, the average per capita monthly price of a local food basket reached USD 13.5². The cost of the food basket was stable compared to February 2024 (up 2.4 percent); however, it was 22.7 percent higher than the March 2023 cost. Compared to a year ago, the food basket more than doubled in **Sudan** and went up by almost 90 percent in **South Sudan**. In addition, **Sudan** and **South Sudan** continued to record the most expensive food baskets in the region (USD 21.9 and 15.4, respectively).
- Cereal prices in WFP monitored markets recorded mixed trends against their respective five-year average. In **Burundi, Ethiopia, South Sudan, and Sudan** cereal market prices were 50 percent higher than the average recorded in the past five years. Monitored markets in **Kenya** saw a moderate price increase (from 11 to 30 percent compared to the average price recorded in the past five years). Price stability was observed in monitored markets in **Rwanda, Uganda**, and most monitored markets in **Djibouti**.³



1. International Commodity Price Outlook⁴

International food prices continued to decrease between January and February 2024 – with February marking the seventh month of the declining trend in the FAO Food Price Index (FPI). However, the FPI recorded an uptick in March 2024 (up 1.1 percent compared to February 2024) due to an increase in global vegetable oils and dairy prices – which offset the decline in international cereals and sugar prices. Despite this, international prices are still below the year earlier levels (down 7.7 percent).

Wheat prices continued to record a declining trend in the first quarter of 2024 following favorable crop conditions in the U.S. and the Russian Federation and increased competition among exporters. As table 1 shows, the benchmark United States of America (U.S. Hard Red Winter) declined by 1.4 percent between February and March 2024 and its March 2024 price (274 USD/ton) was 25.5 percent

lower than levels observed in March 2023.

Sluggish demand and ongoing harvests in Asian countries led to a decline in international rice prices. As of March 2024, quotations of Thai A1 Super stood at 363 USD/month – that is a decline by 1.3 percent compared with February 2024, however 10.3 percent higher than March 2023 levels.

Conversely, maize quotations showed a marginal month-on-month (m-o-m) increase between February and March 2024 following logistical challenges and increased buying interest rates. For instance, the benchmark United States of America (U.S. No.2, Yellow) recorded a 1.6 percent m-o-m increase, at 191 USD/tonne – which is still well below the March 2023 level (down 33 percent) and the five-year average (down 20.2 percent).

TABLE 1. AVERAGE INTERNATIONAL CEREAL PRICE CHANGE

Commodity	Price (USD/tonne)	Price change		
	Mar-24	m-o-m	y-o-y	5-year average
US (Gulf), Maize (US No. 2, Yellow)	191	1.6%	-33.0%	-20.2%
US (Gulf), Wheat (US No. 2, Hard Red Winter)	274	-1.4%	-25.5%	-10.6%
Thailand (Bangkok), Rice (Thai A1 Super)	484	-1.3%	10.3%	13.7%

SOURCE: FAO FPMA

The decline in global food prices recorded to date might, however, be offset by different factors. An escalation of conflict in the Middle East might increase oil prices – which has already been recorded at the time of the writing of this report, with Brent futures up USD 1.40 – that is 1.6 percent, at USD/bbl 88.5, and U.S. West Texas Intermediate (WTI) up USD 1.38, or 1.68 percent to USD/bbl 83.48 in the aftermath of the Israeli strike on Iran.⁵

Macroeconomic challenges (including high interest rates and currency fluctuations) as well

as the impact of extreme weather events on local production in key exporting countries pose an additional upward risk on global food prices, which are likely to trickle down to local markets and erode purchasing power further.

2. Regional Staple Food Prices Showing Declining Trends Across Eastern Africa with Exceptions in Sudan, South Sudan, and Some Markets in Ethiopia

Increased production due to El Niño-enhanced rainfall boosted staple commodities' availability in Eastern Africa, which, in turn pushed down staple food prices in most markets in the region, except for **Sudan**, **South Sudan**, and some markets in **Ethiopia**.

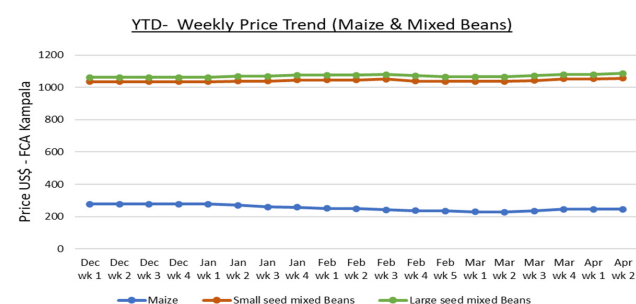
In **Sudan**, prices increased due to reduced cereal output, conflict-related supply disruptions, currency depreciation, and declining stocks. Coarse grain prices rose in **South Sudan** due to tightening stocks and increased demand. The local currency depreciated sharply in February, partially driven by reduced crude oil exports following damage to pipelines in **Sudan**.⁶

UGANDA

Maize prices recorded a seasonal decrease due to increased supply from the December harvest. Despite the sideways commodity pricing trend over the first quarter, **Uganda** origin maize traded at relatively low pricing. The increased demand of Ugandan-origin maize from **Kenya**, **South Sudan** and the **Democratic Republic of Congo (DRC)** is, however, likely to sustain maize prices in the coming weeks as stocks decline.⁷

Given the prevailing wet weather conditions, maize that is not properly dried and stored, increases the risk of aflatoxin. There have been repeated reports and incidences of aflatoxin contamination in Ugandan-origin maize over the years. However, there are unified efforts to combat the pervasive threat of aflatoxin contamination in Uganda's food and feed supply which has seen Uganda maize quality improve, and which has also had a positive impact on prices.

FIG 1. MONTHLY PRICE TRENDS – MAIZE AND MIXED BEANS



SOURCE: UGCO Procurement Market intelligence reporting

A poor start to the March to May rains has delayed planting in most areas and is anticipated to delay the bimodal harvests. Nevertheless, forecasts point to above-average rainfall, which will likely extend into June.⁸ Despite the early-season rainfall deficits, the national first season cereal production is anticipated to be average, with the harvest likely to be delayed to late June/July.

RWANDA

Maize prices have been sideways. Season A harvest volume is expected to be able to supply the country for the next 3-4 months with imports likely to resume in July. Commodity Insight provides price indications in Kigali at USD 206/MT. However, the WFP country office indicates higher offerings from suppliers at approximately USD 434/MT.

BURUNDI

Thanks to stocks from Season A harvests, food prices continued to stabilize in March 2024, except for beans, which recorded a 10 percent increase compared to January.

The near-average harvests stabilized food prices compared to last year, at prices 5 percent lower for

rice, cassava and sweet potatoes and 10 percent lower for beans and maize. Despite the reduced prices over the first quarter, food prices remain 25 to 45 percent above the five-year average. This has been driven by the increased cost of imported food due to elevated national inflation, increased expenses for agricultural inputs, and elevated fuel and transportation costs.

Despite increased availability of fertilizers, below-average rainfall between February and March 2024 delayed sowing activities in around 10 percent of areas reserved for Season B.

SOUTH SUDAN

Prices of maize and sorghum surged to record levels in March 2024 following a sharp depreciation of the national currency due to a reduction in oil exports caused by disruptions in oil shipments via the Red Sea and a damage in the pipelines through Sudan.

In addition, prices of cassava, groundnuts and imported wheat flour, important staples in the local diet, also sharply increased in March (up 32, 41 and 57 percent, respectively).

Underlying factors for the high food prices are insufficient supplies (due to low local production) and the continuously difficult macroeconomic

situation (due to low foreign currency reserves and a weak national currency).⁹

SUDAN

National cereal production for the 2023/24 marketing year is estimated at 4.1M tonnes – that is 46 percent below the output of the previous year, with sorghum output estimated at about 3M tones (42 percent lower than the level of the previous year and 34 percent below the average of the previous five years).¹⁰

Greater Darfur and Greater Kordofan recorded the highest decline in production, which was mainly due to the impact of the ongoing conflict on agricultural operations and the limited availability and high prices of agricultural inputs. In addition, erratic spatial and temporal distribution of seasonal rains, with prolonged dry spells in southeastern key-producing areas, affected yields and contributed to reduced crop production.

Above-average rainfall in western Sudan benefited crop development and prevented further constraints in the Darfurs. With cereal food use estimated at 7.3 million tons, the cereal import requirements for 2024 are forecast at 3.38 million tons (including 2.44 million tons of wheat, 662 000 tons of sorghum and smaller amounts of rice, millet and maize.)

TABLE 2: THE SUDAN - NATIONAL CEREAL SUPPLY/DEMAND BALANCE, JANUARY-DECEMBER 2024 ('000 TONNES)

	Sorghum	Millet	Maize	Wheat	Rice	Total
Availability	3 329.14	683.54	6.00	387.90	22.15	4 428.73
Production	3 054.79	683.54	6.00	377.90	22.15	4 144.38
Food assistance	0.00	0.00	0.00	0.00	0.00	0.00
Opening stocks (SRCo)	48.35	0.00	0.00	10.00	0.00	58.35
Opening stocks (private)	226.00	0.00	0.00	0.00	0.00	226.00
Total utilization	3 990.78	835.90	49.43	2 830.84	97.82	7 804.78
Food use	3 614.30	771.05	48.19	2 795.06	96.38	7 324.99
Feed use	152.74	13.67	0.00	0.00	0.00	166.41
Seed requirements	71.00	17.00	1.00	32.00	1.00	122.00
Post-harvest losses and other uses	152.74	34.18	0.24	3.78	0.44	191.38
Estimated import requirements	661.64	152.36	43.43	2 442.94	75.67	3 376.04

Note: Totals and percentages computed from unrounded data.

Source: Authors' own elaboration based on the data collected during the 2023 FAO Crop and Food Supply Assessment Mission (CFSAM) to the Republic of the Sudan, 2024.

3. Weak Currencies Impacting on Costs of Essential Commodities¹¹

Local currencies across Eastern Africa continued to depreciate against the U.S. dollar (USD) in the first quarter of 2024.

TABLE 3: TRENDS IN EXCHANGE RATES

Country	Currency	Type	Mar-24	m-o-m	y-o-y
Burundi	BIF/USD	Official	2,892	-0.1%	-27.5%
		Parallel	5,500	-9.1%	-23.6%
Djibouti	DJF/USD	Official	178	0.0%	0.0%
Ethiopia	ETB/USD	Official			
		Parallel			
Kenya	KES/USD	Official	136	11.4%	-4.5%
Rwanda	RWF/USD	Official	1,273	-0.8%	-14.7%
Somalia	SOS/USD	Official			
	SLS/USD	Official			
South Sudan	SSP/USD	Reference	1,582	-23.0%	-49.0%
		Parallel	1,745	-26.2%	-52.4%
Sudan	SDG/USD	Official	1,128	-7.4%	-47.0%
		Parallel	1,260	-3.2%	-52.1%
Uganda	UGX/USD	Official	3,889	-0.4%	-3.9%

SOURCE: National Central Banks and WFP COs

The **Sudanese Pound** (SDG) continued to depreciate both in the official and parallel markets. As of March 2024, 1 USD traded at 1,128 and 1,260 SDG, respectively – meaning the currency lost more than 47 and 52 percent of its value in the official and the parallel markets compared to March 2023.

South Sudan's economy – which is heavily reliant on oil production (responsible for 90 percent of the country's revenue and nearly all of its exports)¹² has been significantly affected by the conflicts in **Sudan** and in the Red Sea – the main export routes. The country recorded a high depreciation of its local currency, with reference rate in Juba at 1 USD /1,553 SSP and the parallel rate at 1 USD/1,745 SSP – which corresponds to a loss of approximately 50 percent of their value. Following a rupture in one of its oil pipelines to international markets in **Sudan's** Blue Nile State, revenue inflows from the oil sectors are at risk, which is likely to accelerate the depreciation of **South Sudan's** currency in the upcoming months.¹³ Macroeconomic instability,

currency depreciation and rising fuel prices which might lead to a further increase in food prices and costs of living, that, in turn, might jeopardize the stability of the country.

With macroeconomic indicators (such as trade deficit, external debt, foreign currency reserves, and loans) persisting at critical levels, the **Burundi** Franc (BIF) also recorded a significant y-o-y depreciation both on the official and parallel market (down 28 and 24 percent, respectively, between March 2023 and 2024). In addition, the parallel rate in March 2024 was almost double the official rate. As traders are increasingly relying on the parallel market to import goods, prices of imported key food and non-food items are likely to surge.¹⁴

Fragile macroeconomic conditions are affecting the cost of living across Eastern Africa, which remains high despite recording a declining trend in the first quarter of 2024. As of March 2024, the annual inflation rate across the region was, on average, 8.3 percent.¹⁵ **Ethiopia** continued to record double digit annual inflation (26.2 percent). Due to the conflict, inflation rates for **Sudan** have not been issued since February 2023; however, inflation is estimated to have reached 500 percent considering the surge in prices for goods and services.¹⁶ Latest annual inflation data for **Djibouti** (Jan 2024) show that prices are 4.6 percent higher than January 2023 – the highest inflation rate recorded since December 2022. The increase in general price level is mainly due to an increase in food inflation and housing and utilities (up 6.6 and 3.7 percent, respectively compared with January 2023).¹⁷

TABLE 4: TRENDS IN ANNUAL AND FOOD INFLATION RATES

Country	Annual Inflation		Food Inflation	
	Mar-24	Mar 24/23	Mar-24	Mar 24/23
Burundi				
Djibouti				
Ethiopia	26.2%		29.0%	
Kenya	5.7%		5.8%	
Rwanda	0.6%		-4.1%	
Somalia	5.9%		-2.0%	
South Sudan				
Sudan				
Uganda	3.3%		-0.5%	
RBN	8.3%		5.6%	

SOURCE: National Bureaux of Statistics

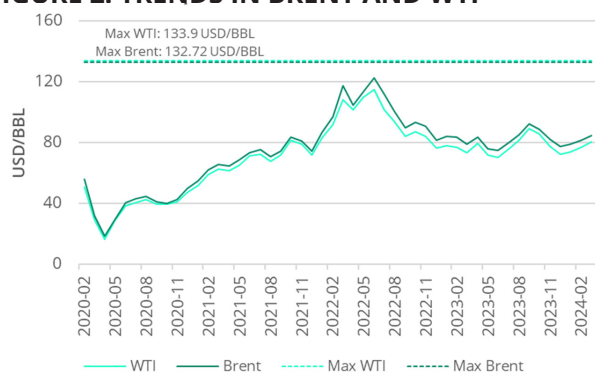
Food prices declined but remained high across Eastern Africa, with average food inflation at 5.6 percent in March 2024.¹⁸ **Ethiopia** continued to record double-digit food inflation (29 percent as of March 2024).

In **Burundi**, annual inflation and food inflation as of February 2024 (latest available) were still at double digit (17.8 and 17.6 percent, respectively).

4. Uptick in Global Oil Prices Raising Concerns of Further Increase in Pump Prices

Global oil prices recorded an upward trend in the first three months of 2024. In March, the average spot price for Brent crude oil stood at USD/bbl 85 (up 10 percent compared to December 2023); while Western Texas Intermediate (WTI) increased by 12 percent in the same reference period reaching USD/bbl 80 in March. The persisting increase in global oil prices observed in the first quarter is mainly due to heightened geopolitical tensions, particularly stemming from attacks on commercial ships in the Red Sea shipping channel, along with general regional instability in the Middle East. Furthermore, the recent extension of voluntary production cuts by OPEC+ members further fueled upward price pressure.

FIGURE 2: TRENDS IN BRENT AND WTI



SOURCE: OPEC

At the local level, average pump prices remained high in the first quarter of 2024 with petrol prices

across the region averaging at USD 1.5/L as of March 2024 – corresponding to a y-o-y increase of 48.2 percent.¹⁹

In **Sudan** and **South Sudan**, average pump prices more than doubled between March 2023 and March 2024 (up 178.1 and 109.1 percent, respectively), which reflects the exchange rate depreciation and reduced fuel availability. **Ethiopia** also recorded a sharp y-o-y increase in average pump prices (up 26.7 percent between March 2023 and March 2024) following the removal of subsidies.

TABLE 5: PETROL PRICES PER LITRE (LOCAL CURRENCIES AND USD) AND VARIATIONS

Country	Petrol price		Variations	
	USD/L	LCU/L	m-o-m	y-o-y
	Mar-24	Mar-24	Mar-24	Mar-23
Burundi	1.2	6,343.4	▼ -5.0%	■ -0.5%
Djibouti				
Ethiopia		77.7	■ 0.0%	▲ 26.7%
Kenya	1.5	199.8	▼ -3.5%	▲ 11.0%
Rwanda	1.3	1,637.0	■ 0.0%	▲ 6.0%
Somalia (SoS)				
South Sudan	2.1	3,750.0	▲ 11.7%	▲ 109.1%
Sudan	1.8	2,210.8	▲ 2.1%	▲ 178.1%
Uganda	1.4	5,435.0	■ -0.6%	▲ 7.1%
RBN	1.5		■ 0.7%	▲ 48.2%

SOURCE: National Bureaux of Statistics and WFP COs

5. Macroeconomic Instability and the Fallout from the Conflict in Sudan Continues to Impact Access to Food in Sudan and South Sudan²⁰

As of March 2024, the average per capita monthly price of a local food basket reached USD 13.6. It was relatively stable compared to February 2024 (up 3 percent); however, it was 22.9 percent higher than the average cost in March 2023. Compared to a year ago, the cost of a local food basket more than doubled in **Sudan** and went up by almost 90 percent in **South Sudan**. In addition, **Sudan** and **South Sudan** continued to record the most expensive food baskets in the region (USD 21.9 and 15.4, respectively).

The fallout of conflict continues to exert upward pressure on food prices in **Sudan**. The country is facing a food deficit as the national cereal output for the current marketing year is estimated to be 46 percent below compared to the previous season. In addition, trade disruptions are contributing to declines in food availability which, coupled with increased transport costs, are leading to a surge in prices of essential food commodities.²¹ Despite recording an overall m-o-m stability, prices of the components of the food basket have surged

compared to a year ago. Prices of sorghum almost doubled between March 2023 and March 2024; whilst price of imported goods such as vegetable oil increased by 88 percent in the same reference period. Milk prices in March 2024 remained significantly higher than levels recorded a year ago (up 64.7 percent).

TABLE 6. TRENDS IN THE MONTHLY PER CAPITA COST OF THE FOOD BASKET

Country	Mar-24		Variations	
	LCU	USD	m-o-m	y-o-y
Burundi	37,277	6.8	-1.3%	-9.9%
Djibouti				
Ethiopia	1,545		6.6%	25.9%
Kenya	2,236	16.4	1.1%	6.5%
Rwanda	7,916	6.2	0.9%	-44.8%
Somalia				
South Sudan	26,822	15.4	18.8%	89.3%
Sudan	27,531	21.9	-0.3%	109.4%
Uganda	57,184	14.7	-4.9%	-16.3%
RBN		13.6	3.0%	22.9%

SOURCE: Source: WFP COs



WFP/Arete/Siegfried Modola

Despite the 11.5 percent increase in cereal outputs compared to a year ago following improved access to land,²² macroeconomic instability and the depreciation of the SSP combined with higher fuel and transport costs have led to a surge of food prices in **South Sudan**, both on m-o-m and y-o-y basis. As of March 2024, sorghum prices increased by almost 20 percent compared to February 2024 and almost doubled compared to March 2023. Similarly, vegetable oil prices increased prices by 22.4 percent m-o-m and went up by 88 percent y-o-y. Beans prices also surged (up 12.8 percent

m-o-m and up 88.8 percent y-o-y).

Elsewhere in the region, prices of cereals recorded m-o-m and y-o-y declines, except for **Ethiopia** where wheat prices increased by 32.4 percent compared to a year ago. Despite the gradual decline in staple commodity prices, beans prices in **Kenya** were still 26.2 percent higher compared to March 2024 due to high local demand and transportation and marketing costs.²³

TABLE 7. TRENDS IN SELECTED COMPONENTS OF LOCAL FOOD BASKET

Country	Cereals		Vegetable oil		Beans		Milk	
	Mar/Feb 2024	Mar 2024/2023	Mar/Feb 2024	Mar 2024/2023	Mar/Feb 2024	Mar 2024/2023	Mar/Feb 2024	Mar 2024/2023
Burundi	-2.3%	-8.2%	1.6%	6.0%	-1.1%	-22.1%		
Djibouti								
Ethiopia	-2.5%	32.4%	-5.5%	-7.5%		-1.6%		
Kenya	-7.0%	-13.3%	0.4%	-1.3%	1.0%	26.2%		
Rwanda	-3.7%	-44.1%	2.6%	-11.3%	9.0%	-60.6%		
Somalia								
South Sudan	19.9%	93.4%	22.4%	71.5%	12.8%	88.8%		
Sudan	-0.2%	93.0%	4.7%	88.0%			-3.7%	64.7%
Uganda	-0.6%	-41.3%	1.9%	-12.2%	-0.5%	-10.9%	-3.7%	-3.7%
RBN	0.5%	16.0%	4.0%	19.0%	4.2%	3.3%		

SOURCE: WFP COS



WFP/Michael Tewelde

6. Cereal prices continue to remain considerably higher than average²⁴

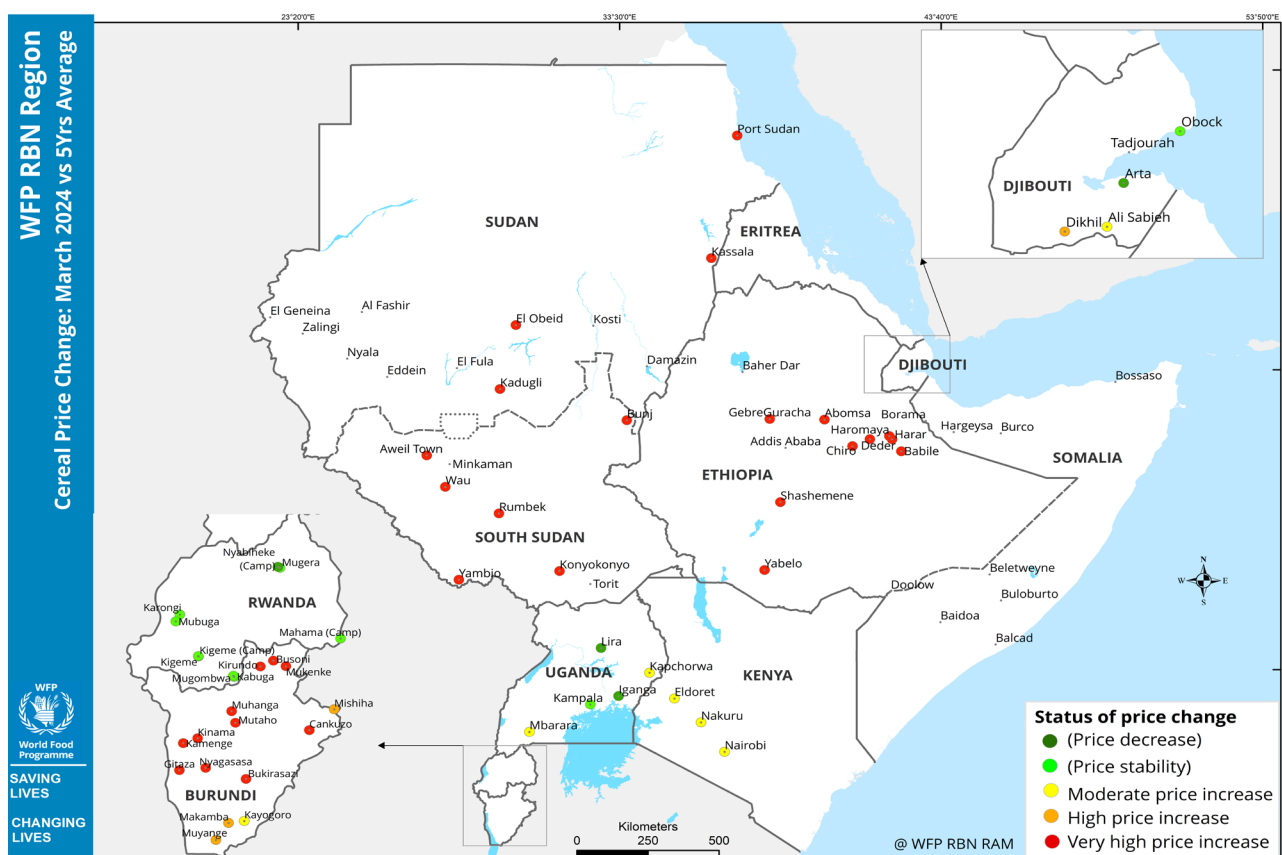
As Map 1 shows, March 2024 cereal prices recorded in WFP monitored markets recorded mixed trends against their respective five-year averages.

Cereal market prices in **Burundi, Ethiopia, South Sudan, and Sudan** were 50 percent higher than the average recorded in the past five years (very high price increase). Monitored markets in **Kenya** saw a moderate price increase (from 11 to 30

percent compared to the average price recorded in the past five years).

Price stability was observed in monitored markets in **Rwanda, Uganda, and most monitored markets in Djibouti**.

MAP 1: CEREAL PRICE CHANGE: DECEMBER 2023 VS. 5-YR AVERAGE



SOURCE: WFP COS

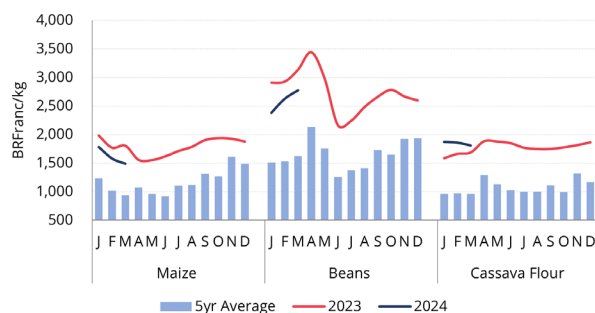
7. Country Updates

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 2024 monthly price trends of main staple foods consumed are compared against the five-year average.

BURUNDI

During the first quarter, maize and dry beans prices trended seasonably below previous year levels while remaining higher than the long-term average across most markets in the country. The national average price of maize exhibited declining trends over the reference period, trading between 1491-1783 BRF per kg, at least 11 percent below year earlier levels. Dry beans price increased seasonably while retailing 10-18 percent below previous year levels. On the other hand, cassava flour prices remained stable at high levels compared to a year earlier and the long-term average. Macro-economic challenges, the high cost of production and transport continue to negatively impact food prices. Nevertheless, food price stability recorded in recent months, though still at high levels, can be attributed to good harvests in recent consecutive seasons which has greatly improved market supply.

FIG 3. BURUNDI - NATIONAL AVERAGE OF KEY STAPLES



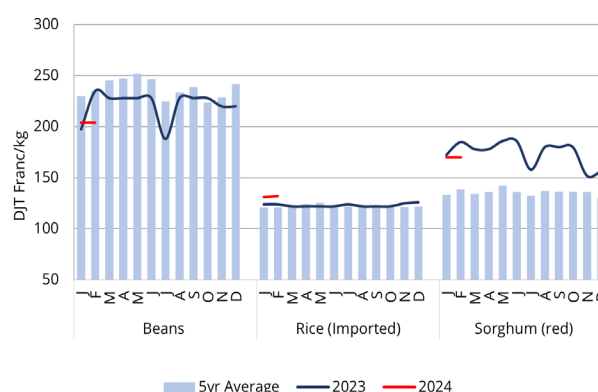
SOURCE: WFP CO

DJIBOUTI

Despite high import dependency, food prices in

Djibouti have remained stable over the last few years owing to stable macro-economic conditions. However, at the beginning of 2024, slight price increases for some food commodities were recorded across most reference markets. While rice and sorghum prices slightly firmed up compared to the last quarter, beans price significantly declined retailing 13 percent lower than previous year level. High sorghum prices could be linked to reduced supply from neighbouring Ethiopia due to low harvests in recent season. Prices of wheat flour and other food commodities such as pasta and vegetable oil imported from international markets remained fairly stable during the first quarter despite anticipation that the Red Sea crisis would have negative implications on availability and pricing.

FIG 4. DJIBOUTI - NATIONAL AVERAGE PRICE OF KEY STAPLES



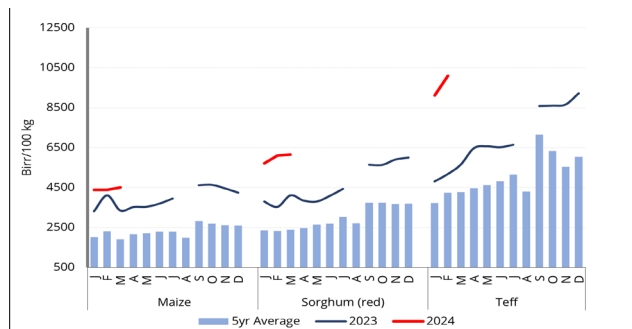
SOURCE: WFP CO

ETHIOPIA

Staple cereal prices remained high through the first quarter of 2024 due to combined effects of macro-economic challenges, localized conflict disrupting trade flows and below-average Meher harvests in parts of the country due to El-Niño. Maize and sorghum prices exhibited increasing trends in most WFP monitored markets between January and March, which could be linked to reduced availability due to low seasonal Meher harvests. The national average maize prices

ranged between 4,394-4,505 Birr per 100kgs, 35 percent higher than year earlier levels and more than double the long-term average with significant variations across markets. Similarly, the national average price of sorghum and teff also increased over the period, retailing at least 50 percent higher than the same time last year.

FIG 5. ETHIOPIA - NATIONAL AVERAGE PRICE OF KEY STAPLES

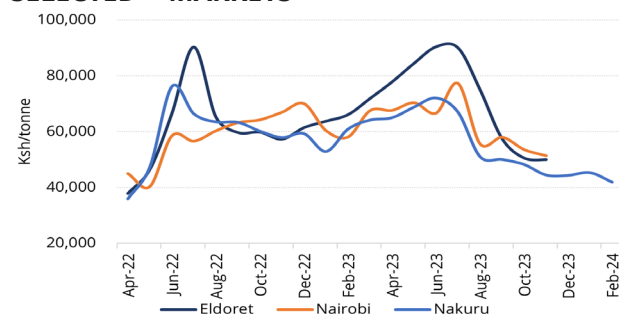


SOURCE: WFP CO

KENYA

The first quarter saw a decrease in maize prices in both the major producing regions (Western and Rift Valley) and bimodal Eastern and Northern Kenya due to improved availabilities from the above-average seasonal harvests. The price of maize at wholesale as of February was still higher than the long-term average, although it was almost 30% lower than year earlier level. While exhibiting declining trends in the first quarter in most ASAL counties, maize prices were still far higher than long-term average levels. Supply from other parts of the country helped improve market availability in ASAL counties hence easing the commodity's price.

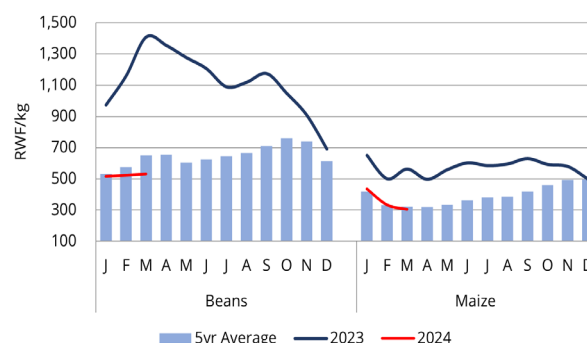
FIG 6. KENYA - WHOLESALE MAIZE PRICES IN SELECTED MARKETS



RWANDA

Staple cereal prices eased in most parts of the country during the first quarter of 2024, retailing significantly below previous year levels. The national average price of maize exhibited declining trends over the reference period, The latest price recorded in March at 305 RWK per kg, 46 and 8 percent below year earlier and long-term average levels. Similarly, the dry beans price declined atypically trading 47-62 percent below previous year levels throughout the first quarter. Low maize and beans prices are primarily supported by improved market supply from recent season A harvests against the backdrop of low demand from neighbouring countries. On the contrary, other food commodities such as Irish potatoes, rice and beef prices recorded increasing trends over the same period with the latest average price levels recorded in March at 33-54 percent above previous year levels.

FIG 7. RWANDA - AVERAGE PRICE OF KEY STAPLES



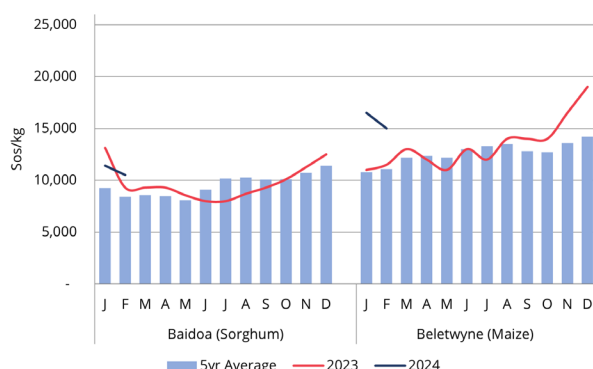
SOURCE: WFP CO

SOMALIA

Cereal prices exhibited mixed trends across markets in Somalia during the first quarter, declining in most markets while either slightly increasing or remaining stable in others. In the Baidoa market, the sorghum price has been on a declining trend since late 2023, and by February, the retail price was down to 10,500 SoS per kg, 13 and 25 percent above a year earlier and 5-year average levels, respectively. Similarly, maize prices declined in Beledweyne from 19,000 SoS per kg

in December 2023 to 15,000 in February, 35 percent above the long-term average. The easing of both sorghum and maize prices during the first quarter could be attributed to improved market supply following improved harvests in recent seasons as the country continues to recover from the recent drought. The price of imported rice remained stable in most markets while slightly increasing in a few.

FIG 8. SOMALIA – PRICE OF KEY STAPLES IN SELECTED MARKETS

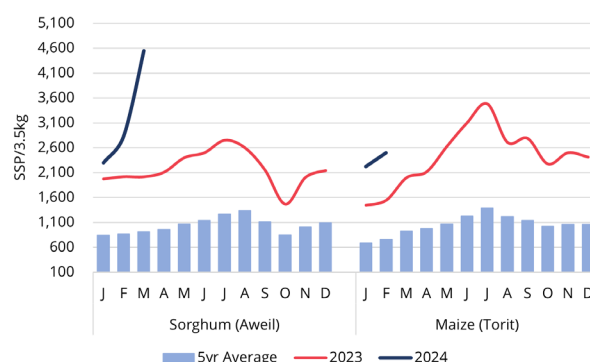


SOURCE: WFP CO

SOUTH SUDAN

Deteriorating macro-economic conditions characterized by high exchange rates and hyperinflation is greatly undermining trade and households' purchasing power. Food prices continued to soar through the first quarter of 2024 in most parts of the country with staples prices at more than triple the long-term average and nearly double previous year levels. The national average price of white sorghum and maize exhibited increasing trends, retailing 39-93 percent above year-earlier levels during quarter one, with very sharp price spikes recorded in some markets in March. For instance, in Aweil market the price of sorghum recorded a m-o-m increase of 60 percent in March retailing 4,545 SSP per 3.5kgs. Despite ample supply availabilities in neighbouring countries, the macro-economic challenges, high transport cost, and localized conflict continue to undermine trade pushing food prices up across the country.

FIG 9. SOUTH SUDAN – PRICE OF KEY STAPLES IN SELECTED MARKETS



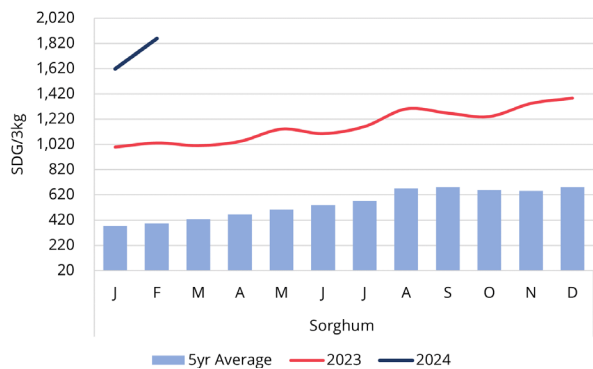
SOURCE: WFP CO

SUDAN

Food prices in Sudan have skyrocketed over the last few years primarily driven by the deteriorating macro-economic conditions now exacerbated by the ongoing war which has lasted more than a year. The national average price of sorghum has since hit historic level retailing at 1,859 SDG per 3kgs as of February, 80 percent above year earlier level and nearly 400 percent above the five-year average. South Kordofan and West Kordofan states recorded the highest sorghum prices out of the monitored states. A similar price trend was observed for wheat flour which was retailing on average at 86 percent higher than February 2023. High food prices across the country are linked to deteriorating macro-economic conditions, below-average production, high production costs and supply chain disruptions due to the ongoing war. The high food prices are eroding purchasing power thereby worsening household food security outcomes.

Disrupted livelihoods in the backdrop of high food prices continue to undermine food access for millions of households.

FIG 10. SUDAN – NATIONAL AVERAGE PRICE OF SORGHUM



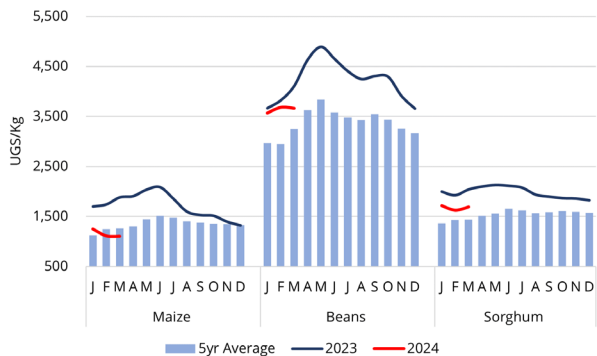
SOURCE: WFP CO

UGANDA

During the first quarter, staple cereal prices trended seasonably below year earlier levels. The national average maize retail price ranged between 1,106-1,250 UGS per kg, with latest price 41 percent and 13 percent below year-earlier and long-term average levels, respectively. Mixed trends were, however, observed across markets, declining in most markets while firming up in a few. Similar declining trends were observed for sorghum over the same reference period with

latest prices recorded in March 17 percent lower than same time past year. On the contrary, beans price increased seasonably during the period under review though remained below year-earlier levels. Stable and low cereal prices are mainly linked to increased local availabilities from recent seasonal harvests against low regional demand.

FIG 11. UGANDA – NATIONAL AVERAGE PRICE OF KEY STAPLES



SOURCE: WFP CO



WFP/Arete/Ismail Taxta

8. Market and Trade Outlook May-July 2024

DJIBOUTI

As an import dependent country, tension around the Red Sea region presents risks that may have negative implications on availability and pricing (particularly for commodities imported from the international markets). The price of sorghum (mainly imported from Ethiopia) is expected to remain high due to reduced availabilities following below-average Meher harvests in Ethiopia.

ETHIOPIA

Prevailing poor macro-economic conditions, localized conflict and below-average harvests in the recent seasons are likely to keep prices up over the coming months in most parts of the country. High food prices against the backdrop of eroded livelihoods will continue to negatively impact food security outcomes (worse in conflict-affected regions).

KENYA

Recent good harvests in Kenya and its neighbouring Uganda and Tanzania have greatly improved maize supply helping ease local prices. Due to low demand since most households have supplies, maize prices are expected to remain low in the most markets over the next few months. However, logistical difficulties and high transportation costs might keep commodity's price high in ASAL counties.

RWANDA AND BURUNDI

Good season A harvests (which accounts for approximately 60 percent of annual staple production) greatly improved supply during the first quarter helping ease prices in local markets. Maize and beans prices are expected to remain low over the new few months due to ample availability against reduced regional demand. Prices of other food commodities are expected to remain high given high production and transport costs.

SOMALIA

As the country continues to recover from the recent drought, local cereal prices exhibited declining trends in most markets during 2024 Q1. Forecasts indicate the possibility of average- to above-average rainfall during the Gu season which would continue to improve agricultural recovery.²⁵ Food prices are therefore likely to remain stable over the next few months in most parts of the country.

SOUTH SUDAN

Food prices are likely to remain extremely high across the country, compounded by the effects of deteriorating macro-economic conditions. The high exchange rates and inflation are eroding households' purchasing power while limiting trade which directly impacts on availability and pricing. Insecurity in some parts of the country also likely to continue to inflate food prices.

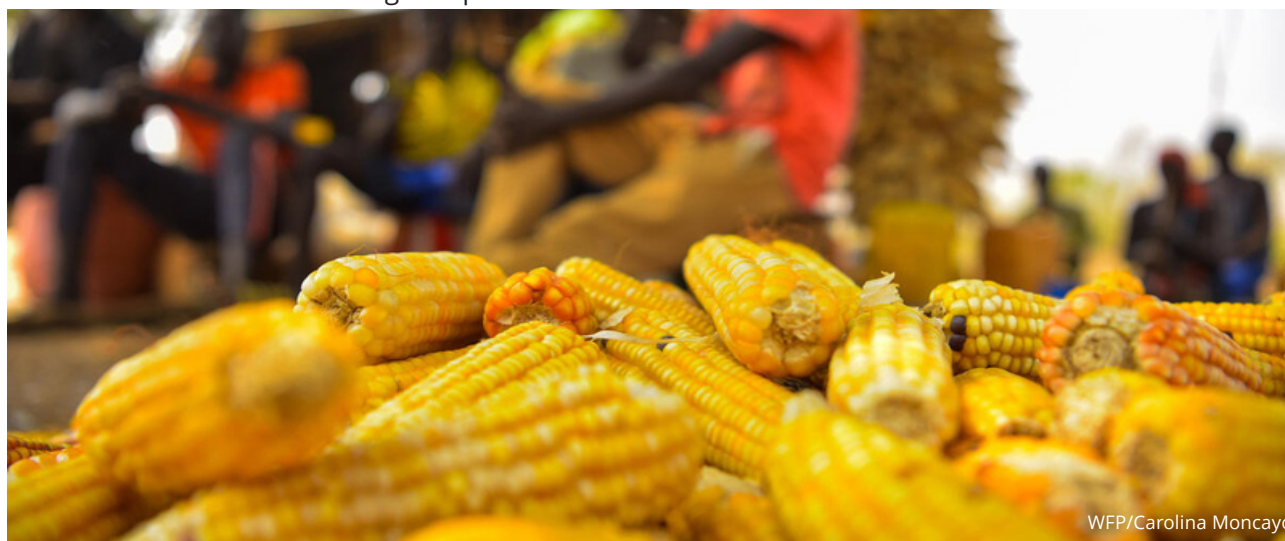
SUDAN

The ongoing conflict is exacerbating macroeconomic challenges that are adversely affecting food production and supply nationwide, pushing food prices to unprecedented levels. Logistical challenges due to insecurity combined with macro-economic fallout are likely to keep prices up over the coming months. Generally, food prices have recorded upward trends in most parts of the country. Rapid currency depreciation is negatively impacting on imported commodities' prices while ongoing conflict has negatively impacted local production leading to forecasted below average harvests. Reduced local availability, high exchange rates and conflict-related supply chain challenges will likely continue to negatively impact food prices in the short and medium term.

UGANDA

Good harvests in recent season with low regional demand for maize has helped ease prices in local

markets. Food prices are likely to remain below the previous year levels, however slight price increases in staple cereals are expected over the next few months before the next seasonal harvests as household stocks get depleted.



WFP/Carolina Moncayo

1 The regional average does not include Burundi and Djibouti, South Sudan and Sudan as the respective National Bureaux of Statistics have not released inflation rates for March 2024. The regional average might change once data is available.

2 The regional average does not include Djibouti and Somalia as data was not available at the time of the production of this report.

3 February 2024 data.

4 This section is based on FAO Food Price Index, Food Price Monitoring and Analysis, and International Grains Council (IGC). Reuters.

5 Oil surges as reports of Israeli strike on Iran oil markets, April 2024.

6 FEWS NET. Global Price Watch, February 2024

7 Commodity Insight Report – April Week 2 Report.

8 FEWS NET. Uganda Key Message Update, March 2024

9 FAO. FPMA Bulletin, April 2024.

10 FAO. 2023 FAO Crop and Food Supply Assessment Mission (CFSAM) to the Republic of Sudan, 19 March 2024.

11 The regional average annual inflation and food inflation does not include Burundi, Djibouti and South Sudan as the respective National Bureaux of Statistics have not released inflation rates for March 2024. Latest inflation data available for Sudan released in February 2023. March 2024 exchange rates for Ethiopia is missing. Average figures might change once data is released.

12 World Bank. Directions for Reform: A Country Economic Memorandum for Recovery and Resilience in South Sudan, 2022

13 Al Jazeera. South Sudan on the brink after oil exports derailed by Sudan's civil war, March 2024.

14 FEWS NET. Below-average rainfall delays the sowing of 2024 Season B crops, March 2024.

15 The regional average does not include Burundi and Djibouti, South Sudan and Sudan as the respective National Bureaux of Statistics/ Central Banks have not released inflation rates for March 2024. The regional average might change once data is available.

16 WFP Sudan. WFP Market Monitor, March 2024.

17 INSTAD. Bulletin de l'Indice des Prix à la Consommation (IPC), Janvier 2024.

18

19 See footnote 13.

At the time of the production of this report March 2024 fuel price data was missing for Djibouti and Somalia and exchange rates were missing for Ethiopia. Average figures might change once data is released.

20 At the time of the production of this report March 2024 food price data was missing for Djibouti and Somalia and exchange rates were missing for Ethiopia. Average figures might change once data is released.

21 IPC. IPC Alert: SUDAN, March 2024.

22 FAO, FAO. Crop and Food Security Assessment Mission, March 2024.

23 FEWS NET. Kenya - Key Message Update, March 2024.

24 No data for March 2024 in markets located in Darfur, Sudan and Somalia. Data displayed on the map for Djibouti and Kenya refer to February 2024.

25 FEWSNET, <https://fewsn.net/east-africa/somalia>

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