



RATIN

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Trade Intelligence Network

a service of
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EAGC-RATIN MARKET ANALYSIS REPORT FOR FEBRUARY 06 - 11, 2012

This report presents and analyses Market activities across the East Africa (EAC) region's selected main grain markets for the period of February 06-11, 2012. The monitoring was carried out by Eastern Africa Grain Council (EAGC) market and border monitors based in all the five EAC countries on a daily basis. The monitors collect and transmit to RATIN, wholesale prices of maize, beans

(rosecoco), rice, wheat, sorghum and millet and factors that trigger price changes of such commodities.

This is a service of EAGC primarily to its members and other interested stakeholders. The full market data of the daily market prices is available in www.ratin.net.

KEY HIGHLIGHTS

Food security situation and food availability continue to improve in most areas in the region. This is attributed to the harvests currently on going in various countries.

located away from the producing areas still record higher prices than the markets near growing areas. The non uniformity is attributed to high marketing costs such as poor road condition and high fuel prices.

The prices of most locally produced staple commodities; maize, beans and sorghum continue to reduce in most markets, the reduction in prices are mostly as a result of replenished stocks in most markets from the harvests. However, this reduction in price in the markets has not been uniform across the region as markets

The prices of rice and wheat on the other hand rose significantly in all the markets with most price increase recorded in Kenya and Uganda.

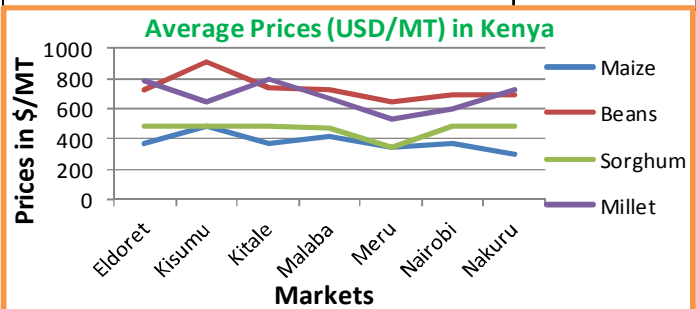
REGIONAL MARKET ANALYSIS

KENYA

Harvests continue in most parts of the country leading to significant decline in prices of maize and beans.

	Eldoret	Kisumu	Kitale	Malaba	Meru	Nairobi	Nakuru
Maize	375	482	375	415	348	375	295
Beans	723	910	736	723	643	696	696
Sorghum	482	482	482	469	348	482	482
Millet	790	643	803	669	535	602	723

SOURCE:RATIN



Maize; As maize harvests continue, notable price changes were recorded in Meru, Nairobi and Nakuru where average maize prices dropped from last week's prices of \$ 366, 392 and 373 per Metric ton to this week's prices of 348, 375 and 295 per Metric ton, representing 5%, 4% and 21% fall in prices respectively. In other Kenyan markets, the price variations from last week were minimal.

Beans; Prices remained relatively stable through out the week with slight price increase from last week's average prices. Beans recorded a 2% price increase in Eldoret, Kisumu and Malaba markets and a 2% drop in Meru. These changes are attributable to the increase in demand of beans in the country as most households have the ability to purchase more.

Rice; The supply has been declining for more than 2 consecutive months. This has led to an increase in price as demand remains high in most markets especially in urban markets where rice is a staple food in most households.

Wheat; With wheat harvest ended, most markets continue to register low supply and the prices are steadily rising due to increased demand from the millers. The rise in demand is expected continue up to the next harvest.

Sorghum; The prices registered a 2% increase in all the markets except Meru and Nairobi where there were slight price reductions. The increase in prices of sorghum in most markets is as a result of the depletion of the stocks from previous harvests with new stock yet to reach the markets. It is only in Meru markets where the prices are already in a downward trend as some markets are receiving sorghum from the new harvests. In Nairobi, the prices of sorghum remain low due low demand as urban lifestyle do not favour sorghum diet.

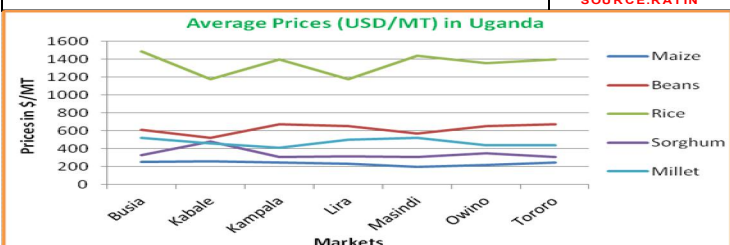
UGANDA

Food security situation in the country continue to improve as more proceeds from the harvest reach the markets. The prices of beans, sorghum and millet continue to decline while maize prices registered an increase in majority of the monitored markets.

The rise in maize prices is partly attributed to the rise in demand from some parts of Kenya, Rwanda and Somalia. It is estimated that about 500 MT of maize cross to Kenya from Uganda on a daily basis throughout the week.

Average Prices (USD/MT) in Uganda for February 06-11, 2012							
	Busia	Kabale	Kampala	Lira	Masindi	Owino	Tororo
Maize	254	263	245	236	197	219	249
Beans	613	525	678	656	569	656	678
Rice	1488	1182	1400	1182	1444	1357	1400
Sorghum	333	481	306	315	306	350	306
Millet	525	460	416	503	525	438	438

SOURCE:RATIN



Maize; With exception of Lira and Masindi, all other markets recorded increase in maize prices. The maximum price variation in regards to last week's prices was registered in Kabale where the average price registered a 16% drop from last week's price of \$ 226 to stand at \$ 263 per Metric ton this week. In Busia and Kisenyi markets, the average price registered a 6% and 5% reduction in price from last week's prices to stand at \$ 254 and 245 per Metric ton respectively.

Rice; The prices of rice have remained stable throughout the week in all the monitored markets. However, the average prices for this week are much higher than those of last week. The lowest average rice prices were recorded in Kabale and Lira Markets at \$ 1182 per Metric in both markets while the highest prices were registered in Busia market where the average price was \$ 1488 a 14% rise in rice average prices.

Beans; Compared to last week, average prices of beans (rosecoco) have reduced in most markets. Lira and Owino registered the highest increase in average prices of 6% from last week's prices of \$ 656 per Metric ton. However, in Kabale and Masindi, beans average prices were 1% higher than last week's average prices of \$ 521 and 564 per Metric ton respectively.

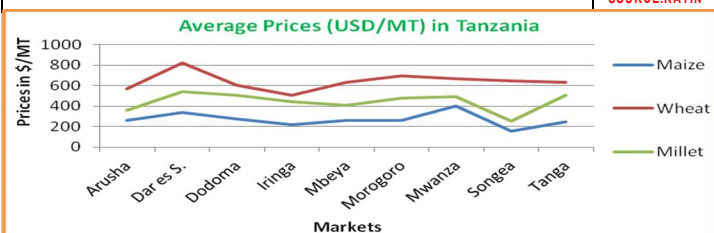
Sorghum and Millet; Sorghum and millet wholesale prices have been relatively stable throughout the week. However, the weekly average prices comparisons indicate a slight decline from last week's prices. Notable price reductions for sorghum were recorded in Kisenyi, Lira, Busia, Masindi and Tororo. Similarly, drop in prices of millet was also recorded in Tororo, Owino, and Kisenyi markets.

TANZANIA

Food security situation across the country improved with more proceeds from harvests reaching most areas. This led to reduction in prices of maize, beans and rice compared to those of last week. The prices however, remained stable throughout the week due to steady supply in the markets.

Average Prices (USD/MT) in Tanzania for February 06-11, 2012									
	Arusha	Dar es S.	Dodoma	Iringa	Mbeya	Morogoro	Mwanza	Songea	Tanga
Maize	260	336	272	215	260	260	399	152	247
Wheat	570	824	602	507	634	697	670	650	634
Millet	361	539	507	444	406	475	494	253	507

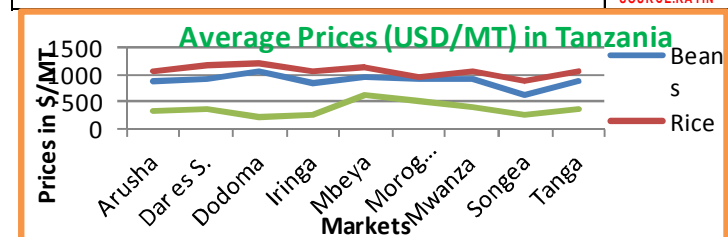
SOURCE:RATIN



Maize prices reduced in main markets but remained fairly constant through the week. Tanga market registered the highest average price reduction of 11% from last week's average price of \$ 279 to trade at \$ 247 per Metric ton this week. In Arusha and Morogoro, the prices registered a 7% drop from last week's price of \$ 279 to trade at \$ 260 per Metric ton this week. However, in Dodoma and Mbeya, the prices remained constant.

Average Prices (USD/MT) in Tanzania for February 06-11, 2012									
	Arusha	Dar es S.	Dodoma	Iringa	Mbeya	Morogoro	Mwanza	Songea	Tanga
Beans	887	919	1046	856	951	919	919	634	887
Rice	1046	1172	1204	1077	1141	951	1077	887	1077
Sorghum	317	349	222	240	607	494	399	241	355

SOURCE:RATIN



Rice; The prices dropped in all the markets except Dodoma, Iringa and Songea where the rice prices remained constant. In Arusha, Dar es Salaam, Mbeya, Mwanza and Morogoro markets, a 3% price increase from last were registered in each of the markets whereas a 6% rise in price was recorded in Tanga market as huge inflow of beans into the markets continue from harvests.

Beans; Prices increased in all the markets with exception of Dodoma, Mbeya and Tanga markets where the prices were similar to those recorded last week. The highest price reduction of 9% was registered in Dar es Salaam market. In Arusha and Iringa markets, there was a 7% drop in price from last week's average prices of 951 and 919 per Metric ton respectively.

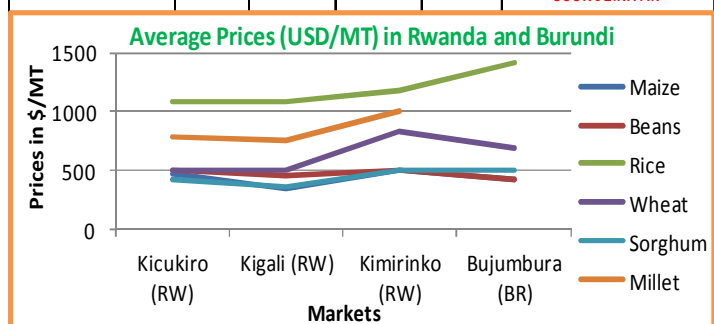
RWANDA AND BURUNDI

Despite the harvests, the two countries still register some of the highest prices of commodities in the region. Marginal price changes are being recorded in maize, beans and sorghum .

The price declines in some markets are however quite small as the demand of maize and beans in neighboring South Sudan continue to increase thereby escalating prices in that are also spilling over to Rwanda and Burundi. This has led to high prices of most staple commodities in the two countries.

Average Prices (USD/MT) in Rwanda and Burundi for February 06-11, 2012						
	Maize	Beans	Rice	Wheat	Sorghum	Millet
Kicukiro (RW)	470	503	1091	508	419	780
Kigali (RW)	352	453	1091	503	369	755
Kimirinko (RW)	503	503	1174	839	503	1007
Bujumbura (BR)	426	426	1410	697	503	

SOURCE:RATIN



CONCLUSION

The decline in locally produced grains may be constrained by expectation of a high volume, active trading but highly competitive markets which may narrow the spread between bids and ask prices. However, the region is expected to remain relatively food secure with stable prices of beans, maize and sorghum following the recent harvests that has ensured good supply.

For wheat and rice, the prices stability will depend on the quantity imports in various countries.

Maize; In Kigali, Rwanda, maize registered a 5% price increase from last week's average price of \$ 336 to 352 per Metric ton this week while in Kicukiro, the price of maize remained constant at \$ 470 per Metric ton. However, in Bujumbura, Burundi, the prices dropped from last week's average price of \$ 486 to 426 per Metric ton this week, a 9% drop as more proceeds from harvests reach the markets.

Beans

The price of beans remained constant at \$ 503 per Metric ton from last week in Kicukiro market but registered 8% increase in Kigali, Rwanda from last week's average price of \$ 419 to trade at \$ 453 per Metric ton this week.

In Bujumbura, Burundi, a 15% drop in price was recorded from last week's price of \$ 503 per Metric ton.

Rice and **wheat** prices slightly increased in Rwanda and Burundi due to declining stocks of the two commodities which mostly demand on the imports of the two products.

**For comments or feedback, contact:
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