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# **RATIN MARKET INTELLIGENCE REPORT**



**20<sup>th</sup> June 2011**

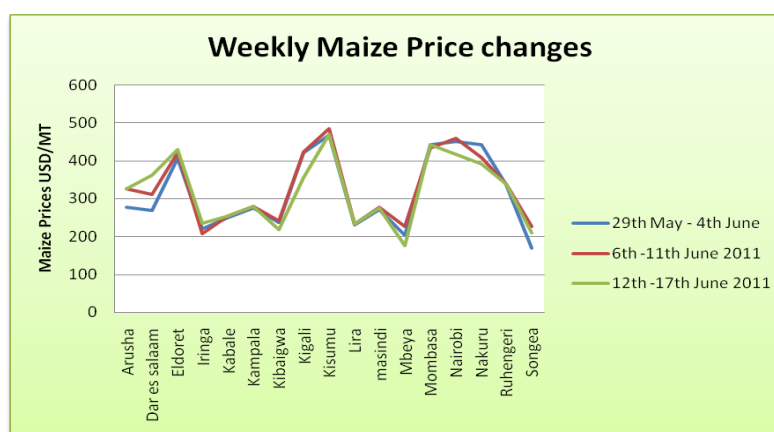
## RATIN Weekly Market Intelligence Bulletin.

Week of 12 Jun - 18 Jun 2011

Maize		Beans		Rice		Sorghum		Millet	
Market	USD/MT	Market	USD/MT	Market	USD/MT	Market	USD/MT	Market	USD/MT
Arusha	278	Arusha	749	Arusha	634	Arusha	318	Arusha	312
Dar es salaam	269	Dar es salaam	818	Dar es salaam	811	Dar es salaam	280	Dar es salaam	437
Eldoret	407	Eldoret	853	Eldoret	817	Eldoret	392	Eldoret	795
Iringa	219	Iringa	749	Iringa	687	Iringa	626	Iringa	624
Kabale	250	Kabale	920	Kabale	1003	Kabale	159	Kabale	460
Kampala	276	Kampala	836	Kampala	940	Kampala	159	Kampala	376
Kibaigwa	237	Kigali	540	Kigali	843	Kigali	422	Kigali	759
Kigali	422	Kisumu	818	Lira	920	Kisumu	454	Kisumu	651
Kisumu	469	Lira	836	Mbeya	749	Lira	150	Lira	376
Lira	230	Masindi	836	Nairobi	907	Masindi	180	Masindi	410
Masindi	272	Mbeya	749	Ruhengeri	1170	Mbeya	406	Mbeya	468
Mbeya	202	Mombasa	781	Songea	624	Mombasa	396	Mombasa	623
Mombasa	443	Nairobi	944			Nairobi	378	Nairobi	554
Nairobi	451	Nakuru	831			Nakuru	402	Nakuru	629
Nakuru	443	Ruhengeri	641			Ruhengeri	455	Ruhengeri	674
Ruhengeri	337	Songea	499			Songea	499	Songea	499
Songea	169								

### Maize.

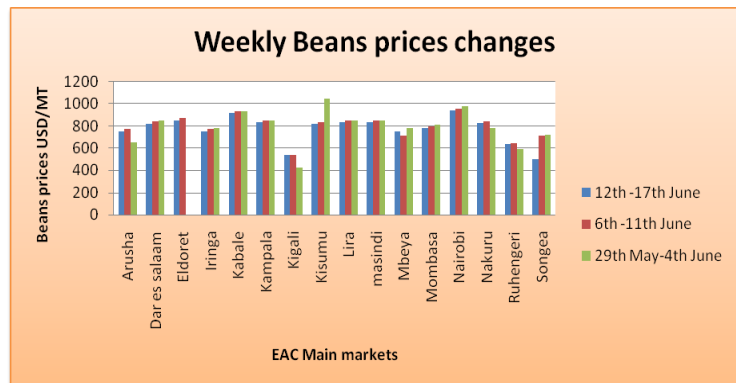
Prices of most commodities remained at the same high level, despite the budget provisions and efforts to cushion against the high food prices presented in most of the EAC Member states last week. However, for Maize, the price reduced in most of the main markets, including Kisumu, which has continuously recorded the highest prices over that last 3 months. The price in Kisumu was USD 469/MT down from last week's price of USD 485/MT. Despite the price reduction in most of the markets, there was a notable high in the price of Maize in Kigali and Mombasa last week. The price of maize in Kigali was USD 423/MT, while in Mombasa it was at USD 443, also a slight increase from last week. In addition, the markets in Kenya still recorded the highest prices in the region, confirming most of the earlier reports that show that Kenya is one of the hardest hit countries by the current rise in food prices in the region and by and large globally. This is also attributed to the fact that Kenya is also a major consumer of Maize in the region, therefore



when prices rise, it means a limitation on most of the food options for most Kenyans whose diet consists mainly of maize products. Tanzania, which would be a major supplier of the crop in the region, still maintains a ban on exports of maize and other cereals, thus interfering with the free flow of the commodity from surplus to deficit areas, a hindrance to cross border trade.

## Beans

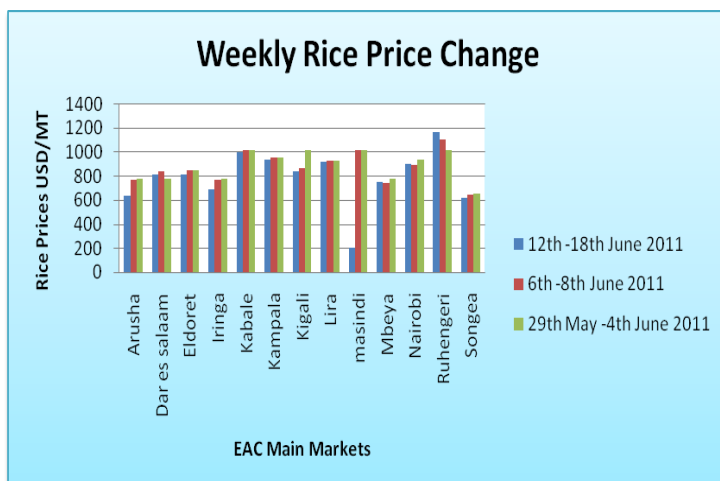
The prices of beans in the main markets in the EAC region greatly reduced over the last Month. Prices have been on the downward trend, giving a sigh of hope for most of the consumers in the region. This highly nutritious protein legume, can be used as a substitute for the main crops in times of food insecurity, like this present times. The highest price change was noted in the Kisumu market, where earlier in the Month, the commodity cost USD 1046/MT, to a current low of USD 818/MT. In all the other markets the same trend continues with slight decrease in the prices. However in Kigali, the prices still continue with the same upward rise as the previous week. The prices of beans in Kigali last week was at USD 540/MT compared to three weeks ago, when the prices was at USD 424/MT. This is a curious scenario, since Kigali, had the lowest prices for beans during the previous month, when the food prices had recorded an almost 200% rise in some of the markets in the region.



Rice prices in the main markets in the EAC region did not change much over the last 3 weeks. Prices remained high in all the markets compared to price recorded same time in 2009. The effects of the rising food prices, continue to interplay in the markets of rice and other staple food commodities. The prices do not seem to burge despite the protests, government strategies, and consumer frustrations. This is also further highlighted by the WFP report that shows that incomes on food items continue to increase especially in Africa. The report shows that by May 2011, Kenyans spent 45% of their income on food purchase compared to 7%, the average used by citizens in the USA to purchase food. This scenario continues for rice and all other commodities. During the week, the highest rice prices were recorded in Ruhengeri at USD 1170/MT, also an increase from

## Rice

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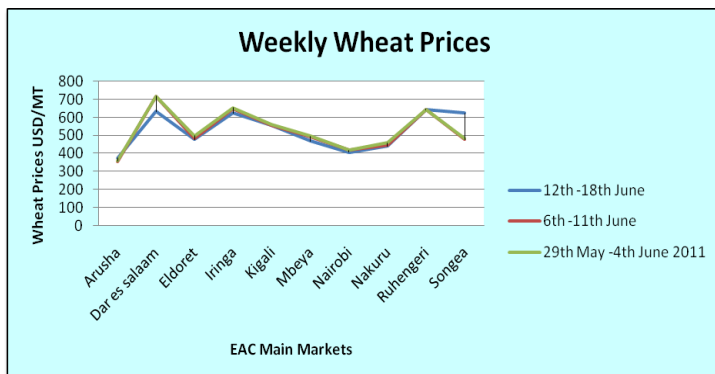


their income on food purchase compared to 7%, the average used by citizens in the USA to purchase food. This scenario continues for rice and all other commodities. During the week, the highest rice prices were recorded in Ruhengeri at USD 1170/MT, also an increase from

the previous week's price of USD 1112/MT. The lowest prices were recorded in Songea and Arusha, which have maintained the same price ranges in the last 3 Months.

## Wheat

Wheat prices in the markets monitored by RATIN also remained high compared to same



period in 2009. The prices are still at the highest price of USD 630/MT, in Songea markets. Trends over the last 3 weeks, show same scenario of high wheat prices mainly in Tanzania, compared to other EAC member states. Kenya recorded an average \$440 for wheat with Eldoret recording some of the

highest prices in the recent past at over \$450 per metric ton. Kenya which produces more wheat compared to the rest of the countries in the region still relies on about 60% imports to meet local demand.

## Millet and Sorghum.

The prices of Sorghum and Millet have maintained a stable state over the last 3 weeks as shown in the diagram below. However trends show a rise in prices of Millet in Eldoret and Kigali over the last weeks perhaps due to changing demand patterns in the face of soaring maize prices. The highest prices recorded in this two markets is at USD 759/MT, compared to the lowest price of millet in Arusha at USD 312/MT.

For Sorghum, the same case applies, with high sorghum prices recorded in Iringa at a price of USD 626/MT, compared to the lowest prices in the region at Lira, Uganda at USD 150/MT. This price differences are very conspicuous, confirming that sometimes food security in the region would be improved if countries were allowed to trade with each other, based on the reports by RATIN that shows, the some countries have surplus commodities in one region, while the neighbouring countries have a deficit in the same commodities, thus the need for intra regional trade. This scenario continues to add to the evidence on the importance of structured trading systems in the East Africa region.

