RATIN

Regional Agricultural Trade Intelligence Network

EASTERN AFRICA GRAIN COUNCIL

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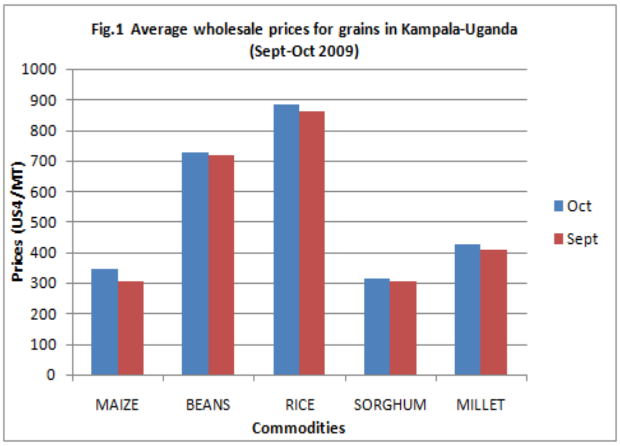
Crops and Markets Update

UGANDA . Second season harvesting is expected to start in November in bimodal areas e.g. Kiboga, Mubende, Kigumba, Luwero, and Busoga regions. This could improve the food insecurity in the areas. However, maize prices have continued to rise and most of the supplies in Kampala market are from Kiboga, Mubende, Kigumba and Lira. Much of this is being consumed internally though. The maize in Busia market which crosses over to Kenya is mainly from Lira. There are areas in Lira with moderate supplies of soya bean too. Yellow beans (from Lira) are also in plenty on the Kampala markets. In the unimodal areas of Karamoja, it's expected that dry conditions will go on probably till March or April next year when rainy season is expected to commence.

All commodity prices in Kampala continued to rise especially the maize prices that increased sharply by 14 percent as the old maize stocks get depleted from traders. Table.1 below shows the average commodity prices during October and variation compared to September 2009.

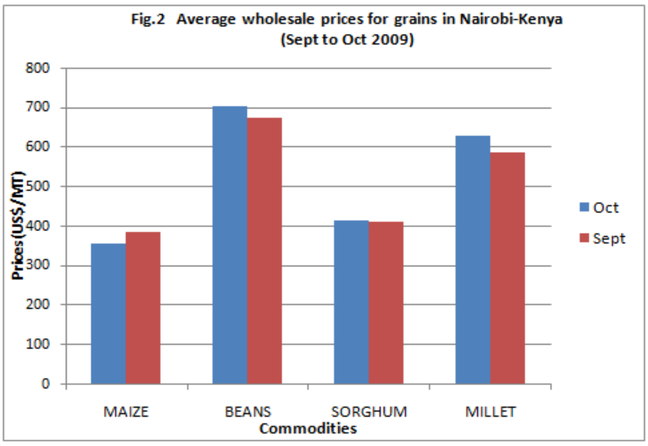


Source: EAGC-RATIN

KENYA. The pace of maize import supplies slowed significantly in the month of October as the main maize harvesting season kick starts in Kenya. The areas that are expected to have a good crops are; Trans Nzoia, Nandi, Lugari, Mt.Elgon and parts of Uasin Gishu and Bungoma. With expected El Nino rains in the months of October to December, post harvest measures are paramount as the heavy rains are bound to affect the harvests especially in Trans Nzoia and Uasin Gishu.

Kenya expects along rains harvest of about 1.8million MT and a short rains harvest of 0.3 million MT to be harvested in March 2010. With a national consumption rate of about 3.2 million MT, it is expected that Kenya will need to import maize more maize to cushion the deficit.

The commodity prices in Nairobi remained high except maize prices that declined by 8 percent to hit a level of US$357/MT in October as a result of the new maize crop. Table.1 shows the average commodity prices during October and variation compared to September 2009.



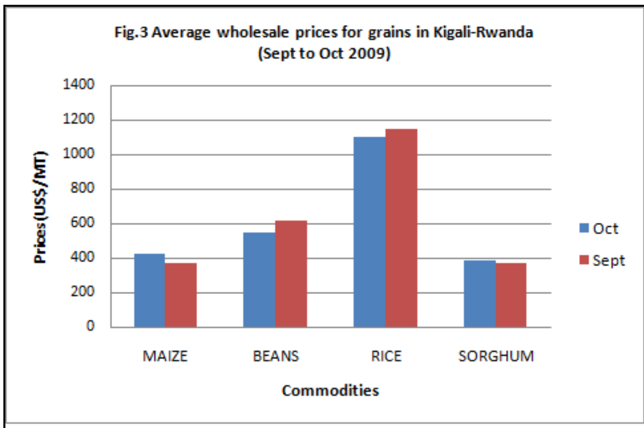
Source: EAGC-RATIN

RWANDA. The climate outlook for October to December 2009 indicates that much of Rwanda is likely to experience above to near normal rainfall. The harvesting of season 2009C crops in Rwanda is underway and the productivity is expected to improve as a result of maize seed distribution by the MINAGRI through the CIP project. The impact of the seed distributions is being assessed and will be released soon. *(source: MINAGRI)*

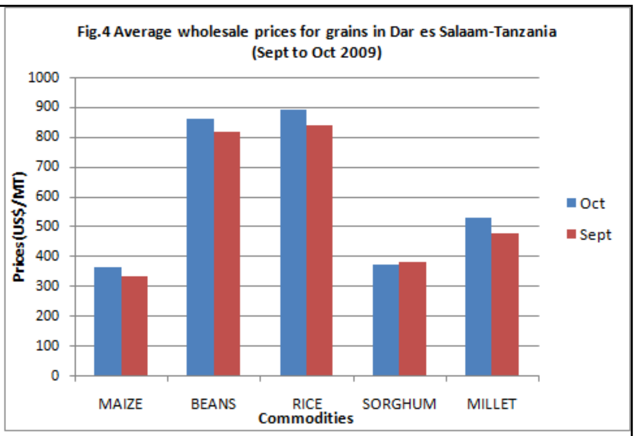
In Kigali City, maize has seen a 15 percent price increase since last month to a mark of US$ 426/ MT. Sorghum prices also went up by 4 percent. The other commodity prices in the market declined as shown in Table.1.

TANZANIA. Land preparation and planting around the Lake Victoria region and southern highlands has been delayed as farmers awaits the long rains with El Niño rains expected in mid-November. The dry spell experienced in north-western parts, central, south and coastal regions is due to failure of Vuli rains. Production of seedlings for paddy rice in irrigated areas is ongoing in preparation for planting in February 2010.

The grain prices in Dares Salaam remained relatively high in October compared to September. According to RATIN statistics, strongest increase was noted for millet reaching a mark of US$531/MT, a significant 11 percent increase. However, sorghum prices declined by 2 percent.



Source: EAGC-RATIN



Source: EAGC-RATIN

Table: 1 Average commodity prices during October 2009(US$/MT) and variation compared to September 2009

	NAIROBI		KIGALI		DAR ES SAALAM		KAMPALA	
COMMODITY	Price	%Change	Price	%Change	Price	%Change	Price	%Change
MAIZE	357	-8%	426	15%	365	1%	345	14%
BEANS	703	4%	546	-12%	863	6%	727	2%
RICE	0		1097	-4%	893	6%	884	2%
SORGHUM	415	1%	382	4%	376	-2%	314	3%
MILLET	628	7%	0		531	11%	425	4%

Source: EAGC-RATIN

Regional Informal cross border trade still low

Traded volumes in grains is still low in the region . The October levels of traded maize rose insignificantly by 4 percent to 5828 MT from 5598MT in September, an indication that there is still a shortage of maize in the region. The October traded maize volume is a 42 percent reduction from the August traded volumes in which had reached a level of 10,076 metric tons.

In the month of October, the quantity of beans traded was 2007 MT down from 3605 MT, a 44 percent reduction. This decline in the volumes of maize and beans traded could be as a result of the harvesting season now underway in some regions which ensured that there was relatively sufficient supply to meet local demand.

Indeed the pattern of informal trade seems to remain the same over the monitoring period although there have been remarkable fluctuations in volumes. A key point to note is that there was more maize sourced from Tanzania to Kenya in October at 2031MT compared to 1433 MT in September. Maize trade has for a while been dominated by flows from Uganda reaching a high of 129,860MT since January. Tanzania has continued to be relied upon in the supply of rice into both Kenya and Uganda. RATIN statistics shows that cumulative trade over the January-October 2009 period now stands at 111,202 MT for beans, 233,272 MT for maize and 13302 MT for rice. Overall , these volumes are still significantly higher compared to the volumes traded at this same period last year.

With the coming into effect of the EAC common market protocol expected sometime early next year, coupled with the Simplified Trade Regime now being implemented by partner states, there is widespread optimism that trade will be significantly boosted. This is bound to improve the fortunes of the small traders in the region.

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The analysis and conclusions made in this report are those of the author, you may contact EAGC office, grains@eagc.org, +254 20 3745840/ +254 710 607313

Sources of information used in this report (1) FEWSNET—Uganda &Tanzania (2) Ministry of Agriculture in Kenya, Tanzania and (3) Cross border monitors and private traders.