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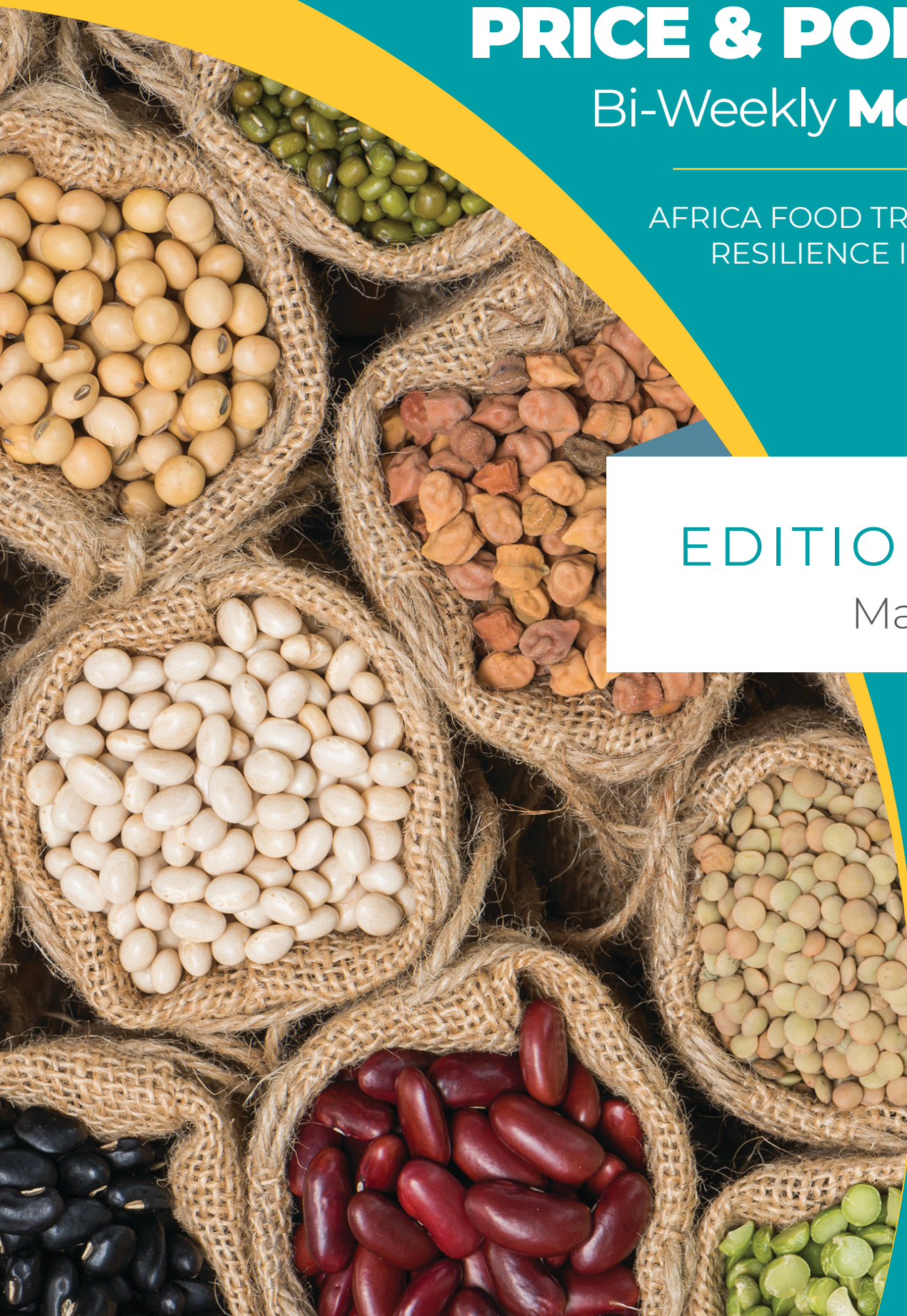
# PRICE & POLICY

## Bi-Weekly Monitor

AFRICA FOOD TRADE AND  
RESILIENCE INITIATIVE

EDITION **02**

May 2022



## Key messages

1. Key policy measures being implemented by governments include cutting tariffs, subsidy programmes, open border policies, strengthening food reserves and food relief efforts, private sector incentives for importation of inputs etc. Others unfortunately, have turned to export restrictions.
2. Commodity prices i.e. maize, rice and soyabeans, continue to rise in all major markets monitored by AGRA in east and southern Africa. Some specific local markets have however experienced stable or slightly decreasing prices i.e., sorghum in Malawi, maize in Uganda and some markets in Rwanda, etc. due in part to seasonal supply factors and the positive effect of government measures being taken.
3. With the exception of Mali, Burkina Faso and Ghana, the rest of the countries where AGRA operates in are implementing a broadly open food trade policy promoting exchange of goods including flow of critical inputs.
4. The recent restoration of export ban on wheat by India further compounds supply limitations faced by importing countries in Africa.
5. Global Fertilizer prices continue to rise to levels above 100% compared to same time last year. At local levels we observe fertilizer prices almost tripling in some markets i.e., Malawi, Mali, Kenya.

## Key policy recommendations

1. Encourage national governments to keep borders open to food and commodity trade in order to mitigate against sharp price rises in deficit markets.
2. Countries to be supported in formulation and implementation of measures such as bulk procurement of inputs, implementation of safety net programmes.
3. Continue to support provision of up-to-date market information to improve decision making by governments and private sector.
4. Encourage governments to continue investments in long term and sustainable growth sectors (irrigation, sustainable farming, etc.) to mitigate against future crises and shocks.



## 1.0 Global Fertilizer Price Overview

Even as the rate of fertilizer price increases slowed at the end of April, prices for most fertilizer types, aside from potassium chloride, rose over the March-April period. Current fertilizer prices have doubled from the same period last year.

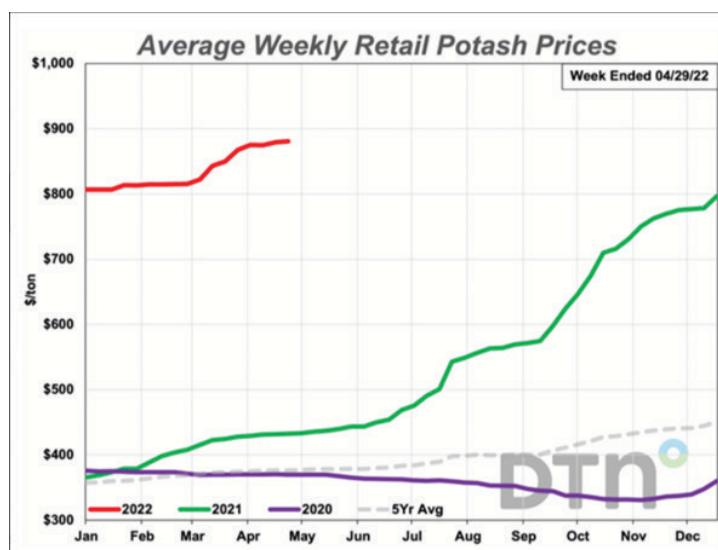


Figure 1: Weekly Fertilizer Prices from January 2020 to April 2022 (Source: DTN)

World Bank Commodities Price Data (The Pink Sheet)												3-May-2022	
		Annual Averages			Quarterly Averages				Annual Averages				
		Jan-Dec	Jan-Dec	Jan-Dec	Jan-Mar	Apr-Jun	July-Sep	Oct-Dec	Jan-Mar	Feb	Mar	Apr	
Commodity	Unit	2019	2020	2021	2021	2021	2021	2021	2022	2022	2022	2022	
<b>Fertilizers</b>													
DAP	\$/mt	306.4	312.4	601.0	494.8	574.3	620.0	714.9	794.9	747.1	938.1	954.0	
Phosphate rock	\$/mt b/	88.0	76.1	123.2	89.8	107.5	136.5	159.1	174.8	172.5	178.8	249.5	
Potassium chloride	\$/mt b/	255.5	217.8	210.2	202.5	202.5	214.8	221.0	391.8	391.8	582.5	562.5	
TSP	\$/mt b/	294.5	265.0	538.2	416.5	518.5	561.3	656.6	718.8	687.5	792.5	856.0	
Urea E. Europe **	\$/mt b/	245.3	229.1	483.2	317.6	351.0	435.7	828.5	821.0	744.2	872.5	925.0	

## 2.0 East Africa Commodity Price Update

### Rwanda

Harvests from the recent season and maturing Season B crops are contributing towards increased food stocks among rural households leading to widespread IPC Phase 1 (minimal) outcomes. IPC Phase 2 (stressed) outcomes are being experienced in Eastern parts of the country driven by high prices among households that depend on market purchases for food supplies. This is being driven mostly by the Russia-Ukraine conflict that will likely see high food prices limiting household food access through to September<sup>1</sup>. Over the last one-month, maize prices have dropped in some markets in Rwanda but increased in others. Similarly, sorghum prices have decreased in some markets over the past 1-3 months except in Mugera and Nyabiheke over the past one month. Beans prices, however, remained well above their 1-3 months levels.

<sup>1</sup> <https://reliefweb.int/report/rwanda/rwanda-remote-monitoring-update-april-2022> Accessed 30 April 2022

Country	Crop	Market	Last price	1 month	3 months
Rwanda	Maize(white)	Kabuga, Retail, RWF/KG	222	-15.91 ↓	-44.14 ↓
Rwanda	Maize(white)	Kigeme(camp), Retail, RWF/KG	300	-33.33 ↓	-24.05 ↓
Rwanda	Maize(white)	Mugera, Retail, RWF/KG	330	19.44 ×	-1.25 ↘
Rwanda	Maize(white)	Nyabiheke (camp), Retail, RWF/KG	340	43.85 ×	6.39 ↑
Rwanda	Bean(dry)	Kabuga, Retail, RWF/KG	285	12.13 ↑	29.02 ×
Rwanda	Bean(dry)	Kigeme(camp), Retail, RWF/KG	342	1.23 ▲	3.45 ▲
Rwanda	Bean(dry)	Mugera, Retail, RWF/KG	323	17.25 ×	23.50 ×
Rwanda	Bean(dry)	Nyabiheke (camp), Retail, RWF/KG	355	17.13 ×	6.06 ↑
Rwanda	Sorghum	Kabuga, Retail, RWF/KG	450	-13.74 ↓	-7.79 ↓
Rwanda	Sorghum	Kigeme(camp), Retail, RWF/KG	500	0.00 ●	-9.09 ↓
Rwanda	Sorghum	Mugera, Retail, RWF/KG	400	3.45 ▲	-11.11 ↓
Rwanda	Sorghum	Nyabiheke (camp), Retail, RWF/KG	400	33.33 ×	-11.11 ↓

Source: Author's construction based on FAO data

## Policy Measures

The country continues to implement the following response measures:

- Increasing investments in local fertilizer production. Government together with the private sector is investing a US\$38 million factory with the capacity to blend 100,000 tonnes of fertilizers annually.
- Addressed non-tariff barriers with Tanzania to allow for easy access to fertilizer stockpiles in Tanzania and from global markets.
- Plans are underway to expand the area under food production, cost-share fertilizer costs with farmers, stock the Strategic Grain Reserves, and boost fertilizer blending production.
- Developing a food system transformation plan for Rwanda to increase investments by the Government and private sector through public, private partnerships.
- Government is also putting some restrictions and cap prices and reinforcing some controls on exports.

## Kenya

Staple food prices remain high driven by below average harvests across most parts of the country and shortages due to the ongoing Russia-Ukraine Conflict. Farmers are also reportedly holding on to 85 percent of their maize stock in anticipation of higher prices. According to the country's National Food Balance Sheet, farmers are holding 8.5 million bags of maize stocks out of 10.1 million bags of 90Kgs, which has left millers facing a shortage of grain, subjecting consumers to high flour<sup>2</sup> prices. Between April 1 and 6 May 2022, all commodity prices have had moderate increases, with maize, wheat, and white sorghum increasing the most by 17.8%, 13.3%, 21.5%, respectively in Kenya. Except pearl rush millet and beans, most prices have consistently shown increases over the weeks. Fertilizer prices have been increasing, although they dipped over March-April.

Commodities	1 April	22 April	29 April	6 May	% Change 1 April & 6 May
Maize (Dry)	45	50	52	53	17.8
Finger Millet	119	122	128	128	7.6
Pearl Rush Millet	86	84	85	92	7.0

<sup>2</sup> <https://www.businessdailyafrica.com/bd/markets/commodities/prices-increase-as-farmers-hoard-85pc-of-maize-3786378> Accessed 30 April 2022

Red Sorghum	66	69	70	71	7.6
Rice	134	131	133	137	2.2
Wheat	75	75	88	85	13.3
White Sorghum	65	70	78	79	21.5
Beans	111	112		113	1.8

Source: Ministry of Agriculture, Livestock, Fisheries & Cooperatives

Product	22 Feb	22 March	22 April
DAP	999	1082	1053
NPK 17 17 17	852	883	
Urea	1123	1195	1203

Source: [africafertilizer.org](http://africafertilizer.org)

### Policy Measures

- Implementation of food relief programmes in affected communities
- The treasury has a proposal to waive import duty on animal feed and maize imports from the rest of the world
- Enhanced quality data collection on food stocks
- Rolled out fertilizer (and chemicals) subsidy programme in April 2022
- Scaling up flour blending initiative and promotion of drought resistant crops
- Supporting large scale food production through commercialization of unutilized land

### Uganda

Average wholesale prices for maize, cassava, and banana (matoke) has decreased over the period 18th April to 8th May in Uganda. The supply of maize increased over the period due to imports from Tanzania. However, prices of maize flour, rice, millet, soya beans, and beans have shown increasing trends, although moderately, over the same period. Beans prices were under pressure due to demand from Kenya.

Commodities	Av wholesale prices/Kg (18-24 April)	Av wholesale prices/Kg (25-30 April)	Av wholesale prices/Kg (8 May)	% change in prices (18-30 April)	% change in prices (18 April/ 8May)
Maize	1,407	1,358	1352.61	-3.48	-3.87
Maize meal/flour	2,380	2,396	2476	0.67	4.03
Rice	3,500	3519	3599.2	0.54	2.83
Millet	2695	2710	2771	0.56	2.82
Soybeans	3148	3215	3269.57	2.13	3.86
Bean (K12)	2508	2,588		3.19	
Fresh cassava	403	406	389.55	0.74	-3.34
Matooke	1411	655	658.76	-53.58	-53.31

Source: Market Information Service - Farmgain Africa Ltd

### Policy Measures

- The government of Uganda will continue to support farmers to grow vegetables and grains such as wheat and corn. The government is also partnering with 40,000 farmers in northern Uganda to grow sunflowers and soybeans for the production of cooking oil.

### Tanzania

Maize prices have increased over the past one week in Tanzania. However, beans, wheat, millet, potatoes, and

sorghum prices have remained almost the same. Monitored fertilizer prices have also not changed over the period.

Commodity	Current week Prices (100kg)	Previous week's prices	% Change in prices over the past week
Maize	65,000	61,900	5.60%
Beans	185,200	184,600	0.30%
Wheat	170,000	170,000	0.00%
Rice	188,600	188,700	0.10%
Millet	170,300	169,300	0.60%
Round potatoes	72,800	75,000	-0.30%
Sorghum	119,000	118,300	0.60%
Nitrate fertilizer (UREA)	744	744	0.00%
Phosphate fertilizer (DAP)	938	938	0.00%

### Policy Measures

- The Tanzanian government has announced that it will embark on an input subsidy program to lower prices from 1st July 2022.
- Commitment to keep the borders open to food exports/imports during this time
- To strengthen the supply of fertilizers, the government is taking the following measures:
  - Removal of the bulk procurement scheme, open fertilizer import business to everyone who can import fertilizer
  - Supporting/encouraging fertilizer companies to engage in forward contracts to hedge against short-term supply shocks
- The government has removed fertilizer price caps/indicative prices requirements, giving more incentives to private companies to import and trade in fertilizers

### Ethiopia

Prices of food commodities, energy, and fertilizer have remained unchanged in Ethiopia between 11-24th April, except wheat prices. A 100kg bag of wheat has increased from EB3,600 to EB3,800, representing about 6% over the period.

Commodity	11-17 April 2022	18-24 April 2022	% change in Prices
Maize (100kg)	2,700	2,700	0
Maize meal/flour(100kg)	3,000	3,000	0
Wheat (100kg)	3,600	3,800	6
Wheat flour(100kg)	5,500	5,500	0
Rice -local (100kg)	4,800	4,800	0
Rice -imported (100kg)	8,500	8,500	0
Cooking oil	930	930	0
Tef-White Rice -(100kg)	4,800	4,800	0
NPS-Normal	4,514.68	4,514.68	0
Boron	4,568.30	4,568.30	0
UREA	4,767	4,767	0
Petrol (ETB/Lit)	31.74	31.74	0

Diesel (ETB/lit)	28.94	28.94	0
Gas (ETB/Lit)	28.94	28.94	0

### Policy Measures

- The government of Ethiopia has removed customs tariffs and value added taxes on imports of essential food commodities such as wheat, sugar, rice, edible oils, pasta, and chicken eggs. These imported food commodities are distributed through local consumer associations and cooperative unions at subsidized prices.
- Since April 2021, the government has put in place the franco-valuta scheme to ease the escalating food inflation through issuing of special import permits for food products such as wheat, sugar, cooking oils, rice, and powdered milk.
- To curtail the inflationary pressure, the government also regulates the local market by enforcing price caps on essential food items including sugar, wheat flour, and edible oils and non-food products such as petrol.
- Other policy measures include raising the minimum reserve requirement for banks from five percent to ten percent, doubling the statutory reserve requirement for commercial lenders and increasing the amount of foreign currency that banks must remit to the central bank.

## 3.0 Southern Africa

### 3.1 Commodities Prices and Policy Measures

#### Malawi

April 2022 maize prices in Malawi were 13% higher than in March 2022. However, maize price have been stable over April. Similarly, most commodities prices have remained largely stable over April except for beans which has experienced price surge between the 1st and 2nd week but thereafter declined and remained stable. Except maize and rice, which have had 3% and 6% increases, respectively, all other commodities in the figure below have had minor decline in prices between the first and last week of April. Inputs and energy prices have not changed over the period.

Commodities Prices	3 April	10 April	17 April	24 April	% change 3/24 April
Maize	196.4	198.0	199.8	202.6	3.1
Rice	962.3	985.2	1018.1	1020.4	6.0
Sorghum	437.0	435.4	444.3	419.7	-4.0
Millet	644.4	643.9	641.4	643.7	-0.1
Beans	1142.0	1335.1	1117.8	1117.1	-2.2
Soyabeans	836.7	826.9	832.6	819.2	-2.1

Source: Ministry of Agriculture's, Agriculture Marketing Information System (AMIS)

### Seasonal maize price fluctuations 2018-2022 (% change since May)



Source: IFPRI

#### Policy Measures

- The government plans to invest in wheat production and is looking to engage wheat farmers to start growing wheat on a large scale.
- The Government announced that the National Oil Company of Malawi (NOCMA) has secured a K56 billion loan from the Trade Development Bank that will ensure the country has enough fuel reserves.
- The Government has commissioned a feasibility study for fertilizer production in Malawi.
- The Government has also ensured timely importation of fertilizer.

#### Mozambique

Monitored commodities including food, inputs and energy prices in Mozambique shows no change over the period 18-30th April 2022. It appears government subsidy measures seems to tame price changes.

Commodity	Prices (18-24 April 2022)	Price (25 - 30 April 2022)	% Change in prices
Maize (100kg)	1,500	1,500	0
Maize meal/flour(100kg)	3,200	3,200	0
Wheat flour(100kg)	6,500	6,500	0
Bread (125g)	6	6	0
Rice - imported (100kg)	6,800	6,800	0
Cooking oil (5litres)	850	850	0
Maize (100kg)	1,500	1,500	0
UREA (50kg)	3,500	3,500	0
NPK (50 kg)	2,950	2,950	0
Petrol (ETB/Lit)	73	73	0
Diesel (ETB/lit)	79	79	0
Gas (ETB/Lit) (13kg bottle)	1,050	1,050	0

#### Policy Measures

- Major government policy interventions relate to exemptions on payment of VAT on seeds, insecticides, pesticides, fungicides, and organic fertilizers as well as on machinery and equipment for agricultural use for land preparation. Also, the government has reduced payment of VAT on fertilizers to 2.5%.



## 4.0 West Africa

### 4.1 Commodities Prices and Policy Measures

#### Burkina Faso

National average prices collected by National Market Information System (SIM/SONAGESS) shows that, with the exception of white sorghum, cowpea, and wheat flour which increased by 13%, 1%, 8%, respectively, all food commodities prices have declined over the period 25 April – 8th May 2022. According to the Association of Bakeries Managers in Burkina Faso, the price of wheat flour increased from 350,000XOF/MT in January 2022 to 500,000XOF/MT in April 2022. Fertilizer and energy prices remained unchanged during the same period. Low production of staple crops in last season, due partly to insecurity in some districts, contributed to a decrease of 10% in crop outputs compared to the previous season. Export bans by neighbouring countries; Mali, Cote D'Ivoire, and Ghana where Burkina imports maize to improve its stocks, places additional pressure on some commodities availability and prices.

Commodity	Unit	Prices XOF (25-30 April)	Prices XOF (2-8 May)	% Change in prices
White maize	KG	289	291	1%
Yellow maize	KG	297	279	-6%
White sorghum	KG	296	333	13%
Red sorghum	KG	270	242	-10%
Millet	KG	426	424	0%
Cowpea	KG	558	565	1%
Paddy rice	KG	198	159	-20%
Local husked rice	KG	388	372	-4%
Imported rice	KG	449	449	0%
Soya	KG	765	470	-39%
Sesame	KG	766	759	-1%
Cashew nuts	KG	428	418	-2%
Potatoes	KG	562	537	-4%
Yam	KG	415	319	-23%
Bread	Unit	150	150	0%
Wheat flour (kg)	KG	600	650	8%
Cooking oil (liter)	Liter	1,300	1,250	-4%
NPK	Kg	600	600	0%
Urea	Kg	600	600	0%
Burkina Phosphate	Kg	4500	4500	0%
Petrol	Liter	615	615	0%
Diesel	Liter	545	545	0%
Gas	Bottle	2000	2000	0%

#### Policy Measures

- In response, the government of Burkina Faso has also instituted a ban on exportation of all staple crops and flours. The National Company for Buffer Stocks Management is replenishing its stocks and in a bid

to vulnerable households has opened 391 witness shops which sell cereals at social discount prices. For instance, in these shops, maize, sorghum and millet are sold for XOF 6000 per 50kg bag (i.e. 120 XOF/KG).

## Nigeria

Both exchange and open market prices for most commodities fell on a week-on-week basis, except for paddy rice which increased by 0.55%. Open market prices for maize, soybeans and sorghum also remain below their year-on-year levels by 12.80%, 5.70%, and 13.89%, respectively. On the other hand, fertilizer (NPK 15-15-15 and NPK 20-10-10) prices have increased by 46-48% in Nigeria over March-April period while urea prices have remained almost the same during the same period.

	Exchange week close	Exchange Prices	Open Market Prices	International Prices	Exchange Prices	Open Market Prices	International Prices
	NGN/Contract	%Δ W-o-W			%Δ Y-t-D		
Maize	228.64	6.60	2.01	0.98	8.01	12.80	39.10
Soybean	407.38	3.79	0.26	1.20	4.07	5.70	22.60
Paddy Rice	253.90	0.07	0.55	0.24	36.51	13.97	10.58
Sorghum	227.43	5.34	2.44	0.00	7.17	13.89	1.03
Cocoa	1741.88	1.78	0.74	1.78	8.08	10.50	5.67
Ginger	1027.14	0.00	3.12	2.34	0.00	1.39	16.55
Sesame	481.17	0.00	0.20	0.00	0.00	1.94	25.30
Cashew	624.63	10.60	0.10	0.00	30.13	34.22	3.56

Source: AFEX

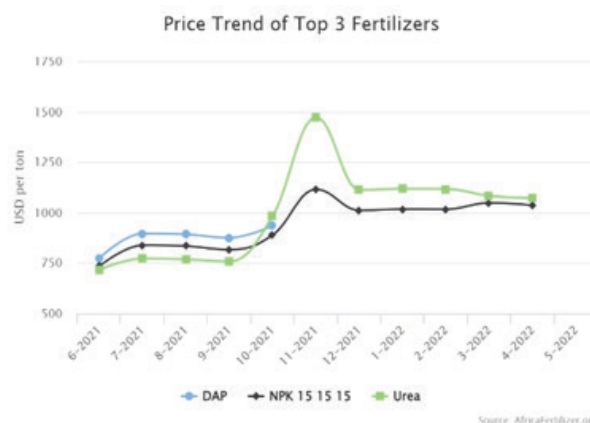


## Policy Measures

- The Government of Nigeria continues to implement measures at ensuring subsidized critical inputs reach farmers and the stocking of Strategic Grain Reserves.

## Mali

Between 27th April and 11th May 2022, most commodity prices have increased with millet and sorghum rising the most by 20%, followed by maize by 19%. Wheat flour prices remained the same while cooking oil and rice prices surged by 10% and 3%, respectively over the same period. Fertilizer and energy prices have also remained the same over the monitored period. Overall, the market for food commodities is tight due to virtually non-existence of carry-over stocks and strong demand from poultry farmers and processing units for human and animal consumption. This decline in supplies is result of the price increases. Fertilizer prices in Mali have generally been stable over the period December 2021 to-date, after peaking in November last year.



Commodity	27-Apr	04-May	11-May	% change in prices
Maize (XOF/kg)	210	225	250	19%
Wheat flour	22,000	22,000	22,000	0%
Rice (XOF/kg)	350	365	360	3%
Millet (XOF/kg)	250	325	300	20%
Cooking oil (XOF/ liter)	1,000	1,100	1,100	10%
Sorghum (XOF/kg)	220	265	265	20%
Nitrate fertilizer (XOF/50 kg bag)	32,500	32,500	32,500	0%
Phosphate fertilizer (XOF/50 kg bag)	30,000	30,000	30,000	0%
Petrol (XOF/ liter)	762	762	762	0%
Diesel (XOF/ liter)	760	760	760	0%
Gas	2,800	2,800	2,800	0%

### Policy Measures

- The Malian government has instituted a 50% reduction in its tax base in the form of subsidies for the import of certain food products, including 300,000 tons of rice and 30,000 tons of edible oil corresponding to two and a half months of national consumption.
- The government has also instituted subsidies for wheat flour, energy and inputs such as fertilizer.

### Ghana

Prices of most cereals have been rising over the last month on a weekly basis. While others have seen moderate rises in prices, millet has seen the most significant increases of about 55% between the beginning and end of April 2022. Also, maize, rice (local, perfumed), and sorghum have increased by 19%, 20%, 33%, respectively. Fertilizer prices have been increasing to a peak of US\$1,394/MT for Urea and NPK US\$1,180 but have been declining for the past two months, although urea prices have started increasing.



Commodities Prices	2 April	23 April	30-Apr	% Change (2 & 30 April)
Maize (White)	4.21	4.44	5.01	19.10
Maize (Yellow)	4.61	4.70	5.47	18.79
Millet	5.78	6.99	9.01	55.99
Sorghum	5.20	5.95	6.87	31.97
Rice Local (perfumed)	6.74	7.08	8.12	20.50
Rice Local (non-perfumed)	5.82	5.55	6.14	5.45
Rice - Imported (perfumed)	9.24	9.41	9.53	3.10
Rice - Imported (non-perfumed)	7.07	7.24	6.96	-1.56
Soya Bean	6.15	6.35	6.85	11.42

### Policy Measures

- The Government of Ghana continues to implement the export restrictions on maize and soya beans to ensure domestic food security.



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