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HIGHLIGHTS

- **Crop Prospects & Food situation in the region.**
- **Analysis of regional wholesale prices.**
- **Uganda remains the main supplier of grains to Kenya.**

Crop Prospects & Food situation in the region

Uganda: The 2009 rains in Uganda which were expected to start early mid March delayed by six weeks. The rains are still sporadic in many areas and most farmers in bimodal areas are yet to plant. In unimodal Karamoja region, rains are also late .There has been food insecurity in this region but if rains cease in June, some carry-over stocks from 2nd season 2008 will still sustain the food security although market supplies are quickly running out. However, new beans from south western Uganda and green maize as well from Iganga, Masindi & Kasese have started trickling into the markets. The green maize in the market is not quite an indicator of the season opener as it's sourced from the wet areas closer to the lakes.

Tanzania: In the Central and Southern part of Tanzania which are unimodal maize growing areas, maize is mature, although maize is still vegetative in other areas. It's expected that the next harvest is around June'09 though high fertilizer prices limited the input use and this would affect the crop yield.

In bimodal areas, the "vuli" rains which normally come in between September and December in the Northern region failed. This affected areas like Kagira, Mwanza, northern Kigome, Shinyaga, Arusha, Tanga and part of coastal areas which are now faced with food shortages. Moreover, the "masika' rains in these areas delayed forcing farmers to plant late. Uplands rice was affected by poor rains in Shinyanga, Tanga, Kilimanjaro, Arusha and parts of coastal areas. In Iringa, the crop was good and harvesting is about to start.

Information reaching us shows that the stocks at the household level in some areas have decreased and this has put a constraint on food availability. However food stocks have remained relatively stable and last season's production was sufficient to meet domestic food requirements. The export ban on maize is still on, though the Tanzanian government is discussing the possibility of a duty waiver on maize imports. By March'09, National Food Reserve Agency in Tanzania had 120,267MT and 6,509 MT of Maize and sorghum respectively, which are sufficient to cushion the food shortages.

Kenya: In the South rift region, it has been reported that the maize crop is doing well and a good harvest is expected. Harvesting might commence between July and August '09. The long rains in the North Rift and Western regions commenced late and planting in some areas is still going on. For the areas that have planted, it has been reported that the crop is affected by water stress and if the rains do not commence in the next 2 weeks, then crop failure is expected. It is estimated that the area under maize in 2009 crop year will rise by 17% due to some farmers switching from wheat to maize production. The impetus for the switch is the good price fetched by the maize farmers last season and reduced cost of fertilizer. Crop yield per unit area is expected to increase due to application of more fertilizer. The Ministry of Agriculture has projected the national annual maize production at 2.54 million (28 million bags). At the moment, Kenya is relying on duty free imported maize. The duty waiver is effective until 16th July'09.

The production of sorghum is also expected to increase. This is due to the distribution of free seed by the Ministry, interest by UN WFP to support the crop and willingness by East Africa Breweries Ltd (EABL) to purchase 24,000 MT of Gadam white sorghum.

On wheat, the crop has wilted in Narok area due to shortage of rains. In Nakuru, farmers have just planted t while in North rift region, the farmers are still holding on as they monitor the rains. National Cereals & Produce Board is currently holding about 13,545MT of wheat.

Analysis of regional wholesale prices

Price statistics maintained by EAGC-RATIN indicate that maize prices in Kampala rose to as high as US$ 355/MT in April'09 from US$ 271/MT in March'09. This came as a result of the demand generated from cross-border trade especially to Kenya with most traders shifting from the usual milling to exporting the maize. In Dar es Salaam and Kigali, maize prices were relatively stable. Although Maize prices in Nairobi have been rising since January till March, they were stable in April.

The bean prices in Dar es Salaam dropped by 10% between January and April'09. In other capital cities beans and rice prices remained stable.

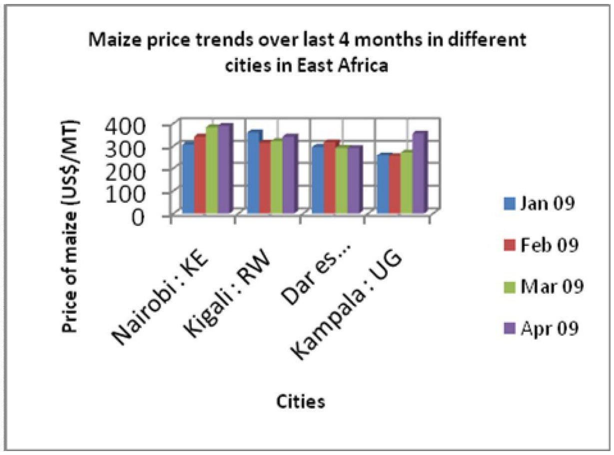

Figure 1: Average (Jan-April'09) maize prices in selected capital cities

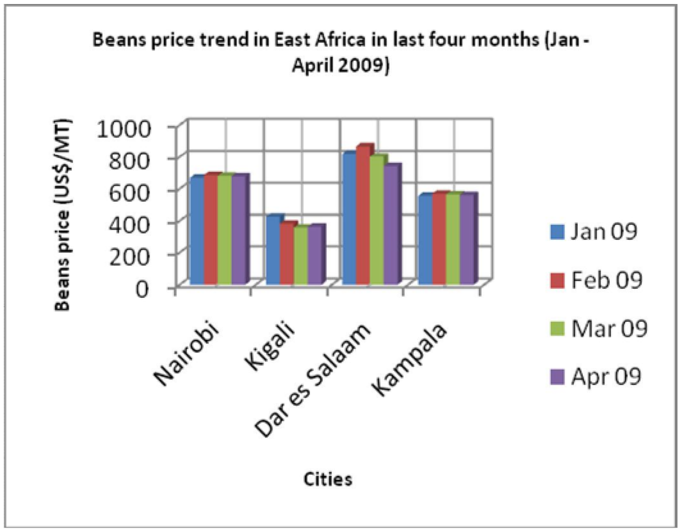

Figure 2: Average (Jan-April'09) Beans prices in selected capital cities

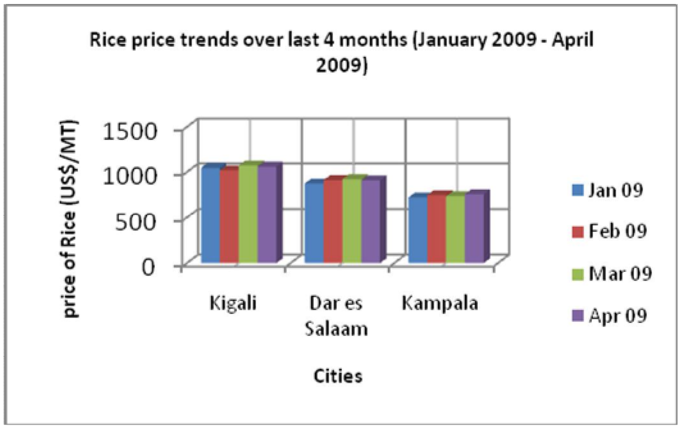

Figure 3: Average (Jan-April'09) rice prices in selected capital cities

For the period of January to April'09, price analysis indicates that maize prices were generally high in Nairobi and Kigali markets while low in Dar es Salaam and Kampala compared to overall mean price for maize in the region which was US$ 319/MT.

Kampala and Kigali markets attracted lower bean prices than the overall mean price in the region (US$ 608/MT).All commodity prices in Kampala were below the overall mean prices in the region. Table.1 shows a summary of the mean prices in the region between Jan and April'09.

Regionally, the prices are anticipated to go up over the next month since there are no considerable grain stocks expected until June and July in Tanzania, Kenya and Uganda, unless importation which is the only option at the moment is done to augment the availability of grains.

Table.1 Summary of mean prices for commodities in the region between Jan-April'09

Summary of mean prices (US$/MT) for maize, beans and rice.			
	Maize	Beans	Rice
Overall in region	319	608	898
Dar es salaam	299	807	904
Kampala	285	564	741
Kigali	335	383	1,049
Nairobi	355	679	-

Uganda remains the main supplier of grains to Kenya

According to cross-border data statistics maintained by EAGC-RATIN, Uganda has been the main supplier of maize and beans to Kenya. Between 2005 and 2008, Uganda has so far exported 424,803MT and 262,292 MT of maize and beans respectively. Tanzania on the other hand has been the main exporter of rice to Kenya and Uganda. In the same period, Tanzania supplied 46,243MT to Kenya and 8851MT to Uganda.Table2 shows the regional trade flow 2005-2008.

Reports reaching EAGC-RATIN from our monitor in Kampala reveal that the supply of maize and beans has been directed to Kenya due to rising demand in the country. Nevertheless, a demand of cassava chips coming from across the borders in Southern Sudan made traders shift from exporting grains to exporting cassava. Between January and April'09, Kenya has received 82,963MT, 38,218MT, 6538MT and 1714MT of maize, beans, sorghum and millet respectively from Uganda through Busia border.Table.2 shows the regional cross-border flows from 2005 to 2008.

Table.2 Eastern Africa cross-border trade flow 2005-2008

	Route/Year	Uganda-Rwanda	Tanzania-Kenya	Uganda-Kenya	Uganda-Tanzania	Tanzania-Uganda
MAIZE	**2005**	32179	76751	125495	-	422
	2006	32758	4555	160517	8287	-
	2007	55558	121153	86243	1597	-
	2008	65359	81730	52548	530	-
	TOTAL	**185854**	**284189**	**424803**	**10414**	**422**
BEANS	**2005**	1092	6615	77214	357	2774
	2006	930	7606	22221	-	1382
	2007	1341	8401	56638	384	495
	2008	662	4045	106219	-	1116
	TOTAL	**4025**	**26667**	**262292**	**741**	**5767**
RICE	**2005**	-	14429	-	-	2930
	2006	-	5631	-	-	158
	2007	-	14110	-	-	3036
	2008	-	12073	-	-	2727
	TOTAL	**-**	**46243**	**-**	**-**	**8851**

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 trader.