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Crops Update

TANZANIA

The onset of *vuli* rains was expected to begin between the second and fourth week of September in bimodal areas according to the Tanzania Meteorological Agency (TMA) forecast. However, land preparation is underway in bimodal areas and planting activities will start soon. According to FEWNET, the performance of the *vuli* rains in Tanzania is critical to ease the prolonged severe drought that has continued since 2007. The unimodal parts of the country will continue to be dry until November 09, when *msimu* rains are expected to begin. Land preparation for the *msimu* season is expected to start in October 09.

The 2009/2010 El Niño event is expected to be generally beneficial to drought-affected marginal agricultural regions. Below-normal to normal rainfall, on the other hand, may be experienced in southern Tanzania, especially in some parts of the main cereal growing areas. The detailed country forecast suggests that the below-normal to normal rainfall fore-

UGANDA

Land preparation and sowing for the second season which should have been concluded by early September and all crops sown before October is underway in bimodal districts across the entire country. However, delays in rains and patchy dry conditions have hampered farmers' activities in some areas in the middle of the country. Crops being sown include maize in most of the country, millet and some sorghum in eastern and northern Uganda as well as pulses (beans, cow peas, and pigeon peas).

Crop production in Karamoja Region in northeastern Uganda is unlikely to benefit from the anticipated El-Nino rains because of the failure of those that should have fallen during the planting season in March. Unreliable sources projects that Karamoja region will not have food in November 2009 to April 2010. Looking at the harvest, it is pretty clear that what was harvested is not what was expected. When it rained, farmers planted, but the crops withered due to lack of

KENYA

Harvesting of maize in the key growing areas of the Rift Valley highlands is expected to commence in October and end in January. However, farmers are worried that the harvesting season will coincide with the expected heavy rains thus the peak of the harvest could shift from November to December. Additional pre- and post harvest losses could be incurred if maize is not harvested before the heavy rains.

According to the Ministry of Agriculture, a total of 1.9 million MT of maize will be harvested during the 2009 long rains season. The country has sufficient maize to last the next two months even as the government intends to import about 540,000 MT to replenish the strategic grain reserve. However, about 1.2 million MT of maize should be harvested from Uasin Gishu, Trans Nzoia, Nandi, Kericho, Bungoma and Lugari, representing an additional four months supply of maize. The short rains harvest that occurs in February is expected to be about 500,000 MT.

PRICE ANALYSIS

MAIZE

In Dar es Salaam, maize price which has been relatively stable since Sept 2008 rose sharply in August 09 to a level of US$419 /MT then decline in Sept 09 to US$333/MT as the market continued to receive maize supplies from surplus-producing areas. However, in September 09, price was 27 percent higher than last year's price, at US$ 244/MT.

Maize price in Nairobi has remained higher than last year's price. In September 09, the price was 19 percent higher, at US$ 387/MT, compared to September last year. However, the price of maize is unlikely to continue inclining within the next few months as harvesting is expected to start in October. The price was at a peak of US$450/MT in May 2009.

In Kampala, the price of maize have been stable since June to September 09 as commodity supplies generally increased in major markets especially dry commodities from the first season harvests. Price rose sharply in October and November 2008 to US$ 348/MT and US$350/MT respectively and in April 2009 to US$ 355/MT as a result of high demand of maize for export to Southern Sudan and Kenya.

Maize price in Kigali market which has been stable since January 09 to Jul 09 were rose in August and September 09 to level of US$369/MT and US$371/MT respectively. Fig.1 shows the regional maize wholesale prices for selected markets.

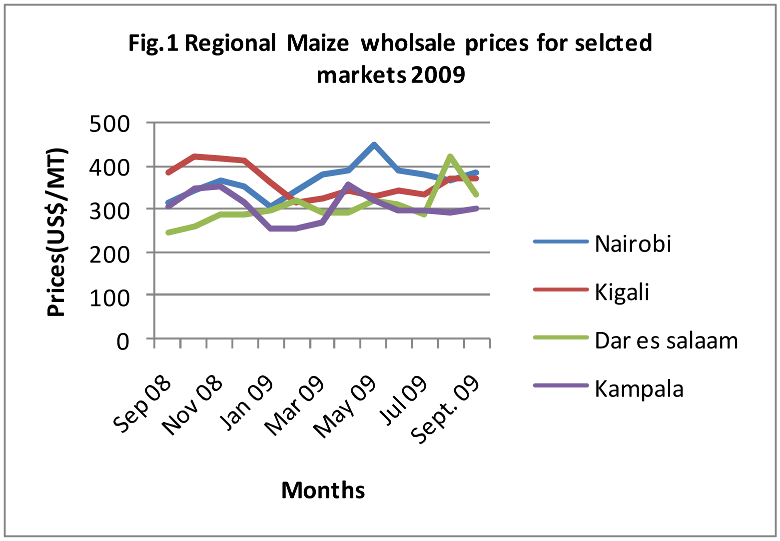
BEANS

Bean prices in the region generally declined apart from Dar es Salaam market where price was higher by 0.7 percent in September 09 compared to the same month last year.

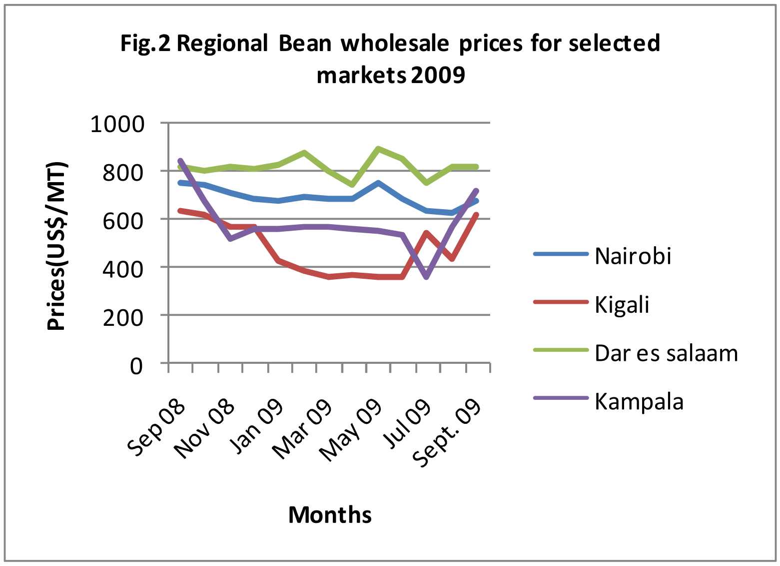
In Kampala, there was a decline of 17 percent compared to US$ 839/MT level in September last year though the price increased continually since June as supplies to the market becomes unavailable. In Nairobi and Kigali markets, prices came down by 11 and 2 percent respectively. Kigali price which decreased slightly in July rose sharply in September 2009 to a level of US$ 617/MT. Fig.2 shows the regional bean wholesale prices for selected markets.

RICE

Rice prices in Kigali market have been relatively firm throughout. However, Dar es Salaam and Kampala prices decreased by 5 and 25 percent respectively compared to the same month last year. Fig.3 shows the regional rice wholesale prices for selected markets.



Source: EAGC RATIN



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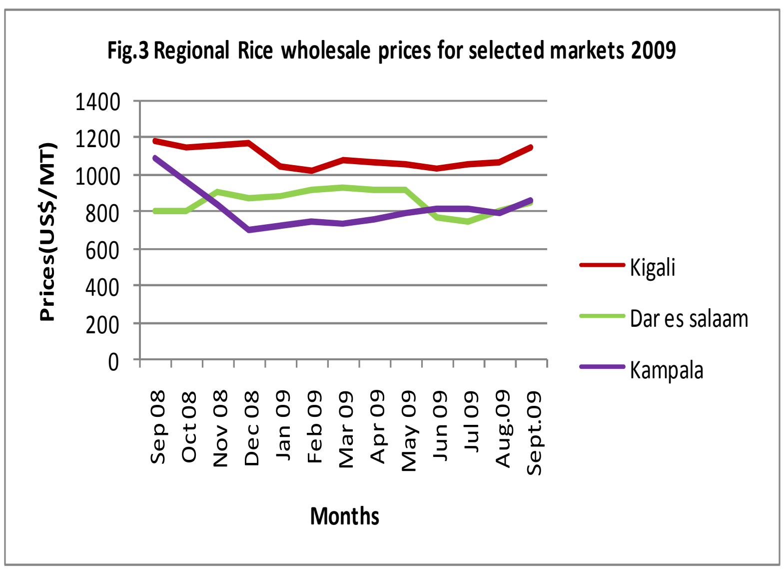


Source: EAGC RATIN

Regional cross border trade

Grain trade flows captured through the Eastern Africa informal cross border monitoring system decreased in September 2009 when compared to August levels. Statistics indicates that recorded maize volumes declined from 10,076 MT in August to 5598 MT in September - a 44 percent decrease, while bean trade also fell by 76 percent - from 14611 MT in August to 3556 MT. Rice trade flows on the other hand, declined over the August levels – dropping 13 percent from 914MT in August to 800 MT in September.

The pattern of informal trade flow in maize, beans and rice has not changed throughout all the seasons that monitoring has been in place: Statistics shows that maize trade continues to be dominated by maize flows from Uganda to Kenya reaching a level of 129,860 MT since January 09, while trade in rice was dominated by flows from Tanzania to Kenya at 4608MT. Large volumes of rice have been sourced from Zambia and Pakistan destined to DRC, Rwanda and Burundi which reached a level of 161,600 MT since May 09. For beans, the flow has been dominated by Uganda where 101,131MT crossed to Kenya since January 09 though the September bean volume fell to 14,277MT from 19732MT in August 09.

The volume of maize traded this September is 79 percent lower compared to September 2008 which might have been contributed by the fact that prices of maize were unseasonably quite high this year. Rice trade was 19 percent lower than the level recorded last September. Only beans recorded a 16 percent increase in traded volumes.

The cumulative volume of informal trade in maize and beans commodities for January to September 2009 is significantly higher compared to the same time last year. A total maize tonnage of 226,555MT was traded between January and September 2009 compared to 159,476MT traded during the same period last year, a 42 percent increase. Similarly the total traded bean volume in the same period 2009 rose to 108,040 MT from 56,484MT last year. Consequently, the cumulative January to September traded rice volumes decreased from 12,191 MT last year to 8068 MT this year. The drop in traded volumes could be as a result of poor harvests in source countries. Figures 4,5 & 6 shows the cross border flow January to September 2009.

Fig.4

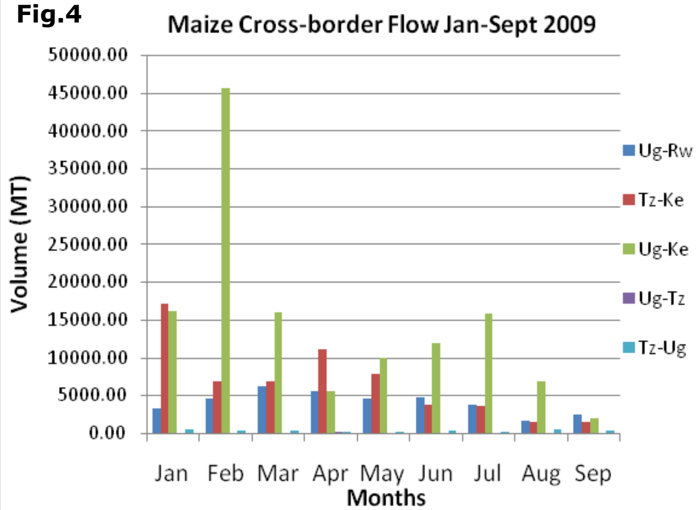


Fig.5

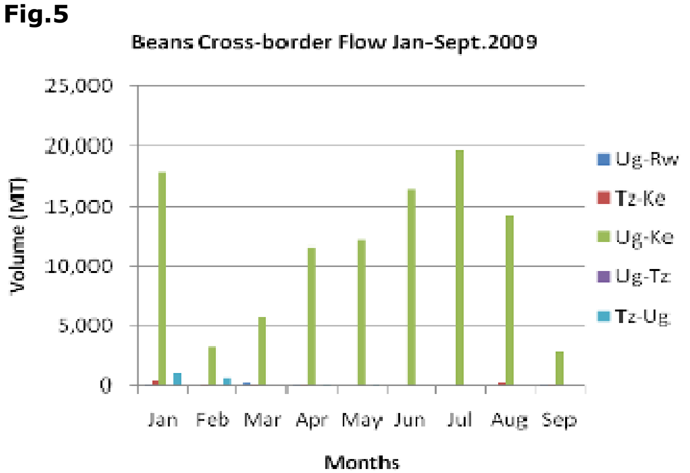
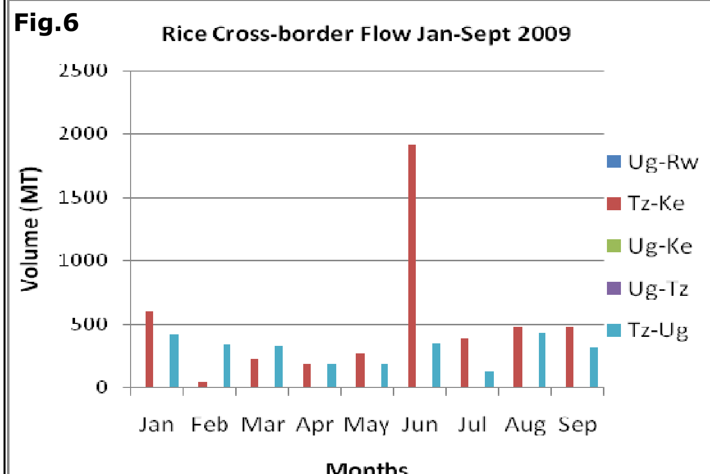


Fig.6



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.