



The United Republic of Tanzania
Ministry of Agriculture
Agricultural Marketing Section

MONTHLY MARKET BULLETIN

September, 2021

Introduction

This bulletin provides monthly highlights on market prices of major food crops in domestic markets. The bulletin also provides global market information on traditional export crops (coffee, cotton, tea, and tobacco), import substitution commodities (edible oil and wheat) and farm inputs (fertilizer). Information in this bulletin provides a benchmark to key players along the respective value chains to make informed decisions.

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Key Messages

- ✓ **Food Crops:** Prices of staple foods remained stable and significantly lower on average compared to last year and even over a five-year period. Rice prices increased by 0.9 percent in September. While maize, dry beans, sorghum, and round potatoes prices fell by 2, 2.9, 4.9, and 1.8 percent, respectively. Prices may have fallen as a result of increased supply from harvests.
- ✓ **Traditional Export Crops:** During the reporting period, global market prices for traditional export crops followed a variety of trends. While coffee, cotton and tea prices increased (including coffee-Robusta by 9.9 percent, coffee-Arabica by 4.3 percent, cotton by 2.35 percent, and tea by 2.85 percent), tobacco prices continued to fall month after month.
- ✓ **Import Substitution:** Price for edible oil in the global market increased by 6.4 percent between August and September 2021, owing to a combination of factors such as adverse weather conditions, supply disruptions caused by Covid 19, and increased demand. Similarly, Wheat export prices increased in September 2021, owing to concerns about dwindling production prospects in some of the major exporters.
- ✓ **Farm Inputs:** Between August and September 2021, the price of DAP fertilizer increased by 6.7 percent, while the price of urea fertilizer decreased by 6.3 percent. DAP prices have risen as a result of export restrictions imposed by China, the world's largest exporter.

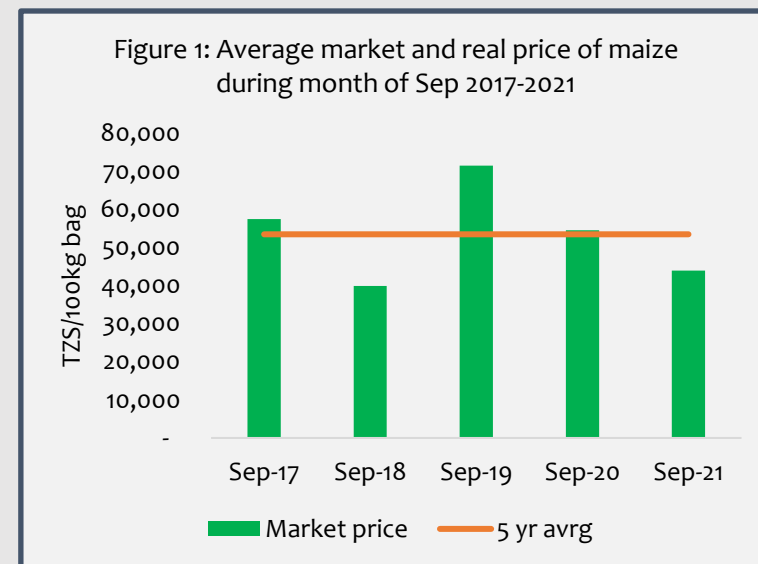
1. National monthly average prices of major food crops

Table 1: National average market price of major staple food (TZS/100 kg)

| Commodity | Aug 2021 | Sep 2021 | Monthly change (%) | Annual change (%) | 5 years average (%) |
|----------------|----------|----------|--------------------|-------------------|---------------------|
| Maize | 44,800 | 43,900 | ▼ 2 | ▼ 19.4 | ▼ 17.8 |
| Rice | 138,800 | 140,000 | ▲ 0.9 | ▼ 1.2 | ▼ 10.2 |
| Dry beans | 169,700 | 164,700 | ▼ 2.9 | ▼ 13.2 | ▼ 1.2 |
| Sorghum | 98,300 | 93,500 | ▼ 4.9 | ▼ 5.7 | ▲ 4.1 |
| Round potatoes | 64,100 | 60,300 | ▼ 1.8 | ▼ 18.6 | ▼ 15.6 |

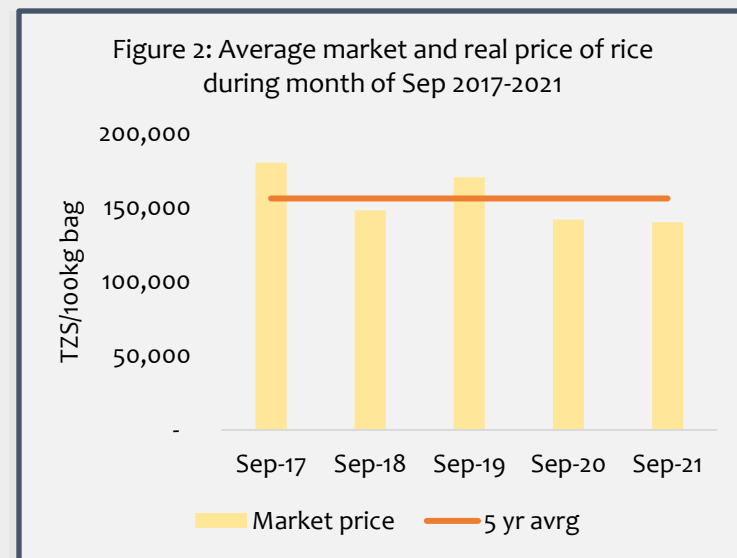
Maize

National average wholesale maize prices declined (by 2 percent) from TZS 44,800/100 kg bag in August to TZS 43,900 kg bag in September (Table 1). Prices remained significantly lower (by 19.4%) than last year's and the five-year average (by 17.8%). Prices continued to fall seasonally across most markets as supplies increased from mainly from May to August harvest.



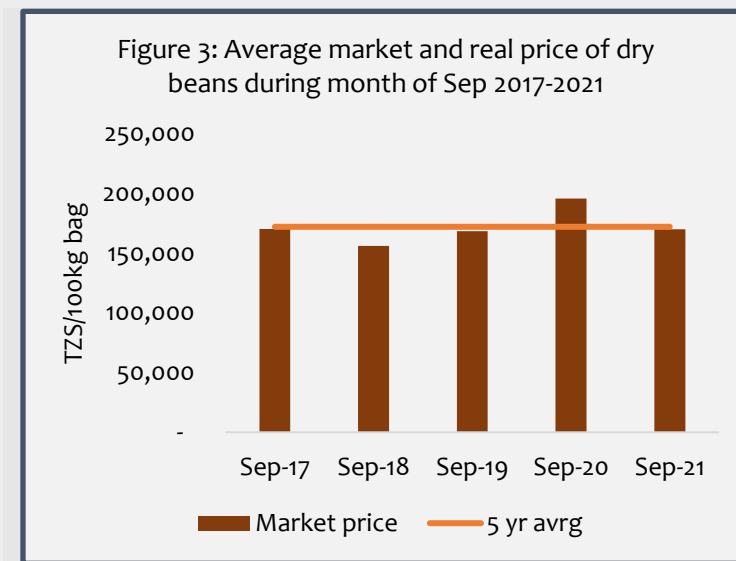
Rice

In general, domestic rice market prices have been declining over the last five years (Figure 2). Prices in September 2021 declined by 1.2 percent when compared to the same month the previous year and by 10.2 percent when compared to the five-year September average. Prices, on the other hand, increased by 0.9 percent in September compared to the previous month, rising from TZS 138,800/100 kg bag in August to TZS 140,000/kg bag in September (Table 1). Despite the ongoing seasonal harvests, domestic prices of rice may continue to increase following the promising regional market.



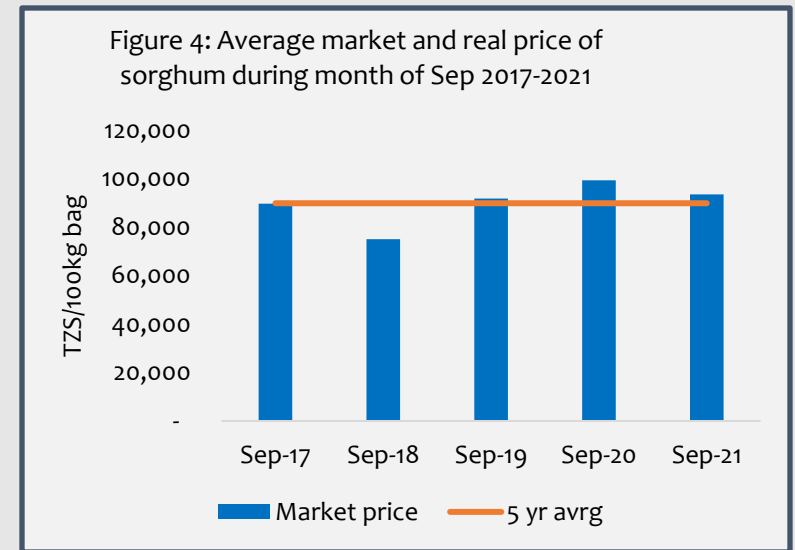
Dry beans

Between August and September, wholesale prices for dry beans dropped by 2.9 percent, from an average of TZS 169,700/100kg bag to TZS 164,700/100kg bag. Similarly, prices in September 2021 were 13.2 percent lower than in the same month last year (Figure 3). Bean prices, on the other hand, have fallen slightly, falling 1.2 percent below the five-year September average.



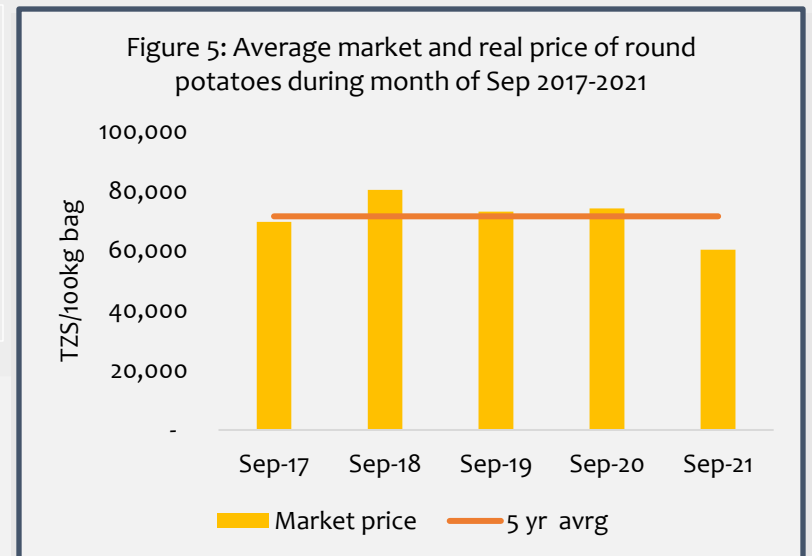
Sorghum

The monthly average wholesale price of sorghum has decreased by 4.9 percent, from TZS 98,300/100kg bag in August to TZS93,500/100kg bag in September. Similarly, prices declined by 5.7 percent in September 2021 when compared to the same period the previous year. Sorghum prices, on the other hand, were 4.1 percent higher than their five-year September averages (Figure 4). Given the market opportunity in South Sudan, Tanzania plans to export approximately 60,000 tons of white sorghum this season via the Cereals and Other Produce Board (CPB).



Round potatoes

The national average wholesale price for round potatoes dropped by 1.8 percent in September, from TZS 64,100/100kg bag in July to TZS 64,700/100kg bag in August 60,300. Similarly, prices in the reporting period were 18.6% lower than in the same period last year. Furthermore, prices in September 2021 were 15.6% lower than their five-year September averages (Figure 5).



NOTES

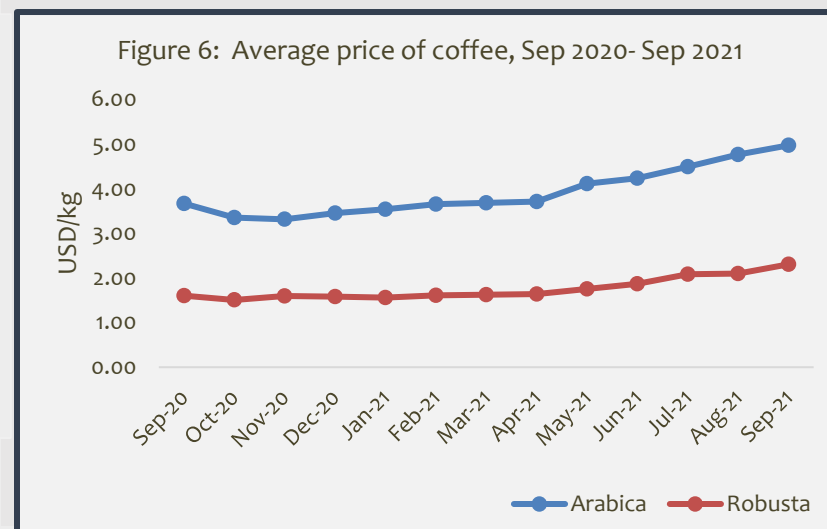
- ✓ Market price: Refer to nominal or observable prices
- ✓ Price level: National average wholesale price in Tanzanian Shilling (TZS) per 100kg bag
- ✓ The symbols (▲▼▶) indicate the direction of price changes. (▲) price increased; (▼) price decreased; (▶) no changes in price
- ✓ Source of data: Ministry of Industry and Trade

z2. World market prices of selected commodities (Source: World Bank, 2021)

Coffee

Coffee prices for Arabica and Robusta varieties increased by 4.3 and 9.9 percent, respectively, in comparison to September 2020 prices (Figure 6). Arabica is known to be more expensive to produce than Robusta. This affects the final price of the two varieties. The coffee market was still being driven by adverse weather in Brazil and increased demand as a result of Covid 19 supply disruptions ([ICO, 2021](#)).

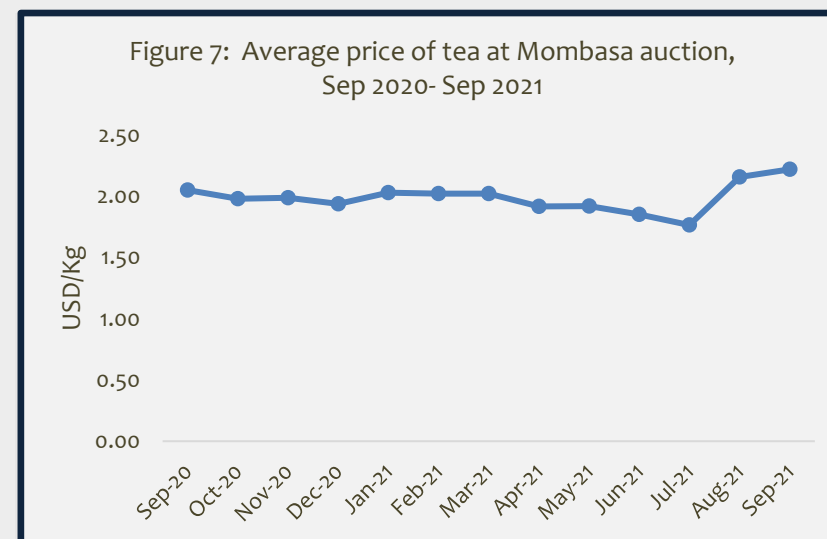
Benchmark: Coffee (ICO), International Coffee Organization indicator price, other mild Arabicas, average New York and Bremen/Hamburg markets, ex-dock



Tea

Tea prices at the Mombasa auction market have steadily declined over the last ten months. Prices increased by 2.85 percent from the beginning of August 2021 to the end of September 2021, rising from 2.16 USD/Kg in August to 2.22 USD/Kg in September (Figure 7).

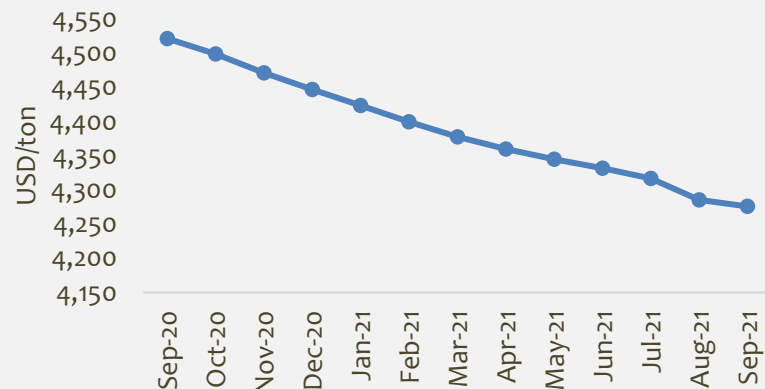
Benchmark: Tea (Mombasa/Nairobi auctions), African origin, all tea, arithmetic average of weekly quotes



Tobacco

Tobacco prices dropped by 0.23 percent from an average of USD 4,286/ton in August to USD 4,276/ton in September 2021. Overall, global tobacco prices have been steadily declining over the last year (Figure 8). Prices are expected to continue falling as a result of increased health consciousness, strict government policies, and the increased availability of substitutes such as e-cigarettes.

Figure 8: Average price of tobacco, Sep 2020- Sep 2021

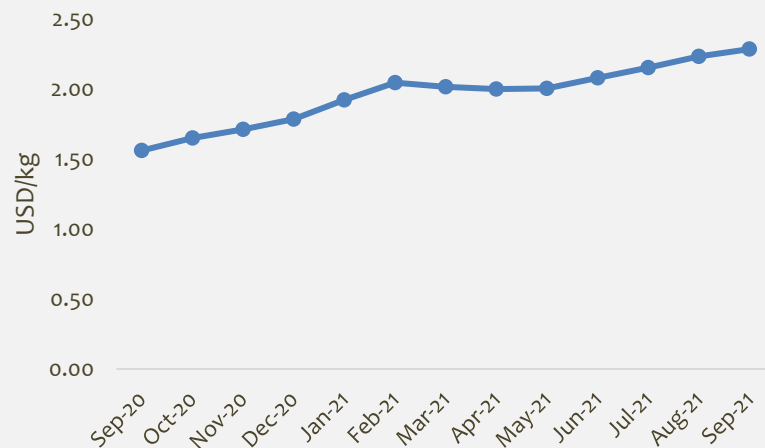


Cotton

Cotton prices increased (by 2.35 percent) in September 2021, rising from 2.23 USD/Kg in August 2021 to 2.29 USD/Kg in September 2021. (Figure 9). Global cotton prices have risen since the beginning of 2021, owing to projected production shortfalls at a four-year low. Lower inventory and insufficient carryover stocks resulted in increased demand from major consuming countries such as China and India.

Cotton (Cotton Outlook "CotlookA index"), middling 1-3/32 inch, traded in Far East, C/F beginning 2006; previously Northern Europe, c.i.f.

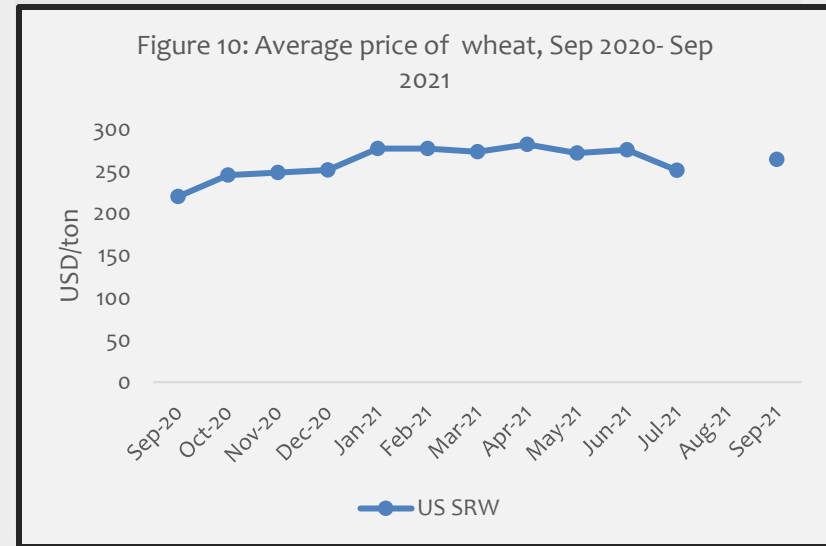
Figure 9: Average price of cotton, Sep 2020- Sep 2021



Wheat

The global wheat trade fluctuated slightly from month to month. Prices (US SRW) rose by 5% from USD 250.88/ton in July to USD 263.60/ton in September 2021. Wheat export prices increased in September 2021, owing to concerns about dwindling production prospects in some of the major exporters, including Russia, Canada, and the European Union. ([AMIS-Market Monitor](#)).

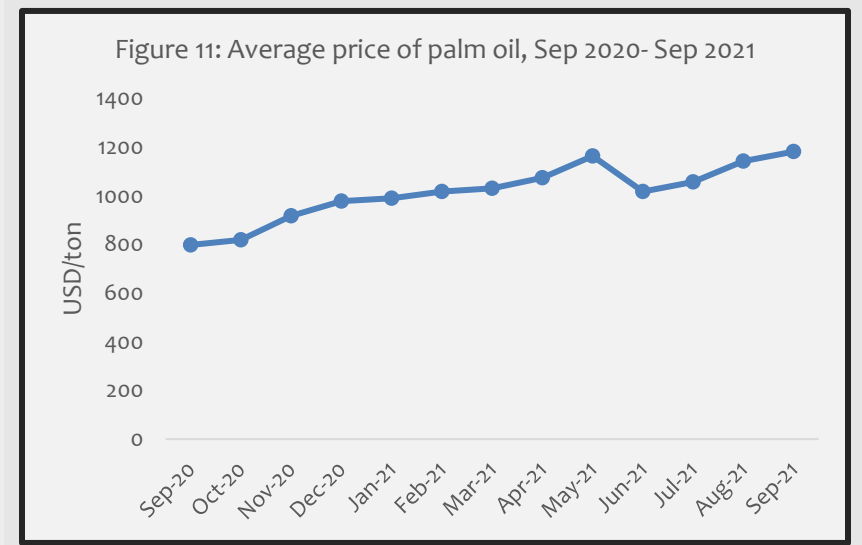
Wheat (US), soft red winter (SRW), export price delivered at the US Gulf port for prompt or 30 days shipment



Edible Oil- (Palm Oil)

Global palm oil prices have risen by 6.4 percent since August 2021, rising from USD 1,341/ton to USD 1,427/ton in September 2021 (Figure 11). The price increase over the last year has been attributed to a number of factors, including hot and dry weather conditions in Canada, Brazil, Argentina, and the United States, which impacted the canola crop used to produce canola oil. Canola oil is a palm oil substitute. Second, concern over Covid 19 about palm oil production in Malaysia and Indonesia (major producers of palm oil) has resulted in a labor shortage, and third, increased demand for refined palm oil in India following the removal of import duties ([The Economic Times](#)).

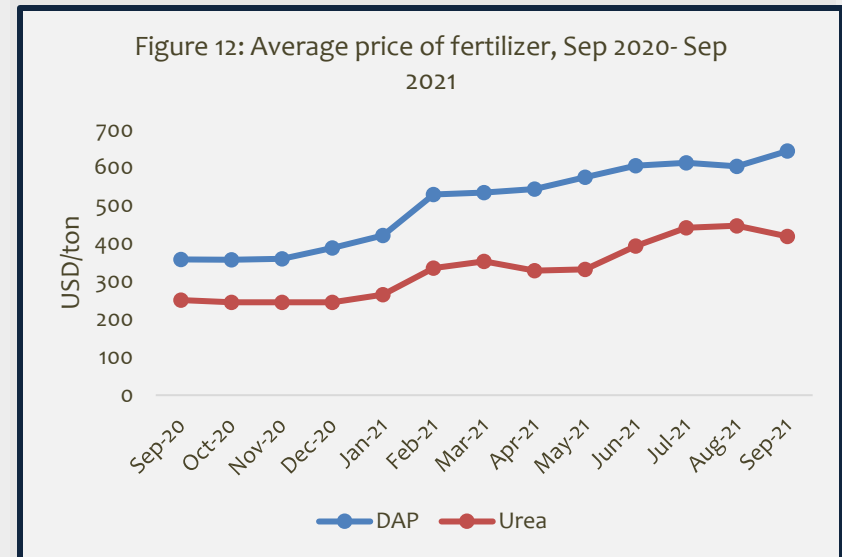
Ref: Palm oil (Malaysia)



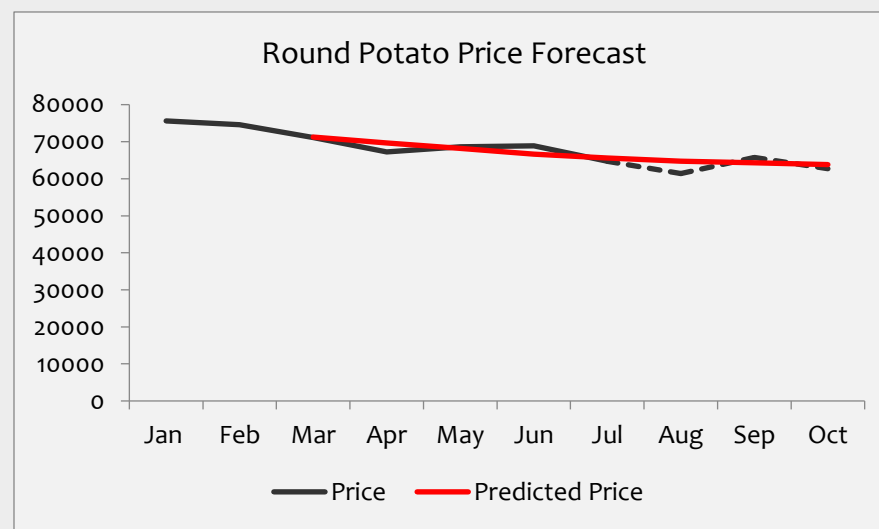
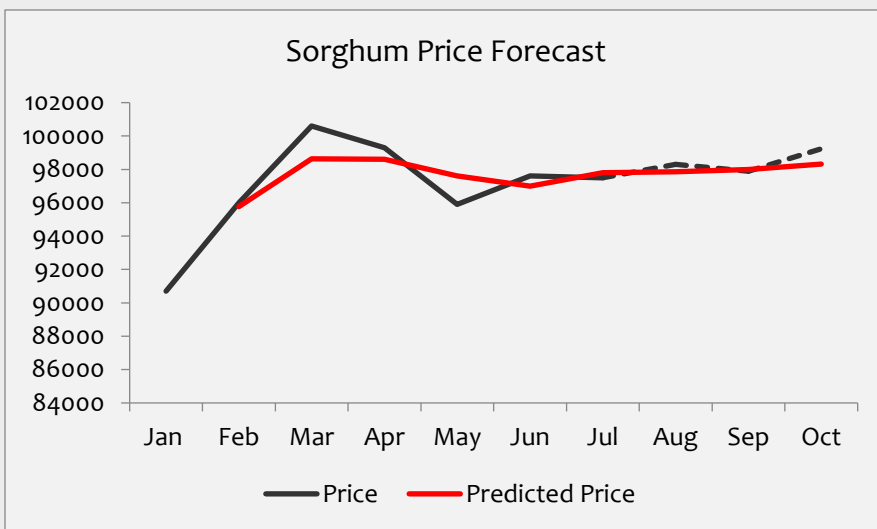
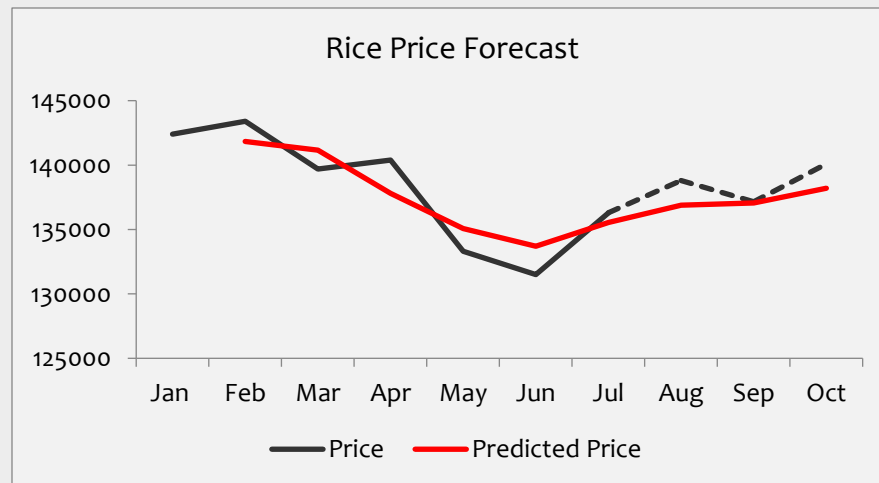
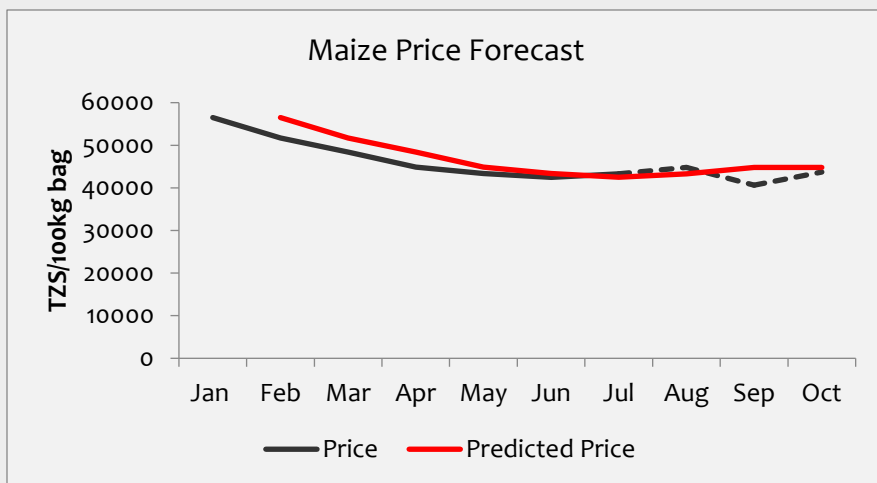
Fertilizers

Between August and September 2021, DAP fertilizer prices increased by 6.7 percent, while urea fertilizer prices decreased by 6.3 percent (Figure 12). DAP prices have risen as a result of export restrictions imposed by China, the world's largest exporter. Morocco remained a viable export option. It is important to note that Brazil and India are the world's largest fertilizer consumers, and thus have an impact on global market prices.

Ref: DAP (Diammonium phosphate), spot, f.o.b. US Gulf; Urea, (Ukraine), f.o.b. Black Sea



ANNEX: Food crops- price trend and forecast



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