



The United Republic of Tanzania
Ministry of Agriculture
Agricultural Marketing Section
MONTHLY MARKET BULLETIN
August, 2023

Executive Summary

- Prices for major staple food crops decreased at different rates in August, 2023 even though they remain at their highest levels compared to price last year and five -year average.
- Domestic inflation (CPI) decreased in August mainly due to decrease in prices of some food items. Food items that contributed to a decrease of the index includes: - wheat grains by 1.0%, rice by 2.3 %, sorghum grains by 6.2 %, finger millet grains by 3.3 %, maize grains by 3.4%, wheat flour by 1.5%, sorghum flour by 7.0%, maize flour by 1.0 %, cooking oil by 1.4 %, fruits by 3.8 %, groundnuts by 1.0 %, vegetables by 3.2 %, potatoes by 5.0%, cassava by 6.4%, cocoyam by 3.7%, cooking bananas by 6.7%, beans by 2.5%, peas by 1.2% and cowpeas by 4.5%. (www.nbs.go.tz)
- Domestic production of traditional export crops increased in 2022/23 and is expected to increase further in the 2023/24 agricultural season due to improved extension services delivery, farm expansion and improved distribution of farm inputs such as seeds and fertilizer subsidy. Similarly, despite a weakening global market, export values increased marginally during the same period.
- The fertilizer subsidy recently provided in Tanzania is expected to improve crop productivity. Domestic fertilizer production is expected to reach 1.5 million tons by 2030.



1. Domestic Market Prices: Staple foods

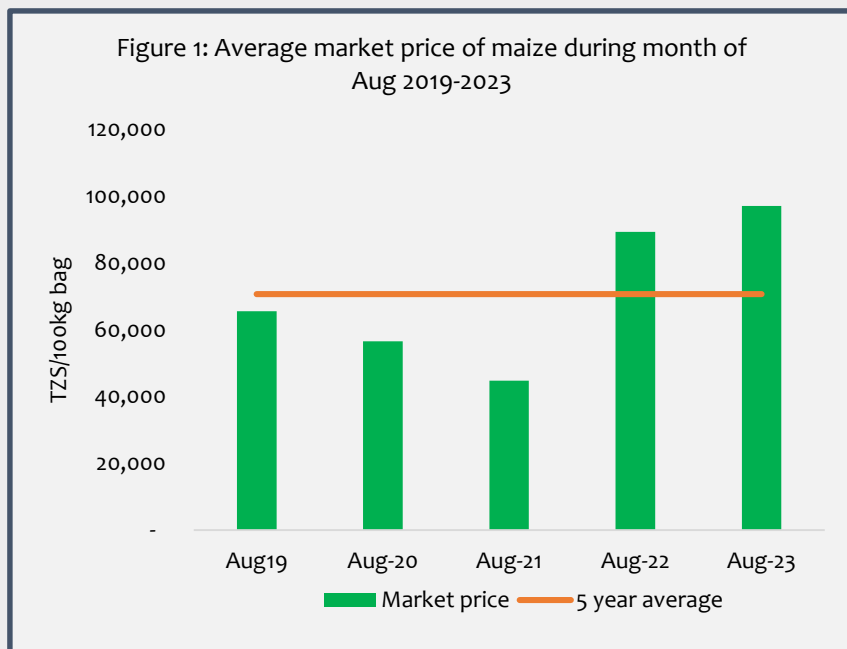
Prices for major staple food crops decreased at different rates in August than a month prior due to an increase in food supply from seasonal harvest in the country but remain significantly high in comparison to the previous year and to the five-year average (Table 1). In August, decrease in price was observed in round potatoes (18.1%), sorghum (14.1%), wheat (8.8%), maize (5.1%), dry bean (2.5%) and rice (1.6%).

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

Commodity	Jul 2023	Aug 2023	Monthly change (%)	Annual change (%)	5-year average (%)
Maize	102,300	97,100	▼ 5.1	▲ 8.7	▲ 37.4
Rice	253,600	249,600	▼ 1.6	▲ 18.7	▲ 38.2
Dry beans	268,200	261,400	▼ 2.5	▲ 26.0	▲ 32.3
Sorghum	98,600	126,900	▼ 14.1	▲ 0.9	▲ 16.7
Round potatoes	106,200	87,000	▼ 18.1	▲ 5.7	▲ 14.3
Wheat	179,800	163,900	▼ 8.8	▼ 13.2	▲ 13.2

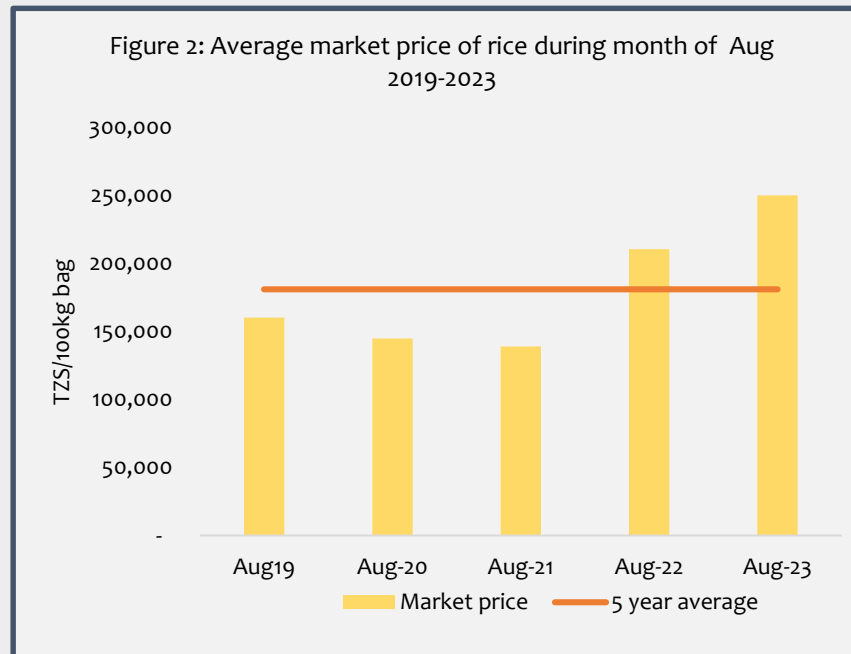
Maize

In August, 2023 the average wholesale price decreased by 5., declining from TZS 102,300 /100kg bag in July to TZS 97,100/100kg bag in August, 2023 (Table 1). Maize prices remained 8.7% and 37.4% higher than the previous year's comparable month and the five-year July averages, respectively (Figure 1). Prices have begun to ease as a result of improved supply from ongoing season harvesting in various production areas.



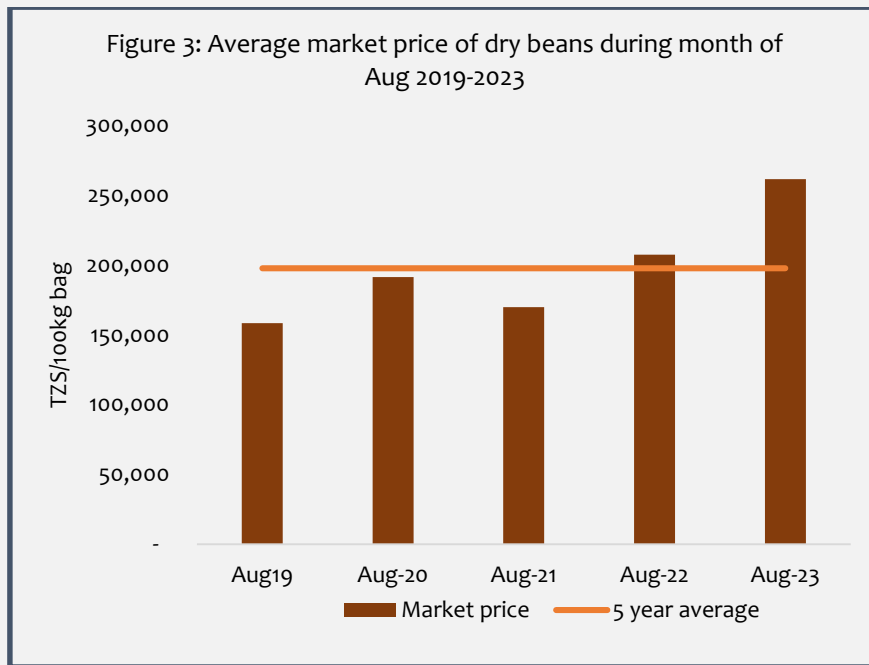
Rice

Rice prices decreased by 1.6 percent in August, 2023 declining from TZS 253,600/100kg bag in July to TZS 249,600/100kg bag in August, 2023 (Table 1). Similarly, prices increased by 18.7% in August, compared to the previous year's same month, and by 38.2% compared to the five-year July averages (Figure 2). Prices have begun to ease as a result of supply from ongoing season harvesting in various production areas.



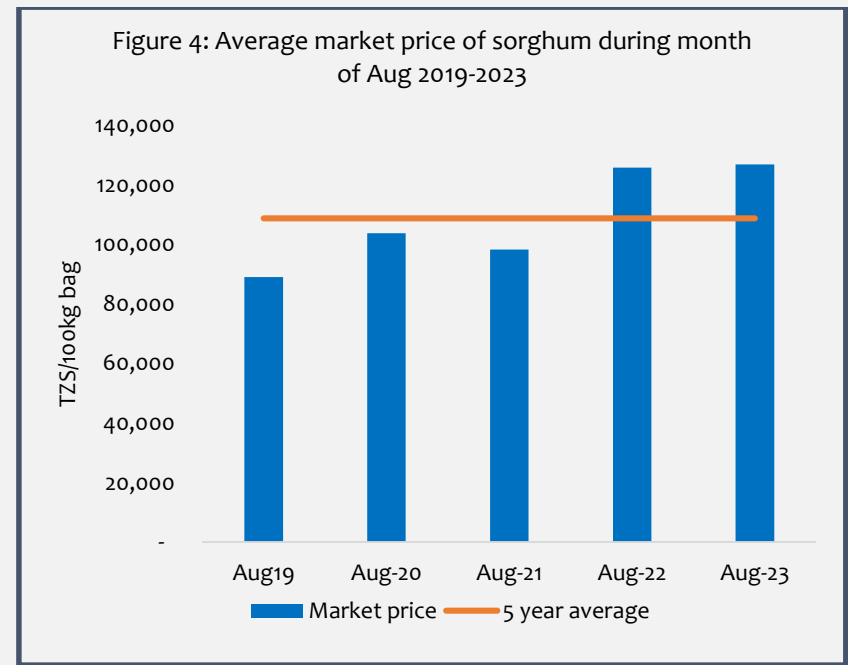
Dry beans

Wholesale prices for dry beans prices decreased by 2.5 percent in August, from TZS 268,200/100kg bag of July to about TZS 279,000/100kg bag (Table 1). Price trend shows a decline in prices over the past three months. This could be due to improved supply from various production areas. However, prices in August remained significantly higher by about 26.0% and 32.3% than similar month previous year and the five-year May average, respectively (Figure 3).



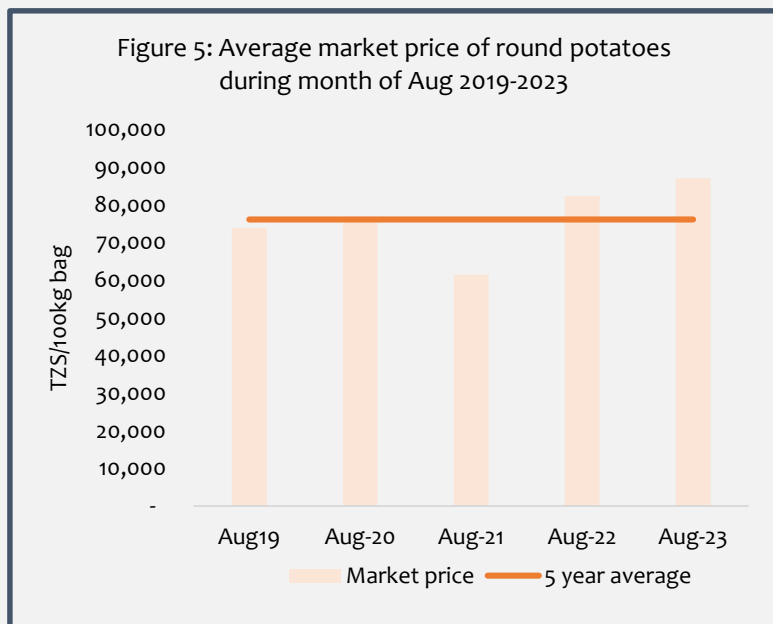
Sorghum

The monthly average wholesale price of sorghum fell by 14.1 percent in August, declining from TZS 98,600/100kg bag in July to TZS 126,900/100kg bag in August. However, prices remained slightly higher at 0.9% in August compared to the same month the previous year, and were 16.7% higher than the five-year May average. (Figure 4).



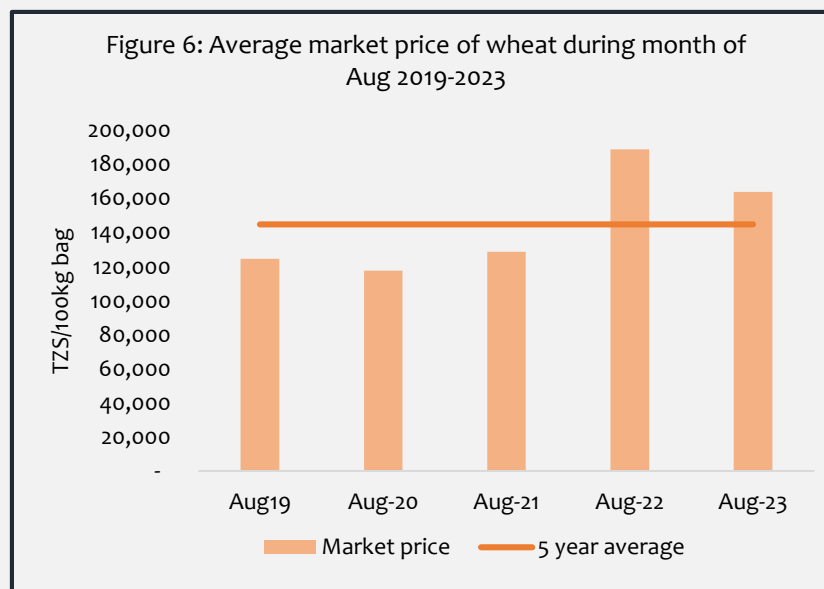
Round potatoes

The average wholesale prices for round potatoes have decreased by 18.1%, from TZS 106,200/100kg bag in July to TZS 87,000/100kg bag in August. Prices on the other hand were 5.7% higher in the reporting period than in the previous year's same period and 14.3% higher than the five-year August average (Figure 5).



Wheat

The average wholesale prices for wheat grain decreased by 8.8% in August, 2023 from TZS 179,800/100kg bag in July to TZS 163,900/100kg bag in August 2023. Prices, on the other hand, were 13.2% lower in the reporting period compared to the same period the previous year, and 13.2% higher than the five-year July average (Figure 6).



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

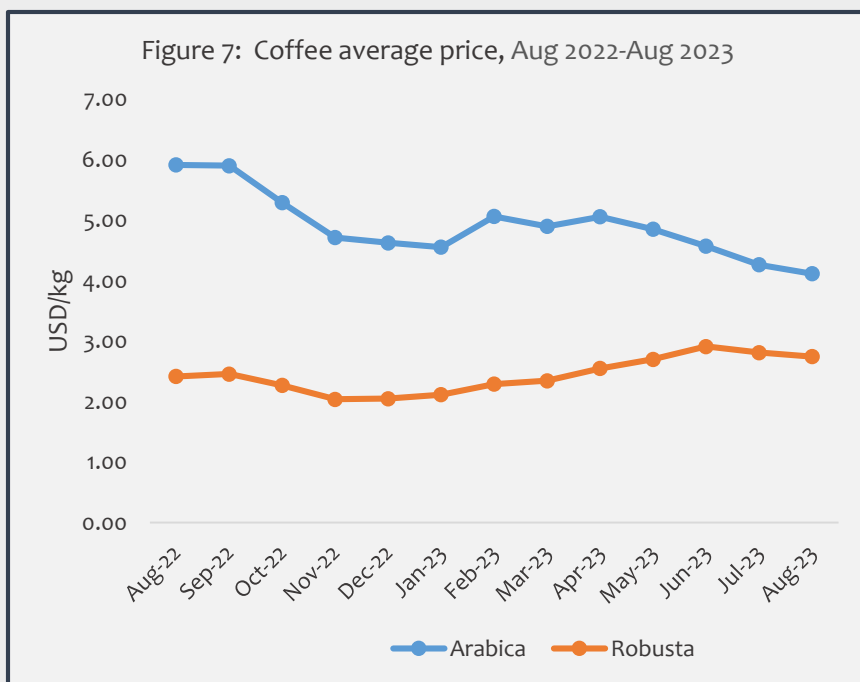
Source of data: Ministry of Industry and Trade

2. Global Prices: Traditional Export commodities (Source: World Bank, 2023)

Coffee

In August 2023, coffee prices have changed at different rates compared to July. Arabica and Robusta prices decreased by 3% and 2% respectively (Figure 7). Downward pressure on prices could be attributed to the lack of aggressive buying of green coffee through the world. Global coffee production is expected to bounce back by 1.7% to 171.3 million bags in coffee year 2022/23 while, World coffee consumption is expected to increase by 1.7% to 178.5 million bags in coffee year 2022/23.

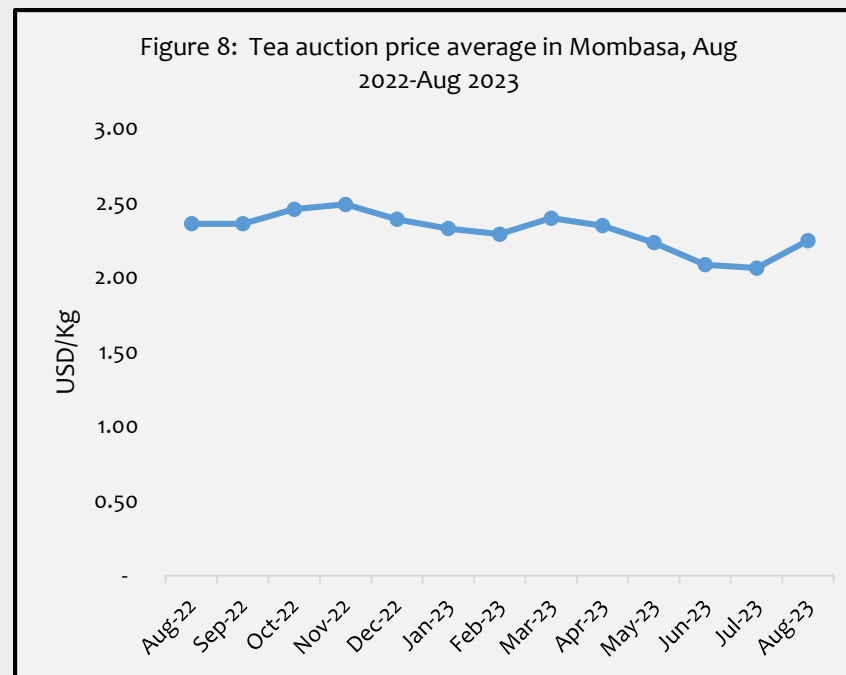
Benchmark: <http://www.ico.org> , [World Bank, 2023](#)



Tea

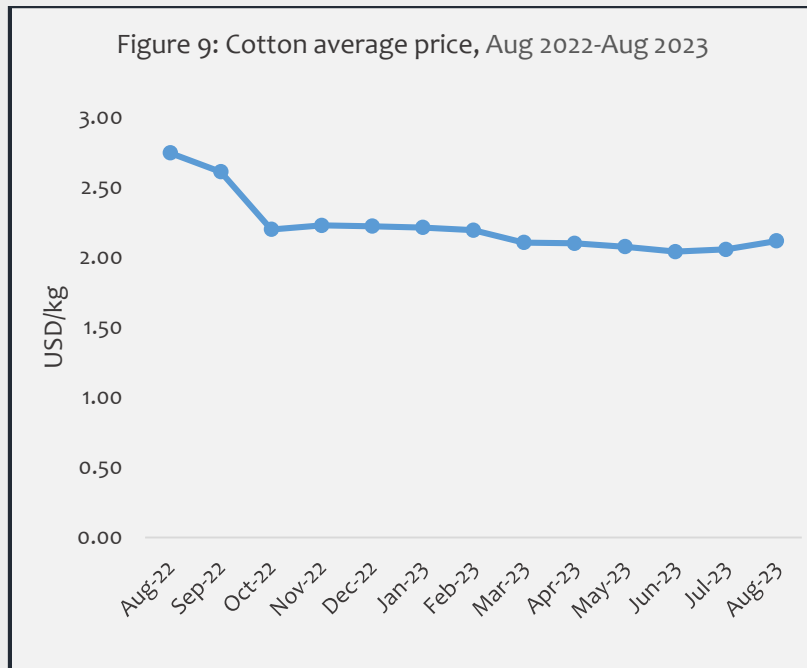
Tea prices at the Mombasa auction market increased by 9% in August 2023, rising from 2.06 USD/Kg in July to 2.25USD/Kg in August (Figure 8). Tea price has been on the rise since there were good and improved general demand at the Mombasa auction market.

Benchmark: <https://vanrees.com/market-information/weekly-market-report/>



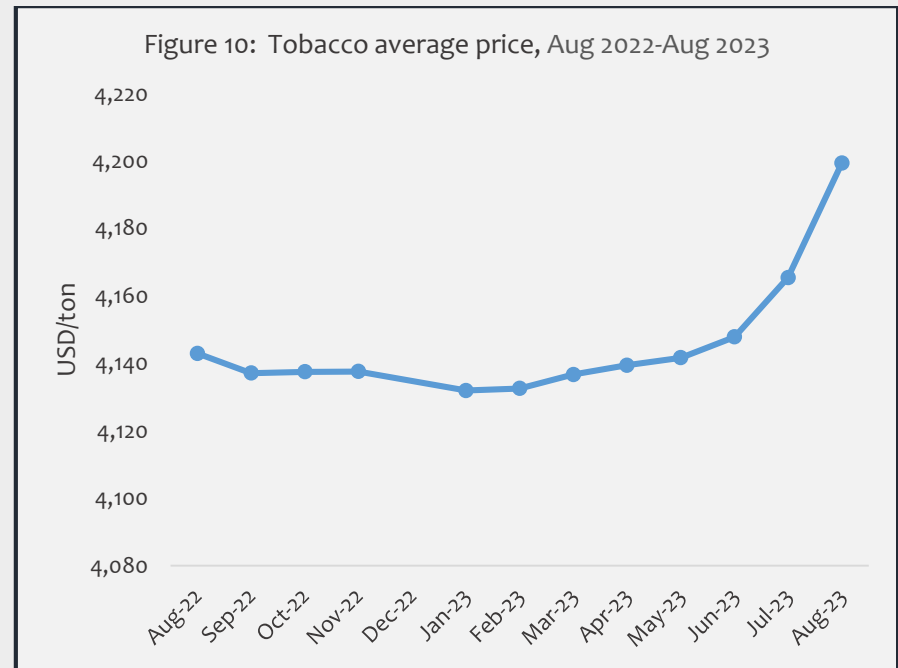
Cotton

Cotton prices have risen over the last year, reached its pick in August 2022 then declined significantly in the following months. Cotton prices rise by 3% in August, from 2.05USD/Kg in July to 2.11USD/Kg in August. (Figure 9). Global consumption of cotton has weakened recently causing a decline in prices. Because of global production dynamics, prices are projected to trend low in 2023, and pick up again in 2024.



Tobacco

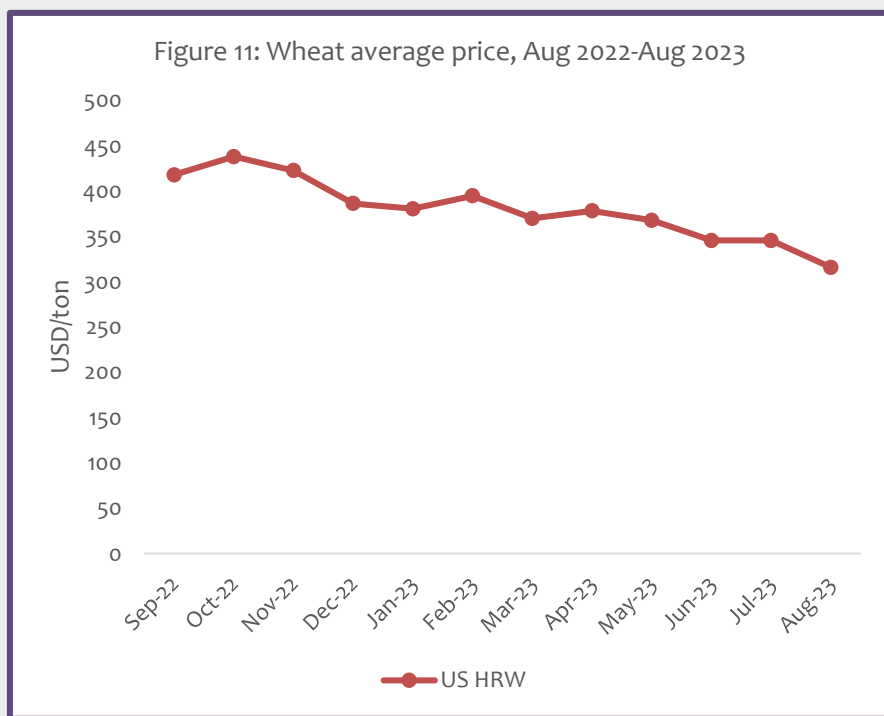
Over the last year, global tobacco prices have been steadily declining (Figure 10). Prices picked up in February 2023 and continued to slightly increase from 4165.46USD/ton in July 2023 to 4199.38USD/ton in August



3. Import Substitution Commodities (Source: World Bank, 2023)

Wheat

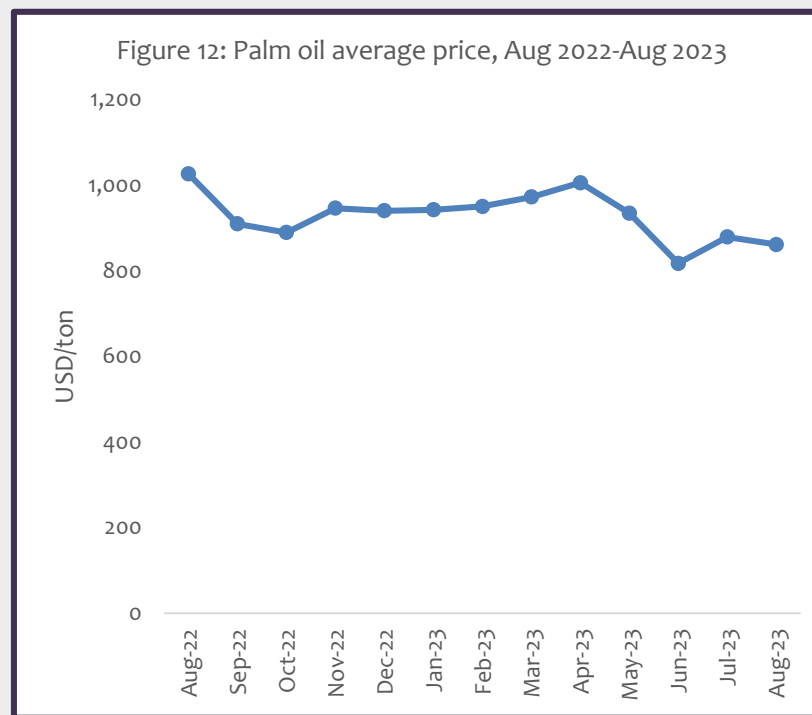
Ukraine and Russia accounted for nearly 30% of global wheat exports. Following several months of Russia’s invasion of Ukraine, it upended trade flows and sent futures soaring leading to increase in wheat prices. However, prices for (US HRW variety) decreased by 2% from USD 345.50/ton in July to USD 315.82/ton in August (Figure 11).



Edible Oil (Palm)

Global palm oil prices decreased by 2% from 878.50USD/ton in July to 860.82USD/ton in August (Figure 12). Global palm oil production will likely increase during the 2023-24 season (November-October), though there are risks of the warm ocean water phenomenon El Nino affecting the output.

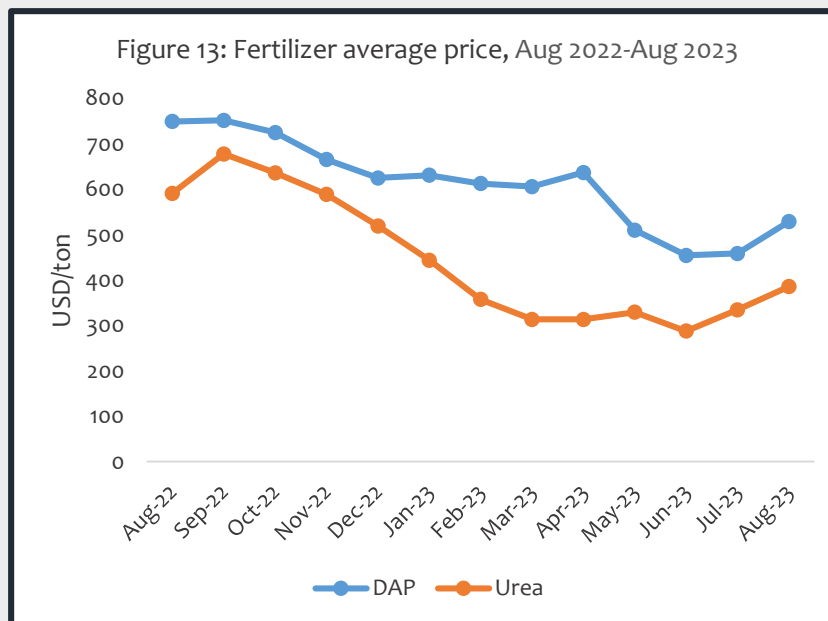
Benchmark: <https://www.thehindubusinessline.com/economy/agri-business/global-palm-oil-output-may-rise-over-2-next-season/article67212873.ece>



4. Farm Inputs (Source: World Bank, 2023)

Fertilizer

Both DAP and Urea price increased by 15 percent in August from prices recorded in July (Figure 13). Tanzania imports roughly 90% of its fertilizer annual requirement. The fertilizer subsidy program, which is currently in effect, is expected to lower production costs and increase farm yield.



About the Bulletin

This bulletin provides domestic and international markets outlook for five commodity groups including **staples** (maize, rice, beans, sorghum, and round potatoes), **traditional export crops** (coffee, cotton, tea and tobacco), **import substitution commodities** (edible oil and wheat) and **farm inputs** (fertilizer). This bulletin's information serves as a benchmark for key players along the respective value chains to make informed decisions.

Disclaimer: The views expressed in this bulletin are those of the authors and may not reflect those of the **Ministry of Agriculture (MoA)**. This bulletin is strictly for informational purposes only. The authors have made every effort to ensure accuracy of information provided; however, neither the Ministry of Agriculture nor the authors can guarantee such accuracy

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