



The United Republic of Tanzania
Ministry of Agriculture
Agricultural Marketing Section

MONTHLY MARKET BULLETIN

May, 2022

1. Domestic: Staple foods

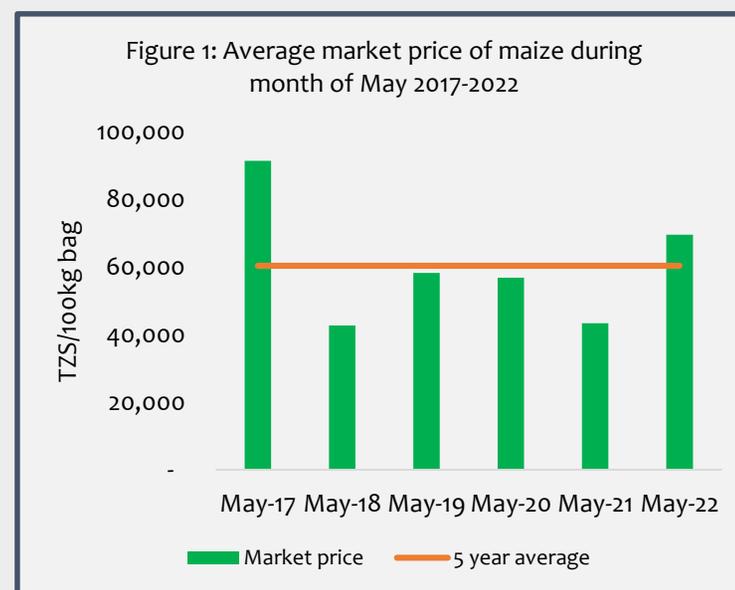
In May, prices for major staple food crops rose and fell at varying rates. Maize, wheat, rice, sorghum and dry beans prices increased by 10.3%, 9.8%, 5.7%, 5.1%, and 0.4% respectively, while price for round potatoes decreased by 3.7%. Generally, prices of all staples remained significantly higher than a year ago and did the five-year average May prices.

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

Commodity	April 2022	May 2022	Monthly change (%)	Annual change (%)	5-year average (%)
Maize	63,100	69,600	▲10.3	▲60.4	▲15.2
Rice	188,200	198,900	▲5.7	▲49.2	▲16.6
Dry beans	185,400	186,100	▲0.4	▲7.7	▲3.9
Sorghum	116,500	122,400	▲5.1	▲27.6	▲15.6
Round potatoes	76,100	73,300	▼3.7	▲6.9	▼3.3
Wheat	173,300	190,300	▲9.8	▲53.8	▲35.7

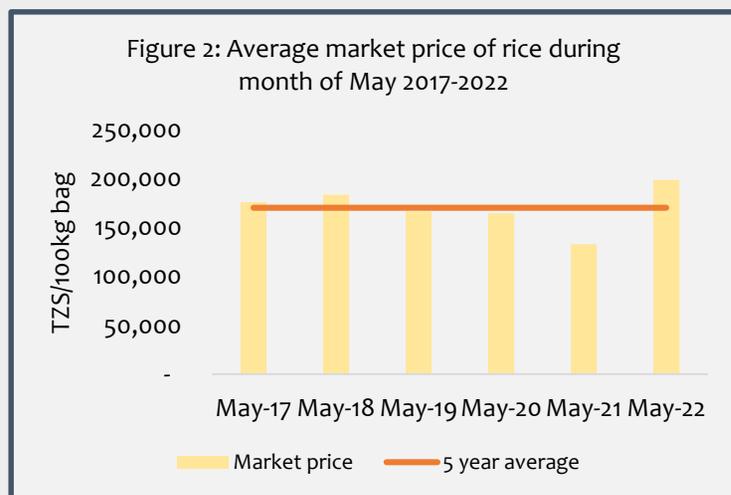
Maize

In May, the average wholesale price increased by 10.3%, from TZS 63,100/100kg bag in April to TZS 69,600/100kg bag in May (Table 1). The price was significantly higher (60.4%) in May 2022 than in the previous year's comparable month and 15.2% higher than the five-year April averages (Figure 1).



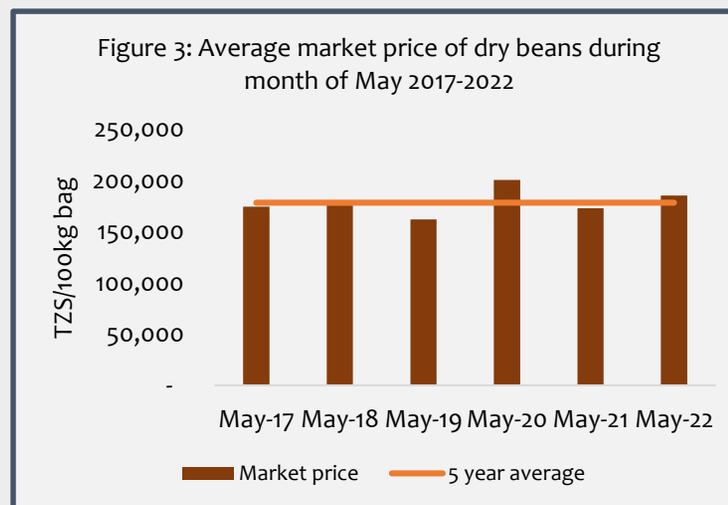
Rice

The average wholesale rice prices increased by 5.7 percent in May 2022, from TZS 188,200/100kg bag in April to TZS 198,900/100kg bag in May (Table 1). On the other hand, prices increased significantly by 49.2% in May 2022 compared to the same month a year ago, and by 16.6% to the five-year May average.



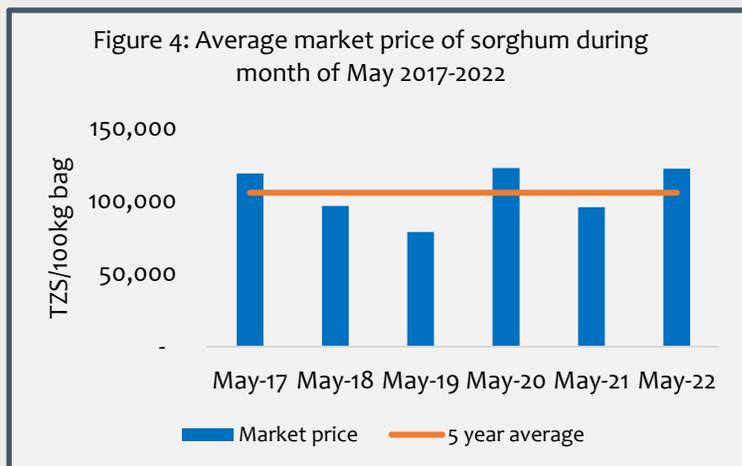
Dry beans

Wholesale prices of beans were at high levels, by 3.9 higher than the five-year May average. Prices rose slightly by 0.4 percent from TZS 186,400/100 bag in April to TZS 185,400/100 bag in May. Similarly, prices in May 2022 were 7.7 percent higher than the previous year's same month. (Figure 3).



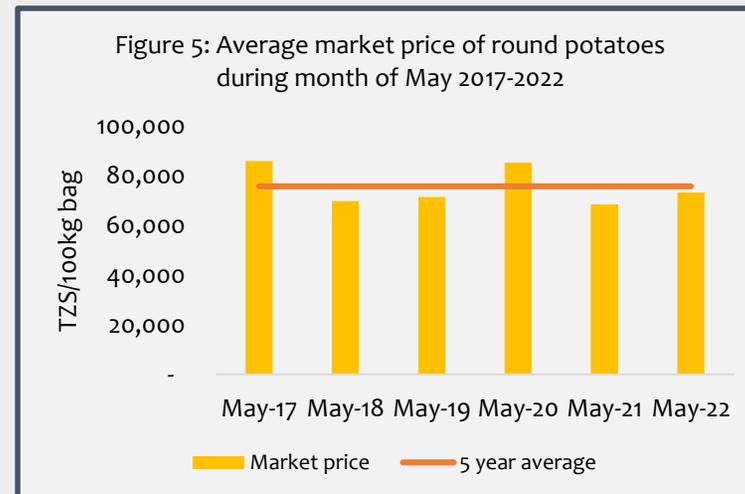
Sorghum

The monthly average wholesale price of sorghum increased by 5.1 percent, from TZS 116,500/100kg bag in April to TZS 122,400/100kg bag in May. On the other hand, prices rose by 27.6% when compared to the same month in the previous year, and 15.6% were higher than the five-year May average (Figure 4).



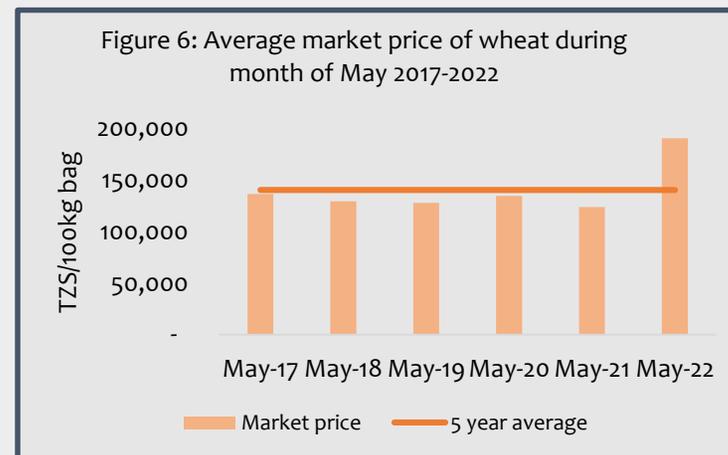
Round potatoes

The average wholesale prices for round potatoes slightly declined by 3.7 percent, from TZS 76,100/100kg bag in April to TZS 73,300/100kg bag in May. On the other hand, prices were 6.9 percent higher in May than in the previous year's same period, and below by 3.3 percent than the five-year May average (Figure 5).



Wheat

The average wholesale prices for wheat grain increased by 9.8 percent, from TZS 173,300 /100kg bag in April to TZS 190,300/100kg bag in May. On the other hand, prices were significant higher (by 53.8%) in the reporting period than in the previous year's same period, and by 35.7% higher than the five-year May 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 Investment, Industry and Trade

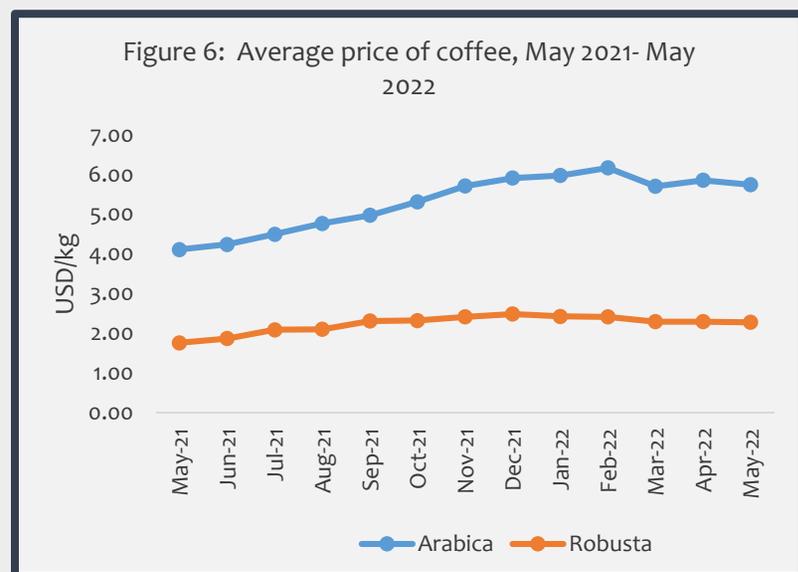
2. Global Prices: Traditional Export commodities (Source: World Bank, 2022)

▶ With the exception of tobacco, global market prices for most traditional export crops increased slightly in May

Coffee

Prices for Arabica and Robusta decreased by 1.9 percent and 0.8 percent respectively (Figure 7). Despite the fact that prices appeared to recover over time, the global coffee market is still influenced by Covid-19 supply disruptions. It is expected that the supply and demand trends will be further influenced by increased input costs, which will raise production costs as well as consumption as a result of the conflict in Ukraine (ICO, 2022).

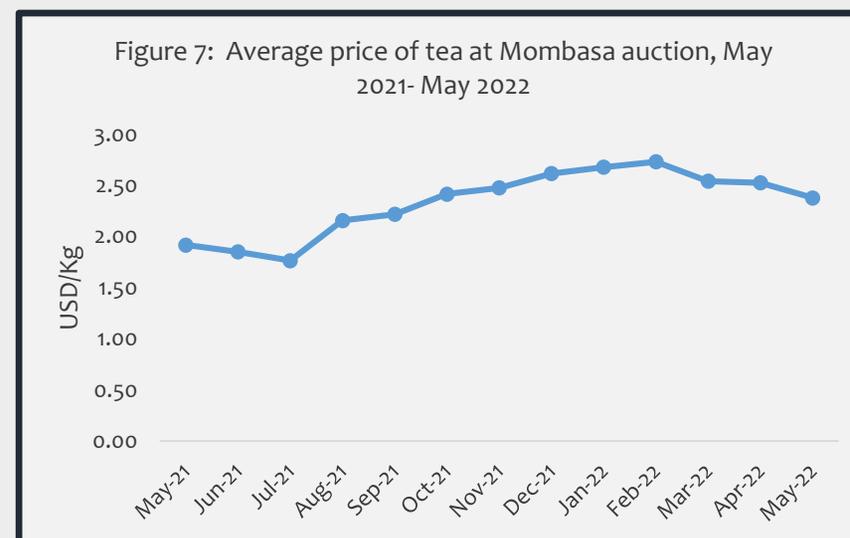
Benchmark: Coffee (ICO), International Coffee Organization indicator price



Tea

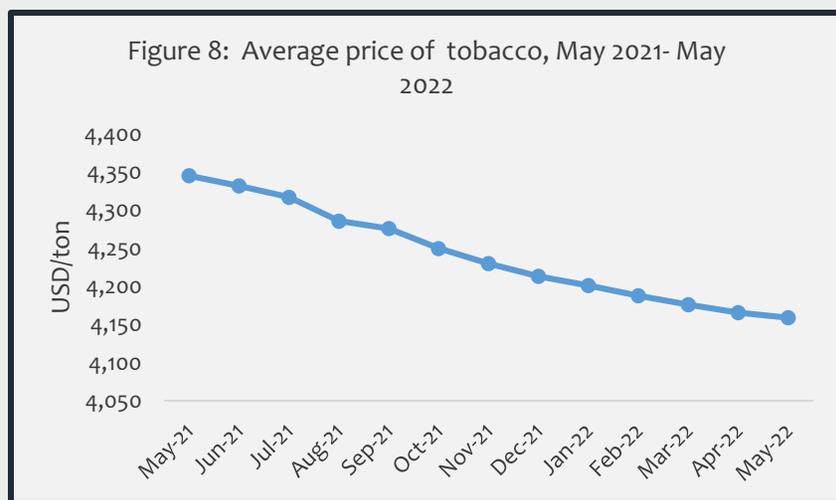
Tea prices at the Mombasa auction market have risen steadily over the last year, but declined starting from February to May, 2022 by 5.87 percent from USD 2.53/Kg in February 2022 to USD 2.38/Kg in May 2022 (Figure 8). Tea auction prices have remained stable on average since the Kenyan government decided to set a minimum price of USD 2.43/kg at the beginning of August 2021, after the cost of tea fell to a decade low. While the Russia-Ukraine crisis is affecting India's tea exports (Russia is India's second largest buyer of tea), the ongoing conflict is likely to affect tea prices at the Mombasa auction.

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



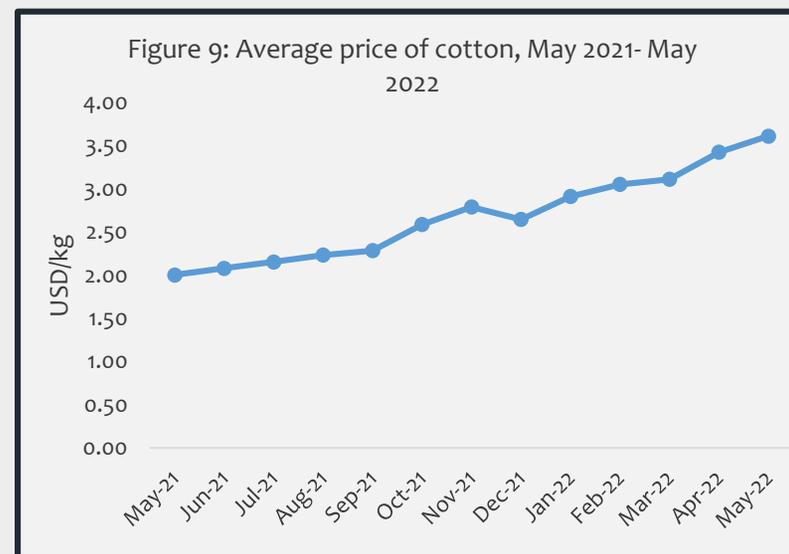
Tobacco

Over the last year, global tobacco prices have been steadily declining (Figure 9). Prices fell further in May, 2022 by 0.16 percent. The drop in prices could be attributed to increased health awareness and stringent government policies prohibiting the use of tobacco. According to a World Health Organization report, the global prevalence of tobacco use has been declining for the past two decades (WHO, 2021).



Cotton

Global cotton prices rose by 5.43 percent, from 3.42 USD/Kg in April, 2022 to 3.61 USD/Kg in May, 2022 (Figure 9). Cotton prices are expected to rise in 2022 as global output, particularly in India and the United States, is expected to fall while demand remains high.



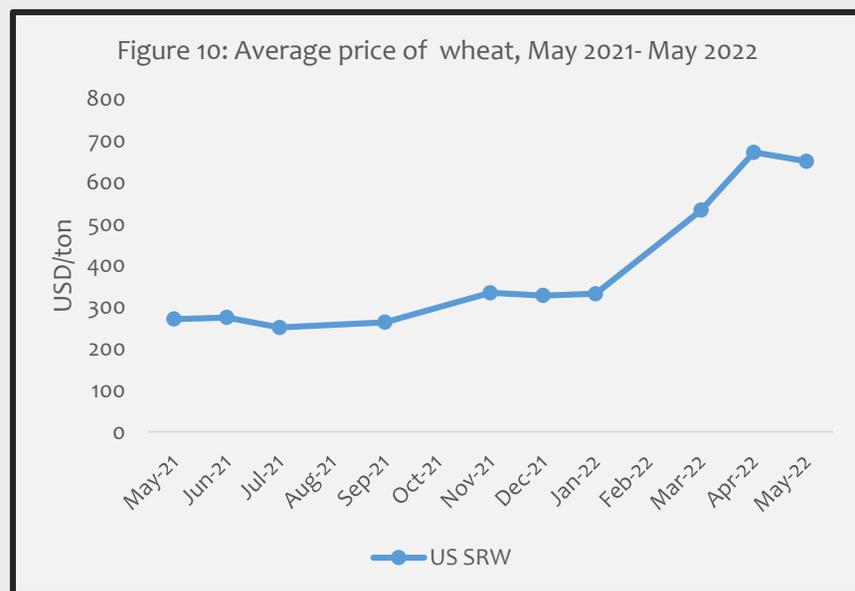
3. Import Substitution Commodities (Source: World Bank, 2022)

Tanzania imports a significant amount wheat, sugar, and cooking oil. In May, global prices of these products were higher than a year before May prices. The war in Ukraine has caused disruption in the flows of wheat and cooking oil (sunflower oil) globally. Ukraine is one of the world's biggest exporters of wheat and sunflower oil. The Russia-Ukraine war situation brings uncertainties and could further impact domestic prices

Wheat

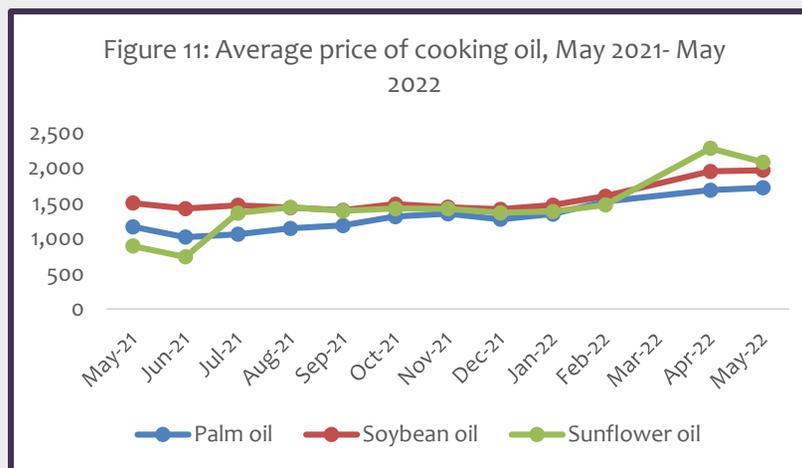
May, 2022, Global wheat prices (US SRW) decreased by 3.24 percent from USD 650.66 /ton in from USD 672.46/ton in April, 2022, (Figure 10). The Ukraine crisis has recently heightened volatility in the wheat markets, causing global prices to rise. Russia and Ukraine control at least 30% of the global wheat market (IFPRI, 2022). Tanzania imports 1-1.2 million tonnes of wheat, with Russia and Ukraine accounting for more than 60% of the total.

*Wheat (US), soft red winter (SRW)



Edible Oil

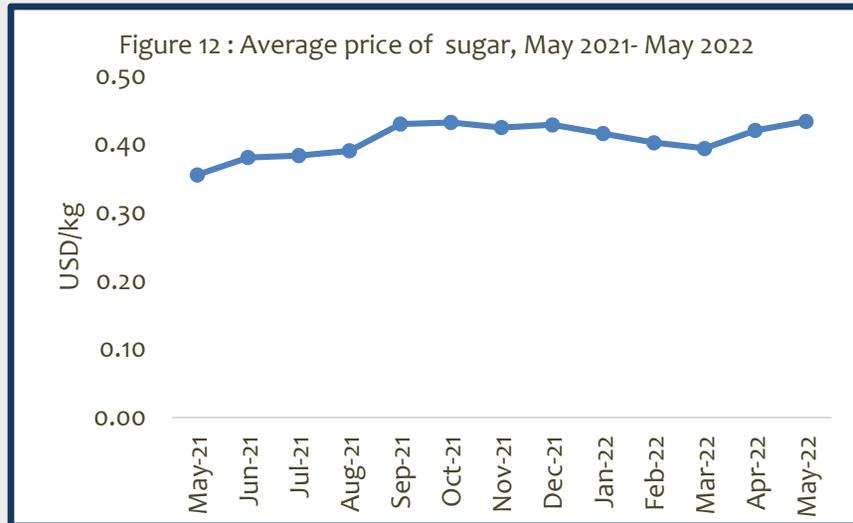
Palm oil increased by 2 percent from USD 1,682.74/ton in April, 2022 to USD 1,716.92/ton in May, 2022; sunflower oil decreased by 8.63 percent from USD 2275.76/ton in April, 2022 to USD 2,079.30/ton in May, 2022 while soybean oil increased by 0.79 percent from USD 1,947.51/ton in April 2022 to USD 1,962.88/ton in May, 2022 (Figure 11). Malaysian palm oil prices have been rising globally since the outbreak of the Covid-19 pandemic, which resulted into reduced production and disruption of supply chain. Consequently, the war between Russia and Ukraine, the top producers and exporters of sunflower oil will cause supply shortages, driving up palm oil prices even further. Prices in the domestic market have also been rising. The retail price increased by approximately 56% from TZS 4,500/lt in March 2019 to around TZS 8,000/lt in April 2022.



Ref: Palm oil (Malaysia), palm oil demand and supply outlook report 2022.

Sugar

Global sugar prices increased by 3.2 percent from USD 0.42/kg in April to USD 0.43/kg in May, 2022 (Figure 12). Sugar production in Brazil is expected to decline in 2022 ([USAD, Nov 2021](#)). Because Brazil is a major producer and exporter of sugar, the reduction is expected to have a significant impact on global as well as domestic sugar supply.

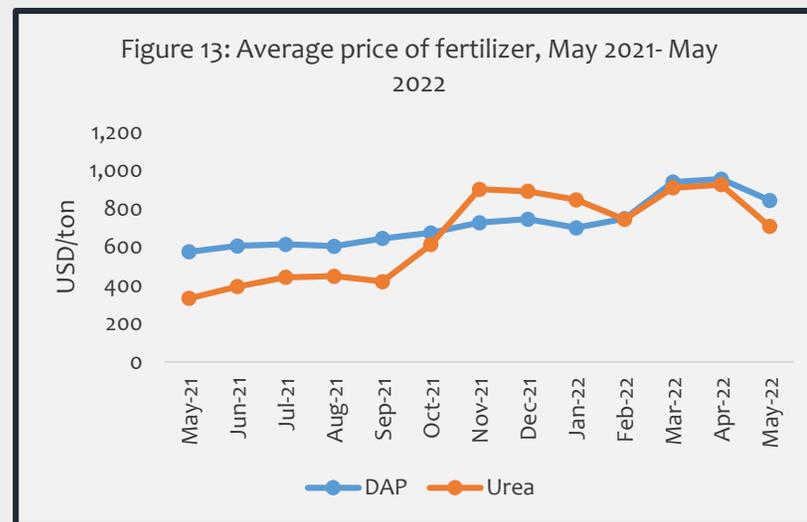


4. Farm Inputs (Source: World Bank, 2022)

Despite the global fertilizer prices have been rising over time, prices in May recorded a decline. DAP and Urea are significantly eased by 11.7% and 23.5% respectively.

Fertilizers

In May 2022, fertilizer prices recorded decline whereby, DAP prices decreased by 11.7% from USD 954/ton in April, 2022 to in USD 842/ton in May, 2022. Similarly, Urea prices decreased by 23.5% from from USD 925/ton in April to USD 707.5/ton in May 2022. (Figure 13). The fall in prices could be caused by buyers in Southeast Asia unwilling to pay the record high prices for ammonia that were posted in April and May, 2022 ([Bloomberg, 2022](#))



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.

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