



Ministry of Agriculture
Agricultural Marketing Section
MONTHLY MARKET BULLETIN
June, 2023

Executive Summary

- *Staple food prices in June 2023 remain at their highest levels compared to price of last year and five -year average due to tight supplies coupled with sustained export demand.*
- *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 service delivery, farm expansion, and improved distribution of farm inputs such as seeds and fertilizer. Similarly, despite a weakening global market, export values increased marginally during the same period.*
- *International prices of wheat continued to decline in June due to ample global supplies and subdued import demand. Also, the extension of the Black Sea Grain Initiative also contributed to softening world prices.*
- *Globally, prices for most fertilizer products continued their downward trend in June, 2023, pointing to well-supplied global markets. The sustained decrease in natural gas prices has particularly supported production of nitrogen-based fertilizers. 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

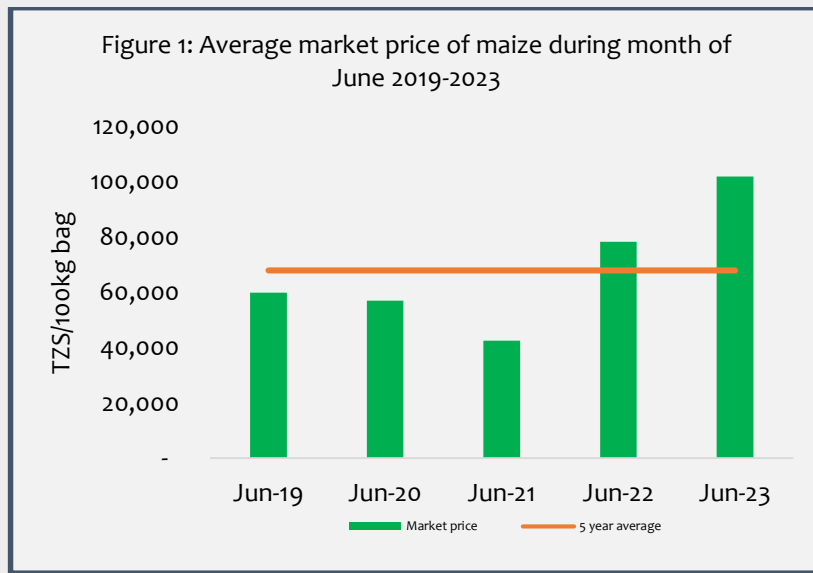
Prices for major staple food crops increased and decreased at different rates in June than a month prior but remain significantly high in comparison to the previous year and to the five-year average (Table 1). In June, prices of wheat, rice, dry beans, maize and sorghum declined by 12.3, 9.8, 3.6, 2.8 and 2.5 percent respectively, while price of round potatoes increased by 3.7 percent.

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

Commodity	May 2023	June 2023	Monthly change (%)	Annual change (%)	5-year average (%)
Maize	104,800	101,900	▼ 2.8	▲ 30.1	▲ 50.1
Rice	290,800	262,400	▼ 9.8	▲ 29.6	▲ 43.8
Dry beans	279,900	268,900	▼ 3.6	▲ 43.9	▲ 35.9
Sorghum	150,400	146,600	▼ 2.5	▲ 18.0	▲ 29.2
Round potatoes	104,500	108,400	▲ 3.7	▲ 33.5	▲ 30.5
Wheat	220,200	193,100	▼ 12.3	▼ 1.1	▲ 26.6

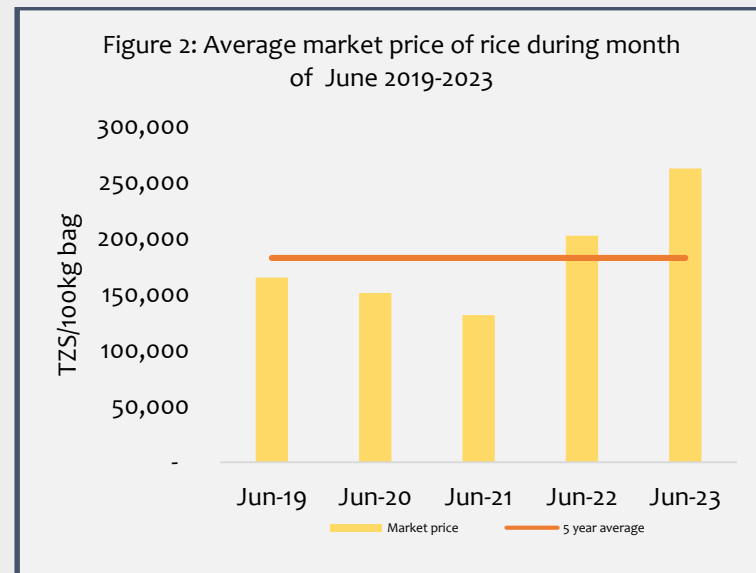
Maize

In June, the average wholesale price declined by 2.8%, from TZS 104,899 /100kg bag in May to TZS 101,900/100kg bag in June (Table 1). Despite the June price decrease, maize prices remained 30.1% and 50.1% higher than the previous year's comparable month and the five-year June averages, respectively (Figure 1). Prices have begun to ease as a result of improved supply from ongoing harvesting season in various production areas.



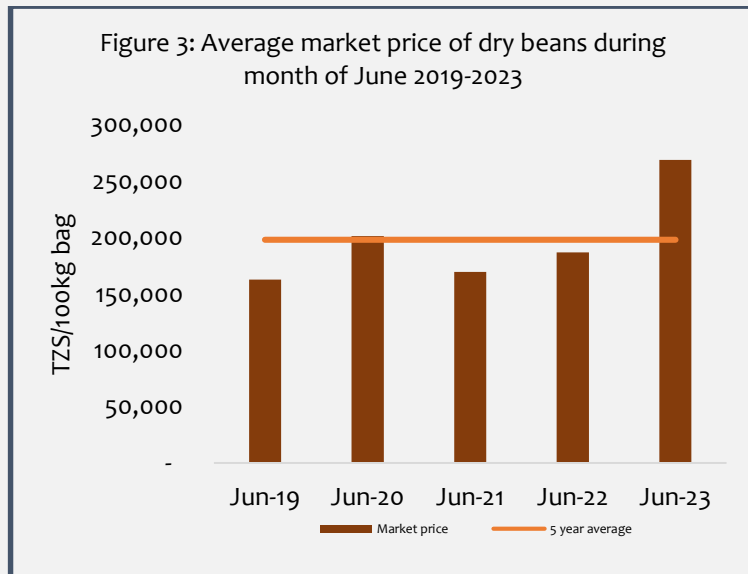
Rice

Rice prices decreased by 9.8% in June, declining from TZS 290,800/100kg bag in May to TZS 262,400/100kg bag in June (Table 1). Similarly, prices increased by 29.6% in June compared to the previous year's same month, and by 43.8% compared to the five-year June averages (Figure 2). Prices have begun to ease as a result of supply from harvesting in various production areas.



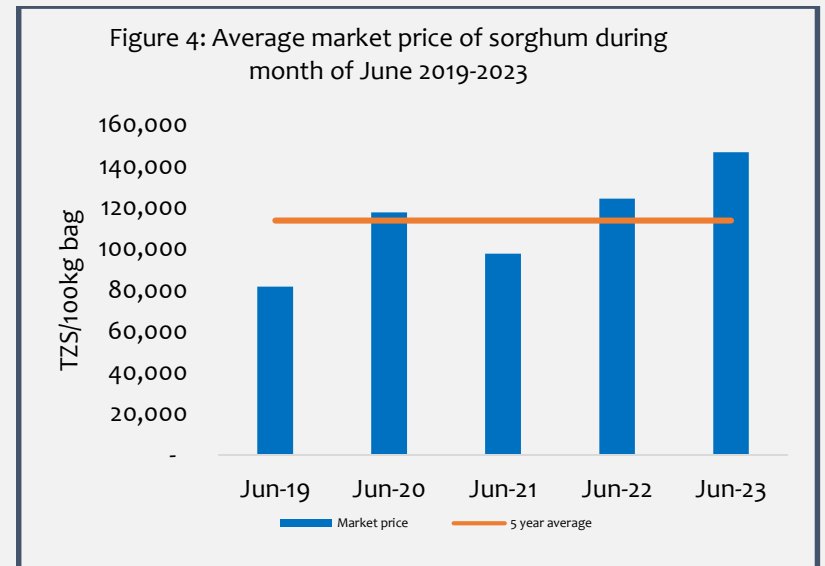
Dry beans

Beans prices decreased by 3.6% in June, from TZS 279,000/100kg bag of May to about TZS 268,900/100kg bag. 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 June remained significantly higher by about 43.9% and 35.9% than similar month previous year and the five-year June average, respectively (Figure 3).



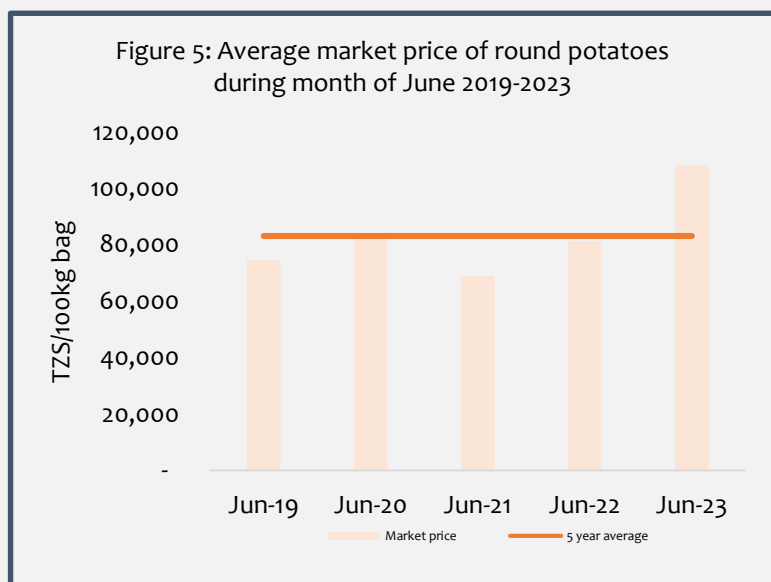
Sorghum

The monthly average wholesale price of sorghum fell by 2.5% in June, declining from TZS 150,400/100kg bag in May to TZS 146,600/100kg bag in June. However, prices remained higher at 18% in June compared to the same month the previous year, and were 29.2% higher than the five-year June average (Figure 4).



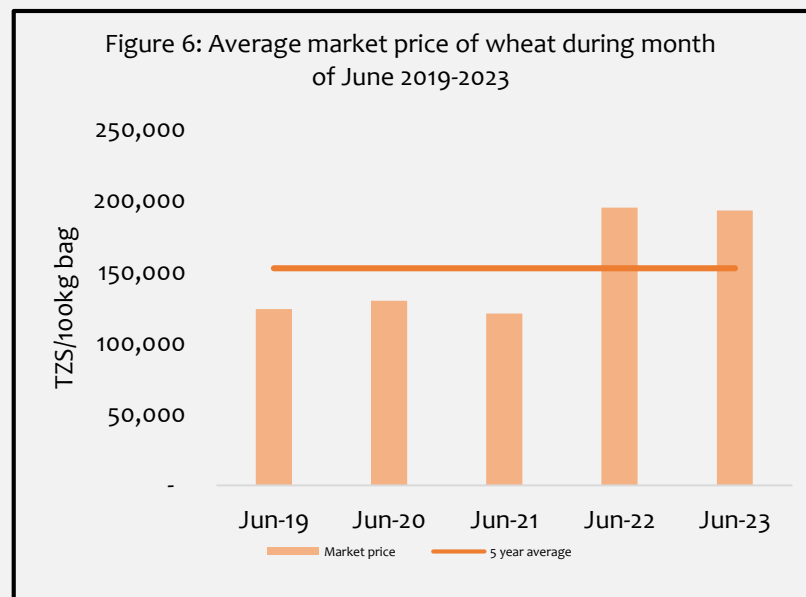
Round potatoes

In June, round potato wholesale prices increased by 3.7%, from TZS 104,500/100kg bag in May to TZS 108,400/100kg bag in June. Similarly, prices remained 33.5% higher in the reporting period compared to the same period the previous year, and 30.5% higher than the five-year June average (Figure 5).



Wheat

Wheat grain wholesale prices decreased by 12.3% in June, from TZS 220,200/100kg bag in May to TZS 193,100/100kg bag in June. Prices, on the other hand, were 1.1% lower in the reporting period compared to the same period the previous year, and 26.6% higher than the five-year June 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

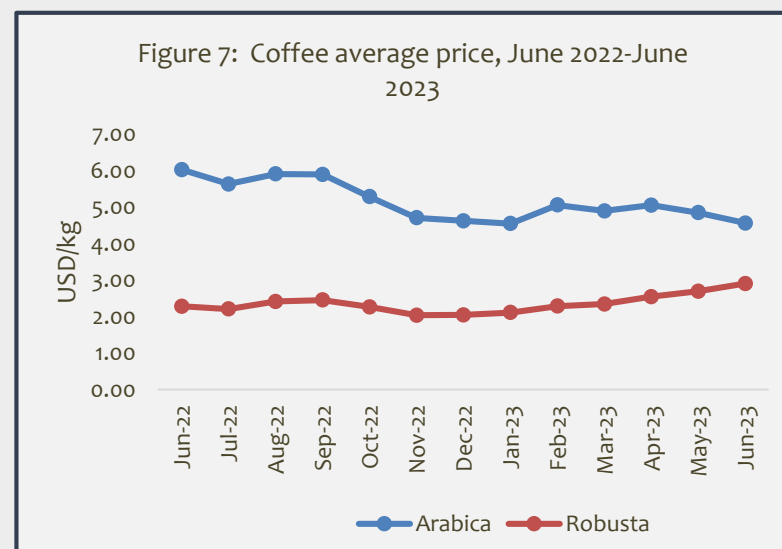
The symbols (▲ ▼) indicate the direction of price changes. (▲) price increased; (▼) price decreased; (▶) no changes in price

Source of data: Ministry of Investment, Industry and Trade

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

Coffee

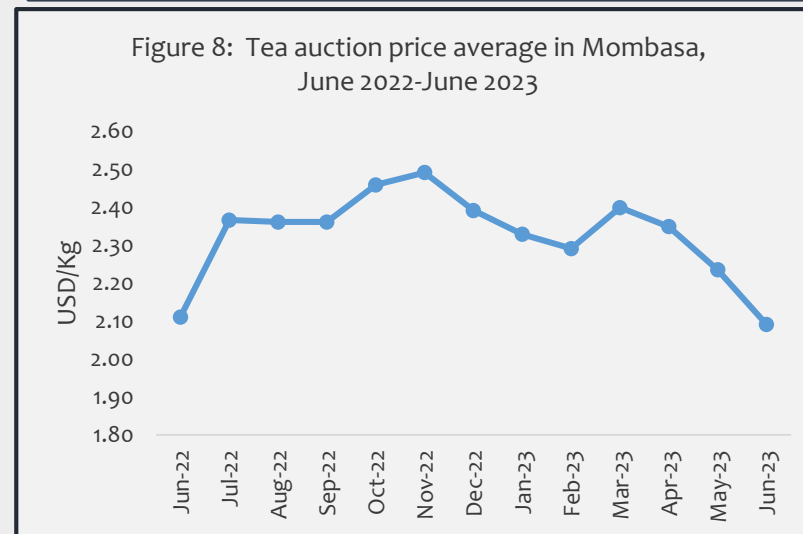
In June 2023, coffee prices have changed at different rates compared to May. Arabica prices decreased by 5.8 percent and remained lower than they were a year ago. Robusta prices have been increased by 7.8 percent in June (Figure 7). After a rebound from a decline caused by adverse weather conditions, global coffee production is expected to rise, particularly in Brazil. Consequently, prices are expected to fall slightly as a result of increased production ([World Bank, 2023](#)).



Tea

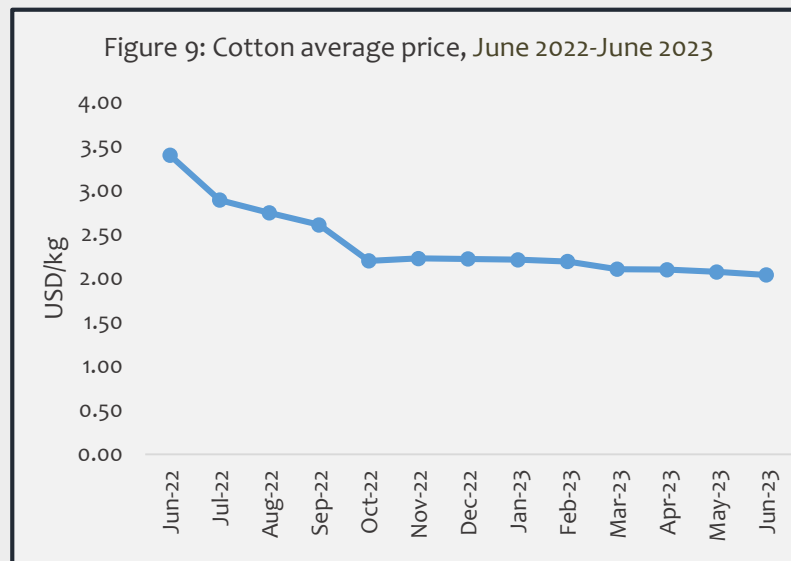
International tea prices have been declining for the last three months. Prices at the Mombasa auction market have decreased by 6.3 percent in June, compared to their prices in May, from USD 2.23/kg in May 2023 to USD 2.09/kg in June 2023 (Figure 8). The decline in prices is linked to weak demand in key tea-consuming regions, particularly in Central Asia, as a result of the Ukraine conflict. Weak demand is expected to put prices at lower levels throughout 2023 ([World Bank, 2023](#)).

Benchmark: Tea (Mombasa/Nairobi auctions), African origin, all tea



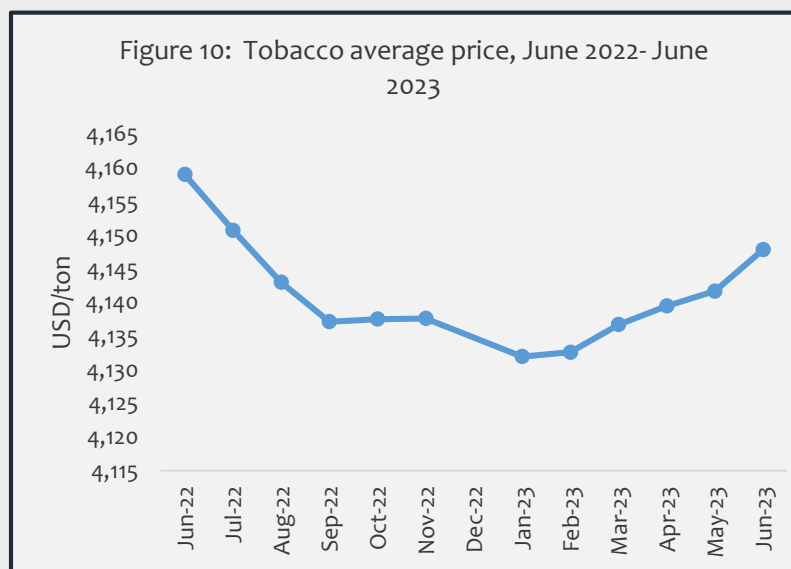
Cotton

In June, prices of cotton slightly dropped from 2.07 USD/kg of May to 2.04 USD/Kg. 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 and continued to slightly increase from 4141.71USD/ton in May 2023 to 4147.89USD/ton in June.

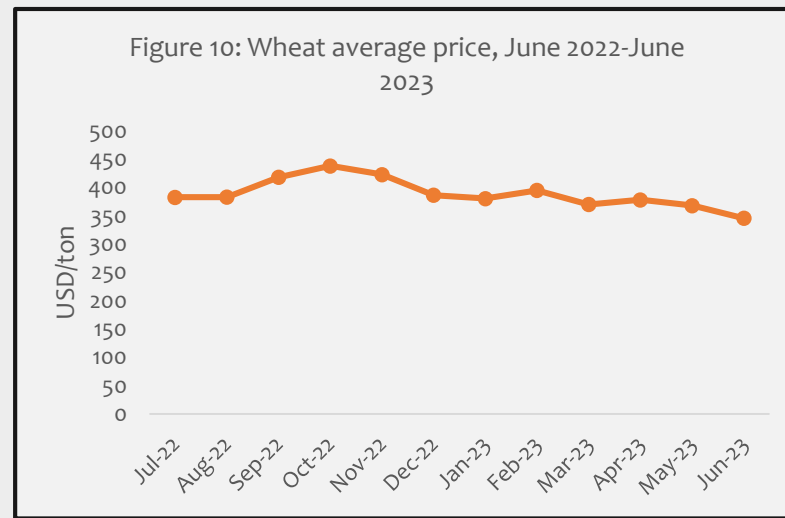


3. Import Substitution Commodities (Source: World Bank, 2023)

Wheat

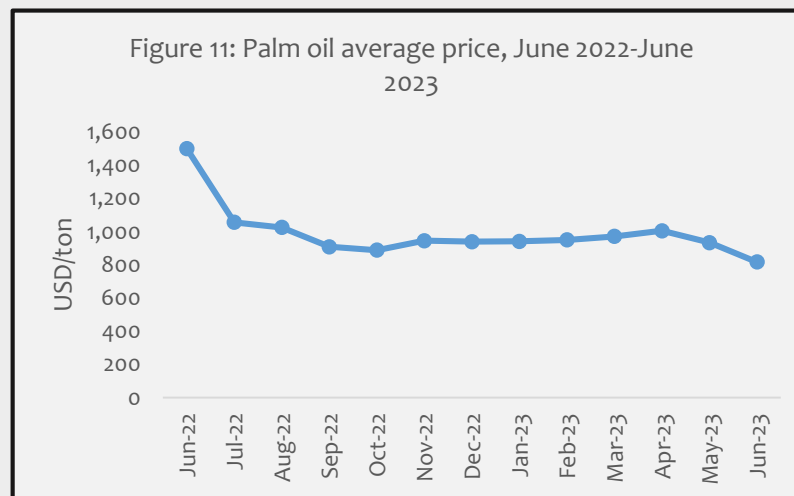
Ukraine and Russia accounted for nearly 30 percent of global wheat exports. Following several months of Russia’s invasion of Ukraine, prices of wheat have soared. However, wheat observed a decline in prices from their pick in May 2023 reflecting improved supply prices (Figure 10). In June 2023 prices of wheat declined by 6.4 percent from USD 367.74/ton in May 2023 to USD 345.5/ton in June (Figure 10).

**Wheat (US), hard red winter (HRW)*



Edible Oil (Palm)

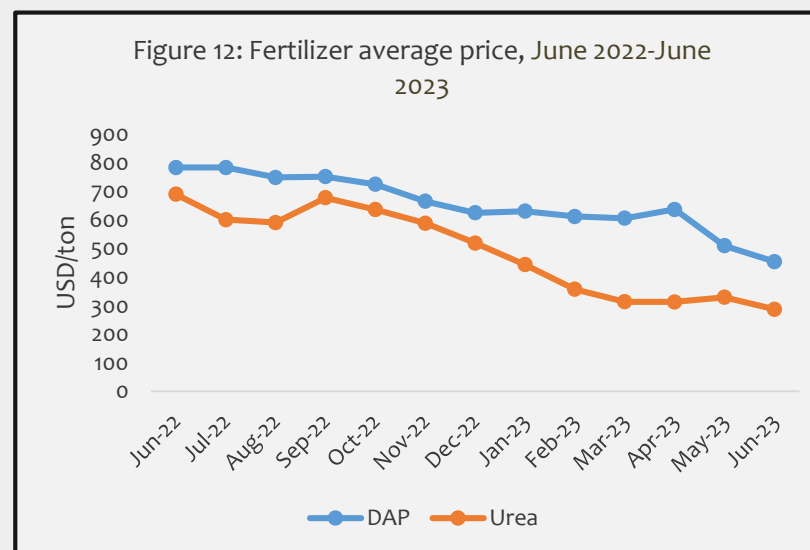
Palm oil prices decreased by 12.5 percent in June 2023, from USD 934.06/ton in May 2023 to USD 817/ton in June (Figure 11). Palm oil is affected by price movements in related oils, as they compete for a share in the global vegetable oil markets.



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

Fertilizer

Both Urea and DAP fertilizers recorded a steady decline of price in June 2023 by 14.5% and 12.2% respectively (Figure 12). International prices are expected to continue declining as natural gas prices fall. 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 a accuracy

For further information, contact:

Agricultural Marketing Section,
P.O. Box 2182, DODOMA.
Email: masoko@kilimo.go.tz