



Ministry of Agriculture
Agricultural Marketing Section

MONTHLY MARKET BULLETIN May, 2023

Executive Summary

Staple food prices declined in May even though they remain at their highest levels compared to price last year and five -year average. Prices of maize, sorghum, and rice declined by 4.6, 2.0, and 1.8 percent respectively, while round potato, wheat and dry beans prices increased by 4.9, 1.0 and 0.4 respectively. Improved seasonal rains increase the likelihood for good harvests in the majority of producing regions. Early harvesting of crops like maize, sorghum, rice has improved supply of food crops. Food prices are expected to ease as the country approaches the harvesting season. International commodity prices declined and other commodities remained broadly stable in April, 2023 (except tobacco and tea) owing to improved trade flows and improved weather conditions. Tanzania's traditional export crops value has reached USD Mil 765.8 for the fiscal year ending April, 2023 with cashewnut (USD Mil 197.6), coffee (USD Mil 186.7), tobacco (USD Mil 178.2), and cotton (USD Mil 107.4) being the leading commodities. On the hand, import bill for wheat, edible oil, and fertilizer for the same period was USD, Mil 385.5, USD Mil 161.6, and USD Mil 589.5 respectively. Tanzania has an advantage in increasing commodity exports and reducing imports by improving production of edible oil, wheat, and fertilizer.

1. Domestic Market Prices: Staple foods

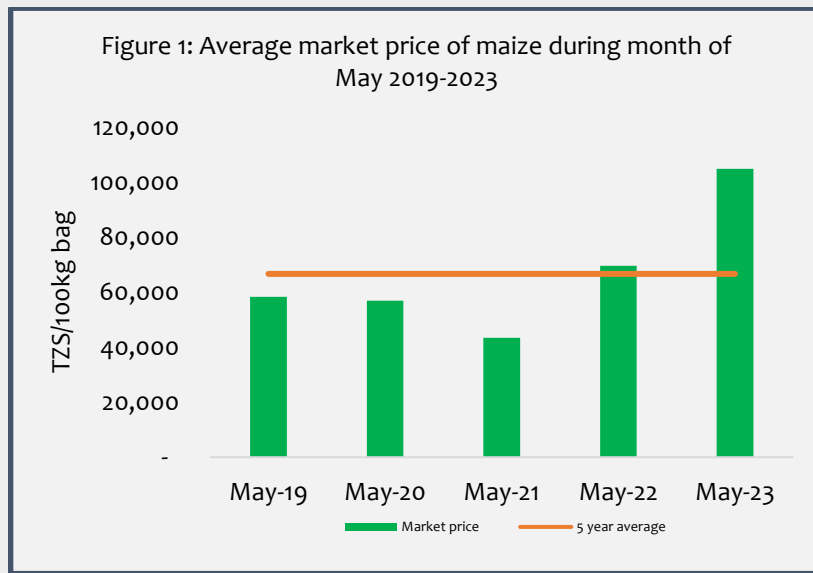
Prices for major staple food crops increased and decreased at different rates in May than a month prior but remain significantly high in comparison to the previous year and to the five-year average (Table 1). In May, decrease in price was observed in maize (4.6%), sorghum (2.0%) and rice (1.8%), while price of round potatoes, wheat and dry beans increased by 4.9%, 1.0%, and 0.4% respectively.

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

Commodity	Apr 2023	May 2023	Monthly change (%)	Annual change (%)	5-year average (%)
Maize	109,800	104,800	▼ 4.6	▲ 50.6	▲ 57.4
Rice	296,200	290,800	▼ 1.8	▲ 46.2	▲ 52.3
Dry beans	277,900	279,900	▲ 0.4	▲ 49.9	▲ 39.4
Sorghum	153,400	150,400	▼ 2.0	▲ 22.9	▲ 31.9
Round potatoes	99,600	104,500	▲ 4.9	▲ 42.6	▲ 29.5
Wheat	218,100	220,200	▲ 1.0	▲ 15.7	▲ 38.2

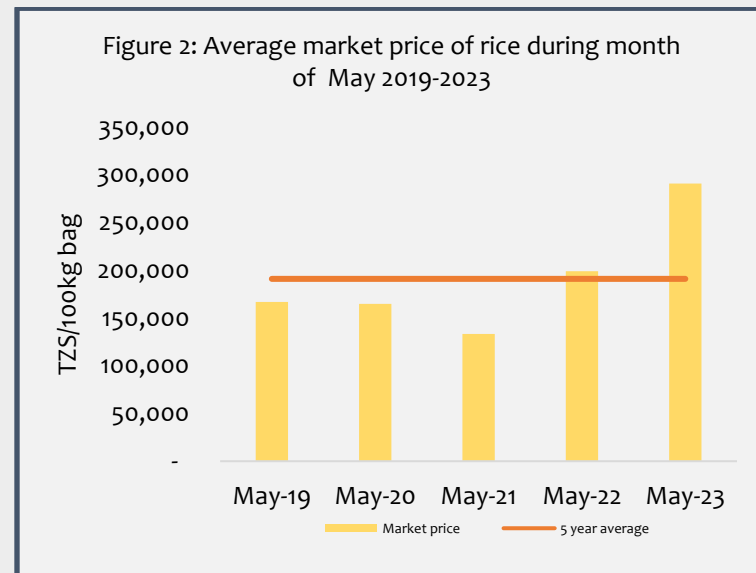
Maize

In May, the average wholesale price declined by 4.6 percent, from TZS 109,800/100kg bag in April to TZS 104,899 in May (Table 1). Despite the May price decrease, maize prices remained 51% and 57% higher than the previous year's comparable month and the five-year May averages, respectively (Figure 1). Prices have begun to ease as a result of improved supply from ongoing early-season harvesting in various production areas.



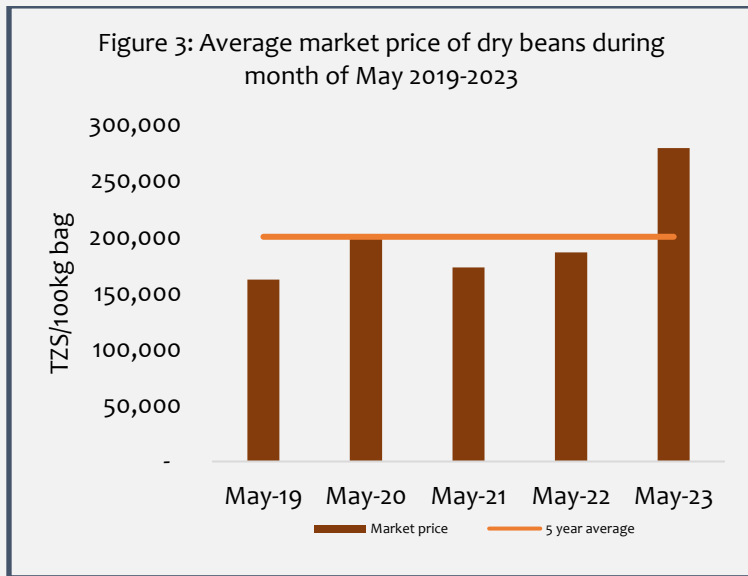
Rice

Rice prices decreased by 1.8 percent in May, declining from TZS 296,200/100kg bag in April to TZS 290,800/100kg bag in May (Table 1). Similarly, prices increased by 46% in May compared to the previous year's same month, and by 52% compared to the five-year May averages (Figure 2). Prices have begun to ease as a result of supply from ongoing early-season harvesting in various production areas.



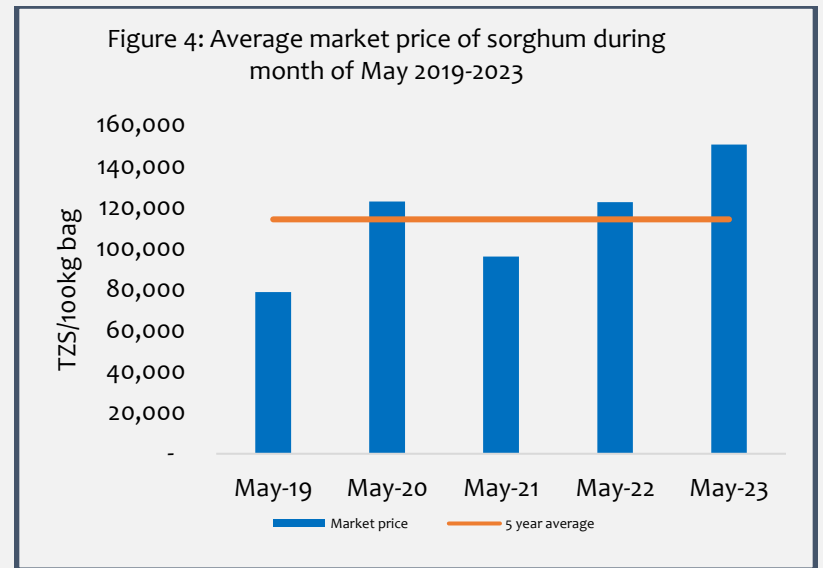
Dry beans

Beans prices slightly increased by 0.4 percent in May, from TZS 281,000 /100kg bag of April to about TZS 279,000/100kg 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 May remained significantly higher by about 50% and 39% than similar month previous year and the five-year May average, respectively (Figure 3).



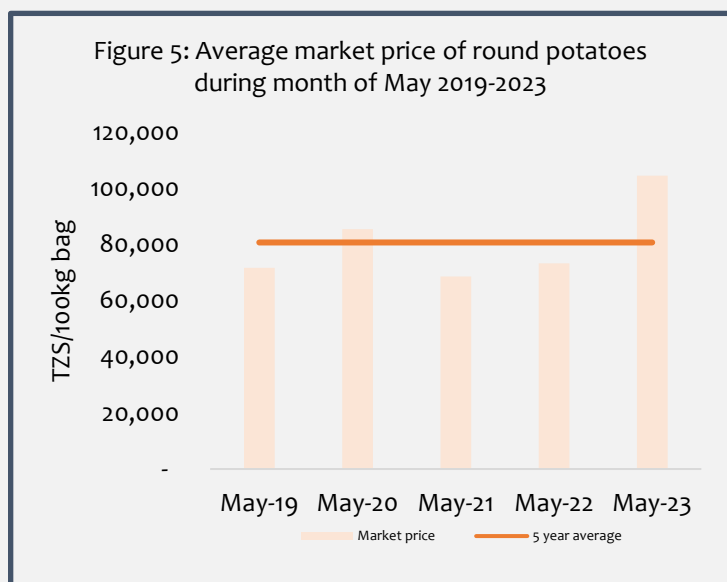
Sorghum

The monthly average wholesale price of sorghum fell by 2.0 percent in May, declining from TZS 153,400/100kg bag in April to TZS 150,400/100kg bag in May. However, prices remained higher at 23% in May compared to the same month the previous year, and were 32% higher than the five-year May average. (Figure 4).



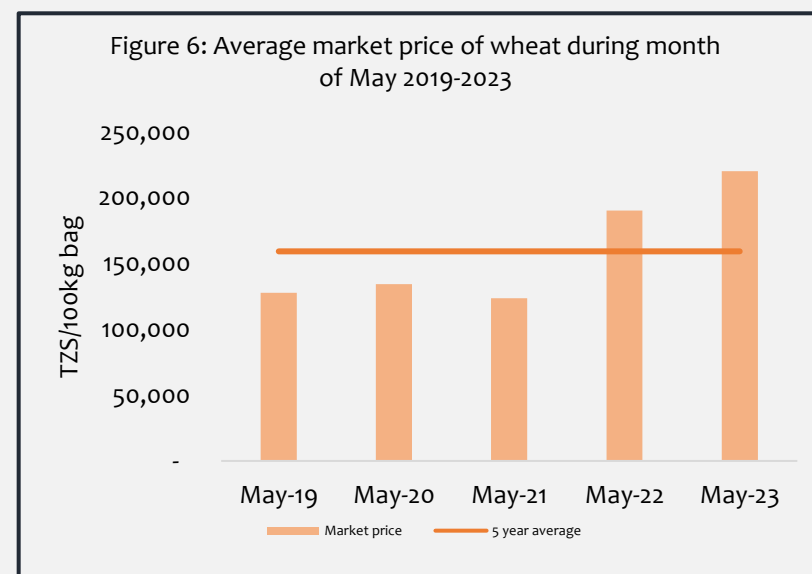
Round potatoes

In May, round potato wholesale prices increased by 4.9 percent, from TZS 99,600/100kg bag in April to TZS 104,500/100kg bag in May. Similarly, prices remained 43% higher in the reporting period compared to the same period the previous year, and 23% higher than the five-year May average (Figure 5).



Wheat

Wheat grain wholesale prices increased by 1.0 percent in May, from TZS 218,100/100kg bag in April to TZS 220,200/100kg bag in May. Prices, on the other hand, were 16% higher in the reporting period compared to the same period the previous year, and 38% 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)

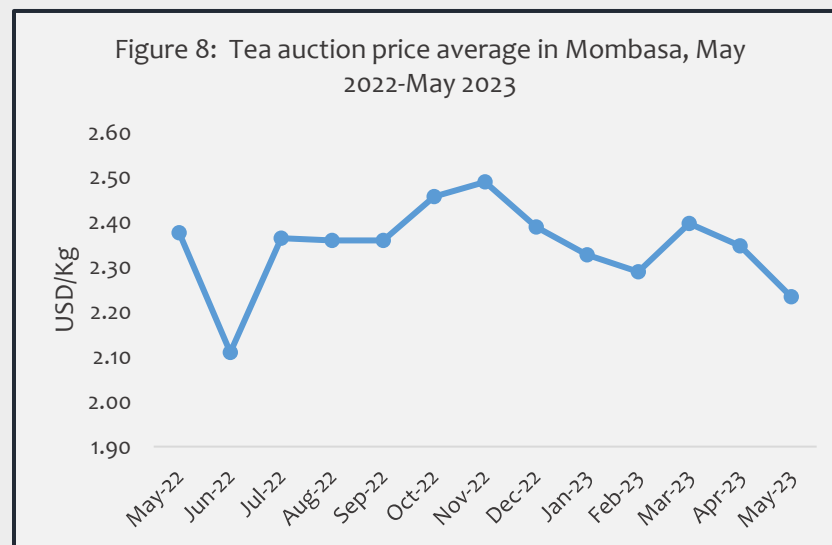
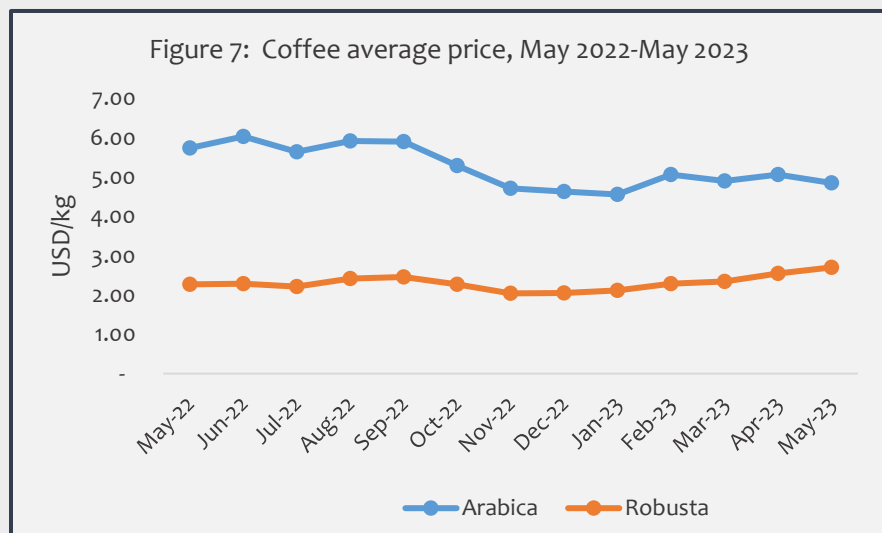
Coffee

In May 2023, coffee prices have changed at different rates compared to April. Arabica prices decreased by 4.2 percent but remained lower than they were a year ago. After a drop in Nov, Robusta prices have been increasing and increased by 5.9 percent in May (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

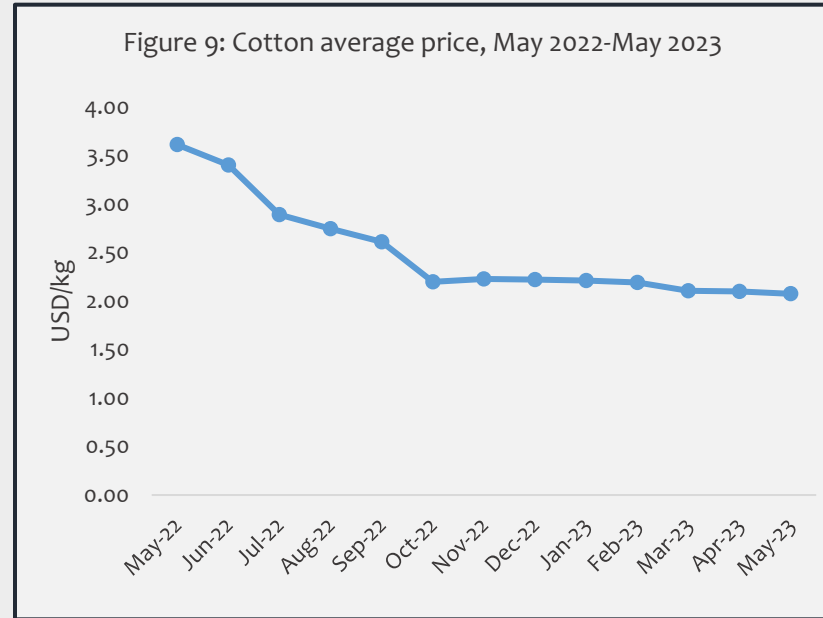
Despite a slight decrease in April 2023, international tea prices have been declining for the last three months. Prices at the Mombasa auction market have decreased by 5.1 percent in May, compared to their prices in April, from USD 2.35/kg in April 2023 to USD 2.23/kg in May 2023 (Figure 8). The decline 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



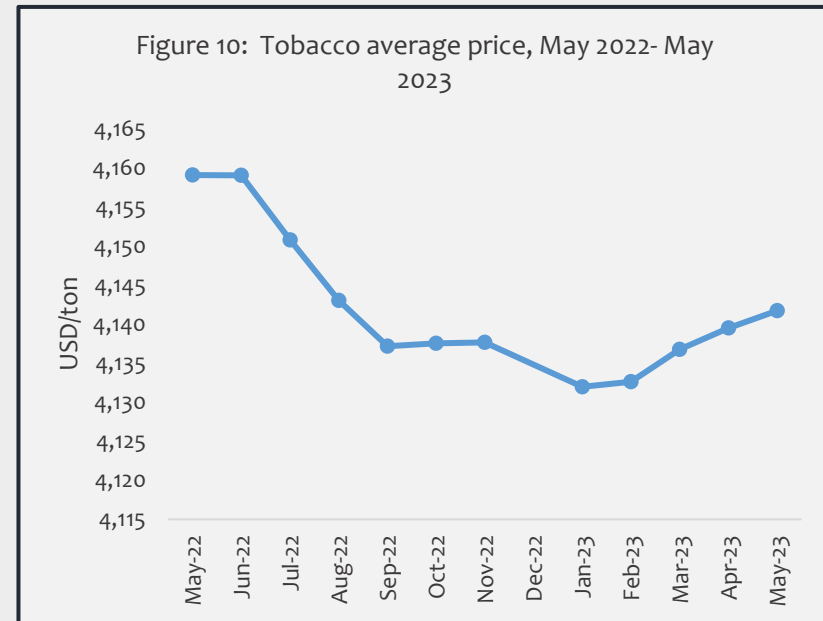
Cotton

Cotton prices have risen over the last year, peaked in May 2022, and then dropped significantly in the months that followed. Prices in May, 2023 slightly dropped from 2.1 USD/kg of April 2.07 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 4139.49USD/ton in April 2023 to 4141.71USD/ton in May.

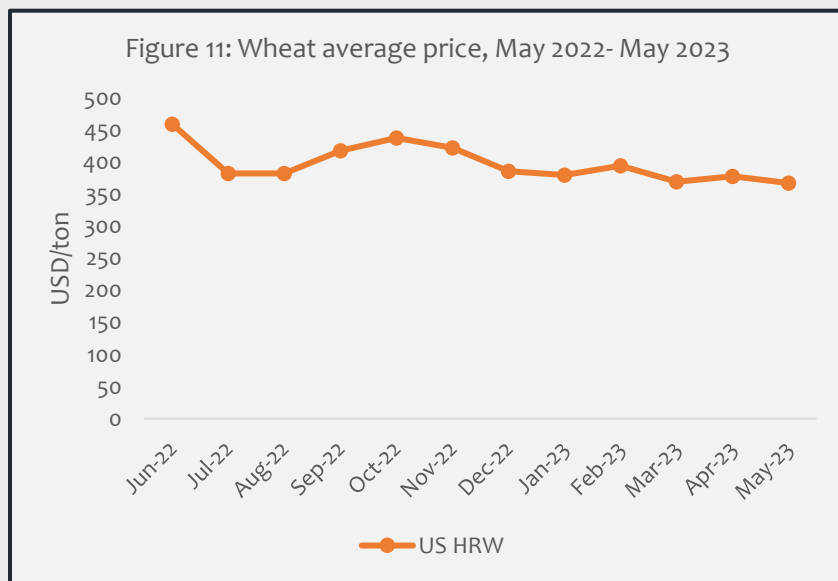


3. Import Substitution Commodities (Source: World Bank, 2023)

Wheat

Ukraine and Russia accounted for nearly 30% of global wheat exports. Following several months of Russia’s invasion of Ukraine, prices of wheat have soared. However, wheat observed a decline in prices from their pick in May 2022 reflecting improved supply prices (Figure 10). Tanzania imports about 90% of domestic wheat requirement. Wheat import bill increased from USD Mil 250 in 2022 to USD mil 385.5 in the fiscal year ending April, 2023 (BoT, 2023)¹

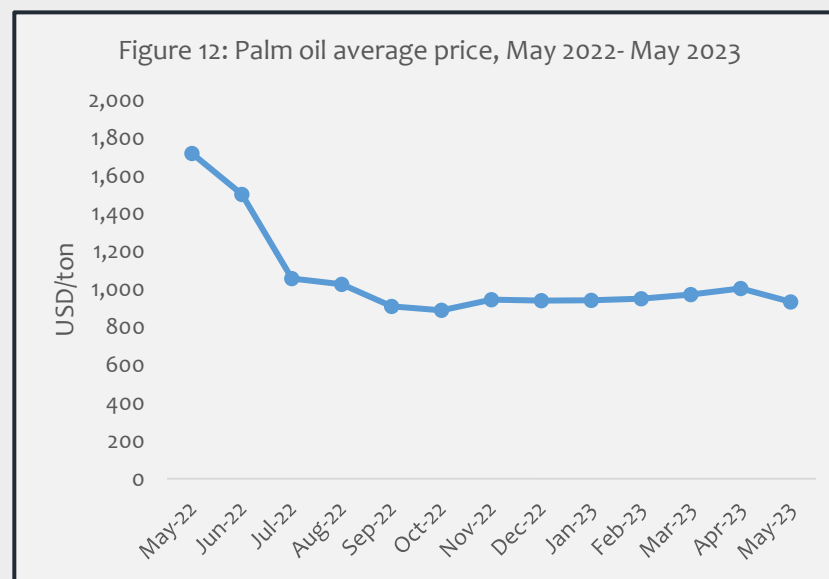
*Wheat (US), hard red winter (HRW)



Edible Oil (Palm)

The price of palm oil fell sharply from its peak in May 2022 to its lowest level in October, then remained relatively stable throughout. Palm oil prices increased marginally by 3.41 percent in April 2023, from USD 972.06/ton in March 2023 to USD 1005.24/ton in April (Figure 11). Tanzania imports a large amount of edible oil. For the fiscal year ending April 2023, the import bill was USD mil 161.6 (BoT, 2023).

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

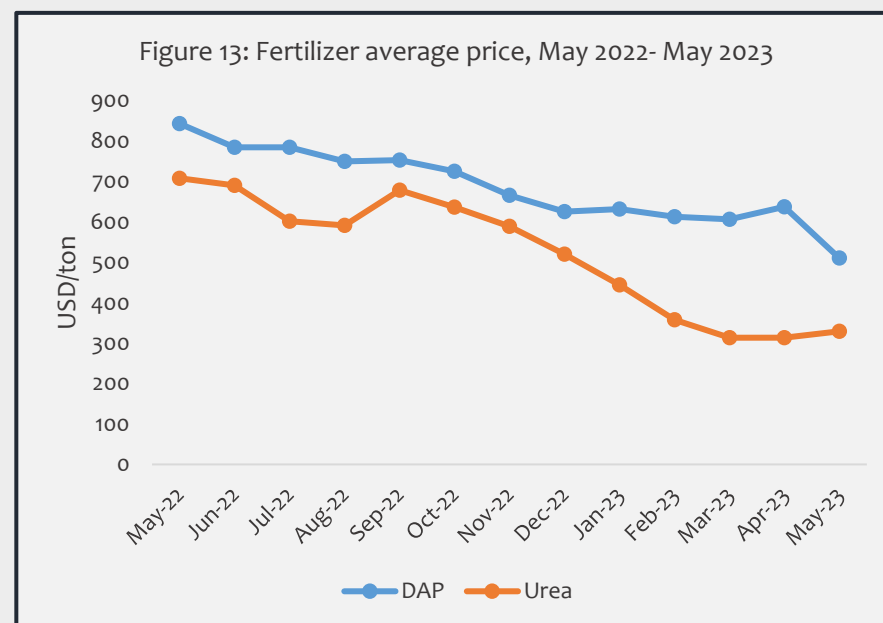


¹ BoT-Monthly Economic Review, April 2023

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

Fertilizer

Both Urea and DAP fertilizers recorded a steady decline in price changes from their pick in April 2022. In May, a decrease of 20 percent in DAP prices was observed while a Urea increased by 5 percent from prices recorded in April (Figure 13). 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.

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