



**The United Republic of Tanzania  
Ministry of Agriculture  
Agricultural Marketing Section**

**MONTHLY MARKET BULLETIN**

**June, 2021**

**Introduction**

This bulletin provides monthly highlights on market prices of major food crops across domestic and some regional 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.

**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

**Key Messages**

- ✓ *In June, prices for round potatoes increased by 0.4% while the prices for maize, dry beans, sorghum and rice decreased by 2.1%, 1.9%, 1.8%, and 1.4% respectively. The decline in prices is an indication of sufficient supply in the markets. Also, the positive harvesting outlook could have influenced traders to release their stocks into the market. On average, price of staple foods is significantly lower compared to a year earlier.*
- ✓ *Prices for traditional export crops including, coffee- robusta, cotton, coffee- arabica and wheat increased by 6.3%, 3.86%, 3.1%, and 1.5% respectively while prices for tobacco and tea decreased by 0.3% and 3.5% respectively.*
- ✓ *Prices for edible oil in the global market in May decreased by 12.5%. The decrease in prices for edible oil affect prices for cooking oil in the domestic markets as the countries' imports about 60% of the edible oil.*
- ✓ *Price for DAP and UREA increased by 5.2% and 18.6% respectively between May and June 2021. Prices for both fertilizers have been increasing since mid-2020 mainly due to strong demand. A modest increase is forecasted throughout 2021 due to the third wave of covid-19.*

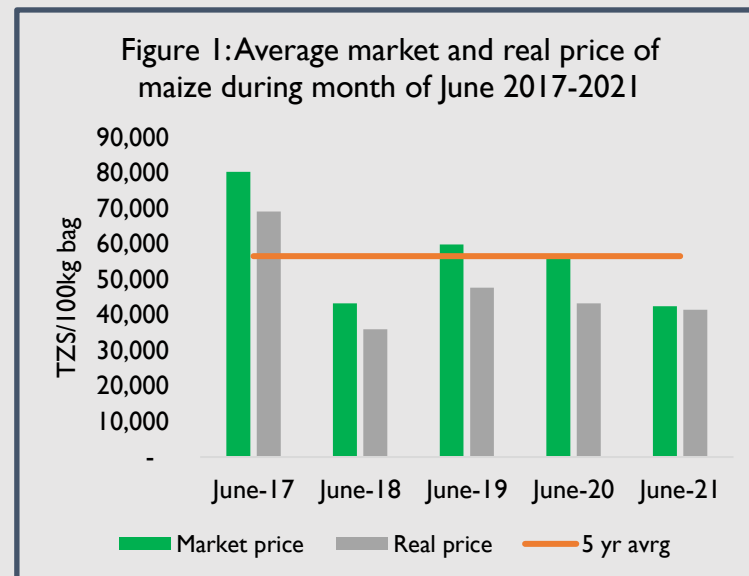
## I. National monthly average prices of major food crops

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

Commodity	May 2021	Jun 2021	Monthly change (%)	Annual change (%)	5 years average (%)
Maize	43,400	42,500	▼ 2.1	▼ 25	▼ 25
Rice	133,300	131,500	▼ 1.4	▼ 13	▼ 16
Dry beans	172,800	169,600	▼ 1.9	▼ 14	▼ 1
Sorghum	95,900	97,600	▼ 1.8	▼ 17	▼ 3
Round potatoes	68,600	68,900	▲ 0.4	▼ 16	▼ 10

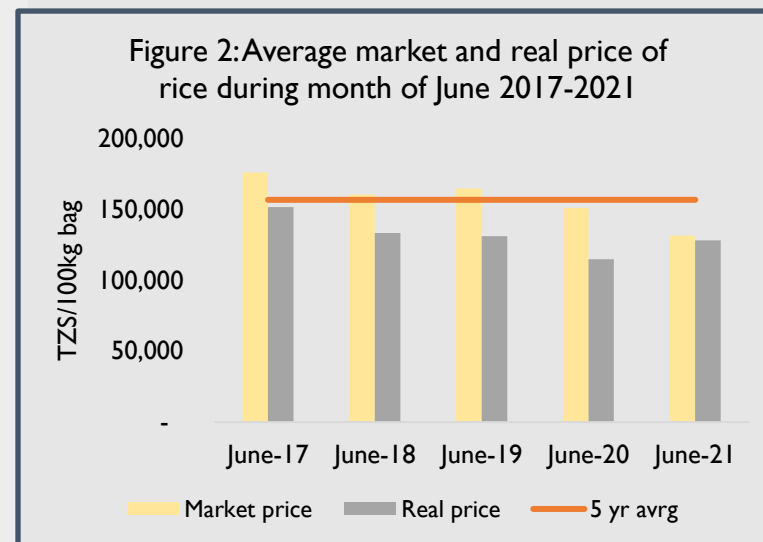
### Maize

The monthly national average wholesale price for maize decreased by 2.1% from TZS 434/kg recorded in May 2021 to TZS 425/kg in June 2021 (Table 1). Similarly, market prices in June indicated a decline of about 25% compared to prices in the same period last year (Figure 1). Furthermore, prices for May 2021 were below by 25% when compared to their five-year June average. Nationally, prices of maize declined in June for the second consecutive month following seasonal patterns, as the major “Msimu” harvest, currently underway and expected at above-average levels, increased market supplies. Prices in June were generally below their year-earlier levels due to adequate domestic availabilities as reported by FAO June 2021 monthly bulletin.



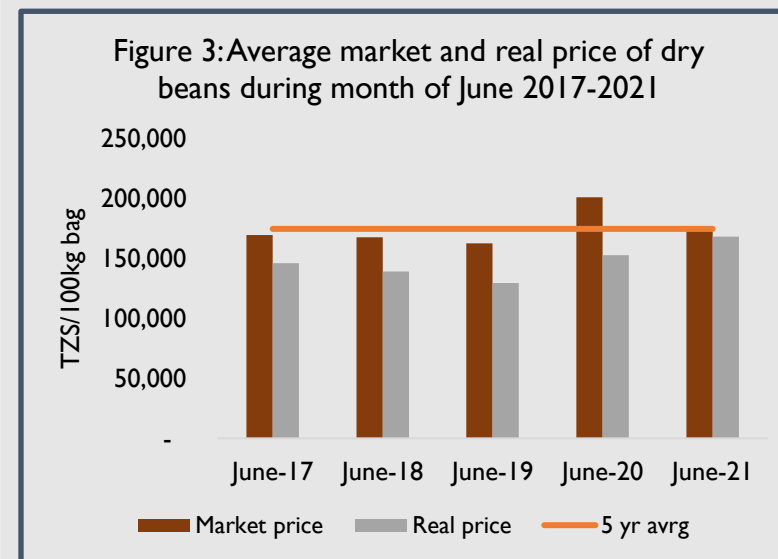
## Rice

On average, wholesale prices for rice decreased by 1.4% from TZS 1,333/kg in May, 2021 to TZS 1,315/kg in June, 2021 (Table 1). On the other hand, market prices in June, 2021 declined by 13% compared to the same month last year and were below by 16% when compared to its five-year June average (Figure 2).



## Dry beans

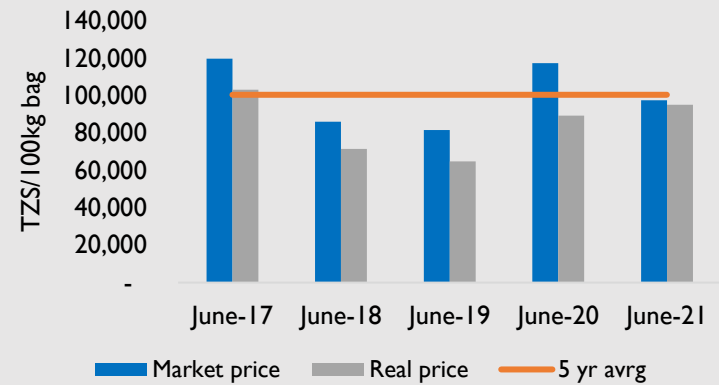
Between May and June 2021, the wholesale prices for beans decreased by 1.9% from TZS 1,728/kg to TZS 1,696/kg. Also, prices in June, 2021 decreased by 14% compared to the same month last year (Figure 3). In recent months, beans prices have remained declined by 1% over the past five-year June average. Decreasing in prices is likely to happen due to ongoing crop harvesting season.



## Sorghum

Monthly average wholesale prices for sorghum decreased by 1.8% from an average of TZS 959/kg in May, to TZS 976/kg in June, 2021. Likewise, prices decreased by 17% in June, 2021 compared to the same period last year and were significantly lower by 3% compared to its five-year June average (Figure 4).

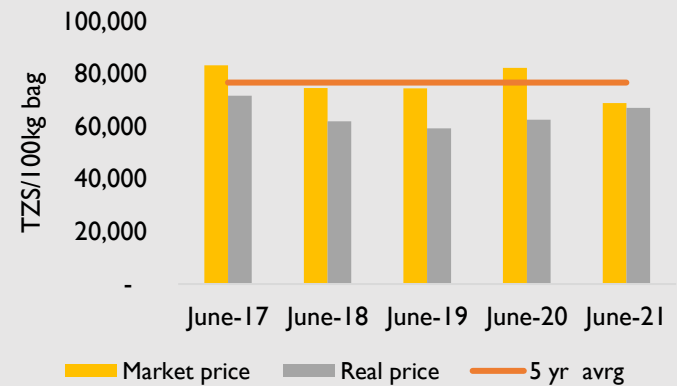
Figure 4: Average market and real price of sorghum during month of June 2017-2021



## Round potatoes

In June, the national average wholesale prices for round potatoes increased by 0.4% from TZS 686/kg recorded in May to TZS 689/kg in June, 2021. Similarly, prices in the reporting period were below those of the same period last year by 16%. Furthermore, prices for May were lower by 10% compared to its five-year June averages (Figure 5).

Figure 5: Average market and real price of round potatoes during month of June 2017-2021



### NOTES

- ✓ Consumer Price Index (CPI): Food index base year 2020=100
- ✓ CPI figures based on Food -combining food consumed at home and food consumed in restaurant
- ✓ Market price: Refer to nominal or observable prices
- ✓ Real price: Refer to nominal/market prices adjusted for inflation
- ✓ Price level: National average wholesale
- ✓ The symbols (▲▼▶) indicate the direction of price changes. (▲) price increased; (▼) price decreased; (▶) no changes in price
- ✓ **Source of data: Ministry of Industry and Trade**

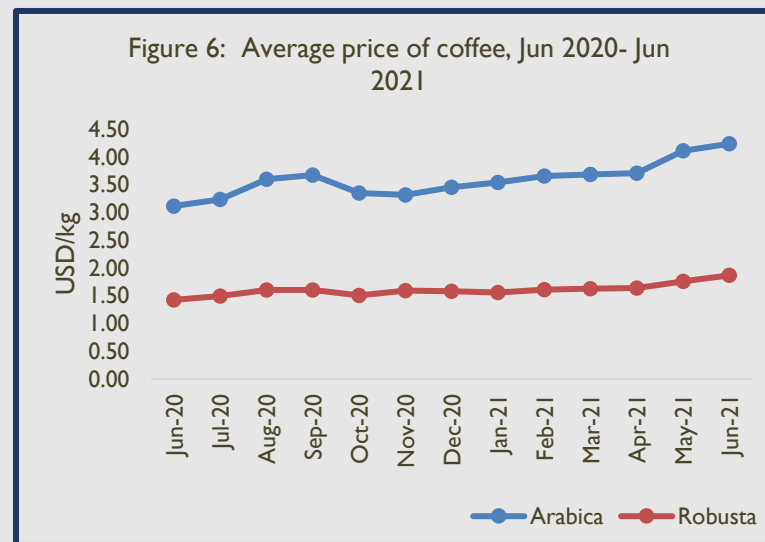
## 2. World market prices of selected commodities (Source: World Bank, 2021)

### Coffee

A 3.08% increase in prices for arabica and 6.31% for Robusta was recorded in June, 2021 (Figure 6). International Coffee Organization (ICO) reported that, In June 2021, coffee prices recorded the eighth consecutive month of increase, triggered by the expectations of reduced supply from some origins in addition to disruptions in trade flows. The monthly average of the ICO composite indicator reached 141.03 US cents/lb in June 2021, representing an increase of 33.2% from the level of 105.85 US cents/lb recorded in October 2020. This is also the highest monthly average since the level of 145.82 US Cents/lb registered in November 2016.

Total production in coffee year 2020/21 is estimated to rise by 0.3% to 169.50 million bags. Arabica production is expected to increase by 2.2% to 99.1 million bags while the production of Robusta coffee is expected to decrease by 2.1% to 70.4 million bags. At the regional level, African output is expected to remain unchanged at 18.68 million bags in coffee year 2020/21 in comparison with the previous coffee year as reported by ICO on Coffee Market report of June 2021.

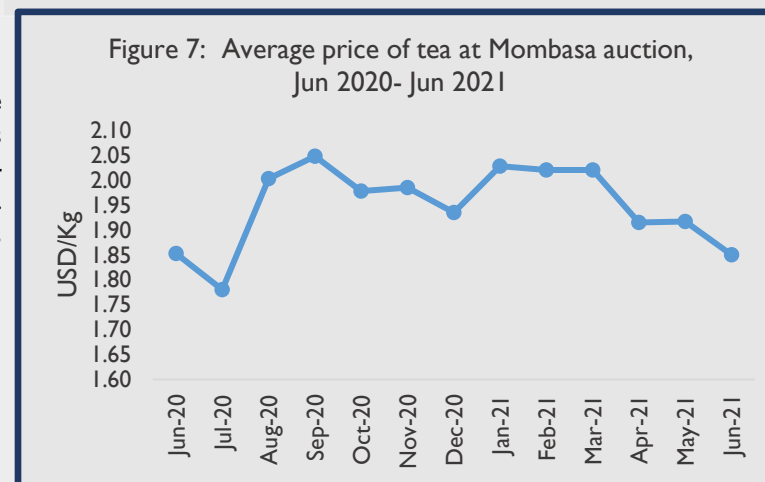
*Benchmark: Coffee (ICO), International Coffee Organization indicator price, other mild Arabicas, average New York and Bremen/Hamburg markets, ex-dock*



### Tea

There has been a steady decline of tea prices since April 2020 due to ample supplies in the Mombasa auction market and demand disruption in various importing countries such as India due to covid-19 pandemic. Prices at the Mombasa auction picked up from August-September, then declined from October-December 2020 but picked in January 2021. Between February and March 2021, tea price levels remained constant at the Auction. Prices in June 2021 significantly decreased by 3.48% when compared to prices in May, 2021.

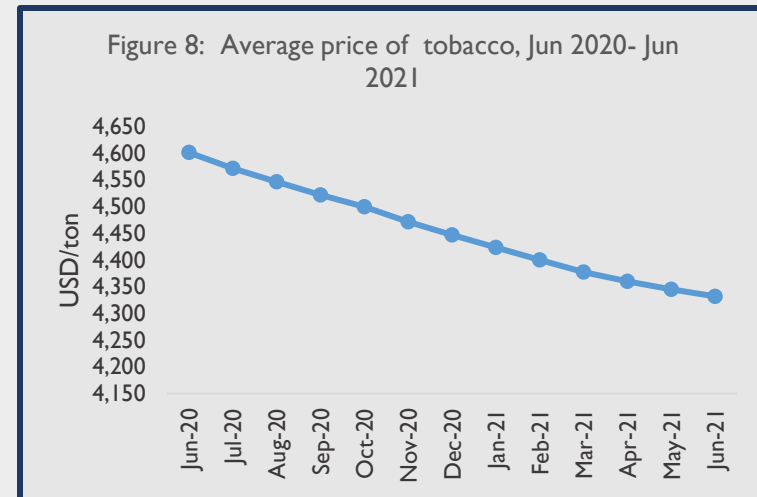
*Benchmark: Tea (Mombasa/Nairobi auctions), African origin, all tea, arithmetic average of weekly quotes*



## Tobacco

The prices for tobacco have decrease by 0.31% from USD 4,345/ton in May to USD 4,332/ton in June 2021. Global tobacco prices have been declining steadily for the past one year (Figure 8). Prices are expected to continue declining due to rising health consciousness, stringent government policies, increasing popularity of substitutes (e-cigarette) and their availability.

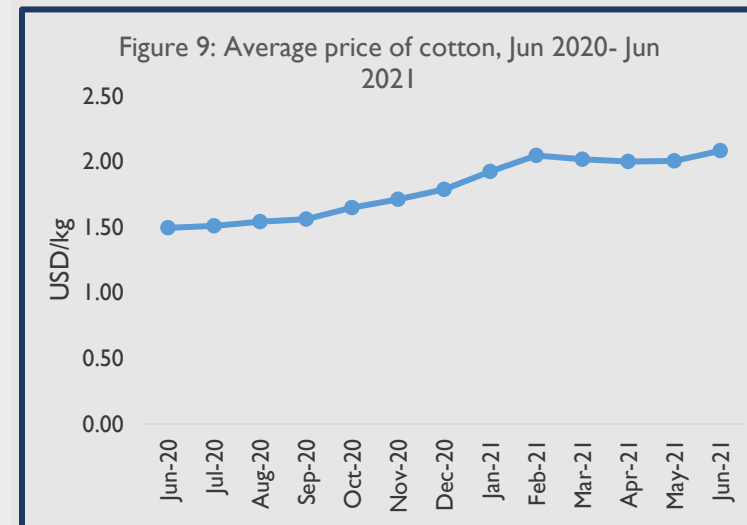
*Benchmark price: Tobacco (any origin), unmanufactured, general import, cif, US*



## Cotton

Cotton prices continued to increase since April 2020. In June 2021, cotton prices significantly increased by 3.86% compared to prices in May, 2021 (Figure 9). Prices continued to increase due to increased demand especially from China after opening economic activities following the lockdown from the covid-19 pandemic. Cotton prices are expected to gain 3 percent in 2021 following a projected decline in production of almost 10 percent in 2020.

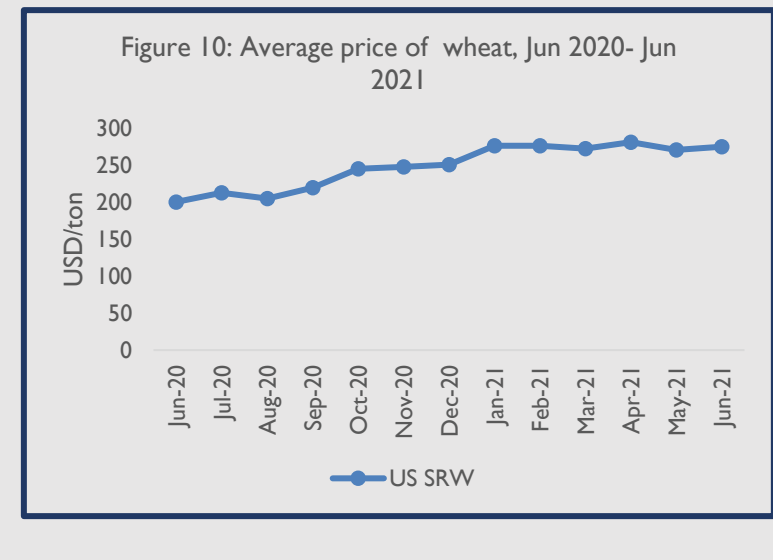
*Cotton (Cotton Outlook "CotlookA index"), middling 1-3/32 inch, traded in Far East, CIF beginning 2006; previously Northern Europe, cif*



## Wheat

Wheat prices (US SRW) increased by 1.53 % from USD 270.98/ton recorded in May to USD 275.12/ton in June 2021. Global production of wheat is expected to reach 773 million metric tons this season, more than one percent higher than last season's production. Furthermore, global consumption is expected to grow slightly by less than one percent.

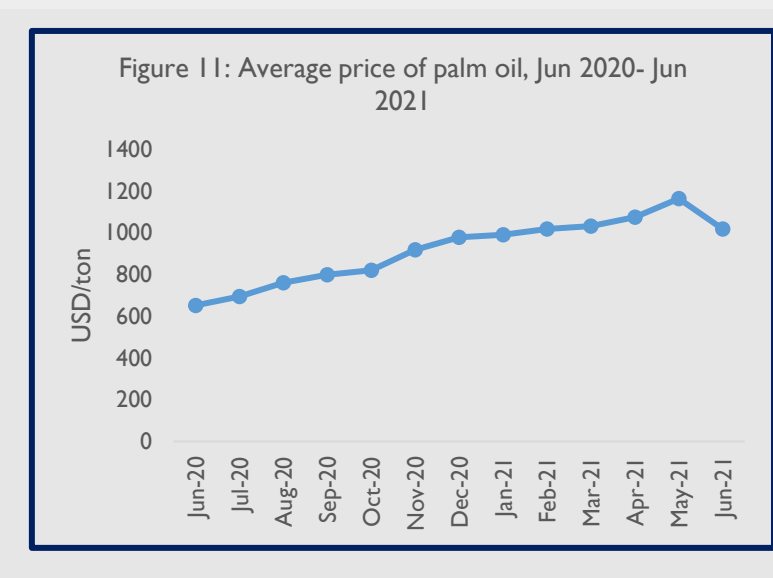
*Wheat (US), soft red winter (SRW), export price delivered at the US Gulf port for prompt or 30 days shipment*



## Edible Oil- (Palm Oil)

Global palm oil prices significantly decreased by 12.53% from USD 1,163.17/ton in May, 2021 to USD 1,017.47/ton in June, 2021 (Figure 11). Food and Agriculture Organization (FAO) on Price Indices for oilseeds report in July, 2021 reported that, after rising for twelve consecutive months, international palm oil quotations retreated in June, chiefly influenced by prospective seasonal production gains in leading producing countries and a lack of fresh import demand. Price decrease in the world market has affected prices in the domestic market. Tanzania imports about 60% of its edible oil requirements.

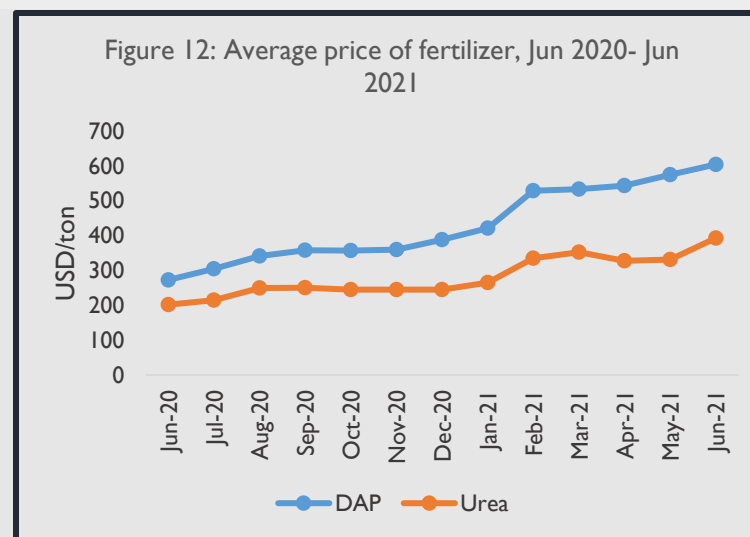
*Ref: Palm oil (Malaysia)*



## Fertilizers

Both DAP and Urea fertilizer showed a similar increase in price trends over the past three months in 2021. Likewise, between May and June, 2021 price for DAP and Urea increased by 5.24% and 18.58% respectively (Figure 12). According to FAO Agricultural Marketing System (AMIS) report of July 2021, Urea prices markedly increased due to supply constraints from China and increasing demand from India for its current growing season. DAP prices are soaring due to supply disruptions, including ongoing restrictions in the USA to imports from the Russian Federation and Morocco

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



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