



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

MONTHLY MARKET BULLETIN

March, 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 March, prices for sorghum increased by 4.8 % while the prices for maize, rice, dry beans, and round potatoes decreased by 6.4%, 3%, 8% and 5% respectively. The decline in prices is an indication of sufficient supply in the markets. Also, the ongoing rains and the positive weather outlook could have influenced traders to release their stocks into the market.*
- ✓ *Prices for traditional export crops including, coffee- arabica, coffee -robusta, and tea, increased marginally by 0.7%, 1% and 1%, respectively while prices for cotton, tobacco and wheat decreased marginally by 1.4%, 0.5% and 1.5%. respectively.*
- ✓ *Prices for edible oil in the global market in March increased by 1.4%. The increase in prices for edible oil affect prices for cooking oil in the domestic markets as the countries' imports about 60% of the edible oil.*
- ✓ *Prices for DAP and Urea fertilizers increased marginally by 1% and 5% respectively between February and March 2021. Prices for both fertilizers have been increasing since mid-2020 mainly due to strong demand. A modest increase is forecasted for 2021 due to the prolonged second wave of covid-19.*

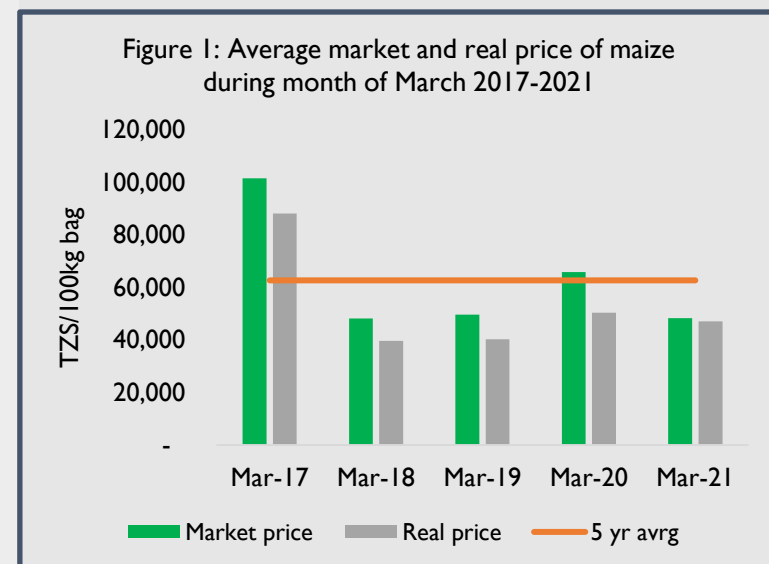
I. National monthly average prices of major food crops

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

Commodity	Feb 2021	Mar 2021	Monthly change (%)	Annual change (%)	5 years average (%)
Maize	51,700	48,400	▼ 6.4	▼ 27	▼ 23
Rice	143,410	139,700	▼ 3	▼ 23	▼ 18
Dry beans	193,000	178,100	▼ 8	▲ 7	▲ 10
Sorghum	95,970	100,600	▲ 4.8	▼ 12	▲ 1
Round potatoes	74,550	71,100	▼ 5	▼ 1	▼ 2

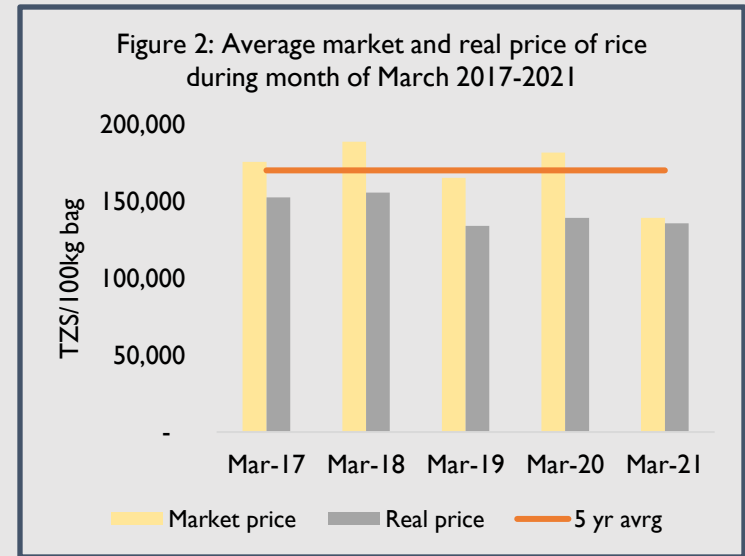
Maize

The monthly national average wholesale price for maize decreased by 6.4% from TZS 51,700/kg recorded in February 2021 to TZS 48,400/kg in March 2021 (Table I). Similarly, market prices in March indicated a decline of about 27% compared to prices in the same period last year (Figure I). Furthermore, prices for March 2021 were below by 23% when compared to their five-year March average. An overall decrease in prices could be due to increased supply of maize in the markets.



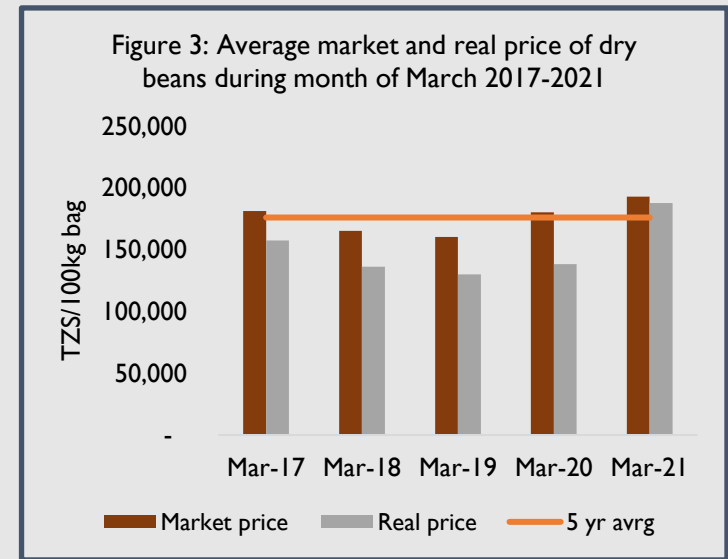
Rice

On average, wholesale prices for rice decreased 3% from TZS 143,410 in February, 2021 to TZS 139,700 in March 2021 (Table 1). On the other hand, market prices in March, 2021 declined by 23% compared to the same month last year and were below by 18% when compared to its five-year February average (Figure 2).



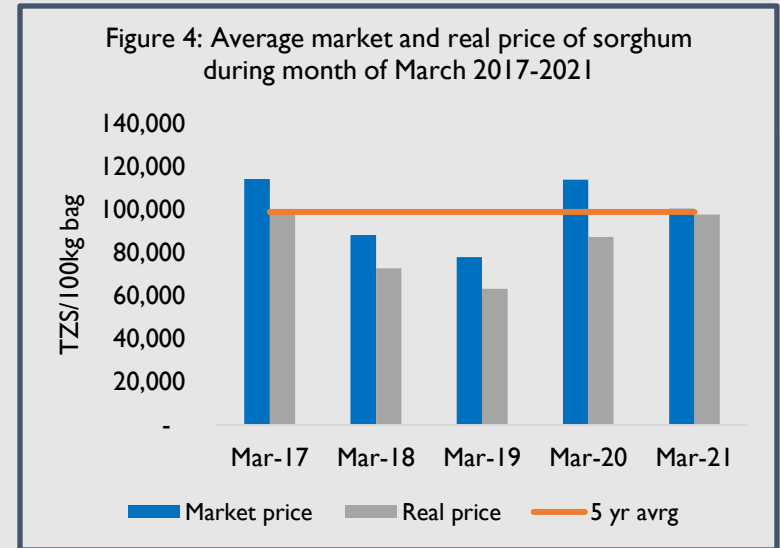
Dry beans

Between February and March, 2021, the prices for beans declined by 8% from an average of TZS 193,000 to TZS 178,100. Also, prices in March, 2021 increased by 7% compared to the same month last year (Figure 3). In recent months, beans prices have remained significantly higher by 7% over the past five-year February average. Decreasing in prices is likely to happen due to ongoing crop harvesting season including dry beans.



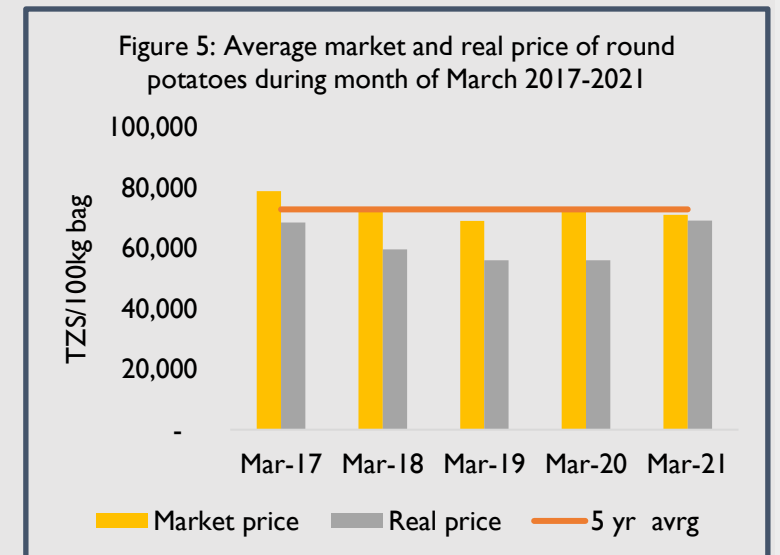
Sorghum

Monthly average prices for sorghum increased by 4.8% from an average of TZS 95,970/kg in February, to TZS 100,600/kg in March 2021. Similarly, prices decreased by 12% in March, 2021 compared to the same period last year. On the other hand, prices for March were significantly higher by 1% compared to its five-year March average (Figure 4).



Round potatoes

In March, the national average wholesale prices for round potatoes decreased by 5% from TZS 74,550/kg recorded in February to TZS 71,100/kg in March, 2021. Similarly, prices in the reporting period were below those of the same period last year by 1%. Furthermore, prices for March were lower by 2% compared to its five-year March averages (Figure 5).



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**

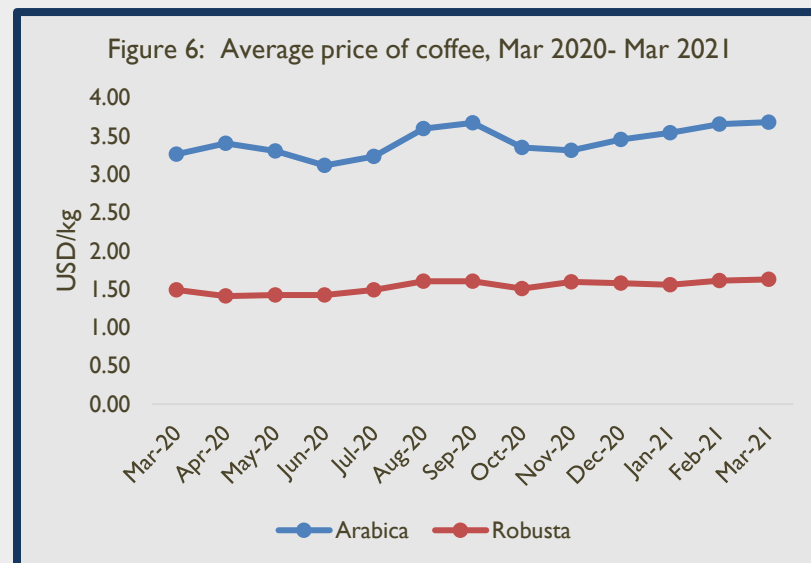
2. World market prices of selected commodities (Source: World Bank, 2020)

Coffee

A 0.7% increase in prices for arabica and 1% for robusta was recorded in March, 2021 (Figure 6). International Coffee Organization reported that, Exports of all forms of coffee from Africa in the first five months of coffee year 2020/21 decreased by 12.2% to 4.9 million bags as shipments from Ethiopia, Côte d'Ivoire and Kenya declined by 31.6%, 54.1% and 10.8% respectively. Uganda, the largest regional exporter has recorded an increase of 9.6% to 2.3 million bags.

Global production in the coffee year 2020/21 is estimated to rise by 1.9% and world coffee consumption is projected to increase by 1.3%, while global exports in February 2021 totaled 10.47 million bags, compared with 11.16 million bags in February 2020. It is expected that Coffee year 2020/21 will end with a surplus of 5.27 million bags as growth in supply beats demand as reported by ICO on Coffee Market report of February 2021.

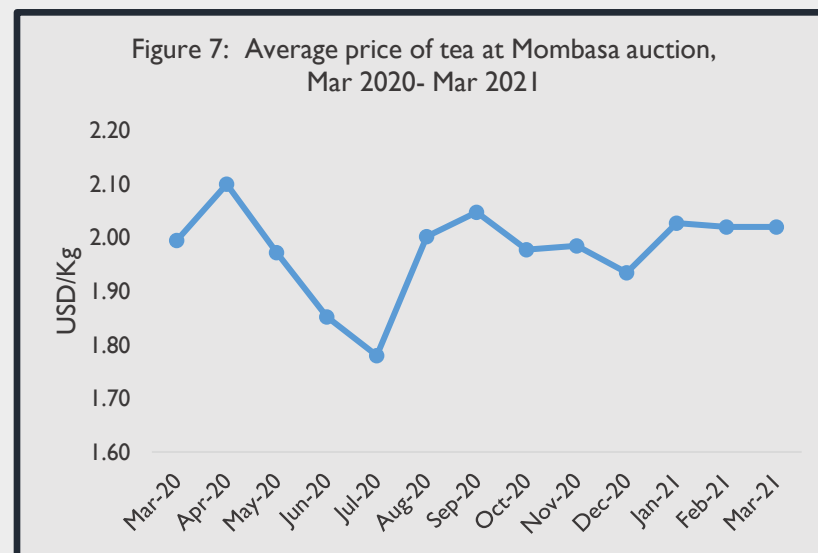
Benchmark: Coffee (ICO), International Coffee Organization indicator price, other mild Arabicas, average New York and Bremen/Hamburg markets, ex-dock



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 for tea 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 fair at the Auction. However, prices increased by 1% when compared to prices in the same period last year.

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

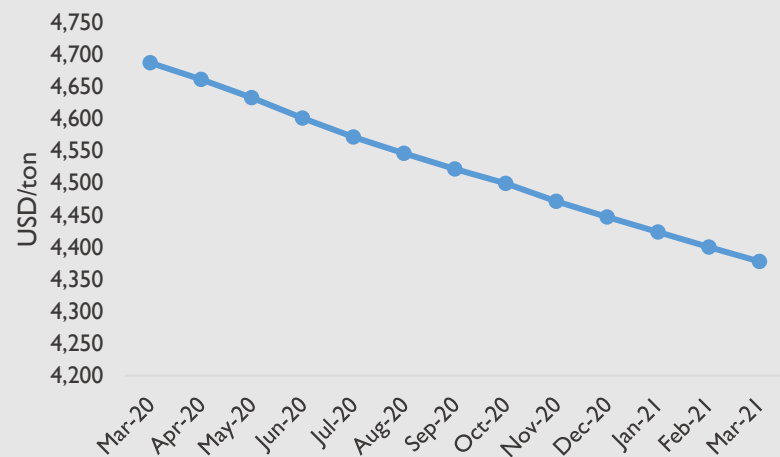


Tobacco

The prices for tobacco have decrease by 0.5% from USD 4,399.84/ton in February to USD 4,377.52/ton in March 2021. Global tobacco prices have been declining for the past one year from an average of USD 4,686.85/ton in March 2020 to USD 4,377.52/ton in March 2021 (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

Figure 8: Average price of tobacco, Mar 2020- Mar 2021

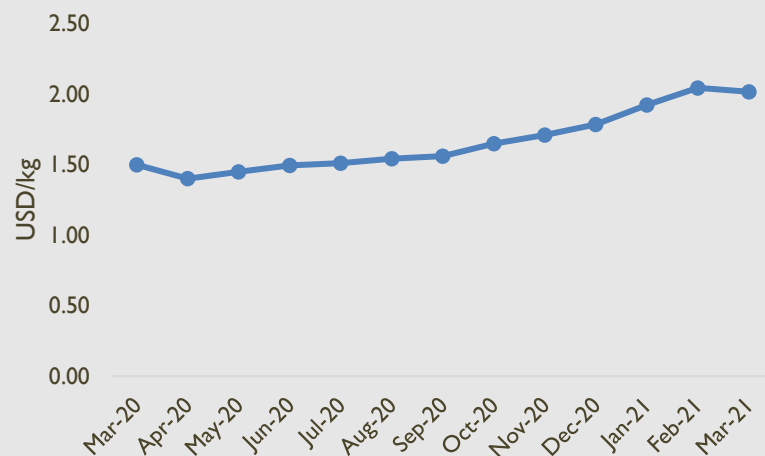


Cotton

Cotton prices continued to increase since April 2020. In March 2021, cotton prices decreased by 1.4% compared to prices in February 2021 (Figure 9). This is a change of 34 % from one year ago. 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, C/F beginning 2006; previously Northern Europe, c.i.f.

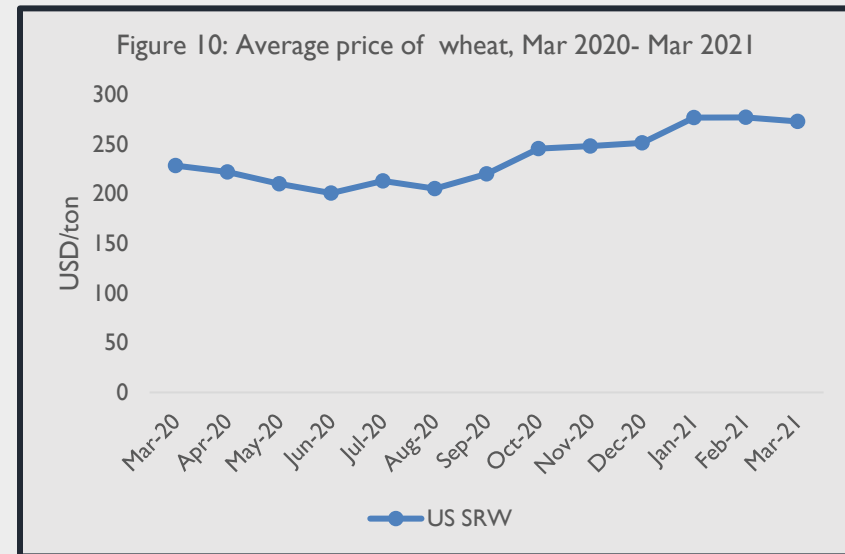
Figure 9: Average price of cotton, Mar 2020- Mar 2021



Wheat

Wheat prices (US SRW) for the month of February and March, 2021 decreased by 1.5% whereby February price was USD 276.63/mt and that of March being USD 272.58/mt. Global production of wheat is expected to reach 773 million metric tons this season, more than one percent higher than last season's production. Global consumption is expected to grow slightly by less than one percent.

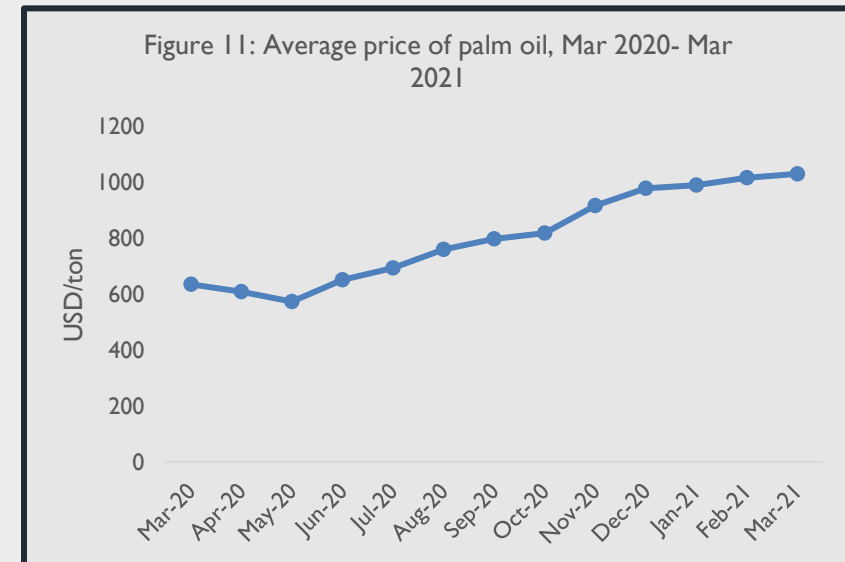
Wheat (US), soft red winter (SRW), export price delivered at the US Gulf port for prompt or 30 days shipment



Edible Oil- (Palm Oil)

Global palm oil prices increased by 1.4 % from USD 1,017.33/ton in February, 2021 to USD 1,031.13/ton in March, 2021 (Figure 11). The higher prices reflect last season's production shortfalls of 1.5%. Global output of edible oil is expected to grow by 1.7%, higher than last season's 1.3% growth. Most of the output growth is expected to come from soybeans (4.5%) and palm oil (3%). The price of palm oil fluctuates based on supply, weather, competing oils, environmental concerns, and biofuel demand. Price increase in the world market has affected prices in the domestic market. Tanzania imports about 60% of its edible oil requirements.

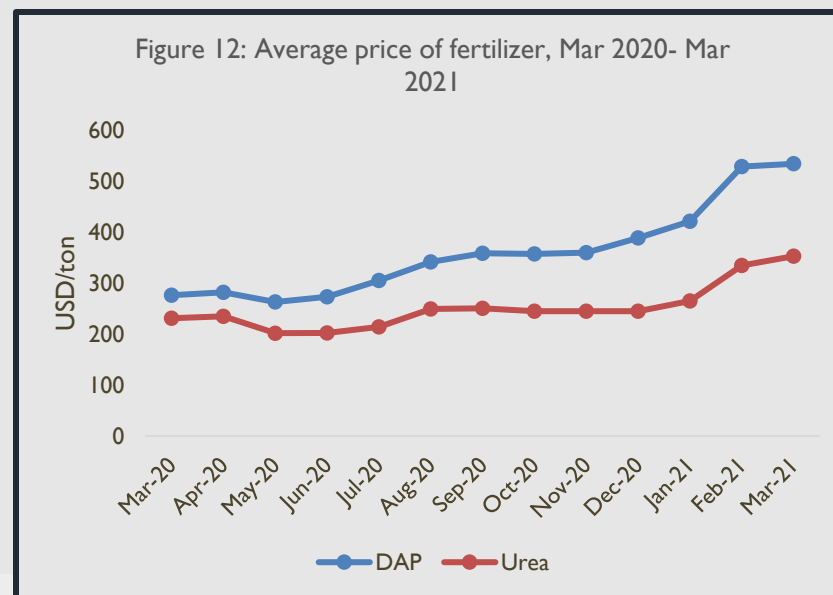
Ref: Palm oil (Malaysia)



Fertilizers

Both DAP and Urea fertilizer showed a similar increase in price trends over the past last four months in 2020. Between February and March, 2021 prices for both fertilizers increased by 5% UREA and 1% DAP (Figure 12).

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



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