



The United Republic of Tanzania
Ministry of Agriculture
Agricultural Marketing Section

MONTHLY MARKET BULLETIN

March, 2022

1. Staple foods

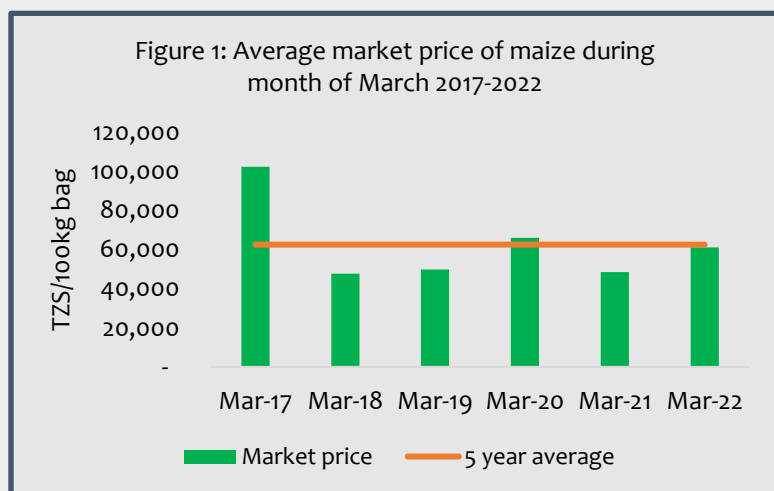
In March, prices for major staple food crops fell at varying rates, but remained significantly higher than a year ago. Seasonal rains and the start of early harvesting in some regions may cause prices to fall even further. Tanzania stands to gain by selling grains in regional markets (EAC AND SADC)

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

Commodity	Feb 2022	Mar 2022	Monthly change (%)	Annual change (%)	5-year average (%)
Maize	63,500	61,000	▼ 3.9	▲ 26.0	▼ 2.3
Rice	186,500	184,300	▼ 1.2	▲ 31.9	▲ 6.4
Dry beans	184,200	186,400	▲ 1.2	▲ 4.7	▲ 5.3
Sorghum	121,100	114,500	▼ 5.5	▲ 13.8	▲ 12.4
Round potatoes	82,200	79,800	▼ 2.9	▲ 12.2	▲ 7.7

Maize

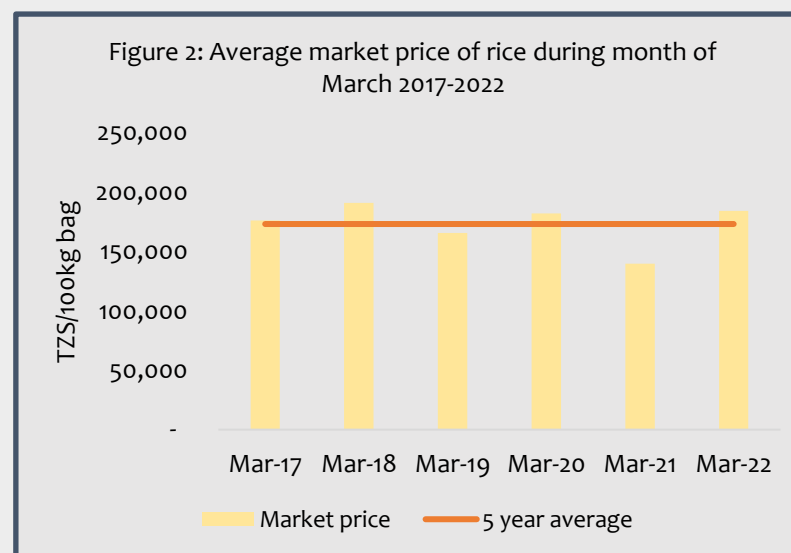
In March, the average wholesale price dropped by 3.9 percent, from TZS 63,500/100kg bag in February to TZS 61,000/100kg bag in March (Table 1). Similarly, February prices were 2.3 percent lower than the previous five-year March averages (Figure 1). The price was significantly higher (26%) in March 2022 than in the previous year's comparable month.



Prices may have fallen in March as a result of increased supply, particularly from lake zone regions. The on-going seasonal rains and the harvesting of short-term crops are expected to drive maize prices even lower in the coming month.

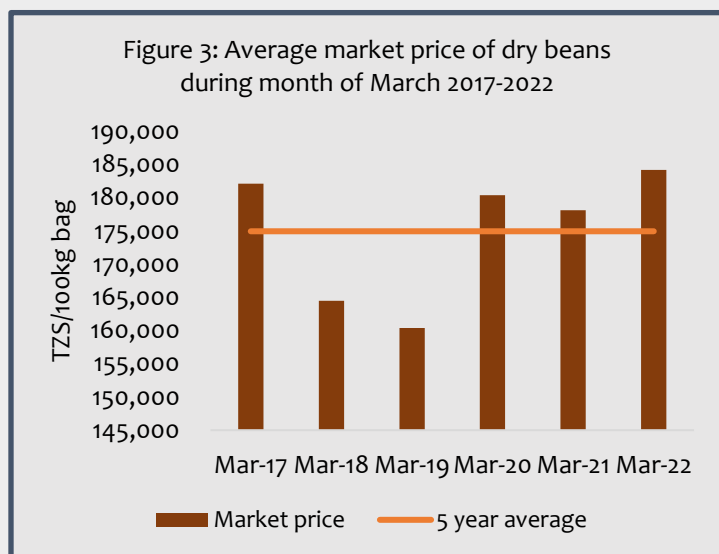
Rice

The average wholesale rice prices decreased by 1.2 percent in March 2022, from TZS 186,500/100kg bag in January to TZS 184,300/100kg bag in March (Table 1). On the other hand, prices increased significantly by 32% in March 2022 compared to the same month a year ago, and by 6.4 percent to the five-year March average.



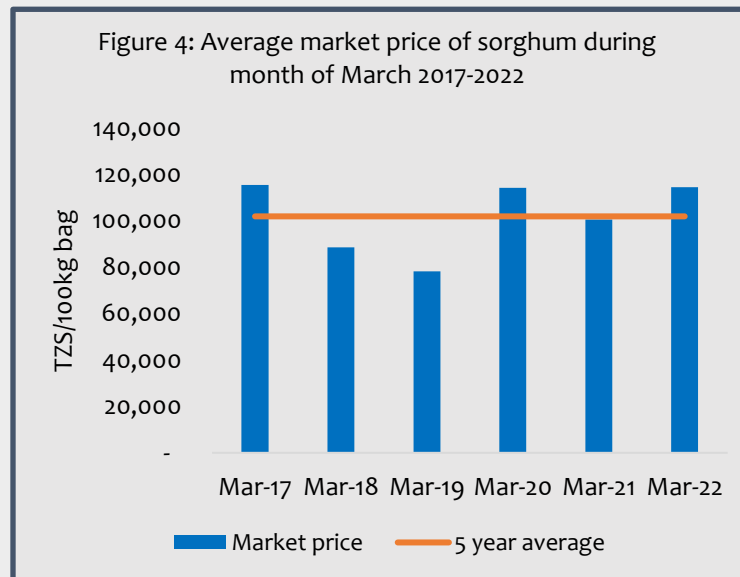
Dry beans

Wholesale prices of beans were at high levels, by 5.3 higher than the five-year March average. Prices fell in February before rising slightly (1.2 percent) in March to TZS 186,400/100 bag, up from TZS 184,200/100 bag in February. Similarly, prices in March 2022 were 4.7 percent higher than the same month the previous year (Figure 3).



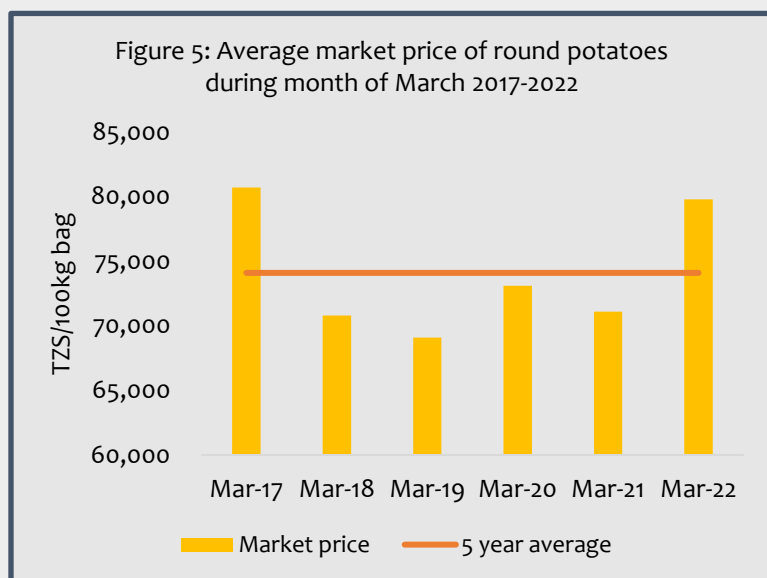
Sorghum

The monthly average wholesale price of sorghum fell by 5.5 percent, from TZS 121,100/100kg bag in February to TZS 114,500/100kg bag in March. On the other hand, prices rose by 13.8% when compared to the same month in the previous year, and were 12.4% higher than the five-year March average (Figure 4).



Round potatoes

The average wholesale prices for round potatoes slightly declined by 2.9 percent, from TZS 82,200/100kg bag in February to TZS 79,800/100kg bag in March. Prices, on the other hand, were 12.2 percent higher in the reporting period than in the previous year's same period, and 7.7 percent higher than the five-year March average (Figure 5).



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**

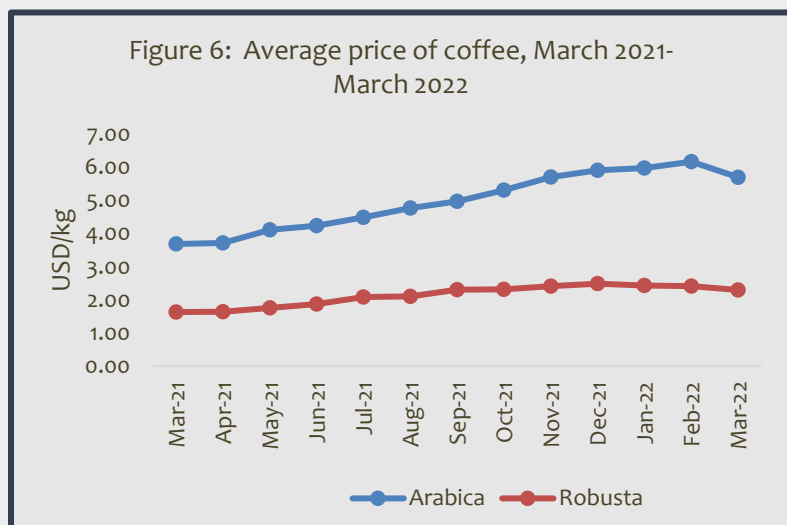
2. Traditional Export commodities (Source: World Bank, 2022)

With the exception of cotton, global market prices for most traditional export crops declined slightly during in March

Coffee

Coffee prices, mostly arabica variety, have risen slightly over the last year but declined in March 2022. Prices for Arabica and Robusta declined by 8 percent and 5 percent respectively (Figure 6). 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).

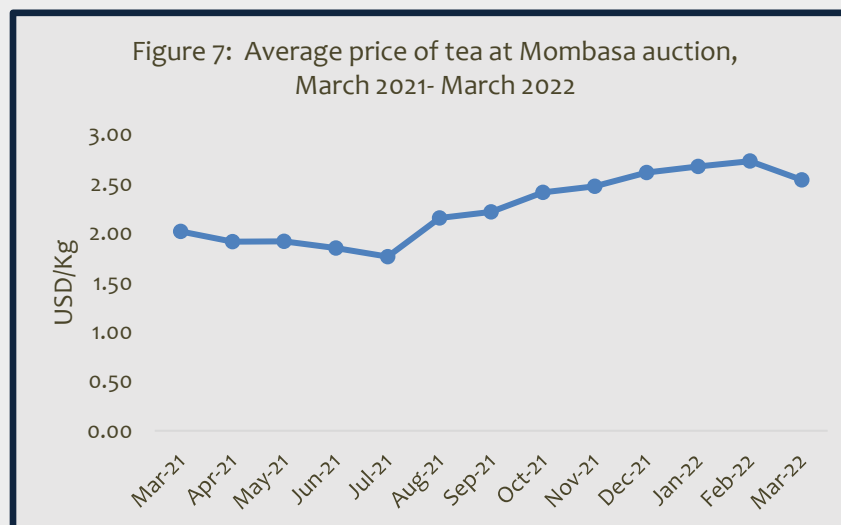
Benchmark: Coffee (ICO), International Coffee Organization indicator price



Tea

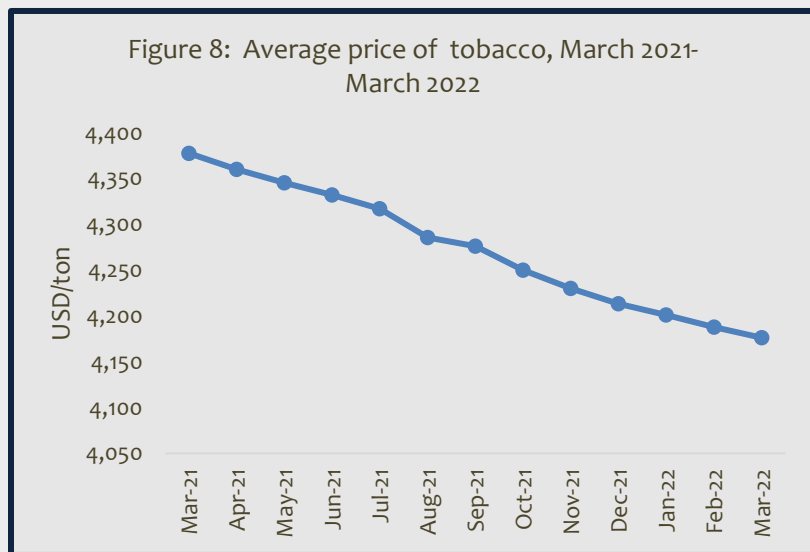
Tea prices at the Mombasa auction market have risen steadily over the last year, but declined in March 2022 by 7 percent (Figure 7). Tea auction prices have remained stable on average since the Kenyan government decided to set a minimum price of USD 2.43/kg at the beginning of August 2021, after the 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



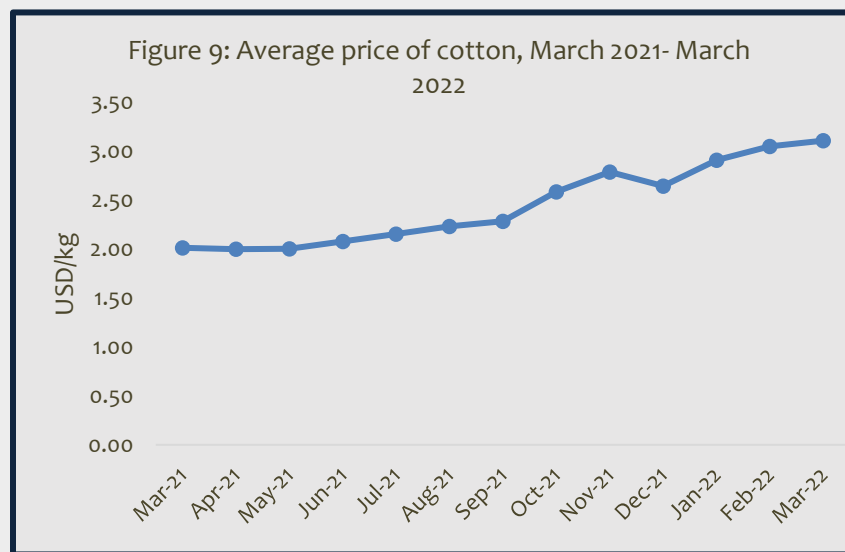
Tobacco

Over the last year, global tobacco prices have been steadily declining (Figure 8). Prices fell further in March 2022 (by 0.3 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

While prices for other traditional export crops fell in March, cotton prices rose by 2 percent, rising from 3.05 USD/Kg in February 2022 to 3.11 USD/Kg in March 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.



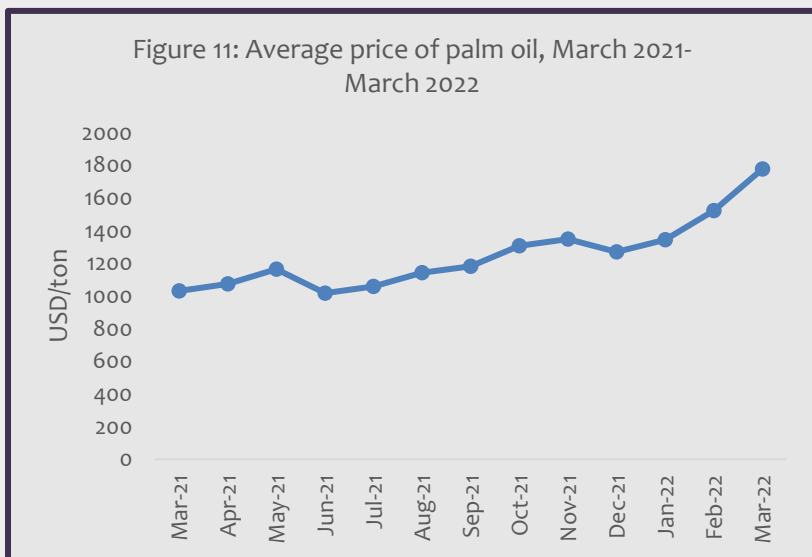
3. Import Substitution Commodities (Source: World Bank, 2022)

Tanzania imports a significant amount wheat, sugar, and cooking oil. In March, prices of these products were higher than a year before. 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

Edible Oil- (Palm Oil)

Palm oil increased by 17% from USD 1,522/ton in February 2022 to USD 1,777/ton in March 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/lit in March 2019 to around TZS 7,000/lit in March 2022.

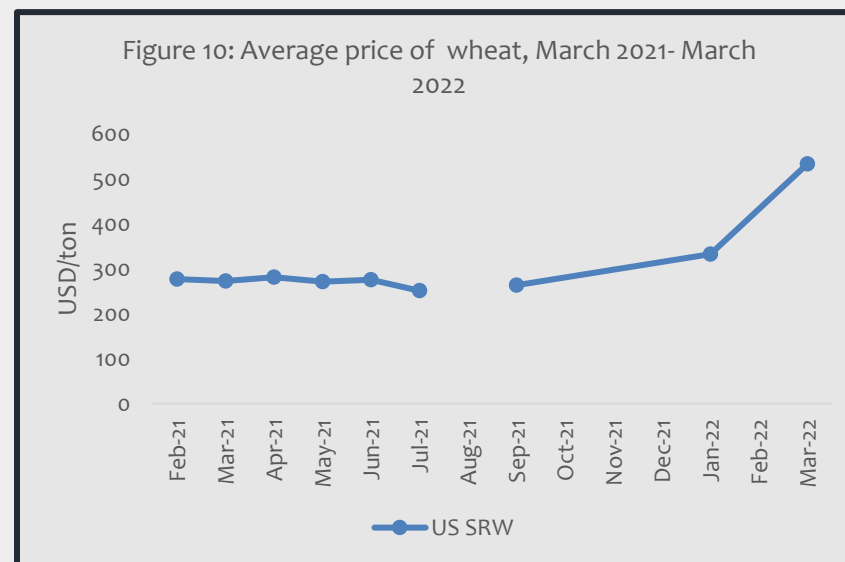
Ref: Palm oil (Malaysia), palm oil demand and supply outlook report 2022.



Wheat

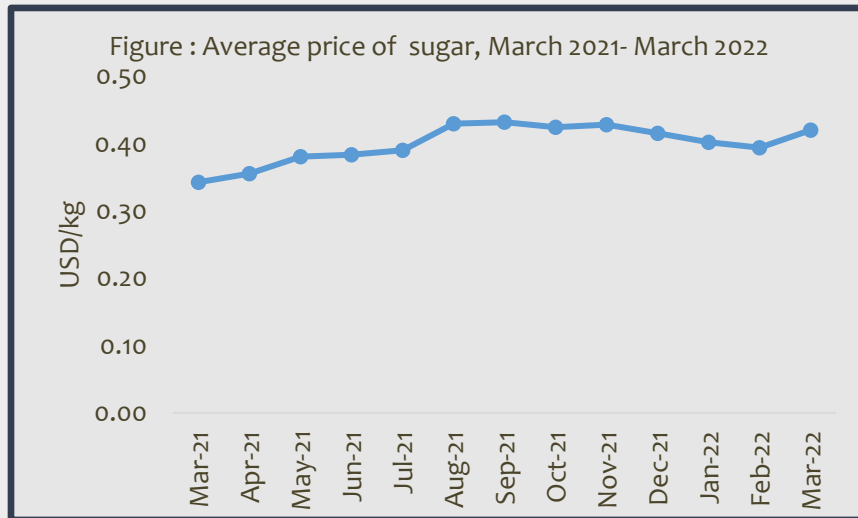
Global wheat prices (US SRW) reached USD 533/ton in March 2022, up from USD 332.06/ton in January 2022, a 61 percent increase (Figure 10). The Ukraine crisis has recently heightened volatility in the wheat markets, causing global prices to rise. Russia and Ukraine control at least 30% of the global wheat 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)



Sugar

Global sugar prices increased slightly in March to USD 0.42/kg, up from USD 0.39/kg in February 2022. 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 and prices.



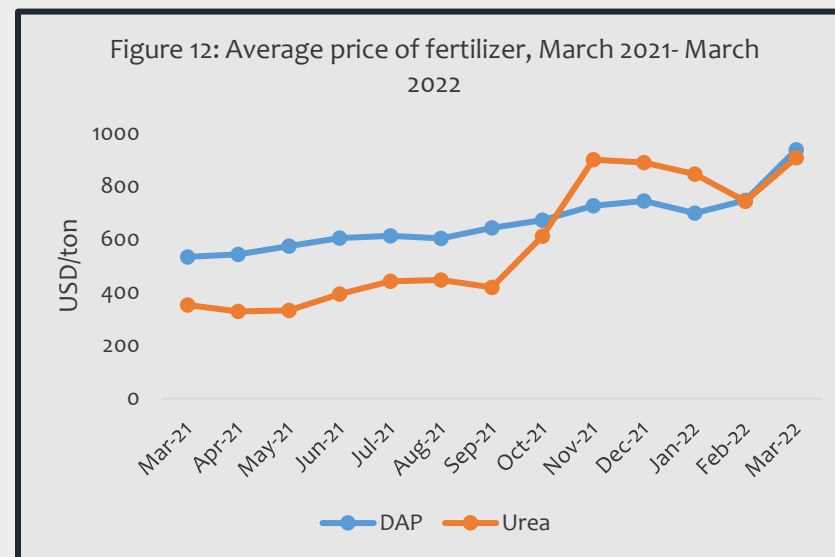
4. Farm Inputs (Source: World Bank, 2022)

Global fertilizer prices are rising. The ongoing Russia-Ukraine war, as well as the Covid-19 supply chain disruptions, have contributed to rising fertilizer prices. Demand-side pressure could drive up the price of fertilizer in the domestic market even further

Fertilizers

Fertilizer prices continued to increase in March. DAP prices increased by 6% percent from USD 747/ton in February,2022 to USD 938/ton in March,2022. Similarly, Urea prices have trended higher than DAP prices over the last four months, reaching USD 908/ton in March 2022, up from USD 744/ton in February 2022, a 22% increase. (Figure 12).

Oil and natural gas prices have risen in recently as a result of supply uncertainty caused by the Russia-Ukraine crisis. Natural gas is a critical component in the manufacturing of nitrogen-based fertilizers. Russia is one of the world's top exporters of nitrogen fertilizers and the second-largest supplier of both potassic and phosphorous fertilizers. The situation might disrupt the global markets and drive-up fertilizer prices even further in the near future.



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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