



The United Republic of Tanzania
Ministry of Agriculture
Agricultural Marketing Section
MONTHLY MARKET BULLETIN
October, 2023

Executive Summary

Staple food prices in October and last year comparable month increased and decreased at different rates even though they remain at their highest levels compared to five -year average. Prices of wheat, rice and dry beans increased by 13.9%, 2.4% and 2.2% respectively, while maize, sorghum and round potatoes decreased by 6.4%, 0.6% and 0.5% respectively. Prices for Arabica coffee increased by 0.04%, while prices of Robusta coffee, tea, cotton and tobacco decreased by 4.085, 4%, 2.46% and 0.06% respectively. Globally, prices for most fertilizer products continued their downward trend in October, 2023. However, prices for Urea and DAP increased at different rates in October. The sustained decrease in natural gas prices has particularly supported production of nitrogen-based fertilizers. The continuing fertilizer subsidy provision to farmers in Tanzania is expected to improve crop productivity.

1. Domestic Market Prices: Staple foods

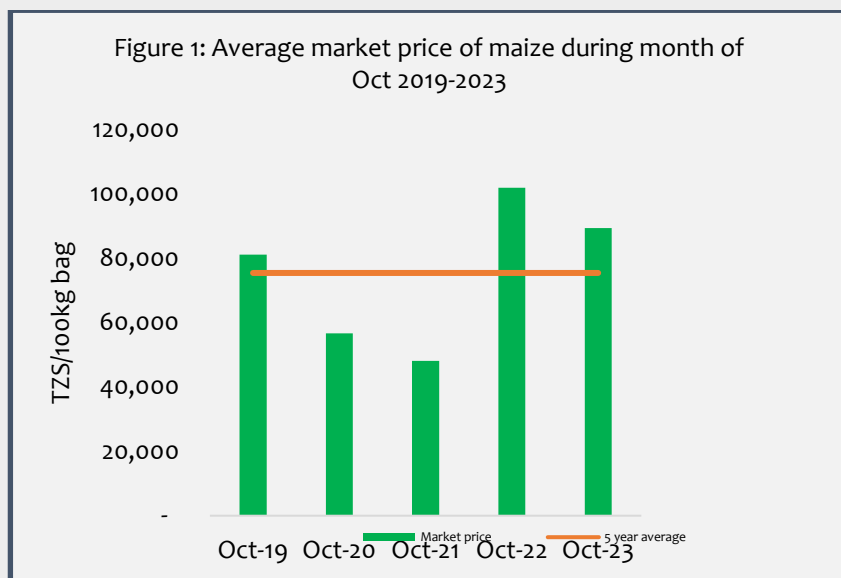
Prices for major staple food crops increased and decreased at different rates in October than a month prior but remain significantly high in comparison to the previous year for dry beans, rice, sorghum and round potatoes but prices decreased for sorghum, rice and round potatoes, and to the five-year average prices. (Table 1). In October, decrease in price was observed in round maize (6.4%), sorghum (0.6%) and round potatoes (0.5%), while price of wheat, rice and dry beans increased by 13.9%, 2.4% and 2.2% respectively. The potential impacts of El Nino climatic conditions in the next production year will play an increasingly import role in market trends as traders look ahead towards potential production shortfalls.

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

Commodity	Sept 2023	Oct 2023	Monthly change (%)	Annual change (%)	5-year average (%)
Maize	95,300	89,200	▼ 6.4	▼ 12.4	▲ 18.4
Rice	258,100	264,300	▲ 2.4	▲ 1.0	▲ 32.7
Dry beans	260,100	265,800	▲ 2.2	▼ 0.3	▲ 23.5
Sorghum	132,800	132,000	▼ 0.6	▲ 2.6	▲ 19.4
Round potatoes	83,600	83,200	▼ 0.5	▲ 0.4	▲ 11.4
Wheat	161,000	183,300	▲ 13.9	▼ 8.9	▲ 19.9

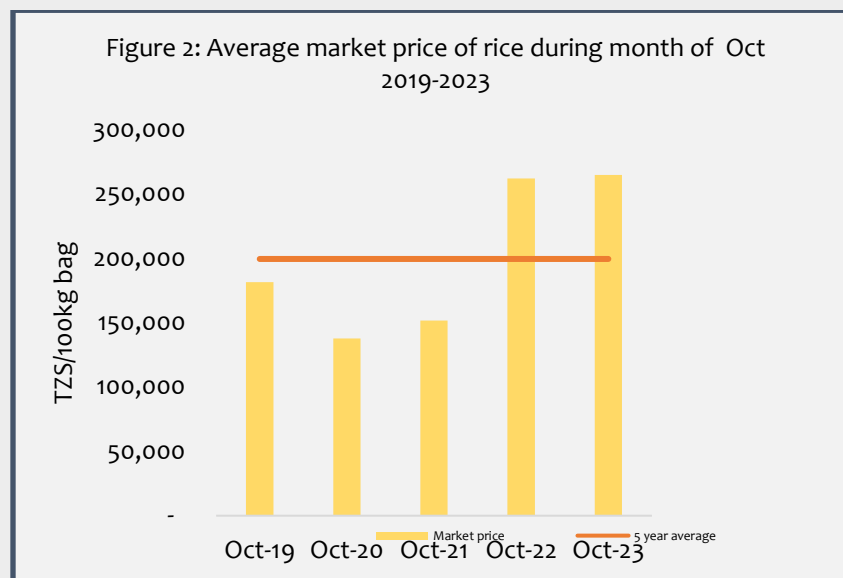
Maize

In October, the average wholesale price declined by 6.4 percent, from TZS 95,300/100kg bag in September to TZS 89,200/100kg in October (Table 1). Despite the October price decrease, maize prices remained 12.4% lower than the previous year's comparable month and 18.4% higher than the five-year October averages. (Figure 1).



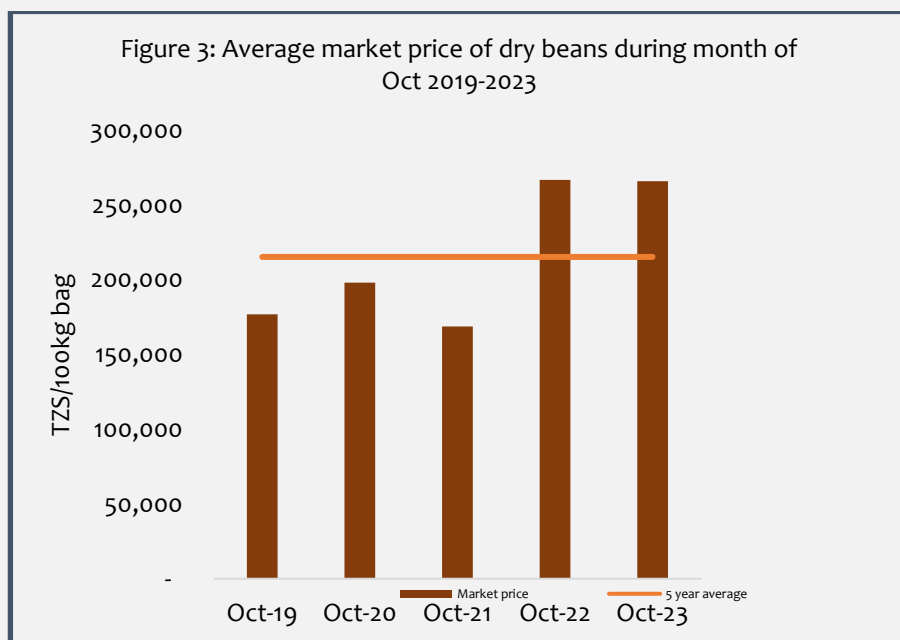
Rice

Rice prices increased by 2.4 percent in October, from TZS 258,100/100kg bag in September to TZS 264,300/100kg bag in October (Table 1). Similarly, prices increased by 1.0% in October compared to the previous year's same month, and by 32.7% compared to the five-year October averages (Figure 2).



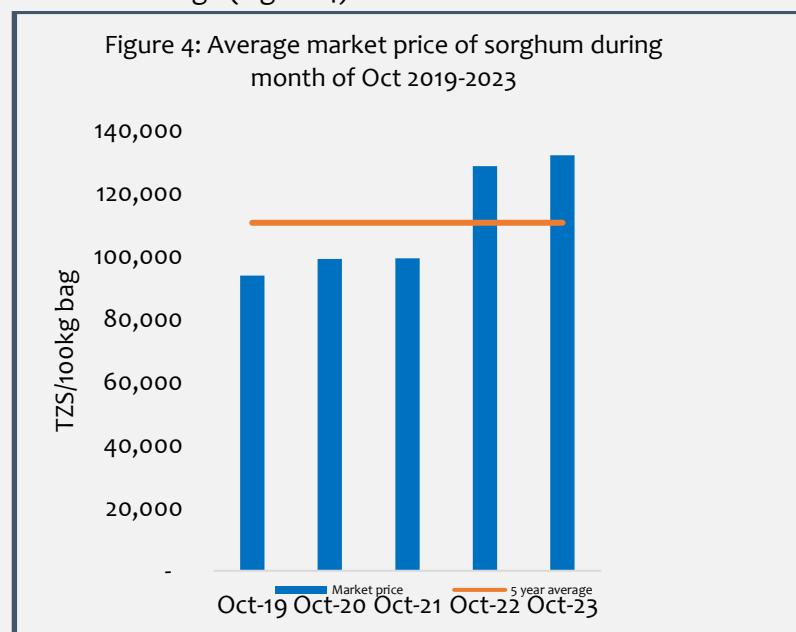
Dry beans

Beans prices slightly increased by 2.2 percent in October, from TZS 260,100/100kg bag in September to TZS 265,100/100kg bag in October. However, prices in September marginally decreased by 0.3% previous year's comparable month and increased by 23.5% in five-year October average (Figure 3).



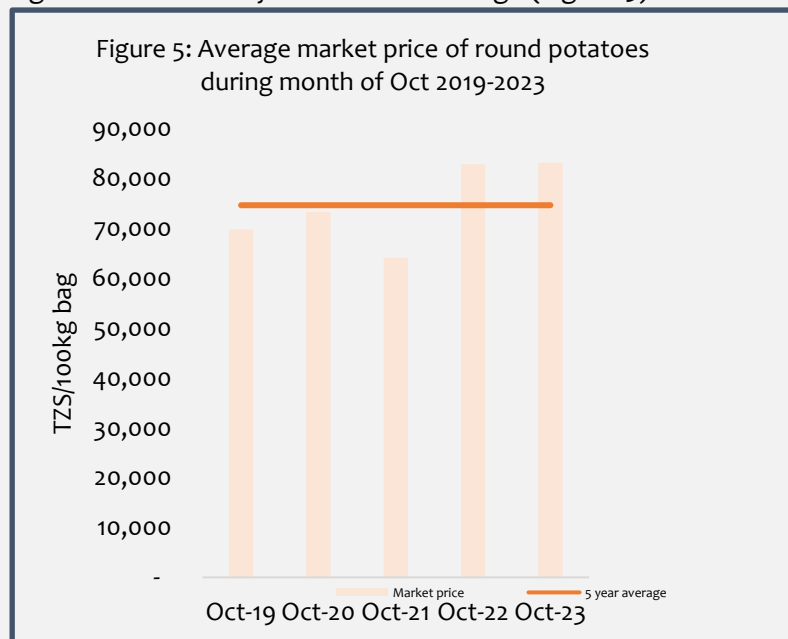
Sorghum

The monthly average wholesale price of sorghum marginally decreased by 0.6 percent in October, from TZS 132,800/100kg bag in September to TZS 132,000/100kg bag in October. However, prices remained higher at 2.6% in October compared to the same month the previous year, and were 19.4% higher than the five-year October average (Figure 4).



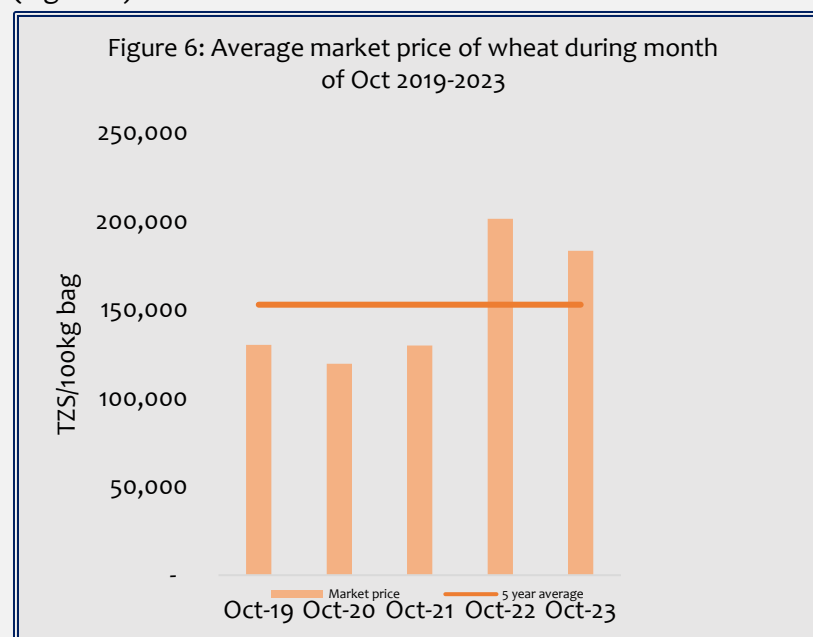
Round potatoes

In October, round potato wholesale prices decreased by 0.5 percent, from TZS 83,600/100kg bag in September to TZS 83,200/100kg bag in October. Similarly, prices remained 0.4% higher in the reporting period compared to the same period the previous year, and 11.4% higher than the five-year October average (Figure 5).



Wheat

Wheat grain wholesale prices significantly increased by 13.9 percent in October, from TZS 161,000/100kg bag in September to TZS 183,300/100kg bag in October. Prices, on the other hand, were 8.9% lower in the reporting period compared to the same period the previous year, and 19.9% higher than the five-year October 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

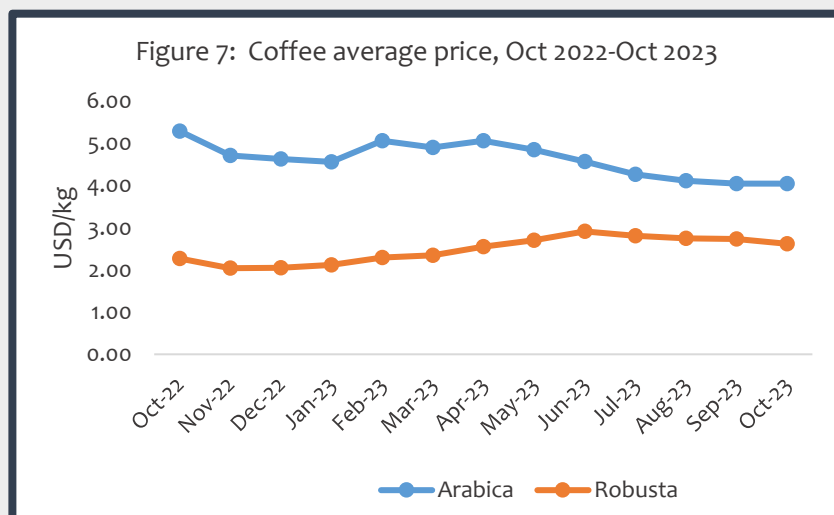
The symbols (▲ ▼ ►) indicate the direction of price changes. (▲) price increased; (▼) price decreased; (►) no changes in price

Source of data: Ministry of Investment, Industry and Trade

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

Coffee

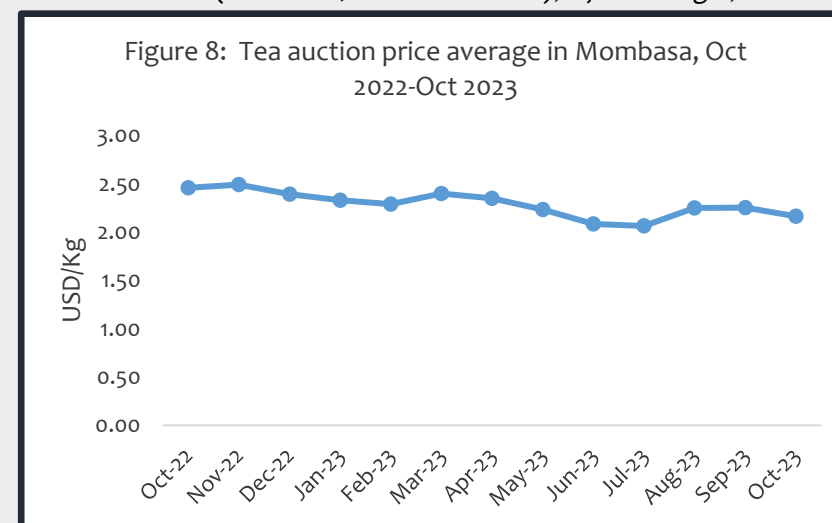
In October 2023, coffee prices have changed at different rates compared to September. Arabica prices slightly increased by 0.04 percent but remained lower than they were a year ago. After a drop in November 2022, Robusta prices have been increasing but in October prices decreased by 4.08 percent. (Figure 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 increase in August 2023, international tea prices have been declining for the last four months. Prices at the Mombasa auction market have decreased by 4.0 percent in October, compared to their prices in September, from USD 2.25/kg in September 2023 to USD 2.16/kg in October 2023 (Figure 8). The slightly decrease 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](#)).

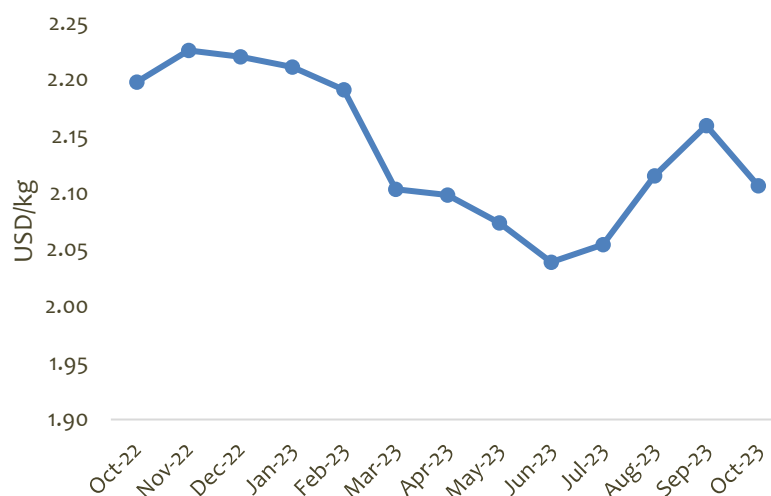
Benchmark: Tea (Mombasa/Nairobi auctions), African origin, all tea



Cotton

Cotton prices have risen over the last year, peaked in November 2022, and then dropped significantly in the months that followed. Prices in October, 2023 decreased from 2.16 USD/kg in September to 2.11 USD/Kg in October. 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.

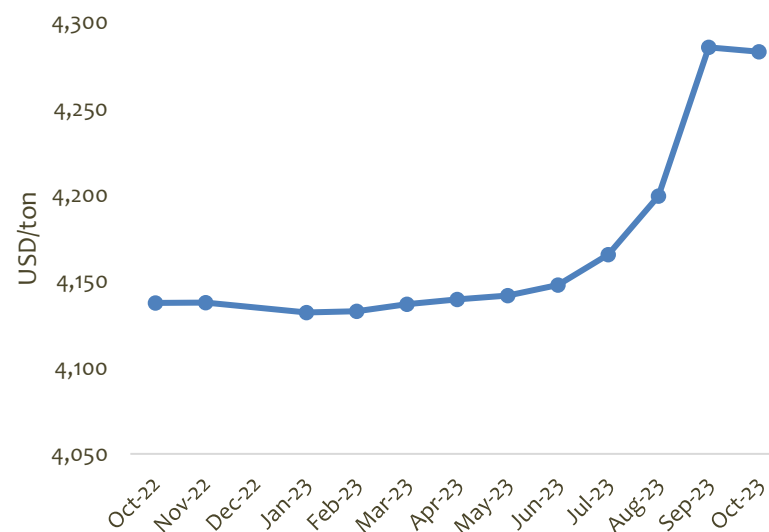
Figure 9: Cotton average price, Oct 2022-Oct 2023



Tobacco

Over the last year, global tobacco prices have been steadily declining and picked up until September 2023 (Figure 10). However, prices marginally decreased by 0.06 percent from 4285.61USD/ton in September 2023 to 4283.05USD/ton in October.

Figure 10: Tobacco average price, Oct 2022-Oct 2023

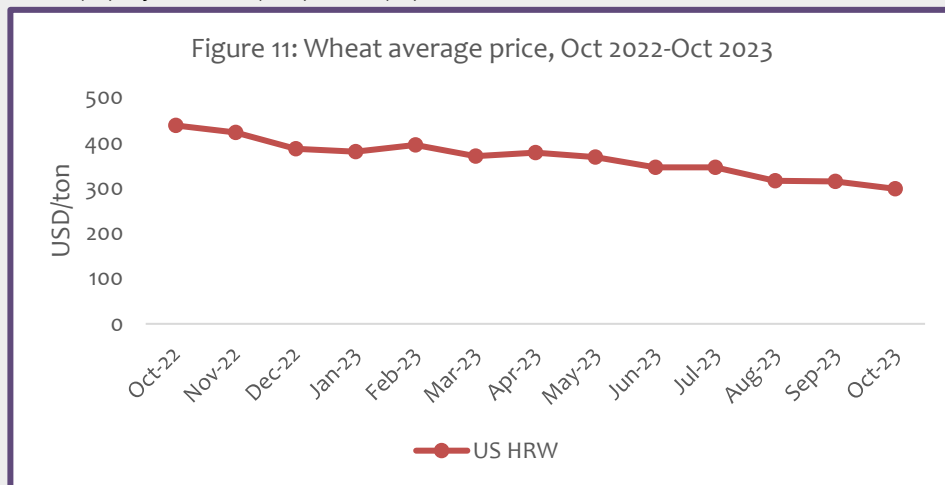


3. Import Substitution Commodities (Source: World Bank, 2023)

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. Prices for (US HRW variety) decreased by 5.27% from USD 314.68/ton in September 2023, to USD 298.10/ton in October 2023 (Figure 11). Tanzania imports about 90% of domestic wheat requirement. Tanzania 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)

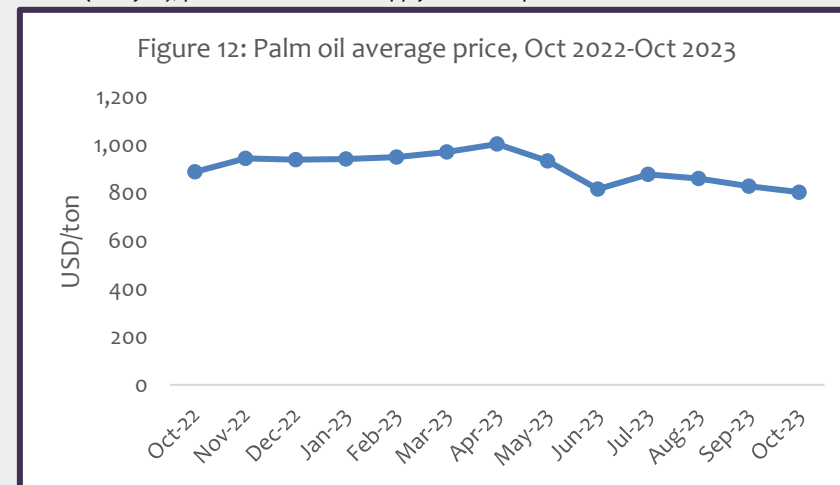
**Wheat (US), soft red winter (SRW), Wheat (US), hard red winter*



Edible Oil

The price of palm oil fell sharply from its peak in April 2023 to its lowest level in June 2023. Palm oil prices decreased marginally by 3.62 percent in September 2023, from USD 829.60/ton September 2023 to USD 804.26/ton in October (Figure 12). 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](#)).

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

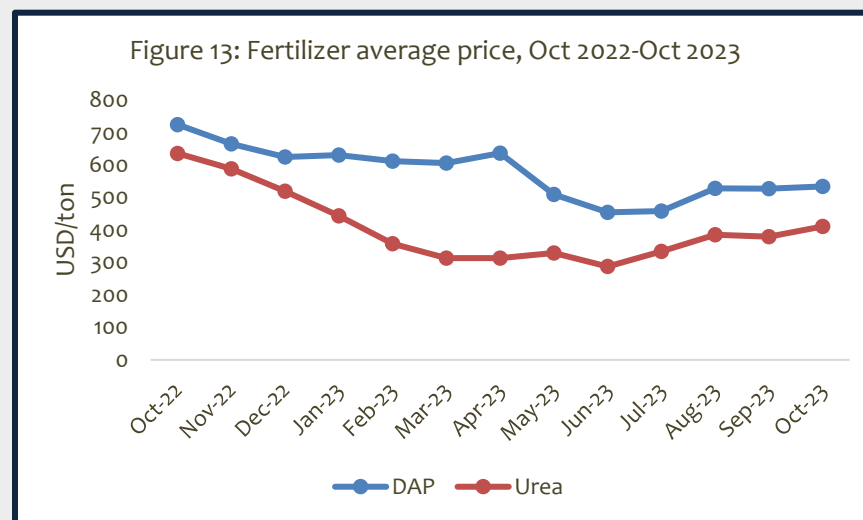


¹ BoT-Monthly Economic Review, April 2023

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

Fertilizer

Both Urea and DAP fertilizers recorded an increase in price. In October an increase 8.26 percent in Urea prices was observed while DAP increased by 1.3 percent from prices recorded in September (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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