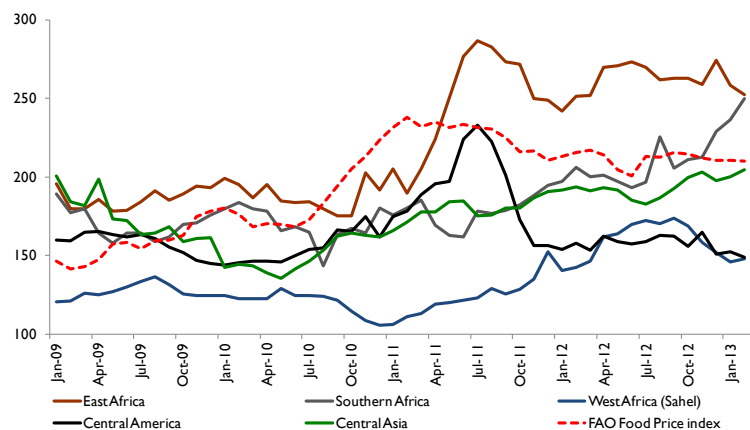


**KEY MESSAGES**

- In **West Africa**, staple food prices remained stable or continued to decrease in February due to the availability of supplies from recent harvests across most of the Sahel, imports, and off-season crops. Millet and sorghum supplies declined in structurally-deficit areas following seasonal trends. Cereals prices increased in some areas due to large institutional purchases. Cereal prices increased gradually on most markets in northern Nigeria in February because of atypically low market supplies due to low trade flows resulting from civil insecurity and flood-related crop losses. Cereals trade flows into northern Mali were limited despite the recent lull in active conflict that led officials to lift roadblocks into the area from Southern Mali and neighboring Niger ([Pages 4-6](#)).
- In **East Africa**, staple food prices continued to decline seasonally in most markets in February as fresh supplies from recent harvests continued arriving on markets. Sorghum prices increased on some markets in South Sudan and Sudan due to the adverse macro-economic situation related to reduced oil revenues, trade disruptions, and localized production shortfalls. Grain prices in Ethiopia started to increase seasonally in February with the start of the lean season in the *Belg*-producing highlands. Livestock prices in Somalia, Ethiopia's Somali region, and Kenya's pastoral areas started to decline with the progression of the January-to-March dry season ([Pages 7-10](#)).
- In **Southern Africa**, staple food prices continued to increase in February as the lean season progressed. Tight regional supplies due to localized production shortfalls and strong export and institutional demand put upward pressure on prices. In Malawi, these general factors were compounded by macro-economic stability and high market costs, leading to atypical prices increases country-wide ([Pages 11-13](#)).
- In **Haiti**, local black bean and maize flour prices were stable or increased in February, while imported rice and wheat flour prices remained stable following global price trends. In **Central America**, black and red beans prices were stable between January and February while maize prices started to increase seasonally ([Pages 13-14](#)).
- In **Afghanistan and Tajikistan**, wheat grain and flour prices were stable in February. High-priced regional imports and local marketing constraints put upward pressure on wheat, wheat flour, and rice prices in some markets ([Page 15](#)).
- **International** rice prices remained stable in February. Maize and wheat prices also remained stable at high levels in February due to tight global supplies and strong demand (**Figure 2**). Crude oil prices have continued to trend upward due to uncertainties about U.S. and European economies and fuel consumption outpacing production ([Pages 2-3](#)).

**Figure 1. FEWS NET regional price indices and FAO Food Price Index, January 2009 – February 2013**



Sources: FAO and FEWS NET.

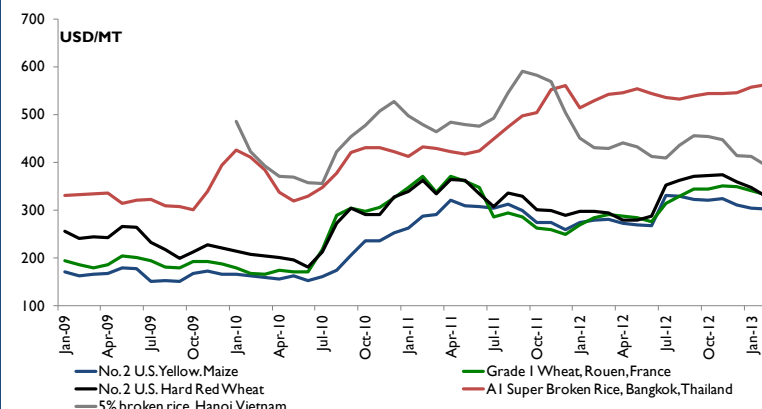
The Famine Early Warning Systems Network (FEWS NET) monitors trends in staple food prices in countries at risk of food insecurity. The Price Watch provides an update on trends in selected reference markets. Trends for key reference markets and commodities are available in the Price Watch Annexes 1 and 2. FEWS NET gratefully acknowledges partner organizations, ministries of agriculture, national market information systems, the Regional Agricultural Intelligence Network, the Food and Agriculture Organization of the United Nations (FAO), the World Food Program (WFP), and others for their assistance in providing price data.

## INTERNATIONAL MARKETS

*Current situation*

- **Rice prices in key international reference markets in South East Asia remained stable between January and February 2013.** Global rice production estimates in 2012/13 remain on track to surpass the record harvests of 2011/12. According to the [USDA Rice Outlook](#) global ending stocks will be the second highest in a decade. Thai rice prices remained stable in February as government sales helped bolster export supplies, while prices in Vietnam were stable due to weak export demand. The prices of some U.S. rice varieties increased slightly in February 2013 due to strong export demand from parts of the Caribbean, West Africa, and the Middle East.

**Figure 2.** Food commodity prices in selected international markets, January 2009 – February 2013



Sources: FAO and FEWS NET.

- **Maize prices on international reference markets remained stable at high levels since December 2012.** This follows a period of considerable price maize price increases in June and July 2012 (as traders reacted to news of droughts in the U.S. Corn Belt) followed by a period of gradual price decreases as improved information about global grain market conditions became available. Tight international market supplies, generally favorable weather conditions in South America, and record-high exports from Brazil have contributed to international price stability in recent month ([USDA Feed Outlook](#)).
- **Wheat export prices were stable in Russia and the Ukraine but declined in the U.S. and E.U. between January and February.** US production prospects continued to improve in February, resulting in declining U.S. export prices while the depreciation of the Euro vis-à-vis the US dollar likely contributed to declining prices from the European Union. Exports from India continue to bolster international wheat supplies. Concerns over storage capacity led the Indian government to export important quantities of wheat in anticipation of harvests that begin in March-April.
- **Soybean and palm oil export prices were stable between January and February 2013 as concerns persist about production conditions in South American soybean and oil exporting countries.** Strong international demand continues to maintain high vegetable oil prices compared to previous years.
- **International crude oil prices increased by nearly five percent between December 2012 and February 2013.** A high degree of uncertainty about the recovery of both the U.S. and European economies and fuel consumption that outpaced production put upward pressure on prices.

*Outlook*

- **International rice prices are expected to remain relatively stable through 2013; global production and carry-over stock levels are expected to reach record or near-record levels.** Global rice trade is expected to decline in 2013 due to reduced import demand from countries in Sub Saharan Africa and Asia, where local production was particularly good this year ([International Grains Council](#)).
- **International maize prices will likely remain stable in the coming months.** Assuming North and South America maize production is good this year, global stocks, production levels, and export in 2013/14 are expected to increase compared to 2012/13 (a 16 year low). Prices will begin to fall once there is more certainty about maize production estimates in key exporting countries.
- **International wheat prices will likely to continue declining in the coming months** due to increased global wheat production anticipated in 2013/14. The weakening of the Euro vis-à-vis the U.S. dollar has increased the competitiveness of European wheat on international markets and will likely contribute to increased wheat exports in

the coming months. Stocks in key exporting countries may increase slightly but will be constrained by strong-but-stable import demand.

- **Global soybean, soybean oil, and palm oil prices may decline considerably in 2013** with the arrival of the large harvests anticipated in South America and Southeast Asia.
- **International crude oil prices increased by 5 percent in March 2013 as traders responded to indicators of sustained recovery of the U.S. economy.** Lower-than-expected production in key Middle Eastern and North Africa exporting countries may lead to tighter-than-anticipated fuel markets through 2013. Prices will likely remain stable through 2013 and decline slightly in 2014.
- **Staple food price trends across the FEWS NET countries will vary considerably in the coming months in response to local and regional market conditions; international market trends will play a more limited role in most countries. Fuel price trends in FEWS NET countries will depend on both international market conditions and the design and implementation of local fuel price policies (Figure 1).**

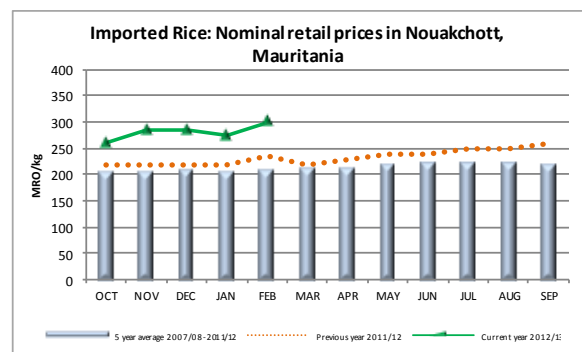
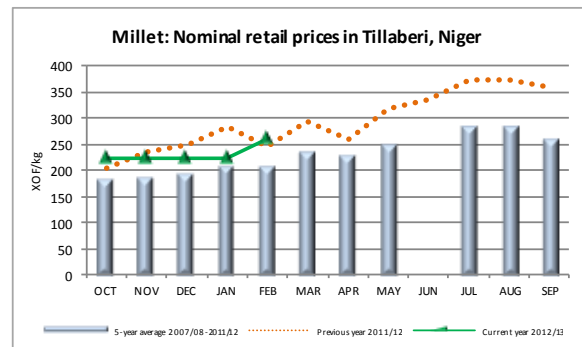
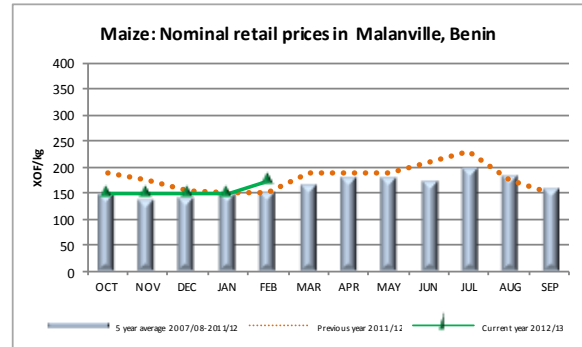
## WEST AFRICA

## Current situation

**West Africa:** Staple food availability was adequate in February due to the availability of supplies from average to above-average harvests across most of the Sahel, maize imports from coastal countries, and rice and wheat imports from international markets. Food diversity improved with the availability of off-season crops. Millet and sorghum supplies in the region's structurally deficit zones started to deplete, which is typical for this time of year. Atypical maize and millet price increases on some markets were due to institutional procurement prices in many areas that were above the prevailing local market price. Cereals and tuber losses due to flooding and civil insecurity limited domestic trade flows into northern Nigeria, resulting in atypically low market supplies. Cereals trade flows into northern Mali from Mopti (central Mali) and neighboring Niger remain limited despite recent lifting of domestic and border roadblocks with the recent lull in active conflict.

- Millet prices were stable between January and February, with some localized seasonal price increases of up to 10 percent.** An eleven percent reduction in regional production in 2012/13 compared to the five-year average due to production trends in Nigeria continues to affect market supplies. Millet prices across the region are well above their respective February 2012 and five-year average levels. Millet trade flows between Nigeria and neighboring Niger and Chad have decreased substantially from the levels observed at the same time last year due to average to above-average production in the Sahel this year, cereals and tuber production shortfalls in Nigeria, and security concerns along main marketing corridors that, together, greatly reduce incentives for cross border trade.
- Maize prices were stable and generally lower than their respective February 2012 levels.** Prices continue to trend toward their respective seasonal averages, particularly in the central and western basin. Regional maize production increased by more than 20 percent in 2012/13 compared to the five-year average, which contributed to stable prices across the region in February 2013. Cross-border trade flows increased between the region's structurally surplus and deficit zones in February due to strong demand from Niger, Chad, Burkina Faso, Mali, and Nigeria. In the eastern basin, maize prices remain higher than their five-year average levels.
- Sorghum prices increased between January and February following seasonal trends.** Sorghum prices in the western and central basins continue to approach their respective five-year average levels, while sorghum prices in the eastern basin are well above their respective five-year average levels.
- Fresh yam market supplies increased between January and February as producers responded to demand signals for chip manufacturing and for seeds for the upcoming production season.** Yam prices fell in Cotonou, Benin but remained high in Nigeria due to flood-related tuber losses earlier in the year.
- Pastoral grazing and water conditions were generally good in February 2013. **Livestock body conditions were generally good and prices continued to follow their seasonal trends.** Livestock prices are generally higher than their respective February 2012 and five-year average levels.

Figure 3. Price trends in selected markets



Note: the figures follow the marketing year in each country.

Sources: ONASA Benin, SIMA Niger, and FEWS NET.

**Eastern Basin:** Civil insecurity in Northern Nigeria and the lingering effects of flood-related crop losses during the 2012/13 agricultural season continue to disrupt markets. Local agricultural production was average to above-average in Niger and Chad this year and traders and households are relying less on imports from neighboring countries. However, Nigerian traders continued to rely on markets in Benin for supplies due to favorable cross-border price differentials. Although maize and millet prices were above their respective five-year average levels, prices were stable between January and February. Localized price increases in structurally deficit areas of Niger, Chad, and northern Nigeria falling within the bounds of typical seasonal trends.

**Benin:** Maize supplies were sufficient on most markets in February, resulting in stable prices between January and February. The price of maize did increase by 17 percent in Malanville due to strong institutional demand from the National Office In Support of Food Security (ONASA) and demand from private Nigerian traders. In Cotonou, yam prices decreased in February as producers sold their stocks in order to finance purchase for the upcoming marketing season. Although price dispersion between markets in Benin and neighboring countries is lower than it has been in recent years, trade flows have increased compared to their February 2012 levels. Maize demand from neighboring Niger and Nigeria were also believed to be stronger than usual due to flood-related crop losses in the latter.

**Nigeria:** Cereal prices increased gradually on most markets in northern Nigeria between January and February because of atypically low market supplies. The largest price increases were observed in Kaura and Saminaka where sorghum prices increased by 19 and 30 percent, respectively. Fuel prices in Dawanau (Kano) decreased by 22 percent between January and February, attracting traders from distant areas who sought to exchange grains for fuel. This resulted in a temporary increase in sorghum supplies from Borno state. In Lagos, yam prices increased by up to 14 percent due to market supplies that remain limited due to flood-related losses in the country's main tuber producing zones in 2012.

**Niger:** Millet and sorghum market supplies declined between January and February following seasonal trends. Millet prices remain high on most markets as private stocks (farmers and traders) deplete. Institutional purchases to replenish the government National Security Stocks that were depleted in 2011/12 also continued to these price trends. In Téra, millet prices increased atypically by 24 percent in February due to an institutional procurement price set higher than the prevailing market price. Grain prices remained generally stable elsewhere in the country. The 10 percent increase in sorghum prices in Tillabéri and millet prices in Filingué followed normal seasonal trends.

**Chad:** Staple food markets were well supplied in February. Grain flows from the Sudanian to the Sahelian zone were limited due to the good availability of staple food on markets in the Sahelian zones and government measures to restrict grain flows. Millet prices increased by 10 percent in Moundou due to low market supply compared to the previous month, following the normal seasonal trend. Maize prices in Bol increased by 15 percent between January and February due to strong institutional demand in the area. Sustained good market supplies in N'Djamena maintained low prices there. Sorghum prices increased by 25 percent in Moundou, 18 percent in Sarh, and eight percent in Abeche due to declining local stocks following the normal seasonal trend. Restrictions on livestock exports by the Chadian government have prevented pastoral households from taking advantage of favorable prices this year.

**In the central and western basins:** Market supplies are generally normal and sufficient to meet local needs on most markets. These trends led to stable or slight seasonal price increases between January and February. Rice prices are currently stable and continue to approach their respective five-year average levels due to good local and regional production this year and stable imports from international markets. Northern Mali is the exception to this general trend where market supplies are constrained due to civil insecurity, despite a recent lull in active conflict.

**Burkina Faso:** Cereals market availability was good in February as imports from the sub-region and international markets outpaced exports. Household market demand was still relatively weak due to the availability of private stocks. Institutional purchases to rebuild Burkina Faso's national security stocks had not yet affected market conduct or price levels. Grain prices therefore remained stable on most markets. In Solenzo, maize and millet prices increased by 14 and 10 percent, respectively, following seasonal trends.

**Mali:** Staple food prices remained stable on most markets as strong household and trader supplies met increased institutional and trader demand from neighboring countries in the wholesale and assembly markets of Ségou, Mopti and San. Prices increased moderately between January and February for millet in Sikasso (6 percent) and for sorghum in Mopti (14 percent). In the north, staple food supplies from this year's average to above-average harvests were still available until February. However, market supplies remain limited due to security concerns associated with transferring staple foods over long distances in conflict-affected areas and due to the official border closure with Algeria. Wheat semolina, a staple food in northern Mali, was available from large traders in Gao in February but in very small quantities. The price of rice in

Tomboctou nevertheless decreased between January and February due to increased trade flows via the Niger River in response to local road closures and with ongoing humanitarian distributions.

**Mauritania:** Locally produced rain fed sorghum and rice and maize imports from neighboring Senegal continue to supply markets despite official trade restrictions imposed by the Mauritanian government. Sorghum prices remained generally stable compared to January on most markets. Atypical sorghum price increases were recorded in Abdel Bagrou (nine percent) and Magta Lahjar (13 percent) as traders had to rely on local markets to meet their needs as typical source markets in Mali were generally inaccessible due to persistent civil insecurity. Wheat prices increased by 12 percent in Boghé and six percent in Abdel Bagrou due to depleted government-supplied “solidarity shops” stocks in those areas.

**Senegal:** The availability of staple on markets improved with the end of the groundnut-marketing season and informal imports from Mali. Nevertheless, low trade volumes between surplus and deficit zones resulted in an eight percent increase in millet prices in Dakar between January and February; maize prices in Ziguinchor increased by six percent over the same period. Local and imported rice availability remains sufficient and prices were stable between January and February and were within range of their respective February 2012 and five-year average levels.

#### *Outlook*

**West Africa:** Markets will be affected by increased demand due to calls for tenders for institutional purchases and as households increasingly turn to markets for their staple food needs. The impacts of institutional purchases will be greatest where the procurement price is well above the prevailing market price and where the quantities procured are relatively important compared to total market supply.

- Ruminant prices will likely start decreasing soon with the start of the lean season and following normal seasonal trends. Depending on the extent of the price decreases, this could result in reduced in terms of trade and therefore the incomes of pastoralists at the time when they need to replenish their stock before migrating north.
- The cost of imports from international markets in UEMOA countries could increase in the coming months due to the depreciation of the Euro (CFA Franc) compared to the U.S. dollar. This could have the effect of increasing the competitiveness and demand for regionally produced rice.

**Nigeria:** Both the general degradation of the security situation and reduced market supplies due to flood-related crop losses earlier in the year will influence staple food market trends. Together these are likely to reduce trade flows into neighboring countries. In February and March, cereals trade flows that typically take place between Nigeria and the Sahel are being sourced from Benin, a trend that is likely to persist in the coming months. Regional millet stocks are likely tight, which could result in important millet price swings later this marketing year.

**Northern Mali:** Staple food flows into northern Mali are expected to improve in the coming months due to the official reopening of the road linking Gao with the rest of the country. Some traders who benefitted from tax-free imports from Algeria from Gao were stopped in March at the Douentza checkpoint and their goods seized due to tax evasion. To date, this has had no impact on markets in the North because the bulk of their supplies are currently sourced from the areas surrounding Mopti and transported north. Staple food prices in the regional capitals, including Kidal, will remain stable due to the ongoing humanitarian distributions underway.



## EAST AFRICA

## Current situation

**East Africa:** Maize prices continued to decline seasonally across most of Kenya, Uganda, Rwanda, and Somalia as fresh supplies from recent harvests entered markets. Despite good harvest at the national level, sorghum prices increased on some markets in South Sudan and Sudan due to the adverse macro-economic situation related to lower oil revenues, trade-disruptions due to insecurity, and localized production shortfalls. Grain prices in Ethiopia started to increase seasonally in February with the start of the lean season in *Belg*-producing highlands. In Tanzania, grain prices decreased marginally in parts of the southern highlands due to imminent start of green *Msimu* harvests in March. Livestock prices in Somalia, Ethiopia's Somali region, and the pastoral areas of Kenya have started to decline, gradually, with the progression of the January-to-March dry season.

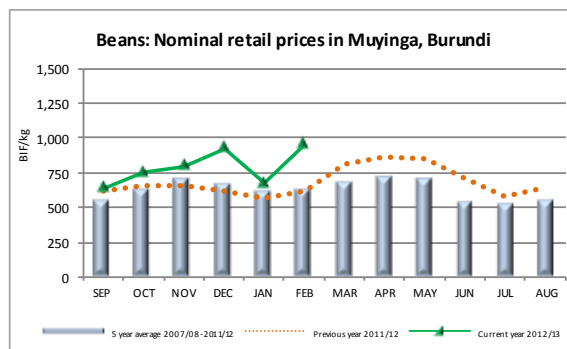
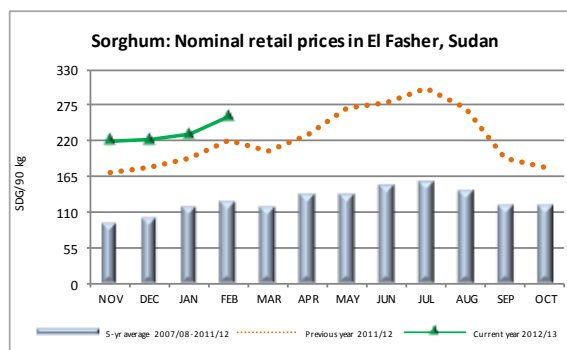
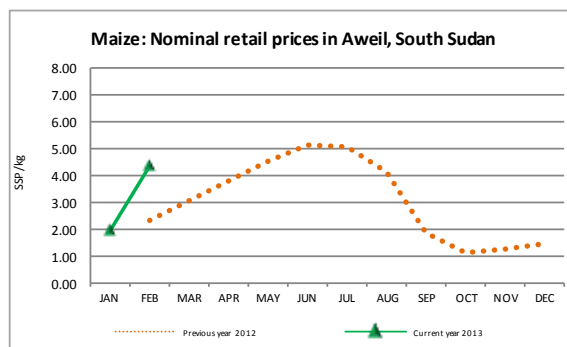
**South Sudan:** Staple food prices remained stable in the surplus-producing Equatoria State between January and February, but varied considerably in northern States bordering Sudan. Prices typically trend downwards in most markets in South Sudan until the start of the lean season in April. Between January and February, sorghum prices declined seasonally by 10 percent in Malakal, 15 percent in Wau, and 20 percent in Kapotea.

- Localized production shortfalls combined with the current adverse macro-economic situation, border tension resulting in disrupted of cross-border trade with Sudan, and increased domestic insecurity have contributed to unseasonal price increases in parts of the country.
- Sorghum prices increased atypically by 15 percent in Bor (Jonglei State) due to reduced market supplies stemming from a localized cereal production deficit of 120,726 MT (South Sudan's Crop and Food Security Assessment Mission) and reduced domestic trade flow into Bor because of inter-ethnic violence related to cattle rustling. White sorghum from Sudan was unavailable in Aweil and Juba in February 2013 due to increased cross-border tensions that restricted trade flows. This pushed up the retail price of maize (a substitute for white sorghum) by 131 percent in Aweil between January and February 2013 (**Figure 4**).

**Sudan:** Staple food prices trends varied between January and February 2013. Increased market supplies from the recent above-average harvest led to seasonal sorghum prices decreases in February: 13 percent in Kadugli, 12 percent in El Obied, and five percent in Geneina. Sorghum prices remained stable in Khartoum, El Damazin, El Gadarif, and Port Sudan.

- In El Fasher, retail sorghum prices increased unseasonably by 12 percent due to high export demand from Eritrea, Ethiopia and Gulf countries (**Figure 4**). Conflict-related trade flow disruptions and high transport costs resulted in increased sorghum price in Nyala and Dongola. February 2013 retail sorghum and millet prices remain well above their respective February 2012 and five-year average levels. These trends driven by trade flow disruptions due to localized conflict (mentioned above) and decreased oil revenues that have led to inflation and the depreciation of the local currency, which has increased production and transport costs

**Figure 4. Price trends in selected markets**



Note: the figures follow the marketing year in each country.

Sources: WFP, FAMIS Sudan, and FAO.

**Somalia:** Retail sorghum and maize prices were stable or continued to decline between January and February across most markets in the grain-producing Bay and Shabelle regions due to the arrival of the January and February Deyr harvests onto markets. The continued appreciation of the Somali shilling continues to put downward pressure on imported food prices.

- Increased levels of security round Mogadishu and its environs, has led to increased economic activity in Somalia. This includes the return of some members of the Somali diaspora, increased availability of the Somali shilling (which were scarce over the last four years), increased inbound domestic investment, and the concomitant increase in foreign currency inflows. Together, these have resulted in the strengthening of the Somali shilling against major world currencies, including the U.S. dollar.
- Maize prices remained stable and were on average 44 below their respective February 2012 levels in Qoryoley, Merka, Wanle Weyne, and Afgoye in Lower Shabelle Region while sorghum prices were lower by an average of 22 percent in Baidoa, Dinsor, and Qansah Dhere in the Bay Region of the sorghum belt. Sorghum and maize prices stabilized at a higher level in the structurally cereal-deficit central and northeastern regions of Somalia. Grain prices in these areas are usually higher than in other regions due to poor infrastructure, long distances from source markets, and high intra-regional taxes.
- Livestock prices started to decline seasonally between January and February due to the depletion of pasture in distant ranges with progression of the dry season and the return of livestock to typical dry-season grazing areas and water points around major towns. Goat for cereal terms-of-trade remained favorable for pastoralists and were 20 to 30 percent higher in the central and northern pastoral regions than their respective February 2012 levels.

**Ethiopia:** grain prices started to increase seasonally between January and February as the March-to-May lean season in the *Belg*-producing areas approached.

- Maize prices increased by five to seven percent in Bahir Dar, Shashemene, and Jijiga while wheat and teff prices were stable. Sorghum prices remained stable at high levels in northern Mekele and declined by 10 percent in Addis Ababa due to increased supply from the recent *Meher* harvest. Sorghum prices increased by 10 percent in Fafan (formerly Jijiga) in the east as a result of a poor local harvest and high marketing costs from the main source markets in the country.
- Camel prices remained typically stable between January and February across most of Ethiopia Nogob (formerly Fik), Liben, and Siti (formerly Shinile) in the Somali Region of Ethiopia 2013. However, prices of shoats declined seasonally by 6 percent in Shebelle (formerly Gode), 16 percent in Liben, and 20 percent in Fafan (formerly Jijiga) due to deteriorating livestock body conditions and seasonal large livestock availability on markets as households sell livestock to buy grain as the dry season progresses.

**Kenya:** maize prices in the urban markets of Nairobi, Eldoret, and Mombasa continued to decline seasonally between January and February and remained more than 30 percent above the respective five-year average prices.

- The seasonal decline in maize prices was driven by increased market supply as the long and short-rains harvests come to a close. In Mombasa, maize prices declined by 19 percent between January and February due to increased supply from the short rains harvests in southeastern and coastal marginal agricultural livelihoods, where prices in Kitui declined by 10 percent over the same period.
- Although maize prices generally followed their seasonal trend, they did so at a slower rate than typical for this time of year due to reduced trade volumes along marketing corridors in anticipation of disruptions stemming from the March 2013 elections. The election and post-election period has so far been peaceful, and trade and marketing have resumed. For these reasons, maize prices increased atypically in Kisumu by eight percent in February.
- Conflict in pastoral areas continues to disrupt maize trade, thereby limiting the transmission of the effects of seasonal increases in market supplies in source markets. Between January and February, maize prices remained stable but well above their respective five-year average levels in northern and northeastern pastoral areas (up to 68 percent higher in Lodwar town in Turkana and in Manderu).

**Rwanda:** maize prices decreased on most markets between January and February with the arrival of fresh supplies from the recent season A harvests: (32 percent in Kabarondo, 26 percent in Kabaya, and 25 percent in Rwagitima). Dwindling bean stocks levels resulted in seasonal prices increases on most markets (12 percent in Kabarondo and 8 percent in both Musha and Birambo). The price of Irish potatoes (typically harvested before other crops) also increased across most markets with the depletion of stocks from Season A; except in Kigali where they decreased slightly.



**Burundi:** Staple food price increased on many reference markets despite the ongoing harvests. Prices were stable in the urban markets of Bujumbura while bean prices increased by as much as 40 percent in Muyinga between January and February (**Figure 4**). Most staple food prices were above their respective February 2012 and the five-year average levels due to market demand that continues to outpace supply. Weak agricultural production levels in recent years and the depreciation of the local currency, resulting in increased exports, have put downward pressure on supply while an increasing population and strong derived demand from the livestock sector put upward pressure on demand.

**Uganda:** Staple food prices (grains and tubers) continued to decline or were stable at lower levels across most markets between January and February following recent harvests. The retail price of cooking bananas (matoke, the main staple food for large percentage of households) declined by 27 percent in Mbarara and 22 percent in Kampala as market supplies increased from rural assembly markets. Household availability of substitutes including sweet potatoes, cassava, and yams likely contributed the decrease in cooking banana prices by reducing market demand. Sorghum prices declined seasonally by 11 percent in Soroti and seven percent in Lira with increased supply from the second season harvests while millet and maize prices remained relatively low but stable across most markets between January and February. Bean prices increased atypically between January and February in most markets, and by 17 percent in Gulu, 12 percent in Lira, and eight percent in Mbarara due to reduced production from prolonged rains that destroyed part of the second-season bean crop.

**Tanzania:** Wholesale bean prices decreased seasonally across most markets due to *Vuli* harvest in the northern bimodal areas and early *Masika* green harvest from the southern unimodal regions. Bean prices decreased by 22 and 24 percent in the main producing Arusha and Songea markets, respectively. Wholesale maize prices were stable in Songea and decreased by five percent in Mbeya in the main producing southern highlands as the green harvest approached. Maize prices increased steadily with progression of the November to February lean season in the unimodal areas, while maize prices increased marginally but unseasonably in the bimodal areas as a result of a below average *Vuli* harvest. Maize prices in the northern markets of Moshi, Arusha, and Musoma were low compared to the national average due to typical temporary inflow of maize from Kenya in January. Maize prices remain high compared to their respective five-year average levels.

**Djibouti:** staple food prices remained stable between January and February and on par with their respective February 2012 and five-year average levels.

#### Outlook

**South Sudan:** Grain prices are expected to continue to increase unseasonably due to cross border trade restrictions with Sudan, domestic inter-ethnic conflict related to cattle rustling, poor production in parts of the country, and adverse macro-economic conditions. These prices increases may averted by the March 12 2013 signing of the implementation matrix for the cooperation agreements of September 2012. Once these agreements enter into force, the country's economic situation should improve due to increased security along the border and increased trade. Together these will lead to stable grain prices in the border states and improved income generating opportunities through cross-border labor migration.

**Sudan:** Sorghum and millet prices will likely trend downwards seasonally with increased supply from the recent harvest. However, prices decreases likely be moderated by high domestic and export demand from South Sudan, Eritrea, Ethiopia, and the Arab Gulf States, high production and transport costs, and high levels of inflation.

**Somalia:** Grain prices will gradually increase from March with the end of the *Deyr* harvest in February. However, the increase in prices will likely be dampened by high stocks and strengthening of the Somali shilling. Further improvements in security and increases in humanitarian assistance may also exert downward pressure on prices between March and June 2013.

**Ethiopia:** Grain prices are expected to continue increasing from March onwards with progression of the lean season. The late start of the *Belg* rains may delay harvests and exacerbate prices increases. Livestock prices will likely improve with the start of the *Belg* rains (which will increase the availability of water and pasture), and strong demand during the period leading up to Ramadhan in July.

**Kenya:** Maize prices are expected to continue declining gradually in March with increased supplies from the short rains harvest, and as farmers in surplus areas sell their maize to acquire inputs for the upcoming long-rains season. Maize prices will gradually trend upwards with the start of the lean season in April. This trend will likely be reinforced by higher transport costs due to the gradual increase in fuel costs since June 2012. Long rains season production in Rift Valley may be compromised by the limited use of fertilizer due to a 30 percent increase in fertilizer prices. National Cereals and Produce Board (NCPB) is in the midst of a debt dispute and has not received this season's consignment of fertilizer that it will sell to farmers at subsidized prices.

**Rwanda:** Maize prices will likely decrease in March with increased market supplies from the recent harvest. Bean, tuber, and root crop prices will continue to increase seasonally until the April harvests.

**Burundi:** Staple food prices will continue to remain high and increase in some instances in the next months due to inadequate supplies from the poor harvests and sustained high demand.

**Uganda:** Staple food prices will likely increase gradually towards the start of the lean season in April starting with perishable staples like bananas, which will likely trend upward in March. Fuel prices are likely to remain high due to the persistent depreciation of the Uganda Shilling against the U.S. dollar. This could further increase transport costs and put upward pressure on staple food prices, particularly in deficit areas.

**Tanzania:** Food prices will likely remain high until April when the green harvest starts in the unimodal areas of the central and southern highlands.

**Djibouti:** Staple food prices will remain stable in the coming months, as result of pro-consumer government policies.

SOUTHERN AFRICA

Current situation

**Southern Africa:** Staple food prices continued to rise between January and February following lean season trends. Tight regional supplies (due to localized production shortfalls and strong export demand), combined with macroeconomic instability and high transport and marketing costs, have put atypical upward pressure on maize and maize flour prices. In Malawi, these general factors were compounded by macro-economic stability and high market costs, that led to atypical prices increases country-wide.

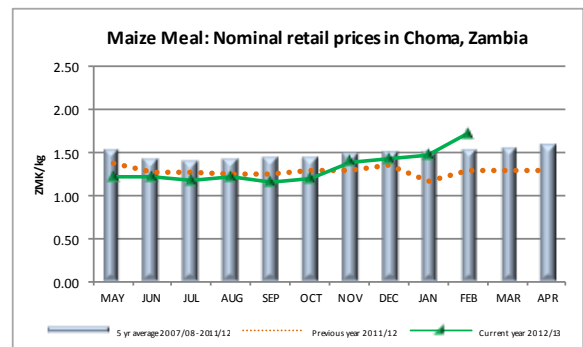
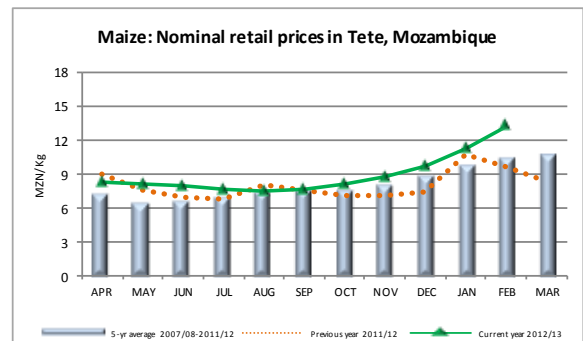
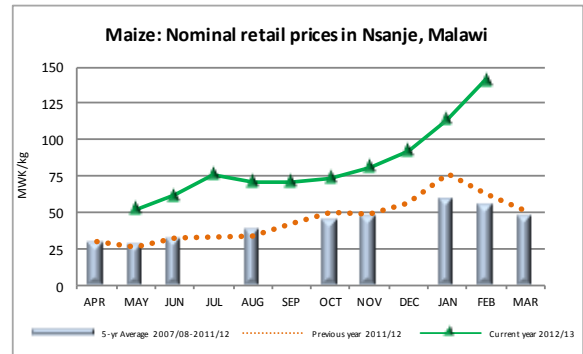
**Malawi:** Maize prices increased further, on average, by 24 percent between January and February. Cassava, an important maize substitute, was unavailable on most markets in February. Although 2012/13 national maize production was sufficient to meet national needs, the devaluation of the currency had a dual effect of making maize more competitive regionally (informal exports increased despite a ban) and contributed to increasing transport costs into structurally-deficit southern Malawi, which experience localized production shortfalls. Higher-than-usual informal maize export demand in 2012 (over double the five-year average) continues to contribute to rapid dwindling stocks and has put upward pressure on maize prices nation-wide.

- In structurally deficit southern Malawi, maize prices increased by an average 29 percent between January and February, the sharpest month to month price increases nation-wide. Maize prices increased atypically by 38 percent in Lunzu (Rural Blantyre), 26 percent in Chikwawa, and 23 percent in Nsanje. In addition to the contributing factors listed above, Agricultural Marketing and Development Corporation’s (ADMARC) stocks were depleted in many areas, and unable to bolster supplies and moderate seasonal price variability.
- In surplus-producing central Malawi, maize prices increased on average by 26 percent between January and February. In Mitundu (rural Lilongwe), maize prices increased by 32 percent due to tight stocks and strong domestic and regional demand.
- In Northern Malawi, maize prices increased by 12 percent in Karonga and 16 percent in Mzuzu. Stronger enforcement of the maize export ban in February muted the sharp price increases observed earlier in the year.
- Average national rice and bean prices were generally stable in February due to low demand as households begun consuming fresh maize harvests. Rice prices increased by 12 percent in Mzuzu due to high demand for sought after *Kilombero* rice. Where available, cassava prices increased by an average of 12 percent.

**Mozambique:** Staple food price trends varied considerably in reference markets in between January and February.

- In Tete and Maputo, maize prices followed a typical lean seasonal trend and rose by 18 and six percent, respectively. In flood-affected Chókwe, maize prices increased by 40 percent between January and February. Maize prices decreased elsewhere in Mozambique as traders rapidly offloaded last year’s stocks in anticipation of the main March to May harvest. For example, in Gorongosa, maize prices decreased by 17 percent between January and February.

**Figure 5.** Price trends in selected markets in Southern Africa



Note: the figures follow the marketing year in each country.

Sources: Malawi Ministry of Agriculture, Irrigation, and Water Development (MITM), Mozambique Ministry of Agriculture, Zambia Central Statistics Office.

- Bean prices were on a general upward trend in February due to the rapidly declining availability of stocks from the previous below-average production season. Bean prices rose as much as 42 percent in Gorongosa, 34 percent in Nampula, 33 percent in Maputo, and 18 percent in Maxixe. Prices were stable in Manica, and decreased by 20 percent in Tete because of availability of stocks from last year.

**Tanzania:** Staple food prices were stable between January and February but remained abnormally high with the possibility of further price increase during peak of lean season in the unimodal areas in March. February maize prices were 72 to 152 percent above their respective 2012 levels and are 72 to 116 percent above their respective five-year average levels. Maize prices have remained relatively low in the surplus producing areas of Mbeya, Songea, Iringa and Sumbawanga in the southern highlands. Rice prices in Tanzania were stable or decreased between January and February, but remained between 37 to 63 percent above their respective five-year average levels.

**Zambia:** Price trends varied across reference markets between January and February. The Food Reserve Agency (FRA) has continued selling maize to both millers and communities in order to stabilize staple food prices that have increased seasonally since November 2012. The FRA sells maize at a fixed price of ZMW60.00/50 KG, which is generally lower than the prevailing market price. This has helped improve household food access in these areas.

- Between January and February, maize price increased in Kasama (10 percent) and Mongu (20 percent); but declined in Lusaka (16 percent), Kitwe (10 percent), Mansa (10 percent) and Solwezi (14 percent). Maize prices in the deficit areas of Kasama and Solwezi remained high (112 and 72 percent above February 2012 levels, respectively) because of persistent strong export demand from Tanzania and the Democratic Republic of Congo.
- In general, roller maize-meal prices decreased in Zambia between January and February 2013. Although prices declined slightly in Kasama and Solwezi, they remained above their 2012 and five-year average levels. Prices were stable in surplus-producing Chipata and Kabwe. Roller maize-meal price increases in urban and rural deficit areas are typical during this period and attributed to increased demand as households turn to industry processed maize meal. Roller maize-meal prices increased in Choma and Kitwe by 18 and nine percent, respectively. Informal maize meal exports to the Democratic Republic of Congo, Mozambique, and Tanzania contribute to reduced in maize stock levels and market supplies

**Zimbabwe:** Maize grain and meal prices remained stable on most reference markets due to increased maize imports from Zambia. Green maize-harvest supplies have reduced household market demand. Maize prices in structurally-deficit Bulawayo decreased by 15 percent between January and February due to an increase in the availability of relatively inexpensive imported Zambian maize meal on the market. Maize grain prices were 13 percent lower than their respective February 2012 levels in Harare and were 17 percent higher than their respective February 2012 price levels in Gweru. Between January and February, maize meal prices decreased by 23 percent in Masvingo and 16 percent in Gweru.

**South Africa:** Average white and yellow maize spot prices were stable on the South African Futures Exchange (SAFEX) in February. These prices were approximately 10 percent lower than their respective February 2012 levels because of the depreciation of the Rand and reduced export demand due to the relative competitiveness of South American maize prices on international markets. Although prices were stable, on average, there was an upturn from mid-February as traders reacted to news of a dry spell in the highly productive “maize triangle” in northwestern South Africa, which could have important implications for national production in 2013.

#### *Outlook*

**Southern Africa:** Maize prices likely fall in April with the start of the main season harvests. Despite these general trends, maize prices are not expected to revert back to their respective 2012 levels in some areas due to expectations of tight regional supplies during the 2013/14 marketing year.

**Malawi:** Favorable production conditions during the 2012/13 agricultural season in (corresponding to the 2013/14 marketing year) are expected to result good production levels. Agricultural households will start consuming maize grain from their own production in April, which will put significant downward pressure on market prices.

**Mozambique: Harvests started in Southern Mozambique in March and prices have started to decrease in some areas, following seasonal trends.** Maize prices will likely remain well above their respective five-year average levels in most markets of the southern and parts of the central zones of the country, while rice prices will likely to fluctuate based on local supply and demand conditions.

**Tanzania:** Food prices will likely remain high until April when green harvests start in the unimodal areas. This will reduce household market purchases, particularly in the central and southern highland areas.

**Zambia:** Total maize harvest for the 2012/13 production season is expected to be lower than the 2011/12 season due to armyworm infestations, late application of top dressing fertilizer caused by delayed input delivery to small-scale farmers under the Farmer Input Support Programme (FISP), and localized flooding. Maize production is, nevertheless, expected to be within range of the five-year average. Maize grain and meal prices will start to decline and stabilize in most markets as food supplies begin to improve with the availability of the green harvest including fresh maize, squash, pumpkins, and groundnuts. This should reduce household market demand and improve dietary diversity. The country has sufficient maize stocks (900,000MT as at January 2012) to ensure adequate supplies and the FRA will continue to supply millers with maize up to the end of the 2012/13 marketing season (April) in anticipation of upcoming harvests in May.

**Zimbabwe:** Maize grain and meal prices are expected to remain stable as they follow seasonal trends until April when they will decrease as a result of new harvests and stable imported maize meal supply from South Africa.

**South Africa:** Maize stock levels will likely fall below their respective five-year average levels. According to the Crop Estimates Committee (CEC), commercial maize production is expected to decline by five percent in 2013 compared to 2012. South Africa maize exports are expected to continue throughout the coming months and will increase significantly in the April to June period as the 2013/14 marketing season begins. This will help moderate maize price increases in structurally maize-deficit neighboring countries, such as Lesotho, that rely on imports from South Africa.

**CENTRAL AMERICA AND CARIBBEAN**

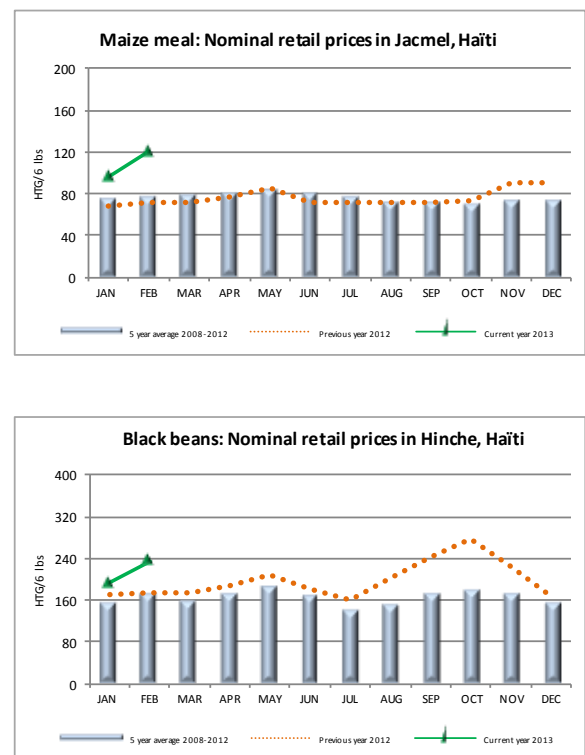
*Current situation*

**Central America and the Caribbean:** In Haiti, local black bean and maize flour prices were stable or increased between January and February, while imported rice and wheat flour prices remained stable following global price trends. In Central America, black and red beans prices were stable between January and February, while maize prices started to increase seasonally. Black and red beans prices were generally low due to supplies remaining from record-high production in 2012. Maize prices remained above their respective five-year average levels in Honduras and Nicaragua due to a dry spell during the 2012 *Primera* season that led to the relatively low production. In El Salvador and Guatemala, maize prices were lower than their respective February 2012 levels due to good harvests in 2012. Imported rice prices were stable between January and February throughout Central America.

**Haiti:** Supplies of imported rice and wheat flour were stable between January and February, resulting in stable prices across Haiti. Low carryover stocks from below-average 2012 harvests have resulted in below-average market supply of locally produced black beans and maize meal. This, coupled with strong demand for seeds and for household consumption put upward pressure on prices in across much of Haiti in February.

- Local maize meal prices were high but stable in Port-au-Prince, and increased atypically by 25 percent in Jacmel, 17 percent in Cap Haitien, and 11 percent Jeremie (**Figure 6**). Maize prices were stable and low in Hinche, a high production zone.
- Black bean prices were stable or decreased slightly between January and February 2013 in Cap Haitien and Port-au-Prince due to inflows from the January/February harvests in irrigated areas in the north and west. Bean prices increased by 22 percent in Hinche and 9 percent in Jacmel (**Figure 6**). Throughout the country, black bean prices were well above their respective February 2012 and five-year average levels.

**Figure 6.** Price trends in selected markets in Central America and Caribbean



Note: the figures follow the marketing year in each country.

Sources: CNSA Haiti.

**Nicaragua:** Wholesale red beans prices were stable between January and February due to strong from the *Postrera* and *Apante* harvests. Prices are 11 to 13 percent below their February 2012 levels and 25 to 50 percent below their five-year average levels. Wholesale white maize prices were stable between January and February and were 19 to 32 percent higher than their respective February 2012 levels in the rural markets of Chontales and Leon. Low white maize stocks compared to previous years are due to the near-average harvest in 2012.

**El Salvador:** Bean prices remained low due to the availability of adequate market supplies from the national *Postrera* production and imports from Nicaragua and Honduras. Wholesale red bean and white maize prices were low and stable between January and February due the lingering effects of last year's government input support programs that contributed to above-average production in 2012.

**Honduras:** Wholesale red beans prices were low and stable or slightly decreasing between January and February as market remained well supplied from the *Postrera* and *Apante* harvests, except in Comayagua market where they increased by 10 percent. Wholesale white maize prices increased between January and February by up to 12 percent in La Ceiba. White maize prices were 10 to 20 percent above both their February 2012 and five-year average levels due to lower marketable stocks compared to previous years.

**Guatemala:** Black bean and white maize prices were low and stable or decreasing in February due to adequate market supplies from the recent average *Postrera* season.

#### *Outlook*

**Haiti:** Prices of locally produced cereal and bean prices will continue to increase following the below-average winter harvests and through the March/April spring season. These increasing price trends will be further reinforced by strong demand for seeds in 2013 (farmers typically rely on market purchase for 60 to 80 percent of their seeds) while the availability of seeds this year is expected to be 50 percent below average. The Government's Price Stabilization Commission plans to boost imports in order to maintain stable prices in the coming months. These price trends will likely not reverse until the harvests in June/July. Rice and wheat flour imports from the US and Dominican Republic will remain stable.

**Guatemala:** Staple food prices will likely remain stable through March, followed by a gradual increase when stocks start to reduce seasonally at beginning of April. Local Rice prices will likely remain stable but will depend on the price of imports.

**El Salvador, Honduras and Nicaragua:** Staple food markets will be well-supplied due to the availability of stocks from the average to good November-to-December 2012 *Postrera* harvest. *Apante* harvests from north – central and south-east Nicaragua and the north of Honduras will arrive into markets from March and are likely to be slightly below-average due to decreased sowing this year compared to previous years. These production trends are likely due to low bean prices this year across the region. Exports from Nicaragua will circulate throughout the region until the end of March. Red and black beans prices are likely to follow seasonal trends despite average *Postrera* bean harvests. Prices are likely to maintain seasonally stable until March/April, when they will begin rising as the lean season begins. White maize prices are likely to start increasing earlier than other commodities due to lower-than-average stocks available.



## CENTRAL ASIA

*Current situation*

**Central Asia:** In Afghanistan and Tajikistan, wheat grain and wheat flour prices were stable between January and February 2013. Stable but high wheat prices in Kazakhstan in late 2012 and early 2013 following drought-related production losses have likely contributed to the region's stable price trends. The prices of the wheat, wheat flour, and rice were also stable at high levels in Pakistan in February.

**Afghanistan:** Staple food, livestock, and fuel prices were stable on most reference markets in February. Wheat flour prices decreased moderately in Kandahar, by five percent. Rice prices increased in the more remote markets of Nili and Maimana by 11 and nine percent, respectively (**Figure 7**). Wheat grain and wheat flour prices were near or slightly above their respective 2012 and five-year average levels, while the prices of rice, vegetable oil and fuel remained historically high.

**Tajikistan:** The prices of imported first grade wheat flour were stable in February, but well above their respective February 2012 and five-year average levels. High import prices have led traders to mix higher quality imported wheat flour with the lower quality local commodity. Wheat flour prices increased by 26 percent in Dushanbe between January and February due to this shift in trader demand (**Figure 7**). Potato prices decreased on most markets; by 10 percent in Kurgan-Tyube, for instance, due to increased supplies from Pakistan entering the regional market. However, in Gharm, potato prices increased by 12 percent due to seasonal strong demand. The prices of vegetable oil and meat were stable.

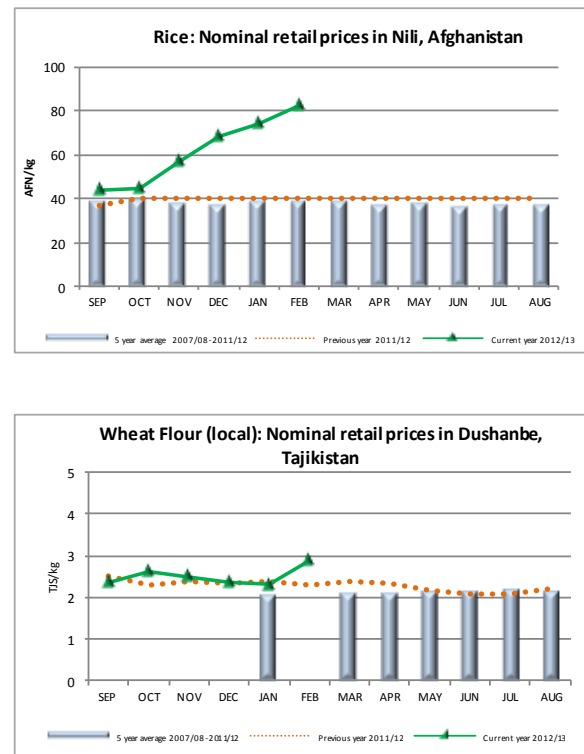
*Outlook*

**Central Asia:** Market purchases in both Tajikistan and Afghanistan will peak in March and April as households exhaust their winter stocks. Wheat grain and wheat flour prices will likely remain at their current levels in both Afghanistan and Tajikistan until the winter wheat harvests in late May and June.

**Tajikistan:** Additional price increases may occur on key reference markets due to high prices in regional source markets, high marketing costs, and strong market demand as household-level stocks deplete. Fuel prices may decline due to the agreement with Russia to provide one million MT of duty free fuel during 2013, which was signed in early February and is expected to go into effect in the coming months.

**Afghanistan:** Price trends in the coming months on key reference markets will depend mainly on the domestic wheat harvest prospects as well as the harvests in Pakistan where growing conditions have been favorable thus far, despite some localized flooding. Higher transport and marketing costs will continue to affect food price levels in remote areas.

**Figure 7.** Price trends in selected markets in Central Asia



Note: the figures follow the marketing year in each country

Sources: Afghanistan Ministry of Agriculture, Irrigation and Livestock, and WFP.