KEY MESSAGES

- In **West Africa**, the effects of last year’s flood-related production shortfalls and civil insecurity in Nigeria continue to disrupt staple food and livestock markets. Staple food prices remained stable in the central basin in July as producers sold remaining stocks from above-average 2012 harvests. Cereal prices were stable or increased in most structurally-deficit areas as the lean season progressed. (Pages 3-5).

- In **East Africa**, staple food prices generally followed their seasonal trends in July. Sorghum prices increased atypically in parts of Sudan and Ethiopia due to the recent late start of season in key surplus-producing areas. Maize prices were stable or decreased in Tanzania and Uganda, and increased in Rwanda. Localized conflict and high levels of inflation further reinforced upward price trends in some areas. (Pages 6-8).

- In **Southern Africa**, maize and maize meal prices were stable on most markets during the post-harvest period. Price levels remained above their respective 2012 and five-year average levels due to tight regional supplies resulting from localized production shortfalls during the previous two seasons, and strong export and institutional demand. Maize grain and meal prices continued to increase atypically in parts of Zambia and Malawi (Pages 8-11).

- In **Haiti**, local black bean, maize, and maize flour prices were stable or decreased with increased food availability following spring harvests. Staple food prices were above their respective 2012 and five-year average levels due to the lingering effects of droughts and tropical storms in 2012 as well as the depreciation of the Haitian Gourde. In **Central America**, beans prices were stable between in July due to the availability of ample stocks from above-average production in 2012. Maize price levels and trends varied by country (Pages 11-12).

- In **Afghanistan and Tajikistan**, wheat and wheat flour prices were stable or decreased in July due to ongoing harvests that are projected to be above average and increased lower-priced imports from Kazakhstan (Page 12-13).

- **International** rice prices remained stable or decreased in July. Maize prices decreased considerably with improved harvest prospects in the United States. Wheat prices have continued to decrease due to improving growing conditions and harvest projections. Crude oil prices were stable (Pages 2-3).

![Figure 1. FEWS NET regional price indices and FAO Food Price Index, January 2009 – July 2013](image)

**Sources**: FAO and FEWS NET.
Current situation

- Rice prices on international reference markets declined or remained stable between June and July. Prices on Thai, Vietnamese, and United States (U.S.) reference markets have followed different trends since late 2012, contrary to their respective historic trends (InterRice). Rice export prices declined by over ten percent in Thailand since January due to the availability of large carry-over stocks as well as the depreciation of the Thai Baht vis-à-vis the U.S. dollar; prices have been sable in Vietnam due to strong export demand and in the U.S. due to low exportable surpluses. Global rice production estimates for 2012/13 remain on track to surpass the record 2011/12 harvests.

- Monthly average maize prices on international reference markets declined considerably in July and early August as harvest prospects improved in the United States (International Grains Council). Global maize stocks are currently projected to rise to their highest levels in over a decade due to near-record harvests in the United States and a decrease in overall consumption estimates (U.S. Department of Agriculture Grains Circular). Maize export prices are currently below their respective July 2012 levels, when prices rose sharply due to drought conditions across the U.S.

- Wheat export prices for most varieties declined by over 15 percent between January and July 2013 due to favorable production, driven largely by expanded Black Sea output (International Grains Council). Increased output in Russia and Ukraine could boost global exports. Increased exports from India (a non-traditional exporter) will support these trends. However, infrastructure constraints, grain quality, and government price policies may constrain Indian exports. Persistent high import demand from China could put upward pressure on prices in key reference markets in the coming months.

Outlook

- International rice prices are expected to decline further through the remainder of 2013; global production and carry-over stocks 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 in 2012/13 (USDA FAS Grain Circular). Otherwise, strong demand and high rice prices in China are likely to contribute to steady exports from Southeast Asia and may put some upward pressure on export prices.

- The evolution of international maize prices in the coming months will depend on how markets respond to new information about the 2013/14 Northern Hemisphere growing season. Current harvest prospects suggest that maize prices will decline further over the coming months.

- International wheat prices will continue decreasing in the coming months due to increases in global 2013/14 production, driven largely by expanded Black Sea output (USDA FAS Grain Circular). Increased output in Russia and Ukraine could boost global exports. Increased exports from India (a non-traditional exporter) will support these trends. However, infrastructure constraints, grain quality, and government price policies may constrain Indian exports. Persistent high import demand from China could put upward pressure on prices in key reference markets in the coming months.
Global soybean, soybean oil, and palm oil prices may decline considerably during the rest of 2013 with the arrival of the large harvests anticipated in South America and Southeast Asia.

International crude oil prices will likely remain stable in the coming months (World Bank).

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 (Figure 1). Fuel price trends in FEWS NET countries will depend on both international market conditions, the evolution of local exchange rates in relation to the U.S. Dollar, and the design and implementation of local fuel import and price policies.

WEST AFRICA

Current Situation

The 2013-14 agro-pastoral rainy season began normally across most of West Africa. This is despite localized slight delays in the start of season and lower than average precipitation levels in the central Sahel, particularly in northern Senegal, western Mali, the agropastoral zone for Niger and central Chad. Staple food supplies remained normal in many areas due to the availability of remaining stocks from average to above-average production in 2012 and the availability of supplies from regional markets. The first growing season (March-July) in coastal countries south of the Gulf of Guinea began late but ended in July; early maize, yam, and groundnut harvests have begun to reach local markets in the area despite uneven rainfall distribution across that part of the sub-region and unusually weak flows towards the Sahel in July. Markets in Nigeria remained disrupted by last year’s production deficit, in spite of improved rainfall in the north. Although the security situation was relatively calm during Ramadan, traders did not restart all of their economic activities and domestic and cross-border trade flows remain abnormally weak.

Maize availability and price trends varied considerably across the region in July. Strong agro-industrial maize demand for poultry feed decreased during the month of July with the conclusion of Ramadan. Maize prices were above their respective July 2012 and five-year average levels in the eastern Niger, Nigeria, and parts of Chad due to lingering direct and indirect effects of flooding and civil unrest in key producing areas. Central and western Niger remained well supplied with lower priced maize from Mali and Burkina Faso in July. Maize prices remain below their respective July 2012 levels in the maize surplus producing areas of southern Mali and western Burkina Faso that experienced above-average production in 2012.

Slight delays in the rains in northern Nigeria, southern Niger and northern Chad delayed the start of the millet production season and led households and traders to retain more stocks than usual. Millet prices in those areas were higher and increased more quickly than they would normally during the June-to-September lean season. Elsewhere, millet prices were atypically stable in Mali and Burkina Faso, where traders and households have ample supplies remaining from above-average harvests in 2012.

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

Sources: SIMA Niger, FEWS NET.
Livestock body conditions and prices remain generally above-average due to the lingering effects of particularly lush and plentiful pasture in 2012 coupled with persistent strong demand from coastal countries. This is despite slight delays in the start of the season in some pastoral and agro-pastoral areas of the region.

Eastern basin (Benin, Nigeria, Niger, and Chad): The marketing system remains disrupted due to the direct and indirect effects of flood-related production shortfalls in 2012 and persistent insecurity in northern Nigeria. Maize exports from Benin to Niger improved in July while trade between Benin and Nigeria remain remains atypically strong. Exports from Mali and Burkina Faso continue to supply markets in central and western Niger.

Benin: Rainfall levels and coverage improved in July and led some producers and traders to start selling off stocks from the previous growing season, thereby improving market supplies. Maize exports to Niger strengthened in July while exports to Nigeria remained significant resulting in stable prices between June and July. Maize prices increased atypically by 15 percent in Parakou between June and July because of strong export demand from Niger. Yam prices increased seasonally by 30 percent in Dantokpa. Cassava production is believed to have reduced in 2013 and producers oriented themselves more toward cotton production. Gari prices were nevertheless stable between June and July, although prices in Malanville were over double their respective July 2012 levels due to atypically weak supply.

Nigeria: Maize, sorghum, and millet stocks decreased as they normally do in northern Nigeria during the June to July peak of the lean season. High staple food price levels were reinforced by below average stocks on the majority of markets in July as a result of the 2012 production deficit and continuing civil instability. The availability of substitute crops (like wild foods, tubers, and fresh maize) improved in some areas, and contributed to stable or slightly declining cereals prices, but at high levels in July. Prices of all cereals increased atypically in the border town of Illela due to the strong export demand from Niger. Cereals prices generally remained high compared to their respective July 2012 and five-year average levels.

Niger: Cereals supplies were largely assured through imports from regional markets during the June and July peak of the lean season. Sorghum and millet trade flows from Nigeria to the east and southeast continued to grow, but remain below average. Humanitarian interventions by the state and its partners also improved staple food availability, particularly for poor households. Staple food prices nevertheless increased between June and July because of strong demand during Ramadan. Sorghum prices increased by 15 percent in Maradi between June and July because of high priced imported from Nigeria. Millet prices increased by 11 percent in structurally-deficit Agadez. Maize prices increased by a further 17 percent in Diffa between June and July (Figure 3).

Chad: Staple food prices increased across Chad between June and July with the progression of the lean season. Seasonal lean season price increases were further reinforced in some areas because high prices in the country’s key source markets combined with restrictive measures in place by the state and strong demand during the Ramadan season that jointly reduced incentives for trade between structurally surplus and deficit zones. For example, the price differential per kilogram of millet between Sarh and Moussoro and between Moundou and Ndjamena was 20 FCFA in July 2013 compared to around 100 FCFA in July 2012. Staple food prices were nevertheless lower than their respective July 2012 levels in many places in country’s Sahelian zones because of good production in 2012 and higher than their respective 2013 levels in the Soudanian zones because production losses due to flooding that occurred there in 2012.

Central basin (Togo, Ghana, Côte d’Ivoire, Mali, Burkina Faso): Progression of the rainy season encouraged large producers and traders to continue selling off their stocks in July. Staple food availability of markets declined seasonally between June and July because of the progression of the lean season and strong cereals demand during Ramadan. Trade in staple foods between the central and eastern basins continued in July, but was down from the very high levels observed in April through June. Maize and millet prices are, on average, over 20 percent lower than their respective July 2012 levels.

Burkina Faso: Staple food markets were generally well supplied with carryover stocks from the average to above-average 2012 growing season in July. Humanitarian interventions underway in the country’s deficit and isolated areas facilitated local food access for poor households. Prices were stable in the country’s urban centers and surplus areas, but increased following seasonal trends in deficit as well areas that continue to supply exports to Niger. For example, maize prices increased in Pouytena by 11 percent between June and July while millet prices increased by 12 percent in Djibo.

Mali: Already plentiful market supplies were further reinforced by trader and producer sales as the rainy season progressed in July. Millet trade between the country’s surplus and deficit areas slowed in July due to strong demand during Ramadan. Prices remained stable between June and July, although millet prices increased slightly by six and seven percent.
in Ségou and Gao, respectively, following seasonal trends. Trade flows increased between the southern production zones and the northern parts of the country that have been affected by civil instability over the past year and half and households continued returning home. Trade with western Niger also persisted because of favorable price differentials.

**Western basin (Mauritania and Senegal):** Locally produced and imported staple food supplies were normal in July despite a slight delay in the start of season in Senegal and the progression of the lean season in both countries. Prices remained were generally stable in July, with only minor fluctuations caused by strong demand during Ramadan and an increased demand over the winter.

**Mauritania:** Although markets were adequately supplied with local and imported staple foods, sorghum prices continued to climb countrywide following typical lean season trends. Sorghum prices increased by 20 percent in Abel Bagrou, 32 percent in Magta lahjar, and 16 percent in Aoujeft between June and July. Rice prices remained stable on most markets due seasonal improvement in supply from off-season harvests and imports from Senegal and international markets. Informal imports from Mali continued normally in July despite the presence of border restrictions.

**Senegal:** Market supplies declined between June and July because of the delayed start of the rains while demand peaked with the peak of the lean season that coincided with Ramadan. However, cereals market supplies remained adequate due to the availability of remaining stocks from good harvests in 2012. Prices remained generally stable with slight increases of six percent for millet in Saint Louis and Tambacounda, following seasonal trends. The availability of off-season rice harvests improved the supply and stock levels throughout the country. This kept rice prices stable between June and July, except in Darkar where imported rice prices increased by 17 percent as a result of strong demand for Ramadan. Senegal is currently on track to import record volumes of rice from international markets in 2013/14 ([USDA Rice Outlook](https://www.usda.gov)).

**Outlook**

Over the course of the coming months, food availability will decline throughout the region as market demand outpaces supply at the end of the lean season. As such, cereals prices will likely continue their stable or upward trend. In places that experienced flooding or a late start of season, green and main season harvests will likely arrive late, resulting in some atypical price increases for maize, millet, groundnuts, and cowpeas. Those price increases are expected prices could be minor because of average to good projected harvests and humanitarian interventions underway.

The progression of the agro-pastoral rainy season will also improve the availability of grass fodder and assure good livestock health and body condition. Starting in October, increasing demand in advance of Eid al-Adha (Tabaski) will put upward pressure on already high livestock prices. drive prices higher than average, thereby improving terms of trade for agro-pastoralists.

The late start of rains in some areas has had some effects on crash crops. Those harvests are nevertheless expected to be average to above average because of the low rates of pest infestations as well as some households switching from millet to cowpeas because of their shorter production cycle.

Instability in northeastern Nigeria continued in the states of Borno, Yobe, and Adamawa in August and limited trade flows within and around affected areas. Staple food prices will continue to be atypically high on the affected markets in Nigeria and neighboring areas. In Chad, delays in the agro-pastoral planting season could delay and reduce harvests in affected areas of the country by two to three weeks.
EAST AFRICA

Current situation

White sorghum prices increased with progression of the May-to-October lean season in Sudan and Ethiopia. Prices increased atypically because of a delayed start of season in the surplus-producing Gadarif region of Sudan and a late start of the June-to-September Kiremt rains in neighboring areas of Ethiopia. Red sorghum prices declined in Somalia with increased market supplies from the April to June Gu harvest in July, and in South Sudan in anticipation of the green harvest in August.

Maize prices declined seasonally across most markets in Tanzania and Uganda with increased market supplies from recently concluded and ongoing harvests. The prices also decreased in main urban markets in Kenya due to start and or imminent harvest in August. Maize prices increased across most of Rwanda due to below average production during the March-to-June growing season due to late and erratic rainfall, when the area planted in already relatively low. Uganda remained the primary source of staple foods for export into the region.

Sudan: Sorghum prices increased atypically between June and July by 19 percent in El Gadarif and El Geniena (Figure 4). Normal price increases during the May-to-October lean season were further reinforced by rainfall that was delayed by over a month in the main producing Gadarif, White Nile, and Sennar regions. Households and traders are expecting reduced production in affected areas this year and therefore withheld of stocks in anticipation of reduced availability and higher prices in the future. Millet prices remained relatively stable across most markets. Both sorghum and millet prices were on average 10 percent below their respective June 2012 levels due to the availability of remaining supplies from above-average 2012/2013 growing season. However, the prices were over 60 percent higher than their respective five-year average due to high inflation.

Ethiopia: Sorghum prices increased seasonally between June and July by up to ten percent in Mekele, Addis Ababa, and Dire Dawa while maize prices increased by up to 12 percent in Woloyita and Bahir Dar. Normal price increases were further supported by declining supplies from below-average May-to-September Meher production in 2012 and February-to-May Belg production in 2013. Informal exports between Sudan and Ethiopia’s western areas of Amhara and Tigray declined by around 37 percent when compared to the 2011/2012 average due to uncertain production in the current season. Terms of trade of livestock for grains improved in the Somali pastoral areas due to high domestic and export demand for livestock during the Ramadan season coupled with ongoing food aid distributions that stabilized grain prices.

South Sudan: Sorghum prices declined between June and July in Kapoeta and Aweil by 21 and eight percent, respectively, due to imminent start of green harvests in September. Prices continued to increase seasonally in the retail markets of Juba and Bor with progression of the May-to-August lean season attracting supplies from Uganda. The price of
maize decreased in Aweil due to increased availability of local sorghum, but remained stable in Juba. Staple food prices in South Sudan were generally below their respective July 2012 levels.

Somalia: Sorghum prices declined by 13 percent between June and July Luuq and were stable in Baidoa in the main producing Bay region due to the availability of fresh supply from the recent April-to-June (Gu) season. Maize prices also decreased by six percent in Qoryoley in the main producing Lower Shabelle region. Poor roads, high taxes, localized conflict, and insecurity hamper the transmission of these lower prices to the central and northern deficit regions of the country. Imported rice and sugar prices increased slightly in July due to high demand during Ramadan.

Kenya: Wholesale maize prices declined seasonally by nine percent in Eldoret in the main maize producing North Rift region and by six percent in Kisumu in the marginal agricultural southwestern region. These typical price trends were attributed to the start or imminent harvest of the May-to-August crop in most areas (except in the North Rift). Maize prices remained stable in the other main urban markets of Nairobi and Mombasa; and were stable in the southeastern and coastal marginal agricultural areas because of normal seasonal inflows from Tanzania. However, the prices increased by seven to 12 percent in the eastern and northern pastoral areas due to declining stocks in source markets or the availability of stocks that had yet to reach some markets to exert downward pressure on prices.

Rwanda: The prices of beans, Irish potatoes, and cooking bananas declined seasonally between June and July across most markets due to increased supply from the March-to-June season B harvest. However, maize prices increased by an average of 23 percent due to below average production during the March to June season, when acreage dedicated to maize is already relatively low (compared to the December to February season). Maize production also declined by 15 percent in the Eastern Semi Arid Agro-pastoral areas where maize is an important crop during season B as well. Agronomic activities in preparation for the June to August short season are ongoing and the minor C season started on time.

Uganda: Usually maize prices start to increase in March, peak in June at the height of the April-to-July lean season, and then start to decline in July as fresh supply from early harvests enter the market. Uganda has experience three consecutive seasons for good maize harvests and stock levels have been atypically high in 2013. Maize prices have therefore been declining since April and declined further in July due to entry of fresh supply from the near average March-to-June season harvest. Wholesale maize prices declined by 10 and 11 percent between June and July in the main producing markets of Masindi in the west and Tororo in the east, respectively. Maize prices remained stable or declined marginally elsewhere, including Kampala. Between April and May, informal sorghum and maize exports to South Sudan increased by up to double their respective 2011/12 levels. Sorghum prices in Lira and Soroti, staple food source markets for Karamoja, declined from January to June, but increased in July; prices there are lower than their respective five-year average levels. Conversely, bean prices have been above their respective five-year average levels due to the effects of production shortfalls in 2012 coupled with strong domestic and regional demand.

Tanzania: The prices of beans, maize, and rice declined seasonally across most markets as harvests in both the country’s unimodal and bimodal areas conclude. Between June and July, the prices of maize declined by seven and six percent in Mbeya and Dar es Salaam respectively, while rice prices declined by eight and 12 percent. Maize and rice prices were stable in Arusha in the north as seasonal price decreases were slowed by normal export demand from Kenya. Wholesale bean prices declined seasonally due to increased supply by 11 percent in Arusha and eight percent in Dar es Salaam.

Djibouti: Sorghum, rice, sorghum, and wheat flour price remained stable across most markets between June and July. The price of sorghum increased atypically by 16 percent in Ali Sebieh due to higher prices in Ethiopian source markets.

Yemen: Wheat and wheat flour prices in the country’s most important markets, Sana’a, were stable between June and July and comparable to their respective 2012 levels.

Outlook

Sudan: Grain prices are anticipated to continue increasing seasonally between August and September ahead of the October harvests. Pre-harvest prices are expected to be five to 10 percent higher than their respective July prices as traders and households withhold stocks in anticipation of below-average harvests later in the year. Prices of imported commodities are likely to increase in the coming months because of a depreciation of the local currency—the black market rate was 7.5 SDG per U.S. Dollar in July. Grain prices are expected to remain higher than five-year average prices due to high inflation.
Ethiopia: Grain prices are expected to continue increasing seasonally until the start of green harvests in September. Prices are expected to remain stable in the post-harvest period in the areas that were affected by below average *Belg* harvest. Livestock prices are expected to continue increasing gradually with increased demand ahead of religious holidays later in the year.

South Sudan: Grain prices will likely continue declining or stabilize seasonally in August due to imminent start of green harvests in September. Prices are expected to remain higher compared to their respective four-year averages due to tensions with Sudan that have disrupted staple food trade flows and a weak macro-economic situation.

Somalia: Sorghum, maize, and cowpea prices are expected to decline further in August as recent harvests arrive on markets. However, prices of locally produced grains in the central and northern regions are expected to remain high due to poor roads, high taxes, and insecurity that will jointly constrain food availability in these areas.

Kenya: Wholesale maize prices are expected to decline seasonally through September with progression of local harvests. Seasonal maize price decreases are expected to be moderated by increased fuel prices driven by the gradual expected depreciation of the local currency and declining stocks from the previous October to January season in the southeastern and coastal marginal agricultural areas.

Rwanda: Staple food prices are expected to decline seasonally as supplies from recent harvests arrive on markets. Maize and bean prices will likely increase in late August and early September (which is earlier than usual) due to below average production during the March-to-June season.

Uganda: Prices are expected to start increasing earlier than expected in September due to below to near average harvest of the March to June crop. Maize prices will remain below their respective 2012 levels while bean prices will exceed their 2012 levels.

Tanzania: Prices are expected to begin increasing seasonally starting in September.

Djibouti: Sorghum prices will likely increase atypically in areas of the country that rely on imports from Ethiopia. Elsewhere, staple food prices will remain stable.

**SOUTHERN AFRICA**

*Current situation*

Southern Africa: Staple food prices remained generally stable in line with seasonal trends between June and July, as recent harvests continued to arrive on markets. Households and traders continue to replenish stocks that were atypically low in many areas at the end of the 2012/13 consumption year resulting in very high prices. Regional maize production estimate for 2013 indicate a slight decline in production when compared to 2012 and the five-year average. Localized production deficits in 2013, coupled with lingering effects from production deficits in 2012 and strong export demand, continued to exert atypical upward pressure on maize prices in July. Maize grain and maize flour prices remained higher than their respective 2012 and five-year average levels. The availability of locally produced beans and cassava and imported rice have contributed to adequate food availability in the sub-region.

Malawi: Maize production during the 2013/14 growing year declined by 12 percent when compared to 2012/13 and by eight percent when compared to the five-year average (Malawi Ministry of Agriculture and Food Security food balance sheet). Reduced production has resulted in low market supplies while market demand remained relatively strong for this time of the year due to lingering effects from last season’s maize shortages.

- The Agricultural Marketing and Development Corporation (ADMARC) has not met their targeted procurement quantity of maize for the Strategic Grain Reserves (SGR) and depots as a result of low supply levels, high prices, and financing constraints.
- Markets in the structurally-deficit southern region experienced the highest maize price increases in July of up to 31 percent in Lunzu and Muloza, and 29 percent in Nsanje as household increased market purchases (Figure 5).
- Informal cross border maize imports during July 2013 were 165 percent higher than their respective July 2012 levels as a result of the availability of relatively cheaper maize from bordering areas in Mozambique and Zambia. These import levels are nevertheless 25 percent lower than their respective five-year average levels.
• Informal maize exports through the Songwe and Mbirima border markets between Malawi and Tanzania were, on the other hand, much lower in July 2013 than their respective 2012 levels. This trend is attributed to reduced incentives for trade (higher priced Malawian maize and lower priced Tanzanian maize compared to previous years) and strict enforcement of the export ban.

• Rice prices increased by 22 percent in Karonga, where staple food prices were generally very high due to local production deficits in 2013. Rice, beans, and cassava prices were stable elsewhere.

Mozambique: According to July Agriculture Market Information System (SIMA) bulletin, staple food flows between source and consumption markets were adequate in July, following normal seasonal patterns. Maize prices continued to decrease or remained stable on most markets.

• In Chokwe, the reference market in the flood-affected areas in the Limpopo basin, maize prices were stable in July but remained above the last year’s prices (23 percent) and the five-year average (43 percent).

• Adequate supplies of beans this year kept the July bean prices below both their respective 2012 and five-year average levels in Chókwe, Manica, Maxixe, Gorongosa, and Tete. Although bean prices in Maputo decreased by 11 percent between June and July, they remain above their respective 2012 and five-year average levels due to the continued effect of last year’s sharp price increases when supplies were low on these markets.

• Rice prices were stable on most markets in July due to increased maize availability.

Zambia: Maize price trends varied considerably between June and July. Prices increased in Kitwe by 12 percent and by nine percent in Kabwe and Mansa. Maize prices were generally above their respective 2012 and five-year average levels except in Chipata and Kasama, due to increased transportation costs following the removal of fuel subsidies since May 2013. Other factors influencing price trends include strong export demand from the Democratic Republic of Congo, the increased participation on markets of private traders and millers who generally offer higher prices than the Food Reserve Agency (FRA) price of ZMW 1.30/kg.

• The private sector increased its activities on markets in July in response to a Government directive that millers procure directly on the market due to FRA financing constraints. After a delay of almost two months, the FRA started procuring maize at the end of July with the target of procuring 500,000MT of maize for the strategic reserve and 250,000MT for regional export needs at a fixed price of ZMW 1.30/kg. This fixed rate is was above the prevailing market price in Chipata, Choma, Kabwe, and Kasama in July.

• Roller maize meal prices increased in Kasama by 12 percent between June and July due to the joint effects of increase maize grain and fuel prices in July following the removal of both fuel and maize subsidies as millers were

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

Sources: Malawi Ministry of Agriculture, Irrigation, and Water Development (MITM), Mozambique Ministry of Agriculture, and Zambia Central Statistics Office.
procuring maize from private traders. Maize meal prices were generally above their respective 2012 and five-year average levels due to high maize grain prices and transport costs.

**Tanzania: The prices of beans, maize, and rice declined seasonally across most markets as harvests in both the country's unimodal and bimodal areas conclude.** Between June and July, the prices of maize declined by seven and six percent in Mbeya and Dar es Salaam respectively, while rice prices declined by eight and 12 percent. Maize and rice prices were stable in Arusha in the north as seasonal price decreases were slowed by normal export demand from Kenya. Wholesale bean prices declined seasonally due to increased supply by 11 percent in Arusha and eight percent in Dar es Salaam.

**Zimbabwe: Staple food prices remained generally stable between June and July.** Maize grain prices decreased in Mutare by 13 percent in July after increasing by 15 percent in June, in line with the seasonal trend due to the good supplies from the recent harvests. Although maize meal prices were also stable in July, they were significantly higher compared to their respective July 2012 levels in Bulawayo (40 percent), Gweru (40 percent), Mutare (40 percent), Harare (17 percent), and Masvingo (17 percent). These high price levels were attributed to the limited supply of maize grain for milling. In Gwanda maize grain supplies were still unavailable due to low incentives for traders to move maize to the market as a result of inflows of cheaper maize meal coming from South Africa.

**South Africa: White and yellow maize prices remained stable between June and July on the SAFEX, but were 10 and six percent higher than their respective July 2012 levels due to drought-related production shortfalls in the surplus producing areas of South Africa.**

**Outlook**

**Southern Africa: Maize prices are expected to start increasing in August as maize supplies from the main season’s harvests start to tighten at the household level prompting an earlier than normal markets purchases.** Maize prices are also expected to remain high in many areas following the price spikes experienced during the previous consumption year. Tradable cereal supplies are projected to be tighter in the coming months due to localized production shortfalls and generally lower carry-over stocks. Persistent strong demand from the Horn of Africa, international markets (Mexico in particular), and regional destinations will further tighten available regional stocks, with implications for regional food availability and price levels.

**Malawi: Maize prices are expected to continue to increase in the next months as the lean season approaches.** It is also expected that, following the end of the tobacco marketing season and the start of imports of agricultural inputs such as fertilizers, currency reserves will likely start to deplete causing the Malawi Kwacha to depreciate possibly to the low levels observed in April 2013 of about MK413/USD. The resulting inflationary pressures will have implications on the prices of staple foods and other commodities.

**Mozambique: Staple food prices are expected to continue to follow their seasonal pattern and increase steadily in the next months as the lean season approaches.** Similarly, bean prices will also follow their seasonal trends with slight fluctuations depending on the changes in supply levels on markets. On the other hand, rice prices are expected to remain stable throughout the consumption year due to increased availability from local production and imports. However, staple food prices, particularly maize prices are expected to remain high in Chokwe and other markets in the south and central regions due to localized production shortfalls caused by floods and the late start of the season this year.

**Tanzania: Staple food prices are expected to continue to decrease in August responding due to ample supplies from the Masika and Msimu harvests for maize, cassava, sweet potatoes, and yams and duty free imports of rice.** Then, prices will start to increase slowly with the start of the lean season until they reach their peak in January in the bimodal areas and March in the unimodal areas. However, strong export demand as a result of reduced production in neighboring Rwanda, Burundi, DRC, and Kenya could reduce local supplies in local markets and result in an earlier than normal rise in prices.

**Zambia: Maize and maize meal prices are expected to increase seasonally in the coming months despite the FRA buy and sell programs.** Additionally, prices are expected to remain at high levels due to high marketing costs and increased export demand from neighboring countries. With the late entry of FRA on the market and the high competition with private sector buyers, it is uncertain if the FRA will fulfill their target purchase requirements of 500,000 MT. The country generally has adequate stocks for the 2013/14 consumption year with a surplus of 454,000 MT and the government will likely continue to restrict exports in order to meeting national food requirements.

**Zimbabwe: Maize grain and meal prices are likely to remain high and increase across all markets from August onwards as household stocks deplete with the onset of the lean season.** Markets are anticipated to be supplied the coming months
through movements from surplus areas and imports by private traders and the government. Market prices will be driven mainly by supply and demand conditions as well as post-election civil outcomes. Approximately 681,000 MT of the national cereal consumption requirements are expected to be filled by imports.

**South Africa:** SAFEX maize spot prices are expected to remain stable in August in response to increased local market supplies from the current year’s harvests. These prices will likely track global price trends which are stable or decreasing, as prices on the SAFEX market closely track trends on international markets. Regional maize exports are expected to increase significantly from September onwards in line with increased seasonal marketing calendar. This will put downward pressure maize prices in structurally maize deficit neighboring countries such as Botswana, Lesotho, Namibia, and Swaziland that rely on South Africa for food imports. Additionally, import requirements for Namibia will likely be higher this year given production shortfalls anticipated from their 2012/13 season.

**CENTRAL AMERICA AND CARIBBEAN**

**Current situation**

**Central America and the Caribbean:** In Haiti, local black bean and maize prices were stable or decreased between June and July. Staple food prices were stable in Central America between June and July in El Salvador and increased slightly in Honduras, Guatemala and Nicaragua— reflecting typical seasonal trends. Atypical trade flows from El Salvador into Honduras and Nicaragua are underway due to above-average 2012 production in El Salvador. Imported rice prices were stable throughout Central America and Haiti.

**Haiti:** Locally grown and imported staple food prices were stable or decreased between June and July due to ongoing harvests countrywide. Local black bean, maize, and maize flour prices were 10 to 40 percent above their respective July 2012 levels due to the lingering effects of subsequent poor harvests and tropical storms during the second half of 2012 (Figure 6).

- Imported rice prices were stable between June and July due to stable world market prices, a stable local Haitian currency, and adequate supplies countrywide. Prices nevertheless remain high compared to their respective July 2012 levels.
- Maize harvests were one month late in Hinche (starting in August rather than July); maize grain and flour prices increased by over 10 percent between June and July.
- Elsewhere in the country, maize and tuber harvests have generally started on time and jointly improved local food availability. Local maize grain and flour prices were stable in Cap Haitien and Port au Price, and decreased in Jeremie and Jacmel. Black bean prices remained stable between June and July in Port-au-Prince, but decreased elsewhere due to ongoing local bean harvests.

**Central America:** Black and red bean availability is generally above-average throughout the sub-region due to above-average production in 2012 and prices are at or below their respective July 2012 and five-year average levels. In El Salvador, prices are up to 33 percent below their respective July 2012 levels. Normal trade flows from Nicaragua and...
Honduras into El Salvador have slowed and even reversed because of the availability of abundant local supplies in El Salvador. Maize production conditions and harvests varied considerably across Central America in 2012; current price levels and trends reflect those variations.

In Nicaragua, 2012 maize production was lower than average while in Honduras it was near average. Local availability is therefore lower than normal. Trade flows from neighboring countries (El Salvador) have helped to assure maize supplies and mitigate generalized price increases. Maize prices increased moderately in both countries between June and July and are above their respective July 2012 and five-year average levels. Maize prices are over 40 percent higher than their respective July 2012 levels in Leon (Nicaragua) and Tegucigalpa (Honduras).

In El Salvador, 2012 maize production was above average and markets remain very well supplied. Maize prices have been stable recently and are below their respective 2012 and five-year average levels. In Guatemala, markets are generally well supplied and maize prices were stable or started to increase seasonally between June and July.

Outlook

Central America and the Caribbean: The price and availability of imported rice and wheat flour will depend heavily to local exchange rate regimes as international reference prices for both commodities are expected to remain stable or decrease.

Haiti: Local maize and bean prices will likely increase in the coming months as farmers purchase seeds for the upcoming agricultural season.

El Salvador, Honduras, Nicaragua, and Guatemala: Staple food prices are likely to stabilize and decrease seasonally with the start of the Primera harvests in mid-August. Localized rainfall deficits in the structurally-deficit dry corridor of Guatemala, Honduras, and Nicaragua are expected to reduce yields; local commodity prices are expected to increase atypically in the coming months. In Honduras and Nicaragua, white maize prices are likely to continue increasing seasonally until Primera harvests arrive on markets in September. Staple food prices are expected to remain stable in El Salvador due to the availability of basic grains from last year and government market policies.

CENTRAL ASIA

Current situation

Wheat prices have declined progressively in Kazakhstan since January due to sales of remaining carryover stocks from the above-average season 2011 and good 2013 production prospects (Figure 7). Wheat grain and flour prices were stable in Tajikistan between June and July due to the availability of sufficient supplies arriving from Kazakhstan and the progression of the spring domestic wheat harvest. Wheat and wheat flour prices varied considerably in Afghanistan despite ongoing harvests. Wheat and rice prices were stable at high levels in Pakistan in July.

Afghanistan: Preliminary assessments indicate that, overall, wheat production in Afghanistan will be well above average during the spring 2013 season. Wheat and wheat flour price trends nevertheless varied considerably in July because of differing regional crop prospects. Wheat

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

**Sources:** Afghanistan Ministry of Agriculture, Irrigation and Livestock, and WFP.
grain prices were stable or continued to decrease between June and July in areas like Faizabad, Herat, and Maimana due to the availability of steady supplies from ongoing local harvests. On the other hand, wheat grain and flour prices increased by thirteen and five percent, respectively, in the border town of Jalalabad due to increased import prices from neighboring Pakistan. Wheat prices levels are highest in Nili due to its relative isolation and the poor local grain production prospects in the western central highlands; wheat grain prices increased by 11 percent between June and July. Elsewhere, wheat grain and flour prices remained above their respective July 2012 levels, but close to their five-year average levels due to high regional and international source market prices in recent months.

**Rice prices were stable on most markets.** Similarly, vegetable oil prices were generally stable except in Hirat where they decreased by nine percent. Transport fuel prices increased by 12 percent between June and July in Hirat and Kabul, and remain above their respective 2012 and five-year average levels.

**Tajikistan:** Wheat grain and flour prices were stable or continued to decrease in July due to the availability of adequate supplies from local harvests and imports from Kazakhstan. Wheat grain and flour prices decreased slightly in Dushanbe in July due to the government’s administered price policies and some subsidized sales from the country’s national reserves in an effort to prevent price increases during the Ramadan. Wheat prices in Kazakh source markets decreased since the beginning of this year following the spike observed during the second part of 2012, but remain 20 to 40 percent above their respective July 2012 and five-year average levels. Wheat grain and flour prices in Tajikistan were above their respective July 2012 and five-year average levels.

**Potato prices decreased by 20 and 11 percent between June and July in Dushanbe and Khujand, respectively, as supplies from the recent local harvests arrived on markets.** However, these prices increased by 30 percent in Kurgan-Tyube due to limited supplies. Vegetable oil, meat, and transport fuel prices were stable between June and July.

**Outlook**

**Wheat and wheat flour prices are expected to decrease throughout Central Asia in the coming months due to above-average projected harvests across the region.** Wheat and wheat flour prices are expected to decrease or remain stable in Afghanistan and Tajikistan with the imminent conclusion of local main wheat harvests (that are expected to be above average) and the availability of lower-priced imports from Kazakhstan. Rice price are expected to remain stable or decrease due to lower seasonal consumption.