JULY 2017

Welcome Note:

Dear Readers!

Once again we welcome you all to the July 2017 Edition of “The Grain News”!

Most of the articles in this edition cover activities that took place during the month. However, others are updates that affect the grains (pulses and cereals) directly or indirectly. You are all urged to provide feedback and please feel free to provide input to the newsletter.

Happy reading.

Editor

Highlights in this edition:

World Food Program to support Uganda end Hunger

Announcements:

1. **Bigironfarm Show**: North Dakota September 12-13-14, 2017

2. **The 2nd East African Business, Entrepreneurship Conference & Exhibition.** 10th to 12 – October-2017 in Dare Salaam – Tanzania [https://www.eabc.info](https://www.eabc.info)


5. **TGCU Member Annual subscription for 2017**: We remind you to renew your member subscription for 2017 accordingly
Kenya, Tanzania remove trade restrictions

Tanzania and Kenya held successful talks that will see the lifting of restrictions on imports from either country. The Kenya Minister of Foreign Affairs and East African Cooperation, Dr Augustine Mahiga, announced the decision in Nairobi following discussions between President John Magufuli and his Kenyan counterpart, Mr Uhuru Kenyatta. As a result, Kenya will lift the ban on wheat flour and gas imports from Tanzania, which, in turn, will remove restrictions on milk and cigarettes from Kenya. Additionally, the two countries will form a standing joint technical committee to address various issues. Diplomatic and trade relations between Kenya and Tanzania had been strained for some time, with both imposing tit-for-tat bans on each other’s exports. The ban on Tanzania’s imports was ostensibly attributed to safety and quality concerns, and Tanzania reciprocated by slapping a ban on Kenyan tyres, margarine and fermented milk. Tanzania also banned overland transport of maize from Zambia into Kenya, which is experiencing one of the severest shortages of the staple. The trade tiff is strange, given the huge volumes of goods flowing between the two countries and the potential harm that trade disputes could cause. Industry, Trade and Investment Permanent Secretary Adolf Mkenda had in the past said no action had been forthcoming from Nairobi since February and June when the two countries agreed that the ban be lifted.

Duty-window for maize in Kenya extended

The Kenya Treasury has extended duty waiver on imported yellow and white maize in a move aimed at increasing supply of the staple. The extension, contained in a special issue of the gazette notice signed by Treasury Cabinet secretary will see millers enjoy the duty waiver on white maize for three more months. Yellow maize window will be open for one year. The waiver on white maize was supposed to end on July 31 but it has now been extended to September 30.

The exemption on yellow maize was supposed to expire on August 31 but this has been pushed to June 30, 2018. Mr Rotich amended the earlier gazette notice giving a window of about five months for the importation of the produce. The July 4 notice has seen traders and millers increase the volume of maize imports before the window closes with three ships expected docking at the Mombasa port. Millers have been banking on the yellow maize to process animal feeds following an acute shortage of white maize. The government ordered the importation of yellow maize to ease pressure on white maize. Animal feeds are made from the white maize, worsening the current food situation. More than two million bags of the grain have been imported since the April waiver.
The Source of the Nile Agricultural and Trade Show is an annual event that is hosted by Uganda National Farmers Federation (UNFFE). It takes place in Jinja where a permanent home is located, near the source of River Nile. This year’s show that lasted for seven days took place from 17th to 23rd July 2017 also marked the Silver Jubilee, having commenced in 1993.

This year’s theme was “Managing Challenges of Climate Change for Sustainable Agriculture” and the show was opened officially by His Excellency the President of the Republic of Uganda.

The show attracted farmers, traders, agro-input dealers and suppliers, manufacturers, development partners many of whom were exhibitors. The other exhibitors included suppliers of agro-machinery, telecom companies, and financial institutions among others. Show goers were exposed to the latest innovations and technologies in the agricultural and trade sectors and provided with a platform for establishing business linkages.

Early this year, the country was hit by food crisis especially in the areas of the East, West and Northern Uganda as a result of drought which left many homes with no food to feed their families.

The Agriculture Minister said that the number of Ugandans in need of food relief had increased from 1.3 million people to 1.5m.

The World Food Program (WFP) has therefore pledged its support towards Uganda, to end hunger in the country for sustainable food supply. The support is in line with Sustainable Development Goals (SDGs) 2 of the United Nations (UN) to end hunger, achieve food security and improved nutrition and promote sustainable agriculture. This was stated by the WFP Country Director who further stated the following:

- WFP’s focus is to end hunger in the world and Uganda has potential to make this dream of zero hunger come true because Uganda’s National Development Plan (NDP) II is aligned to SDGs.
- Uganda has to give priority to zero hunger to realize its Vision 2014 and NDP II.
- WFP would help Uganda in curbing hunger and related problems such as malnutrition among children— a result of hunger.
- WFP would continue extending food aid, responding to refugee crisis and empowering smaller holder farmers to deal with hunger in the country.

The Deputy Speaker of parliament, who was present, said it was regrettable for a country like Uganda, meant to be a food basket in the East African Region, to suffer from hunger. He commended WFP for its assistance in empowering Uganda fight food insecurity, saying there is need to build capacity for farmers in agricultural practices.
Representatives from Kenya and Zambia met to discuss bilateral trade facilitation for maize and sugar. The bilateral trade meeting was a result of a regional grain trade facilitation forum in Lusaka, supported by the East African Trade Hub. Traders signed agreements for nearly 400,000 metric tons of grains with an estimated value of $100 million.

To facilitate bilateral trade between the Zambia and Kenya, the Government of Zambia confirmed the following policy measures:

- Removal of 10% surtax on maize exports; and
- Removal of maize export bans.

The two countries also agreed to simplify documentary requirements relating to standards and sanitary phytosanitary measures to reduce delays and cut the cost of transaction. The partnership between the two countries is designed to address food security in the short- and long-term.

In South Africa at least consumers can smile about the fact that food is set to become cheaper, thanks to a record-breaking maize harvest estimated for this year. South Africa was expected to harvest 15.969 million tons of maize this season, breaking the 1981 record of 14.656 million tons. The record crop, according to the Crop Estimates Committee (CEC), was attributed to improved weather conditions across the maize belt, which boosted yields and doubled last year’s harvest. Economists predict that this will significantly bring down food prices by next year. Grain SA economist Wandile Sihlobo said that this year’s harvest would carry the market well into next year, which would ease the pressure on food inflation in 2018.

Last year, the country was forced to import about 5 million tons of maize because of a devastating drought, and while livestock farmers continue to feel the pinch, crop farmers were slowly recovering, according to Sihlobo. “We are getting a big crop, but a large part of that is white maize, so we are not serving a lot of markets where we can sell it or export it, which means we will be sitting with a lot of stock.

Reports from Betta Grains indicated that Uganda exported maize to Kenya, Rwanda and Tanzania but in low quantities as compared to June. Kenya also received maize from Zambia and other South African countries.

Volumes of beans exported were on the increase though. Mixed beans were mainly from Uganda to Kenya and DRC, from Rwanda to Uganda and from Tanzania to Kenya. Both Uganda and Kenya exported to South Sudan.

Sorghum

**Some Market Opportunities**

Kenya is currently experiencing a shortage of pure red millet; the commodity that is currently available in the market is an extremely poor quality mixture of various varieties of millet including black millet.

The Nairobi market continues to experience a shortage of the imported long grain rice (Biryani/Sidano).

Betta Grains has requests to find buyers for the following items; Red and White Cowpeas, Sugar Beans (Uganda), Soya Beans (Uganda), Red Kidney Beans (Uganda)
Maize
Harvesting of crops continued well into the month of July. During the month too, maize business was quite low. Most of the big buyers of maize waited for the moisture content to drop and only started serious buying during the last two weeks of the month. Millers, however, bought small quantities to run their mills. The bulk of the maize on the market was mainly from Kiboga, Mubende and Masindi also other areas.
The drop in demand for Uganda maize by Kenyan traders was attributed mainly to the presidential campaigns as well as other maize imports. Rwandese traders on the other hand continued to search for quality maize.
By end of month, the price of maize grain had dropped to an average of Ugx 920 per kg in Kampala. The price of maize in other towns was an average of Ugx 830 per kg and big companies started stocking in areas such as Masindi, Kigumba, Mubende and Tororo among others. The price of maize flour also dropped from Ugx 2,400/kg to Ugx 2,200 in most places.

Beans
The demand for beans was in high gear during the month of July and there was heavy flow from Rwanda to Uganda and from Uganda to Kenya. And Sudan. The average cost of beans, locally was Ugx 2,300 for Short Nambale and Ugx 2,500/kg for yellow beans.

Sorghum
White sorghum (epuripuri) was bought at an average Ugx850/kg especially in the Teso sub region, mainly by companies that have contracts to supply Uganda Breweries.
Other commodities on demand included millet, soybean and cassava chips.