



QUARTERLY E-BULLETIN

SECOND QUARTER | 2022/2023

CONSUMER PRICE INDEX AND INFLATION UPDATE FOR DECEMBER 2022

WHEAT MARKET OUTLOOK



SUGAR INDUSTRY PERFORMANCE



SISAL SUB-SECTOR



NUTS AND OIL CROPS SECTOR



Consumer Price Indices and Inflation Rates for December 2022

The inflation rate as measured by the Consumer Price Index (CPI) was 9.1% in December 2022; a decrease from an inflation rate of 9.5% recorded in November 2022 as shown in Table 1.

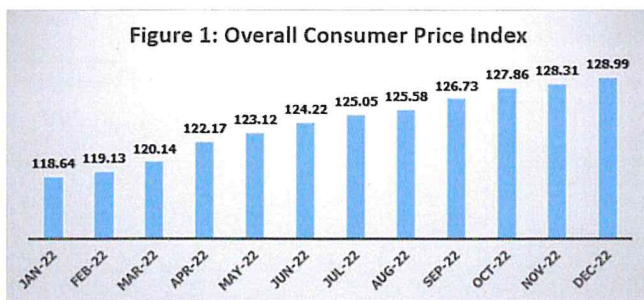
The rise in inflation was largely due to increase in prices of commodities under food and non-alcoholic beverages (13.8%); transport (13.0%) and housing, water, electricity, gas and other fuels (6.2%) between December 2021 and December 2022.

The CPI increased by 0.5% from an index of 128.31 in November 2022 to 128.99 in December 2022. Refer to Figure 1 and 2 for more details.

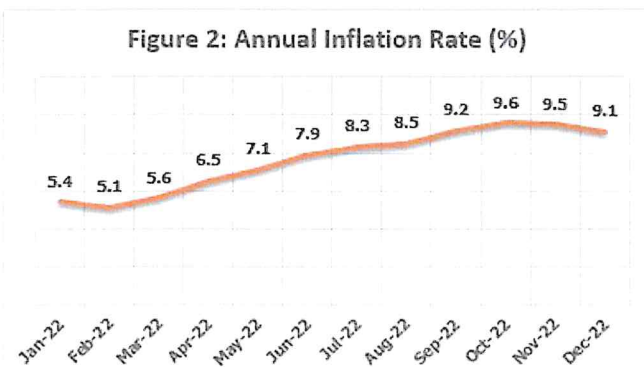
Table 1: Overall CPI and Rates of Inflation

Month	Overall Consumer Price Index	Inflation Rate (%)
Dec-21	118.27	5.7
Jan-22	118.64	5.4
Feb-22	119.13	5.1
Mar-22	120.14	5.6
Apr-22	122.17	6.5
May-22	123.12	7.1
Jun-22	124.22	7.9
Jul-22	125.05	8.3
Aug-22	125.58	8.5
Sep-22	126.73	9.2
Oct-22	127.86	9.6
Nov-22	128.31	9.5
Dec-22	128.99	9.1

Source: Kenya National Bureau of Statistics



Source: Kenya National Bureau of Statistics



Source: Kenya National Bureau of Statistics

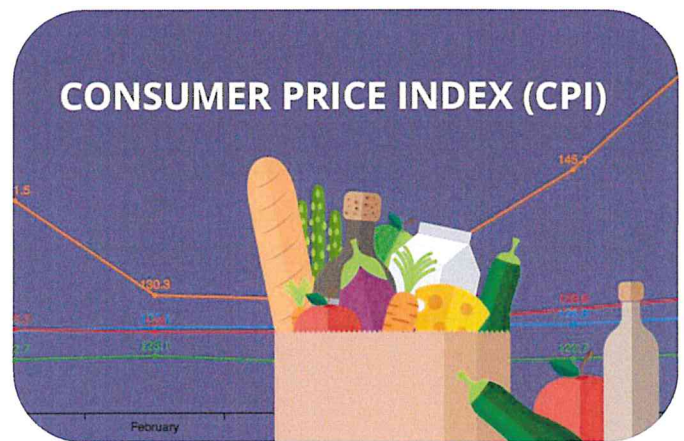
Consumer Price Index for specific Scheduled Crops

Relative to November 2022, prices of tomatoes, cassava and groundnuts increased by 7.2%, 2.4%, and 2.3% in December 2022, respectively. During the same period, prices of potato (Irish), french beans, carrots, dry peas, dry maize, beans, sweet potatoes, dry onions, green grams and avocado dropped by 15%, 8.1%, 7.2%, 6.1%, 4.1%, 2.8%, 2.3%, 1.3%, 1.3% and 1.2% respectively as shown in Table 2.

Table 2: Average Retail Prices for Specific Crops

Commodity Name	Quantity	Unit of Measure	Average Price Nov 2022	Average Price Dec 2022	% Change over last month Dec 2022 / Nov 2022
Dry Maize	1	Kg	74	71	-4.1
Sweet Potatoes	1	Kg	86	84	-2.3
Tomatoes	1	Kg	69	74	7.2
Carrots	1	Kg	69	64	-7.2
Ground Nuts	1	Kg	222	227	2.3
Dry Peas	1	Kg	198	186	-6.1
Greengrams	1	Kg	152	150	-1.3
Beans	1	Kg	143	139	-2.8
Cassava	1	Kg	82	84	2.4
Avocado	1	Kg	81	80	-1.2
Potato (Irish)	1	Kg	80	68	-15.0
Dry Onions	1	Kg	77	76	-1.3
French Beans	1	Kg	99	91	-8.1

Source: State Department for Crops Development and Agricultural Research (SOCDAR)



Wheat Market Outlook

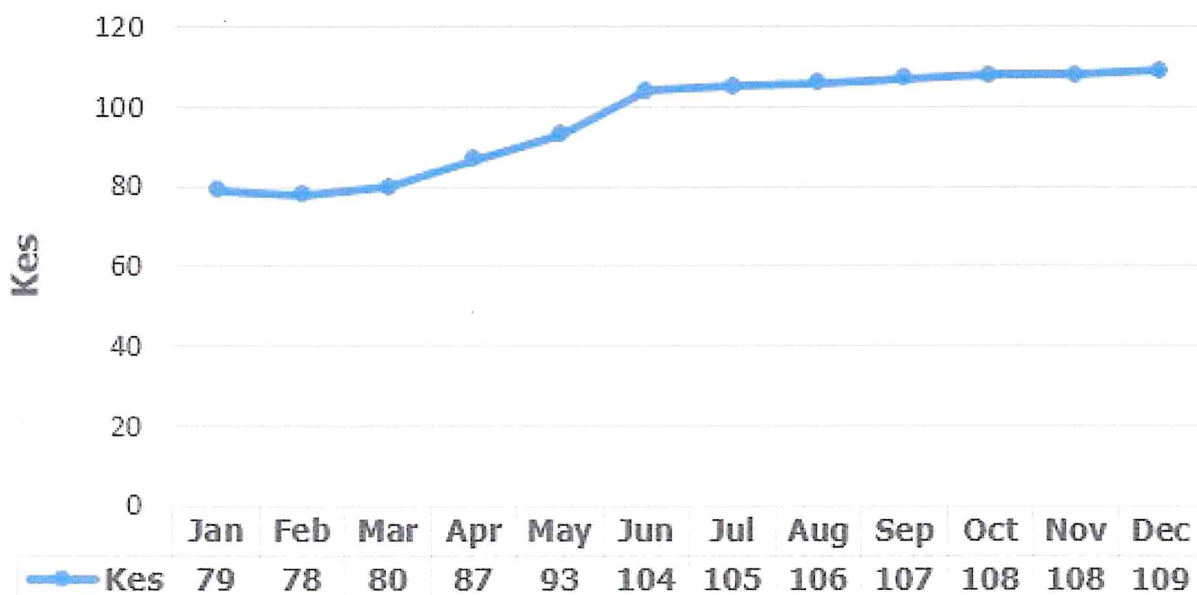
Consumers continued paying more on wheat products for the remainder of 2022 as the cost drop projected earlier in October did not occur. This was despite the fact that the cost of wheat at the international market has dropped to a low of USD 390 a ton, but Kenyan millers had made their purchases in April 2022 at higher rates of USD 540 a ton.

The millers had contracts that were entered in April 2022, for the crop that was delivered in August 2022 were based on the prevailing higher prices at the height of the Russian-Ukrainian war that impacted negatively on prices. The country has mainly been receiving wheat from Canada, Australia, and Latvia.

Kenya received the first ship of wheat from Ukraine on October 2022, marking the maiden consignment since the war broke out.

The price of wheat started skyrocketing at the end of February 2022 after Russia invaded Ukraine, cutting the supply of produce from the two countries. Refer to Figure 3 below for more details.

Figure 3: Average Retail Prices for 1 kg Wheat Flour Year 2022



Sugar Industry Performance

Total sugar production during the period under review was 199,450.00 tons, representing 16% upsurge from the quantity produced in the same period 2021. During the quarter, the month of October 2022 recorded the highest sugar production at 74,082 tons while December 2022 had the lowest production, after 7 percent decline from 64,984 tons realized in November 2022.

Total sugar sales in the period under consideration was 194,995.00 tons, with November recording the highest sugar sales at 69,415 tons.

Total sugar imports in this quarter stood at 96,588 tons representing 24% decline from 126,593 tons imported during the same period, 2021. The fall in the volume of sugar imports is explained by the increase in local sugar production in the period under review.

During the review quarter, November registered the highest quantity of sugar imports at 48,012 tons compared with 13,933 tons imported in October 2022, posting a 245% increase, ascribed to rising local demand in anticipation of bumper sales in December festive season.

It is worth noting that C.I.F value of imported sugar was KES/Ton 81,319 in November compared with C.I.F value of KES/Ton 83,631 that were observed in October 2022, thus imports cheaper in November 2022.

The total tonnage of sugar exported in the period under review was 114 while 817 tons were exported in 2021's similar period, translating to 86 tons decline. Low sugar export is attributed to the fact that Kenya is a deficit producer and thus most of her production is targeted to local consumers.

Sugar Prices

The average Ex-factory price of a 50kg bag of sugar was highest in December at KES 6,717, an 8% rise from KES 6,236 recorded in November 2022. Additionally, the average wholesale sugar price for a 50kg bag fell slightly to KES 6,844 in December from KES 7,149 in November while the retail price for 1kg sugar reduced by KES 2.71 from KES 157.72 in November to KES 155.01 in December. For more details, refer to Table 3 and Figure 4.

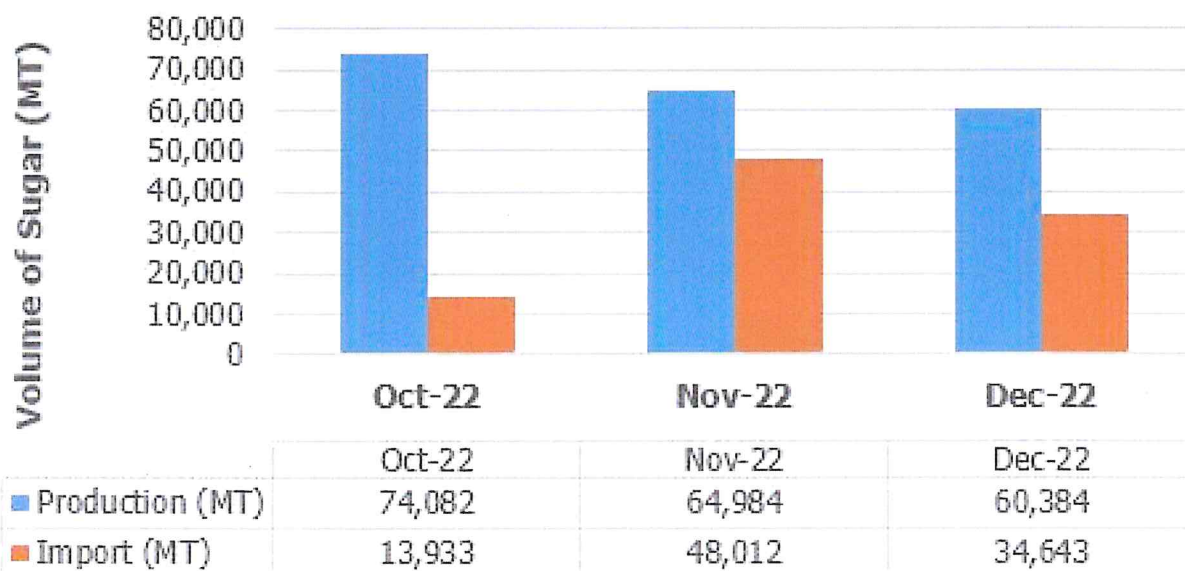
Sugar Industry Performance

Table 3: Performance of sugar industry from October to December 2022

Month	Oct-22	Nov-22	Dec-22	Total
Production (MT)	74,082	64,984	60,384	199,450
Sales (MT)	63,665	69,415	61,915	194,995
Closing stocks (MT)	15,939	11,506	10,012	10,012
Import (MT)	13,933	48,012	34,643	96,588
Export (MT)	10	66	37	114
PRICES (KES)				Average
Ex-factory per 50kg	6,633	6,236	6,717	6,528
Wholesale per 50kg	6,787	7,149	6,844	6,927
Retail per kg	158	158	155	157

Source: AFA – Sugar Directorate

Figure 4: Sugar Production and Imports (MT) from October to December 2022



Source: AFA Sugar Directorate

Sisal Sub-Sector

There was a drop in the volume of sisal exported in October - December 2022 as compared to the volume of sisal traded in same period in 2021 by 438.10 tons, translating to 6% decline. Export value in Q2 2022 was however higher by KES 178,488,683.59 than the value collected during same period in 2021 due to a slight increase in price per ton of various sisal grades in the period under review. Refer to Table 4 below for more details.

Table 4: Volume and Value of Sisal Exports

Month	Volume (MT)		Value (KES)	
	2022	2021	2022	2021
October	1,892.10	2,468.50	424,096,140.60	447,890,000.00
November	2,477.00	2,326.30	545,377,326.25	422,900,000.00
December	2,371.20	2,383.60	517,875,216.74	438,070,000.00
Total	6,740.30	7,178.40	1,487,348,683.59	1,308,860,000.00

Source: Fibre Crops Directorate



Nuts and Oil Crops Sector

The volume of exports for the period between October to December 2022 was lower compared to the import volume for the same period last year. This was a 99% difference in volume leading to a trade deficit of 456,845,035.20 Kgs. For more details, refer to Table 5 below.

Table 5: Trade of Nuts and Oil Crops in Volumes (Kgs)

TRADE	VOLUME IN KGS
Export	2,975,836.16
Import	459,820,871.37

Source: Nuts and Oil Crops Directorate

Export Volumes

There was a 44% decrease in the volume of exported produce in 2022 for the period under review, ascribed to reduction in demand in the international market. Refer to Table 6 below for more details.

Table 6: Comparative volume of Nuts and Oil Crops exported produce in 2021 and 2022 (Kgs)

Month	2021	2022
October	1,376,554.40	752,132.76
November	1,614,637.10	957,035.92
December	2,348,393.08	1,266,667.48
Total	5,339,584.58	2,975,836.16

Source: Nuts and Oil Crops Directorate

Table 7 below shows the details of nuts and oil crops exports for the review quarter. The volume of exported macadamia nuts gradually rose from the month of October through to December, contributing the largest proportion of exports for the period under review.

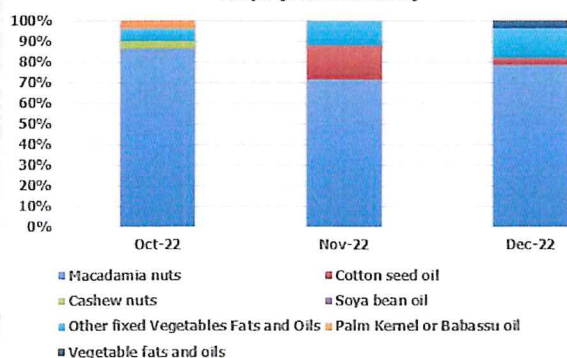
Table 7: Nuts and Oil Crops exports (Kgs) from October to December 2022

EXPORTS	OCT-22	NOV-22	DEC-22	TOTAL
Macadamia nuts	646,346.76	680,985.92	992,947.48	2,320,280.16
Cotton seed oil	-	157,650.00	39,760.00	197,410.00
Cashew nuts	31,752.00	-	-	31,752.00
Soya bean oil	34.00	-	-	34.00
Other fixed Vegetables Fats and Oils	44,000.00	118,400.00	188,360.00	350,760.00
Palm Kernel or Babassu oil	30,000.00	-	-	30,000.00
Vegetable fats and oils	-	-	45,600.00	45,600.00
Total	752,132.76	957,035.92	1,266,667.48	2,975,836.16

Source: Nuts and Oil Crops Directorate

Figure 5 below shows the composition of the different oil crops during the quarter. Soya bean oil contributed the lowest volume.

Figure 5: Percentage Composition of Nuts and Oil Crops (Oct-Dec 2022)



Source: Nuts and Oil Crops Directorate

Import Volumes

During the quarter, imports of nuts and oil crops increased by 373,258,173.57Kgs in comparison to the same quarter last year. Kenya had to fill the gap of low production, caused by the drought experienced in most parts of the country thus leading to the increase in imports for this period. Refer to Table 8 below for more details.

Table 8: Nuts and Oil Crops exports (Kgs) from October to December 2022

Month	2021	2022
October	25,808,055.00	122,803,768.39
November	28,816,724.80	174,847,118.58
December	31,931,969.60	162,164,036.00
Total	86,556,749.40	459,814,922.97

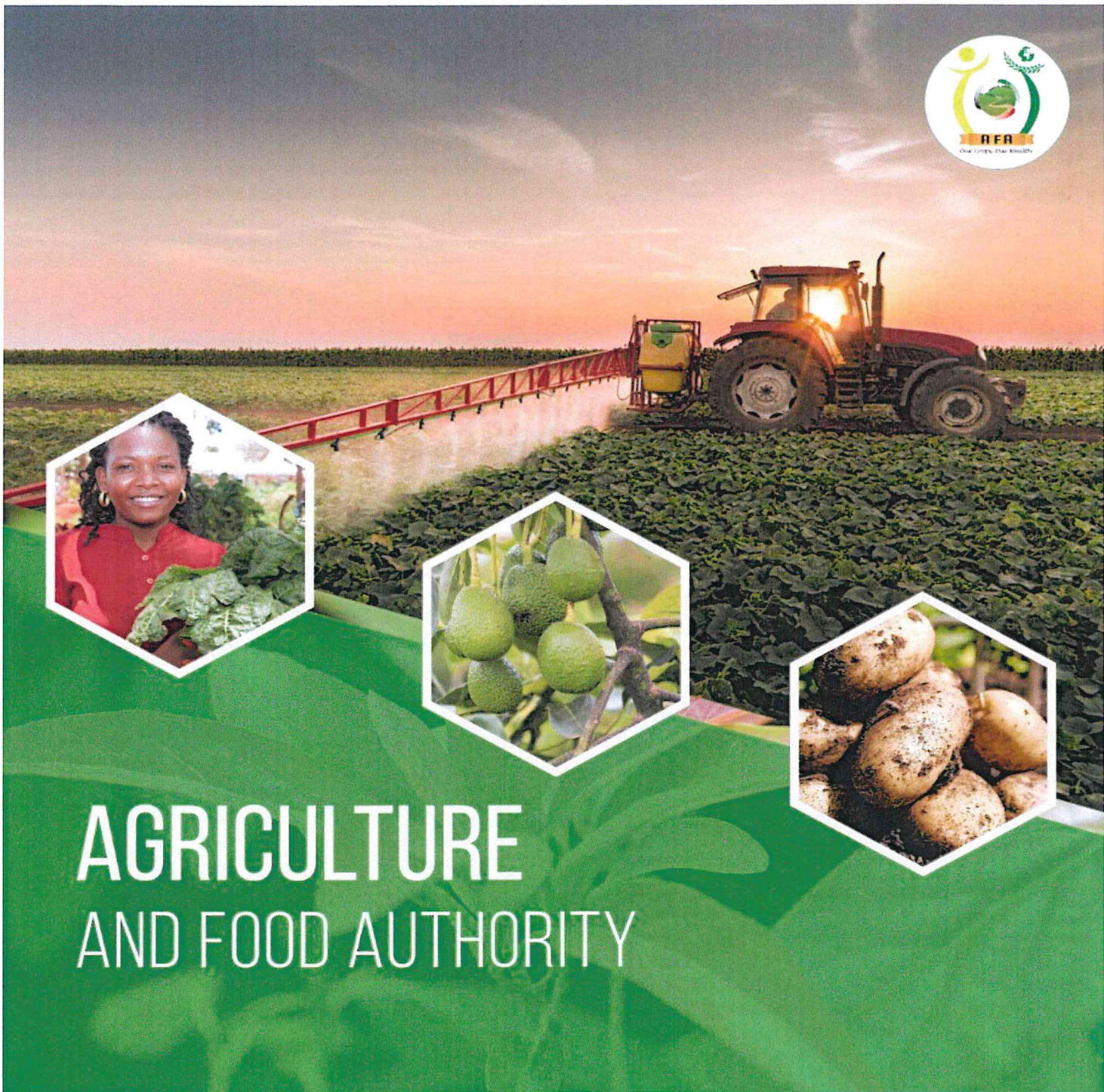
Source: Nuts and Oil Crops Directorate

Table 9 below shows a summary of the nuts and oil crops imports for the period under review. Crude oil palm represented the largest proportion of imports amounting to 425,332,017Kgs. Babassu oil followed closely with a gradual rise for each month for the last quarter. Refer to Table 9 below for more details.

Table 9: Nuts and Oil Crops imports (Kgs) from October to December 2022

Imports	Oct-22	Nov-22	Dec-22
Oil palm, crude	117,992,424.0	162,254,704.0	145,084,889.0
Sunflower oil cake	159,702.00	686,000.00	770,000.00
Coconut oil, crude	102,638.80	86,028.00	316,210.00
Sunflower oil	-	1,324,962.00	2,085,444.00
Groundnuts	320.00	1,019,400.00	1,009,124.00
Soya bean oil	-	64,164.00	54,000.00
Castor oil	934.00	211.00	42,000.00
Sesame seeds	-	15,800.00	13,000.00
Sunflower seeds	1,619,680.00	4,512.00	211,840.00
Linseed	11,400.00	2,550.00	6,238.00
Sesame oil	-	385.20	1,115.80
Colza seeds	96,960.00	87,280.00	20,100.00
Vegetable fats and oils	5,648.00	54,735.00	45,934.00
Other palm oil fractions	9,636.00	1,480,736.00	619,776.00
Palm stearin,RBD	182,400.00	-	182,400.00
Palm kernel or babassu oil	2,621,826.00	2,804,804.00	2,083,146.00
Safflower seeds	1.59	-	-
Pine nuts shelled	198.00	2.00	-
Almonds	-	9,525.60	-
Brazil nuts	-	1,200.00	-
Castor oil seeds	-	200,000.00	520,000.00
Extra virgin oil	-	88,575.60	91,628.00
Mustard seeds	-	1,200.00	-
Industrial Monocarboxylic Fatty acids and acid oils	-	1,181,458.00	5,812,364.00
Mustard oil	-	5.00	-
Other nuts fresh or dried	-	36,936.48	36,388.00
Groundnut oil	-	320.00	320.00
Refined coconut oil	-	50,269.10	1,500.00
Other fruits and nuts cooked or uncooked	-	453.60	359,660.00
Other oil seeds and oleaginous fruits	-	6,050.00	-
Other oil cakes	-	2,000.00	-
Palm olein, RBD	-	3,368,852.00	2,696,515.20
Walnuts	-	8,000.00	856.00
Macadamia Nuts	-	-	34,000.00
Other soy bean oil	-	-	64,188.00
Pistachios	-	-	1,400.00
Classico	-	6,000.00	-
Total	122,803,768	174,847,118	162,164,036

Source: Nuts and Oil Crops Directorate



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