

ECONOMY

How good harvests have kept inflation in check

Good rains, full markets, and steady policy have kept prices tame, giving households breathing space for 11 months straight.

Economy.

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For most Ugandans, inflation isn't a statistic on a chart. It's the price of matooke at the stall, the cost of a boda ride to work, the amount left in your pocket after a shop run.

And for the last 11 months, that lived experience has been unusually steady. Prices have still edged upward, yes, but slowly enough that inflation has remained below 5 percent, a rare stretch of calm in a world where costs often sprint ahead of incomes.

Behind this quiet stability is a simple story with big consequences: the rains came on time, gardens yielded more, markets filled up, and food prices eased.

Add cautious monetary management and a stable exchange rate, and the country found itself in a sweet spot, one where households could breathe, and businesses could plan.

The performance through 2025 has leaned heavily on something the economy cannot manufacture: nature's cooperation.

Two consecutive seasons of good weather boosted food crop production, increasing supply and lowering pressure on prices.

The Uganda Bureau of Statistics (Ubos) says headline inflation has stayed below 5 percent throughout the 11 months ending November 2025.

That doesn't mean prices stopped rising; it means they rose gently, at a pace most households could absorb without sudden shocks.

In practical terms, it means food staples didn't spike sharply, transport costs didn't spiral wildly, and basic consumption stayed within reach for many families.

Ubos principal statistician for price statistics Juliet Nkayenga, links the trend directly to harvest outcomes.

Peak harvests, she says, pushed commodity prices down, anchoring the inflation rate lower. The monthly figures underline that steadiness. From January to November, headline inflation barely strayed from a narrow band: around the mid-3 percent range in the early months, nudging up toward 4 percent in September, then easing again to 3.4 percent in October and 3.3 percent in November.

It is not the kind of pattern that suggests that even as demand rose, supply conditions, especially for food, remained supportive enough to keep prices from racing.

Core inflation, which strips out volatile items



Two consecutive seasons of good weather boosted food crop production, increasing supply and lowering pressure on household expenditure. PHOTO/EDGAR R BATTE

like food and fuel and is closely watched by the central bank, followed the same calm rhythm.

In the 11 months to November, core inflation stood at 3.2 percent, well below target.

Nkayenga says inflation has not breached 5 percent in the past 11 months, and that points to sustained price stability in the economy.

When inflation sits low for that long, its impact is felt quietly but widely. It preserves purchasing power because incomes and savings

don't lose value quickly, so even modest earners can keep up with daily needs.

It also rewards planning. When prices are stable, families can budget with confidence, save for school fees, or make decisions without fear that a sudden price jump will knock everything off balance.

For businesses, low inflation reduces uncertainty. Investors are more likely to expand when they can reasonably predict costs. Employers are more likely to hire when they trust that operating expenses won't sudden-

ly leap. Still, the weather alone doesn't hold inflation. Speaking at the Tumusiime Mutebile 2025 Annual Lecture at Makerere University, Bank of Uganda Governor Michael Atingi-Ego noted that inflation had remained subdued, averaging 3.6 percent for headline inflation and 3.9 percent for core inflation over the past year due to prudent policy choices, a stronger exchange rate, and favourable energy prices.

To him, inflation control isn't just an economic objective; it's the central bank's primary duty. Uganda targets a 5 percent inflation rate.

Uganda's inflation has also remained lower in the past 11 months compared to other regional member states.

The Ministry of Finance's October 2025 performance report indicates that Kenya's inflation stood at an average of 4.6 percent, helped by stable prices for food and fuel and a firm exchange rate, Tanzania at 3.5 percent, and Rwanda at 5.1 percent.

High inflation quietly eats away at groceries, fares, rent, and school costs. Thus, when it slows down, the relief is real.

For now, inflation remaining calm is one of the clearest economic bright spots of 2025: a blend of good seasons in the fields and steady management in policy in Bank of Uganda boardrooms.

Key figures

5%

Inflation has remained below the Central Bank's target of 5 percent in the last 11 months from January to November 2025.

3.3%

Whereas headline inflation nudged up to 4 percent in September, it eased to 3.4 percent in October and to 3.3 percent in November.

3.2%

In the 11 months to November, core inflation stood at 3.2 percent, well below target.