



**World Food
Programme**

DECEMBER 2017

MARKET ASSESSMENT REPORT

NAKIVALE, ORUCHINGA, RWAMWNAJA, KYAKA II & KYANGWALI SETTLEMENTS

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Introduction

Analysis, Monitoring & Evaluation (AME) Unit conducted a market assessment in Nakivale, Oruchinga, Rwamwanja, Kyaka II and Kyangwali to understand the functionality of markets in these settlements and their capacity to support cash based transfers.

Nakivale and Oruchinga settlements totally depend on in-kind food assistance and therefore, this market assessment was to ascertain the feasibility of introducing cash transfers. For Rwamwanja, Kyaka II and Kyangwali the major reason was to understand the current state of markets and the possibility to expand cash transfers in some of these settlements.

The assessment started with a training of Mbarara Sub office staff (ANYIK Francis, Johnson MBOGHA, Andrew ANDAMA, Miriam EGAU and Charles OKWAKOL on 19th December and later followed by data collection in the five settlements starting 20th -22nd December 2017.

Key informant interviews with Camp Commandants, refugee leaders and trader representative were conducted in addition to the 57 trader surveys collected across all settlements. Market observation, transact walks and price data collection were some of the methods used to understand the functionality of the markets.

Nakivale Settlement

Key Highlights

1. Nakivale has a well-established network of markets within and outside the settlement where refugees can buy all they need. There is a market at Base Camp II, small trading centers with shops across the settlement and Kityaza that has a weekly market that operates every Tuesday. The main trading centers around Nakivale settlement include; Sangano, Kigali 2, New Congo, Somalie, Kabazana and Nyarugugu. Also final distribution points (FDPs) are temporary markets during distribution days. The markets outside the settlement accessed by refugees include, Kabingo, Rugaga and Mbarara.
 2. Main food commodities available on the market include, maize grain and flour, beans, sorghum, millet, rice, cabbage, onions, tomatoes, veg oil, sweet potatoes, Irish potatoes, cassava and bananas. Majority of the retail traders in the settlement said that they travel a distance between 1 and 5km to purchase their stocks. There are wholesale shops within the settlement and their also trucks that ferry good to the settlement.
 3. No restrictions for traders to operate in the market although traders have to register at a small fee of UGX 5,000.
 4. Some traders have access to loans through SACCOs and also offer credit to some known and trusted customers.
- The markets around the settlements are far better than the markets in some settlements that are already receiving cash transfers. In total the whole settlement has about 528 traders and 50% indicated that they serve about 50 customers a week while the other half can serve over 100 customers. **Therefore, the markets around the settlement have capacity to serve approximately 50,000 customers a week which is a good platform for the introduction of cash transfers.**

- One of the key challenges highlighted by traders is low purchasing power and this can be improved by introduction of cash transfers hence increasing disposable income for the refugees.

Detailed Market Analysis (Nakivale)

Market Structure	
<p>Market Characteristics</p> <ul style="list-style-type: none"> • Nakivale has a well-established network of markets within and outside the settlement where refugees can buy all they need. There is a market at Base Camp II, small trading centers with shops across the settlement and Kityaza that has a weekly market that operates every Tuesday. The main trading centers around Nakivale settlement include; Sangano, Kigali 2, New Congo, Somalie, Kabazana and Nyarugugu. Also final distribution points (FDPs) are temporary markets during distribution days. The markets outside the settlement accessed by refugees include, Kabingo, Rugaga and Mbarara. ➤ Kityaza market has a few semi-permanent structures with shops and a weekly market every Tuesday. Over 500 traders come to the market every Tuesday with food and non-food items which are purchased by refugees. ➤ Sangano trading center has about 100 retail shops and 50 wholesalers. It is the main business hub of the settlement where traders from different trading centers within the settlement get their goods. Shops are open daily. ➤ Somali trading center has semi-permanent structures with about 150 retail shops and 5 wholesalers. Shops are open daily. ➤ Nyarugugu located behind Somali area has semi-permanent structures with about 10 retail shops. Open daily but not well stocked. ➤ New Congo also has semi-permanent structures with about 70 retail shops and 10 wholesalers. ➤ Kigali trading center has semi-permanent structures with about 50 retailers with 2 wholesalers. ➤ And lastly Kabazana has semi-permanent structures with about 80 retailers and 1 wholesaler. ➤ The businesses visited had been established between 1 and 3 years ago. 	<p>Commodity flow</p> <ul style="list-style-type: none"> • Main food commodities available on the market include: Maize grain and flour, beans, sorghum, millet, rice, cabbage, onions, tomatoes, vegetable oil, sweet potatoes, Irish potatoes, cassava and bananas. • Retail traders selling maize flour and beans had stocks on average 20Kg and 750Kg respectively. • The assessment was done during the harvest time for beans and traders indicated that the stock they had was from farmers within the settlement. • During the assessment, a number of stores were seen with stocked maize flour and beans. Farmers were harvesting and cleaning up the beans. • Majority of the shops visited had vegetable oil and the main sources were, traders from outside the settlement and food assistance received by households. • Salt was also readily available with main sources being traders from within and outside the settlement. • Also important to note is that majority of the traders buy grain (maize, sorghum & millet) and take it for milling into flour at the milling machines around the settlement. • Different types of non-food items were sold across the settlement which include cosmetics, shoes, clothes and household domestic utensils. • Majority of the retail traders in the settlement said that they travel a distance between 1 and 5km to purchase their stocks. There are wholesale shops within the settlement and their also trucks that ferry good to the settlement.

Market Conduct

Market Regulations and Policies

- No restrictions for traders to operate in the market.
- Traders register with the chairman of the zone/cell and pay registration fee of UGX 5,000.

Credit availability and access

- Credit is extended to some known and trusted customers. However, some customers don't want to pay back.
- The payback period ranges from one week to 2 months depending on the relationship and knowledge of the customer.
- Some traders access loans through SACCOs.

Perceived Impact of Food Assistance on Markets

- When refugees receive food aid, they sell maize grain, beans, CSB and vegetable oil and buy other things they want.

Market Prices and Purchasing Power

Transaction Costs

- Major transaction costs are: rent, licenses, taxes and transport incurred by traders in the market.
- License is UGX 20,000 per year per for shops.
- Rent UGX 40,000 – 70,000.
- Also some mentioned loading and off-loading costs that are included in the selling price of the commodity. Some traders load and off-load their commodities that are not bulky.

Changes in volumes of sales

- The volume of sales are expected to increase because of the Christmas season. Otherwise sales are always low due to low purchasing power of the buyers. The introduction of cash would boost the purchasing power of the refugees.

Prices Prospects

- Prices were expected to remain relatively stable during the next coming 3-6 months. This is because half of the interviewed traders expected prices to decrease slightly while the other half expected prices to increase slightly.
- The major reason for why prices would remain relatively stable is because of the harvest.
- Maize and sorghum prices will reduce starting from January to March. Prices will increase starting April to June 2018.
- Beans prices were low in December and will begin to increase from January up to April 2018.

Market Response capacity

Capacity to supply food timely

- In total the whole settlement has about 528 traders and 50% indicated that they serve about 50 customers a week while the other half can serve over 100 customers. Therefore, approximately 50,000 customers can be served a week.

Major constraints

- There are small profit margins from selling the commodities.
- Low purchasing power among the refugees.
- Limited capital for the small scale traders.

<ul style="list-style-type: none"> • In addition, Kityaza weekly market every Tuesday with over 500 traders can support increase in supply in case of increased demand. • Majority of the traders were using their shops as storage facilities with capacity ranging from 2 bags to 2MT (for 5 wholesale traders) • Half of the traders indicated that they have capacity to increase supply within one week in case demand doubled while the other half is able to do it in two weeks. • However limited capital was highlighted by small scale traders as a hindrance to increase supply on time. 	<p>Safety and Security</p> <ul style="list-style-type: none"> • Traders reported incidences of robbery without violence at the shops/stall especially at night due to temporally structures. • Traders proposed construction of permanent structures and deployment of police at night to reduce on crime incidences.
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Oruchinga Settlement

Key Highlights

1. There are two main markets that are accessed by refugees and nationals in Oruchinga settlement i.e. Kajaho and Kalerema (Dubai). Kajaho is located along the main road with accessibility to bigger towns like Mbarara and the Tanzania border.
 2. Majority of the traders interviewed (56%) serve between 50-100 customers a week. Therefore, Kajaho trading center alone with about 100 shops can serve between 5,000 – 10,000 people a week.
 3. Main food commodities available on the market include: Beans, maize grain, flour, sorghum, millet, rice, cabbage, onions, tomatoes, vegetable oil, sweet potatoes, Irish potatoes, cassava and Bananas.
 4. No restrictions for traders to operate in the market although traders have to register at a small fee of UGX 5,000.
 5. Some traders have access to loans through SACCO, Micro finance institutions and Banks. Traders also offer credit to some known and trusted customers.
 6. Sales are always low due to low purchasing power of the buyers. The introduction of cash would boost the purchasing power of the refugees and stimulate market development as well as production for the host community.
- The existing markets (Kajaho and Kalerema) are well established markets with over 100 traders and more accessed during the weekly market days and are able to supply food commodities to beneficiaries in case they receive cash transfers. The markets are located along the main road and this can facilitate movement of food commodities in case of scarcity.
 - **Important to note is that gradual introduction and expansion of cash transfers is the best strategy as it gives markets ample time to grow concurrently with the increase in demand.**

Market Structure

Market Characteristics

- There are two main markets that are accessed by refugees and nationals in Oruchinga settlement i.e. Kajaho and Kalerema (Dubai).
- Kajaho market has over 100 permanent structures with general merchandize and food stores. The trading centre also has a weekly market every Thursday of the week with traders from Mbarara, Nakivale, Kabaale, Ntungamo and as far as Tanzania. On Thursday the market has over 500 traders selling different merchandise and food commodities.
- Kalerema market operates on Mondays and basically in the evening 4:00pm onwards. Mostly temporary /makeshift with no permanent structures on ground. More than 100 traders participate in this market.
- On market days, over 3000 and 1000 people access Kajaho and Kalerema (Dubai) markets respectively.
- All the businesses visited in Oruchinga settlement had been established at least a year back.

Commodity flow

- Main food commodities available on the market include: Beans, maize grain, flour, sorghum, millet, rice, cabbage, onions, tomatoes, vegetable oil, sweet potatoes, Irish potatoes, cassava and Bananas.
- There are about 10 stores of produce dealing in maize grain, beans and sorghum in Kajaho trading center.
- Traders dealing in maize grain on average had 125Kg in stock. The source varied from farmers within the settlements (refugees), farmers outside the settlement (nationals) and traders from outside the settlement.
- Many traders had maize flour on average 350Kg in stock and the main source was traders from outside the settlement.
- A few traders had sorghum and the main sources were farmers both refugees and nationals.
- 45% of the interviewed traders were selling beans and the main source was farmers from within (refugees) and outside (nationals) the settlement. On average each trader had close to 3MT of beans in stock since it was harvest season.
- Almost all retail shops had salt and vegetable oil and the main source was traders from outside the settlement.
- Also 67% of the traders interviewed had millet flour and they mostly purchased grain from famers (refugee & nationals) and milled at grinding machines. Others buy millet flour directly from traders coming from outside the settlement.
- All traders interviewed in Oruchinga settlement said that they travel over 30km (mostly Mbarara and the Tanzania Border) to purchase their stocks.

Market Conduct

Market Regulations and Policies

- No restrictions for traders to operate in the market except for those dealing in animals that need animal permits.
- The weekly market is tendered out to private individuals who manage and collect market dues.
- Traders register with the chairman and pay registration fee of UGX 5,000.

Credit availability and access

- All traders interviewed admitted that they offer credit to some known and trusted customers.
- The payback period ranges from one to four weeks depending on the relationship and knowledge of the customer.
- Some traders access loans through SACCO, Micro finance institutions and Banks.

Perceived Impact of Food Assistance on Markets

- When refugees receive food aid, they don't buy maize grain, flour and beans. Some sell maize grain, beans and vegetable oil.

Market Prices and Purchasing Power

Transaction Costs

- Major transaction costs are: rent, licenses, taxes and transport incurred by traders in the market.
- Also some mentioned loading and off-loading costs that are included in the selling price of the commodity. Some traders load and off-load their commodities that are not bulky.

Changes in volumes of sales

- The volume of sales are expected to increase because of the Christmas season. Otherwise sales are always low due to low purchasing power of the buyers. The introduction of cash would boost the purchasing power of the refugees and stimulate market development as well as production for the host community.

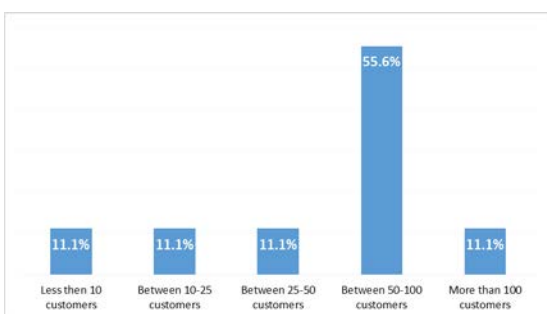
Prices Prospects

- The prices will reduce during harvest periods. Maize and sorghum prices will reduce starting from January to March. Prices will increase starting April to June 2018.
- Beans prices are low in December and will begin to increase from January up to April 2018.
- Some of the interviewed traders expected prices to decrease slightly while the other half expected prices to increase slightly due to divergent views on quality of harvest.

Market Response capacity

Capacity to supply food timely

- Majority of the traders interviewed (56%) serve between 50-100 customers a week. Therefore, Kajaho trading center alone with about 100 shops can serve between 5,000 – 10,000 people a week.



Major constraints

- There are small profit margins from selling the commodities.
- There is low turn-over due to low purchasing power.
- Many customers wanting to buy on credit
- Theft especially night break-ins.

Safety and Security

- Traders reported incidences of robbery without violence at the shops/stall especially at night due to temporally structures.
- Traders proposed deployment of police at night to reduce on crime incidences.

- The weekly markets on Monday and Tuesday are able to supplement the daily market in shops across the settlement in case of shortage.
- Majority of the traders reported having storage facilities with 1,000 -5,000kg capacity. A few had stores that can accommodate more than 5MT.
- 78% of the traders indicated that they have capacity to increase supply within one week in case demand doubled while the 22% are able to respond in two weeks.
- Limited capital and transport were highlighted by small scale traders as key hindrance to increase supply on time.
- There are more than two grain millers in the market. They charge UGX 150 per kg of milling and each machine has a capacity to mill 600kg per day. The millers indicated that they have capacity to install additional machines in case of increased demand.

Rwamwanja Settlement

Key Highlights

1. The introduction of cash transfer in Rwamwanja settlement stimulated market development in different parts of the settlement. In addition to Kataryeba the main market of the settlement, small shops have come up within small centers in the settlement i.e. St. Michael, Mahane, Mahenga, Nkoma, Mukatafari, Kyebucumbe and Omukasisa.
 2. The major challenge now reported by traders is competition among themselves and many new businesses have come up as a result of the cash transfers.
 3. Main food commodities available on the market include: Maize grain and flour, beans, sorghum, millet, rice, wheat, cabbage, onions, tomatoes, vegetable oil, meat, drinks, sweet potatoes, Irish potatoes, cassava and bananas.
 4. No restrictions for traders to operate in the market. New entrants have to pay registration fee of UGX 10,000.
 5. Some traders access loans through SACCOs, Centenary bank and Stanbic bank. Traders also offer credit to some known and trusted customers.
 6. The maize grain and beans sold on the market are grown locally by both the refugees and nationals. Therefore, current demand as a result of cash transfers has created market for the locally produced foods.
- Kataryeba market had developed so fast and the competition is very high. Businesses have reached a point where demand is far less than the current supply. Traders were asking if more refugees are enrolled on cash to save their businesses.

- Market development has reached its peak and the profit margin is too little to an extent that some business will have to collapse due to competition. **Expansion of cash transfers is ideal for Rwamwanja if the current level of market development is to be sustained.**

Detailed Market Analysis (Rwamwanja)

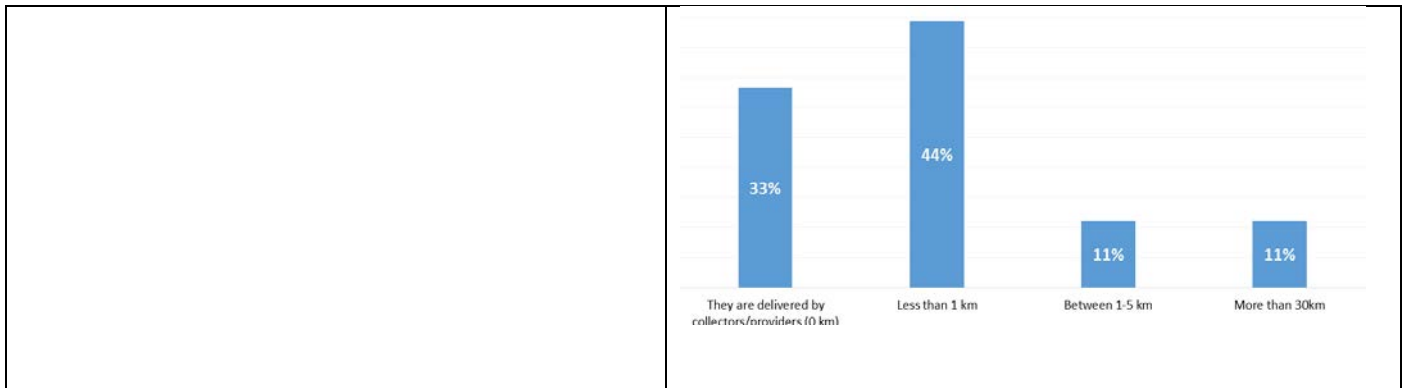
Market Structure

Market Characteristics

- Kataryeba is the main market of Rwamwanja settlement. Since the introduction of cash a lot of new traders and businesses have come up. Also small shops have come up within small centers in the settlement i.e. St. Michael, Mahane, Mahenga, Nkoma, Mukatafari, Kyebucumbe and Omukasisa. Bisozzi is also another small trading center about 6 miles for the settlement with a weekly market every Thursday.
- Kataryeba trading center has permanent structures with currently over 200 shops dealing in general merchandise and food commodities. Half of the business are new with relatively bigger stocks compared to the time cash transfers were introduced. The center has over 50 wholesalers and big trucks now deliver goods from Mubende, Fort Portal, Ibanda, Mityana and Mbarara direct to traders in the settlement. Kataryeba also has a weekly market that operates on Tuesday.
- Bisozzi trading center has about 20 shops that operate on a daily basis. The market day operates every Tuesday and over 100 traders come to the market.
- The small shops at St. Michael, Mahane, Mahenga, Nkoma, Mukatafari, Kyebucumbe and Omukasisa are operated by refugees. They purchase their good from Kataryeba market.
- 11% of the businesses visited had started less than a year, 56% in operation for 1-3 years and 33% in existence for over 5 years.

Commodity flow

- Main food commodities available on the market include: Maize grain and flour, Beans, Sorghum, Millet, Rice, wheat, Cabbage, onions, Tomatoes, Vegetable oil, Meat, drinks, Sweet potatoes, Irish potatoes, cassava and Bananas. On market days goats and chicken are sold.
- During the assessment, a number of stores were seen with stocked maize flour and beans.
- Different types of non-food items were sold across the settlement which include cosmetics, shoes, clothes and household domestic utensils.
- Traders dealing in maize grain on average had 800Kg in stock. The main sources were farmers from within the settlements (refugees) and farmers from outside the settlement (nationals).
- All shops visited had maize flour and on average 200Kg in stock. The main source was traders from outside the settlement (89%) and milling within the trading centers around the settlement (11%).
- 67% of the traders visited had beans and the main sources were farmers both nationals and refugees. On average each trader had 250Kg of beans in stock.
- All shops visited had salt and vegetable oil and the main source was traders from outside the settlement.
- Only 11% of the traders interviewed had millet flour and the main source was wholesale traders from within the settlement.
- 33% of the traders interviewed in Rwamwanja settlement said that goods are delivered by trucks to the settlement while 44% said that they travel 1km to purchase their stocks.



Market Conduct

Market Regulations and Policies

- No restrictions for traders to operate in the market.
- Traders register with the chairman of the traders and pay registration fee of UGX 10,000.

Credit availability and access

- All traders interviewed admitted that they offer credit to some known and trusted customers.
- 67% of the visited traders offer a payback period up to 2 weeks while only 33% can extend the payback period to one month.
- Some traders access loans through SACCOs, Centenary bank and Stanbic bank.

Perceived Impact of Food Assistance on Markets

- The introduction of cash transfers has boosted customers in the market, new businesses have come up and volumes increased. Verbatim from an elder (Ruhweza Paul Akiiki 'Mayor') from Bisozi trading center said

“Previously we were not benefiting from refugees. But these ones receiving cash are helpful. Congolese have accumulated wealth. I don’t think refugee will go back to their home countries. Now all food staffs have market”.

Market Prices and Purchasing Power

Transaction Costs

- Major transaction costs are: rent, licenses, taxes and transport incurred by traders in the market.
- License ranges between UGX 15,000 – 80,000.
- Also some mentioned loading and off-loading costs.

Changes in volumes of sales

- Since the introduction of cash, businesses have grown fast, sales of all goods have gone up due to increased demand. Sales more than doubled for some traders and this has attracted more businesses in the area.

Prices Prospects

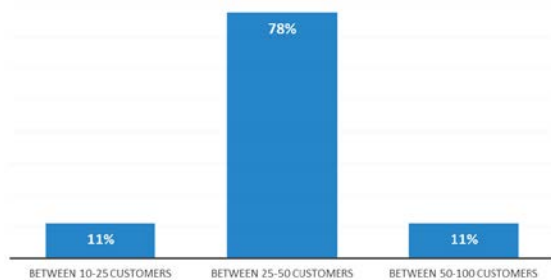
- Maize price was already low and expected to continue reducing up to February due to the ongoing harvest. Prices will increase starting March to June 2018.
- Beans prices were low in December and will begin to increase from January up to April 2018.

- Majority of the interviewed traders expected prices to remain the same or a slight increase due to harvest season.

Market Response capacity

Capacity to supply food timely

- Majority (78%) of the traders interviewed can serve a maximum of 50 customers a week, 11% 25 customers and 11% 100 customers. Therefore, Kataryeba trading center alone with about 200 shops can serve roughly 12,750 people a week.



- The weekly markets on Tuesday (Kataryeba) and Thursday (Bisozi) are able to supplement the daily market in shops across the settlement in case of shortage.
- 56% of the traders reported having storage facilities with 500 -1,000kg capacity while 44% had stores that can accommodate less than 500Kg.
- 78% of the traders indicated that they have capacity to increase supply within two weeks in case demand doubled while the 22% are able to respond after 1 month.

Major constraints

- There is high competition resulting into small profit margins from selling the commodities. Some traders would rather sell at the exact price they purchased a commodity than let a customer go elsewhere.
- Increase in traders and population has resulted into lack of space for rent hence high rent fees.

Safety and Security

- Traders didn't report any serious safety and security issues other than petty theft.

Kyaka II Settlement

Key Highlights

1. Bukere is the main market for Kyaka II settlement and the introduction of cash has seen business grow around the trading center. Market has about 200 stalls that are used by traders and vendors in the market, with about 70 shops at the trading center. The settlement operates weekly markets every Wednesday and Saturday that supplement supplies of the daily shops.
 2. The market provides variety of food commodities especially during the market days which include cereals (maize grain and flour); tubers (Irish potatoes, cassava, and sweet potatoes); leafy vegetables ('sukumawiki', and 'boo'); tomatoes, onions, green and red pepper; cassava flour; pulses(beans); and fish.
 3. No specific regulations prohibiting people from operating in the market, new traders must abide by the already set laws, and these laws are not discriminatory.
 4. 88% of the traders indicated that they have capacity to increase supply within one -two weeks although limited capital was highlighted as a major constraint by some of the traders.
 5. Traders don't access loans from financial institutions, as majority are refugees who don't have collaterals necessary to acquire loans. Traders have saving associations that are not formally registered.
 6. Poor harvest season was also highlighted among the challenges and this will affect supplies from local production.
- Important to note is that cash transfers have stimulated market development in Kyaka II settlement although there is room for improvement. **Majority of the traders are refugees with limited capital. Therefore, there is need to mobilize more traders to take up this opportunity in Kyaka II settlement and also linking up small traders to micro-finance institutions.**
 - The poor harvest mentioned by traders will limit supplies in the settlement and this is likely to cause price increases. There is need to constantly monitor market prices to ensure that cash transfer beneficiaries are able to find food on the market and buy the right quantities from the cash transfer value received.

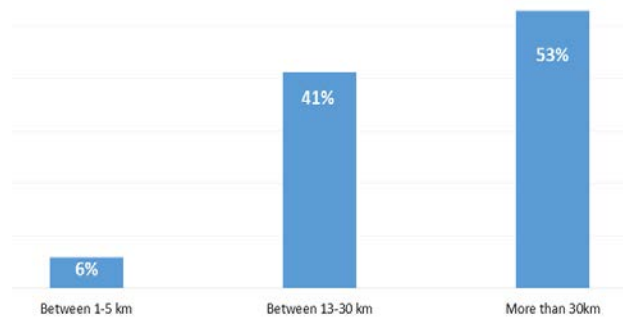
Detailed Market Analysis (Kyaka II)

Market Structure	
<p>Market Characteristics</p> <ul style="list-style-type: none"> • Bukere Trading Center is the biggest and mainly accessed market by refugees across all zones in the settlement. There is a weekly market about 150 meters from the trading center that operates on Wednesday and Saturday. Also shops at the T/C are open every day. ➤ Structures at the weekly market are makeshifts, made of wood/poles and tarpaulins. Two permanent structures (Stalls) were constructed 	<p>Commodity flow</p> <ul style="list-style-type: none"> • Number of traders: maize grain (About 20-30 traders) and beans (about 30-40 traders), mainly in March and April when the demand is high and traders are many. At the time of the assessment, the traders were few due to low demand; • 6 stores (Maize grain and Beans) at the trading center, manned by big traders. These traders purchase produce from local farmers, and later sell during times of scarcity;

by government. However, permanent structures (Shops) are at the T/C;

- The market is managed by government; government takes lead in the collection of market dues and other related taxes, and issuing of trading license;
- Market has about 200 stalls, that are used by traders and vendors in the market, with about 70 shops at the trading center;
- Market is so busy, with about 1,000-1,500 participants (traders and buyers) transacting during market days, traders make more sales during these days. Majority of the traders (about 70%) are refugees;
- Market serves or supplies other smaller markets within the settlement such as Mukondo, Byabakora and Sweswe.
- All businesses visited in Kyaka II had been established more than a year ago.

- About 6 wholesalers at the trading center, and deal in several commodities such as; maize flour, Rice, Beans, Vegetable oil, Sugar, Salt and beverages;
- Commodities: Tubers (Irish potatoes, Cassava, and Sweet potatoes); leafy vegetables ('sukumawiki', and 'boo'); tomatoes, onions, green and Red pepper; flour (maize and cassava); pulses; Fish and NFIs are the main commodities purchased by refugees, "Refugees like fish, and since they are the majority, the demand for fish is high. For instance, we can have about 4 trucks of fish finished in one market day;
- Big number of buyers in the market are refugees, "these people don't have land to produce food for home consumption, so, markets are their main source for year in-year out;
- Few traders were selling maize grain and on average had 50Kg in stock. The main sources were farmers from within and outside the settlement.
- 53% of the shops visited had maize flour and on average 400Kg in stock. The main source was traders from outside the settlement.
- 29% of the traders visited had beans and the main sources were farmers both nationals and refugees. On average each trader had 1150Kg of beans in stock.
- Only 47% and 41% shops visited had salt and vegetable oil respectively and the main source was traders from outside the settlement.
- 41% of the traders interviewed had millet flour and the main source was milling from within the settlement and traders from outside the settlement.
- Majority (53%) of the traders interviewed travel more than 30Km to purchase their stocks.



Market Conduct

Market Regulations and Policies

- No specific regulations prohibiting people from operating in the market, new traders must abide by the already set laws, and these laws are not discriminatory.
- New traders must notify market chairpersons on the kind of business they are dealing in;
- No entry to the market without a receipt for market dues, this is issued at the gate.
- Traders not allowed to operate in a stall not assigned to them, they are advised to use stalls that they have paid for.
- Market is demarcated, each commodity sold in a specific area in the market.
- No motor cycles allowed inside the market premises.
- Timely payment of the market dues.
- Note: these laws and regulations are set by market leaders.

Credit availability and access

- **Traders to customers:** Yes, customers pay after 1-2 weeks, others pay half and bring the balance in the next market day. Credits to customers depends on the relationships;
- **Financial institutions to traders:** traders have saving associations, not formal. Traders for instance form a group, and agree to save every market day, and it is from these savings that they loan out. Traders don't access loans from financial institutions, as majority are refugees who don't have collaterals necessary to acquire loans;
- Wholesalers are supplied commodities and other produce on credit by companies (BIDCO and Mukwano), who collect their cash during the next deliveries. Refugee traders are never trusted by companies, due to their mobility;

Perceived Impact of Food Assistance on Markets

- Increased supplies and sales during and after distributions, many customers and traders in the market. "Since majority of the traders are refugees, we know distribution dates, so, we re-stock towards distributions."

Market Prices and Purchasing Power

Transaction Costs

- Taxes (40,000-50,000 for 6 months);
- Market dues (UGX 1,000), only paid by vendors and at the market
- Rent
- Transport, lorries and drivers
- Offloading, mainly for wholesalers and big retailers;
- Electricity, "we spend about 1 unit per day, we feel it is expensive."
- UGX 1,000 per trader, paid at the gate and doesn't limit the quantities;
- UGX 50,000 as rent for every 6 months per stall;
- Government through the sub-county offices collects these markets dues, since the market is erected on government land;

Changes in volumes of sales

- During and after distributions, traders increase supplies on the market as refugees come to buy in bulk.

Prices Prospects

- November-January, supplies on the market are high, traders are many, including farmers, "Around this period, people don't trader (sell) due to high demand, but they sell because they want money for the festive season and school fees. So, big traders come to buy from farmers, bulk and later sell when there is scarcity." "Currently, we are expecting a new harvest in about a month from now, customers for food items are likely to reduce."
- February-May, food is scarce, many are hungry as food stocks deplete, no cash as farmers would have sold all their harvest and spent their earnings on school fees and merry making during the festive season. "This period is associated with high demand, with food scarcity and low

- Charges are fixed, standardized and don't change.

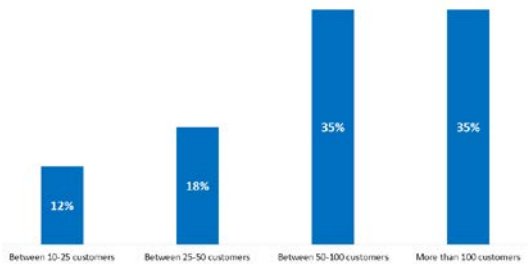
purchasing power." Again, the number of traders reduce, we can have about 150-200 selling both food items and NFIs, and the market is only open for 2-3 hours;

- However, 77% of the interviewed traders expect prices to increase greatly in the next 3-6 months because of the poor harvest.

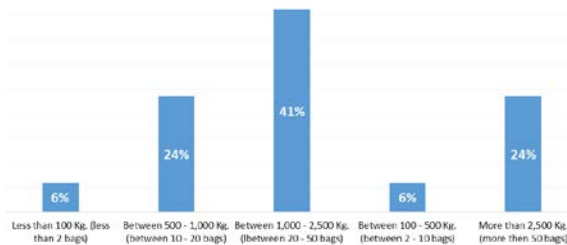
Market Response capacity

Capacity to supply food timely

- Majority (70%) of the traders interviewed can serve a maximum or more than 100 customers a week, 18%, 50 customers and 12%, 25 customers. Therefore, Bukere trading center has about 70 shops and these can serve roughly 5,750 people a week.



- The weekly markets on Wednesday and Saturday also supplement the daily shops across the settlement.
- All traders reported having storage facilities and (41%) reported having stores that can handle between 1 - 2.5MT.



- 88% of the traders indicated that they have capacity to increase supply within one -two weeks in case demand doubled while the 12% are able to respond after 1 month.
- However, 59% of the traders interviewed highlighted limited capital as a constraint to their capacity to respond effectively to increased demand.
- 4 milling machines around the settlement and charge UGX 100-150 a Kg of grain.

Major constraints

- Impassable roads, especially during the rainy season, making transportation costs high. Companies such as BIDCO and Mukwano reduce their supplies during the rainy season;
- High taxes, market dues are high, for instance UGX 50,000 every six month is much for a vendor who just trades when s/he wants to earn quick money;
- Transportation costs are high, especially movements within the settlement, "if you don't have a truck, or a motor-cycle, you spend a lot on hire. Traders here either deliver their commodities to small traders in different zones or they travel to purchase produce, all this comes with a cost."
- No capital to expand-no financial institutions-no loans. Banks in Kyenjojo and Mubende, but only nationals can access loans

Safety and Security

- Majority (88%) of the interviewed traders did not mention any safety or security problem. The few incidences report were robbery without violence especially night break-ins.
- Possible remedies suggested by traders include beefing up security (police patrols) at night.

Kyangwali Settlement

Key Highlights

1. Since the introduction of cash transfer in Kyangwali, traders have noted big changes in their businesses in terms of increased sales and earnings. Kasonga and Kagoma trading centers have expanded as a result of new traders that have come to bridge the gap of increased demand. Other markets are developing around Kyangwali settlement e.g. Kirokole and Nyamiganda.
 2. Major commodities sold in the markets include Irish and sweet potatoes, cassava, maize flour, maize grain, cassava flour, wheat flour, beans, rice, fish, meat, onions, tomatoes, greens and NFIs. Most of the staples (maize and beans) are produced locally.
 3. Markets are open to all traders although new entrants have to subscribe to the traders' association at a fee of UGX 20,000.
 4. 55% of the traders indicated that they have capacity to increase supply within one -two weeks in case demand doubled while the 45% are able to respond after 1 month. 70% of the interviewed traders have the capacity to serve 100 customers and more weekly.
 5. SACCOs are the main sources of credit, these are traders' associations. No access to loans from banks, since many the traders are refugees. SACCOs do offer cash round and this has been helpful in boosting small scale trader's working capital.
 6. The key challenges highlighted include, high transport costs, poor infrastructure, untrusted middlemen and low demand as time goes by after distribution.
- Cash transfers created more demand resulting into more traders coming into business and new markets developing. Currently, the traders are making little profit as competition is high. Forces of demand and supply will continue setting levels of equilibrium and some traders who won't break even will be forced out of business.
 - Important to not is that infrastructure is not good especially roads. **The advantage is that most of the staple food is produced locally but in case of a poor harvest, then prices are likely to spike and beneficiaries will suffer. Therefore there is need for continues monitoring of the production season, market supplies and prices.**

Detailed Market Analysis (Kyangwali)

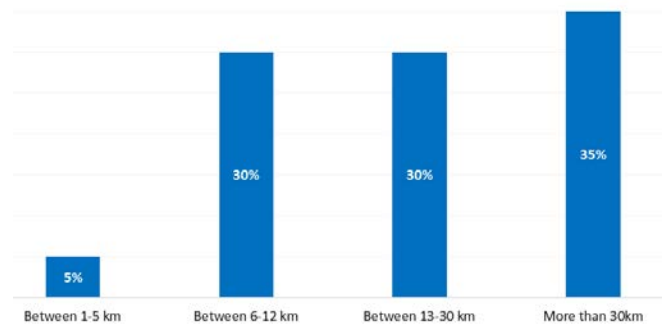
Market Structure	
<p>Market Characteristics</p> <ul style="list-style-type: none"> • Kagoma is the main and biggest market in the settlement, and operates weekly (Tuesdays). Kasonga market is within a trading center (Operates daily). Other markets in the settlement are Kirokole and Nyamiganda Markets; • Structures (shops) are mainly semi-permanent (wood and mud), stalls in the market are makeshifts (wood and Tarpaulins); Shops are 	<p>Commodity flow</p> <ul style="list-style-type: none"> • Commodities: Irish and sweet potatoes, cassava, maize flour, maize grain, cassava flour, wheat flour, beans, rice; fish and meat. Vegetables sold include onions, tomatoes, and greens. NFIs are also sold in the market. • Demand for cassava flour is usually high and majority of the buyers in the market are refugees. "These people don't have land to produce food for home consumption, so, markets are their main source for year in-year out". • 40% of the traders interviewed were selling maize and 65% beans, mainly procured locally from farmers around

about 40 and roughly 120 stalls and many operate in the open.

- Market (Kagoma) is too busy during market days, with more than 10,000 participants, “the market is big and too busy, compared to other markets in Hoima and Kagadi, and actually traders can’t afford to miss market days.”
- Kasonga market is also busy, with about 200-500 participants transacting daily. Kasonga has about 50 shops and 100 stalls.
- About 4 wholesalers, deal in maize grain and beans. They buy from local farmers, bulk and sell to external traders, also to local traders and consumers during times of scarcity. “Refugees mostly buy between March-June, when food stocks are very low.”
- Traders are organized into groups, depending on the commodities they sell, and market is demarcated in that each commodity is traded at a specific point.
- It is estimated that about 80% of the traders are refugees, and women mainly vend food items and other vegetables. Men trade in NFIs, possibly due to access to capital compared to women.
- About 50 traders sell maize grain and beans. On market days, it is hard to estimate because every trader including farmers trade to earn incomes so that they can buy other household necessities.
- All business visited during the market assessment had been in existence for more than a year. Therefore, the owners now have a better understanding of the market and how to cope when business is uncertain.
-

the settlement (both refugees and nationals). On average traders had 300Kg of maize grain and 450Kg of beans in stock.

- 40% of the shops visited had maize flour and on average 160Kg in stock. The main source was local milling and traders from outside the settlement.
- 45% shops visited had salt and vegetable oil respectively and the main source was traders from outside the settlement.
- Only 15% of the traders interviewed had millet flour and the main source was milling from within the settlement and traders from outside the settlement.
- 65% of the traders interviewed travel more than 12Km to purchase their stocks.



- No supplies from out, “the land is fertile, and everyone is farming, we don’t lack food. Our main customers are traders from other districts, new arrivals (refugees), and some nationals.
- During scarcity (March-June), much food (grains) comes from out (Kibale); cabbage, matooke, and Irish potatoes are from Mbarara. Other periods of the year, local farmers supply neighboring towns. Too much food is exported, compared to what comes in;
- BIDCO and Mukwano supply industrial/processed products two times a week.

Market Conduct

Market Regulations and Policies

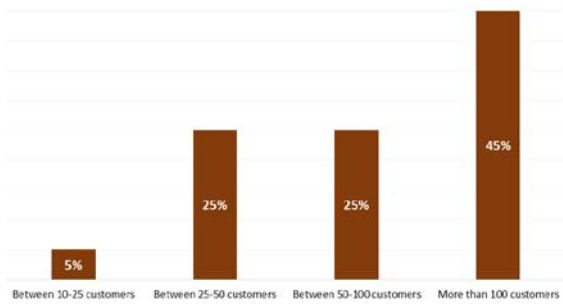
- Markets are open to all traders. New traders are required to: introduce themselves to the LCI, mayor, and LCII where they are expected to explain what they intend to trade in, after, they are assigned a stall. This is only on market days, other days, it is open.

Credit availability and access

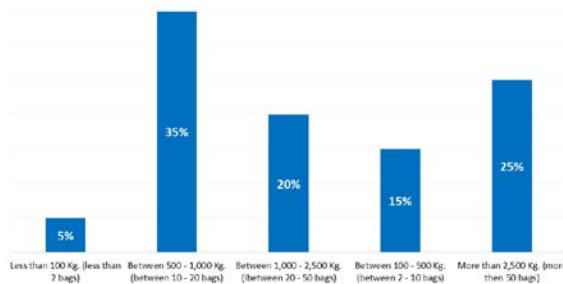
- **Traders to customers:** offer commodities on credit, payment terms depend on how the two have agreed, and it is mostly after receipt of cash (monthly), others weekly.
- **Financial institutions to traders:** SACCOs are the main sources of credit, these are traders’ associations. No access to loans from banks, since many the traders are refugees. “Trader associations are good; we get quick loans and the payment is timely. Members of these

<ul style="list-style-type: none"> • New traders must join traders’ association for orientation and guidance. Subscription to each association is at UGX 20,000. • All traders must pay market dues, it is mandatory, “some traders who fail to pay and are not compliant are summoned by the leadership of the market. • Each commodity must be traded in a gazetted area in the market. • Hygiene is everyone’s responsibility. • Fighting and quarrelling is prohibited in the market. • 	<p>groups have mutual understanding of each other, since they trade in similar items.” SACCOs do ‘cash rounds’, for instance a group of traders give a specified amount of cash to a group member this week, and next week, another receives, and the cycle continues;</p> <ul style="list-style-type: none"> • Money lenders deal with well-established traders, there are some refugees who lend money to people and expect interest, and repayment period depends on the agreement between the two parties. • Some traders who have accounts with banks and have consistently been saving usually get loans, unfortunately, majority of the traders are small scale.
<p>Perceived Impact of Food Assistance on Markets</p> <ul style="list-style-type: none"> • Since the introduction of cash transfer, the markets around the settlement have grown. Trader sales and earnings have increased and the supplies on market due to the increase in demand. Prices haven’t increased significantly because of local production and increased supplies as many traders come in to trade. 	
<p>Market Prices and Purchasing Power</p>	
<p>Transaction Costs</p> <ul style="list-style-type: none"> • Daily market dues • Rent • Transportation, movement within the settlement, and cost depends on the distance. • Subscription to trader associations (UGX 20,000) <p>➤ In Kasonga, UGX 500 is collected by Government as market dues, when the stock is worth UGX 10,000.</p> <p>➤ In Kagoma, UGX 2,000-3,000 is charged as market dues, and depends on the quantity of your stock.</p>	<p>Changes in volumes of sales</p> <ul style="list-style-type: none"> ➤ January-February, sales are low due to the harvest; June-July, sales go up, due to scarcity (demand); ➤ “In 2016, the harvest was generally poor following a prolonged dry spell, food was scarce on the markets, and prices went up. As of now, the situation is better, good and improved yields.” <p>Prices Prospects</p> <ul style="list-style-type: none"> • Maize prices, higher in from March-June and lower between August-September and December-January; • Beans prices, higher in November-January, then April-June, and lower from July-September; • Generally, prices are higher between March-May and August-September, prices are higher since these are planting seasons;
<p>Market Response capacity</p>	
<p>Capacity to supply food timely</p> <ul style="list-style-type: none"> • 70% of the interviewed traders have the capacity to serve 100 customers and more weekly. Therefore, the 90 shops in Kasonga and Kagoma 	<p>Major constraints</p> <ul style="list-style-type: none"> • Transportation costs are high, no vehicles operating within the settlements.

trading centers (excluding weekly markets) can serve roughly 7600 customers weekly.



- All traders reported having storage facilities and (45%) reported having stores that can handle more than 1MT.



- 55% of the traders indicated that they have capacity to increase supply within one -two weeks in case demand doubled while the 45% are able to respond after 1 month.
- Most of the staples (maize and beans) are produced locally.
- However, 70% of the traders interviewed highlighted limited capital as a constraint to their capacity to respond effectively to increased demand.
- There are 5 milling machines around the settlement and they charge UGX 300-400 for a Kg of maize flour (1st class) and UGX 100-200 per Kg (2nd class).

- Traders pay farmers in installments, affecting relationships and supplies on the market. Farmers are main suppliers on the market.
- Middlemen, not trusted. Buy produce cheaply, but charge highly in the markets;
- Poor infrastructures, makeshifts in the markets, traders (vendor mostly) sell in the open. “Our market as you see is not well-built, the fish is affected by dust, and the hygiene in the market is generally poor.”
- Break-ins high during the festive season, traders loose cash and other items;
- Lack of customers, no demand for food due to low purchasing power. “Most traders make more sales after distributions, around this time, people have money and they flock to the market.”

Safety and Security

- No serious safety or security incidences were reported by traders that are affecting their businesses.

Price data (December 2017)

S/N	Commodity	Local unit of measure	Nakivale	Oruchinga	Rwamwanja	Kyaka II	Kyangwali
1	Maize grain	Kg	800	1,040	500	1,000	700
2	sorghum	kg	-	-	-	833	467
3	Maize flour	Kg	1,850	1,620	2,000	2,500	1,500
4	Rice (Super)	Kg	2,850	3,400	3,660	3,500	4,000
5	Rice (Pakistan)	Kg	3,775	3,820	3,720	3,833	3,250
6	Rice (Kaiso)	Kg	3,150	3,260	2,420	3,000	1,767
7	Wheat flour	kg	3,175	3,000	3,150	3,083	3,500
8	Cassava flour	Kg	1,875	1,540	1,580	2,700	-
9	Cassava-fresh	Basin/heap	18,250	14,600	21,000	1,000	1,000
10	Bananas	Bunch	9,750	12,600	11,600	-	15,000
11	Sweet potatoes	Basin/heap	15,500	16,000	17,600	1,000	-
12	Beans (Nambale – red with spots)	Kg	1,725	1,540	1,600	1,867	2,000
13	Beans (Agwede)	Kg	2,150	1,660	1,540	-	-
14	Beans (Yellow)	Kg	3,250	2,180	3,500	2,333	-
15	Peas	Kg	3,775	3,940	3,640	2,000	2,000
16	Vegetables	Kg	-	-	-	1,000	1,000
17	Irish Potatoes	Kg	1,550	1,760	1,000	2,000	1,875
18	Beef - Cow	Kg	10,000	10,000	10,000	10,000	10,000
19	Beef - Goats	Kg	12,000	12,000	12,000	-	-
20	Fish	Kg	-	-	-	10,667	-
21	Chicken (Cock)	Kg	-	-	-	35,000	35,000
22	Cooking Oil	Litre	6,750	6,000	5,600	5,000	6,000
23	Sugar	Kg	4,375	4,700	5,000	5,000	4,800
24	Millet Flour	Kg	3,225	4,300	3,000	4,000	4,000
25	salt	Kg	1,200	1,200	1,200	1,200	1,200