



WFP MONTHLY MARKET UPDATE

SUDAN, FEBRUARY 2018

Highlights

- During the last three months the trend of sorghum, millet and sesame prices in Gadarif Auction Market¹ showed a remarkable increase, from December 2017 to the March 2018.
- The national average price of sorghum sharply increased in February by 17 percent.
- The retail prices of sorghum increased by more than 15 percent in 7 out of 12 states; East Darfur the showed highest increase by 34 percent.
- The national average price of goat increased by 12.0 percent in February 2018 compared to the previous month; the highest increase was observed in White Nile by 15 percent.
- The national average price of groundnut increased by 16.8 percent in February, the record increase witnessed in East Darfur by 33 percent.

Implications of Recent Policies Change on the prices of Food.

During the last two months, the Sudanese Government adopted new policies, such as removal of subsidies (including wheat), the devaluation of the currency, restrictions on some imported items, increasing custom tax; aimed to alleviate the impacts of the long-standing and structural economic challenges. These developments have caused the price of many basic goods - including sorghum, millet and wheat, the main staple foods – to increase sharply, limiting economic access to a nutritious diet for many (see Chart 1 & 2). The result was inflationary pressure on the price of imports, perhaps the most important for food security being wheat.

¹ The prices of the main staple food (sorghum, millet and sesame) in the Gadarif Auction Market, which is one of Sudan's main market for the three crops as well as the reference market for markets around Sudan.

Recent Food Prices in the Production Areas

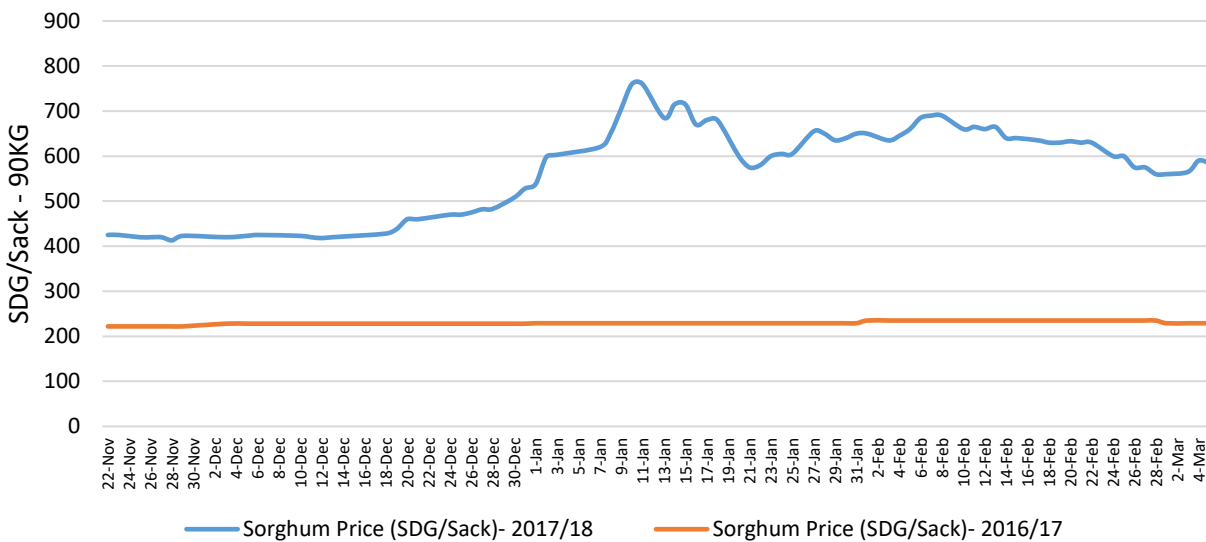
The price of sorghum increased by 40 percent from mid-December 2017 to first week of March 2018, during a time of the year when prices are normally decreasing or stable (Chart 1). The average sorghum price in the first week of March was 584 SDG² compared to 229 SDG³ in March 2017 – an increase of 155 percent (Chart 2).

Similarly, the price of millet increased sharply (by 39 percent) from mid-December 2017 to first week of March 2018. The average price of one sack of millet in Gadarif Auction market was approximately 1,144 SDG in the first week of march, compared to 469SDG in March last year.

Most Likely Scenario

The market prices of staple food crops are anticipated to further increase in the coming months as the food Supply from 2017/18 seasonal harvest are decreased. Most households with low purchasing power will unlikely get access to staple food and are anticipated to face food shortage in the coming months. The increase in prices will also very likely to impact WFP operations negatively as the prices of food crop are increasing continuously.

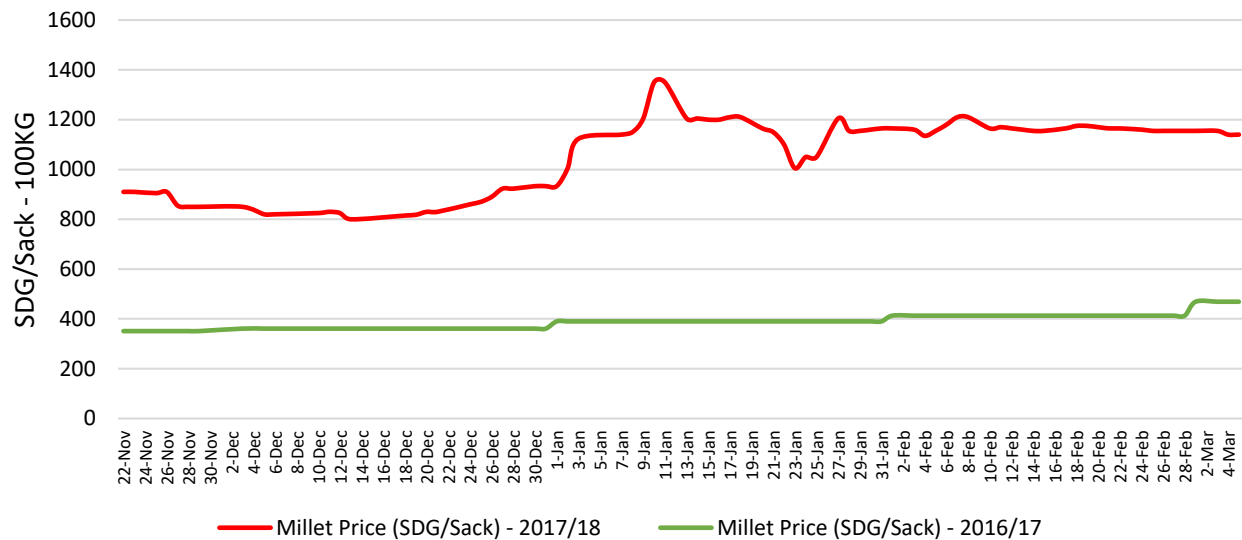
Chart 1: Daily Sorghum Prices, Gadarif Auction Market, Nov. 2017 - March 2018



² The price is per standard 90 kg sack.

³ Food and Agriculture Realtime Messaging and Reporting System (FARMERS), Food Security Technical Secretary.

Chart 2: Daily Millet Prices, Gadarif Auction Market, Nov. 2017 - March 2018

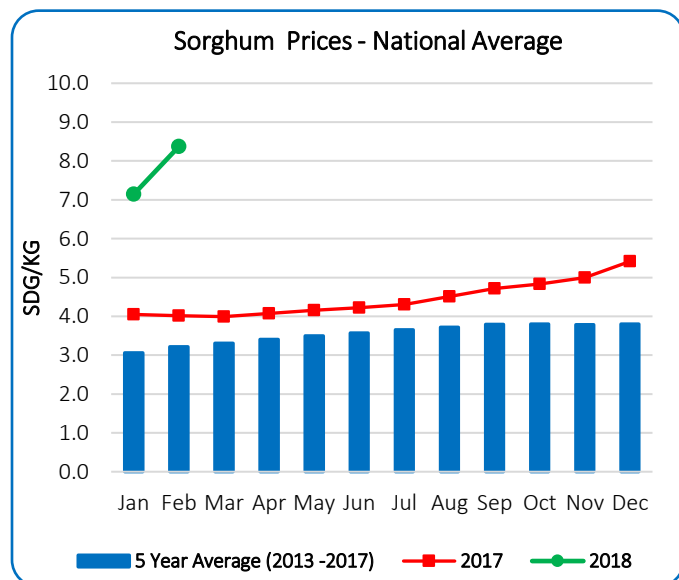


Market Prices in the WFP Areas

Summary:

The national average price of sorghum sharply increased by 17 percent compared to January 2018. The current national retail price of sorghum increased by 108 percent compared to the same period of the previous year (February 2017). This attributed to a reduction in the total harvestable area in the current season (2017/18) in addition to the new government policies that lifted wheat subsidy and devaluation of the Sudanese currency. Discouraging sorghum prices during the previous season, delay of rainfall and long dry spells in many areas contributed to significant decrease in sorghum production.

The national average price of sorghum was 133 percent higher than the five-year average of January.



The national average price of goat increased by 12.0 percent compared to the previous month (January 2018), this attributed to the increase in the cost of production and new government policies which shifted the prices of livestock. The national average price of goat increased by 90.0 percent compared to the same month of the previous year.

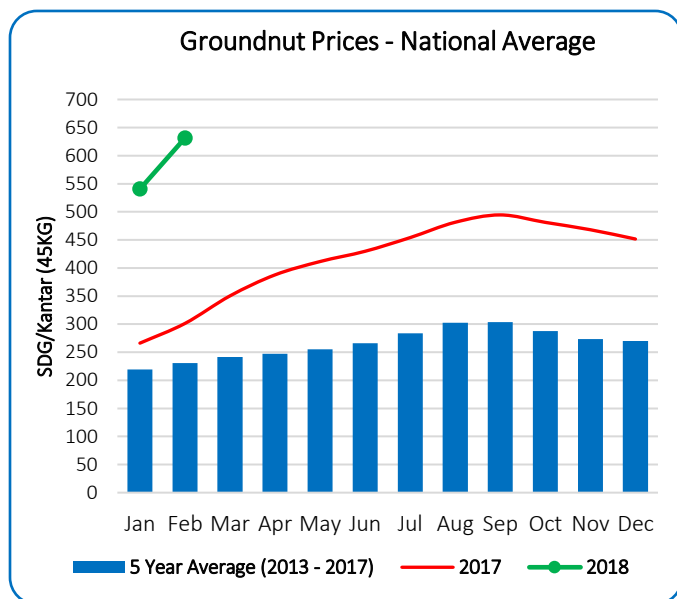
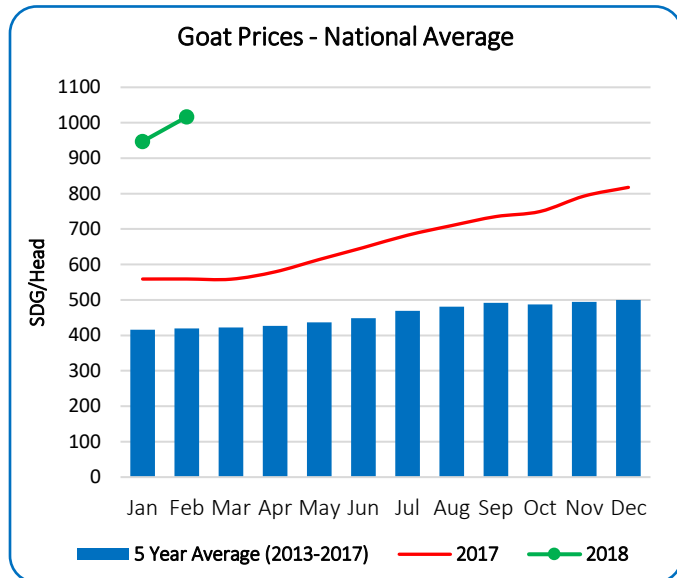
The national average price of goat higher by 153.0 percent than the five-year average of the same month (February). This high variation in the national average price of goat is mainly attributed to the inflationary increase in the cost of production, such as medicines and supplementary feedings.

The national average price of groundnut increased by 16.8 percent compared to the previous month. The increase in the groundnut prices is mainly attributed to the high demand from local and international market. Groundnut prices expected to increase further during the coming months due to the new government policies (currency devaluation, which increase the demand for the export market).

The national average price of groundnut higher by 174 percent compared to the same period of the previous year (February 2017), this is due to the high demand from local and international markets in addition to inflationary increase in the costs of production.

The national average price of groundnut higher by 174.0 percent compared to the five-year average of February.

Additional price data for the three commodities for 2016, 2017 and 2018 by the state found in annex 1 (page 9).



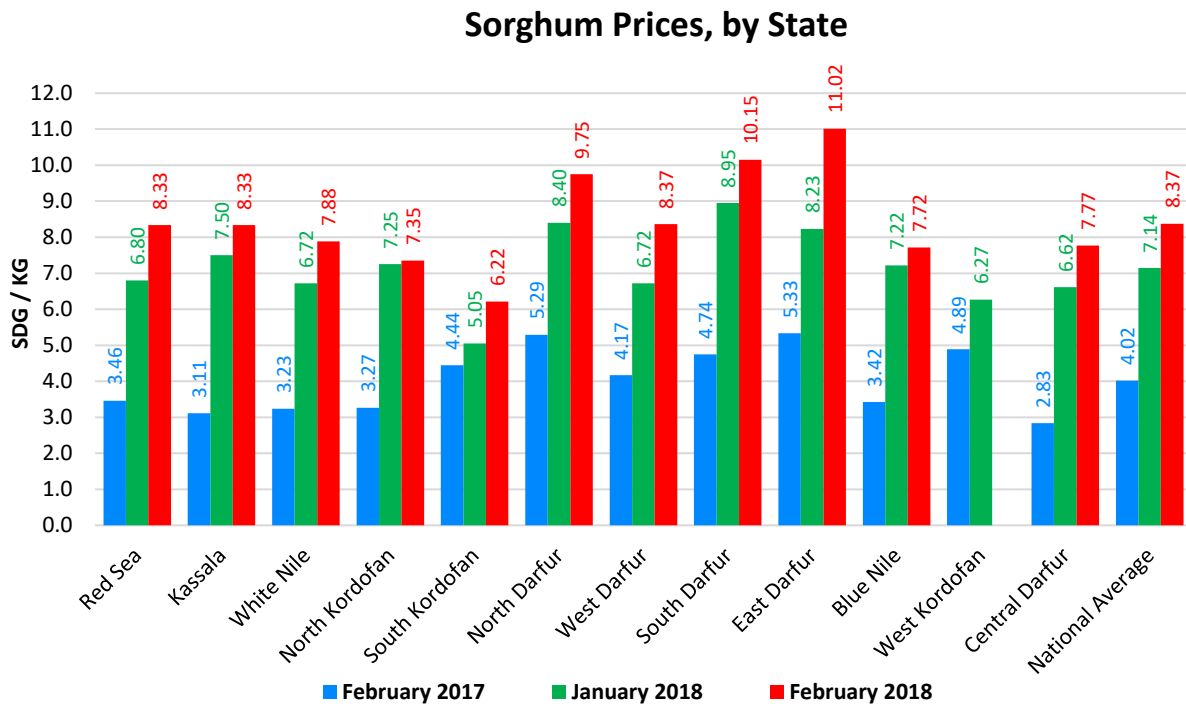
Sorghum

Sorghum retail prices increased sharply in all states during February 2018 compared to the previous month. It sharply increased in East Darfur (34.0 percent), West Darfur (25 percent), South Kordofan (23.0 Percent), Red Sea (22.5 percent), Central Darfur (17.5 percent), White Nile (17.5 percent), North Darfur (16.0 percent), South Darfur (13.5 percent), Kassala (11.0 percent), Blue Nile (7.0 percent) and it slightly increased in North Kordofan (1.0 percent).

The substantial increase in the sorghum prices all around Sudan is mainly attributed to the new government policies that devaluated the currency and lifted the subsidies from the wheat. These policies coincided with the low production of sorghum during the last season (2017/18) as the result of farmers' shifting from cereal to cash crop production, poor rainfall and frequent dry spells in many areas.

The sorghum prices increased in all states compared to the same period of the previous year (February 2017). It sharply increased in Central Darfur (174 percent), Kassala (168 percent), White Nile (144 percent), Red Sea (141 percent), Blue Nile (125 percent), North Kordofan (125 percent), South Darfur (114 percent), East Darfur (107 percent), West Darfur (101 percent), North Darfur (84.0 percent) and South Kordofan (40.0 percent).

The sorghum prices were higher by 118 to 218 percent in all states compared to the 5-year average of February.



Goat

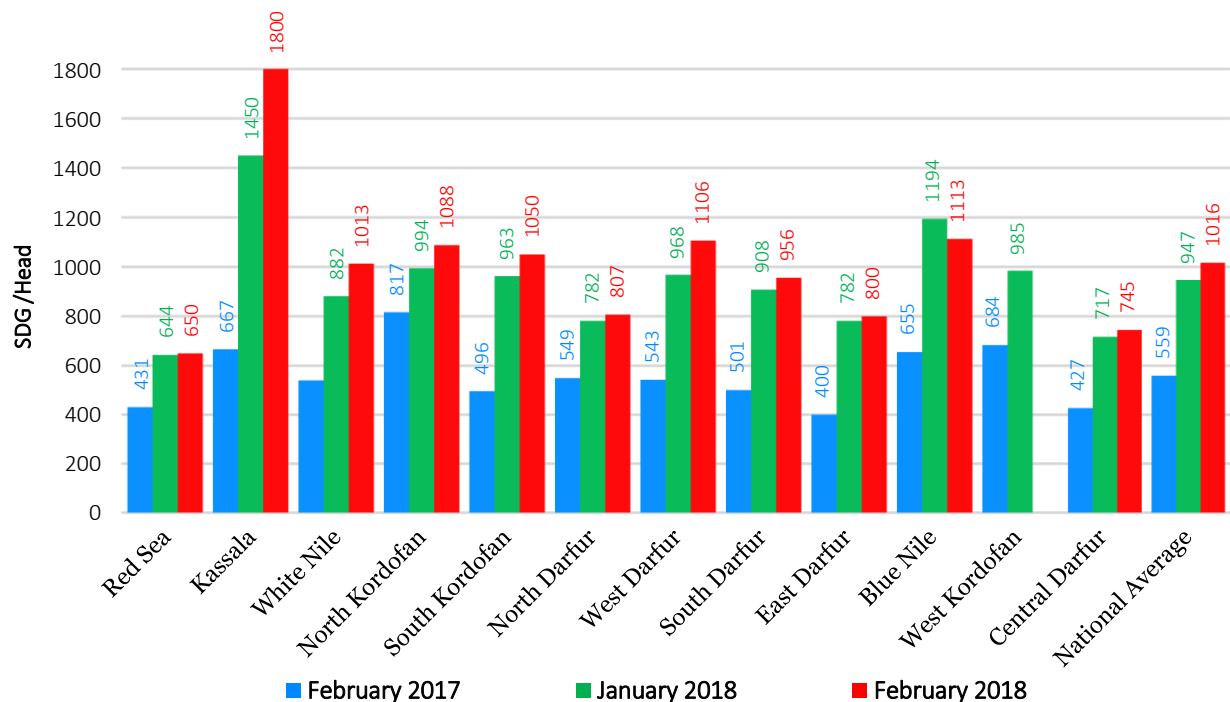
The prices of goat increased in all states compared to the previous month, except Blue Nile where it decreased by 22 percent. It significantly increased in West Darfur (40 percent), North Kordofan (28 percent), Kassala (24 percent), North Darfur (18 percent), White Nile (17 percent), South Kordofan (12 percent), Central Darfur (11 percent), South Darfur (8 percent), Red Sea (7 percent) and East Darfur (3 percent).

There was a sharp increase in the goat prices in all states (by 42.0 to 170 percent) compared to the same month of the previous year (February 2017). It sharply increased in Kassala (170 percent), West Darfur (150 percent), South Kordofan (117 percent), East Darfur (101 percent), South Darfur (95 percent), White Nile (91 percent), Central Darfur (86 percent), North Darfur (68 percent), Red Sea (59 percent), North Kordofan (55 percent) and Blue Nile (42 percent). This increase is mainly attributed to the sharp increase in the cost of supplementary feeding and veterinary services in addition to high demand for export market.

The prices of goat were higher by 68 to 326 percent in all states compared to the 5-year average of the same month (February).

The high goat prices compared to the previous years attributed to inflationary increase in the cost of production and high demand for export markets.

Goat Prices, by State



Groundnut

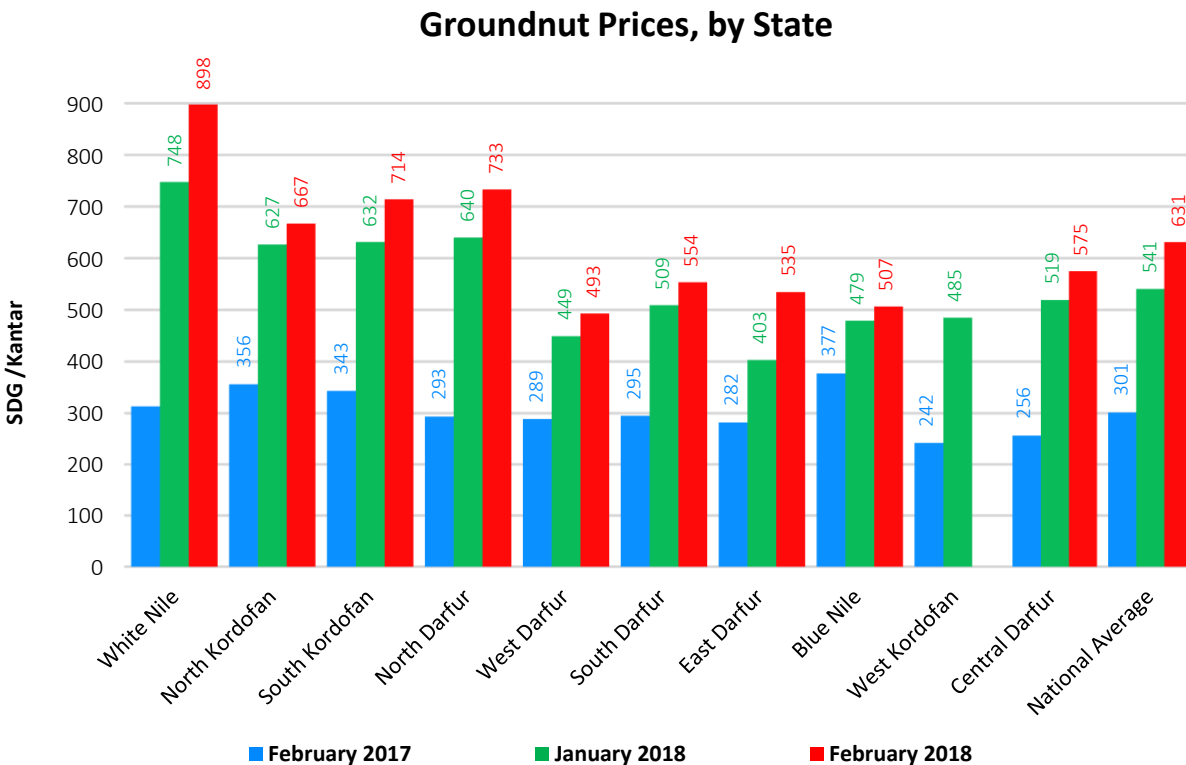
The groundnut prices increased in by 6.0 to 33 percent compared to the previous month. It sharply increased in East Darfur (33 percent), White Nile (20 percent), Kassala (14.5 percent), North Darfur (14.5 percent), South Kordofan (13 percent), Central Darfur (11 percent), West Darfur (10 percent), South Darfur (9 percent), North Kordofan (6.5 percent) and Blue Nile (6 percent).

The increase of groundnut prices in all states attributed to higher demand from local and international markets coincided with the diminishing supply from the last season production. The groundnut prices expected to increase sharply from March up to the end of August 2018 and it will put more pressure on the prices of vegetable oil.

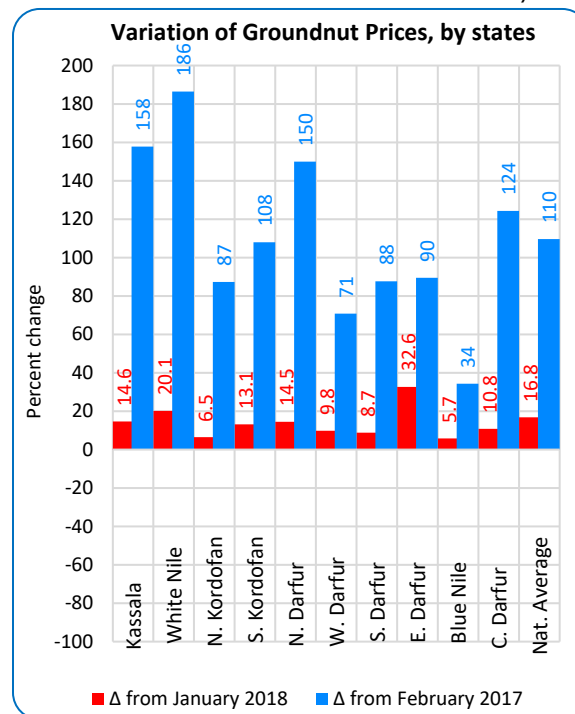
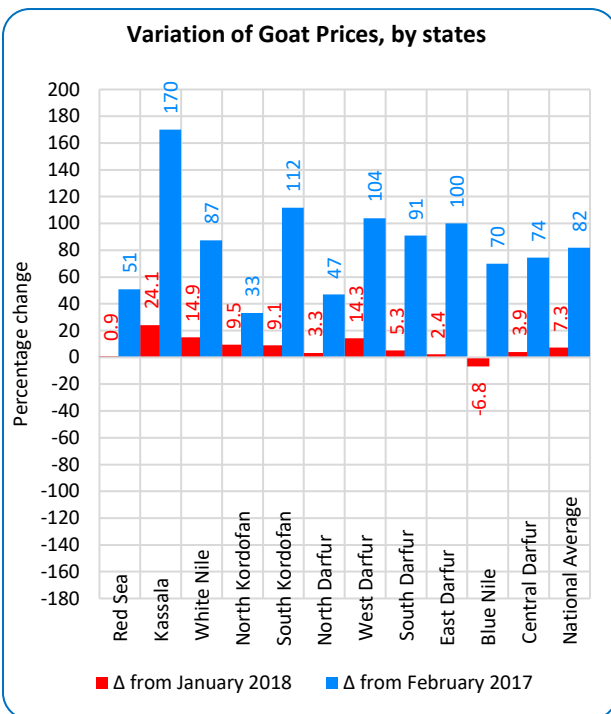
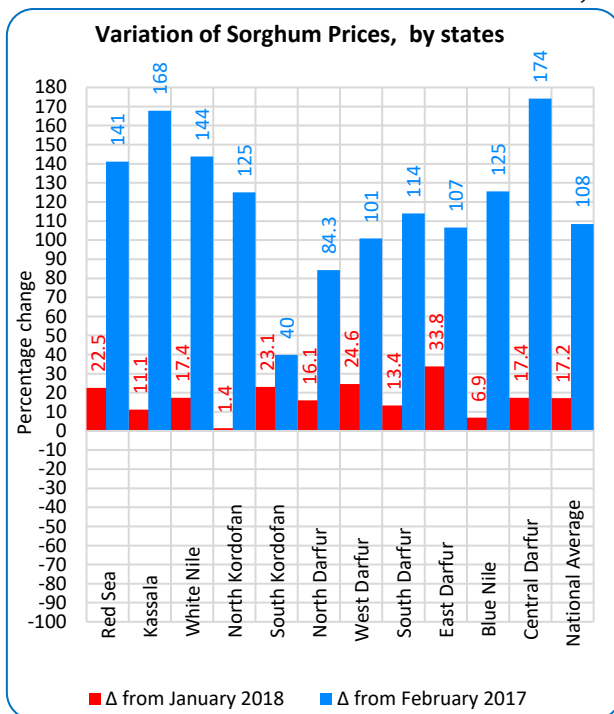
The groundnut prices higher by 35 to 186 percent in all states compared to the same month of the previous year (February 2017).

The groundnut prices remained extremely higher by 94 to 192 percent in all states, compared to the five-year average of February.

The high variation in the groundnut prices in February 2018 compared to the previous years, is mainly attributed to the high demand for internal and international markets during 2017 and inflationary increases in the costs of production.



THE PERCENTAGE CHANGE OF SORGHUM, GOAT AND GROUNDNUT PRICES COMPARED TO THE JANUARY 2018 AND FEBRUARY 2017



Ranking the States According to the level of Variations in the Price of Commodities

February 2018 Compared to January 2017			
Ranking	Sorghum	Goat	Groundnut
First	East Darfur (+)	Kassala (+)	East Darfur (+)
Second	West Darfur (+)	White Nile (+)	White Nile (+)
Third	Red Sea (+)	West Darfur (+)	Kassala (+)
Fourth	South Kordofan (+)	North Kordofan (+)	North Darfur (+)
Fifth	C. Darfur & W. Nile (+)	South Kordofan (+)	South Kordofan (+)

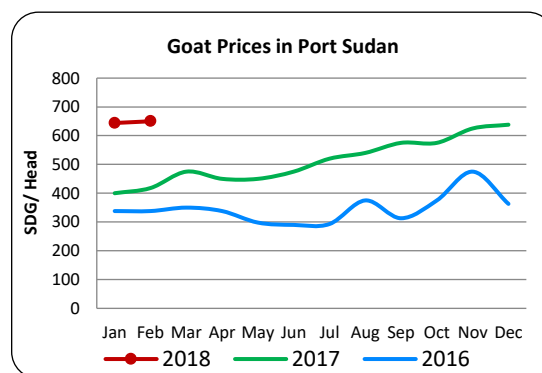
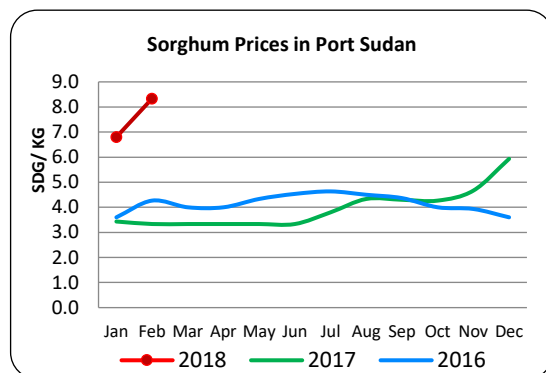
February 2018 compared to February 2017			
Ranking	Sorghum	Goat	Groundnut
First	Central Darfur (+)	Kassala (+)	White Nile (+)
Second	Kassala (+)	South Kordofan (+)	Kassala (+)
Third	White Nile (+)	West Darfur (+)	N. Darfur (+)
Fourth	Red Sea (+)	East Darfur (+)	Central Darfur (+)
Fifth	N. Kordofan & B. Nile (+)	South Darfur (+)	South Kordofan (+)

Key: Increase in price = (+), Decrease in price = (-), Steady price = (0)

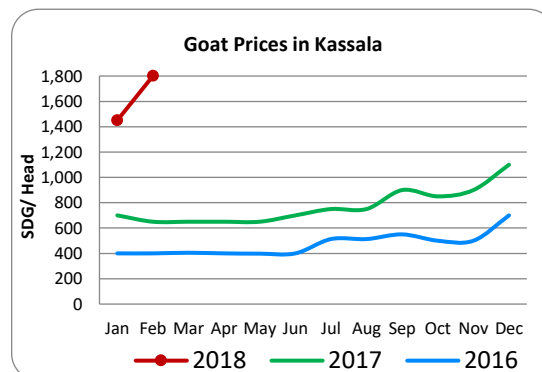
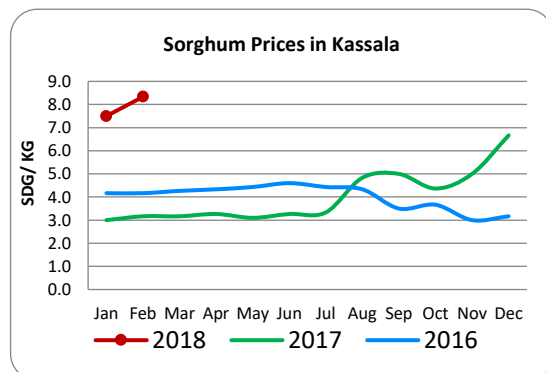
Note: Compared to the previous month (January 2018), the sorghum prices significantly increased in most states, it sharply increased in East Darfur, West Darfur, Red Sea, White Nile and Central Darfur. Goat prices increased in all states except Blue Nile, while groundnut prices continued its significant increase all around the country.

Annex 1: The Sorghum, Goat and Groundnut prices for 2016, 2017 and 2018 by States:

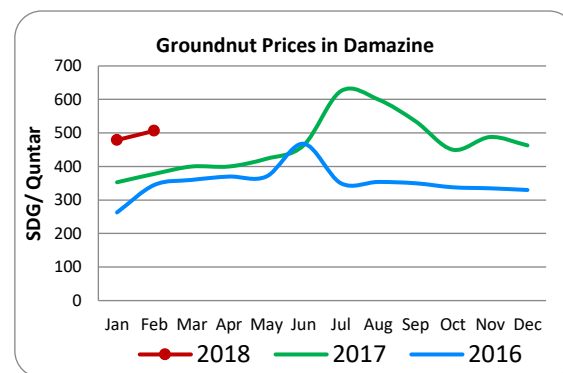
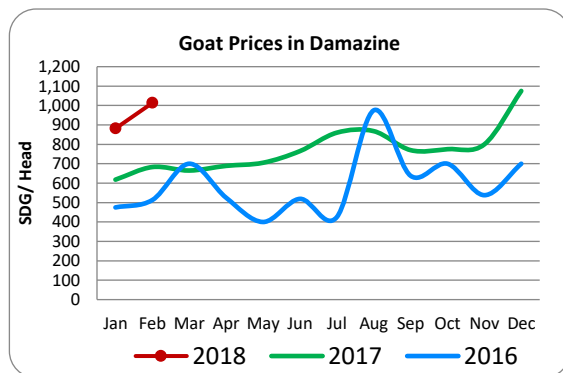
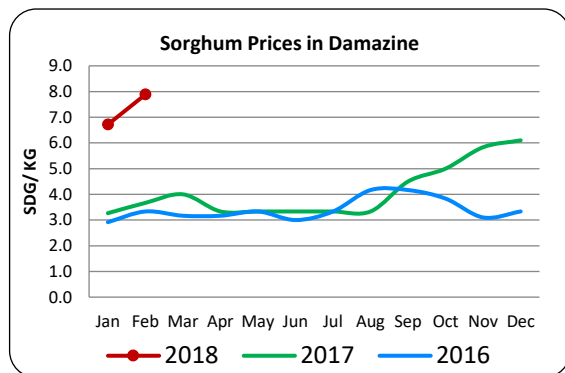
Red Sea



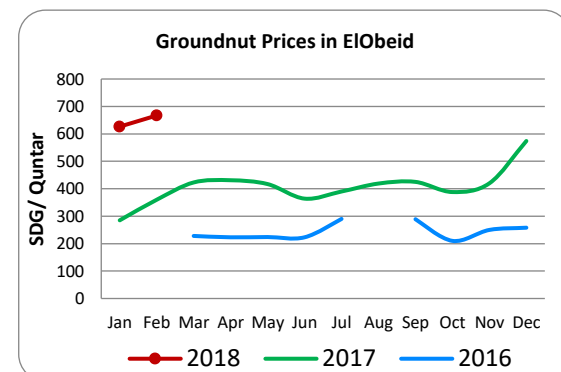
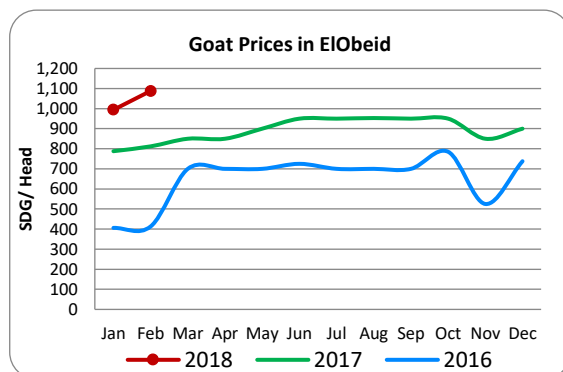
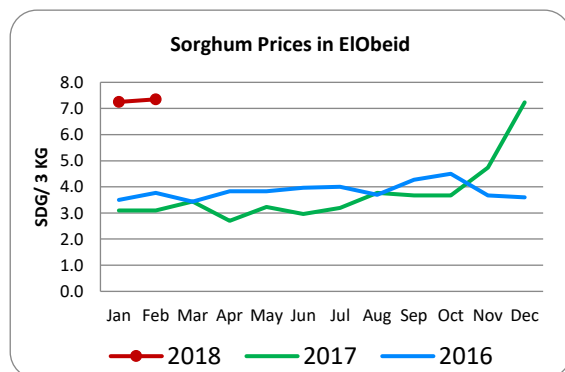
Kassala



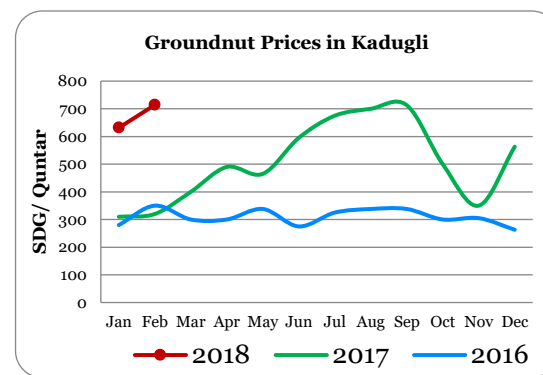
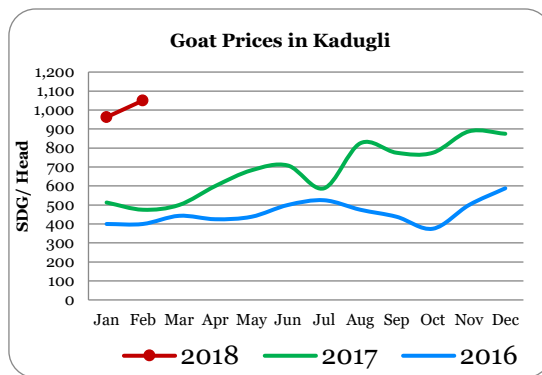
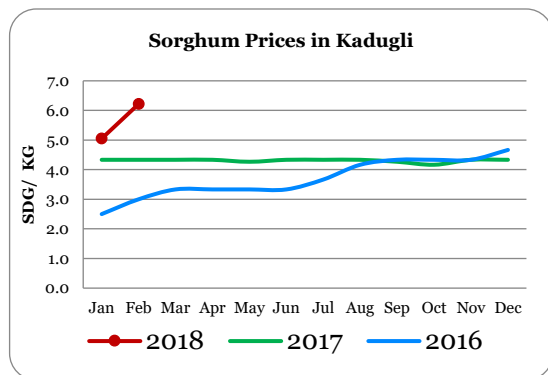
Blue Nile



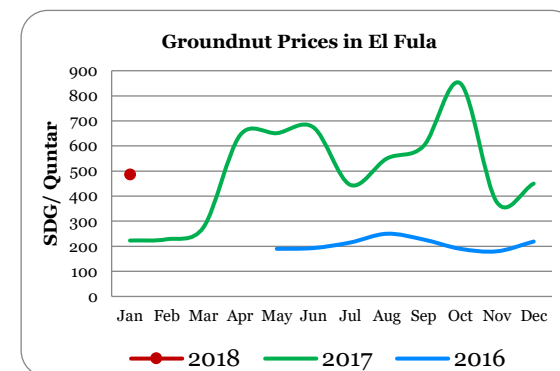
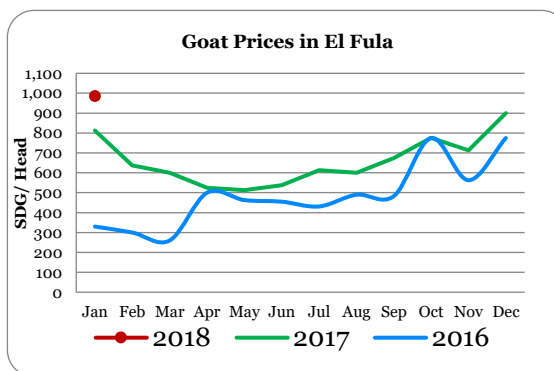
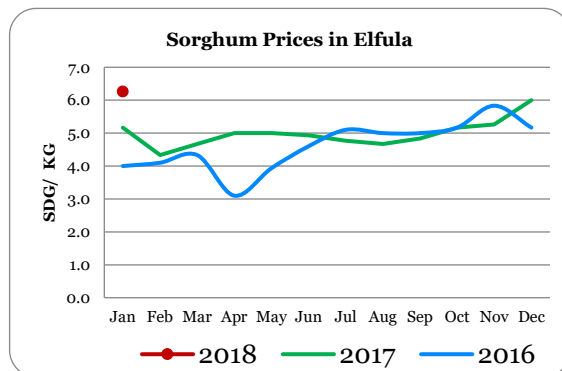
North Kordofan



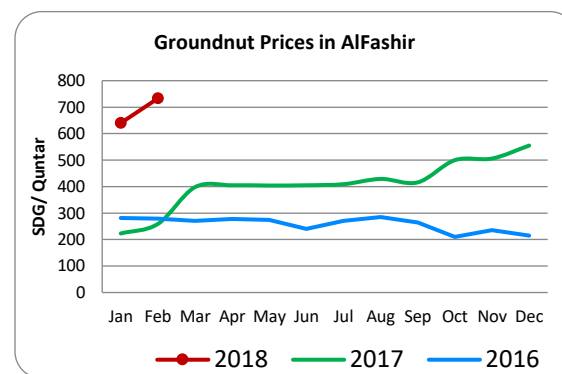
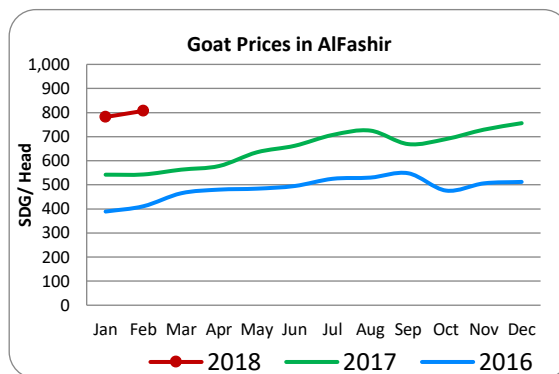
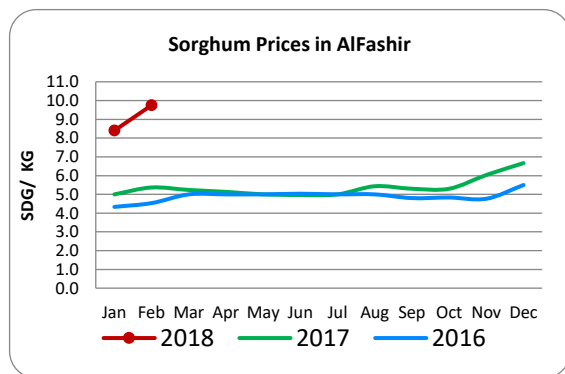
South Kordofan



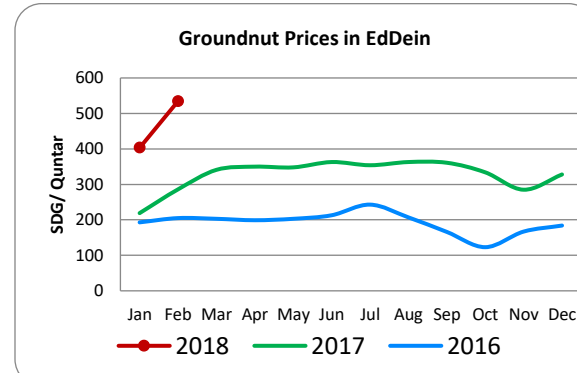
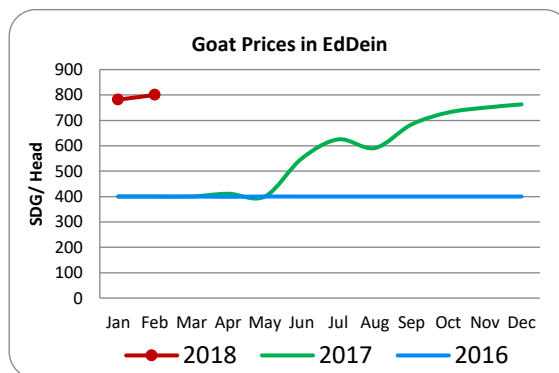
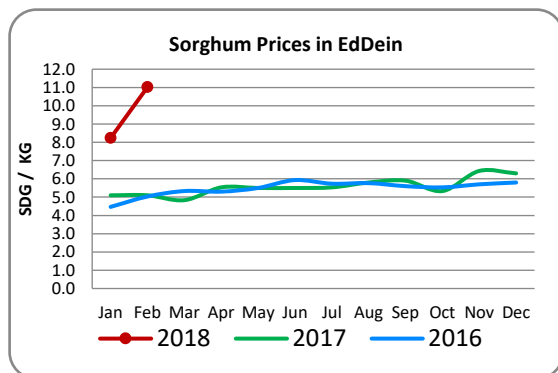
West Kordofan



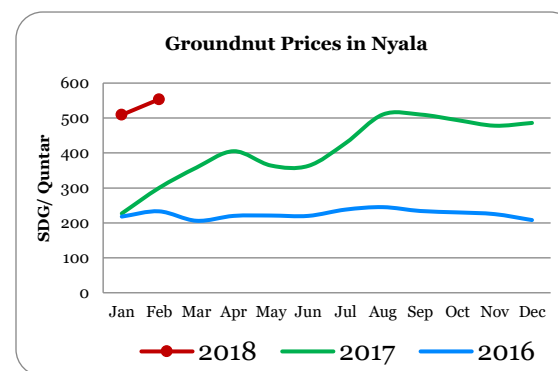
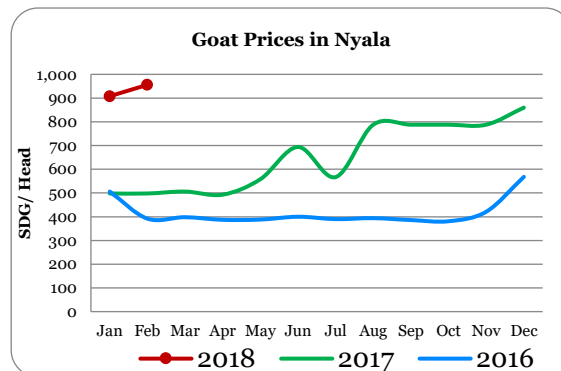
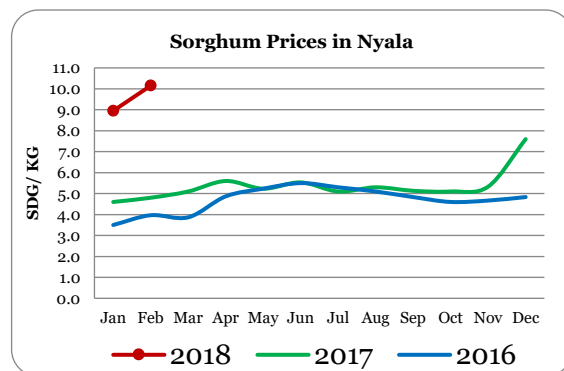
North Darfur



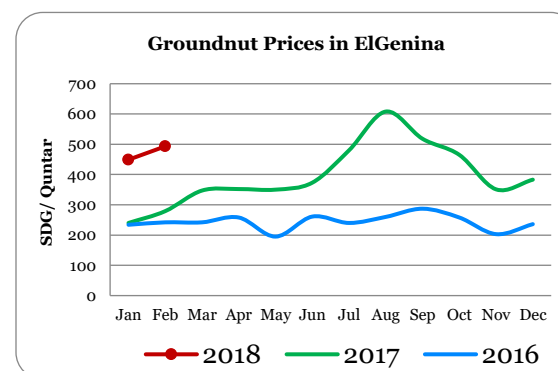
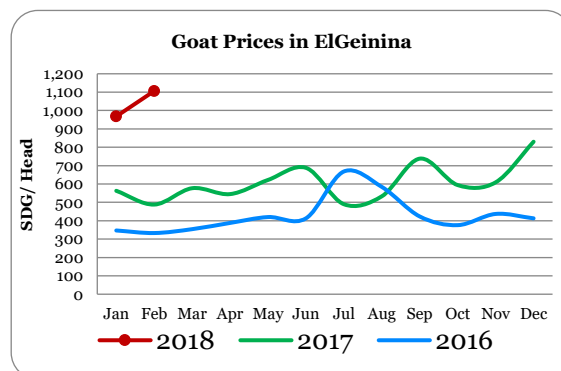
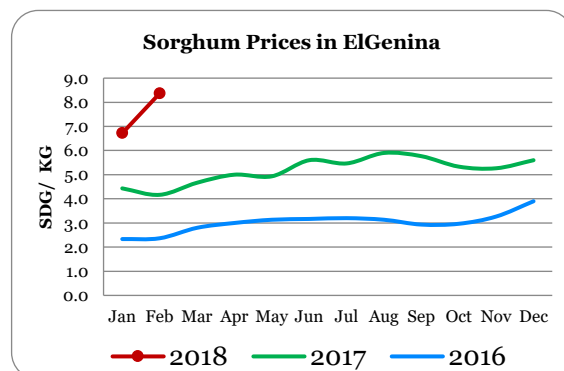
East Darfur



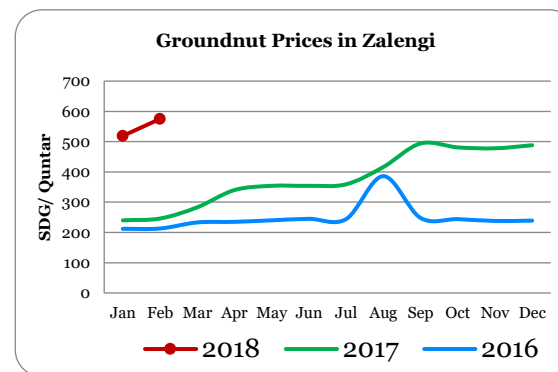
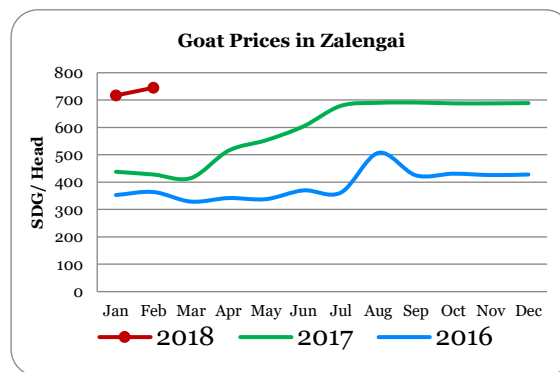
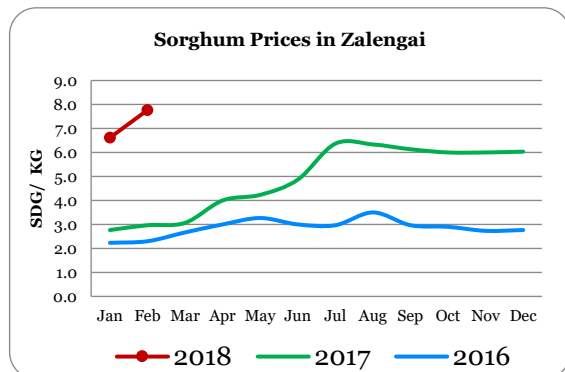
South Darfur



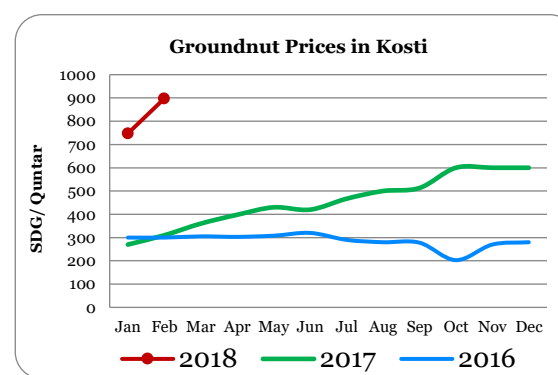
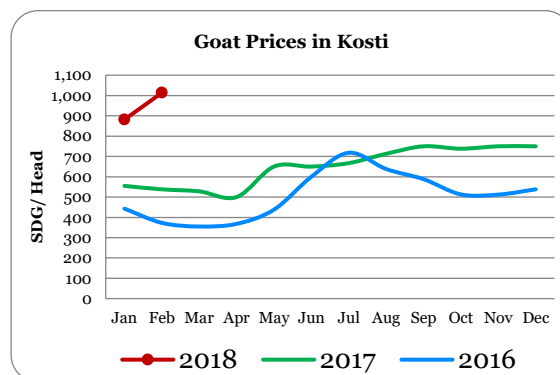
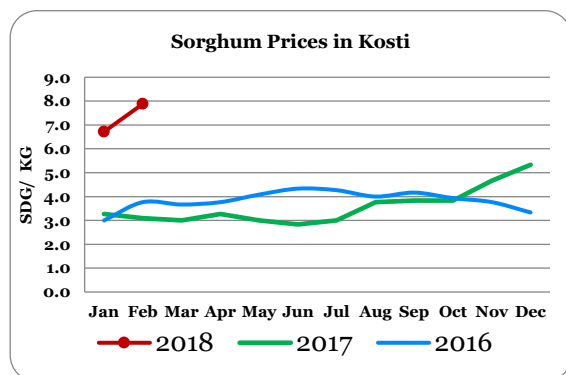
West Darfur



Central Darfur



White Nile



National Average

