

South Sudan

MONTHLY MARKET PRICE MONITORING BULLETIN



United Nations
**World Food
Programme**



JUNE 2018¹

HIGHLIGHTS

- **Currency Exchange Rate:** Driven by foreign exchange shortages, the South Sudanese Pound (SSP) continued its depreciation in May. In Juba, the average exchange rate of one US Dollar was 305 SSP in the parallel market, while the official exchange rate was SSP 138, compared to 274 SSP and 136 SSP in the previous month. Given the low value of the local currency, the Central Bank of South Sudan introduced new 500 SSP bill in June.
- **Cost of Food:** The cost of standard food basket continued its increasing trends. The increase in the last few months could be associated mainly with the depreciation of local currency and the progress of the rainy season. In May 2018, Lakes, Central Equatoria and Northern Bahr el Ghazal were the three locations with the highest cost of the food basket.
- **Cereal Prices:** More than half of monitored markets experienced increase in cereal prices compared to the previous month. High transport cost associated with the rainy season could be a reason for the observed price upsurges.
- **Prices:** Rapid variation has been observed in fuel prices, especially in markets getting supply through informal cross border trade. In May, record high fuel price was observed in Aweil for diesel (SSP 740/L) and in Bunj for petrol (SSP 900/L), increases of 119 percent and 35 percent, respectively as compared to April 2018. It was mainly due to delay in supplies to petrol stations due to poor road conditions in the rainy season.
- **Terms of Trade:** In May 2018, mixed trends of goat to cereal ToT were observed. Markets (Yida, Juba and Torit) that have experienced cereal price increases and drop in goat prices have faced deterioration of ToT, whilst markets (Rumbek, Kapoeta South and Mingkaman) with increased goat price and stable cereal price showed improvements in their ToT.
- **Outlook:** If the currency exchange rate remains stable, availability of cereal from fresh harvest in Kampala will be likely to maintain prices in Juba not to go beyond the seasonal increases. However, markets receiving supplies through informal cross border trade from Sudan are likely to face increase in food prices.

¹The analysis is based on May 2018 price data

Photos: WFP/Ryan McDonald (Left) and WFP/George Fominyen (Right)

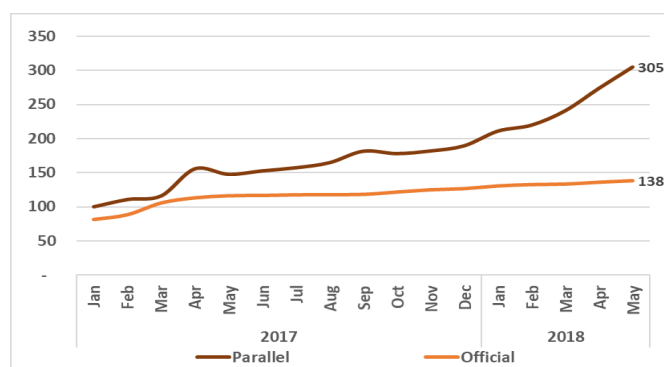
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South Sudanese Pound continues to depreciate

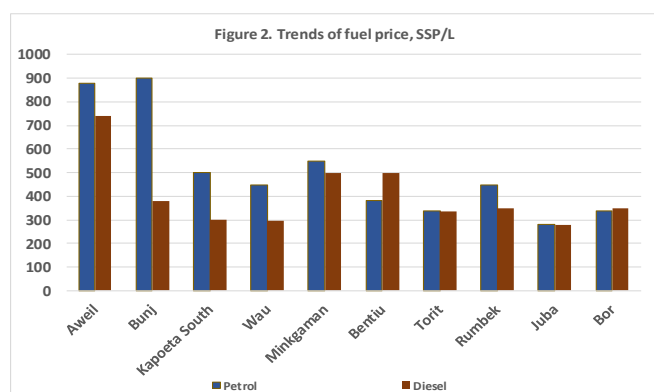
Driven by foreign exchange shortages, the South Sudanese Pound (SSP) continued its depreciation in May. In Juba, the average exchange rate of one US Dollar was 305 SSP in the parallel market, while the official exchange rate was SSP 138, compared to 274 SSP and 136 SSP in the previous month. This divergence of 120 percent between the official and parallel exchange rate is the highest since the 2016 currency devaluation. Compared to the same period last year, the exchange rate of US Dollar to SSP has increased by 106 percent in the parallel market while the official exchange rate has increased by only 19 percent. Due to the low value of the local currency, the Central Bank of South Sudan has introduced new 500 SSP bill since June.



Source: Bank of South Sudan (Official) and WFP (Parallel)

Record-high fuel prices in most markets

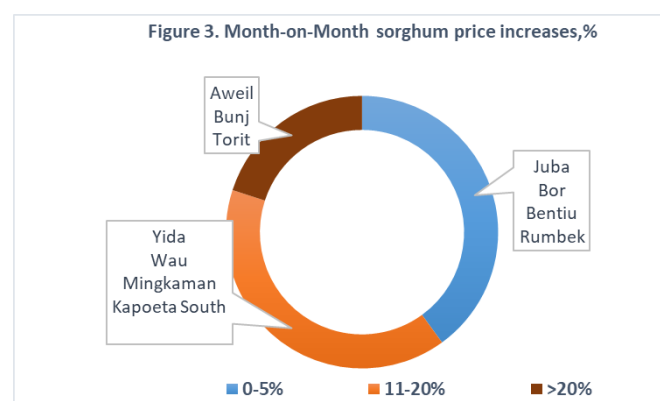
Rapid variation has been observed in fuel prices, especially in markets getting supply through informal cross border trade. In May, record high fuel price was observed in Aweil for diesel (SSP 740/L) and in Bunj for petrol (SSP 900/L), increases of 119 percent and 35 percent, respectively as compared to April 2018.



Except in Juba where petrol price stood around one US Dollar equivalent of parallel exchange rate, other markets experienced higher than one US Dollar or SSP 305 per litre of fuel (Figure 2). Compared to the same period last year, fuel price in May was more than double in most markets (Annex 1). Challenges in road access due to the rainy season and hard currency scarcity could among the reasons for the increase in fuel prices.

Upward trend in staple food prices

Grain Price: More than half of the monitored markets experienced increased in price of cereal and cereal products compared to the previous month. The most common staple cereal, sorghum, increased by 11 to 64 percent, maize grain by 8 to 60 percent, maize flour 8 to 28 percent and wheat flour by 6 to 74 percent (see Annex 1). The observed increases were the highest in Bunj for sorghum, Kapoeta South for maize grain, Rumbek for maize flour and Bentiu for wheat flour. Figure 2 depicts month-on-month percent changes of sorghum price by market. Increase in transport costs due to the rains have also contributed to these seasonal price increases. In a market like Aweil, Government purchases of cereal has contributed to the observed cereal price increases. Sorghum prices have remained stable in Juba, Bor, Bentiu and Rumbek markets. In May, lowest sorghum price was observed in Yida, which is hosting refugee populations who are dependent on humanitarian assistance.



Compared to one year ago, markets across South Sudan have registered significant increase in sorghum prices (see Annex 1). Exception is Bor, where the price declined by 32 percent, which could be because of the abrupt price increases which had occurred in May 2017 due to insecurity along the road from Juba to Bor.

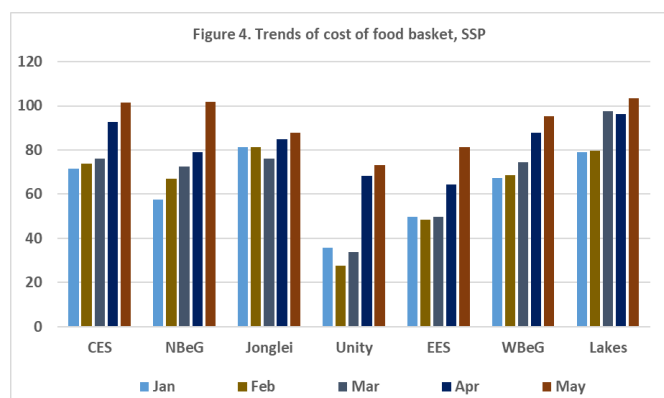
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Likewise, the price of red field beans (locally known as *Janjaro*) has increased in about three-fourth of the monitored markets; the highest increase was in Rumbek (67 percent) as compared to the previous month. The remaining markets have experienced stability or decrease in prices. All monitored markets have showed price increases compared to the same month one year ago.

Vegetable oil price: In May 2018, cooking oil prices have increased in the range of 11 to 123 percent in half of monitored markets compared to the previous month. Compared to one year ago, prices have increased by more than 50 percent across markets. Generally, cooking oil prices have been continually increasing over the past few months, which has impacted negatively the purchasing power of households.

Cost of food basket: Figure 4 illustrates the cost of food basket calculated based on standard food basket¹ that meets daily minimum energy requirements of 2,100 kcal per person. The figure illustrates the increasing cost of the food basket as we move towards the rainy season. In May 2018, Lakes, Central Equatoria and Northern Bahr el Ghazal were the three locations with the highest cost of the food basket (see Figure 4). Compared to January 2018, cost of food basket has increased in Unity (103 percent), Torit (76 percent), NBeG (75 percent), CES (41 percent), WBeG (40 percent), Rumbek (31 percent) and the least in Jonglei (7 percent).



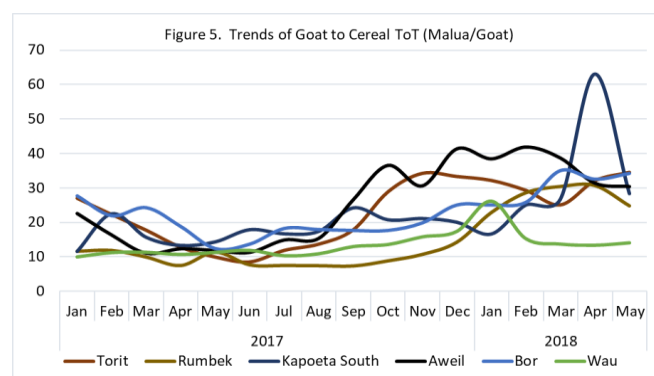
Terms of Trade (ToT): Purchasing Power

¹ The standard food basket comprises 500grams of sorghum, 50grams of pulse, 30grams of oil and 5grams of salt.

Goat to sorghum: Compared to April, the ToT has deteriorated in Rumbek due to a decline in the price of goat, in Kapoeta South associated with decreases in goat price coupled with cereal price increases, and in Mingkaman linked to increases in cereal price. Bor, Aweil and Wau have experienced stability in ToT. On the contrary, Torit, Yida and Juba have showed improvements in ToT due to increased goat prices.

Compared to the same month one year ago, the ToT of livestock dependent households has more than doubled in most markets, while the increase was by one-quarter in Wau, and it remained stable in Juba.

Wage to sorghum: Due to increases in cereal price, and decrease or stability in non-agricultural wage, ToT has deteriorated across all monitored markets: by less than 5 percent in Bentiu, Bor, Torit and Aweil; and between 10 to 55 percent in Wau, Konyokonyo, Rumbek and Kapoeta South. Compared to May 2017, the ToT have shown improvements; the exception was in Rumbek where it deteriorated by 42 percent.



Outlook

The key source market, Kampala, has started to receive maize and sorghum from the new harvests², and as a result, prices have declined there. If the currency exchange rate remains stable, expected price increases in Juba and other markets directly supplied from Kampala might not go beyond the seasonal increases. However, markets receiving supplies from Sudan through informal cross border trade are likely to face increased food prices due to high transport associated with the rainy season. Any impact of recent Peace Agreement on market and trade needs to be monitored closely.

² <http://farmgainafrica.org/first-maize-harvest-season-opened>

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Table 1: Highest and Lowest Price by Markets and Month-on-Month Percent Changes - May 2018

	Lowest Price			Highest Price		
	Market	Price (SSP)	M-on-M Change (%)	Market	Price (SSP)	M-on-M Change (%)
White sorghum (3.5 KG)	Yida	186	16	Mingkaman	588	14
White maize (3.5 KG)	Yida	120	-63	Rumbek	660	8
Maize flour(KG)	Juba	170	13	Yida	498	5
Field beans(KG)	Torit	225	10	Yida	536	7
Wheat flour (KG)	Juba	200	0	Bunj	450	-3
Cooking oil(L)	Aweil	280	30	Bunj	800	0
Diesel (L)	Juba	280	4	Aweil	740	119
Petrol(L)	Juba	280	4	Bunj	900	35
Groundnuts-shelled (KG)	Agok	136	ND	Rumbek	675	4
TOT: Goat to sorghum (malua)	Wau	14	5	Mingkaman	46	-8
TOT: Wage to sorghum (malua)	Rumbek	0.4	-29	Torit	1.79	-4

ND: No data for comparisons

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ANNEX 1: Commodity Prices and Percent Changes - May 2018

	Commodity	SSP	Price Changes (%)						
		May	1M	3M	1Y	1M	3M	1Y	
White Sorghum (3.5KG)	Juba	475	3	36	38	▶	▲	▲	
	Aweil	470	31	68	88	▲	▲	▲	
	Bor	400	0	0	-32	▶	▶	▼	
	Bentiu	200	0	60	18	▶	▲	▶	
	Yida	186	16	24	13	▲	▲	▶	
	Bunj	320	64	88	137	▲	▲	▲	
	Torit	310	22	43	161	▲	▲	▲	
	Wau	417	11	63	39	▲	▲	▲	
	Rumbek	484	2	38	38	▶	▲	▲	
	Kapoeta South	350	17	56	100	▲	▲	▲	
Mingkaman	588	14	-16	3	▲	▼	▶		
White Maize (3.5KG)	Juba	500	14	25	29	▲	▲	▲	
	Aweil	410	26	56	71	▲	▲	▲	
	Kapoeta South	380	60	9	9	▲	▶	▶	
	Rumbek	660	8	41	65	▲	▲	▲	
	Torit	336	4	34	-14	▶	▲	▶	
	Wau	450	3	61	36	▶	▲	▲	
	Yida	120	-63	0	-19	▼	▶	▶	
Wheat Flour (KG)	Bor	300	33	50	55	▲	▲	▲	
	Juba	200	0	25	49	▶	▲	▲	
	Aweil	310	6	6	130	▲	▶	▲	
	Bentiu	400	74	43	43	▲	▶	▲	
	Bunj	450	-3	80	190	▶	▲	▲	
	Kapoeta South	280	-29	109	87	▼	▲	▲	
	Mingkaman	300	20	0	61	▲	▶	▲	
	Rumbek	284	5	14	89	▶	▲	▲	
	Torit	215	21	57	81	▲	▲	▲	
	Wau	247	2	54	73	▶	▲	▲	
Yida	290	22	16	57	▲	▲	▲		
Agok	215								
Field beans (KG)	Juba	450	29	53	94	▲	▲	▲	
	Aweil	510	21	21	179	▲	▲	▲	
	Bor	300	0	0	21	▶	▶	▲	
	Bentiu	457	32	134	203	▲	▲	▲	
	Bunj	500	25	67	175	▲	▲	▲	
	Kapoeta South	300	20	45	20	▲	▲	▲	
	Mingkaman	388	-6	11	47	▼	▲	▲	
	Rumbek	460	67	31	130	▲	▲	▲	
	Torit	225	10	6	33	▲	▶	▲	
	Wau	470	2	2	63	▶	▶	▲	
	Yida	536	7		627	▲	▶	▲	
Agok	500			75	▲	▶	▲		
Maize Flour (KG)	Juba	170	13	6	16	▲	▶	▶	
	Bor	250	0	14	31	▶	▲	▲	
	Kapoeta South	170	3	13	-3	▶	▲	▶	
	Mingkaman	300	0	0	25	▶	▶	▲	
	Rumbek	236	28	31	67	▲	▲	▲	
	Torit	180	16	27	27	▲	▲	▲	
	Wau	300	14	82	100	▲	▲	▲	
	Yida	498	5			▶	▶	▶	
	Aweil	332	8	48	121	▲	▲	▲	
Vegetable Oil (L)	Juba	350	17	17	56	▲	▲	▲	
	Aweil	280	30	40	100	▲	▲	▲	
	Bor	500	18	67	64	▲	▲	▲	
	Bentiu	700	-7		43	▼	▶	▲	
	Bunj	800	0	100	253	▶	▲	▲	
	Kapoeta South	525	75	163	110	▲	▲	▲	
	Mingkaman	525	11	5	68	▲	▶	▲	
	Rumbek	378	-23	-6	89	▼	▶	▲	
	Torit	375	6	34	50	▲	▲	▲	
	Wau	370	2	23	102	▶	▲	▲	
	Yida	670	123	121	70	▲	▲	▶	
	Agok	400			53	▶	▶	▲	
	ToT (Goat to Sorghum) Malua/Goat	Bor	34	5	33	177	▶	▲	▲
		Aweil	30	-3	-27	156	▶	▼	▲
Rumbek		25	-19	-13	117	▼	▼	▲	
Torit		35	8	18	250	▶	▲	▲	
Kapoeta South		28	-55	13	98	▼	▲	▲	
Wau		14	5	-8	25	▶	▶	▲	
Mingkaman		46	-8	114	243	▼	▲	▲	
Yida		46	36	43	209	▲	▲	▲	
Juba	24	13	4	-7	▲	▶	▶		
ToT (Wage to Sorghum) # Malua/Daily wage	Juba	1.05	-13	-13	72	▼	▼	▲	
	Aweil	1.06	-4	28	56	▶	▲	▲	
	Torit	1.79	-4	-11	45	▶	▼	▲	
	Wau	0.72	-10	-31	8	▼	▼	▶	
	Bor	1.25	0	43	179	▶	▲	▲	
	Bentiu	1.92	-1	-36	44	▶	▼	▲	
	Rumbek	0.41	-29	-42	-42	▼	▼	▼	
	Yida	1.72	-8	-14	42	▼	▼	▲	
Kapoeta South	1.05	-37	23	23	▼	▲	▲		
Fuel-Petrol (L)	Bor	340	13	48	237	▲	▲	▲	
	Bunj	900	35	188	260	▲	▲	▲	
	Kapoeta South	500	67	100		▲	▲	▶	
	Mingkaman	550	19	72	261	▲	▲	▲	
	Rumbek	450	0	29	211	▶	▲	▲	
	Torit	338	-14	-4		▼	▶	▶	
	Wau	450	-9	63	200	▼	▲	▲	
	Yida	500	6	43	60	▲	▲	▲	
	Agok	370			81	▶	▶	▲	
	Malakal	650	18			▲	▶	▶	
	Bentiu	380	-16			▶	▶	▶	
Juba	280	4	17		▶	▲	▶		
Shelled Groundnuts (KG)	Juba	440	2	120	69	▶	▲	▲	
	Aweil	244	-21	11	63	▼	▲	▲	
	Bor	300	0	-5	20	▶	▶	▲	
	Bentiu					▶	▶	▶	
	Mingkaman	400	-16	33	203	▼	▲	▲	
	Rumbek	434	-13	55	334	▼	▲	▲	
	Torit	675	4	84	150	▶	▲	▲	
	Wau	390	7	117	-35	▲	▲	▼	
	Kapoeta South	350	0	40	17	▶	▲	▶	
	Agok	136			74	▶	▶	▶	

Above normal price increases ▲

Normal Price changes ▶

Below normal price decreases ▼

Price fluctuation is considered normal if the price changes by =< 5% compared to one month ago; =<10% within 3 months and, =< 20% compared the same period one year ago