



OCTOBER¹ 2018

HIGHLIGHTS

- *Currency Exchange Rate: In September 2018, the average exchange rate in the parallel market in Juba was SSP 215, compared to the highest ever of SSP 310 in June 2018. The rate in the parallel market remained stable from August but depreciated by 18 percent compared to September 2017. The divergence of the parallel market to the official rate in Juba narrowed to 43 percent in September, down from 46 percent in August and 122 percent in June.*
- *Grain Prices: From July 2018, the retail prices of staple cereal have started to decrease in most markets, and this downward trend has continued in September. This decrease in staple prices is associated with the currency appreciation, as well as the decrease in consumer demand with the harvest season and an increase in commodity supply to the markets at the beginning of dry season.*
- *Subsidized food: Government has continued the sale of food at subsidized prices at first come first served basis to consumers in Juba town. The retail prices of sugar, maize flour, red beans, wheat flour, rice and vegetable oil at subsidized shops were lower than market prices by 29 to 57 percent.*
- *Fuel Prices: The price of diesel decreased in most of the markets, but the price remained the same in a quarter of monitored markets. The appreciation of local currency, and the Government policy for decontrolling prices and allowing fuel stations free importation is believed to have eased fuel availability and drop in prices. In Juba, the diesel price was at its lowest at SSP 190 per liter, (below one-dollar exchange rate in the parallel market) from the peak in July 2018. The low diesel prices and easy availability is expected to positively impact the transport costs.*
- *Terms of Trade: The purchasing power of livestock dependent households improved in Aweil, Wau, Yida, Torit, and Kapoeta, attributed to the decreases in cereal prices. The TOT in September was about 50 percent higher than the corresponding month of last year. In September, one average goat fetched 210 kilograms sorghum, and the lowest was in Wau at 46 kilograms of sorghum.*
- *Outlook: The signing of peace agreement followed by South Sudan Peace Celebration and the seasonal improvements in the road access, coupled with increased availability of food from own production among farming households and continued distribution of food assistance are likely to lead to a marginal decrease in the price of staple food in the coming months.*

¹This bulletin is prepared based on September 2018 market price data
Photos: WFP/Aschalew Feleke: Yida Market (Left), Tonj Market (Right)
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South Sudan

MONTHLY MARKET PRICE MONITORING BULLETIN

1. Macro-economic Environment

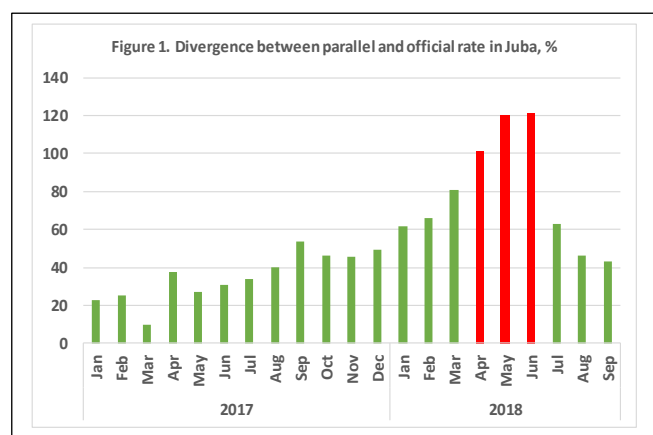
The South Sudan economy has remained being affected by foreign currency earnings as oil production the main exchange earner has not recovered. The Gross Domestic Product (GDP) has remained negative for the last three years and was estimated at -6.3 percent in 2017. According to National Bureau of Statistics, inflation rates are still high at 41.8 percent in October 2018, but has come down from an all high of 549 percent in September 2016. However, the peace agreement signed could see the reverse to positive of the negative macro-economic environment, thereby improving livelihoods and reducing vulnerability.

1.1. South Sudan Pound exchange rate remained elevated, but stable

In September 2018, the average currency exchange rate in the parallel market in Juba was SSP 215 per dollar, as compared to SSP 310 in June 2018, which represented the highest exchange rate in South Sudan. The exchange rate in the parallel market remained the same compared to one month ago, whilst it depreciated by 18 percent from September 2017.

The official exchange rate was SSP 150 per dollar, a marginal depreciation of 2.3 percent than the preceding month. The divergence between the parallel rate to the official rate in Juba narrowed to 43 percent in September, down from 46 percent in August and 122 percent in June (see Figure 1). The decreasing and stable exchange rate in the parallel market can contribute to easy access to foreign currency, and improved supply of imported food commodities in the market.

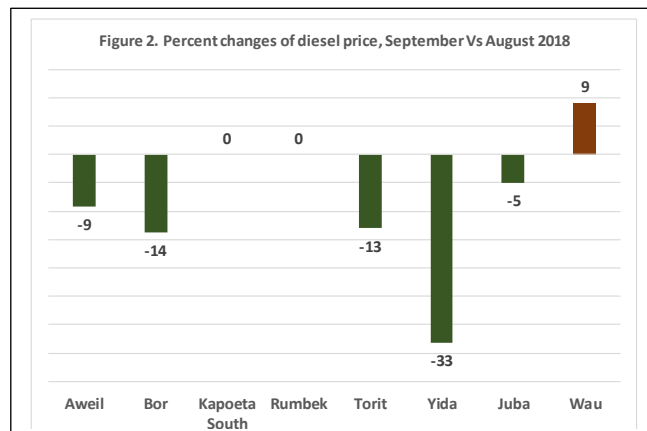
Source: Bank of South Sudan (Official) and WFP (Parallel)



1.2. Fuel prices: - continued to drop in monitored markets

Diesel: Compared to August, the price of diesel decreased by 5 to 33 percent in 60 percent of monitored markets but remained the same in 25 percent of markets. However, diesel price increased by 9 percent in Wau. The stable prices of diesel in most markets is attributed to the appreciation of local currency. In Juba, the diesel price was SSP 190 per liter (below one-dollar exchange rate in the parallel market). The stable diesel prices are expected to positively impact the transport cost.

Petrol: Similar to diesel, the price of petrol dropped in both major towns served by formal fuel stations and in local markets where petrol is sold in the parallel market, using jerrycans and bottles. In September, Mingkaman, Rumbek, Wau and Bentiu had the highest price decrease, ranging from 25 to 44 percent compared to the preceding month. Juba, Aweil and Torit markets had price decreases of nine percent.



Source: WFP

2. Staple food prices: - decreased due to incoming harvest, better supply to the markets with the dry season, coupled with local currency appreciation.

2.1. Staple grain:

From July 2018, the retail prices of staple cereal have started to stabilize or decrease across most of monitored markets, after a prolonged period of steady and constant increase since mid-2016. This is mainly due to the seasonal availability of harvest, which allows

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farming households to significantly decrease their dependency on markets for the staple cereal. The prices have remained stable despite some traders being reluctant to supply markets with cereals staples such as sorghum, for example in the former Warrap state. The currency appreciation, the seasonal harvest and the increased market supply at the beginning of the dry season have contributed to the observed prices behavior.

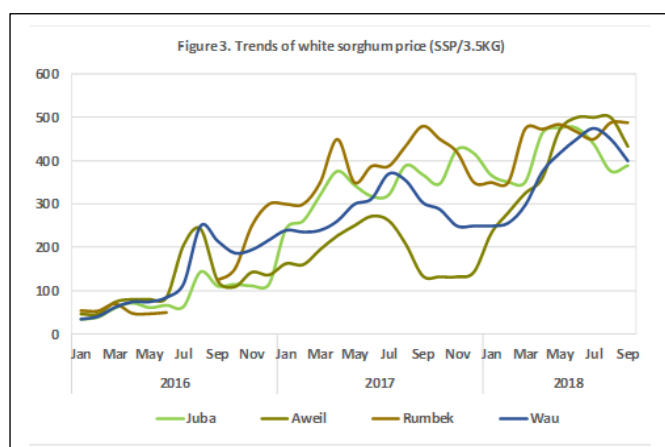
2.2. Uganda cross border trade impact on prices²:

Failure of the Uganda government to purchase maize at US\$ 500 per kilogram forced farmers and traders to release held stocks into an already well supplied market, further exerting downward pressure on domestic prices. As a result, prices in the main consumption markets such as South Sudan continued to decline through September 2018. Furthermore, the report indicated that exports of sorghum from Uganda to South Sudan increased seasonably because of high demand during the lean season. South Sudan, accounts 54 percent of regional informal imports of sorghum followed by Rwanda accounting 19 percent of trade.

Though imports of sorghum from Uganda increased seasonably, the main trade routes (Gokmachar and Warwar) from Sudan exhibited decrease in trade inflows, which could be linked to depressed production in Sudan.

2.3. Sorghum grain:

Prices dropped in Wau, Aweil and Yida ranging from 11 to 21 percent compared to August. It remained stable within a five percent range for Juba and Mingkaman.



2.4. Maize grain:

It is one of largely consumed cereal in Equatoria states, and it is also a substitute to sorghum. From August, the prices of maize grain have decreased in Kapoeta South (43 percent), Juba (6 percent) and Torit (5 percent). However, all monitored markets experienced higher prices from last year the same month. The exception was in Torit and Kapoeta South, prices were below last year the same month. Similarly, prices of imported maize meal dropped by six percent in Yambio and Kapoeta South, and by 15 to 20 percent in Juba, Aweil, Mingkaman and Bor.

2.5. Field beans (Janjaro):

About half of monitored markets witnessed prices drop by 11 to 23 percent compared to last month. While price remained the same in 40 percent of markets, an increase of price by 6 percent observed in Aweil.

2.6. Vegetable oil:

Retail prices of vegetable oil dropped by 10 to 21 percent or remained stable across markets compared to a prior month (see Table 2). However, prices remained above last year's similar month.

3. Juba Subsidized food:

Sugar, vegetable oil, maize meal, wheat flour, rice and red beans are sold to consumers in Juba at subsidized prices. These commodities are distributed through shops located in different parts of the town. Accordingly, retail prices of sugar, maize flour, red beans, wheat flour, rice and vegetable oil at subsidized shops were lower than market prices by 29 to 57 percent (see Table 2).

Price	Sugar	Maize flour	Red beans	Wheat flour	Rice	Vegetable oil
Subsidized	160	100	150	150	180	260
Market	240	180	350	180	288	365
% changes	-33	-44	-57	-17	-38	-29

Source: WFP

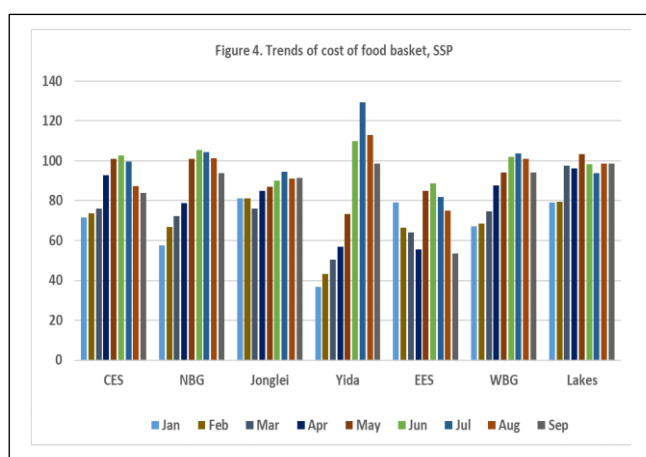
² The East Africa Cross Border Trade Quarterly Bulletin (October 2018)

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4. Cost of Minimum Food Basket

The cost of a daily standard food basket was calculated based on the food baskets that meet daily minimum energy requirements. The standard food basket includes 500 grams of cereal, 50 grams of pulse, 30 grams vegetable oil which provides 2,100 kilo calories per person, the minimum daily energy requirement. In September, the cost of minimum food basket per person per day was highest in Lakes, SSP 99, and the lowest in Eastern Equatoria, SSP 54. Generally, due to the overall reduced food prices, the cost of food basket showed downward trends, after June 2018 (see Figure 4).

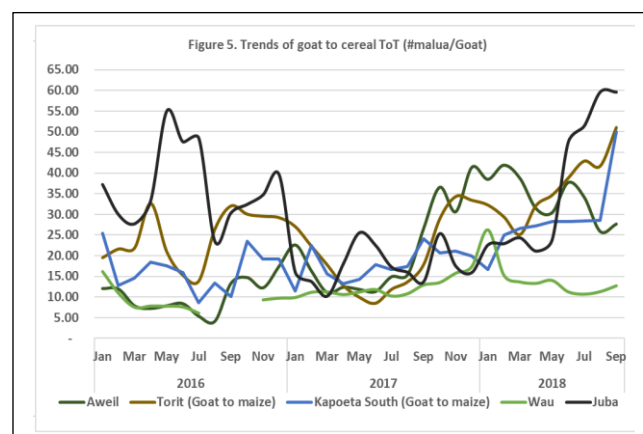


Source: WFP

5. Terms of Trade (ToT): Purchasing Power

5.1. Goat to sorghum:

Compared to August, the purchasing power of livestock dependent households improved by seven to 22 percent in Aweil, Wau, Yida and Torit, and the highest increase in Kapoeta South by 75 percent. Improvements in ToT attributed to decreases in cereal price. In September, one average goat fetched the highest, 210 kilograms of sorghum, and the lowest in Wau, 46 kilograms of sorghum. In September, the TOT was higher than the corresponding month of last year.



5.2. Wage to sorghum:

Despite the stable wage rates, ToT between unskilled urban wage to cereal improved in major urban centers; by 13 percent in Wau, by 15 percent in Aweil and by 55 percent in Rumbek. It was mainly due to drop in cereal prices. However, the ToT deteriorated very slightly (3 percent) in Juba, whilst stable in Torit, 5 percent. Compared to September 2017, TOT have improved across markets.

6. Outlook

The signing of peace agreement is expected to revive hopes and confidences of the citizens and the business community. Hence, the economic activities are expected to recover but at a slow pace.

Furthermore, the agreement of the rival forces allowing the Khartoum government to secure and rehabilitate oil field to restore pre-crisis production levels is expected to reduce the challenges of availability of foreign currency the country has faced.

Generally, the above factors and improvements of dry season road access coupled with availability of food from own production among farming households and distribution of food assistance are likely to bring marginal price decreases of staple food in the coming two to three months.

The stable conditions will entirely depend on whether the appreciating SSP exchange rate, as well as the peace agreement holds in the coming months.

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Table 2: Highest and Lowest Price by Markets and Month-on-Month Percent Changes – September 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	288	-21	Rumbek	488
White maize (3.5 KG)	Kapoeta South	200	-43	Wau	475	0
Maize flour(KG)	Kapoeta South	170	-6	Yida	463	-7
Field beans(KG)	Torit	180	-13	Yida	550	-11
Wheat flour (KG)	Juba	180	-13	Yida	450	13
Cooking oil(L)	Bor	330	-12	Yida	1000	0
Diesel (L)	Juba	190	-5	Yida	440	9
Petrol(L)	Juba	190	-9	Aweil	500	-9
Groundnuts-shelled (KG)	Kapoeta South	200	0	Juba	450	0
TOT: Goat to sorghum (malua)	Wau	13	13	Juba	60	0
TOT: Wage to sorghum (malua)	Aweil	1.27	15	Torit	4.4	5

ANNEX 1: Commodity Prices and Percent Changes – September 2018

	Commodity	SSP	Price Changes (%)							Commodity	SSP	Price Changes (%)					
		Sep	1M	3M	1Y	1M	3M	1Y			Sep	1M	3M	1Y	1M	3M	1Y
White Sorghum (3.5KG)	Juba	388	3	-18	6	▶	▼	▶	Vegetable Oil (L)	Juba	365	-3	-9	61	▶	▶	▲
	Aweil	433	-13	-13	223	▼	▼	▲		Aweil	338	8	13	94	▲	▲	▲
	Mingkaman	475	-5	-16	-36	▶	▼	▼		Bor	330	-12	-34	38	▼	▼	▲
	Yida	288	-21	-16	24	▼	▼	▲		Mingkaman	450	-10	-16	22	▼	▼	▲
	Rumbek	488	0	4	2	▶	▶	▶		Bentiu	700	11	-20	40	▲	▼	▲
	Wau	400	-11	-11	32	▼	▼	▲		Wau	405	4	-15	41	▶	▼	▲
White Maize (3.5KG)	Kapoeta South	200	-43	-47	-33	▼	▼	▼	Kapoeta South	500	0	-23	138	▶	▼	▲	
	Juba	400	-6	-11	9	▼	▼	▶	Yida	1000	0	25	54	▶	▲	▲	
	Aweil	413	-8	-16	244	▼	▼	▲	Torit	360	3	-5	38	▶	▶	▲	
	Torit	228	-5	-34	-7	▶	▼	▶	TOT (Goat to Sorghum) Malua/Goat	Torit	51	22	32	186	▲	▲	▲
	Wau	475	0	6	77	▶	▶	▲		Aweil	28	7	-27	4	▲	▼	▶
Yida	238	-13	-13	32	▼	▼	▲	Mingkaman		31	-21	-25	229	▼	▼	▲	
Wheat Flour (KG)	Bor	200	6	-33	67	▲	▼	▲		Wau	13	13	13	-2	▲	▲	▶
	Juba	180	-13	-24	4	▼	▼	▶		Yida	19	16	-22	82	▲	▼	▲
	Kapoeta South	250	0	-11	108	▶	▼	▲	Kapoeta South	50	75	77	107	▲	▲	▲	
	Aweil	288	-6	-29	109	▼	▼	▲	Juba	60	0	26	337	▶	▲	▲	
	Mingkaman	275	-8	-11	13	▼	▼	▶	TOT (Wage to Sorghum) # Malua/Daily wage	Juba	3.35	-3	155	284	▶	▲	▲
	Torit	180	3	-11	42	▶	▼	▲		Aweil	1.27	15	27	22	▲	▲	▲
	Rumbek	305	0	2	88	▶	▶	▲		Wau	2.50	13	96	162	▲	▲	▲
Wau	280	10	11	94	▲	▲	▲	Yida		1.74	58	48	35	▲	▲	▲	
Yida	450	13	29	0	▲	▲	▶	Torit		4.39	5	174	139	▶	▲	▲	
Field beans (KG)	Juba	350	-22	-23	21	▼	▼	▲		Rumbek	1.74	55	0	67	▲	▶	▲
	Aweil	438	6	-12	121	▲	▼	▲		Fuel-Petrol (L)	Aweil	500	-9	-22	56	▼	▼
	Bor	200	-12	-33	-20	▼	▼	▶	Bor		265	10	-24	-1	▲	▼	▶
	Rumbek	400	0	-7	108	▶	▶	▲	Torit		235	-8	-23	0	▼	▼	▶
	Mingkaman	400	0	2	70	▶	▶	▲	Wau		290	-33	-36	-14	▼	▼	▶
	Kapoeta South	200	0	-33	0	▶	▼	▶	Kapoeta South		240	0	-31	85	▶	▼	▲
	Yida	550	-11	-26	355	▼	▼	▲	Rumbek		275	-33	0	72	▼	▶	▲
	Wau	500	0	6	13	▶	▶	▶	Mingkaman		300	-25	-46	-40	▼	▼	▼
Maize Flour (KG)	Mingkaman	250	-17	-17	10	▼	▼	▶	Juba		190	-9	-24	-53	▼	▼	▼
	Juba	180	-15	-24	6	▼	▼	▶	Shelled Groundnuts (KG)	Juba	450	0	-10	41	▶	▶	▲
	Bor	200	-20	-29	0	▼	▼	▶		Aweil	262	-10	50	94	▼	▲	▲
	Torit	180	3	6	38	▶	▶	▲		Bor	350	12	17	40	▲	▲	▲
	Wau	250	0	-17	11	▶	▼	▶		Rumbek	290	0	-17	164	▶	▼	▲
	Aweil	268	-16	-35	332	▼	▼	▲		Torit	200	0	-61	-41	▶	▼	▼
	Rumbek	305	0	2	88	▶	▶	▲		Wau	258	14	-23	5	▲	▼	▶
	Yida	463	-7	0	82	▼	▶	▲		Kapoeta South	200	0	-43	77	▶	▼	▲

Above normal price increases ▲

Normal Price changes ▶

Below normal price decreases ▼

Price fluctuation is 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