



MARCH 2019

HIGHLIGHTS

- **Currency Exchange Rate:** In March 2019, the average exchange rate of the South Sudanese Pound (SSP) to the United States Dollar (USD) stood at SSP 274.87 and SSP 156.94 in the parallel and official markets respectively, compared to SSP 267.68 and SSP 156.21 in February 2019. After July 2018, the divergence of the parallel exchange rate from the official rate reached a new high of 75 percent, due to sustained Bank of South Sudan control of credit lines to the private sector creating an imbalance of demand and supply of hard currency.
- **Grain Prices:** Compared to last month, the prices of staple food commodities including maize grain increased considerably in Rumbek and Aweil, while other markets showed only slight increments or stability of prices, in line with seasonal trends. The increase in prices in Rumbek and Aweil is attributed to the decreased commodity supply from Sudan. On the other hand, pulses and groundnuts, largely consumed across the country, showed stability or drop in prices in most of monitored markets, whilst few markets such as Bor, Mingkaman, Wau and Torit experienced higher prices on either of these items. The higher prices in these markets is attributed to the tight supply in Uganda, Tanzania and Kenya because of the drought and from Rwanda due to export bans. However, Juba and Wau markets, serving as a distribution hub to many markets, had a stable price of cereals and pulses.
- White sorghum registered the highest price level in Mingkaman and Bor (SSP 600 and at SSP 500/ malwa), and the lowest in Yambio (SSP 188/malwa), a surplus producing area. Sorghum price increased by 11 and 46 percent in Bor, compared to last month and one year ago respectively, while it remained stable in Mingkaman.
- **Fuel Prices:** In March 2019, Juba experienced a temporary scarcity of petrol; this resumed to normal after a few days, indicating that scarcity was not due to a pipeline break. The price of petrol increased very slightly in Juba, about five percent, reaching SSP 225 (0.82 USD) per litre. In Juba, Wau, Torit and Kapoeta South, where formal fuel stations operate, a litre of petrol fetched below one UDS, while in other markets, it ranged from 1.06 in Agok to 2.27 USD in Yambio, with mixed behavior compared to February 2019 and last year the same month.
- **Terms of Trade:** The combined effect of a decline in goat prices and rise in sorghum prices led the ToT to deteriorate in Mingkaman (13%), Bor (28%) and Rumbek (48%), compared to last month, negatively affecting the purchasing power of livestock dependent households. ToT in these markets stood lower (from 14 to 57 percent) than in March 2018. In March, one medium size goat fetched the highest 64 malwa (224 kgs) of sorghum in Juba, and the lowest, 17 malwa (69kgs) in Mingkaman.
- **Outlook:** As the stocks from the households' own production are running out, more farming households will rely heavily on markets in the absence of food aid. Furthermore, the long-standing scarcity and depreciation of local currency is likely to remain as bottleneck to traders' ability to supply the markets, this will be worsened off by the Uganda Government tightening of exports due to the current droughts (Uganda is the main supply market). Thus, prices of staple foods are expected to continue increasing in April as the rainy season progresses and the lean season approaches.

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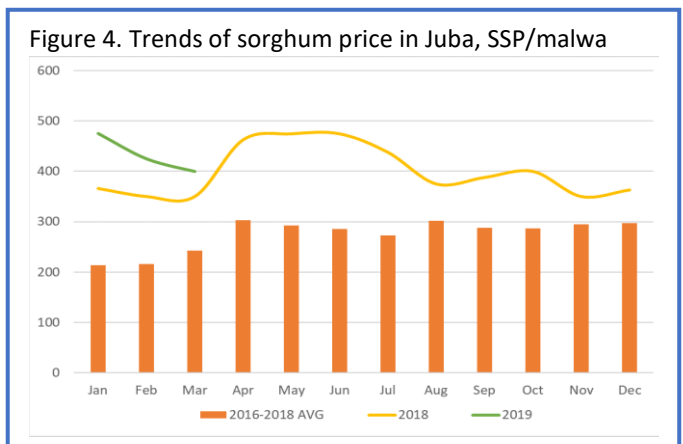
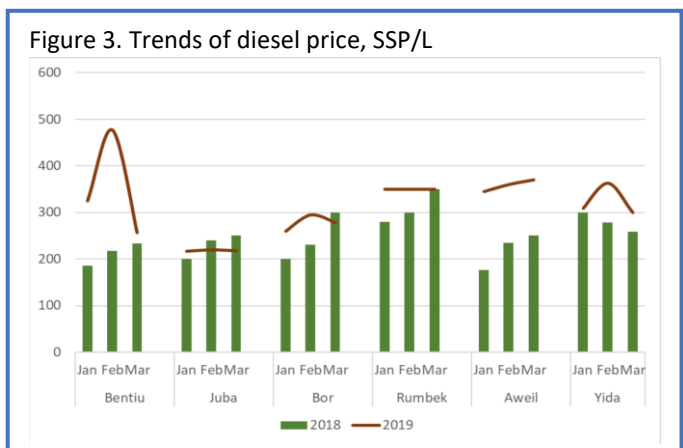
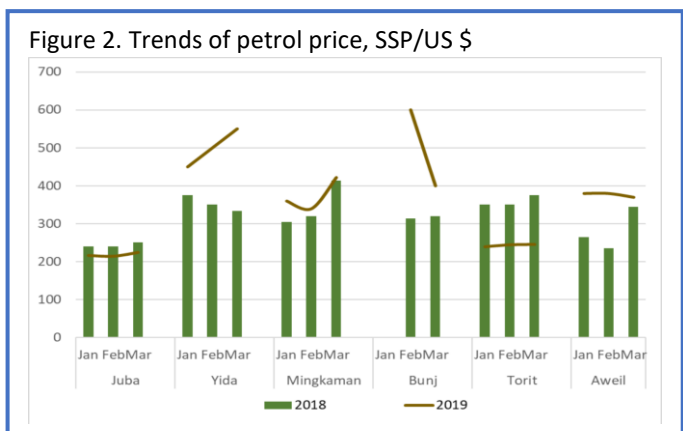
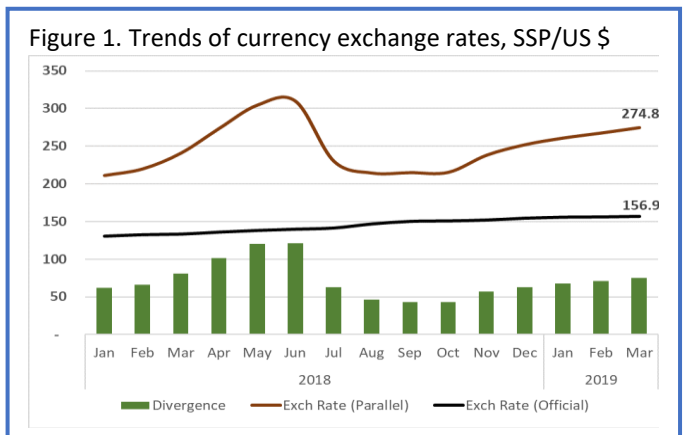
1. A new-high divergence between parallel and official exchange rate witnessed, after June 2018

Juba witnessed a continued deterioration of the pound exchange rate against the dollar since October 2018, but slightly dropped by three percent in the parallel market, and by 14 percent compared to March 2018. After three-months (Aug. to Oct. 2018) stability, the SSP has continued depreciating, thus contributing to rising costs of imported goods. In March, the average exchange rate of SSP to one USD was 274.87 in the parallel market, while the official rate was SSP 156.94 per US Dollar, compared to SSP 267.68 and SSP 156.21 in Feb. 2019. The parallel market exchange rate registered a new record high divergence from the official rate of 75 percent (highest since June 2018) (Figure 1).

2. Fuel stations in the capital were congested with vehicles waiting to buy fuel

Petrol: In March 2019, Juba experienced a temporary scarcity of petrol; the situation resumed to normal in a few days, indicating that scarcity was not due to a pipeline break. Petrol price in Juba rose slightly (about five percent), reaching SSP 225/litre (0.82 USD). As compared to Feb. 2019, an increase in petrol price in the range of 10 percent was observed in Bentiu, Bor and Yida, while Mingkaman saw the highest increase (24%), compared to February 2019. In Juba, Wau, Torit and Kapoeta South, where formal stations operate, a litre of petrol fetched below one USD (at the parallel exchange rate), while in other markets, it ranged from 1.06 (Agok) to 2.27 USD (Yambio). Compared to March 2018, Yida, Bunj and Malakal markets saw an increase in petrol prices by over 20 percent (Figure 2).

Diesel: About 85 percent of monitored markets observed either decreased or unchanged prices of diesel as compared to February 2019. In markets where fuel comes through informal trade from Sudan, diesel prices dropped by 17 to 46 percent, as compared to last month. Exceptions are Wau and Agok which saw 8 and 12 percent upward trends respectively. Compared to March 2018, about 73 percent of monitored markets experienced lower diesel prices.



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3. Staples food showed mixed prices behavior

3.1 Staple grain

The price of staple food commodities, including maize grain, considerably increased (14 to 40%) in Rumbek, and moderately in Aweil, while other market showed slight increments or stable prices, compared to a month ago. On the other hand, pulses and groundnuts, largely consumed across the country, showed stability or drop in prices in most of the monitored markets, whilst few markets experienced higher prices compared to last month. However, Juba market, serving as a distribution hub had a stable price of cereal and pulse.

3.1.1 Sorghum: About five out of twelve monitored markets had a slight to moderate sorghum prices increment. Markets with slight to moderate upward changes (11-20 percent) were Aweil, Bor, Kuajok and Rumbek. Similarly, Yambio, food basket of the country, Yida and Bunj, refugee center markets, had increases of about seven percent, compared to a month ago. In major markets that serve as distribution hubs, such as Juba, prices have dropped, contrary to the long-term trends (Figure 4), and in Wau prices remained unchanged. Despite the observed stability, prices were higher than a three-year average, by 65 and 75 percent, respectively in Juba and Wau markets.

3.2.2 Maize: It is one of the most preferred staple cereals, specifically in Greater Equatoria. In March, the price of maize grain showed sudden upsurges in Rumbek (14%), Aweil (24%) and Torit (30%) markets. In the same vein, maize flour showed price increases in Torit and Mingkaman (7% each), Bor and Rumbek, by 9 and 25 percent, respectively compared to one month ago. As depicted Figure 5, maize flour price stood higher than a three-year average across markets, and as well compared to March 2018 in most of the markets.

Generally, the increase in prices of sorghum and maize flour signals the increasing demands on markets, including by farming households as own stocks from harvest exhaust. This has been worsened off by the depreciated exchange rate, and threat of reduced supplies from Uganda due to the drought conditions that is likely to reduce the first season harvest.

3.2.3 Field beans (Janjaro):

Out of 14 monitored markets, the retail price of field beans (*Janjaro*) rose in nearly a quarter of the markets,

Figure 5. Percent changes in price of maize flour

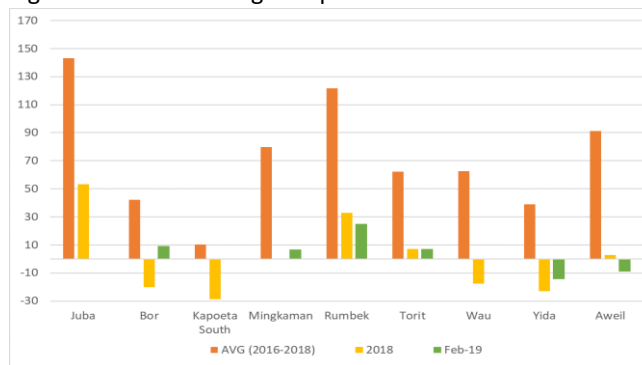


Figure 6. Percent changes in price field beans

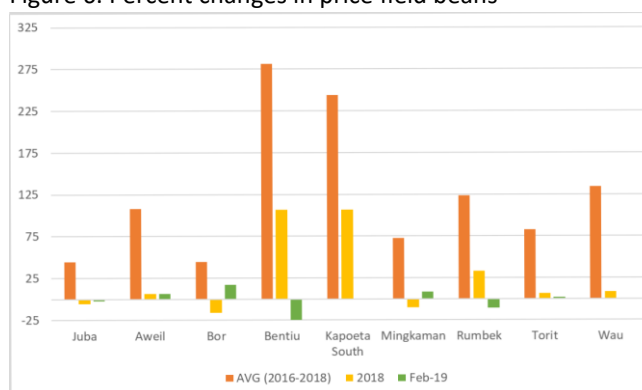


Figure 7. Trends of cooking oil price, SSP/L

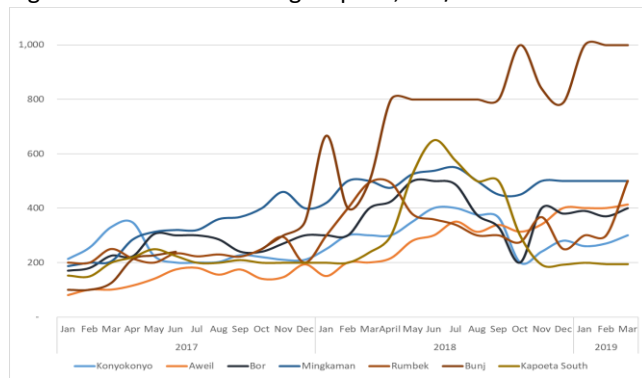
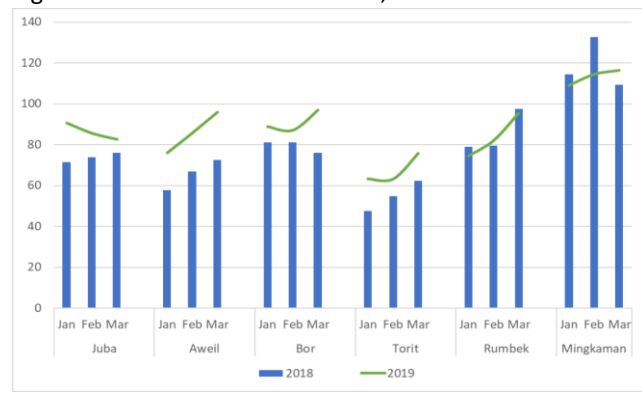


Figure 8. Trends of cost of baskets, SSP



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whilst the remaining markets showed stability or slight decreases, in range of 6-17 percent, compared to February 2019. Field beans price stood far beyond a three-year average, ranging from 45 percent in Juba to the highest, 281 percent in Bentiu (Figure 6). The drought affecting the east African region particularly the major supply countries of Uganda and Tanzania could start having an effect. Uganda has unusually received beans imports from Malawi through Tanzania.

3.2.4 Groundnuts:

Groundnuts is one of the protein sources, both to rural and urban households in South Sudan. Home-made groundnut paste is a common practice, where it is mixed and consumed with a variety of food items. The month-to-month price changes witnessed the highest in Aweil, Wau, Yambio, Torit and Agok markets (13 - 23%), whilst other monitored markets remained stable. However, prices dropped by 13 and 20 percent in Bor and Rumbek markets, respectively. The highest price was observed in Juba, at SSP 430 per kilogramme, and lowest in Wau, at SSP 171.

3.2.5 Cooking oil:

As compared to February 2019, retail price of cooking oil either dropped slightly or remained unchanged in 12 of 15 monitored markets. However, three markets, Bor, Juba and Rumbek had eight to 33 percent drop in prices compared to one month ago. Despite its stability, cooking oil fetched the highest price in Bunj, at SSP 1000 per litre, while the lowest was in Kapoeta South, SSP 195 per litre (Figure 7). Variation in quality and brands could be factors behind such variations, mainly groundnut oil that comes from Sudan is expensive as compared to vegetable oil from Asian countries.

4. Cost of Minimum Food Basket:

The cost of the food basket¹(CoB) needed to meet the daily energy requirements of 2,100 kcal per person/per day has increased by 11 to 20 percent in Aweil, Bor, Rumbek and Torit. In March, CoB was highest in Mingkaman, SSP 116 (Figure 8). An increase in CoB demands household's income to be compensated at least by the same proportion to maintain the same level of consumption. However, due to the erosion of economic opportunities resulting from the economic crisis, it is very unlikely for most households to increase

incomes and purchasing power. Hence, as the CoB increases, many households are likely not able to meet daily energy requirements without external assistance.

5. Terms of Trade:

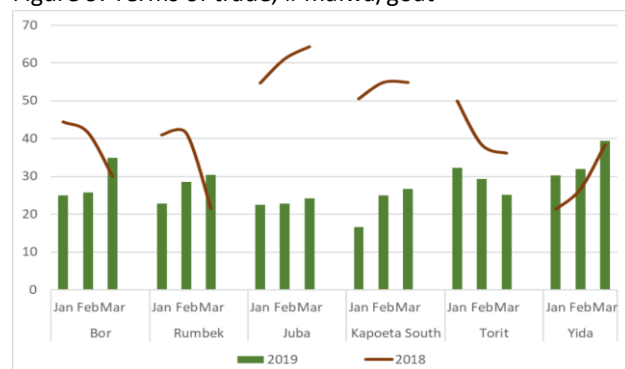
5.1 Goat to Sorghum

The combined effect of drop in prices of goat coupled with rise in sorghum prices led the ToT to deteriorate in Mingkaman by 13 percent, in Bor by 28 percent and Rumbek by 48 percent, compared to last month, affecting purchasing power of the livestock dependent households. Bor, Rumbek and Torit had suffered from a sliding ToT in 2019 (Figure 9). Bor and Rumbek had also ToT lower than last year the same month, ranging from 14 to 57 percent. In March, one medium size goat fetched the highest 64 malwa (224 kgs) of sorghum in Juba, and the lowest, 17 malwa (60kg) in Mingkaman.

5.2 Wage to sorghum:

ToT between unskilled labor (urban based) to sorghum was the highest in Juba, where work opportunities are diverse as compared to other towns. In March, wage to sorghum ToT ranges from 0.70 malwa (2.45kg) in Rumbek to 2.63 malwa (9kg) in Juba. Compared to February, ToT has deteriorated in most of monitored markets. It was only in Juba that the ToT has improved due to slight drop in sorghum price, and significant changes of wage, jumping from SSP 600 to SSP 1050.

Figure 9. Terms of trade, # malwa/goat



6. Cross Border Trade

In 2019, a total of 49,531 tonnes of cereals (sorghum, maize and rice) was imported through formal and informal trade from Uganda and Sudan, 132 percent higher as compared to quarter one (Jan to Mar) of 2018.

¹ The cost of food basket includes 500gms cereal, 50gm of pulse, 30gms of cooking oil and 5gms of salt.

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Uganda was the highest exporter of these cereals, comprising 99 percent of the supply, while the contribution of Sudan was about one percent. Compared to the first quarter of 2018, imports of sorghum from Sudan dropped by about 90 percent, which could be linked to the disruption of trade flows due to the ongoing political instability in the country. On the other hand, the export of beans has increased by 75 percent compared to the first quarter of 2018, and by 9 percent against last quarter of 2018. The forecast of drought in Uganda might have triggered traders in South Sudan to stockpile these commodities before any Ugandan Government measures that adversely affect the flow of commodities. Table 1 depicts the overall trade volumes of selected commodities to South Sudan in the first quarter of 2019 and 2018 by source country.

Tanzania and Uganda, will put more pressure on commodity availability and prices. Thus, the prices of staple foods are expected to moderately increase in April, and then continue to increase towards the peak of the lean season and as the rainy season progresses.

Table 1: Main Cereals Trade volumes (mt) from Uganda and South Sudan

Commodity	Source	Trade Volumes in Mt (Jan-Mar)		% Change from	
		2019	2018	Jan – Mar 2018	Oct – Dec 2018
		Maize	Uganda	20,554	7,232
Sorghum	Uganda	13,817	4,803	188	40
	Sudan	267	2,704	-90	128
Rice	Uganda	14,893	6,625	125	-6
Beans	Uganda	6,468	3,704	75	9

Source: FEWS NET

7. Outlook:

As the stocks from the households' own production are depleting as the lean season progresses, more households are likely to depend on markets for their consumption needs. Market demand on available stocks will be further put under pressure by returnees getting back to their places of origin following the signing of the Peace Agreement. Furthermore, a long-standing scarcity and depreciation of local currency remain as bottlenecks to the country that depends largely on imports, including staple foods. The drought ravaging most parts of east Africa is threatening harvests in the major staple source markets such as

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ANNEX 1: Lowest and Highest Commodity Prices and Percent Changes – March 2019

	Lowest Price			Highest Price		
	Market	Price (SSP)	M-on-M ² Change (%)	Market	Price (SSP)	M-on-M Change (%)
White sorghum (3.5 KG)	Yambio	188	7	Mingkaman	600	7
White maize (3.5 KG)	Kapoeta South	173	0	Aweil	400	7
Maize flour (KG)	Kapoeta South	120	0	Mingkaman	350	-7
Wheat flour (KG)	Torit	188	-1	Renk	475	ND
Field beans (KG)	Torit	208	1	Bunj	800	0
Groundnuts-shelled (KG)	Wau	171	14	Juba	430	2
Cooking oil (L)	Kapoeta South	195	0	Bunj	1000	0
Diesel (L)	Juba	218	-1	Malakal	500	ND
Petrol (L)	Juba	228	5	Malakal	600	ND
TOT: Goat to sorghum (malwa)	Mingkaman	17	-13	Juba	64	5
TOT: Wage to sorghum (malwa)	Rumbek	0.7	-17	Juba	2.6	86

ND: No data for comparison

² Month on month

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Annex 2. Nominal Retail Prices of Commodities by Markets and Percent Changes – March 2019

	Commodity	SSP	Price Changes (%)							Commodity	SSP	Price Changes (%)						
		Mar	1M	3M	1Y	1M	3M	1Y			Mar	1M	3M	1Y	1M	3M	1Y	
White Sorghum (3.5KG)	Juba	400	-6	10	14	▼	▶	▶	Vegetable Oil (L)	Juba	300	11	7	0	▲	▶	▶	
	Aweil	425	15	36	31	▲	▲	▲		Aweil	413	3	3	107	▶	▶	▲	
	Mingkaman	600	2	-8	12	▶	▶	▶		Bor	400	8	5	0	▲	▶	▶	
	Yida	200	6	31	33	▲	▲	▲		Mingkaman	500	0	0	0	▶	▶	▶	
	Rumbek	420	20	-28	-11	▲	▼	▶		Rumbek	500	67	100	1	▲	▲	▶	
	Bor	500	11	43	46	▲	▲	▲		Bentiu	675	2	7		▶	▶		
	Bunj	300	-14	-8	71	▼	▶	▲		Bunj	1000	0	27	100	▶	▲	▲	
	Yambio	188	7	25		▶	▲			Kapoeta South	195	0	1	-18	▶	▶	▶	
	Wau	350	0	0	17	▶	▶	▶		Wau	354	1	-2	18	▶	▶	▶	
White Maize (3.5KG)	Juba	375	-6	30	3	▼	▶	▶	Yida	600	-8	-25	100	▼	▼	▲		
	Aweil	425	24	42	53	▲	▲	▲	Torit	324	1	10	8	▶	▶	▶		
	Torit	390	30	11	28	▲	▶	▲	ToT (Goat to Sorghum) Malua/Goat	Kapoeta South	55	0	8	106	▶	▶	▲	
	Wau	360	0	-10	-7	▶	▶	▶		Torit	36	-6	-17	44	▼	▼	▲	
	Kapoeta South	173	0	2	-47	▶	▶	▼		Rumbek	21	-48	-11	-29	▼	▼	▼	
Yida	288	2	53	130	▶	▲	▲	Mingkaman		17	-13	-25	-57	▼	▼	▼		
								Wau		24	0	0	0	▶	▶	▶		
Wheat Flour (KG)	Bor	250	0	10	25	▶	▶	▶	Yida	38	44	-11	-3	▲	▼	▶		
	Juba	255	0	19	34	▶	▲	▶	Bor	30	-28		-14	▼		▶		
	Bentiu	331	-4	-28	0	▶	▼	▶	Juba	64	5	4	165	▶	▶	▲		
	Aweil	320	1	16	42	▶	▲	▲	ToT (Wage to Sorghum) # Malua/Daily wage	Juba	2.63	86	59	84	▲	▲	▲	
	Mingkaman	300	4	50	20	▶	▲	▶		Aweil	1.44	-12	-18	31	▼	▼	▲	
	Torit	188	-1	12	41	▶	▲	▲		Wau	1.43	0	0	42	▶	▶	▲	
	Rumbek	280	40	133	3	▲	▲	▶		Yida	2.50	-6	-24	25	▼	▼	▲	
	Wau	256	-1	1	42	▶	▶	▲		Bor	1.20	-10	-27	65	▼	▼	▲	
	Bunj	375	-6	0	36	▼	▶	▲		Rumbek	0.71	-17	-17	21	▼	▼	▲	
	Kapoeta South	200	0	0	50	▶	▶	▲		Torit	2.56	-23	-10	42	▼	▼	▲	
Yida	330	2	-2	20	▶	▶	▶	Kapoeta South		1.73	0	-2	90	▶	▶	▲		
Field beans (KG)	Juba	318	-2	25	-6	▶	▲	▶		Fuel-Petrol (L)	Aweil	370	-3	23	7	▶	▲	▶
	Aweil	425	6	5	6	▲	▶	▶			Bor	298	8	15	-1	▲	▲	▶
	Bor	250	17	16	-17	▲	▲	▶	Torit		246	0	1	-34	▶	▶	▼	
	Rumbek	400	-11	-20	33	▼	▼	▶	Wau		262	1	1	2	▶	▶	▶	
	Mingkaman	313	9	57	-11	▶	▲	▶	Yida		550	10	83	65	▲	▲	▲	
	Yida	657	-2	119	64	▶	▲	▲	Bunj		400	-33		25	▼		▲	
	Bentiu	507	-25	52	107	▼	▲	▲	Kapoeta South		240	0	0	-13	▶	▶	▶	
	Bunj	800	0	19	82	▶	▲	▲	Mingkaman		422	24	-30	2	▲	▼	▶	
	Kapoeta South	413	0	3	107	▶	▶	▲	Bentiu		341	6			▶			
	Yambio	255	0	28	-35	▶	▶	▼	Rumbek		350	0	0	-22	▶	▶	▼	
Wau	500	0	0	9	▶	▶	▶	Juba	225	5	4	-10	▶	▶	▶			
Maize Flour (KG)	Mingkaman	300	7	100	0	▲	▲	▶	Shelled Groundnuts (KG)	Juba	430	2	-37	32	▶	▼	▲	
	Juba	230	0	22	53	▶	▲	▶		Aweil	213	13	2	-11	▲	▶	▶	
	Bor	200	9	43	-20	▲	▲	▶		Rumbek	200	-20	0	-33	▼	▶	▼	
	Rumbek	250	25	67	33	▲	▲	▲		Torit	380	21	56	-4	▲	▲	▶	
	Kapoeta South	120	0	0	-29	▶	▶	▼		Mingkaman	225	0	-36	-50	▶	▼	▼	
	Yida	300	-14	-20		▼	▼			Bor	350	-13	0	40	▶	▶	▲	
	Torit	150	7	25	7	▲	▲	▶		Wau	171	14	22	-29	▲	▲	▼	
	Wau	200	0	0	-18	▶	▶	▶										
Aweil	273	-9	13	3	▼	▲	▶											

Above normal price increases ▲

Normal Price chnages ▶

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