

SOUTH SUDAN

Monthly Market Price Monitoring Bulletin

October 2019



Highlights

- *In October 2019, there was a general decrease in the average price of a standard food basket, mainly due to lower import prices of key staple food from Uganda, in line with seasonal trends;*
- *In Wau, Kuajok, Torit, Mingkaman and Aweil, the purchasing power improved for households that are depending on livestock keeping as their main source of income;*
- *Severe flooding caused 36 percent increase in diesel and petrol prices in Bunj market;*
- *Prices of staple foods are expected to drop further in the coming two-three months if the security situation remain stable and as the harvest comes into the market.*

Macroeconomic challenges

In October 2019, the average exchange rate of South Sudanese Pounds (SSP) to United States Dollars (USD) in the parallel market was SSP 313, which is nearly double of the official rate of SSP 162 per USD. Despite both exchange rates remaining stable since last month, the parallel market rate has seen a high year-on-year increase of 45 percent compared to only eight percent for the official rate. This increased the gap between the two exchange rates.

South Sudan depends on import of vital staple food commodities including cereals, which comprise the most important part of the diet for the population. However, monetary challenges including lack of ability to secure enough USD for imports cause severe market constraints and negatively affect the availability of basic commodities in the local markets. Despite an increase in production and export of crude oil by 20 percent starting from February 2019, following the cessation of hostilities in Unity and Upper Nile counties, the formal market access to USD remains low. Hence, traders still depend on the informal market for the USD, hindering imports and therefore access to basic food items at affordable prices at the local markets. This is especially harming the already vulnerable, low-income households.

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Cereal

The prices of cereals including sorghum, maize and wheat flour have dropped or remained stable across the monitored markets¹ since September 2019. The retail price of sorghum, the main staple cereal across most of South Sudan, has dropped in most of the monitored markets including Wau (39 percent), Kuajok (29 percent), Melut (18 percent) and Bunj (13 percent). In Juba, Bor and Rumbek markets, serving as distribution hubs to the rest of the country, prices remained stable. Only in Malakal and Aweil, the price of sorghum increased by 13 percent and four percent respectively since last month. Similarly, the price of maize grain has dropped by 8-20 percent in Aweil, Torit, Wau and Rumbek, while remained stable in Juba, Kapoeta South and Yida.

The main contributing factor is lower import prices from Uganda, improved availability in local markets due to the recent harvest, improved access to markets caused by a reduction in conflict and a relatively stable exchange rate. Additionally, the distribution of WFP food assistance including the seasonal scale-up programme has contributed to lowering the demand among beneficiaries. Despite the positive development, cereal prices remain above the three years average and last October in nearly all markets.

Pulses

The retail price of field beans increased by 17 percent in Mingkaman since last month, followed by six-seven percent increase in Aweil, Bor and Yida. Rumbek was the only county that experienced a price drop (eight percent) since last month. Compared to the three-year average, prices have more than doubled in Juba, Aweil, Bor, Mingkaman and Yida.

Fuel Prices

Since September 2019, prices of diesel and petrol have both increased by 36 percent in Bunj, which is mainly driven by the recent floods blocking access to inland transport. Similarly, Mingkaman experienced an increase in fuel price by 15 percent, while it increased by ten percent in Renk. On the contrary, the price of fuel decreased by nine percent in Rumbek. In the rest of the markets, fuel prices remained largely stable. However, the observed fuel prices stability has not transmitted to drop in transport costs due to bad road conditions and other informal transaction costs along the trade routes that are implicit in the transport costs.

Cross border Trade²

Cereal imports from Uganda (the main source) to South Sudan have increased compared to last year and five-year average, due to the high demand, market functionality due to improved security and high prices in South Sudan. In the period January to September 2019, the maize imports from Uganda more than doubled (146,401 mt) compared to the 62,243 mt in 2018 and increased by 74 percent from the 84,315 mt five-year average. Similarly rice imports from Uganda increased from 31,817 mt in 2018 to 51,710 mt in the same period of 2019 and was three times more than the five-year average of

¹ Juba, Aweil, Bor, Melut, Renk, Bunj, Kapoeta South, Torit, Wau, Kuajok, Rumbek, Mingkaman, Yida, Malakal and Bentiu

² East Africa Regional Markets and Trade Update November 2019

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15,925 mt. Sorghum imports from Sudan slowed down compared to last year due to high production and transport costs, and inflation in Sudan.

Purchasing power

In Wau, Kuajok, Torit, Mingkaman and Aweil, households depending on livestock keeping as their livelihood source have experienced an improvement in purchasing power since September, measured by the terms of trade between goat and sorghum. In Juba and Kapoeta South, the terms of trade remained stable, while Bor was the only county that experienced a decrease, mainly due to declining goat prices.

The highest terms of trade was found in Juba where the profit from the sale of one goat could buy 175 kgs sorghum, while goat owners in Kuajok only could buy equivalent of one third (56 kgs). Despite the observed improvements, the purchasing power for livestock keeping households was lower than last year in most markets.

For households relying on salaried labour, the purchasing power improved in Wau, Torit and Yida, while remaining stable in the rest of the monitored markets. Compared to the three-year average, the terms of trade between salaried labour and sorghum improved in most counties, with the largest increase registered in Wau and Juba. Only in Kapoeta South and Rumbek, the purchasing power for wage labour was lower than the three-year average.

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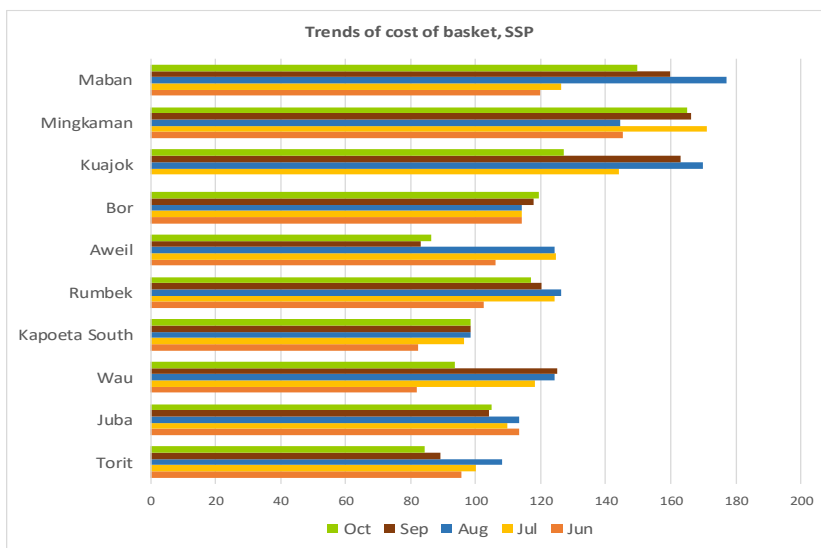


Implication of price changes

Standard food basket³

The average price of a standard food basket dropped across the majority of the monitored markets. The largest price decrease was found in Wau and Kuajok (both around 25 percent), while prices decreased by six percent in Maban and Torit. This is likely to positively impact the poor and very poor households' access to staple foods in these counties.

In the rest of the monitored locations, the price remained stable. However, the average cost of a food basket was higher when compared to one year ago.



As of October, the cheapest food basket was found in Torit while the most expensive was registered in Mingkaman with nearly double the price.

Markets of concern

Despite the overall positive price development across the monitored markets since September, Malakal, Mingkaman and Bunj faced the highest prices of key staple foods, giving reason for concern. The price increase in Bunj/Maban was due to the negative impact of floods that limited the movement of goods to the market. Malakal has been experiencing higher prices of staple foods during the past 2.5 months due to the formal closing of the border to Sudan, which is the main supply route. Furthermore, there is an increase in demand due to temporary increased population in Malakal town.

Outlook

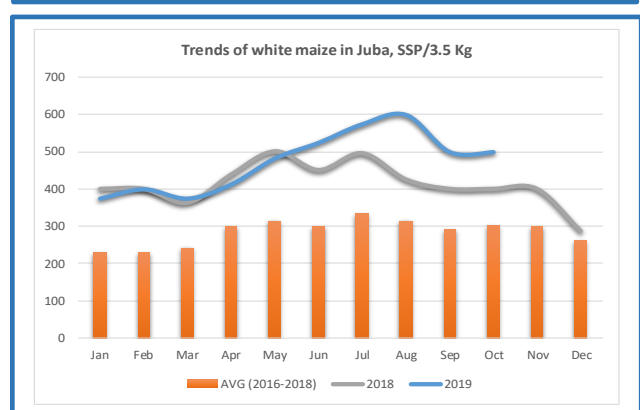
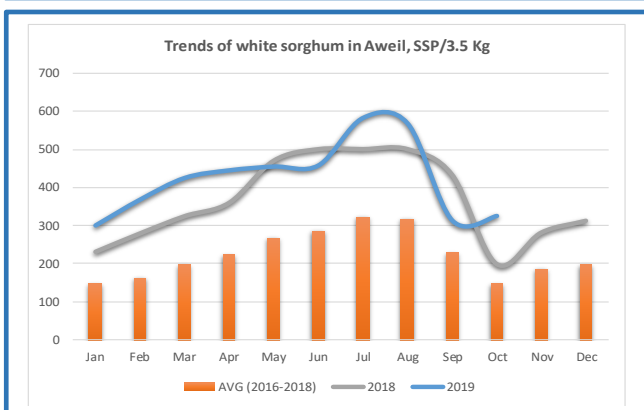
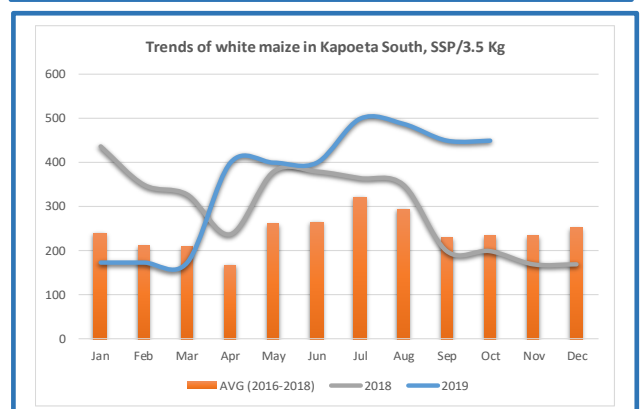
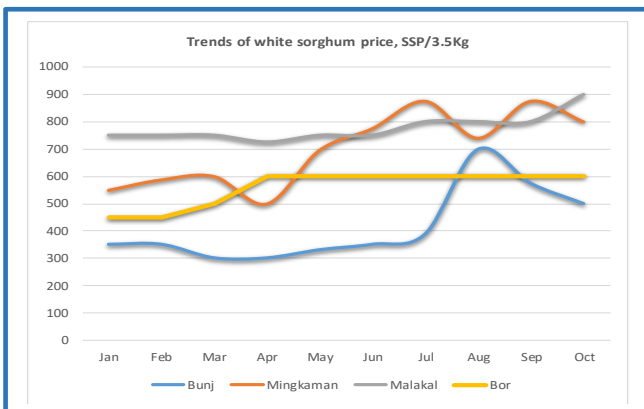
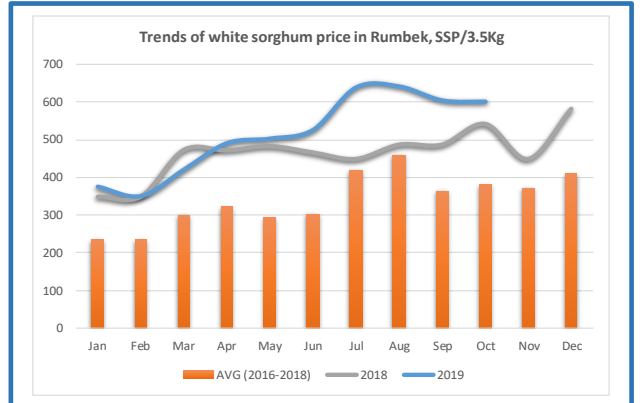
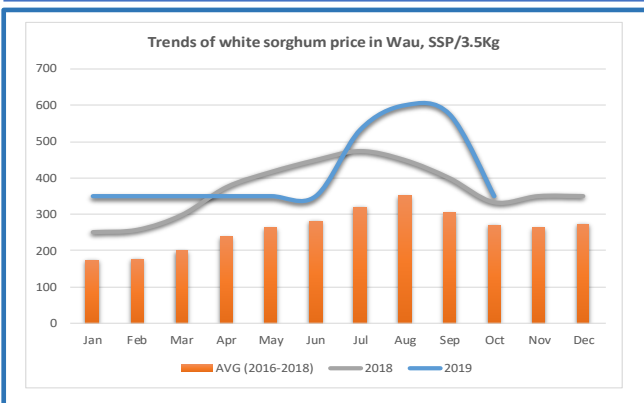
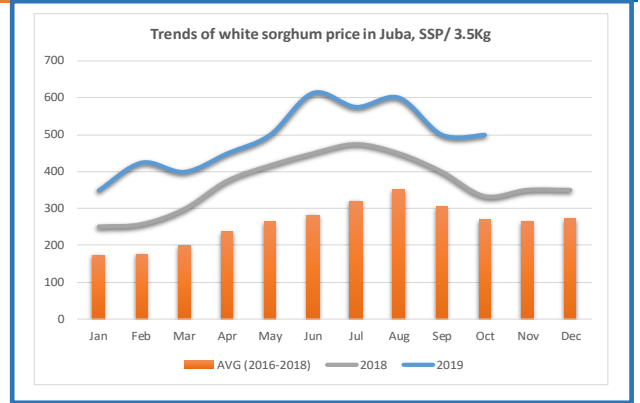
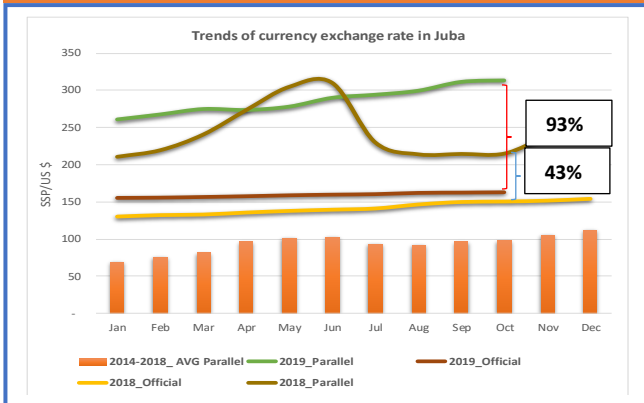
The outlook depends on interlinked factors, specifically the implementation of the revitalized peace agreement, improvement in the oil production towards the pre-crisis level, which can contribute to the stabilization of the SSP, the upcoming seasonal harvest, further improvement in the access to markets and regional market dynamics. Above all, the revitalized peace agreement implementation will have greater implication on the performance of the markets. Assuming relative stability and general peace persist as planned, coupled with upcoming main harvest, and normal flow of goods from outside, the prices of food commodities are expected to show marginal drop at least in the coming two to three months.

³ The standard food basket is designed to cover an average person's basic need for energy in one day. In South Sudan, it is composed by 500 g cereal, 50 g pulses, 30 g vegetable cooking oil and 5 g salt

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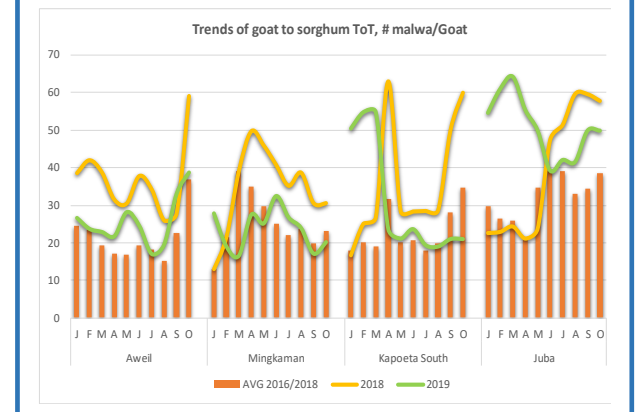
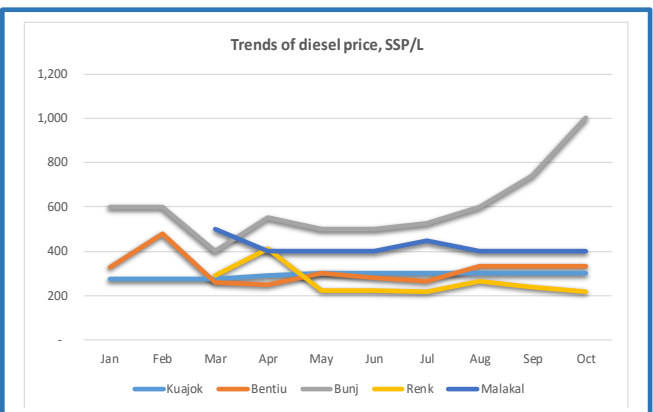
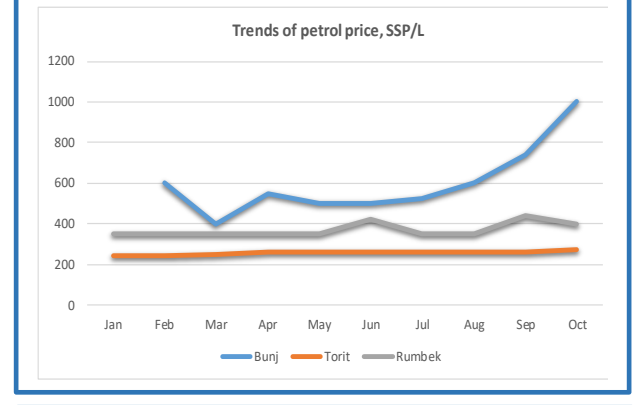
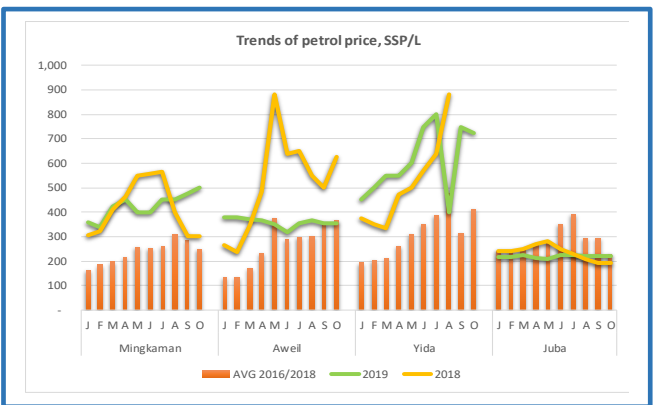
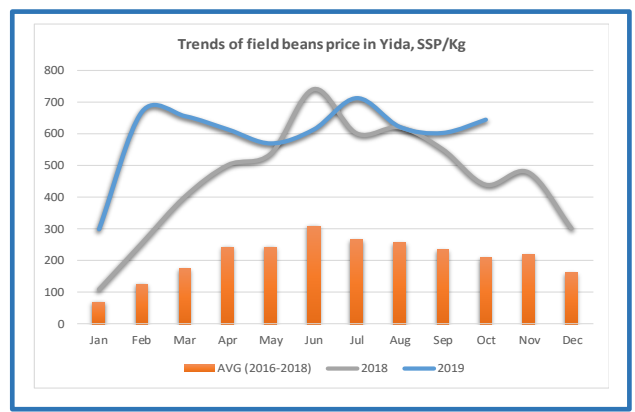
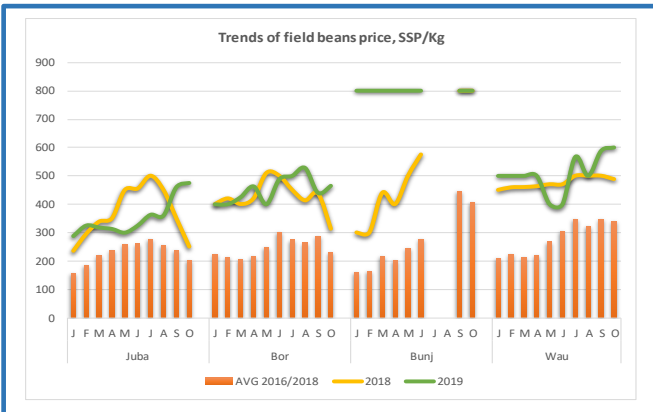
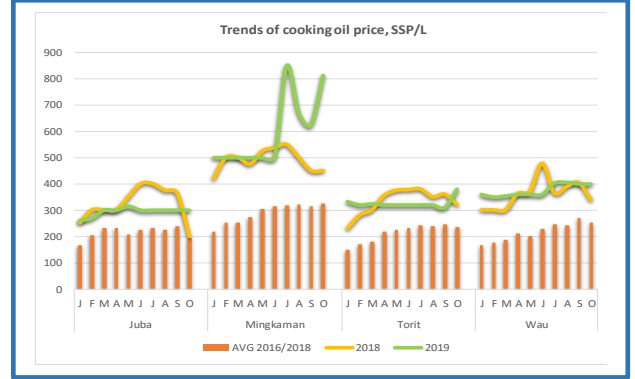
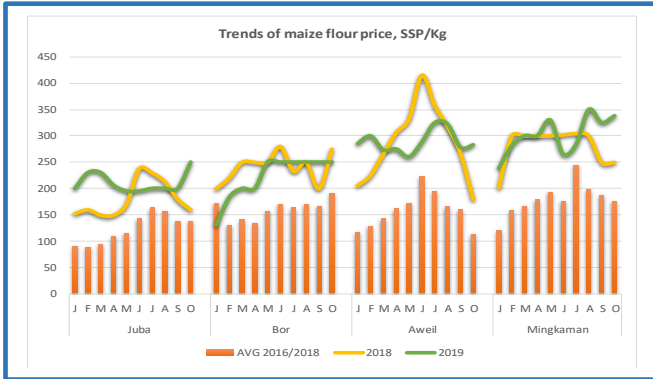
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ANNEX 1: Lowest and Highest Commodity Prices and Percent Changes – October 2019

	Lowest Price			Highest Price		
	Market	Price (SSP)	M-on-M Change (%)	Market	Price (SSP)	M-on-M Change (%)
White sorghum (3.5 KG)	Yida	250	-7	Malakal	900	13
White maize (3.5 KG)	Yida	300	0	Juba	500	0
Maize flour (KG)	Kapoeta South	200	-2	Bentiu	457	-11
Wheat flour (KG)	Torit	200	0	Bunj	700	21
Field beans (KG)	Bor	300	7	Renk	800	0
Cooking oil (L)	Kapoeta South	283	-3	Melut	1425	21
Sugar (KG)	Rumbek	200	-24	Bunj	600	9
Diesel (L)	Juba	220	0	Bunj	1000	36
Petrol (L)	Juba	220	0	Bunj	1000	36
Groundnuts-unshelled (KG)	Wau	213	-19	Juba	500	0
TOT: Goat to sorghum (malua)	Kuajok	16	44	Juba	50	0
TOT: Wage to sorghum (malua)	Malakal	0.50	-11	Torit	3.75	13

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Annex 2. Nominal retail prices of commodities by markets and percent changes – October 2019

Commodity	SSP			Price Changes (%)			Commodity	SSP			Price Changes (%)					
	Oct	1M	1Y	3Y AVG	1M	1Y		3Y AVG	Oct	1M	1Y	3Y AVG	1M	1Y	3Y AVG	
White Sorghum (3.5kgs)	Juba	500	0	25	74	▶	▶	▶	Juba	300	0	50	54	▶	▶	▶
	Aweil	325	4	63	121	▶	▶	▶	Aweil	495	1	58	144	▶	▶	▶
	Mingkaman	800	-9	68	53	▶	▶	▶	Bor	400	0	100	114	▶	▶	▶
	Yida	250	-7	-39	14	▶	▶	▶	Mingkaman	813	30	81	149	▶	▶	▶
	Rumbek	600	0	10	57	▶	▶	▶	Renk	800	0			▶	▶	▶
	Bor	600	0		97	▶	▶	▶	Rumbek	325	-10	18	70	▶	▶	▶
	Bunj	500	-13	67	138	▶	▶	▶	Torit	380	23	19	60	▶	▶	▶
	Malakal	900	13	0		▶	▶	▶	Kuajok	600	0			▶	▶	▶
	Wau	350	-39	5	30	▶	▶	▶	Wau	400	0	18	58	▶	▶	▶
	Kuajok	600	-29			▶	▶	▶	Yida	850	6	-11	51	▶	▶	▶
Melut	453	-18			▶	▶	▶	Malakal	1200	0			▶	▶	▶	
Renk	363	0			▶	▶	▶	Bunj	1200	0	20	167	▶	▶	▶	
								Kapoeta South	283	-3	-6	37	▶	▶	▶	
White Maize (3.5kgs)	Juba	500	0	25	66	▶	▶	▶	Kuajok	16	44			▶	▶	▶
	Aweil	310	-8	69	131	▶	▶	▶	Kapoeta South	21	0		-39	▶	▶	▶
	Rumbek	450	-14	0	36	▶	▶	▶	Aweil	39	17	-34	5	▶	▶	▶
	Wau	350	-20	-20	15	▶	▶	▶	Rumbek	21	4	13	32	▶	▶	▶
	Kapoeta South	450	0	125	93	▶	▶	▶	Mingkaman	20	18	-33	-13	▶	▶	▶
	Torit	400	-11	75	111	▶	▶	▶	Wau	22	70	27	44	▶	▶	▶
Yida	300	0	26		▶	▶	▶	Juba	50	0	-14	30	▶	▶	▶	
Cassava Flour (3.5kg)	Juba	500	0	43	69	▶	▶	▶	Bor	17	-9	0	-28	▶	▶	▶
	Torit	400	14	100	89	▶	▶	▶	Torit	45	20	-7	26	▶	▶	▶
	Wau	367	-16	-45	-1	▶	▶	▶								
Wheat Flour (kg)	Bor	350	-10	75	114	▶	▶	▶	Juba	3.00	0	68	115	▶	▶	▶
	Juba	250	0	0	61	▶	▶	▶	Aweil	2.62	1	-5	99	▶	▶	▶
	Melut	563	-5			▶	▶	▶	Wau	3.43	64	84	233	▶	▶	▶
	Aweil	290	3	36	90	▶	▶	▶	Torit	3.75	13	-15	32	▶	▶	▶
	Mingkaman	350	0	27	80	▶	▶	▶	Bor	1.00	0		23	▶	▶	▶
	Bunj	700	21	133	223	▶	▶	▶	Rumbek	0.92	1	-15	-7	▶	▶	▶
	Rumbek	320	10	-19	21	▶	▶	▶	Yida	2.00	7	107	94	▶	▶	▶
	Wau	300	-4	0	70	▶	▶	▶	Kapoeta South	0.67	0	-62	-49	▶	▶	▶
	Torit	200	0	14	25	▶	▶	▶								
	Kapoeta South	265	0	33	101	▶	▶	▶								
Yida	400	0	14	-6	▶	▶	▶									
Field beans (kg)	Juba	475	3	90	136	▶	▶	▶	Aweil	353	0	-44	-4	▶	▶	▶
	Aweil	465	6	49	102	▶	▶	▶	Bor	280	0	19	70	▶	▶	▶
	Bor	400	7	100	121	▶	▶	▶	Renk	425	10			▶	▶	▶
	Rumbek	413	-8	15	87	▶	▶	▶	Wau	320	0	10	49	▶	▶	▶
	Mingkaman	525	17	31	116	▶	▶	▶	Yida	725	-3	26	76	▶	▶	▶
	Renk	1000	0			▶	▶	▶	Torit	273	5	19	-2	▶	▶	▶
	Yida	646	7	47	212	▶	▶	▶	Mingkaman	500	5	67	102	▶	▶	▶
	Bunj	800	0			▶	▶	▶	Rumbek	400	-9	14	68	▶	▶	▶
	Torit	300	0	50	91	▶	▶	▶	Juba	220	0	16		▶	▶	▶
	Wau	600	2	23	77	▶	▶	▶	Bunj	1000	36			▶	▶	▶
								Kapoeta South	260	0	8	88	▶	▶	▶	
Maize Flour (kg)	Mingkaman	338	4	35	93	▶	▶	▶	Aweil	427	5		107	▶	▶	▶
	Juba	250	25	56	83	▶	▶	▶	Bor	270	0	-10	45	▶	▶	▶
	Bor	250	0	-9	30	▶	▶	▶	Kapoeta South	250	0	9	87	▶	▶	▶
	Rumbek	250	-7	0	12	▶	▶	▶	Mingkaman	475	15	58	93	▶	▶	▶
	Kapoeta South	200	-2	67	56	▶	▶	▶	Wau	303	1	4	34	▶	▶	▶
	Wau	300	-1	29	79	▶	▶	▶	Juba	220	0	14	-3	▶	▶	▶
	Aweil	283	2	57	149	▶	▶	▶	Bunj	1000	36			▶	▶	▶
	Yida	329	-12	-18	30	▶	▶	▶								
Kuajok	350	0			▶	▶	▶									
Sugar (kg)	Aweil	305	2	2		▶	▶	▶	Juba	500	0	67	98	▶	▶	▶
	Bunj	600	9	100		▶	▶	▶	Aweil	229	11	47	71	▶	▶	▶
	Bor	400	0	100		▶	▶	▶	Kapoeta South	250	0	25		▶	▶	▶
	Wau	300	0	-11		▶	▶	▶	Bor	333	11	-5	47	▶	▶	▶
	Kapoeta South	250	0	25		▶	▶	▶	Wau	213	-19	-7	-11	▶	▶	▶
	Juba	235	-6	-6		▶	▶	▶	Mingkaman	213	-17	-15	39	▶	▶	▶
	Torit	333	40	98		▶	▶	▶	Torit	450	0	125	128	▶	▶	▶
	Rumbek	200	-24	-29		▶	▶	▶	Aweil	430	2	81	111	▶	▶	▶
	Bentiu	571	0	0		▶	▶	▶	Torit	237	-2	39	41	▶	▶	▶
	Kuajok	400	-11	0		▶	▶	▶	Bor	250	0	25	49	▶	▶	▶
Renk	363	7	26		▶	▶	▶	Wau	400	0	29	76	▶	▶	▶	
Malakal	500	0	0		▶	▶	▶	Kapoeta South	263	0	64	105	▶	▶	▶	
								Juba	300	0	20	61	▶	▶	▶	
								Malakal	600	0			▶	▶	▶	
								Mingkaman	350	-10	27	71	▶	▶	▶	
								Rumbek	260	-7	18	22	▶	▶	▶	