Joint Markets and Supply Chain Update


Key messages

- The ongoing GU rains in several locations have damaged or cut off some key roads leading to delayed transport services and increment of prices.
- Prices of fresh produce including bananas, onions, tomatoes and camel milk have escalated due to cut off roads linking rural farms and urban centres.
- Ethiopia-Somalia / Kenya-Somalia borders remains closed for close to a month now due to COVID-19. Prices of food commodities sourced from the neighbouring countries remain high as stocks of the same continue to diminish.

Banadir and Hirshabelle

- The road connecting Mogadishu to Jowhar and to Beledweyne is affected by the GU rains and localised flooding. The road is currently extremely muddy hence affecting supply from Mogadishu to Jowhar, Buloburte and Beledweyne.
- Continued decline of remittance from diaspora affecting purchasing power of majority of households who depend on remittance.
- During this holy month of Ramadhan, there is a surge in demand for specific food items especially wheat flour, vegetable oil, rice, pasta, vegetables and fruits. In addition, stocks of vegetable oil continue to dwindle in many markets within Banadir and Middle Shabelle. This is because of COVID-19 that has affected the upstream supply chains.
- In Jowhar, food prices increased as result of GU rains/floods blocking the main supply road between Mogadishu to Jowhar. Local cereals (red sorghum, white sorghum and white maize) increased by (12-25%) and imported food items (rice, pasta, sugar and wheat flour) increased by (4-12.5%).
- Beletweyne town has two supply corridors, Mogadishu and Bosaso; currently 90% of food commodities are supplied from Bosaso port due to impassable roads because of rains.
- In Beletweyne, local cereal (white sorghum and red sorghum) prices have increased by (10-18%) due to ongoing heavy rains, impassable roads to farms and fear of possibility of floods.
- In Buloburte, GU rains affected food supply from Mogadishu and Beledweyne also insurgents (A.S.) blockage have led to limited food availability and prices remaining high with the exception of pasta (10 KG) which decreased from $10 to $8.5 (-15%).
- In Hiraan, export quality goat prices have increased from $60 to $65 (8.3%), however prices of the camel export quality remain the same compared to last week.

Galmudug

- Due to flash floods in Galmudug, several trucks carrying food and other commodities have been stuck for days especially on the supply route linking Gaalkayo to Hobyo, Gawan, Wisil, and Xarardheere district this could lead price increases in the coming weeks in Galmudug regions.
- There is limited availability of bananas in Galkayo market due to rains, delaying transport services from Beletweyne to Galkayo hence price of banana increased from $0.15 to 0.3$ (100%).
- Fresh produce prices are increasing for instance 1Kg of tomato and onion increased from $0.5 to $1.00 (100%) in Galkayo market due to the increased demand related to the ongoing holy month of Ramadhan compared to last week.
- Fuel prices are declining, for instance, Galkayo's main market petrol price of tank dropped from $16 to $12 (-25%) while diesel fuel price tank dropped from $14 to $11 (-21.4%)
- Export of quality goat prices have remained stable and there has been no change compared to last week.
- The price of camel milk (1 litre) dropped from 1.00 to $1.90 (10%) in Galkayo market compared to last week.
Puntland

- Both local cereals and imported food commodities prices are stable compared to the last two weeks however prices remain high.
- Food items such as canned fish, milk powder, and dates increased by 10-20%, compared to the previous week.
- Fuel prices decreased further this week by 20 - 25% in most regions of Puntland compared to last week, due to global price reduction.
- Exchange rate of local currency against USD has remained the same in the past three weeks.
- Normal port operations are ongoing in Bossaso.

Somaliland

- Goat meat prices have increased this week, from 65,000 to 90,000 SL.SH (38.5%). This is due to increased demand as result of increased consumption of meat due to the ongoing holy month of Ramadhan.
- Decline of remittance as evidenced by no queues observed in major Dahabshiil branches in Hargeisa.
- Camel milk prices are increasing in most urban markets, for instance in Hargeisa 1 Litre increased from 3,000 to 6,000 SL.SH (100%) due to transport delays as a result of GU rains.
- Both prices of imported and local food items remain the same as last week with minimal changes, however prices may increase due to the ongoing Ramadhan and increased charitable activities.
- Prices of fresh produce has increased this week, for instance 1 Kg of onion increased from 7,000 to 12,000 SL.SH (71.4%) and tomatoes 4,000 to 6,500 SL.SH (62.5%) due to transport delays as a result of GU rains.
- Saudi Arabia and Egypt have received the first batch of livestock export from Berbera port, in addition normal port operations are ongoing.
- Export quality goat prices have increased from $65 to $70 (7.7%), however prices of the camel export quality remain the same compared to last week.
- Fuel prices are decreasing in most markets, for instance the price petrol decreased from 5,500 to 5,400 SL SH. (-15.4%), diesel from 5,200 to 4,400 SL SH. (-3.7%).

Jubbaland

- In Gedo markets (Doolow, Beletxaawo and Luuq) both wholesale and retail prices of imported food items (rice, wheat flour, vegetable oil, pasta, dates) increased by 10 - 25% compared to last week.
- In Gedo markets (Doolow, Garbaharey, Beletxaawo and Luuq) goat meat prices increased by (9 -11.5%) due to increased consumption during the ongoing holy period of Ramadhan.
- In Kismayo, both retail and wholesale prices of local and imported food items have remained relatively stable with minimal decreases compared to last week.
- Depreciation of local currency in Gedo markets, the exchange rate of local currency (So.SH) vs USD increased from 25,000 to 26,000.
- Less activities are reported in Kismayo port for four weeks in a row but normal operations are ongoing.

South West

- The ongoing rains have rendered a number of supply corridors impassable resulting to increased lead-time, transport cost and consequently prices of commodities increasing. For instance, transporting 50kg of either sugar, rice or wheat flour from Baidoa to Wajid has increased from $6 to $ 8 (33.3%)
- In Baidoa, both retail and wholesale prices of imported food items (rice, vegetable oil and sugar have decreased by (5-13%) with the exception of pasta which remained the same compared to last week.
- In Baidoa, local cereals (white maize and red sorghum) both retail and wholesale prices remained the same as last week but high.
- In Huddur market, both retail and wholesale prices of local and imported food items have drastically increased by 60 - 70%, due to cut off roads and delayed transport as a result of ongoing GU rains.

For further information contact the Somalia VAM ME and Logistics :

Raul Cumba, raul.cumba@wfp.org
Julie Vanderwiel, julie.vanderwiel@wfp.org

08.05.2020 | Joint Markets and Supply Chain Update