

SOMALIA | Fortnight Markets and Supply Chain Update

01 - 15 November 2024

HIGHLIGHTS

Prices: Over the past two weeks, prices remained largely stable in Mogadishu, Hirshabelle, Galmudug, Jubaland, and Southwest. In contrast, Somaliland experienced price fluctuations, primarily due to supply shortages and inflationary pressures on the local currency. These challenges were likely exacerbated by the recent election period, which may have created uncertainty and prompted retail shops in major towns to reduce the purchasing and stocking of imported commodities. This, in turn, resulted in reduced market availability and subsequent price increases. Additionally, the slight depreciation of the Somaliland shilling, driven by the same factors during this period, further contributed to higher prices for imported items.

Local cereal prices, including white maize and red sorghum, remained stable in Mogadishu. However, there were minor price fluctuations in other regions, with a 1% to 3% change observed in Hirshabelle, Somaliland, Puntland, Galmudug, and Southwest. These minor adjustments suggest that the market remains largely balanced, with no major disruptions impacting the supply or pricing of local cereals.

Prices of imported food items, including rice, wheat flour, and pasta, remained stable in Mogadishu and Jubaland, with minor fluctuations of 1% to 3% observed in Hirshabelle, Galmudug, Puntland, and Southwest. In contrast, Somaliland experienced significant price increases, with rice rising by 7%, wheat flour by 9%, and pasta by 10%. Similarly, sugar prices remained stable across most regions but increased sharply by 12% in Somaliland, while vegetable oil followed this trend with a 5% rise, driven by the effects of the recent elections on market dynamics.

Camel milk and diesel prices remained stable across the assessed regions. However, slight variations of 1% to 2% were observed in Hirshabelle, Puntland, Southwest, and Somaliland, likely due to minor shifts in local supply and demand conditions. These small changes indicate a generally balanced market, with no significant disruptions affecting availability or pricing.

Exchange rates across most states showed stability; however, Somaliland experienced a 4% depreciation of its local currency against the U.S. dollar. This depreciation was likely driven by increased cash circulation during the recent election period, including campaign activities, which temporarily lowered the currency's value due to an oversupply in the market. Elections often disrupt financial systems due to increased liquidity and short-term uncertainty in market conditions, all of which may have contributed to the currency's temporary depreciation.

Availability: Overall, markets were adequately stocked to meet household demands. Nonetheless, specific markets such as Baki, Burco, Buur Hakaba, Caynabo, Ceel Barde, Ceel Afweyn, Ceel Dheer, Cerigaabo, Belet Xawo, Hobyo, Iskushuban, Jilib, Lughaye, Zeylac, Badhaadhe, Xarardheere, and Elwak, continued to face complete unavailability of vegetables. Additionally, markets such as Xarardheere, Kismayo, Balcad, Badhaadhe, Barawe, Qorioley, Buur Hakaba, Zeylac, Iskushuban, Luuq, Lughaye Jalalaqsi, Ceeldhere, and Ceel Afweyn, faced unavailability of some commodities such as sorghum, cowpeas, split peas and maize.

Assortment: Most markets remained vibrant, providing a wide range of commodity brands and quantities, demonstrating resilience. However, some parts of Jubaland, Somaliland, Puntland, and Hirshabelle experienced sporadic shortages of vegetables and some commodities such as rice, egg imported, okra, camel meat, pumpkin, bananas, and spinach, particularly in Cadale, Zeylac, Qandala, and Badhaadhe.

Quality: Commodities were consistently reported to meet satisfactory quality standards across all states nationwide.

Resilience: Throughout the country, the movement of goods remained consistent or showed minor variations influenced by persistent insecurity.

Logistics: Most major roads and corridors in Somalia are typically accessible, although specific routes encounter difficulties due to security concerns. These include routes like Belet-Weyne-Cadaado, Barawe-Jilib, Mogadishu-Marka-Barawe, Baydhaba-Qansax Dheere-Garbahaarey, Baydhaba-Doolow, Baydhaba-Luuq, Kismayo-Bardheere-Baydhaba, Kismayo-Afmadow-Dhobley, Gaalkacyo-Bacadwayne, Baydhaba-Buur Haka-ba-Garbahaarey, and Abudwak-Xerale.

BI-WEEKLY MARKET PRICE VARIATIONS

	PRODUCT	MOGADISHU	HIRSHABELLE	GALMUDUG	SOMALILAND	PUNTLAND	SOUTHWEST	JUBALAND
% Weekly change of retail prices	White Maize (Kg)	↔ 0%	↔ 0%	↔ 0%	↑ 2%	↔ 0%	↔ 0%	↔ 0%
	Red Sorghum (Kg)	↔ 0%	↑ 1%	↑ 3%	↑ 2%	↑ 1%	↑ 1%	↔ 0%
	Rice (Kg)	↔ 0%	↔ 0%	↔ 0%	↑ 7%	↓ 1%	↑ 3%	↔ 0%
	Wheat flour (Kg)	↔ 0%	↑ 1%	↑ 1%	↑ 9%	↑ 1%	↓ 1%	↔ 0%
	Pasta (Kg)	↔ 0%	↔ 0%	↑ 1%	↑ 10%	↔ 0%	↓ 1%	↔ 0%
	Sugar (Kg)	↔ 0%	↔ 0%	↑ 1%	↑ 12%	↓ 1%	↓ 1%	↔ 0%
	Vegetable Oil (Litre)	↔ 0%	↔ 0%	↔ 0%	↑ 5%	↓ 1%	↔ 0%	↔ 0%
	Camel Milk (Litre)	↔ 0%	↓ 1%	↔ 0%	↑ 2%	↓ 1%	↓ 1%	↔ 0%
	Goat (Local quality)	↔ 0%	↓ 1%	↔ 0%	↔ 0%	↓ 2%	↓ 1%	↔ 0%
	Wage Labour	↔ 0%	↔ 0%	↔ 0%	↑ 2%	↑ 2%	↔ 0%	↔ 0%
	Diesel (Litre)	↔ 0%	↓ 1%	↔ 0%	↑ 5%	↔ 0%	↔ 0%	↔ 0%
	Exchange rate	↔ 0%	↔ 0%	↔ 0%	↑ 4%	↔ 0%	↔ 0%	↑ 1%

Supply Chain	MOGADISHU	HIRSHABELLE	GALMUDUG	SOMALILAND	PUNTLAND	SOUTHWEST	JUBALAND
Availability	Good	Good	Good	Good	Good	Good	Good
Prices	Good	Good	Good	Fair	Good	Good	Good
Items Assortment	Good	Good	Good	Fair	Good	Good	Good
Supply Resilience	Good	Good	Good	Good	Good	Good	Good
Trade Logistics	Good	Good	Good	Good	Good	Good	Good

IMPLICATIONS ON FOOD SECURITY

- Food prices remained largely stable across all regions, except in Somaliland, where recent elections and market uncertainty led to significant price surges. However, with the election results now accepted and the new cabinet set to take office, these effects are expected to be short-term. Overall, general food security is anticipated to remain stable or experience only minor impacts, though close monitoring in Somaliland is essential.
- Market functionality and food quality are adequate nationwide. However, localized shortages of items like vegetables and transportation challenges on insecure routes continue to limit access to diverse foods in some districts. In Somaliland, the elections slightly disrupted transportation and logistics networks, causing some suppliers to delay shipments. With the election period now concluded, these conditions are expected to normalize.

HOW WE MONITOR MARKETS

WFP Somalia conducts weekly market and supply chain monitoring assessments and covers 42 locations per week. It also maintains a large pool of monitors through third-party and internal capacity collecting both quantitative and qualitative data. The data on Market Functionality Index (MFI) is being collected on a rolling basis and 9 dimensions of market functionality are being monitored and reported real-time.

