

South Sudan

MONTHLY MARKET PRICE MONITORING BULLETIN



vam
food security analysis



APRIL 2018¹

HIGHLIGHTS

- **Currency Exchange Rate:** In March 2018, the average exchange rate of one US Dollar was 241 SSP on the parallel market, while the official rate was 133 SSP, compared to 220 SSP and 133 SSP in the previous month. This divergence of 80 percent between the official and parallel market exchange rate is the highest since the 2016 currency devaluation.
- **Cost of Food:** The cost of a standard food basket to meet the minimum daily recommended energy requirement (2,100 kilo calories) remained highest in the Lakes region, while it was the lowest in Eastern Equatoria.
- **Cereal Prices:** The price of the staple cereal, sorghum, rose in Torit, Rumbek, Aweil and Wau markets by 14 to 35 percent compared to one month ago. Despite the rise in currency exchange rates, the price of staples, including imported, showed stability and even decreased in some of the markets, which could be attributed to the availability of humanitarian assistance.
- **Fuel Prices:** In March 2018, fuel prices increased in most of the monitored markets by more than 10 percent. The highest fuel price increases were recorded in Mingkaman, Malakal, Rumbek and Kapoeta South, where petrol price increases ranged from 28 to 60 percent compared to February 2018.
- **Terms of Trade:** Higher increase in prices of goat compared to sorghum caused an improvement in ToT in 60 percent of the monitored markets, while 30 percent of monitored markets experienced deterioration due to increase in sorghum prices that outweighed goat prices. Compared to the same period last year, ToT have shown improvements in all locations.
- **Outlook:** Rapid depreciation of local currency coupled with the onset of the rainy season are likely to result in price increases in the coming months.

¹The analysis is based on March 2018 price data

Photos: WFP/Ryan McDonald (top) and WFP/George Fominyen (bottom)

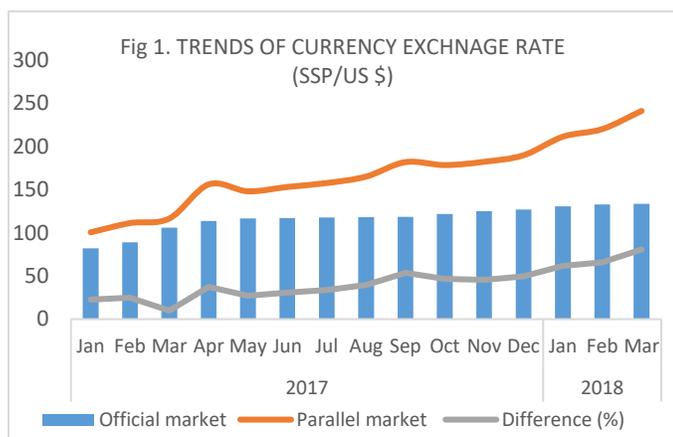
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South Sudanese Pound continues to depreciate with high divergence between official and parallel exchange rates

Depreciation of the South Sudanese Pound continued. In March 2018, the average exchange rate of one US Dollar was 241 SSP in the parallel market, while the official rate was 133 SSP per Dollar, compared to 220 SSP and 133 SSP in the previous month. This divergence of 80 percent between the official and parallel market exchange rate is the highest since the 2016 currency devaluation. Compared to the same period last year, the value of SSP in March has been less than half, with the change in parallel market exchange rate from 116 to 241 per US Dollar. The Bank of South Sudan issues daily notification on official exchange rate. However, traders cannot access the hard currency as per the official exchange rates, and thus rely on the parallel market. This in turn results in higher commodity prices.

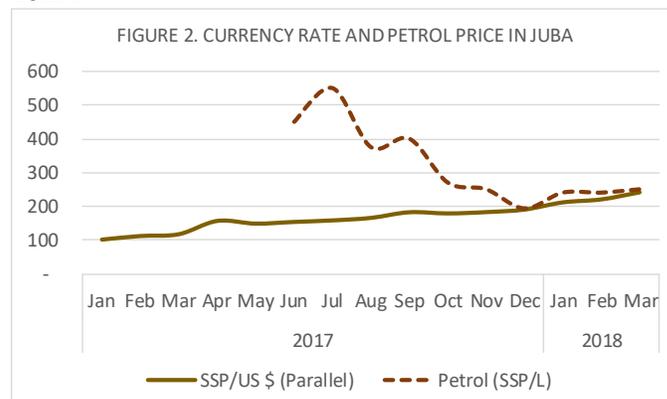


Source: Bank of South Sudan (Official) and WFP (Parallel)

Depreciation of local currency impacts fuel prices

In March 2018, fuel prices increased at a rate faster than the currency depreciation, and increased by more than 10 percent in most of the monitored markets compared to the previous month. Markets which experienced the highest increase in petrol prices were Kapoeta South (60 percent) Mingkaman (29 percent), and Rumbek (29 percent). In Malakal, Mingkaman and Rumbek, one litre of petrol fetched SSP 400 and above. However, Bunj and Wunrok had stable fuel prices, while Wau and Yida experienced decreases of seven and five percent,

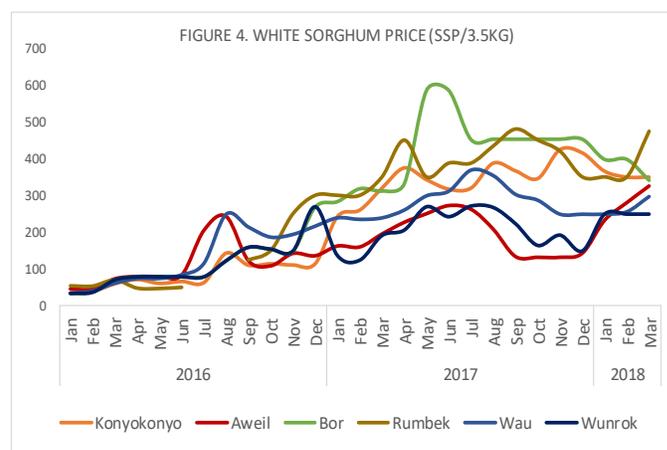
respectively. Fuel prices stood considerably higher across all markets compared to their levels one year ago. Increase in fuel prices affects the transport costs, which in turn affects prices of goods and services in the markets. Figure 2 shows how the petrol prices and currency exchange rates have co-moved after fuel price was equated to around one US Dollar equivalent in December 2017.



Source: WFP

Increase in cereal prices

Grain price: The price of staple cereal, sorghum, rose in Torit, Rumbek, Aweil and Wau markets between 14 to 35 percent compared to the previous month. Bor and Mingkaman markets experienced decrease in prices by 14 and 23 percent, respectively. It may be noted that sorghum prices in these two markets were among the highest in March 2018.



Source: WFP

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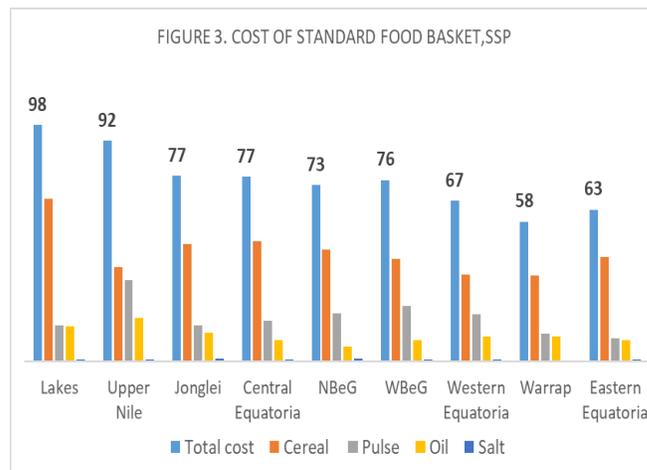
Other monitored markets showed stability in sorghum prices with changes within 5 percent. The price of maize grain, maize flour and wheat flour showed mixed behavior (see Annex 1). Compared to March 2017, prices of all staple cereals stood significantly higher.

Field bean, known locally as *janjaro*, is a common staple pulse consumed across the country. In March, the price of field beans showed increases in Konyokonyo (15 percent) and Bunj (47 percent) whilst markets in Torit and Rumbek showed price decreases by eight and 14 percent respectively. The field bean price remained stable in Bor, Kapoeta South, Mingkaman, Wau and Aweil. Despite further depreciation of local currency, the price of staples, including imported, showed temporary stability and decreases in some of the markets, which could be attributed to the availability of humanitarian assistance, rather than other economic factors.

Vegetable oil price: Compared to February, the price of vegetable oil has increased in half of the monitored markets, and the remaining half experienced stability in prices. Markets which experienced price increases were Bor (33 percent), Bunj (25 percent), Rumbek (24 percent) and Kapoeta South (19 percent). Across monitored markets, price of vegetable oil stood significantly higher than their levels one year ago.

Cost of minimum food basket highest in Lakes

The cost of a daily standard food basket, calculated based on the food baskets that meet daily minimum energy requirements, stood the highest in Lakes at SSP 98 and the lowest in Equatoria state, at SSP 63 (see Figure 3). Though the cost decreased in Lakes compared to February, it remained expensive for the average family.

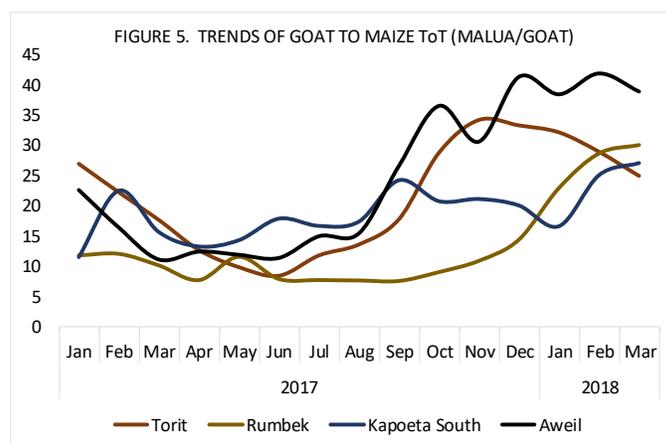


Source: WFP

Terms of Trade (ToT): Purchasing Power

Goat to sorghum: A higher increase in goat price compared to the price of sorghum caused an improvement in ToT in 60 percent of the monitored markets. However, there was a deterioration in ToT in about 30 percent of markets due to increases in sorghum price that outweighed goat price. In Wunrok, ToT remained stable due to the stability in both goat and sorghum prices (see Figure 5).

Compared to the same time last year, ToT have shown improvements in all locations. Figure 5 shows the trend of ToT in key markets in the past one year.



Source: WFP

Wage to sorghum: Compared to the previous month, ToT has improved in Konyokonyo (11 percent) and Aweil

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(33 percent) while it deteriorated in Torit (10 percent) and Bor (17 percent). The increase in sorghum prices higher than daily wages contributed ToT to deteriorate in Torit. On the contrary, decrease in wage more than sorghum caused the deterioration of ToT in Bor. However, ToT stood higher than their levels in March 2017. In March 2018, the lowest ToT was observed in Bor, where a daily wage of an unskilled labor could fetch 0.73

malua of Sorghum, while the highest was in Torit (1.8 *maluas* of maize).

Outlook

Rapid depreciation of the local currency coupled with the onset of the rainy season are likely to contribute to price rises in the coming months, which could adversely impact household food security.

Table 1: Retail prices by market and month-on-month price changes (March 2018)

	Highest Price			Lowest Price		
	Market	Price (SSP)	M-on-M Change (%)	Market	Price (SSP)	M-on-M Change (%)
White sorghum (3.5 KG)	Mingkaman	538	-23	Yida	150	0
White maize (3.5 KG)	Rumbek	620	33	Yida	125	0
Maize flour(KG)	Mingkaman	300	0	Torit	140	-1
Field beans(KG)	Wau	460	0	Kapoeta South	207	-3
Wheat flour (KG)	Yida	275	75	Kapoeta South	134	-1
Cooking oil(L)	Bunj	700	28	Aweil	200	0
Diesel (L)	Malakal	494	29	Kapoeta South	230	15
Petrol(L)	Rumbek	450	50	Wunrok	240	0
Groundnuts-shelled (KG)	Mingkaman	450	23	Aweil	240	9
TOT: Goat to sorghum (malua)	Aweil	39	-8	Wau	14	-10
TOT: Wage to sorghum (malua)	Torit	1.8	-10	Bor	0.73	-17

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ANNEX 1: Commodity prices by market and trend of price changes (March 2018)

	Major Commodity	SSP								Major Commodity	SSP									
		Mar	1M	3M	1Y	1M	3M	1Y			Mar	1M	3M	1Y	1M	3M	1Y			
Konyokonyo	White Sorghum	350	0	-16	9	▶	▼	▶	Yida	White Sorghum	150	0	-21	21	▶	▼	▶			
	White Maize	363	-9	-1	14	▼	▶	▶		Rice	460	31	-8		▶	▶				
	Field Beans (Janjaro)	338	15	43	25	▶	▶	▶		Vegetable oil	300	-1	-40	3	▶	▼	▶			
	Maize flour	150	-6	-6	40	▼	▶	▶		Wheat flour	275	10	-16		▶	▼				
	Wheat Flour	190	19	-10	60	▶	▶	▶		Bor	White sorghum	343	-14	-25	9	▼	▼	▶		
	Vegetable oil	300	0	43	-9	▶	▶	▶			Maize flour	250	14	15	74	▶	▶	▶		
	Rice	306	11	2	26	▶	▶	▶			Field Beans (Janjaro)	300	0	0	70	▶	▶	▶		
	TOT (wage to sorghum)	1.4	11	86	34	▶	▶	▶			Wheat Flour	200	0	0	82	▶	▶	▶		
Kapoeta South	White Maize(Grain)	328	-6	-6	37	▼	▶	▶	Vegetable oil		400	33	33	78	▶	▶	▶			
	Field Beans (Janjaro)	200	-3	0	70	▶	▶	▶	Rice	288	15	10	68	▶	▶	▶				
	Vegetable oil	238	19	19	19	▶	▶	▶	Mingkanan	Maize flour	300	0	67	74	▶	▶	▶			
	Wheat Flour	133	-1	2	11	▶	▶	▶		Field Beans (Janjaro)	350	0	40	126	▶	▶	▶			
	Maize flour	168	12	1	34	▶	▶	▶		Wheat flour	250	-17	25		▼	▶				
TOT(Goat to maize)	27	7	-66		▶	▼		TOT (Goat to sorghum)		39	82	820		▶	▶					
Aweil	White Sorghum	325	16	127	67	▶	▶	▶	Vegetable oil	500	0	25	144	▶	▶	▶				
	Field Beans (Janjaro)	400	-5	16	140	▶	▶	▶	Rumbek	White Sorghum	474	35	35	35	▶	▶	▶			
	Wheat Flour	225	-23	32	76	▼	▶	▶		Field Beans (Janjaro)	300	-14	50	50	▼	▶	▶			
	Vegetable oil	200	0	4	100	▶	▶	▶		Wheat flour	272	9	81	127	▶	▶	▶			
	Rice	294	16	19	119	▶	▶	▶		Maize flour	188	4	25	55	▶	▶	▶			
	Fuel (Diesel)	250	6	-5	127	▶	▶	▶		Vegetable oil	494	24	147	98	▶	▶	▶			
Wau	White Sorghum	298	16	19	24	▶	▶	▶	Petrol	450	29	125	164	▶	▶	▶				
	White Maize(Grain)	388	39	60	80	▶	▶	▶	Torit	White maize (Grain)	305	22	53	22	▶	▶	▶			
	Field Beans (Janjaro)	460	0	5	229	▶	▶	▶		Wheat flour	133	-3	0	18	▶	▶	▶			
	Wheat Flour	180	13	59	80	▶	▶	▶		Maize flour	140	-1	10		▶	▶				
	Vegetable oil	300	0	-8	44	▶	▶	▶		Field Beans (Janjaro)	195	-8	22	65	▼	▶	▶			
	Diesel	345	15	1	136	▶	▶	▶		Vegetable oil	300	7	29	50	▶	▶	▶			
	Petrol	257	-7	-20	63	▼	▼	▶	Unit of measurements											
Wunrok	White sorghum	250	0	67	30	▶	▶	▶	White sorghum							3.5kg				
	Maize flour								White maize							3.5kg				
	Field Beans (Janjaro)	229	0	19		▶	▶		Cassava							3.5kg				
	Wheat flour	200	0	83	82	▶	▶	▶	Maize flour							kg				
	Rice	250	0	25		▶	▶		Field beans/Groundnuts							kg				
Symbol Key																				
▶	Prices increase above normal																			
▼	Normal price changes																			
▶	Prices decrease below normal																			
		# of malw a per goat or daily wage																		
		▶ Price increases above normal ▶ Normal price changes ▼ Price decreases below normal																		
Price fluctuation is considered normal if the price change is 5% within one month, 10% within 3 months and 20% within one year																				