



November<sup>1</sup> 2017

### HIGHLIGHTS

- **Fuel Prices:** According to *The Sudan Tribune*, South Sudan has removed fuel subsidies due to scarcity of hard currencies to subsidize fuel prices. The removal of subsidies might open an opportunity to private companies to import and sell at free market prices, which is likely to ease availability. In October 2017, price of petrol decreased in many markets by 8 to 33 percent compared to the previous month. The petrol price ranged from SSP 200 per litre in Agok to SSP 400 per litre in Wunrok.
- **Terms of Trade (ToT):** The stability of sorghum price in the last couple of months, together with the relative rise in goat price, led to significant improvements in terms of trade. Compared to September 2017, ToT rose in Wunrok (87 percent), Konyokonyo (86 percent), Mingkaman (73 percent), Yida (63 percent), Aweil (37 percent) and Rumbek (20 percent). Goat to maize ToT also increased in Torit (62 percent), while it decreased in Kapoeta (14 percent). Similarly, wage to sorghum ToT in Konyokonyo and Torit improved by 30 percent and 57 percent respectively, compared to September 2017.
- **Cereal prices:** In October 2017, sorghum prices continued to decline, while wheat prices increased in most markets. The main staple cereal, sorghum, registered price decreases in Yida (20 percent), Mingkaman (23 percent) and Wunrok (26 percent). Furthermore, Konyokonyo, Rumbek, Wau and Bentiu markets showed decreases in sorghum prices by 5-12 percent compared to September 2017. The retail price of wheat flour increased across many markets while other products such as maize flour, maize grain and rice showed mixed trends.
- **Currency exchange rate:** In the parallel market, USD 1 exchanged at SSP 178, which meant a 2 percent decrease from the previous month and was 160 percent higher than the same month last year. The official exchange rate stood at SSP 122 (35 percent lower), though it was not available to food importers.
- **Outlook:** The upcoming festivities (Christmas and New Year) are likely to increase demand for food and hence put a pressure on prices, with possible impact in the purchasing power of households

<sup>1</sup>The analysis is based on data on prices from October 2017

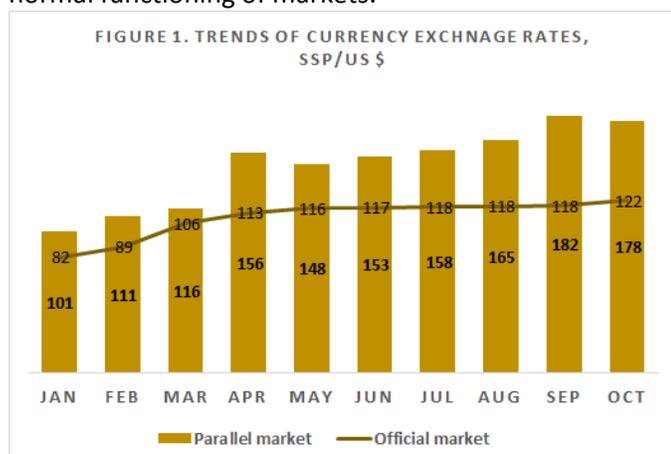
Photos: WFP/Ryan McDonald (left) and WFP/George Fominyen (right).

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# SOUTH SUDAN MONTHLY MARKET PRICE MONITORING BULLETIN

## Elevated but relatively stable currency exchange rates in October 2017

The absence of hard currency rationing by the Government has caused food prices to remain high, thus impacting consumers. The parallel market is the main source of hard currency to traders and hence the exchange rate has been rising continuously. Some stability was observed in October, when USD 1 exchanged at SSP 178 in average, 2 percent lower than the previous month though 160 percent higher than the same time last year. Although the Bank of South Sudan set the official exchange rate at SSP 122 (35 percent lower), currency at official rate was not available to food importers. Furthermore, the exchange rate proved to be volatile and unpredictable, which created uncertainty to normal functioning of markets.



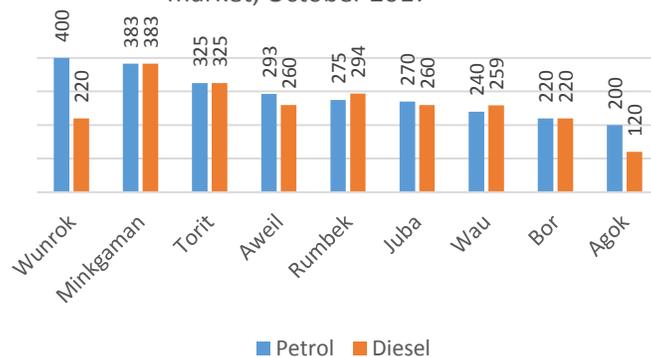
Source: Bank of South Sudan and WFP

## Removal of fuel subsidies due to scarcity of hard currencies

In Juba, most fuel stations had ceased to operate long time ago due to serious shortage of supply by Nilepet, a government owned fuel company. Recently, few stations started to sell fuel at prices 8 times higher than the government's set price (SSP 22/L). The decision of these fuel stations could be a consequence the latest Sudan Tribune<sup>1</sup> news, which reported that South Sudan had 'quietly' removed fuel subsidies due to scarcity of hard currencies to subsidize fuel prices. However, the presence of subsidies had not been very successful in availing fuel and protecting consumers from parallel

market operators. If the government allows, the removal of subsidies might open an opportunity to private companies to import and sell at free market prices. This might ease availability, though those receiving oil at subsidized rate will no longer benefit.

Figure 2: Fuel prices (SSP/L) in parallel market, October 2017



Source: WFP

In October, few petrol stations in Juba sold a litre of fuel at SSP 180 or at USD 1 (parallel market exchange rate). Fuel price in these petrol stations was 33 percent lower compared to that charged by fuel traders along the main roads using bottles and jerrycans. The price of petrol per litre ranged from SSP 200 in Agok to SSP 400 in Wunrok. Similarly, the diesel price ranged from SSP 120 in Agok to SSP 383 in Mingkaman. Compared to September, price of petrol decreased in most markets by 8 to 33 percent whilst it increased in Wunrok (20 percent) and Rumbek (72 percent). However, prices were much higher compared to same time last year.

## Seasonal decrease in sorghum prices, mixed trends in other cereal prices

In October 2017, the main staple cereal, sorghum, showed seasonal price decreases in Yida (20 percent), Mingkaman (23 percent) and Wunrok (26 percent). Furthermore, Konyokonyo, Rumbek, Wau and Bentiu markets showed drops in sorghum price by 5-12 percent compared to September 2017. The retail price of wheat flour increased across many markets while other products such as maize flour, maize grain and rice showed mixed trends. Compared to September 2017,

<sup>1</sup> <http://www.sudantribune.com/spip.php?article64157>

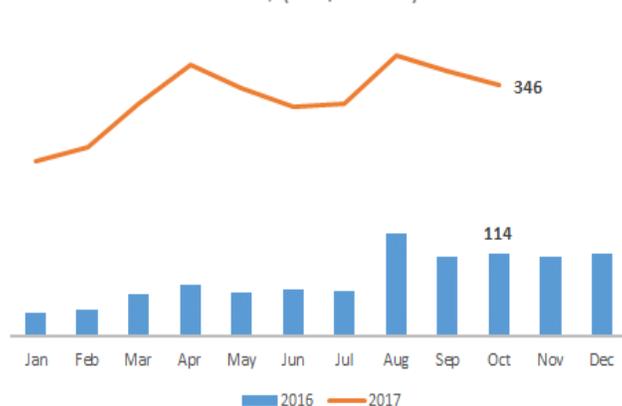
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wheat flour price rose in Bor (67 percent) and Wunrok (40 percent), whilst other markets experienced moderate price increases, ranging from 11 to 15 percent. On contrary, Juba, Aweil and Mingkaman markets witnessed wheat flour price decreases (6-23 percent). Wheat grain is imported from major exporting countries and then processed in neighboring countries before trading in South Sudan. The impact of international market is thus directly transmitted on the price of wheat flour.

The maize grain showed mixed price trends; it increased in Yida (6 percent), Konyokonyo (9 percent) and Kapoeta South (17 percent) whilst it decreased in Aweil (8 percent), Wau (10 percent) and Torit (15 percent). The price of maize flour, which is a substitute to maize grain, increased by 12-20 percent in Konyokonyo, Aweil and Rumbek; however, prices have decreased in Mingkaman, Wunrok and Wau by 20-23 percent.

The agricultural harvests have caused the observed decrease in sorghum prices. Compared to one year ago, the prices of cereal and cereal products have increased significantly in all monitored markets. For instance, in Juba, the sorghum price increased by 205 percent.

**FIGURE 3. TRENDS OF WHITE SORGHUM PRICE IN JUBA, (SSP/MALUA)**



Source: WFP

### Mixed trends in cooking oil and field beans prices

Mixed trends of field beans and cooking oil prices were observed in monitored markets in October. Compared to the previous month, field beans price has increased in Kapoeta South (25 percent), Aweil (24 percent), Yida (18

percent), Bentiu (18 percent) and Wunrok (14 percent). Other markets such as Konyokonyo, Bor, Torit, Wau, Rumbek and Mingkaman showed price changes (both directions) within 10 percent.

Cooking oil price registered decreases in one third of monitored markets in the range of 10-38 percent, while the same number of markets experienced price increases of 9-22 percent, compared to the previous month. The changing situation along different trade routes used for cooking oil supplies is causing instability in cooking oil prices. Compared to one year ago, cooking oil prices stood much higher across all markets.

**FIGURE 4. TRENDS OF FIELD BEANS PRICE IN TORIT (SSP/KG)**



Source: WFP

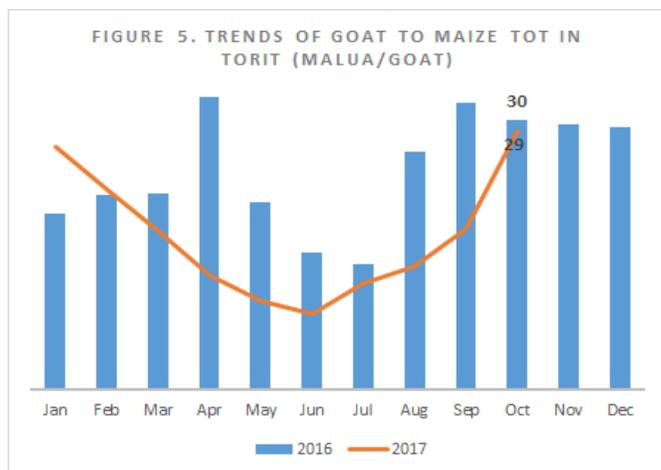
### Terms of Trade (ToT): Purchasing Power

**Goat to sorghum:** Seasonal stability of sorghum price in the last couple of months and a relative rise in goat price have contributed to improvements in terms of trade in October. This is likely to have positive impact on livestock dependent households if this improvement is sustained. Compared to September 2017, ToT rose in Wunrok (87 percent), Konyokonyo (86 percent), Mingkaman (73 percent), Yida (63 percent), Aweil (37 percent) and Rumbek (20 percent).

Goat to maize ToT improved in Torit (62 percent) while it deteriorated in Kapoeta South (14 percent). In October, an average goat fetched 20-38 *malua* of cereal in five

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markets<sup>2</sup> and 9-17 *malua* in four markets<sup>3</sup>. However, compared to one year ago, ToT has deteriorated in five of six monitored markets<sup>4</sup>.



Source: WFP

**Wage to sorghum:** In October 2017, a daily wage of unskilled labor fetched less than one *malua* in Aweil (0.70) and Wau (0.73). On the other hand, a daily wage exchanged to 1.1 *malua* and 2.88 *malua* in Konyokonyo

and Torit. Compared to September 2017, ToT improved in Konyokonyo (30 percent) and Torit (57 percent), while it deteriorated in Aweil (30 percent) and Wau (27 percent). Deterioration in these two markets was likely caused by a decline in wage rates. In nominal terms, the observed wage rate stood higher compared to one year ago. For instance, wage rate in Juba increased by 172 percent, though the corresponding increase in sorghum prices has been even higher (205 percent).

### Food Security Outlook

The seasonal decline in staple food prices is likely to have some positive impact on household food security, particularly for livestock owning households, due to improvement in ToT. However, this may not last long with price increases expected soon after the depletion of the stocks from harvest. Given the critical scarcity of hard currency, the upcoming festivities (Christmas and New Year) are likely to increase demand for food and other commodities, putting a pressure on their prices.

Table 1: Retail prices by market and month-on-month price changes-October 2017

	Lowest Price			Highest Price		
	Market	SSP	M-on-M (%)	Market	SSP	M-on-M (%)
White sorghum (3.5KG)	Bentiu	119	-12	Mingkaman	570	-23
White maize(3.5KG)	Aweil	110	-8	Konyokonyo	400	9
Wheat flour(KG)	Kapoeta S	120	0	Yida	500	11
Maize flour (KG)	Torit	130	0	Yida	255	0
Field beans (KG)	Yida	143	18	Wau	430	-3
Cooking Oil (L)	Aweil	140	-20	Bentiu	584	17
Groundnuts (KG)	Aweil	113	-16	Wau	400	63
ToT*- Goat to sorghum	Aweil	37	37	Rumbek	9	20
Petrol** (L)	Agok	200	-13	Wunrok	400	20
<b>*ToT in malua</b>			<b>** Parallel market price</b>			

<sup>2</sup> Kapoeta South, Torit, Aweil, Konyokonyo and Wunrok.

<sup>3</sup> Wau, Mingkaman, Yida and Rumbek

<sup>4</sup> These markets were Rumbek, Torit, Kapoeta South, Yida and Konyokonyo

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## ANNEX: Commodity prices by market and trend of price changes (October 2017)

	Major Commodity	SSP	Price Change (%)							Major Commodity	SSP	Price Change (%)									
		Oct	1M	3M	1Y	1M	3M	1Y			Oct	1M	3M	1Y	1M	3M	1Y				
Konyokonyo	White Sorghum	346	-6	16	205	▼	▲	▲	Yida	White Sorghum	185	-20	-4	208	▼	▶	▲				
	White Maize	400	9	3	285	▲	▶	▲		Rice	500	0	-2	225	▶	▶	▲				
	Field Beans (Janjaro)	273	-6	2	243	▼	▶	▲		Vegetable oil	500	-23	-7	108	▼	▶	▲				
	Maize flour	190	12	-11	215	▲	▼	▲		Wheat flour	500	11	69		▲	▲					
	Wheat Flour	134	-23	22	66	▼	▲	▲													
	Vegetable oil	220	-3	10	35	▶	▶	▲		Maize flour	200	0	-10	100	▶	▶	▲				
	Rice	200	-2	27	85	▶	▲	▲		Field Beans (Janjaro)	250	0	-17	170	▶	▼	▲				
	TOT (wage to sorghum)	1.14	30	21	-11	▲	▲	▶		Wheat Flour	200	67	37	122	▲	▲	▲				
										Vegetable oil	240	0	-20	100	▶	▼	▲				
Kapoeta South	White Maize(Grain)	350	17	-22	135	▲	▼	▲	Rice	200	0	-11	95	▶	▼	▲					
	Field Beans (Janjaro)	250	25	56	108	▲	▲	▲	Maize flour	180	-21	-3	86	▼	▶	▲					
	Vegetable oil	200	-5	0	67	▶	▶	▲	Field Beans (Janjaro)	243	3	-3	181	▶	▶	▲					
	Wheat Flour	120	0	-66	57	▶	▼	▲	Wheat flour	217	-11	20	137	▼	▲	▲					
	Maize flour	140	-3	-13	12	▶	▼	▶	TOT (Goat to sorghum)	16	73	75		▲	▲						
TOT(Goat to maize)	21	-14	24		▼	▲		Vegetable oil	400	9	25	205	▲	▲	▲						
Aweil	White Sorghum	132	-1	-50	21	▶	▼	▲	Agok	White Sorghum	165	8	0	45	▲	▶	▲				
	Field Beans (Janjaro)	245	24	-14	85	▲	▼	▲		Field Beans (Janjaro)	238	-46	-34	199	▼	▼	▲				
	Wheat Flour	130	-6	-14	13	▼	▼	▶		Wheat flour	134	2	0	66	▶	▶	▲				
	Vegetable oil	140	-20	-22	-10	▼	▼	▶		Rice	330	0	13	206	▶	▲	▲				
	Rice	233	8	12	66	▲	▲	▲		Vegetable oil	360	22	20	121	▲	▲	▲				
	Fuel (Diesel)	260	29	53	70	▲	▲	▲		Petrol	200	-13	0	35	▼	▶	▲				
Wau	White Sorghum	288	-5	-22	54	▶	▼	▲	Unit of measurements												
	White Maize(Grain)	240	-10	-41	3	▼	▼	▶	White sorghum							3.5kg					
	Field Beans (Janjaro)	430	-3	0	330	▶	▶	▲	White maize							3.5kg					
	Wheat Flour	158	10	13	126	▲	▲	▲	Cassava							3.5kg					
	Vegetable oil	300	4	7	150	▶	▶	▲	Maize flour							kg					
	Diesel	259	0	30	103	▶	▲	▲	Field beans/Groundnuts							kg					
	Petrol	240	-29	9	109	▼	▶	▲	Rice							kg					
Wunrok	White sorghum	165	-26	-39	6	▼	▼	▶	Wheat flour							KG					
	Maize flour	90	-23	-40	-10	▼	▼	▶	Vegetable oil							L					
	Field Beans (Janjaro)	286	14	0	209	▲	▶	▲	TOT							# of malwa per goat or daily wage					
	Wheat flour	200	40	11	122	▲	▲	▲													
	Rice	212	-10	6	107	▼	▶	▲													
Symbol Key																					
	▲	Prices increase above normal																			
	▼	Normal price changes																			
	▶	Prices decrease below normal																			
	▶	Price increases above normal																			
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Price fluctuation is considered normal if the price change is 5% within one month, 10% within 3 months and 20% within one year