



World Food
Programme

COVID-19: Potential impact on South Sudan

A WFP analysis of cereal markets
and food security implications of
the pandemic

Vulnerability Analysis and Mapping Unit

May 2020

SAVING
LIVES
CHANGING
LIVES

WFP South Sudan



UPDATE MACROECONOMIC IMPACT

Currency depreciation and market-dependent populations

- The exchanged remains high and traded at 285 per US dollar in Juba parallel market in April an appreciation from the high of 325 SSP/USD in Feb2020.
- This is partly attributed to the depressed demand by traders to import goods in fear of the COVID-19 pandemic as well as for other purposes such as no requirements to cover school fees in neighboring countries.

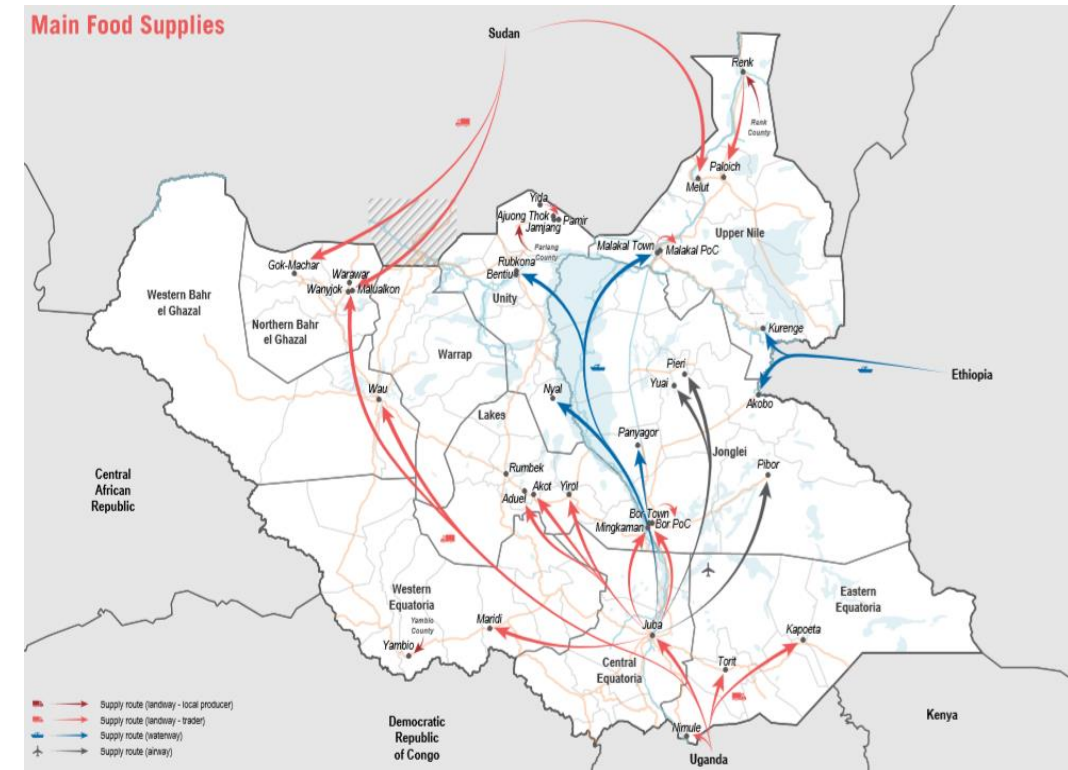
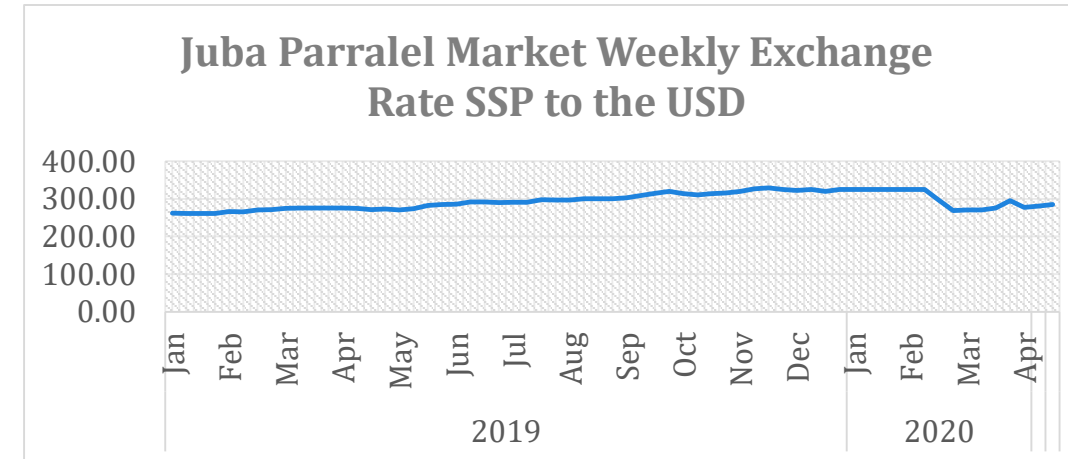
Possible rise in nominal price of fuel

amidst scarcity and erratic supply to markets, likely to cause further upward pressure on the prices through inflated transport costs;

Impact on commodity flows and prices

The Governments in the East African Region, including Uganda and Sudan, indicated they will allow commercial and food aid cargo to continue moving, the screening process has slowed down the commodity movement and limited trade volume

E.g. More than 1,000 cargo trucks transporting petroleum, food items and construction materials have been parked at Elegu Border- Post for days. (Daily Monitor, 11 May 2020)



IMPACT ON COMMODITY FLOWS AND PRICES

Food prices in main markets are **increasing, above normal seasonal increase**, due to a combination of **stockpiling, supply shock and increased cost of transport**;

In Juba, for instance, the prices of essential food commodities have risen in the main markets from week 3 (the week prior to adoption of restrictive measures) to last week, as only shops dealing in food items could operate, while street vendors had been prevented from working;

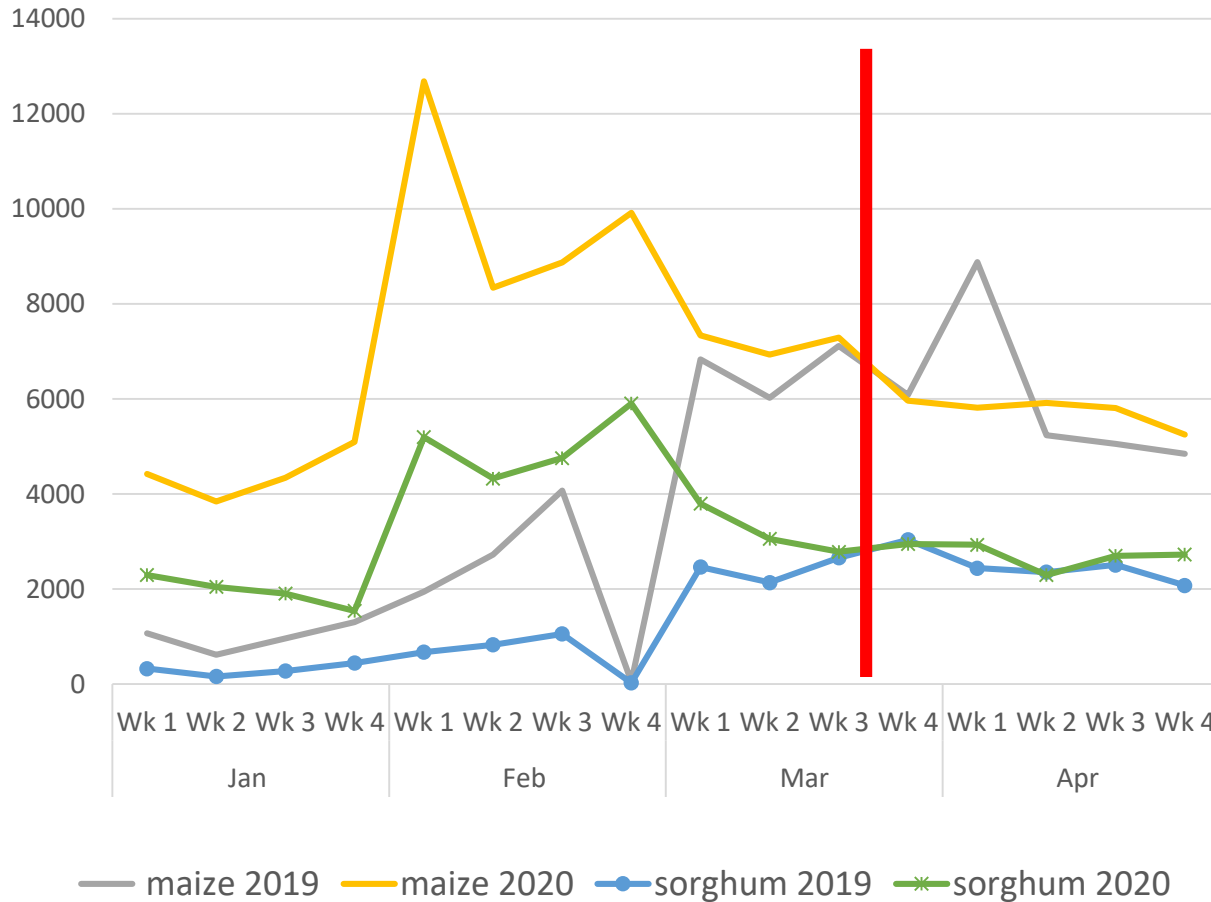
Large increase in transport fares;

If sustained, this is likely to translate into an **early onset of the hunger season for market-reliant populations**



IMPORT MARKET SUPPLY OF CEREALS

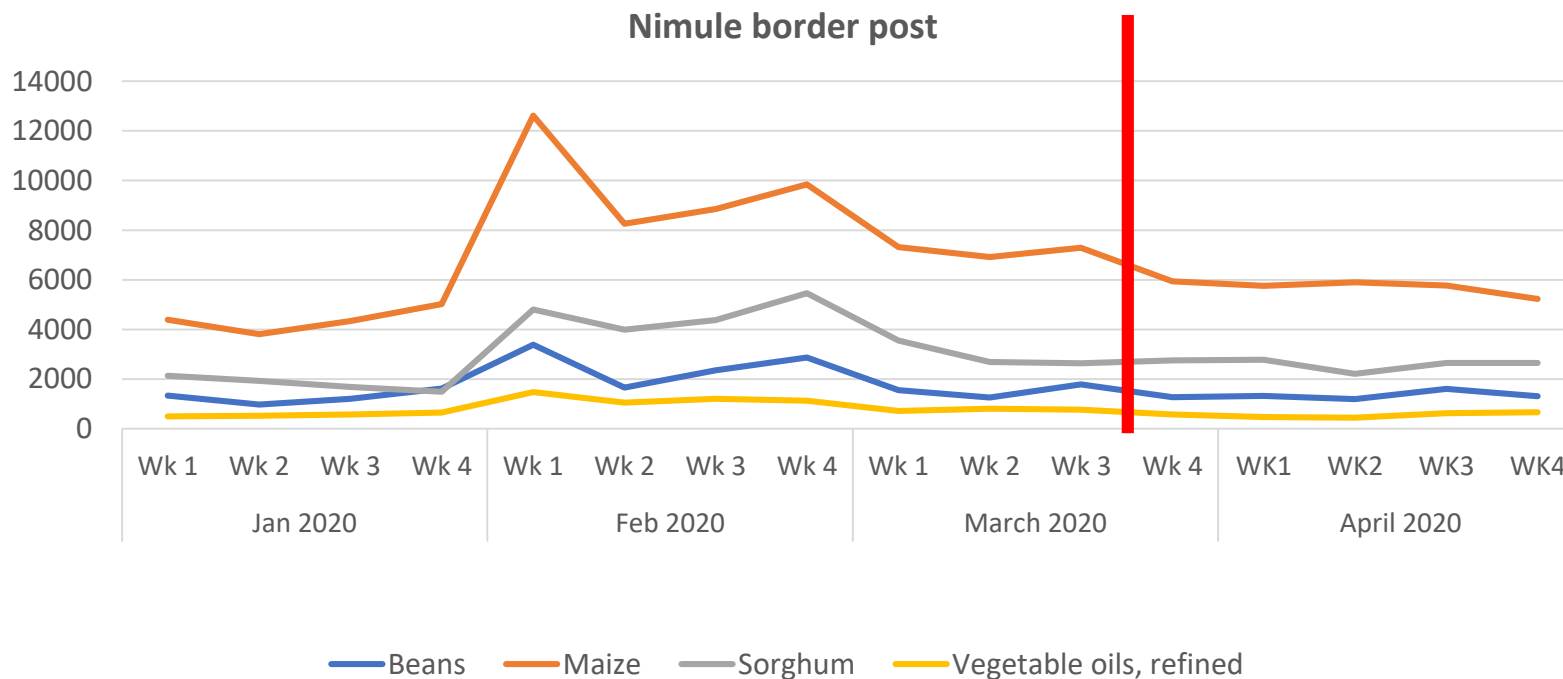
Trade Volumes into South Sudan



- Overall market supply to South Sudan from cross-border trade has been generally high in 2020 compared to the same time in 2019;
- In Uganda, the main source market for South Sudan, the last harvest season (from in October 2019) was good and plenty of grain is expected on the market until May, 2020 aided by cheaper grain offered from Tanzania via Mutukula destined for Uganda (*Farmgain Africa*);
- Overall, maize and sorghum supplies to South Sudan decreased in April 2020; according to various sources, maize imports from Uganda to South Sudan declined between 30 to 50% from the 3rd week of March to the 4th week of March 2020. (*Cross border monitoring data shows around 20% decrease*)
- In March 2020 cross border trade volumes for maize and sorghum started to decrease contrary to 2019 when they started increasing and average as in quarter 2 (Apr –Jun) cross border is at maximum.

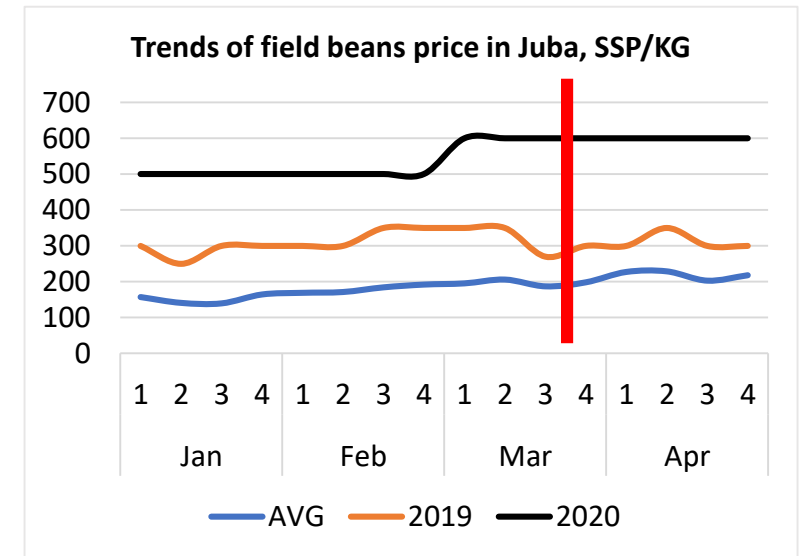
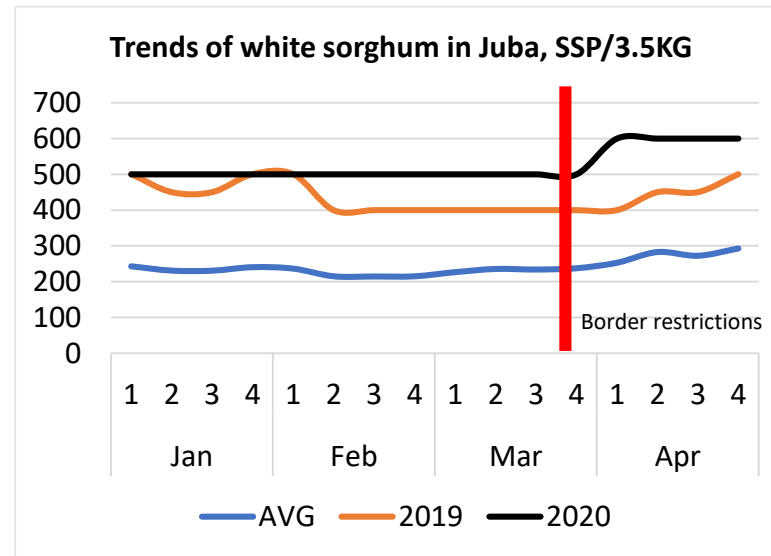
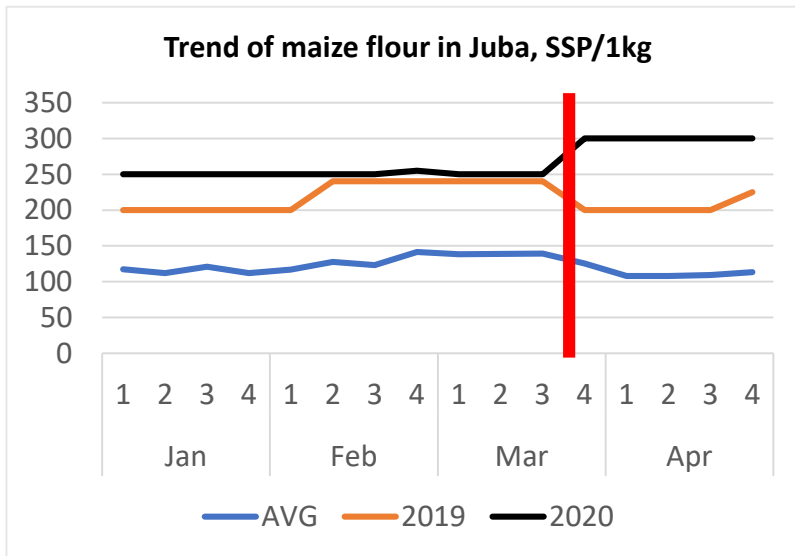
IMPORT MARKET SUPPLY OF CEREALS

- **Monthly data from cross-border monitoring show, from March to April 2020, a month-to-month volume decreased of 17% for maize, 15% for sorghum and 26% for vegetable oils and 8% for beans.**
- If the decreasing volumes continues, a negative impact on available supply in the market is likely, thus affecting prices and therefore purchasing power of households whose income has been affected by the COVID 19 movement restrictions.
- In the medium-term, given high volumes traded in 2020 from Jan to April, the increase in prices as depicted in the markets may be due to other factors.



PRICE AND SUPPLY TRENDS IN SOUTH SUDAN

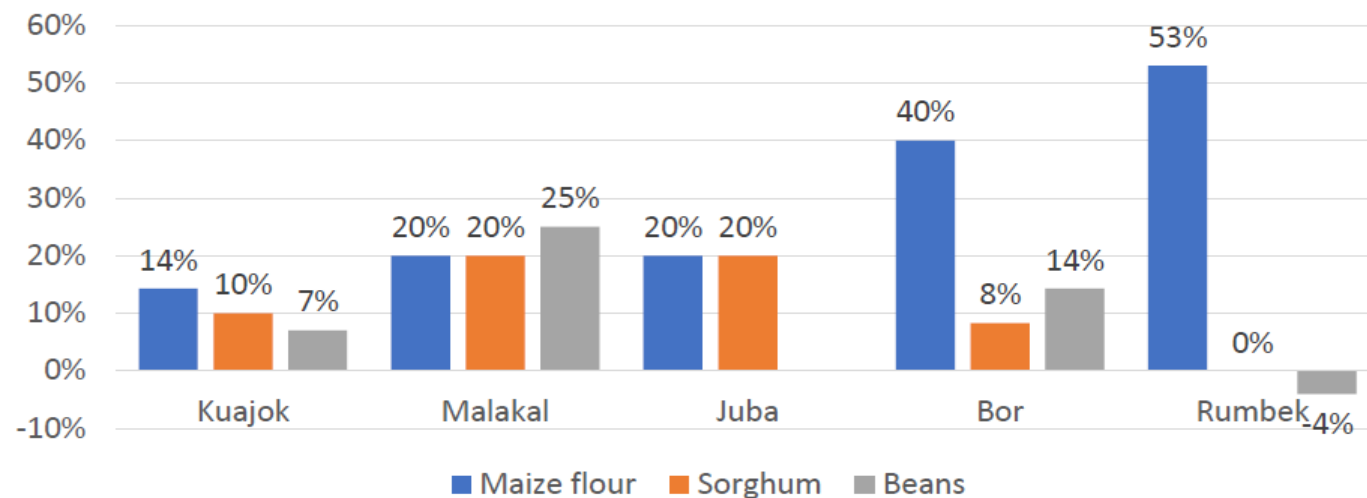
- Due to COVID-19 induced border restrictions, **market prices jumped and have since stabilized at the high price levels.** In Juba, sorghum prices increased, higher than 2019 and 5-year average prices.
- Following COVID-19 induced border restrictions, **food imports have decreased**, though in past years Q2 sees an increase in imports. If traders are not able to preposition food in markets that become inaccessible during the rainy season, then those markets will not have adequate supply for the rest of the year.
- The flow of food commodities has **delayed due to screening processes at the borders, leading to increased transaction costs.** For example, compared to pre-COVID-19 restrictions, transport costs (a) from Mombasa Port to Juba increased more than 25%; and (b) from Kampala to Kapoeta South increased by 26%.
- Throughout 2020, cereal prices in SSD have been higher than the 5-year average.



Local Highlights

Market Name:	Konyokonyo	March	April		Apr W5 vs W4	Apr W5 vs Mar W3
County:	Juba		Week 3	Week 4		
Commodity Name	Units	Week 3	Week 4	Week 5		
Cereals						
Maize Flour	1kg	250	300	300	0%	20%
Sorghum Flour	1kg	250	300	300	0%	20%
White sorghum (feterita) grain	Malwa (3.5kg)	500	600	600	0%	20%
White sorghum (feterita) grain	Shawal (50kg)	5,500	6,500	6,500	0%	18%
White Sorghum (Local)	Malwa (3.5kg)	500	600	600	0%	20%
White Sorghum (Local)	Shawal (50kg)	5,500	6,500	6,500	0%	18%
White maize (Grain)	Malwa (3.5kg)	600	600	600	0%	0%
White maize (Grain)	Shawal (50kg)	5,500	7,500	7,500	0%	36%
Bulrush white/Pearl Millet/Finger Millet	Malwa (3.5kg)	1500	1500	1500	0%	0%
White wheat flour	1kg	250	300	300	0%	20%
Rice	1kg	400	400	400	0%	0%

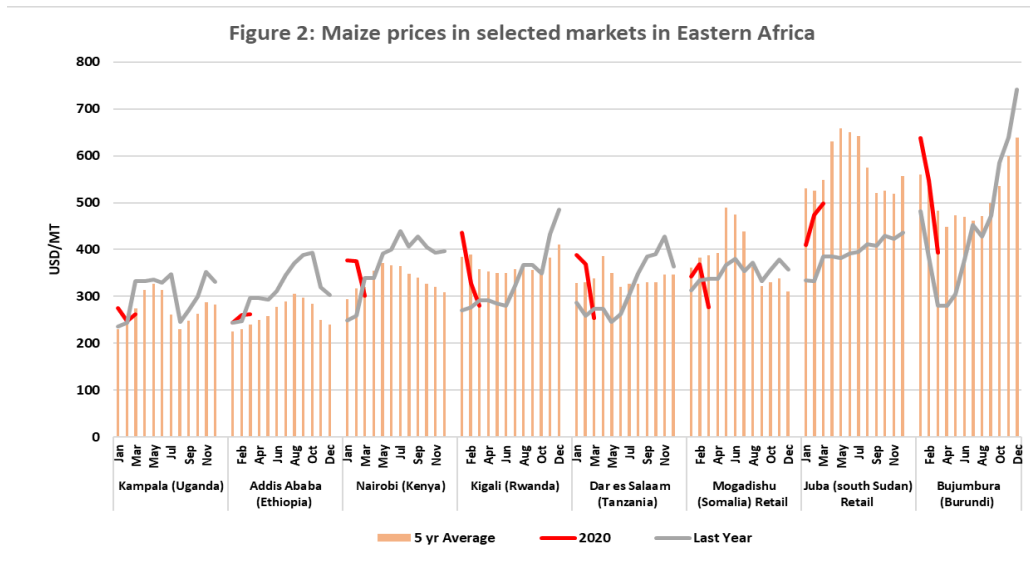
Percent changes in prices (Apr W4 Vs Mar W3)



- **Juba:** Sorghum and maize flour prices increased by 20% each between the 3rd week of March and the 4th week of April.
- In some of the **other markets outside of Juba**, food prices have seen greater increases, notably in Rumbek, Bor, and Kapoeta.
- **Upper Nile State:** recent lifting of restriction on movement of goods within the state is allowing goods to flow from Renk to Malakal town, leading to improved availability of staple foods compared to earlier in April; however, prices of white sorghum, wheat flour, and field beans remain 20% higher than the 3rd week of March. Moreover, Malakal PoC remains closed and traders have not been able to restock.
- **Kapoeta South:** Finally received a resupply the last week of April. Traders in Kapoeta reported experiencing difficulties in procuring hard currency due to the suspension of commercial flights and restriction of vehicle movements to Juba, where they typically convert SSP to USD.

REGIONAL OVERVIEW

- South Sudan's main source market is Uganda, where price decreases were modest, especially compared to greater reductions in other regional markets.
- The other main supplier of sorghum to South Sudan is Sudan, where sorghum prices also increased.



Source: East Africa Cross border Trade Bulletin, April 2020

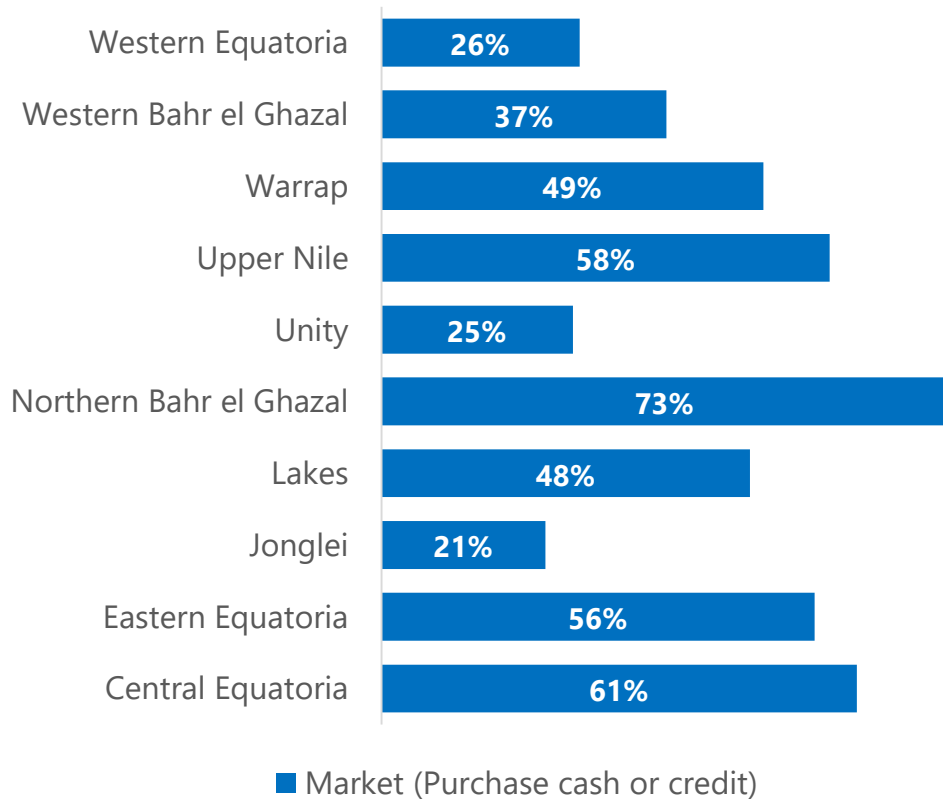
South Sudan is the exception in the region.

Contrary to other regional markets where prices mostly declined between February and April 2020, **prices of sorghum and maize in South Sudan sharply increased.**



HOUSEHOLD MARKET DEPENDENCE

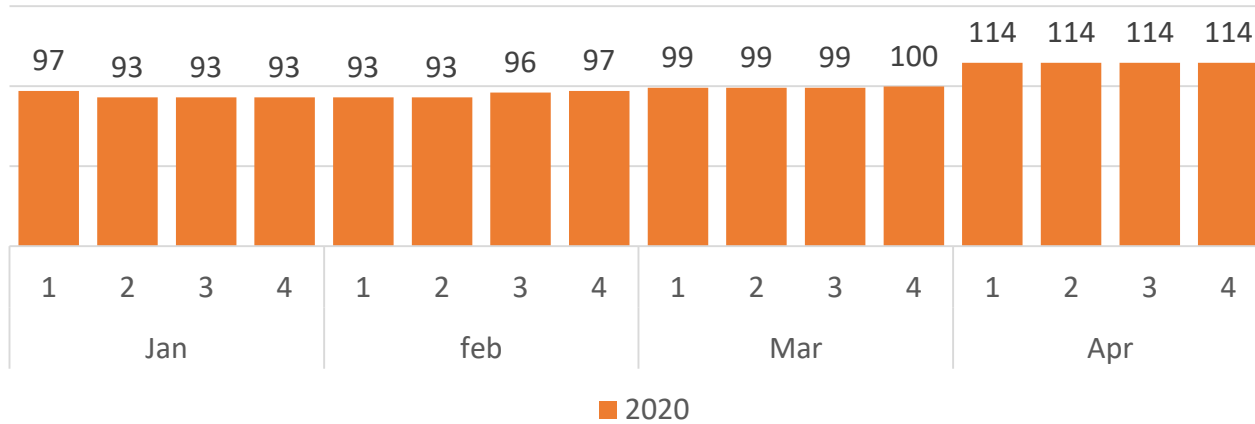
% Households Sources Cereals and Tubers from the Market in the Lean Season



- The July-August (indicative of lean season) 2019 Food Security and Nutrition Monitoring System report indicates that **high proportions of the population are market dependent** for their cereal consumption.
- These states largely and primarily depend on commodity imports, therefore an increase in the prices of imported goods, will negatively affect their purchasing power.

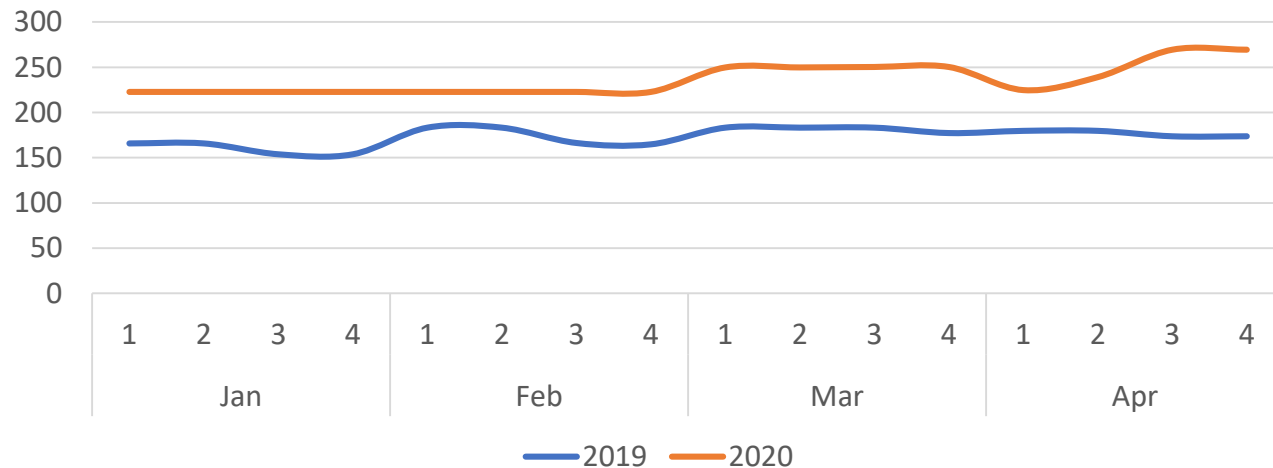
COST OF FOOD BASKET

Cost of basic food basket per person per day in Juba, SSP



- The **cost of the typical basic food basket (cereal, pulses, oil and salt) per person increased by 16%** in April from the 3rd week of March, following price increases due to a supply side contraction, exacerbated by the start of the lean season.

Trends of cost of basket in Malakal, SSP/P/Day



- The **increase in the basket will negatively affect particularly the poor (70% of urban population), given reduced/lack of income as COVID-19 restrictions compelled the closure of shops** (tea stands, restaurants, and non-food shops such as salons/barber shops and boda-boda operators), **affecting casual labour income in this sector.**



**IMPACTS by
POPULATION GROUPS**



Already food insecure. IPC Phases 3-5 (6.48 M people)

- Projected (before heightened COVID-19 risks) to face acute food insecurity (IPC Phase 3 and worse) at the peak of the lean season (May-July 2020), the severity of their food insecurity is expected to worsen in the face of COVID-19. Their food insecurity is the result of years of conflict and crisis, including drought and floods.

Urban poor (70% of urban population per World Bank data)

- The majority depend on markets for food - 1 in 2 households spent +/- 2/3 of their monthly income on food
- An additional 1.6 million people that are urban poor will require assistance
- Decline in labor opportunities (e.g. transport and hospitality sectors, domestic house help, petty traders) reduces their purchasing power.

Casual labourers (esp in the Green Belt)

- Income levels could be reduced affecting purchasing power and is likely to have long-lasting effects on 2020-2021 production levels

Market dependent rural populations

- Populations highly dependent on the market for cereal consumption
 - Northern Bahr-el-Ghazal (73%), Central Equatoria (61%), Upper Nile (58%) and Eastern Equatoria (56%),
- Largely dependent on commodity imports. Price increases in imported goods, will reduce their purchasing power.

Pastoralists

Facing lower income as prices for livestock decrease due to reduced export demand. Many also don't benefit from social services.

Displaced populations

Including refugees and internally displaced populations. Their vulnerability is particularly acute due to limited livelihood opportunities and changes to their social construct.

Women and female-headed households

Many participate in the informal job sector, which is most susceptible to the COVID-19 shocks. Many also lack an asset base to buffer against economic hardships.

Children and youth

Many rely on social safety nets, including school meals. Ensuring their nutritional well-being is critical to their development, including in education.





QUESTIONS?