

South Sudan – Weekly Market Prices

Second Week February 2021



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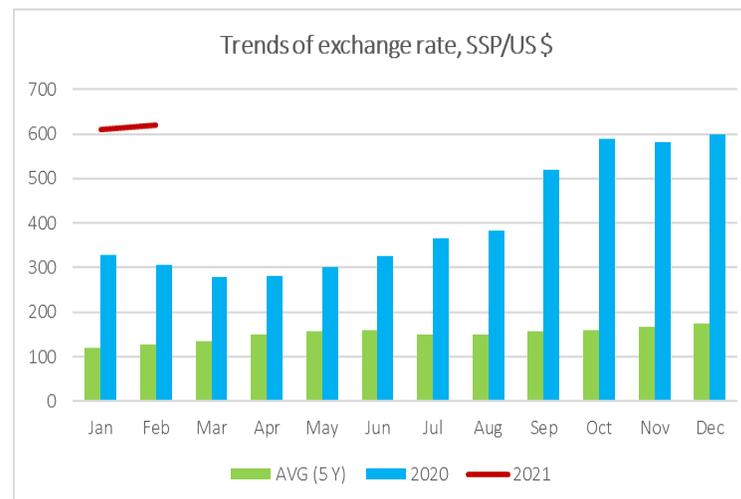
Highlights

- South Sudanese Pound (SSP) to United States Dollar (USD) exchanged within 600 to 630 across monitored markets. In Juba, US dollar exchanged at 620 SSP, 3% loss of its value as compared to last week of January 2021.
- A combination of factors including dry season, relatively improved security along the major trade routes and increased availability of own production for consumption by the farming households have contributed to an observed stability in prices although at increased levels. Furthermore, an increase in the cost of maize grain was recorded in Juba and white sorghum in Rubkona, Kuajok and Mingkaman, as compared to the last week of January 2021, despite the overall stability countrywide.
- The retail prices of red beans and cowpeas remain unchanged in many of WFP's reference markets. However, prices of red beans and cowpeas increased by 6% and 13% respectively in Wau market. Similarly, red beans prices rose in Mingkaman (8%) and in Torit (14%).
- Livestock to sorghum terms of trade (ToT) varied across the markets. On average, medium-sized goat exchanged equivalent to 80 kilograms of cereal during the week. Compared to the average, the ToT were lower in Kuajok, Bentiu, Rubkona, Wau, Yida, Aweil, Mingkaman and Kapoeta markets. In Major urban centers such as Juba, Aweil and Bor, where the demand for meat is relatively high, the terms of trade were above the average value.

Exchange Rate Behavior

In February, South Sudan introduced a new banknote worth 1,000 SSP, which is the highest denomination to circulate in the market. Government source has indicated that the aim is to align the structure of the banknote with the needs of the people and their convenience, high quality, secure, and cost-effective bank notes. Given the fragile macro-economic situation, the introduction of new banknotes alone is unlikely to bring changes in the overall performance of the economy. For example, this was noted back in 2019 after the introduction of the 500 SSP notes, when the SSP continued to depreciate in the parallel market rapidly. The introduction of the new note is likely to lead to an excess amount of cash in circulation in a country that heavily depends on imports and constrained by scarcity of hard currency to cover import bills.

During the 2nd week of February, South Sudanese Pound to United States dollar exchanged within 600 to 630 across monitored markets. In Juba, a US dollar SSP exchanged at 620 SSP, 3% depreciation as compared to the last week of January 2021. The official indicative exchange rate was revolving around 180 SSP to US dollar.



Week-to-week price variations: second week of February vs fourth week of January

Amiet is the main market of the western corridor and serves as an informal commercial hub between Sudan and South Sudan. Most of the goods from Sudan (Khartoum, El Obeid and Kadugli) transit through Amiet before reaching the destination markets. In February, Amiet food market was burnt down due to unknown reason and led to temporary disruption of supplies in some of the recipient markets such as Kuajok and Rubkona. Given that Amiet market operates under temporary structures, the damage had not much affected incoming goods from supply sources.

Overall, prices of staple cereals were stable, but high, in many monitored markets. A combination of factors such as dry season, improved security along the trade routes and consumption of own production by the farming households have contributed to the observed prices stability. Despite overall prices stability, maize grain in Juba and white sorghum in Rubkona, Kuajok and Mingkaman showed prices increase as compared to last week of January 2021. Temporary disruptions of supply from Amiet due to fire incidence could be the main reason for an increase in Rubkona (25%) and Kuajok (8%) markets. In Juba, maize was cheaper as compared to sorghum. However, in the 2nd week of February, maize prices increased by 25% and stood at the same rate to sorghum. Given that maize and sorghum are substitute cereals, an increase in demand for maize could be the reason for the observed price changes. On the other hand, surge in demand due to distribution of e-voucher in Mingkaman led to a 20% increase in the price of white sorghum. A malua (3.5kgs) of white sorghum fetched the lowest price in Amiet, at 900 SSP, and the highest in Mingkaman at 1500 SSP. Maize meal, wheat flour and rice retail prices also witnessed stable situation, with few markets experiencing mixed, but slight changes over the same period. For instance, wheat flour prices increased in Rubkona (9%) and Kuajok (4%). Generally, the large variation in prices across markets confirms the inefficiencies of the markets.

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Week-to-week price variations: second week of February vs fourth week of January

The prices of pulses also remained the same in most reference markets.

Red beans and cowpeas are partially sourced from Uganda and in part both crops are cultivated locally. Red beans are the most preferred pulse across households; however, it is too expensive compared to cowpeas. In the second week of February, a kilogram of red beans on average costed an equivalent of the price of 1.43 kilograms of cowpeas – leading many income constrained households resorting to cowpeas. On average, a kilogram of red beans fetched SSP 860 and cowpeas costing 600 SSP. The retail prices of red beans and cowpeas remain unchanged in many of WFP's reference markets. However, rise in prices of red beans was observed in Wau, Mingkaman and Torit. In Wau, the price of red beans increased by 6% and cowpeas by 13%; whereas red beans prices rose in Mingkaman by 8% and in Torit by 14%.



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Week-to-week price variations:

Second week of February vs fourth week of January

Similarly, imported food such as vegetable oil and sugar showed mixed price behavior: About 40% of monitored markets experienced increase in prices of vegetable oil as compared to two weeks ago, ranging from 4% to 20%. Price of vegetable oil rose by 10% in Kuajok and Aweil, in Mingkaman it increased by 20%. Sugar prices also increased in Kuajok (30%), and by 8% in Wau and Mingkaman. During the reporting period, sugar price remained the same compared to two weeks ago in about 60% of WFP's reference markets. Given that both vegetable oil and sugar are imported items, traders regularly adjust their selling prices to the exchange rate on the parallel market. On average, one litre of vegetable oil exchanged at 1200 SSP, however, vegetable oil price in Mingkaman was 50% higher than the average of the reference markets. Vegetable oil cost SSP 1800 in Mingkaman, 1.5 times more expensive than the week's average. Vegetable prices in the neighboring markets to Mingkaman were at 1000 SSP (Juba) and at 1200 SSP (Bor). Elevated prices of vegetable oil in Mingkaman was triggered by the higher demand linked to distribution of e-vouchers.

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Terms of Trade:

Goat to cereal terms of trade: The terms of trade between medium-sized goat and white sorghum dropped in Yida, Kuajok, Rubkona and Mingkaman. The main drivers for the deterioration of ToT were reduced goat prices in Yida and Aniet (Agok) and in Kuajok and Rubkona linked to increased cereals prices. Additionally, terms of trade deteriorated in Mingkaman, mainly driven by an increase in sorghum prices as the demand for cereals surged in the market. On the contrary, the purchasing power of livestock dependent households marginally improved in Torit (8%) and Wau (4%), driven by proportionate increase in goat prices. Terms of trade remained the same in Kapoeta, Juba and Bor as compared to last week of January 2021. On average, medium-sized goat exchanged equivalent to 80 kilograms of cereals during the week. Markets having terms of trade below the average terms of trade were Kuajok, Bentiu, Rubkona, Wau, Yida, Aweil, Mingkaman and Kapoeta. In Major urban centers such as Juba, Aweil and Bor, where the demand for meat is relatively high, the terms of trade were above the average value.

Wage to cereal terms of trade: The purchasing power of daily labor dependent households, deteriorated in Kuajok (8%), Mingkaman (17%) and Rubkona (20%) due to an increased cost of white sorghum and stable wage rates. Sustained economic crisis coupled with the impact of COVID-19 pandemic, resulted negatively on job opportunities across markets. As a result, about 64% of reference markets had below average terms of trade for the week (5 kilograms). Markets with below average terms of trade were Bor, Aniet, Kuajok, Rubkona, Bentiu, Yida and Mingkaman. Though the terms of trade remained the same, major urban centers such as Juba, Wau, Aweil and Torit had terms of trade above five kilograms.



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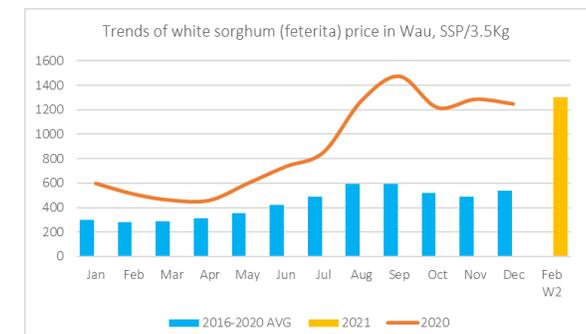
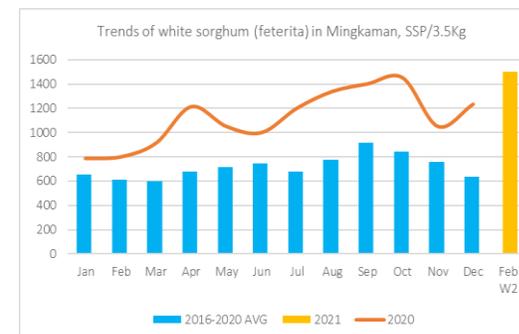
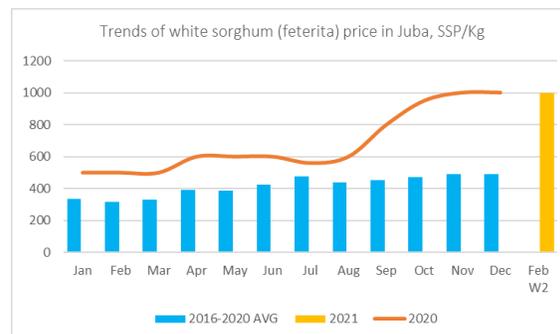
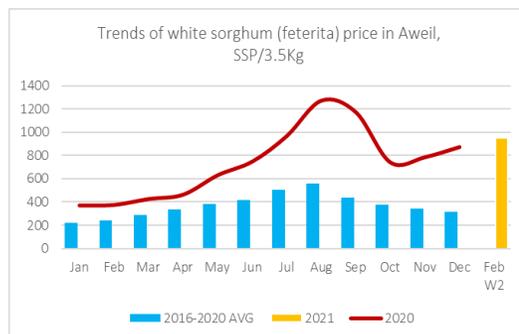
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Price trends - as compared to 2020 and to the five-year average

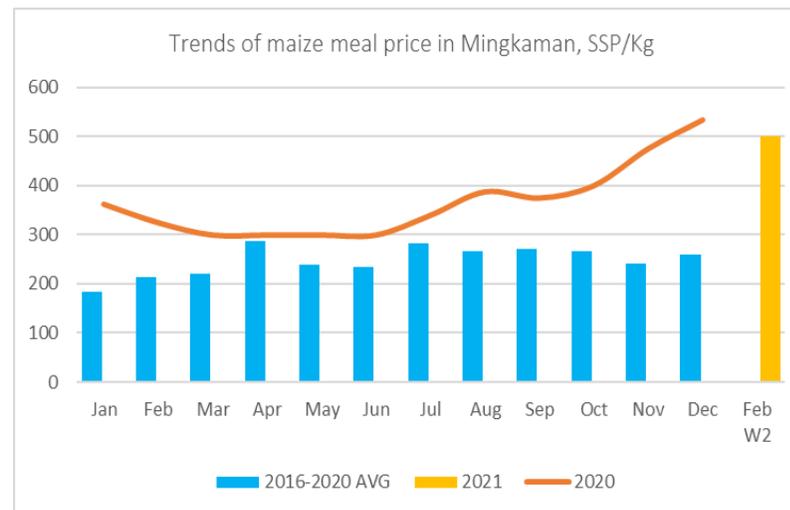
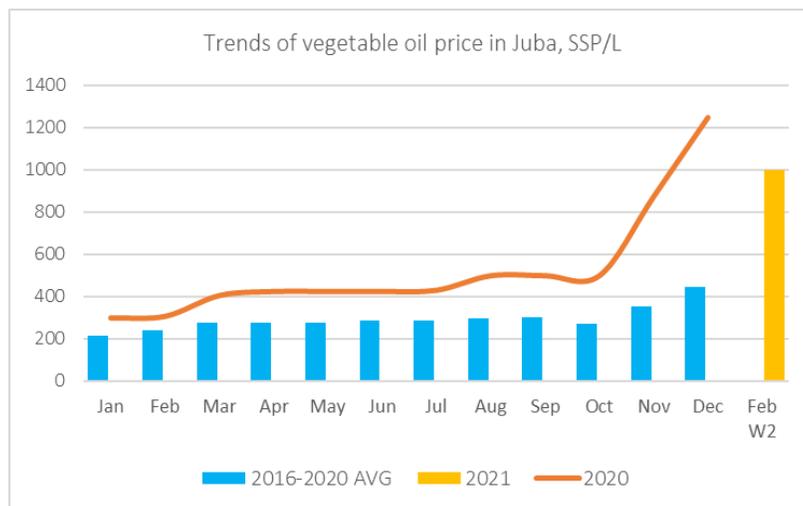
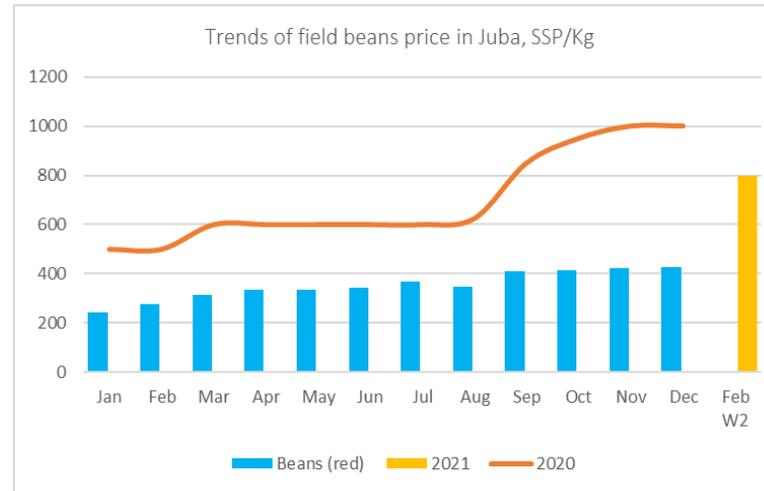
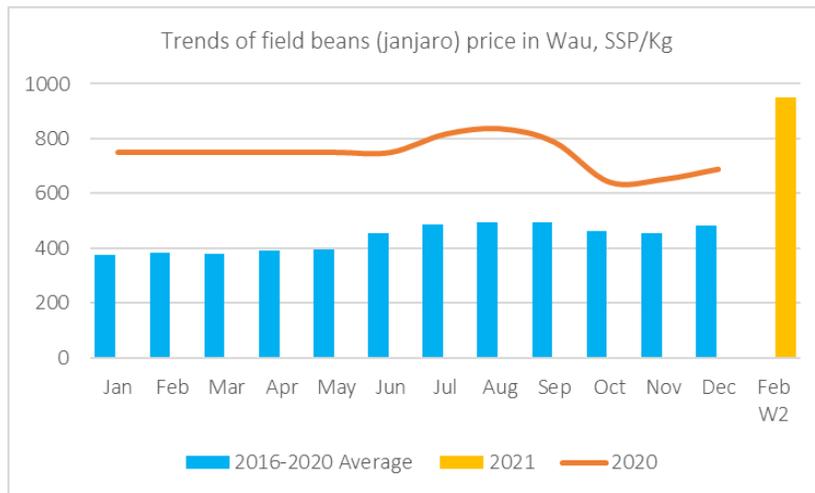
As the exchange between South Sudanese pound and US dollar in the parallel market plummeted and the spread from the official rate continued widening, food prices in terms of local currency became expensive. In the last twelve months, South Sudanese pound depreciated by about 50%, resulting to increased food prices across markets. Accordingly, the retail prices of white sorghum rose by 43% in Bor and by 150% in Aweil market as compared to last year. Households with incomes either remained fixed or reduced are the most affected groups by increase in food prices. Similarly, prices of field beans also increased across markets, ranging from 27 to 78%. In second week of February 2020, medium-sized goat fetched about 123 kilograms of white sorghum, but now, it fetched only 80 kilograms, 35% less. Wage to white sorghum terms of trade also dropped from 8 kilograms to 5 kilograms, 37% drop, over the same period.

In the last five years, prices of goods sharply increased across markets forcing households to spend more and more of their income on foods and leaving little for basic non-food items. Compared to the five-year average, white sorghum prices increased the lowest by 175% in Bor and the highest in Yida, by 324%. Likewise, maize grain prices increased at an alarming rate in Greater Equatoria markets; Kapoeta (116%), Juba (215%) and Torit (217%), where maize is the preferred and widely consumed cereals. As compared to five-year average, prices of goat rose in all reference markets. However, the disproportionate rise in cereal prices absorbed the change in goat prices and limited the terms of trade to improve. On average, goat to white sorghum terms of trade dropped from 126 to 80 kilograms, representing 37% deterioration. Similarly, the average wage to white sorghum terms of trade dropped from 7 to 5 kilograms, 25% deterioration.



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Tab e a. Juba Retail Prices

	Unit	Mar -W3	JAN- W4	FEB-W2	Percent changes	
					FEB W2 Vs MAR W3	FEB W2 vs JAN W4
Maize Flour	KG	250	500	500	100%	0%
White sorghum (feterita)	3.5KG	500	1000	1000	100%	0%
White maize (Grain)	KG	600	800	1000	67%	25%
Wheat flour	KG	250	700	700	180%	0%
Rice	KG	400	800	800	100%	0%
Cowpea	3.5 KG	1,100	3000	3,000	173%	0%
Broad beans (<i>foul el masri</i>)	KG	1,000	1500	1,500	50%	0%
Beans (<i>janjaro</i>)	KG	600	800	800	33%	0%
Meat (Beef)	KG	1,500	3000	3,000	100%	0%
Sugar	KG	220	500	500	127%	0%
Vegetable Oil	KG	400	1000	1,000	150%	0%
Goat to white sorghum	# malua	50	65.0	65.0	30%	0%
Wage to white sorghum	# malua	3	3	2.5	-17%	-17%
Goat	Head	25000	65000	65000	160%	0%
Wage	Head	1500	3000	2500	67%	-17%

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Table b. Week-to-week comparison – second week February 2021 vs. second week February 2020

	Aweil	Bor	Wau	Kapoeta	Juba	Kuajok	Mingkaman	Torit	Yida
Maize flour	56%	140%	75%	100%	35%		150%	20%	
Sorghum (white, imported)	150%	43%	160%		100%	100%	88%		140%
Sorghum (red, local)	150%		150%	122%	186%	92%	63%	71%	180%
Maize (white)			291%	40%	67%				
Wheat flour	54%	20%	100%	50%	159%	50%	114%	105%	50%
Rice	15%	140%	88%	200%	167%	44%	86%	100%	100%
Other Food Items									
Beans (fava,dry)	100%		-3%		200%	-5%			99%
Beans (red)		56%	27%	60%	60%		60%	78%	
Sugar (brown, imported)	100%	100%	225%	14%	25%	30%	117%	67%	91%
Oil (vegetable)	104%	140%	150%	241%	233%	69%	200%	79%	20%
Salt	17%	-17%	150%	233%	0%	-5%	400%	36%	102%
Terms of Trade									
Goat to sorghum	-43%	123%	-39%	-7%	30%	-19%	-37%	-33%	12%
Wage to Sorghum	-47%	17%	-80%		-17%		-47%	-33%	16%

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Table c. Week-to-week comparison – second week February 2021 vs. 2016 – 2020 average

	Aweil	Bor	Wau	Kapoeta	Juba	Kuajok	Mingkaman	Torit	Yida
Maize meal	105%	219%	122%	296%	229%	127%	126%	131%	
Sorghum (white, imported)	316%	175%	373%		219%	273%	145%		324%
Sorghum (red, local)	179%		200%	186%	167%	156%	73%	85%	211%
Maize (white)			330%	116%	215%		256%	217%	282%
Wheat flour	91%	180%	241%	178%	309%	165%	205%	233%	164%
Rice	99%	229%	139%	307%	266%	150%	173%	231%	216%
Other food items									
Beans (fava,dry)	174%		101%	82%	262%	100%			238%
Beans (red)	143%	207%	148%	188%	199%		197%	292%	
Sugar (brown, imported)	120%	121%	183%	25%	127%	103%	117%	108%	80%
Oil (vegetable)	320%	338%	348%	448%	331%	206%	384%	263%	106%
Salt	8%	-17%	50%	264%	173%	90%	140%	150%	66%
Terms of Trade									
Goat to sorghum	-38%	28%	-43%	-10%	35%	-36%	-24%	-19%	-18%
Wage to Sorghum	-4%	8%	-74%		38%	-47%	-7%	-12%	-35%