

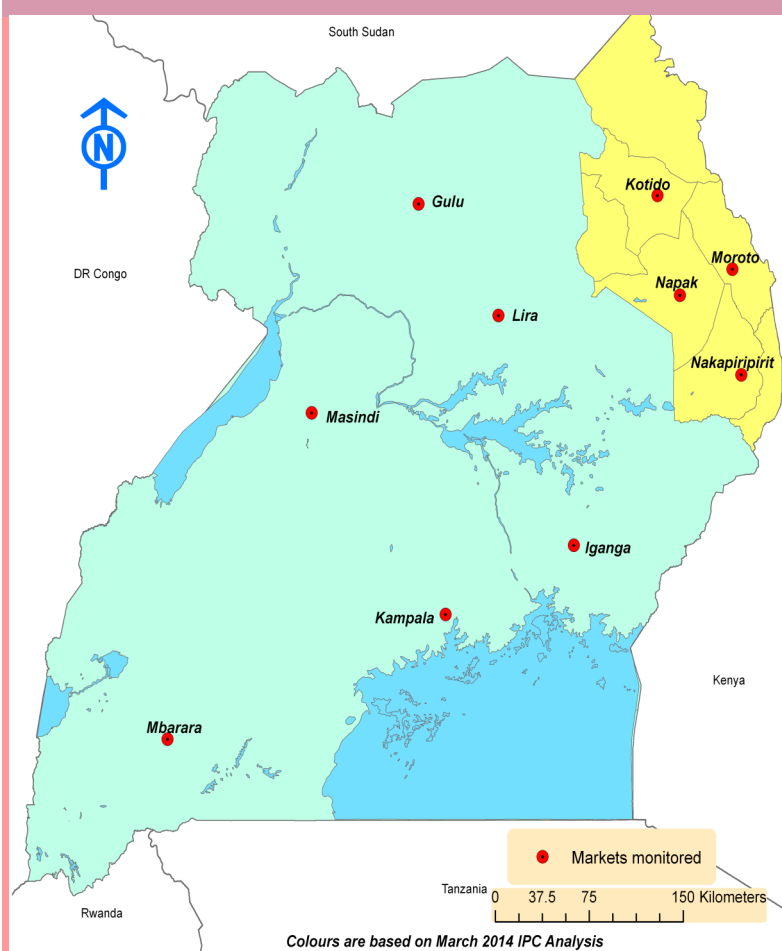


UGANDA

Monthly Market Monitor

The Uganda Market price Update is produced by the Assessments, Monitoring and Evaluation (AME) Unit of the World Food Programme Uganda on a monthly basis. Price data collected by staff at WFP Sub offices in Moroto, Kotido, Kaabobong and Nakapiripirit is analyzed along with data from Infotrade from Kampala, Iganga, Mbarara, Masindi, Gulu and Lira. The update is divided into four sections; Karamoja markets, Price trends over one year, Other Markets and Price Forecast.

Markets Monitored & Analyzed by WFP Unit



Source: WFP Uganda AME

Highlights

- There was an increase in the overall average nominal retail prices for maize grain beans and goats in Karamoja during the month of April as compared to March 2014; in reference to the same period last year, sorghum prices were higher by 12% in Karamoja region .
- The terms of trade for a goat and daily wage labour against maize grain deteriorated in Karamoja during the month.
- In other parts of the country (Kampala, Western, Northern & Eastern Uganda), nominal retail prices for maize grain, sorghum and beans increased by 3%, 12% and 6% respectively.
- Price projections for markets outside Karamoja indicate price increases for maize grain and beans in May 2014 while for sorghum, prices are likely to decrease. Prices are expected to decrease across the three commodities in June 2014.

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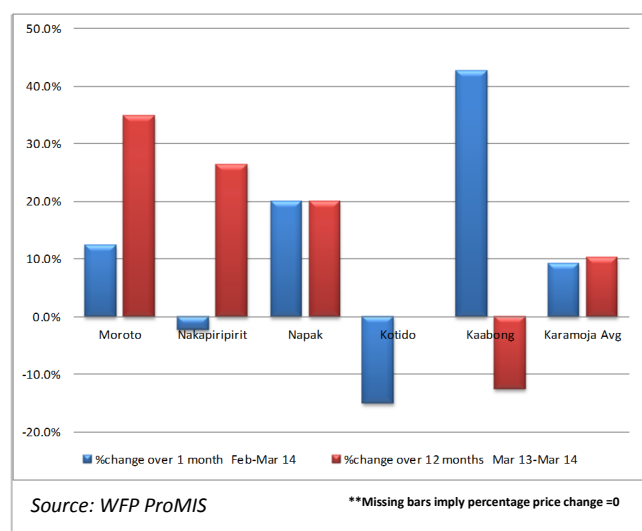
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SECTION ONE: KARAMOJA SUB-REGION

Cereals

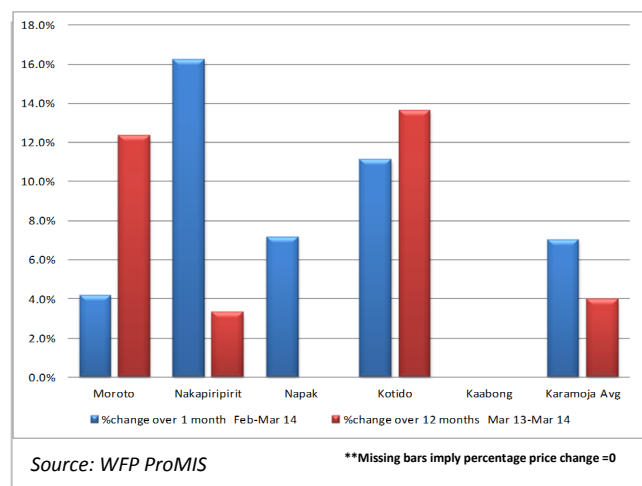
Figure 1. Maize grain Price changes April –2014



The overall average nominal retail price for maize grain in Karamoja increased by about 9% in April 2014 compared to the previous month. The price increment was more pronounced in Kaabong district (43%). The price increase in Moroto (13%) and Napak (20%) was reported to be a result of the scarcity of maize grain amidst increasing dependence on market purchase for household food consumption. Compared to the same period in April 2013, maize grain prices were higher by 10% partly due to poor crop performance in 2013 that resulted in increased dependence on markets in 2014.

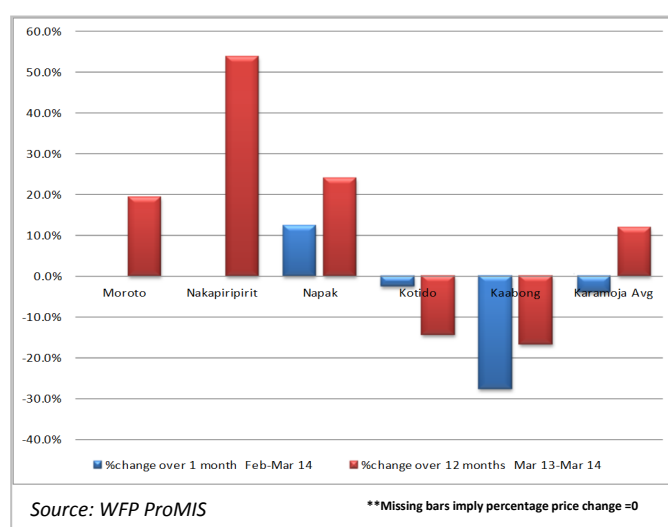
Beans

Figure 3. Bean Price changes April –2014



The overall average nominal retail price for beans increased by about 7% across Karamoja in April compared to March 2014 except in Kaabong where prices remained stable but highest in the sub-region at Ugx 3000 per kg. Similarly, compared to the same period in 2013 bean prices were on average increased by 4% in April 2014 across Karamoja sub-region except for Kaabong where prices remained stable. The major contributing factor to the price increase is the fact that almost all beans consumed in Karamoja are imported from outside districts making the area solely dependent on market purchase.

Figure 2. Sorghum grain Price changes April –2014



There was a reduction in the average nominal retail price for sorghum in the northern Karamoja districts of Kaabong and Kotido during the month of April 2014. Prices in the southern Karamoja districts remained stable except Napak where 13% increase was experienced. Compared to the same period in 2013, sorghum prices were higher in April 2014 in the southern Karamoja districts while northern districts experienced a drop. This is partly because the northern Karamoja districts border Acholi region which is a major source of sorghum supplied on markets.

Goats

Table 1: Prices changes for Goats April–2014

Market	Current (Mar 2014)	% Change from:	
		Feb-14	Mar-2013
Moroto	133,333	33.3%	34.3%
Nakapiripirit	73,750	-14.5%	-9.2%
Napak	74,000	-15.4%	
Kotido	81,250	1.6%	-1.5%
Kaabong	95,000	1.3%	10.1%
Average	91,467	1.3%	8.4%

Source: WFP ProMIS

There was a slight increase in the average nominal price for goats in Karamoja by 1% between April and March 2014. The price increase was more pronounced in Moroto (33%) partly due to better economic activity that can support effective demand compared to other districts in the region. In comparison to the same period in 2013, we still notice an increase in the average nominal price for goats in April 2014 by 8% in Karamoja. The decrease in prices for goats in Nakapiripirit and Napak is due to increased supply of livestock on market to get money to purchase food and other household needs.

Labour

Table 2: Changes in Daily Wage Rates April—2014

Market	Current (Mar 2014)	% Change from:	
		Feb-14	Mar-2013
Moroto	5,000	0.0%	25.0%
Nakapiripirit	2,750	-8.3%	-8.3%
Napak	4,750	-5.0%	18.8%
Kotido	2,000	0.0%	-33.3%
Kaabong	3,000	0.0%	0.0%
Average	3,500	-2.7%	0.4%

Source: WFP ProMIS

On average, the daily labour wage rates in Karamoja reduced by 3% during the month of April compared to March, 2014. The reduction was more significant in Nakapiripirit (8%) and Napak (5%) due to limited availability of job opportunities amidst the high number of casual labourers looking for work. Compared to the same period in 2013, daily wage rates increased in Moroto and Napak districts and this is attributed to the increased labour demand for the ongoing construction of Moroto-Muyembe road.

Conclusion

The majority of households in Karamoja are currently depending on markets, wild foods and food assistance as the major sources of food. Normally, the main source of casual labor opportunities by this time of the year is farming which has not yet fully started due to delayed rains. This has a serious effect on households whose main source of income is through agricultural casual labor during this period. Furthermore, increase in food prices followed by reduction in daily labor wage rates and livestock prices has negatively affected household income, purchasing power, food access and hence household food security.

Terms of Trade

Terms of trade (TOT) in this context refers to the exchange of a medium size goat and daily labour for maize grain at the current market price.

The terms of trade for a goat against maize flour continued to deteriorate in April 2014 compared to the previous month the same period in 2013.

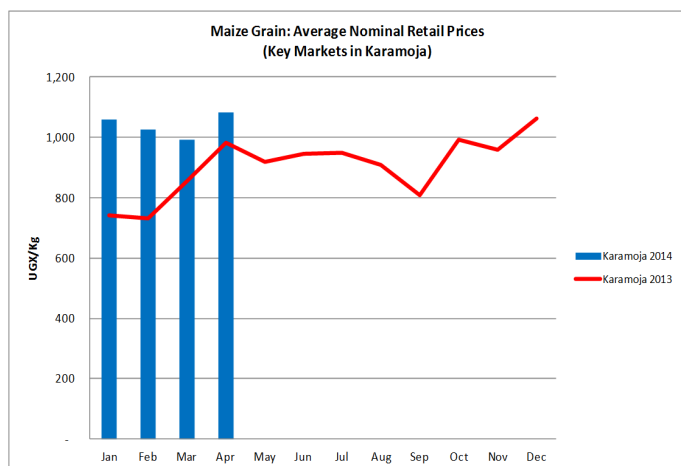
Selling one goat enables a household to buy 85kg of maize grain in April 2014 compared to 94kg and 89 kg in March 2014 and April 2013 respectively (see figure 9). The deterioration in terms of trade is due to increased prices of maize grain during the month (See figure 1).

Similarly, the terms of trade for labour wage against maize grain deteriorated during the month of April compared to March 2014 and the same period last year April 2013.

The average daily wage rate for April, 2014 could buy 3.1 kg of maize grain compared to 3.6kg in March 2014 and 3.5kg in April 2013 (Figure 9). This is attributed to changes in the daily labour wage rates and prices of maize grain during the month of March 2014 (See trends figure 4 & 7).

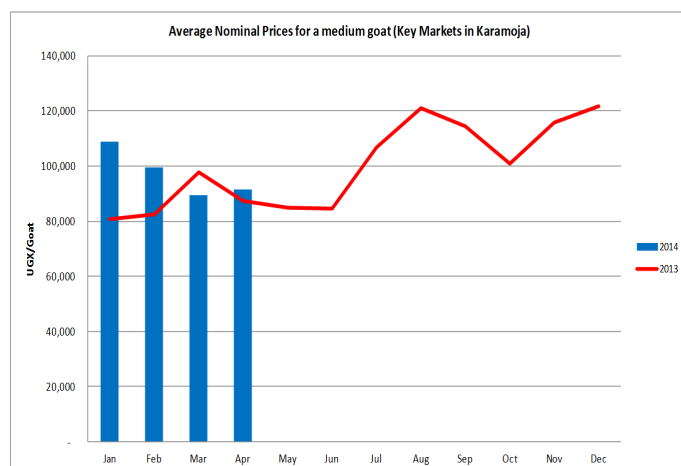
SECTION TWO: KARAMOJA PRICE TRENDS APRIL 2014 AGAINST 2013

Figure 4. Maize Grain Price Trends



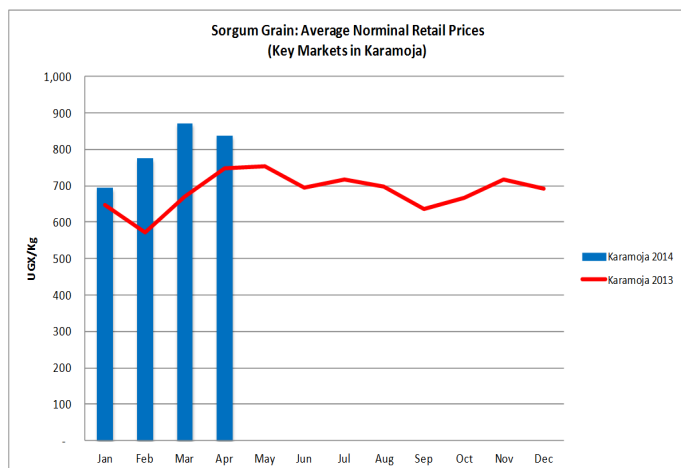
Source: WFP ProMIS

Figure 7. Goats Price Trends



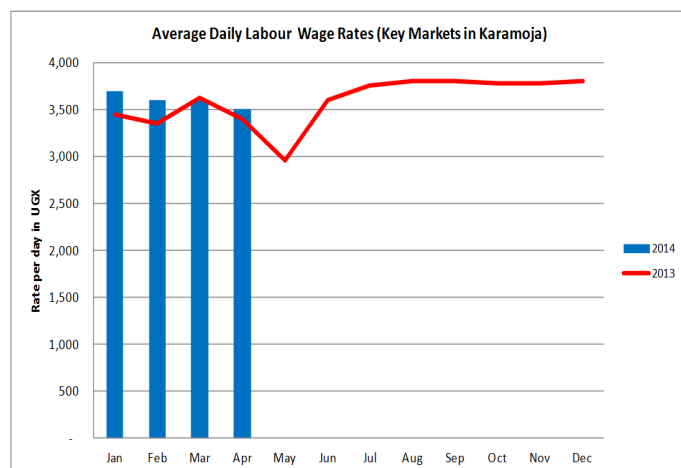
Source: WFP ProMIS

Figure 5. Sorghum Grain Price Trends



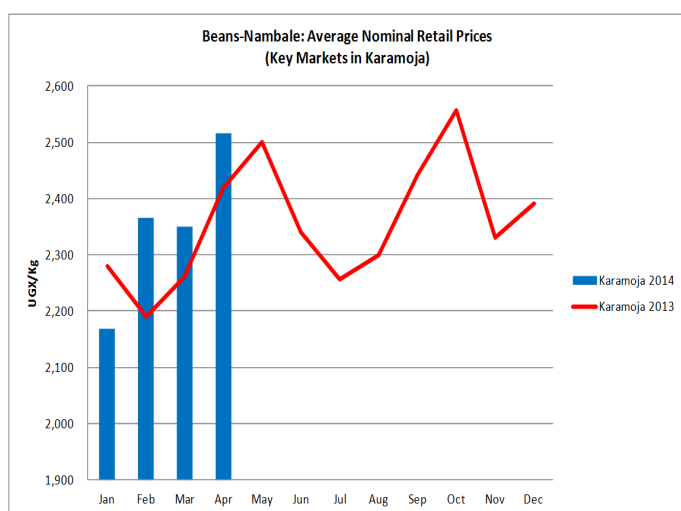
Source: WFP ProMIS

Figure 8. Average Daily Labour Wage Trends



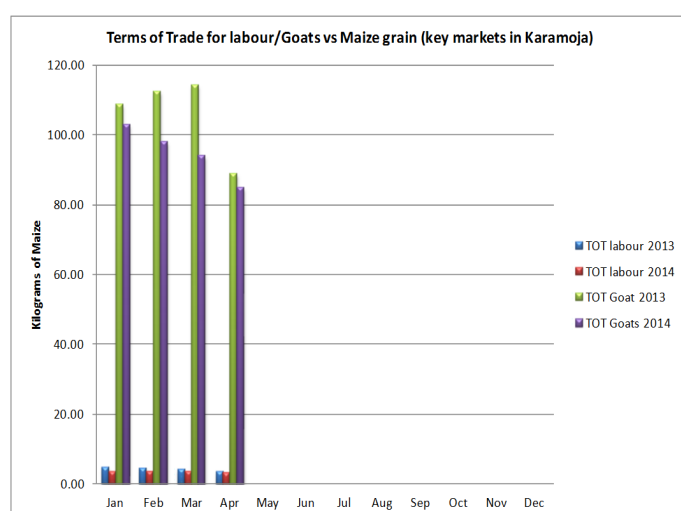
Source: WFP ProMIS

Figure 6. Beans Price Trends



Source: WFP ProMIS

Figure 9. Labour/Goats -Maize grain TOT Trends



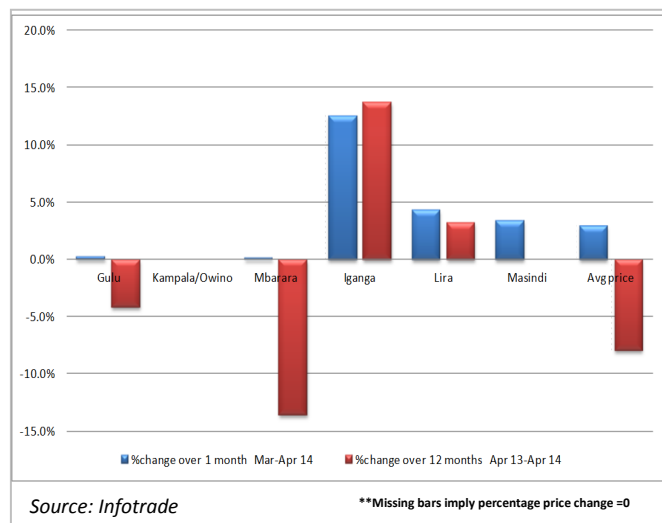
Source: WFP ProMIS

SECTION THREE: KAMPALA, WESTERN, NORTHERN AND EASTERN UGANDA

This section provides a snapshot of the price fluctuations of beans, maize grain and sorghum for selected markets in different regions of the country. Data from Infotrade was analyzed along with data collected from Owino market/ Kampala for Central; Gulu & Lira for Northern; Mbarara and Masindi for Western and Iganga for Eastern regions. The primary criteria for selecting the above markets is their trade influence in food commodities in their respective regions and the relative consistency of data for the selected food commodities.

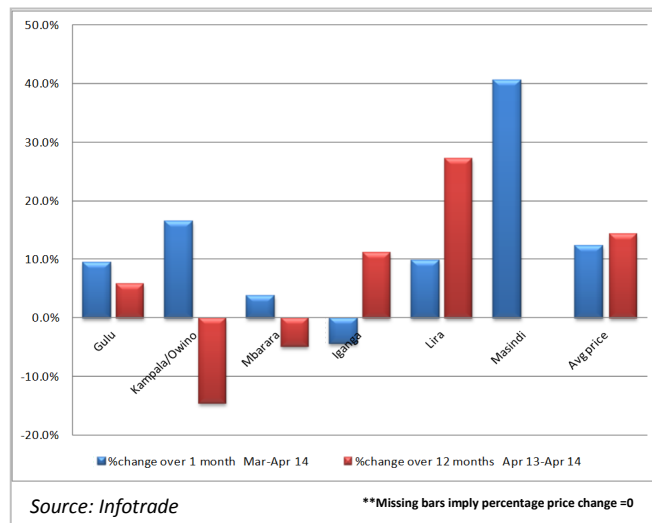
Cereals

Figure 10. Maize grain Price changes April –2014



In general, maize grain prices continued to increase in April across the country compared to March this year. Similar to the March report, the highest price increase was experienced in the eastern parts of the country with over 12% price increase in Iganga due to increased demand from the Kenyan traders. Compared to the same period in April 2013, some northern parts of the country (Gulu) and western parts (Mbarara) experienced a price decrease partly due to the ongoing South Sudan conflict hindering cross border trade especially in food commodities. Maize grain prices were higher in the eastern parts of the country (Iganga) and Lira in April 2014 compared to the same period in 2013.

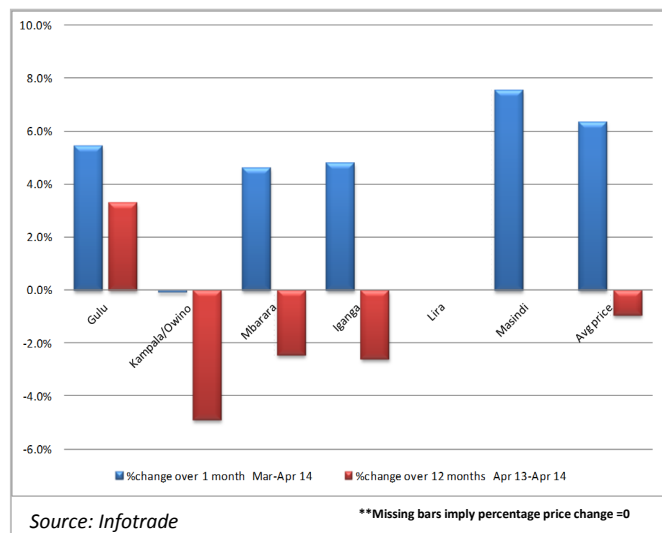
Figure 11. Sorghum grain Price changes April –2014



On average, sorghum prices increased by about 12% in April compared to March 2014. Compared to the same period in April 2013, sorghum prices this year have been higher by about 14%. The increase was more significant in the Eastern and Northern parts of the country. In central (Owino/Kampala market) and western (Mbarara) parts of the country, sorghum prices were lower by 15% and 5% respectively compared to the same period in April 2013. The differences in price fluctuations across regions can be explained by the differences in the feeding habits for sorghum that influence its demand. Sorghum is more of a food staple in the northern and eastern regions.

Beans

Figure 12. Beans Price changes April –2014

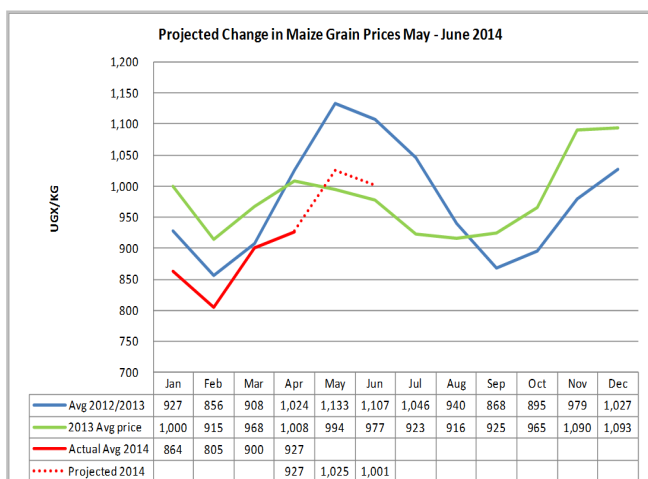


On average, prices for beans across the country increased by about 6% in April compared to March 2014. The increase was mainly due to reduced stocks and supply of beans on the market.

Compared to the same period in April 2013, prices for beans were lower this year in most parts of the country except in the north (Gulu) where prices were higher.

SECTION FOUR: PRICE FORECAST

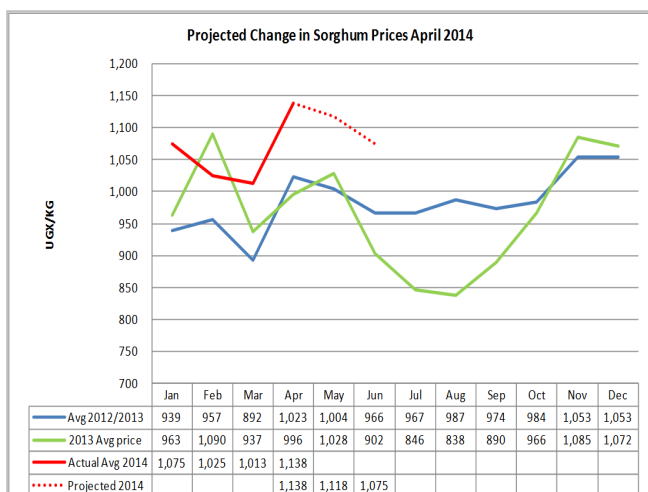
Figure 13. Projected Price for Maize Grain—May & June 2014



Source: WFP AME Projections

The overall average price for maize grain is expected to increase slightly in May 2014 (by about 11 %) and higher than the price experienced during the same period in 2013. The price is expected to go down in June 2014 due to reduced demand as a result of new harvests of alternative early maturing food staples.

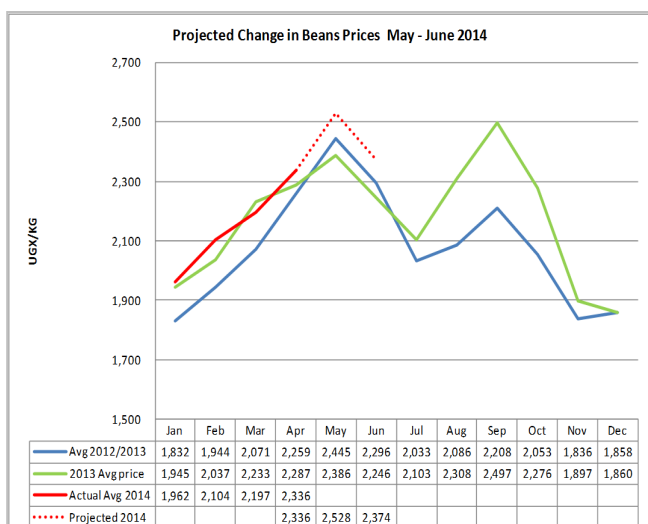
Figure 14. Projected Price for Sorghum—May & June 2014



Source: WFP AME Projections

It is projected that sorghum prices will decrease marginally in May by about 2% and then by about 4% in June 2014. However, sorghum prices in May and June 2014 are expected to be higher than the same period in 2013 due to inflation and low supply of sorghum on the market.

Figure 15. Projected Price for Beans—May & June 2014



Source: WFP AME Projections

Prices for beans are expected to increase in May 2014 compared to April by about 8% and then decrease in June by about 6%. This is because new fresh beans are expected to be on market by this time.