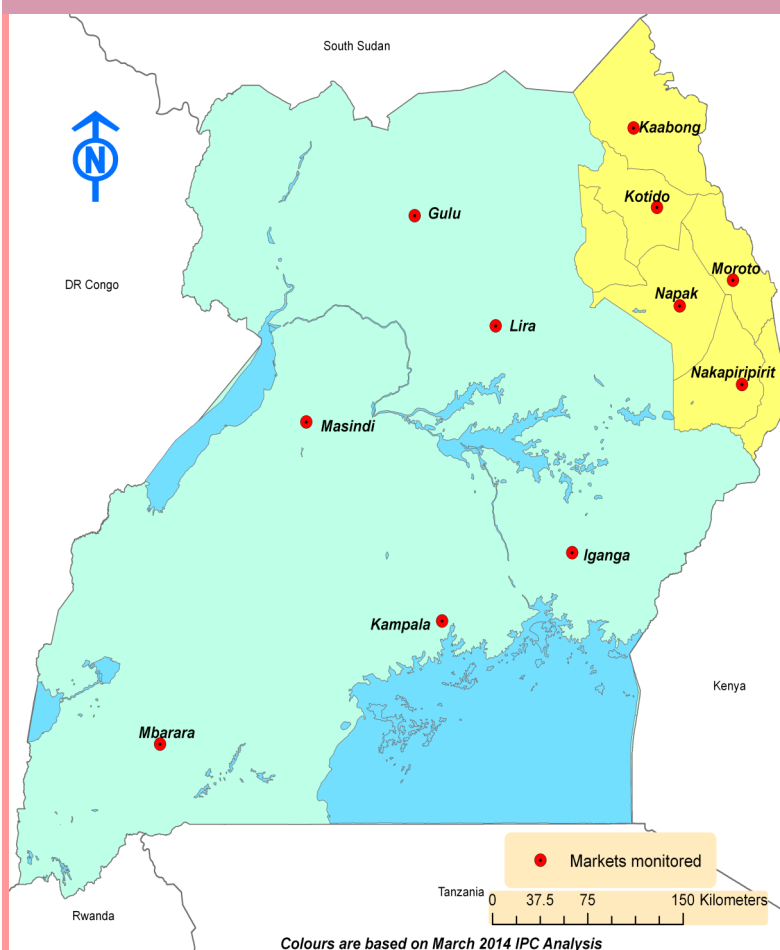


UGANDA

Monthly Market Monitor

The Uganda Market Price Update is produced by the Analysis, 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, Kaabong 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

- Average nominal retail prices for maize grain, sorghum and beans in Karamoja have remained low and/or continued to decline in November—below 2013 levels— as a result of the ongoing harvest.
- The Terms of Trade in Karamoja have remained fairly stable labour-maize grain but declined for goat-maize grain. The latter trend could continue amidst expectations for maize grain price rises (as stocks decline); persistence of the livestock ban, and the incoming dry season during which livestock prices are typically low.
- In other parts of the country, average nominal retail prices for maize grain and beans declined due to high supplies and relatively lower demand from regional markets.
- Price projections for markets outside Karamoja suggest stable or increasing prices for maize grain and beans during the month of December 2014 due to declining stocks and stable or increasing demand.

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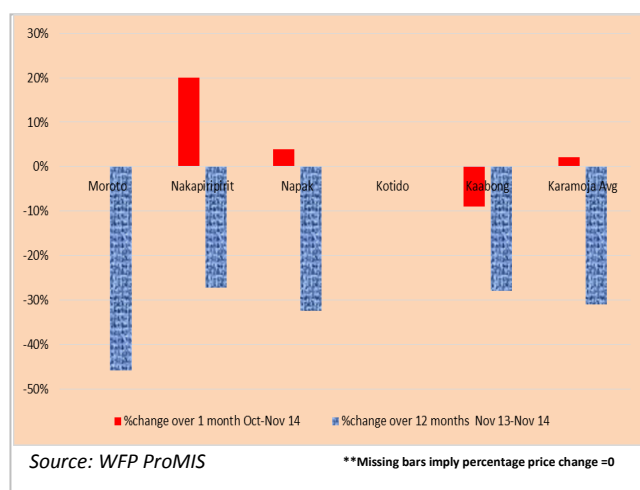
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SECTION ONE: KARAMOJA SUB-REGION

Cereals

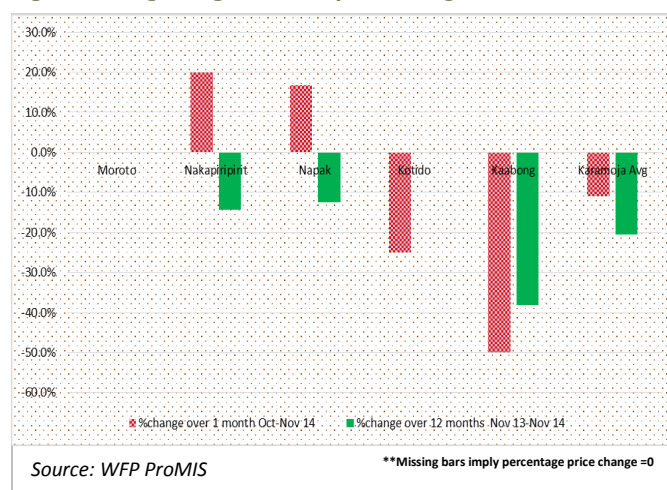
Figure 1. Maize grain retail price changes Nov–2014



As noted in October, ongoing harvests have kept the nominal maize grain prices in Karamoja low since September. With the exception of Kaabong, prices remained either the same (Kotido, Moroto) or slightly increased resulting into a marginal increase of 2% across the region to the current level of UgX 660 per Kg.

Prices thus remain about 31% lower than they were in November 2013. Predominant maize farmers are therefore still disadvantaged with poor conversion ratios to other essential commodities.

Figure 2. Sorghum grain retail price changes Nov–2014

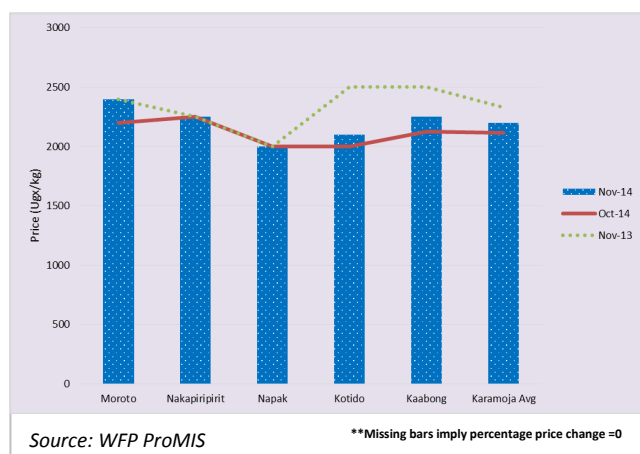


Sorghum grain prices have continued to decline across the Karamoja region. A kilogram of Sorghum now costs UgX 570 which is 11% lower than the price in October 2014. The greatest decline was observed in Kaabong (50%). Nonetheless, prices in Nakapiripit and Napak have increased by up to 20% since last month, and remained unchanged in Moroto. Price declines in some districts is attributable to downward pressure exerted by proceeds from the harvest, while the increases in others maybe due to poor integration between markets

Across the region, prices remain about 20% lower than the prices in November last year. Thus, compared to last month, prices have declined further against the average for last year.

Beans

Figure 3. Beans retail price changes Nov –2014



Across Karamoja, nominal prices for beans have remained either stable (Napak & Nakapiripit districts) or increased compared to October levels. The average price for a Kg of beans has increased by 4% to UgX 2200.

While current prices are at the same level as November 2013 prices in most districts, they remain 10% & 16% below November 2013 prices in Kaabong and Kotido respectively.

Goats

Table 1: Goats retail prices changes for Nov–2014

Market	Current (Nov - 2014)	% Change from:	
		Oct–14	Nov–2013
Moroto			
Nakapiripit	72,500	-18.3%	-17.1%
Napak			
Kotido			
Kaabong	130,000	8.3%	5.1%
Average	101,250	-3.0%	-6.0%

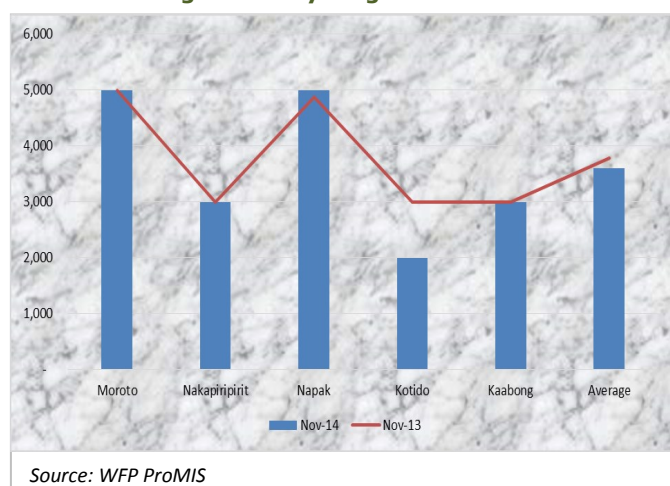
Source: WFP ProMIS

Foot and mouth disease has continued to affect livestock market functionality in Karamoja and no livestock price data was collected in Moroto, Napak, and Kotido. In Nakapiripit and Kaabong for which price data is available, unique trends are seen; the price for a medium sized goat dipped by 18% in Nakapiripit to UgX 72,500 and increased by 8% to UgX 130,000 in Kaabong since October 2013.

In contrast to last month, analyses show that goat prices in Nakapiripit are now 17% below November 2013 prices as a result of the decline in price levels, while prices in Kaabong are now 5% higher than November 2013 levels as a result of the increase.

Labour

Table 2: Changes in Daily Wage Rates Nov–2014



Average daily wage labour rates have remained fairly stable through out the region since September, with an average nominal wage rate of UgX 3,600 per day. Wage levels were highest in Moroto and Napak, and lowest in Kotido. These differences are due to ongoing road construction in Moroto and Napak that offers higher wages, and the predominance of agricultural wage labour in Kotido that typically pays lower. Annual comparisons show marginal differences between current wage levels and those in November 2013 except in Kotido where wages are far below (33%) November 2013 levels

Conclusion

The ongoing harvests are the main factor responsible for low/decreasing commodity prices across the country. A generally positive impact is therefore expected on households in the form of increased food consumption as a result of the increase in food availability and access. In the Karamoja region, some peculiarities in price trends exist with varying implications summarized here under:

• Kaabong

Slight price increases for beans and goats, but decline in Maize and Sorghum prices; all prices lower than November 2013 levels except for goats. Households are thus expected to be able to afford staple food commodities given wages have remained stable. Moreover, pastoralists are better off given the overall increase in goat prices compared to predominant grain (especially sorghum) farmers.

• Kotido

Daily wage labour rates have remained stable while grain prices have either remained the same or decline (Sorghum). Thus wage earners may be better off, albeit to a less extent compared to November 2013. Predominant sorghum farmers may face inadequate access to other foods due to the decline in prices.

• Moroto

Except for beans, prices for other commodities have remained the stable, including for wage labour. Prevailing prices are either low (Maize) or similar to November 2014 levels. It is therefore expected that household access to food has remained fairly stable in the reporting period

• Napak & Nakapiripirit

Maize and Sorghum prices have increased (but still lower than 2013 levels), while wage levels remained the same. Households dependent on wage labour may increasingly face difficulties in acquisition of staple foods given projections of increasing grain prices in the coming months.

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.

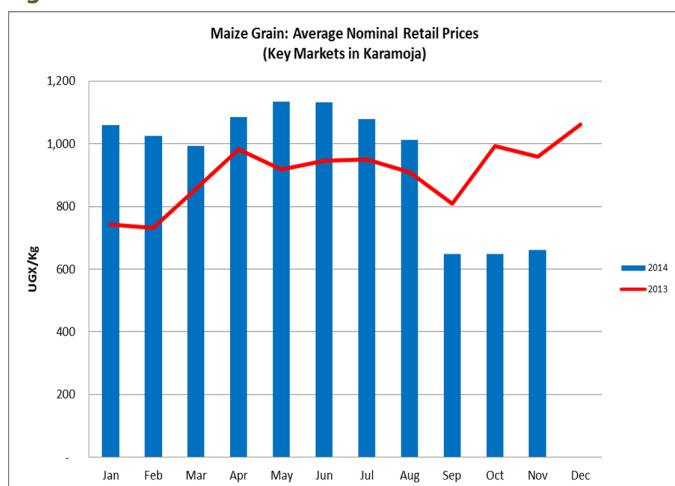
The TOT (goat/maize) has decreased in the region; one goat is now equivalent to 172 Kg of Maize compared to 182Kg on October 2013. This however remains much higher than November 2013 levels when a goat was equivalent to 121 Kg of Maize grain.

On the other hand, the TOT (daily labour/maize) have remained fairly constant across the region since October 2013, and remain higher than levels in November 2013, similar to the observed trend in October 2013.

This suggests that wage earners are better able to meet dietary needs compared to predominant crop and livestock farmers.

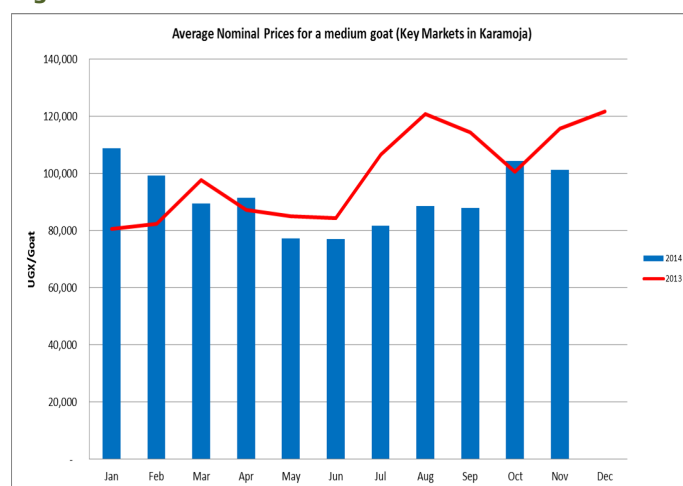
SECTION TWO: KARAMOJA PRICE TRENDS NOVEMBER 2014 AGAINST 2013

Figure 4. Maize Grain Price Trends



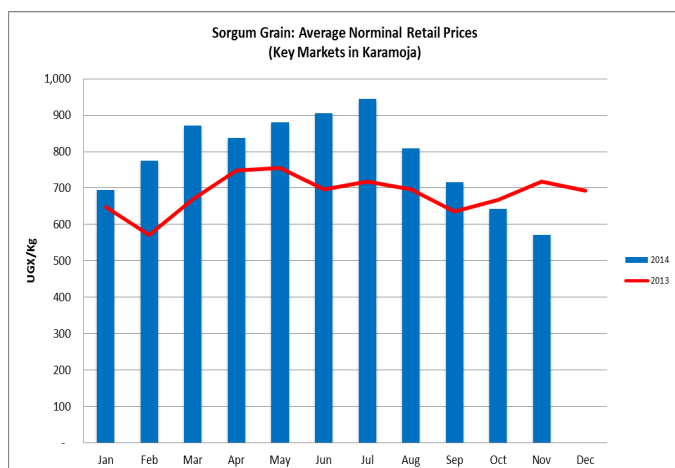
Source: WFP ProMIS

Figure 7. Goats Price Trends



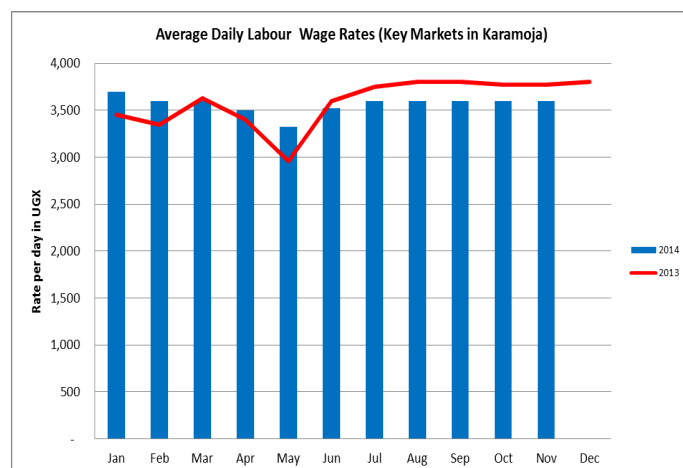
Source: WFP ProMIS

Figure 5. Sorghum Grain Price Trends



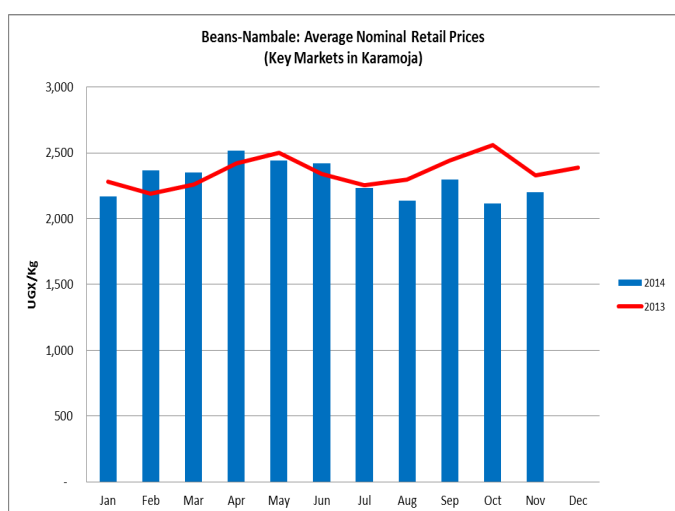
Source: WFP ProMIS

Figure 8. Average Daily Labour Wage Trends



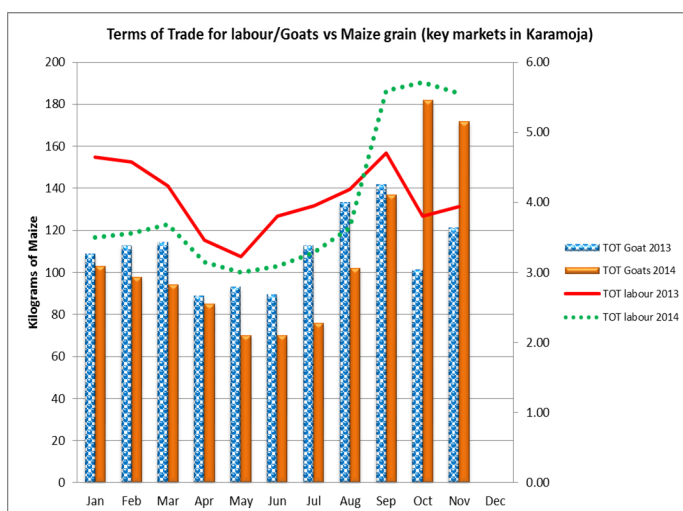
Source: WFP ProMIS

Figure 6. Beans Price Trends



Source: WFP ProMIS

Figure 9. Labour/Goats -Maize grain TOT Trends



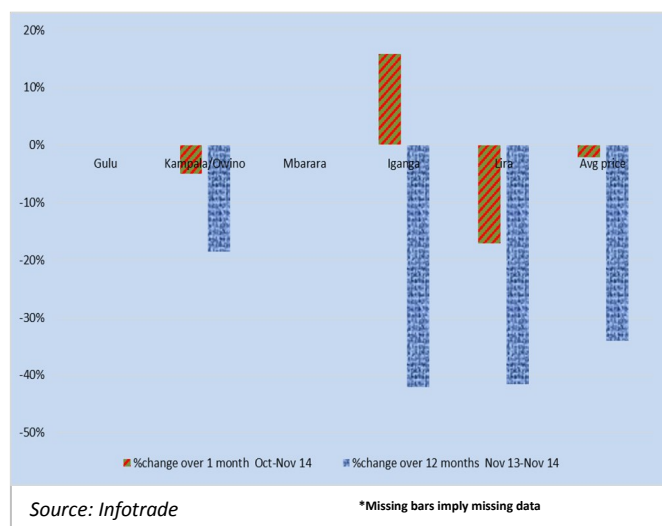
Source: WFP ProMIS

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.

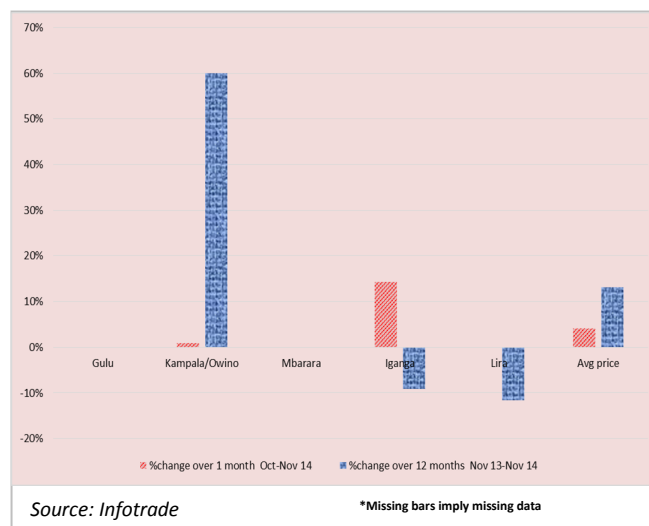
Cereals

Fig10. Maize grain retail price changes Nov – 2014



Except for Iganga, maize grain prices declined between October and November 2014. Across the country, prevailing prices are below November 2013 prices by upto 40% in some districts, representing a further decline compared to last month.

Fig11. Sorghum retail grain price changes Nov— 2014

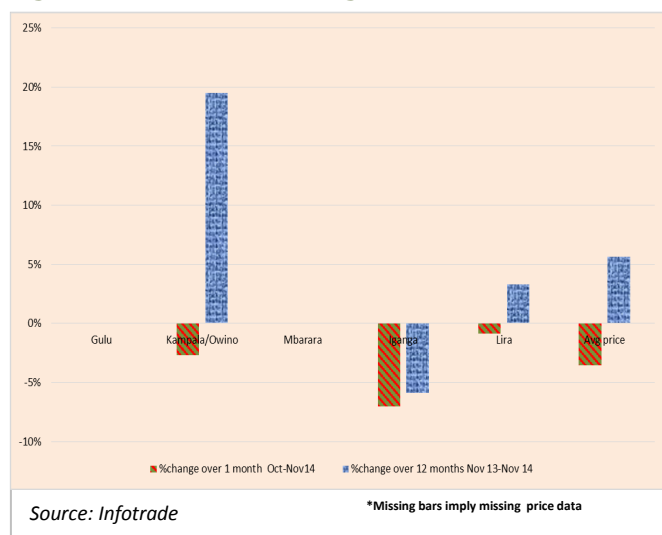


Sorghum prices have generally improved in the rest of the country in the period between October and November 2014 except in Lira where they remained the same. The biggest increase of 14% was observed in Iganga.

Compared to November 2013, prices are 60% higher this year in Kampala/Owino but are 9-12% below 2013 levels in Iganga and Lira.

Beans

Figure 12. Beans Price changes Nov –2014

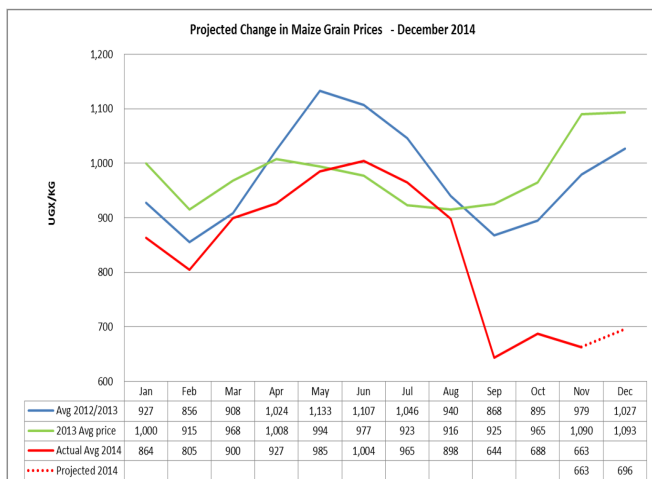


In general, there's been an average 4% decline in nominal beans prices across the country, with the highest decline of 7% seen in Iganga.

However annual comparison shows that current prices are still above November 2013 price levels— by up to 20% in Kampala/Owino— except in Iganga where they are 6% below.

SECTION FOUR: AVERAGE PRICE FORECAST (MARKETS OUTSIDE KARAMOJA)

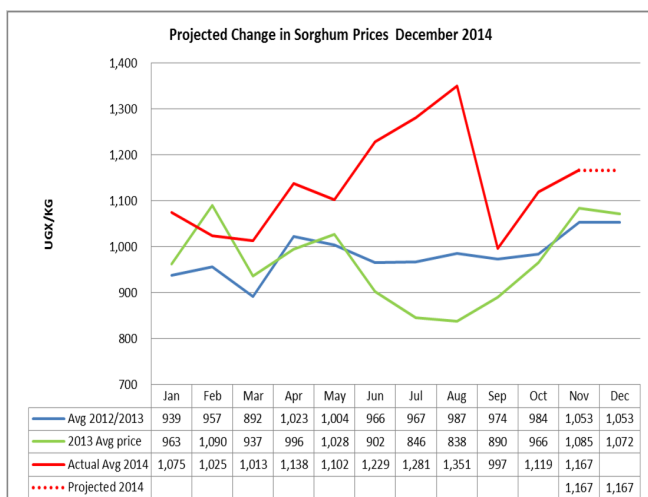
Fig13. Projected Price for Maize Grain—December 2014



Source: WFP AME Projections

The average prices for maize grain are expected to increase in December by 5% as a result of low supply on market.

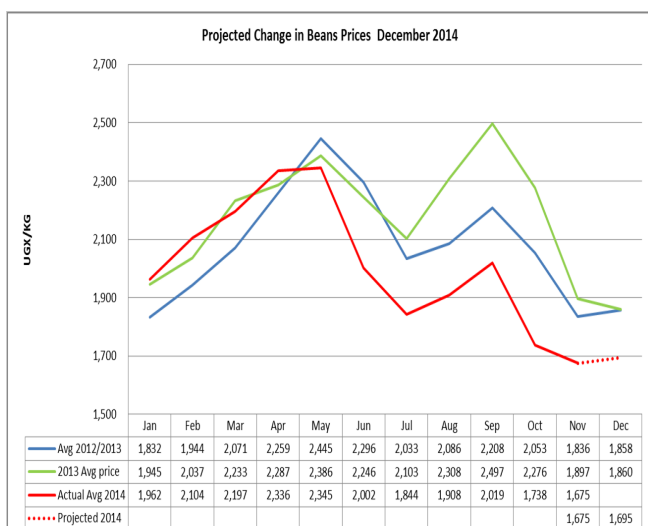
Fig14. Projected Price for Sorghum—December 2014



Source: WFP AME Projections

Sorghum prices are expected to remain stable in December but above the 2012/13 average prices. This is due to the increased consumption of sorghum flour mixed with millet.

Fig15. Projected Price for Beans—December 2014



Source: WFP AME Projections

In December 2014, average prices for beans are expected to remain stable.

Current Retail Price: November 2014			Current Price(Ushs.)	Price change (%)				
Region	District/Market	Major Commodities		1 M	1 Y	1 M	1 Y	
Karamoja	Kaabong	Maize grain	584	-9%	-28%	↓	↓	
		Sorghum	405	-50%	-38%	↓	↓	
		Beans	2,250	6%	-10%	↑	↓	
		Medium size goat	130,000	8%	5%	↑	↑	
		Daily labour wage	3,000	0%	0%	↔	↔	
	Kotido	Maize grain	800	0%		↔		
		Sorghum	450	-25%		↓		
		Beans	2,100	5%	-16%	↑	↓	
		Medium size goat						
		Daily labour wage	2,000	0%	-33%	↔	↓	
	Moroto	Maize grain	650	0%	-46%	↔	↓	
		Sorghum	700	0%		↔		
		Beans	2400	9%	0%	↑	↔	
		Medium size goat						
		Daily labour wage	5000	0%	0%	↔	↔	
	Napak	Maize grain	675	4%	-33%	↑	↓	
		Sorghum	700	17%	-13%	↑	↓	
		Beans	2,000	0%	0%	↔	↔	
		Medium size goat						
		Daily labour wage	5,000	0%	3%	↔	↑	
		Nakapiripirit	Maize grain	600	20%	-27%	↑	↓
			Sorghum	600	20%	-14%	↑	↓
			Beans	2250	0%	0%	↔	↔
			Medium size goat	72,500	-18%	-17%	↓	↓
			Daily labour wage	3000	0%	0%	↔	↔
Central	Kampala/Owino	Maize grain	950	-5%	-19%	↓	↓	
		Sorghum	1,800	1%	60%	↑	↑	
		Beans	1,813	-3%	20%	↓	↑	
Western	Mbarara	Maize grain						
		Sorghum						
		Beans						
	Masindi	Maize grain						
		Sorghum						
		Beans						
Eastern	Iganga	Maize grain	550	16%	-42%	↑	↓	
		Sorghum	1,000	14%	-9%	↑	↓	
		Beans	1,663	-7%	-6%	↓	↓	
Northern	Lira	Maize grain	488	-17%	-42%	↓	↓	
		Sorghum	700	0%	-12%	↔	↓	
		Beans	1,550	-1%	3%	↓	↑	
	Gulu	Maize grain						
		Sorghum						
		Beans						
Remark:	↑	Price increase above normal price fluctuation						
	↔	Normal Price fluctuation						
	↓	Price increase below normal price fluctuation						
Price fluctuation is considered normal if the price change is within 5% for 1 month and within 15% for 1 year.								
1M=November 2014 compared to October 2014			1Y= November 2014 compared to November 2013					