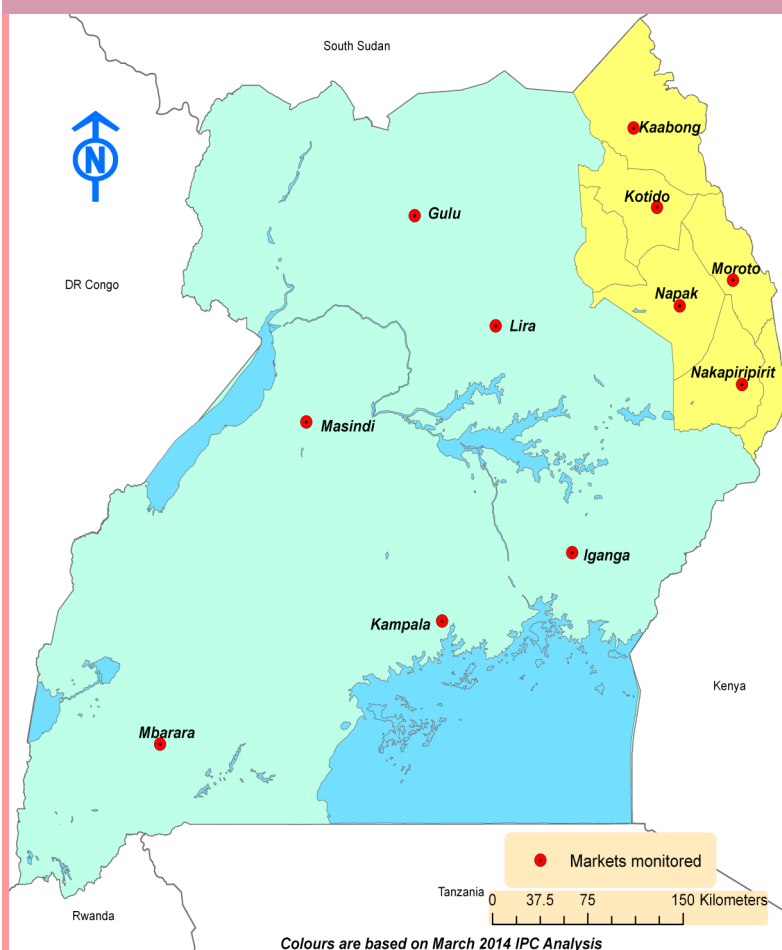


UGANDA

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 increased slightly** as harvests come to an end in most households especially Kotido. Also, **goat prices increased during the festival season.**
- The **terms of trade (goat/maize) improved in December** mainly due to the increase in goat prices. However, **the ToT for daily wage against maize grain continued to deteriorate.**
- In other parts of the country, **average nominal retail prices for maize grain, sorghum and beans have continued to go down** as a result of the ongoing harvests.
- **Price projections for markets outside Karamoja indicate price decreases for maize grain and sorghum** during the month of January 2015 due to ongoing harvests.

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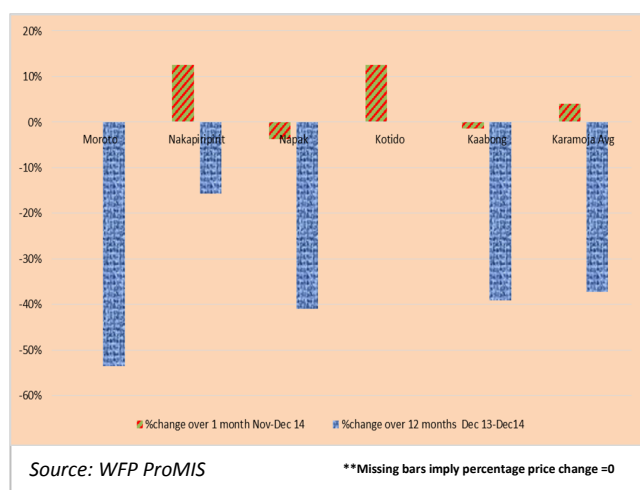
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SECTION ONE: KARAMOJA SUB-REGION

Cereals

Figure 1. Maize grain retail price changes Dec–2014

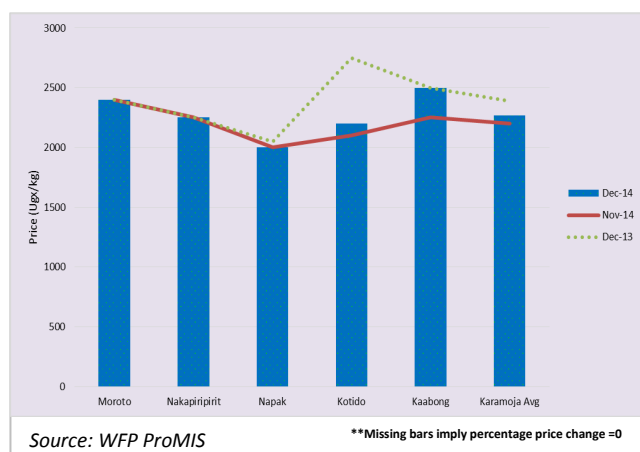


Maize grain prices have begun to increase in the region after a 3-month low since September, except in Napak and Kaabong where prices have continued to decline. The average price per Kg is currently at UgX. 690, a 4% increase from November's UgX 660 per Kg. This is expected as the harvest season comes to an end leading to a reduction in supply.

The observed price increases are however marginal, and price levels remain up to 37% below price levels in December 2013 leading to improved access to food at household level. However, maize farmers/grain traders were worse off in the last quarter of 2014 relative to 2013.

Beans

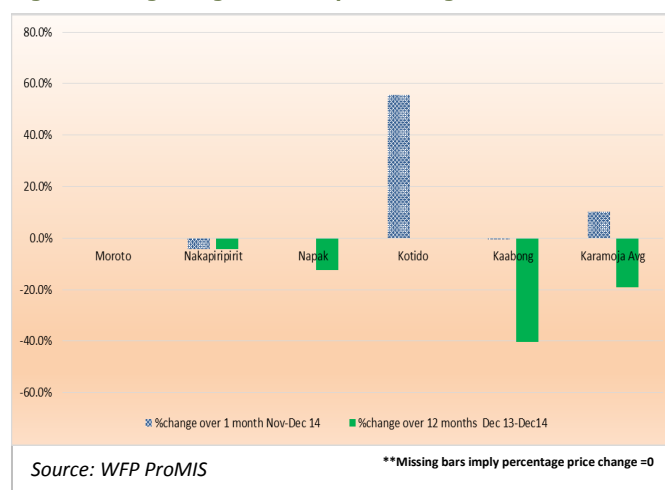
Figure 3. Beans retail price changes Dec –2014



Nominal beans prices maintained the steady increase observed over the last quarter of 2014 with an average increase of 3% across Karamoja. This is because no harvests for beans are expected in Karamoja during the month of December. Most of the increase observed at regional level is however solely attributable to increases of 5% and 11% in Kotido and Kaabong respectively. Prices remained stable in other districts of Karamoja.

For most districts of Karamoja, beans prices are at par with December 2013 levels except in Napak and Kotido where they are 2% and 20% below respectively.

Figure 2. Sorghum grain retail price changes Dec–2014



While overall analyses suggest a 10% increase in nominal sorghum prices across Karamoja, this increase is due to a sharp increase (56%) observed in Kotido that saw prices change from UgX. 450 in November 2014 to UgX. 700 per Kg. Information received from Kotido indicates that November was the peak of the harvest and that farmers sold their produce as they harvested. In December when the harvest was coming towards an end, many households stopped selling and prices had to go up. Elsewhere in Karamoja, prices either declined (Nakapiripirit, Kaabong) or remained stable (Moroto, Napak).

However, sorghum prices this year have remained below December 2013 levels.

Goats

Table 1: Goats retail prices changes for Dec–2014

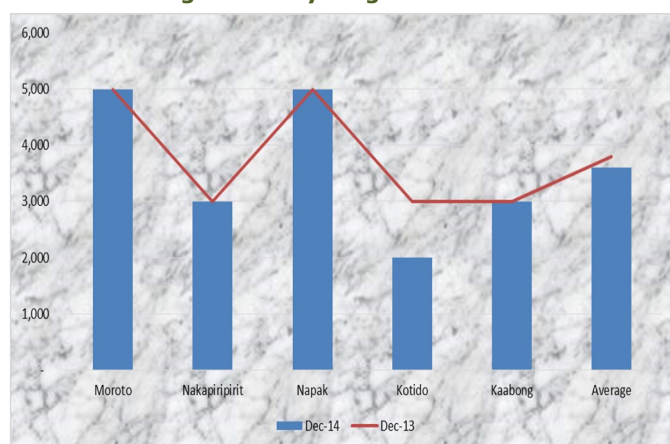
Market	Current (Dec - 2014)	% Change from:	
		Nov–14	Dec–2013
Moroto			
Nakapiripirit	92,750	27.9%	11.3%
Napak			
Kotido	73,333		-26.7%
Kaabong	145,000	11.5%	13.7%
Average	103,694	19.7%	-0.5%

Source: WFP ProMIS

Except for Kotido, goat prices increased in the other districts (Nakapiripirit and Kaabong) for which price data was available largely due to government imposed quarantine. Here, prices increased by 28% and 12% respectively, contributing to an average overall increase of 20% in Karamoja. In these districts, prices are 11% and 14% above December 2013 levels but remain 27% below in Kotido. The livestock ban has constrained functionality of the livestock market.

Labour

Table 2: Changes in Daily Wage Rates Dec—2014



Source: WFP ProMIS

Across Karamoja, average daily wage labour rates have remained stable relative to November 2014, maintaining the trend since June 2014. The average nominal wage stands at UgX 3,500 per day, about 7% lower than the wage levels in December 2013, but much lower in Kotido (33% lower than December 2013). 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.

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 (goats : maize grain) increased in December compared to November; selling one goat would enable a household to buy 195Kg of maize grain in December compared to 172kg in November. Similarly, the current ToT ratio is higher than December 2013 when one goat was equivalent to 115Kg of maize.

The ToT (daily wage : maize grain) has only marginally declined in the region with one day of labour now equivalent to 5.5Kg of maize grain vis-à-vis 5.6Kg in November 2014.

Summary by district

Kaabong

- Cereal (maize grain, Sorghum) prices have declined since November, and are below December 2013 levels. Beans and goats prices have increased since November and are either equal to or higher than December 2013 levels. Furthermore, the wage rate has remained the same relative to November 2014 and December 2013.
- Livestock herders and wage earners are thus expectedly better off with higher purchasing power compared to cereal farmers and traders.

Kotido

- Prices of all monitored commodities have increased by 5-55%, while the wage rate has remained constant. There is indication of difficulty in access to food as the purchasing power of wage dependent households declines.

Moroto

- Food prices and wage rates have remained stable since November 2014. It is thus expected that household's ability to sell/purchase food commodities in markets will remain unchanged.

Nakapiripirit

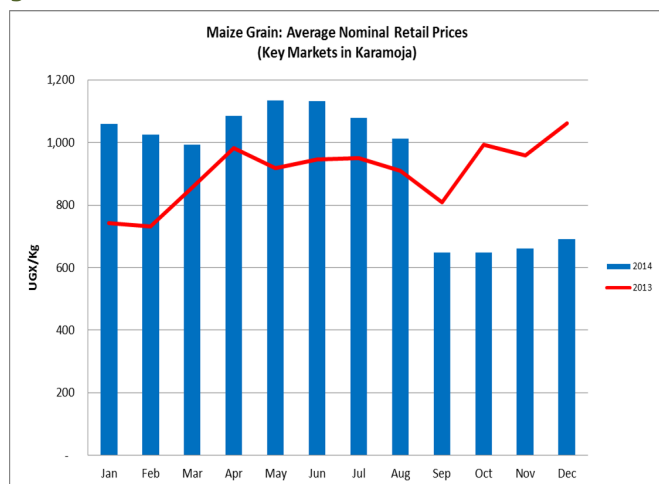
- Maize grain prices increased while Sorghum prices declined since November 2014. However, both prices levels remain lower than December 2013. Beans prices have however remained stable.
- Livestock herders are presumed to be better off given the increase in prices relative to November 2014 and to December 2013. However, predominantly sorghum farmers/traders are worse off compared to other livelihood groups.

Napak

- While Sorghum and beans prices remained fairly stable since November, maize grain prices declined. Prices of all three commodities however remain below 2013 levels. Wage rates have remained the same since November and are similar to 2013 levels. It is thus expected that access to food among wage earners will remain fairly stable while maize farmers/traders are worse off.

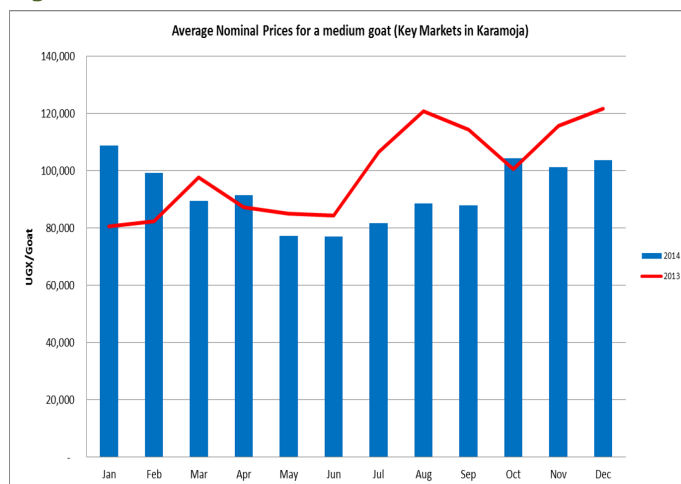
SECTION TWO: KARAMOJA PRICE TRENDS DECEMBER 2014 AGAINST 2013

Figure 4. Maize Grain Price Trends



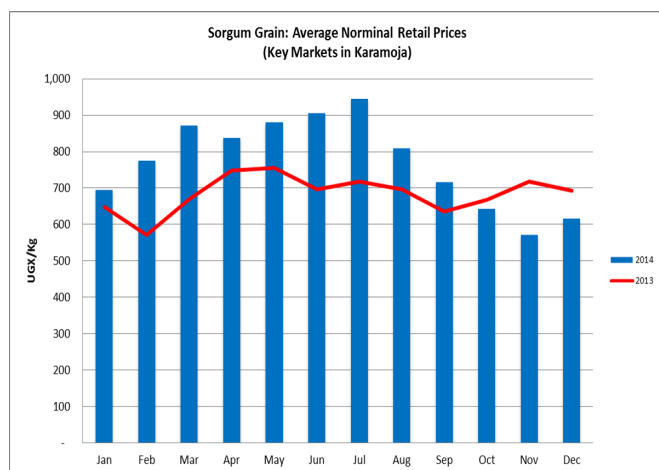
Source: WFP ProMIS

Figure 7. Goats Price Trends



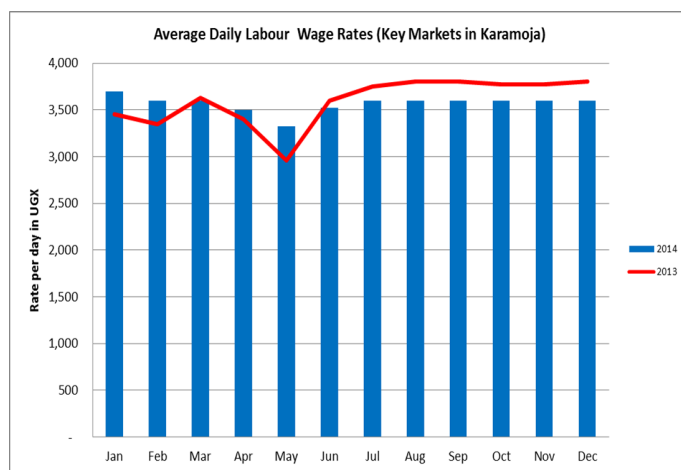
Source: WFP ProMIS

Figure 5. Sorghum Grain Price Trends



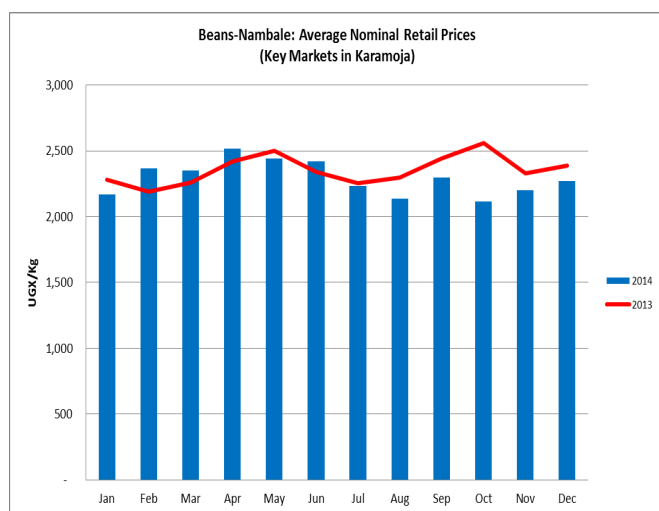
Source: WFP ProMIS

Figure 8. Average Daily Labour Wage Trends



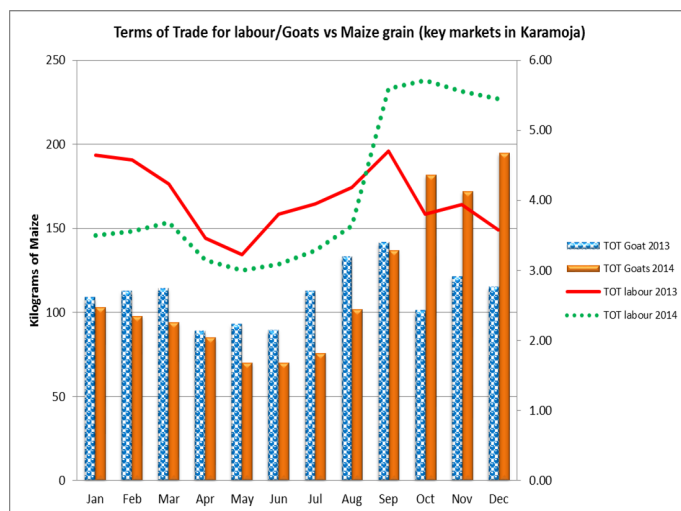
Source: WFP ProMIS

Figure 6. Beans Price Trends



Source: WFP ProMIS

Figure 9. Labour/Goats -Maize grain TOT Trends



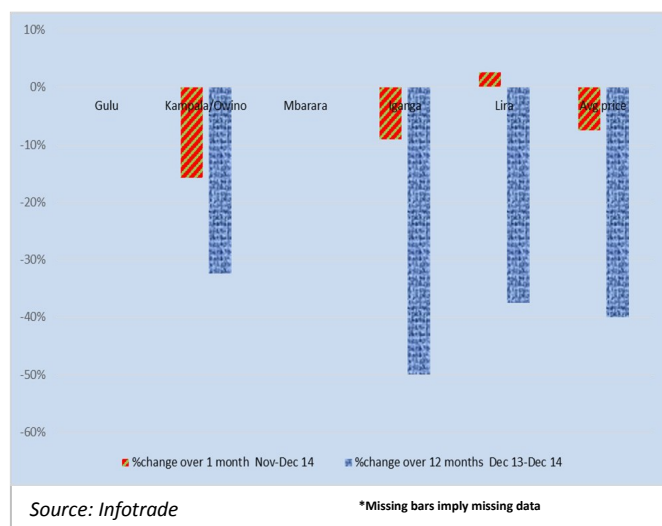
Source: WFP ProMIS

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

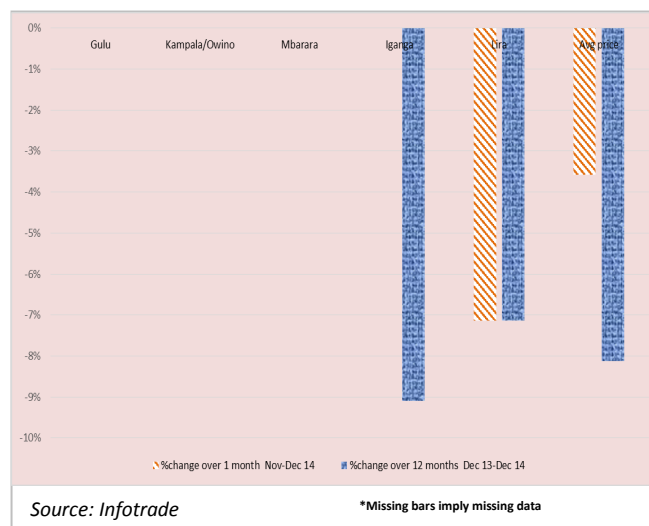
Fig10. Maize grain retail price changes Dec – 2014



On average, retail prices for maize grain decreased by 7 % across the country in December compared to November. (No price data was collected in Mbarara and Gulu). The price decrease is partly a result of low demand as students were on holiday during the month yet institutions of learning are key consumers of maize in Uganda.

Annual average prices also indicate a price reduction of 40% this year compared to the same period in December 2013. The low prices are a result of the increased availability of maize grain in the country due to reduced exports to South Sudan that has been a major destination of Uganda food commodities.

Fig11. Sorghum retail grain price changes Dec— 2014

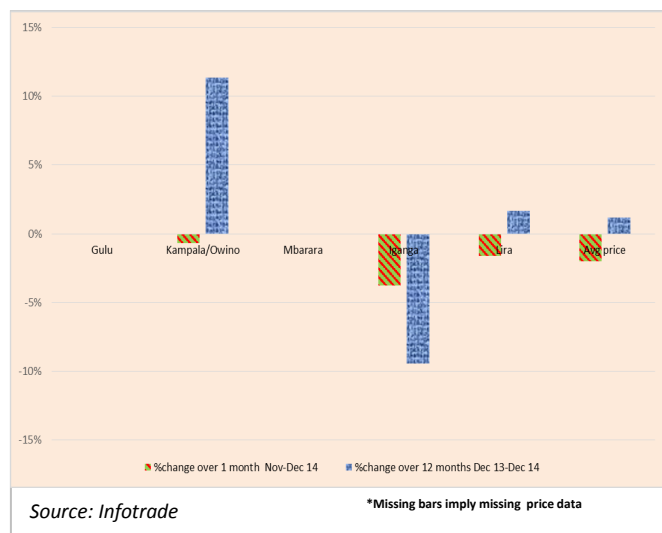


In December, prices for sorghum were not collected in Gulu, Kampala and Mbarara. However, average retail prices for sorghum collected in Iganga and Lira show that on average there was a slight decrease of 4% compared to the previous month.

Similarly, the annual price change highlights a decrease of 8% in December this year compared to the same period in 2013. The decrease in prices for sorghum are a result of ongoing harvest in different parts of the country.

Beans

Figure 12. Beans Price changes December–2014

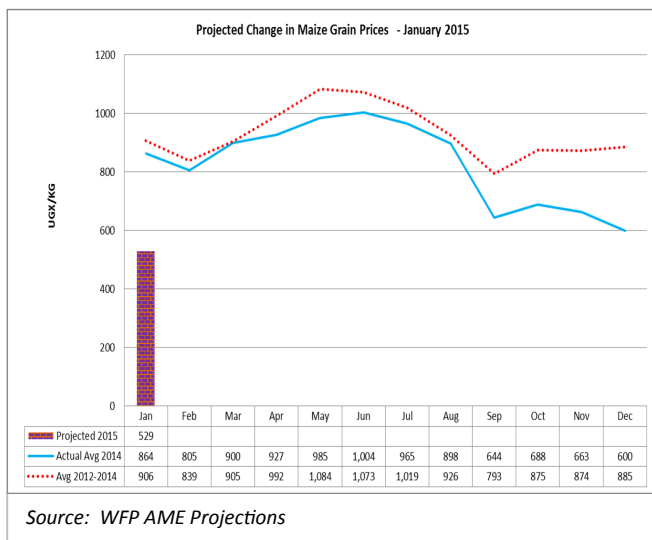


Nominal retail prices for beans continued to go down in December by 2% on average compared to November 2014 across the country. The price decrease is due to late harvest of beans for the farmers who planted late in some parts of the country .

Though annual comparisons indicate that there was a slight price increase for beans in December 2014, this was mainly in Kampala (11%). In Iganga (Eastern Uganda), prices for beans decreased by 9% within a period of a year. The differences in price changes across regions can be explained by trade and agricultural related factors. All beans sold in Kampala are collected from other districts/regions while Iganga (Eastern Uganda) is one of the key producing areas for beans. Crop performance/harvest in Iganga might have been better in December this year compared to last year hence the price decrease.

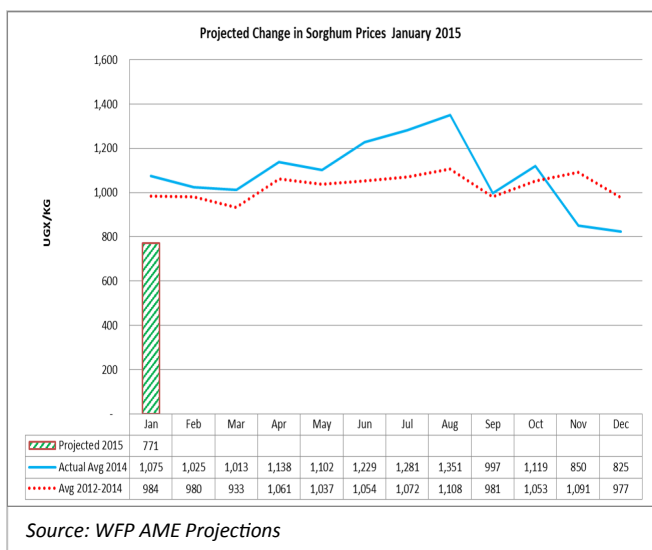
SECTION FOUR: AVERAGE PRICE FORECAST (MARKETS OUTSIDE KARAMOJA)

Fig13. Projected Price for Maize Grain—January 2015



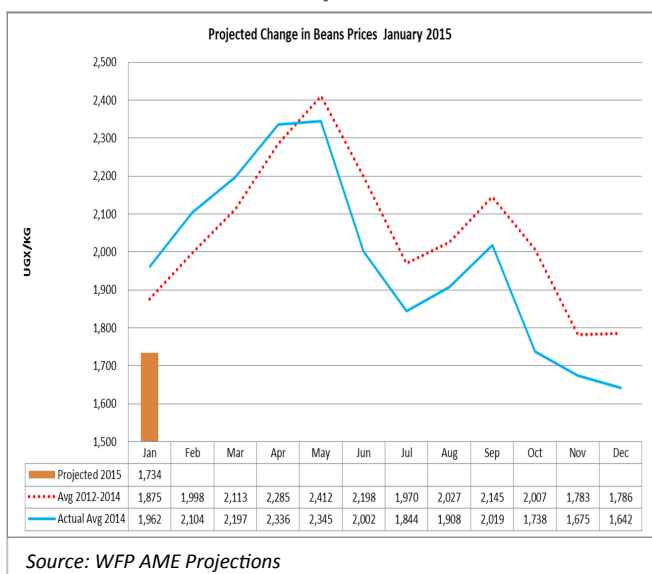
The average prices for maize grain are expected to decrease by 12% in January as supply for maize grain is expected to increase due to the ongoing harvest.

Fig14. Projected Price for Sorghum—January 2015



Sorghum prices are expected to decrease by 7% in January 2015. This is due to increased supply on market.

Fig15. Projected Price for Beans—January 2015



In January 2015, average prices for beans are expected to increase slightly by 6%.

Current Retail Price: December 2014			Current Price(Ushs.)	Price change (%)			
Region	District/Market	Major Commodities		1 M	1 Y	1 M	1 Y
Karamoja	Kaabong	Maize grain	576	-1%	-39%	↔	↓
		Sorghum	403	-1%	-40%	↔	↓
		Beans	2,500	11%	0%	↑	↔
		Medium size goat	145,000	12%	14%	↑	↔
		Daily labour wage	3,000	0%	0%	↔	↔
	Kotido	Maize grain	900	13%		↑	
		Sorghum	700	56%		↑	
		Beans	2,200	5%	-20%	↔	↓
		Medium size goat	73,333		-27%		↓
		Daily labour wage	2,000	0%	-33%	↔	↓
	Moroto	Maize grain	650	0%	-54%	↔	↓
		Sorghum	700	0%		↔	
		Beans	2400	0%	0%	↔	↔
		Medium size goat					
		Daily labour wage	5000	0%	0%	↔	↔
	Napak	Maize grain	650	-4%	-41%	↔	↓
		Sorghum	700	0%	-13%	↔	↔
		Beans	2,000	0%	-2%	↔	↔
		Medium size goat					
		Daily labour wage	5,000	0%	0%	↔	↔
	Nakapiripirit	Maize grain	675	13%	-16%	↑	↓
		Sorghum	575	-4%	-4%	↔	↔
		Beans	2250	0%	0%	↔	↔
		Medium size goat	92,750	28%	11%	↑	↔
		Daily labour wage	3000	0%	0%	↔	↔
Central	Kampala/Owino	Maize grain	800	-16%	-32%	↓	↓
		Sorghum					
		Beans	1,800	-1%	11%	↔	↔
Western	Mbarara	Maize grain					
		Sorghum					
		Beans					
	Masindi	Maize grain					
		Sorghum					
		Beans					
Eastern	Iganga	Maize grain	500	-9%	-50%	↓	↓
		Sorghum	1,000	0%	-9%	↔	↔
		Beans	1,600	-4%	-9%	↔	↔
Northern	Lira	Maize grain	500	3%	-38%	↔	↓
		Sorghum	650	-7%	-7%	↓	↔
		Beans	1,525	-2%	2%	↔	↔
	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=December 2014 compared to November 2014			1Y= December 2014 compared to December 2013				