BULLETIN February 2015 ISSUE 2

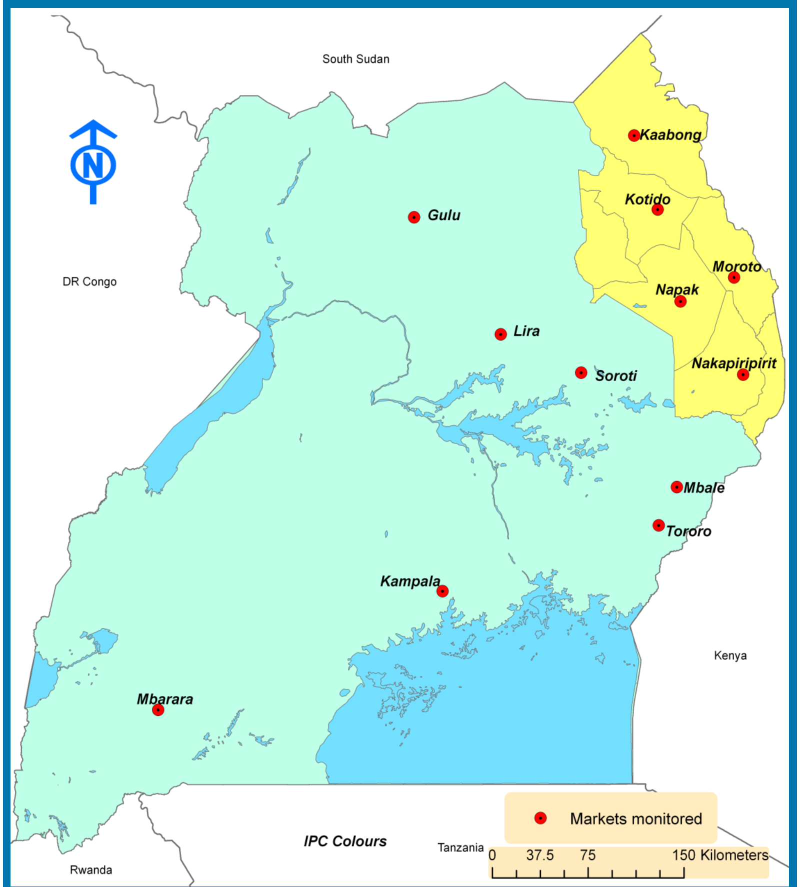
Fighting Hunger Worldwide

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 price data from Gulu, Kampala, Mbarara, Soroti, Tororo, Lira and Mbale. 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 and sorghum were relatively stable during the month** and lower than last year across Karamoja. However, **prices for beans have continued to rise** higher than last year's and two-years average 2013/14.
- **Annual analysis highlights an improvement in terms of trade (TOT) for both goats and casual labour against maize grain.** This was mainly a result of lower maize grain prices this year compared to last year.
- **Nominal retail prices for maize grain and beans increased across the country** in February compared to January 2015. However, prices were still lower this year compared to the same period in 2014.
- **Maize grain & beans price for markets outside Karamoja are expected to increase in March** while for sorghum are expected to tentatively go down but increase in April.

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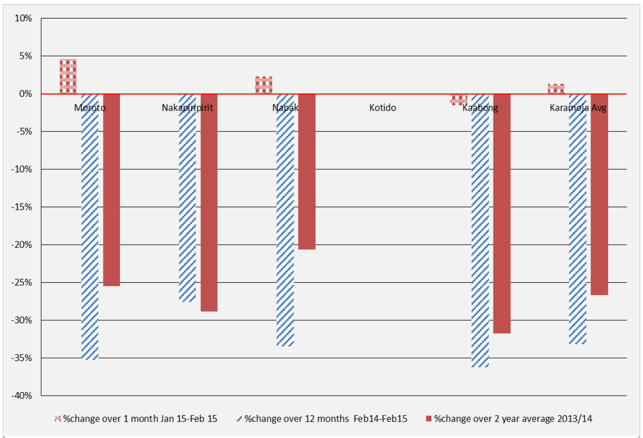
SECTION ONE: KARAMOJA SUB-REGION

Cereals

Figure 1. Maize grain retail price changes Feb–2015

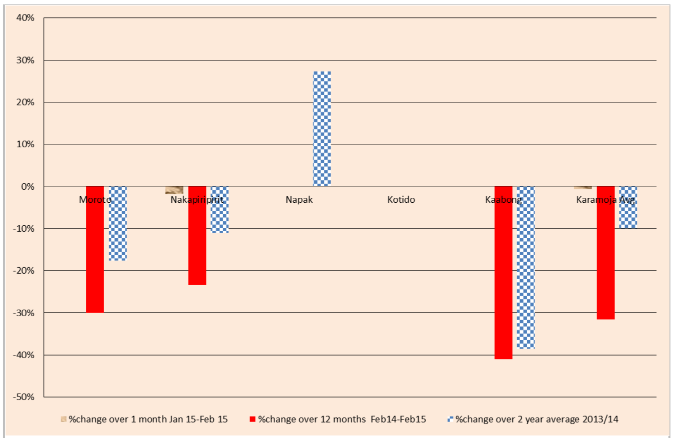


Source: WFP ProMIS **Missing bars imply commodity not available

Maize prices were relatively stable during the month of February 2015. The price changes were within 5% when compared to the January prices. The relatively stable price changes are mainly due to the low demand for maize grain at market level as some households still have some food stocks at household level through own production.

Annual and two-year's average price analysis for Karamoja in general indicate that maize grain prices in February 2015 were less by 33% and 27% respectively. This generally implies that households depending on markets for maize grain (as main food staple) are having better food access this year compared to the last two years.

Figure 2. Sorghum grain retail price changes Feb–2015



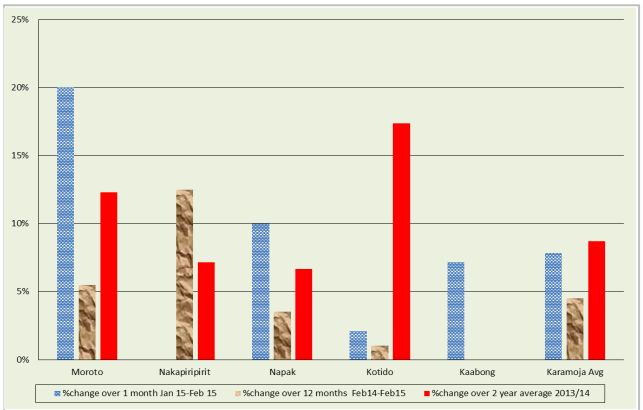
Source: WFP ProMIS **Missing bars imply commodity not available

No substantial changes were noted in sorghum prices within a month's period (January-February 2015) despite the reported reducing stocks at households level. This implies that majority of the households still have food stocks or other means of accessing food other than entirely depending on markets.

Comparing the annual and two-year average, sorghum prices in February this year reduced by 32% and 10% respectively. Despite the poor crop harvest reported last year, there is a likelihood that more households are depending on their own production as more households embrace agricultural production on a yearly basis. However, we expect prices to increase as household stocks decrease towards the end of March.

Beans

Figure 3. Beans retail price changes Feb –2015



Source: WFP ProMIS *Missing bars imply percentage price change =0

There was an average increase of 8% in beans prices during the month of February compared to January 2015 across Karamoja. Nominal price increases were noted in Moroto (20%), Napak (10%), Kaabong (7%) and Kotido (2%) as a result of reduced supply on markets.

Similarly, annual and two-year analyses show a 5% and 9% price increases in February 2015 respectively. This is mainly due to the increasing dependence on markets with limited increase in beans production as a result of unfavourable and un predictable weather conditions.

Goats

Table 1: Goats retail prices changes for Feb—2015

Market	Current (Feb 2015)	% Change from:		
		Jan—15	Feb—14	Av 2013-14
Moroto	150,000	0.0%	37.9%	58.9%
Nakapiripirit	96,250	-3.8%	6.9%	21.6%
Napak	150,000	0.0%	20.0%	50.0%
Kotido	81,750	10.1%	4.8%	-7.5%
Kaabong	107,500	-28.9%	13.2%	16.2%
Average	**117,100**	**-4.5%**	**16.6%**	**27.8%**

Source: WFP ProMIS

The nominal goat prices decreased across Karamoja by approximately 5% during the month of February in comparison to January 2015. The decrease was mainly in Kaabong (29%) and Nakapiripirit (3%) and this was attributed to an increase in numbers of goats for sale during the month as parents were enrolling children in school.

Compared to February 2014 and the two-year's average price (2013/14), goat prices increased by 17% and 28% respectively. The price increase is mainly due to an increase in demand created by an increase in the number of traders from different parts of the country as a result of improved security in the region.

Labour

Table 2: Changes in Daily Wage Rates Feb—2015

Market	Current (Feb- 2015)	% Change from:		
		Jan—15	Feb—14	Av 2013-14
Moroto	5,000	0.0%	0.0%	11.1%
Nakapiripirit	3,000	0.0%	0.0%	0.0%
Napak	5,000	0.0%	0.0%	14.3%
Kotido	2,000	0.0%	0.0%	-20.0%
Kaabong	3,000	0.0%	0.0%	0.0%
Average	**3,625**	**0.0%**	**0.0%**	**1.1%**

Source: WFP ProMIS

Since the last half of 2014, the average daily wage labour rates have stalled at UgX 3,600 per day. Also annual comparisons indicate no changes in daily nominal wage rates in all parts of Karamoja. However, when compared with the two-year's average (2013/14), the average daily wage rates show an increase of about 1% in February 2015. The increase was mainly in Moroto (11%) and Napak (14%) as a result of the ongoing road construction project. A decrease of 20% was noted in Kotido due to scarce casual labour opportunities yet many people are looking for work.

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.

Description	Feb 2015	Jan 2015	Feb 2014
TOT goats	193	192	98
TOT labour	5.45	5.53	3.6

There was a slight increase in the terms of trade (goats : maize grain) in February as compared to January 2015; selling one goat would enable a household to buy 193Kg of maize grain in February compared to 192Kg in January. Also annual analysis indicates that a household would buy more maize grain in February this year compared to 98Kg of grain that would be bought using proceeds from selling a similar goat in 2014. The improvement in the terms of trade is due to increased prices for goats and reduced price for maize grain.

The ToT for daily wage against maize grain declined slightly in February 2015 compared to January as a result of an increase in maize grain prices. A day's labour wage would enable a household to buy 5.45Kg of maize grain in February compared to 5.53Kg in January 2015. On annual basis the TOT for labour wage this year in February was higher than the 3.6Kg that would be purchased in 2014.

Summary by district (with the exception of Abim & Amudat that will be added from May 2015)

Kaabong

- Maize grain and sorghum prices were low during the month of February; lower than January 2015, February 2014 and two-year's average (2013/14). Accessibility was not yet a problem for the two food commodities in Kaabong. Beans prices have reached the highest level of UGx 3,000 per kilogram which is the same as February 2014 and the two-year average suggesting market access issues for this commodity.

Kotido

- Maize grain prices were lowest in Kotido compared to other districts in Karamoja at UGX400 per kilogram. However no further analysis would be done because last month the commodity was not available on market and no data was collected. Similarly sorghum prices were not collected this month because the commodity was not available on market. However, beans prices were higher in February compared to last month, last year (same period) and the two-year average (2013/14).

Moroto

- Prices for maize grain & sorghum were lower in February 2015 compared to the same period last year and the two-year average (2013/14) and indication of better access this year. However, prices for beans increased by 20% compared to January this year and were still higher than February last year and the two-year average.

Nakapiripirit

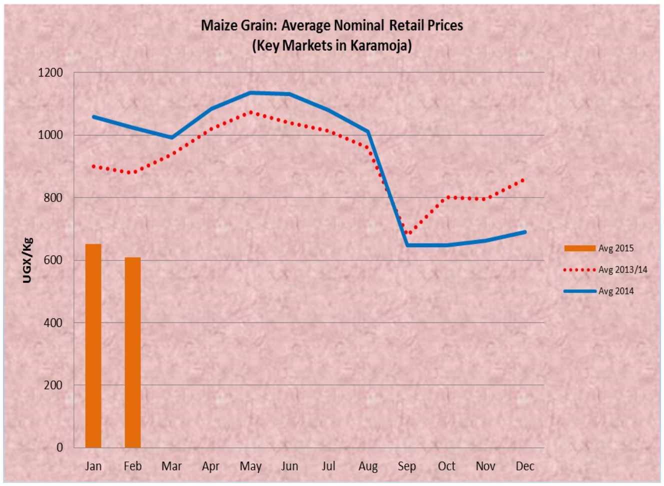
- In Nakapiripirit, Sorghum and maize grain prices were stable in February 2015 compared to the previous month and lower than prices experienced during the same period last year and the two-year average (2013/14). However, prices for beans are higher than the same period last year and the two-year average (2013/14).

Napak

- Though there was a slight increase in prices for maize grain compared to the previous month, prices this year were still lower compared to the same period last year and the two-year average (2013/14). Like in other districts prices for beans were high in Napak for the reporting month limiting accessibility for some households.

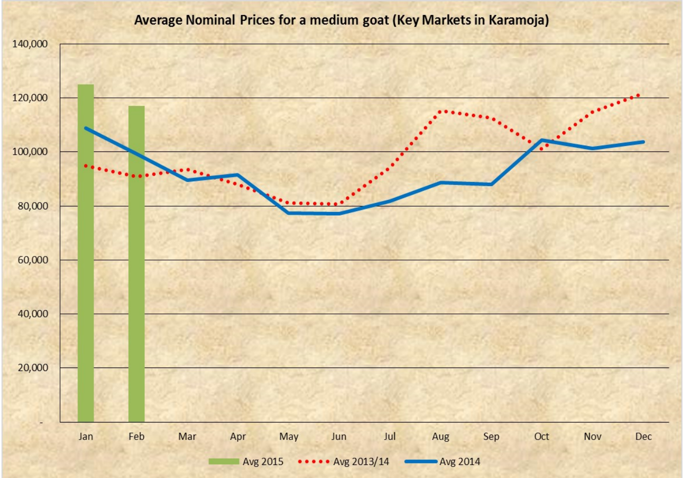
SECTION TWO: KARAMOJA PRICE TRENDS FEBRUARY 2015 AGAINS 2014 & AVG 2013/14

Figure 4. Maize Grain Price Trends



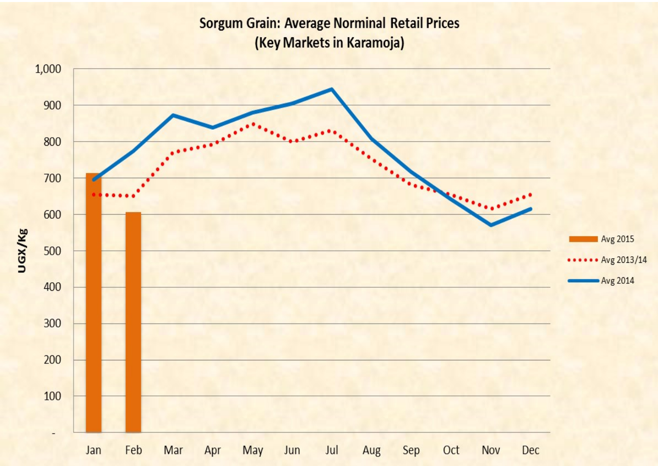
Source: WFP ProMIS

Figure 7. Goats Price Trends



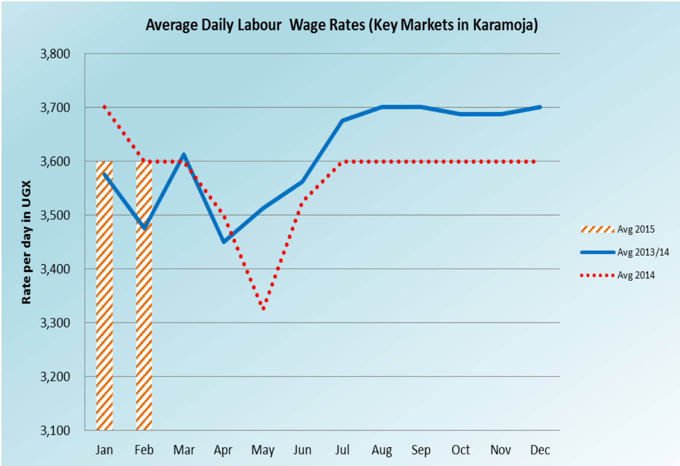
Source: WFP ProMIS

Figure 5. Sorghum Grain Price Trends



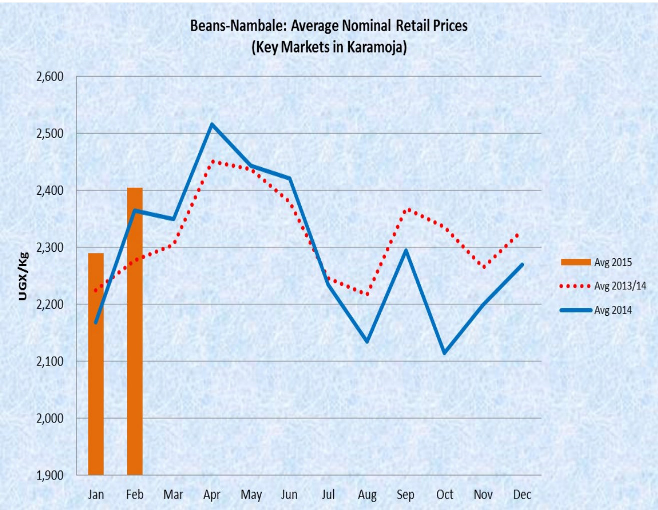
Source: WFP ProMIS

Figure 8. Average Daily Labour Wage Trends



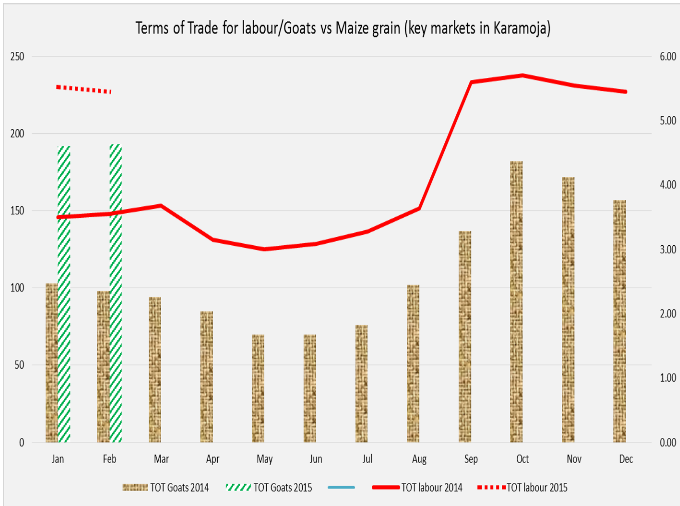
Source: WFP ProMIS

Figure 6. Beans Price Trends



Source: WFP ProMIS

Figure 9. Terms of Trade Goats/Labour vs Maize grain



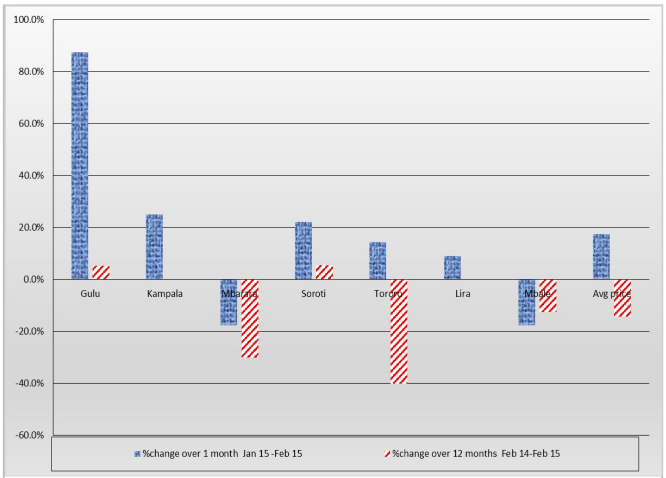
Source: WFP ProMIS

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 various regions of the country. Price data is collected by WFP staff at Sub offices in their respective areas of operation. The primary criteria for selecting the markets included in the analysis is their trade influence in food commodities in their respective regions and the relative consistency of data for the selected food commodities. More markets will be included in the analysis as we improve on the consistency of our data collection.

Cereals

Fig10. Maize grain retail price changes Feb– 2015

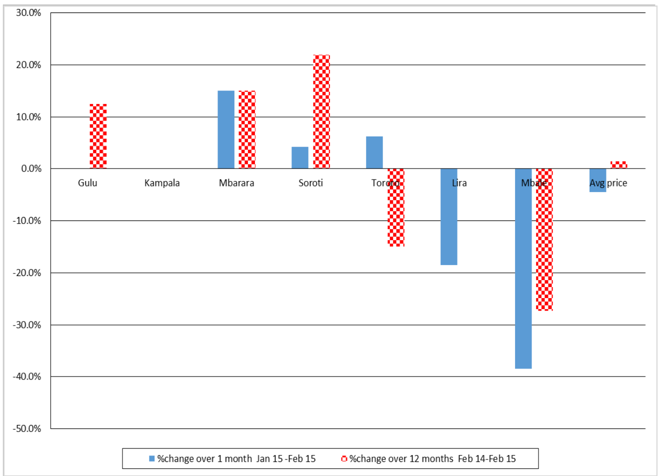


Source: Infotrade

The average retail prices for maize grain increased in February by 18% compared to January 2015 in most markets across the country. The price increase was largely triggered by the return of students to academic institutions; increasing the demand for maize.

However, maize grain prices this year were still lower than prices experienced during the same period in February 2014, by 14%. This implies that consumers of maize grain were enjoying the low prices but this could be a disincentive to maize production in the country.

Fig11. Sorghum retail grain price changes Feb— 2015



Source: Infotrade

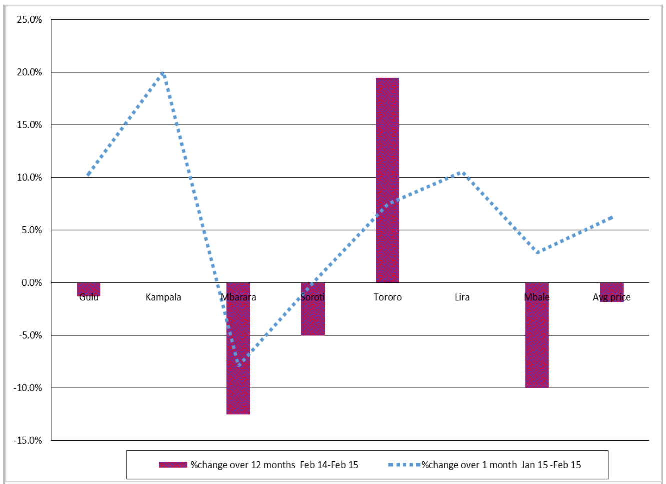
***Missing bars imply there was no change in price**

On average, sorghum prices reduced by 5% in February compared to January 2015. The decrease was mainly in Lira and Mbale as these are sorghum producing areas. There was a noticeable increase in Mbarara during the month and this was attributed to increased demand for local brew.

However, annual analysis figures show price increases for sorghum in Soroti (22%), Mbarara (15%) and Gulu (13%) hence having an effect on consumer purchasing power in these districts. The eastern region districts (Tororo and Mbale) enjoyed favourable prices in February this year compared to the same period last year .

Beans

Figure 12. Beans Price changes Feb–2015



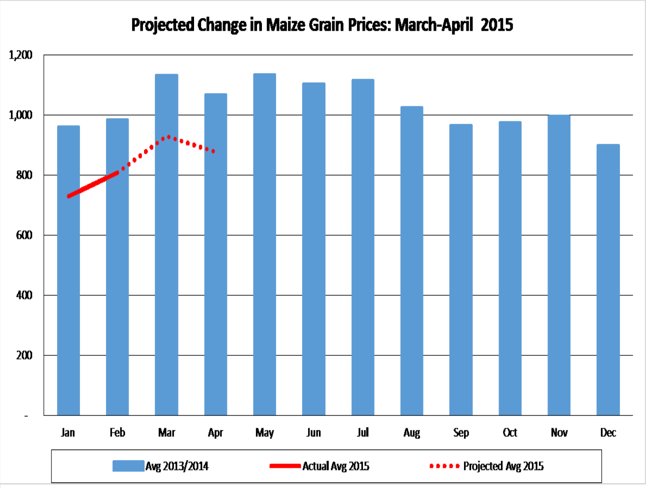
Source: Infotrade

The line graph shows that the price change was above zero in most markets which indicates an increase in prices for beans during the month of February compared to January 2015. The increase was brought about by the decrease in stocks for beans at farm and trader levels and the re-opening of academic institutions that feed students mainly on maize meal and beans.

Annual analysis represented by the bars in the graph shows that prices for beans in February this year were still lower compared to the same period last year in most markets across the country with the exception of Tororo. This implies that beans are relatively more affordable this year than last year.

SECTION FOUR: AVERAGE PRICE FORECAST (MARKETS OUTSIDE KARAMOJA)

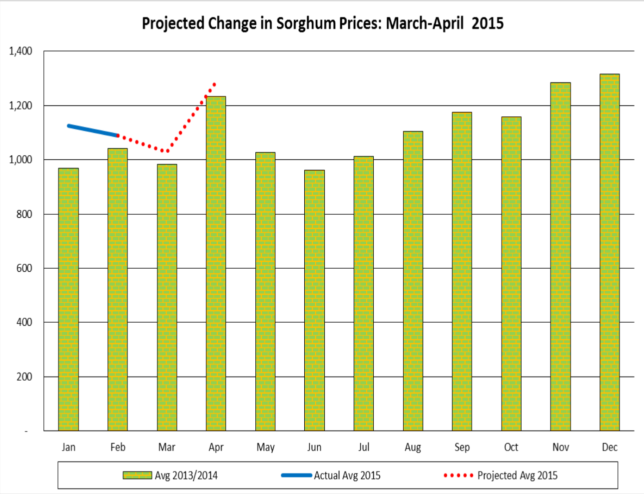
Fig13. Projected Price for Maize Grain: March-April 2015



Source: WFP AME Projections

The average prices for maize grain are expected to continue increasing in March by about 15% and then to adjust downwards by 6% in April as schools will be off for holidays.

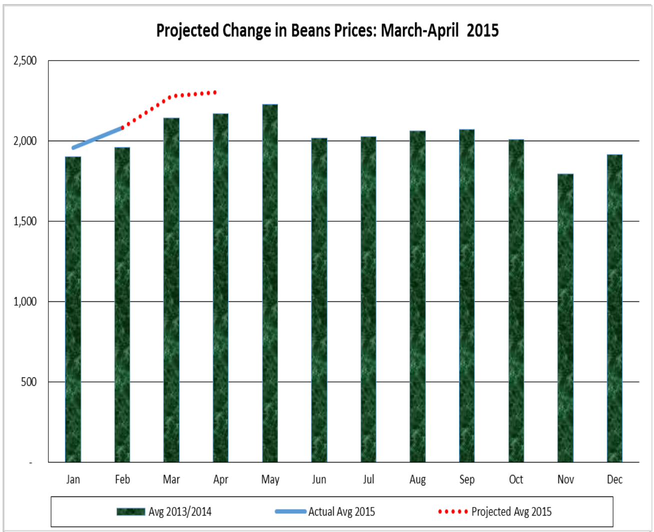
Fig14. Projected Price for Sorghum: Mar—April 2015



Source: WFP AME Projections

Sorghum prices are expected to decrease in March by 6% but then increase in April by 25% as stocks and alternative foods are expected to be low.

Fig15. Projected Price for Beans: Mar—April 2015



Source: WFP AME Projections

Prices for beans are expected to continue increasing in March by 9% and remain relatively stable in April. Though expected remain stable in April, prices are likely to be high because of the delayed rains in March as this will affect the production season.

Current Retail Price: February 2015			Current Price(Ushs.)	Price change (%)			
Region	District/Market	Major Commodities		1 M	1 Y	1 M	1 Y
Karamoja	Kaabong	Maize grain (per Kg)	594	-2%	-36%	↔	↓
		Sorghum (per Kg)	390		-41%		↓
		Beans (per Kg)	3,000	7%	0%	↑	↔
		Medium size goat	107,500	-29%	13%	↓	↔
		Daily labour wage	3,000	0%	0%	↔	↔
	Kotido	Maize grain (per Kg)	400				
		Sorghum (per Kg)					
		Beans (per Kg)	2,450	2%	1%	↔	↔
		Medium size goat	81,750	10%	5%	↑	↔
		Daily labour wage	2,000	0%	0%	↔	↔
	Moroto	Maize grain (per Kg)	680	5%	-35%	↔	↓
		Sorghum (per Kg)	700	0%	-30%	↔	↓
		Beans (per Kg)	2,400	20%	6%	↑	↔
		Medium size goat	150,000	0%	38%	↔	↑
		Daily labour wage	5,000	0%	0%	↔	↔
	Napak	Maize grain (per Kg)	665	2%	-34%	↔	↓
		Sorghum (per Kg)	700	0%		↔	
		Beans (per Kg)	2,200	10%	4%	↑	↔
		Medium size goat	150,000	0%	20%	↔	↑
		Daily labour wage	5,000	0%	0%	↔	↔
	Nakapiripirit	Maize grain (per Kg)	700	0%	-28%	↔	↓
		Sorghum (per Kg)	638	-2%	-23%	↔	↓
		Beans (per Kg)	2,250	0%	13%	↔	↔
		Medium size goat	96,250	-4%	7%	↔	↔
		Daily labour wage	3,000	0%	0%	↔	↔
Central	Kampala/Owino	Maize grain (per Kg)	1,000	25%		↑	
		Sorghum (per Kg)	1,000	0%		↔	
		Beans (per Kg)	2,400	20%		↑	
Western	Mbarara	Maize grain (per Kg)	1,050	-18%	-30%	↓	↓
		Sorghum (per Kg)	2,300	15%	15%	↑	↔
		Beans (per Kg)	1,750	-8%	-13%	↓	↔
	Masindi	Maize grain (per Kg)					
		Sorghum (per Kg)					
		Beans (per Kg)					
Eastern	Tororo	Maize grain (per Kg)	600	14%	-40%	↑	↓
		Sorghum (per Kg)	850	6%	-15%	↑	↔
		Beans (per Kg)	2,150	8%	19%	↑	↑
	Mbale	Maize grain (per Kg)	700	-18%	-13%	↓	↔
		Sorghum (per Kg)	800	-39%	-27%	↓	↓
		Beans (per Kg)	1,800	3%	-10%	↔	↔
Northern	Gulu	Maize grain (per Kg)	1,000	88%	-5%	↑	↔
		Sorghum (per Kg)	1,500	0%	13%	↔	↔
		Beans (per Kg)	2,500	10%	-1%	↑	↔
	Soroti	Maize grain (per Kg)	713	22%	6%	↑	↔
		Sorghum (per Kg)	625	4%	22%	↔	↑
		Beans (per Kg)	1,900	0%	-5%	↔	↔
	Lira	Maize grain (per Kg)	600	9%		↑	
		Sorghum (per Kg)	550	-19%		↓	
		Beans (per Kg)	2,100	11%		↑	
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= February 2015 compared to January 2015			1Y= February 2015 compared to February 2014				