Fighting Hunger Worldwide

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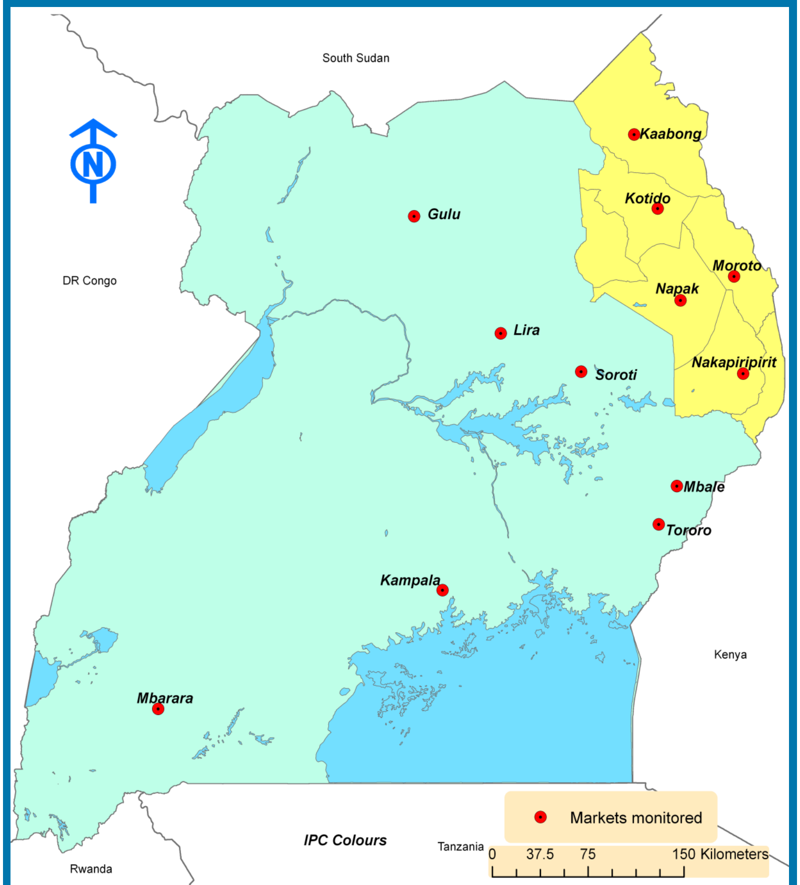
UGANDA

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, sorghum and beans increased during the month** across Karamoja. However, households depending on markets for maize grain and sorghum were still better off compared to the same period last year while for beans were worse off.
- **There was a deterioration in terms of trade (TOT) for both goats and casual labour against maize grain compared to February.** This was mainly a result of a 22% increase in maize grain prices during the month.
- **Nominal retail prices for maize grain, sorghum and beans increased across the country** in March compared to February 2015 mainly due to reduced stocks.
- **Maize grain & beans prices for markets outside Karamoja are expected to be high but relatively stable in April.** However, prices are expected to increase in May when majority of the schools re-open.

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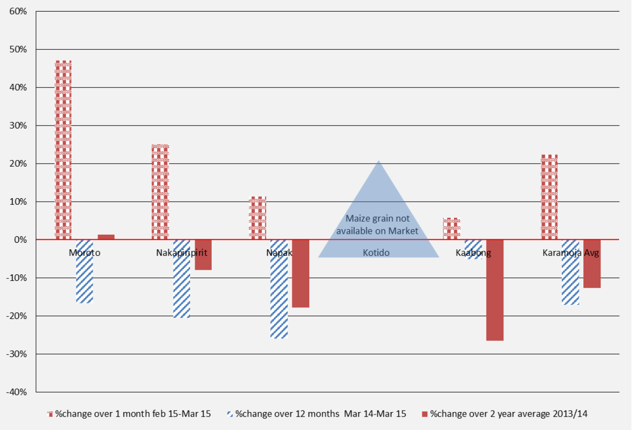
SECTION ONE: KARAMOJA SUB-REGION

Cereals

Figure 1. Maize grain retail price changes Mar –2015

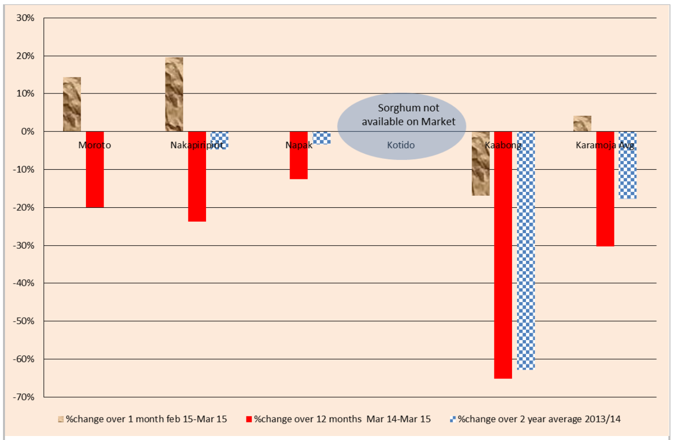


Source: WFP ProMIS

Maize prices increased in March by an average of 22% across Karamoja compared to the month of February. On average, a kilogram of maize grain cost Ugx. 811 in March from Ugx. 805 in February. The price increase is mainly due to reduced food stocks at household and market levels.

In comparison to one year back and two-year's average, maize grain prices in Karamoja this year (March, 2015) were less by 17% and 13% respectively. The reduction in prices implies that households were still better off this year compared last year. This may partly be a result of NUSAF2 food distributions that were conducted by WFP in March having an effect on food availability and accessibility.

Figure 2. Sorghum grain retail price changes Mar –2015



Source: WFP ProMIS

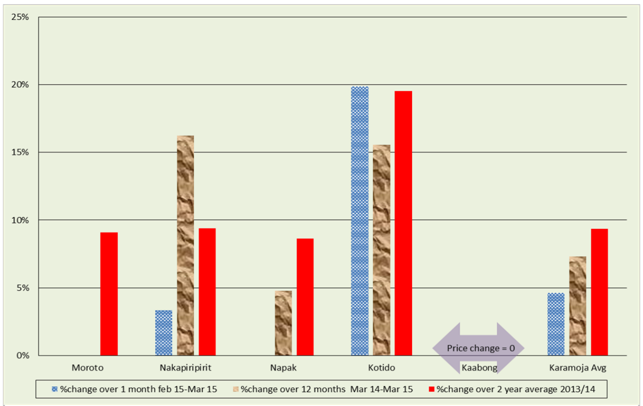
****Missing bars imply price change=0**

On average, sorghum prices increased slightly by 4% across Karamoja. The increase was mainly due to reducing stocks. However, sorghum prices in Kaabong reduced by 17% and the information got from the field indicated that the decrease is mainly because of low demand. The initially low supply of sorghum prompted households to consume maize, thereby reducing demand (and prices) for sorghum.

When compared to last year and a two-years' average, sorghum prices reduced by 30% and 18% this year respectively. This is also partly because of the food assistance distributions that took place in March providing alternative sources of food for many households.

Beans

Figure 3. Beans retail price changes Mar –2015



Source: WFP ProMIS

***Missing bars imply percentage price change =0**

In general, average retail prices for beans increased in Karamoja by 5% during the month of March as stocks continue to diminish. The increase was mainly in Kotido (20%) and Nakapirpirit (3%).

Also, when compared with the annual and two-year average, prices for beans increased by 7% and 9% respectively across Karamoja. Low supply on market and limited stocks at household level are the main factors behind the price increases. Information from WFP Sub Offices also indicates that no beans were distributed as part of the food basket for the NUSAF2 beneficiaries thus limiting availability and accessibility.

Goats

Table 1: Goats retail prices changes for Mar—2015

Market	Current (Mar 2015)	% Change from:		
		Feb—15	Mar—14	Av 2013-14
Moroto	150,000	0.0%	50.0%	26.3%
Nakapiripirit	88,750	-7.8%	2.9%	13.6%
Napak	150,000	0.0%	71.4%	65.5%
Kotido	83,000	1.5%	3.8%	-5.1%
Kaabong	123,750	15.1%	32.0%	32.9%
Average	**119,100**	**1.8%**	**32.0%**	**26.6%**

Source: WFP ProMIS

The nominal goat prices were relatively stable in March across Karamoja with a price change of about 2% compared to February 2015 . The increase was mainly in Kaabong (15%) and this was because of reduced supply of goats on market for sale.

Compared to the same period in 2014 and the two-year's average price (2013/14), goat prices increased by 32% and 27% respectively. The price increase in goat prices is mainly a result of an increased inflow of traders to the region creating more demand for goats and other animals.

Labour

Table 2: Changes in Daily Wage Rates Mar—2015

Market	Current (Mar - 2015)	% Change from:		
		Feb—15	Mar—14	Av 2013-14
Moroto	5,000	0.0%	0.0%	0.0%
Nakapiripirit	3,000	0.0%	0.0%	0.0%
Napak	5,000	0.0%	0.0%	9.6%
Kotido	2,000	0.0%	0.0%	-20.0%
Kaabong	3,000	0.0%	0.0%	0.0%
Average	**3,600**	**0.0%**	**0.0%**	**-2.1%**

Source: WFP ProMIS

There was no change in the daily wage labour rates in March compared to February 2015. The average daily wage labour rates have stalled at UgX 3,600 per day for a long time.

The only change noticed in daily wage rates is when compared with the two-year's average (2013/14) where Napak experienced an increase of 10% and Kotido a decrease of 20%.

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	Mar-15	Feb-15	Mar-14
TOT goats	147	193	94
TOT labour	4.44	5.45	3.69

There was a deterioration in the terms of trade (goats : maize grain) in March as compared to February 2015; The proceeds from selling an average he-goat would enable a household to buy only 147Kg of maize grain in March compared to 193Kg in February. The deterioration in the terms of trade is due to increased maize grain prices. However, annual analysis indicates that a household would buy more maize grain in March this year compared to 94Kg of grain that would be bought during the same period in 2014.

Similarly, the ToT for daily wage against maize grain continued to deteriorate in March 2015 as a result of an increase in maize grain prices. A day's labour wage would enable a household to buy 4.44Kg of maize grain in March compared to 5.45Kg in February. On the other hand, the TOT for labour wage this year in March was higher than the 3.69Kg that would be purchased during the same period in 2014.

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

Kaabong

- Price behavior for maize grain and sorghum suggest that accessibility for the two commodities was not yet a problem in Kaabong. Beans prices did not change but remained the highest in the region at UGX 3000 per kilogram.

Kotido

- Maize grain and sorghum prices were not collected during the month because the two commodities were not available on market during the time of price data collection. However, beans prices increased by 20% from UGX 2,169 paid in February to UGX 2,600 per kilogram in March hence limiting accessibility.

Moroto

- Despite the food assistance (maize grain) that was provided by WFP during the month, market prices for maize grain and sorghum increased by 47% and 14% respectively. Therefore, availability is likely to be a major concern due to limited supply hence affecting accessibility. However, annual analysis indicates that households are still better off this year compared to the same period in 2014.

Nakapiripirit

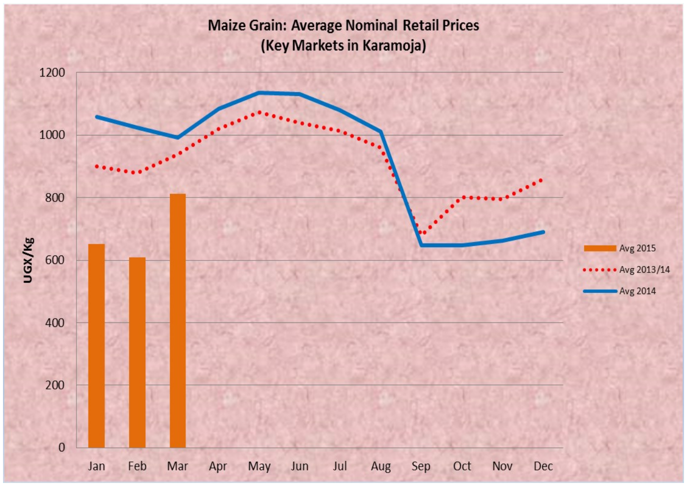
- In Nakapiripirit, maize grain and sorghum prices increased by 25% and 20% respectively also highlighting a challenge of availability and accessibility in the area. But, compared to the same period in March last year, households depending on markets for maize grain and sorghum were still better off this year.

Napak

- Maize grain prices increased by 11% in March compared to February while prices for sorghum and beans remained unchanged. Similar to other districts, maize prices were lower this year compared to the same period in March, 2014 implying that households depending on markets for this commodity are better off.

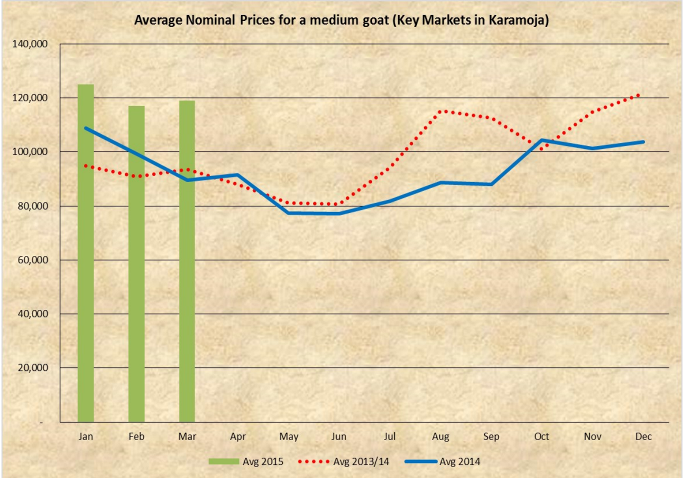
SECTION TWO: KARAMOJA PRICE TRENDS MARCH 2015 AGAINS 2014 & AVG 2013/14

Figure 4. Maize Grain Price Trends



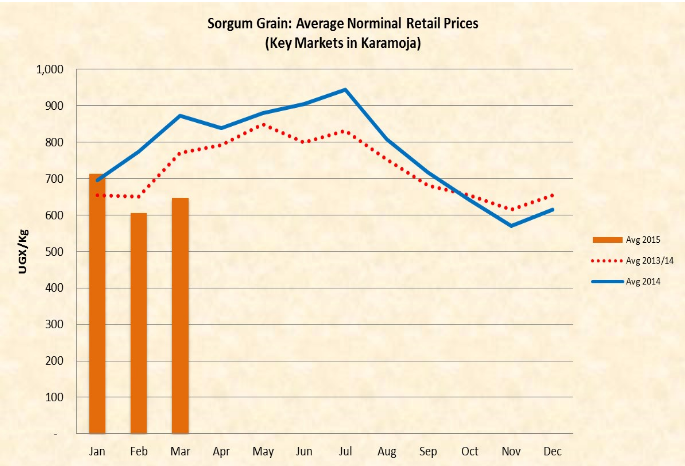
Source: WFP ProMIS

Figure 7. Goats Price Trends



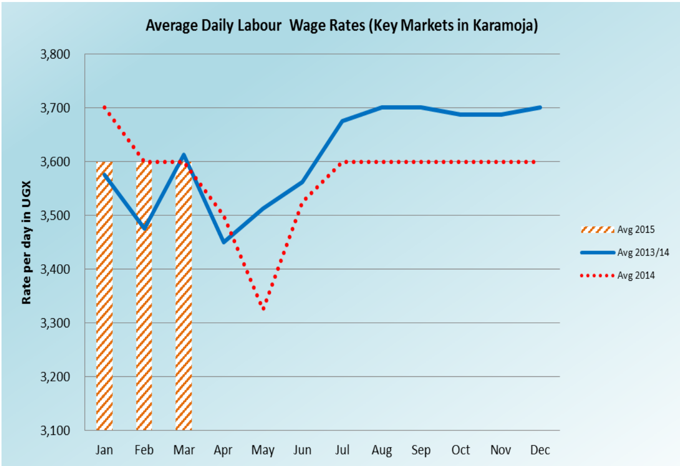
Source: WFP ProMIS

Figure 5. Sorghum Grain Price Trends



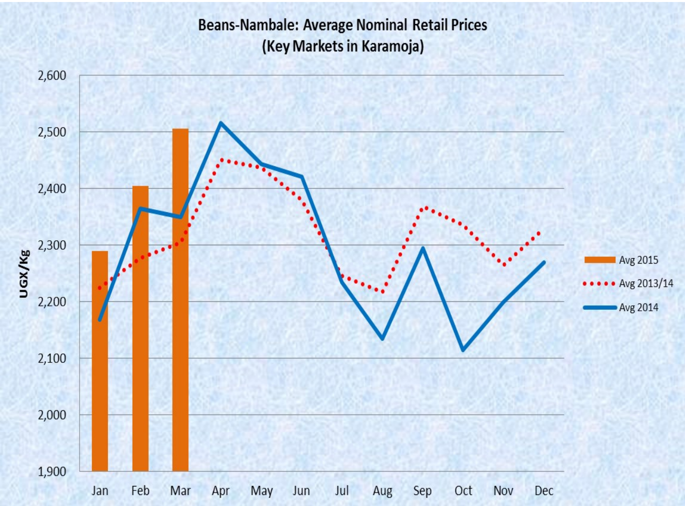
Source: WFP ProMIS

Figure 8. Average Daily Labour Wage Trends



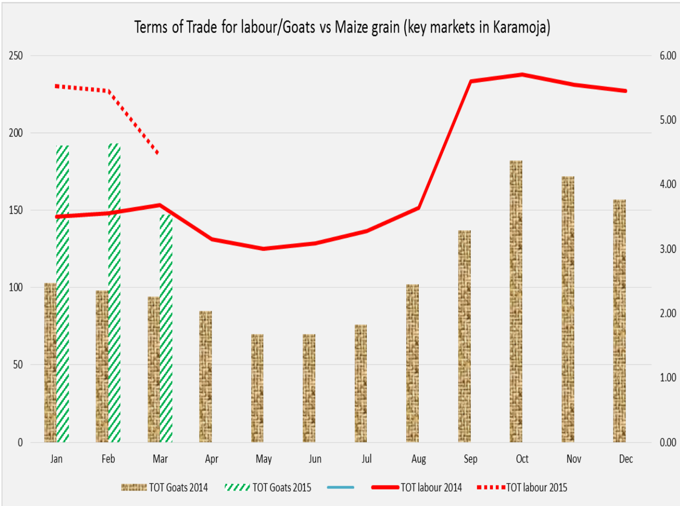
Source: WFP ProMIS

Figure 6. Beans Price Trends



Source: WFP ProMIS

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



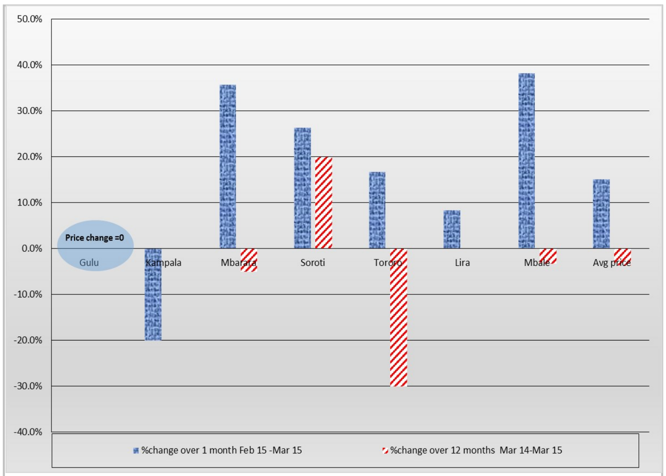
Source: WFP ProMIS

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 Mar– 2015

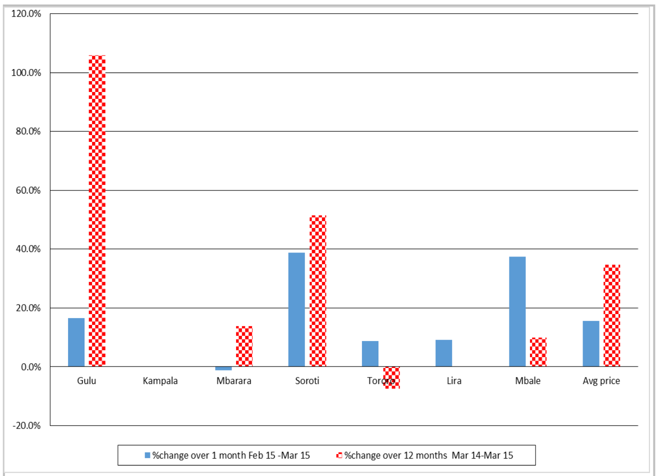


Source: WFP ProMIS

The average retail prices for maize grain continued to increase in March by 15% compared to February 2015 in most markets across the country. This can be attributed to reducing stocks. However, Kampala experienced a reduction in maize price from UGX 1000 to 800. This can be attributed to increased supply from other areas in March stimulated by the high prices experienced in February.

Compared to the same period in March 2014, maize prices were lower this year by about 4%. Soroti experienced an increase in price of 20% while Tororo experienced a decrease of 30%. There is no clear explanation for these annual differences.

Fig11. Sorghum retail grain price changes Mar— 2015



Source: WFP ProMIS

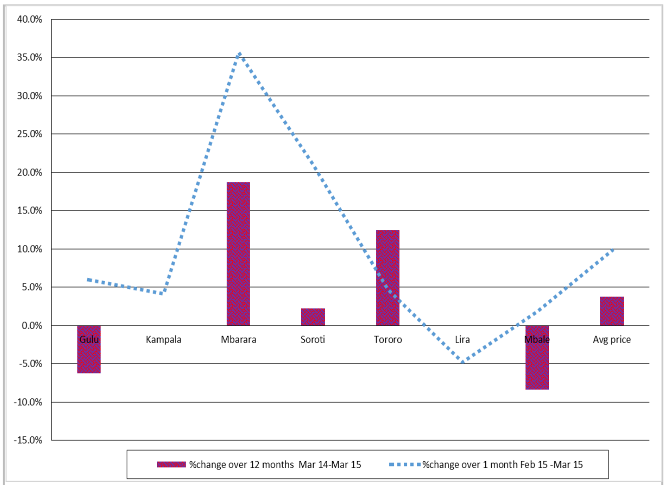
***Missing bars imply there was no change in price**

On average, sorghum prices increased by 15% during the month of March in most parts of the country compared to February 2015. The increase was mainly attributed to reducing stocks at farm and market levels.

Also, the annual analysis figures indicate that prices for sorghum were higher this year compared to the same period in March 2014. Gulu and Soroti areas experienced the highest price increases and this may be an effect of increased demand/consumption of sorghum which is a key staple in Acholi, Lango and Teso regions.

Beans

Figure 12. Beans Price changes Mar–2015



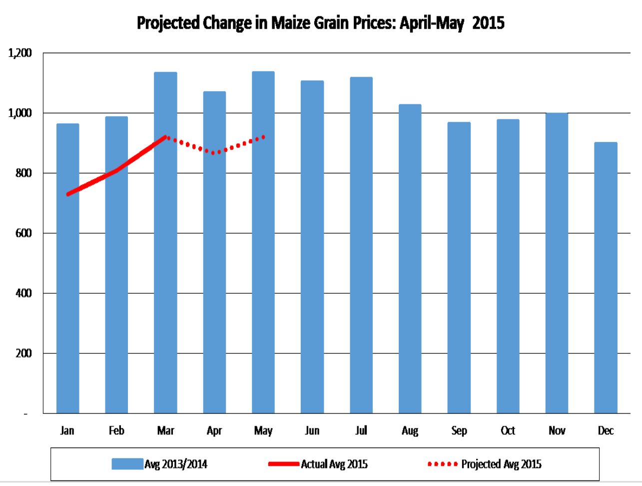
Source: WFP ProMIS

The line graph shows that the price changes continued to be above zero in most markets which indicates that nominal retail prices for beans were higher during the month of March compared to February 2015. The increase was mainly in Mbarara and Soroti which is mainly a result of scarcity since no commercial harvests are taking place during this period.

Annual analysis represented by the bars in the graph also show a similar trend of increase in prices for beans this year compared to the same period in 2014. This was mainly in Mbarara and Tororo reflecting limited access for households entirely depending on markets.

SECTION FOUR: AVERAGE PRICE FORECAST (MARKETS OUTSIDE KARAMOJA)

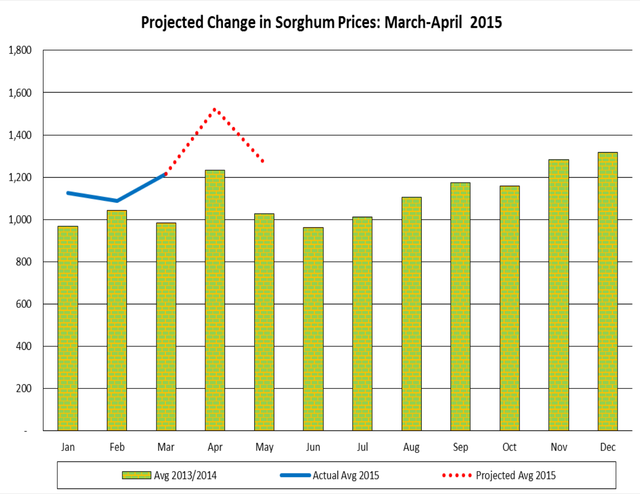
Fig13. Projected Price for Maize Grain: April-May 2015



Source: WFP AME Projections

The average price for maize grain is expected to decrease slightly by 6% in April as schools are expected to break off for holidays and then increase in May by the same margin as they resume.

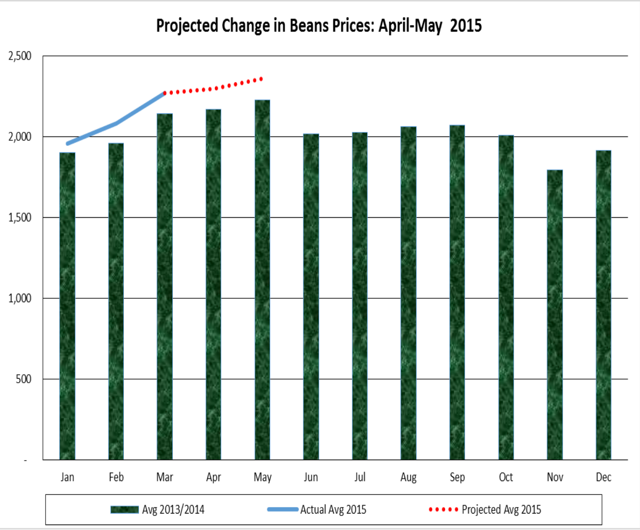
Fig14. Projected Price for Sorghum: April—May 2015



Source: WFP AME Projections

Sorghum price is expected to continue increasing in April as stocks diminish and then decrease in May. Despite the expected decrease in May, sorghum prices are projected to be above the two year's average.

Fig15. Projected Price for Beans: April—May 2015



Source: WFP AME Projections

Price for beans is expected to increase slightly by 1% and 3% in April and May respectively. The projections indicate that prices will be above the two year's (2013/14) average price.

Current Retail Price: March 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)	628	6%	-5%	↑	↔
		Sorghum (per Kg)	324	-17%	-65%	↓	↓
		Beans (per Kg)	3,000	0%	0%	↔	↔
		Medium size goat	123,750	15%	32%	↑	↑
		Daily labour wage	3,000	0%	0%	↔	↔
	Kotido	Maize grain (per Kg)					
		Sorghum (per Kg)					
		Beans (per Kg)	2,600	20%	16%	↑	↑
		Medium size goat	83,000	2%	4%	↔	↔
		Daily labour wage	2,000	0%	0%	↔	↔
	Moroto	Maize grain (per Kg)	1,000	47%	-17%	↑	↓
		Sorghum (per Kg)	800	14%	-20%	↑	↓
		Beans (per Kg)	2,400	0%	0%	↔	↔
		Medium size goat	150,000	0%	50%	↔	↑
		Daily labour wage	5,000	0%	0%	↔	↔
	Napak	Maize grain (per Kg)	740	11%	-26%	↑	↓
		Sorghum (per Kg)	700	0%	-13%	↔	↔
		Beans (per Kg)	2,200	0%	5%	↔	↔
		Medium size goat	150,000	0%	71%	↔	↑
		Daily labour wage	5,000	0%	0%	↔	↔
	Nakapiripirit	Maize grain (per Kg)	875	25%	-21%	↑	↓
		Sorghum (per Kg)	763	20%	-24%	↑	↓
		Beans (per Kg)	2,325	3%	16%	↔	↑
		Medium size goat	88,750	-8%	3%	↓	↔
		Daily labour wage	3,000	0%	0%	↔	↔
Central	Kampala/Owino	Maize grain (per Kg)	800	-20%		↓	
		Sorghum (per Kg)	1,000	0%		↔	
		Beans (per Kg)	2,500	4%		↔	
Western	Mbarara	Maize grain (per Kg)	1,425	36%	-5%	↑	↔
		Sorghum (per Kg)	2,275	1%	14%	↔	↔
		Beans (per Kg)	2,375	36%	19%	↑	↑
	Masindi	Maize grain (per Kg)					
		Sorghum (per Kg)					
		Beans (per Kg)					
Eastern	Tororo	Maize grain (per Kg)	700	17%	-30%	↑	↓
		Sorghum (per Kg)	925	9%	-8%	↑	↔
		Beans (per Kg)	2,250	5%	13%	↔	↔
	Mbale	Maize grain (per Kg)	967	38%	-3%	↑	↔
		Sorghum (per Kg)	1,100	38%	10%	↑	↔
		Beans (per Kg)	1,833	2%	-8%	↔	↔
Northern	Gulu	Maize grain (per Kg)	1,000	0%	0%	↔	↔
		Sorghum (per Kg)	1,750	17%	106%	↑	↑
		Beans (per Kg)	2,650	6%	-6%	↑	↔
	Soroti	Maize grain (per Kg)	900	26%	20%	↑	↑
		Sorghum (per Kg)	869	39%	51%	↑	↑
		Beans (per Kg)	2,300	21%	2%	↑	↔
	Lira	Maize grain (per Kg)	650	8%		↑	
		Sorghum (per Kg)	600	9%		↑	
		Beans (per Kg)	2,000	-5%		↔	
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= March 2015 compared to February 2015			1Y= March 2015 compared to March 2014				