

WFP UGANDA

Monthly Market Bulletin—December 2015



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 table on Price changes.

HIGHLIGHTS

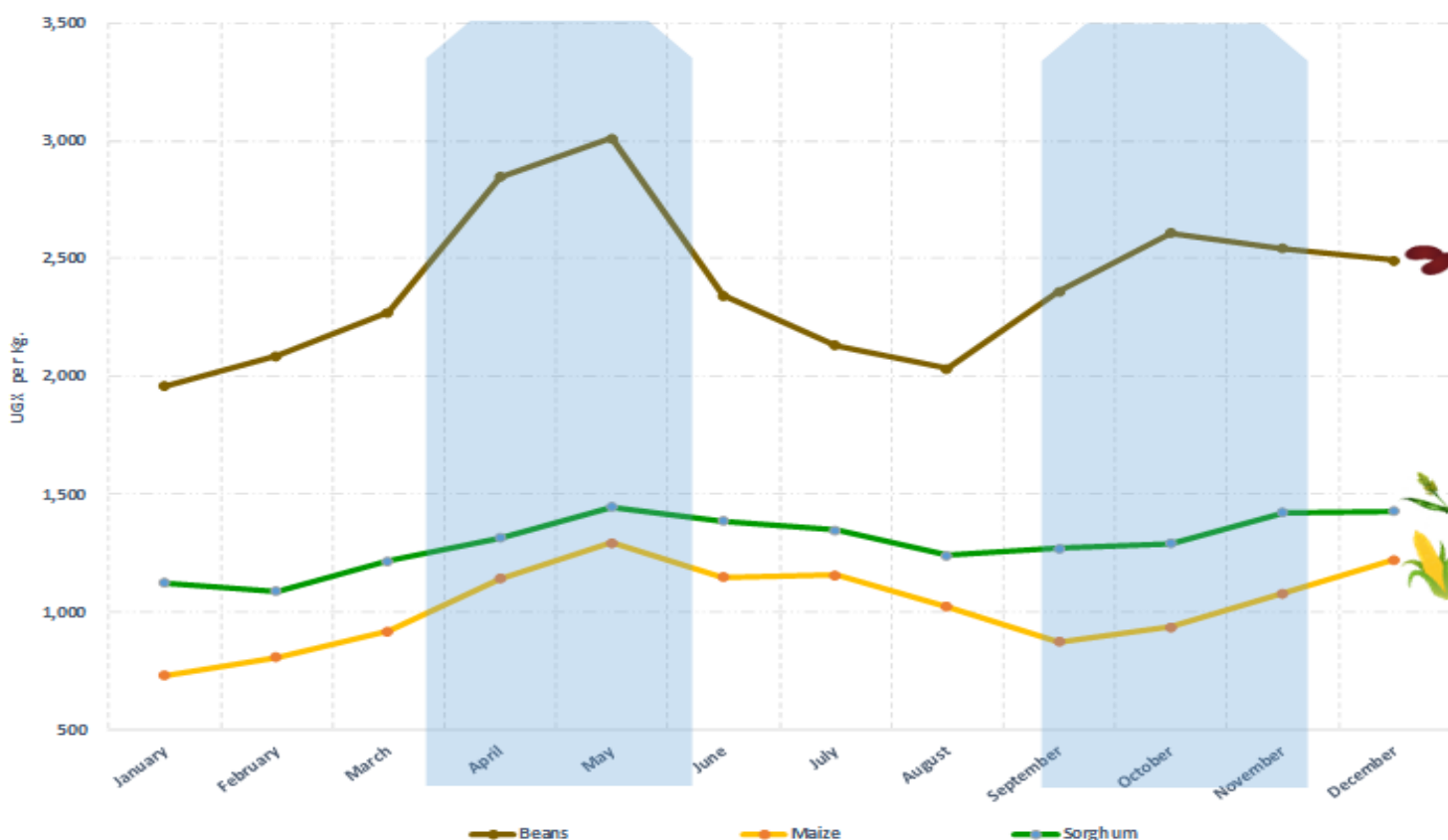
KARAMOJA

- In general, there was a slight increase in the average retail prices for maize grain, sorghum and beans in December compared to November 2015. Alarming, **prices for the three commodities continued to be higher this year by 58%, 49% and 19% respectively compared to the same period in 2014.**
- The ToT for both goat prices and daily causal labour wage rates against maize grain continued to deteriorate in December.**

REST OF THE COUNTRY

- Despite the relatively stable average retail prices for **maize grain and sorghum, prices increased in Gulu and Mbale by 22% and 37% respectively compared to November 2015.**
- Annual analysis indicates that **prices for maize grain, beans and maize flour were higher in December 2015 compared to the same period in 2014 by 116%, 41% and 34% respectively.** This is a result of increasing demand in country and outside yet supply is not increasing at the same rate.

Grain Prices Trends in Uganda 2015



Average prices for beans, maize grain and sorghum were high mainly during the months of April, May, September, October and November

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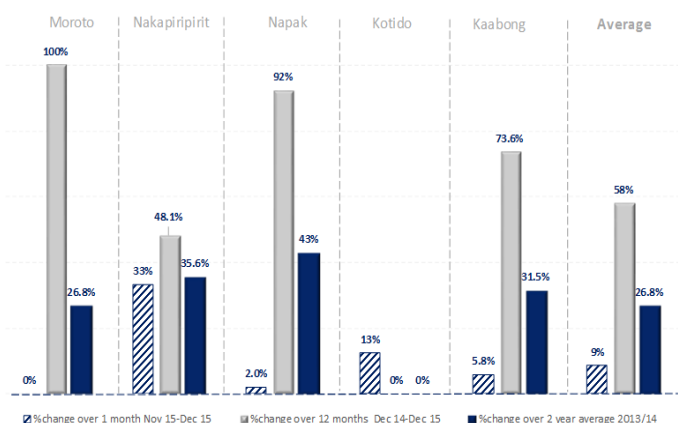
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CEREALS

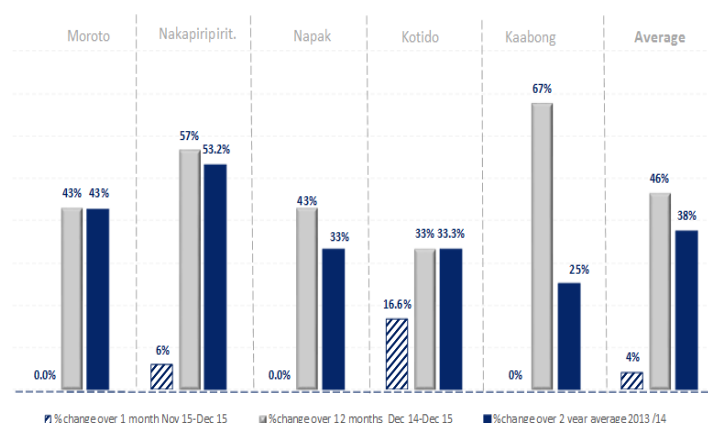
Figure 1. Maize grain retail price changes Dec –2015



Average maize grain prices increased by 9% across Karamoja in December compared to November 2015. However, the increase was mainly in Nakapiripirit (33%) and Kotido (13%) but still with the lowest prices per kilogram in the region at UGX 1000 and UGX 900 respectively.

Compared to the same period in 2014 and the two years average 2013/14, average retail prices for maize grain were higher this year by 58% and 27% respectively. Due to increased reliance on markets as a result of the poor crop performance across Karamoja in 2015, maize grain prices in Moroto doubled, while sharp increases were noticed in Napak (92%), Kaabong (74%) and Nakapiripirit (48%) compared to the same period in 2014.

Figure 2. Sorghum grain retail price changes Dec–2015

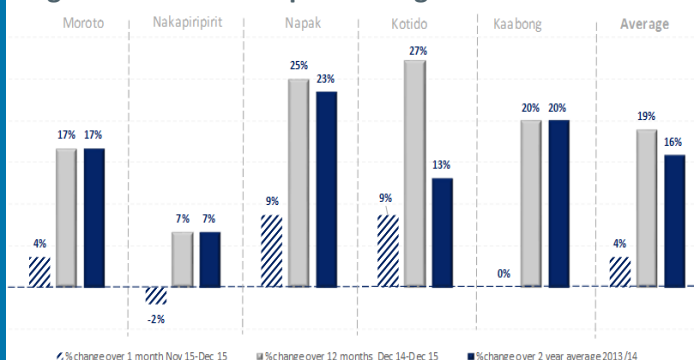


Average sorghum prices were stable across Karamoja during the month of December compared to November except in Kotido and Nakapiripirit where prices increased 17% and 6% respectively.

Compared to the same period in 2014 and the two year's average 2013/14, average sorghum prices increased by 49% and 38% respectively. The percentage increase was evenly distributed across the districts in the region, and sorghum being a staple this implies that majority of the households were already facing challenges in accessing food during the month by incurring higher costs compared to the same period twelve months back.

BEANS

Figure 3. Beans retail price changes Dec–2015



Compared to November 2015, average retail prices for beans in Karamoja increased slightly in December by 4%. The increase was mainly in Napak and Kotido by 9%.

Similar to other food commodities, prices for beans were higher in Karamoja this year compared to the same period in December 2014 and the two years' average 2013/14, by 19% and 16% respectively due to low supply on market as a result of poor crop performance.

GOATS

Table 1: Goats retail prices changes for Dec–2015

Market	Current (Dec 2015)	% Change from:		
		Nov-15	Dec-14	Av 2013-14
Moroto	170,000	0.0%		13.3%
Nakapiripirit	92,500	2.8%	-0.3%	5.1%
Napak	157,500	-1.6%		6.8%
Kotido	86,667	13.7%	18.2%	0.0%
Kaabong	86,250	6.2%	-40.5%	-36.7%
Average	118,583	4.2%	-7.5%	-2.3%

Average price for an average sized he-goat remained relatively stable in Karamoja during the month of December compared to November with the exception of Kotido and Kaabong where prices increased by 14% and 6% respectively. One would have expected a sharp increase in price due to Christmas season as many traders from other regions flock the region during this period to buy animals.

Compared to December 2014 and the two year's average 2013/14, there was a sharp decrease in prices for an average he-goat in Kaabong by 41% and 37% respectively.

LABOR

Table 2: Changes in Daily Wage Rates Dec—2015

Market	Current (Dec 2015)	% Change from:		
		Nov-15	Dec-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%	0.0%
Kotido	2,000	6.7%	0.0%	-20.0%
Kaabong	5,000	0.0%	66.7%	66.7%
Average	4,000	1.3%	13.3%	9.3%

The average daily casual labor rate increased in Kotido during the month by 7% similar to the November increment. However, the UGX 2000 average wage for Kotido was less than the two year average 2013/14 by 20% indicating worsening conditions for the casual laborers over time.

Due to improved wages paid at construction sites in Kaabong this year, the rates continued to be higher in December compared to the same period in 2014 and the two year's average by 67%. Better wages would increase household disposable income hence food accessibility through market purchase.

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	Dec-15	Nov-15	Dec-14
TOT goats	106	115	157
TOT labour	3.61	3.96	5.45

An increase in maize grain price led to a deterioration in the terms of trade for an average sized he-goat and daily casual labor wage in December compared to November 2015. Earnings from an average sized he-goat would enable a household to buy 106kg of maize grain compared to 115kg in November 2015 while a casual laborer would purchase 3,610 grams compared to 3,960 grams.

Similarly, compared to the same period in 2014, a household would buy less grain in December 2015 by 51kg from selling a similar average sized he-goat or close to 2kg less from a day's casual labor wage. The deterioration was mainly a result of the increase in maize grain prices.

SUMMARY BY DISTRICT (with the exception of Abim & Amudat)

KAABONG

- Prices for maize grain, sorghum and beans were very high in December this year compared to last year and the two year's average 2013/14 highlighting food accessibly challenges this year. Reduced incomes among pastoral households as a result of low goat prices this year have affected their purchasing power compared to December 2014.

KOTIDO

- Maize grain and sorghum prices increased in the district during the month by 13% and 17% respectively. Prices for both sorghum and beans were higher during the month compared to the same period in 2014 and the two year's 2013/14 average.

MOROTO

- Food commodity prices were relatively stable in Moroto during the month compared to December 2014. Compared to the same period in 2014 maize grain prices doubled in December 2015 while sorghum and beans prices increased by 43% and 17% respectively. The high prices have a negative impact on the purchasing power of market dependent households.

NAKAPIRIPIRIT

- Average price for maize grain and sorghum increased during the month by 33% and 6% respectively compared to November 2015. Similarly we noticed higher price increases compared to the same period last year and the two year's average 2013/14 ranging between 35% and 57%. The increases also emphasize food accessibility challenges in 2015.

NAPAK

- Maize grain and sorghum prices were relatively stable in Napak in December compared to November 2015. Alike to other districts, prices for maize grain, sorghum and beans were higher this year compared to the same period in December 2014 and the two year's average 2013/14.

Figure 4. Maize Grain Price Trends

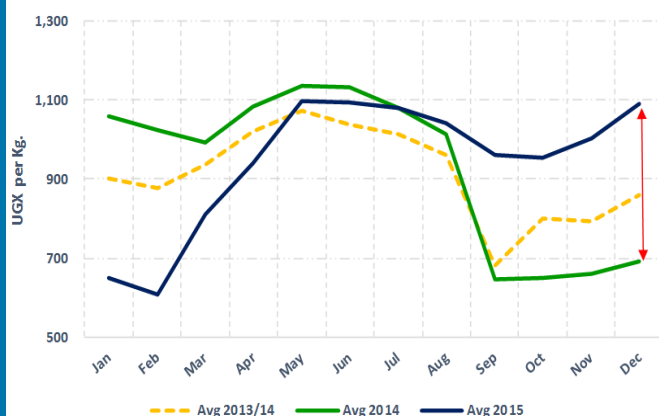


Figure 7. Goats Price Trends

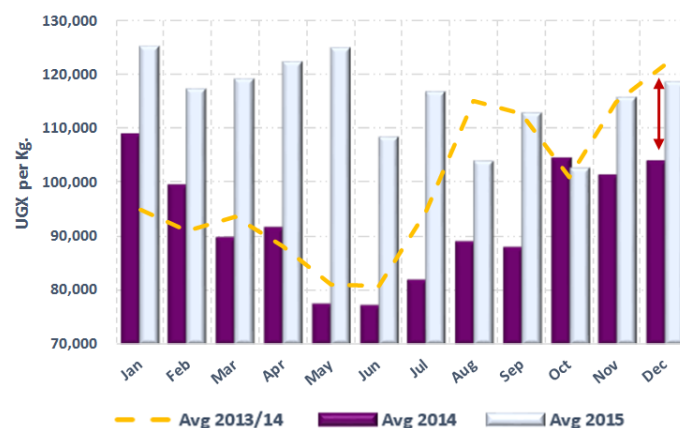


Figure 5. Sorghum Grain Price Trends

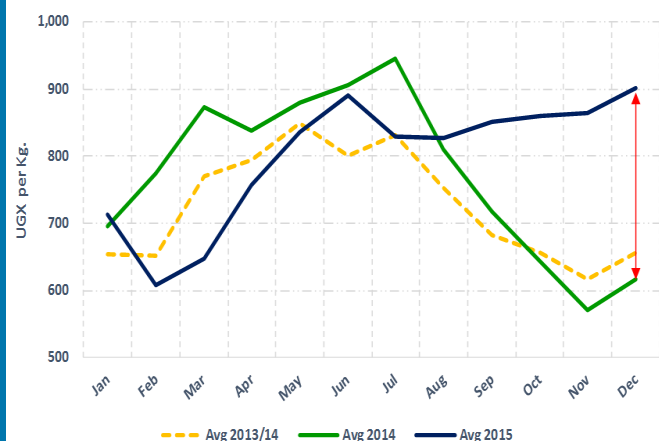


Figure 8. Average Daily Labour Wage Trends

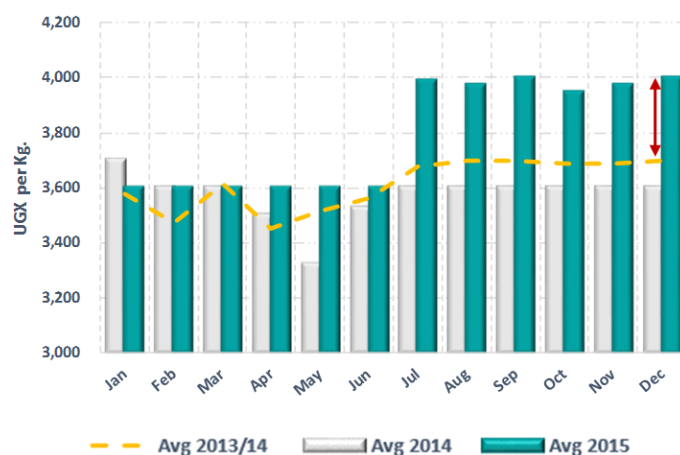


Figure 6. Beans Price Trends

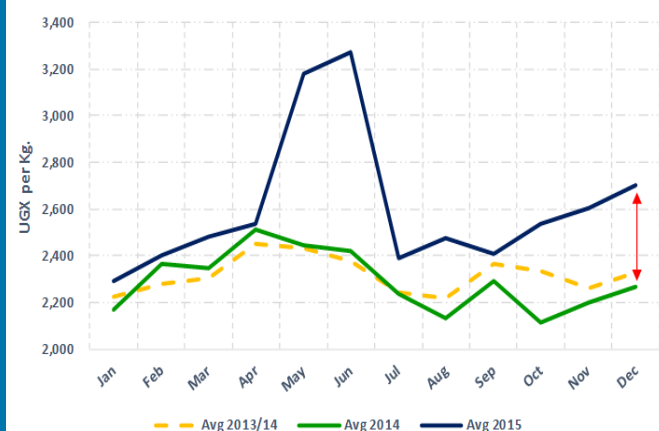
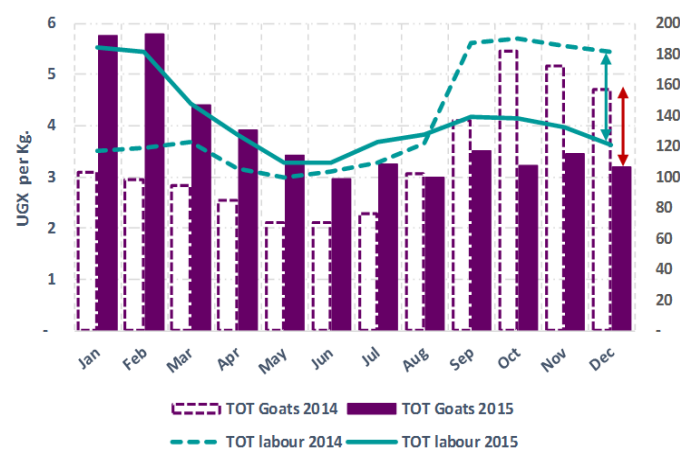


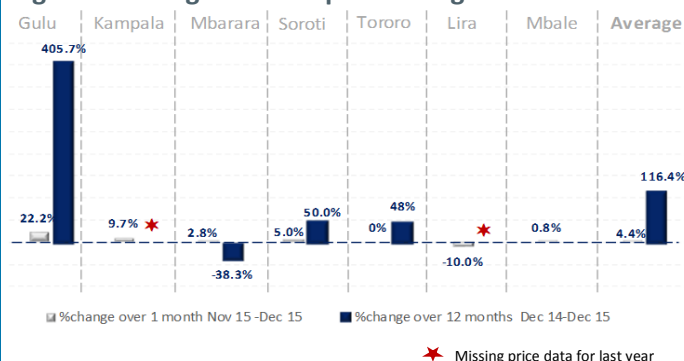
Figure 9. Terms of Trade Goats/Labour vs Maize grain



This section provides a snapshot of the price fluctuations and projections of beans and maize grain 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.

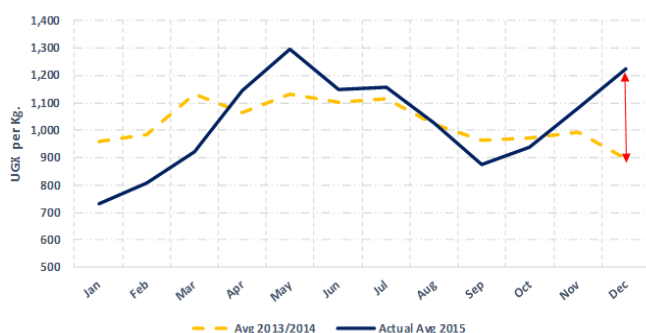
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Fig. 10: Maize grain retail price changes Dec– 2015



There was an increase in price for maize grain during the month mainly in Gulu 22% and Kampala 9% while Lira price decreased by 10%. The increase is mainly due to limited supply on market as well as high demand from neighboring countries. Compared to the same period in December 2014, maize grain prices in Gulu increased four times while in Tororo and Soroti prices increased by 48% and 50% respectively. This is most likely to be a result of inflation and increased demand for maize from neighboring countries.

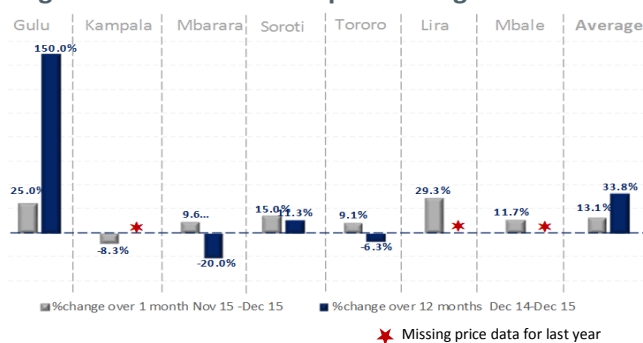
Fig. 11: Maize Grain Price Trend: Jan - Dec 2015



Source: WFP AME Projections

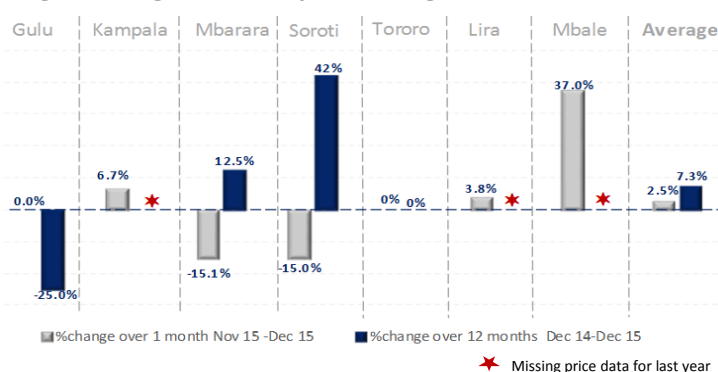
The price for maize grain was expected to decrease in December as a result of the new harvest but increased due to increased exportation to neighbouring countries.

Fig. 12: Maize flour retail price changes Dec– 2015



Average retail prices for maize flour increased in most parts of the country by 13% in December compared to November. In line with maize grain, average retail prices for maize flour more than doubled in Gulu during the month compared to the same period in December 2014.

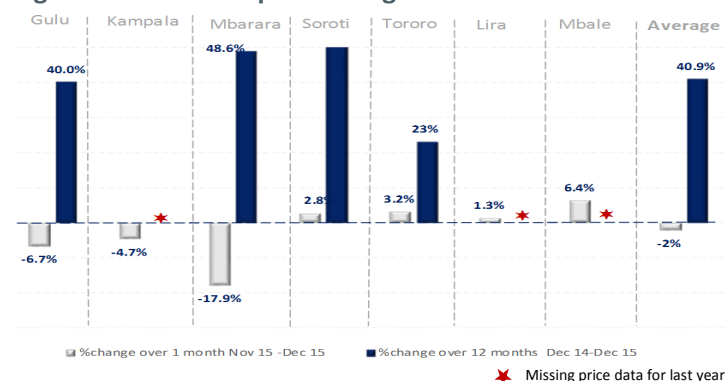
Fig. 13: Sorghum retail price changes Dec– 2015



On average retail price for sorghum were relatively stable in December compared to November. The increase was mainly in Mbale by 37% and decreases in Mbarara and Soroti by 15%. Compared to the same period last year, sorghum prices decreased in Gulu by 25% while an increase was observed in Soroti by 42% and Mbarara by 13%. Reasons for variability in sorghum prices are more related to consumption behavior.

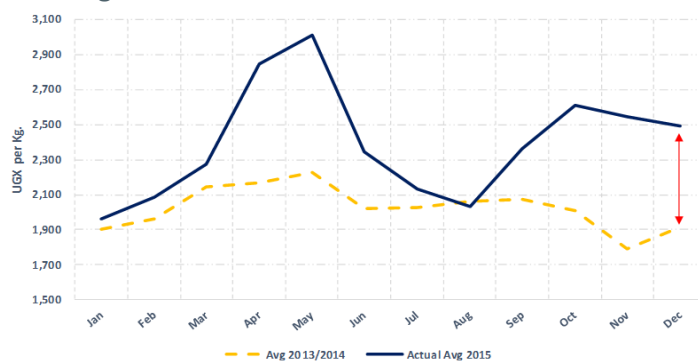
BEANS

Fig. 14: Beans retail price changes Dec– 2015



Average retail price for beans across the country were relatively low during the month of December compared to November 2015. However, the prices for beans in 2015 continued to be extremely high compared to the same period in 2014 by 41%.

Fig. 15: Beans Price Trend: Jan–Dec 2015



Source: WFP AME Projections

The monthly average price for beans in 2015 remained above the two year's average 2013/14 the whole year except in August when it was slightly less.

SECTION FOUR: PRICE CHANGES FOR KEY SELECTED COMMODITIES

Current Retail Price: December 2015			Current Price(Us\$.)	Price change (%)			
Region	District/Market	Major Commodities		1 M	1 Y	1 M	1 Y
Karamoja	Kaabong	Maize grain (per Kg)	1,000	6%	74%	↑	↑
		Sorghum (per Kg)	675	0%	68%	↔	↑
		Beans (per Kg)	3,000	0%	20%	↔	↑
		Medium size goat	86,250	6%	-41%	↑	↓
		Daily labour wage	5,000	0%	67%	↔	↑
	Kotido	Maize grain (per Kg)	900	13%	0%	↑	↔
		Sorghum (per Kg)	933	17%	33%	↑	↑
		Beans (per Kg)	2,800	9%	27%	↑	↑
		Medium size goat	86,667	14%	18%	↑	↑
		Daily labour wage	2,000	7%	0%	↑	↔
	Moroto	Maize grain (per Kg)	1,300	0%	100%	↔	↑
		Sorghum (per Kg)	1,000	0%	43%	↔	↑
		Beans (per Kg)	2,800	4%	17%	↔	↑
		Medium size goat	170,000	0%		↔	
		Daily labour wage	5,000	0%	0%	↔	↔
	Napak	Maize grain (per Kg)	1,250	2%	92%	↔	↑
		Sorghum (per Kg)	1,000	0%	43%	↔	↑
		Beans (per Kg)	2,500	9%	25%	↑	↑
		Medium size goat	157,500	-2%		↔	
		Daily labour wage	5,000	0%	0%	↔	↔
	Nakapiripirit	Maize grain (per Kg)	1,000	33%	48%	↑	↑
		Sorghum (per Kg)	900	6%	57%	↑	↑
		Beans (per Kg)	2,400	-2%	7%	↔	↔
		Medium size goat	92,500	3%	0%	↔	↔
		Daily labour wage	3,000	0%	0%	↔	↔
Central	Kampala/ Owino	Maize grain (per Kg)	1,317	10%		↑	
		Maize flour (per Kg)	1,834	-8%		↓	
		Sorghum (per Kg)	2,134	7%		↑	
		Beans (per Kg)	2,384	-5%		↔	
Western	Mbarara	Maize grain (per Kg)	925	3%	-38%	↔	↓
		Maize flour (per Kg)	2,000	10%	-20%	↑	↓
		Sorghum (per Kg)	2,250	-15%	13%	↓	↔
		Beans (per Kg)	2,750	-18%	49%	↓	↑
Eastern	Tororo	Maize grain (per Kg)	1,000	0%	48%	↔	↑
		Maize flour (per Kg)	1,500	9%	-6%	↑	↔
		Sorghum (per Kg)	800	0%	0%	↔	↔
		Beans (per Kg)	2,400	3%	23%	↔	↑
	Mbale	Maize grain (per Kg)	975	1%		↔	
		Maize flour (per Kg)	1,750	12%		↑	
		Sorghum (per Kg)	1,575	37%		↑	
		Beans (per Kg)	2,200	6%		↑	
Northern	Gulu	Maize grain (per Kg)	1,833	22%	406%	↑	↑
		Maize flour (per Kg)	2,500	25%	150%	↑	↑
		Sorghum (per Kg)	1,500	0%	-25%	↔	↓
		Beans (per Kg)	2,800	-7%	40%	↔	↑
	Soroti	Maize grain (per Kg)	1,050	5%	50%	↔	↑
		Maize flour (per Kg)	1,725	15%	11%	↑	↔
		Sorghum (per Kg)	850	-15%	42%	↓	↑
		Beans (per Kg)	2,125	3%	52%	↔	↑
	Lira	Maize grain (per Kg)	900	-10%		↓	
		Maize flour (per Kg)	2,500	29%		↑	
		Sorghum (per Kg)	900	4%		↔	
		Beans (per Kg)	2,533	1%		↔	

↑ Price increase above normal price fluctuation

Remark: ↔ 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 2015 compared to November 2015

1Y= December 2015 compared to December 2014