

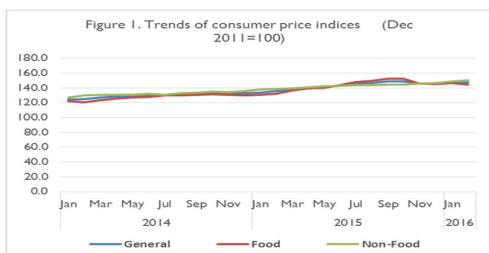
WFP ETHIOPIA MONTHLY MARKET WATCH

Highlights

- In most markets monitored by the Ethiopian Grain Trading Enterprise (EGTE), average wholesale prices of maize, wheat and sorghum changed only marginally (by < 5%) compared to the previous month. The short term stability is an indicator of cereal availability. In few markets, however, prices increased; these include Nazareth, Nekempt and Dejen where maize prices increased by about 6%. These markets are located in surplus areas. Wholesale cereal prices are still higher than last year prices and above the five-year average, indicating the effects of the drought.
- Retail prices increased from last month in few markets earlier than the usual time (April). For instance retail maize prices (the widely consumed cereal by the poor) increased by 6 to 23% in 13 markets out of 57 markets monitored by WFP and partners. On the other hand prices declined in 7 markets (mostly in Tigray) by up to 10%. Prices remained stable in the remaining markets. The price stability and slight decline could be associated to the distribution of food assistance.
- Shoa (sheep and goats) to cereal Terms of trade deteriorated in Afar (Worer, Yalo and Awash Fentale) and Somali (Gode). Maize to shoa TOT declined by 6% to 18% in these markets.
- In Somali region (Jijiga market) prices of imported items (rice, pasta, sugar and wheat flour) increased by 20% to 33% compared to the previous month.
- Pulse prices showed a decline by 6-14% over a one month period. Pulse prices are still higher than last year though.
- The February 2016 general and food inflation rates based on the Consumer Price Index were 8.7% and 9.2 % respectively; non-food inflation was 8.2%. These show the increase in cost of living compared to last year similar month.

Inflation and Consumer Price Index

The overall year-on-year Consumer Price Index increased by 8.7%; food index and non-food index rose respectively by 9.2% and 8.2%.

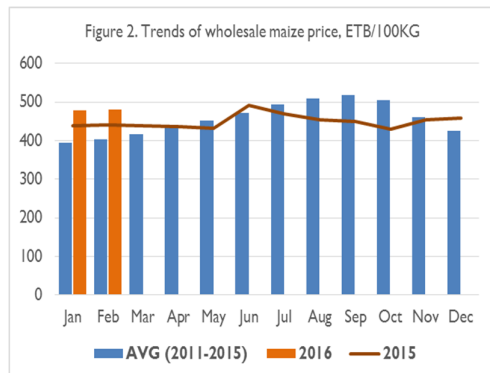


Source: CSA

Wholesale prices of Staple Cereals

Average wholesale prices of maize, wheat and sorghum stood above the five-year average and that of February 2015. Compared to the five year average, maize prices increased by 19%, wheat by 27% and sorghum by 29%. However, prices changed only marginally (by less than 5%) compared to January prices. The exceptions are markets in Nazareth, Nekempt and Dejen where maize prices increased by about 6%. Similarly, teff prices were stable with slight changes from January across many markets. The exceptions were in Bure and Debre Markos where a price increase of 10% was

observed. Pulse prices in February showed a decline by 6%-14% over a one month period. However, pulse prices are still higher than last year prices.

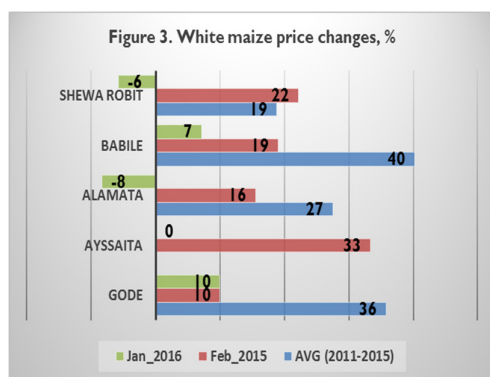


Source: EGTE

Stability of wholesale prices is an indicator of grain availability. However, access is constrained for poorer households by unfavorable terms of trade and lack of labor opportunities in Meher dominant areas.

Retail Prices of Staple Cereal

Maize prices (the cereal widely consumed by poor households in rural areas), showed a mixed picture compared to the previous month of January. Prices remained stable in most monitored markets; but prices increased by 6 to 23% in 13 markets out of 57 monitored markets; this is unseasonal as prices normally start to increase from April onwards. On the other hand prices declined in 7 markets (mostly in Tigray) by up to 10%. The price stability and slight decline could be associated to the distribution of food assistance.



Source: WFP

On the other hand, white and red sorghum prices increased (by 8-50%) in few markets in Oromia, Tigray, Somali and Gambella. The highest price increase was observed in Jijiga (50%) followed by Adwa (25%).

In Somali region (Jijiga market) the price of imported items (rice, pasta and sugar, wheat flour) increased by 20% to 33% compared to January 2016 prices. This is said to be associated with availability of hard currency at formal exchange rate, tight contraband trade control along the border and other factors.

Terms of Trade (TOT)

Shoat to cereal: Terms of trade deteriorated in Afar (Worer, Yalo and Awash Fentale) and Somali (Gode). Maize to average shoat TOT declined by 6% to 18% in these markets. The deterioration is caused by low livestock (goats and sheep) prices due to poor body condition.

Wage to cereal: unskilled labor wages remained similar to last month wages but improved slightly compared to last year in some monitored markets. In Adwa, Abyi Adi, Alamata and Korem, livestock to maize TOT improved while in Wekro (Tigray) and Kobo (Amhara) TOT deteriorated by 9% to 20%. In Meher dependent areas, the demand of labor for agricultural activities was low.

Table 1. Prices in selected markets

Markets	Price (Birr)	% chnages compared to		
		Average (2011-2015)	Feb-15	Jan-16
White maize (wholesale in 100KG)				
Addis Ababa	459	6	1	0
Nazareth	480	9	12	5
Shashemene	480	11	4	-1
Bure	469	15	14	0
Jimma	440	13	16	0
Bahir Dar	450	1	5	-2
Dessie	485	8	10	0
Jiga	445		0	12
Mekelle	523		0	6
Wheat-Wholesale in 100KG				
Addis Ababa	963	32	-2	0
Assela	870	26	-4	-2
Bale-Robe	860	32	1	3
Debre Markos	771	17	-8	-5
Dessie	843			-6
White maize(Retail in KG)				
Babile	750	40	19	7
Deder	550	-1	-5	0
Bedessa	560	13	1	6
Yabelo	650	10	0	0
Abomsa	600	23	5	0
Korem	570	-12	-27	-6
Wekro	580	-14	-17	10
Alamata	618	27	16	-8
Gode	1100	36	10	10
Hawassa	520	12	4	-5
Turmi	600	18	0	3
Gambella	450	5	-18	0
Kobo	533	9	35	-10
Bati	540	5	-2	-4
Ayssaita	600		33	0
Awash Fentale	600		20	0
White sorghum (Retail in KG)				
Bedeno	850	15	6	21
Abomsa	750	39	29	0
Abaala	800	0	-11	0
Worer	1150	32	40	0
Korem	750	4	-10	-4
Turmi	650	42	0	0
Sekota	880	39	23	2
Shewa Robit	1000	20	25	0
TOT (Shoat to maize in KG)				
Worer	1.52		-17	-6
Ayssaita	1.20		-53	-4
TOT (wage to maize in KG)				
Shewa Robit	7.6		6.1	0.0
Bati	12.0		3.7	0.0
Alamata	9.71		9.06	0.00
Exchange Rates (Birr/US \$)	21.23	15.75	0.04	0.55