

SOUTH SUDAN MONTHLY MARKET PRICE MONITORING BULLETIN



MARCH¹ 2017

HIGHLIGHTS

Inflation: According to the National Bureau of Statistics, the South Sudan inflation rate measured by the changes in consumer price indices stood at 371.8% while the inflation rates were 345.8% and 303.9% respectively for Juba and Wau in January 2017.

Exchange Rate: The South Sudanese Pound (SSP) lost further ground to the US Dollar in February. In Juba, SSP was exchanging at 111 SSP/US\$ in the black market, an increase of 11% compared to January, while the official rate being 100 SSP/US\$. This parallel exchange rate in February was 264% higher than it was one year ago. The continued depreciation of local currency triggered importers and big capacity traders to keep their money in US \$ as coping strategy to maintain money value.

Fuel Supply and Prices: In February, fuel continued to be scarce in most parts of the country despite some improvement in supplies in major towns such as Juba and Wau. Compared to a month ago, retail prices of petrol in black market increased by 40% to 58% in Yida, Bor and Warrap; other monitored markets experienced increases of 20-30%.

Staple prices: Compared to January, prices of white sorghum and white maize have increased in Bor, Yida, Agok and Torit markets in the ranges of 10-25%, while they have remained the same or decreased somewhat in Aweil, Bentiu, Wau and Rumbek. There has been a huge surge in staple prices in different markets compared to a year ago. Most notable increase in sorghum prices are in Bor (738%), Konyokonyo (587%), Wau (472%) and Lakes (461%).

Alarming price levels in Kapoeta: White maize price has increased by 228% compared to a month ago, and this price in February is almost 20 times (increase of 1,876%) compared to the same time the previous year. Similarly, price of Janjaro has increased by 76% and wheat flour by 40% compared to the previous month.

Cooking oil: Prices in Konyokonyo, Aweil, Torit, Wau and Yida experienced increases of 10% to 25% compared to the previous month, while they have been relatively stable in most other monitored markets.

Terms of trade: Compared to January 2017, goat to white sorghum TOT has deteriorated in Bor and Aweil that are associated with decreased prices of goat. On the other hand, skyrocketed maize grain price in Kapoeta South led goat to maize grain TOT to deteriorate by 50%. Deterioration in TOT impacts negatively the purchasing power of livestock dependent households.

¹ The analysis is based on prices data of February 2017

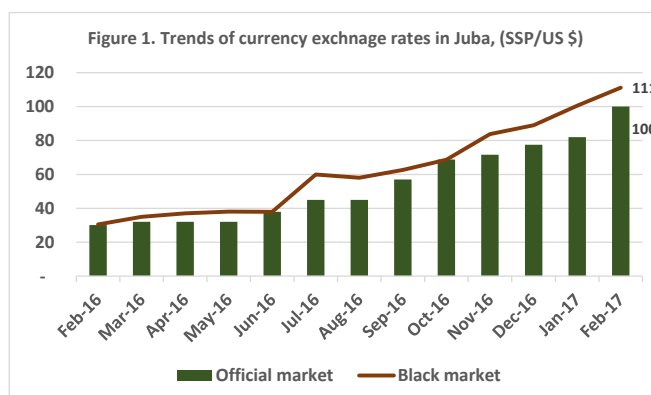
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Rise in food prices contribute to overall high inflation rates

In South Sudan, food and non-alcoholic beverages account 71% of the weight in the Consumer Price Index calculation, meaning that the largest share of households' expenditure goes towards food. This implies increases in food prices are impacting significantly to a rise in inflation. According to the National Bureau of Statistics (NBS), South Sudan inflation rates stood at 371.8% while the figure was 345.8% for Juba and 303.9% in Wau in January 2017. The overall food and non-alcoholic inflation rates stood at 370.9% in Juba and 292.2% in Wau. In simple language, a food inflation rate of 370.9% in Juba means, a basket of goods now costs almost five times compared to the same month last year.

Continued steep depreciation of South Sudanese Pound

In Juba, SSP was exchanging at SSP 111 per US Dollar in the black market while the official rate stood at SSP 100 (Figure 1). The exchange rate on black market increased by 11% compared to January 2017. It was 264% higher than the rate in February 2016. The official exchange rate has increased by 22% against the preceding month and by 232% when compared to February 2016. The black market exchange rate stood 11% higher than the official rate, and the gap between the black and official market has become narrowed in February. The continued depreciation of local currency has triggered importers and big capacity traders to keep their money in USD as a coping strategy, which is a contributing factor for the demand for USD to outstrip supply.



Fuel scarcity continues in most parts of the country, with further rise in prices

In February, the fuel remained scarce in most parts of the country, except in major towns such as Juba and Wau, where temporary improvements were observed in the availability of fuel at refilling stations. Compared to the previous month, retail prices of petrol increased by 40% to 58% in Yida, Bor and Warrap, while other monitored markets experienced price increases of up to 30%. Diesel prices have also increased significantly; highest increases were noted in Rumbek (75%) and Bor (57%), while increases have also been observed in the range of 17-25% in other markets. Among the different markets, the price of petrol per litre was the lowest in Juba at SSP 22² and the highest in Warrap (SSP 277) followed by Yida (SSP 225). The retail prices of diesel range from SSP 22 in Juba to SSP 107 in Yida. Compared to a year ago, there has been a very high increase in fuel prices – for instance, the price of diesel has increased by 445% in Yida, 280% in Aweil, and 272% in Bor.

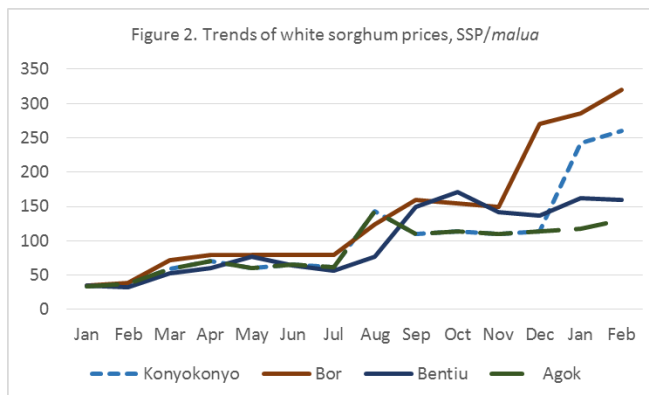
Cereal prices continue to increase in most markets, with alarming increase in Kapoeta

Compared to January, prices of white sorghum and white maize have increased in Bor, Yida, Agok and Torit markets in the ranges of 10-25%, while they have remained the same or decreased somewhat in Aweil, Bentiu,

² It is the official rate and fuel in Juba has been available at that rate.

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Wau and Rumbek. An alarming increase in maize price was observed in Kapoeta South, 228% rise from the previous month. White maize used to come from Uganda; however, due to banditry and insecurity along routes, supply route has shifted to Lokichoggio market in Kenya. The below average production in Uganda and restriction by Kenya on informal trade have adversely impacted the flow of commodities in sufficient quantities. There has been a huge surge in prices in different markets

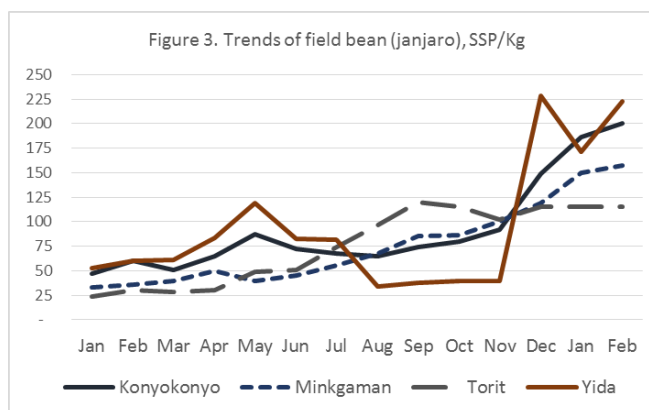


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compared to a year ago. Most notable increase of Sorghum prices are in Bor (738%), Konyokonyo (587%), Wau (472%) and Lakes (461%). **Figure 2** depicts trends of white sorghum prices in selected markets. In Kapoeta, the white maize price has sky rocketed, the price in February being higher than the same time last year by 1,876%.

Compared to January 2017, prices of wheat flour have increased significantly in markets of Yida, Kapoeta South and Wau ranging from 20-46%, while it has remained stable within 5% changes in other markets. The price of maize flour has increased in all markets across the country with highest increases observed in Yida, Kapoeta South and Wau in the range of 30-46% (see annex 1). Given the high proportion of households' expenditure on cereal and cereal products³, such a continued increase in prices is affecting adversely to household food security, particularly making the poor most vulnerable.

Field beans (*janjaro*) is an important source of protein and is consumed across all states. While the price of field *janjaro* has decreased in Aweil (23%), Bentiu (18%) and Wau (2%), it has remained stable or increased in most markets, with highest increases in Kapoeta South (76%), Bor (32%), Yida (30%), Rumbek and Agok (13%), compared to January 2017.



Compared to a year ago, a very high increase in *janjaro* prices was noted, ranging from 185% in Agok to 500% in Rumbek.

Cooking oil prices continue to increase in most markets

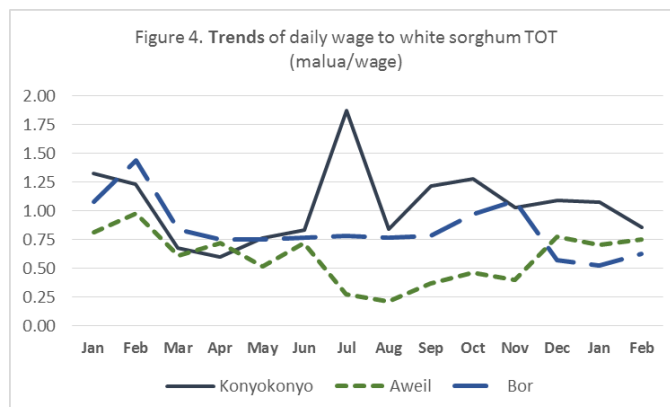
Cooking oil prices in February were higher than January in most markets, which include Aweil (25%), Konyokonyo (20%), Yida (17%), Wau (13%), Torit (11%), and Bor (6%). Price decrease was noted in Agok (25%), Bentiu (12%) and Kapoeta (2%), while it remained unchanged in Rumbek. The prices were much higher compared to a year ago, ranging from 43% (Aweil) to 419% (Rumbek).

³ As per the latest South Sudan Food Security and Nutrition Monitoring bulletin based on survey conducted in December 2016, an average household in South Sudan spends 76% of its monthly expenditure on food, and 58% of the food expenditure is spent on cereals and tubers.

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Purchasing power: Terms of Trade

Wage to sorghum: A non-agriculture worker in February could earn less than a *malua*⁴ of white sorghum with a day's wage in Juba (0.86), Aweil (0.75) and Bor (0.63) markets. Compared to January 2017, this terms of trade has deteriorated significantly in Juba (- 20%), which is of significant concern. Improvement in ToT was observed in Bor (19%) and Aweil (6%), even though availability of work could be a challenge for many daily wage workers. Increase in white sorghum price coupled with decline in wage contributed to the deterioration of ToT in Juba. The ToT has deteriorated significantly compared to the same time in the previous year in all these towns: Juba (31%), Bor (57%) and Aweil (23%).



Livestock to cereal: On average, one medium male goat was exchanged at 22 *malua* of white sorghum in Bor, at 16 *malua* in Aweil and at 12 *malua* in Rumbek markets. Compared to January 2017, goat to white sorghum ToT has deteriorated in Bor (21%) and Aweil (28%) that are associated with decreased prices of goat. On the other hand, huge surge in maize grain price in Kapoeta South led goat to maize grain ToT to deteriorate by 41%. In Rumbek there was a marginal decrease in ToT by 2%. (See Annex)

Markets with the highest and lowest prices for different commodities

Commodity (unit)	Highest price			Lowest price		
	Market	Price	% change (M-o-M)	Market	Price	% change (M-o-M)
White sorghum (3.5 Kg)	Bor	320	12	Yida	80	19
White maize (3.5 Kg)	Kapoeta South	815	226	Agok	120	0.4
Maize flour (Kg)	Kapoeta South	170	6	Konyokonyo	83	-11
Wheat flour (Kg)	Bentiu	175	-2	Torit	88	-12
Field beans (Kg)	Yida	223	30	Bentiu	107	-18
Cooking oil (Litre)	Bentiu	285	-12	Aweil	100	25
Petrol (Litre)	Yida	225	41	Bor	110	57

Food Security Outlook

The high dependency on food imports, scarcity of foreign currency reserves, continued depreciation of local currency, disrupted local food supply exacerbated by drought and other factors are likely to impact the prices of food commodities in the coming months, with likely negative impacts on market dependent households. Furthermore, the prevailing drought situation in Uganda, from where South Sudan derives most of its import, poses major constraints to the volumes of white maize grain and dry beans flows: the symptoms of this are already observed in Eastern Equatoria state market, Kapoeta South, where cereal prices have reached unprecedented high levels. Despite the above-average sorghum production in Sudan, it has not been translated to formal trade flows to northern South Sudan because of transport constraints. Such constraints in the flow of staple commodities from local production and neighboring countries cause further difficulties for access to staple foods, especially affecting poor households.

⁴ 1 Malua =3.5kg

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Annex: Prices of commodities and % changes

	Major Commodity	SSP	Price Change (%)							Major Commodity	SSP	Price Change (%)									
		Feb-17	1M	3M	1Y	1M	3M	1Y			Feb-17	1M	3M	1Y	1M	3M	1Y				
Konyokonyo	White Sorghum	260	7.2	136	587	▲	▲	▲	Yida	White Sorghum	80	19	33	256	▲	▲	▲				
	White Maize	260	-1	131	924	▶	▲	▲		Field Beans (Janjaro)	223	30	458	272	▲	▲	▲				
	Field Beans	200	7.1	116	234	▲	▲	▲		Wheat Flour	113	33			▲						
	Rice	192	42.1	67	380	▲	▲	▲		Vegetable oil	282	17	17	317	▲	▲	▲				
	Wheat Flour	116	-4.1	33	288	▶	▲	▲		Agok	White sorghum(Grain)	130	11	18	244	▲	▲	▲			
	Vegetable oil	255	19.6	39	334	▲	▲	▲			Field Beans (Janjaro)	171	13	85	85	▲	▲	▲			
	Cassava	200	-25.7	-4	742	▼	▶	▲			Vegetable oil	120	-25	-35	104	▼	▼	▲			
	TOT (wage to sorghum)	0.86	-20.2	-17	-31	▼	▼	▼		Bunj	White Sorghum	100	-9	-9	130	▼	▶	▲			
	Kapoeta	White Maize(Grain)	815	226.0	348	1876	▲	▲			▲	Field Beans (Janjaro)	150	-	2	300		▶	▲		
Field Beans (Janjaro)		150	76.5	67	314	▲	▲	▲	Vegetable oil		100	-	-7	208		▶	▲				
Vegetable oil		150	-2.0	24	131	▶	▲	▲	Mingkamam	Maize flour	143	7	36	365	▲	▲	▲				
Wheat Flour		140	40.0	51	294	▲	▲	▲		Field Beans (Janjaro)	157	5	56	336	▶	▲	▲				
Maize flour		170	6	18	444	▲	▲	▲		Vegetable oil	200	7	38	248	▲	▲	▲				
TOT(Goat to maize)		6.75	-41.3		-47	▼		▼	Rumbek	White Sorghum	300	0.0	20	461	▶	▲	▲				
White Maize(Grain)	280	0.0	12	647	▶	▲	▲	White Maize(Grain)		193	24.5	41	455	▲	▲	▲					
Field Beans (Janjaro)	180	12.5	64	500	▲	▲	▲	Field Beans (Janjaro)		115	12.5	64	500	▲	▲	▲					
Wheat Flour	120	0.0	9		▶	▶	▶	Wheat Flour		88	-12.0		252	▼		▲					
Vegetable oil	200	0.0	196	419	▶	▲	▲	Vegetable oil		184	10.8	15	330	▲	▲	▲					
TOT (Goat to sorghum)	11.90	2.1	-1	-27	▶	▶	▼	TOT (Wage to maize grain)		1.66	8.9	46	-17	▲	▲	▶					
Aweil	White Sorghum	160	-1.5	12	248	▶	▲	▲		TOT (Goat to maize grain)	18.55	20.1		3	▲		▶				
	White Maize(Grain)	134	-7.6	7	235	▼	▶	▲		Torit	White Sorghum	320	12.3	113	738	▲	▲	▲			
	Field Beans (Janjaro)	174	-22.7	9	287	▼	▶	▲			White Maize(Grain)	250	1.0	67	614	▶	▲	▲			
	Wheat Flour	120	4.3	4	-46	▶	▶	▼	Field Beans (Janjaro)		165	32.0	40	325	▲	▲	▲				
	Vegetable oil	100	25.0	-30	43	▲	▼	▲	Wheat Flour		100	0.0	-9	400	▶	▶	▲				
	Rice	113	-17.8	-13	223	▼	▼	▲	Vegetable oil		180	5.9	50	260	▲	▲	▲				
TOT (Wage to sorghum)	0.75	6.0	86	-23	▲	▲	▼	Rice	150		50.0	15	400	▲	▲	▲					
TOT (Goat to sorghum)	16.41	-27.6	34	37	▼	▲	▲	TOT (Wage to sorghum)	0.63		18.8	-42	-57	▲	▼	▼					
Bentiu	White Sorghum	163	-1.5	13	392	▶	▲	▲	TOT (Goat to sorghum)		21.88	-20.8	-33	-44	▼	▼	▼				
	Field Beans (Janjaro)	107	-17.7	44	210	▼	▲	▲	Units of measurement												
	Wheat Flour	175	-1.7	12	324	▶	▲	▲	White sorghum							3.5kg					
	Vegetable oil	285	-12.3	83	256	▼	▲	▲	White maize							3.5kg					
	Rice	187	-3.1	10	356	▶	▶	▲	Cassava							3.5kg					
Wau	White Sorghum	236	-1.7	21	472	▶	▲	▲	Maize flour							kg					
	White Maize(Grain)	225	-2.2	5	319	▶	▶	▲	Field beans							kg					
	Field Beans (Janjaro)	157	-1.9	57	228	▶	▲	▲	Rice							kg					
	Wheat Flour	123	46.4	96	208	▲	▲	▲	Wheat flour							KG					
	Vegetable oil	181	13.1	51	262	▲	▲	▲	Vegetable oil							L					
	Rice	129	17.3	8		▲	▶		TOT							# of malwa per goat or daily wage					
	Cassava	244	52.5	43		▲	▲														