The Uganda Market price Update is produced by the Assessments, 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, Kaabobong and Nakapiripirit is analyzed along with data from Infotrade from Kampala, Iganga, Mbarara, Gulu and Lira. The update is divided into four sections; Karamoja markets, Price trends over one year, Other Markets and Price Forecast.

Highlights

- There was a slight decrease in the overall average nominal retail prices for maize grain, beans and goats in Karamoja as compared to the month of February 2014; during the same period sorghum prices increased across Karamoja region by 13%.

- The terms of trade for a goat against maize grain deteriorated in Karamoja during the month while terms of trade for wage labour against maize grain improved.

- In other parts of the country (Kampala, Western, Northern & Eastern Uganda), nominal retail prices for maize grain and beans increased by 13% and 3% respectively.

- Price increases are expected for maize and sorghum grain in April 2014 while for beans, prices are likely to remain stable.

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SECTION ONE: KARAMOJA SUB-REGION

Cereals

Figure 1. Maize grain Price changes March –2014

Between Feb and March 2014 there has been little change in the average retail price for maize grain in Karamoja. However prices have changed markedly at the district level when compared to March 2013. Compared to the same period in March 2013, maize grain prices have increased by nearly 55% and 37% in Moroto and Nakapiripirit (figure 1 ). Maize is more of a staple in the southern districts of Karamoja (Moroto, Nakapiripirit & Napak) than in the north (Kotido & Kaabong) and this could partly explain the differences in demand hence price changes.

Figure 2. Sorghum grain Price changes March –2014

The overall average nominal retail price for sorghum grain increased by about 12.6% in Karamoja in March compared to February 2014. The percentage increase in sorghum prices was highest in Kaabong (40.9%) and Nakapiripirit (20%) Compared to the same period in 2013, sorghum grain prices were higher in March 2014 except in Kotido district (figure 2). In Moroto and Nakapiripirit Sorghum prices have increased by 67 % since last March – the highest percentage increase in price of any of the reported food commodities.

Pulses

Figure 3. Beans Price changes March –2014

The price of beans has been relatively stable with a very slight increase in price seen over a 12 month period. Slight fluctuation in beans prices has mainly been reported in Moroto.

Table 1: Prices changes for Goats March—2014

<table>
<thead>
<tr>
<th>Market</th>
<th>Current (Mar 2014)</th>
<th>% Change from:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Feb-14</td>
</tr>
<tr>
<td>Moroto</td>
<td>100,000</td>
<td>-8.0%</td>
</tr>
<tr>
<td>Nakapiripirit</td>
<td>86,250</td>
<td>-4.2%</td>
</tr>
<tr>
<td>Napak</td>
<td>87,500</td>
<td>-30.0%</td>
</tr>
<tr>
<td>Kotido</td>
<td>80,000</td>
<td>2.6%</td>
</tr>
<tr>
<td>Kaabong</td>
<td>93,750</td>
<td>-1.3%</td>
</tr>
<tr>
<td>Average</td>
<td>89,500</td>
<td>-8.2%</td>
</tr>
</tbody>
</table>

Source: WFP ProMIS

There was a slight reduction (approximately 8%) in the average price for goats in Karamoja between March and February 2014. The reduced prices were across all districts except Kotido. Compared to the same period in 2013, we notice an overall reduction in the average price for goats in March 2014; however, a reduction in price was seen in Moroto, Napak and Kotido while Nakapiripirit and Kaabong faced price increases. The variations in prices can partly be explained by forces of demand and supply in the respective districts.
Labour

Table 2: Changes in Daily Wage Rates March—2014

<table>
<thead>
<tr>
<th>Market</th>
<th>Current (Mar 2014)</th>
<th>% Change from:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Feb-14</td>
</tr>
<tr>
<td>Moroto</td>
<td>5,000</td>
<td>0.0%</td>
</tr>
<tr>
<td>Nakapiripirit</td>
<td>3,000</td>
<td>0.0%</td>
</tr>
<tr>
<td>Napak</td>
<td>5,000</td>
<td>0.0%</td>
</tr>
<tr>
<td>Kotido</td>
<td>2,000</td>
<td>0.0%</td>
</tr>
<tr>
<td>Kaabong</td>
<td>3,000</td>
<td>0.0%</td>
</tr>
<tr>
<td>Average</td>
<td>3,600</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Source: WFP ProMIS

There was no change in the average daily labour wage rates across Karamoja region during the month of March compared to February, 2014. Likewise, compared to the same period in 2013, daily wage rates were stable in Moroto, Nakapiripirit, and Kaabong districts. However, we notice an increase in the daily wage rate by about 21.2% in Napak and a decrease of about 33.3% in Kotido. The increase in the daily wage rate in Napak is partly explained by the increased labour demand for the ongoing construction of Moroto-Muyembe road. The decrease in daily wage rates in Kotido is due to limited availability of job opportunities amidst high number of casual labourers looking for work.

Terms of Trade

Terms of trade (TOT) in this context we refer to the exchange of a medium size goat and daily labour for maize grain at the current market price.

The terms of trade for a goat against maize flour deteriorated in March 2014 compared to the previous month the same period in 2013.

Selling one goat could enable a household to buy 94kg of maize grain in March 2014 compared to 98kg and 114 kg in February 2014 and March 2013 respectively (see figure 15). The deterioration in terms of trade is due to corresponding reduction in prices of goats this year (See table 1).

There was a slight improvement in the terms of trade for labour wage against maize grain during the month of March compared to February 2014 while compared to the same period last year March 2013, this year is worse.

The average daily wage rate for March, 2014 could buy 3.7 kg of maize grain compared to 3.6kg in February 2014 and 4.2kg in March 2013 (Figure 15). This is attributed to changes in the daily labour wage rates and prices of maize grain during the month of March 2014 (See trends figure 10 & 13).

Conclusion

In reference to the Post Harvest and Food Security Assessment Report conducted by WFP, FAO and MAAIF in February 2014, about 50% of the households in Karamoja were accessing cereals through market purchases. Therefore any increase in sorghum prices implies a negative effect on food access for these households. Despite a relatively high reliance on markets, the low purchasing power of the majority of households was highlighted as a major concern by traders due to limited labour opportunities and income sources across Karamoja.

Given that Karamoja region is now in the lean season (period when majority of the households have exhausted food stocks from last crop harvest till next harvest), there is need to support poor/highly food insecure households with alternative income generating activities so as to increase their purchasing power; hence supporting market development and improving household food security.
SECTION TWO: KARAMOJA PRICE TRENDS MARCH 2014 AGAINST 2013

Figure 10. Maize Grain Price Trends

Source: WFP ProMIS

Figure 13. Goats Price Trends

Source: WFP ProMIS

Figure 11. Sorghum Grain Price Trends

Source: WFP ProMIS

Figure 14. Average Daily Labour Wage Trends

Source: WFP ProMIS

Figure 12. Beans Price Trends

Source: WFP ProMIS

Figure 15. Labour/Goats - Maize grain TOT Trends

Source: WFP ProMIS
SECTION THREE: KAMPALA, WESTERN, NORTHERN AND EASTERN UGANDA

This section provides a snapshot of the price volatility of beans, maize grain and sorghum for selected markets in different regions of the country. Data from Infotrade was analyzed along with data collected from Owino market/Kampala for Central; Gulu & Lira for Northern; Mbarara for Western and Iganga for Eastern regions. The primary criteria for selecting the above markets is their trade influence in food commodities in their respective regions and the relative consistency of data for the selected food commodities.

Cereals

Figure 4. Maize grain Price changes March –2014

In general, maize grain prices were higher across the country in March compared to February this year. The highest price increase was experienced in the eastern parts of the country with over 25% price increase in Iganga, followed by Owino market in Kampala. This is due to increased demand from the Kenyan traders. Although we notice an average price decrease this year in March compared to the same period in March 2013, the decrease is more pronounced in Northern region i.e. in Lira and Gulu. The decrease is partly due to the ongoing South Sudan conflict hindering cross boarder trade especially in food commodities.

Figure 5. Sorghum grain Price changes March –2014

On average, sorghum prices were lower in March compared to February in 2014 by about 7%. Compared to the same period in March 2013, sorghum prices this year have been higher by about 3%. The increase was more significant in the Eastern, Western and some Northern parts of the country. In central (Owino/ Kampala market), sorghum prices were lower by about 30% in March this year compared to the same period in 2013.

Pulses

Figure 6. Beans Price changes March –2014

On average, prices for beans increased by about 3% in March compared to February 2014. The increase was mainly in Owino market/Kampala where prices increased by about 14.6%. Compared to the same period in March 2013, prices for beans were lower this year across the country (figure:6).
SECTION FOUR: PRICE FORECAST

Figure 7. Projected Price for Maize Grain—April 2014

The overall average price for maize grain is expected to increase slightly in April 2014 (by about 1.6%) but below the price experienced during the same period in 2013.

Source: WFP AME Projections

Figure 8. Projected Price for Sorghum—April 2014

It is projected that sorghum prices will increase marginally in April by about 2% compared to March 2014. However, sorghum prices in April 2014 are expected to be relatively lower than the same period in 2013.

Source: WFP AME Projections

Figure 9. Projected Price for Beans—April 2014

Prices for beans are expected to remain stable in April 2014 compared to March prices with a minimal projected price decrease of less than a percentile.

Source: WFP AME Projections