

Maize meal prices slightly decreased in September

Key points:



The average price for maize meal fell by 2 percent in September; wheat flour prices remained stable. Despite the fall, maize prices are still higher than the five-year average and the September 2015 average



Maize meal and wheat flour are more expensive in rural areas than in urban zones.



Prices for pulses were stable in September compared to August in most districts



Rain has fallen in parts of Lesotho and some farmers have begun planting. Progress should be monitored



WFP/Richard Lee

Methodology

In September 2016, mVAM collected price data through mobile phones from 40 traders throughout the country. Traders were selected to cover functional markets in urban and rural areas. Fifty-seven percent of the traders interviewed were in rural areas: of these, 24 were retailers in supermarkets, 14 were retailers in small shops and 2 were wholesalers. Because of network coverage problems, some traders' phones were not reachable.

The survey questions focused on the prices of the basic foods that constitute the standard food basket (foods eaten by an average household in Lesotho) maize meal, wheat flour, beans and peas, cooking oil, cabbage, salt and sugar. Other survey questions addressed food availability, market accessibility and factors that might limit business. There was also an open-ended question to gauge traders' perception of the food security situation in their local areas.



Markets are functioning

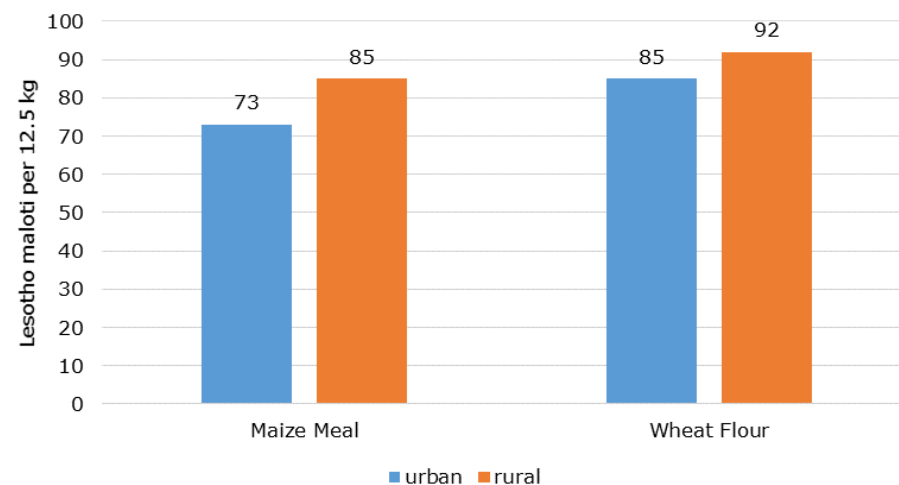
In September, markets seemed to be functioning well with high availability of food and no major constraints to business: 85 percent of traders interviewed did not have stock shortages of maize meal, wheat flour, beans, peas, cooking oil, sugar or salt; and 88 percent of traders said there were no major constraints limiting their business. Stock was being ordered weekly by around 73 percent of traders, while the rest were ordering less frequently. Most of the maize meal continued to be sourced from within the country: 25 traders sourced maize meal within their districts of operation while 11 traders bought it from other districts.



Maize meal and wheat flour more expensive in rural areas

As Figure 1 shows, maize meal was 14 percent more expensive in rural areas than in urban zones; wheat flour was 8 percent more expensive. However, the prices of beans and peas were almost the same in both areas. Prices are generally higher in rural areas because most rural shops do not buy directly from wholesalers as urban shops do; instead they buy from other big supermarkets in camp towns. Transportation costs for rural markets are also higher than for urban markets.

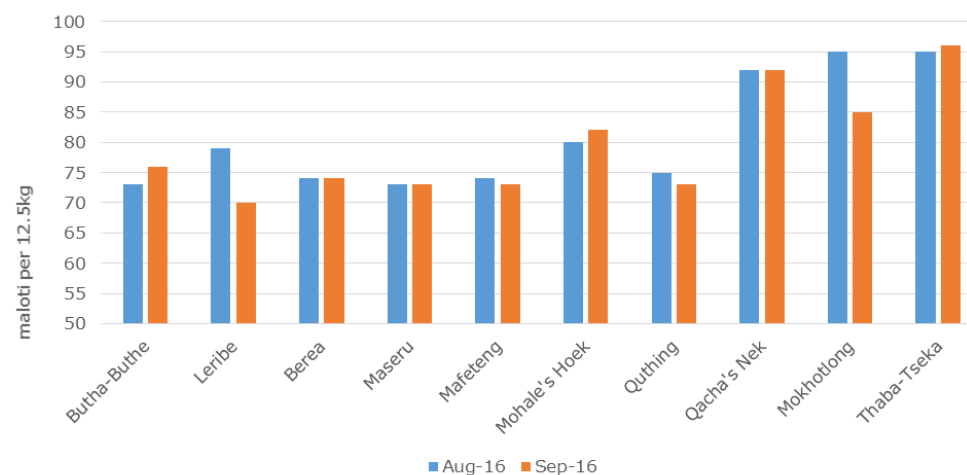
Fig.1 Average prices of maize meal and wheat flour (in maloti per 12.5 kg)



Source: mVAM, September 2016

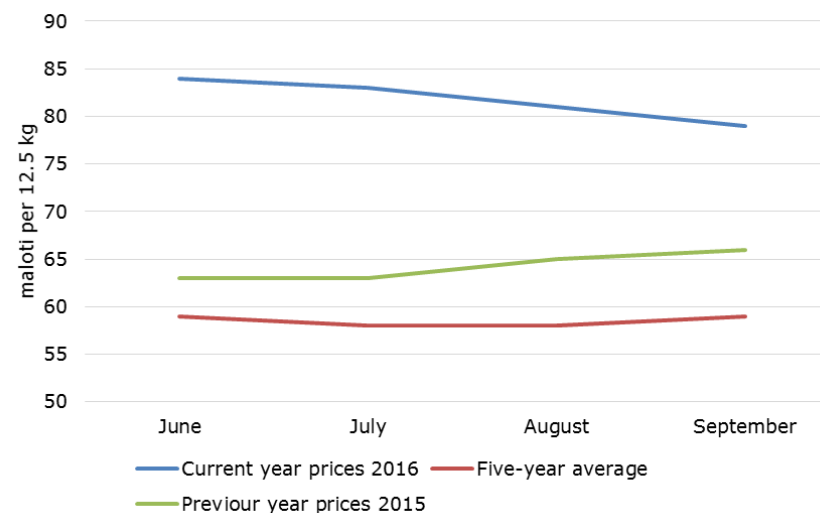
Maize meal: mVAM data shows that for most districts, prices were between 1 and 11 percent lower in September than in August. The average price of maize meal fell by 2 percent to M79.00/12.5 kg. Lower prices continued to be recorded in most of the lowland districts, while the highest prices were observed in the mountain districts. As seen in Figure 2b, September 2016 maize meal prices remain 20 percent higher than the September 2015 average and 34 percent higher than the five-year average (2011-2015) (source: Bureau of Statistics)

Fig. 2a. Average prices of maize meal (in maloti per 12.5 kg)



Source: mVAM, September 2016

Fig. 2b. Average prices of maize meal (in maloti per 12.5 kg), compared to 2015 and the five-year average



Source: mVAM, September 2016 and Bureau of Statistics

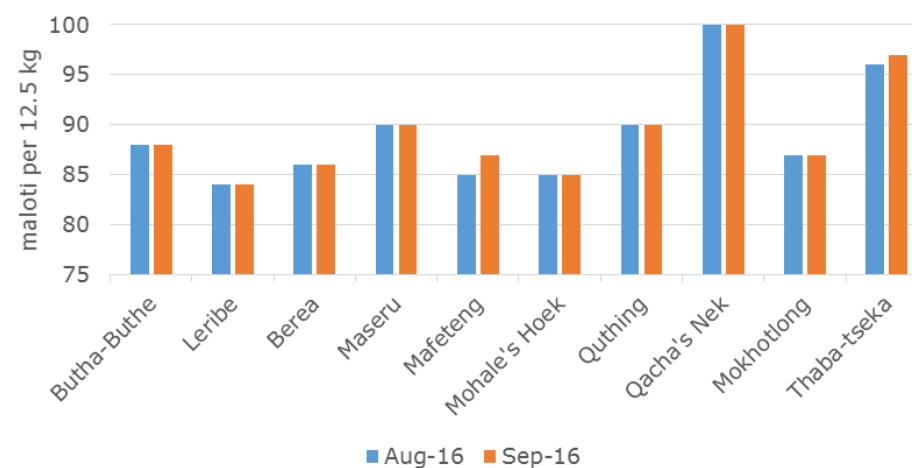


WFP/Stephan Wong

Wheat flour: The national average price of wheat flour was stable over August and September at M89.00/12.5 kg. The lowest price was observed in Leribe at M84.00, while the highest was in Qacha's Nek at M100.00 (Figures 3a and 3b).

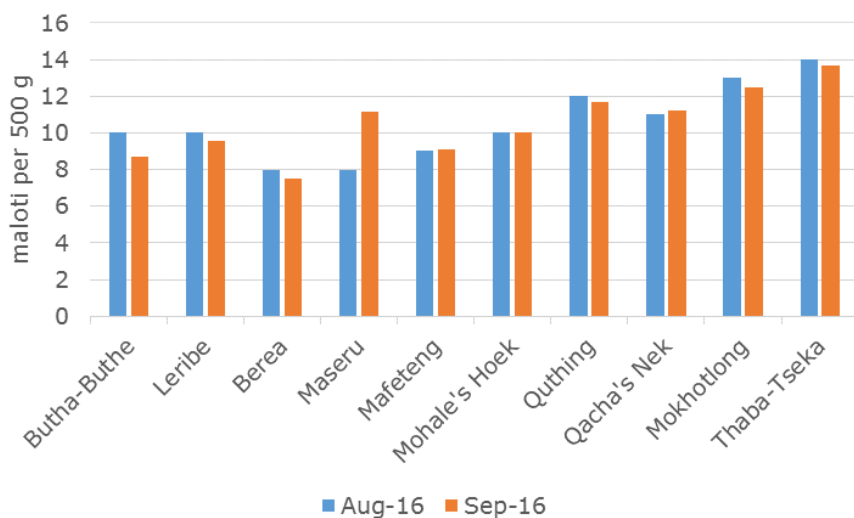
Pulses (beans and peas): The average prices of beans and peas ranged between M8.00 and M14.00 per 500 g (Figures 4a and 4b). The highest prices were in Thaba-Tseka, while the lowest were in Berea. The prices were stable over August and September.

Fig 3. Average prices of wheat flour (in maloti per 12.5 kg)



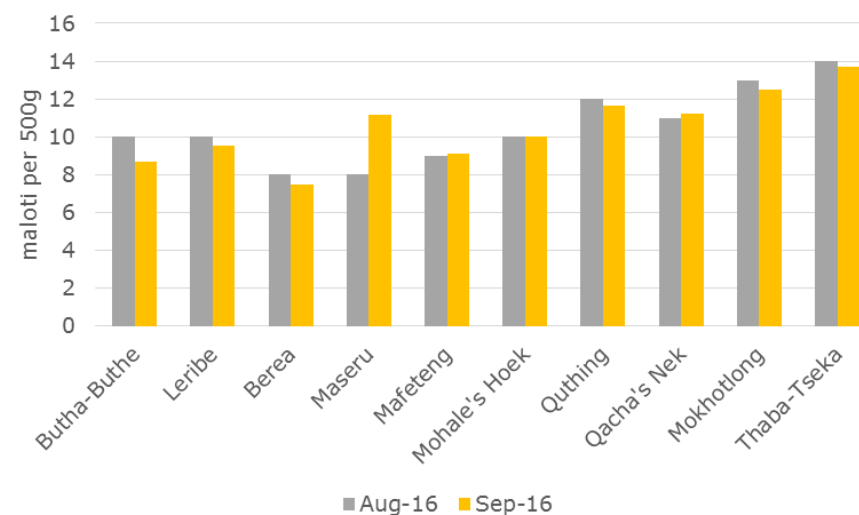
Source: mVAM, September 2016

Fig. 4a. Average prices of beans (in maloti per 500 g)



Source: mVAM, September 2016

Fig. 4b. Average prices of peas (in maloti per 500 g)



Source: mVAM, September 2016



Rainfall encourages households to plant

Traders in urban areas reported that since there are few jobs, most people are unemployed. Those in rural areas said that low crop production meant that households were more reliant on purchasing food than normal. However, some rain has fallen – coinciding with the planting season – so most households are cultivating their fields and some are planting vegetables in their gardens. Similar to August, 31 percent of the traders were aware of people receiving cash assistance in their local communities in September.

Table 1: Prices of basic foods (in maloti)

District	Cooking oil (750 ml)	Sugar (500 g)	Salt (500 g)	cabbage (1 head)
Butha-Buthe	18	8	3	8
Leribe	17	7	4	
Berea	17	8	4	
Maseru	16	8	5	9
Mafeteng	16	7	3	6
Mohale's Hoek	16	7	4	8
Quthing	15	7	5	9
Qacha's Nek	21	9	6	4
Mokhotlong	18	7	5	10
Thaba-Tseka	21	8	6	10

Source: mVAM, September 2016



For further information:

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mVAM Resources:

Website: http://vam.wfp.org/sites/mvam_monitoring/
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