

Maize meal and wheat flour prices remain stable

Key points:



The average prices for maize meal and wheat flour remained stable over September and October



Prices for pulses were also stable in October in most districts.



Households are relying more on vegetables from their own production rather than purchasing them.



WFP/Stephan Wong

Methodology

In October 2016, mVAM collected price data through mobile phones from 31 traders throughout the country. Traders were selected to cover functional markets in urban and rural areas. 17 of the traders interviewed were in rural areas while 14 were in the urban areas: of these, 19 were retailers in supermarkets and 12 were retailers in small shops. Because of network coverage problems, some traders' phones were not reachable.

The survey questions focused on the prices of the basic foods that comprise 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 community.



Most traders have stocks of subsidised foods

In October, markets seemed to be functioning well with high availability of food and no major constraints to business: 93 percent of traders interviewed did not have stock shortages of maize meal, wheat flour, beans, peas, cooking oil, sugar or salt; and 67 percent of traders said there were no major constraints limiting their business. However, 16 percent reported low demand. Stock was being ordered weekly by around 67 percent of traders, while the rest were ordering less frequently. About 70 percent of traders could get stock the same day they ordered it as they could go to the wholesaler themselves and collect it. However, for the rest it would take two to three days to have it delivered from the millers. Most of the maize meal continued to be sourced from within the country: 18 traders sourced maize meal within their districts of operation while 11 traders bought it from other districts. Almost all traders reported having stocks of at least one of the subsidised foods; and more than 70 percent of traders had stocks of all subsidised foods – maize meal, beans and peas.

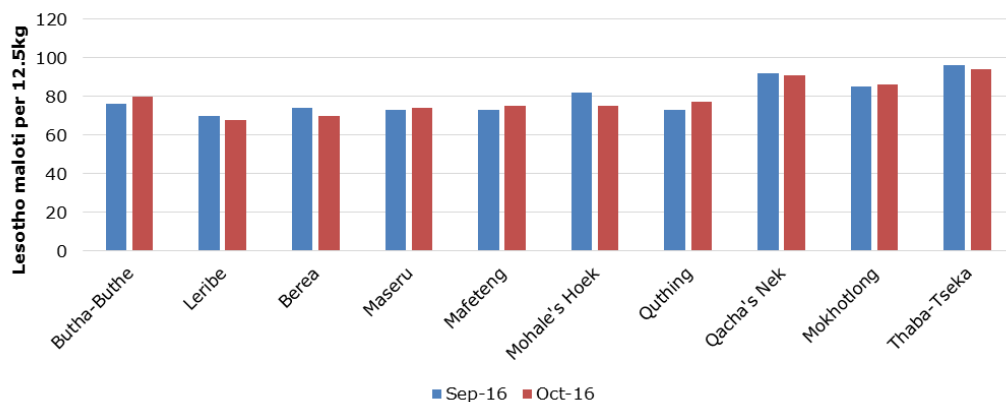


Maize meal and wheat flour more expensive in rural areas

In rural areas, transportation costs are high and traders tend not to buy directly from wholesalers. This means rural prices continue to be higher than those in urban areas: maize meal was 8 percent more expensive in rural areas in October, and wheat flour was 1 percent more expensive.

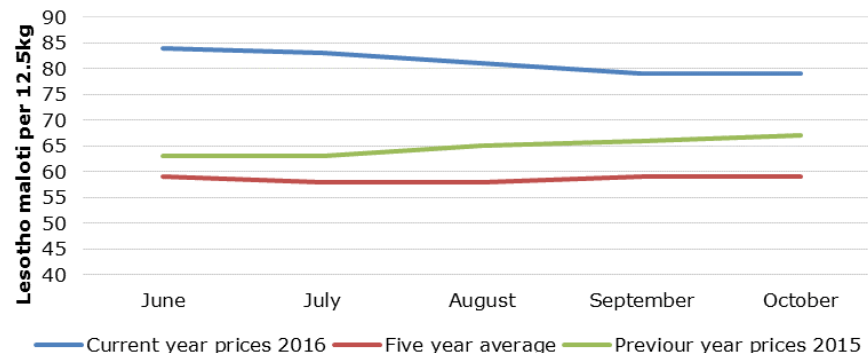
Maize meal: mVAM data shows that for most districts, prices were stable in October compared to September (**Figure 1**). The average price of maize meal remained at M79.00/12.5 kg. Lower prices continued to be recorded in most of the lowland districts (M68.00–M80.00), while the highest prices were observed in the mountain districts (M86.00–M94.00). Maize meal prices continue to be higher than average: October prices were 34 percent above the five-year average (2011–2015) and 18 percent higher than in October 2015 (**Figure 2**).

Figure 1. Average prices of maize meal (in maloti per 12.5kg)



Source: mVAM, October 2016

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

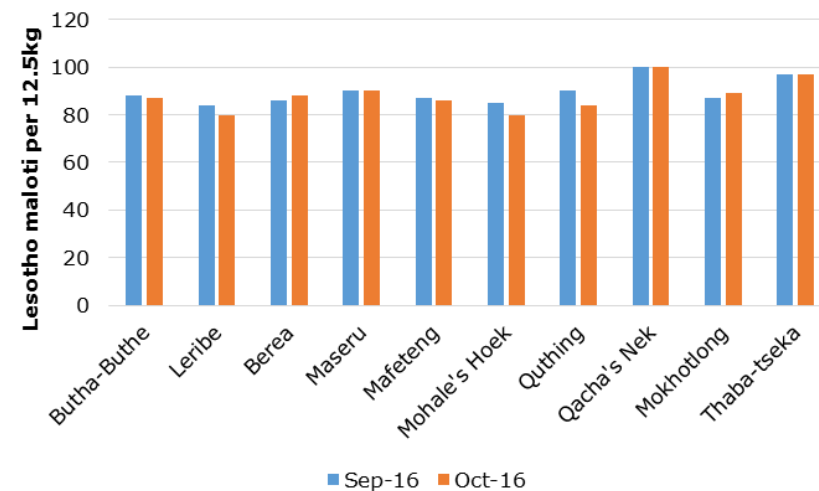


Source: mVAM, October 2016

Wheat flour: The national average price of wheat flour was stable over September and October at M88.00/12.5 kg. The lowest price was observed in Leribe at M80.00, while the highest was in Qacha’s Nek at M100.00 (Figure 3).

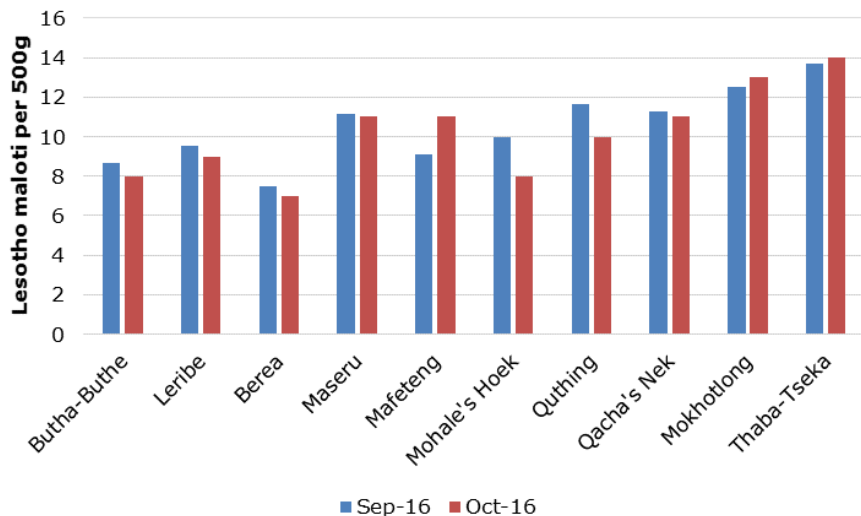
Pulses (beans and peas): The average prices of beans and peas ranged between M8.00 and M14.00 per 500 g (Figures 4a and 4b). The highest prices were in Thaba-Tseka, while the lowest were in Berea. Prices were stable over September and October.

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



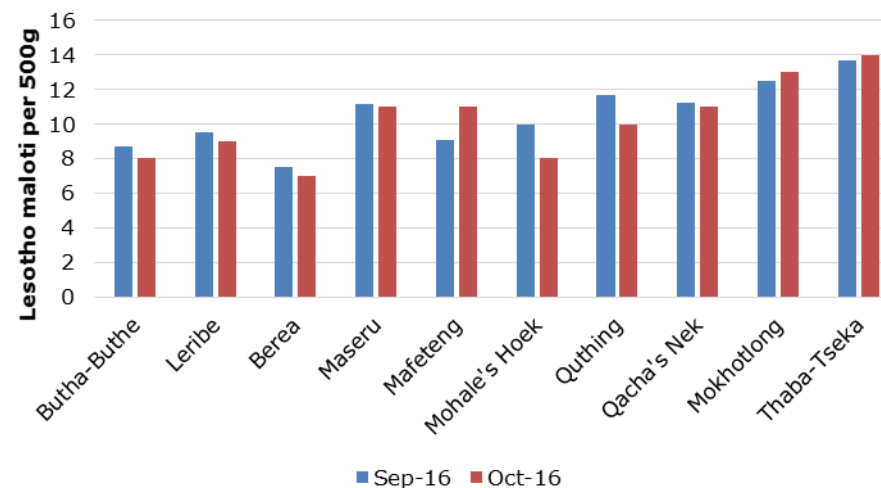
Source: mVAM, October 2016

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



Source: mVAM, October 2016

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



Source: mVAM, October 2016



More people are receiving assistance in the form of food and cash

In October, 58 percent of traders were aware of people receiving cash and food assistance in their local communities, compared to 31 percent in August and September. Some households continue to cultivate their fields as there has been some rainfall, and most are growing vegetables in their gardens. Thus, traders believe that households are beginning to rely more on the vegetables grown in their own gardens rather than purchasing them. Traders reported that cabbage has become scarce and is not widely available in source markets anymore. High rates of unemployment continue to be the problem mentioned by traders in the urban areas.

Table 1. Prices of basic foods (in maloti)

District	Cooking oil (750ml)	Sugar (500g)	Salt (500g)	Cabbage (1 head)
Butha-Buthe	18	8	4	-
Leribe	16	8	4	-
Berea	18	8	4	-
Maseru	18	8	5	10
Mafeteng	18	8	5	-
Mohale's Hoek	16	7	4	8
Quthing	16	7	6	10
Qacha's Nek	20	9	6	8
Mokhotlong	18	7	5	10
Thaba-Tseka	18	8	6	10

Source: mVAM, October 2016



For further information:

Andrew Odero andrew.odero@wfp.org
Mary M. Njoroge mary.njoroge@wfp.org
Vincent Kiwanuka vincent.kiwanuka@wfp.org

mVAM Resources:

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