



Market Analysis Post Hurricane Matthew –key findings- October-November 2016

Introduction

A market analysis has been performed in 22 markets in Grande-Anse, Nippes and Sud Departments of Haiti. These departments have been the most affected by the hurricane Matthew which left a large part of the south-western tip of Haiti devastated on 4th October 2016. According to the “Direction de la Protection Civile”, over 700 lives have been lost and most of the agricultural, livestock, fisheries and small traders livelihoods have been severely damaged.

CNSA and its partners (WFP, FEWSNET, CARE, MoA) have interviewed key informants as well as approximately 5 traders in each of the surveyed markets during the period of October 24 to 30. This brief presents the main results of a larger detailed assessment report which put the emphasis on the capacity of these markets, or the lack thereof, to absorb increasing demand from the local population assisted through cash-based transfers.

General constraints to market functioning

Generally, the surveyed markets have reopened and are operating with the same frequency as before the hurricane. The markets of Grande-Anse have been the hardest hit and a significant share of traders is still not back in business. In the markets of Nippes and Sud, however, most traders are active.

Infrastructure constraints, mainly means and routes of transport and food shops, have been mentioned as an issue almost unanimously across the hurricane-devastated zone. Again, the markets in Grand-Anse seem to be most affected by these destructions, while infrastructure for markets in Nippes and Sud have been less damaged.

In almost all markets, there are traders who report that security has declined due to bandits and theft of foodstuffs in the markets and on transport routes.

Availability of food items in the markets

In all markets, the availability of local products is low. Due to the hurricane hitting at the height of the banana, bean and yam harvest, these crucial seasonal products are critically low in supply, especially in the markets of the Grande-Anse.

The products available in the markets at this moment are imported products, such as rice, maize or black beans. The interviews conducted with local traders and key informants show that the food quantities available in the local markets would be sufficient for the additional demand due to a cash transfer or increasing stocks would be possible in most places within a few weeks.

In addition to the lack of availability of local products, the hurricane also destroyed a significant share of the food stocks in local warehouses.

Most markets, especially those accessible by marine transport, are able to respond to a surge in demand with a delay of one or two weeks. The products presently available as well as those shipped in will be imported from abroad.

The destruction of transport routes, poses a significant problem in delivery of goods to some markets, especially inland markets.

A critical obstacle for many traders is the lack of access to credit for purchasing supplies in bulk, added to the scarcity of available goods.

Consumer Demand for Products in the Markets

Demand for commodities fell sharply in almost all markets for three main reasons according to traders: 1) Lower consumer purchasing power due to plantation destruction and crop loss; (2) Rising commodity prices (maize and rice); 3) availability of in-kind food assistance to offset market shortfalls.

Price Developments

Food item prices have risen in all markets since the hurricane. Generally the price increase range from 15 to 25% for

main staple food items throughout October. The use of alternative transport routes or means are probably reflected in higher market prices.

Markets in the Grande-Anse Department have suffered most from the price increases, while in the Nippes and Sud Departments the upward tendencies are much more moderate if at all visible in some markets.

Therefore, starting in November, the prices seem to return to pre-Matthew levels, which increases the accessibility to food.

Feasibility/Appropriateness of a Cash based transfer (CBT)

From the analysis of the availability of goods in the markets, a Cash-based transfer is a feasible response. The most salient risk in a CBT response is price volatility, which could lead to a sudden erosion of beneficiaries' purchasing power.

If CBT is implemented, the increasing demand for food will have an impact on the markets and trading opportunities. This impact, particularly on the prices, must be monitored on a weekly basis, so that the transfer value guarantees a stable purchasing power.

On the traders' side, concerns with CBT are mostly linked to their constraints to ensure a reliable supply of food, notably, their lack of a steady cash flow and lack of access to credit to replenish stock. A complementary programme that supports local traders in terms of access to credit and wholesale markets could address the cash flow issue.

A mixed review is given by traders on the feasibility of a voucher programme, which seems to have been less than beneficial for some traders in the past and complicated to manage. Given this constraint, it is advisable to start by default, with an unrestricted Cash-Based Transfer, which can be effected over a mobile money provider.

For beneficiaries, an unrestricted cash transfer could have wider positive effects than just food security, as it gives them flexibility to use the cash to restore livelihoods. A midline post-distribution monitoring exercise should be conducted to examine beneficiary consumption patterns.

and give preliminary assurance that the cash is having a positive impact on food security.

General Conclusions and Recommendations

High food prices are the principal concern for a cash-based transfer in the hurricane-affected departments. Based on the analysis of the prices as of the end of October, a locally purchasable food basket of 250g Rice, 100g Maize, 80g Black Beans, and 50g Vegetable Oil, costs between 29-32 Gourdes in the markets of Les Cayes and Miragoane, and 32-37 Gourdes in the markets of Jeremie. A daily transfer value of 30-35 Gourdes per person would therefore be appropriate to cover the food needs of the population.

It is important to monitor the

development of prices of an average food basket for some key locations in the three departments. The cash transfer value could be adjusted accordingly as markets recover from the surge prices seen at the moment. In November, food prices in Grand-Anse and Sud departments already seem to show downward tendencies.

A cash transfer programme could help beneficiaries focus on restoring their livelihoods and prepare their land for the coming planting and harvest seasons.

The emergency food security survey being undertaken by CNSA and its partners and for which results will be available end of December should help follow the evolution of consumption in the area and further adjust cash and vouchers programs being implemented in these areas.



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