MADAGASCAR

mVAM Bulletin #6: April 2017

Domestic food prices start to fall, except in Betioky

Key points:

Most foods are available, except cassava and sweet potato

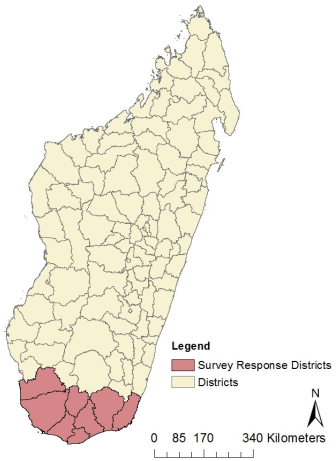
Domestic food prices are falling as the harvest period draws near

Imported goods are more expensive as Cyclone Enawo has damaged roads

Situation Update

A multi-sectorial assessment conducted in the south in March 2017 found that the overall food security situation has significantly improved, especially in Ambovombe. Pockets of food insecurity remain in Tsihombe. However, Betioky, which has received limited humanitarian assistance, has a very high level of severe acute food insecurity, characteristic of a lean period aggravated by El Niño. In addition, a significant rainfall deficit was recorded in the main rice-growing areas. This will likely have a negative impact on the upcoming harvest and on the prices of domestic rice and rice substitutes.

Map 1: Survey Response Districts



Methodology

In April 2017, the second round of mVAM telephone interviews was carried out in the southern regions of Androy, Anosy and Atsimo Andrefana, which were worst hit by the El Niño-induced drought. The surveys collect information on the prices of foods including rice, maize, cassava, beans and sweet potatoes, as well as information on food availability and market accessibility. The surveys were carried out with a sample of 58 traders in eight districts: Amboasary Atsimo (2 traders), Ambovombe (10), Ampanihy (11), Bekily (16), Beloha (5), Betioky (9), Fort Dauphin (2) and Tsihombe (3) (Map 1). Of the 58 surveyed traders, 3 were wholesalers, 20 were shop retailers, and 35 were casual retailers in open marketplaces. Twenty-one were female and 37 were male. Phone surveys contain inherent response biases; therefore, the bulletin reports patterns and trends rather than precise estimates.

Market structure and availability

A light market assessment in November 2016 found that in markets in the south, traders can sell several products at a time – this is particularly the case for rice, oil and corn. Traders of cassava and sweet potato tend to be more specialized, however, during the lean season a majority of traders sells these commodities. Most retailers get their supplies from local wholesalers, who in turn get supplies either from middlemen or from districts that have a surplus.

The fewer the number of traders selling a product, particularly seasonal products, the less available that product is in the region. In April, most foods were available except in Atsimo Andrefana. Three whole maize wholesalers reported that they had sourced locally, an indication of the positive effect of good rainfall in some areas of the south. By contrast, Atsimo Andrefana has low availability of domestic rice and its substitutes (maize, cassava and sweet potato). In this region, a quarter of the traders complained about a lack of availability and locust infestations.

Table 1: Percentage of traders not selling a product

Region	Imported rice	Domestic rice	Whole maize	Crushed maize	Dried beans	DrienNi ebe	Dried cassava	Sweet potato	Oil
ANDROY	16%	16%	16%	22%	9%	5%	38%	62%	5%
ANOSY	14%	0%	0%	29%	0%	0%	29%	71%	14%
ATSIMO ANDREFANA	18%	42%	42%	18%	34%	16%	66%	97%	0%
OVERALL SOUTH	17%	25%	25%	21%	18%	9%	48%	76%	4%

Source: mVAM, April 2017

Regional price disparities

In April, more traders were selling at very low prices compared to March. However this was not the case for sweet potato and beans, which are less available at this time of the year and are expensive. Damage caused by Cyclone Enawo has pushed up road transport prices, particularly in Anosy where domestic foods such as rice, cowpeas, whole maize, cassava and oil were all more expensive in April. Prices in Androy benefited from internal domestic rice supplies (from the district of Bekily) and supplies from the district of Betroka in neighbouring Anosy, which kept prices relatively lower. Prices of domestic rice, beans and sweet potato in Atsimo Andrefana were higher because of poor rainfall during the cropping season.

Table 2: Regional price comparison of the main foods (in MGA)

Region	Stats	Imported rice (kg)	Domestic rice (kg)	Whole maize (kg)	Crushed maize (kg)	Dried beans (kg)	Dried niebe (kg)	Dried cassava (kg)	Sweet potato (kg)	Oil (l)
ANDROY	Average	1575	1575	875	1140	3800	1520	600	1000	4500
	Median	1640	1604	828	1267	3562	1560	630	836	4567
ANOSY	Average	1575	1750	875	1140	3040	1710	700	800	4800
	Median	1604	1675	840	1216	3366	1656	660	800	4700
ATSIMO ANDREFANA	Average	1575	1680	700	1140	3800	1520	600	1000	4500
	Median	1632	1596	789	1193	3492	1520	650	1000	4582
Overall South	Average	1575	1575	875	1140	3800	1520	600	1000	4500
	Median	1634	1607	813	1235	3523	1553	638	840	4581

Lower
Medium
Higher

Source: mVAM, April 2017

Price evolution by district

Rice: The prices of domestic foods such as rice are starting to fall, except in Betioky where prices rose by 10 percent compared with March. Rice prices were particularly high in Beloha in March, so the price drop in that district was proportionately much greater than in other districts in April. By contrast, the price of imported rice is rising, probably because of the damage caused to National Road 13 by Cyclone Enawo. The districts of Ampanihy, Beloha and Betioky were less affected as they lie on National Road 10.

Pulses: Beans are much more expensive than niebe (cowpeas) and are harvested very early (February). Nationally, they have been hard hit by the lack of rainfall. Bean prices continue to increase, whereas niebe is becoming cheaper. The latter is widely grown in Amboasary and Tsihombe – where prices have fallen around 38 percent – and it accounts for a large share of agricultural income in these two districts. By contrast, Fort-dauphin, Ampanihy and Beloha have a niebe deficit and prices are increasing in these districts by between 6 and 16 percent.

Rice substitutes: Dried cassava and sweet potato are consumed during the lean season and are replaced by rice and maize as the harvest advances. This is why cassava and sweet potato gradually disappear from the markets, except for very few traders who supply the most vulnerable households. However, thanks to the efforts of agricultural actors including FAO, the Ministry of Agriculture and CRS in extending short-cycle sweet potato varieties, Tsihombe and Ambovombe had sweet potato stock in March and April. The other districts harvested insufficient production in April, making sweet potato more expensive than usual (MGA1000/kg in April 2017 compared with five-year average of MGA200-500/kg).

Figure 1: Price variation for domestic and imported rice between March and April

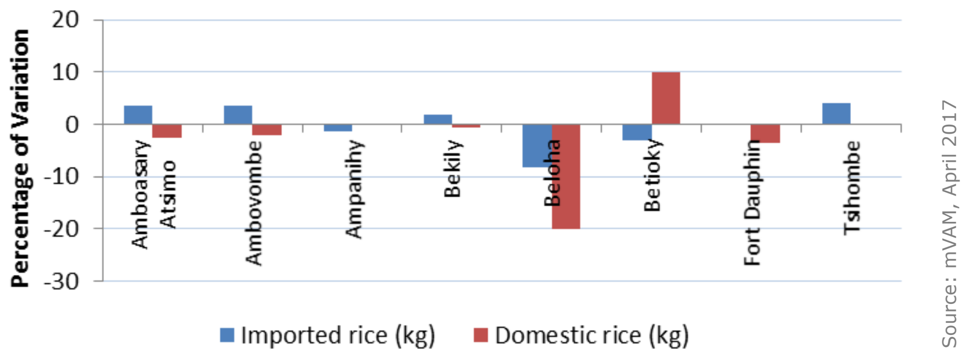


Figure 2: Price variation for niebe and beans between March and April

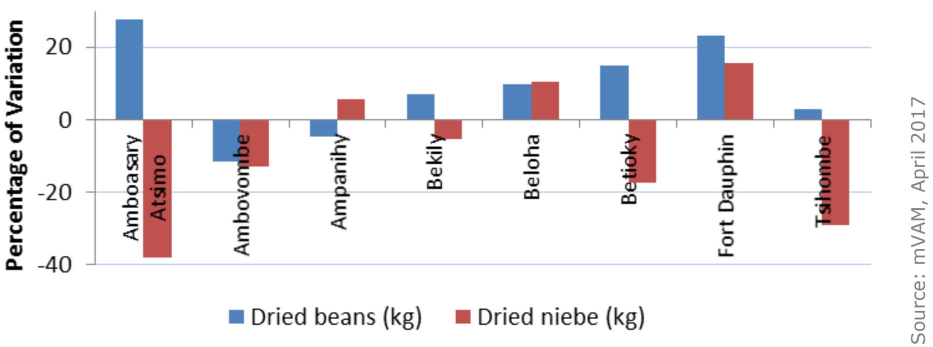
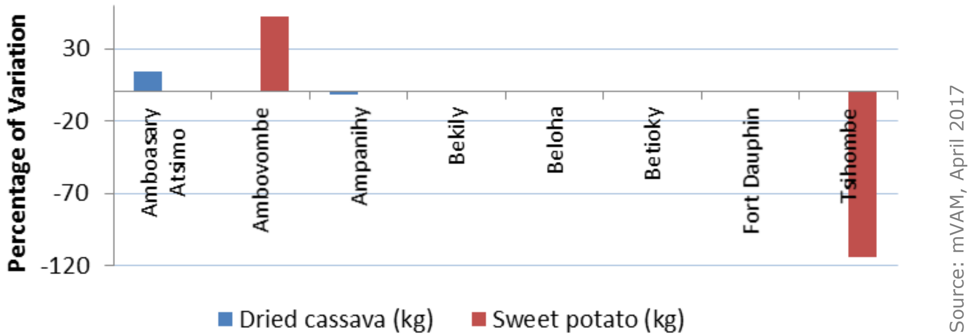


Figure 3: Price variation for dried cassava and sweet potato between March and April



Price evolution by district

Maize: Prices fell the sharpest for maize as the harvest began in April. In Ambovombe, prices plummeted, marking the end of the lean season. Only prices in Ampanihy showed signs of stagnation or even a slight increase, in the case of crushed maize.

Cooking oil: The price of oil is generally stable, with some geographical and cyclical variations.

Figure 4: Price variation for whole and crushed maize between March and April

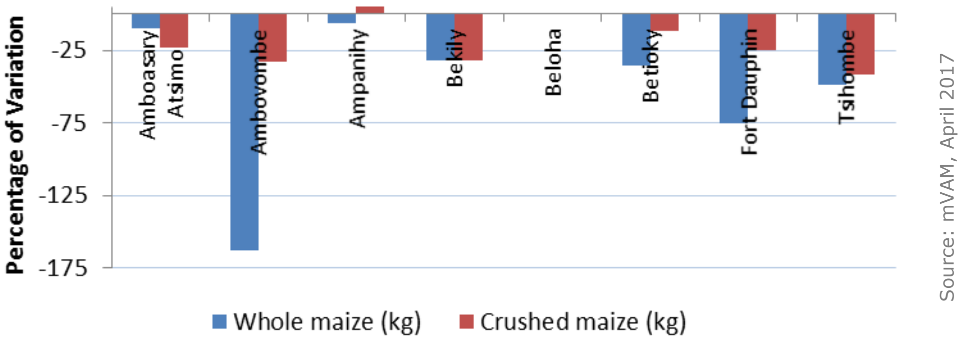
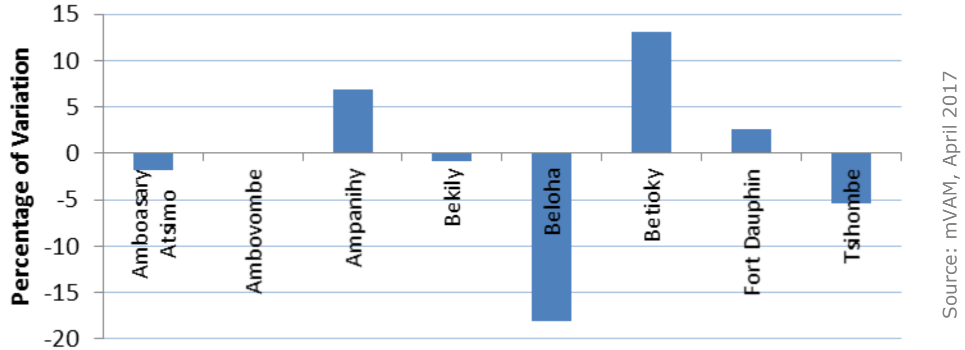


Figure 5: Price variation for cooking oil between March and April, by district



Difficulties in accessing markets

In April, traders reported challenges in accessing their markets for both suppliers and consumers. About 47 percent of traders said that their farthest consumers were walking more than 20 km to reach them. Around 15 percent said their farthest consumers were less than 5 km away. Over the half of traders said that difficult road conditions were a potential challenge for suppliers to reach their markets.

Figure 6: Word cloud

Source: mVAM, April 2017

For further information

Arif Husain arif.husain@wfp.org
Jean-Martin Bauer jean-martin.bauer@wfp.org
Andrew Odero andrew.odero@wfp.org
Maherisoa Rakotonirainy maherisoa.rakotonirainy@wfp.org

mVAM Resources:
Website: http://vam.wfp.org/sites/mvam_monitoring/
Blog: mvam.org
Toolkit: http://resources.vam.wfp.org/mVAM