

SUDAN MONTHLY MARKET UPDATE

Produced by the Food & Agriculture Market Information System - Sudan
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The Food Security Technical Secretariat (FSTS) comprises several government agencies that work together to ensure maximum coordination on food security. Housed in the Ministry of Agriculture and Forestry, FSTS supports food security information systems, provides policy briefs, monitors policy impact, and analyzes food security at the local level.



The Food & Agriculture Market Information System - Sudan (FAMIS) collects crop, livestock, and horticultural and animal products prices from major markets on a weekly basis. Using a standard methodology that ensures accuracy and objectivity, FAMIS gathers data from a national network of market watchers through an SMS web



The Famine Early Warning Systems Network (FEWS NET) was created by USAID in 1985 to provide early warning of food emergencies. In partnership with international and national agencies, FEWS NET monitors and analyzes data on weather, climate, agricultural production, prices, trade, and livelihoods in 36 countries. Reports are available at www.fews.net.

SUMMARY

- May is considered the ending of the post-harvest season and the transition period towards the lean season in Sudan when the local supply of cereal at households and markets starts to diminish and demand for local consumption increase, households begin to rely on markets purchase and prices start seasonally increase.
- May 2022 coincided with poor macroeconomic, low production from season 21/22, high cost of production and marketing. Cereal and non-cereal food prices increased at higher rates than usual compared to the same period last year and the average of the past five years.
- Across all monitored markets in Sudan, sorghum and millet prices, the main staple food for most people have significantly increased. The national average Sorghum prices have increased by 188 percent during May 2022 compared to the same time last year May 2021 and 644 percent compared to the recent five years average. The national Millet prices have increased by 202 percent compared to the same time last year and more than 700 percent compared to the recent five years average.
- The national average prices of locally produced wheat increased by 203 percent compared to same time last year and 650 percent compared to last five years average.
- In most markets, livestock prices remained stable, slight decreased or increased. The livestock sector is mainly affected by high cost of fodder and water, increased markets fees, high transportation cost in addition to intercommunal clashes in some areas in Darfur.
- WFP local food basket cost (LFB) increased to 422.34 SDG in May compared to 405.28 SDG in April 2022 i.e. 141 percent higher compared to last year.
- In May, the official foreign exchange rate was around 446.35 SDG/USD while the commercial banks are trading around 567SDG/USD (Figure 3) and remained stable at 570 SDG/USD in the parallel market.
- According to Sudan's Central Bureau of Statistics (CBS), the national inflation rate in May decreased by 28.50 points to 192.21 percent compared to 220.71 percent in April.

Figure 1: National Wholesale cereal prices (SDG/90KG)

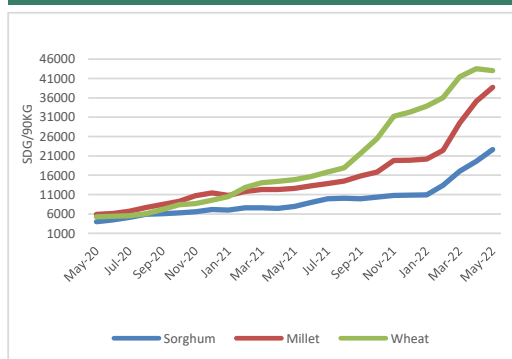
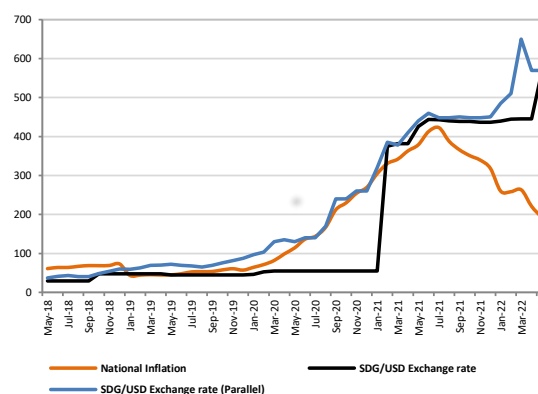


Figure 2: Macro-economic data



Source: The Food & Agriculture Market Information System (FAMIS methodology) and the Central Bureau of Statistics (CBS) www.cbs.gov.sd International prices are from USDA and International Grain Council, www.fao.org/giews/pricetool. Exchange rate is from Central Bank of Sudan www.cbos.gov.sd



This report, produced by FAMIS with technical and financial support from FSTS and FEWS NET, is available at www.farmers.sd. For more information, contact nzeinelabdein@chemonics.com.

MARKET ANALYSIS



Sorghum wholesale prices:

During May, Sorghum wholesale prices increased by 10-35 percent through all monitored markets. In comparison to April 2022. A noticeable price increase was reported in Kosti with 35 percent while the lowest increase was at El Obeid (North Kordofan State) with 10 percent during the reporting period. The unnormal highest increase recorded in Al Genena market by 62 percent is mainly attributed to the low production in addition to the intercommunal clashes affected the market's activity and restricted the commodity movement between the localities. Sorghum Prices remained high by 100-280 percent compared to last year and remained more than five times above the five-year average.

Millet wholesale prices:

Millet prices increased by 5-45 percent through all monitored markets. in markets of Ed Dean, Singa, Zalingei, Dongla millet prices increased by 23, 13,14 and 10 percent respectively while increased by 5-9 percent in the other markets. The highest prices were record at Al Damer by 45 percent because of the high demand for the traditional mining area followed by Al Genena by 39 percent due to low supply resulted from the below average production and clashes. Millet prices remined above last year by 100-250 and more than 5-8 times in the last five years average.

Locally produced Wheat:

Sudan's annual wheat consumption is estimated at around 2.65 million tons; the current crop forecast is only around 600 thousand tons which is 13 percent below both last year's output as well as the past five-year average. The shortage of improved seeds and fertilizers, and the removal of government subsidies for both fuel and electricity contributed to the significant shift in the cost of production and the anticipated reduced crop production.

Wheat farmers in the Gezira irrigated scheme; which produces almost 50 percent of Sudan's annual production; started to show solidarity to hold their crops to reduce the market supply and to exert pressure on the government and the Agricultural Bank, who became reluctant in activating the crop purchase at the pre-set price of 43000 SDG/ 90 Kg bag. The farmer's step seems influenced the wheat price in Medani (capital of Gezira State) as the wheat wholesale prices increased by about 19 percent between April and May. Wheat prices either increased or decreased in most of the monitored markets during the reporting period. The highest price decrease was reported in Dongola (Northern State), one of the typical wheat production centers, with 27 percent between April and May 2022; while the highest increase was observed in Nyala by 20 percent due to high transportation cost.

Livestock prices:

Same as cereals; the macroeconomic factors and increase in cost of breeding in terms of labor, vaccines, and transportation cost remained behind the increase in livestock prices despite the water and fodder availability. According to the CFSAM report issued in March 2022; the animal body conditions were assessed to be good to very good using Pictorial Evaluation Tool (PET), however, the pasture conditions were less favorable compared to last year and would deteriorate through the lean season up to the setup of the rainy season towards mid-July. Such conditions would probably raise conflicts between herders and farmers, incidents that are more frequent during drought years. livestock prices either remained relatively stable or continued to increase at lower rates compared to the main staple crops.

Livestock exports and especially sheep, faced some constraints during the past months either due to relatively low immunity than the importers requested standards or due to some logistic constraints.

Goat prices increased by 10-18 percent in May compared to April across most main markets; sheep prices followed the same trend but a relatively higher rate with 10-33 percent increase during the reporting period. The current price trends are attributed to general inflation in the country and particularly in the rural areas. The augmenting transportation cost that reduces local producers' ability to access some main markets. The reduced supplies resulted from the several intercommunal disputes that are currently taking place in West Darfur and South Kordofan states. May 2022 prices of sheep and goat are almost 100-250 percent above last year and almost five times above the five-year average.

Sheep:

Sheep prices in Darfur region started to show a mixed trend between April and May 2022. Geneina reported decrease by 4 percent while the increasing demand in anticipation for Adha Eid and pilgrim season early July resulted in a 33 percent increase in Ed Deain (East Darfur State) while in the other regions of Sudan remained remarkably stable in a range of 3 to 17 percent increase between April and May 2022. Sheep prices increased in all monitored markets by 50-290 percent in relation to last year and above 5 years average by 3-7.5 times.

Goat:

May goat price trends were almost identical to that of April 2022. The highest increase was reported in Ad Damazine (Blue Nile State) with 18 percent, the increase is attributed to purchases for poverty alleviation programs carried by NGOs through restocking that targets beneficiaries in some rural areas of the state while prices in the other monitored markets were either remained stable of slightly increased in a range of 6 to 13 percent.



NOMINAL AND REAL WHOLESALE PRICES OF CEREAL & TERMS OF TRADE AND SHEEP PRICES

Figure 3: Real versus nominal sorghum prices Om Durman, (Khartoum State)

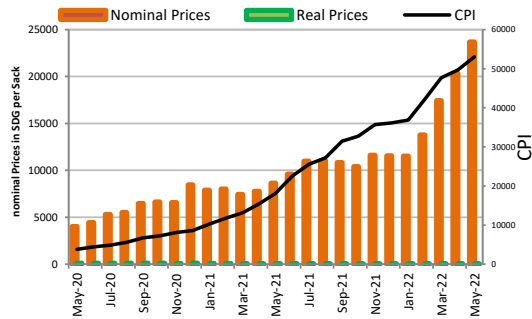


Figure 4: Sorghum Regional and International Comparison

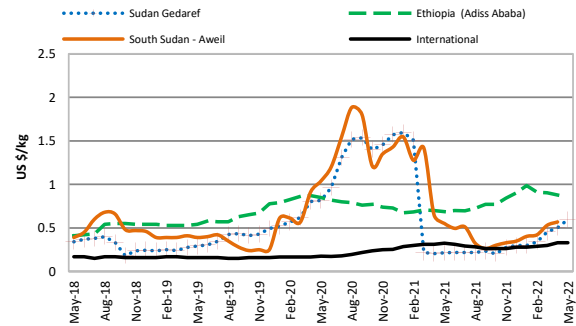


Figure 5: Real versus nominal Sheep prices in Om Durman, (Khartoum State)

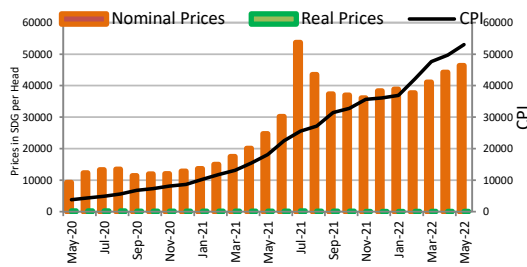


Figure 6: Sheep for Sorghum (Kg) Terms of Trade

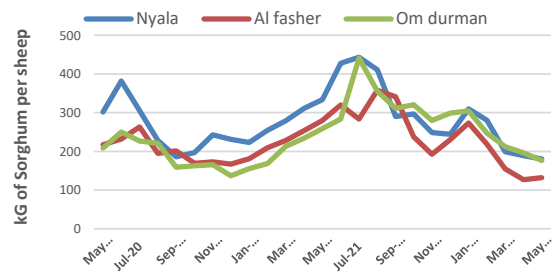


Figure 7: Nominal sorghum prices in the surplus producing areas of the country

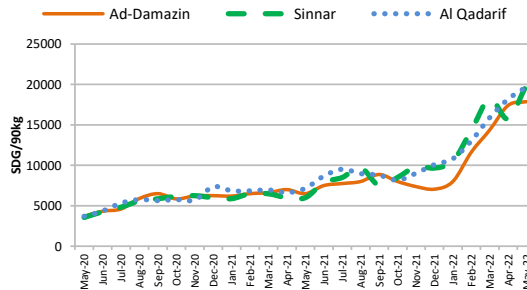


Figure 8: Nominal sorghum prices in the main consuming areas of the country

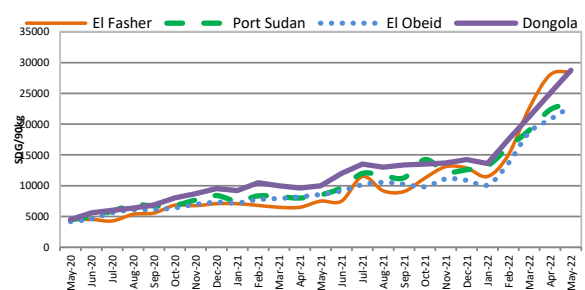


Figure 9: Nominal millet prices in Darfur States

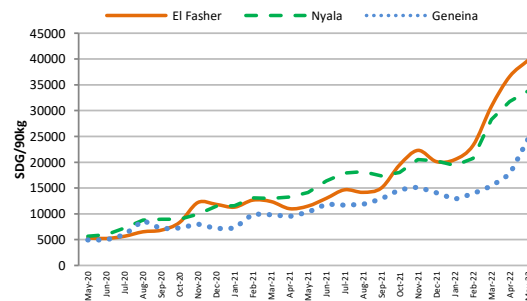
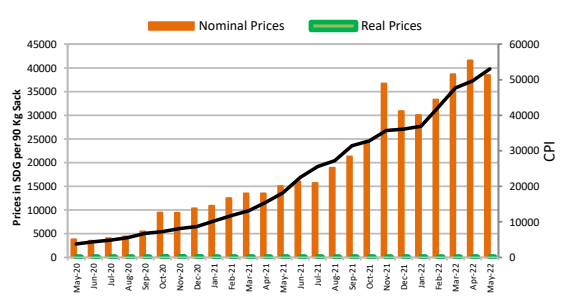
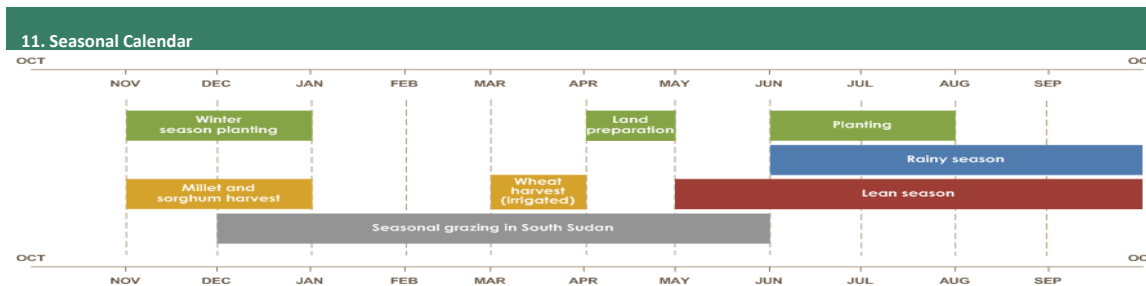


Figure 10: Real versus nominal wheat prices Om Durman,



SEASONAL CALENDAR AND KEY MARKETS MONITORED IN THE REPORT



MARKET OUTLOOK

Outlook

The poor macroeconomic situation remains the major factor in determining the households' purchasing power which is most likely to remain far below average. Sudan is likely to continue experiencing further currency devaluation and surging inflation rates. The prices of essential goods of food and non-food items including fuel, electricity and agricultural inputs are likely to remain high across the country.

Cereal prices in the monitored markets are likely to remain 100-150 percent than last year and 3-6 times above the five-year average.

Livestock prices are likely to stabilize or increase during July as the set of the rainy season would improve the pasture and water conditions. On the other hand, the high cost of feed and its transportation costs; would induce livestock prices to further increase as the rainy season proceeds to the harvest time where the grazing of crop residues will significantly improve the animals body conditions.

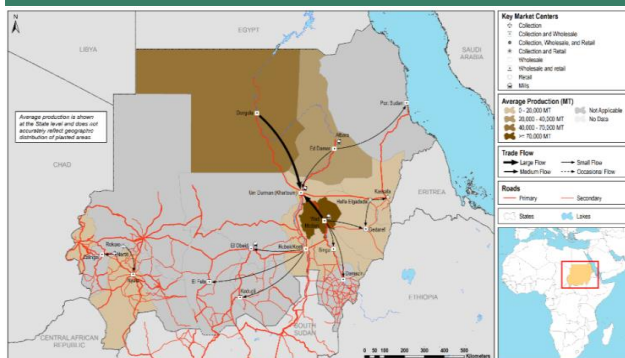
The high inflation rate would induce livestock prices to remain more than doubled compared to last year and over 3-5 times above the five-year average.

The more frequent civil unrest and demonstrations across various parts of the country and the absence of executive government together with the lack of enough USD reserves at the central bank are likely to continue impacting market functionality and export and import activities and the availability of cash liquidity.

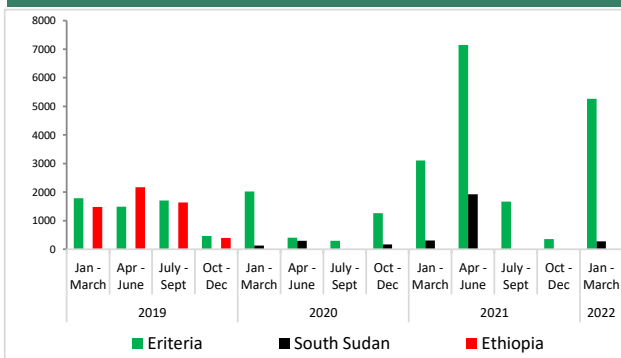
Households are likely to face more difficulties accessing the markets with reduced purchasing power, and they will be forced to use different coping strategies.

The current economic crises which are exacerbated by the Ukraine conflict through shifting the fertilizers prices that adds to the already high production cost of the agricultural production especially to the irrigated sector, a situation that stresses the faltering preparations for the new agricultural season considering the lack of funding for the financially distressed farmers and the high prices of improved seeds and fuel shortages.

12. Sudan local wheat production and trade flow map



13. Cross border exports of sorghum in metric tons



Source: FEWS NET in collaboration with stakeholders from local government ministries, market information systems, NGOs, and private sector partners, using a mix of qualitative and quantitative data.