

SUDAN MONTHLY MARKET UPDATE

Produced by the Food & Agriculture Market Information System - Sudan
Bulletin December 2019



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, 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 platform.



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

- Despite the continuous of harvest season during November, the retail and wholesale prices of the main staple food are still volatile.
- Staple food prices indicated mixed trends between October and November, a time when availability of harvests should begin to result in seasonal declines in prices for locally produced cereals. That is mainly attributed to the continuous macroeconomic challenges, high cost of production and transportation combined with continued depreciation of the Sudanese Pound.
- In many markets the prices started to slightly decrease or increase in compare to previous month. Although the decline in stable food prices is seasonal however it didn't reach the level reflecting the harvest period.
- The influence of local currency devaluation is still on, many farmers will wait until get good prices to afford the high prices of non-cereal food items or selling through border in the neighboring countries where the prices is more incentive
- Continued shortage of hard currency, and depreciation of the Sudanese Pound (SDG), shortage of hard currency has significantly reduced the ability of both the private sector and the government to import required essential food and non-food items.
- According to the Central Bank of Sudan (CBS), the Sudanese pound official exchange rate for October remained at 45 SDG per 1 USD while the parallel market exchange rate increased on average to 81.5 SDG during November compared to 75.5 in October.
- According to the Sudan Central Bureau of Statistics (CBC) The national inflation rate increased to 60.67 in November compared to 57.7 in October 2019 as result of increase in food and beverage which contributes by 61.22 percent in the inflation.

Figure 1: Nominal sorghum prices for Om Durman (Khartoum state)

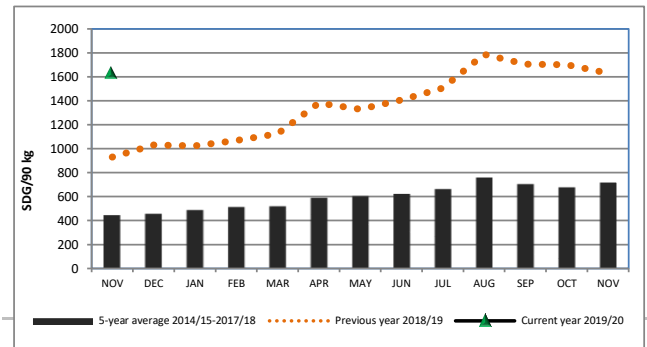
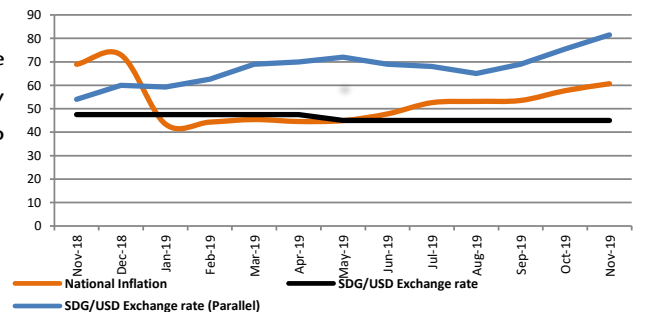


Figure 2: Macro-economic data



Source: The Food & Agriculture Market Information System (www.farmers.sd) 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@fews.net.

MARKET ANALYSIS



Market Analysis:

Sorghum and millet wholesale prices have continued atypical increase across most markets in Sudan during harvest period between October and November 2019, when typically, prices tend to decrease seasonably with the progression of harvest.

sorghum prices increased between 5 to 25 percent in ElNhoud, El Geneina, Kadogli, Kassala Nyala and Zalingi while slight decrease in Damazin, Dongla, Kosti, Madani and Singa



Millet wholesale prices also increased between 8 to 20 percent in most of the production and consumption markets of Al Damazin, Gadarif, Al Fasher, Al Nhoud, Elobied, Al Genenea, Om Durman, Singa and Zalingi.

Locally produced wheat increased by 7%, 11%, in Elfasher, Kosti and Sinnar markets respectively. and remained either stable or slightly reduced in the remaining markets. November levels of wholesale prices were on average 15 to 90 percent above their respective last year 2018 while remained 150 - 330 percent above their recent five-year average.



Livestock prices: following its increase in November Sheep prices showed mixed trend, where its increased by 24 %, 14 %, 10 %, 8 %, and 6 % in markets of Sennar, Ed Dean, Zalingi, Nyala, and Rabak markets respectively. While decreased by 14 %, 10 %, 10 %, 9 %, and 7 % in markets of Dongola, Kassala, Al Damer, Omdurman, and Gedarif respectively. Sheep prices remained above the last year ones by 19-250 percent and above the 5 years average by 150-510 percent.

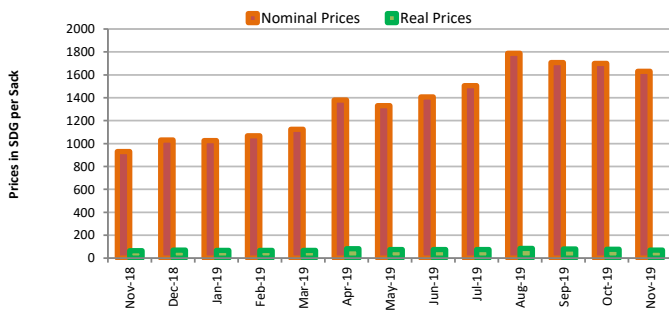
Goat prices continue to be high where increased by 24 %, 19 %, 14 %, and 8 % in markets of Nyala, Sennar, Zalingi, and Medani markets respectively while remained stable, slightly increased and slightly decreased in the remaining markets. Goat prices remained high by 60-380 percent compared to last year and 160-790 percent above the previous 5 years average.

Cattle prices showed mixed trends stable, slightly increased and slightly decreased, while significantly decreased by 43 % in Um Durman market compare to previous month. The cattle prices remained higher than last year by 5-140 percent except in Port-Sudan market as it decreased by 29 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)



5. Real versus nominal livestock prices in Omdurman, (Khartoum State)

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

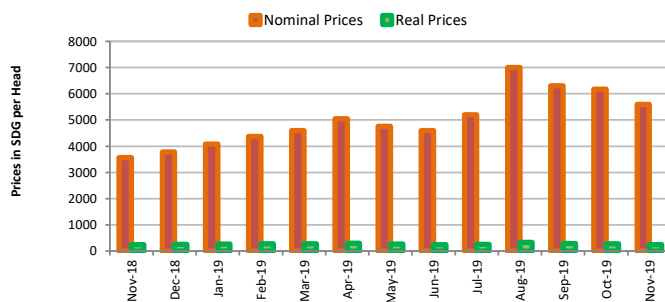


Figure 4: Sorghum Regional and International Comparison

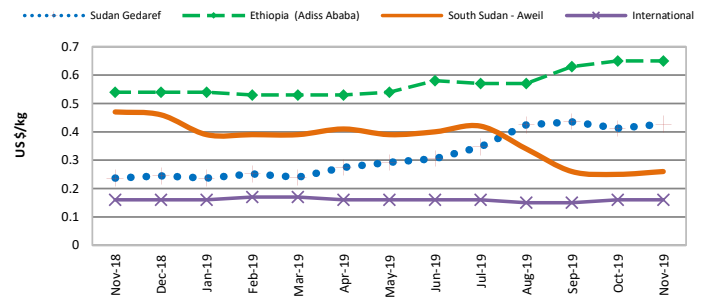


Figure 6. Sheep for Sorghum (Kg) Terms of Trade

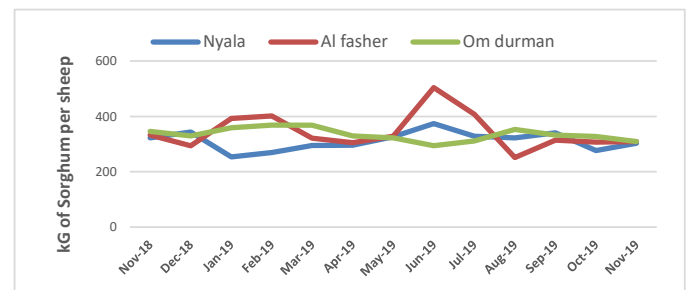


Figure 7. Nominal Sorghum prices in the surplus producing areas of the country

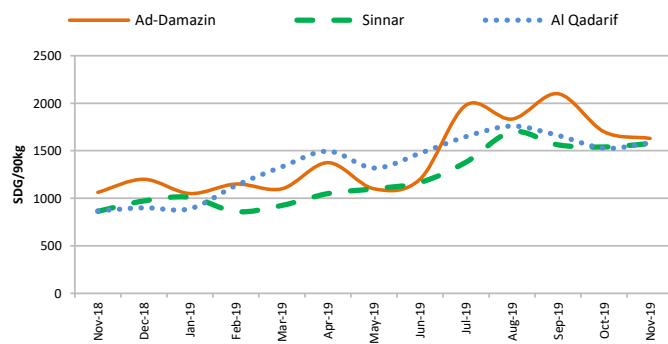


Figure 8. Nominal Sorghum prices in the main consuming areas of the country

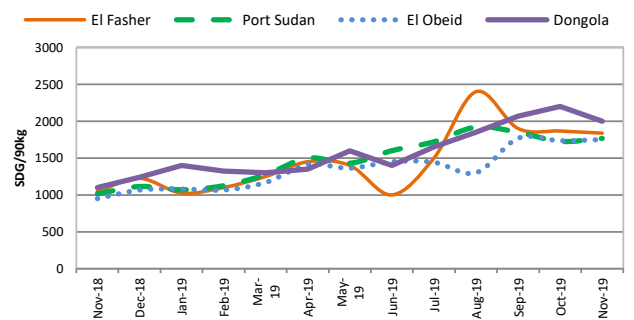


Figure 9. Nominal Millet prices in Darfur States

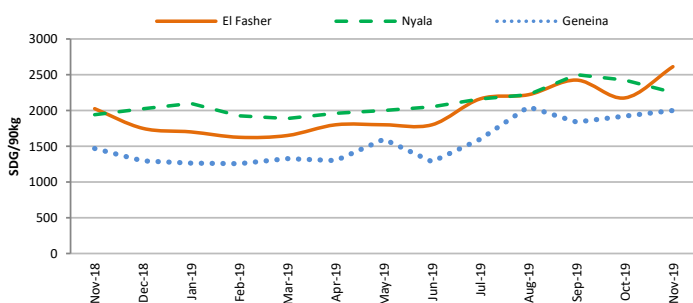
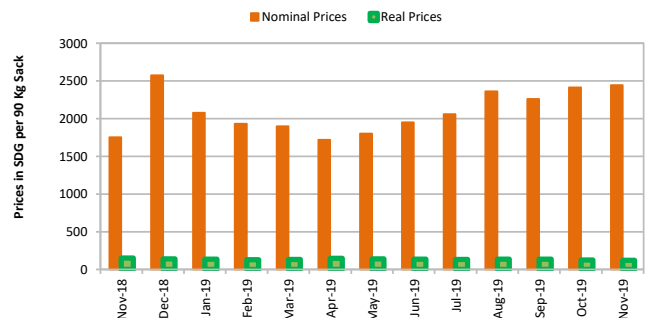
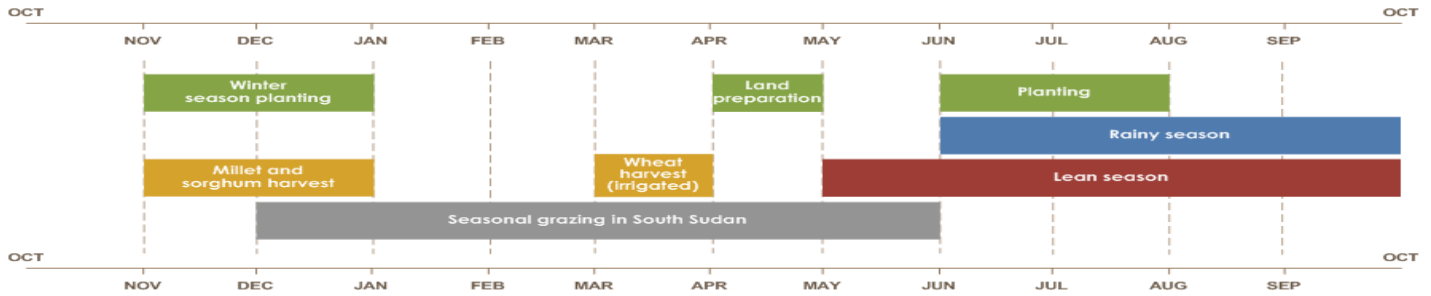


Figure 10: Real versus nominal Wheat prices Om Durman, (Khartoum State)



SEASONAL CALENDAR AND KEY MARKETS MONITORED IN THE REPORT

11. Seasonal Calendar



Market outlook:

Market supplies of locally produced main staples (sorghum and millet) expected to remain unchanged and below average throughout January a time when farmers will start releasing good supply of cereal to the markets as they have to re-pay their loans and prepare for the upcoming season.

Demand for local consumption is likely to reduce seasonally with improved availability of household's own production while demand for informal flows of sorghum and millet to neighboring countries of Ethiopia, Chad, Eritrea and South Sudan expected to continue increasing during outlook period as Sudanese pounds depreciation likely to trigger active informal cross-border sorghum flows.

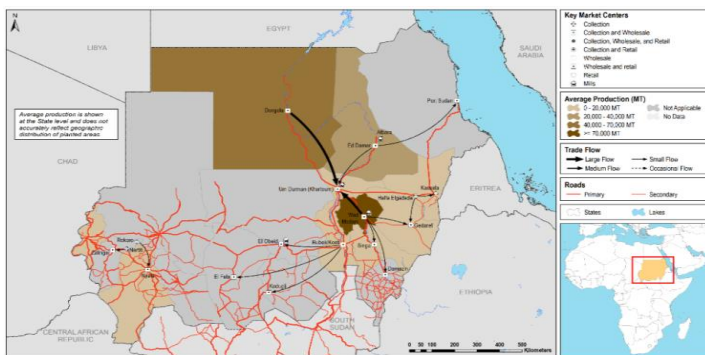
During December –January the prices of staple food prices remain much higher than in past years and much higher than is typical for this time of the year.

Livestock prices are expected to start slight decrease as the pasture and water conditions will improve through January 2020, yet it will remain higher than previous year and 5 years average. The prices likely to be triggered by devaluation of Sudanese pounds. The livestock supply to local market is likely to seasonally increase with the increase of local consumption as well as demand for informal cross-border trade with neighboring countries is expected to remain high.

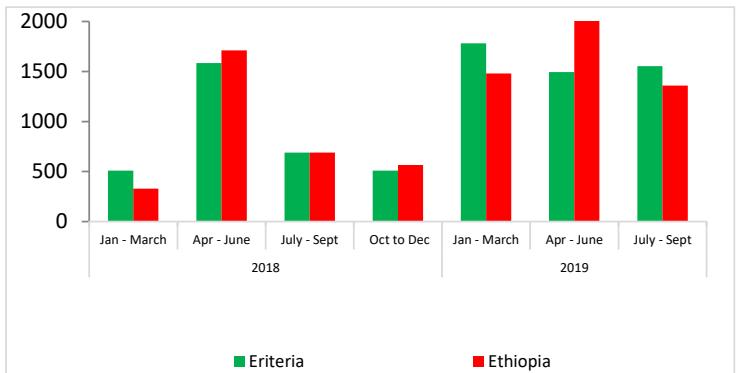
Macroeconomic challenges in form of local currency depreciation, high inflation and shortage of foreign currency is expected to persist during outlook period.

There are some expectations of lifting of the government support from hydrocarbons and this likely to further increase the cost of production during the winter season mainly the fuel prices.

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.