

SUDAN MONTHLY MARKET UPDATE

Produced by the Food & Agriculture Market Information System - Sudan
Bulletin December 2020



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,



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

- During November, which normally witnesses seasonal decline of food prices however, the prices of locally produced staple foods continued increasing.
- The agriculture season 20/21 witnessed extremely high production, labor and transportation costs due to the continued depreciation of the Sudanese Pound and high inflation rate.
- Across most markets, the prices of Sorghum, millet and Wheat increased by 10-40 percent, and remained 250-300 percent higher than respective prices last year and 550-680 percent higher than the five-year average.
- Sudan's government removed all fuel subsidies, which led to an initial 400 percent increase in fuel prices, driving an over 100 percent increase in transportation costs.
- According to the Sudanese Central Bureau of statistic, the inflation rate increased from 229.85 percent in October to 254.34 percent in November. the inflation rate increased because of the high prices of foods and beverage group, especially the prices of bread meat and grains in addition to increase in transportation cost.
- The Sudanese Pound in the official market remained unchanged as it remained at 55 SDG/USD. While a rapid deterioration of the local currency in the parallel market has been recorded as the exchange rate increased to 260 SDG/USD in November compared to 240 SDG/USD in October.

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

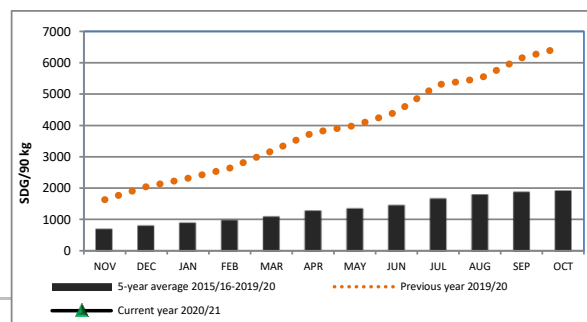
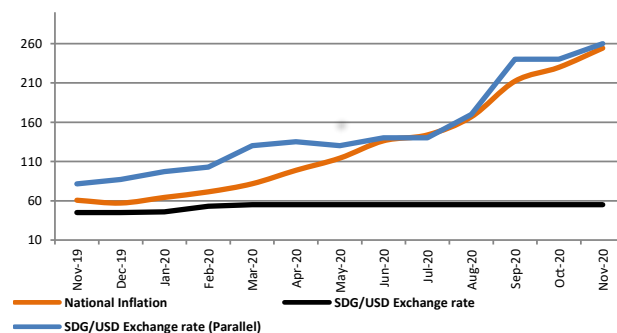
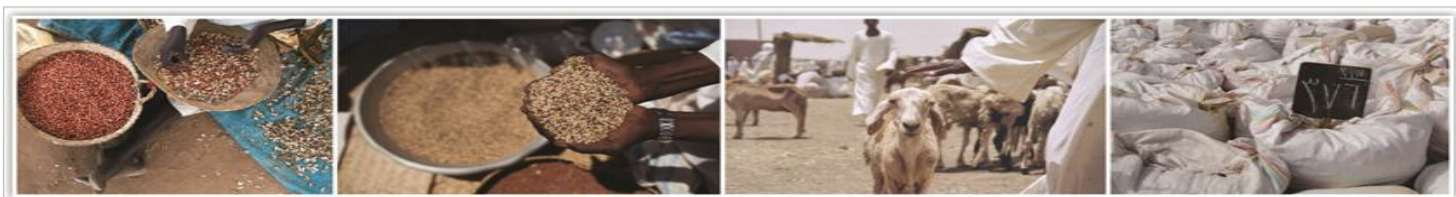


Figure 2: Macro-economic data



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 prices: during November, Sorghum prices showed mixed trends between increased and slight decreased compared to October 2020, the highest prices were recorded in Al Genena 27 percent followed by Al Dean 18 percent and increased between 5-15 percent in other markets, while the lowest decreased were recorded at Zalngi 25 percent and showed slight decrease in some markets. Sorghum Prices remained high by 150-340 percent compared to last year and remained high between 400-900 percent compared to the five-years average.

Millet prices witnessed significantly increased in most of the markets between 10 to 45 percent, the highest increase recorded in El Nuhud, Al Obied, Kadogli, Sinnar and Singa, Gadarif and Port Sudan and Al Damer by 45, 30, 27, 21,19 and 13 percent respectively compared to last month. Other markets recorded slight increase while the Prices decreased in Zalngi and El Deain by 17 and 8 percent respectively. Millet prices remained high in all markets by 150-360 percent compared to last year and between 500-900 percent above the 5 years average.

Locally produced Wheat prices showed mix trend as prices increase in few markets while other markets showed slight decrease or remained stable. wheat prices remained above the last year by 100-330 percent and above the 5 years average by more than five times across all markets.

Livestock prices:

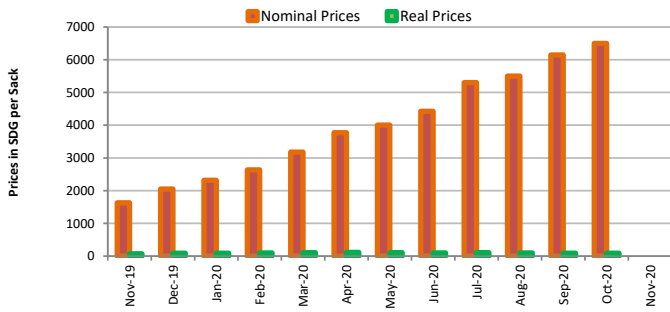
Goat prices showed mixed trends compared to previous month as increased by 5-20 percent in markets of Al Qadarif, Kadugli, Medani, Nyala, Omdurman and Sinnar while showed a mixed trends of slightly increase, slightly decreased and unchanged in the rest of monitored markets compared to the previous month. Goat prices remained higher than last year by 37-380 percent and above the five-year average by 2-9 times.

Sheep prices increased in most of monitored compared to previous month, the highest increase recorded by 39 and 47 percent in Nyala and Geniena markets. Sheep prices continue to remain above the last year by 27-258 percent and more than three times above the five-year average.

Same as cereals the macroeconomic factors and increase in cost of transportation and breeding in terms of labor, vaccines and transportation.

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)

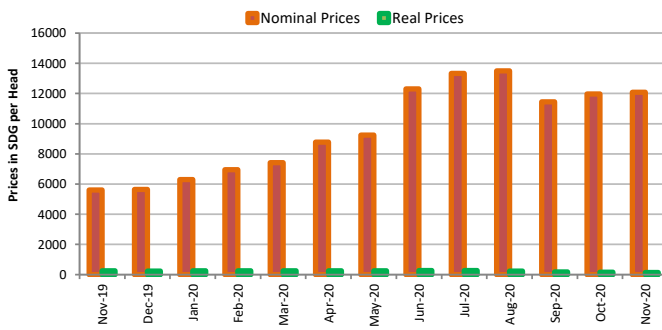


Figure 4: Sorghum Regional and International Comparison

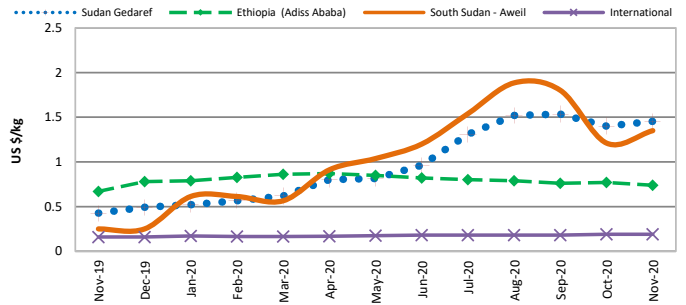


Figure 6. Sheep for Sorghum (Kg) Terms of Trade

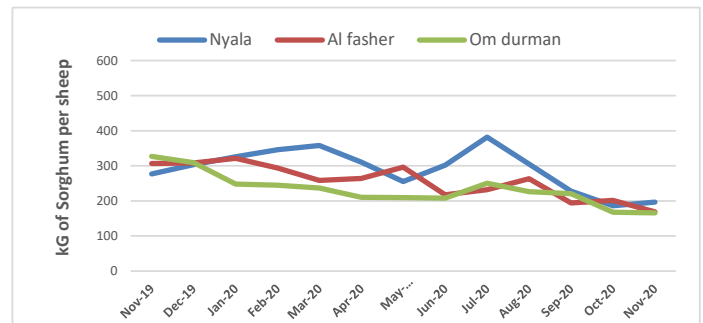


Figure 7. Nominal Sorghum prices in the surplus producing areas of the country

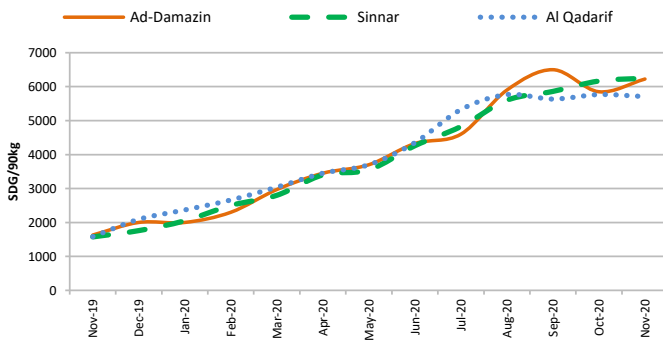


Figure 8. Nominal Sorghum prices in the main consuming areas of the country

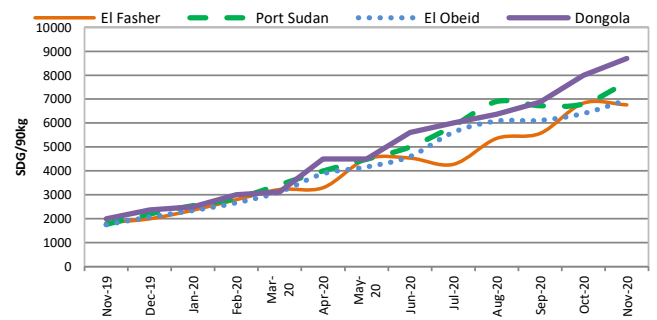


Figure 9. Nominal Millet prices in Darfur States

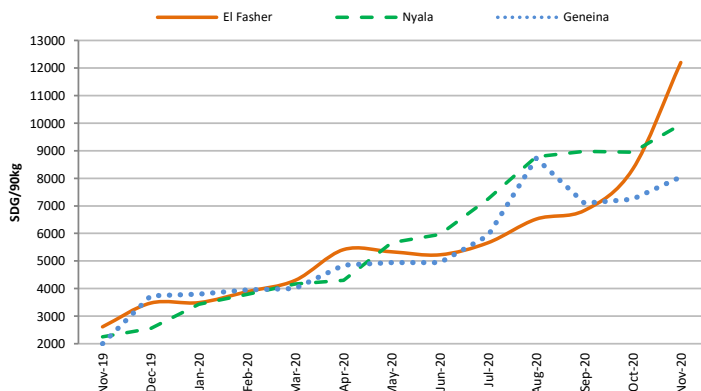
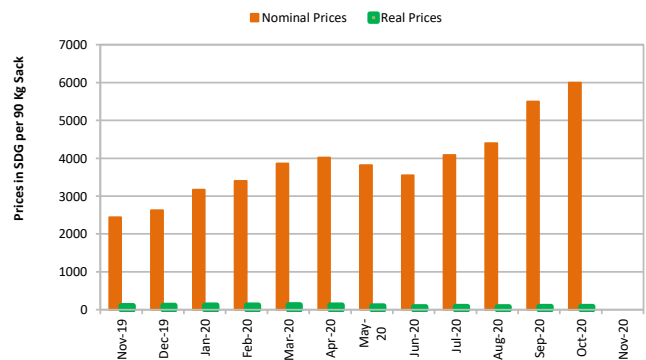
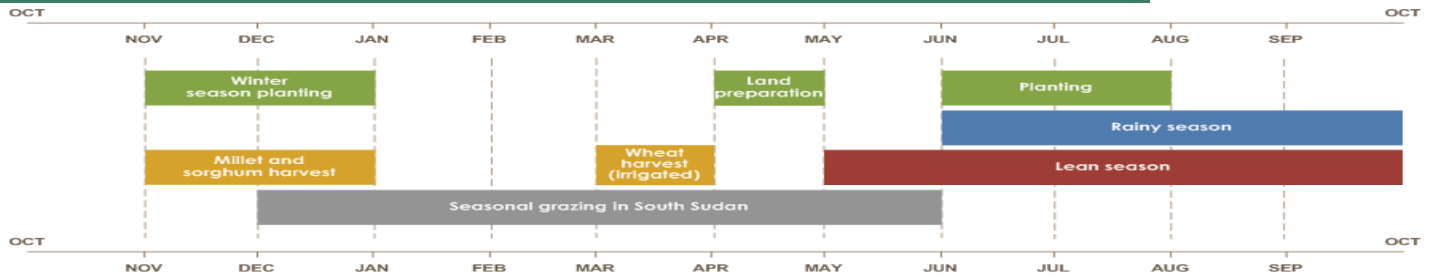


Figure 10: Real versus nominal Wheat prices Om Durman, (Khartoum State)



SEASONAL CALENDAR AND KEY MARKETS MONITORED IN THE REPORT

11. Seasonal Calendar



Outlook:

Market supplies of locally produced main staples (sorghum and millet) likely to continue improves during December-February (harvest and post-harvest period). Farmers likely to continue release their crops and increase supply to main markets.

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.

Overall production likely to remain average to below average due to impact of heavy rains and flooding in irrigated and mechanized sectors.

The impact of macroeconomic challenges expected to persist through December 2020 in addition to cost of laboring during harvest expected to remain above average as well as cost of transportation as fuel prices increased by 5 times compared to previous month.

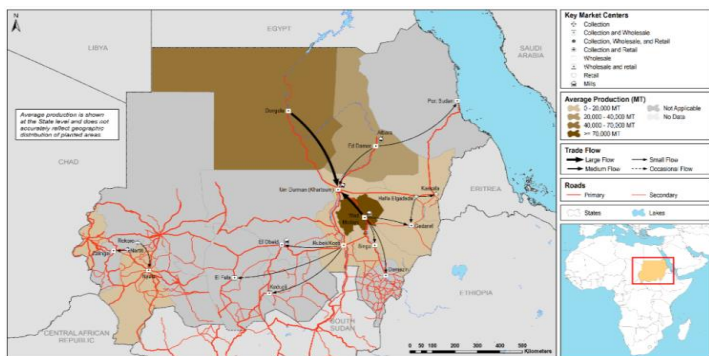
Sorghum and millet prices are expected to show mixed trends in December yet dominated by stability and slight decrease in production areas, in high consumption areas prices likely to remain over 70-200 percent higher than last year and 2-6 times above the five-year average. Prices for locally produced wheat will also continue to increase and will remain about 200 percent higher than last year's prices and 350-400 percent above the five-year average.

Livestock prices likely to show mixed trends dominated by slight decrease despite the improvement in access to fodder and water during upcoming month. However, the cost of laboring, transportation and vaccines likely to remain high due to macroeconomic difficulties.

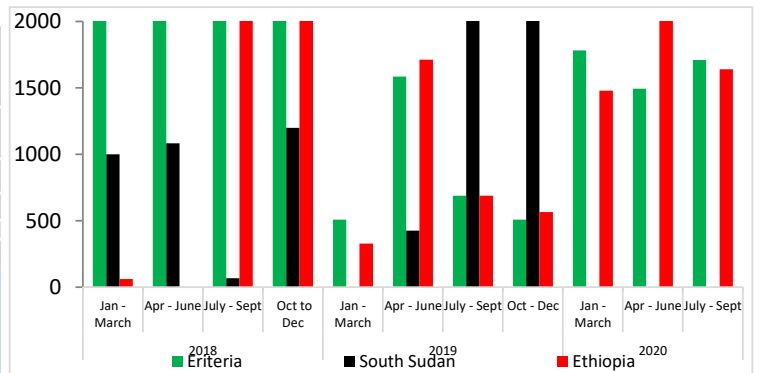
Sheep and Goats prices expected to continue slight increase and remain above the last year by 25 to 300 percent, and three times above the 5 years average.

The local currency depreciation, high inflation and shortage of foreign currency is expected to remain in same level. The demand over hard currency expected to increase mainly by private sector to import commercial fuel meanwhile supply to official points (banks) remains minimum. The exchange rate in parallel informal market likely to remained unchanged or slightly reduces compared to November 2020.

12. Sudan local wheat production and trade flow map



13. Cross border exports of sorghum in metric tonnes



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.