

SUDAN MONTHLY MARKET UPDATE

Produced by the Food & Agriculture Market Information System - Sudan
Bulletin February 2021



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

- January is part of harvest period of summer crops and harvest of some winter crops in Sudan, the new production increased local production and contributed to stability and slight seasonal reduction of Sorghum and Millet prices in some of monitored markets, yet, observed prices remained higher in compared to last year and five- years average in most markets.
- The official fuel prices increased from 112 SDG/Liter to 115 SDG/liter meanwhile the fuel scarcity forced goods transporters to purchase from black market which is 3-5 times of official prices. The continued depreciation of the Sudanese Pound as part of macroeconomic challenges remains the main driver for price increases.
- According to the Sudanese Central Bureau of statistic, the inflation rate increased to 304.33 percent in January compared to 269.33 percent in December 20. 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 320 SDG/USD in January compared to 260 SDG/USD in December2020.

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

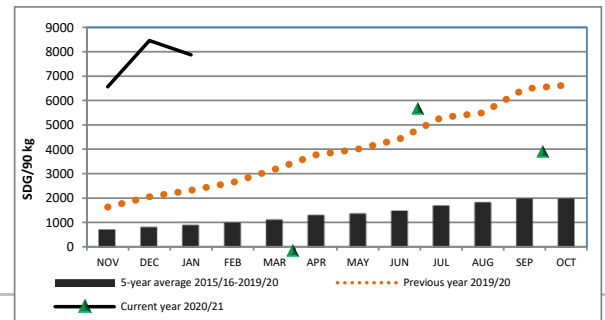
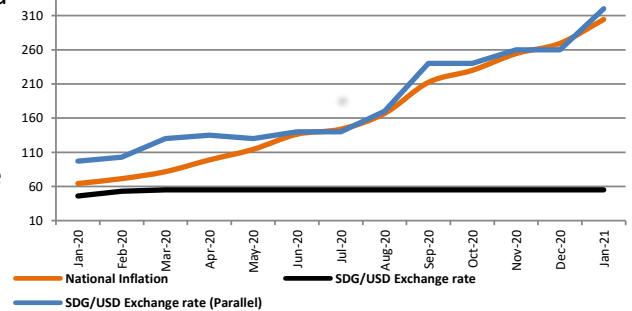


Figure 2: Macro-economic data



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 retail prices: during January Sorghum prices showed mixed trends of slight decrease, remained stable or slight increase in most monitored markets. Sorghum prices decreased by 6-21 percent in markets of Ed Damazin, Medani, Port Sudan, Geneina, Kassala, Sennar and Zalingei. Sorghum prices increased only in Ed Dean market by 31 percent compared to December 2020. Prices remained high by 85-320 percent compared to last year and remained 5 to 10 times above the five-year average.

Millet retail prices decreased by 6-22 percent in markets of El Fasher, Ed Damazin, Kosti, Medani, Port Sudan, Geneina, Ed Dean, Sennar, Al Nuhood, and Zalingei while increased by 11-31 percent in El Obied, Kadugli and Damer compared to December 2020. Prices remained high in all markets by 1-6 times compared to last year and remained 4 to 11 times above the 5 years average.

Locally produced Wheat The prices of wheat remain high by 8-30 percent in almost all monitored markets compared to previous month. Local wheat prices remained above the last year by 100-360 percent and above the 5 years average by 3-8 times across all markets.

Livestock prices:

Goat prices showed increasing trend compared to previous month as it increased by 3-13 percent in most of monitored markets compared to December 2020. Goat prices remained higher than last year by 50-350 percent and above the five-year average by 3-8 times.

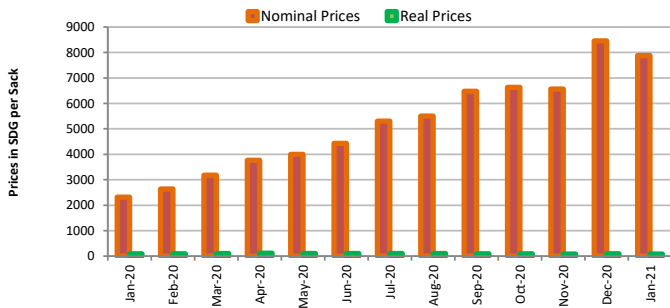
Sheep prices increased in most of monitored market by 5-30 percent while showed mixed trends of slight increase, slight decrease or remained stable in rest of monitored markets compared to previous month.

Sheep prices continue to remain above the last year by 60-300 percent and 2-8 times above the five-year average.

Same as cereals the macroeconomic factors and increase in cost of 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

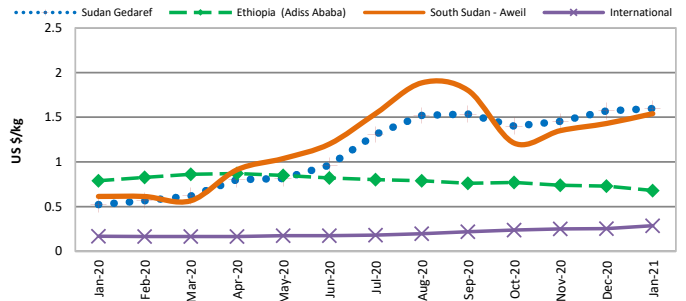


Figure 6: Sheep for Sorghum (Kg) Terms of Trade

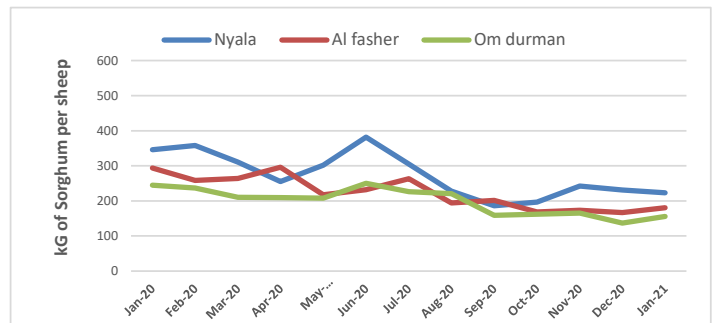


Figure 7: Nominal Sorghum prices in the surplus producing areas of the country

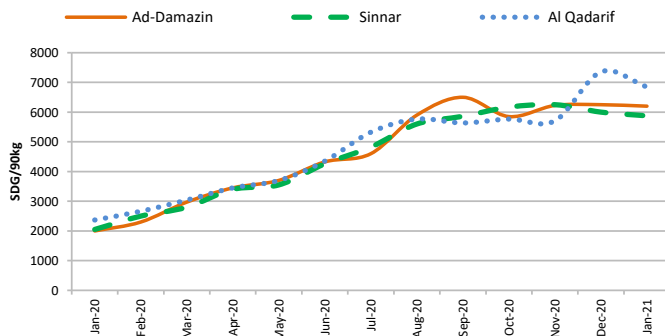


Figure 8: Nominal Sorghum prices in the main consuming areas of the country

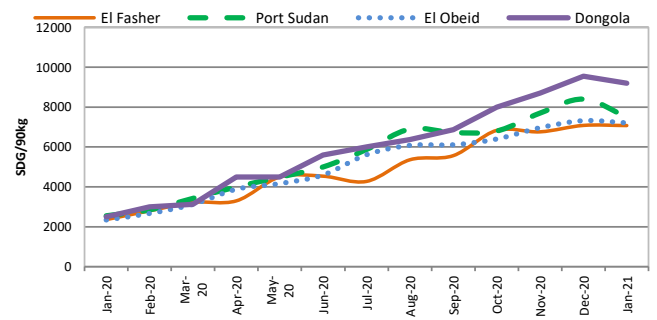


Figure 9: Nominal Millet prices in Darfur States

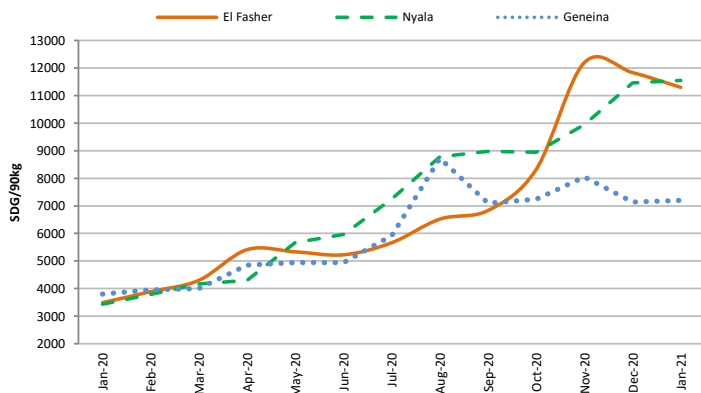
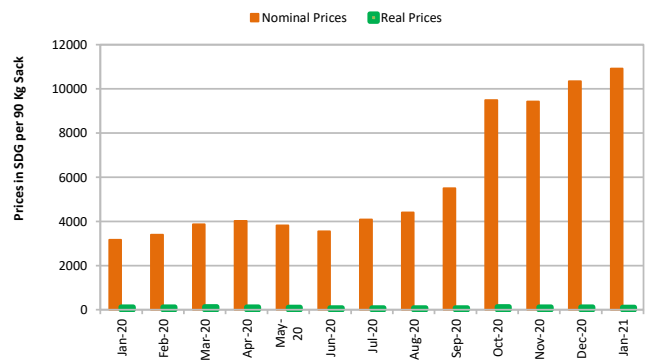
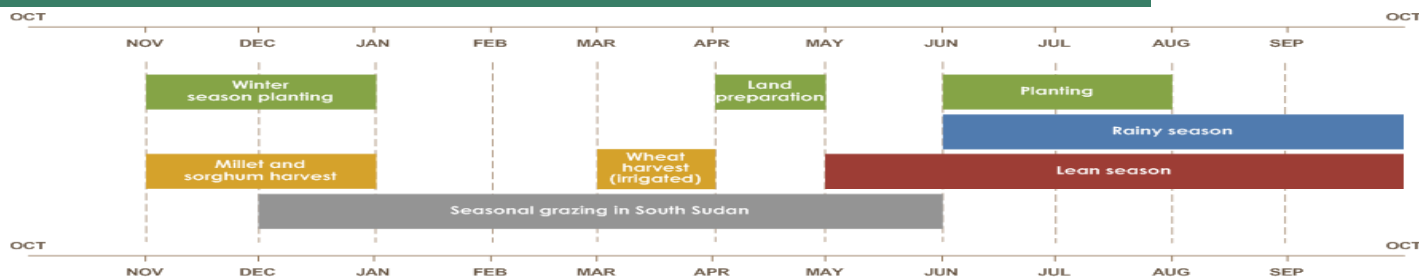


Figure 10: Real versus nominal Wheat prices Om Durman, (Khartoum State)



SEASONAL CALENDAR AND KEY MARKETS MONITORED IN THE REPORT

11. Seasonal Calendar



Outlook:

Market supplies of locally produced main staples (sorghum and millet) expected to start increase again throughout March 2021 as the transportation cost will remain high and prices of non-cereal food items and services attributes to macroeconomic difficulties will force cereal traders to increase their prices.

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 2021 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.

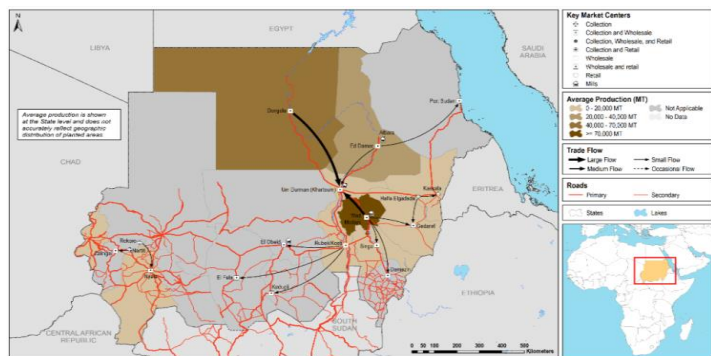
Sorghum and millet prices are expected to show mixed trends in February 2021 yet dominated by stability and slight decrease in production areas, in high consumption areas prices likely to remain over 70-180 percent higher than last year and 3-8 times above the five-year average. Locally produced Wheat prices likely to experience slight decrease in production areas, it will remain high in consumption areas and overall prices expected to remain 2-4 times above last year and 4-8 times above the 5 years average.

Livestock prices likely to show mixed trends dominated by increase despite the improvement in access to fodder and water during February however, the cost of laboring, transportation, and vaccines likely to remain high due to macroeconomic difficulties.

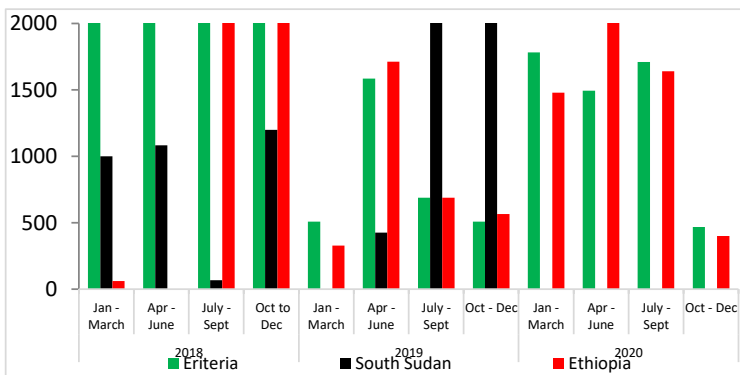
Sheep and Goats prices expected to continue increase and remain above the last year by 70 to 350 percent, and 6 times above the 5 years average.

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 by both government and private sectors to import commercial fuel meanwhile supply to official points (banks) remains minimum. The exchange rate in parallel informal market likely to increase significantly and reach above 400 SDG/USD during the month of February-March 2021.

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.