

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, 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

- Continued rise in prices of food and non-food commodities
- Despite the harvest season, the prices of main staple food are still increasing
- Sorghum and millet prices continued to increase in December in compare to November 2019, a time when availability of harvests should begin to result in seasonal declines in prices for locally produced cereals. The high cost of production remained driver combined with continued depreciation of the Sudanese Pound.
- 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.
- According to the Central Bank of Sudan (CBS), the Sudanese pound official exchange rate for December remained at 45 SDG per 1 USD while the parallel market exchange rate increased on average to 87 SDG during December compared to 81.5 in November.
- According to the Sudan Central Bureau of Statistics (CBC) The national inflation rate increased to 57.10 in December compared to 60.67 in November 2019.

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

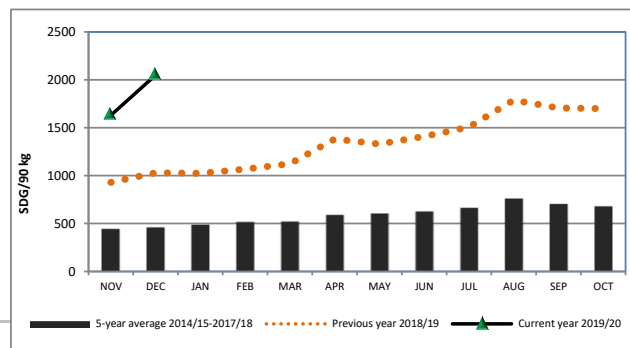
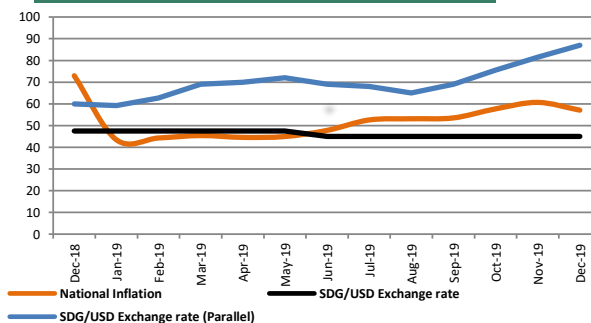


Figure 2: Macro-economic data



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 Zalngi 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 Zalngi.

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.

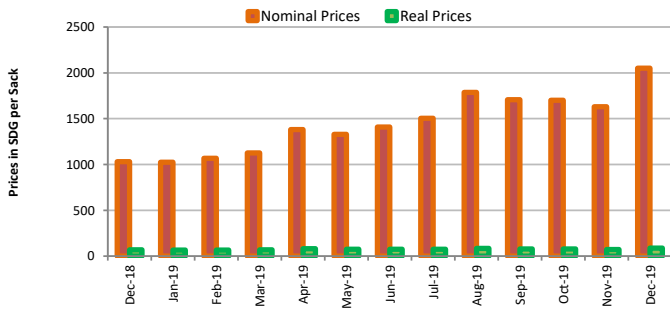
Livestock prices:

Sheep and goat prices continued to increase seasonally in most of monitored markets as its increased by 10-20 and 15-33 percent for sheep and goat respectively between November and December 2019, prices either remained unchanged or slightly decreased in other few markets. Goat and sheep prices were influenced by released information on expected resumption of export to Gulf states and improved animal body condition in addition o the overall macroeconomic changes. December level of price remained on average 80 and 120 percent above last year and 285 and 340 above the five-year average for sheep and goat respectively.

Cattle prices showed more stability compared to goat and sheep prices, price stabilized in most markets while increased 15 to 20 percent in Sennar, Kassala, El Obied and Zalingi markets. Cattle prices remained on average 145 percent higher than of the same period last year and 320 percent above the five-year average.

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)

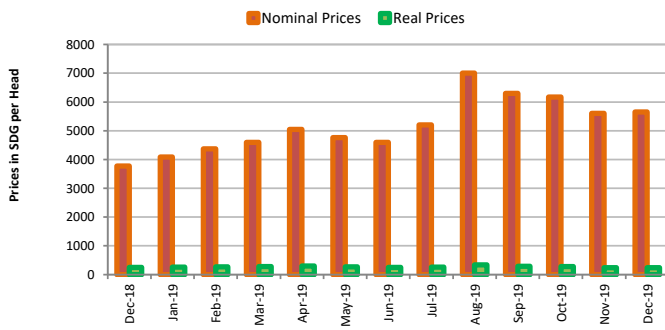


Figure 4: Sorghum Regional and International Comparison

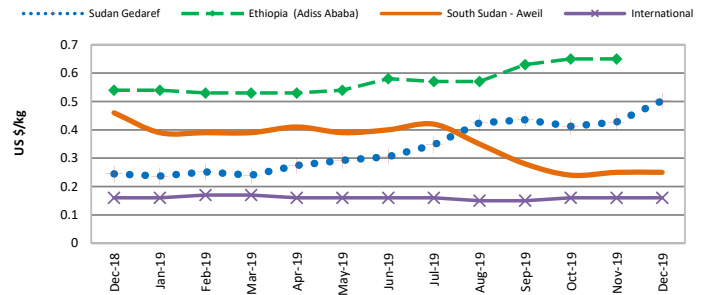


Figure 6: Sheep for Sorghum (Kg) Terms of Trade

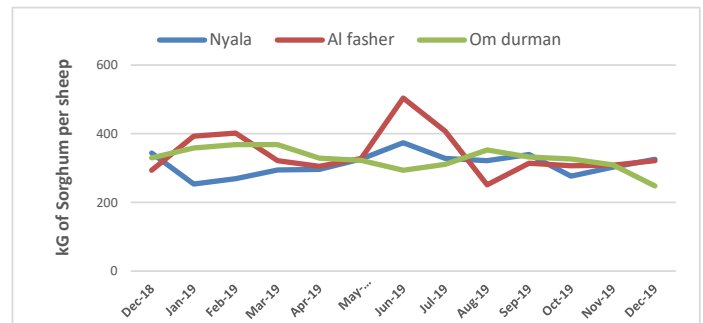


Figure 7: Nominal Sorghum prices in the surplus producing areas of the country

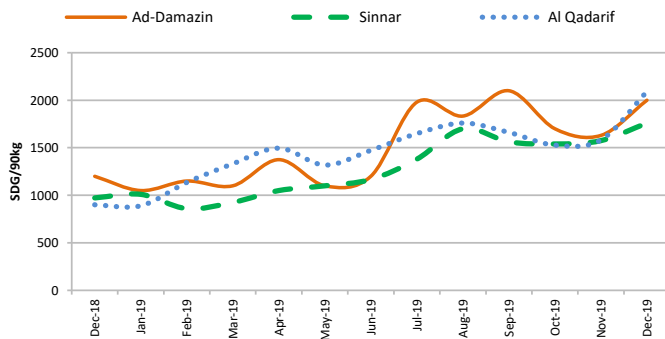


Figure 8: Nominal Sorghum prices in the main consuming areas of the country

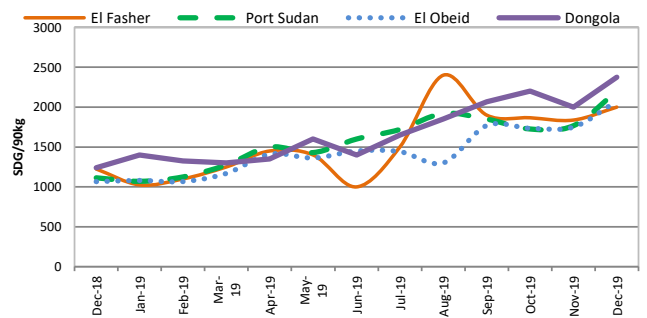


Figure 9: Nominal Millet prices in Darfur States

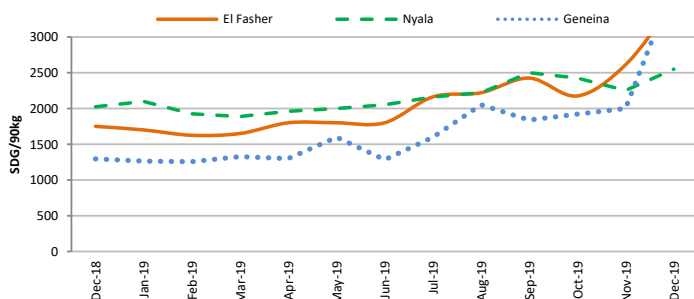
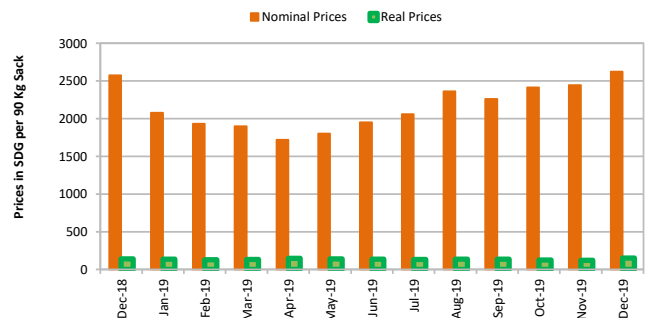
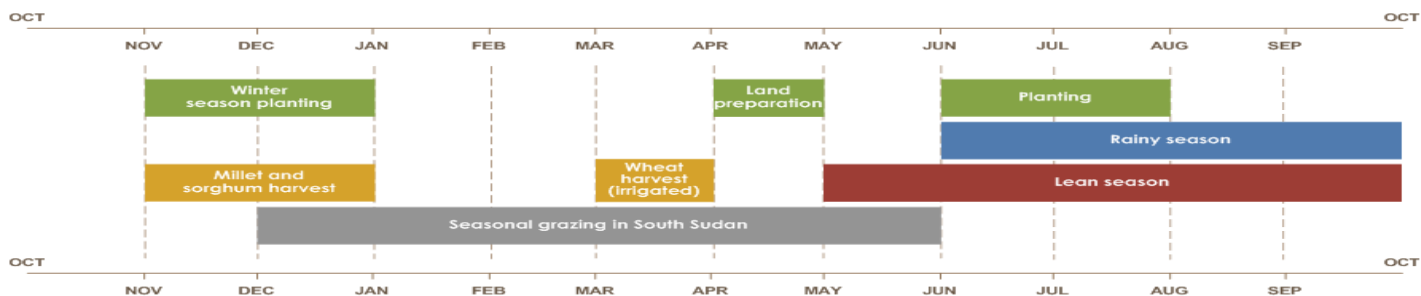


Figure 10: Real versus nominal Wheat prices Om Durman, (Khartoum State)



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 slightly improve through March 2020, a time when farmers will continue releasing supply of cereal from the new production to the markets to re-pay their loans. However, overall level of market supplies is likely to remain lower than typical levels of the harvest period due to the low yield this season and trader's tendency to increase their market stocks anticipating high prices towards the lean season (April to September).

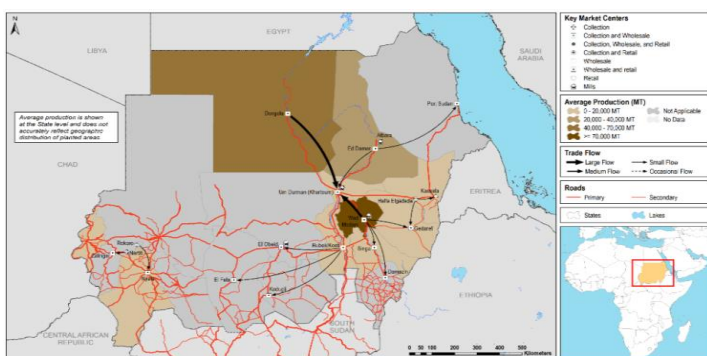
Demand for local consumption as well as for export is expected to remain high and to start to peak earlier than usual due to the lower yield at households' level in most areas and increased demand by big traders for restocking and for informal trade with neighboring countries that driven by continued local currency depreciation

staple food prices likely to follow the current unseasonal increasing trend through March 2020, the low yield, high demand and local currency depreciation are major factors likely to contribute pushing price increases. Prices are likely to remain 50 to 100 percent above last year and over 250 above average.

Livestock prices are expected to continue to increase with the expected resumption of export while poor macroeconomic factors will continue pushing prices to increase. Prices likely to remain almost doubled compared to last year and over three times its average.

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

12. Sudan local wheat production and trade flow map



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.

13. Cross border exports of sorghum in metric tonnes

