

SUDAN MONTHLY MARKET UPDATE

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

- December is part of harvest season in Sudan despite that cereal and livestock showed mixed trends.
- High cost of production and transportation continue to influence the cereals and livestock prices the continued depreciation of the Sudanese Pound as part of macroeconomic challenges remained the main driver for prices increase.
- The informal cross border trading with Ethiopia interrupted by the recurrent in security along the borders yet prices in borders remained high.
- Across most markets, the prices of Sorghum, millet and Wheat increased by 10-30 percent, and remained 250-300 percent higher than respective prices last year and more than 500 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 254.34 percent in November to 269.33 percent in December. 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. And remained stable in the parallel market at 260 SDG/USD.

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

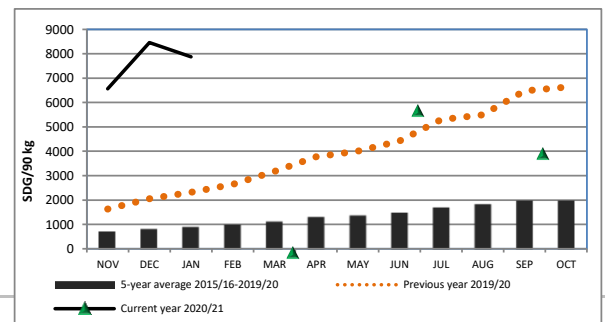
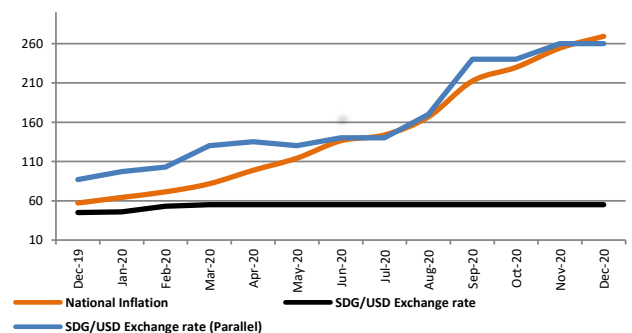


Figure 2: Macro-economic data



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 December Sorghum prices increased in most of monitored markets by 5-22 percent while decreased only in Geniena market by 14 percent compared to November 2020. Prices remained high by 80-350 percent compared to last year and remained 4 to 9 times above the five-year average.

Millet retail prices increased in most of monitored markets by 7-32 percent, while slightly decreased by 2-6 in markets of El Fasher, Al Nuhood and Zalingi compared to previous month. Prices remained high in all markets by 90-440 percent compared to last year and remained 3 to 10 times above the 5 years average.

Locally produced Wheat The prices of wheat continue same trends of increase, as it increased in most of monitored markets by 3 and 21 percent while decreased by 8 percent in PortSudan market compared to previous month of November 2020. Local wheat prices remained above the last year by 100-330 percent and above the 5 years average by 4-8 times across all markets.

Livestock prices:

Goat prices showed mixed trends compared to previous month as increased by 5-28 percent in markets of Al Qadarif, El Obied, Geniena, Medani, and Nyala 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 50-450 percent and above the five-year average by 2-9 times.

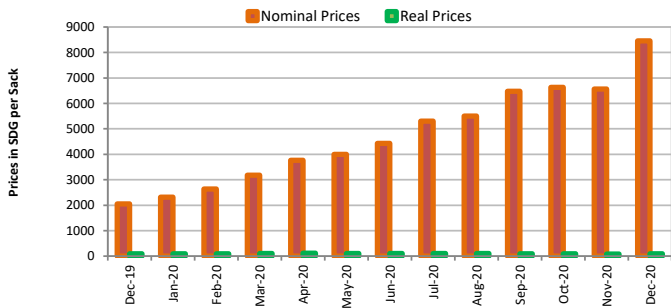
Sheep prices showed mixed trends as it increased by 5-32 percent in markets of Dongola, Ed Dean, Geniena, Kadugli, Kassala, Medani, Nyala, Um Dorman, Rabak, Sennar and Zalingi while showed mixed trends of slightly increased, unchanged and slightly decreased in the rest of monitored markets compared to previous month.

Sheep prices continue to remain above the last year by 60-250 percent and 2-7 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)

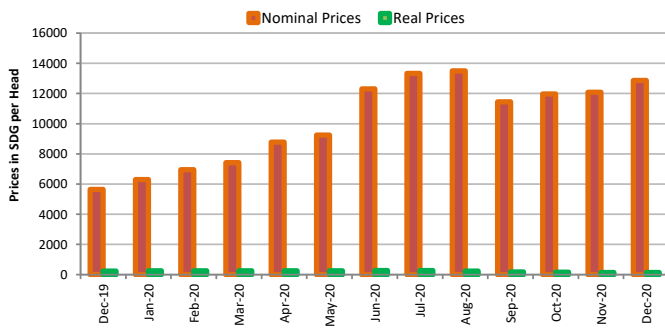


Figure 4: Sorghum Regional and International Comparison

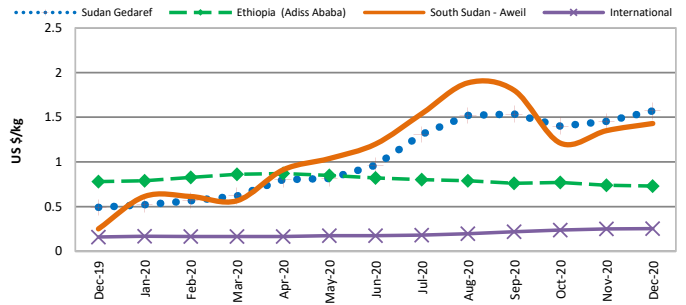


Figure 6. Sheep for Sorghum (Kg) Terms of Trade

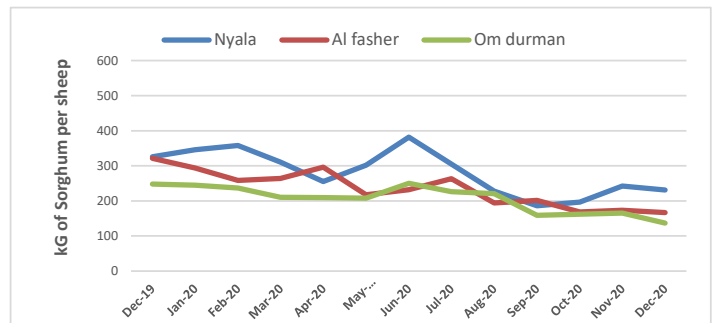


Figure 7. Nominal Sorghum prices in the surplus producing areas of the country

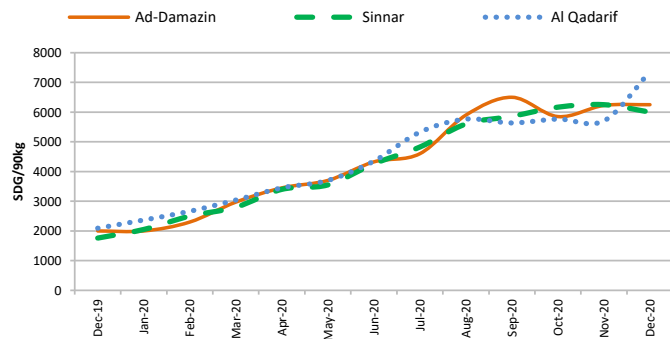


Figure 8. Nominal Sorghum prices in the main consuming areas of the country

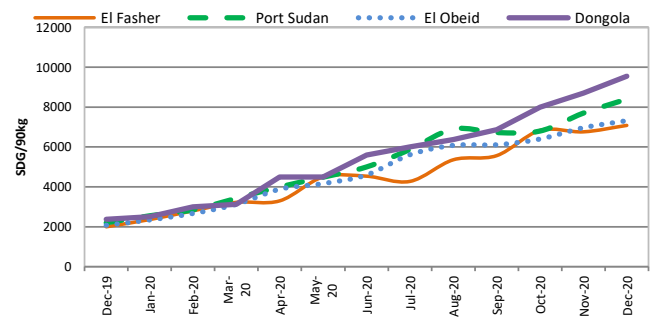


Figure 9. Nominal Millet prices in Darfur States

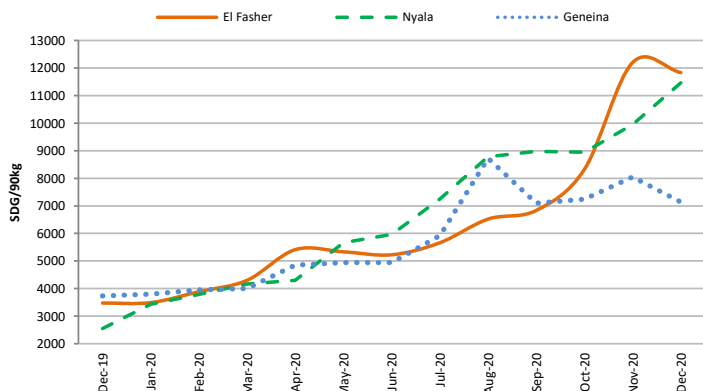
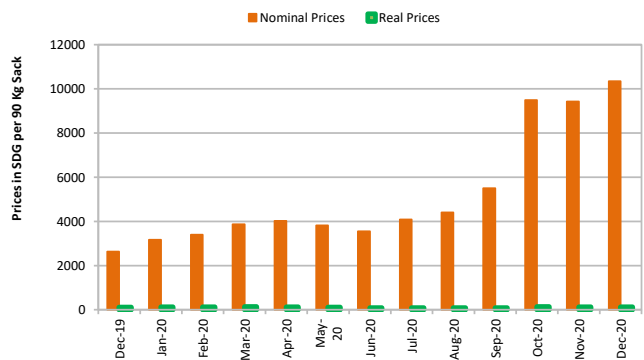
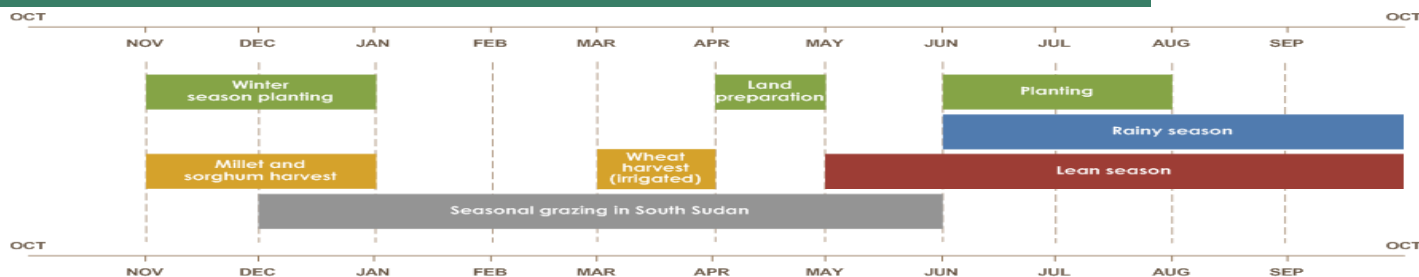


Figure 10: Real versus nominal Wheat prices Om Durman, (Khartoum State)



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 slightly improve through March 2021, a time when farmers will continue releasing supply of cereal from the new production to the markets to re-pay their loans.

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.

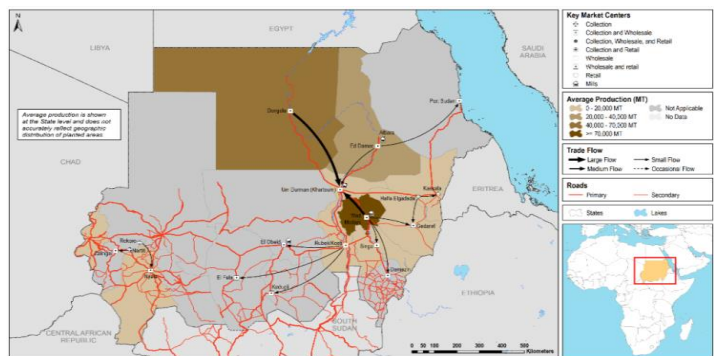
The impact of macroeconomic challenges expected to persist through December 2021 in addition to cost of laboring during harvest expected to remain above average as well as cost of transportation as fuel prices increased by 5 times compared to previous month.

Sorghum and millet prices are expected to show mixed trends in January 2021 yet dominated by stability and slight decrease in production areas, in high consumption areas prices likely to remain over 50-150 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 150 percent higher than last year's prices and 450-500 percent above the five-year average.

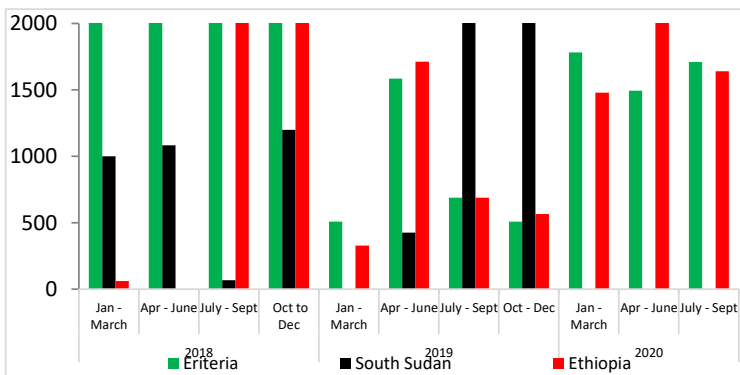
Livestock prices likely to show mixed trends dominated by slight increase due to expect the improvement in access to fodder and water during upcoming month. However, the cost of laboring, transportation and vaccines likely to remain high due to macroeconomic difficulties. Sheep and Goats prices expected to continue slight increase and remain above the last year by 40 to 350 percent, and four 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 increase compared to December 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.