

SUDAN MONTHLY MARKET UPDATE

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

- February is typical post-harvest period when supply from the new production is available at markets and the prices are in its seasonally decreased, however, during February 2021 prices for the main staple foods continued unseasonal increases across all main markets in Sudan.
- The recent tribal clashes in West Darfur have influenced the supply to and from main market in Geneina and markets were not functioning for over two weeks during February and are not yet back to normal, conflict also affected the livestock market and prices across many areas in the state. Cost of transportation remained above average due to shortage and high prices of fuel; this has forced transporters to purchase fuel from informal /parallel market in a price 4-5 times higher compared to official prices.
- According to the Sudanese Central Bureau of statistic, the inflation rate increased from 304.33 percent in January to 330.8 percent in February. 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 increased in the parallel market to 385 SDG/USD in February compared to 320 SDG/USD in January.

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

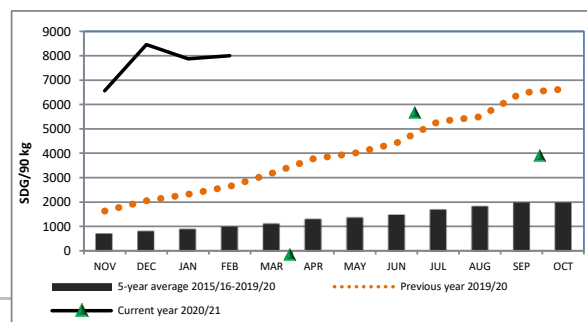
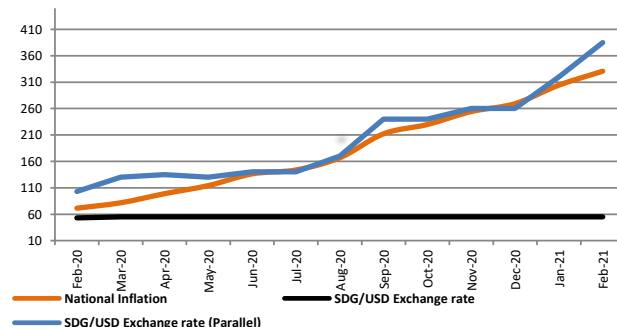
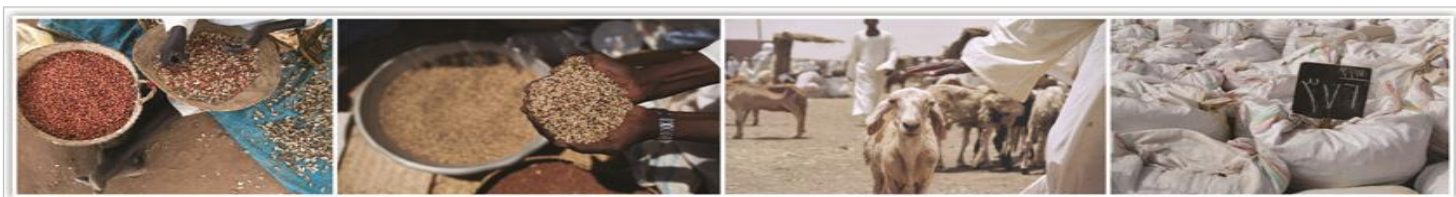


Figure 2: Macro-economic data



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 February Sorghum prices increased in 13 out of 18 markets by 5-15 percent while remained unchanged, slightly increased, and slightly decreased in the rest of monitored markets. Prices remained high by 100-280 percent compared to last year and remained 3 to 8 times above the five-year average.

Millet retail prices decreased by 5-25 percent in 14 out of 18 markets, decreased by 5 and 6.7 percent in markets of El Obied and Damer markets, and remained unchanged in rest of monitored markets. Millet prices remained high by 80-400 percent in relation to last year and 3-10 times above prices of 5 years average.

Locally produced Wheat The prices of wheat remained high by 5-15 percent in markets of Omdurman, El Obied, Qadarif, Nyala, Signa, and Zalingei, and increased by 20-35 percent in markets of El Fasher, Damer, Damazin, Medani, Port Sudan, Kadugli, Dongola, Kassala, Sennar, and Al Nuhood in compared to previous month. almost all monitored markets compared to previous month. Local wheat prices remained above the last year by 180-340 percent and above the 5 years average by 4-9 times across all markets.

Livestock prices:

Cattle prices increased in almost all monitored markets compared to previous month, the highest increase recorded in Geneina by 50 percent due to insecurity, roads and market closure and by 47 percent in Kassala due high cost of transportation attributed to high fuel prices. Cattle prices remained above last year by 20-200 percent and reached 20 times in relation of 5 years average.

Goat showed increasing trend compared to previous month as it increased by 3-15 percent in most of monitored markets by 25-65 percent in markets of Geneina, Kadugli, Zalingei and Sennar compared to January 2021. Goat prices remained higher than last year by 85-275 percent and above the five-year average by 3-7 times.

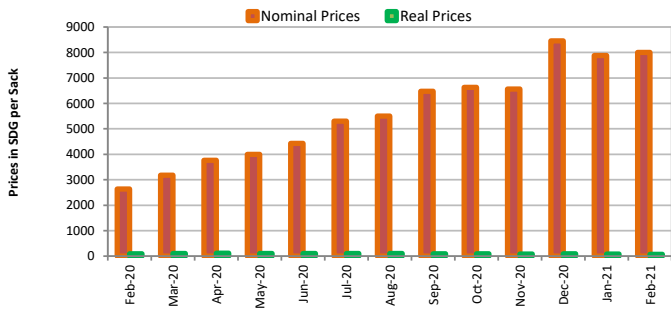
Sheep prices increased in all monitored markets, as it increased by 2-10 percent in markets of Ad Damazine, Qadarif, Dongola, Ed Dean, El Obied and Rabak. Increased by 10-36 percent in the rest of monitored markets compared to previous month.

Sheep prices continue to remain above the last year by 70-290 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)

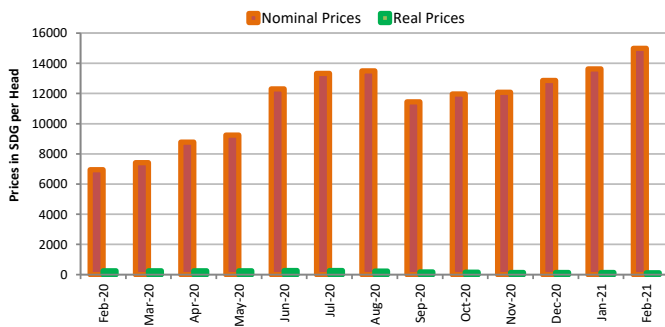


Figure 4: Sorghum Regional and International Comparison

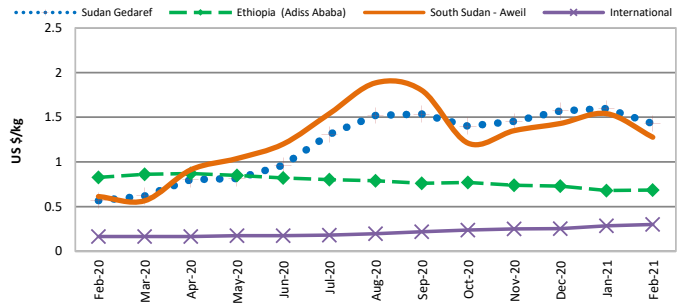


Figure 6: Sheep for Sorghum (Kg) Terms of Trade

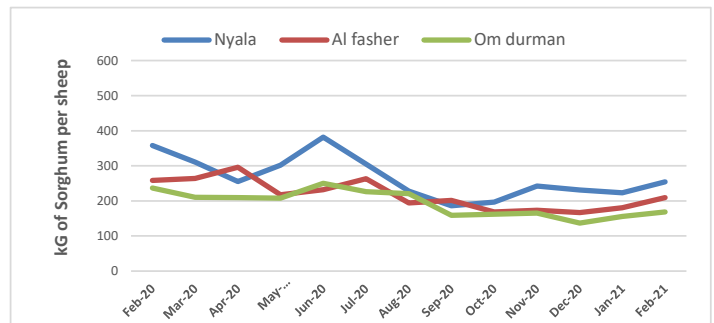


Figure 7: Nominal Sorghum prices in the surplus producing areas of the country

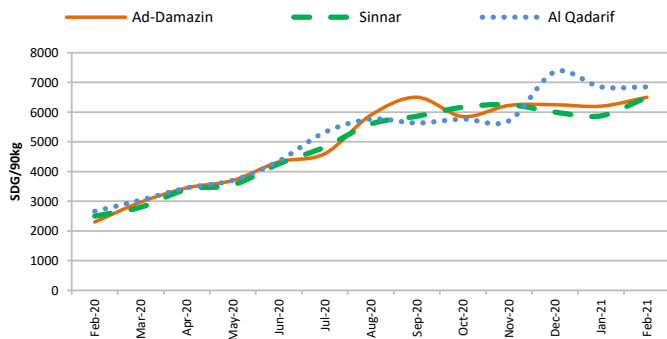


Figure 8: Nominal Sorghum prices in the main consuming areas of the country

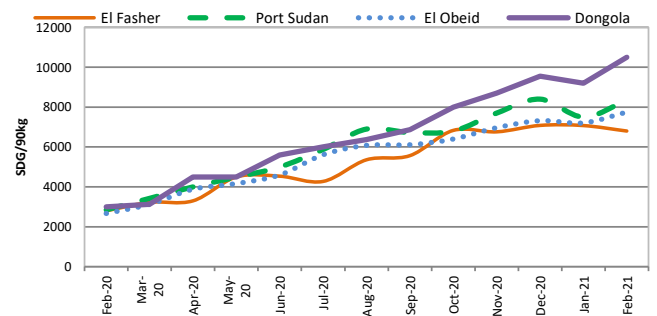


Figure 9: Nominal Millet prices in Darfur States

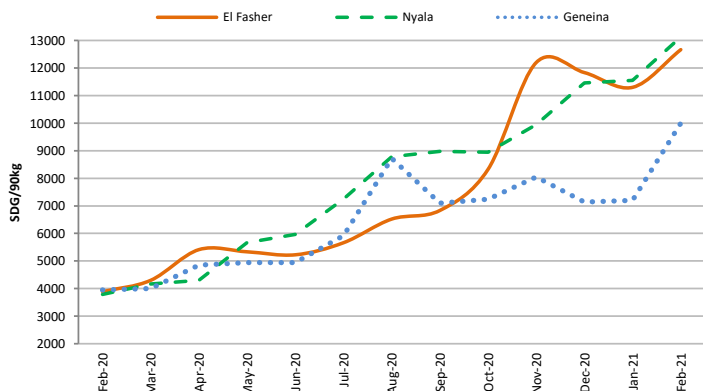
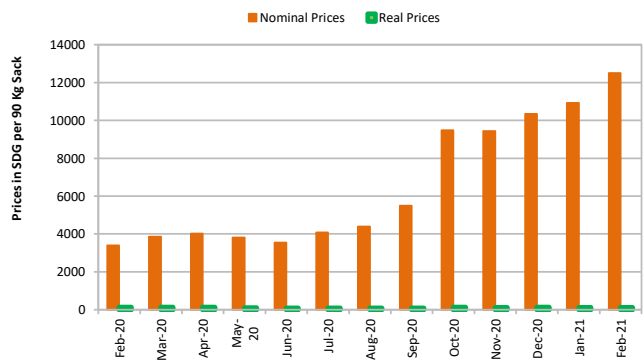
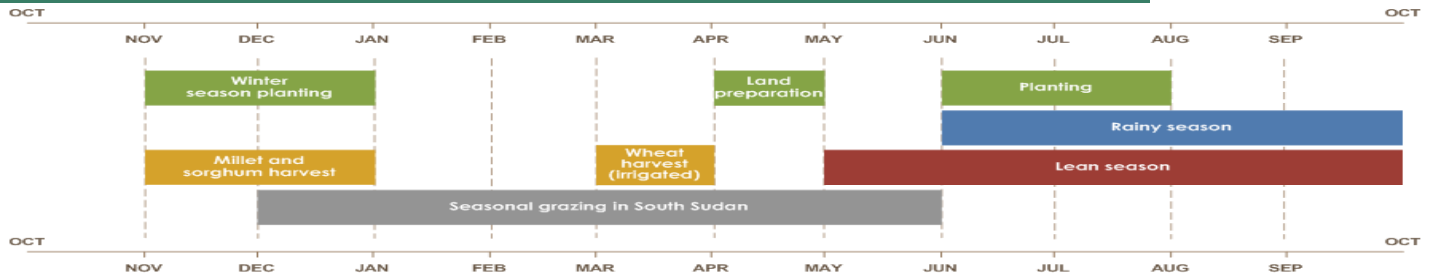


Figure 10: Real versus nominal Wheat prices Om Durman, (Khartoum State)



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 remain good during February-March 2021 while high cost of transportation impact on non-cereal food items will persist.

Demand for household consumption will remain yet the purchasing is likely to reduce as Middle and poor households will focus only on their daily consumption needs. The difficulties to get the breads likely to increase better-off household demand over cereals (Sorghum, Millet and Wheat). Demands by traders from high consumption areas expected to start as they will be purchasing cereals due to expected high needs during February and March 2021 as most of households will start preparation for the month of holly Ramadan.

Although after 2 weeks the impact of SDG floating not yet seen in markets, but it is likely to experience changes in goods and services prices.

The U.S. dollar had been trading at over 350 pounds to the dollar on the black market, while its official rate was at 55 pounds to the dollar. Following the devaluation, local media reported banks were selling the dollar at an average of 375 pounds and buying the U.S. currency for an average of 390, to attract those trading in the unofficial currency market. Sudan's currency likely to fluctuate according to supply and demand and the Central Bank of Sudan said it will announce a daily flexible indicative rate in a "flexible managed float" that banks and other exchange bureaus are required to trade at within 5% above or below.

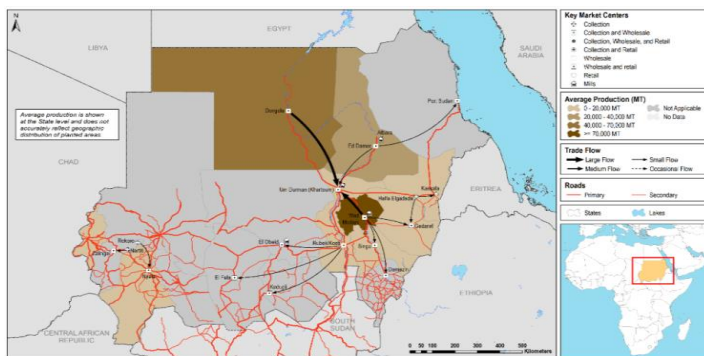
Sorghum and Millet prices expected to remain high by 10-30 percent during March 2021 while remained above last year prices by 60-250 percent and reached 3-9 times of the 5 years average.

Livestock prices likely to continue increases as many households as possible likely to demand meat to prepare for Ramadan, the high demand will be coincided with macroeconomic challenges (cost of fuels, laboring, vaccines, and expected impact of SDG floating).

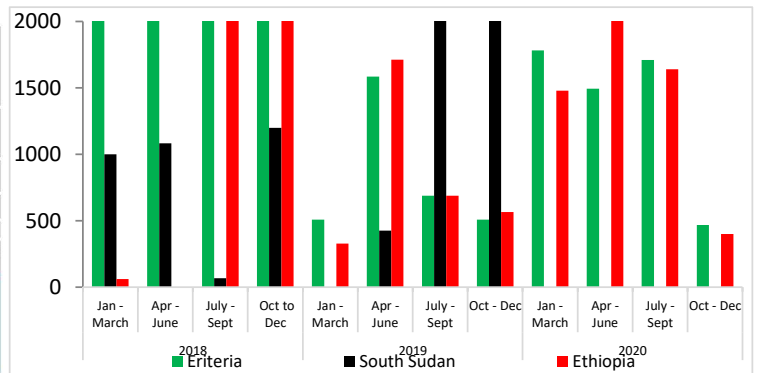
Sheep and Goats prices expected to continue increase and remain above the last year by 1-5 times and 7 times above the 5 years average.

The exchange rate USD/SDG in both official and parallel market expected to remain same level of 375-385 SDG/USD while its likely to experience local currency liquidity difficulties

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.