

SUDAN MONTHLY MARKET UPDATE

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

- October is typically starting of harvest season when supply from local production slightly improves. The relatively late starting of crop establishment due to late rains influences the commencement of Sorghum and Millet harvest.
- continuous increased in the prices of food and non-food commodities due to the continuous macroeconomic challenges, lack of foreign currency deterioration of local currency and high inflation rates.
- According to WFP reports, the average cost of the local food basket In October reached 102 Sudanese pounds, which is an increase by 4.0 percent compared to the previous month, this is mainly attributed to the onset of summer harvest. It is an increase by 221 percent compared to the same month of the previous year. the highest cost of local food basket was recorded in Red Sea (SDG 111) followed by East Darfur (SDG 110), while the lowest LFB cost recorded in West Darfur (SDG 92).
- According to the Sudanese Central Bureau of statistic, the inflation rate increased from 212.29 percent in September to 229.85 percent in October. the inflation rate increased because of the high prices of fuel, foods and beverage group, especially the prices of bread meat and grains in addition to increase in transportation cost.
- Through October, the Sudanese Pound on the official market remained unchanged between September and October 2020 as it remained at 55 SDG/USD. The rate in the parallel market is also remained the same as September at 240 SDG/USD as a result of the decision of removal Sudan from the list of countries sponsoring terrorism and expectation of increase in access to hard currency compared to previous periods.

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

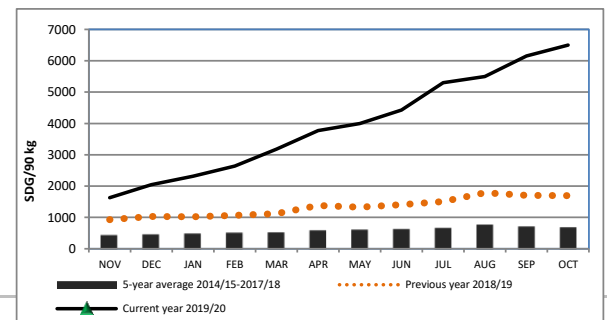
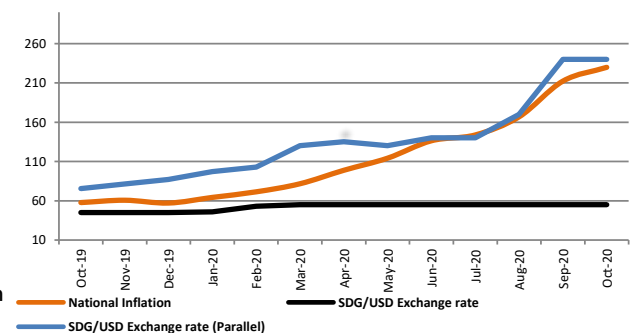


Figure 2: Macro-economic data



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 October Sorghum prices showed slight increase compared to September 2020, the highest prices were recorded in Al Fasher 22 percent and Dongla 16 percent while other markets showed slight increase or decrease. However, Prices remained high by 140-350 percent compared to last year and remained high by more than 800 percent compared to the five-years average.

Millet retail prices increased in almost markets between 10 to 30 percent, the highest increase recorded in Sinnar, El Fasher and Madani by 20, 22, and 30 percent respectively compared to last month. Other markets recorded slight increase. Prices remained high in all markets by 110-350 percent compared to last year and remained more than three times above the 5 years average.

The local supply of **wheat** declines and reached its minimum, its prices increased in all monitored markets compared to the previous month as it increased by 10-60 percent. Despite Northern state is main wheat production area, however, it is prices recorded the highest increase compared to other markets as it increased by 60 percent compared to last month. Local wheat prices in all market remained above the last year by 150-280 percent and above the 5 years average by more than 700 percent.

Livestock prices:

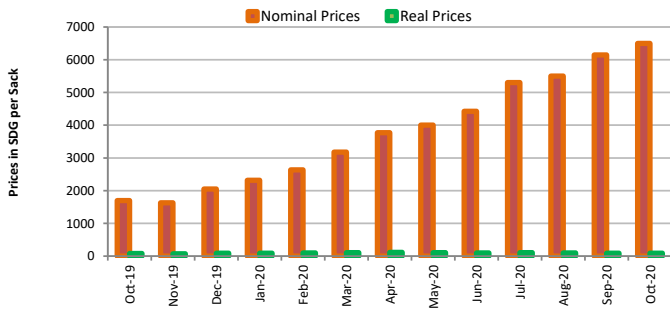
Goat prices increased in almost all monitored markets compared to September as increased by 4-10 percent in markets of Al Qadarif, Al Damer, Kassala, Medani, Um Dorman, Sennar and Zalingi and increased by 11- 24 percent in El Fasher, Kadugli, and Geniena market. Prices declined only in Nyala market by 7 percent compared to previous month. Goat prices remained higher than last year by 38-280 percent and above the five-year average by 230-700 percent.

Sheep prices increased in most of monitored compared to previous month as increased by 2-10 percent in Al Qadarif, Ed Dean, Al Damer, El Fasher Geniena, Medani, Nyala Omdurman, PortSudan, Rabak and Sennar while showed mixed trends of slightly increase and remained stable in the rest of monitored markets.

Sheep prices continue to remain above the last year by 40-250 percent and above the five-year average by 200-650 percent in all monitored markets.

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)

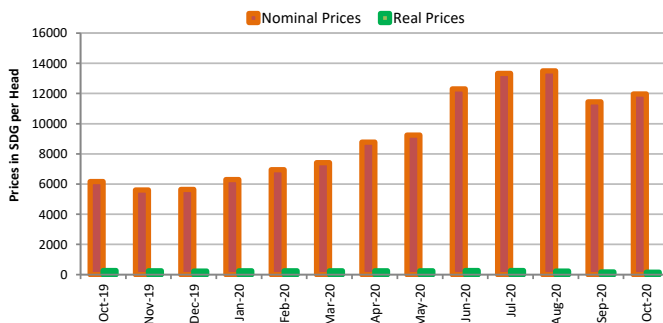


Figure 4: Sorghum Regional and International Comparison

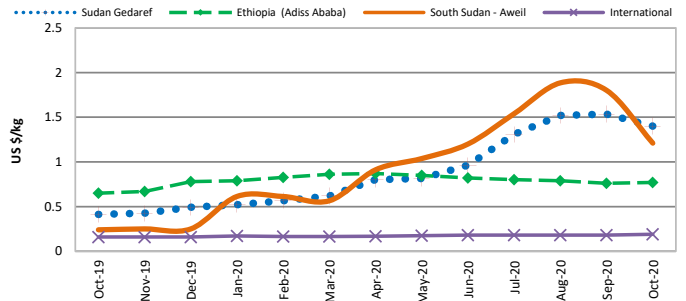


Figure 6: Sheep for Sorghum (Kg) Terms of Trade

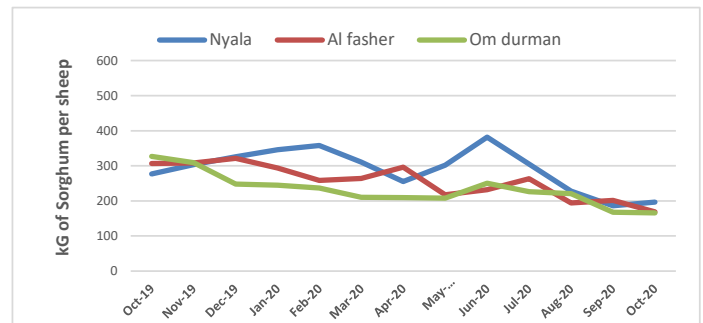


Figure 7: Nominal Sorghum prices in the surplus producing areas of the country

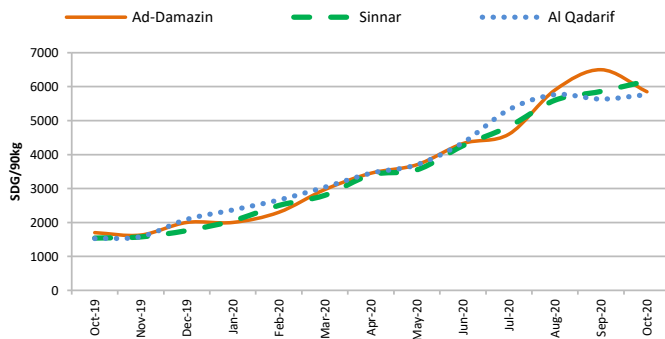


Figure 8: Nominal Sorghum prices in the main consuming areas of the country

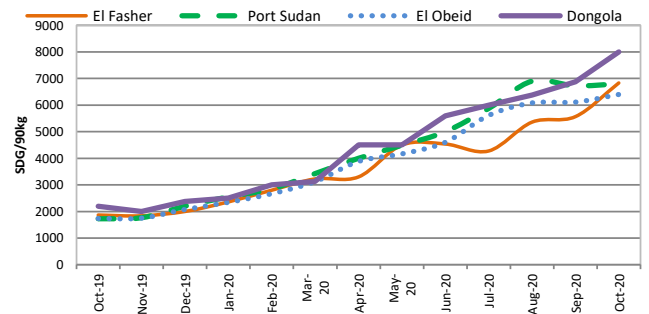


Figure 9: Nominal Millet prices in Darfur States

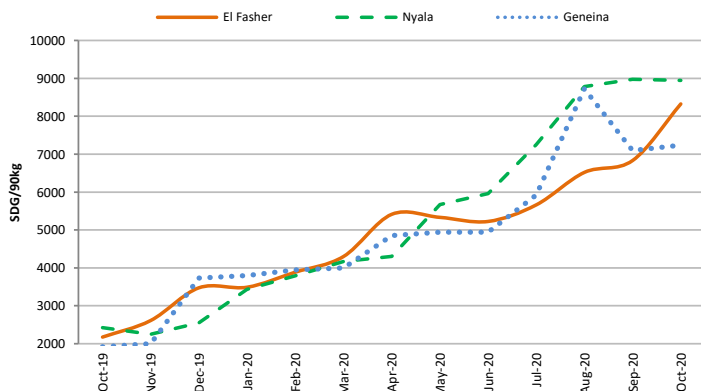
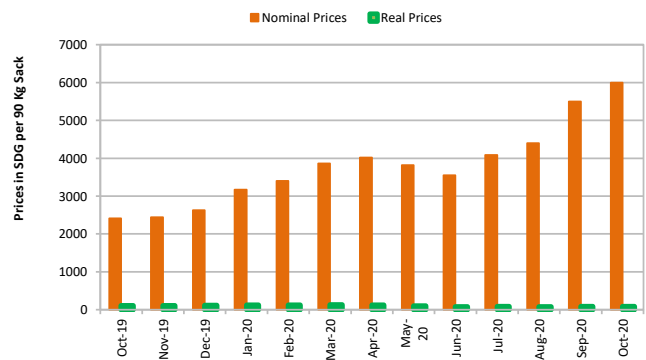
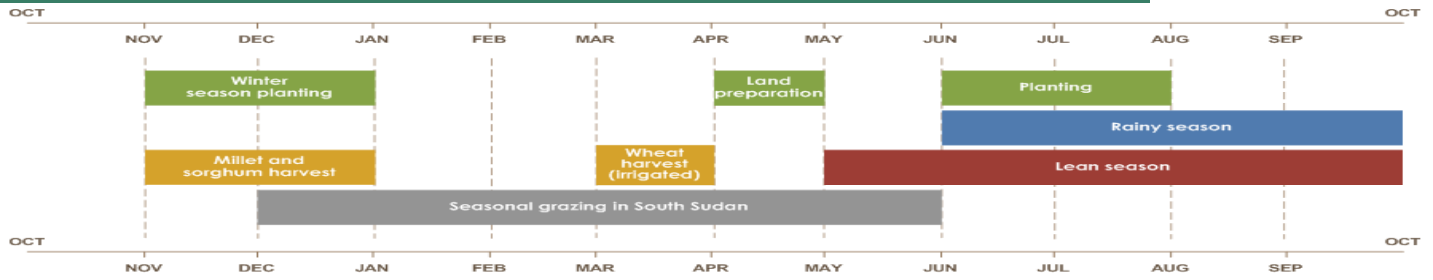


Figure 10: Real versus nominal Wheat prices Om Durman, (Khartoum State)



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 improve during November-February (harvest and post-harvest period). Farmers likely to release part of their crops to cover their debts and cover the cost of harvest.

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.

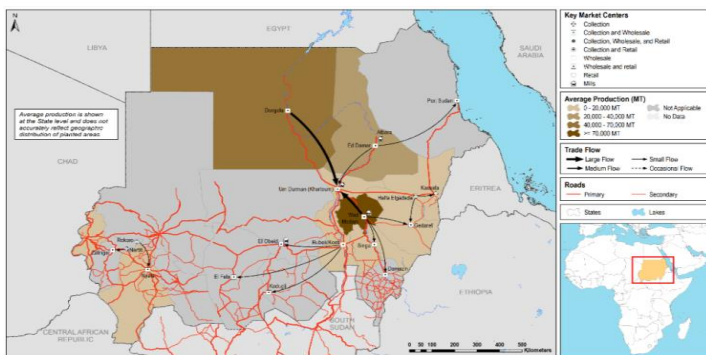
Sorghum and millet prices are expected to show mixed trends in November yet will remain increase in most of market, prices likely to remain over 50-100 percent higher than last year and 150-400 percent above the five-year average. Prices for locally produced wheat will also continue to increase and will 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 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.

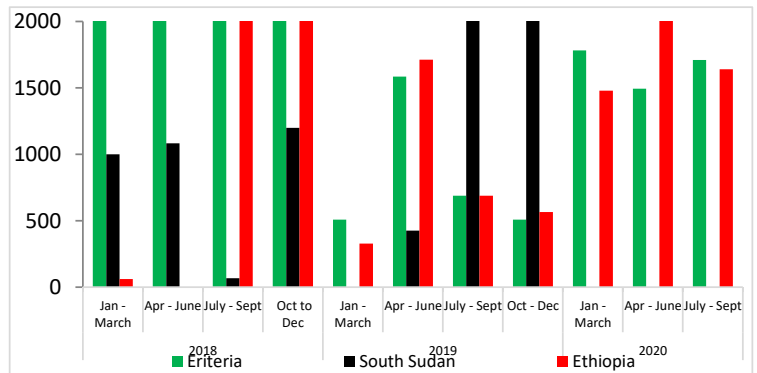
Sheep and Goats prices expected to continue slight increase and remain above the last year by 30 to 150 percent, and three times above the 5 years average.

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 remain in same range of October 2020 (230-260) increase by 60-80 percent compared to September 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.