

SUDAN MONTHLY MARKET UPDATE

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

- August is typically peak of the lean season in Sudan, a time when access to food continue remains seasonally low despite improvements in access to agricultural labor opportunities. Households' food stocks from own production are exhausted and cereal prices are at their highest levels. Market supplies of locally produced main staples (sorghum and millet) continue to decrease throughout August and September, before slight increase when harvest start in October
- Staple food prices (Sorghum, Millet and Wheat) increased about 15-30 percent in August compared to July and about 100-300 percent compared to last year and more than 600 percent compared to 5-year average.
- Continuous macroeconomic challenges, deterioration of local currency, high inflation rates and hikes in the prices of staple foods and essential commodities.
- Fuel shortages are continuing to drive up transportation costs across the country.
- The informal cross border trading between Sudan and other countries such as Ethiopia and South reduced compared to normal due to COVID 19 restrictions. However, some traders continue demanding same amounts and uses informal ways of transportation
- According to the Sudanese Central Bureau of statistic, the inflation rate increased from 143.78 percent in July to 166.83 percent in August 2020, the inflation rate increased as a result of the high prices of foods and beverage group, especially the prices of bread meat and grains.
- Through August, the value of the Sudanese pound continued to decline against the dollar in the parallel markets. as the exchange rate increased about 170 SDG/USD in August compared to 140 SDG in July.

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

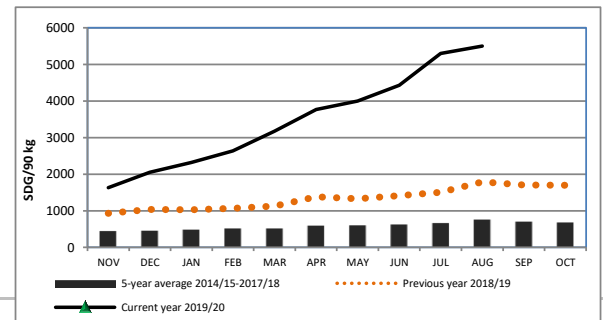
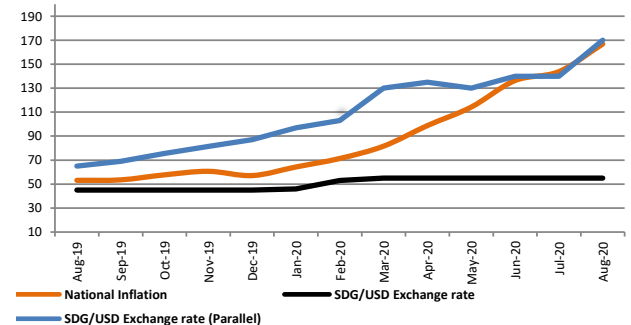


Figure 2: Macro-economic data



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



Sorghum retail prices: This month sorghum price increased significantly by 10-50 percent in most markets compared to previous month. The prices was recorded at Al Genena by 50% followed by Kassala, Al damer, Damazin and Al fasher recorded which increased by 21%, 25% and 28% respectively. Prices remained high by 150-360 percent compared to last year and remained above the 5 years average by 300-930 percent.

Millet retail prices increased in most of monitored markets between 10-40 percent while remained unchanged or slightly decreased in the rest of markets compared to previous month. Prices remained high in all markets by 120-330 percent compared to last year and by 350-950 percent compared to the 5 years average.

The local supply of **wheat** declines, its prices showed mixed trends compared to previous month as it increased by 10-30 percent in 8 markets while remained unchanged, slightly decreased or slightly increased in the rest of monitored markets. Local wheat prices remained in all market remained above the last year by 50-180 percent and above the 5 years average by 250-600 percent.

Livestock prices:

Cattle prices showed mixed trends of slightly increase, slightly decrease and remained stable in compare to previous month, Prices remained above the last year in all monitored markets by 10-100 percent in Qadarif, Al Damer, El Fasher, El Obied, Al Geniena, Medani, Kadugli, Kassala and Khartoum while remained above 100 percent high in the rest of monitored markets.

Goat prices increased by 2.5-36 percent in markets of Al Damazin, Qadarif, Al Damer, El Obied, Kadugli, Medani, and Omdurman markets, while decreased 4-17 percent in markets of Zalingi, Nyala, Kassala, Al Geniena, and El Fasher. Goat prices remained higher than last year by 32-305 percent and above 5 years average by 170-740 percent.

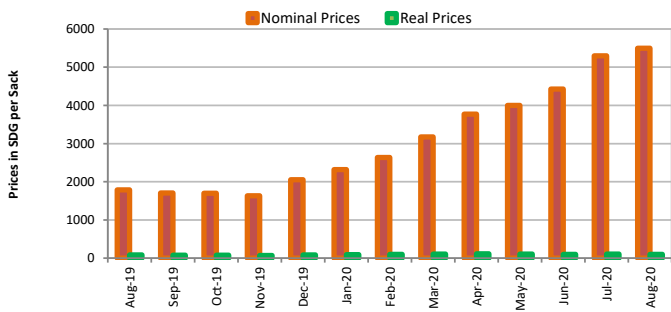
Sheep prices showed mixed trends as it increased by 4-40 percent in markets of Al Damazin, Qadarif, Dongola, El Obied, Kadugli, Medani, Port Sudan and Sinnar while decreased by 3-14 percent in the rest of monitored markets.

Sheep prices continue to remain above the last year by 17-280 percent and above the 5 years average by 140-640 percent in all monitored markets.

Same as cereals the macroeconomic factors and increase in cost of breeding in terms of labor and vaccines in addition to on and off export to Sudia Arabia from time to time. Heavy rains also impacted livestock movements between different 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)

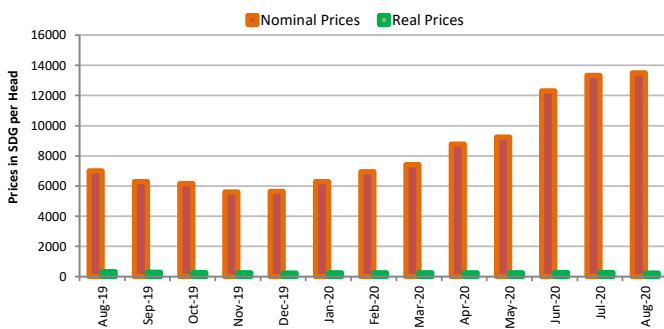


Figure 4: Sorghum Regional and International Comparison

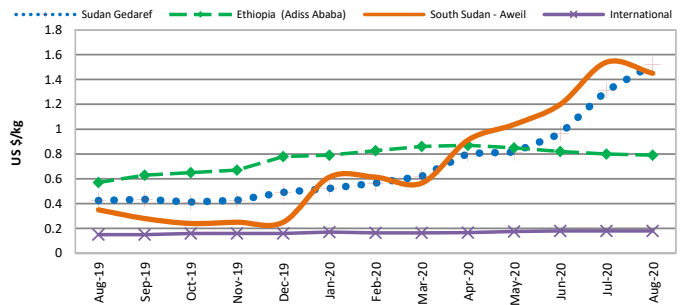


Figure 6. Sheep for Sorghum (Kg) Terms of Trade

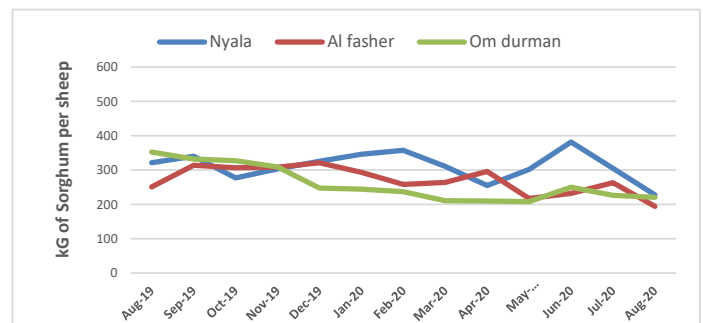


Figure 7. Nominal Sorghum prices in the surplus producing areas of the country

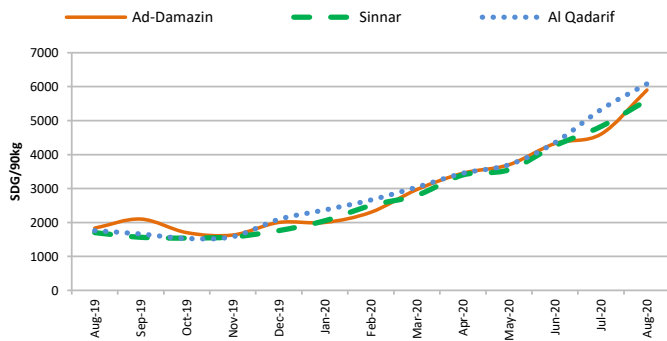


Figure 8. Nominal Sorghum prices in the main consuming areas of the country

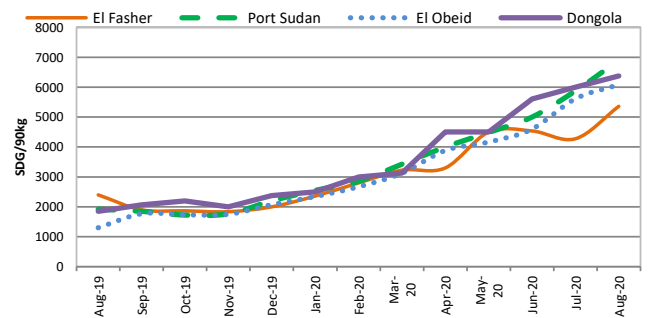


Figure 9. Nominal Millet prices in Darfur States

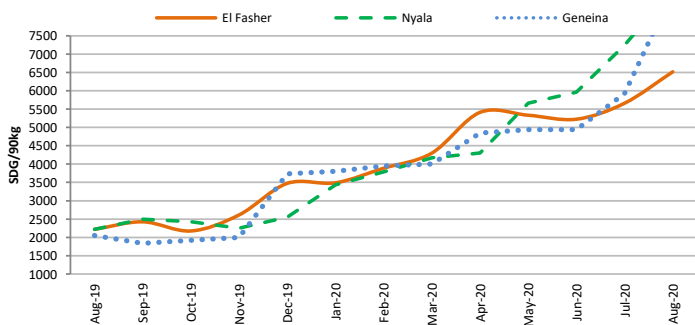
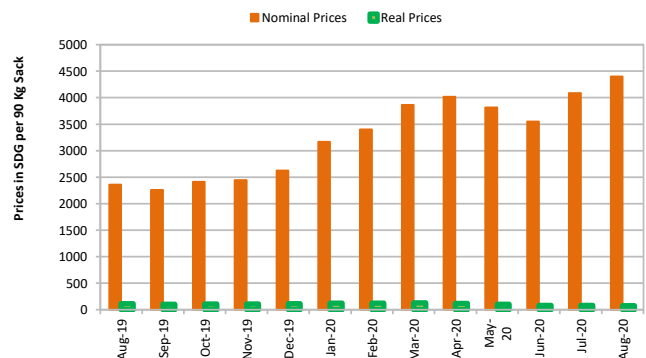
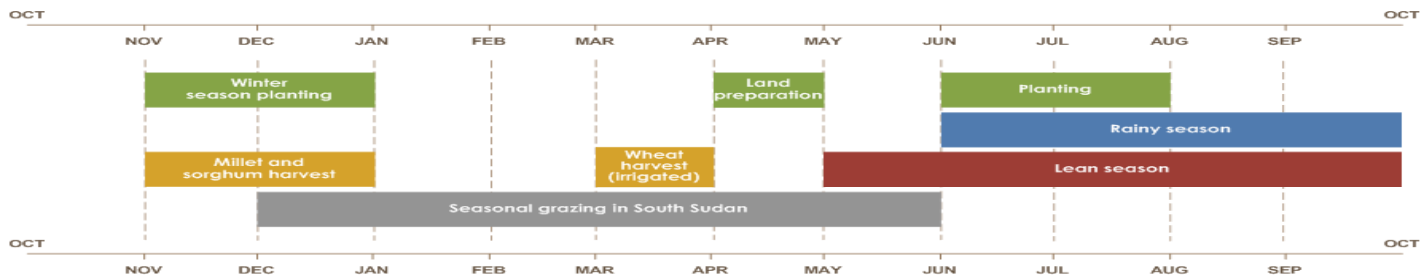


Figure 10: Real versus nominal Wheat prices Om Durman, (Khartoum State)



SEASONAL CALENDAR AND KEY MARKETS MONITORED IN THE REPORT

11. Seasonal Calendar



Outlook:

Market supplies of locally produced main staples (sorghum and millet) will further decrease seasonally during the September 2020 (peak of lean season). The areas with low cereal production will continue high demand despite the lockdown. Roads in many rural markets expected to remain closed due to forecasted heavy rains in western and southern states of Sudan.

The supply from humanitarian assistance in response to floods and heavy rains likely to minimize the sharp increase in staple food prices in affected areas.

The Wheat availability from local production expected to reach it minimum by September 2020.

The impact of macroeconomic factors, inflation rate, and increase in transportation cost will likely to get worse and drive significant increase in staple food and livestock prices. The impact of COVID 19 restrictions in prices likely to remained low through September 2020.

Sorghum and millet prices are expected to be over 300 percent higher than last year and 400-700 percent above the five-year average during the peak of lean season. 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 remain slightly high or stable through September with further challenges limitation to access the natural pasture. Destructions of rural roads by heavy rains likely to influence the movements of animal herders towards pastures and markets. Heavy rains likely to kill number of livestock and cause water borne diseases while cost of vaccines expected to remain high.

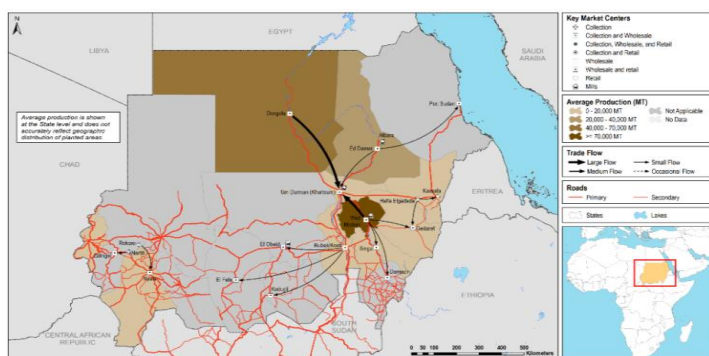
Sheep and Goats prices expected to continue slight increase and remain above the last month by 5-60 percent, three times above the last year and five times above the 5 years average.

Macroeconomic challenges in form of local currency depreciation, high inflation and shortage of foreign currency is expected to worsen throughout September 2020. Expectation of lifting the government support from exported wheat and fuel likely to improve the availability of commodities however, the prices will remain non-affordable to the poor households.

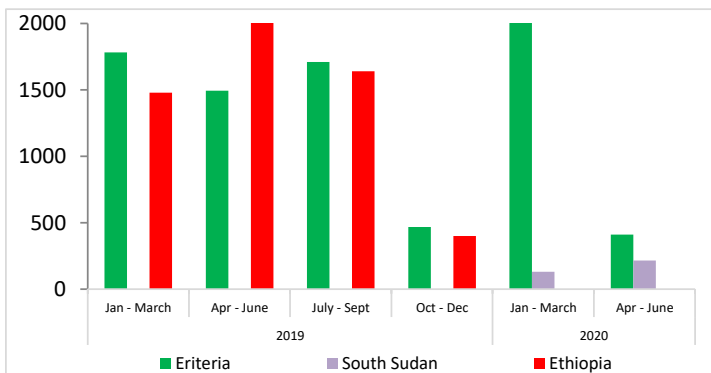
Shortages of foreign currency are likely to continue and will be exacerbated by increased demand for imports of medicines, wheat and fuel.

The exchange rate in parallel informal market likely to significantly increase by 40-60 percent compared to August 2020, the demand over hard currency from all sectors including the government likely to increase meanwhile supply to official points (banks) remains minimum.

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.