



## East Africa

# Market and Trade Update

Joint Supply Chain-VAM | Food Security Analysis

**WFP Regional Bureau for East Africa** | June 2020

### Highlights

- International maize and wheat prices declined further in May 2020 due to adequate global supplies. Global rice prices however increased over the same period, impacted by export restrictions from major source countries.
- Staple food prices generally followed normal seasonal trends between January and March in markets across the region. However, COVID-19 related measures and movement restrictions led to supply and demand disruptions. This resulted in sharp price increases from March through May in South Sudan and Somalia, prices also increased in Ethiopia, Burundi and Djibouti, but decreased in Kenya, Uganda, and Rwanda since March.
- Livestock conditions were good due to favourable rangeland conditions and prices remained stable at elevated levels or increased further in many pastoral markets. However, there were supply interruptions triggered by outbreak of COVID-19 and reduced demand for meat following the closure of livestock markets, hotels and restaurants, which led to decrease in livestock prices notably in parts of Kenya and Karamoja Region of Uganda.

Global maize prices have been on a sharp decline through May 2020. Lower maize quotations were supported by large export availabilities and new crop harvest in South America.

The chart displays the monthly average number of new jobs created compared to a 5-year average. The Y-axis represents the number of jobs, ranging from 0 to 500. The X-axis shows months from January 2017 to May 2020. The 5-year average is shown as a light blue shaded area, and the monthly average is shown as a dark blue line. The monthly average shows a significant increase starting in early 2020, reaching over 500 by May 2020, while the 5-year average remains relatively flat around 350-400.

Month	5 Year Average (Approx.)	Monthly Average (Approx.)
Jan 2017	400	340
Mar 2017	410	340
May 2017	400	320
Jul 2017	400	340
Sep 2017	390	340
Nov 2017	380	330
Jan 2018	370	350
Mar 2018	370	380
May 2018	370	390
Jul 2018	360	350
Sep 2018	350	350
Nov 2018	340	360
Jan 2019	330	380
Mar 2019	340	370
May 2019	340	370
Jul 2019	340	390
Sep 2019	340	400
Nov 2019	340	390
Jan 2020	350	410
Mar 2020	350	440
May 2020	350	510

**Fig. 2: International Maize and Wheat Prices**

The chart displays the price trends for two major US export commodities, Maize and Wheat, from January 2010 to May 2020. The Y-axis measures the price in US dollars, ranging from 100 to 400. The X-axis marks time in 4-month intervals. The dark grey line represents the price of US (Gulf) Maize (US No. 2, Yellow), and the light blue line represents the price of US (Gulf) Wheat (US No. 2, Hard Red Winter). Both commodities show a similar pattern of price movement, with a major peak in early 2012 followed by a sharp decline and subsequent fluctuations. The wheat prices generally remain higher than the maize prices throughout the period.

Date	US (Gulf), Maize (US No. 2, Yellow)	US (Gulf), Wheat (US No. 2, Hard Red Winter)
Jan-10	170	215
May-10	155	190
Sep-10	240	305
Jan-11	290	365
May-11	325	365
Sep-11	315	340
Jan-12	275	295
May-12	270	285
Sep-12	335	375
Jan-13	305	330
May-13	290	325
Sep-13	210	315
Jan-14	200	290
May-14	225	345
Sep-14	165	290
Jan-15	175	255
May-15	170	235
Sep-15	175	225
Jan-16	165	215
May-16	180	195
Sep-16	150	190
Jan-17	160	210
May-17	155	245
Sep-17	150	215
Jan-18	175	245
May-18	180	250
Sep-18	160	245
Jan-19	170	240
May-19	200	230
Sep-19	160	205
Jan-20	170	240
May-20	145	225

## Border Situation



### Air transport



Air transport has been disrupted significantly following closure of airports and suspension of both domestic and international commercial passenger flights. In Ethiopia, passenger flights are still operational though at reduced number and to few destinations. Domestic flights are also suspended in all countries except in South Sudan where they resumed recently subject to quarantine and social distancing conditions. Cargo transport is ongoing although at reduced capacity

### Land Borders & inland cargo transport



The countries in the region agreed in May to a harmonised cross-border testing of truck drivers- requiring them to obtain mandatory COVID-19 free certificate 24 hours before their departure from the port of origin- which is then recognized throughout the region within 14 days of the test. However, truck drivers blocked access on both sides of the Malaba Border during the fourth week of May, protesting non-recognition of their valid COVID-19 certificates by the Uganda authorities. This led to massive snarl-ups stretching up to 80 kilometres. Even after the clearance of the backlog of trucks, there was still a long queue on the Kenyan side into Malaba for sometime. The backlog of trucks has now been cleared for those drivers presenting a valid COVID-19 certificate.

Following challenges at **Rusomo Border, Tanzania** and **Rwanda** agreed in May on the transshipment of containerised cargo and escort of trucks with foreign drivers carrying sensitive goods like petrol and perishables to proceed to final destination without the need to swap drivers at borders.

Government of **Rwanda** requires fumigation and disinfection of all cargo trucks originating from **Burundi, DRC** and **Uganda** and relay of drivers. This is in addition to requiring swift and immediate offloading of cargo and payment of up to USD 500 per vehicle for escort services for cargo that cannot be offloaded at the border (WFP is exempted from this fee). Restrictions on drivers from Uganda to Rwanda are causing delays at Mirama Hills Border Point.

**Kenya-Uganda:** Numerous roadblocks that have been erected between Mombasa and Nairobi in addition to border testing challenges at Malaba have caused some limited delays in commercial cargo movement to land locked countries. Operations at Busia Border are normal with no delays.

**Kenya and Tanzania** agreed to reopen their borders on 22<sup>th</sup> May after a tense week marked by a simmering trade dispute and border closure occasioned by the Covid-19 pandemic testing procedures. Again on 4th June, Tanzania closed the borders over claims that their truck drivers with certified Covid-19 test certificates were forced to retest before crossing the border.

At **Kenya -Ethiopia Moyale Border**, no human passage is allowed, including that of informal traders. The border is open to trucks; however, drivers must quarantine for 14-days as soon as they cross the border. There are no restrictions on cargo movements from **Djibouti to Ethiopia** operating close to normality, with a continuous and smooth traffic.

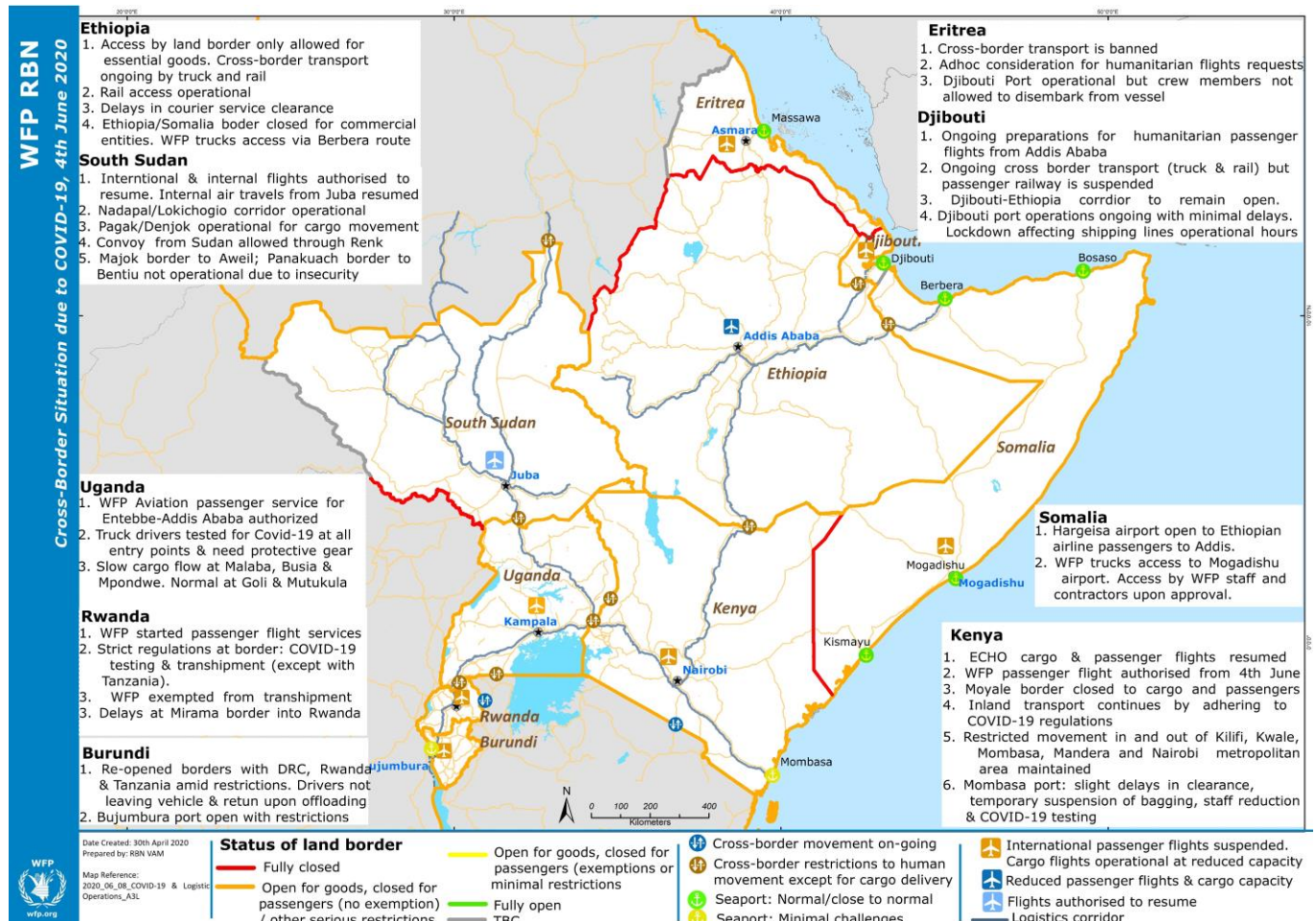
From **Ethiopia**, road and river access to **South Sudan** is allowed but with strict control for truck drivers. The border crossing between **Sudan and Ethiopia** are fully closed except for humanitarian cargo from Gadarif to Galabat, subject to clearance & approval from Sudanese & Ethiopian Governments.



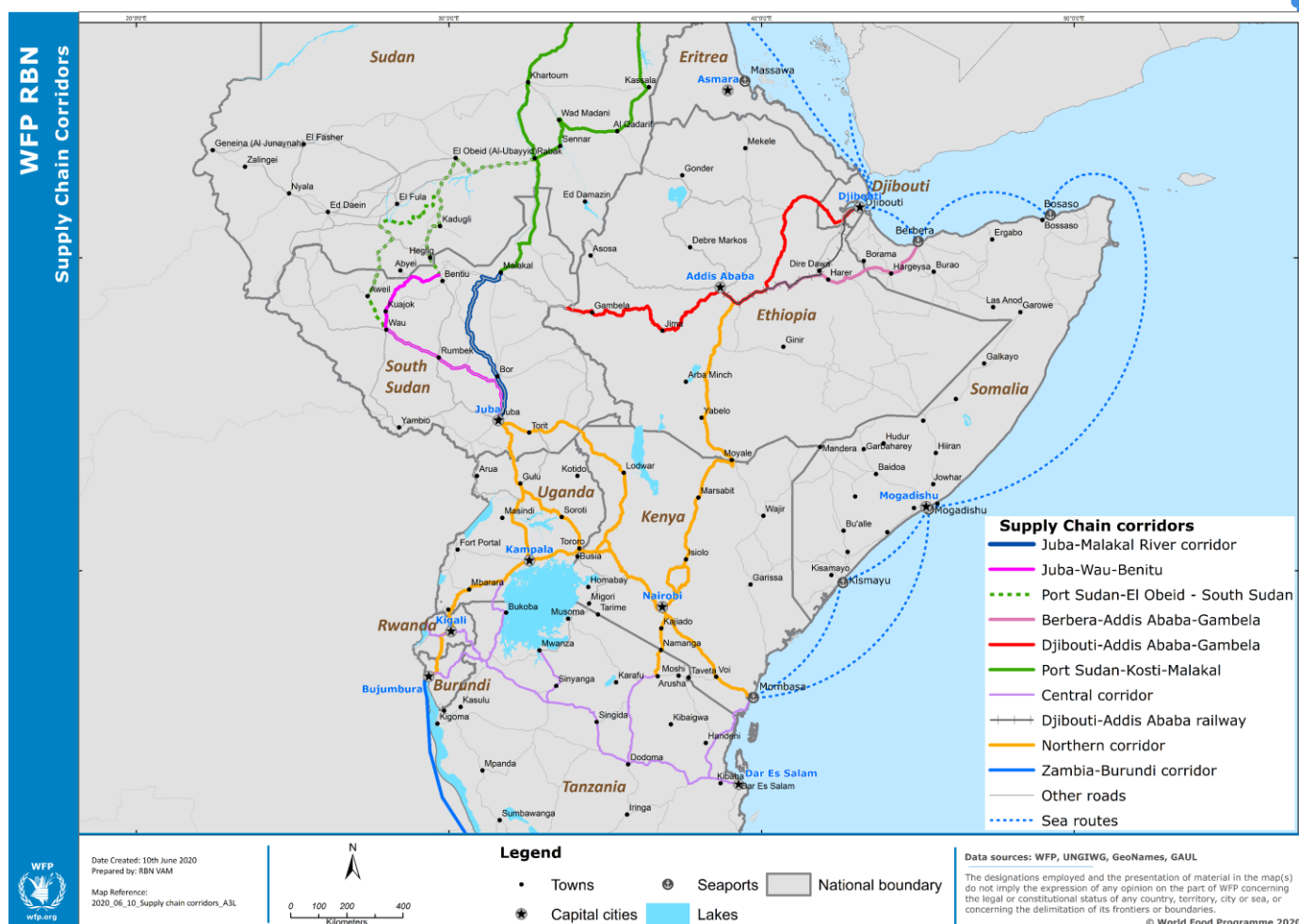
After initial delays caused by testing procedures at the **Elegu/Nimule South Sudan-Uganda** borders, the situation has since improved with both sides reducing the time it takes for trucks to cross the border to within 1 or 2 days. The **Ethiopia-Somalia** borders on the **Somaliland** front are also closed except for humanitarian cargo and essential food and medicines. Cross-Border trade between **Somalia and Ethiopia** at Hiran is uninterrupted while the border at **Jubaland and Ethiopia** is closed but they have locally agreed for two days per week (Saturday and Sunday) to allow goods to cross from either side. **Kenya/Somalia border** is officially closed with the exception of cargo trucks on a condition that all drivers must be screened for COVID-19. Inside Somalia, transport services have resumed throughout the country and supply corridors are operating normally particularly in the North. The **Sudan-South Sudan** border is only partially open at Joda and Renk.

## Port Operations

Throughout the region, **ports are operational but with some delays** due to new stringent directives and reduced working hours at the ports. **Mombasa Port** is fully operational with container ships arriving without major delays and cargo being cleared within the four-day free window. There have been minor delays in cargo clearances due to measures put in place in minimising physical interaction and with enhanced online documentation. **Djibouti Port** operations are proceeding largely as normal with some delays due to extended lockdown that has reduced operational hours for shipping Lines. **Mogadishu, Bossaso, Berbera, Port Sudan, Dar es Salaam Ports** remain operational at normal levels



# Supply Chain Trade Corridor Functionality



There are **11 main trade corridors** that WFP is using to deliver food to multiple in-country destinations in the region. Status of major corridors is as follows.

## ❖ Northern Corridor:

- Mombasa to: Uganda, Rwanda, Burundi, DRC- fully functional with limited delays at border crossings because of testing of divers
- Mombasa to: Uganda and South Sudan through Nimule-fully functional
- Mombasa to Juba South Sudan through Nadapal- partly functional
- Mombasa to Ethiopia through Moyale- partially functional

## ❖ Central Corridor and Lake Tanganyaki Corridor:

- Dar es Salaam Tanzania to Burundi, Rwanda and Uganda- fully functional
- Dar-es Salaam Burundi through rail and Lake Tanganyika- fully functional
- Zambia-Burundi through Lake Tanganyika- fully functional although with quarantine restrictions at Bujumbura Port

## ❖ Berbera-Addis Ababa-Gambela corridor- partially functional

## ❖ Djibouti-Addis Ababa-Gambela corridor- fully functional

## ❖ Southern Somalia Trade Corridor- most roads closed or inaccessible although ports are operational. Most roads in northern regions are functional

## ❖ Sudan-South Sudan Corridor- partially functional-the border is open for humanitarian cargo, after obtaining clearance & approval from Authorities. Road convoys are also experiencing challenges.

## ❖ Sudan-South Sudan Corridor- partially functional- From Ethiopia, road and river access to South Sudan is allowed only for essential goods.

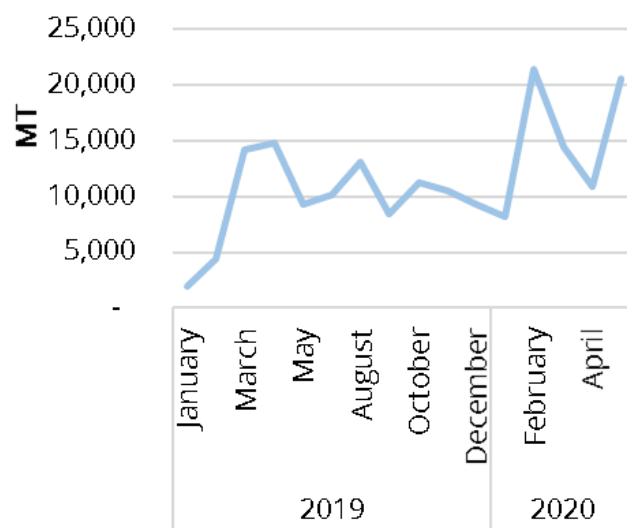
## Regional Cross Border Trade



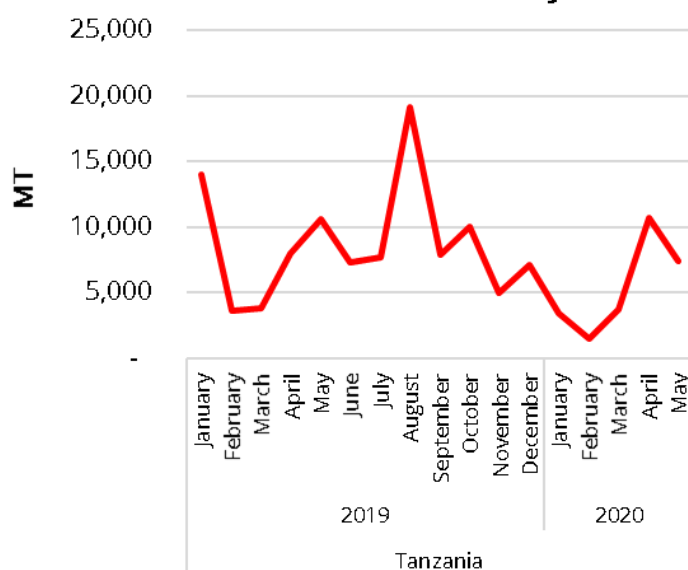
COVID-19 related disruptions and delays at the Kenya-Tanzania border led to reduced cross-border trade volumes of both maize and beans from Tanzania to Kenya in April and May 2020, compared to the same period last year and the five-year average. Beans imported from Ethiopia into Kenya also dropped drastically during the same period.

Despite some reported challenges initially at the Malaba and Nimule Borders that increased delivery lead-times, overall, maize, sorghum and beans imports from Uganda into Kenya and South Sudan in April-May 2020 was slightly higher than the same period in 2019. This was after an initial dip in cross-border trade volumes in March following COVID-19 related restrictions.

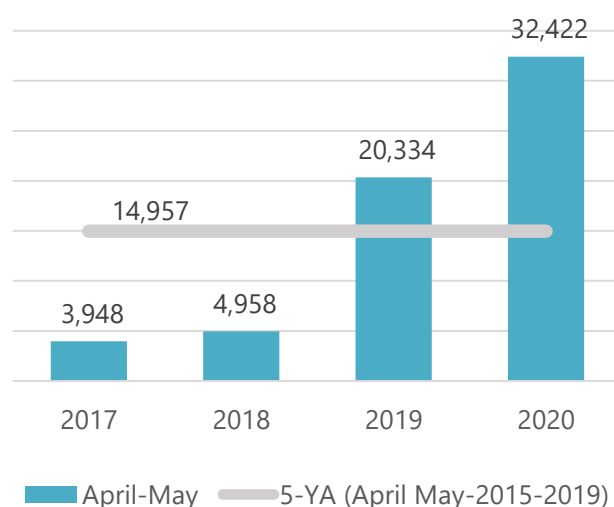
### Maize Grain: Uganda to South Sudan



### Maize Grain: Tanzania to Kenya



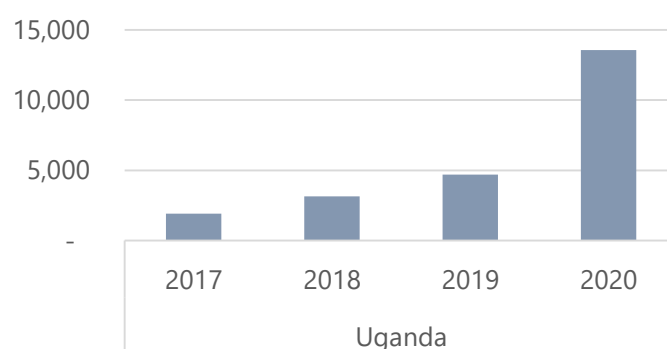
### Sorghum Exports: from Uganda to South Sudan (MT)



### Beans Exports to Kenya (April-May- MT)



### Beans exports: Uganda to South Sudan (April-May) -MT



## WFP Procurement: Origins and Prices



Tanzania, Uganda, South Africa and Mexico are the main supply origins of white maize grains imported by WFP for humanitarian assistance in the region.

In 2020, WFP imported more maize from Uganda and South Africa where the aggregate cost of imports were relatively lower than from Tanzania, the traditional origin of white maize.

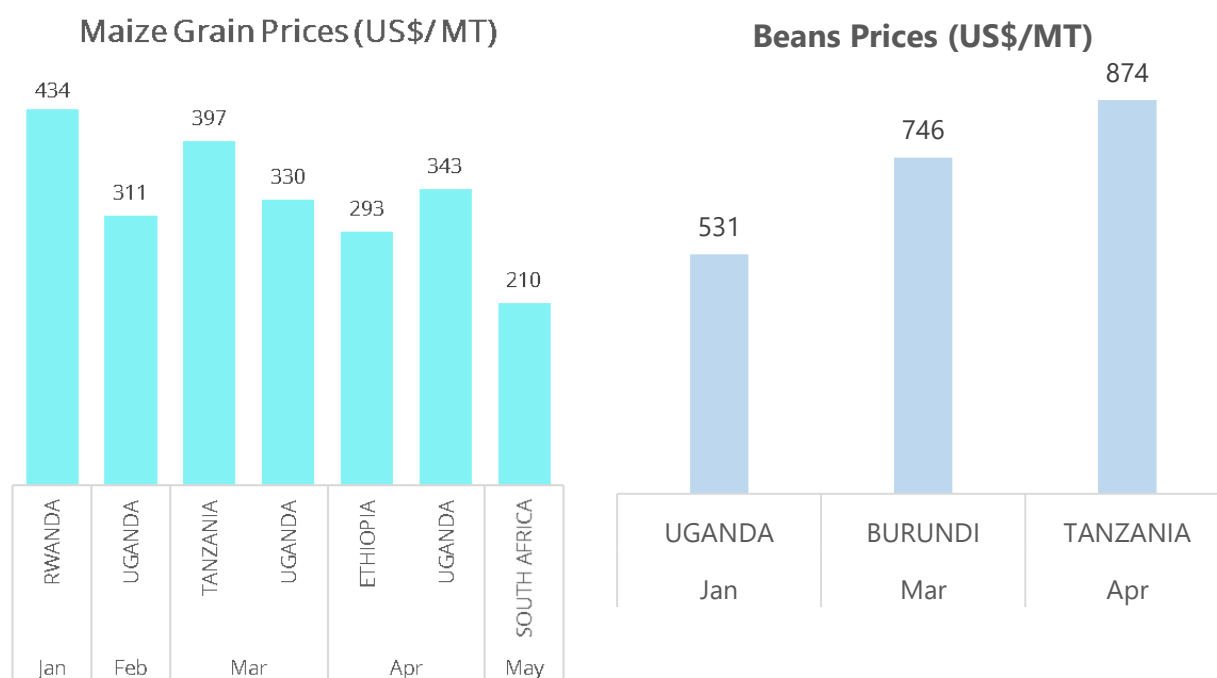
The maize harvest season has begun in the East Africa Region, and as a result wholesale maize prices have started decreasing seasonally in many countries including Uganda and Tanzania. Cereal prices are expected to decrease further in July/ August at the peak of the harvests. Maize crop production prospects for the 2020 in the region is positive, presenting good procurement opportunities regionally from Tanzania and Uganda.

Latest South Africa crop forecasts for 2019/20 commercial maize harvests point to a 30% higher production than last year, making the country a competitive maize sourcing origin for the WFP.

For beans, the harvest in Rwanda and Uganda have started resulting in reduced prices, an incentive for WFP local procurement.

Since March when the first cases of COVID-19 pandemic were reported in the region, most countries have seen their currencies lose value against the USD, but these losses have been balanced by lower fuel prices, resulting in stable prices of imported food.

### WFP Procurement prices



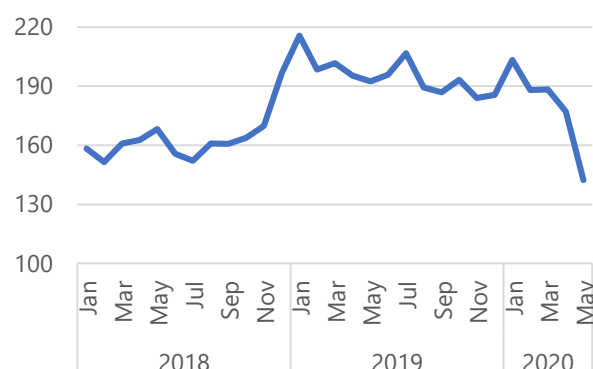
## Maize Production and Prices in Source Markets



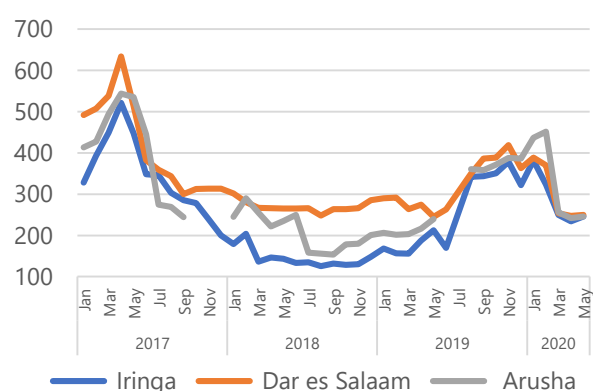
**South Africa:** in the last three months, maize prices have been attractive as a result of increased availability, exchange rates favoring exports, and reduced shipping rates making the country a competitive source market. A bumper crop harvest anticipated in the 2019/20 marketing year will help keep maize prices stable despite weakening of the South African rand.

**Tanzania:** The long rains maize harvests that started in May were projected to be [favorable](#) because of above average November 2019-April 2020 rains. The production prospects are also favourable for the 2020 "masika" season crops, planted in March in northern, northeastern and coastal bi-modal rainfall areas and for harvest from July. Due to increased availability in local markets and reduced cross-border trade volumes to Kenya following COVID-19 trade disruptions, maize prices declined in the last three months. Prices of maize declined by 36-44 percent between January and May 2020 in the main markets of Dar es Salaam, Iringa and Arusha. However, prices in May remained higher than in 2019, driven by [sustained demand](#) from Kenya, Rwanda and Southern African traders.

South Africa: Wholesale Maize Prices (US\$/ton)



Wholesale Maize Prices US\$/ton, Tanzania



**Uganda:** The new maize crop harvests in bi-modal rainfall areas covering most of the country that are projected to be favourable, have started reaching the markets. Prices of maize and beans have started declining seasonally, supported by increased commercialization of the previous season's crops, making the country an attractive sourcing market for WFP food procurement.

**Mexico:** According to [FAO GIEWS](#), production of the 2019 summer main season maize crops that were concluded in February were below average due to lowest planted area in more than a decade. The planted area of the 2020 minor maize crop contracted due to the year-on-year decline in irrigation water availability raising fears of lower output in the maize crop harvests that commenced from May and higher import demand of yellow maize by the feed industry. Prices of white maize remained stable since the last quarter of 2019, mainly reflecting the improved market availabilities from the 2019 main season harvest.

**Zambia:** the overall 2020 maize production is expected at an above-average level of [3 million tonnes](#). Even though the increased availability of new harvest will likely exert downward pressure on maize prices, the sustained increase in the last 12 months with doubling of prices in one year, is likely to keep the current prices higher than normal, making the country less attractive for WFP sourcing of maize grain.



## Country level overview of markets and prices

### Burundi

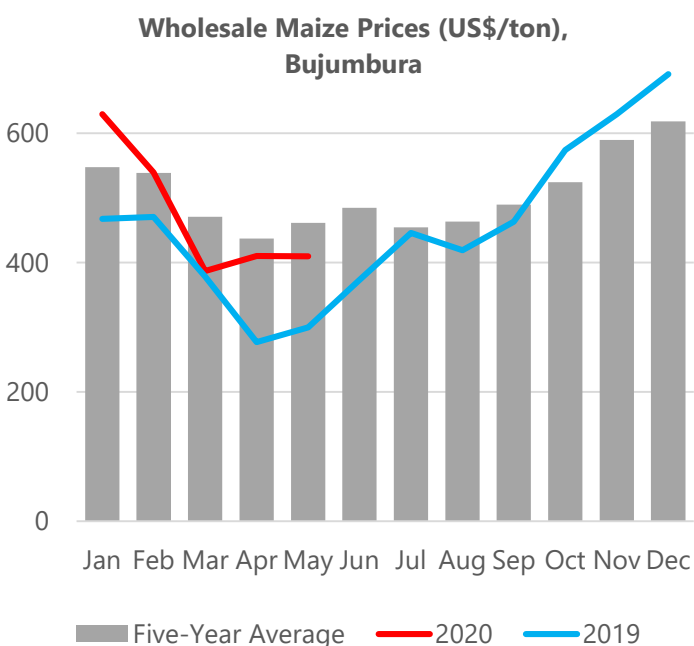
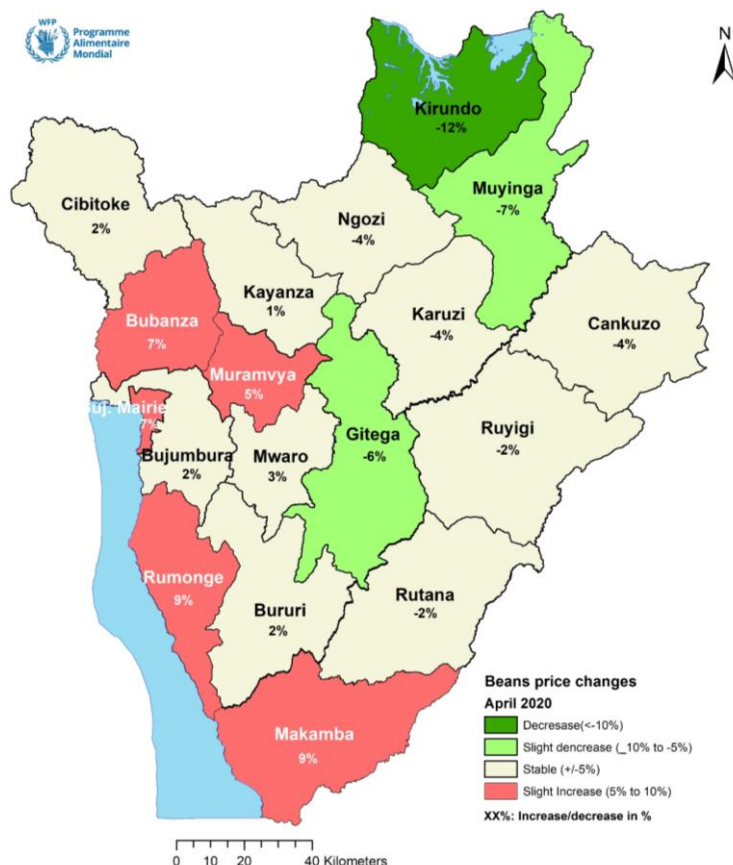


Burundi relies heavily on food imports, particularly maize and rice from Tanzania to meet its consumption needs especially during this time of the year when the first lean season peaks and household food stocks are depleted. However, the country has low import capacity since traders are facing acute shortage of dollars due to currency depreciation, and high cost of transportation.

The COVID-19 pandemic has disrupted regional trade and reduced food imports into the country during the first quarter of the year resulting in low market food availability and increased food prices from March although largely within seasonal levels.

According to the Burundi market monitoring by WFP (May, 2020):

- ❖ Highest food prices were in the west/north-western provinces of the country (including Bujumbura), which are traditionally deficit production areas but also have the highest concentration of the population and demand for food.
- ❖ Onion and bean prices increased significantly above the five-year average (up to 60% and more than 35% respectively).
- ❖ Widespread year-on-year food price increases were observed in April.
- ❖ Beans and imported food prices also increased in April month-on-month, which is linked to below normal production in the previous season as extreme moisture during September-December 2019 led to massive crop losses.



- ❖ Maize prices on the other hand decreased from December through March 2020, supported by ample crop production. Since the start of the COVID-19 restriction measures in March, maize price increased slightly, reflecting the combined effect of reduced supplies from Tanzania and effect of the lean season.
- ❖ WFP's Alert for Price Spikes (ALPS) indicator monitors the extent to which market food prices experience unusually high food prices. In April 2020, staple food prices in most of the monitored markets indicated higher than normal price levels ('alert' and 'crisis' ALPS phases). Muraviya, Kinama, Kayangozi, and Gitobe were in 'crisis'.
- ❖ The high and increased prices of staples are expected to continue until the next harvests (2020B season) starting mid-June/July.



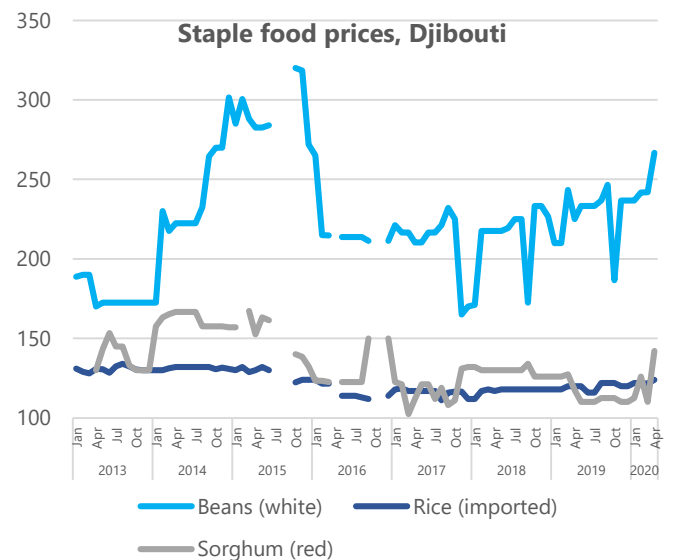
Djibouti meets up to 90 percent of its food needs through imports, making markets the single most important source of food for both rural and urban residents.

Given this high dependence on markets, households are vulnerable to price and income shocks particularly now that COVID-19 pandemic led to increased food prices and decimated casual labour and petty trade opportunities amongst the majority of urban residents. This is particularly so given the country has the highest urbanization rate in the region (80%) with about 70% of the population living in Djibouti City and its suburbs.

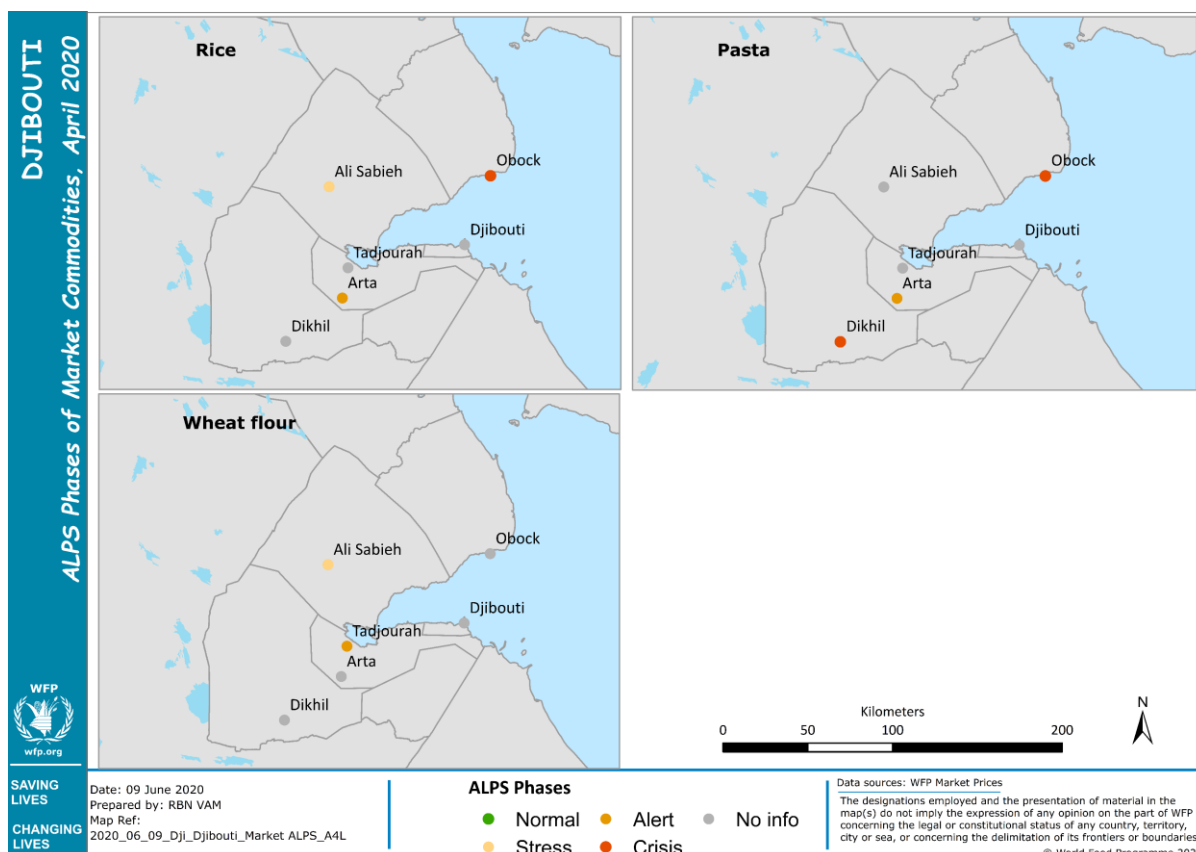
Due to low purchasing power and limited access to own production in rural areas, consumption of nutrition rich food items among rural poor households is low.

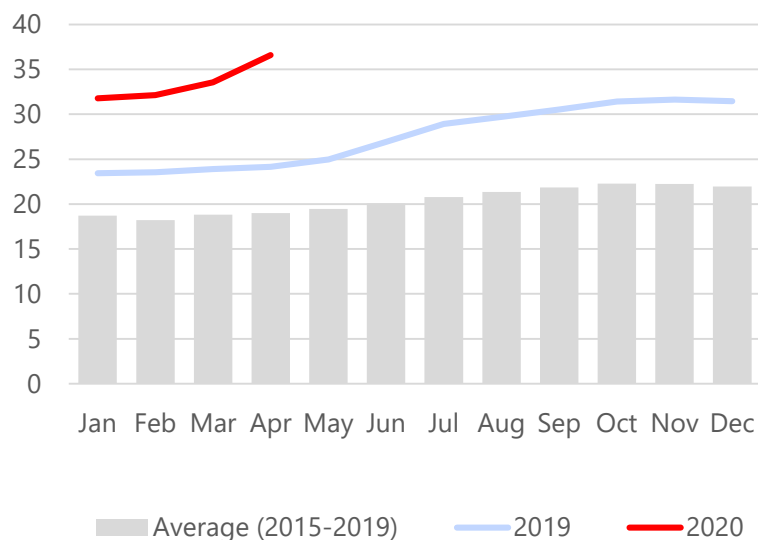
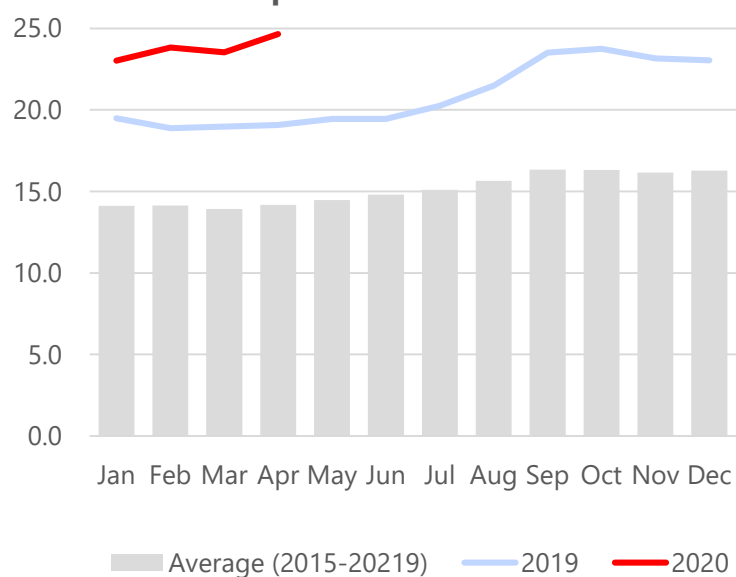
Prices of beans and red sorghum increased significantly (60-100%) between March and April 2020 in Djibouti. The increase is attributable to increased demand due to panic buying following implementation of COVID-19 containment measures. The highest price increases were recorded in Ali Sabieh and Tadjourah (red sorghum) and in Obock (imported rice-9%). The current prices have reached record high levels since 2015.

A household survey conducted in January 2020 showed that majority of households are not able to afford nutritious food; this is likely to have gone up since March given COVID-19 related income and price shocks. The country with a population of around 1 million has the highest COVID-19 cases in the region as well as the largest informal sector employment.



In April, rice, wheat flour and pasta prices indicated higher than normal levels in the key cities monitored.




**Teff Prices in Addis Ababa (ETB/kg)**

**Wheat prices in Addis Ababa**


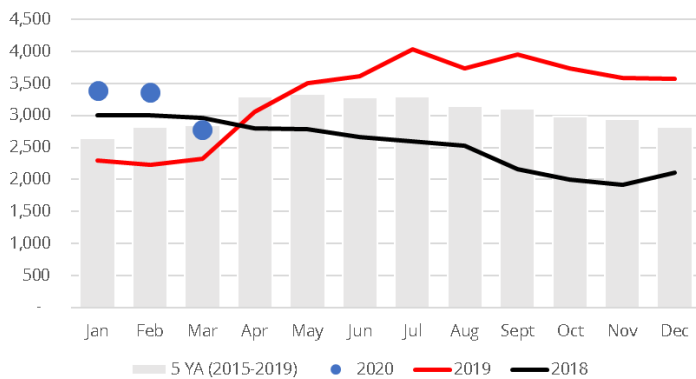
Despite having a domestic marketable surplus for cereals, food prices are very high in Ethiopia. The country is faced with persistent high inflation linked to the macro-economic challenges that have been aggravated by the COVID-19 pandemic. These together with low import capacity and high input and fuel prices are having an impact on food prices.

According to the Ethiopia Market Watch (May, 2020):

- ❖ The April year-to-year inflation reached unprecedented levels of 22.9%, the highest since 2012;
- ❖ The prices of staple cereal and pulses were at elevated levels throughout the country, having sustained rising trends in the last 12 months despite the recent *Meher* harvests and Government price controls;
- ❖ Supply shortages and price increase of key staples (such as maize and sorghum) experienced in March as a result of travel restrictions and panic buying in response to the onset of Covid-19 appeared to stabilize in April in most of the monitored markets. However, scarcity of teff and wheat was reported in many monitored markets;
- ❖ Fruits and vegetable prices were stable during the reporting period with concurrent reduction in supply and consumption of vegetables in Addis Ababa;
- ❖ The ongoing lean season, COVID-19 related restrictions, and macro-economic problems will likely sustain rising cereal prices and keep them above the seasonal levels until the next harvests in September



Wholesale Maize Prices in Nairobi (KES/MT)



According to the Ministry of Agriculture, Livestock and Rural Development, Kenya's Food Balance Sheet is healthy with sufficient stocks of key staples that will sustain consumption needs through July 2020.

Wholesale maize prices decreased between January-March 2020 in the key supply market of Eldoret as well as in the net consumption city of Nairobi.

However, localized price increases were observed in April in remote markets as COVID-19 restrictive measures and intense rains disrupted food supply chains. However, prices have since stabilized following cessation of rains and start of green harvests in bimodal areas. Nonetheless, current prices remain above the five-year average levels.

Harvests in bimodal areas are projected to be above average, likely resulting in stable or reduced prices despite weakening of the Kenya Shilling. Since the declaration of the first case of COVID-19 in the country on 18<sup>th</sup> March to date, the Kenya Shilling has depreciated by nearly 7%, losing 7 units to the US\$ in response to reduced foreign exchange earnings from agricultural exports, remittances and tourism sectors.

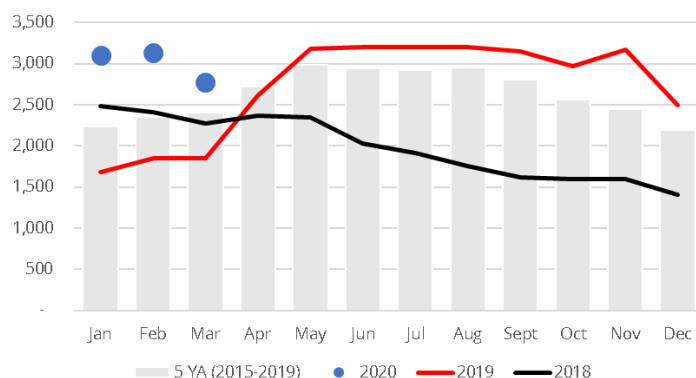
The depreciation of the Kenya Shillings is likely to result in increase in price of imported food and farm inputs, partially offset by lower fuel costs. From February through May, petrol and diesel prices dropped significantly, as a result of falling international crude oil prices.

The headline inflation rate has steadily declined since January 2020, in line with reduced food prices following December crop harvest in unimodal areas as well as reduced fuel prices.

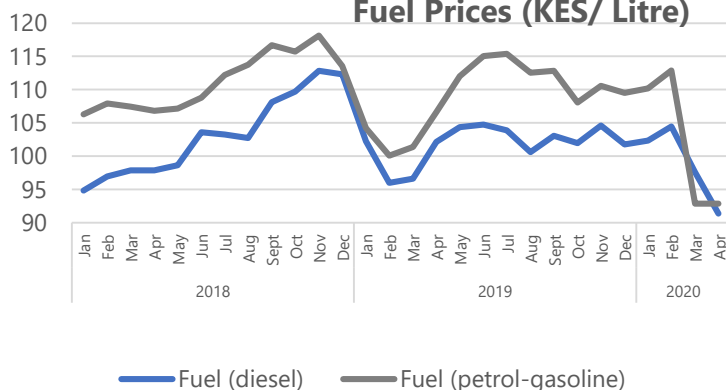
Staple food prices are expected to decrease seasonally from June.

The Government maize import window has been extended through July to allow millers to import maize. This will likely help stabilize food prices.

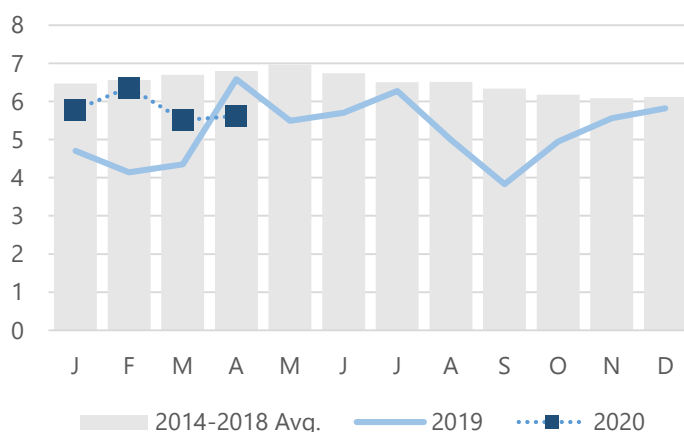
Wholesale Maize Prices in Eldoret (KES/MT)



Fuel Prices (KES/ Litre)



Year-on-Year Inflation Trends







Rwanda being a net food importer, has traditionally relied on imports of staple maize from Uganda to cover the gap from its domestic food production. However following a trade dispute with Uganda which culminated in intermittent border closure at Gatuna over the last year, the growth of rice and maize imports from Tanzania have progressively compensated for reduced trade flows from Uganda.

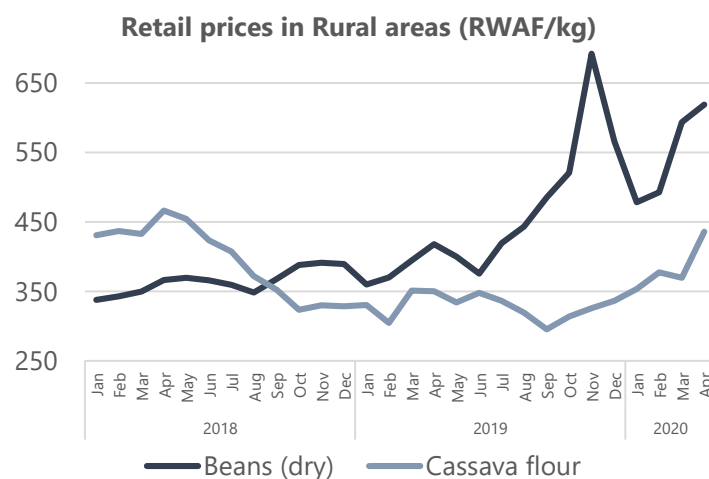
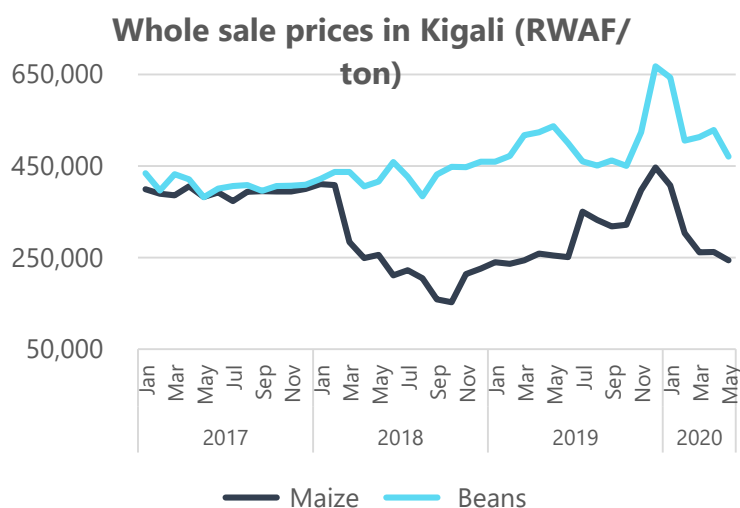
Wholesale prices of locally produced maize and beans decreased between December and March 2020 in Kigali, caused by increased supplies from favourable 2020 A harvest but also by reduced demand from rural traders and institutional buyers following nationwide curfew and closure of schools linked COVID-19 pandemic.

The start of the 2020B season harvests from June will likely lead to downward prices for beans and cereals

Retail prices of beans and cassava in rural areas increased sharply between March and April 2020, linked to bottlenecks that reduced market functionality and commodity flows from Kigali and other key supply markets following lockdown and travel restrictions, police checkpoints and the nationwide curfew. April also coincided with the lean season, reduced household food stocks and increased prices of staples.

In April, ALPS showed the most rural markets were either on alert of crisis phases, specifically for beans, cassava flour and potatoes particularly in the South of the country.

In May, retail prices in rural areas went down following partial lifting of curfew and other COVID-19 measures and the start of season B 2020 green harvest.





Somalia relies heavily on food imports particularly rice, wheat flour and sugar from Saudi Arabia and the Gulf Countries. Seasonal production of maize and sorghum in southern Somalia is an important source of cereals for the country. Pastoralists mainly located in Central and Northern Somalia rely on consumption of milk and sale of own stock to buy sorghum and other foods in the market.

Prices of locally produced cereals showed atypical price increase between March and May 2020 in the markets of Southern Somalia- caused by flood related trade disruptions and panic buying related to COVID-19 measures. Increased consumption demand during Ramadan and Hajj festivities also contributed to the price increases. The current price levels in the southern markets are at the highest since 2018, and nearing the 2017 hyper-inflation levels.

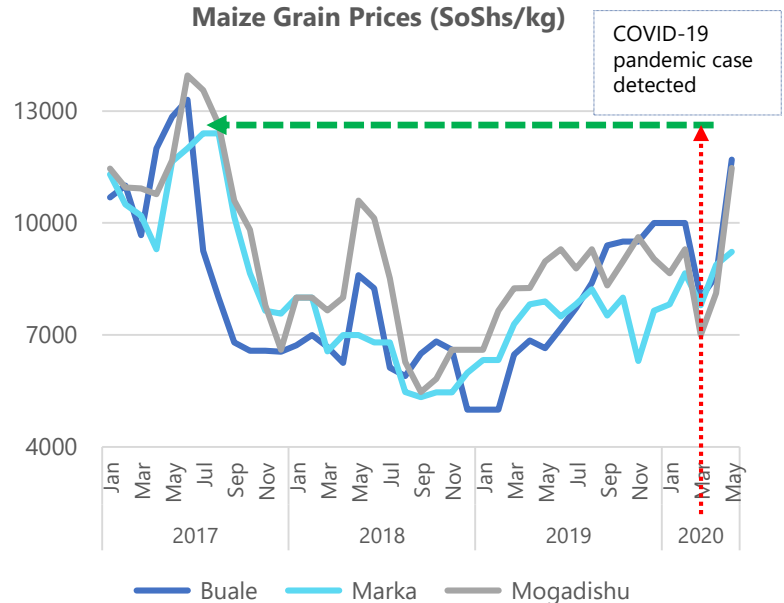
Red sorghum prices also increased in northern markets in Somaliland and Puntland, between March and May 2020, albeit moderately, tempered by continued cross-border cereal flows from Ethiopia. Prices of local cereals were however largely stable in Galkayo market in central region between March and May 2020.

Cereal prices in many key monitored markets indicated higher than normal price levels. This is expected to continue until the next harvests in July.

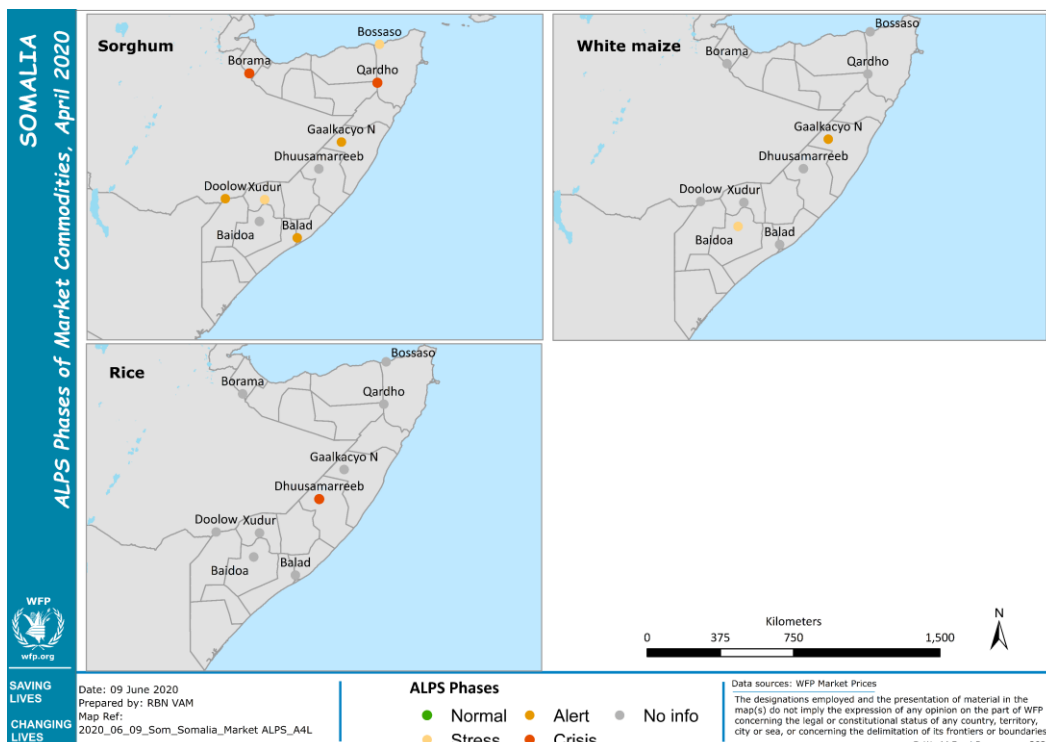
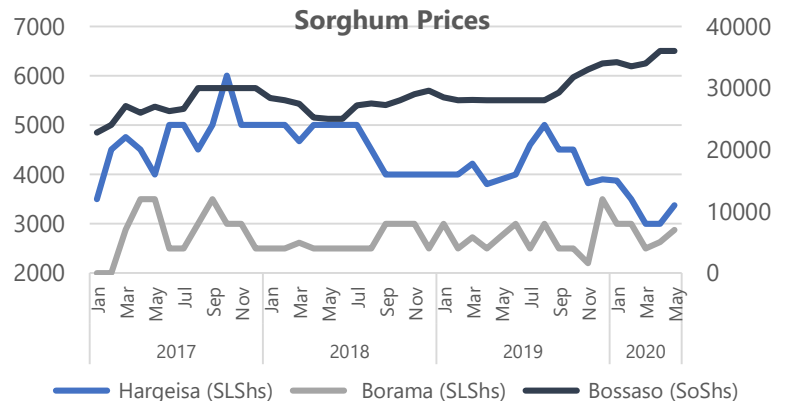
Scarcity of fruits and vegetables led to price escalations in mid-May due to cut off roads linking rural and urban areas.

Fuel prices throughout Somalia are low reflecting global trends.

**Maize Grain Prices (SoShs/kg)**

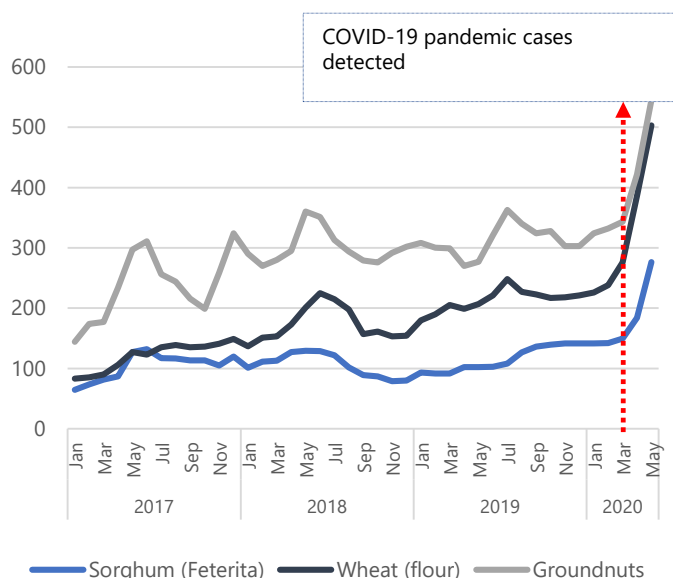


**Sorghum Prices**

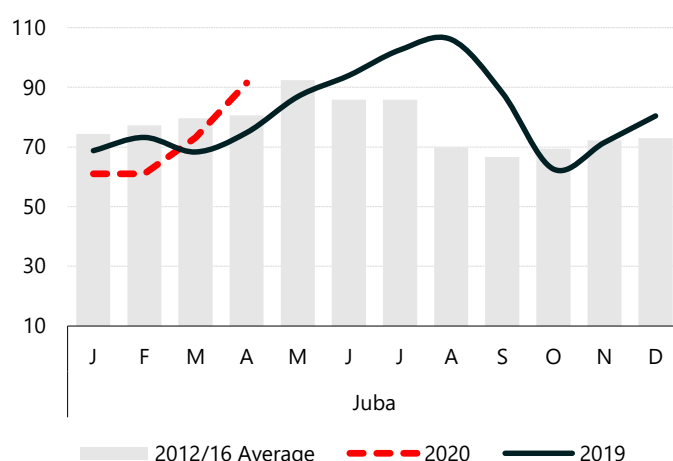




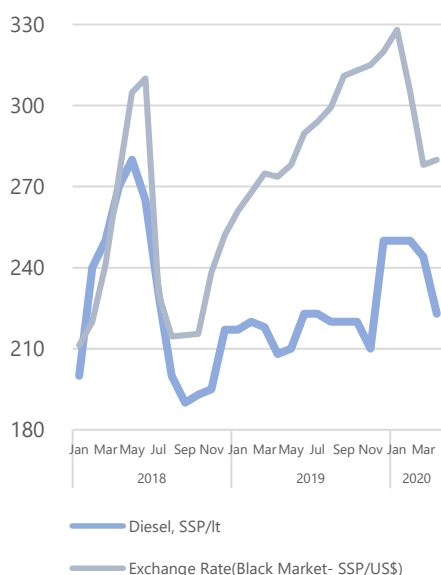
## Staple food prices, Juba (SSP/kg)



## Wholesale Maize prices, Juba (USD/100kg)



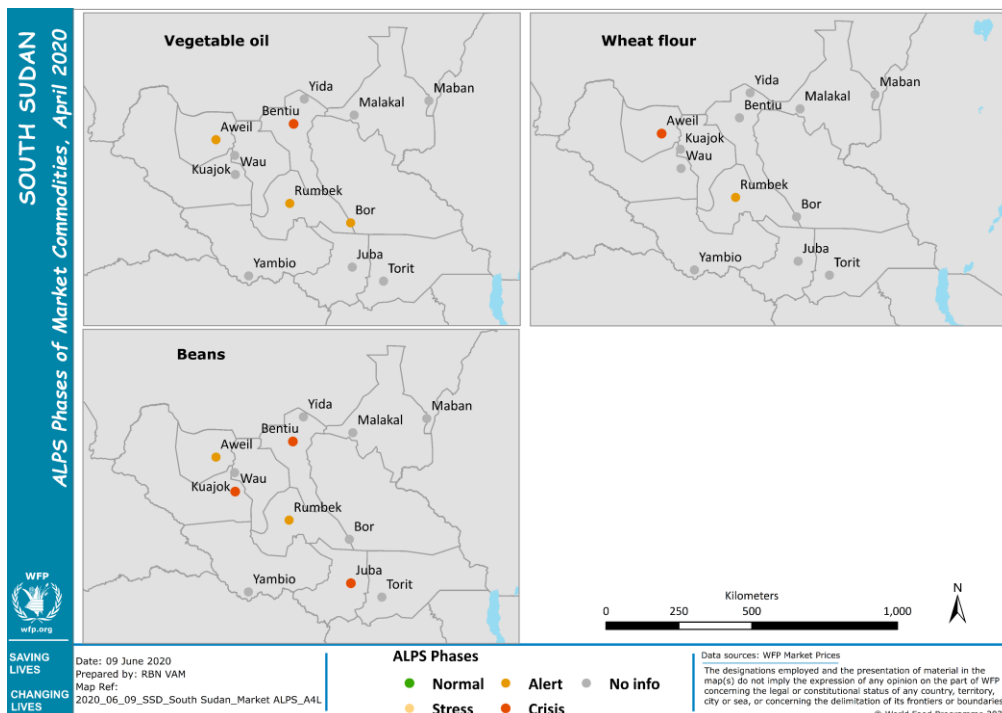
## Fuel and Exchange Rate Trends, Juba



With a huge domestic cereal deficit (482,00 MT in 2020), South Sudan relies heavily on maize imports from Uganda during this period of the year and is therefore highly exposed to imported and seasonal food price shocks. Prices were exceptionally high in the country from March 2020.

According to the last issue of the South Sudan Monthly Market Price Monitoring Bulletin:

- ❖ Seasonality, panic buying, hoarding of commodities, increased transport costs, reduced cross border trade supplies caused by trade disruptions related to COVID-19 border screening of truck drivers, led to the significant staple food price increase from the third week of March, rising to the highest level in May in Juba since the 2016/ 2017 economic crisis;
- ❖ Fuel prices decreased in the first Quarter of the year, in response to significant reduction in global crude oil prices;
- ❖ The demand for US dollars dropped in April in response to reduced demand of dollars by traders and for transfers abroad following the outbreak of COVID-19 pandemic, resulting in stability of the SSP to the US\$.
- ❖ In April 2020, the prices of beans, vegetable oil and wheat flour were in 'crisis' or 'alert' ALPS phase in key urban markets across the country, indicating higher than normal price levels.



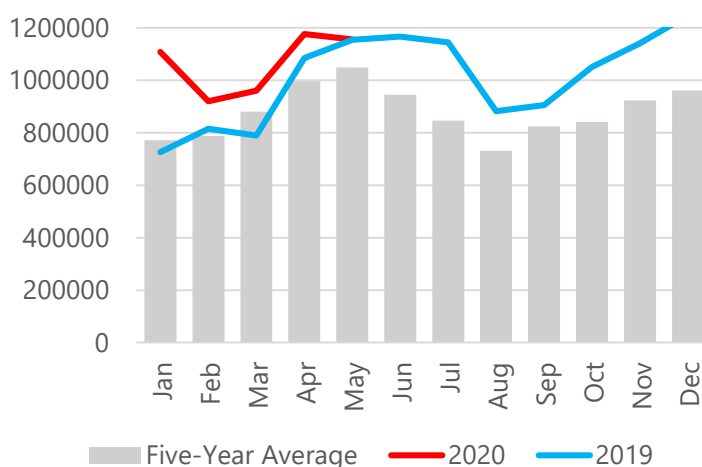


Uganda, being self-sufficient in cereal production, produces more food than it consumes and is the bread basket of the region, exporting surplus food to Kenya, South Sudan, Rwanda and the DRC. However, the cereal deficit pastoral Karamoja region is constantly faced with food supply challenges from surplus regions resulting in higher prices compared to the rest of the country.

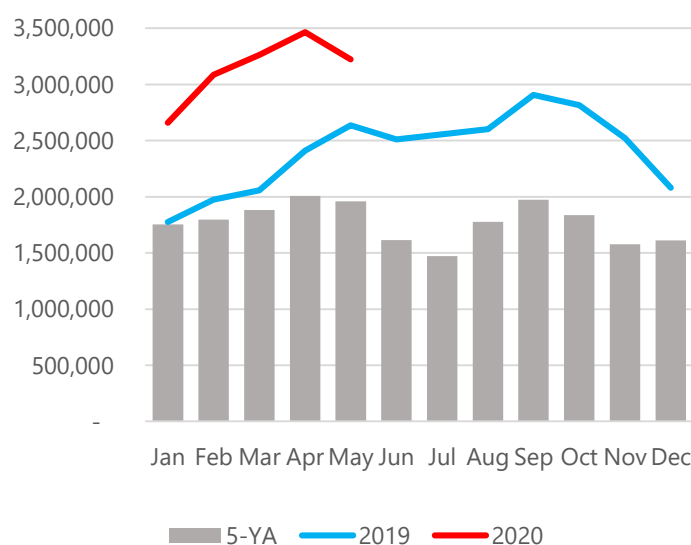
In 2020, tight domestic supply following a below-average 2019 cereal production, coupled with sustained demand from Kenya and South Sudan have kept maize and beans prices higher than normal and led to sharp increase in March and April. This trend has however been reversed by the start of green harvest in bimodal areas

- ❖ In general, maize, sorghum and beans prices followed typical seasonal trends from January through May in Kampala, although they were higher than the five-year average and 2019 levels.
- ❖ In May, wholesale price of key staple cereals (maize, sorghum and cassava) declined in Kampala after an initial panic buying, speculative trading and supply chain disruptions following implementations of COVID-19 pandemic measures led to price spikes in March and April.
- ❖ The combined effect of reduced effective demand from institutional buyers (due to closure of schools) and large scale traders (due to transport restriction measures), reduced household incomes and the start of green consumption and harvests in bimodal areas, led to maize and beans price declines. Prices of other staples (cassava, sweet potatoes and banana) have also stabilized.
- ❖ In Karamoja, maize prices were stable in May after spiking in March while sorghum and beans prices have sustained increasing trends since the COVID-19 measures were effected.
- ❖ Favourable prospects for the 2020 cereal harvests in bi-modal areas starting June will likely stabilize food prices nationally.

Wholesale Maize Prices (Ug Shs/ Ton) in Kampala



Wholesale Beans Prices (Ug Shs/ Ton) in Kampala





## Livestock Prices



Livestock production in arid and semi-arid lands (ASALs) is an important source of livelihood for millions in Djibouti, Eritrea, Kenya, Somalia, Southern Ethiopia and Karamoja region of Uganda. Livestock price is a key indicator of food access as livestock keepers as favourable prices allows them to afford cereals and other essentials in the markets.

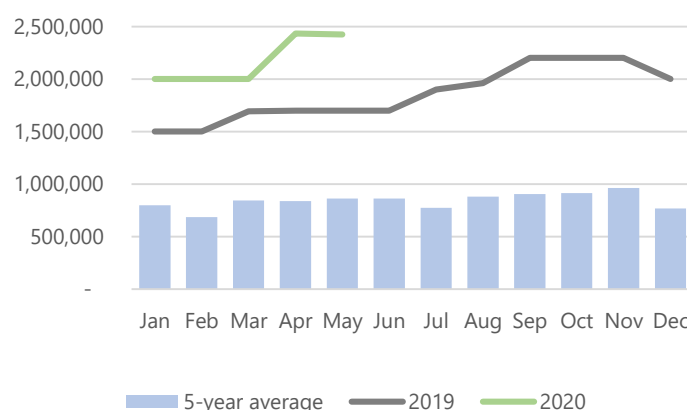
**Somalia and Somali Region of Ethiopia:** Prices of livestock increased since March and were above the 5-year average in many markets due to reduced supplies, increased domestic consumption demand during Ramadhan as well as improved body conditions due to abundant seasonal rains that increased pasture and water availability.

**Kenya ASAL Counties:** due to normal to above normal rains that favoured pasture, forage, browse and water availability and consequently enhanced livestock body conditions, livestock prices were higher than the long term average. According to **National Disaster Management Authority**, prices of small ruminants were either stable or increased from January through April 2020 especially for small ruminants in border counties having trade opportunities with Somalia and Ethiopia. However, in most of the hinterland counties that rely on Nairobi and Mombasa markets, prices particularly for cattle reduced from March, caused by supply interruptions triggered by outbreak of COVID-19 which reduced demand for meat following closure of livestock markets, hotels and restaurants. Restriction on movement of livestock traders also contributed to reduced demand and reduced prices.

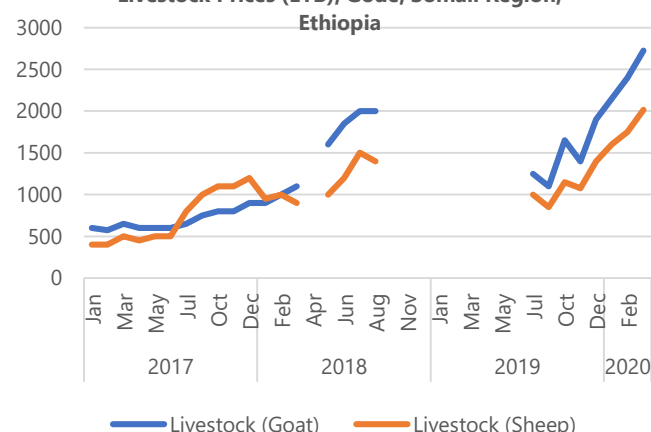
**Karamoja Region: according to WFP Uganda monthly price monitoring**, the overall price of goats declined between March and May due to reduced demand following nationwide curfews that disrupted livestock marketing, reduced demand and consumption of meat following COVID-19 prevention measures.

**South Sudan:** Livestock prices were either stable or increased in most markets- particularly in parts of Eastern Equatoria and Jonglei due to improved body conditions. However, there were significant price decreases in Lakes, Northern Bahr Ghazal and Unity, linked to insecurity in Lakes and reduced demand in the rest of the states.

Local Goat Prices (SoShs) - Galkayo, Somalia

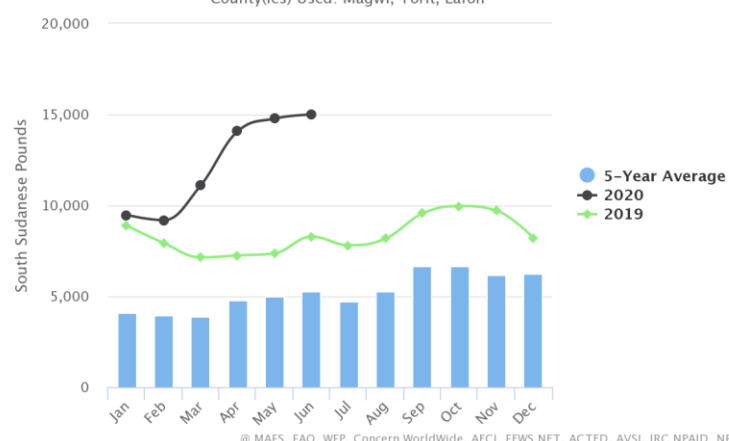


Livestock Prices (ETB), Gode, Somali Region, Ethiopia



Goat:medium size Grade 2 – Per head: Eastern Equatoria

County(ies) Used: Magwi, Torit, Lafon



@ MAFS, FAO, WFP, Concern WorldWide, AEI, FEWS NET, ACTED, AVSI, IRC NPAID, NBS

## Outlook



- ❖ Maize, sorghum and beans harvests in bi-modal cropping areas that have started in most countries from June will likely result in stable or reduced prices of these staples. Prices of long-season sorghum will continue increasing until the next harvests in September in unimodal areas. Prices of staples will however continue to trend above the five-year average levels in most markets.
- ❖ Continued cross-border trade disruptions due to COVID-19 control measures are likely to result in localized prices increases of staples mostly in deficit producing countries.
- ❖ Staple food prices in countries facing macro-economic challenges- high inflation, currency depreciation, shortage of dollars, low reserves etc (South Sudan, Burundi and Ethiopia) are likely to trend above the normal seasonal levels.
- ❖ Projected improved seasonal rainfall performance through September is likely to help improve livestock body conditions and reflect in higher prices in most pastoral livelihoods except for likely stable or reduced prices in localized areas in ASALs of Kenya and Uganda (Karamoja) due to lower demand for meat occasioned by COVID-19 containment measures.

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