Agriculture Knowledge, Learning Documentation and Policy (AKLDP) Project, Ethiopia

Food Price Brief
August 2016

El Niño in Ethiopia

Maize and Sorghum Price Trends – July 2016

Introduction

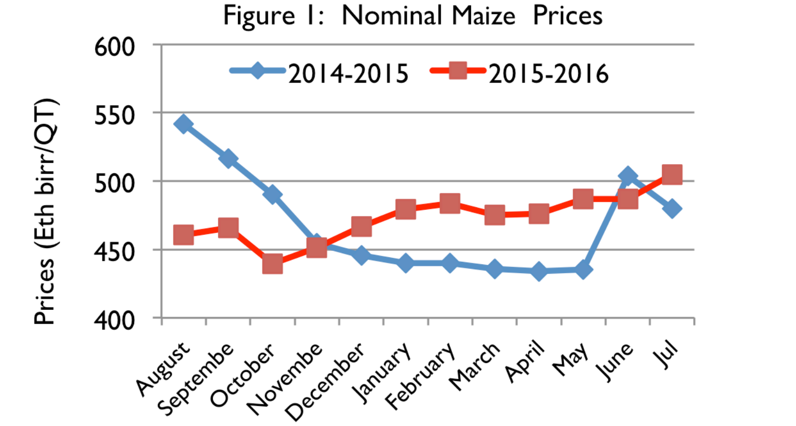
In this Food Price Brief, the AKLDP analyses nominal Ethiopia Grain Trade Enterprise (EGTE) price data for maize and sorghum from August 2014 to July 2016. As has been noted in previous Food Price Briefs, maize and sorghum are the staple cereals of poorer, typically rural households. Price trends of maize and sorghum therefore directly impact on household cereal consumption and therefore calorific intake.

Maize Price Information

In a normal year, maize prices typically fall August through February following the onset of the 'green' and the 'main' maize harvest, as increased flows of maize reach local markets. After February, maize prices typically stabilize until May or June when they start to rise to the July and early August peak.

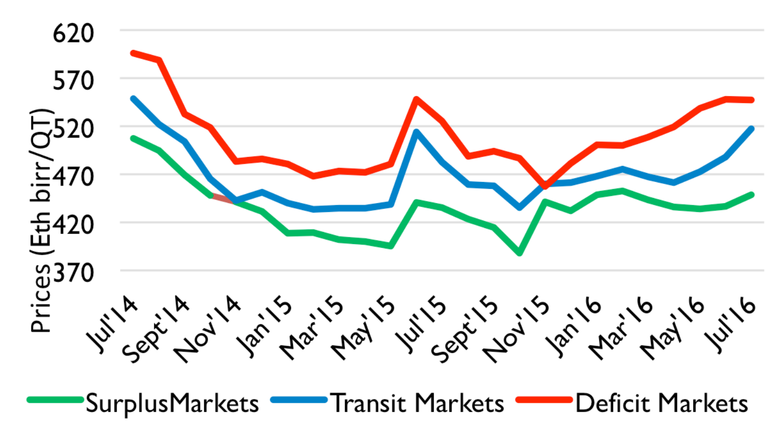
Between August 2014 and July 2015, nominal maize prices fell by Eth birr 62/ quintal or 11.4%. In contrast, in the period from August 2015 to July 2016, nominal maize prices increased by Eth birr 44/ quintal or 9.6%. Similarly nominal month-on-month maize prices to July 2016 increased by 3.7% (Figure 1).

Figure 1: Nominal Maize Prices



Disaggregated market data for 23 ETGE monitored maize markets confirms variable price trends in July 2016, with price increases in 15 markets, price decreases in 7 markets and stable prices in 1 market. The highest monthly price increases were recorded in Wolliso, Ambo and Nazereth in Oromia Region by 9.2%, 6.8%, and 6.3% respectively and Bitchena in Amhara Region by 6.3%. In contrast, the biggest monthly price decreases were recorded in Debre Birhan in Amhara Region, Mekele in Tigray Region and Alaba in SNNP Region by 2.6%, 2.1% and 1.5% respectively. Further analysis by market type – confirms average month-on-month price increases to July 2016 in transit and surplus markets by 6.1% and 2.8% respectively. Similarly, average year-on-year prices increased in the transit, deficit and surplus markets by 7%, 4% and 3% respectively, while average month-on-month prices in deficit markets declined by 0.2% (Figure 2).

Figure 2: Maize Prices by Market Type



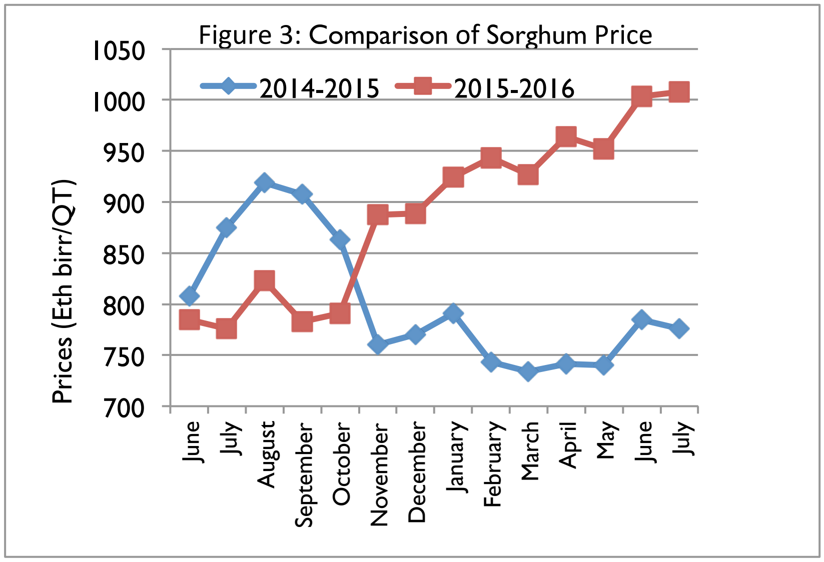
Sorghum Prices

Sorghum is the staple cereal in the eastern part of Ethiopia, including the zones most affected by the El Niño-induced drought. As with maize prices, sorghum prices typically peak in July and August after which prices fall to February. Prices then typically stabilize in May and June and then slowly start to rise to the July and early August peak.

FEED THE FUTURE
The U.S. Government's Global Hunger & Food Security Initiative

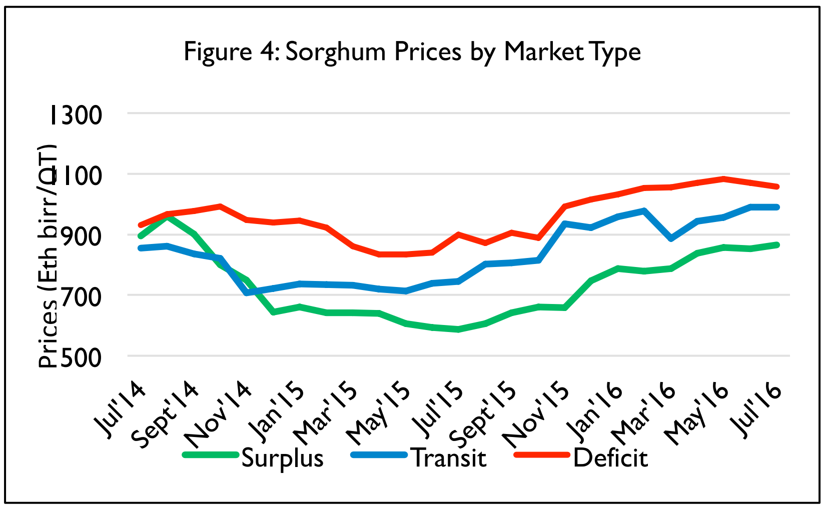
USAID
FROM THE AMERICAN PEOPLE

Between August 2014 and July 2015 nominal sorghum prices declined by Eth birr 143/ quintal or 16%. In contrast however in the period August 2015 to July 2016, nominall average sorghum prices increased by Eth birr 185/ quintal or 23%, while year-on-year sorghum prices to July 2016 were 30% higher. The nominal average month-on-month sorghum prices for July 2016 also showed an increase of 0.5% (Figure 3).



Disaggregated July 2016 market price analysis for sorghum confirms month-on-month price increases in 2 markets, with a decline in 3 markets and prices remaining the same in 1 market. The highest price increase of 25.4% was recorded in Jimma, Oromia Region while the largest price decrease of 2.6% was recorded in Dire Dawa Administration.

Further analysis by surplus, transit and deficit market type confirms average year-on-year sorghum price increases of 48%, 33% and 18% respectively. The month-on-month prices also increased by 14% in surplus markets and declined by 1.2% deficit markets and remained same in transit markets (Figure 4).



Conclusion

In contrast to the June Food Price Brief, the average nominal price for maize in July 2016 was 5% higher than in July 2015, while the sorghum price was 30% higher. Nominal prices of both maize and sorghum are therefore higher than at the same time last year. Prices might well be higher had the government and international imported significant amounts of wheat that has resulted in continually declining wheat prices.

Disclaimer

The views expressed in this food price brief are those of the AKLDP project and do not necessarily reflect the views of USAID or the United States Government.