

El Niño in Ethiopia Pulses Price Trends - July 2016

Introduction

In this July 2016 Food Price Brief the AKLDP analyses nominal Ethiopia Grain Trade Enterprise (EGTE) price data for pulses from July 2014 to July 2016. As mentioned in previous Food Price Briefs, pulses provide an important source of protein for poorer households who cannot afford animal protein source. Pulse price trends hence serve as a useful proxy indicator for the quality of household diet for poorer households – when pulse prices are high, poorer households typically eat fewer pulses and therefore daily protein intake is reduced.

Pulse Prices

With the exception of haricot bean, price trends for pulses have been upward since July 2014. For example, nominal average year-on-year pulse prices increased by 7% from July 2015 to July 2016.

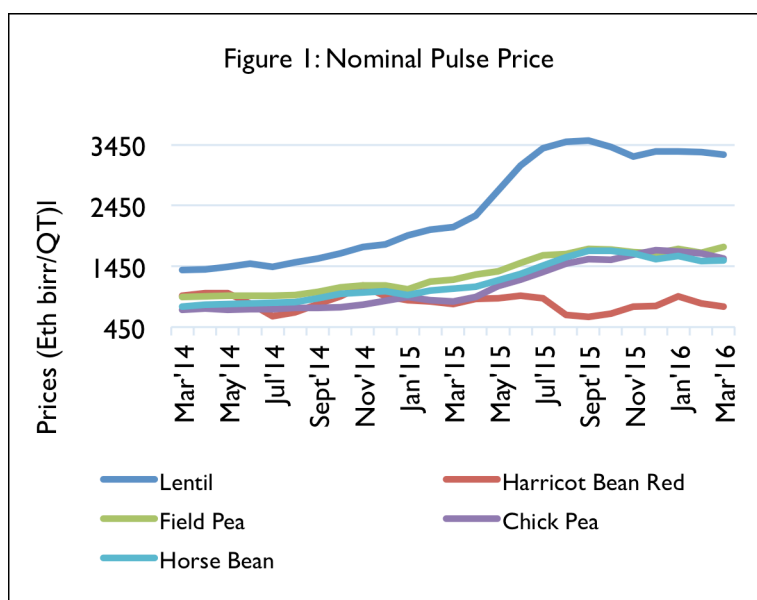
Disaggregated by crop, year-on-year prices to July 2016 shown significant price increases for chick peas, field peas and horse beans of 32%, 13% and 11% respectively. In the same period the price of lentils increased by 2%, while the price of haricot beans fell by 25%. Haricot bean is the cheapest pulse in Ethiopia, while the price of lentils is almost twice the price of other pulses (Fig. 1).

While continuing the up-ward price trend, month-on-month prices to July 2016 slowed with only a very modest average aggregate nominal price increase of 0.3% for all pulses. Disaggregated by crop, month-on-month prices increased by 3.2%, 2.2% and 0.9% for chick peas, field peas and horse beans respectively, while the prices for lentil remained constant. In the same period, the prices of haricot bean declined by slightly more than 10%.

As mentioned in previous Price Briefs, the long-term pulse price trend is driven by a combination of domestic and international factors. On the domestic front, factors include a reduction in the area of land planted to pulses – as more land is taken into cereal production – resulting in a restricted supply, coupled with the failed spring *belg* and erratic and poor summer *kiremt* rains that resulted in poorer than normal 2016 *belg* and *meher* harvests. Internationally, pulse price trends are driven by the level of demand, specifically if India – typically the largest pulse importer in the world – is purchasing on international markets, as has been the case.

Conclusion

Pulses play an important role in household food security as they typically offer an affordable protein source for poorer households. While high pulse prices may therefore benefit surplus producers, high pulse prices also result in reduced protein intake in poorer households. From a nutritional perspective therefore, the continued high prices of pulse in Ethiopia remains problematic.



Disclaimer

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