



## El Niño in Ethiopia

### Maize and Sorghum Price Trends to January 2016

#### Introduction

In January 2016 the AKLDP [reported on cereal price](#) trends in Ethiopia. In this Food Price Brief, the AKLDP analyses nominal Ethiopia Grain Trade Enterprise price data for maize and sorghum from March 2014 to January 2016.

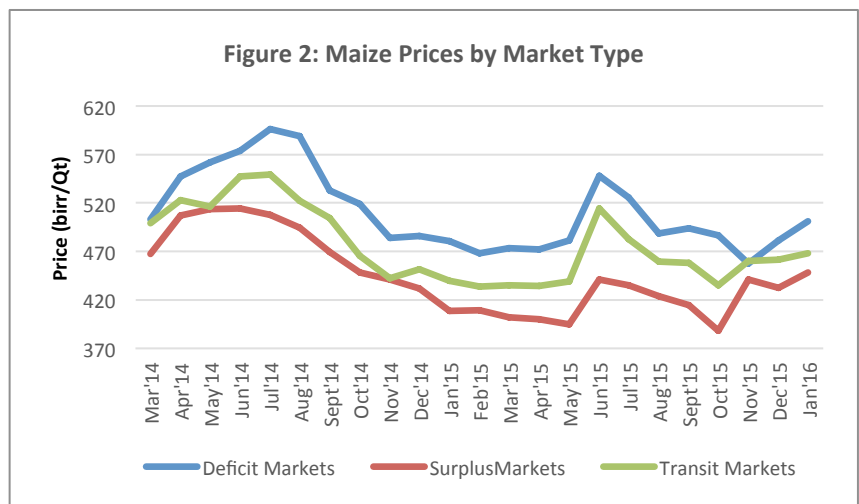
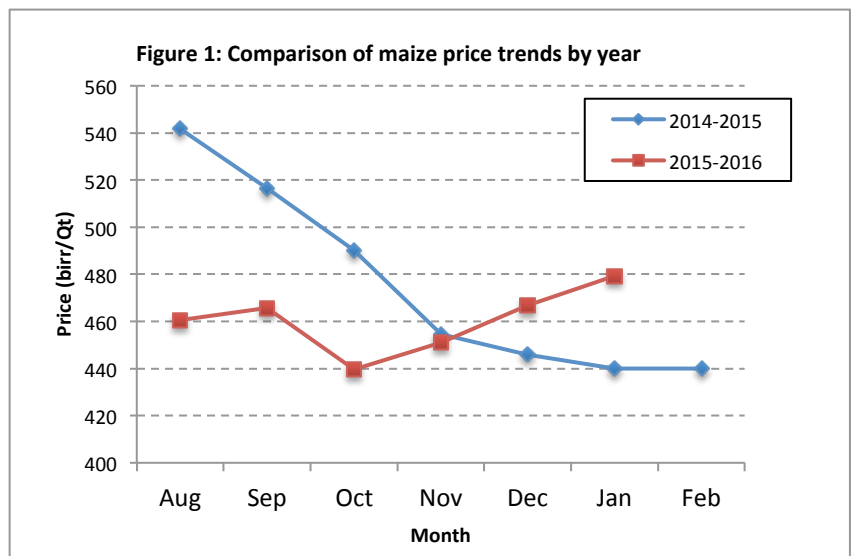
#### Maize Prices

- In a normal year, maize prices typically fall between August and February. For example, between August 2014 and February 2015, maize prices fell by 102 birr/Qt, equivalent to a 19% decline (Figure 1).
- In contrast, between August 2015 and January 2016, maize prices increased by 19 birr/Qt, equivalent to a 4% increase.
- Overall, price increases from November 2015 to January 2016 were 6.3%, while the annual January 2015 to January 2016 price increase was 9%.
- Overall, price increases from November 2015 to January 2016 stand at 6.3%, while the annual January 2015 to January 2016 price increase is 9%.

Disaggregated December 2015 to January 2015 data indicates a price increases in 18 markets and price decreases in three markets. The highest price increases were recorded in Bitchena and Dejen markets in the East Gojjam Zone of the Amhara Region, where prices went up by 13% and 12.9%, respectively. The biggest price decrease was recorded in Ambo, West Shewa Zone of the Oromia Region, with a decrease of 3.2%.

Further analysis by market type - surplus, deficit, and transit markets (see Figure 2) indicates average price increases in deficit markets - Dire Dawa, Mekele, Shashamane, and Ziway - of 4%; average price increase in three surplus markets - Bahir Dar, Bure and Nekempt - of 3.8%; and a modest increase in three transit markets - Addis Ababa, Adama, and Woliso - of 1.4%.

#### Sorghum Prices



## El Niño in Ethiopia: Maize and Sorghum Price Trends to January 2016

Sorghum is a staple cereal in eastern part of Ethiopia including those areas most affected by the El Niño-induced drought.

- As with other cereals, sorghum prices peak in July and August in a normal year, after which prices decline steeply to December and January. From January, prices tend to either stabilize or perhaps continue to decline more slowly to June when they start to rise again.
- Sorghum price trends in the 2015/16 season have significantly deviated from the normal seasonal price movements, with an increased in prices from June 2015 to end January 2016 (Figure 3).
- Continuing on this upward trend, nominal sorghum prices increased by 4% from December 2015 to January 2016. From September 2015 to January 2016, cumulative price increases stand at 18%, while the annual January 2015 to January 2016 inflation rate is at 17%.

Disaggregated prices continue to indicate increase in almost all markets from December 2015 to January 2016 with the highest price increase of 9% in Mekele, and price increases of 4.4%, 3.9% and 3.6% respectively in Dessie, Addis Ababa, and Gondar. The only market that experienced a price decline was Dire Dawa, with a 0.6% price decrease.

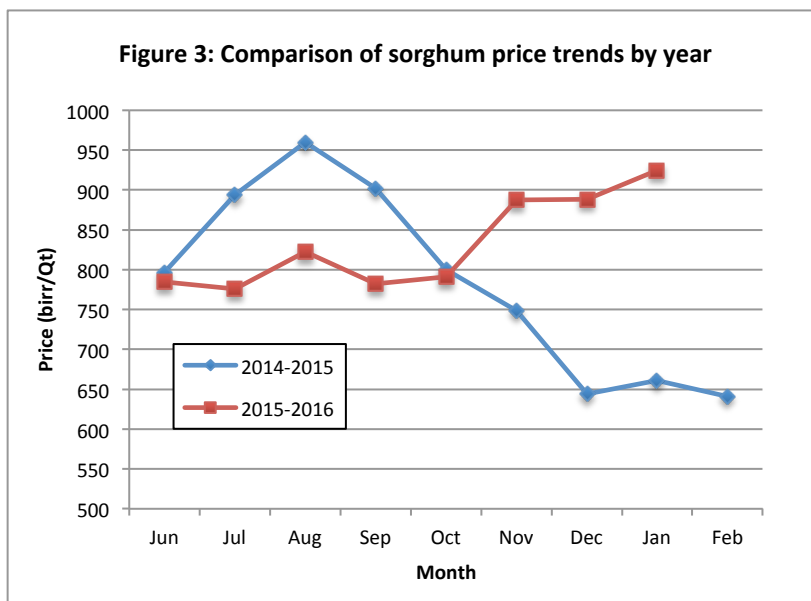
Further analysis by market type - surplus, deficit, and transit markets confirms an increase in prices in all markets market (Figure 4). The steepest increase was recorded in the traditionally surplus markets, which likely will translate to further price increases in the transit and deficit markets in February 2016.

### Conclusion

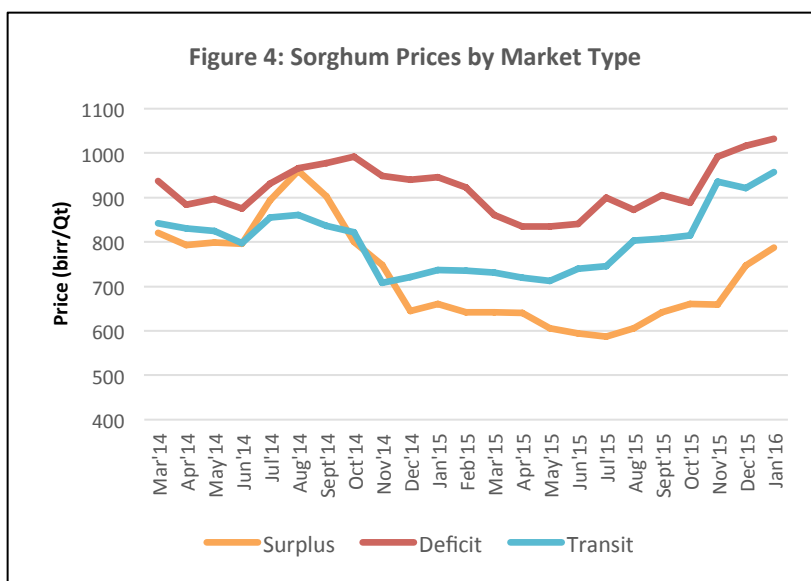
Cereal prices in Ethiopia typically decline in the period after harvest from September through to January and February as farmers harvest and sell their grain in local markets and traders move grain between markets.

Maize and more significantly sorghum price increases in November/December 2015 and January 2016 are atypical and occur at a time when cereal prices normal decline at a rate of between 5% and 10%.

**Figure 3: Comparison of sorghum price trends by year**



**Figure 4: Sorghum Prices by Market Type**



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### Disclaimer

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