

Market Data Update



Food Security and Nutrition Analysis Unit - Somalia



Monthly Market Data Analysis, August/September 2011

Highlights

In August 2011, the Consumer Price Index (CPI) exhibited minimal changes. While the cost of living in South-Central zones declined slightly (3-7%), it increased only marginally (2-4%) in the North. The slight deceleration in the cost of living is in tandem with reduced prices of local cereals in the main markets, due to some supply of local cereals from current harvests and on-going relief food distribution in Southern Somalia. In comparison to August 2010, the inflation accelerated moderately in Northwest (11%), significantly in Northeast (55%), Central (81%) and South (122%). It is notable, however, that even in the face of declining monthly cost of living in the South, the CPI still remains significantly higher, by about 40 percent, than its 2008 peak levels. Compared to the base period (March 2007), the inflation rate accelerated significantly (151-234%) in SoSh areas but moderately (21%) in SiSh zone.

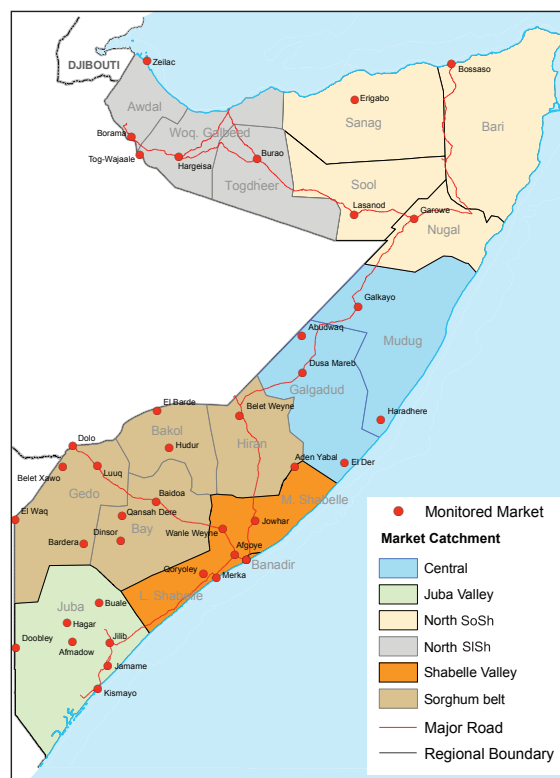
Prices of locally produced cereals declined in Shabelle (3%), Juba (6%) and Sorghum Belt (11%) in August 2011 from the previous month. Latest market information for the first two weeks of September 2011 point to a further dip in the prices in the South and Central, signalling continued flows of local cereals from the *Gu* 2011 harvests into markets as well as on-going relief food interventions. In particular, in the first half of September 2011 the prices for white maize decreased in main markets of the Shabelle (39%) and Juba (7%) regions, while sorghum prices declined in Central (12%), most markets of the Sorghum Belt (16%) and Banadir (26%) regions. Conversely, sorghum prices remained stable in Northwest and Northeast. However, when compared to August last year, most markets show significantly higher cereal prices in all regions. Despite the declines from the peaks reached in June this year after an eight-month upward trend, cereal prices in September were still up to three times higher than a year ago. Specifically, red sorghum price increased significantly in most markets of the Sorghum Belt (148-325%), Central (65%), Northeast (100%), while maize price accelerated in Shabelle (116%) and Juba (164%) regions. Increase in white sorghum price was equally significant in Northwest (53%). Prices of local cereal prices in the country will most likely decline or remain stable in the short-run but then resume an upward trajectory as supplies from the *Gu* harvests are significantly limited.

Except for Mogadishu, prices for imported commodities (rice, sugar, wheat flour, vegetable oil, petrol and diesel) mostly remained stable in the first half of September. The inflation in the price of imported commodities in Mogadishu is partly attributable to increased demand as a result of IDP influx into the area. Compared to a year ago, prices of imported commodities remained higher in all regions, in line with international trends. Volatility in fuel prices, uncertainty in international food market and resumption of active imports following the ease of monsoon winds in the coming weeks will be the main determining factors of import price dynamics in the coming months.

Prices of livestock and their products showed a mixed trend both in August and also in the first half of September 2011 across Somalia. Local goat prices remained stable in most markets but decreased in Banadir. Local cattle prices, on the other hand, showed a particularly pronounced increase in Juba and Shabelle. The increasing prices in Shabelle and Juba are mainly due to improved marketability of cattle as a result of enhanced body condition as well as shortage of supply following high-offtake during *Jilaal* season. Compared to the same month last year, the livestock prices are particularly lower in most southern regions, stable in Central, higher in Northeast but mixed in Northwest. Livestock exports from Bossaso and Berbera Ports in August 2011 decreased by 33 percent from its highs of over 16 years in July 2011. Notably, the decline in export volumes in August is perfectly in tandem with seasonal trends and is 34 percent higher than the same month last year, supported mainly by new and diversified markets abroad. Apart from Northwest where slight decline was observed, fresh camel milk prices are stable to increasing in most regions. Similarly, water prices are either stable or on the upward in most markets. Other locally sourced essential livelihood commodities remained stable in most markets.

In line with reduction in the prices of local cereals and stability in casual labour wages, the purchasing power, measured by terms of trade between labour and cereal improved moderately in Juba, significantly in Shabelle and Sorghum Belt regions, in the first half of September. Stability in cereal and labour wages settled the ToT to almost the same level as of August 2011 in Northeast, Central and Northwest. However, significant decline in maize prices (31%) in Banadir was outpaced by a more pronounced decline in labour wages, consequently slightly (7%) reducing the purchasing power. Annual comparison of the ToT indicates large declines all over the country, estimated at 51-77 percent in the Banadir, Sorghum Belt, Shabelle and Juba regions; 43-50 percent in Northeast and Central and 36 percent in Northwest (white sorghum). Only 4-6 kgs of these cereals could be purchased with one day of labour across the country, with the exception of Northwest where the ToT in September was equivalent to 9kgs.

Exchange rate between USD to Somali Shilling (SoSh) and Somaliland Shilling (SiSh) remained stable in all regions, when compared to the previous month and the same month last year.



This Market Data Update is a monthly report that presents a compilation of tabulated graphical market information produced regularly as part of the monthly monitoring process.

The weekly price data is collected from 44 main markets throughout Somalia since 1995.

The 5-year period of 2003-07 was characterised by fairly stable prices and relatively low inflation. In this bulletin these years are used as a reference period for seasonal trends comparison.

Market analysis is an integral part of all of FSNAU's Annual Food Security Projections and seasonal technical reports (Technical Reports on FSNAU Post *Gu* and *Deyr* Analysis).

This data is available online on www.fsnau.org/ids.

For Regional Highlights Turn to Back page

Technical and Managerial Support

Funding Agencies



International Market Highlights

Diesel: Crude oil prices in Abu Dhabi/Dubai,¹ the main source of Somalia's oil imports, declined marginally (4%) from July 2011 but moderately (8%) from this year's peak of \$115/ barrel reached in April to settle at \$105 in August. The current price, however, is 41 percent higher than the same month last year. The continued uncertainty about the global economic and financial prospects, combined with slow resumption in oil supply from Libya, is likely to keep oil prices volatile in the short term². However, in the long-run, the global oil prices should decline considering the expected increase in oil supply following gradual return of Libya oil to the market and slow-down in the economy³, which is projected to slump global oil demand. The world economy is now expected to grow at a revised 3.6% in 2011 and 3.9% in 2012, down from previous expectations of 3.7% and 4.0% respectively⁴.

International oil price transmission to Somalia markets is clearly evidenced in annual increases of diesel prices in the main port cities of Bossaso (30%) and Mogadishu (29%), respectively. On a monthly basis, diesel prices remained stable in Mogadishu but increased in Bossaso in the first two weeks of August 2011. The faster acceleration in the price of diesel in Bossaso as opposed to Mogadishu is mainly attributable to reduced imports through Bossaso port which is not accessible during monsoon winds. Domestic prices of diesel are projected to remain volatile both in the short and long-run in the country, in tandem with international oil market developments.

Rice: Export prices of rice⁵ have followed an upward trend since June to close in August 2011 at USD 471 per ton, which indicates 6 percent monthly and 27 percent annual increases. However, the rice price is still significantly (39%) below its peak in May 2008. Strong import demand and expected changes to the rice support price policy in Thailand, the world's largest rice exporter⁶, and the remaining uncertainties about the resumption of private sector non-basmati exports by India⁷ contributed to this increase. In line with international price trends, retail prices of imported rice increased in Somali port towns of Mogadishu and Bossaso (2-5%) in August 2011 and significantly (20-35%) when compared to a year ago. Developments on international rice markets and volatile fuel prices in addition to the anticipated increase in substitution of local cereals given limited stocks from the *Gu* harvest will most likely push the cost of rice on Somali markets to the upward in the short-run.

Sugar: The FAO Sugar Price Index averaged 394 points in August, down 2 percent from July, but still 50 percent higher than in August 2010. Positive production prospects for Europe, India, and Thailand contributed to the easing in prices. However, indications of lower production in Brazil, the world's largest sugar producer, which is forecast to fall below last year's level, continued to put some upward pressure on prices⁸. Due to import lag-effect, the effect of the seasonal monsoon winds, the international price development of the last month are yet to be reflected on the local markets of Somalia where sugar prices (Mogadishu and Bossaso) increased by 2-7 percent in August 2011.

Cooking Oil: The FAO oils/fats price index⁹ averaged 244 points in August, following a declining trend since March but still remaining record high. The contraction in the index was driven primarily by the recent increase in the global production and export supplies of both palm and sunflower oil. With regard to soy-oil, although unfavourable weather conditions have affected the US soy crop prospect, larger than expected soybean stocks held by major exporters prevented prices from rising sharply.

1 Weekly Abu Dhabi Murban Spot Price FOB (Dollars per Barrel), US Energy Information Administration, http://www.eia.doe.gov/dnav/pet/pet_pri_wco_k_w.htm

2 International Energy Agency Oil Market Report, 13th September 2011

3 OPEC Monthly Oil Report, September 2011

4 Ibid

5 Bangkok, Rice (Thai A1 Super 1/ B) , Export, US Dollar, Tonne, FAO GIEWS Global Food Price Monitor, September 2011

6 FAO Global Food Price monitor, September 2011

7 International Grain Council, August 25, 2011

8 FAO Food Price Index, September 2011

9 FAO Food Price Index, September 2011

Figure 1: Comparison of Diesel Prices: International (Asia Dubai), Mogadishu and Bossaso

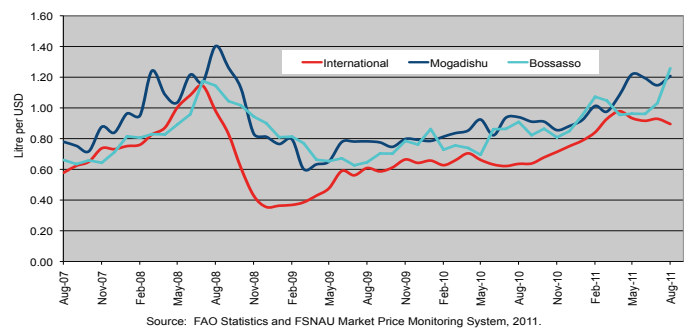


Figure 2: Comparison of Rice Prices: International (Bangkok FOB), Mogadishu and Bossaso

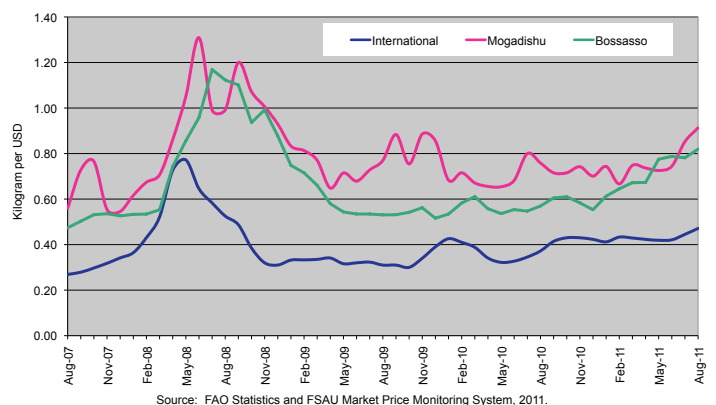
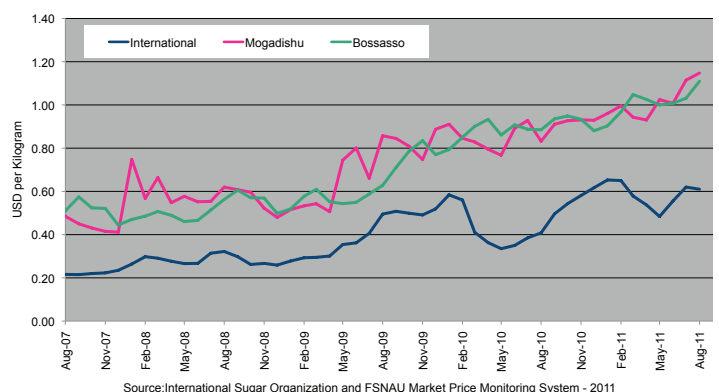


Figure 3: Comparison of Sugar Prices: International (ISO), Mogadishu and Bossaso



National Trends in Market Prices

Figure 4: Relative Purchasing Power for Selected Regions
(Terms of Trade between wage rates and selected cereals)

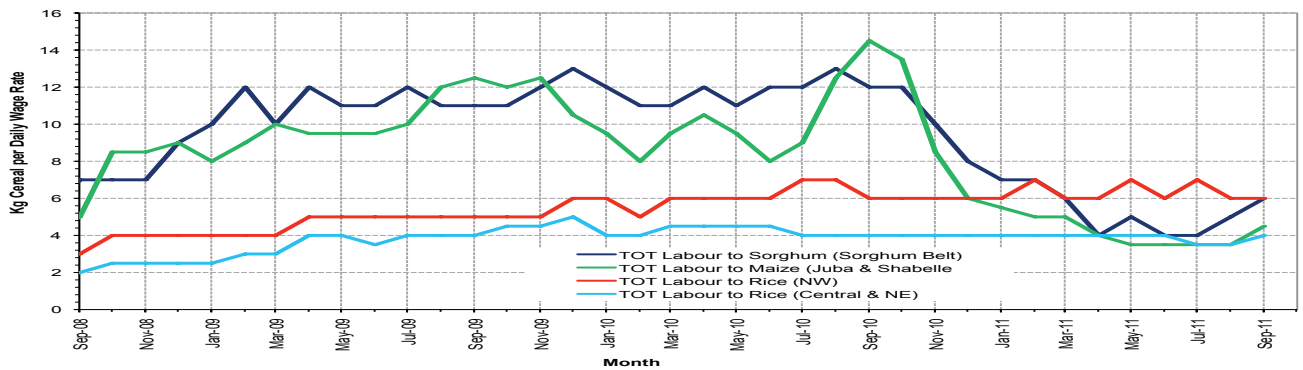


Figure 5: Monthly Exchange Rate for Selected Regions (SoSh and SiSh to USD)

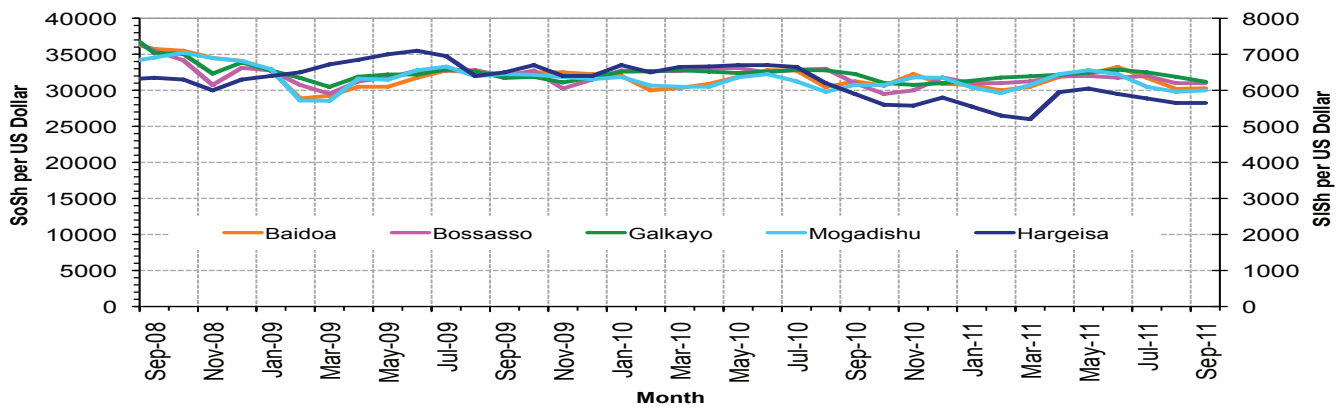


Figure 6: Monthly Trends in Consumer Price Index (CPI)

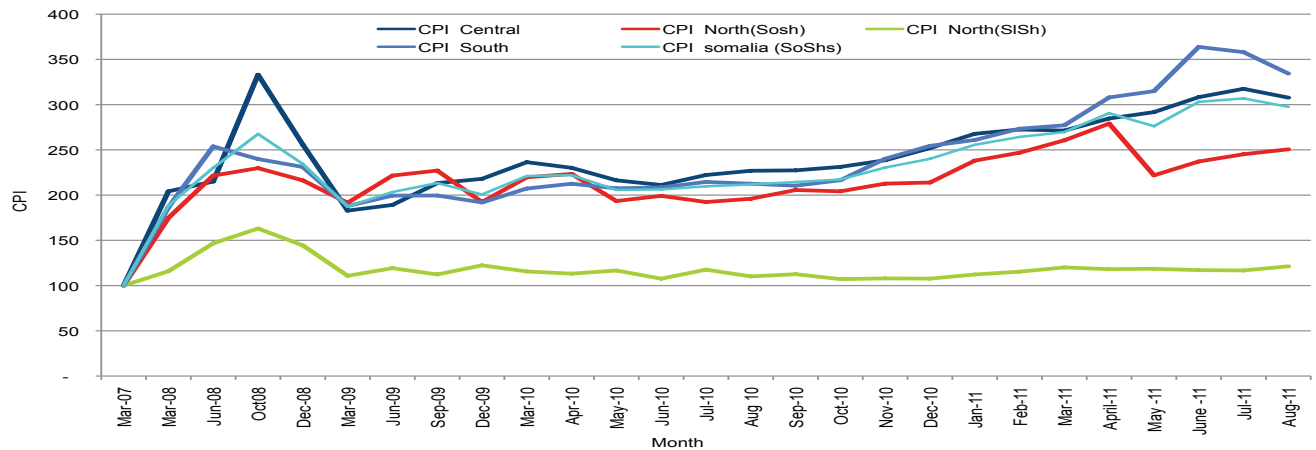
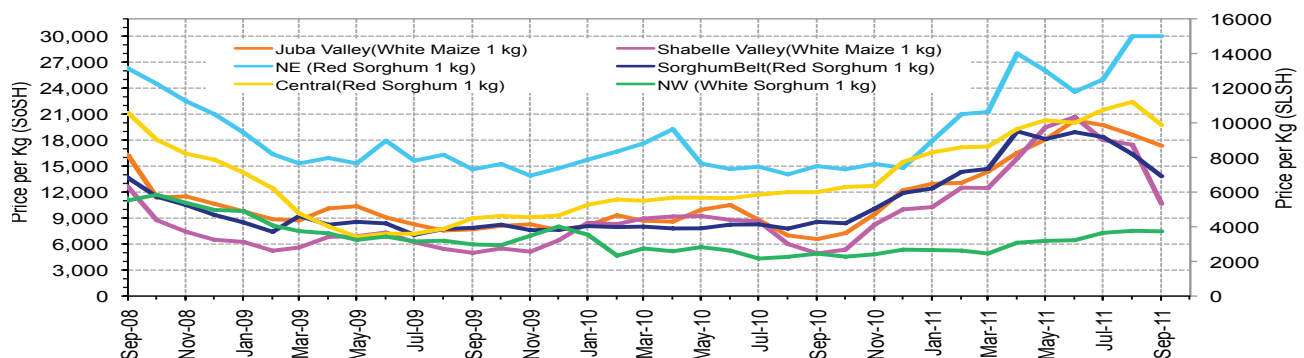


Figure 7: Monthly Trends in Cereal Prices



Regional analysis: Juba Regions

Indicator	5-Year Average	Sep-10	Aug-11	Sep-11 Nominal Price	Sep-11 Real Price (Deflated)	% Change Same Month Previous	% Change Previous Month	% Change 5-year avg (2003-07)
Imported Commodities Prices								
Diesel 1 litre	13,960	32,536	39,429	39,714	11,777	22%	1%	184%
Imported Red Rice 1kg	9,149	22,107	24,607	25,857	7,633	17%	5%	183%
Petrol 1 litre	16,351	35,571	36,643	36,143	10,709	2%	-1%	121%
Sugar	9,080	26,071	36,750	37,286	11,051	43%	1%	311%
Vegetable Oil 1 litre	19,571	44,250	57,393	58,143	17,289	31%	1%	197%
Wheat Flour 1kg	8,609	19,500	25,089	23,714	6,992	22%	-5%	175%
Wheat Grain 1kg	5,896	16,000	20,000	20,000	5,881	25%	0%	239%
Cereal Prices								
Red Sorghum 1kg	2,199	9,000	-	-	-	-	-	-
White Maize 1kg	2,330	6,579	18,614	17,357	5,091	164%	-7%	645%
Livestock & Livestock Product Prices								
Camel Local Quality (Head)	3,345,966	9,418,750	6,979,375	7,377,500	2,206,305	-22%	6%	120%
Cattle Local Quality (Head)	1,663,664	4,585,000	1,955,000	2,220,000	663,840	-52%	14%	33%
Fresh Camel Milk 1 litre	6,419	19,857	15,214	17,643	5,177	-11%	16%	175%
Goat Export Quality (Head)	431,059	1,402,143	890,000	951,429	284,446	-32%	7%	121%
Goat Local Quality (Head)	305,465	910,357	576,607	610,000	182,334	-33%	6%	100%
Other Essential Items								
Charcoal 50kg	28,528	88,214	63,571	63,929	19,019	-28%	1%	124%
Cowpeas 1 kg	5,852	18,793	32,233	33,167	9,819	76%	3%	467%
Unskilled Labor Wage Rate	37,846	101,786	63,143	62,000	18,442	-39%	-2%	64%
Firewood Bundle	2,405	6,571	5,857	6,571	1,865	0%	12%	173%
Local Sesame Oil 1 litre	21,042	73,857	89,500	89,643	26,710	21%	0%	326%
Exchange Rate (Somali Shilling per USD)	16,243	30,396	30,654	30,264	8,951	0%	-1%	86%
Construction Materials*								
Cement 50kg	-	352,000	345,000	343,333	102,581	-2%	0%	-
Cooking Pot Aluminium 7 Litre	-	372,708	356,667	353,333	105,572	-5%	-1%	-
Galvanised Iron Sheet Ga 26	-	165,571	177,292	181,667	54,232	10%	2%	-
Hollow Concrete Block 10cm x 20cm x 40cm	-	17,000	20,000	20,000	5,881	18%	0%	-
Non Collapsible Jerrycan 10 Litre	-	29,000	34,500	30,833	9,121	6%	-11%	-
Plastic Tarpaulin 14m x 5 m	-	700,000	503,333	575,000	171,866	-18%	14%	-
Roofing Nails 15Kg	-	829,286	819,821	811,429	242,576	-2%	-1%	-
Timber 2in x 4in x 20ft	-	337,350	328,375	327,500	97,846	-3%	0%	-
Woven Dry Raised Blanket 150cm x 200cm	-	167,917	-	-	-	-	-	-
Terms of Trade								
Labour Wage (Daily)/ Cereal (Maize(Kg))	16	15	3	4	4	-77%	5%	-78%
Local Goat (Head)/ Cereal (Maize(Kg))	131	138	31	35	36	-75%	13%	-73%
Price Indices								
Consumer Price Index	-	213	358	334	-	57%	-7%	-
Purchasing Power Index	-	0.47	0.28	0.30	-	-36%	7%	-

* Data has been collected for the past 15 months only

Figure 8: Imported commodity prices compared to exchange rates

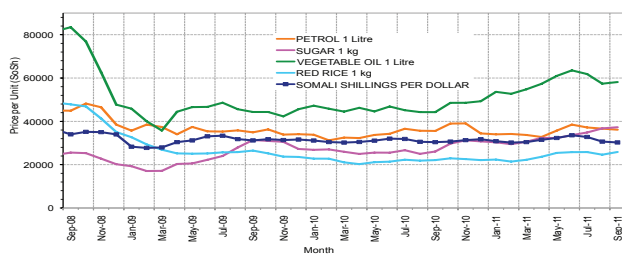


Figure 9: Trends in wage rates, staple cereal prices and relative purchasing power

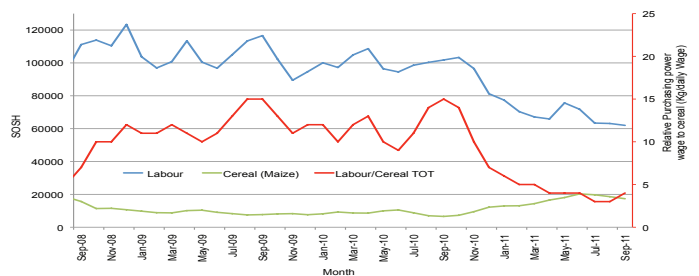


Figure 10: Goat Local Quality

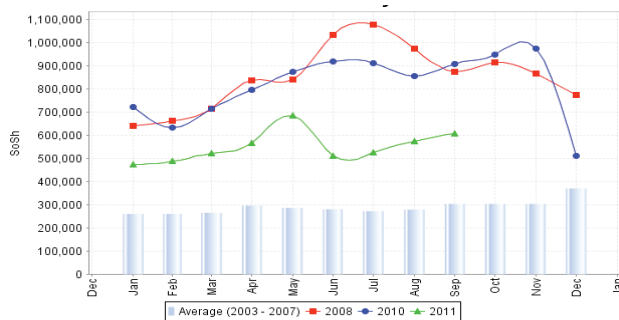


Figure 11: Sugar

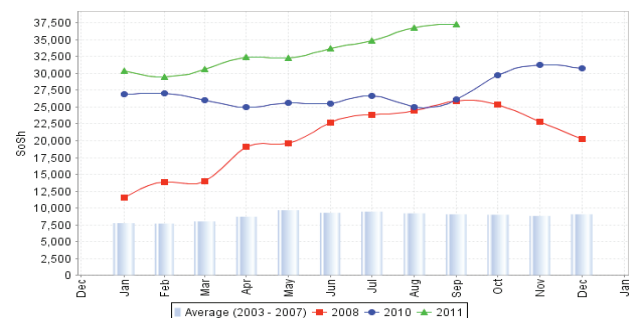


Figure 12: Water Drum

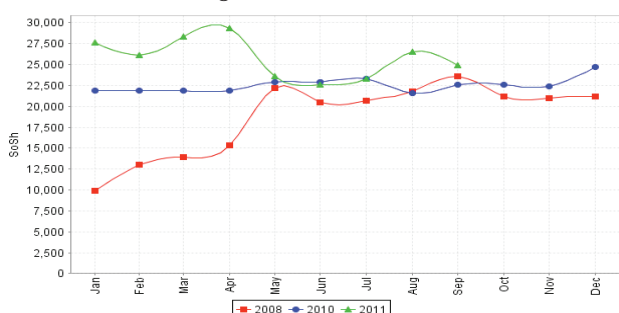
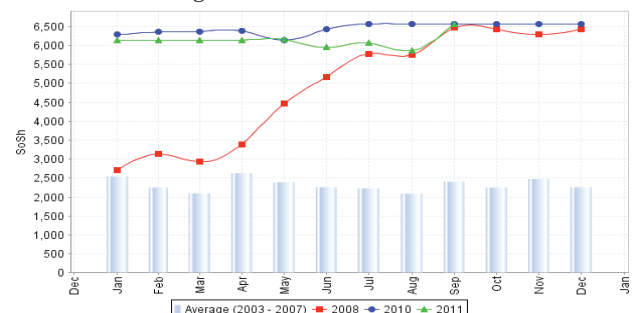


Figure 13: Firewood Bundle



Regional analysis: Sorghum Belt Regions

Indicator	5-Year Average	Sep-10	Aug-11	Sep-11 Nominal Price	Sep-11 Real (Deflated) Price	% Change Same Month Previous Year	% Change Previous Month	% Change 5-year avrg (2003-07)
Imported Commodities Prices								
Diesel 1 litre	12,782	31,795	43,536	42,818	12,706	35%	-2%	235%
Imported Red Rice 1kg	9,222	24,273	28,464	27,773	8,206	14%	-2%	201%
Petrol 1 litre	14,591	31,350	39,795	40,182	11,917	28%	1%	175%
Sugar	9,465	28,205	35,591	37,227	11,034	32%	5%	293%
Vegetable Oil 1 litre	19,024	45,545	64,964	62,909	18,714	38%	-3%	231%
Wheat Flour 1kg	8,817	21,841	25,427	24,727	7,295	13%	-3%	180%
Wheat Grain 1kg	4,575	7,500	14,825	13,708	4,000	83%	-8%	200%
Cereal Prices								
Red Sorghum 1kg	2,001	8,573	16,391	13,833	4,037	61%	-16%	591%
White Maize 1kg	2,623	10,555	16,609	14,864	4,345	41%	-11%	467%
Livestock & Livestock Product Prices								
Camel Local Quality (Head)	3,426,524	10,563,636	6,378,728	6,459,091	1,931,634	-39%	1%	89%
Cattle Local Quality (Head)	1,359,101	3,790,636	1,881,500	1,515,625	453,181	-60%	-19%	12%
Fresh Camel Milk 1 litre	7,545	20,068	26,364	28,227	8,342	41%	7%	274%
Goat Export Quality (Head)	411,645	1,454,091	1,130,318	1,161,364	347,232	-20%	3%	182%
Goat Local Quality (Head)	265,053	856,364	590,273	627,727	187,636	-27%	6%	137%
Other Essential Items								
Charcoal 50kg	37,102	123,818	112,864	110,682	33,002	-11%	-2%	198%
Cowpeas 1 kg	6,095	21,406	40,575	42,438	12,592	98%	5%	596%
Unskilled Labor Wage Rate	19,839	105,409	81,705	83,864	24,981	-20%	3%	323%
Firewood Bundle	1,626	5,136	5,455	5,455	1,531	6%	0%	235%
Local Sesame Oil 1 litre	23,253	75,094	83,714	83,929	25,001	12%	0%	261%
Exchange Rate (Somali Shilling per USD)	15,992	31,263	31,168	30,686	9,077	-2%	-2%	92%
Construction Materials*								
Cement 50kg	-	356,200	342,222	257,944	77,044	-28%	-25%	-
Cooking Pot Aluminium 7 Litre	-	365,778	297,778	648,889	193,965	77%	118%	-
Galvanised Iron Sheet Ga 26	-	213,026	220,636	223,636	66,783	5%	1%	-
Hollow Concrete Block 10cm x 20cm x 40cm	-	9,625	10,750	10,500	3,040	9%	-2%	-
Non Collapsible Jerrycan 10 Litre	-	51,182	53,750	53,000	15,751	4%	-1%	-
Plastic Tarpaulin 14m x 5 m	-	351,100	290,300	319,000	95,304	-9%	10%	-
Roofing Nails 15Kg	-	825,250	846,944	779,444	233,010	-6%	-8%	-
Timber 2in x 4in x 20ft	-	282,857	217,571	222,857	66,550	-21%	2%	-
Woven Dry Raised Blanket 150cm x 200cm	-	129,000	100,125	98,625	29,396	-24%	-1%	-
Terms of Trade								
Labour Wage (Daily)/ Cereal (Sorghum(Kg))	10	12	5	6	6	-51%	22%	-39%
Local Goat (Head)/ Cereal (Sorghum(Kg))	132	100	36	45	46	-55%	26%	-66%
Price Indices								
Consumer Price Index	-	213	358	334	-	57%	-7%	-
Purchasing Power Index	-	0.47	0.28	0.30	-	-36%	7%	-

* Data has been collected for the past 15 months only

Figure 14: Imported commodity prices compared to exchange rates

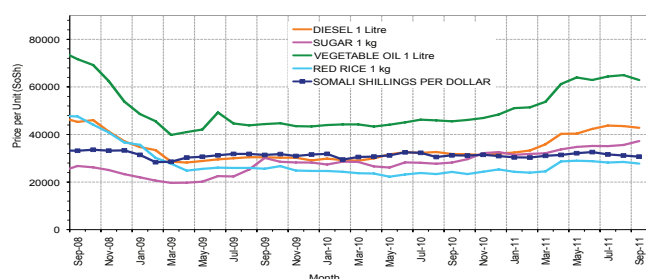


Figure 15: Trends in wage rates, staple cereal prices and relative purchasing power

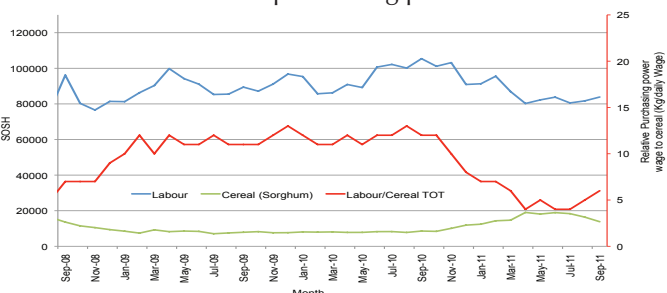


Figure 16: Goat Local Quality

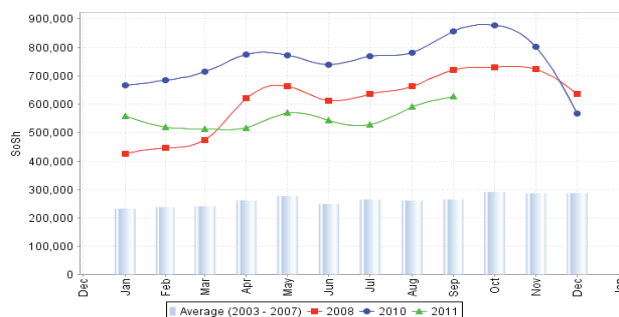


Figure 17: Sugar

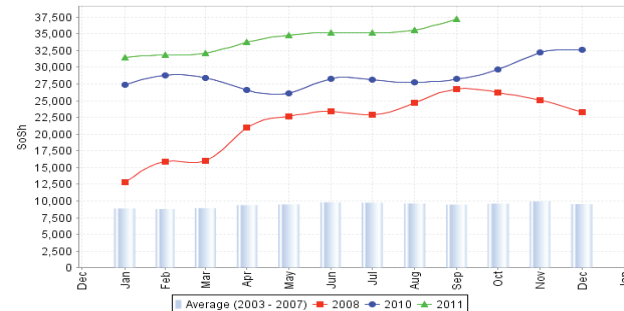


Figure 18: Water Drum

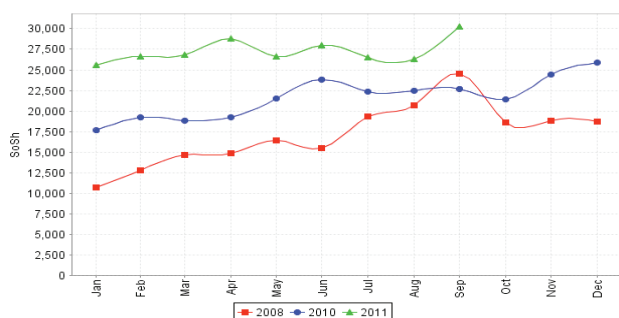
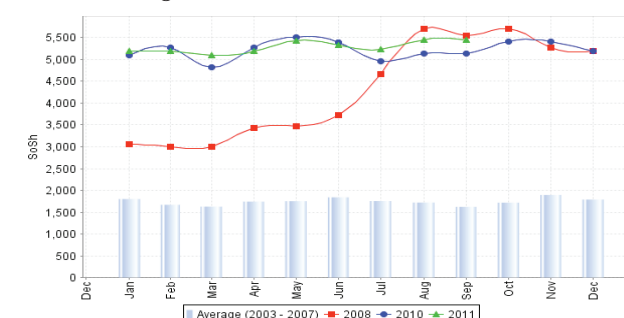


Figure 19: Firewood Bundle



Regional analysis: Shabelle Regions

Indicator	5-Year Average	Sep-10	Aug-11	Sep-11 Nominal Price	Sep-11 Real (Deflated) Price	% Change Same Month Previous Year	% Change Previous Month	% Change 5-year avrg (2003-07)
Imported Commodities Prices								
Diesel 1 litre	10,730	30,750	39,333	40,167	11,913	31%	2%	274%
Imported Red Rice 1kg	7,761	22,250	25,750	26,000	7,676	17%	1%	235%
Petrol 1 litre	12,493	31,458	38,687	38,583	11,439	23%	0%	209%
Sugar	7,890	27,625	34,125	37,917	11,240	37%	11%	381%
Vegetable Oil 1 litre	14,666	38,042	54,792	52,667	15,651	38%	-4%	259%
Wheat Flour 1kg	7,588	19,167	25,375	26,000	7,676	36%	2%	243%
Wheat Grain 1kg	2,873	-	-	24,000	-	-	-	-
Cereal Prices								
Red Sorghum 1kg	2,427	7,416	20,605	17,272	5,066	133%	-16%	612%
White Maize 1kg	2,362	4,929	17,475	10,647	3,084	116%	-39%	351%
Livestock & Livestock Product Prices								
Camel Local Quality (Head)	4,061,116	13,745,000	11,595,000	12,960,000	3,875,875	-6%	12%	219%
Cattle Local Quality (Head)	1,243,496	3,863,500	2,992,500	3,235,000	967,398	-16%	8%	160%
Fresh Camel Milk 1 litre	5,082	15,208	19,417	19,500	5,732	28%	0%	284%
Goat Export Quality (Head)	505,666	1,428,841	1,374,375	1,346,250	402,526	-6%	-2%	166%
Goat Local Quality (Head)	342,849	1,113,333	998,333	990,000	295,981	-11%	-1%	189%
Other Essential Items								
Charcoal 50kg	37,163	111,833	113,625	114,778	34,227	3%	1%	209%
Cowpeas 1 kg	5,832	14,941	51,219	47,971	14,247	221%	-6%	723%
Unskilled Labor Wage Rate	21,681	66,875	65,958	57,133	16,987	-15%	-13%	164%
Firewood Bundle	2,021	4,333	4,500	4,833	-	12%	7%	139%
Local Sesame Oil 1 litre	20,026	57,708	68,875	70,500	20,985	22%	2%	252%
Exchange Rate (Somali Shilling per USD)	16,255	30,739	30,983	30,950	9,156	1%	0%	90%
Construction Materials*								
Cement 50kg	-	296,250	305,000	305,000	91,117	3%	0%	-
Cooking Pot Aluminium 7 Litre	-	1,070,000	750,000	750,000	224,204	-30%	0%	-
Galvanised Iron Sheet Ga 26	-	114,250	150,000	134,000	39,976	17%	-11%	-
Hollow Concrete Block 10cm x 20cm x 40cm	-	14,000	12,000	12,000	3,489	-14%	0%	-
Non Collapsible Jerrycan 10 Litre	-	48,313	47,125	48,750	14,480	1%	3%	-
Plastic Tarpaulin 14m x 5 m	-	283,125	321,667	300,000	89,622	6%	-7%	-
Roofing Nails 15Kg	-	640,000	579,000	579,000	173,063	-10%	0%	-
Timber 2in x 4in x 20ft	-	59,450	59,500	60,100	17,874	1%	1%	-
Woven Dry Raised Blanket 150cm x 200cm	-	70,556	71,667	69,167	20,586	-2%	-3%	-
Terms of Trade								
Labour Wage (Daily)/ Cereal (Maize(Kg))	9	14	4	5	6	-60%	42%	-42%
Local Goat (Head)/ Cereal (Maize(Kg))	145	226	57	93	96	-59%	63%	-36%
Price Indices								
Consumer Price Index	-	213	358	334	-	57%	-7%	-
Purchasing Power Index	-	0.47	0.28	0.30	-	-36%	7%	-

* Data has been collected for the past 15 months only

Figure 20: Imported commodity prices compared to exchange rates

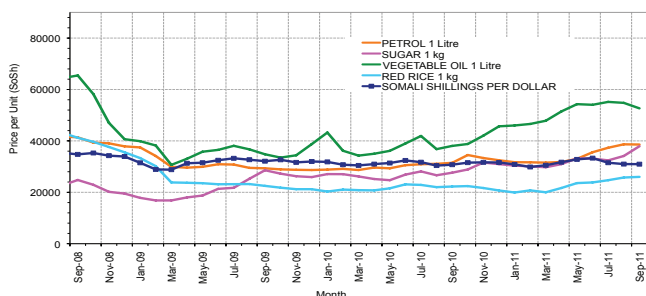


Figure 21: Trends in wage rates, staple cereal prices and relative purchasing power

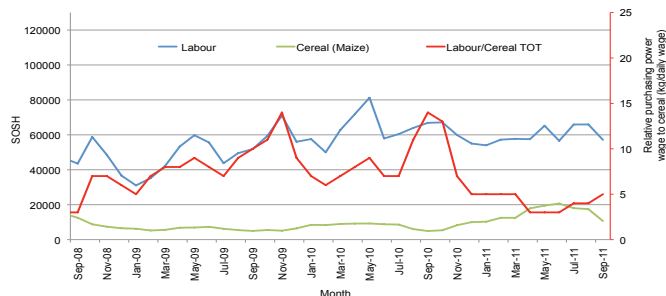


Figure 22: Goat Local Quality

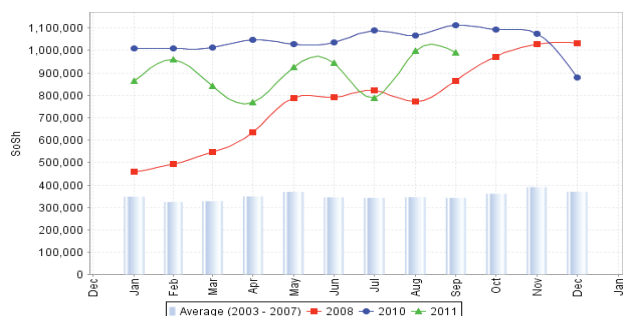


Figure 23: Sugar

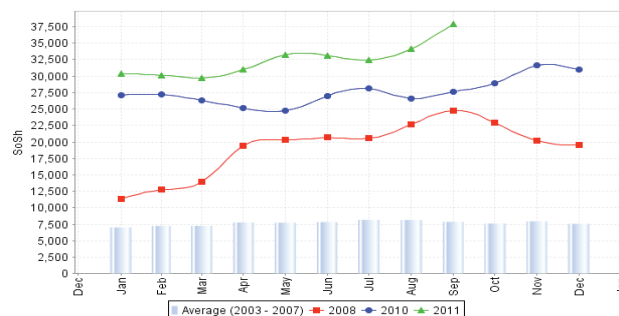


Figure 24: Water Drum

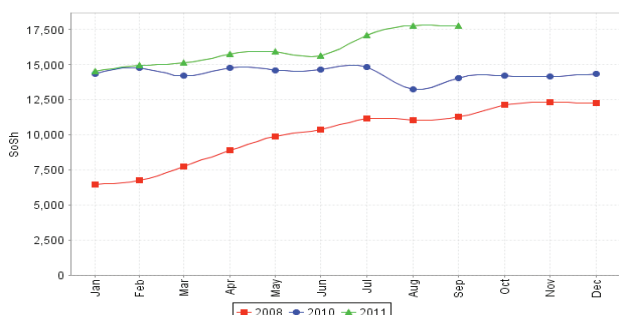
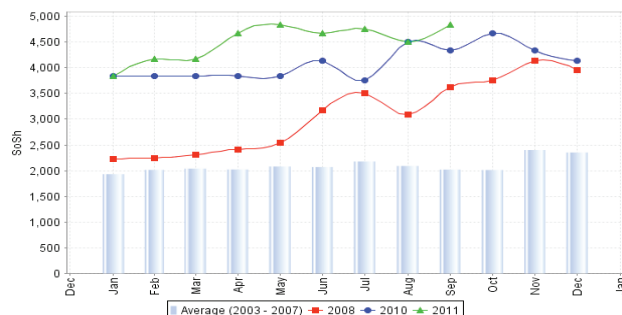


Figure 25: Firewood Bundle



Regional analysis:Banadir Region

Indicator	5-Year Average	Sep-10	Aug-11	Sep-11 Nominal Price	Sep-11 Real (Deflated) Price	% Change Same Month Previous Year	% Change Previous Month	% Change 5-year avrg (2003-07)
Imported Commodities Prices								
Diesel 1 litre	10,275	26,458	37,803	38,000	11,265	44%	1%	270%
Imported Red Rice 1kg	8,366	21,333	24,158	27,500	8,124	29%	14%	229%
Petrol 1 litre	11,250	25,500	36,708	40,000	11,863	57%	9%	256%
Sugar	6,875	28,375	32,917	36,500	10,816	29%	11%	431%
Vegetable Oil 1 litre	14,350	39,750	52,703	52,000	15,452	31%	-1%	262%
Wheat Flour 1kg	7,250	17,000	23,813	19,000	5,582	12%	-20%	162%
Wheat Grain 1kg	3,966	10,000	18,000	20,000	5,881	100%	-20%	404%
Cereal Prices								
Red Sorghum 1kg	2,315	5,413	21,537	16,000	4,685	196%	-26%	591%
White Maize 1kg	2,484	6,300	20,802	13,333	3,888	112%	-36%	437%
Livestock & Livestock Product Prices								
Camel Local Quality (Head)	5,526,667	18,000,000	10,800,000	10,000,000	2,990,621	-44%	-7%	81%
Cattle Local Quality (Head)	2,740,000	6,500,000	3,040,000	3,500,000	1,046,652	-46%	15%	28%
Fresh Camel Milk 1 litre	4,716	18,979	20,688	15,000	4,386	-21%	-27%	218%
Goat Export Quality (Head)	-	2,000,000	1,280,000	1,500,000	448,508	-25%	17%	-
Goat Local Quality (Head)	610,000	1,700,000	1,435,000	1,200,000	358,787	-29%	-16%	97%
Other Essential Items								
Charcoal 50kg	100,000	145,333	149,139	132,500	39,527	-9%	-11%	33%
Cowpeas 1 kg	4,911	14,346	58,462	50,666	15,053	253%	-13%	932%
Unskilled Labor Wage Rate	59,500	73,542	83,861	50,000	14,854	-32%	-40%	-16%
Firewood Bundle	42,150	4,708	6,611	3,000	797	-36%	-55%	-93%
Local Sesame Oil 1 litre	19,533	59,917	70,261	65,000	19,340	8%	-7%	233%
Exchange Rate (Somali Shilling per USD)	16,365	30,908	31,089	30,000	8,872	-3%	-4%	83%
Construction Materials								
Cement 50kg	-	279,250	264,308	240,000	71,677	-14%	-9%	-
Cooking Pot Aluminium 7 Litre	-	190,000	273,200	430,000	128,501	126%	57%	-
Galvanised Iron Sheet Ga 26	-	116,625	155,825	120,000	35,789	3%	-23%	-
Hollow Concrete Block 10cm x 20cm x 40cm	-	9,754	10,188	10,000	2,891	3%	-2%	-
Non Collapsible Jerrycan 10 Litre	-	30,000	45,750	18,000	5,283	-40%	-61%	-
Plastic Tarpaulin 14m x 5 m	-	297,083	262,500	200,000	59,714	-33%	-24%	-
Roofing Nails 15Kg	-	566,854	650,479	450,000	134,482	-21%	-31%	-
Timber 2in x 4in x 20ft	-	169,792	161,288	110,000	32,798	-35%	-32%	-
Woven Dry Raised Blanket 150cm x 200cm	-	152,000	81,167	150,000	44,761	-1%	85%	-
Terms of Trade								
Labour Wage (Daily)/ Cereal (Maize(Kg))	24	12	4	4	4	-68%	-7%	-84%
Local Goat (Head)/ Cereal (Maize(Kg))	246	270	69	90	92	-67%	30%	-63%
Price Indices								
Consumer Price Index	-	213	358	334	-	-	-	-
Purchasing Power Index	-	0.47	0.28	-	-	-	-	-

* Data has been collected for the past 15 months only

Figure 26: Bakara: Imported Commodity Prices compared to Exchange Rate

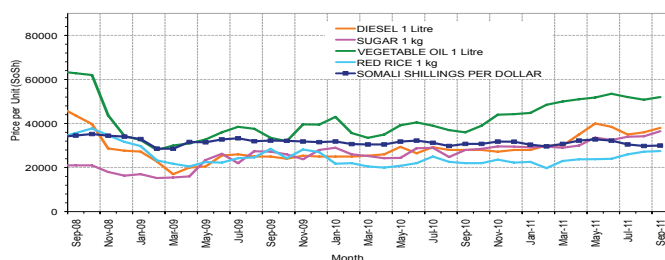


Figure 27: Bakara: Trends in Wage Rates, Staple Cereal Prices and Relative Purchasing Power

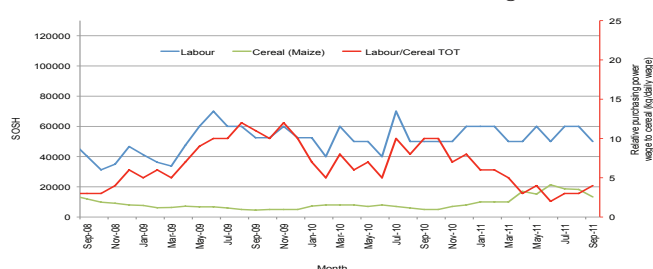


Figure 28: Goat Local Quality

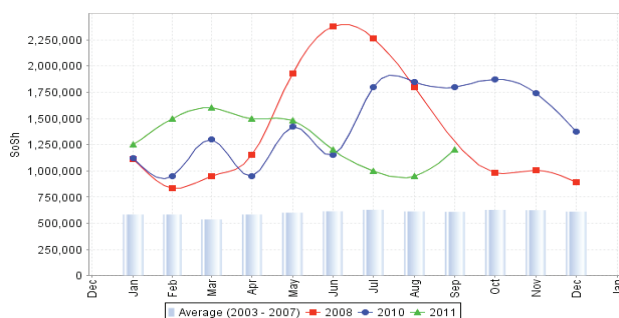


Figure 29: Sugar

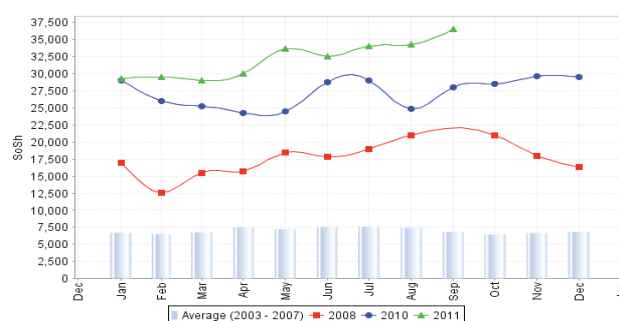


Figure 30: Wheat Flour

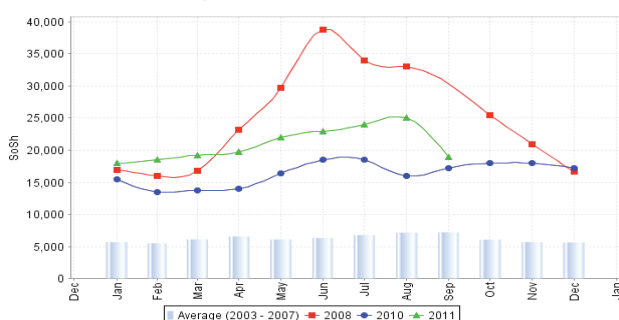
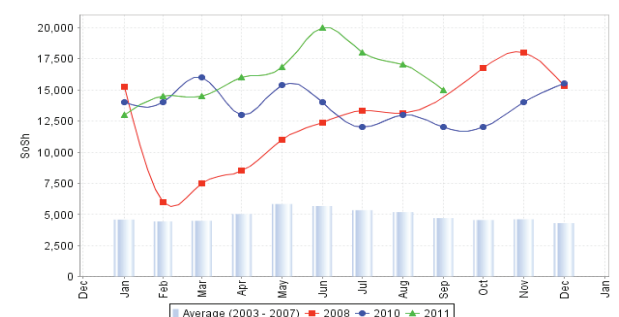


Figure 31: Fresh Camel Milk



Regional analysis: Central Regions

Indicator	5-Year Average	Sep-10	Aug-11	Sep-11 Nominal Price	Sep-11 Real (Deflated) Price	% Change Same Month Previous Year	% Change Previous Month	% Change 5-year avg (2003-07)
Imported Commodities Prices								
Diesel 1 litre	12,138	31,600	41,200	41,200	13,288	30%	0%	239%
Imported Red Rice 1kg	8,609	28,100	32,400	32,400	10,428	15%	0%	278%
Petrol 1 litre	13,118	29,900	36,510	36,333	11,706	22%	0%	177%
Sugar	9,561	34,200	38,040	39,000	12,573	14%	3%	308%
Vegetable Oil 1 litre	18,777	51,350	63,800	63,533	20,545	24%	0%	238%
Wheat Flour 1kg	8,437	22,600	25,400	25,000	8,024	11%	-2%	196%
Wheat Grain 1kg	5,125	12,000	24,125	20,500	6,561	71%	-15%	300%
Cereal Prices								
Red Sorghum 1kg	4,918	12,000	22,417	19,750	6,318	65%	-12%	302%
White Maize 1kg	4,944	13,400	21,720	20,200	6,464	51%	-7%	309%
Livestock & Livestock Product Prices								
Camel Local Quality (Head)	2,305,577	7,962,500	8,000,000	7,875,000	2,558,829	-1%	-2%	242%
Cattle Local Quality (Head)	1,571,125	2,200,000	-	2,400,000	-	-	-	-
Fresh Camel Milk 1 litre	13,218	39,000	43,250	45,133	14,566	16%	4%	241%
Goat Export Quality (Head)	363,534	1,325,000	1,412,500	1,416,667	460,237	7%	0%	290%
Goat Local Quality (Head)	271,961	947,000	867,200	912,667	296,465	-4%	5%	236%
Other Essential Items								
Charcoal 50kg	54,827	192,000	178,500	176,000	57,090	-8%	-1%	221%
Cowpeas 1 kg	7,238	27,100	59,840	56,533	18,270	109%	-6%	681%
Unskilled Labor Wage Rate	29,372	90,500	85,100	88,000	28,495	-3%	3%	200%
Firewood Bundle	3,745	29,250	34,000	36,000	11,598	23%	6%	861%
Local Sesame Oil 1 litre	27,895	95,000	100,000	85,200	27,585	-10%	-15%	205%
Exchange Rate (Somali Shilling per USD)	16,340	31,355	31,616	30,940	9,954	-1%	-2%	89%
Construction Materials*								
Cement 50kg	-	334,200	348,800	358,867	116,511	7%	3%	-
Cooking Pot Aluminium 7 Litre	-	398,000	418,000	418,000	135,726	5%	0%	-
Galvanised Iron Sheet Ga 26	-	171,000	162,500	164,500	53,353	-4%	1%	-
Hollow Concrete Block 10cm x 20cm x 40cm	-	15,500	16,500	16,667	5,316	8%	1%	-
Non Collapsible Jerrycan 10 Litre	-	36,250	51,000	51,000	16,472	41%	0%	-
Plastic Tarpaulin 14m x 5 m	-	335,000	322,000	329,333	106,915	-2%	2%	-
Roofing Nails 15Kg	-	931,200	818,200	828,200	269,018	-11%	1%	-
Timber 2in x 4in x 20ft	-	155,650	152,600	153,600	49,811	-1%	1%	-
Woven Dry Raised Blanket 150cm x 200cm	-	172,500	134,000	134,000	43,442	-22%	0%	-
Terms of Trade								
Labour Wage (Daily)/ Cereal (Rice(Kg))	3	3	3	3	3	-16%	3%	-20%
Local Goat (Head)/ Cereal (Rice(Kg))	32	34	27	28	28	-16%	5%	-11%
Camel (Head)/Cereal (Kg)	268	283	247	243	245	-14%	-2%	-9%
Price Indices								
Consumer Price Index	-	227	317	308	-	36%	-3%	-
Purchasing Power Index	-	0.44	0.31	0.32	-	-26%	3%	-

* Data has been collected for the past 15 months only

Figure 32: Imported commodity prices compared to exchange rates

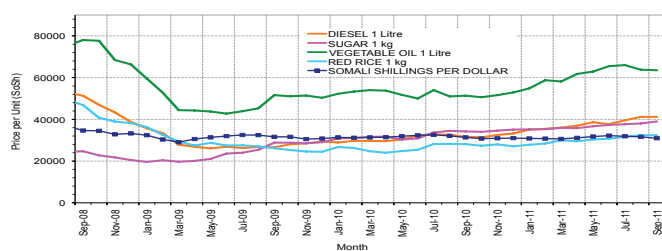


Figure 33: Trends in wage rates, staple cereal prices and relative purchasing power

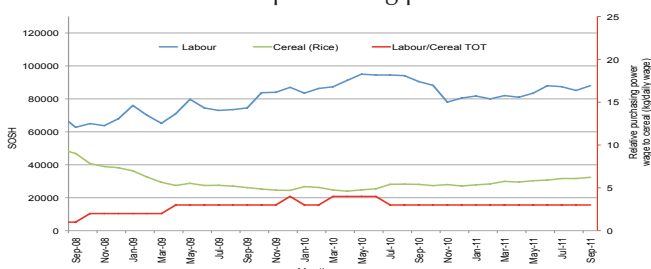


Figure 34: Goat Local Quality

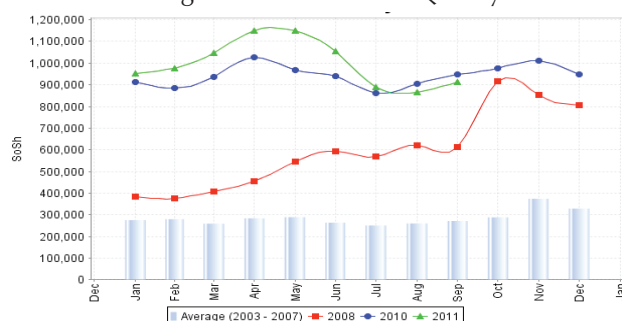


Figure 35: Sugar

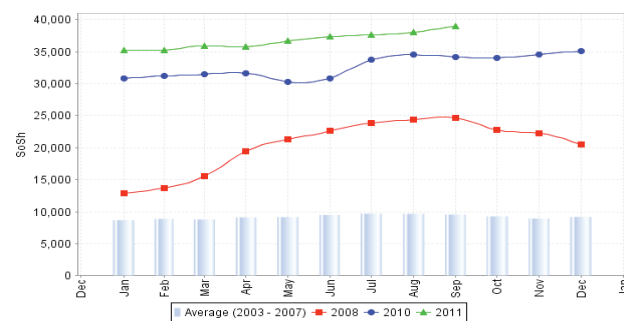


Figure 36: Water Drum

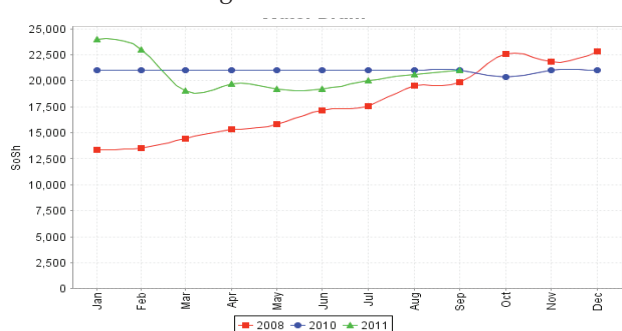
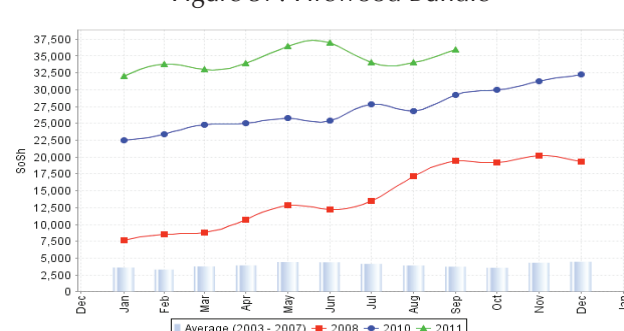


Figure 37: Firewood Bundle



Regional analysis: Northeast Regions

Indicator	5-Year Average	Sep-10	Aug-11	Sep-11 Nominal Price	Sep-11 Real (Deflated) Price	% Change Same Month Previous Year	% Change Previous Month	% Change 5-year avrg (2003-07)
Imported Commodities Prices								
Diesel 1 litre	10,166	29,375	37,500	36,250	14,363	23%	-3%	257%
Imported Red Rice 1kg	7,431	23,313	26,200	25,750	10,174	10%	-2%	247%
Petrol 1 litre	10,955	27,500	33,500	31,500	12,468	15%	-6%	188%
Sugar	8,637	31,125	35,050	34,875	13,814	12%	0%	304%
Vegetable Oil 1 litre	17,828	39,625	64,450	63,750	25,334	61%	-1%	258%
Wheat Flour 1kg	7,800	19,375	24,625	23,750	9,376	23%	-4%	204%
Wheat Grain 1kg	7,250	27,375	37,100	32,500	12,867	19%	-12%	348%
Cereal Prices								
Red Sorghum 1kg	7,150	15,000	30,000	30,000	11,869	100%	0%	320%
White Maize 1kg	6,152	17,583	23,400	23,500	9,276	34%	0%	282%
Livestock & Livestock Product Prices								
Camel Local Quality (Head)	3,547,500	12,175,000	13,120,000	13,150,000	5,246,367	8%	0%	271%
Cattle Local Quality (Head)	1,747,916	5,625,000	7,500,000	8,000,000	3,191,667	42%	7%	358%
Fresh Camel Milk 1 litre	15,454	50,187	40,050	41,500	16,457	-17%	4%	169%
Goat Export Quality (Head)	430,208	1,312,500	1,387,500	1,362,500	543,498	4%	-2%	217%
Goat Local Quality (Head)	389,749	1,072,938	1,207,125	1,231,250	491,133	15%	2%	216%
Other Essential Items								
Charcoal 50kg	98,958	288,438	339,000	348,750	139,041	21%	3%	252%
Cowpeas 1 kg	10,195	31,250	62,500	64,250	25,534	106%	3%	530%
Unskilled Labor Wage Rate	43,916	110,000	115,500	116,000	46,181	5%	0%	164%
Firewood Bundle	6,800	35,188	32,250	32,500	12,867	-8%	1%	378%
Local Sesame Oil 1 litre	31,830	75,417	93,000	97,500	38,800	29%	5%	206%
Exchange Rate (Somali Shilling per USD)	16,718	31,375	30,725	31,125	12,318	-1%	1%	86%
Construction Materials*								
Cement 50kg	-	232,688	242,650	252,375	100,590	8%	4%	-
Cooking Pot Aluminium 7 Litre	-	323,125	501,750	506,250	201,879	57%	1%	-
Galvanised Iron Sheet Ga 26	-	235,625	254,250	257,000	102,436	9%	1%	-
Hollow Concrete Block 10cm x 20cm x 40cm	-	11,125	12,500	12,500	4,887	12%	0%	-
Non Collapsible Jerrycan 10 Litre	-	33,750	41,950	41,875	16,607	24%	0%	-
Plastic Tarpaulin 14m x 5 m	-	185,625	191,325	197,000	78,497	6%	3%	-
Roofing Nails 15Kg	-	392,500	480,850	478,875	190,957	22%	0%	-
Timber 2in x 4in x 20ft	-	250,938	241,875	240,250	95,753	-4%	-1%	-
Woven Dry Raised Blanket 150cm x 200cm	-	257,500	264,188	275,625	109,866	7%	4%	-
Terms of Trade								
Labour Wage (Daily)/ Cereal (Rice(Kg))	6	5	4	5	5	-5%	2%	-24%
Local Goat (Head)/ Cereal (Rice(Kg))	52	46	46	48	48	4%	4%	-9%
Price Indices								
Consumer Price Index	-	196	245	251	-	28%	2%	-
Purchasing Power Index	-	0.51	0.41	0.40	-	-22%	-2%	-

* Data has been collected for the past 15 months only

Figure 38: Imported commodity prices compared to exchange rates

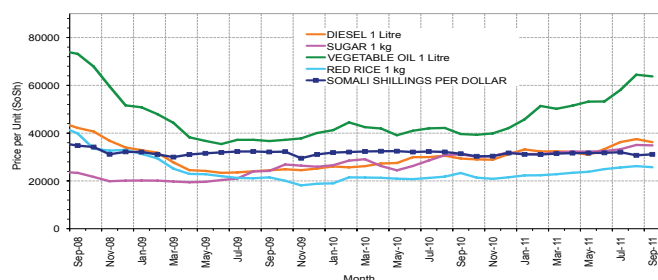


Figure 39: Trends in wage rates, staple cereal prices and relative purchasing power

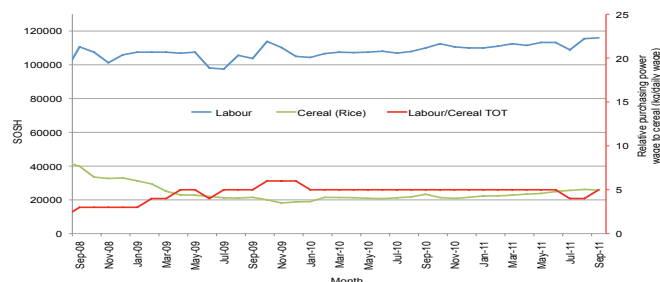


Figure 40: Goat Local Quality

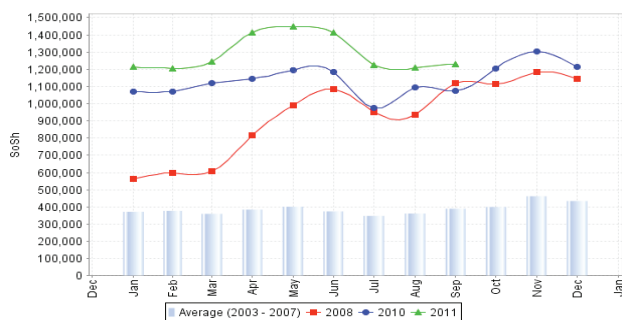


Figure 41: Sugar

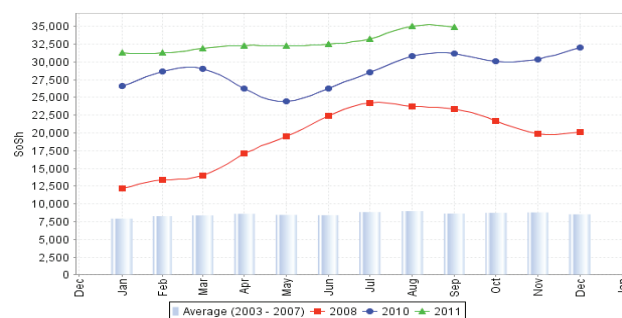


Figure 42: Water Drum

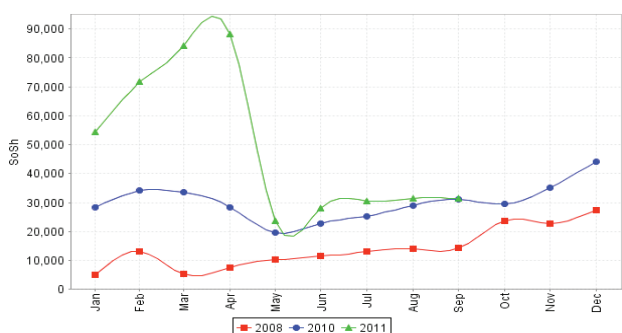
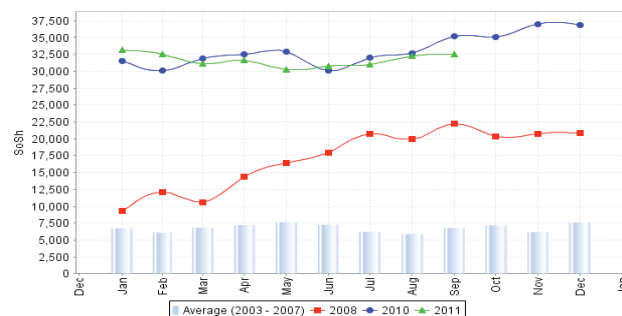


Figure 43: Firewood Bundle



Regional analysis: Northwest Regions

Indicator	5-Year Average	Sep-10	Aug-11	Sep-11 Nominal Price	Sep-11 Real (Deflated) Price	% Change Same Month Previous	% Change Previous Month	% Change 5-year avg (2003-07)
Imported Commodities Prices								
Diesel 1 litre	3,823	5,688	6,850	6,450	5,217	13%	-6%	69%
Imported Red Rice 1kg	3,259	5,550	5,003	5,063	4,074	-9%	1%	55%
Petrol 1 litre	4,523	5,881	7,131	7,263	5,887	23%	2%	61%
Sugar	3,354	6,194	7,019	7,125	5,773	15%	2%	112%
Vegetable Oil 1 litre	7,452	9,656	11,356	11,500	9,380	19%	1%	54%
Wheat Flour 1kg	3,087	3,800	4,709	4,475	3,589	18%	-5%	45%
Wheat Grain 1kg	2,010	2,833	3,817	3,667	2,923	29%	-4%	82%
Cereal Prices								
White Sorghum 1kg	2,127	2,450	3,768	3,737	2,981	53%	-1%	76%
Yellow Maize 1kg	2,099	2,775	3,758	3,433	2,730	24%	-9%	64%
Livestock & Livestock Product Prices								
Camel Local Quality (Head)	1,600,291	1,258,375	1,905,000	1,549,500	1,277,214	23%	-19%	-3%
Cattle Local Quality (Head)	810,091	1,240,833	1,347,917	1,168,333	963,003	-6%	-13%	44%
Fresh Camel Milk 1 litre	4,605	4,844	5,113	4,413	3,538	-9%	-14%	-4%
Goat Export Quality (Head)	166,128	285,313	318,656	326,375	268,944	14%	2%	96%
Goat Local Quality (Head)	144,241	246,438	228,531	250,250	206,191	2%	10%	73%
Other Essential Items								
Charcoal 50kg	20,735	35,844	35,375	35,250	28,958	-2%	0%	70%
Cowpeas 1 kg	4,838	10,333	8,525	8,550	6,948	-17%	0%	77%
Unskilled Labor Wage Rate	28,993	33,750	33,063	32,625	26,794	-3%	-1%	13%
Firewood Bundle	4,925	2,600	2,500	2,833	2,235	9%	13%	-42%
Local Sesame Oil 1 litre	17,147	25,333	22,917	24,167	19,822	-5%	5%	41%
Exchange Rate (Somaliland Shilling per USD)	6,647	6,087	5,793	5,787	4,670	-5%	0%	-13%
Construction Materials*								
Cement 50kg	-	50,925	50,975	50,075	41,179	-2%	-2%	-
Cooking Pot Aluminium 7 Litre	-	91,750	81,875	78,375	64,508	-15%	-4%	-
Galvanised Iron Sheet Ga 26	-	37,700	-	-	100	-100%	-	-
Hollow Concrete Block 10cm x 20cm x 40cm	-	3,500	3,433	3,100	2,455	-11%	-10%	-
Non Collapsible Jerrycan 10 Litre	-	6,000	6,625	6,875	5,567	15%	4%	-
Plastic Tarpaulin 14m x 5 m	-	54,750	82,500	86,375	71,102	58%	5%	-
Roofing Nails 15Kg	-	163,875	170,063	180,438	148,642	10%	6%	-
Timber 2in x 4in x 20ft	-	121,700	96,325	100,800	82,993	-17%	5%	-
Woven Dry Raised Blanket 150cm x 200cm	-	59,063	66,969	66,875	55,028	13%	0%	-
Terms of Trade								
Labour Wage (Daily)/ Cereal (Rice(Kg))	9	6	7	6	7	6%	-2%	-28%
Local Goat (Head)/ Cereal (Rice(Kg))	44	44	46	49	51	11%	8%	12%
Price Indices								
Consumer Price Index	-	110	117	121	-	10%	4%	-
Purchasing Power Index	-	0.91	0.86	0.82	-	-9%	-4%	-

* Data has been collected for the past 15 months only

Figure 44: Imported commodity prices compared to exchange rates

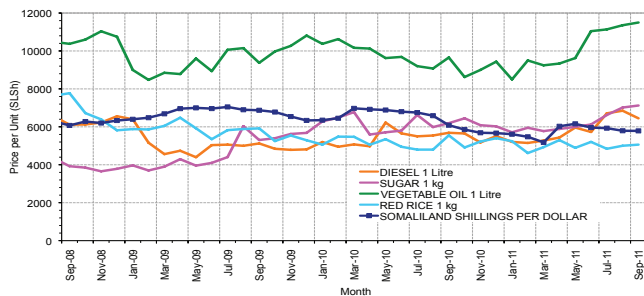


Figure 46: Goat Local Quality

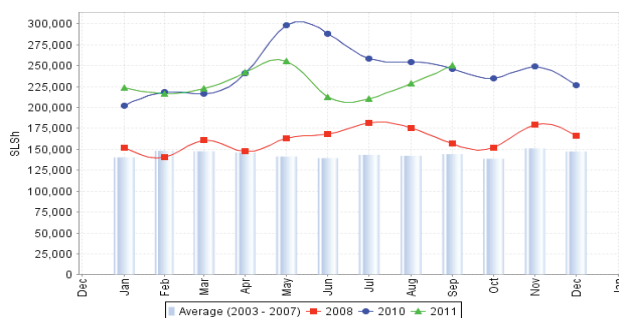


Figure 48: Water Drum

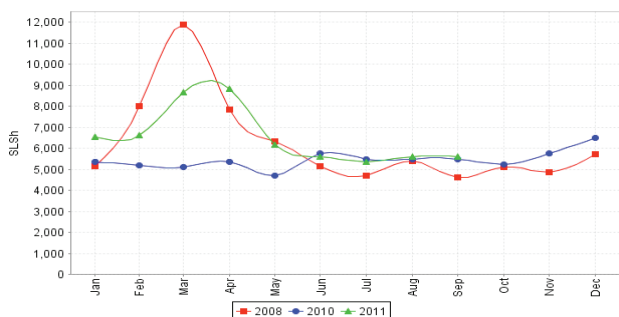


Figure 45: Trends in wage rates, staple cereal prices and relative purchasing power

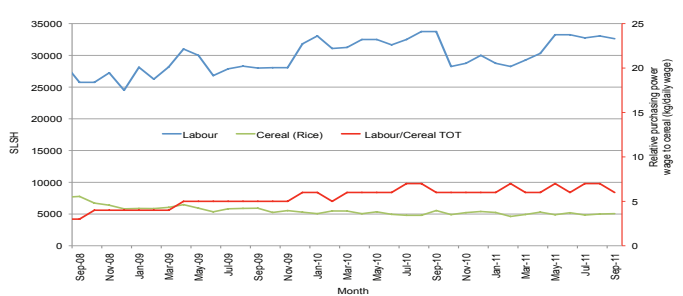


Figure 47: Sugar

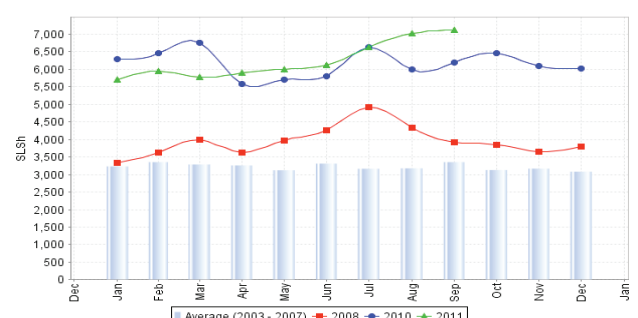
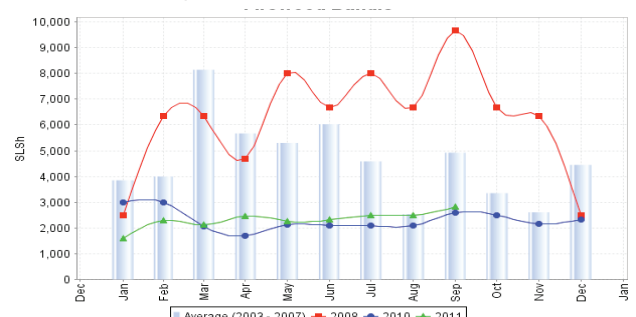


Figure 49: Firewood Bundle



Trends in Livestock Exports

Table 1: Berbera Livestock Exports (Number of Heads)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 (Jan-Aug)
Shoats	1,572,656	2,683,597	2,376,646	2,814,495	957,224	2,048,136	1,601,083	51,546	341,711	563,107	859,404	1,023,795	1,017,242	1,350,054	1,219,519	1,556,003	2,584,810	1,128,902
Cattle	173,400	167,128	65,127	66,939	92,213	89,967	63,263	20,973	37,547	84,312	131,852	148,151	85,631	88,143	80,051	88,005	133,021	80,266
Camel	38,553	21,993	42,801	50,587	11,663	37,430	16,984	3,473	18,864	21,874	5,147	5,069	22,810	14,245	26,515	20,206	92,651	75,199

Figure 50: Berbera Livestock Exports (Number of Heads)

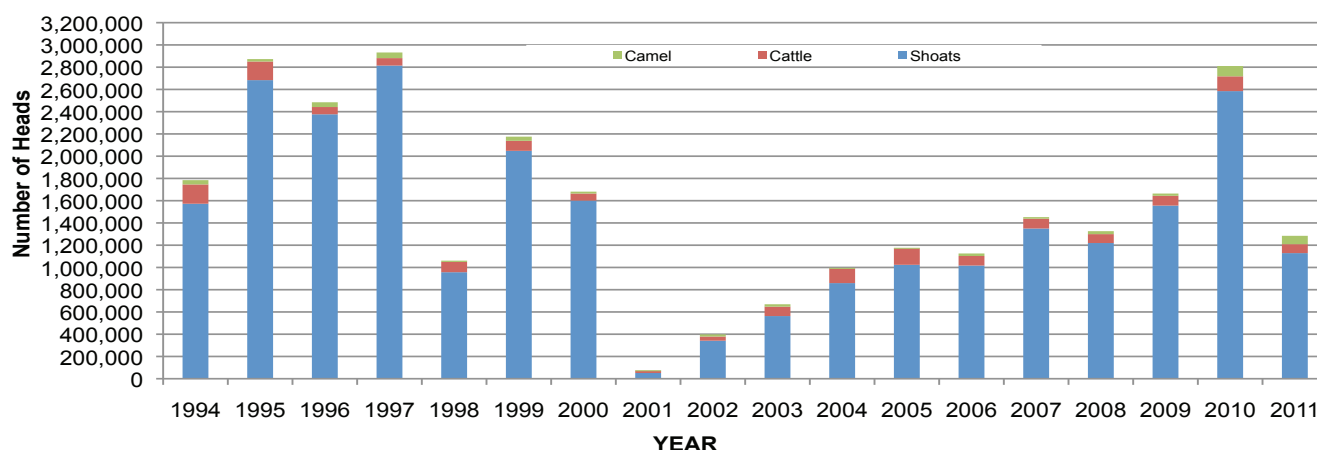


Table 2: Bossaso Livestock Exports (Number of Heads)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 (Jan -Aug)
Shoats	344,000	524,346	614,407	494,320	517,020	633,669	571,455	548,853	1,412,450	1,483,409	1,166,480	1,594,859	1,777,283	1,522,855	1,236,775	1,159,454	1,333,478	691,943
Cattle	1,450	8,795	15,335	17,831	29,492	36,586	27,604	42,248	53,313	71,328	79,994	91,910	104,595	89,190	78,046	67,385	103,808	62,543
Camel	5,397	8,392	20,462	14,599	3,938	15,544	8,177	1,950	9,720	4,259	2,488	26,109	33,724	27,580	27,639	15,331	36,865	37,484

Figure 51: Bossaso Livestock Exports (Number of Heads)

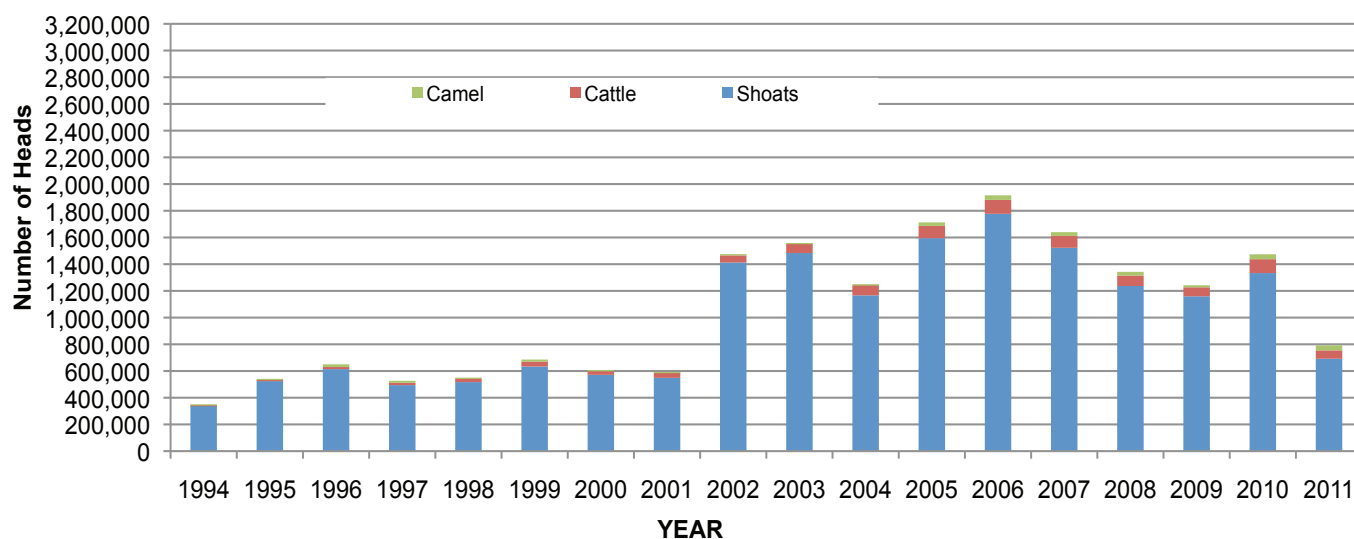
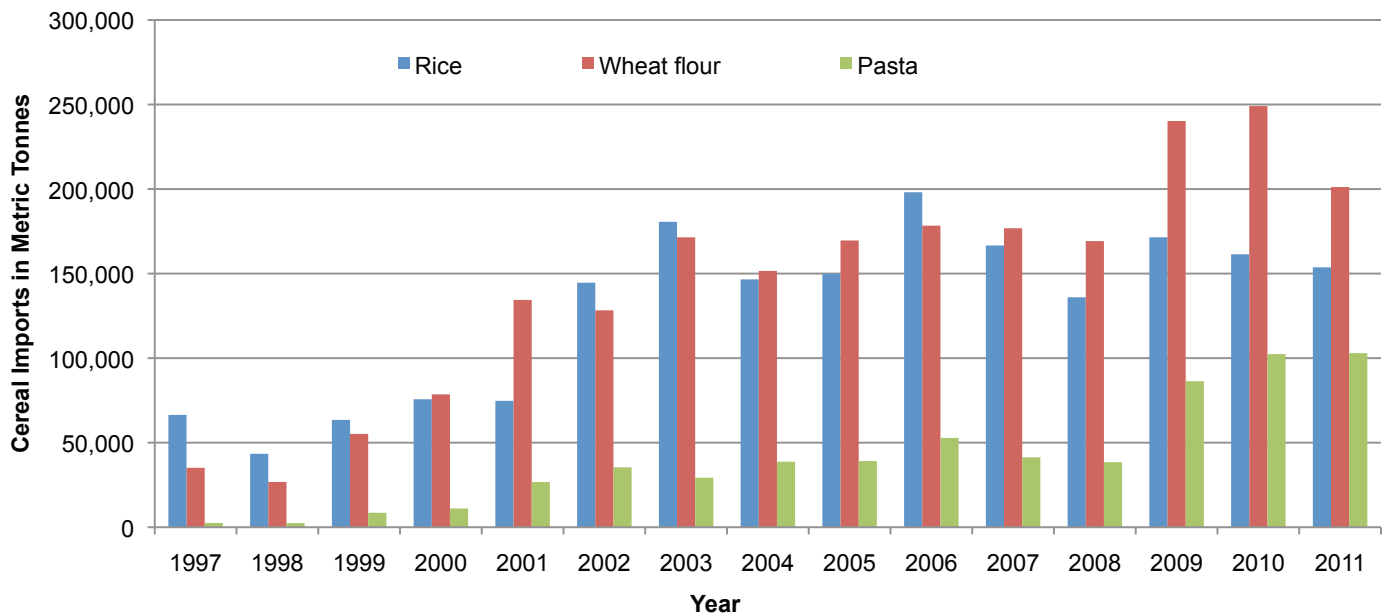


Table 3: Total Cereal Imports (Berbera,Bossaso,Elmaan)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 (Jan-Aug)
Rice	66,419	43,410	63,464	75,687	74,729	144,600	180,614	146,567	150,017	198,101	166,626	136,007	171,472	161,415	153,698
Wheat flour	35,143	26,774	55,176	78,555	134,425	128,263	171,442	151,555	169,583	178,345	176,821	169,208	240,247	249,080	201,183
Pasta	2,510	6,858	8,544	11,071	26,702	35,425	29,273	38,749	39,153	52,815	41,331	38,441	86,372	102,373	102,946

Figure 52: Total Cereal Imports (Berbera,Bossaso and Elmaan)



Regional Highlights

Juba Valley: While prices of maize declined slightly in September 2011, those of imported and other essential commodities remained stable and livestock prices improved. A faster rate of decline in maize prices as opposed to that of labor wage led to slight improvement in terms of trade between labor and cereal. Purchasing power remained greatly compromised when compared to the same period last year standing at 4 kg per day's worth of labour, one of the lowest in the country.

Sorghum Belt: In the first two weeks of September, prices of imported commodities remained generally stable; prices of red sorghum and local quality cattle declined while those of goat improved slightly. Slight improvement in labour wages buoyed by significant decline in cereal prices enhanced the purchasing power by 22 percent, to close at 6kg per day's labour wage. Prices of imported commodities and local cereals remained significantly higher when compared to same period last year.

Shabelle Valley: With the exception of sugar and cattle prices that increased in the first half of September 2011, prices of most imported commodities and livestock remained stable. Though workers were faced with declined labor rate, it was offset by a faster rate of decrease in cereal prices, thereby boosting the purchasing power by 42 percent in first two weeks of September compared to August 2011. Prices of cereals and imported commodities remained significantly above September 2010 levels while year on year ToT is severely eroded, currently standing at 5kg for a day's labour.

Central: Prices of local cereals declined as those of imported commodities and livestock remained stable in the first half of September 2011. Marginal improvement in labor wage coupled with reduced sorghum prices improved the ToT by 17 percent in comparison to the previous month. Currently, one day's labour can only afford 3kgs of cereal, consistently remaining the lowest in the country.

Northeast: Prices of most monitored commodities remained stable in the first half of the September. As a result, the purchasing power sustained its August 2011 level (4kg/day's labour wage). However, prices of imported items, cereals and most of other essentials are far much higher than what they were costing a year ago.

Northwest: Prices of most imported commodities remained stable, while those of cereals were stable to decreasing. Livestock prices, with the exception of local quality goat, also declined. Resultant gains by poor consumers from reduced cereal prices were slightly set back by decline in labour wages, settling the ToT to its August 2011 level, at 9kg per day's labour. Notably, prices of imported items and cereals are significantly above their levels same month a year ago.

Banadir: Prices of local cereals and other essential consumables declined, cost of imported commodities (rice, petrol and sugar) skyrocketed while livestock prices exhibited mixed signals. Significant decline in labour wages effectively eroded gains made by the reduction in local cereal prices, resulting in 7 percent slide in ToT from its level in August 2011 level to currently stand at 4kgs for a day's worth of labour.