

# Market Data Update



Food Security and Nutrition Analysis Unit - Somalia



Monthly Market Analysis, July 2011

## Highlights

Cereal price inflation continues to be a major contributor to the increase in the cost of living in Somalia, especially in the Somali Shilling (SoSh) zones, where the rate has been rising since October 2010. In July 2011, the Consumer Price Index (CPI) sustained its increasing trend (1-4%) in South, Northeast and Central zones. In comparison to July 2010, the inflation accelerated significantly in the Northeast (27%), Central (43%) and, particularly, in the South (67%). The cost of living in the South and Central in particular sustained their record heights observed in June 2011, exceeding the peak 2008 levels by more than 40 percent. The CPI for the north Somaliland region has however remained stable, on the backdrop of relatively firm red sorghum prices underpinned by availability of locally produced cereals and inflows of cereals from Ethiopia through cross-border trade. Compared to the base period (March 2007), the inflation rate accelerated significantly (145-258%) in SoSh areas but remained relatively steady in SiSh zone.

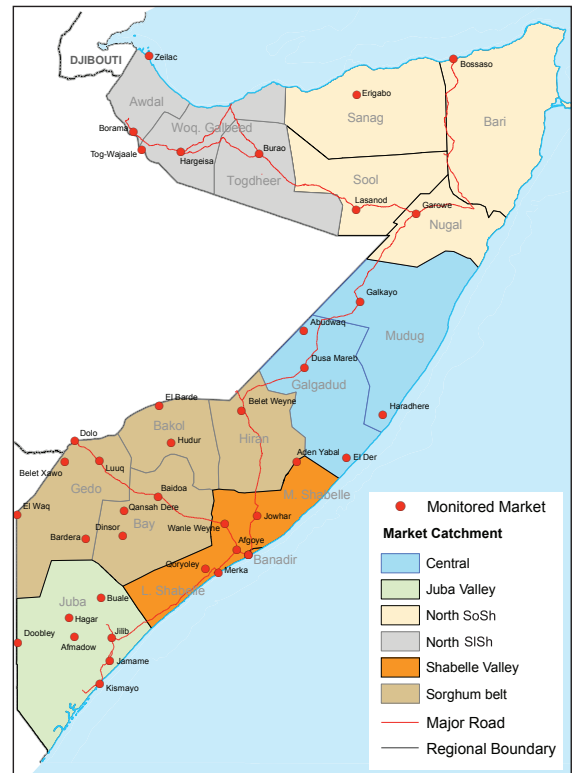
Prices of locally produced cereals in key producing zones of Shabelle, Juba and the Sorghum Belt started to decline in July 2011. Latest market information for the first two weeks of August 2011 point to a further slight dip in the prices of locally produced cereals (maize and sorghum) in the South, signalling flows from the *Gu* 2011 harvests into markets. In particular, August 2011 first two weeks prices of white maize decreased slightly (1-7%) across main markets of the Shabelle and Juba regions while sorghum price decreased by 9 percent in the Sorghum Belt and Banadir regions. Conversely, red sorghum prices increased in Central (5%) and also in Northwest (14). However, when compared to August last year, most markets show significantly higher cereal prices in all regions. Specifically, red sorghum prices increased significantly in most markets of the Sorghum Belt (208-325%), Central (88%), Northeast (114%), while maize prices accelerated in Shabelle (197%) and Juba (170%) regions. Increases in white sorghum prices were however comparatively moderate in Northwest (32%). Increases in cereal prices in Central and Northwest is mainly due to low market stocks as well as reduced supplies from the South. Prices of local cereal prices will most likely decline or remain stable in the South in the short-run and then resume their upward trajectory as supplies from the *Gu* harvests are significantly limited. Price inflation in locally produced cereals is more than imminent in Central and North in the short-run until the next *Gu-Karan* harvests.

Except in Juba where a slight decline was observed, prices for imported commodities (rice, sugar, wheat flour, vegetable oil, petrol and diesel) increased slightly in all other regions, mainly due to typical seasonal reduction in import supplies during the period of high seas in which strong monsoon winds hamper trade activities. The reduction in prices of rice and wheat flour in Juba is likely due to food aid distribution. Compared to a year ago, prices of imported commodities remained higher in all regions, in line with international price trends. Volatility in fuel prices and after-effects of increased demand for food during Ramadhan will most likely put more upward pressure on prices of imported commodities in the coming weeks.

Livestock prices showed a mixed trend both in July and also in the first half of August 2011 across Somalia. Local goat prices increased in most markets of the South and Northwest while remaining stable in Central and Northeast. Local cattle prices on the other hand remained stable to declining in the South and mixed in the North. Compared to the same month last year, the livestock prices are lower in most southern and northwest regions but slightly higher in the Central and Northeast. The rising prices are due to increased market supply following increased migrations in many livelihoods of the South and Northwest. On the other hand, the lower goat prices in Central and Northeast is due to lack of saleable stocks as current livestock holding are extremely low. Livestock exports from Bossaso and Berbera ports in July 2011 were at the highest level ever recorded during the post-war period, with average increases of 34 and 85 percent from June 2011 and the same month last year, respectively. The swift improvement in export performance is mainly attributable to the opening up of new markets in Pakistan, Kuwait and UAE as well as enhanced access of large carrier ships to Berbera Port. The rising demand in these export markets has encouraged the sale of 3<sup>rd</sup> grade animals as opposed to 1<sup>st</sup> and 2<sup>nd</sup> grade as is the case in previous years. Fresh camel milk prices are stable to increasing in most regions, after declining slightly in June 2011. Similarly, water prices are either stable or on the upward in most markets. The current trend in water and milk prices is due to low supply following short-lived improvements in browse, pasture and water conditions from the erratic and below normal *Gu* rains.

Terms of trade continue to be unfavourable and greatly weakened in most regions of the country. Rising prices of local cereals coupled with declining casual labour wages resulted in reduced terms of trade between labour and cereal in Central and Northwest regions in the first half of August 2011. Recent gains in local cereals (reduced prices) in most regions of the South led to dismal improvements in ToT, undermined by reduced labour wages. Purchasing power in the current month however remained stable in Northeast following improved labour rates. Annual comparison of the ToT indicates large declines all over the country, estimated at 57-77 percent in the Banadir, Sorghum Belt, Shabelle and Juba regions; 50-62 percent in Northeast and Central and 53 percent in Northwest (white sorghum). Only 3-4 kgs of these cereals could be purchased with one day of labour across the country, with the exception of Northwest where the ToT in August was equivalent to 8kgs.

Exchange rates between USD to Somali Shilling (SoSh) and Somaliland Shilling (SiSh) appreciated slightly in all regions, indicating improved dollar inflows in the month of August 2011. While the SoShs depreciated in relation to the dollar when compared to a year ago, the SiSh gained significant value (12%) mainly due to the sustained implementation of prudent monetary policy by the Government of Somaliland.



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](http://www.fsnau.org/ids).

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Technical and Managerial Support

Funding Agencies



# International Market Highlights

**Diesel:** Crude oil prices in Abu Dhabi/Dubai,<sup>1</sup> the main sources of Somalia's oil imports, rose marginally, (1%) from June 2011 level to settle at \$109 per barrel in July. The current price, however, is 50 percent higher than the same month last year. The first two weeks of August 2011 have already seen a downward trend, in part due to growing concerns on the slowdown of the global economy<sup>2</sup>. The continued uncertainty about the global economy, combined political instability in oil-rich countries of Middle East and North Africa regions are likely to keep oil prices volatile in the short term. Oil price pass through of international to Somalia markets is clearly evidenced in annual increases of diesel prices in the main port cities of Bossaso (16%) and Mogadishu (20%), respectively. On a monthly basis, diesel prices declined 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 where ports are not accessible during Monsoon winds. Domestic prices of diesel are projected to remain volatile and high in the short-run in the country in the face of high international oil prices as well as reduced supply during the period of high seas (June-September).

**Rice:** Export prices of rice<sup>3</sup> increased for the second consecutive month to close at USD 445 in July 2011. At the current levels, rice prices are nearly 29 percent higher than a year ago but 42 percent below their peak in May 2008. The recovery was mainly supported by the prospect of changes in the support price policy in Thailand, the largest rice exporter, which could result in much higher export quotations, and the prospect of a sharp cut in production in the United States, the third largest rice supplier<sup>4</sup>. In line with international price trends, retail prices of imported rice increased in Mogadishu by 8 percent while remaining stable in Bossaso in July 2011; the prices in both cities are higher compared to a year ago, by 4% and 39%, respectively.

With the recent surge, international rice export prices in the coming months will be heavily influenced by the progress of the 2011 paddy season in northern hemisphere countries and, in particular, by the performance of the south-west monsoon in Asia. Policy actions by governments on both export and import sides will also play a critical role<sup>5</sup>. In Somalia, most likely rice price will be on the upward in the coming months as demand tightens following dismal performance of the main seasonal harvest in the South.

## Sugar:

Concerns about Brazil's lower than expected sugarcane yields have already caused sugar prices to increase in July by 12 and 30 percent from June and May 2011, respectively<sup>6</sup>. At their current level, the prices are just 5 percent below its January record and significantly higher (61%) than a year ago. In the short-run, international sugar prices are likely to remain high in the face of reduced exportable availabilities in several major exporting countries. Sugar price development in the next year will depend on weather patterns of the new 2011/2012 season in major producing regions<sup>7</sup>.

The international price development of the last month are clearly reflected in the local markets of Somalia where sugar prices (Mogadishu and Bossaso) increased by 3-5 percent in August 2011.

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](http://www.eia.doe.gov/dnav/pet/pet_pri_wco_k_w.htm)

2 World Bank Food Price watch, August 2011

3 Bangkok, Rice (Thai A1 Super 1/ B) , Export, US Dollar, Tonne, FAO GIEWS 2011

4 FAO Global food price monitor, August 2011

5 FAO Rice Market Monitor (RMM), July 2011

6 World Bank Food Price watch, August 2011

7 FAO Global Food Price Index (July 2011)

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

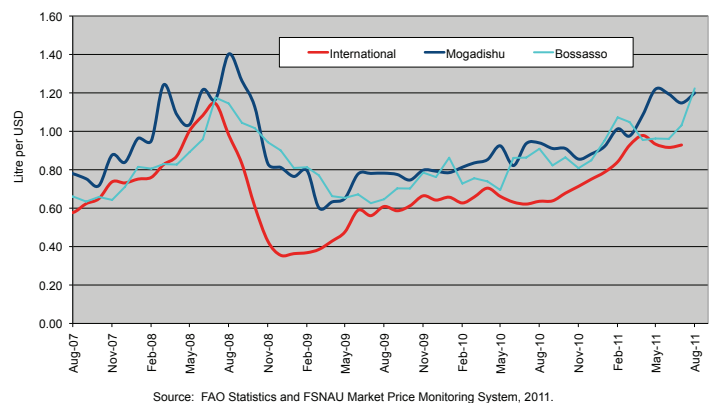


Figure 2: Comparison of Rice Prices: International (Bangkok FOB), Mogadishu and Bossaso

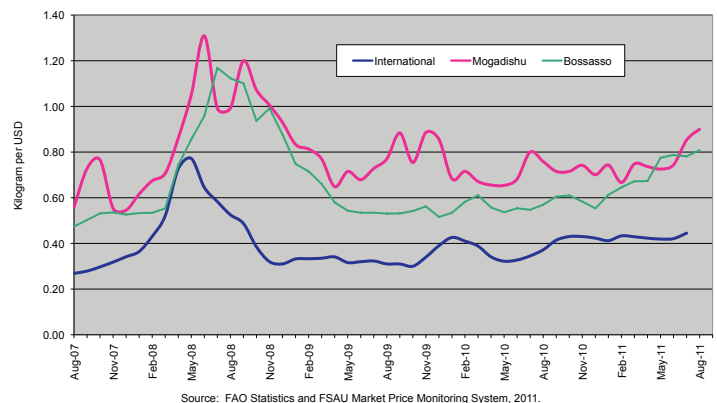
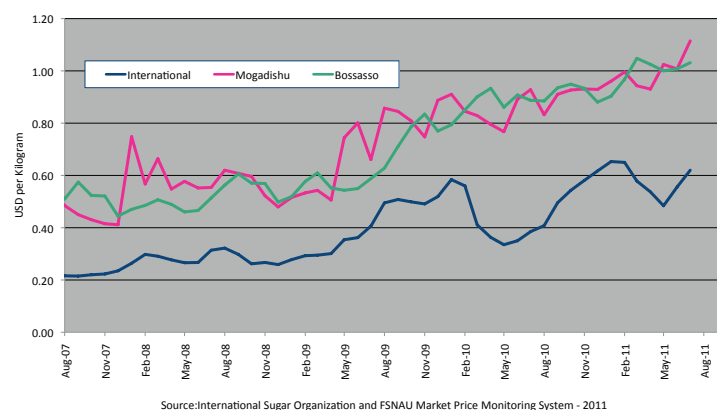


Figure 3: Comparison of Sugar Prices: International (ISO), Mogadishu and Bossaso



# National Trends in Market Prices

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

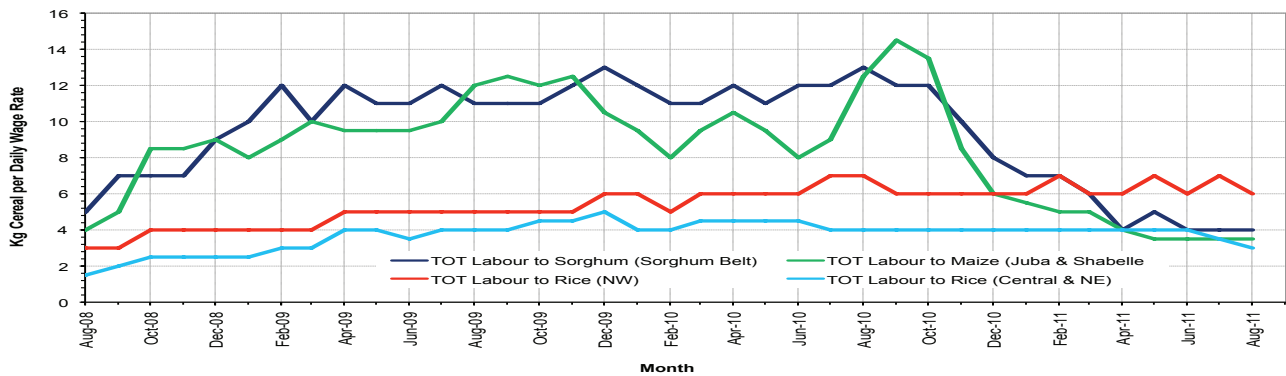


Figure 5: Monthly Exchange Rate for Selected Regions (SoSh and SiSh to USD)

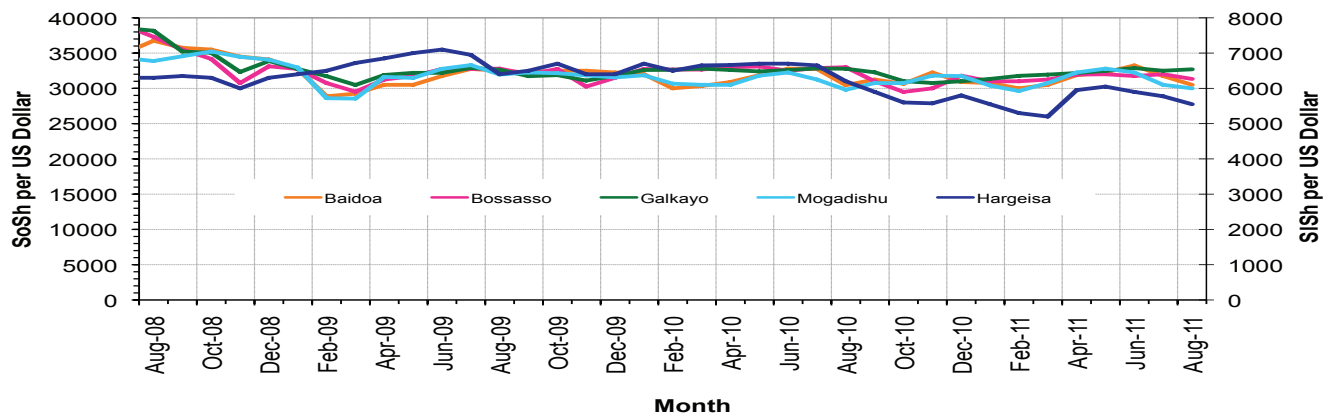


Figure 6: Monthly Trends in Consumer Price Index (CPI)

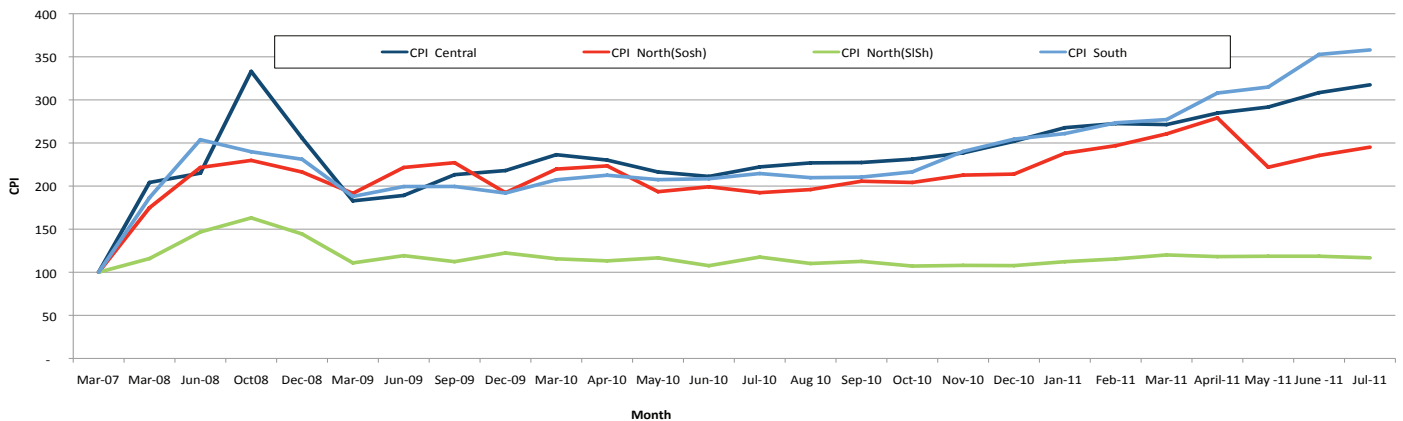
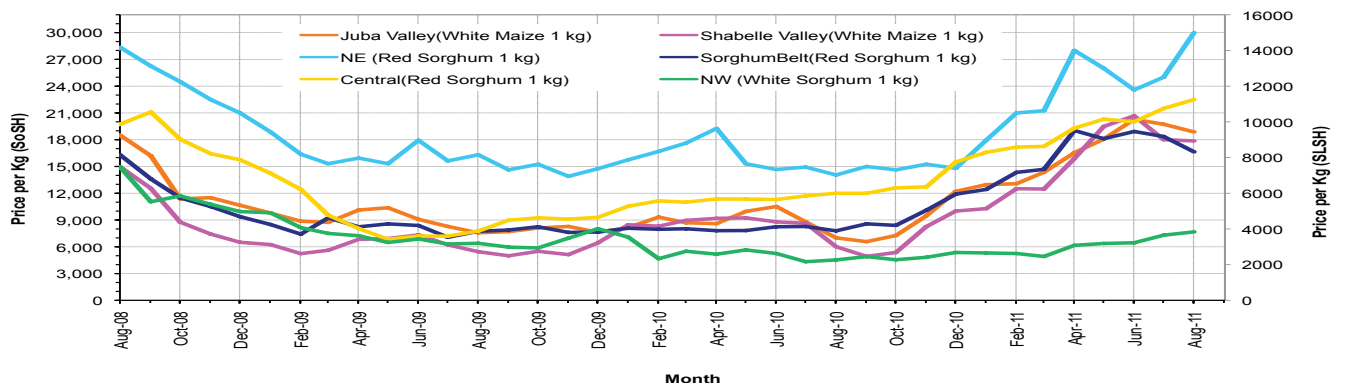


Figure 7: Monthly Trends in Cereal Prices



# Regional analysis: Juba Regions

Indicator	5-Year Average	Aug-10	Jul-11	Aug-11 Nominal Price	Aug-11 Real Price (Deflated) Price	% Change Same Month Previous Year	% Change Previous Month	% Change 5-year avrg (2003-07)
<b>Imported Commodities Prices</b>								
Diesel 1 litre	13,450	32,871	40,000	39,286	10,877	20%	-2%	192%
Imported Red Rice 1kg	8,988	21,857	25,821	24,429	6,726	12%	-5%	172%
Petrol 1 litre	16,483	35,657	37,179	36,714	10,159	3%	-1%	123%
Sugar	9,220	25,000	34,857	36,643	10,139	47%	5%	297%
Vegetable Oil 1 litre	19,007	44,271	61,833	56,714	15,747	28%	-8%	198%
Wheat Flour 1kg	8,589	18,857	25,002	24,857	6,845	32%	-1%	189%
Wheat Grain 1kg	4,320	16,000	20,000	20,000	5,488	25%	0%	363%
<b>Cereal Prices</b>								
Red Sorghum 1kg	2,148	9,300	-	-	-	-	-	-
White Maize 1kg	2,651	7,002	19,732	18,871	5,173	170%	-4%	612%
<b>Livestock &amp; Livestock Product Prices</b>								
Camel Local Quality (Head)	3,142,104	8,940,650	6,206,250	6,766,667	1,890,626	-24%	9%	115%
Cattle Local Quality (Head)	1,533,308	4,156,900	1,979,583	1,880,000	525,205	-65%	-5%	23%
Fresh Camel Milk 1 litre	5,623	19,400	15,607	15,143	4,131	-22%	-3%	169%
Goat Export Quality (Head)	406,968	1,350,929	860,179	872,143	243,592	-35%	1%	114%
Goat Local Quality (Head)	280,597	856,095	525,714	565,357	157,871	-34%	8%	101%
<b>Other Essential Items</b>								
Charcoal 50kg	29,231	82,571	59,821	62,857	17,463	-24%	5%	115%
Cowpeas 1 kg	6,174	19,807	36,850	32,083	8,865	62%	-13%	420%
Unskilled Labor Wage Rate	29,495	100,343	63,393	62,000	17,224	-38%	-2%	110%
Firewood Bundle	2,092	6,571	6,071	6,000	1,577	-9%	-1%	187%
Local Sesame Oil 1 litre	21,744	74,171	90,786	87,714	24,409	18%	-3%	303%
Exchange Rate (Somali Shilling per USD)	15,945	30,561	32,793	30,693	8,476	0%	-6%	92%
<b>Construction Materials*</b>								
Cement 50kg	-	349,600	349,583	345,000	96,299	-1%	-1%	-
Cooking Pot Aluminium 7 Litre	-	366,042	332,500	356,667	99,559	-3%	7%	-
Galvanised Iron Sheet Ga 26	-	165,000	172,083	289,167	80,698	75%	68%	-
Hollow Concrete Block 10cm x 20cm x 40cm	-	17,000	19,250	20,000	5,488	18%	4%	-
Non Collapsible Jerrycan 10 Litre	-	29,000	29,167	34,000	9,400	17%	17%	-
Plastic Tarpaulin 14m x 5 m	-	700,000	480,000	503,333	140,540	-28%	5%	-
Roofing Nails 15kg	-	820,286	808,786	724,643	202,378	-13%	-10%	-
Timber 2in x 4in x 20ft	-	335,600	330,000	668,000	186,551	99%	102%	-
Woven Dry Raised Blanket 150cm x 200cm	-	101,875	-	-	-	-	-	-
<b>Terms of Trade</b>								
Labour Wage (Daily)/ Cereal (Maize)(Kg))	11	14	3	3	3	-77%	2%	-70%
Local Goat (Head)/ Cereal (Maize)(Kg))	106	122	27	30	31	-75%	12%	-72%
<b>Price Indices</b>								
Consumer Price Index	-	215	353	358	-	67%	1%	-
Purchasing Power Index	-	0.47	0.28	0.28	-	-40%	-1%	-

\* Data has been collected for the past 14 months only

Figure 8: Imported commodity prices compared to exchange rates

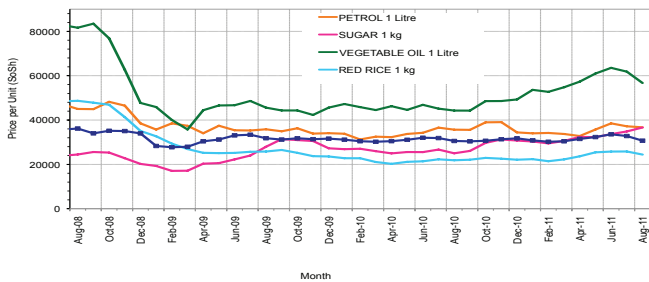


Figure 10: Goat Local Quality

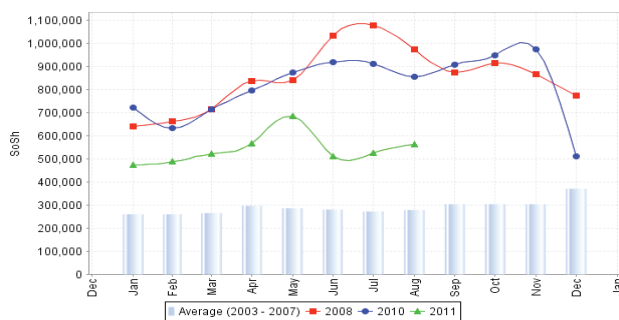


Figure 12: Water Drum

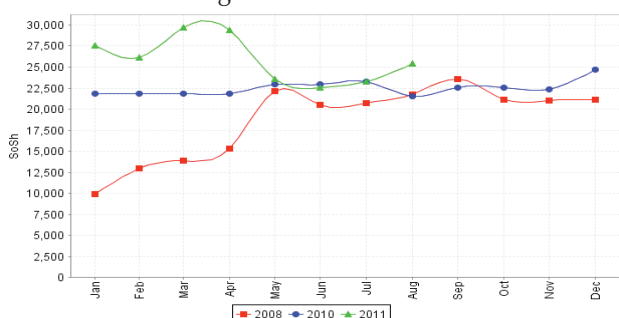


Figure 9: Trends in wage rates, staple cereal prices and relative purchasing power

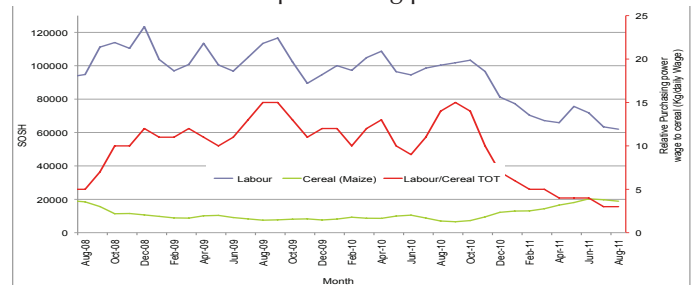


Figure 11: Sugar

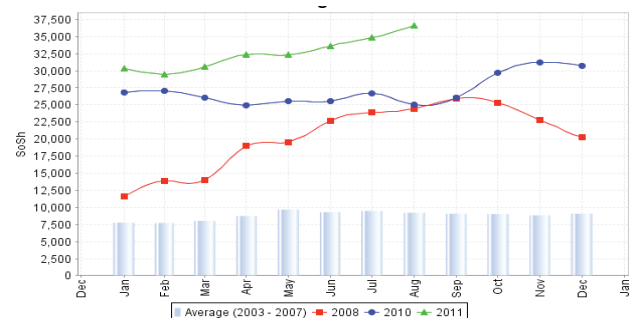
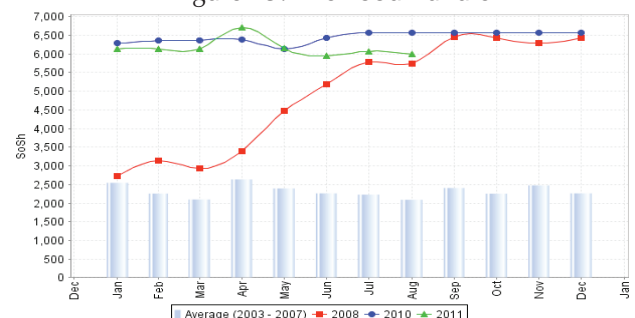


Figure 13: Firewood Bundle



# Regional analysis: Sorghum Belt Regions

Indicator	5-Year Average	Aug-10	Jul-11	Aug-11 Nominal Price	Aug-11 Real (Deflated) Price	% Change Same Month Previous Year	% Change Previous Month	% Change 5-year avg (2003-07)
<b>Imported Commodities Prices</b>								
Diesel 1 litre	12,283	32,636	43,750	43,364	12,017	33%	-1%	253%
Imported Red Rice 1kg	8,702	23,364	28,216	28,000	7,724	20%	-1%	222%
Petrol 1 litre	15,096	31,375	39,775	39,909	11,051	27%	0%	164%
Sugar	9,647	27,714	35,114	35,500	9,819	28%	1%	268%
Vegetable Oil 1 litre	18,354	45,932	64,386	65,227	18,126	42%	1%	255%
Wheat Flour 1kg	8,372	20,795	25,455	25,500	7,025	23%	0%	205%
Wheat Grain 1kg	4,166	7,563	18,344	15,125	4,126	100%	-18%	263%
<b>Cereal Prices</b>								
Red Sorghum 1kg	2,100	7,791	18,360	16,640	4,550	114%	-9%	692%
White Maize 1kg	2,750	9,017	18,658	17,409	4,764	93%	-7%	533%
<b>Livestock &amp; Livestock Product Prices</b>								
Camel Local Quality (Head)	3,368,932	9,918,182	6,566,591	6,195,455	1,731,020	-38%	-6%	84%
Cattle Local Quality (Head)	1,443,137	3,224,727	1,545,625	1,585,000	442,777	-51%	3%	10%
Fresh Camel Milk 1 litre	6,701	17,727	23,841	26,227	7,228	48%	10%	291%
Goat Export Quality (Head)	420,935	1,318,409	1,038,182	1,119,546	312,721	-15%	8%	166%
Goat Local Quality (Head)	261,729	781,364	527,227	566,364	158,152	-28%	7%	116%
<b>Other Essential Items</b>								
Charcoal 50kg	33,525	130,250	110,364	100,545	27,994	-23%	-9%	200%
Cowpeas 1 kg	5,754	20,125	40,563	40,313	11,164	100%	-1%	601%
Unskilled Labor Wage Rate	19,870	100,136	80,545	74,864	20,818	-25%	-7%	277%
Firewood Bundle	1,725	5,136	5,227	5,455	1,424	6%	4%	216%
Local Sesame Oil 1 litre	23,459	81,563	86,179	83,857	23,331	3%	-3%	257%
Exchange Rate (Somali Shilling per USD)	15,719	30,537	31,627	31,425	8,681	3%	-1%	100%
<b>Construction Materials*</b>								
Cement 50kg	-	355,950	343,333	2,624,722	733,294	637%	664%	-
Cooking Pot Aluminium 7 Litre	-	362,167	340,500	300,000	83,725	-17%	-12%	-
Galvanised Iron Sheet Ga 26	-	211,650	220,114	220,682	61,562	4%	0%	-
Hollow Concrete Block 10cm x 20cm x 40cm	-	9,875	11,500	10,750	2,904	9%	-7%	-
Non Collapsible Jerrycan 10 Litre	-	51,636	53,273	53,909	14,963	4%	1%	-
Plastic Tarpaulin 14m x 5 m	-	352,350	275,463	315,000	87,917	-11%	14%	-
Roofing Nails 15Kg	-	852,281	851,667	845,556	236,163	-1%	-1%	-
Timber 2in x 4in x 20ft	-	250,000	220,714	217,857	60,773	-13%	-1%	-
Woven Dry Raised Blanket 150cm x 200cm	-	120,000	99,500	98,000	27,283	-18%	-2%	-
<b>Terms of Trade</b>								
Labour Wage (Daily)/ Cereal (Sorghum(Kg))	9	13	4	4	5	-65%	3%	-52%
Local Goat (Head)/ Cereal (Sorghum(Kg))	125	100	29	34	35	-66%	19%	-73%
<b>Price Indices</b>								
Consumer Price Index	-	215	353	358	-	67%	1%	-
Purchasing Power Index	-	0.47	0.28	0.28	-	-40%	-1%	-

\* Data has been collected for the past 14 months only

Figure 14: Imported commodity prices compared to exchange rates

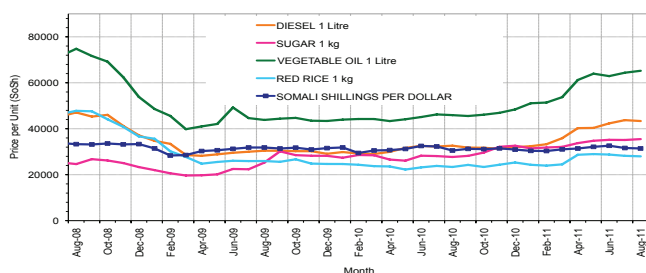


Figure 15: Trends in wage rates, staple cereal prices and relative purchasing power

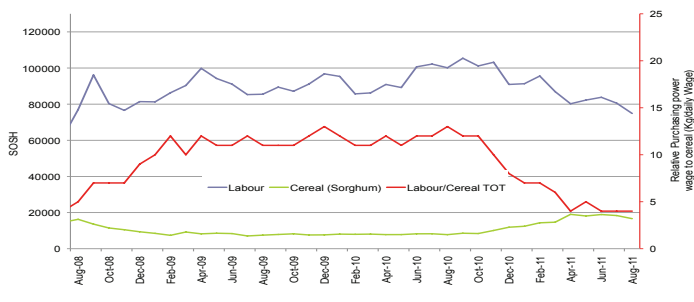


Figure 16: Goat Local Quality

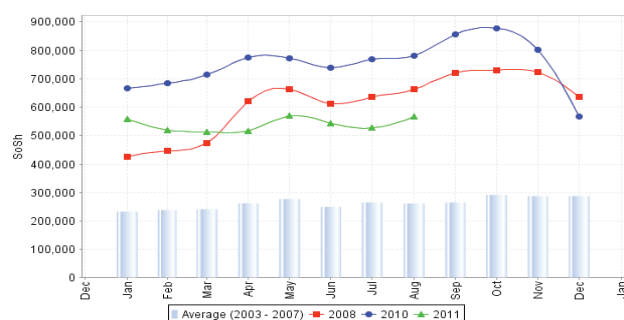


Figure 17: Sugar

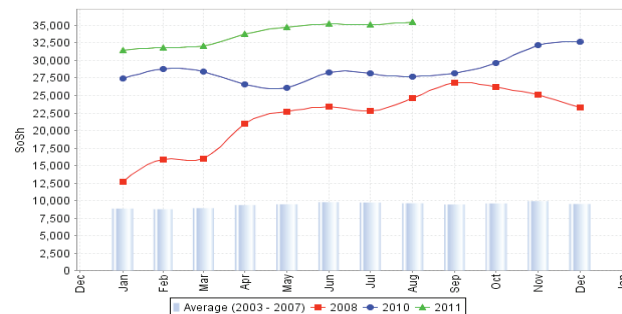


Figure 18: Water Drum

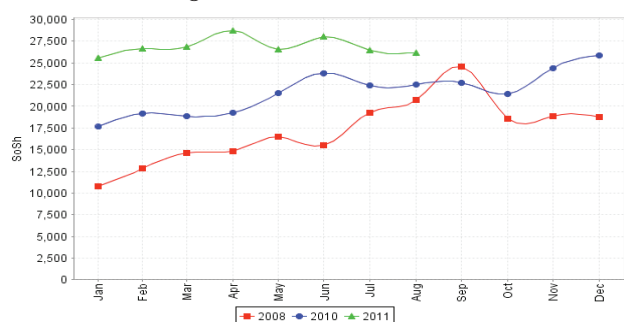
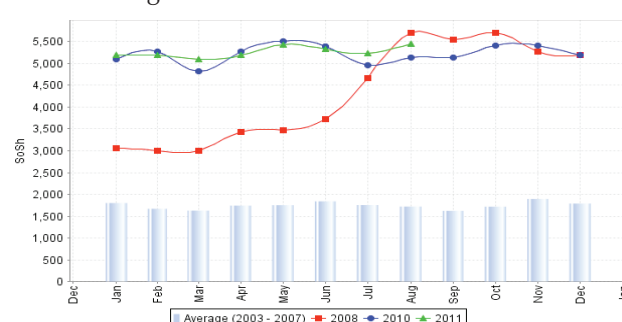


Figure 19: Firewood Bundle





# Regional analysis: Shabelle Regions

Indicator	5-Year Average	Aug-10	Jul-11	Aug-11 Nominal Price	Aug-11 Real (Deflated) Price	% Change Same Month Previous Year	% Change Previous Month	% Change 5-year avrg (2003-07)
<b>Imported Commodities Prices</b>								
Diesel 1 litre	10,547	31,208	39,333	39,333	10,890	26%	0%	273%
Imported Red Rice 1kg	7,596	22,000	24,708	25,500	7,025	16%	3%	236%
Petrol 1 litre	12,717	31,083	37,333	39,167	10,844	26%	5%	208%
Sugar	8,167	26,625	32,417	33,800	9,344	27%	4%	314%
Vegetable Oil 1 litre	14,608	36,792	55,167	54,917	15,245	49%	0%	276%
Wheat Flour 1kg	7,609	17,667	25,000	25,250	6,955	43%	1%	232%
Wheat Grain 1kg	3,500		28,000	28,000	-	-	0%	-
<b>Cereal Prices</b>								
Red Sorghum 1kg	2,497	7,555	21,240	21,108	5,798	179%	-1%	745%
White Maize 1kg	2,907	6,013	18,008	17,863	4,891	197%	-1%	514%
<b>Livestock &amp; Livestock Product Prices</b>								
Camel Local Quality (Head)	4,205,804	11,802,500	11,885,000	12,130,000	3,389,236	3%	2%	188%
Cattle Local Quality (Head)	1,192,567	3,861,500	2,727,500	2,900,000	810,211	-25%	6%	143%
Fresh Camel Milk 1 litre	4,903	15,458	19,250	19,583	5,372	27%	2%	299%
Goat Export Quality (Head)	500,529	1,433,750	1,293,750	1,375,000	384,099	-4%	6%	175%
Goat Local Quality (Head)	345,797	1,067,500	788,083	988,333	276,058	-7%	25%	186%
<b>Other Essential Items</b>								
Charcoal 50kg	37,517	121,951	106,861	112,917	31,451	-7%	6%	201%
Cowpeas 1 kg	5,334	14,175	52,736	52,333	14,523	269%	-1%	881%
Unskilled Labor Wage Rate	20,315	63,958	65,917	65,833	18,295	3%	0%	224%
Firewood Bundle	2,092	4,500	4,750	4,333	-	-4%	-9%	107%
Local Sesame Oil 1 litre	21,095	59,208	65,625	68,167	18,947	15%	4%	223%
Exchange Rate (Somali Shilling per USD)	16,364	30,396	31,500	31,333	8,655	3%	-1%	91%
<b>Construction Materials*</b>								
Cement 50kg	-	316,500	301,250	304,000	84,843	-4%	1%	-
Cooking Pot Aluminium 7 Litre	-	1,100,000	800,000	750,000	209,463	-32%	-6%	-
Galvanised Iron Sheet Ga 26	-	117,400	156,500	152,000	42,371	29%	-3%	-
Hollow Concrete Block 10cm x 20cm x 40cm	-	13,450	12,250	12,000	3,253	-11%	-2%	-
Non Collapsible Jerrycan 10 Litre	-	53,550	50,313	27,500	7,584	-49%	-45%	-
Plastic Tarpaulin 14m x 5 m	-	229,000	301,667	186,250	51,942	-19%	-38%	-
Roofing Nails 15Kg	-	665,000	664,167	573,750	160,216	-14%	-1%	-
Timber 2in x 4in x 20ft	-	55,150	60,250	59,500	16,525	8%	-1%	-
Woven Dry Raised Blanket 150cm x 200cm	-	87,667	76,333	71,667	19,925	-18%	-6%	-
<b>Terms of Trade</b>								
Labour Wage (Daily) Cereal (Maize(Kg))	7	11	4	4	4	-65%	1%	-47%
Local Goat (Head) Cereal (Maize(Kg))	119	178	44	55	56	-69%	26%	-53%
<b>Price Indices</b>								
Consumer Price Index	-	215	353	358	-	67%	1%	-
Purchasing Power Index	-	0.47	0.28	0.28	-	-40%	-1%	-

\* Data has been collected for the past 14 months only

Figure 20: Imported commodity prices compared to exchange rates

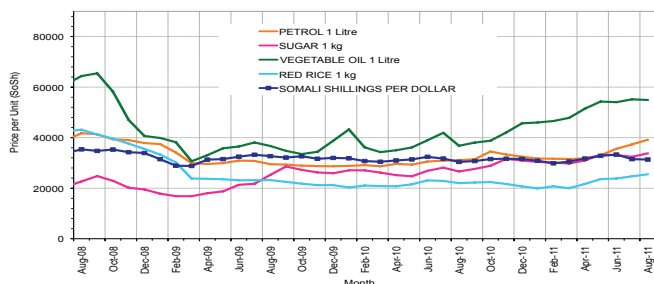


Figure 22: Goat Local Quality

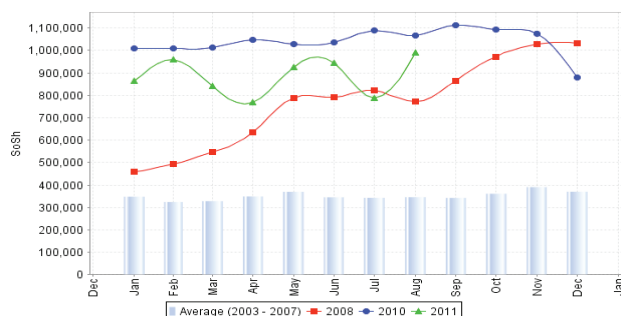


Figure 24: Water Drum

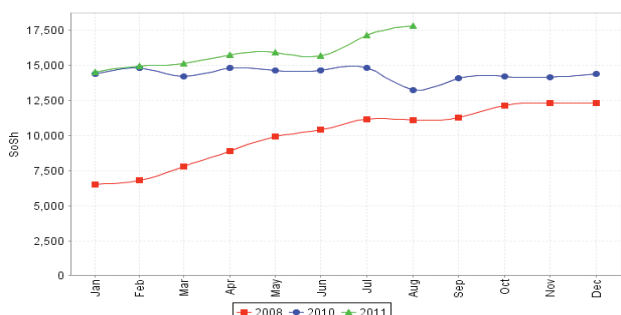


Figure 21: Trends in wage rates, staple cereal prices and relative purchasing power

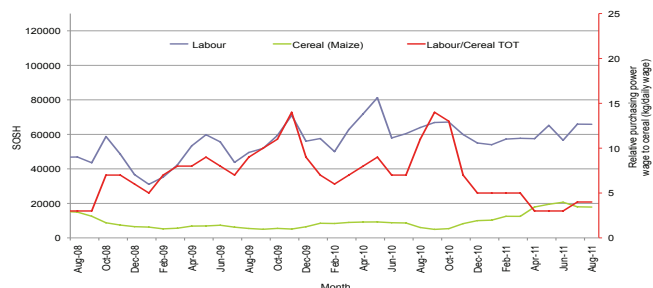


Figure 23: Sugar

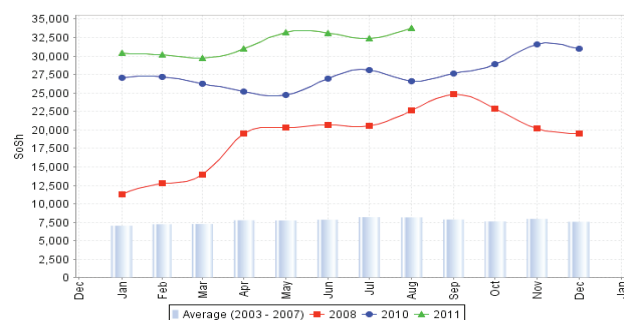
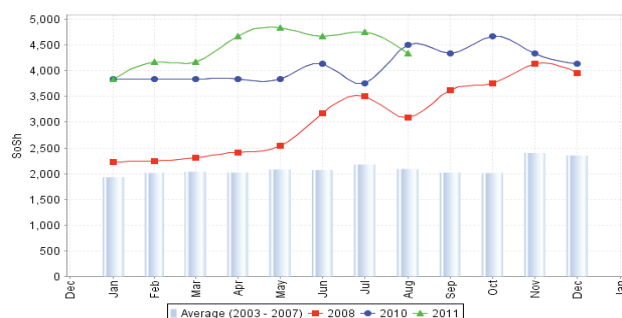


Figure 25: Firewood Bundle



# Regional analysis:Banadir Region

Indicator	5-Year Average	Aug-10	Jul-11	Aug-11 Nominal Price	Aug-11 Real (Deflated) Price	% Change Same Month Previous Year	% Change Previous Month	% Change 5-year avrg (2003-07)
<b>Imported Commodities Prices</b>								
Diesel 1 litre	9,933	26,892	38,108	36,000	9,959	34%	-6%	262%
Imported Red Rice 1kg	7,166	21,075	24,617	27,000	7,444	28%	10%	277%
Petrol 1 litre	12,175	24,617	35,125	40,000	11,077	62%	14%	229%
Sugar	7,466	27,750	32,283	34,000	9,400	23%	5%	355%
Vegetable Oil 1 litre	14,450	38,614	54,967	50,000	13,871	29%	-9%	246%
Wheat Flour 1kg	7,208	15,642	23,267	25,000	6,885	60%	7%	247%
Wheat Grain 1kg	3,822	9,200	18,000	18,000	4,930	96%	0%	371%
<b>Cereal Prices</b>								
Red Sorghum 1kg	2,302	6,650	22,052	20,000	5,488	201%	-9%	769%
White Maize 1kg	3,064	8,444	22,054	17,667	4,836	109%	-20%	477%
<b>Livestock &amp; Livestock Product Prices</b>								
Camel Local Quality (Head)	5,847,000	16,900,000	13,000,000	12,000,000	3,352,912	-29%	-8%	105%
Cattle Local Quality (Head)	3,265,000	5,620,000	3,000,000	3,100,000	866,095	-45%	3%	-5%
Fresh Camel Milk 1 litre	5,200	19,521	23,742	17,000	4,650	-13%	-28%	227%
Goat Export Quality (Head)	-	2,040,000	1,400,000	1,300,000	363,143	-36%	-7%	-
Goat Local Quality (Head)	614,166	1,695,000	1,440,000	950,000	265,347	-44%	-34%	55%
<b>Other Essential Items</b>								
Charcoal 50kg	100,000	145,558	155,417	135,000	37,821	-7%	-13%	35%
Cowpeas 1 kg	4,655	16,108	64,178	53,333	14,802	231%	-17%	1046%
Unskilled Labor Wage Rate	55,000	67,069	81,083	60,000	16,665	-11%	-26%	9%
Firewood Bundle	41,700	3,825	6,333	4,000	1,018	5%	-37%	-90%
Local Sesame Oil 1 litre	20,550	56,619	67,192	70,000	19,459	24%	4%	241%
Exchange Rate (Somali Shilling per USD)	16,640	30,235	32,546	30,000	8,283	-1%	-8%	80%
<b>Construction Materials*</b>								
Cement 50kg	-	274,092	254,279	217,000	60,534	-21%	-15%	-
Cooking Pot Aluminium 7 Litre	-	270,000	294,000	420,000	117,255	56%	43%	-
Galvanised Iron Sheet Ga 26	-	111,800	154,750	155,000	43,210	39%	0%	-
Hollow Concrete Block 10cm x 20cm x 40cm	-	9,067	10,063	10,000	2,594	10%	-1%	-
Non Collapsible Jerrycan 10 Litre	-	20,000	49,333	82,500	22,952	313%	67%	-
Plastic Tarpaulin 14m x 5 m	-	270,833	330,833	200,000	55,784	-26%	-40%	-
Roofing Nails 15kg	-	554,833	667,417	465,000	129,829	-16%	-30%	-
Timber 2in x 4in x 20ft	-	183,100	143,542	248,000	69,196	35%	73%	-
Woven Dry Raised Blanket 150cm x 200cm	-	135,000	81,250	110,000	30,636	-19%	35%	-
<b>Terms of Trade</b>								
Labour Wage (Daily)/ Cereal (Maize)(Kg))	18	8	4	3	3	-57%	-8%	-81%
Local Goat (Head)/ Cereal (Maize)(Kg))	200	201	65	54	55	-73%	-18%	-73%
<b>Price Indices</b>								
Consumer Price Index	-	215	353	358	-	67%	1%	-
Purchasing Power Index	-	0.47	0.28	0.28	-	-40%	-1%	-

\* Data has been collected for the past 14 months only

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

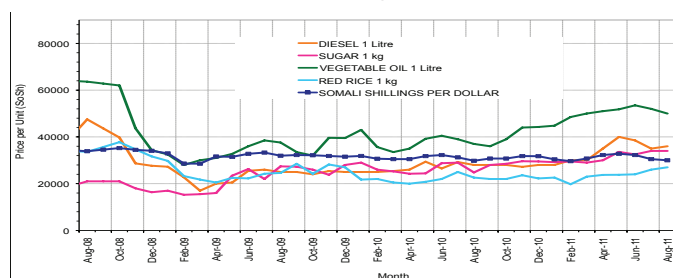


Figure 27: Bakara: Trends in Wage Rates, Staple Cereal Prices and Relative Purchasing Power

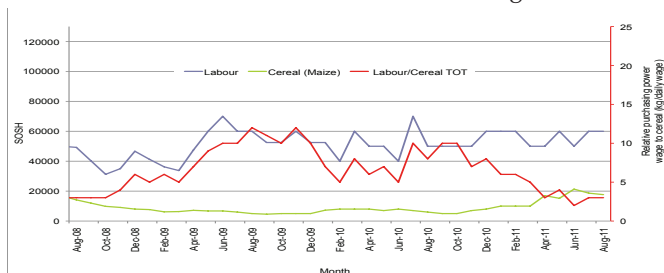


Figure 28: Goat Local Quality

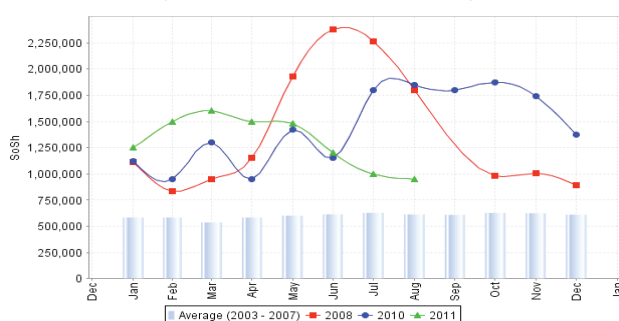


Figure 29: Sugar

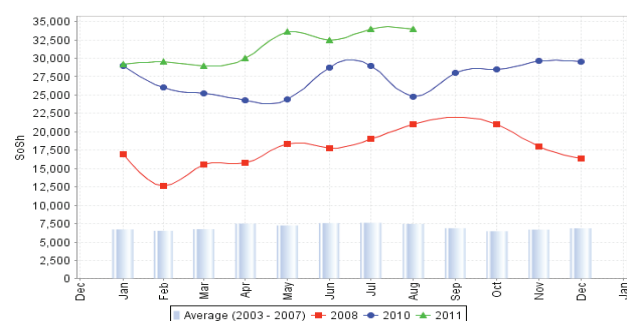


Figure 30: Wheat Flour

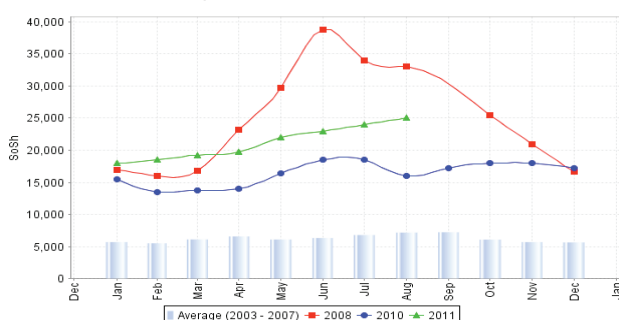
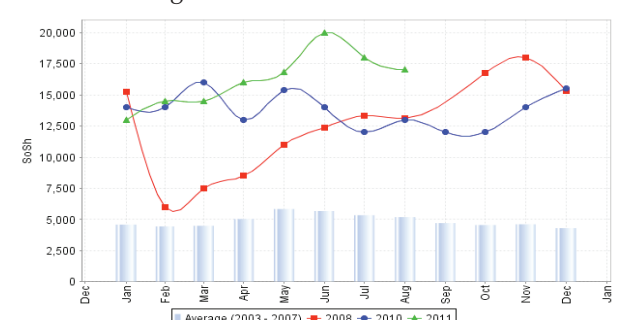


Figure 31: Fresh Camel Milk



# Regional analysis: Central Regions

Indicator	5-Year Average	Aug-10	Jul-11	Aug-11 Nominal Price	Aug-11 Real (Deflated) Price	% Change Same Month Previous Year	% Change Previous Month	% Change 5-year avg (2003-07)
<b>Imported Commodities Prices</b>								
Diesel 1 litre	11,625	32,600	39,550	40,600	12,688	25%	3%	249%
Imported Red Rice 1kg	8,484	28,260	31,660	32,400	10,105	15%	2%	282%
Petrol 1 litre	12,582	29,920	34,400	36,100	11,270	21%	5%	187%
Sugar	9,679	34,500	37,640	37,800	11,806	10%	0%	291%
Vegetable Oil 1 litre	18,560	51,000	66,000	63,200	19,806	24%	-4%	241%
Wheat Flour 1kg	8,248	21,680	25,100	25,400	7,900	17%	1%	208%
Wheat Grain 1kg	5,166	14,000	23,750	24,500	7,617	75%	3%	374%
<b>Cereal Prices</b>								
Red Sorghum 1kg	4,615	12,000	21,500	22,500	6,987	88%	5%	388%
White Maize 1kg	4,817	14,000	22,750	21,600	6,703	54%	-5%	348%
<b>Livestock &amp; Livestock Product Prices</b>								
Camel Local Quality (Head)	2,226,189	8,000,000	8,000,000	8,000,000	2,519,610	0%	0%	259%
Cattle Local Quality (Head)	1,517,902	2,200,000	-	-	-	-	-	-
Fresh Camel Milk 1 litre	11,112	38,000	43,640	43,600	13,632	15%	0%	292%
Goat Export Quality (Head)	356,890	1,264,500	1,458,333	1,412,500	444,786	12%	-3%	296%
Goat Local Quality (Head)	260,561	904,400	889,300	883,000	278,013	-2%	-1%	239%
<b>Other Essential Items</b>								
Charcoal 50kg	54,492	201,300	193,200	179,000	56,279	-11%	-7%	228%
Cowpeas 1 kg	7,285	26,760	57,640	59,600	18,672	123%	3%	718%
Unskilled Labor Wage Rate	30,122	93,600	87,400	72,500	22,735	-23%	-17%	141%
Firewood Bundle	3,917	26,875	34,000	33,000	10,294	23%	-3%	742%
Local Sesame Oil 1 litre	28,850	96,000	99,000	100,000	31,396	4%	1%	247%
Exchange Rate (Somali Shilling per USD)	16,096	32,092	31,890	31,675	9,876	-1%	-1%	97%
<b>Construction Materials*</b>								
Cement 50kg	-	341,700	350,800	348,800	109,759	2%	-1%	-
Cooking Pot Aluminium 7 Litre	-	398,000	415,200	418,000	131,555	5%	1%	-
Galvanised Iron Sheet Ga 26	-	171,280	161,975	162,500	51,082	-5%	0%	-
Hollow Concrete Block 10cm x 20cm x 40cm	-	16,083	16,250	16,500	5,097	3%	2%	-
Non Collapsible Jerrycan 10 Litre	-	37,500	52,000	51,000	15,963	36%	-2%	-
Plastic Tarpaulin 14m x 5 m	-	337,000	322,400	322,000	101,318	-4%	0%	-
Roofing Nails 15Kg	-	916,840	833,200	683,200	215,083	-25%	-18%	-
Timber 2in x 4in x 20ft	-	159,000	152,600	152,600	47,963	-4%	0%	-
Woven Dry Raised Blanket 150cm x 200cm	-	149,500	136,000	134,000	42,105	-10%	-1%	-
<b>Terms of Trade</b>								
Labour Wage (Daily)/ Cereal (Rice(Kg))	4	3	3	2	2	-32%	-19%	-37%
Local Goat (Head)/ Cereal (Rice(Kg))	31	32	28	27	28	-15%	-3%	-11%
Camel (Head)/Cereal (Kg)	262	283	253	247	249	-13%	-2%	-6%
<b>Price Indices</b>								
Consumer Price Index	-	222	308	317	-	43%	3%	-
Purchasing Power Index	-	0.45	0.32	0.31	-	-30%	-3%	-

\* Data has been collected for the past 14 months only

Figure 32: Imported commodity prices compared to exchange rates

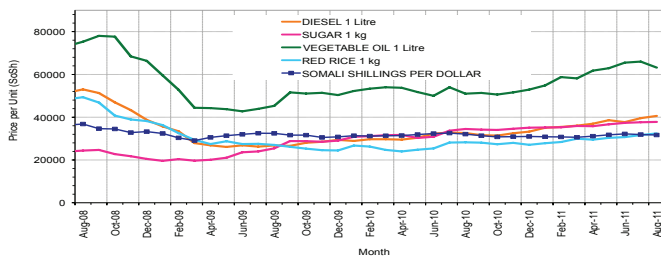


Figure 33: Trends in wage rates, staple cereal prices and relative purchasing power

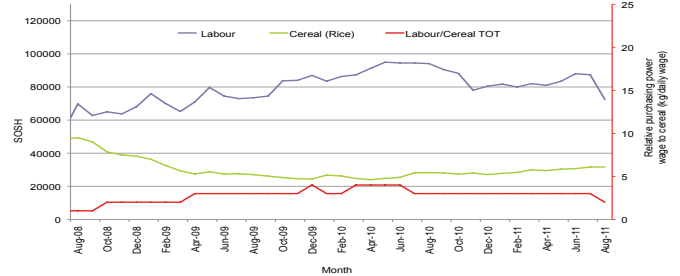


Figure 34: Goat Local Quality

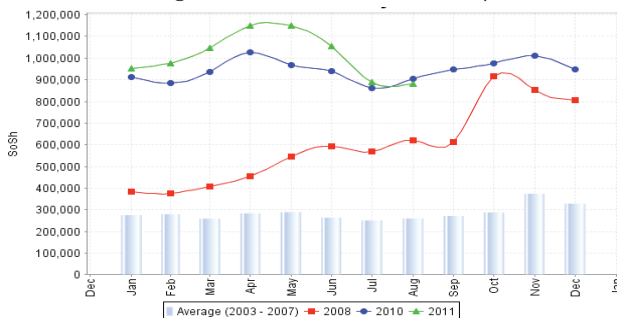


Figure 35: Sugar

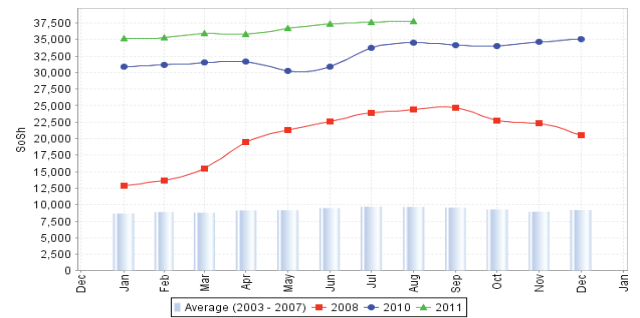


Figure 36: Water Drum

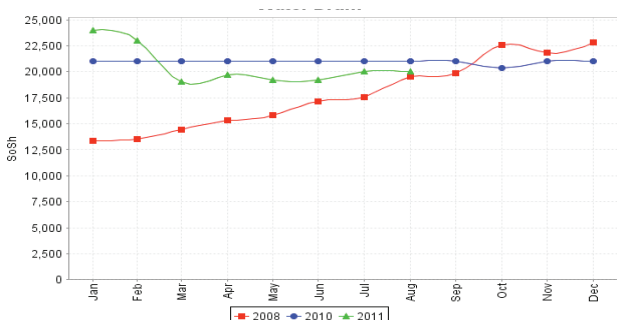
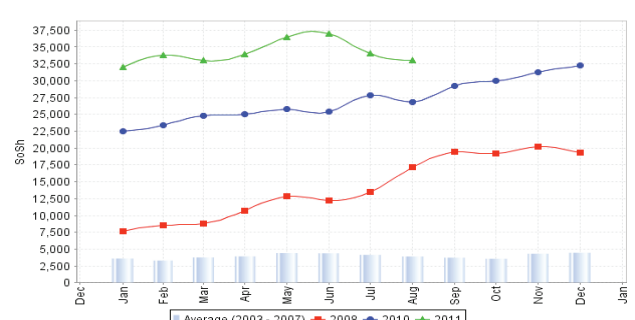


Figure 37: Firewood Bundle





# Regional analysis: Northeast Regions

Indicator	5-Year Average	Aug-10	Jul-11	Aug-11 Nominal Price	Aug-11 Real Price (Deflated)	% Change Same Month Previous Year	% Change Previous Month	% Change 5-year avrg (2003-07)
<b>Imported Commodities Prices</b>								
Diesel 1 litre	10,156	30,563	36,250	37,333	15,128	22%	3%	268%
Imported Red Rice 1kg	7,247	21,800	25,625	26,083	10,539	20%	2%	260%
Petrol 1 litre	11,076	28,250	33,375	33,083	13,394	17%	-1%	199%
Sugar	8,987	30,788	33,250	34,917	14,143	13%	5%	289%
Vegetable Oil 1 litre	16,914	42,175	58,063	63,958	25,988	52%	10%	278%
Wheat Flour 1kg	7,319	18,200	22,917	24,750	9,995	36%	8%	238%
Wheat Grain 1kg	7,830	27,800	32,333	37,000	14,992	33%	14%	373%
<b>Cereal Prices</b>								
Red Sorghum 1kg	7,190	14,050	30,000	30,000	12,137	114%	0%	317%
White Maize 1kg	6,485	16,133	26,000	23,000	9,282	43%	-12%	255%
<b>Livestock &amp; Livestock Product Prices</b>								
Camel Local Quality (Head)	3,454,333	11,555,000	12,500,000	13,483,334	5,499,717	17%	8%	290%
Cattle Local Quality (Head)	1,875,000	4,750,000	7,000,000	7,500,000	3,059,131	58%	7%	300%
Fresh Camel Milk 1 litre	14,863	42,400	34,875	39,917	16,182	-6%	14%	169%
Goat Export Quality (Head)	420,783	1,215,333	1,375,000	1,387,500	565,858	14%	1%	230%
Goat Local Quality (Head)	362,216	1,092,625	1,226,250	1,200,000	489,377	10%	-2%	231%
<b>Other Essential Items</b>								
Charcoal 50kg	78,908	280,500	310,625	326,667	133,147	16%	5%	314%
Cowpeas 1 kg	10,100	31,133	55,125	61,667	25,054	98%	12%	511%
Unskilled Labor Wage Rate	44,899	107,900	108,875	114,750	46,706	6%	5%	156%
Firewood Bundle	5,880	32,713	31,000	32,083	12,987	-2%	3%	446%
Local Sesame Oil 1 litre	31,513	81,000	91,250	92,500	37,631	14%	1%	194%
Exchange Rate (Somali Shilling per USD)	16,408	32,125	32,031	30,958	12,528	-4%	-3%	89%
<b>Construction Materials*</b>								
Cement 50kg	-	238,125	267,375	254,250	103,608	7%	-5%	-
Cooking Pot Aluminium 7 Litre	-	328,000	499,375	511,667	208,608	56%	2%	-
Galvanised Iron Sheet Ga 26	-	240,500	256,438	255,667	104,186	6%	0%	-
Hollow Concrete Block 10cm x 20cm x 40cm	-	11,800	12,375	12,250	4,897	4%	-1%	-
Non Collapsible Jerrycan 10 Litre	-	32,750	41,563	42,000	17,032	28%	1%	-
Plastic Tarpaulin 14m x 5 m	-	187,250	202,000	190,750	77,706	2%	-6%	-
Roofing Nails 15Kg	-	397,000	470,313	698,083	284,646	76%	48%	-
Timber 2in x 4in x 20ft	-	254,500	242,750	242,625	98,866	-5%	0%	-
Woven Dry Raised Blanket 150cm x 200cm	-	246,250	302,500	264,792	107,908	8%	-12%	-
<b>Terms of Trade</b>								
Labour Wage (Daily)/ Cereal (Rice(Kg))	6	5	4	4	4	-11%	4%	-29%
Local Goat (Head)/ Cereal (Rice(Kg))	50	50	48	46	46	-8%	-4%	-8%
<b>Price Indices</b>								
Consumer Price Index	-	192	236	245	-	27%	4%	-
Purchasing Power Index	-	0.52	0.42	0.41	-	-22%	-4%	-

\* Data has been collected for the past 14 months only

Figure 38: Imported commodity prices compared to exchange rates

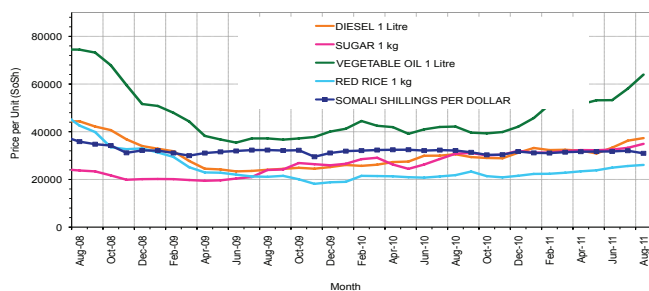


Figure 40: Goat Local Quality

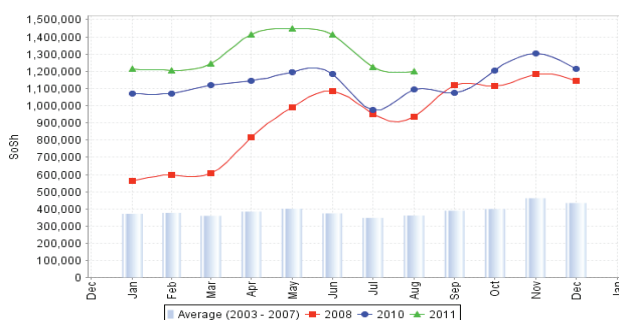


Figure 42: Water Drum

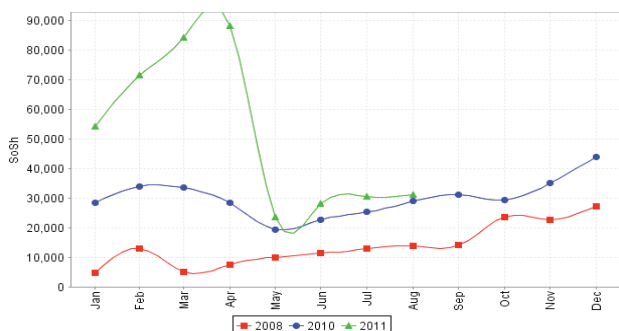


Figure 39: Trends in wage rates, staple cereal prices and relative purchasing power

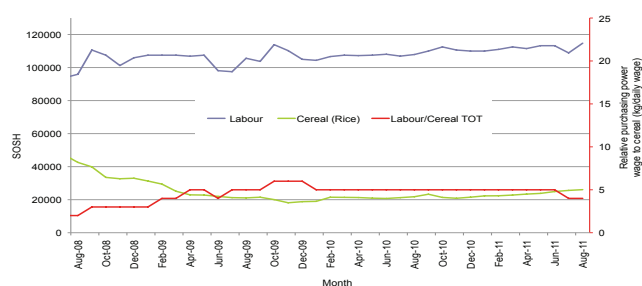


Figure 41: Sugar

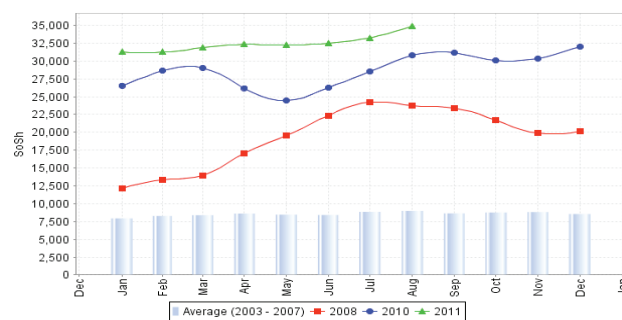
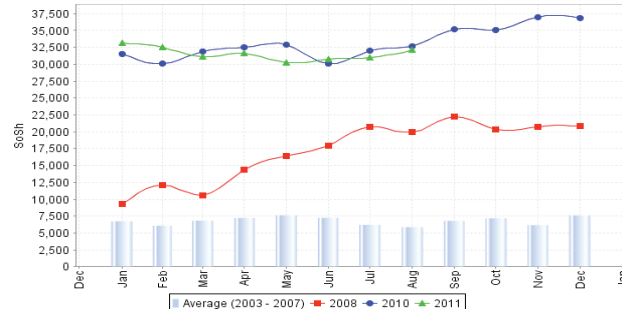


Figure 43: Firewood Bundle



# Regional analysis: Northwest Regions

Indicator	5-Year Average	Aug-10	Jul-11	Aug-11 Nominal Price	Aug-11 Real (Deflated) Price	% Change Same Month Previous Year	% Change Previous Month	% Change 5-year avrg (2003-07)
<b>Imported Commodities Prices</b>								
Diesel 1 litre	3,522	5,544	6,713	6,938	5,844	25%	3%	97%
Imported Red Rice 1kg	2,934	4,800	4,844	4,956	4,146	3%	2%	69%
Petrol 1 litre	4,208	5,650	6,850	7,263	6,122	29%	6%	73%
Sugar	3,175	5,988	6,625	6,950	5,854	16%	5%	119%
Vegetable Oil 1 litre	7,197	9,075	11,138	11,150	9,453	23%	0%	55%
Wheat Flour 1kg	2,831	3,988	4,650	4,794	4,007	20%	3%	69%
Wheat Grain 1kg	1,901	2,833	3,000	3,717	3,084	31%	24%	96%
<b>Cereal Prices</b>								
White Sorghum 1kg	1,746	2,266	3,650	3,837	3,187	69%	5%	120%
Yellow Maize 1kg	2,035	2,800	3,533	3,666	3,041	31%	4%	80%
<b>Livestock &amp; Livestock Product Prices</b>								
Camel Local Quality (Head)	1,731,900	1,264,188	1,910,000	1,962,500	1,681,244	55%	3%	13%
Cattle Local Quality (Head)	838,071	1,375,000	1,481,667	1,353,333	1,159,349	-2%	-9%	61%
Fresh Camel Milk 1 litre	4,234	5,563	4,788	5,163	4,323	-7%	8%	22%
Goat Export Quality (Head)	161,470	286,125	303,281	281,188	240,804	-2%	-7%	74%
Goat Local Quality (Head)	142,370	254,375	210,438	232,063	198,717	-9%	10%	63%
<b>Other Essential Items</b>								
Charcoal 50kg	18,563	36,750	34,250	35,438	30,261	-4%	3%	91%
Cowpeas 1 kg	4,756	9,167	14,500	8,500	7,182	-7%	-41%	79%
Unskilled Labor Wage Rate	25,625	33,750	32,750	28,688	24,478	-15%	-12%	12%
Firewood Bundle	2,543	2,100	2,500	2,500	2,042	19%	0%	-2%
Local Sesame Oil 1 litre	17,106	25,000	22,583	22,667	19,320	-9%	0%	33%
Exchange Rate (Somaliland Shilling per USD)	6,388	6,587	5,931	5,825	4,890	-12%	-2%	-9%
<b>Construction Materials*</b>								
Cement 50kg	-	53,790	48,825	51,750	44,236	-4%	6%	-
Cooking Pot Aluminium 7 Litre	-	87,750	82,906	81,875	70,045	-7%	-1%	-
Galvanised Iron Sheet Ga 26	-	48,775	43,500	-	100	-100%	-100%	-
Hollow Concrete Block 10cm x 20cm x 40cm	-	2,950	3,100	3,433	2,841	16%	11%	-
Non Collapsible Jerrycan 10 Litre	-	6,000	6,500	6,625	5,576	10%	2%	-
Plastic Tarpaulin 14m x 5 m	-	56,750	88,938	82,875	70,902	46%	-7%	-
Roofing Nails 15Kg	-	167,250	180,438	169,938	145,492	2%	-6%	-
Timber 2in x 4in x 20ft	-	132,500	95,750	96,950	82,961	-27%	1%	-
Woven Dry Raised Blanket 150cm x 200cm	-	57,500	67,875	66,813	57,141	16%	-2%	-
<b>Terms of Trade</b>								
Labour Wage (Daily)/ Cereal (Rice/Kg)	9	7	7	6	6	-18%	-14%	-34%
Local Goat (Head)/ Cereal (Rice/Kg)	49	53	43	47	48	-12%	8%	-4%
<b>Price Indices</b>								
Consumer Price Index	-	118	119	117	-	-1%	-2%	-
Purchasing Power Index	-	0.85	0.84	0.86	-	1%	2%	-

\* Data has been collected for the past 14 months only

Figure 44: Imported commodity prices compared to exchange rates

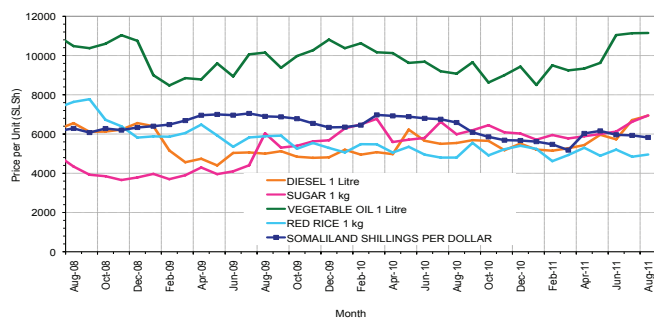


Figure 46: Goat Local Quality

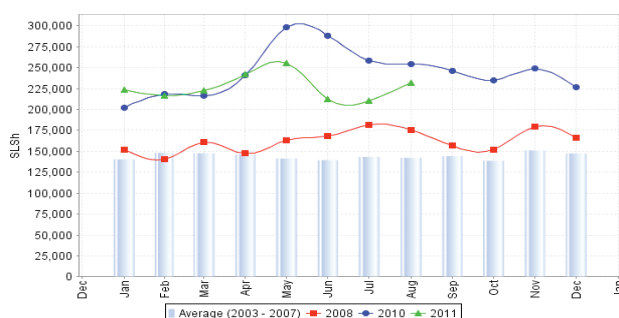


Figure 48: Water Drum

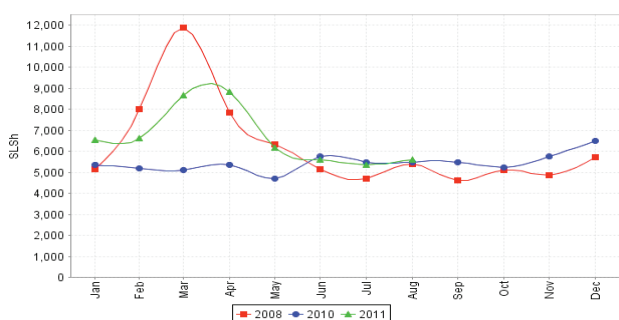


Figure 45: Trends in wage rates, staple cereal prices and relative purchasing power

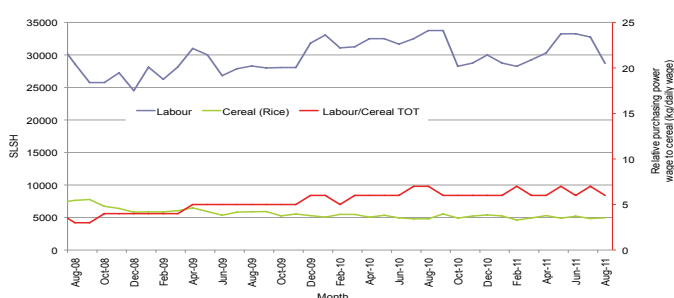


Figure 47: Sugar

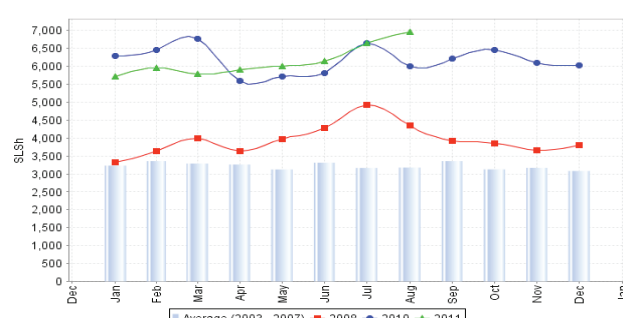
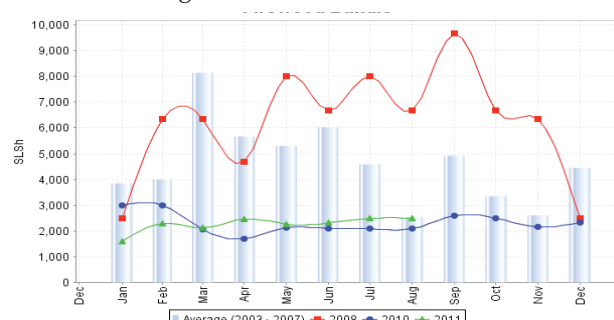


Figure 49: Firewood Bundle



# 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
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	935,171
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	66,346
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	66,398

Figure 50: Berbera Livestock Exports (Number of Heads)

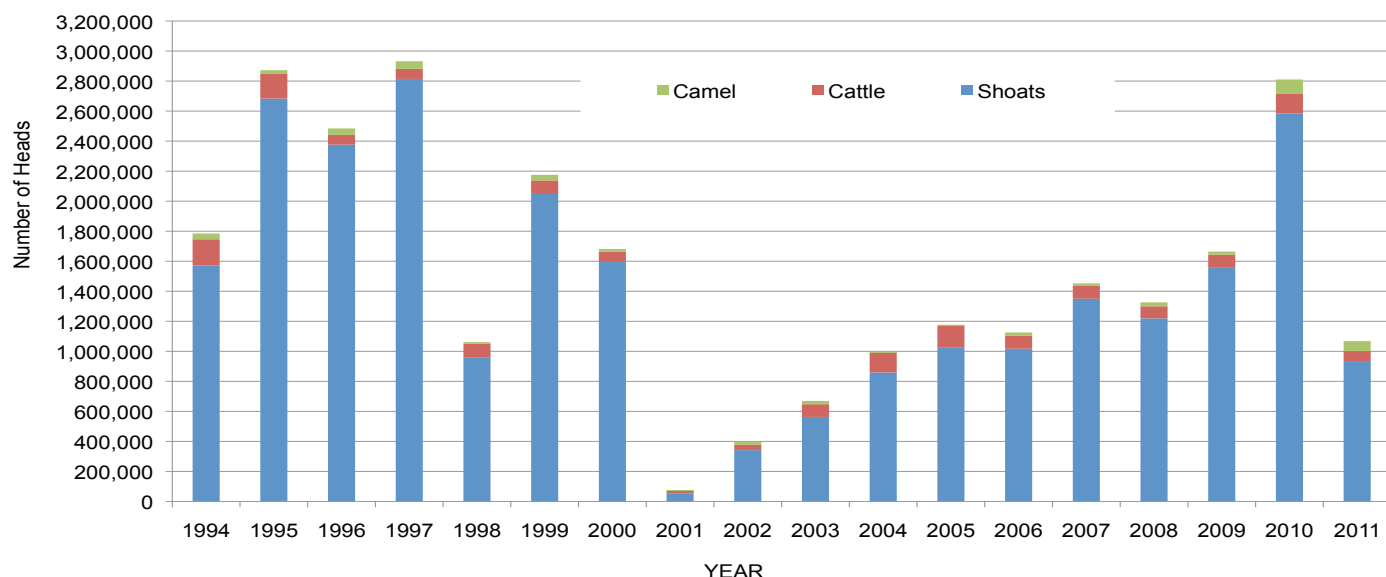


Table 2: Bossaso Livestock Exports (Number of Heads)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	567,356
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	56,294
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	30,922

Figure 51: Bossaso Livestock Exports (Number of Heads)

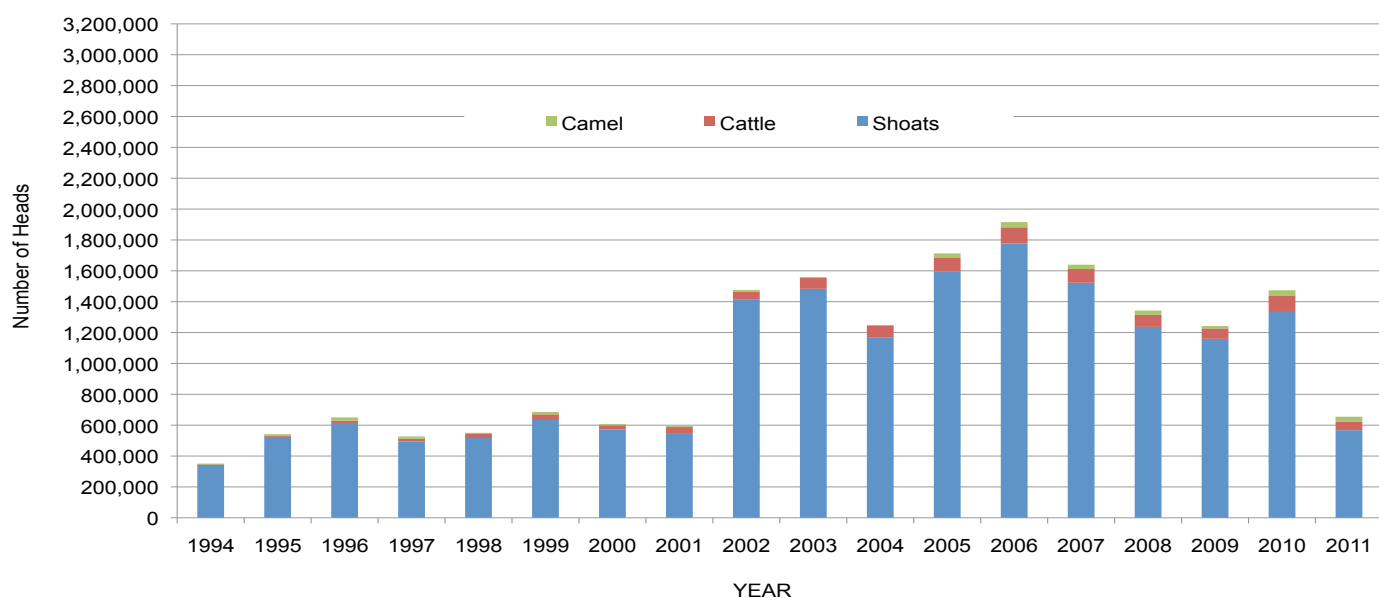
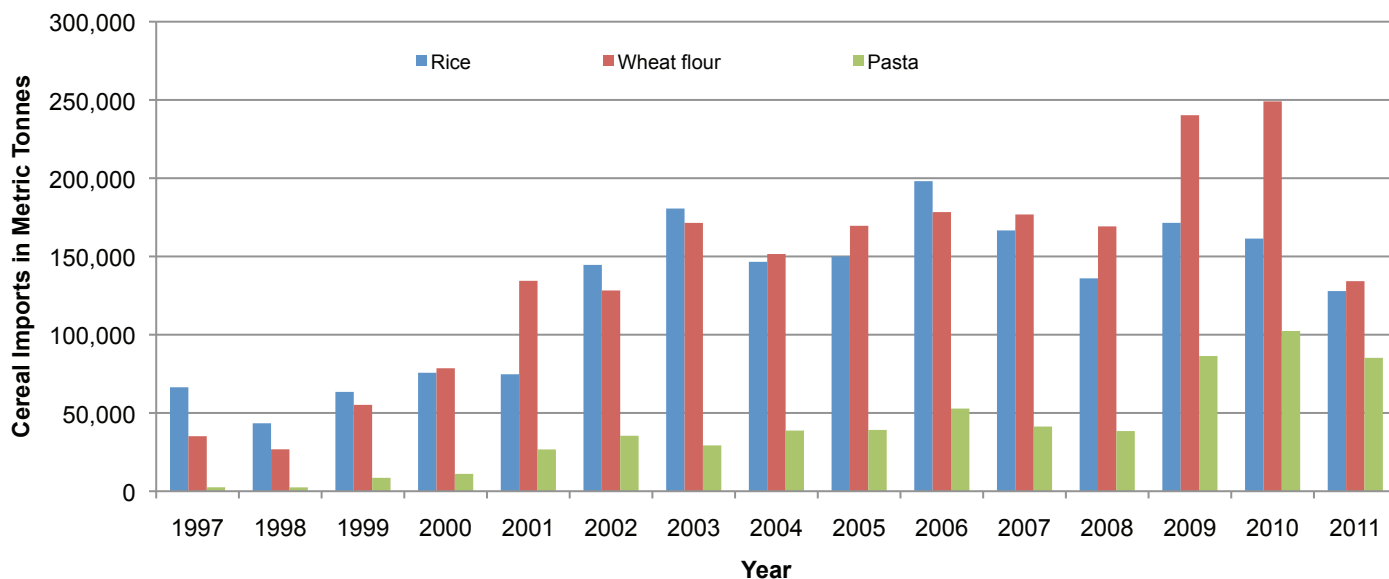


Table 3: Total Cereal Imports (Berbera, Bossaso, Elmaan)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Rice</b>	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	140,945
<b>Wheat flour</b>	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	172,124
<b>Pasta</b>	2,510	2,455	8,544	11,071	26,702	35,425	29,273	38,749	39,153	52,815	41,331	38,441	86,372	102,373	95,150

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



## Regional Highlights

**Juba Valley:** while prices of imported commodities, maize and labour wage declined slightly in August 2011, local goat price improved marginally. A faster rate of decline in maize prices as opposed to that of labour wage led to marginal improvements in terms of trade between labour and cereal. Purchasing power remain greatly compromised when compared to the same period last year and is one of the lowest in the country.

**Sorghum Belt:** in the first two weeks of August, prices of imported commodities remained generally stable, prices of red sorghum and other essential consumables declined while those of livestock improved. Although labour wages decreased, the purchasing power improved by 3 percent due to faster rate of decline in cereal prices. Prices of imported commodities and local cereals remained significantly higher when compared to same period last year.

**Shabelle Valley:** over the first half of August 2011, prices of imported commodities and livestock rose marginally as maize prices and labour rates remained stable, effectively settling the ToT to its July 2011 levels. Prices of cereals and imported commodities remained significantly above August 2010 levels, while year on year ToT is severely eroded.

**Central:** prices of imported commodities and sorghum rose marginally in the month of August 2011 while those of livestock remained stable to declining. Significant reduction in labour wage coupled with rising sorghum prices reduced the the ToT by 25 and 62 percent in comparison to last month and the same period last year respectively. Currently, one day's labour can only afford 3kgs of cereal. This ToT is one of the lowest in the country.

**Northeast:** price inflation is pronounced for all essential commodities both from the previous month and same month last year. Improvements in labour wages were offset by significant inflation in sorghum prices, to settle the ToT at half its level from the same period last year.

**Northwest:** prices of most monitored commodities were slightly up in the first half of the August. Improvements in local goat prices enhanced the purchasing power to 8 percent compared to July 2011, but is lower than that of same month last year.

**Banadir:** while the prices of local cereals, essential consumables, livestock and their products declined, those of imported commodities increased. A faster decline in labour wages effectively outperformed gains in cereals prices to settle the ToT at 8 and 57 percent below their levels last month and the same month a year ago. With the exception of livestock and livestock product prices, which declined, prices of most commodities are significantly higher than a year ago.