Tigray Market Price Monitoring

February 2023

Highlights

- The average price of cereals between January and February 2023 indicates a declining trend.
- The average retail price of palm oil decreased in 2023 compared to 2022 and 2021 although still higher than 2020.
- The average price of goat and sheep in 2023 indicates a sharp increase when compared to 2022 and years in the past although the prices are very low compared to Amhara region market prices.
- In 2023, the average wage rate for unskilled casual labour declined compared to 2022.
- The price of black-market sourced benzene and diesel shows a sharp decline from September 2022 and highest decline in January 2023.
- ToT of goat to mixed teff and ToT for Wage rate to teff gradually improved .

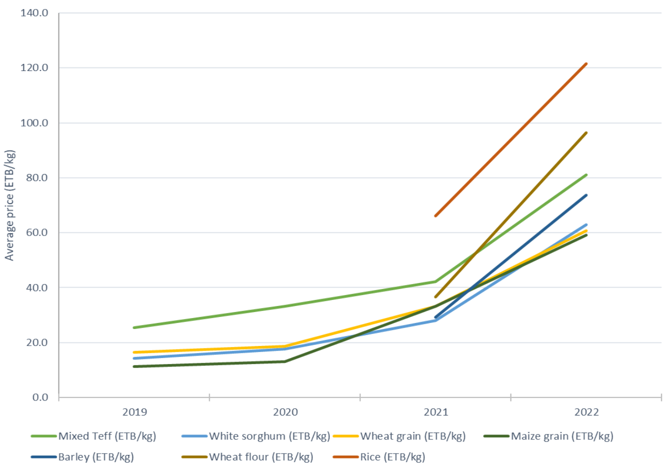
Overview

This bulletin provides analysis of the market prices of the key commodities merchandised in Tigray and surrounding regions including commodities that make up the WFP in-kind food basket consisting of wheat, oil and pulses. Quantitative data using face to face interviews with 94 traders selling key commodities was collected from selected open markets in urban and rural areas in Woredas (GantaAfeshum, Hawzen, KilteAwlaelo, Endamohoni, RayaAzebo, Ahferom, Kollatembien, LaelayAdiyabo, TahtayAdiyabo, Maychew town, Axum town, Mekelle town). Market places in visited Woredas included: Adigrat, Hawzien, Wukro, AbiAdi, Adwa, Sheraro, Adihageray, Enticho, RayaAzebo, Maychow, Axum, Axum, Mekelle market places (Adiha, Adihaki, Kebele 17, Kedamaywoyane). The market price monitoring was conducted between 1st and 28th February 2023 and the findings are indicative only.

Cereal Grain

Between 2019 and 2022, cereal grain prices showed an increasing trend, with the highest price in 2022 (Figure 1).

Fig 1. Annual average prices of cereal grains (2019-2022)



The average price of cereals between January and February 2023 indicates a declining trend (*Table 1*).

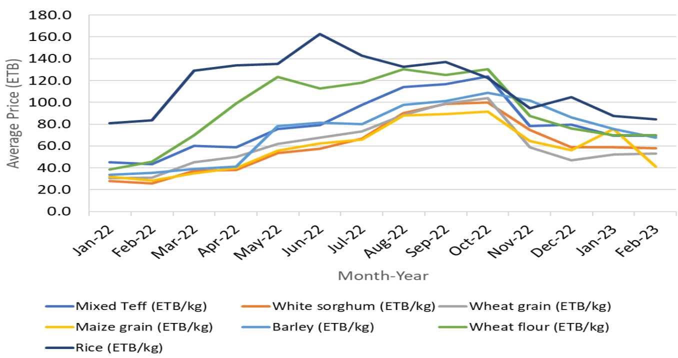
Table 1: Average retail prices of cereal grains

	Tigray			Amahara		
				Dessie	Debark	Sekota
Cereal type	Feb-22	Jan-23	Feb-23	Feb-23	Feb-23	Feb-23
Mixed Teff (ETB/kg)	43.4	69.6	69.2	41.7	60	59.8
White sorghum (ETB/kg)	25.8	58.8	58.1	25.1	38.6	58.9
Wheat grain (ETB/kg)	31.0	52.2	53.2	29.7	48	44.7
Wheat flour (ETB/kg)	45.6	69.9	70.0	48	67	53.8
Barley (ETB/kg)	35.6	75.8	67.5			
Rice (ETB/kg)	304.5	87.6	84.4	36	61.8	76
Maize grain (ETB/kg)	28.2	75.8	41.0	23.6	22.3	32.5

In February 2023, Mehoni market had highest price of mixed teff at 83ETB/kg; Kedamaywoyane and Adiha markets in Mekelle had the highest price of Wheat grain at 70ETB/kg; Adiha market in Mekelle and Mehoni market had highest price of maize grain at 56 and 53 ETB/kg respectively; Hawzen market had highest price of white sorghum at 70ETB/kg; Abi Adi markets had highest price of wheat flour at 90 ETB/kg; Enticho market had the highest price of rice at 110 ETB/kg; all markets in Mekelle had the highest price of Barley tat 82 ETB/kg.

Monthly trend in cereal prices indicate an increase from January 2022 towards the end of 2022 where the peak price are recorded in October and sharp decline started in November 2023 towards February 2023 (*Figure 2*). In November, the prices of cereal grains started to decrease as a result of an increase in supplies into the region, opening of trade routes after the partial lifting of the blockade with the peace agreement, supply from new harvests since November, 2022 and to some extent the food assistance distributed.

Fig 2: Trend in Monthly Retail Average Price for Cereals



Fava Beans

The average price of fava beans in 2022 was 110.8 ETB/kg. Conversely, 2023 recorded a significant decline in average retail price of fava beans in January and February. The price of fava beans in January 2023 was 78.2 ETB/kg while the price of fava beans in February 2023 was 76.6 ETB/kg.

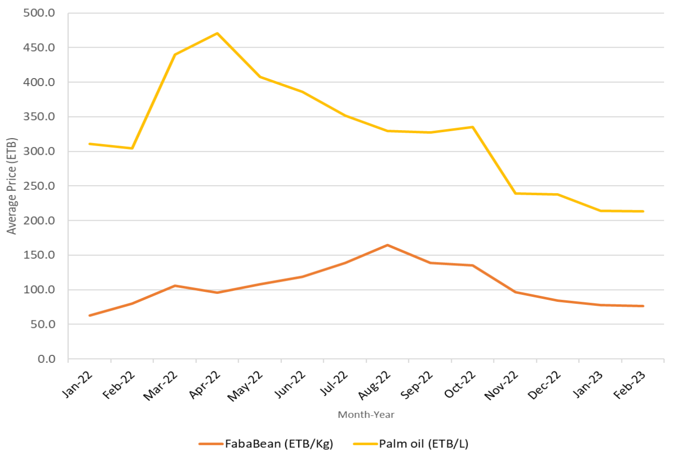
Palm oil

The average retail price of palm oil decreased in 2023 compared to 2022 and 2021 although still higher than 2020.

Table 2: Average retail prices of Palm oil

	2020	2021	2022	Feb-22	Jan-23	Feb-23
Palm oil (ETB/L)	99.8	252.1	345.0	304.5	214.3	213.5

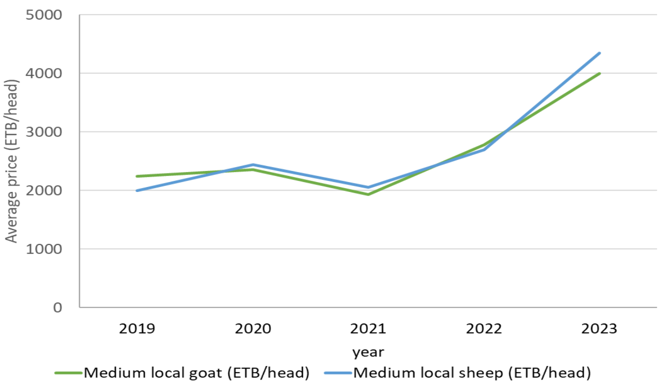
Fig 3: Monthly Trend in Average Retail Prices of Fava Beans and Palm oil



Goat and Sheep

Between 2019 and 2023, prices of shoats showed an increasing trend. The lowest average price was recorded in 2019. At the same time, the price of goat and sheep was low in 2021 which was a peak crisis period with livestock dependant households selling livestock hence high supply of livestock in the market to meet basic needs although demand was low with the cash unavailability and limited purchasing power of the community in general in the region.

Fig 4. *Annual average prices for goat and Sheep (2019-2023)*

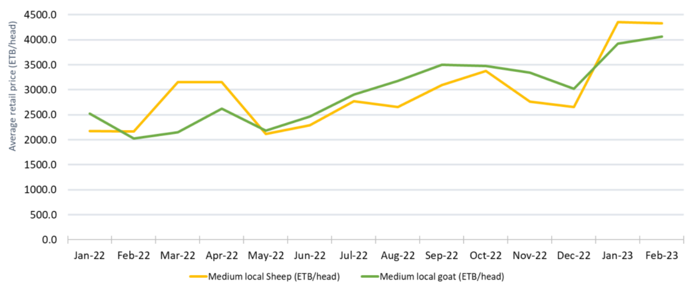


In 2023, the average price of January and February indicates a sharp increase when compared to 2022 and years in the past (*Table 3*). The increase is mainly associated with increased demand and purchasing power from consumers since cash is available following the resumption of bank services, lifting of the blockade, and reportedly increasing livestock demand from traders coming from adjacent Amhara. In the Amahara region, prices of livestock are quite high compared to the Tigray region; the price of medium size goat per head is 9,864ETB, 4208ETB, and 5035ETB in Dessie, Debark, and Sekota markets respectively. The price of medium size sheep per head is 5,874ETB, 4,515ETB, and 4,205ETB in Dessie, Debark, and Sekota markets respectively

Table 3: Average retail prices of medium size local goat and sheep

	Jan-23	Feb-23	Feb-22	Feb-20	Feb-19
Medium local goat (ETB/head)	3,927	4,065	2,028	1,679	1,836
Medium local Sheep (ETB/head)	4,359	4,331	2,170	1,660	1,700

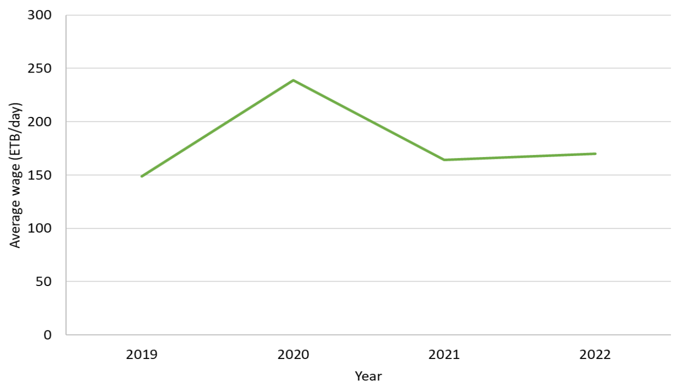
Fig 5. Trend in Monthly Average Retail Average Price for Goats and Sheep



Unskilled Casual Labour Wage Rate

Average wage rate for unskilled casual labour showed a mixed trend with highest wage rate recorded in 2020 (*Fig. 6*).

Fig 6: Annual Average wage rate Unskilled Casual (ETB/day)-2019-2022



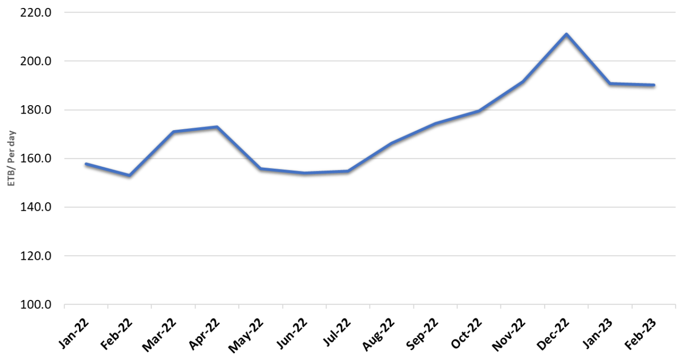
The average wage rate was low in 2021 because of the armed conflict with little demand for labour, limited opportunities, destruction of unskilled jobs and little economic activities. Lowest wage rate was observed in May to July 2022 *(Figure 7)*, where there was limited labour opportunity.

Peak prices in December 2022 were associated with the increased labor opportunities in the market coupled with the peak harvest period where agricultural labour opportunities compete with casual labor markets.

Table 4: Average wage rate for unskilled casual labor

	Jan-23	Feb-23	Feb-22	Feb-20	Feb-19
Unskilled Casual Labour (ETB/day)	191	190	153	200	128

Fig 7 . Casual labour price trends, from Jan 2022 to February 2023



Benzene, Diesel and Charcoal

The price of black-market sourced benzene and diesel shows a sharp decline from September 2022 with opening of supply routes from southern and north-western parts of the region.

Further decrease was observed starting December 2023 subsequent to the signing of the peace agreement in November leading to lifting of the blockade and the resumption of refilling services in fuel stations in December 2023 *(Figure 8)*.

The average price of benzene and diesel in February 2023 was at 93.1 and 88.4 ETB/L respectively which is much higher than the national tariff of 66.5 ETB/L for benzene and 60.5 ETB/L for diesel although lower than the price in January 2023 and February 2022.

Despite the increased demand for fuel in the region following the signing of the peace agreement and opening of the trade routes, fuel is not readily available at the fuel stations and supply does not match the demand yet.

Mehoni, Enticho, Adigrat and Axum had the highest prices of Benzene at 125, 120, 110, and 110 ETB/L respectively.

Enticho, Wukro, Axum and Adigrat had the highest prices of Diesel at 110, 98, 97 and 90 ETB/L respectively.

Fig 8. Monthly Price trend for Charcoal, Benzene and Diesel

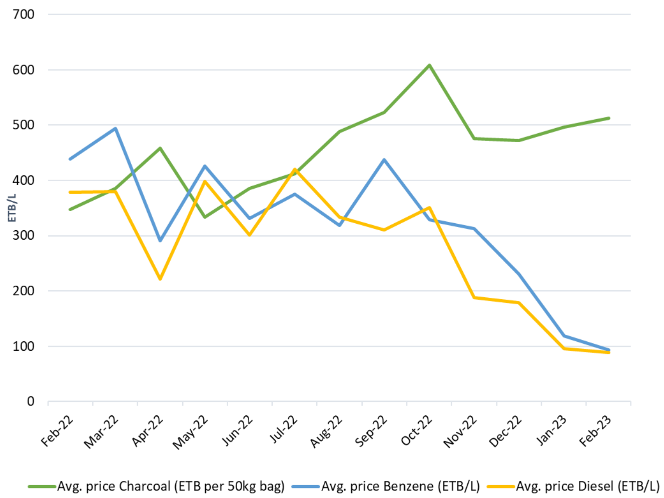


Table 5: Average priced charcoal, benzene and diesel

	Feb-22	Jan-23	Feb-23
Avg. price Charcoal (ETB per 50kg bag)	347.2	496.0	512.2
Avg. price Benzene (ETB/L)	438.3	119.4	93.1
Avg. price Diesel (ETB/L)	378.9	96.4	88.4

The price of charcoal continued to increase since December 2022 (*Figure 8*) as the electricity tariff is higher and majority of people have no electric and fuel-based cooking assets. Cost of transport reduced significantly with reduction in fuel costs and improved availability of transport options.

The cost of cereal grain milling remains 2 to 3.5 birr/kg, although the local government is reportedly subsidizing grinding mill owners using diesel .

Terms of Trade (ToT)-Goat to Mixed Teff

The ability of livestock-dependant households to acquire food has been represented by the ToT of Goats to Mixed Teff. The trends of ToT shows a mixed trend. Goat prices are steadily increasing while prices of mixed teff are gradually decreasing. Since the signing of the peace agreement, the ToT of goat to mixed teff gradually improved. During the month of January and February, selling one goat is able to fetch 58.7kgs of mixed teff (*Figure 9*).

Fig 9: ToT- Medium size goat to Mixed teff

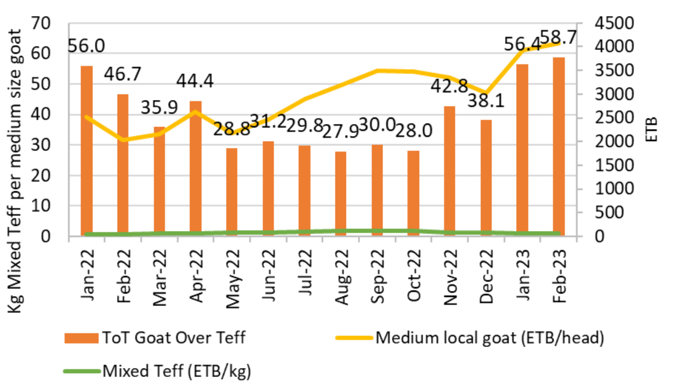
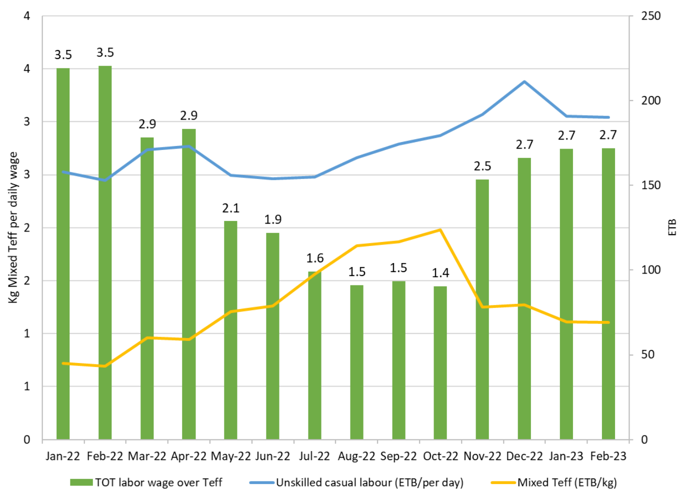


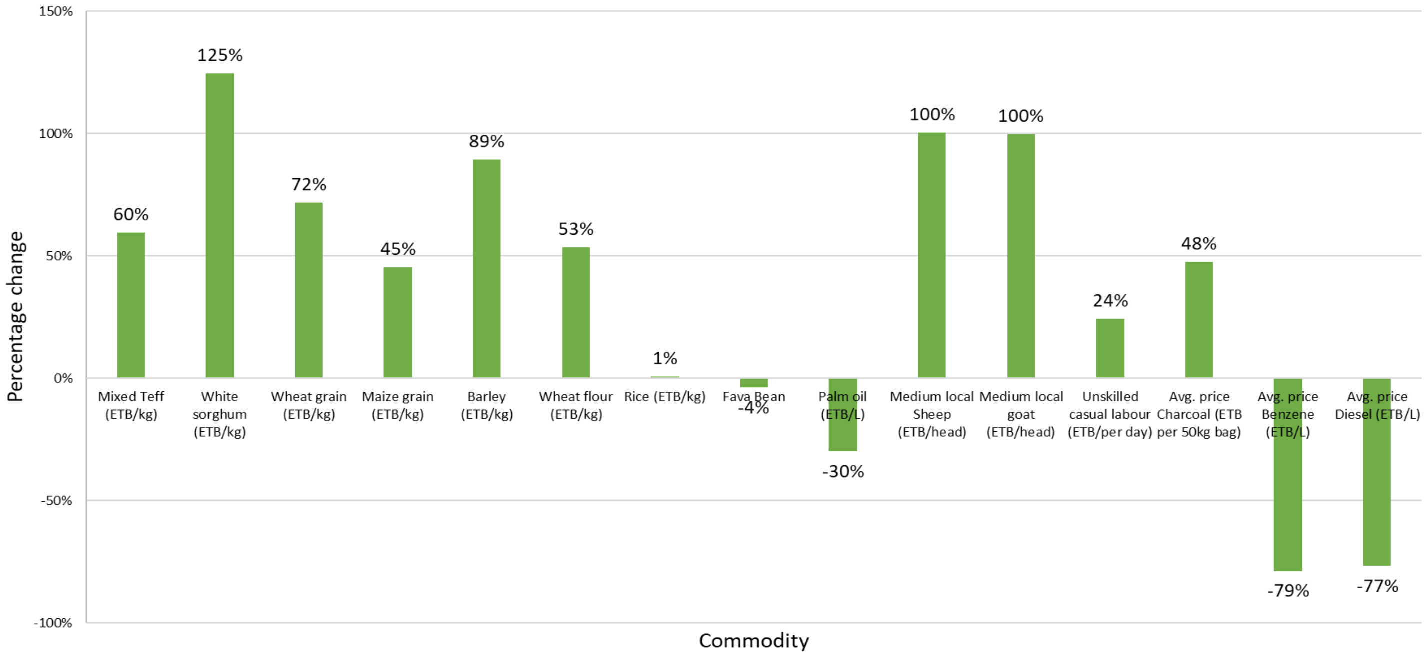
Fig 10: ToT- Wage rate to Mixed teff



From November 2022, ToT for Wage rate to teff improved though it is still high for households depending on unskilled casual labour for income. Daily wage rate can only obtain 2.7kg of mixed teff. Overall improvement has been associated with decrease in cereal prices, surplus produce in markets from harvests, lifting of blockade, access to other external markets, and a slight increase in labor prices and opportunities starting November 2022.

Overall, the price of commodities monitored remained relatively high compared to same period in February 2022 except for the price of Fava beans, Palm oil, Benzene and Diesel (*Figure 11*).

Fig. 11: Percentage change in price (Feb 2023 Vs. Feb 2022)



Stock and Supply

% traders reporting general supply of food & non-food commodities in the market:

NO CHANGE	3%
DECREASED	9%
INCREASED	88%

% traders reporting general demand of food & non-food commodities in the market:

NO CHANGE	11%
DECREASED	5%
INCREASED	84%

Top 3 reasons why traders reported difficulty in obtaining enough supply to meet demand:[1]

Shortage of supplies	70%
High item prices due to scarcity	40%
Limited demand due to quality problems	20%

% interviewed traders reporting difficulty in obtaining enough supply to meet demand

YES	68%
NO	32%

% of traders reporting concern of their stocks running out within one week following data collection:

YES	49%
NO	51%

A full data set with prices provided upon request

% traders reporting how long it would take to get additional stocks to meet increased demand

One week	18%
Two weeks	28%
Three weeks	20%
Four weeks (one month)	9%
More than one month	11%
I don't know	15%

Trader recommendations:

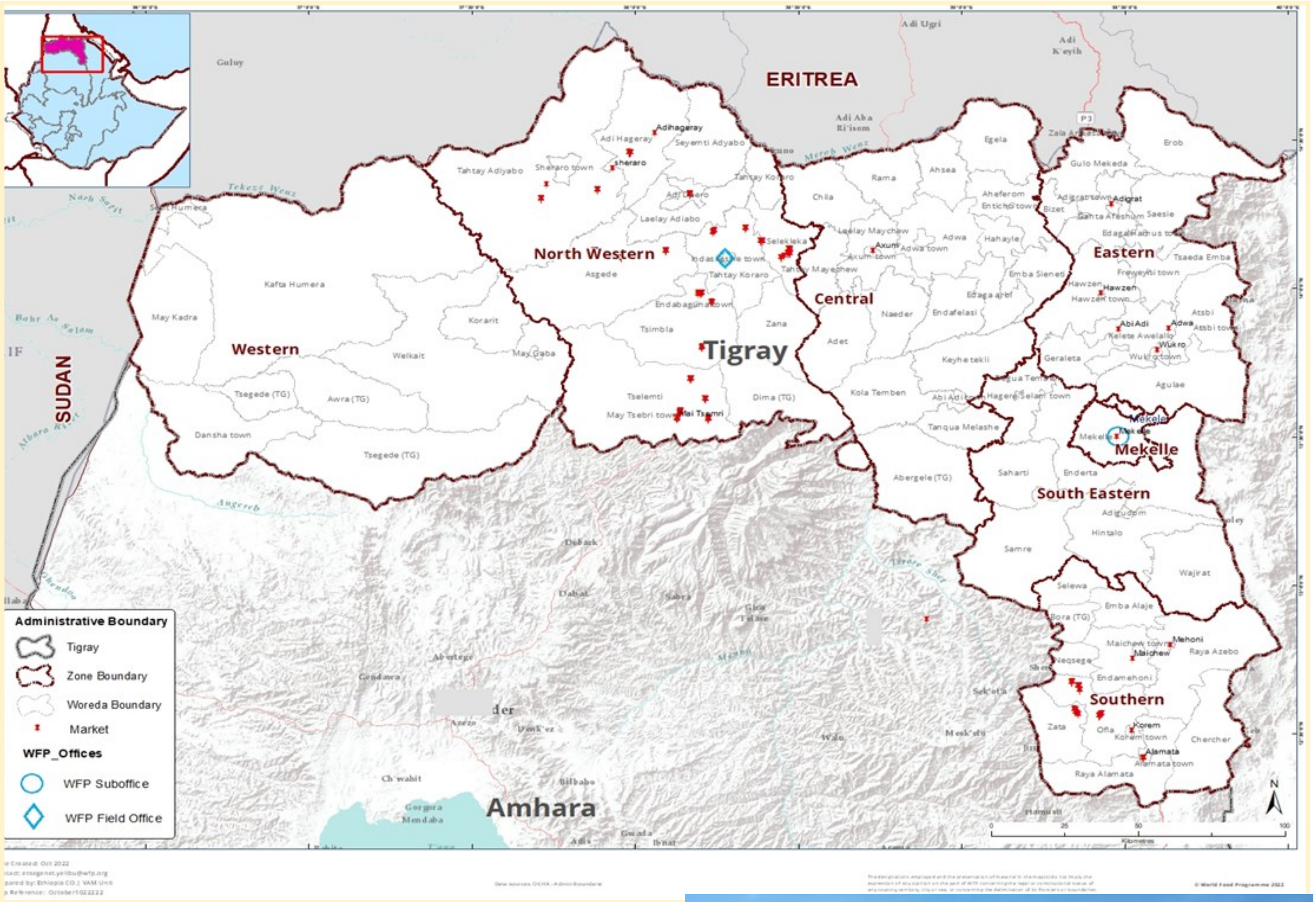
1. Advocating for full reopening of basic services including bank.
2. Opening up supply routes within and out of the region for easy access hence increased supplies.
3. Free movement of commodities between woredas and zones.
4. Regulating transport cost.
5. Increased supply of fuel to fuel stations into and within region to overcome issues of high transport and related costs.

We would like to thank the WFP monitoring staff for continuously collecting market prices.

[1]This indicator refers to all the interviewed traders. Respondents could select multiple response options

ANNEX: PHOTOS FROM MARKET AND MARKET PLACES

MARKET PLACES REGULARLY REACHED BY THE AO ARE PINNED IN RED IN THE BELOW TIGRAY MAP



Benzene and Diesel Market place

Livestock market in Adigrate

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