




MARKET ASSESSMENT REPORT

KOBOKO, PALORINYA & IMVEPI
SETTLEMENTS

ANALYSIS CONDUCTED BY:
ANALYSIS, MONITORING
& EVALUATION (AME)

WFP-UGANDA

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WFP provides food assistance to vulnerable refugees in Uganda through a combination of in-kind food and cash based transfers. Beneficiaries not only enjoy the flexibility of buying food of their preference as a result of case based transfer but also the timeliness, dignity and efficiency associated with cash based transfers (as noted in a number of studies).

WFP ensure that feasibility studies are conducted to ascertain if markets are functional and can support cash based transfers with no impact on local food prices, intra-household dynamics, host-refugee relations and other socio-economic factors. In addition WFP collects monthly price data across key markets in settlements where cash base transfers are implemented to monitor the WFP cash transfer value in relation to the market value of an in-kind food baskets.

In addition to the price and refugee market monitoring system, it is clear that detailed information on other key components like market systems and structure, demand and supply, market conduct and response capacity is also necessary. This information is critical to support decision making related to the implementation of cash based transfers. Therefore, the AME Unit support by programmes and supply Chain began to conduct detailed market assessments across all settlements since June 2017.

Three settlements were visited during the second round of the market assessments and these include, Koboko, Imvepi and Palorinya.

Methodology and data collection

A team from AME and Supply Chain was formed, with support from SO. These are part of the 16 staffs that were previously trained.

The data was collected through structured interviews, with key informants including traders, market chairpersons and/or market masters, local leaders and OPM (Commandants). A market observation checklist was also used to collect price data on available food commodities. The traders' survey tools were programmed using ODK, and data collected using tablets, while the key informants and market observation checklists were printed on paper.

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Data collection in Koboko was carried out on the 15th August, 2017. Markets visited included; Lodonga Market and Koboko main Market. Seven (7) traders were interviewed during the assessment.

Summary of the findings, conclusions and recommendations

Market structure

- Lodonga and Koboko main market are well established, with about 700-1,000 traders. In Lodonga market, 67% of the traders set up business 1-3 years ago, a similar proportion of traders in Koboko market started operating more 5 years ago;
- While Lodonga Market (mainly accessed by refugees) is about 8 KMs from the settlement, Koboko main Market is 12 KMs far, implying beneficiaries walk long distances to access markets;
- Koboko main market operates daily, but Lodonga market is more vibrant only on Tuesday and Thursday, attracting external traders, particularly on these days;
- Arua, Masindi, Hoima, Kampala, Yumbe and Gulu are the main sources of supplies on the market. Maize grain is mainly from Kiryandongo, Masindi and Hoima. Supplies from the local farmers are low, and this has a significant impact on the market prices;
- Traders offer commodities to customers on credit, but expect to receive payments within 1-2 weeks (68%);

Market prices and trader response capacity

- Generally, the average retail prices for major commodities are slightly higher in Koboko main market compared to Lodonga market, due to high demand both in Town and other neighboring communities; Koboko main market is also a main source of supplies for small scale traders;
- 68% of the traders in Lodonga market reported that commodity prices are collectively set by traders;
- 43% of the overall traders anticipate a slight decrease in the average retail prices in the next 3-6 months due to improved supplies on the market, Lodonga market (68%) had the highest proportion,;
- Generally, 43% of the overall traders have capacity to respond to increased demand within 1 week, the highest proportion was in Koboko main market (67%);
- 71% of the overall traders had storage facilities. No trader in Lodonga market had storage facilities with capacity of more than 5,000 Kgs.

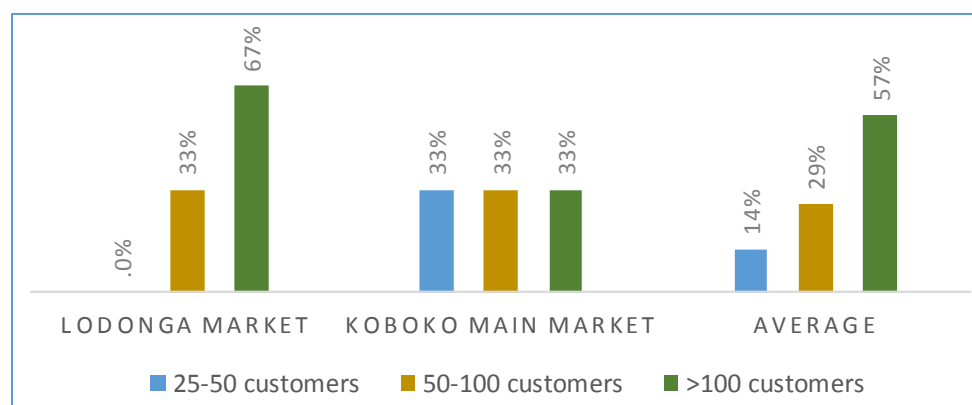
Conclusions and recommendations

Markets around the settlement are well established and can support the cash transfer, due to the following;

- High number of traders (700-1,000) in both markets, improving supplies on the markets;
- Availability of storage facilities, indicating that traders have the capacity to respond to increased demand;
- Majority of the traders have the capacity to respond to increased demand within 1 week, with the majority (67%) in Koboko main market.

Detailed analysis of the markets (Koboko Main market and Lodonga Market)

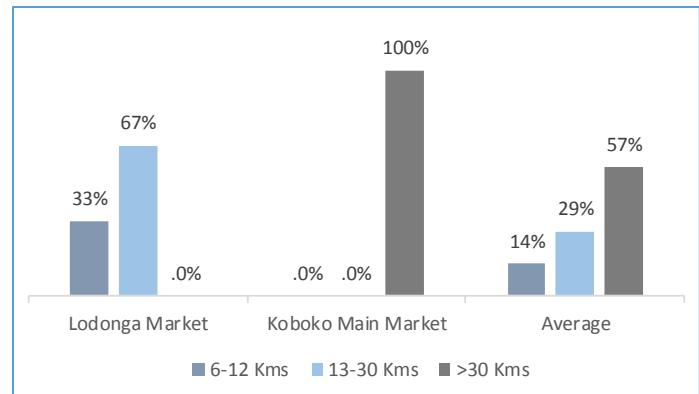
MARKET STRUCTURE	
MARKET CHARACTERISTICS	
Lodonga Market	Koboko Main market
<ul style="list-style-type: none"> It is a government market, but managed by market chairperson. Market has both permanent structures and makeshifts; with more than 50 stalls/lock-ups, and about 200 shades; About 8 KMs from the settlement, and it is the main market accessed by refugees; Open daily, but more active two days a week (Tuesday and Thursday), these are main market days and external traders also come to trade in the market, <i>“On the main market days, Tuesday and Thursday, traders from Koboko and other neighboring districts come to sell produce here, and these are days when customers come to buy produce in bulk. Big suppliers also come to supply their agents with commodities to sell during the market day.”</i> About 700-1,000 traders in the market; 30-20 traders sell maize grain beans respectively; majority of the traders are small scale traders; While 67% opened business between 1-3 years ago, 33% established businesses more than 5 years ago; 	<ul style="list-style-type: none"> Managed by the government, and individuals given tenders; market operation is overseen by a market master; more than 150 lock-ups and 500 shades (permanent and makeshifts) in the market; About 10 KMs from the settlement; accessed by the whole population in the district, including Yumbe and Moyo districts; some refugees who live in town purchase mainly leafy vegetables from the market; Some refugees are vending in the market; there is free entry to the market; About 8-20 traders are dealing in maize grain and beans respectively; big stores for maize flour and beans were observed in the market; women mainly vend leafy vegetables; More than half (67%) of the traders set up businesses more than five (5) years ago, while 33% did so less than 1 year ago; market operates daily, with 33% of the traders reportedly running business 2-4 days a week; Generally, 57% of the traders serve more than 100 traders in a week;



Estimates of customers served

Commodity flow

- Cereals, pulses, veg. oil, leafy vegetables and flour are available in the markets; commodities supplied from outside the settlement (other districts and regions) due to low productivity; *“Our men are very lazy, and families produce for home consumption, not for the market, reducing local supplies. This is risky for us as traders, including refugees and other consumers.”*
- Main source of supplies are; Yumbe, Koboko, Arua, Northern Uganda (Gulu), Kampala and Masindi for traders in **Lodonga Market**; while traders in **Koboko main Market** obtained supplies from Arua, Masindi, Hoima, Democratic Republic of Congo (DRC), and Kampala;
- Kiryandongo, Masindi and Hoima are the main sources of maize grain. However, with a good harvest, traders buy from local farmers and bulk,
- Big companies such as Nature’s harvest, a local factory supplies Vegetable oil;
- While all traders in Koboko main Market travel more than 30 KMs to purchase produce, 67% in Lodonga market travel between 13-30 KMs;
- Initially, beneficiaries (Refugees) could sell to local traders, increasing supplies on the markets, *“I used to buy grains (maize and pulses) from refugees, bulk and sell in the market. I made profits since refugees were selling cheaply. It didn’t require travelling to outside the district. These days, they don’t sell, I hear they no-longer receive food, but cash.”*



Distance traveled to buy produce



One of the stores in Koboko main Market

“Majority of the traders in this market are farmers, these are small scale farmers, they only come to sell commodities in small quantities, maybe when they are faced with some problems such as health related and school fees. They are always many in the market around July-October. Of course, some farmers supply small scale traders in the market, some traders buy in bulk during harvest season.”

MARKET CONDUCT

Market regulations

- By-laws in existence in all markets, these are enforced by market masters. Stealing, fighting, quarrelling, and operating outside recommended hours are prohibited;
- No restrictions for new traders to operate in the markets, but procedures have to be followed such as notifying the market chairperson and payment of market dues.

Credit availability and access

- Most traders reportedly don't get loans from banks, prefer credits from trader associations and Village Savings and Loans Associations (VSLAs), *"financial institutions charge high interests, and conditions are very tough for small scale traders like us"*
- Companies and other suppliers supply produce and commodities on credit to some traders, and later collect their money, during the next delivery. *"This is good, sometimes when you don't have money, you get produce from the supplier and sell, then later pay back. We are given a period of one 1-2 weeks to clear, but mostly they collect cash in the next delivery."*
- Traders offer commodities to customers on credit, but depends on the relationships, *"when a customer takes something on credit this market day, I expect him/her to pay the next market day, with business, you need money. Of course sometimes, some people are bad, they will not appear for a long time and we face challenges dealing with them"*
- 80% of the overall traders expect customers to pay within 1-2 weeks. While all traders in Lodonga market reportedly want customers to pay within 1-2 weeks, 68% expect payments within the same period in Koboko main market;

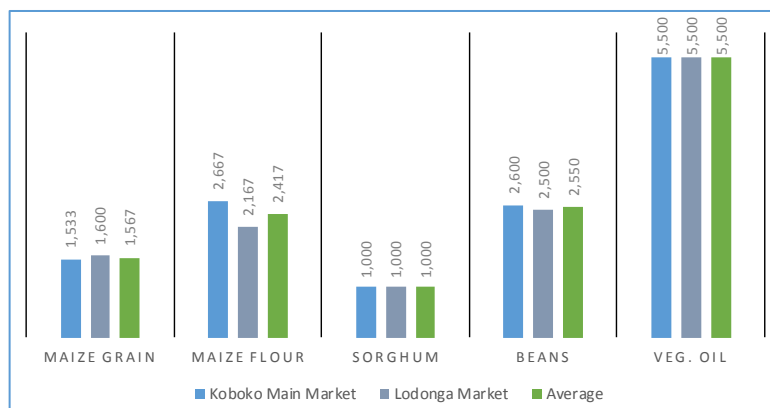
MARKET PRICE CHANGES AND PURCHASING POWER

Transaction costs

- **Lodong market:** Rent (30,000 monthly); ground rent (10,000 yearly); market dues (1,500 per sack); feeding; offloading (depends);
- **Koboko main Market:** Daily market dues (1,500 per sack); rent charges, those renting stalls (100,000 per month); trading license (12,000 quarterly); ground rent; store permits, traders with huge stocks, *"they form groups, rent stores to store their produce. 120,000 is charged yearly as store permit"*
- Daily markets dues across markets depend on the quantities (number of bags) a trader can sell, the more bags, the more charges;

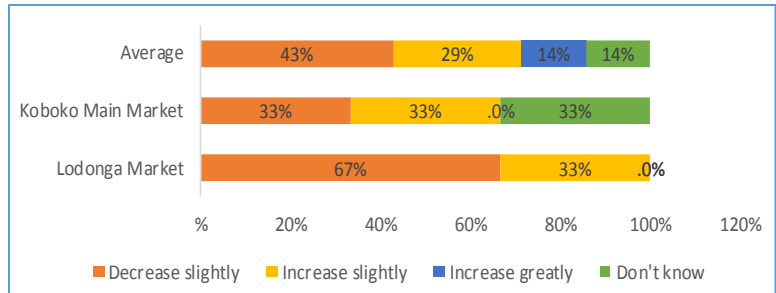
Commodity price changes

- The average retail price for maize flour and beans were higher in Koboko main market, compared to Lodonga market, due to the high demands. Koboko main market is a central market, with majority of the population accessing the markets, including traders from neighboring districts;
- In Koboko main market, all traders reported that prices are set collectively by traders in the market, compared to 68% in Lodonga market;



Current average commodity prices

- 43% of the overall traders anticipate a slight decrease in commodity prices in the next 3-6 months, while 29% expect a slight increase;
- Prices changes are mainly driven by either high or low supplies on the market;
- Supplies from local farmers is inadequate due to low production, majority of the farmers are subsistence farmers, thus, influencing commodity prices;
- Average prices for commodities are expected to remain fairly stable, due to improved supplies from the recent harvest;
- Prices for key commodities are generally lower during the harvest season (August-December);



Trader opinions on future price changes

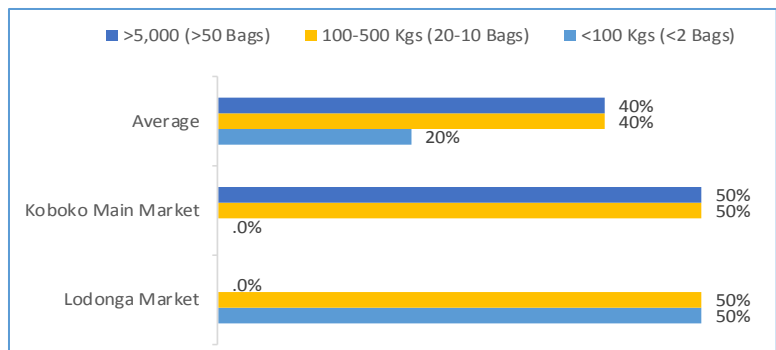
Commodity	Price change	Month												
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Maize grain	High													
	Low													
Sorghum	High													
	Low													
Beans	High													
	Low													

Periods/Months when price changes are observed

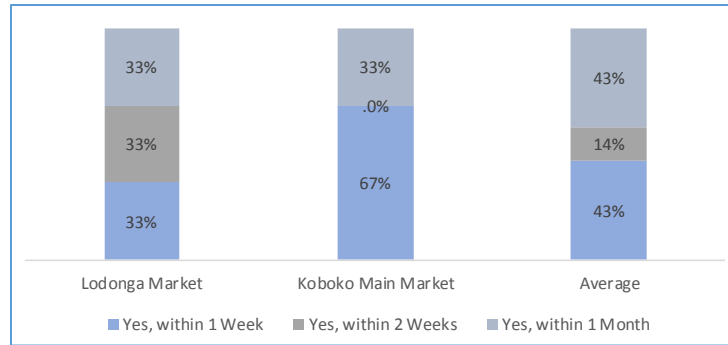
MARKET RESPONSE CAPACITY

Trader capacity to respond

- 71% of the overall traders had storage facilities, with 40% of the traders reportedly having storage with capacity of more than 5,000 KGs (>50 Bags). No trader in Lodonga Market had storage with capacity of more than 5,000 KGs;
- Overall, 43% of the traders have capacity to respond to increased demand within 1 week, with the highest proportion observed in Koboko main market (67%). 14% said they could respond within 2 weeks;
- The main challenges traders could face while responding to increased stock were: lack of capital (71%). In Lodonga market, all traders cited lack of capital as the main challenge they could face while responding to increased demand;



Capacity of storage facilities owned by trader



Traders' capacity to respond to increased demand

SAFETY AND SECURITY INCIDENTS

- No reported security incident, both for traders and customers despite the long distances traveled to access markets

IMPACT OF FOOD AID ON THE MARKETS

- It is positive, but very risky, especially for the host communities. *“Refugees after receiving cash, they come to the market, buy all the food in the market, and they buy in bulk. Due to this, food gets scarce, forcing us traders to charge high prices. This, affects other consumers. If we had local farmers supplying us with food, it would be easier, but now a lot of produce is from out, increasing the cost of business. For instance, rice is from DRC, farmers don’t grow rice.” “I suggest that you people (Government and WFP) have to balance the assistance, distribute both cash and food to refugees. Some refugees should receive food, while other receive cash, controls demand and supply, it is risky distributing only cash”*
- Sales are high, and farmers are growing more food, due to increasing demand from refugees. *“You know refugees have no farm land to grow food for home consumption, besides, they have a lot of money and also buy too much food. Our local farmers were initially subsistence farmers, but currently produce for markets.”*
- Sales go up during and after distributions, *“we mostly supply traders who have small shops within the settlement, but for direct buyers (customers), we don’t see any impact, it is minor. There are so many emerging markets, like Terego-Kubala, refugees can go buy from there due to distance and prices. So, we can’t feel the impact so much.”*
- Some traders contracted by DCA are benefiting, *“my mother has a business in Yumbe (Bidi-bidi) and she supplies refugees with food, they use vouchers, so she gives them food/commodities and she later takes vouchers to DCA to claim for her payments.”*
- Diversification of livelihoods among refugees, *“some refugees are investing in petty trade, after receiving cash, they buy produce in bulk to re-sale in the local market within the settlement. The profit they earn sustains their families while waiting for the next distribution, these also enables other households to access food in the markets, other than travelling long distances.”*
- Some refugees rent more farm land, *“to produce food for their households, for instance, there is a woman who hardly had food, but relied on the assistance, she had to rent land and now produces enough food for her family, she also uses these assistance to hire farm labour.”*

CHALLENGES FACED BY TRADERS

- Heavy rains: roads are impassable during rainy season, hindering deliveries to markets, for instance sweet potatoes and cassava are not delivered timely. Similarly, most traders operate in the open, so heavy rains affect them. Also during rainy seasons, customers don't come to the market, so, sales are low;
- Distance to markets, traders come from far and have to be in the market in time. Similarly, consumers also have to travel long distances to purchase produce. *"We could advocate for the allocation of a market day for the settlement, so that produce is brought closer to the people, the challenge is, traders will not come, the population is low, as most refugees stay outside the settlement (town), the purchasing power among the refugees is also low, hence, the traders will make losses."*
- Lack of customers, particularly in some periods of the year, during harvest when most households have food;
- Low supplies, due to refugee influx, *"big suppliers these days prefer supplying produce to big camps like Bidi-Bidi, due to the high populations there, affecting traders in this market."*
- Low capital-low stock, and no business;
- Price changes/fluctuations, prices for some commodities start increasing around September, and highly during the lean season (March-May).

Settlement market price data as of 15th August, 2017

S/n	Commodity	Unit	Market		Average
			Koboko Price	Lodonga Price	
1	Maize grain	Kg	1,533	1,600	1,567
2	Maize flour	Kg	2,667	2,167	2,417
3	Rice (Super)	Kg	3,000		3,000
4	Rice (Pakistan)	Kg	3,333	3,433	3,383
5	Wheat flour	Kg	3,000	2,800	2,900
6	Cassava flour	Kg	1,933	1,800	1,867
7	Cassava-fresh	Kg	917	1,000	958
8	Sweet potatoes	Kg	1,333	1,000	1,167
9	Beans (Nambale)	Kg	2,600	2,500	2,550
10	Beans (Agwede)	Kg	1,667	2,000	1,833
11	Beans (Yellow)	Kg	3,000	3,000	3,000
12	Peas	Kg	3,333	3,000	3,167
13	Vegetables	Kg	1,500	1,000	1,250
14	Irish Potatoes	Kg	2,000		2,000
15	Beef	Kg	10,000	9,000	9,500
16	Fish	Kg	10,500	10,667	10,583
17	Chicken	Kg	20,000	22,000	21,000
18	Cooking Oil	Kg	5,500	5,500	5,500
19	Sugar	Kg	4,333	4,800	4,567
20	Millet Flour	Kg	4,000		4,000
21	Sorghum	Kg	1,000	1,000	1,000
22	Salt	Kg	1,200	1,200	1,200

Current commodity prices

Data collection in Palorinya was carried out on the 16th August, 2017. Markets visited included; Moyo Main Market and Konyokonyo Market (within the settlement).

Summary of the findings, conclusions and recommendations

Market structure

- While Konyokonyo market (within the settlement) is about 2 KMs depending on the settlement, Moyo main market is about 10 KMs far; customers will have to travel long distances in case of increased demand, since Moyo market is well established; both markets operate daily;
- Overall, 36% of the traders travel more than 30 KMs to buy stock, with the highest proportion observed in Konyokonyo market (50%); beans, maize grain, Rice and sorghum are mainly sourced from Gulu, Arua, Mbale, Masindi and Hoima;
- Sorghum, Maize grain, Veg. oil and beans in Konyokonyo (settlement market) is mainly the in-kind food (distributed by WFP), however, quantities in markets are small, possibly due to low demand;

Market prices and trader response capacity

- Generally, commodity prices are mainly set by individuals (73%), followed by traders' associations (18%). Majority (75%) of the traders interviewed in Konyokonyo markets reported that prices are set individually;
- 45% of the overall traders expect a marginal price increase in the average prices for commodities in the next 3-6 months;
- While 64% of the overall traders have capacity to respond to increased demand within 1 week, it is worth noting that majority of the traders are small scale traders; traders in Konyokonyo market fear to re-stock due to uncertainties regarding the planned relocation of the market;
- 64% of the overall traders have storage facilities. However, in Konyokonyo market, nearly all traders use the small space in their stalls for storage;

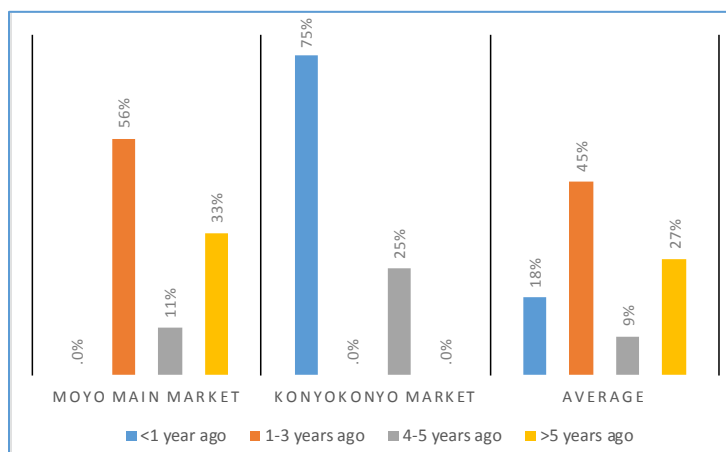
Conclusions and recommendation

Moyo main market is well established compared to the settlement market (Konyokonyo) and would be an alternative for customers, however, customers will have to travel long distances to access the market. Similarly, traders in Moyo main market can boost the settlement market, with strong linkages. However, there is need to:

- Monitor market prices on a weekly basis, and availability of key commodities in the settlement market;
- Create strong market linkages, by linking traders in the settlement market with those operating in Moyo main market;

Detailed analysis of the markets (Moyo Main market and Konyokonyo Market)

MARKET STRUCTURE	
MARKET CHARACTERISTICS	
Moyo main Market	Konyokonyo market
<ul style="list-style-type: none"> Government issued tenders to individuals who have constructed lock-ups currently rented by traders; market managed by the market chairperson, and market dues collected by the market masters; There are 25 lock-ups; 56 stalls and 20 shades; both structures are permanent, including shades used by vendors; Market is about 10 KMs from Palorinya settlement; operates daily, with 89% of the traders reporting that they operate daily (5-7 days); the market supplies other weekly markets; Despite being accessed by refugees occasionally, it remains an alternative to refugees due to the distance; About 500 traders operate in the market, with Women being the majority of the vendors; only 33% of the traders interviewed serve more than 100 customers weekly, <i>“customers are scarce, maybe it is due to the recent harvest that has lowered the demand for food. Some new markets are cropping up within communities, so, customer would prefer buying from those traders, other walking long distances to the market.”</i> 	<ul style="list-style-type: none"> It is within the settlement, accessed by both refugees and nationals within the surrounding; Market is new, 75% of the traders established shops less than a year ago; 75% reportedly serve more than 100 customers weekly, possibly due to the high populations; There are about 50 stalls and 100 shades, temporal structures; There is a plan to re-locate the market by government, preferably outside the settlement. <i>“We are told government wants to take control of the market, so, they find it hard to manage since it within the settlement.”</i> About 2 KMs for some zones, but some zones within the settlement are far, but buyers don’t spend cash on transport; An estimated 300 traders, mainly small scale traders; roughly 5-15 traders sell maize grain and beans respectively; 1 wholesaler; and majority of the traders are refugees;

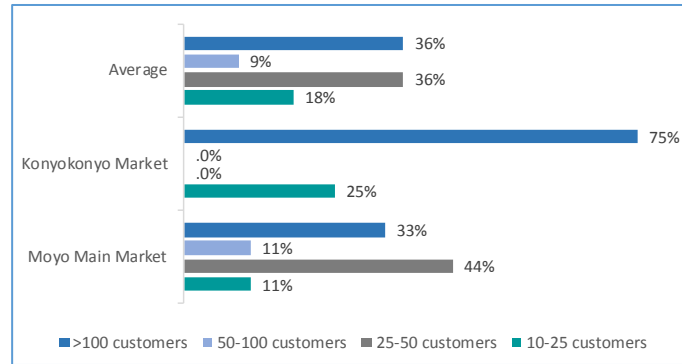


When business was established

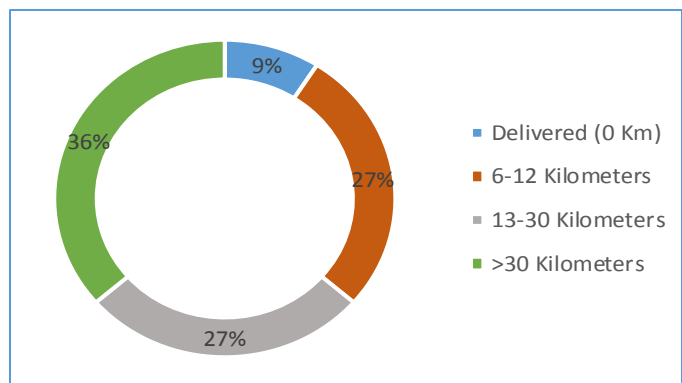
- About 500-700 buyers in the market (Konyokonyo), but more busy during distributions, with a significant number of National flocking the markets and distribution centers to purchase maize grain and beans;

Commodity flow

- Overall, 36% of the traders travel more than 30 KMs to buy stock, with Konyokonyo market (50%) having the highest;
- Beans, maize grain, Rice and sorghum are purchased from Gulu, Arua, Hoima, Masindi and Hoima; leafy vegetables such as onion, tomatoes, cabbage, and egg plants are from Mbale, Kampala, and Masindi; *“buying rice from the local farmers is very expensive, so, traders prefer buying from other regions, all you need is just to calculate the costs and other risks.”*



Number of traders served weekly



Distance travelled to buy stock

- In-kind food sold in the market, especially maize grain, sorghum, beans, CSB and cooking oil, and mainly sold by refugees. Nationals are the main buyers of these items; *“People sell food because they want to buy other items like soap. So, you sell half of your rations, keep the balance for family consumption, we don’t have income sources and this forces us to sell.” “Refugees are becoming very wise, they have registered more than once, and have two or more ration cards. So, food rations for one card are spared for consumption, and the other is sold.”*
- Majority of the traders in Konyokonyo market (especially those operating in stalls) deal in NFIs like clothes, utensils, and soap, *“Dealing on commodities would be a good business, but I can’t do that business now. Too much food is distributed by World Vision and WFP, no one will buy food. So, I prefer specializing on NFIs and maybe Sugar, and salt.”*
- Quantities of food commodities sold in the market are small;
- No local supplies, due to low productivity *“I think nationals within the community are mainly subsistence farmers, they produce mainly for home consumption. Who knows, maybe they will start producing for the market in future due to increasing population in the refugee settlement. This settlement is also new, and refugees have just settled here, they don’t grow crops and it is traders to supply food to them, perhaps, things will change after a year.” “Plots or farm land given to refugees are small (30*30), you construct a house, spare some space and nothing is left for cultivation, the land is also not fertile.”*
- Farmers during and after harvest improve supplies on the market, except harvest for the past 3 years has been below average due to prolonged dry spells;

- BIDCO and TASCO, companies are supplying traders in Moyo Main Market.

MARKET CONDUCT

Market regulations

- By-laws and regulations such as; fighting and theft are prohibited; traders are also encouraged to market dues promptly; by-laws are enforced by the market chairperson and his committee;
- No restrictions in place to start a business in the market; while traders in Moyo main market use standard weighing scales, in Konyokonyo, traders have no weighing scales, but use estimates and cups.

Credit availability and access

- Credit facilities given to consumers, with terms of payments, *“I give food on credit to someone I know, especially a daily customer, neighbor, friend and possibly anyone who is credit worthy. For instance, I can’t sell to you (referring to the interviewer) on credit because I am meeting you for the first time and not sure if we are meeting again.”* Generally, payment period is 1-2 weeks (75%), with all traders in Konyokonyo market allowing their customers to pay within the same period.
- Traders in Moyo main market prefer Village Savings and Loan Associations (VSLAs), and Small trader groups and not banks to access loans or credit. Other financial institutions are Moyo SACCO, and Moyo Local Government SACCO.

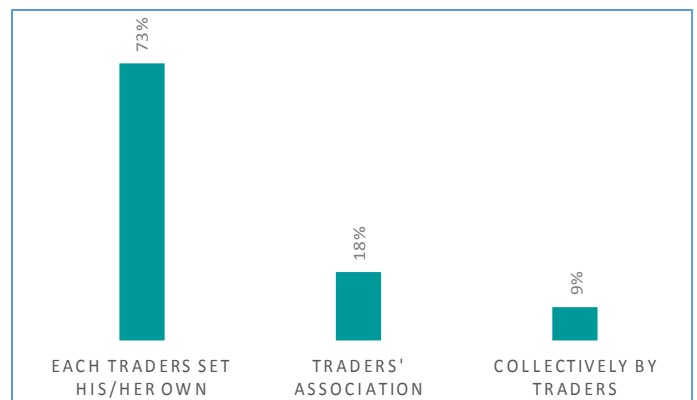
MARKET PRICE CHANGES AND PURCHASING POWER

Transaction costs

- **Moyo main Market-** Rent (50,000-100,000 monthly); trading license (40,000-75,000 yearly), depends; transportations costs, depends;
- **Konyokonyo market-** transport costs; no rent but have to incur costs for materials and labor for setting up the structure.

Commodity price settings

- Overall, commodity prices are mainly set by: individual traders (73%), followed by traders’ associations (18%);
- Majority (75%) of the traders interviewed in Konyokonyo market reported that commodity prices are set by individual traders, possibly due to the fact that most traders are small scale and sell in small volumes;
- Despite 67% of the traders in Moyo main market citing individual price setting, 22-11 percent reported that prices are set by traders’ associations and collectively by traders respectively;



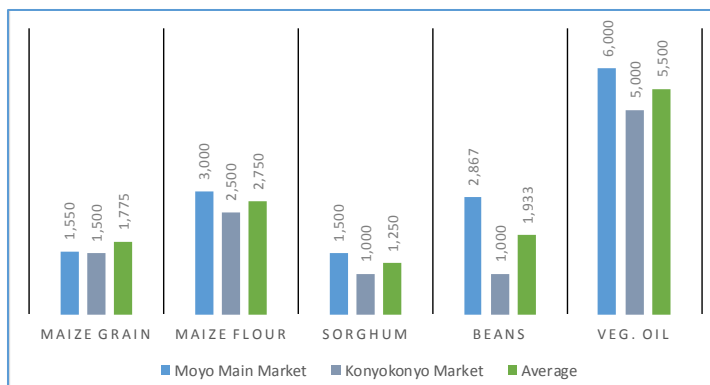
How commodity prices are set

Commodity Price changes

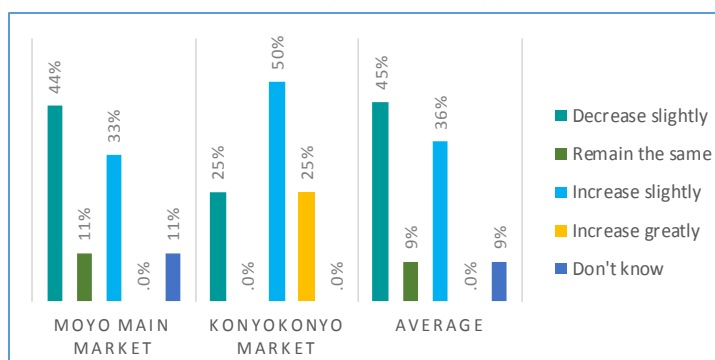
- Average retail price for key commodities are significantly higher in Moyo main market compared to Konyokonyo market (within settlement). The average price for beans is UGX 2,867 in Moyo market, and UGX 1,000 in Konyokonyo market;
- 45% of the overall traders expect a marginal decrease in the average prices for commodities in the next 3-6 months, while 36% reportedly anticipate a minor increase;
- In Konyokonyo market, 25% of the traders expect a significant increase in the average prices for key commodities in 3-6 months, possibly due to scarcity, and high transport costs incurred;
- Commodity prices are always higher between February and August. Harvest season for Sorghum usually starts in September, with its average price declining in August due to replenishment of stocks, reducing the demand;
- Between October and February, average prices for Rice, Simsim and Ground-Nuts are usually very low;
- June is reportedly a stressful month, *“this month is too dangerous, no food, heavy dependence on markets amidst higher prices, and besides there is no harvest yet.”*

TRADER CAPACITY TO RESPOND

- 64% of the overall traders have storage facilities. While 56% in Moyo main market have storage facilities;
- Majority (43%) of the traders have storage facilities with capacity of above 5,000 Kgs, followed by 1,000-2,500 Kgs (29%);



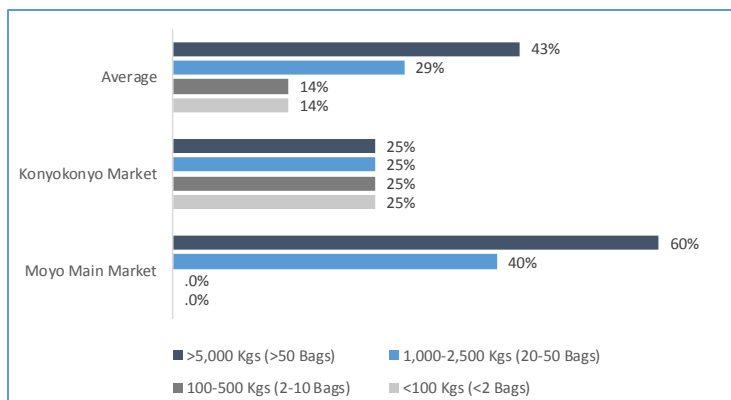
Current average commodity prices



Trader opinions on future price changes

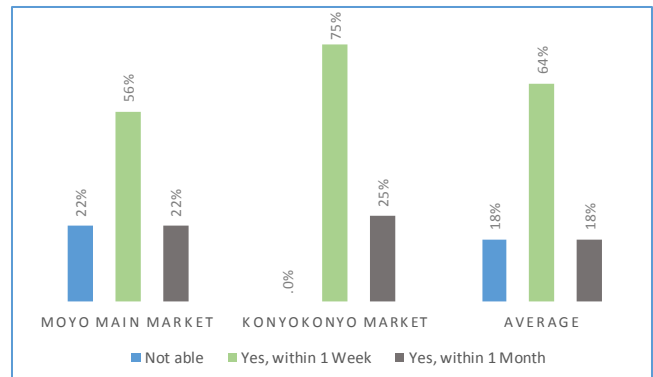
Commodity	Price change	Month												
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Maize grain	High													
	Low													
Sorghum	High													
	Low													
Beans	High													
	Low													

Periods/Months when price changes are observed



Capacity of storage facilities

- While 64% of the overall traders have capacity to respond within 1 week, 18% have no capacity to respond in case of increased demand; it is worth noting that majority of the traders are small scale, with little capital;
- Traders that are unable to increase stock cited; lack of capital (64%); lack of transport (18%) and difficulty in finding commodities (18%) as the main obstacles;
- 78% of the traders interviewed in Moyo main market cited capital as a challenge, this is risky if there would be need to boost supplies in the market within the settlement;
- Traders in Konyokonyo Market fear to restock due to uncertainties, *“Stocks are less, due to the uncertainties, the government plans to re-locate the market, and we can’t buy more stock since we don’t know when we shall be re-located. So, traders are worried that they might make losses. See the market, not busy as it was 1-2 months ago.”*
- Generally, traders increase stock depending on the demand and the purchasing power, *“as a trader, I study the demand and also the money in circulation, you can tell it in the purchasing power of households. So, when the demand is high, we supply, we increase our stock.”*



Trader response capacity to increased demand

SAFETY AND SECURITY INCIDENTENCES

- No safety or security incidences, however, 11% of the traders in Moyo main market feel insecure. *“Reported theft cases are minor and doesn’t affect the operation of the business, in business, theft is inevitable.”*

CHALLENGES FACED BY TRADERS

- Low supplies on the market. Traders buy from far, the nearest being Moyo main market. *“No suppliers come here, whenever you want to re-stock, there is no supply, transport cost is high. It would be easier if this was a highway, you could move your produce easily.”*
- Lack of collective price setting, no uniformity in commodity prices, *“some traders, especially farmers just sell because they have an emergency, so, they sell at any given price. It affects business.”*
- Low sales, usually during harvest season due to low demand;
- Competition from new emerging markets, *“customers have so many markets to buy from, and so, they come comparing prices blaming us for high prices. Honestly, they don’t understand the supply dynamics.”*
- Transport challenges, no bigger trucks plying major routes, increasing transportation costs;
- Delayed payments by customers, *“some customers don’t pay in time, we don’t know what is wrong, I think they lack income sources.”*

IMPACT OF FOOD AID ON THE MARKETS

- More supplies on the market, too much maize grain, beans and maize flour in the market during and after distributions; low prices for commodities, due to improved supplies;

Settlement market price data as of 16th August, 2017

S/n	Commodity	Unit	Market		Average
			Moyo Price	Konyokonyo Price	
1	Maize grain	Kg	1,550	1,500	1,525
2	Maize flour	Kg	3,000	2,500	2,750
3	Rice (Super)	Kg	3,950		3,950
4	Rice (Pakistan)	Kg	4,000		4,000
5	Rice (Kaiso)	Kg	3,500		3,500
6	Wheat flour	Kg	3,125	3,000	3,063
7	Cassava flour	Kg	2,000	1,900	1,950
8	Cassava-fresh	Kg	1,000	1,000	1,000
9	Sweet potatoes	Kg	2,000		2,000
10	Beans (Nambale)	Kg	2,867	1,000	1,933
11	Beans (Agwede)	Kg	2,500		2,500
12	Beans (Yellow)	Kg	3,000		3,000
13	Peas	Kg	1,833	1,000	1,417
14	Vegetables (Greens)	Kg	1,000	1,000	1,000
15	Vegetables (Onions)	Kg	3,000	3,500	3,250
16	Irish Potatoes	Kg	2,000	2,000	2,000
17	Beef	Kg	9,000	10,000	9,500
18	Fish	Kg	8,000	10,000	9,000
19	Chicken	Kg	23,500		23,500
20	Cooking Oil	Kg	6,000	5,000	5,500
21	Sugar	Kg	1,500	4,000	2,750
22	Millet Flour	Kg	4,000	1,500	2,750
23	CSB	Kg		1,500	1,500
24	Sorghum	Kg	1,500	1,000	1,250
25	Salt	Kg	1,200	1,200	1,200

Commodity prices in Markets

Data collection in Imvepi was carried out on the 17th August, 2017. Only one market was visited, it is within settlement, located at Point J.

Summary of the findings, conclusions and recommendations

Market structure

- The market is within the settlement, and about 1-2 KMs from some settlement zones; market operates daily, 93% of the traders reportedly run business daily (5-7 days a week);
- Market has about 200 stalls, with more than 500 shades, no permanent structures and majority of traders (Women) sell in the open and on the ground;
- Key commodities are available in the market, except in small volumes; beans, sorghum and maize grain sold in the market is the in-kind food;
- More than 1,000 traders operate in the market with an estimated 20-30 dealing in beans and maize grain respectively; 70% of the traders are refugees, and among those selling food stuffs, the majority (about 80%) are Women;
- Companies such as Riham and BIDCO have established agents within the market, and supply them 1-2 times a week;
- Half (50%) of the traders travel more than 30 KMs to buy produce, due to scarcity.

Market prices and trader response capacity

- Average retail price for commodities in the market are slightly lower, compared to average prices in external markets (Koboko), possibly due to the low demand within the settlement;
- 36% of the traders expect average prices for commodities to remain the same. However, 29% anticipate a slight increase;
- Despite 86% of the traders having storage facilities, these are makeshifts. 42% have storage with capacity of 100-500 Kgs, while 33% have capacity of >5,000 Kgs;
- 77% of the traders reportedly have capacity to respond to increased demand within 1 week.

Conclusions and recommendation

The market very busy, well established and has the potential to expand. With enhanced linkages, more companies can be attracted in 2-3 months. There is however, need to:

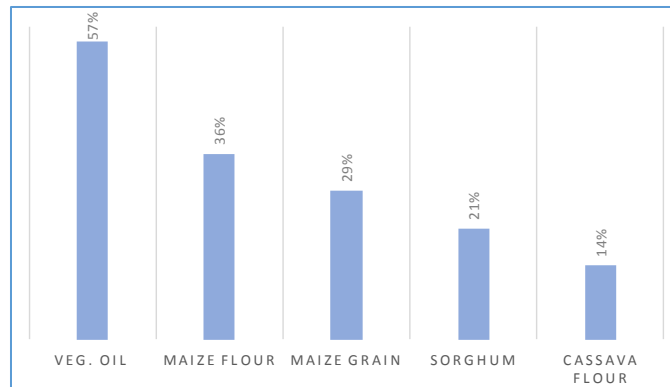
- Engage traders in Arua and Koboko so that they can boost the settlement market, by improving supplies on the market;
- For regular price monitoring, in case of any cash transfer in future to facilitate informed decision making, particularly on determining the transfer value.

Detailed analysis of the markets (Imvepi Market, in Point J)

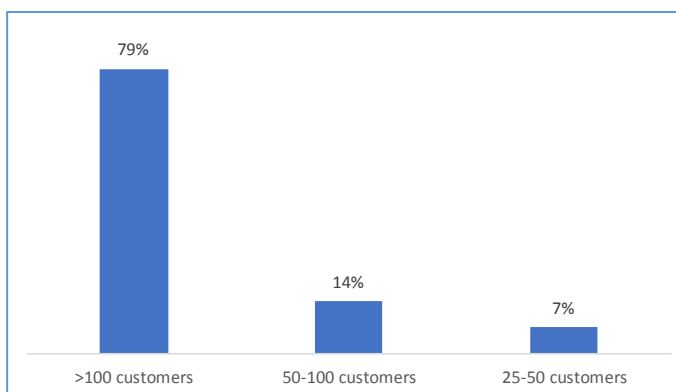
MARKET STRUCTURE

MARKET CHARACTERISTICS

- The market is within the settlement; still new and existed for less than one year; 93% of the traders reported having ran the business for less than one year;
- About 1-2 kilometers to access for some zones; has about 200 stalls and more than 500 shades; no permanent structures; majority of the traders, particularly Women sell in the open and on the ground;
- Managed by a refugee (market master), who mainly oversees the enforcement of by-laws and ensures hygiene and sanitation;
- More than 1,000 traders operate in the market, mainly small scale traders and vendors; an estimated 20 and 30 traders sell beans and maize grain respectively; no wholesaler, but 2 butchers in the market;
- 70% of the traders are refugees; about 80% of the traders selling food stuffs are Women, this could be attributed to the massive sale of the in-kind food, which is mainly managed by Women at household level;
- Market is open daily, very busy with about 1,500 participants; 93% of the traders operate their business daily (5-7 days a week);



Traders dealing in several Commodities



Average customers served by traders weekly

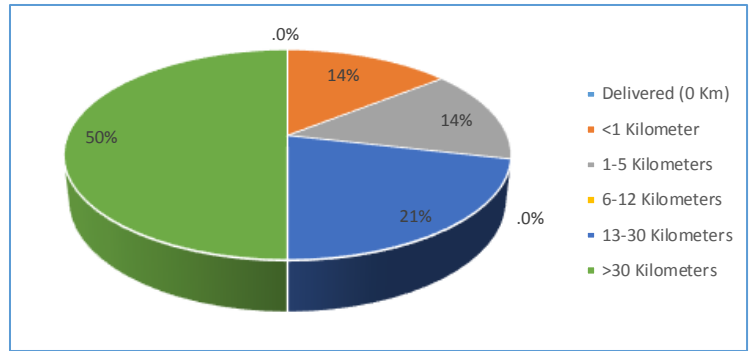
Commodity flow

- Half (50%) of the traders interviewed travel more than 30 KMs to buy produce, due to scarcity and low production locally;
- Maize grain, beans, Veg. oil and CSB supplied locally (in-kind food distributed by WFP). Traders buy from refugees and re-sale in the market, with the main customers being Nationals. Cassava flour is from Arua, *“refugees like cassava flour so much, the demand is high, and we supply traders with cassava.”*
- 75-100-60 percent of the trader reportedly bought maize grain, sorghum and beans respectively from refugees, implying much of the supplies is from the in-kind food from WFP;



Women vending items in Imvepi Market

- Green vegetables and fresh cassava and sweet potatoes (cabbages and 'boo') is supplied by the host communities;
- Some companies (Riham and Bidco) have agents within the market, especially potential traders with enough capital. For example a truck from Riham supplies beverages 2 times a week, *"this market is very busy, population is high and it is peaking up. It attracts many traders, and in 2-3 months to come, a lot of companies will get attracted, this will supplies on the market."*
- Market has potential for expansion, *"from what I know, the market is peaking up, in 2-3 months, it will be different. Like I said, we have big companies like Riham and BIDCO supplying traders with their products, and with time, many more companies will be attracted."*



Distance travelled by traders to buy stock

MARKET CONDUCT

- No weighing scales used by traders in the market; cups, heaps and bundles used as measurements;
- New entrants (traders) consult the market chairperson when setting up a business, and space is assigned to him/her.
- Commodity prices are mainly set by individual traders (74%) and collectively (27%); no trader associations and government influence on price settings in the market.



Cups used as measurements in Markets

Credit availability and access

- Company agents operating in the market are supplied with items on credit, where they are expected to pay during the next delivery;
- Customers given are commodities on credit, *"Selling on credit is part of business, you only need to set your own standards for instance, I don't give credit of more than 10,000 and in 1-3 days, a customer has to pay, these are standards and my customers are used to that."*
- No trader accesses credit from financial institutions like banks, possible due the majority of the traders being refugees and Women, with no collaterals;



Trader selling Rice a customer

MARKET PRICE CHANGES AND PURCHASING POWER

Transaction costs

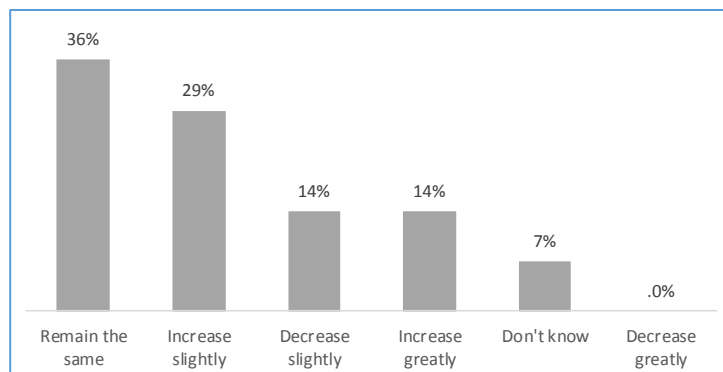
- Main costs incurred by traders is majorly transport, “vehicles are very rare and costly, most of us traders use ‘Boda-Bodas’ (Motor cycles), but also expensive. When you hire a motor cycle to Arua, you are charged about 30,000 UGX.”

Commodity price changes

- Price data indicates higher prices for commodities in Koboko main Market, compared to settlement market (Imvepi). Maize flour and Beans average retail prices in Koboko market were significantly above the Imvepi market levels;
- 36% of the traders expect prices for commodities to remain the same, possibly due to increased supplies on the market. However, 29% anticipate a slight increase in the average retail prices;
- The main factors to price changes are scarcity, driven supplies from the harvest. 15% of the traders attributed price stability to more food assistance;
- Prices for main commodities are usually high during the lean season (March-June) and low during harvest season (August-December).



Average commodity prices in Markets



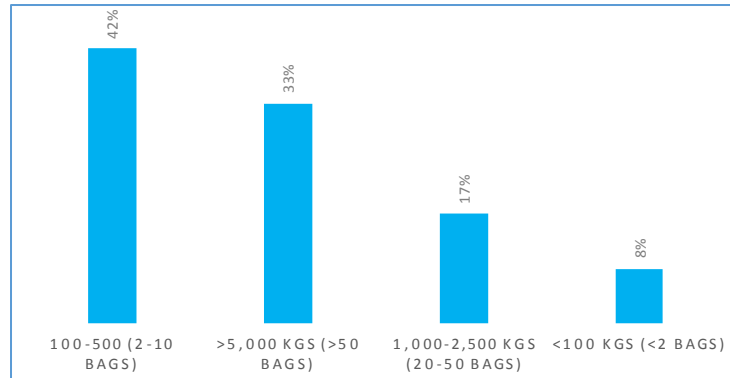
Trader opinions on future price changes

TRADER CAPACITY TO RESPOND

- 86% of the overall traders have storage facilities. Storage capacity of 100-500 Kgs (42%) followed by >5,000 Kgs (33%). Traders use stalls as stores, and these are makeshifts and very small in sizes;

Commodity	Price change	Month											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maize grain	High												
	Low												
Sorghum	High												
	Low												
Beans	High												
	Low												

Months when prices changes are experienced



Capacity of storage capacities

- 77% of the traders reportedly have capacity to respond within 1 week in case of increased demand, while 14% are able to respond within 2 weeks;
- 7% of the traders have no capacity to respond, they attribute this to lack of capital (57%) and difficulty to find commodities (21%). Similarly, 14% cited lack of storage as a factor;
- Inadequate capital might be a big problem, *“I can supply as much as I can, but if the demand is too high, capital would not be enough. As a trader, you there is need to have more capital to meet the demand, this is business,”*

SAFETY AND SECURITY INCIDENTENCES

- No security threats for us traders, *“ever since the market was opened, there are just minor cases which don’t have a significant impact on the business. We don’t have a guard, but the security is good, do you see my shop, not a permanent structure and I use tarpaulin to cover my shop but I also sleep inside.”*

CHALLENGES FACED BY TRADERS

- Transport costs are high, *“the market is remote, and vehicles operating on these routes are rare. So, we hire motor cycles, which charge us about 30,000 to Arua.”*
- Low purchasing power among refugees;
- No selling space, open space, when it rains, no business.



Vendors selling in the open

IMPACT OF FOOD AID ON THE MARKETS

- Improved supplies on the market, *“food is cheap, and everyone can afford, including host communities. Farmers don’t cultivate a lot of food, so, they heavily depend on the in-kind food sold in the market.”*

Settlement market price data as of 17th August, 2017

S/n	Commodity	Unit	Imvepi Market			Average
			Trader 1	Trader 2	Trader 3	
1	Maize grain	Kg	1,500	1,500	1,500	1,500
2	Maize flour	Kg	2,500	2,000	2,000	2,167
3	Rice (Pakistan)	Kg	3,400	3,500	3,400	3,433
4	Wheat flour	Kg	2,900	3,000	2,500	2,800
5	Cassava flour	Kg	1,800	2,000	1,800	1,867
6	Cassava-fresh	Kg	1,000	1,000	1,000	1,000
7	Sweet potatoes	Kg	1,000	1,000		1,000
8	Beans (Nambale)	Kg	2,500	2,500	2,000	2,333
9	Beans (Yellow)	Kg	3,000			3,000
10	Vegetables (Greens)	Kg	1,000	1,000	1,000	1,000
11	Vegetables (Onions)	Kg	3,500	3,000	3,500	3,333
12	Irish Potatoes	Kg	2,000	2,000		2,000
13	Beef	Kg	9,000	9,000		9,000
14	Fish	Kg	12,000	12,000		12,000
15	Chicken	Kg	18,000	20,000		19,000
16	Cooking Oil	Kg	4,500	5,000	4,500	4,667
17	Sugar	Kg	5,000	5,000		5,000
18	Millet Flour	Kg	1,800	1,800		1,800
19	Sorghum	Kg	1,000			1,000
20	CSB	Kg	1,000			1,000
21	Salt	Kg	1,200	1,200		1,200

Average commodity prices in Imvepi Market