

INAUGURAL ISSUE:

This bulletin provides an insight about the 2016 transfer value for refugee cash beneficiaries using price data collected from Adjumani, Rhino Camp, Kiryandongo, Rwamwanja, Kyangwali and Kyaka II settlements. However, it is worth noting that price data collection in Rwamwanja, Kyangwali and Kyaka II settlements started in April 2016.

Key Highlights

- The cash transfer provided by WFP for normal beneficiaries (full ration (100%) and half ration (50%)) was still relevant for the first half of the year. The cash transfer value has the purchasing power to buy a similar in-kind food basket provided by WFP at local market price or even more.
- However, the cash transfer for the extremely vulnerable households (EVH) was slightly less when compared to the average market price value at settlement level during the first quarter of the year (2016) but normalized in April. The AME unit will continuously monitor the EVH cash transfer value and advise accordingly.
- Prices for maize flour and millet flour were higher during the first quarter of 2016 compared to last year but normalized during the second quarter. However, price

Introduction

WFP is currently using cash as one of the transfer modalities to assist the vulnerable refugee beneficiaries in Adjumani, Rhino Camp and Kiryandongo, Rwamwanja, Kyaka II, Kyangwali and Koboko settlements.

The current WFP transfer value is equivalent to UGX 36,000 for EVH and UGX 28,000 (Full Ration-100%) and UGX 15,000 (Half Ration-50%) for the rest of the beneficiaries. The transfer value is calculated based on average prices of commodities in the food basket (maize grain, maize flour, beans, vegetable oil, salt and millet flour for Corn Soy Blend (CSB).

Price data for commodities used in calculating the transfer value is collected by WFP staff from main markets around the settlements that receive cash transfers on a monthly basis. Market price for the in-kind food basket provided by WFP is analyzed and compared with the cash transfer value to ensure that households receiving cash continue to receive their appropriate entitlement.

Monthly Transfer Value Analysis

Figure 1: 2016 Monthly Transfer Value (Full Ration 100%)



The in-kind food basket (full ration –100%) per person per month for normal beneficiaries contains the following commodities; cereals (maize grain)-12kg, pulses (beans)-2.4kg, vegetable oil-0.9kg, CSB 1.5kg and salt-0.15kg. From the figure above it is clear that the cash transfer value of UGX 28,000 provided by WFP for beneficiaries receiving full ration –100% was still relevant and slightly above the value for a similar food basket at local market price for the first half of the year 2016.

Figure 2: 2016 Monthly Transfer Value (Half Ration 50%)

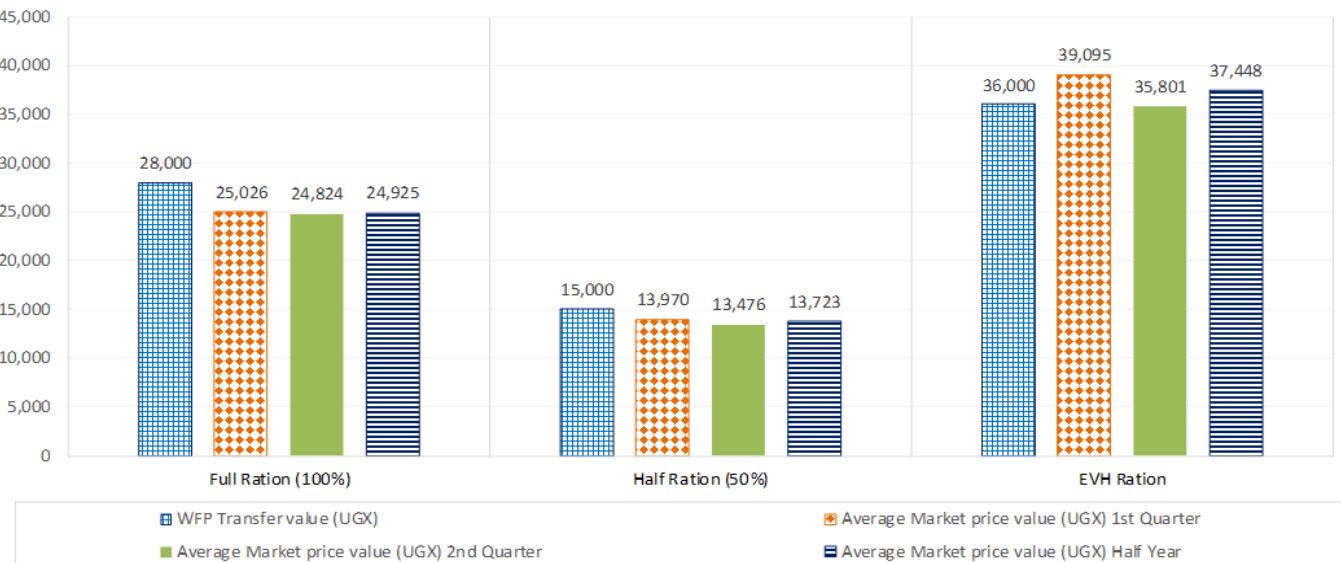


Beneficiaries on 50% ration also receive similar commodities as those on full ration but the quantity is reduced. Half ration beneficiaries receive cereals (maize grain)-6kg, pulses (beans)-1.2kg, vegetable oil-0.3kg, CSB 1.5kg and salt-0.15kg. Also figure 2 above indicates that it was in January and June when the market price value almost matched the WFP cash transfer value. Therefore the WFP cash transfer value was also still relevant based on average market price for an in-kind food basket at settlement level.

Figure 3: 2016 Monthly Transfer Value (EVH)

Figure 3 indicates that the cash transfer value from WFP for the extremely vulnerable households (EVH) was less than the value for the in-kind food basket provided at local market price for the first three months of the year. However, the cash transfer value gained the purchasing power during the second quarter of the year slightly above the market value for the in-kind food basket.

Quarterly and Half Year Cash Transfer Value Analysis

Figure 4: 2016 Quarterly and Six Months Transfer Value

Normal beneficiaries on full ration receiving cash transfer were relatively better-off compared to their counterparts. The cash transfer value they received from WFP was higher than the value of the in-kind food basket at local market price provided during the first and second quarter of the year by 11%. Similarly, when the in-kind food basket value is computed using six months average price you still find that the cash transfer is higher by the same margin (11%).

The WFP cash transfer value for beneficiaries on half ration (50%) was also higher than the market value for the in-kind food basket during the first and second quarter as well as half year average (January-June 2016) by 7%, 10% and 9% respectively.

For the extremely vulnerable households (EVH), the WFP cash transfer value was less than the market value of the in-kind food basket for the first quarter of the year by 9% and the half year average by 4%. The reduced purchasing power for the cash transfer was a result of the high maize flour prices during the first three months of the year compared to the second quarter. However, a reduction in maize flour price during the second quarter of the year improved the value of the cash transfer by 1% above the market valued for the in-kind food basket.

Although the WFP cash transfer value for EVH was less than the market value of the in-kind food basket for the first quarter of the year, the deficit was not more than 10% for three consecutive months to evoke a revision. The AME unit will continuously monitor the situation and advise accordingly.

Price Trends 2015-2016

Figure 5: Maize grain

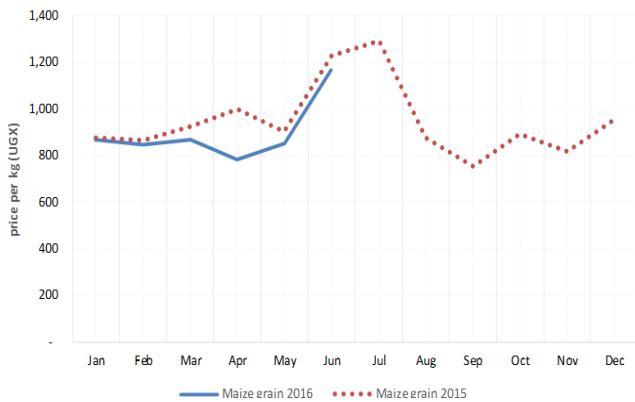


Figure 8: Beans



Figure 6: Maize flour

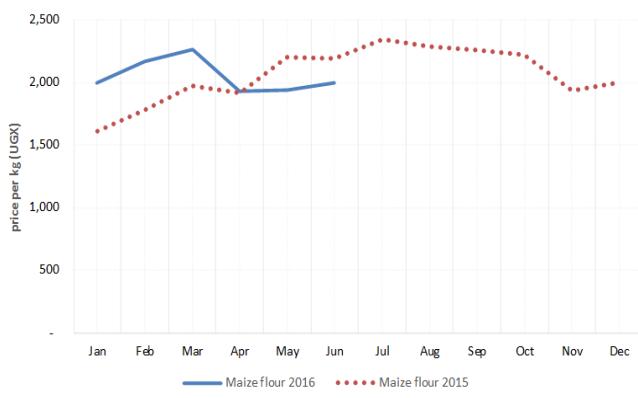


Figure 9: Vegetable Oil

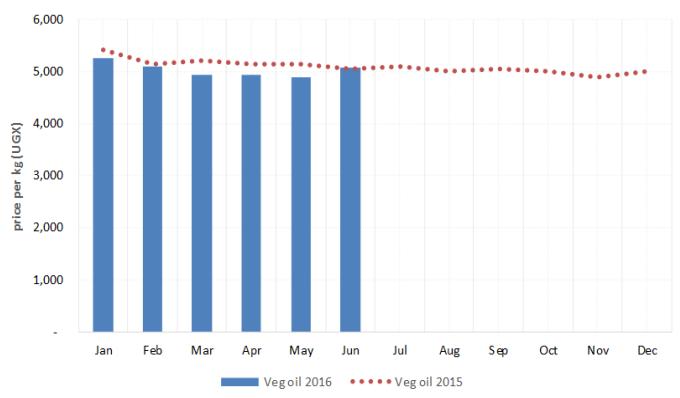


Figure 7: Millet flour



Figure 10: Salt



For further information please contact the AME unit WFP Uganda

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