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Market Assessment in Refugee Areas

Pakelle, Rhino Camp and Kiryandongo Settlements



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Executive Summary

In March/April 2014, the Assessments Monitoring and Evaluation (AME) unit carried out a market assessment in refugee areas on behalf of the Emergency Humanitarian Assistance (EHA) sub unit as a baseline for future monthly market monitoring and price data collection to guide the implementation of cash transfers. The following are the key recommendations from the assessment:

1. Therefore a total of eight markers should be monitored on a monthly basis by WFP field monitors in the respective settlements. Four markets in Adjumani/Pakelle settlement and these include: Adjumani main market, Pakelle market, Nyumanzi market and Mungula market. In Arua/Rhino Camp settlement, three markets i.e. Odubu Market, bandili market and Kamukamu market. In Kiryandongo settlement, one key market of Bweyale.
2. Compared to the transfer value calculated using projected prices for proxy markets around refugee areas the transfer value calculated using actual April 2014 price data collected during the assessments shows a higher difference of 8% on 50% ration and 1% on 100% ration. Since the difference is not above 10%, it is recommended that the planned transfer value is still relevant and applicable.
3. Although the supply of some food basket commodities is low, the major reasons given were the free distribution of these commodities by WFP/UNHCR and low purchasing power by refugees. So, a cash transfer could boost their purchasing power hence stimulate supply of different food commodities on market. And since it's only a few households that have accepted to pilot the cash transfer programme, no significant market distortion is expected and therefore the programme should proceed as planned.

Introduction

WFP Uganda together with UNHCR are piloting cash transfers in refugee settlements in Pakelle, Rhino camp and Kiryandongo among beneficiaries that have voluntarily agreed to receive cash instead of food in kind. However, in order to ensure effective implementation of the cash transfer value, it was necessary to continuously monitor markets accessed by refugees to ascertain food availability and price changes on a monthly basis. This would help in estimating the cash transfer value in terms of food basket that could be bought at the prevailing market price in a particular month hence facilitating changes in programming issues where applicable.

The market assessment was intended to create a baseline for further price data collection and analysis in markets identified as key for refugees in specified settlements. Mainly daily markets highlighted in the April, 2013 Market assessment report by Bernard Bashaasha were visited in Pakelle, Rhino Camp and Kiryandongo refugee settlements. These markets are Ofua, Pakelle, Adjumani and Maaji in Adjumani district; Yoro and Ocea in Arua district; Molokony, Nyakadot and Bweyale markets in Kiryandongo district. Other markets near settlements were visited depending on necessity and available time for data collection. Additional cross border trade and price information was collected from Elegu border point in Amuru district. In total price data from 11 markets was collected during the assessment. A trader/market questionnaire was used to collect information on commodity availability, source and prices while key informant checklist was used to collect information on cross border trade. A GPS machine was used to take coordinates of the markets visited and settlements to facilitate mapping activities at WFP Country Office.

Findings:

Market Structure in Refugee Areas Adjumani District

Pakelle settlement stretches in four Sub Counties of Pakelle, Dzaipi, Ofua and Adropi with a total of 11 sub settlement clusters. Pakelle Sub County has four clusters which include Ayilo, Boroli, Olua I and Olua II while Dzaipi Sub County has three clusters namely, Nyumanzi, Elema and Baratuku. In Ofua Sub County there are also three clusters including Mireyi, Mungula I and Mungula II while Adropi Sub County has only one cluster Alere. There are small markets accessed by refugees within or near their sub settlement clusters. However in Pakelle settlement, Adjumani market was identified as the main market along others which include Pakelle market in Pakelle Sub County, Nyumanzi market in Dzaipi Sub County and Mungula market in Ofua Sub County (see figure 1). In Adropi Sub County, only a small market within Alere cluster was known with majority of refugees having access to Adjumani main market.

In reference to the latest verification list for beneficiaries interested in cash transfer in Adjumani district, majority are located in Mungula II, Alere II and a few from Elema and Olijji clusters. Based on the arrangement of Pakelle settlement, it is therefore recommended that the four markets (Adjumani main market, Pakelle market, Mungula Market and Nyamanzi market) be monitored on a monthly basis to facilitate implementation of the cash transfer programme.

Market Structure in Refugee Areas Arua District

Rhino camp settlement covers about 15 refugee settlement clusters which include, Agulupi, Katiku, Odubu II and Ocea in Oryama Sub County; Sibili, Siripi and Ariwa in Odupi Sub County; and Odubu I, Olujobo and Tika I-VI in Rigbo Sub County. Traders reported that refugees have small markets they go to within settlement areas but the main ones include Odobu (daily/weekly-Monday/Friday), Bandili (weekly-Monday/Thursday), Amangwa (weekly-Wednesday/Saturday), Kamukamu (daily/weekly-Tuesday), Ocea (Daily) and Matangaca (weekly-Tuesday). It was also highlighted that Ocea market had the highest prices referred to as “Juba Prices” while Odobu market was considered as the main market that collects a bigger share of refugees from almost all clusters.

In reference to the latest cash transfer beneficiary list, majority are located in Sibili, Odubu II, Tika, Agulupi, and Siripi and a few in Katiku and Ariwa settlement clusters. By having a look at table 3 (Annex) it is clear that the main market accessed by the beneficiaries is Odobu Market and that should be continuously monitored on a monthly basis together with bandili and kamukamu market if we want to capture the effect of price changes for all refugee settlement clusters.

Market Structure in Refugee Areas Kiryandongo District

Unlike in Pakelle and Rhino Camp settlements, refugees in Kiryandong are located on a big chunk of government land which is divided into ranches and clusters. By virtue of being in the same location, refugees in Kiryandong have one main market located at Bweyale. Although Nyakadot and Molokony markets are close to the settlement, majority of the refugees go Bweyale market that is recommended for continuous monthly price monitoring.

Prices

Table 1: April 2014 market prices for selected commodities in Refugee Settlement Areas

commodity	Unit	Pakelle settlement/ Adjumani	Rhino Camp-Arua	Kiryandongo Settlement
Maize grain	per kg	1,100	***	1,000
Maize Flour	per kg	1,500	1,800	1,750
Nambale beans	per kg	2,700	2,500	2,250
Salt	per kg	1,000	1,000	1,000
Millet flour	per kg	3,500	5,000	3,750
Vegetable oil	per litre	5,000	6,000	5,000

***Maize grain was not available in the markets visited in Rhino Camp (Yoro & Ocea)

Compared to the April 2013 market assessment done by Bernard Bashaasha, prices for some commodity prices have gone high in some refugee settlement areas. For example, maize grain prices were found to be higher in Kiryandongo in April 2014 compared to the same period in 2013 while in Pakelle prices were relatively lower. Prices for sorghum grain were higher in Pakelle and Kiryandongo in April 2014 while in Rhino camp prices were relatively lower

compared to the same period in 2013. Similar trends are noticed for other commodities (see Annex table 2) for details.

Cash Transfer Value

The planned cash transfer values were calculated using price projections from market data collected from proxy markets by Farmgain and Uganda Bureau of Statistics (UBOS). Initially prices from Arua Market were used to estimate transfer values for Rhino Camp, Masindi prices for Kiryandongo settlement and Gulu prices for Pakelle settlement. However, after price data collection from key markets around refugee settlements, projected cash transfers were calculated using actual average prices and compared with cash transfers calculated using projected prices from proxy markets.

Table 2: April Projected Cash transfer Vs Actual

District/Settlement	Commodities	Unit	Proj- Apr-14	Actual	Proj 50%	Proj 100%	Act 50%	Act 100%
Arua (Rhino Camp)	Maize grain/flour avg	per kg	1,695	1,800	10,170	20,340	10,800	21,600
	Nambale beans	per kg	2,825	2,500	3,390	6,780	3,000	6,000
	Salt	per kg	1,130	1,000	170	170	150	150
	Millet flour /CSB	per kg	2,599	5,000	3,899	3,899	7,500	7,500
	Vegetable oil	per litre	6,626	6,000	1,988	5,963	1,800	5,400
Sub Total					19,616	37,151	23,250	40,650
Masindi/ Kiryandongo- Settlement	Maize grain/flour avg	per kg	1,639	1,375	9,831	19,662	8,250	16,500
	Nambale beans	per kg	2,543	2,250	3,051	6,102	2,700	5,400
	Salt	per kg	-	1,000	-	-	150	150
	Millet flour/CSB	per kg	2,599	3,750	3,899	3,899	5,625	5,625
	Vegetable oil	per litre	-	5,000	-	-	1,500	4,500
Sub Total					16,781	29,663	18,225	32,175
Gulu/Adjumani- Pakelle settlement	Maize grain/flour avg	per kg	1,695	1,300	10,170	20,340	7,800	15,600
	Nambale beans	per kg	2,514	2,700	3,017	6,034	3,240	6,480
	Salt	per kg	1,263	1,000	190	190	150	150
	Millet flour/CSB	per kg	2,373	3,500	3,560	3,560	5,250	5,250
	Vegetable oil	per litre	6,652	5,000	1,996	5,987	1,500	4,500
Sub Total					18,932	36,110	17,940	31,980
Average	Maize grain/flour avg	per kg	1,676	1,492	10,057	20,114	8,950	17,900
	Nambale beans	per kg	2,627	2,483	3,153	6,305	2,980	5,960
	Salt	per kg	798	1,000	120	120	150	150
	Millet flour/CSB	per kg	2,524	4,083	3,786	3,786	6,125	6,125
	Vegetable oil	per litre	4,426	5,333	1,328	3,983	1,600	4,800
Total Transfer in Uganda Shillings					18,443	34,308	19,805	34,935
Rounded Total Transfer in Uganda Shillings					18,500	34,500	20,000	35,000

The actual 50% ration cash transfer is slightly higher by 8% compared to the projected. The actual 100% ration cash transfer is higher than the projected by 1%

Food Availability

With the exception of salt and vegetable oil, other food commodities used in the food basket were relatively scarce on market in Pakelle settlement and Rhino Camp. The main reason given by traders for not having enough supply of maize grain and maize flour in these settlements is because these food commodities together with CSB are usually provided to the refugees for free by WFP/UNHCR. In Adjumani (Pakelle settlement), the 3 most frequently bought commodities as reported by traders include, beans, greens, and sugar while in Arua (Rhino Camp settlement) included beans, greens, cassava flour and sugar. In Bweyale market where majority of the refugees in Kiryandongo settlement go for shopping, almost all food basket commodities were readily available on market. The 3 most frequently purchased food commodities by refugees as reported by traders include meat, greens and beans.

The most reported challenges reported by traders were high transports costs incurred in delivering food items from sources and low purchasing power by refugees.

Cross border Trade

In addition to the market assessment in refugee areas in West Nile, it was necessary to interact with traders and government officials to get an understanding of the impact of the South Sudan conflict on cross border trade with Uganda. Elegu cross border point was visited and held discussions with Patrick Chemonges (Revenue Officer), Johnathan (Immigrations), foreign exchange traders and traders in Elegu market.

From the discussions, it was clear that due to the conflict in South Sudan, food trucks to leaving Uganda to south Sudan reduced. Before the conflict, the revenue point would clear up to 40 trucks of food commodities mainly maize grain/flour, beans, matooke/bananas and fresh vegetable (onions, tomatoes and cabbage) but due to the conflict trucks had reduced tremendously. There were no restrictions by the government but traders had stopped themselves in fear for their lives. In February 2014 some traders had resumed taking food to South Sudan and a minimum of about 20 trucks were being cleared a day.

The current low number of traders taking food to South Sudan is not only due to the ongoing insurgency but also due to limited capital as many traders lost their capital during the outbreak of the conflict and the July 2014 floods that made roads inaccessible and traders lost out on perishable goods; current refugee influx where traders are diverting food commodities to refugee settlements; drought that affected the 2013 cropping season; high competition from the Kenyan side where traders from Kenya are purchasing food commodities especially maize grain from the farmers during harvesting and delivering directly to Kenya. It was also reported that the few traders who managed to come out of South Sudan with Sudanese currency, the exchange rate went as low as 50% by the peak of the conflict which also made traders to lose out on their capital. The foreign exchange traders reported that their business was not highly affected by the conflict as they continued to receive clients who wanted to exchange their currencies since December 2014.

During the last part of December 2013, there was almost no-minimal movement of people from Uganda to South Sudan. However, buses continued to ferry people from South Sudan to Uganda throughout December. In January and February 2014, there was still limited movement as people were not sure of the situation.

Jonathan (Immigration Officer) indicated that in March 2014, business at Elegu cross border point was still low at about 50% of the normal.

Annex

Figure 1: Pakelle Settlement Market Framework (Key Markets)

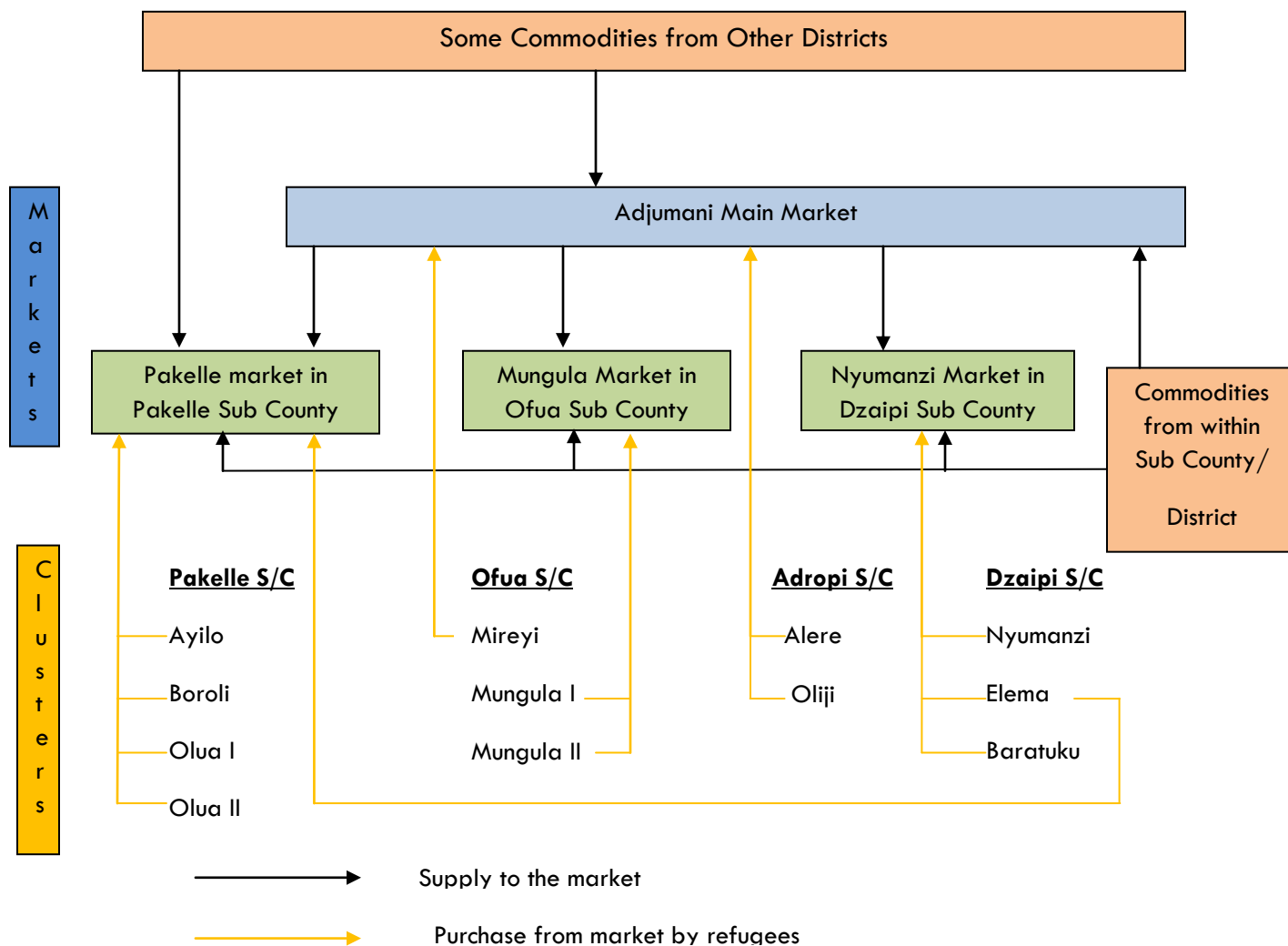


Table 3: Rhino Camp Settlement Arua District

Sn	Settlement Cluster	Sub County	Market attended too by refugees from different clusters					
			Bandili	Odubu	Ocea*	Kamukamu	Matangaca	Amangwa
1	Agulupi	Oryama						
2	Katiku	Oryama						
3	Odubu II	Oryama						
4	Ocea	Oryama						
5	Simbili	Odupi						
6	Siripi	Odupi						
7	Ariwa	Odupi						
8	Odubu I	Rigbo						
9	Olujobo	Rigbo						
10	Tika I-VI	Rigbo						

Ocea* considered the most expensive market “Juba Price”

Table 4: Detailed market prices for selected commodities in Refugee Settlement Areas

Commodities	Pakelle settlement		Rhino Camp Settlement		Kiryandongo Settlement	
	Mar-Apr/13	Mar-Apr/14	Mar-Apr/13	Mar-Apr/14	Mar-Apr/13	Mar-Apr/14
Maize grain KG	1,650	1,100	650		800	1,000
Maize meal/flour KG	1,107	1,500	1,873	1,800	1,466	1,750
Millet grain KG	1,074	3,000	903		675	1,650
Millet flour KG		3,500		5,000		3,750
Sorghum grain KG	845	900	978	750	498	1,150
Rice KG	2,591	2,900	2,978	3,100	3,325	2,800
Simsim KG	3,421	5,250	3,233	4,250	1,947	6,500
Cassava –fresh Hip about 3kg	903	1,250	874	1,000	584	1,000
Cassava flour KG	1,395	1,750	1,293	1,000	735	1,625
S. Potato- fresh Basin	702		938	1,000	574	
Beans KG	2,748	2,700	3,490	2,500	1,738	2,250
Groundnuts KG	2,850	4,200	3,648	3,500	2,456	5,150
Beef KG	7,143	8,750	7,075	8,500	5,705	8,000
Pork KG	6,524		4,925	7,000	3,750	7,000
Goat meat KG	6,250	9,500	6,568	9,500	5,706	8,500
Chicken KG	18,988		18,655	15,000	12,794	20,000
Fish (whole tilapia): (½Kg) Dry	5,440	6,333	4,170	5,000	2,280	5,333
Fish (mukene) -1Cup		7,300		5,000		7,667
Milk	977	1,750		1,750	929	2,000
Eggs	414	467	365	400	381	367
Cooking oil - 1Litre	5,762	5,000	5,673	6,000	6,500	5,000
Salt (½Kg)	493	500	474	500	401	500
Paraffin (litre)			3,606	3,400	3,464	3,400
Soap (bar)	2,061	2,000	2,370	2,150	2,441	1,933
Water (20 litre jerry can)						200
Sugar (1 Kg)	5,633	2,820	3,540	3,250	3,500	2,600