

## El Niño in Ethiopia Pulses Price Trends – December 2016

### Introduction

In this December 2016 Food Price Brief, the AKLDP analyzes nominal Ethiopia Grain Trade Enterprise (EGTE) price data for pulses from December 2014 to December 2016. As mentioned in previous Food Price Briefs, pulses provide an important source of protein for poorer households that cannot afford sources of animal protein. Consequently, pulse price trends serve as a proxy indicator for the quality of household diet for poorer households – when pulse prices are high, poorer households typically eat fewer pulses and therefore daily protein intake is reduced.

### Pulse prices

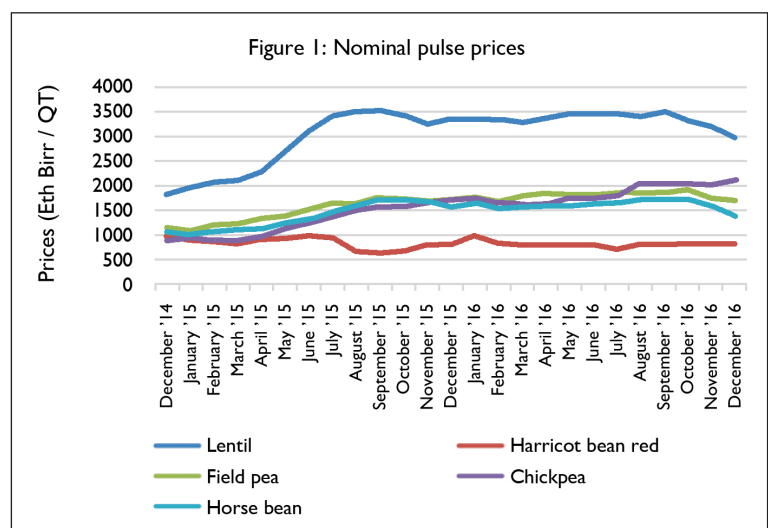
With the exception of haricot bean, price trends for pulses have been moving upward since December 2014, but with only a small increase in nominal aggregate pulse prices from December 2015 to December 2016 of 0.3%. The price increase narrowed in December, the result of a further price decline of 3.5%.

Disaggregated by crop, year-on-year pulse prices from December 2015 to December 2016 demonstrated variable trends. Some pulse prices showed increases: chickpea – by Eth birr 383, or 22%, per quintal; field pea – by Eth birr 27.5, or 2%, per quintal; and haricot bean – by Eth birr 6.8, or 1%, per quintal. In contrast, year-on-year prices for horse bean and lentil declined – by Eth birr 188, or 12%, per quintal and by Eth birr 384, or 11%, per quintal respectively. While lentil prices peaked in September 2016, and have subsequently eased, these still remained substantially higher than the prices of horse bean, field pea, and chickpea, and almost three times higher than those of haricot bean (see Figure 1).

Month-on-month prices from November to December 2016 confirmed a nominal aggregate pulse price decrease of 3.5%. Disaggregated by crop, November to December 2016 prices fell as follows: for horse bean, lentil, field pea, and haricot bean by Eth birr 199 (12.5%) per quintal, Eth birr 211 (6.5%) per quintal, Eth birr 37.5 (2.2%) per quintal, and Eth birr 5.5 (0.7%) per quintal respectively. The largest price declines were observed for horse bean in: Hosaena, SNNP region; Nekempt, Oromia region; Bahir Dar and Gonder, Amhara region; and Jimma, Oromia region. Prices fell by Eth birr 412 (24%) per quintal, Eth birr 416.5 (23%) per quintal, Eth birr 357 (19%) per quintal, Eth birr 325 (18%) per quintal, and Eth birr 296 (17%) per quintal respectively in these locations. The price of lentil also fell, with the largest decrease in Gondar, Amhara, by Eth birr 414, or 12%, per quintal. These price decreases were attributed to the onset of the 2016/ 2017 meher harvest. On the contrary, the price of chickpea increased by Eth birr 96, or 4.8%, per quintal.

### Market trends

As mentioned in previous Food Price Briefs, the long-term pulse price trend is driven by a combination of domestic and international factors. On the domestic front, factors include a reduction in the area of land planted to pulses – as more



land is taken into cereal production – resulting in a restricted supply, coupled with the 2015 El Niño drought, from which production and productivity (and hence prices) are only now recovering. Internationally, pulse price trends are driven by the level of demand, in particular by India – which is typically the largest pulse importer in the world.

### **Conclusion**

Following two years of largely upward price trends, pulse prices are now easing following the onset of the 2016/17 *meher* harvest. However, it is as yet too early to tell what the final price fall will be and what effect these price decreases will have on farm-gate prices – and hence farmer income. Easing prices will nevertheless be welcomed by urban dwellers, in particular those in poor and very poor socioeconomic groups that are dependent on pulses as their primary source of dietary protein.

### **Disclaimer**

The views expressed in this Food Price Brief are those of the AKLDP project and do not necessarily reflect the views of USAID or the United States government.