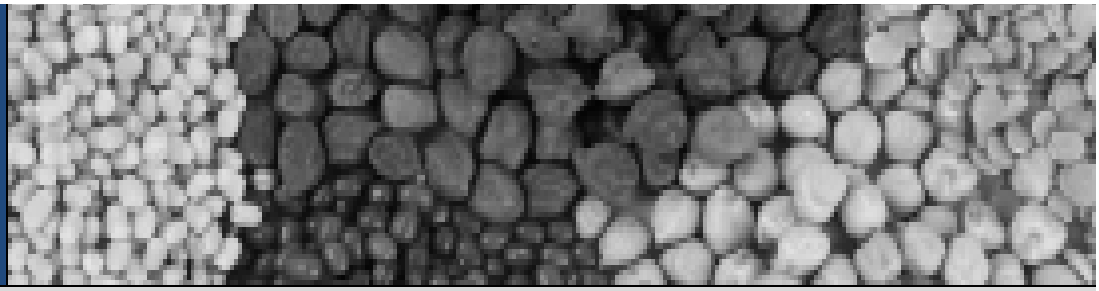
Agriculture Knowledge, Learning Documentation and Policy (AKLDP) Project, Ethiopia

Food Price Brief
July 2016



El Niño in Ethiopia

Pulses Price Trends - June 2016

Introduction

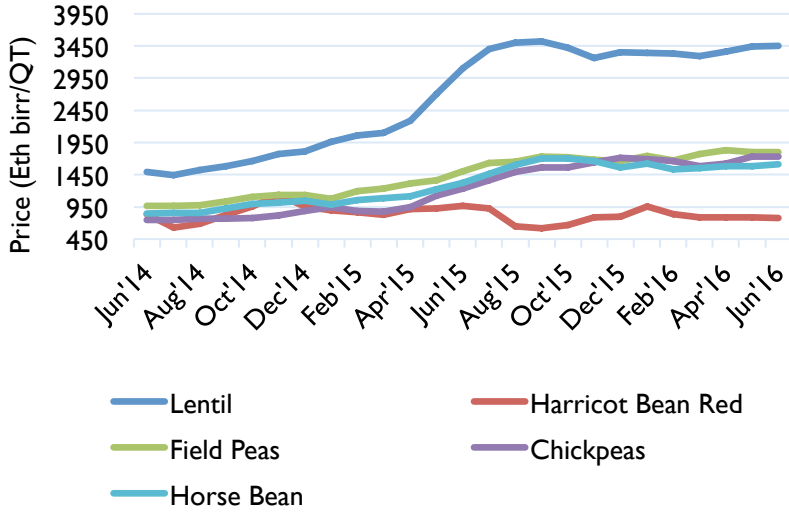
In this May 2016 Food Price Brief the AKLDP analyses nominal Ethiopia Grain Trade Enterprise (EGTE) price data for pulses from June 2014 to June 2016. As has been mentioned in previous Food Price Briefs, pulses play an important role in household food security being an important protein source in particular for poorer households who cannot afford animal protein source. Pulse price trends hence serve as a useful 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

Since June 2014 the price trends for almost all pulses have been upward. For example, year-on-year pulse prices from June 2015 to June 2016 have increased by 14.7%.

Disaggregated by crop, year-on-year prices to June 2016 have shown significant price increases for chick pea, horse bean, field pea and lentil of 40%, 22%, 20% and 11% respectively. The exception was the price of haricot bean that decreased by 15% in the same period. Haricot bean is by far the cheapest pulse in Ethiopia (see Fig. 1). As can also be seen, the price of lentils remains almost double the other pulses.

Figure 1: Nominal Pulse Prices



Month-on-month prices to June 2016 continued the upward price trend although with a very modest average aggregate nominal price increase of 0.2%, for all pulses. Disaggregated crop, month-on-month prices increased by 2%, 0.5%, 0.3% and 0.1% for horse bean, chick pea, lentil and field pea respectively. In the same period, the prices of haricot bean declined by 1.7%.

As mentioned in previous 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 failed spring *belg* and erratic and poor summer *kiremt* rains that resulted in poorer than normal 2016 *belg* and *meher* harvests. Internationally, pulse price trends are driven by the level of demand, specifically if India – typically the largest pulse importer in the world – is purchasing on international markets, as has been the case.

Conclusion

Pulses play an important role in household food security as they typically offer an affordable protein source for poorer households. While therefore high pulse prices may benefit surplus producers, high pulse prices will

inevitably result in reduced protein intake in poorer households. From a nutritional perspective therefore, the continued high pulse of prices in Ethiopia remains problematic and every effort must be made to ensure that emergency and Productive Safety Net Program (PSNP) food transfers include adequate amounts of pulses at least until the next *meher* harvest when fresh locally grown pulses can be expected to reach the market.