



## El Niño in Ethiopia Pulses Price Trends to January 2016

### Introduction

In January 2016 the AKLDP reported on [cereal and pulse price trends](#) in Ethiopia. In this Food Price Brief the AKLDP analyses nominal [Ethiopia Grain Trade Enterprise price data](#) for pulses from March 2014 to the end of January 2016. Pulses play an important role in household food security, being an important protein source in particular for poorer households who cannot afford animal source protein. Pulse price trends hence serve as a useful proxy indicator for the quality of household diet for poorer households.

### Pulse Prices

Since March 2014 the price of pulses has increased significantly for almost all pulse crops. The exception is haricot beans, the cheapest pulse, which remained stable overall during this period but with a notable 21% month-on-month price increase from December 2015 to January 2016. The dramatic price increase is attributed to a substitution effect, with consumers switching away from the more expensive pulses towards the relatively cheaper haricot beans. This said however, the overall yearly price increase on January 2015 prices is only 7%.

For other pulses, the December 2015 – January 2016 price changes are more modest. For field peas and horse beans, prices increased by 4.7% and 3.8%, while the prices of chickpeas and lentils actually declined by 1% and 0.2% respectively. However, year-on-year (January 2015 to January 2016) price increases for chickpeas, lentils, horse beans, and field peas were 79%, 70% 65% and 63% respectively. In addition, nominal prices of pulses – with the exception of haricot beans – is considerably higher than the March 2014 starting point by 140%, 132%, 106% and 84% respectively.

As mentioned in AKLDP's January Price Brief, prices of pulses are being 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. Domestic supply has been further restricted by the failed spring *belg* and erratic and poor summer *kiremt* rains and associated harvests. Globally, a poor harvest in India - the largest pulse importer in the world - has resulted in increased international demand that has placed further pressure on prices.

### Conclusion

Pulses play an important role in household food security as they typically offer an affordable protein source. While high pulse prices benefit surplus producers, rising pulse prices can be expected to result in reduced protein intake, in particular for poorer households. Recent increases in haricot bean prices are noteworthy and a cause for some concern - the price of the cheapest pulses has increased by 21% in month-on-month prices to January 2016. If this price trend increases the price of all pulses may be beyond the purchasing power of poorer households.

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### Disclaimer

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