



## El Niño in Ethiopia

### Wheat and Teff Price Trends – May 2014 to May 2016

#### Introduction

This Food Price Brief analyses nominal Ethiopia Grain Trade Enterprise (EGTE) price data for wheat and teff from March 2014 to May 2016. Wheat and teff are typically the staple cereals of urban population and better-off rural households. In urban areas, teff is consumed by both richer and poorer households.

#### Wheat Price Information

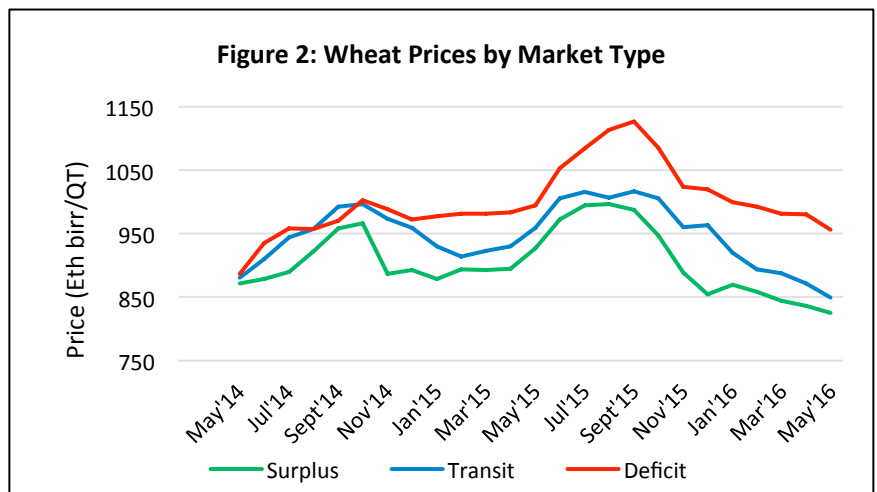
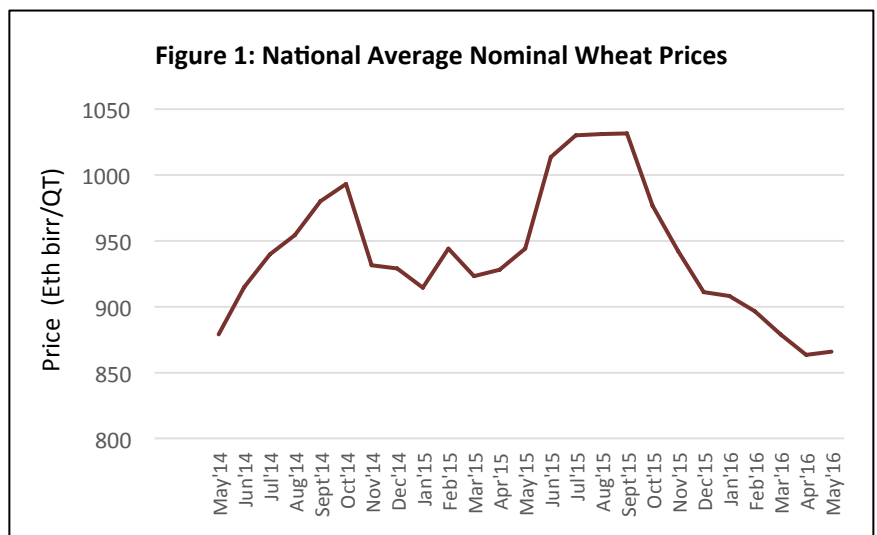
In the period October 2015 to May 2016, average nominal wheat prices fell by Eth birr 111/quintal or 11.4%, while year-on-year nominal wheat prices to May 2016 declined by 8%. In contrast, nominal month-on-month wheat prices to May 2016 showed a slight price increase of Eth birr 2.3/ quintal or 0.3% (see Fig. 1).

Disaggregated market price information for 20 markets in May 2016 confirms price declines in 13 markets, price increases in 4 markets and constant prices in 3 markets. The biggest price declines were recorded in Mekele, Tigray Region and Bahir Dar, Amhara Region by 4.8% of 3.9% respectively, while the highest price increase was recorded in Debre Markos, Amhara Region of 2.2%.

Further analysis by market type – surplus, transit and deficit markets – confirms month-on-month aggregate wheat price declines of 1.3%, 2.6% and 2.4% to May 2016 and year-on-year aggregate wheat price declines of 11%, 12% and 4% (see Fig. 2).

Nominal wheat price declines from September on solely the result of the onset of the 2015 *meher* harvest but have been accelerated by a combination of the poor quality and an increase in government and international development partner wheat imports.

As Ethiopia's 'hungry season' approaches it remains to be seen whether imports will continue to be adequate to maintain stable wheat prices.



## Teff

Teff is the most prized of Ethiopia's cereals, with white teff the most expensive followed by mixed and red teff respectively.

Nominal average teff prices started to rise in January 2015 and overall, continued upwards through to May 2016. In this period, nominal average teff prices increased by Eth birr 448 or 34%. Month-on-month teff prices to May 2016 increased by Eth birr 78 or 4.6% (see Fig 3).

Disaggregated market price information for 18 markets in May 2016 confirms price increases in 18 major markets, while prices fell in 2 markets. The biggest price increases were recorded in Ehel Berenda, Addis Ababa and Hoseana, SNNP Region by 8.5% and 8.4% respectively. Prices fell in Nazaret and Shashemane, Oromia Region by 0.5% and 2% respectively.

Further analysis by markets type – surplus, transit and deficit – confirms month-on-month aggregate teff price increases to May 2016 of 3.6%, 2.5% and 3% respectively, with year-on-year price increases of 24%, 23%, and 30% respectively (see Fig. 4).

If as expected teff prices continue to increase to the onset of the 2016 *meher* harvest in September and October, poorer households will be forced to purchase less expensive mixed and red teff, eat fewer teff-based meals each day or to switch to other cereals.

## Conclusion

Wheat and teff are major staple food crops for the urban and wealthier rural households. In contrast to normal years the prices of the two crops have diverged with wheat prices falling while teff prices have increased. As a result, the price of teff is almost double the price of wheat. As mentioned, this is the result of the El Niño drought that resulted in poorer quality local wheat and increased government and international development partner wheat imports to stabilize prices and to support increased food assistance. As more imports are expected, the prices of wheat and teff can be expected to continue to diverge, at least until the onset of the 2016 *meher* harvest.

Figure 3: National Average Nominal Teff Prices

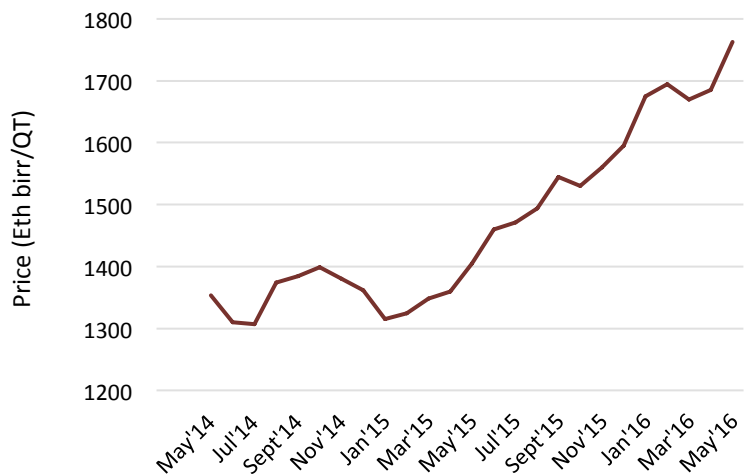
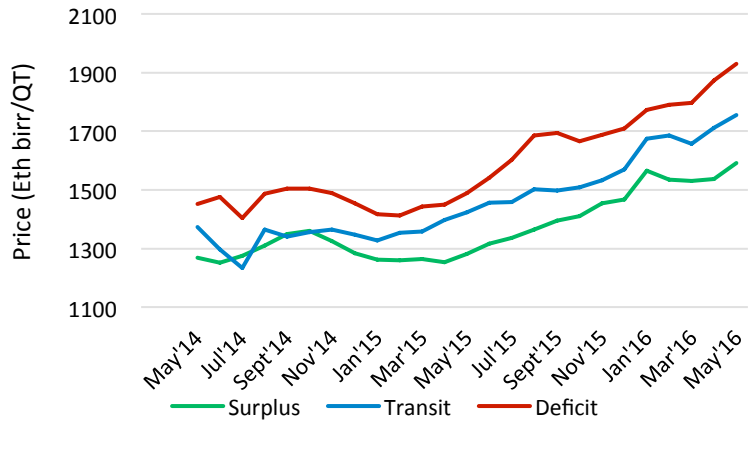


Figure 4: Teff Prices by Market Type



## Disclaimer

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