Ethiopia | Joint Market Monitoring Initiative (JMMI)

MARKET OVERVIEW

05 - 14 August, 2024

INTRODUCTION

The aim of the Ethiopia JMMI is to provide regular and reliable information on prices and market functionality through the use of harmonised tools and validated analysis. The Ethiopia JMMI is a joint exercise led by REACH in close collaboration with Ethiopia Cash Working Group (ECWG) members. This initiative aims to collaboratively develop an evidence base for the wider use of cash and voucher assistance (CVA), as well as facilitate discussions of changes in critical market dynamics, which are an integral part of cash feasibility considerations.

With a uniform methodology, ECWG members collect data from their respective areas of operation on a voluntary basis. The geographical coverage of the exercise depends on the ability of ECWG members to consistently collect data and thus the coverage varies from month to month.

Data has been collected using key informant interviews (KIIs) in woreda capitals. A minimum of three vendors were interviewed for each assessed commodity in each woreda. For commodity prices and stock levels, the median prices/stock levels are calculated for each item within each assessed woreda. The national and regional median prices are aggregated results of the woreda median prices.

KEY INDICATORS

Median Cost of JMMI Full Basket

12,273.77 ETB

164.22 USD*

▲ 63 ETB +1%

Median Cost of JMMI Food Basket

11,733.77 ETB

156.99 USD*

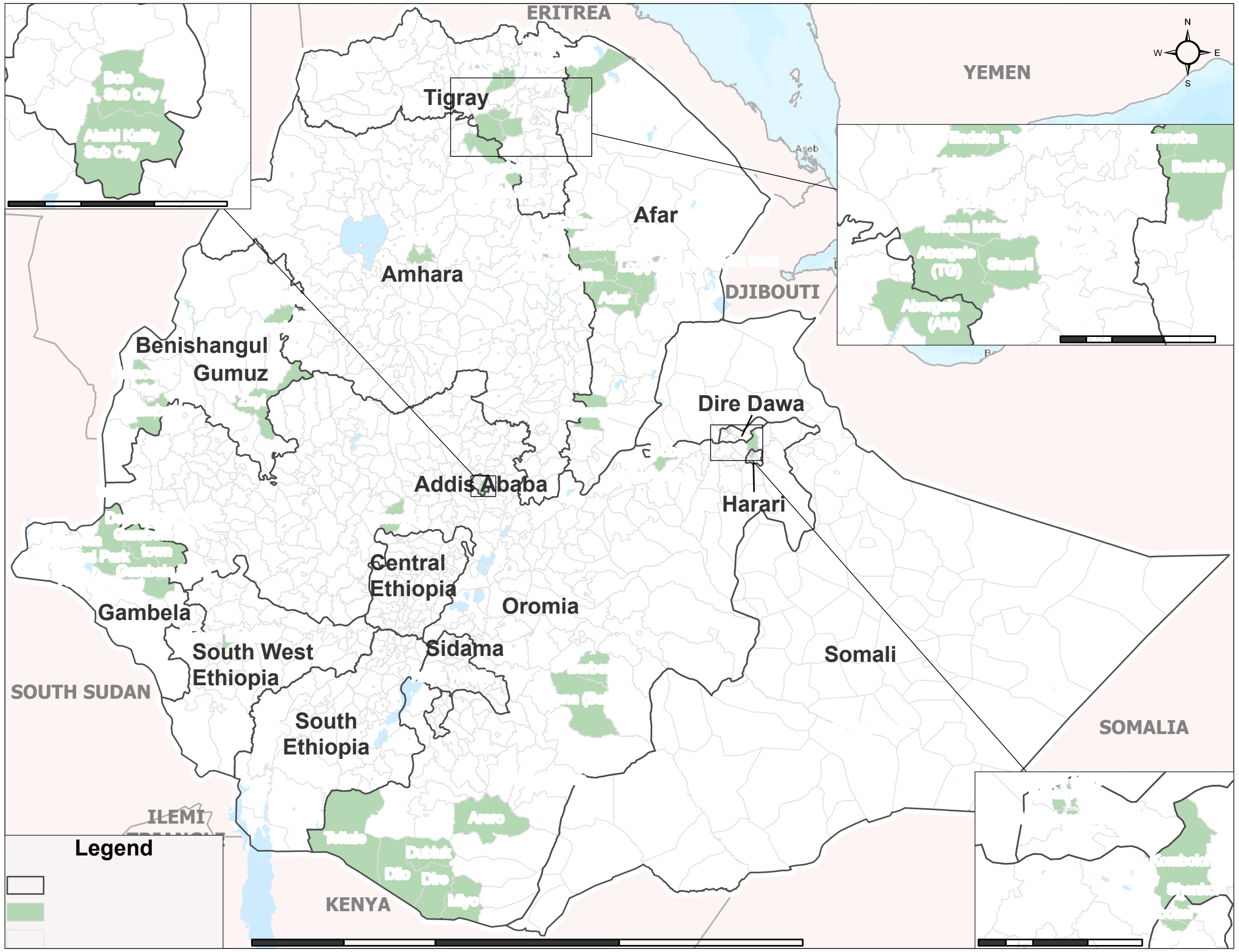
Median Cost of NFI Basket

540.00 ETB

7.23 USD*

▲ 15 ETB +3%

Map 1: Assessed Marketplaces, By Woreda



Key Messages

- Despite a macroeconomic policy reform, the cost of the national JMMI full basket only experienced a 1% increase. The government of Ethiopia introduced a reform on macroeconomic policy on 28 July 2024. This policy addressed exchange rate reforms, structural reforms, and fiscal consolidation.[1] Particularly, the rising exchange rate could be a contributing factor for the increase in prices of basic food and non-food commodities in the upcoming month as reported by vendors to this assessment. However, the impact of this policy might not be observed in the short run as the government enforces tight control on prices of commodities to reduce the negative effect of the reform. Additionally, the data collection commenced on the first week of August so this round may not show the full picture of the impact of the reform.
- The Market Functionality Score (MFS) findings indicated that 25% of the assessed markets experienced issues in August. More specifically, availability and resilience were the lowest-scoring dimensions across the assessed woredas, which makes CVA implementation highly unlikely. This is likely due to limited funds for traders identified in this assessment.
- The frequent fluctuation in basket costs and prices of individual commodities is likely caused by supply chain disruptions and below average staple crops production due to the conflict in Amhara and Oromia regions, and drought in some parts of the country.[2]

1. National Bank of Ethiopia (NBE), the NBE Announces a Reform of the Foreign Exchange Regime with Immediate Effect (2024).
2. World Bank Group (WB), Ethiopia - Climatology - Climate Change Knowledge Portal (2024).

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Market Functionality Score (MFS)

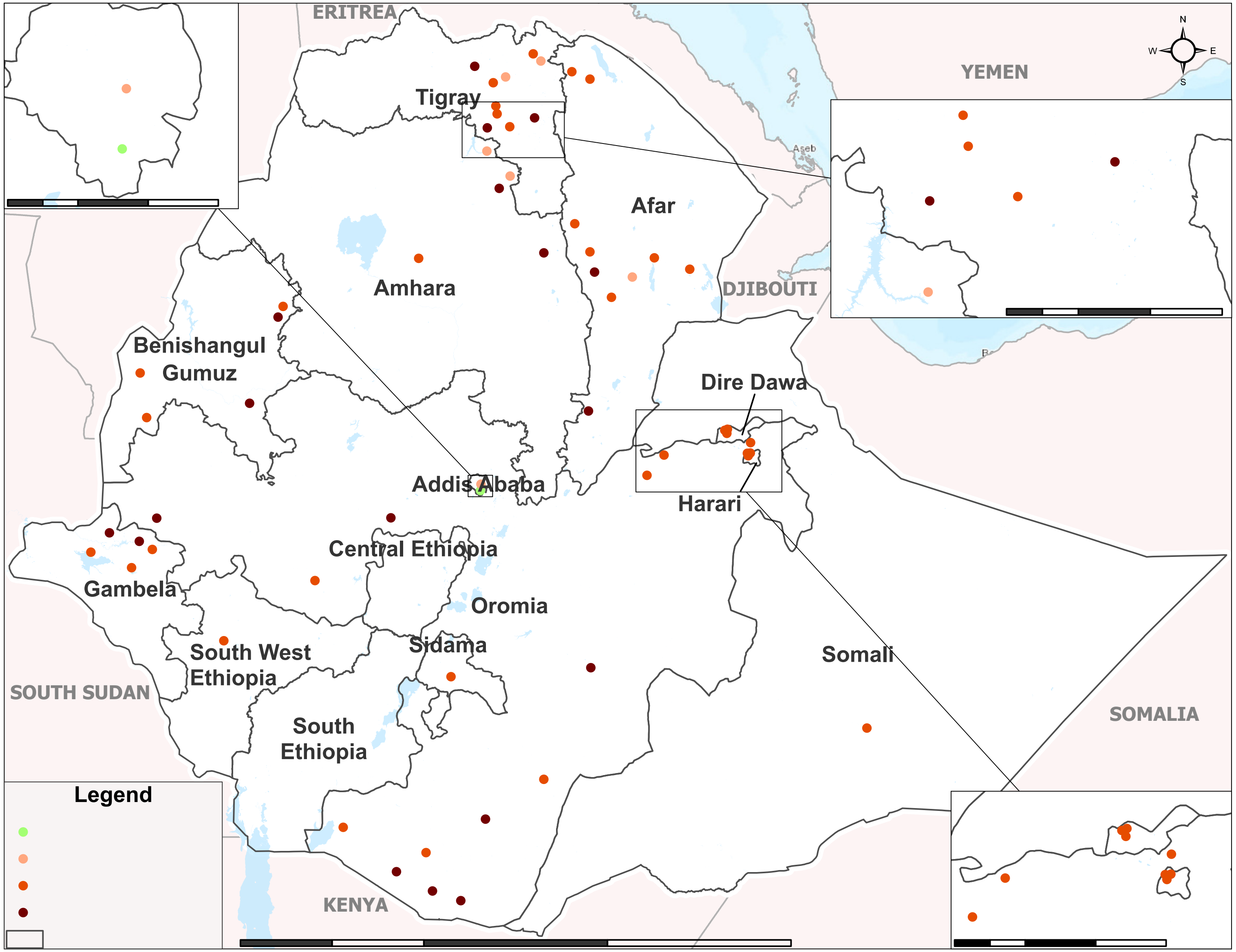
The Market Functionality Score (MFS) is a method of classifying markets based on their level of functionality, helping aid actors understand which markets function well enough to support cash and voucher assistance (CVA) and which may require alternative interventions. The MFS is divided into five dimensions:

- **Accessibility (25%):** physical and social access to markets
- **Availability (30%):** ability of markets to consistently supply core commodities
- **Affordability (15%):** financial access to markets and price volatility
- **Resilience (20%):** vulnerability of supply chains and ease of restocking
- **Infrastructure (10%):** state of markets' physical and financial infrastructure

Key Findings

- A fourth (25%) of the markets experienced severe market functionality issues in August, while 65% reported poor functionality.
- In August, the highest rate of markets with severe market functionality issues were reported in Oromia (46%), Amhara (40%), and Tigray (30%). These regions were also reported to have the highest rate of markets with severe issues in July at 76%, 60% and 75%, respectively.
- 94% of the market places assessed in August reported availability issues.
- In August, resilience issues were observed in 88% of assessed markets, the situation was particularly severe in Dire Dawa, Harari, and Oromia, where 100% of markets faced these issues.

Map 2: Market Functionality Score (MFS), By Woreda



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JMMI Basket

The JMMI full basket is a set of food and hygiene items that represent some of the core monthly expenditures incurred by an average Ethiopian household (6 persons) in an average month (30 days). The food basket is designed to incorporate different sets of four staple crops in each region in order to reflect consumption patterns in the regions while the NFI basket consists of two hygiene items. The JMMI basket is based in part on the Ethiopia Cash Working Group's effort to develop a Minimum Expenditure Basket (MEB) for the Somali region in 2020[3], it is not a complete MEB itself and does not reflect the full spectrum of regular household expenditures in Ethiopia. It can, however, be tracked over time to understand how household financial burdens are evolving.

Food Items

Cereals & root crops (maize, sorghum, wheat, teff, Barley, rice & enset)	72 kg	Tomatoes	5 kg
Meat	2.7 kg	Potatoes	3 kg
Green leafy vegetables	5 kg	Onions	5 kg
		Egg	18 pieces
		Cooking oil	5.86 L

Non-Food Items

Bath soap	0.375 kg (3* 125g bars)
Laundry soap	1.2 kg (6* 200g bars)

USD/ETB official exchange rate[4]

74.74 ETB

Food basket composition according to regional consumption patterns:

Beef	Addis Ababa, Amhara, Benishangul Gumuz, Gambela, Oromia, South Ethiopia, Harari, Dire Dawa, Sidama, SWE[5]
Beef and goat meat	Afar
Camel and goat meat	Somali
Maize, sorghum, teff, wheat	Addis Ababa, Gambela, Oromia, Amhara, Benishangul Gumuz, Harari, Dire Dawa
Maize, sorghum, wheat, rice	Somali
Maize, sorghum, teff, barley	Afar
Maize, teff, barley, enset	South Ethiopia, Sidama, SWE

Table 1: JMMI Full Basket Median Price Per Region

Region	Full basket median price in August	Full basket median price in August	Full basket median price in July (ETB)	Full basket median price in July (USD)	Change since July 2024
Addis Ababa	11,789.55	157.74			
Afar	12,985.88	153.32	11,278.30	196.48	▲ 15%
Amhara	11,418.13	146.95	10,769.75	187.62	▲ 6%
Benishangul Gumuz	11,274.73	146.98	10,081.00	175.62	▲ 12%
Dire Dawa	12,292.10	160.45	12,198.30	212.51	▲ 1%
Gambela	13,719.78	176.34	11,604.50	202.16	▲ 18%
Harari	10,075.70	130.39	9,923.20	172.87	▲ 2%
Oromia	9,220.73	119.16	9,652.60	168.16	▼ 4%
Sidama	11,185.59	145.65	12,966.30	225.89	▼ 14%
South Ethiopia					
Somali	11,588.28	151.03	13,618.25	237.24	▼ 15%
SWE	12,024.31	156.07	10,676.10	185.99	▲ 13%
Tigray	11,266.28	145.92	10,714.30	186.65	▲ 5%
JMMI full basket		12,273.77 ETB	164.22 USD[1]	▲ ETB 63	▲ 1%
JMMI food basket		11,733.77 ETB	156.99 USD[1]		

Key Findings

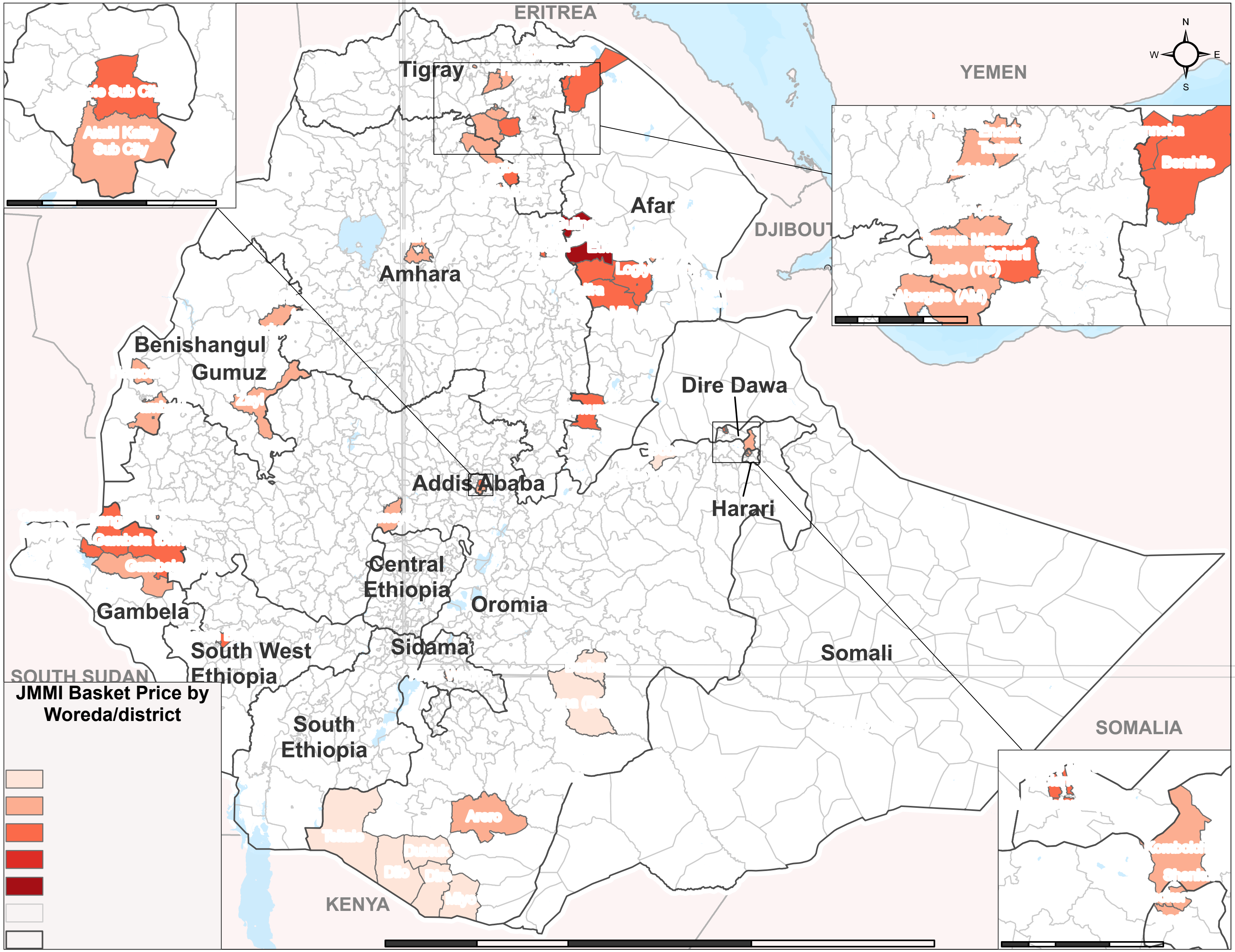
- Both the national JMMI full basket median prices increased by 1% between July and August 2024.
- In August, 8 of the 12 assessed regions experienced JMMI full basket median price increase.
- In August, the highest JMMI full basket median price increase was observed in Gambela (+18%) compared to the regional median price in July 2024.
- Compared to the price in August 2023, the national JMMI full basket median price increased by 38%.

3. Minimum Expenditure Basket for Somali Region Guidance Note, June 2020. Additional sources consulted to assemble the JMMI Basket include the Ethiopia Food Security and Water, Sanitation and Hygiene (WASH) sectors, World Food Programme (WFP) vulnerability analysis and mapping (VAM), and publications by the Global WASH Cluster, Famine Early Warning System Network (FEWS NET), and the Food and Agriculture Organization of the United Nations (FAO).

4. Exchange rates are taken from the United Nations (UN) Operational Rates of Exchange.

5. South West Ethiopia.

Map 3: Cost of JMMI Full Basket, By Woreda



All items listed under the shelter and education sections are not included in the JMMI basket. These items are assessed solely to inform humanitarian actors involved in CVA about the price evolution of the items.

- Among cereals, the prices of rice (+51%) and sorghum (+9%) were observed to have the largest increases since July 2024.
- Since July 2024, dry fish saw the highest increases (+8%) within the meat and fish category.
- Onions had the largest price increases (+13%) among the vegetables compared to the prices in July 2024.
- The prices of salt increased by 19% between July and August 2024.

Table 2: National and Regional Median Prices Per Item[6]

Item[7]	National change since July 2024	National	Addis Ababa	Afar	Amhara	Benishangul Gumuz	Dire Dawa	Gambela	Harari	Oromia	Sidama	South Ethiopia	Somali	SWE	Tigray
Cereals[8]															
Maize	▲ 2%	45	NA	72.5	55	35.25	80	60	55	40	40	NA	60	150	43
Sorghum	▲ 9%	60	NA	60	61.25	39.50	90	55	60	60			100	20	60
Teff	0	130	NA	140	122.5	160	135	140	120	100	120	NA		105	138
Wheat	▼ 6%	75	NA		75	105	90	167.50	85	53		NA	100	60	63.80
Barley	0	100		100							80				
Enset	▼ 33%	100									100	NA			
Rice	▲ 51%	200											200		
Pulses															
Garden peas	▲ 5%	115	NA	80	NA	115	NA	120	NA	80	NA	NA	NA	60	129.25
Faba beans	▲ 11%	100	NA	80	NA	90	NA	100	NA	100	NA	NA	NA	60	139
Lentils	0	160	NA	200	NA	125	NA	200	NA	140	NA	NA	150	50	142.50
Meat and Fish															
Beef[8]	▲ 3%	800	NA		800	750	800	850	600	676	800	NA		600	950
Goat meat[8]	0	600		600									300		
Camel meat[8]	▼ 23%	500											500		
Dry fish	▲ 8%	280						280							
Vegetables															
Green leafy[8]	▼ 20%	46.25	NA	80	90	72.50	NA	30	NA	20	42.50	NA	50	15	60
Tomatoes[8]	▼ 19%	65	NA	90	80	62.50	80	80	55	50	40	NA	70	40	50
Onions[8]	▲ 13%	90	NA	80	115	95	100	92.50	70	70	70	NA	60	45	100
Potatoes[8]	0	50	NA	60	60	50	50	50	30	32.50	25	NA	60	30	50
Okra	▼ 34%	72.50						72.50							
WASH															
Bath soap[8]	0	60	NA	50	62.50	52.50	40	95	40	58.75	60	NA	70	60	70
Laundry soap[8]	▲ 4%	60	NA	65	72.50	62.50	50	90	55	52.50	50	NA	50	60	60
Sanitary pads	▲ 8%	65	NA	60	65	90	NA	70	NA	62.50	50	NA	120	60	65
Water treatment	0	30	NA	30	NA	NA	NA	35	NA	NA	NA	NA	NA	150	10
Shelter															
Plastic bucket	▲ 9%	245	NA	250	255	NA	NA	255	NA	150	NA	NA	NA	100	245
Washing basin	▲ 5%	241.25	NA	325	255	NA	NA	230	NA	270	NA	NA	NA	150	215
Education															
Exercise book	▲ 31%	66.25	NA	85	67.75	NA	NA	67.50	NA	75	NA	NA	NA	50	NA
Pen/pencil	0	20	NA	25	25	NA	NA	25	NA	25	NA	NA	20	25	15
Rubbers	0	15	NA	30	5	NA	NA	20	NA	15	NA	NA	15	15	10
Rulers	0	30	NA	15	65	NA	NA	50	NA	30	NA	NA	30	15	22.50
Other															
Cooking oil[8]	▲ 19%	250	NA	262.50	280	260	220	275	220	250	280	NA	150	160	250
Milk	0	100	NA	80	50	NA	NA	105	NA	65	NA	NA	100	100	90
Eggs[8]	0	15	NA	15	10	12	14	20	13	10	8.5	NA	NA	12	15
Salt	▼ 13%	35	NA	30	50	70	NA	40	NA	31.25	NA	NA	50	30	35

6. The blank spaces represent the item is not part of the basket in that region.
7. In August 2024, prices for pulses were not collected in Dire Dawa, Harari and Sidama. Similarly, green leafy vegetables, milk, salt, sanitary pads, water treatment, education and shelter items prices were not collected in Dire Dawa, Harari, Sidama and South Ethiopia, which could have likely affected the monthly price change reported in Table 1 and Table 2.
8. These items are included in the JMMI basket. The remaining items are monitored monthly, but not included in the basket.

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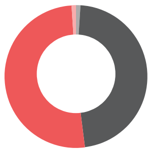
REPORTED PREDICTED CHANGE IN PRICE OF FOOD ITEMS

% of vendors reporting predicted price changes for food items in the 30 days following data collection:



1%	Decrease
47%	Stay the same
51%	Increase
1%	Don't know
0%	Don't want to answer

Out of those vendors predicting an increase in food prices, the most frequently cited reasons were[9]:

1	89%	Rising exchange rate
2	21%	Roads blockage
3	17%	Vendors cannot access markets

REPORTED PREDICTED CHANGE IN PRICE OF NON-FOOD ITEMS

% of vendors reporting predicted price changes for hygiene items in the 30 days following data collection:

0%	Decrease
46%	Stay the same
54%	Increase
0%	Don't know
0%	Don't want to answer

Out of those vendors predicting an increase in non-food item prices, the most frequently cited reasons were[9]:

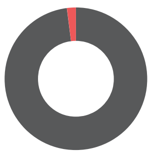
1	90%	Rising exchange rate
2	17%	Customers running out of these items
3	10%	Vendors cannot obtain these items

LOCATION OF MAIN SUPPLIERS FOR FOOD ITEMS

68% of vendors reported that their main supplier of food items was located in the same woreda.

32% of vendors reported that their main supplier of food items was not located in the same woreda as them.

Original location of suppliers, by % of suppliers whose main food items suppliers were outside the woreda:



98%	Domestic
2%	International

Location of suppliers, by % of vendors whose main food items suppliers were outside the woreda[9]:

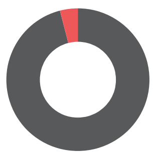
29%	Oromia
19%	Amhara
18%	Tigray
14%	Gambella
4%	SWE

LOCATION OF MAIN SUPPLIERS FOR NON-FOOD ITEMS

52% of vendors reported that their main supplier of NFIs was located in the same woreda.

48% of vendors reported that their main supplier of NFIs was not located in the same woreda as them.

Original location of suppliers, by % of suppliers whose main NFI suppliers were outside the woreda:



96%	Domestic
4%	International

Location of suppliers, by % of vendors whose main NFI suppliers were outside the woreda[9]:

27%	Gambella
25%	Tigray
15%	Oromia
11%	Amhara
8%	Addis Ababa

9. Percentages do not add up to 100% as vendors were allowed to give multiple answers.

DIFFICULTIES IN MEETING DEMAND AND TRANSPORTING OR PROCURING SUPPLIES

34% (n= 113) of food items vendors reported having faced difficulties obtaining enough food items to meet demand in the 30 days prior to data collection.

The three most frequently cited reasons for shortage of food items supply were[9]:

1. 56% (n=63) Not enough money
2. 29% (n= 55) Not enough credit
3. 27% (n= 31) Producers producing less

25% (n= 25) of NFI vendors reported having faced difficulties obtaining enough NFIs to meet demand in the 30 days prior to data collection.

The three most frequently cited reasons for shortage of NFIs supply were[9]:

1. 56% (n=14) Not enough money
2. 41% (n= 10) Not enough credit
3. 27% (n= 7) Increased demand

BARRIERS TO MARKET ACCESS FOR CUSTOMERS

Customer groups that were reported to have faced difficulties visiting markets in the 30 days prior to data collection, by proportion of vendors (e.g., due to movement restrictions)[9]:

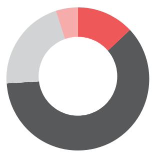
1. 8% Women
2. 7% Children
3. 3% Chronically ill people

Proportion of the vendors reporting having observed or heard of any safety or security incidents in their market place in the 30 days prior to data collection.

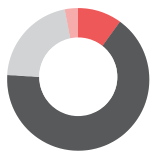
1. 11% Curfew
2. 9% Fear of looting
3. 9% Fear of violence
4. 9% Fear of robbery

CHANGE IN NUMBER OF CUSTOMERS AND VENDORS

Proportion of vendors reporting perceived changes in the number of customers coming to their shop as compared to previous month:



Proportion of vendors reporting perceived changes in the number of active traders in their marketplace as compared to previous month:



TYPES OF PAYMENT MODALITIES

Proportion of vendors reporting accepting different types of payment in the 30 days prior to data collection[9]:

1. 90% Cash (ETB)
2. 20% Mobile transfer
3. 14% Mobile money

9. Percentages do not add up to 100% as vendors were allowed to give multiple answers.

Table 3: Availability of Items in the Market, Available Stock and Time Needed to Restock in August 2024[10]

Item	Availability			Stock and Restock	
	Available (% KIs)	Limited Available (% KIs)	Not available (% KIs)	Days stock available	Days needed to restock
Cereals					
Maize	54%	34%	6%	20	4
Sorghum	34%	42%	12%	18	4
Teff	55%	33%	7%	15	3
Wheat	39%	35%	17%	15	3
Barley	33%	26%	28%	15	3
Enset	9%	9%	49%	3	2
Rice	29%	27%	33%	3	1
Pulses					
Garden pea	100%	0%	0%	6	3
Faba bean	100%	0%	0%	7	3
Lentils	100%	0%	0%	6	3
Meat and Fish					
Beef	58%	24%	12%	2	1
Goat meat	100%	0%	0%	1	1
Camel meat	100%	0%	0%	1	1
Dry fish	87%	4%	0%	3	3
Vegetables					
Green leafy	75%	16%	9%	2	1
Tomatoes	76%	20%	4%	3	2
Onions	76%	22%	2%	5	2
Potatoes	76%	26%	2%	5	2
Okra	82%	14%	0%	2	1
WASH					
Bath soap	74%	17%	6%	15	2
Laundry soap	69%	21%	7%	15	2
Sanitary pads	60%	18%	11%	20	2
Water treatment	31%	12%	43%	5	2
Shelter					
Plastic bucket	52%	17%	23%	15	2
Washing basin	50%	15%	28%	14	3
Education					
Exercise book	64%	20%	10%	17	2
Pen/pencil	65%	19%	12%	15	2
Rubber	50%	17%	24%	15	2
Ruler	48%	19%	26%	20	2
Other					
Cooking oil	58%	36%	3%	11	3
Milk	29%	32%	26%	1	1
Egg	54%	27%	13%	5	2
Salt	64%	24%	7%	15	3

- All interviewed retailers reported 100% availability of garden peas, faba beans, lentils, camel meat, and goat meat in August 2024.
- In August 2024, limited availability was reported for sorghum (42%), cooking oil (36%), wheat (35%), and teff (33%). Limited availability of wheat (35%) and sorghum (34%) were also reported for the previous month.

10. Red numbers in this table flag the rate of unavailability of items.

Methodology

JMMI data is collected in the form of key informant interviews (KIIs), with retailers in target markets serving as the key informants (KIs). KIs were asked for information encompassing the 30 days prior to data collection. Findings represent KIs' understanding of the situation in their markets and therefore are indicative only.

A woreda's largest urban market place(s) devoted to retail is/are prioritised for data collection, with expansion to rural areas depending on the availability of contributing partners. For the purposes of the Ethiopia JMMI, a market place is defined as an area with a relatively sizable concentration of traders in close proximity to each other. Within each target market place, field teams are responsible for identifying a sufficient number of traders to interview those who sell directly to consumers, who sell at least one item of that region's JMMI Basket and who are patronised by average consumers in the area. Field teams aim to collect a minimum of three prices per assessed item per assessed woreda.

Once data has been collected, it is uploaded to a secure KoBo server for cleaning and analysis. As the data is collected at the KI level, the following steps are undertaken to aggregate the trader level data to the location level:

- Availability is defined categorically (available, limited, unavailable) for each item
- Commodity prices and stock levels are collected from individual traders and median prices/stock levels are calculated for each item within each assessed woreda
- National and regional medians are then calculated using a "median of medians" approach, i.e. by calculating a new median from all woreda-level medians
- All vendors are asked about their ability to restock and whether a trader has restocked in the last month. If any given trader states they are able to restock an item or, if at least one trader restocked in the last month, respectively, then those abilities are assumed for that woreda.

Data collection for this round took place between 5 and 13 August 2024. In August, 20 of the Ethiopia Cash Working Group (CWG) JMMI partners conducted a total of 529 KIIs. This round covered 129 market places, which were sampled by partners nationwide based on their access and existing areas of intervention. This round includes 60 out of 1142 woredas in Ethiopia.

Challenges and limitations

- The Central Ethiopia and South Ethiopia regions were not assessed due to the unavailability of data collection partners.
- In August 2024, prices for pulses were not collected in Dire Dawa, Harari and Sidama. Similarly, green leafy vegetables, milk, salt, sanitary pads, water treatment, education and shelter items prices were not collected in Dire Dawa, Harari, Sidama and South Ethiopia, which could have likely affected the monthly price change reported in Table 1 and Table 2.
- The JMMI methodology specifies that three prices should be collected per commodity, per woreda. For this round of data collection, less than three prices were collected per woreda for faba beans, lentils, plastic buckets, rubbers, rulers, washing basins and water treatment items.
- All findings are indicative and not statistically generalisable at any level.

About the CWG

The Ethiopia Cash Working Group (ECWG) is a forum of technical professionals dedicated to enhancing the quality of CVA. Established in 2016, the ECWG serves as an inter-agency and inter-sectoral platform providing strategic and technical support on cash programming across sectors and clusters, social-protection mechanisms and development and resilience-based response. The CWGs support includes both technical functions that focus on process and strategic functions that focus more on results and impact.

Participating agencies

- ACF – Action Contre le Faim
- AIE – Action Aid Ethiopia
- Ayuda en Acción Ethiopia
- CARE
- Caritas Switzerland
- DCA – Danish Church Aid
- DRC – Danish Refugee Council
- EECMY DASSC
- IRC – International Rescue Committee
- Mercy Corps
- NRC – Norwegian Refugee Council
- Oxfam
- SCI – Save the Children
- Welthungerhilfe
- WVI – World Vision International

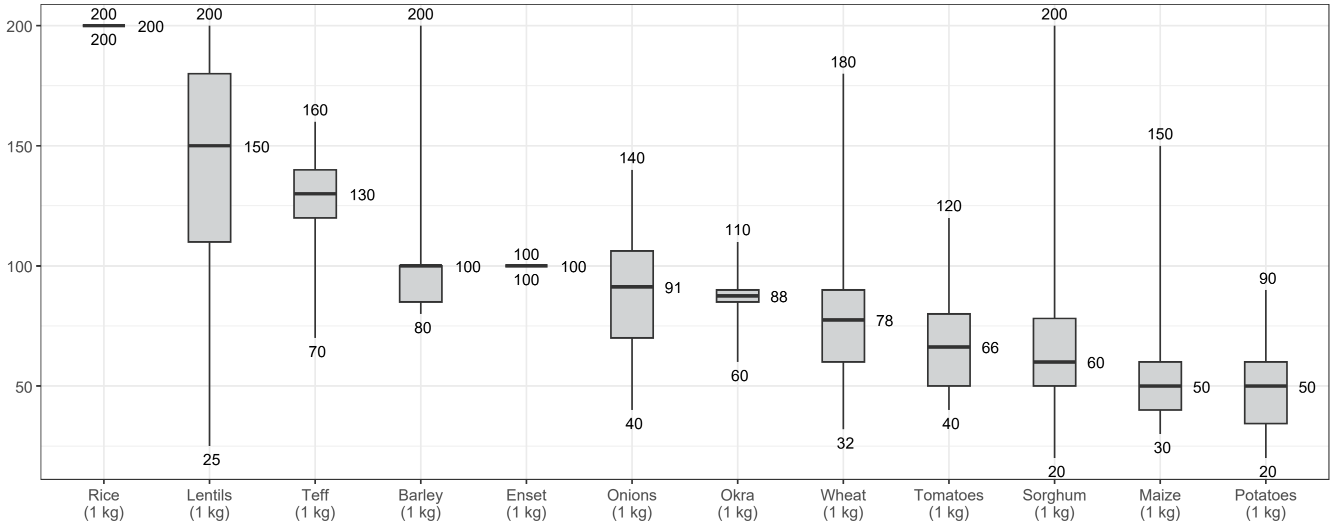
15	Participating agencies
12	Assessed regions
60	Assessed woredas
529	Key informant interviews (KIIs)
34	Commodities assessed

About REACH

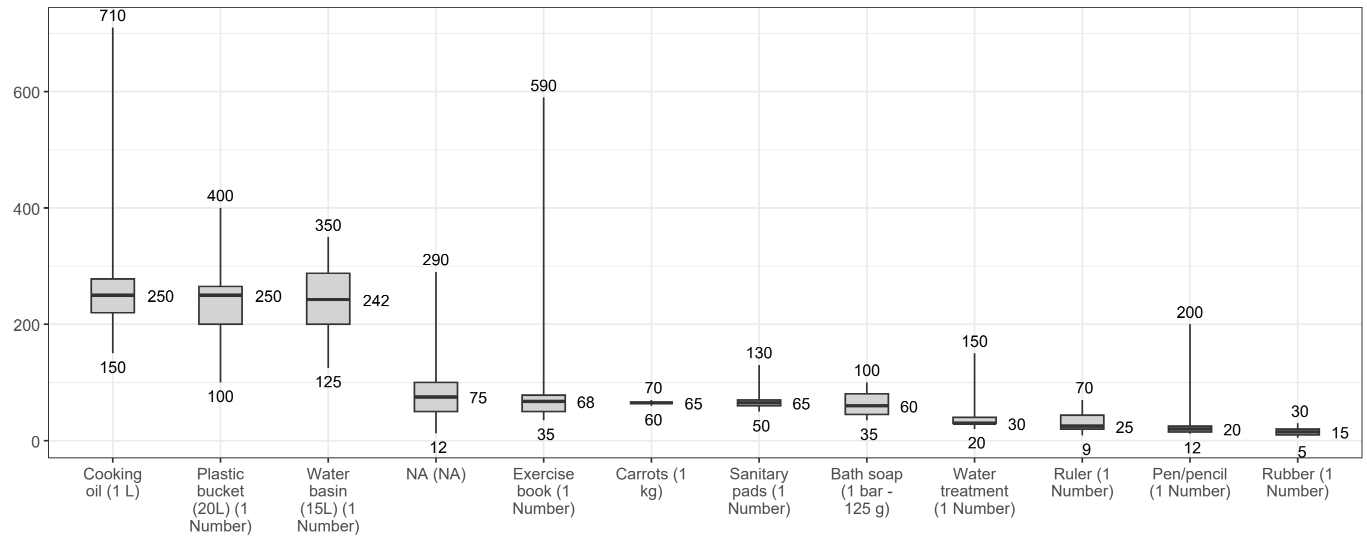
REACH Initiative facilitates the development of information tools and products that enhance the capacity of aid actors to make evidence-based decisions in emergency, recovery and development contexts. The methodologies used by REACH include primary data collection and in-depth analysis, and all activities are conducted through inter-agency aid coordination mechanisms. REACH is a joint initiative of IMPACT Initiatives, ACTED and the United Nations Institute for Training and Research - Operational Satellite Applications Programme (UNITAR-UNOSAT).

ANNEX 1: Distribution of Prices

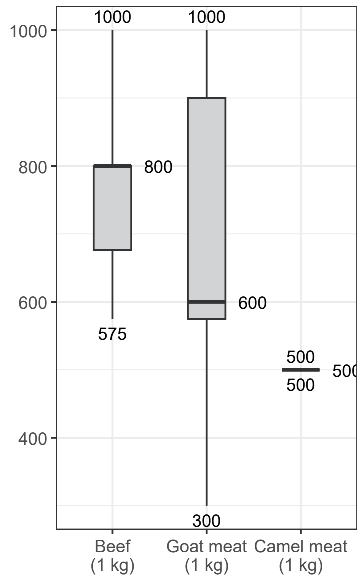
Food Items



NFIs



Meat and Fish Items



Other Food Items