KENYA COVID-19 MARKET MONITORING INITIATIVE IN NAIROBI INFORMAL SETTLEMENTS

July 2020

BACKGROUND

The total number of positive COVID-19 cases in Kenya stands at 17,975 as of 27 July 2020. The government of Kenya has enforced strict social distancing measures, temporarily shut down venues for large public gatherings and movements and limited movement within the Nairobi metropolitan area. These measures, while necessary from a public health perspective, are already having strong negative effects on some of the market systems on which vulnerable populations in Nairobi depend.

To understand the market systems and inform humanitarian programming in light of COVID-19, IMPACT Initiatives, in coordination with Oxfam, Concern Worldwide, ACTED, the Kenya Red Cross, Wangu Kanja Foundation and Centre for Rights Education and Awareness (CREAW), conducted a joint market monitoring exercise in Gatina, Gitare-Marigo, Kibera, Korogocho, Kayole, Lunga Lunga, Majengo, Mathare, Mukuru and Soweto informal settlements in Nairobi County between 21 and 23 July 2020. This was the second market monitoring assessment. This round of assessment followed the first round of market monitoring conducted between 28 and 31 June 2020, and will be followed by similar assessments on a monthly basis until October 2020.

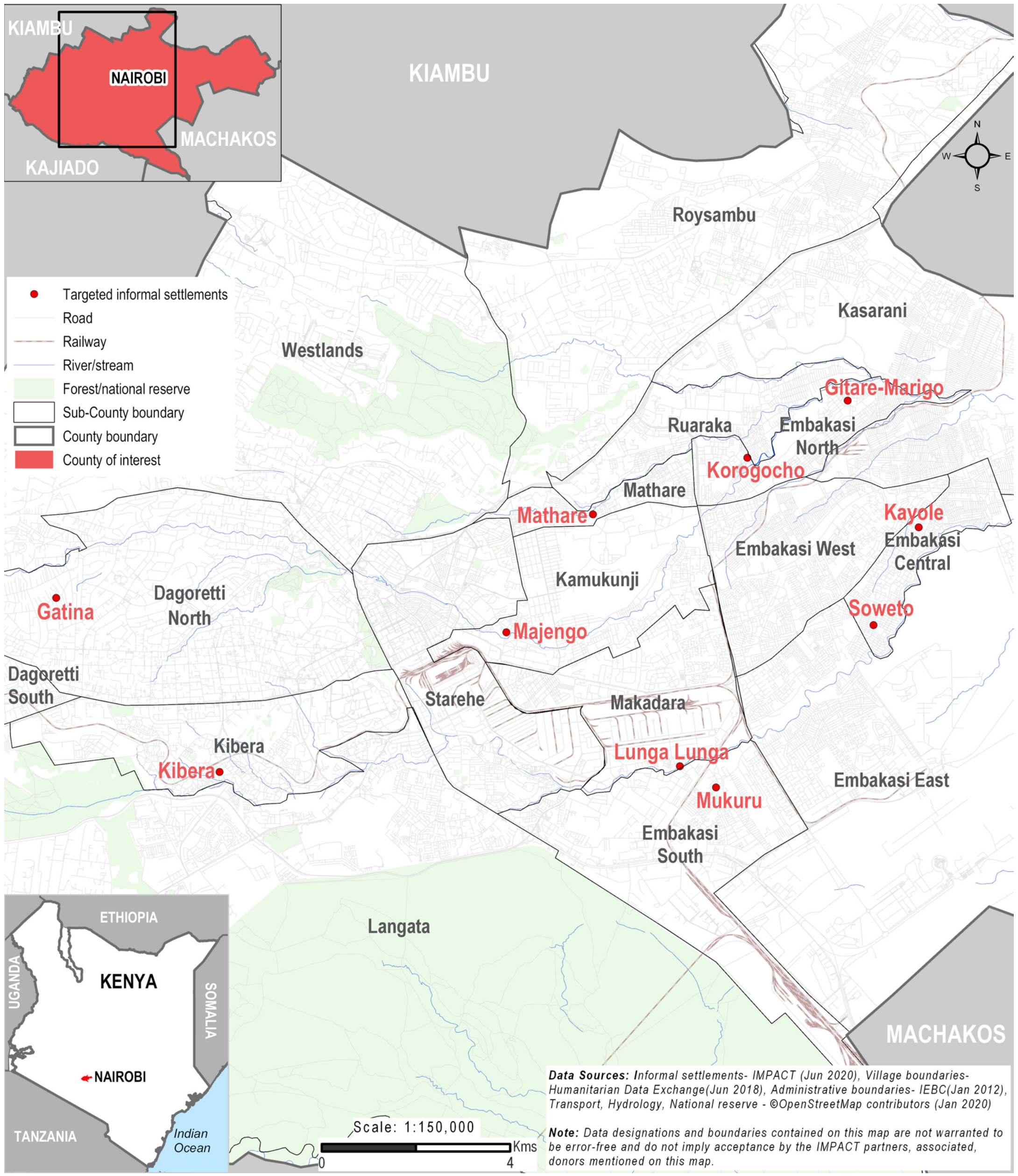
During the first round, a high proportion of retailers (88%) reported facing demand and supply challenges. More than half of the retailers reported that increased price of items from their suppliers was the main challenge that they were experiencing. Three-quarters (75%) of retailers reported that community members were facing challenges in accessing the markets and 86% of retailers reported that the community had a low purchasing power. The government of Kenya in July eased the movement restrictions that were in place to reduce the risk of transmission of COVID-19 and this may have an impact to the price and stock levels of some assessed items.

This factsheet presents an overview of median prices of key food and non-food items, stock levels, restocking times, and challenges faced by the community and retailers in light of COVID-19, as well as changes of these variables since round one in June 2020. Findings are indicative for assessed locations and the time frame in which the data was collected.

METHODOLOGY

Data collection for the first monthly market monitoring initiative was conducted from 28 to 31 June 2020. The second round of market monitoring was conducted through phone interviews with **143 purposively selected retailers.** The interviews were conducted with retailers selling food and non-food items in the informal settlements. The retailers were asked about the price of fuel, water, critical non-food items (NFIs) and all food components of the minimum expenditure basket (MEB) (which present the culturally-adjusted group of key food items and NFIs to last an average Kenyan family of three persons for 30 days). A total of 29 items were assessed. For stock levels, the retailers were asked to give an estimate of the number of days they expected their current stock to last. This could change depending on the demand of items.

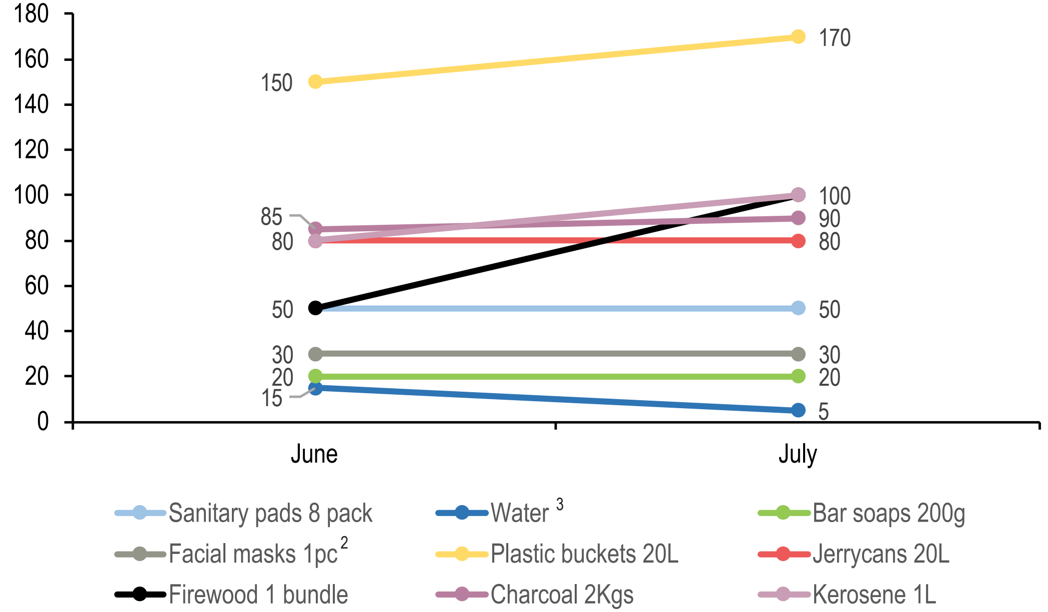
LOCATIONS OF DATA COLLECTION



Food and non-food items assessed

Category	Commodities			
Food items	Cow peas 1Kg	Lentils 1Kg	Tea leaves 50g	Cabbages 500g
	White maize 1Kg	Rice 1Kg	Salt 500g	Cattle milk 1L
	Pigeon peas 1Kg	Maize flour 1Kg	Vegetable oil 1L	Goat meat 1Kg
	Green grams 1Kg	Wheat flour 1Kg	Onions 1Kg	Cattle meat 1Kg
	Beans 1Kg	Sugar 1Kg	Tomatoes 1Kg	
Non-food Items	Sanitary pads 8pack	Buckets 20L	Gas 6Kgs	Charcoal 2Kg
	Facial masks 1pc	Jerry cans 20L	Kerosene 1L	
	Water 20 L	Bar soaps 200g	Firewood 1 bundle	

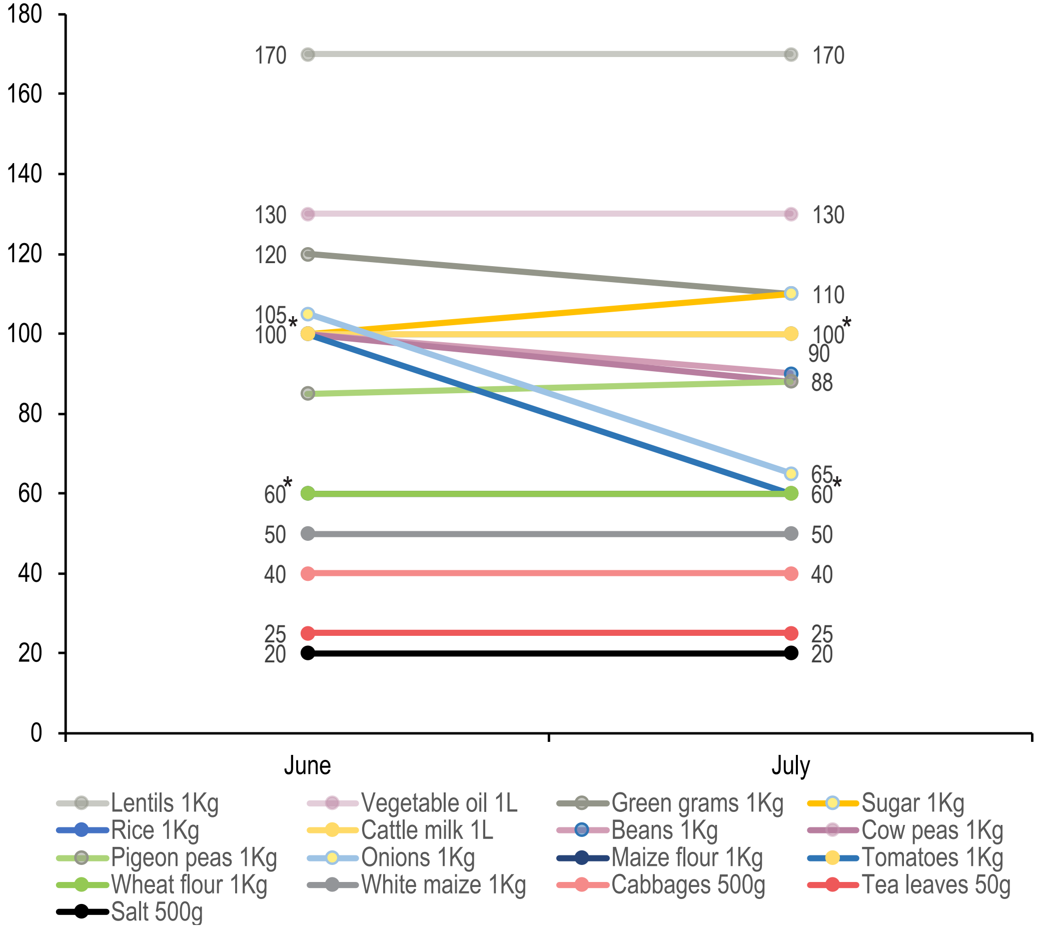
Change in median prices (KES[1]) for non-food items between June and July 2020:



The median price of water reportedly decreased from 15 KES[1] to 5 KES[1] (67%) between June and July. The median price of firewood reportedly increased by 100% from 50 KES[1] to 100 KES[1]. The median price of charcoal, plastic buckets and kerosene had reportedly increased by 6%, 13% and 25% respectively. Likely due to the Energy & Petroleum Regulatory Authority (EPRA) review of kerosene price in July, the median price of kerosene increased. The median prices of other assessed non-food items remained unchanged.

1. 1 USD=106.38413 KES in July 2020
2. Both surgical and cloth facial masks
3. 20-L jerry can from public and private networks

Change in median prices (KES[2]) for food items between June and July 2020:



* Similar prices were recorded for rice and cattle milk, and maize flour and wheat flour. Due to overlapping values, maize flour and rice are not visible on the figure.

The median price of onions and tomatoes reportedly decreased from 105 KES[1] and 100 KES[1] to 65 KES[1] and 60 KES[1] respectively between June and July 2020. These price decreases (38% and 40% respectively) seemed to be the largest drops in prices of all the assessed items, and were likely due to local farmers harvesting their onions and tomatoes in July and the ease of movement restrictions to the Nairobi metropolitan area allowing them to subsequently sell their harvests. Other items that dropped in prices in July were beans, cow peas, green grams and goat meat. Contrary to many of the food prices decreasing, the median prices of sugar and pigeon peas increased by 10 KES[1] (10%) and 3 KES[1] (4%) in July respectively. The other assessed food items did not have any change in the median prices.

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Changes in reported stock levels (in days) for food and non-food items between June and July 2020:

Sector	Items	July stock (days)	Percentage change from June 2020
Food items	Cabbages	1	-45%
	Sugar	7	-41%
	Tomatoes	2	-32%
	Salt	13	-32%
	Cow peas	13	-32%
	Wheat flour	7	-24%
	Pigeon peas	15	-22%
	Green grams	16	-21%
	White maize	14	-16%
	Lentils	15	-16%
	Tea leaves	13	-16%
	Vegetable oil	6	-15%
	Cattle milk	6	-14%
	Cattle meat	2	-13%
	Vegetable oil	2	-3%
	Onions	5	1%
	Goat meat	2	3%
	Rice	9	17%
	Beans	14	22%
	Average	9	-16%
Non-food-items	Firewood	12	-78%
	Kerosene	3	-59%
	Sanitary pads	13	-51%
	Buckets	17	-44%
	Jerry cans	15	-38%
	Bar soaps	9	-38%
	LPG	7	-31%
	Charcoal	13	-26%
	Face masks[3]	10	-24%
	Average	11	-43%

On average, the number of days retailers reported expecting their current stock to last decreased by 16% for food items and by 43% for non-food items. The average number of days needed to restock both food items and non-food items remained the same for half of the assessed items and decreased for the other half.

The government of Kenya also relaxed the movement restrictions which were in place, allowing retailers and suppliers to move freely within Nairobi metropolitan area. This could have contributed to vendors reducing their stock levels because the days required to restock most of the items were commonly perceived to have decreased.

Reported market challenges for retailers and community members in light of COVID-19

A lower proportion of retailers (81%) in July than in June (88%) reported facing demand and supply challenges at the time of data collection.

Most commonly reported demand and supply challenges by retailers:[4]

	June	July
Increased price of items	63%	53%
Decreased demand of commodities	34%	46%
Lack of money to restock	42%	33%
Lack of commodities from suppliers	21%	20%
Movement restrictions to prevent the spread of COVID-19	13%	8%

The proportion of retailers reporting that community members were facing challenges in accessing markets decreased from 75% in June to 50% in July, which might have been due to the ease of COVID-19 induced movement restrictions.

Top reported challenges for the community in accessing markets by retailers:[4]

	June	July
Low purchasing power	84%	94%
Items are too expensive	36%	41%
Lack of basic items	7%	18%
Fear of contracting COVID-19	12%	7%

Ninety per cent (90%) of retailers reported the number of customers buying from their businesses had changed in the one month prior to data collection. Retailers reporting a decrease in number of customers dropped from 99% to 88% in July 2020.

Four hundred and forty nine (449)[5] retailers had reportedly closed down their business from March to June 2020, while an additional 330[5] closed in July 2020 due to COVID-19-related challenges.

4. Retailers could select multiple answers
5. There is a possibility of duplication in the number of retailers who closed down their business because several vendors could refer to one retailer whom they knew had closed their business in the same settlement.

Cost of MEB at the time of data collection (21 to 23 July 2020)

The MEB is used as an operational tool to identify and quantify the average minimum cost of the regular or seasonal basic needs of an average Kenyan household of three that can be covered through the local market. The MEB values were calculated from the data collected by IMPACT Initiatives for food items, water sanitation and hygiene (WASH) items and kerosene. The price of the other items was calculated from the urban MEB provided by the Kenya Cash Working Group (CWG).

The Nairobi urban MEB is based on a typical Kenyan household in Nairobi, consisting of three members. To particularly assess the MEB in informal settlements, the Nairobi informal settlements MEB (based on interim version of the urban MEB) reflects the average household size in informal settlements (four members) instead. The cost of Nairobi informal settlements food MEB reportedly increased by 2.8% and the total cost of MEB increased by 3%.

Sector	Items	Quantity	Median price KES[1]
Food items	Maize meal	19.35 Kg	1,161
	Rice	13.5 Kg	1,350
	Dry beans	9 Kg	810
	Vegetables oil	3.15 L	410
	Cow milk, whole, not fortified	13.5 Kg	1350
	Cabbage, raw	18 Kg	1440
	Salt, Iodized	0.45 Kg	18
	Sugar	0.45 Kg	50
Energy	Electricity	21.6 kWh	336
	Kerosene	13.5L	1350
WASH items	Soap (multipurpose)	1350 g	135
	Water (cooking, drinking and other	675 L	220
	Sanitary pads (15 pcs)	6 pack	180
Communica-	Communication (airtime)	0.75	150
Transport	Public transportation	12 trips	200
Health	National Medical Insurance (NHIF)	1 monthly	500
	Cloth masks	6 pcs	180
	Thermometer	1pc	500
Education	School stationery	1 kit	175
Shelter	Rent expense	1 monthly	4000
	Cost of Nairobi urban food MEB		6,588
	Total cost of Nairobi urban MEB		14,463

	Nairobi urban MEB		Nairobi informal settlements MEB	
	June	July	June	July
Cost of food MEB in KES[1]	6,411	6,588	8,549	8,784
Total cost of MEB in KES[1]	14,031	14,463	17,354	17,432

About IMPACT Initiatives' COVID-19 response

As an initiative deployed in many vulnerable and crisis-affected countries, IMPACT initiatives is deeply concerned by the devastating impact the COVID-19 pandemic may have on the millions of affected people we seek to serve. IMPACT initiatives is currently working with Cash Working Groups and partners to scale up its programming in response to this pandemic, with the goal of identifying practical ways to inform humanitarian responses in the countries where we operate. COVID-19-relevant market monitoring and market assessments are a key area where IMPACT initiatives aims to leverage its existing expertise to help humanitarian actors understand the impact of changing restrictions on markets and trade. Updates regarding IMPACT Initiatives' response to COVID-19 can be found in a devoted thread on the REACH website. Contact geneva@impact-initiatives.org for further information.