# KENYA

Quarter 4 | December 2020

# COVID-19 MARKET MONITORING INITIATIVE IN MOMBASA INFORMAL SETTLEMENTS

Coronavirus COVID-19

In partnership with **World Food Programme**

## BACKGROUND

In response to the growing humanitarian needs following the effects of COVID-19 pandemic, the Kenya Cash Consortium (KCC), led by OXFAM in partnership with Concern Worldwide, ACTED, the Kenya Red Cross, Wangu Kanja Foundation and Centre for Rights Education and Awareness (CREAW) are implementing an emergency cash assistance programme for the affected populations in the 39 informal settlements in Changamwe, Jomvu, Kisauni, Likoni, Mvita and Nyali sub-counties. The World Food Programme (WFP) is also providing cash transfers to approximately 24,000 targeted households (HHs) in informal settlements in Mombasa County, who have lost their source of income and livelihoods as a result of COVID-19.

To understand the market systems and inform humanitarian programming in light of COVID-19, WFP and IMPACT Initiatives,[1] conducted a joint market monitoring exercise in the informal settlements in the six sub-counties where the KCC and WFP are implementing cash assistance programmes. The third round of joint market monitoring followed round two conducted in November and round one conducted in October 2020.

This factsheet presents an overview of median prices of food and non-food items (NFIs), stock levels, days required to restock, and challenges experienced by the community and retailers amidst COVID-19 pandemic. These findings are indicative for the assessed locations and time frame in which the data was collected.

## METHODOLOGY

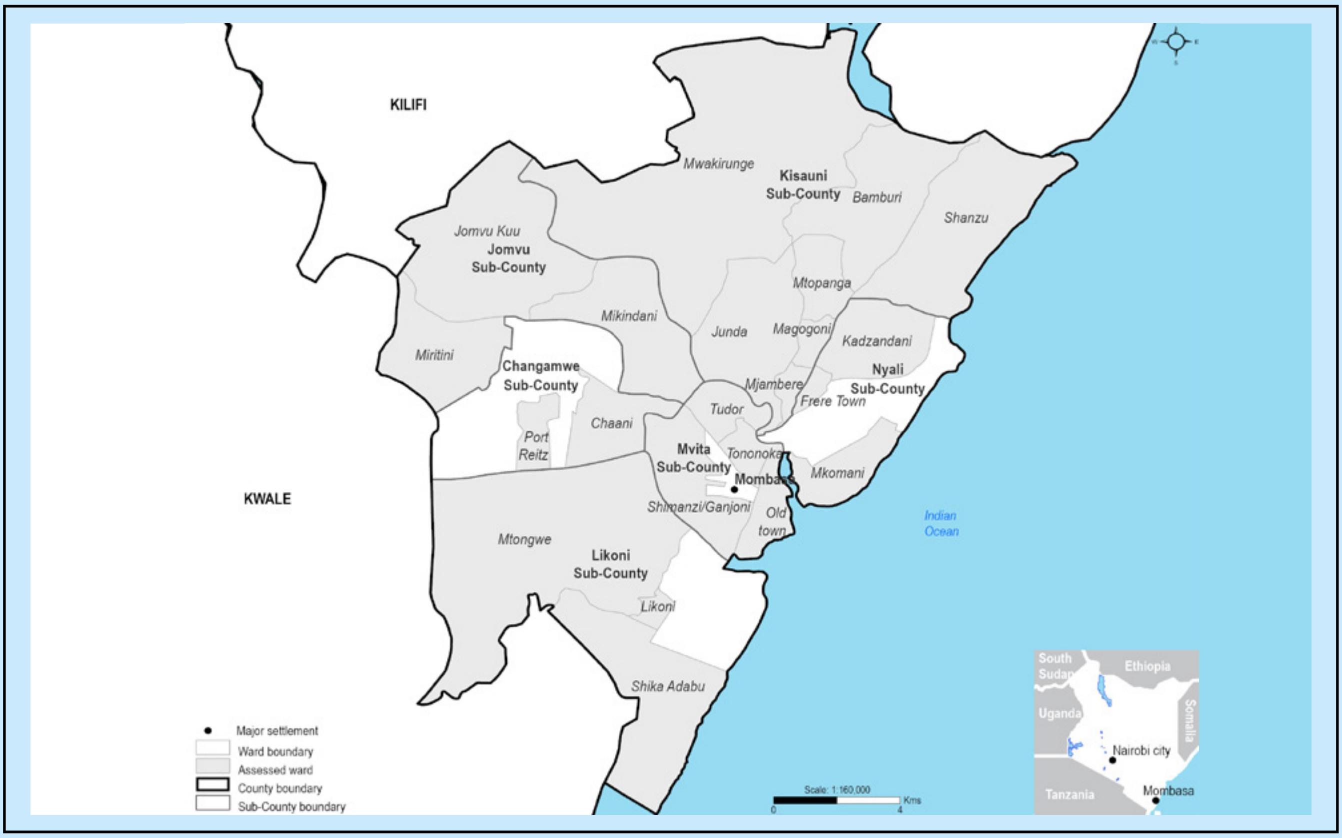
Data collection for the third round of monthly market monitoring was conducted through key informant interviews with 609 purposively selected retailers (who purchase items from wholesalers and manufacturers then sell to the public) from 15 to 19 December 2020. Retailers selling food and non-food items in the informal settlements were interviewed. The retailers were asked about the prices of fuel, water, critical non-food items and all food components in the minimum expenditure basket (MEB).[2]

In addition, retailers were asked about their stock levels, days required to restock and challenges relating to supply. A total of 32 items were assessed. Data was collected remotely through phone-based interviews in order to reduce the risk of contracting or spreading COVID-19. All findings are indicative, rather than representative, of key item prices and retailers' experiences at the time of data collection. For more information on the methodology, please refer to the terms of reference.

1 IMPACT Initiatives is implementing the Monitoring component on behalf of the KCC.

2 A Minimum Expenditure Basket (MEB) is defined as what a household requires to meet their essential needs, on a regular or seasonal basis, and its cost. The MEB looks at the needs that are covered, partially or fully, through the market https://docs.wfp.org/api/documents/WFP-0000122438/download/

## ASSESSMENT COVERAGE




### Key food and non-food items assessed

| Category | Commodities | | | | | | |
|---|---|---|---|---|---|---|---|
| Food Items | Cow peas 1 kg | Beans 1 kg | Tea leaves 50 g | Sugar 1 kg | Tomatoes 1 kg | Onions 1 kg | Cattle meat 1 kg |
| | White maize 1 kg | Vegetable oil 1 l | Wheat flour 1 kg | Salt 500 g | Cabbages 500 g | Cattle milk 1 l | Goat meat 1 kg |
| | Pigeon peas 1 kg | Geen grams 1 kg | Maize flour 1 kg | Rice 1 kg | | | |
| Non-food Items | Sanitary pads 8 pack | Buckets 20 l | Firewood 1 bundle | Water 20 l | Charcoal 2 kg | Pens 1 pc | Exercise books |
| | Facial masks 1 pc | Jerry cans 20 l | Kerosene 1 l | Gas 6 kg | Bar soao 200 g | Pencils 1 pc | Rubber 1 pc |

## Change in median prices of food items in KES[3] (November to December 2020)

| Food Items | | | |
|---|---|---|---|
| Assessed Item | November 2020 | December 2020 | Change (from Nov. 2020) |
| Goat meat 1 kg | 500 | 500 | 0 |
| Cattle meat 1 kg | 420 | 420 | 0 |
| Vegetable oil 1 l | 150 | 160 | 10 ▲ |
| Green grams 1 kg | 120 | 120 | 0 |
| Sugar 1 kg | 110 | 110 | 0 |
| Rice 1 kg | 100 | 100 | 0 |
| Cow peas 1 kg | 100 | 100 | 0 |
| Cattle milk 1 l | 100 | 100 | 0 |
| Beans 1 kg | 100 | 100 | 0 |
| Tomatoes 1 kg | 90 | 90 | 0 |
| Pigeon peas 1 kg | 80 | 90 | 10 ▲ |
| Wheat flour 1 kg | 60 | 65 | 5 ▲ |
| Onions 1 kg | 60 | 65 | 5 ▲ |
| Maize flour 1 kg | 60 | 60 | 0 |
| White maize 1 kg | 60 | 55 | -5 ▼ |
| Cabbages 500 g | 40 | 50 | 10 ▲ |
| Tea leaves 50 g | 30 | 30 | 0 |
| Salt 500 g | 20 | 20 | 0 |

The median price of vegetable oil was reportedly Kenya Shillings (KES)[3] 160 at the time of data collection. This was a KES[3] 10 increase in the median price from November 2020. This might be attributed to an increase in wholesale prices, which, according to traders, were due to high cost of imported raw materials, resulting from the weakening Kenya shilling.

The median reported price of pigeon peas and cabbages had increased with KES[3] 10 and the median price of wheat flour and onions increased with KES[3] 5 from November. On the other hand, the median reported price of maize grain had decreased with KES[2] 5 and the median price of the other food items had not changed between November and December 2020

## Change in median prices of non-food items in KES[3] (November to December 2020)

| Non-food Items | | | |
|---|---|---|---|
| Assessed Item | November 2020 | December 2020 | Change (from Nov. 2020) |
| Cooking gas 6 kg | 700 | 700 | 0 |
| Plastic bucket 20 l | 120 | 150 | 30 ▲ |
| Kerosene 1 l | 100 | 100 | 0 |
| Jerrycan 20 l | 80 | 80 | 0 |
| Charcoal 2 kgs | 50 | 60 | 10 ▲ |
| Sanitary pads 8 pack | 50 | 50 | 0 |
| Firewood 1 bundle | 70 | 50 | -20 ▼ |
| Bar soap 200 g | 30 | 30 | 0 |
| Water 20 l | 20 | 20 | 0 |
| Facial mask 1 pc | 30 | 20 | -10 ▼ |
| Exercise books 32pgs A5 | 15 | 15 | 0 |
| Pencils 1 pc | 5 | 10 | 5 ▲ |
| Pens 1 pc | 5 | 10 | 5 ▲ |
| Rubbers 1pc | 5 | 5 | 0 |

The median price of plastic buckets[4] was KES[3] 150 up from KES[3] 120 in November 2020. The reported median price of 2 kg of charcoal increased with KES[3] 10 from November. The median price of one pencil and pen increased by KES[3] 5 from November.

The reported median price of facial masks[5] decreased with KES[3] 10 from November. This might be attributable to the reduced wholesale prices, which, according to traders, was a result of increased supply, against a falling demand. The median price of one bundle of firewood decreased with KES[3] 20 from November. The reported median price of refilling a 6 kg gas[6] cylinder, as well as the price of other non-food items did not change from November to December 2020.

3. *1 USD=109.58535 KES in December 2020*
4. *One piece of 20-l plastic bucket*
5. *One piece of both surgical and cloth facial masks*
6. *Liquefied petroleum gas (LPG)*

## Reported stock and supply levels (in days) for food and non-food items:

| Sector | Items | December days needed to restock | October Stock | November Stock | December Stock | % change in stock from November to December 2020 |
|---|---|---|---|---|---|---|
| Food Items | Maize flour | 1 | 6 | 5 | 6 | 20% |
| | Beans | 1 | 10 | 9 | 9 | 0% |
| | Rice | 1 | 10 | 8 | 8 | 0% |
| | Cattle meat | 1 | 2 | 2 | 2 | 0% |
| | Tomatoes | 1 | 4 | 3 | 3 | 0% |
| | Cabbages | 1 | 3 | 3 | 3 | 0% |
| | Salt | 1 | 15 | 18 | 17 | -6% |
| | White maize | 1 | 11 | 12 | 11 | -8% |
| | Green grams | 1 | 10 | 10 | 9 | -10% |
| | Pigeon peas | 1 | 10 | 10 | 9 | -10% |
| | Sugar | 1 | 8 | 9 | 8 | -11% |
| | Wheat flour | 1 | 7 | 7 | 6 | -14% |
| | Vegetable oil | 1 | 7 | 7 | 6 | -14% |
| | Cow peas | 1 | 12 | 11 | 9 | -18% |
| | Tea leaves | 1 | 11 | 15 | 12 | -20% |
| | Cattle milk | 1 | 3 | 5 | 4 | -20% |
| | Onions | 1 | 6 | 7 | 5 | -29% |
| | Goat meat | 1 | 2 | 3 | 2 | -33% |
| | **Average** | **1** | **7** | **8** | **7** | **-10%** |
| Non-food items | Jerry cans | 2 | 7 | 7 | 10 | 43% |
| | Buckets | 2 | 9 | 8 | 11 | 38% |
| | Gas | 1 | 11 | 10 | 12 | 20% |
| | Pens | 1 | 22 | 23 | 25 | 9% |
| | Firewood | 2 | 19 | 17 | 18 | 6% |
| | Charcoal | 2 | 16 | 12 | 12 | 0% |
| | Exercise books | 1 | 23 | 26 | 26 | 0% |
| | Pencils | 1 | 22 | 26 | 25 | -4% |
| | Sanitary pads | 1 | 14 | 17 | 16 | -6% |
| | Bar soaps | 1 | 11 | 13 | 11 | -15% |
| | Rubbers | 1 | 23 | 31 | 26 | -16% |
| | Kerosene | 1 | 9 | 9 | 7 | -22% |
| | Face masks | 1 | 13 | 13 | 10 | -23% |
| | **Average** | **1** | **15** | **16** | **16** | **0%** |

For all assessed items, the reported stock levels exceeded the number of days it reportedly took to restock, indicating that there were no imminent shortages of any of the assessed key items at the time of data collection.

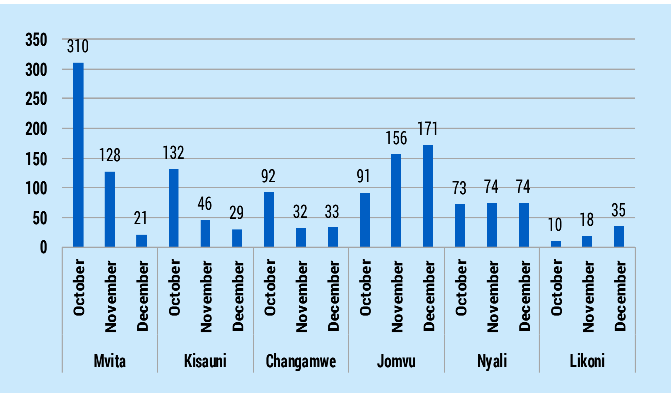
On average, the number of days retailers reported expecting their current stock to last decreased from eight days in November to seven days in December for food items, while remaining at 16 days for non-food items between November and December. The average reported number of days needed to restock food items had remained the same for all the assessed food items (one day on average) between November and December. The average reported number of days needed to restock most of the non-food items remained the same (one day on average) between November and December, except for firewood (two days on average, down from four days) and charcoal (two days on average, down from three days), buckets and jerry cans remained at two days on average.

Overall, the supply for most of the commodities that traders were selling, was from within Mombasa county. Key informants most commonly reported purchasing goods from wholesalers in the Mombasa central business district (34 percent, down from 42 percent in November) or within their own sub-counties (34 percent, up from 30 percent in November), or purchase from wholesalers from other sub-counties (27 up from 16 percent in November), others purchase from suppliers from other counties (20 down from 23 percent in November 2020).

## Reported market challenges for retailers and community members considering COVID-19

Retailers were asked if they knew of any businesses in the neighbourhood that had folded as a result of COVID-19 related challenges. In October, an estimated 708[7] businesses had reportedly closed down, followed by an additional 456[7] in November and 363[7] in December. The estimated number of businesses reportedly closed in December had decreased in Mvita, and Kisauni, remained at the same level in Changamwe and Nyali, but had increased in Jomvu and Likoni. Mvita sub-county had the highest drop (127) in the number of retailers that had reportedly closed their business(es) due to COVID-19 between November and December 2020.

**Total number of businesses reportedly closed in October, November, and December due to COVID-19 restrictions, per sub-county:**[7,8]




The proportion of retailers reporting that community members were facing challenges in accessing markets decreased from 67 percent in November to 41 percent in December. Of the retailers reporting community members faced challenges, 81 percent attributed this to a low purchasing power (among other reasons). Notably, among those retailers reporting challenges, the proportion indicating that "Items were too expensive" and "lack of items" as challenges, increased in December as compared to November 2020.

**Challenges in accessing markets: percentage of retailers reporting that community members faced challenges in accessing markets:**[9]

| | October | November | December |
|---|---|---|---|
| Low purchasing power | 81% | 91% | 81% |
| Items are too expensive | 24% | 26% | 36% |
| Lack of items | 26% | 3% | 14% |

Overall, 74 percent of retailers – down from 82 percent in November - reported that their number of customers had changed in the 30 days prior to data collection. Of those, 84 percent reported having perceived a decrease in customers (81 percent reported this in November) while 14 percent reported having perceived an increase (down from 16 percent in November).

Of the retailers that reported an increase in the number of customers, 44 percent attributed the increase to community members having received cash transfers, while 43 percent attributed the increase to people adapting to the COVID-19 situation. Of the retailers that reported a decrease in the number of customers, 89 percent attributed the decrease to a low purchasing power among community members.

**Most reported reasons for the decrease in number of customers buying from retailers in the 30 days prior to data collection:**[7,9]

| | |
|---|---|
| Low purchasing power | 89% |
| Items are too expensive | 21% |
| Travel for Christmas holidays | 8% |

**Most reported reasons for the increase in number of customers buying from retailers in the 30 days prior to data collection:**[7,9]

| | |
|---|---|
| Community members received cash transfers | 44% |
| People adapting to the COVID-19 situation | 43% |
| Referals from friends or other customers | 19% |

The proportion of retailers that reported encountering challenges while restocking some of the items that they sell decreased from 71 percent in November to 65 percent in December. Out of these retailers, 63[10] percent reported encountering challenges in restocking due to high prices, 41 percent due to unavailability of items. 40 percent cited a lack of money to restock, and 33 percent attributed the challenges to high transport cost.

In addition, 62 percent of retailers reported facing demand and supply challenges at the time of data collection (down from 75 percent in November), most commonly attributing such challenges to an increase in prices of key items.

*7. There is a possibility of duplication in the figures reported because retailers from the same locality could have been referring to the same businesses that reportedly closed due to COVID-19 challenges.*

*8. It was challenging to estimate the sizes of the markets as the number of businesses closed are indicated per sub county not per market. In addition, the target markets were per informal settlement, and did not specifically target organized markets but retailers generally in these settlements.*

*9. Multiple answers could be selected and thus findings might exceed 100 percent.*

*10. This was a sub-set of the 71 percent of retailers that reported encountering challenges while restocking some of the items that they sell.*

**Demand and supply challenges reported by retailers at the time of data collection:**[7]

| | October | November | December |
|---|---|---|---|
| Increased price | 39% | 42% | 55% |
| Decreased demand | 33% | 33% | 37% |
| Lack of money to restock | 32% | 33% | 33% |
| Lack of commodities from the supplier | 26% | 30% | 25% |

### Cost of MEB at the time of data collection (15 to 19 December 2020)

The MEB is used as an operational tool to identify and quantify the average minimum cost of the contextual basic needs of an average Kenyan household, including items available at the local market. The MEB value was calculated based on prices of food items, water, sanitation, and hygiene (WASH) items and kerosene as gathered by IMPACT Initiatives and WFP. The prices of other key items were calculated from the urban MEB provided by the Kenya Cash Working Group.

The Mombasa urban MEB is based on a typical Kenyan household in Mombasa county, consisting of an average of three household members. The Mombasa informal settlements' MEB reflects the contextualized basic monthly needs of an average household of four members residing in the informal settlements. The cost of informal settlements minimum food basket (MFB) and total MEB had slightly increased between November and December 2020.

**Mombasa urban MEB**

| Sector | Items | Quantity | Median Price KES[3] |
|---|---|---|---|
| Food items | Maize meal | 19.35 kg | 1161 |
| | Rice | 13.5 kg | 1350 |
| | Dry beans | 9 kg | 900 |
| | Vegetable oil | 3.15 l | 504 |
| | Cow milk, whole, not fortified | 13.5 kg | 1350 |
| | Cabbage, raw | 18 kg | 1800 |
| | Salt, Iodized | 0.45 kg | 18 |
| | Sugar | 0.45 kg | 50 |
| Energy | Electricity | 21.6 kWh | 336 |
| | Kerosene | 13.5 l | 1350 |
| WASH items | Soap (multipurpose) | 1350 g | 203 |
| | Water (cooking,drinking,other use) | 675 l | 675 |
| | Sanitary pads (15 pcs) | 6 pack | 234 |
| Communication | Communication (airtime) | 0.75 | 150 |
| Transport | Public transportation | 12 trips | 200 |
| Health | National Medical Insurance (NHIF) | 1 monthly | 500 |
| | Cloth masks | 6 pcs | 120 |
| | Thermometer | 1pc | 500 |
| Education | School stationery | 1 kit | 175 |
| Shelter | Rent expense | 1 monthly | 4000 |
| | **Cost of Mombasa urban MFB** | | **7,133** |
| | **Total cost of Mombasa urban MEB** | | **15,575** |

**Mombasa informal settlements MEB**

| Items | Quantity | Median Price KES[3] |
|---|---|---|
| Maize meal | 13.2 kg | 792 |
| Rice | 13.2 kg | 1320 |
| Dry beans | 13.2 kg | 1320 |
| Vegetable oil | 7.8 l | 1248 |
| Cow milk, whole, not fortified | 12 kg | 1200 |
| Cabbage, raw | 12 kg | 1200 |
| Salt, Iodized | 1.2 kg | 48 |
| Sugar | 1.2 kg | 132 |
| Maize grain | 13.2 kg | 726 |
| Sorghum | 13.2 kg | 792 |
| Electricity | 15.57 kWh | 467 |
| Kerosene | 12 l | 1200 |
| Communication (airtime) | 1 | 200 |
| Public transportation | 12 trips | 200 |
| Rent expense | 1 monthly | 2700 |
| **Cost of Mombasa informal settlements MFB** | | **8,778** |
| **Total cost of Mombasa informal settlements MEB** | | **13,545** |

**Total cost of MEB in November and December 2020**

| | November | | December | |
|---|---|---|---|---|
| | Cost of MFB in KES[3] | Total cost of MEB in KES[3] | Cost of MFB in KES[3] | Total cost of MEB in KES[3] |
| **Mombasa urban MEB** | 6,741 | 15,244 | ▲ 7,133 | ▲ 15,575 |
| **Mombasa informal settlements MEB** | 8,436 | 13,203 | ▲ 8,778 | ▲ 13,545 |

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