**Price monitoring report for XYZ food security program**

**Results of Price Monitoring, Analysis and Response Kit (MARKit)**

**[DATE of report]**

**Prepared by: [name of analyst]**

*[Note: this is a sample report prepared as an illustrative example to accompany the MARKit guidance manual.* ***It is not based on an actual program****. The graphs are created using data from the example Excel workbook but the details provided have been fictionalized. This report provides a recommended structure for a MARKit analysis report but program managers may wish to include additional information or sub-sections as needed.]*

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# Introduction

The Niger food security program began in Month, Year and is scheduled to run until Month, Year. The program is distributing vouchers for sorghum, millet and beans to x,xxx households in 5 intervention areas. Vouchers are distributed on a monthly basis and have a set value of xxx CFA.

# Initial market analysis

The intervention areas are in southwestern Niger, northwest of Niamey. The regional supply market is located in Tillaberi, and the outlying intervention markets are Tera, Gotheye, Ouallam, and Mangaize. Gotheye, Mangaize, and Tera are all poorly integrated with the capital market in Niamey. Additionally, there are only three major grain traders that supply the intervention areas from the regional supply market, and they sometimes have difficulty reaching the areas during the rainy seasons because of poor road networks. There are high barriers to entry in the grain trade market, making it difficult for more traders to enter.

There is marked seasonality in prices in the area, with higher prices occurring during the lean season from May – December and lower prices during the harvest from January – April. The intervention area is in a deficit zone for all three commodities, with supply mostly coming from Niamey and at certain times from across the border in Burkina Faso and Mali.

Based on our assessment of normal trade volumes, the vouchers that will be distributed during this program will not be more than 5% of normal trade flows for any of the three commodities.

All of the markets in the intervention areas are daily markets.

# Risk determination

This program has been determined High Risk due to the lack of integration between the markets of the remote intervention areas, the distribution of vouchers during the lean season, and the small number of traders controlling grain and bean trade in those markets. Table 1 below illustrates the responses to the MARKit risk checklist.

**Table 1. Risk determination**

|  |  |  |
| --- | --- | --- |
| **Question** | **Yes** | **No** |
| ***Automatic High Risk factors*** | | |
| 1. Does your intervention (alone OR in combination with other organizations’ programs) target more than 20% of the population? |  | X |
| 1. Will the induced demand (from your program and other agencies’ combined) represent more than 10% of normal trade flows in a rural area or 25% in an urban area? |  | X |
| 1. Are there any external risks (possibility of conflict, road blockages, etc.) that will likely affect food prices in your intervention markets and/or affect the security of your staff? |  | X |
| ***Other possible risk factors*** | | |
| 1. Will your intervention be distributing cash/vouchers during the lean season or in-kind food during the harvest season? | X |  |
| 1. Are you beginning the intervention without a market baseline? |  | X |
| 1. Are your intervention markets segmented from (i.e., poorly integrated with) source markets? | X |  |
| 1. Do relatively few traders control a large percentage of the volume traded in the market? | X |  |
| 1. Do households rely on markets for a significant percentage of their food needs? |  | X |

# Market monitoring plan

This program will monitor beans, millet, and sorghum, as these are the primary staple foods in the region and contribute most of a household’s daily caloric consumption. Market reference sheets are available from the program office. The vouchers will provide each recipient household with 5 kg of millet, 5 kg of sorghum, and 2 kg of beans once per month. Market prices of these commodities will be monitored in each intervention market, along with one comparison marketplace since the program has been determined to be High Risk.

Price collection has been ongoing since the start of the program on a weekly basis. Prices are also collected for two consecutive days following the monthly distribution of vouchers because the program is High Risk.

Historical data for all markets has been gathered from the national MIS and will be used for additional analyses when needed. Secondary data is available for Tillaberi, so primary data collection is only conducted in the intervention and comparison markets.

# Calculating price changes

The threshold set for this program is a 15% change from month to month. The threshold has been breached multiple times, as can be seen by the highlighted cells in the accompanying database. The most notable changes have been in bean prices in Oct. 2013, millet prices in Tera, and sorghum prices in Mangaize and Tera.

Price graphs by commodity for all markets are shown on the following page.

## 

Given that there have been price changes in different commodities in different markets, we will investigate the factors listed in quadrant A associated with changes in one/few commodities in one/few markets. These factors are: seasonality, local supply shocks, demand shocks, trader capacity/actions, and the intervention.

Since our program falls in the High Risk category, we have also done some additional price analyses.

## Prices of commodities sold by participating vendors and non-participating vendors for Feb. 2014

|  |  |  |  |
| --- | --- | --- | --- |
| **Commodity/Market** | **Participating Vendors (price mode)** | **Non-participating Vendors (price mode)** | **Vendors’ price variation** |
| Sorghum/Gotheye | 242 | 240 | -1% |
| Millet/Gotheye | 250 | 253 | 1% |
| Beans/Gotheye | 357 | 350 | -2% |
| Sorghum/Mangaize | 256 | 250 | -2% |
| Millet/Mangize | 301 | 300 | 0% |
| Beans/Mangaize | 525 | 520 | -1% |
| Sorghum/Ouallam | 234 | 220 | -6% |
| Millet/Ouallam | 249 | 240 | -4% |
| Beans/Ouallam | 455 | 460 | 1% |
| Sorghum/Tera | 219 | 220 | 0% |
| Millet/Tera | 229 | 225 | -2% |
| Beans/Tera | 438 | 450 | 3% |

Interpretation: no major differences between participating and non-participating vendors have been observed.

## Prices in an intervention market compared to prices in a regional source market

Here we are comparing prices in each intervention market with prices in the source market, Tillaberi.

Interpretation: Sorghum and millet prices in Gotheye seem to track well with those in Tillaberi, but the bean prices in Gotheye have been declining while in Tillaberi they were rising. *This is flagged to be further investigated using key informant interviews.*

Interpretation: Bean and millet prices are higher in Mangaize than Tillaberi. *Further investigation will be made through key informant interviews*.

Interpretation: Prices in Ouallam follow those in Tillaberi quite closely, and no cause for concern is seen in this graph.

Interpretation: Tera prices also follow closely with Tillaberi.

## Commodity prices in intervention markets to compared to historical averages

Interpretation: Gotheye prices for the current year match quite closely with 5 year historical averages.

Interpretation: Millet prices are currently slightly higher than historical averages in Mangaize, and bean prices are quite a bit higher. *Further investigation is needed to determine the cause.*

Interpretation: The price of millet in Ouallam is close to the 5 year average, but the price of beans is higher than the 5 year average. *This will be investigated during key informant interviews.*  There is not enough information on sorghum. The price collection system for sorghum needs to be revisited to make sure prices are being collected.

*[Tera graph has not been inserted]*

## Commodity prices in intervention markets compared to a reference year

We have not completed these comparisons because there is not a major event occurring that warrants comparison to a reference year.

# Investigating the factors of price changes

Based on the preceding analyses of price changes, we have investigated SEASONALITY, LOCAL SUPPLY SHOCKS, DEMAND, TRADER CAPACITY/ACTIONS, and INTERVENTION as the possible factors behind the following:

1. Gotheye: bean prices
2. Mangaize: bean, millet and sorghum prices
3. Tera: millet and sorghum prices
4. Tillaberi: millet prices

## Gotheye bean prices

Voucher distribution

Although declining bean prices were flagged as a concern in a previous graph, we can see from these charts that bean prices typically do decline due to seasonality from October through March, so the declines observed are likely to be expected. The dates of the intervention do not seem to be linked to the price trend, and prices are similar to those in the comparison market. Key informant interviews were conducted with local traders, who confirmed that bean prices are at normal levels. There have not been any local supply or demand shocks, and trader action has been ruled out.

## Mangaize bean, millet and sorghum prices

Voucher distribution

Although bean price data collection was spotty in 2013, the trend seems to follow the season index. The concern with bean prices in Mangaize is that they are higher than in Tillaberi, the supply market, which was investigated via key informant interviews. The interviewees reported that prices have increased recently due to the degraded road network which has increased transportation costs to Mangaize. Deliveries are now less reliable, so prices have been fluctuating as supply dwindles and restocking is taking place less often.

[insert graph of Mangaize millet seasonal index]

[Insert graph of Mangaize sorghum seasonal index]

Key informants also report that prices of millet and sorghum have been affected by the increased transportation costs as noted above.

## Tera millet and sorghum prices

[insert graphs of Tera seasonal indices of millet and sorghum]

[insert graph of Tera millet and sorghum prices compared to comparison market prices]

# Considerations for any necessary adaptation

Given the results of the investigations into the observed price changes and the information gathered during key informant interviews, we do not believe it is necessary at this time to make any changes to the program.