

**WORLD VISION ETHIOPIA STAPLE FOOD MARKET ASSESSMENT REPORT
(Cash and Voucher Program Implementation)**

ADDIS ABABA CITY ADMINISTRATIONS



Picture taken by WVE Cash and Digital Business Unit Assessment Team, in Bush Gebeya and Merkato Gebeya

CASH AND DIGITAL BUSINESS UNIT

JULY 2020

ADDIS ABABA

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EXECUTIVE SUMMARY

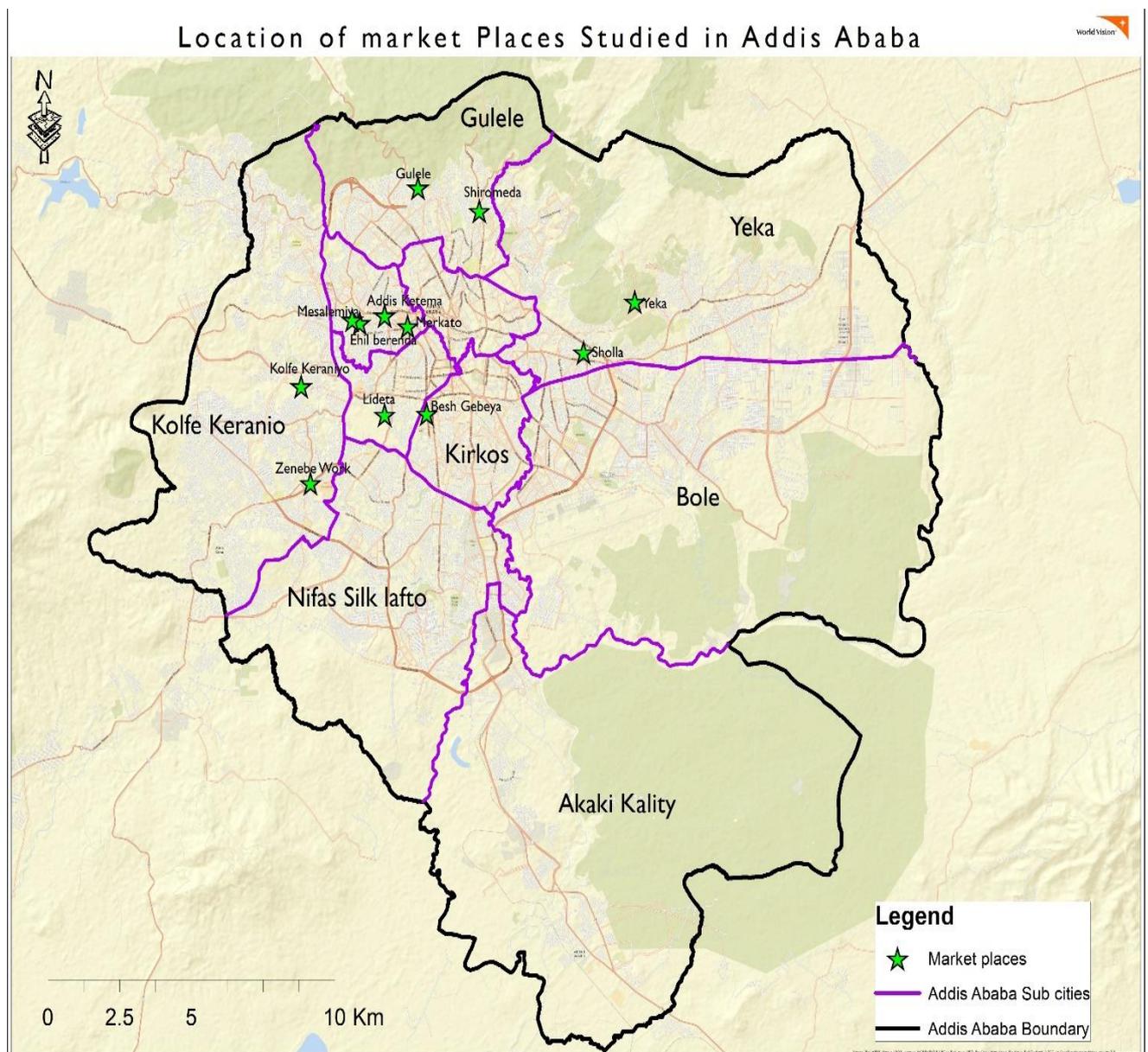
The Cash and Voucher based program intervention in Addis Ababa is in response to COVID-19 pandemic in Addis Ketema and Lideta Sub-City Administrations. The intervention supports the most vulnerable group of people impacted by the COVID-19 pandemic. The purpose of Markets and Vendors assessment conducted in Addis Ababa is to understand the functionality, accessibility and capacity of the markets supporting peoples' need, and availability of staple food items. The team composed of cash specialist and humanitarian program staffs conducted the assessment. Ten Food vendors randomly selected from seven sub-cities. Market places such as Merkato, Ehil Berenda, Mesalemiya, Shola, Lideta, Shiro Meda, Kolfe, Gulele, Bole, Yeka, and Zenebe werk visited to see the availability of staple food items. The assessment major findings showed all the visited markets are well functional, foods are available in sufficient quantity, regional markets, cooperatives, and local level markets are well integrated. Traders have well positioned in terms of restocking their warehouses and serving significant number of customers in a week base. There was a price hike during the week COVID-19 first case confirmed, but later government and the city administrations took measures to lower prices. Traders/vendors face supply shortage during the first month COVID-19 pandemic hit the country. This was due to movement restriction, borders close, and regional food supply breakage. Government resolved the issue through organizing cooperatives, taking legal actions on traders who created temporary supply shortage and price increase, and allow regional transportation and movement.

1. INTRODUCTION

In response to the COVID-19 outbreak, the two sub-cities, Addis Ketema and Lideta selected in consultation with the Addis Ababa city Administration based on the COVID-19 prevalence. On June 11.2020 where the date the proposal and report submitted to Donor, 164, cases reported and from this figure, 104 cases are from Addis Ababa. On the mentioned day, the total number of confirmed cases in the country reached 2670 and reported number of deaths were 40. Addis Ketema and Lideta are highly affected sub-cities. Government locked down the two sub-cities and conducted covid-19 test to see if there is community transmission. This scenario increased pressure on peoples who are leading their life through street vending, daily labor, manufacturing, construction, mining, quarrying, wholesale and retail trade. Movement restrictions and stay at home have brought negative impact on casual labor activities as many of economic activities have largely ceased. Many poor households face a decision of prioritizing income earning or health and may have to forego typical food expenditures to purchase medicine.¹

¹ The Impact of COVID-19 Pandemic on Food Security and Livelihoods in Ethiopia. **Conference Paper** May 2020 *with* 107 Reads
Conference: AMAS virtual Presentation, At Africa, Mesay Mulugeta, Addis Ababa University Conference: AMAS Virtual Presentation, At Afri

World Vision Ethiopia Cash and digital business unit conducted a market and price assessment from May 20-26/2020 in Addis Ababa city. The assessment undertook in different main community markets of the City administration, such as Merkato, Ehil Berenda, Mesalemiya, Shola, Lideta, Shiro Meda, Kolfe, Gulele, Bole, Yeka, and Zenebe werk market areas (see the attached map produced by WVE GIS department). The assessment focused on assessing the capacity of the local markets whether they are supplying the staple food items sufficiently and the prices of the food commodities. The assessment also looked at the performance of the vendors to provide staple food items for the targeted beneficiaries through electronic voucher digital system. The assessment team also examined market environment, availability of food items in local market, prices, and enabling environments. Moreover, the assessment focused on the willingness of the vendors to participate in humanitarian intervention during the COVID-19 Crises.



pg. 4. World Vision Ethiopia Market Assessment for Cash and Voucher Based Programming, E-Voucher Food Intervention, July 2020

2. OBJECTIVE OF THE ASSESSEMENT

The objectives of the Market Assessment are:

1. Understand the functionality, accessibility and capacity of the markets,
2. Check the availabilities of staple food items considered for the project,
3. Understand Vendors previous experience providing staple food items and engagement in humanitarian response programs,

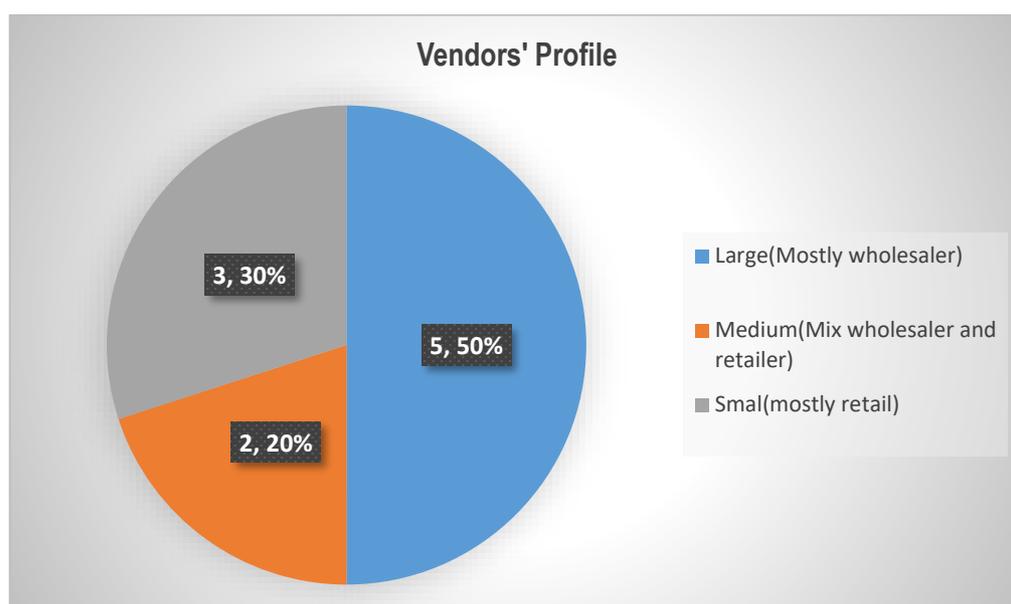
3. METHODOLOGY

3.1. Selection of Market places;

Market places such as Merkato, Ehil Berenda, Mesalemiya, Shola, Lideta, Shiro Meda, Kolfe, Gulele, Bole, Yeka, and Zenebe werk selected for the assessment. The team conducted a visit to these markets.

3.2. Selection of Food Vendors and Interview;

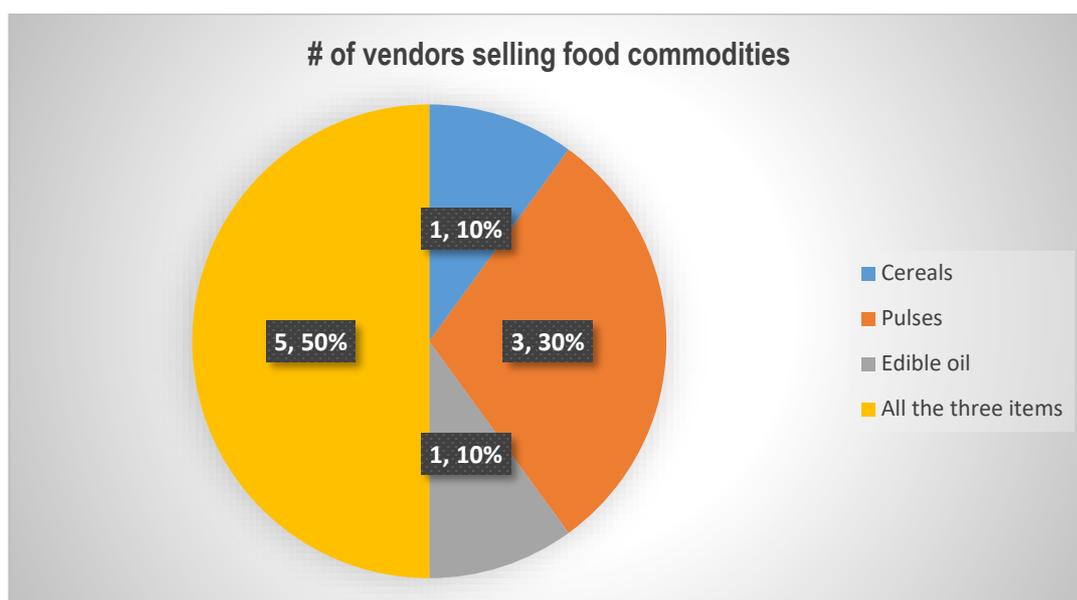
Ten (10) food vendors having different profile (retailer, mix and Whole seller) interviewed from the main markets mentioned above. Moreover, cooperatives consumer shops and large business companies such as Besh Gebeya visited and interviewed. The interview made through a face-to-face discussion and the team conducting the interview took all the covid-19 precaution measures such as wearing hand gloves, masks, and keeping the recommended distance between the vendors.



WVE deployed the rapid market assessment tool developed for this purpose and utilized for data collection and traders interview. The tool composed of multiple questions aiming to collect data on vendor profile, vendors' capacity in providing the required food items and restocking capacity, price of each commodity, availability of food items, quality of staple food items, willingness to participate in the project, and feasibility of electronic voucher system implementation. The assessment also looked specific staple

food items in the market. These food items are cereals (Teff, Wheat, Maize, Rice, and Sorghum), Pulses (Pea, Bean, and Chick Pea) edible oil, and Sugar.

S/N	Name of Markets	Location	# of vendor interviewed	Type of vendor
1	Merkato	Addis ketema	3	Wholesaler
2	Shola	Yeka	1	Retailer
3	Mesalemiya	Addis Ketema	1	Mix
4	Shiro Meda	Gulelle	1	Retailer
5	Kolfe	Kolfe Keranyo	2	Wholesaler
6	Lideta 02	Lideta	1	Retailer
7	Besh Gebeya	Bole	1	Wholesaler



The team randomly interviewed Vendors supplying Staple food flour, Cereal grains (Teff, Wheat, Maize Sorghum, and Rice), Pulses (Beans and Peas), Cooking oil, and packed foods such as Macaroni and Pasta. In terms vendors' engagement in the business, their business operates year round.

The interviewed vendors have good experience of selling the staple foods in the markets. They have also experience working with humanitarian agencies. Their vending experience ranging from three (3) to more than ten (10) years.



4. ASSESSMENT FINDINGS

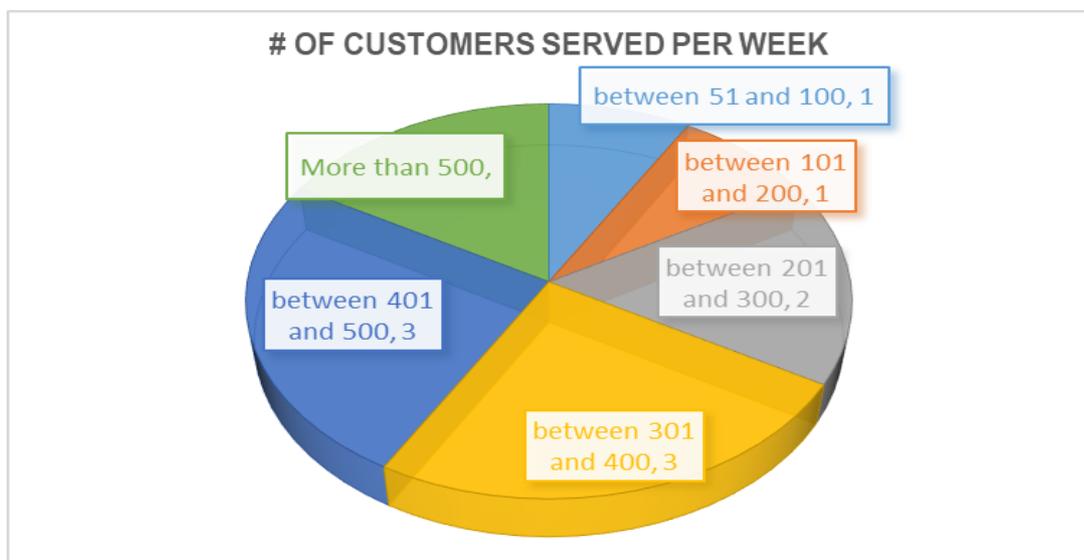
The assessment team used some visualization obtained from excel analysis to present the collected data. Qualitative and quantitative data analysis also used to demonstrate the findings of the assessment.

4.1. Functionality of Markets and Food availability;

Despite the current COVID-19 crisis, all the sampled community markets are functional and serving the community as a usual without interruptions. Most of the interviewed vendors (90%) have more than 10 years' business experience in the market in supplying staple food items. The food items such as wheat, sorghum, maize, teff, rice, beans, and peas available in both grain and flour forms. Other food types such as cooking oil and packed foods (macaroni and pasta) also available in sufficient quantity.

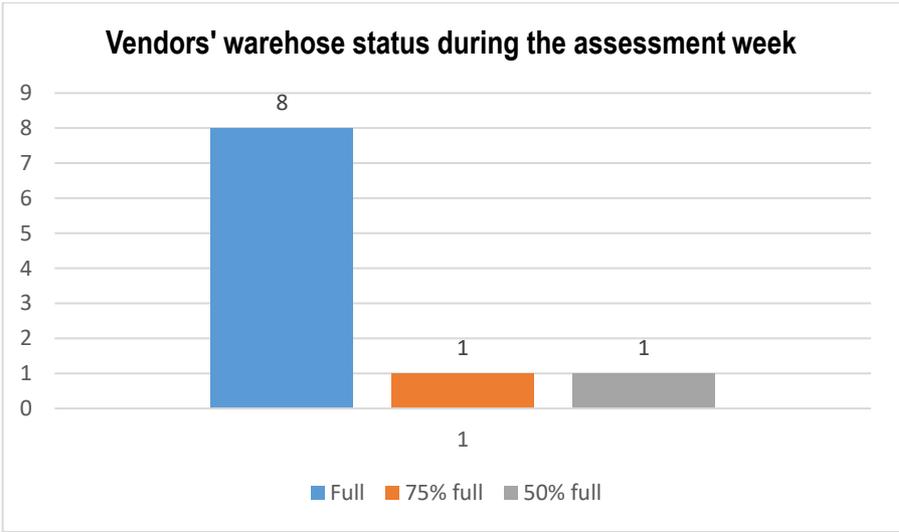
4.2. Vendor Capacity and Restocking;

The assessment found that vendors have sufficient capacity to increase the supply of food items (cereals, pulses, cooking oils and others) and restocking frequently whenever demand increases. Vendors' interviewed revealed that a single vendor serving an average of 250 customers in a week time and

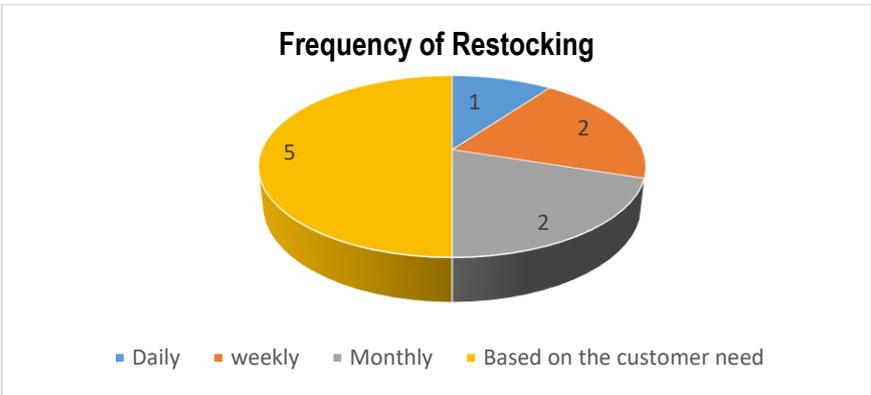


pg. 7. World Vision Ethiopia Market Assessment for Cash and Voucher Based Programming, E-Voucher Food Intervention, July 2020

Customers also coming from other regions to purchase the staple foods. The team also visited vendors' storage and found warehouses are fully packed with food commodities and can easily increase their stock if there is demand. The assessment team recognized that most of the interviewed traders are selling similar items in a similar market place and operating the business all year round. It is also noted that visited markets are more competitive to allow fair price for the proposed food items. The measures taken by government to stabilize prices and increase supply are major factors played critical role markets to function, provide sufficient supply, and prices are affordable. Huge amount of supply is coming from the regional markets to main markets in Addis Ababa. The market chain is functioning well. The local level markets where peoples are interacting daily are also well functional in terms or providing the required food items.



Vendors' frequency of restocking the food items is vary from vendor to vendor. Some restock in a daily bases some weekly, and some in monthly bases. Some vendors also reflected that based on the need or order they received from customers they can increase the supply to serve more customers. The frequency of restocking also dependent with the number of customers they have. If the number increases from 250 per week, frequency of restocking will be in a week base and even in a daily base.



4.3. Price of Staple food items, Quality of the food available, and Market system;

The price of the food commodities vary from markets to markets. The average price of Teff and Wheat was 40 birr 27 birr respectively. Similar food items showed very little price difference in the visited markets and with interviewed vendors. For example, Teff price ranges from 40-45 ETB per kg. ETB 45 is for the best quality Teff (see Table 2). The price in main markets such as Merkato and Ehile Berenda showed less price difference for grains than other visited markets. The team understand that increase in demand does not necessarily increase price of the commodity. This is because the markets are competitive and there is continues supplies throughout the year. The business/vendors are operating year round. There is good supply and similar patterns of demand.

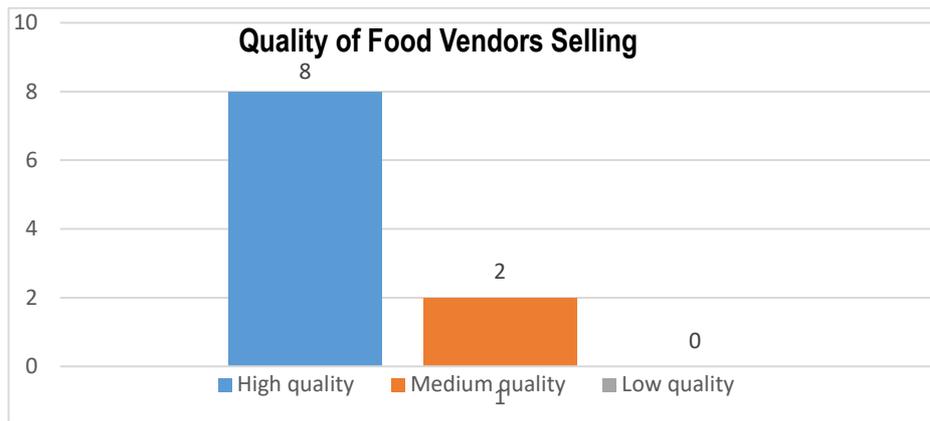


The markets visited have well integrated systems. Regional markets, big markets in Addis Ababa, and local level markets where people have access are well integrated. Regional markets are providing huge amount of food supplies to Addis Ababa main markets. The well-integrated market system helped vendors to have year round supplies and fair prices for the staple foods. Merkato and grain cooperatives received supplies mainly from the regional markets, and some food items such as cooking/edible oil and sugar from cross border. Staple food items, like grain, pulses, and edible oil are main items available in local markets.

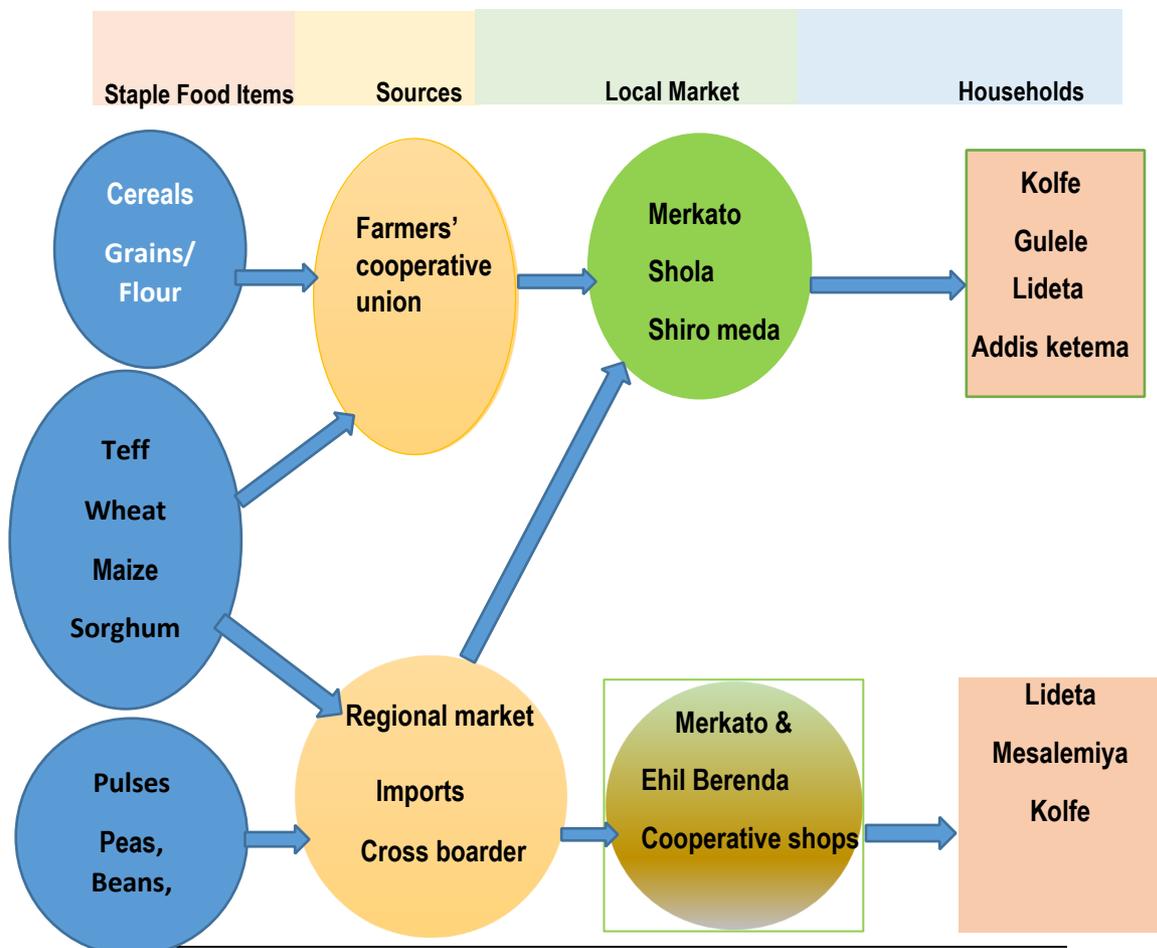
Table 2. The Average price of the staple food items

S/N	Food Items	Availability	Unit	Average Price	Price situation
1	Teff Grain	Yes	Kg	40	Stayed the same
2	Teff Flour	Yes	Kg	44.5	Stayed the same
3	Wheat Grain	Yes	Kg	24.6	Stayed the same
4	Wheat Flour	Yes	Kg	28.8	Stayed the same
5	Maize Grain	Yes	Kg	14	Stayed the same
6	Maize Flour	Yes	Kg	17.3	Stayed the same
7	Peas	Yes	Kg	54.8	Stayed the same
8	Beans	Yes	Kg	53	Stayed the same
9	Shiro/Mitin	Yes	Kg	97.1	Stayed the same
10	Edible Oil	Yes	Lt	87	Stayed the same

The assessment team witnessed that the food items vendors holding are in good quality. The quality ranges from high to medium quality and there is a slight price difference in with the quality difference. In general, the visited vendors are selling good quality foods.



General staple food market system mapping



5. CHALLENGES

Vendors facing some challenges to increase food commodities. The below are the main challenge encountered by vendors;

- Inadequate Food Supply (Edible Oil, Sugar) due to COVID 19 movement restriction, close of borders
- High demand of the customer due to fear of lockdown at early stages of the COVID-19 onset, inability to satisfy the demand
- Price fluctuation. The price sharply increased after the covid-19 first case confirmed. An increase 50-100% price recorded during the week. This is mainly shops were closed, supply breakage, and intentional price increase by whole sellers. Government took actions to resolve the issue. During the week the assessment conducted, price seems stable and affordable.
- Financial capacity gap: access to credit, long term loan provision are some of the factors contributed for financial gap.

6. MARKET FUNCTIONALITY AND COVID-19 SCENARIOS

6.1 The impact of the Covid-19 on physical access to markets and Functionality;

Shops and Markets places are open and vendors are able to continue their business. The vendors in the seven sub-cities mentioned they are able to continue their business as usual during the covid-19 scenario. At the beginning when the first case of the COVID-19 heard, there was very limited trade movement and some shops are closed. However, after a few days, the business continued as a usual. The team observed that peoples are using personal protective equipment and movement in the market places as usual. The impact of the covid-19 seen at the beginning through creating a sharp price increase. Government and the city administrations took measures to lower the prices, making the food available, and shops and markets places to open and start serving the people. The measures taken help markets to function, increase peoples' access to market places, and stabilizing price hike. The measures also taken by the government to stabilize and revive markets such as organizing and capacitating local cooperatives (provision of credit and commodities), taking legal measures such as arresting vendor/traders who increase prices of commodities also another factor which help the functionality of markets and stability of prices in the visited Markets.

6.2 Purchasing power of the people in the COVID-19 scenario;

In the COVID-19 scenario, some of population group such as vulnerable pregnant and lactating women, Children under five, chronically ill, elderly without family members, families with disable member are the affected one in terms of access to basic food items, purchasing personal protective equipment and others. Income generation activities they used to have cash and access food for their family has been highly impacted. Movement restriction already affected peoples' livelihoods and coping capability and inflated market price at the beginning of the outbreak of the COVID combined with inadequate humanitarian assistance made peoples' purchasing power week.

7. RESPONSE OPTION ANALYSIS AND RECOMMENDATIONS

7.1. Response Analysis;

RESPONSE OPTION	ANALYSIS
Delivery of Staple Food Commodities through Cash and Voucher Based Programming	<ul style="list-style-type: none"> ✓ The people in target area mainly require staple food Items. The assistance has to focus on the most vulnerable households impacted by COVID-19 crises in Addis Ababa city administration, Addis Ketema and Lideta sub-cities where high cases reported.⁶⁶ ✓ Traders have shown their interest to participate in humanitarian intervention through electronic voucher digital delivery mechanisms. ✓ Potential food vendors' engagement in the intervention is crucial. ✓ Staple food Items such as cereals and pulses flour provision would be good to reduce the milling and transportation costs. This included the provision of edible oil. Three staple food Items in one food package is a recommended one.
Modality-Cash/Value Voucher (Electronic Voucher)	<ul style="list-style-type: none"> ✓ The preferred modality is the Cash Voucher. Most of the target communities are elderly, elderly without family member, chronically ill, vulnerable pregnant and lactating women and children under five. Travelling to markets may bring another challenge to them such as physical illness and additional transportation and milling costs. ✓ The project implements electronic voucher system (EVS) and Last Miles Mobile Solution (LMMS) interface. The LMMS-EVS interface will manage the digital transaction/vendors' engagement in the distribution of food items. ✓ Vendors will receive orientation/training will on LMMS-EVS and enable to make digital transaction on the distribution site.
Coordination	<ul style="list-style-type: none"> ➤ Create Strong linkage and integration with local authorities at all level from top to bottom, ➤ Linkage and coordination with Food Vendors,

7.2. Minimum Expenditure Basket;

The project bases the development of Minimum Expenditure Basket on the World Health Organization minimum kilocalorie requirement per person per day. The standards is to get 2100 kcal as a minimum requirement life to sustain. The standard allows the minimum provision of the food basket should compose of 15 kg cereals, 1.5 kg pulses, 0.5 kg of edible oil, and other supplemental foods such as sugar, salt and others. An average family size four (4) taken for the calculation of the food minimum expenditure basket. The above food items calculated per person and an average family size 4 taken for a single household. The average family size 4 was considering the urban Productive Safety Net Program family size in Addis Ababa, which is an average 3.7 and the closest full decimal 4 taken for the calculation of the MEB. The below table depicted the amount of the minimum expenditure basket value which is **three thousand thirty birr (3030 ETB)**.

The recent engagement of the Ethiopian Cash Working Group in the development of MEB, recommended 70-80% of the MEB is a transfer value for urban setting to cover the monthly household food consumption for an average family size 4. Accordingly, WVE proposed 70% of the MEB to be a monthly transfer value and the transfer value would be **2100 ETB**.

The minimum expenditure basket calculation:

S/N	Food Item	Unit	Estimation of monthly consumption per HH(family size 4)	Unit Price	Total Price	Standard per individual (Kg)
1	Teff Grain/Teff Flour	Kg	60	40	2400	15
2	Pea/Pea flour (Mitin)*	Kg	6	80	480	1.5
3	Edible Oil	Kg	2	90	150	0.5
	Total				3030	

*Mitin is the mix of Shiro (Pea or bean flour) and Berbere (pepper flour) together (a prepared flour mix of pepper and pea in a proportionate manure).

Targeted households will receive 2100 ETB and will purchase 45 kg of Teff, 4.5 kg of Mitin, and 1.5 liters of edible oil with the 70% of the MEB coverage.

8. CONCLUSION AND RECOMMENDATIONS

Based on the market assessment findings and observations, the following conclusions and recommendations made:

8.1. CONCLUSIONS

8.1.1. Market functionality and accessibility;

Sample selected markets places in Addis Abeba such as Merkato, Ehil Berenda, Mesalemiya, Shola, Lideta, Shiro Meda, Kolfe, Gulele, Bole, Yeka, and Zenebe werk are functional, accessible, and traders have the capacity to increase supply if the demand increases. Markets in Merkato, Mesalemiya, Shola, Kolfe, Ehil Berenda, and Shiro meda have weeklong markets with large capacity of food commodities.

8.1.2 Availability of Staple food items in the market;

All preferred staple food items such as cereals, pulses, and cooking oils and other food items are available in all market in sufficient quantity. Most of the markets have all items together. Specially, Cooperative consumer shops and Cereal and pulse wholesalers has all preferred foods all in one Market place.

8.1.3 Feasibility of the preferred Modality (Cash Voucher);

The assessment finding indicates that, all vendors/traders have shown their willingness to participate in humanitarian intervention to supply Staple food items via electronic voucher system. The system enables beneficiaries to utilize their entitlement effectively and ensure to address the right person. Vendors will receive formal electronic voucher system training and will engage in the redemption of the cash voucher.

8.1.4. Vendors Willingness to Participate in Humanitarian Intervention;

All the interviewed vendors show willingness to participate in the proposed intervention and working with World Vision Ethiopia. The project will address 2024 target households through the contracted vendors.

8.2. RECOMMENDATIONS

- The people targeted mainly require staple food Items. The assistance has to focus on the most vulnerable households impacted by COVID-19 crises in Addis Ababa city administration, Addis Ketema and Lideta sub-cities where high cases reported,
- The modality by which assistance delivered will be through Cash and Voucher based Programming and Cash Voucher recommended,
- The Last Miles Mobile Solution and Electronic Voucher System interface will be used to manage third party (vendor) in the project
- Staple food Items such as Cereals and pulses flour provision would be good to reduce the milling and transportation costs. This included the provision of cooking/edible oil.
- Potential vendors' engagement in the intervention is crucial and expected to provide three food commodities as one package.
- Three staple food Items (Teff flour, Mitin, and edible oil) in one food package is a recommended food package.