

EAST AFRICA: ETHIOPIA, SOMALIA, SOUTH SUDAN, SUDAN, AND UGANDA

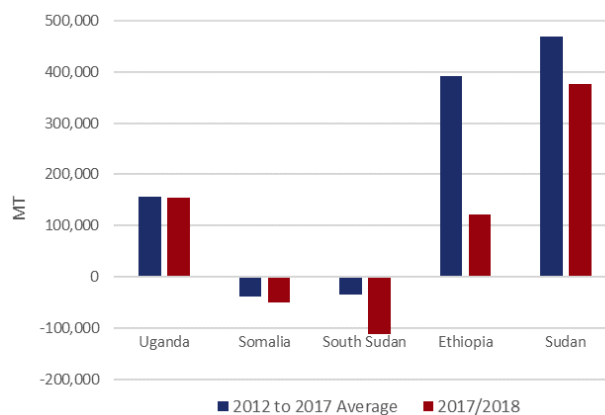
March 29, 2018

Regional Sorghum Supply and Market Outlook

KEY MESSAGES

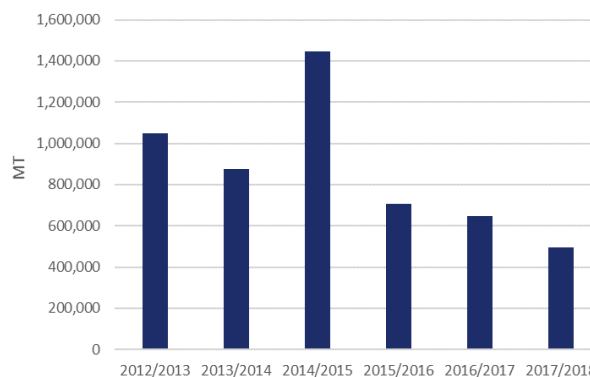
- Sorghum makes important contributions to national food supply in the countries covered in this report, accounting for the majority of grain production in Sudan, South Sudan and Somalia (82, 76 and 55 percent, respectively), and smaller amounts in Ethiopia and Uganda (18 and ten percent, accordingly). Sorghum accounts over half of grain consumption in South Sudan and Sudan and nine to 18 percent in Somalia, Ethiopia, and Uganda, respectively (**Annex 2**).
- This report summarizes the supply and market outlook for sorghum in the East African countries of Ethiopia, Somalia, South Sudan, [Sudan](#), and [Uganda](#). The outlook period follows the 2017/18 marketing year (MY), spanning from July 2017 to June 2018 and covering two main harvests—the 2017 June-to-August harvest and the 2017/2018 October-to-February harvest. While the June-to-August harvest data estimates are more reliable, the October-to-February harvests are estimates and may be updated as data becomes available.
- Sorghum harvests just finished in all countries around January. Preliminary production estimates suggest that all three structurally surplus countries, Uganda, Ethiopia, and Sudan, are expected to have below-average to average surplus (**Figure 1**). The greatest demand is expected to come from South Sudan, which is expected to pull supplies from Sudan and Uganda.
- Above-average prices are expected in South Sudan, Sudan, the Somali region of Ethiopia and northern Somalia, mostly driven by depreciation and conflict. The rest of region is likely to have near average prices.
- The aggregate sorghum surplus of these countries for the 2017/18 MY is estimated to be less than half of aggregate average supply levels (**Figure 2**). Given the below average surplus, market-based response activities of sorghum or any substitute commodities should consider the projected market and trade dynamics put forth in this report. Monitoring performance of upcoming harvests and macroeconomic issues (especially in Sudan and South Sudan) will be essential in 2018.

Figure 1. Domestic Sorghum Balance, Average and 2017/18 (MT)



Source: FEWS NET estimates based on data from regional governments and multi-agency assessments.

Figure 2. Regional Sorghum Surplus estimates (MT)



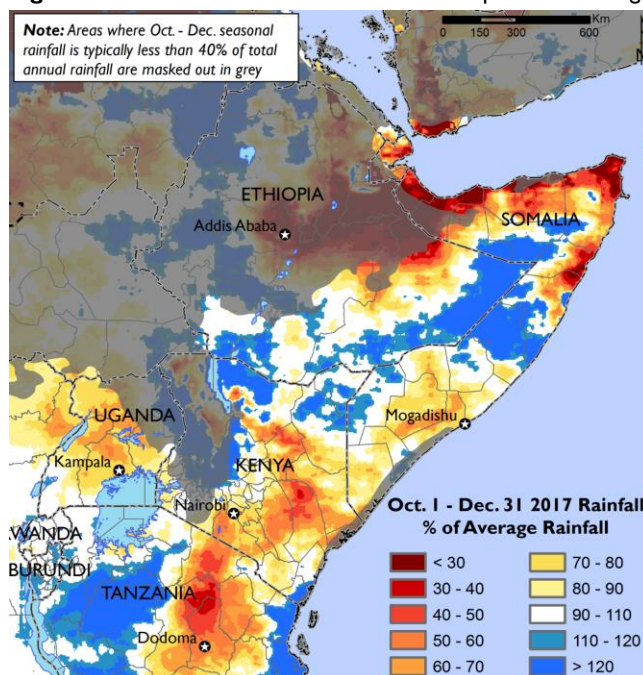
Source: FEWS NET estimates based on data from regional governments and multi-agency assessments.

FEWS NET monitors trends in staple food supply and price trends in countries at risk of food insecurity. The **Regional Supply and Market Outlook** report provides a summary of regional staple food availability, surpluses and deficits during the current marketing year, projected price behavior, implications for local and regional commodity procurement, and essential market monitoring indicators. FEWS NET gratefully acknowledges partner organizations, national ministries of agriculture, national market information systems, regional organizations, and others for their assistance in providing the harvest estimates, commodity balance sheets, as well as trade and price data used in this report.

CURRENT MARKET TRENDS

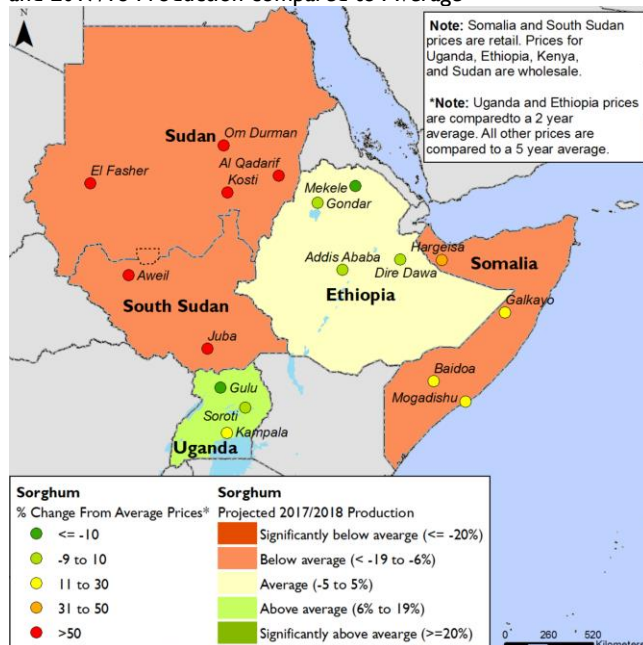
- The main sorghum harvests just concluded in January across the region and performance varied across the region. Uganda experienced generally average rainfall (Figure 3) that resulted in slightly above-average November-to-December harvest. There are noticeable spatial variations in Ethiopia. The main producing western part of the country that accounts for almost 60 percent of total production had an average to above average harvest, output was estimated at 20 to 30 percent below average in the Rift Valley of SNPPR, 30 to 40 percent below average in the lowlands of Bale, West and East Haraghe, and near average in Eastern Amhara and Southern Tigray. Below average harvest performance was observed in South Sudan, Sudan, and Somalia. While conflict-induced population displacement is the main driver behind harvest reduction in South Sudan, poor rainfall impeded production in Sudan and Somalia.
- While maize, wheat, and millet are also important crops to varying degrees in these countries as well, sorghum is the main locally produced and consumed crop. Maize and wheat supplies are supported by imports from international markets, which are well supplied and at low price levels (Annex 3). This makes sorghum prices more dependent on domestic production, and also more commonly consumed among poor, rural households, whereas the substitutes (maize and wheat) are heavily consumed in urban areas.
- Sorghum prices are currently significantly above average in Sudan and South Sudan, above-average in Somalia, and vary in Ethiopia and Uganda (Figure 4). Macroeconomic issues of gradual, long-term inflation on top of abrupt rapid currency devaluation in Sudan have driven high price increase. As the region’s largest sorghum consumer, sorghum is essential to diets in Sudan, making the high prices very problematic for households across the country. Conflict driven macroeconomic problems, including currency depreciation, inflation, and disrupted trade flows continue to sustain significantly above average sorghum prices in South Sudan, the region’s second highest sorghum consumer in per capita terms. In Ethiopia, the recent official currency devaluation by the government, has sustained prices above average levels including in the Somali region, where prices are well above average due to many market structural anomalies in that region. Following a year of extremely high sorghum prices as a result of several consecutive poor seasons, sorghum prices are still above average but tending towards average levels in Somalia because of some improvements in production and food aid. Finally, Uganda price levels are still above average in some areas, attributed to increasing replenishment of depleted stocks from the high supplies from the recent harvests.

Figure 3. Rainfall distribution in East Africa compared to Average



Source: FEWS NET estimates based on CHIRPS data.

Figure 4. January 2018 Sorghum Prices compared to Average and 2017/18 Production compared to Average



Source: FEWS NET estimates based on data from regional governments and multi-agency assessments.

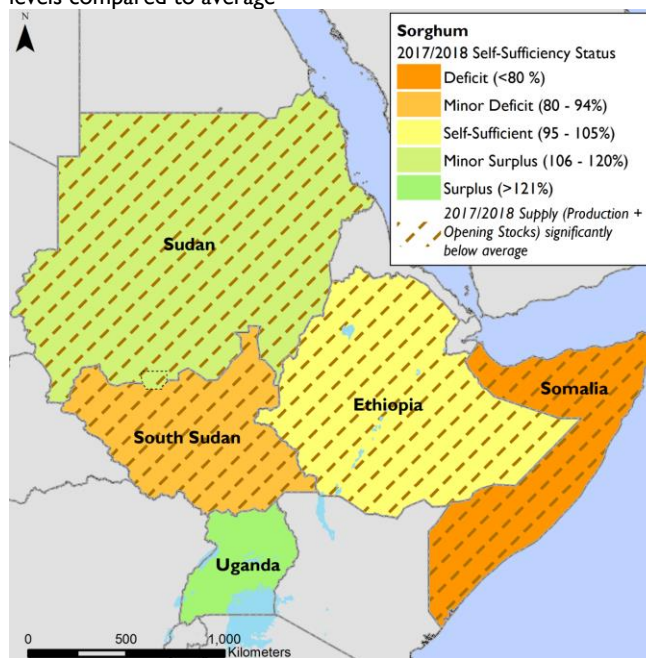
- [Trade flows were above average during the fourth quarter of 2017](#) (October to December) for a second consecutive quarter¹. This increase is mostly attributed to significantly above average export levels from Sudan in both quarters. Exports from Sudan to South Sudan were up almost 20 percent from the average level as trade route security improved in the northern areas and borders of South Sudan, and over 350 percent above average exports went to Eritrea, at a total volume double that of exports to South Sudan. Uganda exports were below average to South Sudan, which is likely the result of weak and diminishing purchasing power in Juba, the main market for Uganda trade flows. Ethiopia exports to Somalia were also significantly above average, while Djibouti imports from Ethiopia, as well as Somalia, were below average. As an exclusively domestic and regionally traded commodity, international flows were not a factor in the supply or price dynamics of sorghum in the region.

PROJECTED MARKET TRENDS FOR 2017/18

Domestic and Regional Supply Levels

- Domestic supply is projected to be significantly below average in all countries over the 2017/18 MY with the exception of Uganda (**Figure 5**). Taking domestic demand into account, estimated self-sufficiency in the structurally surplus countries of Sudan, Uganda and Ethiopia is mixed. While Ethiopia's domestic supply will just meet requirements this year, an anomaly for the structurally surplus country, Sudan is expected to have a minor surplus, and Uganda to have a surplus of sorghum (**Annex 1**).
- In the structurally deficit Somalia, the deficit is estimated to be smaller than last year's deficit (by nearly 40 percent) but still greater than average deficit levels (by 30 percent). The greatest deficit is expected in South Sudan, which has increased every year for the past four consecutive years and is estimated to be three times the average deficit levels as a result of conflict-related reduction in production and population displacement. However, in terms of self-sufficiency, Somalia's domestic supply covers the smallest percent of its domestic demand. While maize may act as a substitute in the central areas, and imported rice in the northern region, the deficit of sorghum is an important one for the southern part of the country where sorghum is the dominant consumed crop. Maize is also a substitute to sorghum in South Sudan but availability is limited for the same conflict related reasons as seen for sorghum.

Figure 5. Projected 2017/18 Sorghum Self-Sufficiency and Supply levels compared to average



Source: FEWS NET estimates based on data from regional governments and multi-agency assessments.

Trade Flows

- Despite the demand in Eritrea, a structural sorghum deficit country, the continued closure of borders and restricted trade flows between it and Sudan, will likely reduce formal flow of trade from Sudan while informal is likely to continue with high risk as price differences are very attractive. Sorghum exports to South Sudan from Sudan and Uganda, are expected to increase through the second quarter of 2018, following increased supplies from the November-to-January harvest in the source countries. Conflict-related below average production, are expected to sustain higher prices, drawing in imports from Sudan and Uganda.
- Sudan's exports to the northern markets of South Sudan will likely increase exceptionally between January and June 2018 30,000 MT compared to the four-year average of 12,000 MT. This exceptional increase is attributed to the opening of border points for trade by Sudan government. However, exports from Uganda to South Sudan will likely remain dismally low at 11,500 MT, seven percent of the 154,000 MT four-year average trade in this period due to conflict-related

¹ East Africa Cross-Border Trade Bulletin, January 2018

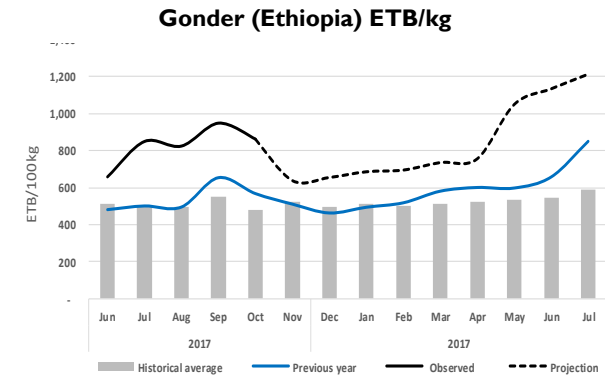
disruptions from Juba and reduced purchasing power. Sudan sorghum exports to Ethiopia's border regions are expected to reduce following expectations of near-average harvests in western Ethiopia.

- Uganda's exports to Kenya will likely increase through the second quarter 2018 following production recovery after the previous below average production. Ethiopia exports to Somalia mostly is expected to be higher than last year but still significantly below average as production in the main and nearby source for exports in the eastern Haraghe areas was below average. The impact of currency devaluation in Sudan and Ethiopia may take time to have effect. In the short term, demand may be inelastic resulting in low quantities exported, but over time demand may become more price elastic and have a bigger effect on exports.

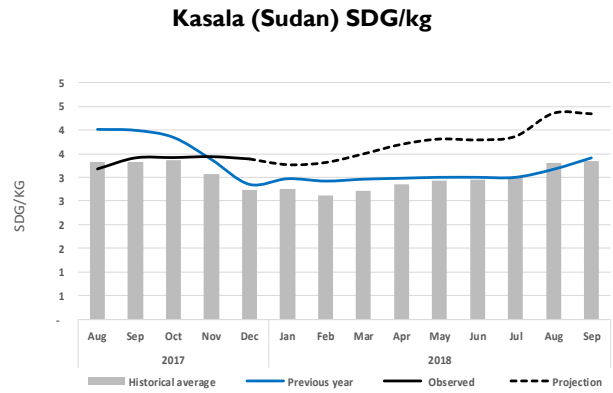
Price Trends

- The carryover stocks in Ethiopia have been on declining trend since 2016/2017 because of near average harvests and no upward bump in harvest, as seen in 2014/2015. Sorghum prices in 2018 are projected to be above last year and the recent five-year average levels (**Figure 6**) because of the slight reduction in availability, reinforced by general import inflation stemming from currency devaluation, which will likely reduce per capita sorghum consumption by nine percent. In February, the official and parallel market exchange rates had increased from 23 to 27 from 27 to 32 Birr per USDA respectfully.
- Sorghum prices in Sudan started increasing in October 2017 following removal of economic sanctions by the US government which increased the demand for the US dollar, leading to currency depreciation and high inflation. With reduction in the surplus, prices are expected to be higher in 2018, and will likely to be exacerbated by the January 2018 currency devaluation from SDP 6.67 to 20 per USD, the removal of wheat and wheat flour price subsidies in the same month, elimination of indirect price support for substitutes like sorghum and millet, and further currency devaluation from SDP 20 to 32 per USD in February 2018. Sorghum prices are not expected to follow seasonal trends until March, and then generally follow seasonal trends between April and September 2018 but increase atypically faster and remain above last year and five-year average prices, driven predominantly by reduced supply and import inflation. Per capita sorghum consumption in 2017/2018 is expected to be lower than 2016/2017 and average levels (35 and 17 percent respectively) due to reduced supply and high prices, even as wheat is substituted by sorghum due to increase in the price of wheat as well. Despite below average prices, livestock feed is expected to account for roughly 25 percent of total sorghum utilization as households try to maximize income from livestock enterprise.
- In Uganda, sorghum prices are expected to seasonally increase until the next major harvest in November and December 2018. The prices will likely remain elevated as they recover following consecutive below-average harvests. In addition, elevated prices will likely be supported by an expected high demand caused by export of up to 500,000 MT of maize, a substitute for sorghum, to Kenya at relatively higher prices following an agreement between the Uganda Grain Council and Cereal Millers Association of Kenya, brokered by the Ministry of Industrialization of Kenya.
- In Somalia, sorghum prices are projected to be below last year's levels and close to the recent five-year average following a slight recovery in production and large humanitarian aid distributions over the past year in response to previous consecutive seasons of drought (**Figure 7**). The carryover stocks for sorghum in South Sudan are estimated to be similar to last year but still 49 percent below recent five-year average because of low production and insecurity-related constraints in retaining stocks, including high risk of theft. In the short term, imports are expected to increase from Sudan but remain otherwise unpredictable and depend largely on security of trade routes but continue to be generally impeded by lack of hard currency and erosion of purchasing power. Due to further reduction in purchasing power, per capita sorghum consumption will likely be 35 and 29 percent below last year and recent five-year average levels dampening demand. Hence prices are expected to be similar-to-slightly lower than last year, but significantly higher than recent five-year average level because of tight supplies supported by conflict-related import inflation, and domestic trade disruptions.

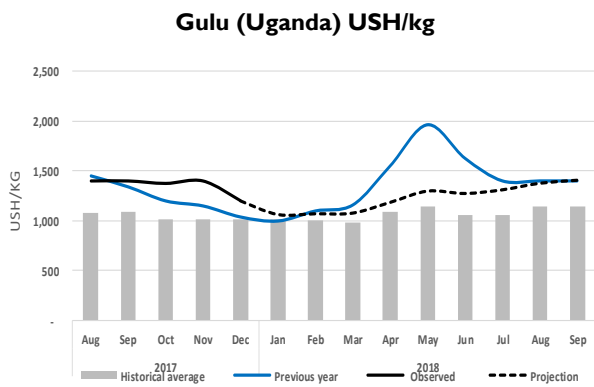
Figure 6. Sorghum price projections in structurally-surplus areas February - September 2018



Source: FEWS NET estimates based on data from EGTE.

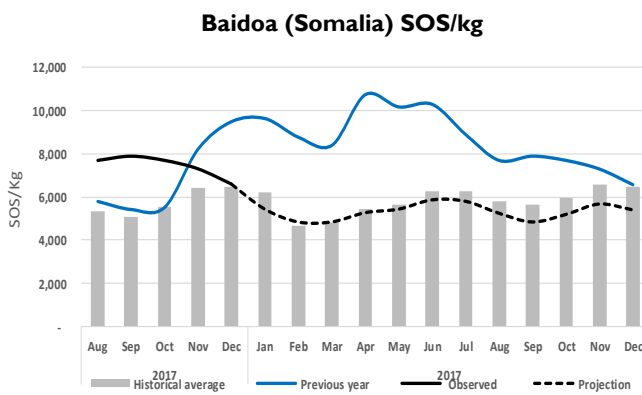


Source: FEWS NET estimates based on data from FAMIS.

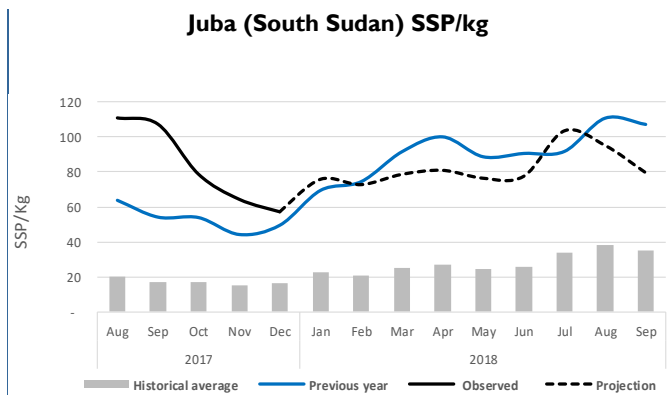


Source: FEWS NET estimates based on data from Farmgain.

Figure 7. Sorghum price projections in structurally-deficit areas February–September 2018



Source: FEWS NET estimates based on data from FSNAU.



Source: FEWS NET estimates based on data from WFP.

EVENTS THAT COULD CHANGE THE OUTLOOK

Based on the estimated available supplies in the region and expected regional market trends, the majority of the region is expected to experience high prices over the 2017/18 outlook period. There are some events that could exacerbate this situation or could potentially change this outlook.

| Area | Event | Impact on market outcomes |
|------------------------------------|---|---|
| Sudan and Ethiopia | Further devaluation or Floating of local currency | Would increase domestic prices of sorghum, reducing internal demand but reduce export parity prices boosting regional exports. |
| South Sudan | Reduced conflict | Enhance domestic and regional trade, increasing supplies and exerting downward pressure on prices. |
| Somalia, South Sudan, and Ethiopia | Reduced food aid distributions | Would result in higher prices reducing market access by some households, not only for sorghum but also its substitutes including maize, millet and wheat. |

MARKET MONITORING INDICATORS FOR 2017/18 MARKETING YEAR

There are a number of key indicators that are recommended for ongoing monitoring that may affect the evolution of markets.

| Indicator | Justification |
|---|--|
| Inflation | Reduces purchasing power, reducing market demand, and mitigating price increase especially in South Sudan, Sudan and Ethiopia. |
| Livestock prices and quantities | As the main source of income, the level of livestock prices and quantity sold would determine a household's ability to buy enough sorghum grain and flours in the market especially in Somalia. |
| Staple sorghum grain and flour prices | Accessibility by households to adequate staple foods depends on their market prices and volatility. Stable and relatively low prices make decision making by households more certain and increases the ability of most households to purchase enough across all countries. |
| Food Aid distribution | Relief grain and flour sales into the market has some significant localized impact on the prices of sorghum across all countries. |
| Level of civil strife and inter-communal conflict | Further escalation of civil conflict and or inter-communal clashes would likely disrupt supplies from source to consumption markets increasing local prices particularly in South Sudan and Somalia. |

Annex I. East Africa Sorghum Balance Sheets and 2017/18 Projections by Country (MT)²

| Country | Item | 2016/17 | 5-year Average (2012/13- 2016/17) | 2017/18 | % change over one year | % change over 5-year average | Change one year | Change 5-year average |
|-------------|------------------|-----------|---|-----------|------------------------------|------------------------------------|--------------------|-----------------------------|
| Ethiopia | Opening Stocks | 330,000 | 444,290 | 259,000 | -22% | -42% | ▼ | ▼ |
| Ethiopia | Production | 3,450,000 | 3,651,932 | 3,500,000 | 1% | -4% | ► | ► |
| Ethiopia | Domestic Supply | 3,780,000 | 4,096,222 | 3,759,000 | -1% | -8% | ► | ► |
| Ethiopia | Other Uses | 707,250 | 748,646 | 717,500 | 1% | -4% | ► | ► |
| Ethiopia | Consumption | 2,848,750 | 2,956,442 | 2,919,031 | 2% | -1% | ► | ► |
| Ethiopia | Domestic Demand | 3,556,000 | 3,705,088 | 3,636,531 | 2% | -2% | ► | ► |
| Ethiopia | Domestic Balance | 224,000 | 391,134 | 122,469 | -45% | -69% | ▼ | ▼ |
| Ethiopia | Self sufficiency | 106% | 111% | 103% | -3% | -7% | ► | ► |
| Somalia | Opening Stocks | 0 | 0 | 0 | #N/A | #N/A | #N/A | #N/A |
| Somalia | Production | 83,357 | 153,471 | 124,900 | 50% | -19% | ▲ | ▼ |
| Somalia | Domestic Supply | 83,357 | 153,471 | 124,900 | 50% | -19% | ▲ | ▼ |
| Somalia | Other Uses | 4,875 | 6,408 | 4,262 | -13% | -33% | ▼ | ▼ |
| Somalia | Consumption | 157,112 | 184,560 | 169,268 | 8% | -8% | ► | ► |
| Somalia | Domestic Demand | 161,987 | 190,968 | 173,530 | 7% | -9% | ► | ► |
| Somalia | Domestic Balance | -78,630 | -37,497 | -48,630 | -38% | 30% | ▼ | ▲ |
| Somalia | Self sufficiency | 51% | 80% | 72% | 40% | -10% | ▲ | ▼ |
| South Sudan | Opening Stocks | 13,403 | 25,019 | 12,734 | -5% | -49% | ► | ▼ |
| South Sudan | Production | 895,000 | 811,000 | 700,000 | -22% | -14% | ▼ | ▼ |
| South Sudan | Domestic Supply | 908,403 | 836,019 | 712,734 | -22% | -15% | ▼ | ▼ |
| South Sudan | Other Uses | 179,000 | 162,200 | 140,000 | -22% | -14% | ▼ | ▼ |
| South Sudan | Consumption | 829,140 | 708,258 | 683,013 | -18% | -4% | ▼ | ► |
| South Sudan | Domestic Demand | 1,008,140 | 870,458 | 823,013 | -18% | -5% | ▼ | ► |
| South Sudan | Domestic Balance | -99,737 | -34,439 | -110,279 | 11% | 220% | ▲ | ▲ |
| South Sudan | Self sufficiency | 90% | 96% | 87% | -4% | -10% | ► | ► |
| Sudan | Opening Stocks | 230,000 | 460,600 | 333,330 | 45% | -28% | ▲ | ▼ |
| Sudan | Production | 6,466,000 | 4,452,800 | 3,743,000 | -42% | -16% | ▼ | ▼ |
| Sudan | Domestic Supply | 6,696,000 | 4,913,400 | 4,076,330 | -39% | -17% | ▼ | ▼ |
| Sudan | Other Uses | 1,842,810 | 1,124,658 | 786,030 | -57% | -30% | ▼ | ▼ |
| Sudan | Consumption | 4,361,414 | 3,320,569 | 2,914,675 | -33% | -12% | ▼ | ▼ |
| Sudan | Domestic Demand | 6,204,224 | 4,445,227 | 3,700,705 | -40% | -17% | ▼ | ▼ |
| Sudan | Domestic Balance | 491,776 | 468,173 | 375,625 | -24% | -20% | ▼ | ▼ |
| Sudan | Self sufficiency | 108% | 111% | 110% | 2% | 0% | ► | ► |
| Uganda | Opening Stocks | 40,000 | 30,000 | 38,000 | -5% | 27% | ► | ▲ |
| Uganda | Production | 328,400 | 309,690 | 349,267 | 6% | 13% | ► | ▲ |
| Uganda | Domestic Supply | 368,400 | 339,690 | 387,267 | 5% | 14% | ► | ▲ |
| Uganda | Other Uses | 55,828 | 47,228 | 59,375 | 6% | 26% | ► | ▲ |
| Uganda | Consumption | 201,070 | 135,403 | 173,173 | -14% | 28% | ▼ | ▲ |
| Uganda | Domestic Demand | 256,898 | 182,631 | 232,549 | -9% | 27% | ► | ▲ |
| Uganda | Domestic Balance | 111,502 | 157,059 | 154,719 | 39% | -1% | ▲ | ► |
| Uganda | Self sufficiency | 143% | 186% | 167% | 16% | -10% | ▲ | ▼ |

² Data for the 2017/18 marketing year (MY 2017/18) are FEWS NET estimates as of February 31st 2018; ► denotes less than or equal to 10 percent change; ▲ denotes greater than 10 percent increase; ▼ denotes greater than 10 percent decrease.

Annex I (continued). East Africa Sorghum Balance Sheets and 2017/18 Projections by Country (MT)

| | | | | | | | | |
|----------------|------------------|------------|------------|-----------|------|------|---|---|
| Regional Total | Opening Stocks | 613,403 | 959,909 | 643,064 | 5% | -33% | ► | ▼ |
| Regional Total | Production | 11,222,757 | 9,378,893 | 8,417,167 | -25% | -10% | ▼ | ▼ |
| Regional Total | Supply | 11,836,160 | 10,338,802 | 9,060,231 | -23% | -12% | ▼ | ▼ |
| Regional Total | Other Uses | 2,789,763 | 2,089,140 | 1,707,167 | -39% | -18% | ▼ | ▼ |
| Regional Total | Consumption | 8,397,487 | 7,305,233 | 6,859,161 | -18% | -6% | ▼ | ► |
| Regional Total | Demand | 11,187,250 | 9,394,372 | 8,566,328 | -23% | -9% | ▼ | ► |
| Regional Total | Balance | 648,910 | 944,430 | 493,903 | -24% | -48% | ▼ | ▼ |
| Regional Total | Self-sufficiency | 106% | 110% | 106% | 0% | -4% | ► | ► |

Source: FEWS NET estimates based on data from regional governments and multi-agency assessments.

Annex 2. East Africa Aggregate Grain³ Historical Balance by Country ('000 MT)⁴

| Country | Commodity | Average Balance | Average Production | Average % contribution to total grain consumption | Domestic Consumption |
|-------------|--------------|-----------------|--------------------|---|----------------------|
| Ethiopia | Barley | 183 | 1,929 | 10% | 1,928 |
| Ethiopia | Corn | 635 | 6,607 | 36% | 6,670 |
| Ethiopia | Millet | 29 | 718 | 4% | 721 |
| Ethiopia | Sorghum | 391 | 3,854 | 21% | 3,910 |
| Ethiopia | Teff | 0 | 4,485 | 0% | 0 |
| Ethiopia | Wheat | -942 | 3,798 | 28% | 5,194 |
| Ethiopia | Total Grain | 296 | 21,392 | | 18,423 |
| Somalia | Corn | -4 | 108 | 14% | 112 |
| Somalia | Rice, Milled | -269 | 1 | 33% | 270 |
| Somalia | Sorghum | -39 | 134 | 21% | 173 |
| Somalia | Wheat | -253 | 0 | 31% | 253 |
| Somalia | Total Grain | -565 | 243 | | 808 |
| South Sudan | Corn | -7 | 164 | 16% | 171 |
| South Sudan | Millet | 0 | 8 | 1% | 8 |
| South Sudan | Sorghum | -23 | 768 | 77% | 816 |
| South Sudan | Rice, Milled | -38 | 1 | 4% | 38 |
| South Sudan | Wheat | -32 | 0 | 3% | 32 |
| South Sudan | Total Grain | -100 | 941 | | 1,065 |
| Sudan | Millet | 0 | 943 | 12% | 943 |
| Sudan | Rice, Milled | -17 | 8 | 0% | 25 |
| Sudan | Sorghum | 288 | 4,261 | 55% | 4,433 |
| Sudan | Wheat | -1,949 | 403 | 34% | 2,730 |
| Sudan | Total Grain | -1,678 | 5,615 | | 8,131 |
| Uganda | Corn | 418 | 2,578 | 69% | 2,492 |
| Uganda | Millet | 0 | 236 | 6% | 236 |
| Uganda | Rice, Milled | -74 | 146 | 6% | 220 |
| Uganda | Sorghum | 11 | 315 | 9% | 334 |
| Uganda | Wheat | -326 | 20 | 10% | 347 |
| Uganda | Total Grain | 29 | 3,296 | | 3,629 |

Source: USDA, FEWS NET and Observatory of Economic Complexity

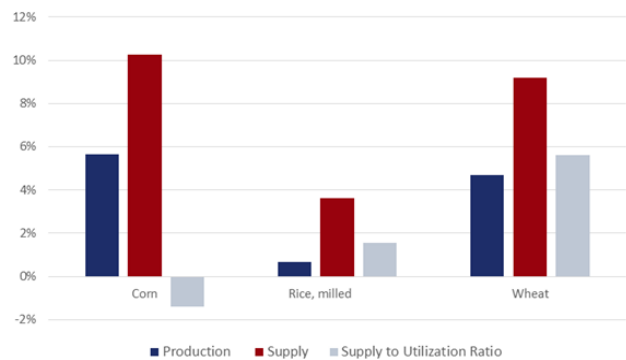
³ Grains include barley, maize, millet, sorghum, teff, and wheat for Ethiopia; maize, rice (milled), sorghum, and wheat for Somalia; maize, millet, sorghum, rice (milled), and wheat South Sudan; millet, rice (milled), sorghum and wheat for Sudan, and maize, millet, rice (milled), sorghum, and wheat for Uganda. Figures based on data from USDA, FEWSNET, and Observatory of Economic Complexity. Wheat refers to wheat grain.

⁴ Data for the 2017/18 marketing year (MY 2017/18) are FEWS NET estimates as of February 31st 2018; ► denotes less than or equal to 10 percent change; ▲ denotes greater than 10 percent increase; ▼ denotes greater than 10 percent decrease.

Annex 3. La Niña and Global Cereal Supplies

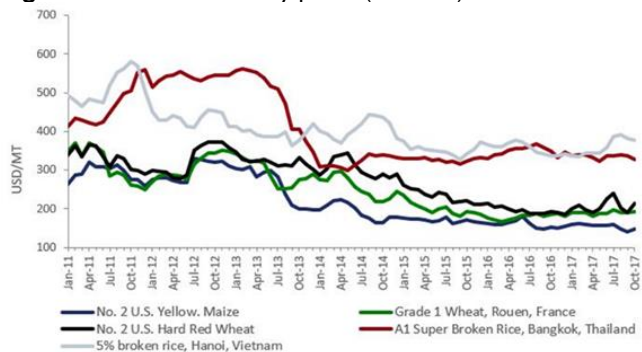
- Global commodity markets remain well supplied with rice, wheat, and maize (**Figure 8**). These supplies are expected to remain above average in 2017/18. Current season crop assessments point to generally favorable conditions globally ([World Bank](#)). However, supply will decline marginally compared to 2016/17 levels due to reductions in area planted for major producers. Stock-to-use ratios are projected to reach multi-year highs for wheat and rice, but decrease marginally for maize. Key supply side risks for the global cereal market include high energy prices, government policies influencing production and trade, as well as weather patterns in major producing and exporting countries (**Figure 10**).
- Global commodity prices were largely stable for most of 2017 and are expected to maintain this trend through the end of year (**Figure 9**). A marginal increase is projected for cereal prices in 2018, driven by tighter maize supplies ([World Bank](#)). Prices will, however, remain below average.
- A La Niña advisory issued in November 2017, is expected to continue through early 2018 (approximately February – April) with a 65 to 75 percent probability ([NOAA](#)). The impact of this forecast will vary geographically (**Figure 10**).
- FEWS NET will continue to monitor the global commodity situation in the coming months as global 2018 commodity supply estimates by the USDA, International Grains Council (IGC), the FAO, and AMIS are updated.

Figure 8. Global Market Indicators, 2017/18 compared to 2012-2016 average



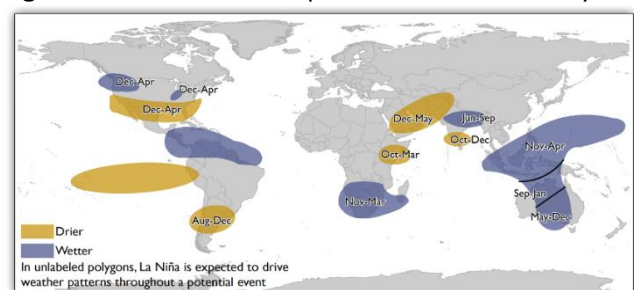
Source: Authors' calculations based on USDA (2017).

Figure 9. Global Commodity prices (USD/MT) 2011-2017



Source: Authors' calculations based on USDA, 2017 and World Bank (2017).

Figure 10. Forecast La Niña impacts, November 2017 - early 2018



Source: FEWS NET (2017).