KENYA COVID-19 MARKET MONITORING INITIATIVE IN NAIROBI INFORMAL SETTLEMENTS

MARCH 2021

BACKGROUND

The total number of positive COVID-19 cases in Kenya stood at 134,058 as of 31 March 2021. Social distancing measures, including the temporary closing of venues or large public gatherings were put in place in March 2020 to prevent the spread of the virus[1]. These measures, while necessary from a public health perspective, are likely to negatively impact market systems on which vulnerable populations in Nairobi depend.

To understand the impact on 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. This seventh round of market monitoring was conducted from 16 to 19 March 2021. This round followed the sixth round of market monitoring conducted from 9 to 12 February 2021. Previous rounds of market monitoring were conducted in June, July, August, September and October 2020.

During this round, the median reported price of a majority of the assessed items remained unchanged while the median price of some items increased. Only the median price of onions was found to have decreased by 13%. Despite the increase in the median price of some items, community members were reportedly having a low purchasing power which could have contributed to the increased proportion of retailers (from 51% in February to 67% in March) reporting a fall in demand for commodities.

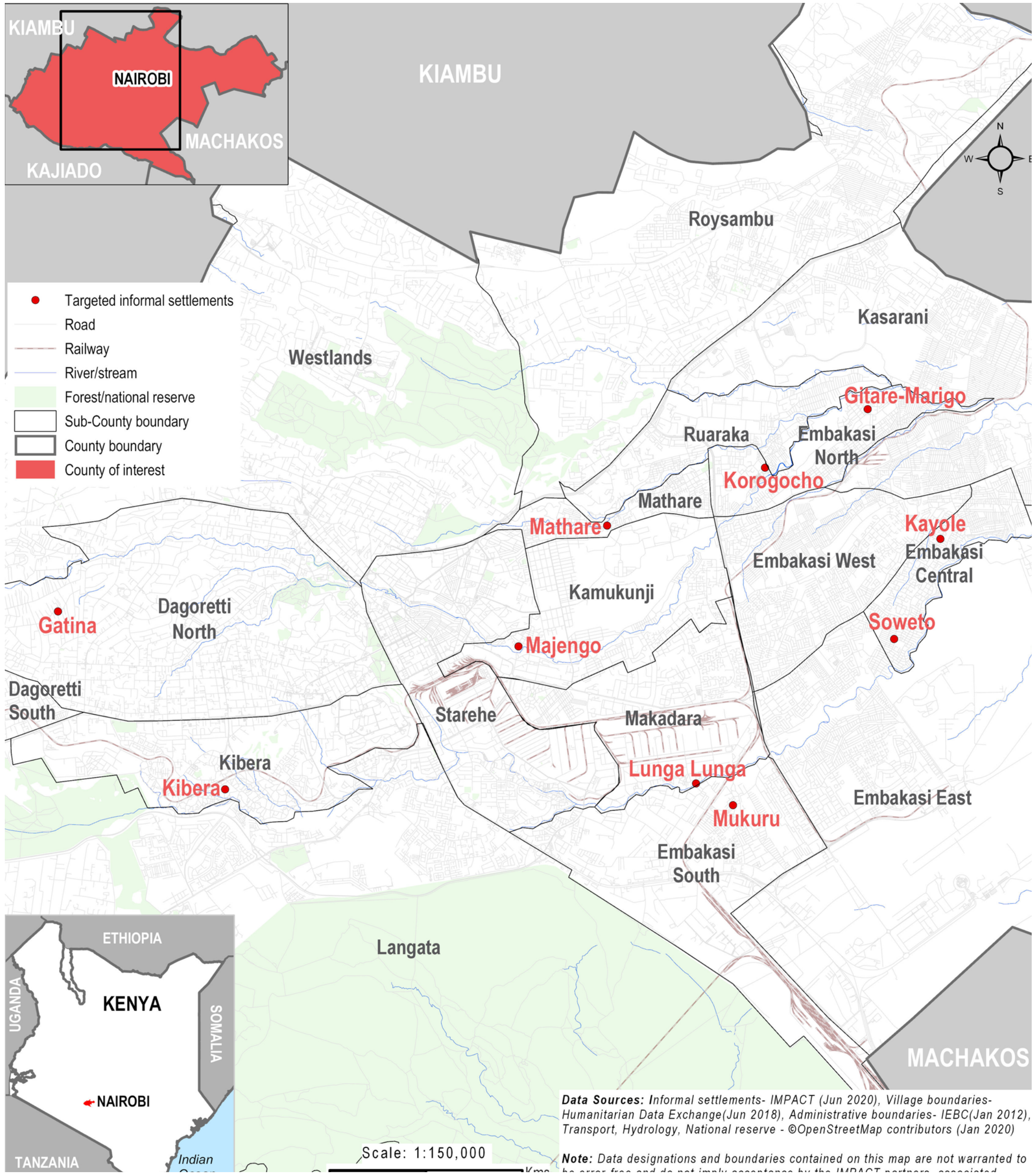
This factsheet presents an overview of median prices of key food and non-food items (NFIs), stock levels, restocking times, and challenges faced by retailers in light of COVID-19, as well as the main supply points where retailers get their commodities. Findings are indicative for assessed locations and the time frame in which the data was collected since the interviews were conducted with purposively selected retailers.

METHODOLOGY

Interviews were conducted by phone with purposively selected retailers selling basic food and non-food items (NFIs) in the 10 informal settlements of Nairobi county. Retailers were asked to list the prices in Kenya shillings (KES[2]) of fuel, food, and NFI components of the minimum expenditure basket (MEB), and to report on challenges faced by retailers and the community in light of COVID-19. The MEB represents a culturally-adjusted group of key food items and non-food items to last an average Kenyan household of three persons for 30 days. For stock levels, the retailers were asked to give an estimate of the number of days they expected their current stock to last, which might be subject to change depending on changes in demand for these items. A total of 236 retailer key informants (KIs) were interviewed and 34 items were assessed. More information about the methodology can be found in the terms of reference.

1. Preparedness and response (ministry of health, Kenya, 2020) retrieved from here.
2. 1 USD=108.729 KES in March 2021.

LOCATIONS OF DATA COLLECTION



Funded by European Union
OXFAM
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ACTED
Kenya Red Cross
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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	Spinach 1kg
Non-food items	Sanitary pads 8pack	Buckets 20L	Gas 6Kg	Charcoal 2Kg
	Facial masks 1pc	Jerry cans 20L	Kerosene 1L	Rubber 1 pc
	Water 20 L	Bar soaps 200g	Firewood 1 bundle	Pen 1pc
	Pencil 1pc	32 pages A5 exercise book		

Change in median prices (KES[2]) for food and non-food items between February and March 2021.

	Items	Feb	March	% change
Food items	Onions1Kg	80	70	▼-13%
	Maize flour 1Kg	50	50	0%
	Sugar 1Kg	110	110	0%
	Green grams 1Kg	120	120	0%
	Salt 500gm	20	20	0%
	White maize1Kg	50	50	0%
	Cabbages 500g	30	30	0%
	Cowpeas 1Kg	90	100	0%
	Wheat flour 1Kg	70	70	0%
	Tea Leaves 50gm	25	25	0%
	Cattle milk 1L	100	100	0%
	Rice 1Kg	100	100	0%
	Lentils 1Kg	160	160	0%
	Goat meat 1Kg	550	560	▲2%
	Beans 1Kg	88	90	▲3%
	Vegetable oil 1L	180	190	▲6%
	Cattle meat 1Kg	440	480	▲9%
	Pigeon peas 1Kg	80	90	▲13%
	Tomatoes 1 Kg	70	80	▲14%

	Items	Feb	March	% change
Non-food items	Pen 1pc	10	10	0%
	Pencil 1pc	5	5	0%
	Rubber 1pc	5	5	0%
	32 pages A5 exercise book	10	10	0%
	Sanitary pads 8 pack	50	50	0%
	Face masks 1pc	10	10	0%
	Bucket 20L	180	180	0%
	Firewood 1bundle	100	100	0%
	20L jerrycan with clean water	5	5	0%
	Kerosene 1L	100	103	▲3%
	Jerrycan 20L	80	85	▲6%
	Gas 6Kg	800	900	▲13%
	Charcoal 2Kg	80	80	▲13%
	Bar soap 200g	20	25	▲25%

3. Stationary include pens, pencils, rubber and exercise books.

Reported stock levels and days needed to restock food and non-food items in February 2021

Sector	Items	March days needed to restock	March stock (days)
Food items	Salt	1	16
	Tea leaves	1	15
	Lentils	1	14
	Cow peas	1	13
	Pigeon peas	1	12
	White maize	1	11
	Beans	1	11
	Green grams	1	11
	Wheat flour	1	10
	Sugar	1	10
	Rice	1	9
	Maize flour	1	7
	Onions	1	6
	Vegetable oil	1	6
	Tomatoes	1	3
	Cabbages	1	3
	Goat meat	1	2
	Cattle meat	1	2
	Cattle milk	1	2
	Average	1	9
Non-food items	Stationary[3]	1	24
	Sanitary pads	1	19
	Buckets	1	17
	Gas 6Kg	1	14
	Jerry cans	1	13
	Bar soaps	1	11
	Face masks	1	10
	Charcoal	2	10
	Kerosene	1	7
	Firewood	2	8
	Average	1	13

Findings from this survey indicate that the median prices of the most of the assessed items remained unchanged between February and March 2021. In addition, only the median price of onions had decreased.

Among the assessed food items, the median price of tomatoes, pigeon peas, vegetable oil, beans, goat meat and cattle meat had increased. On the other hand, among the non-food items, the median price of bar soap, charcoal, gas, jerrycan and kerosene had increased. The median price increase of some of the food and non-food items, could partly be attributed to high cost of transportation due to the increased prices of fuel between February and March.

Reported supply points from where retailers buy their commodities

Retailers most commonly reported purchasing a majority of their retail commodities from wholesalers within their settlement (47%) and Nairobi central business district (CBD), (33%).

Reported supply sources from where retailers buy their commodities

	February	March
Buy from a wholesaler in this market/settlement	48%	47%
Buy from a supplier in the Nairobi CBD	37%	33%
Buy from a supplier in another settlement	23%	17%
Buy directly from local producers in this settlement	1%	15%
Buy directly from local producers in another settlement	10%	6%

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

The proportion of retailers who reportedly encountered challenges while restocking either food or non-food items had decreased from 74% in February to 66% in March. The most commonly reported restocking challenge was the high prices of commodities.

Most commonly reported challenges with restocking food and non-food items, according to 74% of retailers in February and 66% in March reporting such challenges.

	February	March
High prices of commodities	66%	75%
Unavailability of items	41%	26%
Unreliable suppliers	16%	19%

On average, 69% of retailers reportedly experienced demand and supply challenges, which was particularly commonly reported by retailers interviewed in Gatina (97%). The most commonly encountered challenge was the fall in demand for commodities.

Challenges with supply and demand, according to 84% of retailers in February and 69% in March who reported such challenges.

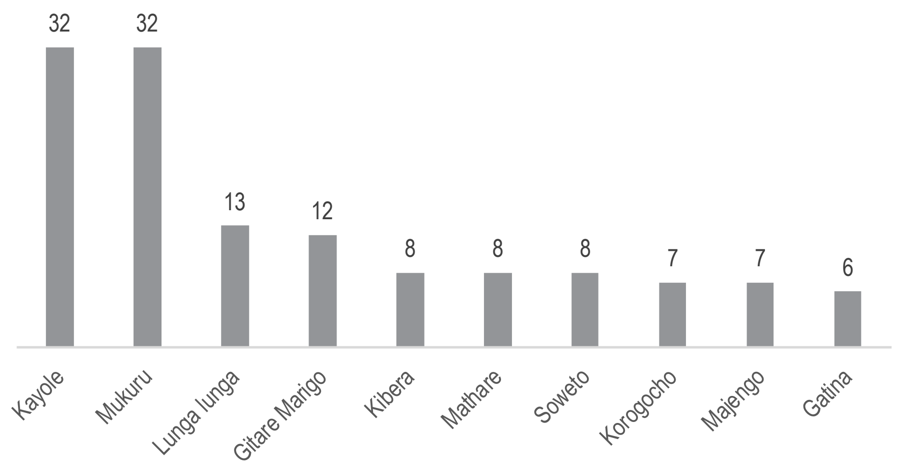
	February	March
Fall in demand for commodities	51%	67%
Increase in prices of commodities by suppliers	48%	60%
Lack of enough commodities by suppliers	23%	20%

When asked about change in the number of customers purchasing from their shops in the 30 days prior to data collection, three-quarters of the retailers reported having experienced a change in the number of customers. Among them, 12% reported an increase in the number of customers. Of these, 81% attributed this increase to the perception that people had adapted to a new way of life in the wake of COVID-19.

The proportion of retailers reporting perceiving that community members experienced constraints in accessing markets as a result of the COVID-19 situation had slightly increased from 41% in February to 47% in March. Among the 47%, 97% reported perceiving that community members had a low purchasing power as a result of COVID-19

Retailers were also asked whether they knew of retailers who had closed down their businesses in the 30 days prior to data collection close to their shops. A total of 133 retailers had reportedly closed down their businesses. A relatively high number of closed businesses (32) were reported in Kayole and Mukuru.[4]

Distribution of retailers in urban informal settlements who reportedly closed down their businesses in the 30 days prior to the data collection.



4. We cannot fully compare the number of retailers who closed down businesses in these informal settlements as we do not know exactly how big each market is.

Cost of MEB at the time of data collection (16 to 19 March 2021)

The MEB is used as an operational tool to identify and quantify the average minimum cost of the contextually-adjusted basic needs of an average Kenyan household, including items available at the local market. MEB values were calculated on the basis of price data gathered by IMPACT Initiatives for food items, water, sanitation, and hygiene (WASH) items and kerosene. The price of other key items was calculated from the urban MEB provided by the Kenya cash working group (CWG).

While the Nairobi urban MEB is based on the monthly needs of an average Kenyan household of three, the informal settlements MEB is based on a household size of four, which reflects typical households in informal settlements. The Nairobi urban and informal settlements MEB had slightly increased between February and March 2021.

Nairobi urban MEB

Sector	Items	Quantity	Median price KES
Food items	Maize meal	19.35 Kg	968
	Rice	13.5 Kg	1,350
	Dry beans	9 Kg	810
	Vegetables oil	3.15 L	599
	Cow milk, whole, not fortified	13.5 L	1,350
	Cabbage, raw	18 Kg	1,080
	Salt, Iodized	0.45 Kg	18
	Sugar	0.45 Kg	50
Energy	Electricity	21.6 kWh	336
	Kerosene	13.5 L	1,384
WASH items	Soap (multipurpose)	1350 g	169
	Water (cooking, drinking and other use)	675 L	169
	Sanitary pads (15 pcs)	6 pack	200
Communication	Communication (airtime)	0.75	150
Transport	Public transportation	12 trips	200
Health	National Medical Insurance (NHIF)	1 monthly	500
	Cloth masks	6 pcs	60
	Thermometer	1pc	500
Education	School stationery	1 kit	175
Shelter	Rent expense	1 monthly	4,000
	Cost of Nairobi urban food MEB		6,224
	Total cost of Nairobi urban MEB		14,066

Nairobi informal settlements MEB

Sector	Items	Quantity	Median price KES
Food items	Maize meal	13.2 Kg	660
	Rice	13.2 Kg	1,320
	Dry beans	13.2 Kg	1,188
	Vegetables oil	7.8 L	1,368
	Cow milk, whole, not fortified	12 Kg	1,200
	Cabbage, raw	12 Kg	720
	Salt, Iodized	1.2 Kg	48
	Sugar	1.2 Kg	132
	Maize grain	13.2 Kg	660
	Sorghum	13.2 Kg	660
Energy	Electricity	15.57 kWh	467
	Kerosene	12 L	1,230
Communication	Communication (airtime)	1	200
Transport	Public transportation	12 trips	200
Shelter	Rent expense	1 monthly	2,700
	Cost of Nairobi informal settlements food MEB		7,956
	Total cost of Nairobi informal settlements MEB		12,753

	Nairobi urban MEB		Nairobi informal settlements MEB	
	February 2021	March 2021	February 2021	March 2021
Cost of food MEB in KES	6,170	6,224	7,851	7,956
Total cost of MEB in KES	13,945	14,066	12,618	12,753

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 works with Cash Working Groups and partners to provide up-do-date evidence to inform the 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.