

Challapata Market Update, 27.5.2014

Price Development

And once again, the direction in which the quinoa price is moving changes again. After the last weeks, in which we could observe a steady price increase that peaked at \$5.80 for a kg of quinoa, many insiders expected the quinoa price to grow even more in the season 2014/2015. But last Saturday, prices dropped again to \$5.14 (1,600 Bolivianos per 46kg bag). The mentioned prices concern only white quinoa since the black and red varieties remain stable in their prices of \$4.02 and \$4.82, respectively.

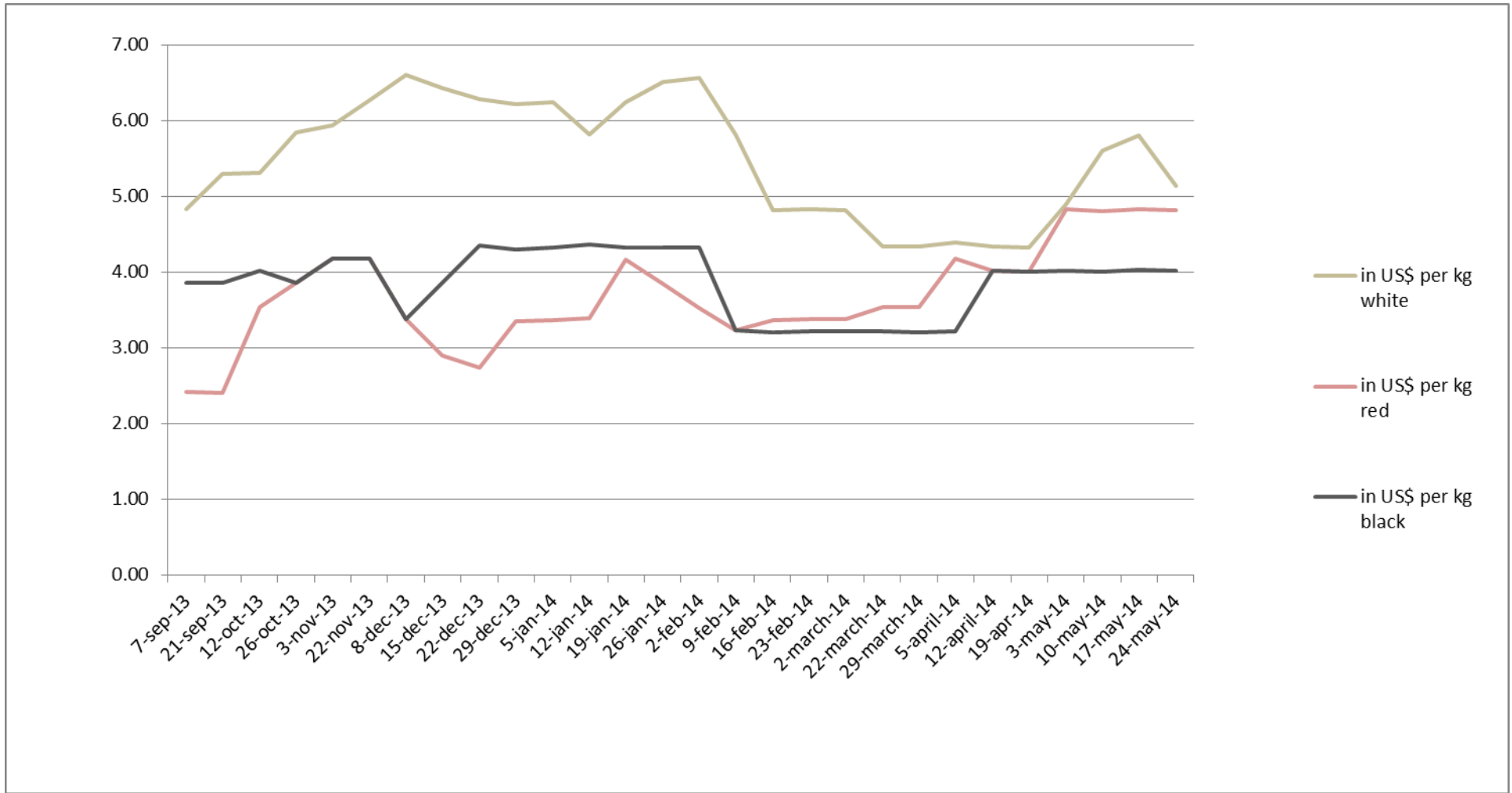
Since the end of March, prices have risen continuously from \$4.30 to \$5.80 in the local market in Challapata. International traders started worrying about the price increase because a local price of \$6.00 translates into an export price of minimum \$7.00 which then can mean a retail price of up to \$22 (in European shops). It seems that this price cannot be sustained for long. So the price drop should be a relieve for traders.

The period of April and May is determining for the price setting since one can estimate about the supply with new harvest. According to our source in Bolivia, this year's harvest is very successful.

Since the beginning of keeping record of the Challapata price, prices for white quinoa are higher (almost double for white in comparison to red) than the prices for black or red quinoa. Contrary to the usual observation that red and black quinoa are more exclusive and therefore more expensive, the strong (international) demand for white quinoa caused this opposing price increase. The same reason explains why the price of the coloured varieties seems to be more stable than the one of the white varieties.

The price peak of all quinoas (although much more observable in white quinoa) has been reached between the end of January and the beginning of February, when farmers were paid between \$6.50 and \$6.60 for a kilogram of quinoa. The publicity during the FAO's International Year of the Quinoa and the increasing interest for super foods by the Western society have contributed to the increasing demand (and price) on the local quinoa market. Shortly before the beginning of the new season (in February and March), prices stabilized: black quinoa remained at \$3.20, red quinoa between \$3.30 - \$3.50 and white quinoa between \$4.20 - \$4.80.





Price Record

		In the local currency: Bolivianos/quintal	in US\$/kg (1 quintal=46 kg)	currency conversion, www.oanda.com
7-sep-13	white	1,500	4.83	6.75153
	red	750	2.41	
	black	1,200	3.86	
21-sep-13	white	1,650	5.30	6.76671
	red	750	2.41	
	black	1,200	3.86	
12-oct-13	white	1,650	5.30	6.76305
	red	1,100	3.54	
	black	1,250	4.02	
26-oct-13	white	1,820	5.85	6.76525
	red	1,200	3.86	
	black	1,200	3.86	
3-nov-13	white	1,850	5.94	6.7748
	red	1,300	4.17	
	black	1,300	4.17	
22-nov-13	white	1,950	6.26	6.76817
	red	1,300	4.18	
	black	1,300	4.18	
8-dec-13	white	2,050	6.61	6.7464
	red	1,050	3.38	
	black	1,050	3.38	



15-dec	white	2,000	6.44	6.7551
	red	900	2.90	
	black	1,200	3.86	
22-dec-13	white	1,950	6.28	6.7531
	red	850	2.74	
	black	1,350	4.35	
29-dec-13	white	1,950	6.21	6.824
	red	1,050	3.34	
	black	1,350	4.30	
5-jan-14	white	1,950	6.24	6.7888
	red	1,050	3.36	
	black	1,350	4.32	
12-jan-14	white	1,800	5.82	6.7258
	red	1,050	3.39	
	black	1,350	4.36	
19-jan-14	white	1,950	6.24	6.7906
	red	1,300	4.16	
	black	1,350	4.32	
26-jan-14	white	2,030	6.50	6.7852
	red	1,200	3.84	
	black	1,350	4.33	
2-feb-14	white	2,050	6.56	6.7931
	red	1,100	3.52	
	black	1,350	4.32	



9-feb-14	white	1,800	5.81	6.73
	red	1,000	3.23	
	black	1,000	3.23	
16-feb-14	white	1,500	4.82	6.7718
	red	1,050	3.37	
	black	1,000	3.21	
23-feb-14	white	1,500	4.83	6.7489
	red	1,050	3.38	
	black	1,000	3.22	
2-march-14	white	1,500	4.82	6.7614
	red	1,050	3.38	
	black	1,000	3.22	
22-march-14	white	1,350	4.34	6.763
	red	1,100	3.54	
	black	1,000	3.21	
29-mach-14r	white	1,350	4.33	6.7705
	red	1,100	3.53	
	black	1,000	3.21	
5-apr-14	white	1,370	4.40	6.7746
	red	1,300	4.17	
	black	1,000	3.21	
12-apr-14	white	1,350	4.34	6.7615
	red	1,250	4.02	
	black	1,250	4.02	



19-apr-14	white	1,350	4.33	6.7833
	red	1,250	4.01	
	black	1,250	4.01	
3-may-2014	white	1,520	4.89	6.7559
	red	1,500	4.83	
	black	1,250	4.02	
10-may-2014	white	1,750	5.60	6.7935
	red	1,500	4.80	
	black	1,250	4.00	
17-may-2014	white	1,800	5.80	6.7477
	red	1,500	4.83	
	black	1,250	4.03	
24-may-2014	white	1,600	5.14	6.7678
	red	1,500	4.82	
	black	1,250	4.02	

The Meaning of the Challapata Price

The price figures below give an insight into the market price for Bolivian quinoa as it is determined weekly on the Challapata market in the Bolivian Southern Altiplano. Challapata is the main national open market for quinoa, named "Quinoa Wallstreet" for the consequences its price setting dynamics have on international trade. Every week, producers and traders from all over the country come to the small town to buy and sell quinoa. The price for which the grain is traded is decided weekly and can raise or drop within the day. The Challapata price is determined by supply and demand. It is so important since it is the benchmark for most exporting companies and associations. The price politics of most companies take the Challapata price as a basis and then adds 50, 60 or 100 Bolivianos extra.



At Mercadero, we update the Challapata price every fortnight and explain why the price moves in a certain direction. The price refers to white quinoa, which can be both organic and non-organic but should mainly be sold as non-organic due to the spot market character of the Challapata market (hence, back-tracing is not easily done).



Quinoa farmers and their produce in Challapata, Picture: Annika Gabriel, March 2013.

