



# LIBERIA MARKET PRICE MONITOR

*A monthly price analysis of food and other essential commodities*

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## Highlights

- International rice prices remain stable due to large exportable supply and competition among major exporters;
- Prices of imported rice on the Liberian markets are stable in line with global market trends;
- Land preparation activities for the next rice and vegetables season has started in most parts of the country;
- Gasoline prices remains steady due to reduction in the pump price of gasoline by the government
- Palm oil producers and casual labourers are experiencing favorable terms to trade

## INTRODUCTION

The 33rd edition of the Liberia Market Price Monitor summarizes the price changes for commonly consumed staples as well as other essential non-food commodities that have potential of being exchanged for food in February and March 2013. This edition provides insight into seasonal evolution of price trends for Liberia staple rice, as well as possible effects of global price variations. It compares prices on the domestic markets this month to a year ago, as well as price comparisons on a month by month basis.

## GLOBAL TRENDS IN PRICE OF RICE

International rice prices remained generally stable between February and March 2013. The FAO overall Rice Price Index was averaged at 238 points in March 2013, unchanged from last month and one percent higher compared to the same period a year ago.<sup>1</sup> The index also reported slightly lower prices for both Indica and Japonica varieties, while aromatic rice remain firmed for the fourth consecutive month. It is also notable that Aromatic rice is 15 percent expensive than a year earlier. In Thailand, prices tend to slightly drop compared to the trends seen in past months, a sign that the Government might be relaxing its high paddy producer price policy. Rice prices were also under downward pressure in Vietnam and South America, where new crops are being harvested, while prices in the United States are reportedly moving up due to lower availability and strong regional demand. Export prices should therefore remain high in the United States, while in Asia, the downward trend should continue following strong competition among major exporters and reduced demand for rice imports in sub-Saharan Africa and Asia.

**Figure:1 FAO Rice Price Indices (2002-2004=100)**

	All	Indica		Japonica	Aromatic
		High quality	Low quality		
		2002-2004 = 100			
2009	263	229	196	341	282
2010	229	211	212	264	281
2011	251	237	250	274	227
2012	238	230	242	248	217
2012 March	235	229	242	242	214
April	233	227	242	239	205
May	238	233	243	246	214
June	238	233	240	249	215
July	239	230	241	254	216
August	240	232	242	252	223
September	245	236	248	259	219
October	244	234	248	256	226
November	242	235	244	254	221
December	236	229	237	246	223
2013 January	236	230	239	241	232
February	238	232	242	239	243
March	238	231	242	238	247
2012 Jan-Mar	233	224	239	241	214
2013 Jan-Mar	238	231	241	239	240
% Change	2.0	3.1	0.7	-0.9	12.2

Source: FAO

## WHOLESALE PRICE OF IMPORTED RICE

**Table 1: Price of 50 kg of imported rice in Liberian Dollar February-March 2013**

Markets	Feb-12	Mar-12	Feb-Mar 2012	Feb-13	Mar-13	Feb-Mar 2013	% change a year ago
	Bo-Waterside	2850	2583	2717	2566	2658	2612
Buchanan		3256	3256	2881		2881	-12%
Gbarnga		3125	3125	2800	2753	2776	-11%
Pleebo	2900	3015	2958	2910	2704	2807	-5%
Red Light	2900	2910	2905	2563	2531	2547	-12%
Toe Town		2900	2900	3617	3539	3578	23%
Voinjama	3156	3167	3161	3022	2967	2994	-5%
Zwedru		3360	3360	3550	3521	3535	5%

In March 2013, the price of a 50kg bag of imported parboiled rice remained relatively stable in all markets compared to the previous month, an observation also in line with global rice trends. Moderate price decreases were observed in Red Light and Zwedru markets 1 percent, 2 percent in Gbarnga, Toe Town and Voinjama markets, and 7 percent in Pleebo market. These decreases could be attributed to the road improvement. The exception was Bo-waterside market

<sup>1</sup> [http://www.fao.org/index\\_en.htm](http://www.fao.org/index_en.htm)



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<http://www.wfp.org/content/liberia-market-price-monitor-2013>

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## WHOLESALE PRICE OF IMPORTED RICE (continued)

which experienced a monthly price increase of 4 percent. Compared to the same period last year, imported rice prices in February-March are currently 4 to 12 percent lower, except for Zwedru and Toe Town in the Southeast where there were annual increases of 5 and 23 percent respectively. On average, the price for a 50kg bag of imported parboiled rice is 3 percent lower than a year ago.

The stability in prices of imported rice on the domestic markets could be attributed to the recently extended executive order by the government of Liberia, suspending import duties on rice, a move which is expected to keep imported rice prices at stable levels throughout this year. In addition is the huge quantity of low-grade imported rice currently dominating the Liberian markets. Since the beginning of 2012, major rice importers shifted their source of rice imports particularly to India because of lower export prices. According to the Ministry of Commerce and Industry (MOCI) commercial rice stocks data for 2012, 58 percent of imported rice on the local markets originated from India and in March this year, it was reported that the Indian parboiled rice ranks number one on the list of top ten fastest

selling rice in Liberia.

The Ministry of Commerce and Industry also reported that current and pending commercial stocks of imported rice will be sufficient to meet local consumption requirements through to next April.

Meanwhile, rural households in most parts of the country are currently engaged in land preparation activities (mainly felling trees, brushing, and burning predominantly carried out by men) for the next rice and vegetable seasons to be followed by planting of crops in April/May. Generally, land preparation activities coincide with a period marked by diminishing supply of local food stocks at the household level, similar to a normal year. After local rice stocks are exhausted, rural households will have to rely on markets to purchase imported rice and increase their consumption of cassava.

Overall, food availability and access is expected to be good in the next three months as markets continued to be well supplied with imported rice and households carry on normal livelihood activities which include sales of charcoal, palm nuts/oil, rubber and labor to generate income.

## PRICES OF OTHER COMMODITIES

The price for a gallon of gasoline has exhibited stability between February and March with price differentials witnessed across the markets explained by distances from the main port of entry, Monrovia. In addition, is the recent reduction in the pump price of gasoline (from US\$4.53 to US\$4.33) on the Liberian market in a release issued by the Ministry of Commerce and the Liberia Petroleum Refining Company (LPRC). According to both authorities, the change in the current price was precipitated by the global market trend. However, prices are 7 to 14 percent above last year levels in Pleebo, Bo-waterside, Gbarnga and Saclepea markets while prices in the rest of the markets seem to be relatively stable.

Table 3: Price of 1 gallon of palm oil in Liberian Dollar February-March 2013

Markets	Feb-12	Mar-12	Feb-Mar 2012	Feb-13	Mar-13	Feb-Mar 2013	% change a year ago
Bo-Waterside	483	471	477	497	478	487	2%
Buchanan	350	350	350	471		471	35%
Gbarnga	300	300	300	325	350	338	13%
Pleebo	360	350	355	438	417	427	20%
Red Light	361	367	364	441	388	414	14%
Saclepea	285	275	280	258	300	279	0%
Toe Town		424	424	700	696	698	65%
Voinjama	444	425	435	750	450	600	38%
Zwedru		450	450	700	700	700	56%

The price of one gallon of palm oil has started its normal seasonal decline in most markets between February and March 2013. Voinjama market reported the biggest decrease of 40 percent followed by Red Light market (12 percent) and

Table 2: Price of 1 gallon of gasoline in Liberian Dollar February-March 2013

Markets	Feb-12	Mar-12	Feb-Mar 2012	Feb-13	Mar-13	Feb-Mar 2013	% change a year ago
Bo-Waterside	350	363	356	385	395	390	9%
Buchanan	350	350	350	347		347	-1%
Gbarnga	330	330	330	358	373	365	11%
Pleebo	413	413	413	453	430	442	7%
Red Light	303	335	319	319	333	326	2%
Saclepea	320	325	323	380	357	368	14%
Toe Town		398	398	380	400	390	-2%
Voinjama	398	398	398	400	400	400	0%
Zwedru		380	380	380	380	380	0%

Bo-waterside and Pleebo markets around 4 to 5 percent. Saclepea and Gbarnga markets were the exception with 16 and 8 percent rise in prices.

According to the Liberia Market Review (LMR 2007), palm oil is a significant income-generating activity for many rural households and prices tend to be lower at this time of the dry season due to the harvesting of palm oil which runs particularly from March to May. Palm oil is usually expensive between June and October. On the other hand,

high domestic and foreign demand (particularly from Guinea) is keeping prices for this commodity about 13 to 65 percent higher than last year's levels. This is providing better terms of trade for palm oil producing households.

The most expensive place to buy palm oil in Liberia is Toe Town and Zwedru markets in Grand Gedeh county while Saclepea and Gbarnga markets in central Liberia remains the cheapest.

## PRICES OF OTHER COMMODITIES (CONTINUED)

The price of a 50kg bag of charcoal had mixed reactions in markets across Liberia. In Toe Town the price of a bag of charcoal is 32 percent more expensive than its price in the previous year. Prices of a bag of charcoal in Pleebo, Buchanan and Gbarnga have also increased considerably. The lowest price of charcoal has been reported in Bo-waterside. Price in Toe Town a month ago decreased by 15 percent while it remained stable in the other markets except Voinjama where the price went up by 6 percent. According to most traders, prices for charcoal is expected to increase in the coming months as the rains begin in April/May especially in low production areas like Zwedru and Pleebo.

Table 4: Price of 50 kg bag of charcoal in Liberian Dollar  
February-March 2013

Markets	Feb-12	Mar-12	Feb-Mar 2012	Feb-13	Mar-13	Feb-Mar 2013	% change a year ago
Bo-Waterside	190	185	188	175	167	171	-9%
Buchanan	250	250	250	275		275	10%
Gbarnga	189	190	190	200	200	200	6%
Pleebo	247	248	248	274	274	274	11%
Red Light	263	273	268	280	268	274	2%
Toe Town		175	175	250	213	232	32%
Voinjama	198	200	199	188	200	194	-2%
Zwedru		288	288	292	300	296	3%

## TERMS OF TRADE (TOT) BETWEEN WAGE

Table 5: Terms of Trade between daily wage and imported rice

Markets	Kg rice 2012	Kg rice 2013		Main Activity
Bo-Waterside	3.4	3.8	↑	Agriculture
Gbarnga	2.0	2.3	↑	Agriculture
Pleebo	3.9	4.3	↑	Agriculture
Red Light	4.1	4.4	↑	Construction
Toe Town	3.9	3.8	↓	Agriculture
Voinjama	2.7	2.9	↑	Agriculture
Zwedru	3.3	4.1	↑	Agriculture

Compared with the same month last year, terms of trade between agriculture and construction labor wage rates and 1 kilogram of imported rice has witnessed improvements in all markets with the exception of Toe Town market where TOT slightly decline by a point. Table 5 shows the variations in terms of trade; Zwedru market went up by 8 points followed by Bo-waterside and Pleebo with 4 points, Gbarnga and Red Light up by 2 points and Voinjama with 2 points. The decline in imported rice prices compared to a year ago against stable wage rates for agriculture and construction labor could be responsible for the general improvement in terms of trade.

Figure 2: Terms of Trade between Imported Rice and Palm Oil  
(March 2012 and March 2013)

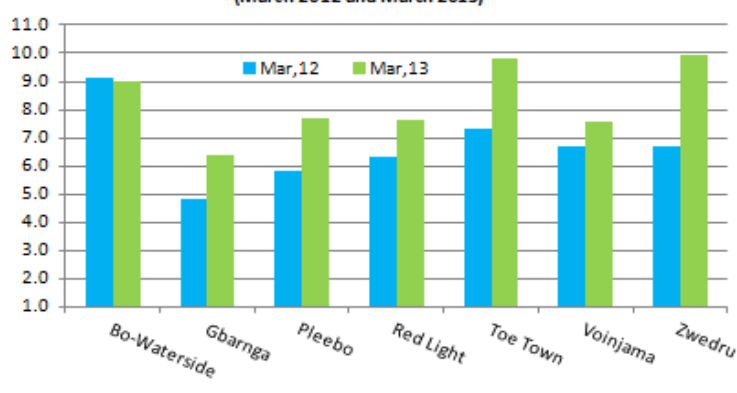


Figure 2 illustrates in kilograms the quantity of rice that can be purchased in each market by selling one gallon of palm oil, which is a major income-generating source for rural households in most of the markets monitored. Generally, terms of trade improved in all markets in this month compared to the same period last year. On average, a palm oil producer can purchase 1.6 kilograms of rice more than a year ago. Major improvements for terms of trade were observed in Zwedru market (48%), followed by Toe Town market (34%), Pleebo market (33%), Gbarnga market (32%) and Red Light (21%). The improvement in TOT for palm oil producers can be explained by high palm oil prices against stable imported rice prices which is providing better access to food for palm oil producers.

## OUTLOOK AND CONCLUSION

The absence of local rice reported in most of the rural markets is an indication that households' food stocks from last season's harvest are almost depleted, especially in the southeast where local rice production is still low. Exceptions include the major rice producing districts of Lofa, where markets are still dominated by locally-milled rice. Equally, demand for imported rice is expected to increase in the coming months to bridge the deficit.

On the other hand, global outlook of rice prices in the coming months especially in Asia is expected to decline because of large exportable supplies, stable oil prices and strong competition among major exporters. With more than 70 percent of rice imports sourced from Asian markets, food prices in the country is expected to remain stable until June. However, the onset of the long rains (May-October) usually disrupts transportation and may likely exert upward pressure on domestic food prices. Thus, it is important to explore possibilities of pre-positioning existing food stocks in the remote areas of the country.