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INTRODUCTION

This 29th 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 exchange for food in September 2012. The Liberia Market Price Monitor aims to inform stakeholders on the changes in food price over time, at different locations and in different seasons; and how prices of staples change relative to other local commodities that are key sources of income for vulnerable households.

GLOBAL TRENDS IN PRICE OF RICE

In September, International rice prices remained relatively firmed. The FAO overall Rice Price Index rose by 2.0 points to 244.0 points against 242.0 points in August.

Following two months of stability, the FAO Food Price Index also rose slightly in September 2012, up 1.4 percent, or 3 points, from its level in August.

The Index, based on the prices of a basket of internationally traded food commodities, climbed to 216 points in September from 213 points in August. The rise reflected strengthening dairy and meat prices and more contained increases for cereals. Prices of sugar and oils, on the other hand, fell. The FAO Index currently stands 22 points below its peak of 238 points in February 2011, and 9 points below its level of 225 points in September 2011.

The FAO Cereal Price Index averaged 263 points in September, 1.0 percent, or 3 points up from August, as gains in wheat and rice prices offset a decline in maize. While shrinking maize export availabilities and high maize prices have been leading cereal markets in recent months, tightening wheat supplies have also become a concern. Nonetheless, international wheat prices fell towards the second half of the month, following the announcement by the Russian Federation that it would not impose restrictions on exports.

WHOLESALE PRICE OF IMPORTED RICE

In September 2012, prices of imported parboiled rice remained relatively stable between August and September in most of the domestic markets across the country with the exception of Pleebo market which reported the most dramatic increase of 14% followed by Voinjama market 6%. The lowest price for rice was recorded in Gbarnga and Red Light markets.
**WHOLESALE PRICE OF IMPORTED RICE (continued)**

Pleebo market has a low degree of integration with other Liberian markets as a result of bad roads which worsen during the rainy season. As expected, rural markets continued to report relatively higher prices compared to markets around Monrovia, the main port of entry. The most expensive markets are Tubmanburg (14 percent), Pleebo (13 percent) and Voinjama (10 percent) higher than prices in Monrovia.

Overall, markets are well supplied in imported rice however; physical access to market in remote areas is seasonally poor. Current harvest of rice in the southeastern region has not yet reached the markets – imported rice dominates the markets.

According to the Ministry of Commerce and Industry (MOCI), current and pending stocks of imported rice are expected to meet domestic needs throughout next April. Other products like cassava and vegetable are also available on major markets. Food availability remains generally good.

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**PRICES OF OTHER COMMODITIES**

In Liberia, palm oil is the main source of dietary fat and income source for producer households. In September 2012, prices for a gallon of palm oil increased in most of the markets across the country with the exception of Red Light, Voinjama and Saclepea markets that either remained stable or declined when compared to last month (see Figure 2). The price rise is mainly due to the seasonal low availability coupled with the poor condition of the roads which makes it difficult for traders to take the commodity from where it is produced to the markets. Meanwhile, the price of a gallon of palm oil is considerably higher (31 percent) than the same period in 2009. Major increases in price was observed in Pleebo (98%), Zwedru (38%) and Bo-waterside (32%). Palm oil prices may likely remain firm until the peak of the palm nuts harvest which is expected in March of next year.

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Gasoline prices, an important factor in transportation costs, were reportedly up in September compared to August and three years ago (2009-2012). Zwedru market in the southeastern region recorded most significant price rise of gasoline (110%) between August and September, the highest ever since 2009. Major increases was also observed in far-off markets such as Foya (16%) and Pleebo (7%).

According to traders, the sharp increase in gasoline prices is due to the shortage of commodity on the Zwedru market. The scarcity of gasoline has been attributed to the current deplorable state of the roads as a result of heavy rains which makes it impossible for gasoline tankers to reach supplies to Zwedru and other districts in the region, a situation that is putting pressure on prices of food and other essential commodities. In addition, is the high transportation costs that have made access to markets particularly difficult. The combination of these factors is impacting the purchasing power of most vulnerable households who rely on markets for their food.
About 98% of Liberia’s energy needs are met by fuelwood and charcoal. The majority of the people residing in Tubmanburg, and Bo-waterside depend considerably on charcoal production as a means of livelihood. Figure 4 shows that current prices of charcoal remained firm in most markets compared to last month with the exception of Foya market in Northern Liberia. The limited supply of charcoal to the markets can explain this observation. Production levels are usually lower during this period of the year due to heavy rainfall which leads to increasing demand for the product and difficulties of transportation due to high gasoline prices makes charcoal expensive. It is also notable that charcoal prices have almost doubled in most markets when compared to the same period in 2009.

The terms of trade reported here reflects the amount of rice in kilograms a household will purchase in exchange of earnings from their labour either in construction sites (Red Light and Buchanan Markets), or from agricultural activities from the rest of the markets (currently weeding, fencing and swamp brushing primarily undertaken by both men and women). In general, terms of trade for imported rice/daily wage on average remained stable (0.1 kg less) across the markets when compared to a month of ago. However, deteriorating TOT was observed in Pleebo, Foya, and Red Light markets. For example, a casual laborer in Pleebo is obtaining 1.4 kilograms less of imported rice compared to last month but favorable compared to three years ago (2009-2012).

Access to food was normal during this lean period thanks to good availability of imported rice on markets, cassava and normal incomes earned by households. Stable price of imported rice within the season even higher than last year allowed access to majority of households. Some of the poor households shifted their consumption to more cassava during the lean season.

Meanwhile, the new harvest of early planted rice in the southeastern region is near completion, replenishing household stocks and resulting in lower levels of market food purchase in September. In other regions, harvest of rice will begin in October, leading to improved households’ stocks.

Local rice is also expected to start appearing on the markets in the coming month as the main harvest begins, bringing an end to the lean season and thus reducing the demand of imported types and improving farming households’ access to food especially the most preferred staple, rice.

With current commercial stocks of imported rice reportedly enough to meet domestic demand until next April and anecdotal reports of an expected good harvest compared to last year food availability is expected to remain generally good throughout the last quarter of this year. Nevertheless, it is still important to monitor the global rice prices as Liberia is vulnerable to international price shock due to minimal local production.

The Saclepea General Market is a weekly market held on Tuesdays and is situated in Saclepea-Mah District, Nimba County. It’s a large market with several traders for some commodities such as palm oil, cane juice, rice (imported), other food crops and draw three major categories of traders: (1) Producers from the surrounding or catchments area bring their produce for sale, most often to wholesalers (bulk intermediaries) during the weekly market; (2) The wholesalers, often from Monrovia, buy from the producers outside the market; and (3) Retailers (itinerant traders) sell dry and imported goods, primarily to the producers.

Farmers use the cash from their sales to the wholesalers to buy basic needs, e.g. salt, matches, clothing, etc. from the retailers in the market. The disposable cash income of farm households depends on sales of farm produces which may be sold from time to time and in small quantities.