**Highlights**

- Border closures and movement restrictions reduce trade volumes in Ebola-affected sub-region
- Monthly prices remained stable between August and September 2014 in Guinea with the exception of Labé market, were local rice prices fell by 21 percent
- Boarder closure and movement restrictions in Guinea cause retail and producer prices for potatoes to drop significantly in recent months
- In Liberia, prices for imported rice have continued to increase beyond their seasonal pattern
- The exchanges rates of the Liberian Dollar (LRD) and the Sierra Leone Leone (SLL) against the US Dollar have stabilized (LRD) / increased (SLL) in September. In Liberia, however, the exchange rate remains more than 13 percent below September 2013 levels, which maintains inflationary pressure on domestic prices of imported food commodities.
- 16 weekly markets closed in Senegal along the border with Guinea, causing significant trade contraction between the two countries

**CONTEXT: IMPLICATIONS OF EBOLA FOR REGIONAL MARKETS**

The Ebola Virus Disease (EVD) outbreak and its consequences are an immediate threat to the sub-regional economy. WFP is closely monitoring the situation in all countries affected by Ebola as well as wider sub-regional trade activities. This update provides an overview on latest market information for these countries. Its aim is to inform on the current impact of the crisis on local and regional food markets, taking into account seasonal livelihood activities. More specifically this bulletin takes the following aspects into consideration:

⇒ Closure of borders and markets
⇒ Movement restrictions
⇒ Climatic conditions
⇒ Agricultural production outlook
⇒ Price fluctuations

The underlying risk of the EDV-outbreak is that a decrease in both food and cash crop production would severely impact household incomes and threaten their livelihoods, while trade flow interruptions may lead to food availability constraints and severe price fluctuations in short and long-term. This would in turn further impact the purchasing power, possibly reducing food access of households and farmers.
INTERNATIONAL AND REGIONAL TRADE

- As of 17 September 2014, all border crossings remain closed in the Ebola-affected sub-region, the exception being the Guinea /Mali and Senegal/Mali borders (Map 1).

- According to private sector sources, warehouse sales in the ports of Conakry, Freetown, and Monrovia have increased since the beginning of the crisis, along with an overall increase in demand. Although the exact impulse source of increased sales is unclear, it is likely that the EVD-outbreak has created an atmosphere of increased fear in both consumers and trader’s perception of scarcity of staple commodities, which has led to a rapid increase in purchase volumes.

- As of 9 September 2014, no export-restrictions to either one of the three Ebola-affected countries have been issued, but exporters from Asia indicated that shipments are becoming more difficult, as operators of dry bulk vessels are often unable to find crews for their ships headed to West African ports, due to fears of possibly contracting the virus. An additional payment of USD 5 to USD 10 per mt for all three destinations is currently necessary. This markup will likely increase in the coming weeks.

- Senegalese movement restrictions for vessels coming from Guinea, Sierra Leone or Liberia heading towards Dakar, are burdening overall commercial activities between these countries.

- The border closures to neighboring Senegal, Liberia, Sierra Leone and Guinea-Bissau have led to a decline of trade volumes of agricultural commodities between Guinea and neighboring countries.

- Urban markets in the regional capitals are currently still well supplied with local produce.

- Monthly prices for key food commodities remained stable between August and September 2014, with the exception of local rice in Labé, which dropped by 21 percent (Figure 1).

Figure 1: Local rice price development on Guinean markets

- Potato exports to Senegal in August 2014 were reported to significantly lower than during the same period last year, causing a significant drop in both producer and retail prices in the region of Fouta Djallon. According to the local farmer federation, the average farm-gate price for potatoes did not exceed 2000 GNF/kg during August and early September, while in 2012 and 2013 August prices were 3092 and 3483 GNF, respectively. Meanwhile, the local retail price for potatoes has dropped by 65 percent between June and September 2014 on the market of Labé, which is a key market in this region, located on the Guinea-Senegal trade route. A similar observation was made on the market of Faranah (central Guinea – close to the border of Sierra Leone) where prices dropped by 42 percent between the first and second week of September. Although potatoes are not amongst the most common key staple food commodities in the region, the observations made for this market illustrates the potential impact of the EDV-outbreak on local value-chains in the country (Source: Fédération des Paysans du Fouta Djallon).

- The weekly rural market of Pita has been reopened after being closed by local authorities in August 2014 due to concerns about congregating in large groups (Source: WFP).

- Local authorities imposed a curfew in N’Zérékoré, after protests by market stall holders against alleged disinfection measures by a team of health workers (Media Sources).
**LIBERIA**

- Many weekly district markets in border areas remain officially closed, including Foya market in Lofa, Ganta Market in Nimba and Bo-waterside in Grand Cape mount.

- Restricted movement and border-closures constrain food transporters/traders from moving food from Monrovia to rural Liberia and across borders.

- The areas with high incidences of EVD are among the most productive regions (Central and Northwest). Food commodities like cowpea, ground nuts, cucumber and plantains are spoiling in the gardens as some farmers abandoned their farms and migrated to other places at the onset of the Ebola crisis for fear of getting infected (Source: WFP).

- According to Liberia Market Association representatives in Monrovia, produce from the restricted/quarantined areas are being damaged at the checkpoints leading to a low market supply. At the same time, transport fares from the feeder markets are extremely high; thereby impacting on the market price in the capital.

- In August, prices for imported rice have continued to increase beyond their seasonal pattern. Monthly changes up to 24 percent and 22 percent have been observed in Grand Cape Mount (Figure 2) and Maryland. In the Ebola affected counties of Bomi, Bong, Lofa, Margibi and Nimba, prices of imported “parboiled” rice have increased on average by 17 percent between August and early September 2014. Prices are highest in the Lofa County, which is at the heart of the Ebola outbreak. Here the average price is at 1852 LRD per 25kg bag of imported rice in mid-September. This represents a 5 percent increase compared to the first week of September and a 20 percent increase compared to August 2014.

- In the counties of Bomi, Bong, Lofa, Margibi, Nimba, average prices for imported rice have increased in the first and second week of September (13 percent and 12 percent respectively) compared to August 2014. The average price during the second week of September (excluding Lofa county) is at 1595 LRD per 25kg bag (Source: Building Markets).

- In September 2014, the value of the Liberian Dollar against the US Dollar has stabilized after two months of depreciation in June/July 2014, but remains more than 13 percent below September 2013 levels (Figure 3). If continued, this upwards trend will ease inflationary pressure on domestic prices for imported food commodities such as rice.

**SIERRA LEONE**

- In August, prices for imported rice have continued to increase beyond their seasonal pattern. Monthly changes up to 24 percent and 22 percent have been observed in Grand Cape Mount (Figure 2) and Maryland. In the Ebola affected counties of Bomi, Bong, Lofa, Margibi and Nimba, prices of imported “parboiled” rice have increased on average by 17 percent between August and early September 2014. Prices are highest in the Lofa County, which is at the heart of the Ebola outbreak. Here the average price is at 1852 LRD per 25kg bag of imported rice in mid-September. This represents a 5 percent increase compared to the first week of September and a 20 percent increase compared to August 2014.

- In the counties of Bomi, Bong, Lofa, Margibi, Nimba, average prices for imported rice have increased in the first and second week of September (13 percent and 12 percent respectively) compared to August 2014. The average price during the second week of September (excluding Lofa county) is at 1595 LRD per 25kg bag (Source: Building Markets).

- In September 2014, the value of the Liberian Dollar against the US Dollar has stabilized after two months of depreciation in June/July 2014, but remains more than 13 percent below September 2013 levels (Figure 3). If continued, this upwards trend will ease inflationary pressure on domestic prices for imported food commodities such as rice.

- According to a World Bank report rubber exports, which is the single most important agricultural export for Liberia, are expected to drop by 20 percent in 2014.

Source: WFP

**Figure 2: Price Analysis of imported rice in Grand Cape Mountain**

Source: Oanda.com

**Figure 3: Exchange rate: Liberian Dollar / US Dollar**

Source: Oanda.com

**Figure 4: Exchange rate: Sierra Leone Leone / US Dollar**

Source: Oanda.com
SENEGAL

- The border closure with Guinea caused market activities to drop in southern Senegal. As of early September 2014, trade volumes in the regional assembly market of Diaoube are about 50 percent below last year’s levels, according to traders interviewed. The market is an important sub-regional trade hub, linking traders from Mali, Sierra Leone, Guinea, Guinea Bissau and the Gambia with their Senegalese counterparts.

- Palm oil, fruit and coffee originating from Guinea are no longer reaching these markets. According to FEWS NET, traders of food products such as palm oil are deviating their trade routes to Senegal via Mali. Consequently, palm oil prices have increased by 40 percent and coffee prices have increased by 50 percent in less than four weeks.

- On 3 September, Senegal’s Ministry of Interior requested the closure of 16 weekly markets along the border with Guinea. This closure will likely lead to a further slowdown of economic activities in the region, affecting not only Guinea and Senegal, but also The Gambia and Guinea Bissau.

- Sorghum and millet retail prices on the Diaoube market have remained stable between January and July 2014. Millet prices increased in August 2014 to 275 CFA per kg, the highest level observed in recent years, while sorghum prices decreased.

Map 2: Location of closed border markets in Senegal (as of 4 September 2014)

For further information please contact the OMD VAM Food Security Analysis Unit:

Anne-Claire Mouillez
anne-claire.mouilliez@wfp.org

Simon Renk:
simon.renk@wfp.org