

Sierra Leone

Market Price Bulletin

The Vulnerability Analysis and Mapping (VAM) Unit of the United Nations World Food Programme in Sierra Leone collects vital information on food security indicators throughout the country. In collaboration with the Ministry of Agriculture, Forestry and Food Security and key stakeholders WFP works to identify, understand and address food insecurity and vulnerability. This is the first issue of the Sierra Leone Market Price Bulletin, covering the period June 2016 to January 2017. The Bulletin will be published quarterly, providing updates on price changes for staple food commodities in Sierra Leone.

Highlights

- The value of the Leone (SLL) against the US dollar continues to depreciate. The Consumer Price Index (CPI), which measures changes in the market price of a basket of goods and services purchased by consumers, increased by 15.63 percent from October 2015 to November 2016. The CPI is an indicator for inflation, and the increase represents a significant decline in purchasing power, particularly for vulnerable and low-income households.
- In November 2016, the removal of a longstanding fuel subsidy increased the price of fuel by 62.5 percent, from Le3,750 to Le6,000 per litre. The dramatic increase in fuel prices is expected to impact both food and non-food expenditures at the household level (food prices, fuel costs for transport of food to and from markets, non-food related transport and cooking costs, etc).
- The price of local and imported rice and cereals declined from October to November 2016, and remained stable during the recent harvest season between November 2016 and January 2017.
- The purchasing power of low-income earners (unskilled labourers) declined between October and November 2016, but remained stable from November to December 2016.

Figure 1: Purchasing power of low-income earners

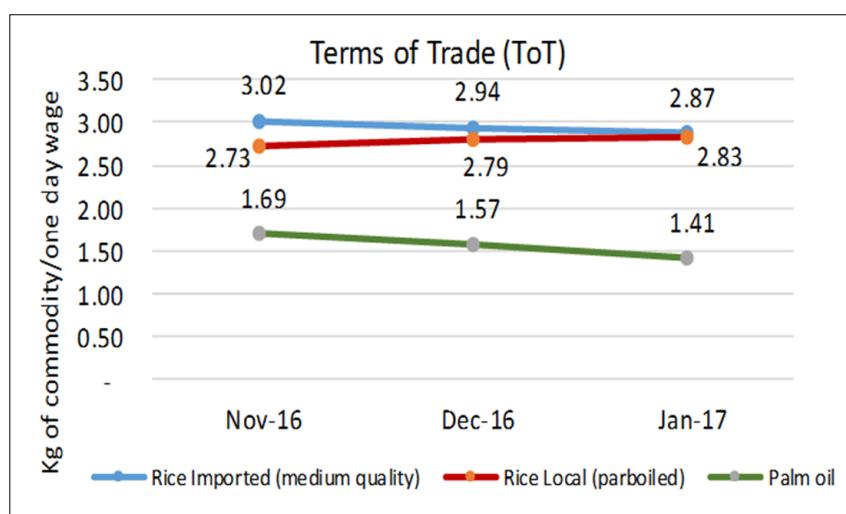
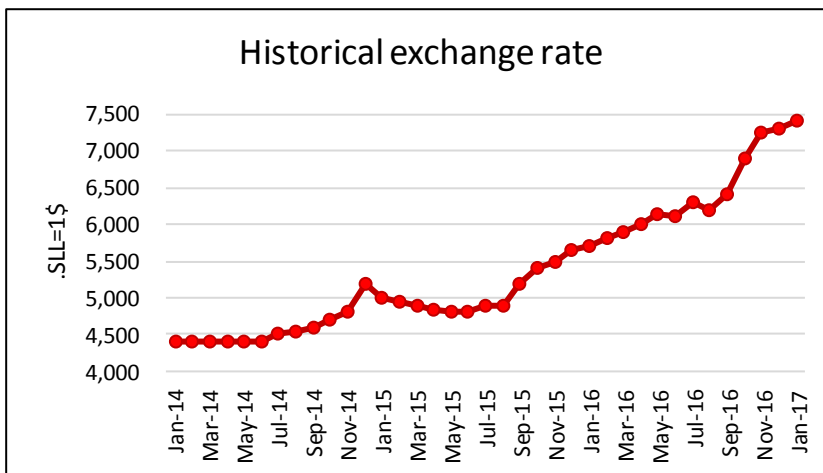


Figure 1 depicts the Terms of Trade (ToT), which is the amount of a commodity that can be purchased with a day's wage of unskilled laborers. The wage rate of laborers did not increase significantly, while prices of rice remained stable between November 2016 and January 2017, which resulted in no significant change in ToT. However, ToT against palm oil significantly deteriorated due to an increase in palm oil prices during the same period.

STATUS OF THE ECONOMY

Figure 2: Historical exchange rate



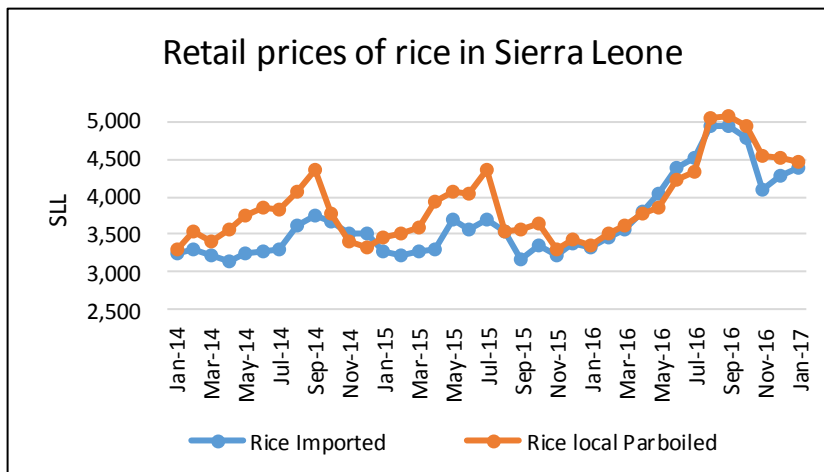
Source: UNDP and open market

The Leone experienced a gradual depreciation against the Dollar until mid-2015, which increased sharply in mid-2016. The depreciation is largely due to economic shocks including the decline in global iron ore prices and closure of mines in Sierra Leone. Moreover, the contraction of economic activities during the Ebola virus disease (EVD) outbreak and sluggish economic growth following the end of the EVD outbreak increased the pace of depreciation.

Statistics Sierra Leone computes the national Consumer Price Index (CPI), which is a proxy for inflation. The CPI increased from 158.04 index points in October 2015 to 177.89 index points in October 2016, representing a 16 percent decrease in households' purchasing power for basic commodities. The highest levels of variance were observed in the Eastern and Southern regions, whereas the CPI was more stable in the Northern region and Western Area.

RETAIL PRICE TRENDS

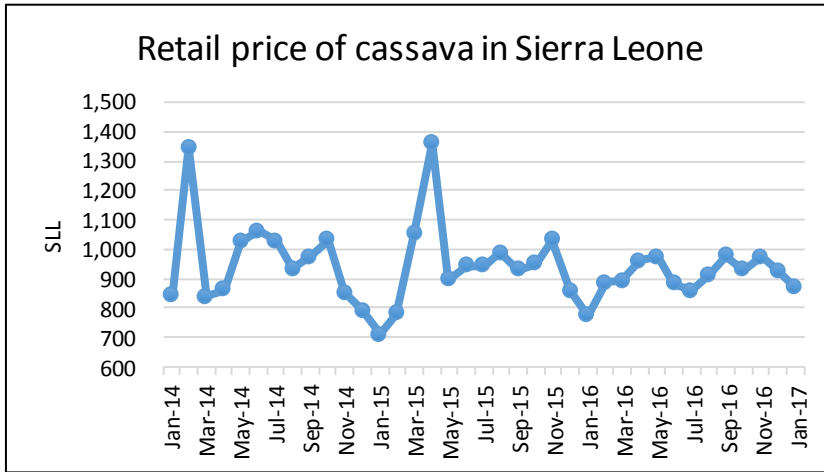
Figure 3: Retail price of local and imported rice



With the onset of the harvest season in October/November 2016, the price of local parboiled rice began to marginally decline, while prices of imported rice increased by 7 percent during the same period. The price of local rice, on average, declined marginally by 1 percent from November to December 2016, compared to a 10 percent decline from October 2016. Moreover, compared to January 2016, the prices for both local and imported rice increased over 30 percent.

Amongst the districts, the highest price for local parboiled rice was recorded in Freetown at Le 5,769/kg, followed by Kenema (Le 5,172/kg) and Bo (Le 5,050/kg) during January 2017. The lowest price was reported in Kambia at Le 3,490/kg. Similarly, in the present month, the highest price of imported rice (medium quality) was recorded in Koinadugu at Le 4,929/kg, followed by Bonthe (Le 4,764/kg) and Pujehun (Le 4,525/kg). The lowest price was recorded in Moyamaba at Le 3,973/kg.

Figure 5: Retail price of cassava



The price of cassava declined by 7 percent from October to November 2016. Cassava is typically a substitute for rice, with consumption reduced during the harvest season, as rice is the preferred choice of staple food. The price of cassava is therefore closely related to the availability and price of rice. Within the districts, the highest price for cassava in January 2017 was reported in Kailahun district at Le 1,250/kg, followed by Kono district at Le 1,224/kg. The lowest price was reported in Tonkolili at Le 477/kg.

Figure 6: Retail price of palm oil

The price of palm oil had steadily increased from early 2015 until mid-2016, when prices went up by 44 percent. The trend shows a reflection of fuel price hike and economic shocks absorbed by the market prices of palm oil. The price of palm oil was highest in Tonkolili at Le 10,455/kg, followed by Freetown at Le 10,334/kg, while it was lowest in Kailahun at Le 6,500/kg in January 2017.

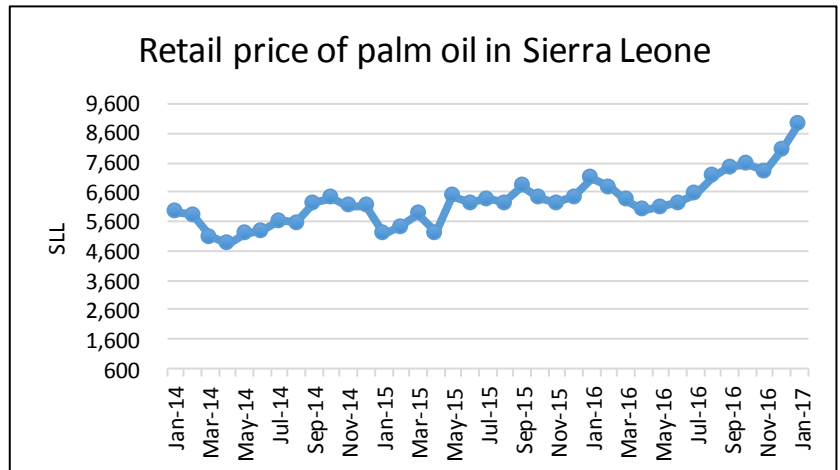
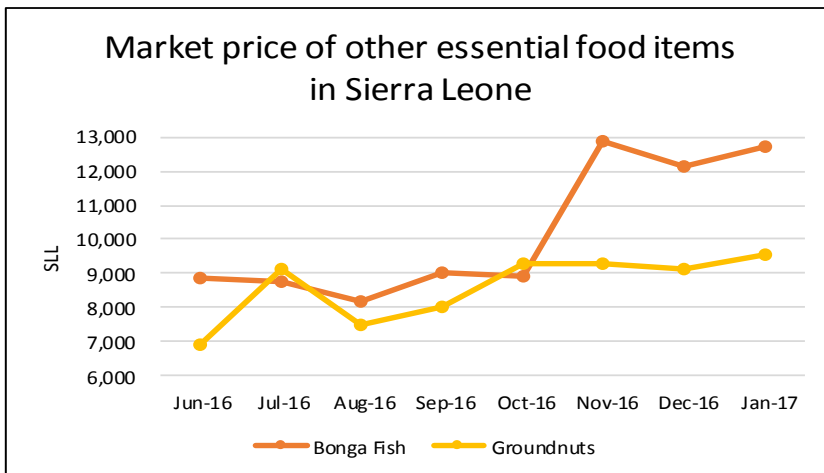


Figure 7: Retail price of other essential food items



Fish (bonga) and groundnuts are typical items in the food basket of Sierra Leoneans. Due to limited access to fish, it is typically used sparingly as a condiment. The price of fish increased by 5 percent from November to December 2016, following a drastic increase of 45 percent between October and November 2016, possibly due to the increase in fuel prices. In the districts, the highest price is reported in Kailahun at Le 16,981/kg and the lowest price in Pujehun at Le 9,122/kg. The price of shelled groundnut increased by 4 percent from November to December 2016, with the highest prices recorded in Kailahun at Le 12,173/kg and the lowest price in Moyamba at Le 7,560.

Retail Prices of food commodities in January 2017

Major Commodities	Markets	Current Prices (January 2017) /KG		% Change Over			Change Direction		
		SLL	USD	1M	3M	6M	1M	3M	6M
Rice imported medium quality	National	4,390	0.59	2.5%	-8.3%	0.3%	▶	▼	▼
	Bo	4,030	0.54	-2.8%	-16.0%	-14.3%	▼	▼	▼
	Bombali	4,394	0.59	0.8%	-8.5%	-3.1%	▶	▼	▼
	Bonthe	4,764	0.64	6.2%	-0.7%	-0.7%	▲	▶	▶
	Freetown	4,433	0.59	5.6%	-7.6%	23.1%	▲	▼	▲
	Kailahun	4,100	0.55	0.2%	-14.6%	-6.8%	▶	▼	▼
	Kambia	4,027	0.54	1.6%	-19.5%	-8.5%	▲	▼	▼
	Kenema	4,081	0.54	9.1%	2.0%	2.0%	▲	▲	▲
	Koinadugu	4,929	0.66	1.9%	-12.0%	23.2%	▲	▼	▲
	Kono	3,998	0.53	-3.2%	-11.2%	-0.1%	▼	▼	▶
	Moyamba	3,973	0.53	7.5%	-18.9%	-20.5%	▲	▼	▼
	Port Loko	4,316	0.58	1.9%	23.2%	12.2%	▲	▲	▲
	Pujehun	4,525	0.60	-21.0%	-20.6%	-19.2%	▼	▼	▼
	Tonkolili	4,313	0.58	5.4%	-13.7%	7.8%	▲	▼	▲
Rice local parboiled	National	4,455	0.59	-1.1%	-9.6%	5.2%	▼	▼	▲
	Bo	5,050	0.67	-13.4%	5.2%	5.2%	▼	▼	▲
	Bombali	4,364	0.58	7.1%	-16.1%	-9.1%	▲	▼	▼
	Bonthe	4,420	0.59	2.0%	-15.0%	10.5%	▲	▼	▲
	Freetown	5,769	0.77	3.4%	10.9%	44.2%	▲	▲	▲
	Kailahun	4,750	0.63	0.3%	-15.2%	8.0%	▶	▼	▲
	Kambia	3,490	0.47	-11.7%	-33.8%	-18.8%	▼	▼	▼
	Kenema	5,172	0.69	0.0%	7.8%	7.8%	▶	▲	▲
	Koinadugu	4,291	0.57	0.9%	-10.6%	7.3%	▶	▼	▲
	Kono	4,220	0.56	-5.6%	-15.6%	26.6%	▼	▼	▲
	Moyamba	4,405	0.59	11.4%	-11.9%	10.1%	▲	▼	▲
	Port Loko	4,285	0.57	-2.5%	25.6%	1.3%	▼	▲	▲
	Pujehun	3,821	0.51	0.9%	-23.6%	-13.2%	▶	▼	▼
	Tonkolili	3,885	0.52	-3.4%	-19.1%	-2.9%	▼	▼	▼
Palm oil	National	8,933	1.19	11.3%	18.4%	43.6%	▲	▲	▲
	Bo	9,003	1.20	11.4%	28.6%	50.1%	▲	▲	▲
	Bombali	9,327	1.24	-1.9%	11.9%	40.4%	▼	▲	▲
	Bonthe	10,047	1.34	9.5%	20.6%	34.0%	▲	▲	▲
	Freetown	10,334	1.38	5.8%	7.5%	47.2%	▲	▲	▲
	Kailahun	6,500	0.87	3.2%	-2.5%	25.0%	▲	▼	▲
	Kambia	7,962	1.06	2.3%	-4.5%	32.7%	▲	▼	▲
	Kenema	8,730	1.16	10.0%	19.0%	45.5%	▲	▲	▲
	Koinadugu	9,354	1.25	16.4%	45.0%	51.2%	▲	▲	▲
	Kono	8,295	1.11	7.3%	13.1%	38.3%	▲	▲	▲
	Moyamba	7,782	1.04	11.6%	3.8%	29.7%	▲	▲	▲
	Port Loko	9,523	1.27	17.4%	42.8%	46.5%	▲	▲	▲
	Pujehun	8,819	1.18	-0.5%	32.3%	52.1%	▶	▲	▲
	Tonkolili	10,455	1.39	71.7%	33.5%	74.3%	▲	▲	▲

1M= One month
3M= Three months
6M= Six months
1Y= One year

▲ Price increase above normal price fluctuation
▼ Price decrease above normal price fluctuation
▶ Normal price fluctuations

Retail Prices of food commodities in January 2017

Major Commodities	Markets	Current Prices (January 2017) /KG		% Change Over			Change Direction		
		SLL	USD	1M	3M	6M	1M	3M	6M
Fish (Bonga)	National	12,747	1.70	5.0%	43.2%	43.9%	▲	▲	▲
	Bo	11,421	1.52	-4.5%	17.5%	22.4%	▼	▲	▲
	Bombali	14,880	1.98	0.0%	78.6%	38.8%	▶	▲	▲
	Bonthe	12,439	1.66	10.9%	80.1%	99.0%	▲	▲	▲
	Freetown	9,597	1.28	-0.1%	16.3%	35.2%	▶	▲	▲
	Kailahun	16,981	2.26	0.0%	99.5%	91.0%	▶	▲	▲
	Kambia	14,476	1.93	34.6%	71.3%	112.9%	▲	▲	▲
	Kenema	12,769	1.70	-1.0%	45.6%	82.4%	▼	▲	▲
	Koinadugu	13,580	1.81	-13.8%	35.8%	35.8%	▼	▲	▲
	Kono	14,878	1.98	6.2%	63.7%	73.3%	▲	▲	▲
	Moyamba	12,996	1.73	42.7%	43.6%	9.2%	▲	▲	▲
	Port Loko	9,433	1.26	9.8%	15.5%	41.5%	▲	▲	▲
	Pujehun	9,122	1.22	-17.7%	-12.9%	-9.2%	▼	▼	▼
	Tonkolili	13,145	1.75	19.8%	31.4%	10.4%	▲	▲	▲
Cassava	National	869	0.12	-6.1%	-6.6%	-1.7%	▼	▼	▼
	Bo	894	0.12	9.3%	15.5%	2.8%	▲	▲	▲
	Bombali	1,114	0.15	-17.0%	2.6%	51.7%	▼	▲	▲
	Bonthe	646	0.09	-40.6%	-7.7%	-31.2%	▼	▼	▼
	Freetown	500	0.07	-46.1%	-47.0%	-51.0%	▼	▼	▼
	Kailahun	1,250	0.17	12.9%	60.1%	168.5%	▲	▲	▲
	Kambia	863	0.12	0.0%	-30.9%	-33.4%	▶	▼	▼
	Kenema	957	0.13	1.7%	43.5%	110.4%	▲	▲	▲
	Koinadugu	1,175	0.16	-10.2%	30.6%	-6.0%	▼	▲	▲
	Kono	1,224	0.16	2.8%	42.7%	83.6%	▲	▲	▲
	Moyamba	559	0.07	17.4%	-30.2%	11.8%	▲	▼	▲
	Port Loko	951	0.13	-7.4%	7.4%	9.4%	▼	▲	▲
	Pujehun	682	0.09	34.5%	-27.7%	62.1%	▲	▼	▲
	Tonkolili	477	0.06	11.5%	-68.3%	-76.2%	▲	▼	▼
Groundnut (Shelled)	National	9,550	1.27	4.3%	2.7%	38.0%	▲	▲	▲
	Bo	8,894	1.19	-4.6%	-7.3%	5.1%	▼	▼	▲
	Bombali	11,120	1.48	-0.1%	40.0%	52.2%	▶	▲	▲
	Bonthe	10,296	1.37	9.0%	4.9%	33.8%	▲	▲	▲
	Freetown	9,683	1.29	1.6%	1.6%	39.9%	▲	▲	▲
	Kailahun	12,173	1.62	0.0%	7.4%	62.3%	▶	▲	▲
	Kambia	8,731	1.16	12.5%	-3.0%	51.3%	▲	▼	▲
	Kenema	9,909	1.32	1.4%	2.7%	28.8%	▲	▲	▲
	Koinadugu	8,730	1.16	13.6%	6.0%	51.3%	▲	▲	▲
	Kono	8,945	1.19	-8.1%	6.0%	55.0%	▼	▲	▲
	Moyamba	7,560	1.01	0.0%	-28.0%	31.0%	▶	▼	▲
	Port Loko	9,132	1.22	6.3%	-3.3%	58.3%	▲	▼	▲
	Pujehun	10,486	1.40	30.2%	13.7%	36.3%	▲	▲	▲
	Tonkolili	8,491	1.13	3.2%	4.2%	8.6%	▲	▲	▲



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