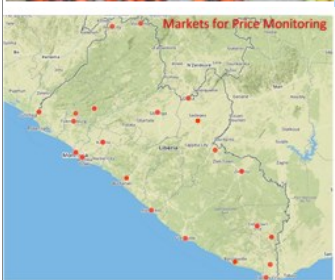


# LIBERIA MARKET PRICE MONITOR

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

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## KEY POINTS

- ♦ International rice reports stable to lower prices compared to the past one year
- ♦ The current average retail price of imported rice 50kg in Liberia is up by 22% compared to same period last year (February 2016) and 44.4% higher than pre-Ebola levels due to devaluation in local currency;
- ♦ Price of palm oil, charcoal and especially gasoline also increase;
- ♦ Terms of trade in general shifted against both agricultural workers and palm oil producing households.

## INTRODUCTION

The February 2017 edition of this bulletin analyzes price trends of key food and other essential commodities. More specifically it analyses the price trends for 50kg imported parboiled rice, 50kg empty bag full of cassava, for transportation from Paynesville to all markets surveyed, and for palm oil and charcoal. Gasoline prices are also reviewed. In addition, this edition examines the post Ebola trends on prices of food staples and other non-food commodities.

## GLOBAL RICE PRICE TRENDS

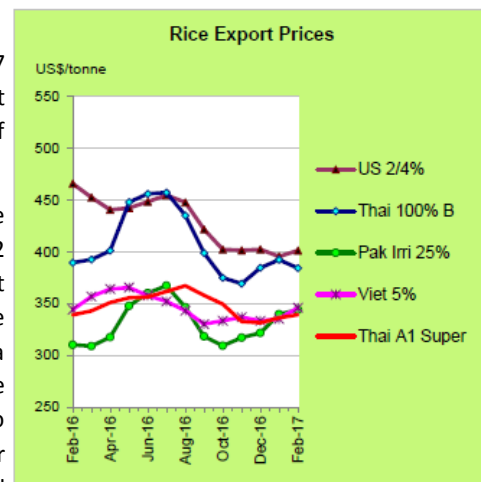
FAO Rice Price Indices						
	All	Indica		Japonica	Aromatic	
		Higher quality	Lower quality			
		2002-2004 = 100				
2013	233	219	226	230	268	
2014	236	207	201	266	255	
2015	211	184	184	263	176	
2016	193	180	187	228	153	
2016	February	197	180	181	244	148
	March	196	180	184	242	142
	April	195	181	187	236	145
	May	199	191	195	230	151
	June	198	191	198	223	159
	July	200	193	199	222	166
	August	195	186	192	221	161
	September	189	174	184	221	156
	October	186	168	182	217	154
	November	185	167	181	218	149
	December	187	170	182	218	156
	2017	January	190	173	186	217
February		194	173	189	216	187
2016	Jan.-Feb.	196	180	181	242	148
2017	Jan.-Feb.	192	173	188	216	178
% Change		-2.1	-3.8	3.8	-10.5	20.2

Source: FAO

In February, the FAO Food Price Index rose slightly, marking its seventh consecutive monthly increase due to rising wheat and maize prices. The FAO Food Price Index averaged 175.5 points in February, its highest value in almost two years, marking a 0.5 percent increase from its revised January value and 17.2 percent above its February 2016 level. The FAO All Rice Price Index also reported an average of 194 points in February 2017, 3.7 points (2 percent) up from January 2017. International rice prices remain firmed for the 3rd consecutive month reflecting currency movements and higher basmati prices which lifted the value of the Aromatic index 11 percent month-on-month to a 22-month high of 187 points. The lower quality Indica index also edged up by 1.4 percent, while quotations of Japonica and higher quality Indica rice remained largely unchanged.

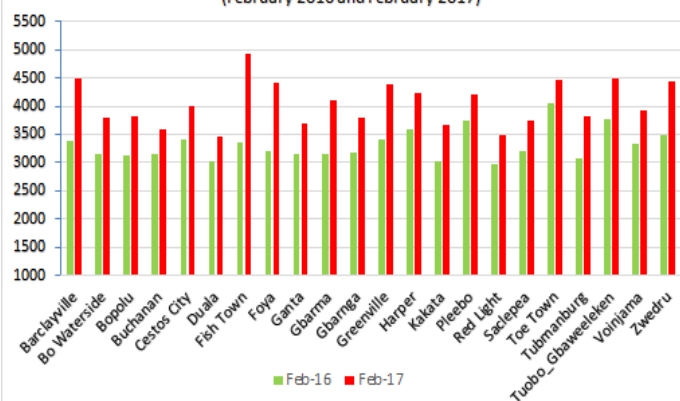
From an annual perspective, The January–February 2017 value of the FAO All Rice Price Index is down 2.1 percent compared to last year, a decrease reflecting softer prices of higher quality Indica and Japonica rice supplies.

In India, the IR64 parboiled rice 5% broken currently the most preferred variety in Liberia, increased by just 2 percent down from January at USD 353 per tonne. Export prices for low quality in Thailand, another source of rice varieties found in Liberian markets also increased due to a revival in Africa demand. Similarly, the strengthened rice export prices in Vietnam is because of sales projections to the Philippines. A similar trend like in all other major regions was observed for long-grain rice in the United States, where export prices increase by 2 percent in January. (<http://www.fao.org/worldfoodsituation/foodpricesindex/en/>)



## WHOLESALE PRICE OF IMPORTED RICE

Figure 2: Average Nominal Prices for 50kg bag of Imported Parboiled Rice  
5% broken in Liberian Dollars by Markets  
(February 2016 and February 2017)



In February, the price for a 50kg bag of imported parboiled rice on average rose by 22 percent compared to the same period last year but double the past one year average (44.5%) than levels prior to the Ebola Epidemic in Liberia. A year-on-year comparison revealed that prices increased across all markets monitored with Fish Town, Foya and Barclayville markets recording the biggest increases of 46%, 38% and 33% respectively.

Price observations also showed modest increase in most markets between January and February 2017. The continued devaluation in the local currency against the US dollars since mid last year and poor economic performance (drop in global prices for Liberia's main export earners rubber and iron ore) of the country are the main drivers responsible for the high food inflation, as Liberia remain an import dependent country. Firm international rice prices in recent months coupled with seasonal effects (bad roads due to heavy rains) in the coming months could further increase prices of imported rice and other food commodities. The vulnerable households with weak purchasing power whose food stocks have been depleted and will have to rely on markets and may face serious challenges accessing the available food.

Meanwhile, the new cropping season has started with land preparation in many parts of the country, with planting expected to begin in April/May.

In general, the food situation across the country is expected to be good but current domestic factors (poor economic performance of the country leading to high food inflation as well as depreciation in the local currency will constrain households' food access.

## PRICES OF OTHER COMMODITIES

The price of cassava, second main staple in Liberia reported mixed reactions across the different markets monitored in the past one year. The price was considerably high in most markets with Duala and Red Light Markets in Monrovia recording the most dramatic rise (on average 112%) which can be attributed to the weakened Liberian dollar but also demand by inhabitants and local restaurants in these urban centres. On the other hand, markets in high production areas of Grand Bassa (Buchanan), Rivercess (Cestos City), River Gee (Fish Town & Tuobo-Gbaweelen) and Nimba (Saclepea) Counties showed lower prices compared to a year ago. These markets are also the cheapest to buy cassava compared to other markets in the country.

Figure 3: Nominal Price Changes of Cassava (50kg) bag in Liberian Dollars  
(February 2016 and February 2017)

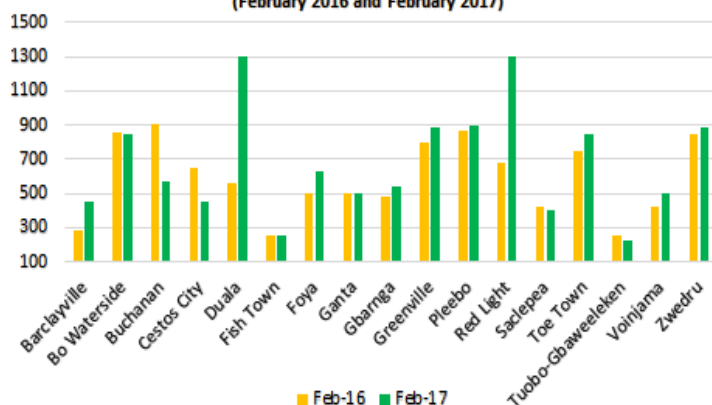
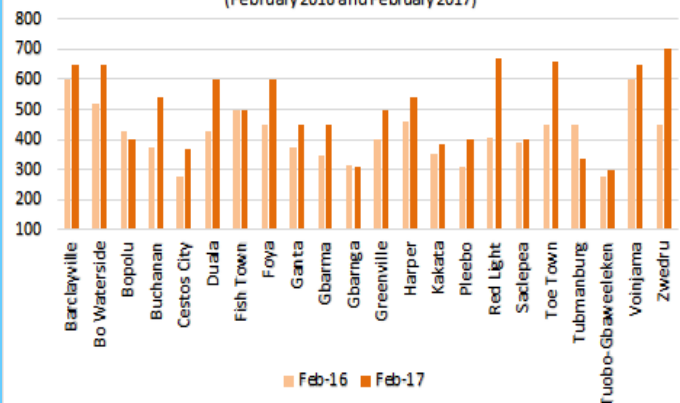


Figure 4: Nominal Price Changes for (1 gallon) Palm oil in Liberia Dollars  
(February 2016 and February 2017)



The average price for a gallon of palm oil currently stands at L\$ 503 up 29 percent compared to a year ago but is -1.8 percent lower

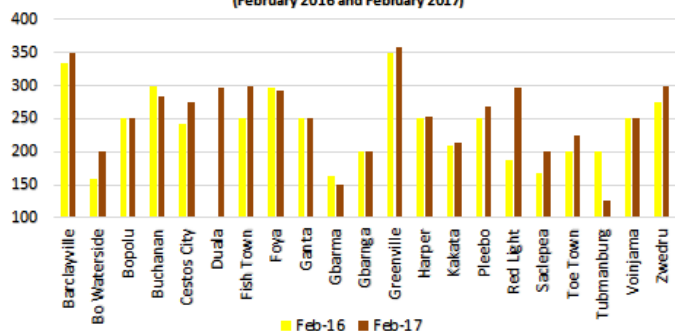
than the past one month. The current price of palm oil increased in almost all markets monitored compared to the same period last year, the exception was Gbarnga, Bopolu and Tubmanburg markets. Most traders attributed the increase in price to the prevailing exchange rate—depreciating Liberian Dollar against the US Dollar as well as the higher than usual transportation cost due to poor condition of farm to market roads. In addition is the huge domestic demand coupled with substantial cross border flows to neighboring Guinea and Sierra

Leone. Palm is also purchased by some small and medium Liberian business and exported to United States and other countries.

Meanwhile, the harvest season of palm nuts have started and will peak between March and June, a situation which is expected to increase the production of palm oil as well as supply to the markets, thus, easing prices of the commodity in the coming months. The cheapest place to buy palm oil in the country is Gbarnga market, Bong County while Zwedru market in Grand Gedeh County remains the most expensive market.

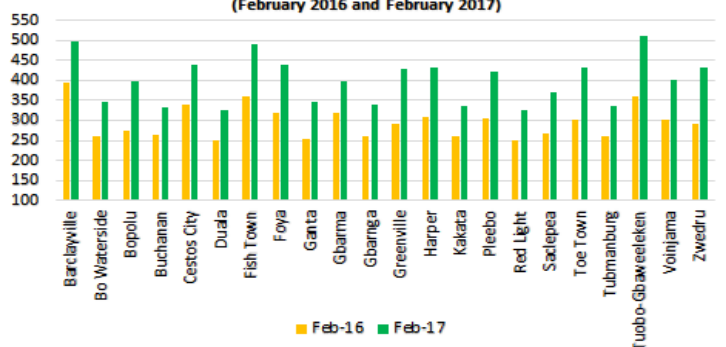
## PRICES OF OTHER COMMODITIES

Figure 5: Nominal Price Changes of 1 (50kg) bag of Charcoal in Liberian Dollars (February 2016 and February 2017)



About 98% of Liberia's energy needs are met by charcoal. Most people residing in Tubmanburg, Gbarma and Bo Waterside rely considerably on charcoal production as means of livelihood. Figure 5 shows that current prices of charcoal increased in most markets compared to last year. The average price for a bag of charcoal currently stands at LD\$254 (6.4 percent) higher than what it was sold for in the past one year but 2.8 percent compared to last month. Production of charcoal during this period of the year is seasonally high because of the dry season and can explain the reduction in charcoal prices. However, the price of charcoal is expected to increase as we approach rainy season which limits production and market supply.

Figure 6: Nominal Price Changes for 1 gallon of Gasoline in Liberian Dollars (February 2016 and February 2017)



The nominal price for a gallon of gasoline rose on average by 35 percent in all markets compared to the same period a year ago. The significant increase witnessed in Zwedru (48.3%), Greenville (47.6%), Bopolu (44.4%) and Toe's Town (43.3%) are contrary to global price trends which has been stable to lower in the past few months and could therefore be a reflection of the continued devaluation in the local currency against the US Dollar since the third quarter of last year. According to the Ministry of Commerce and Industry (MOCI), the official retail pump price for a gallon of gasoline currently stands at L\$325 (US\$3.16) up 12.5 percent from its February 2016 value last year. Further increase in gasoline prices will put additional pressure on prices of food and other basic commodities.

## PRICES OF OTHER COMMODITIES

Figure 7: Nominal Price changes of Fresh Pepper (1 Era Paint Bucket) in Liberian Dollars (February 2016 and February 2017)

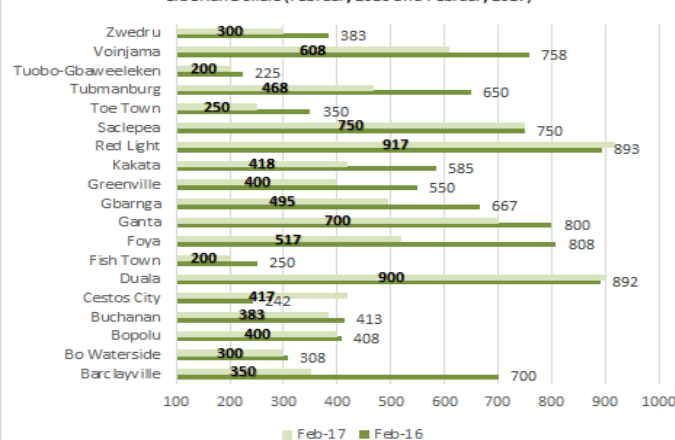
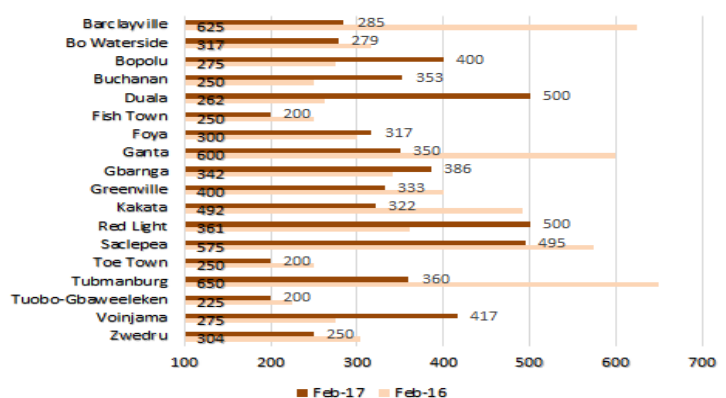


Figure 8: Nominal Price changes of Bitterball (1 Era Paint Bucket) in Liberian Dollars (February 2016 and February 2017)



## TRANSPORTATION CORNER

### From Market to Capital Monrovia:

Destination in LS	Taxi		Bus		Pick-up		Cam Motor		Truck	
	Jan-17	Feb-17	Jan-17	Feb-17	Jan-17	Feb-17	Jan-17	Feb-17	Jan-17	Feb-17
Barclayville		5000		5000	4500	5000				
Bo Waterside	475	500	362	375	288	325				
Bopolu	700	700			700	700				
Buchanan		350		250						
Cestos	1200	1400	1000	1000			850	800		
Fish Town	4500	5100	4200	4750	3800	4250				
Foya		2500		2350		1850				
Ganta	700	700	500	425			300	325		
Gbarma	500	500			400	400	400			
Gbarnga		500		275		250				
Greenville	3000	3000			2500	2500			1550	1600
Harper		4750	5000	4000						
Kakata		200		80						
Pleebo	5000	4250	4500	3750	4000					
Saclepea	1000	1000	600	675		550	400			
Toe Town	3500	4000	3000	3500	2500	3000				
Tubmanburg		250		200		200				
Tuobogbaweeleken	5500	6500	5300	6000	4900	5250				
Voinjama		1900		1900		1750				
Zwedru	4000	4000	3000	3000	2500	2500				



## TERMS OF TRADE (TOT)

Figure 10: Terms of Trade between daily wage and imported rice

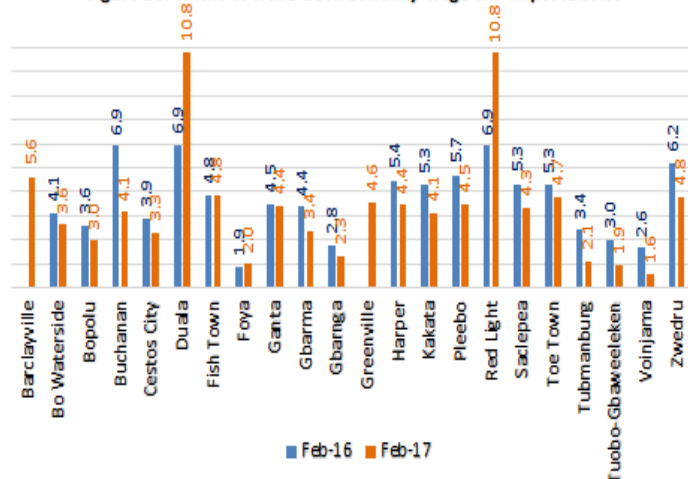
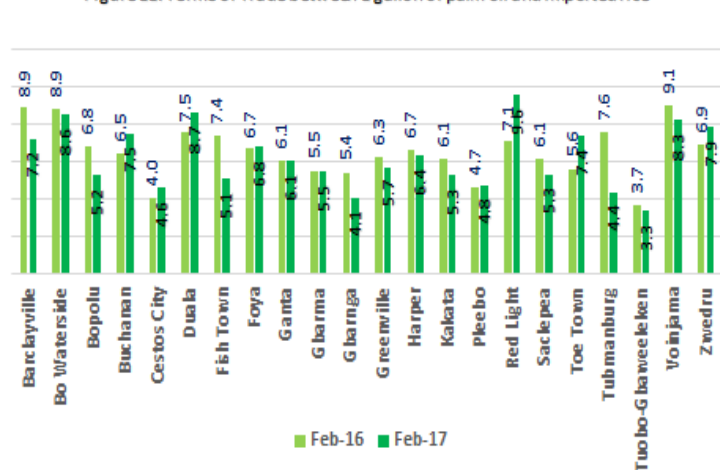


Figure 11: Terms of Trade between 1 gallon of palm oil and imported rice



Terms of Trade (TOT) between daily wage and imported rice was unfavorable for agricultural workers in almost all Liberian markets across the country, the exception was Duala and Red Light markets where terms of trade shifted in favor of construction laborers. The current dominant agricultural activities are brushing and clearing while construction remains the main source of casual employment in Monrovia and Buchanan. The terms of trade (TOT) here reflect the amount of rice in kilo grams that a household may purchase in exchange of earnings from their daily work either in construction, agricultural labor or the production of charcoal. Casual laborers on average are getting 0.3 kilogram of rice less from his/her daily earnings this year compared to a year ago. The decline in terms of trade is due to stable to lower wage rates for casual laborers against the increase in imported rice prices.

Many Liberians in the rural areas are both sellers of agricultural produce and buyers of others. Majority of the people in most parts of the country depend on palm oil production as a key source of income and spend a substantive part of their income to purchase food. In general, palm oil producers are experiencing unfavorable terms of trade (-4% decline on average) compared to the same period last year. According to figure 11, palm oil producers/sellers in Tubmanburg are obtaining 3.3 kilograms of rice less than the past one year from sale of a gallon of palm oil. A similar situation was also observed in Fish Town (-2.3 grams), Barclayville (-1.6 grams), Bopolu (-1.5 grams) and Gbarnga (-1.3 grams). Only eight of the twenty-two markets reported favorable terms of trade for palm oil producing households.

## OUTLOOK AND CONCLUSION

The price of local rice is expected to increase beginning April as a result of declining availability as the current stock harvest is consumed and the lean season start to set in, usually coinciding with periods of increased energy requirements (cultivation season). On the other hand, prices of imported rice could continue on an upward trend if the devaluation in the local currency against the United States Dollars persist.

In addition is the poor performance of the economy due to the downward trend in prices of rubber and iron ore (Liberia key export earners) on the global markets, a situation which is putting serious pressure on both food and non-food items. Higher than usual imported rice prices compared to last year and Pre-Ebola levels may constrain food access of most households. Cassava is a major substitute to rice. Some of the poor households who cannot afford the price of imported rice may likely shift as usual to consumption of more cassava.

With current commercial stocks of imported rice reportedly enough to meet national consumption requirements until May, food availability is expected to remain generally good. However, as the long rain start, the poor road network to the rural areas will increase transportation costs with associated increase in the price of imported rice in far-off markets. Ministry of Agriculture, in collaboration with its partners will continue to closely monitor food prices in the country.

Tables: Prices of Imported rice, Cassava, Palm oil and Gasoline by Markets

**Table 1: Nominal Price changes for 50kg bag of Imported Rice in Liberian Dollars by Markets**

Markets	Feb-16	Jan-17	Feb-17	% change 1M	% change 1Y
Barclayville	3375	4242	4483	5.7	32.8
Bo Waterside	3163	3558	3800	6.8	20.2
Bopolu	3127	3822	3812	-0.3	21.9
Buchanan	3159		3600		14.0
Cestos City	3400	4167	4000	-4.0	17.6
Duala	3019	3350	3467	3.5	14.8
Fish Town	3367	4500	4917	9.3	46.0
Foya	3200		4420		38.1
Ganta	3141	3740	3700	-1.1	17.8
Gbarma	3150	4100	4100	0.0	30.2
Gbarnga	3179		3800		19.5
Greenville	3411	4475	4380	-2.1	28.4
Harper	3600	4082	4223	3.5	17.3
Kakata	3022		3658		21.0
Pleebo	3748	3940	4200	6.6	12.1
Red Light	2975	3350	3475	3.7	16.8
Saclepea	3200	3742	3750	0.2	17.2
Toe Town	4046	4479	4475	-0.1	10.6
Tubmanburg	3075		3833		24.7
Tuobo-Gbaweeleken	3767	4500	4500	0.0	19.5
Voinjama	3333		3933		18.0
Zwedru	3485	4300	4442	3.3	27.5

**Table 2: Nominal Price changes of Cassava (50kg bag) in Liberian Dollars by Markets**

Markets	Feb-16	Jan-17	Feb-17	% change 1M	% change 1Y
Barclayville	287	400	450	12.5	56.8
Bo Waterside	858	750	850	13.3	-0.9
Buchanan	908		567		-37.6
Cestos City	650	400	450	12.5	-30.8
Duala	558	1000	1300	30.0	133.0
Fish Town	250	250	250	0	0.0
Foya	500		633		26.6
Ganta	500	500	500	0	0.0
Gbarnga	483		540		11.8
Greenville	800	775	883	13.9	10.4
Pleebo	863	938	900	-4.1	4.3
Red Light	679	1200	1300	8.3	91.5
Saclepea	425	442	400	-9.5	-5.9
Toe Town	750	854	850	-0.5	13.3
Tuobo-Gbaweeleken	250		225		-10.0
Voinjama	425		500		17.6
Zwedru	850	896	883	-1.5	3.9

**Table 3: Nominal Price changes of 1 Gallon Palm Oil in Liberian Dollars by Markets**

Markets	Feb-16	Jan-17	Feb-17	% change 1M	% change 1Y
Barclayville	600	500	650	30.0	8.3
Bo Waterside	517	550	650	18.2	25.7
Bopolu	425	400	400	0.0	-5.9
Buchanan	375		542		44.5
Cestos City	275	508	367	-27.8	33.5
Duala	430	500	600	20.0	39.5
Fish Town	500	600	500	-16.7	0.0
Foya	450		600		33.3
Ganta	375	400	450	12.5	20.0
Gbarma	346	450	450	0.0	30.1
Gbarnga	317		311		-1.9
Greenville	400	492	500	1.6	25.0
Harper	458	619	538	-13.1	17.5
Kakata	350		387		10.6
Pleebo	308	444	400	-9.9	29.9
Red Light	404	500	667	33.4	65.1
Saclepea	392	400	400	0.0	2.0
Toe Town	450	650	658	1.2	46.2
Tubmanburg	450		335		-25.6
Tuobo-Gbaweeleken	275	500	300	-40.0	9.1
Voinjama	600		650		8.3
Zwedru	450	675	700	3.7	55.6

**Table 4: Nominal Price changes of 1 gallon of Gasoline in Liberian Dollars by Markets**

Markets	Feb-16	Jan-17	Feb-17	% change 1M	% change 1Y
Barclayville	393	425	497	16.9	26.5
Bo Waterside	260	326	346	6.1	33.1
Bopolu	275	397	397	0.0	44.4
Buchanan	263		332		26.2
Cestos City	340	403	440	9.2	29.4
Duala	250	300	325	8.3	30.0
Fish Town	360	500	490	-2.0	36.1
Foya	320		437		36.6
Ganta	255	360	345	-4.2	35.3
Gbarma	319	400	397	-0.8	24.5
Gbarnga	259		338		30.5
Greenville	290	408	428	4.9	47.6
Harper	307	423	433	2.4	41.0
Kakata	262		336		28.2
Pleebo	304	423	423	0.0	39.1
Red Light	250	300	325	8.3	30.0
Saclepea	268	353	370	4.8	38.1
Toe Town	300	420	430	2.4	43.3
Tubmanburg	262		335		27.9
Tuobo-Gbaweeleken	360	580	510	-12.1	41.7
Voinjama	302		400		32.5
Zwedru	290	410	430	4.9	48.3