High rice prices in Beloha

Key points:

- Imported rice is cheaper than local rice in Androy and Anosy
- Maize and dried beans are most expensive in Ambovombe
- Many traders reported shortages of sweet potato, and almost a quarter had a shortage of rice

Situation Update

The National Meteorology Department forecasts above-normal rainfall in March and April throughout Madagascar, but there is risk of flooding, particularly in Antananarivo and in the south. A Category 4 tropical cyclone, Enawo, affected nearly all of the country during the second week of March, damaging 83,100 houses in 58 districts, according to Madagascar’s National Office for the Management of Risks and Crises (BNGRC). The flooding along the path of the storm destroyed food stocks and damaged supply. Winds and heavy rains in late March caused further damage to cash crops in the southeast (source: FEWSNET).

Methodology

In March 2017, an external call centre started conducting once every two weeks telephone interviews as a part of WFP’s mobile Vulnerability Analysis and Mapping (mVAM) initiative. The surveys collect information on the prices of foods including rice, maize, cassava, beans and sweet potatoes, as well as information on general food availability and market accessibility. The March surveys were carried out with a sample of 48 traders in 8 districts: Amboasary Atsimo, Ambovombe, Ampahny, Bekily, Beloha, Betioky, Fort Dauphin and Tsihombe (Map 1). These districts are in the southern regions of Androy, Anosy and Atsimo Andrefana, which were most affected by the El Nino-induced drought. Of the 48 traders, 11 were wholesalers, 16 were retailers in shop, and 21 were casual retailers in a marketplace; 21 were female and 27 were male. Phone surveys contain inherent response biases; therefore, the bulletin reports patterns and trends rather than precise estimates.
Imported rice cheaper than local rice in Androy and Anosy

March mVAM data showed that imported rice was an average 7 percent cheaper than local rice in the four districts surveyed in Androy, and 12 percent cheaper in the two districts surveyed in Anosy (Figure 1). Historically, imported rice has been cheaper than local rice in Androy because of differences in transportation costs. Imported rice reaches Androy from the nearby port in Toalognaro, while domestic rice is brought in from other districts over land, which is expensive because of the very bad road conditions. While Anosy traditionally produces rice, the dry spell of the past season might have reduced local rice production in the region, pushing up prices. In contrast, in the two surveyed districts in Atsimo Andrefana, local rice was cheaper than domestic rice. Of all the districts surveyed, both types of rice were most expensive in Beloha district. Over half the interviewed traders were mainly sourcing imported rice from another district within their region, while a third were sourcing it from within their district of operation.

Maize most expensive in Ambovombe

In general, crushed maize was more expensive than whole maize, except in Ambovombe, Fort Dauphin, and Betioy. At MGA2567/kg, whole maize was most expensive in Ambovombe, while the lowest prices were reported in Ampanihy (Figure 2). Over 40 percent of traders reported their main source of maize to be within their district of operation; 37 percent said they sourced maize from another district within their region.
As seen in Figure 3, Amboasary Atsimo in Anosy reported the lowest price for dried beans (MGA2275/kg), but the highest price for dried niébé (MGA2000/kg). Bean prices were probably low in Amboasary Atsimo because of the recent harvest in Tsivory commune in the district. Ampanihy in Atsimo Andrefana reported the lowest price for dried niébé (MGA1500/kg), thanks to a high volume of production in the southern part of the district. Dried beans were most expensive in Ambovombe, while cooking oil was most expensive in Beloha.

In all the districts where sweet potato was available, it was more expensive than dried cassava. The lowest prices for sweet potatoes were reported in Fort Dauphin. Prices for dried cassava ranged from MGA400/kg in Bekily to MGA700/kg in Ampanihy.

Stock shortages were observed in all surveyed regions. Over 70 percent traders in Androy and Atsimo Andrefana – and 66 percent in Anosy – reported a shortage in stocks of sweet potatoes. Around 30 percent of traders in Androy and Atsimo Andrefana also reported shortages in rice stocks, and 20 percent in Androy reported shortages in maize. Only 14.5 percent of all traders interviewed did not report any shortages. The most common reason for shortages was the unavailability of supplies at source markets (63 percent), followed by high prices (29 percent). Some traders also mentioned delays from suppliers, lack of transport and poor weather as reasons for commodities not being in stock.
Challenges in accessing markets

In March, traders reported challenges in accessing their markets for both suppliers and consumers. About 44 percent of traders reported that their farthest consumers were walking between 11 and 20 km to reach them; less than 19 percent said their farthest consumers were between 2 and 5 km away. In addition, 73 percent traders cited difficult road conditions as a potential challenge for suppliers to reach their markets. Only 14 percent believed that there were no accessibility challenges for their markets.

For further information

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