

# **Highlights**

- Significant changes were recorded in the average retail prices for maize grain, sorghum, millets and groundnuts in May compared to April 2017. However, compared to May 2016, prices for all commodities were higher this year by 15 percent, 7 percent, 17 percent and 12 percent respectively. Millet experienced the highest price increase for cereals.
- In several areas of the country, food prices have begun to seasonally rise as
  household stocks decline and market demand increases. Average retail prices for
  cereals are expected to continuously increase from June 2017 to August as
  stocks reduce. Prices are also expected to be higher than the prices in
  2016.

### Foreword

Market price monitoring is essential to understanding market performance, price trends of staple commodities and food availability; elements that are critical in determining transfer modality and transfer values for cash based interventions.

WFP The Gambia, in collaboration with the Gambia Bureau of Statistic (GBoS), undertakes monthly market monitoring in main markets (Banjul, Serrekunda, Brikama, Soma, Bansang, Basse Santa Su, Farafenni and Kaur Whaff Town) within the Local Government Areas (LGAs). Refer to figure 1 below.

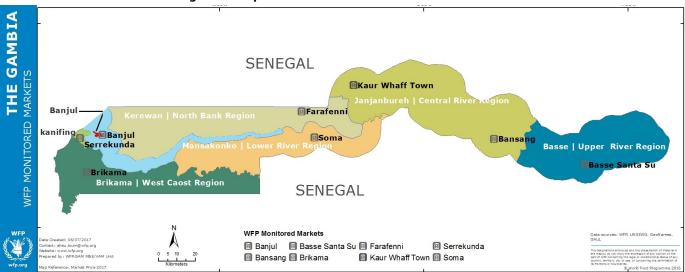


Figure 1: Map of WFP Monitored Markets in The Gambia

Source: GAM M&E VAM Unit



#### **MACROECONOMICS**

The Gambia's estimated real GDP growth in 2016was reported at 2.2 percent, lower than the recorded 4.3 percent in 2015.

Agricultural output grew by 0.5 percent in 2016, lower than the growth of 7.0 percent in 2015. This was attributed mainly to the poor cropping season. Industry value-addition contracted by 3.1 percent in 2016 from a growth of 8.2 percent in 2015 owing to marked contraction in construction and manufacturing sub-sectors.

However, services value-addition grew by 5.1 percent during the same period, supported mainly by developments in wholesale and retail trade. Economic activity is expected to pick up slightly in 2017 premised on normal cropping season, recovery in trade, tourism, improved macroeconomic policies and restoration of confidence in the economy.

### **CEREALS PRICES**



Imported Rice is the main staple food for the majority of the Gambian people particularly food insecure and rural dwellers. A marginal increase in the price of imported rice will have a multiplier effect on the food security situation for most Gambians. Therefore, monitoring market trends for rice is necessary because unfavorable conditions can lead to social instability. The table below shows the price trend of major food items consumed across the country. Maize, Sorghum and Millet: These are substitutes to each other, hence they play an important role in the provision of food and income to rural dwellers.

Table 1: National Average Market Prices for Majors cereals and cash crops

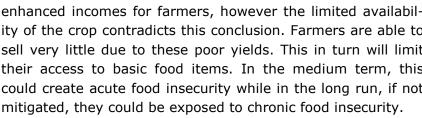
Commodities	May-16	Apr-17	11/121/-1/	%change May 16 - May 17	%change Apr 17 - May 17
Paddy rice long grain (Local) (1kg)	19.82	22	23.44	11%	7%
Small grained rice (imported) (1kg)	23.5	25.28	25.5	8%	1%
Millet (1kg)	17.6	20.64	21.58	17%	5%
Sorghum (1kg)	20.42	21.84	23.72	7%	9%
Maize (1kg)	19.22	22.14	27.26	15%	23%
Groundnuts-Shelled (1kg)	28.62	32.02	35.86	12%	12%

Source: M&E/VAM Unit/GBoS

Overall price index has been fairly rising by 8 percent over the period May 2016 to May 2017. Looking at specific commodities, over a one month period (April- May 2017), prices have changed for locally grown rice (paddy rice), millet, sorghum, maize and groundnut (7 percent, 5 percent, 9 percent, 23 percent and 12 percent respectively). Small grain imported rice, which is most widely consumed, registered a 1 percent increase during the same period which is the lowest and the most significant as it consumed on daily basis.

## Cash Crop (Groundnut)

The high price of groundnuts (being a cash crop) may indicate enhanced incomes for farmers, however the limited availability of the crop contradicts this conclusion. Farmers are able to sell very little due to these poor yields. This in turn will limit their access to basic food items. In the medium term, this could create acute food insecurity while in the long run, if not mitigated, they could be exposed to chronic food insecurity.





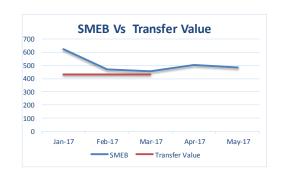
# **Minimum Expenditure Basket (MEB)**



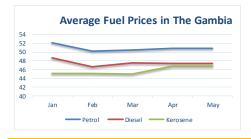
The Minimum Expenditure Basket (MEB) outlines the minimum culturally-adjusted items for survival of a household for one month. The basket is comprised of items that give basic energy requirements of 2,100 kilocalories per person per day. While it does not set a standard value for the MEB, a standardized methodology is recommended to ensure the value of the basket is calculated as accurately as possible for different interventions across The Gambia. The food items used in the food basket are: rice, maize/millet, fish, vegetable oil and salt. The MEB helps WFP and partners to estimate what a household requires in order to meet their basic needs on a regular basis.

### **GAMBIA MEB & TRANSFER VALUE**

The Minimum Expenditure Basket (MEB) based on commodities rice, millet/maize, fish, vegetable oil, and salt has decreased by 4 percent from 505 Dalasi to current 486 Dalasi (April, May respectively). In January, the MEB started on the highest rate so far in 2017 and is likely attributed to the political impasse after the December presidential election. The transfer value was below the MEB for the months of January to March during IR-EMOP 201036.



## **Fuel Prices**



Average fuel prices have been fairly stable from February to May 2017. The Ministry of Finance and Economics Affairs has been monitoring the international fuel prices over the years and occasionally reduces the domestic pump prices to transfer the gains of the falling global oil prices to consumers and citizens.

### **Conclusion**

Generally, The recent cereal price increases in the markets are due to the poor harvest last cropping season as a results of late rains. Farmers are effected in two fold: by the loss of adequate households stocks while also losing income from potential cash crops.

The Minimum Expenditure Basket (MEB) has decreased by 4% from 505 Dalasi to current 486 Dalasi between April and May 2017, due to the political irregularities.

#### Recommandations

WFP and partners must maintain the monitoring of immediate and longer-term food security and resilience outcomes by analyzing expenditure trends relative to the MEB while also establishing a baseline which to monitor market prices and the cost of living against .

In the short term, humanitarian agencies should streamline transfer values for food assistance to the Minimum Expenditure Basket (MEB) value to reflect prevailing price fluctuations.

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