



# LIBERIA MARKET PRICE MONITOR

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

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## KEY POINTS

- ◆ The price of imported parboiled rice either decreased or remained stable when compared to the previous month but considerably higher 15% - 49% than the past one year in most markets.
- ◆ The price of palm oil, charcoal and especially gasoline also increased compared to same period last year;
- ◆ The continued depreciation in the local currency against the US dollars is making imported goods expensive;
- ◆ Terms of trade in general shifted against both agricultural workers and palm oil producing households.

## INTRODUCTION

The September 2017 47th 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 with cassava, a gallon of palm oil and 50kg empty bag full with charcoal as well as, transportation from Paynesville to all markets surveyed. 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         |               | Javanica | Aromatic |      |
|      |                        | Higher quality | Lower quality |          |          |      |
|      |                        | 2012           | 2004          | 100      |          |      |
| 2015 | 158                    | 219            | 218           | 248      | 188      |      |
| 2014 | 158                    | 207            | 200           | 246      | 188      |      |
| 2013 | 212                    | 281            | 281           | 262      | 176      |      |
| 2012 | 194                    | 288            | 287           | 218      | 152      |      |
| 2016 | September              | 196            | 174           | 104      | 222      | 156  |
|      | October                | 188            | 158           | 102      | 217      | 154  |
|      | November               | 185            | 157           | 101      | 218      | 149  |
|      | December               | 187            | 178           | 102      | 218      | 149  |
| 2017 | January                | 196            | 172           | 100      | 217      | 158  |
|      | February               | 194            | 174           | 100      | 216      | 167  |
|      | March                  | 197            | 171           | 100      | 218      | 167  |
|      | April                  | 198            | 174           | 100      | 218      | 208  |
|      | May                    | 200            | 181           | 104      | 218      | 199  |
|      | June                   | 208            | 194           | 104      | 224      | 201  |
|      | July                   | 210            | 198           | 104      | 221      | 208  |
|      | August                 | 212            | 198           | 100      | 242      | 208  |
|      | September              | 213            | 198           | 107      | 242      | 215  |
| 2016 | Jan-Sep                | 196            | 174           | 100      | 221      | 152  |
| 2017 | Jan-Sep                | 200            | 181           | 105      | 225      | 200  |
|      | % Change               | 2.2            | -2.7          | 2.1      | -2.8     | 26.9 |

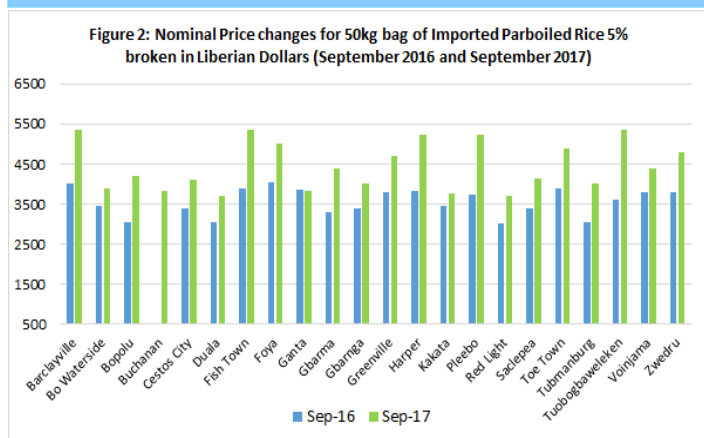
Source: FAO

In September 2017, the FAO Food Price Index (FFPI) averaged 178.4 points, up 1.4 points (0.8 percent) from August and 7.4 points (4.3 percent) higher than its September 2016 level. Stronger prices in the vegetable oil and dairy sectors were responsible for the slight month-on-month increase in the value of the FFPI. The FAO All Rice Price Index also reported an average of 213 points in September 2017, close to its value in August. The firm prices of Aromatic and high quality Indica rice offset declines in lower quality Indica quotations. Price increases were most evident in the Thai fragrant market last month, where thinning availabilities lifted Hom Mali prices to a 29-month high of USD 1 064 per tonne. US long-grain quotations also registered notable gains, posting their sixth successive monthly advance in response to prospects of a much-diminished long-grain crop. Prices of higher-grade Indica rice made more modest inroads in India and Thailand, as currency depreciations towards the end of the month capped support provided by firm demand from Bangladesh and African buyers. Sentiment tended to be weaker elsewhere, with harvest pressure lowering prices in Pakistan for the third consecutive month, while few fresh deals weighed on Indica values in Viet Nam. These tendencies brought the January-September average of the FAO All Rice Price Index to 202.5 points, up 3 percent from its value in the corresponding period of 2016.

(<http://www.fao.org/worldfoodsituation/foodpricesindex/en/>)



## WHOLESALE PRICE OF IMPORTED RICE



The retail price for a 50kg bag of imported parboiled rice in September 2017 averaged LD\$ 4,450, up 25 percent compared to last year but remain unchanged from the past one month. Annual price comparisons showed increase in the price of rice in all markets monitored with Tuobo-gbaweeleken, Pleebo, Fish Town, Harper, Barclayville, Gbarma and Tubmanburg markets recording the biggest increases of 49%, 40%, 37%, 36%, 34%, 33% and 32% respectively. The price differentials witness in far-off markets especially in southeastern Liberia is associated with seasonal

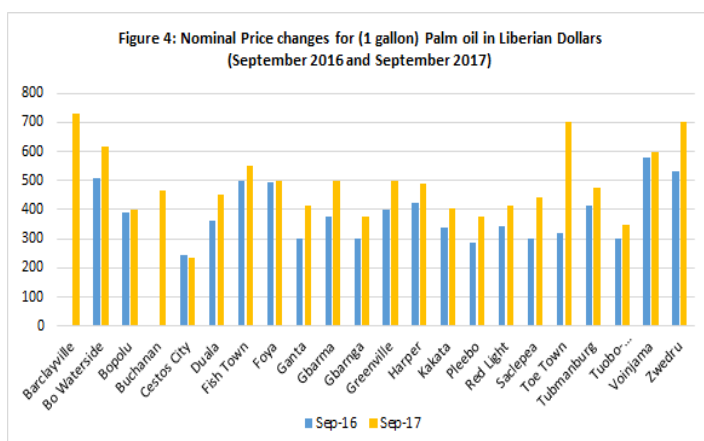
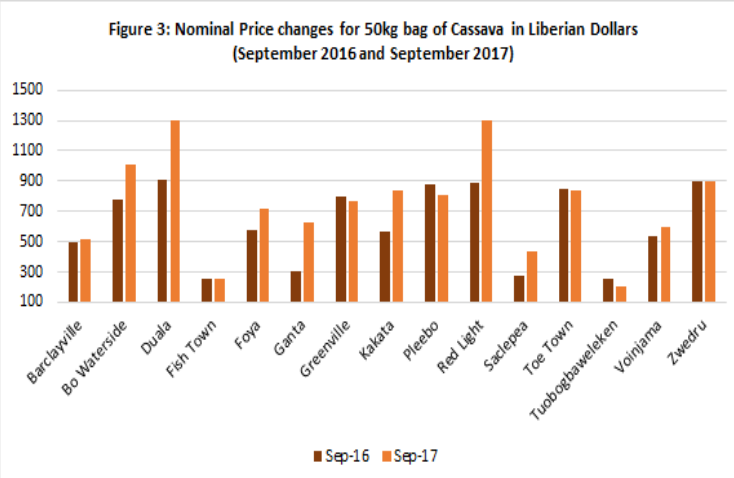
factors (increase in demand for imported rice as most farming households have exhausted food stocks from previous harvest and the deplorable road condition due to heavy rains which translates into higher transportation costs when moving commodities from the main port of entry, in Monrovia. For example, consumers in Barclayville, Fish Town and Tuobo-gbaweeleken spend L\$1,650.00 (US\$13.75) more for a 50kg bag of imported rice than consumers in Monrovia. In addition, is the continued depreciation in the local currency against the US dollars, exacerbating the price increase in the main staple, rice.

Meanwhile, the new rice crop harvest taking place in the south-eastern part of country coupled with stable to lower international rice prices in Asian markets (a key source of imported rice in Liberia) could ease the pressure on main staple, rice and bring some sign of relief to poor farming households who primarily rely on rice farming as a livelihood, though for a short period.

In general, the food situation across the country is expected to be good (with adequate commercial stocks in-country and the ongoing local rice crop harvest). Notwithstanding, current domestic factors (high food inflation coupled with currency depreciations) could constrain households' food access especially among the rural poor.

## PRICES OF OTHER COMMODITIES

In September, the price for a full 50kg bag of cassava averaged LD\$ 740, (20 percent) more than what it was sold for in September 2016. The price for cassava was reported to be stable or higher in most markets monitored across the country. According to Figure 3, the most dramatic price increase was witnessed in Ganta market ( 108 percent) in Nimba County but also peaked in urban centres of Red Light and Kakata (47 percent) and Duala (43 percent) market in Monrovia. Modest increases was also observed in Bo Waterside (29 percent), Foya (25 percent) and Voinjama (13 percent). The average month-on-month comparison recorded a marginal increase of (5 percent) with price differentials across the markets. The increase in cassava prices is mainly associated with the local currency depreciations. Farmers tend to sell their products relative to the price of other commodities found in the markets.

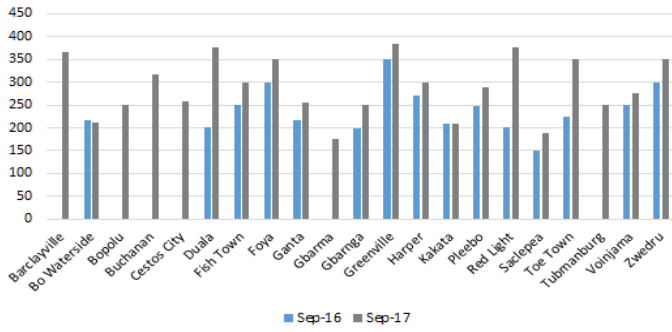


The average price for a gallon of palm oil currently stands at L\$ 485, up 26 percent compared to a year ago but stable compared to the past one month with price differentials reported across the markets. Palm oil prices are reportedly higher compared to a

year ago in Saclepea (47 percent), Ganta (38 percent), Gbarma (33 percent), Zwedru (31 percent) and Pleebo (30 percent) markets (see Figure 4). Palm oil traders interviewed during market visits attributed the price increase to the prevailing exchange rate—depreciating Liberian Dollar against the US Dollar as well as the increase in transportation costs which is mostly due to the poor condition of farm to market roads. Important to note is the huge domestic demand in addition to regular cross-border flows to neighboring Guinea and Leone. According to traders interviewed in Foya market, approximately 11,340 litres of palm oil or more is sold to traders from Guinea on market days. Similarly, about 90,000 litres of palm oil cross over from Ganta market in Nimba County into neighboring Guinea. Price of palm oil in most markets recorded stable to lower prices in comparison to the past one month. Palm oil prices may remain stable into October and November but could increase at the end of this year due to limited supply as the new oil palm season starts.

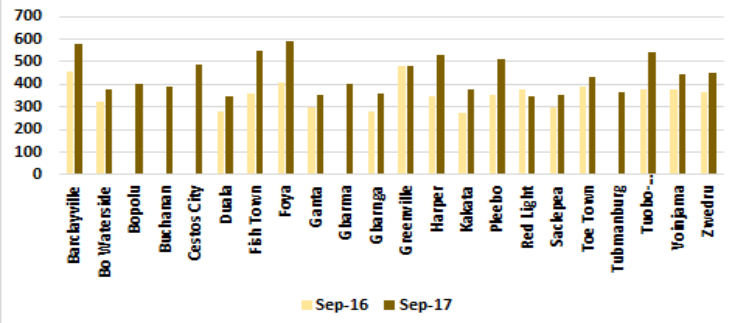
## PRICES OF OTHER COMMODITIES

Figure 5: Nominal Price change for 1 (50kg) bag of Charcoal in Liberian Dollars (September 2016 and September 2017)



Majority of the people residing in Tubmanburg, Gbarma and Bo Waterside rely 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\$289 (21 percent) higher than what it was sold for in the past one year with a marginal increase of (5 percent) between August and September 2017. Like other commodities, the increase in charcoal prices is a reflection of the prevailing exchange rate—depreciating local currency against the US dollars. Charcoal prices may likely continue to go up due to the latter coupled with growing demand in urban areas.

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



The average price for a gallon of gasoline is LD\$439, up 23 percent compared to a year ago. According to Figure 6, all Liberian markets recorded increase in the price of gasoline. The Ministry of Commerce and Industry (MOCI) circular issued on September 11, 2017 reported a thirteen United States Cents increase in the price of gasoline which explains the current trend. The official retail pump price for a gallon of gasoline currently stands at LD\$370 (US\$3.20) while Fuel oil (AGO) is LD\$370 (US\$3.17). Comparative price analysis of petroleum products in selected countries in the sub region indicates that the prices of petroleum products in Liberia are among the lowest in the sub region with Guinea at US\$3.37, Ivory Coast US\$3.95, Sierra Leone US\$3.00 and Ghana US\$3.48 per gallon.

## PRICES OF OTHER COMMODITIES

FIGURE 7: NOMINAL PRICE CHANGES OF FRESH PEPPER (1 ERA PAINT BUCKET) IN LIBERIAN DOLLARS (SEPTEMBER 2016 AND SEPTEMBER 2017)

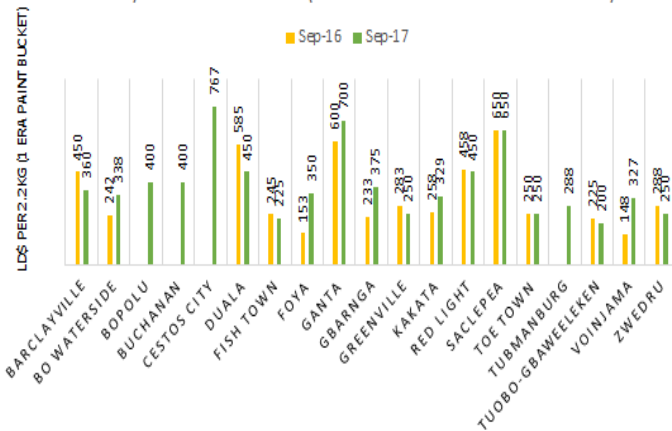
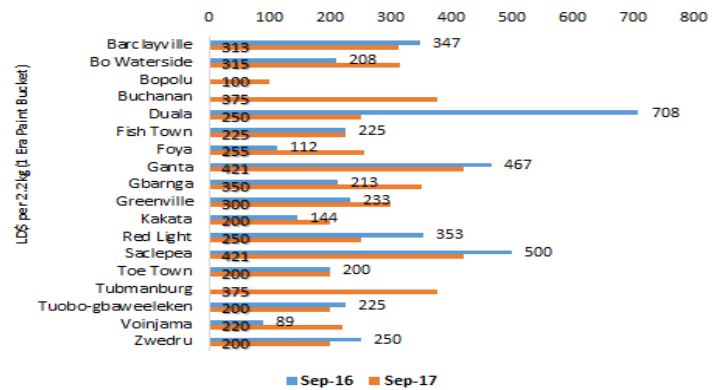


Figure 8: Nominal Price changes of Bitter Ball (1 Era Paint Bucket) in Liberian Dollars (September 2016 and September 2017)



## TRANSPORTATION CORNER

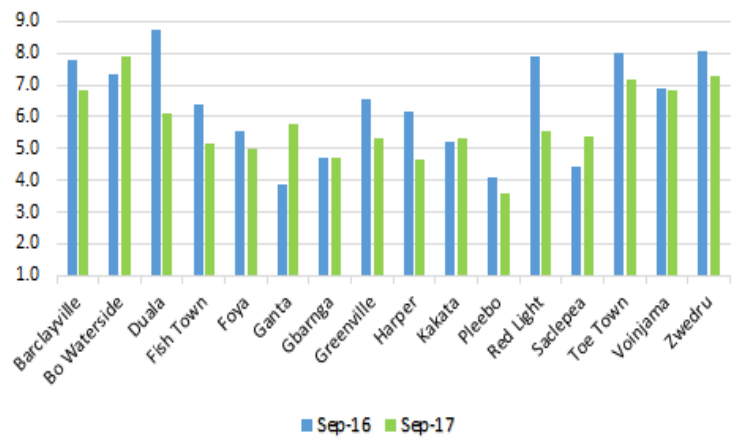
| From Market to Capitol Monrovia |                   | September' 2017 |           |        |      |       |
|---------------------------------|-------------------|-----------------|-----------|--------|------|-------|
| Destination in LD\$             |                   | Bus             | Cam Motor | Pickup | Taxi | Truck |
| Bomi                            | Tubmanburg        | 225             |           |        | 250  |       |
| Bong                            | Gbarnga           | 300             |           |        | 500  |       |
| Gbarpolu                        | Bopolu            |                 |           | 750    | 750  |       |
|                                 | Gbarma            |                 |           | 450    | 500  |       |
| Grand Bassa                     | Buchanan          | 250             |           |        | 425  |       |
| Grand Capemount                 | Bo Waterside      | 350             |           |        | 450  |       |
| Grand Gedeh                     | Toe Town          | 3500            |           |        | 4000 |       |
|                                 | Zwedru            | 3500            |           |        | 4000 |       |
| Grand Kru                       | Barclayville      |                 |           | 7250   | 7500 |       |
| Lofa                            | Foya              |                 |           | 4000   |      | 3500  |
|                                 | Voinjama          | 2200            |           |        | 2000 |       |
| Margibi                         | Kakata            | 100             |           |        | 150  |       |
| Maryland                        | Harper            | 5500            |           |        | 6000 |       |
|                                 | Pleebo            | 5000            |           |        | 4750 |       |
| Nimba                           | Ganta             | 450             |           |        | 700  |       |
|                                 | Saclepea          | 800             |           | 800    | 950  |       |
| River Gee                       | Fish Town         | 8000            |           | 7750   |      |       |
|                                 | Tuobo-gbaweeleken | 9250            |           | 8750   |      |       |
| Rivercess                       | Cestos City       | 1050            | 788       | 788    |      |       |
| Sinoe                           | Greenville        |                 |           | 2500   | 3000 |       |

## TERMS OF TRADE (TOT)

| Markets      | Sep-16 | Sep-17 |   | Main Activity |
|--------------|--------|--------|---|---------------|
| Barclayville | 6.9    | 5.3    | ↓ | Agriculture   |
| Bo Waterside |        | 2.7    |   | Charcoal      |
| Fish Town    | 5.8    | 4.4    | ↓ | Agriculture   |
| Foya         | 1.9    | 1.7    | ↓ | Agriculture   |
| Ganta        | 4.2    | 4.9    | ↑ | Agriculture   |
| Gbarnga      | 2.4    | 2.2    | ↓ | Agriculture   |
| Greenville   | 4.9    | 4.5    | ↓ | Agriculture   |
| Harper       | 4.9    | 3.6    | ↓ | Agriculture   |
| Kakata       | 4.3    | 4.0    | ↓ | Agriculture   |
| Pleebo       | 5.0    | 3.6    | ↓ | Agriculture   |
| Red Light    |        | 8.8    |   | Construction  |
| Saclepea     | 5.0    | 4.2    | ↓ | Agriculture   |
| Toe Town     | 3.5    | 4.5    | ↑ | Agriculture   |
| Tubmanburg   |        | 3.4    |   | Charcoal      |
| Voinjama     | 2.3    | 2.0    | ↓ | Agriculture   |
| Zwedru       | 3.6    | 4.4    | ↑ | Agriculture   |

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 Ganta, Toe Town and Zwedru markets. The current dominant agricultural activity is harvesting 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 in Barclayville, Pleebo, Harper and Fish Town are getting 1.6, 1.4 and 1.3 kilograms of rice less respectfully 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.

Figure 9: Terms of Trade between 1 gallon of Palm oil and Imported rice



The terms of trade (ToT) reported here reflect the amount of rice in kilograms that smallholder oil palm producers may purchase in exchange for a gallon of palm oil. Figure 9 shows that terms of trade was unfavorable for most of the palm oil producers in most of the markets when compared to the past one year. The exception was Bo Waterside, Ganta and Saclepea where terms of trade slightly shifted in favor of palm oil producers. According to figure 9, palm oil producers/sellers in Duala are obtaining 2.7 kilograms of rice less than the past one year from sale of a gallon of palm oil. A similar situation was also observed in Red Light (-2.3 grams), Harper (-1.5 grams), Fish Town and Greenville (-1.3 grams). The decline in terms of trade will weaken palm oil producing households and sellers purchasing power, thus constraining their food access.

## CONCLUSION AND OUTLOOK

In comparison to last month, the prices of imported parboiled rice, cassava, palm oil and pepper have either decreased or remained stable in most markets monitored across the country. With the new rice crop harvest currently taking place in the south-east and to begin by mid-October in the rest of the country, demand for imported brands is likely to reduce especially in high agriculture production areas like Foya District in Lofa County. The latter in addition to lower international rice prices in the Asian markets (main source of imported rice in Liberia), could lead to stable to lower prices in the coming months.

Meanwhile, the continued depreciation in the local currency against the US dollars since last year could offset the global rice price trends (lower prices in main sources of imported rice in Liberia) effect on the domestic markets. With Liberia as a net importer of food, currency devaluation normally leads to higher import parity price in comparison to domestic prices. This is very critical considering the already high food inflation (currently double digit) and recent price increase in gasoline prices. These factors could seriously impact on the food access of both the urban and rural poor.

In general, food availability across the country is expected to be good (with adequate commercial stocks in-country and the ongoing new rice crop harvest).

With the prevailing currency depreciation and double digit high food inflation, the Ministry of Agriculture and 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 Liberia Dollars by Markets

| County           | Markets          | Sep-16 | Aug-17 | Sep-17 | % change 1M | % change 1Y |
|------------------|------------------|--------|--------|--------|-------------|-------------|
| Grand Kru        | Barclayville     | 4000   | 5373   | 5350   | 0%          | 34%         |
| Grand Cape Mount | Bo Waterside     | 3467   | 3875   | 3900   | 1%          | 13%         |
| Gbarpolu         | Bopolu           | 3056   | 4060   | 4200   | 3%          | 37%         |
| Grand Bassa      | Buchanan         |        | 3880   | 3825   | -1%         |             |
| Rivercess        | Cestos City      | 3400   | 4000   | 4100   | 3%          | 21%         |
| Montserrado      | Duala            | 3047   | 3750   | 3700   | -1%         | 21%         |
| River Gee        | Fish Town        | 3900   | 5450   | 5350   | -2%         | 37%         |
| Lofa             | Foya             | 4050   | 4538   | 5025   | 11%         | 24%         |
| Nimba            | Ganta            | 3850   | 3833   | 3833   | 0%          | 0%          |
| Gbarpolu         | Gbarma           | 3300   | 4400   | 4400   | 0%          | 33%         |
| Bong             | Gbarnga          | 3400   | 4000   | 4000   | 0%          | 18%         |
| Sinoe            | Greenville       | 3800   | 4750   | 4700   | -1%         | 24%         |
| Maryland         | Harper           | 3840   | 5280   | 5240   | -1%         | 36%         |
| Margibi          | Kakata           | 3455   | 3833   | 3775   | -2%         | 9%          |
| Maryland         | Pleebo           | 3730   | 5212   | 5238   | 0%          | 40%         |
| Montserrado      | Red Light        | 3025   | 3725   | 3700   | -1%         | 22%         |
| Nimba            | Saclepea         | 3400   | 4200   | 4125   | -2%         | 21%         |
| Grand Gedeh      | Toe Town         | 3900   | 4833   | 4900   | 1%          | 26%         |
| Bomi             | Tubmanburg       | 3033   | 3983   | 4000   | 0%          | 32%         |
| River Gee        | Tuobogbaweeleken | 3600   | 5450   | 5350   | -2%         | 49%         |
| Lofa             | Voinjama         | 3808   | 4350   | 4383   | 1%          | 15%         |
| Grand Gedeh      | Zwedru           | 3800   | 4700   | 4800   | 2%          | 26%         |

Table 3: Nominal Price changes for a gallon of Palm oil in Liberia Dollars by Markets

| Markets           | Sep-16 | Aug-17 | Sep-17 | % change 1M | % change 1Y |
|-------------------|--------|--------|--------|-------------|-------------|
| Barclayville      |        | 707    | 730    | 3%          |             |
| Bo Waterside      | 508    | 558    | 617    | 11%         | 21%         |
| Bopolu            | 392    | 450    | 400    | -11%        | 2%          |
| Buchanan          |        | 374    | 467    | 25%         |             |
| Cestos City       | 242    | 225    | 233    | 4%          | -3%         |
| Duala             | 363    | 500    | 450    | -10%        | 24%         |
| Fish Town         | 500    | 500    | 550    | 10%         | 10%         |
| Foya              | 493    | 500    | 500    | 0%          | 1%          |
| Ganta             | 300    | 433    | 413    | -5%         | 38%         |
| Gbarma            | 375    | 450    | 500    | 11%         | 33%         |
| Gbarnga           | 300    | 375    | 375    | 0%          | 25%         |
| Greenville        | 400    | 500    | 500    | 0%          | 25%         |
| Harper            | 425    | 512    | 488    | -5%         | 15%         |
| Kakata            | 339    | 392    | 403    | 3%          | 19%         |
| Pleebo            | 288    | 350    | 375    | 7%          | 30%         |
| Red Light         | 342    | 475    | 413    | -13%        | 21%         |
| Saclepea          | 300    | 446    | 442    | -1%         | 47%         |
| Toe Town          | 320    | 700    | 700    | 0%          | 119%        |
| Tubmanburg        | 413    | 475    | 476    | 0%          | 15%         |
| Tuobo-gbaweeleken | 300    | 300    | 350    | 17%         | 17%         |
| Voinjama          | 580    | 625    | 600    | -4%         | 3%          |
| Zwedru            | 533    | 700    | 700    | 0%          | 31%         |

Table 2: Nominal Price changes for 50kg bag of Cassava in Liberia Dollars by Markets

| Markets          | Sep-16 | Aug-17 | Sep-17 | % change 1M | % change 1Y |
|------------------|--------|--------|--------|-------------|-------------|
| Barclayville     | 493    | 438    | 517    | 18%         | 5%          |
| Bo Waterside     | 779    | 1000   | 1008   | 1%          | 29%         |
| Duala            | 908    | 1233   | 1300   | 5%          | 43%         |
| Fish Town        | 250    | 250    | 250    | 0%          | 0%          |
| Foya             | 575    | 679    | 717    | 6%          | 25%         |
| Ganta            | 300    | 500    | 625    | 25%         | 108%        |
| Greenville       | 800    | 575    | 767    | 33%         | -4%         |
| Kakata           | 568    |        | 833    |             | 47%         |
| Pleebo           | 875    | 812    | 813    | 0%          | -7%         |
| Red Light        | 885    | 1250   | 1300   | 4%          | 47%         |
| Saclepea         | 275    | 479    | 433    | -10%        | 58%         |
| Toe Town         | 850    | 850    | 840    | -1%         | -1%         |
| Tuobogbaweeleken | 250    | 225    | 200    | -11%        | -20%        |
| Voinjama         | 533    | 625    | 600    | -4%         | 13%         |
| Zwedru           | 900    | 925    | 900    | -3%         | 0%          |

Table 4: Nominal Price changes for a gallon of Gasoline in Liberia Dollars by Markets

| Markets           | Sep-16 | Aug-17 | Sep-17 | % change 1M | % change 1Y |
|-------------------|--------|--------|--------|-------------|-------------|
| Barclayville      | 460    | 510    | 580    | 14%         | 26%         |
| Bo Waterside      | 320    | 311    | 378    | 21%         | 18%         |
| Bopolu            |        | 400    | 400    | 0%          |             |
| Buchanan          |        | 362    | 391    | 8%          |             |
| Cestos City       |        | 480    | 487    | 1%          |             |
| Duala             | 280    | 340    | 345    | 1%          | 23%         |
| Fish Town         | 360    | 500    | 550    | 10%         | 53%         |
| Foya              | 408    | 523    | 592    | 13%         | 45%         |
| Ganta             | 300    | 355    | 355    | 0%          | 18%         |
| Gbarma            |        | 400    | 400    | 0%          |             |
| Gbarnga           | 282    | 352    | 360    | 2%          | 28%         |
| Greenville        | 483    | 462    | 480    | 4%          | -1%         |
| Harper            | 350    | 480    | 530    | 10%         | 51%         |
| Kakata            | 272    | 345    | 375    | 9%          | 38%         |
| Pleebo            | 353    | 480    | 513    | 7%          | 45%         |
| Red Light         | 377    | 335    | 345    | 3%          | -8%         |
| Saclepea          | 298    | 360    | 355    | -1%         | 19%         |
| Toe Town          | 390    | 425    | 430    | 1%          | 10%         |
| Tubmanburg        |        | 355    | 366    | 3%          |             |
| Tuobo-gbaweeleken | 380    | 530    | 540    | 2%          | 42%         |
| Voinjama          | 377    | 397    | 445    | 12%         | 18%         |
| Zwedru            | 365    | 425    | 450    | 6%          | 23%         |