

Sierra Leone

Market Price Bulletin

The quarterly **Sierra Leone Market Price Bulletin** provides updates on price changes for staple food commodities in Sierra Leone. This information can be used to guide programme and policy decisions by development actors. It can also assist smallholder farmers to plan agricultural and marketing activities.

To compile the Bulletin, the Vulnerability Analysis and Mapping (VAM) unit of the United Nations World Food Programme (WFP) in Sierra Leone works with the Ministry of Agriculture, Forestry and Food Security (MAFFS) and to collect vital information on food security indicators throughout the country.

This is the fourth issue of the Bulletin, and covers the period July to September 2017.

Highlights

- The Sierra Leonean Leone (SLL) continued to be relatively stable within the quarter. This may be attributed to the strong monetary policy enforced by the Bank of Sierra Leone in reducing money supply, combined with a decline in demand for import-related foreign payments which helped to minimize the pressure for foreign exchange.
- The wages of unskilled workers continue to decrease within the quarter due to unavailability of paid labour opportunities during the lean season. At the same time, prices of key staples such as rice and cassava continued to increase. This has contributed to reducing the purchasing power of vulnerable households and has the potential to reduce food security. The average market price of imported and local rice increased by 4.9 percent and 5.6 percent respectively from July to September, clearly indicating that farmers had exhausted their harvested stocks as the country entered the lean season (when agricultural production activities are scarce).

Figure 1: Purchasing power of low-income earners

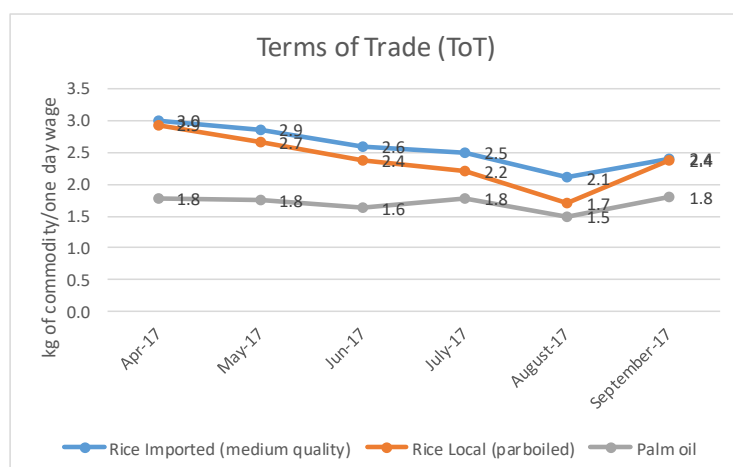
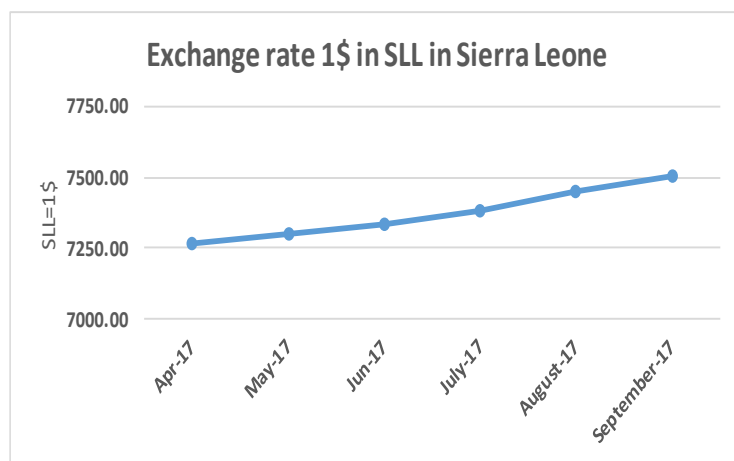


Figure 1 depicts the Terms of Trade (ToT), which is the amount of a commodity that can be purchased by the daily wage of an unskilled labourer. The ToT for imported and local rice shows a decreasing trend within the quarter as a result of an increase in price and reduction in wage rates when compared to the previous quarter (April to June 2017). In Sierra Leone, wage labour opportunities for poor households significantly reduce during the lean season, coupled with an increase in commodity prices which negatively affects their purchasing power. The ToT for palm oil was relatively stable during the third quarter due to a decline in the price of the product.

STATUS OF THE ECONOMY

Figure 2: Historical exchange rate



Exchange rate

On average, during the quarter the SLL depreciated against the United States Dollar (USD) by 2 percent compared to the previous quarter, reflecting relative stability. This may be a result of the strong monetary policy enforced by the Bank of Sierra Leone in reducing money supply, combined with lower demand for import-related foreign payment, helping to minimize the pressure for foreign exchange.

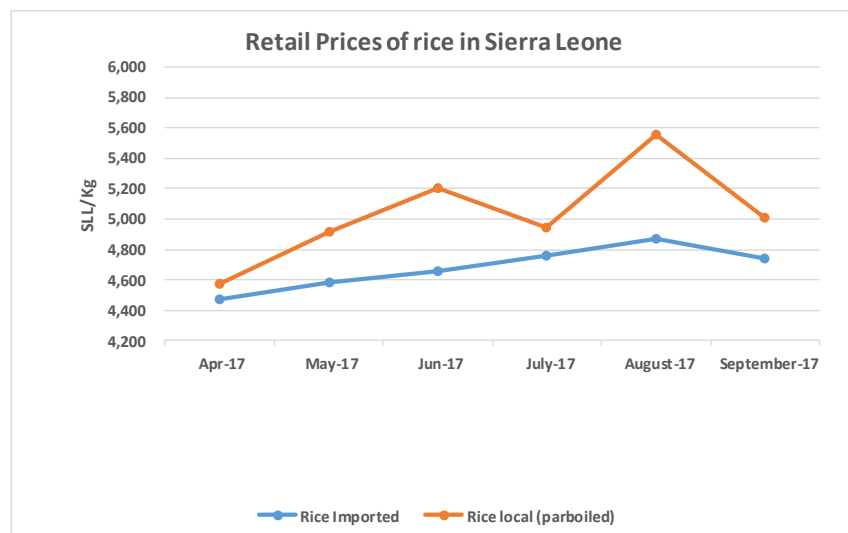
Source: Bank of Sierra Leone

Inflation rate

Statistics Sierra Leone (SSL) computes the national Consumer Price Index (CPI) which is a proxy for inflation. The CPI increased from 205 per cent in August 2017 to 206 per cent in September 2017, resulting in a 0.78 per cent increase in the national inflation rate during September 2017.

RETAIL PRICE TRENDS

Figure 3: Retail price of local and imported rice



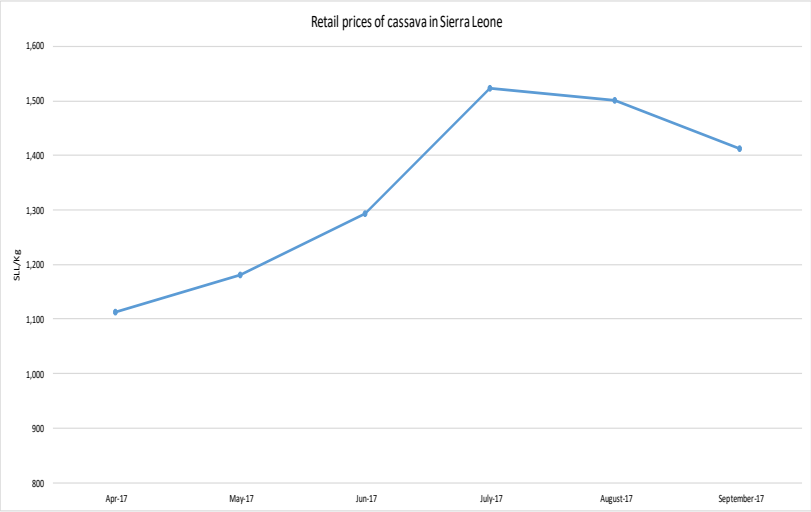
Price of local rice

The price of local rice showed a slight increase of 5.6 percent nationally compared to the previous quarter, reflecting a reduction in the availability of rice among farming households as food stocks reduced during the lean season. The highest increases in the price of local rice were observed in Moyamba (14.8 percent), Bonthe (13.5 percent), Bo (12.9 percent) and Pujehun (11.6 percent) districts. However, during the month of September the price of local rice started to reduce significantly, coinciding with the beginning of the rice harvest in some districts.

Price of imported rice

The price of imported rice also marginally increased by 4.9 percent nationally when compared to the previous quarter. The highest increases in the price of imported rice were observed in Moyamba (15.3 percent), Tonkolili (11.2 percent) and Bo (10.7 percent) districts. The increase in price reflects rising transportation costs during the rainy season, when road conditions within the districts worsen. In the capital Freetown, the price of imported rice increased by 5.3 percent.

Figure 5: Retail price of cassava



Price of cassava

The price of cassava increased by 23.7 percent when compared to the previous quarter. This significant increase in price demonstrates an increase in demand for cassava as a result of the crop serving as a substitute for the main staple rice during the lean season, when access to rice is reduced due to low domestic production and limited household incomes. In Sierra Leone, cassava is used to produce other food products such as *foofoo* and *garie*, inexpensive staple amongst low-income households. Districts in the southern region recorded the highest increase in the price of cassava, including Moyamba (167 percent), Bo (115 percent) and Pujehun (113 percent). In contrast, the price of cassava reduced by 35 percent in Kono compared to the previous quarter.

Figure 6: Retail price of palm oil

Price of palm oil

The price of palm oil was stable during the quarter, recording a national reduction of just 0.2 percent when compared with the previous quarter. This is a result of the time period coinciding with the peak of the harvesting and processing of palm oil. The biggest reduction in the price of palm oil was observed in Kambia district (23.3 percent) during the quarter, followed by Kenema (10.0 percent) and Bo (7.8 percent). However, two districts registered high increases in the price of palm oil during the quarter, including Moyamba (22 percent) and Pujehun (12 percent). These increases may reflect the fact that a large proportion of the palm oil produced in these districts is being sold in neighboring areas.

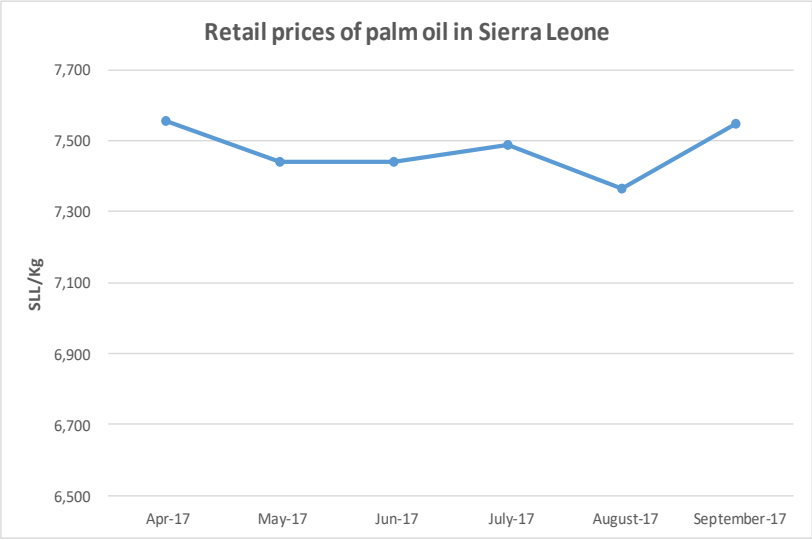
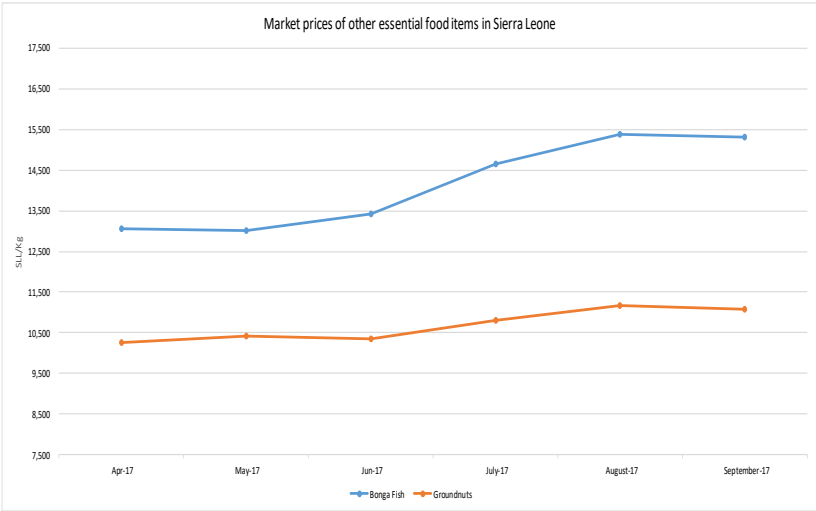


Figure 7: Retail price of other essential food items



Fish (specifically bonga, a dried fish) and groundnuts are typical items in the food basket of a Sierra Leonean household. Due to limited access to fish as a result of low purchasing power, bonga is typically used sparingly as a condiment. The national price of bonga increased (by 14.9 percent) compared to the previous quarter, as a result of reduced fishing activities during the rainy season. The national price of groundnuts similarly increased (by 6.5 percent) compared with the previous quarter, reflecting reduced availability of this crop during the lean season, when local production is lower.

Retail prices of food commodities in September 2017

Major Commodities	Markets	Current Prices (Sept 2017) /Kg		% Change Over			Change Direction		
		SLL	USD	1M	3M	6M	1M	3M	6M
Rice imported medium quality	National	4,744	0.63	-2.7%	-1.0%	1.4%	►	►	►
	Bo	4,520	0.60	-4.4%	-2.7%	2.2%	►	►	►
	Bombali	4,400	0.59	-3.5%	-1.9%	-0.3%	►	►	►
	Bonthe	4,980	0.66	0.6%	0.0%	1.5%	►	►	►
	Freetown	4,780	0.64	2.2%	1.4%	4.1%	►	►	►
	Kailahun	4,860	0.65	-3.2%	-1.9%	-2.1%	►	►	►
	Kambia	4,230	0.56	-4.5%	-2.7%	-2.2%	►	►	►
	Kenema	4,850	0.65	0.0%	0.5%	1.5%	►	►	►
	Koinadugu	4,950	0.66	0.0%	0.3%	0.7%	►	►	►
	Kono	4,430	0.59	-2.8%	0.4%	4.4%	►	►	►
	Moyamba	4,972	0.66	0.0%	3.6%	11.0%	►	►	▲
	Port Loko	4,850	0.65	2.5%	2.6%	5.3%	►	►	▲
	Pujehun	4,890	0.65	-17.8%	-11.6%	-11.4%	▼	▼	▼
	Tonkolili	4,960	0.66	-0.2%	0.7%	6.0%	►	►	▲
Rice local parboiled	National	5,011	0.67	-9.8%	-3.1%	-0.4%	▼	►	►
	Bo	5,250	0.70	-6.6%	-1.7%	4.3%	▼	►	►
	Bombali	4,300	0.57	-6.9%	-5.6%	-4.7%	▼	▼	►
	Bonthe	5,150	0.69	-25.6%	-14.0%	-8.6%	▼	▼	▼
	Freetown	5,400	0.72	-20.0%	-9.1%	-7.9%	▼	▼	▼
	Kailahun	5,100	0.68	-6.1%	-3.7%	-4.0%	▼	►	►
	Kambia	4,150	0.55	-12.1%	-8.6%	-6.3%	▼	▼	▼
	Kenema	5,120	0.68	-4.4%	0.2%	1.6%	►	►	►
	Koinadugu	5,320	0.71	1.7%	2.6%	3.7%	►	►	►
	Kono	5,127	0.68	-1.7%	5.8%	5.8%	►	▲	▲
	Moyamba	5,730	0.76	-17.2%	2.4%	9.4%	▼	►	▲
	Port Loko	4,540	0.61	-6.9%	-2.8%	-2.8%	▼	►	►
	Pujehun	5,160	0.69	-5.3%	-1.5%	3.9%	▼	►	►
	Tonkolili	4,800	0.64	-5.9%	-2.4%	0.8%	▼	►	►
Palm oil	National	7,549	1.01	2.5%	1.1%	1.0%	►	►	►
	Bo	7,100	0.95	9.9%	7.0%	2.7%	▲	▲	►
	Bombali	6,870	0.92	5.8%	4.4%	1.5%	▲	►	►
	Bonthe	7,600	1.01	2.0%	2.5%	6.9%	►	►	▲
	Freetown	8,500	1.13	-1.4%	-0.9%	2.4%	►	►	►
	Kailahun	7,850	1.05	2.7%	2.4%	4.6%	►	►	►
	Kambia	8,450	1.13	-0.6%	-6.6%	-19.0%	►	▼	▼
	Kenema	7,340	0.98	-0.1%	-4.8%	-9.8%	►	►	▼
	Koinadugu	7,350	0.98	2.8%	1.6%	4.6%	►	►	►
	Kono	6,850	0.91	8.0%	6.3%	8.8%	▲	▲	▲
	Moyamba	7,450	0.99	4.9%	4.0%	14.4%	►	►	▲
	Port Loko	7,430	0.99	2.5%	2.1%	3.8%	►	►	►
	Pujehun	6,950	0.93	6.3%	5.1%	11.1%	▲	▲	▲
	Tonkolili	8,400	1.12	-5.1%	-3.4%	-3.8%	▼	►	►

1M= One month

3M= Three months (average)

6M= Six months (average)

1Y= One year (average)

▲ Price increase above normal price fluctuation

▼ Price decrease above normal price fluctuation

► Normal price fluctuations

Retail prices of Food commodities in September 2017

Major Commodities	Markets	Current Prices (March 2017) /KG		% Change Over			Change Direction		
		SLL	USD	1M	3M	6M	1M	3M	6M
Bonga	National	15,320	2.04	14.2%	1.3%	8.4%	▲	▶	▲
	Bo	23,100	3.08	72.7%	5.9%	31.6%	▲	▲	▲
	Bombali	14,600	1.95	-2.0%	-2.0%	0.1%	▶	▶	▶
	Bonthe	11,200	1.49	24.0%	8.7%	4.3%	▲	▲	▶
	Freetown	12,500	1.67	3.9%	-0.6%	7.6%	▶	▶	▲
	Kailahun	16,300	2.17	-11.9%	-10.4%	-10.1%	▼	▼	▼
	Kambia	14,200	1.89	20.3%	4.2%	12.6%	▲	▶	▲
	Kenema	15,400	2.05	-4.3%	-3.5%	-3.4%	▶	▶	▶
	Koinadugu	19,300	2.57	4.3%	-0.7%	6.0%	▶	▶	▲
	Kono	17,300	2.31	20.1%	5.0%	6.5%	▲	▶	▲
	Moyamba	16,300	2.17	35.4%	6.5%	26.5%	▲	▲	▲
	Port Loko	15,100	2.01	23.8%	3.9%	17.2%	▲	▶	▲
	Pujehun	10,100	1.35	20.3%	3.4%	12.6%	▲	▶	▲
	Tonkolili	13,760	1.83	4.6%	0.8%	2.6%	▶	▶	▶
Cassava	National	1,412	0.19	9.2%	-4.5%	5.6%	▲	▶	▲
	Bo	1,350	0.18	92.9%	-22.9%	5.3%	▲	▼	▲
	Bombali	1,410	0.19	1.4%	0.3%	-5.9%	▶	▶	▼
	Bonthe	1,100	0.15	28.1%	-0.3%	14.6%	▲	▶	▲
	Freetown	2,100	0.28	51.8%	12.9%	23.1%	▲	▲	▲
	Kailahun	1,532	0.20	22.6%	5.9%	18.0%	▲	▲	▲
	Kambia	1,340	0.18	11.7%	-8.8%	-1.5%	▲	▼	▶
	Kenema	1,350	0.18	0.0%	-9.1%	-4.8%	▶	▼	▶
	Koinadugu	1,346	0.18	17.1%	-12.6%	-3.5%	▲	▼	▶
	Kono	1,120	0.15	-39.2%	-8.8%	-25.1%	▼	▼	▼
	Moyamba	1,340	0.18	67.4%	-19.6%	16.9%	▲	▼	▲
	Port Loko	1,420	0.19	-16.5%	6.9%	-0.2%	▼	▲	▶
	Pujehun	1,630	0.22	96.9%	-1.0%	34.7%	▲	▶	▲
	Tonkolili	1,320	0.18	-44.0%	1.6%	10.4%	▼	▶	▲
Groundnut (Shelled)	National	11,068	1.48	6.9%	0.5%	3.7%	▲	▶	▶
	Bo	11,300	1.51	16.2%	1.7%	3.6%	▲	▶	▶
	Bombali	11,178	1.49	9.0%	0.5%	3.9%	▲	▶	▶
	Bonthe	10,767	1.44	-0.5%	-0.4%	-1.3%	▶	▶	▶
	Freetown	11,986	1.60	38.7%	6.2%	22.2%	▲	▲	▲
	Kailahun	11,720	1.56	-13.2%	-2.9%	-8.3%	▼	▶	▼
	Kambia	10,320	1.38	2.2%	-3.2%	-0.4%	▶	▶	▶
	Kenema	12,870	1.72	-9.4%	-2.0%	-3.6%	▼	▶	▶
	Koinadugu	8,673	1.16	-1.0%	-5.8%	-3.4%	▶	▼	▶
	Kono	10,520	1.40	0.1%	-3.8%	-0.9%	▶	▶	▶
	Moyamba	10,830	1.44	23.8%	5.8%	16.9%	▲	▲	▲
	Port Loko	9,546	1.27	12.3%	-1.1%	1.7%	▲	▶	▶
	Pujehun	11,530	1.54	6.1%	2.6%	4.5%	▲	▶	▶
	Tonkolili	12,640	1.69	26.3%	8.0%	18.7%	▲	▲	▲
1M= One month 3M= Three months (average) 6M= Six months (average)		▲ Price increase above normal price fluctuation ▼ Price decrease above normal price fluctuation ▶ Normal price fluctuations							



For further information please contact:

Housainou Taal, WFP Sierra Leone

Housainou.taal@wfp.org

Kinday Samba, WFP Sierra Leone

kinday.samba@wfp.org

Francis Sankoh, MAFFS

farsankoh@yahoo.com

For technical information please contact:

BallahMusa Kandeh, WFP Sierra Leone

ballahmusa.kandeh@wfp.org

Joseph Koroma, MAFFS

jopaygie@yahoo.com

www.wfp.org