

West and Central Africa

WFP Regional Bureau Dakar Markets Update: June 2018

Highlights

- In May, with the approach of the lean season and the peak of consumption during Ramadan, demand and commercial transactions are rising strongly.
- Decline of local stocks especially for millet, sorghum and maize.
- Consumer prices are above average particularly in Mali, Burkina Faso and Mauritania.

MARKET TRENDS IN WEST AFRICA

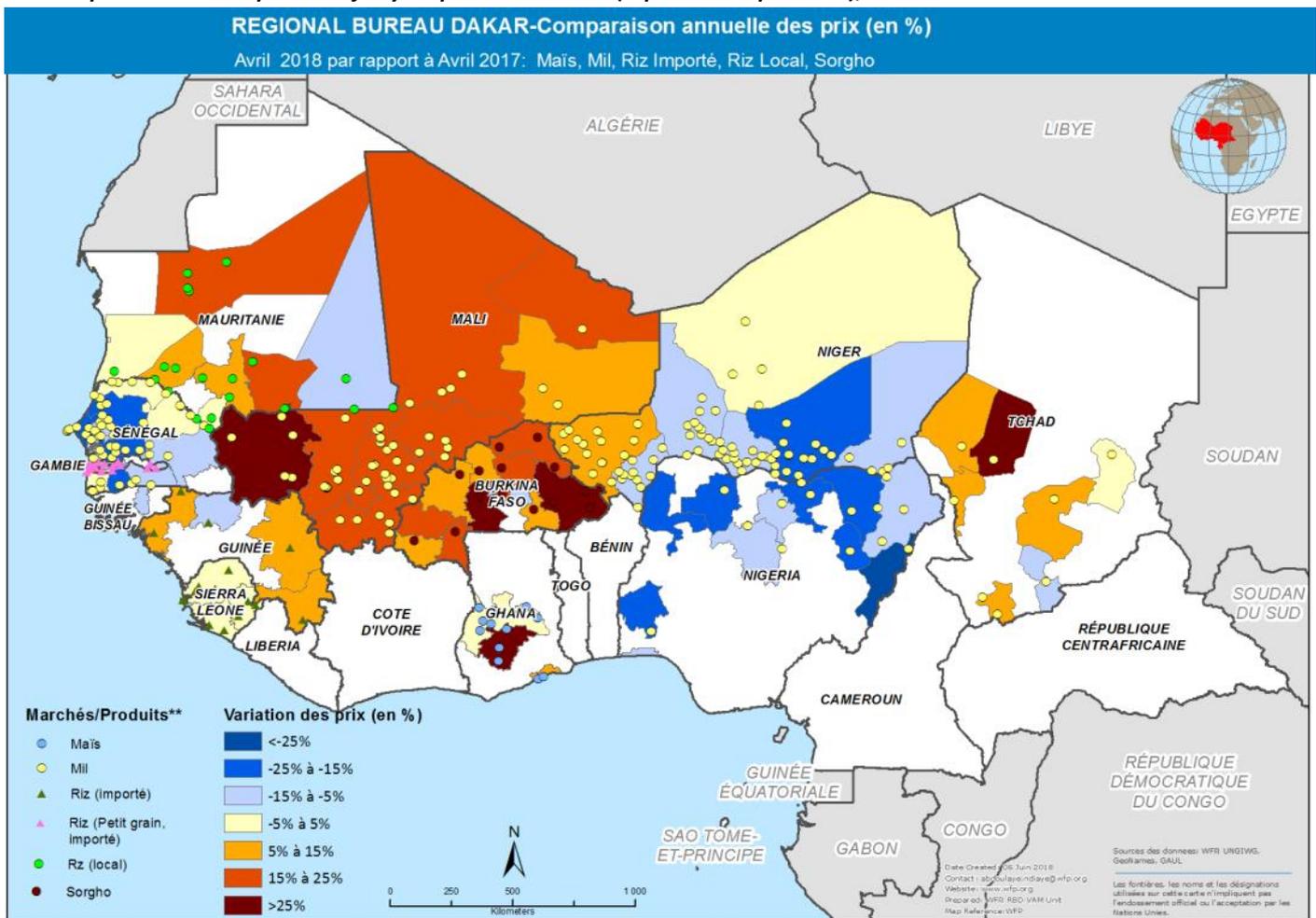
In **Burkina Faso**, data from SIM and SONAGESS confirm a substantial increase compared to last year throughout the country. Thus, a comparison of the monthly averages shows a 13% increase in the price of local maize, an increase of 19% for local millet and 17% for white sorghum. At the Sankariaré market, SIM / SONAGESS has noted a rise in the price of local millet of around 13%, 10% for white maize and 15% for white sorghum. At the Gounghin market, the price of local millet is up 14%, an increase of 10% for white maize and 8% for white sorghum. With the start of the Ramadan and the lean season, prices are expected to increase even further. (dataviz.vam.wfp.org; lefaso.net, May 2018)

In **Cameroon**, according to the last Food Security Monitoring System (February 2018), various food products, including cereals, legumes, meat and fish and vegetables are available in the markets of the four regions of the country. Apart from a few imported products (rice, pasta), the level of supply has decreased overall in the Far North region, mainly because of the decline in production, the strong demand from other areas and brewing companies (maize, peanut) and stock depletion. Compared with the 2016/2017 season, cereal prices are on the rise. This price increase results mainly from the storage of cereals by private operators who sell them during the lean season or export them to Chad and Sudan, which creates shortages in the market. For example, the sack of red millet costs 24,000 FCFA while the usual price is 10,000 FCFA. With the rise in price of sorghum as staple food, poor households, especially the 12% of households that have experienced price rises as a shock, are

struggling to maintain their access to food. In the eastern region, commodity prices also increased in February in the markets (Batouri area) because of the scarcity of rains during the planting of the last crop year, thus limiting the availability of foodstuffs in the markets. In addition, the local population and Central African refugees are increasingly using the same sources of supply, other than food distributions. In the markets of Lom and Djerem, fresh food is very expensive during the months of January and February 2018. The price of the bowl of macabo (12.5kg) varies between 2000 FCFA and 3000 FCFA in the markets while the yams are almost rare (3000 FCFA to 5000 FCFA the pile). The grain corn bowl and cassava flour cost about 2500 FCFA in all markets. These high prices probably limit the access of poor households to adequate food, especially since the high cost of living is the main shock for about 4 out of 10 households in any region. In the Eastern region in particular, 27% of households' incomes also declined as a result of the drop in the selling price of agricultural products. (WFP, FSMS 2018)

In **Chad**, cereal prices in Kanem and Hajder -Lamis (surrounding the lake) see increases up to 15% compared to last year for the first time since several years (see map1 and 2), despite the economic downturn which plummeted demand. Cereal stocks and supply are below average and terms of trade for pastoralists remain unfavourable. (Source: WFP, vam.wfp.org)

Map 1: Annual comparison of key staple commodities (April 2018-April 2017); Source: WFP



In **Côte d'Ivoire**, cumulated arrivals of cocoa to ports since the beginning of the season in October amounted to 1.73 million tons as at 3 June, 2.2% less than the previous season.

According to Reuters, a peak in supply was recorded between May 28 and June 3, with a total of 40,000 tons sent to Abidjan and San Pedro. This stock represents an increase of 31,000 tons compared to last year during the same week. (Source: Ecofin)

In **Ghana**, the supply of maize on the monitored markets decreased slightly for the month of April 2018 compared to the previous month. The National Buffer Stock Company has continued to purchase significant quantities of maize at prices that are relatively lower than prevailing market prices. In addition, the government is buying maize for storage and distribution to the National School Feeding Program. Rainfall also started well around the southern and central parts of the country some precipitation also recorded in the savanna zone. This situation has pushed farmers to prepare their land for cultivation while in the South they have begun to plant already. Falling inflation for the month of April at 10.4%, slightly below 10.6% in March, helped stabilizing prices overall. (Source: ROAC, May 2018)

In **Liberia**, according to a recent decree, the Ministry of Trade and Industry will drop customs taxes from 40 to 81% on more than 2,000 products. This should implement a consistent and proportionate reduction in the prices of the products concerned with a political intention to bring relief to the poor and improve their access to food.

In **Guinea-Bissau**, more than a month after its official launch, the

cashew marketing campaign is still blocked. Local exporters have not received their approval by the government, requesting a financial guarantee in case traders do not meet the standards or they escape tax. As a result, the price of the kilo of cashew nuts in Guinea-Bissau remains at the minimum floor of 500 CFA francs, while it is bought more than double in Senegal. (Source: RFI)

In **Mali**, according to the latest WFP market bulletin, the availability and supply of local cereals on the markets are down compared to last month but are still able to satisfy the demand.

On the other hand, cereal prices are very high compared to April 2017 for sorghum + 22%, millet + 19%, maize + 17% and stable for local rice and imported rice (+ 2% and + 5% respectively). The majority of the markets are categorized at an alert level according to ALPS. (See the detail: <http://foodprices.vam.wfp.org/ALPS-at-a-glance.aspx>)

The general rise in grain prices is linked to a number of factors this year: pockets of poor agricultural and feed production, insecurity, institutional buying in progress, grain purchases by neighboring countries, closure of borders. It is likely that prices continue to rise in the coming months as we approach Ramadan and dwindling trading stocks.

The cost of the food basket remains high in the north and center of the country and in 9% increase compared with April 2017, particularly in the Menaka region, the circles of Timbuktu, Goundam, Bourem, Gao and Tenenkou.

Goat to grain terms of trade are deteriorating to the detriment of breeders compared to April 2017 in areas of Tombouctou, Goundam, Tessalit, Douentza, Bourem and Youwarou.

In **Mauritania**, despite a sharp drop in livestock supply caused by the generalization of transhumance, sheep and cattle prices continue to fall except in the eastern part of the agropastoral zone. (Source: FEWSNET)

The national trend for wheat prices is upwards (20%) compared to the previous years. In the Southern part, local rice and sorghum prices are reaching « crisis » levels according to WFP ALPS. (see: dataviz.vam.wfp.org/economic_explorer)

In **Nigeria**, market monitoring in Maiduguri indicated that since November 2017 there has been moderate to high increase in prices (up to 25 percent) of key staple foods in most of the monitored markets, showing a decline in food supply. On the other hand, in the monitored markets in Yobe state, food prices have either decreased or remained stable since November 2017. However, the main harvest is relatively higher in Yobe state than Borno state. Similarly, the level of security improvement and market functioning are relatively better in Yobe state. These trends confirm varying supply and demand levels in Borno and Yobe markets. The key areas of concern for prices are: high transportation costs, multiple taxation (at state borders), road harassment by security personnel, and poor road conditions.

The cost of the Survival Minimum Expenditure Basket (SMEB) for a family of five in northeastern Nigeria increased from December 2017 to March 2018. However, a decrease of eight percent was

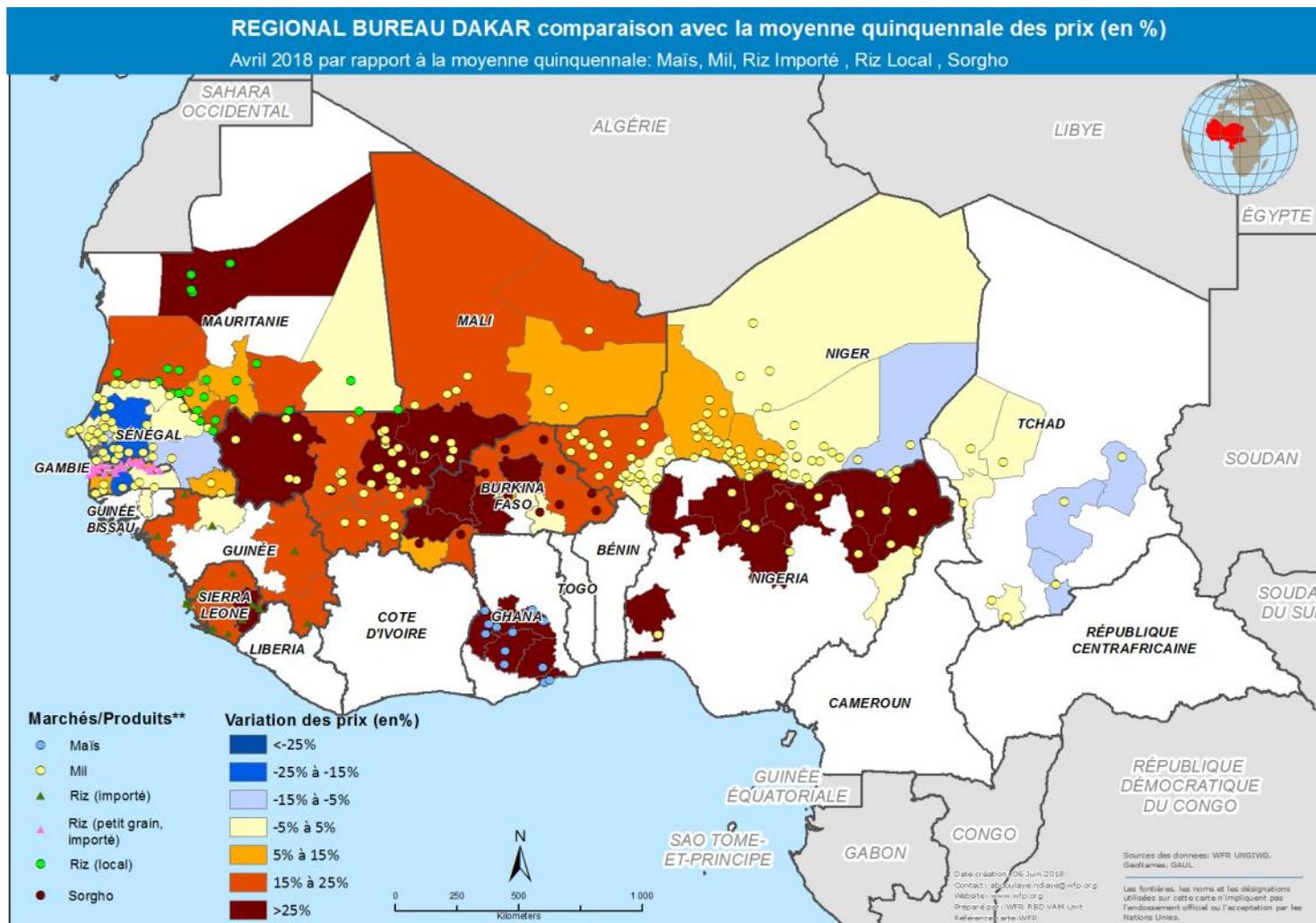
recorded in Maiduguri between February and March 2018. The SMEB in Damaturu market decreased by five percent for the same period. This slight decrease has been driven mainly by a sharp decrease in the price of maize since February 2018 in most monitored markets. (Source:WFP/FEWSNET)

In **Niger**, in April 2018, according to the local SIMA, the supply of cereals in the country's main markets is generally satisfactory. This is mainly due to the large inflow coming from Nigeria, Benin, Burkina Faso and Ghana. In addition, with the launch of the operation "low price sales" (vente à prix modéré) since last February, the supply of cereals could remain stable in the areas concerned (Téra). However, the supply of cereals remains relatively low in the markets of the far north of the country, particularly the northern part of Tillabéri, Tahoua and Agadez, because of either the prevailing security situation or their isolation.

In April 2018, the kilogram of maize paid at 150 FCFA in Malanville in Benin, estimated at Niamey should sell at 204 FCFA by kilogram all fees included. On the other hand, the average price in Niamey during this same period amounted to 200 FCFA, demonstrating the import incentive.

The average price of millet is above 200 FCFA / kg on almost all the markets of the departments affecting access to cereals for poor households.

Map 2: Five-year average comparison of key staple commodities (April); Source: WFP



During the lean season (June to September 2018), levels could reach at least 260 FCFA / kg for millet on almost all markets monitored, the constant millet prices were down slightly in April 2018 compared to the same period of 2017 and the five-year average, but up from the April 2010 level.

The highest constant millet prices are collected in Agadez (239 FCFA / kg) and Niamey (237 CFA / kg). In contrast, Zinder (190 F CFA / Kg) and Maradi (197 F CFA / Kg) practice lowest constant prices. (Source: Albichir, May 2018)

In Diffa, around 246,000 people are targeted for unconditional food assistance during the lean season, in addition to around 15,000 returnees and 108,500 refugees according to the National « plan de soutien ». Humanitarian access is restricted by insecurity, namely after a recent attack in Diffa. Here, but also in Northern Tillabéri, food insecurity is compounded by conflict and the declaration of a state of emergency, which severely limits humanitarian access, population movements and the functioning of markets. (Source: WFP, 2018)

In **Senegal**, the availability of dry local cereals is abundant for millet and average for sorghum and maize according the national SIM. The average monthly retail price per kilogram of dry local cereals is 204 F CFA (millet souna), 249 FCFA (sorghum), 200 F CFA (maize). In the last two months, these prices increased by + 6% (millet), + 9% (sorghum) and + 3% (maize). Compared to their April 2017 levels, they experienced annual slips of -7% (millet), -5% (maize) and a slight increase of + 6% for sorghum. Compared to the five-year averages, only the price of maize showed a significant variation of + 12%.

The average retail price per kilogram of local husked rice, which stands at 285 F CFA, is above all these levels of comparison, with variations of between + 4% and + 7%.

The price of a kilogram of broken imported rice at 291 FCFA is slightly higher than for all the comparison periods, with rates ranging from + 2% to + 6%.

The average price per kilogram of imported broken perfumed rice, which amounts to 398 F CFA / kg, remains relatively stable compared to all reference periods.

The availability of peanuts is abundant, especially in the grouping markets (Touba, Kaffrine, Kaolack).

The average prices per kilogram, retail, legumes are 462 F CFA (cowpea), 233 F CFA (shell peanut) and 448 F CFA (shelled peanut) respectively. The price comparison shows a slight increase of + 6%

in the last two months for both peanut varieties. On the other hand, the prices of this oilseed declined: -12% (shell) and -24% (shelled) compared to last year at the same period, -12% (shell) and -18% (shelled)) in relation to the five-year averages. (bulletin SIM, May 2018)

According the latest WFP EFSA, Matam, Ranérou and Podor remain the areas of high concern in terms of food security.

In **Sierra Leone**, the prices of main staple imported and local rice remains relatively stable when compared with previous quarter, as the two quarters falls within the harvest season.

The Sierra Leonean Leone (SLL) depreciated by 1 percent compared to the United States Dollar (USD), the last two months of the quarter witnessed a continuous depreciation of the (SLL). This could be attributed to decrease in export and increase in the demand for USD.

The Terms of Trade (ToT) which is the amount of a commodity that can be purchased by the daily wage of an unskilled labourer witnessed a decreasing trend for the main staples, due to decrease in the wage rates of unskilled labourers compared to the previous quarter. The ToT for imported and local rice shows a decreasing trend throughout the quarter when compared with the previous quarter this is mainly attributed to fall in wage rates of unskilled labourers due to fall in the demand for unskilled labour in the months of February and March although the prices of local and imported rice were relatively stable compared to the previous quarter.

The ToT for palm oil was relatively better during the quarter due to the decreased in price of the product although the wage rates of unskilled labourers witnessed a decreasing trend. (Source: WFP Sierra Leone, Quarterly Market Bulletin, June 2018)

In **Togo**, with 180,000 hectares planted, cotton producers expect a production of 140,000 tons at the end of the 2018-2019 campaign. For the 2017-2018 season, the country recorded good performances with 117,000 hectares of cotton produced, an increase of nearly 20% compared to the previous campaign.

Thanks to the production of this campaign, producers reach a retail price of 260 CFA francs per kilogram, 20 CFA francs more than the previous year. (Source: NSCT)



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