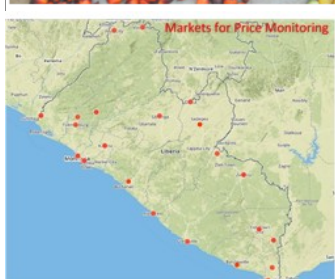


LIBERIA MARKET PRICE MONITOR

A monthly price analysis of food and other essential commodities

Price Bulletin Date July 2019

Volume 49 Issue June 2019



For more information contact

M. Tarnue Koiwou
tdkoiwou@yahoo.com
Food Security & Nutrition Unit,
Ministry of Agriculture

Ms. Elizabeth S. Harris
lizsue2015@gmail.com

M. Boima H.M. Sonii
bhmsonii1975@gmail.com
Price Statistics Section, LISGIS

WFP VAM Unit

M. Emmanuel K. Anderson
emmanuel.anderson@wfp.org

KEY POINTS

- ♦ There is continuing upward trends in prices of imported rice in the domestic markets;
- ♦ Increasing fuel prices and depreciation of the domestic currency against the United States dollars is resulting to higher prices for staples and other commodities;
- ♦ Terms of trade in general shifted against both agricultural workers and palm oil producing households
- ♦ Liberia still continue to face a serious price shock

INTRODUCTION

The June 2019 49th 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 of cassava, for transportation from Paynesville to all markets surveyed, and for palm oil and charcoal. Gasoline prices are also reviewed. In addition, this edition examines the impact of rising inflation on prices of (food) staples and other non-food commodities.

GLOBAL RICE PRICE TRENDS

FAO Rice Price Indices						
	All	Indica		Japonica	Aromatic	
		Higher quality	Lower quality			
	2002-2004 = 100					
2015	211	184	184	263	176	
2016	194	180	187	228	153	
2017	206	183	195	232	204	
2018	224	201	208	256	216	
2018	June	235	209	219	271	219
	July	228	199	208	266	217
	August	224	199	203	258	218
	September	222	197	200	259	213
	October	216	197	200	247	204
	November	215	194	199	244	207
	December	216	192	197	249	209
2019	January	223	192	196	269	211
	February	221	189	192	266	211
	March	222	189	194	267	211
	April	222	191	195	265	217
	May	222	190	195	264	219
	June	222	190	192	264	223
2018 Jan.-Jun.	228	205	215	257	222	
2019 Jan.-Jun.	222	190	194	266	215	
% Change	-2.8	-7.3	-9.9	3.2	-2.8	

Source: FAO

The FAO Food Price Index (FFPI) averaged 173 points in June 2019 with a marginal decline of 0.3 percent from May and very close to its level in June 2018. Lower prices of dairy products and vegetable oils more than offset increases in the prices of cereals, sugar and meat; ending almost five months of uninterrupted rise in the overall value of the FFPI. The FAO All Rice Price Index remained stable into a fourth successive month in June 2019, averaging 222.2 points. The stability mirrored a continued stall in prices of Higher Quality Indica and Japonica rice. Fragrant quotations showed more strength amid continued basmati demand from Near Eastern buyers. This lifted the June value of the Aromatic sub-Index by 1.8 percent to a 15-month high of 223.1 points. Nevertheless, this gain was compensated by a 1.4 percent retreat in the Lower Quality Indica sub-Index to 192.0 points,

reflecting harvest pressure and lack of buying interest in this segment. Although demand remained generally low in June across Asia, quotations of Indica rice followed mixed trends in the major origins. Prices strengthened in Thailand in tandem with a further appreciation of the Thai Baht, while they steadied in India (main source of imported rice on Liberian markets) on the backdrop of a strong pace of public domestic procurement and a slow start to the monsoon rains. By contrast, quotations eased in Pakistan amid efforts to attract buyers, and slid by 7-8 percent in Viet Nam as freshly harvested summer-autumn rice reached the market. June's sharp fall positioned prices of Vietnamese 25% broken at their lowest since December 2007 and at a USD 17-103 discount to those of competing origins. In the Americas, export values were steady to weaker, influenced, in Brazil, by weak local demand, in Uruguay, by a slow pace of exports and, in the United States, by large inventories.

According to the Index, international rice prices in the first half (semester) of 2019 were 2.8 percent below their values in the corresponding period of 2018, mirroring declines in all the major market segments, with the exception of the Japonica market. (<http://www.fao.org/worldfoodsituation/foodpricesindex/en/>)

WHOLESALE PRICE OF IMPORTED RICE

Table 1: Nominal Price changes for 50kg bag of Imported Parboiled Rice 5% broken in Liberia Dollars (June 2018 - June 2019)

County	Market	Jun-18	May-19	Jun-19	% change 1-Month	% Price increase June 2018 to June 2019
Nimba	Bahn		5550	5850	5%	
Grand Kru	Barclayville	5600	6867	7040	3%	26%
Grand Cape Mount	Bo waterside	4350	5500	5600	2%	29%
Gbarpolu	Bopolu	4688	5420	5800	7%	24%
Grand Bassa	Buchanan	4150	5400	5600	4%	35%
Rivercess	Cestos City	4650	6367	6767	6%	46%
Montserrado	Duala	3950	5200	5203	0%	32%
River Gee	Fish Town	5250	7800	6300	-19%	20%
Lofa	Foya	4838	5967	6150	3%	27%
Nimba	Ganta	4000	5500	5585	2%	40%
Gbarpolu	Gbarma	4688	5650	6215	10%	33%
Bong	Gbarnga	4300	5300	5675	7%	32%
Sinoe	Greenville	4525	6400	6517	2%	44%
Maryland	Harper	5100	6517	6615	2%	30%
Margibi	Kakata	4328	5285	5507	4%	27%
Maryland	Pleebo	4950	6260	6490	4%	31%
Montserrado	Red Light	3925	5183	5400	4%	38%
Nimba	Saclepea	4196	5600	5850	4%	39%
Grand Gedeh	Toe Town	4850	6000	6433	7%	33%
Bomi	Tubmanburg	4500	5383	5400	0%	20%
Lofa	Voinjama	4792	5627	5867	4%	22%
River Gee	Webbo Konowroken			7350		
Grand Gedeh	Zwedru	4850	5875	6183	5%	27%

Retail prices of imported Indian parboiled rice 5% broken (most widely consumed variety across Liberia) are higher across all markets in Liberia compared to a year ago. The rice price in June 2019 averaged LD\$6060, up by 4% compared to last month and 32% in the past one year. Domestic rice prices continue to soar

despite fairly stable world prices for rice. Table 1 shows a general price rise in all markets in June 2019 compared to the same period in 2018, with Cestos City Market in Rivercess County reporting the most dramatic increase of 46%.

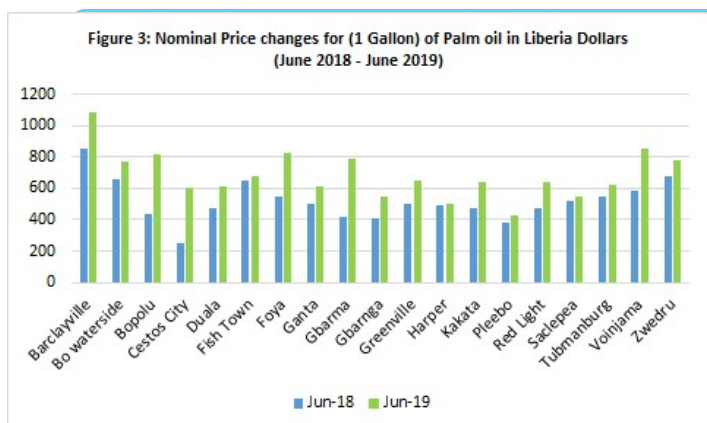
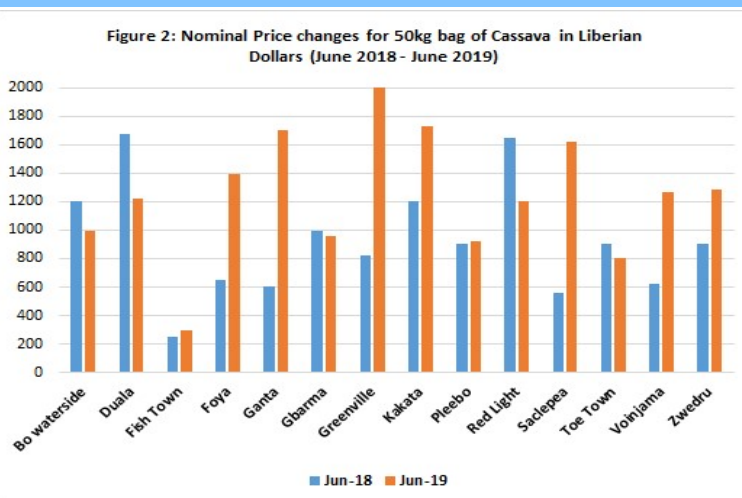
June 2019 also witnessed further increase in prices of imported rice which started at the beginning of the year—mainly a reflection of high inflation and poor economy. The upward trend of domestic prices will likely continue into the second half of the year as traders expect current stock orders to arrive at considerably higher costs.

Rural markets in River Gee, Grand Kru, Maryland, Sinoe and Grand Gedeh also continue to report relatively higher prices compared to markets in central Liberia. Traders buying goods from Monrovia indicate that transport cost is quite high despite better road conditions compared to six months ago, a reflection of the continuous depreciation of the Liberian dollar against the United States dollar and increasing fuel prices.

Meanwhile, both the urban and rural poor will find it difficult to access the available food and will increasingly depend on external support to meet their food requirements.

PRICES OF OTHER COMMODITIES

June 2019 witnessed a rise in price of cassava, second most consumed stable in Liberia. The price of cassava increased in most markets when compared to a year earlier. It is important to note that as stocks of local rice produce declines in the markets, rural households normally shift to consumption of cassava, a cheap substitute for rice. Price of cassava was highest in Greenville market followed by Kakata, Ganta and Saclepea markets. While the high price in Greenville Market may be a result of limited production in the county in addition to relatively high transport costs of the commodity, in urban areas (especially Kakata and Ganta), it probably reflects strong demand from the large populations. Higher cassava prices in urban areas also reflect demand and supply forces (there is seasonal low availability of cassava and relatively few cassava vendors in the markets—cassava marketing is poorly organized as compared to imported commodities).



Palm oil, a common ingredient in the diet of most Liberians and an income source for smallholder households, reported an increase in price compared to the same period a year ago.

The rise in prices can be explained (year). Other markets include by the low seasonal availability Gbarma, Bopolu, Voinjama and during the rainy season coupled Foya where prices almost doubled. Palm oil prices are expected to go up in the third quarter July—September) of the year as it coincides with lowest production period during heavy rains. The devaluation of the Liberian dollar is another factor responsible for the increase.

On average, a gallon of palm oil is sold for LD\$685 in June 2019, up by 7 percent compared to May 2019 and 32 percent compared to the same period last year. Cestos City market in Rivercess County reported the biggest increase (where prices almost tripled in one



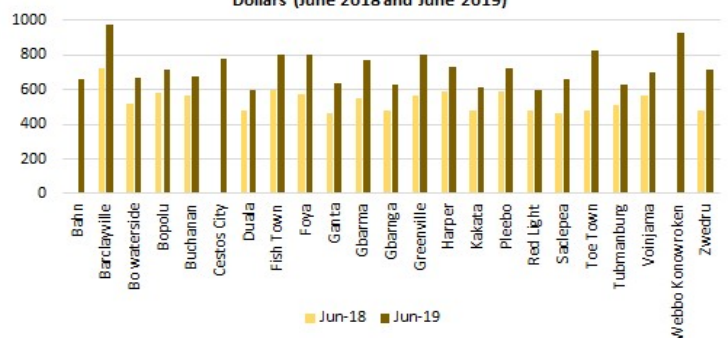
PRICES OF OTHER COMMODITIES

Table 2: Nominal Price changes for a 50kg bag of Charcoal in Liberian Dollars (June 2018 - June 2019)

County	Market	Jun-18	May-19	Jun-19	% change 1M	% change 1Y
Grand Kru	Barclayville		567	550	-3%	
Grand Cape Mount	Bo waterside	250	308	296	-4%	18%
Gbarpolu	Bopolu	225	300	325	8%	44%
River Gee	Fish Town	500	500	500	0%	0%
Lofa	Foya	302	500	433	-13%	43%
Nimba	Ganta	250		418		67%
Gbarpolu	Gbarma	229	200	361	81%	58%
Bong	Gbarnga	300	375	396	6%	32%
Sinoe	Greenville	408	567	588	4%	44%
Maryland	Harper	385	500	500	0%	30%
Margibi	Kakata	280	322	336	4%	20%
Maryland	Pleebo	400	400	450	13%	13%
Nimba	Saclepea	200		343		72%
Bomi	Tubmanburg	275	342	296	-13%	8%
Lofa	Voinjama	360	400	381	-5%	6%
Grand Gedeh	Zwedru		433	425	-2%	

Charcoal prices remained stable between May and June 2019, however year-on-year comparison shows increase in prices. Non producing areas like (Greenville and Harper) and urban areas (Saclepea, Ganta, Bopolu) are reporting relatively high prices as compared to charcoal producing areas like Tubmanburg and Bo waterside. The average price for a 50kg bag full of charcoal in June 2019 stands at LD\$415, with no change compared to last month levels but considerably higher (32 percent) compared to one year ago. Charcoal prices is expected to increase in the coming months due to low production which coincides with the heavy rains as well as the depreciating local currency against the United States dollars.

Figure 4: Nominal Price change for 1 gallon of Gasoline in Liberian Dollars (June 2018 and June 2019)



Fuel prices are now higher in comparison to the same period a year ago (see Figure 4). Most traders reported that increase in fuel prices have led to higher transportation costs and a corresponding price rise in food and essential commodities. In June 2019, the average price for a gallon of gasoline stood at LD\$725, LD\$30 or 4 percent more than May 2019 and LD\$190 or 35 percent higher than the past one year. As observed in previous publications, fuel is considerably more expensive in Grand Kru, River Gee, Grand Gedeh, Lofa and Greenville Counties as compared to other areas, mainly due to transportation cost. According to the Ministry of Commerce and Industry, the retail pump price of gasoline in June 2019 is US\$3.30 or LD\$595.

PRICES OF OTHER COMMODITIES

Figure 5: Nominal Price changes for Fresh Pepper (1 Era Paint Bucket) in Liberian Dollars (June 2018 - June 2019)

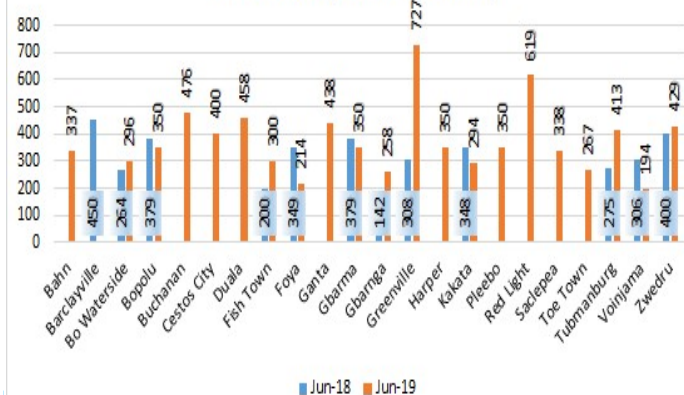
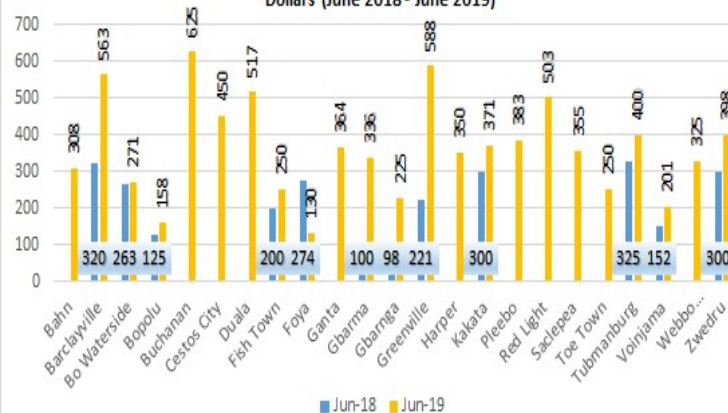


Figure 6: Nominal Price changes for Bitter ball (1 Era Paint Bucket) in Liberian Dollars (June 2018 - June 2019)



From Market to Capital Monrovia		June' 2019				
County	Market	Taxi LD\$	Bus LD\$	Pickup LD\$	Cam Motor LD\$	Truck LD\$
Bomi	Tubmanburg	350	300	275	275	
Bong	Gbarnga	800	600	400		
Gbarpolu	Bopolu	1200		1000		
Gbarpolu	Gbarma	750		575		
Grand Bassa	Buchanan	600	475			
Grand Cape Mount	Bo Waterside	675	525	500		
Grand Gedeh	Toe Town	3750	3250	2750		
Grand Gedeh	Zwedru	3750	3250	2750		
Grand Kru	Barclayville		10500	10000		
Lofa	Foya	3500	3100	3050		
Lofa	Voinjama	2950	2600	2500		
Margibi	Kakata	200	125			
Maryland	Harper	6250	6250			
Maryland	Pleebo	6500	5500	5000		
Montserrado	Duala	70	40			
Montserrado	Red Light	150	75			
Nimba	Bahn	1550	1250	900		
Nimba	Ganta	1000	700	600		
Nimba	Saclepea	1450	1250	1300	900	
River Gee	Fish Town	5650	5250	4750		
River Gee	Webbo Konowroken	6750	6400	6000		
Rivercess	Cestos City	4000	3500		3000	
Sinoe	Greenville	4000		4500		2750

TERMS OF TRADE (TOT)

County	Market	Kg rice in 2018	Kg rice in 2019	Main Activity
Nimba	Bahn		2.1	Agriculture
Grand Kru	Barclayville		3.2	Agriculture
Grand Cape Mount	Bo Waterside	3.6	2.9	↓ Agriculture
Gbarpolu	Bopolu	2.9	2.4	↓ Agriculture
Grand Bassa	Buchanan		4.9	Construction
Rivercess	Cestos City		3.3	Construction
Montserrado	Duala		13.5	Construction
River Gee	Fish Town	4.0	3.4	↓ Agriculture
Lofa	Foya	1.7	2.2	↑ Agriculture
Nimba	Ganta	4.7	3.4	↓ Agriculture
Gbarpolu	Gbarma	2.9	3.1	↑ Agriculture
Bong	Gbarnga	4.8	1.9	↓ Agriculture
Sinoe	Greenville	4.1	3.6	↓ Agriculture
Maryland	Harper	3.7	2.8	↓ Agriculture
Margibi	Kakata	3.5	3.9	↑ Agriculture
Maryland	Pleebo	3.8	2.9	↓ Agriculture
Montserrado	Red Light		13.5	Construction
Nimba	Saclepea	4.5	2.7	↓ Agriculture
Grand Gedeh	Toe Town		5.2	Agriculture
Bomi	Tubmanburg	3.6	3.1	↓ Agriculture
Lofa	Voinjama	1.8	2.3	↑ Agriculture
River Gee	Webbo Konowroken		2.2	Agriculture
Grand Gedeh	Zwedru		5.5	Agriculture

Most poor households in rural areas increasingly rely on casual wage labour (mainly in agriculture and construction) for their livelihood as they deplete stocks from previous harvests or to complement their limited amount of basic food commodities as presented in table 3. The Terms of Trade (TOT) reflecting the amount of rice in kilogram that households may purchase in exchange for earnings from their daily work either in construction sites (Red Light and Buchanan Markets), agricultural labour was also computed. In general, TOT was unfavorable between 2018 and 2019 in all markets with exception of few areas. Since the year 2018, Gbarnga, compared to other markets is however experiencing declining TOT for the labourers. This unfavorable terms of trade is impacting negatively on poor households' purchasing power, thus, resulting to difficulties in accessing food.

CONCLUSION AND OUTLOOK

Liberia is going through the peak of the rainy season (June – September) which coincides with the hunger season. Farming households usually run out of food stocks and dependence on markets for food increases. The harvesting season is only expected in October in some parts of Southeastern Liberia while harvest in other parts of the country will start between November and December. Holding other factors (e.g. trade cross-border transactions and imports) constant, the price of food commodities (especially local rice and cassava) is likely to increase in the 3rd quarter of 2019 as households increasingly depend on markets. It is also significant to note that cassava production is usually lowest during the coming season as climatic conditions inhibit processing. Thus, the food security situation of households is likely to be compromised especially in remote parts of the country where road network will be further damaged during the rains making transport very costly.

While demand for imported rice is increasing, prices are not showing any reprieve. In fact domestic prices continue to rise despite steadiness in the world trade markets. Domestic volatility is exacerbated by the simultaneous increase in inflation and devaluation of the Liberia dollar against the United States dollars. The upward pressure on price of food commodities is expected to continue until October, when some rural households will be expecting the initial harvests. Vulnerable households will increasingly depend on external support to meet their food requirements.

The government of Liberia through Ministry of Agriculture and the Liberia Institute of Statistics and Geo-Information Services (LISGIS) in collaboration with her partners will continue to closely monitor food prices in the country.

County	Market	Kg rice in 2018	Kg rice in 2019
Nimba	Bahn		4.5
Grand Kru	Barclayville	7.2	7.7
Grand Cape Mount	Bo Waterside	7.8	6.8
Gbarpolu	Bopolu	4.6	7.0
Grand Bassa	Buchanan		5.5
Rivercess	Cestos City		4.4
Montserrado	Duala		5.9
River Gee	Fish Town	6.0	5.4
Lofa	Foya	4.4	6.7
Nimba	Ganta		5.5
Gbarpolu	Gbarma	4.3	6.3
Bong	Gbarnga	5.2	4.8
Sinoe	Greenville	5.3	5.0
Maryland	Harper	5.2	3.8
Margibi	Kakata	5.7	5.8
Maryland	Pleebo	3.2	3.3
Montserrado	Red Light		6.0
Nimba	Saclepea		4.7
Grand Gedeh	Toe Town		7.8
Bomi	Tubmanburg	6.6	6.1
Lofa	Voinjama	6.4	7.2
River Gee	Webbo Konowroken		4.1
Grand Gedeh	Zwedru	6.8	6.3

Terms of Trade TOT) indicate the quantity of imported parboiled rice, which can be purchased by selling one unit of another locally produced commodity. Table 4 shows the quantity (in Kg) of imported parboiled rice that can be purchased in each market by selling one gallon of palm oil, which is the main source of income for households in most of the markets monitored.

In general, there were mixed responses in terms of what the average daily wage rate would exchange for in rice terms across the markets between 2018 and 2019. Terms of trade in Bo waterside, Fish Town, Gbarnga, Greenville, Harper, Tubmanburg and Zwedru markets declined compared to other markets during the same period a year ago. The decline in terms of trade can be attributed to increasing rice prices and consequent stable to lower wage rates.