



# The impact of the Ukraine crisis on local markets in Cameroon

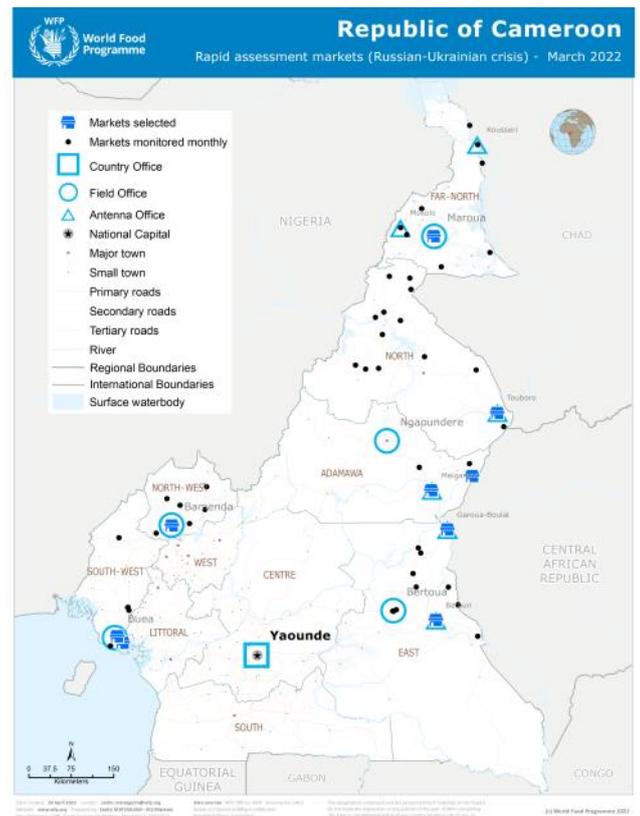
WFP Cameroon, April 2022

## CONTEXT

Since the onset of the war in Ukraine on 24 February 2022, price hikes have been noted globally on key commodities exported by both Ukraine and Russia, such as wheat, maize, but also fuel and fertilizer. This could have major implications for food security on the continent and in Cameroon, where food commodity prices have been on the rise since the end of last year.

The war in Ukraine has accentuated the inflation, impacting the prices of agricultural and non-agricultural products on the global and Cameroonian markets, thus affecting households' purchasing power. In terms of imports, Ukraine is the main supplier of steel products in Cameroon, with a market share of 35% (OEC, 2019). In 2020, Russia was one of Cameroon's main suppliers of wheat and fertilizer, accounting for 45% of total wheat imports and 43% of the fertilizer market (INS, 2022). Russia is also the world's largest natural gas exporter and a key producer and exporter of crude oil.

To capture these recent changes and complement the market monitoring done monthly by WFP and its partners, WFP conducted a rapid market survey in March 2022, covering ten markets (see map). The objective of this survey was to capture the impact of the Russian invasion of Ukraine on local market prices and to collect qualitative data about the markets' situation. The questionnaire focused on key food and non-food commodities, as well as market managers' perceptions of the current situation in each region covered.



**Maize (1 kg)** **+9%**

March 2022: 346 XAF

February 2022: 317 XAF

**Bread (200 g)** **+32%**

March 2022: 142 XAF

February 2022: 108 XAF

## TRENDS IN FOOD PRICES

The price of several key food commodities, such as wheat flour, vegetable oils, and maize, has increased over the past year. This upward trend has been reinforced by the recent war in Ukraine for most commodities, in particular wheat-based products.

### CEREALS

While the price of local rice remained relatively stable over the first three months of the year, the price of imported rice rose by 2.9% in February before falling back by 2.3% in March, which can be explained by seasonality.

Maize prices recorded an increase from February to March 2022, reaching 346 XAF per kg in March. In contrast, one kg of Maize cost an average of 317 XAF the previous month and 333 XAF the previous year (March 2021), representing a monthly increase of 9.5% and an annual increase of 3.9%.

Wheat flour prices drastically increased from March on, as a direct result of the war in Ukraine. This can be explained by the fact that Russia is a major exporter of wheat to Cameroon. In the Far North region, the price of wheat flour increased significantly from February to March 2022 (+18.6%). The average price of a kg of wheat flour was 506 XAF in February, compared to 600 XAF in March (WFP, 2022). In the urban centers of Douala and Yaoundé, the price of wheat flour also rose, but more slightly, from 487 XAF in February to 496 XAF in March, representing an increase of 1.8% (FEWSNET, 2022).

As a result of this spike in wheat flour prices, the price of bread, puff balls and pasta also increased on most markets in Cameroon as of March 2022. For instance, the cost of a loaf of bread increased by over one third of its initial price since the onset of the conflict (see for instance picture 1 on the next page). While a 200 g bread cost between 100 and 125 XAF in February 2022, as of March the same bread reached 125 to 150 XAF on most markets. This represents a nationwide increase of around 32%, from an average of 108 XAF in February to 142 XAF in March per bread on the markets covered by the rapid assessment in. Alternatively to increasing their unit price, some sellers instead reduced the size of bread and puff balls to balance the price increase of wheat flour.

In response to expected wheat flour shortages, local substitutes like maize, but also tubers such as cassava and sweet potato, are being explored by bakeries in Yaoundé and throughout the country. However, these are often more expensive than wheat flour and the local supply of these products might not be sufficient to provide an alternative to wheat flour in the near future.

Fig. 1: Rice prices (kg, imported, long grain), 2021-2022



Fig. 2: Wheat flour prices (kg), 2021-2022 (Source: FEWSNET)

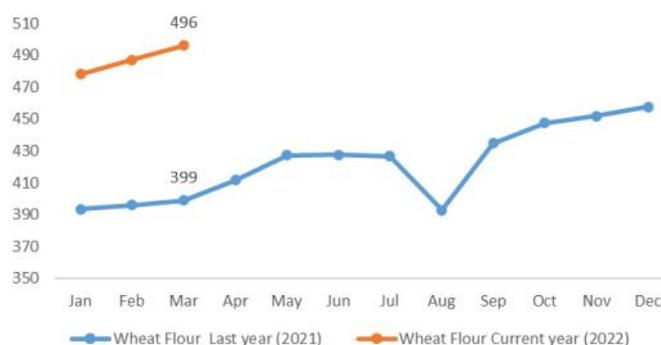


Fig. 3: Maize prices (white, kg), 2021-2022

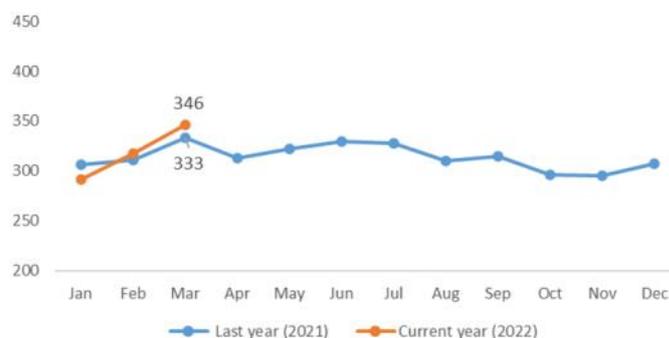
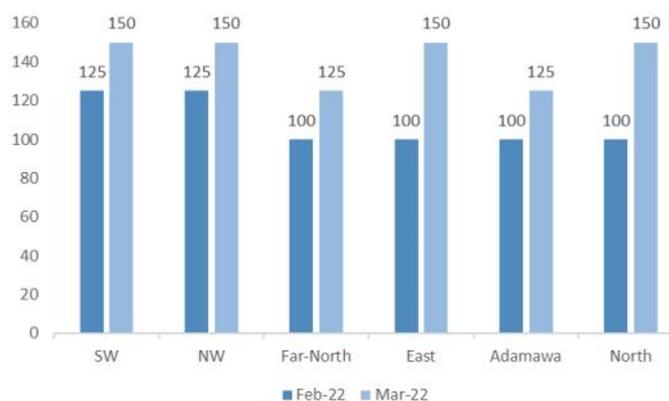


Fig. 4: Bread prices evolution per region (200 g)



## TRENDS IN FOOD PRICES

### TUBERS

Like cereals, tuber prices are also on the rise for most varieties. From February to March 2022, the price of cassava (cossette) increased from 328 to 661 XAF per kg, while the price of cassava meal (gari) increased from 646 to 661 XAF per kg, representing an increase of 29% and 3% respectively. The price of Irish potatoes also rose by 36% between February and March 2022, from 547 to 743 XAF. Meanwhile the price of cocoyam (macabo) rose slightly (+6.5%), from 370 to 394 XAF per kg, over the same period. Only the price of taro fell by 5% from February to March 2022, decreasing from 374 to 355 XAF per kg.

### VEGETABLE OILS

While the price of vegetable oils substantially increased at the end of 2021, in parts due to a poor harvest, oils do not seem to have been affected by the Ukraine crisis and on the contrary prices have slightly fallen over the past month. Although Ukraine is a key exporter of soybean and other seed oils (OEC, 2019), those oils are less consumed in Cameroon. While the price of vegetable oils has recently started decreasing, they are still higher than last year at the same period and could suffer a delayed impact of the situation in Ukraine which has weakened global markets. Palm oil, which is among the most consumed in Cameroon, is for instance currently sold at around 1,049 XAF, in contrast to 848 XAF per liter in March 2021 (+24%).

Fig. 5: Tuber prices (2022)

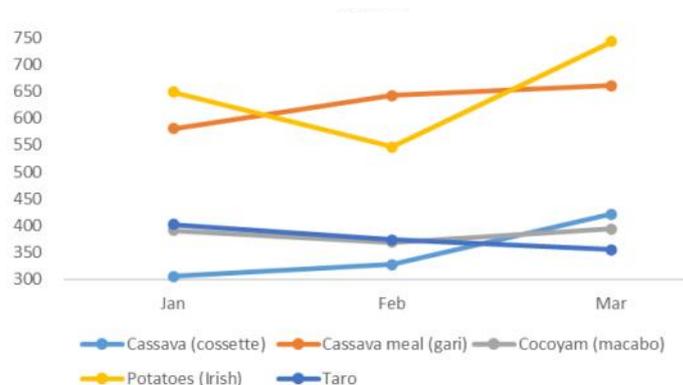
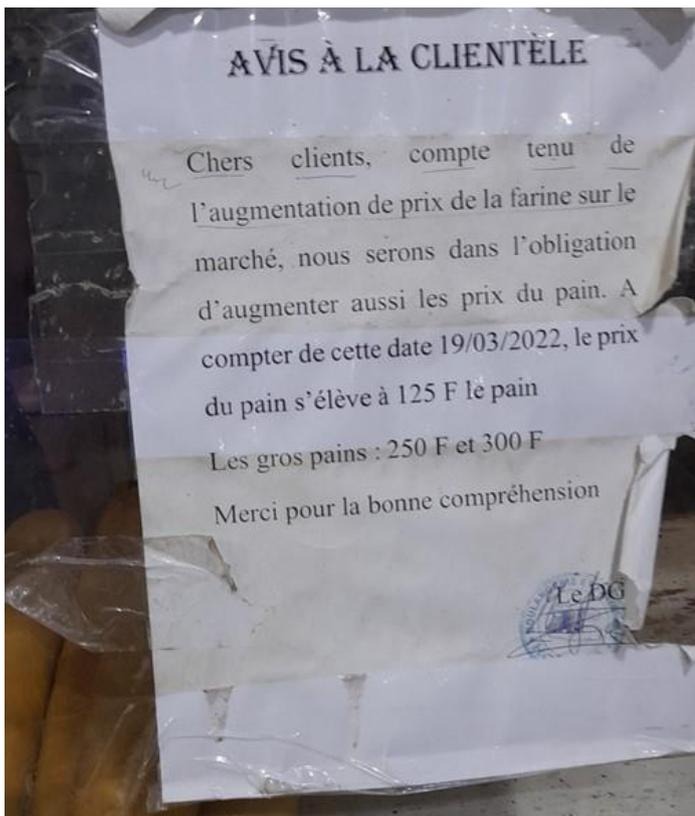
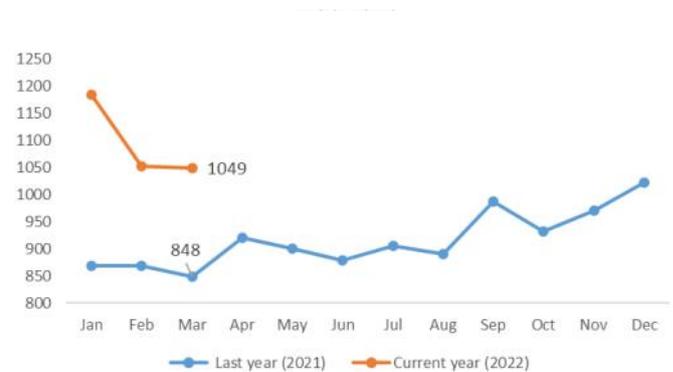


Fig. 6: Oil prices (palm), 2021-2022



Picture 1: Bread price increase notification in Maroua



Picture 2: Example of media coverage of the crisis

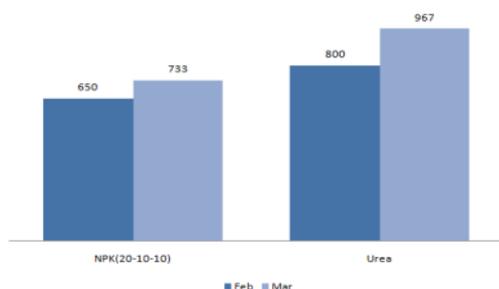
## TRENDS IN THE PRICES OF NON-FOOD COMMODITIES

The war in Ukraine has repercussions on non-food products such as fertilizers, of which 42.3% are imported into Cameroon from Russia, and fuels which has risen to more than 100 USD per barrel since the beginning of the war (OPEC, 2022). Rising prices for non-food products could have a negative impact on food commodities, as fertilizers are needed to sustain agricultural production and fuels enable the transport of regional and imported products. Besides, the construction sector risks being affected, with over a third of steel imported from Ukraine into Cameroon (OEC, 2021).

### FERTILIZERS

The fertilizer market is dominated by nitrogenous fertilizers (mostly 20-10-10) and urea. On the Cameroonian markets monitored by WFP, the price of NPK per kg had increased from 650 to 733 XAF from February to March 2022, representing +12,8%. The price of urea also rose from 800 XAF to 967 XAF per kilo, thus increasing by almost a quarter of its initial price over the same period. If this trend persists over the coming months, it could endanger the next agricultural season. Indeed, an increase in fertilizer prices could lead to the abandonment of agricultural activities by some small producers and a reduction of the area cultivated, which could result in a drop of production of certain local crops, particularly vegetables and food crops, by the end of the 2022 agricultural season.

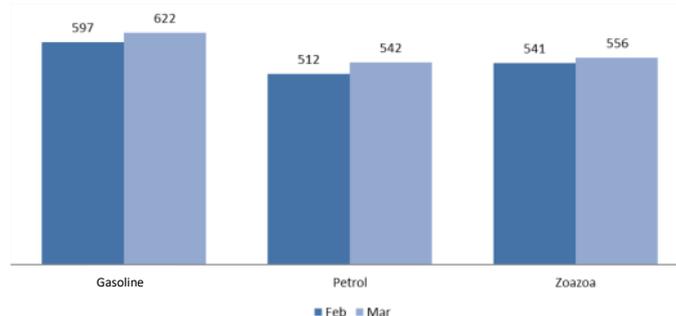
Fig. 7: Evolution of fertilizer prices (February-March 2022)



### FUELS

If fuels, such as petrol for domestic use, gasoline and zoazoa (adulterated petrol used by most taxis), are still available on Cameroonian markets, their prices had started increasing on some markets in March of this year. In general, the price of fuels increased between 2 and 5% from February to March 2022. According to the rapid assessment led on a limited number of markets which do not necessarily represent the national trends, the price of petrol increased the most (+5.9%), followed by gasoline (+4.2%) and zoazoa (+2.8%). The price of zoazoa varied widely from market to market, rising from an average of 528 XAF to over 555 XAF per liter among the sur-

Fig. 8: Evolution of fuel prices (February-March 2022)

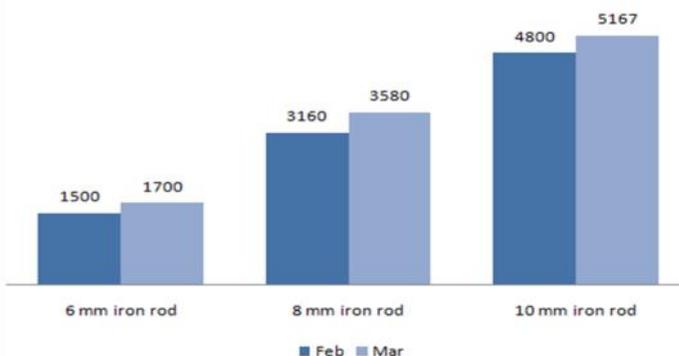


veyed traders. Should this upward trend be confirmed over the next quarter, its impact on the cost of basic food and non-food items should be closely monitored.

### CONSTRUCTION MATERIALS

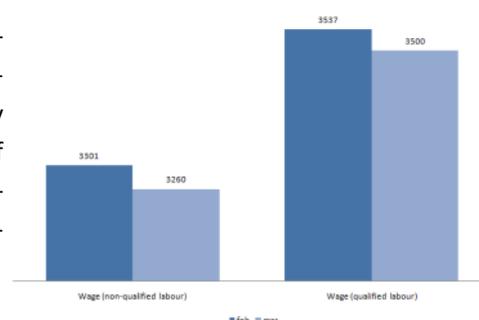
Iron rods are the most widely used products in the construction market, besides sheet metal. Such materials have not been spared from the general price increase which followed the start of the war in Ukraine. The vast majority of steel, iron and cast iron products have indeed seen a hike in price since February 2022. All types of iron rods have increased from 5 to 14% (for 6 m rods). This is likely to slow down the construction sector and be reflected on the employment sector.

Fig. 9: Evolution of iron and steel prices (February-March 2022)



Meanwhile, daily wages slightly decreased in the main urban centers (around -1%) over the reference period, for both qualified and non-qualified workers, who are mostly young men (FEWSNET, 2022). A decline in employment opportunities could constitute a security threat in case of protests and potential rising criminality.

Fig. 10: Daily wages (Source: FEWSNET)



## CONCLUSION AND RECOMMENDATIONS

Since the beginning of the war in Ukraine in February 2022, some negative changes can be observed on local markets in Cameroon. While the main products remain available, most surveyed traders believe that this crisis has deepened the negative impact of the COVID-19 pandemic on the cost of living.

Wheat flour and wheat-based products are particularly affected by the crisis and are becoming more expensive and scarce on local markets. Fertilizer prices have also risen since late February, and while fuels are still available on local markets, an increase in prices and availability can also be expected, which would undoubtedly be reflected on the price of basic food and non-food commodities.

In addition, the construction sector and related employment might be affected by a shortage of raw materials if the situation persists. All these factors add to each other and could affect Cameroonian households' food security in the long term, but also more broadly risks destabilizing the country in case of uprisings and criminality surge.

As the prices of imported products have spiked and consumers turn to local substitutes, the current situation can also represent an opportunity for Cameroon's agricultural production. However, if the offer of local products can not keep up with this increasing demand, a hike in substitute products might on the contrary further limit the population's purchasing power.

To mitigate the impact of the war in Ukraine on local prices and turn this crisis into an opportunity for Cameroon, the following recommendations can be taken into account.

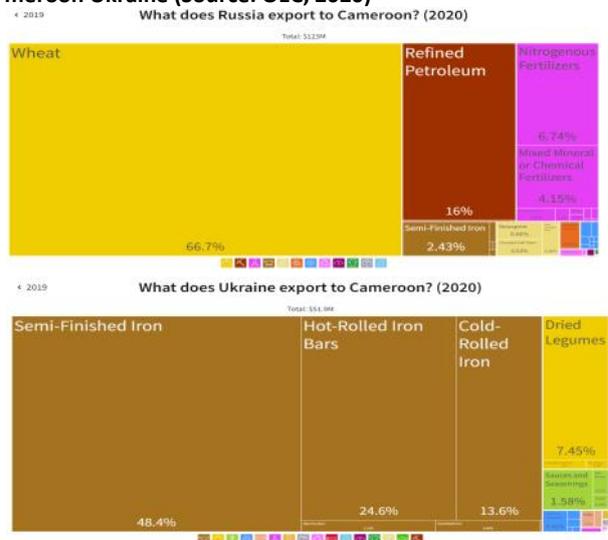
## RECOMMENDATIONS

- WFP and other partners involved in the food security sector could reinforce local production, transformation, and utilization of substitute commodities. A thought process should be developed on commodities that can be produced locally, which can add value to the economy and strengthen value chains. For example, with the increase of bread prices, local substitutes to wheat flour should be explored. WFP is for instance engaged in producing bread using cassava flour in the Adamawa region in the framework of its home-grown school feeding programme.
- Community building activities and resilience activities should be reinforced, to build their capacity to produce locally and consider introducing relevant agroforestry techniques, such as fast growing fertilizer trees to improve the condition of soil for agriculture.
- While boosting local agricultural production and trade, consumers should also be protected, for instance through subsidies and social safety net support programmes for the most vulnerable households.
- Finally, the price of food and non-food products should continue to be closely monitored and shared by the Government and its partners involved in the food security and related sectors. A more in-depth joint analysis focusing on the impact of the war in Ukraine on food security in Cameroon should also be developed.

Fig. 12: Word cloud of traders' perceptions



Fig. 11: Main products exported by Russia and Ukraine to Cameroon Ukraine (Source: OEC, 2020)



For more information, please contact:  
co\_cmr\_ram@wfp.org and WFP Cameroon team

Wanja KAARIA, Country Director  
Aboubacar GUINDO, Deputy Country Director

Technical team  
Anaïs DALBAI, Head of RAM  
Francis NJILLIE, VAM Officer  
Christian NGUEMBU, RAM Data Analyst  
Cedric MATSAGUIM, RAM Assistant-GIS  
Avo RATOVO-ANDRIANARISOA, Research Volunteer

