

Liberia: Market Monitoring Food Security and Economic Implications



Contents

- Introduction**..... 2
- Context update**..... 2
- Commodity overview** 2
 - Exchange rate..... 3
 - Gas (gallon) 3
 - Charcoal (bag) 3
 - Gari (cup)..... 3
 - Wet Fufu (ball) 3
 - Rice (cup)..... 3
 - Stock cubes (3 pcs)..... 4
 - Beans (cup)..... 4
 - Boney (Fish)..... 4
- Analysis and economic implications**..... 4
 - Mapping and supply chains 5
 - Other economic links 5
- Conclusions**..... 5
- With thanks:..... 5



Introduction

The market monitoring aims to link macroeconomic conditions and policy to community level development outcomes and *vice versa*, as well as monitoring trends relevant to food security.

Methodology¹

In total 48 surveys were collected this week between ZOA and Concern Worldwide, bringing the total number of surveys to 550. Follow up was conducted for Bomi and Cape Mount based on some anomalous findings last week. This week's findings are more in line with expectations after clarity on several products was given by field teams. Additional methodological updates are listed below:

- Data collection for buckets and soap, is still being planned and refined.
- Network shortages in some counties restricted updates this week, hence the lower number of data points recorded.
The first data from Rivercess has been included. Concern Worldwide report data from Grand Bassa and Rivercess, the survey now covers seven out of fifteen counties.
- Mapping is still under development (see analysis section below).
- While this report will stay 5 pages, more detailed trend analysis will be produced in the coming months.

Market locations and levels

This monitoring categorises four levels of market: Urban (Red light, and Duala), Semi-Urban (County Capitals), Village shop (rural communities) and Country Markets (weekly aggregated rural markets). The table below gives an overview of market locations.

Context update

The Government of Liberia extended the Stay at Home Order by an additional two weeks as the number of cases of COVID-19 increases. In their weekly newsletter the Ministry of Agriculture announced that they have “instituted, with the endorsement of the National COVID-19 Response Committee, mobile phone enabled pass granting system to facilitate cross-county passages of farmers, food producers and movements of basic agriculture produce and implements; and ensure food availability during the ongoing lockdown.” Lastly, more informal reports of ‘shrinkflation’ were gathered (for example Boney only being sold in 2 pcs rather than 3), this data is being consolidated.

Commodity overview

The table below shows the average prices in the locations where the data was collected. The boxes highlighted in orange are ones where the data seems to require follow-up or is missing. The two boxes marked “N/A” are where the product was available but in a different sized container.

The analysis section now shows the rate of change from last week. The major results this week are that prices are now dropping for all commodities, apart from Charcoal (increasing) and Wet Fufu (the same average price as last week).

¹ ZOA uses a standardised KOBO form to monitor (10) commodities (and the informal exchange rate). For more detailed information on how the basket and survey were designed please contact ZOA. (m.tebbutt@zoa.ngo)

County	Row Labels	FX rate	Gas	Charcoal	Crispy Gari	Wet Fufu	Rice	Cubes	Beans	Boney
Bomi	Tubmanburg	200	530	400	33	10	50	10	75	100
	Village shop	190	N/A	275	25		60	30	75	100
Grand Cape Mount	Country market	197	640	400	25	10	60	25	50	100
	Sinje	190	600	400	35	10	50	30	70	100
	Village shop	192	710	375	30	10	64	28	62	113
Margibi	Country market	195	528	338	31	19	74	39	100	225
	Kakata	198	473	500	33	18	63	26	115	188
	Village shop		N/A	338	30	10	64	33	63	149
Montserrado	Monrovia	199	488	765	40	20	50	20	90	100
Sinoe	Greenville	200	600	650	30	10	60	30	160	200
Grand Bassa	Buchanan	192	670	375	40	8	50	23	75	200
Rivercess	Country market	190	630	400	20	10	60	10	100	100

Exchange rate

The central bank selling rate for LD remains stable, by 9 May it has dropped to 198.9LD. The market monitoring shows small variations from this rate. The following counties have an average FX rate of 195LD or lower, Bomi, Grand Cape Mount, Rivercess and Grand Bassa.

Gas (gallon)

In Monrovia, the price of gas continues to fall, averaging 488LD down from 525LD, Kakata shows a similar trend now being the only location outside Monrovia with a rate under 500LD. Sinje and Buchanan showed an increase in prices, up 20LD and 50LD respectively. Greenville showed a larger jump, increasing by 100LD. These trends will be watched closely in the coming weeks. Last week the average gas price was 692LD², this week the average survey wide price was 587LD.

Charcoal (bag)

The price in Monrovia continues to rise, which is a point of concern, the average is now 765LD. Like Monrovia, Sinje and Kakata saw price rises this week. Whether this is a persistent trend or a seasonal effect is not yet known. Longer term analysis will be needed, but charcoal prices are of critical importance to urban consumers. See the analysis section.

Gari (cup)

Last week there was speculation as to whether the price of gari would stabilise, however, prices have held their rate in Kakata (33LD) and Greenville (30LD). There have been minor price increases in Monrovia (back to 40LD from 37LD), and Buchanan (48LD up from 40LD)³. Longer term trends will be needed, but on average the price of gari dropped by 5LD this week, indicating stabilisation is happening.

Wet Fufu (ball)

Like gari the price of wet fufu does seem to be stabilising. Increases were recorded in Kakata and Margibi Country markets (2LD increase and 6LD increase respectively), but other locations either stayed the same or dropped slightly, including Monrovia back to 20LD from 23LD. There was no net change in the average price for the survey 13.5LD.

Rice (cup)

Last week the inflation pattern of rice was described as unclear. This week, it does seem the price is beginning to stabilise. A notable decrease in price was recorded in Monrovia to 50LD down from 60LD. Kakata and Buchanan saw small decreases in price, by 2LD and 6LD respectively. As stated, before this

² This is taken by leaving out the anomalous entry in Grand Cape Mount

³ Sinje saw a significant decrease in price but given the data entry follow up mentioned in the methodology section, longer term trends will be needed to see if this is significant.

monitoring is comparatively new and so it is not yet possible to see clear trends, but there are indications that prices could be stabilising after a rise in late March and April.

Stock cubes (3 pcs)

There has been little change in the price of stock cubes in semi-urban and urban areas. Greenville and Sinje remain 30LD. Monrovia and Buchanan have both had minor decreases in price (2LD and 3LD respectively). In contrast, Kakata has shown a 2LD price increase. Overall, though the average price of cubes last week was 26LD, this week it is 25LD.

Beans (cup)

The average price of beans across all locations last week was 94LD, this week it is 86LD, showing a decrease in price. The 20LD decrease in the price in Greenville (from 180LD to 160LD) was significant. There were also decreases in price in Grand Cape Mount. However, Monrovia did show a small increase in price from 83LD to 90LD. Beans will be a product for more qualitative follow up in the weeks and months to come, due to the range of varieties and the different import routes.

Boney (Fish)

Last week the average price of boney was 136LD, although this varied heavily between locations. This week the average price is 139LD. The increase is driven by a 100LD increase in Buchanan, which will be followed up in the coming week. Prices for this product are some of the more stable ones in this survey. There are large discrepancies in price between locations, but this is assumed to be the result of access to fish and not an indicator of wider economic issues.⁴ The quantity of fish will also be assessed based on reports of shrinkflation from selling bundles of 3 fish to bundles of 2.

Analysis and economic implications

Last week the major analytical focus was on whether prices would stabilise and the role that a stable exchange rate and reducing the cost of gas play in this process. The table below shows that all products except for charcoal have either held their price or decreased on average in the past week.

	FX rate	Gas	Charcoal	Crispy Gari	Wet Fufu	Rice	Cubes	Beans	Boney
Average Week 19	195.0	592.9	484.6	31.9	13.5	57.9	24.6	84.8	129.9
Average Week 18	196.0	691.9	427.6	36.6	13.5	61.3	26.4	94.3	135.9
Plus/minus	-1	-99	57	-5	0	-3	-2	-10	-6

It would be too soon to say if this will continue or what is fully driving the reduction. However, the price of oil remains low and the supply to the country appears to be stable,⁵ the exchange rate continues to hold, and the Ministry of Agriculture continues to work on ensuring food can flow with fewer restrictions. While we have noted the trend in the rice price, this depends far more on global markets and will require follow up to see if disruptions in supply continue into the medium term, which would pose a significant risk to food security.⁶

⁴ Boney is included as a sample of protein, but it is far from ubiquitous or the main source of protein across the whole target area of this survey. Therefore, price differentials are a more complex issue than for other products.

⁵ The 100LD increase in gas price in Greenville needs careful consideration as the port of Greenville supplies gas to the South East.

⁶ If organisations have an update on this, they would like to give ZOA/Concern please contact us.

Mapping and supply chains

ZOA is still working on a mapping system to display locations more clearly. However, a longer term project is to use this price data to map out supply chains. There is not enough data in the system yet to do detailed analytical work on this, but the table below revisits a point made in Report 2. In report 2 it was seen which products increase in price the further away from Monrovia and vice versa. The table below shows survey wide averages for products by market level, which gives an initial insight into how prices change in relation to the rural/ urban divide.

Week 19 averages	FX rate	Gas	Charcoal	Crispy Gari	Wet Fufu	Rice	Cubes	Beans	Boney
Urban	199	488	765	40	20	50	20	90	100
Semi urban	196	575	465	34	11	55	24	99	158
Country Market	194	599	379	25	13	65	25	83	142
Village shop	191	710	329	28	10	63	30	67	120

More analysis will be developed based around major trade routes and livelihoods zones. Concern's recent Cost of Diet Survey provides an example of this type of zoning. By using prices to show the flow of goods we can further link macro trends to more micro level outcomes.

Other economic links

The price of Brent crude oil remains below US\$25 per barrel, meaning if supply can be guaranteed prices should remain low.⁷ The IMF policy tracker highlights the lack of a major fiscal or monetary response to date. There are though some key issues for consideration, a) the attempt to ease electronic payments by reducing fees is an issue to follow relating to how people will be able to access money. b) Efforts to facilitate imports by removing pre-shipment inspection requirements should be tracked concerning foodstuffs.⁸

Conclusions

The continued drop in the gas price is a major point to note as are the efforts to ensure the movement of goods throughout the country. Prices for all products are now either holding steady or falling, apart from charcoal. Charcoal remains a point of concern as it is a key cost driver for vulnerable urban households.

The survey continues to evolve and improve and ZOA aim to be as transparent as possible in this process. Further efforts are being made to both, increase the quality of the reporting and expand the area of coverage. A more detailed analysis will also be produced in time, but ZOA realise two months' worth of data is not enough to show clear trends.

With thanks:

The following data was only gathered thanks to the collaboration of the following donors:

Cover photo credit: Copyright ZOA

"This publication was produced with the financial support of the European Union. Its contents are the sole responsibility of the PARTNERS programme consortium and do not necessarily reflect the views of the EU".



⁷ Other indexes are available, but for ease of comparison ZOA will use the Brent rate.

⁸ <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#L>