



INTRODUCTION

The Liberia Market Price Monitor is a product of the Liberia Food Security and Nutrition Monitoring System (FSNMS). The FSNMS is coordinated by the Food Security and Nutrition Secretariat at the Ministry of Agriculture, with technical support from the World Food Programme (WFP) and financing from the European Commission (EC). The publication is aimed at informing stakeholders on food price changes over time, at different locations and in different seasons; and how prices of staples change relative to other local commodities that are key sources of income for vulnerable households.

Prices are collected by the Liberia Institute of Statistics & Geo-Information Services (LISGIS) in 10 markets. Price data collection process remains similar to what has been described in previous editions of this bulletin.

This edition provides a detailed account of the retail prices for local rice produce in main areas of agricultural production in comparison to imported rice prices as well as a summary of the global trend in the price of this staple food.

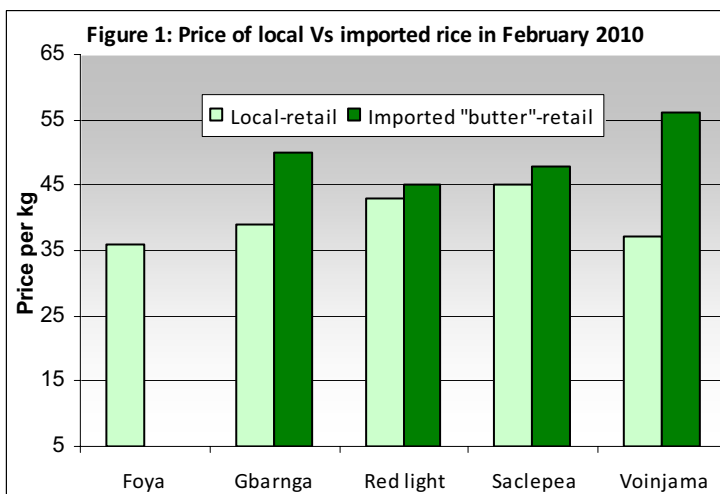
Highlights

- **Stocks of local rice from the 2009/10 harvest are still available leading to relatively lower prices as compared to imported rice with low demand for imported rice in areas of high agricultural production;**
- **Improvement in Terms of Trade in 2010 as compared to 2009 are improving household food access;**
- **Continued downward trend in global prices for rice.**

NOMINAL PRICES OF LOCAL RICE SALE TO CONSUMERS

The month of February witnessed the end of the seasonal rice harvest in Liberia and most farming households still possess substantial stocks from this harvested produce for consumption as well as surpluses to sell in order to meet financial and basic social needs. An assessment of local rice prices revealed higher retail price of imported rice over local rice in all major markets across the country. Figure 1 shows price differentials for local versus imported rice in major markets within the country. Local rice was cheaper than imported “butter” rice in all major markets in the country. In Red Light Market, Monrovia City, however, there was no substantial difference in retail prices of local and imported rice, mainly due to transport costs. Price differentials between Red Light and rural markets in the agriculturally productive counties can be explained by costs of transportation

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GLOBAL PRICE TRENDS AND NOMINAL “WHOLESALE” PRICE OF IMPORTED RICE

The downward trend in global prices of rice witnessed in January 2010 continued in February with a decline of about 5% from the January 2010 price level¹. The global price index for rice also dropped by 13.2 points to 240.8 points against 254.0 points in January, while the price of rice was averaged 164 points, down 6 points from January 2010 but 38 percent below its all time high of 274 points in April 2008.² This declining global trend can be explained by good weather conditions in Asia. The Asian supply is abundant on the eve of the new harvest in major producing countries, while African and Philippine demand remained low. In 2010, the competition among Asian exporters is expected to rise, with the strong arrival of Myanmar, which could double its export this year, reaching about 1.5M metric tonnes.³

**Figure 2: Price of a 50-kg bag of imported rice (butter) in Liberian Dollar
Jan 2009 - Feb 2010**

Market	Jan-09	Feb-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10
Bo-Water Side			2400	2379	2355	2225	2231	2150
Buchanan	2350	2200	2300	2250	2200	2000	1733	1742
Foya			2867	3000	2720	2900	3000	
Gbarnga	2356	2200	2297	2287	2267	2104	1992	1969
Pleebo	2183	2150	3300	2850	2850	2800	2425	2717
Red Light	2185	2099	2163	2199	2068	1955	1898	1729
Saclepea	2450	2450	2325	2163	2233	2175	2167	2050
Tubmanburg	2254	2250	2300	2293	2300	2245	1938	1815
Voinjama	2650		2563	2550	2519	2500	2471	2450
Zwedru	2617	2667	2538	2505	2400	2406	2144	2251

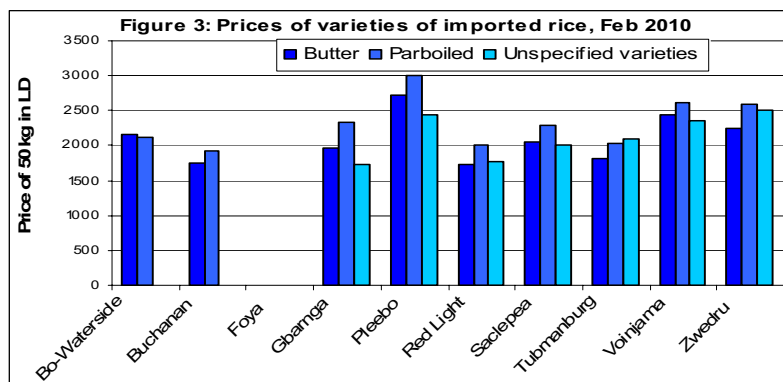
On the local platform, the downward trend in global prices of rice was reflected in the local markets. Generally, the price of imported “butter” rice (most preferred staple) continued to show downward trend in February 2010. As shown on Figure 2, with exception of Pleebo and Zwedru Markets (that are more isolated from Monrovia with substantial supplies imported from Cote d’Ivoire)

which indicated rise in prices (an increase of about 12% and 14% respectively for the two markets) between January and February, the rest of the markets showed decline in prices of imported “butter” rice over the period. Red Light and Buchanan Markets noted the lowest prices of imported rice, mainly attributed to their proximity to the ports of entry. Rural markets (Voinjama, Zwedru and Pleebo) showed relatively higher prices for imported rice, a reflection of transportation cost from the points of entry. Similar to retail prices, Foya market, an area noted for high agricultural production reported no data for wholesale trade in imported rice, an observation linked to local seasonal influences (harvested produce characterized by lowered demand for imported rice). Local markets also showed lower prices for imported rice in early 2010 as compared to the same period in 2009, a further reflection of the global trends.

The rice from Thailand continues to dominate the Liberian market and is also the cheapest in most markets. It is also important to note that in global prices of Thailand rice exports declined by five percent between January and February 2010. Despite the fall in global prices, it is important to observe global trends in the coming months and establish the impact on the domestic markets, as Liberia still remains a net importer of rice. The entry of Myanmar into the export market could have an impact on prices in Liberia, though the domestic market is not presently receiving imports from that country.

NOMINAL PRICE OF OTHER RICE VARIETIES IN LOCAL MARKETS

There is also substantial amount of other imported rice varieties in the local market apart from the “butter”



¹ InterRice, February 2010; http://www.infoarroz.org/portal/uploadfiles/20100305053421_15_ia0210en.pdf

² FAO World Food Situation/Food Prices Index; <http://www.fao.org/worldfoodsituation/FoodPricesIndex/en/>

³ InterRice, February 2010; http://www.infoarroz.org/portal/uploadfiles/20100305053421_15_ia0210en.pdf

rice. Some of the varieties are substantially cheaper than the commonest type, butter rice. As shown on figure 3, parboiled rice remains the most expensive type of rice in all markets followed by “butter” rice in most markets. Pleebo, Voinjama and Zwedru markets remain the most expensive areas to purchase parboiled rice, an observation attributed to high transport costs from ports of entry. In Foya market, only local rice was available. This is because most traders had been discouraged to sell imported rice in Foya due to the reportedly low demand.

PRICES OF OTHER COMMODITIES

In Liberia, palm oil is an essential ingredient in rice consumption. The production of palm oil varies by regions, with the North West and Central Interior Counties producing more than the South Eastern Regions. According to the Liberia Market Review conducted in 2007, palm oil prices are lower during the dry season, in particular from March to May when the market is flooded with palm nuts. Prices are very high from June to October. Thus, prices of palm oil are expected to be declining early in the year. Figure 4 shows a relative decline in palm oil prices in February 2010 with exception of Gbarnga, Buchanan and Pleebo and Red Light Markets where prices were relatively stable in between January and February 2010. It is noticeable that Bo-waterside, Foya, and Voinjama markets registered the highest price levels for palm oil. The high price in border markets could be linked to higher prices for palm oil in neighboring Guinea.

Prices of the main cash crops, rubber and cocoa, continued to show an upward trend in February 2010. On the average, the price of cocoa and rubber increased by over 14% and 12% respectively between January and February 2010 (see Figure 4). The global cocoa price however, is witnessing a dip on reports of buoyant supply. Cocoa trade in New York hit their lowest price since September 2009 on signs of increased production in Ivory Coast, which is the leading global supplier⁴. Since the civil war, Liberia has not made significant entry into the export market for the two cash crops and therefore, domestic prices may not be in tandem with the global trends as witnessed during this period.

Figure 4: Prices of other commodities in February 2010

Market	Cassava 50kg bag (LD)		Cocoa 1 kg (LD)		Coffee 1 kg (LD)		Rubber 1 Mt (USD)		Charcoal 50kg bag (LD)		Palm oil 1 Gallon (LD)		Cane juice 1 Gallon (LD)		Gasoline 1 Gallon (LD)		Exchange rate (LD) 1 US \$=	
	Jan	Feb	Jan	Feb	Jan	Feb	Jan	Feb	Jan	Feb	Jan	Feb	Jan	Feb	Jan	Feb	Jan	Feb
Bo-Waterside	368	367							123	125	475	458			265	269	68	70
Buchanan		454	155	150			835	835	145	148	275	279	423	457	298	310	71	71
Foya			112	121	40	50			113	112	500	441	350	493	302	342	67	68
Gbarnga	308	383	95	113		40	979	1102	102	106	238	238	259	221	265	270	71	70
Pleebo	273	250					870	945	242	227	243	242	244	239	388	387	68	70
Red Light	529	483							178	173	287	294	270	273	228	244	70	71
Saclepea	300		110	150		21	799	1078	90	90	258	203	348	382	257	300	70	71
Tubmanburg							620	630	115	113	325	303			248	253	69	70
Voinjama			40	50	40	50			111	128	496	413	300	311	295	313	68	71
Zwedru	788	750							215	219	371	368			265	300	68	71

The Liberian currency continued to depreciate against the US Dollar in the month of February across the country. The average exchange rate was 70 LD for 1 USD from 69 LD in January 2010 and 66 LD for 1 USD in December 2009. Meanwhile the cost of fuel has been rising since December 2009 (with an increase of six percent between January and February 2010). All markets reported increases in fuel prices during the

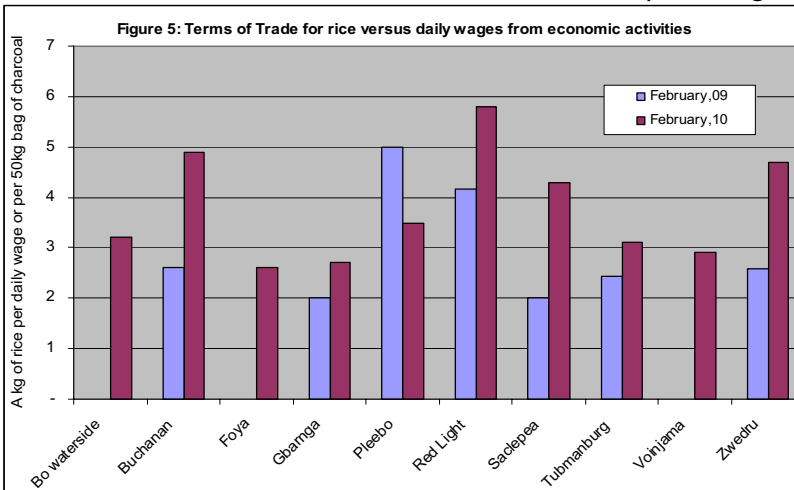
⁴ <http://www.foodnavigator-usa.com/Financial-Industry/Cocoa-prices-dip-on-reports-of-buoyant-supply>

month of February with the most dramatic rise witnessed in counties far off from Monrovia. As was witnessed in previous months, price of gasoline tends to be higher the further it is from Monrovia.

Overall, cassava prices eased (though still higher than the peak production season during the lean season) in most markets between January and February, reflecting a decline in demand due to increased rice intake by most households and seasonal demand patterns. Cane juice, coffee and charcoal revealed insignificant changes in prices between January and February with the exception of few variations across the markets.

TERMS OF TRADE (TOT) BETWEEN WAGE RATES AND IMPORTED RICE

Liberians in the rural areas are both sellers and buyers of agricultural produce. In the North and Central



regions of the country, there are households that depend on production of cash crops and spend a substantial part of their income on purchase of the staple food commodity, rice. The terms of trade (TOT) reported here reflect 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 (currently swamp rice harvesting that is primarily undertaken by women) or the production a 50 kg

bag of charcoal in the case of Tubmanburg Market. In general, early 2010 has witnessed improvement in Terms of Trade in all markets (with exception of Pleebo in Maryland County) as compared to the same period in 2009. In markets like Saclepea, and Zwedru, the improvement is almost two-folds over the period. However, since the beginning of 2010, there has been mixed responses on Terms of Trade across the country. While there was a generally better TOT between January and February 2010 for the daily wage rate earners in most markets, Zwedru, Pleebo and Gbarnga Markets indicated a decline. The decline in Terms of Trade for daily wage rate earners in Pleebo and Zwedru is attributed to an upsurge in the prices of imported “butter” rice in the two markets between January and February 2010.

OUTLOOK AND CONCLUSION

The price of local rice is expected to increase from April 2010 as a result of declining availability as the current stock harvest is consumed and lean season starts to set in, usually coinciding with periods of increased energy requirements (cultivation season). On the other hand, prices of imported rice could continue on a downward trend if the prevailing world market conditions persist. With the country heavily relying on rice imports to meet a greater proportion of national requirements, the global downward trend could keep the prices within the reach of domestic markets. However, as the long rains start, the poor road network to rural areas will increase transportation costs with associated increase in the price of imported rice in far-off markets. Ministry of Agriculture, in collaboration with its partners, will continue to closely monitor food prices in the country.

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