

West and Central Africa

Market Update for Agricultural & food products

Highlights

- ◆ In June 2020, the markets in the region were marked by a relative stability in prices of basic foodstuffs compared to the previous month. Price variations hardly exceeded 5% in the region's markets, with the exception of Nigeria where an increase of + 15% was recorded in some markets. Overall, the anticipated stock-outs, recorded in May 2020, due to the lean season and COVID-19, have not become widespread in the sub-region.
- ◆ However, year on year, price increases of more than 25% were recorded in Chad, Sierra Leone, Liberia, Mali (Kidal region), Ghana (Kumasi), Mauritania (Hodh el Garbi) and in Senegal (Saint-Louis). These increases are mainly explained by a drop in supply resulting from the combination of various factors such as the decline in agricultural production, the reduction in cross-border and internal flows, high inflation and the persistence of civil insecurity. It is worth mentioning the disruption of trade in food products such as onions between Sahelian and coastal countries, in connection with restrictive measures to fight COVID-19.
- ◆ Compared to the five-year average, the prices of staple foods (imported rice, millet and sorghum) have increased by more than 25% in countries such as Nigeria, Senegal, Liberia, Sierra Leone and Chad. Localized price increases are reported in northern Mali, Mauritania and Ghana.

Market trends in the region

Benin

In monthly variation, the prices of local products and those of imported products remained stable. On an annual basis, the prices of local products and those of imported products increased by 4.5% and 1.9% respectively.

The price of onions continues to rise in all cities. This situation is linked to the drop in the onion harvest resulting in it becoming increasingly rare on the market and especially during the rainy season. The price of fresh tomatoes has fallen in all cities. This is due to the new harvests of the local variety of tomatoes which is available in all markets.

The price of yam has increased in almost all cities. The lean season justifies this situation. We have to wait for the next yam harvest to hope for lower prices.

Compare to last month, the consumer price index declined overall, explained by the drop in transportation cost (-0.9%) and "food products and non-alcoholic drinks" (-0.2%).

The decreases in price observed were attenuated by the rise in the prices of products or groups of products: "dried corn in grains" (+

5.2%), "gari" (+ 4.5%), "liquid fuels" (+4 , 0%) and "tubers and plantains" (+ 3.4%).

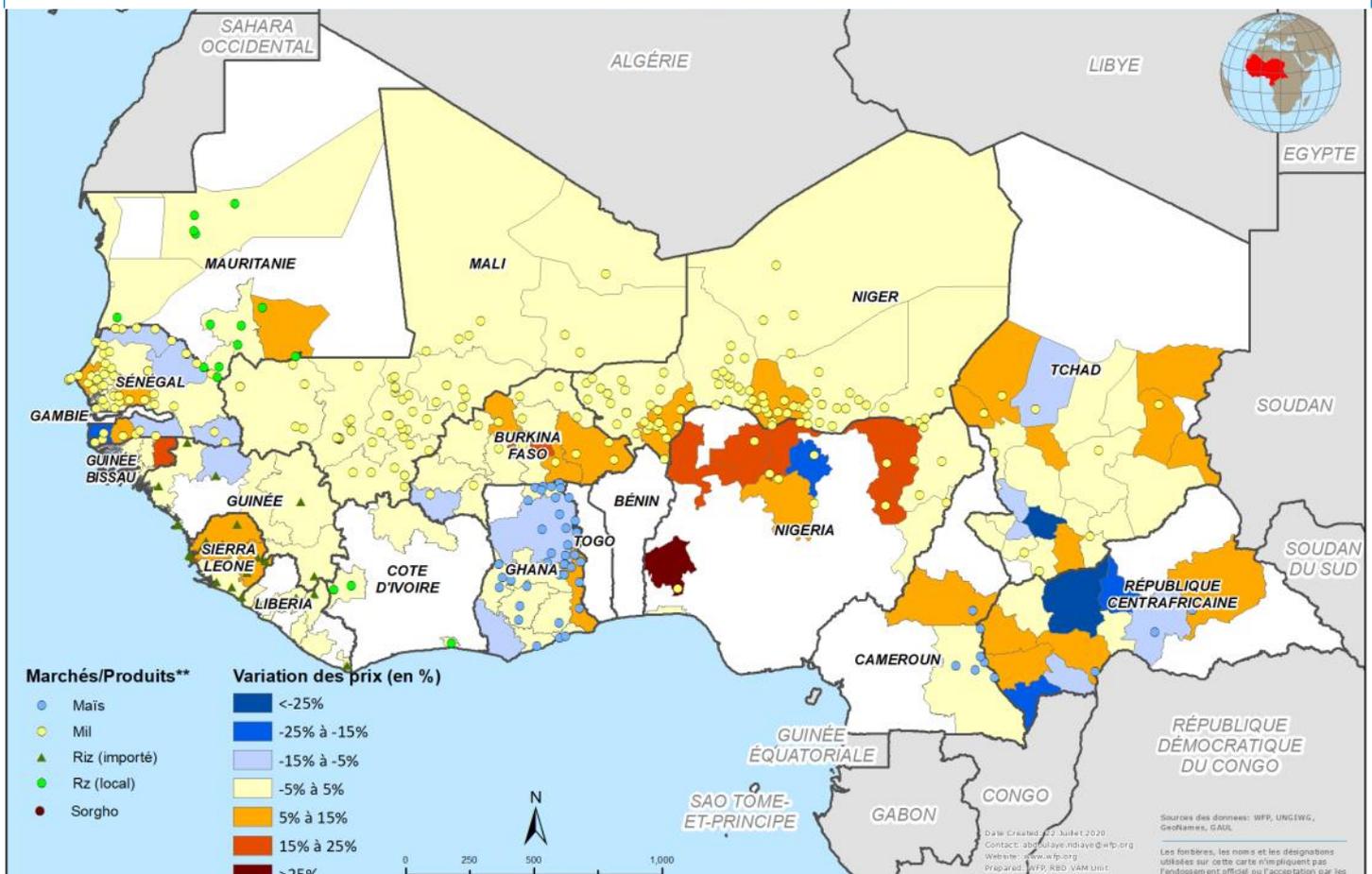
Burkina Faso

Despite the start of the agricultural lean period, there is a good level of supply to the main markets, mainly through merchant stocks, reinforced by the lifting of restrictive measures that had been put in place by the Government; but the level remains below that of last year of the same period.

There was a slight drop in grain prices compared to the five-year average. Cereal prices have changed little compared to the previous month except for millet (-2%); the annual variations are stable except for millet (+ 6%) and the five-year variations have given average decreases of 10% for cereals.

There was an increase in demand for cereals which was especially pronounced in the markets of the North, Center-North and Sahel. In these regions dealing with the negative effects of insecurity, the functioning of secondary markets (municipal and village markets) is intermittent or completely stopped. The Djibo market in the

Map 1 One month changes in cereal prices in West Africa in June 2020 compared to May 2020



Sahel has experienced high monthly and annual variations of 21.6% and 33.1% respectively. The Yako market in the North is also affected by this same variation (+ 19.4% monthly and 31% annual).

Cameroon

Restrictions related to Covid-19 affected local and international food supply chains and pushed prices above the month of May, especially food imported to urban areas. Prices remain above pre-conflict levels in the conflict-affected areas of the North-West and South-West regions.

Until the end of June, most poor households in the North-West and South-West regions had exhausted their food stocks and the prices of basic foodstuffs increased by 30% compared to the same period before the crisis. However, some poor households have started harvesting beans and potatoes since the second week of June and as the harvest progresses, prices are expected to stabilize and access to food for poor households will improve. However, these areas are expected to experience a fourth consecutive year of below-average harvests.

In the Far North region of the country at the level of the Logone-Birni market, the wholesale price of cereals has risen sharply compared to the same period of last year. We note respectively the variations of +29% for local rice, +28% for maize; plus more extreme variations of +58% for white sorghum and +150% for red sorghum. This

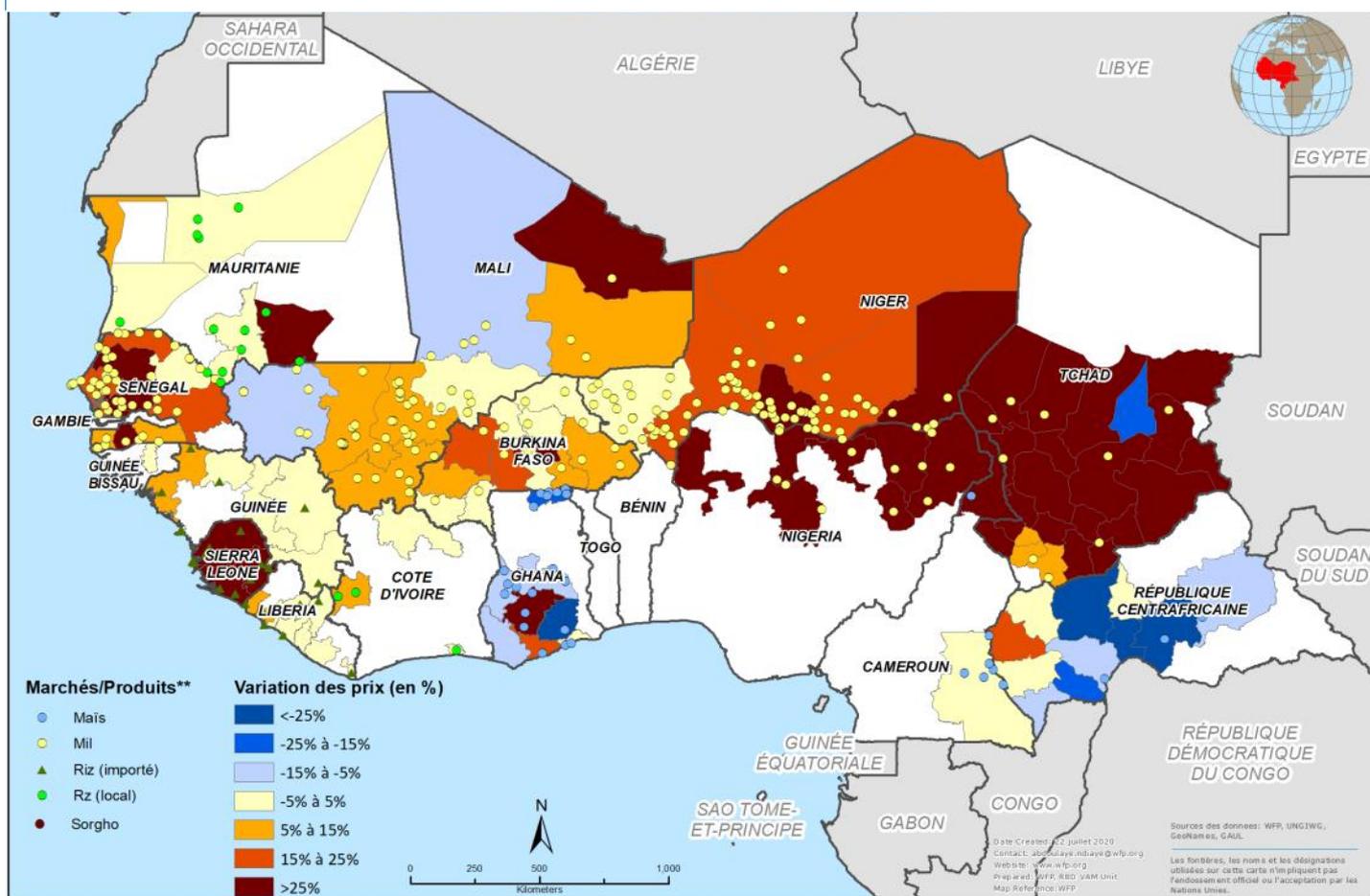
situation is explained by the installation of the lean season with empty granaries, the low level of supply to the markets and the drop in the level of household income linked to the measures taken in connection with Covid-19. In the East region, cassava recorded a variation of +87.5% in the Gbiti market.

CAR

The price level of food products is generally higher than its level before the crisis (partial closure of borders due to Covid-19) both in Bangui and in the provinces. While the price increase in Bangui markets does not exceed +50%, in some towns in the provinces, the prices of certain food products have more than doubled. The prices of food products like cassava root in Cossette and squash have increased by 150% and 160% respectively in several cities. The other food and non-food products whose prices have doubled in the provinces are wheat flour (100%), white beans (100%), shelled peanuts (100%), SAVEX soap (100%) and Motorcycle taxi transport price (100%).

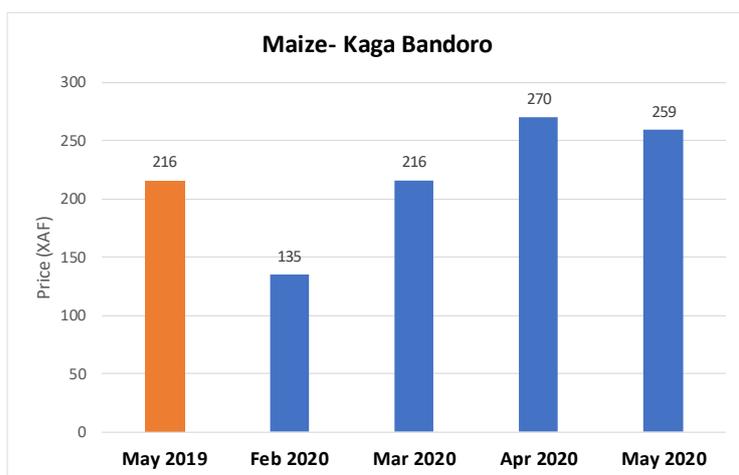
Also, the price of meat continues to rise following a security incident leading to the death of a Peulher herder. According to traders this incident affected the livestock supply to Bangui markets. If this situation persists, beef may become a scarce

Map 2: One year variation in cereal prices in West Africa in June 2020 compared to June 2019



commodity in Bangui markets.

On the other hand, the price of cassava, after a continuous rise, fell by 10% towards the end of June. The town of OBO (Haut-Mbomou) has seen a general increase in prices ranging from 20% to 60% following clashes between FACA and armed groups which have blocked supplies to markets.



Cote d'Ivoire

At the national level, the price of maize registered a relatively small increase of 2%. As for other cereal

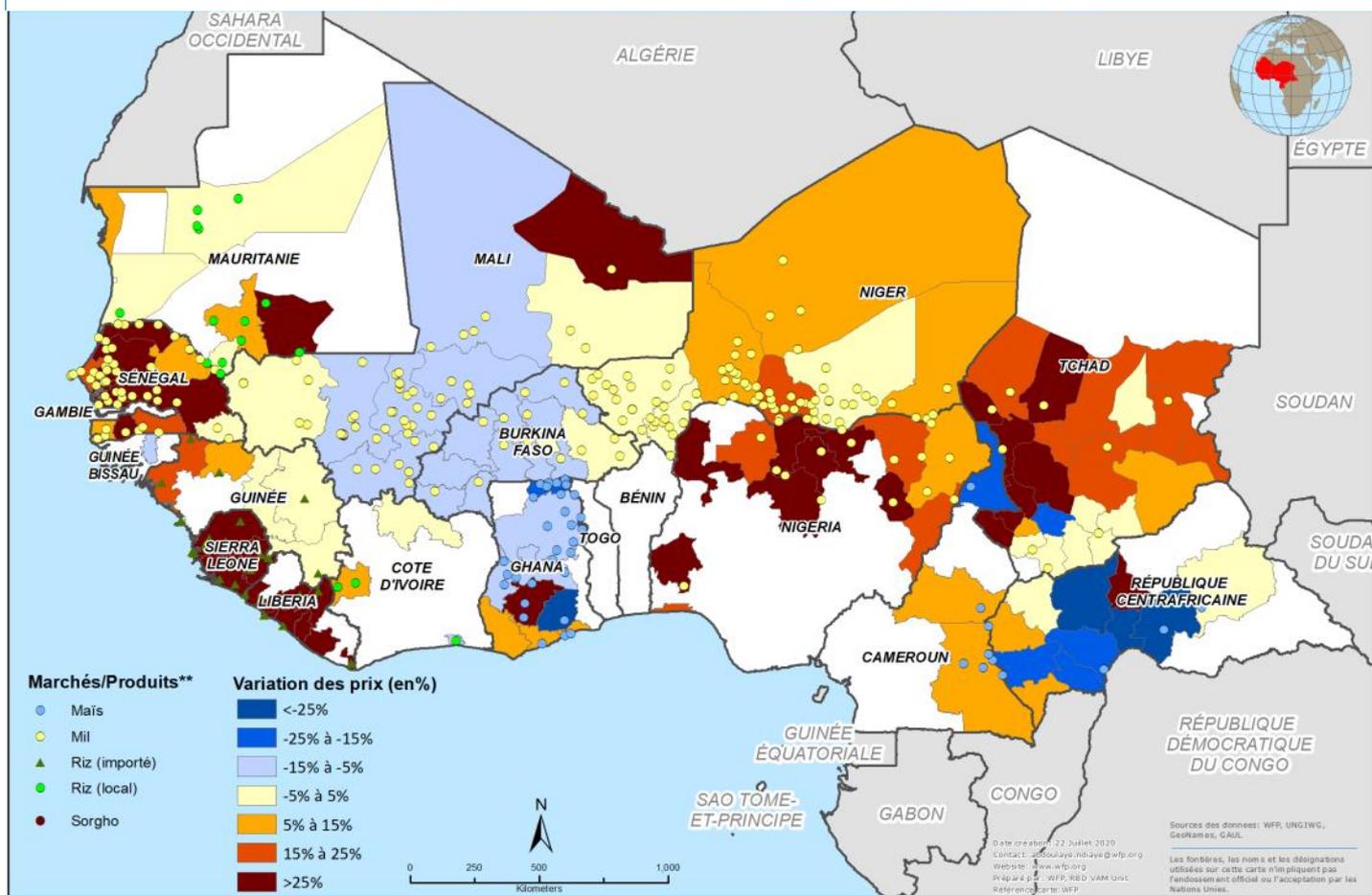
products, the price has remained relatively stable.

Compared with May, the price of maize has increased by 29% in Man, that of rice by 10.7% in Ouangolodougou. However, in the markets of Ferkessedougou and Ouangolodougou, there is a respective fall in the price of corn of 10% and 6%. The price of rice also fell by 6% in Ferkessedougou and remained stable in other markets such as Boundiali and Korgoho.

Compared to the same time last year, the price of maize increased by 25% in Man and 36% in Ouangolodougou. The price of local rice also appreciated 13.33% in Man. However, a 22% drop in the price of maize in Ferkessedougou should be noted, which moderates the increase at the national level.

These various price increases are explained by the disruption of the supply circuit. Indeed, Ouangolodougou being close to Burkina Faso and Mali is still affected by the restrictive measures limiting movement and trade between the border regions of these countries. On the other hand, there is also the difficulty of traders in transporting their products to the capital through personnel transport companies.

Map 3: Cereal prices trends in West Africa in June 2020 compared to five-years average



Ghana

Food supplies continue to stabilize in almost all markets in the country although the harvest of the current main rainy season has not been completed. Imported products remain globally available, while local cereals, tubers and legumes are seeing their supply reduced, especially in large urban centers.

Thus, in monthly variation, the price of maize has remained stable in almost all markets with price decreases of around 10% in the Western region thanks to the good outlook for the current crop year. Despite this monthly decline, the price of maize in June remains 50% above its level of last year in the Ashanti region because of delivery difficulties while demand remains high. It should also be noted that the floods of 2019 destroyed a good part of last year's production, thus reducing local availability. This trend is also observed with respect to the five-year average, proof that the variations observed are not linked only to the ongoing COVID-19 crisis.

The price of cassava, which is the second staple in the country, is increasing in much of the country. Fresh vegetables (tomato and onion) are also experiencing a price increase, especially in the south. Rising demand for cassava from neighboring Côte d'Ivoire is reducing local availability and pushing up prices.

Guinea

Compared with May 2020, the price of imported rice increased by 6% in Koundara, that of local rice increased by 12.1% in Kissidougou, that of maize by 10% in Madina. Apart from the markets mentioned, these different products are stable or decreasing in the other markets.

Compared to last year, the price of corn has more than doubled in Madina—and the price of imported rice increased by 8.8% in Boké. However, the prices of local rice and fonio have fallen in the various markets.

The monthly and annual increase in these products results not only from the restriction of land travel which affects the level of supply to markets but also from the very degraded state of the roads during this rainy season and the increase in transport costs.

Guinea Bissau

The prices of basic food products are falling in all markets except Gabu where the price of imported rice has increased by 21% in June. The generalized drop in prices (on average -18% compared to last year) is linked to a good availability of local and imported food products but also to a drop in demand caused by the decline in the purchasing power of the populations.

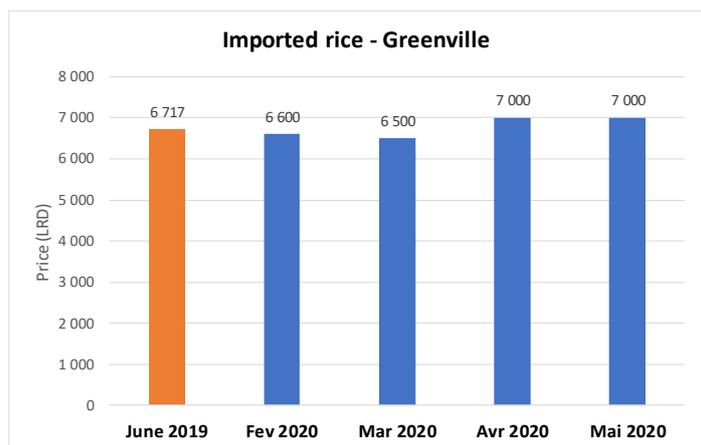
The socio-political crisis that is ongoing in the country for the past several years affects the functioning of the economy, in particular the non-payment of wages which reduces the ability of households to purchase food on the markets. Traders are therefore forced to reduce their profit margins to be able to sell their stocks. In addition to that, the fall in the price of fuel is linked to low oil prices on the international market.



Liberia

The price of imported rice is relatively stable with a slight downward trend between May and June 2020. However, it increased by 3% and 3.4% respectively in the markets of Pleebo and Bo Waterside. In addition, the price of cowpea rose by 4% in Bo Waterside to 58% in Saclepea in the Nimba region.

This price stability of imported rice is explained by the mechanism put in place by the government to facilitate cross-border trade.



The price of cassava, the second most consumed staple in Liberia, reported an increase of 18% from June last year and 72% over the 5-year average. It is important to note that, as stocks of local rice decline in markets, rural households normally turn to the consumption of cassava, a cheap substitute for rice.

In June, average retail prices for imported Indian

parboiled rice (the most widely consumed variety nationwide) were stable compared to last month, up 1.6% compared to last year, but registered an increase over the 5-year average (49%). This trend is due to food inflation linked to the depreciation of the local currency.

Mali

The month of June 2020 is the start of the lean season in Mali, which is characterized by a seasonal decline in the supply of cereals.

Compared to last month, the national average consumer prices of cereals are down slightly for maize (2%), imported rice (3%), and local rice (1%), up slightly for the sorghum and cowpea (1% each), and stable for millet. Compared to June 2019, they are down for all cereals, except for maize which registered an increase and millet (1%), and for imported rice, which is stable. Indeed, the prices of imported rice, local rice and sorghum fell by 3.2%, 3.12% and 5.2% respectively.

The decline in the price of maize compared to the previous month is due to the tendency of producers to sell part of their stocks to meet the expenses of the new crop year.

The decrease in the price of imported rice can be explained by import tax facilities granted to certain traders as part of the fight against Covid-19.

The availability of off-season local rice in the production areas of the Segou and Timbuktu regions, favoring a sufficient supply in certain consumer markets, causing a drop in the price of local rice.

As for sorghum, the upward trend in the price of sorghum is linked to the seasonal drop in farmers stocks and pressure on demand from the Kayes region where this cereal is consumed regularly.

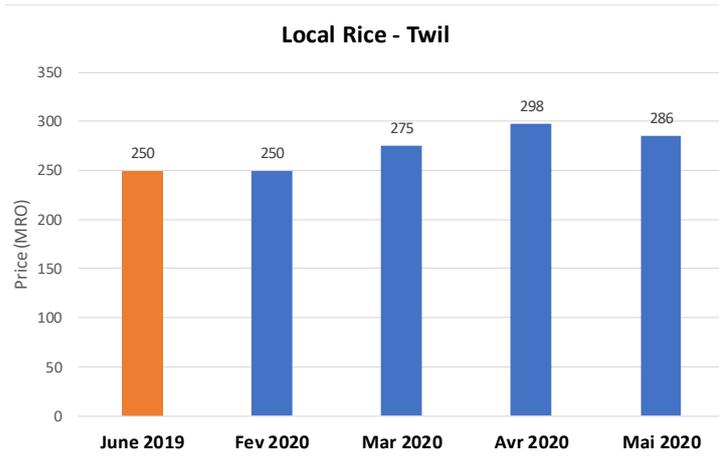
Mauritania

In Mauritania, households depend heavily on markets supplied by imported products to meet their food needs. The lifting of certain measures and the government's intervention are factors that have helped stabilize food prices to mitigate the economic impacts due to Covid-19. Indeed, the prices of cereal products, in particular that of imported rice, remain generally stable with a downward trend. The price of millet has however increased by 26.7% compared to last month in Nouadhibou.

Compared to last year (June 2019), only Twil continues to record a 23% increase in the price of maize. The price of millet rose 5% in Nouadhibou. The price of Mutton meat fell from 150 (price per kg) in April to 200 MRU in June. Significant deficits of

pasture and surface water in the pastoral zone have caused a massive departure of herds from Hadad (Gorgol) to Guidimakha which records a critical concentration in this zone. This concentration is due not only to the arrival of livestock from other regions but above all to the closure of borders due to covid-19 with Mali and Senegal.

The increase in the price of products is explained on the one hand by the scarcity of fresh products, the increase in consumption and seed needs of products on the part of households due to rainy season. The government's suspension of weekly market activities in the Twil area is contributing to the rise in prices, which coincides with the start of the lean season.



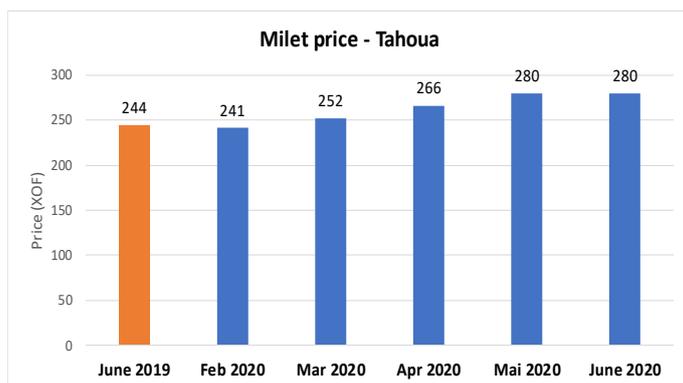
Niger

The prices of basic food products are stable in Niger compared to last month except in the regions of Dosso and Maradi where the average price increases on the various markets are around 10% for millet.

Compared to last year, the price increases for millet, which is the staple cereal, are more marked with 44% in Maradi, 30% in Niamey and 24% in Tahoua and Zinder. In nominal terms, the national average price gained almost 50 XOF (from 200 XOF to 247 XOF) between June 2019 and 2020.

However, there is a certain leveling off compared to the average of the last 5 years with weak to moderate variations lying everywhere below 10% for imported millet, sorghum or rice.

These price increases mainly over last year are a sign of a generally poor crop year of the previous year as difficulties with internal transfers and supplies from abroad have become complicated.



Nigeria

Prices continue to be high in Nigeria due to the combination of different factors: Ramadan, lean season, border closures, drop in the price of the Naira, and COVID19.

Compared to last month, price increases for basic cereals exceeding 15% were recorded on the markets of Ibadan (Oyo), Gwandu (Kebbi), Yobé and Zanfara. For millet, the national average price has doubled in one year from 6,310 NGN in June 2019 to 13,335 NGN in June 2020. For almost all markets, annual variations exceed 60% almost all markets monitored by FEWSNET in Nigeria.

These trends are maintained but at a lower level compared to the five-year average with peaks of 51% increase in the Gujungu market in Jigawa in the north of the country.

Other local grains like maize, sorghum and local rice are experiencing the same upward advance. In fact, food product prices are at their highest for 5 years due to the combination of factors unfavorable for the proper functioning of the markets.



Sénégal

The partial functioning of weekly markets and the closing of urban markets for one day each week do not encourage supplies in all markets with impacts on both local products and imported food products. In addition, it is difficult to estimate the impact that the government's food assistance programs in the fight against the COVID-19 pandemic have had on the availability of the products distributed (rice, pasta, oil).

However, we note that prices have stabilized or are down compared to May 2020.

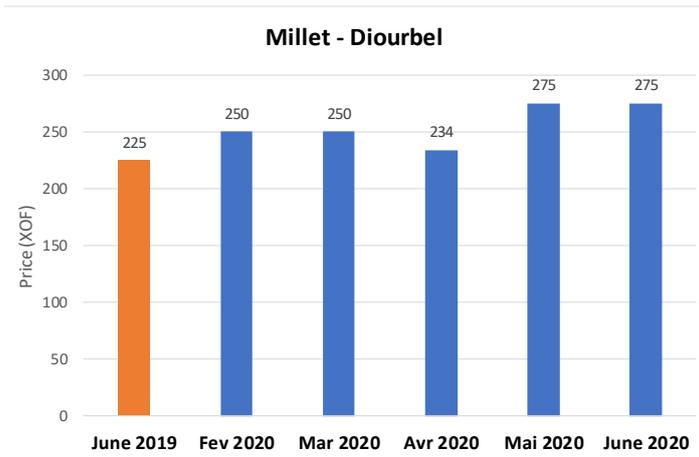
Compared to 2019 however, the price of millet has risen significantly in all the country's markets, ranging from 5% in Matam to 40% in Sedhiou. Globally, the whole groundnut basin is affected by these price increases for millet, sorghum, maize and imported rice.

In addition, the national average price of shelled groundnuts has increased by 20% with peaks in urban centers which are penalized by the difficulties of transporting from production areas to consumption areas.

The price increases are even more marked compared

to the five-year average with a national average increase for millet of 26%.

The most notable price increases (29% for the national average and more than 50% in certain markets of the groundnut basin and the pastoral zone) were recorded in April and May 2020 due to the COVID-19 crisis.



Sierra Leone

The prices of local and imported food products continue to increase throughout the country, mainly due to the imbalance between supply and demand of food products resulting from the depreciation of the currency, low yields of the last seasons for some products, and falling food prices.

The price of local rice increased by 12% between the first and the second quarter and is 56.7% higher than the same month last year (June 2019); The price of imported rice increases by 7% between the first and second quarters of 2020, with an increase of 47.5% year-on-year in June.

Cassava, as a close substitute for rice, generally follows increases in the price of rice. Compared with June 19, the price of cassava increased by 21%. However, the price fell by 2% between the first and second quarters (2020), mainly due to lower demand following the border closures with Guinea and Liberia.

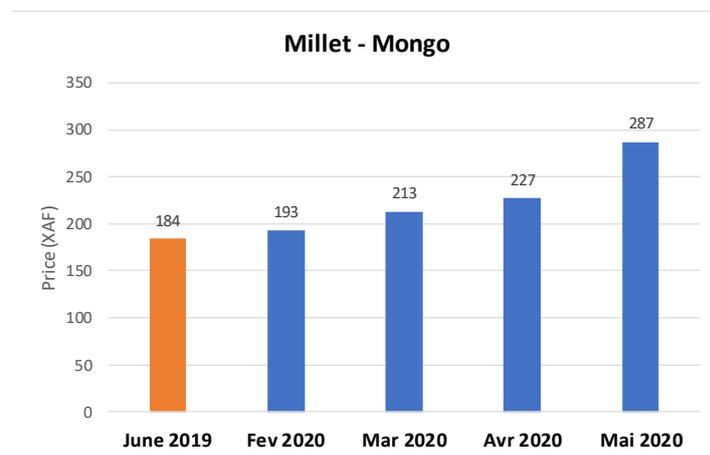
Tchad

Chadian markets continue to record a significant variation in the price of major grains. Despite the relaxation of certain measures taken in the fight against Covid-19, its impact continues to be felt. The resumption of public transport and the opening of markets have contributed to the drop in the price of millet in some localities in terms of monthly variation. These are the markets of N'Djamena (8%), Moussoro (11%) and Gueledeng (8.5%). But the markets of Mandelia and Nokou have respectively an increase of 20% and 18% compared to the month of May.

Although the year 2019 saw a considerable drop in prices compared to 2018, the situation has unfortunately deteriorated, it is not the same for this

year with the health crisis which has impacted on national stocks and reduced market supply, and which has coincided with the lean season when demand is high.

The combination of these factors influenced the evolution of annual prices. The annual variation price increases are very important for millet, it is 36.7% on average at the national level. The extreme is recorded in the markets of Bousso and Lere with an annual variation of 96%. Compared to the five-year average, this trend is pronounced with 16.9% at the national level.



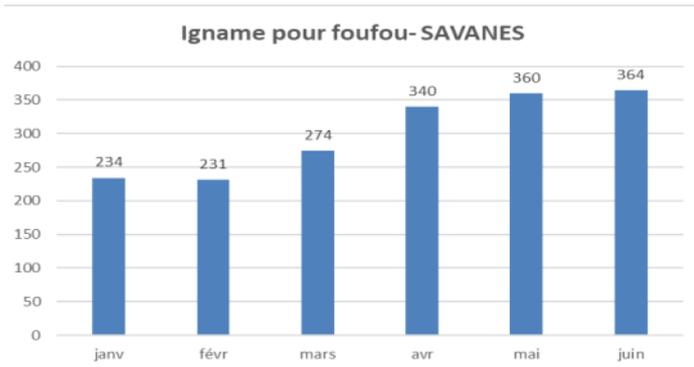
Togo

The agricultural season is generally going well with the harvest of fresh maize already starting in the south of the country. The rains have been fairly regular and, despite the difficulties at the start of the season to obtain the necessary inputs due to the slowdown in the activities of the public services which supervise production, the outlook looks good for the main agricultural season in the south of the country. The lifting of restrictive measures by the government in May that allowed the transfer of production surpluses to all the deficit areas contributed to stability in the price of corn.

On the other hand, millet, whose production is greater in the north of the country and won't be harvested until October-November, saw its price increase in monthly variation of 35% in the Plateaux region and 16 % in the Savannah region. It is stable in other regions of the country. In half-yearly variation (January-June 2020), net price increases are recorded in the Kara (59%) and Savanes (38%) regions. It should be noted that these increases occurred mainly in March 2020 due to the response measures against COVID-19. However, prices are struggling to return to a normal level despite the lifting of these measures, probably because of the downward price rigidity.

Foufou yam is experiencing the same increase in price in almost all markets monitored by the Togo Statistical Institute (INSEED). The prices of imported products follow a south-north gradient due to

additional costs associated with transport and other incidentals.



Informations sources:

- Food export restrictions are monitored by IFPRI on the following site:

<https://public.tableau.com/profile/laborde6680#!/vizhome/ExportRestrictionsTracker/FoodExportRestrictionsTracker>

- The prices analyzed in the bulletin come from: https://dataviz.vam.wfp.org/economic_explorer/prices

- The trends analyzed in the bulletin come from https://dataviz.vam.wfp.org/economic_explorer/price-forecasts-alerts?adm0=42

- The price projection methodology is explained on the next page: https://dataviz.vam.wfp.org/economic_explorer/price-forecasts-alerts

- Further information can be found by following the link : <https://www.platforme.sim2g.net/>

- Additional information on price levels comes, among others, from the websites of statistical institutes

Togo : <https://inseed.tg/inflation-prix/> , Benin : <https://www.insae-bj.org/> ; Cote d'Ivoire : <http://www.ins.ci/> ;

Senegal : <https://www.ansd.sn/> ; Cameroon : <http://www.statistics-cameroon.org/> ; Sierra Leone : <https://www.statistics.sl/>



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