



The Ministry of Agriculture
supported by ECHO, FAO and WFP



Liberia Market Review

December 2006 to February 2007



Presentation of Preliminary Results: Monrovia, 12 March 2007

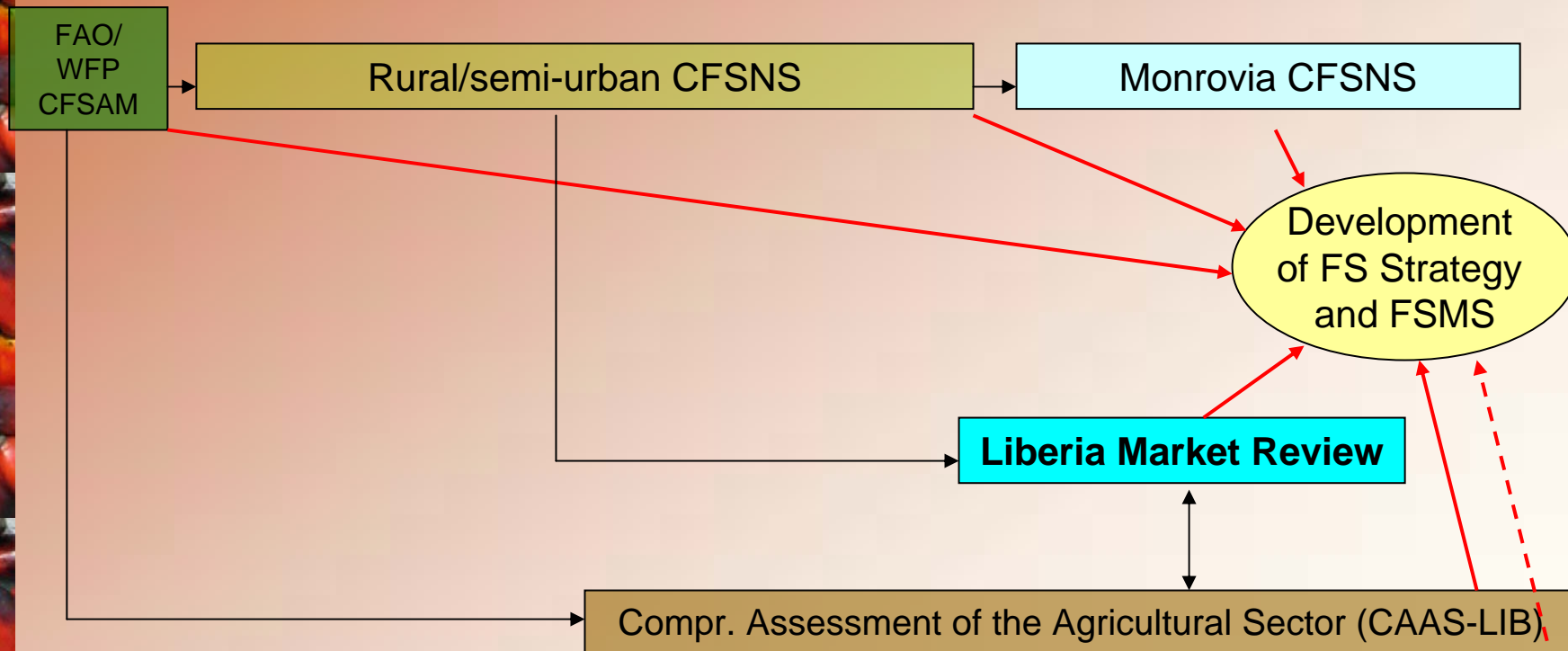


Background

- The Government and the humanitarian community support the creation of a knowledge base on food security and nutrition and set-up of a food security monitoring system (FSMS)
- As many Liberian depend on purchasing and selling food products on markets, monitoring markets is considered an essential part of the FSMS
- Understanding the functioning of markets in a normal situation allows understanding the impact of a shock on markets and marketing systems

Food Security and Nutrition - Knowledge Base

Jan'06 Feb'06 Mar'06 Apr'06 May'06 Jun'06 Jul'06 Aug'06 Sep'06 Oct'06 Nov'06 Dec '06 Jan'07 Feb'07 Mar 07'





Objectives of the Review

- Analyze the relationship between household food security and food market performance
- Identify potential (sub)-national/international shocks and their likely impact on the markets
- Identify key market indicators for the food security monitoring system
- Inform decision-makers on market performance including key attributes



Market Definition

- A **system** of exchange of goods and services which is based upon price determined by supply and demand.
- A market **place** as a physical location where goods and services are brought and sold.

Methodology





Methodology - Overview

- Literature review/ secondary data analysis
- Key informant interviews at national level and county/district level
- Observations/ structured interviews at market level
- Rapid participatory assessment tools at market level



Literature Review/ Secondary Data Analysis

- Demographic profile
- Structure of the economy
- Marketing infrastructure
- Formal trade statistics
- National agricultural production
- Types of markets
- Market indices and prices
- Marketing policies and regulations
- Major risks and constraints



Key Informants at National Level

- Ministry of Agriculture
- Ministry of Finance
- Ministry of Commerce
- Ministry of Labor
- Ministry of Transport
- Central Bank
- Liberia Institute for Statistics and Geo-Information Services (LISGIS)
- Liberia Marketing Association (LMA)
- Liberia Produce and Marketing Corporation (LPMC)
- National Port Authority (NPA)



Key Informants at County/District Level

- County Superintendents
- LMA General Superintendents
- Development Superintendents
- County Agriculture Coordinators



Observations/Structured Interviews at Market Level

- Market characteristics
- Availability of products
- Seasonality of supply and market prices
- Prices of staple food
- Cash/barter
- Storage facilities
- Means of transport and routes/costs
- Origin of food stuff and destination
- Cross-border trade
- Constraints for producers, retailers and wholesalers
- Historical shocks and market responses



Field Team Composition

- MOA National Market Economist
- Representative from University of Liberia
- Two women facilitators from MOA and MOHSW
- WFP VAM Staff



Backstopping/Support

- Ministry of Agriculture
- FAO Emergency Unit
- WFP VAM Unit
- NIMAC
- WFP/Rome/Dakar Market Specialists

Coverage

- Purposive sampling of **21 markets** to cover:
 - All counties
 - Various types markets: daily-weekly, urban/rural
 - Various types of traders: producers, retailers, wholesalers



Limitations/constraints

- The market review is a “snapshot” of the market system in which markets were visited only once in Jan/Feb 2007
- The review was not designed to produce statistically significant results
- The emphasis was on qualitative, descriptive analysis
- The visit to Rivercess was on a day when there was no market
- Because the focus was on market places, data were not collected on transactions that occur outside the market place
- As a consequence of the civil crisis, data are scanty. The available data in most cases are fragmented and based on estimates
- No current, reliable production data are available
- Statistical information quoted by international institutions is often based on regional averages

Preliminary Findings

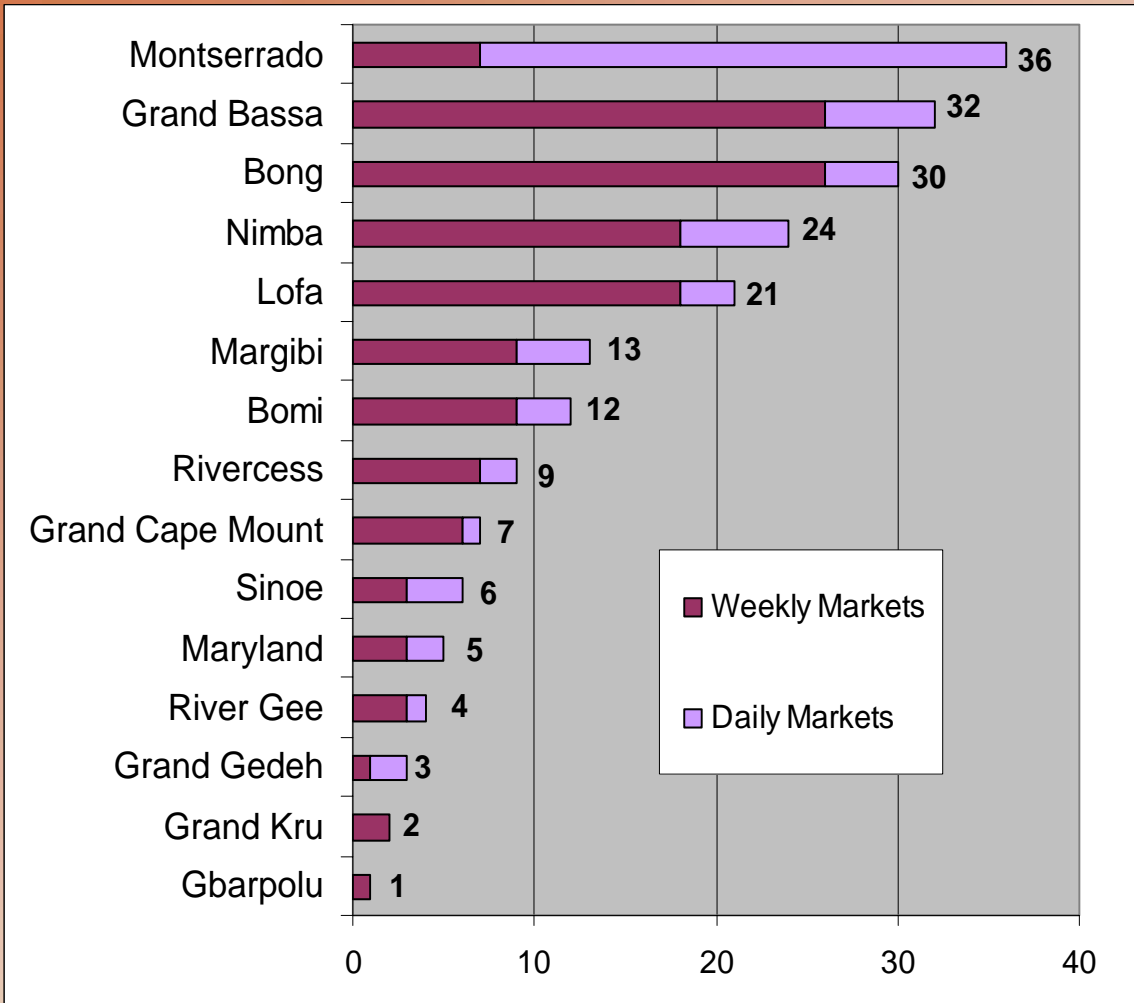




Macro-level Data

- Approximately 75% of Liberians live below the poverty line of less than US\$1 per day. 52% are estimated to live in extreme poverty, below US\$.50 per day
- Unemployment in the formal sector is estimated at 85%
- 15% of rural households depend mainly on petty trade for their income, while 37% of households in Greater Monrovia rely on petty trade and street vending (CFSNS)
- In Greater Monrovia, street vending/petty trading was the main source of income for 38% of the women, while 30% identified themselves as market women.(CFSNS)
- Liberia is heavily dependent on foods imports, especially rice
- GDP per capita is estimated at US\$191.5 (HDR)
- Growth rate in 2005 was 5.3%, estimated growth in 2006 was 6%+

Distribution of Markets by County



205 Market places were identified across the country



Marketing Chains

- **The major chains are:**
 - Central, Western, and Northern counties ↔ Monrovia
 - Grand Gedeh, River Gee, and Maryland ↔ Cote d'Ivoire
 - Lofa, Bong, Nimba, and Monrovia ↔ Guinea
 - Lofa, Grand Cape Mount, Bomi, and Monrovia ↔ Sierra Leone
 - Grand Kru, Sinoe, Rivercess, Gbarpolu: Isolated



Types of Markets

- Markets can be categorized by the principal functions, including the type of sales (wholesale vs retail), and frequency (daily vs weekly)
 - **Daily and weekly** markets have distinct functions and serve different sellers and buyers
 - Sales in **weekly markets** are both wholesale and retail. Producers bring their produce for sale, most often to wholesalers (or bulking intermediaries), The full-time Itinerant traders sell dry goods, primarily to the producers. Usually, the wholesalers, often from Monrovia, buy from the producers outside the market place
 - The **daily markets** found in the larger urban centers of rural Liberia and the neighborhoods of Monrovia, function primarily as retail markets, selling produce to a non-food producing population.
 - The **Redlight** and the **Duala** areas are both wholesale and retail and are the destination of most of the produce coming into Monrovia from rural Liberia or Guinea
 - There are several other types of markets, including the small “**cluster**” markets around urban centres, the “**doorstep**” or porch markets of single traders, and the **street vendors** or **hawkers**.



Types of Marketers

- **Producers Sellers:** Farmers who sell produce, most often in rural weekly markets
- **Wholesalers** (Bulking intermediaries): Traders who bulk commodities bought from producers and transport to other markets, especially markets in Monrovia
- **“Gbobachov”** (Bulk-breaking intermediaries). Traders who buy from the wholesalers and sell in other markets to retailers
- **Retailers:** Traders who sell to consumers



Markets and the Road Network

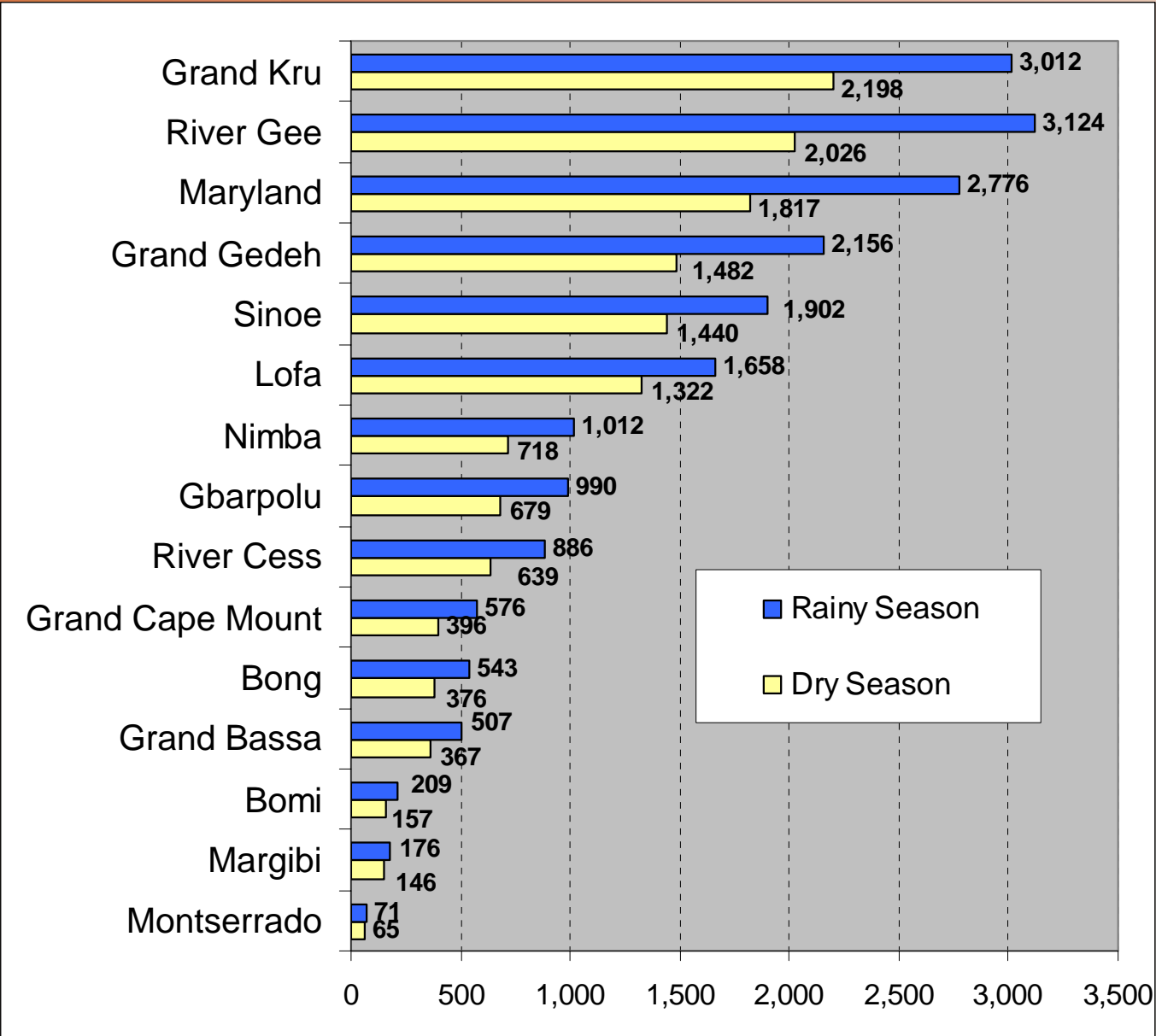
- Market places developed in conjunction with the diversification of the Liberian economy and the development of the Liberian road network.
 - **1920s – 1947:** Development of rubber industry. First road links of Monrovia with other regions. By 1947, the principal axis of Liberia's road system was in place
 - **1947 – 1962:** Establishment of iron ore mining. Roads further extended to mining areas. Railroads established
 - **1962 – 1990:** Expansion of logging activities. Roads to southeastern Liberia via Ganta and Zwedru and to northern Lofa built. Network of logging roads established in logging areas. By late 1980s, main roads had been paved to Ganta and to Bo Waterside
 - **1990s – 2003 (civil conflict):** Dramatic decline and deterioration in the road network except for the logging roads. Following the imposition of timber, many of the logging roads also became impassable
 - **Currently,** the road network is in poor condition, with most unpaved roads becoming impassable during the rainy season. Most paved roads are also in poor condition. The networks of logging roads that provided a coastal link and a link through Gbarpolu to Lofa are no longer available. Throughout the country, rehabilitation began in 2004 and continues



Markets and Transportation

- Marketers perceive road transportation to be unreliable, infrequent, and expensive
- Marketers often contract with a commercial driver to provide transport to and from markets
- The Bong Mine – Monrovia commercial train operated by Geoservices provides a reliable, safe, and relatively inexpensive means of transporting goods
- The Southeast is not accessible by road during the rainy season

Passenger Transport Costs to Monrovia in Rainy and Dry Season (in LD)





Marketing Institutions

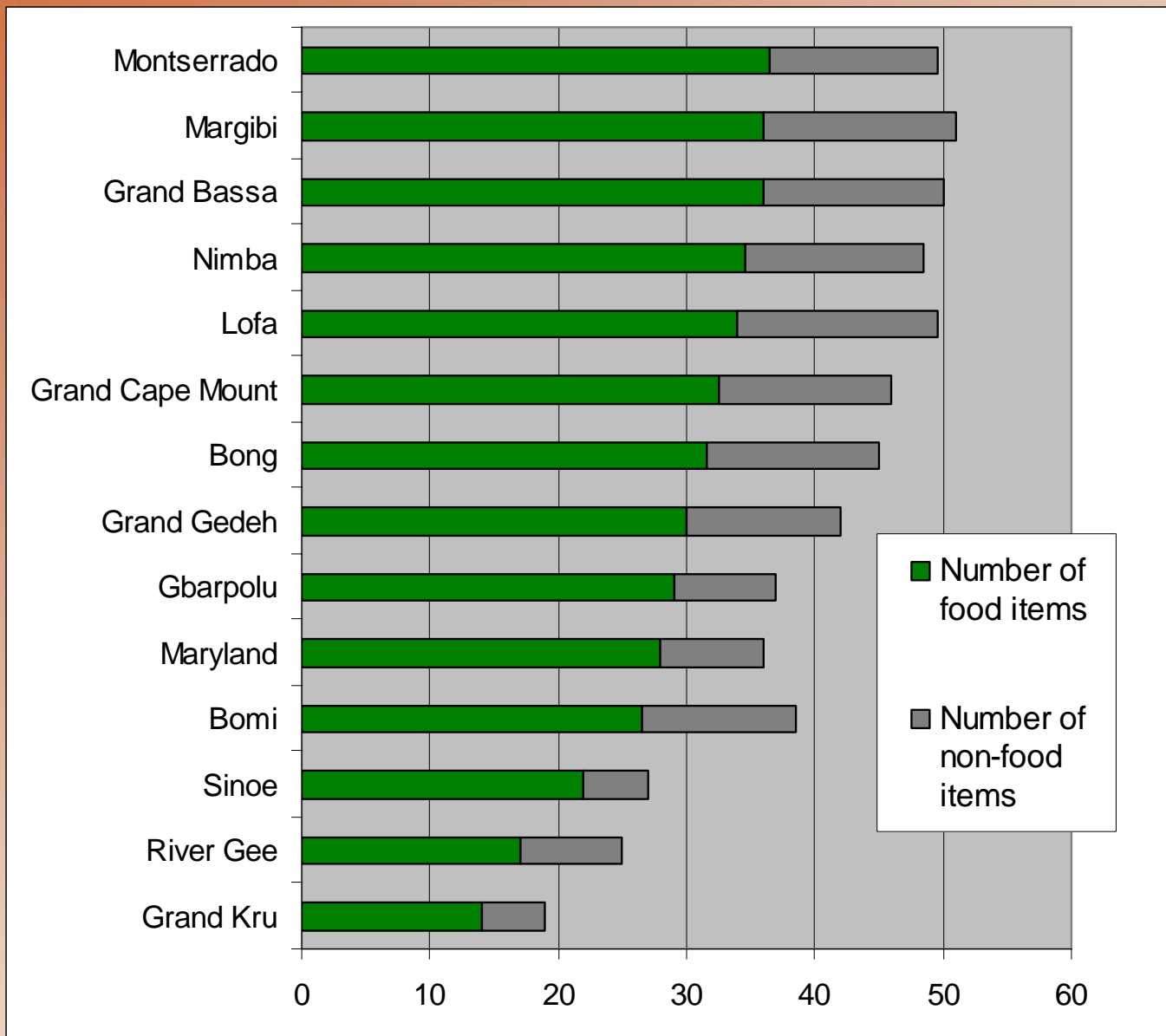
- **The Liberia Marketing Association (LMA)**
 - LMA is a semi-autonomous government institution commissioned to provide assistance to the informal marketing economy
 - The institution is currently under an interim management team with limited operational capacity
 - LMA collects annual registration fees. Of the 21 surveyed markets, 18 are supervised by LMA. Registration fees range from L\$150 – L\$250 One market ticket is L\$5. Tickets in the daily markets are purchased from 2 to 6 times per week
 - The marketers reported that services such as garbage disposal, toilet facilities, roof repairs storage and day care facilities are usually not provided by LMA
- **The Liberia Produce Marketing Corporation (LPMC)**
 - LPMC is responsible to assist farmers in the production and marketing of cocoa and coffee. These services are not yet fully provided by LPMC because of limited capacity
 - 2006 exports of cocoa were estimated at 3,000 tons [against a domestic capacity of 8,000 tons]. The coffee exports have been slower to revive because of low world market prices. LPMC is planning to start purchasing coffee in 2007



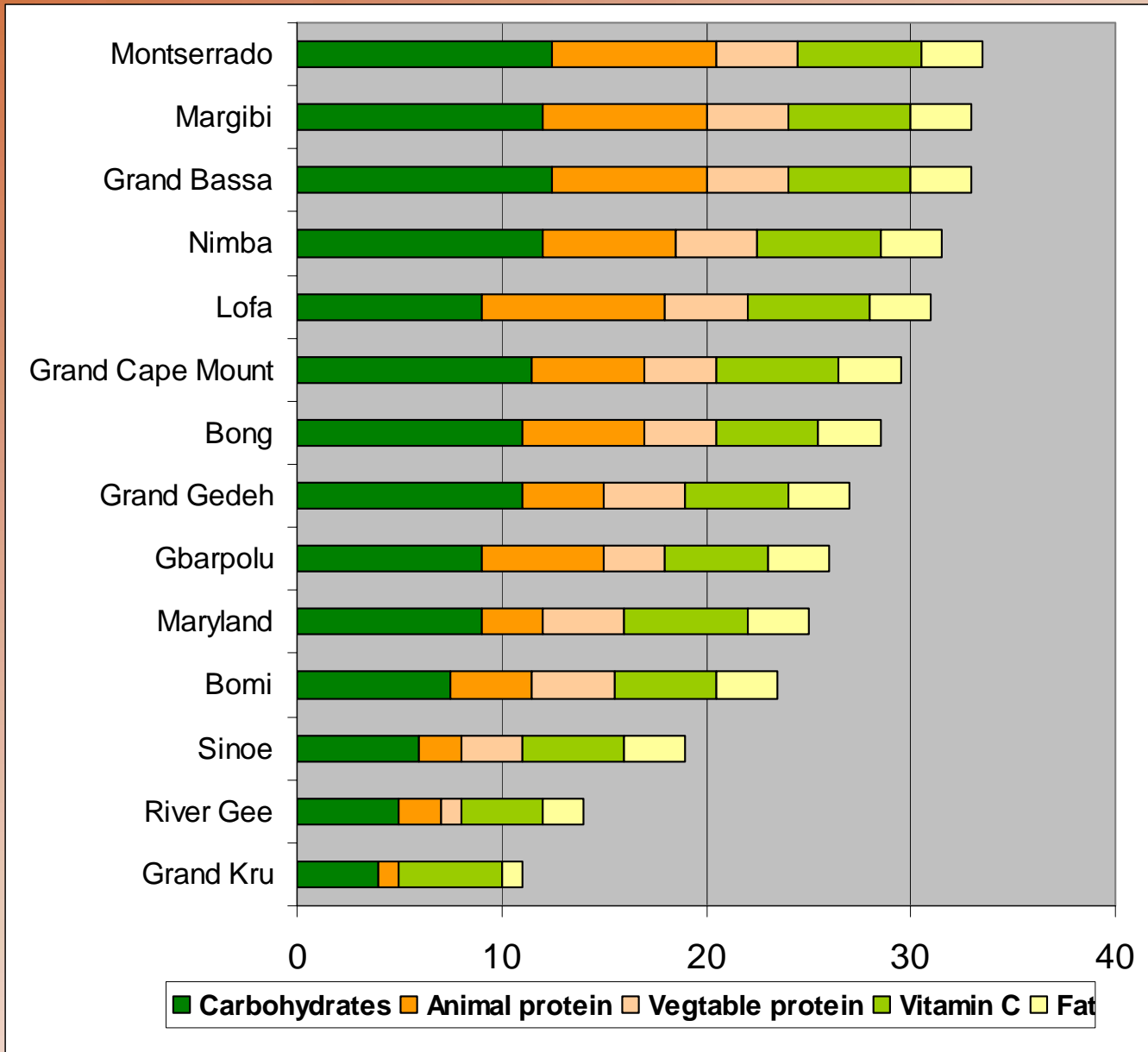
Availability of Food & Non-food Commodities

- Availability of 41 food commodities and 17 non-food commodities was assessed
- On average, 30 food commodities were found in the markets, ranging from 14 in Grand Kru to 37 in Montserrado
- On average, 12 non-food commodities were found, ranging from 5 in Sinoe & Grand Kru to 16 in Lofa
- Imported rice was found in 19 of the markets, while “country” rice was found in 17
- Dried fish and dried pepper were found in all markets
- Palm oil was available in all markets except Fishtown (River Gee) and Barclayville
- Bush meat was available in 13 of the markets. Fresh fish was available in 18 markets
- Seed rice was found in only 3 markets in Lofa, Grand Gedeh, and Montserrado. Vegetable seeds were available in 16 markets

Number of Food and Non-food Items on Markets



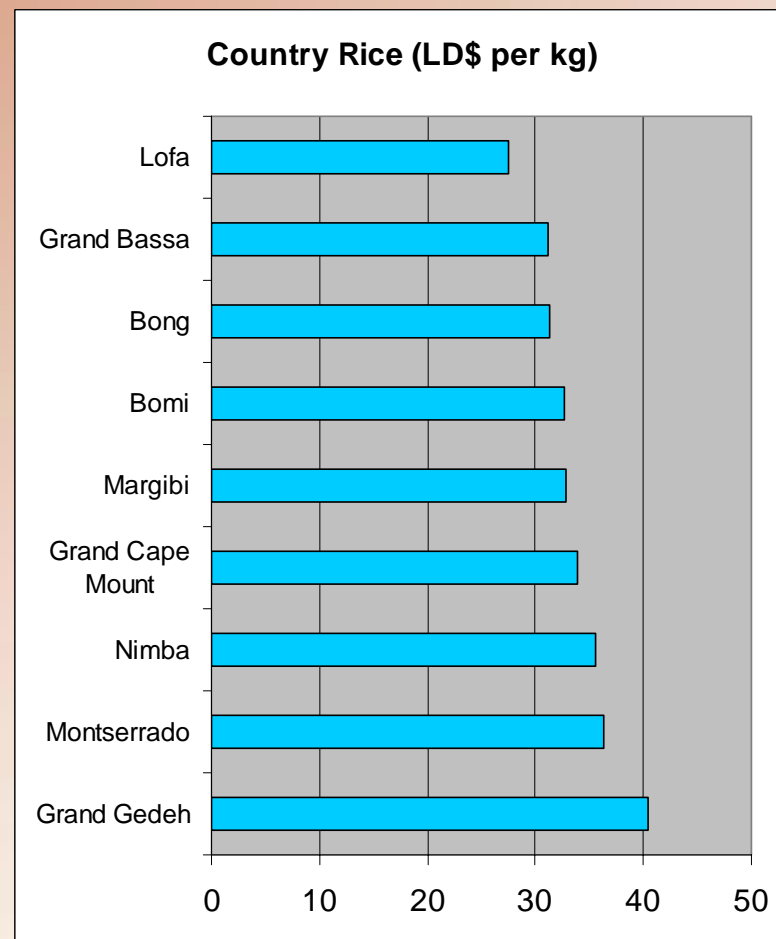
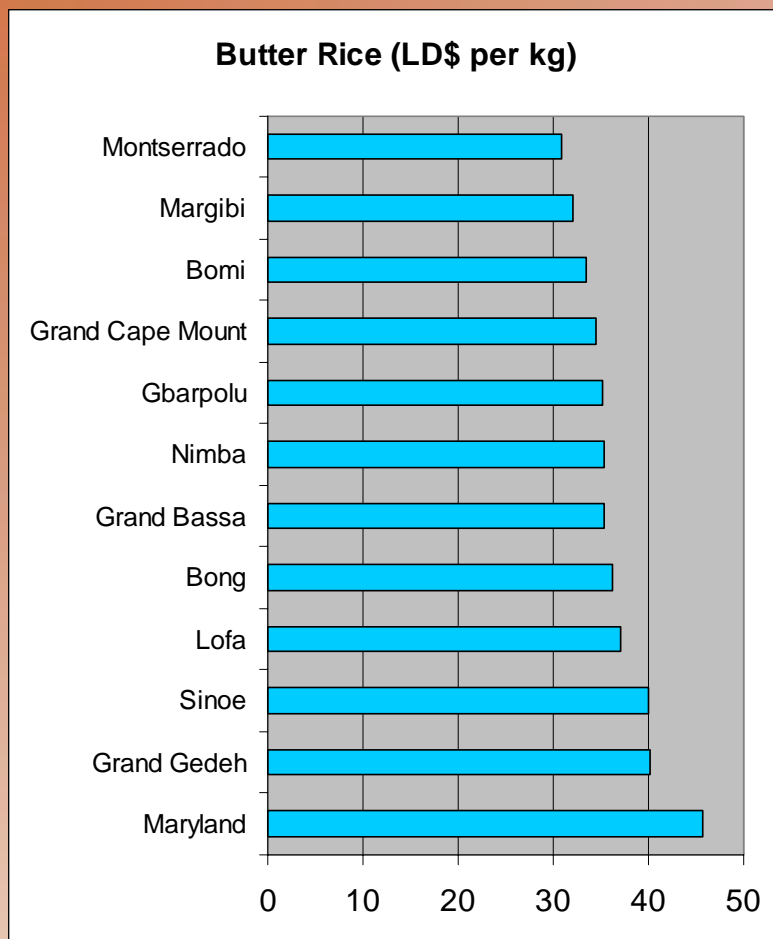
Number of Food Items on Markets by Food Group



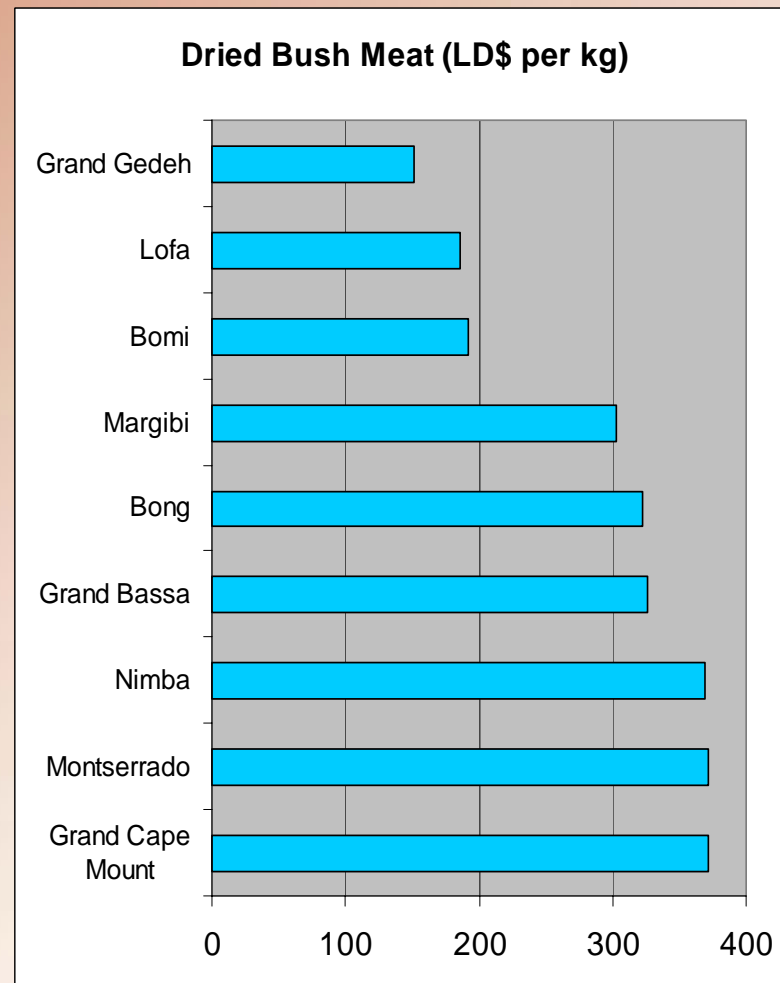
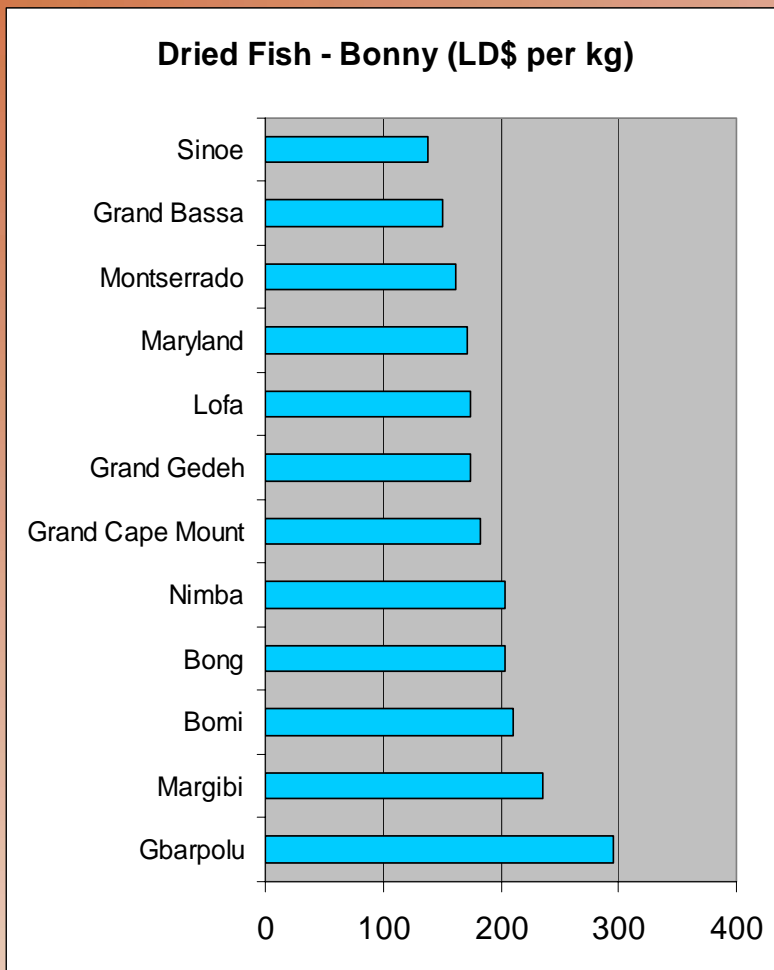
Market Prices in Jan 2007

- Prices were estimated for 17 food commodities based on three samples per market which were weighed

Market Price of Rice in January 2007



Market Price of Dried Fish and Bush Meat in January 2007

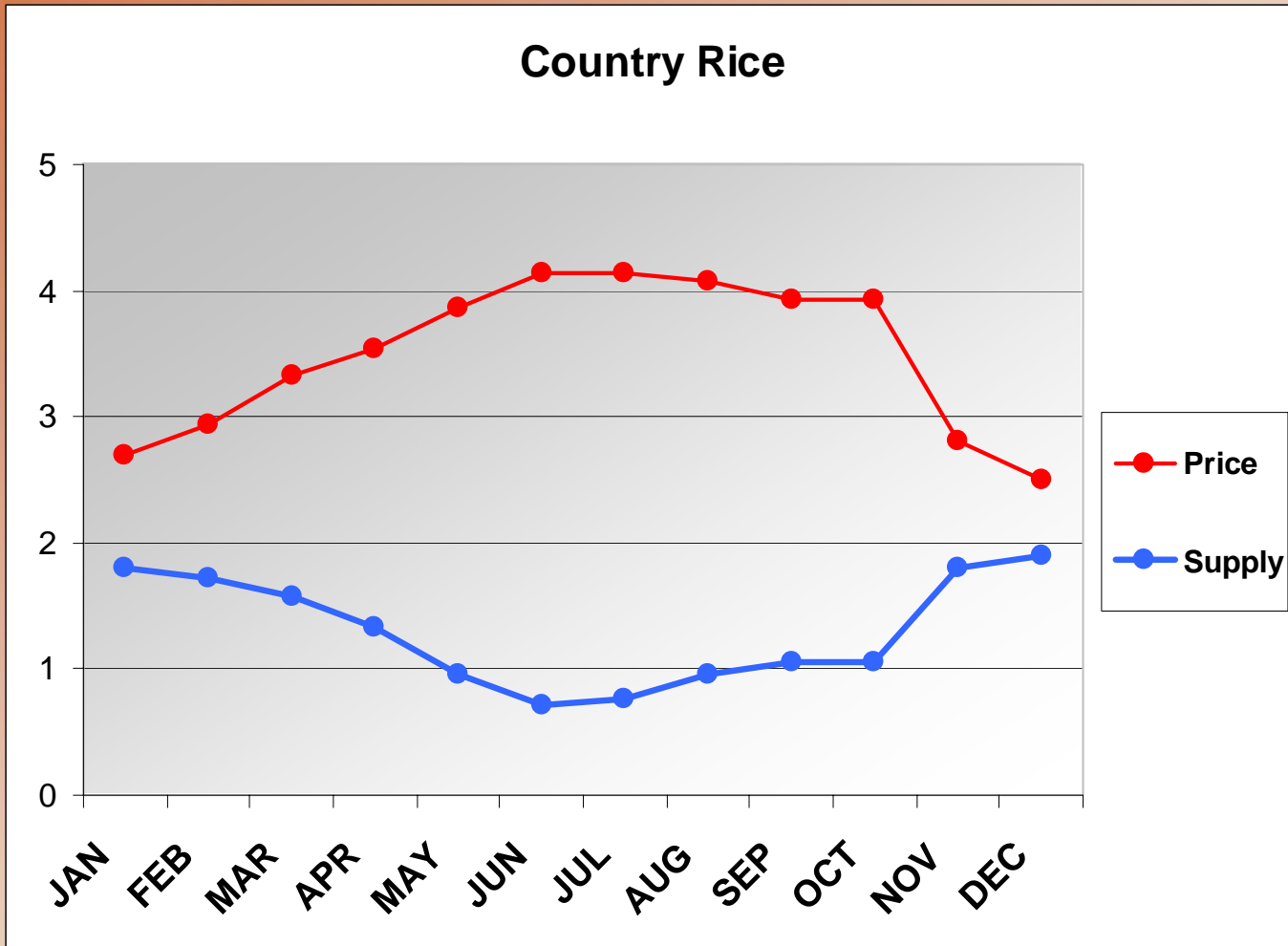




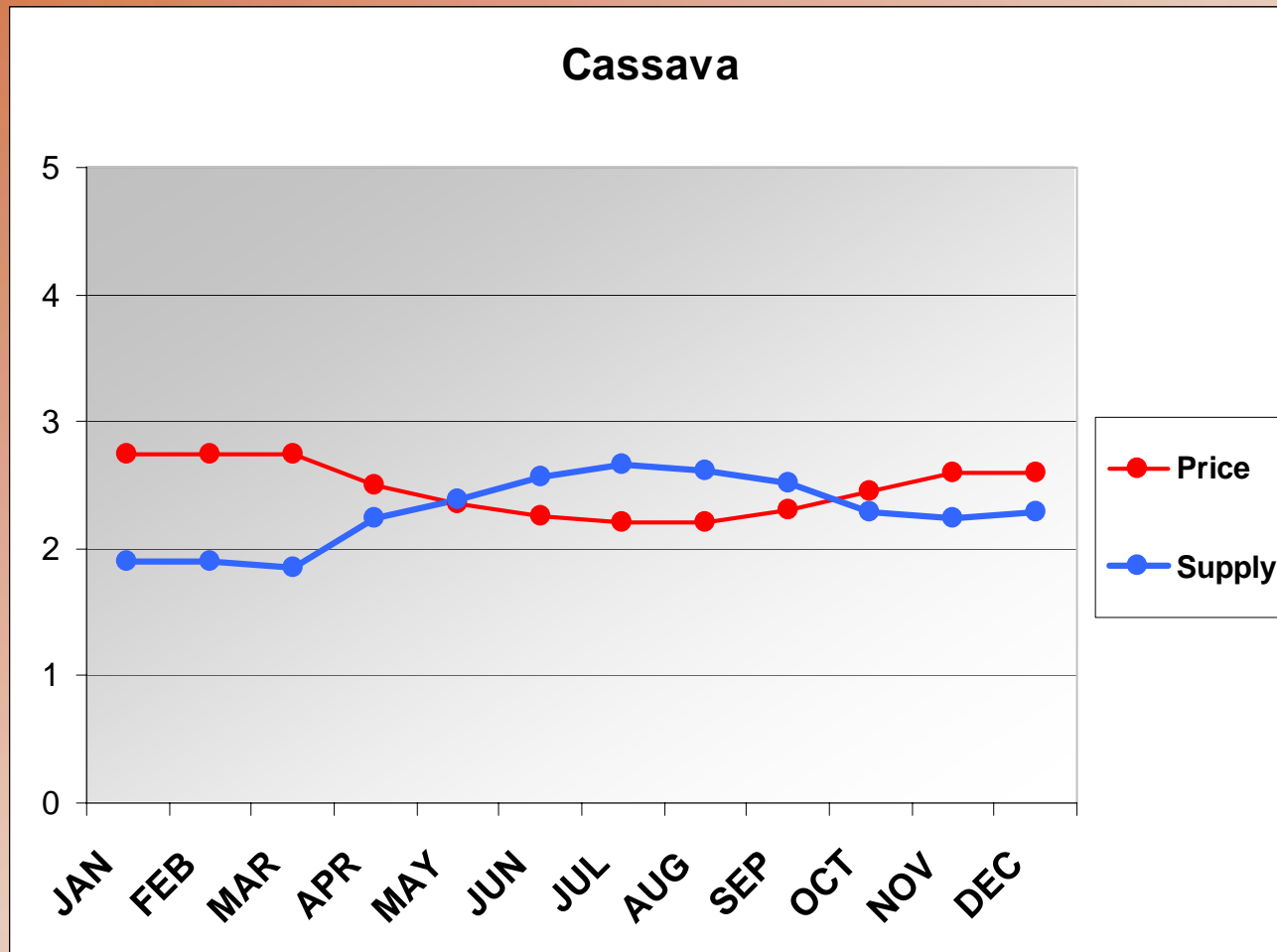
Seasonality of Supply and Prices

- Using PRA tools, seasonal calendars were developed to assess seasonal trends in supply and price of 9 food commodities

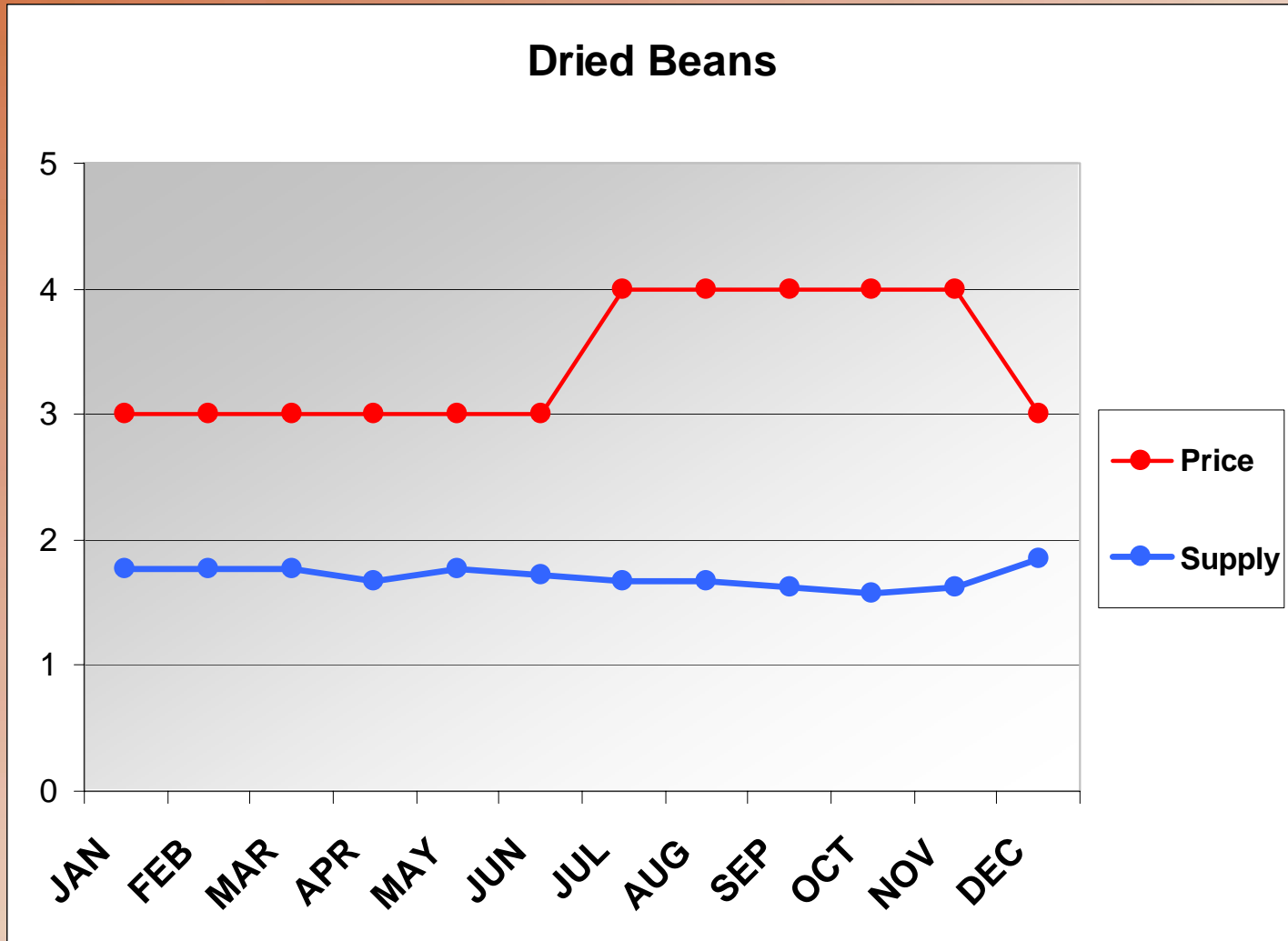
Seasonality of Supply and Market Price



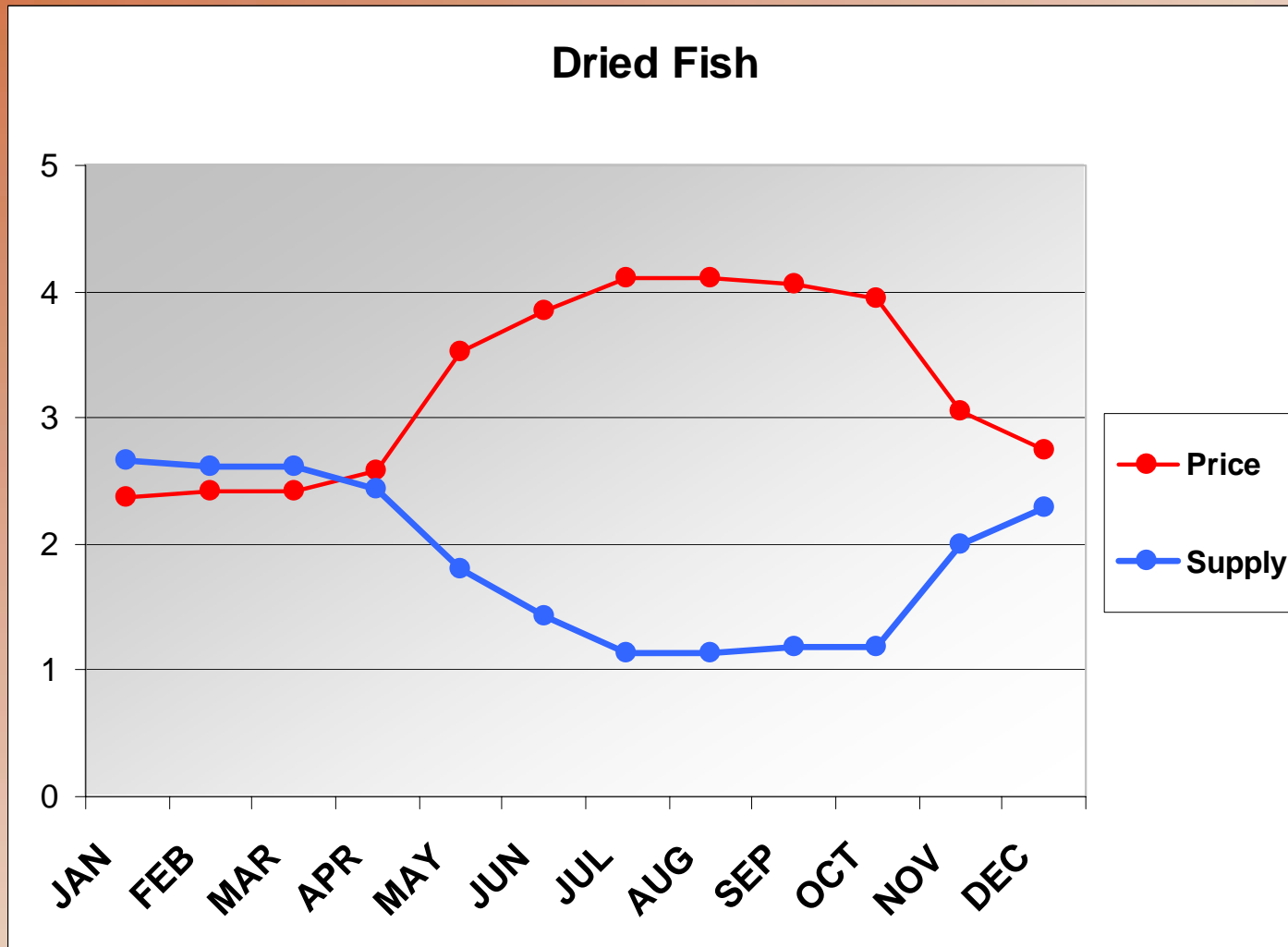
Seasonality of Supply and Market Price



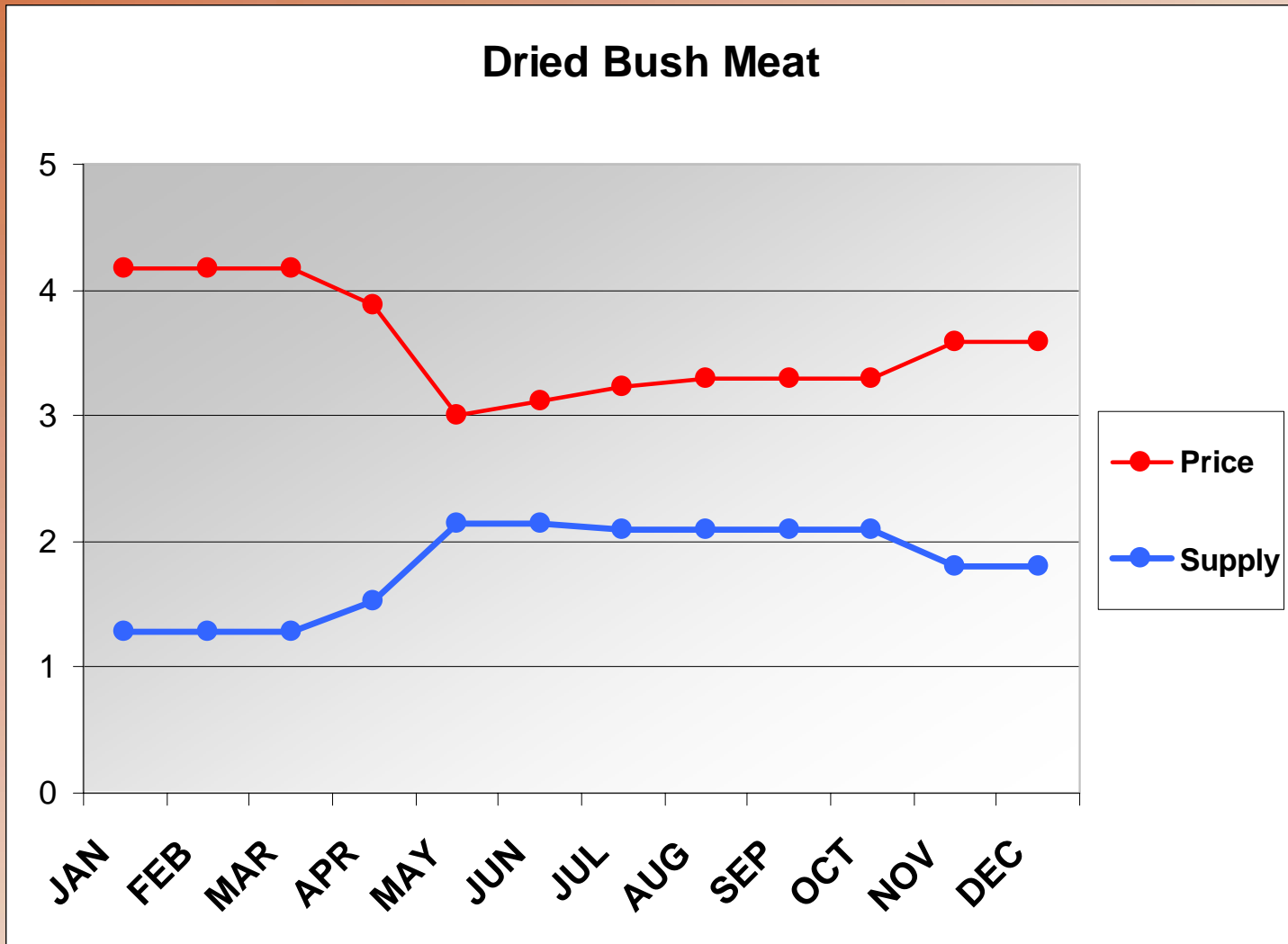
Seasonality of Supply and Market Price



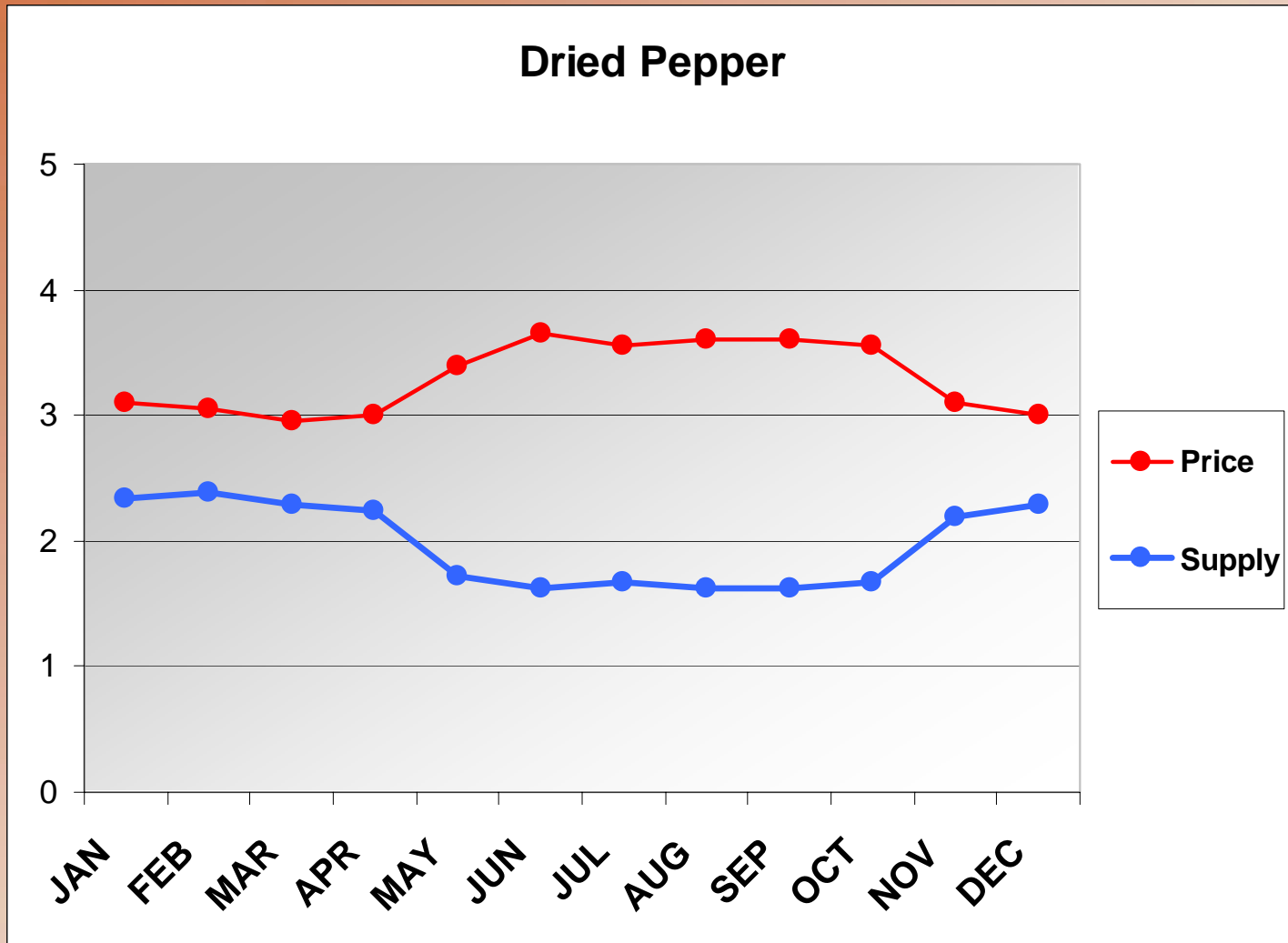
Seasonality of Supply and Market Price



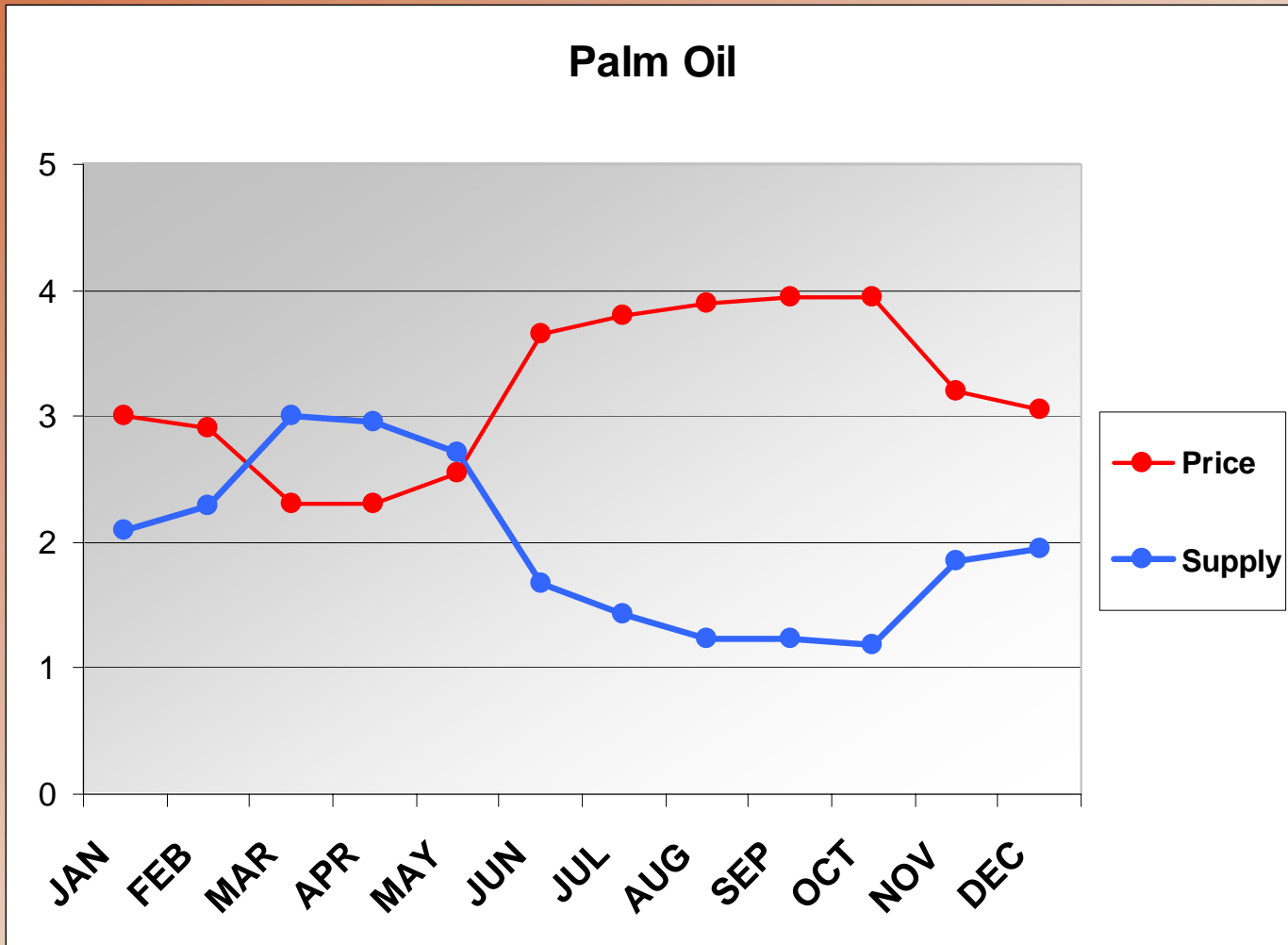
Seasonality of Supply and Market Price



Seasonality of Supply and Market Price



Seasonality of Supply and Market Price





Challenges/Constraints for Marketers

- **General constraints**
 - Deplorable road conditions that result in high transport cost, frequent breakdown of vehicle and high spoilage of perishables
 - Few vehicles plying the marketing routes
 - Lack of proper storage facilities. The few private warehouses are inadequate and provide poor storage conditions with no ventilation or pallets
 - Lack of garbage disposal, potable water and toilet facilities at almost all markets
- **Constraints of Producers Sellers**
 - Produce has to be head-loaded from farms to markets, limiting amounts marketed
 - Produce often rots because it cannot be transported to markets
 - Perceived change in the climatic conditions is affecting production
 - Infestation and destruction of certain crops by pests
 - Inadequate farming inputs
 - Lack of and/or inadequate MOA extension staff



Challenges/Constraints for Marketers cont.

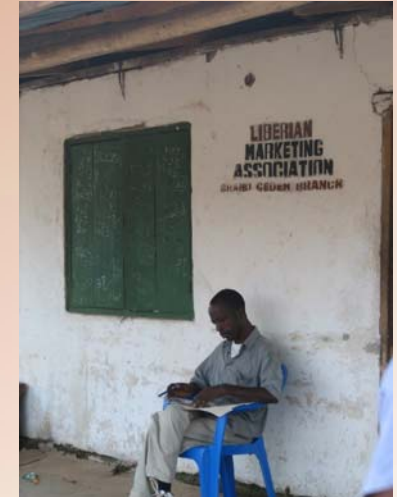
- **Constraints of Wholesalers**


- High marketing costs attributed by fluctuation in the exchange rate, gate and customs fees and high transport fares
- High losses particularly in perishables resulting from several days on the roads, slow sales and deterioration in qualities

- **Constraints of Retailers**

- Lack of credit facilities to improve the businesses
- No benefit is derived from fees paid to LMA. Extra fees are paid to private individuals for toilet and storage facilities
- High purchase prices charged by wholesaler especially if you take the goods on “sehpay” (2 – 5 days credit) basis

Preliminary Recommendations





Developing a Sustainable Market System

- A sustainable market system requires **produce**, **sellers**, and **buyers** by
 - First, improving access for distribution through improved transport, especially road and rail networks.
 - Second, improving availability through increased agricultural production
 - Third, improving the market institutions
 - Fourth, improving the physical infrastructure of market places
 - Fifth, improving access to credit



Increasing Access to Markets

- Rehabilitation and expansion of the road network, including farm to market roads
- Rehabilitation of the Yekepa – Buchanan railroad for commercial purposes



Increasing Availability of Commodities

- To improve food security, markets must have a reliable and larger supply of commodities. To achieve this, the following is recommended:
 - The introduction of appropriate technologies
 - Improved extension services
 - Enhanced availability and access to farm inputs
 - Establishment of improved and high yielding seeds and planting materials multiplication centers
 - Encouraging the establishment of agro-processing and off-farm rural-based enterprises
 - Restocking and expansion of small ruminant and poultry production



Improving Market Institutions

- LMA could provide critical services to marketers if properly organized and managed. It is recommended that:
 - The leadership of LMA, at both the national and local level, be democratically elected by the marketers
 - The operations and functions of LMA be decentralized to empower the local membership and leadership to make decisions regarding the management and development initiatives at the county/district level
 - The collection and distribution of market fees should be transparent to all
 - External support should be provided to LMA to train and build management capacity and skills at both the national and local levels



Improving Market Infrastructure

- Market hall construction should focus on accommodating marketers during the rainy season and provide shelter from the sun
- Market halls should have zinc roofs and concrete floors but without walls. Concrete tables should be provided for fresh meat and fish traders. Movable tables can be provided for other sellers
- Potable water and toilet facilities should be available at all markets
- Improved warehousing and storage facilities




Improving Access to Credit

- Both wholesalers and retailers view access to credit as important to “improving their business”
 - Reactivation and expansion of banks to rural Liberia, including the Agricultural and Cooperative Development Bank
 - Introduce micro-credit programs and business management training



Monitoring of Markets and Prices

- In order to capture seasonality and other variations, it is recommended that key indicators are monitored on a monthly basis, including:
 - Availability of staple food commodities
 - Availability of seeds - particularly rice - and tools
 - Commodities traded cross border
 - Wholesale and retail prices of key food commodities
 - Availability and cost of transportation
 - Attendance
- National coverage including at least one daily and one weekly market in each county
- In order for the system to be sustainable, the monitoring should be integrated into the existing national statistical infrastructure, e.g. LISGIS and MoA
- External support should now focus on capacity-building of these institutions



***Thank you and we
welcome comments***