

West and central Africa

WFP Regional Bureau Dakar Markets Update during COVID-19 pandemic

Highlights

- Almost all countries of the region affected by the COVID-19 pandemic have closed their borders (land, air and sea), imposed night curfews, locked-down some localities, and implemented social distancing measures and movement restrictions (localized or countrywide). In some countries, social distancing measures have led to adjustment in markets' opening hours or the closure of some of them.
- In March, the impacts of these measures were relatively light in countries where markets were functioning well before the crisis. It should also be noted that the mitigation decisions were generally taken by the end of March 2020 and thus most of the impacts are expected during the following months.
- The countries in which markets' situation was already fragile and which could face further deteriorations (supply chain disruptions and price increases) as a result of COVID-19 impact are: Central African Republic, Gambia, Liberia, Mauritania, Niger, Senegal, and Sierra Leone. In several of these countries non-seasonal price increases of 10% to 20% have already been recorded in monthly variations for food products.
- For other countries, the scope of the negative impact will depend on the duration of the mitigation measures, the resilience of the markets and the interventions to be implemented, especially targeting of the most vulnerable households in affected areas.

Market trends

Benin

Apart from the ban on commercial flights from countries most affected by the COVID-19 pandemic and the closure of borders, no measures were taken in March that could have seriously affected commercial activities and the functioning of markets. A sanitary exclusion zone was decided for 2 districts of the South (Littoral and Atlantique).

Markets are generally well supplied with local and imported food products and have stable or declining prices in almost all markets. However, imported rice prices have increased in some markets in the sanitary exclusion zone such as Sehoue (+12%), Ouando (+9%) due to additional costs incurred by traders when they pass through the police controls on the roads.

Burkina Faso

In order to fight the COVID-19 pandemic, the government has taken several mitigation measures affecting markets:

- Lock-down of all locations with confirmed COVID-19 cases. 12 localities including Ouagadougou and Bobo-Dioulasso are

affected;

- All main markets in Ouagadougou were closed between 26 March and 20 April. Similar measures have been taken in other cities with COVID-19 cases.
- Restriction of movement between the different provinces of the country.

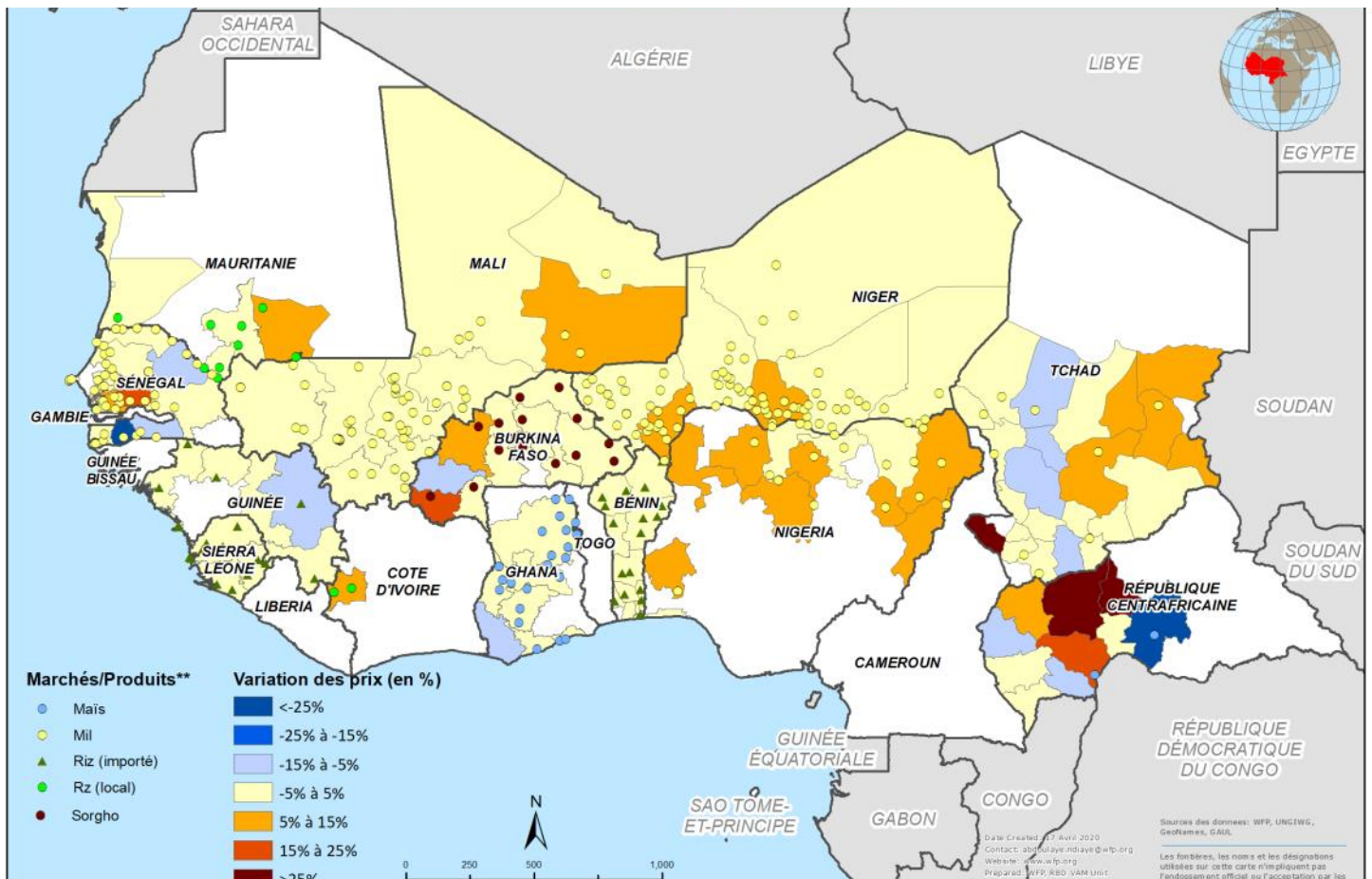
Despite these measures, the supply in staple food products remained generally good in most of the country's markets.

Compared to February 2020, the average price of sorghum has increased by 15% in the Cascades region, but overall prices in all parts of the country are stable or lower than in March 2019 or compared to the five-year average.

These decreases are largely explained by the good agricultural production (15% increase over the five-year average). The early release of stocks by producers can also explain this fact.

In the north and east of the country affected by insecurity, markets in urban areas remain generally functional while most of the markets in rural areas are closed.

Map 1 : One month changes in cereal prices in West Africa in March 2020 compared to February 2020



Source: VAM-RBD, 2020

Cameroon

Following the rapid increase of the number of COVID-19 positive cases in March, the government imposed the closure of all borders (including air and sea borders) except for freight. In addition to the curfew that has been instituted in many other African countries and the restriction of movement between different localities in the country, the other measures taken, although sometimes not respected (for example closure of bars and restaurants) did not directly affect the markets functioning.

Maize and rice prices increase exceeded 50% in the Extreme Nord (Maroua) markets but are more related to supply difficulties caused by the increase of police and army checkpoints in the fight against Boko Haram. The same situation is noted in the anglophone zone (South-West and North-West) where a double blockade (Government' army and rebels) is in place reducing the supply of food products to the main markets. The insecurity is also hampering agricultural production activities.

In the rest of the country, prices are stable or declining due to the good agricultural production of the previous season.

CAR

The main COVID-19's mitigation measures affecting markets are as follows:

- Restrictions on the movement of people between Bangui and the provinces, with an increase in formal and informal controls on

the roads by law enforcement officials;

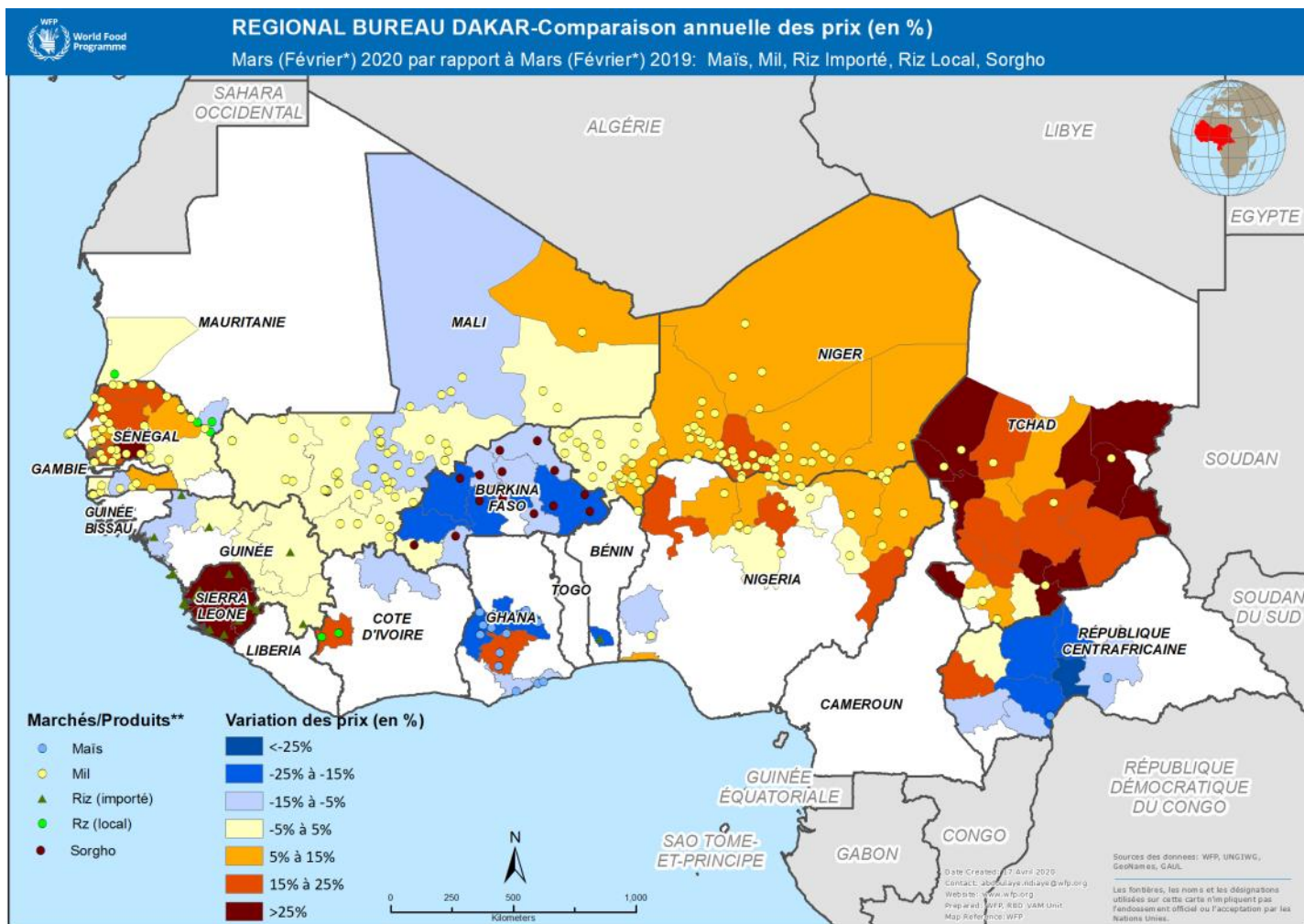
- The closure of borders and the intensification of controls leading to a slowdown in supplies from abroad.

These mitigation measures have exacerbated an already difficult market situation with significant increases in food prices since the beginning of the year. For dry cassava (cossette), which is the most consumed food in the country, the price increase in Bangui between February and March 2020 is 16%, while compared to the five-year average, it is over 50%. At the same time, prices of this tuber are doubling in some localities such as Boali and Bossemptélé. It should be noted that the sharp drop in production of this tuber during the current agricultural season caused price increases of 30% to 40% compared to March 2019 depending on the area of the country before the current health crisis worsened the situation.

These price increases for dry cassava are being transferred to other foodstuffs such as maize and millet, whose prices have risen by more than 40% in cities such as Bouar, Bossangoa and Paoua.

The administrative and police harassment on the roads could result in price increases for imported food products (rice, oil, sugar, etc.) and non-food products (hygiene and health products), which are essential for coping with the current COVID-19 crisis.

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



Cote d'Ivoire

Following the first cases of COVID19 in Côte d'Ivoire, the government decided to lock-down the city of Abidjan (entry and exit of people). In addition, the Guru markets as well as the markets and restaurants in Yopougon were closed in March.

Despite these decisions, markets in Abidjan and across the country remained generally well supplied in March with both local cereals and tubers as well as imported food products such as rice, oil and sugar.

In terms of monthly variation (which is a better measure of the increase in prices since the COVID-19 mitigation measures were taken), there were

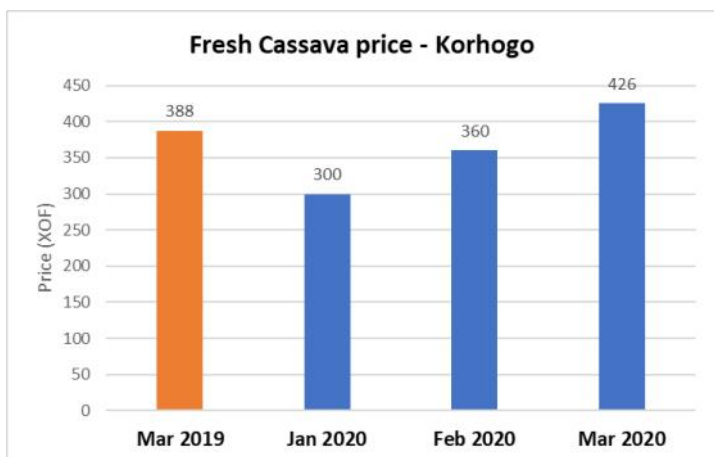
price increases for local rice, maize and cassava ranging from 5% to 15% in the country's various markets (Ferké, Boundiali, Bondoukou, Man). Imported rice rose 33% in Boundiali, from 300 FCFA to 400 FCFA in March.

Substantial price increases compared to the five-year average were recorded for fresh cassava in Korhogo (+28%) and Man (+22%) due to poor rainfall, which led to a drop in production. However, it is difficult to conclude that these increases are related to COVID-19 mitigation decisions.

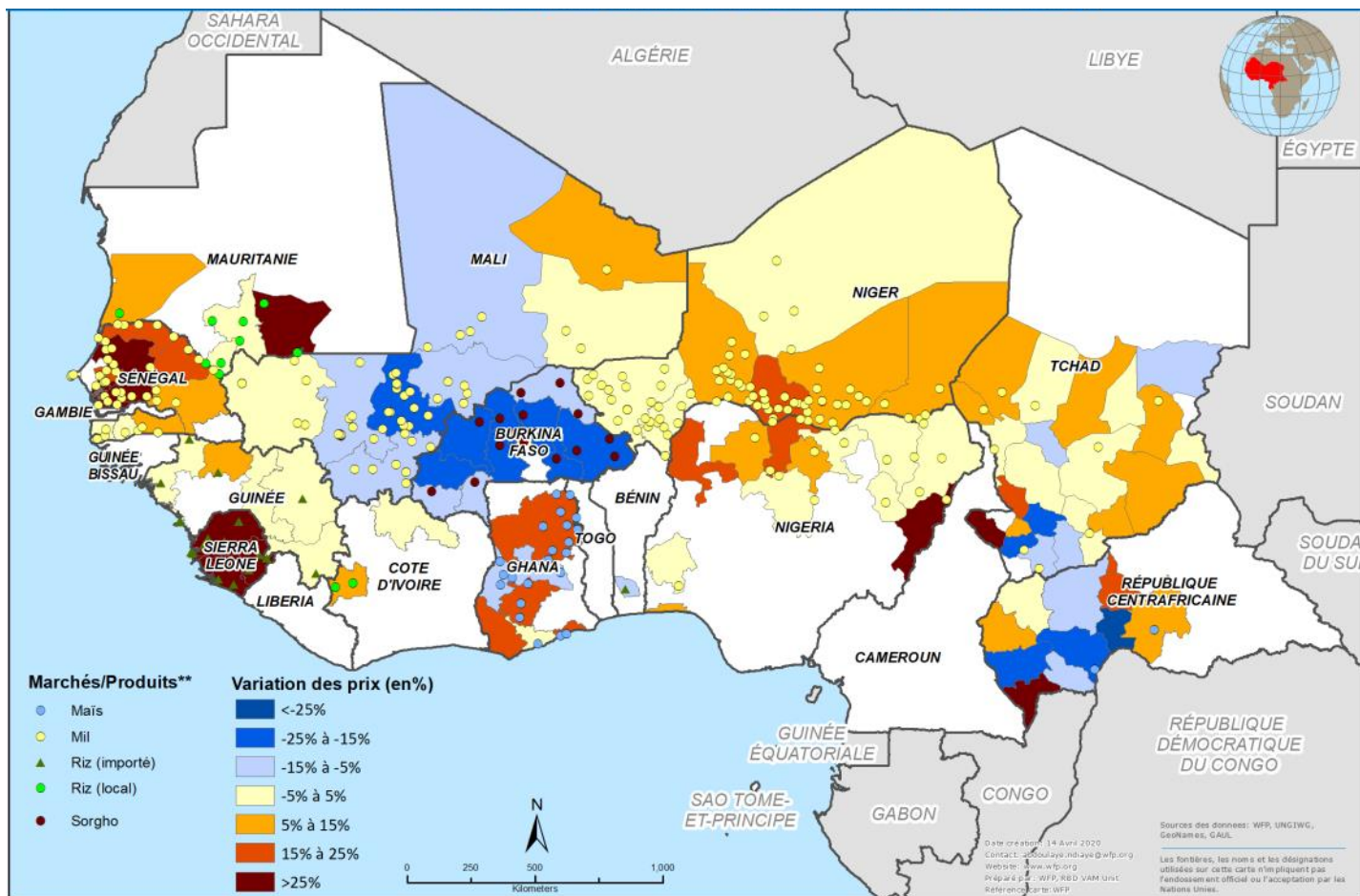
Gambia

Despite a relatively low number of cases in March (2 cases as of 31 March), the Gambian government has taken vigorous measures to prevent the pandemic. Mitigation measures affecting markets include the closure of borders, including land borders with Senegal, and the suspension of open markets and weekly markets (Louma) for 21 days.

The decline in agricultural production this year due to delayed rains has resulted in price increases of around 20 to 30 percent in the country's markets compared to last year and to the average of the last five years. This situation has been aggravated since the measures against COVID-19 were taken. Indeed, between February and March 2020, the price of millet rose by 50% in the West Coast region and by



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



Source: VAM-RBD, 2020

11% in the North Bank. The price of broken rice also increases by 8% to 17% in the countries' markets.

Ghana

As of March 2020, 2 regions of the country have been confined following the first cases of COVID-19. Population in Greater Accra and Greater Kumasi have received a stay-home notification. Movement restrictions have been also imposed in the country especially on the Accra-Kumasi axis. Within the two urban centres, intra-urban movements have been reduced due to the social distancing recommended to fight against COVID-19. Anarchic market stalls have been destroyed to create space for social distancing.

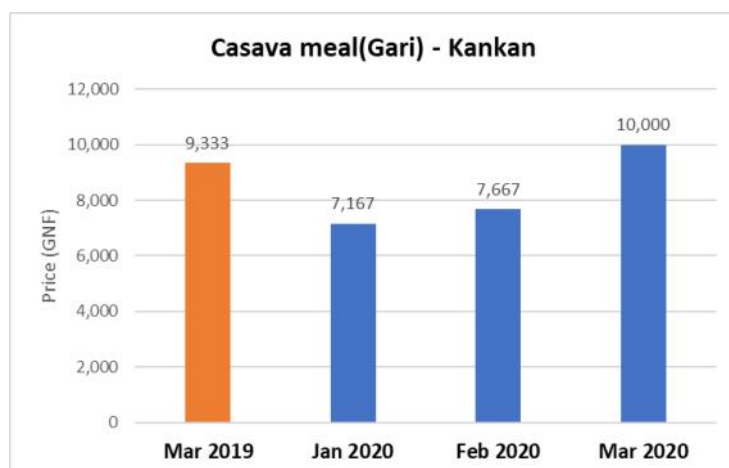
The absence of monthly price increases shows that the measures taken against COVID-19 pandemic did not negatively impact the functioning of the markets in March. However, several regions in Ghana (Ashanti, Greater Accra, Western, Northern) recorded price increases for maize, cassava and imported rice in annual variation and compared to the five-year average. For imported products, this increase is largely due to the depreciation of the local currency (Cedis) compared the US dollar. The resulting price increase is passed on to local products through a substitution effect that increase their demand leading to higher prices.

Guinée

As of March 31, 2020, the country had 22 confirmed cases of COVID-19. The government decided, among

other things, to introduce a curfew and a restriction on the exit of people from Conakry. However, there have been reports of restrictions on the exit of goods as well. As part of the social distancing measures, the number of passengers allowed in public transport was reduced (from 6 to 3 for taxis). This decision and its implementation led to a strike by taxi drivers in Conakry who wanted to protest against the loss of income that such a decision would cause. Following this strike, the government lowered the price of fuel (petrol, diesel and oil) from GNF 10,000 to GNF 9,000 to reduce the taximan's charges.

In March, food prices remained broadly stable (variation between -5% and 5%) or lower than last year and the average of the last 5 years. However,



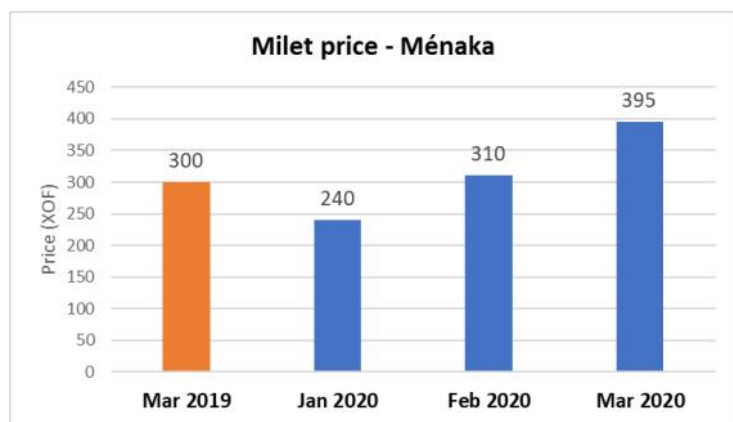
prices of cassava and cassava products are soaring in almost all countries (+75% in Macenta, +60% in Beyla, +31% in Labé) compared to the 5-year average. The drop in production of this tuber, coupled with exports to neighbouring countries such as Côte d'Ivoire, has led to a scarcity of this product in some markets in the country, and to an increase in its price and its derivatives.

Mali

Few of the measures taken by the government of Mali in the fight against COVID-19 directly affect the functioning of markets. Markets have remained open in the country with a restriction on closing time (4 p.m.) only for the Bamako "Grand Marché". However, border slowdowns for freight and fuel trucks have begun to create tensions in the supply chain for imported products. In particular, the closure of the border with Algeria is affecting supplies from that country. In addition, the closure of weekly markets in Senegal, and in Mauritania, reduces the opportunities to sell local food products.

Compared to the five-year average, prices of the main cereals consumed in the country (millet, sorghum, maize and rice) are stable or decreasing, except in Kidal region, which is experiencing difficulties in supplying local products (due to insecurity) and imported products as a result of the closure of the Algerian and Mauritanian borders.

Some markets in the Mopti, Gao and Ménaka regions are also experiencing price increases for millet and sorghum mainly due to security problems.



Mauritania

Night curfews and border closures are some of the measures taken by the Mauritania's authorities in the fight against the COVID-19 pandemic. Restrictions on movement, which mainly concerned Nouakchott, (which has most of the confirmed cases of the disease), were extended to the city of Kaedi. This city has been completely locked-down for entry and exit following the discovery of a case of COVID-19 coming from Senegal. As a result, it was decided to close all weekly markets (especially border markets) that facilitated trade of cereals and livestock. In addition, the closure of the borders began to hamper the southward transhumance (Mali, Senegal) of animals facing a pasture deficit.

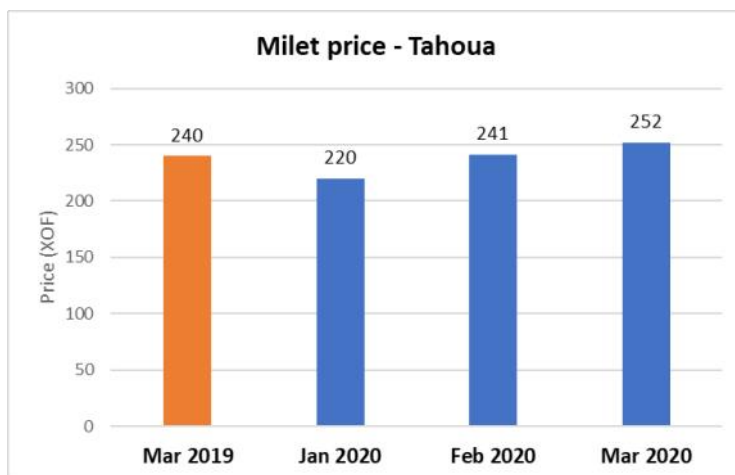
This crisis occurs when Mauritania is facing a rise in local cereal prices due to the drop down in

agricultural production during the 2019-2020 season. Price increases have been generally low compared to the past month except in Nouakchott, where the price of local rice has risen by 18%, and in Tintane (+16%). In the other monitored markets, the prices of the main staple foods are stable or even falling as is the case for imported products when compared to last month. Thus, as observed in other countries, the measures taken to combat COVID-19 in the second half of March have not yet affected the normal functioning of the markets. On the other hand, compared to last year, prices for local rice and millet are 25% higher in Tintane (in Hodh El Gharbi). Compared to the five-year average, the price of wheat is 14% higher in Ouadane in Adrar, while the price of local rice is 10% higher in Trarza.

Niger

The first cases of COVID-19 occurred at the end of March. The government measures to deal with the crisis took effect from March 29th and are expected to have a negative impact in the coming months. The lock-down of Niamey, the night curfew and social distancing measures leading to the destruction of some anarchic market stalls are the main measures that may affect the markets. The closure of borders and the intensification of road controls have also led to some slowdown in food and non-food supplies.

Prior to the crisis, Niger's markets were facing challenges resulting from a combination of three main factors: i) the drop in agricultural production (-13% compared to 2019 and -6% compared to the five-year average); ii) the closure of the border with Nigeria; iii) the deterioration of the security situation in the East (Diffa) and West (Dosso, Tillabéri). It should be noted that the decline in production does not affect all regions. Thus, regions with good production but facing difficulties in transferring surpluses to deficit areas or to Nigeria are experiencing price declines for millet, sorghum and local rice due to oversupply. At the same time, structurally deficit pastoral areas and insecure areas are experiencing a shortage of market supplies in food products leading to price increases. Price increases ranging from 20% to 35% are recorded for sorghum and millet in the markets of Maradi, Tillabéri and Zinder.



Nigeria

Nigeria is one of the countries to have implemented a 2-week containment and closure in the cities of Lagos and Abuja (in addition to a night curfew). The federal government has asked people in both cities to stay at home except in case of emergencies. This measure, which came into effect on 29 March for an initial period of 14 days, led to panic buying in both cities. This led to temporary stock shortages and localized price increases. Following the decision of the federal government, some states (Bauchi, Plateau) have also decided to close their borders, hindering the movement of food products.

Millet and sorghum prices are increasing in most markets in northern Nigeria with variations ranging from 5% to 25% depending on the market compared to the five-year average. In the insecure north-eastern areas (Adamawa), the price of millet has increased by 27 percent in the Mubi market. These price increases are more related to the security situation in northern Nigeria, which is hampering agricultural production and reducing trade between the different zones. The closure of borders with neighbouring countries and the fall in the exchange rate of the Naira against the US dollar are also affecting the prices of local and imported products.

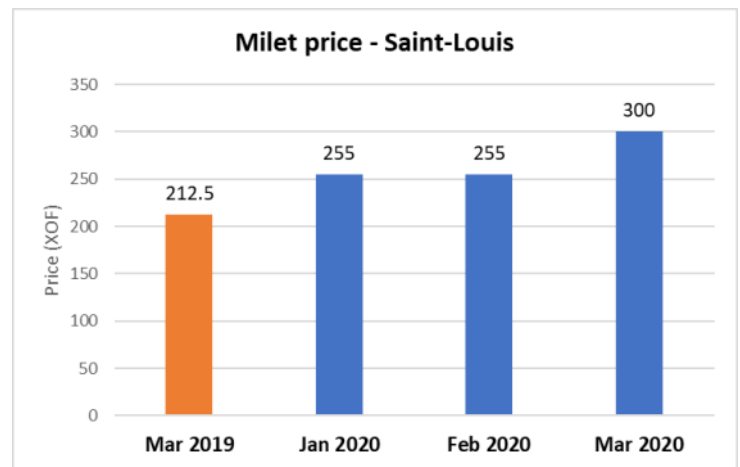


Senegal

Local cereal prices had been on an upward trend for at least 3 months, both year-on-year and compared to the average of the last five years. These increases are largely explained by the decline in agricultural production following the significant rain delays in the 2019-2020 crop year. It was also noted that, in some areas, relatively greater demand of cereals was noted, especially after the sales period of groundnuts, this in anticipation of lower supplies and price increases during the lean season. The first imported cases of COVID-19 prompted the government to take the following mitigation decisions affecting the markets:

- Closure of weekly rural and urban markets
- Reduced market opening hours (8 a.m. to 2 p.m.)
- Restriction of movement between localities except for goods
- Reinforcement of border controls for persons and border closures for transhumant

The closure of weekly markets in mid-March due to COVID-19 resulted in a reduction in the marketing of local grains by producers. As a result, compared to the five-year average, the price of millet is increasing by more than 25% in the groundnut basin and in the agropastoral zone. The price of imported rice also increased by 10% to 24%, probably due to difficulties in transporting this commodity from Dakar to the regions.



Sierra Leone

The country registered its first confirmed case of COVID-19 on March 31 and pandemic measures were implemented in April. As a result, food price developments in March were not affected by these measures.

Since August 2018, Sierra Leone has been facing a collapse in the exchange rate of its currency against the US dollar. Indeed, the Leone has lost half of its value against the US dollar compared to January 2016. At the end of March 2020, the exchange loss compared to that date was still 83%.

This has translated on the markets into an increase in the prices of imported and local food and non-food products with an overall inflation rate that has stabilized above 30% for more than a year. The prices of imported foodstuffs such as rice are on average 50% higher than the five-year average. The same is true for cassava, sweet potato and local rice.

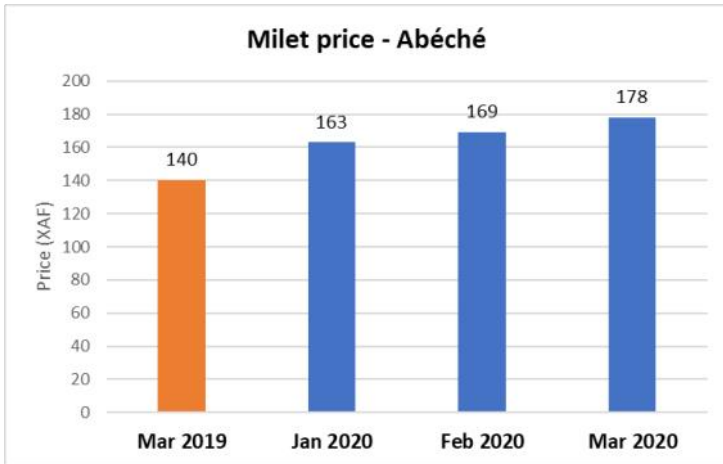
Tchad

Due to the low number of confirmed cases of COVID-19 in the country in March, the control measures taken by the Government have not been significant and mainly involve a night curfew, the closure of non-food shops in markets and the establishment of a food price control system.

Since January, Chad was facing an increase in local cereal prices of between 25% and 50% in annual variation resulting, on the one hand, from the drop in production in the Sahelian zone and, on the other hand, from the state of emergency in the east, west and north of the country, which is hampering market supplies.

Indeed, the actions of rebel movements in Tibesti have prompted the government to declare a military zone in this region. In the Lake Chad region, the resurgence of attacks in Boko Haram has severely limited trade in the region, including in Kanem and

neighbouring Barh-el-Gazal regions. In the East, conflicts between pastoralists and farmers have taken often dramatic turns (more than 50 deaths in 2019) leading the government to declare a state of emergency in the regions in order to contain the situation. Despite the fact that this decision was lifted at the end of January 2020, its impact on the markets continues. It should be noted that local cereal prices have been relatively low over the past 3 years.

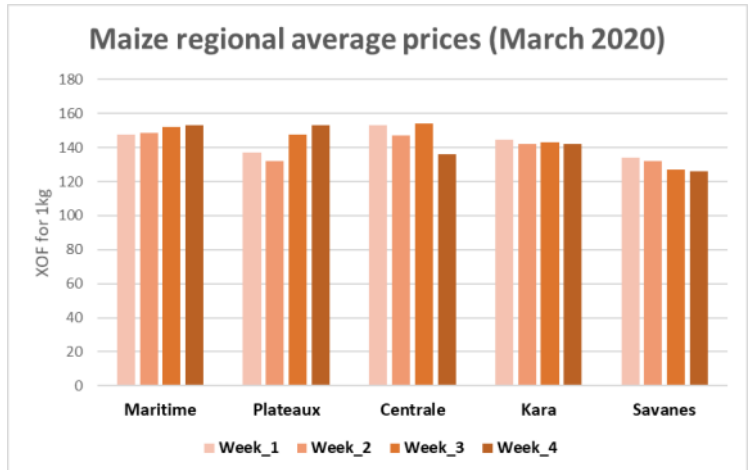


Togo

Four cities have been quarantined due to high numbers of confirmed COVID-19 cases: Lomé, Kpalimé, Tsévié and Sokodé. Movement restrictions were imposed in March between the different

localities preventing food surplus areas from feeding food deficit areas. In addition, the increase of police barriers on roads has hampered supply chains. In the markets of these localities, social distancing and the closure of unregulated stalls have reduced trade volumes.

Despite these measures, markets remained globally well supplied with local and imported food products throughout the country, with prices generally below five-year averages, although slight increases (less than 10%) were recorded in the last week of March especially in the southern regions of the country.



Sources of information:

- The information concerning the restrictions imposed as a result of COVID-19 is coming from, the following website :

<https://unwfp.maps.arcgis.com/apps/opsdashboard/index.html#/db5b5df309ac4f10bfd36145a6f8880e>

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

Further information related to markets in the region can be found by following the link : <https://www.platorme.sim2g.net/>



For more information, please get in touch with WFP RBD-VAM unit : rbd.vam@wfp.org



vam
food security analysis