

Essential Commodities Report



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MINISTRY OF COMMERCE & INDUSTRY

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Essential Commodities Report

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Essential Commodities Index

The Essential Commodities Report is a product of the Price Analysis and Marketing Division of the Ministry of Commerce and Industry using price data collected by the Liberian Institute for Statistics and Geo-Informational Services (LISGIS), stock information collected from key distributors, and international price data from International Institutions. The report is intended to inform policy makers, businesses and consumers and is NOT designed as a guide to set prices. Price data from LISGIS is only available for the Monrovia region, consequently this report does not accurately reflect conditions outside of Monrovia. The ECI index is made up of fifty items that makes up fifty percent of the economic activity in Liberia. It is not a replacement for the LISGIS CPI index, but was established by MoCI in order to track the essential commodities. ECI Industry is targeted to industrial users and reflects manufacturing inputs. The ECI C is targeted to commercial producers and covers the cost of doing business. For questions on methodological issues please visit www.moci.gov.lr

Summary

- *The general price level on the market has remained constant over the last three months.*
- *Current rice stocks will run up till November 2013, and the price of rice is constant. For a 25Kg bag prices range from \$11.50 to \$16.00 while 50Kg prices range from \$28.00 to \$32.00 respectively.*
- *Cement stocks take us to October 2013 and price of cement remains constant since its last decrease by 1.4% in July 2013.*
- *Petroleum prices denominated in LD rose from LD330 to LD340 and LD335 to LD345 for gasoline and diesel, respectively. Partly due to LD exchange rate factor.*
- *Price of wheat flour has decreased from \$42.00 to \$38.00 (50Kg bag) over the period due to an increase in import of 31,000 (50Kg bags) as compared to April's 16,000 (50Kg bags) import.*
- *The Liberian Dollar has depreciated against the USD. The current buying rate is LD\$80:1USD and it is impacting commodities purchased in LD\$.*

The Essential Commodities Report is a product of the Ministry of Commerce and Industry using price data collected by the Liberian Institute for Statistics and Geo-Informational Services (LISGIS), stock information collected from key distributors, and international price data from International Institutions

ESSENTIAL COMMODITY INDEXⁱ

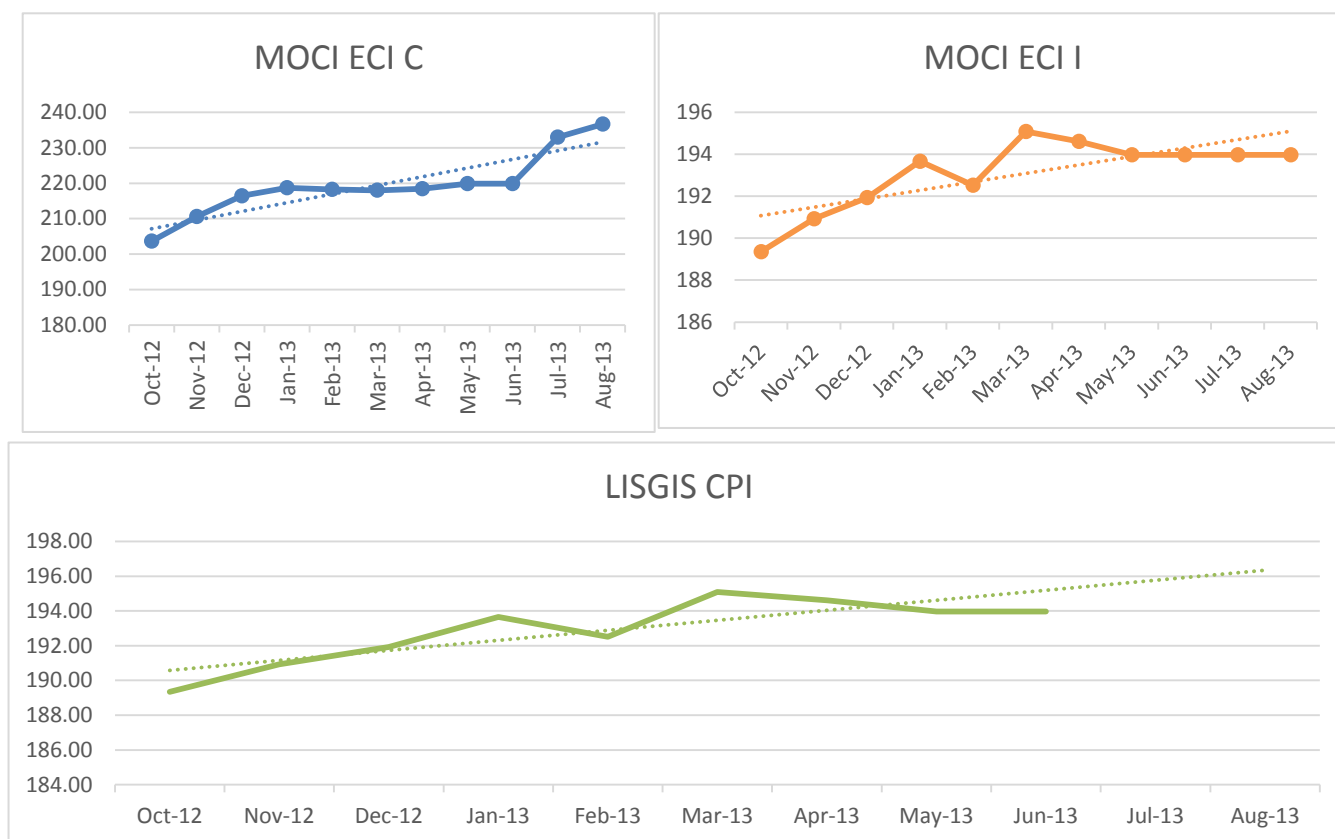


Table 1. Selected GoL price indices (2005=100)

| | Oct-12 | Nov-12 | Dec-12 | Jan-13 | Feb-13 | Mar-13 | Apr-13 | May-13 | Jun-13 | Jul-13 | Aug-13 |
|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| MOCI ECI C | 203.64 | 210.58 | 216.42 | 218.70 | 218.25 | 218.02 | 218.43 | 219.87 | 219.87 | 232.98 | 236.67 |
| MOCI ECI I | 228.09 | 207.81 | 212.09 | 220.72 | 219.27 | 219.44 | 219.42 | 220.32 | 220.56 | 223.76 | 224.72 |
| LISGIS CPI | 189.35 | 190.92 | 191.93 | 193.66 | 192.52 | 195.08 | 194.61 | 193.97 | 193.97 | N/A | N/A |

Source: LISGIS; MoCI Price Analysis and Marketing

ECI Overview

- LISGIS CPI deflation continues due to downward pressure on the world market for fuel and food.
- MOCI Indices inflation continues due to constant increase in exchange rate from 78LD:1USD to 80LD:1USD, respectively.
- The disparity in figures between MOCI and LISGIS is due to the change in exchange rate. While LISGIS read prices in USD, MOCI ECI covert prices in LD.
- Liberian Dollars exchange rate depreciation seriously harms consumers especially for imported items including food and fuel.
- The increase in the ECI C as compared to ECI I was due to an increase in the price of food items including cassava fish and bonies (dried).

RICE

| Type | 50Kg | 25Kg |
|---|-------------|-----------|
| Indian Parboiled | 4,644 | 1,529,608 |
| Harbel Swat | n/a | 215,604 |
| Lady Noora | 171 | 46,543 |
| Island Broken | n/a | 207,856 |
| Uncle Sam | 11,568 | 112,345 |
| USA Parboiled | 2,970 | 153,984 |
| Village rice | n/a | 1,175 |
| Sun Rice | 14,797 | 31,406 |
| Elephant Parboiled | n/a | 47,305 |
| Crown Broken Parboiled | n/a | 18,001 |
| Parboiled Pink 5% Pussawa | n/a | 364 |
| Parboiled Yellow Pussawa | n/a | 127 |
| Indian Bellaluna 1001 | n/a | 302,440 |
| Butterfly | 540 | n/a |
| Current Grand Total Stock of Rice in Bags (50Kg & 25Kg) | 34,690 | 2,809,348 |
| Total (50kg bags) | 1,439,432.5 | |

Note: Stock Data from Ministry of Commerce & Industry

Price

The price of pussawa rice is LD\$30.00 per cup. This has stayed constant from July 2013 to present despite the upward pressure on rice prices due to the LD depreciation against the USD. This is probably a result of lower international rice prices.

Stocks

The existing stock of 1,439,432.5 (50Kg bags) will take us to November 2013 as compare to the previous stock of 1,790,171.5 (50Kg bags).

International outlook

The FAO Rice Price Index remained above 240 points for all the months in 2013 until August, when it fell to around 234 points, down about 3% from around 241 in July 2013. The decline was mostly in Indica rice, with the higher and lower qualities retreating by 3% and 5% respectively. According to the FAO, the prices of fragrant rice declined by around 1% in August 2013, while Japonica rice quotations remained mostly unchanged.

CEMENT

| No. | Firm type | No. of Bags (50Kg) | Metric Tons |
|--------------------|------------------------|---------------------------|-----------------|
| 1. | Local Production Daily | 20,000 (50Kg bags) | 1,000MT |
| 2. | Imported stock | 641,520 (50Kg bags) | 32,076MT |
| Total Stock | | 661,520(50Kg bags) | 33,076MT |

Note: Stock Data from Ministry of Commerce & Industry

| Month | April | May | June | July | Aug. | Sep. |
|---------------------------|----------|----------|----------|----------|----------|----------|
| Cement: 42.5R (50Kg Bags) | US\$8.38 | US\$8.62 | US\$8.50 | US\$8.50 | US\$8.50 | US\$8.50 |

Note: Price Data from Ministry of Commerce & Industry

Price

According to MoCI price figures, the price of cement decreased by 1.4 percent in June and subsequently remained the same for September 2013. The reason of this decrease has been as a result of competition in the cement market from foreign imports. FOB price of cement per 50Kg bag is currently US\$3.28. Retailers buying cement from importers are paying US\$7.65 and selling at US\$8.50 per bag to end users.

Stocks

Cement stocks is expected to last until October 2013. Presently only one firm has imported cement. Their current warehouse stock is 641,520 (50Kg bags).

Production and sales

Domestic production of cement is 120,000 bags per week. This makes up 93% of the total weekly sales of cement of 129,000 bags.

FUELS

| Date | Description of Products | Beginning Stocks in Gals. | Quantity Sold in Gals. | Ending Stock in Gals. |
|-------------------|-------------------------|---------------------------|------------------------|-----------------------|
| September 5, 2013 | AGO | 2,380,756 | 205,550 | 2,175,206 |
| September 5, 2013 | PMS | 4,226,894 | 143,500 | 4,083,394 |

Note: Stock Data from Ministry of Commerce & Industry

| Commodities: USD&LD | Apr. 2013 | May 2013 | June 2013 | July 2013 | Aug. 2013 | Sep. 2013 |
|---------------------|-------------------------|-------------------------|---------------------|---------------------|---------------------|---------------------|
| Gasoline (PMS) | US\$4.18/ LD\$315.00 | US\$4.18/ LD\$325.00 | US\$4.18 LD\$325 | US\$4.28 LD\$330 | US\$4.28 LD\$330 | US\$4.28 LD\$340 |
| Diesel (AGO) | US\$4.21/ LD\$315.00 | US\$4.21/ LD\$325.00 | US\$4.21 LD\$325 | US\$4.31 LD\$335 | US\$4.31 LD\$335 | US\$4.31 LD\$345 |

Note: Price Data from Ministry of Commerce due to LISGIS not collecting any data.

Price

For petroleum the US\$ denominated price has remained the same since its increase in June from US\$4.18 to US\$4.28 while the price of AGO has increased from US\$4.21 to US\$4.31 per gallon. The Ministry of Commerce and Industry converts LISGIS prices to LD\$ as most consumers buy in Liberian dollars. Due to the depreciation of the LD\$ the price of imported items such as fuel has gone up by a greater amount.

Stocks

Fuel stock is expected to last for two months according to latest LPRC figures.

International outlook¹

Crude oil prices surged 5.5 percent in July and averaged \$105.2/bbl, due to strong demand, supply outages and geopolitical tensions. Global refinery demand jumped sharply in June and continued into July following heavy spring maintenance. In addition, China's crude oil imports leapt 20 percent to a record high—as imports were fairly flat in the first half of the year. Crude oil supplies were reduced in a number of countries, notably Libya where striking workers and protests shut down most oil terminals, and exports and production fell to under half in early August. Iraq's crude production continues to decline because of various security problems and suspension of exports from the Kurdistan region due to disputes among authorities over payment and contract terms. Supplies remain vulnerable in Nigeria, South Sudan, Yemen and elsewhere, and conflict in Syria and events in Egypt underscore geopolitical tensions in the region.

WHEAT FLOUR

| Description of Items | Weight/Size | FOB Unit Price | Average Wholesale Price Monrovia | Average Retail Price Monrovia | Average Retail Price Rural |
|----------------------|-------------|----------------|----------------------------------|-------------------------------|----------------------------|
| Wheat Flour | 100LBS | US\$20.23 | US\$38.00 | US\$40.50 | US\$48.14 |
| Wheat Flour | 50LBS | US\$10.17 | US\$19.00 | US\$20.25 | US\$24.30 |

Note: Import Data from Ministry of Commerce & Industry

Price

The wholesale price of wheat flour has decreased from \$42.00 to \$38.00 (50Kg bag) over the period due to an increase in import of 31,000 (50Kg bags) as compared to April's 16,000 (50Kg bags) import.

Stocks

Import volumes of wheat flour has increased from a low of 16,000 (50Kg bags) in April to 31,000 (50Kg bags) in June 2013. This still remains below average import of flour for 2012 at 32,000 (50Kg bags).

International outlook¹

Prices of wheat flour increased, particularly in Afghanistan and Pakistan, as supplies from the 2013 new crop dwindle with the completion of the harvests. In Low-Income Food-Deficit Countries wheat flour prices in the past month remained about one-third higher than their year-earlier levels..

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International Rice Outlook from the FAO global food price monitor, August 2013.
http://www.fao.org/giews/english/gfpm/GFPM_08_2013.pdf

ⁱ The International Fuel Outlook is obtained from the IMF monthly committee market monitor

ⁱ The International Flour Outlook is obtained from the FAO global food price monitor, August 2013. http://www.fao.org/giews/english/gfpm/GFPM_08_2013.pdf