

Impact of the Russian-Ukrainian Crisis on wheat flour and bread prices

Highlights

- 34%** The average price per kg of wheat flour increased by 34% between January and August 2022
- 20%** The price of bread made from wheat flour increased by an average of 20% since the beginning of the year
- 54%** Prices per kg of local flours, especially maize and cassava, are around 54% higher than those of wheat flour
- 67%** The price of a 250g loaf of bread made with local flour is 67% higher than a similar bread made with wheat flour



Background

Russia is Cameroon's leading supplier of wheat (wheat and meslin) and fertilizer. The Russian-Ukrainian crisis is impacting wheat supplies to Cameroon since the beginning of the year. This situation resulted in an increase in import costs and in inflationary pressures for wheat flour and its derivatives (bread, pasta, etc.), but also fertilizers, as well as some building materials ([INS, 2022](#)).

The Government of Cameroon tried to cushion the effects of the crisis by subsidizing the import of consumer goods, through the adoption of fiscal and customs support measures. This helped slowing down the rise in the price of consumer goods such as wheat flour. Nevertheless, a 50kg bag, which used to cost between 17,000 XAF and 19,500 XAF in January 2022, has risen by an average of 37% and was selling for 24,000 to 26,000 XAF in August 2022, depending on the brand.

At the retail level, the price per kg of wheat flour increased by 34% on average since January 2022, when it costed about 500 XAF, while it reached 650 XAF per kg on average in August 2022 (see Figure 1). This increase in wheat flour prices consequently led to an increase in the price of bread.

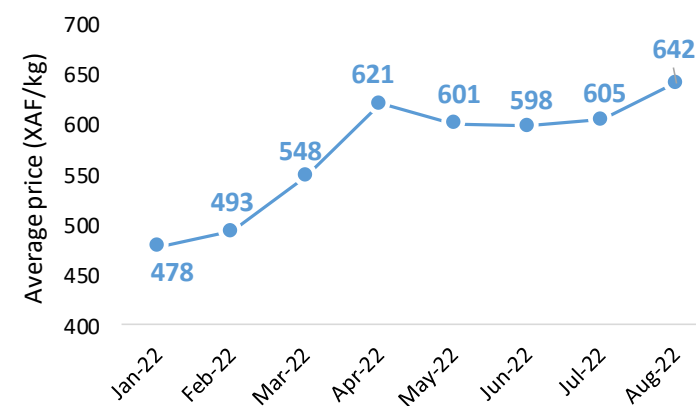


Fig. 1: Monthly evolution in the national average retail price of wheat flour (January - August 2022) (Data source: WFP and FEWSNET)

Impact on bread prices

Following a mutual agreement between the Government of Cameroon and the unions of millers and bakers, the price of bread has increased by 25-50 XAF per unit since the beginning of the year, depending on the weight. A 125g bread for instance went from 100 XAF to 125 XAF, a 150g bread went from 125 XAF to 150 XAF, and 200-250g breads respectively increased 250 XAF and 300 XAF. This represents an average increase over 20% in the price of bread in Cameroon. Some bakers have chosen not to increase the price of their wheat-based bread, but instead to reduce its weight. Although this practice does not fall within the framework of the agreement, it is used by many bakers who consider that a 25 XAF increase in the price of bread is not sufficient for them to cover production costs in view of the wholesale price increases recorded for wheat flour throughout the country. Therefore, in some bakeries, the price of a baguette has been maintained its pre-crisis amount, although the quantity of flour used to make it has been reduced.

Another long-term measure undertaken by the Government to reduce the sector's vulnerability to external shocks is to promote the production of local flours. A platform of local flour promoters in Cameroon (Profalcam) was set up with in August to produce 5,000,000 tons of quality flour by 2030. To achieve this, six crops have been selected: Cassava, plantain, potato, maize, millet and sorghum. For 2023, the members of this platform for instance aim to produce 26,100 tons of cassava flour, 18,210 tons of plantain flour, 4,395 tons of potato flour, 8,280 tons of corn flour and 4,380 tons of millet/sorghum flour ([Cameroon-tribune](#), September 2022).

WFP has also been using cassava flour bread in the framework of its Home-Grown School Feeding (HGSF) pilot program in the Adamawa and East regions. In some bakeries in the major cities of the country, breads based on these local flours are already being sold since several years (mainly based on a mix of wheat flour with cassava, plantain, potato, or yellow maize flours). If the current Russian-Ukrainian crisis has promoted them at the national level, their development remains hindered by a higher price compared to wheat flour-based products. For example, the price of a 250g bread made from plantain flour in a bakery in Buea costs around 500 XAF, while the same quantity bread made from wheat flour costs 300 XAF. This large price difference is explained by the high cost of local flours, as shown in Figure 3. To mitigate this, more support to local producers is needed to increase the availability and competitiveness of these local flours.

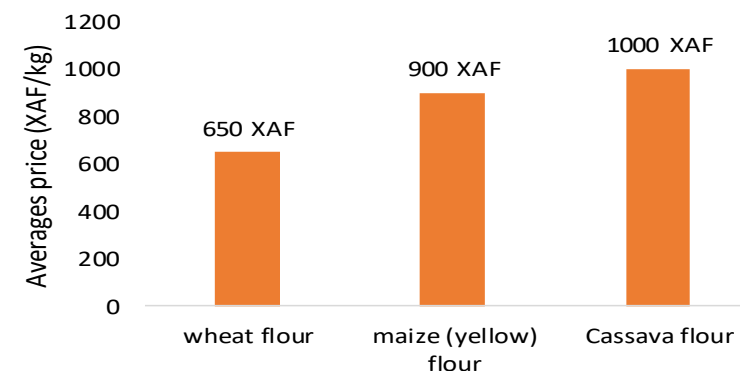


Fig. 2: comparison of prices per kg of wheat, maize and cassava flour (Data source: PAM/[Cameroon-tribune](#), Sep 2022)



Fig. 3: Example of local flours (Source: [EcoMatin](#), Paul Tjeg, 06/09/2022)



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