



West and Central Africa

Market situation in 2021 and 2022 outlooks—Février 2022

Highlights

- World cereal production in 2021 was estimated to grow by 1.8% compared to 2020, reaching 2793 million tonnes, due to an increase of 2.2% in world stocks in January 2022 compared to the same period last year. However, the use of cereals, estimated at 2805 million tonnes, continues to grow due to demand for animal feed, industrial use and human consumption.
- Uncertainties on the volumes of these productions and the coming one are linked to the increase in the price of inputs (fertilisers, fuel, electricity, pesticides), rising labour costs and more frequent climatic hazards (drought in North America, Western Europe and Africa, floods in South America). Meanwhile, the global economic recovery in 2021 following the slowdown caused by COVID-19 in 2020 leads to an increase in global demand. Additionally, transport costs remained very high even if they stabilised by the end of 2021. The combination of all these factors is resulting in record levels of food prices on the international market. For example, the FAO food price index in December 2021 exceeded its highest level ever and is 34.6% above the December 2017 level. This trend continued in January 2022
- Markets in West Africa are being severely affected by these price increases on the international market. Rice, wheat, oil, sugar and more generally processed imported products are seeing their prices rise by 20% to 50% depending on the country. The situation is even more worrying for local food products which, because of the drought that the Sahel experienced during the 2021/2022 agricultural season, have seen significant drops in production (-75% compared to the five-year average in some regions of Niger). The prices of these commodities, which were already scarce on the markets during the harvest period, are between 30% and 150% higher than the five-year average in December 2021. In addition to the rise in international market prices and the fall in production, the deteriorating security situation in some countries (Burkina, Mali, Niger, Nigeria) and the weakness of local currencies against the US dollar (Nigeria, Ghana, Liberia, Sierra Leone, Gambia) are other factors driving up consumer prices.
- In some areas of the Sahel, households have hardly harvested anything and therefore have not emerged from the previous lean season. More globally, an early lean season is expected, with risks of a doubling of staple food prices in several countries while household incomes are stable or declining. The Ramadan period, which generally leads to an increase in demand and prices, could exacerbate pressure on the markets in April. These various factors could aggravate the already very bad food security and nutrition situation in the region. Early response actions by governments and other partners are essential to save lives, preserve the productive capital of the most vulnerable populations and help them prepare for the upcoming agricultural season.



World crop production and stocks

According to the latest FAO forecasts in January 2022, world cereal production in 2021 would have reached **2 793 million tonnes**, **49 million tonnes** up from its 2020 level, despite the fact that world cereal production in 2021 has been reduced by 0.2%, due to lower estimates of sorghum production in Burkina Faso, the USA and Niger. The increase in world crop production is due to higher-than-expected wheat production in Argentina and Australia, as well as slightly higher production estimates in Russia and Ukraine.

Meanwhile, world grain stocks at the close of the 2021/2022 crop years have been raised by 2.2 million tonnes since December, reaching **824 million tonnes**. This value is still above their January 2021 levels (**802m tonnes**) even if they are slightly down. World grain trade in 2021-2022 is forecast at a record volume of **481 million tonnes**, 0.4% up on 2020-2021, and grain use is forecast at 2 805 million tonnes, up 1.6% on 2020-2021 figures. This increase in the level of use is due to animal feeds, industrial utilization and human consumption.



World food commodity prices

The international grain market remains constrained by a combination of factors that have driven and/or exacerbated price increases in 2021 and may continue through 2022. These factors include the successive waves of the COVID-19 pandemic and its continuing direct and indirect impacts on national and international supply chains. In

addition, the maritime logistics sector has experienced disruptions and container shortages affecting trade in agricultural commodities and inputs. In addition, world fuel and fertiliser prices have exceeded their early 2020 levels, putting upward pressure on agricultural production and transport costs.

World rice prices were stable (except in Vietnam and Pakistan, where significant declines in prices occurred (according to Inter Rice) in December 2021 due to the gradual arrival of the new Asian harvest. International rice prices in December 2021 were below their levels of the previous year and showed mixed trends compared to their five-year averages.

World maize prices were stable in December 2021 due to increased seasonal supplies. Maize production in 2021 is estimated to have risen due to higher than previously projected production in Ukraine and the US. World production is thus expected to exceed last year's level by 3.6% (AMIS and USDA). However, international maize prices in December 2021 remained above their December 2020 and five-year average levels.

Wheat prices remained stable due to a slight increase in supply at the end of 2021. However, in December 2021 their prices remain significantly above their December 2020 and five-year average levels. The increases in 2021 were caused by strong animal feeding demand combined with lower than expected production in some well-known producing countries (Canada, Russia and the US).

Assumptions for cereals production and prices in 2022 will be influenced by production costs, input costs, freight costs, weather conditions, remaining effects of COVID-19 and government interventions regarding production and trade (FAO):

- World rice production in 2022 is estimated to be slightly higher than in 2021. Thus, for the first quarter of 2022, prices are expected to remain stable but above the five-year average due to increased supply from major producing countries.
- With a slight increase in world maize production expected in 2022, prices will remain close to 2021 levels and thus above the five-year average.
- Estimates of world wheat production in 2021/22 have been revised upwards, which would result in prices in 2022 being slightly lower than in 2021 (World Bank).

FAO food price index to rise in January 2022

The FAO food price index rebounded in January 2022, rising by 1.1% compared to December 2021, well above its December 2020 level (see chart). This increase was mainly due to the strong increase in the vegetable oil and dairy sub-indices, which was partially offset by the second consecutive monthly decline in sugar prices. In contrast, the meat and cereals sub-indices remained broadly unchanged:

- In January the FAO cereal price index rose slightly by 0.1% compared to December 2021 but 12.5% higher than in January 2021. This increase is due to the higher maize prices, which gained 3.8% in January compared to last year, and the increase in sorghum prices.
- The FAO vegetable oil price index is up by 4.2% compared to last month and reaches its highest level ever recorded. This increase is mainly due to higher prices for palm, soybean, rapeseed and sunflower oils. It is important to note that after a short decline in December, international palm oil prices rebounded in January, due to fears of a possible reduction in exportable supplies from Indonesia, the world's largest palm oil exporter. Rapeseed and sunflower oil prices were driven, respectively, by continued tightness in supply and rising global import demand. Higher crude oil prices also supported the rise of international vegetable oil prices.
- An increase of 2.4% in the FAO dairy prices index was recorded in January 2022 compared to December 2021, the fifth consecutive monthly increase and an increase of 18.7% compared to January 2021. This increase is attributable to skimmed milk powder and butter due to the tightening of world markets as a result of reduced exportable supplies,

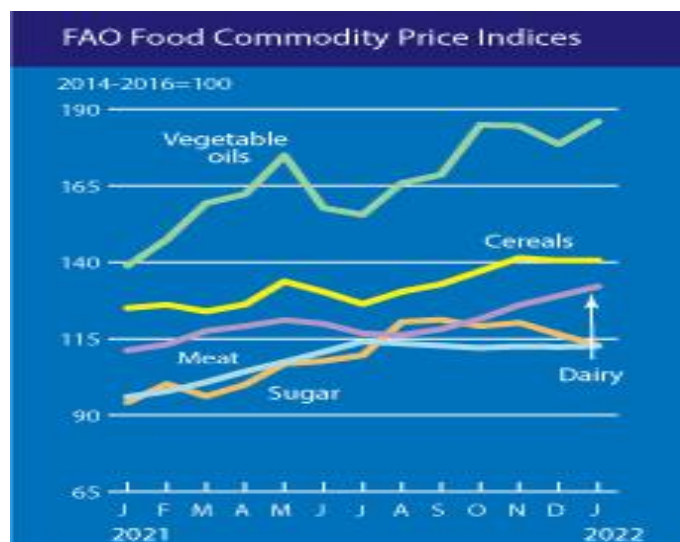
particularly in Western Europe, where lower milk deliveries by some large milk producers and reduced stocks have been reported.

- The FAO meat price index rose slightly in January 2022 compared to December 2021, bringing the value of the index to 17.3% higher than January 2021. This is because beef meat prices have reached a new record high, due to strong global demand exceeding exportable supplies from Brazil and Oceania. On the other hand, pig meat prices have risen slightly as labour shortages and high input costs have reduced global supply.

West Africa: Declining agricultural production in the Sahel

Agricultural production estimates shared at the November 2021 workshop of the Regional Food Crisis Prevention and Management (PREGEC) mechanism in the Sahel and West Africa indicate a total cereal production (maize, rice, millet, sorghum, fonio and wheat) of 73.3 million for the 2021-2022 season. This is a 1.8% decrease compared to the previous season and but an increase of 3.1% from the five-year average. This reduction in production is the result of decreases in the Sahelian countries of around 12% and 7% respectively compared to the previous season and the average for the last five years.

The most important declines in cereal production compared to the five-year average are observed in Niger (-36%), Mauritania (-18%), Burkina Faso (-10%), Gambia (-8%) and Chad (-6%). It is important to note that according to recent data from some countries such as Mali, cereal production has fallen by around -6%.



On the other hand, in the coastal countries, estimates indicate an increase in production of around 5% and 9% respectively compared to last year and the five-year average. In Côte d'Ivoire, however, production is up by 1.3% compared to last year but down by 9% compared to the five-year average.

The forecast production of tubers is 202.9 million tonnes, up 5% from last year and 11% from the five-year average. The forecast production of cash and industrial crops has overall increase compared to the five-year average, except for cowpea and voandzou, which are expected to be down on both last year and the five-year average.

These estimates will be refined when final production figures are made available at the March 2022 PREGEC. Nevertheless, current estimates already point to a downward trend in production that could have a negative impact on market supply, especially in areas with large production deficits.

Market situation in Westen and Central region

Benin

Three major factors have influenced food price trends over the past year: erratic rainfall in the south of the country, which has reduced agricultural production; massive food exports to neighbouring countries, notably Nigeria and Niger; and the effects of COVID19 on imported products.

Between December 2020 and December 2021, prices for local grains such as maize, millet, local rice, and sorghum increased by more than 20 percent compared to the average for the past five years. However, the price increase is more significant for certain tubers and derived products such as gari (+35%) and legumes such as cowpeas (+72% in July and 10% in December after the harvest in the north of the country).

In some markets in the capital, such as Dantokpa, significant price increases were

recorded in December for gari (+43.7%), palm oil (+81.8%), millet (+25%), and corn (+17.3%) compared to the five-year average. In some areas of the country, WFP (ALPS) projections show that prices could continue this upward trend until at least June.

For imported products such as oil, a significant increase in prices was observed on the Atakora, Dongo, Littoral, Plateau and Zou markets between May and December 2021, with prices rising from XOF 1,000 to XOF 1,500, an increase of 50%.

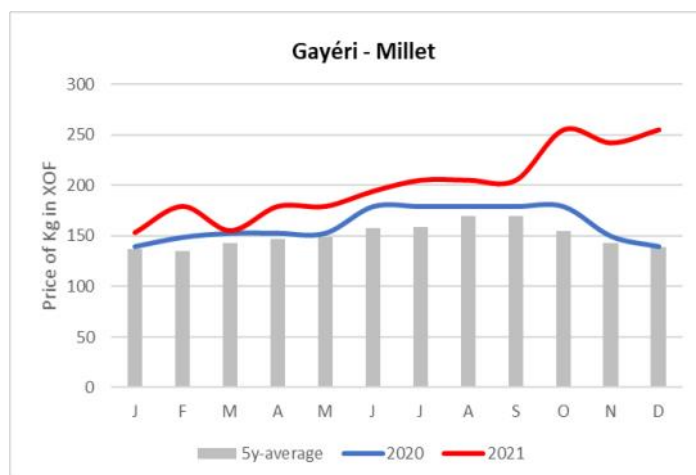
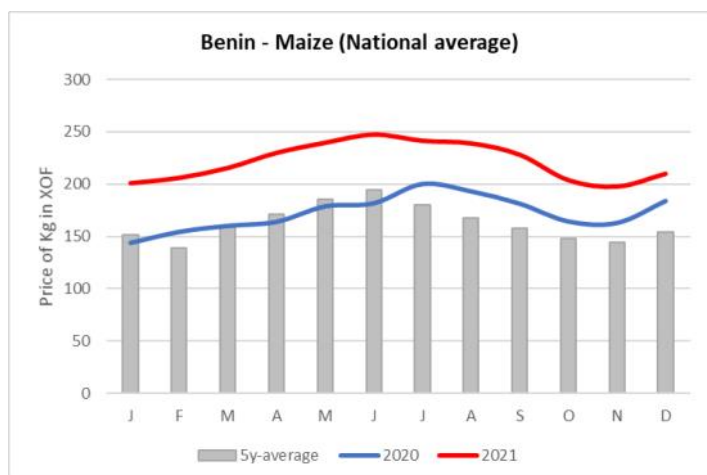
Burkina Faso

Throughout 2021, food prices were largely above the five-year average.

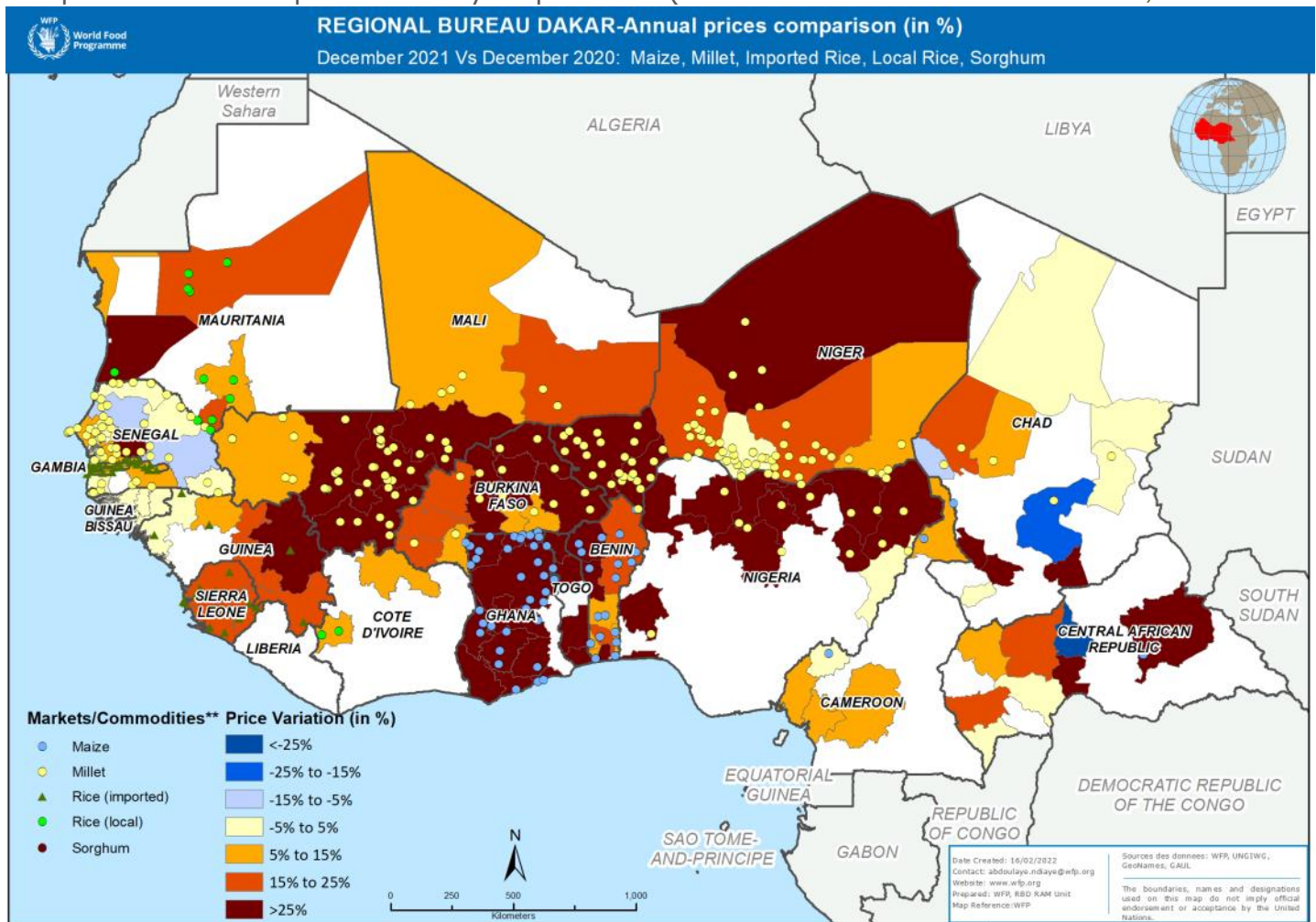
The price of millet, which had dropped in August and September 2021 following the harvests, started to rise again from October due to the poor agricultural campaign in several areas of the country. In December, the national average price of millet was 35% above the five-year average (13.5% in October and 24.6% in November showing a growing trend). The price increases for this commodity in December 2021 are even more important in some markets: Gayéri (+83.5%), Titao (72.9%), Koungousi (58%), Guelwongo (52%).

The price increases are even greater for corn. The national average of this grain have increased by 52.8% compared to the five-year average and shows peaks between 70% and 90% increase in some markets. The drops in inflows of food products (such as maize from coastal countries), the poor agricultural campaign and the security situation which continues to deteriorate are some of the factors which, apart from the rise in prices on the international market explain these strong price variations.

According to WFP projections (ALPS), almost all markets in the country could be in crisis for one or more commodities, with significant price increases especially in hard-to-reach areas of the Sahel, North, Center-North and East regions.



Map 1: Annual comparison of key staple foods (December 2021 – December 2020)



Cameroun

The prices of the main foodstuffs are generally on the rise compared to the five-year average. This price increase is higher for products such as plantain and white sorghum, with increases of 55.9% and 66.7% respectively at the national level in December 2021 compared to the average for the last five years. Maize and rice (imported and local) also show increases at the national level ranging from 20% to 30% compared to normal. Cowpea prices have more than doubled in the Far-North markets (+161% in Yagoua) compared to the five-year average. Although prices fell slightly in September 2021, they rose again in October and continued until the end of the year, affecting palm oil (+45% in December), macabo (+18.5%) and imported foodstuffs.

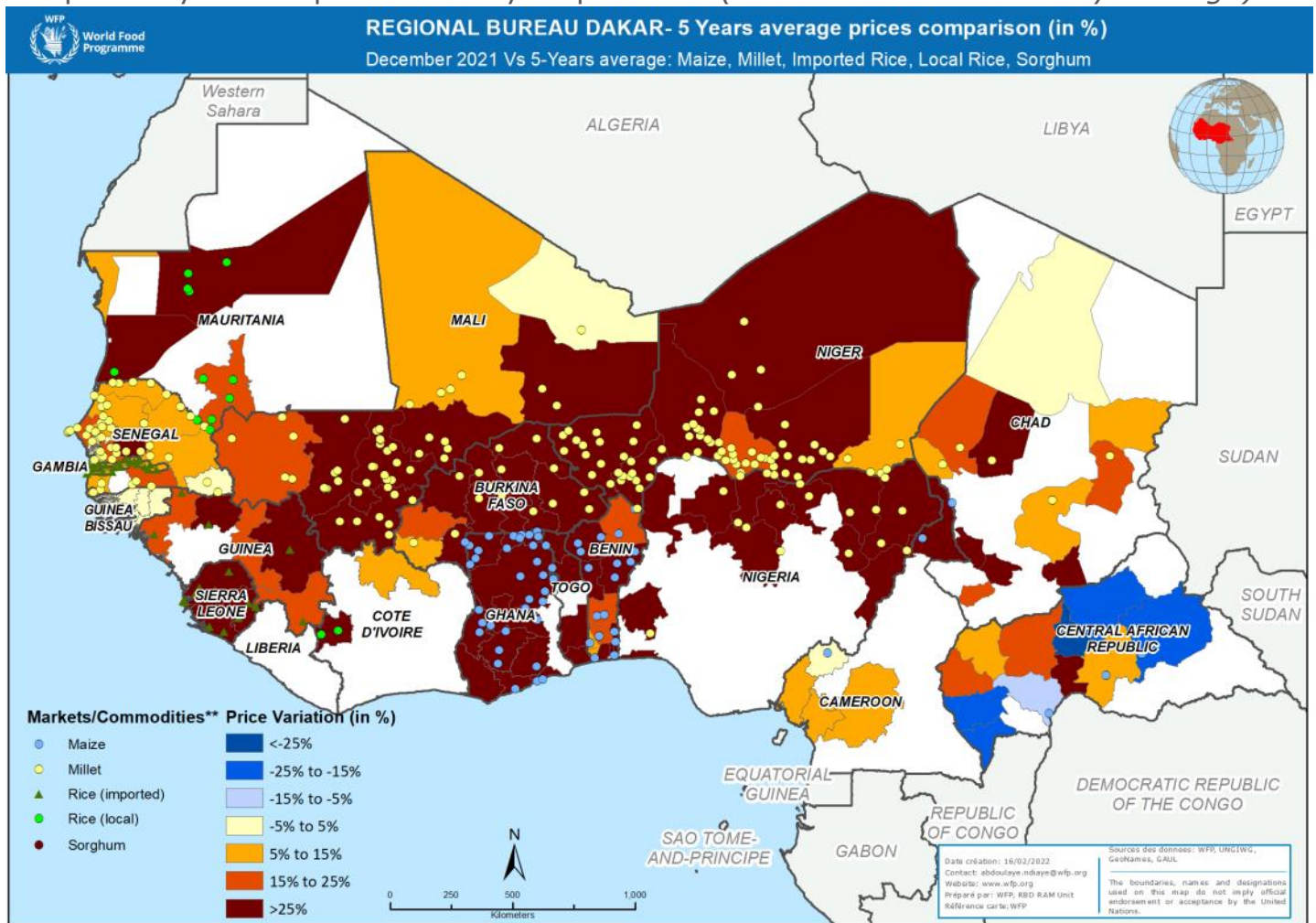
This rise in prices can be explained on the one hand by the particularly worrying security situation in the Extreme North, North West and South West regions, and on the other hand by the low production noted in recent years, which has led to lower than normal food stocks, smuggling of local cereals to Nigeria, disruption of supply chains and higher freight costs for manufactured and imported products.

Cabo Verde

The staple foods of the Cape Verdean population are cereals and tubers, such as maize, rice, wheat, cassava and sweet potato. However, the available natural conditions are not very conducive for large-scale agricultural production. In addition to limited availability of arable land, low soil fertility and a high degree of vulnerability to climate change, the country is affected by low rainfall and a limited availability of surface and ground water resources. Despite an intensified and diversified agriculture, with cereals, pulses, vegetables, roots and tubers and fruit trees integrated into the production system, the country produces less than half of the food consumed; this has an impact on the variability of food prices.

In December 2021, the price of local maize increased by 6% compared to the same period last year and to the five-year average. As for imported food products, the national average price of long grain rice rose by 19.6% in December 2021 compared to the five-year average, while the price of wheat flour rose by 7% over the same period. Prices for imported long grain rice have increased by 22% compared to the average of the last 5 years in

Map 2: 5-year comparison of key staple foods (December 2021 to the 5y-average)



the Santo Antao region, while the increase is 15% in the neighbouring region of Sao Vicente.

In Santo Antao, the 2021 agricultural season performed particularly poorly due to the crop pests (army worm) which led to a complete loss of production throughout the region. At the national level, the drop in cereal production is 74% compared to the five-year average. These price increases, although relatively small compared to other countries, are weighing on the purchasing power of the population because of the significant drop in income caused by the COVID-19 pandemic in the tourism sector and related economic sectors.

Central African Republic

Between December 2020 and February 2021, the humanitarian and security situation in the Central African Republic was characterised by new waves of violence and the blockade of towns by rebel forces causing massive population displacement. Despite the liberation of several towns in the country by government army offensive, the security situation continues to affect household livelihoods and the proper functioning of markets. In addition, the poor

agricultural season between 2019 and 2021 has led to a shortage of certain food products (cassava, maize, rice and beans) on the markets.

These various events have led to an increase in the prices of basic foods at national level. The prices of maize, cassava, rice and groundnuts rose by 74%, 21%, 12 and 7% respectively in December 2021 compared to the average for the last five years. The annual variations show that maize prices have experienced particularly strong increases of +100% from February to March 2021 compared to the same period last year.

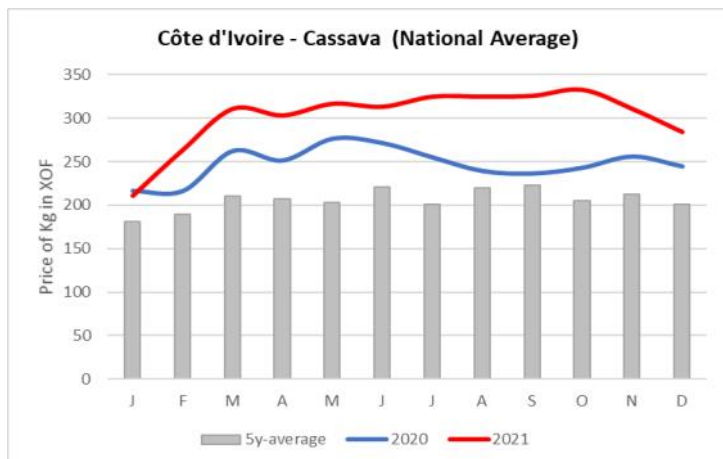
The high level of food prices during 2020 and at the beginning of 2021 has resulted in a relative drop in prices when compared with the five-year average. Indeed, the stabilisation or even decline in prices from the second half of 2021 onwards, following the surge at the end of 2020, creates the illusion of a price drop, whereas in reality it is just a gradual return to normal. Nevertheless, WFP projections show that prices could increase by 30% for meat and 50% for cassava by June 2022.

Côte d'Ivoire

According to official figures, provisional production estimates for the 2021/2022 crop year indicate a decrease of cereal production at 8.8% compared to the last five years average. The decrease of production per capita stands at 17% on the same basis of comparison. Local rice production in particular have declined, while production of other crops have increased slightly. At the same time, tuber production increased by 7% (down 1% from the previous season), with 13.2% for cassava.

Despite these announced increases in production, the price of cassava have been on the rise throughout the year 2021, reaching 61.7% at the national level compared to the previous five-year average before falling back to 41.2% in December. It should be noted that cassava and rice are the main staples in Côte d'Ivoire. The price of local rice is more stable (up 3% in December for the national average price), but have risen more significantly in some areas of the country (+34.1%) in the Mountain region. In the Savanes, the price of yams have more than doubled compared to the five-year average (+114.4% in December 2021).

The prices of imported products such as rice and oil have been contained thanks to government measures to stabilize prices for consumers. The lifting of these subsidies could result in a surge in the price of these commodities as well and significantly reduce the purchasing power of the country's vulnerable populations.



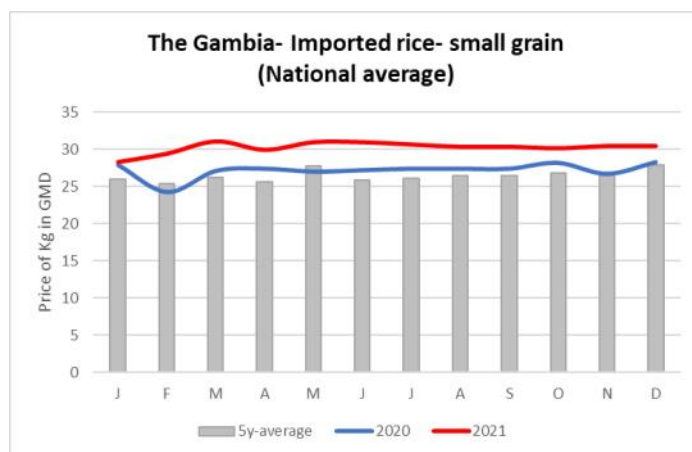
Gambia (the)

The inflation rate at the national level reached 7.6% in December 2021, mainly due to the increase by 10.2% in the price index of food products compared to last year. Among the products whose prices increased the most, there is oils and fats (+36.2%) and meat (+16.1%) while the increase in the index of cereal

products is 8.3% compared to December 2020. The price variations of certain specific products show more substantial increases. This is the case, for example, for the price of pulses such as cowpeas, which rose by 49.3% in December 2021 compared to the five-year average, after having risen by 123.3% in September 2021 at the peak of the lean season.

On the other hand, the price of dried fish has been on an upward trend throughout 2021, rising by 153% in December compared to the average for the last five years. While the price of imported rice was stable (+0.8%), the price of millet rose by 30% compared to the five-year average.

These price increases can be explained by, among other things, the drop in agricultural production (-18% for cereal production according to CILSS estimates in November 2021), the increase in the price of imported products on the international market, but also because of the local currency, which has lost 10% of its value over the last five years.



Ghana

The price of maize continued its upward trend throughout 2021. In November the national average price increase was 161.5% compared to the average of the last five years. Millet, which is more widely consumed in the northern part of the country, recorded an increase of 69.2% in December 2021, while the increases for local and imported rice were 25.6% and 37.8%, respectively.

These increases can be explained by the low production of the last year, which was marked by major floods, the export of certain crops to neighbouring countries, the constantly rising demand for maize for poultry farming, higher prices on the international market, and the continued decline in the value of the cedis against the US dollar.

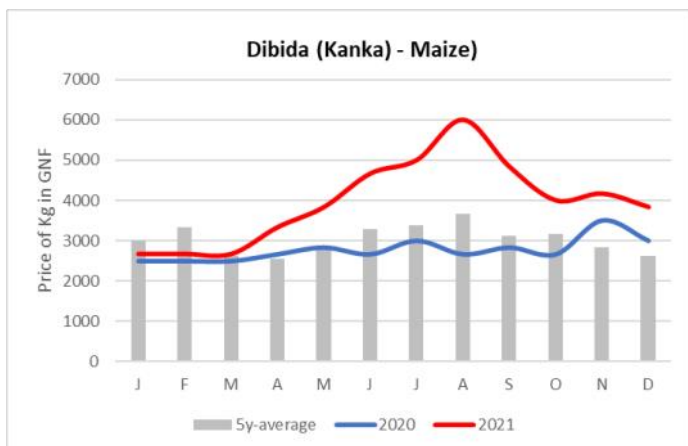
Cassava prices, which rose sharply (+209% in March 2021) at the beginning of 2021 due to last year's poor crop production, returned to

normal levels in November thanks to the new harvest. In December, this tuber was down 4.8% at the national level compared to the five-year average. The same is true for plantain, which has fallen by 30%.

Guinea

The food prices' increase observed throughout 2021 could be explained by the widespread rise of commodity prices around the world, as well as by the supply difficulties due to the COVID 19 pandemic following the border closure. But this increase has been more pronounced since the September 2021 coup.

On a monthly basis, there was a sharp increase of 55% between November and December 2021 for several commodities. For example, the price of a bread almost doubled between December 2020 and December 2021, rising from 2736 to 5408 GNF, which represents an increase of 97.5%. Among the staple foods mostly consumed in the country, pulses have experienced the greatest increase with 25% for cowpeas and 20% for groundnuts. Local cereals' prices have also rose, but to a lesser extent ranging from 15% for fonio, 13% for local rice and 11% for corn at the national level compared to the average of the last 5 years.



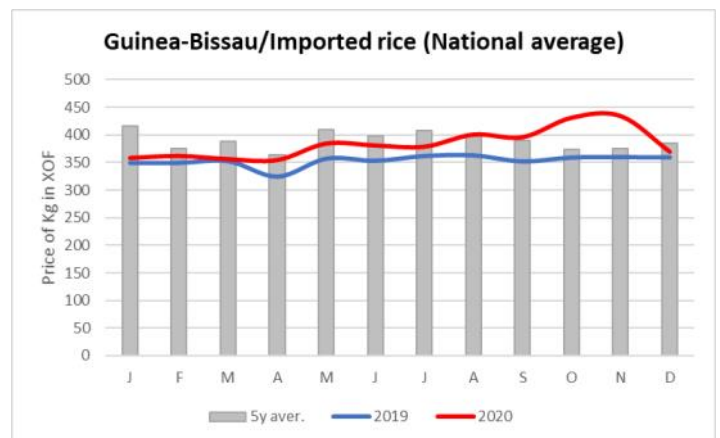
In December 2021, imported rice also soared by 16% compared to the five-year average. Analyses show that cereal prices are surging sharply in certain markets such as those of Dibida in the Kankan region, with a 43% rise for maize, 26% for imported rice and 21% for fonio in Nzérékoré. Palm oil, heavily consumed in the country, also experienced an 18% price shot up during the year. Vegetable oil also saw a 21% upward trend at the national level.

WFP (ALPS) projections show that the price of rice could increase by +40% by July 2022. Similarly, fishery products such as fish, whose prices in December were around 35,000 GNF, are expected to pick up of more than 7,000 GNF to reach 42,000 GNF (i.e. an increase of 20%) in July 2022.

Guinea Bissau

Food prices rose substantially in 2021 from May onwards and dragged down the overall consumer price index. The overall inflation rate in November 2021 stood at 5.56% in annual variation, while that of food products was 8.19%.

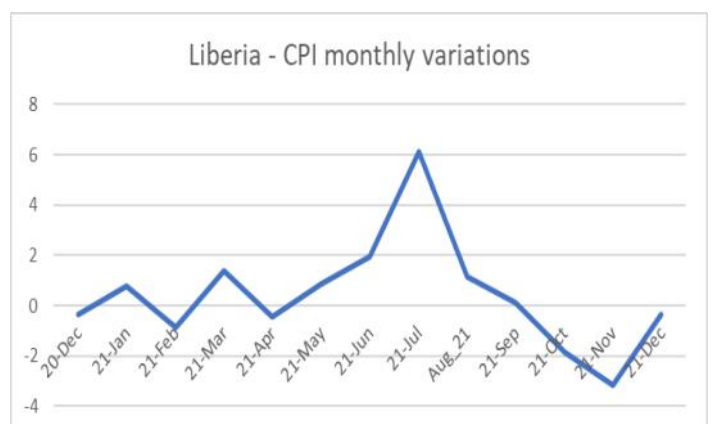
The main commodity consumed in the country, imported rice, saw an increase in price in annual variation of 20.5% and 15.6% in comparison with the five-year average. This increase was reduced in December to 2.7% year-on-year. For vegetable oil, an almost continuous increase was recorded in 2021 with levels reaching in December 47% compared to normal and 39.2% compared to last year. Meat and fish prices have also risen sharply over the year, with dried fish average prices more than doubling and beef meat price increasing by +26.5%.



Forecasts for the next six months indicate that imported rice and vegetable oil, which are currently in crisis, may remain so. Meanwhile, other products such as maize, sugar and sorghum are expected to see price increases until the next harvest.

Liberia

The consumer price index rose by 5.46% compared to last year and is stable compared to November 2021. This trend is the result of the increase in the price of food products such as oils and fats (+5%) and vegetables and fruit



juices (+2%). The increase in product prices is also justified by the high inflation rate of the education sub-group (+23.19%) and the restaurants and hotels sub-group (+32.03).

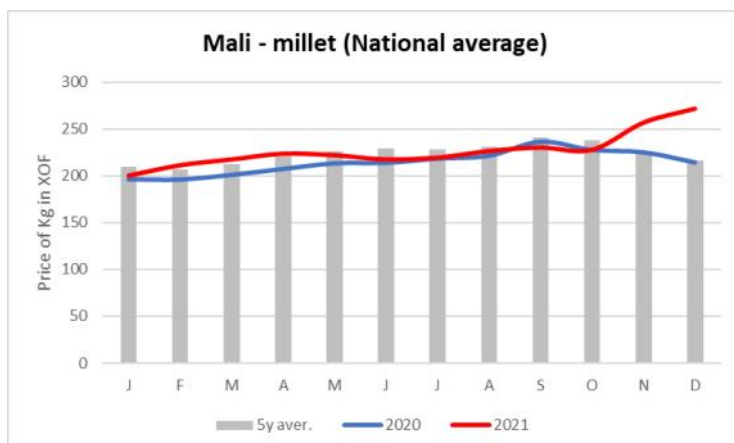
These various increases can be explained by a series of endogenous shocks, exacerbated by the impact of Covid-19, which the country is facing and which are due to the drop in external aid, the weakness of income generation and limited expenditure adjustments. However, the reduction in the inflation rate for tea and cocoa (-86%), sugar (-15%), honey, chocolate and confectionery (-8.4%) has mitigated the rise in prices.

Mali

Compared to November 2021, prices of cereal products have increased at the national level. The price of millet rose by 5.8%, maize by 6.1%, sorghum by 7% and imported rice by 2%. The increase in the price of millet is the result of higher prices in Gao, Timbuktu and Mopti.

In annual variation, the prices of cereal products have risen sharply by at least 25%. The price of maize rose by 47.1%, sorghum by 30% and millet by 26.5%. The largest increases were in the markets of Ségou (+46% for millet and 50% for maize) and Mopti (+44.2% for millet and 65% for maize).

Compared to the five-year average, prices of basic foodstuffs have risen: maize (+48%), millet (+29%) and sorghum (29%). At the regional level, the most significant increases were recorded in Ségou, Mopti, Gao and Timbuktu. The increase in the price of these products is due to the disruption of supply chains in these regions because of insecurity and probably because of disruptions in supply chains, but above all to the sharp drop in maize production in 2020/21 (following the cotton farmers' strike).



Mauritania

The supply difficulties linked to the COVID 19 pandemic and the poor spatial and temporal distribution of rain during the last agricultural season caused poor harvests and significant drops in food stocks. It should also be noted that the country is heavily dependent on imports, which cover between 60% and 70% of its food needs.

At the national level, the prices of basic foods such as oil, imported rice, wheat flour and sugar rose by 79%, 19%, 13% and 9% respectively in December 2021 compared to the five-year average. In terms of annual variation, the analyses show that the most significant increase in the price of wheat was observed between the months of April and August, when it was 15% higher than the same period of last year. For imported rice, an increase of more than +30% was observed in the months of January and February compared to the same period last year. The price of local rice rose by 30.4% in December compared to the five-year average, reflecting this year's poor agricultural season.

The price of sugar in Guidimakha rose by 40% in December 2021 compared to the same period last year and to the average for the last five years. Imported oil prices also rose sharply in December, from MRO 480 to MRO 800 (a 66% increase) compared to January.

However, despite the government's announcement of a price reduction in September 2021 through lower taxes and subsidies on some products, the country's food situation remains under pressure due to low agricultural production, declining incomes and lack of grazing land, as well as the continued rise in prices of both local and imported food products.

Niger

As a result of the poor agricultural season in the country during the 2021/2022 season, local food commodity prices have been rising steadily since July 2021. According to provisional figures published in November 2021, the drop in cereal production is 38% at the national level. In the regions of Tahoua, Tilaberi, and Diffa, the drop in cereal production is between 50% and 75%, while in the regions considered to be the country's granaries (Dosso and Maradi) the drop in cereal production varies between 20% and 30%.

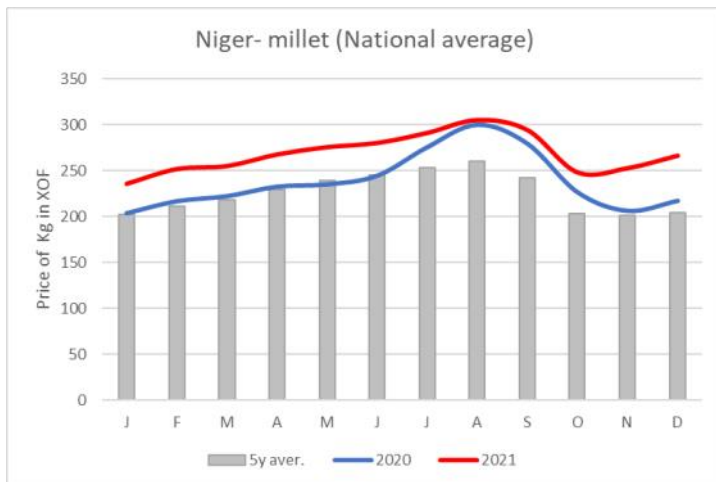
As a result, in December 2021, the national average price of millet was 30% above the five-year average, with the highest levels observed in Tilaberi, Zinder and Dosso regions. Insecurity in the eastern regions of the country is another factor driving up prices, due to constraints on

production activities and, above all, to the difficulty of access for traders to these areas.

Considering a local food basket balanced at 2100 Kcal and composed of cereals (millet, sorghum), oil, legumes (cowpea, groundnut), animal protein (egg), vegetables and fruits (squash, monkey bread, baobab, sorrel, moringa), we note a quasi-continuous evolution since the beginning of the year with a slight downward trend in July (beginning of the rainy season) and October (following the harvest).

The upward trend in the prices of this basket resumed in November to stand 20% above the reference cost of this basket, which is 7,000 CFA francs.

This upward trend in the prices of consumer goods (including food products) is confirmed by the harmonised index of consumer prices published by the National Statistics Institute (INS), which indicates that since January 2021 the inflation rate in Niger is above 3%, which is the upper limit in the convergence criteria in the CFA zone. In December 2021, the year-on-year inflation rate was 4.9%.



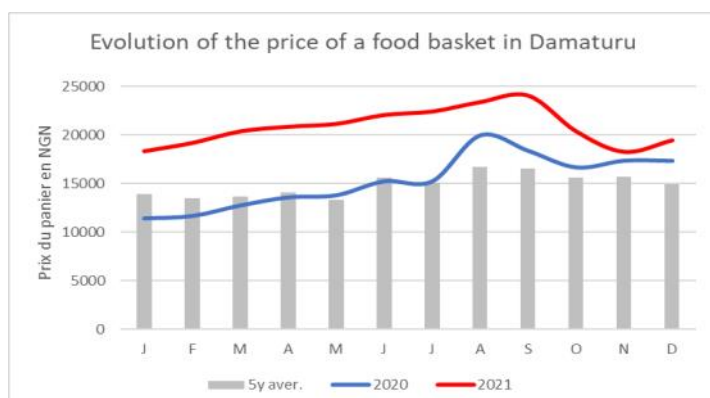
products in a country where growing demand remains higher than the evolution of local production. In addition, the consequences of Covid-19 continue to affect several sectors including agriculture and trade. Regarding imported products, the increase in their price is the result of the general rise in prices on the international market accentuated by the increase in world transport costs and the depreciation of the local currency (naira). Indeed, the Central Bank of Nigeria's (CBN) move to end the allocation and sale of foreign currency to bureau de change operators to combat illicit financial flows and money laundering has led to an increase in demand for foreign currency, which has further depressed the naira.

The national average retail price of millet increased by 58% in December 2021 compared to the five-year average. In some states such as Borno, the price of this staple grain has more than doubled (+113% in Abba Gamaram). Price increases for maize are much more stable across the country, with a national average of +90% compared to the average of the last five years (+147% compared to December 2020) due to lower production and demand for animal feed. As the price of sorghum is following the same trend, there is any possibility of substitution between local cereals and imported rice, which is also 71% higher than the five-year average.

The monitoring of prices of a composite basket of food products in north-eastern Nigeria indicates average annual increases of 33% in Jere and 40% in Damaturu markets in December 2021 compared to the average of the last five years. Furthermore, the inflation rate calculated in December 2021 by the Nigerian Bureau of Statistics (NBS) is one of the highest in the world with 15.63% for the overall level and 17.37% for food products.

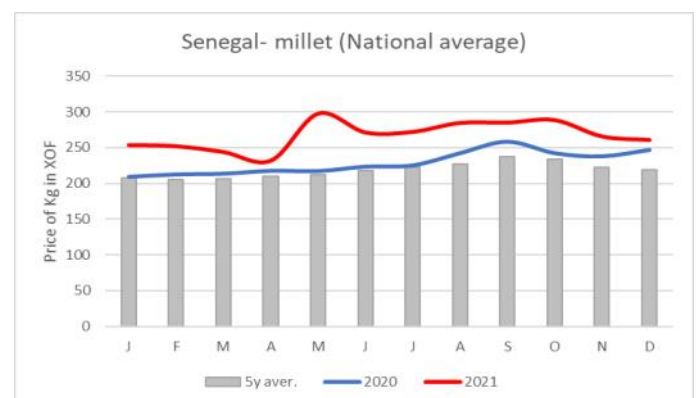
Nigeria

The price increases seen in July 2020 have continued throughout 2021 due to a combination of factors. Insecurity in the north-east and north-west of the country is reducing production activities but also the flow of food



Senegal

The national average price of millet remained 15% above the five-year average in December 2021, with more marked increases in markets in the south of the country (Kolda +23%), the



groundnut basin (Kaffrine +35%) and urban centres (Thiès +25%). Maize (local or imported) is one of the cereals whose prices increased significantly over the same reference period. On average, the increase is 19% for local maize and 18% for imported maize. In Diourbel, retail price for local maize which used to be less than 200 CFA francs, rose to 275 CFA francs per kilogram, an increase of 40% (30% for imported maize). In Kaffrine and Kaolack, the main production areas, the price increase in December in terms of the five-year variation for this cereal was 51% and 59% respectively. These increases are the result of growing demand for animal feed (livestock and poultry), while in some areas of the country maize is a staple food.

However, the most significant price increases are seen throughout the country for cowpeas (45% increase for the national average). The cessation of rains in September 2021 did not allow this pulse to complete its vegetative cycle in many areas, thus reducing production and supply on the markets. Price increases reached 92% in Kaolack, 84% in Diourbel, 64% in Thiès, 50% in Dakar and Louga (the main production area).

Thus, the 50% increase in production estimated by the Ministry of Agriculture in November does not seem to have an impact on market price levels. The same is true for groundnuts, whose production is estimated to increase by 18% compared to the five-year average, but whose national average prices are 33% above normal, with peaks of 86% in Thiès, +70% in Louga, and 66% in Dakar.

Livestock prices are up by 20% to 30%, which should be favourable overall for livestock farmers. However, figures from the National Statistics Agency indicate that this is reflected in higher meat prices on the markets. It should be noted that the food basket monitored by this structure shown an inflation rate of 5.4% year-on-year.

Sierra Leone

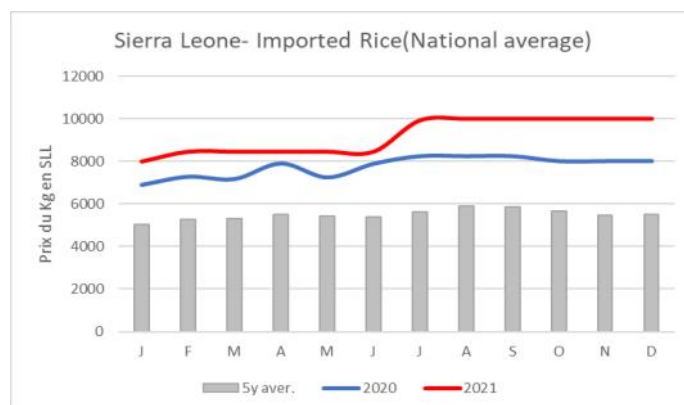
Food prices stabilised overall in August 2021 after a further surge in July of the same year. The average monthly increase in basic cereal prices was around 2%, but in annual variation, price increases ranging from 8% to 19% were observed for imported and local rice.

Nevertheless, the price increases remain relatively high compared to the five-year average, proof of the stabilisation of prices at a high level. For example, in December 2021, local rice was 58.7% higher, while imported rice was 81.6% higher compared to the average of the last 5 years. The price of palm oil rose by 44.1% during the same period, while that of

imported vegetable oil rose by 28.5%. The price of beef doubled between July and October and was still up 93% in December 2021.

The national consumer price index indicates a food inflation rate of 19.4% in December 2021, which is still higher than in previous months.

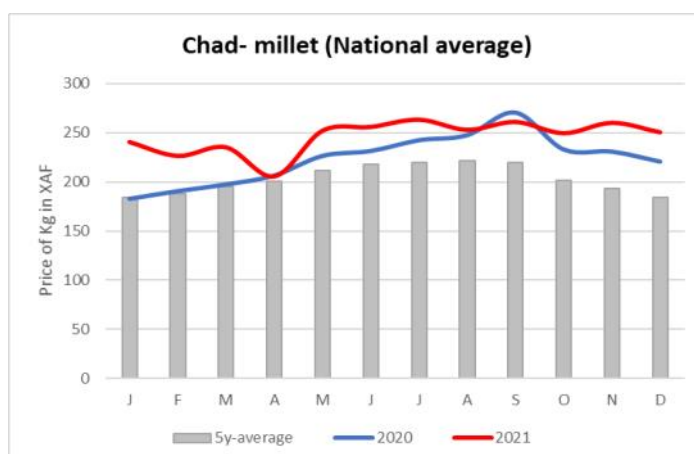
One of the causes of rising prices in the country is the continued loss of exchange of the local currency (Leone) against both the US dollar and the CFA franc. The Sierra Leonean currency (Leone) has lost more than 100% of its value between 2016 and 2021.



Chad

The most widely consumed foods experienced increases throughout 2021, with an accentuation starting in September. Millet, the main cereal consumed in the country, has seen its national average price rise steadily since August 2021, ending the year with a 36.2% increase above the five-year average. Over the same period, the prices of other cereals have seen similar increases: 36.5% for white maize, 41.3% for red sorghum, 41.5% for berebere, 9.9% for imported rice. Only local rice recorded a price decrease of 7.7% over the same reference period.

Pulses prices have risen sharply in all markets in the country, with a 115% increase for cowpeas, 90.9% for groundnuts and 46.2% for sesame in comparison with the five-year average in December 2021.

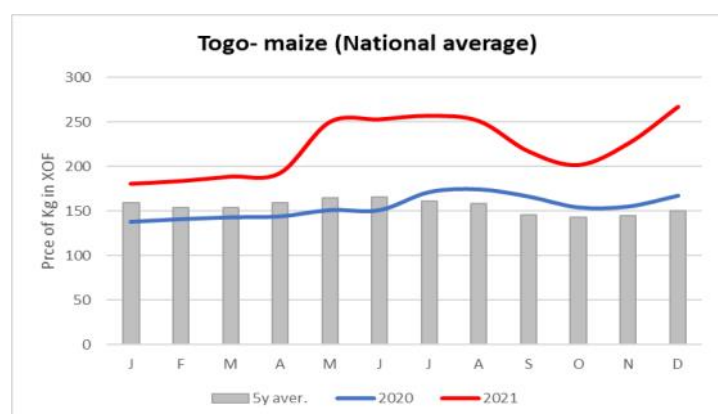


These price increases are due, among other things, to the drop in cereal production that the country experienced during the 2021/2022 crop year (-6.3% compared to the five-year average). This drop in cereal production is more pronounced in the western Sahel regions, reaching an average of 20.2%. The insecurity that has affected this area of the country (Lake, Barh El Gazal, Kanem), causing displacement of people, coupled with the low rainfall that these regions have experienced, are the main causes of the drop in production. These production losses have led to a drop in food stocks in households and on the markets. Livestock farming, which is one of the main sources of income for Sahelian households, especially in rural areas, was also affected by the floods (nearly 7,000 head of cattle were washed away).

Togo

The price increases observed in May 2021 following the cessation of rains in the critical phase of the agricultural season in the south of the country continued until September 2021. They were mitigated by the harvests in the northern part of the country and the short agricultural season in the south, even if this only lasted two months (September, October). From November onwards the upward trend resumed.

In December the national average price of maize was 77.8% higher than the five-year average (79.2% compared to last year). At the same time, millet was up 37.5% and red sorghum 20.1%. These three cereals are the most consumed in the country. Together with rice and gari, they form the staple food in the country. Throughout 2021, the price of gari remained above the five-year average (variation ranging from 35% to 77% depending on the month), reaching 59.3% in December. The price of local rice was more stable overall, with an average increase of 8.2% compared to normal. One of the highlights of price trends in Togo in 2021 was the surge in prices of pulses such as beans and sesame, which rose by more than 80% on average nationwide, with prices doubling in several markets across the country.



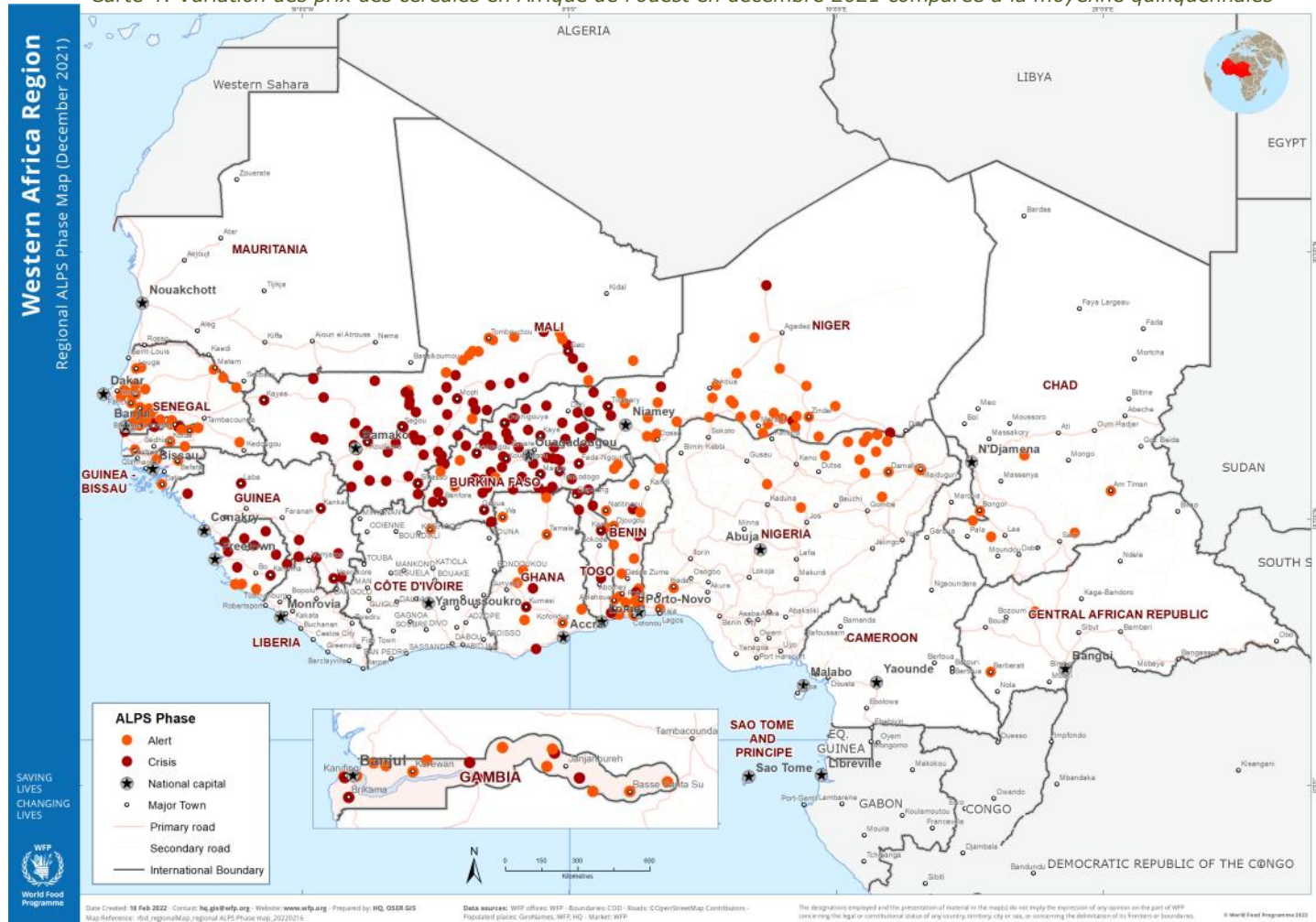
Market outlook for the coming months

The majority of markets in the region are in crisis for one or more food items according to WFP analyses (ALPS). Price projections also indicate an upward trend for the next 6 months for most of the food commodities. Overall, the evolution of food availability in the region's markets and prices will be influenced in the first half of 2022 by various factors.

- The early exhaustion of stocks from the 2021/2022 agricultural season, especially in the Sahel countries;
- The ability of flows from coastal countries to partially compensate these deficits by using the usual routes of the trade basins;
- The closure of land borders, export restriction policies and price controls adopted by several countries would continue to disrupt regional trade, increasing transaction costs.
- The disruption of these flows not only in insecure areas, but also by the COVID-19 restrictive measures, the economic embargo imposed by ECOWAS on Mali;
- Price increases for imported foods on international markets, which could be contained if COVID-19 ends, the stabilisation of the world economy, and the reduction of maritime transport costs;
- The ability of governments to regulate the prices of basic foods through various measures such as the control of speculation by traders, sales of products at subsidised prices or food distributions (increasing the availability leading to a stabilisation or even a fall in prices).

The region's markets are likely to experience a fairly tense situation in the first half of 2022 due to the depletion of farmers' stocks in almost all basins and the weakness of traders' stocks, which will result in a reduction in the availability of certain commodities (local cereals and pulses) on the markets. Prices, which in December 2021 are already far above the five-year average (+30% for many products), could continue this trend, with a risk of doubling on certain markets. The usual seasonal decline in prices in the post-harvest period has not even occurred in several localities in the Sahel in 2021. The reduction in supply could be exacerbated by the current crisis response options using institutional purchases or cash transfers, which would increase tension on the markets due to the reduction in commercial supply on the one hand, and the increase in demand from households targeted by the assistance on the other. In addition, industrial demand (processing, breweries, livestock and

Carte 4: Variation des prix des céréales en Afrique de l'ouest en décembre 2021 comparée à la moyenne quinquennale



poultry feed) will continue to increase in several countries, which will further reduce the supply of certain cereals such as maize and rice. The prices of several local commodities could reach or exceed their highest levels ever, with a drastic reduction in household purchasing power and little diversification of food consumption.

These increases in food prices could offer commercial opportunities for some operators to transfer food from areas with availability to areas with shortages, particularly from coastal countries to the Sahel. This implies a reduction in trade barriers both within countries and for cross-border trade. While these food transfers could be beneficial overall in reducing market tensions in deficit areas, they would also result in higher prices in supply areas, which would lead to a generalisation of the crisis. Decisions by some countries to ban cereal exports suggest that such market adjustments will become increasingly difficult as supplies are

reduced. Moreover, even if the ECOWAS sanctions against Mali exclude food and pharmaceutical products, the country's landlocked status and the harassment at borders to check the conformity of shipments lengthen supply delays, which increases market prices.

Depending on the evolution of the rainy season in the coastal countries, the new harvests could help to supply the Sahel markets around May and June, especially to cope with the lean season, which will be early this year. It is therefore important that measures be taken to ensure the success of this campaign, while hoping that good rainfall will be forthcoming.

For food products on the international market, rice and soybean prices are expected to remain broadly stable or decline due to the expected increase in global production, while maize prices could be above 2021 levels. As for wheat, its price will depend greatly on the current tensions



between Ukraine and Russia, which are among the world's largest producers (30% of world production). For vegetable oils, prices are expected to remain high due to limited production in the main producing countries. Rising trends in oil and gas prices will continue to weigh on production and processing costs for food products.

Rising fuel prices, labour costs and continued strong demand for freight transport will keep transport costs for these commodities high in 2022, so that consumer prices in West African markets are not expected to fall, even though the overall availability of these imported products is expected to remain at good levels.

Conclusions

The food price increases seen in West Africa in May 2020 when the COVID-19 pandemic was declared have increased in 2021 due to the poor agricultural season faced by several countries in the region. In addition, several countries in the region have adopted food export restriction and price control policies that are further disrupting food flows in the region. In addition, the closure of land borders (in some countries) continues to slow down trade and reduce the mobility of agricultural labour. The combination of these unfavourable factors for regional trade and the expansion of insecurity has resulted in price increases of

30% to more than 100% for food products. At the same time, imported products are experiencing similar increases due to higher prices on the international market as a result of the difficulties caused by COVID-19 (lower labour force, higher production costs, higher oil and gas prices, etc.). The prices of several commodities have exceeded their 2011 levels, when these increases triggered food riots in several countries. In this context, the loss of purchasing power would push millions of people into poverty and the most severe form of food insecurity.

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