

Niger: Falling cereal prices near average levels; will they drop more?

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During September, FEWS NET collected market price data in more isolated areas around major markets, in order to supplement other price collection data¹. Figure 1 shows price trends through September 22, 2005.

These data indicate that millet prices in these areas have fallen substantially over the last few months. They include significant decreases of 18-63% in millet prices in Kélékélé (63%), Tanout (46%), Agadez (41%), and Ouallam (37%). Prices fell less drastically in other areas such as Wazey (18%), Bandjo (24%), and Dingazi (27%). All observed prices were at or below 20,000 CFA per 100KG.

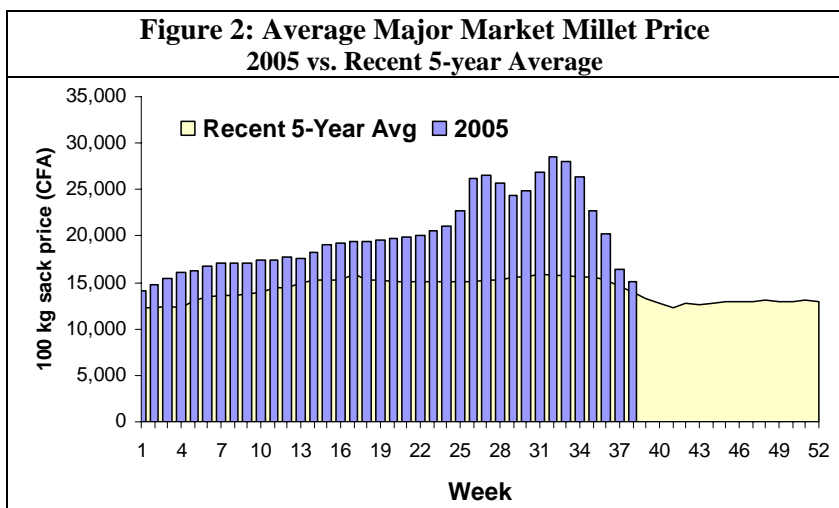
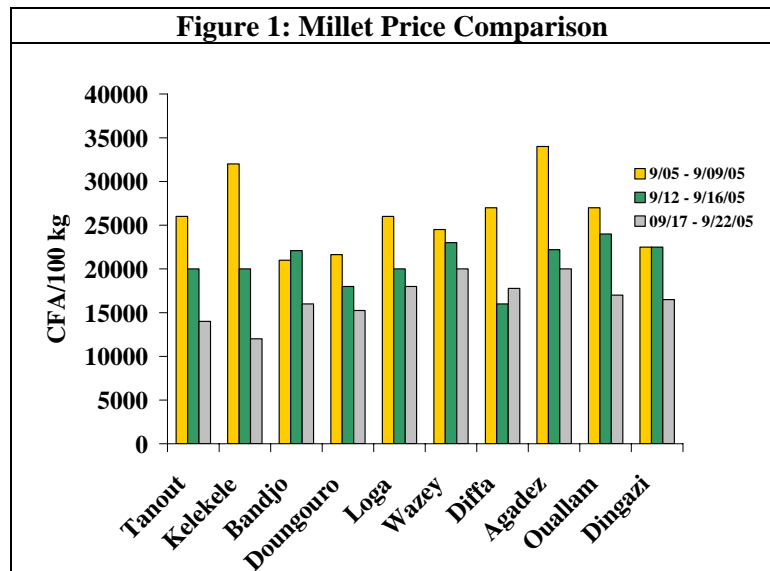
However, as can be seen in Figure 2, the Government of Niger's SIMA average major market price compared to the 5-year average for these same markets indicates the steep decreases have brought millet prices close to their average levels.

Though these prices remain above the low levels experienced in 2003 and 2004, there is some concern that if prices fall too far farmers will be unable to get a reasonable return on their crops and will have difficulties repaying the debt they have acquired to survive this year's crisis.

Low prices may also encourage exports from Niger to neighboring countries like Nigeria where prices remain high, reducing overall availability and potential resulting in high cereal prices during next year's hunger season, in a situation similar to the one seen this year.

Fortunately, over the next month millet prices are expected to increase slightly because of increased demand normally experienced during Ramadan (October – early November).

FEWS NET will continue to monitor market prices and report on their impacts.



¹ Price collection sites include villages in the departments of Téra (Bandjo, Doungouro), Ouallam (Ouallam, Dingazi), Loga (Loga, Wazey), Tanout (Kélékélé, Tanout), Mainé-Soroa (Diffa), and Tchirozerine (Agadez).