

BELLMON PROFILE

Country name: Sierra Leone

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Introduction:

A Consortium named CORAD, formed by four PVOs (CRS, CARE, WVI, and Africare) involved in Title II food aid operations, has developed relief-to-development transition projects, for which monetization will be one source of funding. CRS, as the monetization agent, will monetize on behalf of the Consortium three commodities, i.e., rice, vegetable oil, and wheat.

Sierra Leone is a small coastal West African country sharing borders with Guinea and Liberia. With a per capita income of \$130, Sierra Leone is classified as a Least-Developed Country (LDC) and a Low Income Food-Deficit Country (LIFDC).

The 10-year conflict has destroyed the livelihood of farmers and traders alike, thus disrupting the normal patterns of production and trade, and limiting the supply of foodstuff available to the population. By 2000, Sierra Leone had fallen to the bottom of the UN Human Development Index.

Sierra Leone is in the early stages of recovery. The current mood in the country is up beat with indications of strong economic growth. Real gross domestic product, which declined by 25% during 1997-99, grew by 3.8% in 2000. However, there are significant immediate and long-term challenges to the recovery process, not the least of which is the recovery of agricultural production, trading systems, and the reconstruction of infrastructures. Food security is improving but remains generally at minimally adequate levels. Food production faces considerable constraints, which will take time to overcome. Imports of essential commodities (including rice and vegetable oil) will continue to be required to support food demands for the foreseeable future, particularly as effective demand increases in rural and urban areas.

Agriculture is a major part of the Sierra Leonean economy, with a reported three quarters of the population involved one way or another in agriculture. Before the war, the country had been an exporter of rice, coffee, cacao and palm oil. While some industrial farming did take place in Sierra Leone, most farming still remains semi-subsistence.

Rice is the staple food. A combination of food crops, including maize, sorghum, cassava, and beans, are grown in a mixed cropping system. The southern and eastern parts of the country grow a wider combination of crops, while northern areas rely primarily on rice, cassava and millet.

Disincentive data:

Table 1

Foods Consumed locally	Produced locally	Imported	Programmed
Wheat		X (both wheat and wheat flour)	X (wheat)
Rice	X	X	X
Refined Vegetable Oil	X	X	X
Cassava	X		
Sorghum	X		
Corn	X		
Milk		X	

Table 2

Commodity #1: Rice

	1997/98	1998/99	1999/2000	2000/01	2001/02
Production (MT)	274,340	218,980	164,910	132,820	186,400
Imports (including food aid) (MT)	75,000*	110,000	120,000	183,700	180,300
Of which Food Aid (MT)	0	0	0	3,700	300
Total Supply (MT)	349,340	328,980	284,910	316,520	366,700
Population	4,820,458	4,918,835	5,019,220	5,121,652	5,226,176
Consumption Requirements	439,584	448,521	457,732	467,035	483,300
Stock Changes	63,800	63,800	63,800	63,800	63,800
Total Needs	503,384	512,321	521,532	530,835	547,100
Food Balance (MT)	(154,044)	(183,341)	(236,622)	(214,315)	(180,400)

Source: FAO/GIEWS. WFP Interfais for food aid supply. Data on population are extrapolated using average growth of 2%. This does not consider the effects of war. Consumption is estimated at 91.2 kg/capita (FAO).

* UN Embargo

Rice is the most significant cereal in the Leonean diet, of great cultural importance and a major trading commodity. Rice is produced in three ways: 1) as dryland rice in "upland" fields inter-cropped with other cereals and food crops; 2) as swamp rice in interior swamps ("IVS"); and 3) as broadcast or transplanted flood rice in coastal areas ("mangrove"). Dryland rice production provides the largest share of domestic supply, while swamp and flood rice have the higher yields.

Rice production faces considerable constraints to production and marketing. At present, an estimated 23% of domestic production is marketed. It is reported that producers are selling rice to finance reconstruction costs, with a resulting impact on food consumption levels. As such, imported rice is a significant contributor to rice consumption. At present, Freetown is the major destination of imported rice, and major sink for marketed domestic production. However, the opening-up of rural areas to commercial access has substantially increased the presence of imported rice (and other commodities) in these areas in the later part of 2002, and of local rice and other domestic food products to Freetown.

The need for rice imports can be expected to grow in relation to: 1) the population (2 percent per year); 2) shifts from the current rice substitutes (bulgur, cassava) to rice as people have more disposable income; and 3) overall disposable income, allowing consumers to shift purchases to more expensive varieties.

Commodity #2: Wheat and Wheat Flour

	1997/98	1998/99	1999/2000	2000/01	2001/02
Wheat & Flour Imports in Grain Eq. (MT)	55,200	94,900	46,400	46,800	41,700
Of which Food Aid (MT)	0	1,300	5,000	0	0
Population	4,820,458	4,918,835	5,019,220	5,121,652	5,226,176
Consumption Requirements - wheat	68,444	69,836	71,270	72,732	73,800
Food Balance (MT)	(13,244)	25,000	(24,870)	(25,932)	(32,100)

Source: FAO GIEWS, Port Authorities and WFP Interfais. Estimated consumption of 14.2 kg (FAO).

Wheat and wheat flour are both imported into Sierra Leone. The import and domestic markets are fully liberalized. Locally produced and imported flour compete head-to-head.

The only wheat importer is Seaboard West Africa Limited. Seaboard reported to source hard red winter wheat from the US (approximately 15,000 MT per year) and soft wheat from France. The mill has an installed milling capacity of approximately 55,000 MT of wheat. The current production level is approximately 27,000 MT of flour, or an intake of 35,000 MT of wheat.

Following the elections, increased business confidence and improved economic conditions in rural areas have resulted in an increase in consumption of bread and similar foods in towns and villages outside Freetown. In particular, flour use is expected to increase in major secondary urban areas (e.g., Kenema, Bo, Makeni), as commercial trade becomes more regular, food aid decreases, incomes increase, and rural access roads opening make the sale of bread produced in urban areas economical in neighboring rural communities.

Commodity #3: Edible Oil

	1997/98	1998/99	1999/2000	2000/01
Production (MT)	64,910	50,950	46,130	45,780
Imports (including food aid) (MT)	3,600	10,400	6,200	9,000
Of which Food Aid (MT)	N/a	5,000	2,400	1,700
Total Supply (MT)	68,510	61,350	52,330	54,780
Population	4,820,458	4,918,835	5,019,220	5,121,652
Consumption Requirements	66,516	67,896	69,262	71,700
Food Balance (MT)	1,994	(6,546)	(16,932)	(16,920)

Source: FAOStat. Estimated consumption of 13.8 kg/capita (FAO)

Edible oil is produced and imported into Sierra Leone. Most of the domestically produced edible oil supply is in the form of crude palm oil. Imports include both vegetable and palm oil.

The locally produced palm oil is extracted from wild palms. Palm plantations are in general poor condition due to a lack of maintenance and investment during the war. Sierra Leone had a number of palm oil production plants before the war, but none are reported to be operating at present.

During the last several years, vegetable oil imports and marketing have been largely focused on Freetown due to limited access to rural areas. Sales of edible oil remain an urban activity, as cash is still limited in remote areas. Vegetable oil is difficult to find in rural areas for two reasons: 1) due to its high price, traders cannot sell for a profit; and 2) food aid distribution oil is often sold in small quantities in the local markets and compete directly with commercially imported oil.

As levels of food aid vegetable oil imports decrease with a phase-down of emergency programs, theoretically a gap in supply will develop in the commercial market. Given the nature of the food aid oil, this gap will need to be filled, in part, with increased market supplies.

Storage data:

Port Facilities

Freetown is the only operational international port in Sierra Leone. In 2001, the port handled 738,555 MT of commodities, of which 47% were foodstuffs. 611 ships called at the port, i.e., an average of 12 ships per week. The port has a large collection of cargo handling equipment available, including forklifts, top lifts, and some cargo trailers. The equipment is controlled by a variety of parties, including shipping companies, the port, WFP and UNAMSIL.

The most significant constraint to handling cargo is the need to move most cargo out of the port from ship's tackle due to the limited storage in the port. In addition, the rainy season (from June to September) can delay discharge and handling, and exacerbate port-to-warehouse transport problems.

The GOSL has plans, with World Bank support, to turn the port into a "freeport" area. These plans include privatizing security and other port operations, and expanding the area available for container storage, and privately financed warehouses. As of March 2003, the project has already started with the purchase of equipment, cementing of large areas for container storage, and staff training.

Storage Facilities

The port has five major warehouses, of which three are reported to have a capacity of up to 17,000 MT each. Other warehouse space in the port is used by Seaboard to store wheat chaff pellets for export, for storage of port equipment, to unstuff containers and by UNAMSIL.

A reasonable quantity of storage space is reportedly available outside the port area. CRS has 4,500 MT of storage currently available outside the port, WVI 13,000 MT, CARE 6,450 MT, and WFP 5,500 MT.

Transport Facilities

Transport of any significant delivery of commodities from the port to warehouses is generally handled by one the large transport companies based in Freetown. The same transporters also handle deliveries by CRS, CARE, WVI and WFP to warehouses and distribution points up country