



Liberia Bellmon Update February 2, 2016

Background

The United States Agency for International Development's (USAID's) Office of Food for Peace (FFP) is preparing to fund a new development food assistance program in Liberia. As part of the design process, in October 2015, USAID staff conducted an assessment of the current state of agricultural markets to inform a Bellmon determination.¹ This assessment built upon a country-wide market assessment that was conducted in July 2014 (available [here](#)), just prior to the escalation of the Ebola crisis. This Bellmon Update summarizes the findings of the USAID team's assessment.

Summary of Findings

The 2014 market assessment outlined the state of Liberia's food markets and described typical consumption, production and marketing patterns. That assessment concluded that local markets are relatively competitive and well integrated especially for important staples such as rice, and food access and utilization are primary drivers of chronic food insecurity in Liberia. However, during the rainy season, many roads become temporarily impassable, a situation which slows the movement of goods and can create localized food availability issues, especially for more rural areas outside of the main corridors.

USAID's ongoing monitoring of the food security situation between August 2014 and September 2015, and field work in August and October 2015 revealed that the basic structural nature of food markets has not changed, despite the devastation and disruption caused by the Ebola epidemic and measures to contain the disease. There have been no major shifts in consumption patterns, with the exception of a decline in bush meat due to its ban. Reliance on

¹ As mandated by Congress, prior to the approval of a proposed US food aid program in a recipient country, the US government must make a positive 'Bellmon Determination' that: "A. for the proposed country food aid program: (1) adequate storage facilities will be available in the recipient country at the time of the arrival of the commodity to prevent the spoilage or waste of the commodity; and (2) the distribution of the commodity in the recipient country will not result in a substantial disincentive to or interference with domestic production or marketing in that country; and B. Impact on local farmers and economy – The Secretary or the Administrator, as appropriate, shall ensure that the importation of United States agricultural commodities and the use of local currencies for development purposes will not have a disruptive impact on the farmers or the local economy of the recipient country" (Sections 403(a) and (b) of United States Public Law 480, as amended).

markets to access food remains high, with the average rural household relying on purchases for nearly 75% of their food. Daily and weekly markets are open and operating normally throughout the country; however, interviews with traders and consumers revealed that market activity was still down by 20-30% in October 2015 compared to pre-Ebola levels. Various factors are affecting market activity. At present, the two most important factors appear to be the depreciation of the Liberian dollar against the US dollar, and a decline in household income due to after-effects of Ebola deaths, quarantines, market and border closures, and the general macro-economic downturn.

The upcoming FFP development food assistance program is not expected to involve direct distribution or monetization of Title II food. Instead, the program will be funded through Community Development Funds (CDF) and, therefore, there are no Bellmon concerns associated with the upcoming new FFP development program. Specifically, there are no concerns that any commodities will go to waste due to inadequate logistics capacity nor that commodities will disrupt local markets due to potentially inappropriate targeting of food transfers.

FFP continues to provide Title II food assistance to Ivoirian refugees in several camps in Liberia. This assistance is expected to decrease as repatriation continues. USAID staff monitor this assistance, and have no reason to believe these transfers are having a negative distortionary effect on local markets.

FFP continues to support emergency food assistance in the form of cash transfers and agricultural input vouchers for households affected by Ebola with Emergency Food Security Program (EFSP) resources. These programs are expected to end prior to the start-up of the new FFP development program. As the emergency transfers do not involve Title II food, the Bellmon amendment does not apply. Despite the lack of strict applicability of Bellmon requirements to the emergency programs, USAID staff continue to monitor the potential impact of the cash and input transfers on local markets, and have no reason to believe these transfers are having a negative distortionary effect on local markets.

Notwithstanding the lack of a Bellmon concern for the planned development program or the ongoing refugee operations, USAID expects potential partners to fully understand the operating context, including any consumption, production and trade patterns that influence the effectiveness of any transfers – whether cash or in-kind - intended to improve the quantity or quality of food consumption of targeted program beneficiaries. Effective targeting of food assistance — including who receives what food assistance (and from where that food is sourced), when, and in what form — ensures local markets are not inadvertently harmed in the process of assisting those who require it.

For that reason, if potential partners wish to propose any transfers, USAID expects any such proposals will be fully justified based on thorough partner's own market research. Potential FFP partners are also strongly encouraged to review all relevant reporting describing current conditions relevant for food security programming, in particular those relevant for assessing the appropriateness of any possible food assistance transfers. These reports include previous Bellmon assessments, particularly the September 2014 "[Liberia: The Role of Markets in Food Security: Pre-Ebola Crisis](#)", the February 2016 FANTA Food Security Desk Review For Liberia, and previous assessments and ongoing reporting from [FEWS NET](#), [WFP VAM](#), and other food security community actors.