

# REPORT ON RETAIL PRICE INDICES OF SELECTED CONSUMER ITEMS IN LAGOS AREA DURING THE THIRD QUARTER OF 1987

This report on retail price movements was compiled from data collected during bi-monthly market surveys conducted in thirteen markets in the Lagos area. The indices are computed on a monthly basis and aggregated over a period of three months for the relevant quarter.

## Price Movement

In the third quarter of 1987, the retail price indices of selected consumer items in the Lagos area indicated that prices of consumer items were still relatively unstable. It was also noted that there was a shift in the demand pattern from luxury items to basic necessities. For example (see Table 1), a look at the price of rice shows that there was a relatively higher increase in the price of local rice compared with imported rice. This was as a result of the carry-over in the demand for local rice at the time when it was much cheaper than imported rice.

At 1,102.3, the price index for food was 12.7 per cent higher than the level during the previous quarter and 16.2 per cent higher than the level during the same quarter in 1986.

The prices of all staple items went up relative to prices during the previous quarter. Compared with the same period last year, the prices of most staples also went up, with the exception of some items which recorded price declines, namely: rice, both local and imported, millet and plantain.

The index for meat, fish and eggs increased by 9.6 per cent relative to the last quarter and 15.4 per cent relative to the same quarter last year. The increase of 9.6 per cent over the last quarter is explained by the fact that there were increases of 9.6, 10.8, 9.5, 20.6 and 13.8 per cent (see Table 2) in the prices of fresh beef, pork, live fowl, fresh fish, dried fish and stockfish, respectively. Conversely, there were falls in the prices of corned beef, sardine and eggs. Both the rise and fall in the prices of the above named items indicated consumers' revealed preference for essential commodities rather than luxury items.

When compared with the last quarter, there was an increase of 12.0 per cent in the index for oils and fats and a fall of 14.4 per cent relative to the same period last year. There were increases in the prices of all the sub-components of the oils and fats index relative to the previous quarter. The increase of 11.0 and 17.2 per cent in the prices of palm oil and groundnut oil, respectively, can be explained by delays in these commodities reaching the final consumer, caused by poor distribution network and a large number of intermediary markets.

The delayed rainfall this year most probably led to poor yields, such that the prices of items under the vegetable fruits and nuts sub-components went up. There was an increase of 8.0 per cent in the index relative to the last quarter, indicating a fall in stock probably due to the poor storage conditions in the country.

At 651.1, there was an increase of 4.7 per cent in the index of beverages and drinks relative to the last quarter. The increase in the index is explained by variations in the prices of the sub-components. For example, there were increases of 3.9, 7.9 and 1.5 per cent in the prices of Ovaltine, Bournvita and tea, respectively. The prices of St. Louis Sugar, Tate and Lyle and salt also went up by 16.0 per cent, 3.7 per cent and 7.2 per cent, respectively.

At 132.7, the index for tobacco indicated a change of 12.9 per cent relative to last quarter and 71.9 per cent relative to the same period last year.

The index for fuel and light fell by 10.8 per cent indicating a fall of 19.4 per cent in the price of firewood and increases of 3.7 and 18.0 per cent in the prices of charcoal and kerosine respectively.

The price index for clothing was 1,347.7, indicating a decrease of 5.4 per cent relative to the last quarter and an increase of 14.8 per cent relative to the same period last year.

Generally, the prices of the selected consumer items during the third quarter of 1987 responded positively to the forces of supply and demand relative to the present liquidity squeeze in the economy.

## Intermarket Price Variations

Inevitably some variations were observed in the prices of certain consumer items in various markets during the quarter under review. Some commodities like soft drinks, eggs and beer however maintained fairly uniform prices in all thirteen markets, while prices of some food items varied from market to market.

A 2.50kg of yam for example was cheaper at Awolowo market at ₦3.18 and most expensive at Tejuosho market at ₦4.08. The same measure of rice sold for ₦9.83, ₦10.75 and ₦11.40 at Alayabiagba, Ereko and Jankara markets, respectively. At Sangrouse market, a medium sized live-fowl sold at ₦15.00, while the same size was sold at ₦14.17 at Oyingbo market. Fresh tomatoes were comparatively cheap at Itafaji market where five medium-sized tomatoes were sold at ₦0.76. The same quantity of tomatoes went for ₦1.00 at Sabo and Aguda markets. Baby food (SMA) was sold at ₦12.00 at Itafaji market and ₦11.33 at Festac town market. Palm oil and groundnut oil were sold at ₦2.16 and ₦3.58 respectively per bottle at Ikeja market and at ₦2.10 and ₦3.50, respectively, at Lawanson market.

Factors normally responsible for the above inter-market price variations are differences in supply prices, market locations and accessibility including cost of transportation to the various markets.

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**SUMMARY OF RETAIL PRICE INDICES OF SELECTED CONSUMER  
ITEMS IN LAGOS AREA FOR THIRD QUARTER 1987**

Table 1

(NOVEMBER 1975 = 100)

Component	3rd Quarter	2nd Quarter	3rd Quarter	Percentage change between	
	1986 (1)	1987 (2)	1987 (3)	(1) & (3) (4)	(2) & (3) (5)
A. Food .....	948.7	977.7	1,102.3	16.2	12.7
(i) Staples .....	693.5	735.0	868.5	25.2	18.2
(ii) Meat, Fish & Eggs .....	1,263.2	1,329.8	1,457.5	15.4	9.6
(iii) Oils & Fats ..	681.9	521.1	583.4	-14.4	12.0
(iv) Veg, Fruits & Nuts .....	938.1	898.8	971.0	3.5	8.0
B. Bev. & Drinks ...	693.9	621.7	651.1	-6.2	4.7
C. Tobacco .....	77.2	117.5	132.7	71.9	12.9
D. Fuel & Light ....	936.1	553.3	493.4	-47.3	-10.8
E. Clothing .....	1,173.7	1,424.3	1,347.7	14.8	-5.4
All Items .....	881.8	899.0	957.9	8.6	6.6

**RETAIL PRICE INDICES OF SELECTED CONSUMER  
ITEMS IN LAGOS AREA FOR THIRD QUARTER 1987**

Table 2

(NOVEMBER 1975 = 100)

Component	3rd Quarter	2nd Quarter	3rd Quarter	Percentage change between	
	1986 (1)	1987 (2)	1987 (3)	(1) & (3) (4)	(2) & (3) (5)
A. Food .....	948.7	977.7	1,102.3	16.2	12.7
(i) Staples .....	693.5	735.0	868.5	25.2	18.2
Yam tuber .....	613.3	571.0	642.8	4.8	12.6
Gari-coloured .....	650.4	727.8	972.2	49.5	33.6
Gari-white .....	643.4	736.5	969.0	50.6	31.6
Rice — Uncle Bens ..	891.6	758.4	789.9	-11.4	4.2
Rice — local .....	750.0	690.7	741.7	-1.1	7.4
Beans — brown .....	719.6	694.2	761.3	5.8	9.7
Beans — white .....	659.9	682.3	742.0	12.4	8.7
Yam flour .....	560.3	518.0	574.8	2.6	11.0
Millet .....	837.9	622.2	794.2	-5.2	27.6
Maize — yellow grain	813.8	759.3	864.2	6.2	13.8
Maize — white grain .	836.0	588.6	940.0	12.4	59.7
Plantain .....	1,211.2	1,149.3	1,165.4	-3.8	1.4
(ii) Meat, Fish & Eggs ...	1,263.2	1,329.8	1,457.5	15.4	9.6
Beef — fresh .....	1,639.3	1,718.0	1,883.6	14.9	9.6
Pork — fresh .....	—	1,432.5	1,587.7	—	10.8
Fowl — life .....	862.9	931.1	984.7	14.1	5.8
Fish — fresh .....	560.7	833.7	912.5	62.7	9.5
Fish — dried .....	694.5	731.1	881.9	27.0	20.6
Stock fish .....	965.4	737.0	838.8	-13.1	13.8
Corned beef .....	1,880.3	2,262.9	2,180.5	16.0	-3.6
Sardine .....	779.2	770.0	765.6	-1.7	-0.6
Eggs .....	808.1	830.3	825.0	2.1	-0.6
(iii) Oils & Fats .....	681.9	521.1	583.4	-14.4	12.0
Palm oil .....	786.6	542.6	602.5	-23.4	11.0
G. nut oil .....	420.4	414.8	486.2	15.7	17.2
Margarine .....	658.0	935.7	963.5	46.4	3.0
(iv) Veg, Fruits & Nuts ..	938.1	898.8	971.0	3.5	8.0
Okro .....	1,592.1	1,446.4	1,517.1	-4.7	4.9
Efo .....	1,903.3	1,813.3	1,846.6	-3.0	1.8
Ewedu .....	870.0	880.0	920.0	5.7	4.5
Pumpkin .....	1,154.8	1,257.2	1,361.9	17.9	8.3
Pepper Jos dried ....	1,119.8	1,013.4	1,018.7	-9.0	0.5
Pepper fresh .....	1,657.5	1,905.6	2,126.2	28.3	11.6
Melon seeds .....	784.8	760.2	808.8	3.1	6.4
Tomatoes fresh .....	504.8	554.6	724.4	43.5	30.6
Tomatoes tinned .....	590.9	504.0	456.6	-22.7	-9.4
Onion .....	193.9	150.9	177.5	-8.4	17.6
Paw paw .....	904.1	782.6	960.8	6.3	22.8
Orange .....	1,607.3	1,758.7	1,799.6	12.0	2.3
Pineapple .....	841.0	610.8	614.1	-27.0	0.5
Grapefruit .....	640.6	769.6	769.7	20.2	0.0
Ground nut .....	748.5	632.4	656.4	-12.3	3.8

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ITEMS IN LAGOS AREA FOR THIRD QUARTER 1987**  
(NOVEMBER 1975 = 100)

Table 2 (continued)

Component	3rd Quarter	2nd Quarter	3rd Quarter	Percentage change between	
	1986 (1)	1987 (2)	1987 (3)	(1) & (3) (4)	(2) & (3) (5)
<b>B. Bev. &amp; Drinks</b> .....	693.9	621.7	651.1	-6.2	4.7
Ovaltine .....	410.9	875.1	909.2	121.3	3.9
Bournvita .....	354.4	779.1	840.8	137.2	7.9
Tea .....	811.9	779.2	790.6	-2.6	1.5
Coffee Nescafe .....	1,105.0	1,281.7	1,339.3	21.2	4.5
Milk peak .....	1,285.5	1,076.4	1,161.0	-9.7	7.9
Baby food SMA .....	683.9	1,157.6	980.9	43.4	-15.3
Birds Custard .....	772.7	853.9	847.6	7.0	-0.7
Nido .....	—	—	—	—	—
St. Louis Sugar .....	469.5	389.0	451.2	-3.9	16.0
Tate & Lyle .....	413.4	251.7	261.1	-36.8	3.7
Salt .....	1,736.7	1,200.0	1,286.6	-25.9	7.2
Dubonnet wine .....	743.3	699.0	676.3	-9.0	-3.2
Palm wine .....	1,013.3	544.7	557.3	-45.0	2.3
Star beer .....	321.9	345.2	345.3	7.3	0.0
Harp beer .....	304.3	316.7	324.3	6.6	2.4
Stout Guinness .....	765.7	583.0	569.7	-25.6	-2.3
Fanta .....	511.2	517.1	517.1	1.2	0.0
Coca cola .....	511.2	517.1	517.1	1.2	0.0
<b>C. Tobacco</b> .....	77.2	117.5	132.7	71.9	12.9
Target .....	305.4	464.9	524.9	71.9	12.9
Gold leaf .....	—	—	679.6	—	—
Benson & Hedges .....	—	—	1498.6	—	—
<b>D. Fuel &amp; Light</b> .....	936.1	553.3	493.4	-47.3	-10.8
Fire wood .....	1,177.1	661.5	533.1	-54.7	-19.4
Charcoal .....	901.9	523.0	542.1	-39.9	3.7
Kerosine .....	377.3	282.4	333.3	-11.7	18.0
<b>E. Clothing</b> .....	1,139.7	1,424.5	1,347.7	14.8	-5.4
Standard Baft .....	1,139.7	1,688.6	1,488.2	30.6	-11.9
Shirting .....	946.6	1,170.3	815.9	-13.8	-30.3
White Drill .....	1,137.4	1,313.7	1,374.1	20.8	4.6
Khaki Drill .....	1,253.2	857.8	815.4	-37.2	-4.9

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