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Cambodia

Food price update – September/October 2020

Focus: Effect of the COVID-19 outbreak on food prices

Vulnerability Analysis and Mapping (VAM) Unit - Cambodia Country Office

Preface

The COVID-19 pandemic has been rapidly evolving across the globe since the beginning of 2020. On 11 March, the World Health Organization (WHO) categorized it as a global pandemic. As of 1 November, according to WHO, there were more than 46 million reported cases and more than 1.2 million deaths worldwide. In Cambodia, since the first reported case on 27 January, there have been a total of 291 cases and no deaths (as of 1 November).

The COVID-19 pandemic has had a major impact on the global economy. Trade and travel have been severely restricted, and many countries, including Cambodia and others across Asia, have instituted measures to contain the spread.

In order to understand if the COVID-19 pandemic has impacted food availability and access at markets in Cambodia, the World Food Programme (WFP) monitors the retail and wholesale prices of key food commodities (see Annex 1 and 2) in 45 urban and rural markets across the country (*see the Methods section for more details*). An average of 340 traders and market chiefs are interviewed every two weeks, through a call center contracted by WFP. In addition to prices, market chiefs are also interviewed to assess market functionality, including supply and demand issues. Additional information is used to interpret the results and understand the broader context of both COVID-19 and the recent floods in Cambodia.

The September/October update is based on market data collected in the first and third week of October 2020.

This system is based on long-term cooperation between WFP and the Agricultural Marketing Office (AMO) of the Ministry of Agriculture, Forestry and Fisheries (MAFF).

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Key findings



COVID-19 & Environmental Factors Influencing Prices

The COVID-19 pandemic has spread rapidly since January and continued to impact economic activities across the world. Economic growth for Cambodia is projected to have negative growth of -2% in 2020 (World Bank, October 2020). Cambodia's GDP growth rate is expected to contract by 4.0% in 2020 and grow by 5.9% in 2021 (ADB, September 2020).

For the global food trade, COVID-19 has impacted both supply and demand. Several Southeast Asian countries imposed border controls, which disrupted the flow and prices of commodities. In Cambodia, the Government's ban on rice exports in April was lifted on 20 May. Cambodia exported **0.54** million tonnes of rice in the first ten months of 2020, **17.11%** higher than last year.

In October, Cambodia received substantially higher rainfall than the long-term average (see Annex 3), which caused flash floods (see Annex 4). These floods affected nearly 176,000 households in 14 provinces, including Phnom Penh, and displaced over 14,000 households.

Conclusion:

After the flooding in October, prices have remained fairly stable except for vegetable prices, which increased quite substantially. Prior to the flooding, prices of key commodities remained within expected seasonal fluctuation with the exception of a temporary spike in retail food prices for some fresh commodities in late March/early April 2020. Markets also appear to be functioning well, except for 3 markets that were disrupted due to the floods. So far, the impact of the COVID-19 pandemic and the flooding on food security is more likely to come from the demand side, with many households suffering economically with a loss of livelihoods and income as a result of the crisis, which in turn restricts their ability to afford a sufficient and diverse basket of nutritious foods. In response the Government rolled out on-demand IDPoor and launched a cash transfer programme since June to provide support to vulnerable households, reaching around 696,000 IDPoor households by October 2020. In addition, the Government, Cambodian Red Cross, UN agencies, NGOs, the private sector and charities provided emergency assistance to flood-affected households.



Longer-Term Trend Analysis (Nov 2019 – October 2020)

In Cambodia prices have remained fairly stable for most key food commodities over the past 10 months.

Following an initial spike in prices at the end of March and beginning of April, prices stabilized by May. Some of this initial spike was likely related to the initial increase of COVID-19 cases and subsequent border closures which restricted cross-border trade.

Since May, the prices of mixed rice and duck egg have remained fairly stable, while vegetable oil decreased slightly in June and July but increased again in August until late October. Snakehead fish showed a stable price trend until late October when it decreased slightly. The price of morning glory has fluctuated since May and the price spiked following the floods in October. This is consistent with a widespread rise in vegetable prices that occurred following this event. Meanwhile, pork prices have had a slight upward trend since May until late September and showed a slight downward trend in October.

Markets appeared to be able to function as usual throughout this period, except three markets that reported disruptions due to flooding.

In late October, 50% of market chiefs reported a slight decrease in customers visiting markets, a substantial drop from the 80% that reported no change at the start of the month. Furthermore, more than **90%** reported no problems in supply, although **8%** reported an increase in supply prices.



Monthly Food Price Change (September - October 2020)

In October, prices appear to be stable for key food commodities but there was some substantial increase in vegetable prices since August such as morning glory (+58.9%), long eggplants (+31.8%), and long bean (+68%).

Food prices were higher in urban areas than those in rural areas for food commodities, such as mixed rice, duck egg and morning glory, with the exception of snakehead fish and vegetable oil. The price of pork showed no difference between both areas. Price changes of these commodities in rural and urban areas were consistent, except duck egg. Prices of these commodities also remained stable in both rural and urban areas, except morning glory for which prices increased sharply (**+73.5%**) in urban areas and (**+26.7%**) in rural areas.

At provincial level, Battambang, Siem Reap and Stung Treng had the highest reported prices of some food commodities, such as mixed rice, duck eggs and vegetable oil. For some of the more remote and sparsely populated provinces (see population density map in Annex 3), such as Mondulkiri and Koh Kong, price information was not available.

Further seasonal fluctuations in food prices are expected in the coming months due to the harvest of wet season paddy (see Annex 3), receding flooding water and the restrictions placed on fishing in September and October.

Market functionality

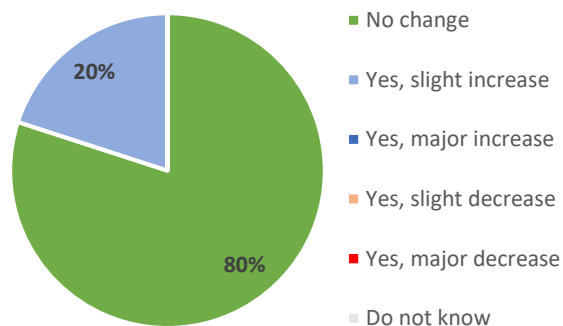
In the 45 markets monitored across the country, market chiefs were interviewed in the first and third week of October*. All respondents reported that markets were open, as usual, except for three markets in Battambang, Pursat and Banteay Meanchey that reported being affected by the floods in October.

Overall, the number of customers visiting markets varied substantially between early and late October. The majority of market chiefs (80%) reported no changes in the number of customers visiting the market in the first week of October while this number dropped to 42% at the end of October. Half of market chiefs (50%) also reported that there was a slight decrease in customers visiting the market in late October, but this issue was not reported at the beginning of the month. Only 8% of market chiefs reported a slight increase in customers at the end of October, compared to 20% reported in early October. This was likely related to the floods.

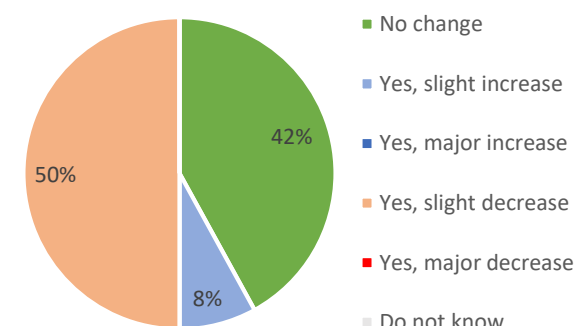
However, there did not appear to be any major issues in the supply of food to markets. The majority of the market chiefs reported no problem with the food supply to their market in the first and second half of October. In early October, a small percent (2%) of market chiefs reported an increase in supply price. This rose to 8% of market chiefs in late October.

Traders were also asked to report whether their selling price increased or decreased. More than half of the markets (54%) reported increases in the selling price of food commodities, such as vegetables, rice, and duck egg, due to the floods in October.

Change in Customers Visiting Markets in the Past 2 Weeks in October 2020

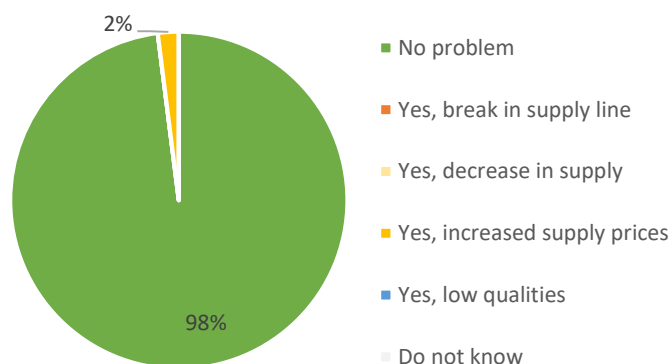


October 2020, Week 1 (n=10)

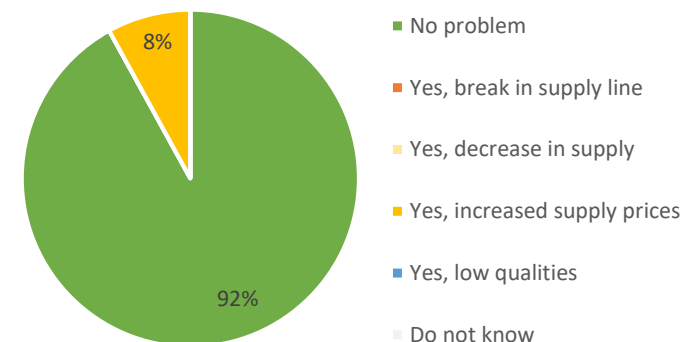


October 2020, Week 3 (n=12)

Change in Supply in the Past 2 Weeks in October 2020



October 2020, Week 1 (n=10)

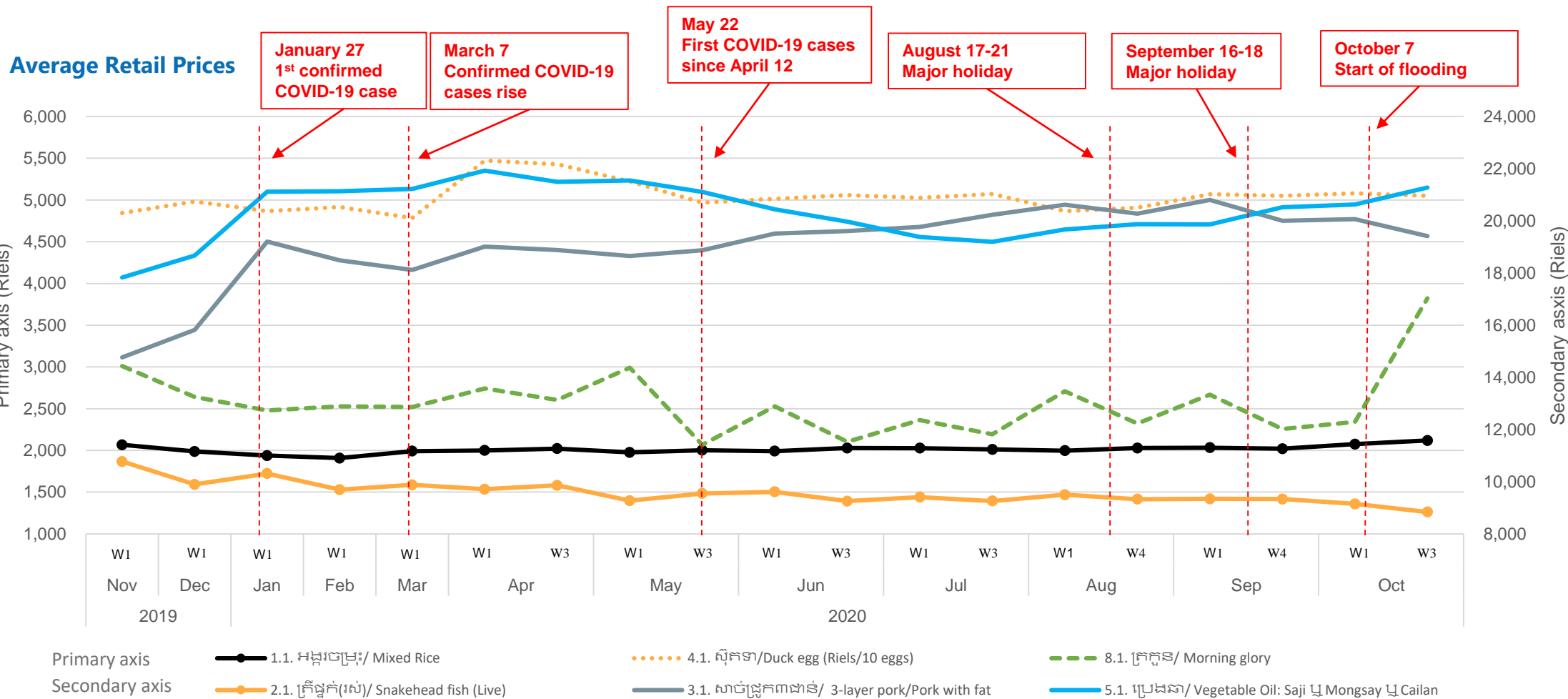


October 2020, Week 3 (n=12)

*Call center operators are asked to contact and interview market chiefs during the data collection rounds in the first and the third week of each month.

National: Longer-term price trends

Longer-term trends of six commonly consumed food commodities (mixed rice, duck egg, morning glory**, snakehead fish, pork and vegetable oil) in 14 urban and rural markets*** in 7 provinces (Battambang, Kampong Chhnang, Kampong Thom, Odtar Meanchay, Siem Reap, Preah Vihear and Stung Treng) indicate that whilst there was a slight spike in prices in early April, on the whole prices have remained fairly stable in early October but fluctuated slightly in late October. The price of morning glory dramatically increased in late October and the prices of mixed rice and vegetable oil also had a slight upward trend, whereas the price of duck egg, pork, and snakehead fish had a slight downward trend. See Annex 1 & 2 for the prices of additional commodities.

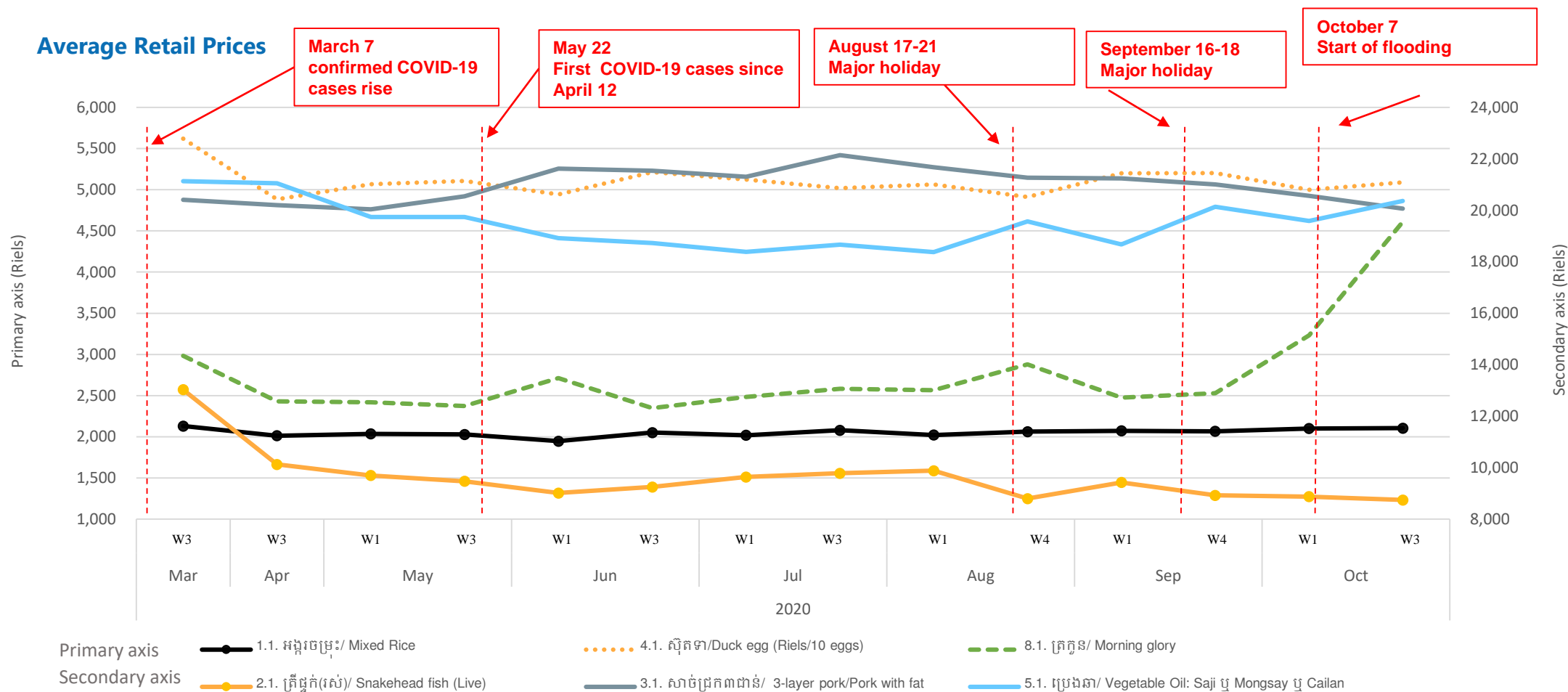


** Morning glory is commonly eaten in Cambodia and its price trend does not always indicate price fluctuations of other vegetables in the Annexes.

***Note: Data is from 14 markets that have been monitored since November 2019. See the Methods section for more details.

National: Short-term price trends

Short-term trends of six commonly consumed food commodities (mixed rice, duck egg, morning glory**, snakehead fish, pork and vegetable oil) in 31 urban and rural markets**** in 16 provinces (Banteay Meanchey, Kampong Cham, Tboung Khoum, Kampong Speu, Kampot, Kandal, Koh Kong, Preah Sihanouk, Kratie, Phnom Penh, Prey Veng, Pursat, Monduliri, Ratanakiri, Svay Rieng, and Takeo) indicate that most prices remained stable between the second half of April and late May and showed some minor fluctuation since June. The price of morning glory sharply rose since late September and through October. Duck egg and vegetable oil also had a slight upward trend in late October, whereas the price of snakehead fish and pork slightly decreased since early September. The price of mixed rice remained fairly stable over last two months. See Annex 1 & 2 for the prices of additional commodities.



** Morning glory is commonly eaten in Cambodia and its price trend does not always indicate price fluctuations of other vegetables in the Annexes.

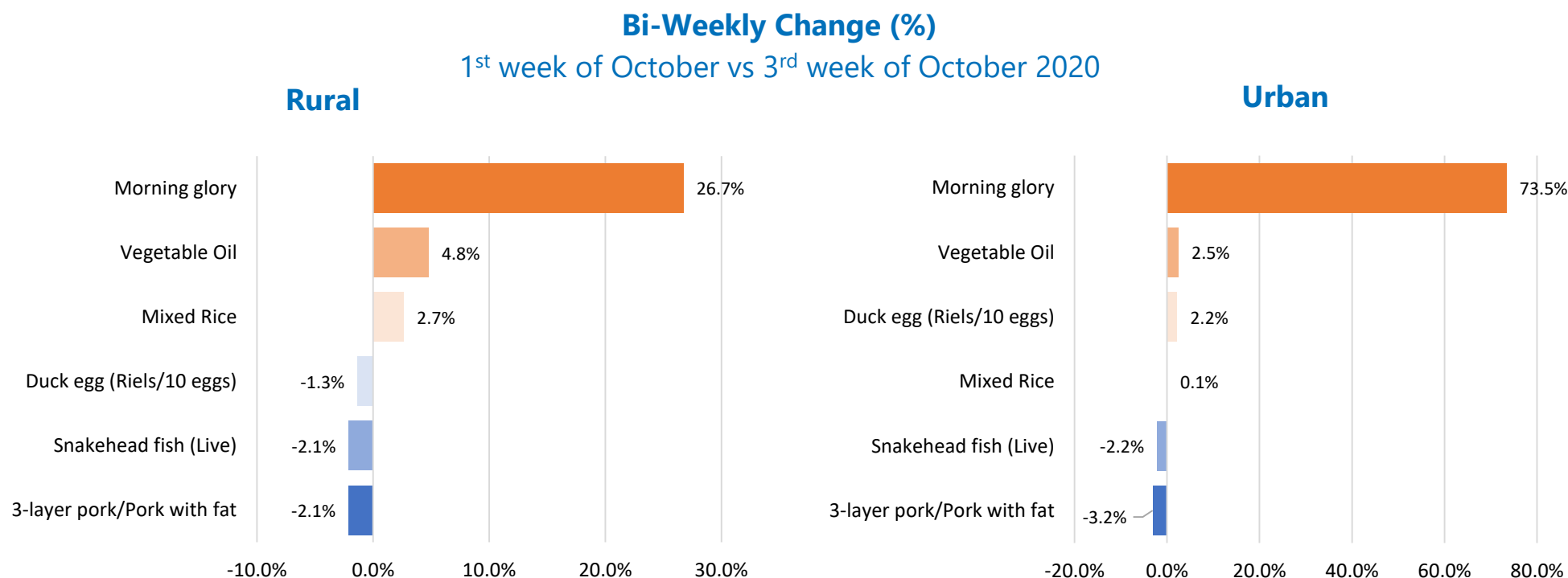
****Note: Data is from the expanded list of markets that have been monitored since March 2020. See the Methods section for more details.

Sub-national: Price trends in urban and rural areas

Until late October, the prices of the main food commodities, such as mixed rice, duck egg and morning glory, in urban areas were higher than the prices of the same food commodities in rural areas, with the exception of snakehead fish and vegetable oil. The price of pork showed no difference between rural and urban areas.

The price trend of five main food commodities in rural and urban areas followed the same direction of change, with morning glory, vegetable oil, and mixed rice prices increasing and pork and snakehead fish prices decreasing. Morning glory showed the largest fluctuations in price, showing large (26.7% and 73.5%) increases in rural and urban areas, respectively. Prices of vegetable oil and mixed rice increased by 4.8% and 2.7% respectively in rural areas and by 2.5% and 0.1% respectively in urban areas. In contrast, snakehead fish and pork slightly decreased by 2.1% in rural areas and by 2.2% and 3.2% respectively in urban areas.

Between the first and third weeks of October, the direction of the price change of duck egg was not consistent between rural and urban areas. The price of duck egg declined by 1.3% in rural areas, but it increased by 2.2% in urban areas.



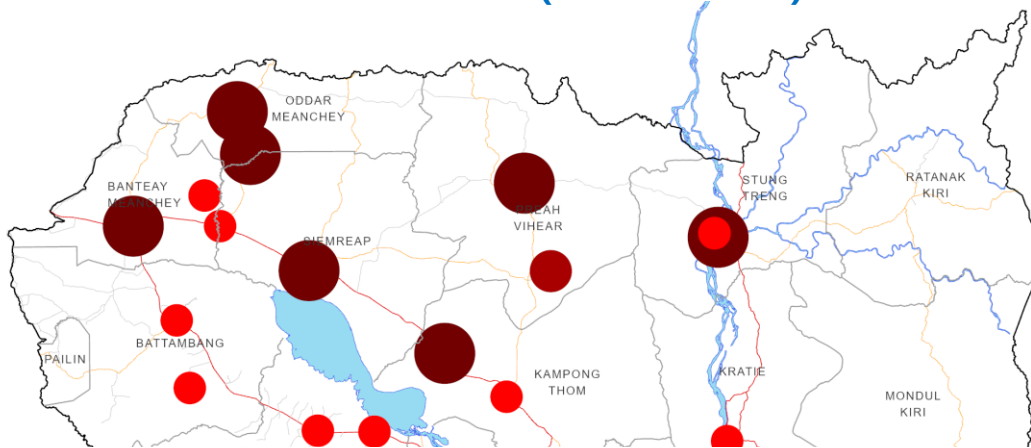
Note: Data is from all 45 markets. See the Methods section for more details.

Sub-national: Price trends of mixed rice & snakehead fish

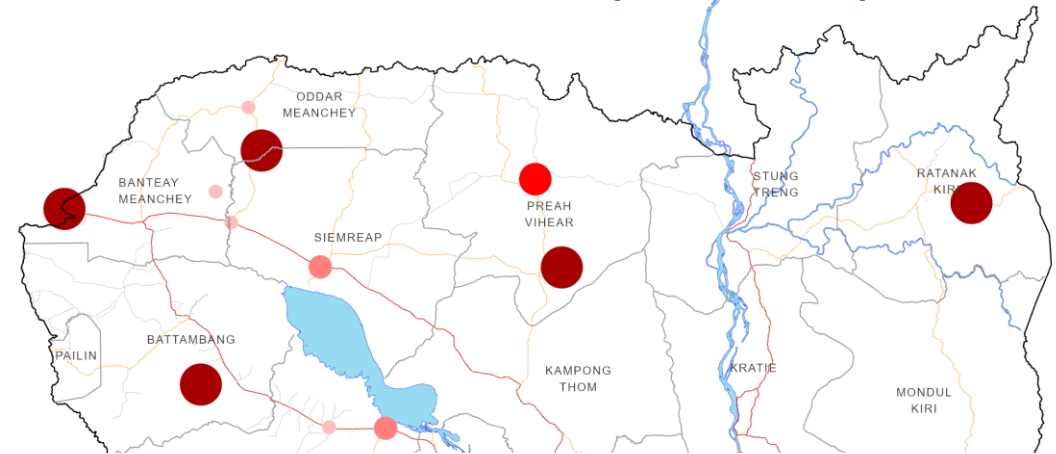
In late October 2020, the national average retail price of mixed rice was **2,111 riels/kg**. The highest price was 2,500 riels in Stung Treng market, Stung Treng, 12% higher than the price in early October in the same market. The second highest price of rice was 2,450 riels in Serei Saophoan market in Banteay Meanchey, 2% higher than late September. The lowest price was in Suong market in Tboung Khmum (1,850 riels), about 3% lower than the previous month in the same market.

In late October 2020, the national average retail price of snakehead fish (live) was **8,780 riels/kg**. The highest price (10,000 riels) was found in multiple markets such as Kandal market in Banteay Meanchey (same as early September), Koas Kralor market in Battambang (9% higher than late September), Dang Tong market in Kampot (same as late September), Snuol market in Kratie (no price recorded last month), Rovieng market in Preah Vihear (same as late September), Bar Kaev market in Ratanakiri (9% lower than early October), Veal Reanh market in Preah Sihanouk (same as early October), and Chong Kal market in Oddar Meanchey (same as late September). The second highest price (9,500 riels) was found in Kampong Pranak market in Preah Vihear, 5% lower than last month. The lowest price (6,800 riels) was found in Kralanh market in Siem Reap, about 9% lower than the previous month.

Mixed Rice Prices (October 2020)



Snakehead Fish Prices (October 2020)



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https://www.yunbaogao.cn/report/index/report?reportId=5_2783

