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Cambodia

Food price update - August 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 31 August, according to WHO, there were more than 25 million reported cases and more than 844,000 deaths worldwide. In Cambodia, since the first reported case on 27 January, there have been a total of 274 cases and no deaths (as of 31 August).

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.

The August update is based on market data collected in the first and fourth week of August 2020 (normally data collection is carried out in the first and third week of the month but due to the Khmer New Year holiday this was postponed until the fourth week of August).

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. According to the World Bank, the economic growth for Cambodia is projected to slow to 2.5% in 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 **0.45** million tonnes of rice in the first eight months of 2020, **31%** higher than last year.

In August, Cambodia received substantially lower rainfall in the last dekad (10 days) than the previous year (see Annex 3). A dry spell in the wet season destroyed 7,685 hectares of paddy cultivation. However, heavy rains are anticipated in September.

Higher customer demand was expected during the rescheduled Khmer New Years holiday (17-21 August).



Longer-Term Trend Analysis (Nov 2019 - August 2020)

In Cambodia prices have remained fairly stable for most key food commodities over the past 9 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, key food items, such as mixed rice, snakehead fish, and duck eggs have remained stable, while vegetable oil decreased slightly in June and July but increased again in August. The price of morning glory has fluctuated since May, while pork prices have had a slight upward trend since May until the first week of August when it has started to decrease.

Markets continued to function well throughout this period. In late August, **40%** of market chiefs reported no change in customers visiting markets, though **36%** reported a slight decrease, **20%** reported a slight increase and **4%** reported a major increase. Furthermore, **92%** reported no problems in supply, although **1%** reported issues with the supply and **7%** reported an increase in supply prices.



Monthly Food Price Change (July- August 2020)

In August, prices appear to be stable for key food commodities but there was some substantial increase in vegetable prices since the previous month such as morning glory (+**17.2%**), long eggplants (+**8.4%**), and long bean (+**8%**).

Food prices were higher in urban areas than those in rural areas for food commodities such as mixed rice, snakehead fish, pork, duck egg, vegetable oil and morning glory. Price changes of these commodities in rural and urban areas were not consistent but remained stable in both areas except for snakehead fish in urban areas (**-8.3%**) and morning glory (**+6.8%**) in rural areas.

At the provincial level on the whole, as expected, more remote, less populated provinces (see population density map in Annex 3), such as Koh Kong, and provinces in the North/North East, had higher prices of some food commodities, such as mixed rice, snakehead fish, duck eggs & vegetable oil.

Further seasonal fluctuations in food prices are expected in the coming months with the unusually slow onset of the rainy season this year (see Annex 3) and the dry conditions experienced in some provinces.

Conclusion:

Whilst there was a spike in retail food prices for some fresh commodities in late March/early April 2020, since May much of this fluctuation has reduced and prices have stabilized, keeping prices within expected seasonal changes for key commodities in Cambodia. Markets also appear on the whole to be functioning well, despite the reports of new cases in Cambodia between 22 May and 31 August. So far, the impact of the COVID-19 pandemic 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 668,000 IDPoor households in August.

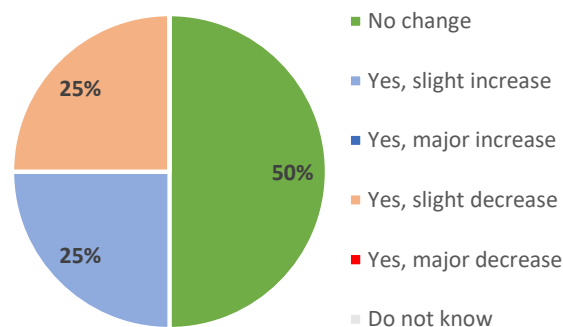
Market functionality

In markets monitored across the country, market chiefs were interviewed in the first and fourth week of August*. All respondents reported that markets were open daily as usual.

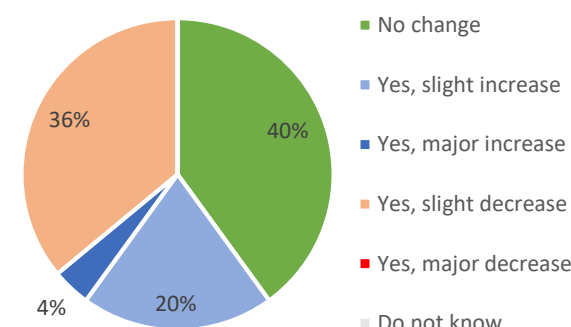
Overall, the number of customers visiting markets appeared to have stayed consistent in early August compared to the end of July, and this remained the case through to late August with the majority of market chiefs reporting no changes. In late August 36% of market chiefs reported a slight decrease, while 20% reported a slight increase, 4% reported a major increase and 40% reported no change. By comparison, in early August, 25% of market chiefs reported a slight decrease in the number of customers visiting the market, 25% reported a slight increase, and 50% reported no change.

There does not appear to be any major issues in the supply of food to markets. In late August, 92% of the market chiefs reported no problem with the food supply to their market compared to 83% in early August. In late August, a small percentage of market chiefs reported a decrease in supply and 7% reported an increase in supply prices.

Change in Customers Visiting Markets in the Past 3 Weeks in August 2020

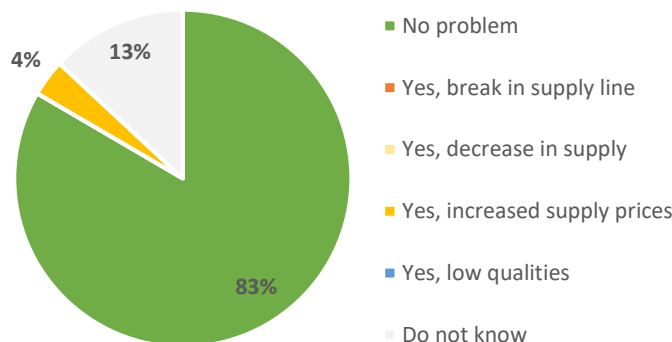


August 2020, Week 1 (n=16)

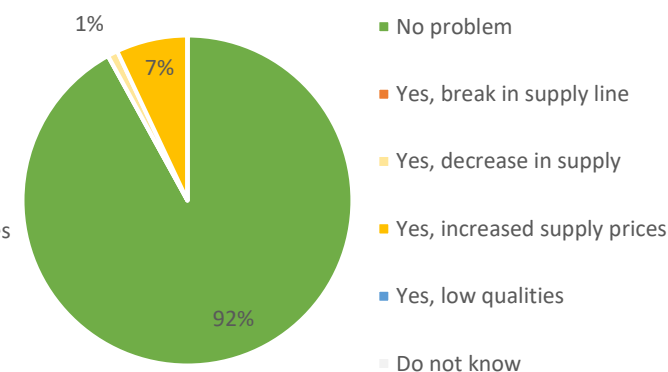


August 2020, Week 4 (n=25)

Change in Supply in the Past 3 Weeks in August 2020



August 2020, Week 1 (n=16)

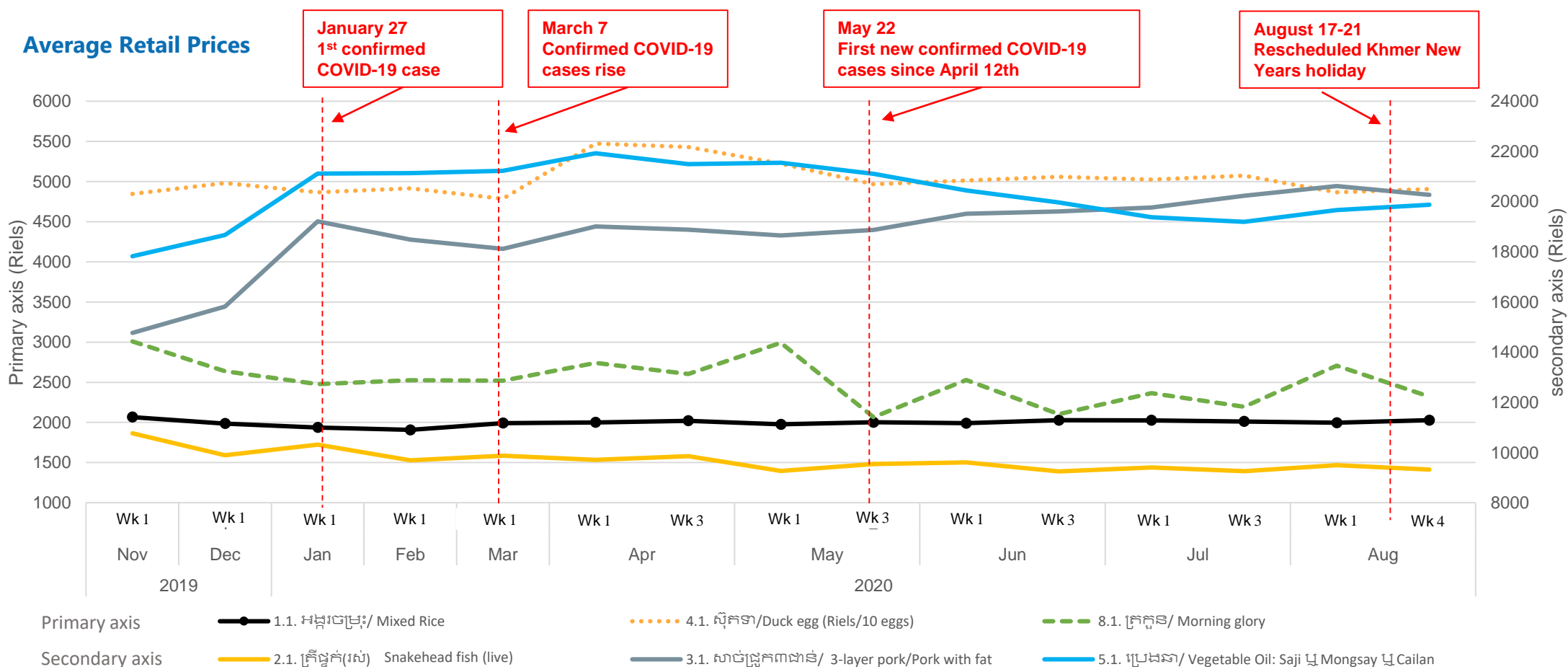


August 2020, Week 4 (n=25)

*Call center operators were unable to contact all market chiefs during the data collection rounds.

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 through August. The prices of mixed rice, snakehead fish and duck egg in August were relatively stable while the price of vegetable oil had a slight upward trend throughout August. The price of morning glory spiked in the first half of August but reduced in price again at the end of the month. This is in line with normal fluctuations expected in vegetables. In contrast, prices of pork in late August show a slight downward trend although the prices remains high since the second half of May. See Annex 1 & 2 for the prices of additional commodities.

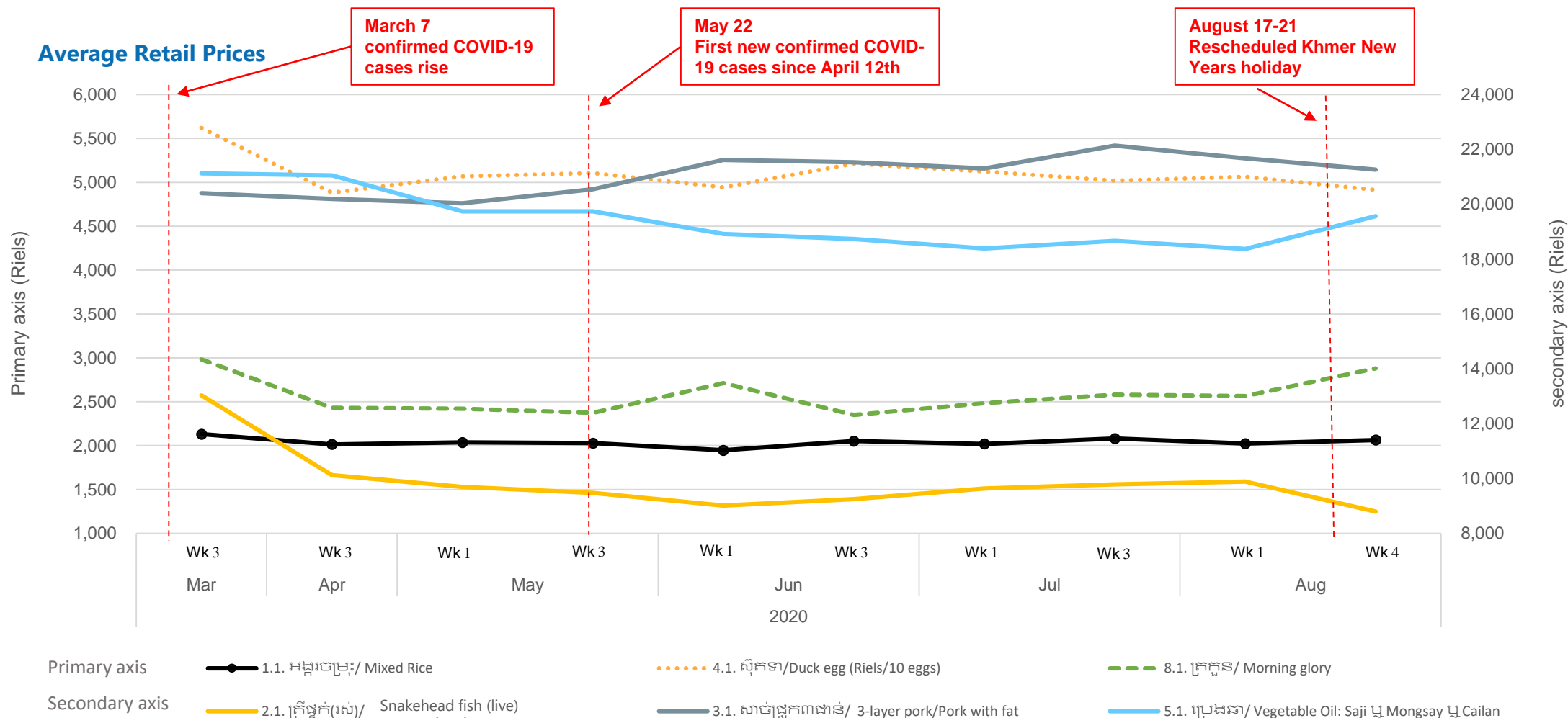


** Morning glory is commonly eaten in Cambodia and its price trend does not always indicate price fluctuations of other vegetables in the Annexes.

***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. In the second half of August, the price of mixed rice remained stable. Morning glory and vegetable oil had an upward trend, whereas the price of snakehead fish, duck eggs and pork decreased. 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.

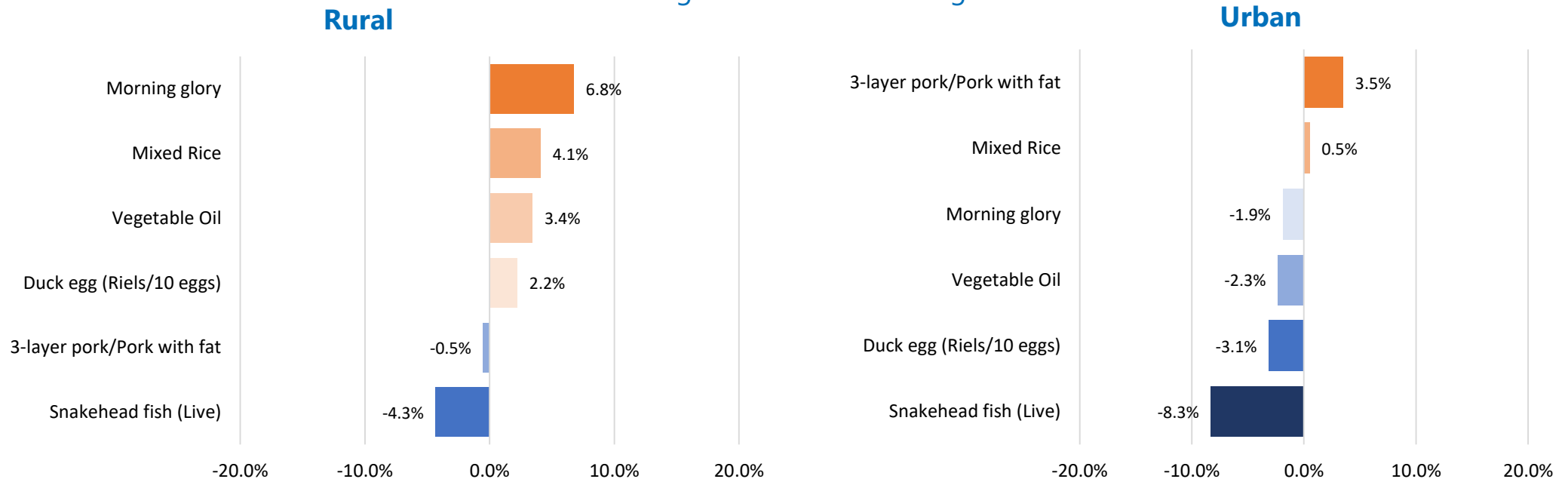
Sub-national: Price trends in urban and rural areas

In the fourth week of August, the price of the main food commodities such as mixed rice, snakehead fish, pork, duck egg, vegetable oil and morning glory was higher in urban areas than in rural areas .

The price trend of mixed rice and snakehead fish in rural and urban areas followed the same direction of price change, with rice prices increasing and snakehead fish prices decreasing. However, the price change of pork, duck egg, morning glory and vegetable oil was not consistent between rural and urban areas. Morning glory and snakehead fish showed the largest fluctuations in price, with morning glory showing large (>5%) increases in price in rural areas but a slight decrease in urban areas, and snakehead fish showing a large (<-5%) decrease in price in urban areas.

Between the first and fourth weeks of August, the price of mixed rice increased by 4.1% in rural areas and 0.5% in urban areas and the price of snakehead fish dropped by 4.3% and 8.3% in rural and urban areas, respectively. In contrast, the price of morning glory increased by 6.8% in rural areas but decreased by 1.9% in urban areas. Prices of duck egg and vegetable oil increased by 2.2% and 3.4% respectively in rural areas, while in urban areas decreased by 3.1% and 2.3%. Prices of pork decreased by 0.5% in rural areas, but it increased by 3.5% in urban areas.

Bi-Weekly Change (%)
1st week of August vs 4th week of August 2020



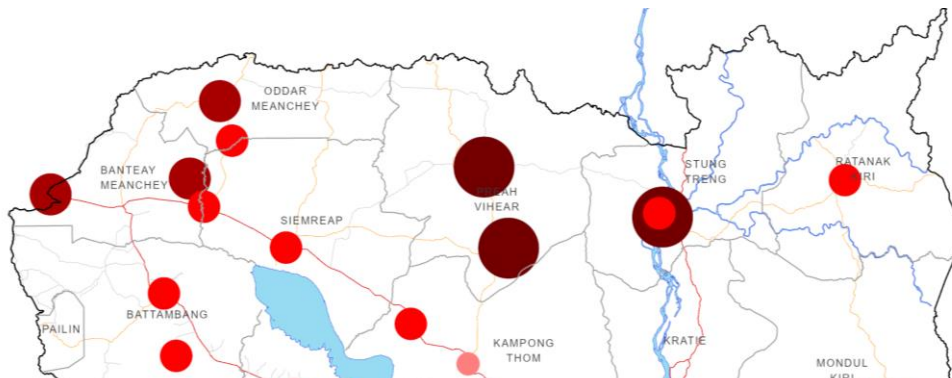
Note: Data is from all 45 markets. See the Methods section for more details.

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

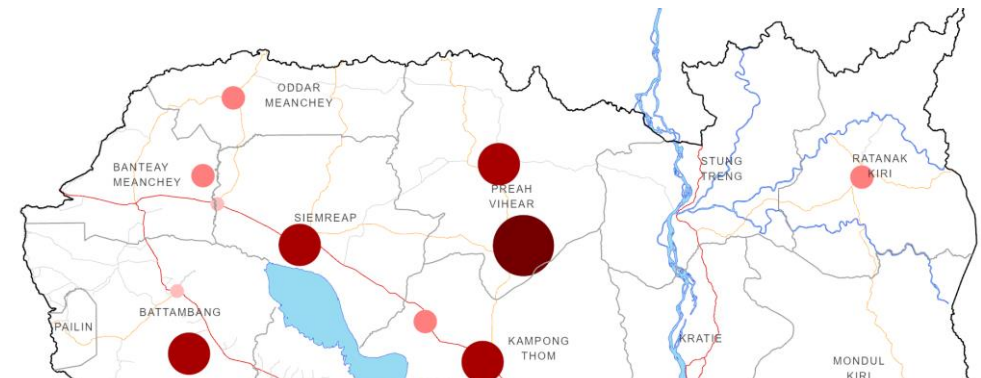
In late August 2020, the national average retail price of mixed rice was **2,048 riels/kg**. The highest price (2,500 riels) was in Dang Tong market in Koh Kong. This is a 11% increase from the same market at the end of July. The second highest price of rice (2,350 riels) was in Saen Monourom market in Mondul Kiri, which is higher than the previous month by 15%. The lowest price was in Kampong Thom market in Kampong Thom (1,856 riels). This price was the same as the previous month.

In late August 2020, the national average retail price of snakehead fish (live) was **9,050 riels/kg**. The highest price was in Rovieng market in Preah Vihear (12,000 riels), this price remained the same as at the end of July. The second highest prices (10,000 riels) were found in multiple markets across the country: Suong market-Tboung Khmum, Psa Leu market-Siem Reap, Kampong Pranak market-Preah Vihear, Chbar Ampov market-Phnom Penh, Dang Tong market-Kampot, Kampong Thom market-Kampong Thom, Psa Leu market-Kampong Chhnang, and Kaos Kralor market-Battambang. The lowest price (7,100 riels) was in Kralanh market in Siem Reap. This price was 11% less than the previous month.

Mixed Rice Prices (August 2020)



Snakehead Fish Prices (August 2020)



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https://www.yunbaogao.cn/report/index/report?reportId=5_3192

