WFP

World Food Programme

Cambodia

Food price update - May 2020

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

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

SAVING LIVES

CHANGING LIVES

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 27 May, according to WHO, there were more than 5.5 million reported cases and 350,000 deaths worldwide; in Cambodia, there have been a total of 126 cases since the first on 27 January.

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 lockdown 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, including rice, fish, vegetables and vegetable oil, in 45 urban and rural markets across the country*. An average of 340 traders 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. Contextual information is used to interpret the results. This system is based on long-term cooperation with the Agricultural Marketing Office (AMO) of the Ministry of Agriculture, Forestry and Fisheries (MAFF).

**Note: this remote market monitoring system was originally started in November 2019 in a limited number of markets; in response to COVID-19, WFP expanded the coverage in March and April 2020 and the increased the frequency of data collection from once a month to every two weeks. See the Methods section for more details.*

Contents

Contacts Indira Bose indira.bose@wfp.org Yav Long yav.long@wfp.org Chanvibol Choeur chanvibol.choeur@wfp.org

Further information https://www.wfp.org/countries/cambodia

Key findings

COVID-19 Global Outlook

The COVID-19 pandemic has spread rapidly since January and has had a severe impact on economic activities across the world. Cambodia has a highly open economy, with close trade ties with neighboring countries, China, European Union, and the United States, among others, so **it is expected that global economic impacts will also have major consequences for Cambodia**.

For the global food trade, COVID-19 has impacted both supply and demand. In Southeast Asia, several countries have imposed border controls, which have the potential of disrupting food flows and prices within these countries. Cambodia is also a net rice exporter, so a reduction in demand and a Government ban on white rice and paddy exports may disrupt rice exports while helping to stabilize rice prices domestically. This ban, however, was lifted by the Government from 20 May.

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

In Cambodia prices have remained fairly stable for most key food commodities over the past 6 months. There was a spike in prices, particularly for vegetables (**up to +60%** for some items), eggs (**+14.5%**) and pork (**+5.7%**) at the end of March and beginning of April. Some of this is likely related to the increase of COVID-19 cases and subsequent border closures which restricted cross-border trade. Other food commodities, such as rice, vegetable oil and fish, remained stable during this period.

Markets have also continued to function well throughout this period. At the end of March the majority (**61%**) of market chiefs reported a decrease in customers visiting markets and **52%** reported facing issues with the supply of commodities, primarily due to price increases from their sources. In late April and early May, however, there has been an improvement, with **85%** reporting no problems in supply. Whilst 53% still reported a slight decrease in customers, 30% considered there to be no change in customer levels, a big improvement from only 3% of market chiefs that reported this at the end of March.

Monthly Food Price Change (April-May 2020)

In the last month, prices appear to have stabilized for most commodities. Whilst a few vegetables, such as morning glory, still display major fluctuations, the size of these fluctuations have reduced and appears to be more due to seasonal factors. The majority of vegetables, however, have stabilized in price.

In rural areas there was greater price fluctuation of key commodities than in urban areas. The direction of the price change between rural and urban areas was not consistent.

At the provincial level on the whole, as might be expected, more remote provinces, such as Koh Kong and the mountainous areas in the Northeast, had higher prices of some key commodities, such as rice, fish and eggs.

Conclusion

Whilst there was a spike in retail food prices for some fresh commodities in late March/early April 2020, by May much of this fluctuation has reduced and prices have stabilized for key food commodities in Cambodia. Markets also appear on the whole to be functioning well, in particular after no new cases were reported in Cambodia between 12 April and 20 May. 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, for example, a loss of livelihoods and income, as a result of the crisis, which in turn restricts their ability to afford a diverse basket of nutritious foods.

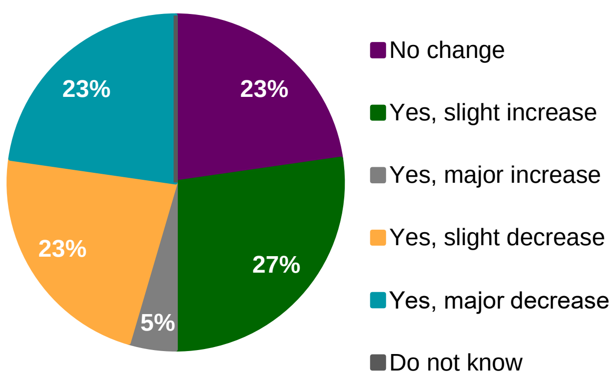
Market functionality

In the 45 markets monitored across the country, 22 market chiefs were interviewed in the second half of April and 30 at the start of May*. All reported that markets were open as usual.

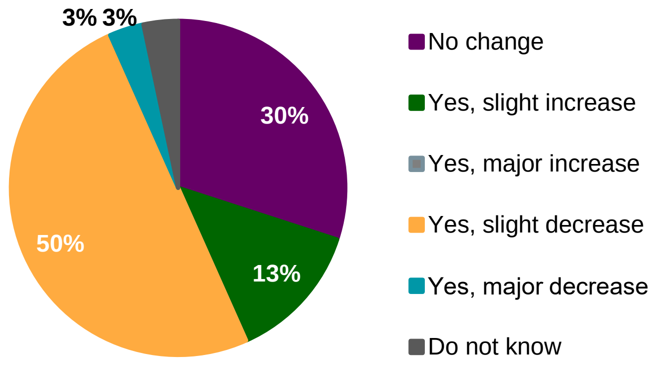
Compared with the second half of April, the fluctuation in the numbers of customers visiting the markets in early May seem to have stabilized, whilst half of the market chiefs reported a slight decrease in customers. On the whole the perception is that any changes are slight compared with April where around 23% reported a major decrease in customers. This is also an improvement from the end of April, with 30% now reporting no change in the level of customers, compared to 23%. By comparison, at the end of March only 3% reported no change in the level of customers.

In terms of supply to markets, the situation has also improved since the end of March, when 52% reported problems with supply to markets, and the majority (23%) reported that these issues related to increase in prices from their sources. In the second half of April, 87% of market chiefs reported no issues with supply and in early May 85% reported no issues. For those that reported issues, the major issue was due to an increase in supply prices from their sources. This is confirmed by WFP field sources. There are some anecdotal indications, however, that local smallholder farmers are struggling to be able to sell their produce to markets.

Change in Customers Visiting Markets in the Past 2 Weeks, April and May 2020

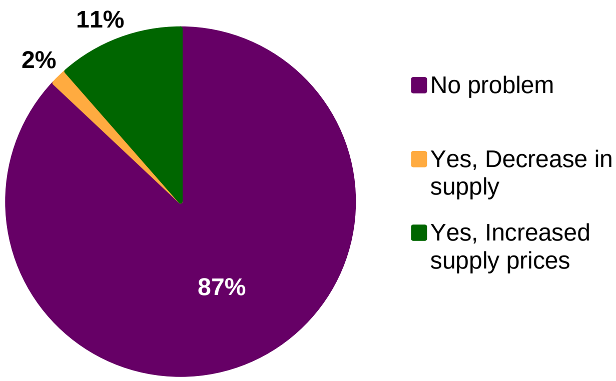


April 2020, Week 3 *(n=22)*

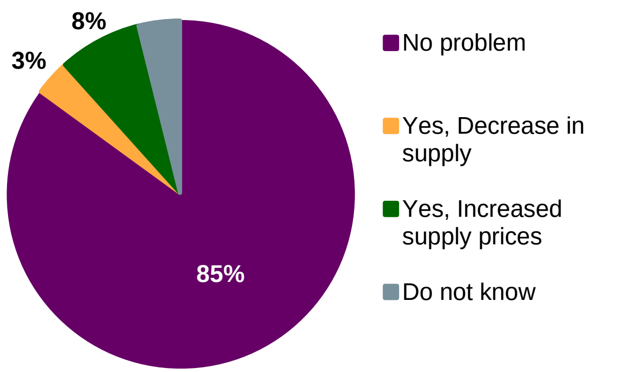


May 2020, Week 1 *(n=30)*

Change in Supply in the Past 2 Weeks, April and May 2020



April 2020, Week 3 *(n=22)*

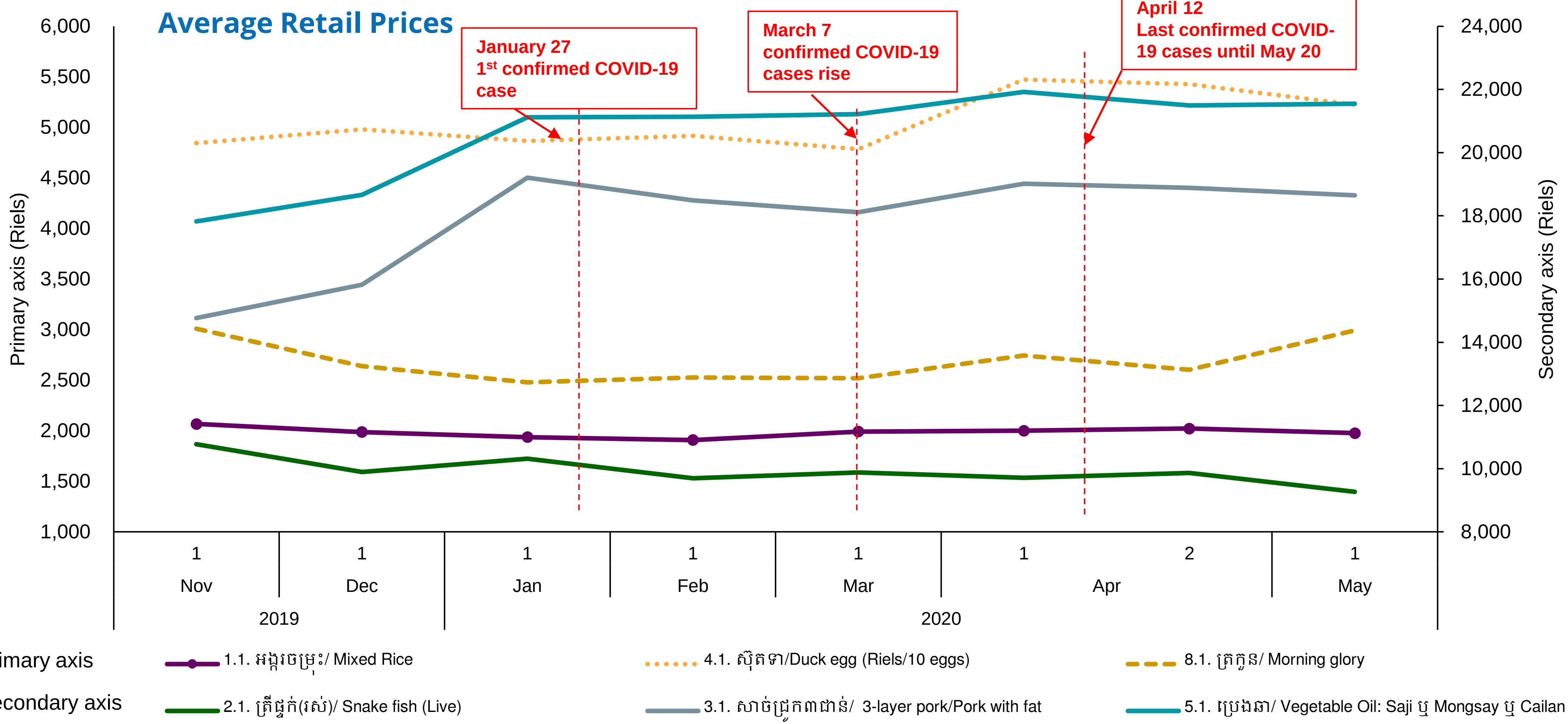


May 2020, Week 1 *(n=30)*

** The call center was unable to contact the other market chiefs during the data collection round.*

National: Longer-term price trends

Longer-term trends of six commonly consumed food commodities (rice, duck egg, morning glory, snake fish, pork and vegetable oil) in 14 urban and rural markets** (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. The prices of micronutrient-rich foods, such as eggs, which had shown an upward trend in early April, started to decrease in the second half of April and early May.

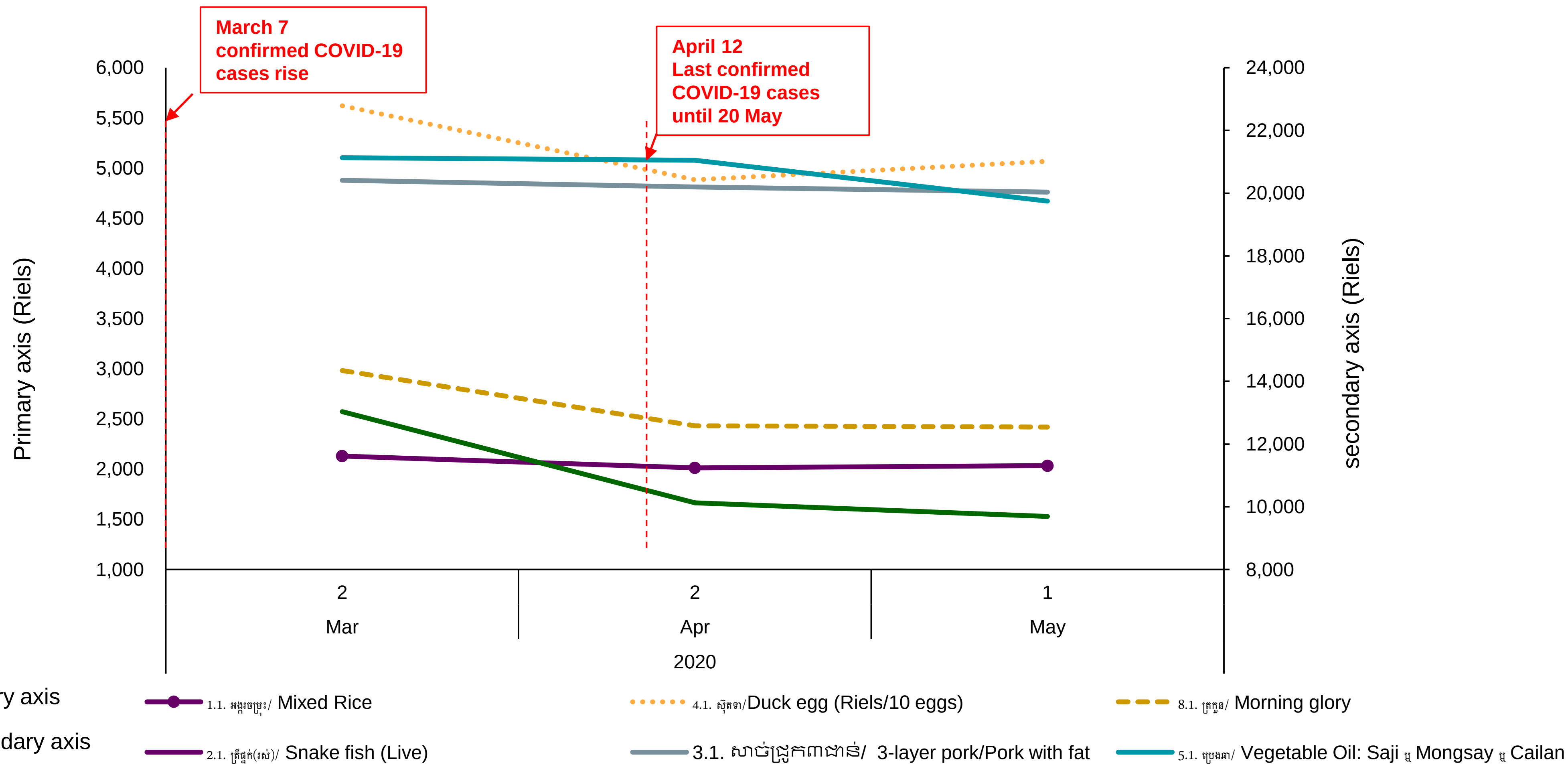


***Note: Data is from 14 markets that have been monitored since November 2019. See the Methods section for more details.*

National: Short-term price trends

Short-term trends of six commonly consumed food commodities (rice, duck egg, morning glory, snake fish, pork and vegetable oil) in 31 urban and rural markets*** (Banteay Meanchey, Kampong Cham, Tboung Khoum, Kampong Speu, Kampot, Kandal, Koh Kong, Preah Sihanouk, Kratie, Phnom Penh, Prey Veng, Pursat, Mondulkiri, Ratanakiri, Svay Rieng, and Takeo) indicate that most prices have started to decrease/stabilize in the second half of April and early May.

Average Retail Prices



****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

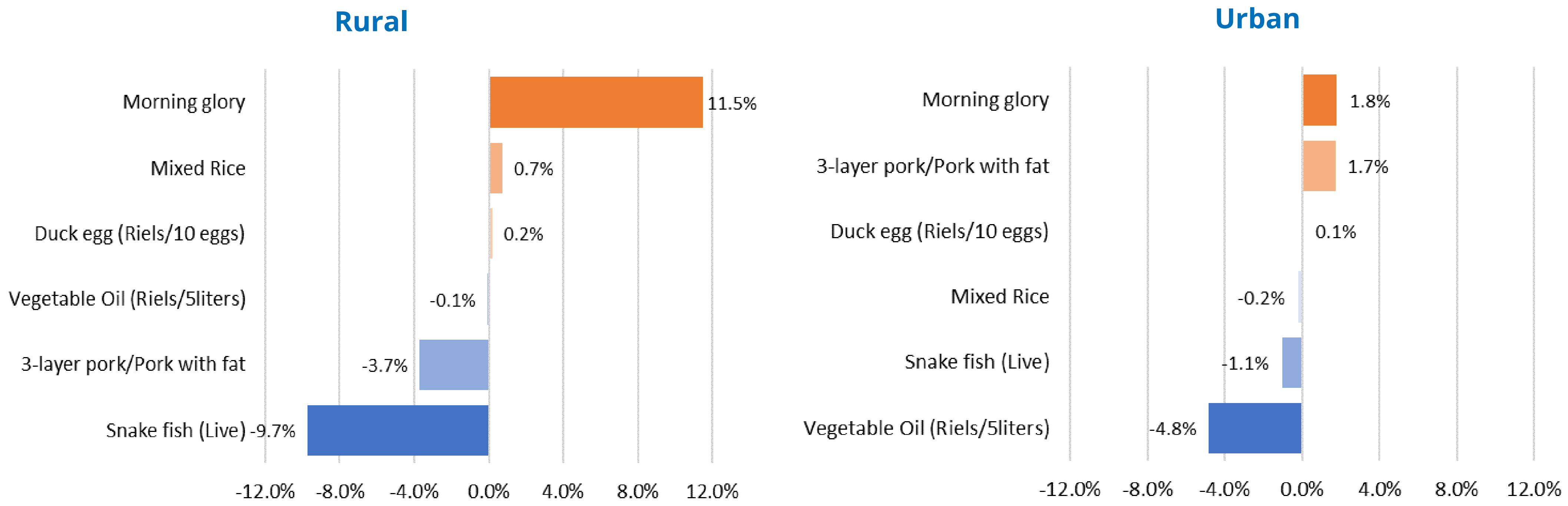
On average prices in rural areas appear to have fluctuated more substantially than in urban areas from the end of April to the start of May. The direction of the price change is not consistent between rural and urban areas. There could be multiple factors contributing to this, such as perhaps the fragility of rural supply chains being higher than urban ones or due to the influx of migrants back to rural communities. Overall the prices of morning glory, duck egg and vegetable oil was higher in urban areas, but the prices of rice, pork and fish were lower in urban areas.

Compared to the end of April 2020, the prices of three commodities decreased in rural areas at the start of May 2020: vegetable oil, pork and fish, while the price of three others, namely, rice, duck egg and morning glory, increased. The price of morning glory increased by almost 12% and the price of rice rose by nearly 1%. In contrast, snake fish recorded the highest decrease (about 10%), followed by pork (4%).

Unlike rural areas, urban areas had a slight decrease in the price of rice while a rise in the price of pork with fat (2%). In urban areas vegetable oil had the highest decrease (5%), followed by snake fish (1%) whereas morning glory had the highest increase (2%).

Bi-Weekly Change (%)

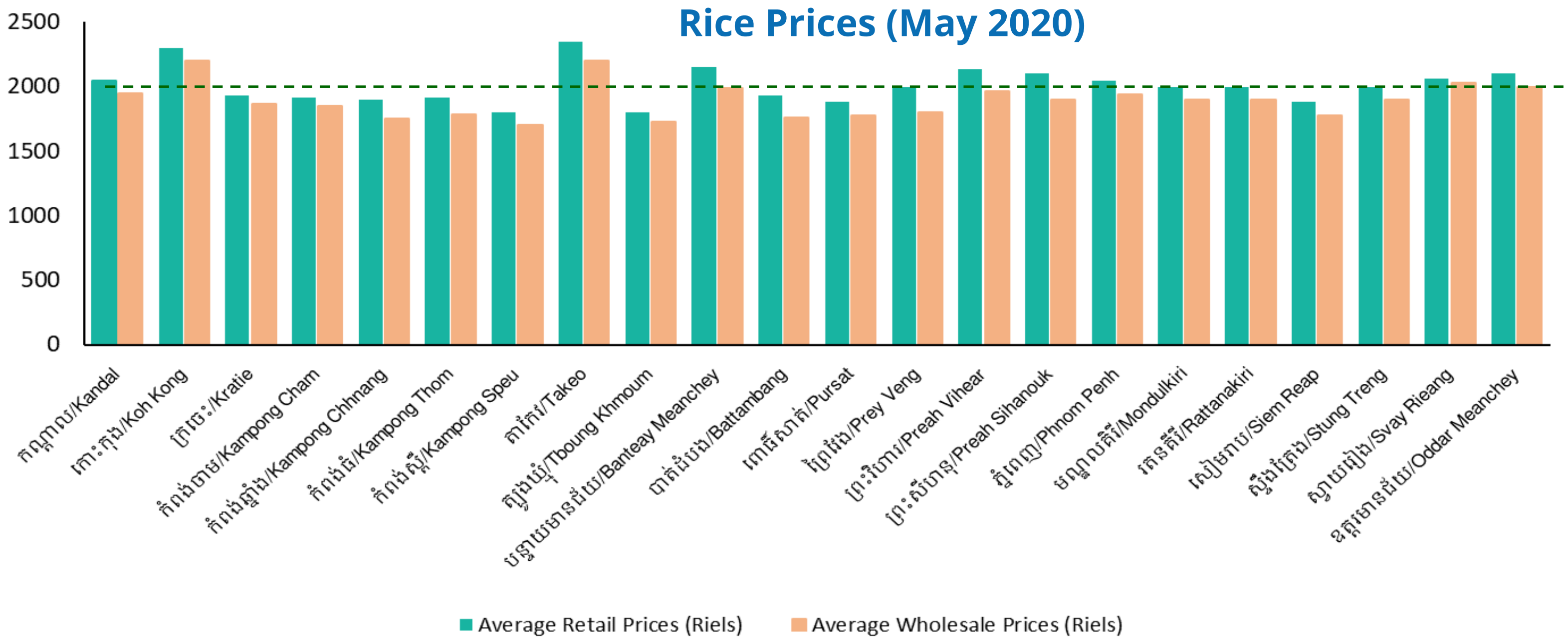
2nd week of April vs 1st week of May 2020



Note: Data is from the full list of 45 markets. See the Methods section for more details.

Sub-national: Price trends by province, rice & fish

In May 2020, the national average retail price of rice was 2,016 riels/kg (indicated by the dotted line in the chart). The highest retail rice prices were in Takeo (2,350 riels) and Koh Kong (2,300 riels). These were also the provinces with the highest prices at the end of April. The cheapest prices in early May were in Kampong Speu and Tboung Khmoum (1,800 riels). The average wholesale price was 1,894 riels/kg nationally, ranging from 1,700 riels/kg in Kampong Speu to 2,200 riels/kg in Takeo and Koh Kong.



For snake fish (live) prices, the national average retail price was 9,574 riels/kg (indicated by the dotted line in the chart). The highest prices were in Koh Kong (13,500 riels) and Preah Sihanouk (11,000 riels). These