



CAMBODIA

Market Update

January 2022

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

United Nations World Food Programme in partnership with
Agricultural Marketing Office of the Ministry of Agriculture, Forestry and Fisheries



Preface

The COVID-19 pandemic has been rapidly evolving since the beginning of 2020. On 11 March 2020, the World Health Organization (WHO) categorized it as a global pandemic. This 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. Since April 2021, Cambodia has implemented a series of lockdowns in partial and/or whole provinces to contain the February 2021 community outbreak. The government officially ended this outbreak event in December 2021, however there is increasing concern over the new COVID-19 variant *Omicron*.

In order to understand if and how 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 Methods section for more details). An average of 340 traders and market chiefs are called every two weeks using 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.

This update is based on market data collected in the first and third weeks of the month. Nominal prices are presented in this report.

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

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Key findings

COVID-19 & Environmental Factors Influencing Prices

The COVID-19 pandemic continues to spread and impact economic activities across the world. There have been more than 376 million confirmed cases and more than 5.6 million deaths worldwide (WHO, 1 February 2022). In **Cambodia**, since the first reported case on 27 January 2020, there have been a total of **121,390 confirmed cases**, and **3,015 deaths** (MOH, 31 January 2022). A series of vaccination campaigns have been introduced free of charge by the Government. The 4th booster dose was announced in January 2022, responding to the increasing number of confirmed Omicron cases.

According to the 2022 budget-brief report of the Ministry of Economic and Finance (MEF), released in early February 2022, the inflation rate is projected at 2.8% in 2022, down from 3.4% in 2021, and GDP is projected to grow by 4.8% in 2022, up from 2.4% in 2021. GDP per capita is expected to increase from USD 1,730 in 2021 to USD 1,842 in 2022 (MEF, 2 February 2022).

Conclusion

In early January 2022, the number of customers who visited markets recovered fairly from late December 2021 before **slightly dropping again towards the end of the month, which is likely due to the increasing number of confirmed cases of the new COVID-19 variant Omicron**. In January 2022, **the cost of the balanced food basket fell by 6.9% compared to December 2021** as national average retail prices for most key food commodities decreased month-on-month. This **decreasing trend is likely to continue since the government just announced tax exemptions for basic food items** for the period of January 2022 to December 2023, together with the extension of the Government COVID-19 cash transfer programme until September 2022.



National Food Price Trend Analysis (January 2021 – January 2022)

The **cost of a balanced food basket showed a steady upwards trend throughout 2021 but dropped in January 2022**, to 103,358 riels/person/month (-6.9% MoM, 0.0% YoY).

Prices of most food commodities in the monitoring **decreased from December 2021 to January 2022 (MoM)**, most notably for morning glory (-23.0%).

Year-on-Year (YoY), prices for most food commodities are slightly (morning glory, duck eggs, snakehead fish) **to considerably higher** (vegetable oil). Prices for mixed rice and pork are slightly lower in January 2022 than one year ago.

- Mixed rice price: -0.8% **MoM** and -2.9% **YoY**;
- Morning glory price: -23.0% **MoM** but +7.3% **YoY**;
- Duck eggs price: -5.8% **MoM** but +5.9% **YoY**;
- Snakehead fish price: -1.3% **MoM** but +10.0% **YoY**;
- Pork price: -2.0% **MoM** and -15.0% **YoY**;
- Vegetable oil price: +0.7% **MoM** and +36.0% **YoY**;



Sub-national Monthly Food Price Change (January 2022)

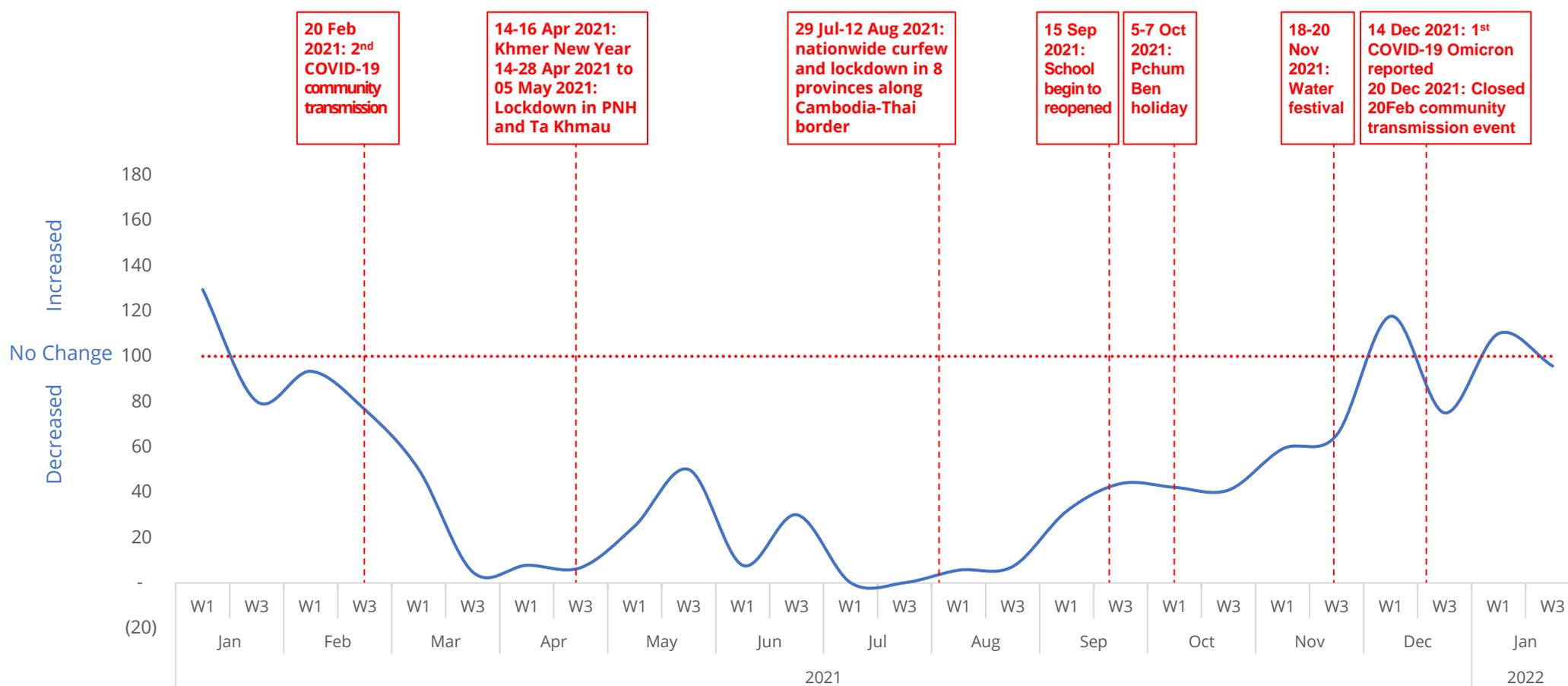
In January 2022, the average retail prices for key commodities (except vegetable oil) in rural areas were lower than in urban areas.

One-month price changes for key food commodities (except vegetable oil) in rural and urban areas followed the same direction of change. Prices of vegetable oil increased in rural areas but decreased in urban areas. Prices of mixed rice, pork, snakehead fish, egg, and morning glory decreased in both rural and urban areas.

At provincial level, **Prey Veng, Monduliri, Koh Kong and Banteay Meanchey provinces** reported higher prices than the national average prices and the highest prices for several key food commodities, such as mixed rice, duck eggs, snakehead fish and vegetable oil compared to other provinces.

Market functionality

In the 45 markets monitored across the country, market chiefs and traders were interviewed on the availability and supply of food in the market, market functionality and accessibility, and the number of customers visiting their respective markets in the first and third week of the month. **In the third week of January 2022, the number of customers who visited markets slightly dropped after recovering slightly in the first week of the month.** When asked about the problems to the supply of food commodities in the market since the last month, **5.0%** of market chefs/traders reported **facing increased supply prices** in the third week of January 2022, which is a slight decrease compared to December 2021 when it was 24.0%. Less than **2.0%** of market chefs/traders reported **low quality of food products and a decrease in supply**.

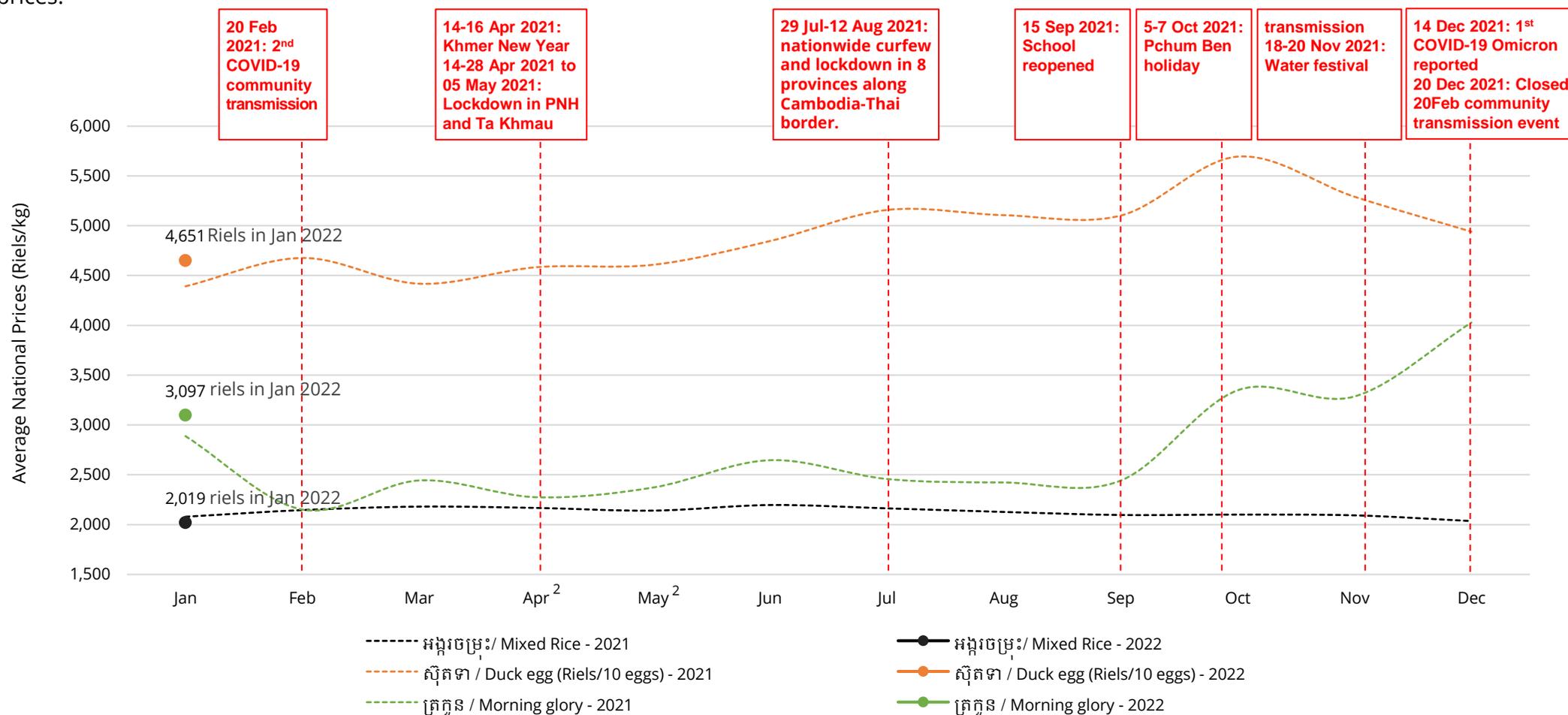


Change in Customers¹ Visiting Markets

¹ The value of change in customers is calculated based on a diffusion index or advance/decline index to track the change of customers visiting the market in a time series.

National: Price trends of mixed rice, duck eggs, and morning glory

Overall, national average retail prices for the three commonly consumed food commodities (mixed rice, duck eggs and morning glory¹) had mixed trends, with mixed rice experienced downward movements while duck eggs and morning glory increased since January to December 2021. In January 2022, the national average retail prices for mixed rice, duck eggs and morning glory decreased compared to December 2021. The national average retail price of **mixed rice** was 2,019 Riels/kg: **-0.8% month-on-month (MoM)** and **-2.9% year-on-year (YoY)**. The national average retail price for **morning glory** was 3,097 Riels/kg: **-23.1% MoM** but **+7.3% YoY**. The price of **duck egg** was 4,651 Riels/10 eggs: **-5.8% MoM** but **+5.9% YoY**. See Annex 1 and 2 for additional prices.

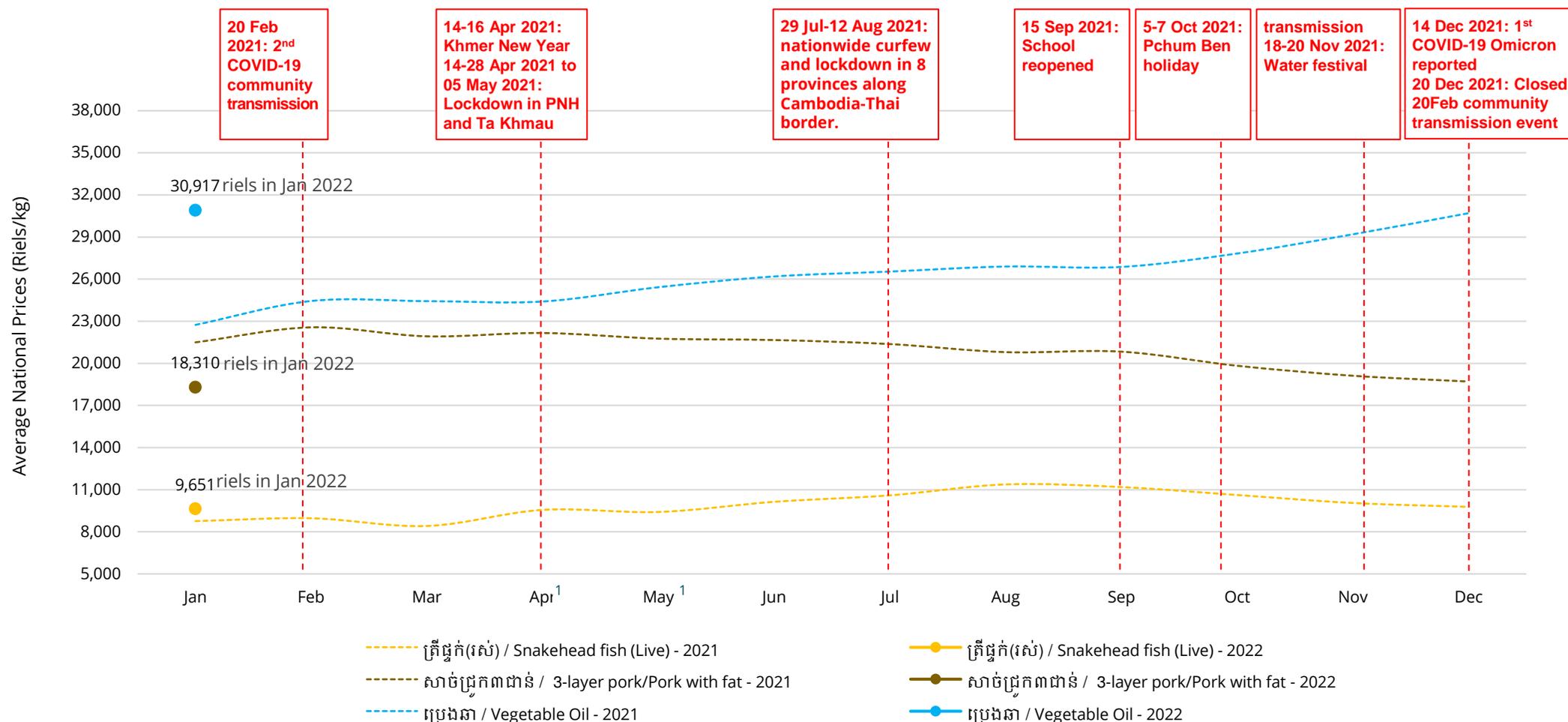


¹ Morning glory is commonly eaten in Cambodia and its price trend does not always indicate price fluctuations of other vegetables in the Annexes.

² Due to market closures during the lockdown from mid-April 2021, food price data in the 3rd week of April and 1st and 3rd weeks of May from the sentinel markets in Phnom Penh, Kandal and Preah Sihanouk were not available for analysis.

National: Price trends of snakehead fish, pork, and vegetable oil

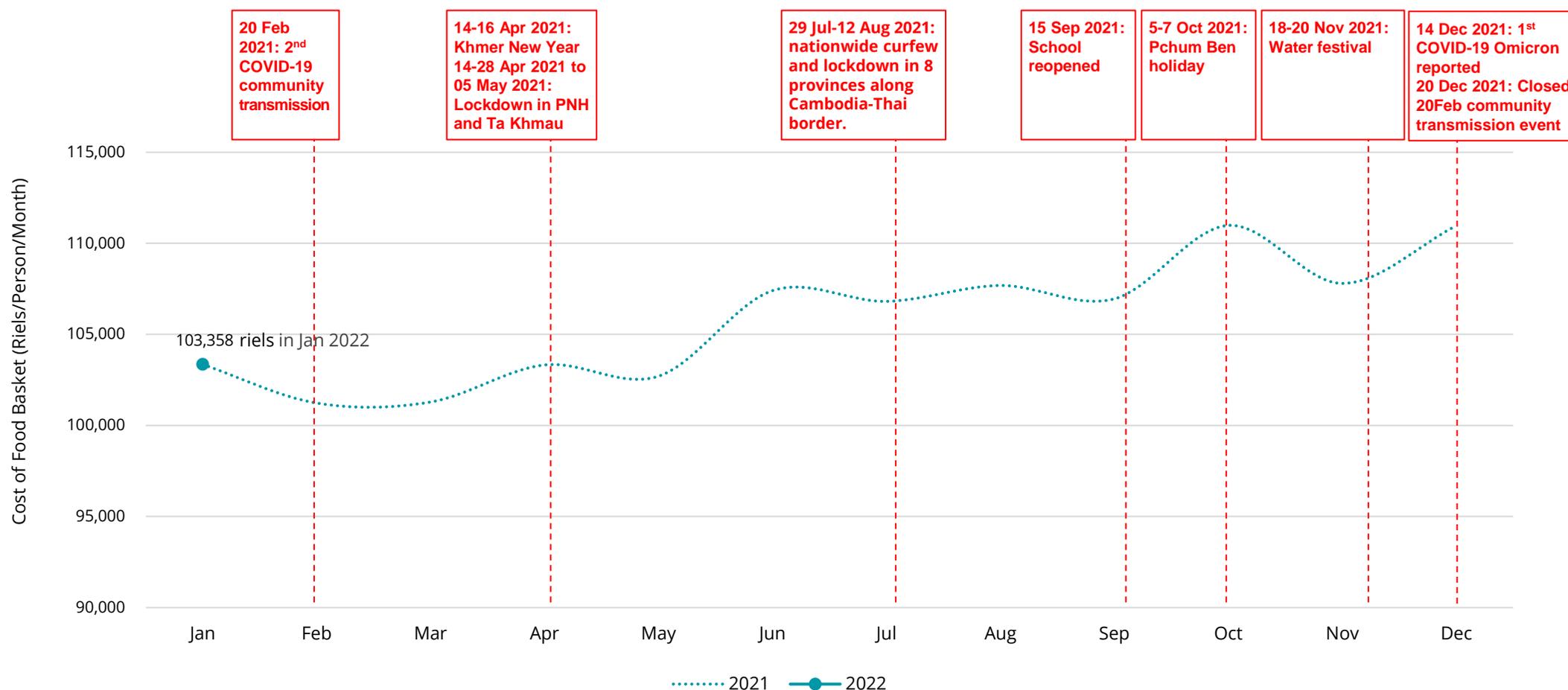
Overall, national average retail prices for other commonly consumed food commodities such as snakehead fish and vegetable oil showed an upward trend while pork experienced downward trend since January to December 2021. In January 2022, the national average retail prices for snakehead fish, pork and vegetable oil showed mixed trends compared to December 2021, with the price of snakehead fish and pork decreasing and price of vegetable oil increasing. The national average retail price for **snakehead fish** was 9,651 Riels/kg: **-1.3% month-on-month (MoM)** but **+10.1% year-on-year (YoY)**. The national average retail price for **pork** was 18,310 Riels/kg: **-2.1% MoM** and **-14.8% YoY**. The national average retail price for **vegetable oil** continued rising to 30,917 Riels/5 litres: **+0.7% MoM** and **+35.9% YoY**. See Annex 1 and 2 for additional prices.



¹ Because of market closures during the lockdown from mid-April 2021, food price data in the 3rd week of April and 1st and 3rd weeks of May from the sentinel markets in Phnom Penh, Kandal and Preah Sihanouk were not available for analysis.

National: Cost of a balanced food basket

The cost of a balanced food basket¹ was calculated to assist with interpreting the impact of monthly food commodity price changes on the cost of a healthy diet consumed in Cambodia. The average cost of a balanced food basket experienced an increasing trend in 2021 with 2 notable spikes - in October and December 2021 - to around 110,900 riels/person/month before it dropped in January 2022. In **January 2022**, the average cost of the food basket was **103,358** riels/person/month, approximately **USD 25 (USD 24 in rural and USD 26 in urban)** which is **6.9%** lower than December 2021 but same as January 2021. See Annex 3 for methodology.



¹ Balanced food basket consists of key commodities such as mixed rice, snakehead fish, pork, duck egg, vegetable oil, sweet potato and morning glory which contribute to the minimum energy requirement of 1,937 kcal per person per day. The minimum energy requirement was adopted from WFP's Minimum Expenditure Basket (MEB) study in Cambodia. See Annex 3 for more details on the methodology.

Sub-national: Price differences and changes in urban and rural areas

In **January 2022**, the average retail prices for six commonly consumed food commodities in rural areas were lower than in urban areas, except vegetable oil (Table 1). Between December 2021 and January 2022, the average retail prices for key commodities, except vegetable oil, in rural and urban areas followed the same direction of change. The prices for **vegetable oil rosed by 3.3% month-on-month (MoM) in rural area but dropped by 0.9% MoM in urban areas**. Prices for **mixed rice, pork, snakehead fish, duck egg, and morning glory** dropped by **1.1%, 2.0%, 4.0%, 9.7%** and **28.3% MoM in rural areas**, respectively and **0.6%, 2.2%, 0.8%, 1.5%** and **20.1% MoM in urban areas**, respectively.

Table 1: Retail prices (riels) in rural and urban areas

	Urban	Rural
Mixed rice (kg)	2,030	2,005
Snakehead fish (Live) (kg)	9,887	9,179
Pork with fat (kg)	18,414	18,184
Duck egg (10 eggs)	4,852	4,476
Vegetable oil (5 liters)	30,417	31,750
Morning glory (kg)	3,255	2,838

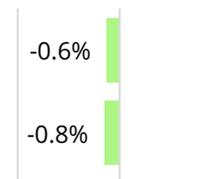
Monthly change (%) in retail prices of key food commodities

December 2021 vs January 2022

ជនបទ / Rural



ទីប្រជុំជន / Urban



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