



CAMBODIA

Market & Seasonal Monitoring Update

October 2022

Focus: Effects of the **global food and fuel crisis** on food prices and market functionality

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



Preface

Almost nine months into the Ukraine conflict, the war and sanctions imposed on Russia continue to have major implications on global food and energy markets as both countries are significant exporters of grains (especially wheat and barley), agricultural fertilizers (such as potassium, nitrogen, phosphorus); and Russia is a major global producer and exporter of crude oil and natural gas.

While the FAO global food price index remained unchanged from September, [global cereal prices rose in October](#) – including for wheat, maize and rice – amidst renewed uncertainties around the [Black Sea Grain Initiative](#). As the global economic slowdown intensifies, [commodity prices are expected to ease in 2023 and 2024](#), but they will remain at historically high levels compared to their average over the past five years.

Access to fertilizer will become the main challenge over the coming months as [global fertilizer prices remain high in 2022](#). This will likely have a ‘profound impact’ on global food production. For instance, [global rice production in 2022/2023 is expected to decrease by 2.4% compared to 2021](#). [Extreme weather events in October](#), driven by climate change, put additional pressure on agricultural production and prices.

The global food crisis has been partially aggravated by food trade restrictions put in place by several countries to increase domestic supply and reducing prices. [As of October 21, 2022, 20 countries have instigated 25 food export bans, and 8 have implemented 12 export-limiting measures.](#)

This does not happen in isolation. COVID-19-induced negative impacts on household income and demand have resulted in global supply chain bottlenecks, rising inflation, and record debt in many countries – which, in turn, has [disrupted the economic recovery from the pandemic](#). Evidence points to an [unstable food security situation](#) among Cambodian households, particularly for the most vulnerable and [those living in flood-prone areas](#).

In the Asia Pacific, Cambodia is among the countries most exposed to rising energy prices owing to its comparatively high net fuel imports relative to GDP, limited domestic access to electricity, and reliance on fossil fuels. In fact, soaring oil prices coupled with a cyclical economic slowdown in the US and China, Cambodia’s largest trading partners, are [key factors dampening economic growth in Cambodia](#), which is projected [at 5.3% for 2022 and 6.2% for 2023](#).

To understand how these shocks are impacting food availability and access to markets in Cambodia, the World Food Programme (WFP) together with the Agricultural Marketing Office (AMO) monitors the retail and wholesale prices of key food commodities in 56 urban and rural markets across the country (see Methods section). An average of around 250 traders and market chiefs are called every two weeks. Market chiefs are also interviewed to assess market functionality, including supply and demand issues.

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Environmental Factors Influencing Prices



Economic
growth rate

2021
3.0%

2022
5.3%*



Inflation

CPI Aug 2022

198.3

CPI Sep 2022

197.4

ADB predicts inflation in Cambodia at **5.0 % in 2022**. In September 2022, the **Cambodia Consumer Price Index (CPI)**** decreased by 0.5% MoM but **remains higher than last year (4.4% YoY)**. Cambodian households spend close to half (48.7%) of their available income on food; poor households as much as 60% (CSES, 2019/20).

* ADB projection

**CPI for October 2022 is not available yet during reporting period



Cambodia FPI (NIS) - 2022

(+0.1% MoM,
+4.6% YoY)

Global FFPI - 2022

-0.3% MoM,
+2.0% YoY

Global FFPI - 2021

The global **FAO Food Price Index (FFPI)** has dropped since its historical peak in July 2022. In October 2022, it dropped by -0.3% MoM but **remains 2.0% higher YoY**. The **Cambodia Food Price Index (FPI)**, part of the Cambodia CPI, **increased by 0.1% MoM** and 4.6% YoY in September 2022.

Jan Feb Mar Apr May Jun Jul Aug Sep Oct



Gasoline (Regular)

-3.2% MoM,
+28.6% YoY

Diesel

-5.2% MoM,
+1.2% YoY

Fuel prices in Cambodia continued their downward trend in October 2022. Prices of gasoline and diesel decreased by 5.2% MoM and 3.2% MoM, respectively. However, prices remain high (+1.2% YoY for gasoline and +28.6% YoY for diesel, respectively) and **may still negatively affect food production and prices**.

Jan Feb Mar Apr May Jun Jul Aug Sep Oct

2022

Summary of Key Findings

In October 2022, the cost of the WFP basic food basket (BFB) increased by +7.0% as compared to the previous month and +5.0% year-on-year, equivalent to 116,536 riels/person/month (USD 28.4). The cost of the BFB continues to be higher in urban areas (USD 28.9; +7.3% MoM) than in rural areas (USD 27.8; +6.7% MoM).

While prices of most food commodities in the basket remained stable ($\pm < 5.0\%$ MoM), a **significant price spike was recorded for morning glory** (+38.8% MoM) amidst large-scale flooding in September/early October. Findings from the seasonal monitor confirm that flash floods caused by excess rainfall have **significantly damaged crop production in the provinces surrounding the Tonle Sap**.

Despite some easing in the prices of other foods, linked to declining fuel costs, some commodities still show **substantial long-term increases**, including morning glory (+30.5% YoY) and vegetable oil (+15.0% YoY).

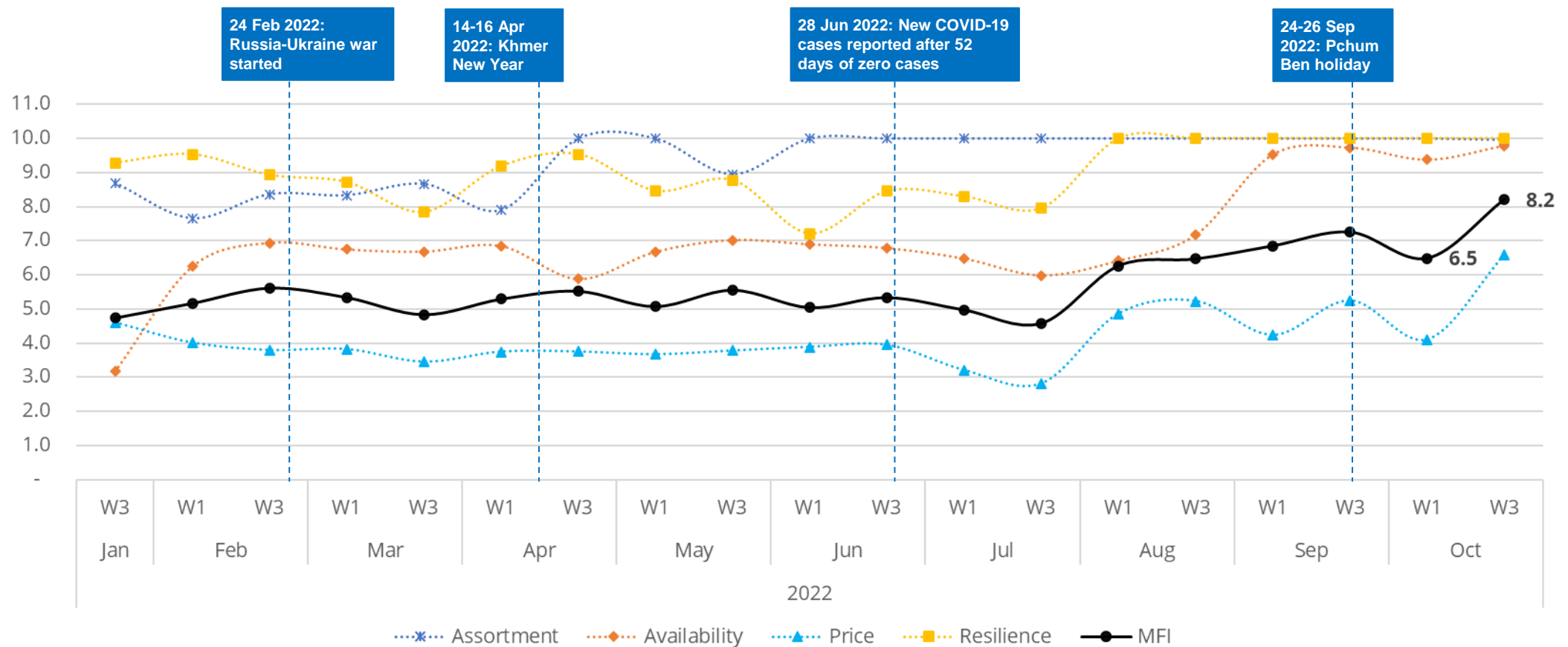
Market functionality improved notably towards the end of October with the Market Functionality Index (MFI) rising to its highest value since the beginning of this year. This was driven by an improved stability-predictability of prices.

While fuel prices in Cambodia continued their downwards trend, they remain high. Coupled with continuously high prices for agricultural fertilizer, **domestic food production remains at risk** in the mid-term. Evidence from various WFP vulnerability surveys already points to a **deterioration in household food security in 2022**.

Market functionality

The market functionality index (MFI)¹ measures the functionality of monitored markets along the following key dimensions: assortment of essential goods, physical availability of goods in sufficient quantities, affordable and stable-predictable prices, and the underlying resilience of supply chains. The MFI score ranges from 0 to 10, with a higher score indicating better functionality.

Despite a slightly deterioration in first week of October, [market functionality improved notably in late October](#), reaching its highest value yet in 2022. This was largely driven by an improvement of the stability and predictability of prices for most essential commodities. None of the interviewed market chiefs and traders reported higher supply prices throughout the month.

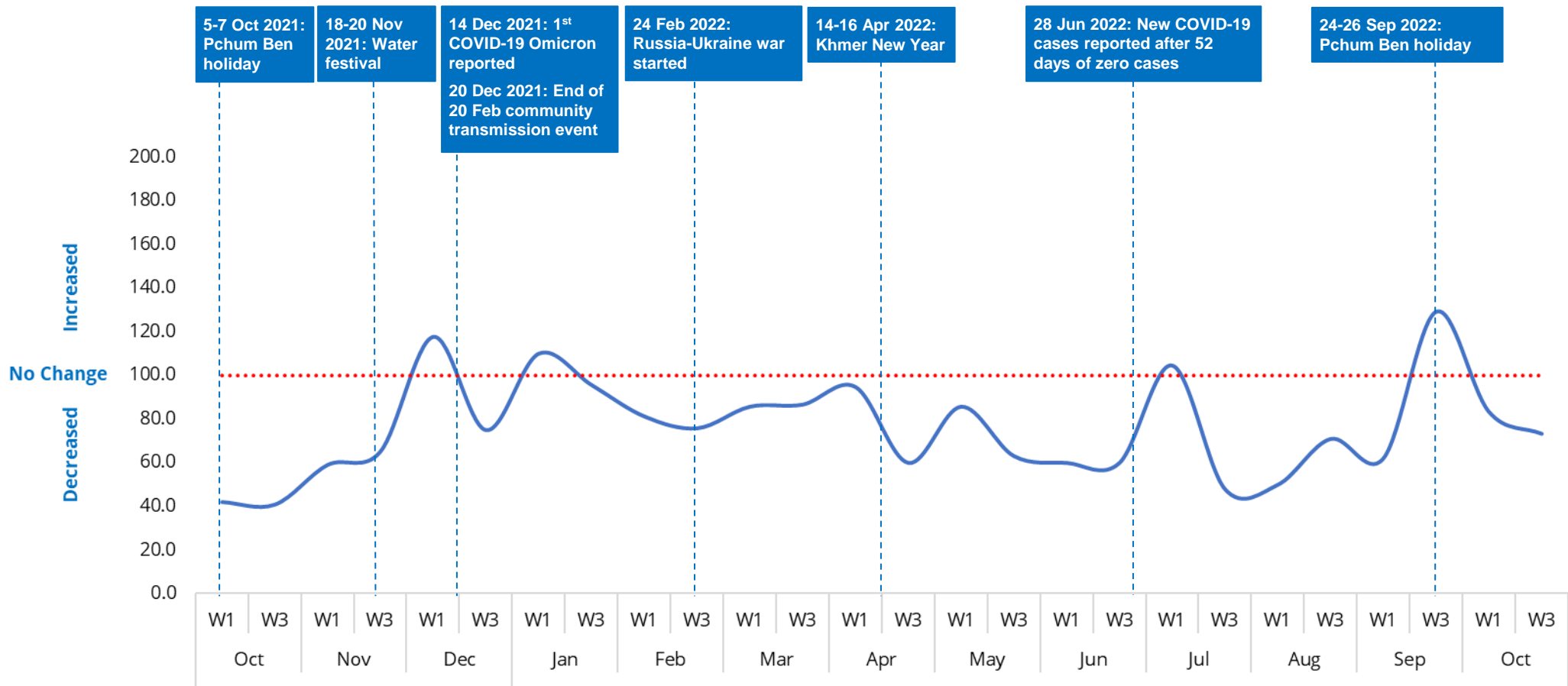


¹ Each of four dimensions including assortment of essential goods, availability, price, and resilience of supply chains in the reduced MFI is indexed on a scale of 0 to 10, with a higher value indicating better market functionality at the time of monitoring. Overall MFI is an aggregation of the four dimensions. [Detail methodology of MFI](#). From mid-September 2022 onwards, information on non-food items (NFI) is also included in the analysis.

Market access: Customer trends

In the 56 markets monitored across the country (with 11 markets added in September 2022), market chiefs and traders were also interviewed on the accessibility and the number of customers visiting their respective markets in the first and third week of the month.

The number of customers who visited markets decreased in October 2022, after reaching its highest value in late September which was likely due to increased consumer demand during the Pchum Ben festival celebrated from 11 to 26 September 2022.



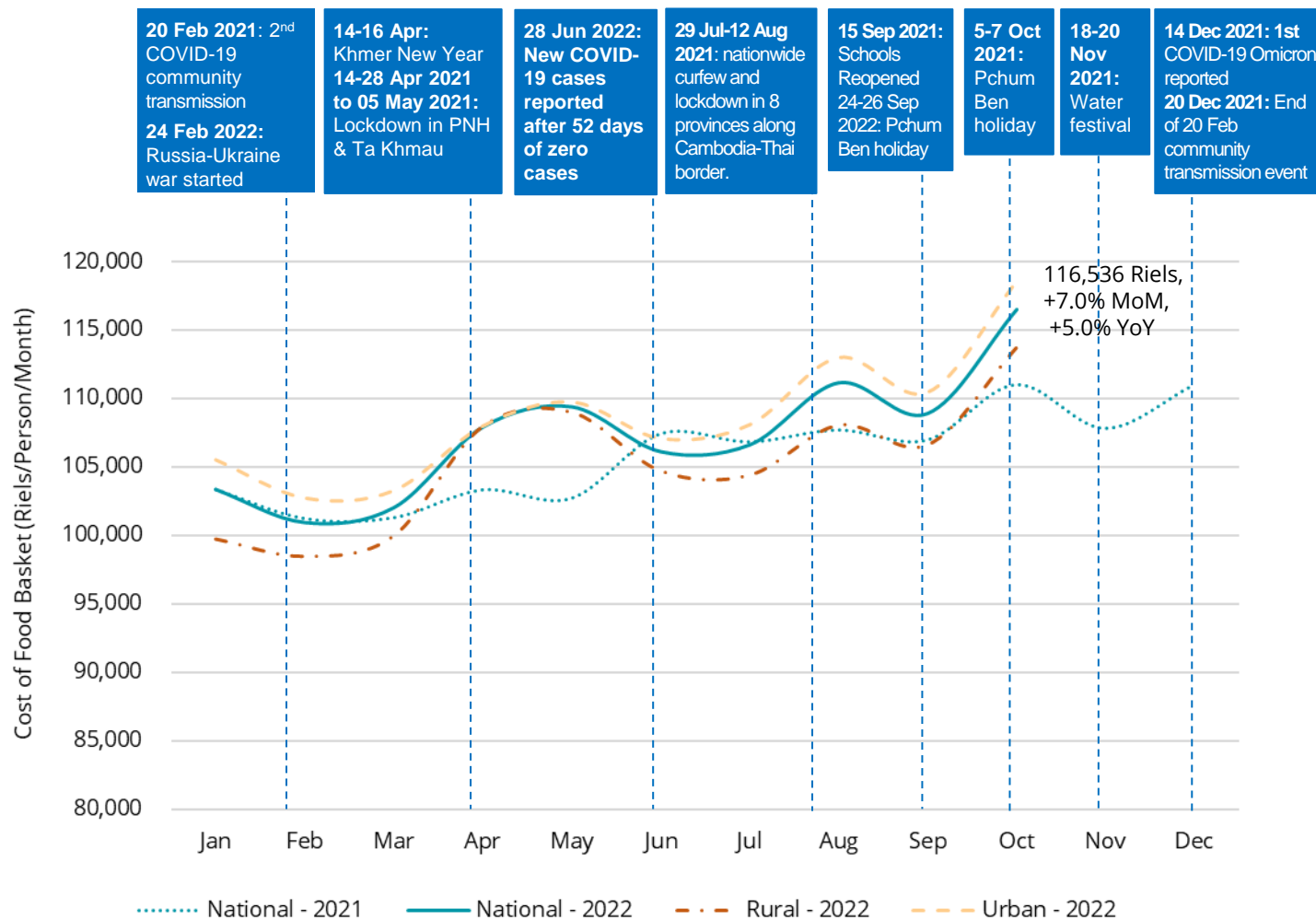
Change in Customers¹ Visiting Markets

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: Cost of a basic food basket

The [WFP cost of a basic food basket \(BFB\)](#) is calculated to assist with interpreting the impact of monthly changes in food commodity prices on the cost of a healthy diet consumed in Cambodia.

The cost of the BFB rose moderately in October 2022 (+7.0% MoM, +5.0% YoY), and stands now at 116,536 riels/person/month (around USD 28.4). The cost of the BFB was slightly higher in urban areas (USD 28.9) as compared to rural areas (USD 27.8).



A basic food basket (BFB) Daily per capita ration



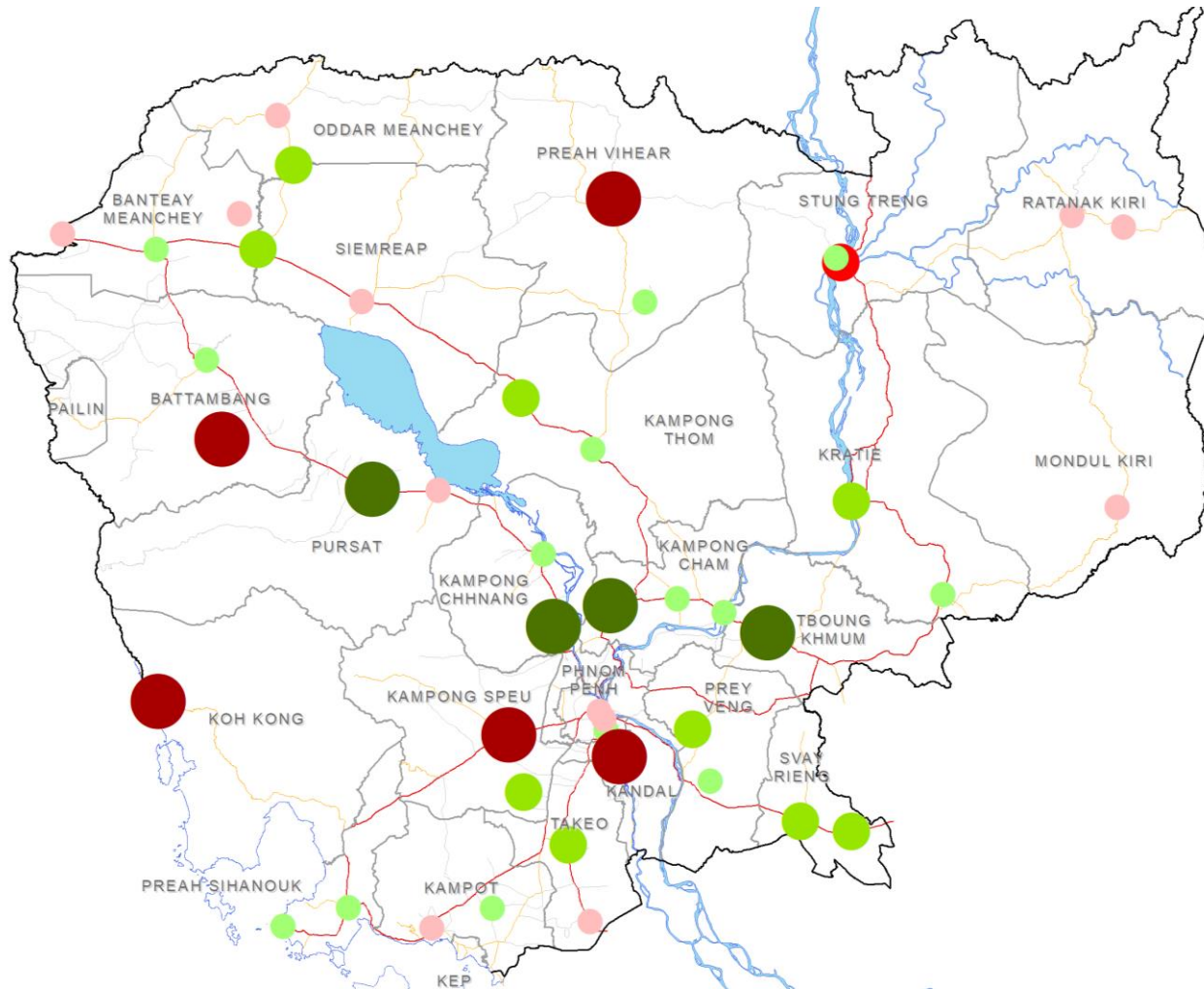
The BFB consists of key commodities including mixed rice, snakehead fish, pork, duck egg, vegetable oil, sweet potato and morning glory which contribute to the minimum energy requirement of 1,937 kcal/person/day. The BFB was adopted from WFP's Minimum Expenditure Basket (MEB) study in Cambodia. See Annex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

Sub-national: Cost of a basic food basket

The cost of the WFP basic food basket (BFB) varied by provinces and markets. The [highest cost of a BFB was found in the Dang Tong market, Koh Kong province](#) at 141,458 riels/person/month (about 34.5 USD) (21.4% higher than the national average). The lowest cost of a BFB was recorded in the Suong market, Tboung Khmoum province at 96,170 riels/person/month (about 23.5 USD) (17.5% lower than the national average). The map below shows the cost of a BFB by markets and its variations from the average national cost.

[Above-average prices were mostly recorded in urban markets](#) which showed higher price deviations (5% and higher) from the national average compared to markets situated in rural areas.

Cost of basic food basket by market or province vs. national average cost (October 2022)

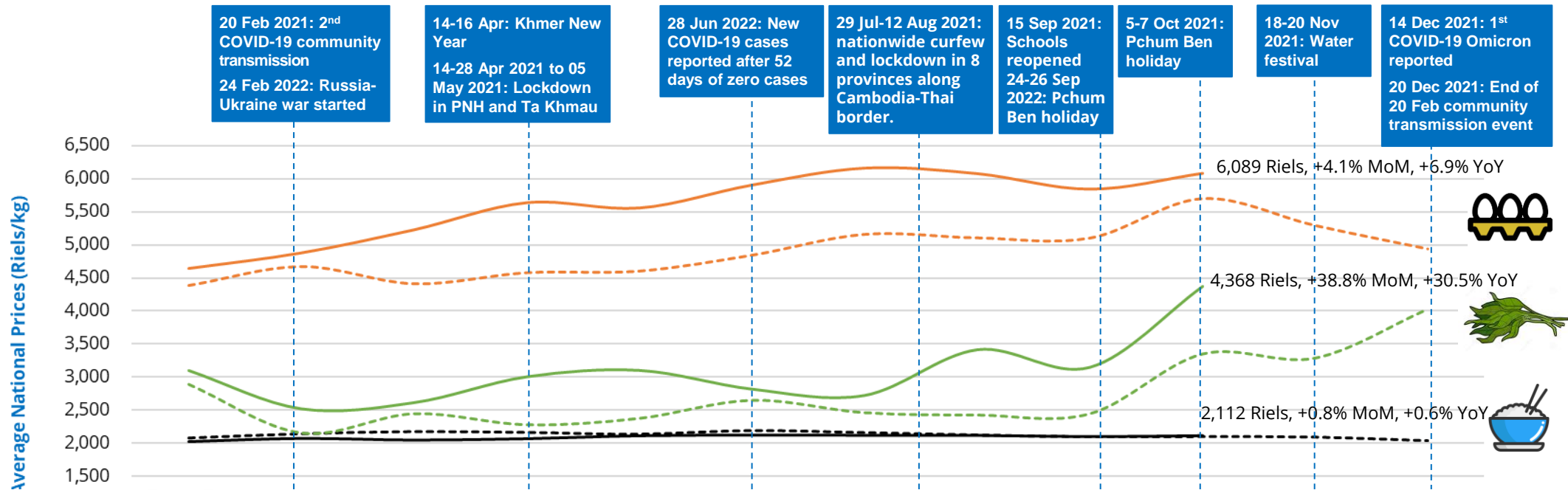


Deviation from Average National Cost	Percent of markets in	
	Rural	Urban
● $\geq 10\%$ Higher	40.0%	60.0%
● 5% to 10% Higher	0.0%	100.0%
● < 5% Higher	33.3%	66.7%
● < 5% Lower	50.0%	50.0%
● 5% to 10% Lower	55.6%	44.4%
● $\geq 10\%$ Lower	50.0%	50.0%

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

In October 2022, the price of morning glory increased significantly (+38.8% MoM) and is now 30.5% higher YoY. The price of duck eggs rose moderately (+4.1% MoM) and remains 6.9% higher YoY. The price hikes were likely linked to large-scale flooding in September and early October which destroyed agricultural production in some parts of Cambodia. The price of mixed rice in October 2022 remained stable (+0.8% MoM and +0.6% YoY).

See Annex 1 and 2 for additional food commodity prices.



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https://www.yunbaogao.cn/report/index/report?reportId=5_32010

