



Asia Pacific Weekly Price Monitor
Regional Office for Asia and the Pacific

Issue 50-51, 24 February 2012



Policy

National

The draft on a new grain law jointly prepared by the National Development and Reform Commission in [China](#) and the State Administration of Grain, was released by the State Council to solicit public opinions. This new law intends to ensure both grain production and price stability by intensifying control and supervision over the market. Some interesting implementation features are (i) the stipulations concerning the market deployment of grain resources and safeguarding of grain production; and (ii) provincial governments responsibility for regional grain production, circulation, storage and regulation to ensure grain quality and supplies.

In [India](#), more than 25 agriculture and allied activities have been included in the new version of the flagship Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).

The [Thai](#) Government accelerated the issuance of the title deeds as part of a strategy to keep equality of the land use and natural resources.

Prices

Over the past week, staple food commodity prices remained relatively stable except for:

- [Afghanistan](#), where chicken prices dropped by 7 percent from the previous week and were 53 percent above the prices observed both a year ago.
- Wheat prices in [Bangladesh](#) increased by 10 percent. Although prices have been edging upwards since late January, wheat prices were at the same level from those observed a year ago. Chicken prices increased by 9 percent reaching the highest level over the past 12 months. Still, prices were 17 percent below the prices registered a year ago.
- In [Cambodia](#) rice prices fell by 9 percent during the second week of February and were 11 percent below the prices registered a year ago. Soybean prices dropped by 4 percent for the first time in the past 6 months.
- Wheat prices in [Myanmar](#) fell by 5 percent, however, prices have been fluctuating between MMK 450 -480 per kg over the past three months. Maize prices also dropped (by 2 percent) and were 22 percent above the prices observed three months ago.
- In [Thailand](#), for the third consecutive week, chicken prices fell by 6 percent and were 12 percent below the prices observed a year ago.

Weather conditions

- The central government initiated an emergency response plan on 17 February to battle a severe drought in southwest [China's](#) Yunnan province. So far, 1.55 million livestock have been affected and agricultural production may be hindered during March and April (Xinhua, 17 February 2012).
- In [Indonesia](#), Central Java was inundated after heavy rains (Antara News Agency, 22 February 2012).
- Farmers in Phra Nakhon Si Ayutthaya province in [Thailand](#) are still suffering from the inundation caused by the water release from Bhumibol and Sirikit Dams (Government of Thailand, 15 February 2012).



IN FOCUS: INDIA

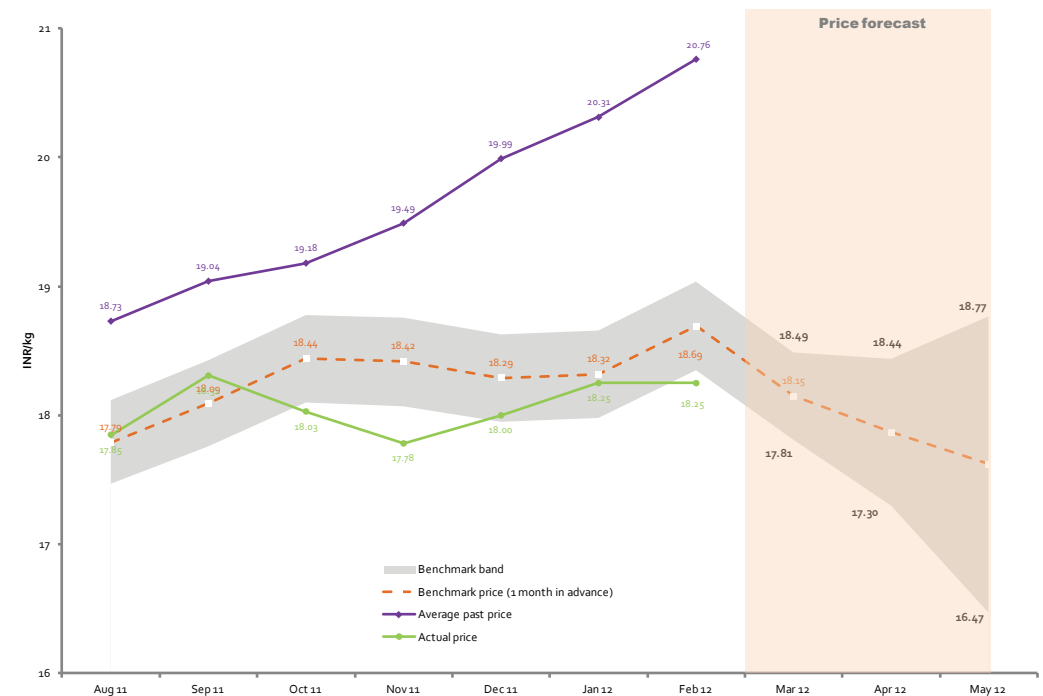
Price Forecast (Wheat, National average, nominal retail prices)

The benchmark future price for March is INR 18.15 within a benchmark band of INR 17.81-18.49 per kilo. During the wheat winter season (Rabi), actual prices (green line) have been outside of the benchmark band three times (October 2011, November 2011 and February 2012).

From August 2011 and February 2012, actual prices (green line) have been consistently below the average past prices (purple line), implying that those prices were low compared to the level in the past four years. Typically, towards the end of the year, average past prices show a seasonal increase (see purple line); however, we observe a sudden drop in actual prices (green line) from September to November 2011. High government-held wheat stocks 25.7 MMT in 2011/12 versus 21.5 MMT in 2010/11, and a relatively low demand for wheat consumption in domestic markets may have contributed to push prices down**. The graph also shows that from November 2011 to January 2012 wheat prices followed “normal seasonal patterns” (the green line is moving slightly similarly to the purple line within the period of time). During the next three months, if prices follow normal seasonal patterns (gradual drop in wheat prices during the harvesting period in Rabi season, among others) the model forecasts that wheat retail nominal prices for India are likely to fall within a benchmark band of INR 16.47 -18.77 per kilo.

* Retail nominal prices have been averaged from 4 market points (Chennai, Delhi, Mumbai and Patna). By using national average retail prices instead of Delhi market prices, we intend to provide a broader perspective for market analysis.

** Wheat ending stocks are expected to reach between 15.6 and 19MMT (AMIS statistics, Food Outlook FAO and USDA Foreign Agricultural Service).



Technical notes

The ESA Price Monitoring Model is a simple tool designed to assist policy makers, farmers and traders in assessing whether recent price trends are in line with those typically observed in the past. The purpose of the model is to determine whether short-term price movements of a commodity exceed a benchmark which takes into consideration seasonality, inflation and historic variability. The model uses only data on past prices and the consumer price index (CPI) to capture these characteristics. It establishes an expected level of price for the following month along with a range of uncertainty generated by past deviations from expected prices. Price movements can be interpreted as “excessive” if prices fall outside the benchmark band. The difference between the actual price and the “benchmark price” (1 month in advance) that was forecasted for that same month is also calculated by the model although not shown in the graph. An additional feature of the model is to show the current level of prices relative to an average of past prices during the past four years (adjusted for inflation). For details on the model, please see: <http://www.foodsec.org/web/publications/briefs/>



Detailed information at country level

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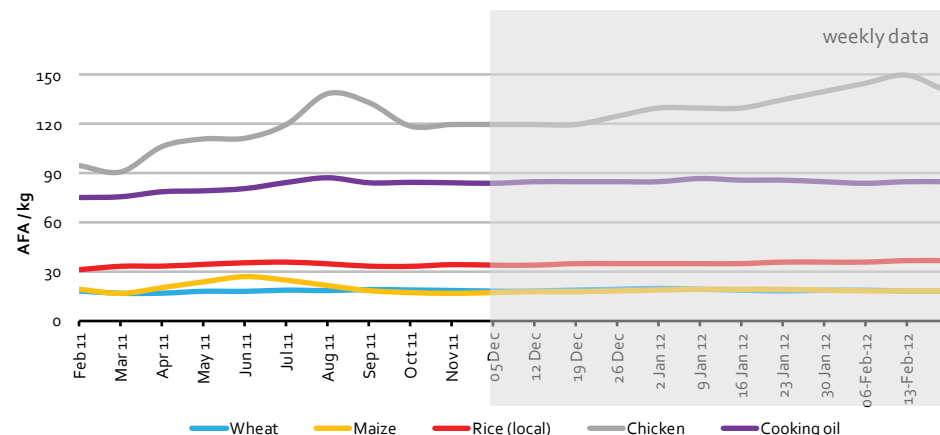




AFGHANISTAN, Kabul (20 February 2012)
Retail nominal prices

Country Highlights

- Wheat prices were 4 percent below the prices observed a month ago. Still, wheat prices were 6 percent above the prices observed a year ago.
- Chicken prices dropped by 7 percent from the previous week but were 53 percent above the prices observed both a year ago.



Week of 20-Feb-12

% change

Food item	Market	Price (AFA/kg)	1 week	1 month	3 months	1 year
Rice local	Kabul	37.0	0.0%	5.7%	8.0%	17.5%
Wheat	Kabul	18.0	0.0%	-4.4%	-1.5%	5.9%
Maize	Kabul	18.0	0.0%	-3.6%	4.3%	1.4%
Chicken	Kabul	140.0	-6.7%	9.1%	16.7%	53.4%
Cooking oil (AFA/Lt)	Kabul	85.0	0.0%	-1.2%	0.6%	12.6%

→ (+/-2%) stable ↑ increase ↓ decrease

Policy+

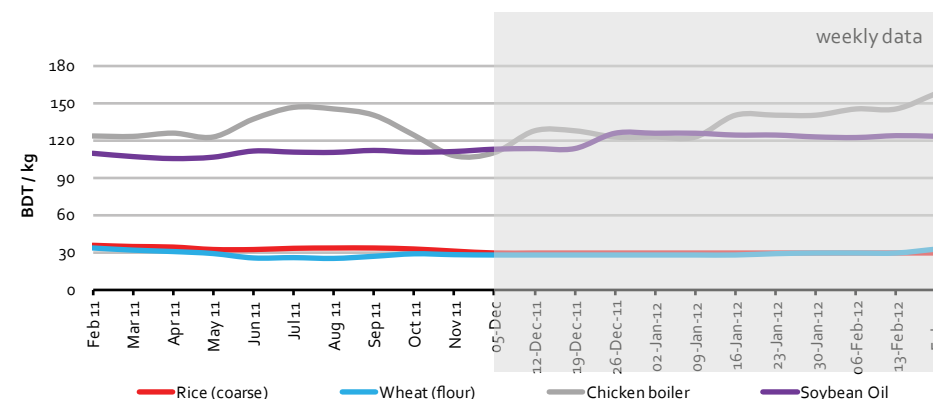
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BANGLADESH, Dhaka (20 February 2012)
Retail nominal prices

Country Highlights

- Rice prices have been stable over the past three months. They remained 16 percent below the prices observed a year ago.
- Wheat prices increased by 10 percent over the past week. Although prices have been edging upwards since late January, wheat prices were at the same level from those observed a year ago.
- Chicken prices increased by 9 percent over the past week reaching the highest level over the past 12 months. Still, prices were 17 percent below the prices registered a year ago.



Week of 20-Feb-12

Food item	Market	Price (BDT/ kg)	% change			
			1 week	1 month	3 months	1 year
Coarse rice	Dhaka	29.0	0.0%	0.0%	0.0%	-16.1%
Wheat flour	Dhaka	32.0	10.3%	16.4%	16.9%	-0.4%
Chicken broiler	Dhaka	157.5	8.6%	24.1%	34.0%	-16.5%
Soybean oil (BDT/lt)	Dhaka	123.0	0.0%	-1.7%	9.1%	13.6%

→ (+/-2%) stable ↑ increase ↓ decrease

Policy+

NA

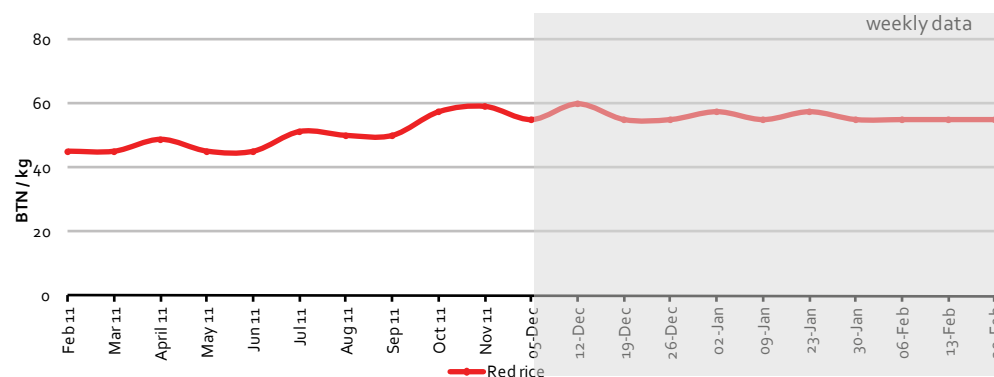


BHUTAN, National Average (20 February 2012)

Retail nominal prices

Country Highlights

- Although red rice prices have been fluctuating between 50 and 60 Ngultrum per kilo since July 2011, prices remained unchanged over the past week and were 22 percent above the prices observed a year ago.



Week of 20-Feb-12

Food item	Market	Price (BTN/ kg)	% change			
			1 week	1 month	3 months	1 year
Red Rice	National av	55.0	0.0%	-1.5%	-3.3%	22.2%

→ (+/-2%) stable ↑ increase ↓ decrease

Policy+

The second agriculture annual conference was held in mid February to review the past activities and to debate extensively on the strategies for the 11th Five Year Plan (BBS Chandel, 17 February 2012).

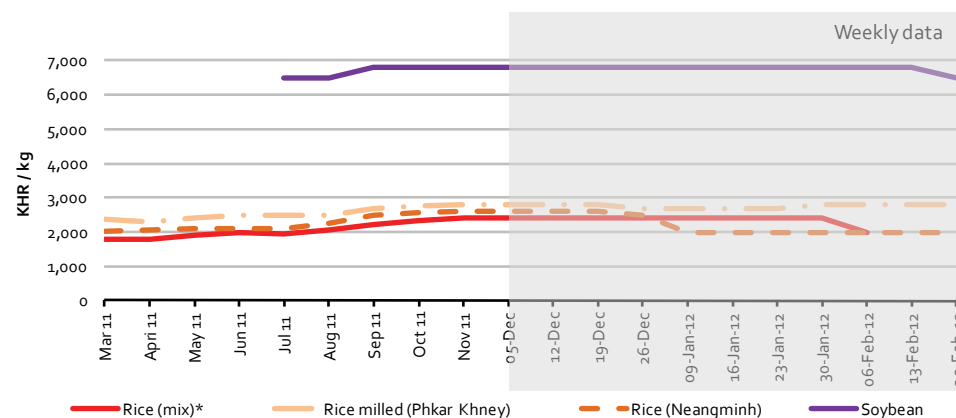


CAMBODIA, Phnom Penh (20 February 2012)

Wholesale nominal prices

Country Highlights

- Rice (mix) prices fell by 9 percent during the second week of February but were 11 percent above the prices registered a year ago.
- Soybean oil prices dropped by 4 percent for the first time in the past 6 months.



Week of 20-Feb-12

% change

Food item	Market	Price (KHR/kg)	1 week	1 month	3 months	1 year
Rice (mix)*	Phnom Pehn	2,000	-9.1%	-16.7%	-16.7%	11.1%
Rice (Phkar Khney)	Phnom Pehn	2,800	0.0%	3.7%	0.0%	15.5%
Rice (Neangminh)	Phnom Pehn	2,000	0.0%	-7.7%	-23.1%	-1.7%
Chicken	Phnom Pehn	23,000	0.0%	3.0%	4.5%	25.7%
Soybean oil	Phnom Pehn	6,500	-4.4%	-4.4%	-4.4%	na

→ (+/- 2%) stable ↑ increase ↓ decrease

* Most recent price data available from 13-Feb-2012

Policy+

NA

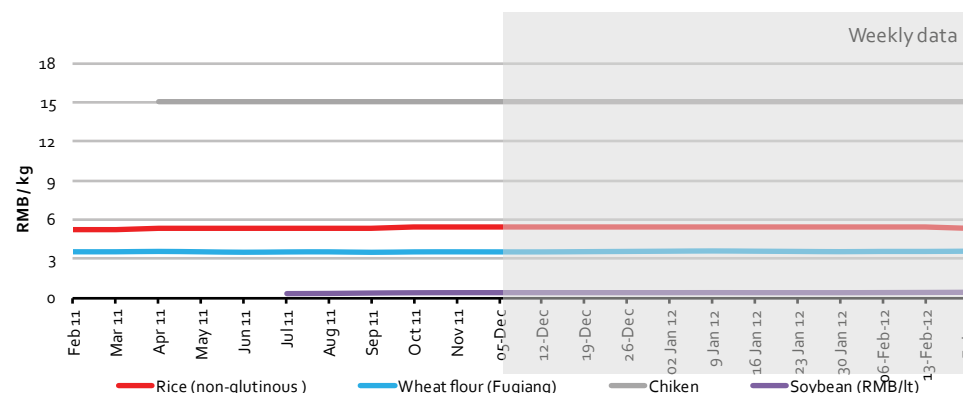


CHINA, Beijing (20 February 2012)

Retail and wholesale nominal prices

Country Highlights

Staple food prices in Beijing market have remained stable since early 2011, except for rice prices that were 3 percent below the prices observed three months ago.



Week of 20-Feb-12

% change

Food item	Market	Price (RMB/kg)	1 week	1 month	3 months	1 year
Non-Glutinous Rice	Beijing	5.3	-1.5%	-2.1%	-2.9%	1.5%
Fuqiang Wheat Flour	Beijing	3.6	0.6%	0.1%	1.6%	1.6%
Chicken (w)	Beijing	15.0	0.0%	0.0%	0.0%	na

→ (+/-2%) stable ↑ increase ↓ decrease (w) wholesale prices

Policy+

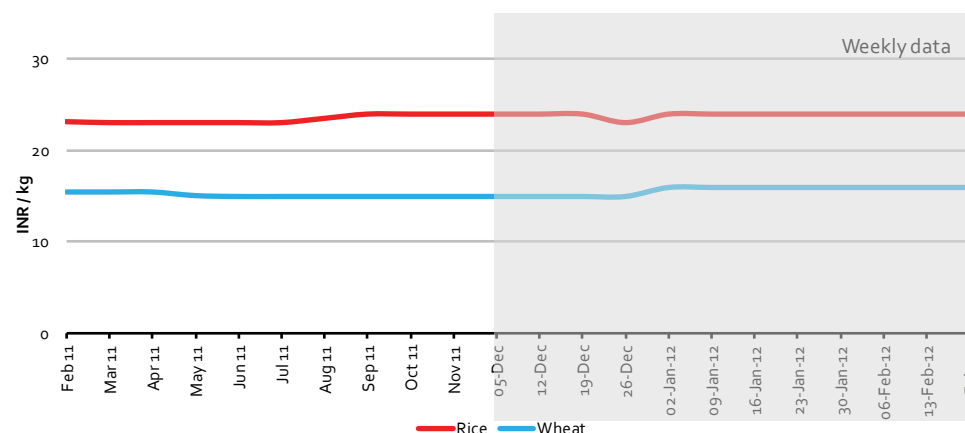
The draft on a new grain law jointly prepared by the National Development and Reform Commission and the State Administration of Grain, was released by the State Council to solicit public opinions. This new law intends to ensure both grain production and price stability by intensifying control and supervision over the market. Some interesting implementation features are (i) the stipulations concerning the market deployment of grain resources and safeguarding of grain production; and (ii) provincial governments responsibility for regional grain production, circulation, storage and regulation to ensure grain quality and supplies (Ministry of Agriculture, 23 February, 2012).



INDIA, Delhi (20 February 2012)
Retail nominal prices

Country Highlights

Staple food prices in Delhi market have remained reasonably stable over the past year. Rice prices are 4 percent above the prices registered a year ago; while wheat prices are 7 and 3 percent above the prices observed three months and a year ago, respectively.



Week of 20-Feb-12

% change

Food item	Market	Price (INR/kg)	1 week	1 month	3 months	1 year
Rice	New Delhi	24.0	0.0%	1.1%	0.0%	4.1%
Wheat	New Delhi	16.0	0.0%	1.6%	6.7%	3.2%

→ (+/-2%) stable ↑ increase ↓ decrease

Policy+

More than 25 agriculture and allied activities have been included in the new version of the flagship Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). The recommendations will be implemented from the 1st of April 2012 and institutional mechanisms are being strengthened to check the leakages (Press Information Bureau, 22 February 2012).

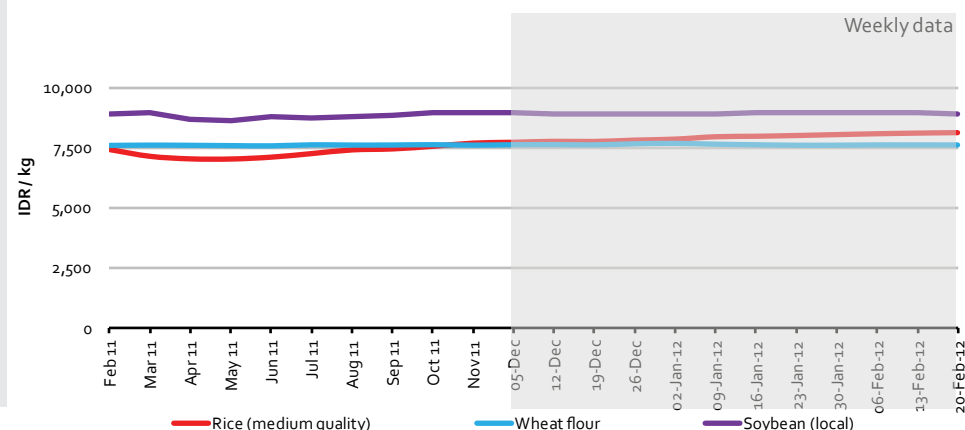


INDONESIA, National Average (20 February 2012)

Retail nominal prices

Country Highlights

- Rice prices show a slight upward movement over the past 3 months (+5%).
- Chicken prices were 4 percent below the prices observed a month ago.



Week of 20-Feb-12

% change

Food item	Market	Price (IDR/kg)	1 week	1 month	3 months	1 year
Rice (medium quality)	National av	8,142	0.2%	2.9%	5.0%	12.2%
Wheat flour	National av	7,602	0.0%	-0.6%	-0.2%	1.0%
Chicken	National av	25,454	-1.0%	-3.9%	6.3%	3.5%
Soybean (local)	National av	8,898	-0.3%	-0.1%	-0.2%	-1.0%

→ (+/-2%) stable ↑ increase ↓ decrease

Policy+

Efforts to achieve rice self sufficiency continue and although Indonesia expects a rice output of 68 MMT 2012, the government plans to import up to 2 MMT of rice this year to ensure food security. Imports are likely to come from government to government deals (The Star Online, 23 February 2012).

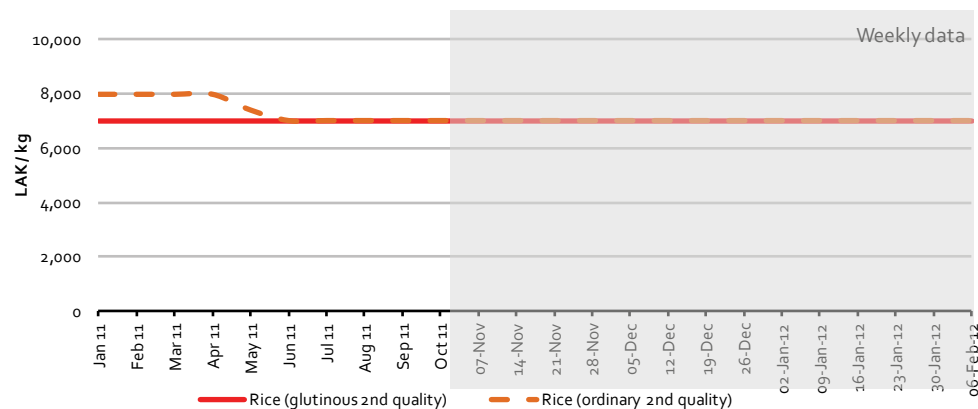


LAO PDR, Vientiane (06 February 2012)
Retail nominal prices

Country Highlights

Staple food prices in Vientiane market remained stable during early February.

- Beef prices were almost 30 percent above the prices observed a year ago.
- Pork prices were 6 percent below the prices registered a month and three months ago; however, pork prices were 7 percent higher than those prices observed a year ago.



Week of 6-Feb-12

% change

Food item	Market	Price (LAK/kg)	1 week	1 month	3 months	1 year
Rice glutinous	Vientiane	7,000	0.0%	0.0%	0.0%	0.0%
Rice ordinary	Vientiane	7,000	0.0%	0.0%	0.0%	-12.5%
Beef (2nd quality)	Vientiane	45,000	0.0%	18.4%	18.4%	28.6%
Pork (2nd quality)	Vientiane	32,000	0.0%	-5.9%	-5.9%	6.7%
Chicken	Vientiane	45,000	0.0%	0.0%	5.9%	28.6%

→ (+/-2%) stable ↑ increase ↓ decrease

Policy+

NA

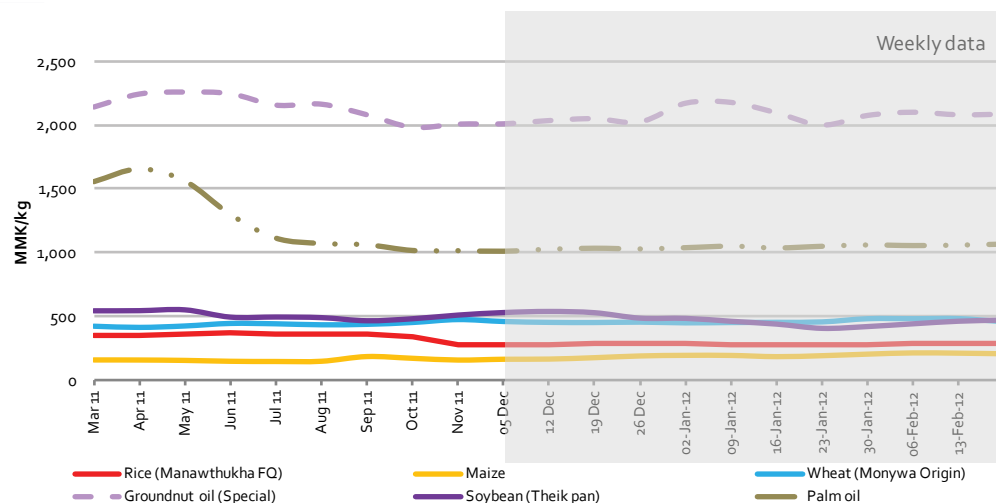


MYANMAR, Yangon and Mandalay (20 February 2012)

Wholesale nominal prices

Country Highlights

- Wheat prices fell by 5 percent over the past week; however, prices have been fluctuating between MMK 450 -480 per kilo over the past three months.
- Maize prices dropped by 2 percent over the past week but were 22 percent above the prices observed three months ago.



Week of 20-Feb-12

% change

Food item	Market	Price (MMK/kg)	1 week	1 month	3 months	1 year
Rice (Manawthukha FQ)	Yangon	288	0.7%	2.6%	1.4%	na
Wheat (Monywa Origin)	Mandalay	457	-5.1%	1.1%	-1.1%	na
Maize	Mandalay	204	-2.1%	7.7%	22.0%	na
Groundnut oil (Special)	Yangon	2,087	0.2%	-1.5%	2.5%	na
Soybean (Theik pan)	Yangon	468	1.9%	0.6%	-11.0%	na
Palm oil	Mandalay	1,062	0.8%	2.7%	4.3%	na

→ (+/-2%) stable ↑ increase ↓ decrease

Policy+

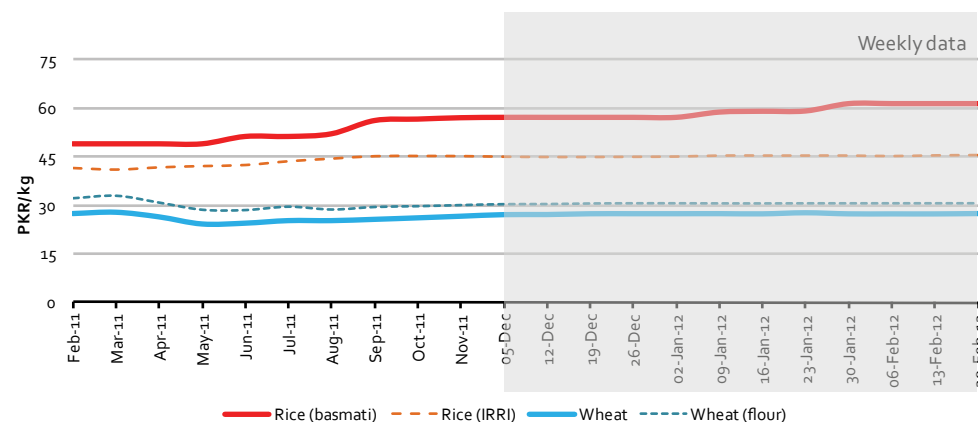
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PAKISTAN, Karachi (20 February 2012)
Retail nominal prices

Country Highlights

Staple food prices in Karachi market remained stable over the past week. Still, rice (basmati) prices were 26 percent above the prices observed a year ago.



Week of 20-Feb-12

% change

Food item	Market	Price (PKR/kg)	1 week	1 month	3 months	1 year
Rice (basmati)	Karachi	61.5	0.0%	5.9%	7.5%	25.8%
Rice (IRRI)	Karachi	45.5	0.2%	0.7%	1.2%	10.0%
Wheat	Karachi	27.5	0.4%	0.2%	1.0%	0.2%
Wheat flour	Karachi	30.8	0.0%	0.1%	0.8%	-2.8%

→ (+/-2%) stable ↑ increase ↓ decrease

Policy+

NA



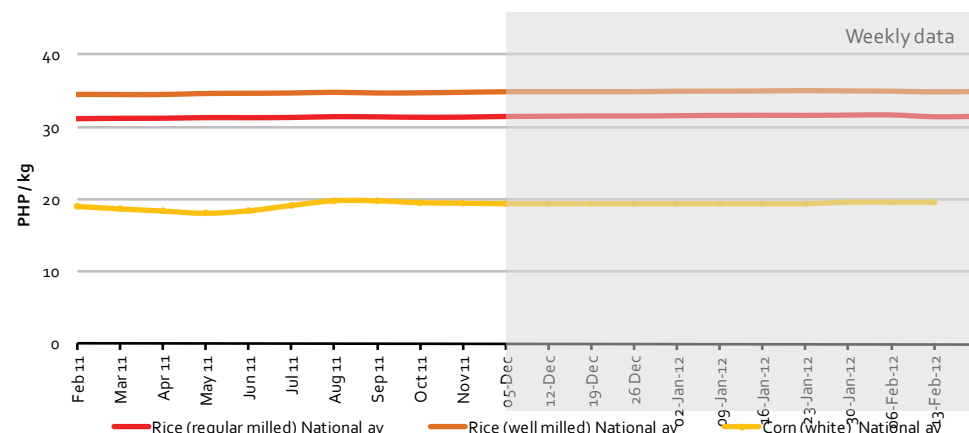
PHILIPPINES, National average and Metro Manila (20 February 2012)

Retail nominal prices

Country Highlights

Overall, prices of staple food commodities remained largely stable over since early 2011.

At national level, rice prices (regular milled)* were 4 percent below the prices observed a year ago; while rice prices (regular milled) in Manila market were 5 percent above the prices observed a year ago.



Week of 20-Feb-12

% change

Food item	Market	Price (PHP/kg)	1 week	1 month	3 months	1 year
Rice (regular milled)	National av	30.0	0.0%	-5.1%	-4.7%	-3.8%
Rice (well milled)	National av	35.0	0.0%	-0.1%	0.1%	1.2%
Corn (white)*	National av	19.6	0.0%	1.0%	1.0%	1.4%
Rice (regular milled)	Metro Manila	31.5	0.2%	5.0%	5.0%	5.0%
Rice (well milled)	Metro Manila	35.0	0.2%	0.0%	0.0%	0.0%

→ (+/-2%) stable ↑ increase ↓ decrease

* Most recent price data available from 13-Feb-12

Policy+

Filipinos have been encouraged to consume alternative staple foods instead of purely relying on rice. Food Staple Self-Sufficiency Program from the Department of Agriculture is giving importance to other crops as staple foods (Manila Bulletin, 22 February 2012).

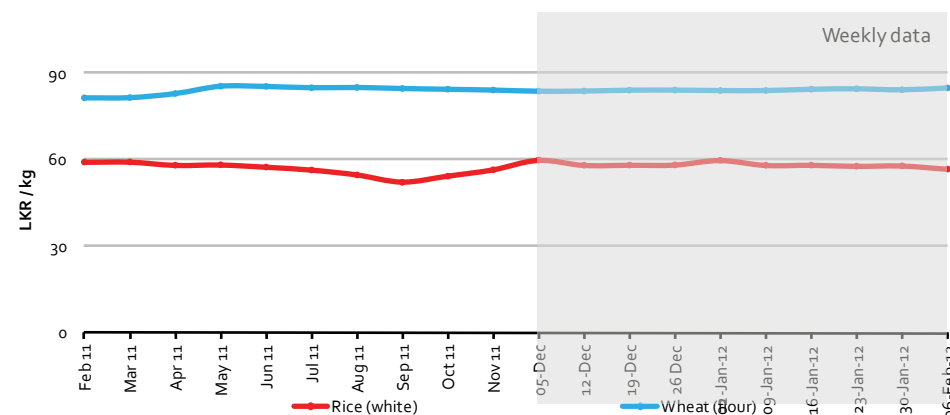


SRI-LANKA, Colombo (06 February 2012)
Retail nominal prices

Country Highlights

Staple food prices remained relatively stable in Colombo market during early February.

- Rice prices have been gradually declining over the past year and fluctuating between 57-60 rupees per kilo since mid November 2011.



Week of 6-Feb-12

% change

Food item	Market	Price (LKR/kg)	1 week	1 month	3 months	1 year
Rice (white)	Colombo	56.7	-2.0%	-3.1%	-1.0%	-4%
Wheat flour	Colombo	84.8	0.7%	1.0%	1.0%	4%

→ (+/-2%) stable ↑ increase ↓ decrease

Policy+

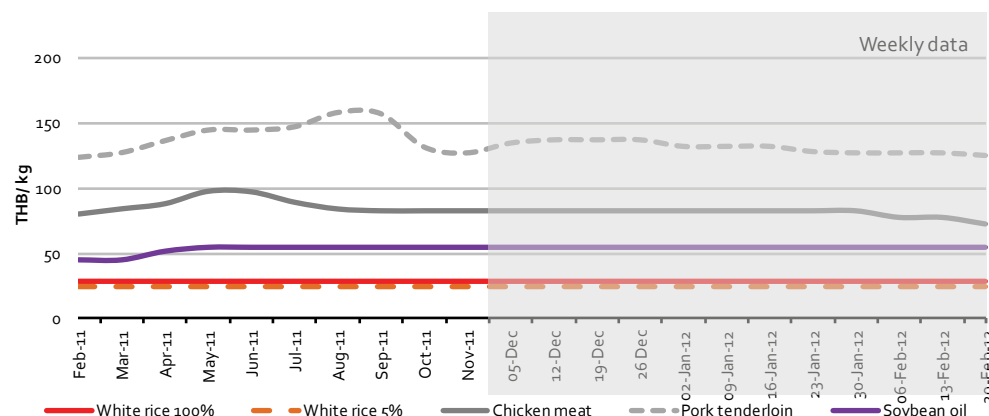
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THAILAND, Bangkok (20 February 2012)
Retail nominal prices

Country Highlights

Overall, staple food prices have remained largely stable of the past three months.
- For the third consecutive week, chicken prices fell by 7 percent from the previous week and were 12 percent below the prices observed a year ago.



Week of 20-Feb-12

% change

Food item	Market	Price (THB/kg)	1 week	1 month	3 months	1 year
White rice 100%	Bangkok	28.67	0.0%	0.0%	0.0%	0.0%
White rice 5%	Bangkok	24.67	0.0%	0.0%	0.0%	0.0%
Chicken	Bangkok	72.5	-6.5%	-12.1%	-12.1%	-11.6%
Pork tenderloin	Bangkok	125.5	-1.6%	-6.2%	-6.6%	-0.3%
Soybean oil (Baht/lit)	Bangkok	55.0	0.0%	0.0%	0.0%	20.9%

→ (+/-2%) stable ↑ increase ↓ decrease

Policy+

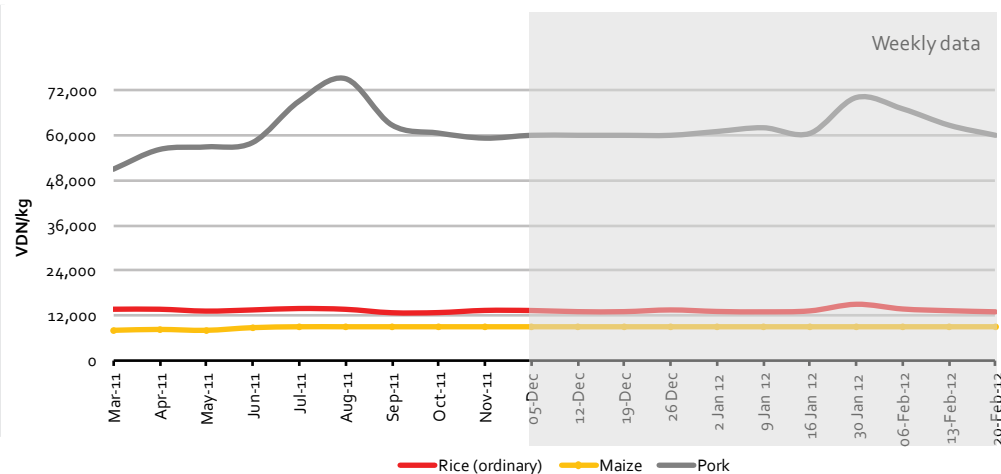
- The Prime Minister has agreed with 10 provincial governors in the North of Thailand to re-grow upstream forests within April this year in an effort to prevent runoff and flash floods. The Strategic Committee for Water Resources Management (SCWRM) estimated a budget of THB 49.2 billion (USD 1.6 billion) (Government of Thailand, 15 February 2012).
- The government accelerated the issuance of the title deeds as part of a strategy to keep equality of the land use and natural resources (Government of Thailand, 22 February 2012).



VIET NAM, Hanoi (20 February 2012)
Retail nominal prices

Country Highlights

- Rice prices fell by 2 percent over the past week.
- Pork prices fell by 4 percent from the previous week.



Week of 20-Feb-12

% change

Food item	Market	Price (VND/kg)	1 week	1 month	3 months	1 year
Rice ordinary	Hanoi	13,000	-2.3%	-2.5%	-1.8%	na
Maize	Hanoi	9,000	0.0%	0.0%	0.0%	na
Pork	Hanoi	60,000	-4.3%	-1.4%	1.3%	na

→ (+/-2%) stable ↑ increase ↓ decrease

Policy+
NA

Disclaimer and Acknowledgements

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