Below average rainfall at the start of the 2012/13 wet season

Land preparation or planting of the main season 2012 paddy crop is currently underway and will continue in some areas up to October. The seasonal rains so far have been below normal and consequently the area planted to paddy, maize and sweet potatoes as of 7 June 2012 has been below average for this time of the year. However, given the official policy emphasis on rice cultivation, processing and marketing in Cambodia, the total area under paddy is expected to remain high.

Record harvest of 2012 paddy crop, despite severe flooding in September-October

Harvesting of the 2012 main wet season as well as that of secondary dry season paddy were completed earlier in the year. The official estimates show another record harvest of 8.78 million tonnes (equivalent to 5.62 million tonnes of milled rice), some 6 percent over the previous year’s annual output. In spite of severe flooding in September-October due to heavy rains and overflowing of Mekong and Tonle Sap Rivers, significant gains in production of paddy rice was due to an increase in yields as a response to favourable prices of rice at planting time. Favourable rainfall throughout the country (barring the flood prone areas), increased use of fertilizer and use of improved seeds contributed to the rise in yield levels.

In view of the extensive flood damage, an FAO/WFP crop and food security update mission was fielded in the country between 30 January and 5 February 2012 to review the overall food supply situation and to evaluate possible food assistance requirements during the 2012 marketing year (January/December).

The FAO/WFP Mission Report published in April 2012, estimated the total utilization requirement at 3.56 million tonnes of milled rice, leaving a potential exportable surplus of 2.06 million tonnes or equivalent to 3.21 million tonnes of paddy. Some rice is exported formally but much of the milled rice and/or paddy pass through cross-border trade to Viet Nam and Thailand.

Rice prices have come down sharply following 2012 bumper harvests

Prices of rice in the main markets of the country have decreased
in recent months reflecting the good 2012 rice production. For example, in the capital city market the wholesale price of mixed-rice showed a decrease of 11 percent in April from its peak level in earlier in the year in February. Similarly, the price drop was 33 percent from January to May this year in Battambang. Prices are generally lower in Battambang, the main rice producing area of the country, located in the west bordering Thailand.

The wholesale prices of soybean in most markets have returned to more normal levels and are currently either stabilized or rising smoothly falling from an unusual peak in October 2011.

The latest available official data indicate that the annual inflation in the economy measured by the year-on-year increase in the Consumer Price Index (CPI) in April 2012 stood at 4.8 percent, down from 5.7 percent earlier in November 2011.

The overall food security situation is generally satisfactory but concerns remain for groups of population especially those affected by floods

As indicated by the FAO/WFP Joint Report, at the national level, overall availability of rice in the country is satisfactory. However, at the household level, access to a stable, sufficient and diverse diet remains a challenge and is manifested in the high levels of chronic and acute child malnutrition.

The severe floods in September and October 2011 affected caused by heavy monsoon rains and the consequent overflowing of the Mekong and Tonle Sap rivers affected over 1.5 million people, displacing 214,000, as well as causing the loss of 247 lives.

Rehabilitation of the damaged farm infrastructure is considered as an urgent priority. In the short- and medium-term, the mission recommended scaling up of targeted social safety net programmes to enhance coping capacities, protect assets and increase income and access to food among the poorest and most vulnerable households, including those most affected by the floods.

Furthermore, according to the Report, the ongoing efforts to strengthen and expand multi-sectoral, community-based nutrition programmes, focusing on the critical window of opportunity from conception until two years of age, are essential to address the multiple causes and high levels of malnutrition. Nationwide scale up of priority health sector nutrition interventions, including micronutrient supplementation, management of acute malnutrition and communication on infant and young child feeding practices and expansion of food fortification initiatives to improve the nutritional status of the entire population are also critical actions. Improving hygiene and sanitation practices, given most households’ poor access to adequate sanitation facilities, is a key to improving nutrition outcomes of Cambodian children.

The Mission also recommended that the rice development strategy, emphasizing increased production and exports of the commodity, should be examined with consideration of the full environmental costs as well as the long term sustainability of the rice production system. In this regard, adoption of conservation agriculture, crop rotation, diversification and other sustainable production practices should be examined.