

May 2021

PAPUA NEW GUINEA FOOD PRICE BULLETIN

During the first quarter of 2021, the International Food Policy Research Institute (IFPRI) in collaboration with the Fresh Produce Development Agency (FPDA) and the National Research Institute (NRI) collaborated to update the tools used to collect important crop price information in food markets across the country. In addition, the team designed and piloted a new market vendor survey that will inform function and performance of fresh food markets, as well as identify challenges and opportunities for fresh food supply and logistics supply chain processes. Results of the first market vendor survey will be published in the 2nd quarter bulletin in July, 2021.

In addition, we published an [interactive website](#) that allows users to explore the food price database, build graphs, and perform analyses of food prices across different markets in PNG. The Fresh Produce Development Agency (FPDA) has been collecting data on food prices to communicate important price information to farmer producers since 2009. With recent support from the Australia Department of Foreign Affairs and Trade (DFAT) and the International Fund for Agricultural Development (IFAD), a renewed effort to collect and maintain an up-to-date price database, quarterly food price bulletins, and build an interactive website aims to inform early warning systems for food supply, as well as enhance knowledge on current food market conditions for greater market competitiveness and efficiency.

SUMMARY

A new website displays up-to-date crop price information. Users can build graphs and tables from price data of over 20 different food crops. Here is the website address: <https://www.ifpri.org/project/fresh-food-price-analysis-papua-new-guinea>

Limited food price data were collected between November 2020 and March 2021 in Port Moresby, Lae and Mt. Hagen. This bulletin focuses on food price trends in Kokopo, and draw comparisons with other markets.

Overall, staple crop food prices remained relatively stable between October 2020 and March 2021. Taro prices across the 5 FPDA markets increased gradually between October 2020 and March 2021.

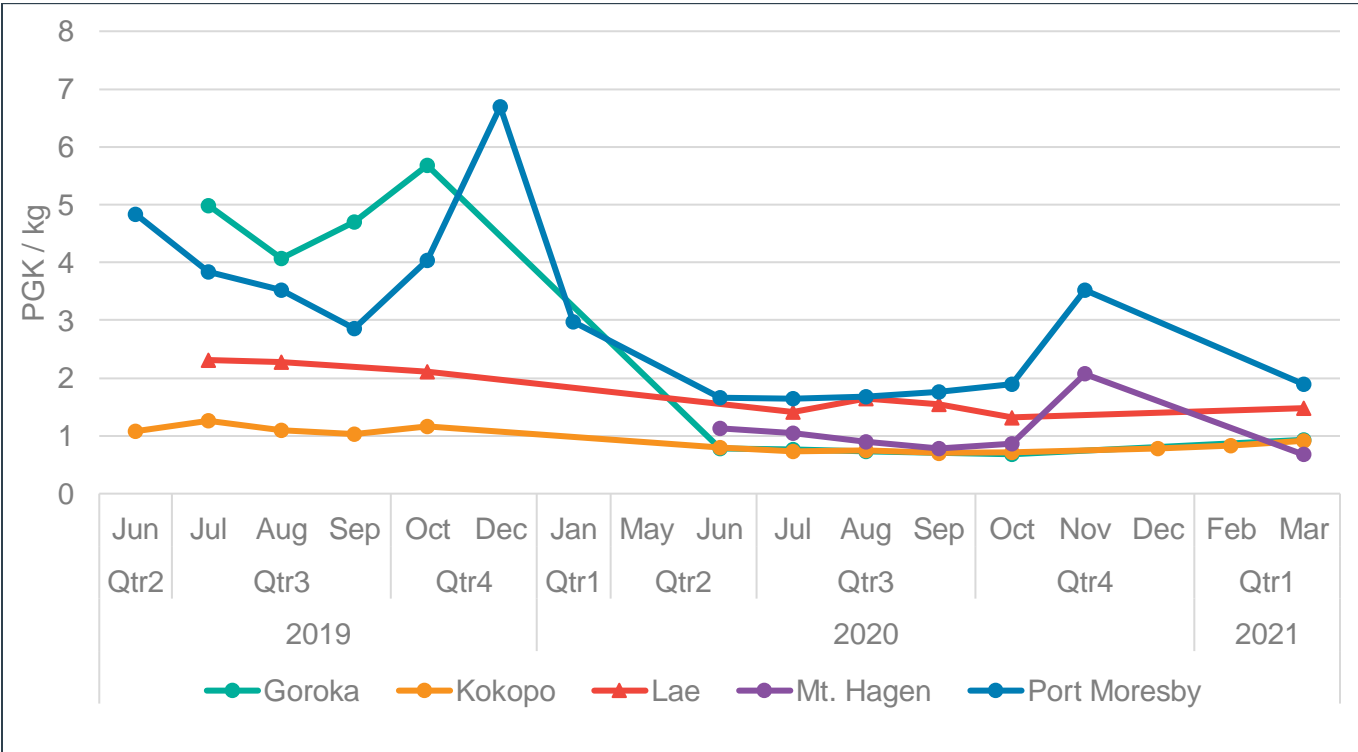
Per kilogram prices of vitamin-dense foods such as dark leafy greens, orange-flesh fruit (papaya) and protein rich peanuts are 2-6 times more expensive per kilo than starchy staples in Kokopo market.

During the December 2020 and January 2021, there was a significant lapse in food crop price data collection activities in all of the FPDA markets. Food price data collection resumed in Goroka and Kokopo markets in February and March, however there are very limited food price data for Port Moresby, Mt. Hagen and Lae during the first quarter of 2021. Given the lack of data across all markets from December – January, price data trends emerging from February and March 2021 should be interpreted with caution and evaluated as preliminary.

Staple crop prices

The Kokopo market represents the best time series data available for staple food crops during the last quarter (fortnightly collection of food price data in February and March). Focusing on staple crops, sweet potato prices per kg have remained relatively stable in all markets with an increase in unit prices in Goroka (from .68 to .94 kina per kg) and in Lae a 17 toea increase in sweet potato per kg between October 2020 and March 2021 (Figure 1).¹ Sweet potato prices collected in Kokopo, Goroka and Mt. Hagen at the end of March suggest that per kilo prices are stable and comparable across markets. Overall, Port Moresby and Lae markets had the highest prices of sweet potato per kg in March, 1.5 and 1.9 kina per kilogram respectively.

Figure 1: Prices of sweet potato/kg across FPDA markets

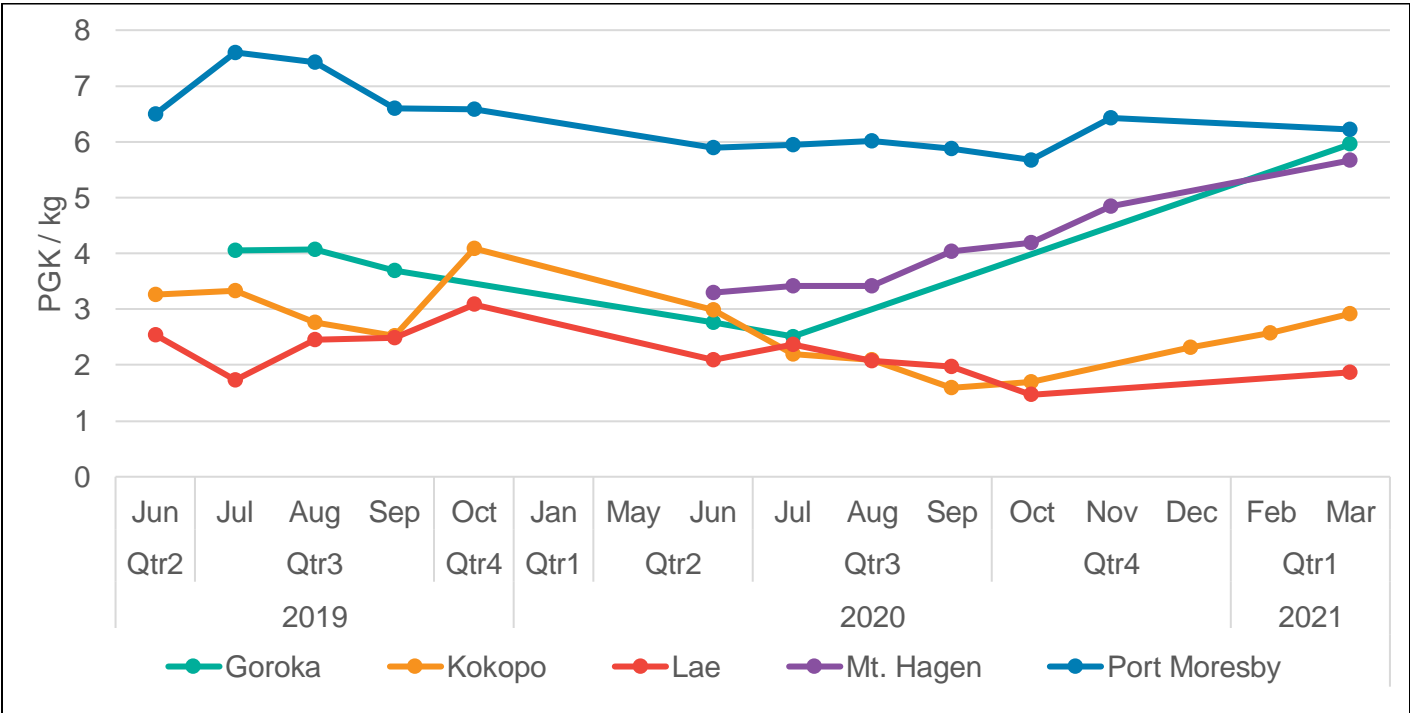


Source: Fresh Produce Development Agency (FPDA) market retail price database.

¹ Note that quarter 4 of 2019 and quarter 1 of 2020 are missing data values, and thus the x axis of the graph is condensed

Taro is another important staple for household consumption across PNG. While sweet potato prices remained relatively stable during the first quarter of 2021 across respective markets, recent data suggest that the taro price per kilogram is increasing across all markets (Figure 2). The price of taro/kg in Kokopo increased 71 percent from 1.7 kina/kg to 2.9 kina/kg, while the price of taro in Lae increased by 27 percent from 1.5 kina/kg to 1.9 kina/kg. More dramatic increases in unit taro prices were experienced in Mt. Hagen and Port Moresby markets between October and November 2020, however data suggest minimal increase in unit kg prices since November 2020 in these markets.

Figure 2: Taro* price / kg across 5 major markets in PNG



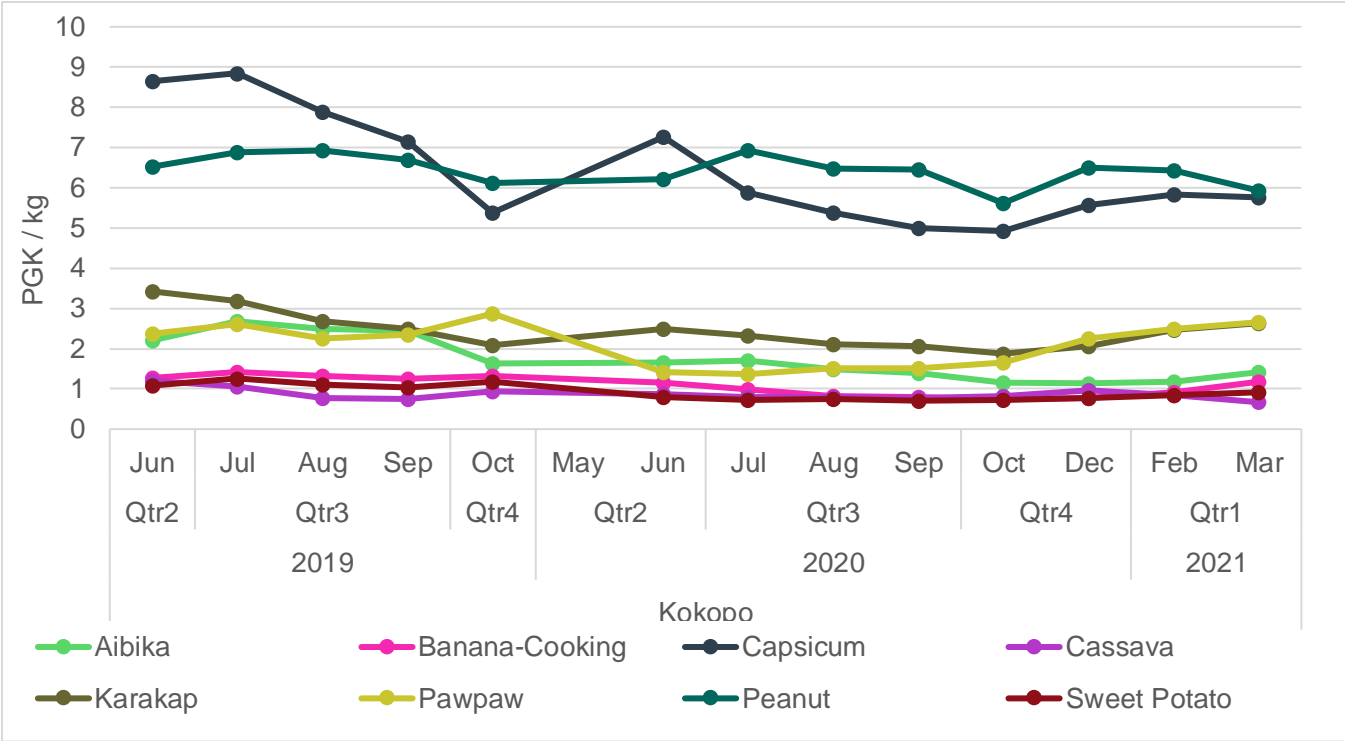
Source: Fresh Produce Development Agency (FPDA) market retail price database. *Note: Taro refers to ‘True Taro’ and does not include Chinese Taro.

Comparing staple food prices with vitamin-dense food prices

The recent COVID-19 surge in PNG is having a larger effect on urban populations where measures to curb virus transmission have created greater challenges to urban employment activities and transportation logistics. For poor urban households or those that have faced income declines / employment loss due to COVID-19, the current difference in the price of vitamin-dense foods versus staple foods may make a nutritious meal cost prohibitive. Vitamin dense foods are more expensive compared to staple foods in most countries. Using Kokopo market prices as an example, common staple crop prices such as cassava, sweet potato, and cooking banana ranged between 0.7 (cassava) and 1.2 (cooking banana) PGK / kg (Figure 3). Protein dense crops such as peanuts are 5 times the price (5.9 PGK/kg) of

staple crops per kilo. Capsicum (green), which is high in iron, was about the same price per kg as peanuts in mid-March in Kokopo market. Dark leafy greens, which are rich in vitamins A, B, C, E and K and are important for a healthy diet are less expensive than peanuts (ranging between 1.4 PGK/kg (ai-bika) and 2.6 PGK/kg (karakap), but contain less calories and are less attractive when comparing price with providing a filling meal (Figure 3). Pawpaw (Papaya), rich in vitamin A that supports healthy vision, and which is lacking in the PNG diet, had a comparable kilogram price to dark leafy green vegetables in March 2021 at 2.7 PGK/kg in Kokopo. Similar price differences between staple and vitamin rich crops were experienced across all markets in PNG.

Figure 3: Price comparison of staple crops with dark leafy greens, papaya, and peanut (PGK / kg) in Kokopo market



Source: Fresh Produce Development Agency (FPDA) market retail price database

The next bulletin will build from this publication to provide updated price data for the 2nd quarter of 2021. As we move forward, we will update this analysis and identify other areas of price and market analysis that will help to inform policy and monitor food security across the country. Please do not hesitate to reach out to us with any questions or comments about this bulletin or future food price bulletins.

Funding for this work was provided by the Department of Foreign Affairs and Trade (DFAT) of the government of Australia. This document has not been independently peer reviewed. Any opinions expressed here belong to the author(s) and are not necessarily representative of or endorsed by IFPRI, DFAT, or the CGIAR. Please contact Mekamu Kadir: M.KedirJemal@cgiar.org; or Emily Schmidt: e.schmidt@cgiar.org for any questions, suggestions or comments regarding this or future food price bulletins.