

August 2021

PAPUA NEW GUINEA FOOD PRICE BULLETIN

During April through June 2021, market price data were collected routinely by the Fresh Produce Development Agency (FPDA), providing an important baseline for future market price analysis. In addition, the team fully implemented the new tablet price data collection tools which were built to improve data collection accuracy. The new price data questionnaire has decreased the list of diverse crops for price collection to focus on greater data quality collection, while maintaining important staple crops and a selection of fruit and vegetable crops. An accompanying trader survey that asks questions about production and sales volumes, transaction costs, and market processes was piloted in early April and will be fully implemented in Quarter 3 of 2021.

Two additional markets were added to the data collection exercise. Banz market in Jiwaka province, Western Highlands and Kundiawa market in Simbu province, Eastern Highlands began collecting market price data in April, 2021. The team will begin to publish price data of these new markets beginning in Quarter 3 and Quarter 4 of 2021.

Staple crop prices

This bulletin reports the average monthly price (from fortnightly data collection) from 5 markets: Port Moresby, Lae, Goroka, Mt. Hagen, and Kokopo. For fort-nightly data observations, the price database is available for download at our [website](#).

SUMMARY

Users can download the data reported in this bulletin, as well as build graphs and tables of up-to-date price data of over 20 different food crops. The website link provides a user-friendly graphing and data visualization tool:

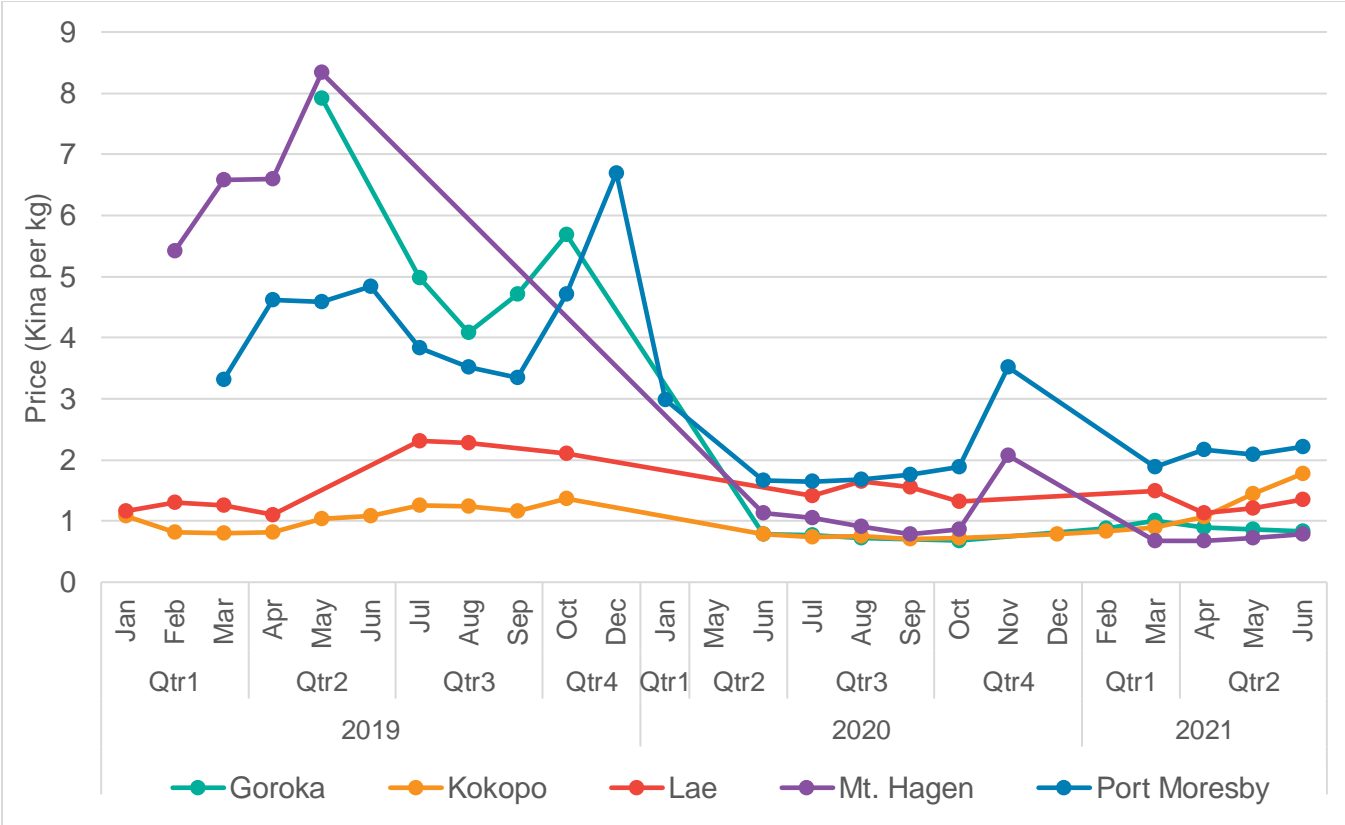
<https://www.ifpri.org/project/fresh-food-price-analysis-papua-new-guinea>

The price of staple crops (sweet potato, taro, cassava, etc.) remained relatively stable with the exception of a slight, but continuing price increase in cassava in Kokopo market from March until the end of June, 2021.

The price of vitamin-dense foods (e.g., carrot, broccoli, dark leafy greens) may be prohibitively too expensive for food-insecure households. Compared to the least expensive staple in quarter 2 of 2021 (sweet potato) in Goroka, the least expensive vitamin-dense crop (carrot) was, on average, 15 percent more costly. Similar price differences between staples and vitamin-dense crops were reported in other markets as well.

During the 2nd quarter of 2021, sweet potato prices per kilogram remained stable compared with quarter 1 prices, with slight price increases in Kokopo and Lae from March through June. The average price of sweet potato per kilogram in June was about 38 percent higher in Port Moresby (2.21 PGK/kg) compared to Lae (1.35 PGK/kg).¹ Port Moresby reported the highest sweet potato prices, on average, reflecting transaction costs from highlands agriculture areas to the lowland city centers.

Figure 1: Price of sweet potato across FPDA markets (PGK / kg)

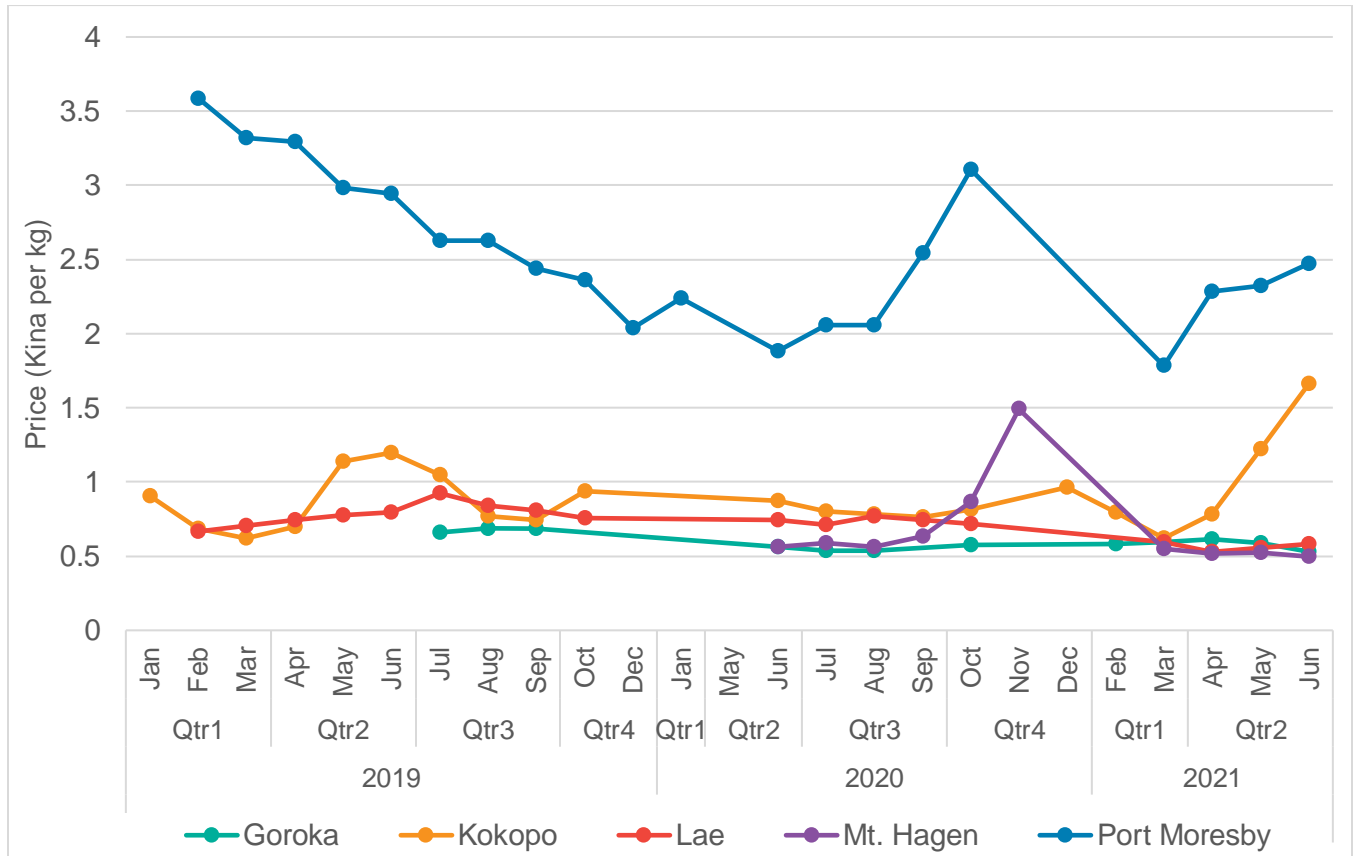


Source: Fresh Produce Development Agency (FPDA) market retail price database.

Cassava is another important staple for household consumption, particularly in Kokopo. While price per kg of cassava has remained relatively stable since the first quarter in Lae, Goroka and Mt. Hagen, the price of cassava in Kokopo and Port Moresby markets increased in the second quarter of 2021. Cassava per kg price in Kokopo market (orange line in Figure 2) increasing about 1 PGK per kg. from an average of .62 PGK per kg. in March to 1.66 PGK per kg in June. According to price collectors in Kokopo, this increase in price is due to decreased supply of cassava in the market in Quarter 2. We will continue to watch cassava prices in Kokopo in the 3rd and 4th quarters to evaluate whether supply adjusts to ongoing demand.

¹ Values are calculated as a moving average considering the previous 3 months data observations.

Figure 2: Price of cassava across FPDA markets (PGK / kg)



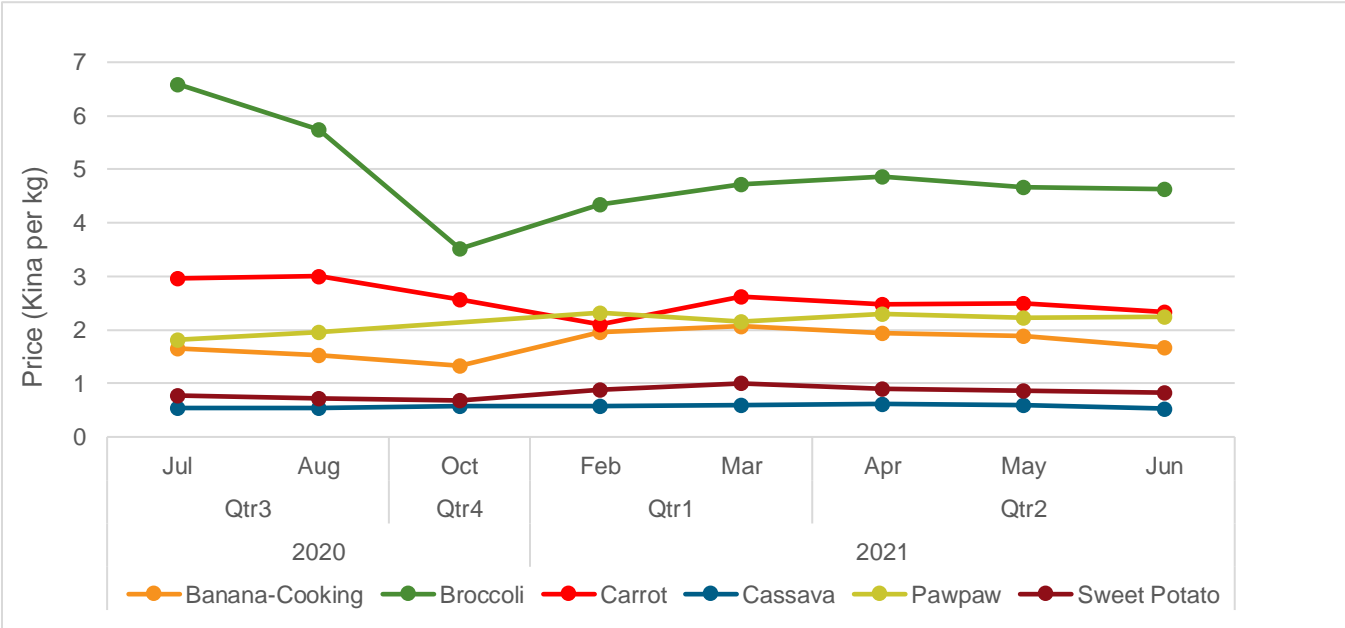
Source: Fresh Produce Development Agency (FPDA) market retail price database.

Comparing staple food prices with vitamin-dense food prices

The current difference in the price of vitamin-dense foods versus staple foods may make a nutritious meal cost prohibitive for lower income households. Vitamin dense foods are more expensive compared to staple foods in most countries. Using Goroka market prices as an example, cassava and sweet potato were the least expensive staple crops. According to price collectors in Goroka, cooking banana is a more expensive staple compared to sweet potato and cassava due to its importance in traditional ceremonies which increases price pressure on this food crop.

The least expensive, vitamin dense fruit and vegetable in Goroka in Quarter 2 of 2021 were pawpaw and carrot. Comparing the carrot and pawpaw prices with the least expensive starch (sweet potato and cassava) suggests that both carrot and pawpaw were more than double the cost of sweet potato per kg in Quarter 2. Broccoli, which is high in iron and rich in vitamins A, B, C, E and K averaged 4.63 PGK / kilogram in Quarter 2, approximately 5.6 times more expensive than sweet potato (Figure 3). Similar price differences between staple and vitamin rich crops were experienced across all markets in PNG.

Figure 3: Price comparison of staple crops with vitamin dense vegetables (PGK / kg) in Goroka 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 3rd 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.

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