

PAPUA NEW GUINEA FOOD PRICE BULLETIN

January 2023

This bulletin summarizes PNG food prices in the major markets, with a focus on quarter 4 of the 2022 calendar year. Fortnightly food price data collection was consistently disrupted by logistical challenges throughout the year. The data collection gap was most noticeable in the third quarter of the year, so no third-quarter price bulletin was published. However, available 3rd quarter data are downloadable at the food price [website](#). This bulletin also includes available January 2023 data to account for the data gap created in the 4th quarter, particularly during November. No data were collected in Mt. Hagen since June 2022, and only three sporadic data observations were collected from Lae; therefore, these markets are excluded from this bulletin.

This bulletin reports the average monthly price data (except November due to missing data) from Port Moresby, Goroka and Kokopo. In addition, since 2021, the FPDA has been collecting food price data in Banz market. There are now enough price observations for Banz market that we are able to include Banz price trends for the first time in this bulletin!

Food price analysis and market field visit

During the first two weeks of October 2022, the IFPRI team, in collaboration with the FPDA's price information management team, accompanied field enumerators in Port Moresby, Goroka, and Lae. In doing so, they observed the food price data collection process and procedures to identify opportunities to overcome logistical challenges faced during the 2022 calendar year. Further information on the field trip is provided on page 6 of this bulletin.

SUMMARY

Users can download time series food price data, and build graphs and tables for over 20 different food crops at our food price database webpage: <https://www.ifpri.org/project/fresh-food-price-analysis-papua-new-guinea>

The average (nominal) price of staple foods in Port Moresby was 22 percent less (in nominal terms) in the 4th quarter of 2022 compared to quarter 4 of 2021.

The 2022 quarter 4 price of sweet potato and taro in Kokopo was 22 percent greater compared to the same quarter in 2021. In addition green leafy vegetables price increased, in part due to unseasonably dry weather in East New Britain.

Despite a rising global food price trend in 2022 as a result of the Russia-Ukraine crisis, increasing fuel prices, and weather stress, the price of imported rice in PNG remains relatively stable, with an average annual (nominal) price variation of 10 percent across 4 markets.

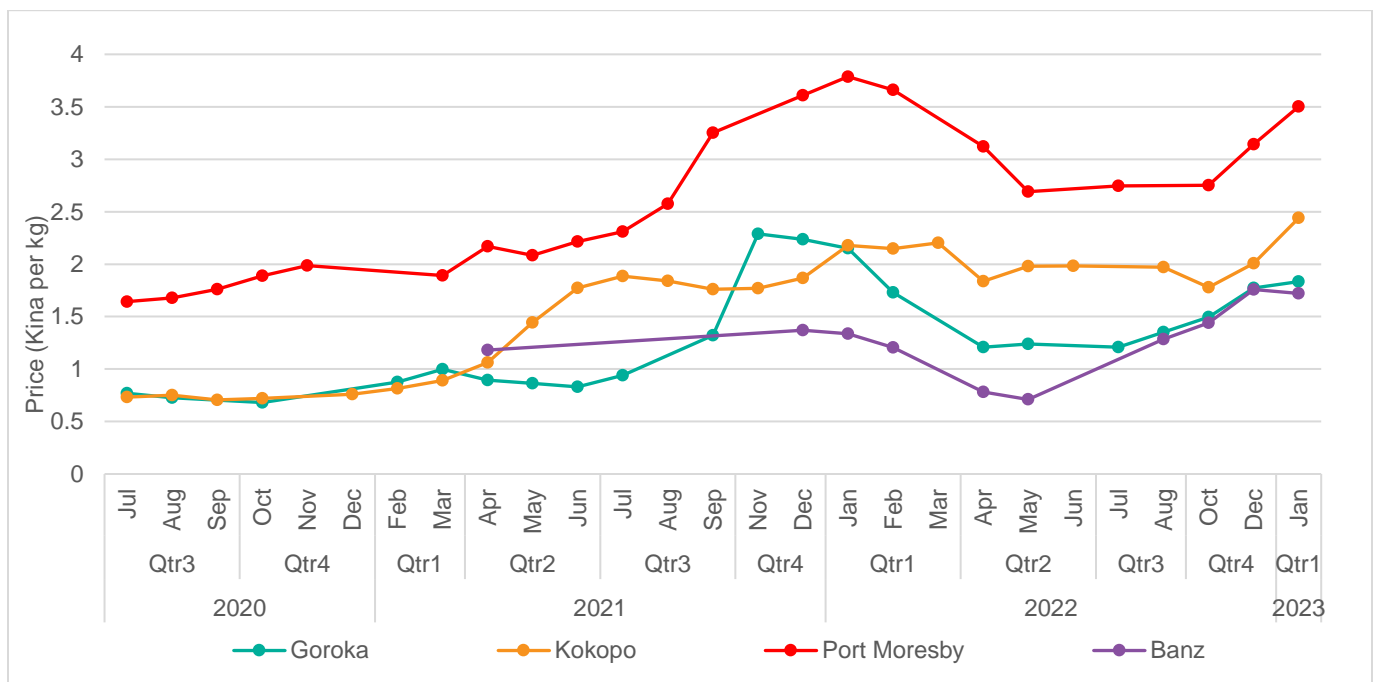
In December 2022 a kilo of rice (Roots rice) cost 4.03 PGK/kg, compared to 5.07 PGK/kg in Port Moresby.

Staple crop price trends in quarter 4

Comparing quarter 4 of 2021 and quarter 4 of 2022, the average price of staple foods (sweet potato, taro, and cassava) in Port Moresby decreased by 22 percent (in nominal terms). Whereas in Kokopo, the price of sweet potato and taro increased by 22 percent, and the price of cassava dropped by 16 percent. In highland areas such as Goroka and Banz, sweet potato prices followed similar price increases during the 2nd half of 2022, increasing from about 1.20 PGK/kg in July to approximately 1.78 PGK/kg in early January.

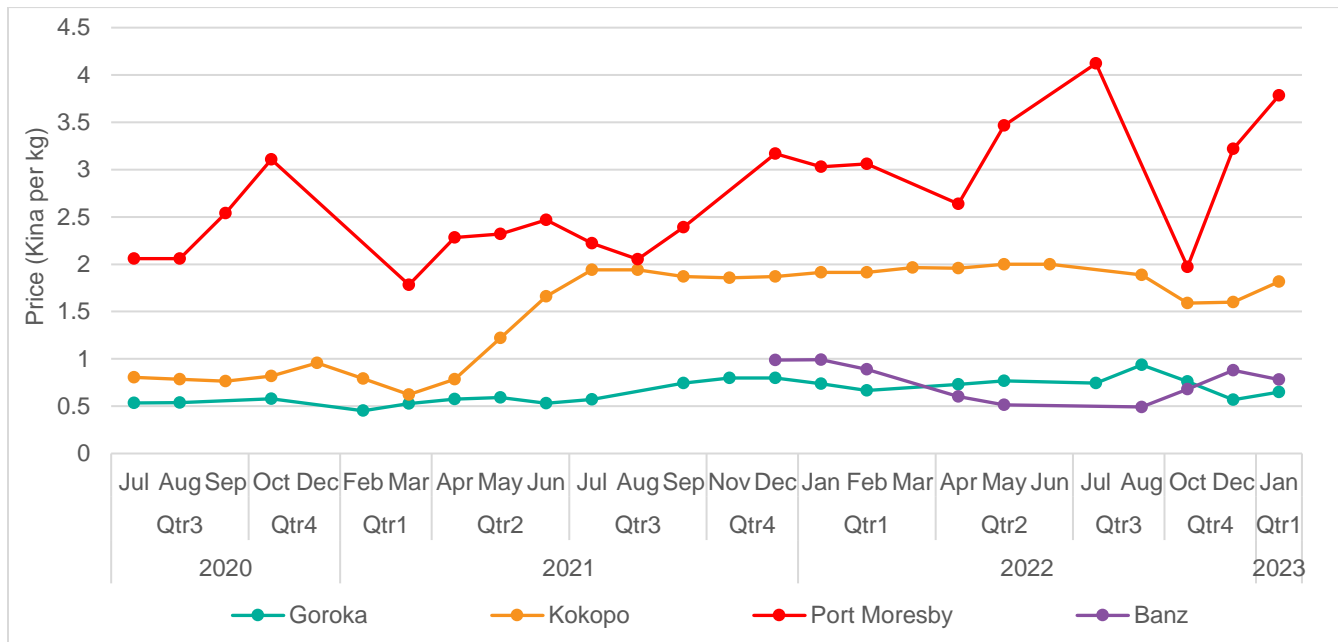
Comparing staple prices in Port Moresby between quarter 3 (October) and quarter 4 (including January) of 2022, suggests that the price of sweet potato and cassava increased by 27 and 118 percent, respectively, from 2.75 and 1.97 PGK/kg to 3.50 and 4.30 PGK/kg. (Figures 1 & 2).

Figure 1: Price of sweet potato across 4 FPDA markets (PGK / kg)



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

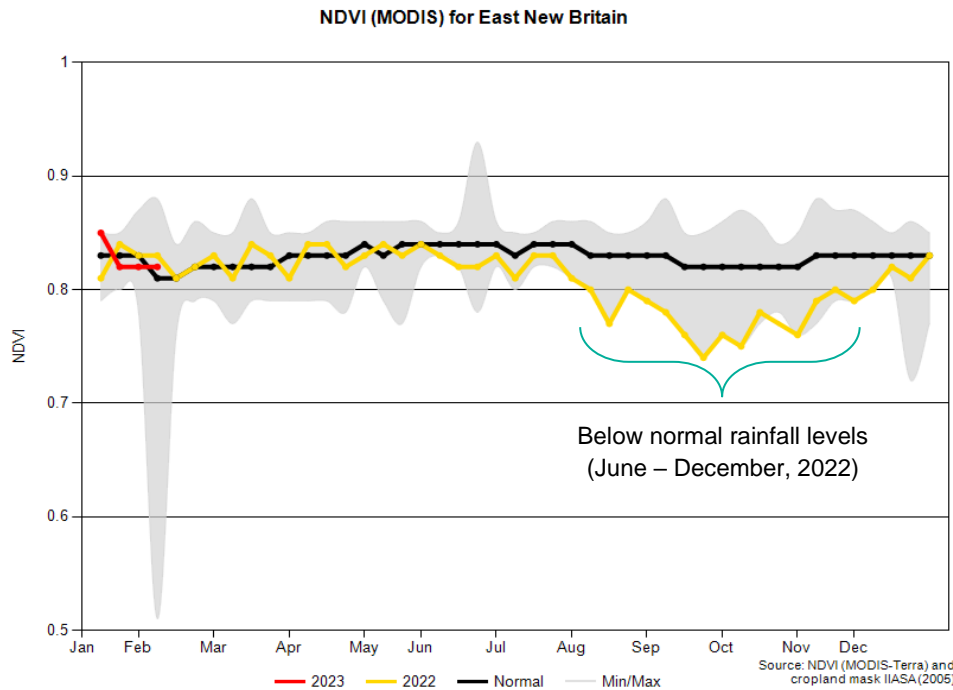
Figure 2: Price of cassava across 4 FPDA markets (PGK / kg)



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

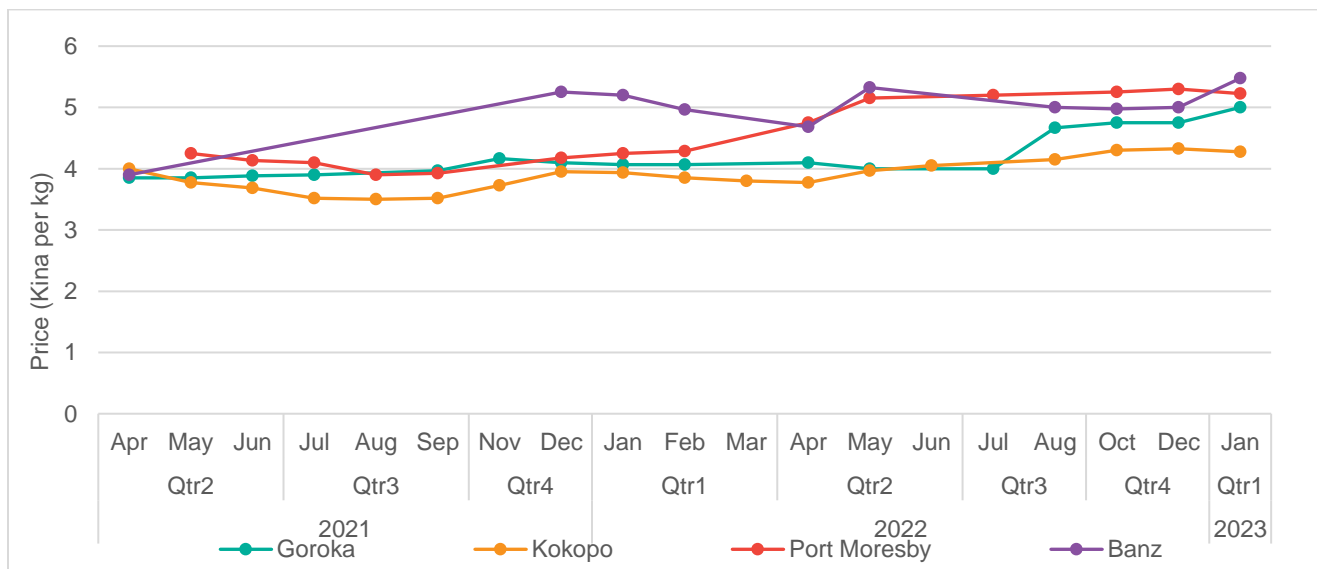
Sweet potato and taro price increases in the Kokopo market were partly attributed to a dry spell that occurred in areas of East New Britain provinces from April to October. The United States Department of Agriculture (USDA) and NASA Global Agricultural Monitoring (GLAM) report the Normalized Difference Vegetation Index (NDVI) for areas across the globe. The NDVI measures the crop growth status and is indirectly used to estimate the effect of rainfall on vegetation over a certain time period by using an Advanced Very High Resolution Radiometer (AVHRR) sensor placed onboard the National Oceanic and Atmospheric Administration (NOAA) satellite. Data reported for East New Britain province suggest below normal NDVI values which occurred as a result of extended periods of dryness. Figure 3 displays the average value for the vegetation index of the entire 2022 and early 2023 (shown by the red line), and compares the index with normal values (black line). Data suggest that, for East New Britain a below-normal vegetation index was recorded from June to December 2022. This dry spell is also reflected in the fresh food price data, whereby the price of leafy green vegetables increased in Kokopo market, where the main supplier district was among the places affected by reduced rainfall (Figure 3).

Figure 3: East New Britain: Normalized Difference Vegetation Index (NDVI)



Despite a rising global food price trend in 2022 as a result of the Russia-Ukraine crisis, increasing fuel prices, and weather stress, the price of imported rice in PNG remains relatively stable with an average (nominal) annual price variation of 10 percent across 4 markets. In December 2022 a kilo of rice (Roots rice) costs 4.03 PGK/kg in Kokopo, whereas in Port Moresby, the same kilo of rice cost 5.07 PGK/kg (Figure 4).

Figure 4: Rice price per kilo across 4 FPDA markets

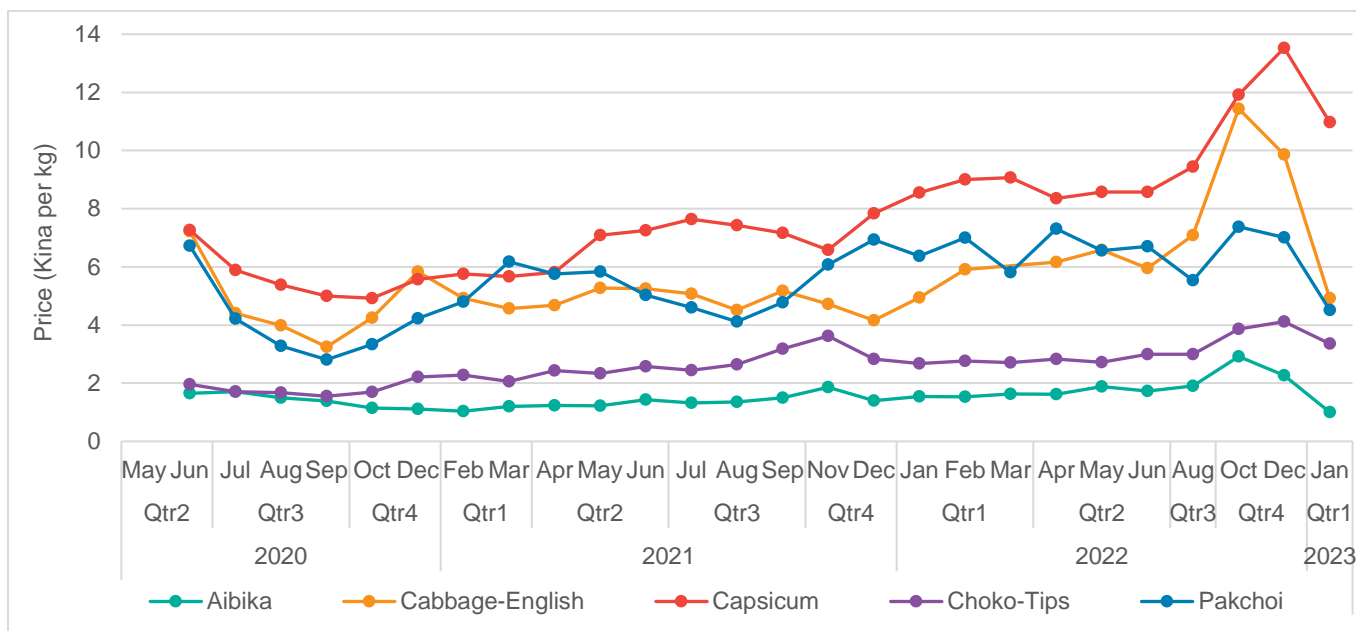


Source: Fresh Produce Development Agency (FPDA) market retail price database.

Vitamin-dense food prices by market

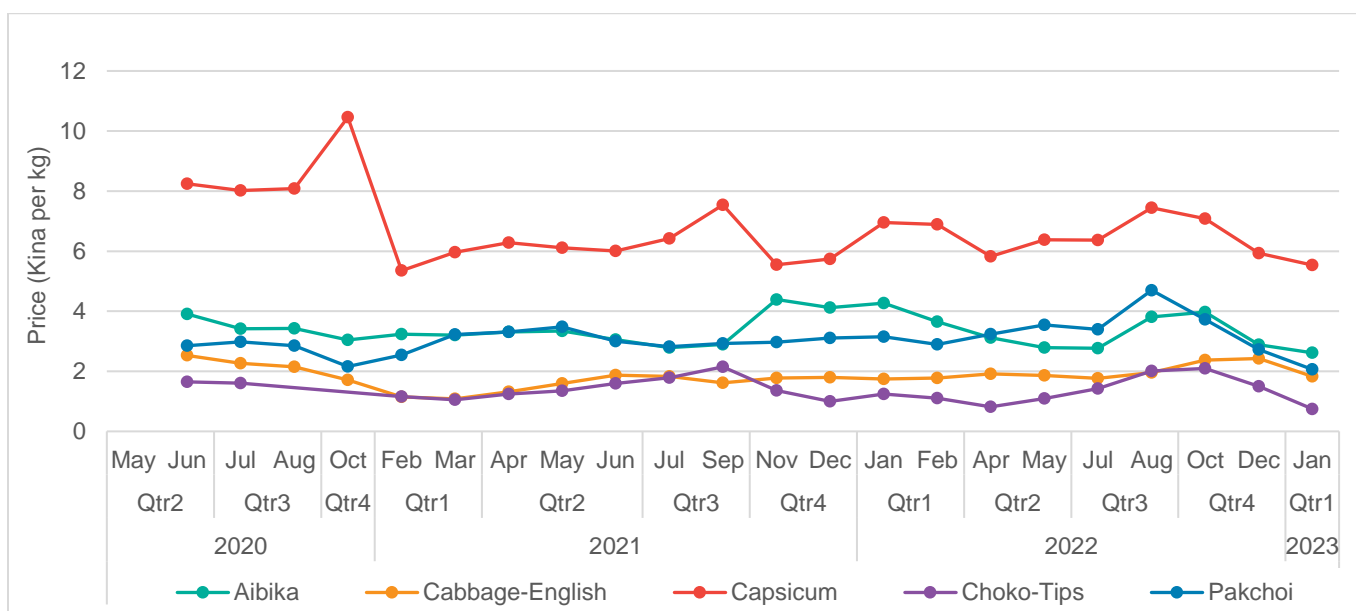
While prices of green vegetables (and capsicum) continued to increase in Kokopo market throughout the first 3 quarters of 2022, from October 2022 through January 2023, prices in Kokopo and Goroka markets dropped by an average of 52 percent (Figures 5 and 6). Conversely, the average price of green leafy vegetables increased in Port Moresby from mid-2022 to January 2023 by about 30 percent (Figure 7).

Figure 5: Select leafy green vegetable food prices in Kokopo market



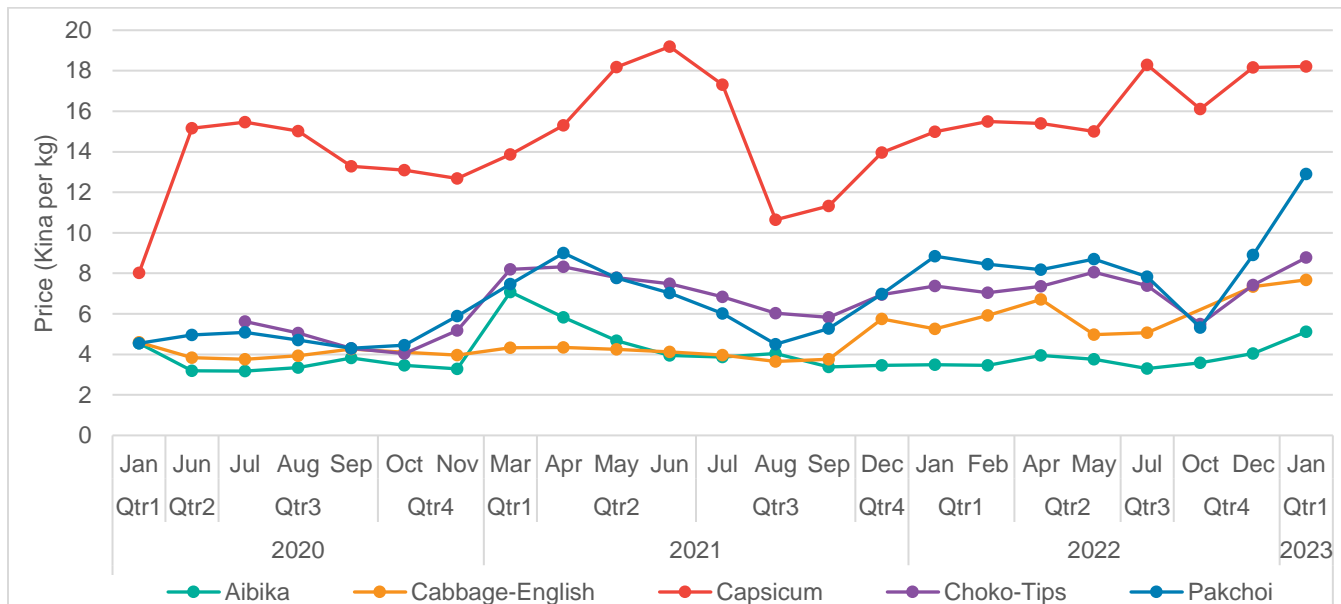
Source: Fresh Produce Development Agency (FPDA) market retail price database.

Figure 6: Select leafy green vegetable food prices in Goroka market



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

Figure 7: Select leafy green vegetable food prices in Port Moresby market



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

Field visit and training

For several decades, the FPDA has been collecting important data on food prices in a variety of markets. Despite having a workflow and methodology for collecting time series price data, it is frequently interrupted due to a variety of logistical challenges. In addition, diverse data inconsistencies were discovered during data analysis for the bulletin dissemination. While FPDA provides bi-annual training to their price collectors to ensure data consistency, the FPDA and IFPRI decided to accompany price collectors in different markets to understand common and unique challenges for each visited market.

From October 3 to 11, 2022, a team comprised of IFPRI and the FPDA information management office conducted a market visits in Port Moresby, Goroka, and Lae to evaluate the end-to-end price data collection processes. As a result, a set of recommendations were produced that outline opportunities to improve the processes and procedures of food sample purchases, food weight and price data recording, and database management systems. The price collection team is now working uniformly to upgrade their data collection and management systems to better provide timely and accurate food price data and analysis.

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