

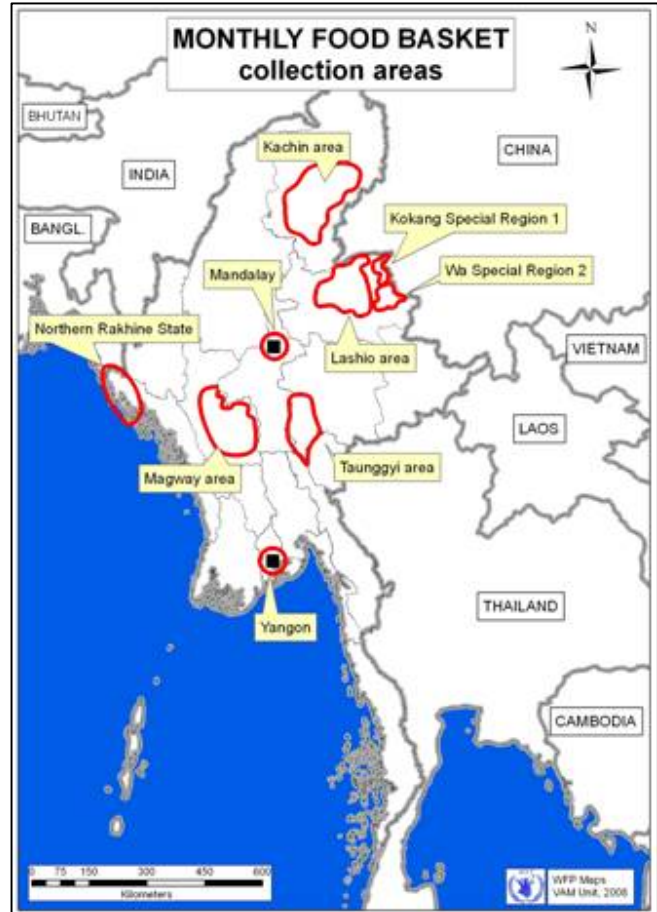


MARCH '08: MONTHLY HOUSEHOLD FOOD BASKET BULLETIN

This report attempts to describe the ability of poor vulnerable households in selected areas in Myanmar in meeting their basic food needs¹ during the month of March 2008. It is based on the monthly periodic reports produced by the Vulnerability Analysis & Mapping (VAM) Unit in WFP Yangon.

Highlights March 2008

- Rice prices continue to remain high following the sharp increase in December 2007. In some areas where the prices have eased, wages have also fallen, maintaining the pressure felt by poor households.
- Food security in NRS continues to be in a precarious state. Most of the landless households have had insufficient income to cover their food needs and have relied heavily on alternative coping mechanisms in the past several months. Severe hardship during the coming lean season is now almost a certainty.
- In Kokang Special Region 1, employment opportunity decreased thus did the average income. Despite this, most of the poor households are still able to cover the basic food cost.
- In Magway area, Yenanchaung finally shows a sign of recovering from the devastating effects of flooding. Female-headed households, however, remain below the survival line and need close monitoring.
- New data collection in Kachin State provides a snap-shot of what could be a positive picture of income vs. expenditures balance; rice price is relatively steady and wages are higher than the national average.
- In Mandalay, the increase in rice price is pushing more female-headed households below survival thresholds.



Methodology and display areas:

Market data related to household access to rice is collected on a monthly basis in 9 locations: WFP's current 7 operational areas of Northern Rakhine State, Dry Zone-Magway, Northern Shan, Kachin State, Taunggyi area and Shan Special Regions No.1 and 2 (Wa), as shown in the adjacent map, and two urban areas, namely Yangon and Mandalay. The information collected includes rice prices, daily wages, and employment opportunities. The charts illustrate the weekly requirements for a household in meeting their basic rice needs.

Assumption: Households would not have significant access to self-production, therefore, would basically rely on casual wages to generate income.

Calculation method:

The two lines denote the following:

BLUE: current minimum standard (the average weekly income of a poor household), derived from the formula:

[Number of earners] x [no. of days of employment] x [daily unskilled wages]

RED: basic survival threshold (the minimum expenditure per household per week to survive, only rice), derived from the formula:

[0.5 kg cheap rice price] x [number of persons per household] x [7 days a week]...

+ "compulsory collateral expenditures" in Urban areas (weekly):

simple dwelling: 1600K in Yangon and Mandalay, 1000K in Lashio
charcoal: 3500K in Yangon, 2500K in Mandalay, 1500K in Lashio

Assumption: rice would account for 70% of the daily food needs.

The data was collected thanks to cooperating partners such as **ADRA, AMDA, CARE, GAA, KMSS, PACT, REAM, UNICEF, UNDP, WORLD VISION** and field staff from 7 **WFP** Sub-Offices.

¹ The average requirement for meeting the rice needs of a household amounts to 10,958 Kyats per week from the March 2008 data, which indicates that the price hike has slightly eased since the end of last year when the said requirement was 12,757 Kyats and 12,148 Kyats in December and January 2008, respectively. The UNDP Integrated Household Survey defined Food Poverty Line in Myanmar as 118,402 per person per year, equivalent to 11,612 Kyats per household per week.



NORTHERN RAKHINE STATE (NRS) as of March 2008

2 month of alarmingly high rice prices has placed an increasing number of landless households in NRS in a severe predicament. Most earn less than what is needed to cover their basic food needs and are forced to employ various coping strategies. The prospect of severe livelihood insecurity for the households in coming lean season is almost a certainty given the current situation.

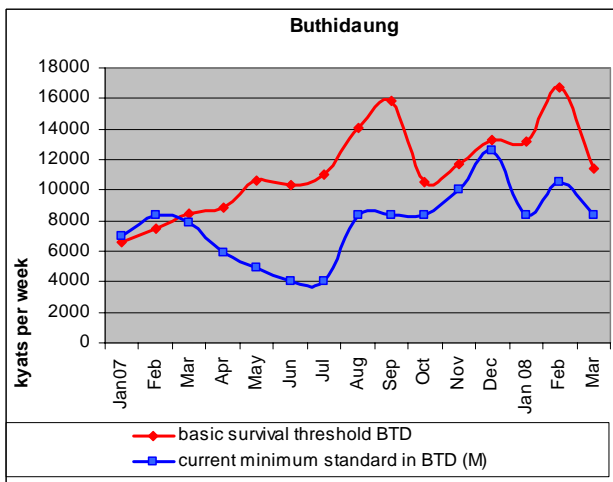
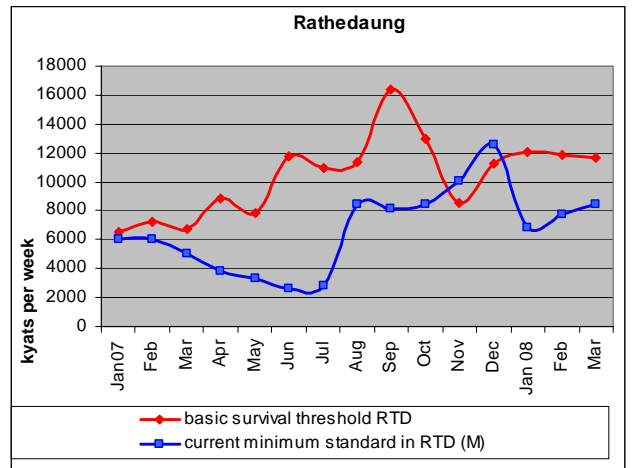
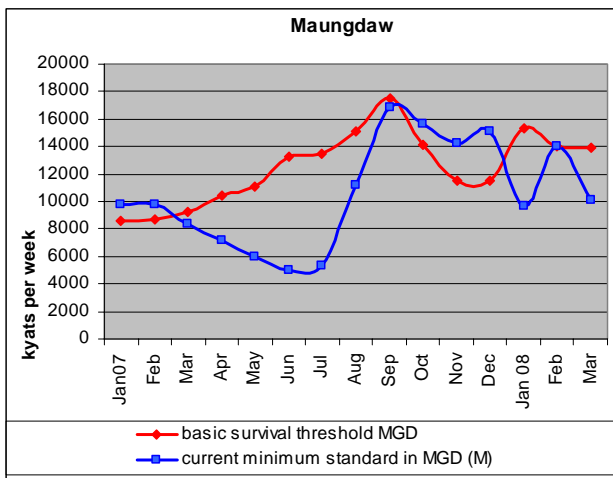
The average income in Maungdaw fell again in March. Wages dropped from 2000 Kyats to 1800 Kyats per week, as well as the number of days with job opportunities (from 5 days to 4 days/week). Poor households, as a result, run a deficit of average 4000 Kyat per week to cover their food needs.

In Buthidaung, the data shows that the poorest households in the area have never had enough income to cover their food needs since February last year. Those households may have nearly exhausted their coping options as loans are becoming harder to access.

Households in Rathedaung Township are also experiencing extreme hardship, having insufficient income to cover food needs for 3 consecutive months. The employment opportunities in the area are expected to drastically decrease in the coming months thus leaving families in severe difficulties.



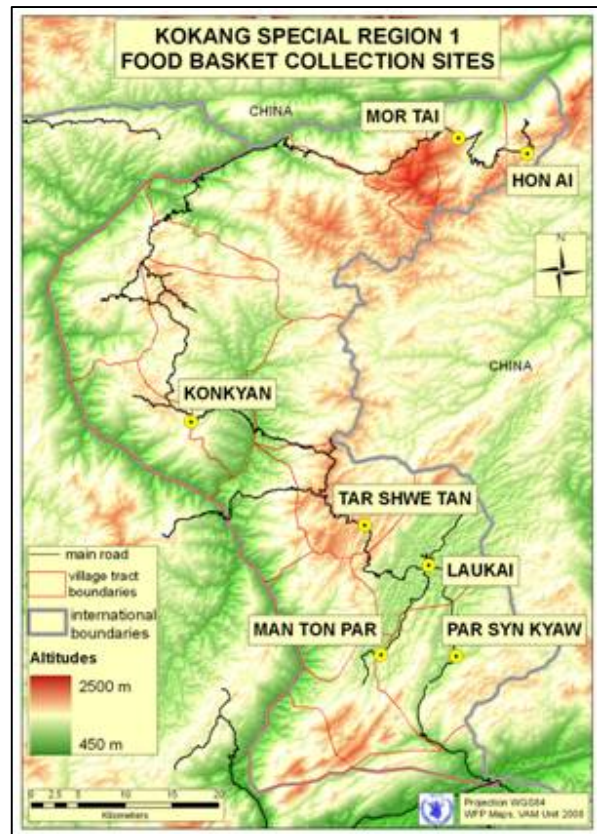
Average household of 6.7 with 1.4 earners



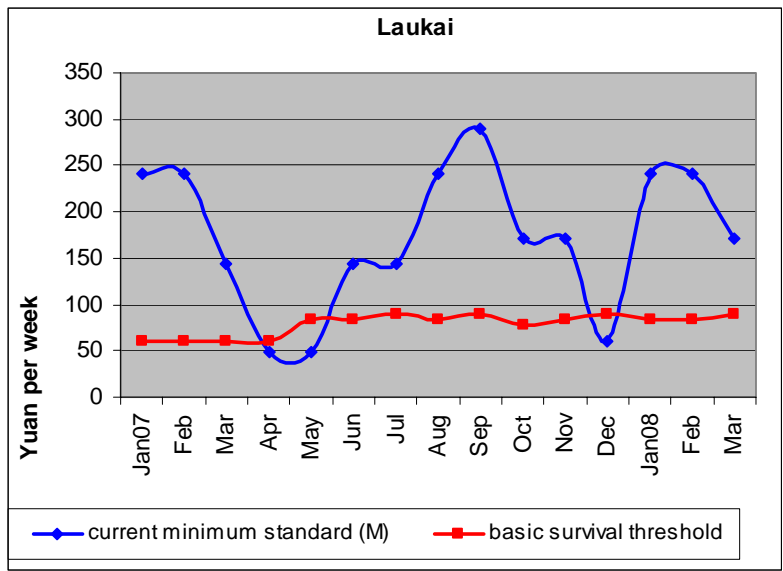
KOKANG as of March 2008

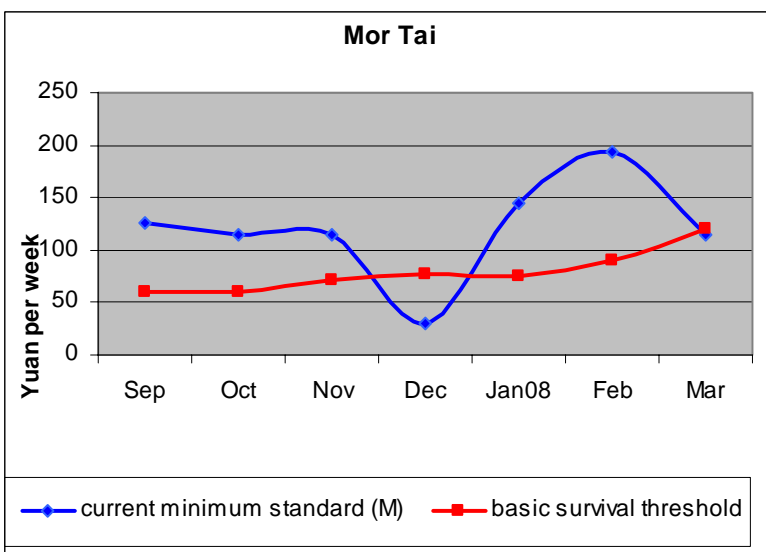
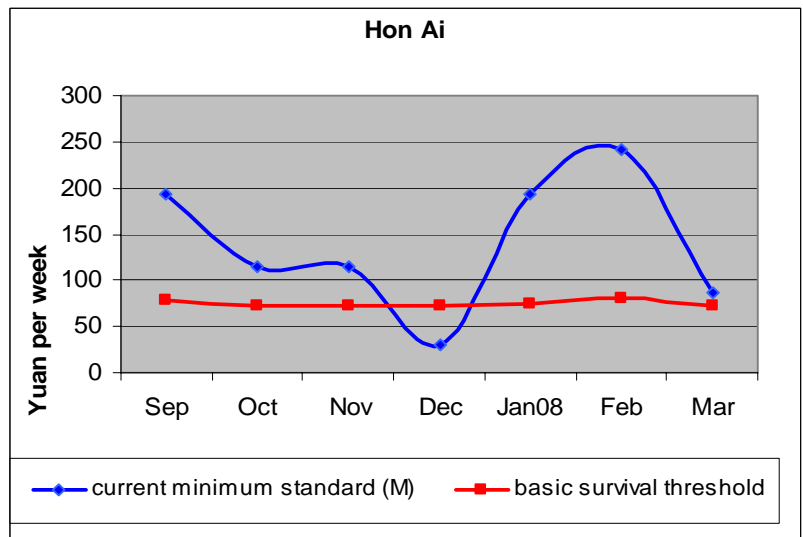
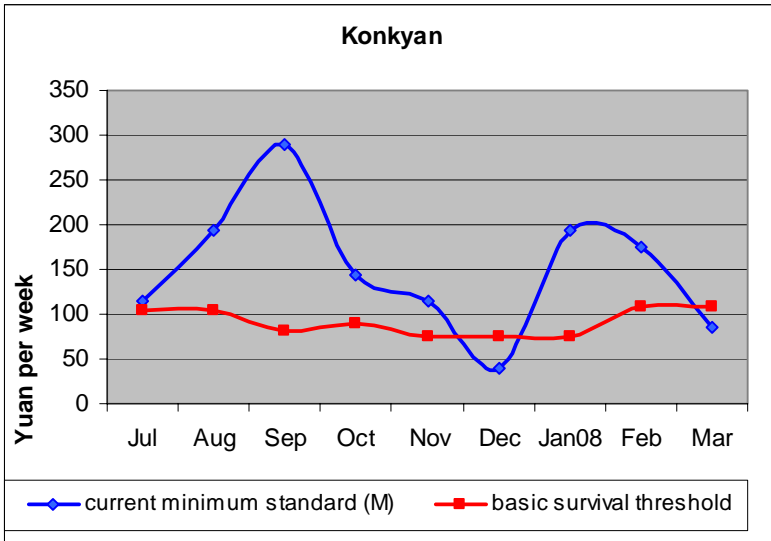
Employment opportunities have decreased from 4.4 days per week in average in February to 2.6 days in March in Kokang Special Region 1. The average income of poor landless households in the region dropped consequently, but the magnitude of impact of the drop on their ability to meet their basic food needs varies in each data collection sites.

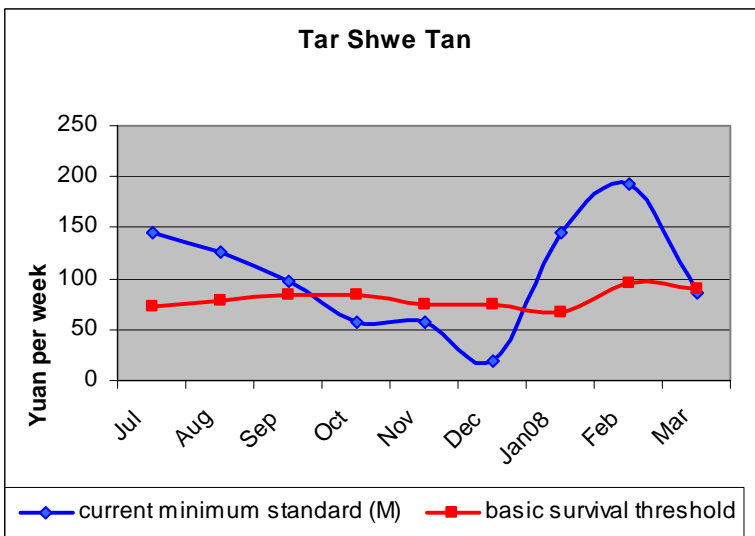
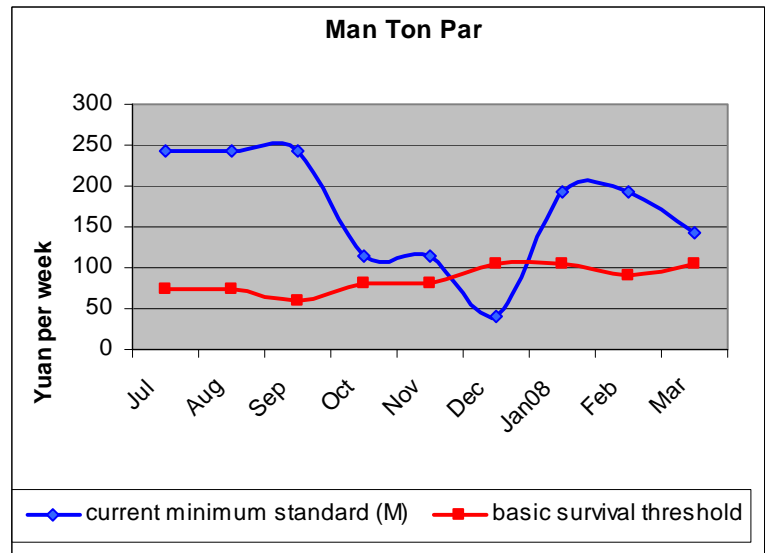
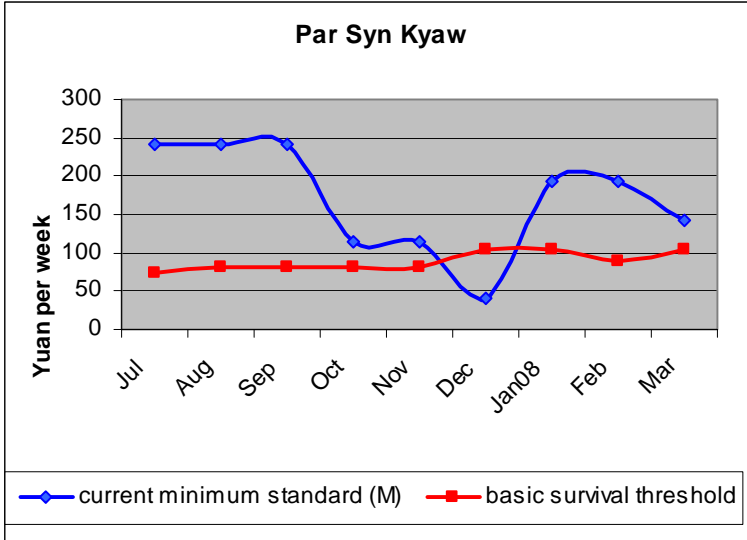
Except for in Konkyan, the households are able to cover their food cost despite the drop in income. Since the agricultural activities such as sugar cane harvesting and paddy cultivation in the area normally increase in April and May providing greater job opportunities, the prospect for these households to fall below the survival threshold in next couple of months is reasonably low.



Average household of 6 with 2.2 earners





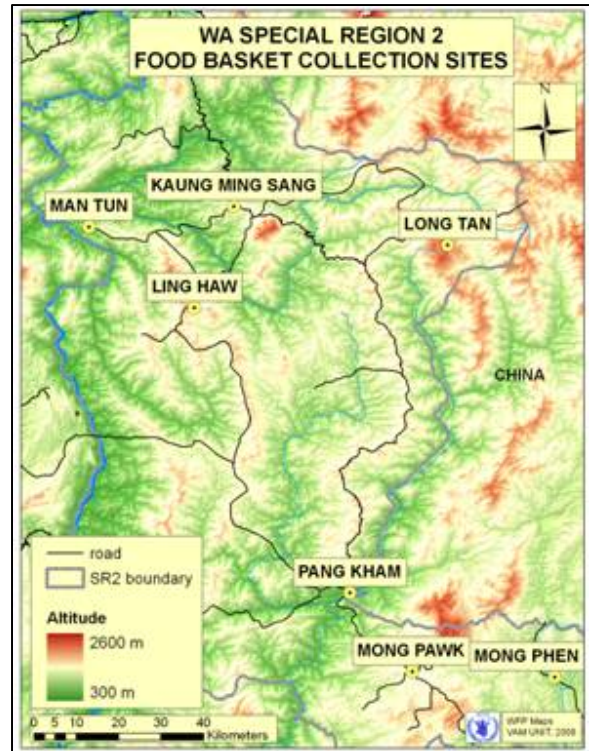


WA as of March 2008

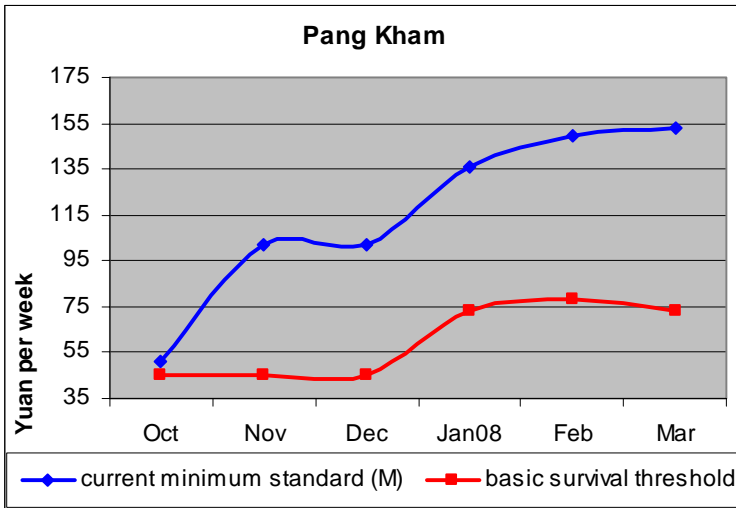
Data from “Shan Special Region 2” illustrate rather steady livelihood trends in past several months despite the fluctuating wages and rice prices in some areas. Poor households in most of the areas in the region had sufficient earnings to cover their food need in March.

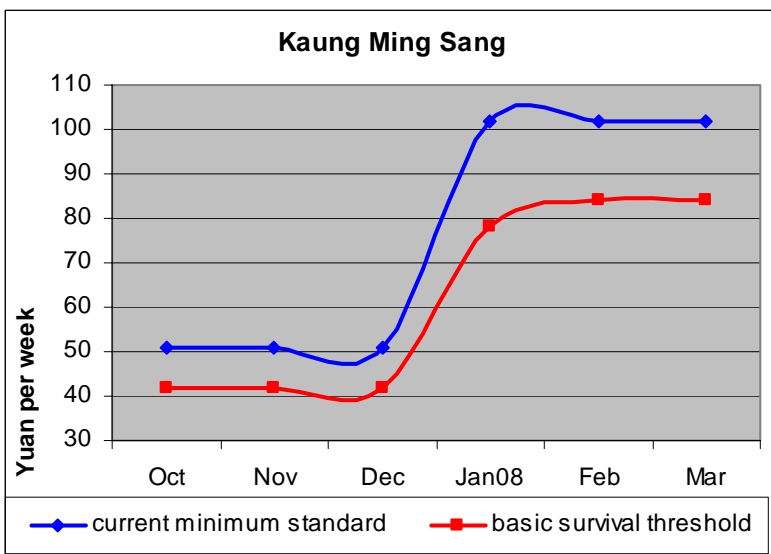
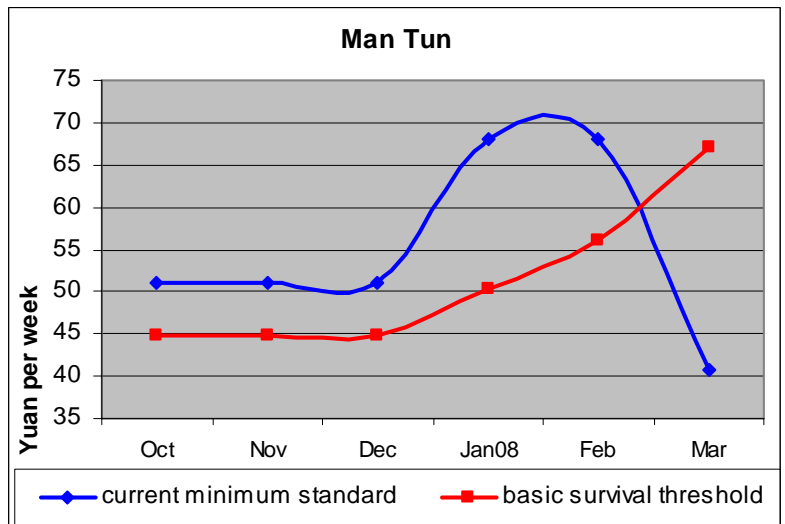
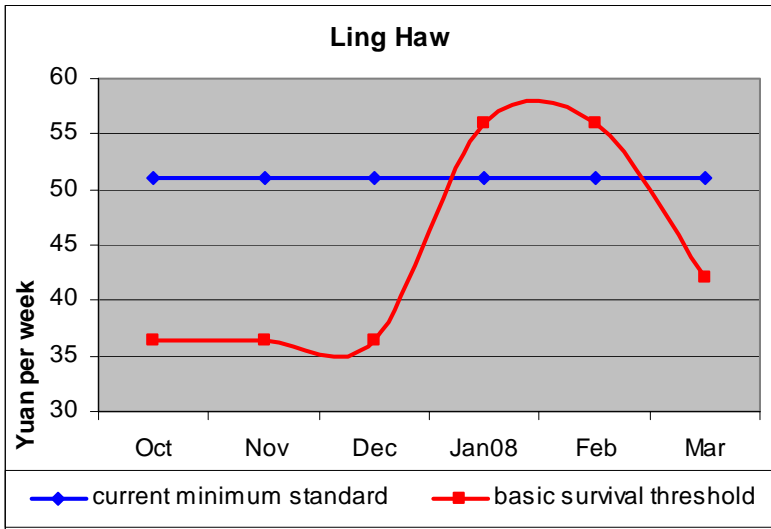
However, food security in some areas still seems problematic. In Man Tun, decreasing employment (reported as 2 days per week) and rising rice price resulted in a gap of average 25 Yuan per week between income and cost of food for poor households. Households in the area may be able to sustain themselves by relying on the remnant of past savings for sometime, but the magnitude of the gap is significant and requires a follow-up on the situation in coming months.

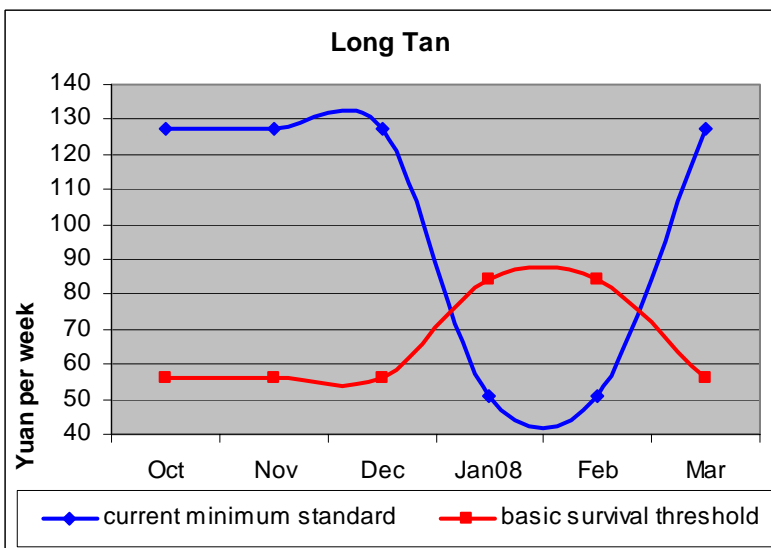
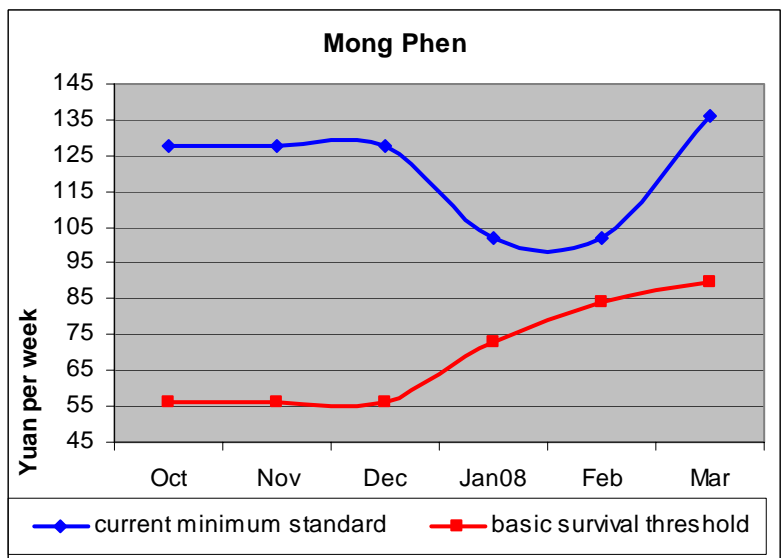
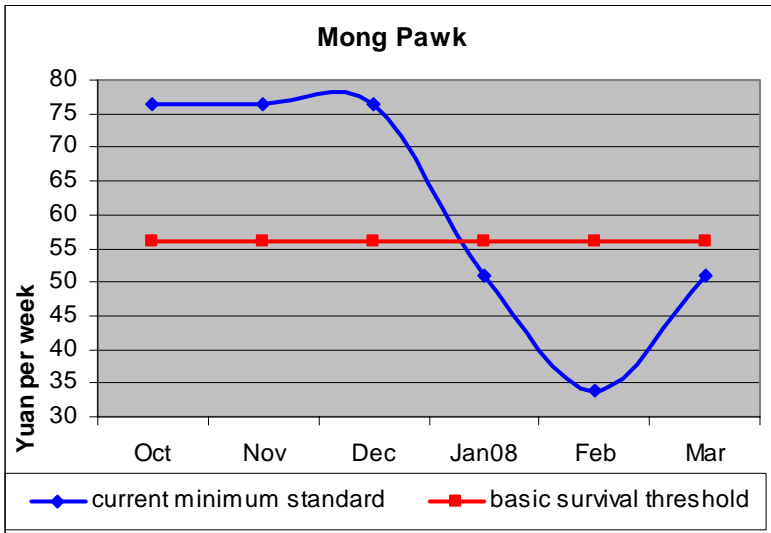
Long Tan and Mong Phen are experiencing rise in gasoline prices, which, in turn, reportedly increased the rice price in Mong Phen.



Average household of 5.6 with 1.7 earners





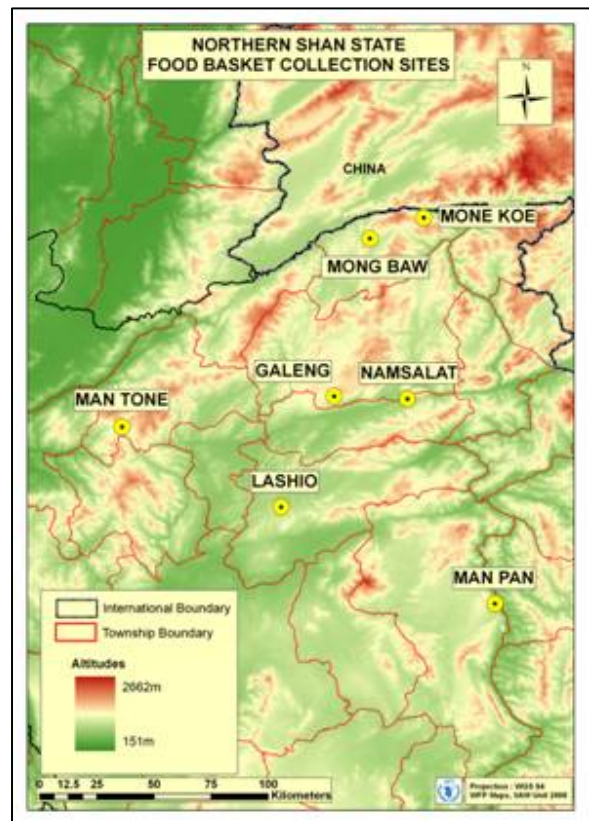


NORTHERN SHAN: LASHIO AREA as of March 2008

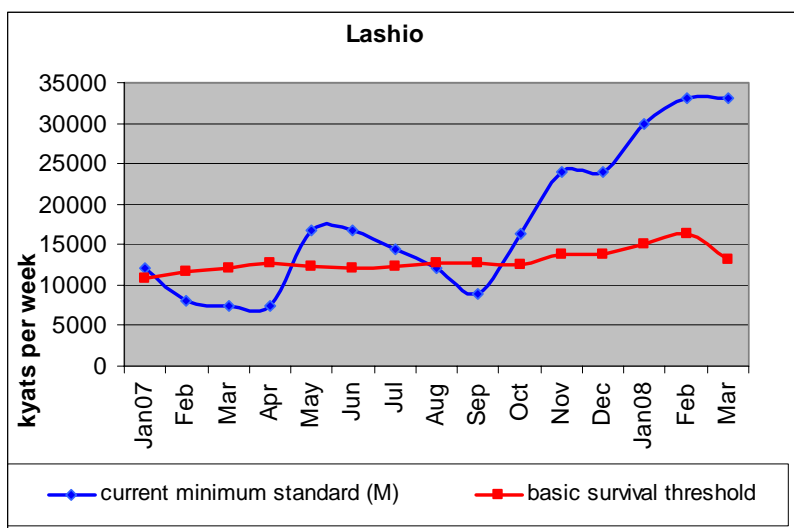
The data from Lashio area in March indicate that the landless households in data collection sites had sufficient earnings to cover not only their basic food needs but also some non-food expenditures. This is largely thanks to the stable employment in the area, averaging 6 days per week in Lashio, 4-5 days in the other data collection sites. Demand for casual labor is high in this month as many of the cash crops such as tea are now in harvest and need to be transported.

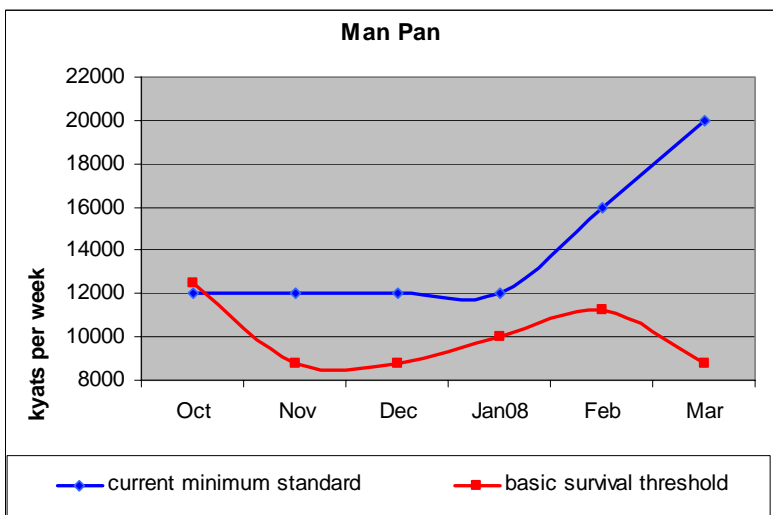
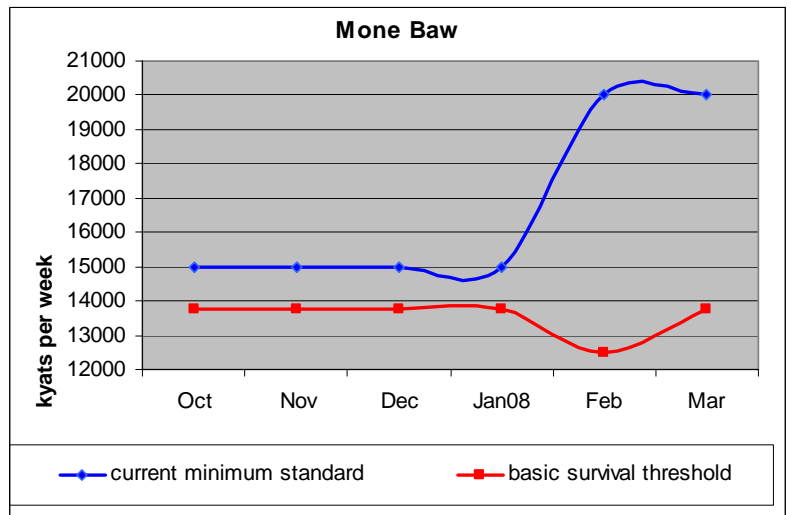
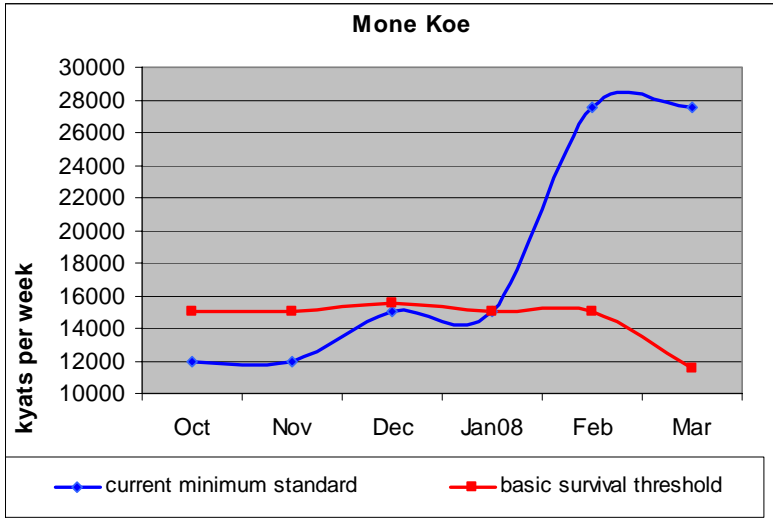
In Man Tone, the average income finally increased to a level greater than basic survival threshold this month. However the margin (3,000 Kyats per week) is still small to off-set the dire situation the poor households have been enduring during the past 5 months. Unless the current rising trend is sustained for several more months, the households remain considerably vulnerable to food insecurity.

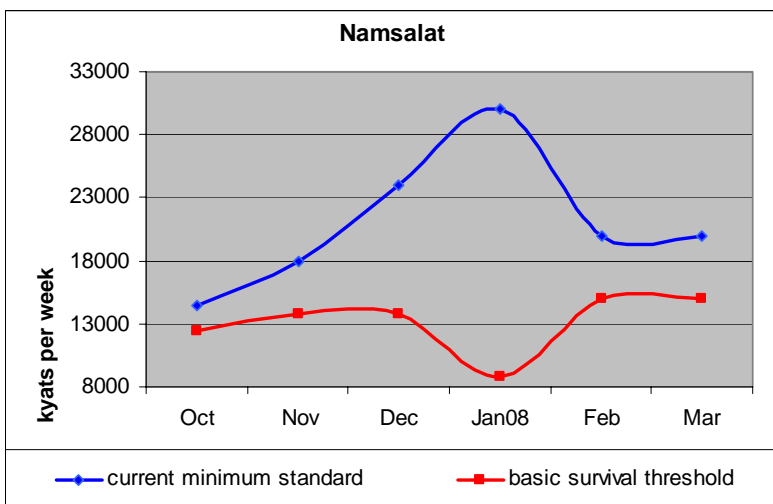
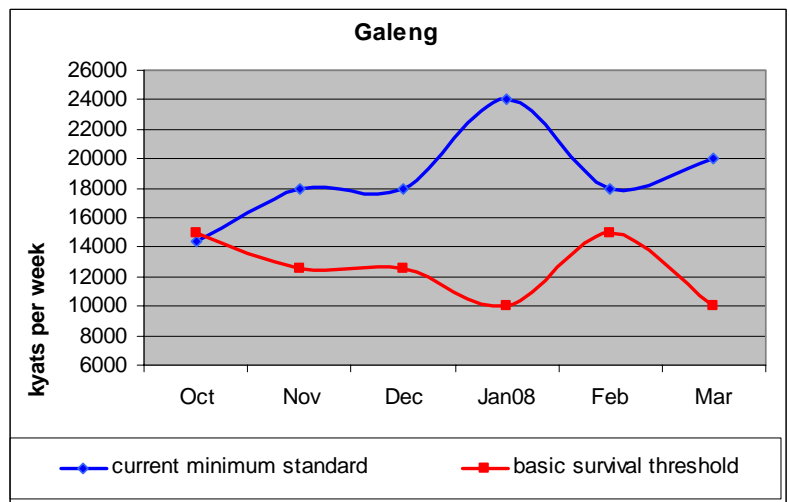
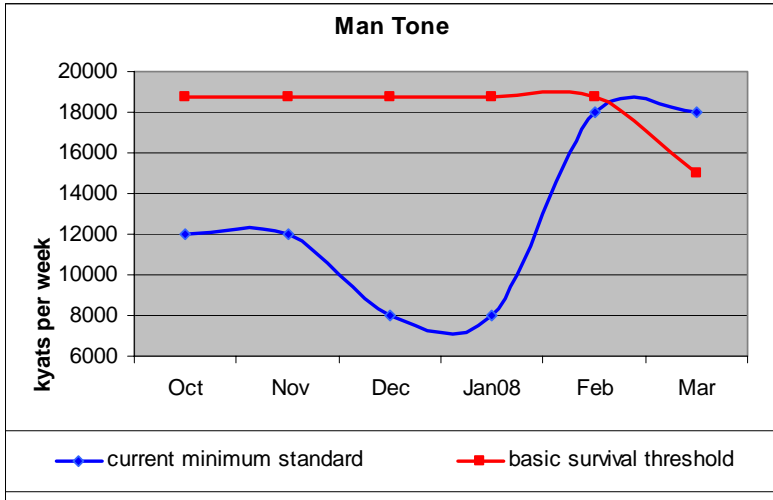
Mone Koe is another area that used to be of concern, but now has sustained the improvement since February 2008. The wages in Mone Koe is now among the highest in the area (2,750 Kyats per day, comparable to Lashio), and the price of rice has slightly decreased to 460 Kyats per Kg.



Average household of 5 with 2 earners





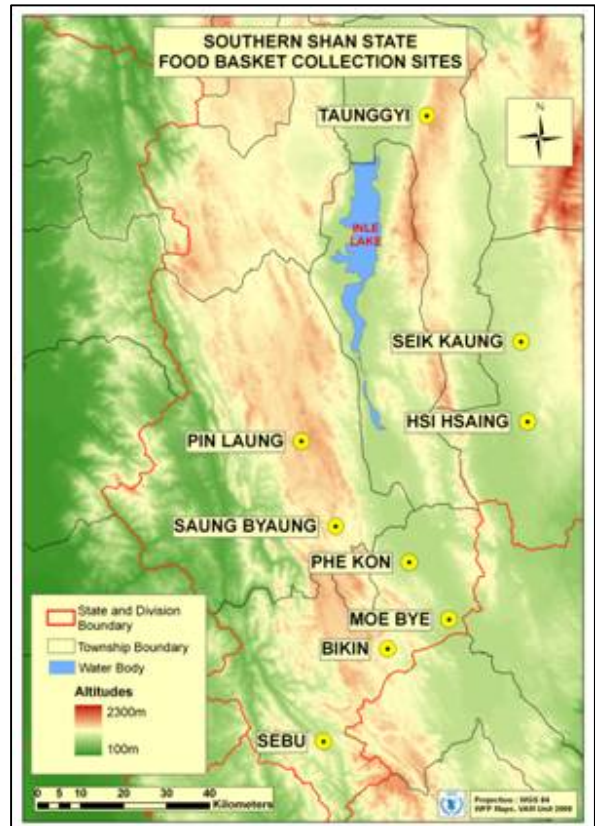


TAUNGGYI AREA as of March 2008

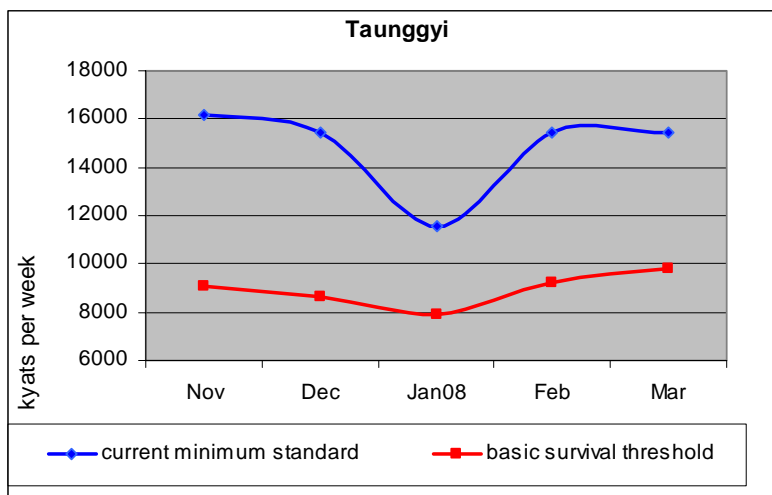
Among three data collection sites that were of concern in February (Hsi Hsaing, Moe Bye and Seik Kaung), Hsi Hsaing and Moe Bye saw improvement in their income-food expenditure gap. In Moe Bye, in particular, a 4,000 Kyats / week of margin was recorded. The improvement mostly stems from increase in earnings, which reportedly have been generated by non-edible cash cropping-related activities (including from poppy). These activities, with their attractive wages, have been drawing a mass of labor force from the neighboring areas, whose impact is manifested in the graphs on Phe Kon (March) and Pin Laung (February)

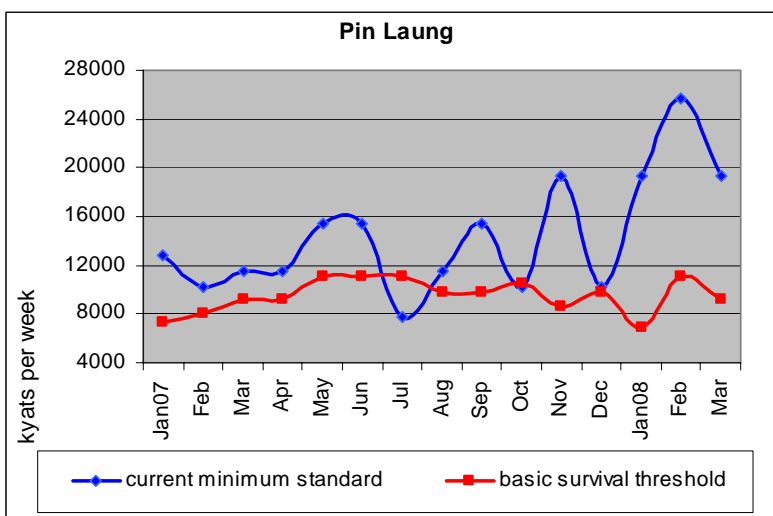
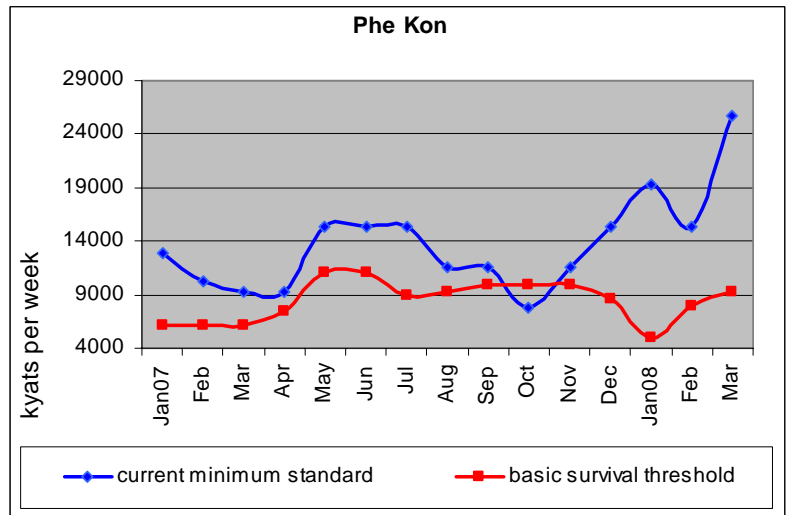
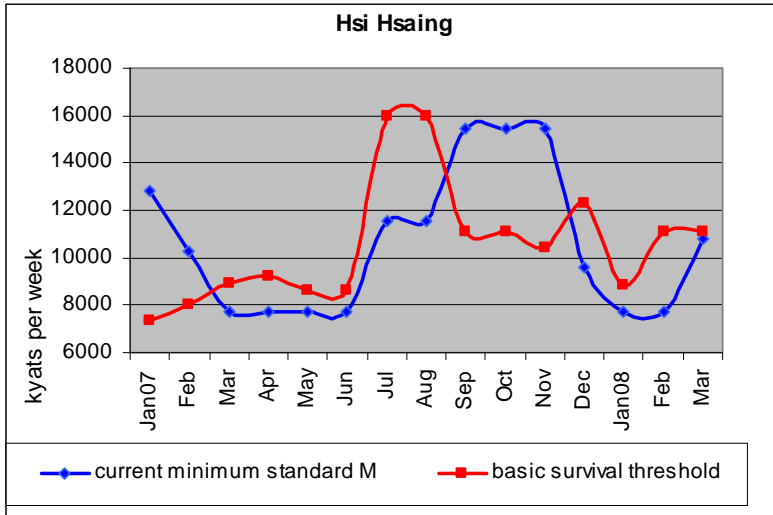
Seik Kaung, on the contrary, stays behind and the weekly cost of covering basic food needs is now about 4000 Kyats more than the average weekly income of poor households in the area. The price of rice (425 K/Kg) is the highest of the whole area, and the average wages (800 K / day) are the lowest. At these rates, the poorest households hardly earn enough to cover their food needs even if they are able to work 5 days a week.

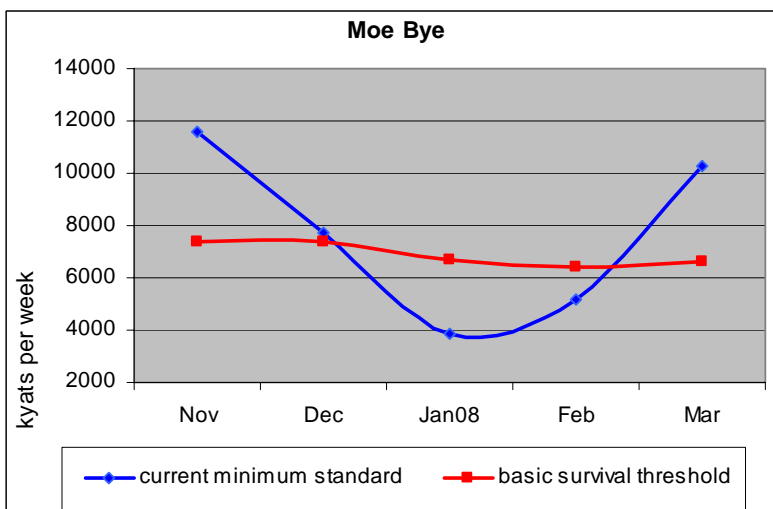
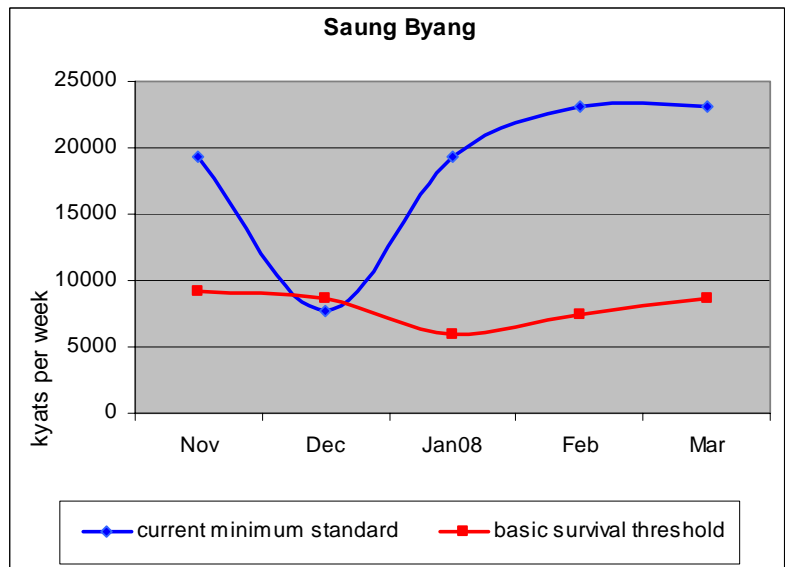
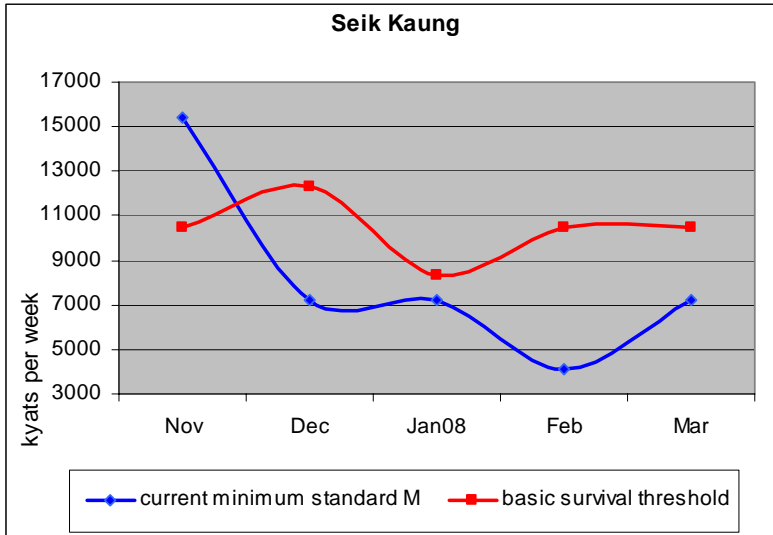
In Sebu and Bikin, average earnings fell to a level where poor households would spend almost 100 % of their income on food. The savings from previous months may sustain those households, and more agriculture-related job opportunities are available normally in April than in March. Yet the situation in coming months should be closely monitored.

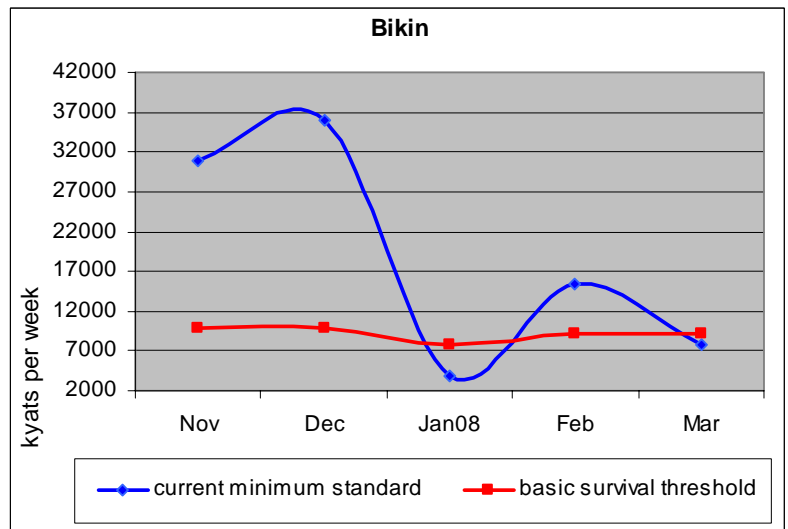
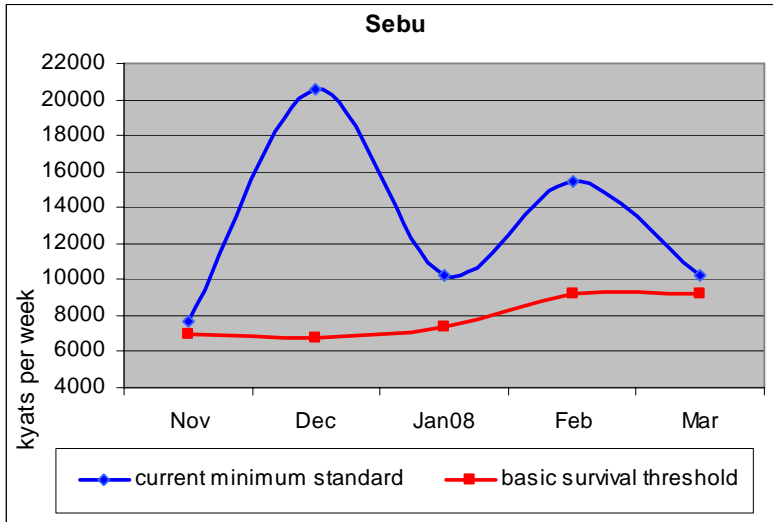


Average household of 4.92 with 2.57 earners







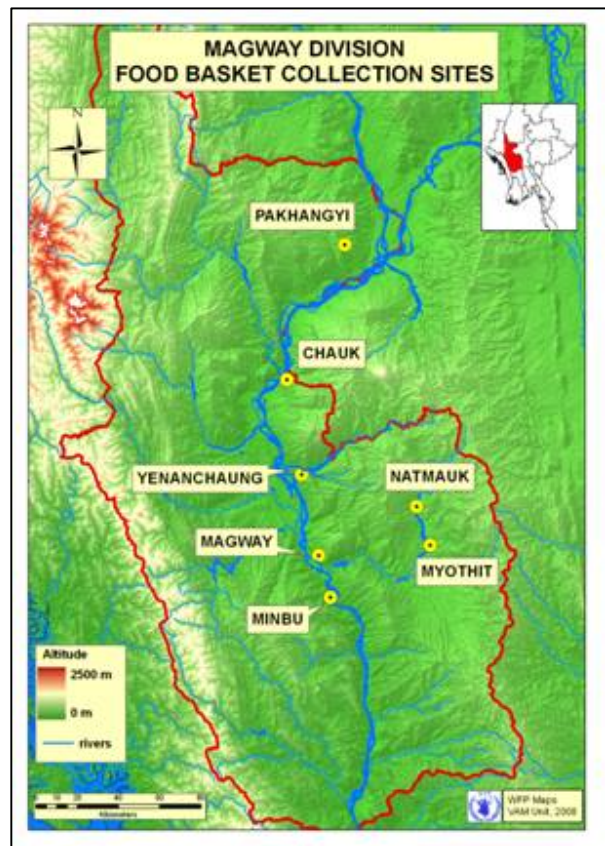


MAGWAY AREA as of March 2008

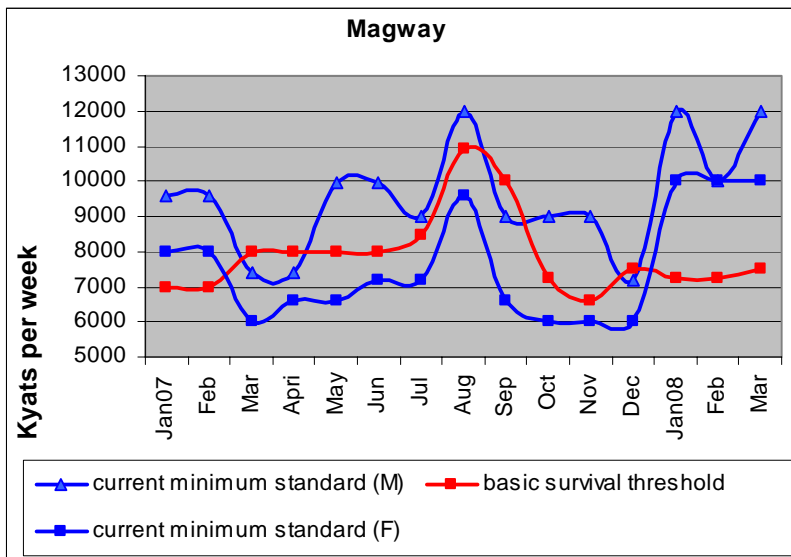
Yenanchaung, after seven months of severe hardship subsequent to the flooding in the area, finally shows a somewhat upward trend. Employment has risen from 3 to 4 days per week together with the male wages (+30%). The rice price also fell back to the rate before the floods. Nevertheless, the female-headed households' economy still suffers insecurity since the female wages remain below the survival threshold although they benefit from greater employment opportunities

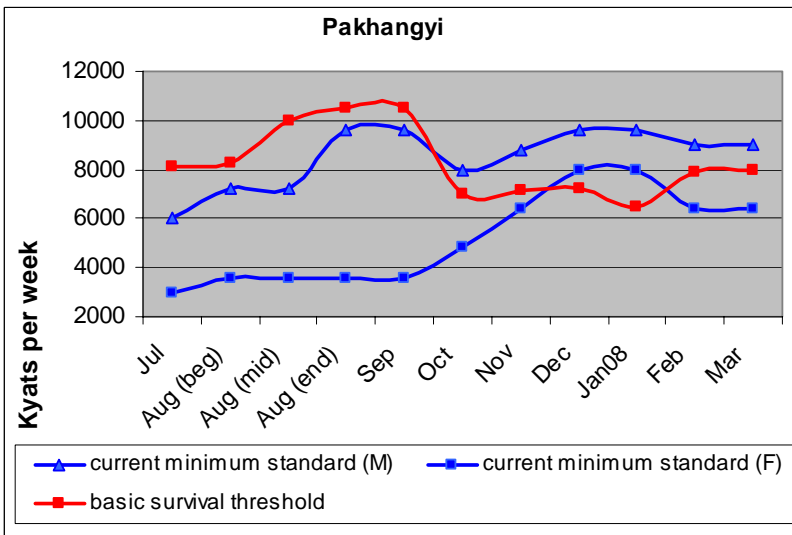
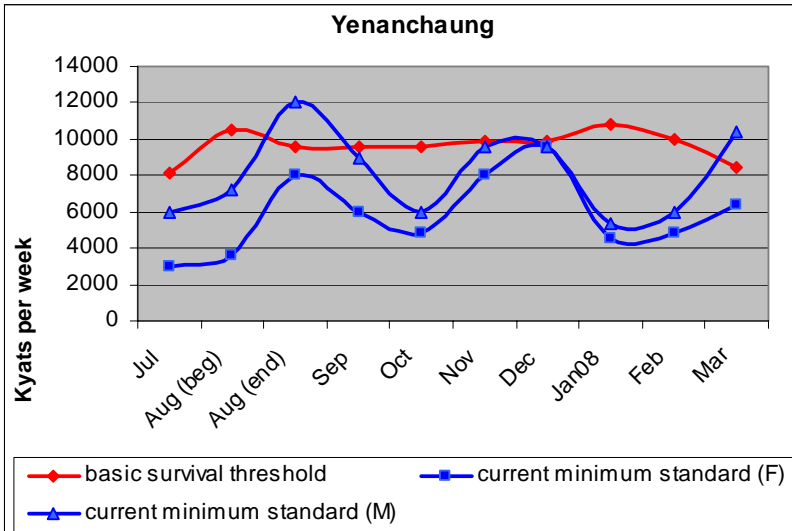
In Pakhangyi also, female-headed households are below the survival threshold due to a drop in their average wages despite March normally being the month with job opportunities in summer paddy fields.

Data collection has recently started in Myothit, Minbu, Natmauk and Chauk but the data are not shown in this issue as they are not yet sufficient for a meaningful trend analysis.



Average household of 5 with 2 earners





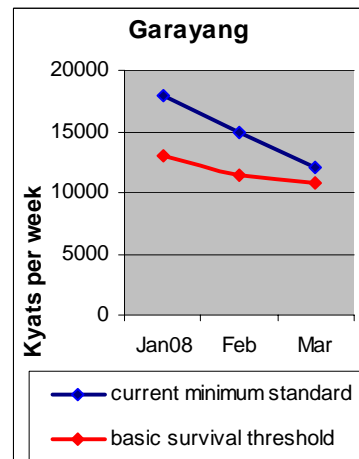
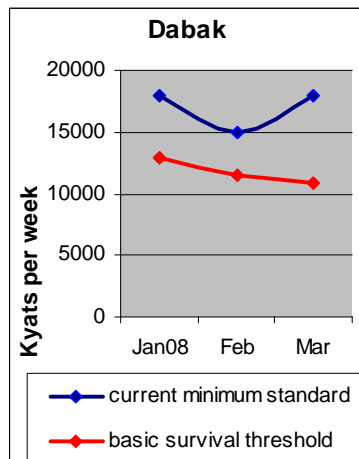
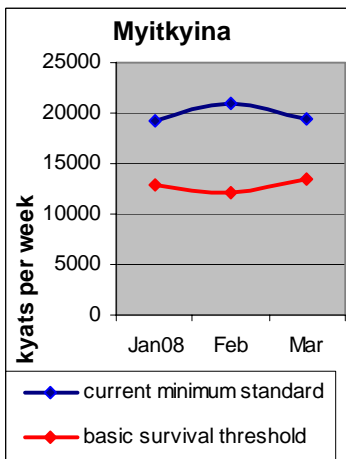
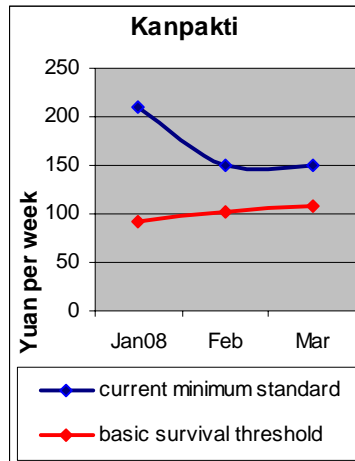
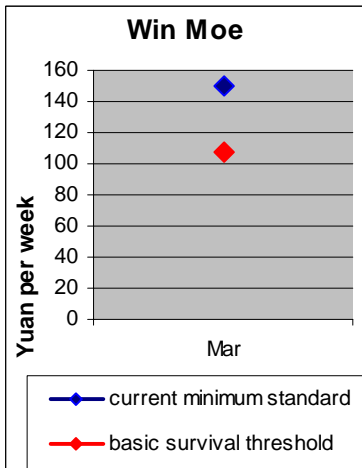
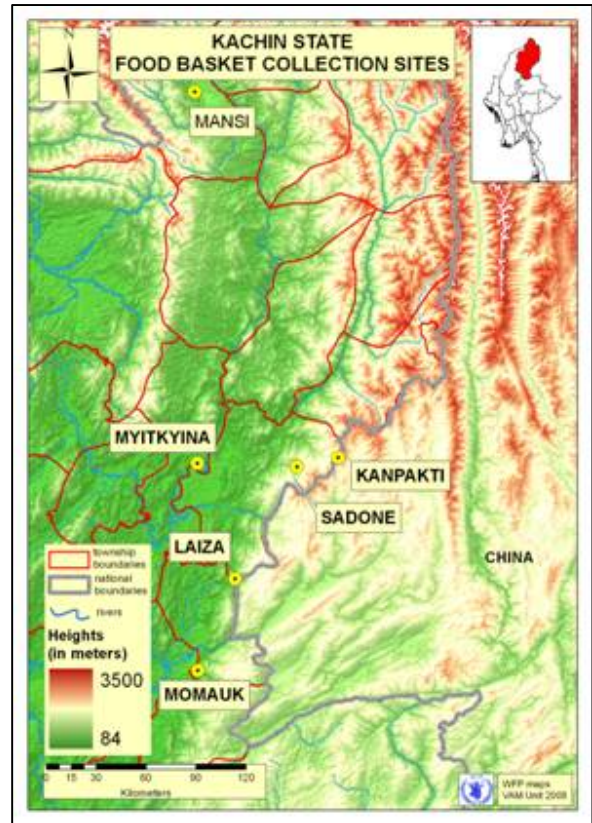
KACHIN AREA as of March 08

Although drawing a significant trend from the data in this area is not yet feasible due to the short data collection period, information collected does present a relatively favorable snap-shot of the situation. In all the data collection sites², landless households have opportunities to earn enough to cover the basic food needs.

The areas with Yuan-based economy generally fare better with a margin of average 50 Yuan (approx. 7,000 Kyats) as compared to 3,000-6,000 Kyats in the areas with Kyats as currency.

Another point worth noting in the area this month is the significant variation in rice prices among data collection sites. The largest difference is 200 Kyats per Kg between 400 Kyats in Garayang and 600 Kyats in Sadone, close to Laiza³

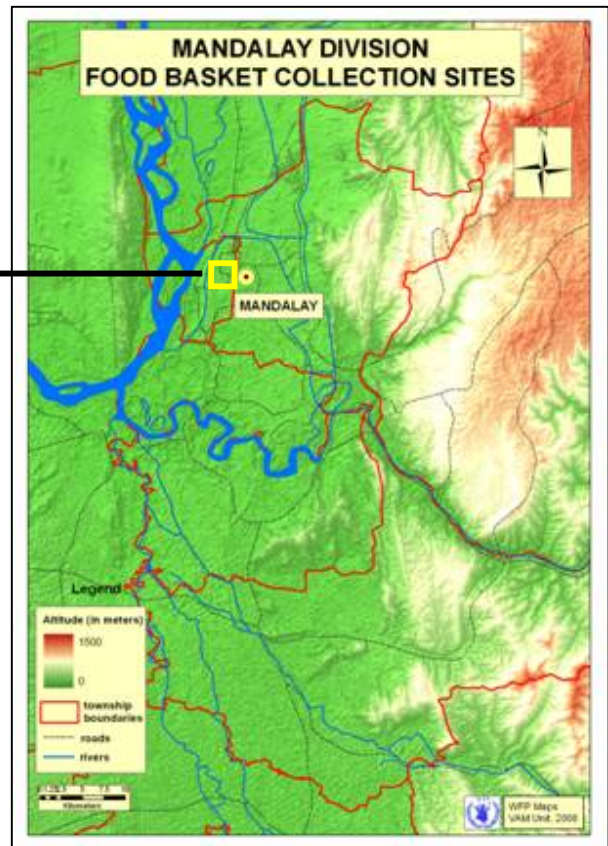
Average household of 5.4 with 2 earners



² The locations of the all data collection sites in Kachin will be shown on the map in the April edition of the Bulletin. The current edition is lacking 3 locations.

³ Sadone's graph is not shown in this edition as the data is available for only 1 month .

MANDALAY as of March 2008

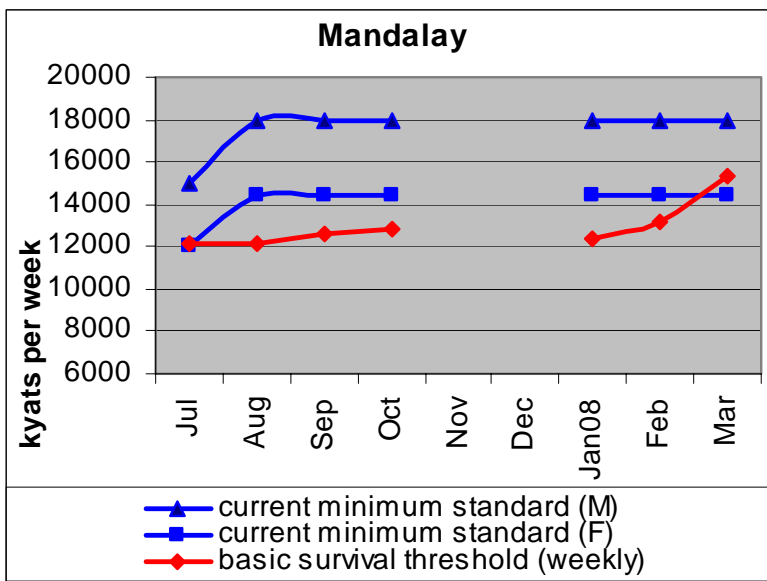


As the income of landless households remains unchanged, the rising rice price is putting pressure on their economy. Since wages for a female worker are average 30 % less than for a male, female-headed households are now below the survival threshold even when employment is available for 6 days a week. Male-headed households are also in precarious state, spending up-to 85 % of their income on food alone.

Coping mechanisms are now becoming a strong requirement.

The increase of diesel price is also reported in the area, and may be a contributing factor to the rising food prices, together with the perceived threat of cereal shortfalls in the urban markets.

In Mandalay, in order to more accurately reflect the households' economy in the urban area, the cost of dwelling rental and cooking charcoal are also collected and incorporated in the calculation of the basic survival threshold

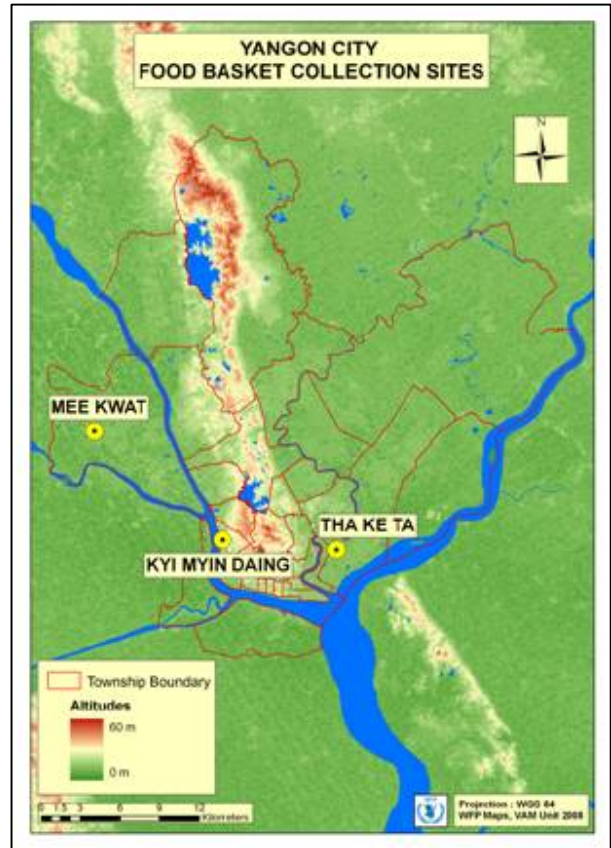


YANGON AREA as of March 2008

The livelihood seems to be relatively stable in Yangon for the time being, since employment remains high and wages are acceptable. Significant decrease in income was recorded in Tha Ke Ta, however, the cause of which should be pursued further towards next month.

The local rice price stayed reasonably constant, not threatening the poorest households.

In Yangon, dwelling rental charges and charcoal prices are also collected on monthly basis, in order to have more realistic understanding in the local food basket. After taking into account those expenditures, the savings for the households in the area (10,000-15,000 Kyats per week) are still considerable as compared to other regions in the country.



Average household of 5 with 2 earners

