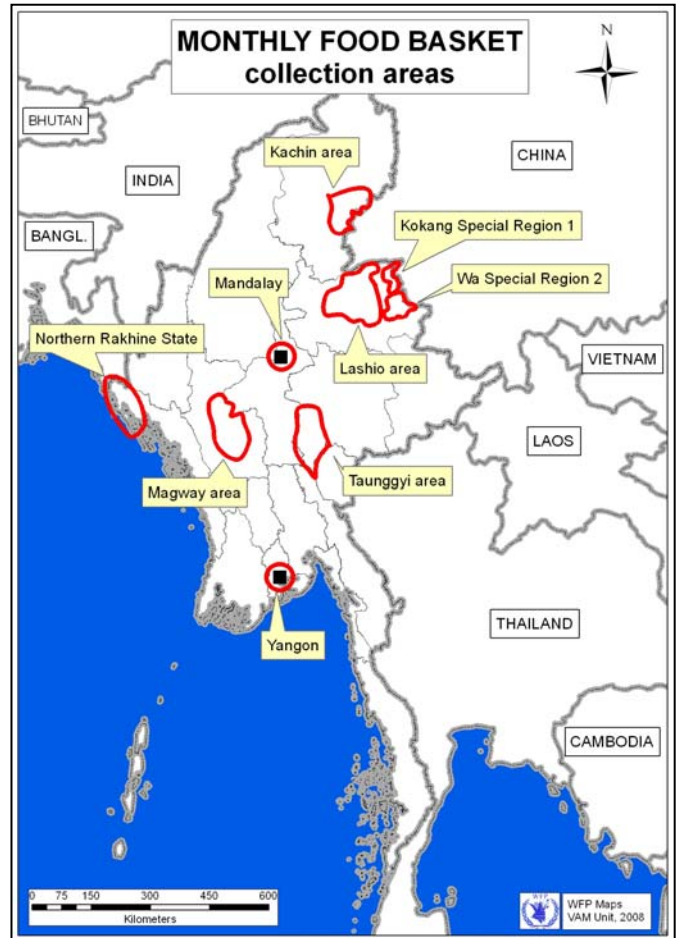




This report attempts to describe the ability of poor vulnerable households in selected areas in Myanmar in meeting their basic food needs¹ during the month of February 2008. It is based on the monthly periodic reports produced by the Vulnerability Analysis & Mapping (VAM) unit in WFP Yangon.

Highlights February 2008

- Rice price remains high in NRS, showing average 27% or 3600 K/household/week of increase compared with January 2008. Poor households in Rathedaung and Buthidaung continue to face a large gap between their income and the cost of covering basic rice needs in the last two months, forced to adopt negative coping strategies such as taking loans. Increasing indebtedness early in the year may have a negative impact on further availability of credit for poor vulnerable households later in the year. There is a need to keep close monitoring in upcoming months.
- Households in remote areas in Southern Shan State (Hsi Hsaing, Seik Kaung, Moe Bye) continue to be confronted by scarce employment opportunities and low wages, coupled with increased rice prices.
- Food security Rural Dry Zone is still under severe pressure from increased rice price and decreased wages. Yenanchaung area needs particular attention, as it seems to suffer from chronic food insecurity.
- In most of Kokang SR1 and Lashio area, households are able to manage to accrue much needed savings thanks primarily to high employment rate and lower prices.
- Urban areas (Yangon and Mandalay) fare better since employment opportunities seem more stable.



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 Kokang Special Regions No.1 and 2 (for March issue), 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 demonstrate the weekly requirements in Kyats 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.

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

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

¹ The average requirement for meeting the rice needs of a household amounts to 11,767 Kyats per week from the February 2008 data, which shows a continuous decrease since December (12,757 Kyats in December 07 and 12,148 Kyats in January 08). The recent 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.



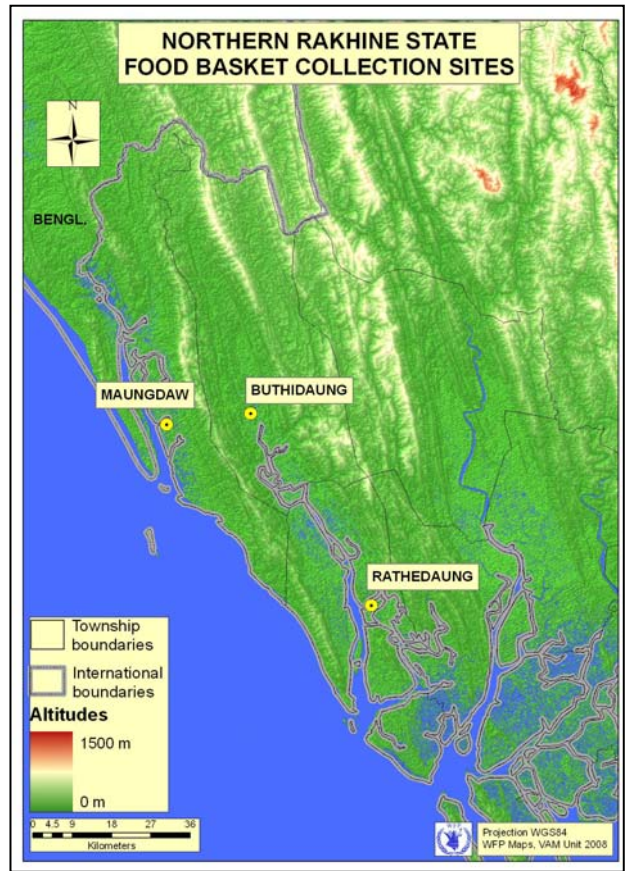
NORTHERN RAKHINE STATE (NRS) as of February 2008

The food security remains precarious in NRS. There is an increasing concern that the vulnerable households in the area will face great hardship in coming months if this trend continues.

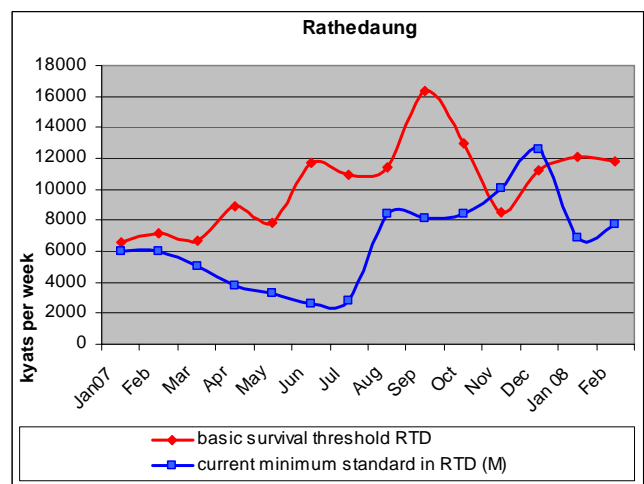
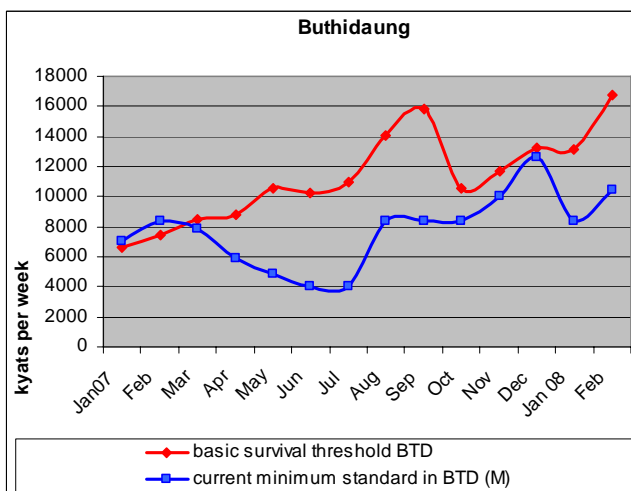
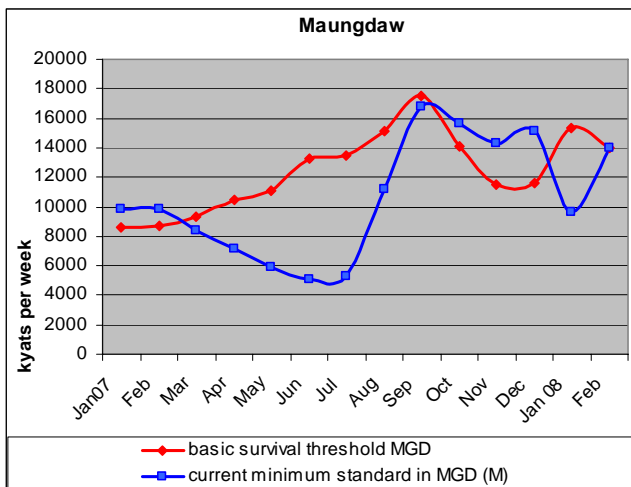
The first three or four months of the year should be the period for the poorest households to have access to employment opportunities and steady wages as well as stable rice price that allow them to reimburse debts accumulated earlier in the pre-harvest difficult season. This year, however, presents unusual trend of low wages coupled with high rice prices in the said period, forcing many vulnerable households to engage in negative coping mechanisms including borrowing in order to meet their basic food needs.

February data indicates that Buthidaung Township and Rathedaung Township are the hardest stricken. The rice price is 27% higher in Buthidaung as compared to last month, while the wages in Rathedaung have dropped significantly (-11%).

Households in Maungdaw area have recovered slightly from the wage drop in January and are better positioned to meet their basic food needs. However the situation will still require a careful monitoring as they have not recovered to the level that allows them to have adequate earnings to prepare for the coming "lean" period.



Average household of 6.7 with 1.4 earner



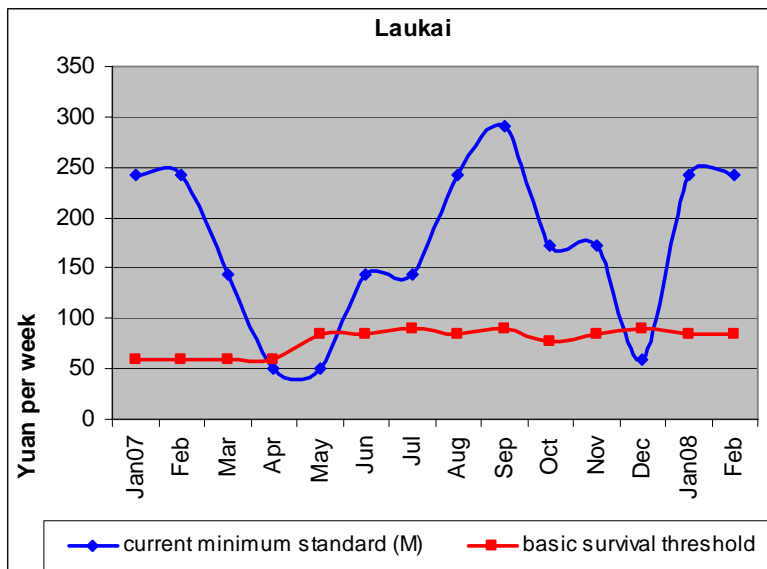
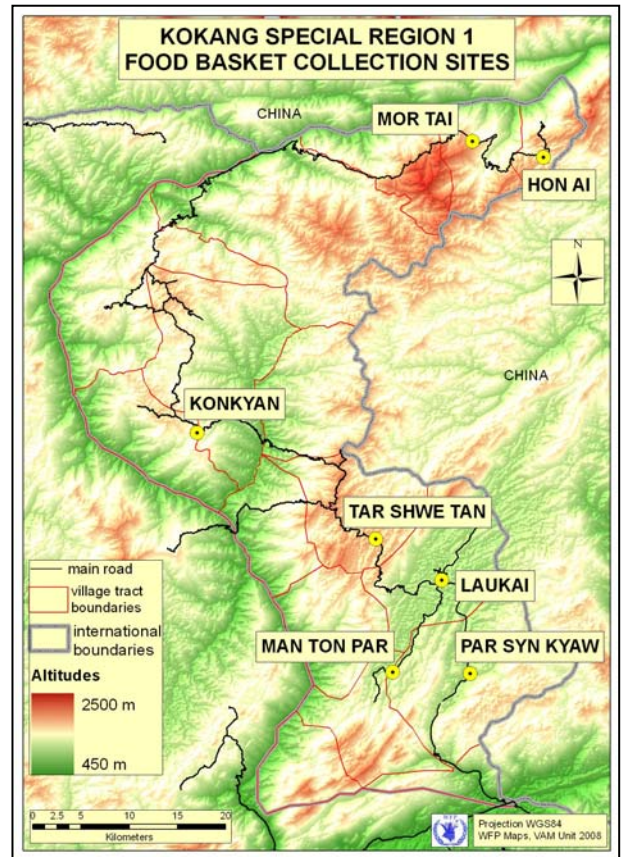
KOKANG as of February 2008

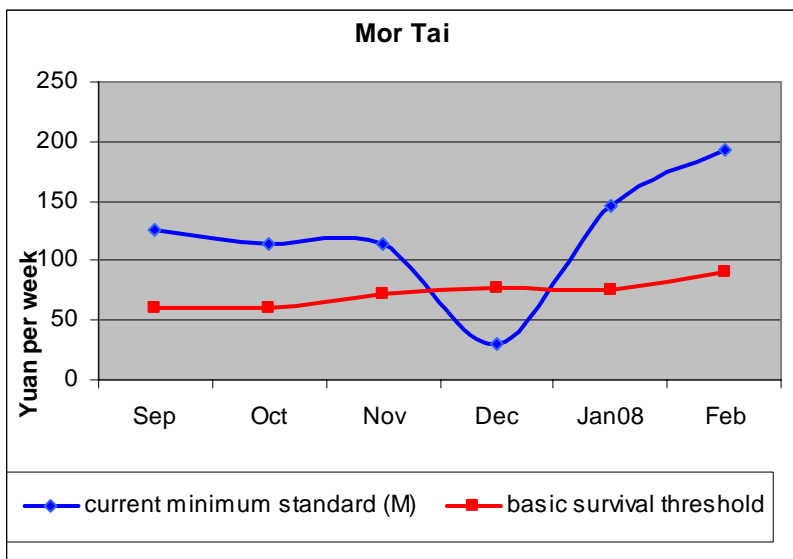
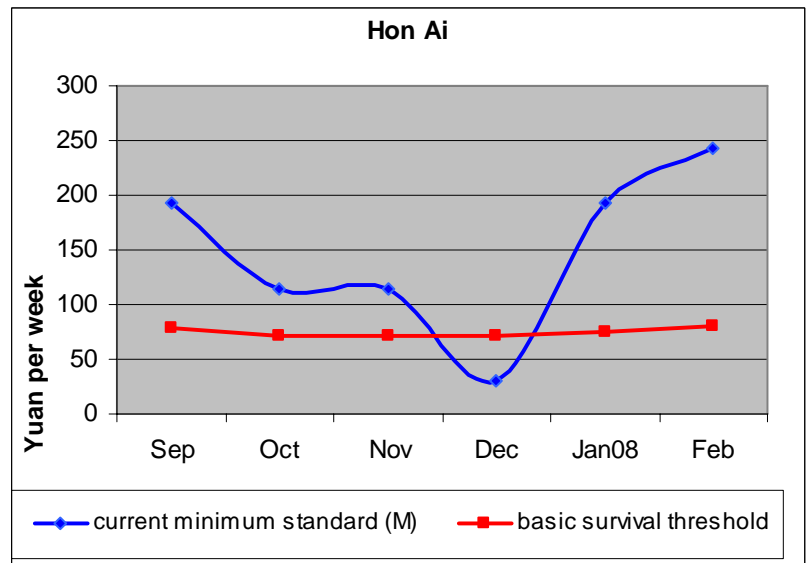
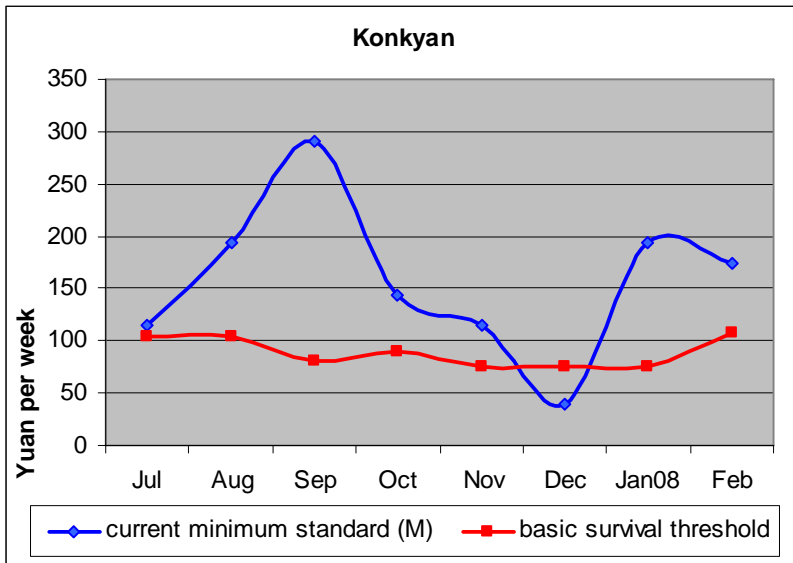
Following the positive signs in January, data from February also suggest that the poor households in Kokang fare better in terms of meeting their basic food requirements. Relatively stable wages and employment opportunities allow households to generate some short-term savings, though the amount of savings fell slightly in some areas as compared to January.

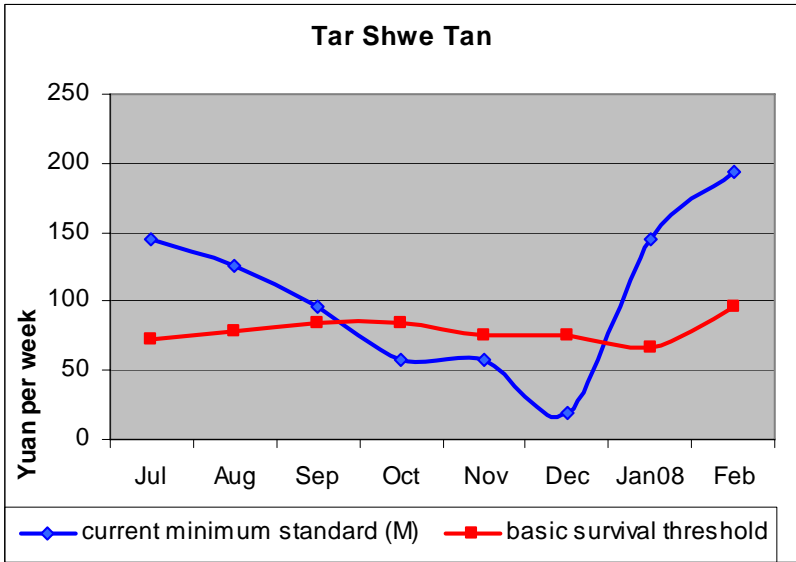
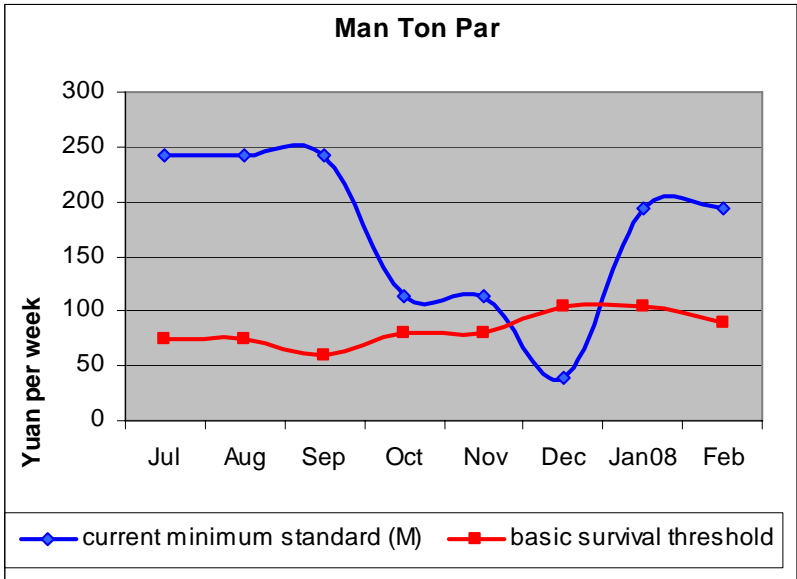
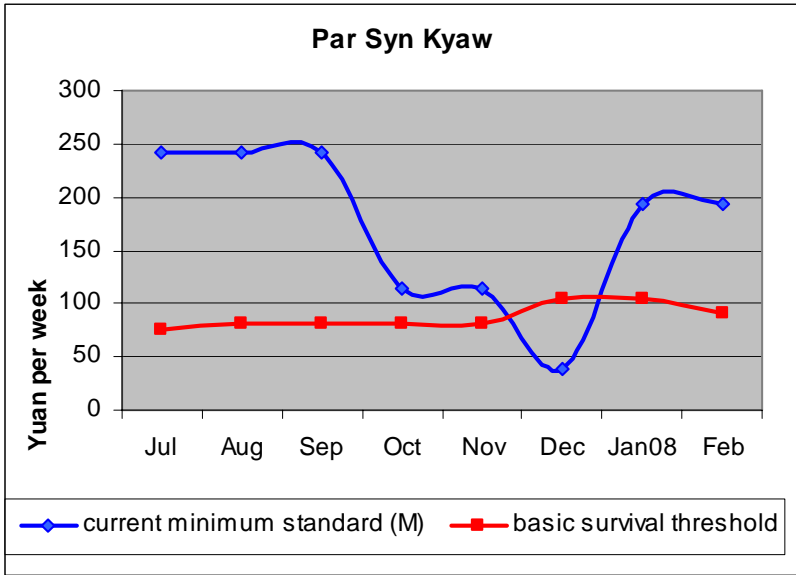
The price of rice seems to be proportional to the distance from the entry points of Chinese rice, indicating that transportation costs impact heavily in rice prices. The difference between the rice price in townships close to the entry points, namely Laukai and Hon Ai, and those far from the entry points such as Konkyan and Tar Shwe Tan are approximately 0.8 Yuan/kg.

No significant impact of recent rise in the value of Yuan was found on the livelihood of poor households in the area.

Average household of 6 with 2.2 earners







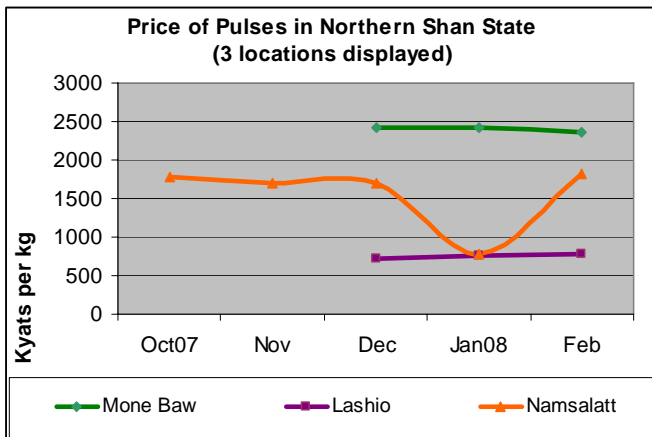
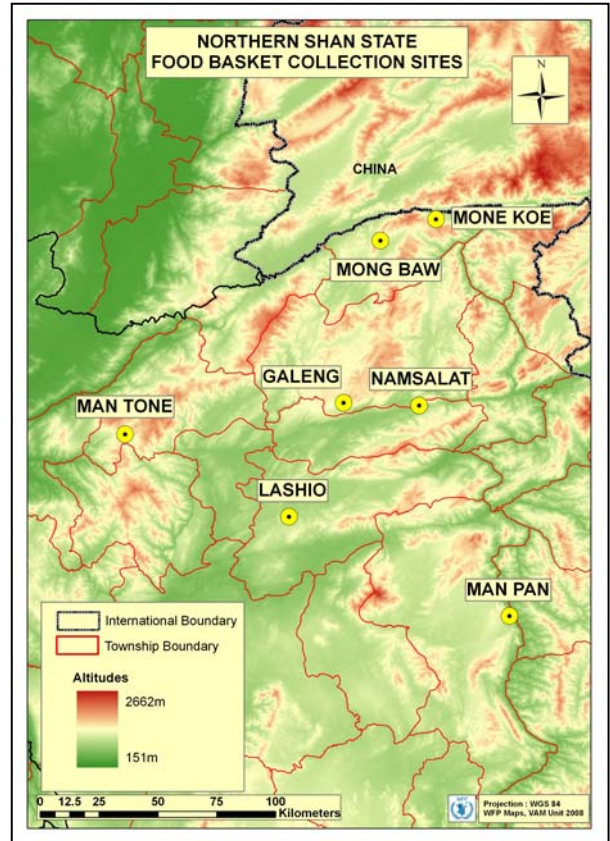
NORTHERN SHAN: LASHIO AREA as of February 2008

Among 7 data collection sites in the area, February data indicate all of locations surveyed except Man Tone present a reasonably positive picture in terms of food security. Households are able to maintain income level that is sufficient for their rice needs.

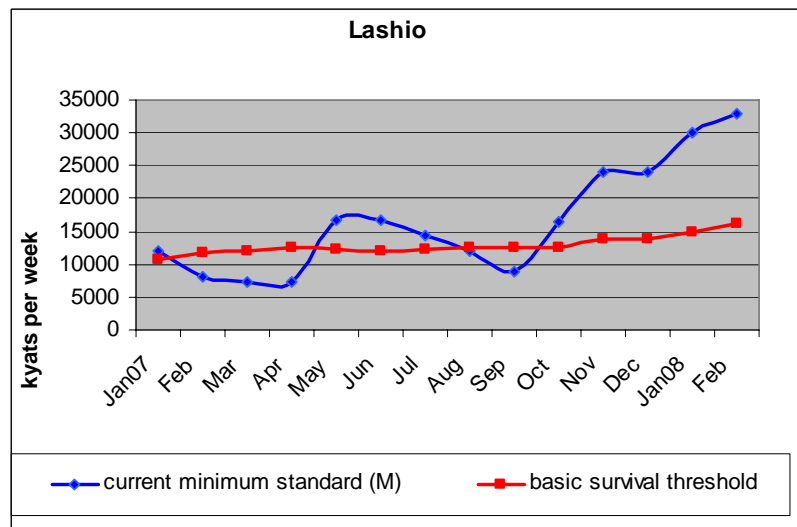
Man Tone, the worst-off area, is however showing a somewhat positive trend in February; despite the consistent high price of rice, the increase in wages and employment opportunities in February helps the household to narrow the gap between the cost of covering basic food needs and their income. The gap still exists, nevertheless; households in Man Tone spent average 100% of their expenditure on food needs in February. As the ratio has been constantly over 100% since October 2007, those households remain considerably vulnerable to any wage/price fluctuation and their food security status should be closely monitored.

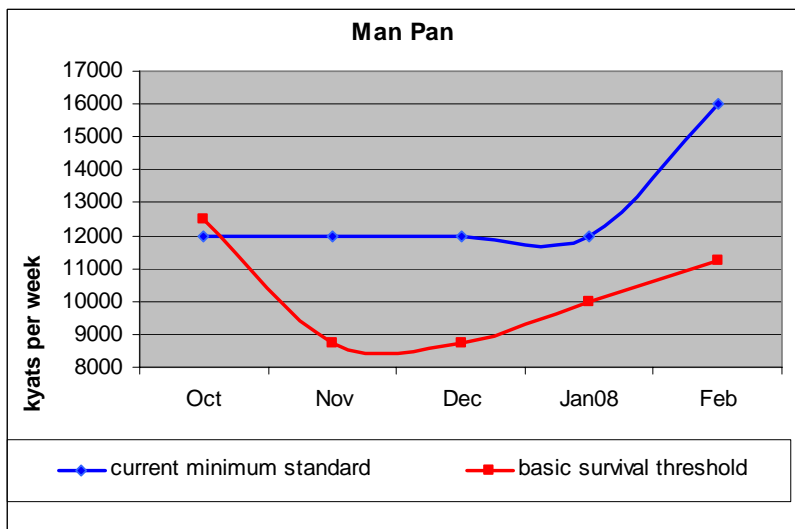
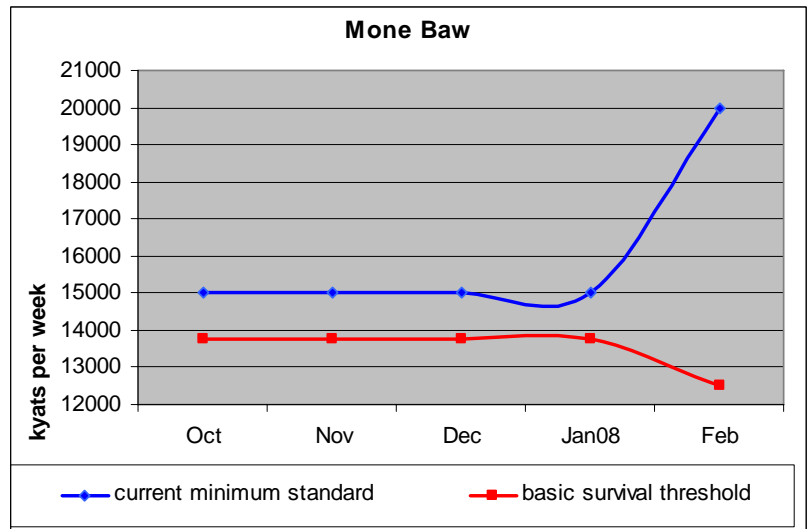
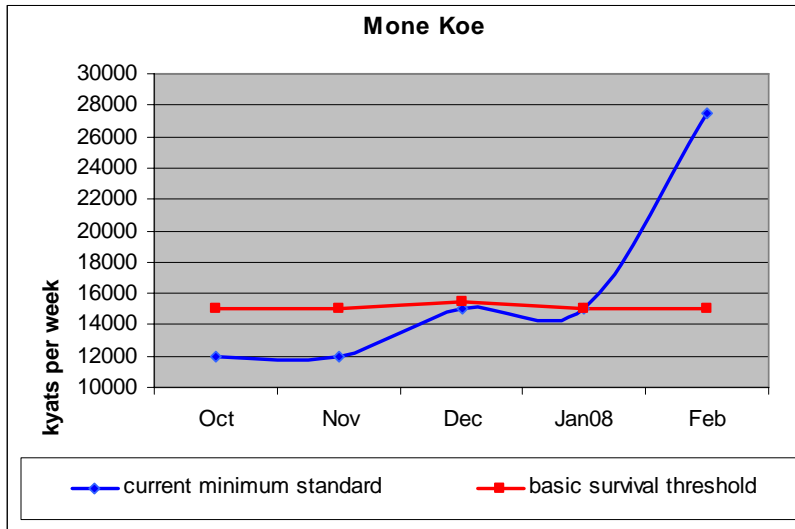
In Mone Koe, Man Pan, Mong Baw and Lashio, better employment opportunities enable households to accrue some savings averaging 4,000-10,000 Kyats /week.

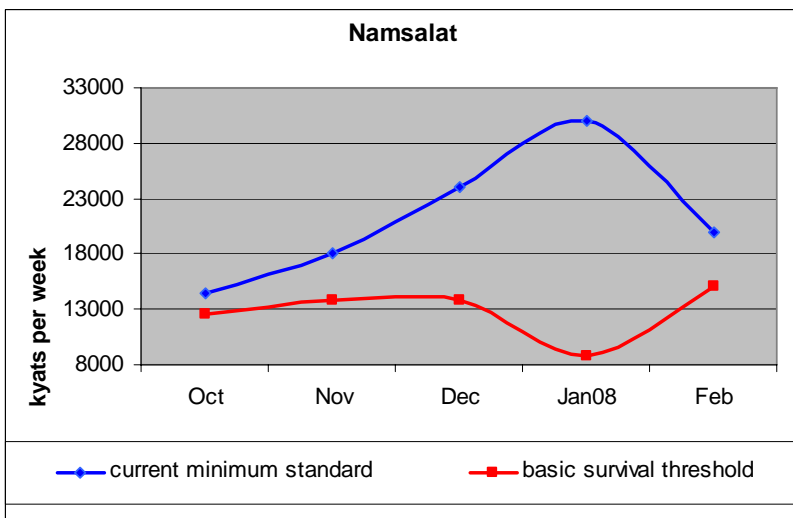
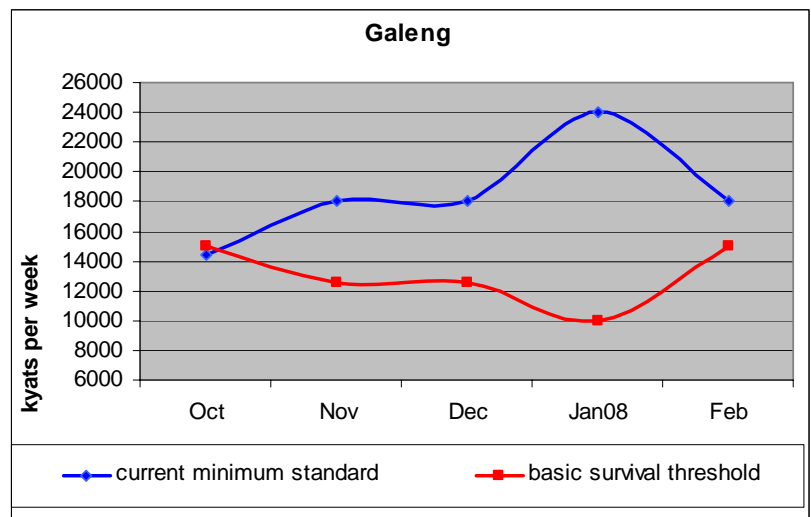
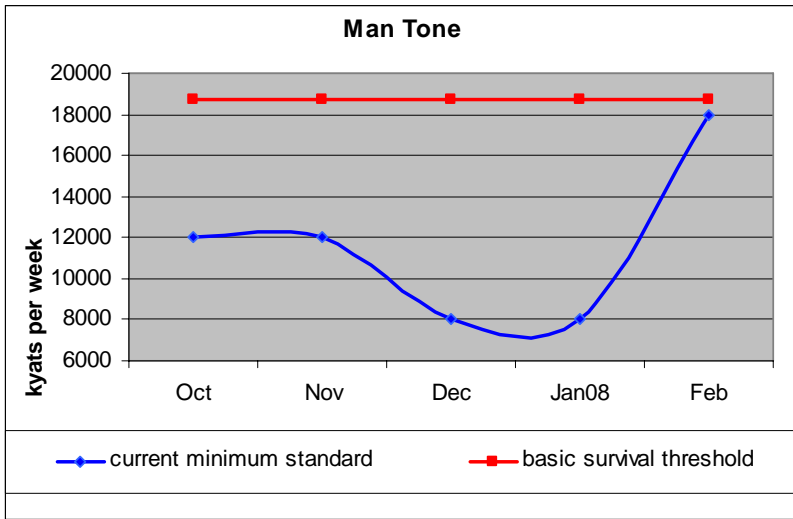
The price of pulses is also collected in several locations in the area. In general the price has proven to be stable. In Galeng, Namsalatt, Man Tone and Man Pan, where large drop of the price was recorded in January, the price bounced back to the level in previous months.



Average household of 5 with 2 earners







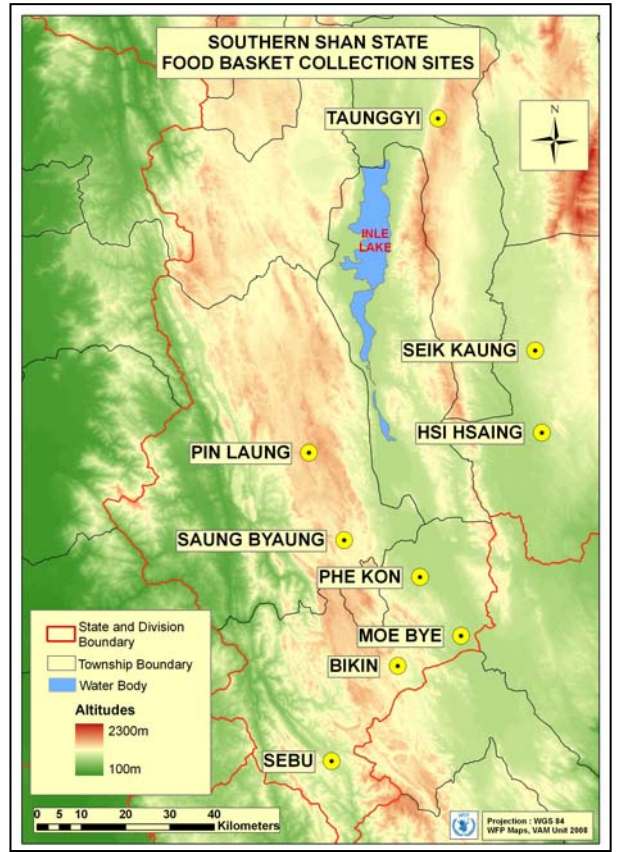
TAUNGGYI AREA as of February 2008

In February, there are alarming signs for food security in three locations in the plain; Moe Bye, Seik Kaung and Hsi Hsaing. Households in those locations have gone through several months of low employment where the cost of food amounted more than 140 % of total expenditure of a household.

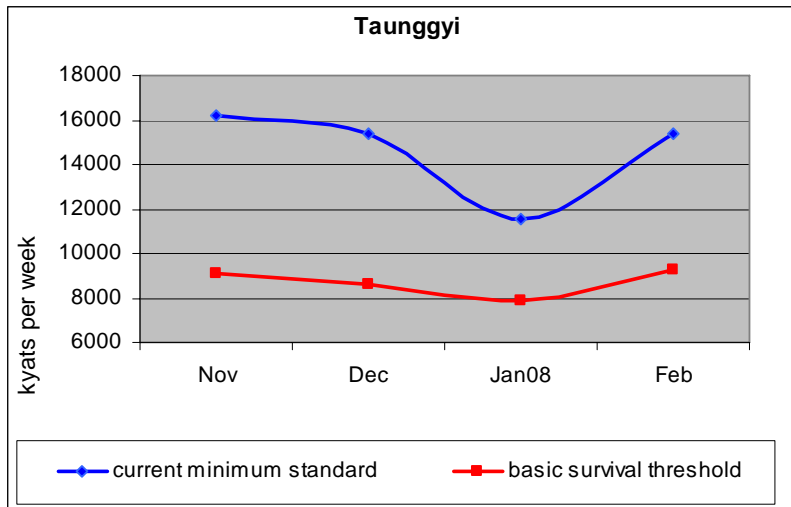
While making meaningful predictions is still not feasible for Moe Bye and Seik Kaung due to the unavailability of long-term data, it is evident that Hsi Hsaing has prematurely stepped into an annual "lean period" of low employment, which normally starts in March. The rice price hike in Hsi Hsaing compounded the situation.

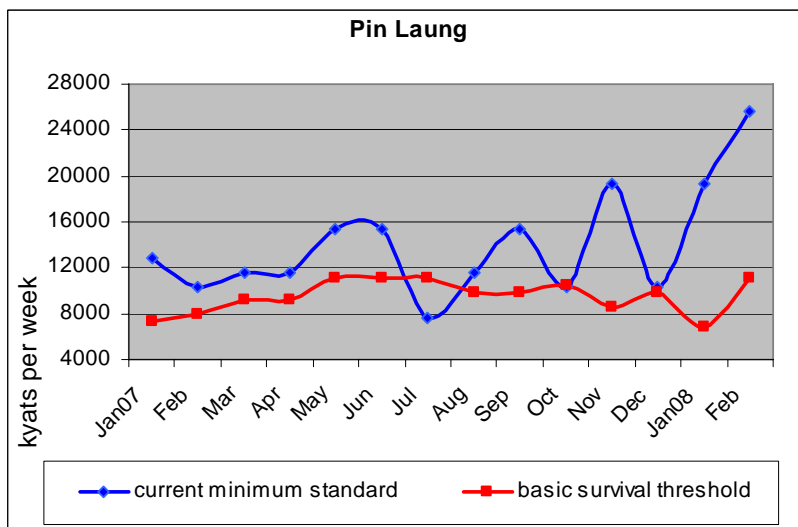
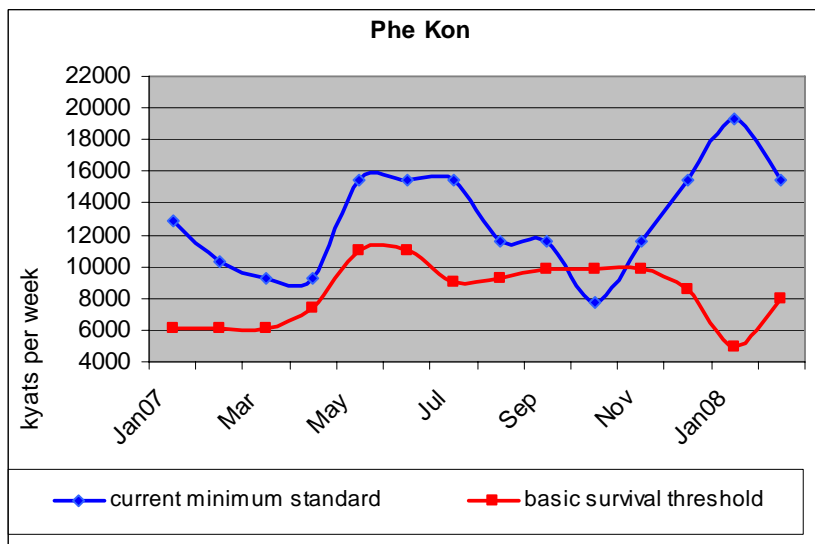
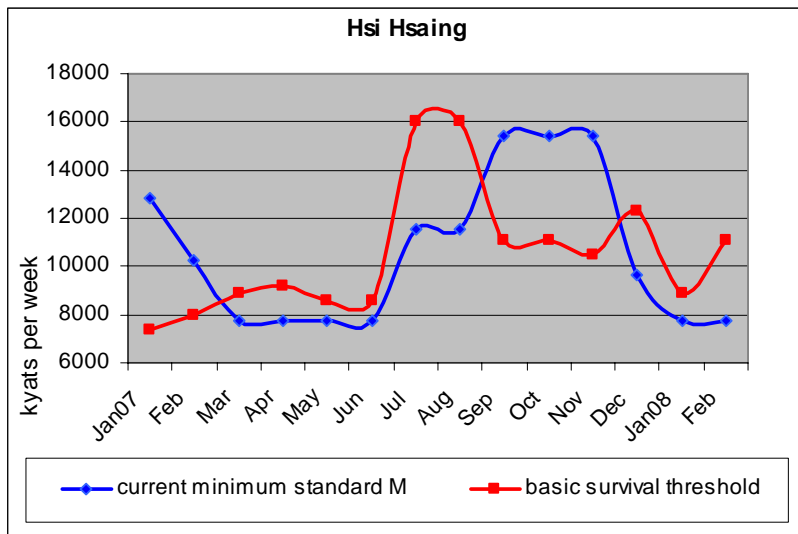
Phe Kon, Pin Laung, Saung Byaung and Sebu continue to show positive trend where the share of income spent of food in poorest households is averaged at 40-60%. In Bikin also, average income level of poor households largely exceeds the basic survival threshold--now the expenditure for rice needs costs 60% of total income-- after a brief drop in January. Households in Taunggyi have access to the constant employment opportunities thus are able to cover their rice needs.

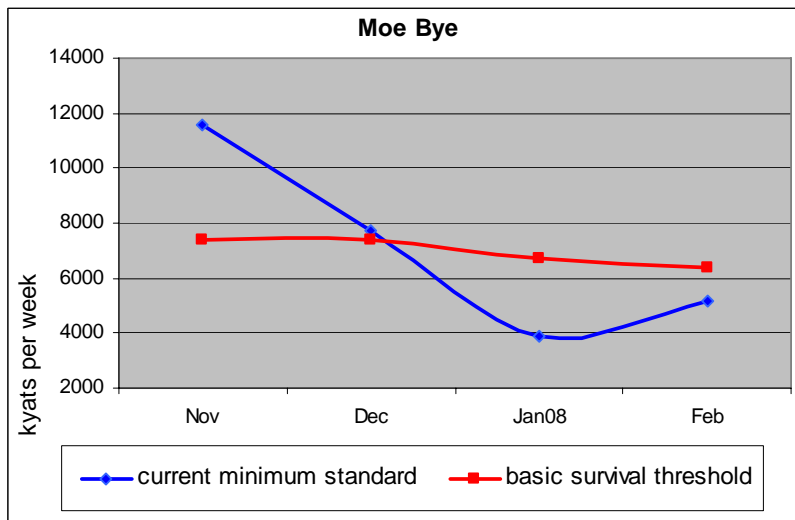
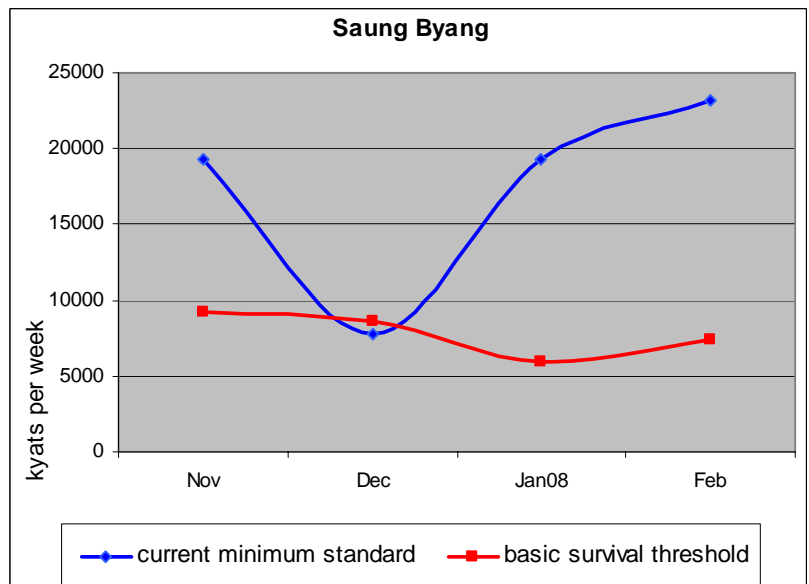
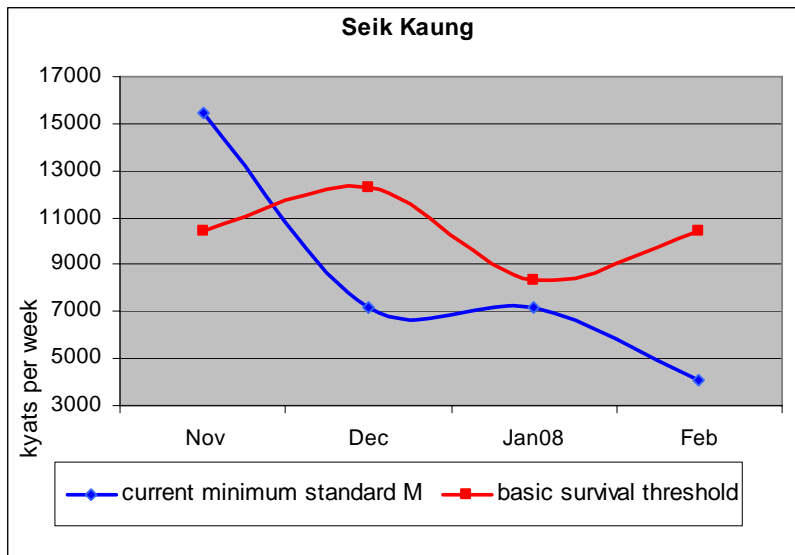
In all the 9 locations monitored in Taunggyi area, rapid fluctuation in employment opportunities influences heavily the ability of households in meeting their basic rice needs, presenting na unstable and volatile picture.

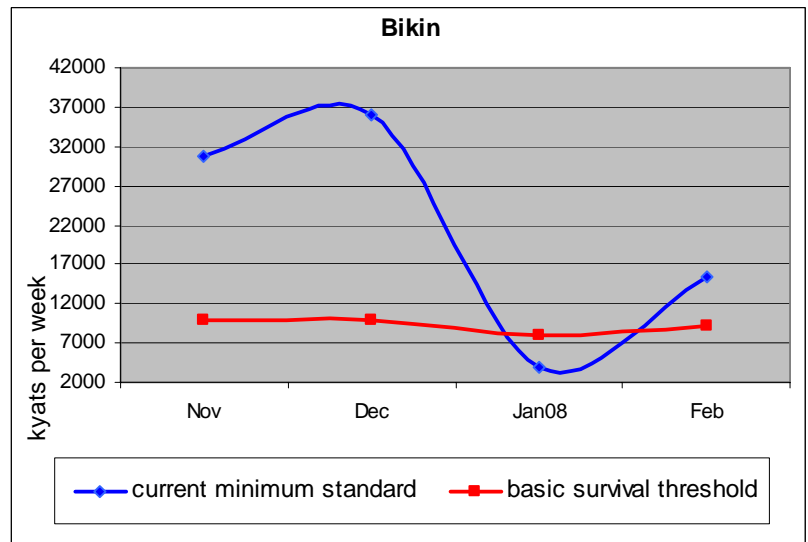
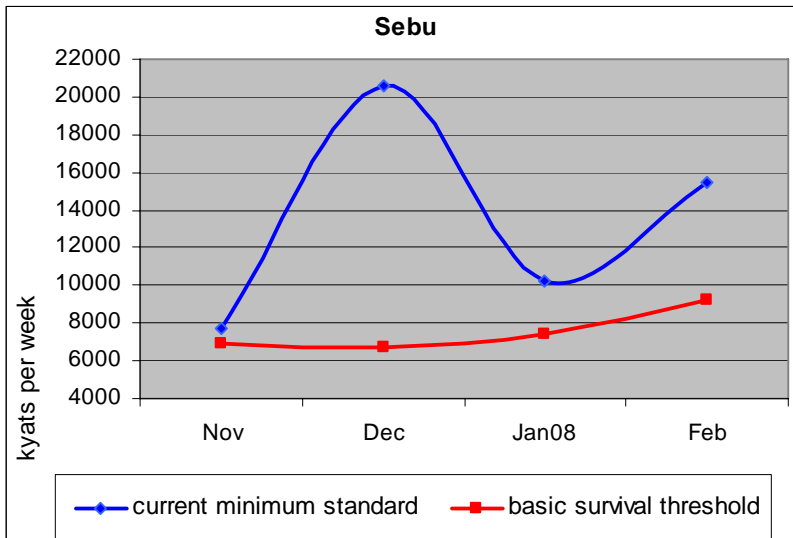


Average household of 4.92 with 2.57 earners









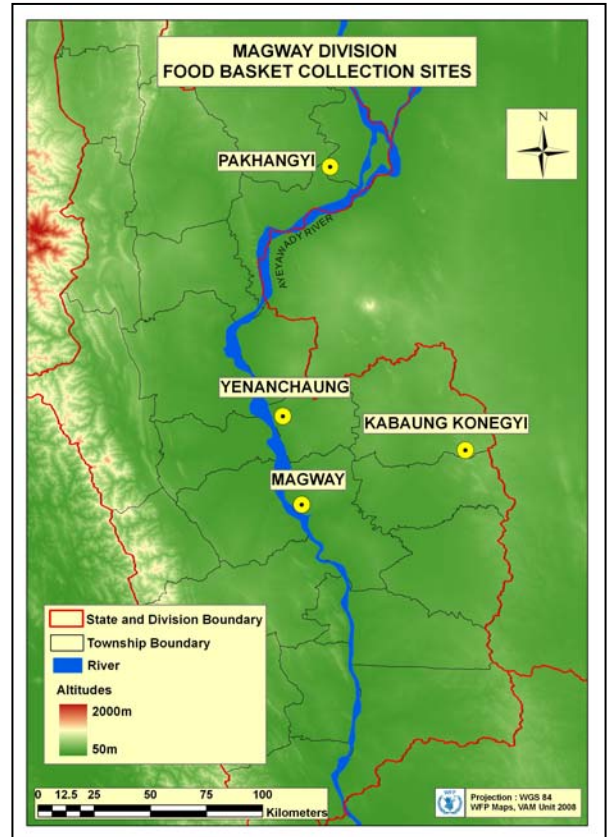
MAGWAY AREA as of February 2008

While stable rice price coupled with higher wages and employment rates continued from January in urban areas of Magway benefit households in the areas, the February data in rural areas such as Pakhangyi or Yenanchaung are on the contrary distressing.

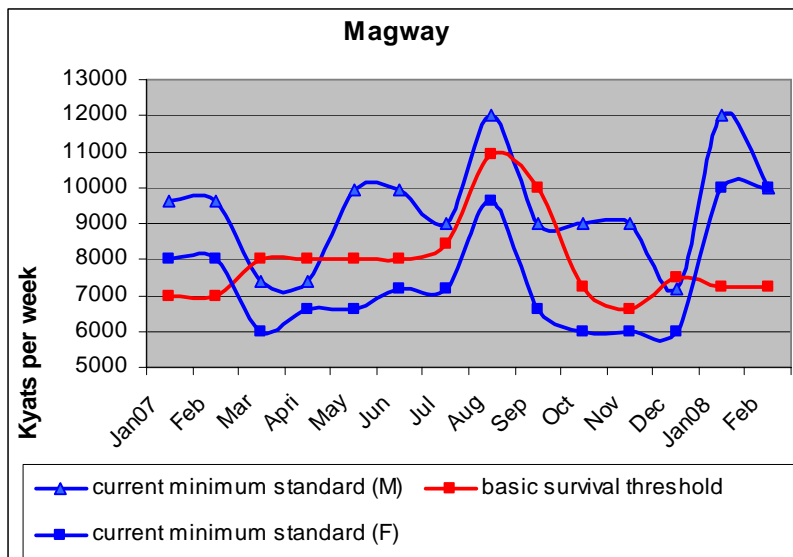
In Yenanchaung, the cost of covering rice needs stays more than 150% of the average income of households for two consecutive months. The households in the area have been subject to chronic food insecurity for many months, their income level reached only once to a level sufficient to cover the basic rice needs since July 2007. The current negative trend would make the already impoverished households further vulnerable. There is a need to closely monitor the situation in the area.

In Pakhangyi, the drop in both wages and employment opportunities (4 to 3 days) compounded by increase in rice price adversely affected poorest households. While data indicates that male-headed households still manage to earn enough –albeit with a small margin of average 800 Kyats per week- to cover their rice needs, income level of female-headed households fell back to below the basic survival threshold.

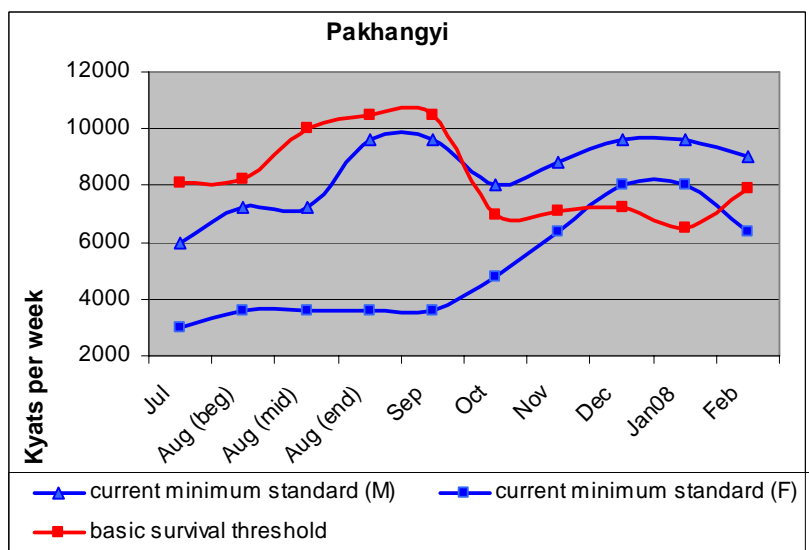
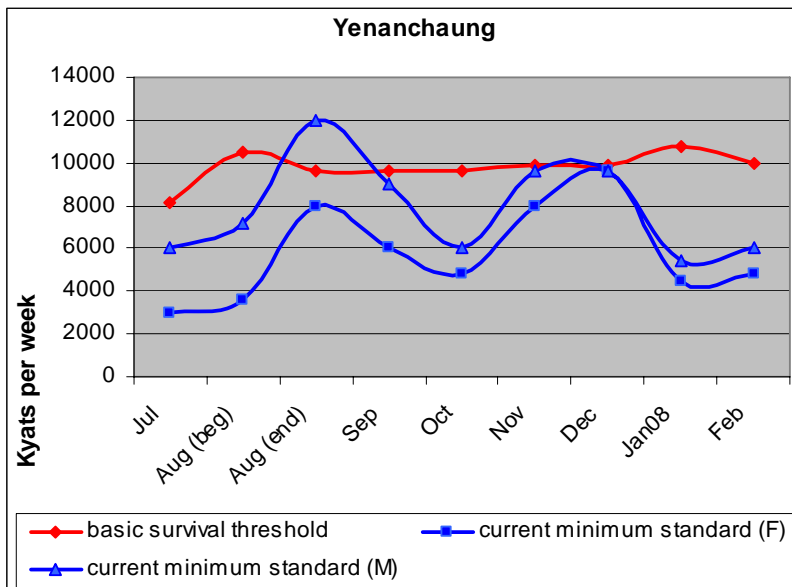
In Magway area², both male and female casual wages are collected, since difference between the two indicate that gender is an important factor of vulnerability.



Average household of 5 with 2 earners



² Among four locations surveyed, three are shown in this report since the data for Kabaung Konegyi only cover a 3-month period, insufficient for long-term analysis.

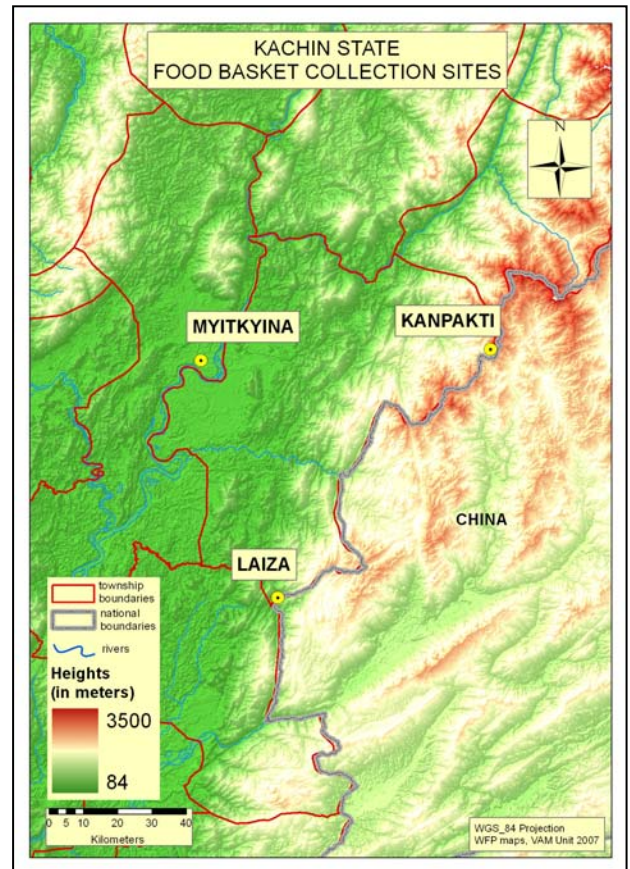


KACHIN AREA as of February 08

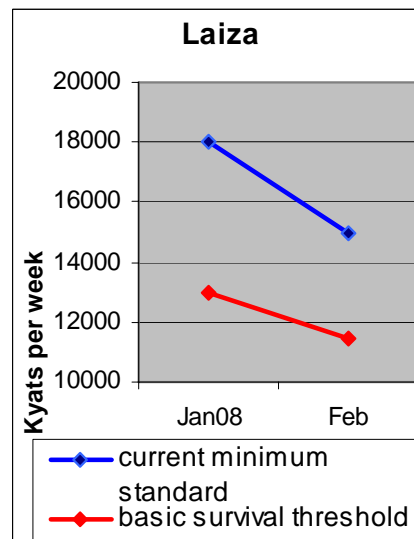
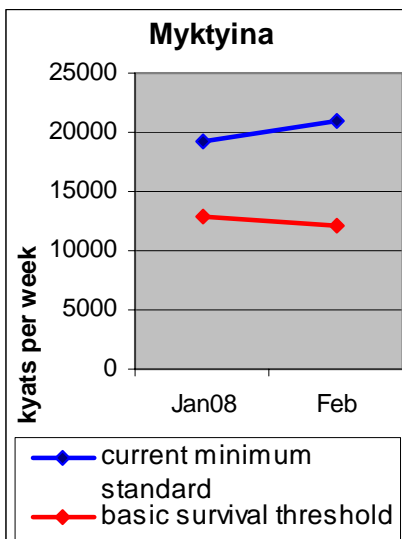
After the first data collection Kachin State in January, the February data continues to indicate that poorest households in the area fare better in terms of meeting their basic rice needs.

During two months surveyed, situations in Mytkyina and Laiza are relatively stable. Data suggest that households in both locations are able to generate short -term savings, averaging 3,000 Kyats /week in Laiza, 8,000 Kyats /week in Mytkyina due to higher wages.

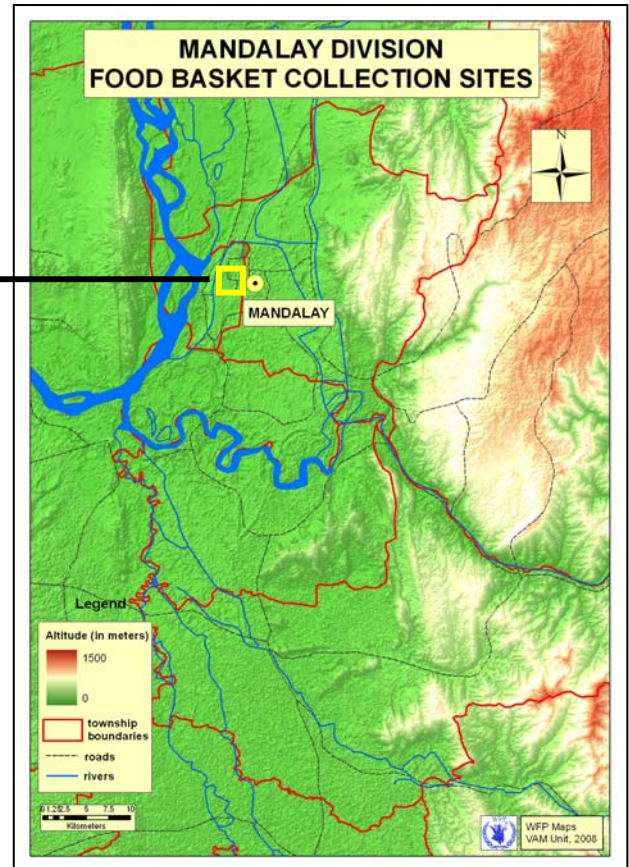
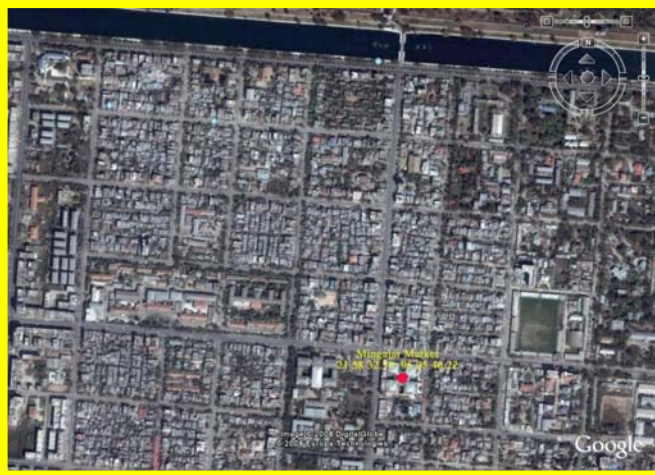
No data is available for Kanpakti (Kachin Special Region 1) this month, due communication problems.



Average household of 5.4 with 2 earners



MANDALAY as of February 2008

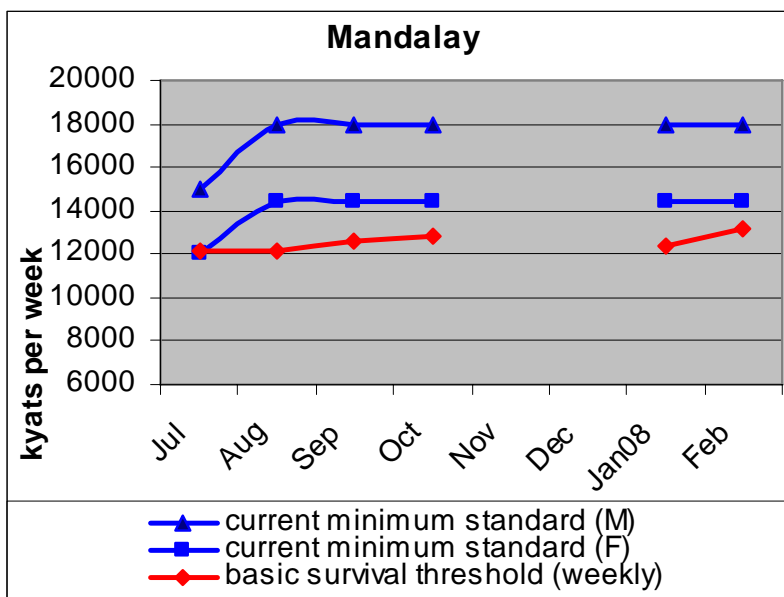


The data collection in Mandalay started 7 months ago, however, there was an interruption in November-December 2007.

In an attempt to capture a more realistic picture of poor households' economy, house/dwelling rental charges and cost of cooking charcoal are incorporated in calculating the basic survival threshold. The cost of each will be collected every month. The costs for accommodation are estimated at 1,600kyats per week, and similarly for charcoal at 2,500 Kyats per week. These are then incorporated in the weekly expenditures for the families.

The increase in rice price has raised a concern on the food security of poor households, yet the overall picture is still rather positive. The poorest households still manage to generate savings of between 1,000 Kyats (female-headed households) and 5,000 Kyats (male-headed households) per week. This analysis assumes that they are really able to work 6 days a week.

Average household of 5 with 2 earners



YANGON AREA as of February 2008

As in Mandalay data analysis, house/dwelling rental charges and cost of cooking charcoal are incorporated in calculating the basic survival threshold for poor households in Yangon. The cost of each will be collected every month. The costs for this month average 1,600 Kyats per week and 3,500 Kyats per week for accommodation and charcoal, respectively.

As compared to other areas in the country, higher wages and steady employment opportunities available in Yangon. This may play a role of a pull-factor for rural-urban migration and requires more careful survey and analysis.

February data show that poor households in the area are able to accrue savings of average 13,000 Kyats per week on top of the cost of covering the basic rice needs. Similar to Mandalay, the employment opportunities are based on 6 days a week.

Average household of 5 with 2 earners

