



# JANUARY '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 needs<sup>1</sup> during the month of January 2008. It follows the monthly periodic reports produced by the Vulnerability Analysis & Mapping (VAM) unit in WFP Yangon.

This report includes three additional areas where market information is being collected, namely, Kachin State where WFP has just started new operations, Yangon and Mandalay urban markets.

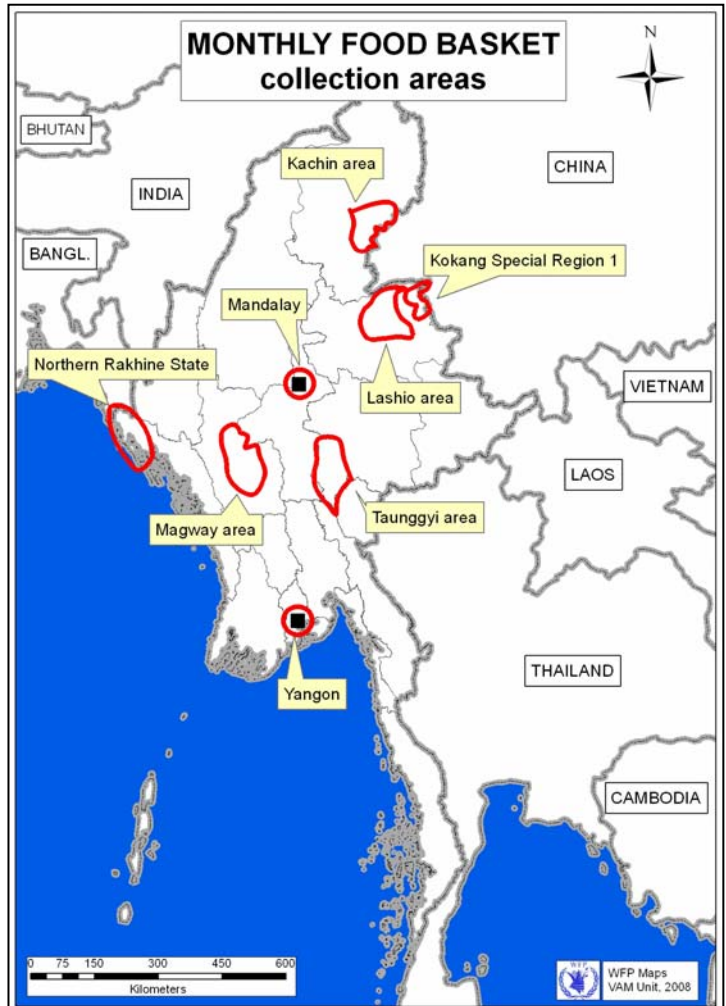
### Highlights January 2008

- Rice price increases up to 37% in Maungdaw forces many NRS households to adopt negative coping strategies. There is anecdotal evidence of out migration to Bangladesh. Increasing indebtedness early in the year could jeopardize future availability of credit. Covering basic rice needs costs between 70-87% more than last year in January '07. There is a need to closely monitor the situation in upcoming months
- Households in remote areas in Lashio (Man Tone and Mon Koe areas) and Taunggyi (Bikin) continue to face difficulties in covering their rice needs, often spending up to 100% or more of their expenditures only on food.
- Households in Kokang and Lashio fare better in terms of meeting their basic rice needs in January primarily due to increased employment opportunities and lower rice prices.
- Households in Yenanchaung faced with increases in rice prices and scarce employment opportunities experienced a downward trend in their ability to meet their rice needs.

### Methodology and display areas:

Market data related to household access to rice is collected in 8 locations on a monthly basis. WFP's current 6 operational areas of Northern Rakhine State, Dry Zone-Magway, Northern Shan, Kachin State, Taunggyi area and Kokang Special Region No.1 (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 requirement 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.



### Calculation method:

The two lines denote the following:

**BLUE:** current minimum standard (the average weekly income of a poor household), basically:  
**[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), basically:  
**[0.5 kg cheap rice price] x [number of persons per household] x [7 days a week]**

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

The data were collected thanks to cooperating partners such as ADRA, AMDA, CARE, GAA, REAM, UNICEF, WORLD VISION, and field staff from 6 WFP Sub-offices.

<sup>1</sup> The average requirement for meeting the rice needs of a household amounts to 12,148 Kyats per week from the January 2008 data, which matches closer than in December (12,757 Kyats) the recent UNDP Integrated Household Survey results for persons living under the Food Poverty Line defined as requiring 118,402 per person per year, i.e. equivalent to 11,612 Kyats per household per week.



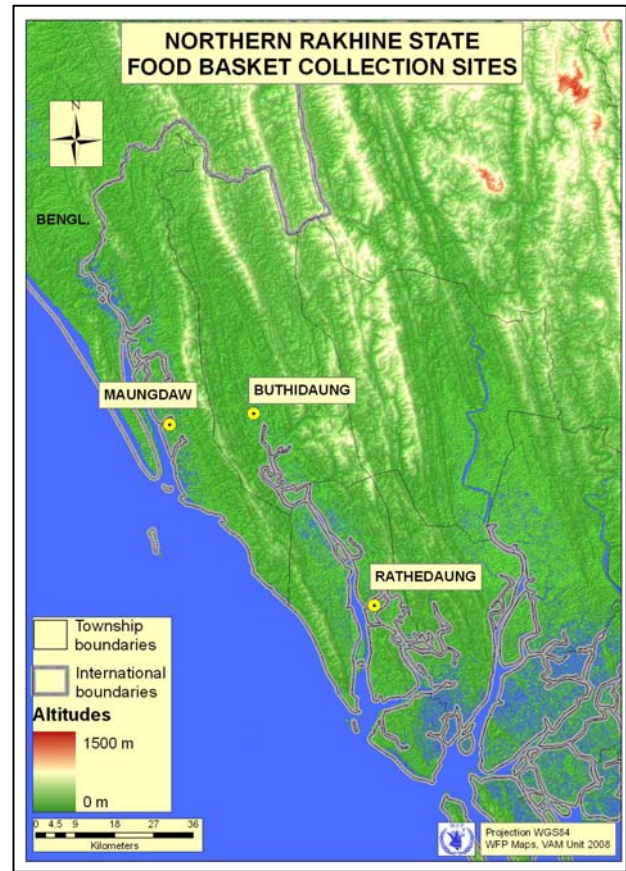
## NORTHERN RAKHINE STATE (NRS) as of January 2008

Data from January indicates a **worrisome situation** for the vulnerable households in NRS in meeting their basic rice needs. In all three township areas, households' earning capacities are unable to fill their basic rice needs, forcing them to adopt negative coping strategies, such as taking loans. There has been anecdotal evidence of increasing outward migration to Bangladesh (though this needs better verification).

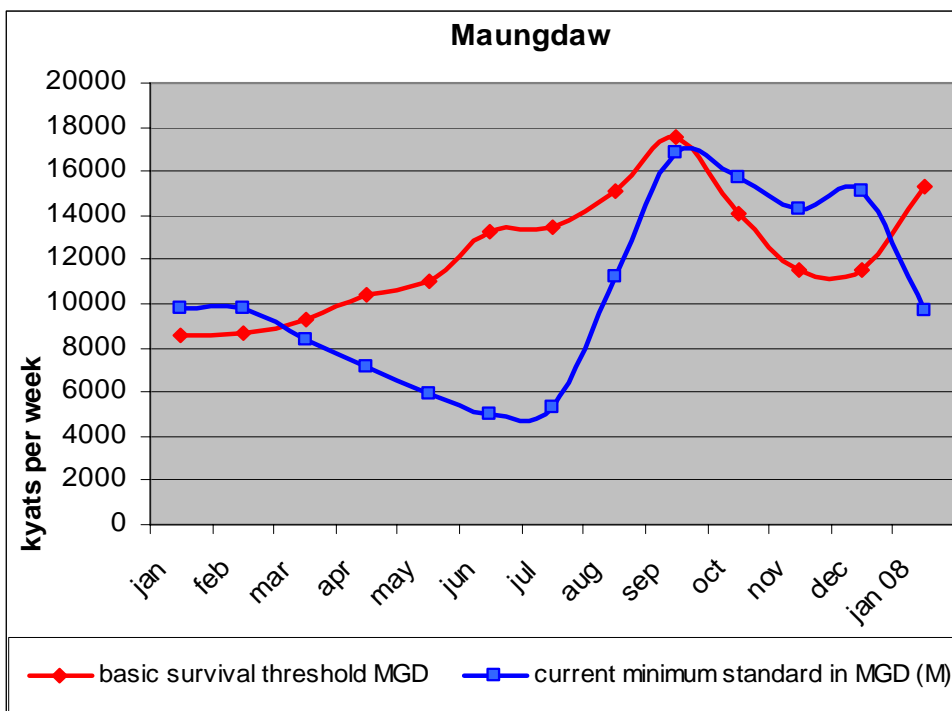
Sharp rises in the price of rice, coupled with a declining trend in daily wages and job opportunities, has considerably weakened households' ability to acquire adequate food. In January 2008 a vulnerable family in Maungdaw needed to spend **87% more** than what it spent last January in order to meet its rice needs. Data indicated that, geographically, the largest deviations between weekly income and expenditures for January were in the north, resulting in a negative 10,900 Kyats for Maungdaw and 8,400 Kyats in Orama region.

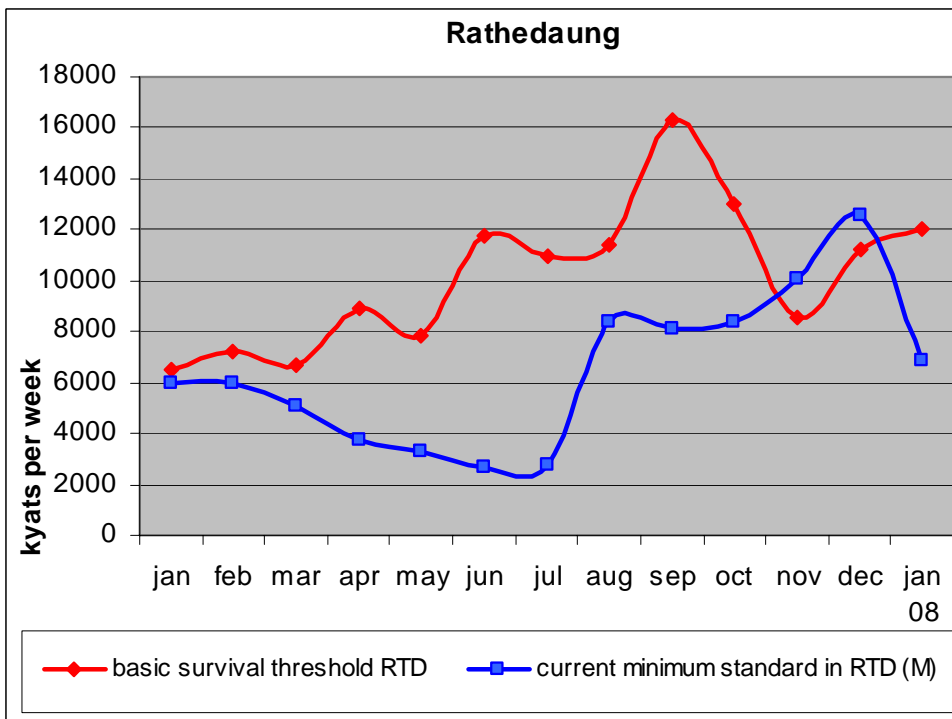
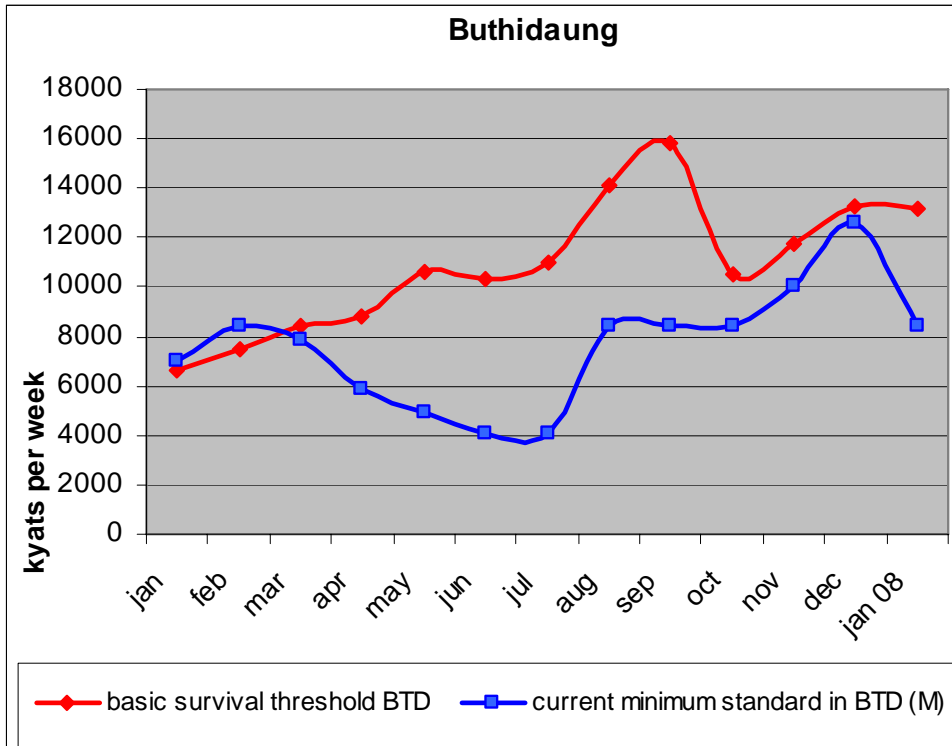
Families in Buthidaung and Rathedaung have had to spend 71% more in meeting their rice needs as compared with a year ago (January 2007).

Generally at this time of the year, both rice prices and wages should remain stable and allow families to reimburse debts incurred earlier in the pre-harvest 'difficult' period. The worsening of the households' economy at this crucial part of the year leads to serious concerns on the capacity to survive for the remaining part of the year – indebtedness being fundamentally used as coping strategy, however, if the creditors refuse more advances/credits due to bad reimbursement at the beginning of the year, then **2008 could present tremendous hardship** on the vulnerable households in NRS.



**Average household of 6.7 with 1.4 earner**



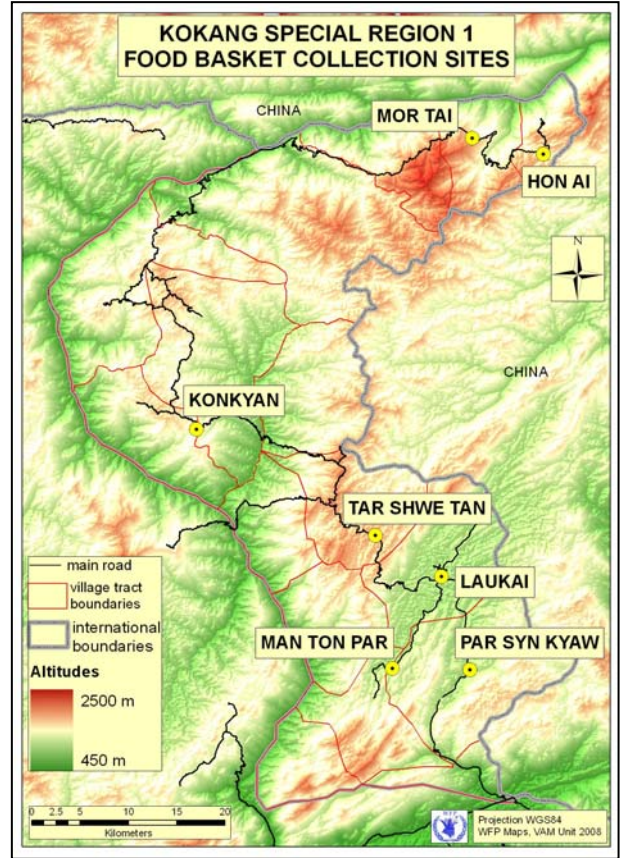


## KOKANG as of January 2008

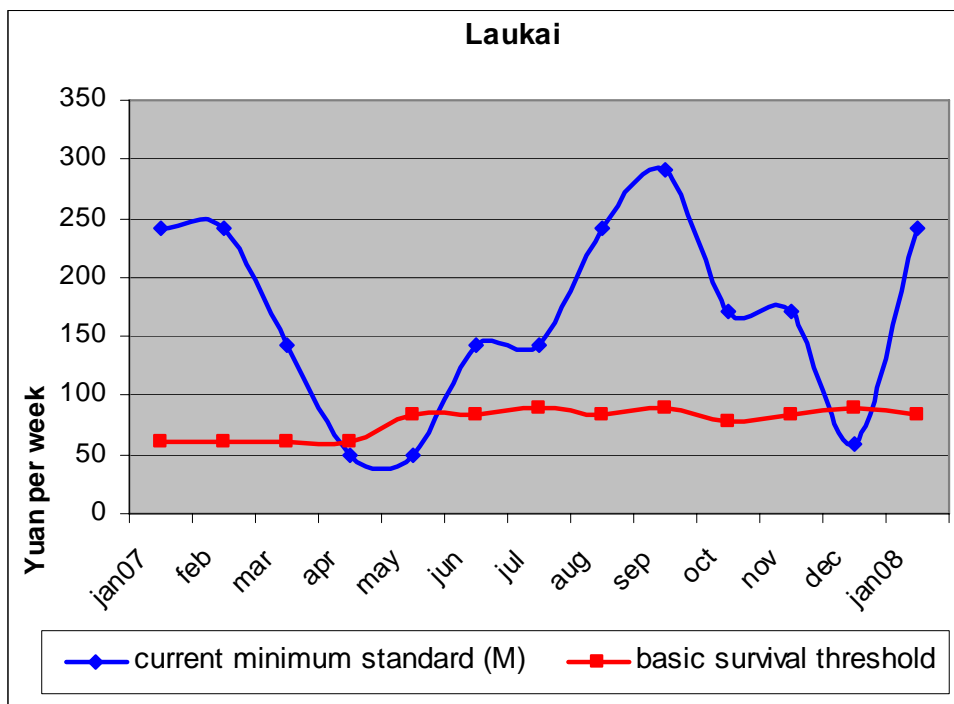
In general, January data suggested households were in a better position to meet their basic rice requirements in Kokang reversing the difficulties faced during December 2007.

In this post-harvest period data from all 7 locations indicates that households are able to earn adequately to cover their basic rice needs. In fact, in all surveyed areas households are able to pay their debts from December and generate some short-term savings (in Laukai reaching up to 150 Yuan per week, approximately US\$ 22).

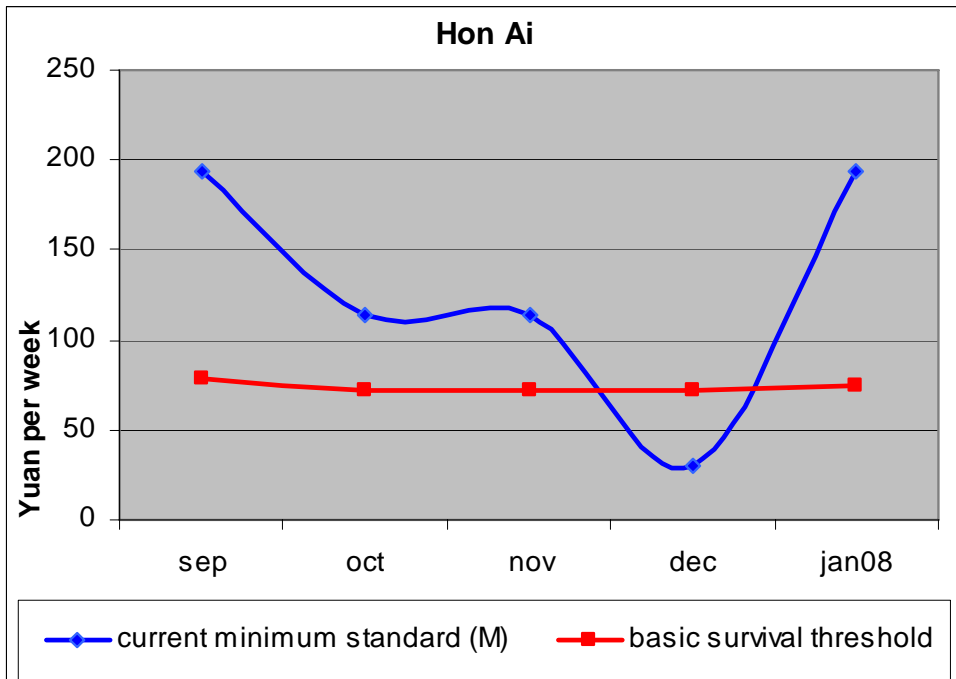
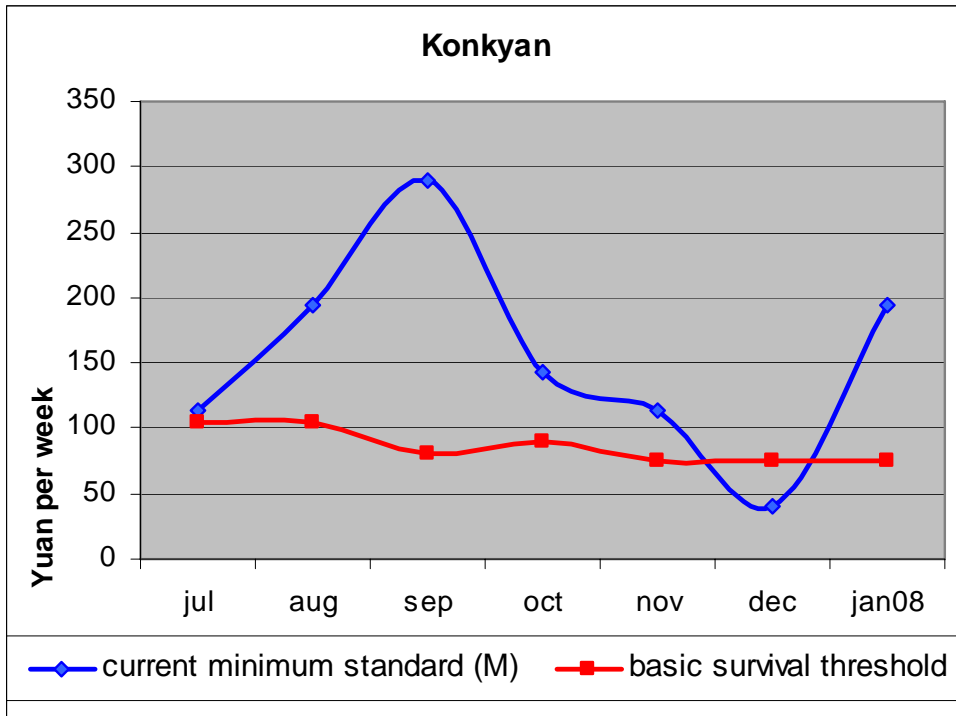
This positive picture largely stems from better employment opportunities averaging 4 days per week and fairly stable rice prices experienced in the previous months. Rice prices in Laukai experienced a slight decrease of 12% as compared to December which enabled families to potentially 'save' on expenditures in meeting their basic rice needs.

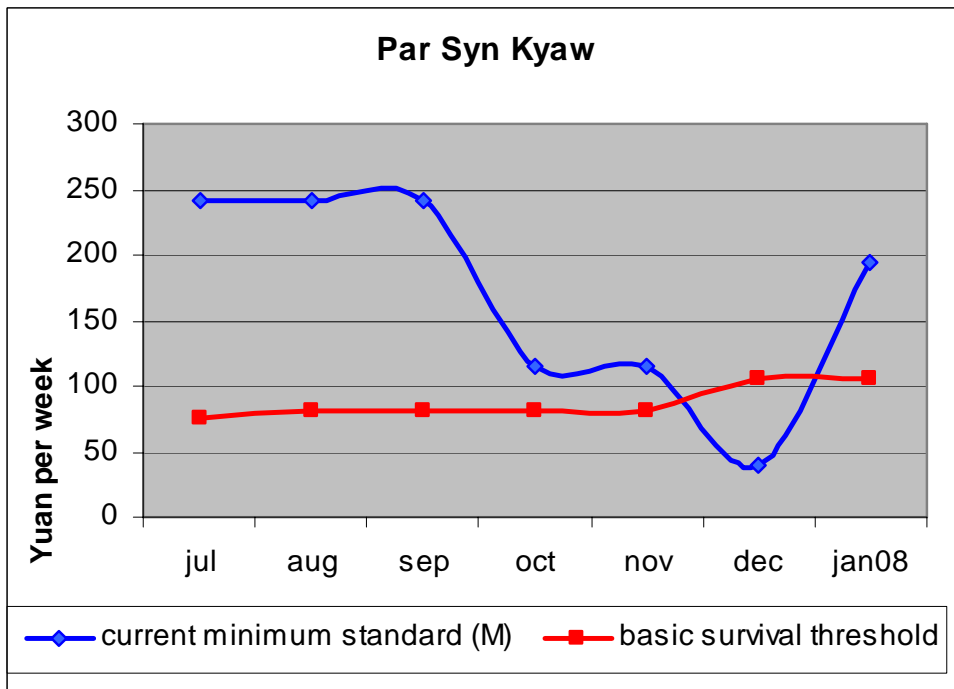
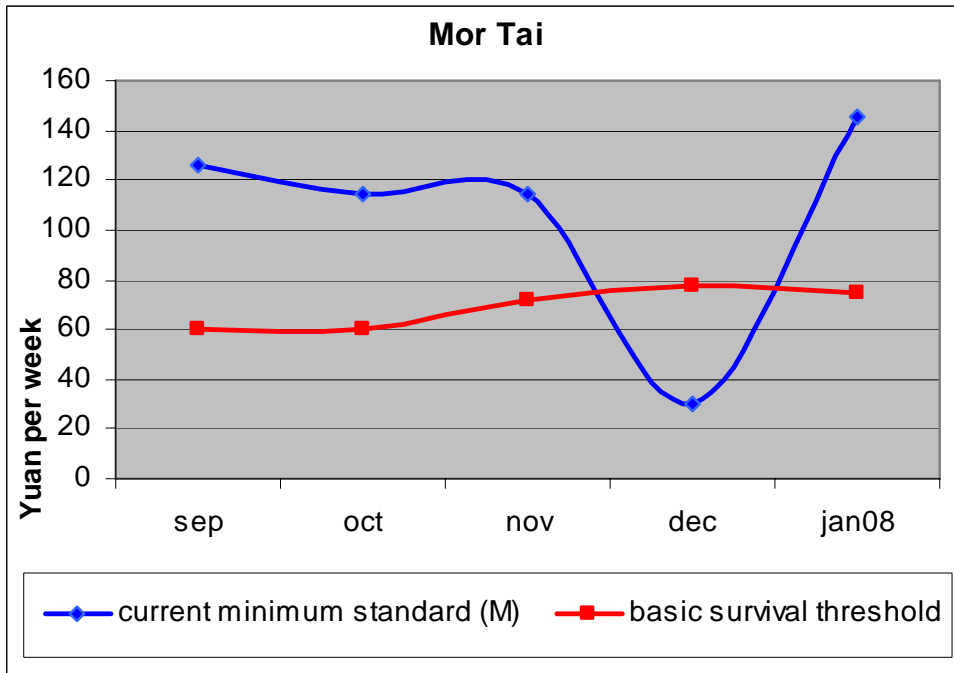


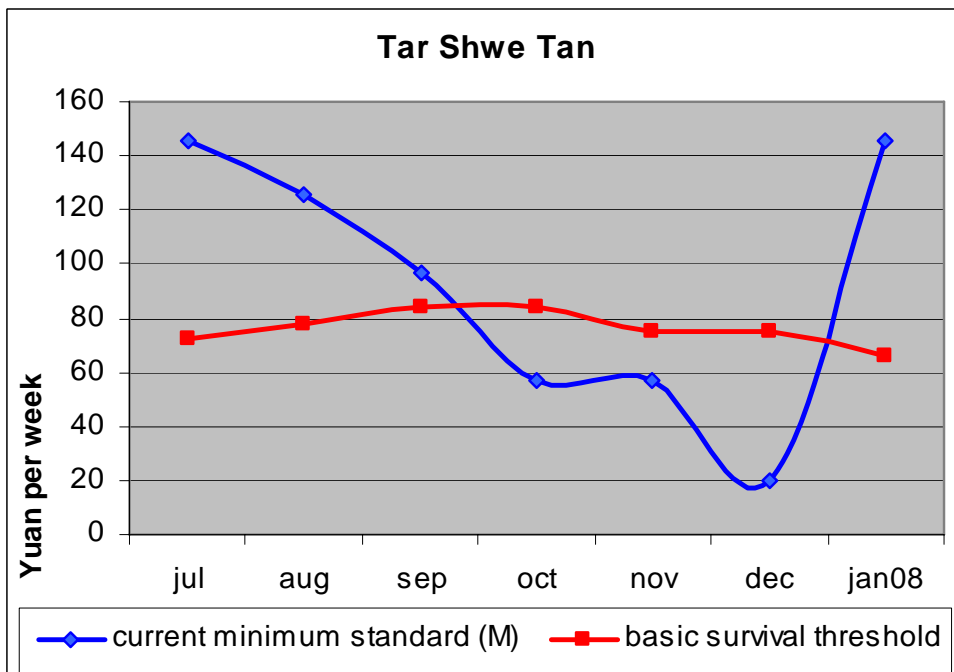
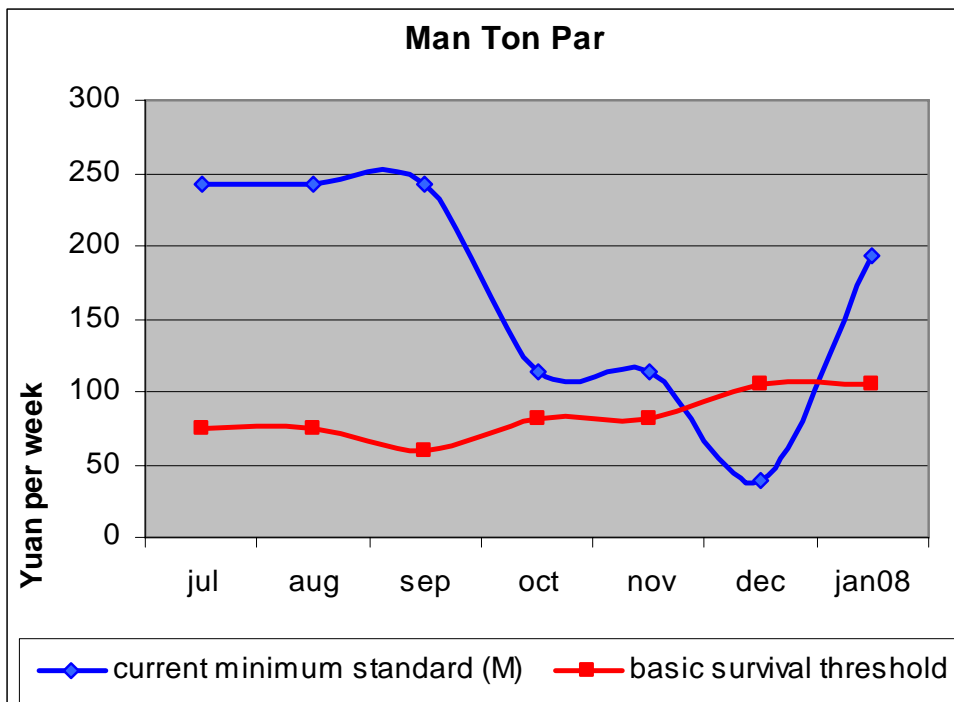
**Average household of 6 with 2.2 earners**









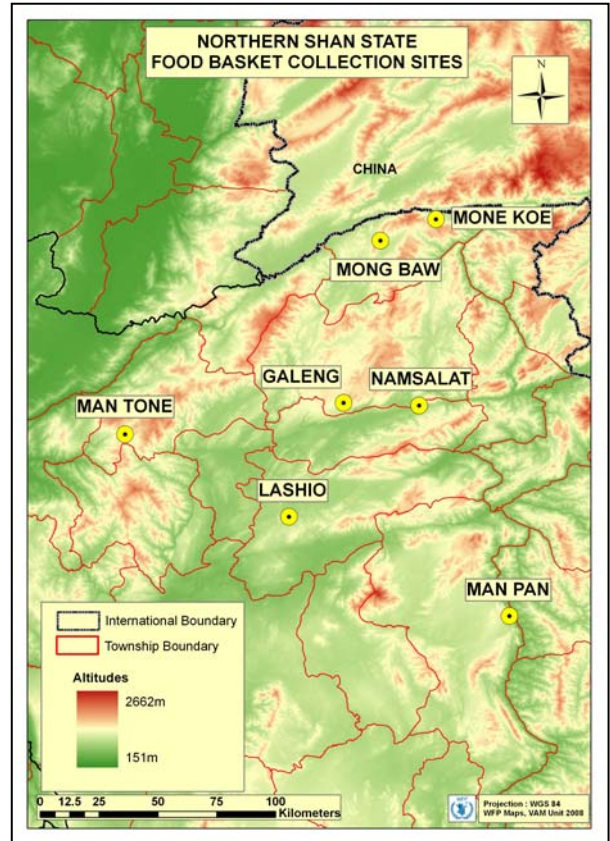


## NORTHERN SHAN: LASHIO AREA as of January 2008

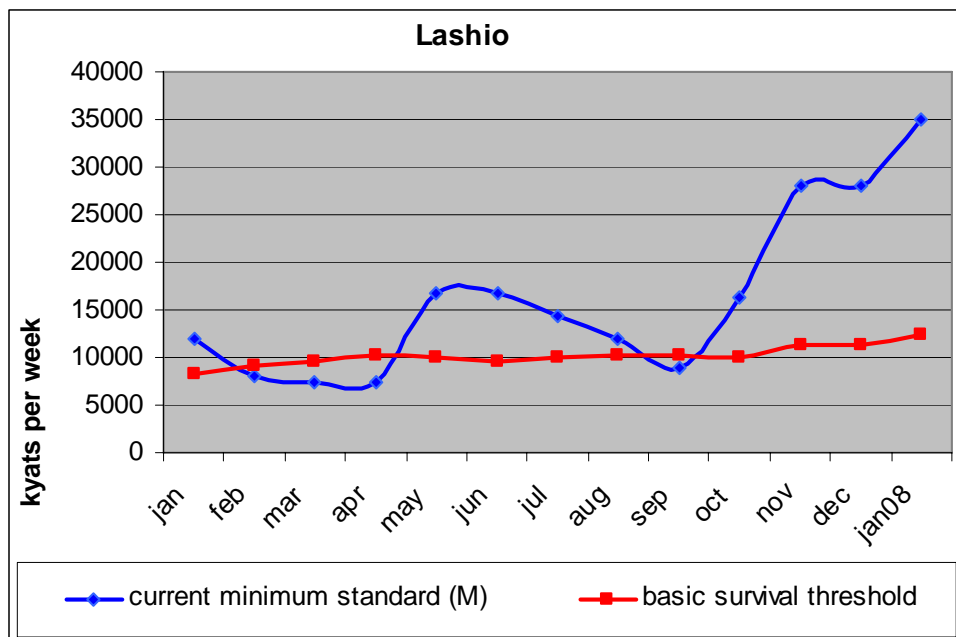
In the 7 data collection locations in Northern Shan areas, January data indicated an improving trend with some areas reporting an increase in household's ability to meet their rice needs.

The worst-off area in terms of proportion of expenditure spent on food is Man Tone where households, due to high rice prices and scarce employment opportunities have not been able to cover their basic rice needs for the last 4 months. In Mone Koe 100% of the expenditures are still spent on food, while the ratio was 103% in December and 125% in November. Hence, households in these remote areas continue to face inadequacies in meeting their daily rice needs.

In January the better-off areas were Lashio, Mone Baw, Man Pan, Galeng and Namsalat<sup>2</sup>. Lashio, as the major urban centre, offers wider employment opportunities with higher wages, interestingly, as compared with last year's households' ability to earn, and thereby meet its rice needs, has increased by over 220% (from approximately 12,000 Kyats in January 2007 to over 35,000 Kyats in January 2008)

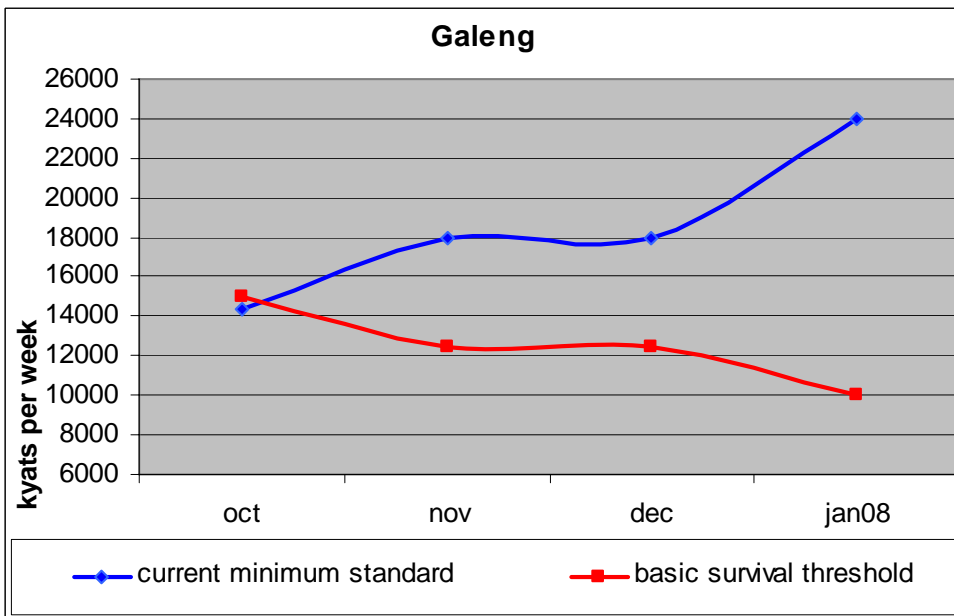
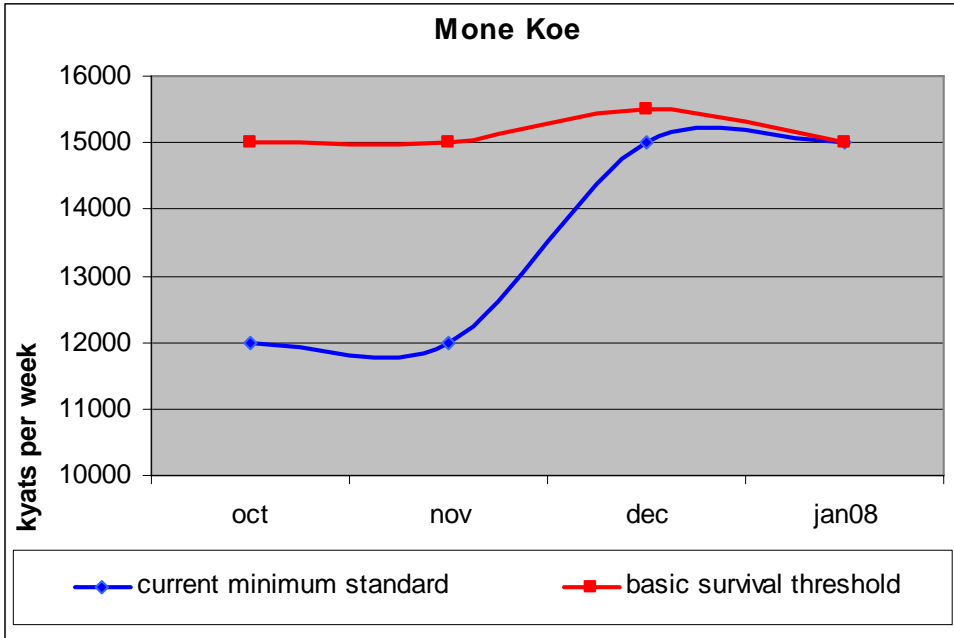


**Average household of 5 with 2 earners**



<sup>2</sup> Three locations are shown, since the other 4 are too short term not allowing long-term analysis





## TAUNGGYI AREA as of January 2008

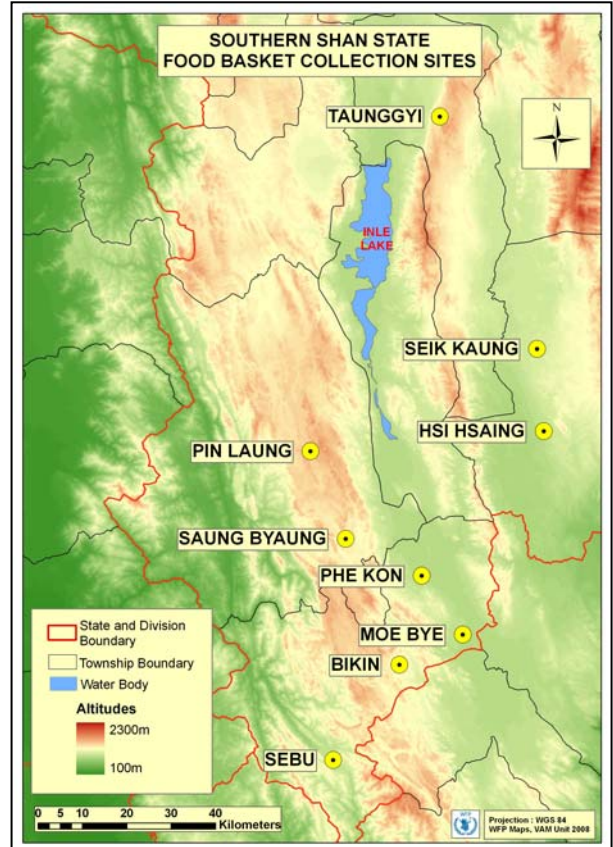
In the eight areas covered by the market survey, January data showed mixed results: while in Hsi Saing the situation still seems to be deteriorating due to lower wages and low employment opportunities, the situation in Pin Laung and Phe Kon areas offers better employment opportunities and households are able to meet their basic rice needs and even augment short-term savings.

Households in Pin Laung are still able to improve their household economy, even though they have experienced a drop in wages levels from 2000 to 1500 Kyats per day as compared to December, primarily due to opportunities to find work many days a week.

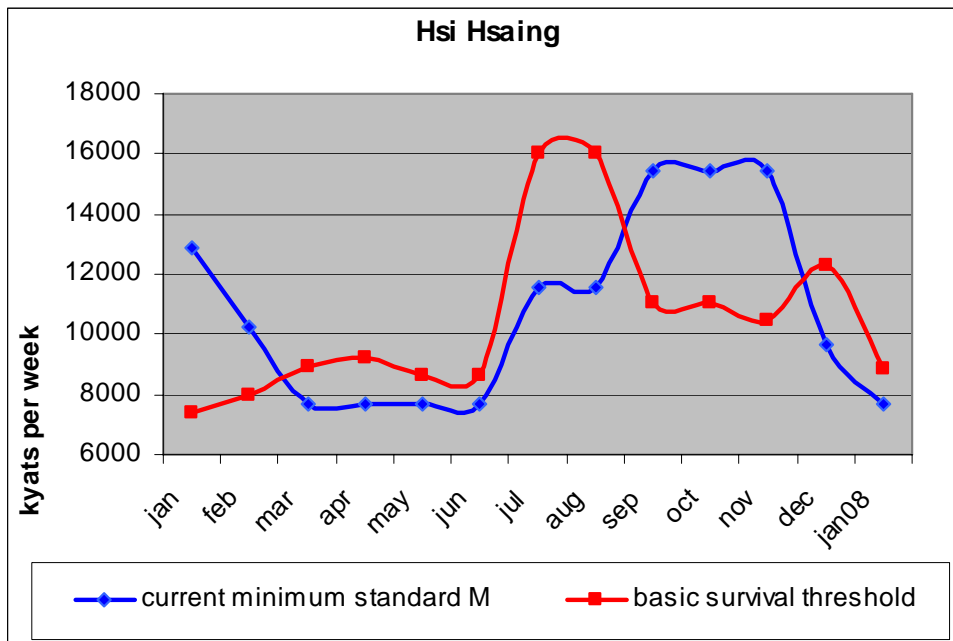
The monthly collection has just started in Taunggyi, Sebu, Bikin, Moe Bye, Saung Byang, and Site Kaung, hence, long term analysis and trends are not yet feasible.

However, the three month data in remote areas such as Moe Bye, Site Kaung and Bikin initially indicate very high ratio of expenditures spent on food in January, in Bikin it reaches an alarming 204% of expenditures. During the same period, Hsi Hsaing, Pin Laung, Moe Bye, Saung Byang and Site Kaung show better food to expenditures ratio, with the highest expenditure spent on food being 72%<sup>3</sup>.

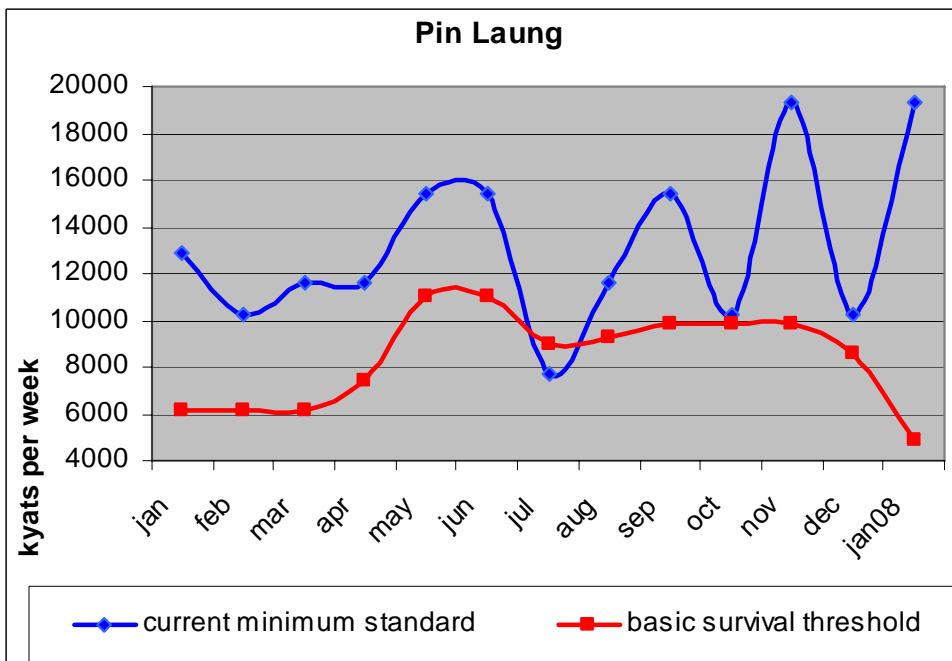
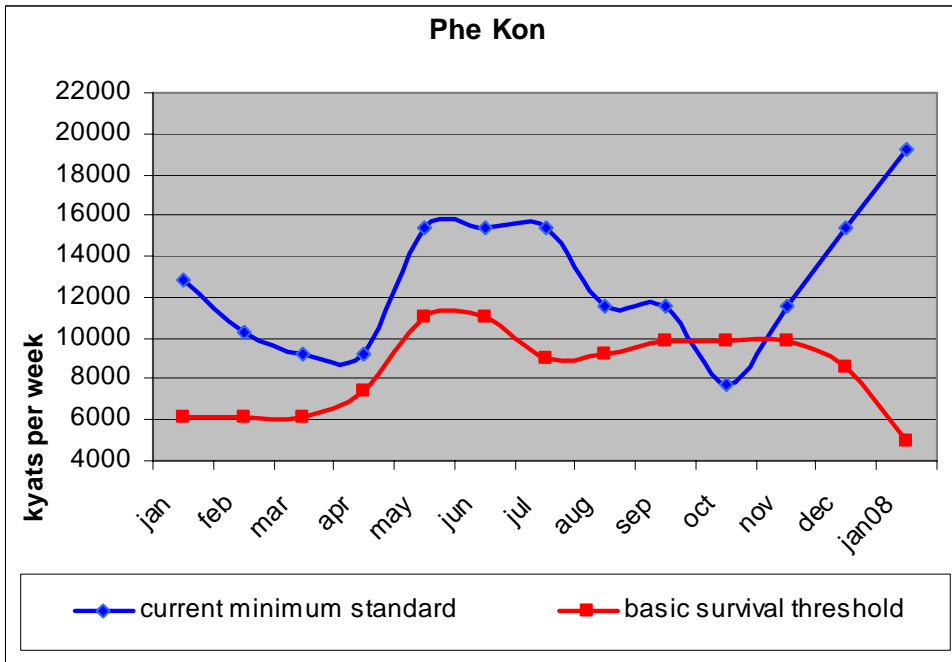
Generally, in the surveyed Southern Shan areas, the ability of households in meeting their basic rice needs presents a volatile and unstable picture – characterized by rapid highs and lows influenced by changing employment opportunities.



**Average household of 4.92 with 2.57 earners**



<sup>3</sup> Three locations are shown, since the other 5 only cover a three-month collection, not sufficient for long-term analysis



## MAGWAY AREA as of January 2008

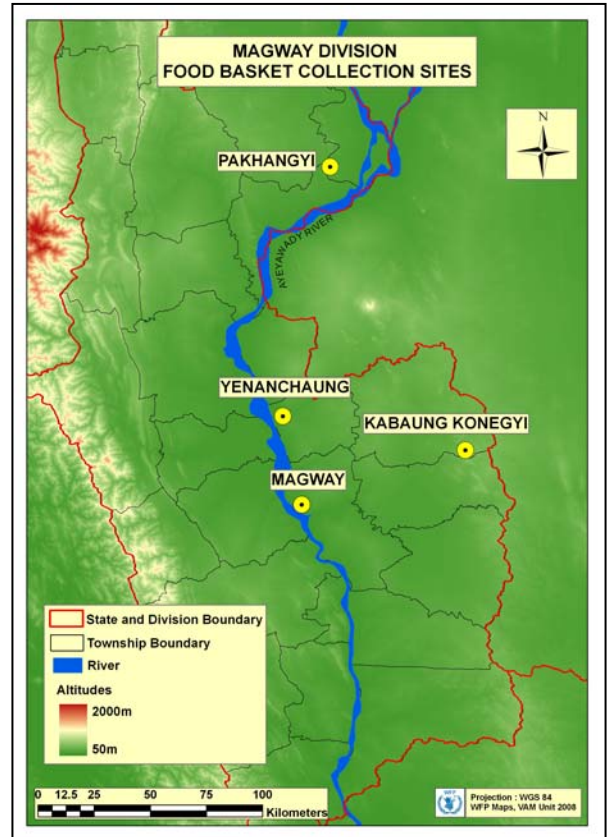
The January data from the three sites in the dry zone indicated a slight improvement for Magway and Pakhangyi and deterioration in household's ability to meet their rice needs for Yenanchaung compared with December.

Households in Magway were able to find more employment opportunities enabling them to cover their rice needs and with rice prices dropping slightly, households' were able to generate some short-term savings. January 2008 was the first month since February of last year that female-headed households were able to stay above their food expenditures further evidencing the hardships endured in covering their basic rice needs.

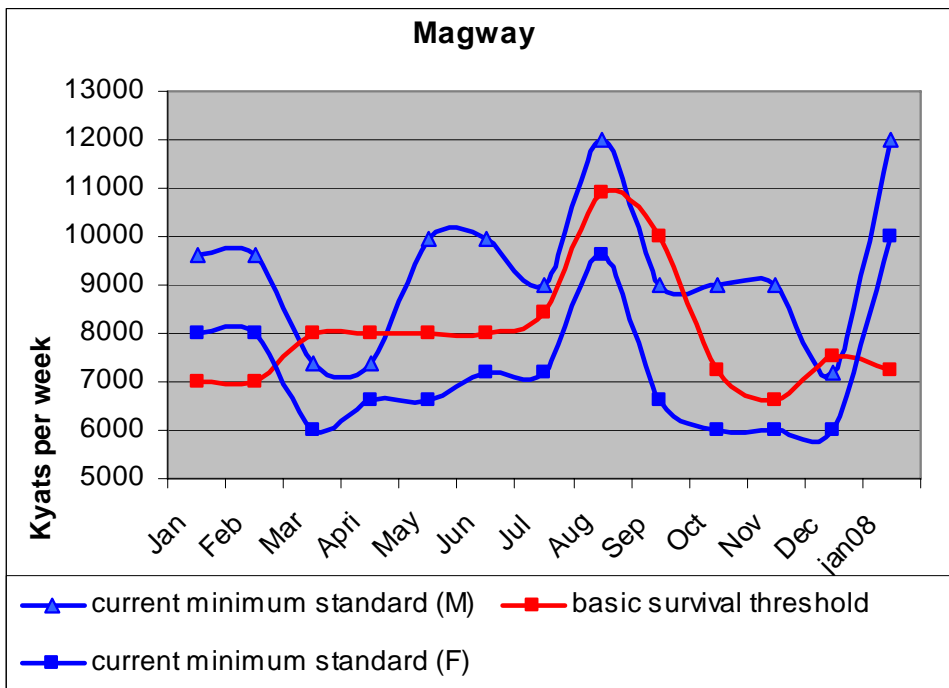
In Pakhangyi, price of rice has been stable since October 2007, with the increases in earnings, both male and female-headed households are improving their ability to meet their rice needs.

In Yenanchaung the increase in price of rice coupled with the drop in wages due to reduction in employment opportunities presents a grave picture for the vulnerable households in January.

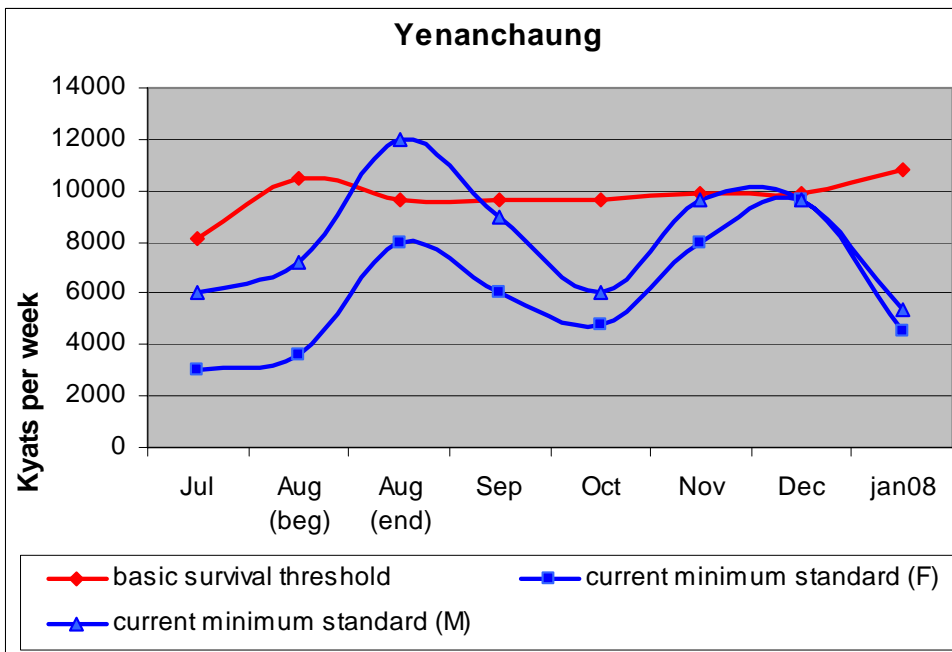
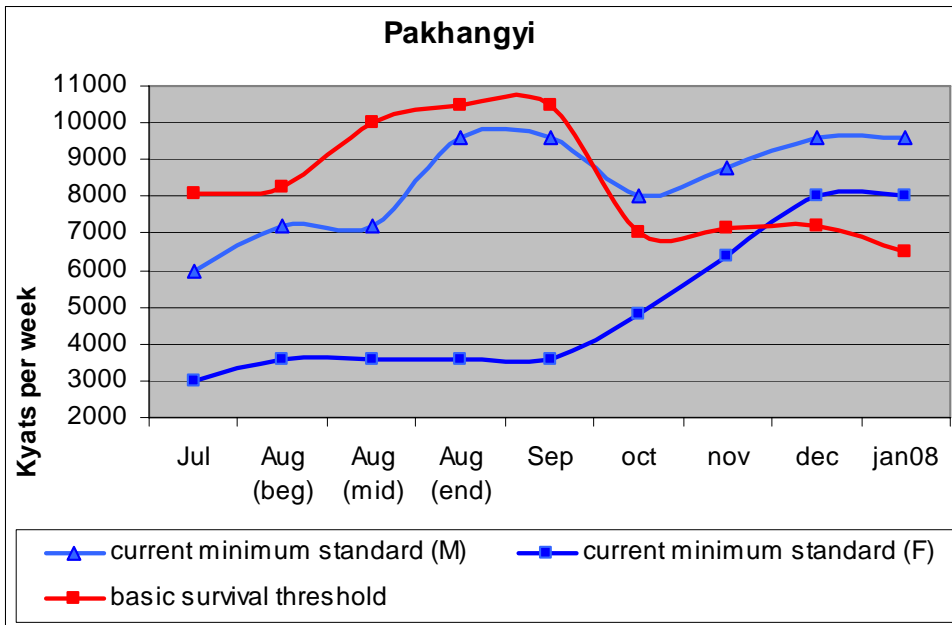
For Magway area<sup>4</sup> both male and female casual wages are collected, since differences between the two indicate that gender is an important factor of vulnerability.



### Average household of 5 with 2 earners



<sup>4</sup> Three locations are shown, since data for Kabaung Konegyi only covers a 2-month period, insufficient for long-term analysis



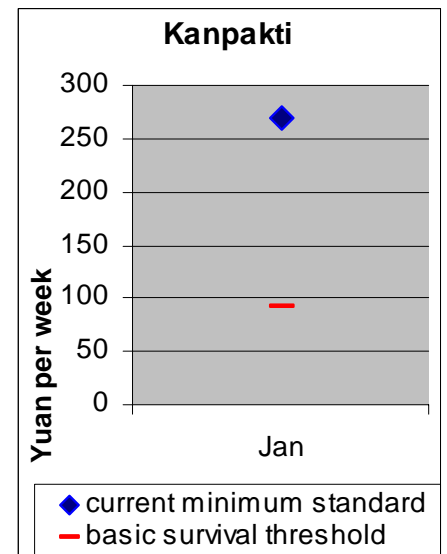
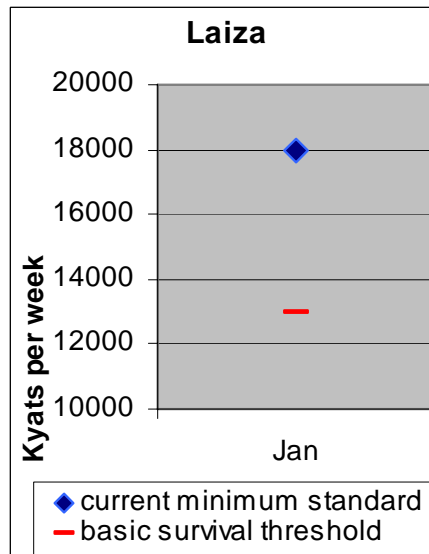
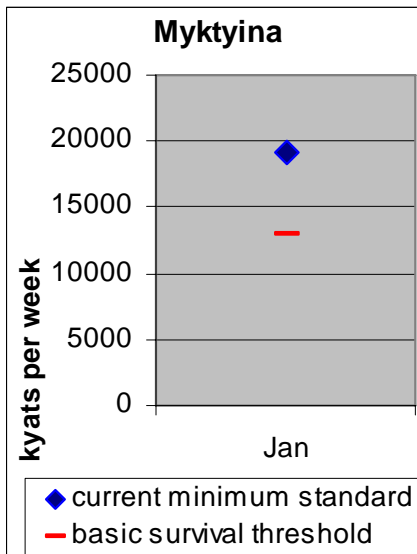
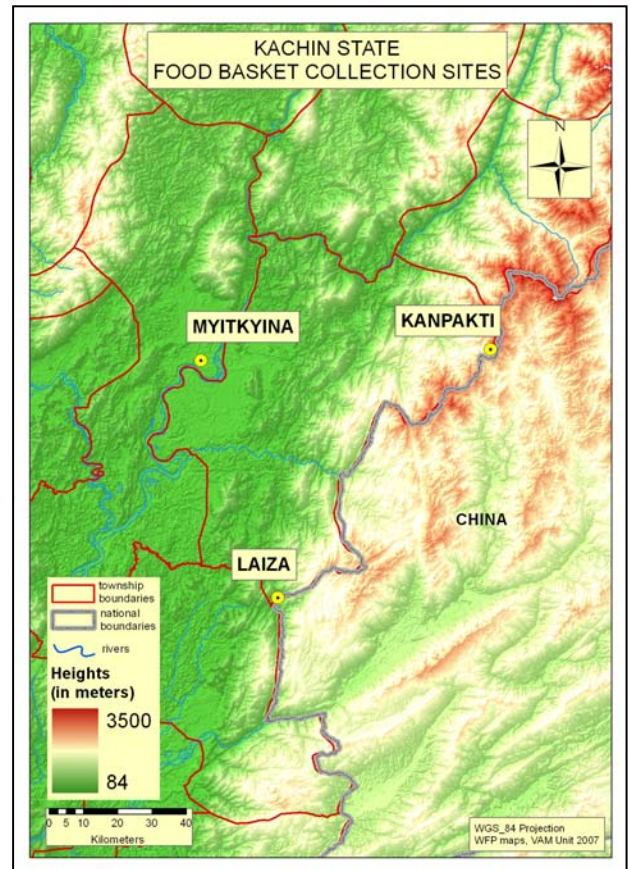


## KACHIN AREA as of January 2008

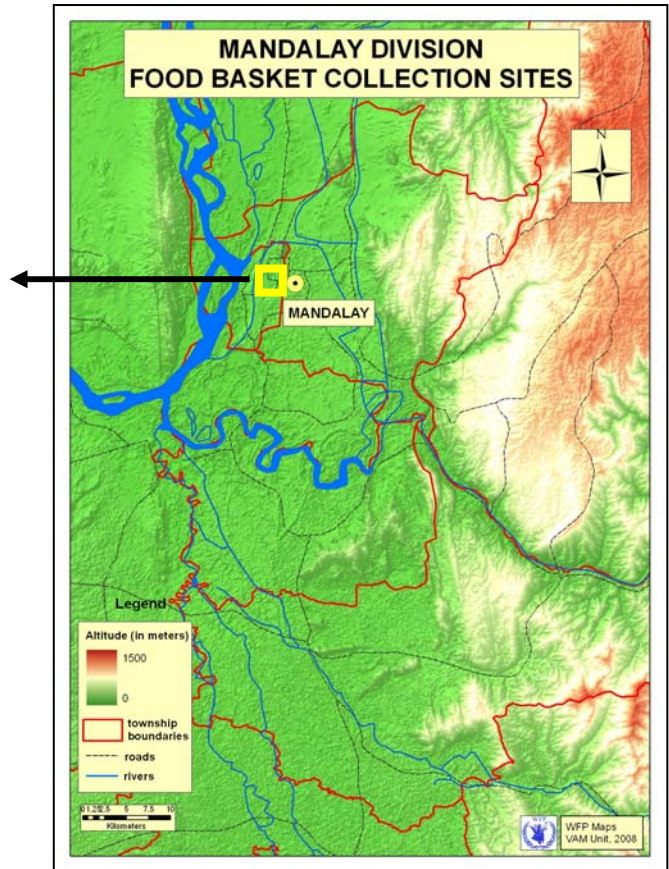
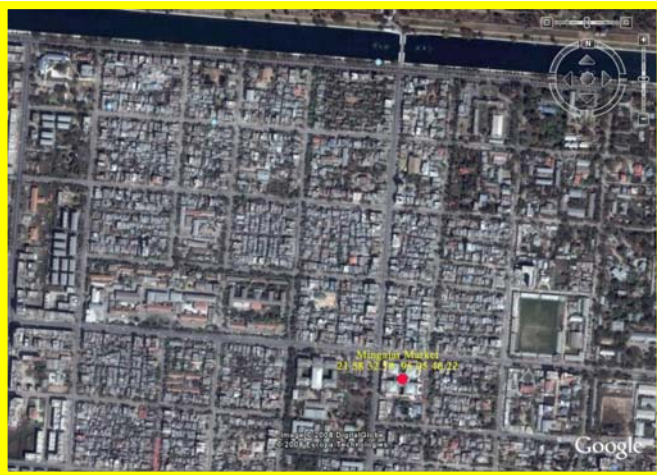
Kachin is a new operational area for WFP and its Cooperating Partners. The market survey in Kachin areas just began in January 2008, hence, it is too early for trend analysis. Data collection is currently carried out in three programmatic areas: Myitkyina town, and the Chinese border areas of Laiza and Kanpakti. The local economy in Kanpakti is Yuan denominated hence rice prices and wages are in Yuan.

In this post-harvest period data indicates that households from all areas are able to cover their basic rice needs for the month of January. It seems that the exceptionally high level of wages in January is a major determinant of the positive picture.

**Average household of 5.4 with 2 earners**



# MANDALAY AREA as of January 2008

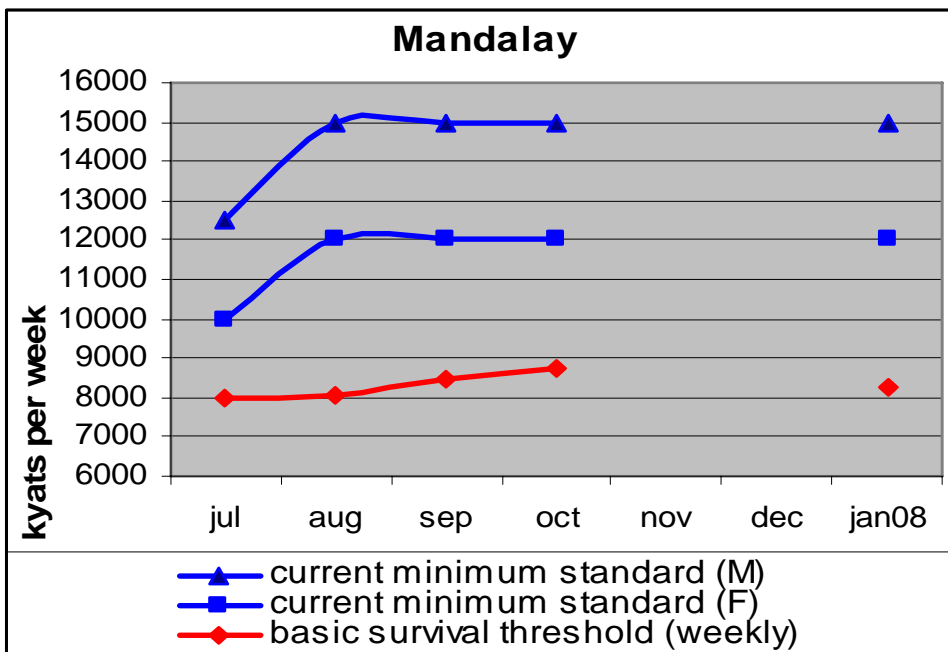


**Average household of 5 with 2 earners**

The data collection in Mandalay started 7 months ago, however, there was an interruption in November-December 2007. The data and trends do not show great variation, hence, more careful data collection will be carried out in order to strengthen the quality of the output.

From the data, male-headed households seem to accrue more savings (around 3,000 Kyats more per week) than the female-headed households. Yet given the data, female-headed households still manage to have a weekly of 4,000 Kyats more than their rice needs. This analysis assumes that they are really able to work 6 days per week (officially available for employment in Mandalay throughout the year). Additional review is required for ascertaining this factor.

Next data collection will attempt to capture part of the “compulsory collateral expenses” linked to the life in a city and will try to cover other markets. Currently the information is collected at Mingalar market.



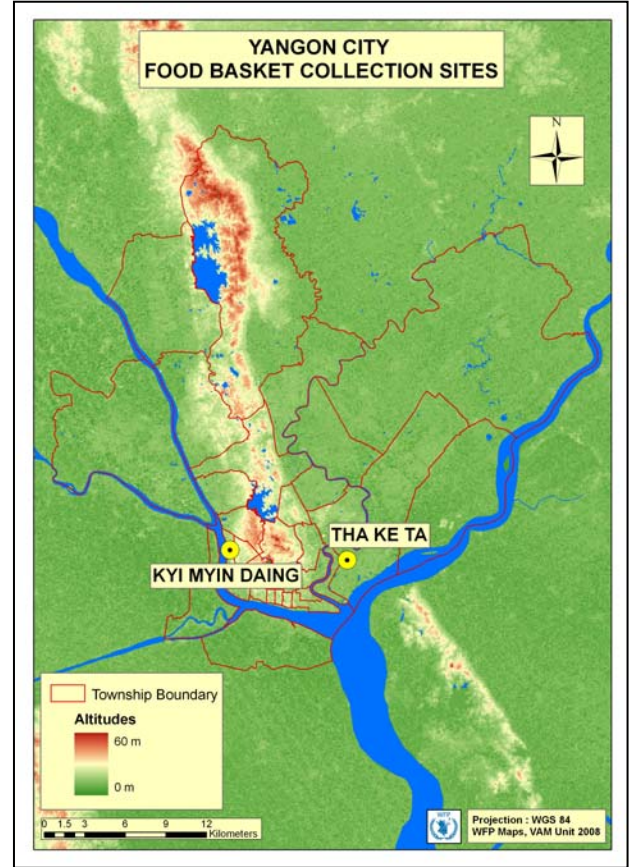
## YANGON AREA as of January 2008

For the Monthly Market Survey, Myanmar's former capital is captured through 2 areas of distinct livelihood characteristics: riverside port (Kyi Mying Daing) and outskirts (Tha Ke Ta).

Data collection started 2 months ago and no meaningful trends analysis is yet possible.

Similar to the Mandalay results, Yangon's urban character pushes up the ability of households in covering their basic rice needs, primarily due to higher wage levels, together with an almost permanent employment capacity. However, since this market analysis assumes that households primary expenditures are rice (over 70%) then urban 'compulsory collateral expenses' such as shelter, transportation to and from work, and other 'urban' payments are not covered.

Next data collection will try to take into account part of the "compulsory collateral expenses" linked to urban life and will try to cover other markets.



**Average household of 5 with 2 earners**

