




World Food Programme

SAVING LIVES
CHANGING LIVES

SITUATION UPDATE






Iran crisis spillover impact on local fuel and food prices, threatening household affordability to nutritious diets in Cambodia

April 2026

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KEY MESSAGES

-  Rising fuel and fertilizer prices, linked to Iran conflict and global energy markets, are increasing **transport cost and price fluctuation**, posing risks to **agriculture production** in Cambodia.
-  Though a small trade partner, the Middle East is **a key source of fuel and LNG supporting Cambodia's energy needs**.
-  The cost of the basic food basket remains persistently high, with a **renewed uptick in March 2026** and increasing pressure on low-income households.
-  Phnom Penh inflation is accelerating but remains **cost-push in nature, driven mainly by transport prices** rather than food demand.
-  In March 2026, sharp declines in **agricultural wages combined with rising food prices** significantly reduced the ability of vulnerable, labour-dependent households to **afford sufficient and nutritious food**.

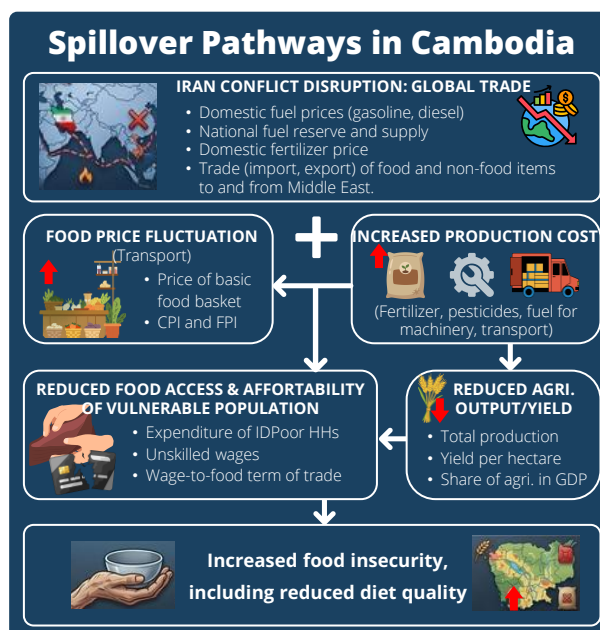
BACKGROUND

The ongoing conflict in Iran, compounding existing global crises, has intensified regional and global economic uncertainty, with increasing spillover effects on international commodity markets. Disruptions to key trade routes, heightened security risks in major maritime corridors, and increased **volatility in global energy markets**. **These have driven up transportation and insurance costs**. These pressures are being transmitted through global supply chains, **affecting the prices and availability of fuel, fertilizer, and selected food commodities, particularly vegetable oil, in Cambodia**, an import-dependent country.

To better understand and monitor the potential impacts of the conflict on domestic market dynamics, WFP Cambodia has undertaken a **remote market assessment across 36 markets in 10 provinces around Tonle Sap lake, with higher climate disaster risk, complemented by secondary analysis of available prices, income/expenditure, and trade**. This combined approach assesses **price fluctuation of food, energy, and fertilizer**, with the objective of **identifying emerging risks such as price surges, supply constraints, and trade disruptions** that may undermine household purchasing power and food security, particularly among vulnerable populations.

CONFLICT AND PRICE CHANNELS

The escalation of conflict in Iran affects Cambodia mainly through **global price transmission channels** rather than direct exposure. The region's central role in energy markets, shipping routes, and fertilizer supply chains increases geopolitical risk, driving global commodity price volatility. Cambodia's fuel supply has traditionally come from Vietnam and Thailand. However, due to the Cambodia-Thailand border conflict and export restrictions in Vietnam and China, Cambodia is **shifting its import sources** to Malaysia and Singapore to maintain its fuel supply and reserve (currently covering 21 days). These limited sources of fuel imports increase the risk for supply shortage and price fluctuations. As a **net importer** of fuel, natural gas, fertilizer, and key food commodities, **Cambodia faces rapid pass-through of these shocks** via higher import, freight, and insurance costs, even without physical supply disruptions.



Dollar-denominated imports and limited domestic buffering amplify these effects. The impacts are indirect but systemic, raising transport and production costs, increasing food prices, and reducing household purchasing power, particularly in remote and food-deficit provinces where price adjustments are uneven and slow to reverse.

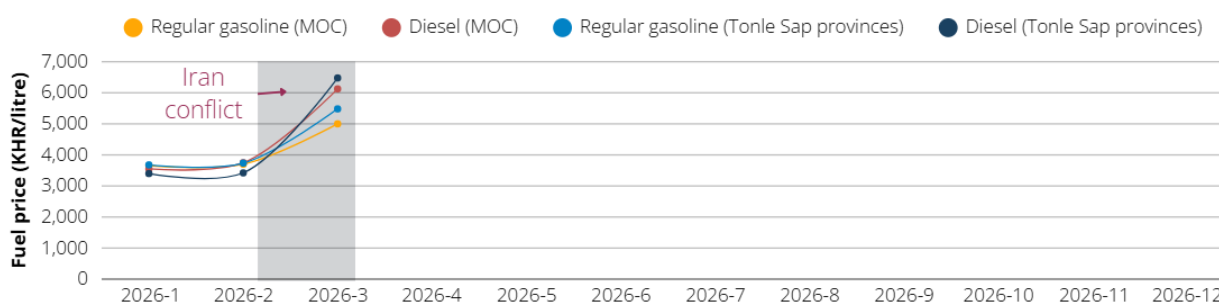
FUEL PRICES AND TRANSPORT COSTS

Fuel prices in Cambodia **rose sharply in March 2026**, after remaining relatively stable in January–February, signaling a strong external shock rather than domestic market pressures. The **global crude oil price** per barrel rose by **41% month-on-month (MoM)** and **35% year-on-year (YoY)**, with the conflict accounting for **18%** of the MoM increase.

Meanwhile, national gasoline and diesel prices increased by **35% MoM (29% YoY)** and **63% MoM (64% YoY)**, respectively, with the conflict contributing **27%** and **46%**, respectively, of these increases. As Cambodia relies entirely on imported fuel, disruptions to global supply chains were rapidly transmitted to domestic markets, with diesel prices rising more sharply due to tighter global supply and strong crisis-related demand.

“Fuel prices surged sharply in March 2026 following the Iran-related global oil shock, with rapid pass-through to domestic markets due to Cambodia's total dependence on imported refined fuel.”

In response, from 20 March 2026 the Royal Government of Cambodia introduced **emergency fiscal measures¹**, reducing fuel import duties and additional fuel taxes to zero, eliminating special taxes on diesel, and lowering VAT with the state absorbing the remainder. While these measures helped cushion consumers, **sub-national prices in 10 provinces around Tonle Sap**, initially supported by pre-shock inventories, later exceeded national averages, reflecting faster price pass-through and heightened vulnerability in remote markets.



¹ Quoted by [Fresh News on 22 March 2026](#).

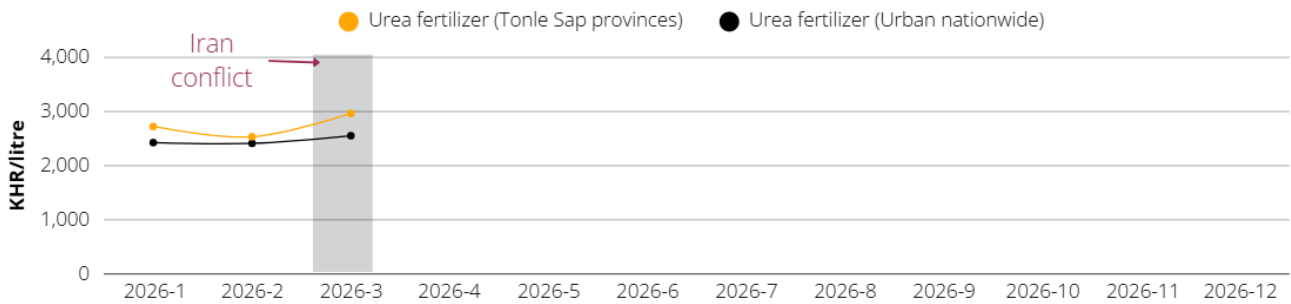
FERTILIZER PRICES AND PRODUCTION RISKS



Urea prices increased in March as an initial impact of higher global energy and transport costs, with sharper rises in HGSFP provinces. This price increase could affect upcoming planting season and yield in the harvest season.

Urea fertilizer prices in Cambodia rose sharply in March, closely tracking the fuel price shock. In 10 provinces around Tonle Sap, both rural and urban markets, prices increased to **2,965 riel/kg** in March (**+17% month-on-month (MoM)**, **18% year-on-year**). Nationwide prices, in urban markets, showed a similar pattern, rising from 2,413 riel/kg in February to **2,553 riel/kg** in March (**+6% MoM**). However, **March–April 2026 coincides with the dry-season rice harvesting period**, when fertilizer demand is typically lower. As a result, the immediate impact of higher fertilizer prices on rice production may be limited, with stronger effects likely to materialize during **the upcoming rainy-season planting period** when input demand increases.

The March increase reflects external cost pressures rather than domestic demand. Urea production is highly energy-intensive and **closely linked to natural gas prices**, while distribution relies on diesel. Disruptions in global energy markets raised both production and transport costs. Stronger increases in HGSFP provinces indicate higher logistics costs and greater vulnerability in remote markets.



CAMBODIA–MIDDLE EAST TRADE LINKAGES

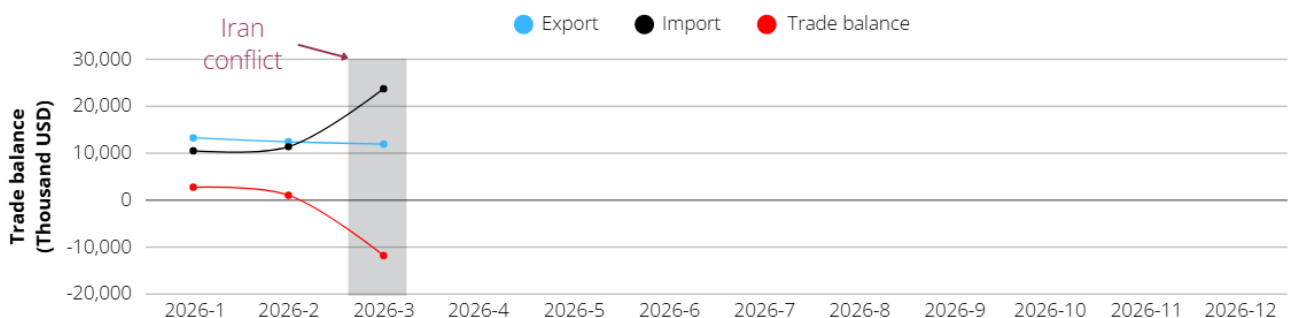
Cambodia's trade with Middle Eastern countries was **largely export-oriented before Iran conflict**, with **exports dominated by agricultural food items** and consistently exceeding imports. Export levels remained relatively positive during the year, reflecting the Middle East's role as a niche destination for Cambodian agricultural products.

In early 2026, **food export** volumes declined (**-4% MoM**, **-21% YoY**), likely linked to the ongoing conflict and regional instability in parts of the Middle East, which may have disrupted demand and trade logistics. In contrast, non-food imports increased sharply in March 2026 (**+108% MoM**, **+236% YoY**), driven mainly by higher **fuel and liquefied natural gas (LNG) imports** from Middle Eastern suppliers.



Although the Middle East accounts for a small share of Cambodia's total trade, it remains an important source of fuel and liquefied natural gas (LNG), supporting domestic energy needs during global crisis.

This import surge led to a **sharp shift from surplus to a wide trade deficit** in March, reversing Cambodia's previously export-led trade position with Middle Eastern partners.



COST OF THE BASIC FOOD BASKET (BFB)

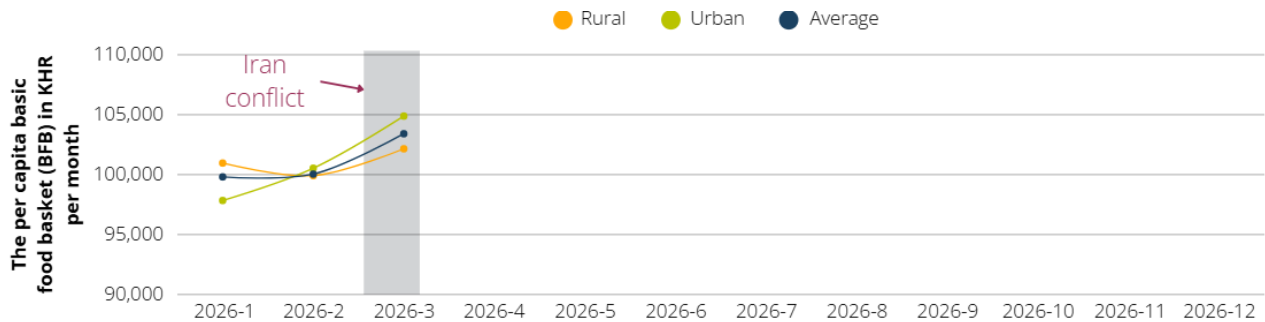
BFB cost in 10 provinces around Tonle Sap increased by 3.4% month-on-month (MoM) in March 2026 after remaining stable in January–February, reflecting rising cost pressures rather than changes in consumption. Average costs reached **KHR 103,500**, with slightly higher levels in urban than rural areas. The increase was driven by higher prices for vegetables, vegetable oil, and pork, **notably morning glory (+19% MoM) and orange sweet potatoes (7% MoM)**, which outweighed stable or declining prices for other commodities in the basket. While menu flexibility allows school feeding programme around Tonle Sap to substitute vegetables with sharply rising prices, higher transportation and food costs may constrain supplier profit margins.



Conflict-related price shocks have driven persistently high food basket costs, with shrinking rural–urban gaps signaling rising affordability pressure on vulnerable rural households.

Urban areas experienced a marginally stronger increase, reflecting greater exposure to **fuel-related transport costs**, while rural increases likely reflect **higher input costs** passing through to farm-gate and local market prices.

Despite the March rise, the BFB cost remained **broadly unchanged year-on-year**, indicating that higher fuel and input costs have **not yet fully passed through** to food prices or affordability.



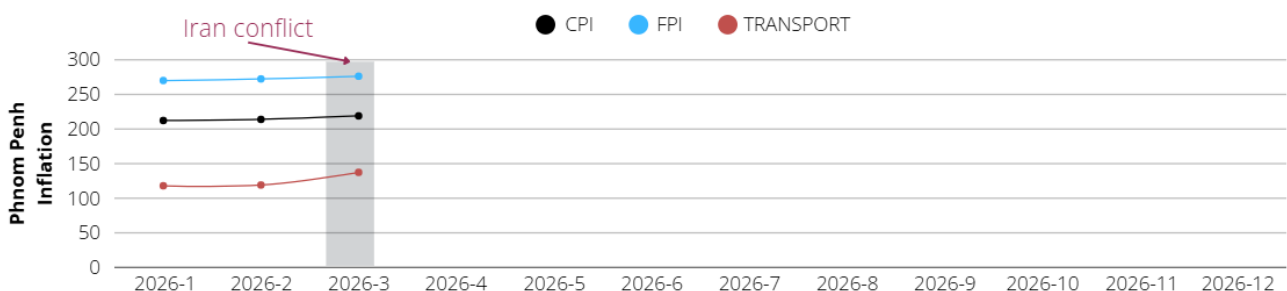
PHNOM PENH INFLATION



The Iran-related conflict triggered a transport-cost surge in March 2026, prompting initial food price increases and accelerating cost-push inflation, similar to patterns observed during the Ukraine war.

Phnom Penh inflation pressures intensified sharply in March 2026, following relatively modest increases earlier in the year. **Headline inflation**, measured by Consumer Price index (CPI), rose by **2.4% month-on-month (MoM)** and **5.6% year-on-year (YoY)** in March, signaling a sudden acceleration in overall price dynamics.

The increase was driven mainly by a sharp surge in **transport inflation (+15.4% MoM, +12.9% YoY)**, consistent with fuel and logistics shocks linked to regional tensions. In contrast, food inflation remained relatively moderate, with the **Food Price Index (FPI)** rising by 1.4% MoM, 5.7% YoY, suggesting that higher energy and transport costs have not yet fully passed through to food prices or affected consumption patterns. Overall, this points to an **early-stage cost shock**, with potential food affordability impacts likely to emerge only if price pressures persist.



UNSKILLED WAGES AND FOOD AFFORDABILITY

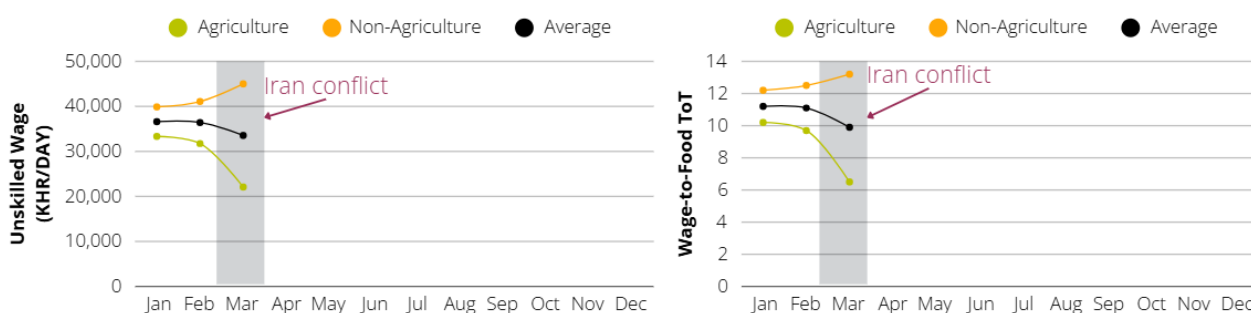


Falling agricultural labour wages and limited food spending capacity among poor households are significantly constraining food affordability, heightening risks to food access amid rising price pressures.

Between January and March 2026, **unskilled wage** trends reveal widening stress for agriculture labour dependent households (*lower left figure*), amid emerging global shocks linked to the recent conflict in Iran. Agriculture labour wage **declined sharply from 33,300 KHR/day in January to 22,000 KHR/day in March (-34%)**, while non-agricultural labour wages continued to rise, reaching 45,000 in March (+13%). As a result, **average unskilled wages weakened (-8%)**, despite stable non-farm earnings.

A slight uptick in food basket prices observed in March 2026, combined with falling agricultural labour wages **led to a significant deterioration in purchasing power** (*lower right figure*). The agricultural labour wage-to-food terms of trade (ToT) fell from 10.2 to 6.5 (-36%), **indicating substantially reduced food access for poor labor households**.

According to the May–June 2024 baseline assessment under the **Cambodia Family Package Programme**, poor households spend about **5,400 KHR per person per day on food**, representing **half of total consumption** and only around **1.5 times the current cost of the basic food basket**. This narrow margin highlights limited capacity to absorb income or price shocks. Against this low consumption baseline, the sharp decline in agricultural wages in March 2026 substantially increases the risk of inadequate food access, particularly amid rising external price pressures.



OUTLOOK AND KEY RISKS

- Cambodia's food security outlook over the coming months is increasingly fragile, with risks skewed to the downside.
- Renewed global energy and fertilizer price volatility linked to Middle East crisis is driving rapid cost pass-through into domestic fuel, transport, and food markets, particularly in remote provinces, likely increasing HGSFP implementation costs in the coming months.
- Given limited household coping capacity and uneven market adjustment, even modest additional price shocks could translate into a marked deterioration in food affordability, underscoring the need for close sub-national monitoring and targeted mitigation measures.
- While Phnom Penh inflation remains moderate and primarily driven by rising input and supply costs, declining agricultural labour wages and persistently high food basket costs are significantly eroding poor households' purchasing power.

Annex 1: Indicator definitions and sources

Indicators	Definition	Sources
Global crude oil prices	<i>The average of Brent, Dubai, and West Texas International (WTI) crude oil.</i>	<ul style="list-style-type: none"> World Bank Group, 2026. "Commodity Markets: Pink Sheet - monthly prices, April 2026)".
Domestic fuel prices (gasoline and diesel prices)	<i>Prices are reported in nominal terms, which observed in the market-place.</i>	<ul style="list-style-type: none"> WFP (2026). Remote Market Monitoring (mVAM) for Home-Grown School Feeding Programme (HGSFP). Ministry of Commerce (MoC), 2026. "Notification on retail prices of fuel in gas stations".
Conflict's contribution to global and domestic fuel price increases	<i>The extent to which the current conflict contributes to ongoing increases in global and domestic fuel prices, relative to other conflict-related drivers.</i>	<ul style="list-style-type: none"> WFP Cambodia analysis
Domestic fertilizer prices	<i>Prices are reported in nominal terms, as observed in the market-place.</i>	<ul style="list-style-type: none"> WFP (2026). Remote Market Monitoring (mVAM) for Home-Grown School Feeding Programme (HGSFP) Agricultural Marketing Office (AMO), 2026. "Cambodia agricultural market information service". Ministry of Agriculture, Forestry and Fisheries (MAFF).
Trade (import, export) of food and non-food items to and from Middle East	<i>Aggregate trade value (USD) from 17 countries across the Middle-East.</i>	<ul style="list-style-type: none"> General Department of Customs and Excise of Cambodia, 2026. "International Merchandise Trade Statistics". Ministry of Economy and Finance (MEF).
Food prices and cost of food basket	<i>Aggregate prices of rice, pork, fish, eggs, morning glory, sweet potatoes, and vegetable oil, the most consumed food items in Cambodia, to meet minimum dietary requirements.</i>	<ul style="list-style-type: none"> WFP (2026). Remote Market Monitoring (mVAM) for Home-Grown School Feeding Programme (HGSFP).
Phnom Penh inflation	<i>Headline inflation reflects overall price changes, driven by movements in both food and non-food prices.</i>	<ul style="list-style-type: none"> National Institute of Statistics (NIS), 2026. "Phnom Penh Inflation". Ministry of Planning (MoP)
Unskilled wages	<i>The average wages of four unskilled labor categories in the agricultural and construction sectors.</i>	<ul style="list-style-type: none"> Agricultural Marketing Office (AMO), 2026. "Cambodia agricultural market information service". Ministry of Agriculture, Forestry and Fisheries (MAFF).
Wage-to-food terms of trade (ToT)	<i>Quantity of a staple food that can be purchased with a day's wage, calculated by comparing the daily per-capita wage with the average daily per-capita cost of a food basket.</i>	<ul style="list-style-type: none"> WFP Cambodia analysis
Poor household expenditure	<i>Average daily expenditure per person in households holding an IDPoor card.</i>	<ul style="list-style-type: none"> Cambodia Family Package Evaluation Team, March 2025. "Impact evaluation of the Cambodia Family Package Programme. Baseline Report". UNICEF Innocenti, Florence.

Annex 2: Retail prices and changes in 10 Tonle Sap provinces as of March 2026

Food commodity	Unit	Jan'26	Feb'26	Mar'26	Change compared to Feb'26	Change compared to Dec'25	Change compared to Mar'25			
Mixed Rice*	KG	1,905	1,889	1,857	➔	-1.7%	➔	0.4%	⬇	-12.2%
30-35% broken rice	KG	1,800	2,150	1,933	⬇	-10.1%	⬆	5.5%	⬇	-15.1%
Snakehead fish (Live)*	KG	9,875	9,854	9,516	➔	-3.4%	➔	-4.5%	⬇	-6.8%
Trey Pra (Live)	KG	7,315	7,356	7,172	➔	-2.5%	➔	1.5%	➔	3.1%
Catfish (Live)	KG	7,750	7,924	7,542	➔	-4.8%	⬇	-5.1%	➔	-0.2%
Dried snake fish	KG	27,889	26,200	26,037	➔	-0.6%	⬇	-6.3%	➔	0.1%
Broahok	KG	8,885	8,486	8,250	➔	-2.8%	➔	2.4%	⬇	-8.3%
Trey Por	KG	10,000	9,808	10,143	➔	3.4%	➔	4.0%	➔	-1.8%
Red tailed catfish	KG	-	-	-	●	-	●	-	●	-
Trey Sandai	KG	-	-	-	●	-	●	-	●	-
Pork with fat*	KG	15,144	18,065	18,692	➔	3.5%	⬆	20.6%	⬆	8.2%
Pork ribs	KG	14,538	16,273	16,577	➔	1.9%	⬆	7.6%	⬆	29.2%
Pork bone	KG	14,000	15,000	16,000	⬆	6.7%	➔	0.0%	⬆	6.7%
Pork legs	KG	14,250	13,917	14,833	⬆	6.6%	➔	4.3%	⬆	8.5%
Beef with fat	KG	15,238	17,898	18,298	➔	2.2%	⬆	18.4%	⬆	6.7%
Chicken meat (Farm)	KG	11,780	14,398	15,008	➔	4.2%	⬆	24.3%	⬆	9.4%
Chicken meat (CP)	KG	11,905	14,598	14,875	➔	1.9%	⬆	22.4%	⬆	7.2%
Duck egg*	10 pcs	4,638	4,464	4,425	➔	-0.9%	⬇	-13.1%	⬇	-6.4%
Salty duck egg	10 pcs	6,648	6,478	6,689	➔	3.3%	➔	0.7%	➔	-0.2%
Vegetable Oil*	5 L	28,181	28,398	29,707	➔	4.6%	➔	4.9%	➔	0.6%
Iodized salt	KG	1,377	1,404	1,380	➔	-1.6%	➔	-1.7%	⬆	5.4%
Fish sauce (Lobster)	730 ml	3,500	3,423	3,619	⬆	5.7%	➔	4.6%	➔	3.4%
Ground nut	KG	9,897	9,903	10,122	➔	2.2%	➔	-0.1%	➔	2.8%
Soybean	KG	5,900	5,500	5,000	⬇	-9.1%	➔	-3.9%	➔	-3.7%
Green bean/mung bean	KG	6,924	6,628	6,826	➔	3.0%	⬆	8.2%	⬆	22.8%
Morning glory*	KG	3,268	2,833	3,361	⬆	18.6%	⬆	11.5%	⬆	12.0%
Carrot	KG	3,922	3,981	3,461	⬇	-13.1%	⬇	-5.8%	⬆	12.2%
Ivy gourd leave	KG	5,611	5,438	5,107	⬇	-6.1%	⬇	-5.4%	⬇	-5.3%
Moringa leaves	KG	6,100	7,333	6,500	⬇	-11.4%	➔	-3.7%	⬆	22.4%
Chinese spinach	KG	3,121	2,849	4,066	⬆	42.7%	⬆	25.1%	⬆	7.2%
Pak Choi	KG	3,088	2,936	4,000	⬆	36.2%	⬆	31.5%	➔	2.0%
Chinese flowering cabbage	KG	2,953	2,819	3,974	⬆	40.9%	⬆	33.1%	➔	5.0%
Mustard Greens	KG	3,034	2,730	3,926	⬆	43.8%	⬆	34.6%	⬆	7.7%
Amaranthus	KG	4,700	3,532	3,984	⬆	12.8%	⬇	-21.4%	➔	2.8%
Ngob leaves	KG	-	5,625	6,250	⬆	11.1%	⬇	-16.7%	⬆	11.1%
Pumpkin leaves	KG	6,360	6,050	5,750	➔	-5.0%	⬆	15.0%	⬆	11.4%
Pumpkin fruit	KG	2,854	2,153	2,083	➔	-3.2%	⬇	-27.2%	⬇	-9.6%
Bottle gourd	KG	-	-	-	●	-	●	-	●	-
Wax gourd	KG	2,334	1,962	1,956	➔	-0.3%	⬇	-24.1%	⬇	-16.2%
Long eggplants	KG	3,714	2,578	2,706	➔	5.0%	⬇	-25.1%	⬇	-10.9%
Round eggplants	KG	3,730	2,375	2,685	⬆	13.1%	⬇	-14.4%	⬇	-7.3%
Tomatoes	KG	5,813	3,278	3,069	⬇	-6.4%	⬇	-52.5%	⬆	16.1%
Spong gourd	KG	2,904	2,551	2,373	⬇	-7.0%	⬇	-28.1%	⬇	-8.2%

* Food items for calculate the monthly per capita cost of a basic food basket.

Note: Price data and change are reported in nominal terms/prices, i.e., prices observed in the marketplace.

Change in the price:

- ⬆ Increase when % > 5
- ➔ Stable when % between 5 and -5
- ⬇ Decrease when % < -5
- No prices recorded

Annex 2: Retail prices and changes in 10 Tonle Sap provinces as of March 2026

Food commodity	Unit	Jan'26	Feb'26	Mar'26	Change compared to Feb'26	Change compared to Dec'25	Change compared to Mar'25	
Ridge Gourd	KG	2,900	2,591	2,625	→	1.3%	↓ -17.1%	↓ -5.4%
Green papaya	KG	1,586	1,766	1,884	↑	6.7%	↑ 21.2%	↑ 12.8%
Long bean	KG	3,922	3,241	3,000	↓	-7.4%	↓ -24.0%	↓ -13.8%
Banana flower	KG	2,500	2,585	2,571	→	-0.5%	→ 4.2%	↓ -12.2%
Cauliflower	KG	3,897	3,729	4,342	↑	16.4%	↓ -8.6%	→ -3.1%
Chinese Kale	KG	3,339	3,926	4,147	↑	5.6%	↑ 7.7%	↑ 10.6%
Orange-flesh Sweet Potatoes*	KG	2,893	2,825	3,025	↑	7.1%	↑ 11.2%	↑ 17.6%
Garlic	KG	6,479	6,534	6,750	→	3.3%	→ 2.3%	↓ -16.6%
Ripe tamarind (with seed)	KG	4,226	3,545	3,850	↑	8.6%	↓ -28.9%	↓ -35.8%
Ripe tamarind (No seed)	KG	-	-	11,000	●	-	-	→ -4.3%
Water lily	KG	2,100	-	-	●	-	-	● -
Climbing wattle	KG	9,917	-	10,214	●	-	↓ -18.3%	↑ 20.2%
Lufa Gourd leaf	KG	-	-	5,000	●	-	-	↓ -9.1%
Agati	KG	-	-	-	●	-	-	● -
Abalone mushroom	KG	7,583	9,000	8,125	↓	-9.7%	→ 4.2%	↑ 6.0%
Cabbage	KG	3,118	2,750	2,650	→	-3.6%	↓ -35.1%	→ -2.2%
Chinese salad	KG	4,028	4,083	3,675	↓	-10.0%	↓ -7.5%	↑ 8.2%
Bean sprout	KG	3,100	3,393	2,800	↓	-17.5%	→ -3.4%	→ 1.8%
Baby watermelon	KG	-	2,000	-	●	-	-	● -
Okra	KG	6,150	5,000	4,900	→	-2.0%	↓ -27.9%	→ 5.0%
Baby corn	KG	7,333	9,333	-	●	-	-	● -
Corn	KG	-	-	-	●	-	-	● -
Palm fruit (sliced)	KG	5,000	5,000	-	●	-	-	● -
Cucumber	KG	2,357	2,071	2,063	→	-0.4%	↑ 10.5%	↓ -21.1%
Taro	KG	4,393	3,900	4,667	↑	19.7%	↑ 5.7%	↓ -18.4%
Chinese radish	KG	2,417	2,583	2,938	↑	13.7%	↓ -13.6%	↑ 20.5%
Bamboo shoot	KG	-	-	-	●	-	-	● -
Ripe Banana	KG	2,236	2,386	2,292	→	-4.0%	↑ 17.0%	→ -2.7%
Ripe Mango	KG	3,000	2,250	-	●	-	-	● -
Pineapple/Anana	KG	2,700	3,000	2,333	↓	-22.2%	↓ -12.5%	↓ -11.1%
Fresh milk	140 ml	1,950	2,000	2,000	→	0.0%	→ 0.0%	↑ 16.5%
Coke	330 ml	2,000	2,000	2,000	→	0.0%	→ 0.0%	→ 2.6%
Gasoline (Regular)	L	3,679	3,736	5,482	↑	46.7%	↑ 45.2%	↑ 40.7%
Diesel	L	3,400	3,421	6,477	↑	89.3%	↑ 82.5%	↑ 86.5%
Fertilizer: Urea	KG	2,723	2,533	2,965	↑	17.1%	↑ 18.1%	↑ 18.0%

Vulnerability Assessment and Mapping (VAM)

World Food Programme Cambodia