

## **RICE PRICES PLUMMET IN NORTH KOREA**

The online newsletter 'Open News for North Korea' has recently reported that the cost of rice in the DPRK has fallen drastically. The report stated, "The price of rice in a number of cities, including Pyongyang, Nampo, Sinuiju, Hyesan, and Chungjin, has fallen an average of 300-400 won since the middle of last month," but noted, "however, this is the nominal price, and considering that North Korea's exchange rate has risen 10-20 percent compared to the Chinese Yuan, the actual fall in price is even greater."

The price of one kilogram of rice in Pyongyang at the end of last month was 1700-1800 won (earlier prices were from 2000-2100 won); In Pyongsong and Soonchun, 1700won (2100 won), in Sinuiju, 1660 won (2000 won), in Hyesan, 1800 won (2500 won at the end of November), and Chungjin, 1800-1900 won (2000-2500 won at the beginning of January).

The newsletter attributed the drop in prices to the fact that rations from last year's harvest were distributed to farmers on collective farms in January, and those farmers are now selling those rations in markets. The article explained that prices drop in January and February every year for the same reason.

In addition, North Korea reported that last year's harvest was the largest in recent years, and that the North had imported large quantities of foodstuffs from China over the past several months. The newsletter stated that this, along with U.S. food aid shipped to Nampo, further added to the drop in prices.

“The North Korean Cabinet handed down an internal order to exchange foreign currency gained through exports until the end of December last year to import as much food as possible,” and the North imported 500 tons of Chinese rice through Sinuiju by January 9. Authorities insisted that after this first import, “[the North] will continue to exchange foreign currency for rice.”

These rice imports are being handled by mining and trade offices, including coal mining companies, the Central Party Underground Special Offices (Reungra Office 88, etc.), Kangsung Trade Office No. 54, which is controlled by the North’s military, Ryongaksan Trade Office, Eunpasan Trade Office.

North Korea is setting aside some imported rice as emergency stores, explaining that they are “in case South-North tensions escalate.”