



Monitoring the Agri-food System in Myanmar

The rising costs of diets and declining purchasing power of casual wage laborers: June 2020–August 2023

We assess changes in food prices and purchasing power of casual wage laborers based on large-scale surveys of food vendors (fielded from June 2020 until August 2023) and households (fielded in 5 periods in 2022 and 2023) in rural and urban areas and in all state/regions of Myanmar.

Key Findings

- Over the full period (June 2020 - August 2023), the cost of the healthy diet rose by 111 percent and the common diet by 130 percent.
- After a reprieve from high food inflation in the first half of 2023, prices increased rapidly in Q3 resulting in a 23 and 27 percent increase in the healthy and common diets, respectively, in August 2023 compared to the previous year, when food prices were already very high.
- Rice – the major staple – prices increased by 67 percent between August 2022 and August 2023.
- Over the full period (June 2020 to August 2023), pulse, pork, and leafy green prices approximately doubled; rice prices nearly tripled; potato and onion prices more than tripled; and oil prices more than quadrupled.
- The value of daily wages of construction and agricultural wage laborers relative to common and healthy diet costs declined by about 18 and 16 percent between the Q2 of 2022 and Q2 of 2023. However, rising wages increased more rapidly in the first half of 2023 while food inflation slowed which stabilized diet adjusted wages.
- Food costs outpaced wages between Q2 of 2022 and Q2 of 2023, making food increasingly unaffordable for wage earners who are among the most vulnerable household groups in Myanmar, particularly in rural areas.

Recommended Actions

- Food should be available at low costs to avoid food security and nutrition problems in the country; assuring a well-functioning agri-food system should therefore be a priority for all stakeholders.
- As casual wage workers are among the poorest and as their situation is worsening, they should be targeted in social safety net programs.

Introduction

This Research Note presents the results of 24 rounds of interviews with food vendors in rural and urban areas throughout Myanmar conducted between June 2020 and August 2023. The purpose of the surveys is to provide data and insights on Myanmar's food markets to interested stakeholders to foster better understanding of the effects of shocks related to COVID-19 and the ongoing political crisis. In particular, the focus of the note is on changes in food prices, their impact on the cost of common and healthy diets, and the purchasing power of casual wages.

Data

MAPSA collects food prices in Myanmar using three sets of ongoing phone surveys. First, the COVID-19 food vendor survey (C19-FV) is MAPSA's longest running food vendor survey in Myanmar. Fifteen rounds of the C19-FV have been completed between June 2020 and August 2023.¹ Second, the Myanmar Household Welfare Survey (MHWS) is a large (minimum 12,000 households per round) panel survey conducted by phone. To date, five rounds have been completed covering the period from December 2021 to June 2023.² MHWS respondents who report having household businesses that sell food (mobile or fixed food vendors and food traders, brokers, or wholesalers) are selected to participate in a food vendor module. Finally, for more frequent and detailed food price monitoring, IFPRI conducts a survey of MHWS food vendors between MHWS survey rounds (MHWS-FV). Four rounds have been completed between March 2022 and August 2023. None of the food vendor surveys are nationally representative. Furthermore, the C19-FV has a greater focus on rural areas compared to the MHWS and the MHWS-FV.³

In all surveys, vendors are asked to report prices for the cheapest common or available variety of ten types of foods: rice, potatoes, pulses, chicken, fresh fish, dried fish, green leafy vegetables, onions, bananas, and oils.⁴ Additionally, the C19-FV and MHWS-FV surveys collect pork prices, in all rounds; egg, tomato, salt, and sugar prices, beginning in 2022; and, garlic, ngapi, and dried chili prices in the most recent round.

Food prices between June 2020 and August 2023

Table 11 presents annual changes in food prices. To reduce the influence of seasonality, we consider changes in food prices in approximately one-year increments. Total changes between the first and final round of the C19-FV survey are also presented, though they may include seasonal effects.

Prices of many foods skyrocketed in 2022 as Myanmar faced a combination of factors including the global food and fuel crises accompanying conflict in Ukraine, the depreciation of the kyat, a change in domestic food policies, and increasing insecurity. For most foods (vegetable oils, potatoes, pulses, onions, fish, and chicken), the largest annual price increases occurred in the year prior to August 2022. For rice, pork, leafy greens, and bananas, the largest annual price increases occurred between August 2022 and August 2023. Rice prices increased by 67 percent between August 2022 and August 2023, while oil prices declined by 12 percent after increasing by 189 percent between July 2021 and August 2022. Over the full period (June 2020 to August 2023), pulse, pork, and leafy

¹ For more information on the C19-FV refer to the following reference: Minten, Bart; Oo, Than Zaw; Headey, Derek D.; Lambrecht, Isabel; and Goudet, Sophie. 2020. Monitoring the impacts of COVID-19 in Myanmar: Food vendors - June and July 2020 survey round. Myanmar SSP Policy Note 30. Washington, DC: International Food Policy Research Institute (IFPRI). <https://doi.org/10.2499/p15738coll2.134015>

² For more information on the MHWS refer to the following reference: Myanmar Agriculture Policy Support Activity (MAPSA). 2022. Phone surveillance, from scratch: Novel sample design features of the nationally representative Myanmar Household Welfare Survey (MHWS). Myanmar SSP Working Paper 16. Washington, DC: International Food Policy Research Institute (IFPRI). <https://doi.org/10.2499/p15738coll2.135837>

³ In the most recent rounds, 84 percent of C19-FV vendors are located in rural areas compared to 66 and 67 percent in the MHWS and MHWS-FV. Furthermore, the C19-FV sample only includes vendors who sell from a fixed location, whereas about 22 and 24 percent of MHWS and MHWS-FV respondents are mobile vendors.

⁴ In the MHWS-FV survey and beginning in 2022 for the C19-FV survey, vendors are asked to report up to 5 common varieties of rice and 6 pulses. For this analysis, we use the price of the cheapest variety reported.

green prices approximately doubled; rice prices nearly tripled; potato and onion prices more than tripled; and oil prices more than quadrupled.

Table 1: Annual and total percentage changes in median food prices, June 2020–August 2023

	Jun 20-Jul 21	Jul 21-Aug 22	Aug 22-Aug 23 [†]	Jun 20-Aug 23 [§]
	C19-FV	C19-FV	C19-FV/ MHWS-FV	C19-FV
Rice	25	33	67	192
Potatoes	10	155	16	250
Oil	65	189	-12	335
Pulses	0	44	41	140
Eggs	-	-	20	-
Chicken	0	29	26	71
Pork	25	20	44	125
Fresh Fish	-10	33	33	60
Dried Fish	0	50	12	87
Leafy Greens	10	0	18	99
Onions	-25	400	-21	250
Tomatoes	-	-	0	-
Bananas	13	11	36	88
Salt	-	-	0	-
Sugar	-	-	36	-
Ngapi*	-	-	43	-
Dried Chili*	-	-	70	-
Garlic*	-	-	90	-

Source: C19-FV (Round 1-15), MHWS-FV (Round 1-4), MHWS (Round 1-5) phone surveys

Note: *Annual changes in ngapi, dried chili, and garlic are reported by respondents in the July/August survey rounds. [†]Percentage change calculated using MHWS-FV and C19-FV August/September 2022 averages and MHWS-FV and C19-FV July/August 2023 averages.

[§]Total changes between the first and final round of the C19-FV survey may include seasonal effects.

Healthy and common diet food baskets between June 2020 and August 2023

Changes in the prices of individual food items do not provide a clear picture of changing food costs faced by households. Thus, changes in household food costs are calculated by comparing the cost of a fixed basket of foods between periods. In this section, we compare the evolving cost of two food baskets in order to understand the evolving costs faced by households with typical consumption patterns compared to costs of acquiring a balanced and healthy diet:⁵

1. **common diet basket:** average regional quantities consumed of foods representative of vendor survey foods as reported by households surveyed in the 2015 Myanmar Poverty and Living Conditions Survey (MPLCS)
2. **healthy diet basket:** average regional quantities consumed of the same foods aligned with a recommended healthy diet ⁶

Figure 1 presents dietary costs of the common diet alongside the healthy diet. Diet costs increased little in the first year of the pandemic and began to rise in the year following the onset of political turmoil. The third quarter of 2022 saw a peak in diet costs followed by a period of reprieve in the second quarter of 2022 and the first quarter of 2023. The reprieve ended in the second quarter of 2023 with particularly large increases in diet costs in the third quarter – an approximately 25 percent increase between February and August 2023. Diet costs reached a new peak in August 2023, a 23 and 27 percent increase compared to the previous year, when diet costs were already very high. Over the full period (June 2020–August 2023), the cost of the healthy diet rose by 111 percent and the common diet by 130 percent. A report by the World Food Programme indicates that a simple basket of foods used for price monitoring increased by only two percent between August

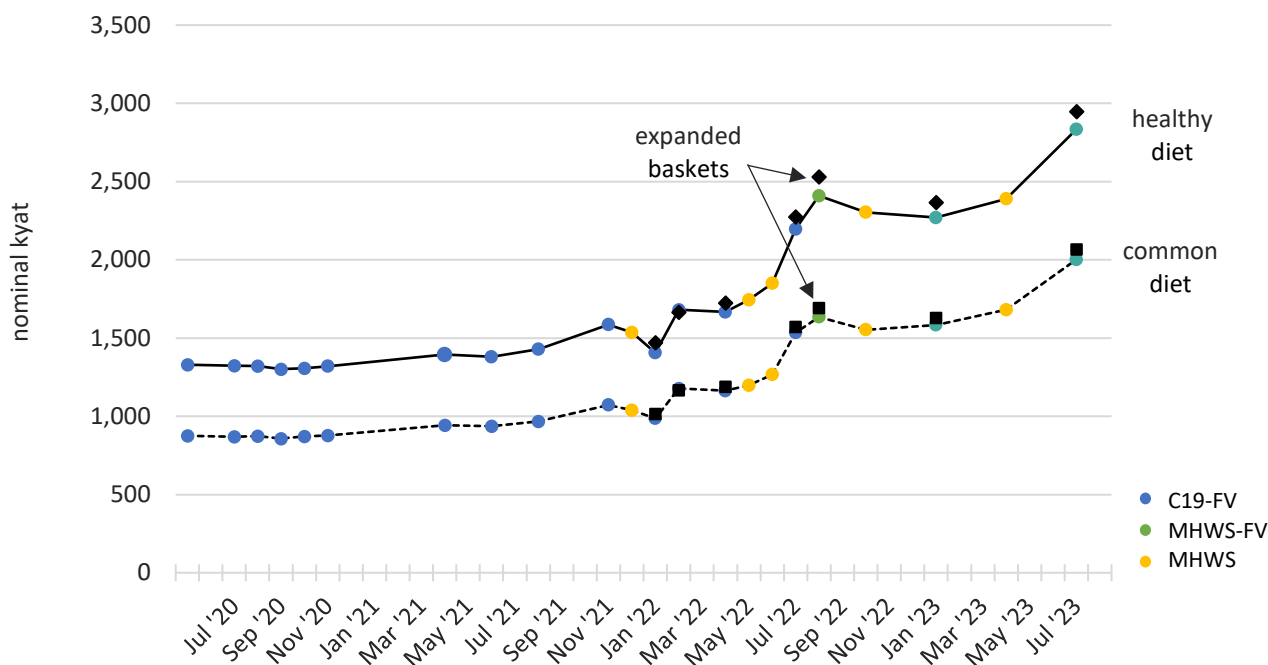
⁵ We evaluate the cost of these two stylized diets using the limited items in the vendor surveys with the aim of tracking changes in healthy diet costs, rather than providing a nuanced estimate of costs faced by households of varying compositions.

⁶ Healthy diet guidelines are adapted for an adult woman from the Myanmar food based dietary guidelines for pregnant and lactating women applied to the foods in the vendor surveys in proportions reported in the 2015 MPLCS. Zaw, H.M.M., C.M Thar, and W.T.K. Lee. 2022. Myanmar food-based dietary guidelines for pregnant and lactating women. Nay Pi Taw, Myanmar: FAO.

and September 2023, seemingly partly linked to stabilizing informal exchange rates during that period.⁷

Despite considerable differences in the composition of the two baskets, diet costs follow a remarkably similar path, with the common diet increasing by a similar or greater degree than the healthy diet throughout the survey periods. This is due to the greater influence of staple foods and oils in the common basket compared to the healthy diet basket, which over the full period increased at a greater pace than the other foods, with the exception of onions (Table 1). Though the gap between the two diets narrowed, the cost of the healthy diet remained significantly higher than the common diet – 52 percent higher in June 2020 (1,329 kyat versus 875 kyat) compared to 42 percent higher in August 2023 (2,834 kyat versus 2,002 kyat).

Figure 1: National trends in the cost of healthy and common diets, June 2020–August 2023



Source: C19-FV (Round 1-15), MHWS-FV (Round 1-4), MHWS (Round 1-5) phone surveys

Note: Diet costs are estimated using the basic food list which does not include eggs, pork, or tomatoes. Expanded food baskets include eggs, pork, and tomatoes. February/March and July/August 2023 results are averages of overlapping C19-FV and MHWS-FV surveys.

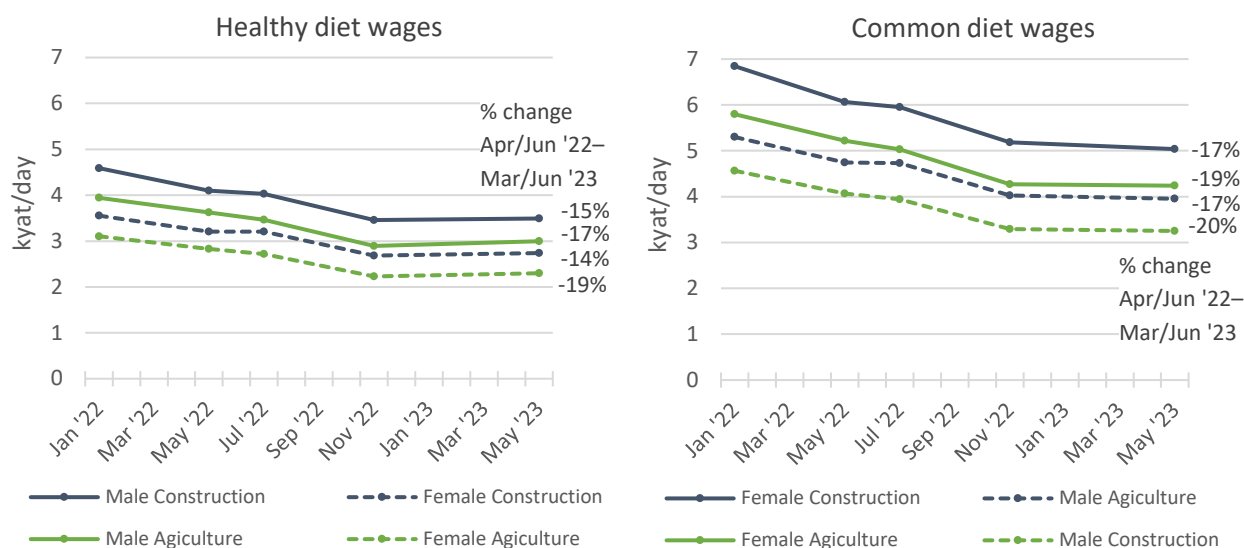
Healthy and common diet adjusted wages

We also consider the buying power of poor and vulnerable populations represented by the ratio of wages to common and healthy diet costs – the number of common or healthy diet baskets a single worker can purchase with a day's wage (Figure 2). We focus on changes in wages between rounds 2 and 5 of the MHWS to reduce the influence of seasonality. The MHWS asks respondents to report daily wages in their communities for male and female construction and agricultural workers. Between April–June 2022 and March–June 2023, nominal urban construction wages increased by 10 percent and rural agricultural wages increased by 16 percent. However, during the same period, urban and rural healthy diet costs rose by 29 and 41 percent, and urban and rural common diet costs rose by 32 and 44 percent, respectively. Consequently, the value of daily construction and agricultural wages relative to healthy diet costs declined by 15 and 18 percent, and relative to common diet costs declined by 17 and 19 percent, respectively (Figure 2). In other words, food costs have outpaced wages, making food increasingly unaffordable for wage earners who are among the most vulnerable household groups in Myanmar, particularly in rural areas.

⁷ WFP (World Food Programme). 2023. Myanmar Market Price Update, September 2023. Yangon, Myanmar.

However, rising wages increased at a faster pace in the first half of 2023 while food inflation slowed which stabilized diet adjusted wages. Between the fourth quarter of 2022 and the second quarter of 2023, wages increased more than between earlier MHWS survey rounds while food inflation slowed. As a result, healthy diet wages increased slightly while common diet wages stagnated. Though we have evidence that food prices increased in the third quarter of 2023, we do not have evidence of how wages have evolved.

Figure 2 Healthy and common diet adjusted wages, December 2021–June 2023



Source: MHWS-FV (Round 1-5) phone surveys

Note: The figures show rural agricultural wages and urban construction wages.

Diet adjusted wages are the ratio of daily wage rates to the cost of the urban and rural healthy diet (basic food list), respectively.

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