



# MYANMAR

## MARKET PRICE UPDATE

February 2022



### Highlights

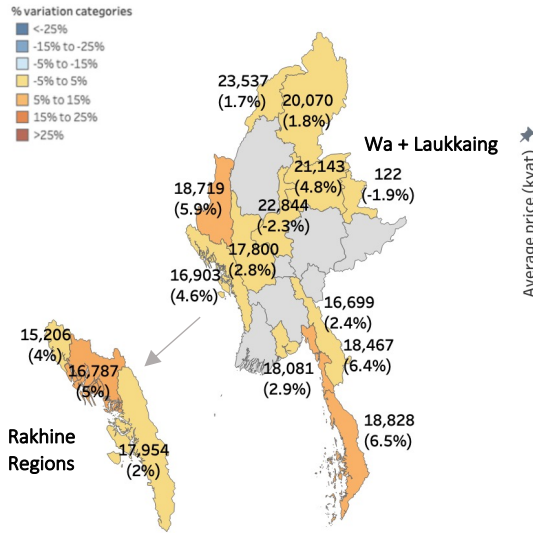
- Fuel prices increased by +7% from January to February and again by +18% from February to March amidst global uncertainty, causing transportation costs to rise again - a key driver of increasing retail prices. By mid-March, fuel prices were more than double that seen in February 2021 (+133%)
- Insecurity continued to disrupt supply and affect stock availability and prices: For the second month in a row, WFP was unable to collect prices in Shadaw or Hpasawng, Kayah; heavy fighting in Puta-O caused route blockages
- Harvest of some commodities (pulses, rice, tomatoes) and increased availability contributed to declining prices in some areas, but no major declines seen due to rising costs to transport goods (except for tomatoes which are sold more locally when in season)
- Edible oil prices also rose again by 9-11% as local exchange rates (with Thai Baht, USD) deteriorated in February (+78-79% compared to one year ago)
- The cost of the basic food basket overall was stable compared to January, but remains +27% higher than the same time last year.

# Food Basket

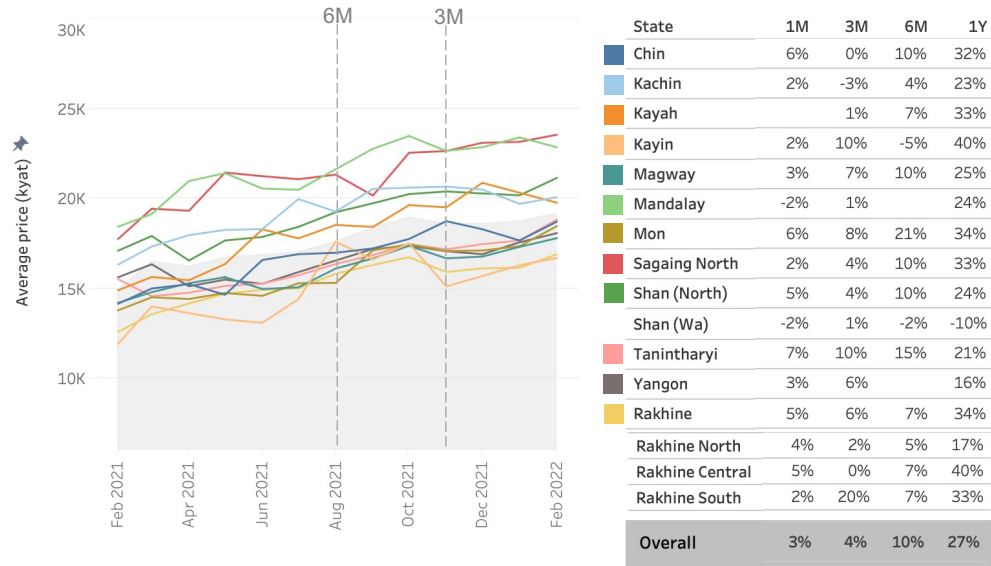
The average basket price<sup>1</sup> was again relatively stable (+3%) but remains +27% higher than the same time last year. Higher increases were seen in Chin (+6%) where conflict has disrupted supply and some traders are commenting on low stock or running out of stock. In Tanintharyi and Mon, increases of +6-7% were mostly related to rising oil prices and transport costs. In Wa region, prices are now presented in Chinese Yuan (CNY) as the primary currency in use in the area, and the cost of the basket remained stable.

## Basket

### Month-on-Month Change by Area/State



### Average Price Trends by Area (Feb 2021 – Feb 2022)

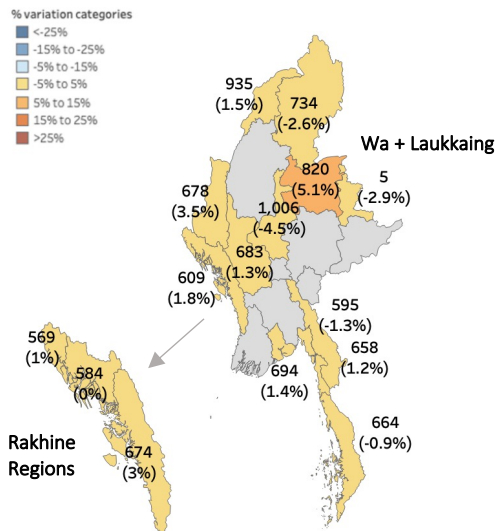


# Rice

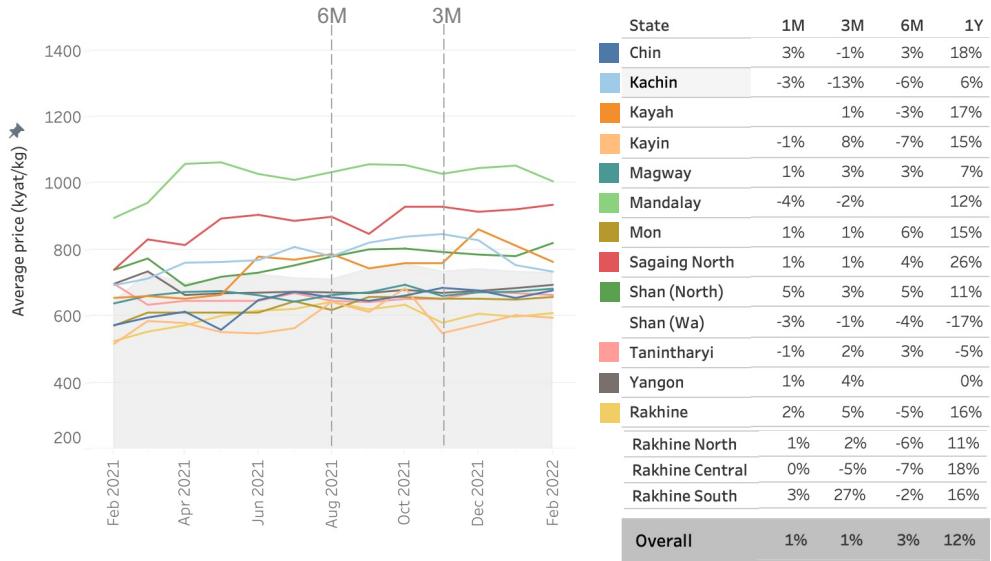
Overall, rice prices continue to be relatively stable following the rice harvest. A slight increase was recorded in northern Shan (+5%) driven by 7-13% increases in Kutkai, Lashio and Namkhan markets. The increases are related to high transport costs as well as disruption of trade routes due to covid (reported in Namkhan). Conflict is causing disruptions in transportation and supply contributed to rising prices in Loikaw (+8% compared to December<sup>2</sup>) and Puta-O (+11%). Additional increases were seen in Myebon (+16%), Gwa (+11%), Kyaukpyu (+9%), Pauktaw (+8%), and Ann (+8%) in central and southern Rakhine due to transportation costs. On the other hand, Chipwi and Waingmaw townships in eastern Kachin saw seasonal declines of -16-17% in average rice prices. Overall, the average rice price was 12% higher than the same time last year.

## Rice

### Month-on-Month Change by Area/State



### Average Price Trends by Area (Feb 2021 – Feb 2022)







Edible oil prices increased considerably again in February (+9-11% compared to January 2022), driven by worsening exchange rates and high transport costs. In the Southeast (especially Mon and Tanintharyi) the increases were particularly high for **cooking (palm) oil** (>30%) due to transportation costs and deteriorating exchange rate with the Thai Baht over the course of the month of February. In most states/regions, the average price for a viss of palm oil was around 3,400-3,600 Kyat, with the highest price recorded in Tanintharyi (~4,600 Kyat/viss) and Mon (~4,000 Kyat/viss). The average price one year ago hovered between 1,700 and 2,000 Kyat per viss.

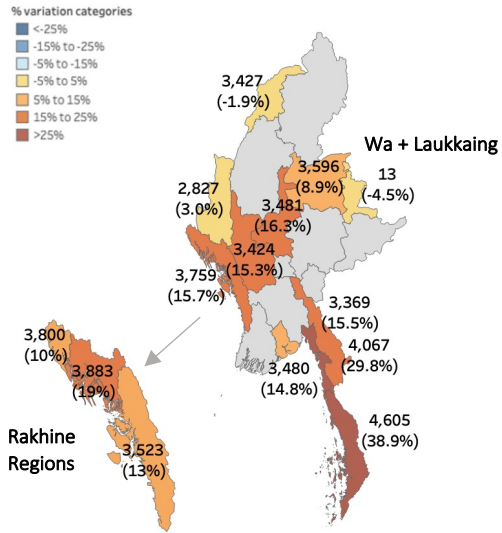
The increase in **mixed oil** price in the central regions of Mandalay and Magway (+15-16%) were also related to deterioration in the exchange rates.

Compared to last year, edible oil prices were 78-79% higher overall, although some areas have experienced much higher year-on-year increases, including: Mon (cooking oil +137%, mixed oil +139%), Tanintharyi (cooking oil +137%), Kayah (cooking oil +109%, mixed oil +120%), central Rakhine (cooking oil +123%), and southern Rakhine (cooking oil +108%).

*\*Note: cooking (palm) oil prices are not presented for Kachin and mixed oil prices are not presented for central and southern Rakhine due to low/inconsistent availability of these products in participating traders' shops.*

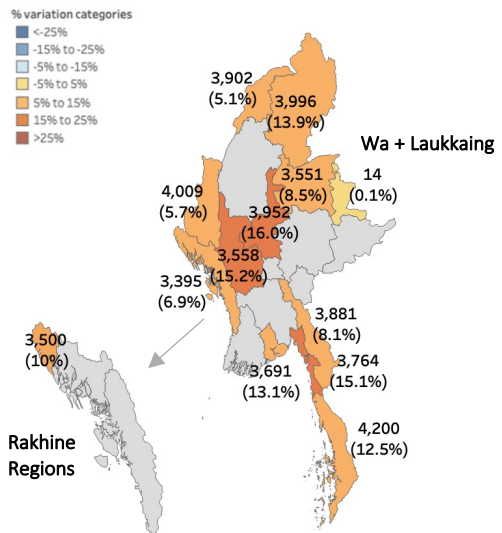
## Cooking (Palm) Oil

### Month-on-Month Change by Area/State

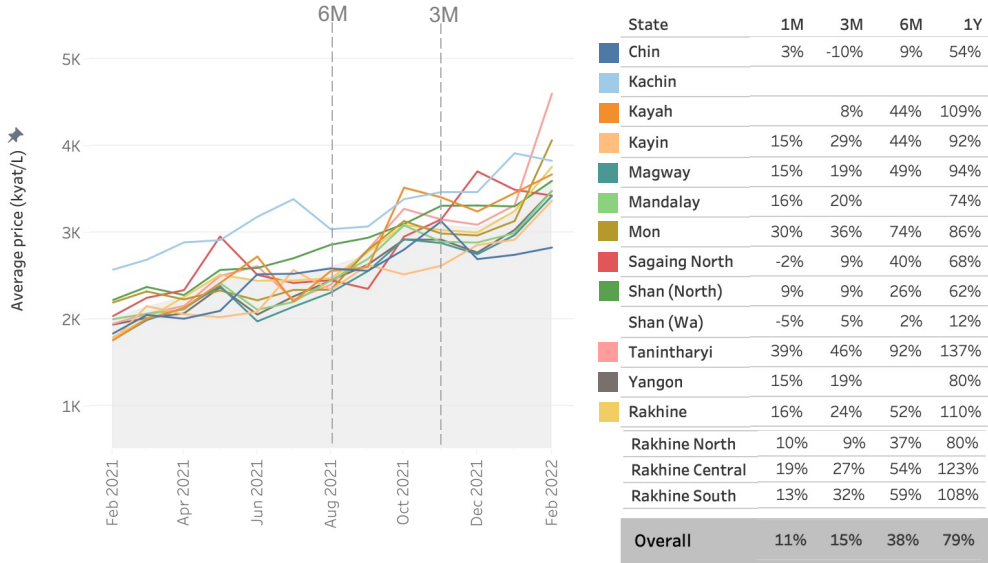


## Mixed Oil

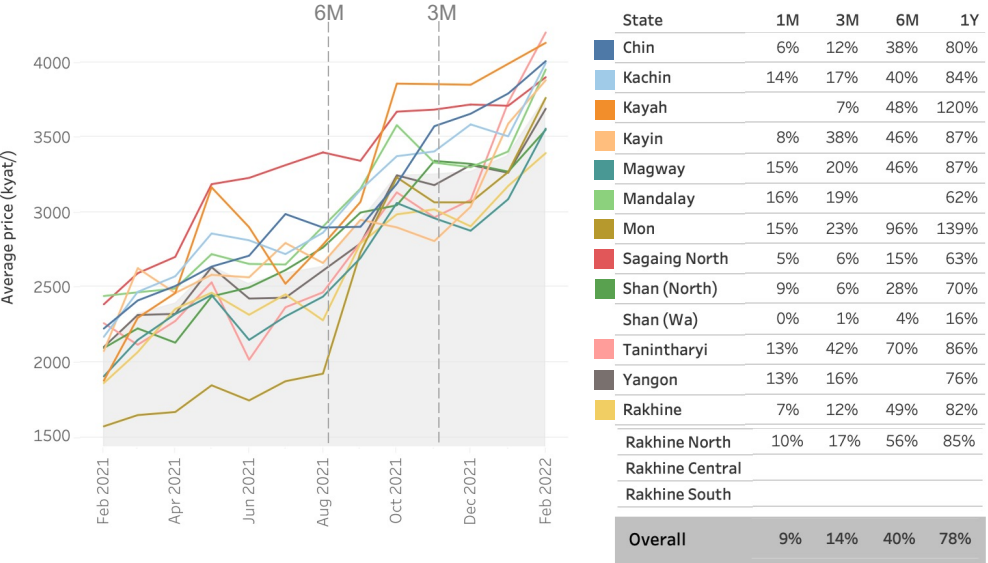
### Month-on-Month Change by Area/State



### Average Price Trends by Area (Feb 2021 – Feb 2022)



### Average Price Trends by Area (Feb 2021 – Feb 2022)

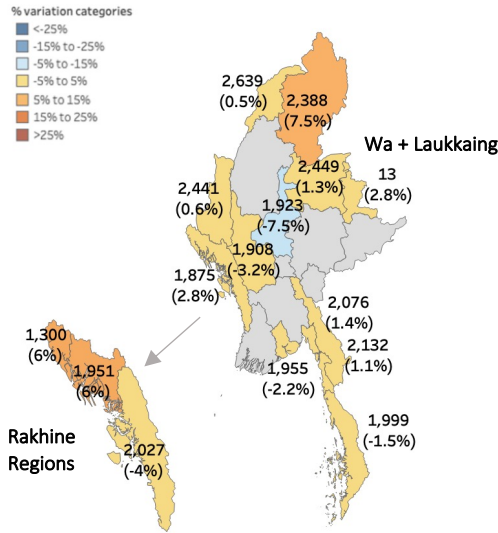


Chickpea prices were relatively stable overall, except for some larger changes in Kachin and northern and central Rakhine. In Kachin, the +7% increase was mainly driven by large increase in prices in Chipwi markets (>1000 kyat/kg increase from January to February) due to increased cost of transport and at distributor in Mandalay. In Rakhine, nearly all townships showed stable or slightly increasing prices due to transport costs; The exception was in Kyaukpyu in southern Rakhine which saw a -34% decline in the average chickpea price due to stocking/sale of a different variety.

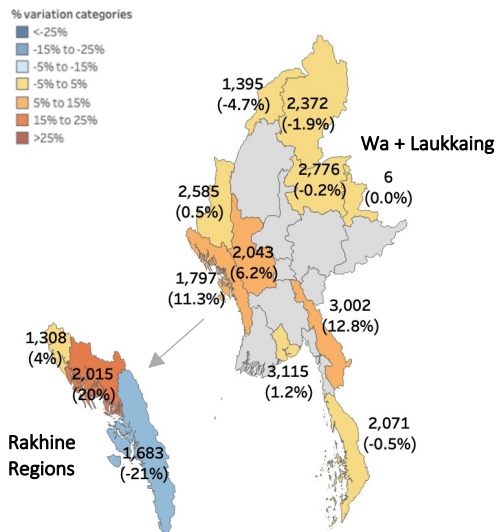
On the other hand, the average prices in Mandalay declined -8% due to harvest and increased availability. In Magway and Yangon, the township level experience was mixed with most showing stability or slight declines but a few reporting slightly elevated prices. However, it should be noted that some producers are reporting higher prices for the new batch of chickpeas due to higher quality beans which will impact seasonal trends locally. Overall, demand also remains strong for chickpeas.

Among other pulses, some notable changes included: a large increase in the price of lentils in Kayin (+13%) related to transport costs; a large increase in central Rakhine in the price of Sar Taw Pea contributing to overall increase of +20%; and a decline of -21% in southern Rakhine due to change in reporting from green pea in January (sold at 3,500 MMK/pyi) to dan pea in February (sold at 2,500 MMK/pyi).

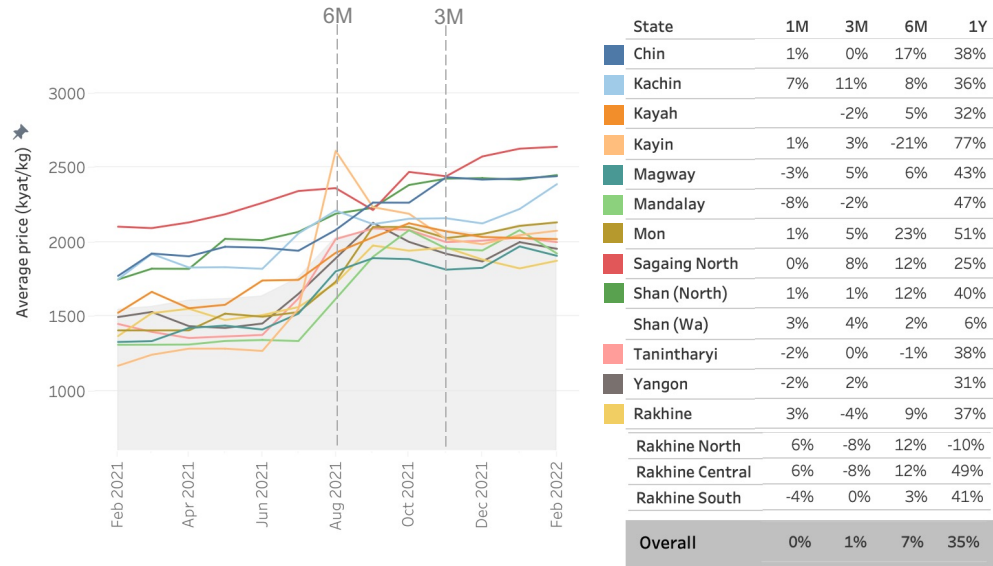
## Chickpeas Month-on-Month Change by Area/State



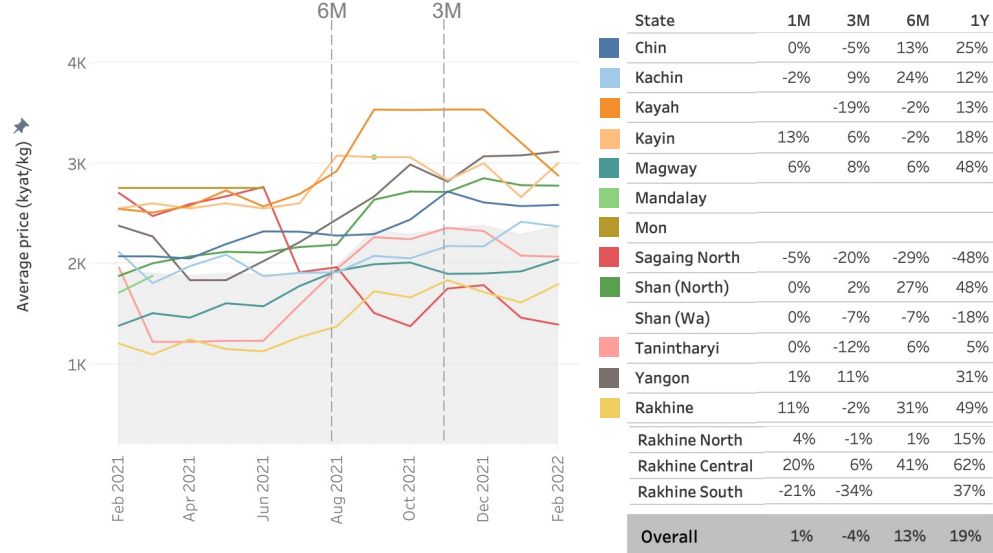
## Other Pulses Month-on-Month Change by Area/State



## Average Price Trends by Area (Feb 2021 – Feb 2022)



## Average Price Trends by Area (Feb 2021 – Feb 2022)



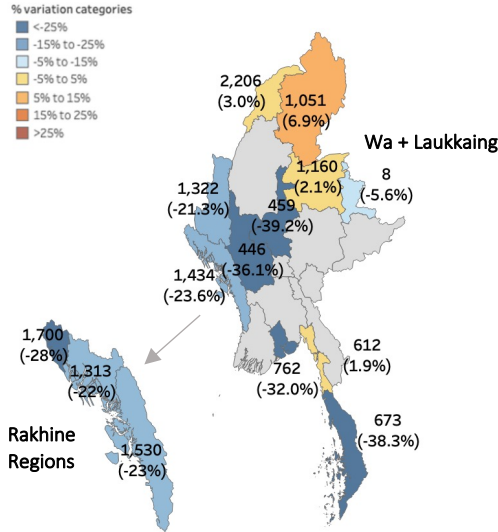
# Tomatoes

The overwhelming trend in tomato prices continued downward in February (-18%), driven by seasonality. The largest declines were seen in Mandalay (-39%), Tanintharyi (-38%), Magway (-36%), Yangon (-32%), and northern Rakhine (-28%). The increase of +7% in Kachin is due to high prices in Shwegu, Mansi and Bhamo in February while most of the rest of the townships reported stable or declining prices. In those three townships, the increase is due to transportation costs from Mandalay.

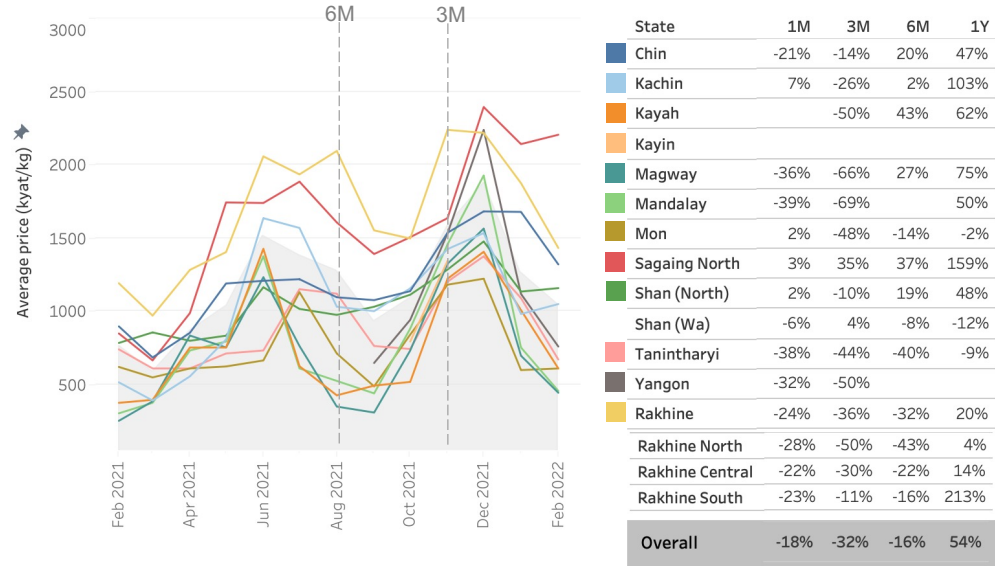
Year-on-year patterns at state/region level are mixed with some states/regions reporting fairly similar prices, while others are more than double (Kachin, +103%; northern Sagaing, +159%; southern Rakhine, +213%).

## Tomatoes

### Month-on-Month Change by Area/State



### Average Price Trends by Area (Feb 2021 – Feb 2022)

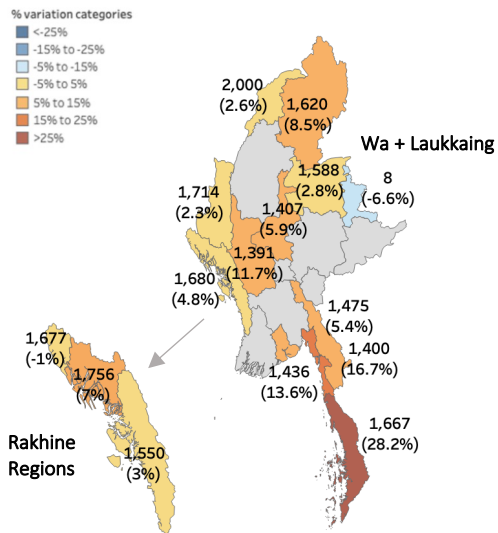


# Eggs

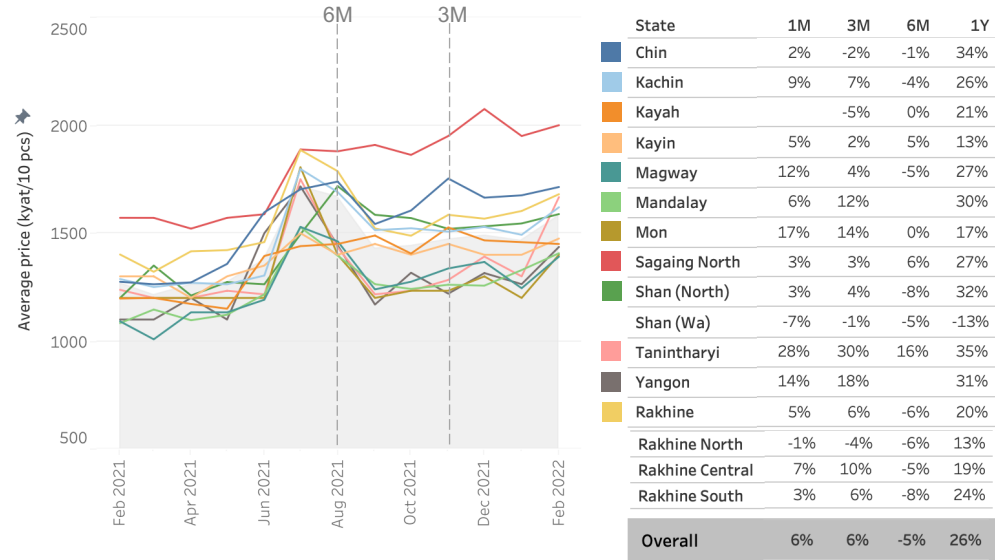
Egg prices increased overall by +6%, with very high prices in the Southeast. These increases in Tanintharyi and Mon are reportedly due to panic buying again as Omicron variant spreads and consumers believe that eggs have a protective effect against COVID. This phenomenon happened also in July 2021 and was responsible for the that unusual peak. However, elsewhere in the country, increases in February were reportedly more linked to transport costs and difficulties. Prices remain elevated in northern Sagaing due to transportation costs. Compared to last year, prices are up +26% overall.

## Eggs

### Month-on-Month Change by Area/State



### Average Price Trends by Area (Feb 2021 – Feb 2022)



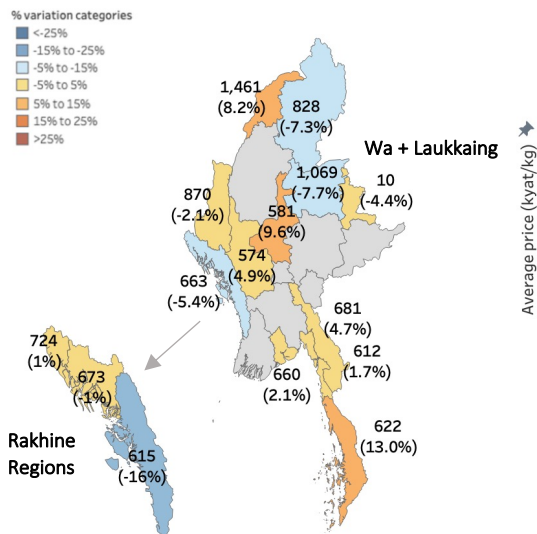


In general, onion prices are relatively stable (-1% overall compared to January 2022), although this masks variation at lower levels. In southern Rakhine there was a consistent decrease in price of onions across all reporting townships given that Magway harvest has begun and transportation to southern Rakhine is smooth. By contrast in Mandalay prices were generally rising again due to transportation costs. In Tanintharyi, the increase of +13% in onion price is mostly due to transportation costs and in Northern Sagaing, the increase of +8% is driven by rising prices in one township (Lahe) due to transportation challenges.

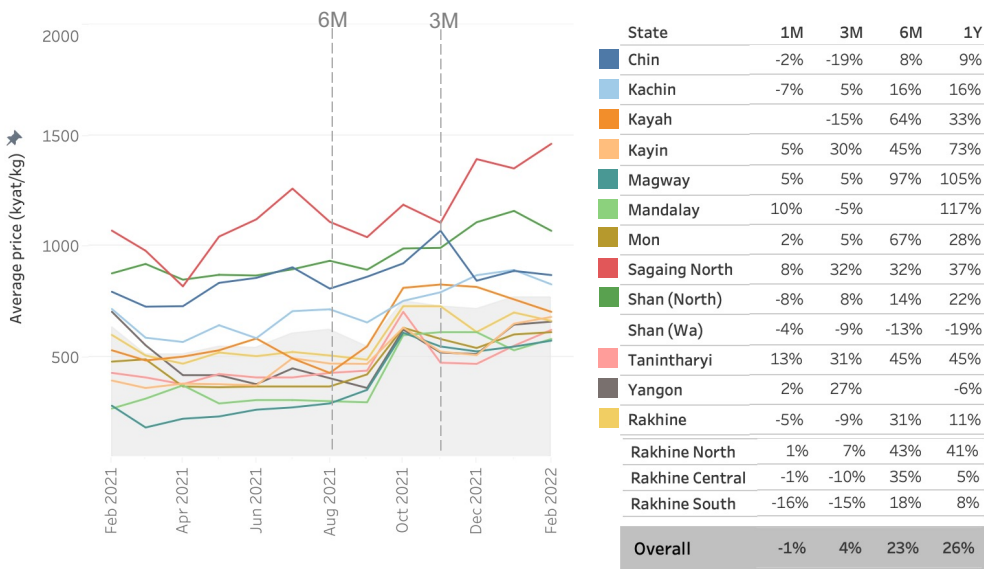
Overall, the average price of onions is +26% higher than the same time last year.

## Onions

### Month-on-Month Change by Area/State



### Average Price Trends by Area (Feb 2021 – Feb 2022)

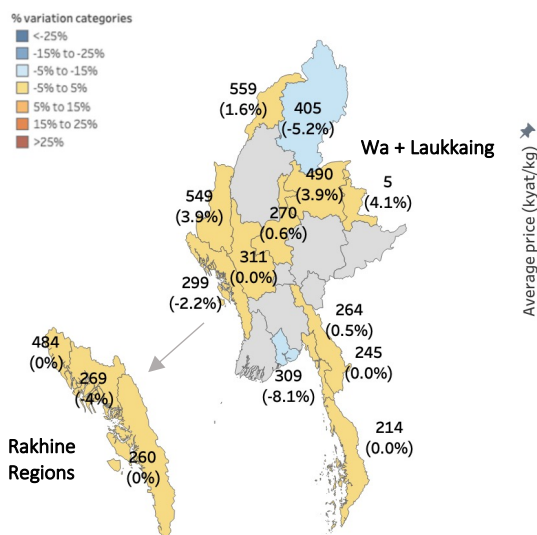


## Salt

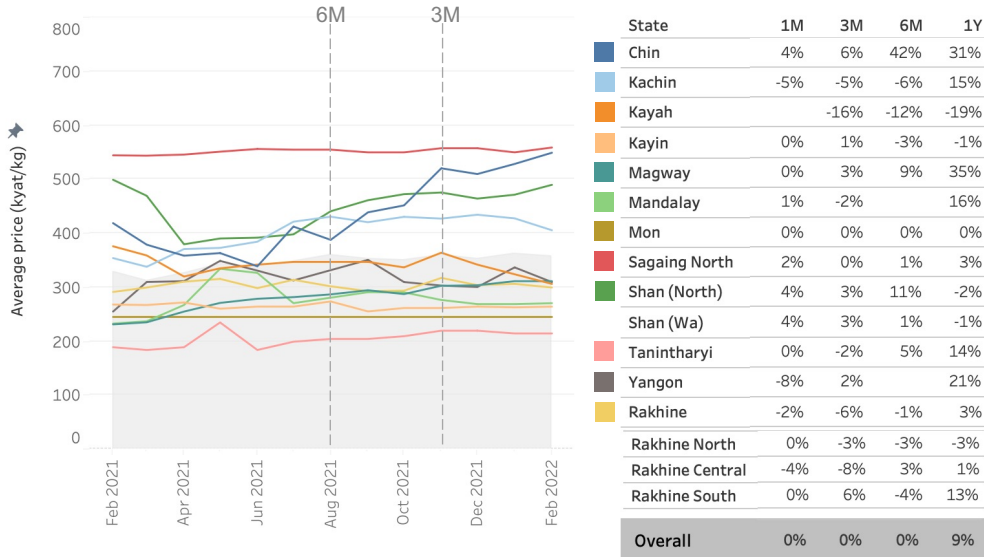
### Month-on-Month Change by Area/State

Salt prices are stable overall. Looking at the monthly trends over the past several months, Chin and northern Shan stand out as having steadily increasing prices for most of 2021 due to limited stock availability and transportation costs and restrictions. In Chin, the increase is driven mostly by 3 townships, Matupi, Hakha, and Kanpetlet, while Tonang, Tedim and Paletwa have remained relatively stable in the last 6 months.

Compared to one year ago, average prices are up +9%.



### Average Price Trends by Area (Feb 2021 – Feb 2022)



## Fuel

Fuel prices increased again amidst global uncertainty (+7% between January and February and +18% between February and March), causing transportation costs to rise again - a key driver of rising food commodity retail prices. The trend is expected to continue due to the conflict between Russia and Ukraine and the international community's response.

Comparing the fuel prices in mid-March 2022 to February 2021, prices were more than double overall (+133%), with variations depending on fuel type. Diesel was up +137%, premium diesel +135%, Octane 92 +138% and Octane 95 +122%.

## Trader Feedback

Rising edible oil prices dominated the comments from traders, linked to deteriorating exchange rates (USD, Thai Baht) and high transportation costs. Areas more dependent on importing of food items either from other states/regions (such as from the dry zone areas) or internationally (such as from Thailand in the southeast) are particularly affected by high transport costs. In parts of Chin, the insecurity is affecting food stock availability and lead times (in addition to prices) due to transport restrictions and required permitting and checks en route. These high transportation costs are passed on to the consumer through higher and higher retail prices.

COVID was raised in the context of elevated prices for eggs in the southeast (high demand) and in Namhkan where the trade route was shut for 2 weeks in order to control the spread of COVID-19.

Security concerns were mentioned particularly by traders in Puta-O due to heavy fighting.

## Issues to watch

- Fuel price volatility and the knock-on effects on retail prices as international prices spike due to Russia-Ukraine conflict
- Increasing prices of eggs amidst wave of COVID-19, already underway in Southeast
- Additional travel restrictions and market closures due to COVID-19
- Ongoing: Transportation restrictions particularly in areas of high insecurity limit traders' ability to open, re-stock, and conduct business. It is also affecting demand and access by consumers and households as purchasing power is declining and households are adjusting buying habits
- Ongoing: Cash liquidity, limited and intermittent cash transfer services, and higher transfer fees remain issues for traders
- Ongoing: Continued volatility in exchange rates at local levels

## More information



<sup>1</sup> The basic food basket is comprised of standardized quantities of rice, chickpeas, oil (palm or mixed depending on availability in the market) and salt for a typical household

<sup>2</sup> Retail prices were not collected in any township in Kayah in January 2022 due to insecurity. Thus comparisons from February 2022 are made to December 2021.