

SAVING
LIVES
CHANGING
LIVES



World Food
Programme



MYANMAR

MARKET PRICE UPDATE

June 2021

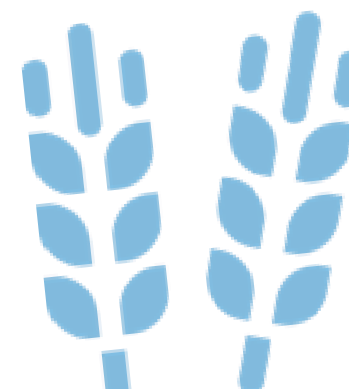


HIGHLIGHTS

- ★ The average price of edible oils appears to be stabilizing following improvements in global production conditions and supply. However, recovery will continue to be slow with oil prices in June still +51% higher than the same time last year.
- ★ Rice prices continue to increase, up +3% compared to May, +13% compared to pre-crisis (January 2021) and +18% compared to the same time last year. These seasonal increases are exacerbated by volatile context, high transport costs, and higher local demand.
- ★ Tomato prices see another sharp month-on-month increase of +32% (+48% higher than January 2021) due to low supply, transport delays causing spoilage, and high transport costs.
- ★ Conflict and displacement particularly in Kayah, southern Shan and Chin are causing rising food prices. In Kayah, traders report running out of some stocks including rice due to roadblocks and travel restrictions.
- ★ In urban areas of Mandalay and Yangon, the average prices of rice remained stable or declined slightly (Yangon +1%, Mandalay -3%), cooking oil declined (-13% in both), and mixed oil also declined (Yangon -8%, Mandalay -1%).
- ★ Between mid-June and mid-July, fuel prices overall increased +3-7% by fuel type; the highest monthly increase was seen for diesel in Muangdaw, Rakhine North (+13%). Comparison between the first week of February and the third week of July shows an average percent increase of 48% across monitored townships and fuel types.

Photo: A mobile vendor sells vegetables in an informal settlement in the outskirts of Yangon.

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RICE

Compared to last month, rice prices rose overall by +3%, with the highest increases seen in Chin¹ (+16%) and Kayah (+17%), both hotspots of conflict that has resulted in road blockages and population displacement. Transportation challenges are further exacerbated by rainy season conditions that cause additional delays. The rest of the country reported relatively stable prices (between -5% and +5% compared to last month), including in the urban monitored areas of Mandalay and Yangon. At township level, the highest month-on-month increases were seen in Shadaw, Kayah, (+26%), Hpasawng, Kayah (21%), and Tanai, Kachin (18%).

Compared to pre-crisis (January 2021), overall rice prices increased by 13%. Seven areas saw increases of 10% or more - central Rakhine (+24%), Kachin (+21%), Chin (+17%), Sagaing (+16%), northern Rakhine (+11%), Southeast, and Shan (+10% each). Two townships have seen over 50% increase, Namtu (+67%), and Minbya (+58%), while 9 have experienced >30% increase since January - Hkamti, Sagaing (+47%), Rathedaung, central Rakhine (45%), Puta-O, Mansi, Chipwi, and Bhamo in Kachin (+32-43%), Nanyung, Sagaing and Hpasawng, Kayah (31% each), and Myebon, central Rakhine (+30%). Much of it is due to the current political context, transportation challenges, and the banking issues.

When compared to the same time last year (June 2020), rice prices were +18% higher overall, with nearly all monitored areas experiencing higher prices than last year (except of Kayin which had lower rice prices by -2% compared to the same time last year). The highest increase was seen in southern Rakhine (+48%).

¹ Commodity price monitoring has resumed in Matupi, but not in Mindat or Kanpetlet.

² Of the 9 monitored areas in the country, 7 consistently report on mixed oil (not southern Rakhine or central Rakhine) and 8 consistently report on cooking oil (not Kachin).



OIL

Mixed oil (MO) and cooking (or palm) oil (CO)² prices appeared to stabilize in June following months of steeply rising prices. Compared to May, the overall average price of cooking oil was down -1% and mixed oil was down -3%. However, at area-level, the variation was more nuanced. Yangon, Mandalay, southern Rakhine, Magway and Sagaing all recorded decreases in the price of cooking oil compared to last month (-8% to -17%), while Chin reported an increase of +20%. Shan, Southeast, northern and central Rakhine remained stable (between -5% and +5%). At township level, the highest month-on-month increase for cooking oil was in Paletwa, Chin (+50%). Paletwa relies mostly on waterway transport - with water levels not increasing in June combined with broader travel restrictions in current context, the frequency of transport decreased and the cost increased, affecting the price of several commodities.

For mixed oil, Shan saw an increase of +8%, while prices in the rest were either stable or slightly lower than last month. At township level, the highest increases for mixed oil were in Lahe, Sagaing (+25%) and Kutkai, Shan (+13%). This pattern of overall stabilizing or decreasing prices reflect improvements in the global production of edible oil, although a full recovery will be slow and domestic prices continue to be hampered by high transportation costs, banking issues, and COVID-19 restrictions.

Compared to pre-crisis and to the same time last year (June 2020), oil prices remain inflated - average cooking oil and mixed oil prices are +37% and +34% higher than seen in January and 51% higher than last year.



CHICKPEAS

Overall, the price of chickpeas remained stable **compared to May** (+2%), with little variation across areas except in southern Rakhine where chickpea prices rose by 11%. However, this reflects more of a return to recently observed prices for the area following a sharp drop in prices last month, particularly in Ann township which saw a dip in average price of chickpeas in May (to 1,163 kyat/kg) that returned in June to an average price of 1,836 kyat/kg. In Mandalay and Yangon, overall price change from last month was stable (1-2%), but a few townships saw larger increases, namely Chanmyathazi (+17%) and Kyeemyindaing, Yangon (+16%).

Compared to pre-crisis, average chickpea prices were 6% higher: Southern Rakhine, Kachin, Chin, and Shan saw the highest change from January of +16%, +13%, +12 and +9% respectively. At township level, highest increases were in Mongton, Shan (+46%), Tanai, Kachin (+44%), and Namtu, Shan (+42%).

Compared to the same time last year (June 2020), chickpea prices are elevated around the country, with an overall increase of +11%. In Shan and southern Rakhine, average chickpea prices were +31% and +25% above the same time last year, Kachin was +13%, and Sagaing, Chin and the Southeast were +7-10% higher. High prices for chickpeas stem from seasonality, high demand amidst lower production, as well as high transportation costs.



PULSES

Compared to last month, the overall average price of pulses declined by -2%, although most areas saw general stability in month-on-month pulse prices. Markets in Yangon saw an increase of +10% and in Chin saw an increase of +6%. Compared to the same time last year, the average price of pulses increased +12%.



EGGS

Compared to last month, egg prices increased slightly (+4%), with highest increases in Chin (+18%), southern Rakhine (+9%), and Mandalay (+8%). **Compared to pre-crisis**, southern Rakhine, Chin and Magway saw increases of +24%, +17% and +11% respectively for eggs. At township level, prices have risen the most since January 2021 in Kyaukpyu, southern Rakhine (+50%), Mrauk-U, central Rakhine (+37%), and Paletwa, Chin and Minbu, Magway (+25% each). According to external sources, the price increases for eggs reflect a confluence of high demand due to panic-buying amidst rumors that eating eggs can help prevent COVID-19, and supply disruptions at farm and retail levels, driven by both the pandemic and the current political context.³



ONIONS

The overall price of onion remained stable **compared to last month**, although month-on-month increases were noted in Magway (+13%), northern Rakhine (+10%), and Sagaing (+8%). **Compared to pre-crisis** (Jan 2021), average onion prices remain depressed (-15%).



TOMATOES

Tomato prices continue to rise for the third month in a row, up +32% on average **compared to last month**. In Kachin, the average tomato price more than doubled, in Magway and Mandalay, it increased by +64% and +73% respectively. Central and northern Rakhine reported high increases of +32% and +45% respectively, while in the Southeast, the price increased by +39%. Compared to pre-crisis, the overall price of tomatoes is up +48%. The high prices reflect short supply, delays in transport resulting in high spoilage, as well as high transport costs.

³ Vice World News. 19 July 2021. "Egg Crisis adds to Coronavirus Misery in Myanmar"



SALT

Overall average salt prices remain stable both **compared to last month** and **compared to pre-crisis (January 2021)**. However, at area level, there's wider variation when compared to pre-crisis prices. Three states saw high increases when compared to January 2021 (Magway +27%, Kachin +13%, southern Rakhine +7%), while 2 areas saw decreases (Chin -20% and central Rakhine -6%). At township level, the highest increases were in Mansi, Kachin (+53% compared to last month and +61% compared to pre-crisis) and Natmauk, Magway (+14% compared to last month and +60% compared to pre-crisis).



FUEL

From mid-June to mid-July, the majority of monitored townships experienced increases of between +3% and +7% for all fuel types with the exception of northern Rakhine which saw an increase of +13% for diesel and a small decrease of -4% for Octane 95 in Muangdaw, and stability in most fuel types in Buthidaung following a high percent increase last month (mid-May to mid-June). In Dawei, which also saw high increase last month (mid-May to mid-June), the monthly percent changes this month (mid-June to mid-July) were also relatively stable (+1% increase for all fuel types).

Comparing the price change from the first week of February to the third week of July, octane 95 has increased +43% over the monitored townships, octane 92 by 58%, diesel by 46% and premium diesel by 45%.

The data was collected between 15th and 25th of June by WFP and cooperating partner staff.

Coverage (including Mandalay and Yangon): 12 states/regions, 73 townships, 116 markets, 249 traders/shops.



TRADER FEEDBACK

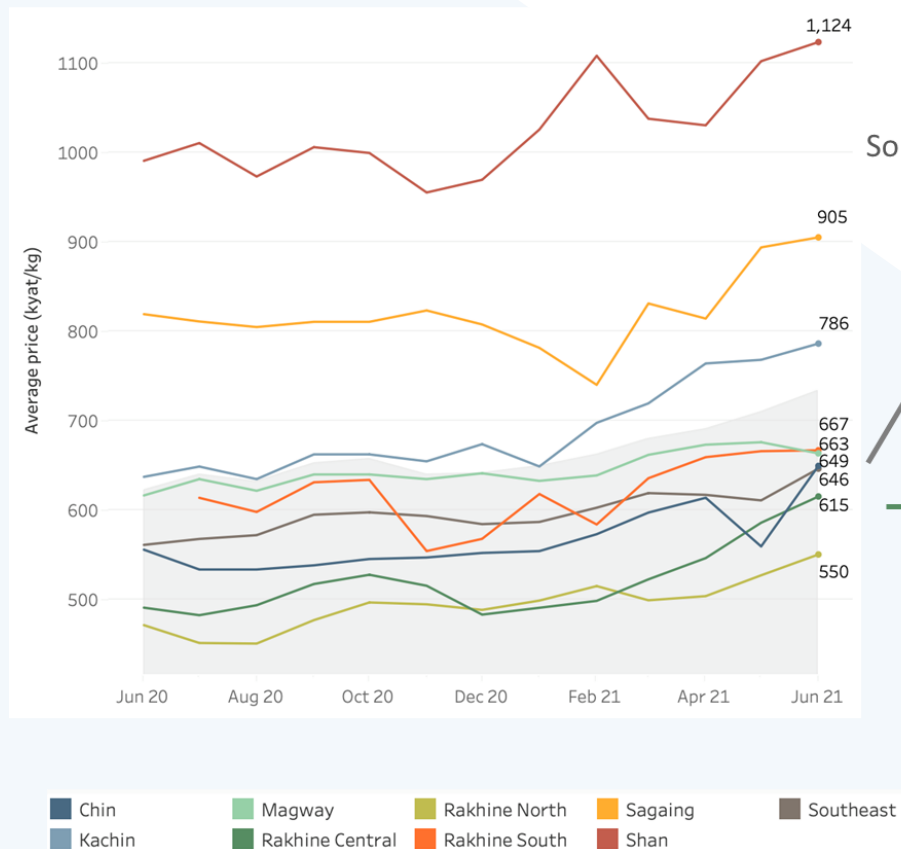
This month, trader feedback focused on the increases in rice and tomato prices particularly. For rice, comments point to the overall volatile context and transport challenges, while for tomatoes, the low production and delays in transportation also play a role. Transportation challenges are mentioned almost everywhere due to current context and exacerbated by rainy season conditions, but most notably in Chin and Kayah where some routes are entirely blocked due to the conflict due to the escalating conflict in these states. Banking issues and the worsening exchange rates are mentioned by a few traders as continuing problems and restrictions due to COVID-19 is mentioned as rising problem. In Shan, the exchange rate increased slightly again, from 245 MMK/Yuan last month to 250 MMK/Yuan in June.



ISSUES TO WATCH

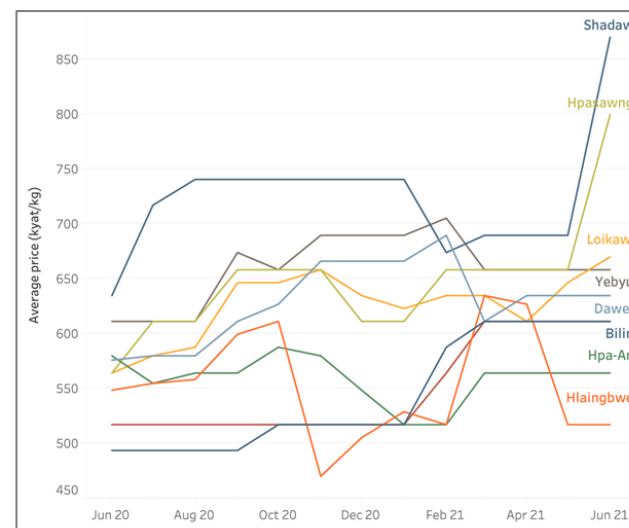
- ◆ Declining stocks and rising prices in areas heavily affected by conflict and displacement (Kayah, Chin)
- ◆ Impact of COVID-19 (restrictions, consumer behaviour) on prices amidst rising 3rd wave of infections
- ◆ Continued transportation challenges nationwide
- ◆ Inflation (USD/MMK and CNY/MMK) and access to cash (bank limits)

PRICE TRENDS FOR RICE BY AREA



Southeast

Central
Rakhine

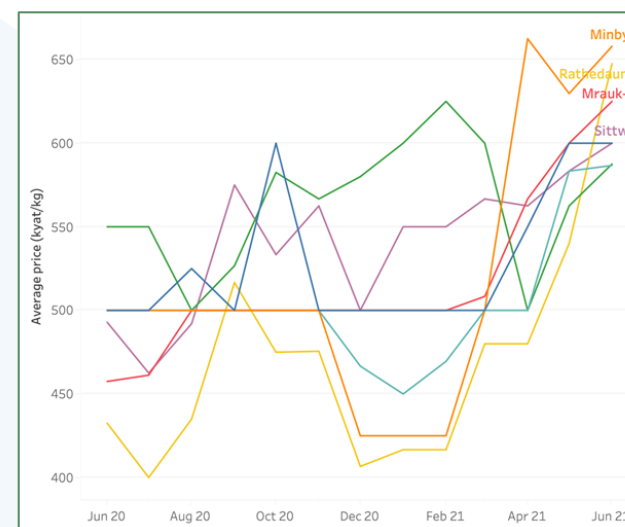


Shadaw, Kayah

- +26% compared to last month
- +17% compared to pre-crisis
- +37% compared to last year

Hpasasawng, Kayah

- +21% compared to last month
- +31% compared to pre-crisis
- +42% compared to last year



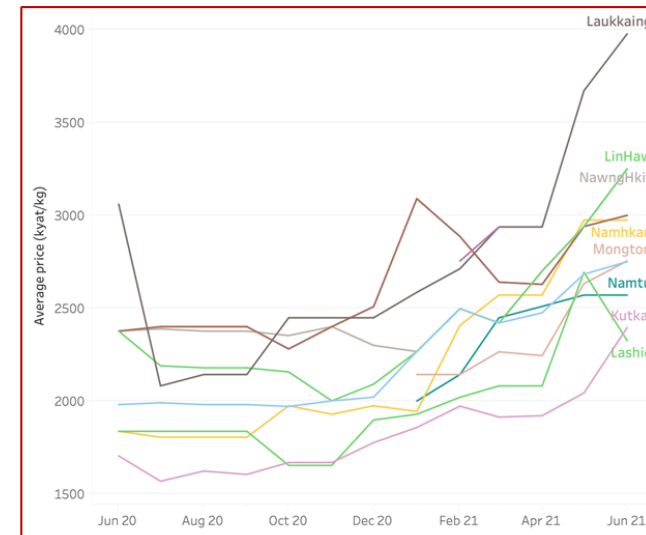
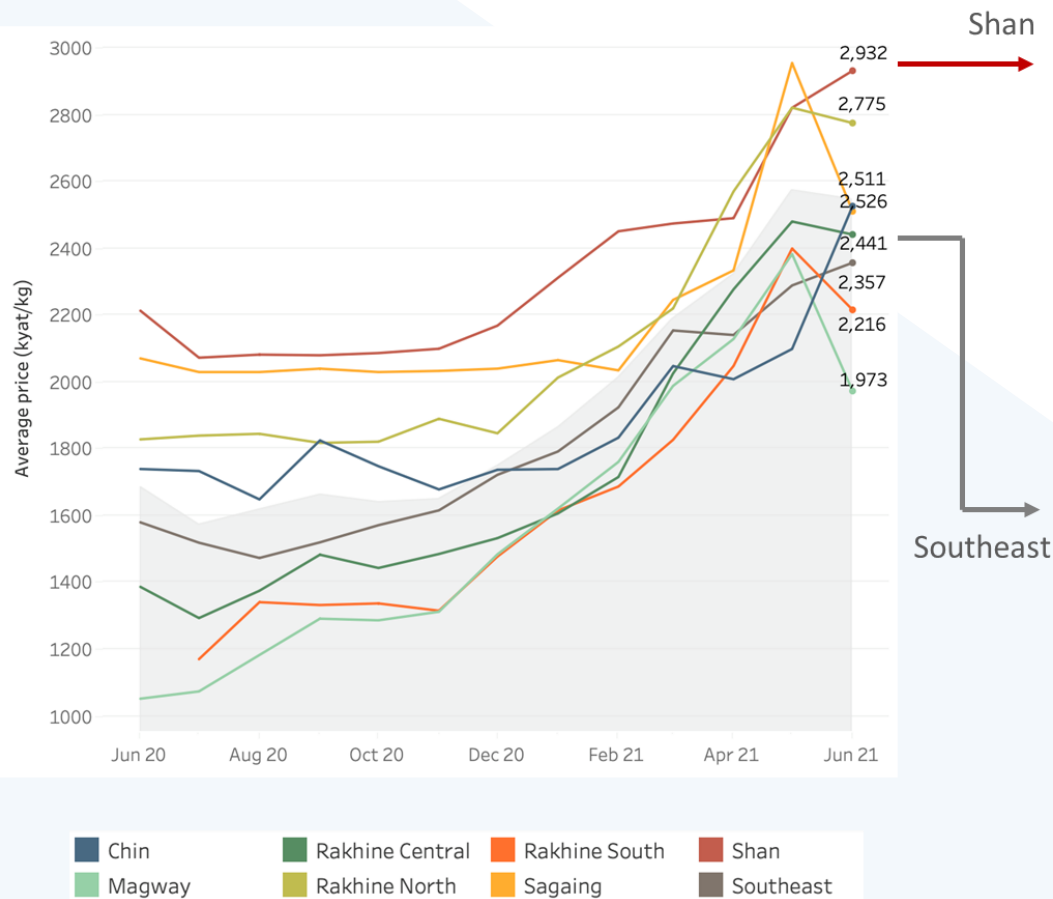
Rathedaung

- +20% compared to last month
- +55% compared to pre-crisis
- +50% compared to last year

Minbya

- +4% compared to last month
- +55% compared to pre-crisis
- +32% compared to last year

PRICE TRENDS FOR PALM OIL* BY AREA

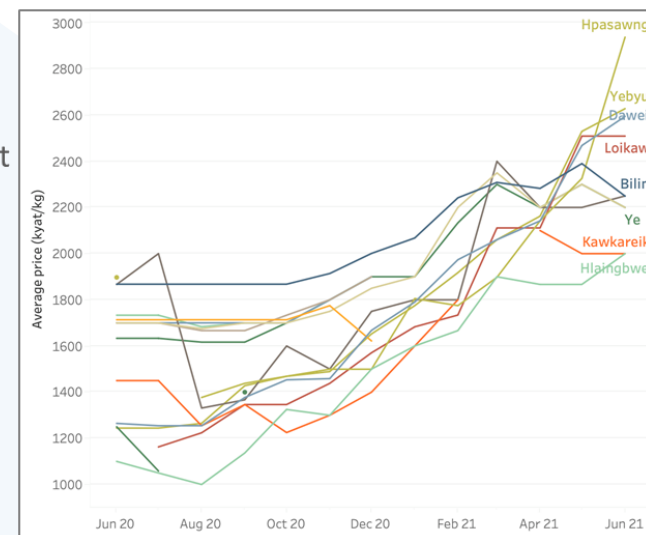


Laukkaing

- +8% compared to last month
- +54% compared to pre-crisis
- +30% compared to last year

Kutkai

- +17% compared to last month
- +29% compared to pre-crisis
- +41% compared to last year



Hpasawng, Kayah

- +26% compared to last month
- +63% compared to pre-crisis
- +55% compared to last year

Dawei, Tanintharyi

- +5% compared to last month
- +45% compared to pre-crisis
- +105% compared to last year

* 1 of the 9 monitored areas (Kachin) does not consistently report on palm oil prices and is excluded from the graph