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World Food
Programme



MYANMAR

MARKET PRICE UPDATE

July 2021



HIGHLIGHTS

- Overall, prices of key commodities were mostly stable when compared to June 2021 (rice +1%, cooking oil +2%, mixed oil +4%), with the notable exception of egg prices that increased dramatically in July (+26%), and a smaller but steady increase in the price of chickpeas (+5%).
- However, the overall stability masks variations at lower levels, with some areas experiencing higher price increases across a range of commodities due mostly to the surge in COVID-19 cases and ensuing mitigation measures (travel restrictions, stay-at-home orders, shop closures) that caused disruption in transportation and supply chains.
- For eggs, the steep increase was due mostly to a surge in demand amidst rumors that eggs boost the immune system against COVID-19, while for chickpeas, the price increase is due to low production this year and strong local demand. Prices for both commodities are also affected by transportation challenges and the increasing cost of transport.
- For oil at area and state levels, disparities in price variation compared to last month can be seen, with higher increases recorded for mixed oil in Chin (+10%) and Magway (+7%) and for cooking oil in Magway (+9%) and Yangon (+5%). These increases were related to transport challenges mentioned above.
- In Kayin, the prices of cooking oil, mixed oil, and chickpeas increased much more than elsewhere (+23%, +9%, +22% respectively) due to inaccessibility from COVID-19 travel restrictions, shop closures, compounded by extensive flooding in the second half of July.
- 16% of traders said they were experiencing scarcity in stock this month, a sharp increase from 5% last month. In addition, 19% said that if they ordered now, they did not think they could receive the goods within a week, with nearly half of them saying it would take 3-4 weeks. This is up from 8% last month.

Photo: A vendor sells food and non-food commodities in Nagaland ©WFP/NokTun

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MARKET FUNCTIONALITY

Each month, traders are also asked about their perspective on commodity availability and the stability of supply and of commodity prices. This month saw a noticeable increase in the proportion of traders experiencing scarcity in any products (16% compared to 4-5% in the past two months) and those who did not expect to receive products within a week of ordering (19% compared to 7-8% of traders in the last two months). In addition, 17% of traders indicated their stock would not last more than a week under normal customer demand and 8% worried that they would completely run out of stock for some commodities within the next week. These responses reflect the major disruption of the supply chain in July that mostly related to the travel restrictions imposed in response to COVID-19 surge in infections, but also to ongoing transportation challenges in the current context.



RICE

Rice prices were largely stable this month, up +1% overall compared to June 2021. Of the eleven monitored areas, eight had stable rice prices (between -4% and +4%), while two areas saw small increases (+5% in central Rakhine and +6% in Kachin) and there was a decline of -6% in rice prices in southern Rakhine. In Kachin, five townships (Mansi, Chipwi, Tanai, Mogaung, and Waingmaw) saw rice prices increase by +8% or more, with the highest in Waingmaw (+22%). In central Rakhine, the highest month-to-month increases were in Pauktaw and Sittwe (+10-11%). Outside of these two areas, Tonzang, Chin also saw a sharp increase of +15% in rice prices compared to last month. These price increases were attributed to the lockdown and travel restrictions associated with the third wave of COVID that exploded in July across the country.

While seasonal price increases for rice can happen at this time of year, the comparison with the same time last year (July 2020) indicates a

much steeper rise over the last several months than usual, attributable to the combination of COVID-19 restrictions and ongoing transport challenges. In July, overall rice prices were +16% higher than the same time last year, with four areas (Central and Northern Rakhine as well as Kachin and Chin) seeing between +25 to +32% higher prices in July than the same time last year.



OIL

Mixed oil and cooking (or palm) oil¹ prices for the second month in a row were stable overall after the steep increase seen since late 2020. The majority of areas saw stable prices, with the highest percent increases recorded in Magway for both cooking oil (+9%) and mixed oil (+7%), and Chin for mixed oil (+10%). If disaggregated by state, Kayin rice prices rose by considerably more, at +23%. While the COVID lockdown and associated travel constraints were the primary driver of rising oil prices in Magway and Chin, flooding in Kayin in mid - to late-July further exacerbated supply issues and therefore prices in the state. The townships that saw the highest increase in palm oil were Kawkareik and Hlaingbwe in Kayin (+30%), Toungup in Rakhine (+26%), Pakokku, Magway (+17%), and Hlaingtharya, Yangon (+16%). For mixed oil, Hakha, Chin saw an increase of +43%, while Dawei and Ybu, Tanintharyi saw increase of +18% and +16% respectively, and Namhkan, Shan experienced an increase of +18%. Traders in these areas again primarily point to the COVID-19 restrictions imposed in July and low stocks causing rising prices.

It is important to note that while retaining some overall stability in month-on-month prices, oil prices remain substantially higher than the same time last year, averaging +61% and +65% higher for mixed oil and cooking oil respectively.

¹ Of the 11 monitored areas in the country (including Mandalay and Yangon), 9 consistently report on mixed oil (not southern Rakhine or central Rakhine) and 10 consistently report on cooking oil (not Kachin).



EGGS

Compared to last month, egg prices increased dramatically (+26%), reflecting the surge in demand for eggs as preventative or boosting of the immune system against COVID-19 and worsened by the supply and transport disruptions. Most areas saw increases of between +18% and +38%, except in northern Rakhine (+63%) and Chin and Shan which saw lower increases of +7% each. At township level, seven townships had price increases of +50% or higher for eggs (+62-65% in Buthidaung and Maungdaw, northern Rakhine; +60% in Tanai, Kachin, +56% in Bilin, Mon, and +50% in Ye, Mon, Toungup southern Rakhine, and Dawei Tanintharyi). Not surprisingly, given this extraordinary surge in demand, the price of eggs compared to pre-crisis and to the same time last year was +34 and +36% higher respectively.



CHICKPEAS

Chickpea prices rose by +5% compared to June 2021 and were +11% and +19% higher than pre-crisis and the same time last year respectively. The increase is reportedly due to low production/yield this year amidst high local demand and compounded by high transportation costs. Highest increases were seen in Yangon and Kachin (+13-14%), followed by Southeast (+9%), and Magway and southern Rakhine (+8% each). Compared to pre-crisis and to the same time last year, southern Rakhine and Kachin experienced the highest increases, +25% and +27% compared to pre-crisis, and +47% and +32% compared to the same time last year.



PULSES

The average overall pulse price remained mostly stable again compared to last month (-2%), to pre-crisis (+2%), and to the same time last year (-1%). However, this overall stability masks wide variation in prices at area-level, with higher month-on-month increases seen in central Rakhine (+23%), Magway (+13%), and southern Rakhine (+11%). These increases are largely due to low pulse production this year and increased local and international demand.



ONIONS

Compared to last month, onion prices rose +9%, although they remain lower than pre-crisis (January 2021) by -8% and about the same price as seen the same time last year (-1%). Northern Rakhine, Kachin, Yangon and Sagaing experienced higher increases compared to last month (+25%, +22%, +19%, and +12% respectively). Much of the price increases relate to supply challenges from transport issues and declining shop stocks.



TOMATOES

Tomato prices appear to be stabilizing and even declining in many areas as tomato harvest comes in. The main exceptions were seen in Mon and Tanintharyi (+70% and +57% respectively compared to last month), and a moderate increase in Sagaing (+8%). In Mon and Tanintharyi, the increase is explained by the travel restrictions due to COVID-19 whereby transporters are unable to bring in new supply and local supply of tomatoes is depleted.



SALT

The average salt price was +5% compared to last month and compared to pre-crisis. However, compared to the same time last year, the overall price of salt is stable (+1%). In Chin, salt prices rose by +22% although they remain lower than the same time last year (-22%). Kachin and southern Rakhine both saw salt prices rise by +10% compared to last month, with both average prices substantially higher than seen at the same time last year (+27% and +35% respectively). Fluctuating and increasing salt prices is not unusual during the rainy season as local production in many areas halts and supply becomes dependent on transportation from other areas.



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 Maungdaw, 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%.



TRADER FEEDBACK

The dominant comments from traders who experienced price increases reflected the challenging environment under COVID-19 third wave, characterized in July by stay-at-home orders, travel restrictions and shop/market closures. Many saw their food stocks declining with inability to restock in time given the transport disruption. The comments about the surge in demand for eggs was repeated by traders across most areas. In Kayin, the flooding compounded the availability issues causing prices to increase even further.

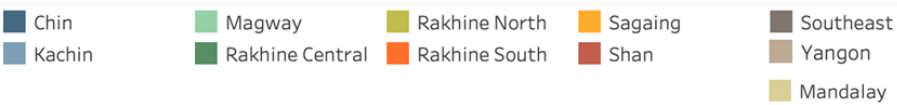
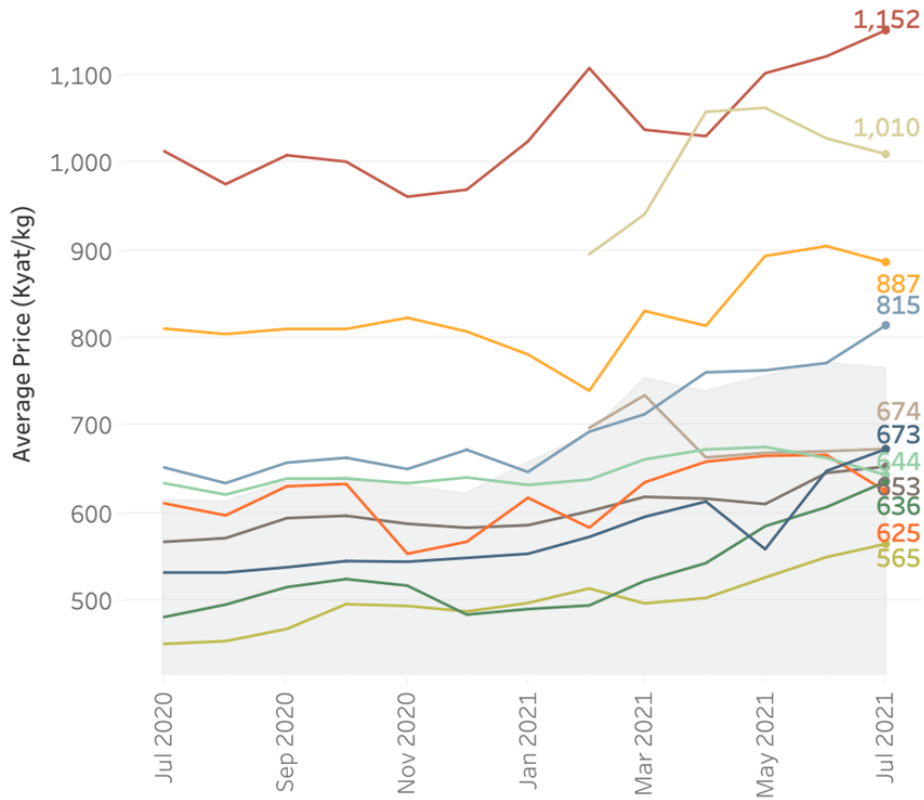


ISSUES TO WATCH

- ◆ Worsening supply/transportation challenges from blocked roads, travel restrictions, etc. that have led to reduced frequency of transport and rising transportation costs
- ◆ Ongoing impact of COVID-19 spread on travel and shop closures
- ◆ Inflation and access to cash as continuing issues
- ◆ Supply disruptions and stock shortages driving up prices

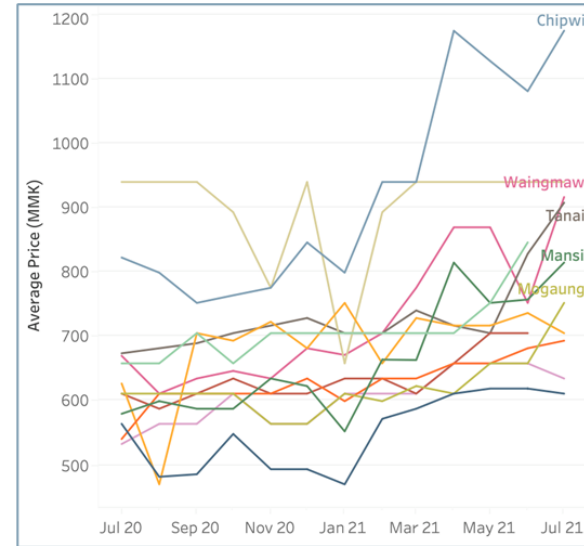
The data was collected between 15th and 31st of July by WFP and cooperating partner staff. Coverage in the month of July (including Mandalay and Yangon): 12 states/regions, 70 townships, 105 markets, 240 traders/shops.

PRICE TRENDS FOR RICE BY AREA (JUL 2020 - JUL 2021)



Kachin

Central Rakhine

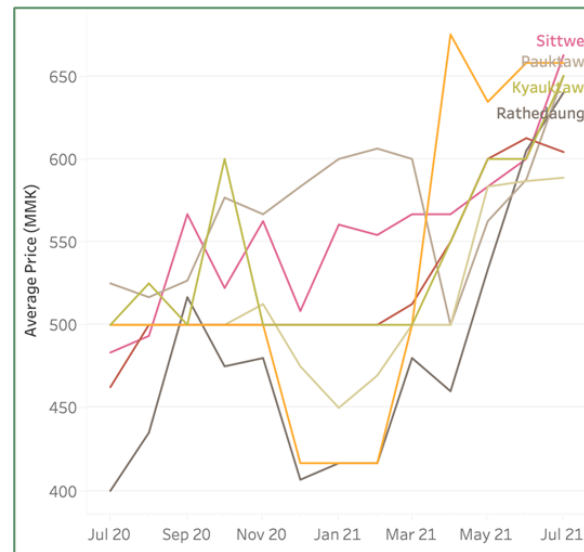


Waingmaw

- +22% compared to last month
- +37% compared to pre-crisis
- +37% compared to last year

Tanai

- +10% compared to last month
- +29% compared to pre-crisis
- +35% compared to last year



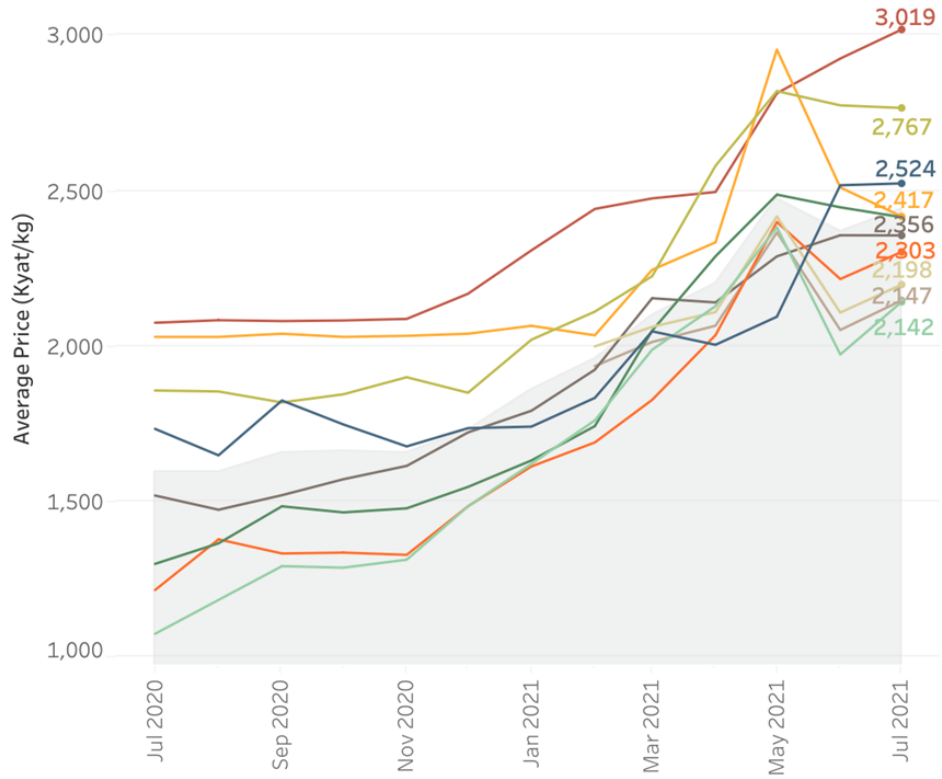
Sittwe

- +10% compared to last month
- +18% compared to pre-crisis
- +37% compared to last year

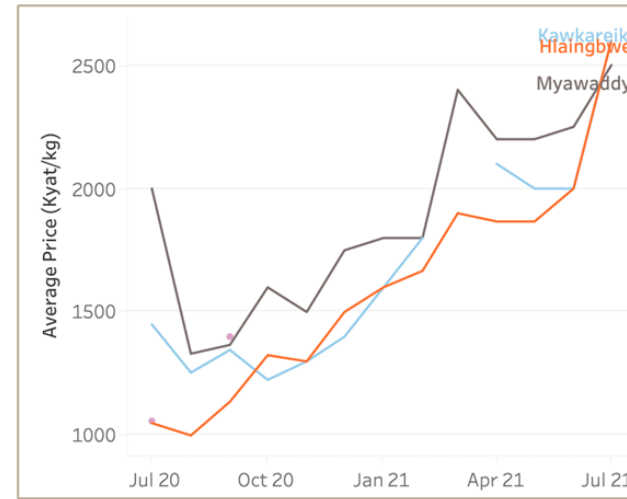
Pauktaw

- +11% compared to last month
- +8% compared to pre-crisis
- +24% compared to last year

PRICE TRENDS FOR COOKING (PALM) OIL BY AREA (JUL 2020 - JUL 2021)



Kayin, SE



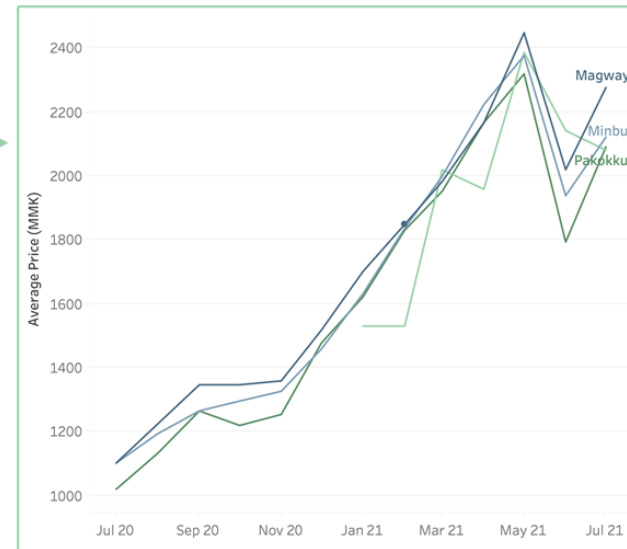
Hlaingbwe

- +30% compared to last month
- +63% compared to pre-crisis
- +148% compared to last year

Kawkareik

- +30% compared to last month
- +63% compared to pre-crisis
- +79% compared to last year

Magway

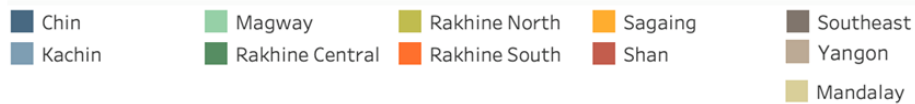


Pakokku

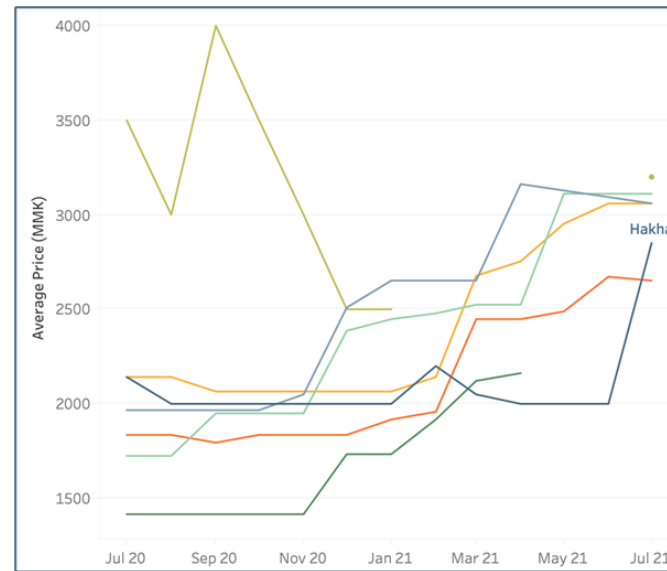
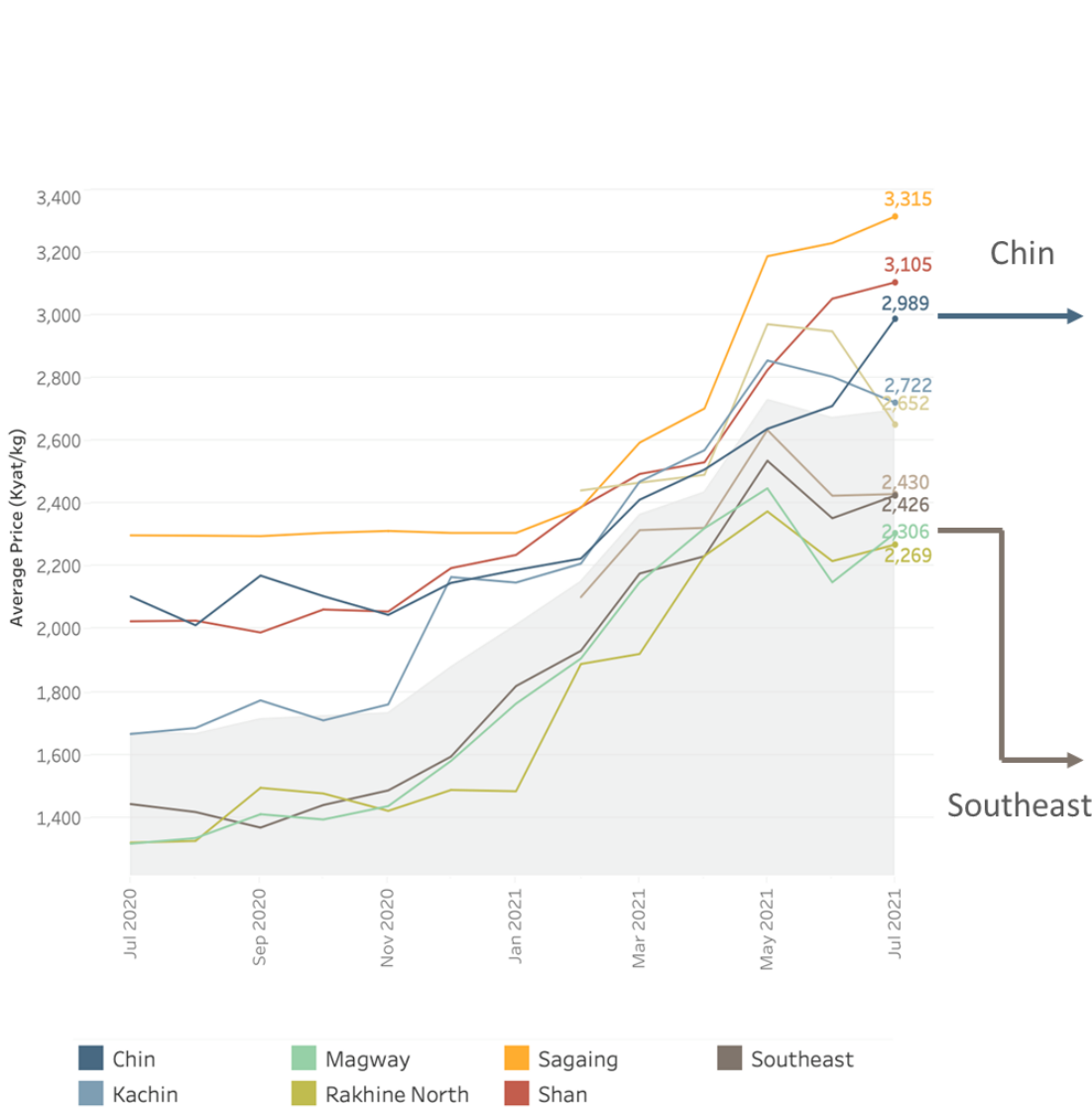
- +17% compared to last month
- +29% compared to pre-crisis
- +105% compared to last year

Magway

- +13% compared to last month
- +34% compared to pre-crisis
- +107% compared to last year

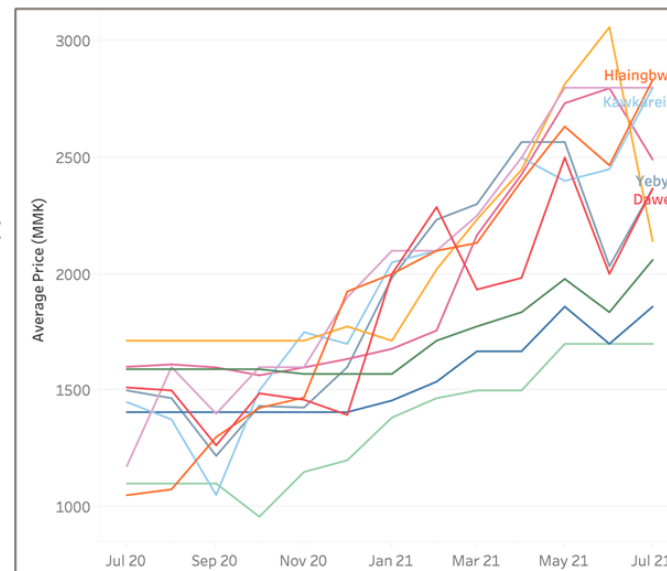


PRICE TRENDS FOR MIXED OIL BY AREA (JUL 2020 - JUL 2021)



Hakha

- +43% compared to last month
- +43% compared to pre-crisis
- +33% compared to last year



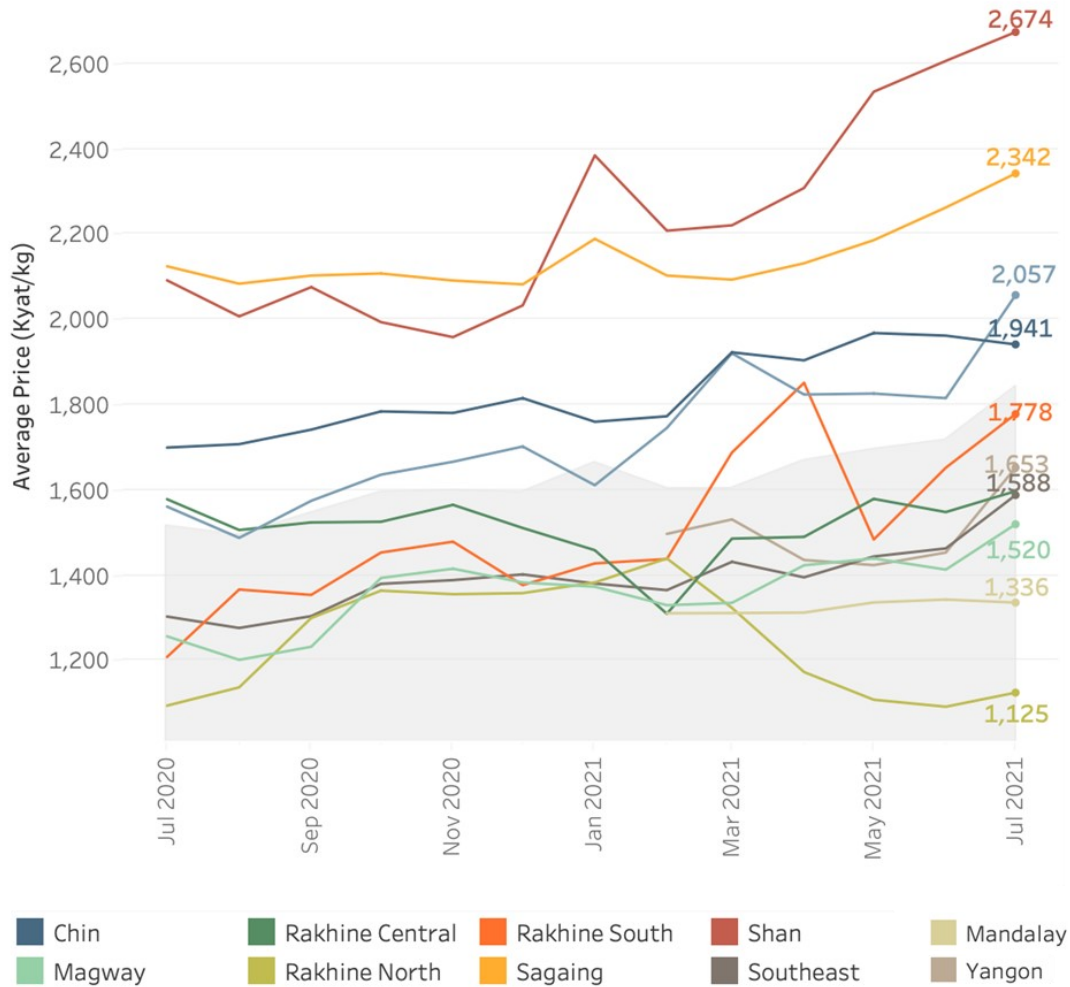
Dawei, Tanintharyi

- +18% compared to last month
- +18% compared to pre-crisis
- +57% compared to last year

Hlaingbwe, Kayin

- +15% compared to last month
- +42% compared to pre-crisis
- +170% compared to last year

PRICE TRENDS FOR CHICKPEAS BY AREA (JUL 2020 - JUL 2021)



Chickpea prices overall increased +5% (Jun-Jul)

- Most increases between +3% and +9%, except:
 - Kachin and Yangon (+13- +14%)
 - Mandalay and Chin (-1%)
- End of harvesting season but yields were low and with higher local demand as well as demand for export export, prices are rising
- Transportation constraints also affecting prices