



World Food Programme

SAVING LIVES
CHANGING LIVES



MYANMAR

MARKET PRICE UPDATE

December 2021



HIGHLIGHTS

- Overall, commodity prices remained broadly stable from November to December, with changes between -2% and +3% for the different commodities except tomato (+10%).
- While rice prices increased overall by +3%, this masked a divergent experience of increasing prices in some areas (+4% in Shan North/East and +6% in the Southeast) primarily due to insecurity that continued to disrupt transportation, versus slightly declining or stable prices in most of the rest of the country following the harvest.
- Compared to one year ago, edible oil prices remained substantially higher (+82% for cooking oil and +88% for mixed oil), while most other commodity prices (except onions, -2%), were elevated by between +15% and +37%.
- Compared to 6 months ago, commodity prices were between +15% and +33% for all commodities except rice (+5%) and salt (+11%).
- Transportation challenges continued to underscore the high food prices around the country. In the southeast, deteriorating security situation and escalating clashes impacted transportation with cost implications across the region, particularly in Kayin and Kayah.
- Fuel prices were stable in December, changing between -1% to +1% depending on the fuel type. They remained +55-65% higher than pre-crisis.
- The exchange rates with the US dollar and the Chinese yuan remained largely stable through December.

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MARKET FUNCTIONALITY

As prices stabilized for the second month, traders also reported greater certainty in the predictability of prices, both looking forward 1 week and 1 month (>90% confident in predicting prices). Very few reported experiencing scarcity in December or worrying about running out of stock (<2%). In general, traders were able to re-stock and 62% report that their stock will last them 3-4 weeks, while 24% report stock will last 2 weeks and 14% report that their stock will last 1 week or less. The majority (91%) expected to receive products within one week of ordering.



RICE

The average rice price remained relatively stable around the country, increasing +3% overall compared to November and remained +2% higher compared to 3 months ago. However, this rising average price masked divergent experiences around the country: In the north and west (Kachin, Chin, northern Sagaing, northern and central Rakhine), the rice prices declined slightly compared to November (up to -2% decline) due to the arrival of the new harvest, while the prices remained mostly stable in Magway and Mandalay; By contrast in Shan North/East and in the southeastern parts of the country, rice prices increased compared to last month primarily due to insecurity disrupting transportation. For example, in Kayah the price increased +13% compared to last month (up +16% compared to 3 months ago), driven by particularly high month-on-month increases in the townships of Shadaw (+33%) and Hpasawng (+11%). In Kayin, rice prices increased by +6% in the townships of Hlaingbwe and Myawaddy.

In Kyaukpyu, southern Rakhine, what appeared as a sharp increase in December compared to last month (+20%) was due to reporting on a lower quality rice that was available in two markets in November (selling for 450 kyat/kg), while in December, the typical low-quality rice returned (selling for between 680-700 kyat/kg at this time). The change from October to December in this same low-quality rice type for Kyaukpyu township was +1%.

In the longer-term perspective, the average overall rice price remained elevated, up +5% compared to 6 months ago and +20% compared to last year. The highest year-on-year increases are in Shan North/East (+34%), Kayah (+30%), central Rakhine (+24%), Kachin (+23%) and Chin (+23%).



OIL

For the second month in a row, average cooking (palm) oil and mixed oil prices showed relative stability across the country, except for palm oil prices in northern Sagaing (+18%), Kayin (+9%) and Chin (-14%). In northern Sagaing, a +36% price increase for palm oil in Lahe was due to closure of waterways between Khamti and Monywa. Compared to 3 months ago, oil prices in December were +14-15% higher; compared to 6 months ago, palm oil was +25% higher and mixed oil was +33% higher; and compared to last year, palm and mixed oil prices were up +82% and +88% respectively.



EGGS

The average egg price in December was stable overall (+1%) and around much of the country. However, several areas have continued to face notable volatility in egg prices over the last several months. In both Chin and northern Rakhine, prices dropped -5% and -9% respectively from November to December, following 2 months of sharply rising prices attributed to transportation challenges. In northern Sagaing and Shan North/East, the pattern has been more of steadily rising egg prices albeit with a slight reprieve in October for both and November for Shan. The month-on-month increases were +10% in Shan North/East and +6% in northern Sagaing, with both reporting egg prices +30% higher than 6 months ago. Compared to one year ago, the average egg price was +20% higher, ranging from +10-40% across the areas with the largest increases seen in Shan North/East (+40%), northern Sagaing (+32%), and Magway (+21%).



CHICKPEAS AND OTHER PULSES

In December, chickpea and pulses prices remained stable overall, with a few month-on-month increases in Yangon (+9% for other pulses, mostly lentil), southern Rakhine (+8% for chickpeas), Shan North/East (+5% for other pulses, mostly sweet pea) and northern Sagaing (+5% for chickpeas) as well as a few declines in central Rakhine (-12% for chickpeas and -8% for other pulses, driven mostly by declining prices for green pea), southern Rakhine (-10% for green pea) and northern Rakhine (-7% for chickpeas only). In southern Rakhine, the increase in average chickpea price was driven by a +27% increase seen in Kyaukpyu, where chickpea prices dropped in October and November only to rise back to

September prices by December. By comparison, markets in the other monitored townships in southern Rakhine (Gwa and Toungup) have remained more stable across the 3 months. In northern and central Rakhine, these declining chickpea prices reflect ongoing return to more typical prices following a spike in September/October.

Compared to 6 months ago and 1 year ago, prices around the country remain elevated for chickpeas and other pulses, +24% and +18% respectively compared to 6 months ago and +33% and +22% respectively compared to one year ago. Disaggregated by area, chickpea prices compared to one year ago are more elevated in southern Rakhine (+58%), Shan North/East (+57%), Kayin (54%) and Mon (51%).



ONIONS

The month-on-month average onion price stabilized in December, with most areas experiencing stable or declining prices. In Rakhine, onion prices dropped substantially (up to -34%) across nearly all townships from peaks seen in October and November, marking a return to prices seen in mid-2021. Mon and Chin similarly reported declining prices in December following several months of rising prices. In northern Sagaing, markets in townships of Nanyun, Layshi and Hkamti saw stable onion prices while in Lahe they reported a doubling in price due to the closure of waterways and resulting low stocks. Markets in Waigmaw and Chipwi in Kachin also reported sharply increasing prices (+60-100%) while prices in other Kachin townships remained stable, contributing to an increase of +10% at state-level. Overall, onion prices in December were +19% higher than 6 months ago but similar to that seen one year ago (-2%).



TOMATOES

Tomato prices rose +10% month-on-month, less than the +36% increase seen from October to November, but indicative of the ongoing trend of rising costs resulting from lower production and difficulties transporting the product internally between areas. The differences between areas ranged from stable prices (Rakhine, Mon), to an increase of +46% in Yangon and northern Sagaing, followed by +32% in Mandalay, +14-18% in Magway, Shan North/East, Kayah and

Tanintharyi, and +8-10% increases in Kachin and Chin. Compared to 6 months ago, the average tomato price was +19% higher, and compared to one year ago, it was +37% higher.



SALT

The average price of salt remained stable in the short-term perspective, 0% change compared to last month and +4% compared to 3 months ago. In the longer-term perspective, prices have slowly risen, now +11% compared to 6 months ago and +15% compared to last year. Disaggregated by area, the longer-term trends in salt price diverge with half the areas experiencing continued stability and the other half experiencing slowly rising prices. These include Chin (+51% compared to 6 months ago and +21% compared to one year ago), Shan North/East (+18% and +37%), Kachin (+13% and +38%), Magway (+9% and +39%), and southern Rakhine (+4% compared to 6 months ago and +23% compared to one year ago).



FUEL

The fuel prices in monitored townships remained stable, changing only between -1% and +1% from November. They remain +55% to +65% higher than pre-crisis prices.

TRADER FEEDBACK



The current political and security situation was mentioned by retailers in nearly all areas as a backdrop for the continued high prices, even as many experienced relatively stability this month compared to last month. Transportation continued to be disrupted to varying extents, most notably in the southeast region. In Hpasawng and Shadaw, roads were completely blocked forcing transporters on alternative more challenging and dangerous routes and restricting supply as a result. The disruption of transportation routes to Kayin and Kayah have had an impact also on transport costs to other parts of the southeast region. In Sittwe, traders reported increasing prices to cover transportation costs, a cost then passed on to retailers in the central and northern areas. In northern Sagaing, closure of waterways has impacted frequency and cost of transportation and in parts of Kachin, transport options are reported less frequent also impacting prices. The exchange rate with the Chinese Yuan increased slightly from 298 MMK per Yuan in November to 303 MMK per Yuan, but still lower than that reported in October (310 MMK per Yuan).



ISSUES TO WATCH

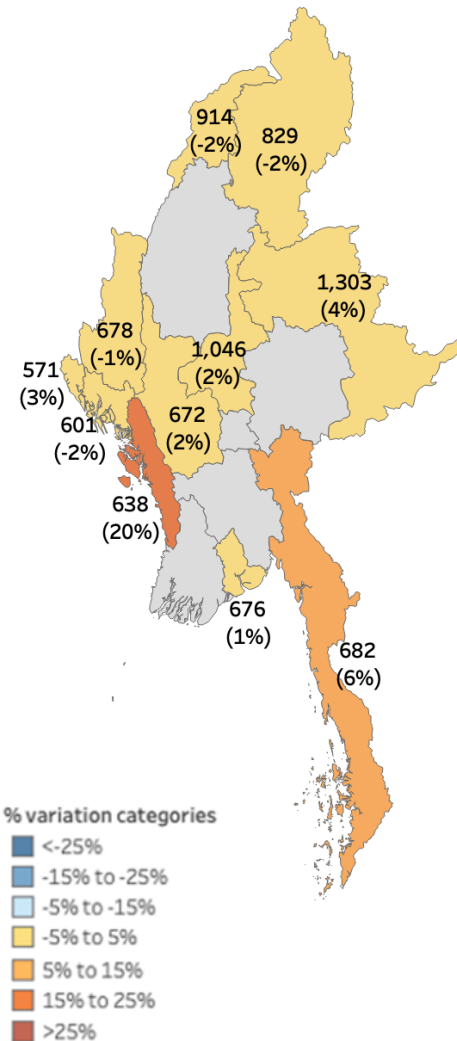
- ◆ Conflict and insecurity continuing to disrupt transportation routes particularly in the Southeast and Northwest
- ◆ Easing pressure on rice prices with new harvest and increasing demand for rice exports¹
- ◆ Increasing tomato prices
- ◆ Access to cash as ongoing issue

The data was collected between 14th and 30th of December by WFP and cooperating partner staff. Coverage in the month of December: 12 states/regions, 74 townships, 112 markets, 267 traders/shops.

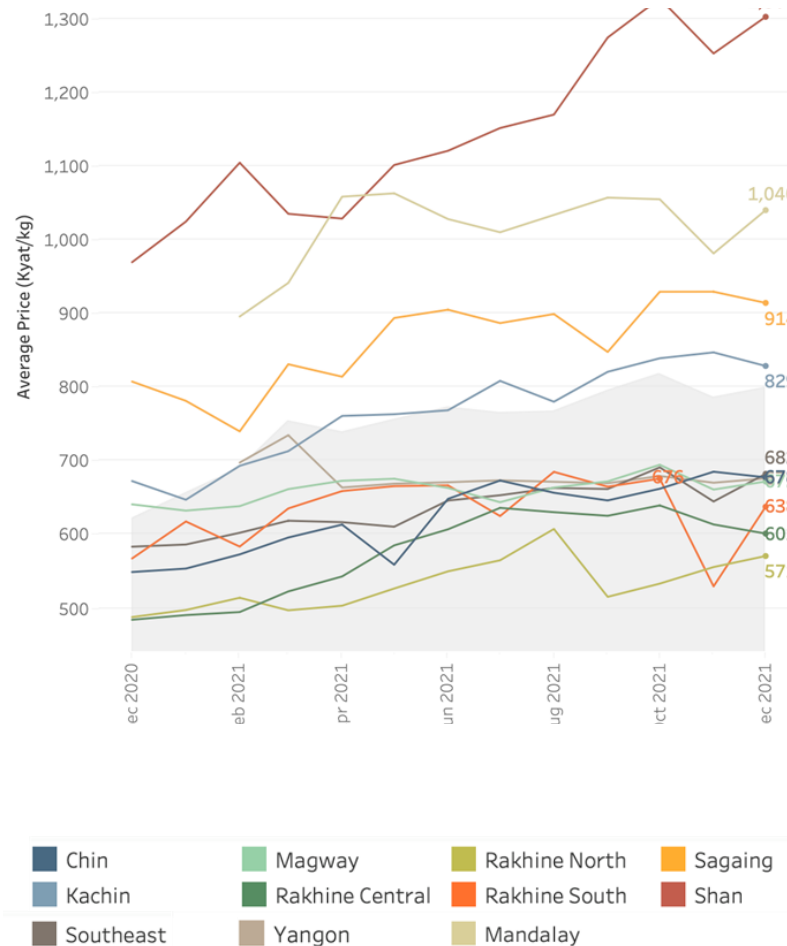
¹Foreign Agricultural Service, USDA. "Rice Trade – Monthly", 14 December 2021.

Rice

December prices by area (compared to **last month**)



Price trends by area (Dec 2020 – Dec 2021)



Compared to last month (Nov 2021)

- Relatively stability overall
- Increases in southern Rakhine (+20%) reflect return to October prices (November declines were result of selling of old rice)
- Increase in Southeast (6%) driven by Kayah (+13%) as transportation has been blocked

Compared to pre-crisis (Jan 2021):

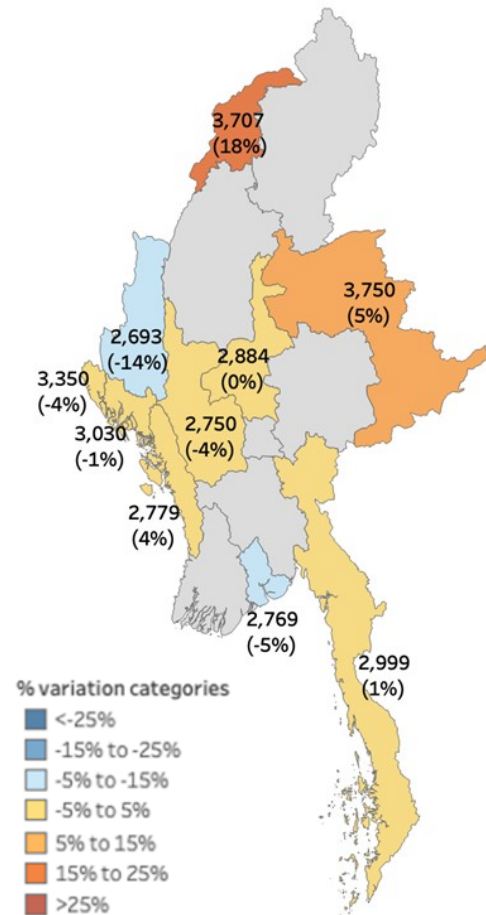
- Kachin, Shan +27-28%
- Central Rakhin, Chin +22-23%
- Northern Sagaing, Southeast, northern Rakhine +15-17%

Compared to same time last year (Dec 2020):

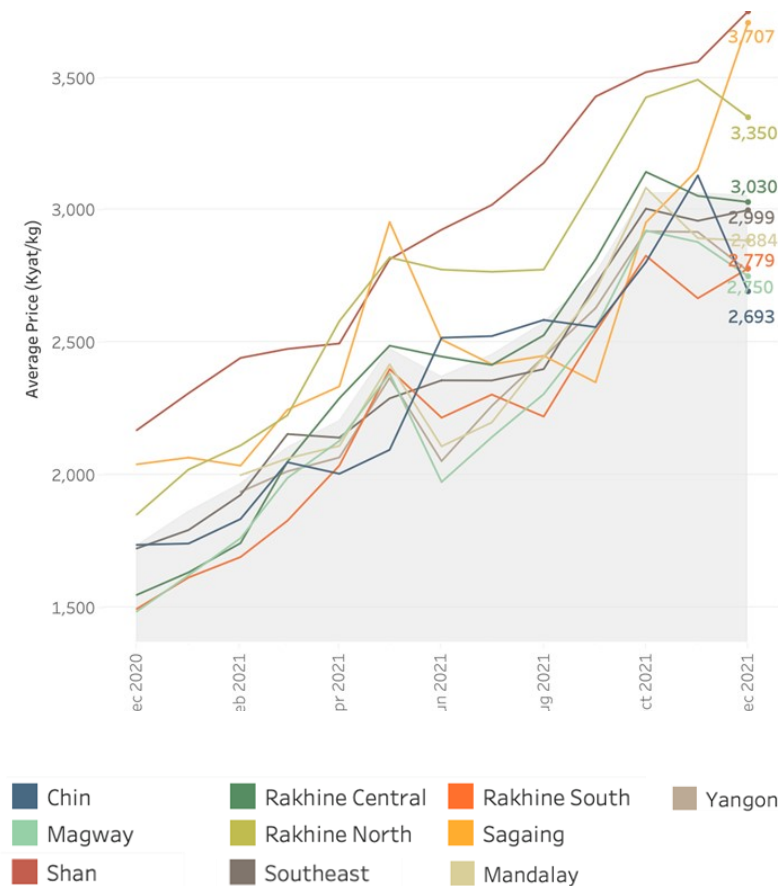
- Shan +34%
- Central Rakhine, Chin, Kachin +23-24%
- Northern Rakhine, Southeast +17%

Cooking (Palm) Oil

December prices by area
(compared to **last month**)



Price trends by area (Dec 2020 – Dec 2021)



Compared to last month (Nov 2021):

- Stability in most, except:
 - Northern Sagaing (+17%) – transportation costs
 - Chin (-14%) due to new stock arrivals

Compared to pre-crisis (Jan 2021):

- All are > 50%
- C.entral and southern Rakhine, northern Sagaing, Magway >+70%
- Shan north-east, Southeast, Northern Rakhine +60-70%
- Chin +55%

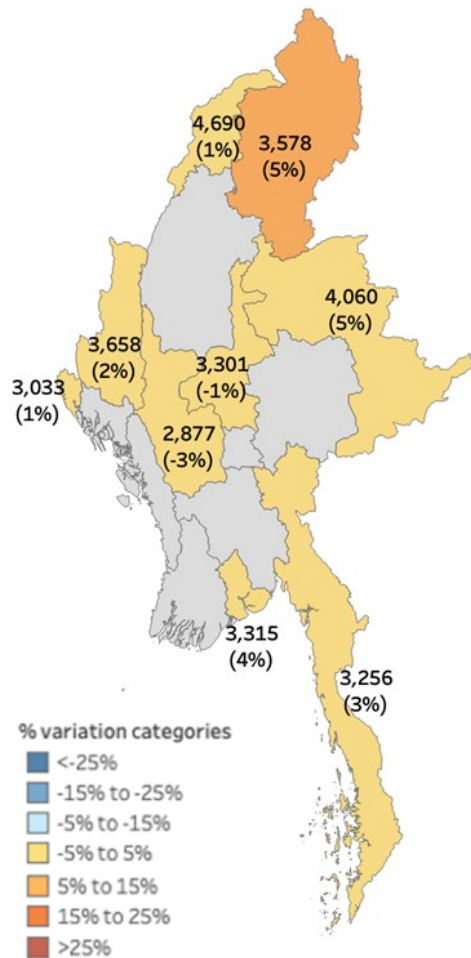
Compared to same time last year (Dec 2020):

- More than doubled in Kayah, Magway, Tanintharyi, Rakhine
- Other areas +55% to + 92%

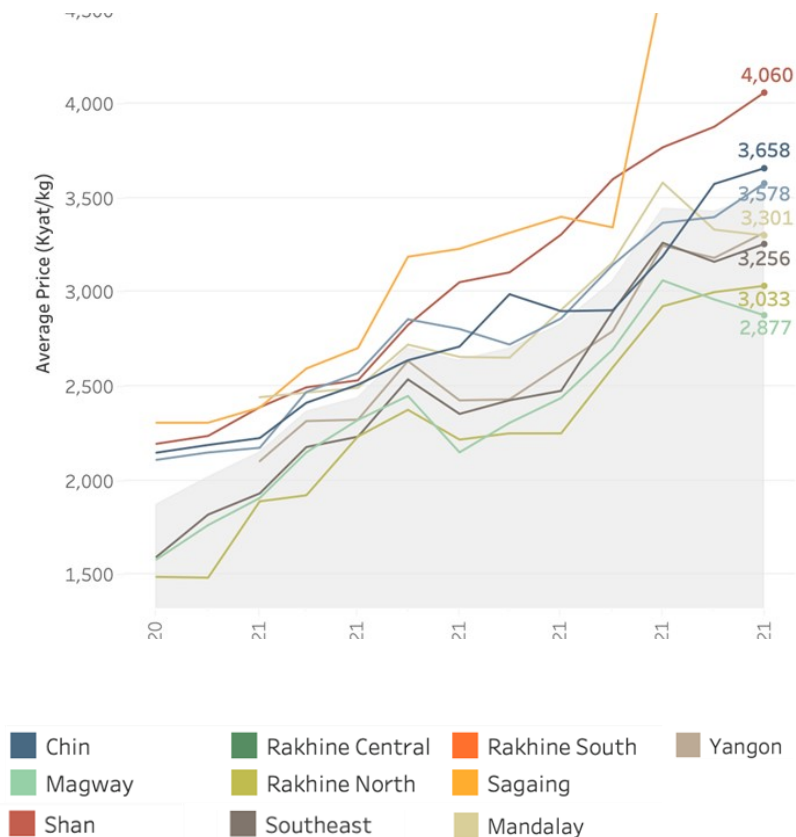
* 1 of the 9 monitored areas (Kachin) does not consistently report on palm oil prices and is excluded from the graph

Mixed Oil

December prices by area
(compared to **last month**)



Price trends by area (Dec 2020 – Dec 2021)



Compared to last month (Nov 2021):

- Mostly stable, with slight increases for Kachin and Shan north-east (+5% each), and Yangon (+4%)

Compared to pre-crisis (Jan 2021):

- More than doubled in northern Rakhine (+105%) and northern Sagaing (+103%)
- Shan north-east (+82%)
- Southeast +79%
- Chin, Kachin, Magway +63-67%

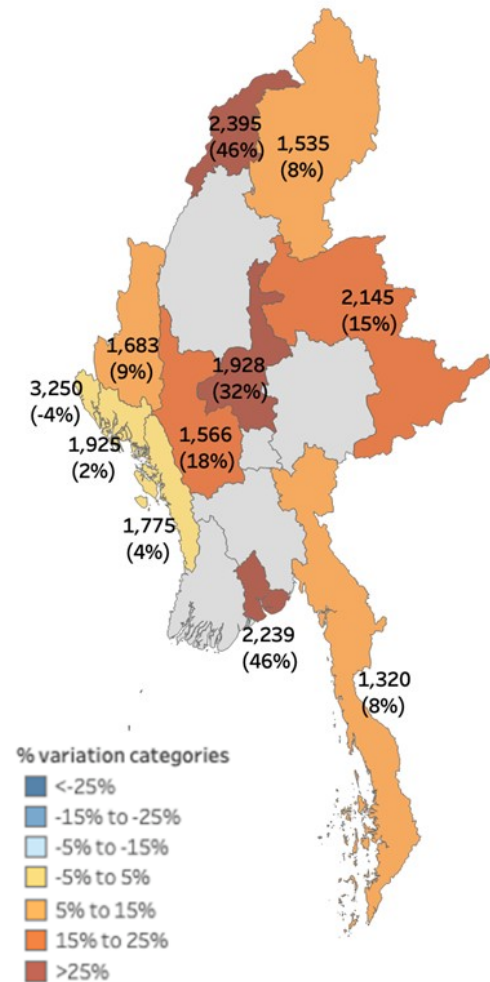
Compared to same time last year (Dec 2020):

- Kayin 74%, and Chin 75%
- Shan 90% and Kachin 94%
- Other areas are more than doubled (+97-127%)

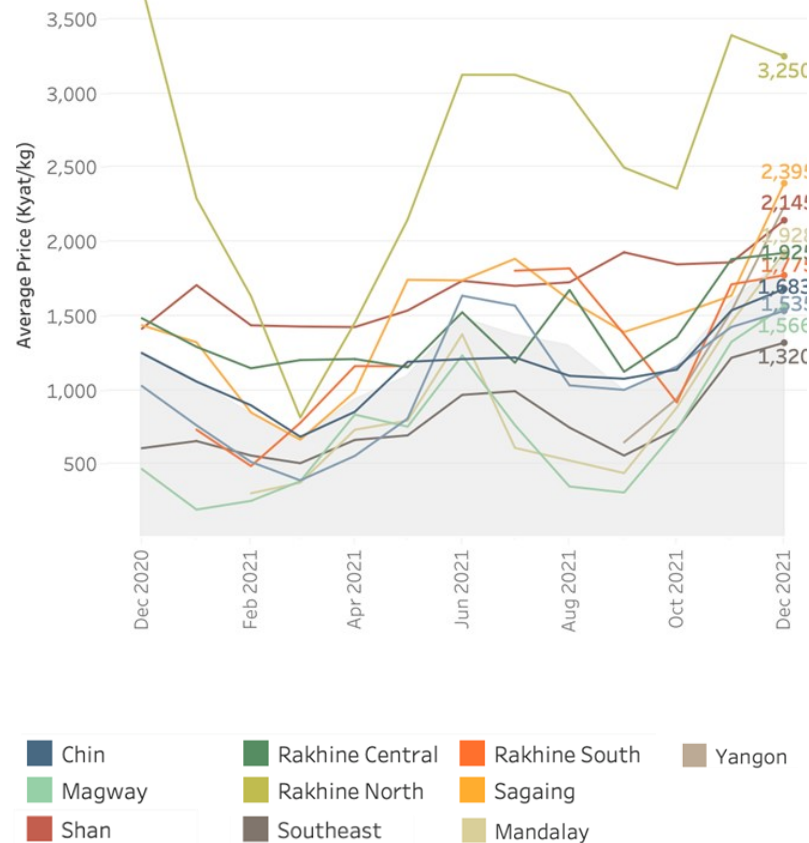
* 2 of the 9 monitored areas (Southern and Central Rakhine) do not consistently report on mixed oil prices and are excluded from the graph

Tomatoes

December prices by area
(compared to **last month**)



Price trends by area (Dec 2020 – Dec 2021)



Price of Tomatoes overall increased +10% (Nov – Dec 2021)

- Prices increased 46% in northern Sagaing and Yangon, +32% in Mandalay compared to last month
- In Magway and Shan N/E, increase of +15-18%
- Increase due to reduced production and transportation constraints