



Monitoring the Agri-food System in Myanmar

Food Vendors – March 2022

Key findings

Based on a survey of 422 food vendors in rural and urban areas and in all state/regions of Myanmar in March 2022, it is found that:

- Over the last year (comparing March 2022 to March 2021), (nominal) food costs have increased by 41 percent overall and by 39 and 42 percent in urban and rural areas, respectively. Nominal price increases for most foods range from 30 to 50 percent, including protein and micronutrient rich foods.
- Rice prices have increased the least of any reported food over the last year. However, a 23 percent increase in this primary staple, which accounts for about 60 percent of caloric intake and 20 percent of household food expenditure, is concerning.
- The majority of vendors report challenges related to inputs including high prices of raw materials or supplies (78 percent), high fuel or transportation costs (81 percent), and disrupted access to energy/electricity (57 percent). In the three months before the survey, 62 percent of vendors report one of these challenges as their single greatest adversities.
- More than a third of vendors considered either restrictions on mobility (26 percent) or insecurity (10 percent) to have been the greatest obstacles, in the past month.

Introduction

This Research Note presents the results of recent interviews with food vendors in rural and urban areas and in all state/regions of Myanmar as a part of the Myanmar Household Welfare Survey (MHWS) telephone survey (MAPSA 2022a).¹ The purpose of the food vendor component of the MHWS is to provide data and insights to interested stakeholders in order that they better understand the effects of shocks related to COVID-19 and the ongoing political crisis on Myanmar's food markets. In particular, the note explores (nominal) prices of foods and difficulties in food vendor operations due to the COVID-19 and political crises.

Data and descriptive statistics

In March 2022, 422 food vendors were interviewed (Table 1). Food vendors in urban areas make up one-third of the sample, with the remaining two-thirds in rural areas.

Table 1: Profile of food vendors in the March 2022 survey sample, by location

	Hills	Dry Zone	Delta	Coastal	Total
Female (%)	60	62	65	55	63
Age (years)	38	41	40	43	40
Mobile food vendor (%)	18	22	18	10	18
Fixed food vendor (%)	74	77	79	83	77
Observations	68	125	200	29	422

Source: MHWS Food vendor survey–March 2022.

Note: Hills and Mountains (Chin, Kachin, Kayah, Kayin, Shan); Dry Zone (Mandalay, Magwe, Nay Pyi Taw, Sagaing); Delta (Ayeyarwady, Bago, Mon, Yangon); Coastal (Rakhine, Tanintharyi). 23 food vendors are no longer in operation but serve as food prices informants. 6 food vendors conduct both fixed and mobile operations.

The vendors selected for the survey sample were those that are well informed on food markets overall; they deal regularly with food traders such as suppliers and wholesalers, are highly numerate, and are knowledgeable about food prices. Table 1 shows the basic characteristics of the food vendors in our sample. Almost two-thirds of the vendors are women, their average age is 40 years, and about three-quarters of the vendors operate in fixed locations, such as out of their own general stores.

Changes in prices and price inflation

Increasing food prices linked to the ongoing political and COVID-19 crises as well as a global food crisis spurred, in part, by the war in Ukraine pose a major threat to households' food security in Myanmar. In order to understand changing food prices, we asked food vendors to report prices from March 2022 and from March 2021.^{2,3} Figure 1 presents percentage changes in nominal food prices, which for the majority of items increase between 30 and 50 percent. Most of the foods falling in this range are rich in protein and/or micronutrients – pulses, animal source foods, fruits, and vegetables.

Rice prices have increased the least of any reported food, however a 23 percent increase in this primary staple, for short and long grain rice, which accounts for about 60 percent of caloric intake and 20 percent of household food expenditure, is concerning.⁴

¹ Though the MHWS food vendor survey has many similar questions as the previous food vendor phone surveys conducted by IFPRI in Myanmar in 2020 and 2021, the samples and questionnaires have important differences.

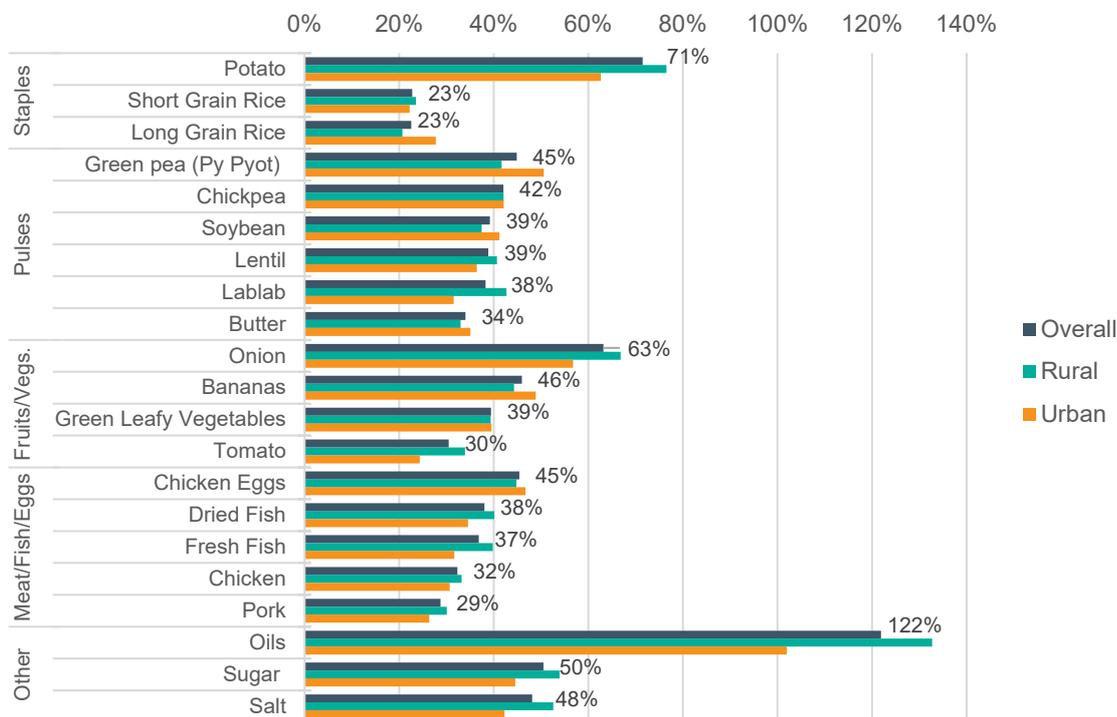
² Food vendors reported prices for rice, potatoes, pulses, chicken eggs, chicken, pork, fresh fish, dried fish, bananas, onions, tomatoes, green leafy vegetables, cooking oil, sugar, and salt. For some foods, vendors were instructed to report prices for particular varieties of foods – namely, up to five commonly sold rice varieties, six specific varieties of pulses (see Figure 1), and the cheapest varieties of fresh fish, dried fish or shrimp, bananas, onions, tomatoes, green leafy vegetables, and cooking oil.

³ We verified that vendors' recollections of prices in March 2021 were feasible by comparing recalled prices to prices in the World Food Programme Price Database (<https://data.humdata.org/dataset/wfp-food-prices-for-myanmar>).

⁴ Rice consumption shares are derived from the 2015 Myanmar Poverty and Living Conditions Survey.

Global edible oil prices have risen dramatically in response to market disruptions related to the war in Ukraine (a major supplier of sunflower oil) as well as supply shortages and policy shifts in Malaysia and Indonesia (major suppliers of palm oil). Domestic factors including import restrictions imposed by the Government of Myanmar at the end of 2021 and the depreciation of the kyat by about 25 percent between March 2021 and March 2022 have further exacerbated rising oil prices in Myanmar.⁵ As a result, in our sample of food vendors, oil prices have increased by 122 percent over the past year.

Figure 1: Percentage changes in mean nominal food prices in March 2022 compared to same period in 2021, by food type and urban/rural areas



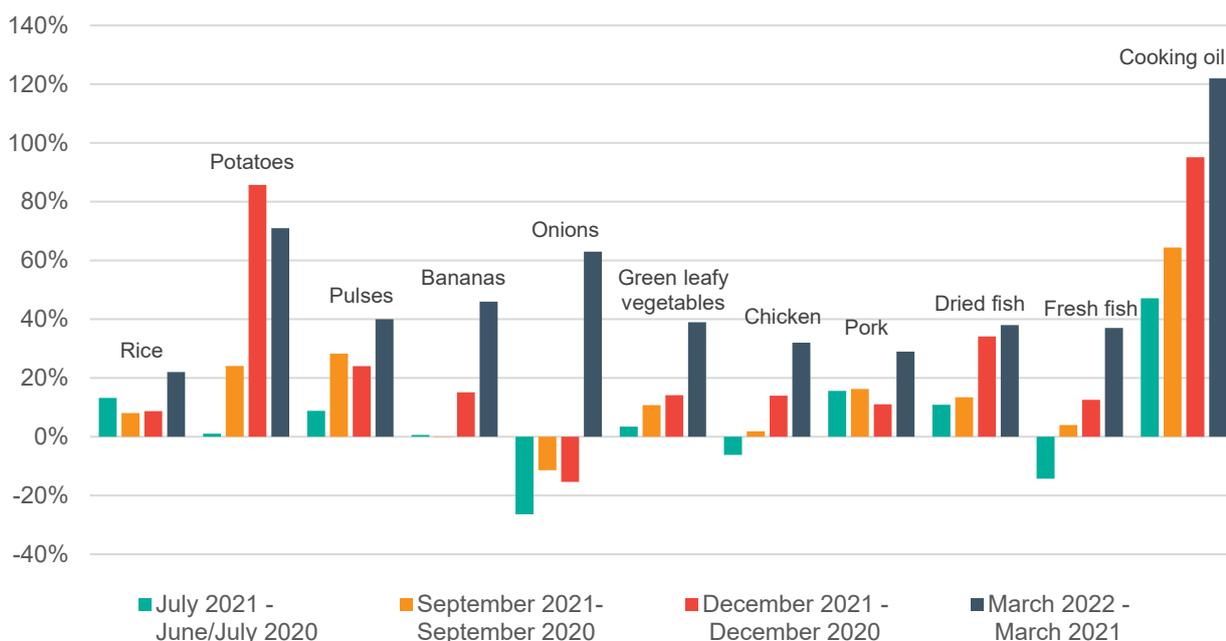
Source: MHWS Food vendor survey–March 2022.
 Note: Values for overall percentage changes are displayed.

Figure 2 shows that for most items year-on-year food price inflation has been highest in the most recent quarter.⁶ Cooking oil is the exception with recent price increases due to the situation in Ukraine compounding earlier price increases.

⁵ A more detailed discussion of oil supply shortages is presented in the MAPSA Research Note “Monitoring the Agri-food System in Myanmar: Understanding the rapid price increase of vegetable oils”. <https://doi.org/10.2499/p15738coll2.135868>

⁶ Though these surveys differ in sample and survey design, they can help establish context. See for example the most recent MAPSA report “Monitoring the agri-food system in Myanmar: Food vendors - December 2021 survey round” <https://doi.org/10.2499/p15738coll2.134954>

Figure 2: Annual changes in mean nominal food prices in various periods by food type (%)



Source: Food vendor survey rounds 1-10 and MHWS Food vendor survey–March 2022

Note: The foods included in the figure are limited to the foods listed in the earlier vendor surveys. March comparisons are based on vendor recall of 2021 and 2022 prices in the March 2022 survey. July, September, December comparisons are based on prices reported in each survey year. July, September, December pulse and rice prices are reported for the cheapest variety whereas March pulse and rice prices are reported for specific varieties. The March 2022 sample differs from that of the previous vendor surveys.

Inflation

To understand changes to overall food costs faced by households, we estimate food inflation by calculating the change in the cost of a typical household food basket between March 2021 and March 2022. We derive the food basket from consumption data for the foods in Figure 1 in the Myanmar Poverty and Living Condition Survey (MPLCS), a nationally representative sample of households conducted in 2015. The estimate is approximate, since we have prices for a limited number of foods, which in some food groups represent the cheapest available foods only. However, the estimate includes at least one food per food group plus sugar and salt.

We estimate that over the past year nominal food costs have increased a staggering 41 percent overall and 39 and 42 percent in urban and rural areas, respectively. This inflation rate is more than double the highest previous annual rate (19 percent) which occurred between December 2020 and December 2021.

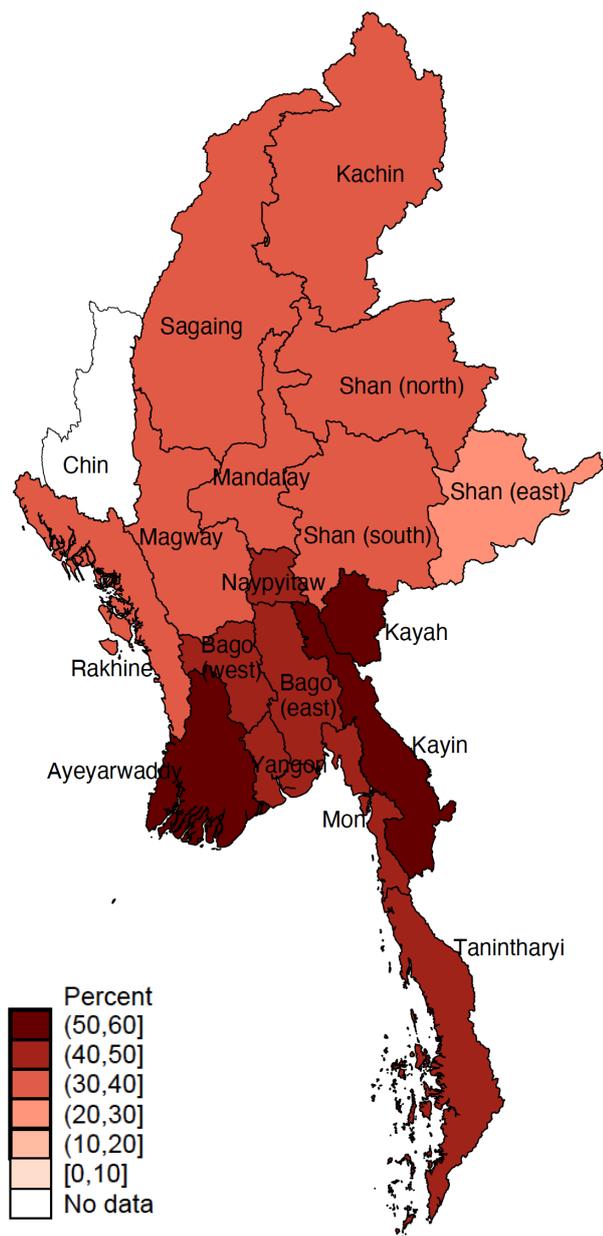
Table 2: Food inflation, March 2022 relative to March 2021

	Rural	Urban	Overall
Percentage change in the nominal cost of the weighted food basket	42	39	41

Source: MHWS Food vendor survey–March 2022.

Figure 3 illustrates food inflation at the state/region level. Most states saw food costs rise by 30-50 percent between March 2021 and March 2022. Food inflation was the highest in Kayin, Kayah, and Ayeyarwaddy and lowest in East Shan.

Figure 3: Food inflation by state/region, March 2022 relative to March 2021



High food inflation is worrisome given that prior to the onset of the COVID-19 and political crises, households spent 56 percent of expenditure on food on average while poor households spent approximately 64 percent.⁷ As food prices rise, recent survey evidence suggests that average household incomes are stagnating at best and likely declining. Median agricultural wages reported in the farm survey have not changed between March 2021 and March 2022 (MAPSA 2022c). Furthermore, 65 percent of households in the MWHS reported that their income had fallen over the same period, with 45 percent reporting it had fallen by more than 20 percent (MAPSA 2022b). Food inflation coupled with large negative income shocks heightens concern of increasing food insecurity and malnutrition.

⁷ Food shares are derived from the 2017 Myanmar Living Conditions Survey

Impediments to normal business operations

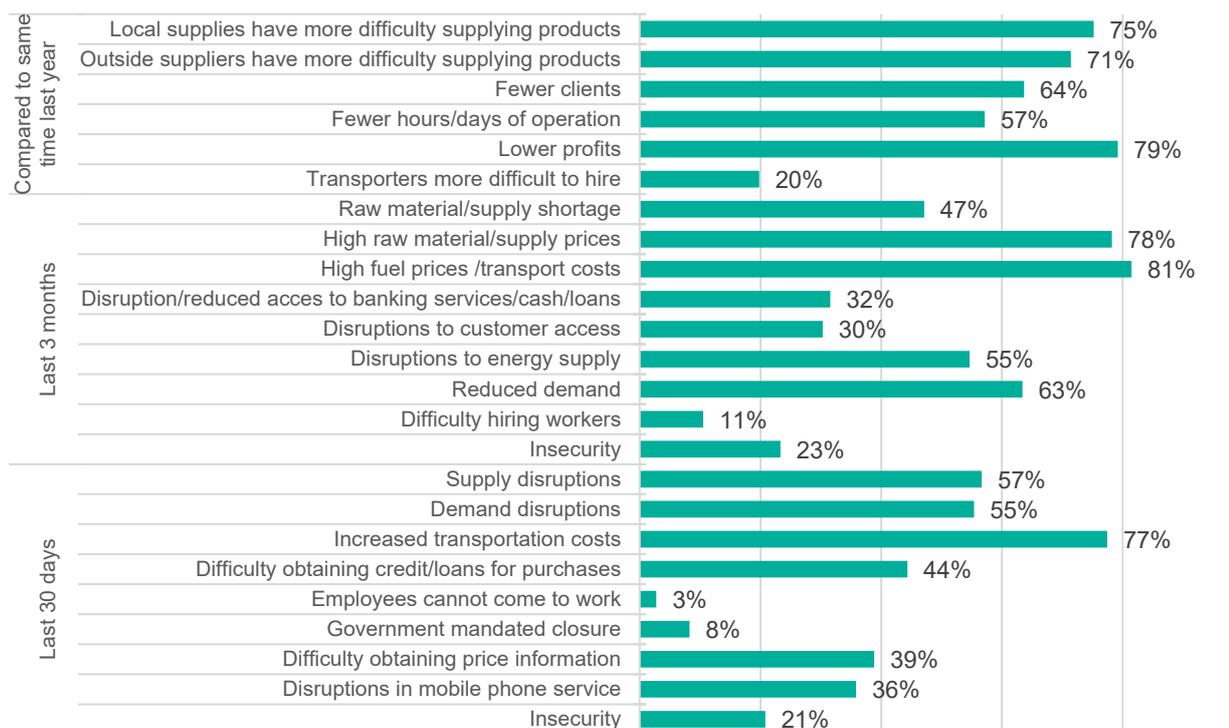
Food vendors are essential in getting food to households and maintaining food security. Yet the ongoing crises in Myanmar have created potential vulnerabilities as vendors face severe impediments to normal business operations. Nearly 80 percent of vendors have experienced a reduction in profits between March 2022 and March 2021, which appear to be driven by disruptions linked to political instability as well as the COVID-19 crisis.

In the last three months, the majority of vendors report challenges related to inputs including high prices of raw materials or supplies (78 percent), high fuel or transportation costs (81 percent), and disrupted access to electricity (55 percent) (Figure 4). In the three months before the survey, 62 percent of vendors report one of these challenges as their single greatest adversity (Figure 5). Over the past year, 77 percent of vendors had difficulty obtaining products from suppliers, while 57 percent experienced supply disruptions in the past 30 days. Food-vendors are further hindered by reduced demand (63 and 55 percent over the previous 3 month period and previous 30 day period, respectively), though only 16 percent reported demand as their greatest problem.

In addition to high transportation costs, more than a third of vendors considered restrictions on either mobility (26 percent) or insecurity (10 percent) to have been the greatest obstacles, in the past month.

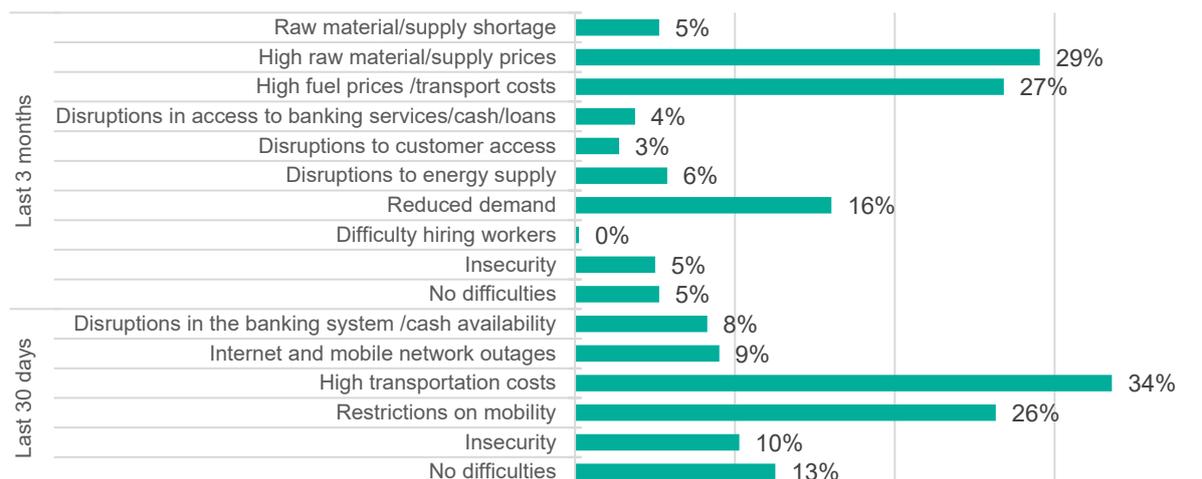
While 32 percent of food-vendors report disruptions in access to banking, cash, or loans in the last three months, and 44 percent report difficulty obtaining credit or loans in the past 30 days, only 4 and 8 percent, respectively, report these as their greatest concerns. Few vendors use forms of payment other than cash in their businesses (6 percent) and few experienced difficulties related to non-cash payments in making (2 percent) or receiving (2 percent) payments.

Figure 4: Adverse changes in the business operations of food vendors in the last 30 days, in the last 3 months, and compared to the same time last year, percentage of vendors reporting (N=399)



Source: MHWS Food vendor survey–March 2022.

Figure 5: Greatest adversity in the business operations of food vendors in the last 30 days and in the last 3 months, percentage of vendors reporting (N=399)



Source: MHWS Food vendor survey–March 2022.
 Note: Within each period, percentages sum to 100 percent.

References

- MAPSA. 2022a. “Phone surveillance, from scratch. Novel sample design features of the nationally representative Myanmar Household Welfare Survey (MHWS)”. MAPSA Discussion Paper 16.
- MAPSA. 2022b. “Myanmar Household Food Security assessment: Findings from the first round of the Myanmar Household Welfare Survey”. MAPSA Research Note. Forthcoming.
- MAPSA. 2022c. “Rice productivity during the 2021 monsoon: Insights from the Myanmar Agricultural Performance Survey” MAPSA Working Paper. Forthcoming.

ACKNOWLEDGMENTS

This work was undertaken as part of the Feed the Future Myanmar Agricultural Policy Support Activity (MAPSA) led by the International Food Policy Research Institute (IFPRI) in partnership with Michigan State University (MSU). This study was made possible by the support of the American people through the United States Agency of International Development (USAID), under the terms of Award No. AID-482-IO-21-000x. Additional funding support for this study was provided by the Livelihoods and Food Security Fund (LIFT). This publication has not gone through IFPRI’s standard peer-review procedure. The opinions expressed here belong to the authors, and do not necessarily reflect the views of USAID, IFPRI, MSU, CGIAR, PIM, LIFT, IPA, BC Finance, Mandalay Yoma Solar Energy, WFP, or the United States Government.

INTERNATIONAL FOOD POLICY RESEARCH INSTITUTE

1201 Eye St, NW | Washington, DC 20005 USA
 T. +1-202-862-5600 | F. +1-202-862-5606
 ifpri@cgiar.org
 www.ifpri.org | www.ifpri.info

IFPRI-MYANMAR

IFPRI-Myanmar@cgiar.org
 www.myanmar.ifpri.info



USAID
 FROM THE AMERICAN PEOPLE



The Myanmar Strategy Support Program (Myanmar SSP) is led by the International Food Policy Research Institute (IFPRI) in partnership with Michigan State University (MSU). Funding support for Myanmar SSP is provided by the CGIAR Research Program on Policies, Institutions, and Markets; the Livelihoods and Food Security Fund (LIFT); and the United States Agency for International Development (USAID). This publication has been prepared as an output of Myanmar SSP. It has not been independently peer reviewed. Any opinions expressed here belong to the author(s) and do not necessarily reflect those of IFPRI, MSU, LIFT, USAID, or CGIAR.

© 2022, Copyright remains with the author(s). This publication is licensed for use under a Creative Commons Attribution 4.0 International License (CC BY 4.0). To view this license, visit <https://creativecommons.org/licenses/by/4.0>.