



MYANMAR

MARKET PRICE UPDATE

April 2022



Highlights

- While there was a slight reprieve in fuel prices in mid-April, the upward trend continued by the end of the month and is expected to worsen given the global context. High fuel and transport costs will continue to be major factor affecting retail prices of commodities.
- Cooking oil prices also stabilized briefly this month, except in areas with intensification of conflict and disruption in transportation - Sagaing, Kayin, Chin.
- Quarterly monitoring of market functionality suggests strain on markets with slight increase in proportion of traders with negative perceptions around availability of products, price stability 1 week and 1 month ahead, and lead times for ordering compared to December 2021, though not as high as in July – September 2021.
- Egg prices increased due to rising costs of poultry feed as all livestock producers seek alternatives to wheat in the wake of the Ukraine conflict causing a range of grain commodity prices to rise.
- Insecurity continues to deteriorate in the northwest and southeast, affecting access to markets, transport costs, and ability of shops to re-stock
- Retail prices rose in Wa region due to lockdown of MongPawk market affecting all commodities; Chickpea prices return to normal in northern Rakhine following Eid

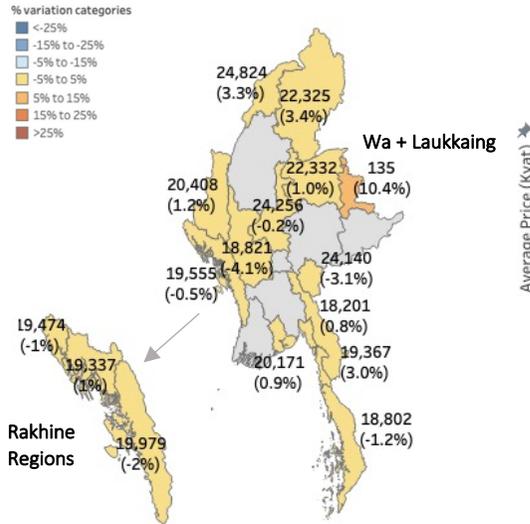
Food Basket

The average cost of the basic food basket in April (~18,750 MMK or 10 USD), comprised of rice, oil, chickpeas and salt in quantities adjusted for the average family size, changed little from March 2022, reflecting the brief reprieve in escalating prices of cooking oil and broad stability seen in prices of rice and chickpeas this month. However, the reprieve was short-lived, and the upward trajectory is expected to continue in the coming months. The main exception month-on-month was seen in Wa region where the basket price increased +10% month-on-month due to the lockdown in MongPawk market for a few weeks in April.

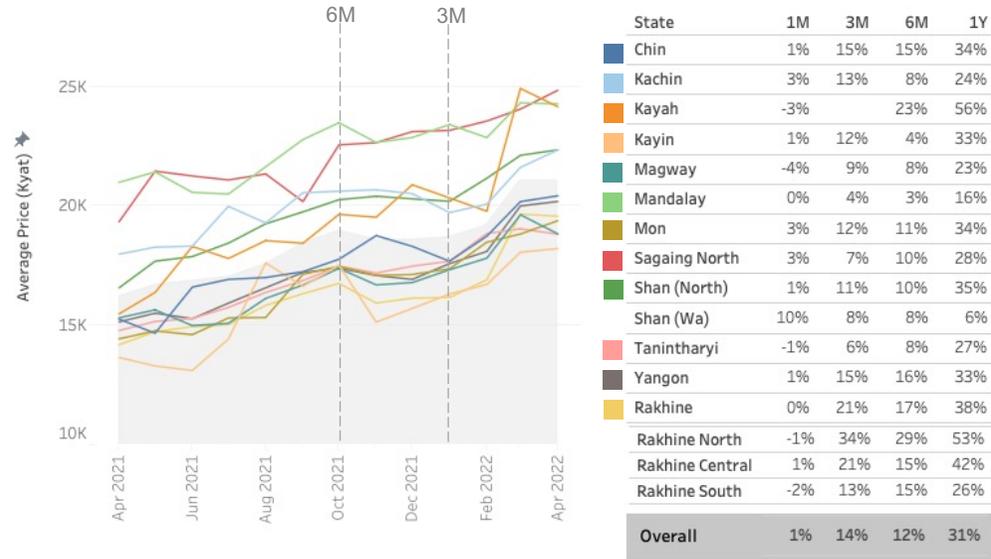
Compared to the same time last year, the basket cost remained up by +31% and was +14% higher than 3 months ago.

Basket

Month-on-Month Change by Area/State



Average Price Trends by Area (Apr 2021 – Apr 2022)



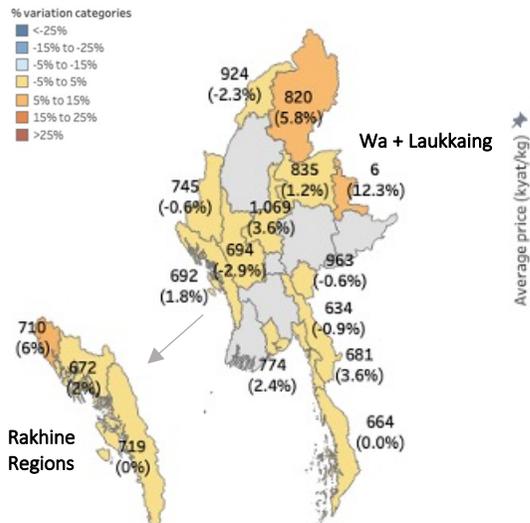
Rice

Rice prices remained largely stable from March to April 2022. The increase in the Wa region of Shan, where the average price of rice increased from 6 to 8 yuan, was the result of a COVID-related lockdown in MongPawk market. In Kachin, the month-on-month prices increase was highest in the townships of Chipwi (27%), Waingmaw (15%), and Mogaung (15%). Rice prices increased across Kachin due to high fuel cost and increased transportation costs. In Chipwi, poor road conditions aggravated by landslides after heavy rains contributed to rising costs. In Mogaung, shops were selling old rice which has higher prices than the new rice.

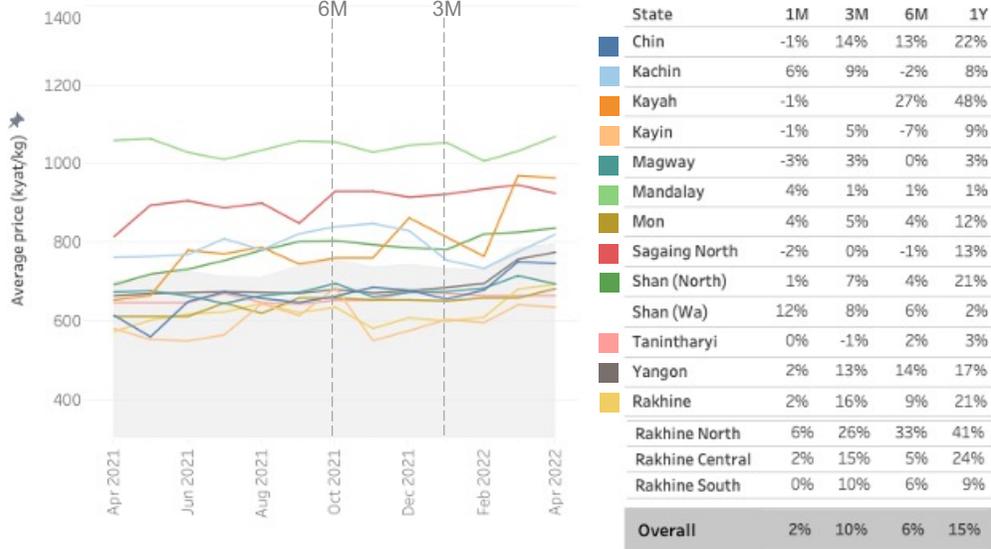
Compared to the same time last year, rice prices remained elevated by +15%.

Rice

Month-on-Month Change by Area/State



Average Price Trends by Area (Apr 2021 – Apr 2022)



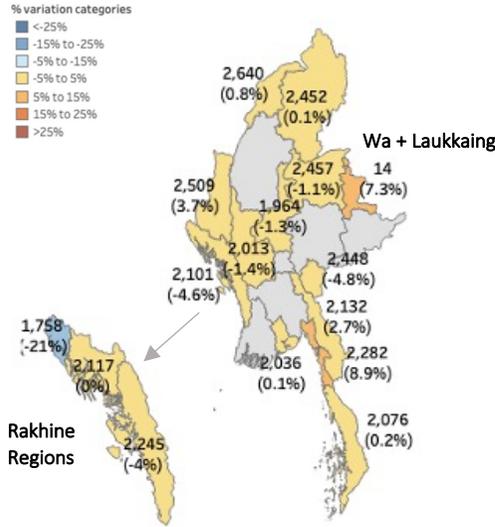
The price for pulses on average remained stable between March and April 2022. The slight increase in chickpea prices in Mon (+9%) reflected trader concerns around ability to re-stock as their old stock declined and access/transportation challenges remain. In Wa region, the increase of +7% was due to the lockdown of MongPawk market. Chickpea prices declined sharply in northern Rakhine (-21%) and reflects the return to normal prices following the end of Ramadan.

In northern Sagaing, the increase of +15% in average price of other pulses was due to an increase of 200 kyat per pyi in the price of pae yar zar sold in Mingalar market in Hkamti, as well as the addition of chin pae prices in Lahe which were selling for 3,500-4,000 kyat per pyi. In Wa region, as with other commodities, the price of sadawpe pulse was affected by the lock down in MongPawk, increasing from 6 to 8 yuan in both the MongPawk and PangKham markets.

Compared to the same time last year, chickpea prices were +41% higher in April, with some states/regions seeing prices more than +50% higher (Kayin, Kayah, Mon, Mandalay, Tanintharyi). The average price for other pulses was +34% higher year-on-year.

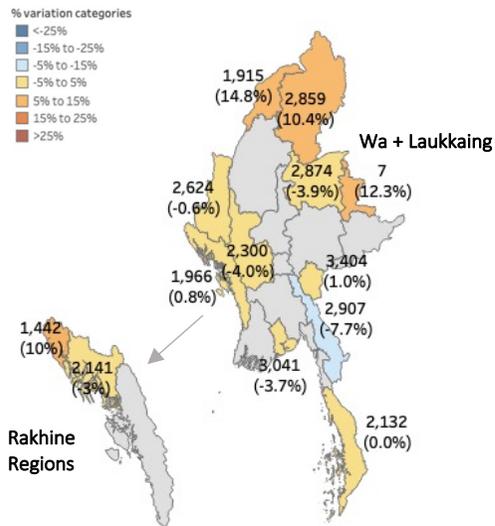
Chickpeas

Month-on-Month Change by Area/State

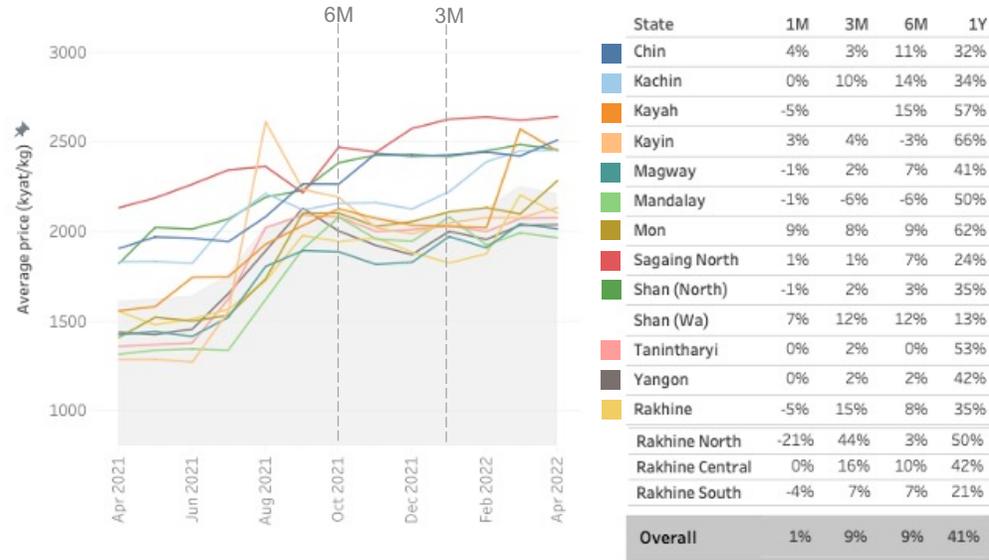


Other Pulses

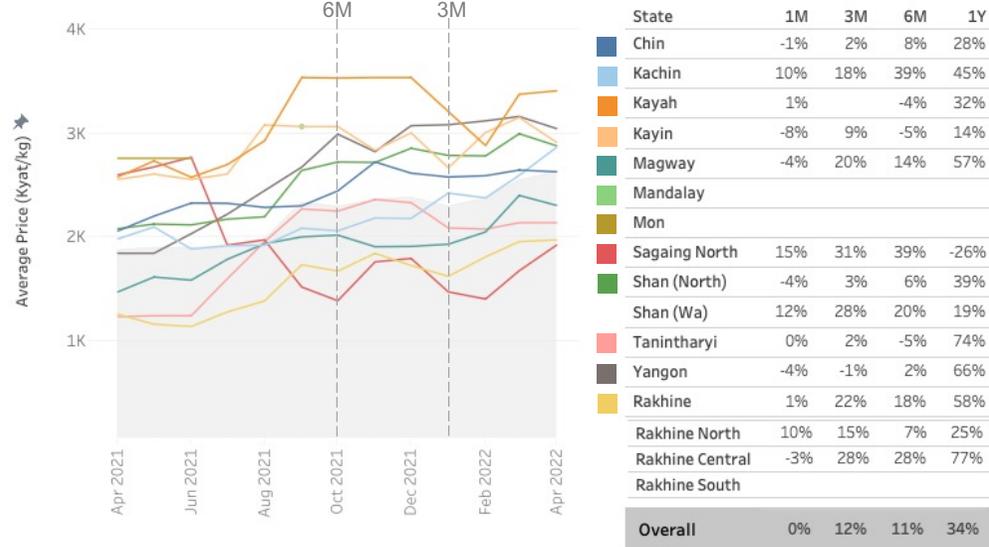
Month-on-Month Change by Area/State



Average Price Trends by Area (Apr 2021 – Apr 2022)



Average Price Trends by Area (Apr 2021 – Apr 2022)

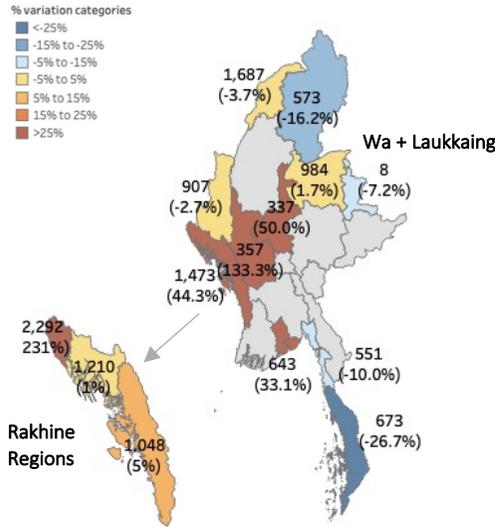


Tomatoes

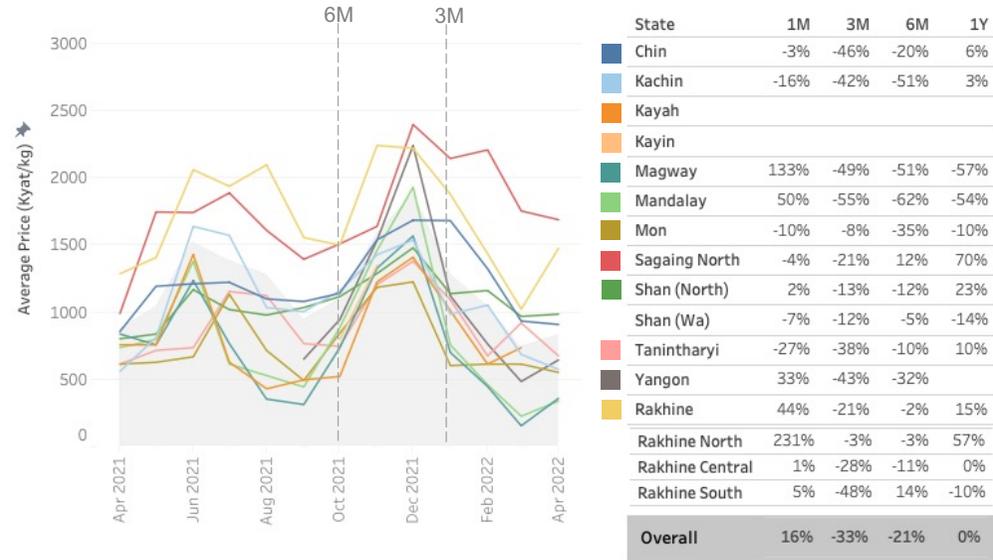
Tomato availability is beginning to decline in some areas leading to seasonal price increases. In northern Rakhine, tomato prices rose substantially from 500-800 kyat per kg in March to 2000-2500 kyat per kg in April, a four-fold increase. In Magway, the price rose from 200-300 kyat per kg to 600-700 kyat per kg, while in Mandalay and Yangon, the prices increased by about 100-200 kyat per pyi compared to March. By contrast, tomatoes remained plentiful in most other areas resulting in stable or declining prices.

Tomatoes

Month-on-Month Change by Area/State



Average Price Trends by Area (Apr 2021 – Apr 2022)

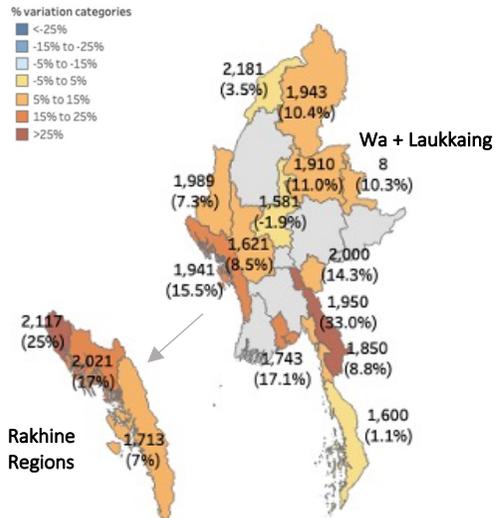


Eggs

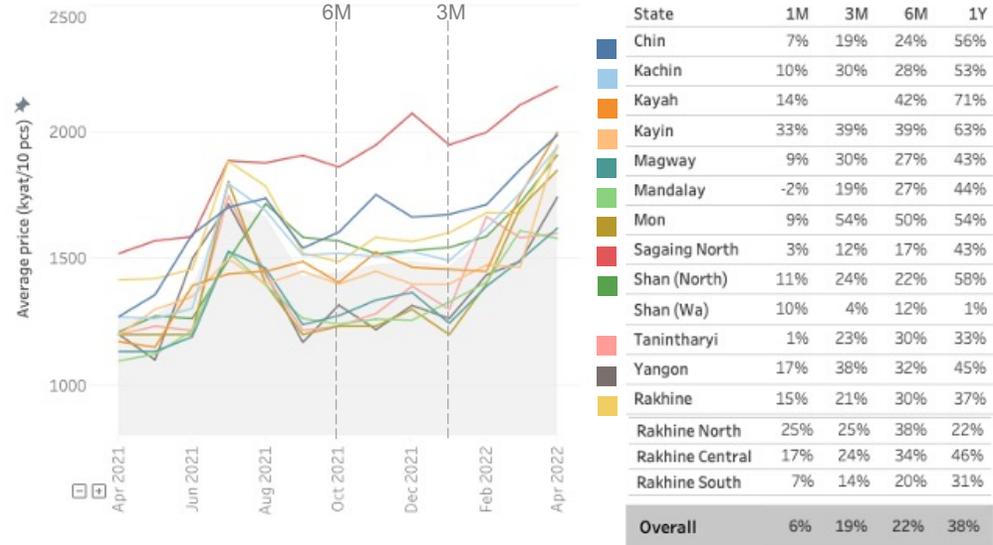
Month-on-month, egg prices rose around the country (+6% overall) due to increase in chicken feed prices. Corn, which is a key part of poultry feed, has increased +45% in cost compared to the same time last year.² This is part of a broader pattern of grain substitution in feed composition as livestock producers seek alternatives to wheat in the wake of the Russia-Ukraine conflict and declining availability.³

Eggs

Month-on-Month Change by Area/State



Average Price Trends by Area (Apr 2021 – Apr 2022)



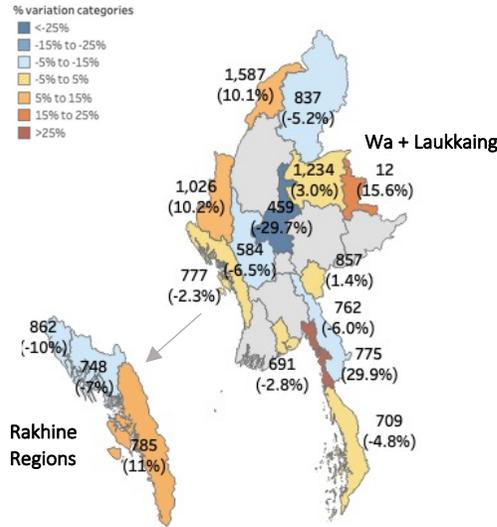
² <https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Grain%20and%20Feed%20Annual%20Union%20of%20BM2022-0006.pdf>

³ <https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/agriculture/030322-feature-asian-buyers-grapple-for-wheat-supply-amid-russia-ukraine-conflict>

The impact of onion harvesting that typically occurs in April can be seen in declining prices particularly in Mandalay (-30%), as well as Magway (-7%), although muted due to destruction of onion fields in un-seasonally heavy rains in mid-March.⁴ While southern Sagaing is also a large producer of onions, the disruption of the trade routes between Monywa and Hkamti due to ongoing fighting in southern Sagaing contributed to rising onion prices in northern Sagaing (+10%). Traders in Mon and Chin also reported increases in onion prices (+30% and +10% overall, respectively) amidst ongoing transportation challenges, and the lockdown of the MongPawk market impacted also onion prices in Wa region (+16%). Compared to last year, onion prices overall were up +62%.

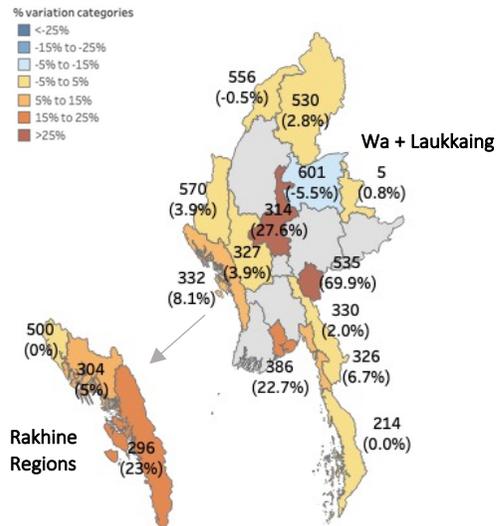
Onions

Month-on-Month Change by Area/State



Salt

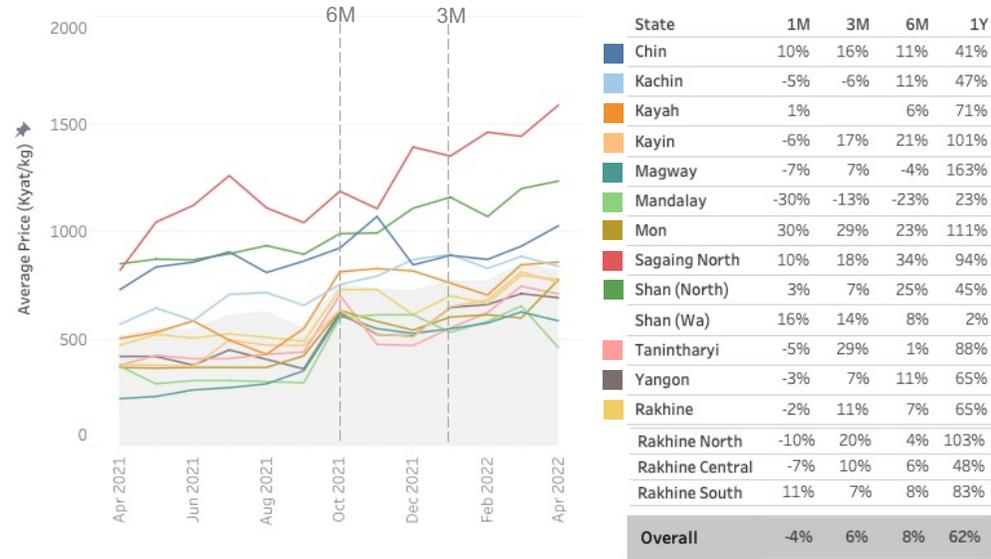
Month-on-Month Change by Area/State



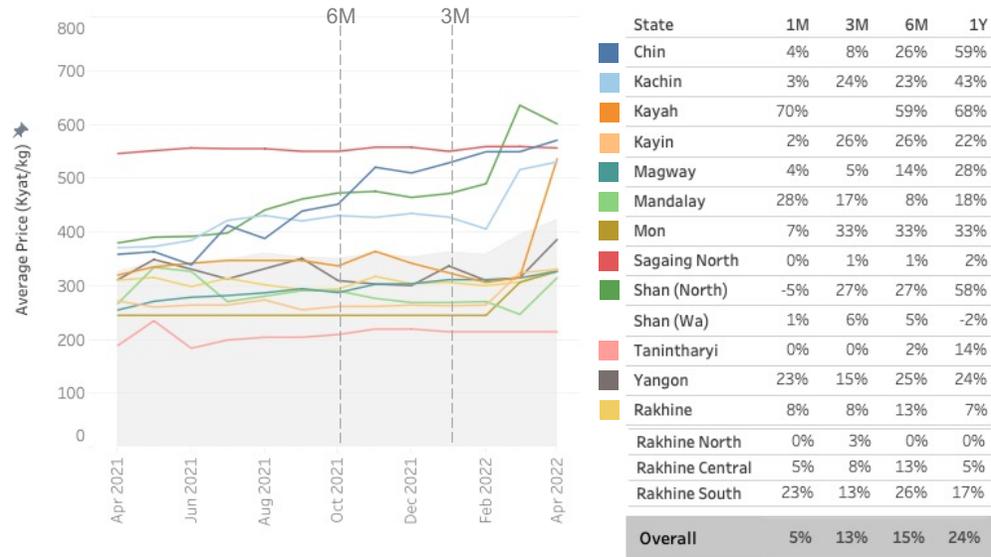
Overall, salt prices increased by +5%. The highest increases were in Kayah (+70%) and Mandalay (+28%). In Mandalay, the increase was driven by price changes in Meiktila where salt prices in March dropped and in April returned to the same price as seen in February. In Kayah, the increase is due to transportation difficulties and insecurity. In Mon, the salt farm production returned to normal in April following disruptions in March due to heavy rains.⁵

Compared to the same time last year, salt prices are up +24%.

Average Price Trends by Area (Apr 2021 – Apr 2022)



Average Price Trends by Area (Apr 2021 – Apr 2022)



⁴ https://greenwaymyanmar.com/posts/Onion_Farms_destroyed_by_Flooding?fbclid=IwAR2o3hX2L1N2gBZGiea76Tfib-O5g-YyyEv6erOwOi6SKDDIjaYssGNlzxY

⁵ <https://monnews.org/2022/04/24/price-of-raw-salt-falls-in-mon-state/>

Fuel

Myanmar fuel prices which hit peaks in late February and mid- to late-March, saw some reprieve in April. However, prices again increased by early May and were up +9% month-on-month (comparing 1st week of April to 1st week of May) and +138% comparing 1st week of May to end of February 2021.

Trader Feedback

Transportation issues and high costs continue to be mentioned by many traders participating in the market monitoring. Several mentioned that transport is taking longer as well contributing to delays in lead-time for re-stocking. In Hkamti, for example, one trader noted that it takes 2 weeks to receive orders due to transportation challenges along the Chindwin river, while in Layshi, what used to take 3 weeks is now taking 4 weeks. Limits on transport of rice continues to be mentioned by traders in Chin. In Rakhine, several traders mention that shortages of commodities at wholesalers is contributing to delays in ordering (in addition to transportation). Several traders also commented on increasing egg prices related to the rising cost of poultry feed and transport.

Quarterly Market Functionality

In April, traders were asked additional questions aimed at assessing aspects of market functionality including assortment and availability of goods, resilience of supply chains, and stability of prices. In terms of availability, 9% of traders reported experiencing scarcity in some products and 6% reported worrying that they may run out of stock in the coming week, up from <2% in December 2021 although not as high as that seen during peak lockdown periods in July-August 2021.

An increasing number of traders reported uncertainty in predicting prices 1 week from now (20%) and 1 month from now (27%), the highest proportion seen since monitoring of this question began in May 2020. The last time a substantial proportion reported uncertainty was in September 2021, with 18% and 30% saying they couldn't predict prices 1 week or 1 month ahead respectively.

In terms of supply chain resilience, nearly 60% said they didn't expect their current stock to last past 2 weeks, but few expressed concern about lead time to receive new stock; Only 9% worried that they would not receive their products within a week of ordering, compared to a high of 19% in July 2021.

Issues to watch

- Impact of spiraling prices for fuel, cooking oil, fertilizer, livestock feed/products as Russia-Ukraine conflict grinds on, particularly given Myanmar's heavy dependence on imports of these items.
- Declining crop yields as fertilizer use declines, leading to rising prices of domestically produced foods.
- Impact, albeit temporary, of Indonesia's palm oil export ban, implemented 29 April through 19 May, on retail prices in Myanmar (anticipate to see increases in May price monitoring).
- Potential knock-on effect of grain substitution in livestock feed as producers seek alternatives. This could include broken rice with unclear implications for domestic broken rice prices.
- Ongoing: impact of insecurity on transport routes and market functionality.
- Ongoing: Cash liquidity, limited and intermittent cash transfer services, high transfer fees.

More information

