



MYANMAR

MARKET PRICE UPDATE

May 2022



Highlights

- The cost of the basic food basket (rice, oil, chickpeas, salt) remained stable in most areas, except in Mon where the price of chickpeas and salt increased as the rainy season contributed to ongoing transportation challenges and costs.
- Edible oil prices were stable overall in May, although with some variation seen across markets due to transportation costs. It is unclear to what extent the rate setting of edible oil prices at wholesale level, implemented by the Ministry of Commerce in an effort to stem price escalation, affected retail prices in retail markets.
- Slight seasonal increases in rice prices (+3% overall) were observed as planting season got underway.
- Egg prices continue to rise (+10%) due in large part to high costs of chicken feed, linked to declining availability of livestock feed amidst Russia-Ukraine conflict. Almost all areas are now seeing prices more than 50% higher than last year.
- Tomato prices increased across most markets due to decline in local seasonal production.
- Transportation is still affected everywhere by insecurity (particularly in Chin, Sagaing and Kayin) as well as the high costs of fuel – Octane fuels rose by about 13% and diesel by about 24% month-on-month since April and are more than double that of one year ago.

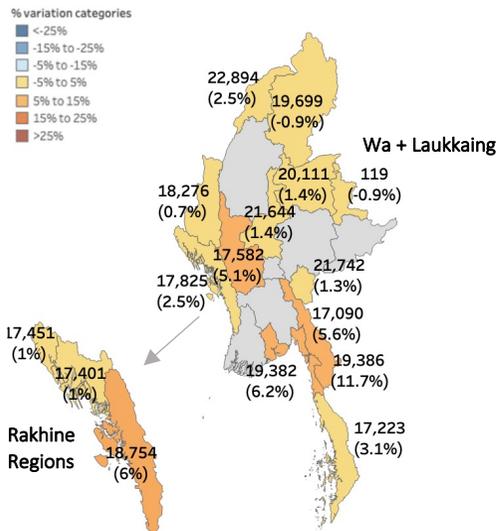
Food Basket

The food basket remained stable overall from April to May (+3%). The main exception was in Mon where the basket price rose by +12% largely due to higher chickpea prices as retail stocks were low and transportation challenges hindered restocking (rainy season plus fuel costs). The rainy season also affected salt production in Mon causing increase in average salt prices in May.

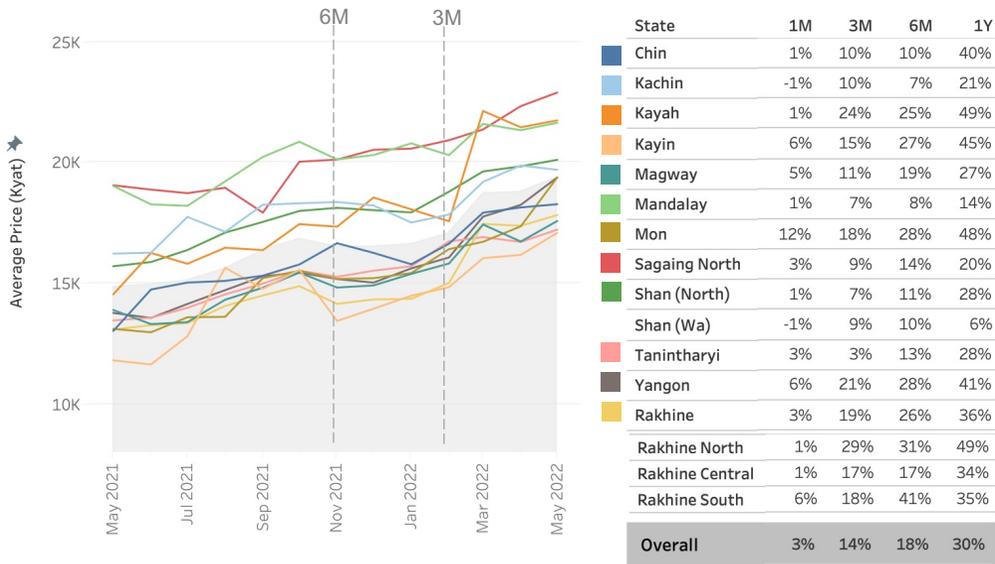
The average basket price ranges from 17,000 Myanmar Kyat to 21,000 Kyat (~ 9 to 11 USD). By comparison, average basket prices one year ago were between 12,000 and 19,000 Kyat, reflecting a 30% increase. Compared to 3 months ago, basket prices have risen +14% overall.

Basket

Month-on-Month Change by Area/State



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



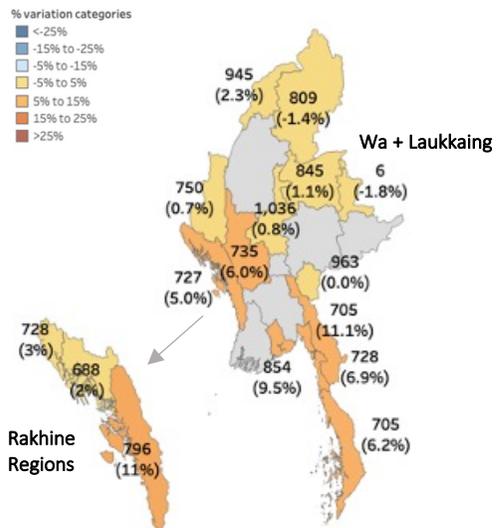
Rice

Rice prices rose slightly between April and May, tracking seasonal increases that occur around planting time. The highest increases were seen in southern Rakhine (+11%), Kayin (+11%), Yangon (+7%) and Mon (+7%).

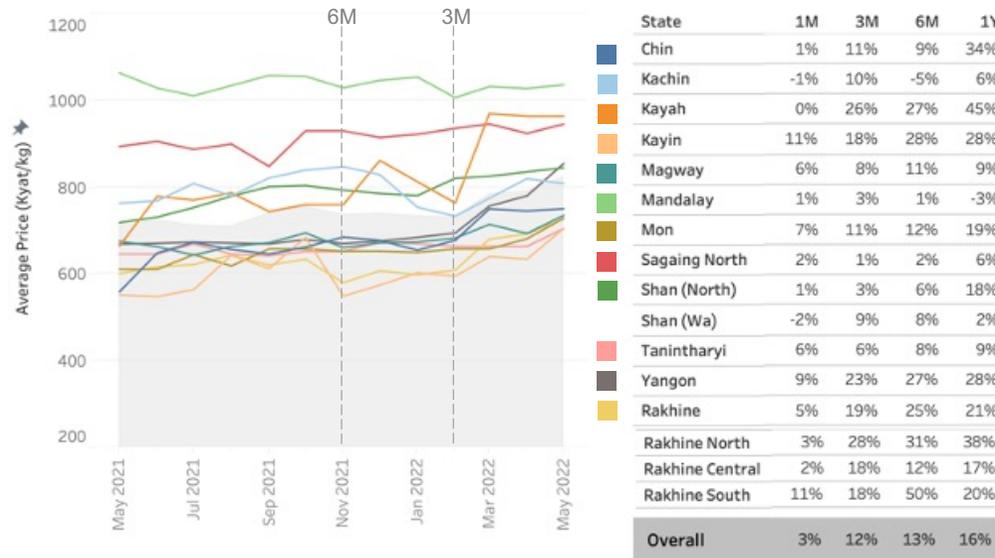
Compared to the same time last year, rice prices remain elevated by 16 percent due in large part to transportation and fuel costs.

Rice

Month-on-Month Change by Area/State



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





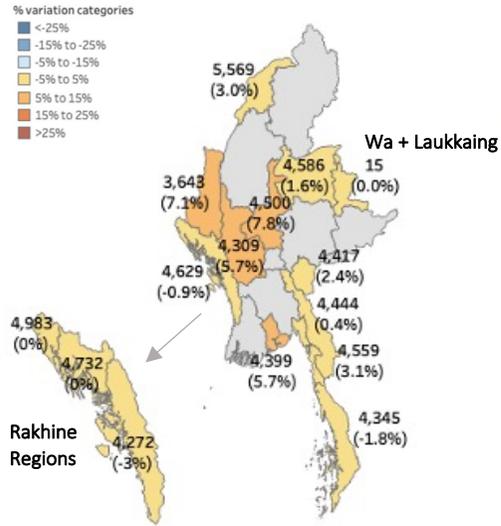
Oil prices remained stable again from April to May 2022. Where increases were observed, a decline in availability and high transportation costs were noted as the primary reasons for the increase this month. Indonesia's ban on export of palm oil, while short-lived, may still have affected stocks in markets depending on existing stocks and demand. Globally, vegetable oil prices continued to cool in May, according to FAO food commodity price indices.¹

The Ministry of Commerce has taken several steps to stem escalation of prices of edible oils and ensure sufficiency in the markets, including temporarily halting export of oil crops, namely peanuts and sesame seeds, and implementation of weekly wholesale palm oil reference rates.² It is unclear to what extent these measures may have contributed to relative stability in retail shops in monitored markets this month. Nonetheless, the variation in prices and in month-on-month change between different areas of the country also reflects localized availability and transportation costs.

Compared to the same time last year, oil prices are more than 80 percent higher overall.

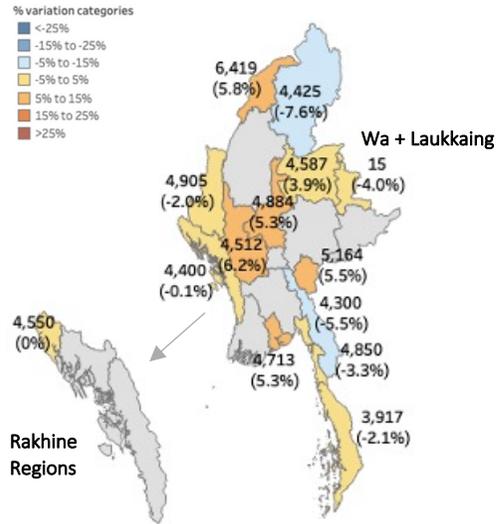
Cooking (Palm) Oil

Month-on-Month Change by Area/State

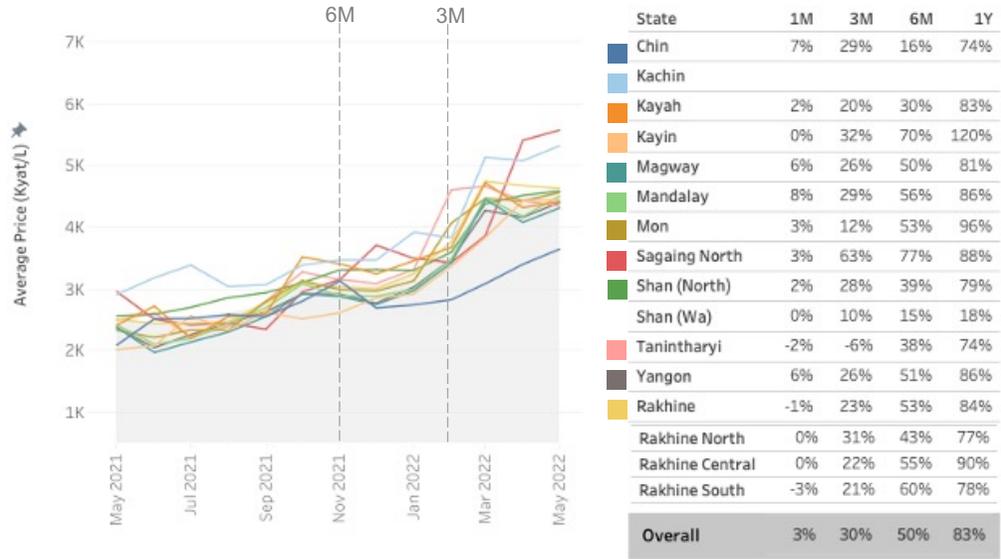


Mixed Oil

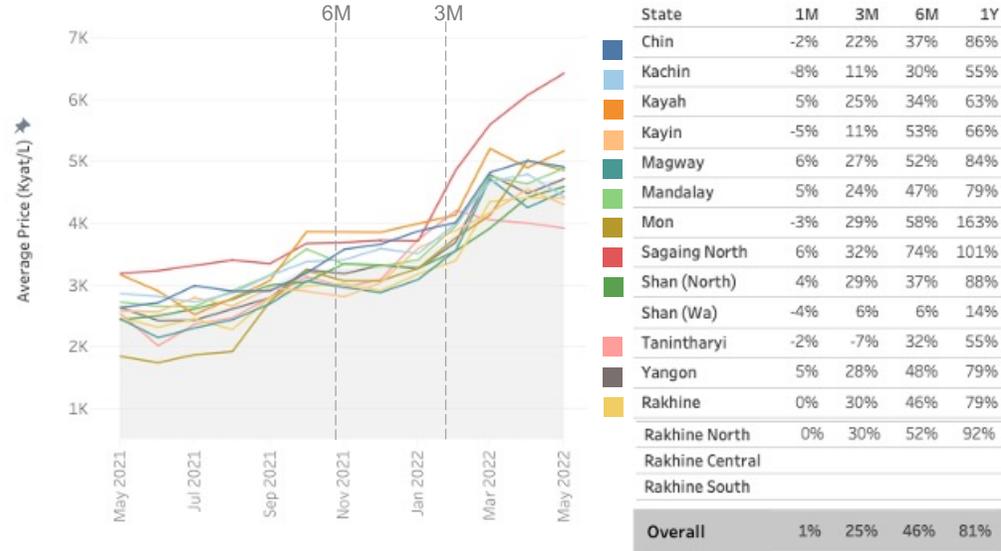
Month-on-Month Change by Area/State



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



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



¹ <https://www.fao.org/worldfoodsituation/foodpricesindex/en/> released 3 June 2022

² <https://www.gnlm.com.mm/palm-oil-reference-price-set-at-k6025-per-viss-tracking-stability-in-global-oil-prices/>;

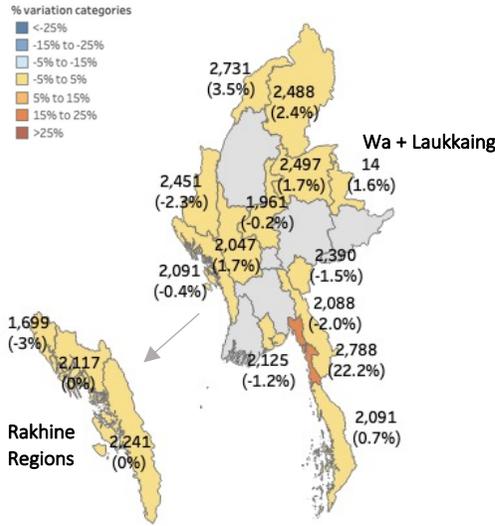
<https://www.gnlm.com.mm/domestic-palm-oil-price-re-falls/>; <https://www.gnlm.com.mm/peanut-sesame-exports-temporarily-suspended-to-secure-local-consumption/>

Pulse prices again remained largely stable between April and May. For chickpeas, the exception was in Mon where, similar to last month, prices rose again (+22%) due to decline in retail stocks and transportation challenges (cost, rainy season) hindering re-stocking.

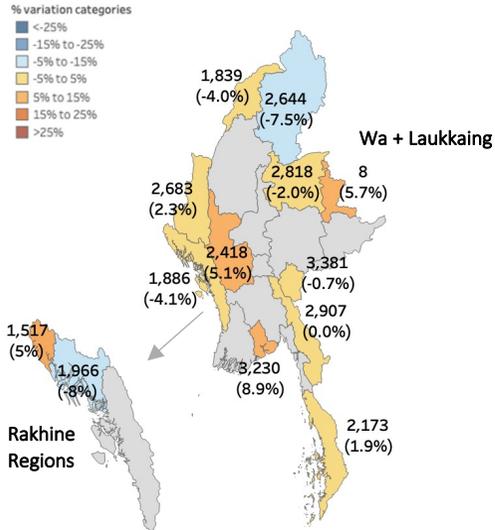
For other pulses, the increases observed in Yangon (+9%) and Magway (+5%) were driven by increases in peanut / ground nut prices –increasing by about 1000 Kyat per viss³ in Twantay market in Yangon and by about 300 Kyat per viss in Magway markets compared to last month. The increases relate to higher demand for edible oils. The intended effects of a temporary ban on export of peanuts and other oil crops in early May⁴, i.e. to lower domestic prices and ensure sufficiency in edible oils, may yet be seen. In other Yangon markets, lentils are the primary pulse monitored and prices remained stable month-on-month. In Northern Rakhine, kidney bean prices rose by 100 Kyat per kilogram. Sadawpe increased slightly in Yebyu market as well as in Wa region markets. Soya beans also increased slightly in Wa region.

Year-on-year, average chickpea prices were up +38% overall, with the highest increases in Kayin (+63%), Northern Rakhine (+53%) and Tanitharyi (+53%).

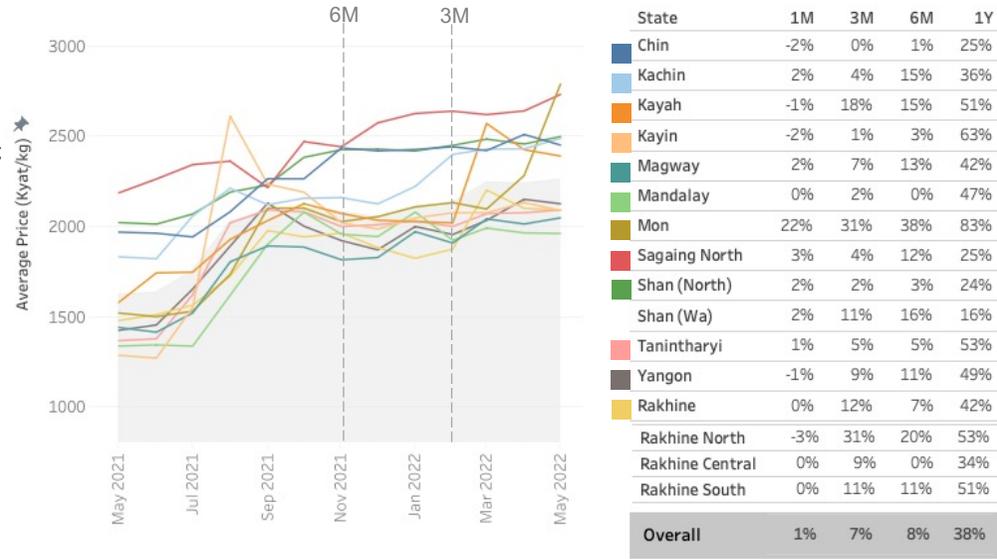
Chickpeas Month-on-Month Change by Area/State



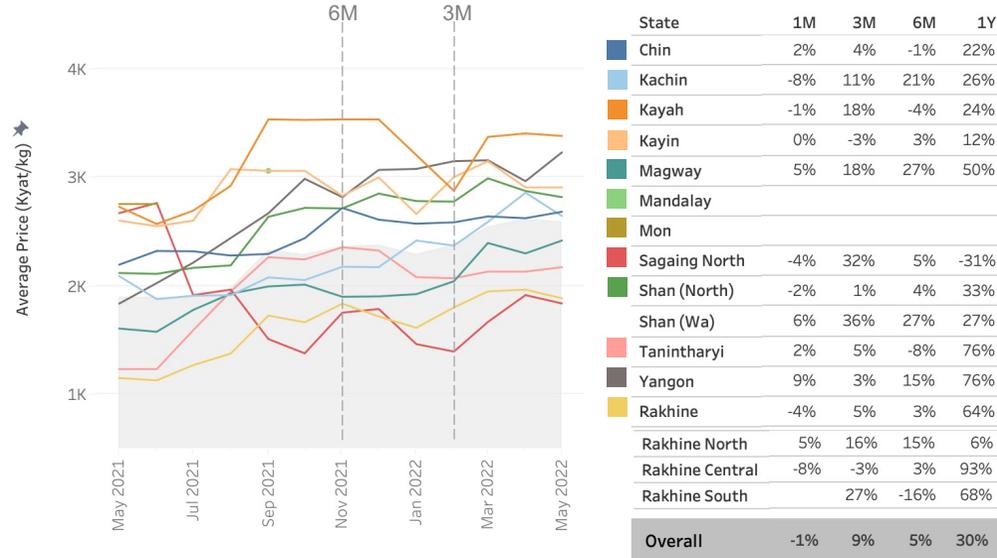
Other Pulses Month-on-Month Change by Area/State



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



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



³The viss is a traditional unit of measurement of mass in Myanmar; conversion factor is 1 viss = 1.633 kg

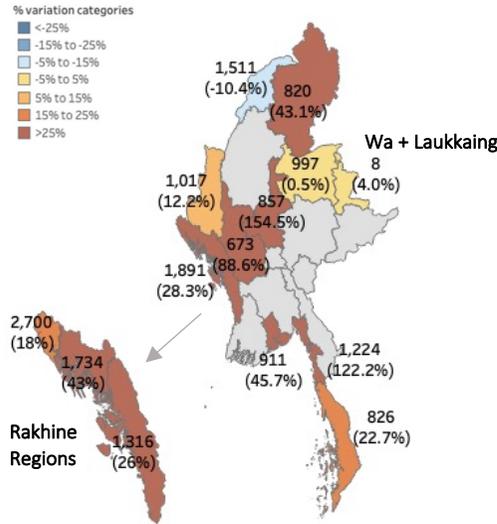
⁴<https://www.consult-myanmar.com/2022/05/12/peanut-sesame-exports-temporarily-suspended-to-secure-local-consumption/>

Tomatoes

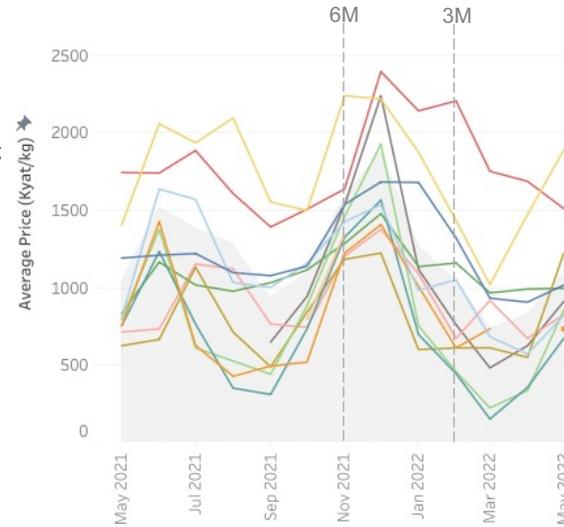
The price of tomatoes in most parts of the country rose considerably from April to May following seasonal patterns of availability. As local production ends, the only available tomatoes often are those that have been imported from other regions thereby affected by transport costs and prices in source markets. In northern Sagaing, the overall decline was driven by reduction in prices in Layshi and Lahe markets while prices rose in Hkamti and Nanyun. Prices were stable in Shan markets.

Tomatoes

Month-on-Month Change by Area/State



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



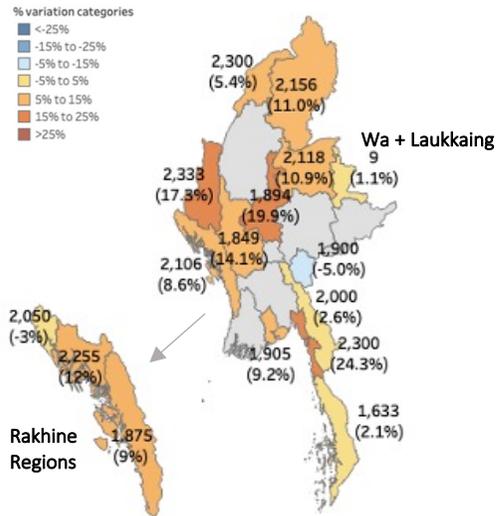
State	1M	3M	6M	1Y
Chin	12%	-23%	-34%	-15%
Kachin	43%	-22%	-43%	1%
Kayah		20%	-40%	-3%
Kayin				
Magway	89%	51%	-49%	-11%
Mandalay	155%	87%	-41%	8%
Mon	122%	100%	3%	96%
Sagaing North	-10%	-32%	-8%	-13%
Shan (North)	1%	-14%	-23%	19%
Shan (Wa)	4%	-3%	0%	-9%
Tanintharyi	23%	23%	-31%	16%
Yangon	46%	20%	-41%	
Rakhine	28%	32%	-16%	35%
Rakhine North	18%	59%	-20%	26%
Rakhine Central	43%	32%	-8%	50%
Rakhine South	26%	-14%	-23%	13%
Overall	26%	7%	-27%	8%

Eggs

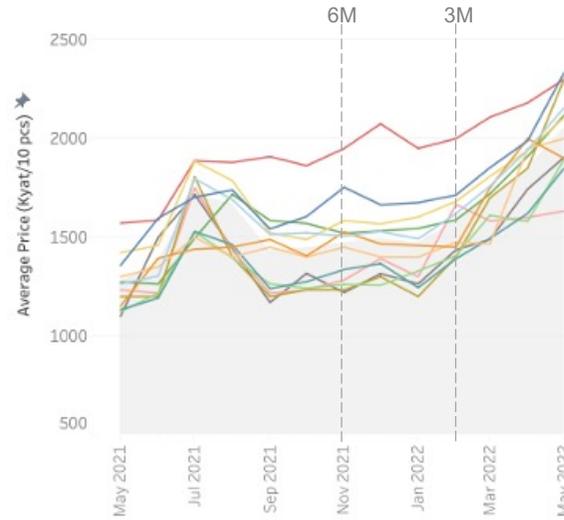
Egg prices continued to rise in May following last months upward trajectory due to the increasing costs of chicken feed.⁵ As noted in the April bulletin, the increase in chicken feed is part of a broader pattern of grain substitution in feed composition as livestock producers seek alternatives to wheat in the wake of the Russia-Ukraine conflict and declining availability.⁶ The highest increases were felt in Mon (+24%), Mandalay (+20%) and Chin (+17%).

Eggs

Month-on-Month Change by Area/State



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



State	1M	3M	6M	1Y
Chin	17%	36%	33%	72%
Kachin	11%	33%	43%	71%
Kayah	-5%	31%	24%	65%
Kayin	3%	36%	38%	54%
Magway	14%	33%	38%	63%
Mandalay	20%	35%	50%	69%
Mon	24%	64%	86%	92%
Sagaing North	5%	15%	18%	46%
Shan (North)	11%	33%	39%	66%
Shan (Wa)	1%	13%	11%	-1%
Tanintharyi	2%	-2%	27%	32%
Yangon	9%	33%	56%	73%
Rakhine	9%	25%	33%	48%
Rakhine North	-3%	22%	18%	60%
Rakhine Central	12%	28%	41%	49%
Rakhine South	9%	21%	29%	42%
Overall	10%	29%	36%	60%

Compared to the same time last year, egg prices are up +60%, a considerable jump reflecting this pressure on egg prices. Almost all areas are now seeing prices more than 50% higher than last year.

⁵ https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Grain%20and%20Feed%20Annual_Rangoon_Burma%20-%20Union%20of_BM2022-0006.pdf

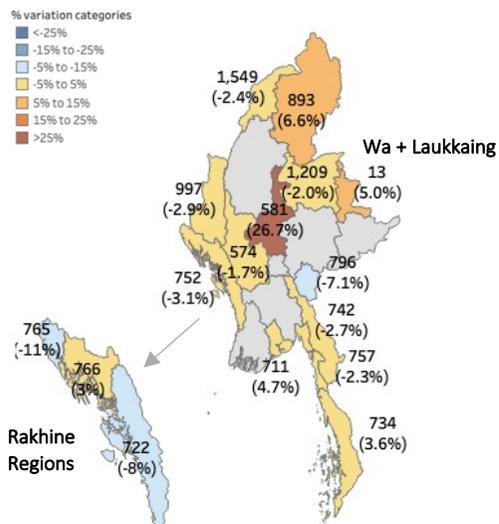
⁶ <https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/agriculture/030322-feature-asian-buyers-grapple-for-wheat-supply-amid-russia-ukraine-conflict>

Overall, onion prices were largely stable, with the exception of Mandalay where the price increased by +27%. However, looking at market level trends in Mandalay, most markets saw stability in onion prices except in Nyaung-U where the price re-bounded from a low price of 700 Kyat per kilo in April (reflecting the harvest) back to 1000 Kyat per kilo that was seen in March.

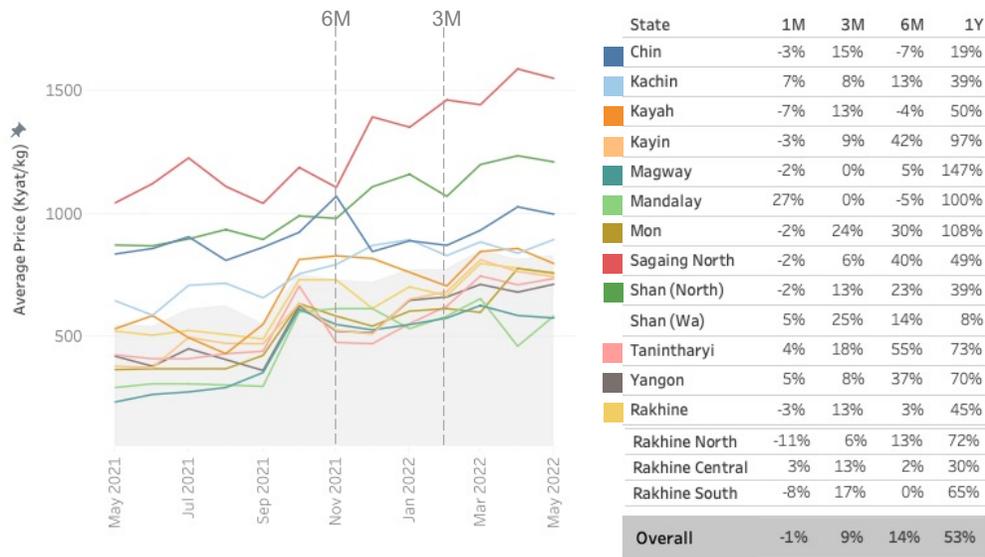
Compared to one year ago, onion prices are up +53%.

Onions

Month-on-Month Change by Area/State



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

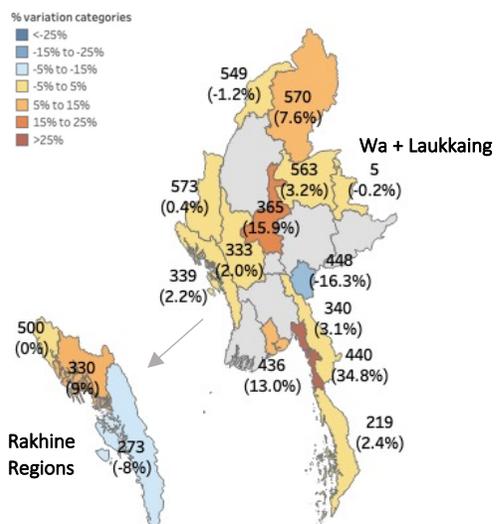


Salt prices remained mostly stable except in Mon (+35%) and Mandalay (+16%). In Mon, the increase is due to normal reductions in salt production that happens in the rainy season, as well as the impact of transport costs. In Kayah, the price fluctuations of the past 2 months (steep increase in April and decrease in May) have been specific to Hpasawng while Loikaw prices have remained stable. In Hpasawng, such price variations have been attributed to insecurity and transportation issues.

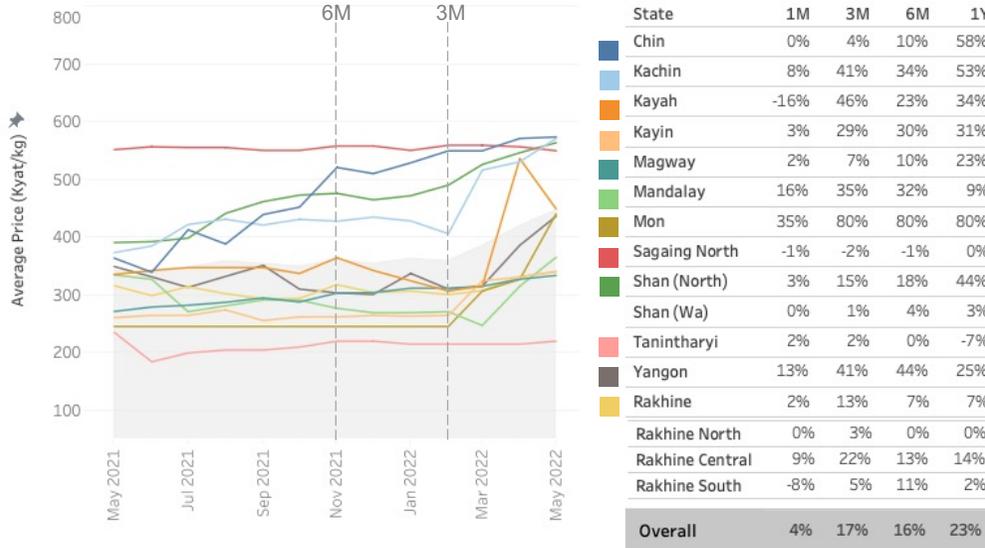
Compared to the same time last year, salt prices are up +23%.

Salt

Month-on-Month Change by Area/State



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



Fuel

Fuel prices are monitored in the 3rd week of each month to align with price data collection. In May 2022, octane prices had increased on average +12-13% month-on-month while diesel prices had remained stable. However, by the 3rd week of June, diesel prices had subsequently increased as well, +23-24% compared to May prices, while octane prices remained stable. By the third week of June, diesel prices were up +161-164% year-on-year and octane prices were up +112-118%. For example, in Yangon, the price of Octane 92 and 95 rose above 2200 Kyat per liter and diesel regular and premium cost about 2700 Kyat per litre and higher. This is compared to prices that hovered around 1,000 Kyat per litre one year ago (June 2021).

Trader Feedback

Many traders in May remarked on continued rise in the price of eggs as chicken feed costs are escalating. In addition, traders across many markets commented on rising tomato prices due to decline in local production and availability meaning they are more reliant on importing tomatoes from other areas and subject to the high transport costs. Indeed, high transport costs continue to be a major issue underscoring the elevated retail prices: In Chin, armed clashes and ongoing transportation restrictions requiring permits and transport clearance were mentioned by several traders; in Paletwa, traders indicated that the transport boat was only running once a week; In Sagaing, there continue to be transport difficulties between Monwyar and Hkamkti. The rainy season has also affected transportation contributing to price increases.

Issues to watch

- Potential impact of food export bans by countries in the region (for example temporary bans by Myanmar on export of oil crops in May and by Indonesia on palm oil in April) as they grapple with how to ensure domestic sufficiency amidst escalating prices.⁷
- Rising costs of livestock feed and impact of substitution with different grains; As livestock producers seek to reduce costs in livestock feed, the use of other grains causes retail prices of these other grains to rise.
- Ongoing cascading effect on food prices/availability amidst evolving global food and energy crisis related to the Russia-Ukraine conflict.
- Ongoing: Cash liquidity, limited and intermittent cash transfer services, and higher transfer fees remain issues for traders.

More information

