



MYANMAR

MARKET PRICE UPDATE

August 2022



Highlights

- The cost of the basic food basket (rice, oil, chickpeas, salt) continues to rise, up +14% month-on-month, driven by rising edible oil and rice prices. The average price ranges from 21,000 kyat to 28,000 kyat for a basket.
- Currency depreciation continues to cause inflation in markets. Despite fixed rate at Central Bank of Myanmar of 2100 kyat, the average market exchange rate remains 15-20% higher.¹
- Rice prices are the latest commodity to see considerable increases this month (overall +14%) due to a combination of factors including increased production costs, currency depreciation, rising fuel prices, declining stocks and concerns over output in the coming season.
- Onion prices continue upward trend as stocks dwindle and the summer harvest remains several months away. The overall increase was +24%.
- Edible oil prices rose again by 15-17% despite overall global declines in vegetable oil prices, driven by the currency devaluation and transportation costs.
- Egg prices also increased again this month as input prices (chicken feed) and fuel prices continue to be high.
- Fuel prices increased 28% on average (month-on-month) and are more than double that of one year ago.

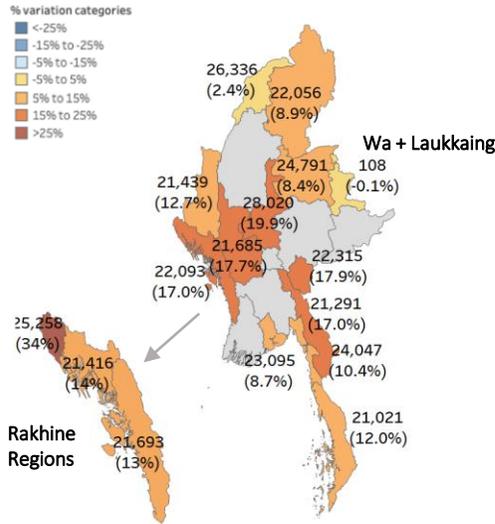
Food Basket

The cost of a basic food basket increased by +14% overall this month. The highest month-on-month increases were recorded in northern Rakhine (+34%), Mandalay (+20%), and Kayah, Kayin and Magway (+17-18%). These increases reflect rising palm oil and rice prices.

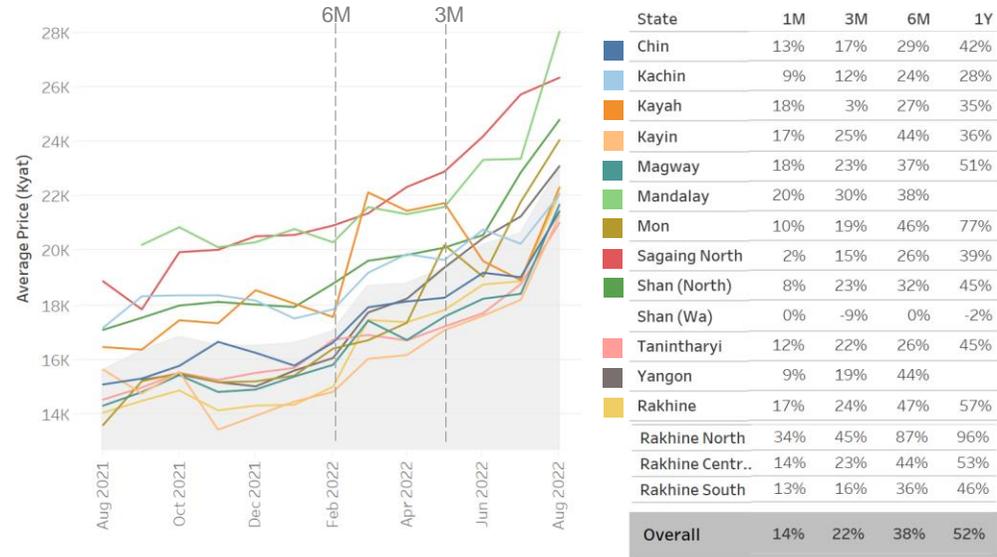
Compared to the same time last year, the cost of a basic food basket is +52% higher, averaging between 21,000 and 28,000 Myanmar kyat (~10 to 13 USD). Over the past three months, basket prices have risen +22% overall.

Basket

Month-on-Month Change by Area/State



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

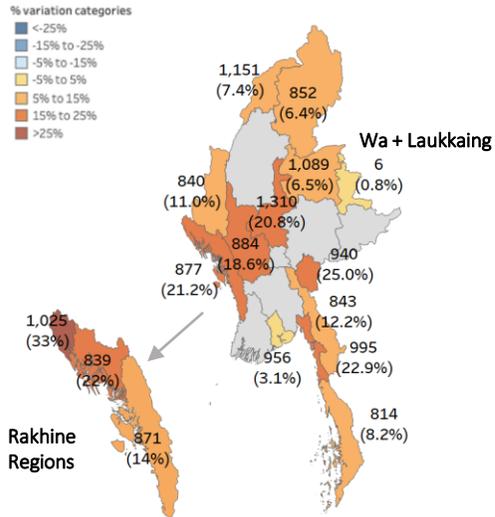


Rice

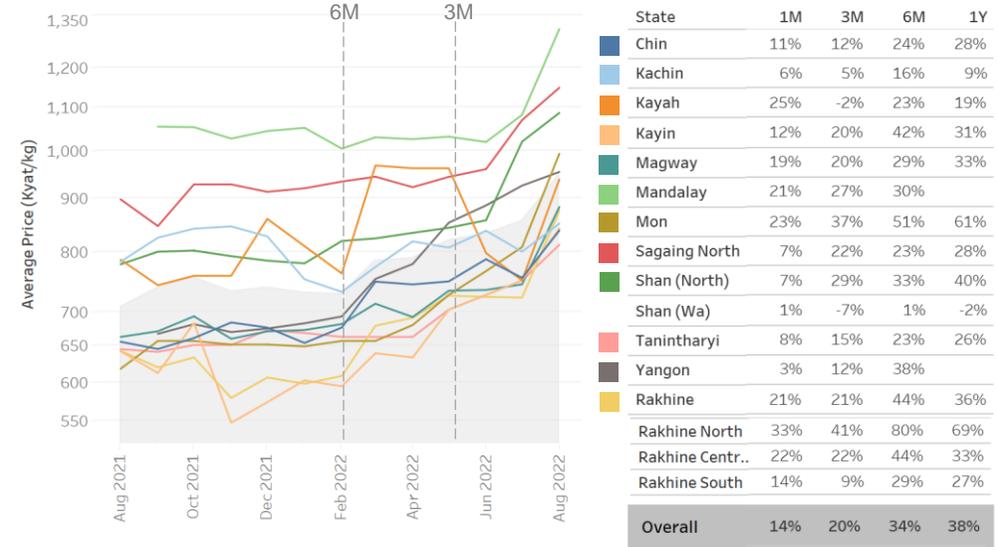
Rice prices rose +14% overall with particularly high increases in northern and central Rakhine, Mon, Kayah, and Mandalay (>20%). The high costs of inputs, particularly fertilizer, disruption to production due to conflict, shrinking supply due to increased domestic demand amid predictions of smaller crop, as well as rising costs at the rice mills due to power cuts are key drivers behind rising prices.^{1,2} In addition to planting challenges due to high input costs, localized drought and low rainfall in different areas (for example in parts of Ayeyarwady, Rakhine) is also affecting current production.²

Rice

Month-on-Month Change by Area/State



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



Compared to the same time last year, rice prices are up +38%.

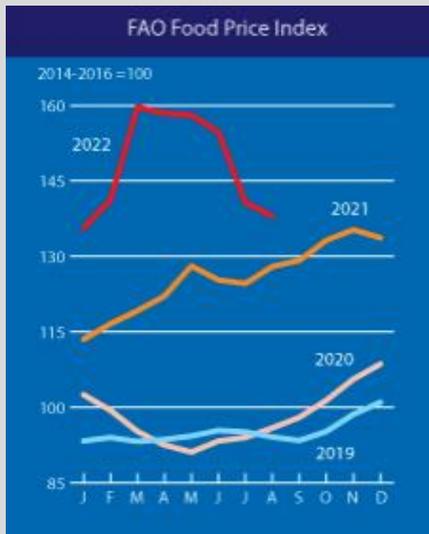
¹ https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Rice+Trade+-+Monthly_Rangoon_Burma+-+Union+of_BM2022-0015.pdf

² <https://www.rfa.org/english/news/myanmar/rice-prices-08152022183641.html>

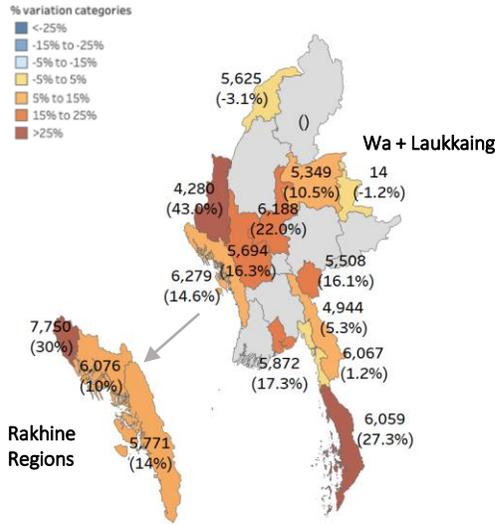
Despite a continued decrease in vegetable oil prices globally that can be linked to increasing export availability (see FAO vegetable oil price index), Myanmar prices for palm and mixed oil rose sharply again this month (+15-17% month-on-month).³ The main reasons include the deterioration of the local exchange rate, supply shortages at wholesalers, and high transport costs.

High increases were seen in Chin (+43%) and Tanintharyi (+27%). In Chin, traders reported that they were not able to import more palm oil due to transportation restrictions, restrictions affecting the importation of many commodities into the state.⁴

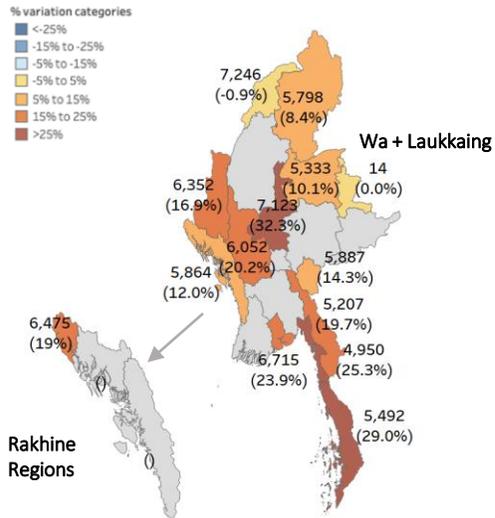
Compared to last year, prices were up between +128 and 135% overall with highest increases recorded in Rakhine, Mon, Tanintharyi and Sagaing.



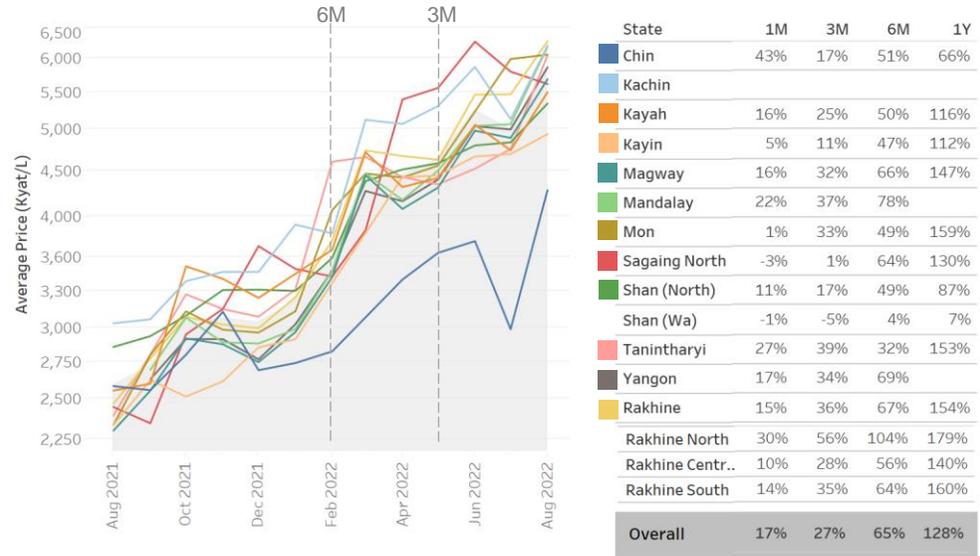
Cooking (Palm) Oil Month-on-Month Change by Area/State



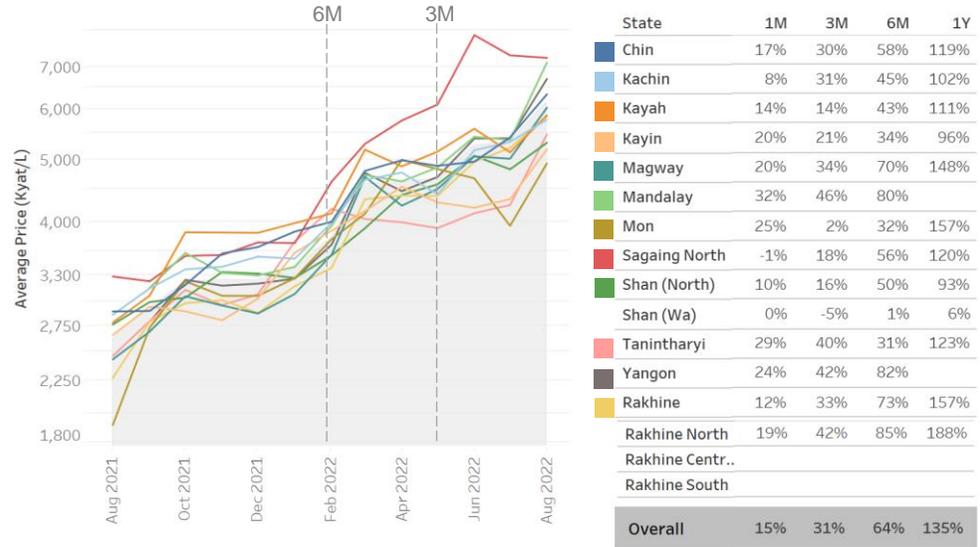
Mixed Oil Month-on-Month Change by Area/State



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



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



³ <https://www.fao.org/worldfoodsituation/foodpricesindex/en/> released 2 September 2022

⁴ According to traders, checks for vehicles along transport routes and clearance permits are causing challenges and delays

Pulse prices mostly rose this month, with the exception of in northern Sagaing and Mon areas. The largest increases for chickpeas were in Magway, Yangon and Mandalay (+12-16%). The dramatic increase in northern Rakhine (+43%) was due to the increase in fighting that interrupted supply, putting upward pressure on a range of commodity prices. The increase in prices is due to high demand both domestically and for export.

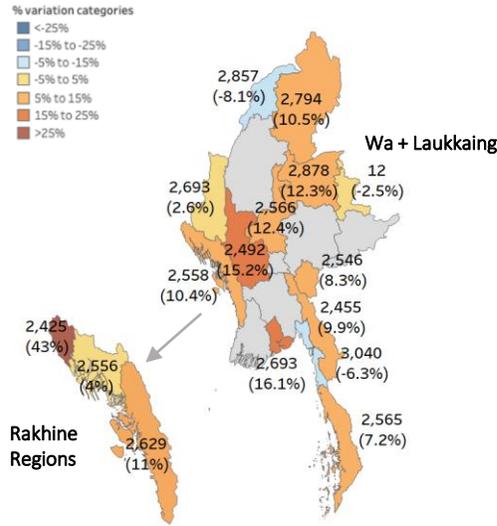
The price of lentils went up month-on-month from on 5300 kyt to 5900 kyt per pyi. Sawdawpe also increased by about 200 kyt/pyi on average. Groundnut also increased slightly in price in many places.

Compared to the same time last year, average chickpea prices are up +36% and other pulses are up 9%.

With the ban on export of edible oils lifted as of 10 Aug 2022, the impact of increasing export demand on domestic prices may be felt in the coming months.

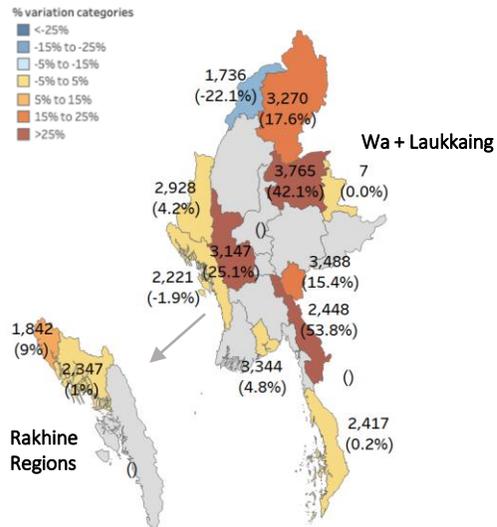
Chickpeas

Month-on-Month Change by Area/State

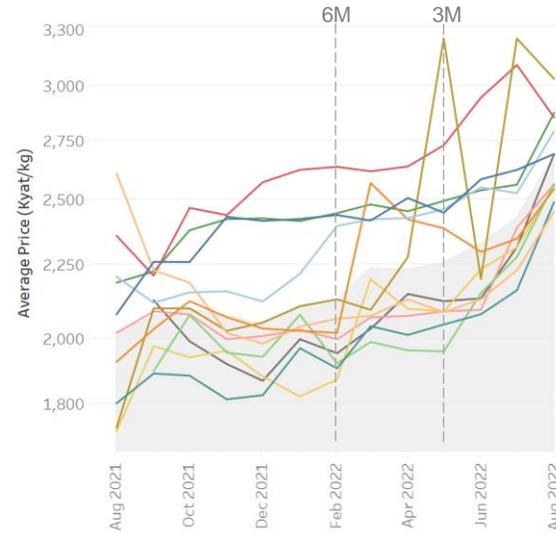


Other Pulses

Month-on-Month Change by Area/State

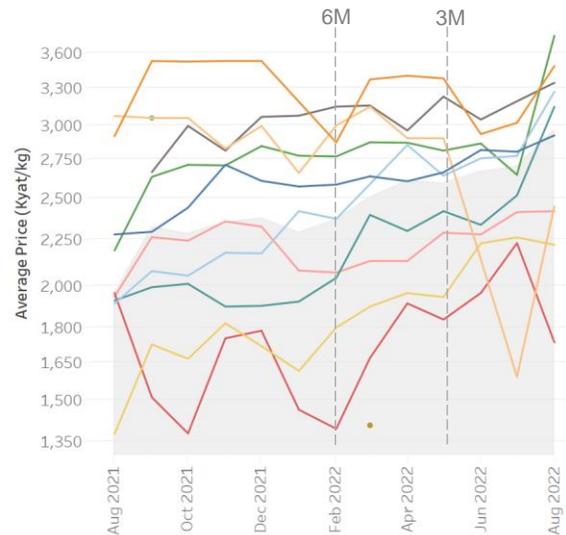


Average Price Trends by Area (Aug 2021 – Aug 2022)



State	1M	3M	6M	1Y
Chin	3%	10%	10%	29%
Kachin	10%	13%	16%	26%
Kayah	8%	7%	26%	32%
Kayin	10%	18%	19%	-6%
Magway	15%	22%	31%	38%
Mandalay	12%	31%	33%	
Mon	-6%	-6%	43%	75%
Sagaing North	-8%	5%	8%	21%
Shan (North)	12%	15%	18%	31%
Shan (Wa)	-2%	-17%	-8%	-6%
Tanintharyi	7%	23%	28%	27%
Yangon	16%	27%	38%	
Rakhine	10%	22%	36%	48%
Rakhine North	43%	43%	87%	110%
Rakhine Centr..	4%	21%	31%	47%
Rakhine South	11%	17%	30%	33%
Overall	10%	18%	27%	36%

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



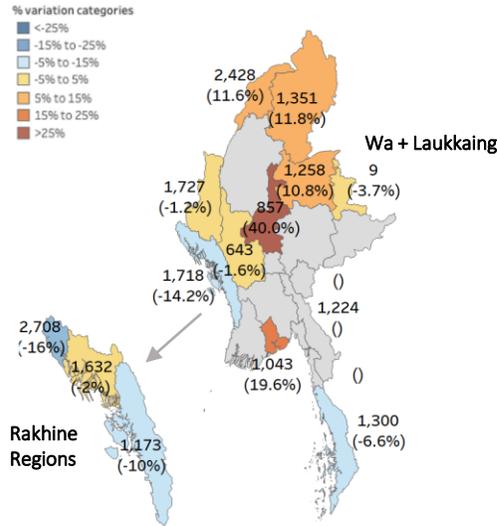
State	1M	3M	6M	1Y
Chin	4%	10%	13%	28%
Kachin	18%	24%	38%	71%
Kayah	15%	3%	21%	19%
Kayin	54%	-16%	-18%	-20%
Magway	25%	30%	54%	63%
Mandalay				
Mon				
Sagaing North	-22%	-6%	24%	-12%
Shan (North)	42%	34%	36%	72%
Shan (Wa)	0%	-11%	21%	13%
Tanintharyi	0%	6%	17%	24%
Yangon	5%	4%	6%	
Rakhine	-2%	14%	23%	61%
Rakhine North	9%	21%	41%	42%
Rakhine Centr..	1%	14%	16%	64%
Rakhine South				
Overall	9%	15%	26%	43%

Tomatoes

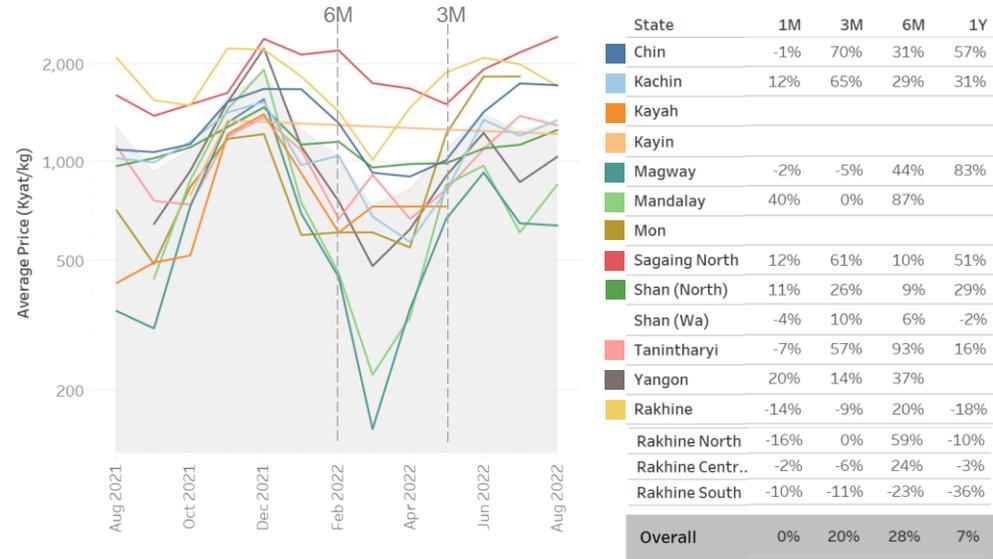
Changes in tomato prices varied considerably around the country, rising in the central areas and northern states while showing stability and declines in the northwest and southeast. The increase in Mandalay (+40%) was driven by rising prices in Chanayethazen township while prices in Nyaung-U remained stable. In Rakhine and Tanintharyi, prices were slightly declining overall, although at market level there was greater variability.

Tomatoes

Month-on-Month Change by Area/State



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

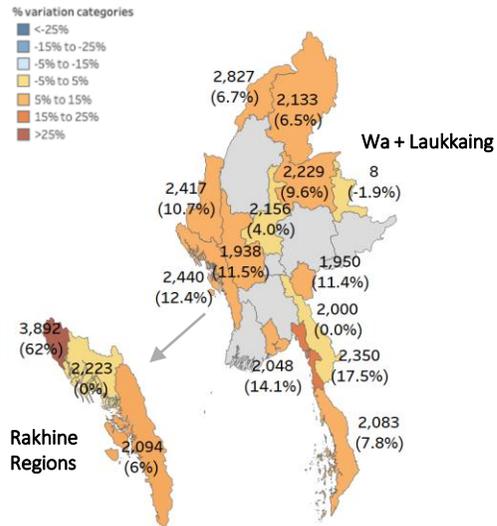


Eggs

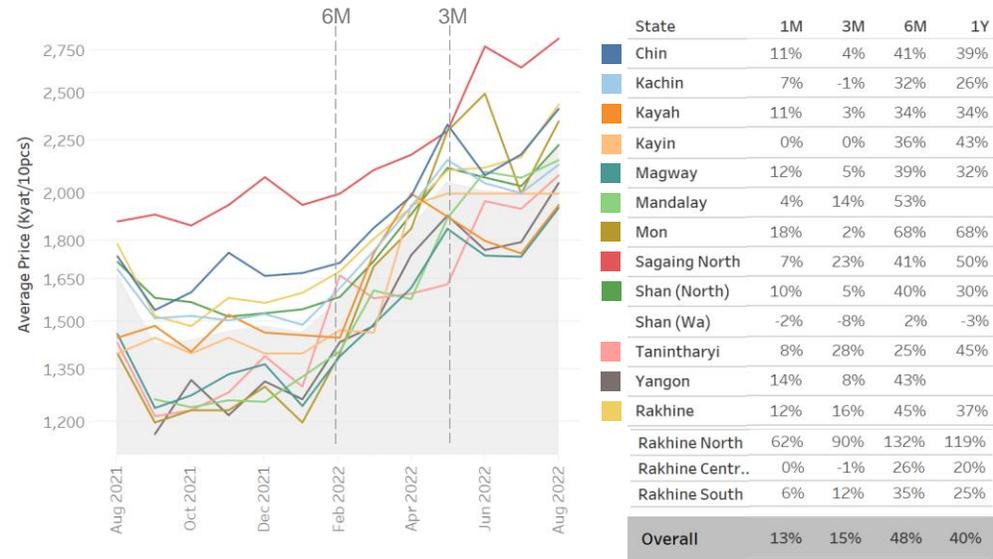
Egg prices rose again (+up 13% overall) and the retail shop owners point to high costs of transportation and high fuel prices as main contributing factors. However, other reports of increasing costs of chicken feed likely are also at play in causing continually rising egg prices.⁵ In northern Rakhine, the particularly large increase of +62% is linked to heightened fighting and tensions that has disrupted supply. The average price ranged from 1,900 to 2,800 kyat for 10 eggs in August.

Eggs

Month-on-Month Change by Area/State



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



Compared to the same time last year, egg prices are up +40%, remaining elevated due to the increase in feed prices and transportation challenges.

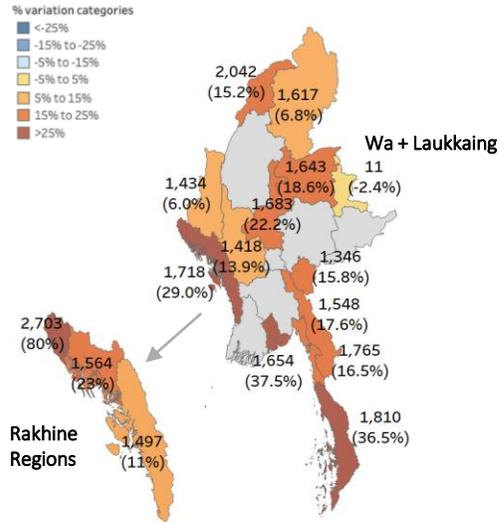
⁵ <https://www.gnlm.com.mm/egg-price-surges-in-early-august/> ; As noted in earlier bulletins, the increase in chicken feed is part of a broader pattern of grain substitution in feed composition as livestock producers seek alternatives to wheat in the wake of the Russia-Ukraine conflict and declining availability

Onion price rose again this month due to continued effect of declining stocks and high export demand. While it is expected that a greater number of farmers may have planted monsoon onions given the high market prices⁶, the summer harvest of onions is not expected for a few more months.⁷ In the interim, prices are anticipated to continue to rise.

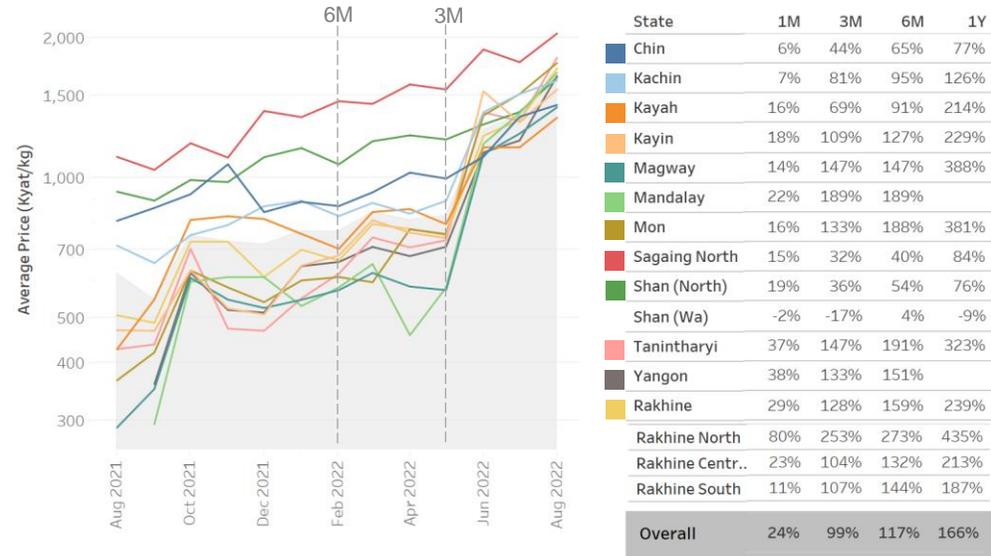
Compared to one year ago, the difference in average price is dramatic, with increases of 3-5 times over last year. Overall, the average increase is +166% compared to last year.

Onions

Month-on-Month Change by Area/State



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

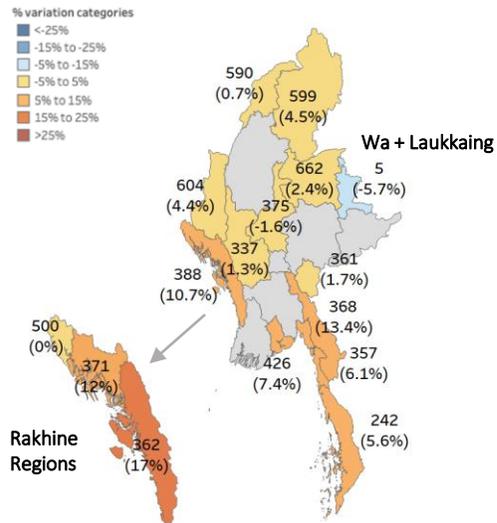


Salt prices are again largely stable month-on-month in August. The exceptions are in the central and southern parts of Rakhine (+12-17%) and in Kayah (+13%).

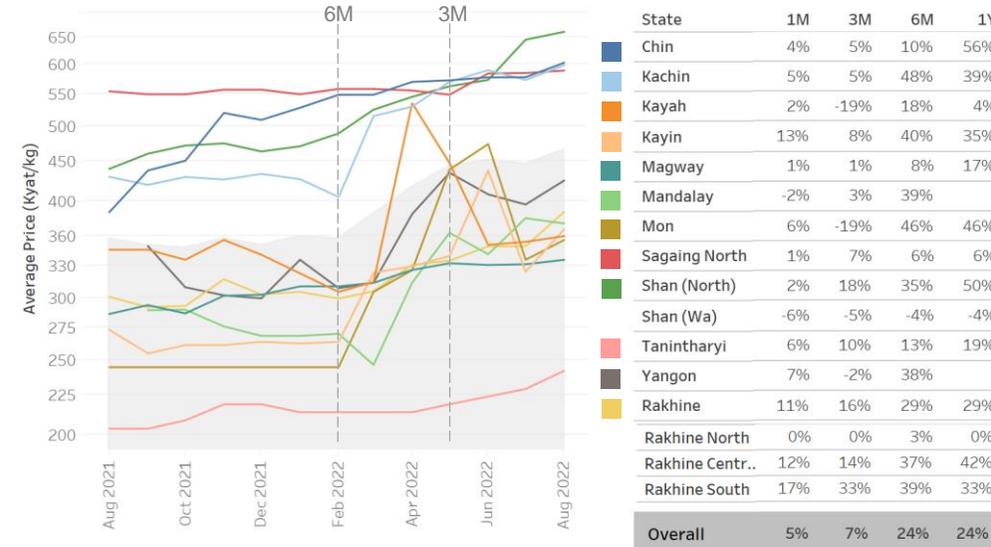
Compared to the same time last year, salt prices are up +24%.

Salt

Month-on-Month Change by Area/State



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



⁶ <https://elevenmyanmar.com/news/the-wholesale-prices-of-onion-reach-ks3200-per-viss-and-retail-prices-reach-ks4000-per-viss-in>

⁷ <https://www.gnlm.com.mm/onion-prices-stay-strong-before-monsoon-onions-flood-market/>

Fuel

Fuel prices in August rose again (28% on average), with the average price of diesel up +23% while the average price of octanes increased +34%. The sustained increases is putting upward pressure on nearly all commodity retail prices via increases to transportation costs. Compared to one year ago, the prices are up between +110 and +160%.

Trader Feedback

Traders report mostly on higher costs due to high fuel and transportation costs, worsening exchange rate, and low stock/rising prices at wholesalers. Many directly mention the security environment and unstable political situation. In Chin, traders mention repeatedly the transport restrictions affecting trade and prices. In Ann township, Rakhine, several traders mention production difficulties due to poor rain conditions.

Issues to Watch

- India banned rice exports on 8 September which is causing increased demand from other rice exporters including Myanmar. This is likely to put upward pressure on rice prices.⁸
- Reportedly, limited rice exports are being considered given failure to reach agricultural targets.⁹
- Production costs rising again for chicken feed affecting egg prices.
- Ongoing increases in onion prices amidst low domestic supply and strong foreign export demand.
- Continue to monitor global costs of grains and feed for knock-on effects on egg prices.
- Ongoing cascading effect on food prices/availability amidst evolving global food and energy crisis related to the Russia-Ukraine conflict.

More information



[July Report](#)



[June Report](#)



[May Report](#)

Photo credit cover page: Retail shop sells vegetable in a market, south Shan ©WFP / Zun Nu

⁸ <https://www.news24.com/fin24/economy/indias-rice-export-curbs-paralyse-trade-in-asia-as-prices-rise-20220912>;
<https://www.gnlm.com.mm/broken-rice-prices-on-the-rise-in-high-demand/>

⁹ <https://www.rfa.org/english/news/myanmar/rice-prices-08152022183641.html>

The data was collected between 13th and 27th of August by WFP and cooperating partner staff. Coverage this month: 12 states/regions, 71 townships, 129 markets, 339 traders/shops.