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World Food
Programme



MYANMAR

MARKET PRICE UPDATE

May 2021



HIGHLIGHTS

- ★ Price increases are now affecting a broader range of commodities when compared to reporting from last month – average prices are up for palm oil (+11%), mixed oil (+8%), rice (+3%), onions (+11%), tomatoes (+22%), and pulses (+5%) compared to last month.
- ★ The local rise in oil prices is linked to a broader global upward trend, exacerbated by import restrictions and rising transportation costs domestically.
- ★ In urban areas of Mandalay and Yangon, oil prices rose again, by 14% and 20% for mixed oil and cooking oil, respectively, in Mandalay, and by 14% for both mixed and cooking oil in Yangon. Rice prices remained mostly stable (+1-2%) in both areas.
- ★ Compared to pre-crisis (January 2021), average prices of mixed oil and cooking oil have increased by 38% while rice has increased by 9% overall.
- ★ Compared to the same time last year (May 2020), the average price of mixed oil has increased by 52%, cooking oil by 47%, and rice by 18%.
- ★ Compared to last month, Sagaing has seen particularly steep increases across a range of commodities due to fuel price increases and disruption in transport, with average prices increasing +10% for rice, +16% for mixed oil, +27% for palm oil and onions respectively, +76% for tomato, and +3% for eggs, pulses and chickpeas respectively.
- ★ Between mid-May and mid-June, fuel prices largely stayed stable except in Dawei in the Southeast and in northern Rakhine (Buthidaung) where increases ranged from 6-13% depending on the fuel type. Compared to the first week of February, the average percent increase was 42% across all townships and fuel types.

Photo: A Kachin woman buys vegetables from a vendor inside an IDP camp in Waingmaw Township, Kachin State

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Compared to last month, rice prices rose overall by 3%, with higher increases observed in 4 areas (+10% in Sagaing, +7% in central Rakhine and Shan, and +5% in northern Rakhine) versus relatively stable prices (between -1% and +1%) in southern Rakhine, Kachin, Magway, Southeast. In Chin, average prices appeared to decline compared to last month, but may not reflect the true situation across the state as price data could not be collected from 3 of the 6 monitored townships following the imposition of martial law on 13 May that has led to the closure of many shops across Matupi, Mindat and Kanpetlet. At township level, the highest month-on-month increases were seen in Nanyun, Sagaing (+23%), Kyaukpyu, southern Rakhine (+18%), Myebon, central Rakhine (+17%), and Namtu, Shan (15%). In the urban monitored areas (Mandalay, Yangon), the price of Magyanhtaw rice in Mandalay and Sin Thwe rice in Yangon increased by 1-2% compared to last month.

Comparison of May prices to pre-crisis and to the same time last year reveals some larger increases, notably for townships in Rakhine, Kachin, Sagaing, and Shan. **When compared to pre-crisis (January 2021)**, rice prices have increased by +9% overall, with highest increases in central Rakhine (+19%), Kachin (+18%), and Sagaing (+14%). At township level, rice prices in Namtu, Shan increased by +67% and by 48% in Minbya, central Rakhine, while several townships in Kachin (Chipwi, Puta-O, Mansi, Bhamo) and Sagaing (Nanyun, Hkamti) saw increases of +35-45%. **When compared to the same time last year (May 2020)**, rice prices in Kyaukpyu in southern Rakhine, Chipwi in Kachin, and Mrauk-U in central Rakhine increased by more about half (+50-54%). The price increases are widely attributed to the rising costs of transport (fuel costs, transport rates, fee collection at checkpoints) in the current context, as well as the challenges in the banking system.



Mixed oil (MO) and cooking (or palm) oil (CO) both continue to follow a steep trajectory of rising prices nationwide, up +8% and +10% respectively since last month. The highest increases for both oil types were reported in Sagaing (MO +16%, CO +27%), southern Rakhine (CO +17%), and Southeast (MO +14%), driven by high increases in the townships of Shadaw, Kayah in the southeast (MO +57%), Lahe, Sagaing (CO +53%), Nanyun, Sagaing (MO +38%), Lashio, Shan (CO +29%), Dewei, Tanintharyi in the southeast (MO +26%) and Laukkaing, Shan (CO +25%). Both Mandalay and Yangon also experienced sharp increases in the price of oil compared to last month, ranging from +14% to +20%. These rising oil prices are a function of globally increasing prices, exacerbated by import restrictions causing significant supply shortages (limited supply in main source areas of Yangon and Mandalay; Thai border remains closed particularly affecting the southeast area), and rising transportation costs domestically.

Compared to pre-crisis, May prices for both oil types were up 38% overall. For mixed oil, area-level prices were between +20% and +40% higher than seen in January, with the exception northern Rakhine which reported a 61% increase; For cooking oil, most areas saw increases of 40% or higher when compared to pre-crisis. Shadaw, Kayah township again recorded the highest increase of 115% for mixed oil compared to pre-crisis, followed by Lahe, Sagaing (CO +90%), Minbya, central Rakhine (CO +80%), Nanyun, Sagaing (MO +72%), Mrauk-U, central Rakhine (CO +68%), Maungdaw, northern Rakhine (MO +64%), Loikaw, Kayah (MO +63%), Kyaukpyu, southern Rakhine (CO +59%), and Buthidaung, northern Rakhine (MO +58%).

Compared to the same time last year (May 2020), cooking oil prices increased by 52% on average (doubling in Magway and increased by 69% in central Rakhine), while mixed oil prices by 47% (up to 75% increase in Southeast).

CHICKPEAS

Overall, the price of chickpeas remained largely stable again this month (+1%). The highest increases by township were all found in Shan –Namtu (+50%) and Mongton (+31%) – and in large part reflect the worsening exchange rate with the Chinese Yuan, which increased again to about 245 MMK/Yuan from last month's reports of between 219-225 MMK/Yuan. Kachin and Shan have experienced the steepest increase in average chickpea prices compared to pre-crisis (Kachin +16%, Shan +8%), as well as compared to the same time last year (Kachin 27%, Shan 38%).

PULSES

The average price of pulses rose again this month by 5%, and by 6% compared to pre-crisis. In month-on-month comparison, the largest increases were seen in northern Rakhine (+23%), Kachin (+21%), and Magway (+10%), and Chin (+7%), with more modest increases reported in Shan and Sagaing (+3% each), Southeast (+2%). Compared to pre-crisis, pulse prices have risen overall by 36% in northern Rakhine, and 20% in Magway. In Magway, shop owners reported that this increase in pulse prices is due to an increase in the size of the pulses available. Compared to the same time last year, the average price of pulses rose by 17%, with northern Rakhine reporting increases of on average 53%.

SALT

Average salt prices remain largely stable, increasing 2% compared to last month and roughly the same compared to pre-crisis. Some variation exists sub-nationally, with the highest increases seen in Magway and southern Rakhine (+6%). However, it is worth noting that while the percent increases in these two areas were driven by Natmawk, Magway (+40%), Gwa, southern Rakhine (+25%) and Toungup (+20%), the average salt prices in these townships (214, 306, and 184 MMK per kilogram respectively) remain in the lower half of reported prices for salt around the country. The highest salt prices

are consistently reported in Shan (average of 796 MMK/kg in May), nearly double the national average price of 409 MMK/kg.

EGGS

Compared to last month, egg prices remained stable, although increasing slightly (+3%) compared to pre-crisis. Prices in Shan increased by +11% and in central Rakhine by +10%. In Shan, the townships that saw the largest increase include Mongton (+43%), NawngHkit (+31%), and LinHaw (31%); In central Rakhine, Mrauk-U egg prices increased by 33%. A substantial decline in prices was recorded in northern Rakhine compared to last month (-26%), but this in fact captured a return to similar prices from March after a large increase in April caused by closure of shops for Thingyan festival. Compared to pre-crisis, prices have risen the most in Kyaukpyu, southern Rakhine (+40%), Mrauk-U, central Rakhine (31%), and Laukaing, Shan (21%).

ONIONS

After 3 months of overall declining prices of onions across the country, May 2021 saw the first uptick in prices across all areas, for an average increase of 11% compared to April. In Sagaing, onion prices rose 27%, +18% in central Rakhine, and 15% in Chin. However, prices on average were still lower in May when compared to January 2021 – all areas saw declines in onion prices from between -10 and -40% compared to pre-crisis, except Shan which saw an increase of 3%. In particular, Banwai, Shan reported a 58% increase compared to pre-crisis, as well as NawngHkit and LinHaw in Shan (+19% each), and Lahe, Sagang (+31%). Increasing prices are largely due to seasonality.



TOMATOES

Tomato prices continue to rise, up 22% on average compared to last month. However, wide variation were observed across the areas, with four reporting very high increases compared to last month (+76% in Sagaing, +47% in Kachin, +44% in northern Rakhine, and +39% in Chin), 3 reporting more moderate increases (+8 in Shan, +5% in Southeast, and +2% in southern Rakhine), and two reporting declines (Magway -10% and central Rakhine -5%). In Magway, however, the month-to-month decline is minor in comparison to the steep rise in prices observed since January 2021, and May prices are still 284% higher than those of January. These increases reflect seasonal fluctuations in availability of tomatoes as well as transportation costs.

FUEL

From mid-May to mid-June, most monitored townships remained stable (0-1% change) for all fuel types with the exception of Buthidaung in northern Rakhine and Dawei in southeast. In Buthidaung where the highest prices were reported for all fuel types, the price per litre of octane 92 rose by 6% to 1250 MMK/L, octane 95 by 13% to 1350 MMK/L, premium diesel by 8% 1250 MMK/L and diesel by 10% to 1150/L when compared to mid-May. In Dawei, octane 92 rose by 8%, octane 95 by 10%, premium diesel by 8%, and diesel by 7%. When compared to the first week of February, by contrast, prices have increased by 42% on average, ranging from 36% increase to 52% increase, the latter for octane 92 in Yangon that now costs 995 MMK/L.

The data was collected between 19th and 31st of May by WFP and cooperating partner staff. Coverage: 10 states/regions, 61 townships, 97 markets, 229 traders/shops.



TRADER FEEDBACK

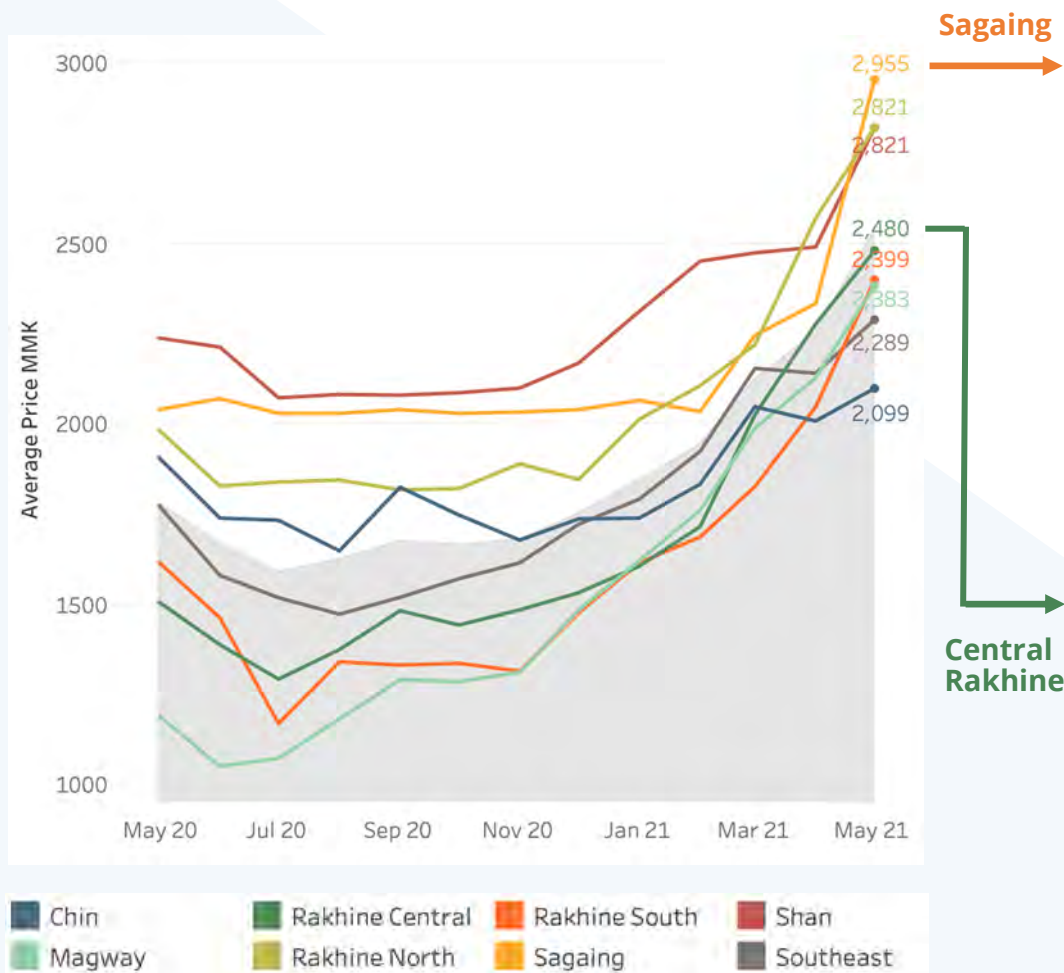
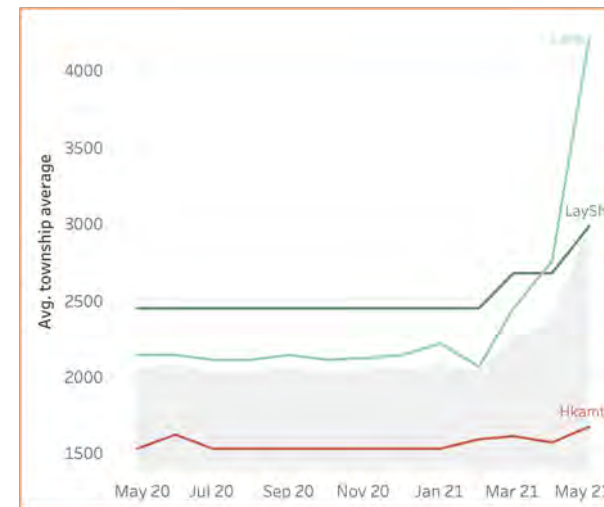
Traders continue to highlight the challenges of the current context, including the confluence of rising fuel prices and transport rates, plus constricting supply (Thai border closure, severe oil shortages) and challenges with the banking system. In Loikaw and Paletwa, shop owners mentioned blocked roads and trade routes further increasing the cost of transport, while restrictions on boat movements were mentioned in Lahe, Sagaing as well as in Bhamo, Kachin. In Shan, the exchange rate reportedly increased again, from 219-225 MMK/Yuan last month to 245 MMK/Yuan in May, and worsening exchange rate with the Thai Baht was mentioned in Hlaingbwe.



ISSUES TO WATCH

- ◆ Continued increases in the prices of cooking oil and fuel, as well as rice for some townships and areas
- ◆ Rising prices in areas heavily affected by conflict and rising number of IDPs (Kayah, Chin)
- ◆ Import restrictions particularly for oil, but also for other commodities from Thailand
- ◆ Ongoing transportation challenges nationwide
- ◆ Inflation (USD/MMK and CNY/MMK) and access to cash (bank limits)

PRICE TRENDS FOR PALM OIL BY AREA



Lahe

+53% compared to last month
+90% compared to pre-crisis



Myebon

+22% compared to last month
+47% compared to pre-crisis

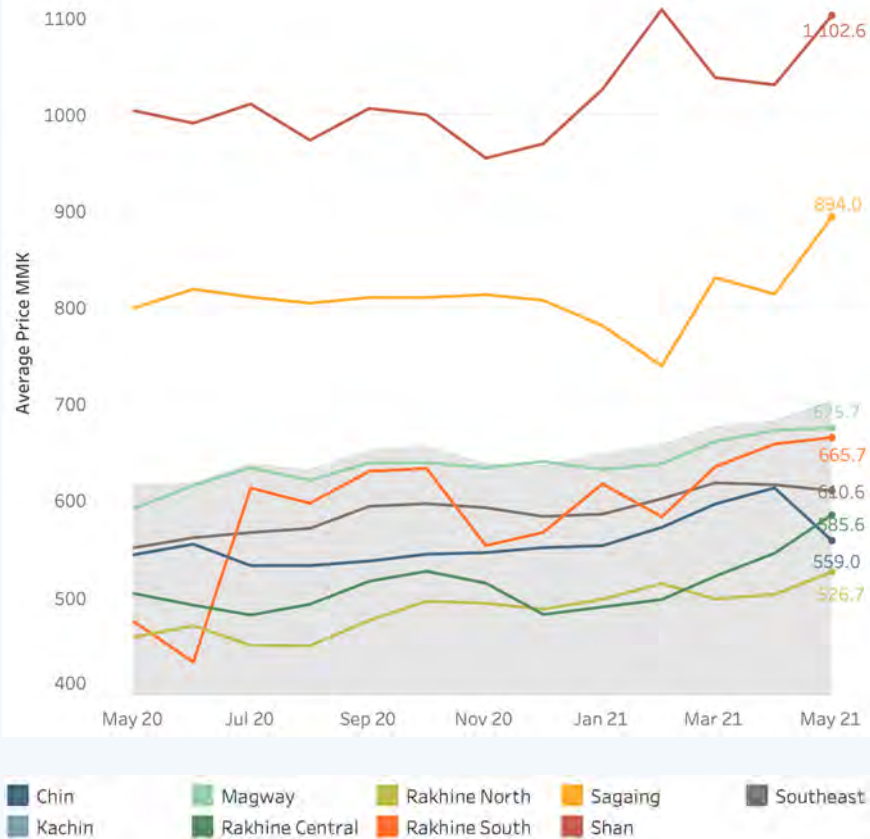
Minbya

-1% compared to last month
+80% compared to pre-crisis

Sittwe

+10% compared to last month
+58% compared to pre-crisis

PRICE TRENDS FOR RICE BY AREA



Sagaing

Central Rakhine



Nanyun

+23% compared to last month

+37% compared to pre-crisis

Hkamti

12% compared to last month

+33% compared to pre-crisis



Minbya

-5% compared to last month

+48% compared to pre-crisis

Myebon

17% compared to last month

+30% compared to pre-crisis

Rathedaung

13% compared to last month

+30% compared to pre-crisis