MYANMAR

MARKET PRICE UPDATE

January 2022

Highlights

- Month-on-month prices of key commodities are largely stable, but remain elevated compared to the same time last year as insecurity continues to disrupt transportation (via high fuel costs and transport fees, restrictions, blocked access).
- In the southeast, insecurity continues to disrupt transport routes and contribute to price volatility. For example, conflict this month made it impossible to collect data in **Kayah** for the first time, blocked main transport routes causing shortages of products and high prices in **Chin**, and continued to disrupt waterways In **northern Sagaing**.
- The cost of the basic food basket overall remained stable month-on-month, but remains high compared to the same time last year (28%)
- While stable overall, many areas continue to see slight declines in rice prices around the country due to the ongoing harvest of new rice
- Edible oil prices rose only slightly (+4-5%) due to local fluctuations in exchange rate even as the official exchange rate reported no change
- Steady deterioration in the local exchange rate with the Yuan (reported this month as 317 MMK/CNY) continues to affect commodity prices in Wa region and Laukkaing.
- Fuel prices increased between 14 and 18% by type compared to last month driven by the international increase in oil prices.

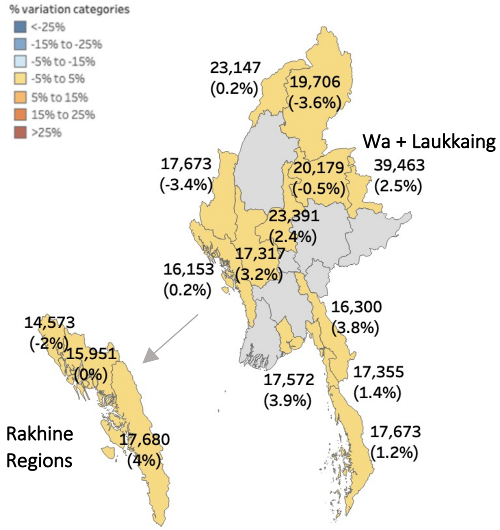
Food Basket

The average cost of a basic food basket[1], remained unchanged month-on-month. The cost varies around the country, highest in Wa Region (plus Laukkaing) (39,493 kyat) and lowest in northern Rakhine (14,573 kyat). The elevated cost in Wa Region is driven by higher retail prices as reported in Kyat in Wa Region. However, retail prices in the region are relatively stable when reported in Chinese Yuan, the primary currency in the region used for business and trade as well as wages and salaries; the continued increase in the cost of the basket reflects more the deterioration in the exchange rate than a loss of purchasing power.

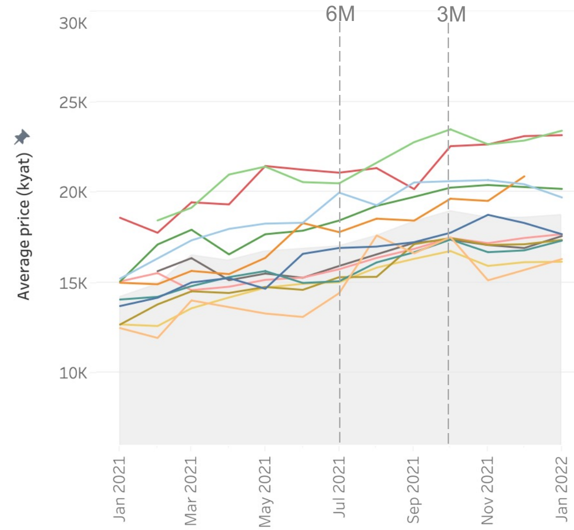
Compared to one year ago, the average basket costs 28% more.

Basket

Month-on-Month Change by Area/State



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



State	1M	3M	6M	1Y
Chin	-3%	0%	4%	29%
Kachin	-4%	-4%	-1%	29%
Kayah				
Kayin	4%	-7%	13%	31%
Magway	3%	0%	15%	23%
Mandalay	2%	0%	14%	
Mon	1%	-1%	13%	37%
Rakhine	0%	-4%	8%	27%
Sagaing North	0%	3%	10%	25%
Shan (North)	-1%	0%	9%	34%
Shan (Wa)	3%	2%	21%	34%
Tanintharyi	1%	1%	12%	17%
Yangon	4%	1%	10%	
Overall	0%	-1%	10%	28%

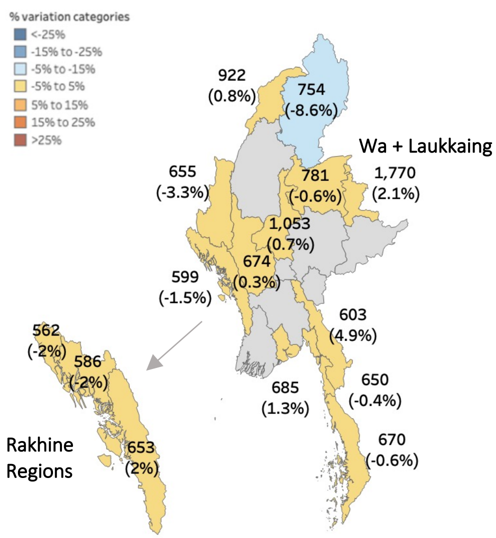
Rice

Compared to last month, the average rice price remained stable overall (-1%), declining most significantly in Kachin (-9%), while there was a slight increase of +5% in Kayin. In Kachin, most of the central townships (Tanai, Myitkyina, Mogaung, Mohnin, Chipwi, Waigmaw) saw large declines in rice prices due to availability of newly harvested rice, while the southern Kachin townships generally experienced stable prices. The increase in rice prices in Kayin is due to transportation challenges resulting from conflict and insecurity in the southeast.

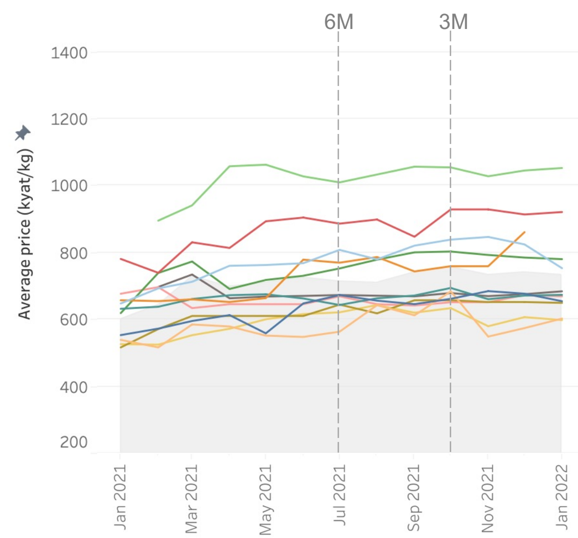
Compared to one year ago, the average price remains elevated (+18%), with the highest prices relative to last year seen in Mon, Shan North, central Rakhine, Chin and northern Sagaing (+18-24%).

Rice

Month-on-Month Change by Area/State



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



State	1M	3M	6M	1Y
Chin	-3%	-1%	-3%	18%
Kachin	-9%	-10%	-7%	16%
Kayah				
Kayin	5%	-12%	7%	12%
Magway	0%	-3%	5%	7%
Mandalay	1%	0%	4%	
Mon	0%	-1%	1%	26%
Rakhine	-1%	-6%	-4%	14%
Sagaing North	1%	-1%	4%	18%
Shan (North)	-1%	-3%	4%	26%
Shan (Wa)	2%	0%	19%	30%
Tanintharyi	-1%	3%	0%	-1%
Yangon	1%	1%	2%	
Overall	-1%	-3%	3%	18%

Oil

The average price of cooking (palm) oil and mixed oil increased only slightly month-on-month (+4-5%), although larger increases of between +7-21% were seen in several states/areas. The highest month-on-month increases were in the southeast region for mixed oil (Tanintharyi +21%, Kayin +18%) and in southern Rakhine (+12%), Yangon (+9%) and Magway (+8%) for cooking oil.

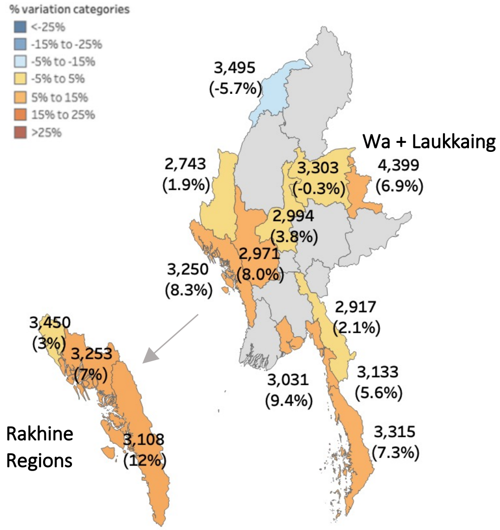
The slight upward trend in oil prices comes after several months of relative stability/declines and was related to high transportation costs as well as reported volatility in local exchange rates even as the official exchange rate remained stable.

In northern Sagaing, the overall decrease in average cooking oil price of -6% was the result of declining prices in Lahe township (-14%) as transportation challenges from last month eased (waterways were closed in December between Khamti and Monywa due to insecurity). However, while now open, water transport was still intermittent and continued to pose a challenge. By contrast, prices remained stable in LayShi and Hkamti townships.

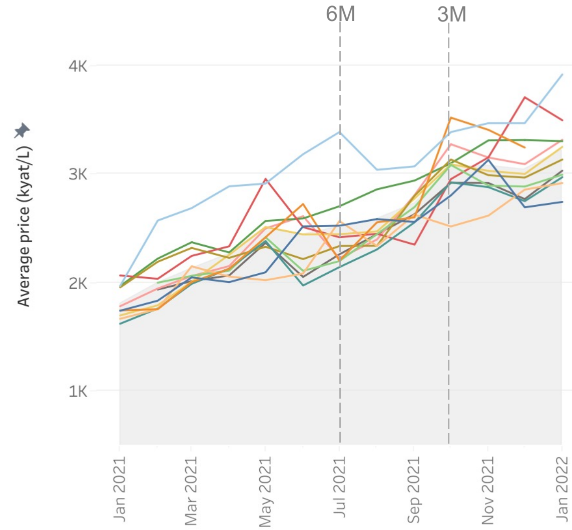
Compared to the same time last year, the average oil prices were +77-79% higher, with the highest increases in central Rakhine, southern Rakhine, Tanintharyi, and Magway which were all more than +80% higher. For mixed oil, the average prices more than doubled in Mon (+122%) and northern Rakhine (+115%).

Cooking (Palm) Oil

Month-on-Month Change by Area/State



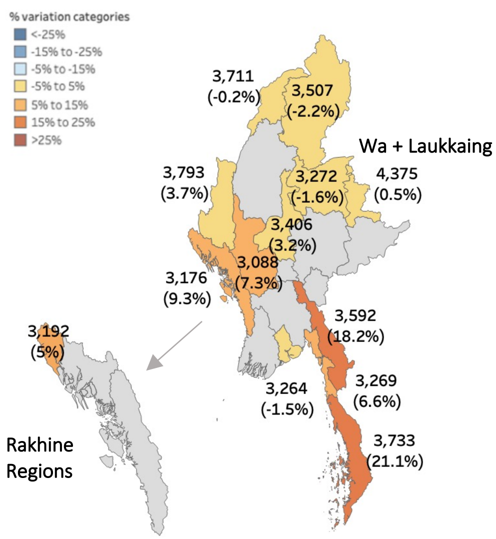
Average Price Trends by Area (Jan 2021 – Jan 2022)



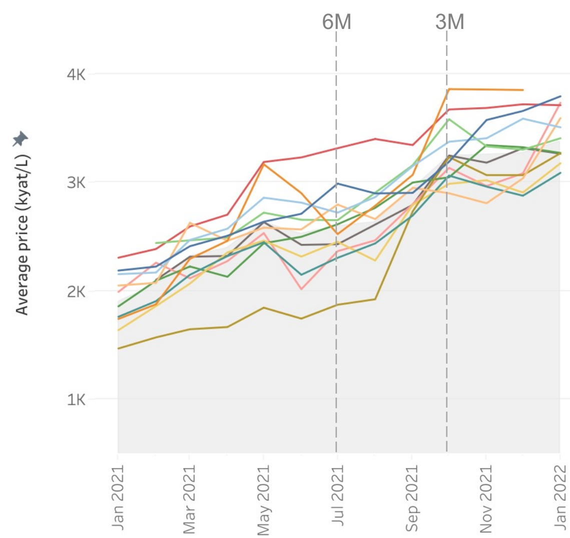
State	1M	3M	6M	1Y
Chin	2%	-2%	9%	58%
Kachin				
Kayah				
Kayin	2%	16%	14%	75%
Magway	8%	2%	39%	83%
Mandalay	4%	-3%	36%	
Mon	6%	0%	34%	60%
Rakhine	8%	5%	33%	91%
Sagaing North	-6%	18%	45%	69%
Shan (North)	0%	7%	22%	68%
Shan (Wa)	7%	14%	34%	70%
Tanintharyi	7%	1%	49%	86%
Yangon	9%	4%	34%	
Overall	5%	7%	28%	77%

Mixed Oil

Month-on-Month Change by Area/State



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



State	1M	3M	6M	1Y
Chin	4%	19%	27%	73%
Kachin	-2%	4%	29%	63%
Kayah				
Kayin	18%	24%	28%	75%
Magway	7%	1%	34%	75%
Mandalay	3%	-5%	28%	
Mon	7%	1%	75%	122%
Rakhine	9%	6%	29%	94%
Sagaing North	0%	1%	12%	61%
Shan (North)	-2%	7%	25%	76%
Shan (Wa)	0%	6%	29%	71%
Tanintharyi	21%	19%	58%	87%
Yangon	-2%	1%	34%	
Overall	4%	7%	29%	79%

Chickpeas & Other Pulses

Relative stability in chickpea prices continued for the fifth month in a row (+1% month-on-month), while the price of other pulses declined slightly (-6% month-on-month overall).

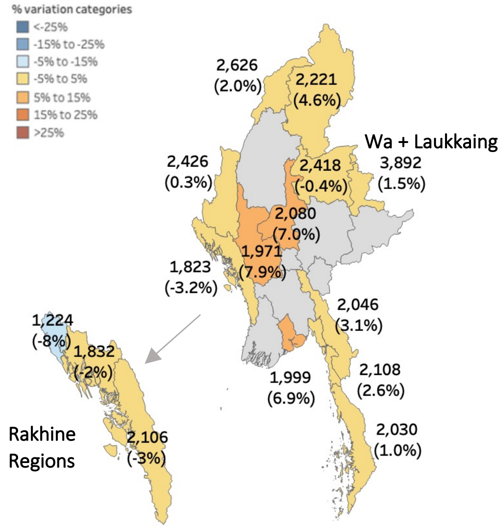
In Yangon, Magway and Mandalay, however, price of chickpeas rose by +7-8% in advance of the harvest of the new crop (typical harvest between February and April).

In Hkamti, northern Sagaing, the price of brown bean declined month-on-month by -18%, returning to prices seen in September/October after a brief peak in November/December. In the southeast region, sar taw pea prices in Tanintharyi and lentil prices in Kayin declined by -11% each. Seasonal changes in the prices of different types of pulses vary at local levels depending on availability of the new crop (harvest periods vary from monsoon crops harvested as late as January and winter crops harvested typically between February and April), sale of old stock, quality of new and old stock, and transport costs in areas without locally available pulses.

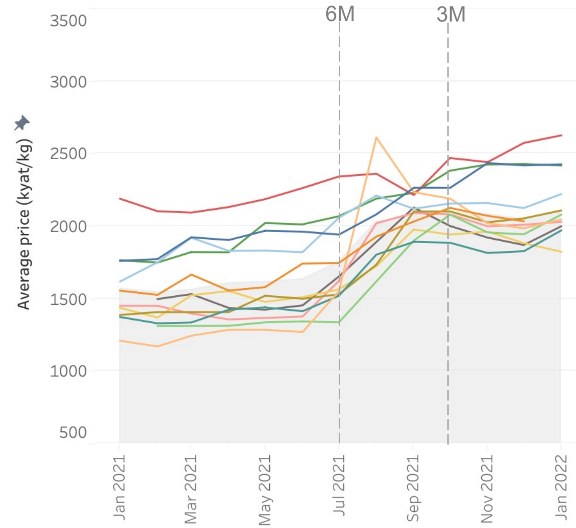
Compared to the same time last year, pulses and chickpeas are up +16% and +32% respectively.

Chickpeas

Month-on-Month Change by Area/State



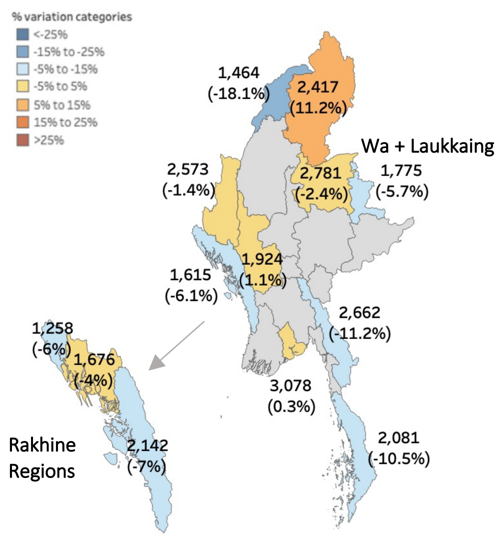
Average Price Trends by Area (Jan 2021 – Jan 2022)



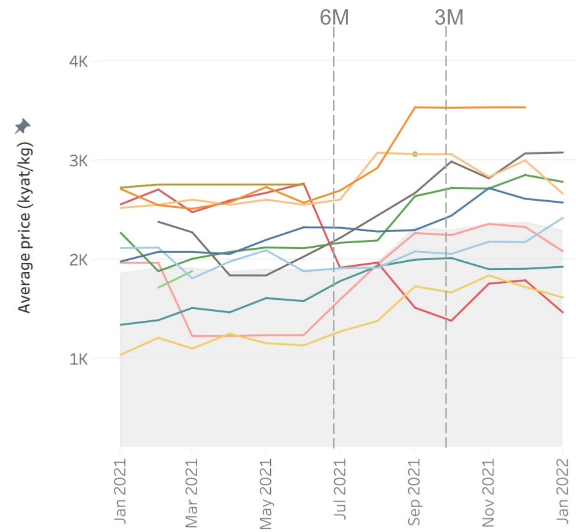
State	1M	3M	6M	1Y
Chin	0%	7%	25%	38%
Kachin	5%	3%	8%	37%
Kayah				
Kayin	3%	-7%	32%	69%
Magway	8%	5%	30%	43%
Mandalay	7%	0%	56%	
Mon	3%	0%	38%	52%
Rakhine	-3%	-6%	17%	27%
Sagaing North	2%	6%	12%	20%
Shan (North)	0%	1%	17%	37%
Shan (Wa)	2%	2%	22%	34%
Tanintharyi	1%	-2%	25%	40%
Yangon	7%	0%	21%	
Overall	1%	0%	19%	32%

Other Pulses

Month-on-Month Change by Area/State



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



State	1M	3M	6M	1Y
Chin	-1%	5%	11%	30%
Kachin	11%	18%	27%	14%
Kayah				
Kayin	-11%	-13%	2%	6%
Magway	1%	-4%	8%	44%
Mandalay				
Mon				
Rakhine	-6%	-3%	27%	56%
Sagaing North	-18%	6%	-24%	-43%
Shan (North)	-2%	2%	28%	23%
Shan (Wa)	-6%	-5%	15%	13%
Tanintharyi	-11%	-7%	31%	6%
Yangon	0%	3%	39%	
Overall	-6%	-2%	14%	16%

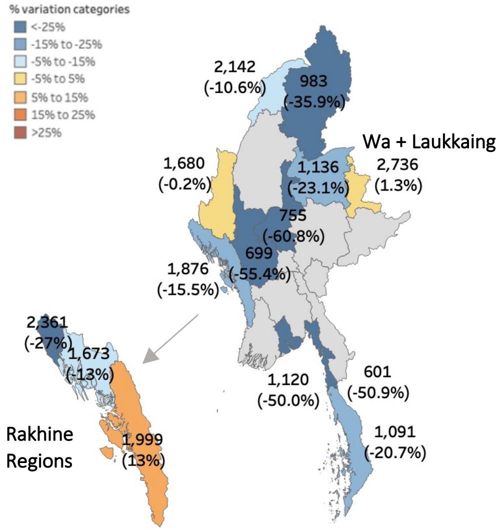
Tomatoes

Tomato prices declined by -17 percent compared to last month, driven by increased availability in most areas (seasonal production). The largest declines in average prices were seen in Mandalay (-61%), Magway (-55%), Mon (-51%), Yangon (-50%), and Kachin (-36%). The increase in southern Rakhine (+13% overall) was driven by high tomato prices in Kyaukpyu due to rising shipping costs.

Compared to last year, the prices remained elevated, up +40% overall. In Magway, tomatoes were over 3 times as expensive as the same time last year.

Tomatoes

Month-on-Month Change by Area/State



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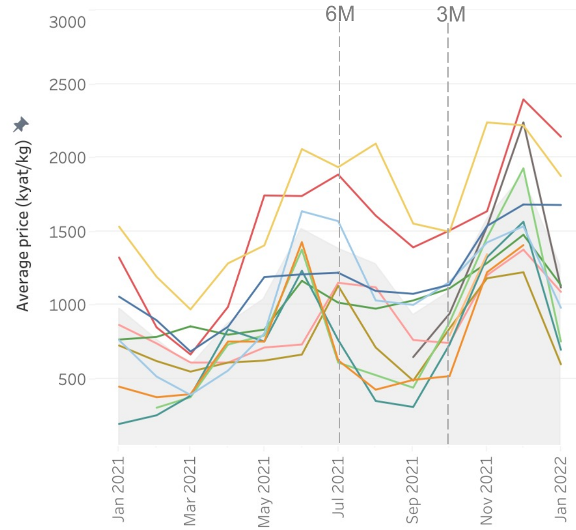


State	1M	3M	6M	1Y
Chin	0%	47%	38%	59%
Kachin	-36%	-15%	-37%	29%
Kayah				
Kayin				
Magway	-55%	-5%	-9%	256%
Mandalay	-61%	-15%	23%	
Mon	-51%	-29%	-47%	-17%
Rakhine	-15%	25%	-3%	22%
Sagaing North	-11%	42%	14%	62%
Shan (North)	-23%	2%	12%	48%
Shan (Wa)	1%	11%	20%	10%
Tanintharyi	-21%	47%	-5%	26%
Yangon	-50%	19%		
Overall	-17%	20%	2%	40%

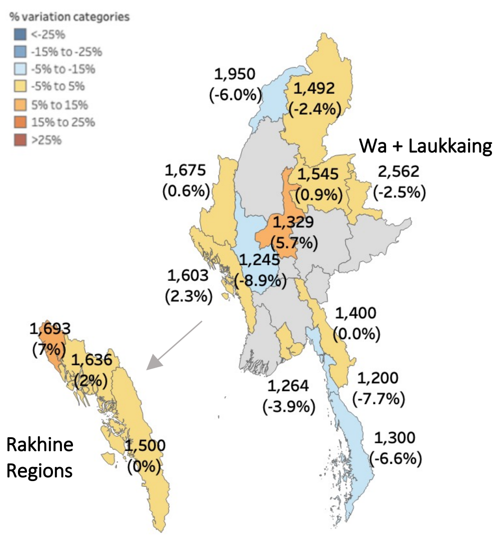
Eggs

Egg prices were relatively stable again this month (-2% compared to last month). A few areas saw slight declines of between -6-9% (Northern Sagaing, Tanintharyi, Magway) while northern Rakhine, Mandalay and Shan North/East (excluding Wa region) experienced slight increases of +6-7%. The average price in Sagaing North remained elevated due to transportation difficulties.

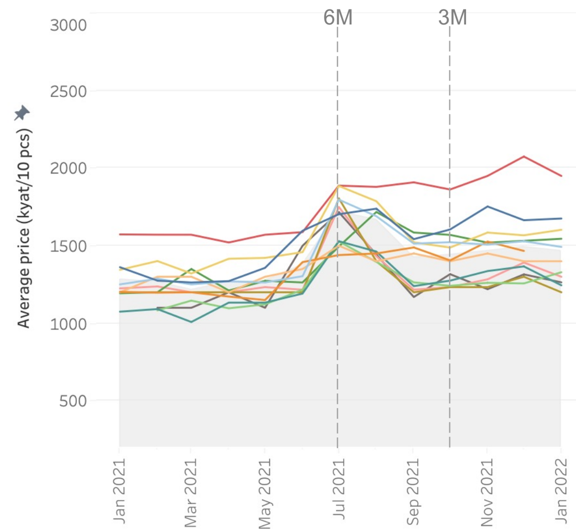
Year-on-year, egg prices are up +22% overall, with highest increases in Shan North (+29%), Sagaing North (+24%), and Chin (+23%).

Eggs

Month-on-Month Change by Area/State



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



State	1M	3M	6M	1Y
Chin	1%	4%	-2%	23%
Kachin	-2%	-2%	-17%	19%
Kayah				
Kayin	0%	0%	-7%	17%
Magway	-9%	-2%	-19%	16%
Mandalay	6%	7%	-13%	
Mon	-8%	-3%	-34%	0%
Rakhine	2%	8%	-15%	19%
Sagaing North	-6%	5%	3%	24%
Shan (North)	1%	-2%	3%	29%
Shan (Wa)	-2%	9%	30%	29%
Tanintharyi	-7%	5%	-26%	6%
Yangon	-4%	-4%	-26%	
Overall	-2%	4%	-7%	22%

Onions

Onion prices overall remained stable (+2%), although this masks wide variation around the country related to the arrival in the markets of new onions, quality and extent of stocks of new and old onions in shops, as well as the broader context of declines in demand locally (due to COVID-19 restrictions affecting public events such as festivals and restaurants) and for export. In Mandalay, the average price declined -13%, while in the southeast, prices increased between +11-28%.

Compared to the same time last year, prices were +14% higher overall, but significantly higher in Kayin (+60%) and Magway (+55%).

Fuel

Fuel prices increased by +14-18% compared to last month, depending on the fuel type (Octane 92 and 95 increased +14-15%; premium diesel and diesel increased +17-18%). The renewed upward trend in fuel prices tracked closely with the global increase of +15% for crude oil in a jittery market unnerved by tensions between Russia and Ukraine, as well as in an ongoing context of demand outstripping supply.[2] Compared to pre-crisis, fuel prices are +55-65% higher.

Salt

The average price of salt was stable (-1%) although as with all retail commodities, it remains higher than the same time last year (+11%).

Trader Feedback

Traders around the country remarked on price changes due to seasonal availability as new crops are harvested (i.e. rice, pulses, tomatoes). However, seasonal declines in retail prices were often tempered by high and often unpredictable transportation costs (jump in fuel prices again in January; conflict/insecurity interrupting transport routes). Indeed, around the country transport difficulties and costs remained one of the most common remarks by traders. In Chin, the main route from Kalay to Tedim and Tonzang was blocked due to conflict, resulting in high prices, long lead times and sometimes stock outages in many shops. In Kayin, shop keepers noted that the rate of selling had slowed in recent months as consumers dealt with declining purchasing power by buying less.

For edible oil, the slight changes in local exchange rate were also mentioned by many traders to explain rising prices. Ongoing difficulties with cash liquidity were remarked on by many traders, with limitations in service and high fees for cash transfers persisting.

Issues to watch

- Transportation restrictions particularly in areas of high insecurity limit traders' ability to open, re-stock, and conduct business. It is also affecting demand and access by consumers and households as purchasing power is declining and households are adjusting buying habits
- Cash liquidity, limited and intermittent cash transfer services, and higher transfer fees remain issues for traders
- Continued volatility in exchange rates at local levels
- Possible further fuel price volatility in wake of Total and Chevron withdrawal.
- Concerns about a fourth wave of COVID-19

More information

Click to view WFP Myanmar's interactive price monitoring dashboard

Click to view WFP Myanmar's December Price Bulletin

Click to view WFP Myanmar's November Price Bulletin

Click to view WFP Myanmar's October Price Bulletin

The data was collected between 14th and 31st of January by WFP and cooperating partner staff. Coverage in the month of December: 12 states/regions, 71 townships, 108 markets, 270 traders/shops.

[1] The basic food basket is comprised of standardized quantities of rice, chickpeas, oil (palm or mixed depending on availability in the market) and salt for a typical household

[2] https://www.reuters.com/business/rising-geopolitical-tension-demand-send-oil-price-outlook-soaring-2022-01-31/ ; https://www.nytimes.com/2022/02/02/business/economy/oil-price.html

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