Monitoring the Agri-food System in Myanmar

Agricultural Urban Wholesale Markets – April 2021

Prices of major agricultural products in the two major urban wholesale markets of Mandalay and Yangon were collected during the month of April 2021. Compared to prices from a year earlier in April 2020:

- Wholesale prices of mostly domestically consumed agricultural products, e.g., potato, onions, chili, and mung bean, are significantly lower by between -22 and -48 percent, likely linked to reduced demand compared to a normal year.
- Wholesale prices of agricultural products linked to export markets, e.g., maize and pigeon pea, have increased slightly from 2 to 11 percent, likely because of the stabilizing effects of limited international market access.
- Wholesale prices of agricultural products that are imported, such as palm oil, have increased significantly likely due to the problems in the port. For example, palm oil prices were up by 66 percent in Yangon compared to a year earlier.

Urban wholesale markets are a crucial node in agricultural value chains. While most of Myanmar's wholesale markets were closed in recent months, some re-opened in April. In this research note, we present the results of price monitoring in the Bayint Naung wholesale market in Yangon and in the main wholesale market in Mandalay.

In Table 1, we present the level and changes in wholesale prices for selected crops as well as compare the prices with those collected in April 2020. The general patterns in wholesale price changes can be described as the following:

**Domestic crops**

For the majority of domestically consumed crops produced in Myanmar, prices were significantly lower in April 2021 compared to the same period in 2020. Prices of green gram (mung bean) were down by 26 and 36 percent in the wholesale markets of Mandalay and Yangon, respectively. Prices of chili, onion, and potato had decreased in the Yangon wholesale market by 22, 48, and 39 percent, respectively, compared to April 2020. These decreases confirm the price declines noted by
Table 1. Wholesale prices for select agricultural commodities in Mandalay and Yangon in April 2020 and April 2021, MMK/kg

<table>
<thead>
<tr>
<th></th>
<th>Mandalay</th>
<th></th>
<th>Yangon</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>April 2020</td>
<td>April 2021</td>
<td>Change (%)</td>
<td>April 2020</td>
</tr>
<tr>
<td>Maize</td>
<td>277</td>
<td>307</td>
<td>10.8</td>
<td>291</td>
</tr>
<tr>
<td>Mung bean</td>
<td>1400</td>
<td>1032</td>
<td>−26.3</td>
<td>1105</td>
</tr>
<tr>
<td>Palm oil</td>
<td>1186</td>
<td>1971</td>
<td>66.2</td>
<td>399</td>
</tr>
<tr>
<td>Pigeon pea</td>
<td>724</td>
<td>800</td>
<td>10.5</td>
<td>398</td>
</tr>
</tbody>
</table>

Note: Prices for palm oil and chili in April 2021 are based on less than 10 observations. Source: Impact Terra

The decreases in prices might reflect lower demand for the surveyed non-staple foods in these major urban centers, given a reduced urban population due to outmigration following the political crisis that started in February 2021, as well as significantly reduced incomes. It might possibly also be partly due to downward pressure linked to reported increased urban distribution costs.

Exported products

Pigeon pea and maize are products that are typically exported to India and Thailand, respectively. The decreases in prices might reflect lower demand for the surveyed non-staple foods in these major urban centers, given a reduced urban population due to outmigration following the political crisis that started in February 2021, as well as significantly reduced incomes. It might possibly also be partly due to downward pressure linked to reported increased urban distribution costs.

Imported products

Palm oil is the most imported agricultural product in the country, valued at about 650 million USD in 2018. Prices for palm oil were up by 66 percent in April 2021 compared to the same period in 2020, a reflection of important issues in international trade and the Yangon port in particular. This result confirms significant retail price increases in the country in March 2021—researchers from the World Food Programme observed average retail price increases for palm oil of 18 percent in March 2021 compared to the beginning of February.


4 It seems that price increases are exceeding exchange rate fluctuations, as official rates were similar in April 2020 (1420 MMK: 1 USD) and April 2021 (1410 MMK: 1 USD). But in practice, bank rates in Myanmar were higher in 2021 (1550 MMK:1 USD). To understand price formation, prices in destination markets and changes in logistical costs should be considered.


6 http://www.fao.org/faostat/en/#data


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