MYANMAR

IFPRI

STRATEGY SUPPORT PROGRAM RESEARCH NOTE 61 AUGUST 2021

Monitoring the Agri-food System in Myanmar

Food vendors – July 2021 survey round

Key findings

- Most food retail prices in July 2021 were found to be higher than in the same period in 2020. Retail prices of the cheapest variety of rice–by far the most important staple in Myanmar–have risen by 13 percent, on average.
- Relative to a year ago, national-level food price inflation in July 2021 stood at 7 percent. Food price inflation was relatively higher in rural versus urban areas and in the Dry Zone and the Coastal areas.
- Households in the poorest quintile faced much higher food price inflation (10.4 percent) than those in the richest quintile (4.3 percent) as rice and cooking oils, which prices have increased substantially over the last year, are relatively more important in the poor's food basket.
- Over the last year, prices rose most rapidly in the first half of 2021; the cost of a food basket in July 2021 was 8 percent higher than in December 2020.
- Food availability is seemingly not a challenge at the national level in July 2021. Food vendors report that the availability of most commodities is comparable to the same period in a normal year.
- About three-quarters of food vendors indicate that customers are buying less animal-sourced foods (i.e., chicken and pork) compared to normal periods. This likely is an indication of reduced consumer income as well as higher prices for those products.
- COVID-19 prevention measures were widely practiced by market vendors in 2020. However, they had been abandoned by a substantial share of the vendors surveyed in May 2021. Adoption rates in July 2021 improved compared to the previous survey round in May 2021 but were still below 2020 levels.

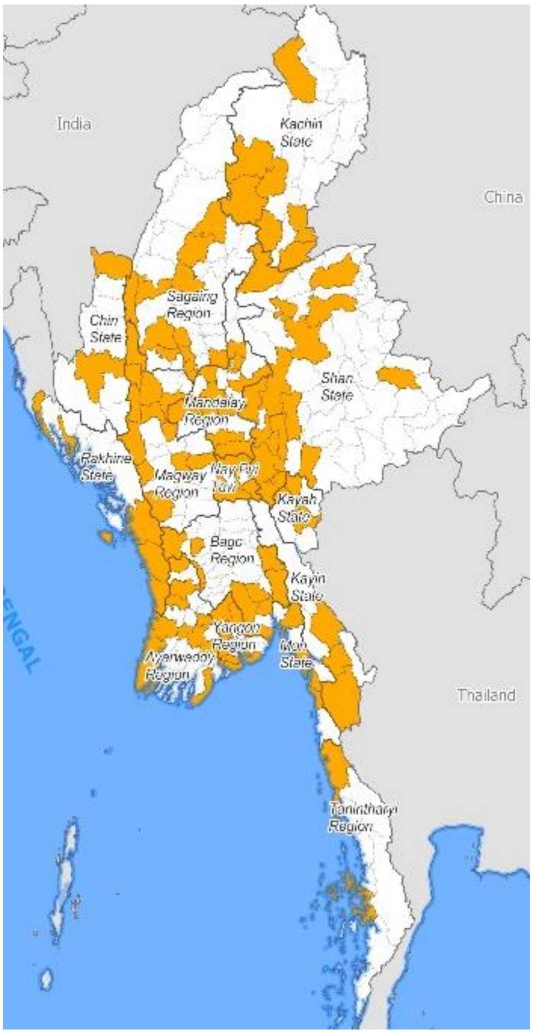
Recommended actions

- It is important that vendors and their suppliers are allowed to continue to trade and that the smooth functioning of the food trading sector is prioritized during this difficult period. There should be few or no restrictions on national and international food transport flows and access for vendors to banking services should be maintained.
- Continued attention should be paid to ensure that all vendors follow COVID-19 prevention measures.
- Further close monitoring of food markets is needed.

Introduction

This Research Note presents the results from eight rounds of a telephone survey with food vendors conducted in rural and urban zones throughout Myanmar and focuses on the results from the latest round completed in July 2021. The purpose of the survey is to provide data and insights to interested stakeholders in order that they better understand the effects of shocks related to COVID-19 and the ongoing political crisis on Myanmar's food markets. In particular, the note explores COVID-19 prevention measures, changes in shopping behavior, difficulties in food vendor operations due to the COVID-19 and political crises, changes in availability and prices of foods, and perceived changes in consumption.

Figure 1: Location of surveyed food vendors



Source: Food vendor survey (July 2021)

Data and descriptive statistics

We conducted eight rounds of food vendor phone surveys between June/July 2020 and July 2021. The areas in which the surveyed food vendors operate are shown in Figure 1. The sample has changed slightly over survey rounds. In the most recent round, almost 200 food vendors were interviewed (Table 1).[1] Food vendors in urban areas make up 15 percent of the sample, with the remaining 85 percent in rural areas.

The vendors selected for the survey sample were those that are well informed on food markets overall; they deal regularly with food traders such as suppliers and wholesalers, are highly numerate, and are knowledgeable about food prices. Table 1 shows the basic characteristics of the food vendors in our sample. More than half of the vendors are women, their average age is 43 years, and almost all vendors operate out of their own general stores.

Table 1: Profile of food vendors in the July 2021 survey sample, by location

	Delta	Dry Zone	South-East	North	West	Total
Female (%)	53	54	69	63	50	57
Age (years)	43	43	41	42	49	43
General store owner (%)	87	94	100	97	100	93
Observations	53	78	26	32	8	197

Source: Food vendor survey (July 2021)

COVID-19 prevention measures in food retail

We asked food vendors about the COVID-19 prevention measures that had been implemented in the village or township wet market where the vendor operated and compared their responses to the situations in December 2020 and May 2021 (Table 2). We draw the following takeaways:

[1] We divided the sample into five geographical zones: Delta/South (Ayeyawaddy, Yangon, and Bago), Dry Zone/Central (Magway, Mandalay, Sagaing, and Nay Pay Taw), South-East (Tanintharyi, Mon, Kayin, and Kayah), North (Shan and Kachin), and West (Rakhine and Chin).

Table 2: COVID-19 prevention measures in wet markets, December 2020, May 2021, and July 2021, percentage of food vendors reporting

	Dec 2020	May 2021	July 2021
Handwashing stations with soap/disinfectant are operational	92	46	76
Disinfection of the market with chemical spray	87	34	56
Mandating vendors to wear masks	100	58	90
Mandating customers to wear masks	99	55	88
Ensuring proper distancing between vendors	85	15	34

Source: Food vendor survey (December 2020–July 2021)

- Mask wearing was universally mandated and widely practiced at the end of 2020. However, by May 2021 a substantial share of vendors and customers in wet markets had abandoned these practices. Food vendors stated that only 58 and 55 percent of vendors and customers, respectively, were mandated to wear masks in May 2021. Yet, in the last two months, we note a significant improvement in these practices with 90 and 88 percent of vendors and customers, respectively, mandated to wear masks.
- Additional efforts–spraying chemicals throughout wet markets, operating handwashing stations, and proper distancing between vendors–were implemented by 87, 92, and 85 percent of vendors, respectively, in December 2020. These shares had declined to 34, 46, and 15 percent, respectively, in May 2021 but then increased to 56, 76, and 34 percent, respectively, in July 2021. Despite the recent increases, these shares are still below 2020 levels.

Changes in business and consumer behavior

We asked a series of high-level questions about factors that may have affected food vendors' businesses in the last month (Table 3).

Table 3: Adverse changes in the business operations of food vendors in the last month, percentage of vendors reporting

	Urban (%)	Rural (%)	Total (%)
No effects on business	3	9	8
Local farmers are having difficulties supplying me with some products	0	3	3
Suppliers from outside the village having difficulties supplying me with products	3	8	7
Prices I pay for some foods are higher	66	77	75
I have lost or let go employees	0	1	1
My clients are visiting my shop less often	72	58	60
My profits have declined	38	41	41
My clients have less money	17	19	18
I have fewer selling hours or days	0	1	1
I had to close for most days	3	2	3
I had to close completely	0	1	1
Curfew affects availability of foods that I can sell, as suppliers face challenges	0	7	6
I was the victim of theft in my retail shop	0	0	0

Source: Food vendor survey (July 2021)

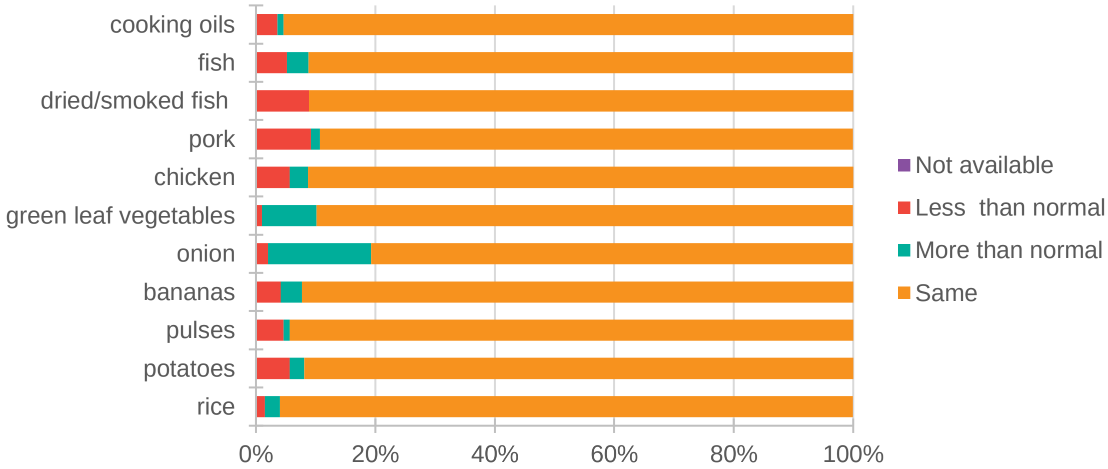
Only 8 percent of food vendors indicated that recent events had not affected their business. Seven percent reported that suppliers from outside the village had difficulties supplying them with products. Three-quarters reported that they had to pay higher prices than normal, and 60 percent reported that clients were visiting their shop less often. Just 1 percent of the food vendors lost workers or had to let employees go. As these food vendors often run small family-owned shops, they most likely rely on few outside employees. None of the food vendors in our December sample had to close completely, though several indicated that they had fewer selling days or hours. Six percent of food vendors indicated that supplies were affected by curfews. Incidences of theft were not a problem for any of the surveyed food vendors.

Changes in food availability and purchases

Major food security concerns among Myanmar households include adverse changes in the availability and prices of products, possibly linked to more limited mobility in the country due to COVID-19 measures and the political crisis. We therefore asked food vendors for their perceptions of changes in the availability of different food products compared to similar periods in previous years.

In the July 2021 survey round, there were no major issues with the availability of food products in most markets. Most vendors reported that availability of food products in their village or township was the same as normal (Figure 2). However, we see variation by food group. For onions, 17 percent of vendors reported greater availability now compared to the same period in a typical year. On the other hand, 9 percent of vendors reported that chicken and dried or smoked fish were less available. Very few food vendors indicated that products were not available at all. This suggests that, in general, food supply systems have been resilient even during the current crises.

Figure 2: Availability of food products in July 2021 compared to normal periods, percentage of food vendors reporting, by food type

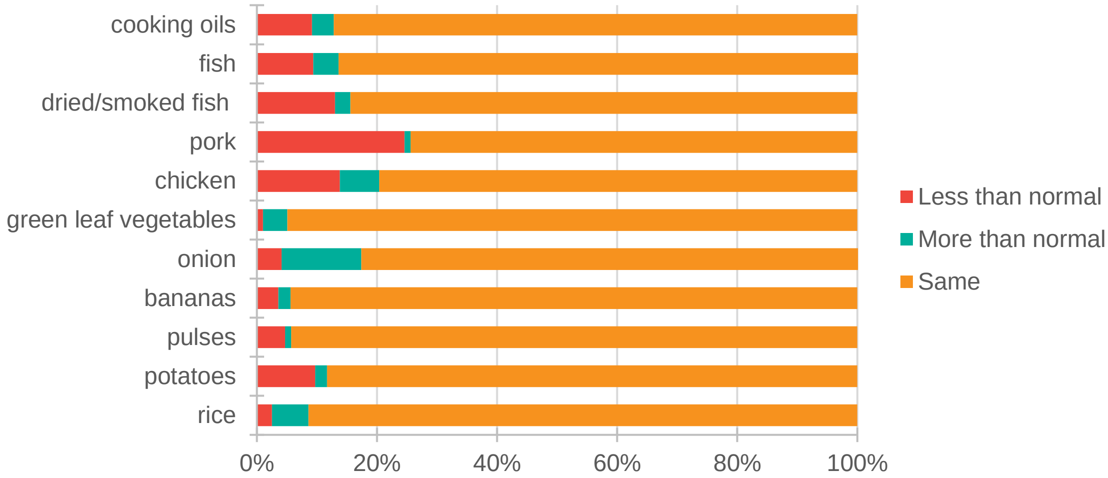


Source: Food vendor survey (July 2021)

Changes in purchases by food vendors' clients

We further asked food vendors to assess how quantities purchased by their consumers in July 2021 had changed compared to normal periods. They reported that the quantities purchased are at similar levels as normal for most food products. The "same" category varied between 94 percent for bananas, 74 percent for pork, and 80 percent for chicken (Figure 3). The latter products seem to have taken the biggest hit since the start of the COVID-19 pandemic and the political crisis. This result is consistent with the high income elasticities of animal-source foods–when incomes decline, these products are consumed less frequently (proportionally more so than the decline in income). This is due in part because animal-source foods are relatively expensive sources of calories despite their high density of multiple micronutrients and high-quality protein.

Figure 3: Changes in quantities of food products purchased in July 2021 compared to normal, percentage of food vendors reporting, by food type

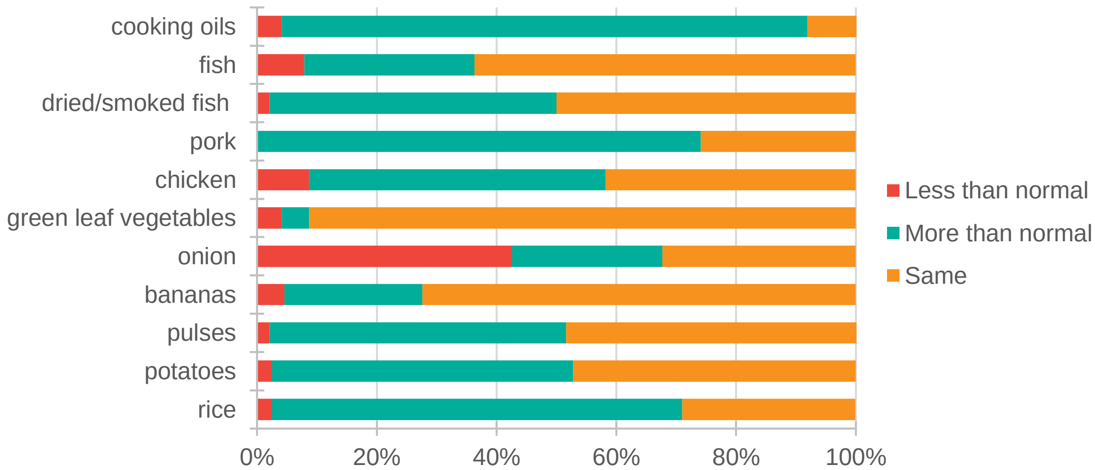


Source: Food vendor survey (July 2021)

Changes in prices and price inflation

While availability may not have significantly changed, changes in prices may indicate other signs of stress in the food marketing system. In a similar manner as for the availability questions, we asked food vendors to compare changes in prices at the time of the survey to similar periods in a normal year. Overall, a large share of food vendors report increases in the retail prices of most foods, with the largest share indicating increases for rice, chicken, pork, dried fish, and cooking oil (Figure 4).

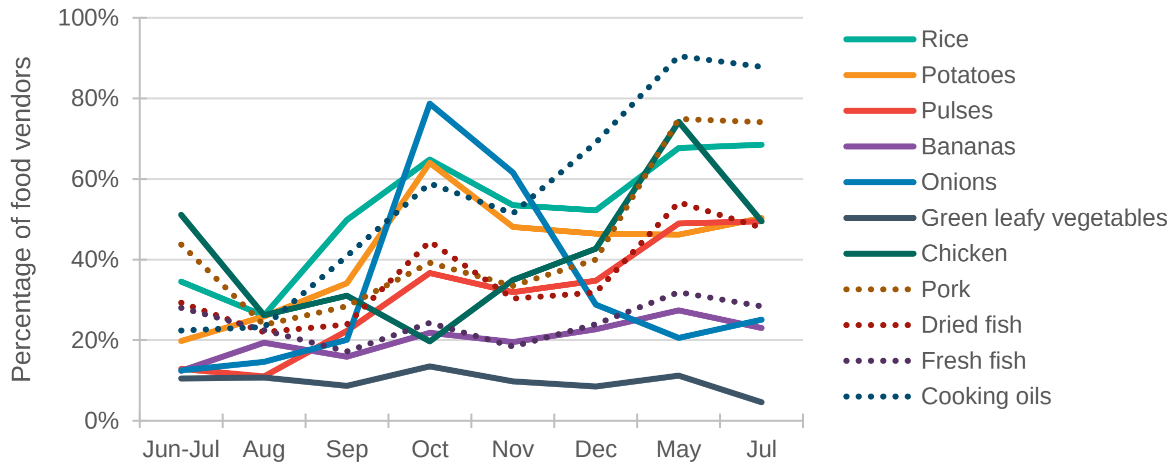
Figure 4: Recent changes in retail prices of food products compared to normal periods, percentage of food vendors reporting, by food type



Source: Food vendor survey (July 2021)

We further compare the assessments of price trends from the latest survey round with the perceived price increases from previous rounds of this telephone survey (Figure 5). We see that the shares of food vendors that indicate higher prices compared to normal have substantially increased compared to December 2020 but that the shares have remained stable since May 2021.

Figure 5: Share of food vendors reporting that prices are higher than normal, by survey round between June/July 2020 and July 2021, by food type



Source: Food vendor survey (June/July 2020–July 2021)

To compare price differences between different periods, we present average and median prices for major foods in survey round 1 (June/July 2020), round 7 (May 2021), and round 8 (July 2021) (Table 4). This analysis indicates overall significant food price increases in July 2021 compared to the situation almost one year earlier. Prices of the cheapest available rice and cooking oil increased by 13 percent and 47 percent, respectively, in July 2021 compared to June/July 2020. On the other hand, onions (-26 percent), fresh fish (-14 percent) and chicken (-6 percent) showed price decreases compared to June 2020. Price changes between May and July 2021 were relatively minor, except for green leafy vegetables, which decreased by 17 percent.

Table 4: Average and median reported food prices for June/July 2020, December 2020, and July 2021 food vendor survey rounds, by food type

	Round 1 June/July 2020 (MMK/kg)		Round 7 May 2021 (MMK/kg)		Round 8 July 2021 (MMK/kg)		% difference (compared to Round 8)	
	Average	Median	Average	Median	Average	Median	Round 1	Round 7
Rice	601	564	669	658	681	705	13.22	1.81
Potatoes	690	613	665	614	697	675	1.03	4.83
Pulses	1455	1534	1497	1472	1583	1534	8.81	5.75
Bananas	615	565	646	593	619	565	0.62	-4.22
Onions	513	491	376	307	391	368	-26.39	4.17
Green leafy vegetables	274	267	340	294	283	294	3.46	-16.57
Chicken	4501	4295	4530	4295	4223	4295	-6.18	-6.78
Pork	4912	4908	5683	6134	5679	6134	15.62	-0.08
Dried fish	5213	4908	5647	4908	5779	4908	10.86	2.34
Fresh fish	3379	3068	3145	3068	2896	2761	-14.28	-7.92
Cooking oil	1686	1534	2540	2454	2481	2331	47.15	-2.35

Source: Food vendor survey (June/July 2020–July 2021)

Finally, we calculate overall food price inflation in July 2021 (round 8) and compare price levels to those gathered from food vendors in the first food vendor survey round conducted in June/July 2020 (round 1), i.e., almost a year earlier, in the last round before the military takeover (round 6) and in the previous survey round in May 2021 (round 7). In order to give different weights to these prices to allow an estimate to be made of food price inflation overall, we use average consumption levels from the Myanmar Poverty and Living Condition Survey (MPLCS), a nationally representative sample of households conducted in 2015, for the different food groups listed in Table 4. On top of the national food price inflation levels, we also calculate those faced by different subgroups (urban/rural, four agro-ecological zones, and poverty quintiles). The estimates of food price inflation are reported in Table 5. These results are approximate, since we only use one representative price per food group.

Table 5: Food price inflation, July 2021 (food vendor survey round 8) relative to June/July 2020 (round 1) and December 2020 (round 6)

	% difference (compared to Round 8)		
	Round 1	Round 6	Round 7
Union	7.0	8.4	-0.3
Urban	1.7	7.3	-3.3
Rural	8.9	8.8	0.5
Hills and Mountains	5.9	7.8	-1.0
Dry Zone	12.5	13.4	2.4
Delta	4.4	4.7	0.7
Coastal	11.3	10.6	8.4
Poverty quintile 1 (poorest)	10.7	9.5	0.9
Poverty quintile 2	9.0	9.0	0.4
Poverty quintile 3	7.5	8.6	-0.2
Poverty quintile 4	6.3	8.3	-0.4
Poverty quintile 5 (richest)	4.4	7.5	-1.3

Source: Food vendor survey (June/July 2020–July 2021)
Note: Delta (Ayeyawaddy, Bago, Mon, Yangon); Coastal (Rakhine, Tanintharyi); Central Dry (Mandalay, Magwe, Nay Pyi Taw, Sagaing); Hills and Mountains (Chin, Kachin, Kayah, Kayin, Shan).

Food price inflation over the 12-month period from June/July 2020 to July 2021 amounted to 7.0 percent. Urban areas had significantly lower inflation rates than rural areas (1.7 vs. 8.9 percent). We further note that the Dry Zone (12.5 percent) and the Coastal areas (11.3 percent) showed substantially higher food inflation than the Delta (4.4 percent) and the Hill and Mountains areas (5.9 percent). Taking the whole period into consideration, we further find that food price inflation was higher for households in the poorest quintile (10.7 percent) than for richer households (4.3 percent).

Table 5 also illustrates that most food inflation occurred over the last 7 months, i.e., between December 2020 and July 2021, as shown by the relatively high price increases over that period.[2] At the national level, the cost of a food basket increased by 8.4 percent between December 2020 and July 2021.

[2] However, note that we are unable to control for normal seasonality in food prices in making these price comparisons.

ACKNOWLEDGMENTS

We would like to thank the Innovations for Poverty Action Myanmar office, BC Finance, and Mandalay Yoma Solar Energy for their support with the survey. We also thank the staff of the Myanmar office of the World Food Programme (WFP) for constructive comments and suggestions.

This work was undertaken as part of the Myanmar Agricultural Policy Support Activity (MAPSA) led by the International Food Policy Research Institute (IFPRI) in partnership with Michigan State University (MSU). Funding support for this study was provided by WFP, the CGIAR Research Program on Policies, Institutions, and Markets (PIM), the United States Agency of International Development (USAID), and the Livelihoods and Food Security Fund (LIFT).

INTERNATIONAL FOOD POLICY RESEARCH INSTITUTE

1201 Eye St, NW | Washington, DC 20005 USA
T. +1-202-862-5600 | F. +1-202-862-5606
ifpri@cgiar.org
www.ifpri.org | www.ifpri.info

IFPRI-MYANMAR

No. 99-E6 U Aung Kein Lane
Than Lwin Road, Bahan Township
Yangon, Myanmar
IFPRI-Myanmar@cgiar.org
www.myanmar.ifpri.info

The Myanmar Strategy Support Program (Myanmar SSP) is led by the International Food Policy Research Institute (IFPRI) in partnership with Michigan State University (MSU). Funding support for Myanmar SSP is provided by the CGIAR Research Program on Policies, Institutions, and Markets; the Livelihoods and Food Security Fund (LIFT); and the United States Agency for International Development (USAID). This publication has been prepared as an output of Myanmar SSP. It has not been independently peer reviewed. Any opinions expressed here belong to the author(s) and do not necessarily reflect those of IFPRI, MSU, LIFT, USAID, or CGIAR.