



## 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**

	April 2020	April 2021	Change (%)
<i>Mandalay</i>			
Maize	277	307	10.8
Mung bean	1400	1032	-26.3
Palm oil	1186	1971	66.2
Pigeon pea	724	800	10.5
<i>Yangon</i>			
Chili	2608	2025	-22.4
Maize	291	298	2.4
Mung bean	1105	711	-35.7
Onion	399	207	-48.1
Potato	398	241	-39.4

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

agricultural commodity traders interviewed in March 2021.<sup>1</sup> 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.<sup>2,3</sup> 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. Despite problems in international trade for Myanmar since the beginning of February 2021, wholesale prices of products have shown small increases since April 2020 or 2 and 11 percent for maize in Mandalay and Yangon, respectively, and 10 percent for pigeon pea in Mandalay.<sup>4</sup> Other crops that are exported remained rather stable as well, as seen for rice, where prices for the Emata rice variety are only slightly down compared to last year.<sup>5</sup>

### **Imported products**

Palm oil is the most imported agricultural product in the country, valued at about 650 million USD in 2018.<sup>6</sup> Prices for palm oil were up by 66 percent in April 2021 compared to the same period in 2020, a reflection of international price increases and the difficulties in international trade (i.e. logistics, banking, and the depreciation of the MMK).<sup>7,8</sup>

<sup>1</sup> MAPSA (Myanmar Agriculture Support Activity). 2021. *Monitoring the agri-food system in Myanmar: Agricultural commodity traders – March 2021 survey round*. Myanmar Strategy Support Program Research Note 48. Yangon: International Food Policy Research Institute.

<sup>2</sup> ICG (International Crisis Group). 2021. *Myanmar on the brink of state failure*. <https://www.crisisgroup.org/asia/south-east-asia/myanmar/myanmar-brink-state-failure>

<sup>3</sup> MAPSA (Myanmar Agriculture Policy Support Activity). 2021. *Is poverty in Myanmar on the rise? Poverty predictions from Google mobility data*. Myanmar Strategy Support Program Research Note 50. Yangon: International Food Policy Research Institute.

<sup>4</sup> 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.

<sup>5</sup> MAPSA (Myanmar Agriculture Policy Support Activity). Forthcoming. *Monitoring the agri-food system in Myanmar: Rice mills – March 2021 survey round*. Myanmar Strategy Support Program Research Note. Yangon: International Food Policy Research Institute.

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

<sup>7</sup> USDA (United States Department of Agriculture). 2021. *Oilseeds: World Market and Trade*. <https://apps.fas.usda.gov/psdonline/circulars/oilseeds.pdf>

<sup>8</sup> USDA (United States Department of Agriculture). 2021. *Burmese Government Temporarily Waives Import and Export Licenses for Select Agricultural Products*. Report number BM2021-0010. Washington, DC: USDA.

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