

Swe Mon Aung 2010: A Study on Sesame Price Transmission in Myanmar.  
Master of Science (Agricultural Economics), Major Field: Agricultural Economics,  
Department of Agricultural and Resource Economics. Thesis Advisor:  
Mrs. Kanchana Sripruetkiat, Ph.D. 179 pages.

The purpose of this research was to analyze current sesame market performances and price transmission between domestic and export markets and itself. The primary data were collected from own survey in 2008 and secondary data were collected from CSO and DAP. Respondents were randomly and accidentally selected. Marketing channels in each Township were classified and marketing costs and margins were calculated. Cointegration analysis with Engle and Granger's and Johansen's cointegration methods, Error Correction Model and Granger Causality tests were employed to estimate price transmission. Mandalay farmers got the highest gross margins for both white and black sesame. Farmers received the highest gross margins for white sesame to China. All exporters received the highest gross margins for black sesame to Japan. Wholesalers received the highest share to export price in both channels. Wholesalers' margins depend on storage time and price.

Mandalay market was integrated with Monywa(white sesame) and Pakokku(black sesame) markets. Mandalay market was central market and the first price setter for domestic markets and did not show any response to long run equilibrium. Increase in white sesame price in Monywa market and black sesame in Pakokku market could correct deviation from long run equilibrium with respect to Mandalay market. All domestic markets were integrated with export market because exporters used domestic wholesale price as cost of sesame seed to set export price. The speed of adjustment for export price to correct deviation from long run equilibrium was faster than that of all domestic prices. Long run equilibrium could be obtained by increasing export price and decreasing domestic wholesale price of white sesame in Monywa and black sesame in Pakokku market. For white sesame, Monywa price caused Mandalay price. For black sesame, Mandalay price caused Pakokku price. All domestic prices caused export price. All surplus sesame oil markets were integrated each other and Mandalay markets did not response to long equilibrium. Surplus and deficit sesame oil markets were also integrated and showed significant responses to long run equilibriums. Because, domestic sesame oil market was competitive and there was no intervention for sesame oil markets. The price transmissions of sesame oil were quite fast and completed during two months. Based on this finding, transportation, irrigation systems, more inputs should be provided for sesame farmers to reduce production costs and to increase yields. Improvement of processing technologies, supply of electricity and storage facilities should also be put under immediate attention. To achieve sufficient domestic supply, increase export volume and to achieve full price transmission in short run, government should review policy on liberalization quality driven sesame seed exports. Marketing analysis of farmers and wholesalers should be implied the regions which are not near major markets. Further research should concern with India, China and regional economic integrations play the important role in sesame world market. Detail marketing costs and margins of millers should also be analyzed and identify how to promote the efficiency and quality of processing of sesame oil.

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