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GAIN Report #BM2019

Burma

Grain and Feed

Corn

2002

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Report Highlights:

Burma's corn production should reach 660,000 metric tons in 2002/2003, due to increases in seeded area, if normal weather returns. The GOB plans to completely switch out of local varieties of seed and into improved and hybrid varieties by 2006. An expanding livestock sector and GOB focus on boosting corn exports are the drivers of the change.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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Executive Summary

Post forecasts that Burma's corn production will reach 660,000 metric tons (mt) in 2002/2003, with the monsoon crop constituting 84 percent and the cold season crop 16 percent of the whole total corn (grain) area. The growth in production is due entirely to an anticipated increase in the seeded area, an assumption that is also dependent on a return to a normal weather. Total harvested area is forecast at 300,000 hectares. Yields will be constrained by increased cost of critical inputs.

Corn production in 2001/2002 marketing year is estimated to be 524,000 mt. The projected area increase reflects farmers' likely response to substantial growth in the private sector exports. Government of Burma (GOB's) drives to increase seeded area to 324,000 hectares by the end of five year plan, i.e. 2005/2006, can be attained with the farmers' increased freedom in choosing their crops. The GOB also plans to totally substitute local varieties with improved and hybrid maize varieties by 2006. However, the prevailing market situation where prices of corn are more attractive due to increased demand for the expanding domestic livestock sector and for exports with less intervention by GOB, will be one of the factors for an increase in production. Corn is also the commodity group that has fewer restrictions on border trade. It is also one of the important cash crops as it constitutes 35 percent of the total export earnings.

Burma is forecast to export about 145,000 mt of corn in 2002. It exported 142,000 mt in 2001. Unlike rice the export of corn is not controlled by a government monopoly. Private exporters compete in the market with Myanmar Agricultural Produce Trading (MAPT), an agency of the Ministry of Commerce and the Ministry of Agriculture and Irrigation that also exports corn.

The government is encouraging the production of a more diversified basket of agriculture products for export including corn. Since corn exports have steadily increased from 1,000 mt in 1989 to 141,000 mt in 2001, the government is concentrating more on the exports of corn which pricewise on the world market is much more favorable than rice. With GM corn and Star Link becoming a hot issue in the world feed trade, Burma's corn stands a good chance since it is free from all these genetics issues. Nevertheless, it will also depend on government policy and its impact on corn exports.

PSD Table						
Country	Burma					
Commodity	Corn				(1000 HA)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Area Harvested	208	210	220	250	220	309
Beginning Stocks	0	0	0	0	0	0
Production	353	359	375	524	375	660
TOTAL Mkt. Yr. Imports	0	0	0	0	0	0
Oct-Sep Imports	0	0	0	0	0	0
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	353	359	375	524	375	660
TOTAL Mkt. Yr. Exports	40	140	50	142	50	145
Oct-Sep Exports	40	137	50	140	50	140
Feed Dom. Consumption	0	219	0	382	0	515
TOTAL Dom. Consumption	313	219	325	382	325	515
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	353	359	375	524	375	660

General

Corn is one of Burma's major crops, grown throughout the entire country. It is the second most important cereal crop after rice. The monsoon crop constitutes about 75 percent of the total production, while the cold season crop covers about 25 percent. The major growing areas are in the Shan States, Chin States, Sagaing, Mandalay, Irrawaddy and Magwe Divisions, with the Shan States as major producer of corn (grain). Corn (grain) constitutes about 58 percent of the total Corn area.

Burma grows two kinds of corn, corn (grain) and sweet corn. Edible corn is grown throughout the country during the monsoon and cold season and consumed as snacks. Corn (grain) is mainly utilized as animal feed and for exports.

Production

Post forecasts that Burma's 2002/2003 corn (grain) production will be 660,000 mt with a total harvested acreage of 300,000 hectares with 350,000 mt available for export, on an assumption of a normal weather pattern in the mid late 2002. The high price of inputs will be the major factor hampering improved yields.

Production is entirely dependent on monsoon rains for moisture and the cultivation of these crops

is determined by the status of moisture in the soil. In Burma, corn is grown in the monsoon season (May-November) and also in the cold season (December-April). The monsoon crop constitutes about 75 percent of the total, while the cold season production constitutes 25 percent.

Yields are generally in the 1.70 to 2.00 mt per hectare range. Since corn is mainly sown in the post cold season, relying on residual soil moisture, or in the rainy season with the onset of monsoon rain, timely seeding is crucial for the success of the crop.

The government of Burma no longer subsidizes fertilizer. Farmers depend on the open market for fertilizer. Myanmar Agriculture Service (MAS), an agency of the Ministry of Agriculture and Irrigation, also undertakes the distribution of fertilizer for selected high yield zones. Nevertheless, farmers prefer to purchase from the open market since the price margin between the GOB and the market price is close, and, further more, farmers can buy on credit.

Consumption

Sweet corn also serves as a substitute food for rice in Upper Burma and the hilly regions, either consumed as a substitute for rice or mixed with rice or consumed as snacks. Sweet corn constitutes about 30 percent of the total corn area. In the Chin states, corn (grain) is also consumed mixed with rice since it is a rice deficit area.

With an annual average growth rate of about 6 percent from the broiler industry, total domestic consumption of corn (grain) is estimated to increase in the future due to increasing demand from the livestock sector. There are six commercial feed mills in Rangoon and Mandalay, two owned by CP from Thailand, two feed mills run by Maykha (private sector), and one owned by government and one by a private group named San Pya. Feed rations for broiler/layer feed in feed mills is currently composed of 50 to 60 percent of corn (grain) and it is estimated that 60 percent of the corn (grain) production is used for domestic feed consumption and 40 percent for export. Burma does not import feed.

Trade

Burma is a net exporter of corn (grain), as it has been for the past forty years. The corn (grain) trade is not monopolized by the GOB and can be traded freely also through border trade.

Policy

GOB aims to increase the seeded acreage to 324,000 hectares, with the production of 778,000 mt by 2005/2006, in order to fulfill the domestic feed requirement for the livestock sector and to increase the export of corn (grain). In order to meet these requirements, GOB plans to increase the seeded acreage to 300,000 hectares with the production of 600,000 mt in 2002/2003 in order to meet the short term target of the latest five year plan. To fulfill these goals, special zones for the production of corn (grain) are established. In 2002/2003, four townships from Mandalay,

Magwe, six townships from Sagaing, seven townships from Irrawaddy divisions and Shan State and one township from Kayah State, adding up to a total of twenty-nine townships, are designated as special townships for corn. In the twenty-nine townships a target of 21,579 hectares, with an average yield of 2.12 mt per hectare, will be realized. In order to reach this production target, Township Managers/Assistant Supervisors from the Myanmar Agriculture Service (MAS) will disseminate the technical know how to the farmers by holding farmers group meetings. MAS will select the variety of seeds for the special corn area zones. Farmers are instructed to seed as least 23,000 to 25,000 plants per acre. MAS will distribute fertilizers for the special zones. GOB also plans to totally substitute local varieties with improved hybrid varieties by 2006.

Seeds Variety

GOB plans to seed local Hybrid variety Yezin (2),(3)(4) and CP Hybrid variety CPDK (888) as follows:

Yezin (2)	2,881 acres	(1,166 hectares)
Yezin (3)	20,802 acres	(8,422 hectares)
Yezin (4)	6,011 acres	(2,434 hectares)
CPDK (888)	40,445 acres	(16,374 hectares)

At present hybrid corn seeds constitutes about 24 percent of the total area and aims to increase to 60 percent of the total corn seeds area by 2005. The Myanma Agriculture Service (MAS), an agency of the Ministry of Agriculture and Irrigation, distributes the hybrid seed's Yezin (2), (3) and (4) at Kyat 300 per kilo. The prescribed seeds rate for an acre is 6 kilos per acre where as CPDK (888) cost Kyat 1,500 per kilo with the seeds utilization rate per acre at 5 kilos. The estimated yield of Yezin hybrid is about 4.47 metric tons per hectare and the CPDK (888) at 5.16 metric tons per hectare.

CP from Bangkok

CP (from Bangkok) imported a new hybrid corn varieties known as CPDK (888), CP 989, and CP 999. CP distributed the seeds to the farmers on credit terms or also by direct purchase. At harvest time CP buys back corn for its feed mills from the farmers at the prevailing market price. This program was done in Shan States and in Sagaing.

Factors that might affect the yield per hectare

Since high yielding hybrid variety are dependent on fertilizer, sufficient utilization of agricultural inputs plays a crucial part in the production. With the fluctuating value of kyat, imported fertilizer prices have increased drastically compared to the previous year. The prevailing price for 50 kg bags of urea fertilizer was about kyat 6,700, an increase of 34 percent compared to the previous year of Kyat 5,000. If market price for corn in the domestic market is not attractive

enough to cover the cost per acre, farmers will be reluctant to invest in fertilizer. Under these conditions, Post assumes yields per hectare will be affected and production targets will not be met.

Trade Matrix

Export Trade Matrix			
Country	Burma		
Commodity	Corn		
Time period		Units:	
Exports for:	2001		2002
U.S.		U.S.	
Others		Others	
Bangladesh	50833		
Malaysia	3443		
Hong Kong	12978		
Singapore	1909		
Indonesia	1014		
Sri Lanka	4657		
Japan	20		
Total for Others	74854		0
Others not Listed	61946		
Grand Total	136800		0