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Burma

Grain and Feed

Beans and Pulses Report

2000

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Report Highlights:

Burma's beans and pulse production will reach 2 mmt in 2001, due to increased production area and a return to more normal weather conditions. Burma's forecast to export about 750,000 mt of pulses in 2001, aided by a new GOB export scheme.

Includes PSD changes: Yes

Includes Trade Matrix: Yes

Unscheduled Report

Bangkok [TH1], BM

Executive Summary

Post forecasts that Burma's beans and pulse production will reach 2 million metric tons in 2001, with a substantial increase in the Mung bean (Matpe), Pigeon pea/Toor whole (Pesingon) and Green Mung bean (Pedesein /Pedi-shwe-war). The growth in production is due entirely to an anticipated increase in the harvest area, and a return to more normal weather patterns. Total harvested area is forecast at 2.7 million hectares.

Pulses production in 2000 marketing year is estimated to be 1.8 million metric tons. Although planted area was up, the yield per acre was affected due to unfavorable weather conditions, an unusual cold spell, and insufficient inputs.

The projected area increase reflects farmers' likely response to substantial growth in private sector exports, Government of Burma (GOB's) drive to increase seeded area to 2.6 million hectares by the year 2001 and farmers' increased freedom in choosing their crops. However, the prevailing market situation where prices of pulses are more attractive, with less cost per acre compared to paddy, and less intervention by GOB, export oriented pulses such as Mung bean, Green Mung bean, Pe-di-shwewar/Pe-desein) and Pigeon pea /Toor whole (Pesingon) seeded area have been expanding without much GOB input. Pulses remain the commodity group that has fewer restrictions on the border trade.

Burma is forecast to export about 750,000 metric tons of pulses in 2001 and the export forecast for 2000 was 700,000 metric tons. In December 99, GOB implemented a new trade scheme. Under this new trade scheme, private beans and pulses traders through Myanmar Agricultural Produce Trading (MAPT) an agency of the Ministry of Commerce, can sell to any foreign buyer of their choice for export. MAPT will take the hard currency from the buyers and the dealers will be given in terms of Kyat equivalent to the amount of sale that was made. Nevertheless, under this new trade scheme private traders can export some of the crop that was previously prohibited to the private sector such as chick peas, sesame and niger seeds. This new trade scheme is not mandatory, and most of the private sector took advantage of this new trade scheme by exporting crops that were once prohibited to the private sector.

Unlike rice, the export of beans and pulses 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 that also procures beans and pulses for export. However, the advanced purchase system, as with rice, was implemented by MAPT to procure beans and pulses from the farmers to re-establish their dominance over the beans and pulses export market. MAPT will give a full advance payment on the amount of sales the farmers will make. Confirmed sources said that, Mung beans, Green gram and Pigeon peas growing farmers are obligated to sell 2 baskets per acre (0.14 metric tons per hectare) to MAPT. They are compelled to take advance payment and to enter into a contract with MAPT. The advance payment procurement prices for beans and pulses were Kyat 2,000 per basket (0.033 metric tons). Sources said that MAPT will increase the beans and pulses (Mung bean, Green Gram and Pigeon pea) obligation quota to 3 baskets per acre (0.22 metric ton per hectare) in the FY 2000/01 procurement season.

The export of chickpea/gram however is still monopolized by GOB. Nevertheless, private traders are allowed to export through MAPT, under a new trade scheme implemented by the Ministry of Commerce.

The government is encouraging the production of a more diversified basket of agriculture products for export including beans and pulses. It would like to see an expansion of the beans/pulses area in the next three years and for exports to increase significantly. Nevertheless, it will also depend on the government policy and its imposition on the beans and pulses export trade. Beans and pulses have become the major foreign exchange earner since the decline of rice exports. GOB also plans to increase the beans and pulses area through land reclamation projects carried out by the private entrepreneurs in Lower and Upper Burma. Since about 65 percent of the total beans and pulses are sown in cold season with the residual moisture left from the rainy season, it was the most feasible cash crop to grow in the reclaimed wet land areas after the water recedes in October.

PSD Table						
Country:	Burma					
Commodity:	Beans					
		1999		2000		2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Area Harvested	2200	2400	2400	2600	0	2700
Beginning Stocks	0	0	0	0	0	0
Production	1500	1650	1650	1800	0	2000
TOTAL Mkt. Yr. Imports	0	0	0	0	0	0
Jul-Jun Imports	0	0	0	0	0	0
Jul-Jun Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	1500	1650	1650	1800	0	2000
TOTAL Mkt. Yr. Exports	900	686	700	700	0	750
Jul-Jun Exports	0	0	0	0	0	0
Feed Dom. Consumption	0	0	0	0	0	0
TOTAL Dom. Consumption	600	964	950	1100	0	1250
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	1500	1650	1650	1800	0	2000

Production/Crop Assessment

General

Post's forecast for Burma's 2000/01 beans/pulses production will be 2 million metric tons with total harvested acreage of 2.7 million hectares on an assumption of normal weather patterns in mid-late 2000. The high price of inputs will be the major factor hampering improved yields. Although harvested area increased in 1999/2000 year, total production is estimated at 1.8 million metric tons, as yields suffered due to untimely heavy rains at the seeding period and an unusual cold spell at the flowering stage.

Burma grows nineteen varieties of pulses for domestic consumption and export. Among these pulses Mung bean (Matpe) Green gram (Pedesin), Pedi-shwe-war, Soya bean (Soy bean), Gram, Chick pea, Cow pea (Pelun), Pigeon pea (Pesingon/Toor whole), Black eyed bean (White Pelun) and Garden pea (Sadawpe) are the major export-oriented varieties.

Beans and pulses are grown throughout Burma, but 90 percent of the total area is concentrated in the Irrawaddy, Magwe, Pegu, Mandalay, Sagaing and Rangoon Division. In 1999/00, these crops constituted about 19 percent of the total sown acreage according to the government. The main emphasis in 2000/01 is on the increased area of Mung beans (Matpe) and Green mung bean (Pedesein) and Pigeon pea (Pesingon).

Production is entirely dependent on monsoon rains. Cultivation of these crops is determined by the status of moisture in the soil. In Burma, pulses and beans are grown in late-monsoon season and also in the cold season as double cropping

after the monsoon-season paddy. Monsoon production constitutes 31 percent of the total, while the cold season production constitutes 69 percent.

Yields are generally in the 0.68-0.70 metric tons per hectare range. Since pulses are mainly sown in the cold season, relying on the residual soil moisture, or in the rainy season with the onset of the monsoon rain, timely seeding is crucial for the success of the crop. In 1999/00, unusual late heavy rains in November delayed the seeding period followed by an unusual cold spell in December which stunted the growth of the beans and pulses and affected the yields. Average yield per hectare in 1999/00 was slightly lower compared to 1998/99. An increase in production was primarily the result of increased harvested acreage, as there was a decrease in yield per hectare.

Consumption

The Burmese consume beans and pulses as a supplementary dish in their diet to rice. It is also a main source of protein in the diets of poorer consumers. Some varieties are consumed as snacks. Although more than nineteen varieties of beans and pulses are produced in Burma, not more than ten varieties are locally utilized. Most utilized beans and pulses are chick pea, gram, soya bean, pigeon pea, green gram, black gram, lablab bean, red lentil, suntani, suntapyar and gear bean. They are consumed as fried snacks, powdered, boiled or in soup form, pea noodles and beans sprouts. People from Central Burma consume more beans and pulses than people from the other parts of the country, partly due to lack of green vegetables in the hot, humid summer season. In the Shan States, soya beans are mostly consumed as soya bean paste or curd. Burma is still experimenting on a variety of soya bean from which oil could be extracted.

Trade

Burma's beans and pulses exports are forecast to reach 750,000 tons in 2001, up from an estimated 700,000 tons in 2000. Exports in 1999 totaled 686,000 tons. The principal pulses exported in 1999 were Mung bean (Matpe) and Green Mung bean (Pedesein), constituting about 70 percent of the total export. India was the major buyer of Burma's beans and pulses in 1999, taking 85 percent of the total export and is likely to continue as the major recipient in the future. Beans and pulses are a major agricultural export for the country, and with the decline of rice exports over the last four years, beans and pulses exports are a critical earner of much-needed foreign exchange.

After the decentralization of the economy in 1989, the private sector was allowed to export. The Ministry of Commerce (formerly known as the Ministry of Trade) issues export licenses for private companies. Export of beans/pulses are not restricted except for the export of chick pea/ gram, which is monopolized by the government. Due to favorable export market, Mung beans, Green Gram beans and Pigeon peas growing farmers, are obligated to sell 2 baskets per acre to GOB at a fixed price. Farmers who cannot meet the obligations to MAPT are compelled to buy the crop at a market price to meet the obligations. According to the contracts terms of MAPT, if the farmers cannot meet the obligations, it can either repay in terms of paddy or pay back the loans with the Government interest rates. Since the MAPT procurement price is about 45 percent less than the market price, a farmer may lose Kyat 3,600 per acre and farmers complain that it exceeds paddy quota obligations. It is also one of the commodities that could also be traded in border trade. Reliable sources estimate that about 10 percent of the total regular trade went through border and seaborne trade.

TRADE MATRIX 1999			
Country:	Burma	Units:	M.T.

Commodity:	Beans			
Exports for	1999		- IMPORTS FOR 1999	
- U.S.....	101	*	FROM:	
- Others			- Others
Algeria	264			
Belgium	1,860			
Bangladesh	2,401			
Colombo	859			
Egypt	3,148			
France	604			
Germany	234			
Greece	20			
India	366,613			
Indonesia	6,137			
Italy	558			
Hong Kong	270			
Korea	2,625			
Malaysia	3,567			
Morocco	200			
Mauritius	22			
Pakistan	20,204			
Portugal	1,002			
Philippines	5,470			
Rotterdam	2,872			
Saudi Arabia	234			
Spain	175			
Singapore	7,827			
South Africa	44			
United Kingdom	1,119			
U.A.E.	4,036			
Uruguay	313			
Border Trade	253,022			
Total for Others	685,700		Total for Others	
Others not listed			Others not listed	
Grand Total	685,801		Grand Total	0

* Mung beans

Changes in Government Policy

Due to slow rice exports , Beans and Pulses have become the major foreign exchange earner for the government of Burma (GOB). The Myanmar Agricultural Produce Trading (MAPT), an agency of the Ministry of Commerce obligated the Mung beans, Green gram and Pigeon peas growing farmers to sell 2 baskets per acre(0.14 metric tons

per hectare) at the MAPT fixed price at Kyat 2,000 per basket (0.033 metric tons), which is about 45 percent less than the prevailing market price. A new trade scheme for Beans and Pulses exports was also implemented by MAPT. In this new scheme, Beans and Pulses exporters can sell to any foreign buyers of their choice for export through MAPT. MAPT will take the hard currency from the buyers and the dealers will be given in terms of kyat equivalent to the amount of sale that was made. The conversion rate was between Kyat 250 to 300 per US\$, whereas the prevailing rate was between Kyat 320 to 350 per US\$.

Once the sales are made and the goods transferred to MAPT's warehouses, 50 percent of the sales value in kyats are dispensed by MAPT to the dealers and the remaining 35 percent of sales value will be dispensed only after the shipment has been completed. MAPT will dispense the 85 percent of the total sales value earned with hard currency with the equivalent amount of kyat. The remaining 15 percent in hard currency will be for taxes and overhead cost. Under this new trade scheme, export traders can export some of the crops which were previously prohibited to the private sector such as Chick peas, Sesame and Niger seeds.

This new trade measure will deposit the hard currency earned by the private sector in the GOB's coffers. Exports by MAPT will earn foreign exchange directly for the government. This sudden shift in policy coincides with the urgent need of hard currency by the GOB. Sources said that in the coming procurement season for the FY 2000/01 (April-March), MAPT will increase the procurement quota to 3 baskets per acre (0.22 metric tons per hectare) from 2 baskets per acre (0.14 metric tons per hectare) in Mandalay, Pegu, Rangoon and Irrawaddy divisions and also Shan State. Procurement quota per acre remains the same in Magwe and Sagaing division.

Burma is designated among the other Asean Countries as a leading country in growing beans and pulses. The government has selected special zones to grow Mung beans, Green gram and Pigeon peas and has targeted to get a yield of 15 baskets per acre (0.74 metric ton per hectare). Special zones are selected to grow Mung bean, Green gram and Pesingon. Pegu and Ayeyarwaddy divisions for Mung Bean, Pegu and Yangon divisions for Green gram and Pigeon Pea (Pelsingon) in Sagaing, Mandalay and Magwe Divisions. Myanmar Agriculture Service, an agency of the Ministry of Agriculture and Irrigation, will disseminate the technical know how, assist and provide necessary inputs to the farmers in these above mentioned special zones to attain the targeted yields.

In FY 1999/00 (April-March) the Ministry of Commerce was able to achieve US \$ 44 million earnings against the target of US\$ 136 million. It plans to earn US\$ 250 million in FY 2000/01.

Procurement Target

MAPT will procure with advance payment for Mung beans (Matpe), Green Gram (Pedesein) and Pigeon pea (Toor whole) from the farmers. It will procure a total of 83,256 metric tons of Mung beans from Mandalay, Pegu, Rangoon and Irrawaddy divisions. 101,390 metric tons of Green gram from Sagaing, Mandalay, Magwe, Pegu and Irrawaddy divisions. 51,768 metric tons of Pigeon pea from Sagaing, Mandalay, and Magwe division and Shan State. The procurement price per basket (0.033 metric ton) for Pigeon pea (Pelsingon) is Kyat 2,100 to 2,000, Mung bean - Kyat 2,000-1,800 and Green Gram (Pedesein)-Kyat 2,200-2,100. Previous year prevailing market price was Kyat 3,000 and above per basket (0.033 metric ton)

Export Prices

In CY 1999, average FOB prices received for one metric ton of Matpe (Mung Bean) (FQ) was US\$ 320.00, Mung Bean (SQ) US\$ 435.00, Pedesein (Green Gram) Fair Average Quality, Quality)US\$ 325.00 , Pesingon (Pigeon Pea)(FAQ) US\$ 335.00, Sultani/Sultapya (FAQ) , US\$ 247.50 and Soya Bean US\$ 170.00