

**Voluntary Report** – Voluntary - Public Distribution

**Date:** May 28, 2021

**Report Number:** BM2021-0019

**Report Name:** Pandemic and Coup Reduce Wheat Consumption in Burma

**Country:** Burma - Union of

**Post:** Rangoon

**Report Category:** Agricultural Situation, Grain and Feed

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**Report Highlights:**

Burma is largely dependent on imported wheat to meet domestic demand. While the consumption of instant noodles increased during COVID-19, the consumption of other wheat-containing products decreased overall in the bakery, fast food, breakfast snack categories due to temporary closures of bakeries, restaurants, and coffee shops. Wheat consumption is forecast to decrease in 2021 due to economic contraction and cash shortages post-coup and the continued negative impact from COVID-19.

Although Burma's staple food is rice, wheat-based foods are regularly consumed as fast food and snacks. As wheat consumption increased prior to COVID-19, Burma's wheat production remained flat and imports increased due to a lack of good local varieties and reduced competitiveness with imported wheat. Prior to the February 1, 2021 military coup, the government had low interest in improving wheat production, but the Department of Agriculture Research had a few trials underway to select high-yielding and drought-resistant varieties. Burma produces approximately 100,000 metric tons (MT) and imports approximately 600,000 MT of wheat grain to meet the local demand. Burma mainly imports wheat from Australia, the United States, Ukraine, Canada, and Moldova. Wheat imports have gradually increased since 2011 due to growing demand for western foods derived from wheat flour, especially pasta, pizza, snacks, baked goods, and noodles. A wheat consumption survey has never been done in Burma, which limits detailed assessments of consumption trends. Additional information about the coup and its impact on agricultural trade is available at <https://www.fas.usda.gov/data/burma-shipping-line-and-banking-disruptions-continue-impact-trade>.

### **Consumption Behavior Wheat derived food in Burma**

Burma mills wheat grain into flour to make wheat-based foods for human consumption and wheat bran for animal feed. Local wheat mills produce different types of wheat flour to make noodles, to be used in bakeries, and multipurpose wheat flour to make other traditional breakfast food. According to industry sources, 45 percent of total wheat flour is utilized for making noodles, 35 percent for the bakery sector, and 20 percent for general purposes such as wheat-derived breakfast foods. Consumption of these categories differ by income class and have evolved during COVID-19 and post-coup.

**Noodles:** Instant noodles, such as Mamee, Yum, Shin, and MAMA noodles are very popular among the lower and middle income class and are consumed as a light meal especially at night, often with an egg. Instant noodles are quick to prepare, cheap, easy to cook, available everywhere, and have a long shelf life. Throughout COVID-19 and following the coup, the demand for instant noodles increased for these reasons across all income classes. Some higher income consumers buy imported instant noodles from Korea, Japan, and Thailand, which are more costly than the locally-produced instant noodles. Burmese people also love to eat wheat noodle as a breakfast noodle salad, traditional coconut noodles, and Chinese fried noodles.

**Fast food:** Before COVID-19, fast foods such as burgers, sandwiches, fried chicken, and pizza were very popular among younger people from the middle- and high-income classes due to an increasing preference for Western cuisine and rapid economic development which increased consumer buying power. Fast foods from U.S. and other international chains are available within or near supermarkets and department stores and are seen as a good choice for the family during shopping hours. At the beginning of the COVID-19 pandemic, the consumption of those items decreased due to lockdown orders and closure of many fast-food shops. However, in the middle of the COVID-19 pandemic, food delivery services, such as Food Panda and Yangon Door to Door, and various promotions helped the fast food sector recover somewhat.

**Bakery:** The bakery sector, including biscuits, cookies, bread, and cakes, have developed fairly rapidly over the past decade due to increasing preferences for western foods, prepared foods, and economic growth. Biscuits, bread, and cake are typically consumed during snack time across income classes. Coffee and bakery items are especially popular among teenagers and foodies in Burma. Most of the middle- and higher-income consumers love having a cup of coffee and cake and either surfing the internet or chatting with friends at coffee shops. During COVID-19, the bakery sector was almost shut down and there was a shortage of products in grocery and local food stores. Bakery factories in the industrial zones were trying to reopen in January 2021 as COVID-19 cases decreased, but were shut down again due to widespread worker strikes following the February 1 military coup and subsequent violence against protesters by the military regime.

**Breakfast:** Different types of breakfast snacks, such as prata, spring rolls, samosas, chapati, roti, naan, puri, and dosas are popular at breakfast cafés in Burma. Prior to COVID-19, middle- and high-income households typically went out for breakfast at cafés and coffee shops, while low-income people generally had fried rice at home. Throughout COVID-19 and continuing post-coup, almost all breakfast cafés were closed and consumption of these breakfast foods significantly decreased. Therefore, consumption of wheat-containing items decreased and rice consumption increased.

**Feed:** Wheat bran, the byproduct from wheat flour mills, is used for animal feed in Burma. The milling process generates approximately 80 percent wheat flour and 20 percent wheat bran. The reduced wheat imports and wheat milling during COVID-19 and post-coup has led to a likely shortage of wheat bran for livestock feed.

**Consumption prospects:** Some restaurants and café are trying to reopen even amid an unpredictable security situation with daily explosions. However, consumer purchasing power is low due to increased unemployment during COVID-19 and following the military coup. In addition, widespread cash shortages have caused many consumers to increase rice consumption due to its lower costs. Flour mills, which largely shut down during increasing violence in March, have restarted operations with limited production. However, importers are unable to place new orders for imported wheat grain. Many shipping lines have paused their operations in Burma following costly bottlenecks at ports in February and the unpredictable security situation. In addition, banking closures and cash limitations have complicated completing payments. In addition, there is a current absence of tourism, which previously was bolstering the increased demand for wheat-containing products. There are also now concerns of a third wave of COVID-19 in Burma, which would likely impact operations at wheat mills and food processing facilities. Accordingly, wheat consumption in Burma is forecast to decrease in calendar year 2021. It is projected to at least partially recover in calendar year 2022 depending on the security situation post-coup and the impact of COVID-19.

**Attachments:**

No Attachments.