

**Required Report:** Required - Public Distribution

**Date:** March 25, 2022

**Report Number:** BM2022-0005

**Report Name:** Rice Trade - Monthly

**Country:** Burma - Union of

**Post:** Rangoon

**Report Category:** Grain and Feed

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**Report Highlights:**

Post forecasts smaller Burmese rice exports in March due to a smaller supply; however, Burmese rice exports will remain strong due to high world prices and anticipated strong demand from African and EU countries, China, and the Philippines. Domestic prices for both Emata and Shwe Bo Pawsan increased in March due to smaller supplies against active domestic demand and high transportation costs.

## **Burmese Rice Production**

The Burmese Department of Agriculture (DOA) reported in February that farmers have cultivated roughly 6.08 million hectares of monsoon main rice crop during the MY2021/22 monsoon season, representing almost all the cultivated area for the monsoon crop. The Burmese DOA also reported that farmers will plant 0.97 million hectares for the second rice crop in MY2021/22 and have planted about 76 percent as of February 2022.

## **Non-border Trade**

FAS Rangoon (Post) forecasts Burma's official rice and broken rice exports lower in March in anticipation of a smaller supply in the domestic market and high domestic prices. Nevertheless, demand for Burmese rice exports will likely remain strong as world prices increase and robust demand from African and EU countries, China, and the Philippines continues. Burmese rice millers face daily blackouts and rising fuel costs, which limit milling operations. Blackouts have increased in frequency and duration in the past month. The Ministry of Electric and Energy announced a prolonged blackout plan March 12-18 due to the construction of new underwater liquid natural gas pipelines.

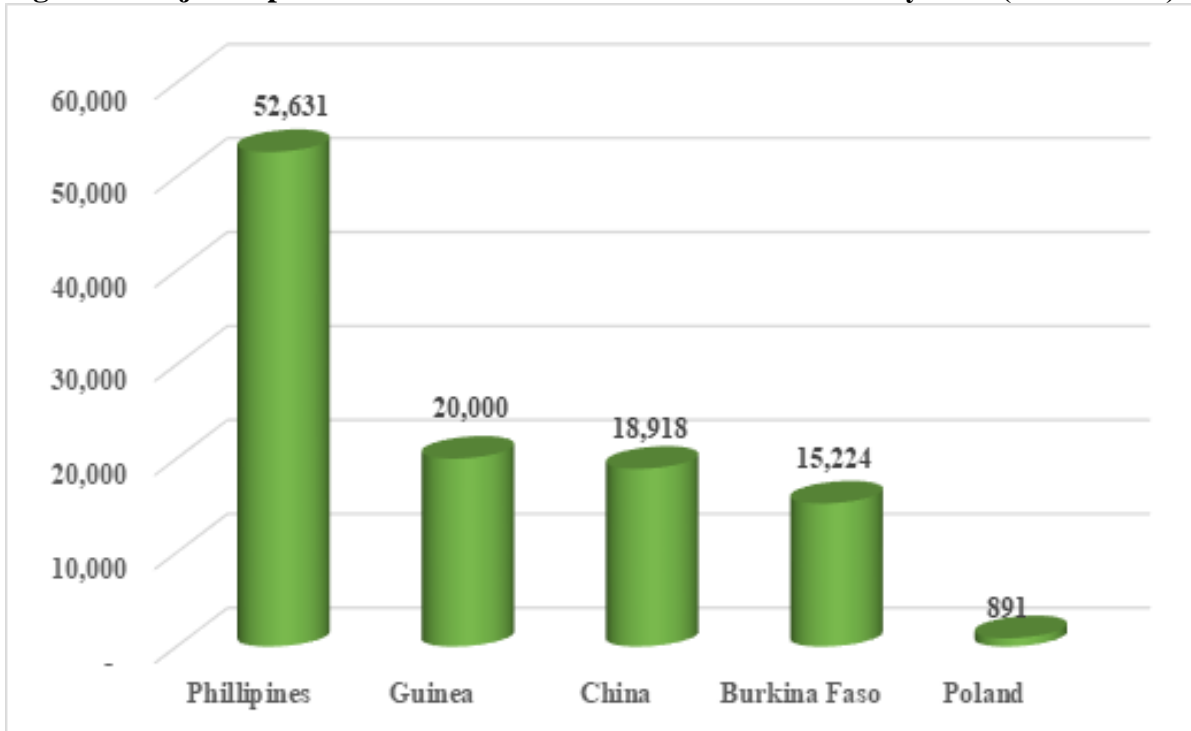
Post obtained official rice exports for January 2022 (see Table 1) and revised its forecast for Burma's rice exports in February (see Table 3). Burma's official rice exports significantly increased in January due to strong demand for Emata rice from African countries and the Philippines, for broken rice from EU countries, and for both rice and broken rice from China. Official rice exports by type for February 2022 was not available at the time of reporting. However, the Myanmar Rice Federation (MRF) reported that Burma exported more than 200,000 MT of rice and broken rice in February 2022. The Philippines, Guinea, China, Burkina Faso, and Poland were the largest export destinations for Burmese rice, while China, Netherlands, Belgium, Indonesia, and Singapore were the largest export destinations for Burmese broken rice in February 2022 (see Figures 1 and 2). Sri Lanka signed a memorandum of understanding with Burma to buy 150,000 MT of rice (100,000 MT white rice and 50,000 MT parboiled rice) with the FOB Rangoon price at US\$ 445 per metric ton in CY 2022 and CY 2023.

**Table1. Burma's Rice Export by Type in January 2022 (Metric Ton)**

Destination	Parboiled	Parboiled Brown Rice	Emata 5-20%	Emata 25%	Ngasein 5-20%	Ngasein 25%	Paw San	Rice Total	Broken Rice Total	Total
Angola			25,000					25,000		25,000
Australia			50					50		50
Belgium	250	1,750	6,070					8,070	55,430	63,500
Bulgaria	1,250		7,750					9,000		9,000
Burkina Faso				10,000				10,000		10,000
Cameroon				16,000				16,000		16,000
China				15,940	4,390			20,330	32,294	52,624
Cote d'Ivoire				39,849				39,850		39,850
Croatia			200					200		200
Germany	253		52					305		305
Hong Kong						105		105		105
Hungary			50					50		50
Italy			3,000		1,200			4,200	550	4,750
Latvia	25		25					50		50
Mali				8,000				8,000		8,000
Netherlands	2,000		1,300					3,300	10,700	14,000
New Zealand									46	46
Niger				11,000				11,000		11,000
Papua New Guinea			1,040					1,040		1,040
Philippines			3,750	21,470				25,220		25,220
Poland	2,225		3,675	491				6,391		6,391
Reunion									1,500	1,500
Romania	250		6,000		1,750			8,000		8,000
Singapore				25			24	49	76	125
Slovenia		78						78		78
Spain			225					225		225
Sri Lanka				750	510	625		1,885		1,885
Ukraine			1,000	4,700	1,000			6,700		6,700
<b>Total</b>	<b>6,253</b>	<b>1,828</b>	<b>59,187</b>	<b>128,225</b>	<b>8,850</b>	<b>730</b>	<b>24</b>	<b>205,098</b>	<b>100,596</b>	<b>305,694</b>

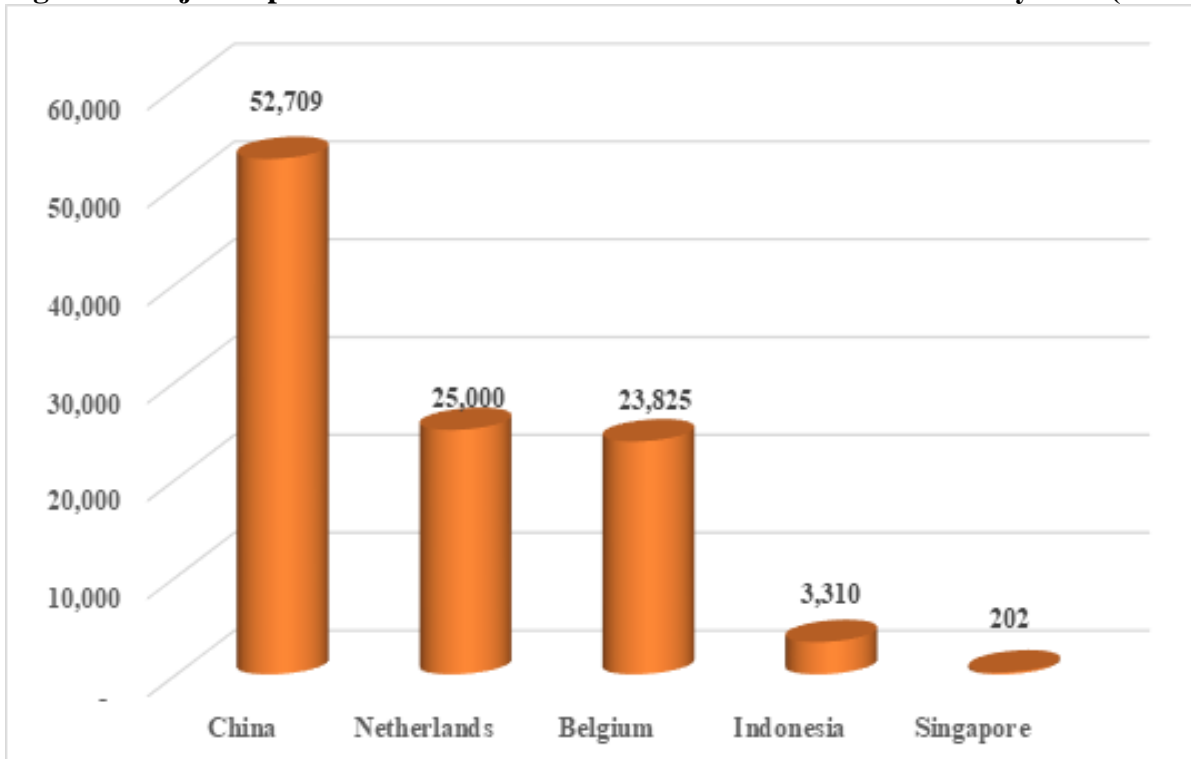
Source: Ministry of Commerce

**Figure 1. Major Export Destinations for Burmese Rice in February 2022 (Metric Ton)**



Source: Myanmar Rice Federation

**Figure 2. Major Export Destinations for Burmese Broken Rice in February 2022 (Metric Ton)**



Source: Myanmar Rice Federation

**Table 2. Official Rice Export by Type in 2021 (Metric Tons)**

Month	Rice Milled, 2021				
	Non-border trade		Border trade		Total
	Head Rice	Broken Rice	Head Rice	Broken Rice	
January	86,217	59,170	48,805	64,049	258,241
February	30,311	41,393	24,406	21,042	117,152
March	29,233	10,791	26,555	39,143	105,722
April	48,060	41,475	12,385	21,435	123,355
May	104,431	53,618	7,471	30,566	196,086
June	103,120	52,308	10,137	39,932	205,497
July	26,166	18,575	2,497	3,308	50,546
August	39,197	13,285	920	140	53,542
September	65,274	54,775	145	452	120,646
October	86,450	88,261	0	380	175,091
November	153,225	72,015	0	527	225,767
December	198,773	69,314	425	1,269	269,781
<b>Total</b>	<b>970,457</b>	<b>574,980</b>	<b>133,746</b>	<b>222,243</b>	<b>1,901,426</b>

Source: Ministry of Commerce, Custom Data, Myanmar Rice Federation.

**Table 3: Official Rice Exports by Type in 2022 (Metric Tons)**

Month	Rice Milled, 2022				
	Non-border trade		Border trade		Total
	Head Rice	Broken Rice	Head Rice	Broken Rice	
January	205,098	100,596	6,723	2,251	314,667
February	105,000*	95,000*	4,200*	10,000*	214,200*
March	100,000 *	90,000*	3,000*	3,000*	196,000*
April					
May					
June					
July					
August					
September					
October					
November					
December					
<b>Total</b>	<b>410,098</b>	<b>285,596</b>	<b>13,923</b>	<b>15,251</b>	<b>724,867</b>

Source: Ministry of Commerce, Custom Data, Myanmar Rice Federation.

\* denotes post's estimate

## Border Trade

Post forecasts Burma’s rice and broken rice border trade in March to be smaller due to high transportation costs as a result of COVID-19 prevention procedures, the temporary closing of Kyin San Kyawt gate, and the suspension of imports of seven food groups including rice and broken rice on March 14. Chinese officials closed the Kyin San Kyawt gate on March 2, 2022, after there was a positive COVID-19 case in a Chinese driver but reopened the gate on March 12, 2022. Burmese exporters continue to see high transportation costs from the shortage of Chinese trucks that can cross the Kyin San Kyawt check points at the Muse border. Major rice and broken rice exporters continue to shift from border trade to sea trade due to cheaper shipping costs, better predictability of arrival dates, and less risk of trade route closures.

## Market Overview

Domestic wholesale prices for both Emata 25 percent broken rice and superior quality Shwe Bo Pawsan increased in March in line with high world rice prices due to a smaller domestic supply, high transportation costs, and active domestic demand from livestock and fish feed mills. Current corn prices are at record highs due to strong export demand. Feed millers are substituting corn with broken rice. The Farmers’ Rights Protection and Economic Promotion Leadership Group set the floor price for rough rice (paddy) at 540,000MMK/100 basket (270,000MMK/MT), but market prices for the new rice crop recently harvested in Ayeyarwady are higher than the fixed prices at 625,000MMK/100 basket (312,500MMK/MT).

**Table 5: Monthly Domestic Wholesale Price for Emata and Shwe Bo Pawsan Rice in Rangoon Market**

Type of Rice	Emata 25% (low grade)		Shwe Bo Pawsan	
	MMK/108lb	\$/MT	MMK/108lb	\$/MT
March (1-15)	23,000-28,000	258-314	57,000-63,000	641-706
February	23,000-25,000	258-270	49,000-55,000	551-619
January	22,500-23,000	253-259	42,000-48,000 (New)	472-540
December	22,500-23,000	253-282	52,000-60,000 (Old) 45,000-48,000 (New)	584-674 506-540
November	22,000-23,000	247-259	52,000-59,000	585-660
October	22,500-24,500	253-276	52,000-59,000	585-660

MMK: Myanmar Kyat

Source: Myanmar Rice Federation

Reference exchange rate in February 2021: One US\$ = Kyat 1,778 (Central Bank of Myanmar)

## Policy

The Central Bank of Myanmar allowed for the direct payment of Thai Baht/MMK for Myanmar-Thailand border trading on March 3, 2022, to facilitate trade, comply with ASEAN financial integration, increase utilization of local currency Myanmar Kyats (MMK), and reduce the dependency on U.S. dollars. Importers and exporters are allowed to open accounts at designated banks.

China announced the temporary suspension of imports of several kinds of goods, such as rice, broken rice, chili, foods shipped in cold chain, frozen goods, seafood, and food consumed daily and easy to pack food through the Wantain Mantman gate on March 14, 2022. The Wantain Mantman gate is the Chinese side of the Kyin San Kyawt gate on the Burmese side. This suspension of importation will mainly impact Burmese exports such as chili and seafood but will have a smaller impact on rice and broken rice exports as the majority of those exports are now heading to China via sea.

**Attachments:**

No Attachments