

Required Report: Required - Public Distribution

Date: June 22, 2022

Report Number: BM2022-0011

Report Name: Rice Trade - Monthly

Country: Burma - Union of

Post: Rangoon

Report Category: Grain and Feed

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Report Highlights:

Post forecasts Burmese rice exports lower in June due to reduced supplies in the domestic market and higher domestic prices. The Burmese government continues making changes to its trade and foreign exchange rate policies that are impeding trade. Domestic prices for Emata increased in June due to lower supplies in the domestic market, high transportation costs, and the resumption of border trade with China. Domestic prices for Shwe Bo Pawsan remained unchanged due to slow domestic demand.

Burmese Rice Production

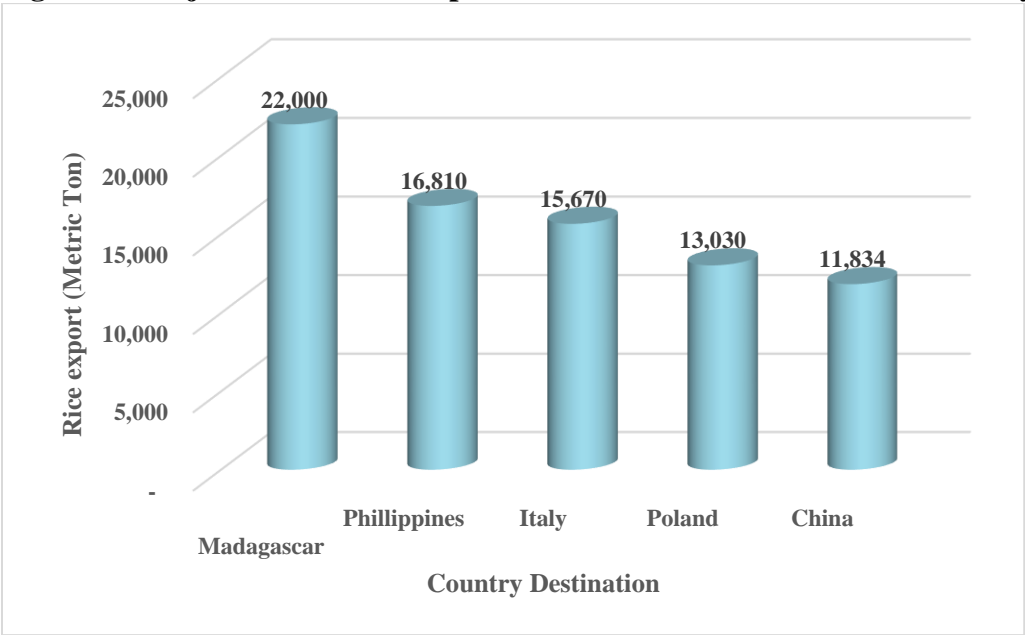
The Burmese Department of Agriculture (DOA) forecasts that farmers will cultivate 6.07 million hectares of main crop rice in marketing year (MY) 2022/23 and reported that farmers have planted about 3.5 percent (212,181 hectares) as of May 31, 2022. The DOA also reported that farmers have cultivated roughly 0.98 million hectares of the second rice crop in MY 2021/22. Rice farmers have harvested about 70 percent of the second rice crop cultivated area as of May 31, 2022.

Non-Border Trade

Posts forecasts Burma’s rice and broken rice exports lower in June due to reduced supplies in the domestic market and higher local prices. The Burmese government continues making changes to its trade and foreign exchange rate policies that are impeding trade. Rice exports in May were also smaller for the same reasons (see Table 2).

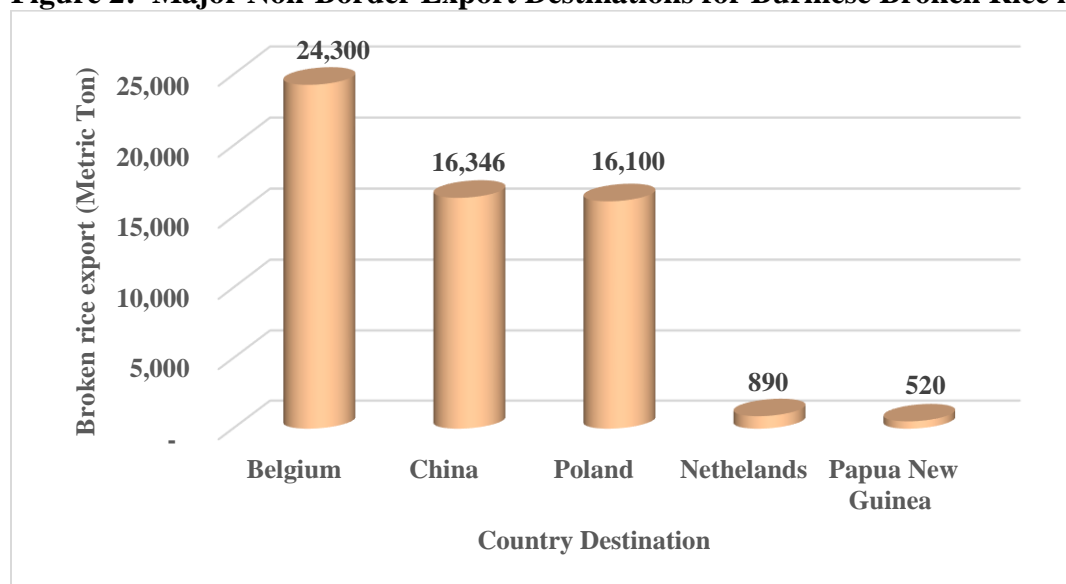
Official export numbers by type and destination for the months following February are not available at the time of reporting. However, the Myanmar Rice Federation reported that Burma exported more than 153,000 metric ton (MT) of rice and broken rice in May 2022 by 36 companies. Madagascar, Philippines, Italy, Poland, and China were the largest export destinations for Burmese rice in May 2022, while Belgium, China, Poland, Netherlands, and Pupa New Guinea were the largest export destinations for Burmese broken rice (Figures 1 and 2).

Figure 1: Major Non-Border Export Destinations for Burmese Rice in May 2022 (MT)



Source: Myanmar Rice Federation

Figure 2: Major Non-Border Export Destinations for Burmese Broken Rice in May 2022 (MT)



Source: Myanmar Rice Federation

Border Trade

Border trade resumed on May 16, 2022, with the easing of importation procedures by Chinese authority. China is allowing Burma's trucks to cross into China through Kyin San Kyawt-Wang Ding border gate but is requiring that a Chinese driver takes control of the truck once it enters China. China had banned Burmese trucks and drivers from entering China due to strict COVID-19 prevention measures. The restrictive measures raised the cost of short-haul transportation to approximately 10 million Myanmar Kyats (MMK) (about \$5,405) per truck (50 MT of rice). The number of total trucks of Burmese goods dropped from 400 to 40 truck per day. The cost of short-haul transportation has since dropped to 0.1-0.15 million MMK (about \$ 540-810) with the resumption of trade. Trade sources expect China's feed industry will not get enough corn due to insufficient supplies from Ukraine and believe that demand for Burmese broken rice will increase to replace the reduced corn from Ukraine.

Table 1: Rice Exports 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	362	268,874
Total Rice	970,457	574,980	133,746	221,336	1,900,519

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

Table 2: 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	100,956	6,723	2,251	315,027
February	99,650	75,008	11,029	5,939	191,626
March	91,150*	42,622*	0	200*	133,972
April	144,000*	100,000*	2,000*	4,000*	250,000
May	92,500*	54,000*	2,506*	4,500*	153,506
June	68,000*	43,000*	2,000*	7,000*	120,000*
July					
August					
September					
October					
November					
December					
	700,398	415,586	24,258	23,890	1,164,131

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

* denotes post's estimate

Market Overview

Domestic wholesale prices for Emata 25 percent broken rice rose in June due to high transportation costs, declining stocks, and resumption of border trade with China, while superior quality Shwe Bo Pawsan remained unchanged due to slow domestic demand.

Table 4: 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
June (1-15)	30,500-31,500	330-340	53,000-63000	573-681
May	27,000-28,500	291-308	53,000-63,000	573-681
April	26,500-28,000	286-303	57,000-63,000	616-681
March	23,000-28,000	249-303	57,000-63,000	616-681

MMK: Myanmar Kyat
Source: Myanmar Rice Federation
Reference fixed exchange rate in June 2022: One USD = Kyat 1,850 (Central Bank of Myanmar)
Market exchange rate in June 2022: One USD = Kyat 2,072
Post uses reference fixed exchange in the report.

Attachments:

No Attachments