

Required Report: Required - Public Distribution

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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 July due to reduced domestic supplies and higher domestic prices. Domestic prices for Emata remained high, while prices for Shwe Bo?Pawsan rose due to lower domestic supplies.

Burmese Rice Production

The Burmese Department of Agriculture (DOA) reported that farmers plan to cultivate 6.07 million hectares of main crop rice in marketing year (MY) 2022/23 and 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 and 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 July due to reduced supplies in the domestic market, higher local prices, and a depreciating Myanmar Kyats (MMK). Rice exporters trade in U.S. dollars (USD) but must convert USD into MMK at the Central Bank's fixed exchange rate of 1,850 MMK/USD. The market exchange rate, however, ranges between 2,170 and 2,185 MMK/USD. Only rice and broken rice already contracted is shipping, and exporters are hesitant to contract new sales due to high domestic prices.

Official export numbers by type and destination for March and April 2022 are provided in Table 1 and 2. Post revised the monthly exports by type found in Table 4 according to the official export numbers. Post also revised rice and broken rice exports for May and June 2022 in Table 4 based on data from the Myanmar Rice Federation (MRF) and temporary data from the Ministry of Commerce. Burma exported 0.567 MT of glutinous rice and 2.3 MT of Paw San rice to the United States in March.

Table 1: Burma's Rice Export by Types in March 2022 (Metric Tons)

Countries	Parboiled	Parboiled Brown Rice	Emata 5-20%	Emata 25%	Ngasein 25%	Glutinous Rice	Paw San	Hybrid Rice	Rice Total	Broken Rice	Total
Belgium		5,000							5,000	31,204	36,204
Bulgaria	1,000		13,900						14,900	2,500	17,400
Cameroon				25,000					25,000		25,000
China			10,387						10,387	18,638	29,025
Croatia			500						500		500
Germany	102		702						804		804
Hong Kong					130				130		130
Indonesia										520	520
Italy	5,985		7,375		4,000				17,360		17,360
Netherlands	1,000		2,250						3,250	8,700	11,950
Papua New Guinea			2,574						2,574		2,574
Philippines				10,550					10,550		10,550
Poland	3,800		7,450	249					11,499	3,000	14,499
Reunion										5,200	5,200
Romania			125						125		125
Singapore				225			24		249	52	301
Spain	2,800		9,225						12,025	12,000	24,025
Sri Lanka								2,230	2,230		2,230
United States of America						1	2		3		3
Total	14,687	5,000	54,488	36,024	4,130	1	26	2,230	116,58	81,814	198,399

Source: Ministry of Commerce

Table 2: Burma's Rice Exports by Type in April 2022 (Metric Ton)

Countries	Parboiled	Emata 5-20%	Emata 25%	Ngasein 5-20%	Ngasein 25%	Paw San	Rice Total	Broken Rice	Total
Angola		15,000					15,000		15,000
Australia		50					50		50
Belgium		700				500	1,200	53,400	54,600
Bulgaria		7,750					7,750		7,750
Cameroon			9,000				9,000		9,000
China		17,854		1,455			19,309	26,479	45,788
Czech Republic	274			75			349		349
Cote D'ivoire			10,000				10,000		10,000
Croatia		300					300		300
France		50					50		50
Germany		678					678	75	753
Hong Kong					284		284		284
Italy	7,700	6,690					14,390		14,390
Latvia	50						50		50
Lithuania	2,500	5,700					8,200	1,000	9,200
Madagascar			20,000				20,000		20,000
Papua New Guinea		100					100		100
Philippines		2,000	10,300				12,300		12,300
Poland	1,000	3,925	4,000				8,925	500	9,425
Singapore			75				75	305	380
Slovenia		130					130		130
Spain	3,000	12,482					15,482		15,482
Sri Lanka					250		250		250
Total	14,524	73,410	53,375	1,530	534	500	143,873	81,759	225,632

Source: Ministry of Commerce

Border Trade

Border trade has been slow since mid-2021 due to closures of border gates from COVID-19 prevention measures, high transportation costs, and Chinese import policy changes. Border trade resumed in May with the easing of import procedures. Burmese rice exports through the border remain slow due to high domestic prices and unclear trade policy. The Department of Trade (DOT) released a directive requiring exporters to only accept USD for exports of rice, corn, oilseed crops, beans, and pulses through the border starting July 1, 2022. In addition, exporters must deposit all earnings in the Central Bank. This new directive is making it harder for exporters who must use the Central Bank's fixed exchange rate of 1,850 MMK/USD instead of the market exchange rate that is currently between 2,170 and 2,185 MMK/USD. However, DOT excluded rice and broken rice from the new directive on July 3, 2022, allowing exporters to accept Chinese yuan and Thai baht.

Table 3: 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, Myanmar Rice Federation.

Table 4: 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	116,585	81,814	6,244	1,413	206,056
April	143,873	81,759	6,691	4,124	236,447
May	103,300	74,570	4,550	12,570	194,990
June	*89,000	*60,000	*10,000	*8,000	*167,000
July	*55,000	*45,000	*1,000	*1,000	*100,000
August					
September					
October					
November					
December					
Total	812,506	519,107	46,237	35,297	1,411,146

Source: Ministry of Commerce, Myanmar Rice Federation.

* denotes post's estimate

Market Overview

Domestic wholesale prices for Emata 25 percent broken rice remained unchanged in July, while the price for white superior quality Shwe Bo Pawsan rose due to lower supplies. Trade sources confirmed that supplies of Shwe Bo Pawsan rice (rough) in the Sagaing region sold out soon after harvesting as increased conflict between military officials and anti-military forces spurred rice purchases.

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
July (1-15)	30,500-31,500	330-340	54,000-66000	583-713
June	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 July 2022: One USD = Kyat 2,185

Attachments:

No Attachments