

Required Report: Required - Public Distribution

Date: September 20, 2022

Report Number: BM2022-0016

Report Name: Rice Trade - Monthly

Country: Burma - Union of

Post: Rangoon

Report Category: Grain and Feed

Prepared By: FAS Rangoon

Approved By: Eric Mullis

Report Highlights:

Post forecasts Burmese rice exports higher in September with increasing demand for Burmese rice due to India's policies restricting rice exports. Despite larger domestic rice supplies from the new rice crop, domestic prices for both Emata and Shwe Bo Pawsan rose significantly. The depreciation of the Myanmar kyat and high production costs have continued putting upward pressure on domestic rice prices.

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 93 percent as of September 13, 2022. The DOA reported that farmers cultivated roughly 0.98 million hectares for the second rice crop in MY 2021/22 and have completed harvesting most of the cultivated area.

Non-Border Trade

Posts forecasts Burma's rice and broken rice exports higher in September. Farmers will start harvesting the main rice crop in MY 2022/23 in September with new rice supplies entering the market towards the end of September, increasing available supplies for export. Trade sources also anticipate that there will be more export opportunities as the Indian government imposed a 20 percent export tax on rough and broken non-basmati rice and an export ban on broken rice on September 9, 2022. In addition, Bangladesh agreed to purchase 200,000 metric tons (MT) of Burmese rice. Burma has two months to deliver the 200,000 MT of rice to Bangladesh.

Post obtained official export numbers by type and destination for the month of June (Table 1). Broken rice accounted for 39 percent of total exports, followed by Emata rice at 34 percent, brown rice at 8 percent, parboiled rice at 3 percent, and Ngasein at 1 percent. Post revised rice and broken rice export estimates higher for July (Table 3) based on information from the Myanmar Rice Federation (MRF).

Table 1: Burma's Rice export by Types in June 2022 (metric ton)

Destination	Parboiled	Emata 5-20%	Emata 25%	Emata 35%	Ngasein 5-20%	Glutinous Rice	Brown rice	Rice Total	Broken Rice Total	Total
Belgium	4206	2,000				250	2,500	8,956	46,900	55,856
China		4998			520.00			5,518	4,842	10,360
Croatia	50	99					5	154		154
Czech Republic	200	125			250			575	25	600
France	150							150		150
Germany		1,500						1,500		1,500
Greece	75	1,100			50			1,225		1,225
Hong Kong				365				365		365
Hungary		125						125		125
Italy	250	1,530			550			2,330		2,330
Latvia	125							125		125
Netherlands		650						650	750	1,400
New Zealand									46	46
Philippines		2,210	24,867					27,077	520	27,597
Poland	245	798	482				50	1,575		1,575
Portugal		250						250		250
Reunion		2,875						2,875		2,875
Singapore									52	52
Slovakia		260						260		260
Slovenia	130	520						650	130	780
Spain		10,650					10,000	20,650	10,000	30,650
Togo								25,000		25,000
Total	5,431	29,690	25,349	365	1,370	250	12,555	100,010	63,265	163,275

Source: Ministry of Commerce

Border Trade

Post forecasts Burma's rice exports through border trade higher in September. Exporters of rice and broken rice are able to accept Chinese yuan at the border. The depreciation of the Myanmar kyat (MMK) against the Chinese yuan continues to make Myanmar rice cheaper for Chinese importers even as domestic prices increase in Burma.

Table 2: Rice Exports by Type in 2021 (metric tons)

Month	Rice Milled, 2021				Total
	Non-Border trade		Border trade		
	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 3: Rice Exports by Type in 2022 (metric tons)

Month	Rice Milled, 2022				Total
	Non-Border trade		Border trade		
	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	103,384	74,576	5,619	13,507	197,086
June	100,010	63,265	11,407	10,461	185,143
July	*118,000	*29,000	*5,500	*30,000	*182,500
August	*60,000	*57,000	*7,900	*32,000	*156,900
September	*60,000	*54,000	*8,000	*35,000	*157,000
October					
November					
December					
Total	1,006,600	617,378	69,113	134,695	1,827,785

Source: Ministry of Commerce, Myanmar Rice Federation.

* denotes post's estimate

Market Overview

Domestic prices for all grades of rice remain high in early September due to high transportation costs, high fuel prices, the depreciation of the Myanmar kyat, and increased production costs. The price for paddy (rough rice) was 1,100,000-1,200,000 MMK/100 basket (\$261-285/MT), which is 50-60 percent higher than the price at the same time last year.

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
September (1-15)	37,000-38,000	352-361	83,000-93,000	790-886
August	32,000-33,000	304-314	78,000-90,000	743-857
July	30,500-31,500	290-300	54,000-66,000	514-628
June	30,500-31,500	290-300	53,000-63,000	504-600
May	27,000-28,500	257-271	53,000-63,000	504-600
April	26,500-28,000	252-267	57,000-63,000	524-600
March	23,000-28,000	219-267	57,000-63,000	542-600

MMK: Myanmar kyat

Source: Myanmar Rice Federation

Fixed exchange rate in June 2022: One USD = kyat 2,100 (Central Bank of Myanmar)

Market exchange rate in September 2022: One USD = kyat 3320-3,370

Policy

The new Minister for the Ministry of Commerce lifted the requirement for exporters of beans, pulses, corn, sesame, and peanuts to obtain a letter of recommendation from the Myanmar Pulses, Beans, Maize and Sesame Seed Merchant Association on August 29, 2022. The Department of Trade also announced that importers of farm equipment and machinery no longer need to apply for an import license on August 31, 2022.

The Central Bank of Myanmar released \$200 million into the foreign exchange market at the end of August in an effort to curb rising fuel and food prices. The exchange rate between the U.S. dollar and the Myanmar kyat dropped 15-18 percent in second week of September.

Attachments:

No Attachments