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2022

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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 November. Despite the contracted shipment to Bangladesh, slow demand from African countries and high domestic prices will lead to lower exports in November. Domestic prices for Emata increased in November as local traders are purchasing stock in anticipation of a lower production. Prices for Shwe Bo Pawson also remained high.

Burmese Rice Production

The Burmese Department of Agriculture (DOA) reported that farmers have planted 6.042 million hectares of main crop rice in marketing year (MY) 2022/23 and have harvested about 16 percent of the planted acreage as of October 30, 2022.

Non-Border Trade

Posts forecasts Burma's non-border rice and broken rice exports lower in November (Table 2). Despite a rice shipment to Bangladesh in November, high domestic prices have kept demand from EU and African countries for rice and broken rice low.

Trade data by type and destination for the month of August was not available at the time of reporting. Post revised rice and broken rice export estimates for October based on estimates from the Ministry of Commerce and the Myanmar Rice Federation.

Border Trade

Post forecasts Burma's rice exports through border trade lower in November due to high domestic prices.

Table 1: 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 2: 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	59,410	16,132	9,635	12,385	97,562
August	*30,000	*57,000	*7,900	*32,000	*126,900
September	**30,000	**33,000	**1,000	**30,000	**94,000
October	*102,500	*44,000	*7,500	*18,000	*172,000
November	*70,000	*25,000	*3,000	*20,000	*118,000
December					
Total	1,060,510	652,510	76,748	150,080	1,939,847

Source: Ministry of Commerce, Myanmar Rice Federation.

* denotes post's estimate

** denotes MRF's estimate

Market Overview

Local traders were actively purchasing rice supplies in the first week of November as many of them anticipate lower production from the main crop, which pushed domestic prices for all grades of rice higher. Prices for Emata 25 percent reached 43,500 MMK/108 lb, and prices for Shwe Bo Pawson remained high at 93,000 MMK/108 lb in mid-November.

Table 3: Monthly Domestic Wholesale Price for Emata and Shwe Bo Pawson Rice in Rangoon Market

Type of Rice	Emata 25% (low grade)		Shwe Bo Pawson	
	MMK/108lb	\$/MT	MMK/108lb	\$/MT
November (1-15)	41,500-43,500	395-414	87,000-93,000	829-886
October	39,000-40,000	371-381	78,000-93,000	742-886
September	37,000-42,000	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 November 2022: One U.S. dollar = 2,100 kyat (Central Bank of Myanmar)

Market exchange rate in November 2022: One U.S. dollar = 2,950-2,980 kyat

Policy

The Central Bank of Myanmar (CBM) announced that foreign-owned companies can keep their revenue from exporting in the foreign currency and choose what to do with their earnings, while Burmese-owned companies must exchange 65 percent of their revenue from exporting at the CBM fixed rate within one working day. The fixed exchange rate is currently set at 2,100 Myanmar kyat/U.S. dollar, while the market exchange rate is 2,950 Myanmar kyat/U.S. dollar. Rice traders exporting at the border are worried that CBM might also implement the same measure for border trade.

The Department of Trade announced that importers must use money earned from exports to purchase imports in order to improve the current trade imbalance. The Department of Trade released the Export/Import Newsletter 10/2022 on October 31, 2022, that required all exporters trading at the border to submit payments through Authorized Dealer (AD) licensed banks in order to track the revenue from exporting.

The leading committee for the Protection and Promotion of the Rights and Interests of Farmers set the floor price for rice (rough) produced in MY 2022/23 at 630,000 Myanmar kyat per 100-baskets (\$150/metric ton) on November 11, 2022. Although the new floor price is higher than the last year's price (560,000 Myanmar kyat per 100-baskets), it is still much lower than current market prices. Current market prices of rice (rough) is 1,100,000-1,300,000 Myanmar kyat per 100-baskets (\$262-310/MT) depending on the type and quality of rice.

Attachments:

No Attachments