

Voluntary Report – Voluntary - Public Distribution

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Report Name: Beans and Pulses Update

Country: Burma - Union of

Post: Rangoon

Report Category: Agricultural Situation, MISC-Commodity

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Report Highlights:

Burma's beans and pulses production in MY 2021/22 is forecast to decrease due to reduced use of fertilizers and pesticides and a return to rice production in low-land areas with the expectation of favorable weather. Burma's pulses exports in MY 2020/21 are forecast to decrease due to a return to normal export demand with slow trade following the military coup. Post projects that MY 2021/22 exports will be flat with the expectation of regular import demand from India.

General Background

In Burma, pulses are normally grown immediately after the harvest of the main rice crop in the delta region (lower parts of Burma) and are grown as a monsoon crop in the central plain areas and in Shan State (southeastern part of country). About 70 percent of all pulses are grown during the winter season with residual soil moisture, which reflects the yield per unit area. The yields range between 1.0 -1.3 MT/hectare. Black Matpe (black gram), green Mung bean (green gram), and Toor whole (pigeon pea) account for 70-75 percent of total pulse production and are the largest exported varieties.

On February 1, 2021, Burmese State Counsellor Aung San Suu Kyi, leader of Burma's ruling party, and Burmese President Win Myint, the duly elected head of government, were deposed in a military coup d'état. The subsequent country-wide worker strikes and other peaceful protests in opposition to the military's actions (collectively referred to as the Civil Disobedience Movement), and the military's increasingly violent response, have hampered the trade, logistics, and banking sectors. For additional information on the coup, please review FAS Rangoon's recent report:

<https://www.fas.usda.gov/data/burma-burma-military-coup-continues-hamper-agricultural-trade>.

Table 1. Burma (Myanmar): Pulses Production, Supply and Demand

pulses	2019/20	2020/21	2021/22	Unit
Market Begin Year	Jan-20	Jan-21	22-Jan	
Area Harvested	4,040	4,130	4,050	(1000 HA)
Beginning Stocks	465	414	564	(1000 MT)
Production	4,444	4,130	4,050	(1000 MT)
Total Supply	4,909	4,544	4,614	(1000 MT)
MY Exports	1,815	1,500	1,500	(1000 MT)
TY Exports	1,815	1,500	1,500	(1000 MT)
Feed and Residual	180	180	180	(1000 MT)
FSI Consumption	2,500	2,300	2,400	(1000 MT)
Total Consumption	4,495	3,980	4,080	(1000 MT)
Ending Stocks	414	564	534	(1000 MT)
Total Distribution	4,909	4,544	4,614	(1000 HA)
Yield	1.10	1.00	1.10	(MT/HA)

Source: Department of Agriculture, Ministry of Commerce and Post estimates

Production

Burma's pulses production in MY 2019/20 decreased due to low rainfall and lower moisture content for winter crops, uncertain demand from India due to import policy changes, and unstable prices against high production costs. Green Mung bean accounted 29 percent of total cultivation, followed by Black Matpe at 23 percent and Toor whole at 11 percent. Bean and pulses production in MY 2020/21 is forecast to increase, especially green Mung bean and Toor whole, since some main rice crop cultivating areas were replaced by pulses due to the late arrival of the monsoon and lower overall rainfall in CY 2020. Burma's pulse production in 2021/22 is expected to decrease due to a return to rice production in low-land areas with the expectation of favorable weather. In addition, due to the country-wide Civil

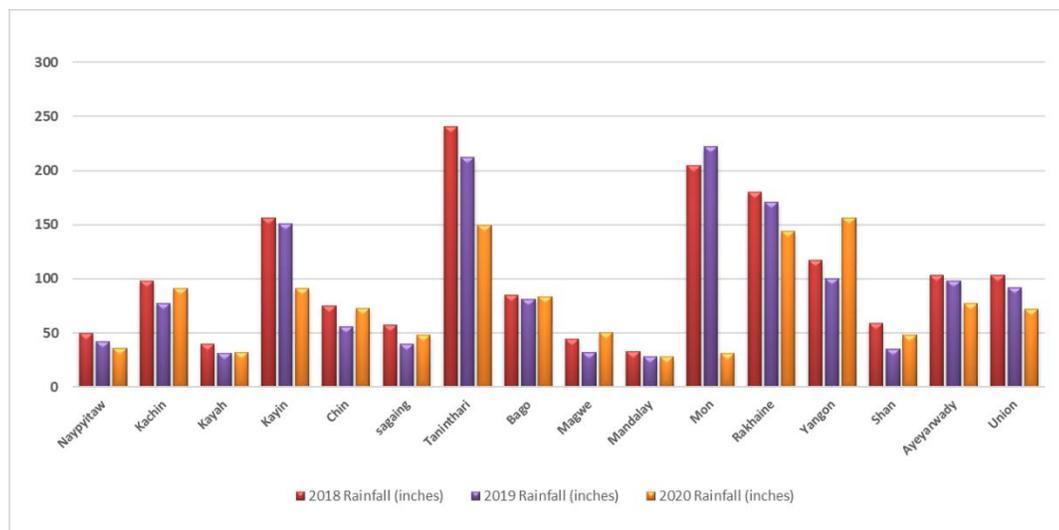
Disobedience Movement in opposition to the February 1, 2021 military coup, the imports of agricultural inputs such as fertilizers and pesticides are suspended and prices have increased, which will lead to low utilization and yields. Additional analysis on this by the International Food Policy Research Institute, which was funded by the U.S. Agency for International Development, is available [here](#).

Table 2. Pulses Cultivation in Burma (Hectare)

Type of Pulses	2018/19			2019/20			2020/21		
	Monsoon	Winter	Total	Monsoon	Winter	Total	Monsoon	Winter	Total
Others Pulses	202,548	1,033,253	1,235,801	199,179	1,037,087	1,236,266	218,502	1,035,298	1,253,800
Green Mung Bean (Green Gram)	534,396	630,925	1,165,321	503,907	657,131	1,161,038	550,302	644,016	1,194,318
Black Matpe (Black Gram)	5,274	940,717	945,991	4,985	937,984	942,969	5,838	939,536	945,374
Toor Whole (Pigeon pea)	444,459		444,459	441,978		441,978	474,617		474,617
Soybean	47,696	91,283	138,979	47,083	90,339	137,422	47,881	91,143	139,024
Cowpea	18,382	106,070	124,452	17,757	101,966	119,723	19,111	102,367	121,478
Total	1,252,755	2,802,248	4,055,003	1,214,889	2,824,507	4,039,396	1,316,251	2,812,360	4,128,611

Source: Department of Agriculture

Figure 1. Annual Rainfall in Regions and States (2018-2020)



Source: Department of Agriculture

Consumption

In Burma, people generally consume Chick peas, lentils, Butter beans, Lab Lab beans, soybeans, garden peas, Red kidney beans, velvet beans, and Lima beans, with minor consumption of Black Matpe, Green mung bean, and Toor Whole. Different types of pulses are mainly consumed as daily breakfast snacks, traditional snacks, and a typical traditional dish in central Dry zone, Shan State, and Mon state. Chick

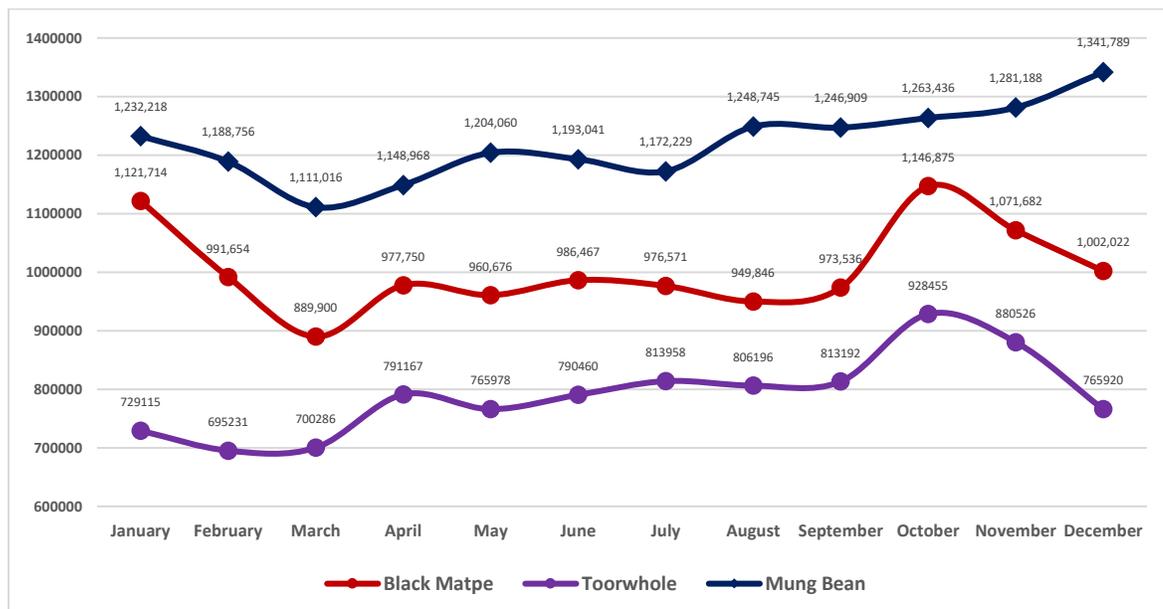
peas, Lab Lab Beans, and lentils are commonly consumed as soup across the country. Garden peas (yellow pea) are popular beans for traditional breakfast and Black Matpe are consumed as snacks. Relatively small volumes of Mung Beans are used to make noodles, bean sprouts, and soup and some low-quality mung bean byproducts are used for fish feed. There is no reliable survey for pulses consumption in Burma.

In MY 2019/20, Burma's consumption of beans and pulses decreased due to COVID-19-related reduced incomes and purchasing power and the closing of retail and snack shops. Burma's consumption of beans and pulses in MY 2020/21 is estimated to further decrease, with the military coup further incentivizing less expensive products (i.e., milled rice) at home amid further shop closures due to the deteriorating security situation and Civil Disobedience Movement. In MY 2021/22, consumption of beans and pulses is forecast to recover following the resolution of both crises.

Prices

The domestic price for pulses is directly related to the demand from India (for Black Matpe and Toor whole) and China (for green Mung bean). In MY 2019/20, the average domestic wholesale price for Black Matpe declined in March due to devaluation of Myanmar kyats (See Figure 3), decreased prices in India in line with slow business during the COVID-19 pandemic and increased supply in the market since farmers were selling Black Matpe to avoid continued price decreases (see Figure 2). The prices for Black Matpe increased in April due to an announcement of an import quota (400,000 MT) by the India government on March 19. Toor whole usually enters the market in January and the domestic prices decline and then increase based on local trader purchases for export to India. Green Mung beans enter the market throughout the year from different locations with different sowing times and the average domestic prices gradually increase due to increasing demand from China especially through border. Overall pulses prices were flat from May- September 2020 due to slow trading during the COVID-19 pandemic.

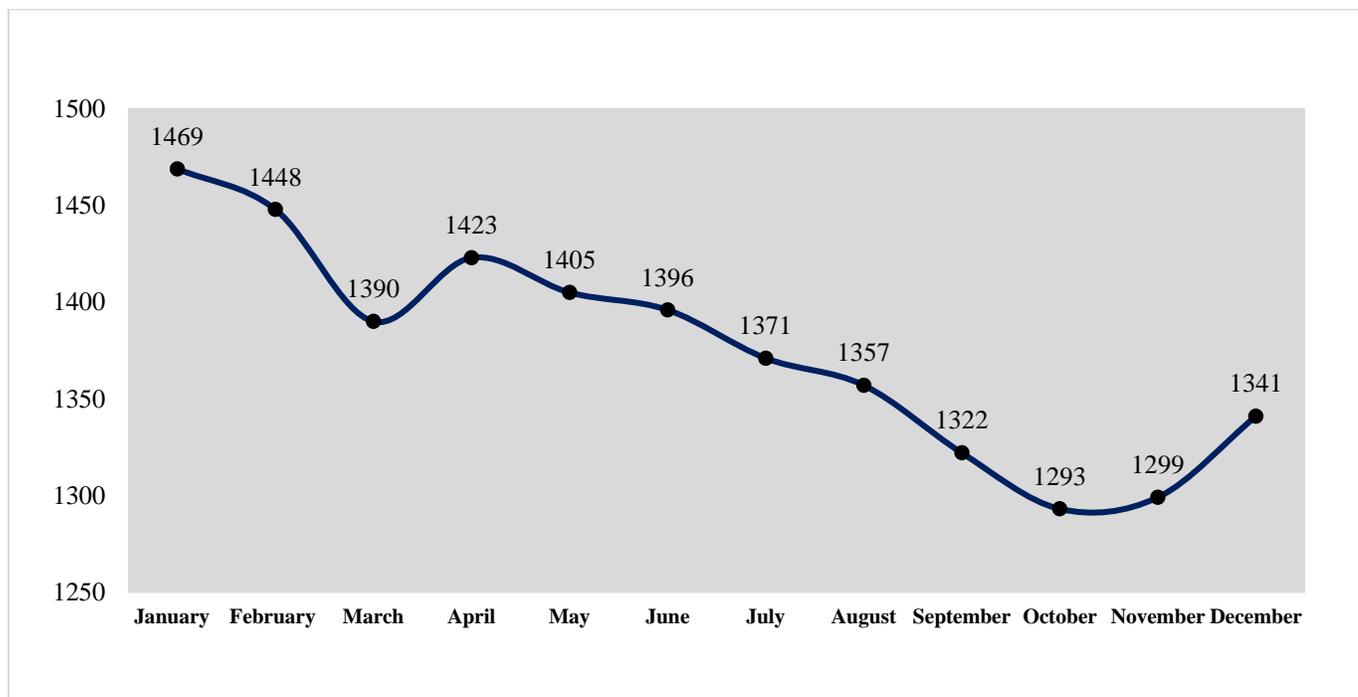
Figure 2. Monthly Prices for Black Matpe, Toor Whole and green Mung bean in 2020 (MMK/MT)



Source: Bayintnaung Commodity Exchange Centre, Yangon

Note: Prices for the Black Matpe represents the Fare Average Quality

Figure 3. Monthly Exchange Rate in 2020 (Myanmar Kyats/ US\$)



Source: Central Bank of Myanmar

Trade

Burma's bean and pulse exports are exported through formal channels, although they are then imported via both official and unofficial channels depending on the importing country. The unofficial trade is along the borders, mainly to India, Thailand, Bangladesh, and China. Formal trade exists with India, Malaysia, Singapore, Indonesia, Pakistan, and European Union (EU) countries. Black Matpe and Toor Whole are the leading exported pulses, which are mainly exported to India and accounted for approximately 75 percent of total exports in CY 2020. Overall, Burma exported 1.8 million metric tons (MMT) of pulses in CY 2020, a 20 percent increase from MY 2018/19, due to increased demand for Black Matpe from India, and Mung bean from China. Black Matpe is mainly exported to India, accounting for 66 percent of total Black Matpe exports in CY 2020, and also to Thailand. Green Mung beans are mainly exported to China, Singapore, Indonesia, and Philippines, the United Arab Emirates (UAE), and the EU. More than 60 percent of total green Mung beans were exported to China in MY 2019/20. There were some imports of yellow peas although the trade volumes are not available. In MY 2019/20, pulses exports through the border, especially to China and Thailand, accounted for 35 percent of total exports (see Table 3).

Burma's pulses exports in MY 2020/21 are forecast to decrease to normal volumes based on a return to normal overseas demand. However, trade will be slow due to delayed export procedures after the military coup. Starting in the first week of February, the export/import procedures were suspended due to government staff participation in the Civil Disobedience Movement, bank closures, and overall labor strikes which especially affected the availability of truck drivers and labor at the port. The military regime is trying to facilitate the trade and the trade partially resumed by mid-March, but trade remains hampered with an uncertain timeline. Post projects that MY 2021/22 exports will be flat at 1.5 MMT with the expectation of regular import demand from India.

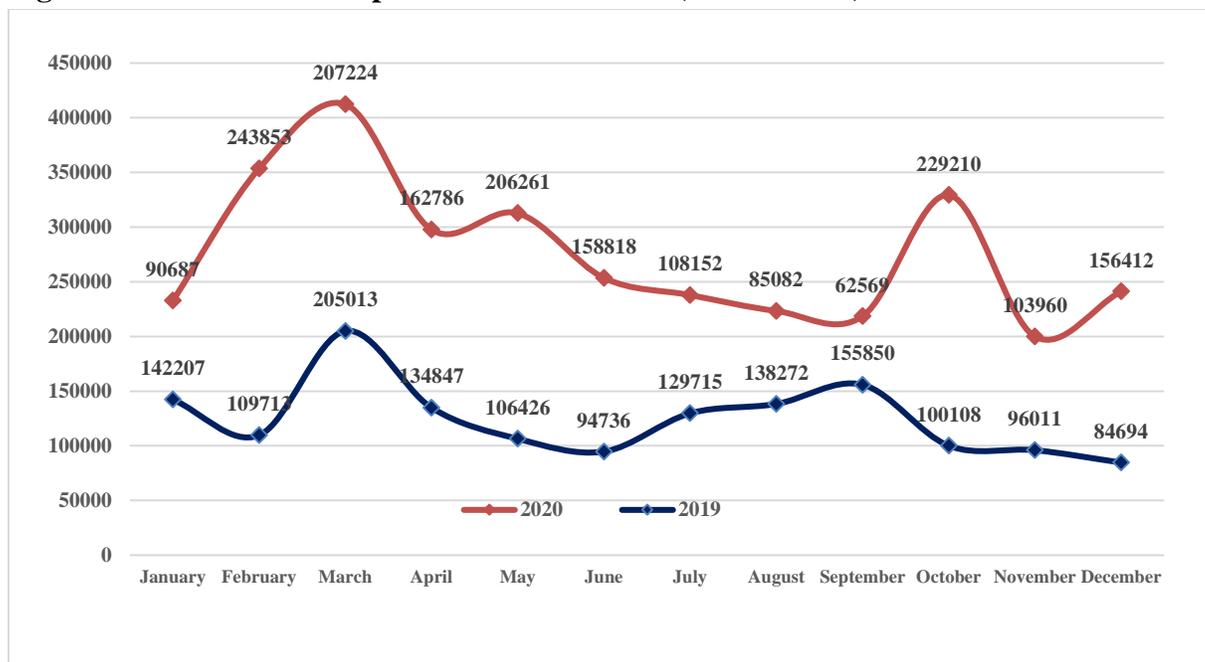
India's Import Policy

India's import restrictions directly affect not only Burma's pulses exports, but also Burma's pulse production and prices. In March 2020, India announced the import quota about 400,000 MT of Black Mapte, 400,000 MT of Toor Whole, and 150,000MT of green Mung bean. In October 2020, in order to meet domestic demand with low domestic production, India issued an additional import quota of 150,000 MT of Black Matpe. The deadline to fulfill that import quota of 150,000 MT was initially March 2021, but India extended the deadline until April 30, 2021 due to unstable conditions following the military coup.

Similarly, in March 2021, India announced the pulses import quota for MY 2021/22, which was the same as the previous year (400,000 MT of Black Mapte, 400,000MT of Toor Whole, and 150,000MT of Green Mung bean) with a deadline of March 31, 2022.

Please review FAS Rangoon’s 2020 beans and pulses update for additional historical information about India’s import policy changes: <https://www.fas.usda.gov/data/burma-burma-beans-and-pulses-updates-2020>.

Figure 3. Burma Pulses Export in 2019 and 2020 (Metric Tons)



Source: Ministry of Commerce, Custom data

Table 3. Burma’s Pulses export by Non-border and Border trade

Month	2018/2019			2019/2020			2020/2021		
	Non-border	Border	Total	Non-border	Border	Total	Non-border	Border	Total
January	121,222	20,984	142,207	64,120	26,567	90,687	78,136	178,337	256,473
February	46,366	63,347	109,713	195,302	48,551	243,853			
March	111,720	93,294	205,013	134,591	72,632	207,224			
April	75,028	59,819	134,847	48,363	114,423	162,786			
May	65,953	40,473	106,426	111,168	95,093	206,261			
June	56,225	38,511	94,736	90,727	68,091	158,818			
July	99,229	30,485	129,715	71,789	36,364	108,152			
August	120,123	18,148	138,272	65,209	19,873	85,082			
September	127,900	27,950	155,850	42,630	19,939	62,569			
October	87,442	12,666	100,108	199,476	29,734	229,210			
November	76,151	19,860	96,011	82,456	21,504	103,960			
December	57,892	26,802	84,694	73,380	83,032	156,412			
Total	1,045,253	452,339	1,497,592	1,179,210	635,803	1,815,013	78,136	178,337	256,473

Policy

In response to India’s import restrictions on pulses, the Government of Myanmar suspended imports of pulses on September 15, 2017, although a small amount of yellow peas are imported under negotiation with the government on a case-by-case basis. Burma provides farm loans to pulse farmers at the rate of

100,000 Myanmar kyat (approximately \$71 US) per acre with a 10-acre limitation. In 2020, the Government reduced farm loan interest rates from 8 percent to 5 percent due to COVID-19. Pulse farmers are also can apply for farm loans from other sources, such as NGOs and microfinance institutions. Export licenses, issued by the Ministry of Commerce, are required to export pulses. The military has stated that it will not change existing polices and will continue to encourage the agricultural and livestock sector. However, sources indicate that trade will continue to be hampered at least until May due to implications of the coup.

Attachments:

No Attachments.