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Burma - Union of

Grain and Feed Annual

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Report Highlights:
Burma: Rice and corn production is forecast to increase in MY 2017/18 due to increased utilization of farm mechanization and higher yielding seeds. Rice exports are expected to rise to 1.4 million metric tons in MY 2016/17 in anticipation of stronger demand from China and the European Union. Wheat imports are expected to grow driven mostly by rising demand from the snack food sector.

Commodities:

Rice, Milled

Corn

Wheat

Beans and Pulses

Author Defined:

Executive Summary: The information contained in this report were obtained from a variety of sources including crop surveys, government and private sector publications, and interviews with government officials, traders, and growers.

Rice production is forecast to increase to 12.2 million metric tons (MMT) in Marketing Year (MY) 2016/17 due primarily to the recovery of the main rice growing areas that were affected by major floods in 2015. Production is expected to climb to 12.3 MMT in MY 2017/18 in anticipation of favorable weather conditions and increased use of machinery. Myanmar's rice exports are forecast to climb to 1.4 MMT in 2017 in anticipation of stronger demand from new EU markets and China.

Corn production in Myanmar is expected to increase to 2.1 MMT in MY 2016/17 and 2.25 MMT in MY 2017/18 due to the expansion of rain fed corn growing areas. However, Myanmar's corn exports in MY 2016/17 and MY 2017/18 are likely to remain the same as border inspections along Myanmar and China are expected to hamper trade and demand is likely to remain flat.

Wheat production in Myanmar is limited and demand is expected to be met with imports. Wheat imports are expected to expand to 380,000 MT in MY 2016/17 and 400,000 MT in MY 2017/18.

Bean and pulse production in MY 2016/17 is expected to decrease as farmers switch to substitution crops resulting from lower prices. MY 2017/2018 production is forecast to rebound as higher prices and favorable weather is anticipated.

I. Rice

Rice, Milled	2015/2016		2016/2017		2017/2018	
Market Begin Year	Jan 2016		Jan 2017		Jan 2018	
Burma (Myanmar)	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	6900	6900	7000	7000		7010
Beginning Stocks	645	549	782	690		690
Milled Production	12200	12160	12500	12200		12300
Rough Production	19063	19000	19531	19063		19219
Milling Rate (.9999)	6400	6400	6400	6400		6400
MY Imports	40	33	0	0		0
TY Imports	40	33	0	0		0
TY Imp. from U.S.	0	0	0	0		0
Total Supply	12885	12742	13282	12890		12990
MY Exports	1303	1302	1500	1400		1450
TY Exports	1303	1302	1500	1400		1450
Consumption and Residual	10800	10750	11000	10800		10900
Ending Stocks	782	690	782	690		640
Total Distribution	12885	12742	13282	12890		12990
(1000 HA) ,(1000 MT)						

Production

Rice production is forecast to increase to 12.2 MMT in MY 2016/17 from 12.1 MMT in MY 2015/16 due mainly to the recovery of the main rice growing areas, which were badly damaged during the 2015 floods. In MY 2017/2018, rice production is forecast to rebound to 12.3 MMT in anticipation of favorable weather and increased utilization of higher yielding seeds and farm mechanization.

Consumption

The domestic consumption of milled rice is expected to increase to 10.8 MMT in MY 2016/17 and 10.9 MMT in MY 2017/2018 due to expanding demand by the animal feed sector, which is in line with the growth of Myanmar's livestock sector.

Trade

Rice exports in MY 2015/16 decreased to 1.3 MMT from 1.7 MMT in MY 2014/15 due mainly to increased border inspections and seizures by Chinese authorities and lower production caused by floods. About 66 percent of Myanmar's rice exports in MY 2015/16 were traded along the China border.

Myanmar's rice exports are estimated to increase to 1.4 MMT in MY2016/17 and 1.45 MMT in MY 2017/18 in anticipation of higher demand from China and the EU and easing of inspections along the border. In addition, the Myanmar government plans to sign memorandum of understanding agreements for rice purchases with Indonesia, the Philippines and Sri Lanka, which could stimulate demand for Myanmar rice.

Ehmata rice prices in MY 2015/16 started high (US$288/MT) as a result of strong Chinese consumer demand, however, rice prices fell at during the middle part of the year as Chinese authorities increased their inspections and rice seizures at the border. Prices slightly recovered in at the end of the year as Chinese authorities eased up on their border checks. According to trade sources, although China may have surplus or large rice inventories, consumers in the Yunnan region purchase Myanmar rice as a result of fresher quality and lower prices.

Monthly Average Wholesale Prices for Ehmata rice (low grade) in 2016

Month	Ks/108 lb bag	US$/MT
January	19,440	288
February	20,333	301
March	19,650	291
April	17,813	264
May	17,121	254
June	17,620	261
July	18,067	268
August	18,477	274
September	16,469	244
October	15,004	222
November	15,573	231
December	16,723	248

Source: etrade Myanmar
Currency exchange rate: 1 US$ =1,350 kyats
Note: Rice in Myanmar is sold in 108 pound (lb) bags

Policy

The Myanmar Agricultural Development Bank (MADB), a government enterprise, currently provides limited seasonal crop production loans to rice farmers totaling more than 730 billion kyats (US$ 594 million). The MADB increased its credit limit for rice farmers to 150,000 kyat (US$115), up from 100,000 kyats per acre (US$77) in 2016. These loans were designated for both main and dry season rice crop production and are subject to a 10 acre limit. Farmers can also access credit from other sources (i.e. Cooperative, and NGO) that are less restrictive. The government also rents farm machinery to farmers for a nominal fee.

II. Corn

Corn	2015/2016		2016/2017		2017/2018	
Market Begin Year	Oct 2015		Oct 2016		Oct 2017	
Burma (Myanmar)	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	510	510	520	520	0	530
Beginning Stocks	8	8	48	70	0	20
Production	1990	1990	2100	2100	0	2250
MY Imports	0	9	0	0	0	0
TY Imports	0	9	0	0	0	0
TY Imp. from U.S.	0	9	0	0	0	0
Total Supply	1998	2007	2148	2170	0	2270
MY Exports	1000	1037	1100	1200	0	1200
TY Exports	1000	1037	1100	1200	0	1200
Feed and Residual	850	800	900	850	0	900
FSI Consumption	100	100	100	100	0	100
Total Consumption	950	900	1000	950	0	1000
Ending Stocks	48	70	48	20	0	70
Total Distribution	1998	2007	2148	2170	0	2270
(1000 HA) ,(1000 MT)						

Production

Corn production in Myanmar is expected to increase to 2.1 MMT in MY 2016/17 and 2.25 MMT in MY 2017/18 due to the expansion of rain fed corn growing areas, particularly in Shan State (eastern part of the country). Farmers primarily use high-yield hybrid seeds, which account for more than 90 percent of corn production. Hybrid corn seeds are provided by Thai, China, and Vietnam based companies, such as, CP, Seed Asia, Ayeyarwady, Seven tiger, etc., mostly through contract farming. About 50 percent of Myanmar's corn production area is located in Shan State (eastern region of the country).

Feed Consumption

Domestic corn consumption is expected to grow in MY 2016/17 and MY 2017/18 in line with the growth of Myanmar's livestock industries, especially poultry and swine. Most of the corn supplies are delivered to feed mills located in Rangoon, Mandalay, and Shan State.

Trade

MY 2017/18 corn exports are forecast to remain flat at 1.2 MMT; the same level as 2016/17 in anticipation of lower demand from China. According to government and trade sources, almost 98 percent of Myanmar's corn exports take place along the border between Myanmar and China. The remaining 2 percent is exported to Singapore, Malaysia, the Philippines, Vietnam and Pakistan.

Prices

Corn prices started high during the start of the year, but gradually fell during mid-2016 as Chinese authorities increased their inspection and seizures along the border. Prices rebounded during the latter part of the year when Chinese officials eased their inspections.

Monthly Domestic Wholesale Corn Prices in 2016

Month	Ks/MT		US$/MT	
	Min	Max	Min	Max
January	274828	276427	204	205
February	278292	279517	206	207
March	261866	263162	194	195
April	264285	266090	196	197
May	265095	268793	196	199
June	259566	262292	192	194
July	234602	243215	174	180
August	216318	224115	160	166
September	172893	187312	128	139
October	178077	197771	132	146
November	187571	193951	139	144
December	261057	262064	193	194

Source: etrade Myanmar
Currency exchange rate: 1 US$ =1,350 kyats

Policy

The government does not provide any subsidies to corn farmers .The Ministry of Agriculture, Livestock and Irrigation (MOALI) has developed corn seed varieties for research and commercialization and holds an estimated 7-8 percent share of the corn seed market. There are no trade restrictions for corn exports; however, permits are required for the import of corn.

III. Wheat

Wheat	2015/2016		2016/2017		2017/2018	
Market Begin Year	Jul 2015		Jul 2016		Jul 2017	
Burma (Myanmar)	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	110	110	100	100	0	95
Beginning Stocks	0	0	95	35	0	45
Production	198	198	180	180	0	170
MY Imports	447	447	450	450	0	460
TY Imports	448	447	450	450	0	460
TY Imp. from U.S.	19	25	0	30	0	30
Total Supply	645	645	725	665	0	675
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	0	0	0	0	0	0
FSI Consumption	550	610	600	620	0	630
Total Consumption	550	610	600	620	0	630
Ending Stocks	95	35	125	45	0	45
Total Distribution	645	645	725	665	0	675
(1000 HA) ,(1000 MT)						

Production

Wheat production in Myanmar is cultivated at a subsistence level primarily in the northwest (Sagaing Division), central (Mandalay), and eastern (Shan State) parts of the country. These regions have limited rainfall, thus, yields are minimal at around 1.8 metric tons per hectare. Almost all wheat production is consumed domestically.

Wheat production in Myanmar is expected to decrease to 180,000 MT in MY 2016/17 and 170,000 in MY 2017/18 due to the limited areas suitable for wheat cultivation and poor price incentives compared to substitution crops such as, chick pea and coriander seed. Despite its low quality, farmers still grow wheat primarily for animal feed and subsistence.

Consumption

Consumption of wheat flour is expected to continue to grow in MY 2016/17 and MY 2017/18 due to changing lifestyles that incorporate a more western-oriented diet. New bakeries, cafes and fast food shops around the country are fueling the demand for snack and baked goods derived from wheat flour.

Trade

Local production is insufficient to meet domestic demand, thus, Myanmar is expected to rely on imports to meet growing domestic consumption. Accordingly, wheat imports are expected to climb to 380,000 MT in MY 2016/17 and 400,000 MT in MY 2017/18. The main suppliers of imported wheat are Australia and Ukraine.

Although there are more than 20 small scale flour mills in upper Myanmar, the key players in the domestic wheat industry are the U Kyu Family Group, Capital Diamond Star and Htun Myittar companies, which are all located in Rangoon. Together, these three companies hold a 90 percent share of the Myanmar wheat market.

Policy

The government does not have any support programs for wheat producers; however, it does conduct wheat variety trials with contract farmers and disseminates the results publicly.

VI. Beans and Pulses

Pulses	2014/2015	2015/2016	2016/2017	2017/2018
Market Begin Year	Jan 15	Jan 16	Jan 17	Jan 18
Burma	New Post	New Post	New Post	New Post
Area Harvested	4400	4300	4200	4300
Beginning Stocks	183	205	335	245
Production	5280	5160	5040	5160
MY Imports	0	0	0	0
TY Imports	0	0	0	0
TY Imp. from U.S.	0	0	0	0
Total Supply	5280	5365	5375	5405
MY Exports	1460	1410	1450	1450
TY Exports	1460	1410	1450	1450
Feed and Residual	165	170	180	180
FSI Consumption	3450	3450	3500	3500
Total Consumption	3615	3620	3680	3680
Ending Stocks	205	335	245	275
Total Distribution	5280	5365	5375	5405
(1000 HA) ,(1000 MT)				

Production

Beans and pulses in Myanmar are normally grown immediately after the harvest of the main rice paddy crop in the delta region. They are also grown as monsoon crops in the central plains. About 70 percent of all pulses are grown during the winter season with yields ranging between 0.7-1.3 MT/hectare. Beans and pulses production is expected to decrease in 2016/17 due mainly to a shift towards substitute crops such as sugarcane and cotton, which generate better returns.

Consumption

Consumption is expected to rise due to an increase in the growing area and animal feed demand.

Trade

Myanmar exported 1.41 million metric tons of pulses in MY 2016 due to robust Indian demand for Mung Bean and Toorwhole beans. Black Matpe, Green Mung and Toorwhole beans accounted for 80 percent of the varieties exported. Overseas or non-border trade accounted for 70 percent of total exports consisting of India, China, Singapore, Malaysia, Indonesia, Japan and European countries. Exports via border channels with India, China, Thailand and Bangladesh totaled 618,851 MT in 2016.

Myanmar's bean and pulse exports are expected to increase to 1.45 MMT in MY 2016/17 and MMT 2017/18 mainly due to sustained demand from India and anticipation of higher demand from EU countries. Myanmar bean and pulse varieties are primarily black Matpe, Green Mung, Toorwhole, Butter bean, kidney beans and cow pea beans. India is the largest importer of Myanmar's beans and pulses accounting for 80 percent of all imports.

Domestic wholesale prices for beans and pulses were strong (US$1,350-1,370/MT) between April and July due to strong export demand, but declined in August (US$1,100-1,200/MT) as demand waned, particularly from India.

Policy

The government does not provide any support to bean and pulse producers.

Customs Tariff 2012

Commodity	Purpose	Unit of Quantity	MFN Rate (%)
Rice	Consumption	kg	5
Rice seed	Sowing	kg	0
Wheat Grain	Consumption	kg	0
Wheat Flour	Consumption	kg	5
Corn Seed	Sowing	kg	0
Corn Flour	Consumption	kg	5
Beans and Pulses	Consumption	kg	15
Beans and Pulses	Sowing	kg	0

Source: Myanmar Custom Department