

**Required Report:** Required - Public Distribution

**Date:** June 08, 2022

**Report Number:** BM2022-0009

**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 lower in May due to slow business activities along with changing trade and exchange rate policies and high domestic prices. Domestic prices for Emata increased in May due to high transportation costs and a smaller domestic supply as exporters fulfilled advanced sale contracts. Domestic prices for Shwe Bo Pawsan remained unchanged. Post corrected May's Rice Trade – Monthly report (BM2022-0009) published on May 20, 2022, by revising the total export value for the month of February 2022 in last column of Table 3.

## Burmese Rice Production

The Burmese Department of Agriculture (DOA) reported in February that farmers cultivated roughly 0.98 million hectares for the MY 2021/22 second rice crop. Rice farmers have harvested about 70 percent of the second rice crop cultivated area as of May 5, 2022.

## Non-Border Trade

Posts forecasts Burma's rice and broken rice exports lower in May due to changes in export and import policies (e.g., fixed exchange rates and restrictions on foreign currency deposits in bank accounts), high local prices, and a decline in domestic stocks. Rice exports in April were relatively high due to fulfillment of advanced sale contracts, but high local prices severely impacted the bottom line of exporters. Regular electricity blackouts continue in May, limiting rice mill operations and lowering the rice supply in the domestic market.

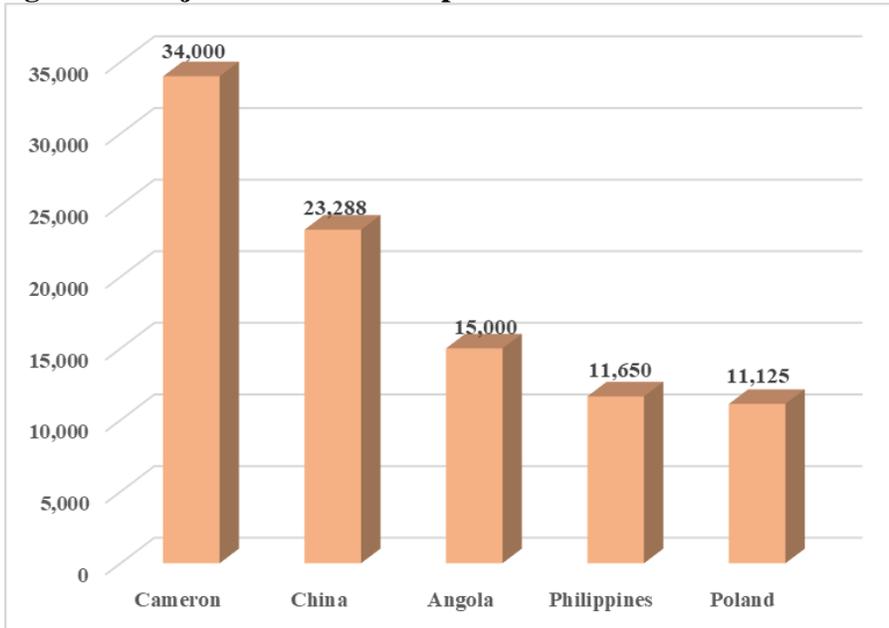
Post revised the border trade export number for broken rice for December 2021 in Table 2. Post also updated the export figures for February 2022 in Table 3 based on the official export numbers from the Ministry of Commerce for non-border trade provided in Table 1. Official exports by type for March and April are not available at the time of reporting. The Myanmar Rice Federation reported that Burma exported more than 250,000 metric ton (MT) of rice and broken rice in April 2022 by 35 companies. Cameroon, China, Angola, Philippines, and Poland were the largest export destinations for Burmese rice, while China, Belgium, Spain, Netherlands, and Poland were the largest export destinations for Burmese broken rice in April 2022 (Figures 1 and 2).

**Table 1: Non-Border Rice Exports by Type in February 2022**

Country	Parboiled	Parboiled Brown Rice	Emata 5-20%	Emata 25%	Ngasein 5-20%	Brown rice	Paw San	Rice Total	Broken Rice Total	Total
Belgium		300					250	550	35,875	36,425
Bulgaria			3,000					3,000	0	3,000
China			7,260	125	1,000			8,385	28,621	37,006
Cote d'Ivoire				15,300				15,300	0	15,300
Croatia			300					300	0	300
France			50					50	0	50
Germany	350							350	0	350
Guinea				20,000				20,000	0	20,000
Indonesia								0	3,310	3,310
Hong Kong					234			234	0.00	234
Philippines			3,040	30,050				33,090	0.00	33,090
Poland	375		225	216				816	0.00	816
Reunion								0	0	0
Romania			250					250	0	250
Singapore			50					50	202	252
Spain			825	3,000	6,000	7,200		17,025	7,000	24,025
Sri Lanka								250	0	250
<b>Total</b>	<b>725</b>	<b>300</b>	<b>15,000</b>	<b>68,941</b>	<b>7,234</b>	<b>7,200</b>	<b>250</b>	<b>99,650</b>	<b>75,008</b>	<b>174,658</b>

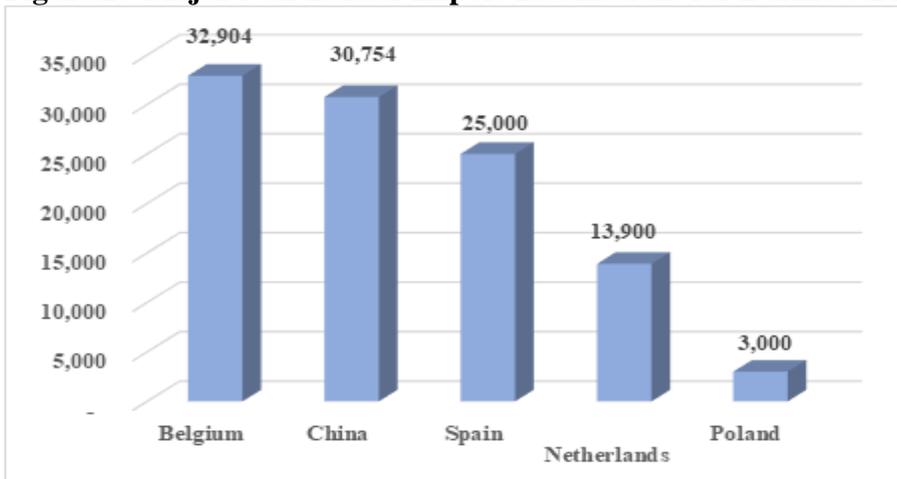
Source: Ministry of Commerce

**Figure 1: Major Non-Border Export Destinations for Burmese Rice in April 2022 (MT)**



Source: Myanmar Rice Federation

**Figure 2: Major Non-Border Export Destinations for Burmese Broken Rice in April 2022 (MT)**



Source: Myanmar Rice Federation

### **Border Trade**

China continues to restrict rice and broken rice imports from Burma but allowed some rice and broken rice shipments that have been stuck at the border to enter China through the Muse border. Transportation costs are 40-50 percent lower as demand for Chinese trucks dropped after the melon season had ended.

**Table 2: 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
<b>Total Rice</b>	<b>970,457</b>	<b>574,980</b>	<b>133,746</b>	<b>221,336</b>	<b>1,900,519</b>

Source: Ministry of Commerce, Custom Data, Myanmar Rice Federation.

**Table 3: 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	91,150*	42,622*	0*	200*	133,972
April	144,000*	100,000*	2,000*	4,000*	250,000
May	100,000*	80,000*	2,000*	5,000*	187,000*
June					
July					
August					
September					
October					
November					
December					
	<b>639,898</b>	<b>398,586</b>	<b>21,752</b>	<b>17,390</b>	<b>1,077,625</b>

Source: Ministry of Commerce, Custom Data, Myanmar Rice Federation.

\* denotes post's estimate

## Market Overview

Domestic wholesale prices for Emata 25 percent broken rice increased in May due to high transportation costs, purchasing by exporters who sold via advanced sale contracts, and declining stocks while superior quality Shwe Bo Pawsan remained unchanged.

**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
May (1-15)	27,000-28,500	291-308	57,000-63,000	616-681
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 exchange rate in April 2022: One USD = Kyat 1,850 (Central Bank of Myanmar)

Market exchange rate in April 2022: One USD = Kyat 2,025

## Policy

The Central Bank of Myanmar (CBM) published order 4/2022 (Appendix I.) on April 3, 2022, requiring all foreign currency entering an Authorized Dealer<sup>1</sup> (AD) licensed bank account to be converted to Myanmar Kyats at 1,850 MMK/USD within one working day from its arrival. In addition, the Foreign Exchange Supervisory Committee must approve the transfer of foreign currency out of Burma starting April 4, 2022. The CBM also released notification 12/2022 (Appendix II) requiring anyone, trade and non-trade transactions, receiving foreign currency in their Burmese bank accounts must convert the foreign currency to Myanmar Kyats within one working day from its arrival starting on April 4, 2022. The CBM, however, released directive 7/2022 on April 26, 2022, exempting exporters and importers trading at the border from notification 12/2022.

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<sup>1</sup> Authorized dealer license bank means a bank with a license from the Central Bank to deal in foreign currency including dealing in foreign exchange operations.

## Appendix I: Central Bank of Myanmar's Notification 12/2022 (Convenience Translation by Lincoln Legal Service, Myanmar)

*CONVENIENCE TRANSLATION - ACCURACY NOT GUARANTEED*

Republic of the Union of Myanmar

Central Bank of Myanmar

3<sup>rd</sup> April 2022

**Directive 4/2022**

**Subject:** Matters concerning Notification 12/2022 dated 3<sup>rd</sup> April 2022 issued by the Central Bank of Myanmar

**Reference:** Notification 12/2022 dated 3<sup>rd</sup> April 2022 issued by the CBM

The CBM issued Notification 12/2022 on 3<sup>rd</sup> April 2022 and orders all Authorised Dealer banks to do the following:

- (a) Starting from 4<sup>th</sup> April 2022, all foreign currency (from trade or non-trade) coming from abroad into the accounts with Authorised Dealer banks of person residing in the country, except exempted income according to para. 3 of the Notification, shall, within one day from its arrival, be converted to MMK and transferred to a MMK account opened by the recipient.
- (b) The conversion of foreign currency to MMK shall be done at the exchange rate of USD 1 = MMK 1,850. Other currencies shall be converted according to the attachment, calculated based on an exchange rate of USD 1 = MMK 1,850. The CBM will update if there is a change in the exchange rate.
- (c) Starting from 4<sup>th</sup> April 2022, the transfer of foreign currency to a destination abroad shall only be done with the approval of the Foreign Exchange Regulatory Committee, Republic of the Union of Myanmar. Directives on these matters will be issued separately.
- (d) Foreign currency in the accounts opened with Authorised Dealer banks before 3<sup>rd</sup> April 2022 shall also be treated according to paras. (a) and (b). Further details will be announced subsequently.

On behalf of the Governor  
Win Thaw, Deputy Governor

Distribution list: [Omitted.]

**Appendix II: Central Bank of Myanmar's Notification 12/2022**

**Republic of the Union of Myanmar  
Central Bank of Myanmar  
Notification No. 12/2022**

3<sup>rd</sup> Waxing of Tagu, 1383 ME  
3 April 2022

1. The Central Bank of Myanmar has issued this notification in exercise of the authority conferred under sub-section (b) of Section 49 of the Foreign Exchange Management Law.
2. According to the provisions of Section 11, Section 12 and Section 13 of the Foreign Exchange Management Law, the foreign exchange earnings of the locals must be sent back to Myanmar to the foreign currency account opened at the Foreign Exchange Trading (AD) licensed banks and exchange for Myanmar Kyats within one working day.
3. In case of exemption in carrying out in accordance with paragraph (2), it shall be issued separately.
4. Transferring foreign currency abroad must be carried out through the AD licensed banks with the permission of the Foreign Exchange Supervisory Committee.
5. Foreign currency in various foreign currency accounts that have entered Myanmar before the date of issuance of this notification shall also be made in accordance with paragraph (2) of this notification.
6. The Central Bank of Myanmar revokes Notification No. 35/2021 issued on 3-10-2021 with this notification.
7. This notice shall take effect from the date of issue.
8. Failure to comply with this notice will result in legal action under the Foreign Exchange Management Law.

*Than Nyein  
Governor*

**Attachments:**

No Attachments