

**Required Report:** Required - Public Distribution

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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 lower rice exports in August due to the closure of all border checkpoints along the Burma-China border and poor demand from African and EU countries. Domestic prices for both Emata and Shwe Bo Pawsan will likely increase in August due to an anticipated poor export demand and slow rice mill operations due to COVID-19.

## Burmese Rice Production

The Burmese Department of Agriculture estimates that MY2021/22 main rice crop (monsoon rice) acreage will be 6.1 million hectares (MHa). Farmers had planted more than 30,000 Ha as of June 8, mainly in the lower part of the country. The MY2020/21 second rice crop acreage was more than 0.92 MHa, and as of early June, rice farmers had harvested 88 percent of the 2020 second rice crop acreage. In the last week of July, floods in Taunggote, and Thandwe in Rakhine State damaged more than 486 Ha (12,000 acres) of farmland, according to the farmers' union.

## Non-border Trade

Burma's official rice and broken rice exports in July are forecast lower due to low demand from African and EU countries. Most government offices are closed during the government's long public holiday to prevent the rapid spreading of COVID-19, which increased shipping cost and procedural delays and slowed exports. However, the Burmese Customs Department continued clearing exports during the public holiday, and the Plant Protection Division has continued issuing phytosanitary certificates. Regardless, several traders reported difficulties in exporting during this time. Official exports in May and June are available in Table 1 and 2, but official figures for July were not available at the time of reporting due to the long public holiday. Post will include July export figures in next report.

**Table 1: Burma's Rice Export by Type in May 2021 (Metric Tons)**

	Destination	Parboiled	Parboiled Brown Rice	Emata 5-20%	Emata 25%	Ngasein 5-20%	Ngasein 25%	Glutinous Rice	Brown rice	Rice Total	Broken Rice Total	Total
1	Bangladesh			45,189						45,189		45,189
2	Belgium		3,918							3,918	39,735	43,653
3	China			17,935	1,000			750		19,685	8,211	27,896
4	Congo				390					390		390
5	Cyprus	10		8						18	32	50
6	France	25		25						50		50
7	Hong Kong						183			183		183
8	Latvia	125								125		125
9	Malaysia			345						345		345
10	Netherlands										1,000	1,000
11	Philippines			7,110	22,875					29,985	1,770	31,755
12	Poland	225	240		620				125	1,210		1,210
13	Singapore				300				24	324	50	374
14	Spain				750	1,375				2,125		2,125
15	Thailand										2,695	2,695
16	Vietnam			385	500					885	125	1,010
	<b>Total</b>	<b>385</b>	<b>4,158</b>	<b>70,997</b>	<b>26,435</b>	<b>1,375</b>	<b>183</b>	<b>750</b>	<b>149</b>	<b>104,431</b>	<b>53,618</b>	<b>158,049</b>

Source: Ministry of Commerce, Custom Data

**Table 2: Burma's Rice Export by Type in June 2021 (Metric Tons)**

	Destination	Parboiled	Emata 5-20%	Emata 25%	Emata 35%	Ngasein 5-20%	Glutinous Rice	Rice Total	Broken Rice Total	Total
1	Bangladesh		45,199					45,199		45,199
2	Belgium								29,990	29,990
3	Bulgaria	1,250	4,500			1,000		6,750		6,750
4	China		11,905				1,025	12,930	9,086	22,016
5	Congo			1,950				1,950		1,950
6	Czech Republic	250						250		250
7	Hong Kong			142	162			304		304
8	Malaysia		1,366					1,366		1,366
9	Netherlands								500	500
10	Philippines		4,660	26,730				31,390	2,180	33,570
11	Poland		1,000	750				1,750	10,500	12,250
12	Rumania		600					600		600
13	Singapore		54	50				104	52	156
14	Spain		250					250		250
15	Vietnam		81	196				277		277
	<b>Total</b>	<b>1,500</b>	<b>69,615</b>	<b>29,818</b>	<b>162</b>	<b>1,000</b>	<b>1,025</b>	<b>103,120</b>	<b>52,308</b>	<b>155,428</b>

Source: Ministry of Commerce, Custom Data

Note: Burma exported about 114 Kg of Glutinous (Black Sweet) Rice to the United State in June.

### Border Trade

Burma's rice and broken rice exports traded at the border are forecast lower in July due to the closure of all border gates, including Kyin San Kywt gates. Traders had been using Kyin San Kywt gates, while the Man Wein, Sin Phyu and Nandaw gates in Muse have been closed since April due to COVID-19. China closed the border gates on July 8 after a Burmese government official at Muse tested positive for COVID-19. Border trade between the two countries almost completely stopped. China is demanding that Burma set up 1,000 quarantine beds in Muse, that all drivers be vaccinated and present a negative COVID-19 test, and that the trucks are sprayed before continuing trade. Trade sources estimate that the border gates might be closed for two months.

**Table 3. Monthly Rice Exports in 2020 and 2021 (Metric Tons)**

Month	Rice Milled, 2020					Rice Milled, 2021				
	Non-border trade		Border trade		Total	Non-border trade		Border trade		Total
	Head Rice	Broken Rice	Head Rice	Broken Rice		Head Rice	Broken Rice	Head Rice	Broken Rice	
January	147,336	49,512	23,335	1,006	221,189	86,217	59,170	48,805	64,049	258,241
February	126,513	76,346	22,624	9,241	234,724	30,311	41,393	24,406	21,042	117,151
March	117,312	114,303	32,572	20,098	284,285	29,233	10,791	26,555	39,143	105,722
April	42,909	38,745	10,482	3,007	95,143	48,060	41,475	12,385	21,435	123,355
May	111,800	84,427	9,142	2,024	207,393	104,431	53,618	7,471	30,566	196,086
June	77,107	70,793	15,358	20,425	183,683	103,120	52,308	10,137	39,932	205,497
July	64,158	54,904	23,422	24,339	166,823	40,000	23,000	3,000	4,000	70,000
August	79,642	42,190	19,791	21,078	162,701					
September	37,519	37,586	16,545	16,247	107,897					
October	33,722	33,215	32,445	13,452	112,834					
November	91,926	48,075	81,443	23,850	245,294					
December	107,787	58,404	60,652	59,756	286,599					
<b>Total Rice</b>	<b>1,037,731</b>	<b>708,500</b>	<b>347,811</b>	<b>214,523</b>	<b>2,308,565</b>	<b>441,372</b>	<b>281,755</b>	<b>132,758</b>	<b>220,167</b>	<b>1,076,052</b>

Source: Ministry of Commerce, Custom Data

Note: \* represents post estimate

### Market Overview

Domestic wholesale prices for both Emata 25 percent broken rice and Shwe Bo Pawsan are flat in July due to slow demand, both domestic and foreign. Rice trading center in Yangon (Wadan Center) announced that it will open regularly (Monday to Friday) starting August 16, but rice mills have struggled to maintain operations during the latest COVID-19 outbreak. In addition, reduced cash flow from low demand has prevented the market from rebounding. Rice prices are forecast to rise in August from reduced rice mill operations. Burma's rice exports in August will likely decrease due to the continued closure of Burma-China border checkpoints and low demand from African and EU countries.

**Table 4. Monthly Domestic Wholesale Price for Emata and Shwe Bo Pawsan Rice in Rangoon Market**

Type of Rice	Emata 25%		Shwe Bo Pawsan	
	MMK/108lb	\$/MT	MMK/108lb	\$/MT
August	23,000-23,500	281-287	47,000-51,000	574-623
July	22,500-23,000	268-281	47,000-50,000	574-610
June	22,000-23,000	268-281	47,000-50,000	574-610

MMK: Myanmar Kyat

Source: Myanmar Rice Federation

Reference exchange rate in July 2021: One US\$ = Kyat 1,637 (Central Bank of Myanmar)

### Policy Updates

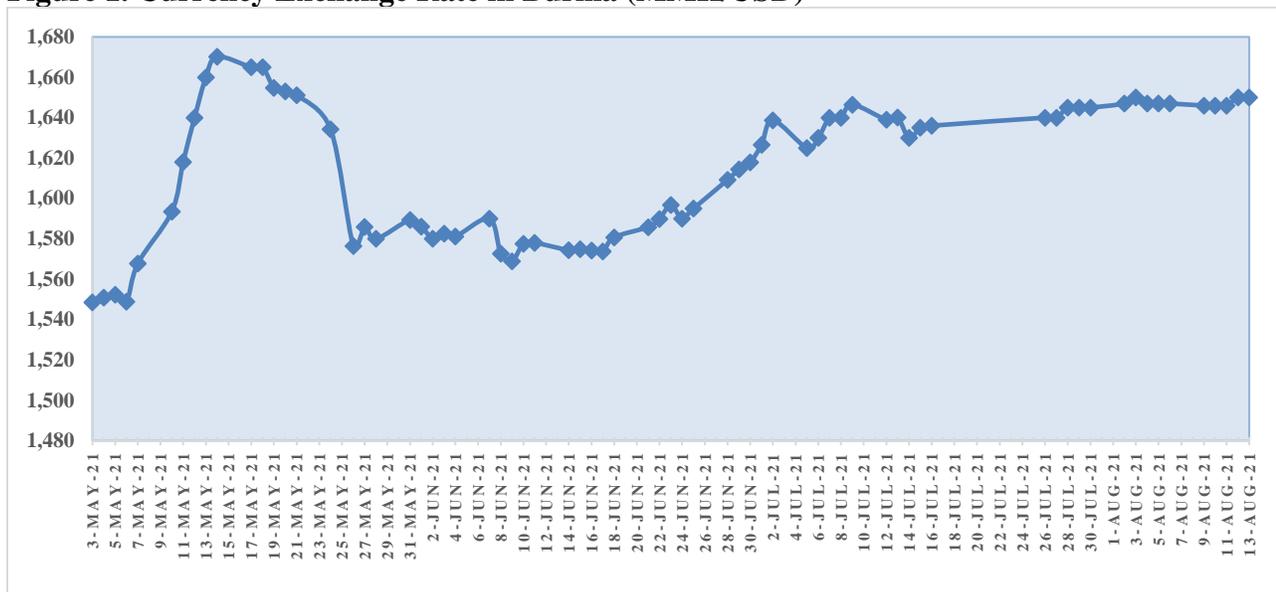
The State Administration Council's (SAC) Chairman, Senior General Min Aung Hlaing, delivered a speech on August 1, 2021, on the council's six-month term, stating that he will prioritize the expansion of agriculture and livestock in the future. He also encouraged the expansion of domestic cotton cultivation. Burma imports about USD 1 billion of raw materials for the country's textile and garment industries every year. He intends to promote increased domestic production of palm oil and dairy

products to reduce reliance on imports. In addition, he suggested increasing the production of oilseeds crops such as sesame, peanuts, sorghum, and sunflower.

Burma’s Junta formed a caretaker government on August 1, 2021. The SAC declared a public holiday from July 17-25 during which government offices would be closed due to the rapid increase of COVID-19 cases. The SAC extended the public holiday until August 31. Private banks were also closed from August 16-20 for the public holiday. Customs and trade staff working at the airport and border checkpoints will continue to work as usual. The Central Bank of Myanmar has been selling U.S. dollars in an effort to sustain the value of the Myanmar Kyat, which has experienced some volatility since the coup in February 2021. The Central

Bank of Myanmar sold USD 6.8 million in February, USD 12 million in April, USD 24 million in May, USD 12 million in June and USD 39 million in July. Despite the efforts of the Central Bank of Myanmar, the exchange rate increased in July to 1,720 Myanmar Kyats/USD. The Central Bank of Myanmar has already sold USD 2.5 million in August to prevent the continued devaluation of the Myanmar Kyat. The central bank is also conducting a foreign exchange bid to reduce its short-term exchange rate volatility, which is one of its foreign exchange objectives, and to supplement the country's foreign exchange reserves.

**Figure 1. Currency Exchange Rate in Burma (MMK/USD)**



Source: Central Bank of Myanmar

Burma's exports fell by 13.5% from October 1, 2020 to July 9, 2021 according to the Ministry of Commerce. The recent COVID-19 wave that hit Burma hard led to a decline in both maritime and cross-border trade. Sanctions from major trading partners in response to the coup hindered Burmese exports. Agriculture was the only major Myanmar export sector to see exports grow, which increased by USD 953.74 million over the same period last year (October to July), primarily in livestock and fisheries and forest products. In addition, the scarcity of containers has led to higher transport costs and delays in exports.

**Attachments:**

No Attachments