

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 higher Burma's rice export in November in anticipation of active demand from China and EU countries during harvest of the new crop. Domestic prices for Emata decreased in early November and the prices for Shwe Bo Pawsan will likely remain stable as supplies from the new crop enter the market.

Burmese Rice Production

The Burmese Department of Agriculture reported that the monsoon main rice crop area was 6.04 million hectares (MHa) in October 2021. Main rice crops in Rangoon, Bago, and Ayeyarwady Region are currently harvesting. The Ministry of Commerce plans to reduce the cost of fuel for farmers to help offset the increasing prices during the main crop harvesting season. The Department of Agriculture is exploring special farming zones for various crops in Sagaing Region, including high quality rice using irrigation from Thaphanseik Dam, the largest dam in the central dry zone. Farmers will primarily cultivate Shwe Bo Paw San and Ayeyarmin (Emata type) varieties in the special zones and will adhere to Good Agricultural Practices. There are about 870,000 (352,226 Ha) acres of monsoon paddy and 200,000-300,000 acres (80,971-121,457Ha) of summer paddy in Sagaing Region.

Non-border Trade

FAS Rangoon (Post) forecasts Burma's official rice and broken rice exports higher in November due to a rebound in demand from EU countries during rice harvest season. In addition, traders are starting to shift rice and broken rice exports intended for border trade with China to maritime trade while the Burma-China border gates remain closed. Traders, however, continue facing high shipping costs and shortages of shipping vessels despite efforts of the Myanmar Port Authority to bring more shipping vessels to Burma. There has been some success in the number of vessels arriving in Myanmar with the number of arriving vessels increasing since May, and more than 42 vessels are scheduled to arrive at Burma's ports in November.

Burma exported more than 216,375 MT of rice and broken rice in October including 211,759 MT through official trade. Rice export accounted for more than 52 percent of total rice export in October. Rice and broken rice exports by country are shown in Figure 1 and 2. China, the Ivory Coast, and the Philippines imported the largest volumes in October 2021. Total rice exports by type in October is not available at the time of reporting and post will include this data in the next report.

Table 1: Burma's Rice export by Types in September 2021 (Metric ton)

	Destination	Parboiled	Emata 5-20%	Emata 25%	Ngasein 5-20%	Brown rice	Paw San	Rice Total	Broken Rice Total	Total
1	Belgium	750						750	35,815	36,565
2	China		15,574					15,499	18,227	33,726
3	Cote D'ivoire			27,500				27,500		27,500
4	France		75					75		75
5	Germany	100						100		100
6	Hong Kong			78				78		78
7	Malaysia		260					260	250	510
8	Papua New Guinea		520					520		520
9	Philippines		1,040	18,360				19,400	255	19,655
10	Poland		216					216		216
11	Singapore					27	24	51	228	279
12	Spain		575					575		575
13	Vietnam				250			250		250
	Total	850	18,260	45,938	250	27	24	65,274	54,775	120,049

Source: Ministry of Commerce, Custom Data

Table 2: 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	117,152
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	26,166	18,575	2,497	3,308	50,546
August	79,642	42,190	19,791	21,078	162,701	39,197	13,285	920	140	53,542
September	37,519	37,586	16,545	16,247	107,897	65,274	54,775	145	452	120,646
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					
Total Rice	1,037,731	708,500	347,811	214,523	2,308,565	532,009	345,390	133,321	220,067	1,230,787

Source: Ministry of Commerce, Custom Data

Figure 1: Total Rice Exports in October 2021 (MT)

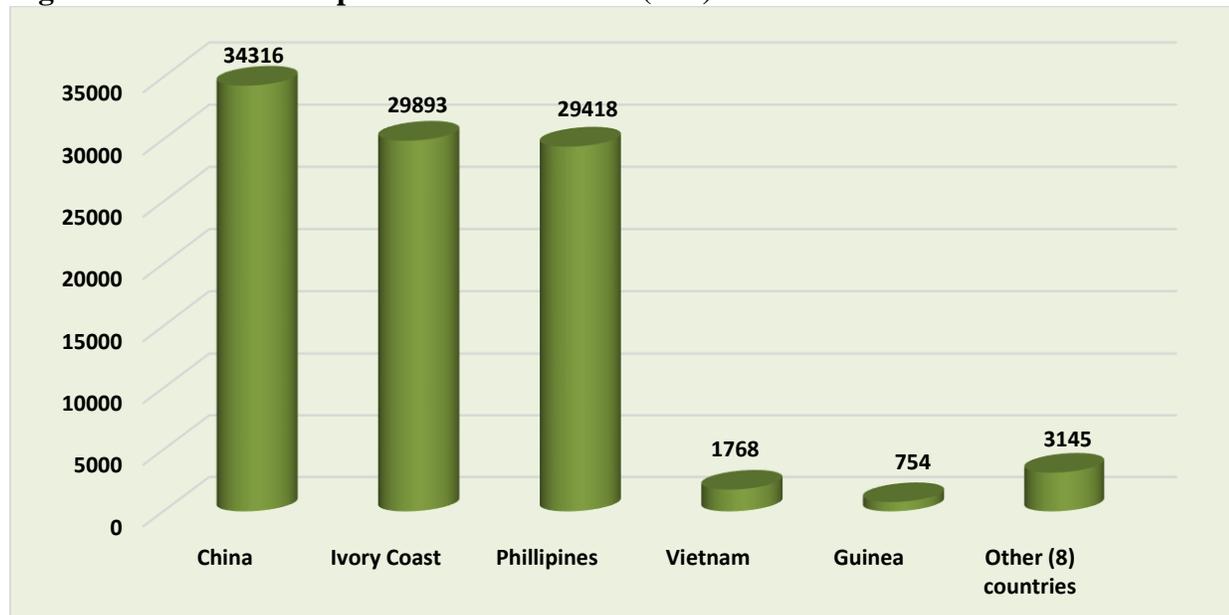
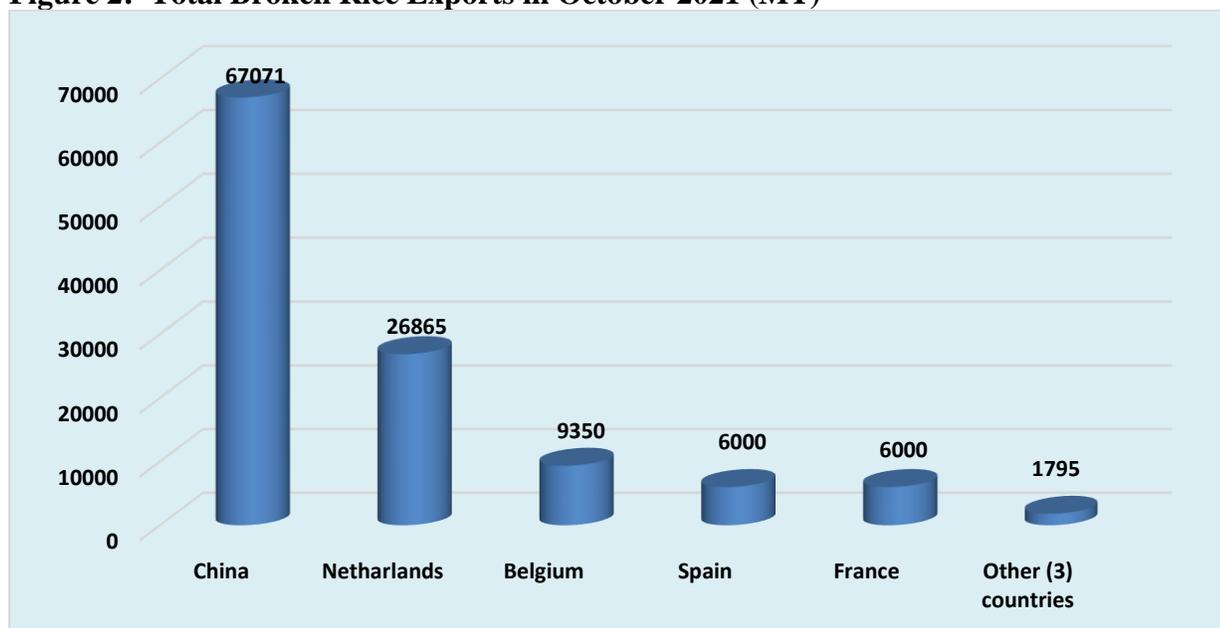


Figure 2: Total Broken Rice Exports in October 2021 (MT)



Source: Myanmar Rice Federation

Border Trade

Burma's rice and broken rice border trade dropped significantly in July when China closed all border gates in Kachin and Shan states due to COVID-19. There was a special meeting held in Ruili (Shwe Li) on November 3 to discuss reopening the gates. However, the gates remain closed. There are about 700 Chinese trucks at Kyalgoung waiting to cross the border. Traders are hopeful that the gates will open by the end of November.

Market Overview

Domestic wholesale prices for Emata 25 percent broken rice decreased as new rice crop supplies enter the market. The prices for superior quality Shwe Bo Pawsan remained unchanged.

Burma exported 1.9 MMT in fiscal year 2020/21 (October-September) and which was lower than the export in previous year 2.6 MMT due to Covid-19 pandemic, unstable country's situation and closures of Burma-China cross border gates.

Table 2. 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
November (1-15)	22,000-23,000	235-245	52,000-59,000	555-629
October	22,500-24,500	240--261	52,000-59,000	593-673

MMK: Myanmar Kyat

Source: Myanmar Rice Federation

Reference exchange rate in October 2021: One US\$ = Kyat 1,875 (Central Bank of Myanmar)

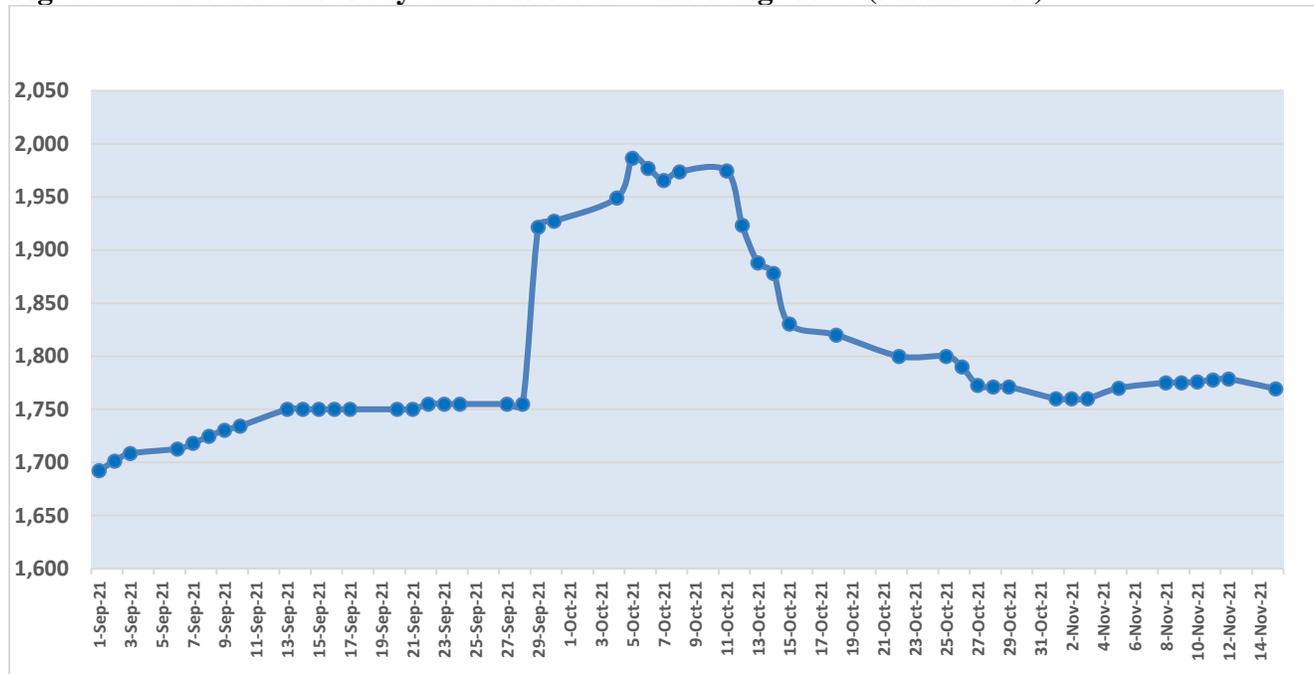
Policy Updates

The Central Bank of Myanmar (CBM) sold out about \$110 million in October to stabilize the foreign currency exchange rate. CMB sold another \$30 million on November 3 at the exchange rate of 1,760 Myanmar Kyats (MMK) per USD. CBM also restricted cash payments to no more than 20 million

MMK. Any transaction over 20 million MMK must use digital payments. On November 9, 2021, CBM announced that authorized money changers, authorized dealers, and companies must trade USD within +/- 0.5 percent of the reference exchange rate. These restrictions have exacerbated the difference in exchange rates between the CBM rate and the black market rate, which are 1,768-1,777 MMK per USD and 1,850-1,900 MMK, respectively.

The military junta changed the fiscal year from October-September to April-March starting in April 2022. Government ministries are currently working with a mini budget for the next six months (October 2021-March 2022).

Figure 3. Central Bank of Myanmar Reference Exchange Rate (MMK/USD)



Source: Central Bank of Myanmar

Attachments:

No Attachments