

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 forecast Burmese rice exports flat in April due to slow business activities during the long Burmese New Year Holiday, trade inhibiting foreign currency regulations, and high domestic prices. Domestic prices for both Bemata and She Bo Pawson are higher in April as there was strong domestic demand before the long holiday and a smaller supply in the domestic market.

Burmese Rice Production

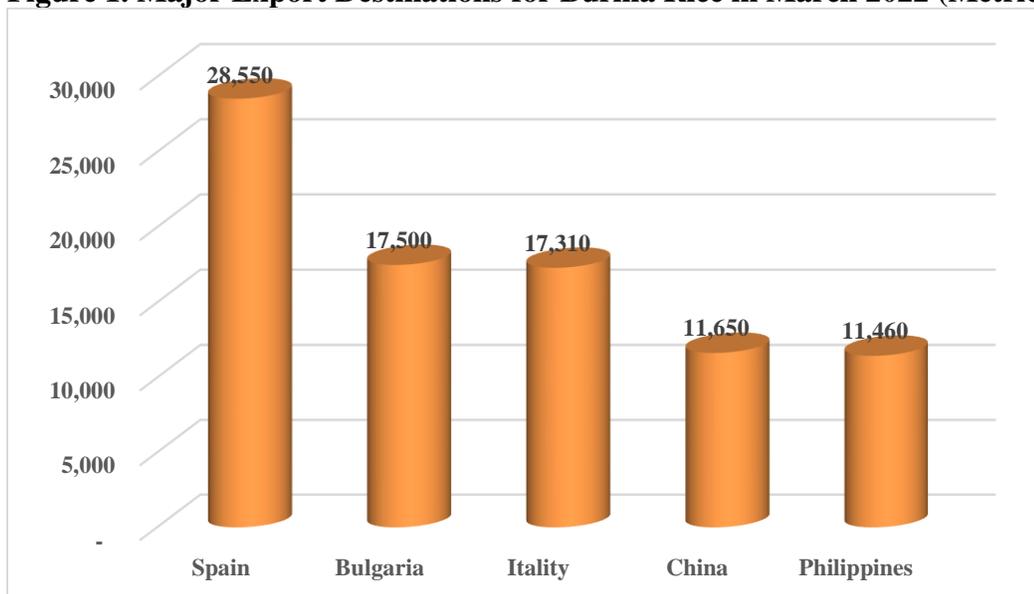
The Burmese Department of Agriculture (DOA) reported in February that farmers have cultivated roughly 6.08 million hectares of monsoon main rice crop during the MY2021/22 monsoon season, representing almost all the cultivated area for the monsoon crop. The Burmese DOA also reported that farmers will plant 0.97 million hectares for the second rice crop in MY2021/22 and has harvested about 40 percent of second crop cultivation areas as of April 7.

Non-Border Trade

Posts forecasts Burma's official rice and broken rice exports flat in April due to poor business during the long Burmese New Year Holidays, trade inhibiting foreign currency regulations, and high domestic prices. The new fixed exchange rate (1,850 MMK per USD) is about 10 percent lower than the market rate set by the Central Bank of Myanmar. Exporters are likely to offer lower prices to purchase rice from local traders. However, domestic prices remain high in April in anticipation of lower rice supply in the domestic market from a smaller second rice crop production. Regular blackouts might also limit rice mill operations and lower the rice supply in the domestic market. Both the Bayintnaung and the Wardan rice trading centers were closed from April 9-17, 2022, for the Burmese New Year holiday. The government reduced scheduled blackout hours during the long holiday but restarted scheduled blackouts on April 18, 2022. Rice exporters are monitoring the situation closely in Burma and are hesitant to contract new sales.

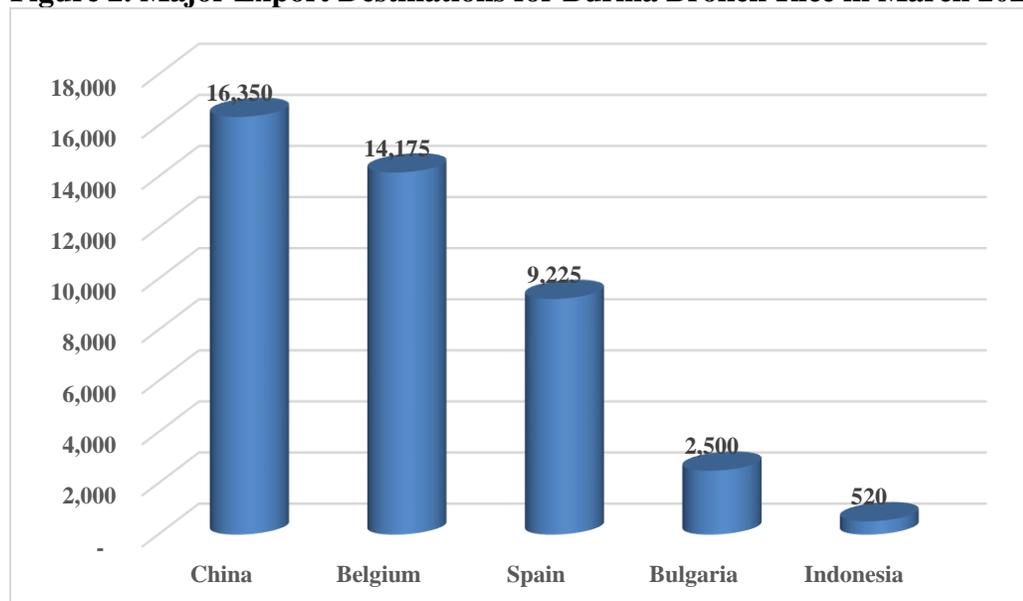
Post forecasts official rice and broken rice exports for April in Table 2. Burma's official rice exports declined in March due to lower demand for broken rice from EU countries. However, the Myanmar Rice Federation reported that Burma exported more than 133,000 MT of rice and broken rice in March 2022. Spain, Bulgaria, Italy, China, and Philippines were the largest export destinations for Burmese rice, while China, Belgium, Spain, Bulgaria, and Indonesia were the largest export destinations for Burmese broken rice in March 2022 (see Figures 1 and 2).

Figure 1. Major Export Destinations for Burma Rice in March 2022 (Metric Ton)



Source: Myanmar Rice Federation

Figure 2. Major Export Destinations for Burma Broken Rice in March 2022 (Metric Ton)



Source: Myanmar Rice Federation

Border Trade

Burmese rice exporters were unable to ship rice to China through the Muse border due to China's restrictions on import of agricultural products on March 14.

Table 1. Official Rice Export by Type in 2021 (Metric Tons)

Month	Rice Milled, 2021				Total
	Non-border trade		Border trade		
	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	1,269	269,781
Total	970,457	574,980	133,746	222,243	1,901,426

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

* denotes post's estimate

Table 2: Official 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	100,596	6,723	2,251	314,667
February	105,000	95,000	4,200	10,000	214,200
March	91,150	42,622	0	200	133,972
April	90,000 *	40,000*	0	0	130,000*
May					
June					
July					
August					
September					
October					
November					
December					
Total	491,248	278,218	10,923	12,451	792,839

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

* denotes post's estimate

Market Overview

Domestic wholesale prices for both Bemata 25 percent broken rice and superior quality She Bo Pawson were high due to active buying by local consumers before the new year holiday. Local consumers were buying rice not only for their home consumption but also for donations during the holidays.

Table 3: Monthly Domestic Wholesale Price for Bemata and Shwe Bo Pawson Rice in Rangoon Market

Type of Rice	Bemata 25% (low grade)		Shwe Bo Pawson	
	MMK/108lb	\$/MT	MMK/108lb	\$/MT
April (1-19)	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 US\$ = Kyat 1,850 (Central Bank of Myanmar)

Policy

The Central Bank of Myanmar announced that anyone, trade and non-trade transaction, receiving foreign currency in their Burmese bank accounts must convert the foreign currency to Myanmar Kyats within one working day from its arrival and set the fixed exchange rate for all foreign currency at 1,850 MMK/USD starting on April 4. Exporters had been calculating buying prices from local traders based on the market exchange rate of 2,050 MMK/USD. In addition, importers must request permission to buy U.S. dollars; however, the new procedures are unclear, which is delaying both exports and imports.

Attachments:

No Attachments