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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:

In May 2021, Burma's rice exports are forecast to decline with the expectation of the continued closure of Burma-China border checkpoints to prevent the spread of COVID-19. However, the official rice exports are expected to increase due to the appreciation of foreign currencies against the Myanmar Kyat. Domestic prices for Emata 25 percent broken rice and superior quality Shwe Bo Pawsan rice are forecast to increase in May due to increased local demand.

The February 1, 2021 military coup continues to impact trade and Burma’s economy. For additional information, see Post’s report: [Burma - Military Coup Continues to Hamper Agricultural Trade](#).

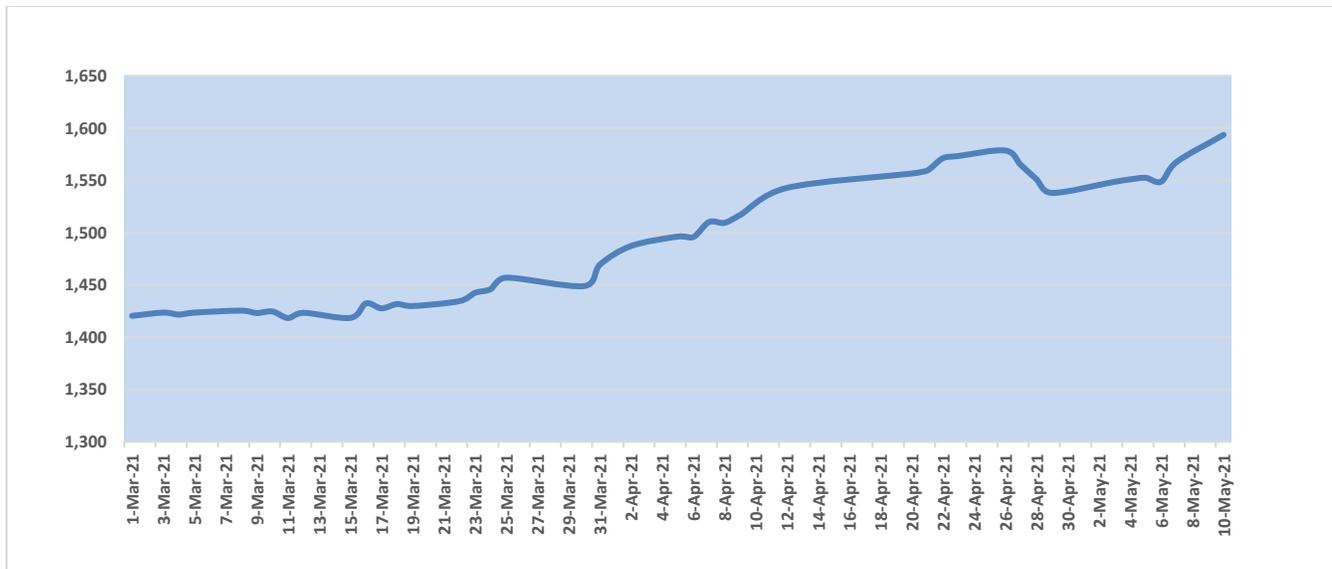
Production

Burma (also called Myanmar) planted more than 6 million hectares (MHa) of the main rice crop (monsoon rice) in 2020/21, with 98 percent harvested as of April 22. In addition, about 0.89 MHa of the second rice crop was planted, with 45 percent of harvested as of April 22.

Non-border Trade

Burma’s official rice and broken rice exports in April are forecast to decrease due to the long Myanmar New Year Holidays (see Table 1). The data for rice exports by type for March is not yet available and will be included in Post’s next report. On April 25, Burma initiated exports of 100,000 MT of high grade Emata rice to Bangladesh under a government-to-government rice export agreement. Official exports in May are forecast to increase due to the appreciation of foreign currency and expectation of regular demand from the European Union and African countries. Industry sources reported that the scarcity of shipping containers and increased shipping costs is a challenge for rice exports, although exports are still possible due to the appreciation of foreign currency.

Figure 1. Currency Exchange Rate in Burma (MMK/US\$)



Source: Central Bank of Myanmar

Border Trade

Burma’s rice and broken rice exports by type for the month of April significantly declined. This was primarily due to the closure of Burma-China border gates to prevent the spread of COVID-19, as well as slow trade during the long Myanmar New Year Holiday. Borders gates, including the Man Wein gates, have been closed since March 30. The Man Wein gate is the major border crossing check point between Burma (Muse city) and China (Kyalgaung city). Shwe Li (Ruili) and Kyalgaung city have been in lockdown since early April to control the spread of COVID-19. The major exported products through this gate are rice, broken rice, beans and pulses, onion, seafood, and chili. Major imports through this gate include fertilizers, pesticides. Therefore, the closure of the Man Wein gate negatively affects trade between two countries, especially rice and inputs. Currently, the Kyin

San Kyawt and Wanding gates are allowing exports of melons, mangoes, pulses, and other specific products. The Chinese government lifted the lockdown measures in Shwe Li on April 26 and in Kyalgaung on May 4. However, the Chinese government will reportedly monitor COVID-19 situation at the border for 3 months and has not yet opened the Man Wein gate. Rice traders from Muse confirmed there is about 200,000 bags (10,000 MT) of rice stacked at the border. Industry sources note that while rice exports through the border are very low due to this situation, they are not zero. Post's estimate for border trade in April 2021 is provided in Table 1, but the current situation makes accurate estimates difficult.

Table 1. 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	80,000	65,000	18,000	23,000	185,523
April	42,909	38,745	10,482	3,007	95,143	56,000	43,600	3,000	3,000	106,609
May	111,800	84,427	9,142	2,024	207,393					
June	77,107	70,793	15,358	20,425	183,683					
July	64,158	54,904	23,422	24,339	166,823					
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					
Total Rice	1,037,731	708,500	347,811	214,523	2,308,565	252,528	209,163	94,211	111,091	667,992

Source: Ministry of Commerce, Custom Data

Source: Department of Agriculture

Market Overview

In April, low-grade Emata 25 percent broken rice prices decreased especially after the New Year Holidays due to the new crop entering the domestic market and slow export activities while the prices for superior quality Shwe Bo Pawsan rice slightly decreased due to inactive demand (see Table 2). However, the prices for both Emata 25 percent broken rice and Shwe Bo Pawsan in early May increased due to increased domestic demand amid cash shortages.

Table 2. 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
May (up to May 10)	22,000-22,700	286-296	47,000-50,000	612-651
April	20,500-21,700	267-283	45,000-48,500	586-695
March	23,000-24,000	299-312	47,000-50,000	612-651

MMK: Myanmar Kyat

Source: Myanmar Rice Federation

Reference exchange rate in April 2021: One US\$ = Kyat 1,536 (Central Bank of Myanmar)

Policy Updates

Department of Agriculture's Plant Protection Division (PPD) continues to issue phytosanitary certificates through the Myanmar Rice Federation. The Myanmar Agricultural Development Bank will distribute the agricultural loans for the monsoon rice crop on May 15 with a 5 percent annual interest rate. If the repayment deadline is exceeded, a fine of 50 kyats (approximately \$0.03) per month will be levied. Due to the current situation, the fine will be waived from April 16 through the end of July 2021.

Export Prospects

Burma's rice exports in June are forecast to decrease due to the continued closure of Burma-China border checkpoints.

Attachments:

No Attachments