

**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 Burmese rice exports in December. This forecast anticipates active demand from Africa, China, and EU countries during the new crop harvest and the reopening of Burma-China border gates. Domestic prices for Emata decreased in early November and the prices for Shwe Bo Pawsan will likely remain stable as the new crop enters the market.

## Burmese Rice Production

The Burmese Department of Agriculture reported that about 6.076 million hectares of monsoon main rice crop was cultivated in the MY2021/22 monsoon season and about 10 percent of the total cultivated area was harvested in early November. Ayeyarwady regions accounted for the largest monsoon rice crop cultivation with 25 percent of total cultivation areas, followed by Bago region at 18 percent, Sagaing region at 12 percent, and the Yangon region and Shan state at 8 percent each. Harvesting of the main rice crops is currently countrywide except in Mandalay and Magway where monsoon rice usually mature later.

## Non-border Trade

Post forecasts Burma's official rice and broken rice exports higher in December due to a rebound in demand from Africa and especially increased broken rice demand from EU countries during the rice harvest season. Burma exported about 285,200 MT of rice and broken rice in November, 32 percent higher than the previous month of October (Table 2). Rice and broken rice exports by country in November are shown in Figure 1 and 2. China, Cameroon, the Ivory Coast, and Spain imported the largest volumes of rice and China, Netherlands, and Belgium again led imports of broken rice in November 2021. Total rice exports by type in October and November was not available at the time of reporting and Post will include this data in the next report.

**Table 1: Monthly Rice Exports in 2020 (Metric Tons)**

Month	Rice Milled, 2020				Total
	Non-border trade		Border trade		
	Head Rice	Broken Rice	Head Rice	Broken Rice	
January	147,336	49,512	23,335	1,006	221,189
February	126,513	76,346	22,624	9,241	234,724
March	117,312	114,303	32,572	20,098	284,285
April	42,909	38,745	10,482	3,007	95,143
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
<b>Total</b>	<b>1,037,731</b>	<b>708,500</b>	<b>347,811</b>	<b>214,523</b>	<b>2,308,565</b>

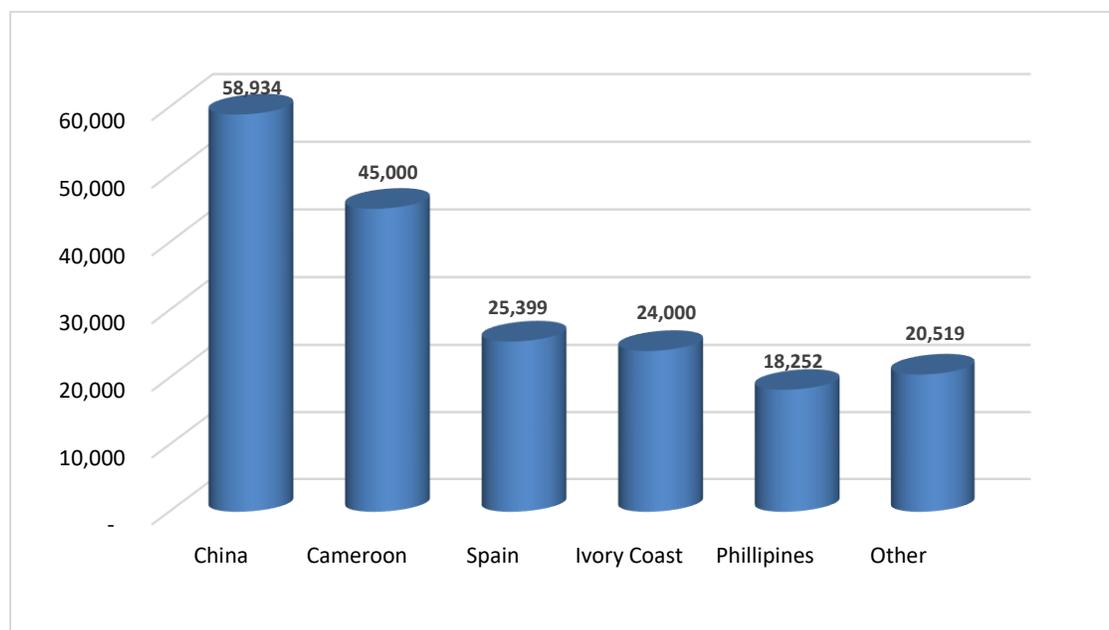
Source: Ministry of Commerce, Custom Data

**Table 2. Monthly Rice Exports 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	130,000	82,000	2,000	2,000	216,000
November	172,000*	90,600*	20,100*	2,500*	285,200
December					
<b>Total</b>	<b>834,009</b>	<b>517,990</b>	<b>155,421</b>	<b>224,567</b>	<b>1,731,987</b>

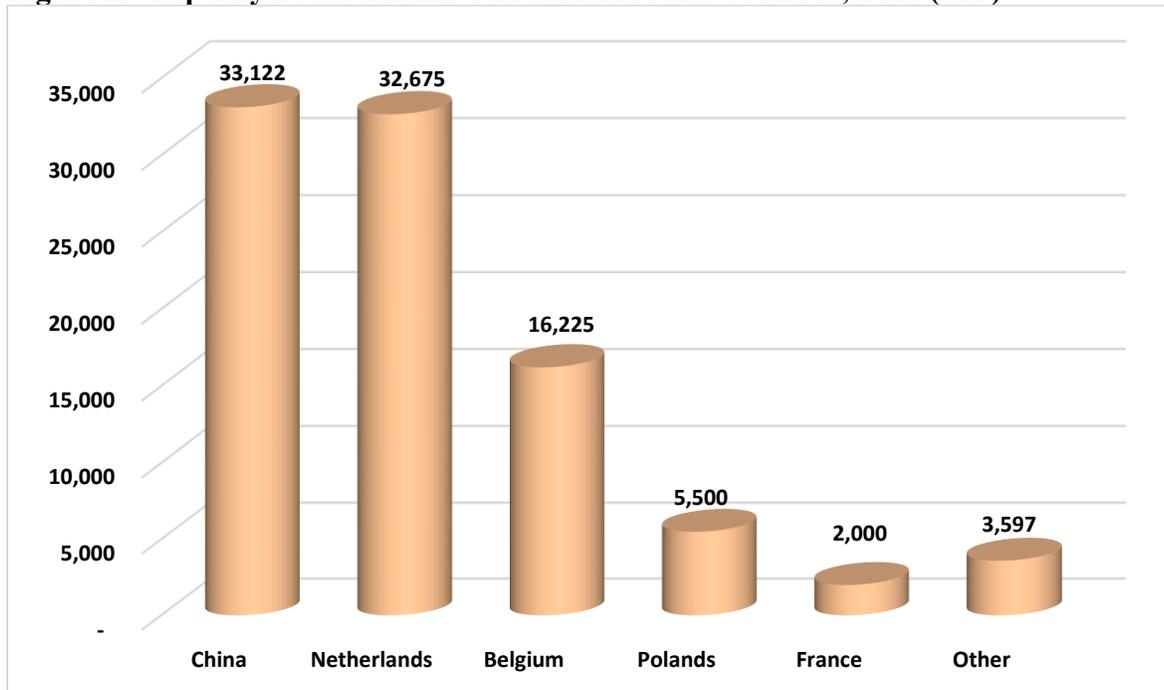
Source: Ministry of Commerce, Custom Data, Myanmar Rice Federation and post estimate value with star \*

**Figure 1: Top Buyers for Burma Rice in November, 2021 (MT)**



Source: Myanmar Rice Federation

**Figure 2: Top Buyers for Burma's Broken Rice in November, 2021 (MT)**



Source: Myanmar Rice Federation

### **Border Trade**

Burma's rice and broken rice border trade in November increased due to the reopening of the Kyin San Kyawt Burma-China cross border gate on November 26, 2021. All cross-border gates were closed since July 2021 due to protection measures of COVID-19. Traders from both sides of the border demanded to resume trade and Kyin San Kyawt gates only reopened after discussion between Burmese and Chinese officials. Only 5 containers of rice, pulses and corn crossed the border gate for a trial run. Shwe Lwal In (a private company) managed the border export process in accordance with the prevention and control measures of COVID-19 pandemic protocols. According to the new procedures, all of Burma's containers will be disinfected for 48 hours at a temporary commodity exchange center, which is six kilometers from the Kyin San Kyawt gate and managed by Shwe Lwal In. Then containers are transferred to trucks on the Chinese side by crane or to moving container to Chinese truck. The containers will be sprayed and disinfected again for 48 hours on the Chinese side and then forwarded to the trading center. Traders worry about the shortage of containers and also using Chinese trucks as China allowed only Chinese trucks to across the border. Two short distance drivers must be also be used at Shwe Lwal In's temporary commodity exchange center. The cost of products in 40 foot containers (largest truck) to across the border is expected to be 2 million Myanmar Kyats (\$1,200) and it is challenging for the Burma agricultural commodity exporters. Subsequently, officials from the Ministry of Commerce, traders and authority from the 105 mile Muse trade zone have discussed reducing the additional costs. At present the commodities and trucks stacked at both sides during the closure of border gates are prioritized to across the border. There are rumors for the reopening of other Burma-China border gates, Chin Shwe Haw and Kan Pite Tee gates, but there is no official information for the date of opening. Regardless of the high cost, Burma's rice exports will move through this border channel in December.

## Market Overview

Domestic wholesale prices for Emata 25 percent broken rice increased due to active export demand while the prices for superior quality Shwe Bo Pawsan remained unchanged.

**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
December (1-10)	22,500-25,000	253-282	52,000-59,000	585-660
November	22,000-23,000	247-259	52,000-59,000	585-660
October	22,500-24,500	253-276	52,000-59,000	585-660

MMK: Myanmar Kyat

Source: Myanmar Rice Federation

Reference exchange rate in November 2021: One US\$ = Kyat 1,776 (Central Bank of Myanmar)

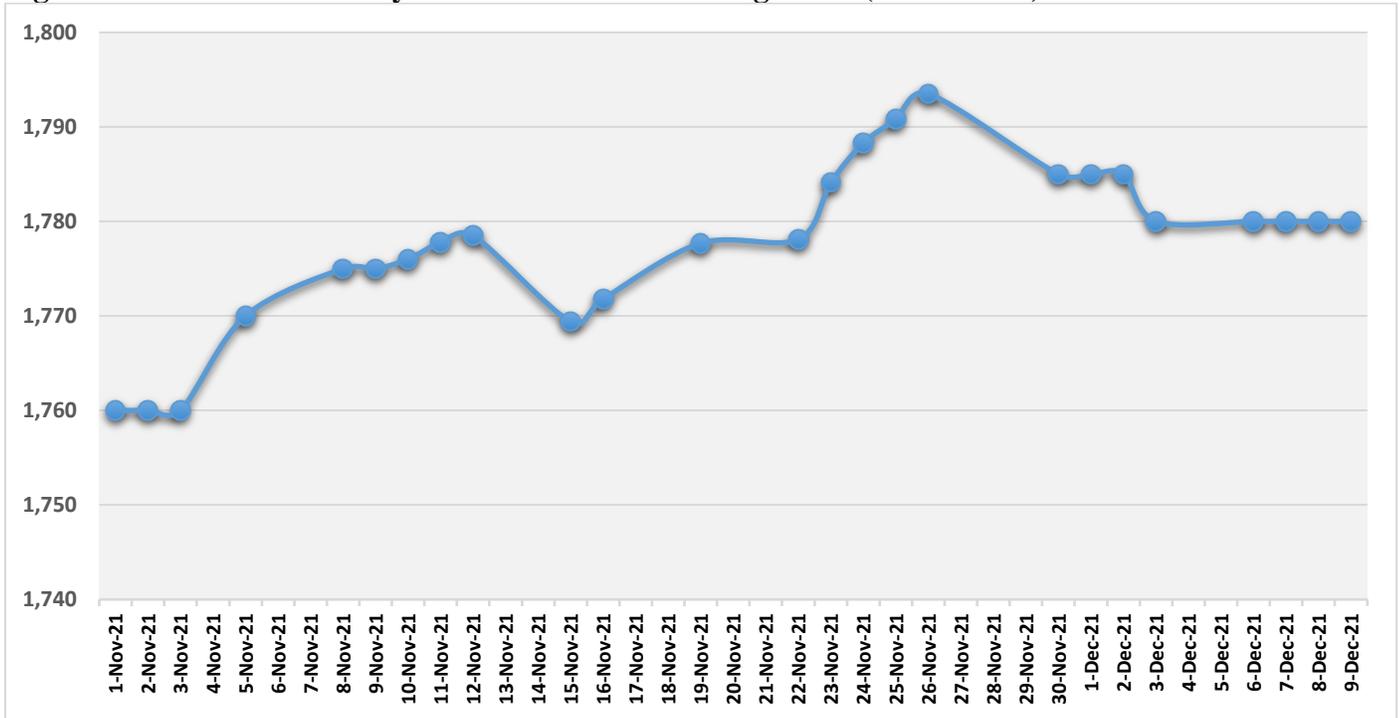
## Policy Updates

Due to high prices for urea fertilizer, Department of Agriculture (DOA) plans to provide urea fertilizer to the second rice crop, cotton and other winter crops in 2021/22. Urea fertilizer will be produced from government owned fertilizer factories, Myaung Takar and Kangyi Daunt factories, and 50 Kg/acre will be provided for the second rice crop in October. Cotton and other winter crops will be provided fertilizer depending on the amount of production, possibly 25 Kg/acre. The prices at factories is 30,000 MMK / 50 Kg (US\$17) and the transportation will be added according to locations. Burma has five fertilizer factories and only two factories are operating and able to provide 17-20 percent of total demand.

Based on trade sources, China is trying to change border trade to official trade (normal trade) system for Burmese agricultural exports, especially fruits, and will levy an import duty. The Central Bank of Myanmar (CBM) sold about \$28 million dollar in Myanmar Kyat as of December 9 to stabilize the foreign currency exchange rate. CMB sold another \$28 million on December 3 and 9 at the exchange rate of 1,780 Myanmar Kyats (MMK) per U.S dollar (USD). Currency exchange rate is fluctuated between 1,770 and 1,790 MMK per USD from November 1 through December 9 (Figure 3).

Chinese CITIC Group and Myanmar Rice Federation signed a Memorandum of Agreement (MOA) to trade rice, broken rice, corn, and fertilizer on December 8 and the Union party Minister for Commerce attended virtually. CITIC group, owned by the Chinese government, has got the opportunity to implement the Kyaut Phyu Deep Port project and the Kyaut Phyu Special Economic Zone in Rakhine State.

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



Source: Central Bank of Myanmar

**Attachments:**

No Attachments