

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Required Report - public distribution

Date: 5/6/2011

GAIN Report Number: BM1009

Burma - Union of

Grain and Feed Annual

2011

Approved By:

Orestes Vasquez Agricultural Attaché

Prepared By:

Tun Winn Agricultural Specialist

Report Highlights:

BM1009 In MY2010/2011, Beans and peas exports are estimated to increase 4.9 percent to 300,000 MT from MY 2009/2010 MT due to strong demand from China. In MY2011/2012, Burmese exports of beans and pulses will remain unchanged from MY2010/2011 at an estimated total of 1.0 MMT.

Executive Summary:

In MY2011/2012, Burma's corn production is forecast at 1.3 MMT, an increase of 4 percent from MY2010/2011 reflecting an increased growing area in response to demand from China. Exports are also expected to increase to 350 thousand metric tons (TMT) from 300 TMT in MY2010/2011.

Burma produces a limited amount of wheat due to inadequate growing conditions, however due to its low consumption rate it's able to furnish half of the country's needs. In MY 2011/12, Burma is estimated to produce 185,000 MT an increase of 3 percent from 2010/2011 as yields are expected to increase as the new government will provide inputs to farmers. In 2011/2012, imports will increase by 3 percent to 185,000 MT from MY 2010/2011 and 96 percent of imported wheat will come from Australia.

In MY 2011/2012, beans and pulses production is forecast at 3.9 MMT unchanged from MY 2010/2011.

Commodities:

Corn

Rice, Milled

Wheat

Author Defined:**1. Corn**

Corn (Myanmar)	Burma		2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011			
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post		
Area Harvested	360	360	375	375			380	
Beginning Stocks	23	23	53	40			50	
Production	1,180	1,200	1,250	1,250			1,300	
MY Imports	0		0					
TY Imports	0		0					
TY Imp. from U.S.	0		0					
Total Supply	1,203	1,223	1,303	1,250			1,350	
MY Exports	350	283	400	300			350	
TY Exports	350	286	400	300			350	
Feed and Residual	700	800	750	800			850	
FSI Consumption	100	100	100	100			100	
Total Consumption	800	900	850	900			950	

Ending Stocks	53	40	53	50		50
Total Distribution	1,203	1,223	1,303	1,250		1,350
Yield	3.	3.3333	3.	3.3333		3.4211

1.1 Production

The area of corn production in Burma has increased with time especially as demand from China has augmented. This increase has been accentuated in the Shan State, which is strategically located along the Chinese border. Yields have also progressively increased due to an increase in the use of hybrid seeds which have been aggressively introduced into Burma by private companies such as Charoen Pokphand Group from Thailand. The current yield of traditional corn is just around 0.8MT/HA, however with hybrid corn farmers are readily able to attain 4.0 MT/HA as supported by yield surveys in the corn production areas. Thus the average yield for MY 2010/11 is estimated to be 3.3MT/HA. Since most of the hybrid corn area is rain fed, and the low use of inputs, yields remain lower than the potential yield of 5 MT/HA.

In MY 2011/12 Burma's corn production is forecast to increase from 3.3 MMT to 3.4 MMT as the growing area will increase 1.3 percent from 375,000 to 380,000 HA and productivity will increase 3.0 percent from 3.3 MT/HA to 3.4 MT/HA driven by high demand from China, and an increase use in technology especially as the new Minister of Agriculture, General Myint Lwin, who used to be the regional commander of North Eastern Shan State. During his time as commander, he was able to see up-closely the accrued benefits of technology, such as the use of hybrid seeds, and is driven to see hybrid rice, corn and sugarcane grown in his former command area.

1.2 Consumption

In MY 2011/12, domestic consumption is forecast to grow by 6.0 percent to 850,000 MT from MY 2010/2011. The consumption for feed is estimated to be 70 percent of the total production. In some hill regions and some parts of the dry regions, corn is used as a staple food and also as a substitute for rice when it becomes too scarce or expensive.

Most of the corn goes to commercial feed mills in Rangoon, Mandalay and Shan State where feed stuffs for fish, pork, cows, and chickens are produced for use in contract animal farming systems around the country. Charoen Pokphand Group has been doing contract farming in Burma for 20 years already.

1.3 Trade

In 2010, 97 percent of the total export went to China due to strong Chinese demand, proximity and a healthier trading relationship for corn between China and Burma as compared to Thailand, which manifests itself in the continuing decrease of corn exports to Thailand.

In MY 2010/11, corn exports will be 300,000 MT an increase of 6 percent from MY 2009/10. In MY 2011/12, Burma's corn exports will increase 17 percent to 350,000 MT due to higher demand from domestic feed mills and from China.

2. Wheat

Wheat (Myanmar)	Burma	2009/2010	2010/2011	2011/2012
--------------------	-------	-----------	-----------	-----------

	Market Year Begin: Jul 2009		Market Year Begin: Jul 2010		Market Year Begin: Jul 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	103	104	104	105		105
Beginning Stocks	0	0	0	0		0
Production	174	175	175	180		185
MY Imports	179	180	175	180		185
TY Imports	179	180	175	180		185
TY Imp. from U.S.	0	0	0	0		0
Total Supply	353	355	350	360		370
MY Exports	0		0			
TY Exports	0		0			
Feed and Residual	0		0			
FSI Consumption	353	355	350	360		370
Total Consumption	353	355	350	360		370
Ending Stocks	0	0	0	0		
Total Distribution	353	355	350	360		370
Yield	2.	1.6827	2.	1.7143		1.7619

2.1 Production

Wheat production in Burma is done at a subsistence level in the Sagaing Division and the Shan State where farmers grow wheat using the seeds from the harvested grain. In addition, these regions have scarce rainfall, which is unpredictable and uncertain, thus the yields are marginal between 1.6 MT/HA to 1.7 MT/HA.

In MY 2010/11, Burma will produce 180,000 MT of wheat from 105,000 HA. In MY 2011/2012 production will increase 2.8 percent to 185,000 MT due to an expected increase in yield due to the new government's program to improve agricultural production through technological innovations. Since wheat production is limited by geographical conditions, production should remain stable in the foreseeable future.

2.2 Consumption

Overall consumption of wheat flour in 2011/12 is forecast to increase 5.5 percent from 900 MT to 950 MT from 2010/11 by increasing yield due to increased population.

2.3 Trade

In MY2009/ 2010, Burma imported e 180,000 MT of wheat out of which 96 percent came from Australia, 2.4 percent from Singapore, and 1.2 from Russia. The leading private companies who are the main importers are Diamond Star and OK Brothers, both in Rangoon.

3. Beans and Pulses

Beans and Pulses Burma (Myanmar)	2009	2010	2011
	2009/2010	2010/2011	2011/2012
	New Post	New Post	

	Post	Data	Post	Data	Post	Data
Area Harvested	4398	3238	4400	3240	3245	
Beginning Stocks	0	0	0	0	0	
Production	5200	3886	5300	3888	3894	
MY Imports	0	0	0	0	0	
TY Imports	0	0	0	0	0	
TY imp. From U.S.	0	0	0	0	0	
Total Supply	5200	3886	5300	3888	3894	
MY Exports	1700	973	1750	1000	1000	
TY Exports	1950	1018	1950	1000	1100	
Feed Consumption	3250	2867	3550	2888	2794	
FSI Consumption	0	0	0	0	0	
Total Consumption	3250	2867	3550	2888	2794	
Ending Stocks	0	0	0	0	0	
Total Distribution	5200	3886	5300	3888	3894	
Yield	1.18	1.2	1.2	1.2	1.2	

3.1 Production

Beans and pulses production in Burma is mainly based on residual soil moisture left from the monsoon after the main rice crop has been harvested. , the yields are between 1.18 to 1.2 MT/HA. Likewise wheat production, farmers use the grain from their harvest as seeds, as such yield and quality of grain size is poor and Burmese exporters are usually penalized in the world market because of the grain's shortcomings. In order to tackle this problem, traders are establishing beans and peas grader and grinder machines using Indian technology. The increase in the number of grinders increased from 328 in MY2009/2010 to 464 in MY 2010/-2011. Additionally, the number of graders increased from 115 in MY2009/10 to 211 in MY2010/11.

In MY 2010/11, Burma produced 3.9MMT of beans and pulses up 0.5 percent from MY 2009/2010 due to increased cultivation area in the Shan State. Inconsistent rainfall during MY 2010/11 delayed the cultivation of beans and peas for one month due to the delay on the onset of the monsoon, in addition unexpected rains during the pods growing stages resulted in reduction in quality being harvested in the beans and peas major growing areas in Yangon, Bago and Ayarwady.

Beans and pulses have provided to be an excellent second-crop alternative due to the scarce water availability during the dry period, poor soil water holding capacity, short supply of dams and reservoir and high fuel costs for irrigating rice. In addition, beans and pulses have been able to provide greater income revenues than summer rice. In spite of a delayed sowing period and unexpected rains during the growth stages in January and March, the production of beans and pulses in MY2010/11 will top a million tons.

In MY 2011/2012, Burma's bean and pulse production is estimated at 3.9 MMT up 0.15 percent from 3.8 MMT from MyY2010/11 due to an increase in production area of 1 percent.

3.2 Consumption

In MY 2010/2011, the consumption of beans and pulses increased 0.73 percent for MY 2009/10 to 2.9 MMT due to increased feeds as they use very little soybean.

3.3 Trade

Burma's bean and pulse in 2009-10 primarily export to India with 77 percent and China 9 percent, UAE 2.8 percent and Pakistan 2.6 percent respectively. Almost all of the toor whole goes to India and 80 percent of the mung bean crosses the border into China. Matpe is exported to India with 50 percent and the left stock disperses to other south eastern countries. Among exported varieties, matpe accounts for 55 percent of the total export followed by mung bean 26 percent and toor whole 12 percent respectively.

In MY 2010/11, India remains the largest buyer accounting for 80 percent of the total export. The border export of mung bean across the Chinese border will be expected to increase as well.

In MY 2011/12 Burma's bean and pulse exports are forecast to reach 1.0 million tons, still remain the same as in 2009/2010 due to one month late sowing and impact of unusual rain during the post harvest period of the bean and pulse in 2010.

3.4 Policy

Since the new minister of Agriculture and Irrigation of the newly established GOB is from the president of Union of Myanmar Federation of Chamber of Commerce (UMFCCI), the trade and marketing prospects for in coming years is encouraging that he made an address that to improve the country economy, agricultural production and commercial trade with other country should be strengthen more. In addition, he is the one who found the ADCs for rice, and bean and pulse. A 63 ADCs provided loans to the 84,720 farmers worth kyats 319,908 (37.6 million dollars) this year with the 2 percent interest per a rice crop season. Besides, the GOB takes a free market policy for beans and pulses and doesn't intervene the market as it does with rice.

End of Report