

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## **Burma - Union of**

## **Grain and Feed Annual**

## **2015 Annual Report**

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**Report Highlights:**

Production of rice, corn, beans, and pulses is forecast to rise in MY 2014/15 and MY 2015/16, offering greater export opportunities. Wheat imports are expected to increase to meet rising domestic demand.

**Executive Summary:**

The information contained in this report were obtained from a variety of sources including government and private sector publications, interview with government officials, traders, growers, and crop surveys.

Rice, corn, bean, and pulse production is expected to increase in MY 2014/15 and MY 2015/16 resulting in higher exports.

Rice paddy production is estimated to increase to 12.6 million metric tons (MMT) in MY 2014/15 and 12.8 MMT in MY 2015/16 due to increased use of higher-yielding rice varieties and an expansion of the irrigated dry-season paddy crop. Myanmar's rice exports are forecast to grow to 1.85 MMT in 2015 and 2 MMT in 2016, reflecting increased domestic production and strong export demand, especially from China.

Corn production in Myanmar is expected to grow to 2 MMT in MY 2014/15 and 2.1 MMT in MY 2015/16 due to strong domestic and international demand. Myanmar's corn exports are likely to increase significantly in MY 2014/15 and MY 2015/16 due to strong demand from China.

Wheat production in Myanmar is limited and growing demand is expected to be met with imports. Wheat imports are expected to grow to 330,000 MT in MY 2014/15 and 360,000 MT in MY 2015/16.

Favorable prices should result in higher bean and pulse production in MY 2014/15 and MY 2015/2016. As a result, Myanmar's total bean and pulse exports are estimated to grow to 1.35 MMT in 2015 and 1.4 MMT in 2016.

**Commodities:**

Rice, Milled

Corn

Wheat

Beans and Pulses

**Author Defined:****I. Rice Milled**

<i>Rice, Milled</i>	2013/2014		2014/2015		2015/2016		
<i>Market Begin Year</i>	Jan 2014		Jan 2015		Jan 2016		
<i>Burma</i>	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Harvested	7,050	7,050	7,065	7,030	0	7,050	(1000 HA)
Beginning Stocks	553	553	397	322	0	372	(1000 MT)
Milled Production	11,957	11,957	12,150	12,600	0	12,800	(1000 MT)
Rough Production	18,683	18,683	18,984	19,688	0	20,000	(1000 MT)
Milling Rate (.9999)	6,400	6,400	6,400	6,400	0	6,400	(1000 MT)
MY Imports	0	0	0	0	0	0	(1000 MT)
TY Imports	0	0	0	0	0	0	(1000 MT)
TY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
Total Supply	12,510	12,510	12,547	12,922	0	13,172	(1000 MT)
MY Exports	1,663	1,688	1,600	1,850	0	2,000	(1000 MT)
TY Exports	1,663	1,688	1,600	1,850	0	2,000	(1000 MT)
Consumption and Residual	10,450	10,500	10,600	10,700	0	10,800	(1000 MT)
Ending Stocks	397	322	347	372	0	372	(1000 MT)
Total Distribution	12,510	12,510	12,547	12,922	0	13,172	(1000 MT)
Yield (Rough)	2.6501	2.6501	2.6870	2.8006	0.0000	2.8369	(MT/HA)

## Production

Rice production is estimated to increase by 5 percent to 12.6 MMT in MY 2014/15 from 12 MMT in MY 2013/14 due to increased use of higher-yielding rice varieties and an expansion of the irrigated dry-season paddy crop production. According to trade sources, the quality of the MY 2014/15's main crop rice production was negatively affected by unseasonal rain during the harvest period. Similar to 2014, rice prices are likely to remain strong due mainly to strong demand from China.

In MY 2015/2016, rice production is forecast to slightly increase to 12.8 MMT following a continued expansion of the rice growing area, especially with the dry-season crop. The expansion of the dry-season production is attributed to the growing number of irrigation projects funded by international organizations which focus on the construction of agricultural production infrastructures. These projects included the US\$28 million-worth Farm Project funded by the International Fund of Agricultural Development and the US\$22 million rural development project funded by the Korea International Cooperation Agency.

## Consumption

Total domestic consumption of milled rice is estimated to slightly increase to 10.7 MMT in MY 2014/15 and 10.8 MMT in MY 2015/2016. In general, per capita rice consumption in urban areas (180 kg/year) is lower than that in rural areas in Myanmar (200 kg/year).

## Trade

Myanmar's rice exports should continue to grow to 1.85 MMT in 2015 and 2 MMT in 2016 as a result of strong overseas demand, especially from China. Rice border trade with China is anticipated to grow

sharply as a result of the recent rice border trade agreement between the Governments of China and Myanmar. In February 2015, the China National Cereals, Oils and Foodstuffs Corporation (COFCO) signed a memorandum of understanding (MOU) with the Myanmar Rice Federation to purchase 100,000 MT rice in the next 12 months. The first shipment under the MOU is expected in April or May 2015.

## Production Policy

The Government of Myanmar (GOM) is making an effort to enhance domestic rice production through increased loans to farmers, developing infrastructure, introducing mechanization and technology transfer. The Myanmar Agricultural Development Bank (MADB), a government enterprise, currently provides Kyat (Ks) 100,000 (US\$ 100) credit per acre to farmers with an interest rate of 5%. Due to labor scarcity, the GOM is trying to push for more mechanization in the agriculture sector.

The GOM has purchased rice from farmers to prop up prices in the past. However, the GOM has not purchased any buffer stocks in 2014 and 2015 given the high domestic prices. The GOM, with assistance from the International Rice Research Institute (IRRI), is also working on developing a national rice strategy, which is scheduled to be finalized by the end of 2015.

## II. Corn

<i>Corn</i>	2013/2014		2014/2015		2015/2016		
<i>Market Begin Year</i>	Oct 2013		Oct 2014		Oct 2015		
<i>Burma</i>	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Harvested	440	450	450	470	0	500	(1000 HA)
Beginning Stocks	48	48	48	48	0	17	(1000 MT)
Production	1,700	1,800	1,750	1,974	0	2,100	(1000 MT)
MY Imports	0	0	0	0	0	0	(1000 MT)
TY Imports	0	0	0	0	0	0	(1000 MT)
TY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
<b>Total Supply</b>	<b>1,748</b>	<b>1,848</b>	<b>1,798</b>	<b>2,022</b>	<b>0</b>	<b>2,117</b>	<b>(1000 MT)</b>
MY Exports	600	700	600	850	0	930	(1000 MT)
TY Exports	600	700	600	850	0	930	(1000 MT)
Feed and Residual	1,000	1,000	1,050	1,055	0	1,060	(1000 MT)
FSI Consumption	100	100	100	100	0	100	(1000 MT)
<b>Total Consumption</b>	<b>1,100</b>	<b>1,100</b>	<b>1,150</b>	<b>1,155</b>	<b>0</b>	<b>1,160</b>	<b>(1000 MT)</b>
Ending Stocks	48	48	48	17	0	27	(1000 MT)
<b>Total Distribution</b>	<b>1,748</b>	<b>1,848</b>	<b>1,798</b>	<b>2,022</b>	<b>0</b>	<b>2,117</b>	<b>(1000 MT)</b>
Yield	3.8636	4.0000	3.8889	4.2000	0.0000	4.2000	(MT/HA)

## Production

Corn production in Myanmar is expected to increase to 2 MMT in MY 2014/15 and 2.1 MMT in MY 2015/16 due to strong domestic and international demand. Fueling this growth is farmers' acceptance of higher-yielding hybrid corn varieties. Trade sources indicated that the Charoen Pokphand Group

(CP) from Thailand has a 70 percent market share of Myanmar's hybrid corn seed production. About 90 percent of Myanmar's corn production area is rain fed and located mostly in Shan State (about a half of all rain-fed corn area).

### **Consumption**

Domestic corn consumption is also estimated to grow in MY 2014/15 and MY 2015/16 in line with the growth of Myanmar's livestock and aquaculture industries as farmers switch from traditional feed to compound feed. Most of the corn supplies are delivered to feed mills located in Rangoon, Mandalay, and Shan State.

### **Trade**

Like production and consumption, Myanmar's corn exports are likely to increase significantly in MY 2014/15 and MY 2015/16 due to strong export demand especially from China. Myanmar's corn exports are mainly shipped to China, with smaller quantities going to neighboring Southeast Asian countries, Bulgaria and Spain. Trade sources reported that about 75 percent of Myanmar's corn exports are shipped to China.

### **Policy**

The GOM does not have any government programs for corn.

## **III. Wheat**

<i>Wheat</i>	2013/2014		2014/2015		2015/2016		
<i>Market Begin Year</i>	Jul 2013		Jul 2014		Jul 2015		
<i>Burma</i>	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Harvested	100	110	100	110	0	110	(1000 HA)
Beginning Stocks	0	0	0	20	0	20	(1000 MT)
Production	180	200	180	200	0	200	(1000 MT)
MY Imports	344	320	400	330	0	360	(1000 MT)
TY Imports	344	320	400	330	0	360	(1000 MT)
TY Imp. from U.S.	15	50	0	60	0	60	(1000 MT)
Total Supply	524	520	580	550	0	580	(1000 MT)
MY Exports	0	0	0	0	0	0	(1000 MT)
TY Exports	0	0	0	0	0	0	(1000 MT)
Feed and Residual	0	0	0	0	0	0	(1000 MT)
FSI Consumption	524	500	580	530	0	560	(1000 MT)
Total Consumption	524	500	580	530	0	560	(1000 MT)
Ending Stocks	0	20	0	20	0	20	(1000 MT)
Total Distribution	524	520	580	550	0	580	(1000 MT)
Yield	1.8000	1.8182	1.8000	1.8182	0.0000	1.8182	(MT/HA)

## Production

Myanmar wheat is primarily grown at a subsistence level in the Sagaing Division and Shan State (western Myanmar) using seeds from harvested grain. These regions have limited rainfall, thus, yields are low at around 1.8 metric ton (MT)/HA.

Wheat production in Myanmar is estimated to be flat at 200,000 MT in MY 2014/15 and MY 2015/16. Wheat production in Myanmar is small due to the limited area suitable for wheat cultivation and lower financial return as compared to other competing crops (i.e. rice, beans, lentils, corn, etc.).

## Consumption

Consumption of wheat flour in 2015/16 is estimated to continue to grow in MY 2014/15 and MY 2015/16 due to population growth and changing lifestyles toward a more western-oriented diet, especially in major cities where the tourism industry is booming.

## Trade

With a lack of production, Myanmar is expected to rely on increased imports to meet its growing domestic consumption. Thus, wheat imports are expected to grow to 330,000 MT in MY 2014/15 and 360,000 MT in MY 2015/16.

The main suppliers of imported wheat are Australia, China, Russia, Canada, India, and the United States. The U.S. market share of Myanmar's wheat imports is around 18 percent and is expected to remain unchanged in MY 2014/15 and MY 2015/16.

## Policy

The GOM does not have any government programs for wheat.

#### IV. Beans and Pulses

Beans and Pulses	2013/14	2014/15	2015/16	
Myanmar ( Myanmar)	Market year Began Jan 2014	Market year Began Jan 2015	Market year began Jan 2016	
	New Post	New Post	New Post	
Area Harvested	4,200	4,300	4,400	(1000 HA)
Beginning Stocks	32	22	37	(1000 MT)
Production	4,830	5,100	5,300	(1000 MT)
MY Imports	0	0	0	(1000 MT)
TY Imports	0	0	0	(1000 MT)
TY imp. From U.S.	0	0	0	(1000 MT)
Total Supply	4,862	5,122	5,337	(1000 MT)
MY Exports	1,230	1,350	1,400	(1000 MT)
TY Exports	1,230	1,350	1,400	(1000 MT)
Feed Consumption	160	165	175	(1000 MT)
FSI Consumption	3,450	3,550	3,700	(1000 MT)
Total Consumption	3,610	3,715	3,875	(1000 MT)
Ending Stocks	22	57	62	(1000 MT)
Total Distribution	4,862	5,122	5,337	(1000 MT)
Yield	1.15	1.20	1.20	(MT/HA)
TS=TD	0	0	0	

#### Production

Beans and pulses in Myanmar are normally grown immediately after the harvest of the main rice paddy crop. About 65 percent of all pulses are grown during the winter season with average yields ranging between 0.7-1.3 MT/hectare.

Anticipated favorable prices should result in higher bean and pulse production in MY 2014/15 and MY 2015/2016.

#### Consumption

Consumption is expected to rise due to increased demand for human consumption and animal feed.

#### Trade

Myanmar exports 5 varieties of beans and pulses (black gram, green gram, pigeon beans, kidney bean, and cow pea). India is the largest importer of Myanmar's beans and pulses, accounting for more than

70 percent. Myanmar's total bean and pulse exports are estimated to grow to 1.35 MMT in 2015 and 1.4 MMT in 2016.

**Policy**

The GOM has no policy for beans and pulses.