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GAIN Report

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Burma - Union of

Grain and Feed Annual

2016 Annual Report

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Report Highlights:

Burma: BM 6002: Production of rice, beans, and pulses is forecast to decline in MY 2015/16 due to unfavorable weather conditions. Rice exports are expected to decline to 1.5 million metric tons in MY 2015/16 due to lower production. Corn exports, however, are likely to increase in line with sustained demand from China while wheat imports are expected to increase as a result of rising domestic demand.

Executive Summary:

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

Rice production is estimated to decrease to 12.2 million metric tons (MMT) in Marketing Year (MY) 2015/16 due primarily to flooding. Production is expected to recover to 12.5 MMT in MY 2016/17 due to anticipated favorable weather conditions. Myanmar's rice exports are forecast to decline to 1.5 MMT in 2016 as a result of lower rice production in 2015/16.

Corn production in Myanmar is expected to grow to 2 MMT in MY 2015/16 and 2.1 MMT in MY 2016/17 due to increased corn growing area and strong international demand. Accordingly, Myanmar's corn exports are likely to increase in MY 2015/16 and MY 2016/17 due to strong demand from China.

Wheat production in Myanmar is limited and demand is expected to be met with imports. Wheat imports are expected to grow to 350,000 MT in MY 2015/16 and 360,000 MT in MY 2016/17.

Flooding in 2015 is expected to decrease bean and pulse production to 1.4 MMT in MY 2015/16, but is expected to rebound to 1.45 MMT in MY 2016/2017.

Commodities:

Rice, Milled

Corn

Wheat

Beans and Pulses

Author Defined:**Rice Milled**

Rice, Milled Market Begin Year Burma (Myanmar)	2014/2015		2015/2016		2016/2017	
	Jan 2015		Jan 2016		Jan 2017	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	7030	7040	6900	6900	0	7030
Beginning Stocks	372	372	572	538	0	518
Milled Production	12600	12600	12200	12200	0	12500
Rough Production	19688	19688	19063	19063	0	19531
Milling Rate (.9999)	6400	6400	6400	6400	0	6400
MY Imports	0	0	0	0	0	0
TY Imports	0	0	0	0	0	0
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	12972	12972	12772	12738	0	13018
MY Exports	1750	1734	1800	1500	0	1600
TY Exports	1735	1734	1800	1500	0	1600
Consumption and Residual	10650	10700	10650	10720	0	10750
Ending Stocks	572	538	322	518	0	668
Total Distribution	12972	12972	12772	12738	0	13018
(1000 HA) ,(1000 MT)						

Production

Rice production is estimated to decrease by 3 percent to 12.2 MMT in MY 2015/16 from 12.6 MMT in MY 2014/15 due mainly to flooding during the main rice crop growing season (August and September 2015) and insufficient water supplies for the dry season rice crop. In MY 2016/2017, rice production is forecast to rebound to 12.5 MMT in anticipation of favorable weather.

Consumption

Total domestic consumption of milled rice is expected to increase to 10.72 MMT in MY 2015/16 and 10.75 MMT in MY 2016/2017. In general, per capita rice consumption in urban areas (180 kg/year) is lower than that in rural areas (200 kg/year).

Trade

Myanmar exported 1.73 MMT of rice in MY2015 and 80 percent was traded to China through border channels. Myanmar's rice exports are estimated to decrease to 1.5 MMT in MY2016 due mainly to lower production in 2015/16. Exports are likely to rebound to 1.6 MMT in MY2016 as crop areas affected by the floods in 2015 return to the production process.

Production Policy

The Myanmar Agricultural Development Bank (MADB), a government enterprise, currently provides seasonal crop production loan to farmers. The MADB provides 100,000 Kyat (Ks) (\$85) credit per acre to paddy and sugar farmers with an interest rate of 5%. However, there is a 10 acre limit. Seasonal loans provided by MADB in 2014/15 totaled \$960 million. The government also rents farm machinery to farmers for a nominal fee.

II. Corn

Corn	2014/2015		2015/2016		2016/2017	
Market Begin Year	Oct 2014		Oct 2015		Oct 2016	
Burma (Myanmar)	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	470	470	500	520	0	530
Beginning Stocks	53	53	33	47	0	57
Production	1975	1950	2100	2050	0	2100
MY Imports	5	0	0	0	0	0
TY Imports	5	0	0	0	0	0
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	2033	2003	2133	2097	0	2157
MY Exports	850	1346	900	1400	0	1450
TY Exports	850	1346	900	1400	0	1450
Feed and Residual	1050	550	1100	580	0	600
FSI Consumption	100	60	100	60	0	60
Total Consumption	1150	610	1200	640	0	660
Ending Stocks	33	47	33	57	0	47
Total Distribution	2033	2003	2133	2097	0	2157

(1000 HA) ,(1000 MT)

Production

Corn production in Myanmar is expected to grow to 2 MMT in MY 2015/16 and 2.1 MMT in MY 2016/17 due to the expansion of the rain fed corn growing areas, particularly in the Sagaing region (northwest part of the country). Farmers primarily use high-yield hybrid seeds, which account for about 90 percent of corn production. Trade sources indicated that the Charoen Pokphand Group (CP) from

Thailand has a 70-80 percent share of Myanmar's hybrid corn seed market. About 90 percent of Myanmar's corn production area is located in the northwest and eastern parts of the country.

Consumption

Domestic corn consumption is expected to grow in MY 2015/16 and MY 2016/17 in line with the growth of Myanmar's livestock industries, especially poultry and swine. Most of the corn supplies are delivered to feed mills located in Rangoon, Mandalay, and Shan State.

Trade

MY 2016/17 corn exports are forecast to increase around 50,000 MT in anticipation of increased production. In the meantime, export demand from China will likely remain strong. According to government and trade sources, almost 95 to 97 percent of Myanmar's corn exports take place along the border between Myanmar and China.

Policy

The government does not have any subsidy program for corn production. The Ministry of Agriculture and Irrigation (MOAI) has developed corn seed varieties for research and commercialization and holds an estimated 8 percent share of the corn seed market. There are no trade restrictions for corn exports, however, permits are required for the import of corn.

III. Wheat

Wheat	2014/2015		2015/2016		2016/2017	
Market Begin Year	Jul 2014		Jul 2015		Jul 2016	
Burma (Myanmar)	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	110	112	110	112	0	110
Beginning Stocks	0	0	0	0	0	10
Production	200	200	200	200	0	200
MY Imports	290	330	350	350	0	360
TY Imports	290	330	350	350	0	360
TY Imp. from U.S.	12	30	0	0	0	30
Total Supply	490	530	550	550	0	570
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	0	0	0	0	0	0

FSI Consumption	490	530	550	540	0	550
Total Consumption	490	530	550	540	0	550
Ending Stocks	0	0	0	10	0	20
Total Distribution	490	530	550	550	0	570
(1000 HA) ,(1000 MT)						

Production

Wheat production in Myanmar is only cultivated at a subsistence level in the northwest, (Sagaing Division), central (Mandalay), and eastern (Shan State) parts of the country. These regions have limited rainfall, thus, yields are minimal at around 1.8 metric tons per hectare. Almost all wheat production is consumed domestically.

Wheat production in Myanmar is expected to remain flat at 200,000 MT in MY 2015/16 and MY 2016/17 due to the limited area suitable for wheat cultivation and lower financial returns compared to other crops such as beans and lentils. Despite its low quality, farmers still grow wheat primarily for animal feed.

Consumption

Consumption of wheat flour is expected to continue to grow in MY 2015/16 and MY 2016/17. Population growth and changing lifestyles that incorporate a more western-oriented diet and the opening of new bakeries and fast food shops, especially in Yangon, Mandalay, Nay Pyi Taw, Bagan and other cities where the tourism industry is growing, is contributing to the expansion.

Trade

Local production is insufficient to meet domestic demand, thus, Myanmar is expected to rely on imports to meet growing domestic consumption. Thus, wheat imports are expected to grow to 350,000 MT in MY 2015/16 and 360,000 MT in MY 2016/17.

The main suppliers of imported wheat are Australia, Ukraine, Romania Russia, Brazil, India, and the United States. According to government statistics, Myanmar imported about 4,000 MT of wheat flour from China, Thailand and India in 2015.

Although there are more than 20 small scale flour mills in upper Myanmar, the key players in the domestic wheat industry are the U Kyu Family Group, Capital Diamond Star and Htun Myittar companies, which are located in Rangoon. Together, these three companies have a 90 percent share of the Myanmar wheat market.

Policy

The government does not have any support programs for wheat producers, however, it does conduct wheat variety trials with contract farmers and disseminates the results publicly.

IV. Beans and Pulses

	2014/2015		2015/2016		2016/2017		
<i>Market Begin Year</i>	Jan-15		Jan-16		Jan-17		
<i>Burma</i>	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Harvested		4,400		4,100		4,300	(1000 HA)
Beginning Stocks		183		308		208	(1000 MT)
Production		5,280		4,920		5,160	(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		5,463		5,228		5,368	(1000 MT)
MY Exports		1,540		1,400		1,450	(1000 MT)
TY Exports		1,540		1,400		1,450	(1000 MT)
Feed and Residual		165		170		175	(1000 MT)
FSI Consumption		3,450		3,450		3,450	(1000 MT)
Total Consumption		3,615		3,620		3,625	(1000 MT)
Ending Stocks		308		208		293	(1000 MT)
Total Distribution		5,463		5,020		5,368	(1000 MT)
Yield		1.20		1.20		1.20	(MT/HA)

Production

Beans and pulses in Myanmar are normally grown immediately after the harvest of the main rice paddy crop in the delta region. They are also grown as a monsoon crops in the central plains. About 70 percent of all pulses are grown during the winter season with yields ranging between 0.7-1.3 MT/hectare. Higher prices are likely to result in increased bean and pulse production in MY 2015/16 and MY 2016/2017.

Consumption

Consumption is expected to rise due to increased consumer and animal feed demand.

Trade

Myanmar exported 1.54 million metric tons of pulses in MY 2015. Black Matpe, Green Mung and Toor whole beans accounted for 80 percent of the varieties exported. Border exports of beans and pulses along the Myanmar and India border totaled 284, 262 MT in 2015. Strong export demand, particularly from India and China, led domestic prices for all types of beans and pulses to increase sharply in 2015. Matpe bean prices steadily increased between January and November and reached a 20-year record high at US\$1,640/MT in October when domestic supplies dwindled and demand for Matpe seeds for sowing increased.

Myanmar bean and pulse exports are expected to increase to 1.4 MMT in MY 2015/16 and 1.45 MMT 2016/17 mainly due to sustained demand from India. Myanmar beans and pulses primarily consist of black Matpe, Green Mung, Toor whole, kidney beans and cow pea beans. India is the largest importer of Myanmar's beans and pulses accounting for 80 percent of all imports.

Policy

The government does not provide any support to bean and pulse producers.