

Voluntary Report – Voluntary - Public Distribution

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Report Name: Burmese Corn Exports Increased in 2021 Despite COVID-19 and Coup

Country: Burma - Union of

Post: Rangoon

Report Category: Agricultural Situation

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Report Highlights:

Burma's corn production is estimated at 2.57 million metric tons in both MY 2020/21 and MY 2021/22 due to high price incentives. Domestic prices have increased due to active export demand from Thailand and China. Burma's domestic consumption, however, decreased due to the severe outbreak of COVID-19 and the military coup.

Disclaimer: The Office of Agriculture Affairs of the Foreign Agriculture Service, USDA in Rangoon, Burma prepared this report for U.S. exporters of food and agricultural products. The report was prepared six months after Burma's coup by the military and during third wave of the COVID-19 pandemic. Post submitted the [Grain and Feed Annual in April 2021](#), which included corn production supply and demand information. Burma's corn exports significantly increased in MY 2020/21. Post revised corn production, supply, and distribution (PS&D) data, and updated information to reflect the current export statistics.

General Information

Burma annually produces 2.4 to 2.5 million metric tons of corn, which is mainly cultivated in Shan State (eastern part of the country). Additional growing areas include dry areas in the central region of the country and smaller areas in the delta and coastal regions. Shan State, which is in the central part of the country, accounts for 55 percent of Burma's total corn production area, and Sagaing region accounts for 16 percent. In contrast, the Ayeyarwady region, Kachin, Kayah, and Kayin make up the balance at 5 percent each, Chin state at 3 percent and Naypyitaw at 1 percent. The main corn crop, about 85 percent of the total cultivated area, is sown during the rainy season from May through June and harvested between September and October. The dry-season corn crop (second crop) is produced mostly in the delta regions and cultivated in November and December and harvested between February and March. Burma mainly exports corn to China and Thailand through border trade and to Vietnam, Philippines, Malaysia, and Singapore via sea freight. A new warehouse with corn driers in the Ayetharyar Industrial Zone, Taunggyi in Southern Shan State, valued at 667 billion Myanmar Kyats, was approved on June 17, 2021. Burma has been negotiating sanitary and phytosanitary protocols for corn exports to China since 2019. China and Burma agreed in a meeting held in early July 2021 that Burmese corn exports to China will require phytosanitary and non-GMO certificates.

Production

Burma's corn production will remain high in MY 2021/22 due to increased export demand and high domestic prices (See Table 1). Some farmers are hesitant to plant corn due to increasing costs for agricultural inputs, especially for urea fertilizer, while high corn prices are incentivizing others to plant more corn. Farmers are replacing the higher-cost urea fertilizer with compound fertilizers that are high in nitrogen. Farmers anticipate harvesting the main corn crop (rain-red) late this year, around the end of October, as many farmers faced difficulties in obtaining seeds this year and planted the crop later than usual.

Table 1. Production, Supply, and Distribution

Corn	2019/2020		2020/2021		2021/2022	
Market Year Begins	Oct 2019		Oct 2020		Oct 2021	
Burma (Myanmar)	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	590	590	600	610	0	610
Beginning Stocks (1000 MT)	93	307	35	167	0	46
Production (1000 MT)	2400	2500	2500	2570	0	2570
MY Imports (1000 MT)	11	10	5	9	0	10
TY Imports (1000 MT)	11	10	5	9	0	10
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	2504	2817	2540	2746	0	2626
MY Exports (1000 MT)	2209	2200	1800	2300	0	2100
TY Exports (1000 MT)	2209	2200	1800	2300	0	2100
Feed and Residual (1000 MT)	190	400	600	350	0	350
FSI Consumption (1000 MT)	70	50	70	50	0	50
Total Consumption (1000 MT)	260	450	670	400	0	400
Ending Stocks (1000 MT)	35	167	70	46	0	126
Total Distribution (1000 MT)	2504	2817	2540	2746	0	2626
Yield (MT/HA)	4.0678	4.2373	4.1667	4.2131	0	4.2131

Source: Post calculation based on information from the Burmese Department of Agriculture and the Burmese Ministry of Commerce and industries sources.

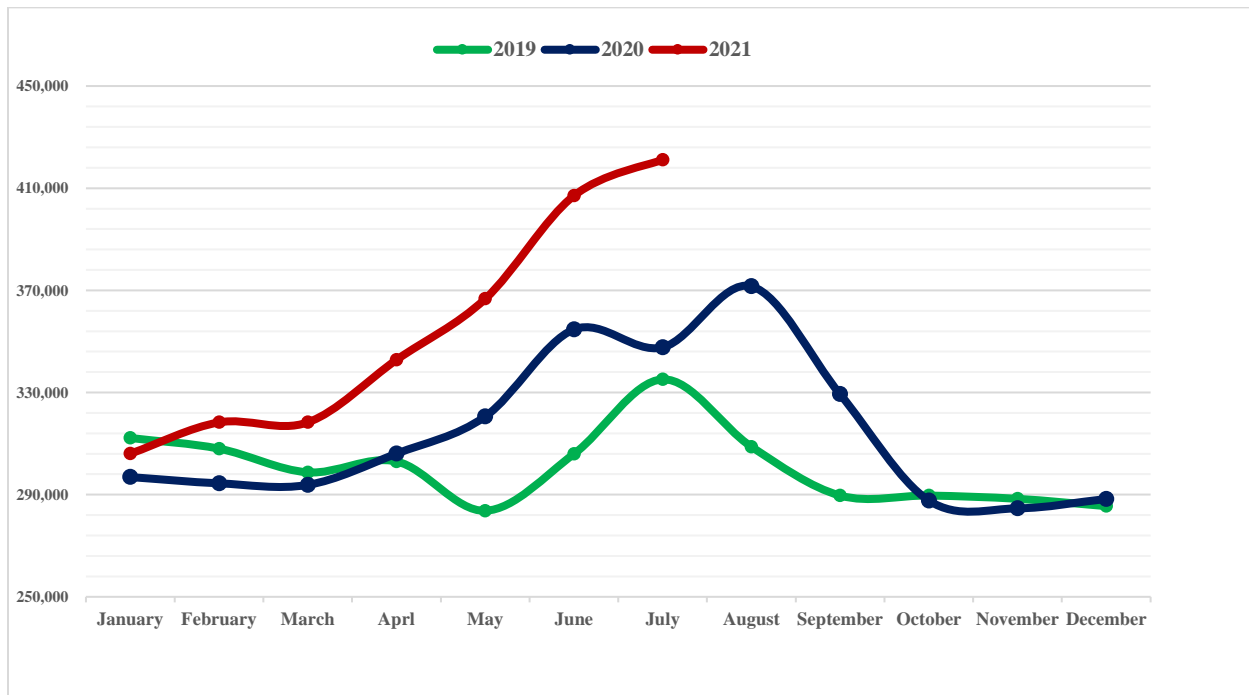
Domestic Consumption

Burma's domestic corn consumption is forecast to decrease in MY 2020/21 and 2021/22 due to lower livestock production caused by the COVID-19 pandemic and the military coup. Nearly half of domestic corn production is consumed by domestic feed industries, and the surplus is exported. Burma's domestic corn demand for animal feed had been increasing gradually over the last few years before the COVID-19 pandemic in 2020. Measures to control the spread of COVID-19 (e.g., lockdowns and restricted transportation) and slower economic activity decreased the demand for poultry and other livestock products, thereby decreasing the demand for animal feed. Small-and medium-sized livestock farmers have struggled to continue operations with some ceasing production. Local feed mills reduced their production by 30-40 percent. The military coup in February 2021 created new economic challenges, including difficulties in banking and trading. Please see FAS Rangoon's previous GAIN reports on the impacts of the coup on Burma's agricultural sector for more information ([Impact of Burma Military Coup on Agriculture Sector and Trade](#), [Military Coup Continues to Hamper Agricultural Trade](#), [Shipping Line and Banking Disruptions Continue to Impact Trade](#), and [Trade Continues but Uncertainty Remains High](#)). Animal feed is usually provided to livestock farmers using a credit system, but now animal feed producers are requiring farmers to buy feed in cash due to poor cash flow and banking challenges following the coup. While domestic demand faced challenges, demand for corn from China and Thailand increased, forcing domestic prices higher.

Prices

Domestic wholesale prices for corn significantly increased in MY 2020/21 due to strong export demand (See Figure 1). Corn demand from local feed mill declined due to high prices and low feed demand despite this being the usual time for local feed mills to build stocks. Feed millers are mixing corn with broken rice (about 30-40 percent), which is currently cheaper. Domestic feed prices also increased by 20-30 percent between January and June. Most feed millers are requiring 80 to 100 percent payment in cash up front. Feed mills reported that poultry feed sales declined by 30 percent in June.

Figure 1. Domestic Prices for Corn in Rangoon market (Myanmar Kyats/Metric Ton)



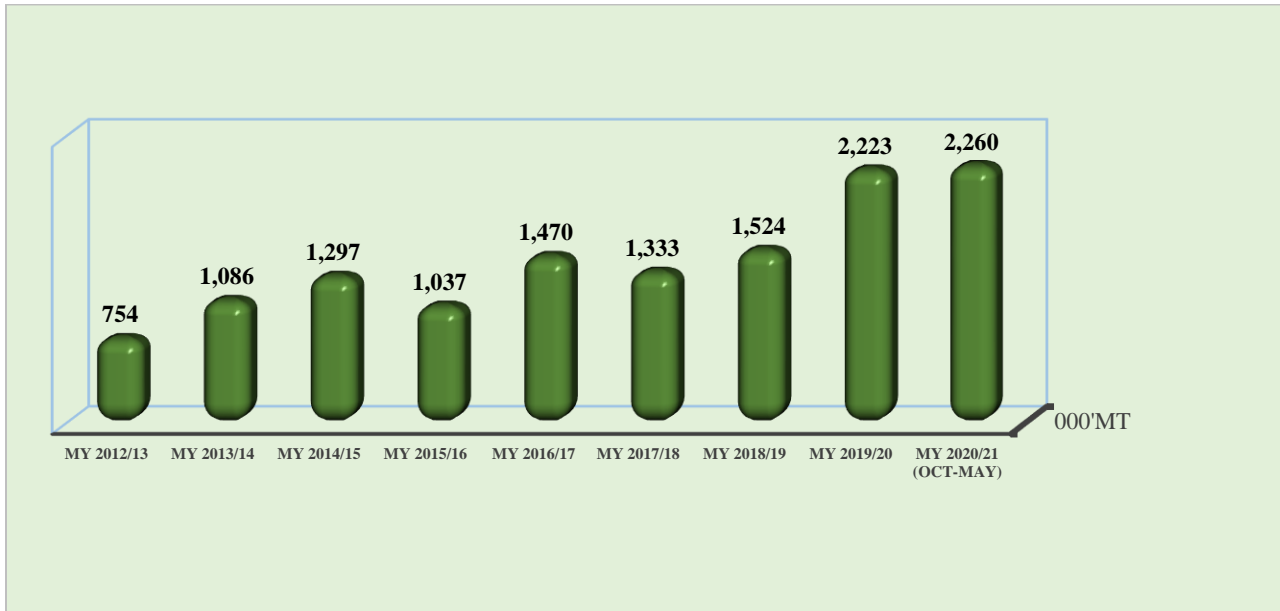
Source: Etrade Myanmar

Export

Burma's corn export increased significantly in MY 2019/2020 and MY 2020/21 (see Figure 2) despite the outbreak of COVID-19 and the military coup. Burma's corn export has been increasing since MY 2016/17 with exports already reaching 2.26 million metric tons (MMT) in MY 2020/21 (October-May), which is more than total exports in MY 2019/20. Thailand usually purchases Burmese corn from February to August during Thailand's off-season for production and when there are no import duties. Burmese exporters reported that they are unable to meet the high demand for corn from Thai importers. In addition, Burma and China finalized new sanitary and phytosanitary requirements. The Myanmar Corn Industry Association reported that Burmese corn exporters must supply a phytosanitary certificate along with a non-GMO certificate for shipments to China. Chinese companies are already placing orders for MY 2021/22 corn with one order for 100,000 MT already confirmed. There will be fewer

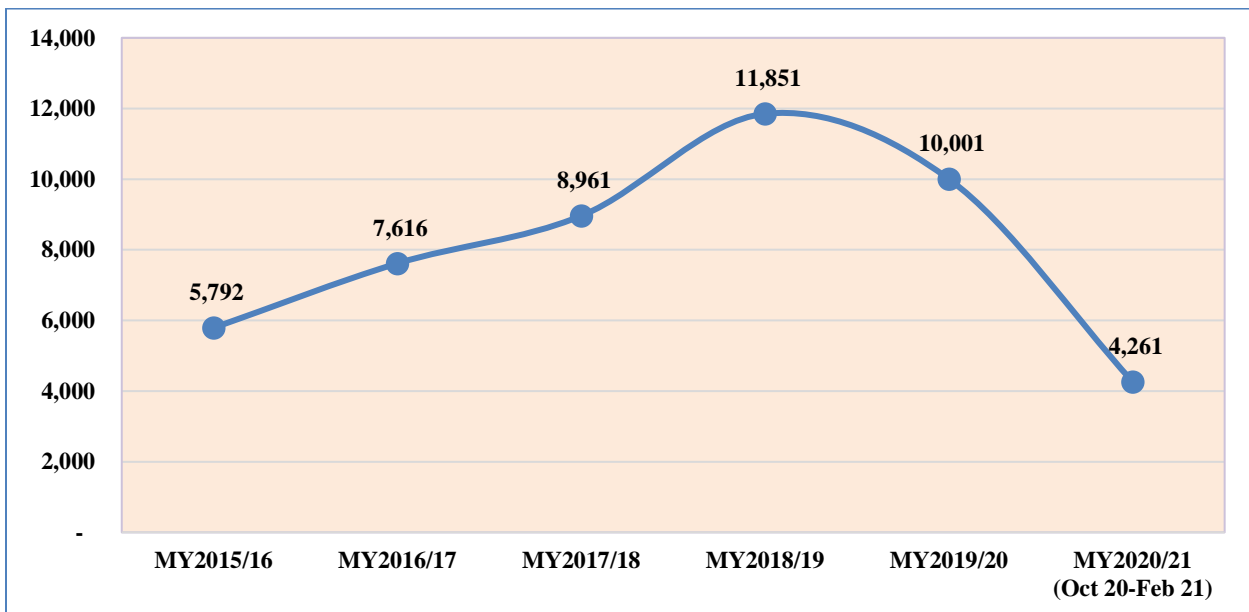
exportable supplies for the remainder of MY 2020/21 (Aug-Sep) due to the record exports during the first eight months. Trade sources reported corn exports to Thailand slowed in July due to control measures at the Burma-Thai border and lower supplies in the domestic market.

Figure 2. Burma’s Corn Export



Source: Ministry of Commerce, Myanmar Customs Department

Figure 2. Corn Seed Import (Metric Ton)



Source: Trade Data Monitor

Attachments:

No Attachments.