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Report Highlights:

Exporters and importers continue to face much uncertainty due to the military regime's foreign currency control policies and continuing conflict between the regime and ethnic armed forces. FAS Rangoon forecasts Burma's MY 2024/25 rice exports to recover to 1.7 MMT amid high stocks and expected relaxation of export controls. MY 2024/25 corn exports and wheat imports will remain flat.

Disclaimer

The FAS Office of Agricultural Affairs in Rangoon, Burma prepared this report for U.S. exporters of food and agricultural products. Following the February 1, 2021, military coup in Burma (also known as Myanmar), FAS has limited its official interaction with Burmese military regime officials. Burma's Ministry of Agriculture, Livestock and Irrigation (MOALI) does not publish official production data and has been less cooperative in sharing data updates since the coup. Since 2022, FAS has not been able to access official trade statistics maintained by the Ministry of Commerce. There have been no country-wide consumption surveys in Burma since 2016¹. Post forecasts consumption based on interviews and other qualitative information. To gather the most up-to-date information despite these challenges, FAS Rangoon interviewed key stakeholders along the supply chain in Burma and carried out crop surveys (partially restricted by security considerations due to active fighting in some key production areas). Please contact FAS Rangoon at agrangoon@usda.gov in case of further questions about the contents of this report.

¹ Theingi Myint, 2016: Study on Per Capita Rice Consumption and Ratio of Household Expenditure in Myanmar.

Executive Summary

FAS Rangoon (Post) forecasts rice production in Burma (also known as Myanmar) will recover slightly in MY 2024/25 due to attractive domestic prices and low fertilizer prices compared with the previous year. Post estimates steady rice consumption in MY 2023/24 and MY 2024/25. The boost in rice consumption due to war-related economic devastation and a more limited diet is offset by a shrinking population resulting from war and emigration. Post forecasts MY 2024/25 rice exports to continue to recover due to high stocks, strong regional demand, and less stringent export controls by the regime. Since 2022, smaller rice mills have been also impacted by the frequent power outages, while mid-size and larger rice mills have increased their reliance on biomass and imported diesel to operate when no power is available on the grid.

Post projects Burma's MY 2024/25 corn production will remain low due to continuing security issues, low domestic and international corn prices, high production costs, Burma's currency depreciation, and resulting replacement of corn acreage with other crops. MY 2024/25 feed consumption remains low as the domestic livestock industry is limited and poorly developed. Burma's corn exports are expected to remain flat in MY 2024/25 as producers and exporters continue to face the same challenges as in MY 2023/24 (i.e., shrinking production, transportation challenges, and policy changes on export earnings). Compared to MY 2022/23, Burma's corn prices declined in early 2024 due to fighting along the Burma-Thailand border, lack of security for corn shipments to the border, Thailand's plans to reduce corn imports in response to poor air quality and agricultural burning, and regime's restrictions on export earnings.

Post forecasts wheat production in Burma flat at 80,000 MT in MY 2024/25 due to the continued lack of quality seeds, slow domestic demand, high fuel cost and drought in the major production area. As the wheat price increased in 2023, Burma slightly increased lower-cost wheat imports from China and India. Imports of U.S. wheat face competition from duty-free Australian wheat imports.

1. Rice

Table 1.1: Burma's Rice Production, Supply, and Distribution

Rice, Milled Market Year Begins Burma (Myanmar)	2022/2023		2023/2024		2024/2025	
	Jan 2023		Jan 2024		Jan 2025	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	6800	6800	6860	6800	0	6800
Beginning Stocks (1000 MT)	1081	1081	1109	1009	0	914
Milled Production (1000 MT)	11800	11800	11950	11900	0	12100
Rough Production (1000 MT)	18438	18438	18672	18594	0	18906
Milling Rate (.9999) (1000 MT)	6400	6400	6400	6400	0	6400
MY Imports (1000 MT)	5	5	2	5	0	5
TY Imports (1000 MT)	5	5	2	5	0	5
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	12886	12886	13061	12914	0	13019
MY Exports (1000 MT)	1577	1577	2000	1700	0	1800
TY Exports (1000 MT)	1577	1577	2000	1700	0	1800
Consumption and Residual (1000 MT)	10200	10300	10100	10300	0	10300
Ending Stocks (1000 MT)	1109	1009	961	914	0	919
Total Distribution (1000 MT)	12886	12886	13061	12914	0	13019
Yield (Rough) (MT/HA)	2.7115	2.7115	2.7219	2.7344	0	2.7803

(1000 HA) ,(1000 MT) ,(MT/HA)
 MY = Marketing Year, begins with the month listed at the top of each column
 TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2024/2025 = January 2025 - December 2025

Source: Post calculations based on interviews with the Myanmar Rice Federation, the Department of Agriculture, and the Ministry of Commerce

1.1 Production

Post forecasts MY 2024/25 rice production will recover to 12.1 million metric tons (MMT) due to attractive domestic prices and the anticipation of a good yield as fertilizer prices fell. Post has revised the production forecast for MY 2023/24. Despite multiple challenges (e.g., fighting, insufficient fuel, drought in production areas, and high production costs), MY 2023/24 production marginally increased from MY 2022/23 due to high rice prices and increased yield. Burma's farmers rely on diesel to irrigate and increase mechanization for land preparation and harvesting, especially in the central part of the country and for the second rice crop in the Ayeyarwady region. Between 2021 and 2023, diesel became in short supply and prices tripled. To buy diesel for farming, farmers had to receive an endorsement from local authorities.

To respond to farmers' concerns about fuel shortage and improve farmers' access to fuel, the Myanmar Rice Federation (MRF) established a diesel quota based on acreage. Still industry sources report that pervasive fuel challenges continue. Post estimates that the second MY 2023/24 rice crop shrunk due to fuel issues and an increase in the overall production costs. In MY 2023/24, only farmers in Ayeyarwady

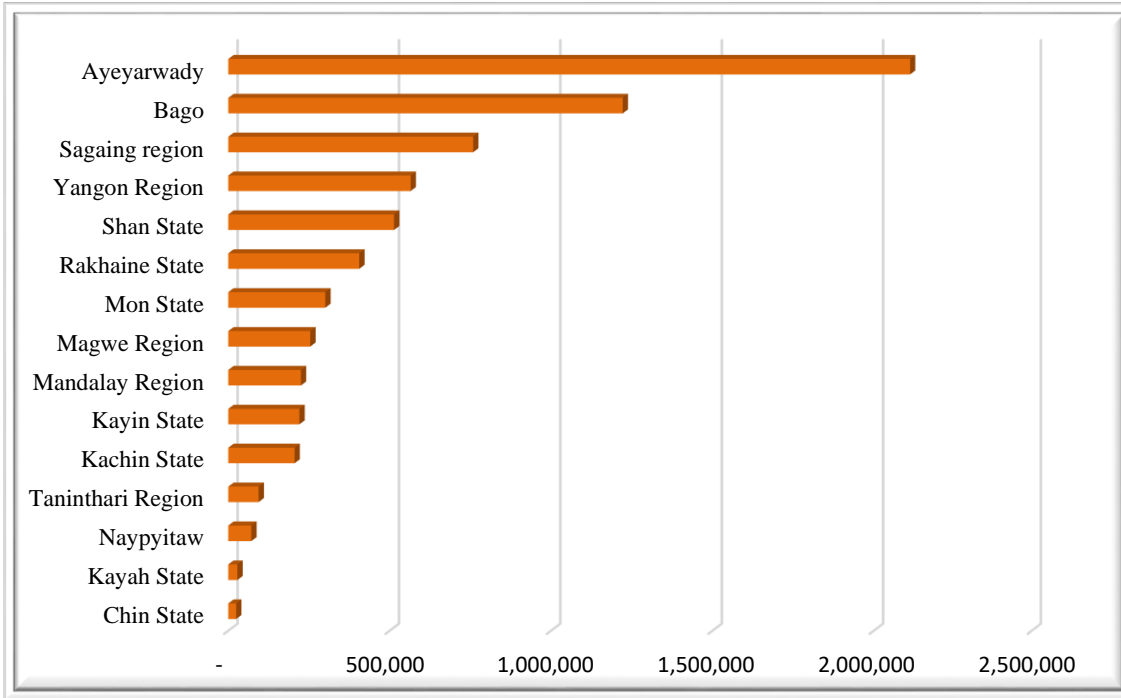
region, Magwe, Mon State and Naypyitaw areas are able to carry on with their typical farming practices as these areas are outside of conflict areas. Moreover, due to rain during the harvesting season, the MY 2023/24 rice crop will likely have lower quality, despite a high yield following favorable weather and low fertilizer prices.

The Three Brotherhood Alliance has fought the regime in northern Shan State, and since October 27, 2023, the fighting has spread to Kayin, Kayah, Kachin, and Rakhine. As citizens leave their houses, farmers have struggled to plant the main MY 2024/25 rice crop. The destruction of bridges has also complicated travel and transport of inputs and other agricultural supplies.

Post forecasts a good yield in MY 2024/25 as farmers seek high yielding varieties and implement more effective farming practices in response to current attractive prices. Some private companies, namely New Ayeyar, Great Wall, Golden Sun Land and Water Stone, have worked with the Agriculture Ministry to improve the rice seed industry. The Department of Agriculture (DOA) sells urea fertilizers produced at a local factory at a 40-50 percent discount to farmers, who plant staple crops, such as rice, oilseeds, sugarcane, and cotton. Farmers tend to seed directly, rather than transplant, due to the scarcity and cost of labor, and uncertainty about water availability. Land preparation and rice harvesting are mostly mechanized.

Very frequent and unpredictable power outages have presented a substantial operational challenge for rice millers since 2022. The regime encourages rice millers to use a biomass (i.e., rice husk) gasification system. In July 2023, the Ministry of Science and Technology conducted a workshop on “Systematic Development and Technology of Rice Husk Gasifier Industries” in Ayeyarwady Region and shared information on how to establish a biomass gasification system. There are about 450 rice mills operating with biomass gasification in Ayeyarwady Region, where about 1.9 MMT of rice husk is produced every year. Yet, in other areas (e.g., some parts of Bago region), based on relative prices, millers prefer to sell the rice husk and purchase fuel to run their facilities.

Figure 1.1. Burma's Rice Planting areas (in hectares) by Region/State in MY 2023/24



Source: DOA

Rice based Crop calendar and cropping pattern in Lower Myanmar (Yangon, Bago, Ayeyarwady, Mon)

Land type	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	April	May
Rain fed area	Monsoon paddy				Green gram			Summer Paddy				
Rain fed area	Monsoon paddy				Chick pea, sunflower							
Rain fed area	Monsoon paddy				Sesame, pulses							
Rain fed area	Monsoon paddy				Peanut, Corn							
Irrigated area		Monsoon paddy				Matpe			Summer Paddy			
Irrigated area	Monsoon paddy				Summer Paddy							

Source: DOA and Post's crop surveys

**Rice based Crop calendar and cropping pattern in Central Myanmar
(Mandalay, Sagaing and Magwe)**

Land type	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	April	May
Rain fed area			Monsoon paddy				Peanut, Corn					
Rain fed area			Monsoon paddy				Green gram, corn					
Rain fed area			Monsoon paddy				Sunflower, Matar					
Irrigated area			Monsoon paddy				Sesame					
Irrigated area			Monsoon paddy									Summer Paddy
Irrigated area			Monsoon paddy									Summer paddy

Source: DOA and Post’s crop surveys

1.2 Consumption

Burma’s political turmoil resulted in two balancing consumption trends. On one hand, the flight of many young adults and families out of Burma, as well as a shrinking tourism sector, reduced the number of domestic rice consumers in MY 2023/24 and MY 2024/25. On the other hand, the civil war decreased the purchasing power of most consumers and led to greater reliance on rice in the diet. 70 percent of Burma’s population lives in rural areas and consumes rice on average three times per day, with the annual per capita consumption of 170 kilograms (kg). In urban areas (30 percent of the population), most people consume rice twice a day, with the annual per capita consumption of 145 kg. From its only survey in 2016, MRF reported the country’s average annual per capita rice consumption was 155 kg and recognized some variation by region and ethnic group.

Burma utilizes broken rice in the production of traditional rice-based snacks, livestock feed, and spirits. Consumption of broken rice in the livestock sector is slow due to the current clashes. Broken rice and yellow corn are the largest starch and energy sources in animal feed. The amount of each used in feed formulation depends on market prices. Smaller livestock producers, including backyard farms, are the main consumers of broken rice. According to industry sources, livestock sector will shrink by about 40 percent in MY 2023/24 and slowly continue to decline in MY 2024/25. Food manufacturers use broken rice and other lower quality rice to make rice noodles and traditional Burmese snacks, more common in rural areas.

Burma plants more than 200 rice varieties in 3 main categories, including Emata (long grain), Pawsan (median and round), and Ngasein (low-quality short grain). Wealthy and some middle-class Burma

consumers prefer Pawsan varieties (including the premium Shwe Bo Pawsan primarily grown during the main season in the Shwebo district, Sagaing region), which represent seven percent of the total domestic rice production. Most Burma consumers prefer high quality Emata types. Emata 25 percent broken rice is the main exported rice variety. Chinese importers demand higher quality rice (e.g., 5-15 percent broken). Food manufacturers mainly use Ngasein rice and broken rice to make noodles and traditional rice snacks.

1.3 Trade

Post forecasts Burma’s MY 2024/25 rice exports at 1.8 MMT in anticipation of the regime easing its control of export earnings, though still below the typical export volume of 2.0 MMT. Export restrictions (see [Burma Restrictions on Export Earnings](#)) and high domestic prices will keep MY 2024/25 rice exports below regular levels. Since 2023, the severe and prolonged armed conflicts, challenging and expensive logistics, and rising domestic prices have all had a chilling effect on border trade. Every month, only a very small amount of broken rice has been shipped across the border.

Despite aiming to export 2.0 MMT of rice, with a value of \$1 billion, between April 2023 and March 2024, Burma did not meet the target due to the regime’s monetary policy to control export earnings (see [Burma Restrictions on Export Earnings](#)), and restrictions on rice exports to ensure a reliable domestic rice supply even in an El Nino year. Furthermore, the exchange rate at the beginning of the rice export season (April 2024) has not allowed exporters to make profit despite a regular issuance of export licenses for rice, corn, and pulses by the Ministry of Commerce (MOC).

In 2023, Burma exported 1.58 MMT of rice as the 8th largest rice exporter worldwide. Between April 1, 2022, and March 31, 2023 (Burma’s fiscal year), Indonesia, the Philippines, and China were the major buyers of head rice (Figure 1.3). China, Belgium, the Netherlands, Vietnam, and the United Kingdom were the main buyers of broken rice (Figure 1.4).

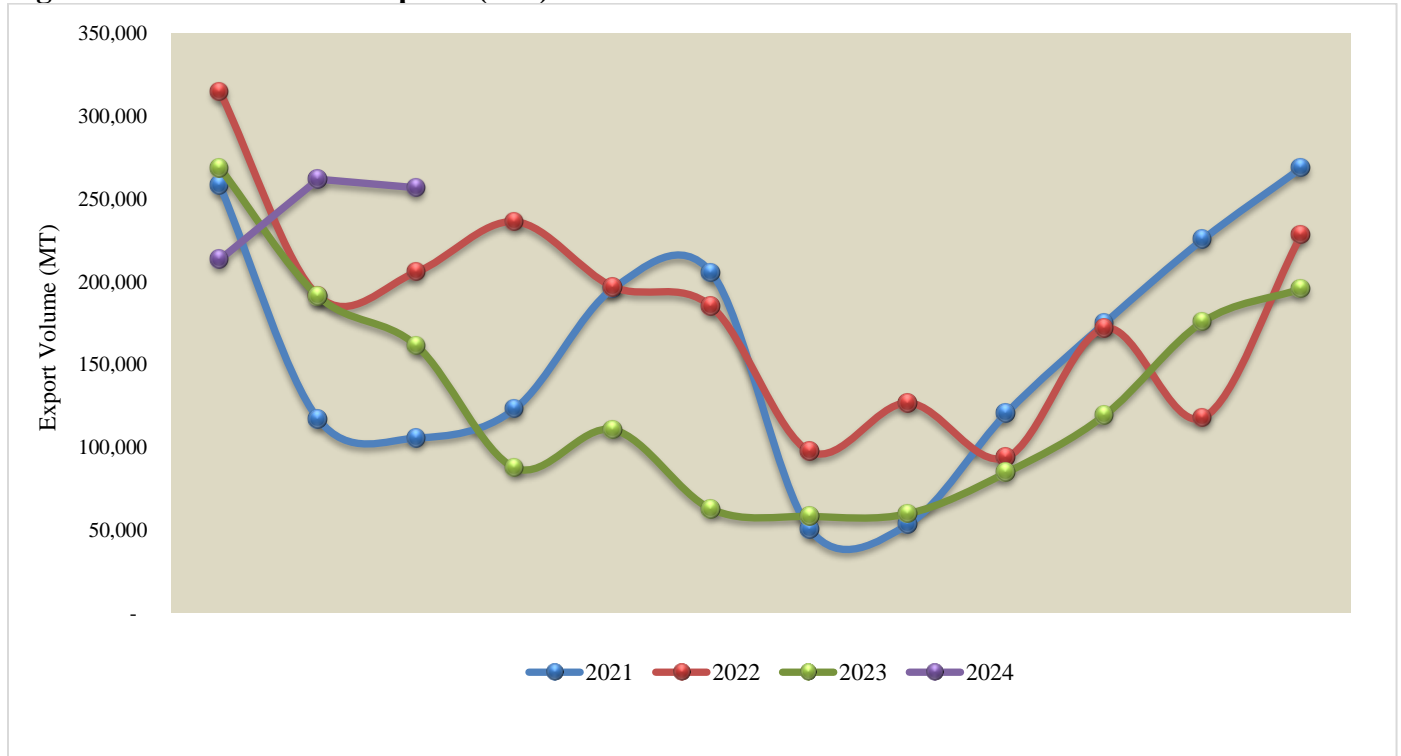
The General Administration of Chinese Customs (GACC) must approve companies allowed to export to China. As of December 2022 (latest available information), GACC has approved 62 rice exporting companies, 79 rice mills, and 19 warehouses. Despite the large number of eligible exporters, regime’s restrictions on export earnings and high domestic rice prices have adversely affected rice and broken rice exports since the coup. Since October 27, 2023, fighting along the Burma-China and Burma-Thailand borders has intensified so most rice exports are carried out by sea.

Table 1.2. Import Tariff for Rice in Burma

Commodity	Purpose	Unit of Quantity	MFN Rate (%)
Rice	Consumption	kg	5
Rice seed	Sowing	kg	0

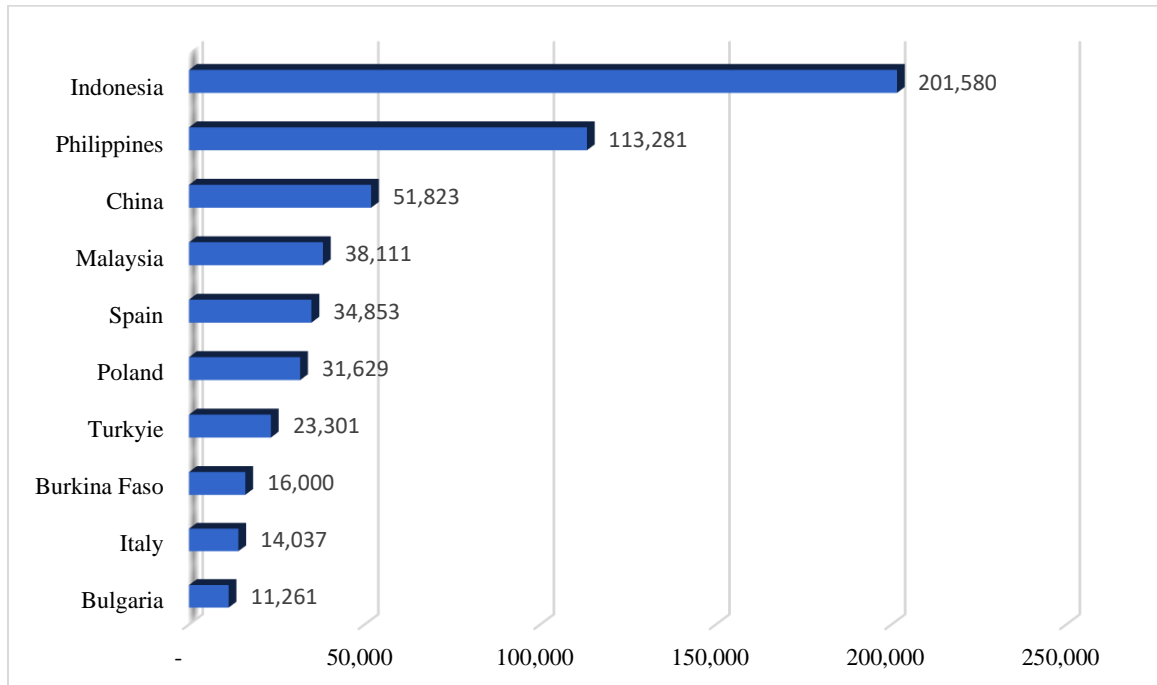
Source: Myanmar Customs Department

Figure 1.2: Burma's Rice Exports (MT)



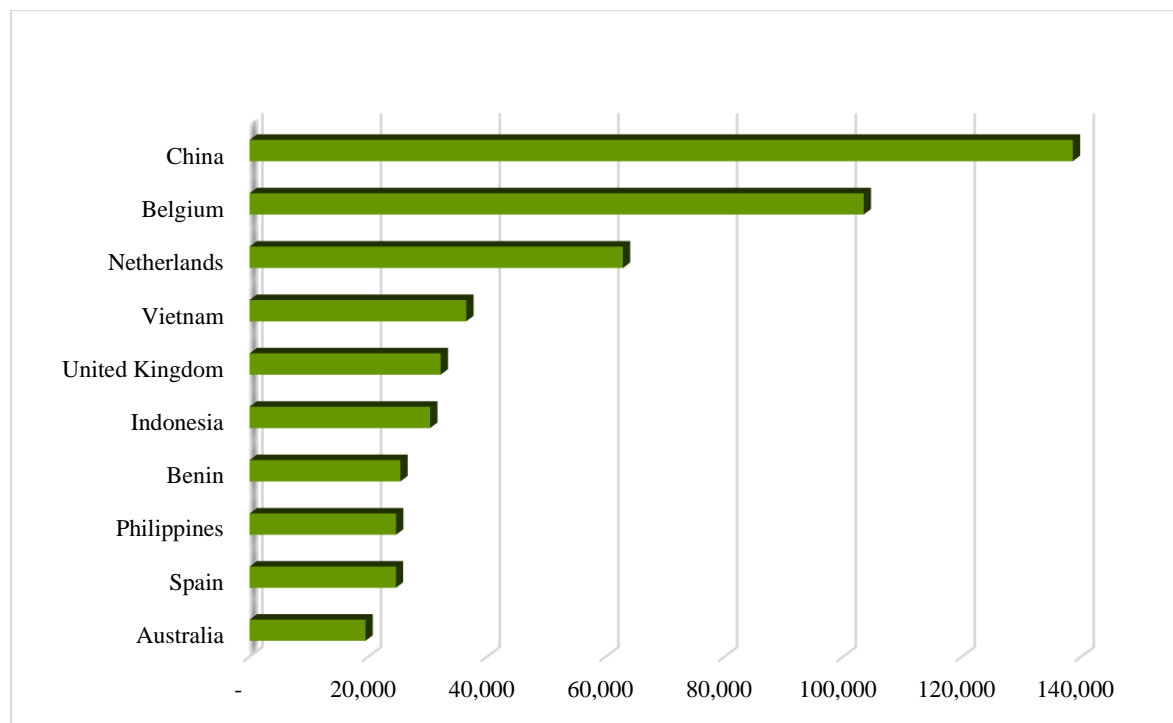
Sources: MOC, MRF

Figure 1.3: Top Importing Countries by Volume of Burma's Head Rice between April 2023 and March 2024.



Source: MRF

Figure 1.4: Top Importing Countries by Volume of Burma’s Broken Rice between April 2023 and March 2024.



Source: MRF

1.4 Prices

Typically, the domestic wholesale rice prices drop when new main crop supplies enter the market in November. Then the price recovers at the end of February before the harvest of the second crop. The average domestic wholesale prices for both Emata 25 percent broken rice and Shwe Bo Pawsan increased in September 2023 due to the devaluation of the Myanmar kyat¹ (MMK; Burma’s currency), high world prices, high production cost, high diesel cost, and a projected decline in MY 2023/24 main crop production.

In the third week of November 2023, rice prices soared in response to rice mills reducing their operations as grid power availability dropped to 4 hours a day, high fuel costs, strong domestic demand, and a limited volume of the new crop entering into the market. Prices remained high through the end of December (Figures 1.3 and 1.4).

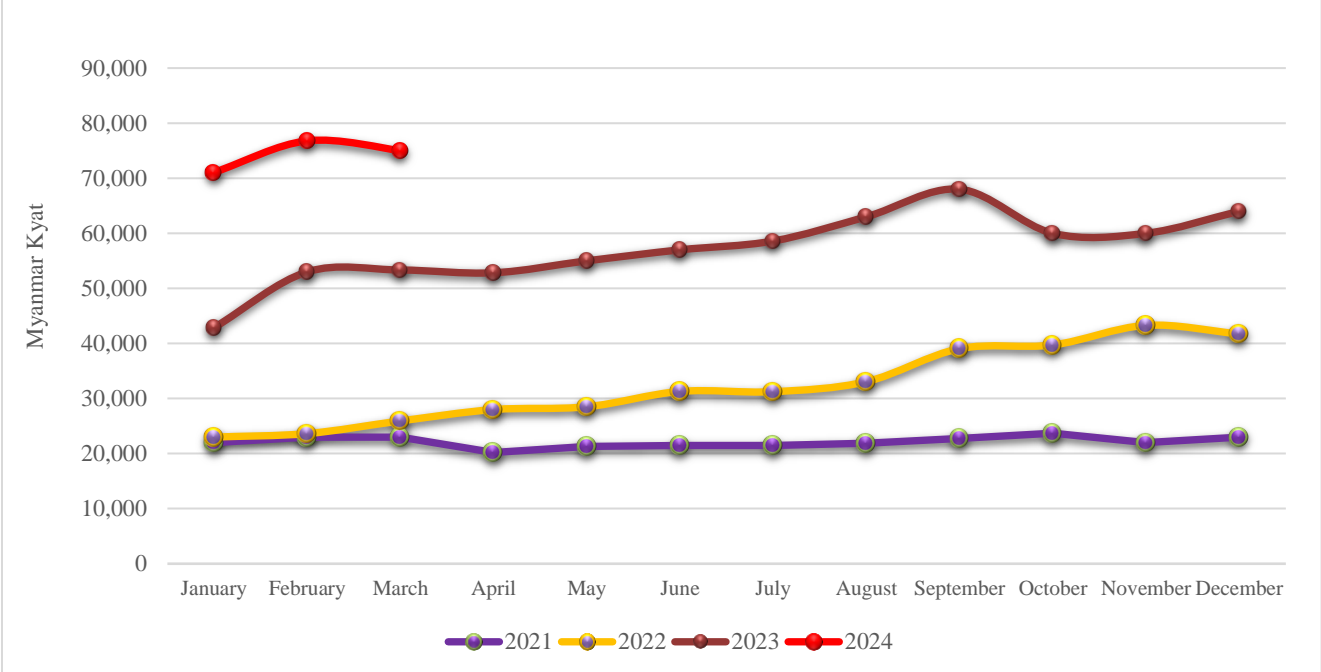
In July 2023, the Central Bank of Myanmar (CBM) issued new 20,000 MMK bills, which impacted the foreign exchange market and led to higher prices for both Emata and Shwe Bo Pawsan rice.

Some farmers in certain areas (e.g., Sagaing region, Kayah and Rakhine states) had to abandon their farms and homes due to insecurity and continued fighting between the regime and anti-regime forces.

¹ Throughout the report, Post used the following exchange rate: \$1=3,800 MMK.

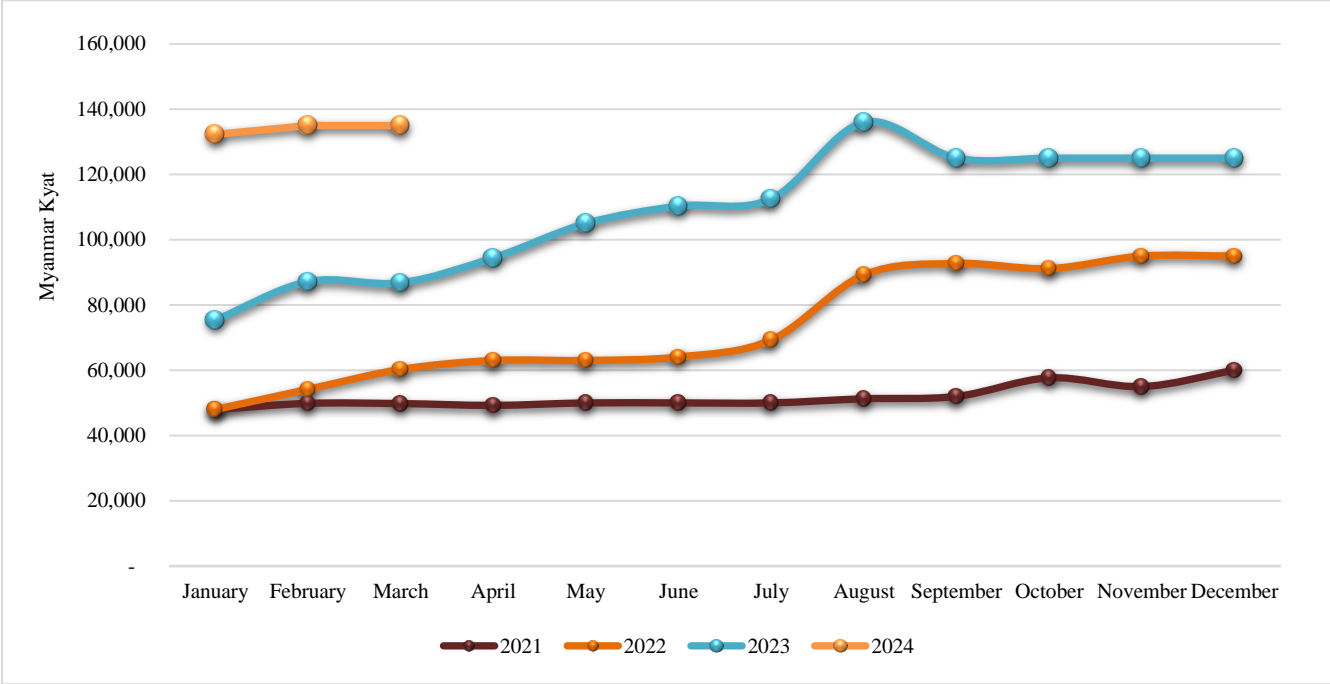
The instability also impacted rice transportation in the country and contributed to high rice prices. To reduce vulnerability to market and security uncertainties, most farmers in conflict areas sold all their rice right after harvesting. In response to the rising domestic prices in 2023, MRF implemented two efforts: a) discounted rice prices for middle- and low-income citizens, and b) occasional publication of the target prices for domestic rice by variety to improve transparency.

Figure 1.5: Average Monthly Wholesale Prices for Emata 25 Percent Broken (low grade) Rice (MMK/108-pound Bag)



Source: MRF

Figure 1.6: Average Monthly Domestic Wholesale Prices for Shwe Bo Pawsan Rice (MMK/108-pound Bag)



Source: MRF

1.5 Policy

For the 2023 monsoon and 2024 summer seasons, Burma set the floor price for rough rice (paddy) with maximum 14 percent moisture content and minimum quality criteria, at 750,000 MMK (\$98/MT) for every 100 baskets² or approximately \$197/MT. The current market price is much higher than the floor price for Emata at 1,900,000-2,300,000 MMK (\$250-302/MT) for 100 baskets.

The Myanmar Agricultural Development Bank (MADB) of the Ministry of Planning and Finance provides seasonal farm loans and short- and long-term credit for agricultural crops (e.g., rice, oilseeds, and pulses), and the amount of credit varies by the commodity and season. The MADB also provides credit for rice farmers of up to 150,000 MMK (\$39.47) for a maximum of 10 acres with a 5 percent interest rate. This government-provided farm credit is roughly 20-25 percent of the cost of production. Most farmers must seek credit from additional sources. Large farmers who plant more than 10 acres seek alternative farm loans from private lenders. In order to support those farmers, MRF plans to provide a seasonal loan for rice of 400,000MMK/acre (\$105/acre) with a 10 percent interest rate and a 4–5-month payback period. MRF started this program during the second rice MY 2023/2024 crop season. MRF selected 100,000 farmers primarily from Yangon, Bago, Ayeyarwady and Naypyitaw council area. This program is a joint venture between MRF and private banks, which provide loans.

² 1 basket equals 46 pounds of paddy rice.

Table 1.3: Type of Loan, Disbursement and Repayment Period Provided by MADB

Type of Loan	Disbursement Period	Repayment Deadline
Pre-monsoon	January to March	February of the following year
Monsoon	May to September	Next April
Winter	October to January	Next September

Note: Farmers, who have not paid off previous loans, are not eligible for new ones.

Farmers can also access short-term and long-term loans through the joint Japan International Cooperation Agency (JICA) and the Myanmar Economic Bank (MEB) agriculture and rural development project. MADB oversees this project. Since the start of the project in 2017, it disbursed 237 billion MMK (\$62 million) to over 5,000 farmers to buy tractors and combine harvesters. Each farmer can borrow up to 70 million MMK (\$18,421) with repayment through three-year or five-year instalments.

Due to high fertilizer costs in 2022 and 2023, credit access has become one of the most important factors in allowing farmers to continue rice production. The DOA continues to provide credit of 200,000 MMK/acre (\$52.63) through contract farming, especially to incentivize seed production, as an additional financing tool under the National Economic Promotion Project fund.

The Burma regime requires rice exporters to obtain an export license to export rice and broken rice. According to traders, in February 2024, the regime restricted the export volume of Emata 5 percent broken rice to 60,000 MT per month.

From November 4, 2023, traders, who store at least 50 MT of rice for commercial sale, must registered in the [Myanmar Rice Online \(MyRo\) System](#) to allow MRF to better manage rice-related information on production and distribution. In November 2023, MRF reported nearly 300 warehouses have been registered in [Myanmar Rice Online \(MyRo\) System](#).

In November 2022, the regime approved the use of the U.S. dollar, Thai baht, and Chinese yuan at border trading points. Since February 2024, Burma began a rupee-kyat direct payment system to facilitate India-Burma bilateral trade.

1.6 Marketing

Farmers sell paddy (rough) rice to rice millers directly through contract farming or through local collectors, who are typically sent by rice millers. The rice millers then sell to rice wholesalers or directly to exporters. Wholesalers then distribute the rice to retail shops and department stores. Most farmers must sell their rice immediately after harvest to pay back farm loans and to get cash for their home expenditures, especially given the war-related uncertainty. Usually, there are some large farmers who decide to store rice and wait for higher prices. Some large agribusiness companies are operating in the whole supply chain (e.g., planting, milling, and trading, providing inputs).

There are two main rice trading centers: the Bayintnaung rice trading center and the Wardan rice trading center. Both are in Yangon. The Wardan rice trading center mostly manages rice from the Ayeyarwady delta region and distributes its rice to the domestic market or China. The Bayintnaung rice trading center mostly manages rice from Bago and Yangon and exports most of its rice. The standard weight for one

basket is 46 pounds. Farmers typically sell paddy rice immediately after harvest, when the moisture content is usually above 14 percent. Given the higher moisture content and influx of supply, buyers often offer prices below the market prices published by industry sources and use a different weight standard (e.g., 50-52 pounds per basket).

2. Corn

Table 2.1: Burma's Corn Production, Supply, and Distribution

Corn Market Year Begins Burma (Myanmar)	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	650	650	660	610	0	595
Beginning Stocks (1000 MT)	309	309	319	574	0	536
Production (1000 MT)	2650	2600	2850	2300	0	2250
MY Imports (1000 MT)	10	15	10	12	0	12
TY Imports (1000 MT)	10	15	10	12	0	12
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	2969	2924	3179	2886	0	2798
MY Exports (1000 MT)	2100	1800	2200	1800	0	1700
TY Exports (1000 MT)	2100	1800	2200	1800	0	1700
Feed and Residual (1000 MT)	500	500	650	500	0	500
FSI Consumption (1000 MT)	50	50	50	50	0	50
Total Consumption (1000 MT)	550	550	700	550	0	550
Ending Stocks (1000 MT)	319	574	279	536	0	548
Total Distribution (1000 MT)	2969	2924	3179	2886	0	2798
Yield (MT/HA)	4.0769	4	4.3182	3.7705	0	3.7815
(1000 HA) ,(1000 MT) ,(MT/HA) MY = Marketing Year, begins with the month listed at the top of each column TY = Trade Year, which for Corn begins in October for all countries. TY 2024/2025 = October 2024 - September 2025						

Source: Post calculations are based on interviews with the Myanmar Corn Industrial Association, Department of Agriculture and TDM.

2.1 Production

Post forecasts Burma's corn continued low production in MY 2024/25 due to civil unrest in the major corn-producing areas (northern Shan state, Kayin and Kayah states), low domestic prices, and replacement with other crops. The main producing areas for monsoon season corn are Shan state, Kachin state, Kayah state, and Sagaing region, while the main producing area for dry season corn is the Ayeyarwady region. Farmers reported that the main monsoon corn crop yield was 2.5-4.0 MT per hectare (MT/Ha) and the yield for the second winter crop is 4.5-5.5 MT/Ha on average in MY 2023/24.

Monsoon season crop relies solely on rainfall. Farmers harvest only 15-20 percent of corn with machines, while they thresh all corn mechanically. Almost all corn cultivated in Burma is from hybrid seeds, largely imported from Thailand. Major players in the corn seed market are Charoen Pokphand

(CP Group), Myama Awba Group, Aventine Limited (Armo) and BigM Group. CP Group and Myanmar Awba group represent 85 percent of the corn seed market. The most popular corn varieties are CP-808, GT-722, NK 625 (Syngenta), and NK 621 (Syngenta). Due to high demand and difficulty of importation in MY 2022/2023, farmers from Shan state had trouble with poor quality NK 625 seeds, which produced small buds and an incomplete seed setting. Burmese corn farmers plant more than 10,000 MT of seed annually and purchase seeds from local seed producers, seed importers, and a small amount from the government. Trade sources confirmed that corn farmers near border with Thailand use seeds directly, though informally, imported from Thailand.

The military pushback against regime forces by the Three Brotherhood Alliance began on October 27, 2023, in Northern Shan State, one of the largest corn production areas, and spread to Kayin, Kayah and Rakhine states. Some farmers had to abandon their farms before harvest.

Rainfall, seed quality, and fertilizer are the main factors determining yield. Post estimates the MY 2023/24 yield to drop from MY 2022/23 level as farmers face high fertilizer prices, poor seed quality and an unusual precipitation pattern. Farmers typically use 100-250 kg/acre of fertilizer per acre during the second crop (dry season) corn. However, farmers acquired smaller yields per unit area of corn in MY 2023/24 from reduced fertilizer utilization due to higher prices, counterfeit seeds, unusual rain in harvesting time.

As production costs for corn cultivation increased, while profit margins dropped, farmers began to replace some corn acreage with other crops. In Ayeyarwady region, the MY 2022/23 and MY 2023/24 winter season corn area shrunk by 25-35 percent to be replaced by chili peppers and pulses. A similar substitution occurred in Sagaing region. In Shan State, where corn is typically cultivated in hilly areas, farmers began to replace it with sugarcane and ginger.

Post lowered its MY 2023/24 corn production estimate due to high production cost, civil war, and crop replacement.

Since MY 2018/19, with the support of private banks, the Myanmar Corn Industrial Association (MCIA) has offered credit of 1,000,000 MMK (\$263) per acre of a production financing program to help corn farmers in Ayeyarwady with higher production costs. From MY 2021/22, United Amara Bank (UAB) has provided farmers with loans at a 12 percent interest rate. Typically, after bank disburses the loan in November, farmers harvest corn in February-March, and need to pay back the loan in July-August. MCIA confirmed that AYA bank will manage the production financing program in the MY 2024/25 season.

2.2 Feed Consumption

Post forecasts no changes to the domestic feed consumption in MY 2024/25 from MY 2023/24 as the livestock industry remains poorly developed, faces high feed cost, and has limited demand for livestock products. Corn demand from local feed millers remains below pre-coup average consumption due to weak demand for formulated feed from the poultry industry. Feed cost represents about 70 percent of the total broiler production cost and 62 percent of the total swine production cost. Industry sources reported that from 2021 to 2023, the broiler production cost increased 40 percent, egg production cost spiked 75 percent and swine production cost grew 18 percent. Industry sources indicate that domestic broiler production shrunk as producers faced high production costs, unstable security environment, difficult

logistics, especially in conflict-affected areas, unreliable electricity supply and declining purchasing power for meat among domestic consumers. Domestic corn constitutes 35-45 percent of the total feed composition in the poultry feed formula. In addition to the declining purchasing power of Burma consumers, emigration by young people and decline in tourist numbers have also lowered the demand for meat and eggs compared to pre-coup levels.

2.3 Trade

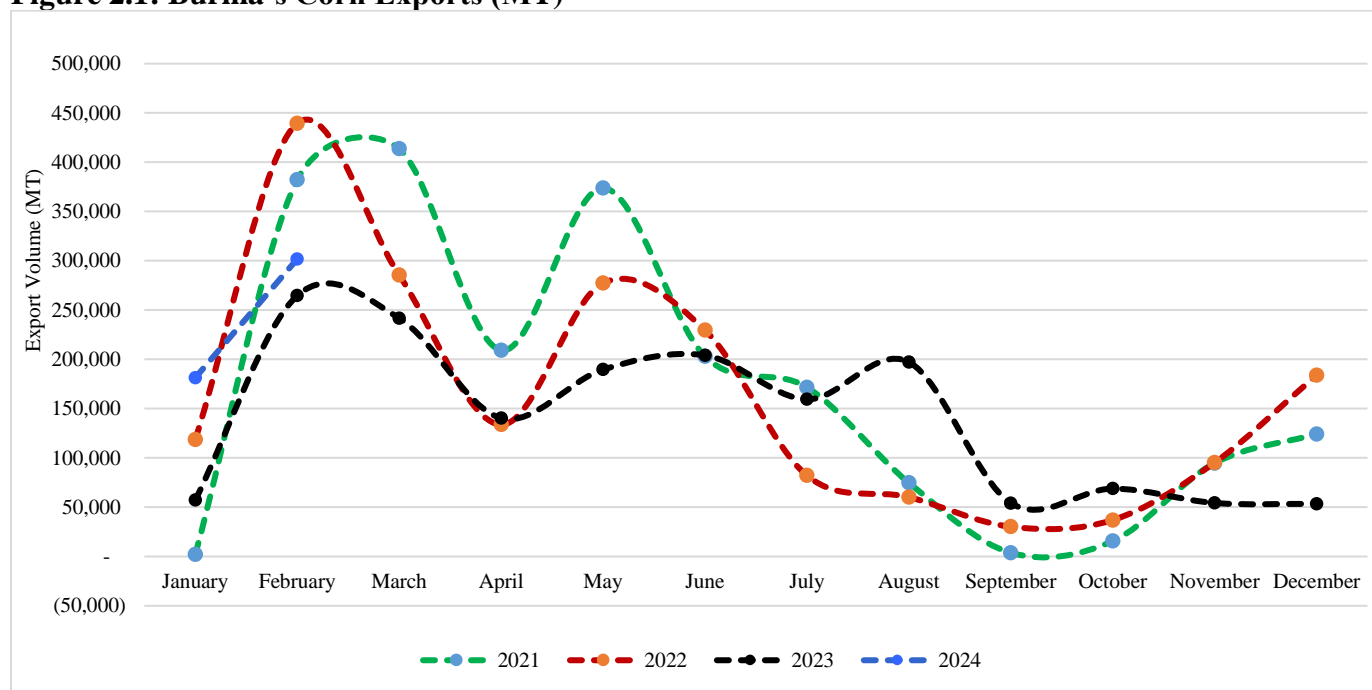
Post forecasts Burma's MY 2024/25 corn exports decrease to 1.7 MMT due to an anticipated smaller production in MY 2023/24, difficult transportation from the conflict affected areas to market, poor world prices and recent changes in policies on export earnings (see [Burma Restrictions on Export Earnings](#)). Transportation cost is very high, and it is challenging to send corn from major production areas especially in Shan State to the market. Several bridges in Northern Shan State were destroyed during battles further complicating logistics for corn to come to the market.

Burma's largest export markets for corn in 2023 were Thailand, China, and the Philippines. Industry sources shared that Burma exported over 1.2 MMT of corn to Thailand, Burma's largest corn market. According to the ASEAN Free Trade Area, Thailand allows duty-free corn imports across the Burma-Thailand border from February to August. Between September and January, importers must pay a 73 percent tariff, therefore Burma's exports corn to Thailand during the duty-free window. Burma's exporters had to shift to the sea route as active fighting between the regime and the Three Brotherhood Alliance since October 27, 2023, has complicated overland trade with China and Thailand (e.g., the primary road to Myawaddy (a border trade city with Thailand) closed in November 2023).

In July 2022, the Department of Trade directed traders at the border to utilize the advanced telegraphic transfer (TT) payment system (the TT system is widely used for trade through ports), to deposit their export earnings in advance of sale, yet most buyers do not want to pay for the product in advance. Burma's traders can trade in U.S. dollars, Thai baht, and Chinese yuan. To facilitate border trade, the Department of Trade eased this restriction on July 1, 2023 with [export/import newsletter 11/2023](#).

In June 2023, the MOC, without an advance notice to exporters, announced that the name of buyer company that deposits the payment must be the same as the name of company that actually purchases the products. Following this announcement, about 500 corn cargo trucks were stuck at the Burma-Thailand border.

Figure 2.1: Burma's Corn Exports (MT)



Sources: TDM (2021-2023), Myantrade Monthly Newsletter (for 2024 data)

Table 2.2. Burma's Import Tariff for Corn

Commodity	Purpose	Unit of Quantity	MFN Rate (%)
Corn Seed	Sowing	kg	0
Corn Flour	Consumption	kg	5

Source: Myanmar Customs Department

2.4 Prices

Although Burma's corn prices in 2023 were relatively higher than 2022 prices, farmers and traders did not gain a higher margin due to currency depreciation and high production costs. Burma's corn price declined in July 2023 and again in November to early 2024 in line with poor international prices due to low export demand after the end of the duty-free period for corn exports to Thailand. Burma's domestic corn prices strongly depend on export demand and international prices. Corn price usually rises around mid-January in the lead-up to the start of the duty-free export window to Thailand.

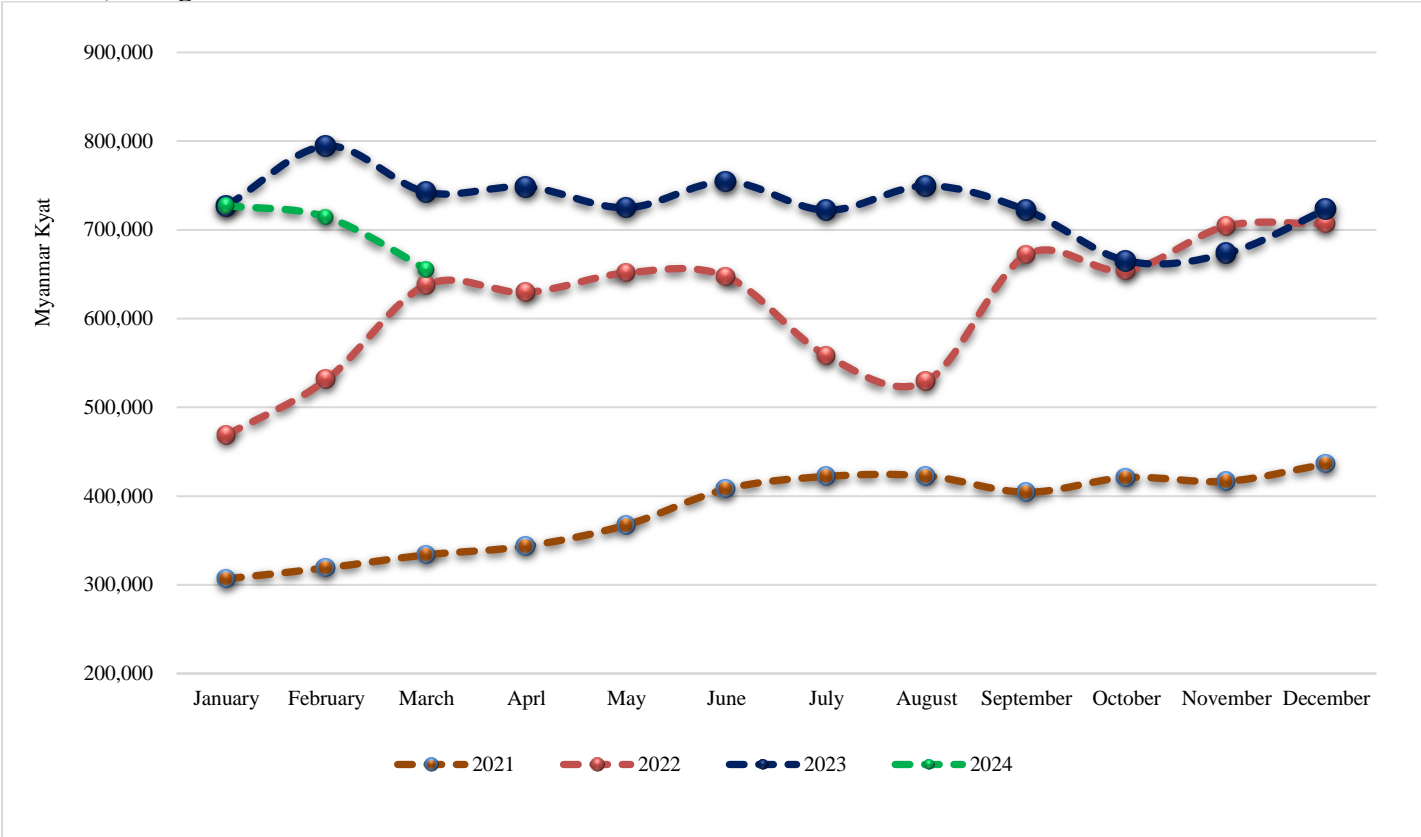
Traders struggled to move monsoon corn harvested in October-November 2023 in Shan State to Mandalay, Yangon and Muse town (along the border with China) due to transportation difficulties, high logistics costs and closures of border check points. Domestic corn prices dropped as corn piled in Shan State. In March 2024, new crop from Ayeyarwady has entered the market and further depressed prices due to surplus supply. At the same time, the recent relaxation of the export earning controls led to a further drop in domestic prices in February 2024 ([Burma Restrictions on Export Earnings](#)). On December 2023, MCIA reported that Burma's corn industry signed an MOU with 3 Thai companies, 2

Chinese companies, and 2 Vietnamese companies to sell approximately 7 MMT of corn. The first official sale was contracted in February 2024.

Changing regulations on foreign exchange management, restrictions on export earnings, depreciation of the Myanmar kyat, and transportation difficulties have all negatively impacted Burma’s corn exports compared to pre-coup years.

The Myawaddy-Kawkareik road presents significant challenges for cargo vehicles due to the destruction of many bridges in battles. Fighting between the regime and the Karen National Union/Karen National Liberation Army (KNU/KNLA) intensified since April 16 (after the Burmese New Year Festival), and Thailand-Burma trade was periodically suspended.

Figure 2.2: Monthly Domestic Wholesale Prices (MMK/MT) for Yellow Corn at Bayintnaung Market, Yangon



Source: etrademyanmar.com

2.5 Policy

Burma’s companies must register with the GACC to export corn to China. Inspectors from the Department of Consumer’s Affairs and from the Myanmar Product Inspection and Testing Service Limited (MITS) conduct field inspections to confirm the product meets the requirements of the SPS protocol negotiated with China. As of April 24, 2024, there are 133 warehouses and 59 dryers between 112 companies that the GACC has approved.

The regime requires export licenses to export corn (please see [Burma Restrictions on Export Earnings](#) for details on Burma’s recent policies on foreign export controls). Only large exporters are able to comply with the requirement to deposit export earnings into an advanced TT payment system.

3. Wheat

Table 3.1: Burma’s Wheat Production, Supply, and Distribution

Wheat Market Year Begins Burma (Myanmar)	2022/2023		2023/2024		2024/2025	
	Jul 2022		Jul 2023		Jul 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	70	58	70	55	0	55
Beginning Stocks (1000 MT)	65	65	77	62	0	62
Production (1000 MT)	100	85	100	80	0	80
MY Imports (1000 MT)	332	332	350	350	0	350
TY Imports (1000 MT)	332	332	350	350	0	350
TY Imp. from U.S. (1000 MT)	47	0	0	0	0	0
Total Supply (1000 MT)	497	482	527	492	0	492
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Feed and Residual (1000 MT)	0	0	0	0	0	0
FSI Consumption (1000 MT)	420	420	450	430	0	430
Total Consumption (1000 MT)	420	420	450	430	0	430
Ending Stocks (1000 MT)	77	62	77	62	0	62
Total Distribution (1000 MT)	497	482	527	492	0	492
Yield (MT/HA)	1.4286	1.3793	1.4286	1.4545	0	1.4545

(1000 HA), (1000 MT), (MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Wheat begins in July for all countries. TY 2024/2025 = July 2024 - June 2025

Source: Post Calculation based on TDM data and interviews with industry sources.

3.1 Production

Based on DOA’s 2023 production data and information with industry contacts, Post forecasts MY 2024/25 wheat production flat at 80,000 MT. Increased production cost, lack of good quality seeds, low domestic demand, high fuel and fertilizer prices constrain wheat production. Wheat is not on the list of the ten major crops³, and the government has minimal interest in improving wheat production. Major wheat growing areas are Sagaing region (76 percent), Shan State (20 percent), and Mandalay region (4 percent). Farmers typically plant wheat between October and November and harvest it between January and March.

³ The list of the 10 major crops includes rice, corn, groundnut, sesame, sunflower, matpe, green gram, toor whole, sugarcane, and cotton.

Planting time, water availability, and weather conditions are key determinants of yield. Wheat yield ranges between 1.2-1.7 MT/Ha. Some fields are far from water sources and depend on irrigation. Despite attractive prices for wheat in 2024, wheat farmers maintained a limited farming area due to a) the high cost of fuel to pump water for irrigation, b) poor seed quality, and c) high production costs. Imported wheat is more affordable than domestic wheat due to transportation costs so wheat acreage has gradually shrunk since MY 2017/18. Some wheat farmers replace wheat with chickpeas, which have a more favorable profit margin. Thus, Burma's farmers plant wheat only in areas where other crops cannot be planted. The Department of Agricultural Research (DAR) develops most of the wheat varieties planted (e.g., Zalote white wheat -1, 2, Yezin-12, and V-1287). Still, DAR's production of wheat seeds does not meet the domestic demand so many farmers rely on seeds that they or other farmers produce.

3.2 Consumption

Post forecasts MY 2024/25 wheat consumption at 430 MT, which is still below pre-coup demand due to a) high prices, b) low purchasing power of the consumer, c) reduced operating hours of wheat mills due to power outages, and d) supply chain challenges in conflict areas. People are leaving the country due to political turmoil causing low domestic demand for wheat. Wheat millers have suspended distribution or reduced the volume they sell to conflict areas within the country due to safety concerns and transportation challenges.

Post estimates a 2.4 percent increase in MY 2023/2024 consumption as there is some recovery of hotel businesses, openings of new bakeries, snack shops, and restaurants, and the migration of people from conflict areas to cities.

There are four major wheat mill businesses (U Kyu Family Group, Lluvia (under the umbrella of Capital Diamond Star), Htun Myittar companies, and Wilmar Myanmar) that operate large wheat mills. As a wholly Burma-owned company, U Kyu Family Group reduced their operations by 80 percent (from 10,000 to 2,000 MT/month of wheat flour) between 2021 and 2023 due to regime's requirements of no advance payment and import license application process. Market share lost by U Kyu Family shifted to Wilmar Myanmar and Lluvia, which are both co-owned by foreign companies (so could more easily arrange for advance payments required by most wheat exporters) and are involved in exports. These companies are able to obtain export earnings to pay for import. Wheat mills have reduced their operations by 40-50 percent since 2021. According to the Directorate of Industrial Supervision and Inspection, the number of wheat mills went from 54 in 2018 to 19 in 2022 in Sagaing region.

(<https://www.doca.gov.mm/my/node/5884>⁴)

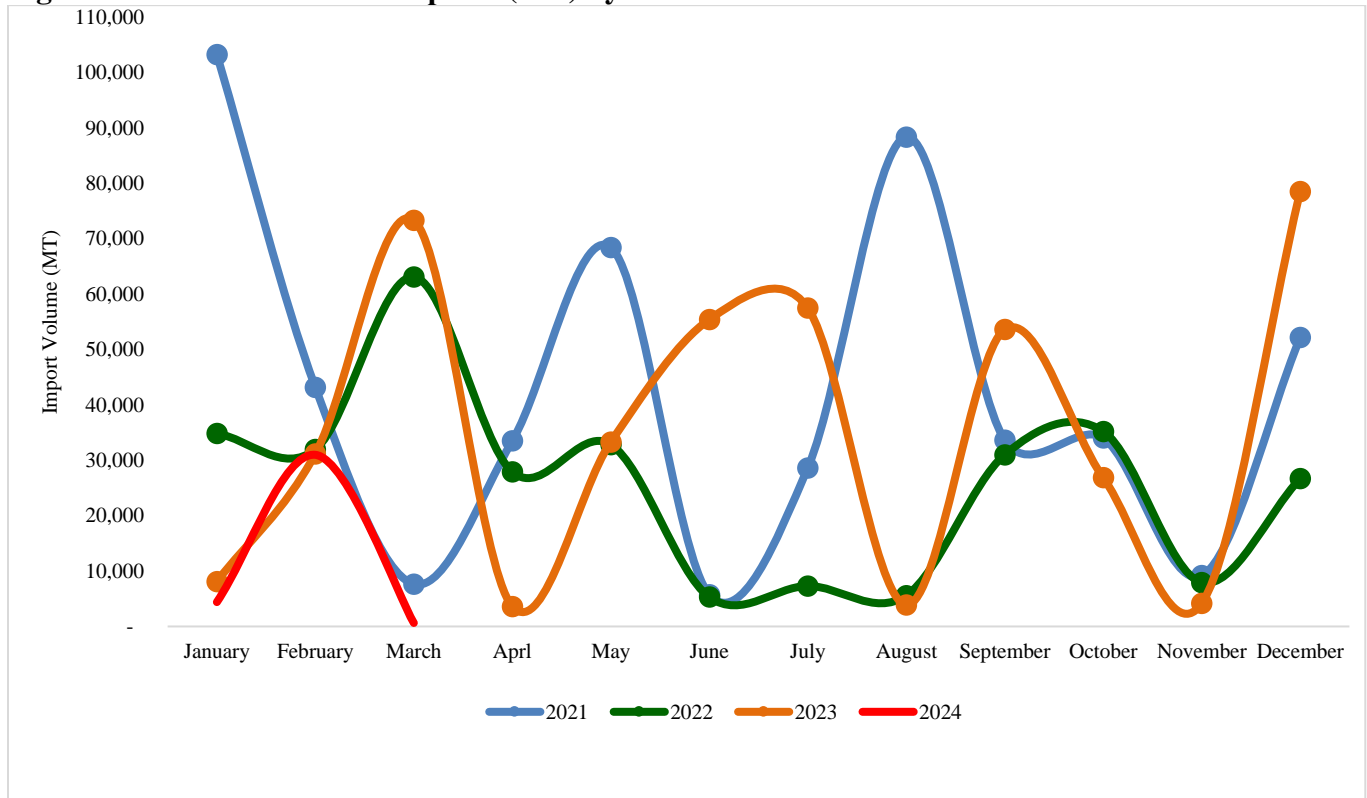
Burma's wheat-based foods are bakery items, biscuits, *plata* (Burmese flat bread), noodle varieties, including instant noodles, and various kinds of breakfast snacks. The majority of local wheat-related food manufacturers use at least some wheat imported informally across the border from India due to lower cost compared to other wheat suppliers (e.g., Australia, the United States and Canada), which have a higher quality grain.

⁴ Please note that sometimes the Burmese regime's websites are temporarily unavailable due to the political and economic instability in Burma.

3.3 Trade

Post forecasts wheat imports at 350,000 MT in MY 2024/25 which is still below the pre-COVID-19 and pre-coup import volume of 450,000-500,000 MT. This projection is based on higher world prices, import licensing challenges, policy changes on importation, and declining purchasing power. Burma mainly imports wheat grain from Australia, Canada, India, Thailand, and the United States. Wilmar Myanmar and Lluvia imported nearly 80,000 MT of wheat grain from Australia in December 2023 (Figure 3.1). Wheat flour from India enters through the “Tamu” border, where traders repack it with local wheat mill bags and sell to the local markets. The price for Indian wheat flour is 30 percent lower than wheat flour produced from U.S. or Australian wheat. In MY 2022/23, Australia supplied more than 72 percent of Burma’s total wheat grain imports. Australia’s wheat exports benefit from zero duties under the ASEAN-Australia-New Zealand Free Trade Area. Wheat importers must obtain import licenses, which are subject to the frequent changes in import/export policies. Importers reported it takes approximately 4-6 months to get their license. Importers must apply for an import license via the [Myanmar Tradenet 2.0](#) platform.

Figure 3.1. Burma’s Wheat Imports (MT) by Year

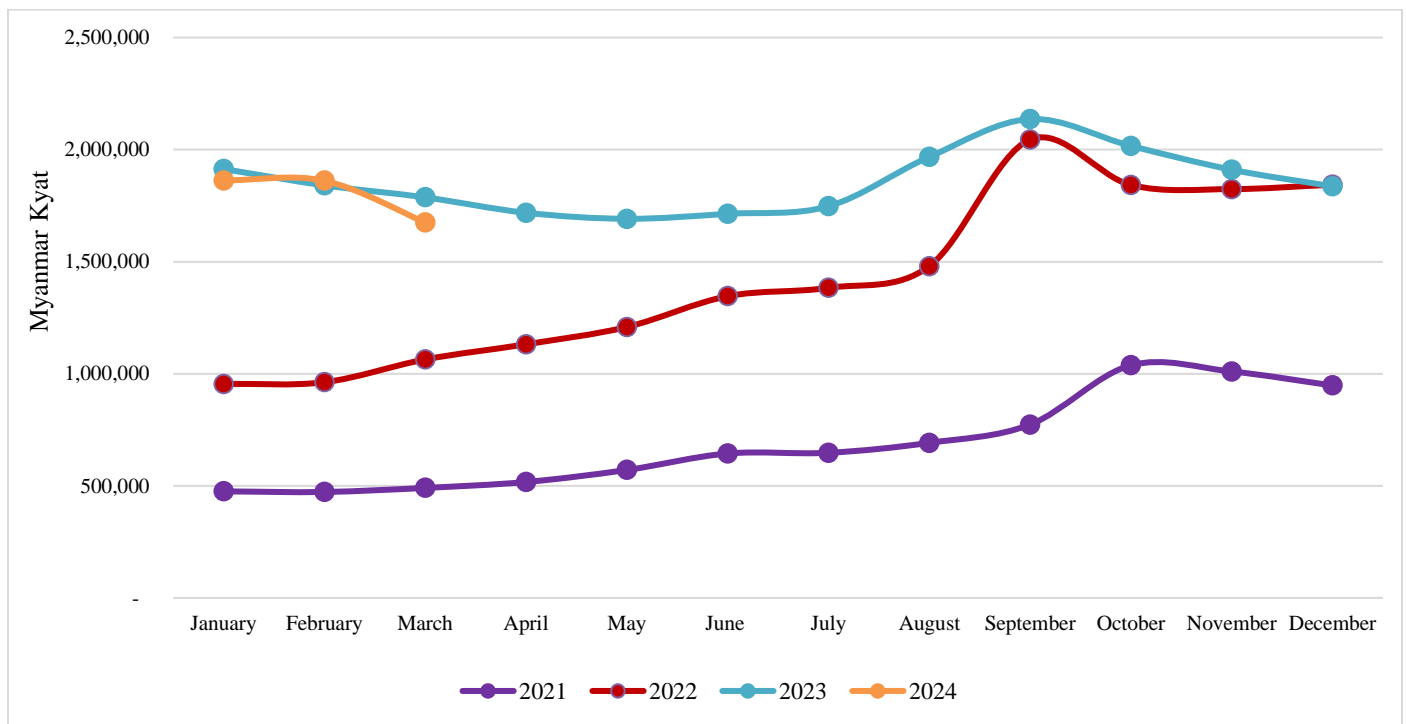


Source: [TDM](#)

3.4 Prices

Domestic prices for wheat increased in 2023 compared to the previous year due to a) strong international prices, b) reduced milling operations, c) high production costs for fertilizer, fuel, and transportations, and d) the depreciation of the Myanmar kyat against the U.S. dollar. Domestic wholesale prices for wheat usually increase between September to December due to reduced stocks during the off season. Prices for imported wheat flour vary according to the type of wheat flour but are usually cheaper and of higher quality than locally produced wheat. Domestic wheat prices mostly depend on demand from the mills in Mandalay, Sagaing, and Shan State since they primarily use local wheat. Formally imported wheat cannot compete on price with wheat flour from India. Large informal imports of wheat flour tend to drive down domestic prices and complicate the competitiveness of domestic wheat growers and importers.

Figure 3.2 Average Domestic Price for Wheat Grain in Mandalay Market (MMK/MT)



Source: etrademyanmar.com

3.5 Policy

The military regime is seeking to reduce imports of “non-essential” products to save foreign currency and reduce the trade deficit. Wheat importers are required to apply for an import license with the restrictions on export earnings (see [Burma Restrictions on Export Earnings](#)). Foreign currency controls implemented by the regime have limited the ability of importers to secure foreign currency to purchase goods. Importers complain that the process to obtain an import license is lengthy, and filled with delays and uncertainty.

The Department of Trade requires importers to have an import license before the product leaves the exporting country, making it harder for wheat importers to secure contracts in time and forces them to reapply for a license when a shipment is delayed. Importers also must use earnings from exports to procure wheat for import, forcing some wheat importers to start exporting other products, such as rice. The Myanmar Customs Department revised import tariffs of some products in October 2022, but the import tariffs for wheat grain and flour remain unchanged.

Table 3.2. Import Tariff for Wheat in Burma

Commodity	Purpose	Unit of Quantity	MFN Rate (%)
Wheat Grain	Consumption	kg	0
Wheat Flour	Consumption	kg	5

Source: Myanmar Customs Department

Attachments:

No Attachments