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## Burma - Union of

## GRAIN

## Grain and Feed Annual

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**Report Highlights:**

Burma's paddy production in MY 2009/10 is forecast to grow by 6 percent while its exports are pegged at 500,000 tons. Despite increased corn production in MY 2009/10, corn exports in 2009 may drop to only 100,000 tons due to a global economic downturn. Wheat production remains insignificant and Burma continues to rely on imports to meet domestic demand. Burma bean and pulse exports should remain strong in 2009 with the estimated total exports of 2 million tons.

**Executive Summary:**

Burma's paddy production in MY 2009/10 is forecast to grow by 6 percent to 18.5 million tons due to acreage expansion, improved yields and increased availability of irrigation water. Burmese rice exports in 2009 are estimated at 500,000 tons, as compared to actual 545,000 tons in CY 2008.

However, the actual exports remain uncertain since the Government of Burma (GOB) may impose a possible export ban if domestic prices appear to increase to an undesirable level.

Burma's corn production in MY 2009/10 is forecast to grow slightly to 1.20 million tons reflecting increased growing areas. Exports in CY 2009 are estimated to drop to 100,000 tons due to a global economic downturn. Although relatively low production cost could position Burma as a major corn exporter, primarily to South East Asian countries, export growth has been limited by quality issues and aflatoxin concerns.

Burma produces a limited amount of wheat, estimated at 180,000 tons in MY 2009/10. Burma must rely on imports to meet domestic demand primarily from India, China, Singapore, Australia and the United States. The U.S. market share of Burmese wheat imports is relatively small due to uncompetitive prices against other suppliers, especially Australia.

Bean and pulse production in MY 2009/10 is forecast to reach at 5.2 million tons due to attractive prices and strong export demand from India and China. Total exports of beans and pulses in MY 2009/10 are estimated to increase to 2.00 million tons.

### Commodities:

Rice, Milled

### Production:

Rice, Milled (Myanmar)	Burma	2007			2008		2009		
		2007/2008			2008/2009		2009/2010		
		Market Year Begin: Jan 2008			Market Year Begin: Jan 2009		Market Year Begin: Jan 2009		
		Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed	
		Data			Data			Data	
Area Harvested		7,085	7,000	7,085	6,700	6,700			7,000
Beginning Stocks		601	652	601	591	511			77
Milled Production		10,730	10,660	10,731	9,800	10,150			10,730
Rough Production		18,500	18,379	18,502	16,897	17,500			18,500
Milling Rate (.9999)		5,800	5,800	5,800	5,800	5,800			5,800
MY Imports		50	0	24	30	16			0
TY Imports		50	0	24	30	16			0
TY Imp. from U.S.		2	0	0	0	0			0
Total Supply		11,381	11,312	11,356	10,421	10,677			10,807
MY Exports		541	100	545	500	500			500
TY Exports		541	100	545	500	500			500
Total Consumption		10,249	10,700	10,300	9,700	10,100			10,200
Ending Stocks		591	512	511	221	77			107
Total Distribution		11,381	11,312	11,356	10,421	10,677			10,807
Yield (Rough)		3.	3.	2.6114	3.	2.6119			2.6429

Burma's paddy production in MY 2009/10 is forecast to grow by 18.5 million tons due mainly to increased growing area, improved yields and increased accessibility of irrigation water. The main crop paddy should yield approximately 17 million tons, with the balance coming from the second crop. Given normal weather conditions, average yields should increase based on the fact that increased entrepreneurs' participation in the paddy cultivation as contract farming and the lifting of rice export ban will encourage farmers to increase the use of fertilizer and high-yielding seeds. Nevertheless, increased utilization of fertilizer and seeds would also

depend on the prevailing domestic rice prices. If the margin of profit is not attractive enough, farmers would be reluctant to use inputs.

The estimate of paddy production for MY 2008/09 was revised upward from 16 million tons to 17.5 millions tons mainly because production from the States and Divisions which were not affected by the Nargis cyclone increased. Meanwhile, average yields in some cyclone-affected areas improved due to high-quality inputs donated by the Aid groups and NGO's. However, high fertilizer prices and unfavorable paddy/rice prices limited growing areas of the second crop in MY 2008/09.

Shwebo Township in Sagaing Division has become a major rice producer in Upper Burma since construction of dams have made irrigated water available year round, enabling to grow three crops of paddy each year.

In lower Burma, the main wet season crop is seeded from May to October and harvested from November to January. The main wet season crop is mainly grown in Irrawaddy, Yangon, Bago and Tanintharyi Divisions and Mon, Kayin and Rakhine States including the upland paddy in Chin, Kachin and Shan States. The second dry season crop is seeded from November until April, with total reliance on irrigation.

In Mid- and Upper- Burma, the main wet season crop is seeded in July and the second dry season crop from January through April, depending on the water resources available from the irrigation canals. Mid- and Upper- Burma harvests are usually a month or two later than harvests in lower Burma.

Urea fertilizer is mainly used for crop production followed by compound and rock phosphate. Data on the use of fertilizer in Burma are not available. Fertilizer prices increased in 2007 and increased substantially after March 2008 due to tight supply and increased export duties by the major fertilizer export countries. As a result, fertilizer prices in 2008 almost doubled over those in 2007.

Domestic fertilizer production is limited to about 100,000 tons per annum, which is far short of domestic consumption (about 1.5 million tons per annum). As a result Burma is the net importer of fertilizer. In order to meet its rising domestic demand, the Ministry of Agriculture and Irrigation is under construction of the fifth state-owned fertilizer plant in Patheingyi Township, Irrawaddy Division. The capacity of the new plant is 500 tons/day.

Private sector imported more than 125,000 mt of fertilizer from April-September 2008. Increased fertilizer imports were partly attributed to higher demand for a recovery of agricultural production in cyclone-affected regions. The GOB plans to import 100,000 tons of fertilizer in FY 2009/10 from Ukraine via Israel. Import duties on fertilizer, pesticides, and agriculture machinery, are zero.

The GOB reportedly distributed 55,752 tons of fertilizer in 2008, as compared to its target of 680,000 tons.

Chemical fertilizers are mainly imported from Middle Eastern and Asian countries, including Saudi Arabia, United Arab Emirates, Kuwait, and Qatar, China, Bangladesh, and Indonesia. Fertilizer imported from Thailand and China is mostly Urea, Compound and Phosphate fertilizer while that from India and Bangladesh is Urea fertilizer only.

#### Average Urea Fertilizer Prices-50 kg bags (in kyat)

	2006	2007	2008
GOB	17,000	22,000	24,000
Open Market	19,000	24,000	31,500

Agricultural loans by the Myanmar Agricultural Development Bank (MADB) have been increased from Kyat 62 billion (\$51.7 million) to Kyat 83 billion (\$69.2 million) for the upcoming monsoon crop season. The loan rate per acre has also increased to Kyat 10,000 (\$8) per acre of paddy, as compared with Kyat 8,000 (\$7) per acre in 2008. The monsoon paddy crop loans are available from April to August 2009 and are subject to repayment by March 31, 2010.

#### **Consumption:**

Rice is a staple food for the Burmese (total population estimated at 57.6 million with 17.6 million in urban areas and 40 million in rural areas), who consume more than 10 million tons of rice each year with per capita consumption reaching 200 kg per annum. In Burma, rice quality is graded according to the eating quality, length of cooking time, softness, and a percentage of broken and defected rice. There are approximately three grades of rice being sold in the domestic market, i.e. inferior, medium and superior grades. Inferior quality rice is mostly consumed by low-income people while medium and superior quality rice is consumed by medium to high-income people. According to Myanmar Agricultural Produce Trading (MAPT), 150,000 mt of rice were set aside for national reserves and 14,000 mt of rice for ASEAN reserves.

#### **Trade:**

Burmese rice exports should remain strong in 2009 unless the GOB will impose an export ban again. The GOB lifted the rice export ban since September 2008 after a temporary ban resulting from the Nargii cyclone last May. The GOB has determined export target of 500,000 tons for MY 2009/10.

The GOB's permission to engage rice border trade to China, Bangladesh and Thailand since last October is known as a remarkable change in rice trade policy in 2008. However, the rice border trade has not been active as many anticipated due to high transportation costs and low demand in the neighboring countries. There were only 4,450 tons of rice through border trade thus far; e.g., 2,000 tons of rice through Loei Je to China, 2,000 tons through Myawaddy to Thailand, and 450 tons through Sittwe to Bangladesh.

Burma's rice exports amounted to 545,631 tons (including border trade) in 2008, far exceeding the 2007 level of 31,200 tons. More than 70 percent of total exports occurred in the first months (Jan-Apr), a period prior to the cyclone disaster. Bangladesh was the largest importer in 2008, accounting for 71 percent of exports, followed by Africa (25 percent).

Burma's rice exports are generally of inferior quality and broken rice. Post views that rice export trend for the whole year of 2009 will become more obvious after mid 2009 when a bulk crop of the major wet season paddy production enters the market. Although some of the traders were optimistic that Burma's exports could potentially reach at 600-700,000 tons in 2009, Post prefers the government's export target at 500,000 tons at the moment given the prevailing exchange rate against U.S dollar and global rice prices.

In recent months, exporters sold their rice at huge losses since export prices kept going down and they need to export to fulfill their commitment with the government. Post believes that Burmese inferior-grade rice (25% Emata grades) is currently the world cheapest, even compared to rice from Vietnam, a major supplier of inferior-grade rice.

There are some constraints at the port especially in the rainy season (June to August) and mills are not able to handle large supply quantities. In addition, the GOB's export requirements are complicated and become a restriction. The GOB currently allows the private sector to export rice but eligible exporters receive a rice export license, issued by the Ministry of Commerce, after stock checking at exporters' warehouse. Exporters must maintain a minimum amount of 15,000 tons of Ehmata 25 percent and 3,000 tons of superior quality rice to be eligible for export. High export tax (20 percent) and volatile US dollar against Kyat are also export constraints in the view of exporters. Trade sources reported that the exchange rates that are running at Kyat 1,200 per US Dollar or above are preferable.

Burma also imported 24,401 tons of rice in 2008 through rice donation by the USAID to the cyclone survivors in the Irrawaddy Division. India and Thailand are only suppliers in 2008. Trade sources confirmed that shipments of 16,623 tons of rice arrived and were distributed by February 2009.

<b>Export Trade Matrix</b>			
<b>Country</b>	Burma, Union of		
<b>Commodity</b>	Rice, Milled		
<b>Time Period</b>		<b>Units:</b>	
<b>Exports for:</b>	<b>2007</b>		<b>2008</b>
U.S.		U.S.	
Others		Others	
Africa			30,340
Bangladesh	14,144		384,629
Egypt			2,207
Ivory Coast	16,793		105,895
Sri Lanka			8,267
Singapore	263		9343
North Korea			500
Total for Others	31,200		541,181
Others not Listed			4,450*
<b>Grand Total</b>	<b>31,200</b>		<b>545,631</b>

\* Border trade

**Policy:**

In response to a severe damage by Nargis cyclone in May in Irrawaddy and Yangon Divisions, the GOB in fear of shortage of domestic rice supplies imposed a rice export ban in June 2008. In July 2008, the GOB allowed

export of rice from the old sale contracts that were made prior to the disastrous cyclone. The export ban was lifted later in September 2008 after the GOB found that increased production from cyclone non-affected areas could cover decreased production from affected areas. The validity of export permits was extended from two weeks to three months, allowing more flexibility for traders to find potential buyers. However, the Ministry of Commerce did not allow any container shipments except for Superior quality rice.

Shortly after the cyclone, the GOB did not allow World Food Program (WFP) to purchase rice from the domestic market and distribute to the Nargis cyclone survivors due to a concern that the purchase would disrupt the domestic rice supplies. The WFP therefore imported 24,000 tons of rice from Thailand and India. In late 2008, the GOB became less restrictive and allows the WFP to procure rice from the domestic market through the Myanmar Chamber of Commerce. As of February 2009, the WFP procured 3,500 tons of rice at US\$ 280/ton from the Rice Millers Association.

In October 2008, GOB also lifted the ban on rice exports through border trade to Bangladesh, China and Thailand. Export license for rice through border trade were issued to any company within a day. However, an application must contain names of the township where rice was purchased. Once rice for export has been inspected, the corresponding department issued the export license on the same day. During October to December, 2008, nine companies received an export license and exported 4,450 tons of rice.

The Burmese Army procured about 164,000 tons of paddy from different states and divisions through a tender for Army rations. Prices were based on prevailing market prices in different states and divisions.

## Commodities:

Corn

## Production:

Corn (Myanmar)	Burma	2007		2008		2009		
		2007/2008		2008/2009		2009/2010		
		Market Year Begin: Oct 2007		Market Year Begin: Oct 2008		Market Year Begin: Oct 2009		
		Annual Data Displayed	New Post Data	Annual Data Displayed	New Post Data	Annual Data Displayed	Jan Data	
Area Harvested		345	350	346	350	345		360
Beginning Stocks		0	0	0	0	0		0
Production		1,119	1,100	1,128	1,150	1,142		1,200
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		1,119	1,100	1,128	1,150	1,142		1,200
MY Exports		250	95	168	250	140		100
TY Exports		250	95	168	250	140		100
Feed Consumption		794	955	900	820	932		1,020
FSI Consumption		75	50	60	80	70		80
Total Consumption		869	1,005	960	900	1,002		1,100
Ending Stocks		0	0	0	0	0		0

Total Distribution	1,119	1,100	1,128	1,150	1,142			1,200
Yield	3.	3.	3.2601	3.	3.3101			3.3333

Burma's corn production in MY 2009/10 is forecast to increase from 1.14 million tons in MY 2008/09 to 1.20 million tons due mainly to increased acreage. Assuming a normal weather pattern, higher utilization of quality seeds varieties are expected to contribute to a better than average yield in MY 2009/10. Feed Corn area is forecast to increase following strong regional demand and attractive corn prices. Higher corn prices have encouraged farmers to increase production, but rising input prices may hamper the fertilizer use.

Corn is the major crop second to rice and is grown throughout the country. Burma produces three types of corn: feed corn, edible corn, and sweet corn. Feed corn is mainly utilized for animal feed manufacturing and export. This report focuses only on corn as feed, with all the statistics reporting only corn (feed grain). Edible and sweet corn are grown through out the country during the monsoon and cold seasons and are consumed as snack foods. The harvested area of edible and sweet corn is estimated at about 334,000 hectares in FY 2008/09 with production of 1,312 million cobs.

Corn production is dependent on monsoon rains for moisture and the cultivation of these crops is determined by the status of soil moisture. In Burma, corn is grown in the monsoon season (80% of total planted area) as well as the dry season (20% of total planted area) where adequate moisture exists. Nearly 50 percent of the corn area is seeded in the Shan State in the monsoon season, followed by 18 percent in Sagaing Division and 10 percent in Magwe Division. In the dry season, about 50 percent of the corn area is seeded in the Irrawaddy Division, with 19 percent in Sagaing, 12 percent in Magwe and Mandalay Divisions respectively.

Average yields range widely from 2.60 to 3.24 metric tons per hectare depending on the use of hybrid seeds. Hybrid corn seeds generate much higher yields than local variety seeds. Since corn sown in the dry season relies heavily on the residual soil moisture, or the rainy season's monsoon rains, timely seeding is crucial to the crop success. In FY 2008/09 (April-March), the Ministry of Agriculture and Irrigation selected townships for new variety seed plantings in Kachin, Kayah, Kayin, Chin and Shan states and also in Sagaing, Magwe and Mandalay division. Total area of 40,000 hectares was planted under this project with high average yield of 4.8 tons/hectare.

### **Seed Varieties**

Cropping pattern determine varieties of corn to be planted, especially among farmers that grow two crops a year. There are about ten seed varieties. Four brands of hybrid seeds are developed by Charoen Pokphand (CP) Group from Thailand (such as CP9, DK888,999 and QQQ) while one variety brand is produced by the Central Agricultural Research Institute at Yezin in Mandalay Division. A few seed varieties are imported from Malaysia, Vietnam, Cambodia and China. Charoen Pokphand's seeds dominate the market, capturing about 75 percent of total hybrid corn seed use.

Hybrid corn seeds made up 54 percent of total planted area planted. Shan States and Sagaing Division are in the highest use of hybrid seed in the country.

## **Fertilizer**

The annual demand for chemical fertilizer is about 1.5 million metric tons. The Myanmar Agriculture Service (MAS), an agency of the Ministry of Agriculture and Irrigation, undertakes the distribution of domestically produced fertilizer for selected high yielding zones. The three state-owned fertilizer plants could only meet 7 percent of the total demand, due to limited availability of necessary inputs such as electricity and fuel for machinery. Imported fertilizer fills the bulk of Burma's demand. Although prices for imported fertilizer are relatively high, farmers prefer imported fertilizer as it allows them to buy on a credit basis.

### **Consumption:**

Burma is self-sufficient for feed corn. Domestic consumption is forecast to grow by 10 percent in MY 2009/10. Feed corn serves as substitute staple food for rice in the various hill regions where it is consumed instead of rice. In the Chin State, a rice deficit area on the southwestern border, feed grain is predominately consumed as the staple cereal dish. In 2008, triggered by the flowering of the bamboo, a rat infestation has destroyed large part of corn harvest leading to acute food insecurity in many villages. Corn is also used as corn flour in biscuits, cakes and snacks.

There are about 20 commercial feed mills in Burma with the big commercial mills centered in Rangoon, Mandalay and Shan States, including two feed mills owned by Charoen Pokphand Group (C.P.) from Thailand, two are operated by Burmese-Indonesian joint venture, called Maykha, and the other one owned by the GOB and three private groups (San Pya, Yuzana, Super Power and Myanma Arhman). The use of corn in broiler and layer feeds constitute 60 percent of feed use. It is estimated that 60 percent of the corn production is used for domestic feed consumption and 38 percent for the export market. Corn by-products such as stalks and leaves are used as fodder for animals and as wrappers for corn cheroots, a popular type of sun dried cigar. Stalks on the other hand are used as firewood.

CP has a drying facility for feed corn in AyeThayar, Industrial zone of Taunggyi Township, Shan State. Feed corn is dried in this facility and then delivered for feed manufacturing. The majority of feed corn in Burma is sun-dried and still has the problems with high alpha toxin content.

Yangpe Corn Starch Plant, a joint venture between the GOB and China-based Wai Hung Machineries Trading Co. Ltd produced corn protein, cakes, hair and pieces for sale.



<b>Prices Table</b>			
<b>Country</b>	Burma, Union of		
<b>Commodity</b>	Com		
Prices in	Kyat	per uom	MT
Year	2007	2008	% Change
Jan	196997	229083	16%
Feb	233254	234683	1%
Mar	243658	210427	-14%
Apr	242922	197442	-19%
May	239592	206871	-14%
Jun	246695	242370	-2%
Jul	294928	292719	-1%
Aug	295454	300480	2%
Sep	255348	337250	32%
Oct	220818	219878	0%
Nov	227109	195011	-14%
Dec	225670	151390	-33%
Exchange Rate	Kyat 1,000	Local Currency/US \$	
Date of Quote	3/31/2009	MM/DD/YYYY	

#### **Trade:**

Burma has been a net exporter of corn in the past four decades. Corn trade is not restricted or controlled by the GOB, except when domestic prices climb above desirable levels. Although there is no official data on border trade with China, trade sources report feed corn from the Northern part of Shan States is delivered daily thorough Muse to Yunnan, China during the harvest period. Trade sources estimate that border trade could reach 44,000 mt tons in 2008.

The major wholesale markets for feed corn are Rangoon and Mandalay markets. Strong demand for Burma's feed corn for ethanol and animal feeds production in China will continue to boost Burma's export. China prefers feed corn originating form Shan State due to low alpha toxin content, bright color and bigger seed size compared to feed corn produced in Upper Burma.

Burma's corn export in MY 2009/10 is estimated to drop from 140,000 tons in MY 2008/09 to 100,000 tons due to a general economic downturn in buying countries.

<b>Export Trade Matrix</b>			
<b>Country</b>	Burma, Union of		
<b>Commodity</b>	Corn		
Time Period	Jan-Dec	Units:	M.T
Exports for:	2007		<b>2008</b>
U.S.		U.S.	
Others		Others	
Bangladesh	9,578		
China	87,179		350
France			233
Hong Kong	472		345
Indonesia	37,879		14,486
India	791		210
Japan	20		
South Korea			1,211
Malaysia	48,770		70,071
Pakistan	457		
Phillippines			
Singapore	4,345		
Thailand	500		4,967
Taiwan			1,088
Vietnam	18,070		2,431
Total for Others	208,061		95,392
Others not Listed			44381*
Grand Total	208,061		139,773
Note Border trade with China			

### Policy:

Foreign buyers requested the GOB to monitor Avian Influenza (AI) disease contamination in corn exports after the outbreak of Avian Influenza in Mandalay and Sagaing Divisions in February 2006,. As a result, the GOB regulated that all corn exports be tested at the labs of Ministry of Livestock and Fisheries prior to export.

### Commodities:

Wheat

### Production:

Wheat (Myanmar)	Burma	2007		2008		2009	
		2007/2008		2008/2009		2009/2010	
		Market Year Begin: Jul 2007		Market Year Begin: Jul 2008		Market Year Begin: Jul 2009	
		Annual Data Displayed	New Post	Annual Data Displayed	New Post	Annual Data Displayed	Jan
			Data		Data		Data
Area Harvested		95	113	98	91	99	100
Beginning Stocks		0	0	0	0	0	0
Production		147	164	155	145	160	180

MY Imports	84	130	107	125	133			130
TY Imports	84	0	107	125	133			130
TY Imp. from U.S.	0	0	0	0	0			0
Total Supply	231	294	262	270	293			310
MY Exports	0	0	0	0	0			0
TY Exports	0	0	0	0	0			0
Feed Consumption	0	0	0	0	0			0
FSI Consumption	231	294	263	270	293			310
Total Consumption	231	294	263	270	293			310
Ending Stocks	0	0	0	0	0			0
Total Distribution	231	294	263	270	293			310
Yield	2.	1.	1.5816	2.	1.6162			1.8

Burma produces a limited amount of wheat, about 150-180,000 tons per annum from 100,000 hectares. Wheat production is limited by geographical conditions and strong competition from other cash crops such as beans and pulses.

Most wheat production is grown in Mandalay and Sagaing divisions and Shan States. Varieties produced are of local origin and named after the production area. These varieties include Myimu wheat, Myaung wheat, Monwya wheat and Shan wheat. Wheat is seeded in October and harvested in January, with the peak harvest season in February and March.

#### **Consumption:**

Overall consumption of wheat flour in MY 2009/10 is forecast to increase slightly from the MY 2008/09 level despite a weak economy. As rice remains staple food for Burmese, per capita wheat consumption is very low at about 3-4 kgs. Wheat flour is consumed in forms of noodles (65 percent), biscuits (10 percent), bread (10 percent), and confectionery (15 percent). Bread consumption has increased due to availability of higher quality flours and a change in consumers' behavior. Consumption of instant noodles, snacks, and biscuits remains the highest due to lower costs and longer shelf life.

<b>Prices Table</b>			
<b>Country</b>	Burma, Union of		
<b>Commodity</b>	Wheat		
Prices in	Kyat	per uom	
Year	2007	2008	% Change
Jan	403,968	551,142	36%
Feb	426,479	566,801	33%
Mar	426,706	512,300	20%
Apr	473,146	676,603	43%
May	469,776	491,619	5%
Jun	468,479	503,703	8%
Jul	526,942	532,172	1%
Aug	541,164	530,183	-2%
Sep	613,576	532,160	-13%
Oct	602,070	501,378	-17%
Nov	559,132	488,920	-13%
Dec	552,868	447,978	-19%
Exchange Rate	Kyat 1000	Local Currency/US \$	
Date of Quote	3/31/2009	MM/DD/YYYY	

#### **Trade:**

Due to insufficient domestic production, Burma depends heavily on imported wheat and wheat flour. The major suppliers for imported wheat are Australia, Singapore, the United Arab Emirates (UAE), Turkey, India, and the European Union. U.S market share in Burmese wheat imports is small due to its lack of price competitiveness with other supplying countries.

Wheat is imported in containers by the mills in Rangoon, where it is then bagged and stored. The largest two players in the Burmese wheat import market are OK Brothers and Diamond Star. The GOB bans the import of wheat flour to Burma.

#### **Average Import prices of wheat in MY 2007 and MY 2008**

Unit: \$/ton

	2007	2008
Australia	220-300	254-520
China	n/a	260-289
USA	233	n/a
Russia	240	n/a
Pakistan	225-240	n/a

<b>Import Trade Matrix</b>			
<b>Country</b>	Burma, Union of		
<b>Commodity</b>	Wheat		
Time Period	CY 2007	mt	CY 2008
Imports for:			
U.S.	550	U.S.	
Others		Others	
Australia	90,883		13,100
China	1,036		17,900
Russia	1,021		
Singapore	8,224		
Pakistan	6,162		
Total for Others	107,326		31,000
Others not Listed			102,310
Grand Total	107,876		133,310
Note* Imported through Border Trade			

**Commodities:**

Mixed Grain

**Production:**

Mixed Grain (Myanmar)	Burma	2007		2008		2009	
		2007/2008		2008/2009		2009/2010	
		Market Year Begin: Jan 2007		Market Year Begin: Jan 2008		Market Year Begin: Jan 2009	
		Annual Data Displayed	New Post	Annual Data Displayed	New Post	Annual Data Displayed	Jan
		Data		Data		Data	
Area Harvested		4,232		4,308		4,400	
Beginning Stocks		0		0		0	
Production		4,930		5,097		5,200	
MY Imports		0		0		0	
TY Imports		0		0		0	
TY Imp. from U.S.		0		0		0	
Total Supply		4,930		5,097		5,200	
MY Exports		1,934		1,900		2,000	
TY Exports		1,450		1,900		2,000	
Feed Consumption		2,996		3,197		3,200	
FSI Consumption		0		0		0	
Total Consumption		2,996		3,197		3,200	

Ending Stocks			0			0			0
Total Distribution			4,930			5,097			5,200
Yield			1.1649			1.1831			1.1818

## Production

Post forecasts that Burma's bean and pulse production in MY 2009/10 will be 5.20 million tons, up 2 percent from 5.10 million tons in the MY 2008/09 mainly because relatively attractive return from cultivation should encourage area expansion.

Burma grows eighteen varieties of pulses for domestic consumption and export. Matpe, Mung bean, Chickpea, Cowpea, Toor Whole (Pigeon pea), Black Eye beans, Small white beans and Butter beans (Lima beans) are the major export varieties. Meanwhile, Mung beans, Toor Whole (Pigeon pea), Matpe dominate the large portion of total area, followed by Chickpea, and Black eye bean (Pelun). Mung beans constitute 25 percent of the total area, Matpe 23 percent and Toor Whole (Pigeon pea) 14 percent respectively. The rest are Chick peas and Black eye bean (Pelun)

Although beans and pulses are grown throughout Burma, 90 percent of the total production area is centered in the Irrawaddy, Magwe, Pegu, Mandalay, Sagaing and Rangoon divisions.

Beans and pulses productivity depends on monsoon rains. A large portion of production (about 70 percent) is planted during a dry season after the main crop paddy. The rest of total production is grown in the early-monsoon and late-monsoon seasons. Although Burma is the world's second largest beans and pulses exporter, its production and quality is far behind Canada and Australia.

Special Quality Matpe preferred by exporters are from Ma U Bin, DaNyuPyu, Zalun townships of Irrawaddy Division and DaikOo, Pyuntazar, Nyaunglaybin townships of Pegu Division, Butter beans exported to Japan are from Gangaw township of Magwe Division, Mung bean (green and yellow) is mainly from Kayan, Thonegwa township of Rangoon division and Bamboo beans from Pakoku township of Magwe Division.

## Consumption:

Burmese people consume beans and pulses as a supplementary dish in their diet. It is also the main protein source for low-income consumers. Some varieties are consumed as snacks. The varieties of beans and pulses being consumed domestically include Chickpea, Gram, Soybean, Toor Whole (Pigeon pea), Mung bean, Matpe, LabLab bean, Red lentil, Sultanipya (red lima beans) and Gear beans. They are consumed as fried snacks, powdered, bean noodles, and beans sprouts. People in Central Burma consume more beans and pulses than those in other parts of the country, due to a lack of green vegetables during a summer. In the Shan States, soybeans are mostly consumed in form of soybean paste or curd. The per capita consumption for beans and pulses is officially reported at 13.38 kgs.

<b>Prices Table</b>			
<b>Country</b>	Burma, Union of		
<b>Commodity</b>	Beans		
Prices in	Kyat	per uom	M.T
Year	2007	2008	% Change
Jan	497,500	531,250	7%
Feb	0	541850	
Mar	609,000	521,350	-1.4%
Apr	604000	520,667	-1.4%
May	614167	513,000	-1.6%
Jun	646250	654,200	1%
Jul	694000	774,000	12%
Aug	700000	731,000	4%
Sep	660,000	720,000	9%
Oct	690,000	622,500	-10%
Nov	646,200	467,500	-28%
Dec	606,000	406,250	-33%
Exchange Rate	Kyat 1,000	Local Currency/US \$	
Date of Quote	3/31/2009	MM/DD/YYYY	
Note: Wholesale prices for Toor Whole Ready Cargo			

#### **Trade:**

Burma's beans and pulses exports are forecast to reach 2.00 million tons in MY 2009/10, an increase of 5 percent from 1.9 million tons in MY 2008/09.

In CY 2008/09, the major buyer was India (81 percent of total exports), China (7 percent) and Pakistan (3 percent). Since the problem of high hydrogen cyanide content in Burmese Butter beans have improved, exports of Butter beans to Japan tripled from 9,548 tons in 2007 to 28,424 tons in MY 2008. Trade sources estimate that about 25 percent of total exports occur along the borders, especially with China. China became a major importer of Burma's beans and pulses after India. However, it is difficult to report actual exports to China as a big portion of Burma's beans and pulses exports are re-exported to other countries. Prices for beans and pulses at the wholesale market in Mandalay division and Pakoku Township, Magwe division fluctuate based on demand from China. Trade sources report that Mung bean exports to China are mostly destined to Yunnan Province.

Burma is the world's second largest beans and pulses exporter after Canada. Nevertheless, Burma's beans and pulses are of inferior quality mostly destined for India. India imports about 3 million tons of beans and pulses annually from various countries, with high quality beans and pulses coming from U.S, Australia and Canada, and inferior quality coming from Burma.

Burma is currently not able to enter higher-quality markets of Europe and Japan though there had been a few value added export products such as de-husked Matpe, Mung beans and Toor Whole (Pigeon pea).

The major export-oriented beans and pulses are Matpe, Mungbean and Toor Whole (Pigeon pea). Burma benefits from having very low production costs of beans and pulses, which could potentially lead Burma to capture markets traditionally supplied by U.S and other producing countries in the future. The major problem faced by Burma's beans and pulses exporters is the presence of high hydrogen cyanide (HCN) level in Butter beans.

The outlook of beans and pulses exports in CY 2009/10 is strong despite softening export prices and the volatility of US dollar. Financial sanctions imposed by the U.S. Government have affected Burma's ability to export worldwide.

Pulses export by destination in CY 2008 (metric tons)						
Country	Butter beans	Matpe	Mung beans	Toor Whole (Pigeon pea)	Others	Total
Australia		5	939	159	134	1237
Africa			24		118	142
Algeria					69	69
Brazil			22			22
Bangladesh		1672	2029	0	935	4636
Brunei			69			69
Belgium			604	106	176	886
Bahrain		32	32	8	24	96
China	309	25057	73913	13655	33293	146227
Czeh					202	202
Denmark					24	24
Egypt	120	23	48	0	8292	8483
France					138	138
Germany		72	48	0	1080	1200
Hong Kong					88	88
India	300	718057	271153	380311	246753	1616574
Indonesia		23	504	48	71	646
Italy		32	97	48	607	784
Israel					88	88
Iran					115	115
Japan	28424	3563	1660	1792	3683	39122
Korea	1072	48	72	248	806	2246
Kuwait		221	719	148	1078	2166
Kazakhstan	0	0	6	0	16	22
Latvia					64	64
Lithuania					43	43
Malaysia	24	1350	403	79	746	2602
Mauritius	120	0	64	48	441	673
Mali					23	23
Netherlands			542	0	279	821
New Zealand					24	24
Oman	0	0	120	0	0	120
Pakistan	0	26131	0	766	34590	61487



Philippines			645	0	552	1197
Portugal					326	326
Poland			138	0	46	184
Qatar			72	24	72	168
Russia					768	768
Singapore	293	4121	4981	2507	8649	20551
Sri Lanka	0	3145	4449	0	1302	8896
Sweden			23			23
Spain	0	0	23	0	391	414
Saudi Arabia	0	585	877	180	2527	4169
Taiwan		384	72	0	46	502
Thailand	20	904	2363	621	3473	7381
UAE	264	13385	8093	11390	11739	44871
U. Kingdom	0	1872	3828	32	2125	7857
Uruguay	308	0	0	0	150	458
Vietnam	0	1892	5127	0	263	7282
Total	31254	802574	383759	412170	366429	1996186

<b>Export Trade Matrix</b>			
<b>Country</b>	Burma, Union of		
<b>Commodity</b>	Beans		
<b>Time Period</b>	Jan-Dec.	<b>Units:</b>	MT
<b>Exports for:</b>	<b>2007</b>		<b>2008</b>
<b>U.S.</b>		<b>U.S.</b>	
<b>Others</b>		<b>Others</b>	
Australia	168		1237
Africa	0		142
Algeria	0		69
Bangladesh	3314		4636
Brunei	23		69
Bulgaria	144		0
Belgium	667		886
Bahrain	201		96
Brazil	0		22
Canada	672		0
China	373147		146227
Czeh	90		202
Denmark	72		24
Egypt	3424		8483
France	24		138
Germany	141		1200
Hong Kong	110		88
India	908188		1616574
Italy	276		784
Indonesia	690		646
Israel	0		88

Iran			115
Jordan	336		0
Japan	14397		39122
Korea	804		2246
Kuwait	242		2166
Kazakhstan			22
Lithuania			43
Latvia			64
Lebanon	720		0
Malaysia	3399		2602
Mauritius	190		673
Mali			23
Netherland	530		821
Nepal	551		0
New Zealand			24
Oman	72		120
Pakistan	70145		61487
Philippines	834		1197
Portugal	46		326
Poland	184		184
Qatar	480		168
Russia	69		768
South Africa	192		0
Sri Lanka	10633		4169
Singapore	12126		20551
Sweden			23
Saudi Arabia	562		4169
Switzerland	24		0
Spain	446		414
Taiwan	594		502
Thailand	6128		7381
UAE	27192		44871
United Kingdom	3084		7857
Uruguay	263		458
Vietnam	4806		7282
Yemen			0
Total for Others	1450400		1996186
Others not Listed			
Grand Total	1450400		1996186

**Policy:**

In November 2008, India and Burmese government agreed to use the currency of Euros and Singaporean dollars as a mean for future trade. Previously, Singaporean dealers who handle most beans and pulses exports to India settled transactions typically in US dollars.

Since 1989, the GOB has allowed the private to export beans and pulses. The Ministry of Commerce issues export license for private companies. Exports for beans and pulses are not restricted except when the Burmese Army wants to procure rations (chick peas).