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Burma

Grain and Feed

Annual

2006

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Report Highlights:
The Government of Burma (GOB) has stopped issuing rice export permits since May 2006. Burmese rice exports increased rapidly in 2005. Corn production in MY 2006/07 is forecast to increase further and corn exports may be close to 300,000 tons. Wheat production is anticipated to slightly decline and is still far behind domestic demand. Exports of beans and pulses in CY 2006 should be close to 700,000 tons.

Includes PSD Changes: No
Includes Trade Matrix: No
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Executive Summary

Given normal weather conditions, Burma's paddy production in MY 2006/07 is forecast to grow by 2 percent to 18.4 million tons due mainly to increased acreage. The outlook for Burmese rice exports remains gloomy since the GOB halted the issuance of rice export permits in May 2006 in response to a rapid increase in domestic rice prices. Trade sources believe that the GOB may not resume granting export permits until November 2006 when supplies from the main rainy season crop enters the market.

Burma's corn production in MY 2006/07 is forecast to grow slightly to 950,000 tons due mainly to increased acreage. As a result of increased supplies and strong demand from China through border trade, corn exports are anticipated to rise from 252,232 tons in MY 2005/06 to 300,000 tons in MY 2006/07. It is believed that relatively low production costs could position Burma as a major corn exporter in the South East Asian region. However, its potential is still limited by quality issues and concerns about afla-toxin content.

Burma produces a limited amount of wheat, less than 150,000 tons per annum. As production cannot meet domestic demand, Burma must rely on imports, which are mainly derived 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 supplers, especially Australia.

Bean and pulse production in MY 2006/07 is forecast to reach 3.8 million tons due to a high demand from China through border trade, and has become the second largest market for Burmese beans and pulse next to India.

PSD Table

Country Burma, Union of

Commodity Rice, Milled (1000 HA)(1000 MT)

	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official	Estimate[NA	Official	Estimate[NA	Official	Estimate[New]	
Market Year Begin		01/2005		01/2006		01/2007	MM/YYYY
Area Harvested	6000	6800	6270	7000	6300	7200	(1000 HA)
Beginning Stocks	1629	1853	709	708	549	228	(1000 MT)
Milled Production	9570	9570	10440	10440	10700	10700	(1000 MT)
Rough Production	16500	16500	18000	18000	18448	18448	(1000 MT)
MILLING RATE (.9999)	5800	5800	5800	5800	5800	5800	(1000 MT)
TOTAL Imports	0	0	0	0	0	0	(1000 MT)
Jan-Dec Imports	0	0	0	0	0	0	(1000 MT)
Jan-Dec Import U.S.	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	11199	11423	11149	11148	11249	10928	(1000 MT)
TOTAL Exports	190	115	200	220	250	80	(1000 MT)
Jan-Dec Exports	190	115	200	220	250	80	(1000 MT)
TOTAL Dom. Consumptic	10300	10600	10400	10700	10500	10800	(1000 MT)
Ending Stocks	709	708	549	228	499	48	(1000 MT)
TOTAL DISTRIBUTION	11199	11423	11149	11148	11249	10928	(1000 MT)

I. Rice Section

Production

Burma's paddy production in MY 2006/07 is forecast to grow modestly to 18.4 million tons due mainly to increased acreage. 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 because favorable paddy prices in MY 2005/06 will encourage farmers to increase the use of fertilizer and high-yielding seeds. The estimate of paddy production for MY 2005/06 remains unchanged from the last estimate at 18 million tons.

In lower Burma, the main wet season crop is seeded from May to October and the second dry season crop is seeded from November until April. The main wet season crop is then harvested from November through January and the second dry season crop from February through April. In the middle 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. The second dry season crop is seeded earlier than January due to a greater availability of water from the irrigation canals in some areas. Middle and Upper Burma harvest are usually a month or two later than harvests in lower Burma.

Data on the use of fertilizer in Burma are not available. Chemical fertilizers are mainly imported from Middle Eastern and Asian countries which include Saudi Arabia, United Arab Emirates, Kuwait, and Qatar, China, Bangladesh, and Indonesia. Urea fertilizer imported from Qatar is the most popular among Burmese farmers. Meanwhile, fertilizer from China is mostly imported along the border. There were also Burmese companies which produce natural fertilizers under different brand names.

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

	2003	2004	2005
GOB	N/A	11,000	173,701
Open Market	9,900	12,000	193,000

Consumption

Rice is a staple food for the Burmese (population 54.3 million), who consume more than 10 million tons of rice each year with per capita consumption reaching 190 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.

Average paddy prices in CY 2005 were about $73/ton, up 41 percent from $52/ton in 2004, mainly because the GOB lifted an export ban in 2005. 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

The outlook of rice exports in 2006 remains gloomy, with total exports not exceeding 80,000 mt, as the GOB halted to issue rice export permit in May 2006 in response to a rapid increase in domestic rice prices. Trade sources believe that the GOB may not resume the issuance of export permits until November 2006 when supplies from the main rainy season crop enter the market. It is rumored that the GOB adopted this policy to stop illegal rice exports to Thailand along the border, which are mainly located in Taninitharyi State.

The GOB reported that export restrictions are not applied to the entrepreneurs who leased the land from GOB to grow paddy for export. However, these eligible private companies are having difficulty to get an approval from the Regional Commanders and the Ministry of Agriculture and Irrigation on their export requests. While ordinary private companies are not allowed to purchase rice/paddy from farmers for export, it is rumored that private companies with political clout are able to purchase paddy at below-market prices and freely transport paddy/rice for domestic sales or export.

Rice exports in 2005 increased by 90 percent, from 115,297 tons in 2004 to 219,624 tons, because the GOB allowed rice exports. African countries remain the main market for Burmese rice in 2005 and exports to these countries in 2005 more than doubled from the 2004 level. Meanwhile, rice exports to Malaysia and Singapore increased six-fold and ten-fold, respectively.

Burma's rice exports are generally of inferior quality and broken rice. In 2005, the majority of rice exports were of the Ehmata variety, followed by broken rice and the others.

Export Trade Matrix

Country Burma, Union of

Commodit Rice, Milled

Time Period	Jan-Dec	Units:	M.T.
Exports for:	2004		**2005**
U.S.	0	U.S.	0
Others		Others	
Africa	42551	Africa	126914
Bangladesh	56490	Bangladesh	30808
Indonesia	4970	Indonesia	0
South Korea	6100	South Korea	2310
Malaysia	4416	Malaysia	31120
Singapore	770	Singapore	8493
Ivory Coast	0	Ivory Coast	13267
Sierra Leone	0	Sierra Leone	6685
Total for Others	115297		219597
Others not Liste	0		0
Grand Total	115297		219597

Trade Matrix by Months (in mt)

Destination	Jan.	Feb.	Mar.	Apr.	May	June
West Africa	28,285	15,535	16,324	11,728	0	1,656
Bangladesh	1,468	13,219	5,441	1,100	1,100	0
Malaysia	1,495	1,376			49	0
Singapore	1,081				223	532
Ivory Coast						
Sierra Leone						
Korea				2,310		
Total	32,329	30,130	21,765	15,138	1,372	2,188

Destination	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total (Jan.to Dec.)
West Africa				6,495		46,918	126,914
Bangladesh	2,289	4,495	1,696	0		0	30,808
Malaysia		6,092	1,006	6,058	4,606	10,438	31,120
Singapore		752	1,309	519	1,709	2,368	8,493
Ivory Coast				13,267	0	0	13,267
Sierra Leone				6,685	0	0	6,685
Korea					0	0	2,310
Total	2,289	11,339	4,011	33,024	6,315	59,724	219,624

Policy

The GOB permitted the World Food Program to procure 37,500 mt. of rice from the private sector through the Myanmar Chamber of Commerce in 2006. The prices ranged from $180 to $230 per mt depending on the locality. It will be distributed in Buthidaung, Maungdaw and Rethedaung townships of Rakhine State, Lashio township of Shan States and Magwe township of Magwe Division.

The Ministry of Commerce (MOC) has plans to develop more than 80,000 acres of land in Divisions of Rangoon, Bago, Sagaing, and Mandalay, and Southern Shan State. The right to use the land was distributed free of charge to locals and companies to grow paddy, onion, garlic, sesame, groundnut and beans and pulses. Thus far, 4,500 acres have been distributed to farmers and 3,500 acres to the companies. Myanmar Agricultural Produce Trading, Ministry of Commerce (MOC), and Union of Myanmar Federation Chamber of Commerce and Industry conduct the distribution. The approved companies/individuals must grow only Government determined crops along with other rules and regulations.

In Burma, the calculation of economic growth is often driven by political concern. Production of paddy/rice and other major commodities are the main factors in determining the economic growth. The GOB's estimates of economic growth are very bullish, at 10-12 percent annually.

The GOB relies heavily on aggressive paddy production estimates to underpin such economic growth rates. For example, the Ministry of Agriculture and Irrigation (MOAI) reported that paddy production in MY 2006/07 would reach 24.5 million tons and expected to export 300,000 mt in FY 2006/07. An estimated 18 million tons would be domestically consumed from this production, while MOAI projects Burma will have an exportable surplus of 6.14 million metric tons of paddy or 3.7 million tons of rice equivalent. However, rice exports over the past ten years have not been more than 300,000 tons per annum. In addition, this statistical scenario has been inconsistent with GOB policy curtailing rice exports since May 2006.

In defense for the GOB heavily inflated data, concerned officials of the Rice Millers and Traders Association stated that the illegal rice exports to Thailand (via Myawaddy and Kawthaung) and China (via Muse) could reach more than 500,000 mt of rice through the Tak and Ranong Provinces in Thailand, and through the Yunan Province in China.

PSD Table

Country Burma, Union of
Commodity Corn

(1000 HA)(1000 MT)

	2004 Revised	2005 Estimate	2006 Forecast	UOM
	USDA Official [Estimate[NA Official [Estimate[NA Official [Estimate[New]			
Market Year Begin	10/2004	10/2005	10/2006	MM/YYYY
Area Harvested	308 290	310 330	310 350	(1000 HA)
Beginning Stocks	0 0	0 0	0 0	(1000 MT)
Production	810 771	820 938	835 950	(1000 MT)
TOTAL Mkt. Yr. Imports	0 0	0 0	0 0	(1000 MT)
Oct-Sep Imports	0 0	0 0	0 0	(1000 MT)
Oct-Sep Import U.S.	0 0	0 0	0 0	(1000 MT)
TOTAL SUPPLY	810 771	820 938	835 950	(1000 MT)
TOTAL Mkt. Yr. Exports	150 144	150 255	150 300	(1000 MT)
Oct-Sep Exports	150 144	150 255	150 300	(1000 MT)
Feed Dom. Consumption	660 627	670 683	675 650	(1000 MT)
TOTAL Dom. Consumptic	660 627	670 683	685 650	(1000 MT)
Ending Stocks	0 0	0 0	0 0	(1000 MT)
TOTAL DISTRIBUTION	810 771	820 938	835 950	(1000 MT)

II. Corn Section

Production

Burma's corn production in MY 2006/07 is forecast to increase from 938,000 tons in MY 2005/06 to 950,000 tons due mainly to increased acreage. Improved corn prices following a lift on export ban in 2004 have encouraged farmers to grow more corn despite high input prices, especially fertilizer, hampered their use and corn productivity.

Second to rice, corn is also a major crop, grown throughout the entire country. Burma produces three types of corn: feed corn, edible corn, and sweet corn. Corn (feed grain) 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 corn and sweet corn is estimated at about 246,000 hectares with the sweet corn production of 852 million cobs, scattered through the corn growing areas.

Corn production is totally dependent on monsoon rains for moisture and the cultivation of these crops is determined by the status of moisture in the soil. In Burma corn is grown in the monsoon season (80% of total planted area) as well as the cold 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 cold 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.

Yield per hectare generally range from 2.00 to 2.60 metric tons per hectare depending on the hybrid variety. Hybrid corn is much higher yielding as compared to local varieties producing 1.70 metric tons per hectare. Since corn sown in the post cold season relies

heavily on the residual soil moisture, or the rainy season's monsoon rains, timely seeding is the crucial to the crop success.

Seed Varieties

According to trade sources, Burma needs about 1,500 metric tons of seed for cultivation. CP. Yangon, a subsidiary of the Thailand-based agro-industry conglomerate, supplied about 40 percent of the total demand. More than 60 percent of farmers in the main growing areas of Irrawaddy, Mandalay, Magwe and Sagaing Division and Shan States are using hybrid seeds. About six varieties of hybrid seeds are used in Burma, CP supplying two varieties and the rest produced by the Central Agricultural Research Institute at Yezin in Mandalay Division.

Fertilizer

The GOB no longer subsidizes fertilizer so farmers depend on the open market for their fertilizer supplies. The annual demand for chemical fertilizer is about 1.5 million metric tons. Myanma 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 also meets the demand. Although prices for imported fertilizer are relatively high, farmers prefer purchasing imported fertilizer from the open market as it allows them to buy on a credit basis.

Consumption

Domestic consumption in MY 2006/07 is forecast to drop due to increased production costs and the outbreak of Highly Pathogenic Avian Influenza (HPAI) in early 2006.

Feed corn serves as substitute staple food for rice in Upper Burma and 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. Corn is also used as corn flour in biscuits, cakes and snacks.

There are about nine commercial feed mills 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 50-70 percent of feed ration. 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 also used as fodder for animals and as wrappers for corn cheroots, a popular type of sun dried cigar with square cut ends.

Prices Table

Country Burma, Union of
Commodity Corn
Prices in Kyat per uom M.T.

Year	2004	2005	% Change
Jan	89109	64378	-28%
Feb	81779	910906	1014%
Mar	71572	100497	40%
Apr	70880	108302	53%
May	81440	100289	23%
Jun	91919	129205	41%
Jul	93154	158658	70%
Aug	78590	157994	101%
Sep	88783	121576	37%
Oct	83164	120776	45%
Nov	83802	113392	35%
Dec	80571	104270	29%

Exchange Rate Kyat 1333 Local Currency/US $
Date of Quote 5/31/2006 MM/DD/YYYY

Source: Agriculture News Bulletin, 2005

Trade

Burma has been a net exporter of corn in the past four decades. In recent years, Burma has not imported any corn. Corn trade is not restricted or controlled by the GOB, except under the situation that domestic prices climbs above desirable levels. Although there is no record of official border exports of corn to China, trade sources reported that the border market could reach 500,000 tons of corn if no export ban is applied.

Burma's corn exports should increase further in MY 2006/07 following anticipated increased production and a lack of the GOB's export intervention.

Exports in MY 2005/06 are estimated to more than double a level in MY 2004/05. In 2005, almost 90 percent of total corn exports went to Pakistan, Malasia, and Bangladesh. Exports to China are mostly conducted along border regions.

Export Trade Matrix

Country Burma, Union of

Commodit Corn

Time Period	Jan-Dec	Units:	M.T.
Exports for:	2004		**2005**
U.S.	0	U.S.	0
Others		Others	
Bangladesh	31116	Bangladesh	30472
Hong Kong	2622	Hong Kong	3763
Indonesia	1232	Indonesia	1491
Malaysia	55982	Malaysia	49281
Pakistan	39460	Pakistan	51843
Singapore	13231	Singapore	12875
Thailand	0	Thailand	500
Vietnam	5461	Vietnam	15363
Taiwan	215	Taiwan	
South Korea	2450	South Korea	
Total for Others	151769		165588
Others not Liste	3709		84
Grand Total	155478		165672

Policy

The GOB and a South Korea-based International Corn Foundation recently agreed to co-research on corn hybrid seeds to improve Burmese corn productivity. In addition, Yangpe Corn Starch Plant, a joint venture between the GOB and China-based Wai Hung Machineries Trading Co. Ltd., is scheduled to open by the end of 2006. The plant has annual production capacity of 10,000 tons of cornstarch, 450 tons of corn oil, and 4,000 tons of animal feed.

Due to the outbreak of Avian Flu in Mandalay and Sagaing Divisions in February 2006, foreign buyers requested the GOB to monitor AI disease contamination in corn exports. As a result, the GOB recently regulated that all corn exports be tested at the labs of Ministry of Livestock and Fisheries prior to export. Meanwhile, exports of corn to China via borders were suspended in early 2006. However, border trade has since been resumed.

PSD Table

Country **Burma, Union of**

Commodity **Wheat** (1000 HA)(1000 MT)

	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [	Estimate[NA	Official [	Estimate[NA	Official [	Estimate[New]	
Market Year Begin		07/2004		07/2005		07/2006	MM/YYYY
Area Harvested	106	119	107	0	105	110	(1000 HA)
Beginning Stocks	0	0	0	0	0	0	(1000 MT)
Production	140	130	145	150	145	148	(1000 MT)
TOTAL Mkt. Yr. Imports	114	25	125	32	125	30	(1000 MT)
Jul-Jun Imports	114	23	125	0	125	0	(1000 MT)
Jul-Jun Import U.S.	0	2	0	0	0	0	(1000 MT)
TOTAL SUPPLY	254	155	270	182	270	178	(1000 MT)
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0	(1000 MT)
Jul-Jun Exports	0	0	0	0	0	0	(1000 MT)
Feed Dom. Consumption	0	0	0	0	0	0	(1000 MT)
TOTAL Dom. Consumptic	254	155	270	182	270	178	(1000 MT)
Ending Stocks	0	0	0	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	254	155	270	182	270	178	(1000 MT)

III. Wheat Section

Production

Burma produces a limited amount of wheat, less than 150,000 tons per annum. Burma lacks proper geographical conditions to grow wheat on a large scale. Most wheat production occurs in Burma during the cold season. It 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

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.

Overall consumption of wheat flour in 2006 is estimated to grow by 3 percent. Average wholesale prices of wheat increased by 6 percent in CY 2005 from the 2004's level due to higher prices for imported wheat. Local wheat prices also rose accordingly.

Prices Table

Country Burma, Union of

Commodity Wheat

Prices in Kyat per uom M.T.

Year	2004	2005	% Change
Jan	344652	398080	16%
Feb	354960	398080	12%
Mar	354960	398403	12%
Apr	353858	401066	13%
May	364850	320952	-12%
Jun	367200	404549	10%
Jul	367200	398080	8%
Aug	351557	413008	17%
Sep	361888	426070	18%
Oct	388963	447840	15%
Nov	391680	459484	17%
Dec	391680	460280	18%

Exchange Rate Kyat 1333 Local Currency/US $

Date of Quote 5/31/2006 MM/DD/YYYY

Trade

Due to insufficient domestic production, Burma depends heavily on wheat and wheat flour imports to meet demand. 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, but has grown steadily in recent years. U.S. wheat was introduced into Burma through a Quality Samples program in 2002. However, uncompetitive U.S. prices against other supplying countries, especially Australia, have hindered U.S. market share growth.

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. In 2005, India donated 10,000 mt of wheat to Burma.

Average Import prices of wheat in MY 2004/MY 2005

	MY 2004	MY 2005 (USD per mt)
Australia	224	220
USA	245-251	N/A
India	186	N/A

Import Trade Matrix

Country Burma, Union of

Commodit Wheat

Time Period	Jan-Dec	Units:	M.T.
Imports for:	2004		**2005**
U.S.	800	U.S.	
Others		Others	
Australia	51000	Australia	22358
India	2300	India	10000
Total for Others	53300		32358
Others not Liste	0		0
Grand Total	54100		32358

PSD Table

Country Burma, Union of
Commodity Beans

(1000 HA)(1000 MT)

	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official	Estimate[NA	Official	Estimate[NA	Official	Estimate[New]	
Market Year Begin		01/2004		01/2005		01/2006	MM/YYYY
Area Harvested	3400	3540	0	3730	0	3740	(1000 HA)
Beginning Stocks	0	0	0	0	0	0	(1000 MT)
Production	2900	3573	0	3718	0	3800	(1000 MT)
TOTAL Mkt. Yr. Imports	0	0	0	0	0	0	(1000 MT)
Jul-Jun Imports	0	0	0	0	0	0	(1000 MT)
Jul-Jun Import U.S.	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	2900	3573	0	3718	0	3800	(1000 MT)
TOTAL Mkt. Yr. Exports	900	1113	0	634	0	700	(1000 MT)
Jul-Jun Exports	900	1113	0	634	0	700	(1000 MT)
Feed Dom. Consumption	2000	2460	0	0	0	0	(1000 MT)
TOTAL Dom. Consumptic	2000	2460	0	3084	0	3100	(1000 MT)
Ending Stocks	0	0	0	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	2900	3573	0	3718	0	3800	(1000 MT)

IV. Beans and Pulses Section

Production

Post forecasts that Burma's bean and pulse production in MY 2006/07 will be 3.8 million tons, up 2 percent from the MY 2005/06's level. Due to unusually too much rains in last December when bean and pulse production was under harvest, a portion of the cold season crops were wiped out and supplies were delayed. Nevertheless, farmers are enjoying favorable farm prices following soaring exports in 2006.

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 Chick pea, 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. Bean and pulse productivity entirely depends on monsoon rains. A large portion of production (about 70 percent) is also planted during a cold season after the main crop paddy. The rest of total production is grown in the early-monsoon and late-monsoon seasons.

Consumption

Burmese people consume beans and pulses as a supplementary dish in their diet. It is also the main protein source diet for low-income consumers, a majority of the population. 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 mainly to a lack of green vegetables during a summer. In the Shan States, soybeans are mostly consumed in forms of soybean paste or curd. The per capita consumption for beans and pulses is officially reported at 13.38 kgs.

Prices Table

Country Burma, Union of

Commodity Beans

Prices in Kyat per uom M.T.

Year	2004	2005	% Change
Jan	205149	216705	6%
Feb	220881	229704	4%
Mar	183632	281000	53%
Apr	138290	315000	128%
May	0	0	
Jun	259250	342750	32%
Jul	303323	369000	22%
Aug	0	0	
Sep	259250	328000	27%
Oct	202215	309000	53%
Nov	0	258000	
Dec	383690	241444	-37%

Exchange Rate Kyat 1333 Local Currency/US $

Date of Quote 5/31/2006 MM/DD/YYYY

Note: Wholesale prices for Toor Whole, Ready Cargo

Trade

Burma's bean and pulse exports are forecast to reach 700,000 tons in MY 2006, up from 633,890 tons in MY 2005.

In MY 2005, the major buyers were India (71 percent of total exports), Pakistan (11 percent), and China (6 percent). Exports recovered in 2005 after problems of high hydrogen cyanide content in Burmese beans and pulses closed off the Japanese Market. Trade sources estimated that about 20 percent of total exports is handled over the borders, especially with China. China was just recently added to the list of major importing countries as official data showed China imported more than 100,000 tons of beans and pulses in MY 2004. However, it is difficult to report actual figures on Burmese bean and pulse exports to China as a big portion of China's bean and pulse imports are re-exported to other countries. Prices for beans and pulses at the wholesale market in Mandalay division fluctuate on demand from China.

Although it is likely that there is no threat to U.S. exports from increased Burmese bean and pulse exports at the moment, very low production costs of Burmese beans and pulses will potentially lead Burma to capture regular markets that are supplied by the U.S. and other producing countries in the future.

Export Trade Matrix

Country Burma, Union of

Commodit Beans

Time Period	Jan-Dec	Units:	M.T.
Exports for:	2004		**2005**
U.S.		U.S.	0
Others		Others	
Bangladesh	38656	Bangladesh	11866
China	96651	China	30407
Egypt	3938	Egypt	5122
India	843973	India	503235
Japan	13283	Japan	16594
Malaysia	4818	Malaysia	4443
Pakistan	64451	Pakistan	64319
Singapore	5604	Singapore	4397
Thailand	18793	Thailand	5180
United Arab E.	4585	United Arab E.	4733
Total for Others	1094752		650296
Others not Liste	18173		19373
Grand Total	1112925		669669

Policy

Since 1989, when Burma opened its economy to international communities, the GOB allowed the private sector 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.

In 2005, the GOB permitted World Food Program (WFP) to procure beans and pulses for distribution in its covered project areas. Although the WFP targeted to procure 2,000 tons of beans and pulses, the actual procurement was only 76 tons. As a result, the WFP discontinues its project in 2006.

On July 15, 2005, Myanmar Agriculture Service, Ministry of Agriculture and Irrigation signed memorandum of understanding (MOU) with National Research Council of Thailand (NRCT) on a soybean production project. Under the project, Thailand conducts research planting of 11 species of soybeans imported from Thailand in 16 test plots scattered in Bago, Rangoon, Irrawaddy and Shan States. The MOU indicated that the NRCT from Thailand would supply good quality soybeans species that are suitable to Burmese environment and provide assistance on agricultural technology to Burmese counterparts through research works, training, workshop, and etc. According to the MOU, the training dissemination will be extended to farmers at the village level to increase commercial soybeans production.

End of Report.