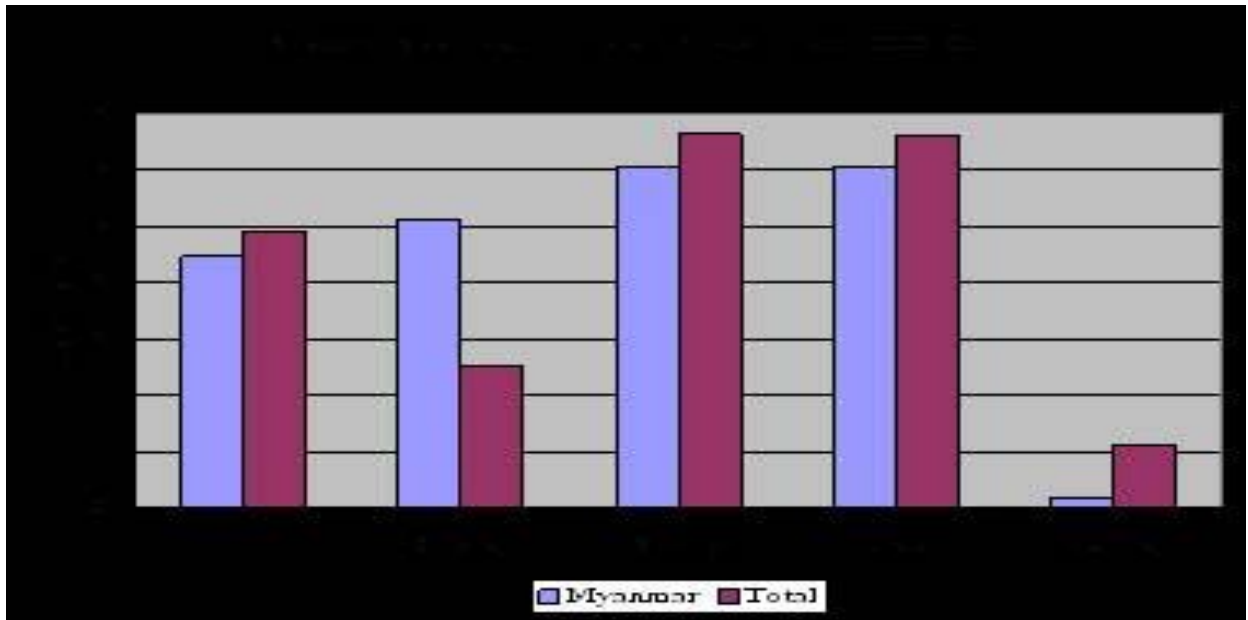


Myanmar Pulses Outlook 2008

Myanmar has a great importance in the Indian pulses market as majority of the pulses imported in India comes from this country. Being the largest supplier of pulses, especially urad, tur and moong, Myanmar plays an important role in deciding pulses prices in the Indian market.

Major part of the imported tur, urad and moong in India comes from Myanmar, which is also a major supplier of rajma and chana. Last year, India imported nine lakh tonnes of pulses from Myanmar.

In the current year also, Myanmar has gained great significance in deciding the domestic supplies and prices of pulses in India, which is already facing scarcity of foodgrains and pulses. Keeping this point in view, a team from **commoditiescontrol.com** recently visited Myanmar to study the pulses market there.



Myanmar's contribution to India's pulses market

Pulses	Year	2002/03	2003/04	2004/05	2005/06	2006/07
		In tons				
Tur	Myanmar	-	282,443	221,001	202,341	223,779
	Total	0	314,919	244,674	228,835	246,528
Chana	Myanmar	35,459	62,550	21,725	17,597	25,710
	Total	217,553	259,239	132,875	281,756	127,318
Moong	Myanmar	21,257	130,652	43,399	55,600	303,764

	Total	35,270	205,936	83,965	74,990	332,414
Urad	Myanmar	21,257	130,652	43,399	55,600	303,764
	Total	35,935	205,750	83,965	74,990	331,731
Rajma	Myanmar	8,110	0	6,212	6,149	9,698
	Total	31,415	41,011	27,216	42,024	56,632
Total Pulses		1,266,480	2,157,648	1,586,892	1,944,837	2,822,359

(Source: US Department of Agriculture)

Production and carry-forward stock in Myanmar

Urad, moong and dry beans constitute major part of the total pulses production in Myanmar. Tur and chana also are among the main pulses in Myanmar, followed by chaula, rajma, mutter and masur.

Tur

Alike India, Myanmar too is likely to witness lower production of tur this year. According to traders' estimates, the production of tur during 2007-08 may decline by 30 per cent to 40 per cent to 2 lakh-2.25 lakh tonnes in Myanmar. Last year also, the production of tur had went down and therefore carry-forward stock is also lower. In the current season, around 50,000 tonnes of tur has been exported while 1.50 lakh-1.75 lakh tonnes are in stock.

Urad

Production of urad in Myanmar is likely to drop around 25 per cent to 4 lakh-4.5 lakh tonnes. However, total supplies are likely to range between 6 lakh-6.5 lakh tonnes due to good carry-forward stocks.

Moong

With one lakh tonnes of carry-forward stocks, Myanmar would be able to supply a total of 3.5 lakh-4 lakh tonnes of moong this year. The production of moong during current season is likely to be at 2.5 lakh-4 lakh tonnes, which includes 1.5 lakh tonnes of pedhisewa moong, 75,000 tonnes of annasewa moong and 75,000 tonnes of pakako moong.

Pulses production in Myanmar

Pules	2001	2002	2003	2004	2006
Dry Beans	1467330	1527100	1538000	1659000	1700000
Chana	119269	211899	228002	220000	172010

Cow Peas	105000	104000	123000	129000	130000
Lentils	2168	1507	1158	1665	1836
Dry Peas	30000	33000	35000	35930	37303
Tur	320000	466000	485000	525000	530000

(Source: FAO) * Urad and moon are included in dry beans.

Exports, domestic demand and prices

Out of the total pulses production in Myanmar, 55 per cent-60 per cent is consumed in the domestic market while 40 per cent-45 per cent is exported to other countries. During 2006, Myanmar exported 11.88 lakh tonnes of pulses. For exports, Myanmar is mostly dependent on India, which buys major quantity of the pulses from that country.

Myanmar may get increased demand for chana and tur as production of both the pulses has declined in India this year. Last year India had imported nine lakh tonnes of pulses from Myanmar. This year, the quantity is expected to be same or higher.

Looking at the strong demand from India, pulses are likely to trade higher at upper level in Myanmar. The interference of Indian government agencies will play a major role in boosting pulses prices. The Indian government has decided to import 15 lakh tonnes of pulses through government agencies during the current year.

Other factors/ developments

The processing of pulses has been started in Myanmar since last one year after India banned the exports of pulses. In fact, supplies of pulses to India's traditional markets like the United States, Europe and Middle-East has largely been affected after India imposed ban on exports. Myanmar has seized the opportunity to become largest supplier of pulses to these countries in the absence of India. However, the pulses-growers in Myanmar have not been able to meet the standards of international demand, and therefore it is becoming difficult for the country to stay in the international market for long.

Single firm holds 70 per cent stock

A company in Myanmar is holding around 70 per cent of the total stocks of tur. The firm is not releasing the stocks in the market expecting sharp rise in prices in the near future. Many government agencies in India are in regular contact with this firm to purchase tur.

Exporters concerned over fall in Kyat in foreign exchange

Exporters have been incurring losses since last many days following sharp decline in Myanmar's currency Kyat against the US dollar. Those having old stocks are incurring more losses. Kyat is currently at 1120 against the US dollar, after touching the lower level of 1300.

Traders await futures trading of urad, tur

The traders in Myanmar were gaining indirectly due to futures trading of urad and tur in India. These traders later incurred losses following ban on the futures trading. Last year, a local firm in Myanmar had stocked up around four lakh tonnes of urad looking at the surge in futures prices in India. However, the firm had to incur heavy losses following sharp decline in urad prices and subsequent ban on futures trading. This is one of the reasons for the current huge stocks of urad in Myanmar.

Non-availability of containers

Myanmar is sending rice containers to Bangladesh, therefore there is a non-availability of containers for dispatches to India. Moreover, the freight charges are also higher for India. The non-availability of containers is resulting in less supplies of pulses from Myanmar to India. In the absence of loading, pulses are trading lower in the local markets in Myanmar. Traders say, containers will be made available only after supplies of rice to Bangladesh are stopped. These day, the exports of pulses to India has been affected also due to the Water Festival in Myanmar.