

Country Statement of Myanmar
Ministry of Agriculture and Irrigation

November, 2014

Introduction

Increasing productivity is the basic framework of conduct for the Ministry of Agriculture and Irrigation in which 10 institutions are composed, namely: Department of Agricultural Planning (DAP); Department of Agriculture (DOA); Irrigation Department (ID); Agricultural Mechanization Department (AMD); Settlement and Land Records Department (SLRD); Water Resources Utilization Department (WRUD); Myanmar Agricultural Development Bank (MADB); Department of Agricultural Research (DAR); Yezin Agricultural University (YAU); and Department of Industrial Crops Development (DICD).

Agriculture is a key sector of Myanmar's economy. The agricultural sector, including livestock and fisheries, represents (32.8%) of GDP, with industry accounting for (21.0%) and services (46.2%). A significant proportion of industry is also related directly or indirectly to agriculture. The largest agri-businesses are rice, bean and oil mills.

In 2013-14, agriculture accounted for 31.8% of export value and up to 3.9 %, if livestock and fisheries are to be included. In terms of employment, around 61.2% of the labour force is engaged in agriculture or depends, to a significant extent, on it for its income (MOAI, 2014). Although Myanmar is a country rich in land, water and human resources for agricultural development, it still has to face challenges in macroeconomic policy such as credit, market and land policy, as well as technology and infrastructure.

The President of the Republic of the Union of Myanmar has signed the Land Law aligned with the multi-party democratic system and market economy, according to the approval of Parliament during March 2012, and it is proceeding with the formulation of principle and practices. The new Land Law will enhance investment in the agricultural sector. The objective of the new Land Law is to ensure the rights of farmers who are participating in agricultural production in terms of legal setting, and land registration and issuing certificate are important and basic legal task of the government.

After 1988, Myanmar adopted a market oriented economy and farmers were allowed freedom of choice on crop cultivation and production. Myanmar also adopted the rice liberalization policy in 2003. During 1988-2014, 240 dam and reservoir projects were completed, total irrigated areas have been increasing from 2.52 to 5.37 million acre (1.02 - 2.13 million hectares). After forming the new government in 2011, the Government undertook some relaxation on the export tax for agricultural products and tax

exemption on the import of agricultural inputs and machineries in order to support agricultural development.

The government is providing credit for more investment of farmers in crop production. It has also increased the credit rate for rice from 20,000 ks per acre to 100,000 ks per acre commencing from 2013-2014. The sugarcane growing area is increasing due to the procurement of cane with increased set price amounting to 100,000 ks per ton which was 20,000 ks in pervious.

The Ministry has laid down the following vision, mission, policy, objective and strategy to develop the agricultural sector of Myanmar.

Vision

Achieving “Per Capita Income” and “Standards of Living” of rural populace relying on agriculture higher than the neighboring countries and keep abreast with developed nations.

Mission

- (1) attain maximum market share in regional and global markets for agro-based value-added agriculture and specialty food products;
- (2) improve food security and poverty alleviation particularly in rural areas;
- (3) manage Green Growth.

Policies

- (1) to emphasize production and utilization of high yielding and good quality seeds;
- (2) to conduct training and education activities for farmers and extension staff to provide advanced agricultural techniques;
- (3) to implement research and development activities for sustainable agricultural development;
- (4) to encourage transformation from conventional to mechanized agriculture, production of crops appropriated with climate and extension of irrigated area;
- (5) to amend existing agricultural laws and regulations in line with the current situation.

Long Term Objectives

- (1) create and sustain competitive advantage on agro-based and food products;
- (2) level the knowledge and technology know-how of rural people with neighboring developed countries;
- (3) improve rural industrial and social infrastructures.

Short Term Objectives

- (1) increase primary productivity at farm level;
- (2) improve environment for establishment of rural agro-based SMEs;
- (3) create inflow of FDI in the agricultural sector;
- (4) assure local and export market access and MIS;
- (5) develop pure and applied research;
- (6) increase efficiency in the agricultural supply chain.

Strategies

- (1) secure the linkages among R&D, Extension and Market;
- (2) development of efficient supply chain and industry clusters;
- (3) assure sustainable land tenure;
- (4) establish an efficient system of:
 - Inputs (seed, fertilizers & chemicals, machinery etc)
 - Credit
 - Guaranteed purchase and prices
 - Insurance on crops and climate
- (5) establish efficient buffer policy and system;

- (6) promote Contract Farming;
- (7) develop infrastructures:
 - SMEs law and regulations
 - Wholesale market law
 - Rural access roads
 - Rural electrification and bio-energy
- (8) institutional reform and HRD.

According to those basic measures carrying out in agriculture sector, the MOAI is emphasizing on the main three tasks: 1) Seed Production, 2) Training and Education, 3) Research and Development.

Current Food Crop Production and Food Security in Myanmar

Since 1988, Myanmar has adopted a market oriented economy, sustainable food production is being maintained. Rice is the main staple food of Myanmar, therefore, rice crop occupied 7.28 million hectare. It covers 34.1 % of total cultivated area and accounted for 21.4 million hectare. Oil seed crops and pulses crops successively occupy the next largest area planted. Rice production has been increasing (60% during 1996-1997 and 2013- 2014), and rice production is self-sufficiency for its population and surplus has been exported to the other countries. Out of total rice production, 27.9 million M/T, 1.09 million M/T are exported. In terms of rice security, it has reached 120% currently in Myanmar. Myanmar is standing as a leading producer and exporter for pulses among ASEAN countries. Pulses Crops such as, Black gram, Green gram, Pigeon Pea, Chick Pea and etc are good foreign income sources for Myanmar, they have occupied over 21% of the total crop cultivated. Pulses production has been increasing 5.89 % and export value gained 1.30 million M/T during 2013-2014. Pulses security has raised up to 549 percent.

The status of sown area and production of different crop groups for the year 2006-2007 to 2013-2014 is described in Table (1).

Tabel-1: Area and production by different crop groups in 2006-2007 to 2013-2014

Year	Cereal		Oil Seed		Pulses		Industrial		Culinary	
	Sown ha (‘000)	Prod (MT’ 000)	Sown ha (‘000)	Prod (MT '000)	Sown ha (‘000)	Prod (MT '000)	Sown ha (‘000)	Prod (MT '000)	Sown ha (‘000)	Prod (MT '000)
06/07	9100	32320	3193	2467	4003	4522	837	8566	316	1722
07/08	9082	32960	3596	2919	4232	5065	941	10270	336	1875
08/09	9115	34156	3757	3177	4277	5363	982	10486	336	1904
09/10	9126	34335	3860	3266	4383	5584	1002	10390	346	2006
10/11	9138	34369	3814	3315	4501	5896	1025	10113	347	2043
11/12	8686	30901	3487	3087	4417	5506	1037	10408	343	2038
12/13	8360	29634	3414	3070	4449	5800	1018	10201	341	2052
13/14	8414	29947	3479	3151	4534	6004	1228	11320	333	2106

Apart from major crops, oilseed crops, culinary crops, fruit & vegetable and Industrial crops are growing as 44.7 % of total cultivated area. Surplus from local consumption are exported to foreign countries such as Austria, United Arab, Bangladesh, Belgium, China, India, Indonesia, Japan, Korea, Malaysia, Pakistan, Philippine and Russia.

Availability of Surface Water and Ground Water for Irrigation Purpose

By March 2014, 240 dams, 327 river pumping stations and 12258 groundwater irrigation projects have been completed. Total current water use in Myanmar accounts for less than 10% of total water resource availability. Since 2003, being an irrigated agriculture as the single most important, the irrigation area grew substantially, from 1.02 million ha in 1988 (12.6 % of the net sown area) to 2.17 million ha in 2013-2014 (16.3% of the net sown area), in particular due to the expansion of river pumping and the construction of dams. Similarly, the storage capacity increased from 2.33 km³ in 1988 to 18 km³ in 2010, i.e. 1.7 % of the estimated annual renewable surface water resources of about 1082 km³. As a result, the cropping intensity rate from 140% in 1995 to 160.3% in 2013-2014. More

than 75 % of the total irrigated area is sown to rice, but vegetables, pulses and sesame are also grown under irrigation. Currently, river pumping covers 38.1 % of the irrigated area while dam and river diversion covers 29.2 % of this area. Despite such progress, the proportion of the sown area under irrigation in Myanmar is about 16.3% in 2013-2014.

Table -2 . Area Under Irrigation

Year	Net Sown Area (mil.ha)	Irrigated Area (mil.ha)	Percent
2001-02	10.65	1.99	18.6
2002-03	10.82	1.87	17.3
2003-04	11.04	1.96	17.7
2004-05	11.41	1.93	16.9
2005-06	11.94	2.14	17.9
2006-07	12.61	2.24	17.8
2007-08	13.22	2.22	16.8
2008-09	13.49	2.27	16.9
2009-10	13.64	2.33	17.1
2010-11	13.75	2.29	16.7
2011-12	13.58	2.11	15.5
2012-13	13.30	2.12	15.9
2013-14	13.33	2.17	16.2

External Trade

Total agricultural (crop products) export value of Myanmar in 2013-2014 fiscal years is recorded as US Dollar 2214.3 million and it is about 4.3 times increase from 1996-1997. Exports of agricultural products during the specific years are tabulated in Table (3).

Table -3. Exports of Major Agricultural Commodities

Sr.	Categories	1996-97		2011-2012		2012-2013		2013-2014	
		Qty (000 MT)	Value Ks. (Mil)	Qty (000 MT)	Value Ks. (Mil)	Qty (000 MT)	Value Ks. (Mil)	Qty (000 MT)	Value Ks. (Mil)
1	Rice	93.1	125.8	707.2	267.2	1396.8	544.1	1192.3	460.1
2	Maize	102.5	107.2	166.5	46.6	566.2	200.1	933.6	285.8
3	Pulses	594.8	1272.1	1296.4	986.1	1483.7	961.7	1300.9	896.3
4	Sesame	52.5	191	35.5	57.9	182.8	278.3	172.3	340.6
5	Others	33	175	52.1	139.8	92.7	228.5	156.3	231.5

Myanmar Integration to ASEAN Food Security Programme

In 1997, Myanmar became a member of the Association of South East Asian Nations (ASEAN) and actively participated in the ASEAN food security programme. Being a member country, it actively involves in ASEAN Plus Three Emergency Rice Reserve - APTERR programme sharing with the other member countries. APTERR has become the permanent scheme in 2014 and the ASEAN Secretariat already received the ratification by member countries.

Myanmar has been participating in the ASEAN Food Security Information System (AFSIS) from where Agriculture Commodity Outlooks (ACOs) on rice, maize, sugar, soybean and cassava are available. Myanmar also adopted the ASEAN Integrated Food Security (AFIS) Framework in 2009 and it has linkage with AFSIS for further strengthening.

Current Efforts on Agricultural Development and Plan

As Myanmar is an agro-based country, the Ministry of Agriculture and Irrigation (MOAI) is mainly responsible for making a plan on a country's agricultural development.

The MOAI adopted three tactics for the development of rural livelihood and poverty reduction. These are: 1) **Seed Jump**; using special

high yielding varieties in order to increase basic agricultural component, 2) **Technology Jump**; adopting advance agricultural technology during the process from cultivation to harvesting, and 3) **Investment Jump**; supporting the basic needs of agricultural development. According to the current market economic system, it is also encouraging to produce the quality and market demanded products along the supply chain in order to receive a profitable price by farmers. Moreover, it is also encouraging the participation of private sectors in the area of agro-based industries including small and medium enterprises (SMEs) which will be able to support the production of value-added products and of the development of upstream, middle stream and downstream industries which can support the agricultural supply chain. The establishment of advanced rice mills in Myanmar will be encouraged to increase Myanmar rice quality like Thailand and Vietnam. The MOAI is supporting and contributing to the transformation of conventional agricultural practices to advanced technology practices and mechanized farming, and adopting special high yielding varieties by farmers.

Investment Opportunities for Agriculture in Myanmar

Foreign investment in Myanmar's agriculture sector is only at 0.44 % of total foreign investment and accounted at lowest share compared to other sectors. Currently, total cultivation area of 11.84 million hectare is under cultivation 0.45 million hectares is fellow land and 5.23 million hectare is cultivable virgin land. The following areas are available for investment in Myanmar's agricultural sector:

- (1) Inputs Industries (seed industry, fertilizer industry, pesticide industry, farm industry, Machinery industry, irrigation system and facilities);
- (2) Production and Processing Industry (crop production industry, value- added production industry, research and development);
- (3) Wholesales Market Industries;
- (4) Services Industry (credit and insurance service support for supply chain).

Necessary Reform for Agricultural Development in Myanmar

International communities indicated that Myanmar's agriculture development had unsatisfactory achievement despite Myanmar laid down agricultural reform measures and policy for private sector participation since it adopted the market oriented policy in 1988. However, agricultural development is still existing in key role for rural development and poverty alleviation, and sustainable economic development of Myanmar.

Therefore, the President of Myanmar has declared the following reform area in agricultural, which needs to undertake seriously:

- (1) Create the incentives for active participation and cooperation by the farmers along with the new mind-set in their farming activities.
- (2) Replacing the traditional varieties with improved quality and high yielding seeds.
- (3) Application of modern Pre- and Post-Harvest technologies in place of conventional farming methods.
- (4) Transforming the rain-fed farming into systematic irrigated farming.
- (5) Converting conventional small-scale farms into mechanized farms in the form of acre- or hectare-plots in order to change manual farming into mechanized farming.

Conclusion

After the formation of the new government under the multi-party democracy system, major emphasis is **“Building of modern industrial nation through agricultural development and all-around development of other sectors of the economy”** as mentioned in the economic objectives. The development of agriculture sector is integral part of the economy as the livelihood of the 70% of the total population largely relies on agriculture.

Agricultural development is a key element not only for country's food security but also increasing per capita income including farmers' income and country's GDP. It is aiming to get technical assistance, grant and loan for

implementing the projects formulated according to reform strategy during the fifth short term plan.

Some remarkable agricultural development assistance is going to be received from World Bank, International Fund for Agriculture Development (IFAD) and Asia Development Bank (ADB). The project on Fostering Agricultural Revitalization in Myanmar (FARM) will be implemented by using a loan from IFAD, the project on Agricultural Development Support Project (ADSP) will also be carrying and by using loan from World Bank and Irrigated Common Area Development Project (ICADP) in collaboration with ADB is under negotiation, as well. On behalf of the Republic of the Union of Myanmar, Ministry of Agriculture and Irrigation would like to express deep appreciation to those organizations, for their efforts and helping hands to our development path.