

# **New Opportunities in Myanmar's Agriculture**

**Production & Processing Sectors,  
Rural Development & Bioenergy Village**

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# General Background

# General Country Background



- **Location:**

*Latitude* : 9 ° 32' to 28 ° 31' N and

*Longitude* : 92 ' 10' to 101 ' 11' E

- **Area:** 676578 sq. km (Approximately twice the size of Vietnam)

- **Population:** 60 million (2010)

- **Population Growth Rate** : 1.29% (2010)

- **Border area shared with neighbours**

- China (2227 km)+
- India(1453 km)
- Bangladesh(272 km)
- Lao PDR(235 km)
- Thailand(2099 km)

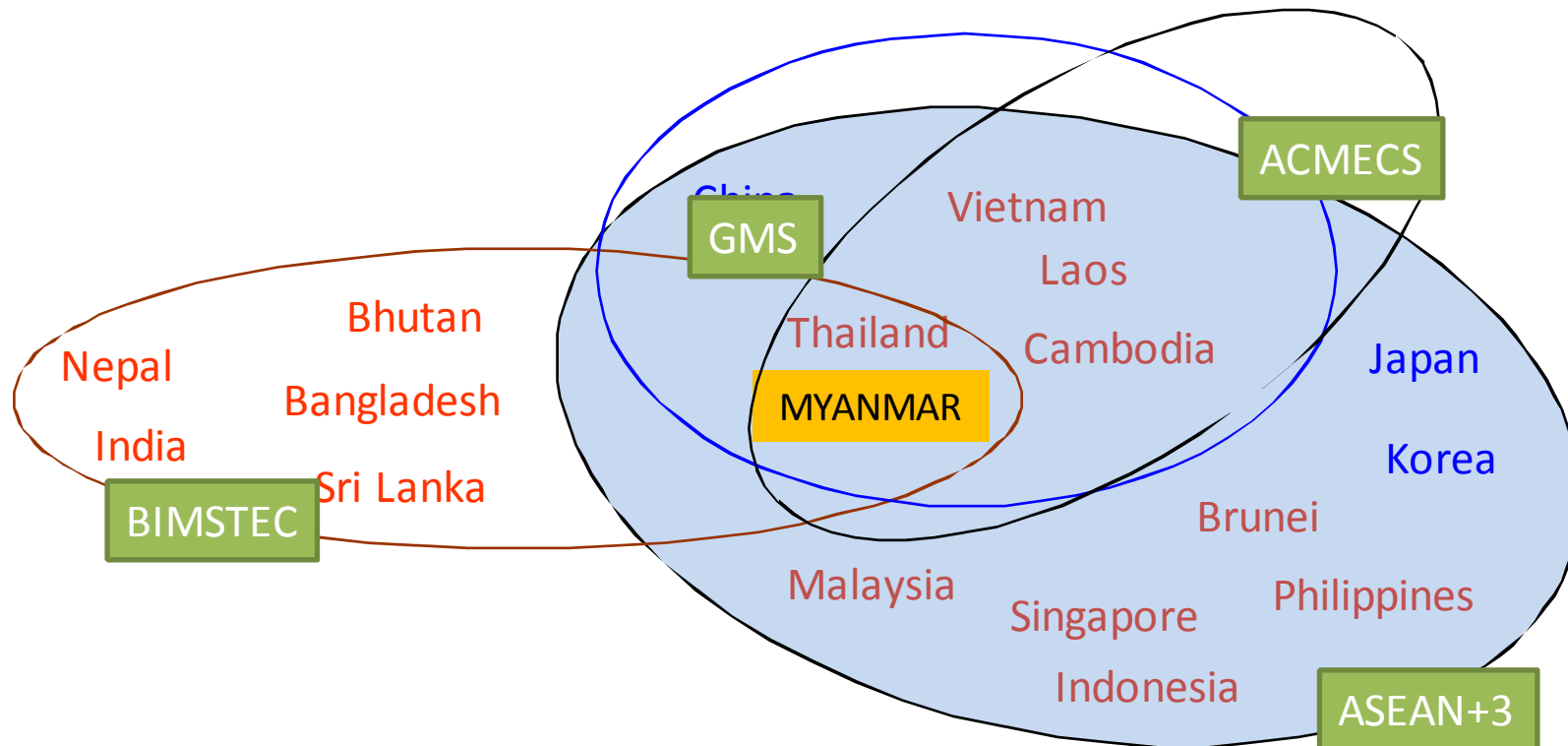
- **Population of neighbours (in million)**

China(1320),India(1134),Bangladesh(153),  
Lao PDR(5.7), Thailand(63)

- **Main Exports** : Agricultural and Forestry Products, natural gas, gems, industrial raw materials, etc.

- **Main Imports** : Machineries, vehicles, construction materials, industrial raw materials, consumer goods etc

# Regional Economic Integration



**BIMSTEC** - Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation, or BIMSTEC, groups together Bangladesh, Bhutan, Burma, India, Nepal, Sri Lanka and Thailand

**ACMECS** - "Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy

**GMS** – Greater Meakong Sub-regions

# Current Agribusiness Environment

- An agrarian economy dominated by small holdings
- Predominated by small-scale agro-based industries in general and food processing in particular
- Export of major agricultural commodities are primary and far less value-added

# Land Resource Utilization in Myanmar

▪ Net Sown Land	12.02 mil. ha. (17.8%)
▪ Fallow Land	0.23 mil. ha. (0.3%)
▪ Cultivable waste land	5.38 mil. ha. (8.0%)
▪ Reserved Forest Land	18.36 mil. ha. (27.1%)
▪ Other Forest Land	15.37 mil. ha. (22.7%)
▪ Other Land	16.27 mil. ha. (24.1%)
▪ Total	67.63 mil. ha. (100%)

Source : Agriculture at a Glance

# Major Crops in Myanmar

# Major Crops

**Perennial Crops** – Rubber, Palm Oil, Rapeseed, Cotton, sugarcane, etc..





# Major Crops

**Seasonal Crops** : Rice, beans, pulses, edible oil crops etc ...

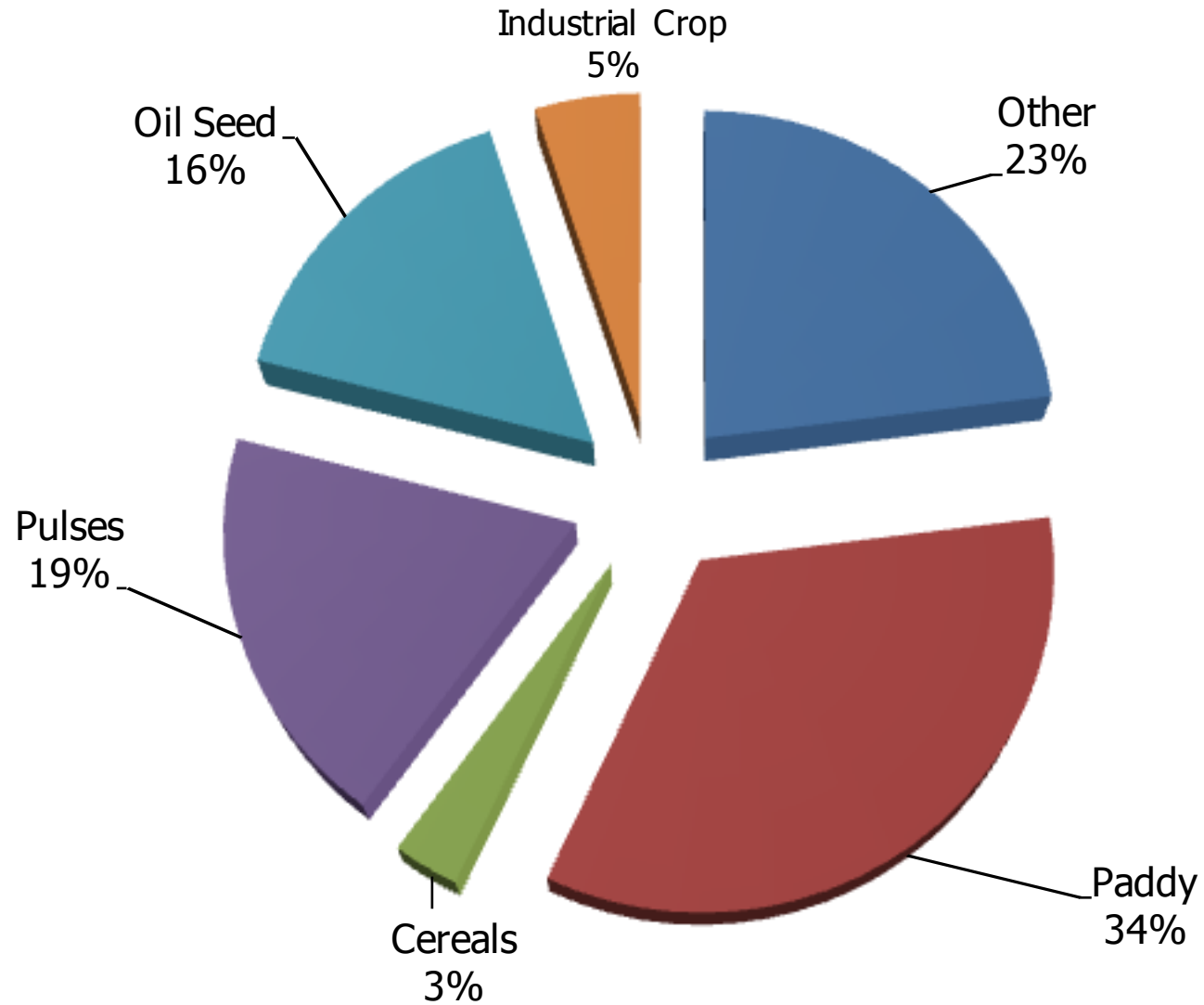


# Major Crops

**Horticulture crops** - Mangoes, Jujube (plum), avocado, Jackfruits, Dragon fruits, Pineapples, Oranges etc..



# Major Crops Sown Area



Source : Myanmar Agriculture in Brief 2011

# Summary of Recommended Crops for the States and Regions

Sr no.	State/Division	Cultivable waste (000 ha)	Fallow land (000 ha)	Major type of crops recommended
1.	Kachin	1835	7	Orchard, seasonal, plantation crops
2.	Kayah	20	2	Seasonal, plantation crops
3.	Kayin	79	19	Orchard, plantation crops
4.	Chin	1248	1	Orchard, sericulture
5.	Sagaing	147	28	Orchard, seasonal crops
6.	Tanintharyi	282	4	Orchard, rubber, oil palm, other plantation crops
7.	Bago	114	8	Rubber, orchard, seasonal, plantation crops.
8.	Magway	78	12	Orchard, seasonal crops
9.	Mandalay	47	90	Orchard, seasonal crops
10.	Mon	40	2	Rubber, oil palm, orchard, other plantation crops
11.	Rakhine	128	21	Orchard, plantation crops
12.	Yangon	4	19	Rubber, orchard, seasonal crops
13.	Shan	2200	137	Orchard, tea, coffee, seasonal, other plantation crops
14.	Ayeyarwady	57	18	Orchard, paddy-fish farming, seasonal crops
<b>Total</b>		<b>6279</b>	<b>368</b>	

# **Key Drivers for National Agricultural Development**

## Highlight of Key Advantages

### Geo-political

- Surrounded by 2 mega-powers (China and India) and three other countries (Thailand, Bangladesh and Lao) with a total population of about 2.7 billion people opens a tremendous market potential for Myanmar.
- Hence, great opportunities for “cross-fertilisation” of knowledge, management, technologies, trading and investments.

## Highlight of Key Advantages (Contd.,)

- Myanmar is blessed and endowed with immense resources like Land, Water and Labour
- Wide Bio-Diversity – From Temperate to Tropical providing an agro-ecological/ climatic condition conducive to a wide range of crops and herbal plants

# Downstream Processing



# Downstream value-added processing

- This perhaps is one of the most attractive and profitable areas for investment which is relatively untapped. Technology in down-stream processings, funding and marketing need much to be desired in Myanmar.
- Raw materials e.g agricultural and horticultural crops are readily available for downstream processing e.g. chili, tomato, groundnut, beans and pulses, mangoes, etc., to name a few.
- Perennial crops like rubber, oil palm, coffee, tea, etc. also provide enormous opportunities for midstream and downstream possibilities, e.g. rubber wood furniture utilizing old rubber trees, rubber auto parts, tyres, etc. Similarly, downstream processing of palm oil, coffee, tea etc. has great potential for value addition.

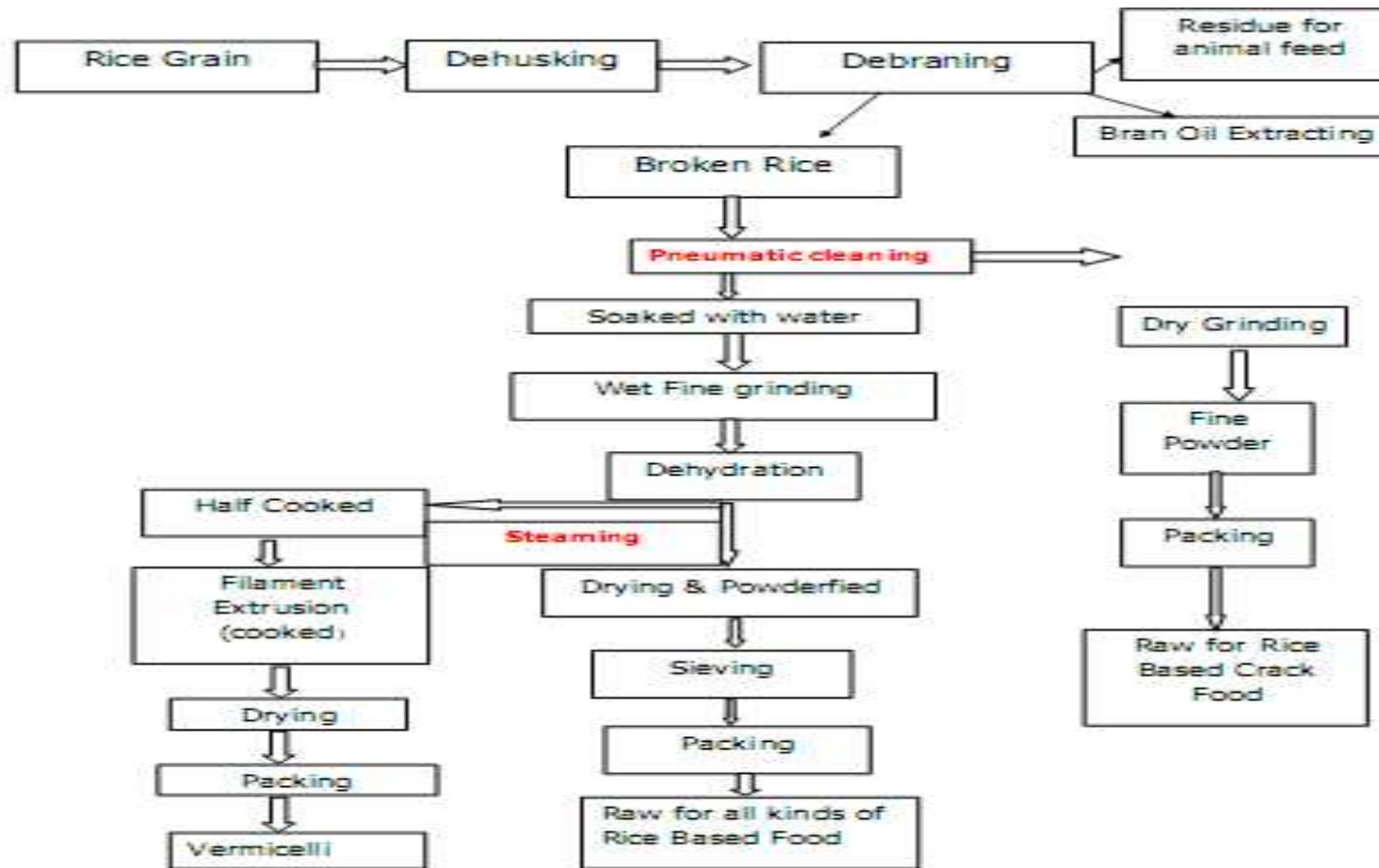
# Benefit of Value Adding

Downstream value addition will provide:

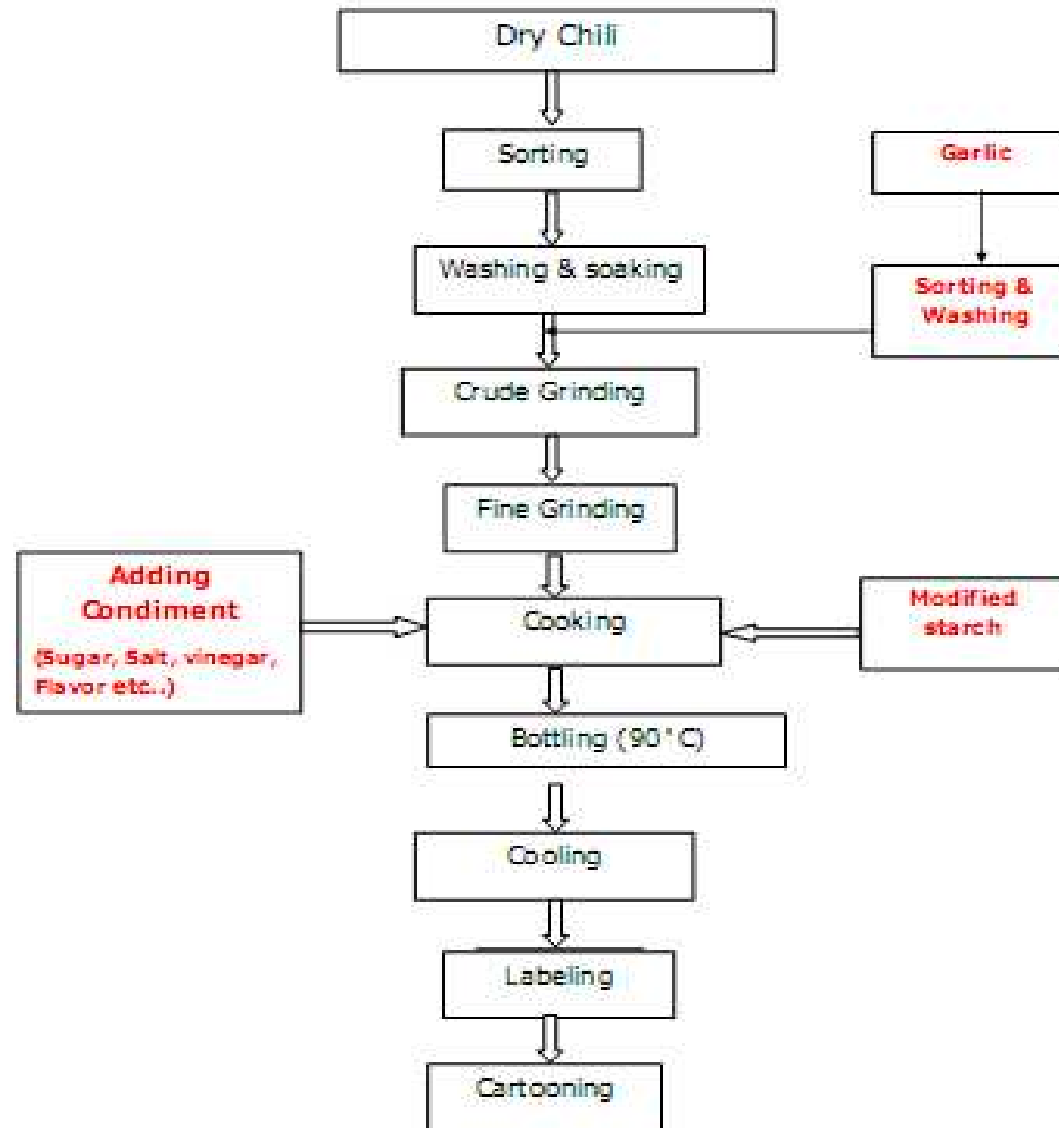
- 1) High value and returns as well as quality products through processing
- 2) Saving from wastage through maximum utilization
- 3) Higher return to farmers/ fruit growers
- 4) Introduce knowledge on basic food technology and preservation

**Note :** Examples of downstream value-adding e.g. Rice, Chili, Jackfruit

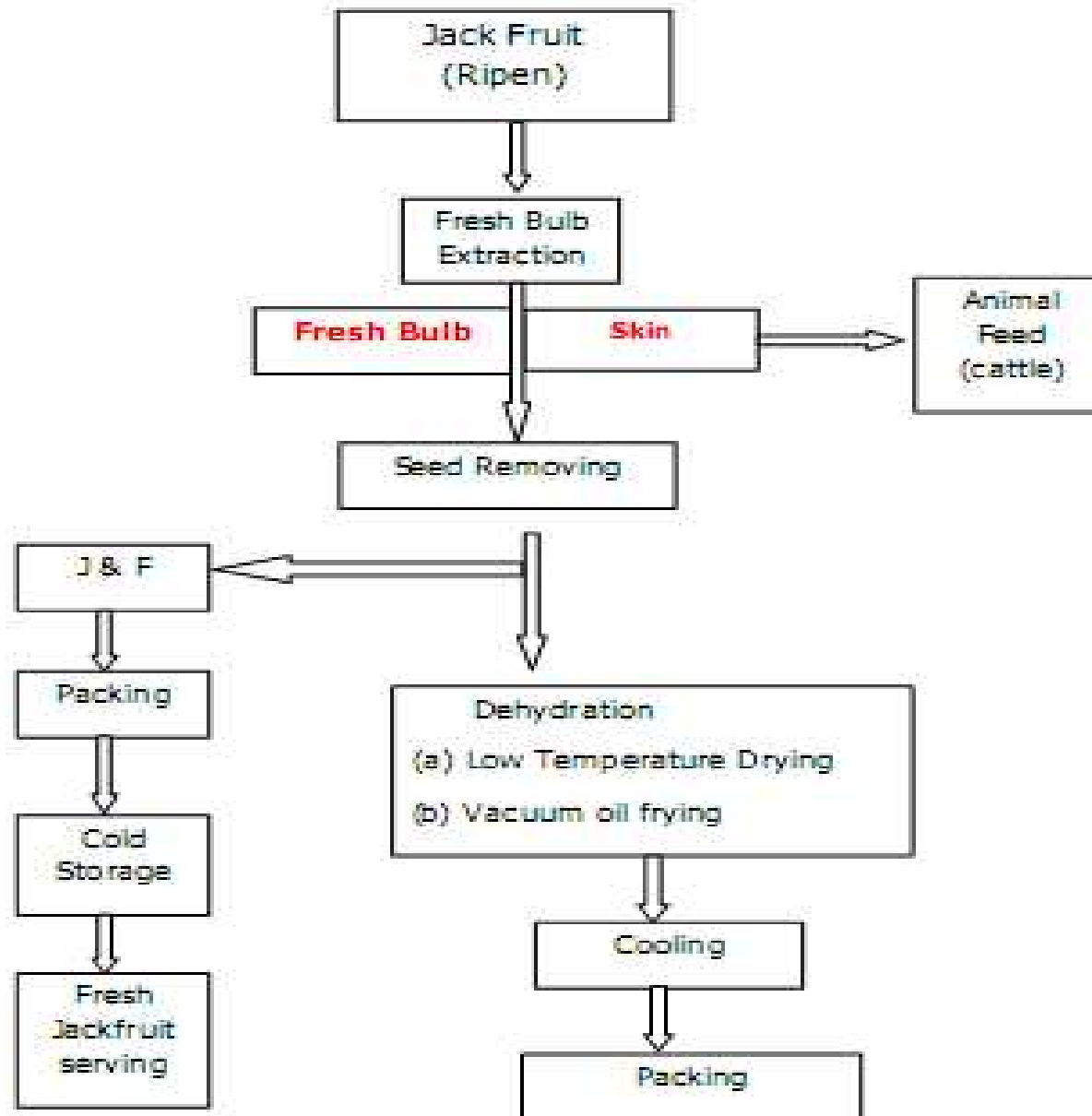
# Rice Downstream Processing



# Chili Sauce with Garlic Processing



# Jackfruit Processing



# Cold Chain – the imperative need

**With downstream production** of agricultural and horticultural crops, there is the need and opportunity to develop post-harvest facilities such as processing centre, cold rooms, warehousing etc. These facilities are very limited and in dire need throughout the country. **WHY COLD ROOMS.?**

- 1) Maintains freshness and ensures and enhances shelf life of products
- 2) Improves quality of food products – raw & processed both
- 3) Facilitates reduction of wastages due to perish-ability factors

# Cold Chain – the imperative need (Contd.,)

- 4) Ensures stable prices and balance in demand & supply of food products
- 5) Ensures suitability of food products for processing applications
- 6) Ensures stability to cropping patterns
- 7) Results in better remuneration to farming sector

# Marketing

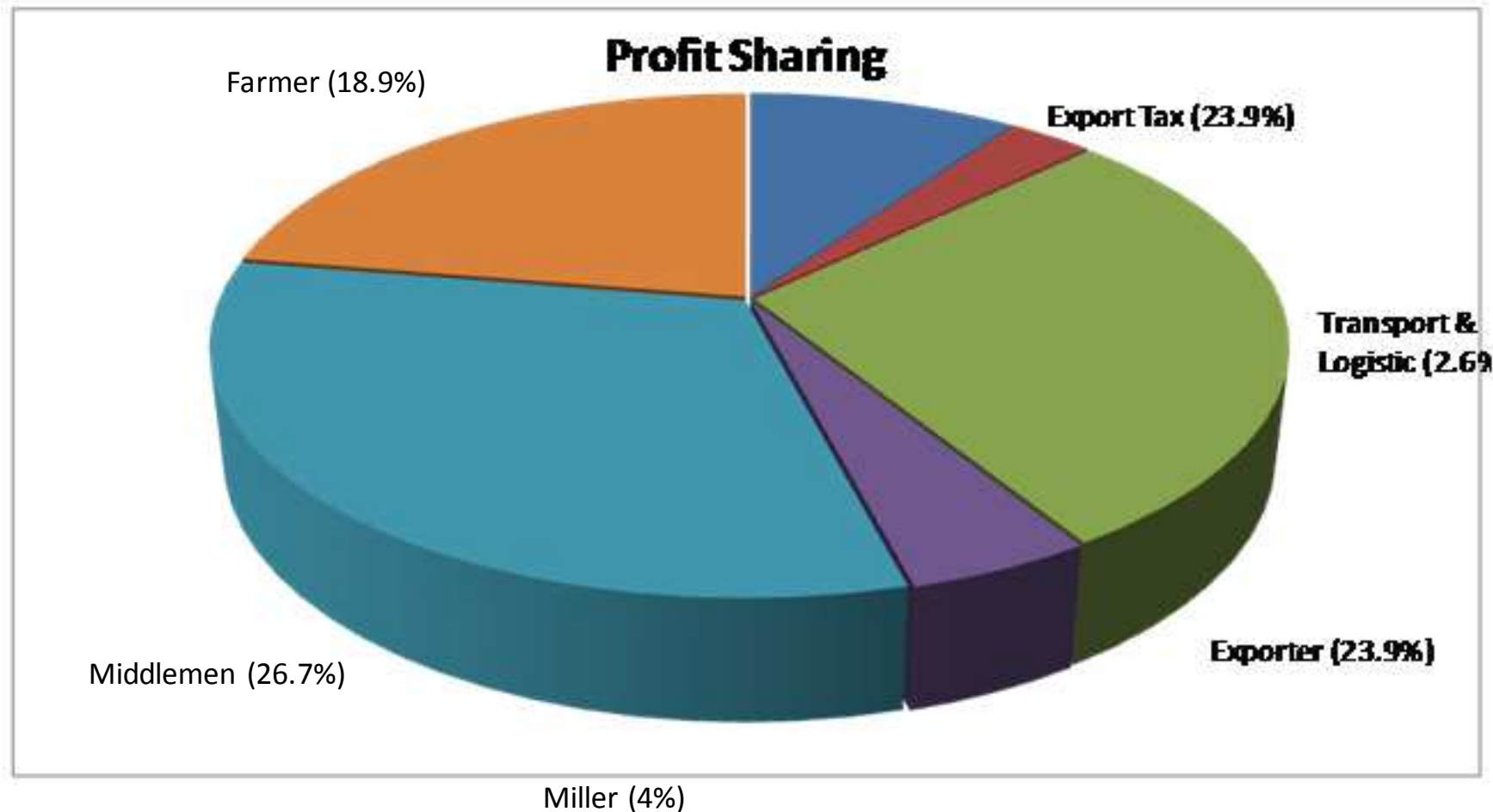


# Current Marketing Chain

- Farm gate – traders – export
- Bargaining power/ purchasing of farmers – poor/ weak
- Farmers share among actors in the rice export supply chain for example is very low-see diagram
- Need to engage farmers in the “Marketing Loop”
- Need to engage farmers in **contract farming** which is currently attracting the policy makers and private entrepreneurs



# Revenue-Profit Sharing among the Actors of Rice Export Supply Chain



Source: MIS, DAP, MOAI (2008)

# Energy

# Bio-Energy Village

*Three Important factors to consider AVAILABILITY, ACCESSIBILITY, & AFFORDABILITY*

## Energy Requirement

Upstream, downstream and supporting cold room facilities need to be supported by energy (electricity) such as Bio-energy, minihydros (there are 233 irrigation dams, which could be used to produce electricity) and solar energy.

# Bio-Energy Village

## Energy Supply and Security within the Context of Rural Development in Myanmar

### BIO-ENERGY

Best source is Bionergy

Availability of Biomass, e.g. rice husk, straw, JC , giant grass, Leucaena (Bosakaing), etc

One good approach is to create Bio-villages which can provide an inclusive approach to cater for the energy needs of each village through a central facility. There are technologies and readily available biomass to support such a facility.

# Requirements of Bio-Energy Village

- The village must have significant acreages of land under crop or animal production for food and/or biofuels.
- The area must be characterized as having low income and productivity
- Active participation by farmers/villages is a pre-requisite.
- Technical (including training) and financial support must be effective and sustainable during the pilot period.
- The model must have a “multiplier effect” for subsequent similar development in other villages.
- The proposed project must be cost-effective and capable of promoting self-reliance among the farming community in the pilot village or subsequent villages.

# **Interrelationship between Poverty Alleviation, Rural Development and Farmers Organisation**



# **Interrelationship between Poverty Alleviation, Rural Development and Farmers Organisation**

- From the dimension of rural development—the purpose for the development of agribusiness should be to strongly link rural small-scale farming communities with well developed supply chain in a sustainable manner.

# Poverty Alleviation, Rural Development and Farmers Organisations

- The word “Poverty” has now surfaced in national policy and debates on poverty alleviation and rural development.
- In this regard the Myanmar Government has recently strongly advocated a strong policy on “Poverty Alleviation and Rural Development”.
- The attack and alleviation of rural poverty must begin with rural development based on agriculture development as the majority of the population in Myanmar is agrarian and over 70% of the total population is relying/dependent on agriculture and food sectors.

# Poverty Alleviation, Rural Development and Farmers Organisations (Contd.,)

- It is also important to recognize that the attack on rural poverty must begin with a dynamic realistic and inclusive approach to agribusiness development program based on increasing agricultural productivity and income.
- This brings us to the need to direct our attention and focus on the “Target Group” which is the farmer.

# Poverty Alleviation, Rural Development and Farmers Organisations (Contd.,)

- The support programs for farmers multi-dimensional needs has first to be recognized and a mechanism to drive the support program must equally be recognized. At a general observation the farmers share in the rice production chain is only 28% with the rest enjoyed by traders, middle men, suppliers of inputs etc. This gap has to be narrowed so that, farmers share of the “Rural Productivity Cake” can be increased.

## Poverty Alleviation, Rural Development and Farmers Organisation (Contd.,)

- Individual farmers on their own are poorly equipped and vulnerable to the monopolist exploration of traders (Middle men) as they do not possess the collective or countervailing power to secure/ bargain a better economic return for their produce at the farm gate. More often than not they are at the mercy of the traders/middle men.
- Many organizational systems have been advocated to assist farmers to achieve higher productivity and income. Generally, these organizational approaches are often single purpose co-operatives, commodity based approach marketing centres, farmers markets etc and they do not produce the desired impact to effect rural productivity and income as they are not inclusive in practice and approach.

## Poverty Alleviation Rural Development and Farmers Organisation (Contd.,)

- Farmers need a integrated multipurpose organization with a “bottom up” approach to service their multi-farious needs e.g credit, extension, marketing, market information, etc as well as increasing, then collective bargaining power in the market place.
- Any organizational approach to alleviation rural poverty and improving rural income must be area-based multifunctional to benefit the farmers in the area.
- Some successful models are Taiwan multipurpose farmers organization also adopted successfully in Malaysia.

# **Opportunities/ Challenges, Constraints for Agribusiness Development in Myanmar**

# Opportunities

- 1) Resource Availability – Land, Labour, Water
- 2) Agriculture – Upstream, Midstream, and Downstream possibilities
- 3) Immense Market Potential
- 4) Country moving rapidly into open market orientation
- 5) Positive Legal, Institutional changes with better incentive for investors
- 6) Increasing confidence for foreign assistance and support  
e.g Public Private sectors including NGOs and INGOs



# Constraints

- R&D and extension, HRD
- Weak supply chain management
- Lack of effective farmers organisation
- Lack of market infrastructures/ information
- Poor export market access
- Lack of financial technological and management capabilities/ support

**THANK YOU**

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