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**Myanmar Rice Federation (MRF)**

Mr. Zaw Ye Tun currently holds the position of Corporate Executive of Myanmar Agribusiness Public Corporation Limited (MAPCO) and also works as an associate of Myanmar Rice Federation (MRF). Recently he is responsible for organizing workshops on (1) National Policy on Rice Buffering Stock (2) Southeast Asia Regional Rice Dialogue for Policy Making (3) Agribusiness transportation and logistics cooperation with Kamigumi Company from Japan. He also works as communication officer for overseas agricultural companies.



He is participating and working for Integrated Rice Mills Complex Project and Agribusiness services centre project of MAPCO, which is collaborated with Myanmar Agriculture Service and Agricultural Mechanization Department. MAPCO Limited established with the support of Myanmar Rice Federation to foster broader investment in agriculture and agro-based industries of Myanmar.

Mr. Zaw Ye Tun involved Planning and Implementing Contract Farming Operations Workshop in November 2012, Thailand. He was also a member of the Myanmar Delegation to China for studying rice milling and agriculture technology supported by China National Technical import & Export Corporation (CNTIC) and China Academy of Agricultural Mechanization of Sciences (CAAMS) in the end of December in 2012. He visited Germany to attend a workshop for providing typical firm data of Myanmar to Agri-benchmark Association in February 2013. He also participated in the development of Myanmar Rice Policy in March 2013.

# Challenges and Future Outlook of Rice Production in Myanmar

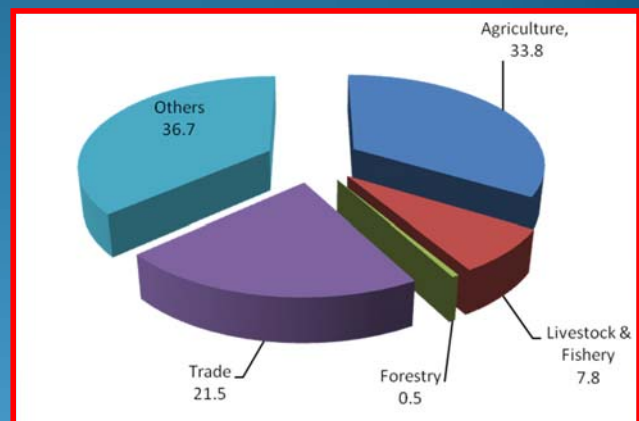
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Myanmar Agribusiness Public Corporation Ltd.

## Myanmar Economy and Agriculture

- Agriculture is main economic sector in Myanmar.
- The agricultural sector contributes 33.8 % of the nation's GDP (2008-09 constant producers' prices)
- The country's export value in 2008-09 p.a was 37028 million Kyats of which agriculture commodities shared 15.53%



# MYANMAR



(4) Major Rivers and many rivers and creeks flow into or join the major rivers

Sagaing Region

Rakhine State

East & West Bago Region

Ayeerwaddy Delta Region

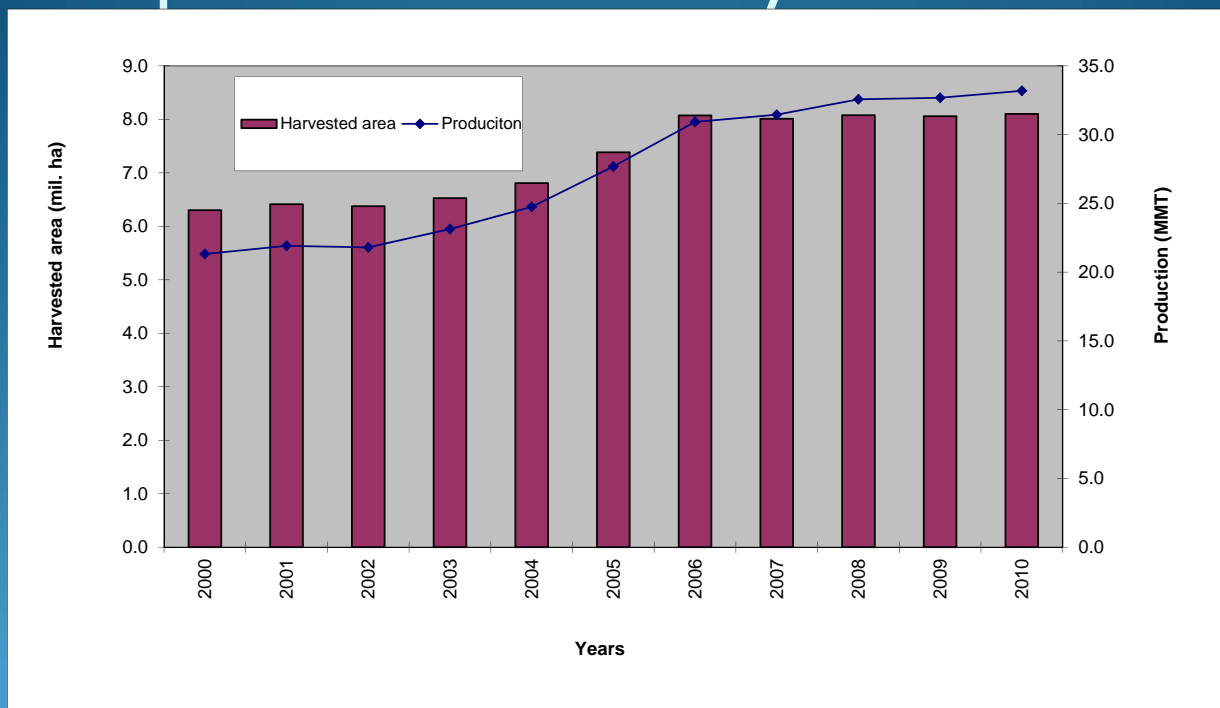
Four Major Rice Granaries in Myanmar

## Growing season of Paddy: crop year(1 April - 31 March)

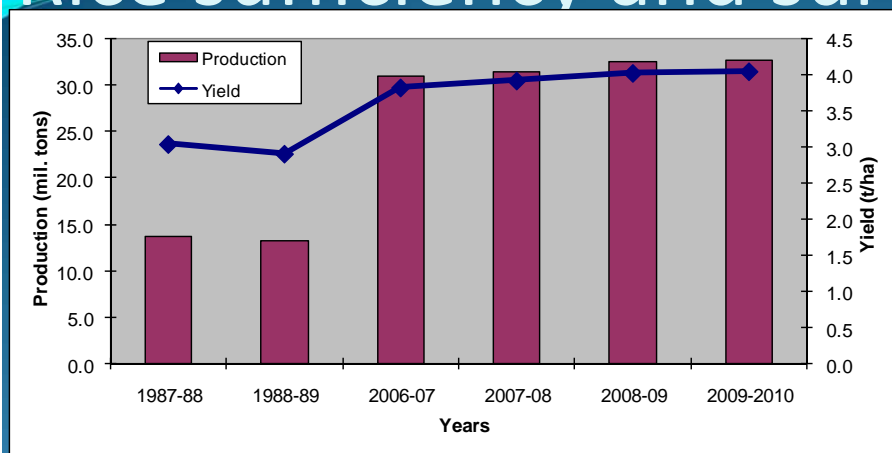
| Monsoon | Main Areas             | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar |
|---------|------------------------|-----|-----|-----|-----|-----|------|-----|-----|-----|-----|-----|-----|
|         | Lower (Rain fed)       |     | S   | S   | S   | S/G | S/G  | G/H | H   | H   | H   |     |     |
|         | Central (Rain fed)     |     |     |     | S   | S   | S/G  | G/H | H   | H   | H   |     |     |
|         | South Shan (Rain fed)  |     |     | S   | S   | S/G | S/G  | H   | H   | H   |     |     |     |
| →       |                        |     |     |     |     |     |      |     |     |     |     |     |     |
| Summer  | Lower (Irrigated)      | H   | H   |     |     |     |      |     | S   | S   | S/G | S/G | H   |
|         | Central (Irrigated)    | S/H | H   | H   | H   |     |      |     |     |     | S   | S   | S/G |
|         | South Shan (Irrigated) | S   | G   | H   | H   |     |      |     |     |     |     |     | S   |

S=SOWING, G=GROWING, H=HARVESTING

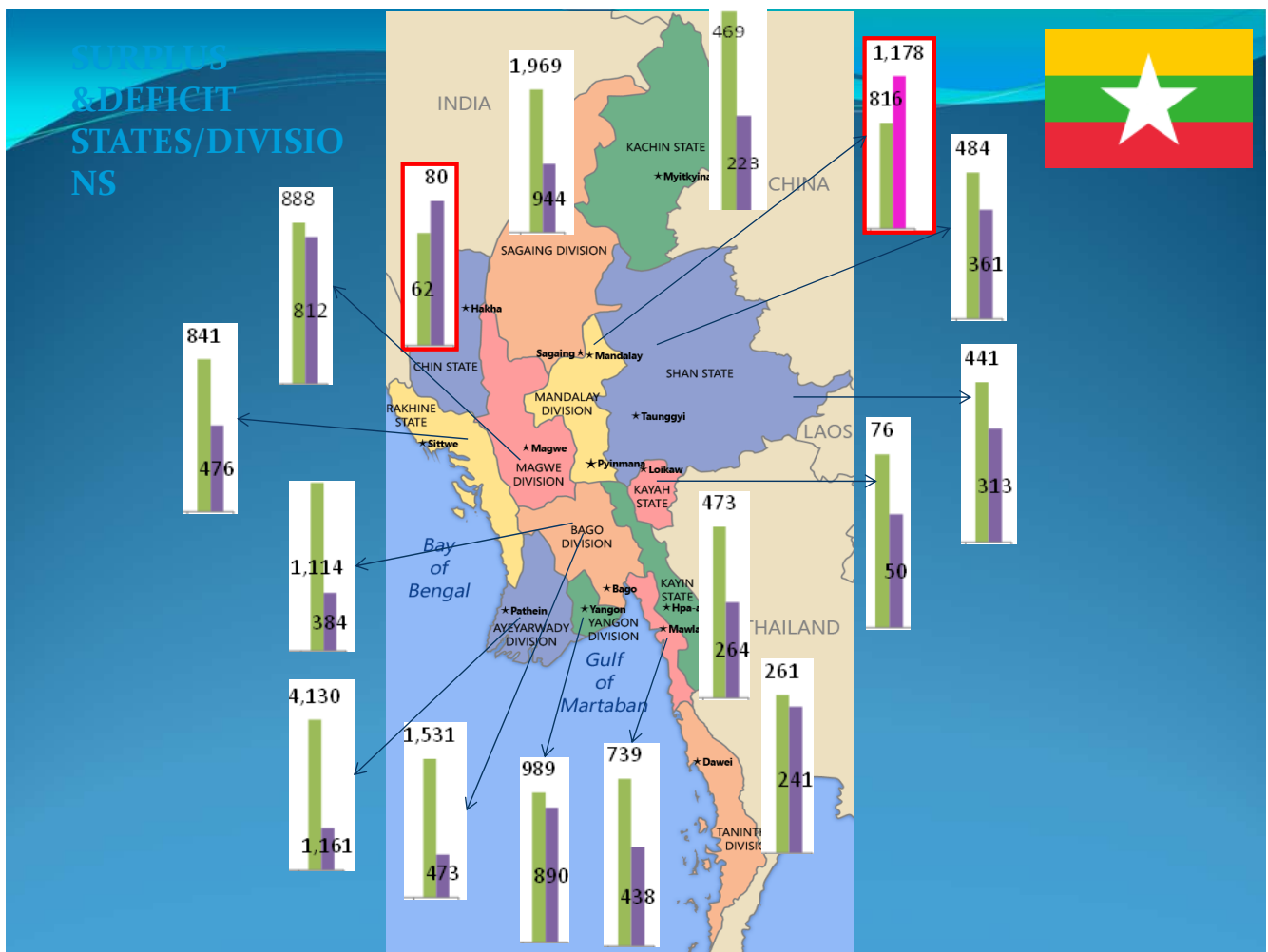
# Rice production in Myanmar



# Rice sufficiency and surplus



| Year      | Seed | Loss | Consumption | Utilization Total | surplus Rice (mil. ton) | Sufficiency % |
|-----------|------|------|-------------|-------------------|-------------------------|---------------|
| 1987-88   | 0.48 | 0.72 | 11.48       | 12.68             | 0.46                    | 108           |
| 1988-89   | 0.49 | 0.74 | 11.70       | 12.93             | 0.11                    | 102           |
| 2006-07   | 0.84 | 1.26 | 16.60       | 18.70             | 5.86                    | 165           |
| 2007-08   | 0.83 | 1.25 | 16.89       | 18.98             | 5.98                    | 166           |
| 2008-09   | 0.83 | 1.25 | 17.15       | 19.23             | 6.39                    | 169           |
| 2009-2010 | 0.83 | 1.25 | 17.37       | 19.45             | 6.34                    | 168           |



## Key areas Affecting Rice Production

- Problems of land ownership and land development
- Poor knowledge and practice of farmers in land preparation, selection of seeds and cultivation
- High cost of inputs such as labor, seeds, machines, fertilizer and poor development of local credit market

## Key areas Affecting Rice Production

- Low price of rice that reduces earnings
- Poor coping mechanisms of problems such as local flooding, droughts and untimely rains

## Problem of land ownership and land development

- Many farmers do not have the right to own and register their land
- For many years, some private companies with the agreement of local authorities capture or monopolize land in the villages
- New government promulgates land registration law and protect farmers from capture or monopoly

## Problem of land ownership and land development

- Farmers do not have interest and capacity to develop land
- They do not know how to correct salty lands
- Cropping pattern is mostly single crop in a year
- Now government helps development of agricultural land and cropping patterns

## Poor knowledge and practice of farmers in land preparation and selection of seeds

- Land preparation is inadequate because of inadequate knowledge and low use of machines.
- Most of farmers use cattle and only very few able to use “Gondong” ploughing machine
- Many farmers use traditionally collected seeds and cannot afford to use high yield varieties



## Low knowledge and experience of using machines

- Farmers have only limited knowledge of using “Gondong” ploughing machine
- They have very limited use of paddy planting machines, weed removers, harvesters, seed threshing machines and dryers etc.
- Now in addition to government inputs MAPCO starts to introduce “Agribusiness Service Centers” at the Township level through Private-Public Partnership

## High cost of agricultural inputs such as labor, machines, seeds and fertilizer

- Labor input is 10-13 laborers per season and total input per acre is about 100,000 to 130,000 kyats
- Agricultural labor is expensive because many people from the villages migrate to other sectors such as industrial within and outside of the country
- Machines, high yield variety seeds and fertilizers are still expensive because all of them are imported and not easily accessible to majority of farmers
- Quality of fertilizers, pesticides and machines are also questionable



## Poor development of credit market

- Sources of credit
  - Credit from government
  - Credit from rice traders, brokers, companies
- Credit Market
  - Most of the credits are in cash and not in terms of commodities
  - Traditional credit markets are not much helpful for farmers but put a lot of burden
  - Credit packages should incentivize farmers to use high yield variety seeds, machines and quality fertilizers

## Low price of rice that reduces earnings

- Compared to price of inputs, price of rice is rather low to get earnings from rice
- Low price of rice is seasonal and export dependant
- Lower US \$ price causes shrinkage of rice export
- Low earnings from rice force farmers to emphasize another crop
- Country introduced a scheme of buying rice from farmers to stabilize price of rice

## Poor coping mechanisms of local problems

- No effective coping mechanisms for local problems such as local flooding, untimely rains and droughts
- There is considerable loss from these atrocities
- Farmers should be empowered by various means to respond these problems

## Key challenges in production of rice

- Low knowledge and poor practice of farmers
- Ineffective use of agricultural inputs
- Poor maintenance of rice price within country
- Low incentives for farmers
- Inadequate mechanization in farming
- Inadequate translation of policies into real practice for agricultural sector

# Basic Concepts for Improving Agricultural Productivity

1. Secure market for generating increased income
2. Use of quality seeds
3. Application of modern production technologies
4. Proper utilization of agricultural inputs (irrigation water, organic and inorganic fertilizers)
5. Reduction of losses (seeds, inputs and post-harvest losses)

## Conclusion

- After many decades of turmoil in agricultural sector Myanmar tries to augment rice production and export
- It is indeed a huge challenge to change the attitudes of people from policy, managerial and operational levels
- The favorable factor is almost all of the people like to introduce reforms in the agricultural sector
- If the right steps can be taken, Myanmar will be a key country contributing sufficiency of food in the world



THANK YOU FOR YOUR ATTENTION