

Challenges and future outlook of Rice Production in
Myanmar

Name : Zaw Ye Tun

Designation : Corporate Executive

Organization : Myanmar Rice Federation (MRF)

Myanmar Agribusiness Public Corporation Ltd

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Myanmar is a considerably large country situated in the South East Asia Region with a population of nearly sixty million as of 2010. It has 25 million acre of forest reserve and 4.7 million acre of fallow land. Net area sown with different crops is 20 million acre (1). Main staple crop grown in the country is Paddy and it is grown in Monsoon and summer months. Monsoon paddy is grown in 16 million acre and summer paddy is grown in 3 million acre. Major regions of the country grow paddy are Irrawaddy, Sittaung, Chinwin delta areas such as Ayeyarwady, Bago, Mandalay, Yangon and Sagaing Divisions. Average yearly production of rice is 30 million tons since 2006 and country exported 1.7 to 2.2 million tons through international and border trade in 2012.

Although Myanmar was the largest rice exporter in the world before 1962, it became smaller exporter in the SEA Region during five decades. Reasons of dwindling rice exports are many and complicated. Major reasons are low production, decline of surplus and poor markets. Among these reasons low production is major problem of the country and it calls for immediate and critical solutions. In order to promote rice production in the country, the following are key areas to be tackled by both public and private sectors.

- (1) Problems of land ownership and land preparation
- (2) Poor knowledge and practice of farmers in land preparation, selection of seeds, and cultivation
- (3) High cost of inputs such as labor, seeds, machines, fertilizer and poor development of local credit market
- (4) Low price of rice that reduces earnings
- (5) Poor coping mechanisms of problems such as local flooding, droughts and untimely rains

(1) Problems of land ownership and land development

In Myanmar, many farmers prepare fallow lands to get cultivable by their own effort. However, they don't have the right to register their own cultivable lands because of absence of land law, rules and regulations. They are also not able to resist their lands from capturing or monopoly by companies or local authorities as government does not protect them from these atrocities. Therefore, some rich companies ally the authorities at various levels to grab agricultural lands from small holder farmers unfairly for non-agricultural purposes.

In the circumstances with significant challenges and threats to agricultural land related matters, Settlement and Land Records Department (SLRD) can not solve the problems of dispute fairly and transparently. So, small holder farmers loose their lands and being unfairly treated. Knowing these issues all over the country new government is trying to promote justice and equality in settlement of land disputes and disagreement. The government also promulgates land registration law in this year with the aim of protecting farmers from monopoly by rich companies. According to the new law, farmers are able to buy, sell and mortgage their lands without any restraint.

Another problem is lack of skill and facilities in land development for growing paddy. Many farmers do not develop existing agricultural land with proper drainage, irrigation and farm roads because they do not know advantages of land development. Even they are interested, they have to develop land with traditional methods using cattle and only very few of them can use machines. They also do not know how to correct the salted land and a lot of arable land become useless. Cropping pattern also affects crop yield per acre. As majority of farmers are able to grow single crop in a year due to various constraints, crop yield becomes fall off year after year. Now with the change of policies on agriculture, farmers are able to use machines for land development with the loans from companies although progress is rather slow.

(2) Poor knowledge and practice of farmers in land preparation, selection of seeds and cultivation

Although one fourth of total area of the country is cultivable land, presently there are only about 20 million acres of net sown area in Myanmar. Most of Agricultural lands are currently cultivated by small scale farmers. The average size of holdings is 5.6 acres and most of the farmers in Myanmar owns lands from 5 acres to 10 acres(2). In recent situation, the cost of land preparation and cultivation is rather high and productivity is low. For flooded area and deep water areas, the cost of land preparation is much higher.

Land preparation is very important to get high yield from paddy. In Myanmar, the utilization of farm machineries in land preparation and cultivation is very low in percentage compare to other rice producing and exporting countries. Most of the farmers are still using manpower and draught cattle. Therefore, Government tried to change from manpower to farm machineries in agriculture. However, it was not completed successfully due to lack of experience.

In accordance with poor knowledge and practice in selection of certified seed, Private-Public sector needs to provide high-yielding varieties and help to upgrade the quality through research and development for small scale farmers. Government also needs to supply technical and financial support in seed breeding process, biotechnology and genetic engineering. There also need to review the existing seed law, rules and regulation. To develop in the area of land preparation, selection of seeds and cultivation, it is important to transfer high technology to farmers through agricultural extension regarding crop cultivation practices, appropriate cropping patterns, provision and proper utilization of agricultural inputs and systematic plant protection practices.

(3) High cost of Agricultural inputs such as labor, seeds, machines, fertilizer and poor development of rural credit market

In accordance with high cost of agricultural inputs and lack of microfinance laws, rules and regulations, farmers cannot overcome from debt cycle and increasing rural debt. The cost of

agricultural inputs in Myanmar is about minimum 100,000 kyat per acre (3). If natural disaster such as flooding and untimely rains occurs in agricultural areas, small holder farmers get very low yield and cannot cover the cost of agricultural inputs. Then, rice price in Myanmar is not stable and much fluctuated depending on market demands. Therefore, farmers are reluctant to grow paddy to a larger scale. In order to support farmers to prevent these adverse effects, government needs to provide strong rural credit insurance schemes for rice specialization companies, microfinance organizations and also need to support special working capital to small holder farmers. Various credit packages should be introduced to incentivize farmers to produce seeds, to grow high quality and high yield varieties, to provide high quality fertilizers and to do land preparation for mechanization etc.

(4) Low price of rice that reduces earnings

Usual pattern of rice price in the country is that the paddy prices are low in the harvesting months of November, December and January and it becomes higher in later months when there is no paddy in the farmers' hand. This price pattern prevails for many years in the country and government did not intervene previously. Farmers cannot hold paddy for a long time and want to sell it as quickly as possible to pay their loans back and to invest money for another crop. Therefore they have to sell paddy with low price. As earnings from paddy are much lower than their expectations farmers do not rely much on this crop. Thus farmers' interest changed to another crop and paddy production is lower. With the advent of change of policy country introduces a scheme of buying rice from farmers in 2012 for stabilizing price and boosting export of rice. As the scheme is able to attain a good progress, the price of rice is much higher than previous years and farmers can raise earnings from paddy production.

(5) Poor coping mechanisms of problems such as local flooding, untimely rains and droughts

Although rice is major crop grown in the country there is no effective coping mechanism to prevent or rescue problems such as local flooding, droughts and untimely rains. Many acres of

low lying paddy fields are flooded due to poor drainage of local creeks and streams which are blocked by construction of terraces and embankments. Therefore, there is no harvest of paddy in these areas and there is great loss of farmers' investments during 2011 and 2012. Farmers who suffered from these troubles also have no strength to complain or taking action to solve this problem. Untimely rains are another obstacle for farmers to boost rice production. Untimely rains reduce amount of crop yield through high wastage during harvesting. Many farmers in the country cannot use machines for reaping, threshing and drying of paddy because they have no cash to buy machines for these purposes and private companies are also not ready to support them. Therefore, some supporting schemes should be introduced to promote use of machines in the harvest. Drought is another problem that affect crop yield. As support for irrigation is not available in some areas, farmers cannot find solutions to combat the droughts.

Conclusion

Myanmar was the largest exporter of rice in the world before 1960. With the change of government policy and management quality on agriculture sector, Myanmar rice export becomes the lowest among the rice exporting countries within five decades. It had also been tried very hard to be sufficient on rice for even domestic use under centralized economic policies. Now the new government amends economic policy on rice production, storage and marketing. A number of reforms have been introduced in agricultural sector with encouragement of improved agricultural methods, mechanization, the right use of insecticides and fertilizers. Most of the agricultural reforms have started recently and it needs support from within and outside of the country. If the right steps can be taken in agricultural sector, Myanmar will be a key country contributing sufficiency of food in the world.

References:

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