

DRAFT

THE REPUBLIC OF THE UNION OF MYANMAR

MAIN ISSUES



I. Myanmar in pursuance of Economic reform & Poverty Reduction

Since the new government assumed office on 30th March 2011, a number of national level initiatives have been undertaken for development policy and institutional reforms for accelerating growth, reducing poverty, and promoting human development in Myanmar.

The new government has launched a series of economic, social, and policy reforms to improve the socio-economic life of the people which will lead to sustained, inclusive and equitable economic growth which will in turn increase employment opportunities, promote agriculture development and reduce poverty of the 70% of the population resides in rural areas, engages in agricultural and livestock farming.

The Government has adopted a strategy to hold discussions at the national level on a wide range of emerging development issues involving initially participation of national institutions, government agencies, local non government agencies, private sector, the media and the academia, and senior national experts as well as Myanmar experts living abroad. Such discussions have been held at two national workshops: one on Rural Development and Poverty Alleviation (20-22 May 2011) and the other Reforms for National Economic Development (19-21 August 2011).

Government new Action Plans:

Rural development and poverty alleviation is one of many tasks of the new government. The Rural Development and Poverty Alleviation Central Committee headed by the President has adopted eight tasks and is carrying out them. Action plans will be implemented with collaborative efforts of ten strengths – 1) government, 2) banks, credit cooperative societies, 3) foundations, 4) entrepreneurs, 5) NGOs, 6) United Nations and International Organizations, 7) INGOs, 8) wellwishers, 9) social organizations and 10) local people.

II. Emerging issues of Myanmar impacting on agriculture and food security

Improving Rice Policies for National and Regional Food Security:

Participation in such national level discussions have progressively been opened to the international community, beginning with the UNESCAP initiated Third Development Partnership Forum which focused on “Improving Rice Policies for National and Regional Food Security: Challenges and Opportunities” (27-28 June 2011). Two additional workshops were subsequently held: one devoted to “First Myanmar Forum on Green Economy and Green Growth” (1-4 November 2011) and other focused on “Financial Sector Development in Myanmar and its Role in Supporting Inclusive Economic Growth and Poverty Reduction” (7-8 November 2011). These workshops were led by the Government with financial cooperation of the Norwegian government and the European Union, respectively.

Trade constraints and opportunities

Rice Reserve Supervisory Committee formed:

Myanmar Rice Industry Association (MRIA) was reviewing whether to halt the export of 50, 000 tonnes of rice because of crop damage related to heavy flooding, especially in Ayeyarwady and Bago Divisions. The Ministry of Agriculture and Irrigation asked the MRJA to consider domestic food security concerns before deciding if the rice should be exported. Myanmar formed Rice Reserve Supervisory Committee on 7 January 2012 and the State will purchase rice from local farmers at a profitable price after forming the Rice Reserve Supervision Committee led by Union Minister for Commerce.

Export Tax reduced

With the view to encouraging foreign trade, the government reduced export tax from 8% to 2% and granted exemption of export tax on all agricultural and timber products. The government issued notification for seven export items granted tax exemption on a) rice, b) beans and pulses, c) corn, d) sesame, e) rubber, f) freshwater and salt water products, g) animal products (except prohibited ones) for the period of six months from 15 August 2011 to 14 February 2012.

Amendments to Vacant, Fallow and Virgin Lands Management Bill

The new government formed a Commission for drafting the Farmland Bill on 19 October 2011 led by the Union Minister for Agriculture and Irrigation and draft Law on Amendments to Vacant, Fallow and Virgin Lands Management Bill has been discussed at the last Parliamentary session on 24 November 2011 and approved paragraphs and subparagraphs and are in process of introducing two new laws on land use: the Farmland Bill and the Vacant, Fallow and Land Management Bill. In a country where an estimated two-thirds of people earn a living directly or indirectly from agriculture, it is crucial that the Farmland Bill and the Vacant, Fallow and Land Management Bill reflect the need – particularly among smallholder farmers – to secure land tenure rights.

Food Prices back to stable

Prices of rice have risen steadily since the beginning of last year 2010. Myanmar Central Statistical Organization (CSO) indicates that the average retail rice price in January 2011 was 21% higher than the same month a year earlier, while the year-on-year food price inflation was 9.7% and the consumer price inflation 8.3% over the same period. Prices of low quality rice have started to rise as traders prepare to resume exports. However, overall wholesale prices of staple food commodities (rice, wheat, maize, and edible oils) remained largely stable over the past week of December 2011.

Impact of Climate Change

Storms and floods cause havoc and disaster in Myanmar in 2011

Myanmar experienced series of unusual weather events in 2011. The impact of the moderate to strong La Nina in mid of 2010 meant that the country suffered wetter and colder conditions in 2011 through to October. Such continuing cold weather and unseasonal rains proved detrimental for Myanmar's agriculture sector, with summer paddy crops and beans and pulses particularly damaged, affecting production. A total of 23 records for rainfall were broken across the country especially in Rakhine

State, the country's heaviest rainfall reached 29.1 inches in 12 hours and led to flooding in towns and farmlands, as well as causing landslides in hilly regions that damaged rural infrastructure, including roads and bridges. Several rivers in the country burst their banks in the monsoon season that caused frequent flooding in riverside in the regions of Bago, Magwe, Ayeyarwady and Karen State. According to figures from the Department of Agricultural Planning, about 97,000 acres of crops were destroyed by floods in 2011. A flash flood situation report released by United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA) on November 2011 stated that 161 people have been recorded dead or missing and 2335 out of 9523 houses destroyed, according to government figures.

Myanmar Earthquake 2011

A strong earthquake occurred on 24 March at 8:30 pm and 9:30 pm measured at a magnitude 6.8 by the U.S. Geological Survey, was centered just north of the town Tachileik, eastern Shan State in the mountains along the Thai border. Initial findings of a rapid assessment indicated that at least 18,000 people residing in 90 villages had been affected by the earthquake. The most affected area was Tarlay and Mon Lin village. Response for the emergency by the Myanmar Government has been speedy. NGOs and community-based local organizations have also been providing required relief aids to affected people, while more relief aid is expected before the rainy season.

FAO's overall response to above emerging issues in Myanmar for food and agriculture sector development:

FAO Environmentally Sustainable Food Security Programme (ESFSP)

Activities under the ESFSP, funded by the Development Cooperation of the Italian Ministry of Foreign Affairs with a total contribution of USD 5,3 million, started in January 2010 and will be completed by mid 2012. The programme covers activities related to crops and fisheries sectors, such as farmer field schools (FFS) activities, inputs distribution, water tanks rehabilitation, mangroves and fisheries management activities, trainings, and rehabilitation of hatcheries. For the crop sector, the registered seed (RS), the quality declared seed (QDS), the FFS training activities on improved agricultural techniques combined with postharvest loss reduction methodologies resulted in a substantial increase of beneficiary farmers' yields. The paddy RS alone showed a superior yield from 115% to 161% compared to locally grown same or similar varieties.

FAO Cyclone Nargis Response Update

In April 2010, almost two years after Cyclone Nargis, the FAO Emergency and Rehabilitation Coordination Unit (ERCU) launched the Livelihood and Food Security Trust Fund (LIFT) Project for the Delta communities. The overall goal of the LIFT project was to reduce the extreme poverty and hunger in Myanmar. With its partners, in the Delta FAO has undertaken 17 asset replacement and livelihood restoration projects that have improved the lives of over 190,000 beneficiaries.

Planning for the 2010 Myanmar census of agriculture (MCA 2010)

In order to ensure that the Myanmar Census of Agriculture (MCA) 2010 was carried out in full conformity with the WCA 2010 Programme, FAO is providing technical assistance to GoUM through this TCP/MYA/3301 project which has become operational in March 2010 with a budget contribution of US\$416,000. The counterpart ministry responsible for project execution is SLRD, MoAI. The duration of the project is 18 months.

Food security through strengthening of institutional capacity for seed production. This project has been launched in January 2011 and its completion is foreseen for January 2013. Its allocated budget is US\$385,000. The overall impact of the project is to strengthen key elements of the national seed industry thereby benefiting agriculture production and the food security of the country. The outcomes are to establish a modern framework for sustainable seed delivery system by strengthening the capacity of the institutions responsible for crop varietal improvement, seed production, quality control, and to develop a national seed policy and regulatory framework for seed programme/ industry with appropriate oversight arrangements. The counterpart ministry is the Ministry of Agriculture and Irrigation (MoAI), in particular the Myanmar Agriculture Service (MAS), and the Department of Agricultural Research (DAR).

Sustainable Community-based Mangrove Management in Wun Baik Forest Reserved

This project jointly implemented by FAO and Ministry of Forestry to conserve the rich mangrove biodiversity of Rakhine state.

FAO Integrated Avian Influenza Programme in Myanmar.

Myanmar saw four bird flu outbreaks from 2006 to 2010 with new outbreaks in Rakhine State in February, in Sagaing region in March 2011. In addition to this, there are regular outbreaks of deaths in poultry which may be caused by diseases other than AI. The FAO Avian Influenza program has been supporting government efforts to understand the complex AI situation and to reduce risk of outbreaks; moreover, the programme is also aimed at building long-term capacity of the government in disease control that can also be applied to other diseases. FAO is currently supporting a surveillance program in 78 townships throughout Myanmar, utilising networks of community animal health workers to provide information to township LBVD staff. FAO also supported the establishment of a national database of all commercial poultry farms in Myanmar – a significant step forward in being able to plan disease control measures.