



Agriculture, food security, and welfare in Myanmar: *New evidence from July 2021*

SPEAKERS

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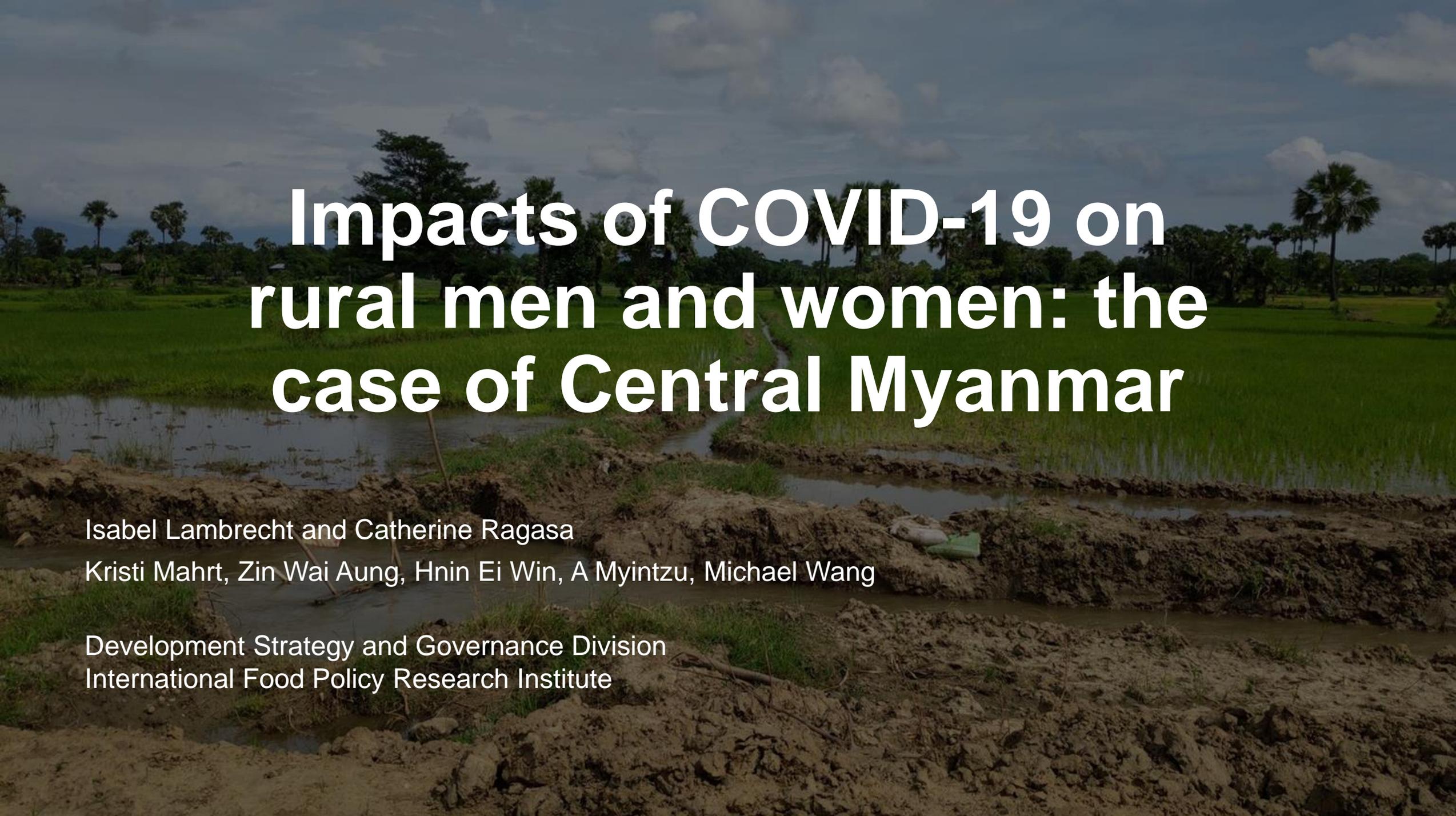
MODERATOR

Alexander Albertine

*Director of the Office for Economic Growth,
USAID Burma*



**August 24, 2021
5:00 - 6:15 PM MMT**

A rural landscape in Myanmar featuring a muddy path through a rice field under a cloudy sky. The path is made of dark, wet earth and leads through a field of young rice plants. In the background, there are palm trees and a line of trees under a grey, overcast sky.

Impacts of COVID-19 on rural men and women: the case of Central Myanmar

Isabel Lambrecht and Catherine Ragasa

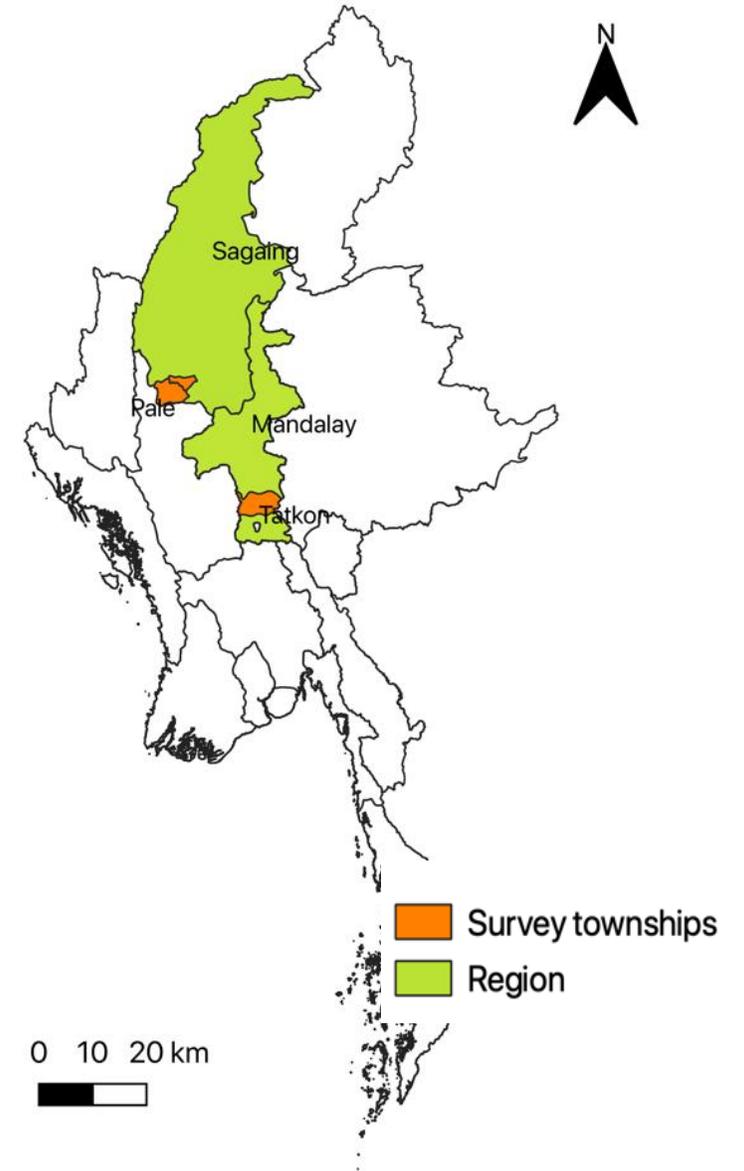
Kristi Mahrt, Zin Wai Aung, Hnin Ei Win, A Myintzu, Michael Wang

Development Strategy and Governance Division
International Food Policy Research Institute

Study site and data

Interviews with rural households (male and female respondents) from two irrigation schemes in Central Dry Zone, Myanmar

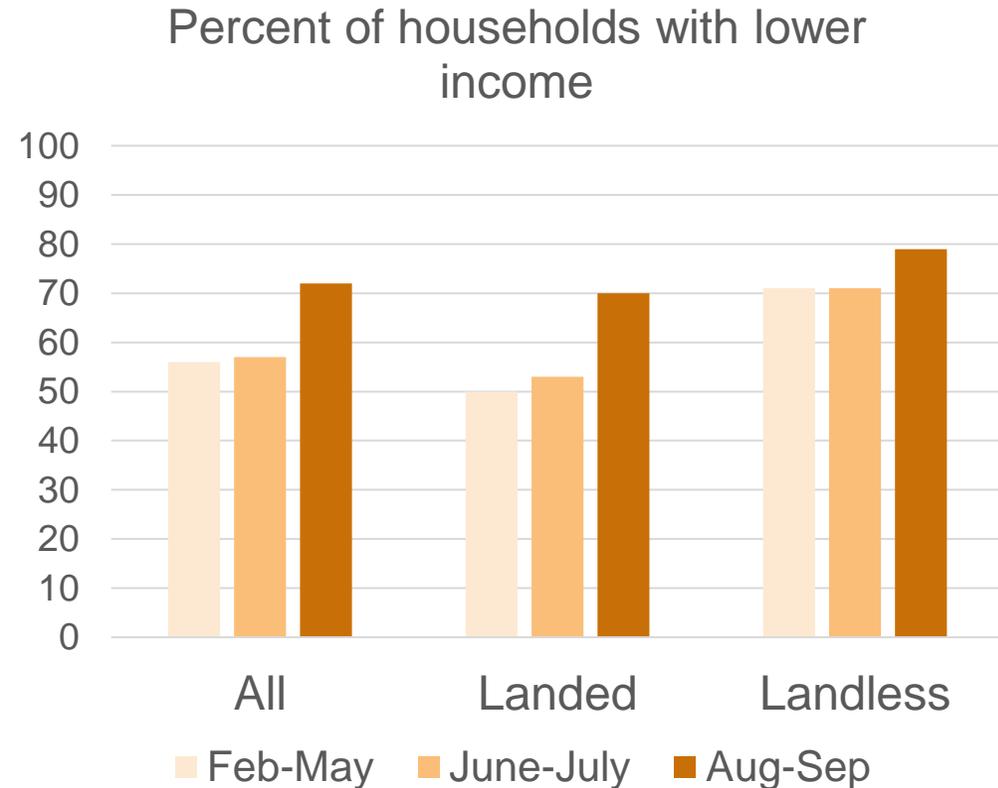
Phone surveys focus on impacts of C19 on rural livelihoods and women's empowerment



	Recall period	Implementation	# households
Baseline, in-person	Jan 2019 –2020	January 2020	998
Phone Survey round 1	Feb-May 2020	June 2020	606
Phone Survey round 2	June-July 2020	August 2020	535
Phone Survey round 3	Aug-Sept 2020	October 2020	503
Phone Survey round 4	TBD		

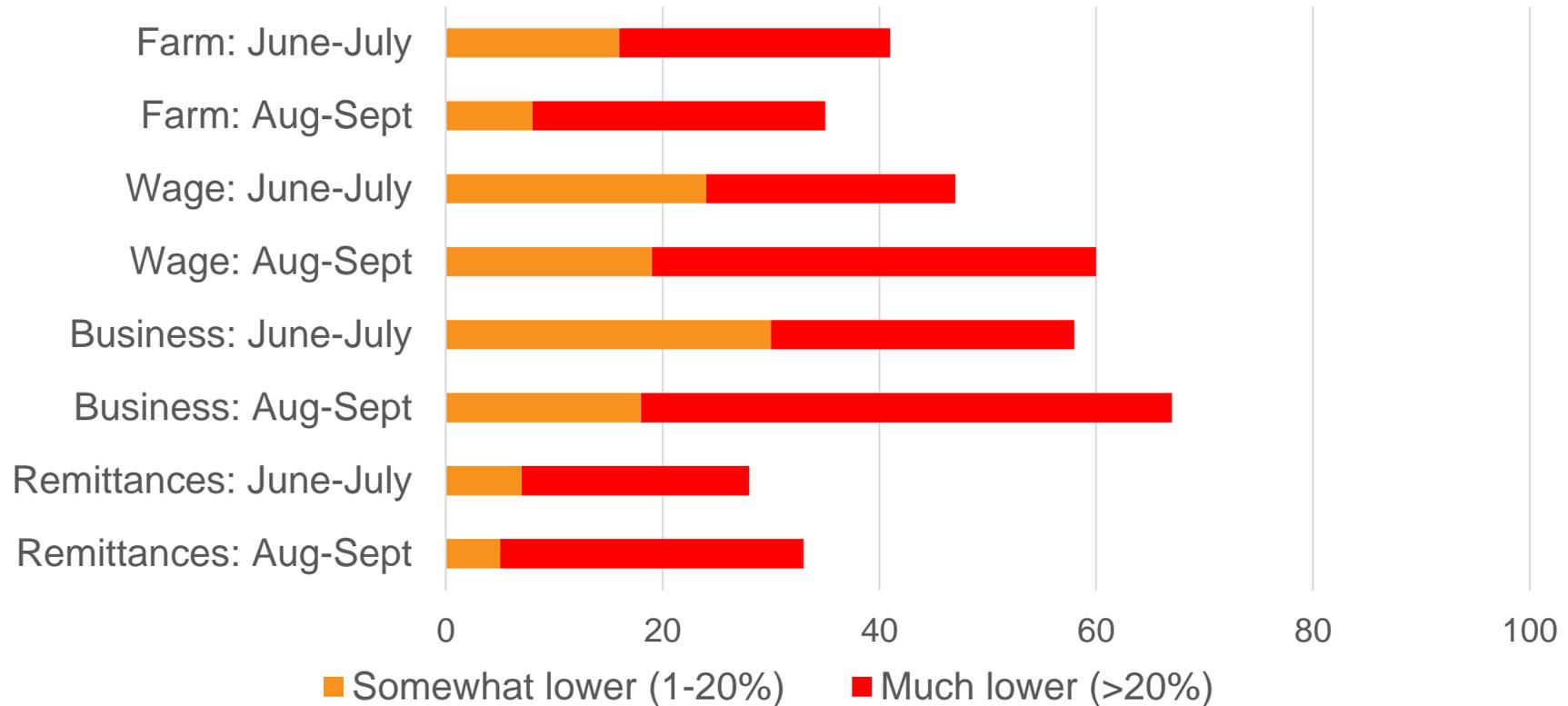
Lower household incomes among both landed and landless households

- 72% of households report lower income than usual
- Landless households are more likely to have lower incomes than landed households
- “Sticky effect” after 1st wave (June-July)
- Even more households report decreased incomes at the onset of the 2nd wave



All sources of income are affected, though non-farm income to a higher extent

% of households with lower incomes, by income source



Farmers face additional challenges to crop production

- Crop production
 - Challenges in accessing agricultural inputs (16% - 13% - 22%)
 - Farmers invested less than usual in inputs because of financial constraints: 16% in June-July; 28% in August-September
 - Natural shocks: prolonged drought, lack of irrigation water
- MADB loans:
 - 58% of farmers obtained an MADB loan in June or July, half of them also obtained the special COVID-19 loan.

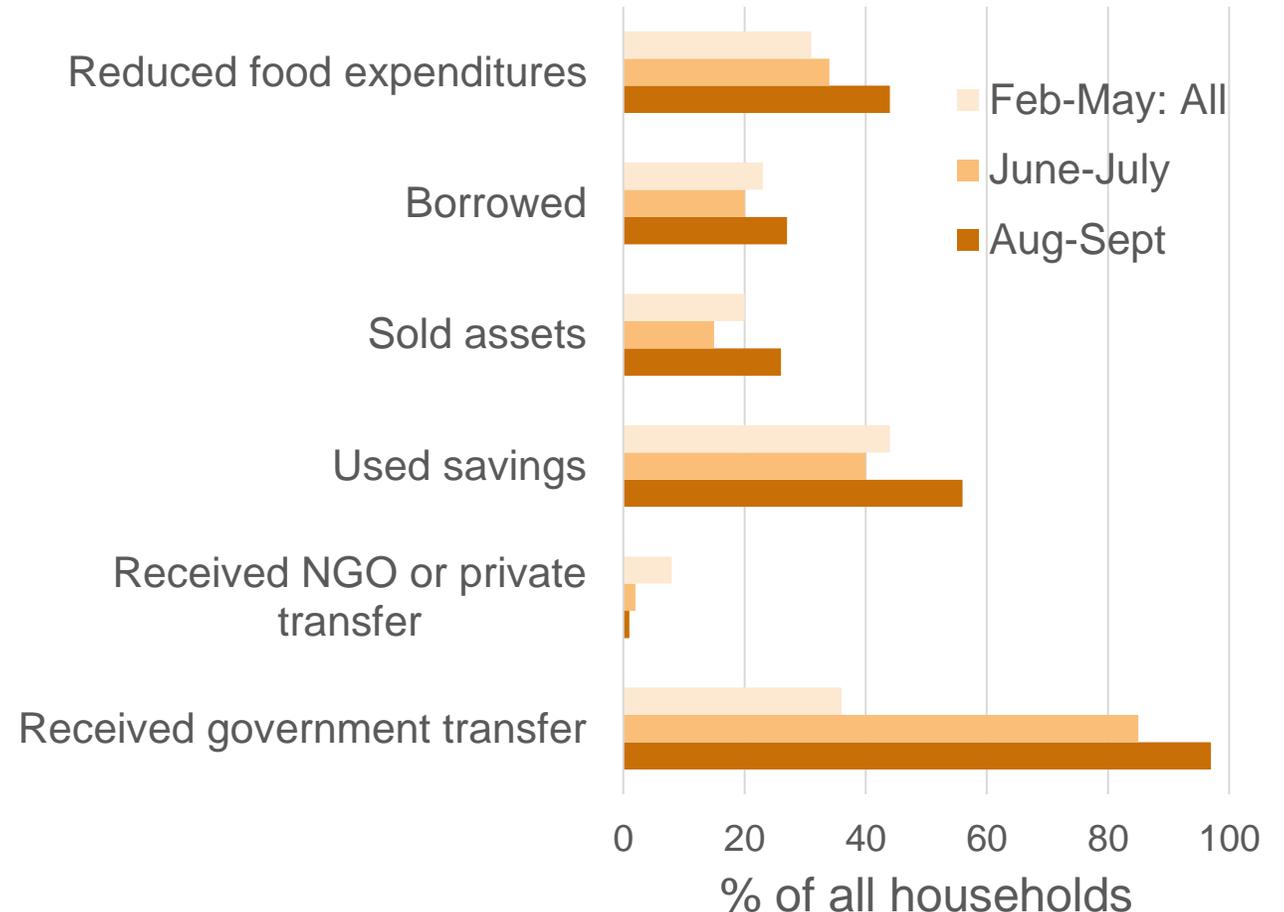


But even more challenges to sell their crops

	Feb-May % of farmers	June-July % of farmers	Aug-Sept % of farmers
Any difficulties in selling your harvest?	68	33	24
If yes, which difficulties:			
Lower prices	63	85	66
Poor demand/no buyers	32	16	20
Markets closure	28	17	10
Movement restrictions	27	9	38
No means of transportation to markets	25	0	11
Do you anticipate any difficulties in selling your harvest?	36	47	42
If yes, which difficulties:			
Lower prices	75	55	40
Poor demand/no buyers	45	59	50
Markets closure	8	5	9
Movement restrictions	15	15	71
No means of transportation to markets	22	14	20

Coping mechanisms are using savings, selling assets, reducing food expenditures, and

- Increasingly more households apply coping mechanisms
- By August-September:
- 56% was using savings
 - 44% reduced food expenditures
 - 26% sold assets: gold and jewelry, livestock, agricultural parcels and implements
- Nearly all receive government transfers by August-September, but men are typically considered the recipients of the transfers (71%)

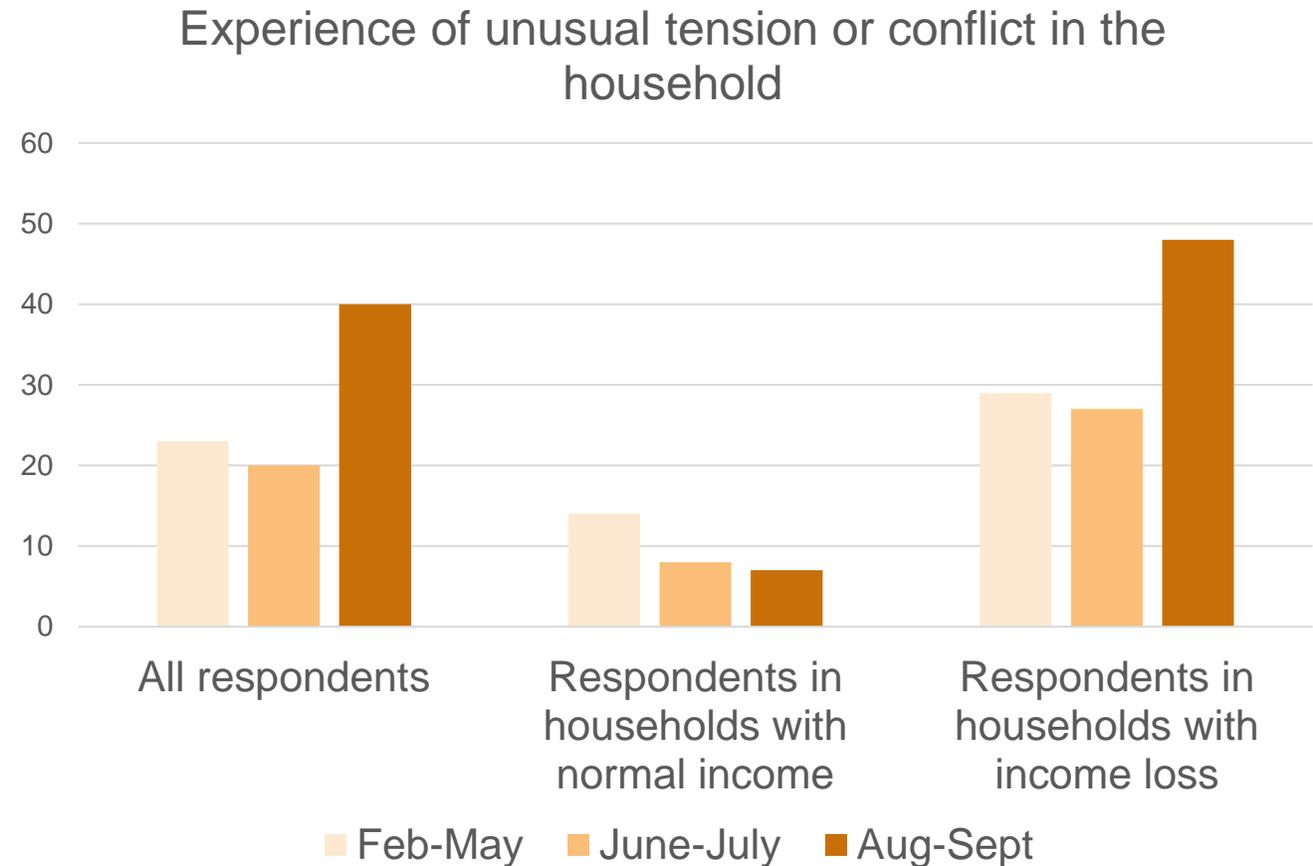


Nutrition impacts – less meat and fish consumption, but dietary diversity is maintained

	Feb-May	June-July	Aug-Sept
Meat – did you eat meat less often than normal?	39	24	39
Did you eat a smaller quantity of meat?	37	24	27
<i>[For those that reported doing so] Why?</i>			
Reduced income	78	83	88
Not available	13	2	16
Higher price	16	19	6
Afraid of COVID	12	10	10
Fish – did you eat fish less often than normal?	29	18	30
Did you eat a smaller quantity of fish?	26	17	23
<i>[For those that reported doing so] Why?</i>			
Reduced income	67	65	81
Not available	12	14	22
Higher price	13	12	4
Afraid of COVID	10	7	8
Diet Diversity (MDD-W)	6.4	6.4	6.8

More household disagreements or tension than usual

- More tension and conflict at home due to COVID-19
- Significantly more tension in households who reported having lower incomes than usual
- Tension remained in June-July, and increased further in August-September.



Summary

- Rural livelihoods strongly affected:
 - Income loss more frequent among landless households compared to landed households, off-farm wage employment and non-farm enterprises more strongly affected than farm work
 - Farmers face additional (non-COVID) challenges: drought, shortage of irrigation water ...
 - “Sticky” and worsening impacts over time
- Coping mechanisms potentially jeopardize future income and health:
 - Drawing down savings, selling assets, borrowing
 - Reducing consumption of expensive (but nutritious) foods
- Stress also affects relations within households:
 - More disagreements or tension at home

Recommendations

- Maintain focus on keeping the agri-food sector active and viable: both input and output markets, including farmer credit
- Rural non-farm enterprises and wage employment are key to income generation. Also ensure rural enterprises and workers are supported and benefit from cash-for-work schemes, etc.
- Nutrition messages are reaching respondents, but could be further used to falsify myths on fish and meat consumption and bring messages on dealing with intra-household tension.
- Consider the option of targeting transfers to women in the household



Thank you!

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**ADSP – MOALI;
Myanmar Survey Research;
Community leaders and
respondents**

**Japanese SUN Trust Fund;
PIM; USAID; LIFT**

Update from Agri-food System Actors



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Outline

1. Agri-food system survey overview
2. Disruptions
3. Impacts
 - Credit
 - Prices
 - Farm snapshot: Maize in southern Shan
4. Looking forward: Monsoon marketing

Agri-food system phone surveys

Input retailers

June

N=137

Shan, Kachin,
Ayeyarwady,
Bago, Sagaing,
Mandalay

Crop traders

May

N=79

Shan, Sagaing,
Mandalay,
Magway

Rice millers

June

N=434

Ayeyarwady,
Bago, Yangon

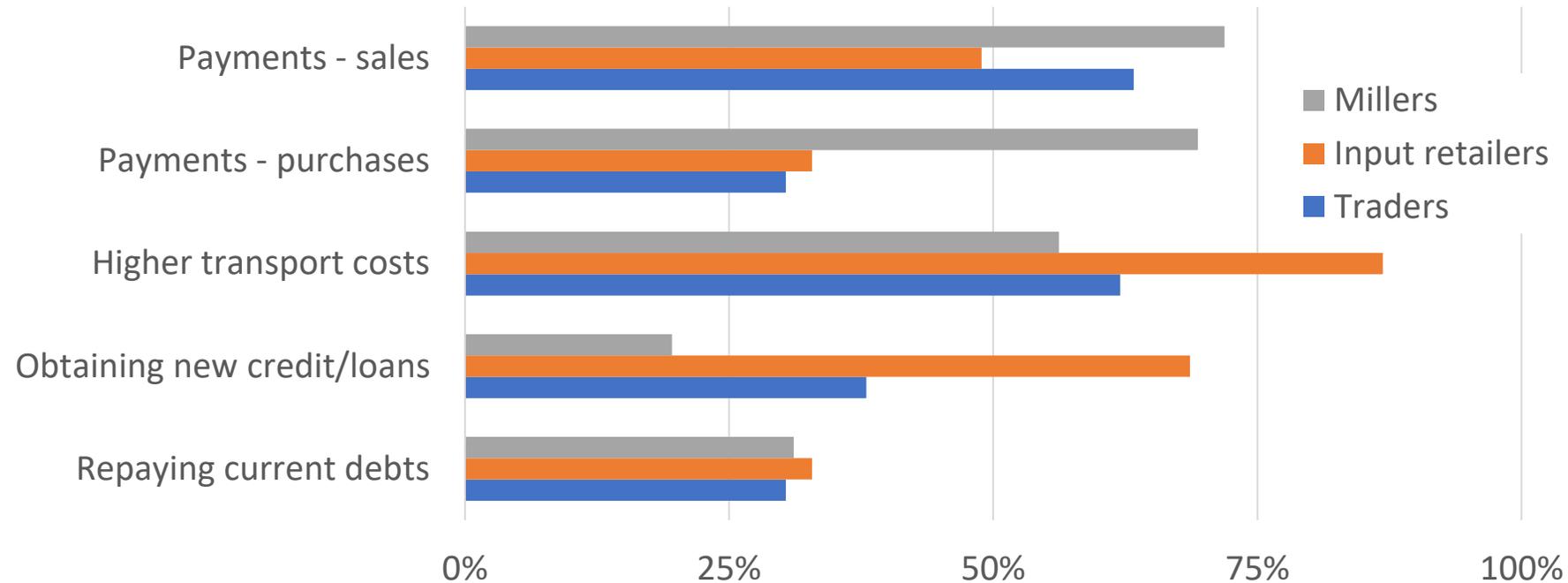
Maize farmers

August

N=1349

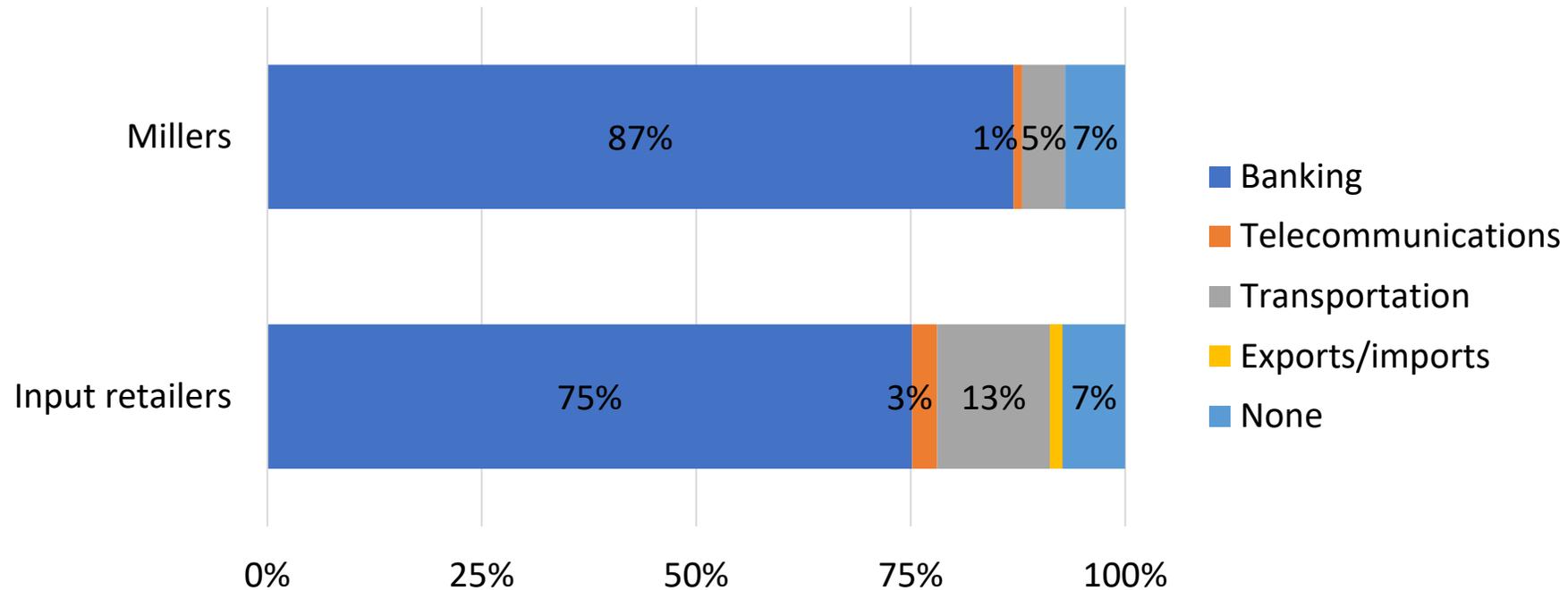
Shan, Kayah

Disruptions, % experiencing



1. Payments a major challenge (increasing with size of transaction)
2. Higher transportation costs pervasive
3. Credit crunch – less available, difficult to repay

Most important disruptions, % reporting



1. Banking sector is far & away the most important disruption
→ Heavy reliance on cash
2. Telecommunications disruptions declined since May

What are the impacts?

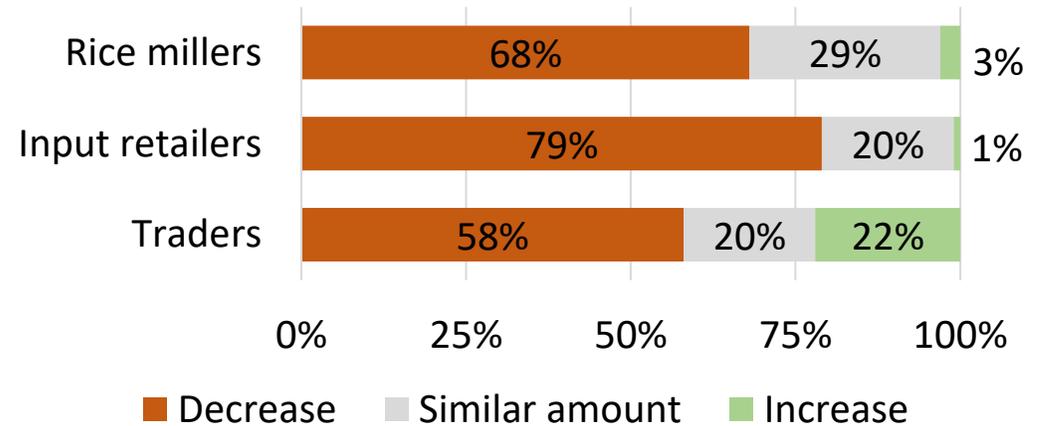
1. Credit offered to farmers
2. Prices
3. Maize farmer snapshot

1. Only farmers growing this year, no data on people that fell out
2. Only farmers with cellphones – missing poorest households
3. Regionally focused – may be larger disruptions in areas farther from China/Thai borders

Informal credit to farmers in 2021 monsoon season

	Traders	Input retailers	Rice millers
Increased demand for credit to farmers	49%	55%	22%
Difficulty collecting repayments	46%	66%	29%
Share with monsoon credit out to farmers	46%	64%	49%

Expected change in monsoon season credit to farmers relative to 2020



1. Large increase in demand for credit from farmers
2. Persistent difficulties
3. Majority expect a decline in total monsoon season lending

Prices – changes since 2020

Average year-on-year price changes	
Crops	
Paddy ¹	1%
Head rice ¹	0%
Other crops ²	-8%
Inputs	
Urea ³	52%
Compound ³	29%
Vegetable seed ³	11%
Pesticides ³	20%

¹Rice millers - June; ²Crop traders - June; ³Input retailers - May

1. Crop prices

- Rice prices at mill level are remarkably stable
- Other crops price decline
 - Varies by crop; sesame had big declines
- Retail prices show different patterns

2. Input prices show large increases

Farm snapshot – maize in southern Shan

	2019	2020	2021	2021 % change
Area planted (acres)				
All crops	8.9	9.0	8.8	-2%
Maize	6.6	6.6	6.5	-2%
Fertilizer use (bags/acre)				
Urea	0.83	0.87	0.82	-6%
Compound	1.44	1.46	1.44	-2%
All	2.27	2.34	2.26	-3%
Fertilizer prices (MMK/bag)				
Urea	28,000	31,000	48,000	53%
Compound	24,000	27,000	35,000	32%
Yield (kg/ac)	1,782	1,865	*1,863	*0%
Sales price (MMK/lb)	596	625	*703	*12%

* denotes expectation

1. ***Sample caveats***
2. Remarkable resilience
3. Small declines in areas and fertilizer use, despite large input price increases
4. Expected yields level
5. Increase in maize price
 - Thailand
 - Domestic feed

Farm snapshot – by area violence

	Any violence in or near village since Feb 1?	
	No	Yes
Average acreage		
All crops	-2%	-3%
Maize	-1%	-8%
Fertilizer use (bags/acre)		
Urea	-4%	-14%
Compound	0%	-7%
All	-2%	-10%
Fertilizer prices (MMK/bag)		
Urea	54%	50%
Compound	31%	33%
Yield (kg/ac)	*1%	*-5%
Sales price (MMK/lb)	*12%	*14%
N	1065	245

* denotes expectation

1. Larger declines in areas experiencing violence
 - 8% decline in maize area
 - 14% decline in urea use rates
 - Expect 5% decline in yields
2. Price changes similar

Looking forward: Monsoon harvest and marketing

1. Heterogeneity in farm resilience?

- Violence; state/region; crops; types of farmer

2. Market access (through traders) key to farm incomes

- Exports
- Domestic markets
- Persistent frictions: Cash constraints; transportation restrictions

3. Credit crunch

Thank you

- Full policy notes available [here](#)



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Rural & Urban Food Security Survey (RUFSS) Insights: *Phone survey evidence from May 2021*

Myanmar Agricultural Policy Support Activity
International Food Policy Research Institute
June 9th, 2021



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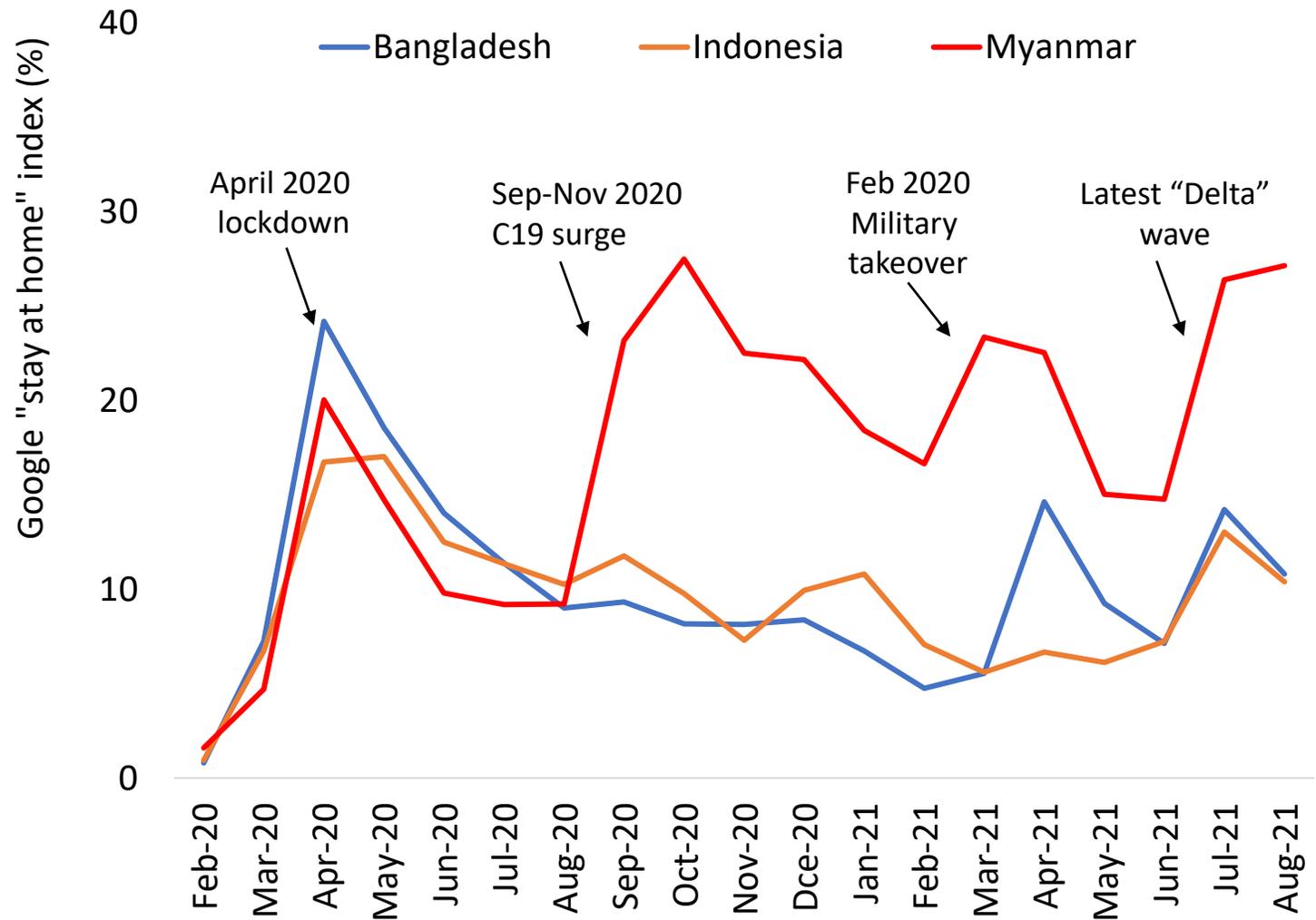
THE UNIVERSITY OF
SYDNEY

Rural-Urban Food Security Survey (RUFSS)

- Respondents: Mothers of young children from urban Yangon & rural dry zone
- 8 interview rounds: 6 rounds from June 2020 to Nov/Dec 2020, then May + July 2021
- Target 2000 respondents per round, balanced between rural and urban samples (1000 each)
- Unbalanced panel (mothers drop in and out), and significant attrition in urban sample in May 2021
- Almost 20% of previously contacted urban mothers not reached in May; replaced by new sample
- The May “Yangon” sample included a lot of respondents (20%) of sample who left Yangon, but by July 83% had returned. This was higher than expected based on their responses in May.
- In July round 89% of respondents were included in at least one survey in 2020; 11% are new

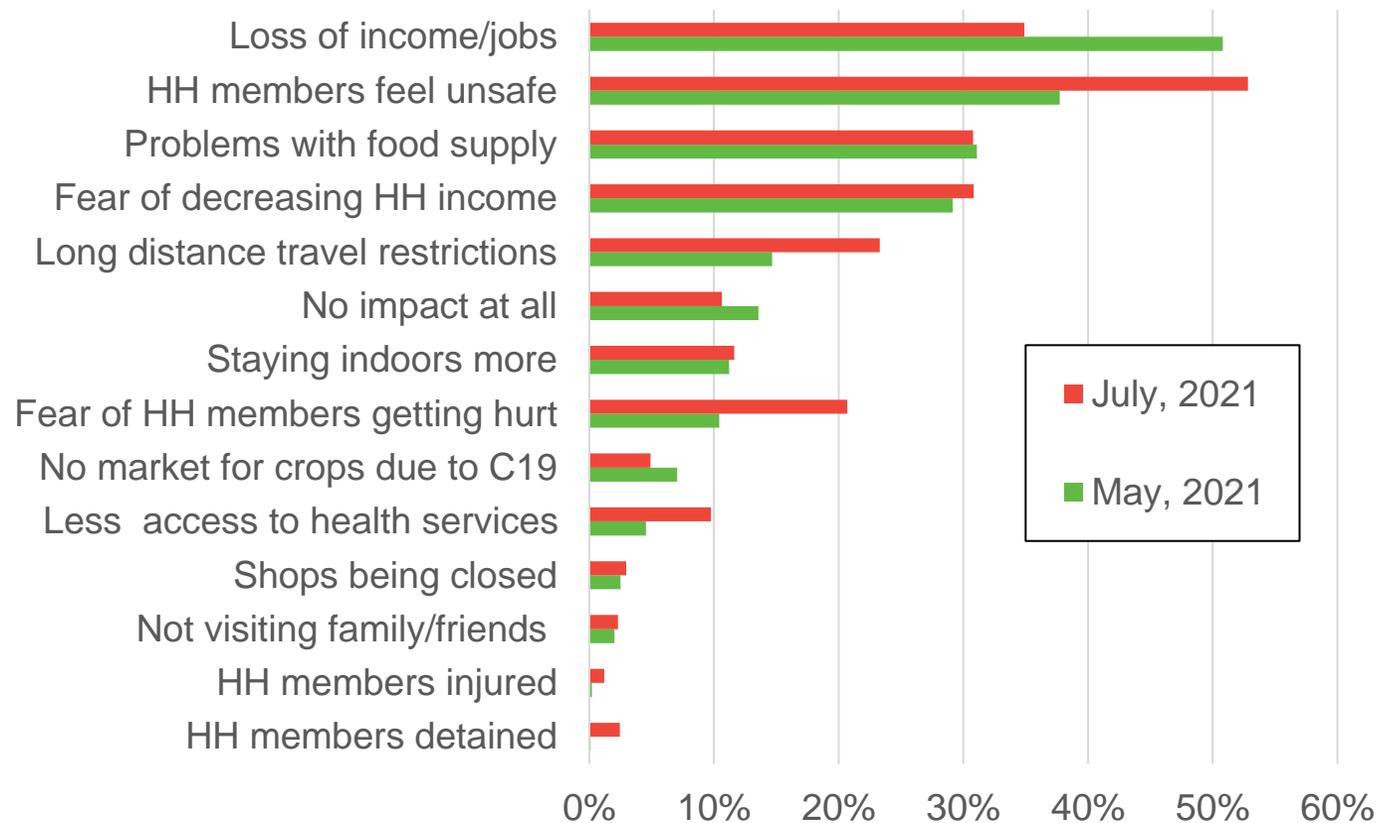
Google “stay at home” index much worse in Myanmar

- Overall index of how much consumer behavior alters relative to pre-COVID times
- Mobility declines from March-May in all countries
- Myanmar sees bad “2nd wave” from Sep-2020
- Mobility falls again after Feb-21 military takeover
- May-June: Improved mobility
- July-August: C19 cases rising sharply in Myanmar: reduced mobility again, including recent lockdown



Key result 1: Wide-ranging impacts felt from political instability

- HH members feeling unsafe more common in July >50%
- Also doubling of “fear of HH members getting hurt”
- Loss of income/jobs fell from >50% in May to 35% in July
- 30% cite food supply problems
- 30% cite fear of income losses
- “Less access to health services” doubled: 5 to 10%

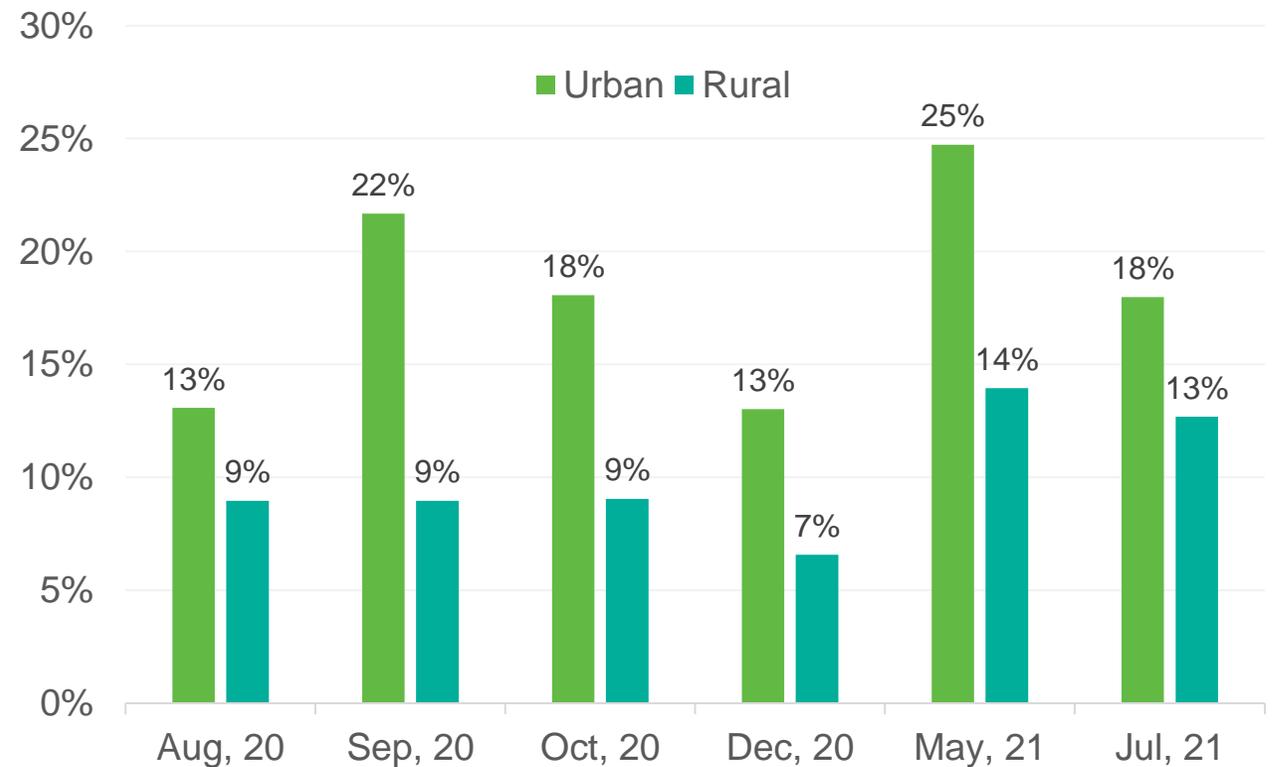


What were the 3 main impacts of political instability?

Key result 2: Continued high levels of job losses in July

- Job losses were very high in Sep-Oct 2020 during C19 surge
- Job losses in May 2021 peaked at 25% in Yangon sample and 14% in rural sample
- July still saw high rates of job loss in Yangon sample (18%) and little change in rural sample (13%)

Households with job loss in the past month (%)



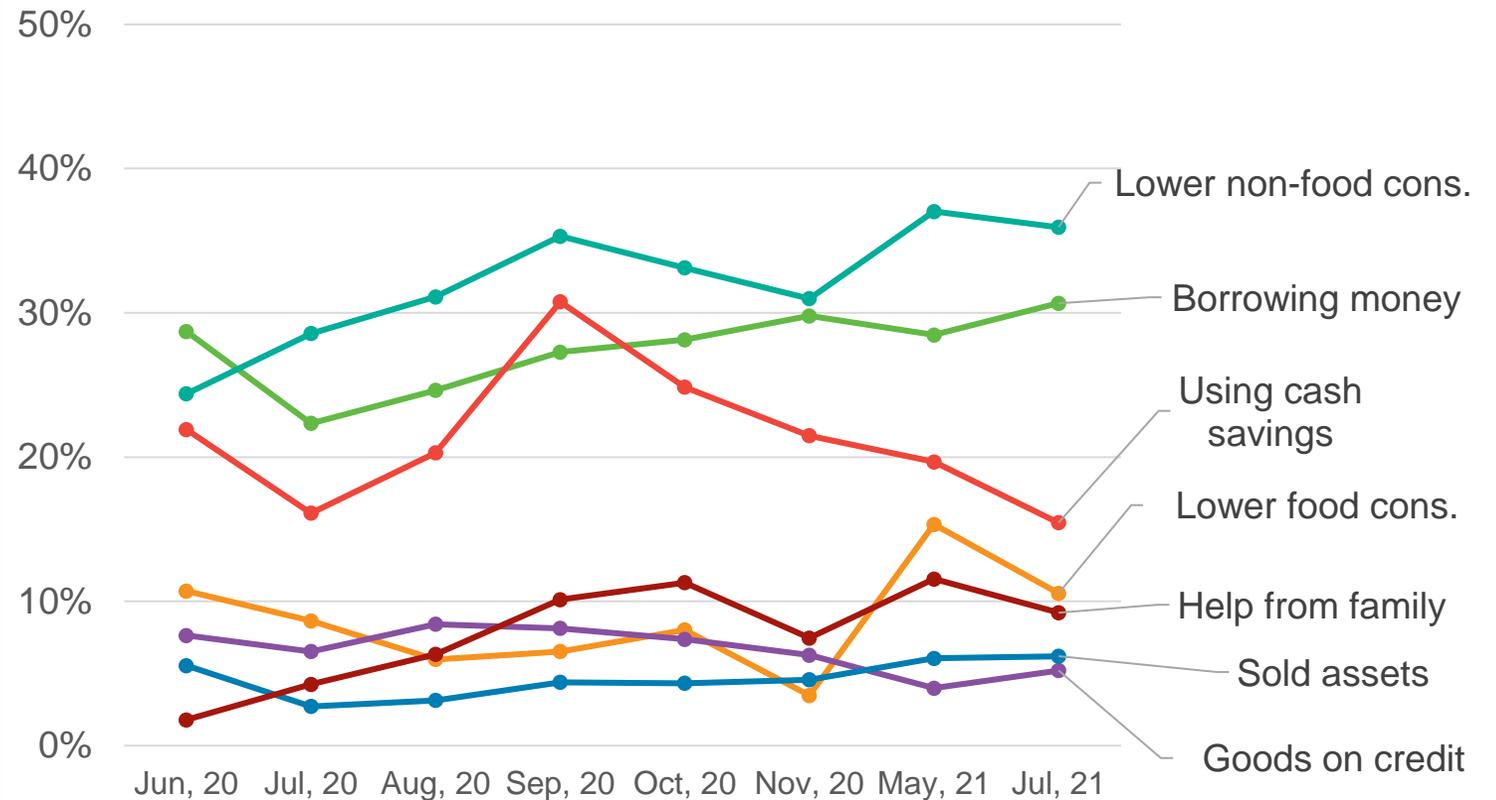
Key result 3: Income-poverty remains very high, unchanged in rural dry zone sample, but declining in Yangon sample

- Poverty=income per capita<890 kyat/day in June 2020 terms *(not comparable to expenditure-based poverty!)*
- Updated poverty line: (1) food price data (MAPSA food vendor survey); 2. Survey consumption weights
- 2020 saw dramatic increases in poverty, especially in urban areas, from Jan-June, then Aug-Nov
- May 2021 saw no change in Yangon sample and slight decline in rural sample
- July 2021 sees a 9 point decline in poverty in Yangon sample, but no change in rural sample

	Jan-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	May-21	Jul-21
Total	17%	47%	38%	45%	66%	67%	58%	57%	52%
Yangon sample	8%	37%	25%	34%	63%	64%	52%	53%	44%
Rural dry zone sample	28%	57%	49%	56%	69%	69%	65%	60%	59%

Key result 5: We continue to see dramatic changes in coping strategies

- Reducing non-food consumption continues to be most common coping strategy
- Dramatic decline in use of cash savings since Sep 20: now 16%
- Gradual increase in borrowing money since July 2020: 31%
- 11% of households say they reduce food consumption, compared to 15% in May
- A small share of household sell assets



Key result 5a: Coping strategies used in any round

- We also looked at the share of households that had used any coping strategy in any survey round
- Around 80% have reduced non-food consumption at some stage
- 62-78% borrowed money (more in rural)
- 60-70% used cash savings
- 40% lowered food consumption
- More help from families in urban sample
- 20-24% have sold off assets at some stage
- 10-14% taken a collateral loan

	Urban	Rural
Lower non-food cons.	79%	88%
Borrowing money	62%	78%
Using cash savings	59%	70%
Lower food cons.	40%	40%
Help from family	38%	25%
Sold assets	20%	24%
Goods on credit	19%	37%
Collateral loan	14%	10%
Did nothing	12%	14%

Key result 6:

Most food insecurity experience indicators saw little change, although “Eating only a few kinds of foods” is higher in 2021

Severe insecurity not common in 2020 or 2021

But “ate few food types” seems correlated with poverty & mobility trends

- “Few foods” more common in urban areas but steady at 17-18% in 2021
- Increased by 7 points in rural areas from Nov-2020 to Jul-2021: 5-12%

	Jun, 2020	Jul, 2020	Aug, 2020	Sep, 2020	Oct, 2020	Nov, 2020	May, 2021	Jul, 2021
<u>Yangon sample</u>								
Times ate few food types	22%	11%	11%	18%	21%	14%	18%	17%
Times went hungry	9%	3%	2%	2%	5%	2%	2%	3%
Times ran out of food	11%	5%	3%	6%	9%	4%	4%	5%
<u>Rural dry zone sample</u>								
Times ate few food types	10%	8%	5%	6%	10%	5%	11%	12%
Times went hungry	3%	1%	1%	1%	1%	1%	0%	1%
Times ran out of food	4%	2%	1%	1%	2%	1%	1%	2%

Summary

- After a brief improvement in May and June, consumers are staying at home much more in July and August, as expected:
 - previous MAPSA research suggests this will lead to increasing poverty again
 - Lockdowns lead to large unemployment and income losses (simulation methods & RUFSS confirm this)
 - Reduced mobility is a strong predictor of poverty in RUFSS
- Share of people feeling unsafe is now up from 38% in May to 53% in July 2021
 - Now the main impact, with job/income losses declining somewhat
 - Problems with food supply still cited by 30% of respondents
 - Long distance travel restrictions also up sharply: 15% in May to 23% in July
- Many households left Yangon from Dec 2020 to May 21, but 83% now returned

Summary

- Urban poverty rates still very high but fallen 9 points over May-July in Yangon sample
 - However, survey implemented just prior to lockdown, so results may now be worse
 - Poverty results are consistent with low job losses in
- Rural poverty in July seems unchanged since May with ~60% still poor
- Rural and urban poverty trends are consistent with job loss numbers, which fell in Yangon and stayed the same in rural areas
- Coping strategies continue to change, with fewer people tapping into savings, and still high rates of loans (indebtedness?)
- Looking across all rounds, large proportions have taken loans, reduced consumption, sold assets
- Severe food insecurity still rare, but poor dietary diversity is high in 2021, as it was in May and in the worst months of late 2020



Thank you
<https://myanmar.ifpri.info/>



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Livelihood impacts in urban and rural communities

Hnin Ei Win

Research Analyst, International Food Policy Research Institute

August 24, 2021



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Canada



NEW ZEALAND
Aid Programme



Irish Aid
Riannas na hÉireann
Government of Ireland



Norwegian Ministry
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Source of phone survey data

COVID-19 National Community Survey

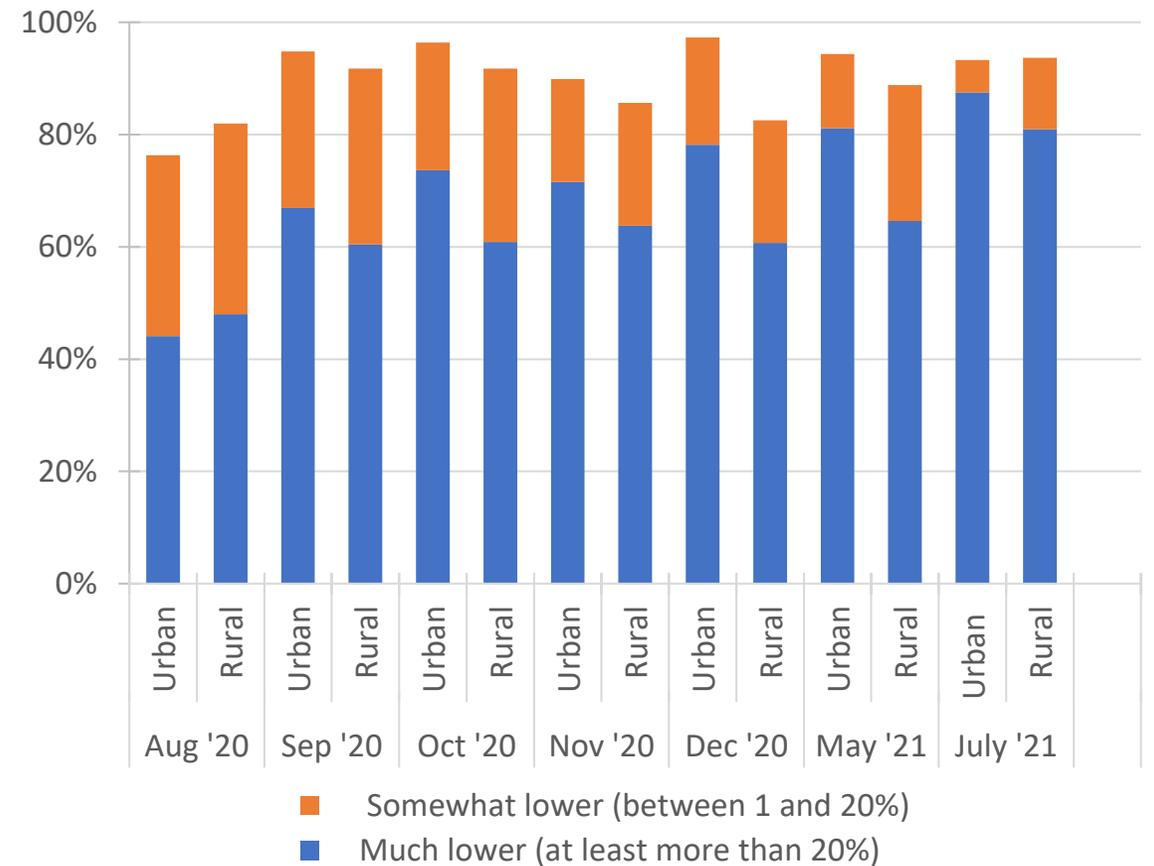
- Community respondents
- Urban and rural communities in all State/Regions
- Around 450 communities (Round 8: 451)
- Eight interview rounds: June 2020 - July 2021

Decline in income

- Both rural and urban communities are experiencing declines in income.
- The percentage of communities reporting much lower income (compared to last year) is rising steadily.



Percentage of communities with decreases in income, compared to last year

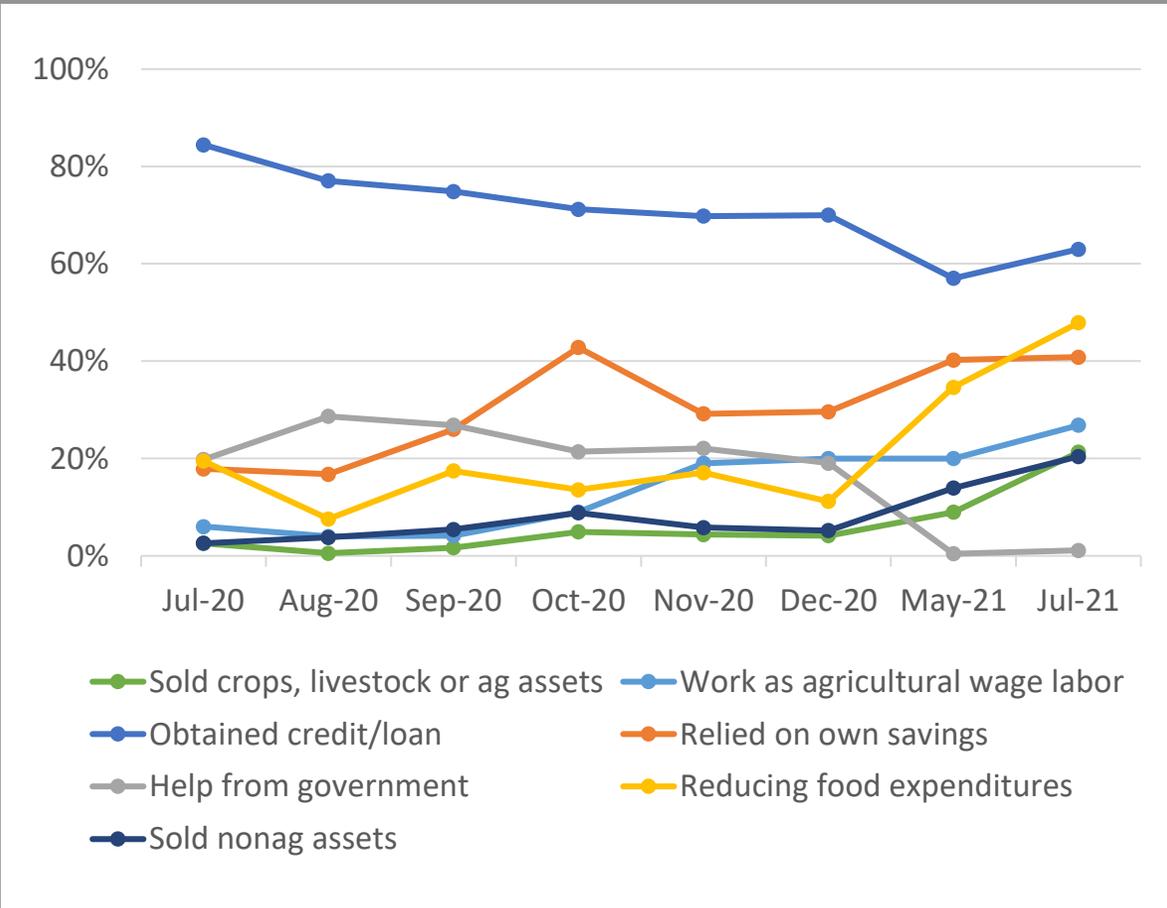


Shifts in coping strategies

- Increasing trend of communities selling crops, livestock, and agricultural assets as well as working as agricultural wage labor compared to last year.
- More communities are reducing food expenditures than ever before.
- Help from government is almost non-existent after 2020.



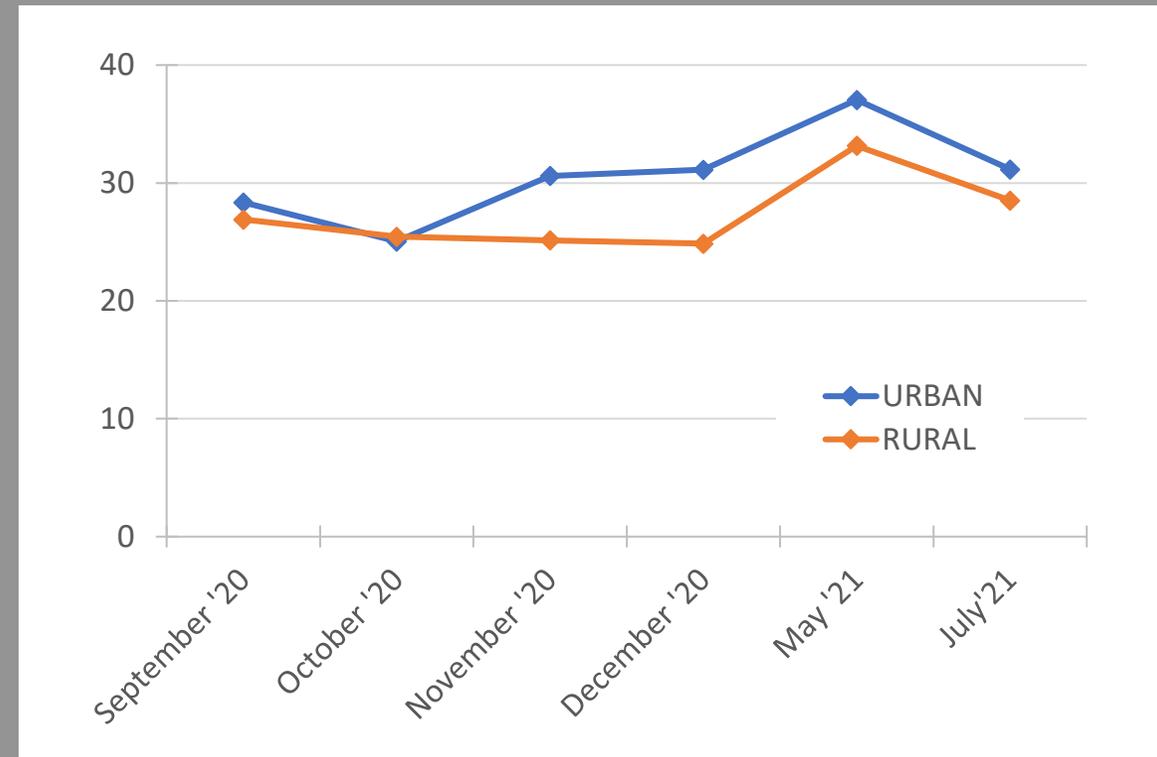
Main coping mechanisms applied in the communities dealing with lower incomes



Extreme poverty and need for assistance

- Highest level of extreme poverty was observed in May 2021 since the beginning of the panel surveys.
- Proportion of extremely poor households needing assistance is similar among rural and urban communities.

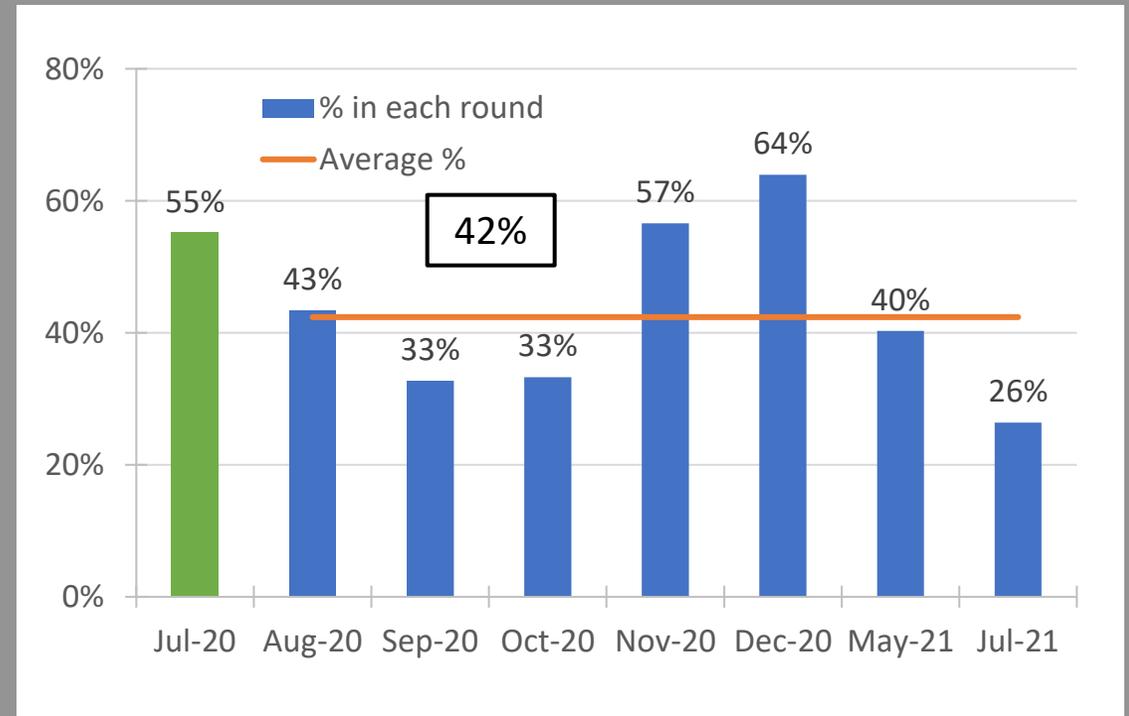
Percentage of extremely poor households among communities



Decline in agricultural production

- In the past 12 months, on average 42% of farming communities reported lower agricultural production than normal.
- The share of farming communities mentioning lower agricultural production than normal declined about 40% by July 2021 compared to August 2020.

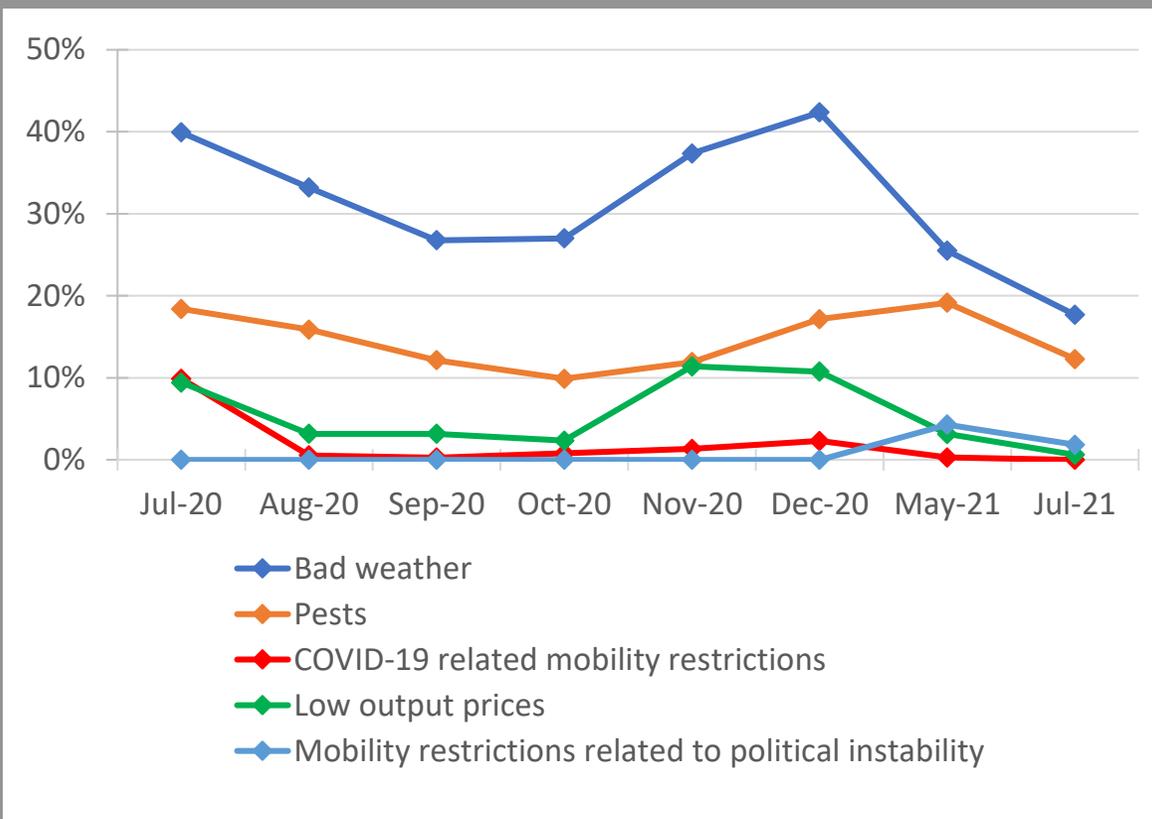
Percentage of farming communities mentioning lower agricultural production than normal



Disruption in agricultural production

- Drought and pests have seriously disrupted agricultural production across survey rounds.
- Only a small share of farming communities reported COVID-19 related mobility restrictions since the start of survey. Nobody reported such restrictions in the latest survey round.

Percent of farming communities experiencing disruptions

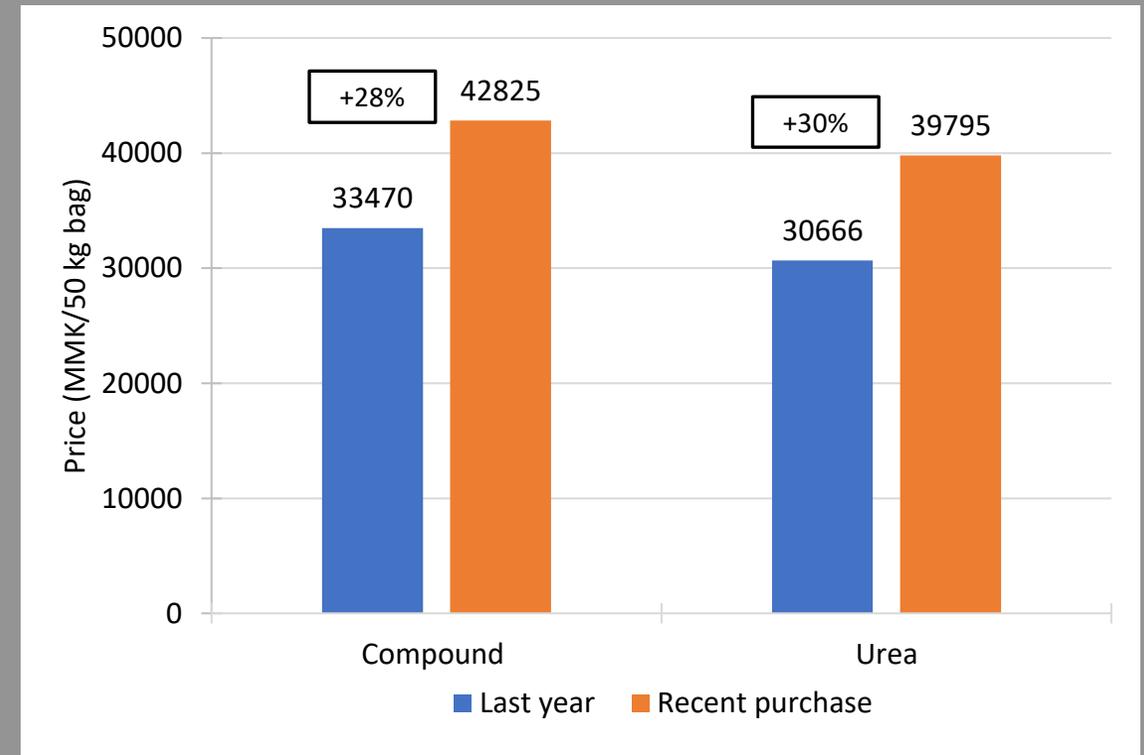


Increase in price of fertilizer

- 43% of communities reported that the equal ratio of Armo compound fertilizer (15:15:15) is the most commonly used.
- Price of compound fertilizer increased on average by 28% compared to last year.
- Price of urea fertilizer increased on average by 30% compared to last year.



Price of compound and urea fertilizer

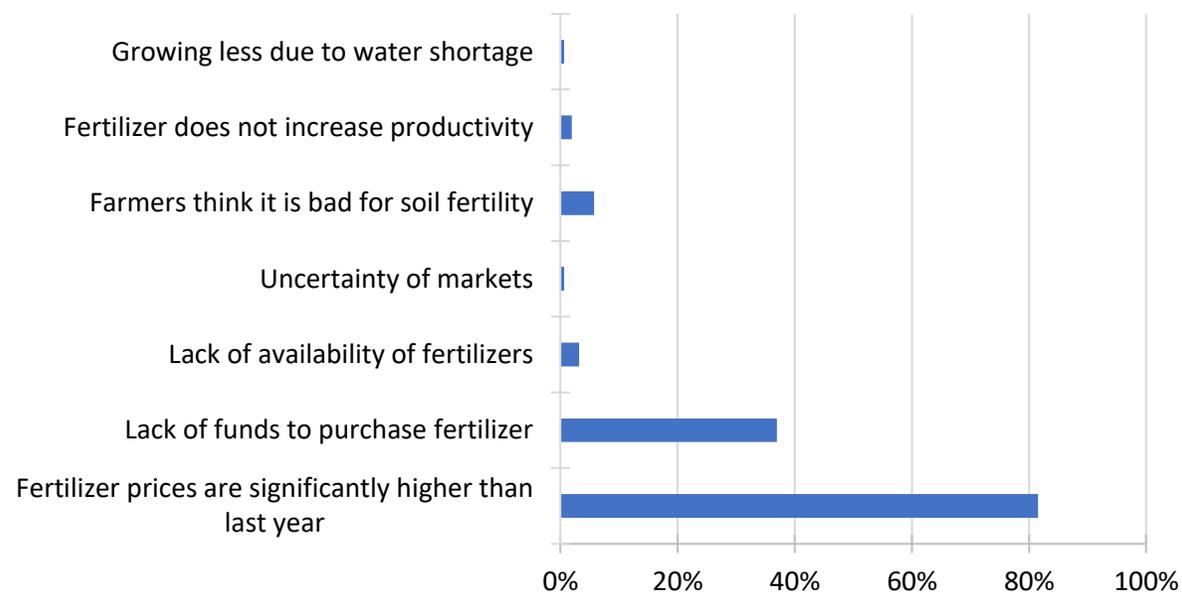


Applying less fertilizer

- About half of farming communities applied less fertilizer for their crops this monsoon season.
- 82% of communities reported that a large increase in fertilizer prices is the main reason for less fertilizer application.



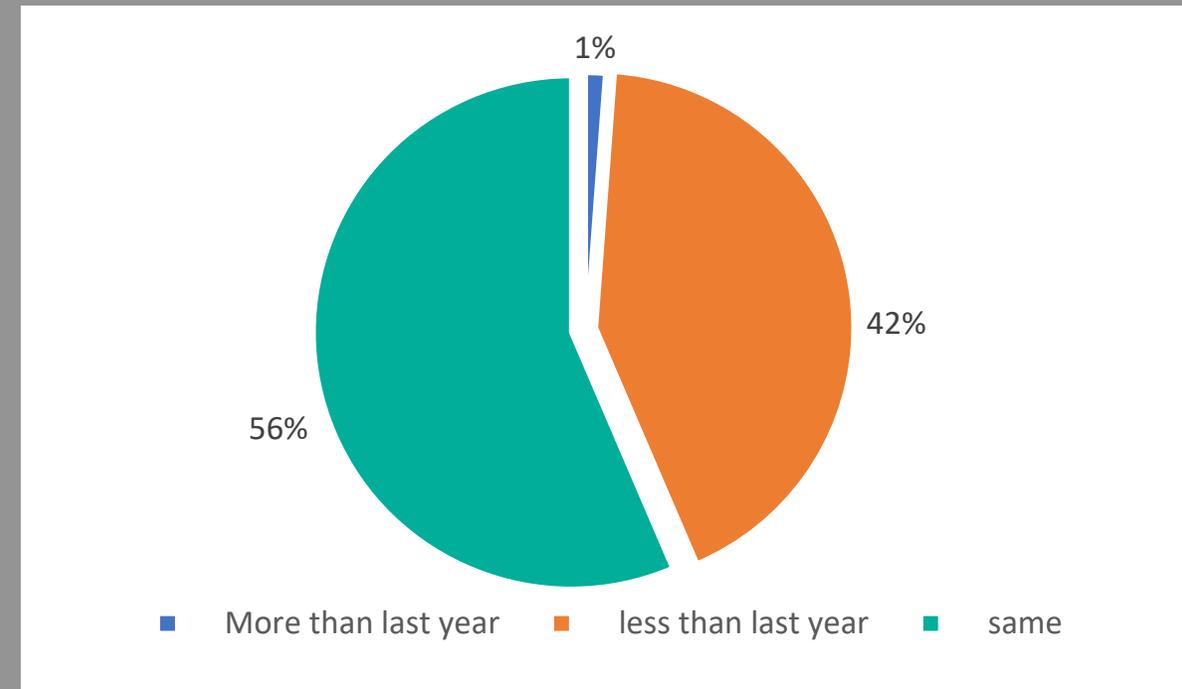
Reasons for applying less fertilizer this monsoon season, in % of farm communities applying less fertilizer



Hiring less agricultural wage workers

- 42% of community reported that fewer agricultural wage workers were hired this year compared to last year.

Percent of farming communities hiring less agricultural wage workers this year compared to last year

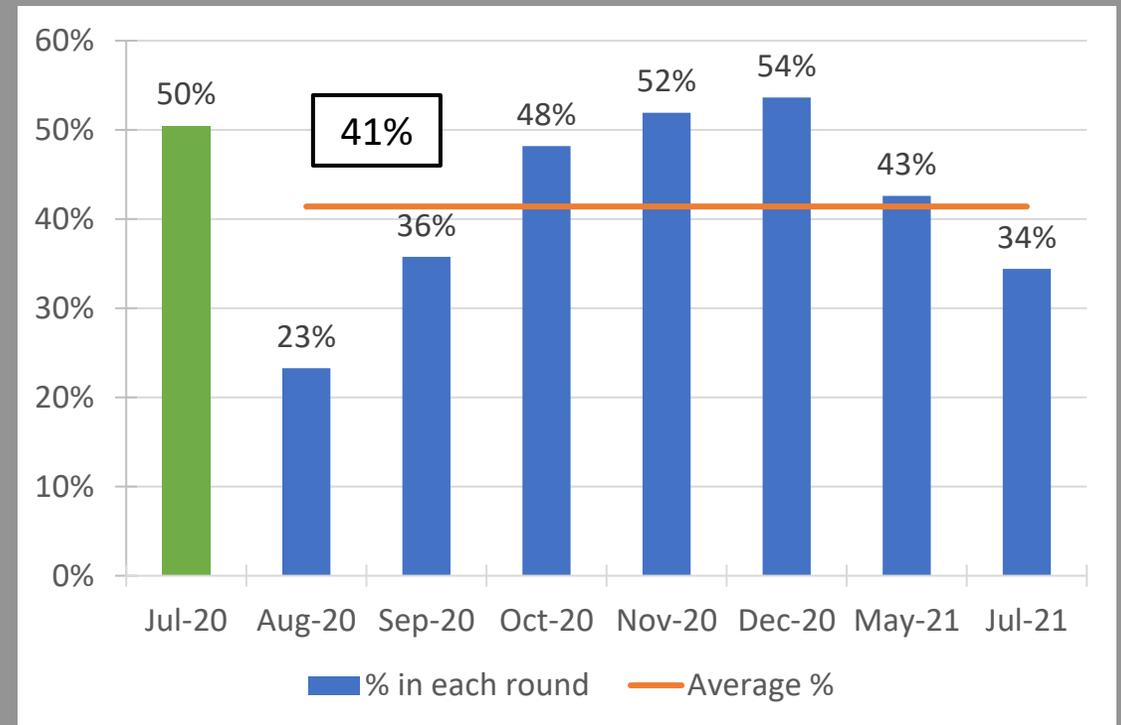


Difficulties selling agricultural products continue

- On average, a large share of farming communities (41%) reported difficulties in selling agricultural products.
- The share of farming communities reporting any difficulties selling agricultural products increased by about 50% by July 2021 compared to August 2020.



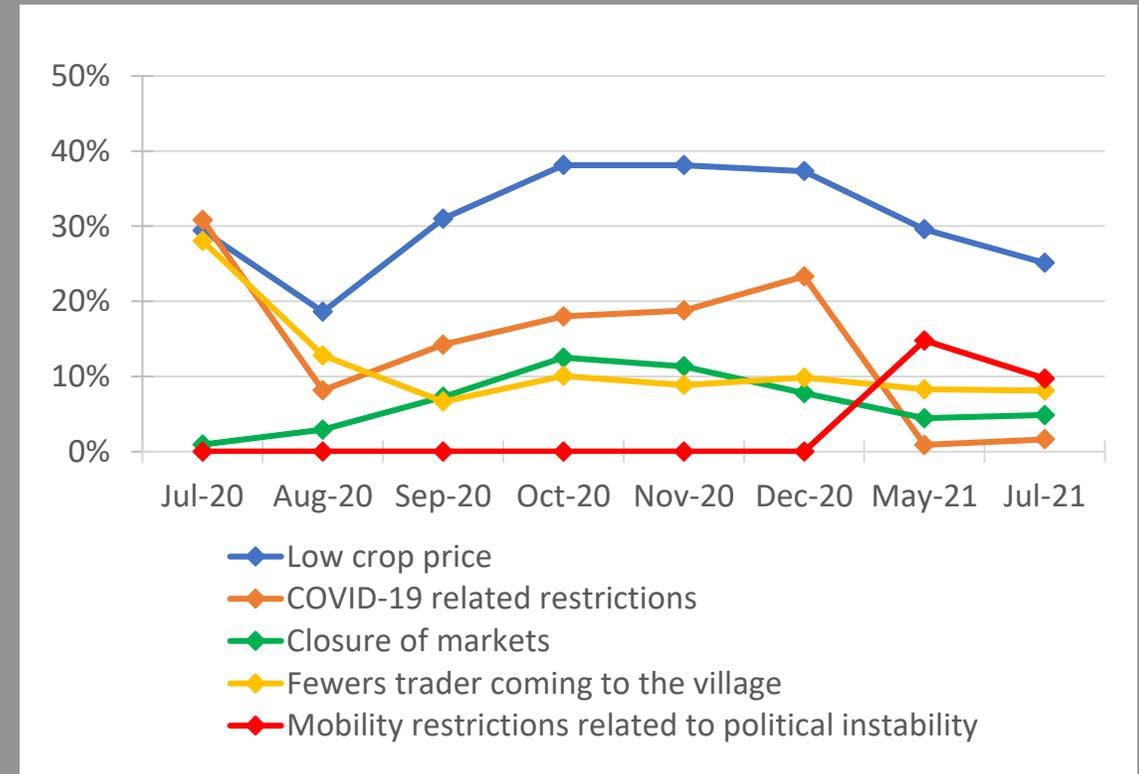
Percentage of farming communities reporting greater difficulties selling agricultural products than in normal times



Difficulties selling agricultural products

- Low crop prices were the most reported disruption to crop marketing across all survey rounds.
- COVID-19 related restrictions came in second most until the end of December; they sharply declined in the last two rounds.
- Mobility restrictions related to political instability became the second most reported disruption in the last two rounds.

Percent of farming communities facing disruptions to crop marketing



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