

# Myanmar: A Country with Agricultural Growth Potential

Myanmar is located in the heart of Asia and borders Bangladesh, China, India, Laos and Thailand. The country has a total land area of 678,500 km<sup>2</sup> and its estimated population is currently at 60 million. For Myanmar, agriculture is a key sector of the national economy, contributing 36 percent of GDP in 2012 and employing some 55 percent of the labor force. Myanmar's national food security and rural economy both rely heavily on agriculture.

For agricultural production, Myanmar has many advantages. These advantages include abundant rainfall, large areas of fertile lands along the four major river systems (the Ayeyarwady, the Chindwin, the Sittaung and Thanlwin), and water flows from north to south into the Andaman Sea. Water resources potentially available to Myanmar are estimated to be about 1,576.6 km<sup>3</sup>. Myanmar has a total of 12.25 million hectares of arable land and permanent crops, the 25<sup>th</sup> largest endowment in the world.

Myanmar's agricultural sector has potential for sustained growth. Currently, rice is the single most important crop in Myanmar and is grown on more than half of its arable land. Myanmar's key crops by value are rice, beans and pulses, oil seeds, cotton and sugarcane. Households in the rural areas traditionally raise livestock such as cattle, goat, pig and poultry. The commercial livestock and fishery sector is relatively small. However, productivity in Myanmar's agriculture sector still remains low at around US\$1,300 per worker per year compared to about US\$2,500 in Thailand and Indonesia, which provides ample opportunity for improvement.

A 2013 research report by the McKinsey Global Institute (Chhor et al., 2013) estimated that crop yields could be improved by around 70 percent on average by 2030. Improving agricultural productivity and the substitution of labor inputs through capital investment will allow Myanmar's agricultural sector to expand. Agricultural productivity can also be significantly raised by the provision of improved inputs (such as seeds, fertilizers and other agro-chemicals), better farming practices, efficient agricultural extension services as well as improved trading relationships between buyers and sellers.

Improved crop nutrition is widely recognized as an important component in increasing agricultural productivity. Fertilizer use in Myanmar is lowest among ASEAN countries, and research and development efforts are required to enable the sustainable inclusion of fertilizers into production systems.

Myanmar has a large potential consumer base as it is locked between several important economies including India and China. The country has also seen improvements in terms of its own legal reforms. Barriers previously imposed by the government with regards to trade and production have been relaxed in

domestic, regional and international markets. International sanctions have also been eased. Farmers and traders will also be able to benefit from export and import of agricultural products, and improved internal trading conditions.

Hence, farmers might improve net incomes significantly by changing the crop mix. There is a need to ensure that Myanmar's farmers produce agricultural products that are in demand, increasing production of high value crops such as fruits, vegetables, coffee and tea, other cash crops such as sugarcane, cassava, rubber and oil palm as well as livestock and fisheries.

In summary, there is a high potential for Myanmar to increase its agriculture production if the appropriate investments in agriculture and infrastructure can be made. With the removal of international economic sanctions and incoming donor contributions, the improvement of the agriculture sector is a viable option for Myanmar.



Figure (clockwise from the upper left corner): Typical crops grown in Myanmar include rice, chilies in various forms, little known crops such as konjac that may potentially increase market penetration, and medicinal crops such as turmeric. Photos by T. Oberthür

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#### References:

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