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## Performances of Private Rice Specialisation Companies in Myanmar Rice Value Chain

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### Abstract

Smallholder dominated rice farming and related activities play a vital role in Myanmar's economy in terms of cultivated land areas, income and employment opportunities for millions of rural households, and production and export values. In order to overcome the barriers of rice sector development such as usage of impure seed, inadequate quantity and insufficient quality of agro-chemicals, lack of sufficient credit and improved technologies as well as underdeveloped infrastructures, Myanmar government had given attractive policy such as giving priority of export licenses to private rice specialisation companies. Thus, since 2008, private rice specialisation companies have been actively involved along Myanmar rice value chain by launching resource providing contract systems in major rice growing areas of Myanmar. However, since 2011–2012, their activities have been gradually declined following changes in the incentive policy as well as incomprehensive contract system and delayed repayment of contract smallholders. The decline of their activities may negatively affect the Myanmar rice value chain in some extent. Thus, this study aimed to examine the performances of private rice specialisation companies from two major rice growing areas: Ayeyarwaddy and Bago regions during 2014–2015. Quantitative value chain approach was applied in comparison of financial performances of different rice value chain stakeholders (paddy producers, millers, local and central wholesalers, retailers and exporters) along conventional and private rice specialisation companies' value chains. The findings show that the shorter rice value chain of private rice specialisation companies via contract system shows superior in production, processing and marketing stages as compared to conventional one. In addition, performances of private rice specialisation companies indicate that the stakeholders can get the opportunities to use certified seed, better quality agro-chemicals and sufficient credit access, processing at modernised mills and producing better quality rice varieties. All this leads to a better competition position in world export rice market. The study also points out that the production and processing stages of rice value chain need new investments and improvements to have the greatest impact on growth, profitability and rice sector development.

**Keywords:** Myanmar, private rice specialisation companies, rice value chain