



ANALYSIS OF PULSES INDUSTRY VALUE CHAIN IN MON STATE AND BAGO REGION, MYANMAR

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INTRODUCTION

Agriculture sector in Myanmar has a fundamental role in promoting inclusive growth and poverty reduction. The competitive structure and liberalized market of pulses has resulted in more profitable value chain engagement for farmers and other market actors more than other crops in Myanmar. Since pulses value chain is still a new phenomenon along with very limited studies in Myanmar, this study contributes to the understanding of value chain in pulses industry in Myanmar.

OBJECTIVE

The research was conducted in July to November in 2016 to gain insight into pulses value chain development options and the market environment in Myanmar.

STUDY AREAS

- Kyaikhto, Bilin and Thaton Townships in Mon State
- Tha Nat Pin, Kawa and Waw Townships in Bago Region

RESEARCH DESIGN

- Focus group discussion and individual interview to farmers at village level
- Key informant interview with collector, input supplier, township wholesalers and exporters



Map: Location of study areas in Myanmar

OVERVIEW PULSES MARKETING SYSTEM AND CONSTRAINTS

- Pulses are one of the most profitable crops of farmers than other crops in terms of comparative advantage
- Domestic prices are based on international export prices and fluctuate with international price movements
- Adverse weather conditions have affected international market price and it is increasing challenging for Myanmar farmers and traders

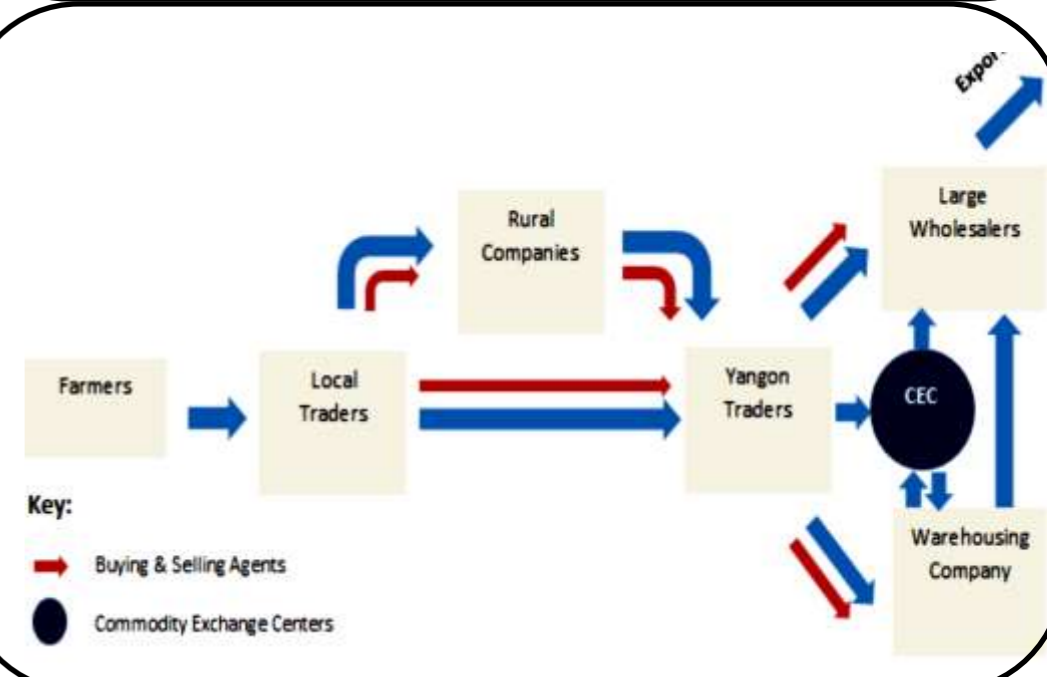


Figure 1. Overview Pulses Value Chain in Myanmar

RESEARCH FINDINGS

Governmental supports to farmers through research, extension, micro finance are exist but not so effective, weak coordination, to other stakeholders along the value chain are not visible. Private sector support to farmers and other stakeholders is not noticeable.



Figure 2. Pulse Value Chain Mapping in Mon State and Bago Region

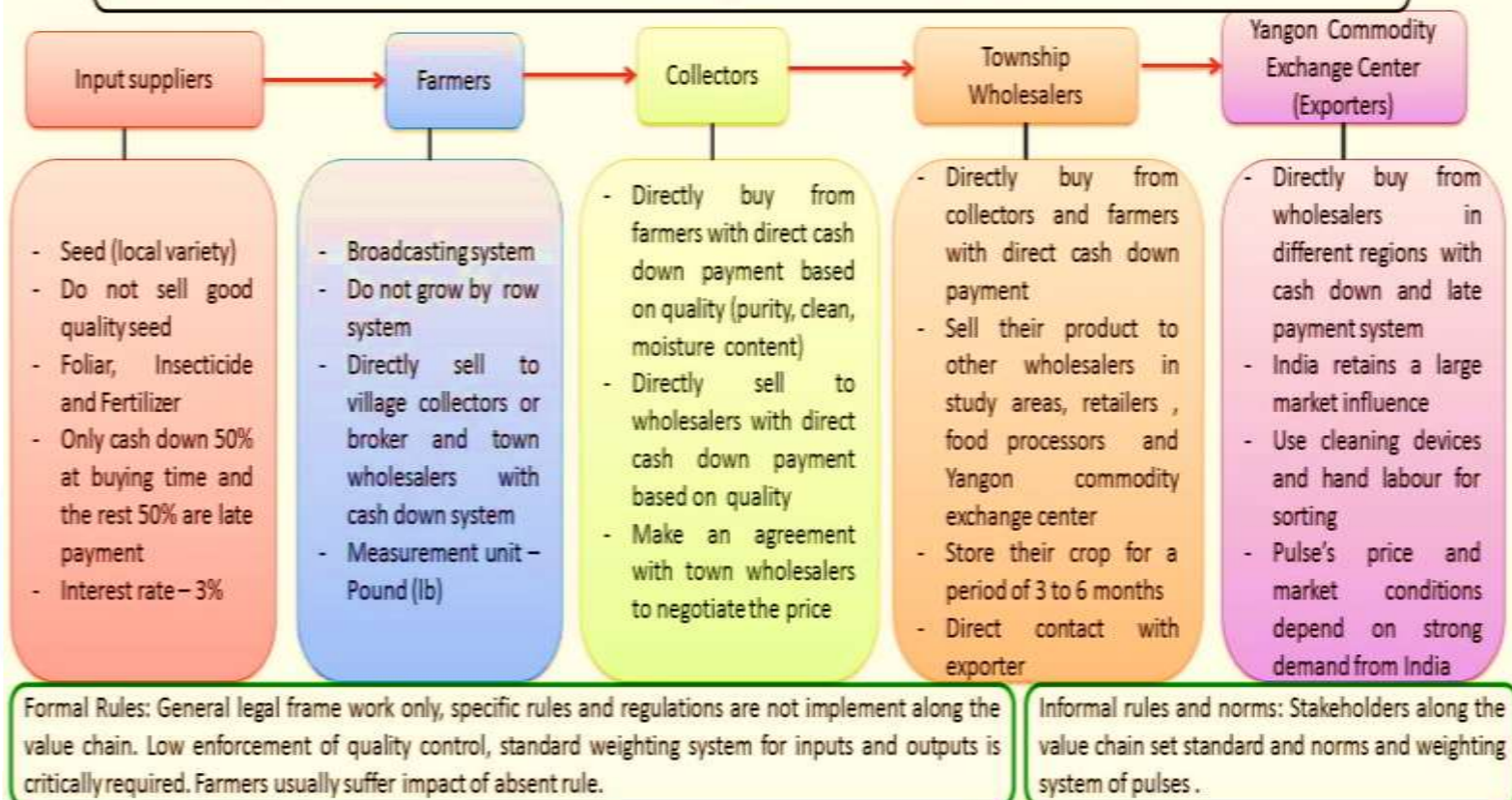


Figure 3. Key Market Functions and Rules of Pulse Marketing System in Mon State and Bago Region

Government supports: 1. Lack of extension service about agrochemical application technology, insufficient seasonal loan, climate change and market information to farmers. 2. Poor infrastructure such as irrigation, protect the saline water intrusion road communication. 3. Providing saline water resistant variety and quality seed of pulses.

4. Private sector support to farmers and other stakeholders is not noticeable. 5. All stakeholders along value chain have very weak participation in formal organization are very rare collective action for marketing 6. Standard weighting system for inputs and output is critically required along the value chain



Figure 4. Constraints of Pulse Marketing System in Mon State and Bago Region

CONCLUSION

- In these study areas, there was a large gap such as price, weight between village market and town market. Therefore, most of farmers sell their product directly to town market.
- Market activities along the pulse's value chain have been done by input suppliers, farmers, collectors, township wholesalers and exporters at commodity exchange centers.
- Township wholesalers are the main handlers of exports and trade with exporters making deals through commodity exchange centers.
- Most of pulses are sent in their raw state to traders and India.
- If Myanmar can focus on producing more value added pulses and improving farmer's conditions through financial and technical assistance, the industry can continue to grow.

RECOMMENDATION

- Supporting sufficient inputs (especially certified seeds and chemical fertilizers with reasonable prices) to reduce production shocks and investing in infrastructure and value added certification services which will generate the income to stimulate agricultural development should be conducted by private and public partnership.