

Policy Innovation for Inclusive Agricultural and Rural Economic Growth in Myanmar

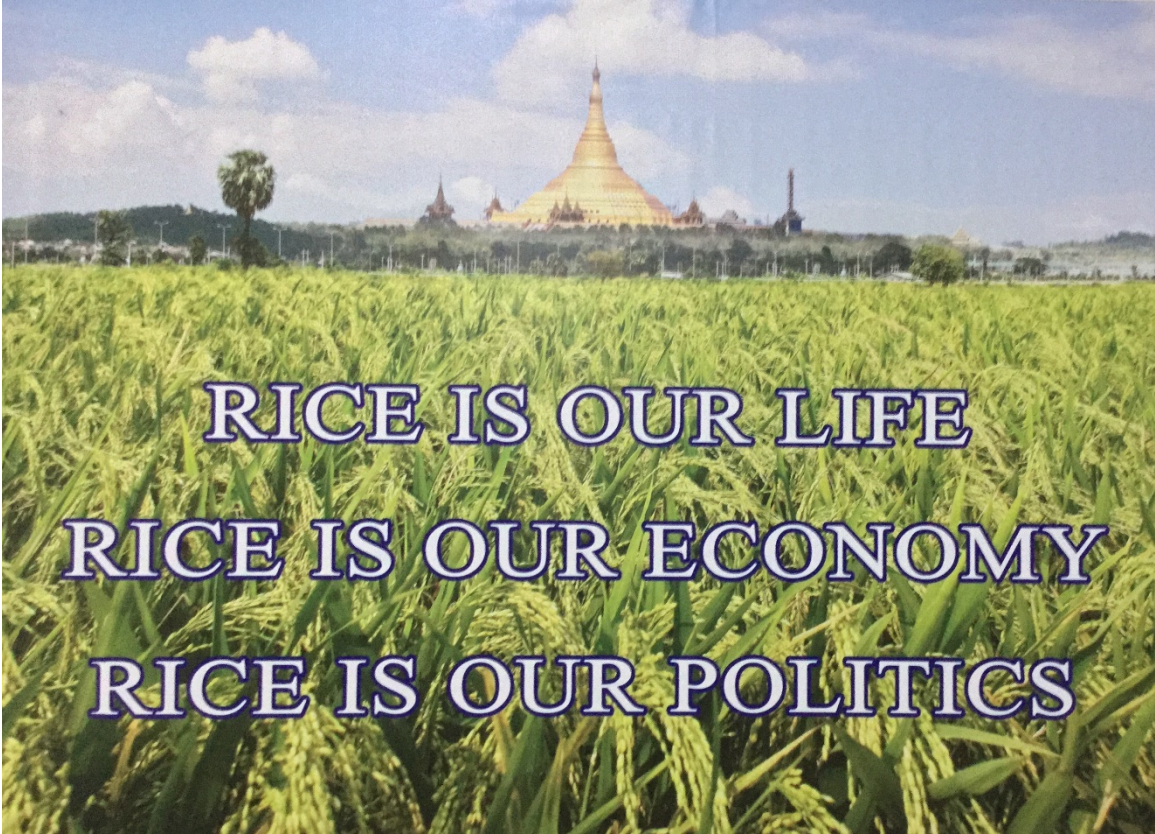
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How can agricultural transformation accelerate in Myanmar?

YESTERDAY



TOMORROW ??



Growth (or transformation) pathways....

From subsistence farmer to entrepreneur (business person)

- Access to reliable, high value markets
 - Physical access (roads, secure storage, cold storage)
 - Quality requirements, SPS and traceability
 - Agro-processing to avoid perishable produce gluts
- Access to irrigation and land improvement
- Access to information on market prices and production techniques
 - Information on profitable enterprises and management practices
 - Aquaculture, fruits and vegetables, livestock and dairy,
- Access to production inputs and services
 - Market and ecology suited varieties or breeds
 - Fertilizers, pesticides, feeds, veterinary services and mechanization
- Access to finance
 - Seasonal inputs, marketing credit and equipment

Policy choices to support inclusive growth.....

- Embrace agricultural transformation agenda at the highest political levels
 - Responsive to market opportunities, diverse, resilient, sustainable
 - Centered on farm profitability and food safety
 - Coordinated across government ministries
 - Collaborative with domestic & international private sector
- Encourage foreign direct investment in input supply and value-added processing and marketing
 - Remove restrictions on foreign firms trading on the domestic market (e.g., pulses)
- Promote Sustainable land and natural resource management
- Invest in essential public goods
 - Land access, use rights and tenure
 - Effective R&D systems, market information, farmer education
 - Quality standards and enforcement
 - Agricultural policy analysis

Institutional innovations to support accelerated growth ...

Establish a policy unit to support government decision makers with analysis of policy options in consultation with stakeholders:

- Analysis of costs, administrative feasibility, and impact on welfare of different groups in short and long-term;
- Consultation with government ministries and stakeholder groups (farmers, consumers, agri-business community, civil society);
- Development of public investment programs for cost-effective implementation of policies;
- Monitoring of policy and investment implementation to ensure intended results are achieved.

Institutional innovation examples (cont..)

- Agricultural finance innovation
 - Input suppliers, traders and processors
 - Inventory and other assets (not only land) as collateral
 - Remove restrictions on loan terms (including interest rate ceilings)
 - Farmers
 - Loans matched to enterprise mix (not just rice)
 - Loan repayment period matched to marketing cycle instead of production cycle
- Flood and cyclone disaster relief fund
 - Loss of credit access following disaster prevents recovery

Institutional innovation examples (cont..)

- Revitalize agricultural research and extension
 - Increase human capacity and funding
 - Expand collaboration with global research system and farmers
 - Increase capacity of regional research stations for on-farm testing
 - Equip extension workers
 - Mobility
 - Specialized training relevant to clientele (technical and agribusiness)
 - Farmer group facilitation skills
 - ICT supported expertise
 - Communication skills (including Facebook)

Institutional innovation examples (cont....)

- Decentralization and integration of agricultural services
 - Support to farmers based on regional competitive advantage
 - Locally resident research and extension expertise for profitable enterprises
 - Integration of water access, land management, and extension services
 - Collaborate with local private sector on productivity and quality improvement

Conclusion: inclusive, rapid agricultural transformation is possible */F.....*

- STRONG political commitment to market-led transformation
 - Encourage and enable smallholders to farm profitably
 - Strengthened capacity for public policy and investment decisions
- MAJOR investment in effective agricultural research and extension systems that support farm productivity and profitability
- SOLVE the critical bottleneck of access to agricultural finance for all stakeholders
- ENCOURAGE foreign direct investment in input supply and output processing and marketing