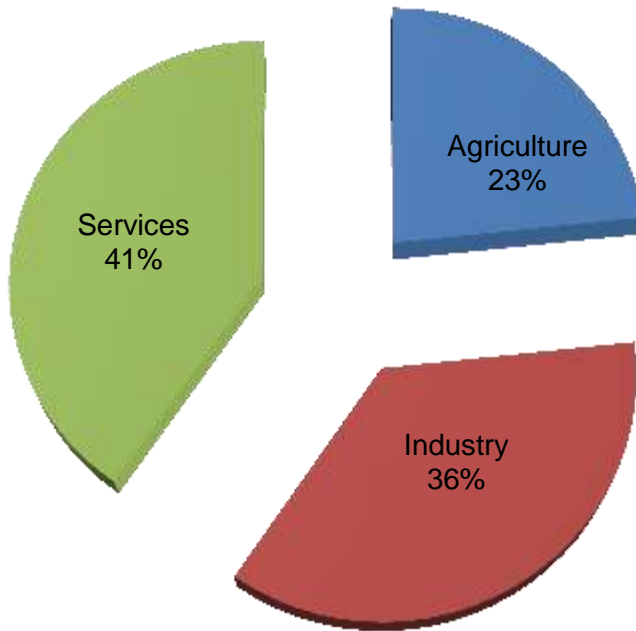


Potential Future Development in Myanmar

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Introduction to Myanmar cassava sector

Myanmar agriculture sector



Source: *Planning Department, Ministry of Planning and Finance (2019)*

- ❑ Agriculture is the most important economic sector, and is essential for national food security, nutrition, and livelihoods of rural people
- ❑ Contributed 23% of GDP and employed 60% of the labor force in 2017/18
- ❑ A wide range of crop production systems are located in diverse soils and diverse climate, more than 60 kinds of crops are grown, cassava is one of them

Current cassava production

- ❑ Cassava is a negative crop but 4th most important crop in the Ayeyarwady delta region after rice, pulses and maize
- ❑ Mainly grown by small-holders and the majority of farmers are owning less than 10 acres
- ❑ In contrast, a few company plantations are very large farms over 10,000 acres (for example: Yuzana company in the Hukawng Valley area of northern Myanmar)



Current cassava production (cont)



- ❑ Cassava cultivation practices are often traditional and inefficient
- ❑ Farmers usually use little agro-inputs for the cassava crop such as fertilizers
- ❑ There is limited mechanization for cassava production as many other agricultural commodities except rice production

Current cassava processing

- ❑ Most of the processing units are located in Ayeyarwady region
- ❑ Starch processing is the main industry and there are **more than 200**
- ❑ Capacity : 1- 7 t of starch per day (most processing **2 t**)



Current cassava processing (cont)

- ❑ Employment size varies from **10 to 30 workers** per processing unit
- ❑ Processing units do not have access to electricity. The main power sources: diesel, rice husk and gas
- ❑ Annually Ayeyarwady region produces proximately **60,000** starch tons/year



Consumption and use

- ❑ Generally cassava is not the staple food and main energy source of the Myanmar people
- ❑ Utilization of starch was reported to be **70,000** tons and **12,000** tons of glucose syrup for domestic industries in 2017
- ❑ Myanmar processors produce cassava starch although these were not internationally marketable because of poor quality
- ❑ Recent years, Myanmar imported modified starch, sweeteners and MSG (value USD 62 M)



Potential role of cassava

Potential role of cassava

- ❑ Cassava sector in Myanmar is chaining quickly
- ❑ Myanmar is sensitive to climate change effects, cassava production will be less affected by shorter monsoon duration, and rise in temperature while other key crops are negatively impacted
- ❑ The market for cassava and its products is also growing in the country, with the potential to become more profitable



Potential role of cassava (cont)

- ❑ Cassava will be an important crop for both food security and export earning
- ❑ This sector also creates many job opportunities for rural women to earn income for their families
- ❑ However cassava is still need to be acknowledged as an important crop for the livelihoods of millions of Myanmar farming communities



Future demand for cassava

- ❑ Domestic demand has been increasing markedly due to food industries and other related agro-industries in Myanmar consuming more fresh cassava roots and its products
- ❑ Export demands for cassava products (chips and starch) to neighbouring countries such as China , Thailand and Bangladesh are expected to increase considerably in the future
- ❑ Anyway cassava sector would need to meet global GAP for cassava cultivation and international standard requirements for value-added cassava products to gain entry into export markets

Critical issues & future outlook

Critical issues

There are several government agencies related to the agriculture sector. So far there is not much government engagement in cassava sector.

- ❑ Critical issues include:
 - ❑ No strategy for cassava sector development
 - ❑ Lack of R&D and human resource in cassava sector
 - ❑ Limited budget and weak logistic support for cassava sector
 - ❑ Inadequate infrastructure
 - ❑ Poorly integrated value chain from cassava production to market and trade
 - ❑ Weak in coordination and cooperation among government ministries and development agencies
 - ❑ Lack of regional and international collaborations

Future outlook for the cassava production

Short-term outlook

- ❑ Strong potential for increasing cassava yield
- ❑ Production costs per tonne have decreased, due to higher yields through the use of new varieties and improved techniques and mechanization
- ❑ No competition for land use with key crops (ie. rice and pulses)
- ❑ New land available for cassava area expansion

Medium-term outlook

- ❑ Improving starch quality of cassava roots
- ❑ Development of new varieties suitable for specific end-uses (e.g. low HCN direct eating variety)
- ❑ Livestock integration in cassava cropping systems

Future outlook for the cassava processing

Short-term outlook

- ❑ Strong domestic demand for cassava products (i.e starch, sweeteners, sago, etc.)
- ❑ Import-substitution of various cassava products will continue

Medium-term outlook

- ❑ Great potential for exports to China and Bangladesh
- ❑ Alcohol production from cassava would increase domestically

The potential future development

Changing government policies relating to the cassava

- ❑ Support and promote cassava production through: Increased loan access to farmers and SME processors
- ❑ Provide support to local cassava processors
- ❑ Export promotion activities, no export controls, minimum regulations

The potential future development of the cassava sector

- ❑ Ideal geographic location for serving cassava trade & market
- ❑ Process into value-added products at factories such as animal feed, modified starch, sweeteners, alcohol, and biodegradable plastic, etc.
- ❑ Future cassava sector will reflect current practices of production and processing as well as markets of other alternative products (i.e. modified starch, biodegradable plastic, etc.)



Prospects for Myanmar cassava sector in the immediate future are encouraging

- ❑ At least growing and processing cassava can become a good source of income for Myanmar smallholder farmers and local processors
- ❑ It is hoped that cassava sector can receive more support from the Myanmar government, the private sector, and other international organizations;
- ❑ These should work together to create stable market conditions and to improve cassava sector development in Myanmar

Thanks to



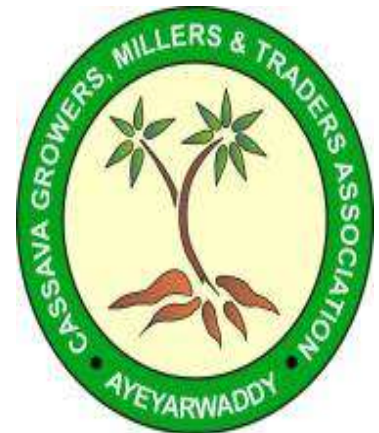
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Ayeyarwady farmers and processors!