



Livelihoods and Food Security Trust Fund



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LIFT Annual Forum 2014

Private Sector Engagement with Smallholder Farmers

“30-30 Vision”

\$30bn by 2030

Nay Pyi Taw, Myanmar

Tue25November 2014

“Smallholder” – *common definition & characteristics*

Rural and subsistence farmers and their households

- May have land, may be functionally landless, or landless
- Most grow one monsoon or rain-fed crop, usually paddy or maize
- Second crop usually low value, low yield
- Main risks: Price Volatility and Uncertain Offtake
- Comprise 60% to 70% of Myanmar’s total 50mn+ population
 - 30mn to 35mn people, 6mn to 7mn households
 - “base of the pyramid”

Myanmar – *at the crossroads of opportunity*

- Structural and seasonal deficit markets favor Myanmar farmers
 - High value horticulture (vegetables and fruits), nuts
 - Table fresh markets
 - Raw material for ingredients and finished packaged foods
- Food safety and sustainability-compliant production, low residues
- Directly integrate “smallholders” into raw material supply chain
- Develop subsistence and rural farmers into commercial growers
 - 2 to 3 high value crops per year for higher incomes
 - Balanced national economic growth and social development
 - Community prosperity and stability via bottom-up economics

Myanmar “30-30 Vision”: *California example*



- California supplies >40% of USA’ s fresh produce, fruits, nuts, dairy products

- 2012 Farm Output US\$45bn
 - *Crop production* \$32bn
 - *Milk & Dairy* \$7bn
 - *Livestock & Other* \$6bn

- 63% of Myanmar’s land area
 - “*Central Valleys*” <10%
- Min Wage
 - *US\$9/hour*

California's 2012 Crop Production: *US\$32bn*



Table grapes
\$4.5bn



Floriculture
\$1.0bn



Chili Pepper
\$100mn



Tomatoes
\$1.2bn



Garlic **\$220mn**

Onions
\$205mn



Lettuce
\$1.5bn



Broccoli
\$650mn

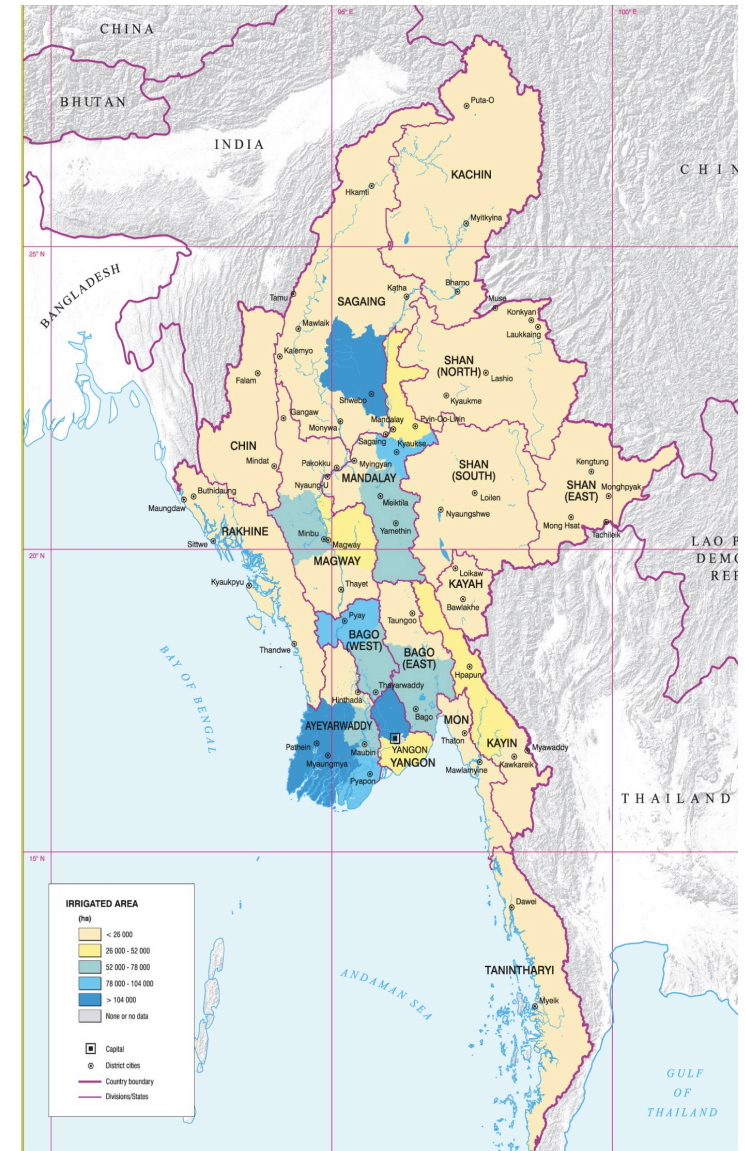


Carrots
\$500mn



Myanmar: *More Potential than California*

- Similar agronomic zones: temperate, semi-arid, arid zones; uniform rainfall, fertile soils, irrigable.
- More abundant farm land, labor, and water resources in MM (Shan, Sagaing, Mandalay, Magwe, Bago)
- MM 2013 Total Exports \$10.5bn
< 24% of California Agri Exports
- MM 2013 Total Agri & Food Exports \$1.14bn
< than Calif 2012 tomato sales of \$1.2bn



Private Sector Engagement with Smallholders

A Roadmap for Mutual Prosperity

- Focus on Horticulture for Smallholders (MM Govt policy also)
 - Income, health, nutrition
- Food-safety and sustainability-compliant production, good practices
- Acceleration of processing and approvals by Gov't for FDI
 - water resources development and irrigation = year-round income
 - logistics & post-harvest infrastructure
 - value added processing
- Shift from subsistence to higher income commercial farming
 - Technology transfer e.g. commercial grade drip irrigation
 - Income-based agri lending vs “social collateralized” MF
 - Market access with contracted fixed prices and offtake



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Myanmar 30-30 Vision

Thank You

Nay Pyi Taw, Myanmar

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