



**Implementing a New Vision for Agribusiness in Myanmar:
Value Addition, Integrated Food and Energy Production as
Main Drivers**

**Ye Min Aung, Secretary-General, Myanmar Rice Federation (MRF)
Managing Director, Myanmar Agribusiness Public Corporation (MAPCO)**

November 2, 2012



Implementing a New Vision for Agribusiness in Myanmar: Value Addition & Integrated Food and Energy Production as Main Drivers


- New Vision for Agribusiness in Myanmar is an initiative led by Myanmar Rice Federation (MRF), practically carried out by Myanmar Agribusiness Public Corporation (MAPCO) and 57 Rice Specialization Companies.
- The initiative addresses the major challenges of rice and agricultural sustainability based on a vision of agribusiness as a positive contributor to food security, environmental sustainability and economic development, taking lessons & policy options as advised in WEF New Vision Agriculture
- To advance progress toward that vision, the roadmap which outlines a framework for actions has been set to implement private sector-led and market-based solutions that are explicitly linked to national development priorities
- Comprehensive Supply Chain Mechanism, Value Addition & Investment in Food and Energy Production Industries are key priority areas to drive the vision successfully

Myanmar's Agriculture

- 32% of **GDP** (including **crops** (24%), **livestock & fisheries** (7%) and **forestry** (1%))
- 61% of **Labor Force**
- 17.5% of **Export Earnings** (crops (6%), livestock & fisheries (8%) and forestry (3.5%))

Land Utilization

• Net Sown Land:	12.2 mil. ha.	(18%)
• Waste Land:	5.4 mil. ha.	(8%)
• Forest Land	33.6 mil. ha.	(50%)
• Other Land	16.4 mil. ha.	(24%)
• Total (100%)	67.6	mil. ha.



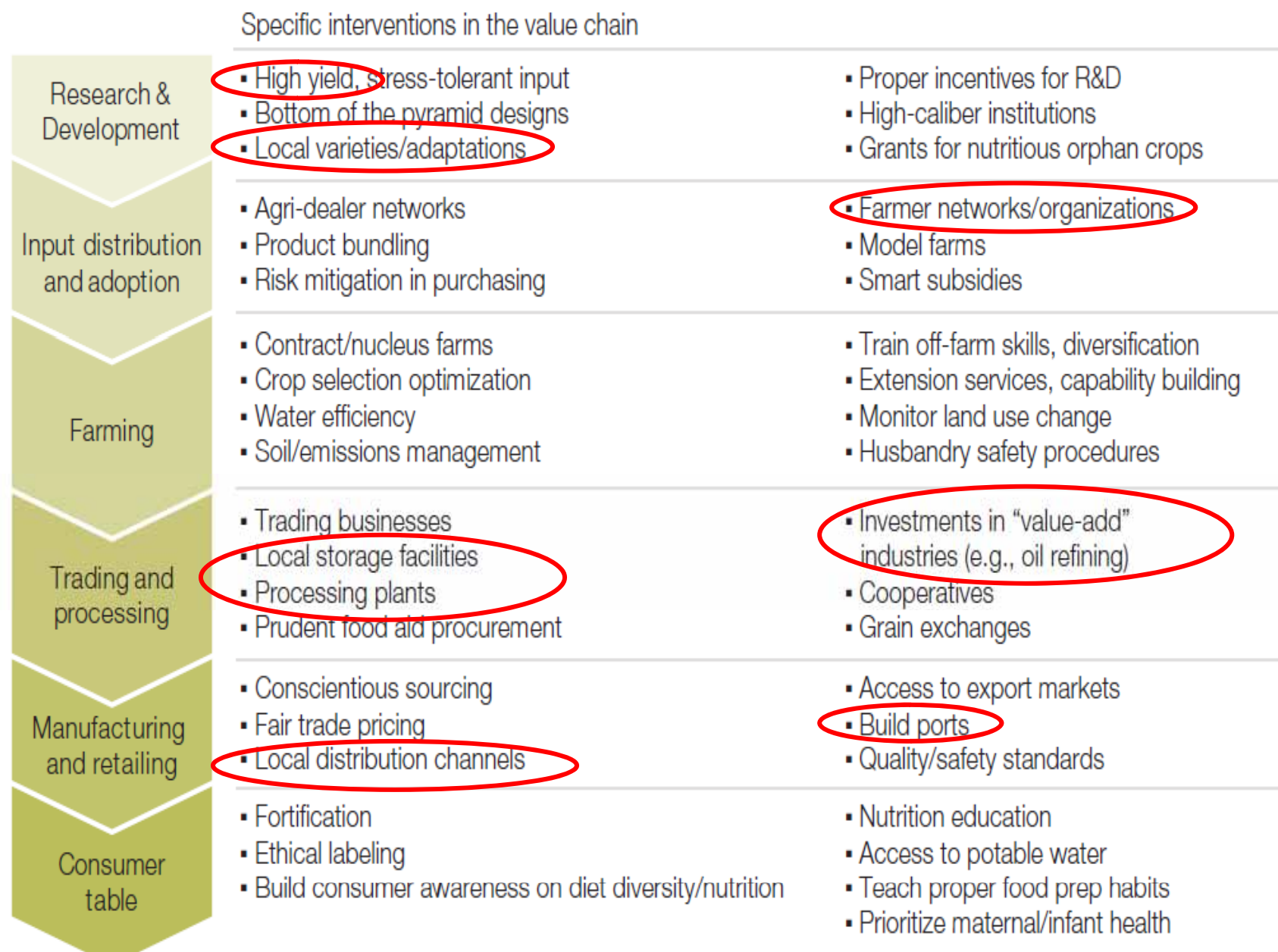
**Myanmar Rice Economy is related to more than 60% of the population.
Per Capita Consumption – 180-210 KG (Highest Globally)**

**Implementing a New Vision for Agribusiness in Myanmar:
Value Addition & Integrated Food and Energy Production as
Main Drivers**

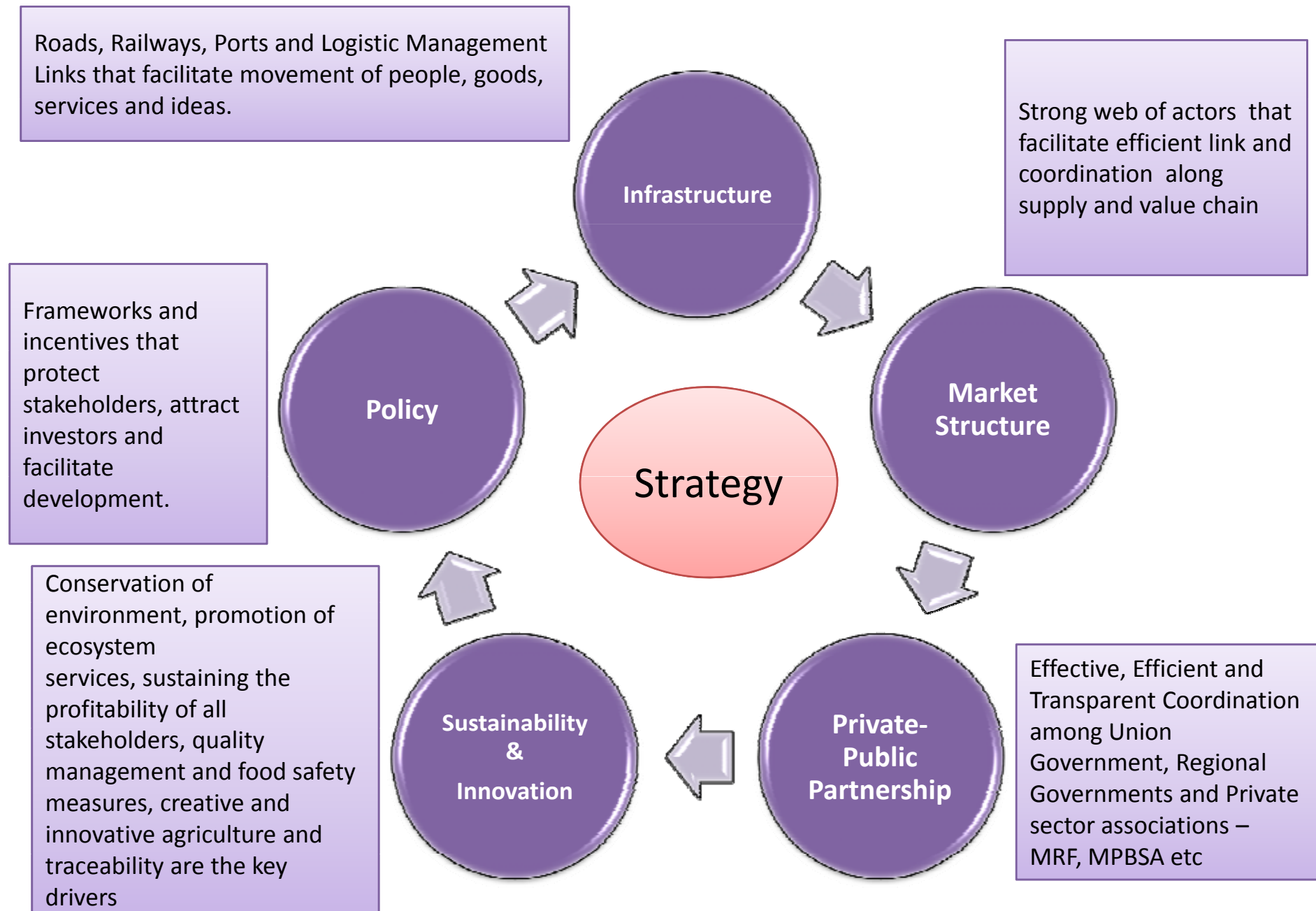
- **Farming as a livelihood --> Farming as a business** (transition from small scale to commercial scale by introducing Forward Sales Contract (FSC) and by Contract Farming Schemes, to establish Commodity Exchange & Wholesale Centers – “commodity futures” market in near future)
- **Rice Processing/Rice Milling --> Food and Energy Production** (Investment in Processing Complexes which integrate the different value addition for all the by-products)



Stakeholders are already engaging on many interventions



Source: WEF Roadmap for New Vision Agriculture



The power of markets and multi-stakeholder collaboration should efficiently be harnessed to ensure food security, to sustain the agribusinesses, to conserve environment and to create prosperity

FOOD SECURITY

To improve the components of supply chain to close yield gaps, reduce losses and waste, distribute efficiently, provide affordable choices across the food chain, promote farmers' welfare



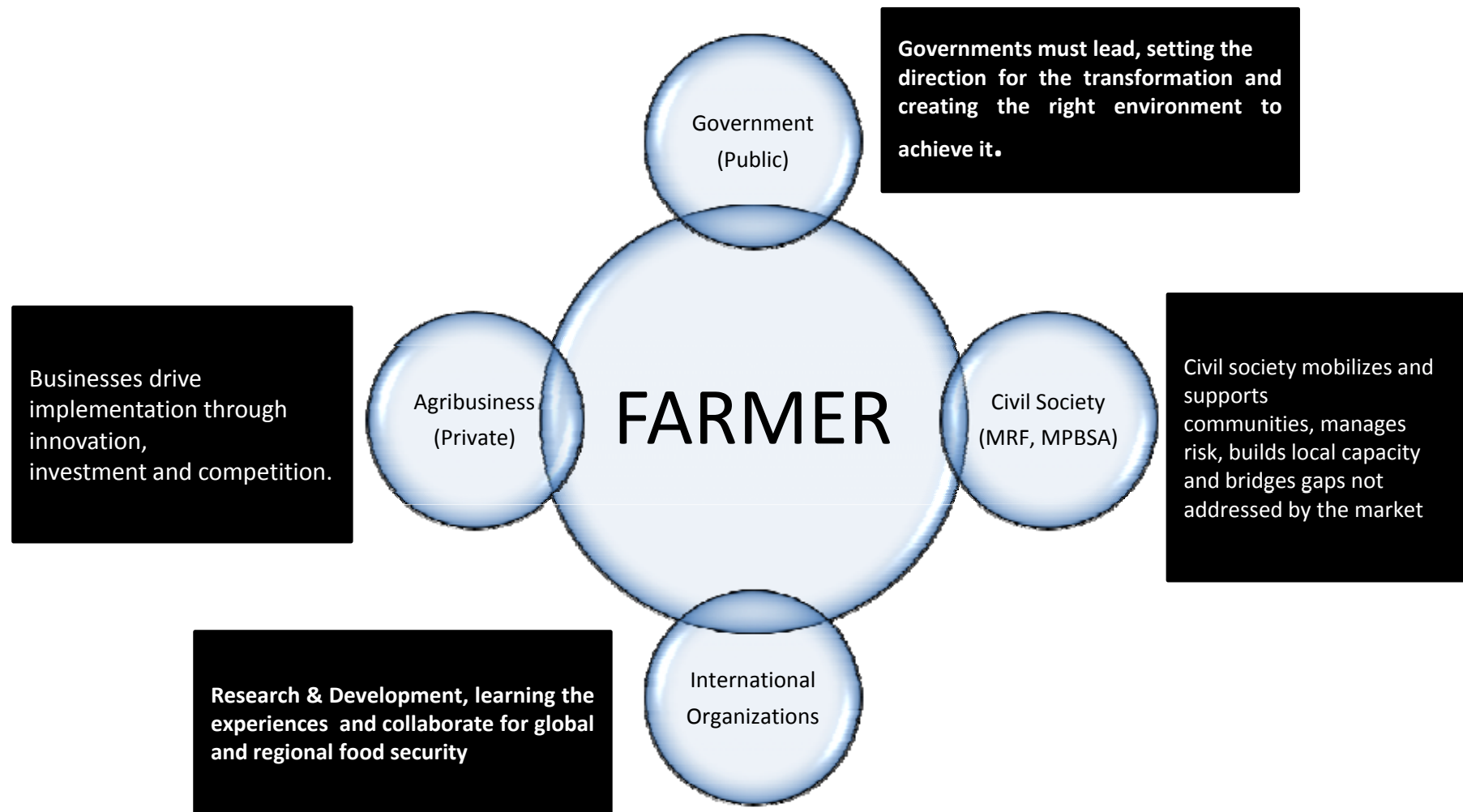
ENVIRONMENT

To enhance quality and quantity of natural resources; meet and prepare for the challenges of Climate Change

Economic Development

To drive rural and national economic development in various parts of Myanmar with targeted investments and interventions

Every stakeholder has a critical role.



Contract Farming – Zonal Approach (HYV) – Vertical Expansion

No	Location	Acres	Normal Yield (bsk)	Normal Rice (MT)	Expected Yield (bsk)	Surplus	Surplus Rice (MT)
1	Yangon Region	23000	70	20010	100	30 690,000	8625
2	Bago (East)	21000	70	18270	100	30 630,000	7875
3	Bago (West)	35000	70	30450	100	30 1050000	13125
4	Ayeyarwaddy	51500	70	44805	100	30 1545000	19312
5	Sagaing	16000	70	13920	100	30 480000	6000
	Total	146500		127455			54937

Total Rice Production = **182392 MT**

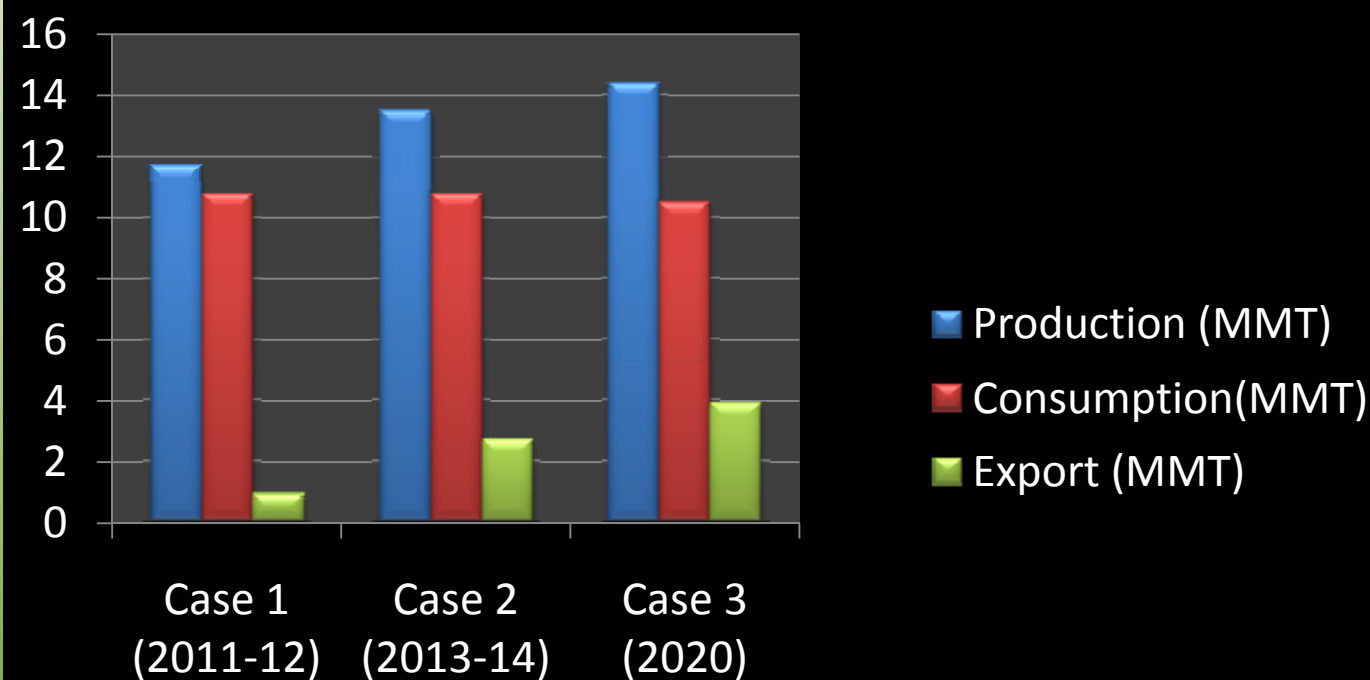
150000 Ac → 55000 MT Net Surplus

Contract Farming – Zonal Approach– Vertical Expansion (Hybrid)

No	Location	Acres	Normal Yield (bsk)	Normal Rice (MT)	Expected Yield (bsk)	Surplus	Surplus Rice (MT)
1	Yangon Region	2400	70	2088	150	80 192000	2400
2	Bago (East)	3000	70	2610	150	80 240000	3000
3	Bago (West)	3500	70	3045	150	80 280000	3500
4	Ayeyarwaddy	1200	70	1044	150	80 96000	1200
5	Sagaing	1500	70	1305	150	80 120000	1500
6	Nay Pyi Taw	41900	70	36453	150	80 3352000	41900
	Total	53500		46545			53500

Total Rice Production = **100045 MT**

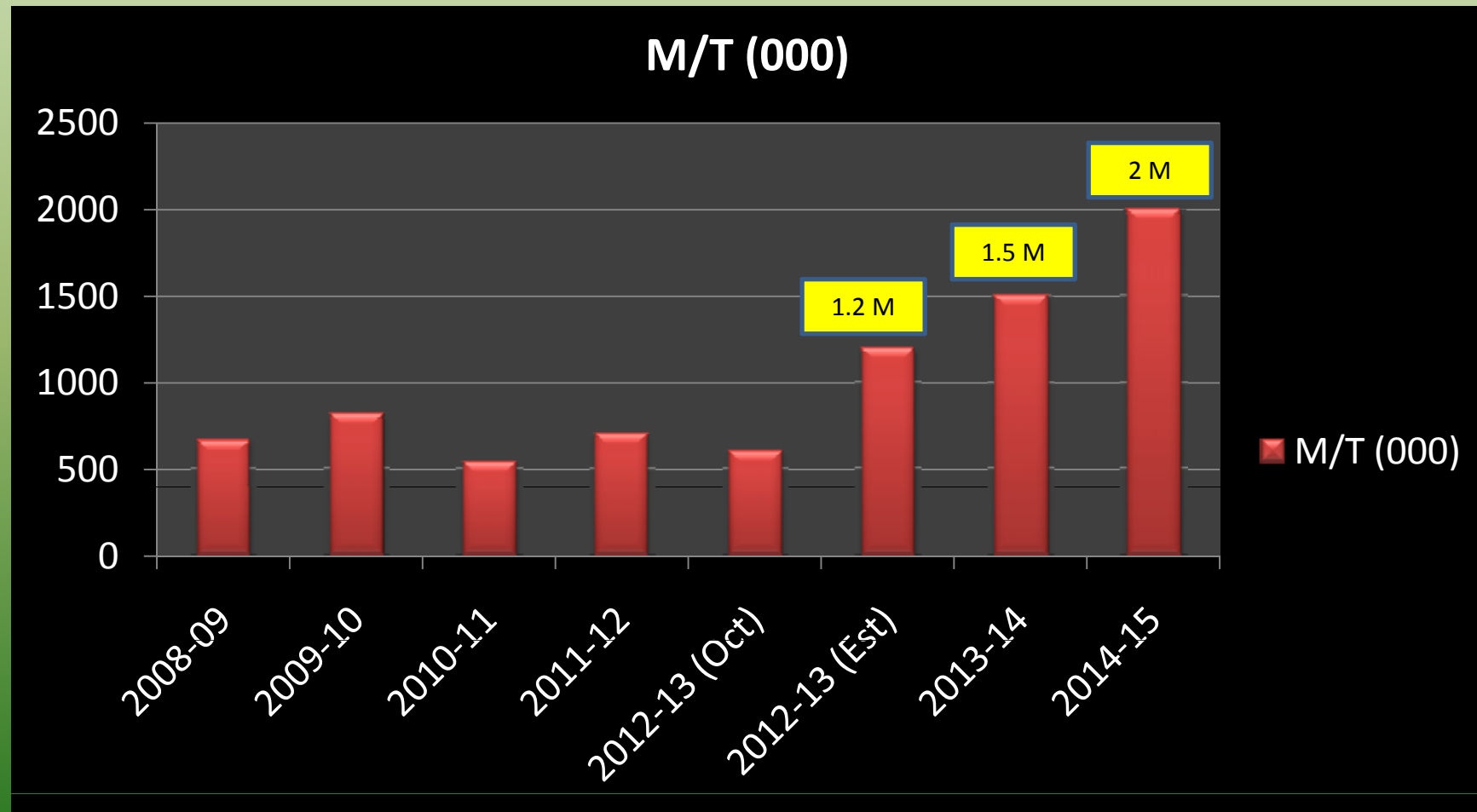
Present and Future Outlook: Rice Production, Consumption and Export



	2011-2012	2013-2014	2020
Consumption	180 kg	180 kg	150 kg
Sown Acres	18 million	18 million	14.4 million
Population	60 million	60 million	70 million
Per Acre Production	0.65 MT	0.75MT	1 MT

	Production (MMT)	Consumption(MMT)	Export (MMT)
Case 1 (2011-12)	11.7	10.8	0.9
Case 2 (2013-14)	13.5	10.8	2.7
Case 3 (2020)	14.4	10.5	3.9

Myanmar Rice Export Statistics & Export Outlook for Near Future



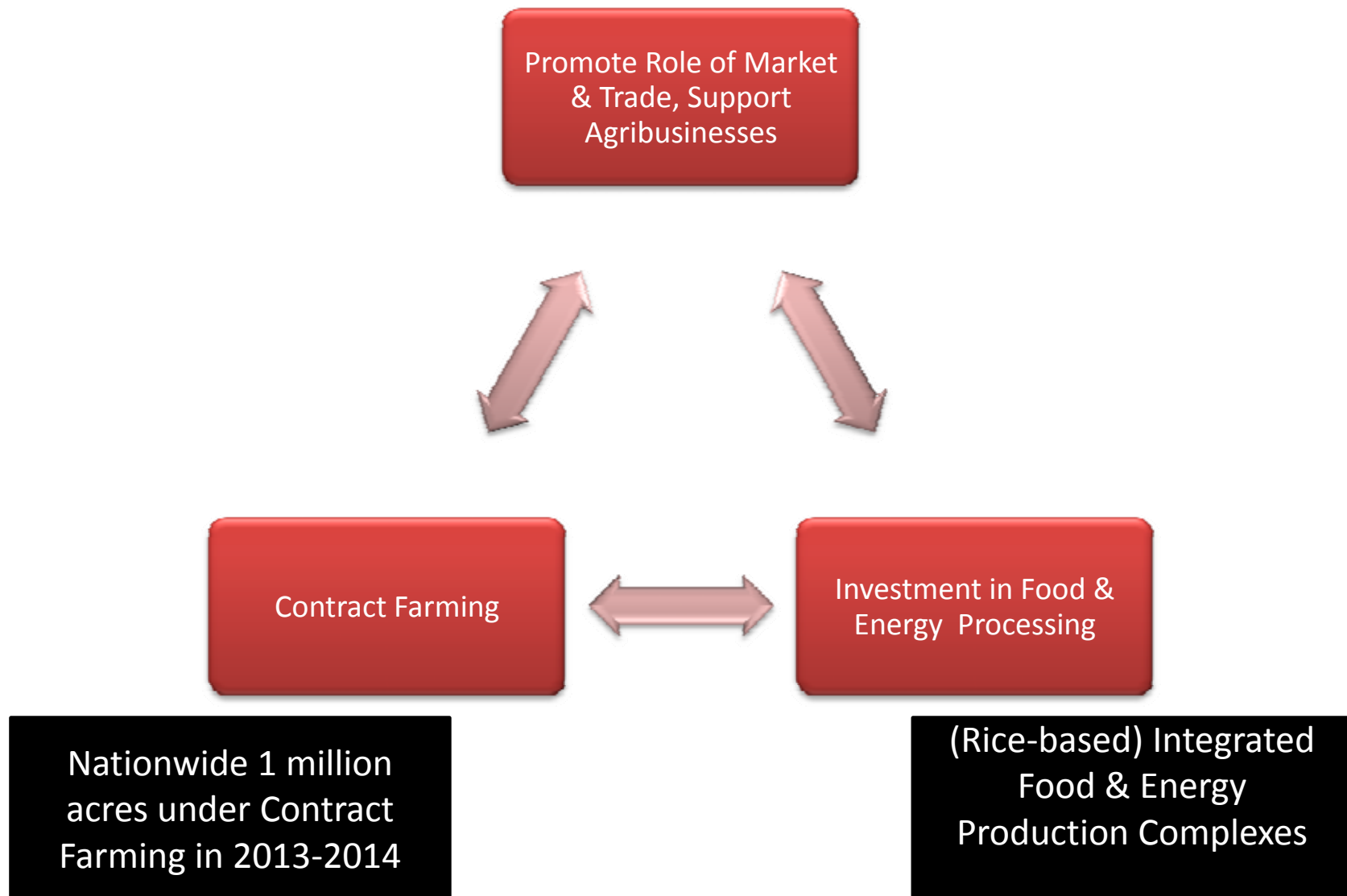
Strategy, plans, policy options and considerations for Rice Export

- Rice Export – crucial for sustaining business activities in rice industry – wholesale volume business
- Investment in Value-addition, Storage & Processing - the need to shift from “Rice Processing” to “Food and Energy Production” Concept
- National Quality Standards & Quality Management Practices
- Export-oriented Contract Farming Zones – Supply Chain Mechanism & Significant Role of Rice Specialization Co
- National Export Target – (2013-2014 – 1.5 MMT, 2014-2015 2 MMT - Pilot Run)
- Priority First on Inter-ASEAN Market by G-to-G Planning and B-to-B Execution,
- Trade Financing for Exporters (LC-based Financing, Pre-Export Financing) to optimize working capital flows

Strategy, plans, policy options and considerations for Rice Export

- *With the gradual reduction in trade barriers led by the process of globalization, more emphasis is now being placed on promoting **export competitiveness**.*
- *Asia and particularly ASEAN is the home of many of the world's top rice exporters.*
- *National Competitiveness for Myanmar Rice Export – should be reconsidered and restored – **Exchange Rate, storage, processing facilities and ports – key areas to improve***

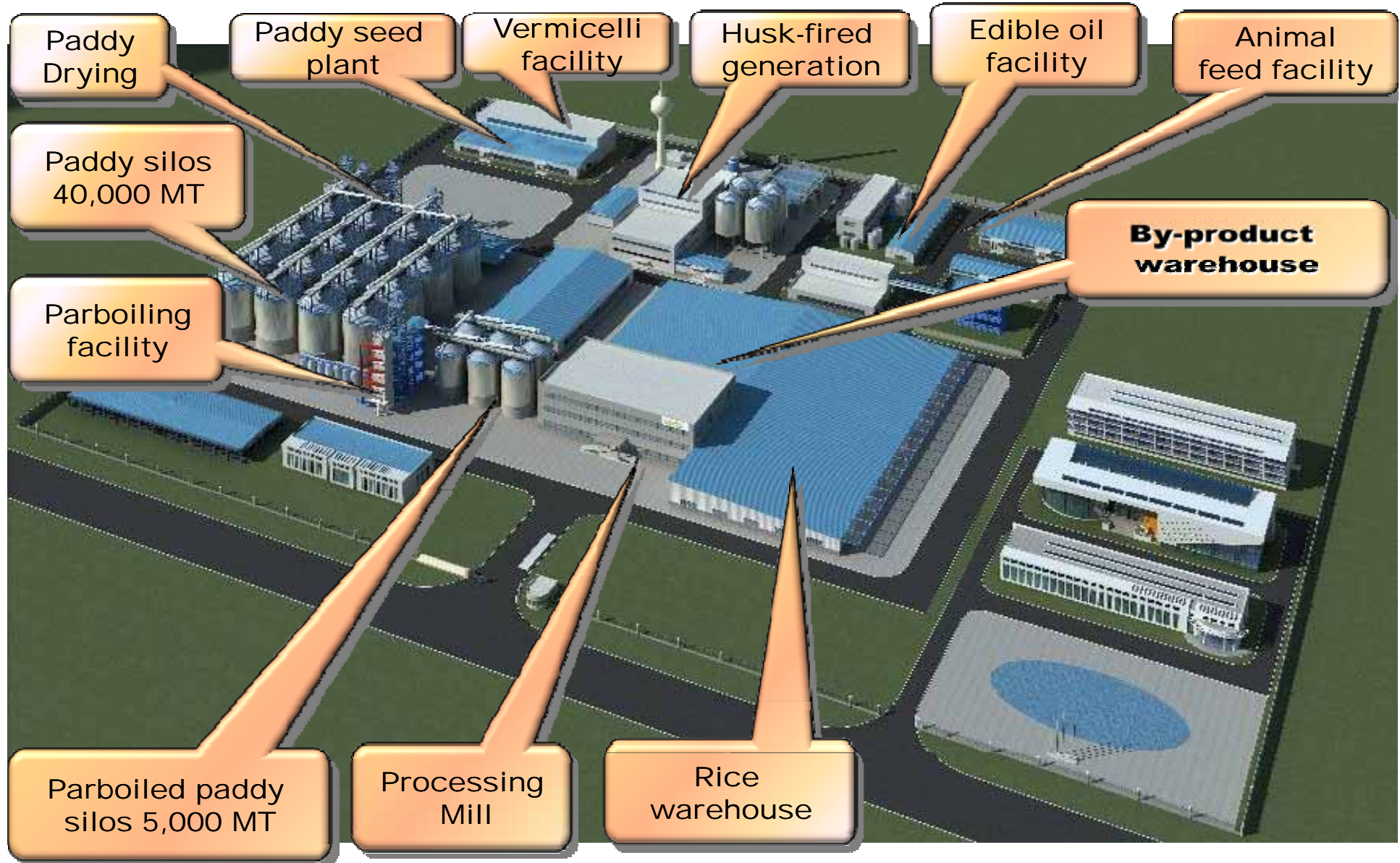
Ways Forward- Total Solutions Approach



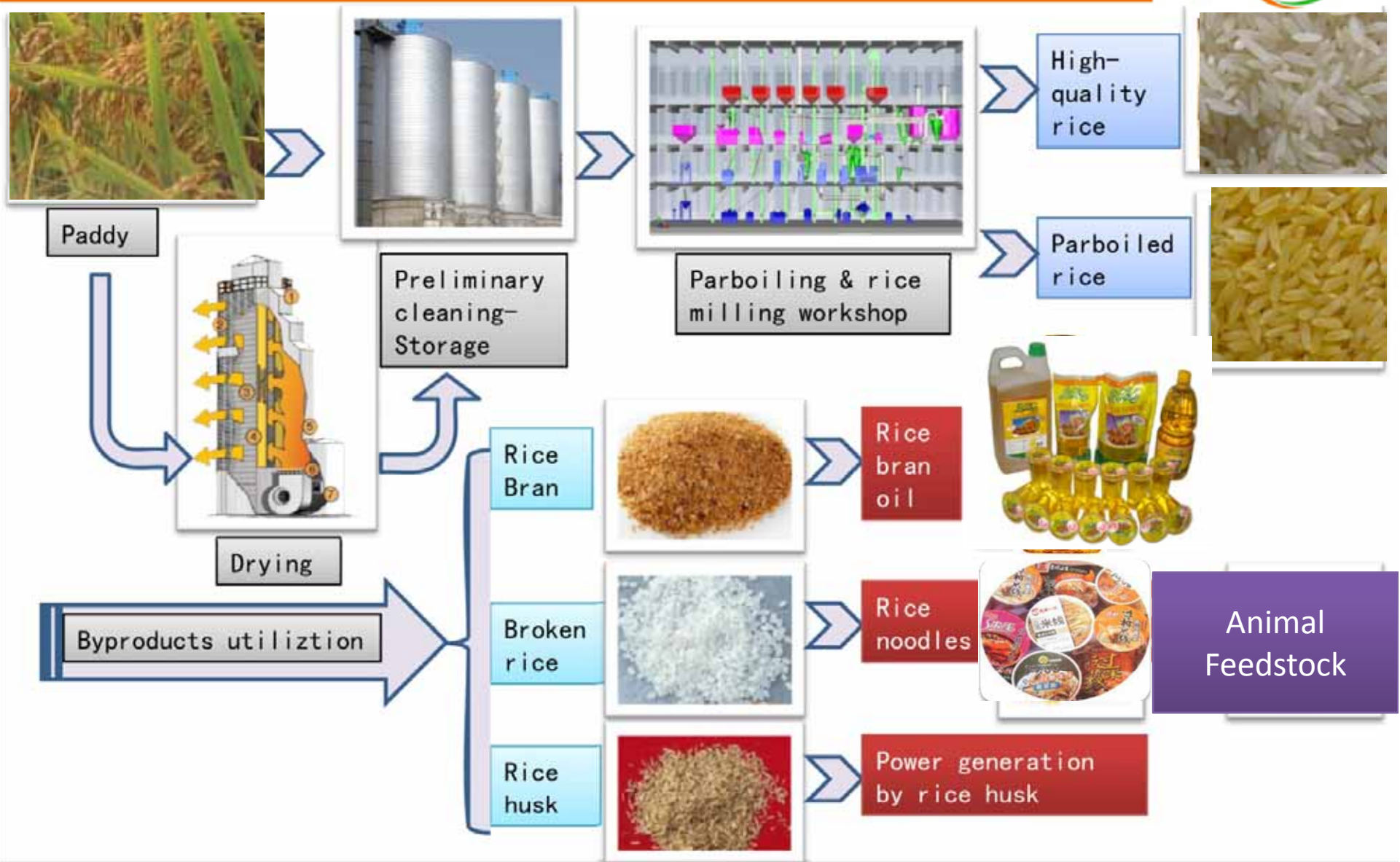
Integrated Food & Energy Production Complex – Conceptual Design



Integrated Food & Energy Production Complex – Conceptual Design

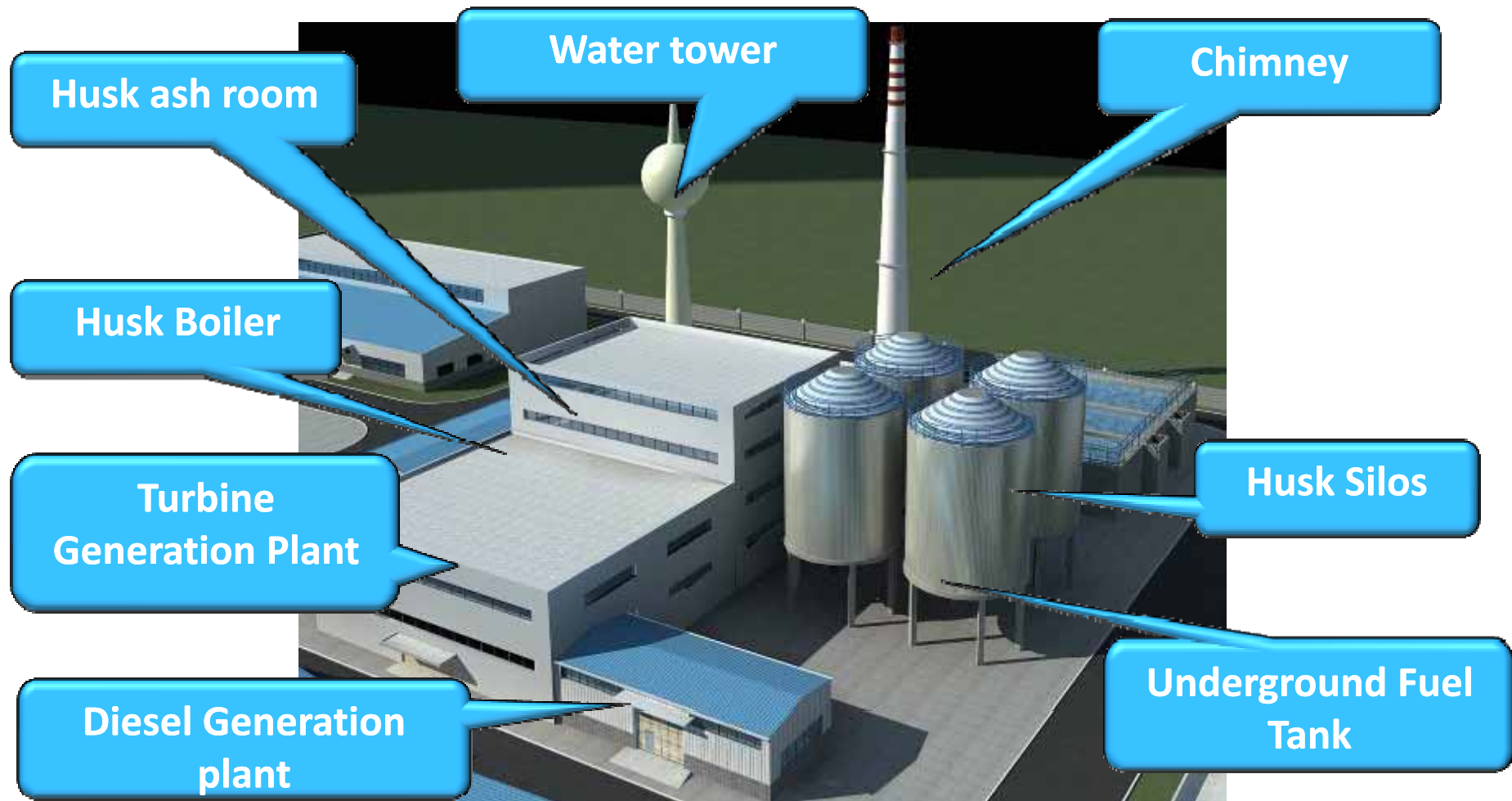


ENGINEERING AND TECHNICAL PROGRAMS



Integrated Food & Energy Production Complex – Conceptual Design
Husk-fired Power Plant -3 MGW Capacity- Rural Electrification

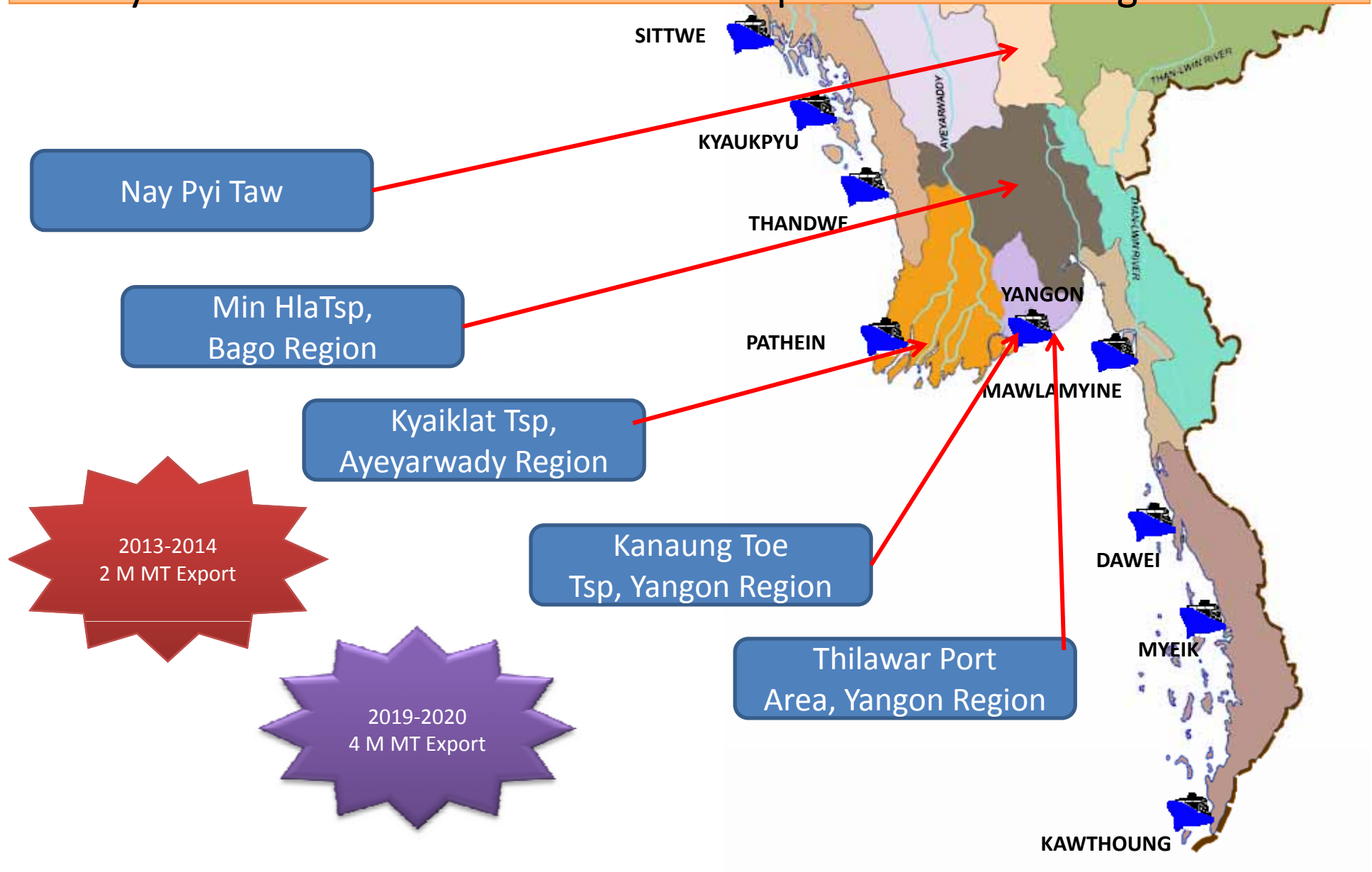
HUSK-FIRED POWER FACILITY



Integrated Food & Energy Production Complex – **15 locations**

In 2013-2014 → 5 project locations

By 2020 → All locations shall be completed near existing 9 Ports



Thank you for listening!



Contact Details:

YE MIN AUNG, Managing Director

E-mail:

md@mapco-ygn.com
yma.mm.ygn@gmail.com

Myanmar Agribusiness Public Corporation
Unit 0303
3rd Floor, Sakura Tower
339 Bogyoke Aung San Road
Kyauktada Township, Yangon
Republic of the Union of Myanmar

(Tel/Fax) (951) 255084
(Fax) (951) 255083

www.mapco.com.mm