



Early impacts of the Myanmar political crisis on rural farm households

Findings from March 2021

Using phone survey data from March 2021, we found that the impacts of the recent political unrest in Myanmar further compound the disruptions caused by the COVID-19 pandemic, both on the farm as well as on the non-farm rural economy. Within one month of the start of the political unrest, we observed the following:

- 10 percent of farm households experienced disruptions in accessing farm inputs in February, particularly farm machinery and inorganic fertilizers.
- Compared to their interactions with input markets, farmers face substantially higher disruptions in their engagements with output markets. Twenty percent of farmers were unable to sell their produce in February, with an additional 27 percent experiencing difficulties in selling or receiving lower prices than expected.
- 45 percent of non-farm enterprises experienced additional disruptions in February, further aggravating the economic downturn they had experienced due to COVID-19.
- 34 percent of respondents who normally engage in farm or non-farm wage labor experienced additional challenges in finding employment. In combination with the continued impacts of COVID-19, a total of 78 percent of workers now have no or less wage employment income.
- Respondents continue to report lower-than-usual consumption of meat and fish due to reduced incomes.

Introduction

This research note explores the impacts of Myanmar's political crisis, which started on 1 February 2021, on farming communities in Myanmar's Central Dry Zone through early March 2021. This research builds on baseline data collected in-person from over 1,000 households prior to the onset of the COVID-19 pandemic in January 2020 and from subsequent follow-up telephone survey data. The latest round of phone-based data was collected in March 2021, five to six weeks after the onset of the political crisis, and contains responses from 407 households. The communities surveyed lie in the catchment areas of two irrigation sites in Myanmar's Central Dry Zone.

Crop farming and marketing

Farmers continue to experience difficulties in purchasing farm inputs (Table 1). Eighteen percent and 10 percent of respondents reported difficulties in December and January 2021 and in mid-February to mid-March 2021, respectively, particularly related to obtaining mechanization and inorganic fertilizers. Whereas the share of farmers reporting difficulties in February is lower than those of previous time periods, note that the recall period is half the length of previous recall periods. The overall difficulties to accessing farm inputs in February and early-March 2021 were likely at a relatively similar scale as in previous survey periods.

Table 1: Farmers continue to face difficulties in accessing farm inputs, by survey period, percent of survey farmers reporting

Difficulties purchasing farm inputs	Feb-May 2020	June-July 2020	Aug-Sept 2020	Oct-Nov 2020	Dec-Jan 2021	mid-Feb - mid-Mar 2021
Yes (any inputs)	17	15	23	20	18	10
Improved seed	2	2	2	2	2	1
Inorganic fertilizer	7	5	13	12	8	6
Pesticides, herbicides, fungicides	9	3	11	9	6	3
Farm machinery/machinery rental services	7	10	11	10	6	7
Other	1	1	1	0	0	0
Observations	383	447	422	493	286	268

Source: IFPRI/MSR telephone survey (June, August, October, December 2020, and March 2021).

The share of farmers experiencing difficulties selling their crops in the period mid-February to mid-March 2021 is at its second highest level since the survey started, albeit for a shorter reporting period—only during February-May 2020 do we find a higher share of farmers experiencing difficulties selling their crops (66 percent) (Table 2). In October-November 2020, 32 percent had difficulties selling crops. This share increased to 40 percent in December-January 2021 and to 47 percent in February 2021. In February, the challenges experienced became more severe. In December-January, 8 percent of farmers were unable to sell their crops, while 32 percent had difficulties but were still able to sell crops. However, after February, these shares increased to 20 percent unable to sell their crops and 27 percent who managed to sell despite experiencing difficulties. We also find a high share of farmers who experienced poor demand for their harvest (29 percent) and lower prices (16 percent). Difficulties due to movement restrictions are reported by 16 percent after February, which is a much higher share compared to December-January (9 percent).

Table 2. Renewed difficulties in crop marketing, particularly in February 2021, by survey period, percent of survey farmers reporting

Difficulties selling crops (% who sold during recall period)	Feb-May 2020	June-July 2020	Aug-Sept 2020	Oct-Nov 2020	Dec-Jan 2021	mid-Feb - mid-Mar 2021
Yes (any difficulties)	66	31	28	32	40	47
Difficulties selling, but able to sell ^a				28	32	27
Difficulties selling and unable to sell ^a				4	8	20
Lower prices	39	26	17	20	13	16
Poor demand/no buyers	23	4	8	16	23	29
Markets closure	17	6	3	4	1	4
Movement restrictions	19	2	12	14	9	16
No means of transportation to markets	17	1	2	4	9	7
Observations	103	115	211	161	143	171

Source: IFPRI/MSR telephone survey (June, August, October, December 2020, and March 2021).

Note: ^aDisaggregated information is not available for the first three phone survey rounds.

Farmers crop marketing expectations are at their lowest since the start of the follow-up telephone surveys in June 2020 (Table 3). In the latest survey round, 74 percent of farmers anticipated difficulties in selling their harvest in the following months. Farmers mainly worry about demand, with 42 percent of farmers worrying they might not find any buyers and 26 percent reporting lower prices. Moreover, transportation is an issue; 35 percent anticipate challenges due to movement restrictions and 18 percent expect difficulties finding transportation to take their produce to markets.

Table 3. Unprecedented high levels of pessimism concerning future crop marketing, by survey period, percent of survey farmers reporting

Anticipated difficulties to sell crops in following months (%)	June-July 2020	Aug-Sept 2020	Oct-Nov 2020	Dec-Jan 2021	mid-Feb - mid-Mar 2021
Yes (Any difficulties)	34	43	47	37	74
Lower prices	26	27	22	21	26
Poor demand/no buyers	15	21	23	23	42
Markets closure	3	1	4	4	13
Movement restrictions	5	6	33	24	35
No transportation to markets	7	4	11	9	18
Observations	317	384	401	392	232

Source: IFPRI/MSR telephone survey (June, August, October, December 2020, and March 2021).

Non-farm businesses and farm and non-farm employment

Many households in our research area operate non-farm businesses or engage in farm and non-farm employment. Respondents were asked whether they experienced difficulties in December-January 2021 due to COVID-19, and then whether they had experienced additional difficulties in mid-February to mid-March 2021 as compared to prior survey periods. Forty-five percent of households with businesses experienced additional difficulties, mostly from a further depression in demand and from less work than usual (Table 4). Only a few businesses were newly affected in February. Yet, businesses already affected by COVID-19 experienced further deterioration in their operating conditions.

Table 4: Businesses experiencing additional difficulties when the political crisis started, by survey period, percent of survey farmers reporting

Experienced difficulties (%)	Dec-Jan 2021	mid-Feb - mid-Mar 2021	Any by Mar 2021 ^a
Share of businesses	76	45	78
Difficulties reported, if any:			
Forced closure	8	0	7
No/reduced demand	21	25	23
Less work than usual	55	67	67
More customers buy on credit	11	1	10
Other	30	21	33
Observations	104	109	109

Source: IFPRI/MSR telephone survey (March 2021).

Note: ^aA business is considered to have experienced any difficulties by March 2021 if it reported difficulties in Dec-Jan 2021 or in the past four weeks (mid-February to mid-March 2021).

In December-January 2021, 64 percent of respondents reported experiencing negative effects on their employment due to the COVID-19 crisis (Table 5). As much as 31 percent of respondents who would normally work were unable to do so, either due to movement restrictions (24 percent) or to a lack of work or job loss (7 percent). Further, 52 percent had less work than usual and 17 percent worked for a lower wage.

Table 5: Experiencing difficulties in farm or non-farm employment, by survey period, percent of survey farmers reporting

Experienced difficulties (%)	Dec-Jan 2021	mid-Feb - mid-Mar 2021	Any by Mar 2021 ^a
Affected (any type of disruption)	64	34	71
Less work than usual	52	29	58
Could not find any work / loss of employment	7	5	11
Work for lower pay	17	4	17
Unable to work due to movement restrictions	24	8	24
Other	5	1	5
Observations	158	158	158

Source: IFPRI/MSR telephone survey (June, August, October, December 2020, and March 2021).

Note: ^aA respondent is considered to have experienced difficulties if s/he reported difficulties in Dec-Jan 2021 or in the past four weeks (mid-February to mid-March 2021).

Following the onset of the political unrest in early-February 2021, 34 percent of respondents reported additional negative effects on their existing wage or salary employment. These negative impacts increased the share of respondents with reduced employment in February to 71 percent of all those normally employed at that time of the year. This share includes both an increase in people who had no employment (35 percent) as well as a negative effect on the employment and salaries of those who had employment.

Food consumption

The ongoing pandemic had already reduced meat and fish consumption among the surveyed households. Our data collected in March 2021 indicates that households continued to employ coping strategies to safeguard their food security through lower meat and fish consumption compared to usual times prior to the onset of the pandemic (Table 6).

The share of respondents who cite income as the main reason for reducing consumption is at its highest level across all phone survey rounds. Ninety-two percent and 83 percent of respondents point to reduced incomes as the primary reason for reducing meat and fish consumption, respectively. Others also report reduced availability of meat (4 percent) and fish (15 percent) as well as price increases for meat (5 percent) and fish (8 percent).

Table 6: Renewed surge in households reducing meat and fish consumption, by survey period, percent of survey farmers reporting

Interview month	June-July 2020	Aug-Sept 2020	Oct-Nov 2020	Dec-Jan 2021	mid-Feb - mid-Mar 2021
Consumed meat less frequently	40	24	35	28	29
Consumed a smaller quantity of meat	37	22	24	19	27
Why did you eat a smaller quantity of meat or eat meat with less frequency? <i>[For those that reported doing so]</i>					
Reduced income	79	87	88	85	92
Not available	14	5	20	11	4
Higher price	19	14	7	4	8
Afraid of COVID	13	10	4	5	5
Other	10	10	3	10	6
Consumed fish less frequently	28	17	24	17	25
Consumed a smaller quantity of fish	25	18	22	18	21
Why did you eat a smaller quantity of fish or eat fish with less frequency? <i>[For those that reported doing so]</i>					
Reduced income	72	75	79	72	83
Not available	11	10	24	20	15
Higher price	14	11	3	3	8
Afraid of COVID	10	11	2	3	1
Other	23	13	13	22	16
Consumed vegetables less frequently	2	2	3	4	1
Consumed orange vegetables more frequently	3	0	1	1	2
Consumed leafy green vegetables more frequently	33	24	18	16	22
Consumed other vegetables more frequently	15	9	7	3	7
Diet diversity score for women	6.5	6.5	6.7	6.9	6.7
Observations	606	543	503	493	382

Source: IFPRI/MSR telephone survey (June, August, October, December 2020, and March 2021).

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