



Community perceptions of the agricultural impacts of Myanmar's health and political crises

Insights from the National COVID-19 Community Survey – September 2021

Key findings

- Forty-two percent of farming communities experienced lower agricultural production than normal in the past 12 months, mainly due to drought and pests.
- Forty-four percent of farming communities reported greater difficulties in selling agricultural products than usual. Low crop price was the most frequently reported disruption.
- There are pressing concerns for the upcoming monsoon season harvest. Inorganic fertilizer prices are skyrocketing—compound fertilizer prices increased 56 percent in September 2021 compared to September 2020 while urea prices increased 72 percent compared to last year.
- About one-third of farming communities hired fewer agricultural wage workers this year compared to last year, with 46 percent reporting that this was mainly due to financial problems.
- For the current monsoon season, 45 percent of farming communities expect overall agricultural production will be lower than that of last year.

Recommended actions

- Implement measures such as input subsidies, vouchers, or agricultural grants to limit the impact of the price increases of fertilizers and other inputs on agricultural production.
- As farming communities risk falling into vicious cycles of income loss, financial support is urgently needed to avoid long-lasting impacts of the crises on the agricultural performance of affected communities.
- Social protection is urgently needed in rural areas, including food/cash for work schemes to offset lower demand for agricultural labor.

Introduction

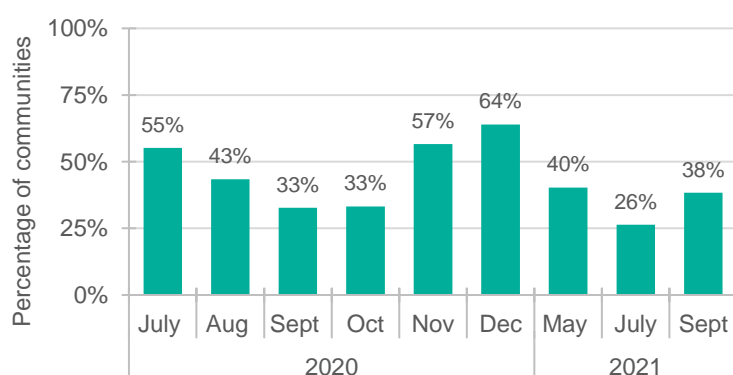
This Research Note highlights findings from nine rounds of the National COVID-19 Community Survey (NCCS). The NCCS was originally designed to monitor the economic and social impacts of the COVID-19 crisis in Myanmar. The questionnaire is administered to respondents from rural and urban communities throughout the entire country and highlights the impacts that respondents observe in their own community. The first round of this telephone survey was conducted in late June/early July 2020 and focuses on impacts since January 2020. Five subsequent rounds followed monthly until December 2020/January 2021. These survey rounds assess the communities' experiences in the month prior to the interview. To assess impacts at community level of both the political unrest that began in February 2021 and the continuing COVID-19 pandemic, three more survey rounds were conducted in May, July, and September 2021. The recall period also pertains to the month prior to the interview.

This report focuses on agriculture and is based on the responses from communities engaged in agricultural production. The September 2021 survey round contains responses from 451 communities, including 370 farming communities: 84 from the Delta, 130 from the Dry Zone, 45 from the South-East (Tanintharyi, Mon, Kayah and Kayin), 93 from the North (Kachin and Shan) and 18 from the West (Chin and Rakhine).

Agricultural production

During each survey round, respondents were asked whether agricultural production in the past month had been lower than normal. As displayed in Figure 1, the highest share of communities reporting unusually low agricultural production was observed in November 2020 (57 percent) and December 2020 (64 percent). Weather conditions seemed more favorable for crop production in 2021 compared to 2020, especially in rural areas where drought and irregular rainfall were less frequently reported in 2021 compared to 2020 (reported by 37 percent and 70 percent, respectively). Nevertheless, a higher share of farming communities reported unusually low agricultural production in September 2021 compared to September 2020 (38 percent and 33 percent, respectively). The highest share of farming communities reporting lower production than usual was observed in the Dry Zone (48 percent).

Figure 1. Percentage of farming communities reporting unusually low agricultural production in the last month, by survey month

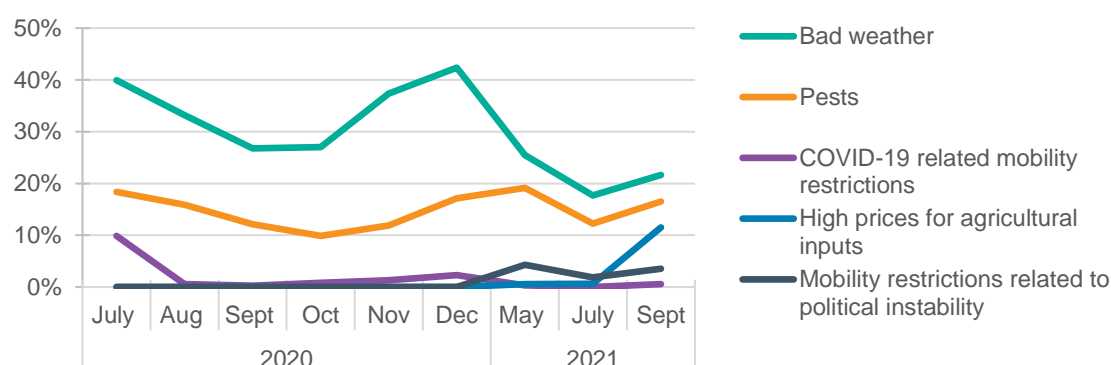


Note: The July 2020 survey asked about agricultural production since January 2020, following rounds asked about the previous month. Average percentage over all survey rounds since August=42 percent
Source: IFPRI/IPA phone survey (July 2020-September 2021)

Across all 2020 survey rounds, bad weather and pests were the dominant reasons reported for disruptions to agricultural production, while high prices for inputs emerged as a new challenge in September 2021 (Figure 2). Across all survey rounds, farming communities in the Dry Zone most frequently faced poor weather conditions (39 percent) relative to other agroecological zones across all survey rounds. Moreover, 16 percent of farming communities from the Dry Zone reported

problems due to pest infestations. The Northern (Kachin State and Shan State) and Delta regions mentioned pest infestations in 15 percent and 13 percent of the communities, respectively (Table 1).

Figure 2. Reasons for disruptions to agricultural production, percent of farming communities reporting



Note: The July 2020 survey asked about disruptions to agricultural production since January 2020, following rounds asked about the last month. Source: IFPRI/IPA phone survey (July 2020–September 2021)

Table 1. Farming communities reporting lower agricultural production and restrictions by geographical location (August 2020–September 2021), percentage reporting

	All	Delta	Dry Zone	South-East	North	West
Lower agricultural production than usual	42	36	48	38	43	31
Reasons for lower agricultural production						
Bad weather	29	21	39	25	27	15
Pests	14	13	16	12	15	7
COVID-19 related mobility restrictions	1	1	0	2	1	3
High prices for agricultural inputs	2	1	2	3	1	2
Mobility restrictions related to political instability	1	0	1	3	1	2
Observations	2744	617	1011	350	635	131

Source: IFPRI/IPA phone survey (August 2020–September 2021)

The negative impact of higher input prices on agricultural production became evident in the latest survey round, in which 12 percent of farming communities reported high prices for agricultural inputs as a major disruption to their agricultural production (Figure 2). In 2020, high input prices were never reported as a major disruption to agricultural production and only a very small share mentioned this challenge in the early 2021 survey rounds.

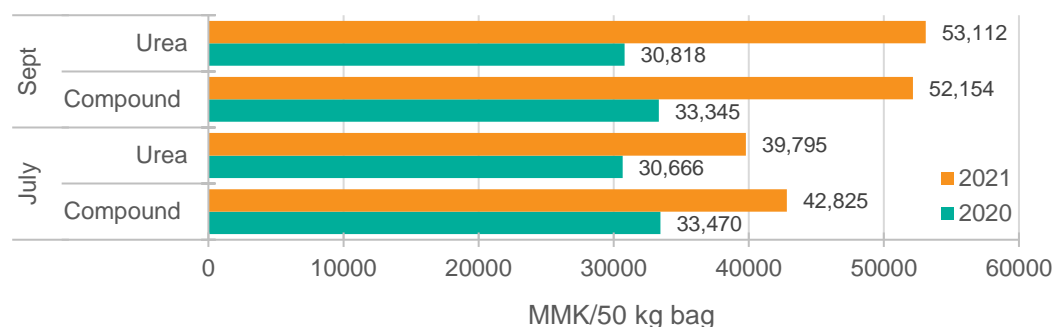
Only a small share of farming communities reported COVID-19 related mobility restrictions as a major disruption to agricultural production throughout any of the survey rounds and they were not mentioned in any of the 2021 survey rounds (Figure 2). In contrast, there were no communities who faced mobility restrictions related to political instability during 2020, though 3 percent of farming communities reported these restrictions as a major disruption to crop production in 2021.

Input prices and usage

A major challenge for farming communities, which potentially offers a bleak outlook for agricultural production this monsoon season, is the soaring price of inorganic fertilizer. During the July and September survey rounds, respondents were asked whether farmers had purchased any urea or compound fertilizer in the past two months. If so, the survey inquired about the price of one 50kg sack of urea or compound fertilizer in the past two months as well as during the same period last year. The price of urea increased 72 percent between September 2021 and September 2020 and the price of compound fertilizer increased 56 percent in the same period (Figure 3). From July 2021

to September 2021, the price of urea fertilizer increased by 33 percent and the price of compound fertilizer increased by 22 percent.

Figure 3. Price of compound and urea fertilizer in July and September 2020 and 2021



Source: IFPRI/IPA phone survey (July 2021-September 2021)

In July 2021, half of all farming communities had farmers who applied less fertilizer than usual for their monsoon crops. By September 2021, this further increased to 83 percent of farming communities. The main driving force for applying less fertilizer was a dramatic increase in the prices of inorganic fertilizer compared to last year. This was reported by 75 percent of farming communities in September 2021 and 38 percent in July 2021 (Table 2). Lack of funds to purchase fertilizer stood as the second most frequently reported reason for this occurrence, stated by 43 percent of farming communities in September 2021 compared to 17 percent in July 2021.

Table 2. Reasons for applying less fertilizer this monsoon season, percent of farm communities

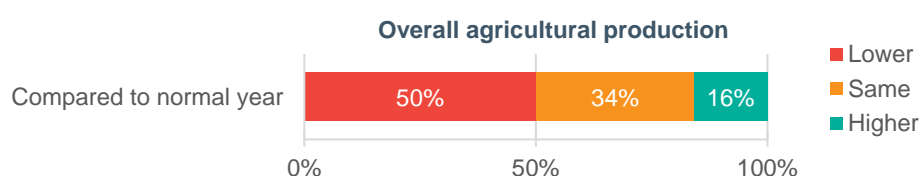
	Jul 2021	Sep 2021
Fertilizer prices are significantly higher than last year (%)	38	75
Lack of funds to purchase fertilizer (%)	17	43
Lack of availability of fertilizers (%)	2	1
Farmers think it is bad for soil fertility (%)	6	5
Fertilizer does not increase productivity (%)	2	2
Growing less due to water shortage (%)	0	1
Observations	370	370

Source: IFPRI/IPA phone survey (July 2021-September 2021)

About one-third of farming communities reported that they hired fewer agricultural wage workers this year compared to last year. Less hiring may contribute to lower farm productivity and lower incomes for those relying on agricultural wage employment. Forty-six percent of farming communities stated that they hired fewer agricultural wage workers primarily due to financial problems.

For the current monsoon season, half of farming communities expect that agricultural production will be lower than in a normal year (Figure 4). Only 16 percent expect higher agricultural production.

Figure 4. Expectations of production for the current monsoon season, percentage of farming communities reporting

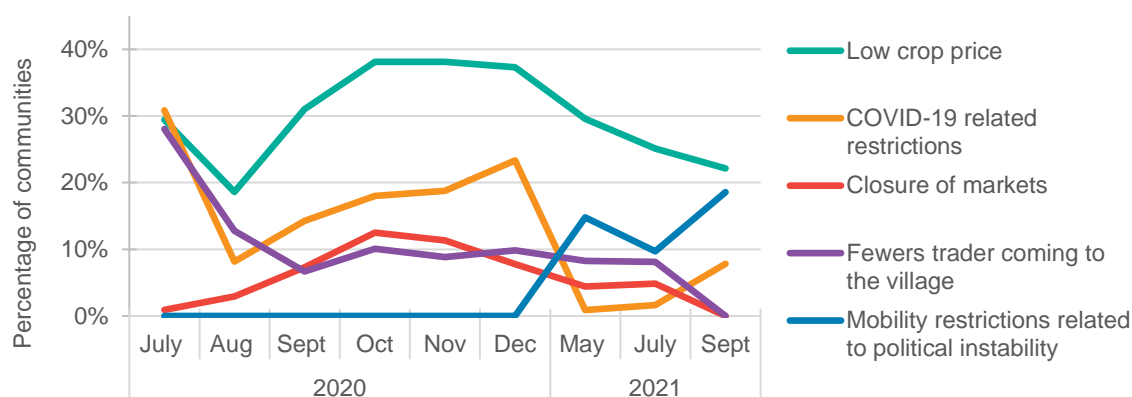


Source: IFPRI/IPA phone survey (September 2021)

Crop marketing

On average, 44 percent of farming communities reported greater difficulties selling agricultural products than usual. The share of farming communities reporting any disruptions in selling agricultural products increased by 7 percent in September 2021 compared to September 2020. Low crop price is the most frequently reported disruption to crop marketing across all survey rounds (Figure 5). Though COVID-19 related restrictions were much stricter during the previous survey round, only a small share of farming communities reported such restrictions as disruptions. Rather, an increasing share of communities reported mobility restrictions related to political instability. By September 2021, this was mentioned as a major disruption in nearly one out of five farming communities. No communities reported fewer traders coming to the village and closure of markets in the latest survey round.

Figure 5. Major disruptions to crop marketing, percentage of farming communities reporting



Note: The July 2020 survey asked about disruptions to crop marketing since January 2020, following rounds asked about the last month. Source: IFPRI/IPA phone survey (July 2020-September 2021)

Recommended actions

- Farmers rely on inorganic fertilizers to increase crop productivity. The rapid increase in fertilizer prices may lead to no or sub-optimal fertilizer application rates, which risks reducing yield, negatively impacting the income of farm households, and reducing domestic food supply. Minimizing disruptions to fertilizer access and usage as well as ensuring market access are key to minimize losses due to low fertilizer use.
- Cost-effectiveness in using fertilizer for agricultural production is key, including using quality fertilizers as well as applying the optimal amount of fertilizer. Continued monitoring of the quality of imported fertilizers and ensuring farmers' access to information regarding optimal fertilizer application rates and methods are recommended.
- Half of all farming communities expect that overall agricultural production will be lower than a normal year whereas only 16 percent expect higher production this year. Lower production and related crop income risk setting off a downward spiral of deepening poverty. Mitigating such medium- and long-term impacts and ensuring adequate assistance to affected communities are needed.

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