Food and Agriculture Organization of the United Nations

FAO Myanmar COVID-19 Policy Options Bulletin for Agriculture Sector

April 09, 2020

Prepared by the EU-FAO FIRST Policy Facility in Myanmar (Anna-Lisa Noack, Khin Yadanar Oo, Alice Hluan Sui, Paul De Wit) under the guidance of FAO Representative, Ms. Xiaojie Fan, and with critical support from all FAO project leads in Myanmar, including from SLM, GAFSP, Emergency Unit, Fish Adapt and UN-REDD

Food and Agriculture Organization of the United Nations

FAO Myanmar COVID-19 Policy Options Bulletin for Agriculture Sector
April 09, 2020

This policy bulletin has three main objectives: (i) to outline key risks and policy options to address COVID-19 impacts on the agriculture and food sector in Myanmar, (ii) to facilitate policy dialogue with MOALI around concrete policy objectives to address the COVID-19 emergency in the short and long-term, and (iii) to support coordination of Myanmar's Agriculture and Rural Development Sector Coordination Group and its key recommendations.

Myanmar's social and economic fabric, like most countries around the world, is being strained by COVID-19. Health systems are under enormous pressure, people are experiencing high levels of stress due to restricted mobility and fear of outbreaks, and economies and food system are under increasing pressure. On 10 March 2020, Myanmar's State Counsellor H.E. Daw Aung San Suu Kyi noted that Myanmar's economy "was suffering from the fallout of the COVID 19 outbreak that has already spread worldwide." In tandem, The World Bank has predicted a slowing of economic growth in Myanmar, down from 6.3% to 2 or 3% in the 2019-20 fiscal year. As reported in *The Frontier* on March 30th, **"In Myanmar, the 'cure' for COVID could be deadlier than the disease"**.[1]

There are a number of potential impacts of COVID-19 on food security and livelihoods in Myanmar. These include i) disruption of food product market chains due to decreased production and transport constraints affecting both producers and consumers; ii) volatility of prices that could create social tensions and conflict iii) decline in household income sources, livelihoods and purchasing power;[2] iv) and fatalities, should COVID-19 spread seriously across urban and rural areas. It can be expected that households with direct incidences of COVID-19 will be the most severely affected through the loss of labour opportunities and income, incurred expenses, and decreased agricultural production. Those already economically disadvantaged, suffering from food insecurity and malnutrition, or vulnerable to socio-economic shocks, natural hazards and conflict are more likely to suffer severely from COVID-19 as it will deepen their vulnerability in the short and long-term.

While health responses are of first priority to reduce the impact of COVID-19 on morbidity and mortality, FAO recommends that these measures are paralleled with sound targeted social protection efforts to support vulnerable people. As noted by FAO Assistant Director General, Maximo Torero Cullen, "Measures to contain the pandemic can cripple the economy. [At the same time, as emergency efforts are coupled with social protection], **countries must keep the food supply flowing** by prioritizing the health of the workers in the sector and their outputs." **Food security must be ensured in a time of crisis and a healthy diet is imperative to maintaining a strong immune system, which is required for COVID-19 recovery.** However, in a country where 50% of households

[1] http://www.fao.org/3/ca8388en/CA8388EN.pdf
[2] This is likely to happen especially if the situation worsens. But already at this stage, we should expect some impact on income due to disruption of the agriculture commodity export market (marketing staple and cash crops) and access to agriculture inputs.

are already unable to afford a balanced food basket, humanitarian livelihoods assistance needs to continue together with new relief schemes to those already vulnerable, including cash and support to agriculture production and coupled with long-term recovery programmes.

In view of COVID-19's impending impacts, it is important to ensure that the upcoming planting season is not disrupted, that current distribution channels are kept open, and that vulnerable populations are protected from protracted food insecurity and malnutrition. Myanmar is food secure at national level but due to distribution challenges, closing borders to export, and pockets of poverty, conflict, and natural disasters, **several geographic areas, such as border States and conflict-affected areas, are left more vulnerable to the short and long-term impacts of COVID-19**.

At the same time, we cannot lose sight of the origins of the crisis, as it is likely that another such pandemic could emerge in the years to come. What many of the recent viruses that have emerged (e.g. HIV, SARS, Ebola, H1N1, COVID-19) have in common is their likely origin in wild animals. The combination of the human population increasing from 1 billion to 7.5 billion in the past 200 years, coupled with the need to feed this growing population has strained the natural environment and increased interactions at the human-livestock-wildlife nexus. Moreover, the trade and consumption of wildlife for food or traditional medicine has increased wildlife-human contact. **As such, a coordinated One Health Approach, linking specialists in animal, human and environmental health, should be adopted, placing resilience, nutrition, and poverty reduction at the center of the food system.**

Finally, better understanding of the impacts of COVID-19 on food security and livelihoods through continuous assessments and monitoring of key risk factors is imperative to identify action points to address the immediate and long-term impacts.

Risks of COVID-19 to the agriculture and food sector & potential impacts on food security and nutrition in Myanmar

Any price hikes and losses in wages and livelihoods may jeopardize people's access to health services, a balanced diet, and thereby exacerbate current levels of seasonal and localized food insecurity, malnutrition, pressure on rural land, conflicts, and pockets of vulnerability. Following are specific risks that may result from these conditions.

Labor, food prices, and livelihood opportunities are likely to be negatively impacted and limited by COVID-19, in urban and rural areas. With increasing restrictions to mobility, import and export restrictions, closures of restaurants, factories, markets, and reduction of daily wage labor opportunities, there is a likelihood of loss of employment and reduction in wages. Instability generated by an outbreak and associated behavioral changes could result in temporary food shortages, price spikes including of agriculture inputs, and disruption to markets. Moreover, tens - and potentially hundreds - of thousands of migrants are likely returning to Myanmar, crossing the border (mainly from Thailand) in fear of extended lock-downs and a lack of employment opportunities. This may lead to an abrupt termination of remittances and a rise in rural unemployment. It may also result in an urban exodus, at least temporarily, putting increased pressure on rural land.

Seasonal food insecurity may be exacerbated by COVID-19. For the time being, global food supplies are sufficient, including rice in Myanmar at national level. However, seasonal food insecurity is widespread across the country, particularly in border upland areas, and is at risk of being exacerbated by COVID-19 measures. Furthermore, households losing employment opportunities (including returning migrants and seasonal laborers) may resort to harmful coping measures, such as taking out high interest loans (which in turn may perpetuate a cycle of poverty/indebtedness), limiting food portions, and limiting diversity of food plates. As such, vulnerable households already at risk of food insecurity and malnutrition should be the first households targeted for COVID-19 mitigation and recovery measures.

It is likely that those already vulnerable - at risk of food insecurity and poverty in Myanmar - are also those most likely to be affected by COVID-19. As in other South East Asian countries, the impacts of the virus on rural households (which make up 70 percent of households in Myanmar), will be varied. Those most affected will likely be the landless and daily wage earners particularly those already vulnerable with week resilience in conflict and natural hazard-prone areas. Communities with formal access to land may be more protected from immediate supply shocks due to the availability of local food systems/markets. While markets remain stable for the current cropping season, in the upcoming rainy season, access to agriculture inputs such as seeds, fodder and fertilizers may be restricted due trade flow limitations and mobility restrictions. Urban/peri-urban consumers/laborers who are likely to rely more on restaurants/wet markets and cannot depend on their own production, as well as farmers who rely on agriculture input markets may be vulnerable to food price changes in the short and long-term. Rakhine, Kachin, Northern Shan, Yangon, Chin and Kayin have already been prioritized by the Government of Myanmar due underlying levels of vulnerability compounded by the risk of impact of COVID-19.

Nutrition is the first line of defense against illness, and COVID-19 is no exception. A strong immune system, supported by a healthy diet and clean environment, is imperative to fight off the virus. With a quarter of the population considered stunted and more than half unable to access a balanced food basket, it is vital to continue implementing preventative approaches against malnutrition, particularly among vulnerable population groups. As the 2013 Lancet Nutrition Series[3] stated, 80% of interventions to address malnutrition will come from non-health sectors and many of these actions fall under the purview of the agriculture sector. Inclusive food-based nutrition approaches should inform all food distribution schemes, complement cash transfers with messaging to promote healthy diets, and shape provision of agriculture such as the diversity of seeds. The States prioritized for COVID-19 actions overlap with those prioritized for Multi-sectoral National Action Plan for Nutrition (MS-NPAN) planning and implementation and therefore most already have a draft action plan to operationalize.

Farmers relying on foreign markets to export high value commodities will be left without market access if cross-border movement is restricted. Those relying on exports, for example of pulses and watermelons from the dryzone, elephant foot yam from the hilly upper regions, and fish from the Delta - may be severely impacted. While the effects will differ across commodities and regions, and while the current situation still appears stable, measures need to be put in place to mitigate major changes in export potentials. The new planting season will start in April/May and will most likely be impacted due to transportation issues as farmers will struggle to access inputs.

[3] https://www.thelancet.com/series/maternal-and-child-nutrition

Reduced Public Service Delivery may result in administrative delays and potential disruptions. COVID-19 is severely impacting service delivery of governments across the world. In Myanmar, the Union Ministries, including MoALI, have reduced in-office working hours (50% of the staff come on alternate days). Such reduction of staff availability at Union level and in subnational offices implies less capacity to handle e.g. veterinary services, agriculture extension, and new and pipeline land use registration requests. As per Myanmar´s newly amended land legislation, informal occupants of Farmland and VFV land are required to urgently apply for land registration. The respective legislation includes strong criminalization measures, heavy fines and possible loss of land in case these land users, if they (often long term good faith occupants) fail to apply. Under COVID-19 measures, these registration timelines should be extended and such repercussions relaxed.

Risk and impacts of COVID-19 on natural resources and forests may be mixed. With global markets slowing, greenhouse gas emissions from land use and land use change may decline, emissions from transportation could reduce, air quality may improve, and incentives for land clearing and (over)-harvesting of forests may decrease. Among other impacts, this could result in a reduction of pressure on forest types traditionally exposed to unsustainable harvesting practices or deforestation, such as Mangroves, mixed Deciduous and Evergreen Forests and forest resources in the Dry zone. However, in certain areas of the country, the opposite could happen. With tens of thousands of migrant Myanmar workers returning from Thailand and other countries, the population in certain villages could suddenly grow disproportionally and thus the pressure on local natural resources actually increase. This could results in more disorderly small-scale land clearing and shifting cultivation for food production and an increase of fuelwood harvest from forests. In the context of COVID-19, the Forest Department may not be able to carry out their normal forest control duties because of quarantine and lock down situations, clandestine and illegal cutting of timber and other forest products could potentially flourish, especially in border and conflict areas.

Policy Options

1. **Establish a crisis (COVID-19) monitoring task force to monitor risks and analyze and report on the effects of the crises on agriculture livelihoods and critical food supply chains.** This task force would ideally be headed by MOALI, joined by other critical Ministries, and supported by Agriculture and Rural Development Sector Coordination Group members.

2. **Monitor prices of all major food commodities and improve accessibility to price information including rice, vegetables, fruits, pulses, meat, and fish**. Create and manage a dashboard to anticipate market changes, food shortages and price changes. Develop a centralized, easy to use system and database that farmers and suppliers can feed their daily information into easily and regularly

3. **Identify the most vulnerable communities** at risk of food insecurity and malnutrition as these households are also likely to be most affected by COVID-19.

4. **Continue safe delivery of public services including agriculture extension, veterinary and land services.** The health of the workers in the sector needs to be a top priority including following preventive measures to ensure that social distancing is maintained, proper hygiene and food safety is promoted, and all frontline staff is equipped with proper equipment to protect themselves and farmers from the spread of COVID-19. To support this, it is important to develop clear guidelines for frontline service delivery, information on COVID-19 prevention for food producers (agriculture, livestock, fisheries and aquaculture), transporters, and processers, and align messaging to dispel myths. Web or phone application-based farmer extension systems could be explored and promoted to reduce human-to-human contact.

5. **Increase coverage of low-interest credit, relax loan repayment timelines, and improve flexibility of use for non-crop agriculture activities.** Promote supply of micro-grants to micro, small and medium-scale producers (especially for livestock, fisheries/ aquaculture). MADB loans mostly favor rice production, and therefore could increase their flexibility to other agriculture activities while increasing coverage and relaxing/extending repayment timelines. Banks and microcredit institutions such as Yoma, CB, KBZ and others should assess the status of economic impacts on farmers, provide loan waivers for farmers and extend deadlines, and offer specific emergency low-interest loans for vulnerable, landless or small-scale farming households.

6. **Provide social protection measures, financial support, and agricultural inputs for most vulnerable farmers,** particularly to those who are landless and smallholders. Preserve and scale-up agriculture, livelihood and food security humanitarian assistance. This may include crop insurance, price support mechanism, subsidized provision of agriculture input (including seeds, fertilizer and other inputs), and cash where required, to maintain/increase productivity and diversify the next cropping season.

7. **Scale-up targeted social protection schemes with a focus on improving nutrition.** Provision of seeds for homestead gardening should be focused on promoting local dietary diversity. Food distribution should not only serve to secure staples but rather ensure dietary diversity (such as complementing provision of fortified rice with pulses, eggs, fortified oil, iodized salt, and veg and fruit where possible and limiting milk formula, biscuits, and coffee). Messages to promote dietary diversity and WASH should also complement any cash transfer. This is based on the learnings from Myanmar's Maternal Child Cash Transfer system, which demonstrates that cash transfers have a more significant impact on improved diets if complemented with nutrition social behavior change communication.

8. **Maintain and support a continuous functioning of local food markets.** This includes the establishment of key food corridors, support the small holder farmers through agriculture inputs, and providing transport vouchers to stimulate commercial relationships along the different value chain. Transportation permits for any and all food products should be left unrestricted.

9. **Improve sanitary conditions and promote hygiene education/sensitization of producers, suppliers, and consumers.** Strengthen working relationship between MOALI, the private sector, local authorities and city development committees in major Townships who are

responsible for abattoirs, wet markets etc. to ensure hygiene, regular disinfection of public spaces where food is handled, food safety along the supply chain including vendors to only offer clean take-away food, and promotion of social distancing while securing food flows. At community level, mobilize communities to raise awareness of COVID-19 and disseminate materials to guide households and individual to reduce their exposure and prevent Covid-19 transmission.

10. **Invest in the logistics of storage, transport and food processing facilities to increase the longevity of the food supply.** Since Myanmar lacks logistic facilities for post-harvest crop storage for perishable crops, increased investment in public and private sector development for emergency logistic facilities is needed. This includes cold storage and supply chain logistic facilities. Furthermore, processing technologies and facilities to increase the shelf-life of post-harvest crops should also be promoted.

11. **Increase support for community-based storage systems with an aim to ensure local food security, reduce price volatility of high value commodities, and reduce post-harvest losses.** Target areas most at risk of losing access to markets to support establishment of silos as well as local food and seed banks.

12. **Issue administrative notification for public service providers** to suspend the implementation of those parts of the VFV land law and Farmland law that may negatively impact on individuals and households in case of land services/and possibility of registration are temporarily unavailable or inaccessible. This is imperative so that current occupants do not face the possibility of criminalization.

13. **Develop ad-hoc integrated rural development action plans** that promote local viable livelihood options and sustainable food system transformation. This may focus on areas where a sudden influx of returning migrant workers may add additional strain on existing food production systems and natural resources including land. Depending on locally-prioritized needs, actions may include improving access to technology, credit, and inputs,

14. **Identify and assess the current and potential impact of COVID-19 on the agriculture food system** (i) on small producers in the agriculture, livestock, fisheries and aquaculture sector and (ii) on food security, nutrition situation and livelihoods. Rapid, emergency assessments should be carried out to identify direct impacts on agriculture and food security and to define immediate needs. Comprehensive assessments should be carried out in a few months' time to adapt FAO's longer-term assistance to evolving country needs, including socio-economic issues such as urban-rural mobility, increased pressure on farmland and VFV land and its consequences for securing tenure rights.

15. **Promote conflict-sensitive approaches, particularly in areas most vulnerable to conflict (and therefore also COVID-19)**. Amidst the pandemic, there have already been increasing reports of conflict in Rakhine and Chin State, leaving several thousands of civilians displaced. This would add to the needs for emergency food supplies in the short term but also add to the vulnerability of these areas to a COVID-19 outbreak. There is also increasing need for Emergency Food and Medical supplies to IDP camps and conflict-

affected regions and risk of turmoil in case of COVID-19 outbreak. Nexus approach and conflict-sensitive approach need to be adopted.

16. **With a view to promote long-term resilience, improve livelihoods and dietary diversity, support MoALI to continue promoting smallholder driven diversification of agricultural production** as captured under the ADS and its interface with MS-NPAN. Reconfirm with Government that de-centralized policy implementation based on locally-identified priorities remains the best agriculture policy options in the COVID-19 environment. With the understanding that other crises may arise in the future, diversification as per local agro-ecological potentials and livelihood profiles is the primary strategy to promote resilience. Securing tenure over land where such diversified production systems are practiced is of critical importance. '

17. **The root causes of COVID-19 require extensive reflection;** the origins of the pandemic are likely another spill-over event of virus from wild animals to humans, perhaps amplified in intensively farmed animals in the food system, although there is no concrete evidence yet that farm animals are involved in propagating or spreading this pandemic. This requires close consideration and study of the interactions of humans with their natural environment, including wildlife trade and consumption. A One-Health Approach to the food system is imperative going forward, considering that environmental changes are considered primary drivers of disease emergencies.