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LIVESTOCK SECTOR IN MYANMAR

FLANDERS INVESTMENT & TRADE MARKET SURVEY

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LIVESTOCK IN MYANMAR
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A snapshot on the sector
August 2023

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1. BACKGROUND

The livestock sector is one of the most significant sectors in Myanmar’s economy. The livestock and fisheries sector accounts for 8% of the country’s total Gross Domestic Product (GDP) and 2% of total export earnings in the financial year (FY) 2019-2020. Agriculture, forestry, livestock and fishery account for 21% of GDP total (US\$ 53,702 million) and 11% of total export earnings (US\$ 17,861 million) in the FY 2019-2020. According to Southeast Asian Fisheries Development Center, Myanmar was ranked 12th for the world capture fishery production and 9th for world aquaculture production in 2019. This livestock sector report comprises poultry (chicken and duck), cattle, pigs, ducks, buffaloes, and fisheries. Due to its agricultural-based economy, livestock farming in Myanmar can be found both in agricultural-based farms (households), in addition to commercial farming.

2. LIVESTOCK IN AGRICULTURAL BASED FARMING

The World Bank estimates that approximately 68% of Myanmar’s total population, which amounts to around 54.6 million people, reside in rural areas and primarily engage in agro-livestock production and agro-industrial work. Based on the report on Myanmar’s poverty and food insecurity crisis, the distribution of farming areas for different livestock is as follows: cattle farming areas are prevalent in the Dry Zone, chicken and pig farming are common both in the Delta region and in the hills, duck farming is concentrated in the Delta region, buffalo farming is predominant in the hills. Additionally, small-scale farming practices involve the utilization of cattle and water buffalo’s for tasks such as plowing during droughts, transportation, and consumption of poultry, pigs, and goats. Chickens are the most common as 33% of the total animal raised, followed by 26% for cattle, 24% for pigs, 5% for ducks, 4% for buffaloes, 2% for goats and the remaining 6% for sheep, turkey, geese and muscovy duck by the rural households according to International Food Policy Research Institute, IFPRI.

3. LIVESTOCK IN COMMERCIAL FARMING

The commercial sales within the livestock industry were partially influenced by religious beliefs and diverse cultural backgrounds. Buddhists, the majority of the population, traditionally tended to avoid livestock farming involving the slaughter of animals, however, they are more open to profitable livestock businesses nowadays.

Large-scale poultry farming exhibits diverse operational models, which include independent farms, integrated farms constructed above or beside ponds, and contract farming systems. Two-thirds of the poultry farming is integrated with fishponds. Cattle commercial farming predominantly focuses on milk production for local consumption. Specialized large-scale pig farms utilize enclosed feedlots to raise a herd of around 1,000



pigs. According to the report of Burma Corn Production Supply and Demand by United States Department of Agriculture (USDA), the crisis of COVID-19 and Myanmar's coup negatively impacted the livestock production, leading to a contraction in FY 2021-2022.

Following are the statistics concerning meat, egg, and milk production derived from local livestock farming. In the financial year FY 2019-2020, total meat production witnessed a 10% increase, reaching (995,538 MT), compared to the previous year's (905,381 MT). The total meat production was 995,538 MT, where chicken was mostly accountable for 55% (550,820 MT) of the total production, followed by pork 27% (269,530 MT), beef 11% (106,085 MT), duck meat 5% (50,811 MT) and 2% (18,288 MT) for mutton, turkey, geese, muscowy duck meat in FY 2019-2020.

Furthermore, Myanmar has import and export statistics available for live animals and animal products. In FY 2019-2020, the export of live animals; animal products from Myanmar amounted to US\$ 336.8 million, which marked a significant increase of 13% compared to the previous year's export value of US\$ 298.36 million in 2018-2019. To discuss the import of live animals; animal products increased 3% (US\$ 113.21 million) in FY 2019-2020 from (US\$ 109.93 million). In 2022, Myanmar imported £18 million worth of animal products from the EU, constituting 22% of its total exports, which amounted to £83 million. Dairy products worth £.13 million exported from the EU to Myanmar in 2022, contributed 16% of the total export earnings. The specific trade data from Belgium to Myanmar could be requested to the FIT office.

The livestock sector's technological advancements present a promising area for development and offer a potential window of business opportunities for both International and Flemish enterprises. Public projects in this area have been implemented for future developments. For example, a project in the fisheries sector, namely The Evergreen Development Village project, was implemented in 394 villages across the country with £.12,891 during FY 2014-2021. Moreover, since 2018, the public funding for the livestock sector development area totals to £.3.4 million including:

- £.1.6 million for the establishment of emerald green/Mya Sein Yaung (meat sector) project
- £.947,491 for the distribution of pure-breed animals
- £.128,910 for distribution of dairy cattles in milk-pasteurizer established areas
- £.2,149 for distribution of ducks
- £.25,782 for the establishment of emerald green/Mya Sein Yaung (bee-keeping sector) project
- £.360,949 for the distribution of medicine packages for animals in disaster-struck areas
- £.296,494 for the distribution of feed for animals in disaster-struck areas



4. POULTRY (CHICKEN AND DUCK)

According to Myanmar Statistical YearBook, in FY 2018-2019, the chicken breeding population was 76.5 million, while the duck population was 7.3 million. In FY 2019-2020, the chicken breeding population increased to 13.42% (86.8 million) and the duck population increased to 9.30% (7.9 million) respectively.

There are both integrated and non-integrated farms in Myanmar. It has been estimated that only 40% of broilers produced in Myanmar are grown by 'independent' farms. The remaining 60% are thought to be produced by vertically integrated international firms and contract farmers linked to them as outgrowers (Birhanu et al. 2021). The integrated farms have chicken houses built above fishponds, enabling the use of chicken manure and uneaten feed as inputs for fish cultivation. The manure acts as a fertilizer, promoting plankton growth in the pond, which serves as food for filter-feeding fish. According to the IFPRI's survey, two-thirds of poultry farms are integrated with fish.

Most rural households raise native breed chickens on a very small scale with traditional or backyard poultry systems in Myanmar. Mostly, chicken and duck sheds are bamboo sheds, some are built with wood, and minority are with fully enclosed breeding methods. Commercial chicken farming intensively contributes broiler farms for meat production and layer farms for egg production. Most of the farms are located in peri-urban areas around major cities with the broiler concentration of 24% in Yangon, 15% in Mandalay and 14% in Eastern Bago according to IFRI's report.

5. CATTLE

According to the Ministry of Agriculture, Livestock and Irrigation, there are 11.5 million heads of cattles, 1.8 million buffaloes and 9.7 million cows and bulls in the 2018 cattle census. Each year, around 1.1 million cattle reach maturity for the market. Out of this number, 400,000 heads are utilized for local consumption, while the remaining cattle are directed towards export markets. The live cattles export relies heavily on China, Laos, Thailand, Malaysia and Bangladesh. The beef and dairy cattle farming sector in Myanmar is currently in its early stages of development, primarily due to limitations in knowledge, skills, infrastructure, food safety practices, genetics, funding, and data recording systems. These challenges have hindered the progress and potential growth of the industry in the country. In FY 2019-2020, the cattles breeding increased by 1.8% (10.1 million heads), while the cattles breeding was (9.9 million heads) in FY 2018-2019.



6. DAIRY

Commercial cattles raise in Myanmar is mainly for milk production. According to an article published on Veterinaria Digital, over 80% of the milk is sourced from small dairy farms. Dairy cattles play a significant role in ruminant production, driven by factors such as urban population demand for milk, effective use of family labor, and improvements in human nutrition and rural life quality. In 2015, the average fresh milk consumption was 1.4 kg per capita per year nationally and only 0.5 kg per capita per year in rural areas (Scott et al., forthcoming).

Due to limited in-house processing facilities, dairy farms primarily sell raw milk to nearby processors, consumers, and businesses. Fluid milk is provided by domestic processors for local consumption, however, quality control and certification of this type of milk is not common. Therefore, reliance on foreign imports can be found in the local market. In FY 2018-2019, US\$ 7 million for 6.4 million kg-m milk, condensed and evaporated commodities was imported to Myanmar. However, in FY 2019-2020, the import was decreased by 10% (US\$ 6.3 million) for 6.1 million kg-m. Most of the condensed milk and powder milk is imported from Thailand, Malaysia, Singapore, Philippines, New Zealand and Australia.

7. PIG

Peri-urban townships in Yangon has relatively large-scale pig farms with more than 70 pigs, including some of the largest farms in Myanmar, with herd sizes numbering in the thousands (Ebata 2022). According to the IFRI's report, 5.8 million pigs were raised by 2 million households in 2018 with a backyard farming system. In FY 2019-2020, pig breeding increased by 6% (6.4 million) compared to 6.1 million in the previous year. A recent survey by IFRI shows that improved breeds are more common than local breeds, accounting for about 75% of the pig raised. While the local breeds are raised using low-cost ingredients such as kitchen scraps, the improved ones are with formulated feeds for optimal performance. It is locally believed that local breeds have a longer production cycle, fattier meat and less value compared to improved pigs.

8. FISHERIE AND MARINE PRODUCTS

The abundance of aquatic resources in the country makes the fisheries sector a crucial component of Myanmar's national economy and food security. Myanmar earns US\$765.945 million from export of marine products, from 1st April to 31 March 2023. According to the Ministry of Commerce, Myanmar earned US\$ 69.425 million on marine exports through shipping (US\$ 46.423 million) and border trade (US\$ 23.002 million), where fishexport earning was more than (US\$11 million), shrimp (US\$1.68 million) and others (US\$16.24 million), in April and May in FY 2023-2024. These were mainly exported to Thailand, China, Bangladesh, Laos, Japan and European countries.



In FY 2019-2020, total fisheries production was 5.9 million MT, of which captured fisheries (freshwater and marine) contributed 81% (4.8 million MT) followed by aquaculture 19% (1.1 million MT).

- Total fisheries production increased 0.2% (5.89 million MT) in FY 2019-2020 from (5.88 million MT) in FY 2018-2019.
- Captured fisheries raised 0.1% to (4.8 million MT) in FY 2019-2020 from (4.8 million MT) in FY 2018-2019.
- Aquaculture (only fish) production was 1% growth (1 million MT) in FY 2019-2020 compared to FY 2018-2019, (782,218 MT)
- However, there is a 0.01% decline (73,411 MT) by (73,421 MT) in FY 2019-2020 for prawn/shrimp production.

Fishing activities in Myanmar are widespread, occurring in various water bodies including coastal areas, the Ayeyarwady Delta, and major rivers, totaling an estimated 8.1 - 8.2 million hectares (ha). Large-scale marine trade is concentrated in a few key ports such as Kaw Thauung and Myeik in Tanintharyi, Ye in Mon State, Yangon city and Pyapon township in Ayeyarwady.

Fish farming in Myanmar is also significant. Ayeyarwady and Tanintharyi region occupied the largest share of the total aquaculture production (5.9 million MT), 34% each (2,002,386 MT and 2,000,226 MT respectively), followed by Yangon 10% (5.8 million MT) and Bago 8% (455,354 MT) in FY 2019-2020. According to Department of Fisheries, the total fishpond area was 102,601 ha in Oct 2021-March 2022, where Ayeyarwaddy region has the largest share 50% (51,251 ha), followed by Yangon 27% (28,110 ha), Bago 13% (12,625 ha) in the same year.

Rakhine State benefits from its 344 miles of coastline, making intensive shrimp production prevalent and advantageous in the region. In the report of Mercy Corp, small and medium farms occupy 2-20 ha of farming area while large ones are from 20 - 81 ha. Besides, intensive large invested farms are more than 81 ha. According to Mercy Corps's Market Analysis Unit, there are 350 shrimp farm-operators in Myanmar inclusive of intensive and extensive farming, 120 hatchery operators, and 180 fish feed milling factories. According to the Department of Fisheries, 301 cold storage facilities are being run for processing both fish and prawn with the daily capacity of 6,786 MT.



9. ANIMAL AND AQUA FEED

Myanmar’s livestock industry relies on corn production, broken rice, soybean and sesame cake for animal feed. Domestic corn constitutes 35-45% of total feed composition in the poultry sector, depending on the age of the animal, nutrition formula of the feed mill, feeding methods, and domestic prices. 70% of the raw livestock feed demand comes from the poultry sector, 25% from the pig sector and remaining 5% from dairy, duck and quail according to Myanmar Livestock Federation. Feed millers are free to customize their own natural formulas for the animal feed standard. The complete feed demand is 45% of the total livestock, while 20% for local home-mixed feed and 35% for raw feed materials according to USDA.

According to the USDA report, foreign companies mainly lead the animal feed sector in Myanmar. The soybean is imported for animal feed primarily from the US, Canada, Singapore and Thailand due to having limited local production. According to Fishery Statistics 2021, the import of soybean was 5,150 MT which amounted to (US\$ 1.47 million) in 2018-2019. The import of soybean increased to 62% (8,341 MT) worth (US\$ 3.34 million) in 2019-2020. However, there was a significant decline by 82% (1,424 MT, worth US\$ 0.68 million) in 2020-2021. According to Fisheries Statistics 2021, 209 MT of fish feed worth (US\$ 0.26 million) was imported in FY 2019-2020, declining 25% (278 MT worth of US\$ 0.31 million) compared to 2018-2019. Moreover, there was a 37% decline in shrimp/prawn feed import in FY 2019-2020, 1,304 MT worth of US\$ 2.22 million while 1,918 MT worth of US\$ 2.68 million in FY 2018-2019.

Larger aquaculture farmers have their own feed mills to emphasize their fisheries products to the export market. According to IFRI’s report, fish feed prices increased by about 40% in September 2020. However, the feed prices are expected to be stable due to the locally sufficient raw materials. USDA, Foreign Agriculture Service Rangoon estimated that aqua feed demand at 0.4 million MT in FY 2021-2022, declining 35 - 40% from the previous period.

The Department of Fisheries reported that the import steeply dropped to 783 MT which only amounted to (US\$ 0.48 million) from Oct 2021 to March 2022, due the limited access to the foreign currency. USDA’s report (Grain and Feed Annual) estimates that domestic demand for livestock feed will decrease 40-50% in FY 2022-23 with a decline in livestock production.



10. MARKET OUTLOOK AND TRENDS

The livestock population in Myanmar is dynamic, with livestock populations (breeding) reforming after the recovery of COVID-19 and the political situation in Myanmar. As stated in the Economic Monitor report by the World Bank, retail and wholesale trade has steadily grown due to increasing consumer demand since 2023. However, small-scale farming in the sector, particularly in poultry and pig farming, has faced significant challenges as a result of the rising costs of animal feed, both for imported and locally produced feeds. Animal feed mills face challenges such as high prices of raw materials, restrictions on imports, foreign exchange instability, electricity shortages, and fuel availability. Due to the overall increase in feed production and farming expenses, commercial farms and integrated fish and poultry farms are still able to generate profits. However, traditional backyard farms are facing difficulties in sustaining their operations. The conglomerate companies may acquire those small businesses or merge with local companies towards the creation of the full-chain system in the market. Along with these dynamics, it is wise to closely monitor the market with the assistance of FIT, Flanders Investment and Trade, a local office market update. Generally, the following market segments would be recommended areas to monitor opportunities to do business in the livestock sector in Myanmar:

- Animal feed business
- Breeding farms and hatchery business
- Slaughter business
- Logistics in frozen and relevant chain
- Food processing and packing
- By product chain
- Premix and additive plant and dealer
- Environment friendly device such as solar panel and energy supporting solution
- Specific agri food supermarket and wholesale stores
- Supportive IT Tech solutions in farming

Keeping a close eye on these segments can help businesses identify potential areas for growth and investment in the thriving livestock sector of Myanmar.



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