



## **Policy Notes on Improving Food Safety and Quality of Agricultural Commodities for Efficient Agricultural Trade and Regional Integration in Myanmar**

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### **INTRODUCTION**

It is well known that International trade can increase the well-being of each trading nation on the basis of comparative advantage principle. Likewise, increasing regional integration can enhance export competitiveness.

By kicking off a comprehensive reform programme in 2011, the Government of Myanmar showed its recognition regarding the importance of the agriculture sector to economic development. Taking this opportunity, the Ministry of Agriculture, Livestock and Irrigation (MOALI) pronounced the agricultural policy 2016 and has prepared the Agriculture Development Strategy (ADS). One way to achieve the agriculture policy vision is to enter the larger value markets with higher competition. Government reform agenda has also encouraged agricultural exports by eliminating trade and export barriers. Much progress can be seen in macro-trade policy of Myanmar such as abolishing import and export licensing requirements on an initial selection of 1,928 non-sensitive commodities, abolishing the withholding tax on imports, abolishing the formerly compulsory export licenses for 152 goods and reducing export taxes and so on. However only such liberalization is not enough approach for market competitiveness and trade facilitation among the regions. Because market access for agricultural products nowadays has become increasingly determined by a wide array of regulatory measures such as sanitary and phytosanitary (SPS) measures and the need to be compliant with many diverse conditions such as inspection requirements, testing and certification requirements, labeling and packaging requirements, and quarantines.

By 2020, all member countries have to implement the end goal of ASEAN Economic Community (AEC) which is economic integration with the objective of creating a stable prosperous and competitive ASEAN economic region. Currently, more developed countries in

the region like Thailand, Indonesia, Malaysia and Vietnam play a leading role in agriculture export since they have the better productive capacities and competitiveness. On the other hand, less developed countries like Myanmar can face many difficulties with lower capacities and competitiveness and may lose from such integration.

Inadequate technologies, insufficient processing facilities, lack of regulatory, institutional and capacity building measures especially for food safety and quality aligned with regional and global standards can prevent Myanmar from moving into higher value markets. This policy brief aims to identify and examine specific policy measures that Government of Myanmar should consider addressing the important food safety and quality challenges for implementing AEC goals.

### **Priority issues and expected outcomes**

To achieve the agriculture policy vision, the ADS will accelerate agricultural sector growth through the three strategic pillars of governance, productivity, and competitiveness. Totally 27 outcomes are expected to meet the three objectives of ADS such as: 1) to enhance governance and capacity of institutions responsible for agricultural development; 2) to increase productivity and farmers' income; 3) to enhance market linkages and competitiveness. Regarding food safety and quality, the priority constraints are needed to tackle to facilitate the improved agriculture trade.

Lack of effective agribusiness or agri-marketing unit in the agri-food sector, lack of timely webpage information for standards and requirements of traded agriculture commodities, inefficient agro-based industry associations along the value chains and lack of contract farming groups for each tradable crops are important institutional constraints to achieve some outcome of governance pillar which are "Sound statistical systems for evidence based decisions" and "Strong farmer and industry associations, and federations."

The capacity related issues are also crucial since insufficient capacity for trade policy formulation and analysis to achieve the trade benefit among the region by overcoming food quality and safety standards including SPS measures. The capacity of personnel to make awareness of farmers and value chain actors on food safety and quality is also essentially needed. If this issue can be addressed, the governance outcome of "Improved capacity for policy formulation and analysis," the productivity outcome of "Developing (or reviving) effective education and training to build human capital in the agricultural and food sector responding to the evolving needs of farmers and the private sector in rural areas," and the competitiveness outcome of "Enhanced food quality and safety" will be achieved.

Analogously, lack of effective linkage among research, extension and market is a careful issue to achieve "the improved agriculture research system for crops, livestock and fisheries."

### **Actions to address the issues**

The priority actions to address the above mentioned issues are considered as (i) developing and strengthening the capacities on food safety and quality for trade facilitation in both government and private sector; (ii) strengthening private, public, partnership for formulation, legislation and certification of food safety and quality along the agri-food value chain aligned with international standards; (iii) establishing the agri-marketing unit and conducting the timely market analysis for evidence based decision; (iv) implementing demand-driven production and research system and

private sector involvement in agriculture research to achieve productive quality and safety products and (v) upgrading and establishing the laboratories for testing and certification of agri-food commodities.

Currently, Myanmar rice export to China through the border checkpoints has been obstructed by quality concerned problems and similarly many agricultural exports to intra and extra ASEAN countries are criticized by trading partners because of poor SPS framework and insufficient capacities on safety and quality requirements. Under this situation, the above priority actions can definitely assist addressing the mentioned issues to achieve the ADS outcomes.

## **CONCLUSION**

Being the agro-based country, no or less competitiveness of agriculture and food commodities would lead to slower economic growth. Certainly, safety and quality of agriculture products are big issues to promote the participation in regional and global value chains. This policy brief could be fruitful for examining specific policy measures on food safety and quality in related sectors. Although the issues will be addressed by proposed actions, further communication is open for more effective and enabling framework.

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