

Chapter IV

MUNG BEAN PRODUCTION AND MARKETING

Mung bean was the most attractive cash crop in recent year due to the market-oriented policy and market demand for export. Thus most of mung bean owning farmers increased their production year after year. This chapter aimed to focus on the descriptive analysis of resource uses, cropping patterns in mung bean production and mung bean marketing of the study sites of Myanmar.

4.1 Mung bean production

4.1.1 Social Characteristics of the sample households

The prevailing characteristics of farm households can influence mung bean farming system as well as marketing system. Randomly selected 70 farmers in Thonegwa and Pyinmana areas were interviewed in May, 2006. Depending on the farm size, farmers in the study sites were classified into small, medium and large as illustrate in Table 4.1.

Table 4.1 Criteria for the classification of farmers

Classification	Criteria	
	Thonegwa	Pyinmana
Small farmers	1-5 acres	1-5 acres
Medium farmers	5-10 acres	5-10 acres
Large farmers	>10 acres	>10 acres

Source: Survey, May 2006.

Note: 1 ha equal to 2.47 acre.

According to the survey, most of the respondents were average age of about 51.48 years, ranging from 35 to 81 years old in Thonegwa area and ranged from 34 to 82 years with an average of 57.70 years old in Pyinmana area.

Moreover, educational background of household was also a key factor for the agriculture technological innovation. The low education level not only depressed farmers from adopting modern agricultural technology and knowledge, but they can also have some difficulties in operating farms and marketing outputs. In Tables 4.2 showed the education level of sampled farmers. According to the findings, educational levels of household heads in both regions were literate and most of them were in primary level. 23 percent of farmers were in high school level at Thonegwa area. Although about 17 percent of farmers were in high school level at Pyinmana area. Concerning with highest education level of farmer in Thonegwa which was not far away from capital, Yangon and it can gave a good chance to access the higher education for farm households.

The average farm sizes of the sample farmers were 4.35 ha and the average family size was 7.05 members for Thonegwa. It ranged from 4 to 12 members. Most farmers interviewed had been engaged in mung bean farming experience for an average of 13.63 years. Among samples, mung bean farmers had been in farming experience ranged from 6 to 31 years. In Pyinmana, the average farm sizes of the selected farmers were 1.81 ha. The average family size was 6.60 members which range from 3 to 9 members. Most farmers interviewed had been engaged in mung bean farming experience for an average of 15.30 years. Among samples, mung bean farmers had been in farming experience ranged from 6 to 29 years. As the survey result, the farmers' farming experiences were higher in Thonegwa than Pyinmana.

Table 4.2 General information of sample farmers

Item	Unit	Sample farmer	
		Thonegwa	Pyinmana
No. of observation		40.00	30.00
Age	year		
Average		51.48	57.70
Minimum		35.00	34.00
Maximum		81.00	82.00
Education level	percent		
Illiterate		33.00	40.00
Primary		30.00	27.00
Middle		15.00	17.00
High school		23.00	17.00
Farm size	hectare		
Average		4.35	1.81
Minimum		0.81	1.22
Maximum		8.10	4.05
Family size	person		
Average		7.05	6.60
Minimum		4.00	3.00
Maximum		12.00	9.00
Farming experience	year		
Average		13.63	15.30
Minimum		6.00	6.00
Maximum		31.00	29.00

Source: Survey, May 2006.

4.1.2 Cropping pattern in the study areas

Due to different favorable agro-ecological zones, mung bean can be produced in different seasons. Mung bean can be grown as monsoon crop in dry zone region in Central Myanmar and as cool season crop in Lower Myanmar which much rainfall avails during the monsoon season. Sowing and harvesting time of mung bean in the study areas were presented in Table 4.3.

Table 4.3 Sowing and harvesting time of mung bean in the study areas

Region	Season	Sowing time	Harvesting time
Pyinmana	Rainy	May-June	Aug-Sept
Thonegwa	Winter	Oct-Nov	Jan-Feb

Source: Myanmar Agriculture Services, 2000, MOAI.

4.1.3 Sown areas and production of mung bean in the study areas

The sown and harvested areas, yields and production of mung bean during 2005-2006 in Thonegwa area was higher than Pyinmana area which was shown in Table 4.4.

Table 4.4 Sown areas and production of mung bean in the study areas

Region	Sown area (ha)	Harvested area (ha)	Yield (kg/ha)	Production (kg/ha)
<u>Thonegwa</u>				
Winter	45,624.47	45,624.47	200.60	22,603,083.00
<u>Pyinmana</u>				
Monsoon	407.84	407.84	133.16	134,136.60

Source: Myanmar Agriculture Services (2006), MOAI.

Seed rate used in mung bean was shown in Table 4.5. Some of the respondents got seeds with low price from Myanmar Agriculture Service (MAS) under MOAI of their respective township offices and from their neighboring villagers. Application of average seed rate of mung bean was 14 kg per hectare ranged from 12 kg to 16.33 kg

per hectare in Thonegwa and application of average seed rate of mung bean was 13.43 kg/ha ranged from 11.22 kg to 14.28 kg per hectare in Pyinmana.

Table 4.5 Seed rate used in the study areas

Input	Unit	Thonegwa			Pyinmana		
		Avg	Min	Max	Avg	Min	Max
Seed rate	kg /ha	14.00	12.00	16.33	13.43	11.22	14.28

Source: Survey, May 2006.

4.1.4 Resource used in the cultivation of mung bean

In Table 4.6 showed that average use of respective inputs in the study areas. Average use of chemical fertilizers were 17.13 kg/ha and of Farm Yard Manure (FYM) 1.13 cartload/ha in Thonegwa area. Respondents in Pyinmana area used only chemical fertilizers (urea) but they did not use FYM in their mung bean growing. Average use of urea was 8.08 kg/ha. As an application of chemical foliar spray, average use of chemical foliar spray were 2.85 bottle/ha and 3.67 bottle/ha in Thonegwa and Pyinmana respectively. Urea fertilizer was especially popular in mung bean cultivation possibly because of leftover stocks from the previous rice crop. Basal fertilizer was not popular in cultivation of mung bean. Generally, quantities of fertilizers applied differ widely among farmers as did fertilizer expenditures. Most farmers applied fertilizer from at least once up to 2 applications (i.e. mixed with pesticides) with relatively few farmers applying fertilizer 3 or 4 times. Almost half of the farmers applied pesticides more than 3 times. The average dosage of pesticides used were 2.85 bottle/ha and 3.67 bottle/ha in Thonegwa and Pyinmana respectively.

Table 4.6 Summary statistics of resources used in the study areas

Input	Unit	Thonegwa			Pyinmana		
		Min	Max	Avg	Min	Max	Avg
Chemical fertilizer (urea)	kg	12.50	25.00	17.13	0.00	20.00	8.08
Farm Yard Manure (FYM)	cart	1.00	4.00	2.58	0.00	0.00	0.00
Chemical foliar spray	bottle	2.00	5.00	2.85	3.00	4.00	3.67
Pesticides	bottle	3.00	4.00	3.75	2.00	5.00	3.67

Source: Survey, May 2006.

In the survey areas, small farmers utilized more family labor and animal power, while larger farmers employed hired labor and tractors. According to the farmers reported that the average wage rate paid per permanent labor was about 10,000 to 30,000 myk per month including foods in Pyinmana and Thonegwa. The average family labors used in farm was 15.30 persons and the average hired labors used was 12.75 persons in Thonegwa. In Pyinmana, average family labors used in farm was 4.08 persons and the average hired labors used was 6.00 persons, which was presented in Table 4.7. The average wage rate paid varied according to the season.

Table 4.7 Labor used in the study area

Item	Unit	Thonegwa			Pyinmana		
		Avg	Min	Max	Avg	Min	Max
Family labour	person	15.30	6.00	24.00	4.80	4.00	8.00
Hired labour	person	12.75	5.00	20.00	6.00	5.00	10.00

Source: Survey, May 2006.

Mung bean production cost and marketing per kg were 91.80 myk and 9.05 myk in Thonegwa. In Pyinmana, the production cost per kg was 80.86 myk and marketing cost was 17.79 myk per kg, which was presented in Table 4.8. As a result, Pyinmana mung bean growing farmer has lower production cost and higher marketing cost than Thonegwa.

Table 4.8 Production and marketing cost for mung bean

Region	Production cost (myk/kg)	Marketing cost (myk/kg)
Thonegwa	91.80	9.05
Pyinmana	80.86	17.79

Source: Survey, May 2006.

Table 4.9 showed mung bean yield difference of the sample farmers within the area. In Thonegwa, small-scaled farmers produced only 848.90 kg per hectare and large-scaled farmers generated 11,427.50 kg per hectare. And in Pyinmana, small-scaled farmers produced only 326.50 kg per hectare and large-scaled farmers generated 6,350.00 kg per hectare. The gap of yield differences was distinct between small farms and large farms. It can be evident that the low productivity of small farms at Pyinmana area. And also the average yield level in Thonegwa was higher than that of Pyinmana.

Table 4.9 Average mung bean yield kg /ha in the study areas

Region	Small	Medium	Large	Average
Thonegwa	848.90	3,705.78	11,427.50	4,158.79
Pyinmana	326.50	1,306.00	6,530.00	1,600.94

Source: Survey, May 2006.

4.2 Mung bean distribution system

Mung bean marketing was a dynamic and complicated process of interaction among numerous market agents. This section described the channels through which mung bean flew, dynamics of the interaction between farmers and market participants and factors considered by farmers and traders as important in the pricing process.

Table 4.10 presented traders though several unscheduled farm visited generally initiated and established the contact with farmers. About 35.00 percent of Thonegwa farmers and 57.00 percent of Pyinmana farmers responded that traders

usually visited farms and their home. A 13.00 percent of Thonegwa and 37 percent of Pyinmana farmers looked for buyers especially town wholesalers as an initial step in deciding to whom to sell their mung bean.

Table 4.10 Methods used to sell mung bean

Activity	Thonegwa (percent)	Pyinmana (percent)
No. of observation	40.00	30.00
Buyers come to farmers	35.00	57.00
Look for buyers	13.00	37.00
Both	53.00	7.00

Source: Survey, May 2006.

4.3 Mung bean marketing

4.3.1 Marketing practices of farm households

The farmers interviewed planted (1-6) ha in Thonegwa and Pyinmana. They reported that first harvest and second harvest were done in the last week of January and February in Thonegwa and in August and September in Pyinmana. The hired labors picked mung bean pods and carried them to the farmer's home to process the pods.

4.3.2 Marketable surplus and storage

In this study, marketed surplus was defined as mung bean sales by farmers as a proportion of production. In Table 4.11, the portion of market surplus to total production was higher in large farms than that of in small farms. In Thonegwa, percentage of marketable surplus in mung bean were 92.31, 95.82 and 98.29 percent relative to farm size. In Pyinmana, large farmers had also high marketed surplus proportion than that of small farmer in both seasonal crops. Marketable surplus were 90.00, 97.50 and 99.90 percent relative to farm size.

Table 4.11 Production and product marketed of mung bean

Region	Farm size	Production (kg)	Marketed (kg)	Marketed percent
Thonegwa	Small	848.90	784.00	92.31
	Medium	3,705.78	3,542.52	95.82
	Large	11,427.50	11,232.00	98.29
	Avg	4,158.79	4,000.44	95.72
Pyinmana	Small	326.50	293.85	90.00
	Medium	1,306.00	1,273.35	97.50
	Large	6,530.00	6,497.35	99.90
	Avg	1,600.94	1,568.28	97.29

Source: Survey, May 2006.

In Thonegwa, 85.00 percent of farmers cannot store their mung bean and 15.00 percent of farmers stored mung bean with the expectation of getting high price in the future. In Pyinmana, 80.00 percent of average farmers cannot store their products. A 20.00 percent of farmers stored for getting high price. It can show that the storage capacity and the capital requirement for next crop cannot let them to be waited until the price rose in the lean season. Most of sample farmers had to reserve mung bean seed for next planting in both areas. It was shown in Table 4.12.

Table 4.12 Storage purpose of farmers in the study areas

Storage	Thonegwa (percent)	Pyinmana (percent)
No storage	85.00	80.00
Getting high price	15.00	20.00

Source: Survey, May 2006.

The average production 4,158.79 and 1,600.94 kg of which 65.30 kg were kept to use as seed for the next planting season in Thonegwa and Pyinmana. A 700.34 kg were sold to MAPT and surplus of sale for traders. Farmers sold their mung bean at the farm and some deliver to the nearest mung bean processing to the traders who purchased with basket in term of volume basis.

In transaction, mung bean farmers and traders negotiated depending on mung bean variety, quality, moisture content, foreign matter content and size of baskets. Officially, one basket of mung bean was equals to do 32.65 kg.

The decision of farmers to sell mung bean immediately after harvesting seemed to motivate by the need for the cash to repay credit and by the high cost or unavailability of and poor storing facilities. Also due to poor drying condition and inadequate drying spaces, storing mung bean over an extended period of time was infeasible, even if desired.

The storage capacity and the capital requirement for the next crop cannot let them to wait until the price rose in the lean season. Generally, larger farmers usually kept in hand their surplus with the expectation of higher price in lean season. After that, stored mung bean was taken out and sold to primary collectors.

4.3.3 Market information availability and need for farmers

During the survey period of May 2006, in an interview with farmers, questions were asked about price availability and need about access to newspapers and bulletins. In the study areas small farmers often relied more on word-of-mouth market information from neighboring farmers who came back from nearest market or from traders who came to their village for the purpose of mung bean purchased. Thus, farmers were not better able to bargain with traders due to lack of up-to-date market information. However, farmers in rural area had not up-to-date market information and MIS disseminated the Agri-business news which cannot supply current information to farmers in rural areas. Thus, they had not good negotiation power with traders to sell their crop. And also, farmers cannot decide their selling price whether it was reasonable or not. Market information was relayed and transmitted across markets inexpensively, by word of mouth. News about price changes and relevant price making forces in pertinent terminal markets were generally obtained from informal sources.

In the study areas, some farmers made the price formation process with the market intermediaries after getting the price information for their products, which was presented in the Table 4.13, primary collectors were the main source of price information. About 55 percent of farmers in Thonegwa area usually got the price information from primary collectors, 35 percent from town wholesalers and 10 percent from neighborhoods. The primary collectors were the main source of price information. About 38 percent of farmers in Pyinmana area usually got the price information from primary collectors, 37 percent from town wholesalers and 25 percent from neighborhoods. This indicated that the informal market information was dominant and played an important role. Farmers did not rely on formal information sources provided by the government.

Table 4.13 Sources of price information obtained by farmers

Source of information	Thonegwa (percent)	Pyinmana (percent)
Collectors	55.00	38.00
Town wholesalers	35.00	37.00
Neighborhoods	10.00	25.00

Source: Survey, May 2006.

Generally, mung bean prices were formed privately (individual) on the spot through negotiation between farmers and traders. In accordance with the formation of mung bean price in Thonegwa area about 52.00 percent of farmers indicated that the collectors setting the price while about 35.00 percent reported town wholesalers as offering price and 13.00 percent indicated a negotiation as the process for setting the price with traders. In Pyinmana, 37.00 percent of farmers accepted the price set by collectors and 37.00 percent reported town wholesalers as offering price and 27.00 percent indicated a negotiation as the process for setting the price with the traders were shown in Table 4.14. As a survey result, the farmers themselves did not offer price for traders in the study areas.

Table 4.14 Price formation process

Items	Thonegwa (percent)	Pyinmana (percent)
Collectors	52.00	37.00
Farmers	0.00	0.00
Town wholesalers	35.00	37.00
Negotiation	13.00	26.00

Source: Survey, May 2006.

The information they needed was most often “the price in town” or “closest market” for mung bean they grew. Obviously the focus of most farmers was strictly on their own area and closed markets and traders. Some large farmers who were interested the links between prices and prices trends in Yangon and Mandalay and prices in their own areas: Farmers had to take greater responsibility for marketing of their mung bean. Regarding with the market information, farmer need to know about variety and quantity demands by trader and local exporters.

4.3.4 Information of market intermediates in mung bean marketing channel

In this study, 25 middlemen or market intermediaries included assemblers or village collectors, commission agents or brokers, town wholesalers and city wholesalers and exporters.

4.3.4.1 General profiles of primary collectors

The social characteristics of primary collectors were shown in Table 4.15. In Thonegwa area, the average age of collector was 50 years ranged from 35 to 62 years old. A 67 percent had middle education level and 33 percent for high school and where as they had 10.50 years marketing experiences ranged from 7 to 15 years. In Pyinmana, the average age of middlemen was 53.17 years ranged from 35 to 60 years old. A 67 percent had middle education level and 33 percent for high school level respectively where as they had 10 years marketing experiences ranged from 7 to 13 years. The family size was not too different in the study areas with 6.83 and 7.00 in Thonegwa and Pyinmana area respectively.

Table 4.15 General information of primary collectors

Item	Unit	Thonegwa	Pyinmana
No. of observation		6.00	6.00
Age	year		
Average		50.00	53.17
Minimum		35.00	35.00
Maximum		62.00	60.00
Education level	percent		
Primary		0.00	0.00
Middle		67.00	67.00
High school		33.00	33.00
College		0.00	0.00
Marketing experience	year		
Average		10.50	10.00
Minimum		7.00	7.00
Maximum		15.00	13.00
Family size	person		
Average		6.83	7.00
Minimum		5.00	5.00
Maximum		8.00	9.00

Source: Survey, May 2006.

4.3.4.2 Summary activities of primary collectors

Traditionally, there were 2 types of collectors. The first type of collectors directly bought mung bean from farmers and carried mung bean to their storage places or they sold to other collectors with profit. Second type of collectors (commission middlemen for town wholesalers) bought mung bean from farmers with the decided price by the town wholesalers and sent to the town wholesalers shop getting the commission fees from town wholesalers. According to the survey, first type of collectors was gradually disappearing because of mung bean price fluctuation and lack of capital investment.

While collectors in Thonegwa area bought 160.92 ton of mung bean in one year, the transaction in Pyinmana area was 86.29 ton. All collectors in the study sites served as commission men to purchase commodities for the town wholesalers. The commission fee for mung bean was 3.06 myk/kg in the study sites. Town wholesalers were the main source of price information for the collectors in both study sites and sometime they got the price information from Yangon wholesalers.

Table 4.16 Marketing activities of collectors

Item	Thonegwa	Pyinmana
Total purchased mung bean (ton /year)	160.92	86.29
Method used to buy mung bean (%)		
looking for farmer	100.00	100.00
farmer come	0.00	0.00
Sources of information (%)		
town wholesalers	100.00	100.00
others	0.00	0.00
Important factors of mung bean pricing (%)		
grain quality	100.00	100.00
others	0.00	0.00
To whom assemblers sell mung bean (%)		
town wholesalers	83.00	90.00
Yangon wholesalers	33.00	10.00
Type of service (%)		
commission	100.00	100.00
with profit	0.00	0.00
commission fees (myk/kg)	3.06	3.06

Source: Survey, May 2006.

4.3.4.3 General profiles of town wholesalers

The social characteristics of the town wholesalers were shown in Table 4.17. In Thonegwa, the average age of town wholesaler was 46.50 years ranged from 38 to 55 years old. Each of 50 percent had high school and middle education level respectively where as they had 10.75 years marketing experiences ranged from 8 to 14 years and average family size was 6.50. In Pyinmana, the average age of town wholesalers was 52.75 years ranged from 40 to 65 years old. Each of 50 percent had middle education level and high school level respectively where as they had 9.25 years marketing experiences ranged from 8 to 12 years and average family size was 7.25.

Table 4.17 General information of town wholesalers

Item	Unit	Thonegwa	Pyinmana
No. of observation		4.00	4.00
Age	year		
Average		46.50	52.75
Minimum		38.00	40.00
Maximum		55.00	65.00
Education level	percent		
Primary		0.00	0.00
Middle		50.00	50.00
High school		50.00	50.00
College		0.00	0.00
Marketing experience	year		
Average		10.75	9.25
Minimum		8.00	8.00
Maximum		14.00	12.00
Family size	person		
Average		6.50	7.25
Minimum		5.00	6.00
Maximum		8.00	8.00

Source: Survey, May 2006.

4.3.4.4 Marketing activities of town wholesalers

Town wholesalers were the main intermediaries and usually operated a large scale on their business activities. Wholesalers frequently reported the information of buying and selling prices to other wholesalers. Therefore, wholesalers also played a key role in the distribution of mung bean price information in local areas. Some of the town wholesaler had storage facilities for the expectation of higher price in arbitrage of non-harvest season. Harvest season of monsoon crop August to September and that of winter crop January to February were the busiest month in the study sites. After collection of mung bean, it was packaged with polythene bags delivered to Yangon warehouse by hired truck and stored them. The storage period was 4-6 months from April to September in Thonegwa area and that of November to February in Pyinmana area.

Table 4.18 Business of town wholesalers

Activites	Thonegwa (percent)	Pyinmana (percent)
Trading mung bean	100.00	100.00
Others	0.00	0.00
Sending mung bean to Yangon	100.00	100.00
Others	0.00	0.00

Source: Survey, May 2006.

All town wholesalers were members of the Pulses Wholesaler Association. They got the price information only from Yangon center market. According to the survey, the smooth trade flowed and enough capital investment was the major factors for mung bean marketing improvement.

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Table 4.19 Other activities of wholesalers

Activities	Thonegwa (percent)	Pyinmana (percent)
Participation in Wholesaler Association	100.00	100.00
Getting price information		
Yangon market	100.00	100.00
other merchant	0.00	0.00

Source: Survey, May 2006.

4.3.4.5 Mung bean marketing in Yangon market

As regards exporters Yangon city was important for oversea trade. In domestic market, local exporters and traders relied on Bayintnaung Wholesale Market in Yangon City for mung bean marketing. Yangon Bayintnaung market and Crop Exchange Center were not only the major mung bean distribution center but also the main source of mung bean price information for the domestic mung bean marketing.

Besides, it has Crop Exchange Center in which local exporters, agents from buyers countries and large-scale wholesalers in Yangon market gathered for buying and selling activities of mung bean. Thus, actual market condition, trading activities, actual trades volume and market price occurred in Yangon market were important for traders in other local markets in the country.

In order to have information of mung bean marketing, 5 traders in Yangon Bayintnaung market were interviewed May 2006. Out of 5 mung bean traders interviewed 3 traders linked to wholesalers in Thonegwa and Pyinmana market in order to have mung bean supplies.

4.3.4.6 General profiles of Yangon wholesalers

General information of central wholesalers were mentioned in the Table 4.20. Overall age of central wholesalers were 43 years. Education level was as high as usual, 67 percent of central wholesalers had high school level and 33 percent got the bachelor degree. Business experience on average was 7.33 years.

Table 4.20 General information of Yangon wholesalers

Item	Unit	Sample trader
No. of observation		5.00
Age	year	
Average		43.00
Minimum		38.00
Maximum		48.00
Education level	percent	
Middle		0.00
High school		67.00
College		33.00
Marketing experience	year	
Average		7.33
Minimum		5.00
Maximum		9.00
Family size	person	
Average		6.00
Minimum		5.00
Maximum		7.00

Source: Survey, May 2006.

4.3.4.7 Marketing activities of Yangon wholesalers

Yangon wholesalers run their business by handling the specific variety of mung bean. Yangon traders purchased mung bean from main surplus producing areas and other wholesales. For this, 1 percent of buying value was paid to trading partners as commission fees. In addition, transport cost, loading, unloading and packaging material cost were paid by Yangon traders. Trading partners, in turn, took responsibility of quality and weight.

In Yangon Bayintnaung market, all of the traders interviewed did their business with cash on delivery system however, 13.00 percent of the traders accept

advanced purchasing system and the remainder 20.00 percent do business with both advanced purchasing system and 67.00 percent cash on delivery system were presented in Table 4.21.

Table 4.21 Mung bean marketing practiced by Yangon traders

Description	Trader (percent)
Advanced purchasing system	13.00
Advanced purchasing system and cash on delivery system	20.00
Cash on delivery system	67.00

Source: Survey, May 2006.

As for advanced purchasing system, mutual trust between buyer and seller was important issue after price negotiation. At times, seller received some percentage of crop value from buyer before actual transaction. After receiving buying quantity, the remaining cash were paid to seller. For this, they had not official contract between buyer and seller. They did mung bean shipment business not only within Yangon but also to other markets. They bought mung bean from Crop Exchange Center and local was presented in Table 4.22.

Table 4.22 Business activities of Yangon traders.

Activity	Trader (%)
Trading activity	
Yangon only	0.00
Yangon and other markets	100.00
Variety	
all pulses	0.00
mung bean variety only	100.00
Buying place	
local only	0.00
Crop Exchange Center only	0.00
both	100.00

Source: Survey, May 2006.

4.3.5 Market information required and used by market intermediates

The traders in Thonegwa and Pyinmana producing areas only relied on the information received from their trading partners of large traders in town and city markets where actual transaction of mung bean and market information were available as well as to know price situation and supply information. All believed the information to be reliable. The information most need was prices of the Wholesale Markets and Crop Exchange Centers in Yangon and Mandalay. After gathering up-to-date market information, a small trader decided for their purchasing price from primary collector or farmers.

In mung bean marketing the Pulses Trader Associations were important role. Traders, who lived in Yangon and Mandalay, relied on their respective Trader Association to sell or buy their mung bean. They went to Trader Association with the expectation of Sabbath day, Sunday and public holiday to do their business and brought mung bean samples to display in the Association. On reaching agreement between buyer and seller, price was recorded by Association Staff. Daily basis of market price information based on actual transaction was released by the association which was available for traders.

To exchange market information, telephone was mainly used however some Yangon traders relied on mobile phone. To gather market information, Yangon traders need to use a certain cost. Before doing marketing activities, small traders gathered market information from their trading partners in Wholesale Markets and it was time-consuming for them. Traders in city relied on telephone, mobile phone, internet and email to obtain market information.

Some traders in Yangon and Mandalay markets relied on the market information disseminated by private sector which involved in agricultural market information dissemination. Especially daily market information of mung bean in Yangon city was collected and disseminated member traders who had internet.

Up-to date market information from different local markets, Mumbai market in India and other markets were important for Yangon traders for marketing decisions. To be obtained this, telephone, mobile phone, fax phone, internet and e-mail facilities were used depending on individual finance situation.

4.3.6 Communication facilities used by Yangon traders

All of the traders in Yangon city interviewed used communication facilities to get current information which was shown in Figure 4.1. In the Figure, each of 13.3 percent was obtained from email, internet and fax, 26.7 percent from mobile phone and 33.3 percent from telephone.

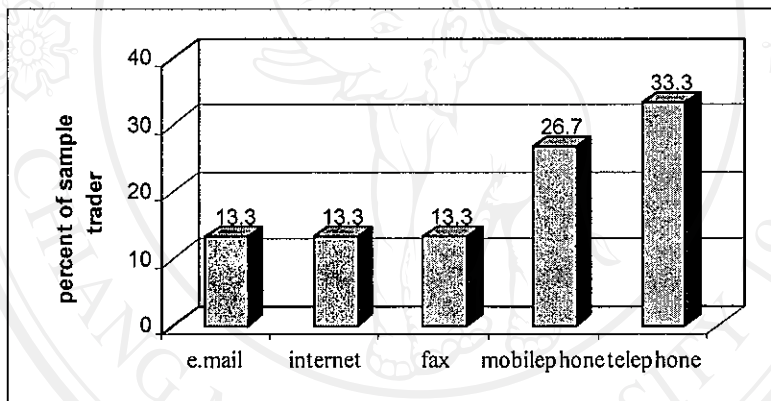


Figure 4.1 Communication facilities used by Yangon traders.

Source: Survey, May 2006.

4.3.7 Utilization of market information by planners and policymakers

Policy makers need to obtain reliable market information to improve policy formulation. At times, they cannot find out the actual causes of sharp in price for mung bean. Thus, farmers and consumers were being exploited by traders who were accused by policy markers. The reason was that policy makers did not have reliable market information, actual market condition and marketing costs and margin.

4.4 Government intervention in pulses production and marketing

Under the centrally planned economy from 1962-63 to 1987-88, pulses and other exportable agricultural produces were controlled by the State. MAPT procured from farmers directly 100% advanced payment with fixed procurement prices for pulses. Since 1998, farmers sold directly to private traders and there was no compulsory procurement.

The production of pulses in Myanmar underwent a remarkable development in both output and exports after the liberalization of agricultural marketing in 1987. It should be emphasized, however, that from the outset, the success of this sector was not really intended by the government. Indeed the government showed relatively little interest and the expansion in the production of pulses was led exclusively by the private sector.

After implementing of market-oriented economy in 1989, the government directed intervention in pulses marketing has been gradually reduced and encouraged the private sector to play in a larger role. The government appreciated the sector's success in later years and attempted to obtain part of the benefit of expansion by introducing a procurement system at the end of 1990s. Nevertheless the Myanmar Agricultural Produce Trading (MAPT) under the Ministry of Commerce still exercise considerable influence. MAPT imposes obligatory delivery of part of their pulses by farmers at well-below market prices.

The market economic policy allows farmers and private sector to choice freely in crop production, processing and trading. The prices of some crops have become more attractive to the farmers who are making more profit year after year. Pulses could enjoy exemption from government procurement at low prices and could be one of the major factors to promote the expansion of pulses sown area within a short period of time.

The market for pulses was liberated a decade ago and the resulting growth in the sector has been rapid. The success of pulses can be attributed to: un-restricted access to markets without compulsory procurement; strong product demand; reasonable returns; flexibility to fit into a range of farming systems; and relatively low nitrogen fertilizer requirement compared to other crops.

National pulses policy is to increase production to satisfy local demands and to expand export. Despite the national objective of moving towards a more market-oriented economy, new policies have been introduced in recent years e.g. controls on sesame and niger seed exports, compulsory procurement of pulses which have actually increased State intervention sometimes temporarily and hence have added to the distortions affecting sector operations.

4.5 Government-run market information service

Ministry of Agriculture and Irrigation (MOAI) established Market Information Service (MAS) with the technical assistance of FAO (TCP/MYA/8821) in 2000. After completion of FAO project it is run by MOAI finance to be sustainable.

The aim of government operated Market Information Service (MIS) is to create transparency so that everyone involved in pulses production and marketing knows what the market prices are to reduce the likelihood of regional shortages because traders can act in response to price information to supply deficit areas, to put farmers in a position where they are better able to bargain with traders, to indicate possible of profitable production opportunities for farmers and to improve policy formulation through the availability of better information.

4.5.1 Collection of market information

MIS observes actual transactions, whenever possible, rather than consulting or copying from other sources. MIS records at least three observations for pulse and calculates an average or range. For pulses, price collection is in principle on a weekly basis.

MIS collects for pulses price information to include in the regular operation of the Market Information Service (MIS). Regular daily collection is going on in Yangon and Mandalay. Data communication between locations of the MIS to the central office is by fax and telephone. Daily and weekly price gathered by MIS which is based on wholesale markets which are located in the Upper and Lower Myanmar, Yangon and Mandalay was presented in Table 4.23. Farmers and traders are seen as the main beneficiaries of the Market Information Service. Consumers are not targeted at least at this stage. Therefore, prices data to be taken are the weekly wholesale prices.

In Yangon city, Bayintnaung is a big, modern wholesale market. The location of the market is strategic with easy access by truck from all parts of the country. Generally, mung bean is coming into the Bayintnaung market which arranges contacts between traders and transporters. The Bayintnaung Crop Exchange Center is situated inside the compound of the Bayintnaung Wholesale Market and is the focal point for the marketing of mung bean. The center is organized by the association of Yangon Division Traders. This center operates on a daily basis except on Sunday and public holidays. Wholesale trade in mung bean is conducted from 9:00 am onwards.

In Mandalay city, there is a famous and long-established Crop Exchange Centre (negotiation wholesale centre). The centre operates on a daily basis except for Sabbath days and public holidays. Wholesale trade in mung bean is conducted from 8 to 10 am.

Table 4.23 The collection points of price information for mung bean

Location	Type of transaction	Price observation			Frequency	Season
		Seller	Buyer	Person interviewed		
Bayintnaung market and BN Exchange Center	Wholesale (large-scale)	Not applic.	Not applic.	Rep. of WS's	Daily/weekly	All year
Crop Exchange Center (Mandalay city)	Wholesale (large-scale)	Not applic.	Not applic.	C.Ex.center	Daily/weekly	All year

Source: 1) Market Information Service Project , 2000. Ministry of Agriculture and Irrigation.
2) Observation from survey conducted in May, 2006.

4.5.2 Dissemination of market information

Immediately after price collection, MIS staffs make the data processing for the comparison of weekly average wholesale price, misquoted price data and average price, highest price and lowest price. MOAI published the weekly Agri-business news in which daily price information of both Yangon and Mandalay market are mentioned. This weekly news is distributed to farmers, extension staff and traders. For traders, companies, UN organization and Government organization, monthly bulletin are distributed by MIS.

4.5.3 Export Market Information Service

The trade and business section, Department of Agricultural Planning, MOAI is responsible for regular collection of pulses export market prices exported by MOAI Crop Enterprises such as Myanmar Agriculture Service (MAS). It prepares a weekly statement on International pulses prices based on secondary sources. Export prices and trends are of crucial importance and have a big impact on price levels and trade flows. Lack of export price information is considered a major shortcoming in Myanmar.

The weekly pulses price statement is circulated within the Ministry among members of the Central Economic Committee (CEC). DAP/MOAI exchanges information with the Directorate of Trade, Ministry of Commerce. This Directorate publishes the fortnightly Trade News, also based on secondary sources. Export prices are now printed in the weekly Agricultural News Journal of MOAI and in the Monthly Price Bulletin of MIS Project office in DAP/MOAI.



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