Market Access for Urban and Periurban Farmers in Yangon

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Preliminary research reveals that there are many urban and periurban producers in Myanmar and many of them sell part of their produce at a variety of markets in Yangon. Distance from the city and available transport to a large extent explain the differences.

Urban agriculture in Yangon
Urban agriculture is a survival mechanism and a means for income-diversification. Urban farmers generally have limited physical space for living and cultivation, and mostly work in low-paying, seasonal jobs with an unpredictable flow of income. They grow crops for household use as well as for the market, when the household economic situation is more stable. There is no private land ownership; all land is owned by the government. There are many “landless” cultivators in Myanmar who pawned their usage rights after a failed crop or family emergency and are unable to repay the money-lender (the main source of credit for farmers – with monthly interest rates of 10% on average).

In the survey undertaken by the authors, urban farmers are defined here as those who live less than 15 miles away from downtown, cultivate plots from 0.25 to 0.5 acres due to high land prices and are mostly subsistence farmers. Periurban cultivators reside beyond 15 miles from downtown, cultivate larger plots (above one acre) and rely more upon yields as a part of their household’s subsistence strategy. Types of crops commonly grown around Yangon include rice, cabbage, cauliflower, banana, bok choy, broccoli, lettuce, cilantro, coriander, eggplant, green onion, tomato, and snake gourd.

Market channels
A range of markets exists throughout urban and suburban Yangon. They vary greatly in size, opening hours, permanence/formality, electricity access, number of stalls/vendors, product types sold and accessibility.

There are several large wholesale markets around Yangon that draw upon local urban and periurban growers as well as growers from throughout Myanmar to supply them. Shipments arrive at these markets throughout the day. The several hundred stalls that make up these markets are owned by or rented to vendors and have access to electricity. There are two types of wholesale markets in Yangon: “dry
goods” (goun chauq) markets, specialising in the sale of less perishable crops such as tubers, beans/pulses, and rice; and “green goods” (goun sein) markets, which sell perishable crops like fruit and vegetables. The main input suppliers for these markets are wholesale brokers who have large cargo trucks capable of transporting a significant volume of produce. The buyers from these markets are mostly wholesale purchasers (e.g. hotels and restaurants), as well as vendors who buy large amounts of crops, which they resell to a (smaller) township market. Because of their limited number and lack of organisation, urban and periurban cultivators seldom have the yields needed to sell at these markets themselves, let alone the time and resources necessary to reach them.

Township markets are more numerous, and located in densely populated areas throughout Yangon. They are housed in permanent structures and are usually on the electrical grid and open from pre-dawn to late afternoon. Smaller than a wholesale market, they often sell a larger range of “dry” and “green” products. Since they serve as the primary point of sale for many households’ weekly consumables, vendors also sell a wide variety of household items, medicines, books, toys, etc. These markets serve consumers who visit the market several times a week to purchase perishables due to unreliable electricity and limited refrigeration (mostly households and small-scale restaurants). While the produce usually gets to these markets through an intermediary, some farm (often periurban) households collectively own a market stall and sell their harvests on alternating days, sharing the monthly costs.

Weekend/morning markets, which are often temporary structures, appear throughout the city early in the morning especially in smaller neighbourhoods that do not have a township market. Mobile vendors sometimes use these markets as a starting point before going on their neighbourhood rounds. Prices are often lower compared to other markets because of their informality and non-existent operating costs; they are not housed within any formal structure (besides makeshift tents erected by sellers in the rainy season), they are off the electrical grid, and are not subject to any (formal) taxation. Often the vendors are (urban) producers from nearby plots as these markets are most easily accessible due to their proximity and tax-free nature.

**Transportation**

Yangon’s urban and periurban farmers have several options to reach these markets.

Urban growers mostly market their produce themselves. They rely either on formal public buses or informal “line-cars” (a truck that ferries passengers back and forth along a route) to transport crops to the market for 250 kyats (approximately USD 0.25), while bringing cargo costs an additional 50 kyats. Periurban growers regularly use line-cars to reach markets, as bus lines are less accessible (especially further away from the main road). However, not all periurban farmers have a line-car route nearby, and there is considerable cost and risk involved for a farmer to personally bring his or her crops to the market. These farmers often lack reliable market information or have to compete with merchants and middlemen who have better relationships with consumers.

Another option for urban cultivators is the local train, called the “circle line”, which travels from a downtown train terminal (once per hour) out to the suburbs and back on a circular route. A ticket costs 10 kyats (USD 0.01) and passengers can bring an unlimited amount of cargo onboard. This is the cheapest means of transport for the urban cultivators, indicated by the high volume of “circle line” passengers, as well as the particularly high volume of traffic at Tanyingone Market, which is located at the junction of the “circle line” and the railway route serving wider Myanmar. This affordable choice is not an option for periurban cultivators, as they cannot access the train stops.

Some periurban households choose to collaborate to get their crops to the market and jointly rent a truck (at 1000 kyats (USD1) per mile) for a one-way trip to Yangon. Urban farmers do not use this method, as they are not as well connected to other cultivators and have easier market access. This collaborative method means higher margins for periurban producers (sometimes up to 40% depending on the crop). However, the lack of knowledge about optimal selling
locations and prices, the time spent in the city (and not tending one’s plot), and the hassle of having to transport home (or abandon) any unsold crops are major considerations for a periurban cultivator.

Others use a “local” broker who travels to different urban and periurban areas, purchases crops and transports and sells them to the local market. By selling to a broker, the farmer does not have to travel to market, which saves time, although the price they get from the broker (the “farm gate value”) is lower than at the market. Each morning local brokers in Yangon divide bulk amounts of vegetables arriving from places that are 12 to 160 miles from Yangon into smaller “household-sized” bundles in stalls located outside of the official market area. These local brokers “work the margins” by buying the cheapest vegetables and by avoiding the tax they would have to pay if they sold in the official market space. These brokers play an important role for periurban cultivators, with their larger plot sizes and greater dependence on agriculture combined with their more limited means of transporting their crops to the market. For urban cultivators, with their greater proximity to markets (and better infrastructural access), these brokers are not as important.

Besides local brokers, there are also “regional” brokers who have increased market access through their ability to purchase crops from wholesalers or large farmers. While local brokers often walk from farm to farm (some own bicycles), regional brokers usually own or have reliable access to a vehicle. They work in areas where travelling requires a significant investment in terms of time and money due to poor infrastructure. When a periurban producer reaches a certain threshold of quality or harvest size, they attract the attention of a regional broker who is able to pick up the crops from the farm and explore the local sales options. If the surrounding village markets are not favourable, the regional broker travels to a larger wholesale market to pursue higher profits. Though important for periurban cultivators living in areas with limited infrastructure, regional brokers are basically non-existent in downtown Yangon, making them irrelevant for urban cultivators.

Conclusions
Urban farmers mostly market their produce by themselves, as they do not have large quantities of vegetables to sell and are closely located to different marketing channels. Periurban farmers, with more produce to sell, can either sell to a local or regional broker, organise marketing themselves, or in groups with various advantages and disadvantages as discussed above.

Though there is a vegetable seller’s cooperative that works with farmers to more widely and effectively market their produce at both supermarkets and smaller chain stores, there is a general distrust of “producer cooperatives”, on account of Myanmar’s unsuccessful past experimentation with Socialism.

Transportation is a decisive factor for periurban farmers. The lack of appropriate infrastructure for farmers frustrates efforts to personally transport crops to the market. If the “circle line” or similarly priced transport options were available to more cultivators around Yangon (or the circle line’s track were expanded and running frequency increased to serve a wider area), the resulting income returns for Yangon’s farmers would be significant. Improving market access in this way would simultaneously create additional income-earning opportunities for cultivators, as they would gain access to new markets for their crops. An added benefit would be increased access to fresh produce for consumers in Yangon.