



Ministry of Agriculture, Livestock, and Irrigation
Department of Agriculture
Project Planning Management and Evaluation Division



VALUE CHAIN ANALYSIS OF MYANMAR CUT FLOWER INDUSTRY

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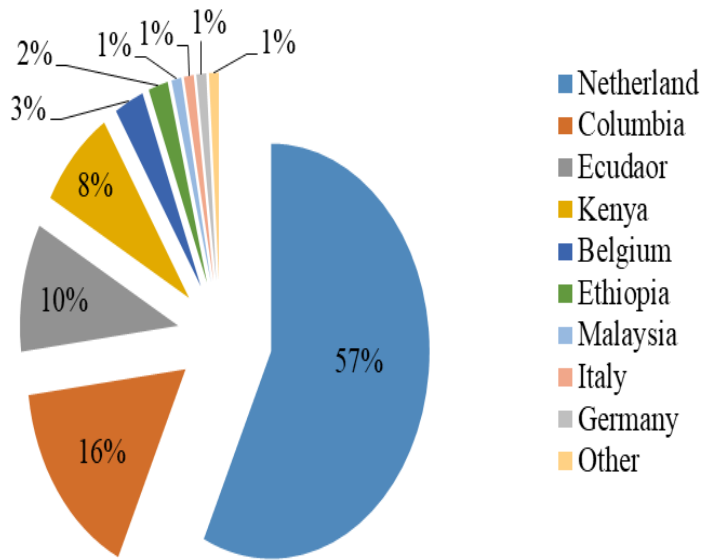
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Introduction

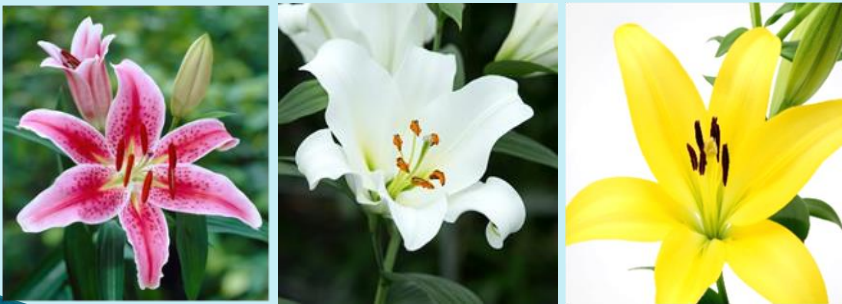
World Production

- **Netherlands is the largest flower producing country in the world**
- **The global production of flowers is expected to continue to expand, especially in new producing countries in Asia, Africa and Latin America.**
- **Traditional flower producing countries such as Netherlands, Japan and the US continue to lead global production in terms of values.**

Global Flower Production by Countries (%) in 2023



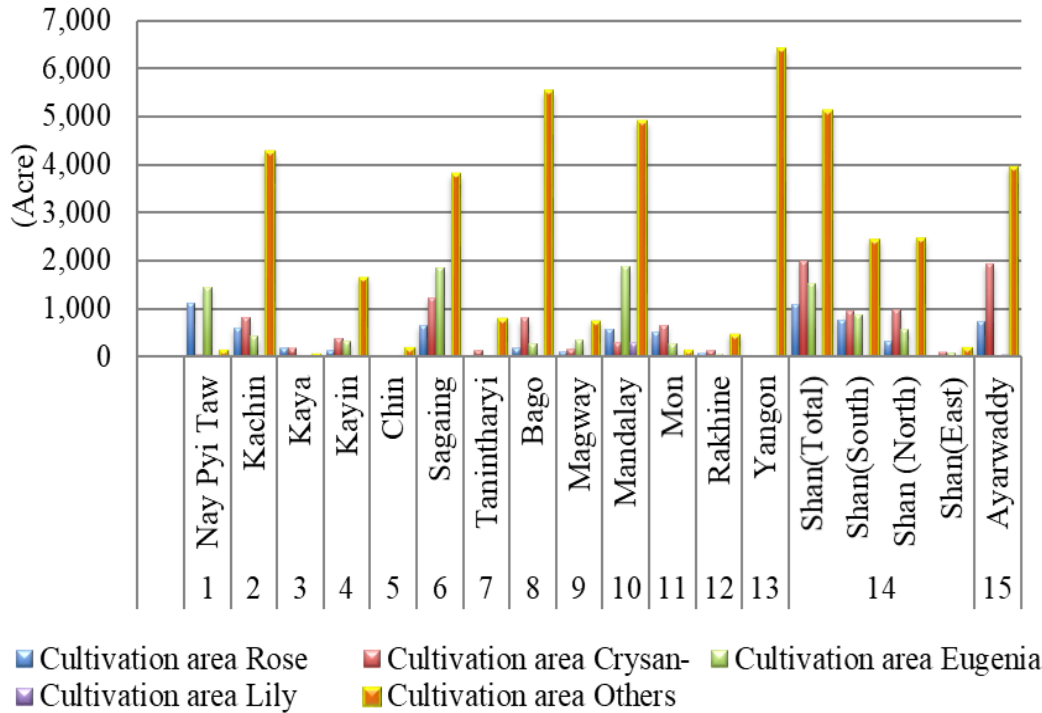
Source: UN comtrade, 2022-2023



Introduction

Local Production

Production Area of Cut Flower in Myanmar



Source: DALMS, 2022-2023

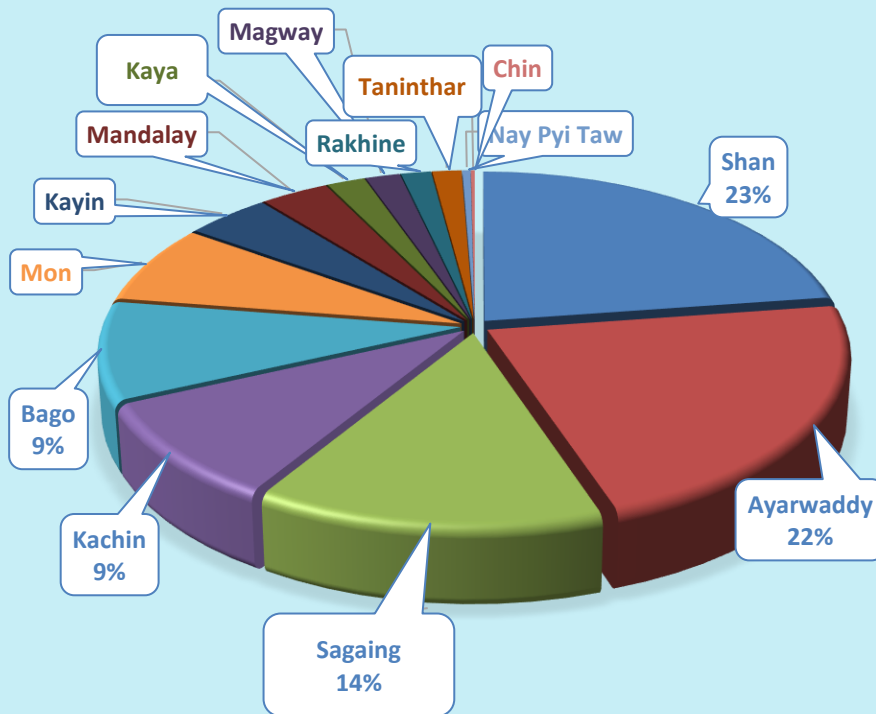
- The Myanmar flower market is impressive
- Largely Buddhist society
- A significant daily demand of fresh cut flowers (hotels and restaurants, and for different occasions, and as corporate gifts or just as a token of love or appreciation.



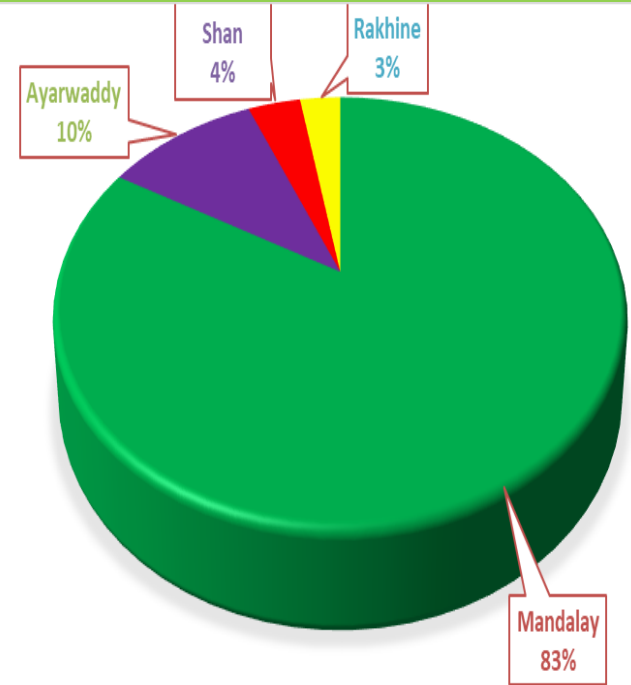
Introduction

Local Production

Chrysanthemum Production



Lily Production



Objectives

- To identify key stakeholders of cut flowers industry in Myanmar.
- To investigate influencing factors and conditions under cut flower value chain.
- To provide policy recommendations for eliminating constraints to improve competitiveness of cut flower industry.

Rationale of the Study

Although there is high domestic consumption, the overall quality of products available on the market is in general low. Despite all good efforts, the Myanmar flower sector is a traditional one ;

- Lack of (facilitation of) smart and sustainable production practices,
- Generates and disseminates little knowledge and awareness from production to post-harvest and logistics handling and practices,
- Lack of new variety, high yield, disease free plant materials,
- Insufficient in stakeholders' organization and value chain infrastructure.

Materials and Methods

- Sampling Method - Simple Proportional Allocation Method
- Method of Analysis - Cost & Benefit Analysis, SWOT Analysis
- Survey Area - Mandalay Region : Mandalay & Pyin Oo Lwin
- Variety of Cut Flowers - Chrysanthemum, Lily and Dancing Lady Ginger

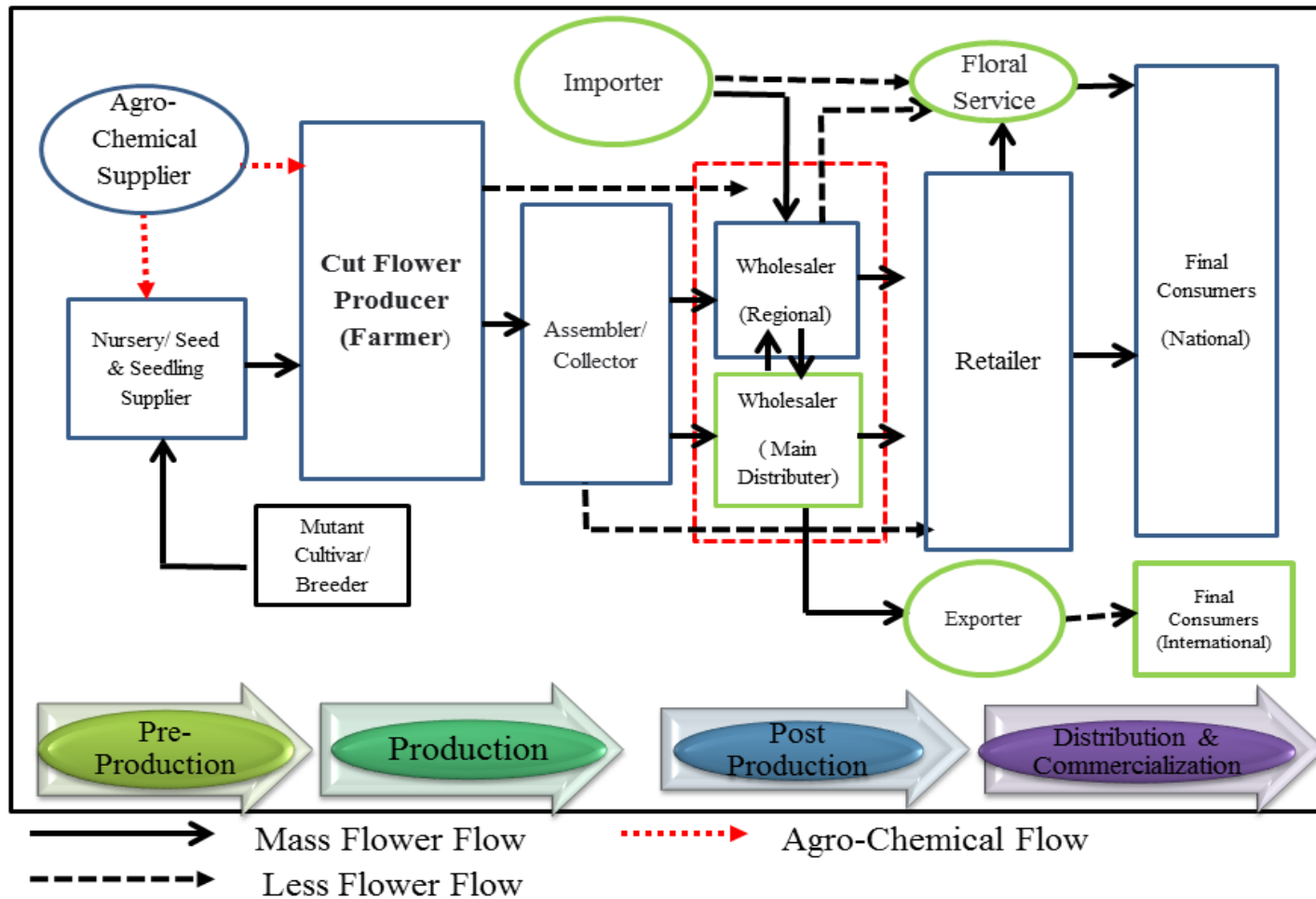
Group	Population	No. of Sample	% of Proportion
Input dealer	252	5	4.46
Nursery farmer	150	5	4.46
Farmer	282	30	26.80
Assembler	Un-identify	19	16.96
Wholesaler	Un-identify	3	2.68
Consumer	Un-identify	50	44.64
Total		112	100

Key Selection Criteria

- The region that produces a large number of cut flowers in the country
- The region that is important for a marketplace of cut flowers
- The region that presents a number of key stakeholders of cut flowers

Results and Discussion

Value Chain of Myanmar cut flower industry



Results and Discussion

Socio-economic characteristics of key stakeholders in the study areas (2023)

Mean values	Unit	Input dealer	Farmer	Assembler	Wholesaler	Consumer
Age of household heads	Year	46.03	43.33	49.06	44.66	32.05
		(36 - 65)	(22 - 70)	(34 - 67)	(38 - 52)	(16 - 80)
Experience	Year	24.03	16.06	12.73	15.00	-
		(4 - 50)	(2 - 27)	(7 - 22)	(10 - 21)	-
Schooling year	Year	9.70	7.66	9.86	12.60	8.25
		(3 - 15)	(4 - 15)	(4 - 18)	(8 - 15)	(0 - 18)
Family size	No.	4.70	3.80	4.12	8.60	4.44
		(3 - 11)	(2 - 9)	(3 - 9)	(7 - 11)	(1 - 15)
Farm size	Acre	-	0.65	-	-	-
		-	(0.25 - 4)	-	-	-

Results and Discussion

Cost and Benefit Analysis

No.	Items	Chrysanthemum (N=15)		Lily (N=8)		Dancing Lady Ginger (N=11) 1 st Growing Season		Dancing Lady Ginger (N=11) 2 nd Growing Season	
		MMK	%	MMK	%	MMK	%	MMK	%
1	Cost of Production	4,080,256	96.1	10,189,686	98.4	6,673,777	97.6	1,447,377	89.77
	Cost of input, machinery & Land	2,240,256	52.8	8,315,686	80.3	5,656,777	82.7	430,377	26.69
	Cost of labor	1,840,000	43.3	1,874,000	18.1	1,017,000	14.9	1,017,000	63.07
2	Cost of Marketing	165,000	3.9	165,000	1.6	165,000	2.4	165,000	10.23
3	Total Cost (1+2)	4,245,256	100	10,354,686	100	6,838,777	100	1,612,377	100
4	Average Yield (bunches/ac)	6,500 bunches		1,000 bunches		4,000 bunches		4,000 bunches	
5	Market Price (MMK/bunch)	1,000		15,000		2,000		2,000	
6	Revenue	6,500,000		15,000,000		8,000,000		8,000,000	
7	Net Margin (6-3)	2,254,744		4,645,314		1,161,223		6,387,623	
8	Benefit-Cost Ratio (6/3)	1:1.53		1:1.45		1:1.17		1:4.96	11

Results and Discussion

SWOT Analysis

Internal Origins

<u>Strength</u>	<u>Weaknesses</u>
<ul style="list-style-type: none"> ➤ High domestic demand through daily offering flowers to Buddha. 	<ul style="list-style-type: none"> ➤ Land ownership/ High cost for renting cultivated land.
<ul style="list-style-type: none"> ➤ Climatological diversity - Wide range of flower and strategically important area for Asia Flower Market. 	<ul style="list-style-type: none"> ➤ Inadequate knowledge for cut flower cultivation (low yield and quality and no sustainable cultivation practices).
<ul style="list-style-type: none"> ➤ Myanmar people demanded new imported varieties and marketable mutant cultivar also presented locally. 	<ul style="list-style-type: none"> ➤ Very limited post-harvest technology (cold chain in VC segments)
<ul style="list-style-type: none"> ➤ Low labor cost compare with neighboring countries and fertile cultivation areas available in different part of the countries. 	<ul style="list-style-type: none"> ➤ Poor market mechanism and farmer highly dependent on input dealers and middlemen (Assemblers, Wholesalers).
<ul style="list-style-type: none"> ➤ Good communications infrastructure and prevail of online marketplace. 	<ul style="list-style-type: none"> ➤ Low level of priority in list of agricultural reform agenda and no focal institutes for sector development.

Results and Discussion

SWOT Analysis	External Origin
<u>Opportunities</u>	<u>Threats</u>
➤ Potential to export quality planting material to neighboring countries.	➤ Illegal import of flowers and plant materials from neighboring countries.
➤ Chance to introduction to new varieties for better yield, quality and technologies.	➤ Reject or dumped products flood the market and kill market prices for local flowers.
➤ Create new agro-business areas and contract farming schemes for developed countries.	➤ Difficult in training and extension services are hampered by the many still unorganized growers.
➤ To facilitate existing or new association for key stakeholders for competitiveness.	➤ Market of plastic flower.
➤ Great potential for garden visiting and floral tourism.	➤ High risk with no crop insurance programs

Conclusion and Recommendation

- According to cost and benefit analysis, provide certain amount of profit because of the better market price.
- Explored that the production cost is the highest in the total cultivation cost.
- The most influencing factors - high cost for inputs and renting cultivated land,
- It is required to provide production and post- harvest knowledge the technologies for efficient use of input, land and labor and also to produce profitable yield and quality for premium market.

Conclusion and Recommendation

- Establish or facilitate the organization of different stakeholders in each stages of value chain.
- Provide proper crop insurance programs for cut flowers production as it is ease to damage by various factors especially weather conditions and market risk.
- Prioritize in list of agricultural reform agenda because it is not only huge market for local consumption but potential to export quality planting material to neighboring countries.
- Focal institutions in the different stage of value chain for improve competitiveness.

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မှတ်တမ်းဓာတ်ပုံများ



ပန်းပျိုးခြံလုပ်ငန်းရှင်များ၊ ပန်းစိုက်တောင်သူများနှင့် တွေ့ဆုံဆွေးနွေး စစ်တမ်းကောက်ယူခြင်း(ပုသိမ်ကြီး၊ ပြင်ဦးလွင်)



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Thank You