

# FOOD INSECURITY SNAPSHOT: AYEYARWADY REGION – FARMER HOUSEHOLDS (MAY 2021)

## Mercy Corps - Market Analysis Unit

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*This snapshot is based on a phone survey of 402 individuals in Ayeyarwady Region conducted during April 20 - May 7. Design and analysis were conducted by the Market Analysis Unit, while sampling and data collection were carried out by Village Link.<sup>1</sup> A simple random sample was drawn from a list of 42,000 individuals across 26 townships who live in farming households, and the study is intended to represent this population only. The survey contact rate was 22.2%, and statistics assume 95% confidence and a 5% margin of error. The survey focused on household food insecurity and livelihood activity.<sup>2</sup>*

### I. Key Highlights

- **Sixty percent (60%) of respondents live in households where at least one person worried about not having enough food** in the past 30 days;
- **Twenty-five percent (25%) said someone in their household could not eat healthily** in the past 30 days;
- **Fewer than 5% reported the most severe food insecurity measures**, such as someone skipping meals, running out of food, or going a day without food;
- **Nearly one-third expect July - September to be the most difficult months** for food insecurity in their household;
- **Seventy-six percent (76%) expect reduced household income** in the next 30 days;
- **Sixty-five percent (65%) expect adequate livelihood inputs to be unaffordable** for someone in their household in the next 30 days;
- **Fifty-four percent (54%) expect to spend household savings** in the next 30 days;
- **Fifty-two percent (52%) expect to seek new borrowing** in the next 30 days.

### II. Background

As farmers in Ayeyarwady Region prepare for the 2021 monsoon paddy season, the ongoing impacts of the COVID-19 pandemic and recent political and economic events threaten to exacerbate local economic and food insecurity. Ayeyarwady Region is often described as Myanmar's "rice bowl" for its large contribution to the country's paddy output, and many households here rely on farming for income. Eighty percent of households are engaged in agricultural activity, which accounts for more than 60% of wage earners.<sup>3</sup> Yet many here also remain economically vulnerable. The region's population of more than six million is among the largest and densest of Myanmar's states and regions, and an estimated 31% of households live in poverty. As Ayeyarwady farmers now transition from dry season paddy (January - May) to monsoon paddy (June - November), assessing livelihood and food security will be critical to reducing the human toll of the challenges Myanmar currently faces.

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<sup>1</sup> Village Link is a Myanmar-based agricultural data provider whose services include survey-based data collection. Village Link's respondent lists are generated through in-person trainings and online outreach through its mobile application and call center services.

<sup>2</sup> While the sample represents individuals, the analysis focusses on the individual's household. Readers should be aware that multiple individuals in the sampling frame may live in the same household.

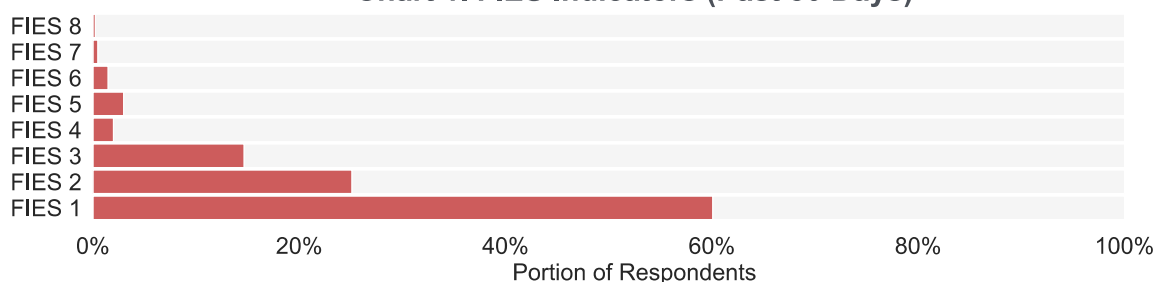
<sup>3</sup> Central Statistical Organization (CSO), UNDP and WB (2020) "Myanmar Living Conditions Survey 2017: Socio-economic Report", Nay Pyi Taw and Yangon, Myanmar: Ministry of Planning, Finance and Industry, UNDP and WB.

### III. Food Insecurity

This snapshot relies upon the **Food Insecurity Experience Scale Survey Module (FIES-SM)**, a series of questions designed by the Food and Agricultural Organization of the United Nations to measure individual or household access to adequate food. FIES-SM consists of eight questions focused on behaviors and experiences associated with difficulty in access to food due to resource constraints in the past thirty days (Table 1). In addition to the FIES questions, this study also asked respondents about their expected access to food in the coming months.

**Past Thirty Days – In the past thirty days, 60% of farmers worried about their household having enough food to eat and 25% said someone in their household was unable to eat healthily at some point (Chart 1).** Sixty percent of respondents said there was a time in the past thirty days when they or someone in their household worried about not having enough food to eat due to lack of money or other resources. Moreover, 25% of respondents said there was a time when someone in their household was unable to eat healthy food, and 15% said they ate only a few kinds of foods. Other food insecurity measures—such as skipping a meal, eating less, or running out of food—were far less common, impacting fewer than 5% of respondents.<sup>4</sup>

**Chart 1. FIES Indicators (Past 30 Days)**

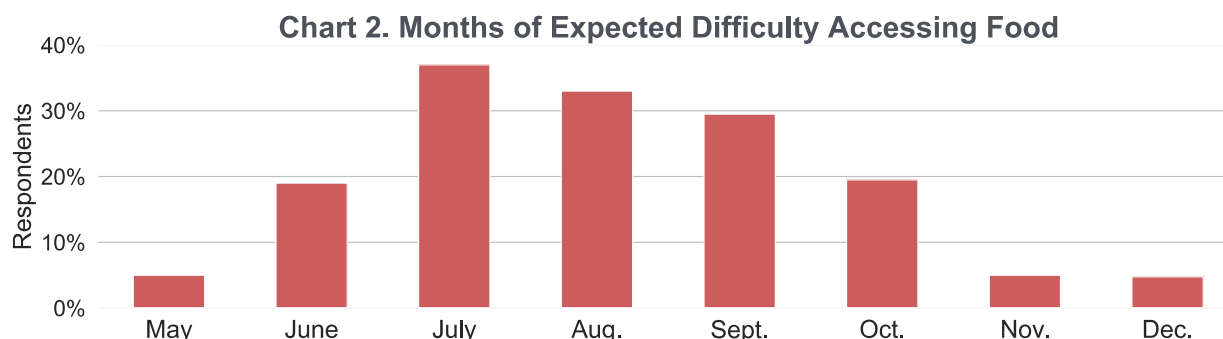


**Table 1. FIES Indicator Descriptions**

During the last 30 DAYS, was there a time when you or others in your household:
<b>FIES 8.</b> Went without eating for a whole day because of a lack of money or other resources?
<b>FIES 7.</b> Were hungry but did not eat because there was not enough money or other resources for food?
<b>FIES 6.</b> Ran out of food because of a lack of money or other resources?
<b>FIES 5.</b> Ate less than you thought you should because of a lack of money or other resources?
<b>FIES 4.</b> Had to skip a meal because there was not enough money or other resources to get food?
<b>FIES 3.</b> Ate only a few kinds of foods because of a lack of money or other resources?
<b>FIES 2.</b> Were unable to eat healthy and nutritious food because of a lack of money or other resources?
<b>FIES 1.</b> Worried about not having enough food to eat because of a lack of money or other resources?

<sup>4</sup> Finding appropriate benchmarks to contextualize these findings can be difficult. Monthly panel data collected by the International Food Policy Research Institute (IFPRI) from rural Dry Zone households with children or pregnant mothers provides one possible source. Between June and October 2020, that study found 13 - 20% of households had someone who did not eat enough healthy food (compared to 25% in this study), 1 - 4% had someone who skipped a meal (2% here), and 1 - 4% ran out of food (1.5% in this study). However, when drawing comparisons readers should keep in mind the different time periods and focus populations. Source: <https://doi.org/10.2499/p15738coll2.134144>.

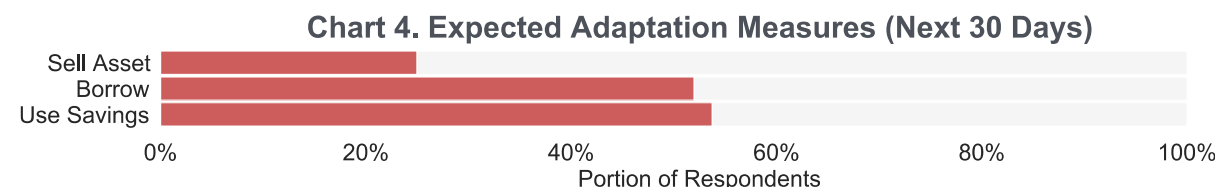
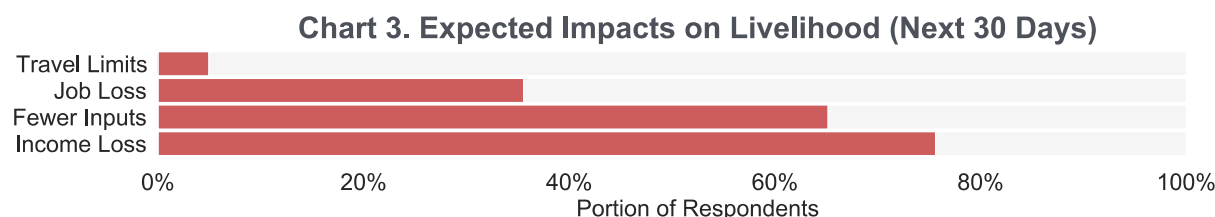
**Future Expectations** – Respondents expect steeply rising food insecurity challenges from May to July of this year, with sustained difficulty through September or October (Chart 2). Five percent of respondents said they expect May to be among the most difficult months for food insecurity in their household, with increasing concern in June (19%) and July (37%). Roughly one-third of respondents said they expect the months of June, July and August to be among the most difficult for food access in their household, while concerns begin to diminish somewhat in October (19%) and November (5%).



#### IV. Livelihood Expectations

**Expected Impacts** – In the next thirty days, more than half of respondents expect someone in their household to struggle with reduced income and limited access to agricultural inputs (Chart 3). Seventy-six percent of respondents expect their household to have less cash income in the next 30 days, and 65% said at least one earner in their household will be unable to purchase adequate supplies or inputs required for their livelihood activity.<sup>5</sup> Moreover, 36% expect someone in their household to lose work. Five percent said someone in their household will be unable to travel to complete intended work.

**Expected Adaptation** – Half of all respondents expect to seek out new debt or tap into savings in the next thirty days in order to meet financial needs (Chart 4). Fifty-four percent of respondents expect to spend from savings in the next thirty days, and 52% expect to seek out new borrowing. Moreover, 25% of respondents expect to sell or pawn an asset in order to make financial ends meet.



<sup>5</sup> This question pertained to all livelihood activities within the household, not only the primary livelihood activity (e.g., agriculture).

## V. Implications

**Fewer Coping Mechanisms –** Households may eventually exhaust available savings or sources of lending, increasing the economic strain they face. Fewer available mechanisms for coping with economic hardship could deprive households of critical financial resources, leading to more belt-tightening and disruption of livelihood activities.

**Increased Food Insecurity –** Many households may not yet face the severest types food insecurity, yet fewer financial resources could exacerbate poverty and tip some households into greater food insecurity. Because Ayeyarwady Region already faces significant deficits in health and economic outcomes, it could see more borderline food-insecure households falling into poverty and struggling to access food.

**Reduced Agricultural Productivity –** Financial strains could prevent households from purchasing inputs needed for their livelihood activity, thereby limiting productivity and economic output. This is particularly noteworthy for the upcoming monsoon paddy season. Farmers in Myanmar's rice basket may struggle to purchase agricultural inputs at a critical period in the 2021 paddy season, potentially reducing household income and having a negative impact on yields and commodity markets later in the year.

### Box 1. Household Characteristics

*The survey also gathered information on basic household characteristics, such as sources of income, agricultural products and financial activity. The following provides estimates for the study's focus population.<sup>6</sup>*

- **Household Size –** The average reported household size was 4.7, and 95% of households are male-headed.
- **Source of Income –** Eighty-three percent said agriculture is their household's primary annual source of income. Other responses included services (7%), remittances (4%), wage labor (3%) and public sector employment (3%).
- **Farming –** Ninety-nine percent of respondents said their household currently farms land, and 86% said they would engage in farm-related activities in May (e.g., land preparation, sourcing inputs). Among farmers, 90% cultivate paddy and 53% cultivate pulses. Some households also raise livestock (22%) or cultivate cash crops (17%) or vegetables (15%).
- **Debt and Savings –** Fifty-nine percent of respondents live in households with some kind of savings (e.g., cash, gold, jewelry) and 78% live in households with debt. Among those with debt, 87% have a loan from the MADB and 78% say the MADB is their primary lender. Other primary sources of debt included MFIs (9%), friends or family (9%) and banks (3%).<sup>7</sup>

<sup>6</sup> These characteristics provide some sense of how the focus population for this study differs from the Ayeyarwady population as a whole. For example, the sampling frame includes a lower proportion of women (just 9% of respondents) and female-headed households.

<sup>7</sup> Fewer than 1% of respondents said suppliers were their household's primary source of lending.

## Mercy Corps' Market Analysis Unit (MAU)

The Market Analysis Unit provides development practitioners and policymakers operating in Myanmar with data and analysis to better understand the present and potential impacts of COVID-19, conflict and other crises on:

- **Household purchasing power, coping mechanisms and access to basic needs;**
- **Value chains**, including **trade** (ag. Inputs, machinery, supply), **cross-border dynamics**, and **market functionality** (particularly as it relates to **food systems**);
- **Financial services**, including **financial services providers**, household and business **access to finance** and **remittances**; and
- **Labor markets** (formal and informal), with a focus on agricultural labor and low wage sectors (construction, factories, food services).

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