

FOOD INSECURITY SNAPSHOT: SOUTHERN SHAN STATE – FARMER HOUSEHOLDS (MAY 2021)

Mercy Corps - Market Analysis Unit

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This snapshot is based on a phone survey of 423 individuals in Taunggyi District of Southern Shan State conducted during April 20 - May 7. Design and analysis were carried out by the Market Analysis Unit, while sampling and data collection were performed by Village Link.¹ The study is based on a simple random sample drawn from 30,000 individuals in seven townships of Taunggyi District, and it is intended to represent this population only. The survey contact rate was 25%, and statistics assume 95% confidence and a 5% margin of error. The survey focused on food insecurity and livelihood activities in farmer households.²

I. Key Highlights

- **Signs of food insecurity in Taunggyi District in the past thirty days were fairly rare,** with fewer than 20% of respondents reporting any one indicator;
- **Fewer than 10% said they lacked healthy or diverse foods in the last thirty days,** and none reported skipping meals;
- **About one-third said May and June would be most difficult for food insecurity in their household,** although few said they currently struggled with food;
- **Eighty-two percent (82%) expected their household to experience reduced cash income in the next 30 days,** and 30% expected to struggle to purchase livelihood inputs;
- **Just 13% expect someone in their household to lose their job or source of income in the next thirty days,** and few expect travel limits to prevent someone from working;
- **Forty-three percent (43%) expect to seek out new borrowing in the next thirty days,** and 33% expect to spend from household savings.

II. Background

Shan State is one of Myanmar's most populous regions and a source of agricultural production serving both domestic and foreign markets. This is particularly true of Southern Shan State, which has benefited from progress in overcoming the armed conflict which remains far more pervasive in neighboring North and Eastern Shan State. Due in no small part to this progress, Southern Shan—which is also home to the state capital and one of Shan State's largest agricultural trade hubs at Aungban—has shown particular promise with respect to agricultural production. Commodities like tea, coffee, maize and vegetables show great promise. Yet the region's history of conflict is recent and the scars are still evident. Southern Shan, which is ethnically diverse and home to more than a third of the state's population, has a relatively high prevalence of smallholder farmers and many are without formal land titling. The region's economic productivity can often mask underlying insecurities, and the wounds of past conflict are far from fully healed. Southern Shan therefore remains an important region to watch, particularly as new political events threaten to upset recent gains and reopen past wounds.

¹ 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.

² While the sample represents individuals, the analysis focusses on the respondents' households. Readers should be aware that multiple individuals in the sampling frame may live in the same household.

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 – Most indicators of food insecurity were fairly rare during the past thirty days, impacting fewer than 10% of respondents (Chart 1). Just 19% 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, fewer than 10% of respondents reported other indicators of food insecurity, such as someone being unable to eat healthy food, eating a limited variety of foods, or eating less than they should. No respondents reported skipping meals or running out of food.

Chart 1. FIES Indicators (Past 30 Days)

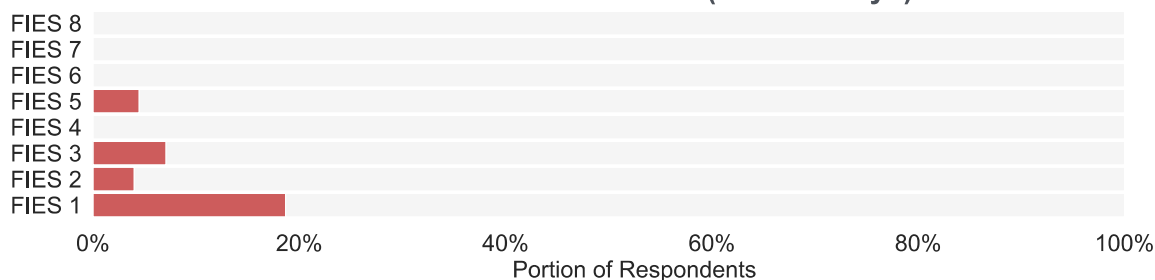
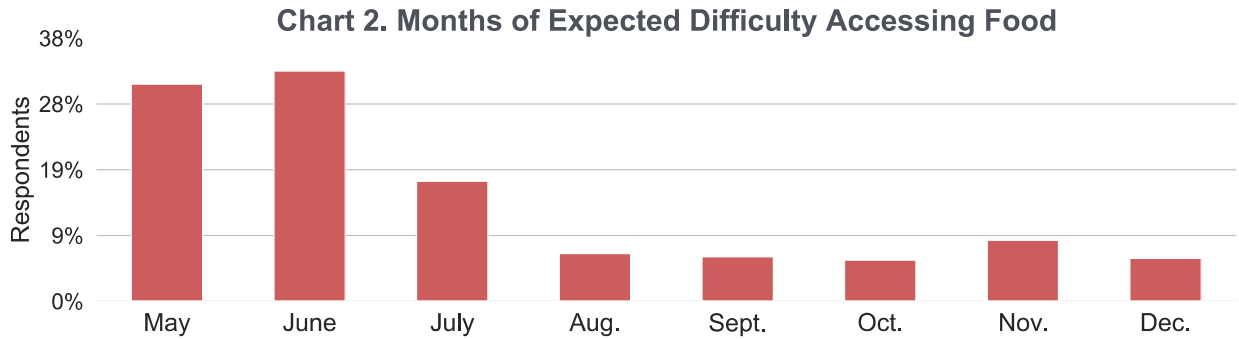


Table 1. FIES Indicator Descriptions

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

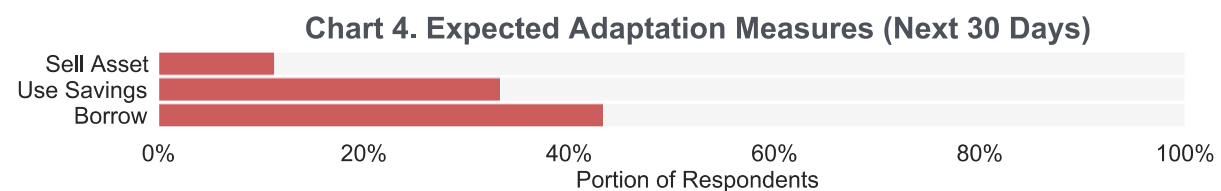
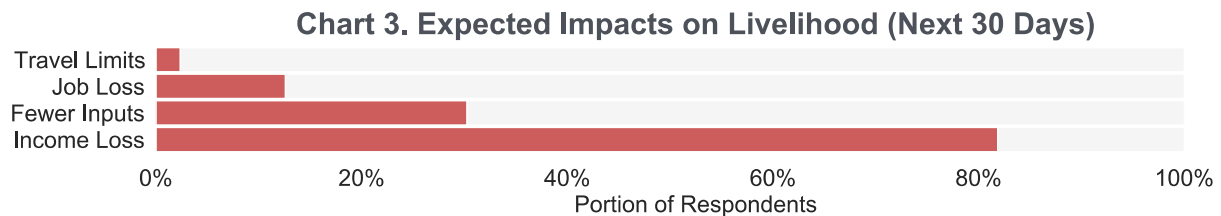
Future Expectations – Respondents expected to encounter the greatest challenges to food insecurity from May to July, with much lower levels of concern throughout the remainder of the year (Chart 2). Roughly one-third of respondents expected May and June to be among the most difficult months for food insecurity in their household, while this decreased to 17% in July. Fewer than 10% of respondents named each month in the remainder of the year (August – December) as among their most difficult they expected to face.



IV. Livelihood Expectations

Expected Impacts – More than three-quarters of respondents expected someone in their household to experience a significant reduction in income in the next thirty days, although the loss of a job or entire source of income was far less of a concern (Chart 3). Eighty-two percent of respondents expect their household to have less cash income in the next 30 days, and 30% said at least one earner in their household will be unable to purchase adequate supplies or inputs required for their livelihood activity.³ However, relatively few said they thought someone in their household would lose a job or source of income entirely (13%) or be unable to carry out work due to travel limitations (8%).

Expected Adaptation – Half of all respondents expected to seek out new debt or tap into savings in the next thirty days in order to meet financial needs (Chart 4). Forty-three percent of respondents said their household would seek out new borrowing in the next thirty days, and 33% expected to spend from household savings. Relatively few (just 11%) expected to rely on asset sales to meet financial needs in the next thirty days.



V. Implications

Reduced Household Income – Households which appear relatively food-secure at present could nonetheless face increasing difficulty if expected losses in household income are born out. Households could face unexpected challenges if livelihood impacts are severe and familiar coping mechanisms—such as new borrowing—are less available than in previous years.

³ This question pertained to all livelihood activities within the household, not only the primary livelihood activity (e.g., agriculture).

Market Instability – Rapidly unfolding events, such as the late-May armed clashes that affected Pekon Township in Southern Shan State, could upset relatively stable markets on which many households rely. Areas of Southern Shan State which may have appeared secure not long ago could face increasing instability, reducing access to goods and negatively impacting livelihood activities in those areas.

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.⁴

- **Household Size** – The average reported household size was 4.5, and 92% of households are male-headed.
- **Source of Income** – Ninety-five percent said agriculture is their household's primary annual source of income, and 96% said they would engage in farm-related activities during May (e.g., land preparation, sourcing inputs). Vegetables are by far the most common agricultural product (84%), although others products include paddy (35%), pulses (30%), and livestock (12%). Thirty-one percent also grow other cash crops (e.g., maize). Fishing is very uncommon as a source of livelihood.
- **Debt and Savings** – Forty-three percent of respondents live in households with some kind of savings (e.g., cash, gold, jewelry) and 57% live in households with debt. Among those with debt, the most common lenders are MFIs (44%) and input suppliers (34%). Far fewer rely on agricultural associations (10%) or the Myanmar Agricultural Development Bank (16%) as their primary sources of debt, and just 3% rely on family or friends. Banks are rarely the primary lender.

⁴ These characteristics provide some sense of how the focus population for this study differs from the population of Taunggyi District as a whole. For example, the sampling frame includes a lower proportion of women (36% of respondents) and female-headed households. The sampling frame also leaned heavily toward Kalaw Township.

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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ACKNOWLEDGEMENTS

Mercy Corps team members contributed to the review and editing of this report.

