

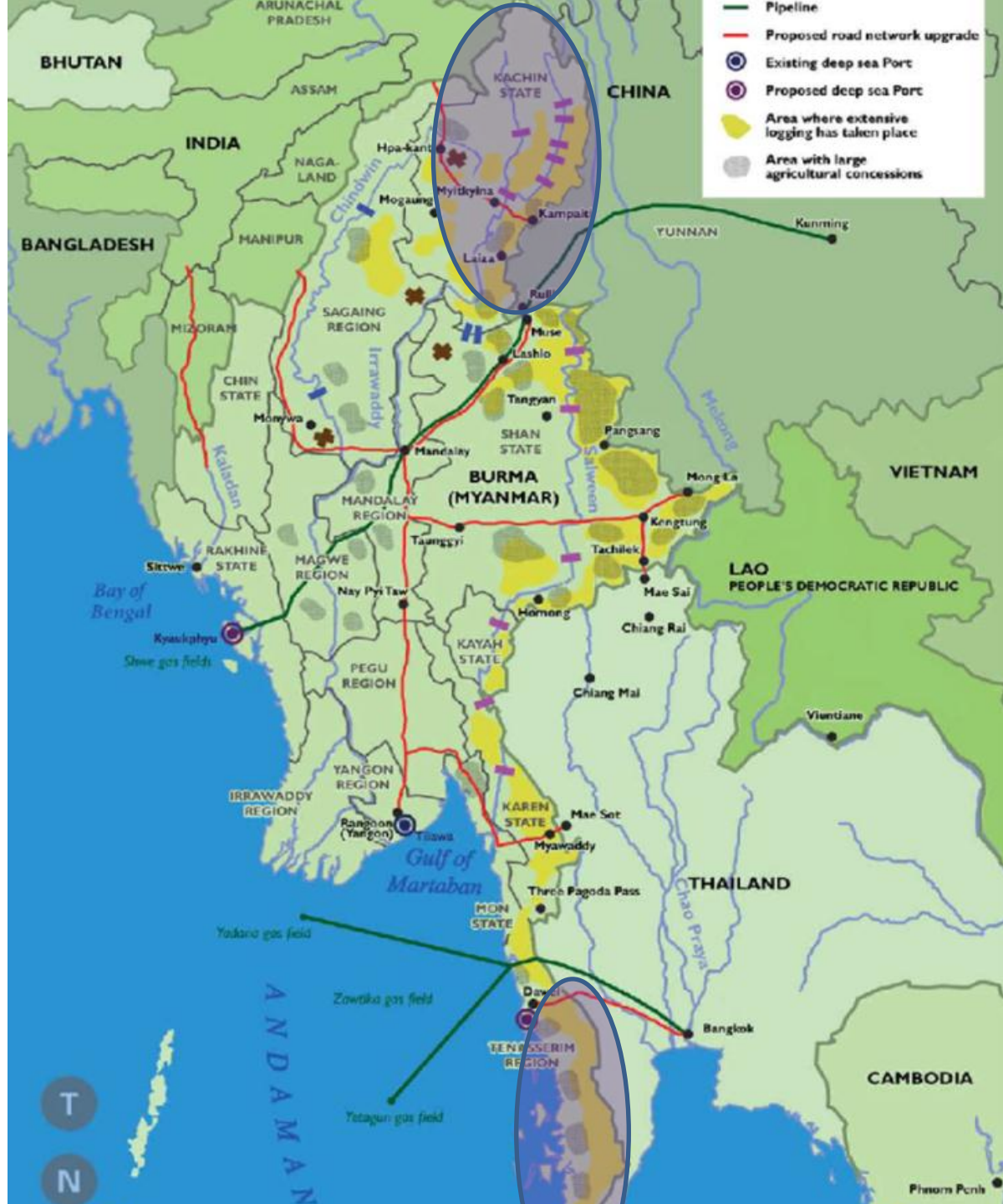
Agribusiness and Agro-Conversion Timber in Myanmar

New Drivers of Deforestation and Land Grabs

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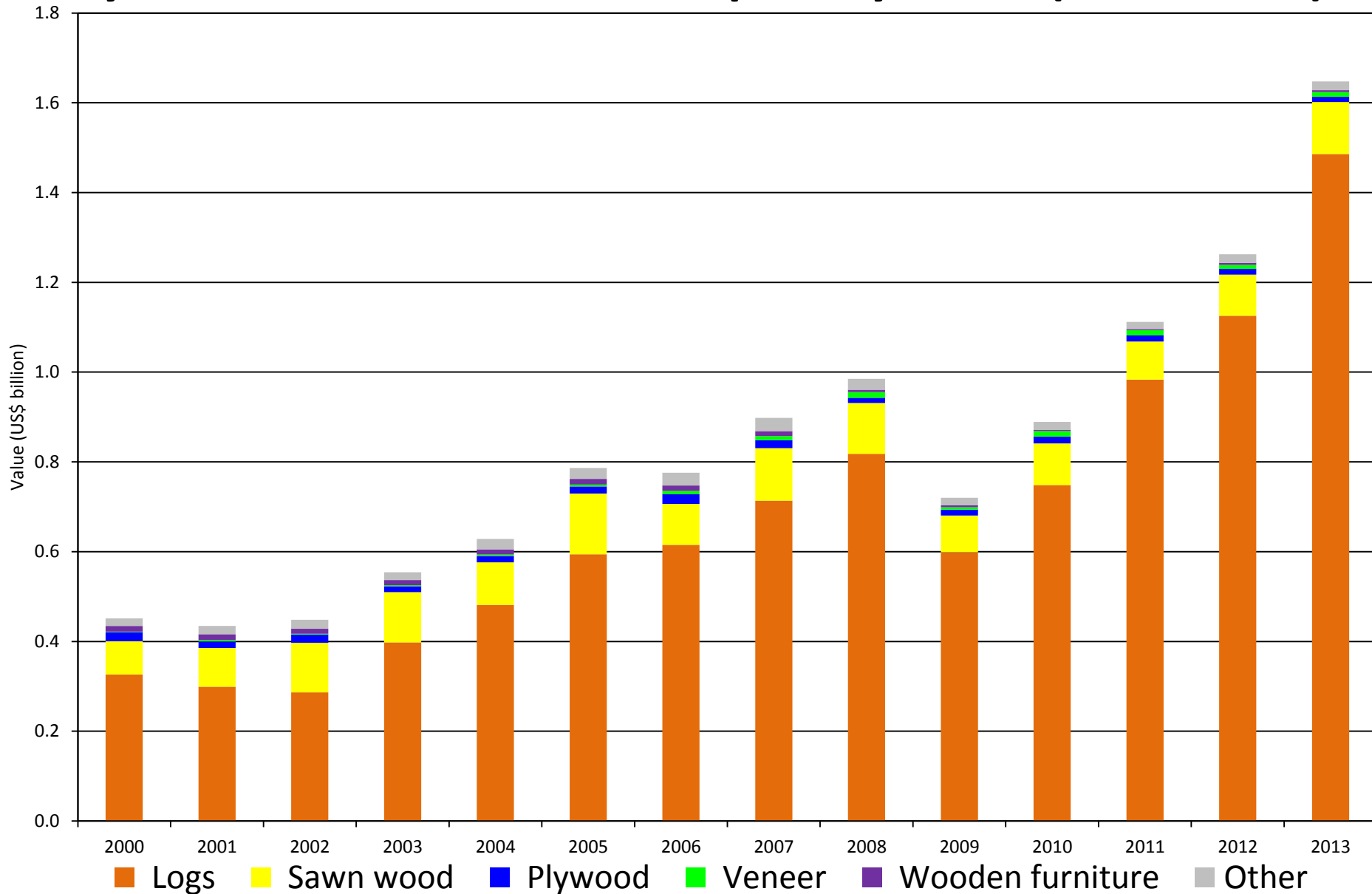
Political-Economic Reforms

- Re-made reform-minded government since 2011
 - Quasi-democratic principles being experimented
 - Neoliberal **investment** reform top priority
 - Opening up financial and banking sectors: WB+ADB
 - **FDI** being heavily courted
 - Almost exclusively in resource extraction/production sectors
- Opening political spaces for **civil society**
- **Land conflicts** most pressing issue
 - Protests across country
 - Land policy reform gaining traction among gov't and int'al donor community
 - More limited cross-sector outreach (forestry Vs. agric)

Forestry Reform + Conservation

- Forestry Ministry refashioned to be more conservation oriented after decades of overexploitation
 - Annual forest loss of nearly ½ million hectares (1.15 million acres), or 1.2% of forest cover every year (1990 and 2010)
 - Total > 7.5 million ha (18.4 million acres) or 19 percent of its total forest cover
 - Log export ban since April 2014
 - Will decrease annual wood quotas
 - Grant cultivation rights to communities in forest reserves
 - Push to demarcate more protected forest parks
 - REDD+ funds mobilized, projects starting
 - “Ridge to Reef” in Tanintharyi: UNDP + FFI

Myanmar Timber Products Export by Value (US\$ billion)



Private Agribusiness Sector Push

- Large-scale industrial *agribusiness sector* push
 - New *land laws* to facilitate foreign investment in land and resource extraction / production
 - *Foreign investment* being courted for large-scale production
 - Drastically increasing private agribusiness concessions allocated since new government
 - Now **5.2 million acres** allocated
 - 170% increase in acres allocated since new gov't
 - But < 1/3 of total acreage actually planted
- New biggest *driver of deforestation* and associated production of *conversion timber*

Agribusiness Concessions in Myanmar by State/Region, 2010/11-2012/13 (in acres, cumulative)

State/Region	Allocated	Allocated	Allocated	Total % Allocated	Planted	% planted
	2010/11	2011/12	2012/13			
Naypyitaw	-	7,408	17,554	0.3	5,217	30
Kachin	596,180	1,396,575	1,381,165	26.5	172,348	12
Kayin	2,161	4,011	34,946	0.7	15,867	45
Kayah	-	-	-	-	-	-
Chin	-	1,542	1,743	0.03	118	7
Sagaing	100,057	259,273	533,406	10.2	19,543	4
Tanintharyi	671,594	993,887	1896970	36.4	359455	19
Bago	19,772	52,238	200150	3.8	91074	46
Magwe	202,492	211,292	219,578	4.2	95,949	44
Mandalay	10,300	6,262	56,046	1.1	14,497	26
Mon	-	-	-	-	-	-
Yangon	30,978	30,980	80208	1.5	76,243	95
Rakhine	-	7,826	131667	2.5	13,176	10
Shan	117,096	160,626	323833	6.2	120403	37
Ayeyarwady	193,353	285,844	335331	6.4	212,969	64
TOTAL	1,943,983	3,417,762	5,212,597	100.0	1,196,859	23

Source: Myanmar Ministry of Agriculture and Irrigation (MoAI),

except for Tanintharyi 2012/13 which was collected from the regional head office.

Note: Allocated and planted concessions for Tanintharyi does not include rubber, only oil palm.

Forest Conversion to Agribiz Concessions

- Many agribusiness concessions have been allocated in protected state forest areas
 - Forest reserves de-gazetted for agribusiness concessions
 - Two top areas agribiz concessions: Kachin + Tanintharyi (63 percent of national total acreage)
 - Same two areas are Myanmar's global hotspots for HVCFs
 - Agribiz clearly facilitating production of agro-conversion timber
 - Presents legal loophole to obtain timber

Lack of Data and Reliability

- Government does not differentiate timber according to land category source
 - Natural forest, managed state forest, timber plantation, forest conversion
- Government data on conversion timber is not systematically collected nor publically available
- *Lack* of good governance and robust rule of law, systematic method of issuing timber extraction permits, and sound timber management plans
- These data limitations hamper more effective cross-sector land and resource management

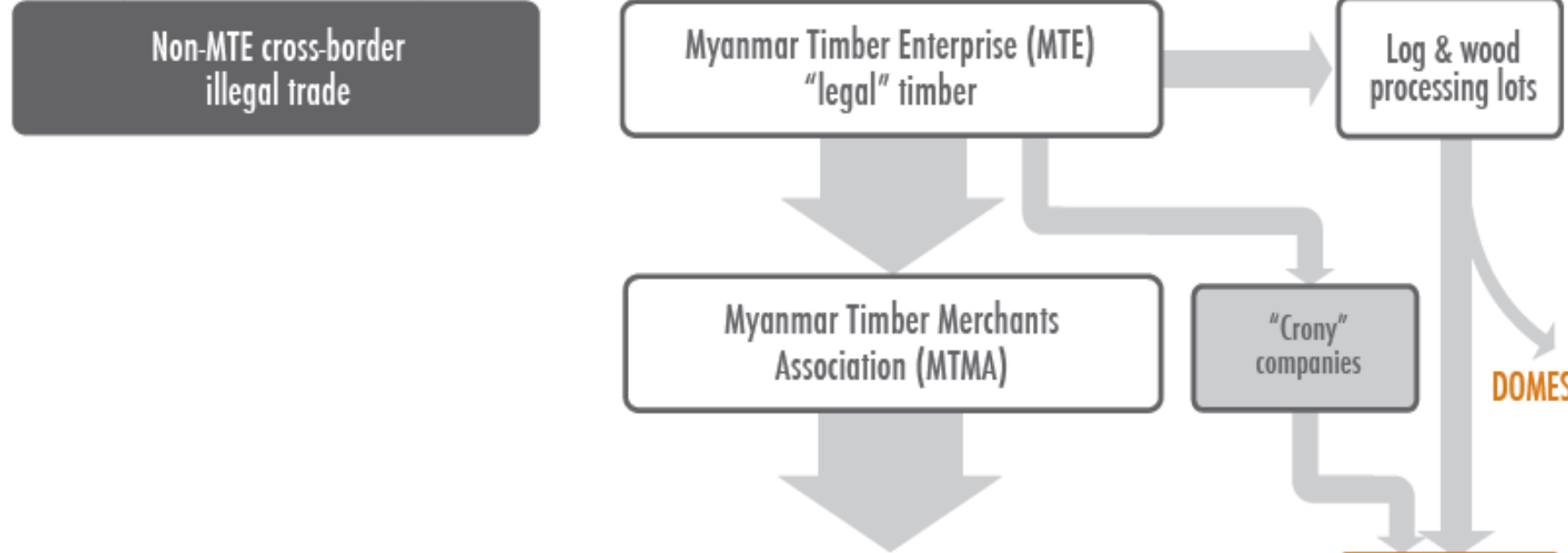
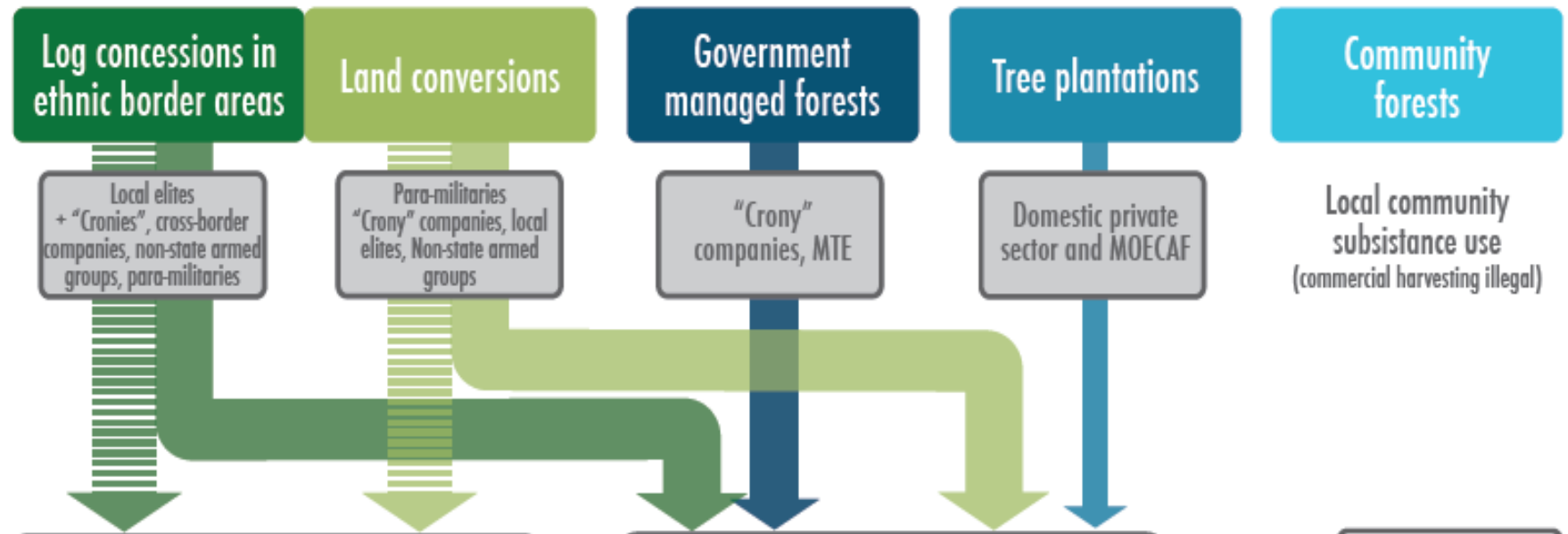
Land Conflicts and Denial of Rights

- Local land and livelihood conflicts now surfacing across the country
- Further enflamed from agribusiness concessions
- Local communities denied statutory and customary land use rights and claims
 - No land use rights within state forest, agricultural “wasteland”, or agribusiness concession
- But no discussion yet on lack of land rights in state forests

Poor Governance and Corruption

- Rife with legal *loopholes*, special permits and/or legal exemptions
- Legality of agro-conversion timber questionable, highly susceptible to *corruption* and patronage politics
- Agro-conversion timber = *legal* with permits
 - But same agencies & authorities who approve concession & conversion timber override any legal restrictions → rent seeking behavior
- *No social or envt'al safeguards* practiced whatsoever
- *Socially-legitimate process needed* to define legality of conversion timber

ACTORS



MARKET



DOMESTIC

Lack of Critical Attention

- No other study in Myanmar on relationship between forests and agribiz concessions, and associated agro-conversion / timber
- No review processes to clarify legal framework for forest conversion and associated timber
- No int'l donor agencies supporting such possible endeavors

Context is Everything

- Agribiz concessions → conversion timber depends on ***context***
 - Local (ethnic) political context
 - Ecological landscape
 - Overlap of forest reserve with agribusiness concession
- ***Tanintharyi oil palm concessions:***
 - Mostly in forest reserves, implemented by domestic ‘cronies’ with interests in land & logging
- ***Kachin State biofuel & rubber concessions***
 - Mostly Chinese driven, interest in agric commodity production, conversion timber much less significant cuz can source through logging concessions instead

Concluding Remarks

- Need for future debates on Myanmar's deforestation and degradation of HCVF
 - Must include both forestry & agriculture sector reforms
- Need focus on the legality of associated conversion timber as a significant source of exported timber
- But must go beyond just normative 'legality' standards:
 - 'Intent' of law
 - Social and environmental safeguards
 - Local community land use rights and claims
 - Stronger good governance FW, transparency
 - Socially-sanctioned process with buy-in from civil society