



Ginger

Value Chains for Rural Development in Burma

The **USAID-funded** Value Chains for Rural Development project (VC-RD) integrates smallholders and poor rural households into competitive commercial value chains to increase productivity and achieve inclusive agricultural growth. The five-year project (2014-2019) is part of **Feed the Future**, the U.S. Government's global food security initiative.

Strengthening the Ginger Value Chain in Southern Shan — Strategy:

To support an inclusive ginger industry that meets the increased quantity and quality requirements of both domestic and international end-market. The goal is to shift Burma smallholders from production of low-grade, raw ginger to a producer of value-added ginger products; increase farmers' ability to produce high-quality raw ginger; link producers to new specialty buyers in global markets; and support the private sector to develop improved/varied ginger processing capacity (dried, powdered pickled and oil products) to meet certification standards. In the ginger value chain, VC-RD works with trained, community-based extension agents and a local partner, Myanmar Institute for Integrated Development (MIID) through an Innovative Grant to reach smallholders growing ginger in environmentally sensitive areas.

Producers and Targeted Areas:

With around 2,400 ha of ginger planted in 2015, 80% of ginger produced in Southern Shan comes from the Taunggyi district and slopes of Kalaw, Pindaya, Ywangan, Taunggyi, and Pinlaung. Ginger is a major income source for about 10,000 households in this area. Through program work and activities performed under the grant, the project is targeting support for 3,000 direct beneficiaries. The extension-to-farmer ratio is approximately 1:375, as a result of the project scaling up its extension/outreach to employ seven additional Local Field Assistants (lead extensionists), in early FY 2017.

Ginger Production — Constraints:

International demand for high-quality, dried ginger with no pesticide residues is increasing, but currently, the regional ginger market is controlled by a few Heho and Aungban-based traders. Farmers thus have little negotiating power. Some constraints include:

- Risk of erosion; land is prepared following slope lines, which favors erosion during the rainy season, as topsoil slides leaving horizons below barren
- Shorter fallow periods between cultivation, which can lead to soil erosion, organic matter depletion and disease prevalence
- Ginger rhizome rot resulting in decreased yields
- Weed competition at emergence, resulting in farmers increasingly using herbicides — usually without knowing proper products or application doses.

Producer-Level — Innovations and Actions:

VC-RD demonstrates practices and technology to preserve soils and limit erosion and rot incidence while reducing labor costs. Specific practices introduced during Farmer Field Day demonstrations include:

- *Trichoderma* soil application and mulching
- Soaking rhizomes in Effective Micro-organism solution
- Intercropping of ginger with pigeon pea
- Bokashi (compost) application as a substitute for current fertilizer practices; trainings on bokashi production and soil preservation techniques;
- Fostering ginger farmer group formation focused on obtaining organic certification
- Identifying ginger varieties best adapted to the local environment.

(These actions are supported by VC-RD with lead and demo-host farmers, as well as MIID and lead farmers in 6 villages.)

Off-Farm Level — Innovations and Actions:



- Increase low-residue and/or organic contract growing between farmers and processors to respond to international market demands
- Upgrade processor factories to comply with international standards
- Support additional certifications for new markets
- Identifying credit and financing opportunities.

(These actions are supported by VC-RD; MIID and lead firms, including: Myanmar Agri Business Group, SPSH Co., and Phyo Kyaw).

Selected (and Expected) Impacts

In Year 2 of the project (FY 2016), VC-RD trained **1,347** ginger farmers and stakeholders on good agricultural practices including compost production and use, contour planting, soil conservation, and safe handling and use of pesticides. The project's goal is to maintain relatively high yields of around 12 MT/ha; expected producer income gain from activities is not yet forecast. The measure of success of activities managed directly by

the project will be to maintain high ginger yields and a reduction in soil erosion. Some expected impacts related to the MIID grant include:

- Increased income of participating households by 25 percent over the course of 18 months;
- Building strong, gender-balanced producer groups/associations with representation connected to regional and national associations
- Improved farmer knowledge of value chains, trade and agriculture practices
- Increased knowledge sharing, improved market understanding and private sector engagement, including outreach to distant households outside of central village areas.

FAST FACT: *The world export market of ginger is growing at about 27% by value and 5% by production, annually. Major exporting countries include China, Nigeria, Ethiopia and Thailand.*



Winrock International is a nonprofit organization that works with people in the United States and around the world to empower the disadvantaged, increase economic opportunity, and sustain natural resources.



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