



Ginger

Value Chains for Rural Development in Myanmar

USAID's Value Chains for Rural Development project (VCRD) integrates smallholders and 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.

Ginger Value Chain — Strategy:

VCRD collaborates with community and private sector partners (farmers, processors, buyers) to build an inclusive, market-oriented ginger value chain in Myanmar that meets both quantity and quality requirements of domestic and international customers. Goals include shifting smallholders from production of low-grade product to value-added, chemical residue-free ginger; increasing farmers' abilities to produce higher-quality ginger with improved yields; linking producers to new buyers in high-value markets; and supporting processing capacity to meet global standards. VCRD partners with community extensionists and local organizations including Sein Lan Wai (a private extension/services firm) and processors including Myanmar Agri-Business Group, Snacks Mandalay, Heho Potato Co. and Green Eastern Agri. VCRD also partners with the International Labour Organization's Vision Zero Fund to support strong ginger farmer enterprises and promote safe farming and processing practices.

Producers and Target Areas — Context

With about 2,400 hectares (ha) of ginger planted in 2015, 80% of ginger produced in southern Shan comes from around Taunggyi and the slopes of Kalaw, Pindaya, Ywangan and Pinlaung. Ginger is a major income source for about 10,000 households in this area. VCRD targets support for 4,000 direct beneficiaries in an environmentally sensitive region that includes the Inle Lake Biosphere Reserve. The project works with community-based extension experts to support ginger farmers interested in adopting improved agronomic and post-harvest practices to penetrate high-value markets.

Ginger Production — Constraints:

- International demand for high-quality ginger with no

pesticide residue is increasing, but the southern Shan market has historically been controlled by Heho and Aungban traders, leaving farmers little negotiating power;

- Risk of soil erosion; most ginger production land historically has been prepared along slope lines, causing severe erosion during the rainy season as topsoil slides and leaves horizons below barren;
- Traditionally short fallow periods between cultivation, which exacerbate erosion, organic matter depletion and disease prevalence;
- Rhizome rot and bacterial wilt, resulting in decreased yields; removal of "mother" rhizomes; and
- Weed competition at emergence, resulting in farmers using too much herbicide.

On-Farm — Innovations and Actions:

VCRD partners with community extensionists and private sector partners to demonstrate sustainable practices and technologies that preserve soils, limit erosion and rot while reducing inputs costs. Practices introduced during field days and demonstrations include:

- Use of *Trichoderma* soil application and mulching; soaking rhizomes in Effective Microorganisms;
- Intercropping and shading with crops including pigeon pea, coffee, mango and maize;
- Planting along contours to reduce erosion; improved spacing and mounding;
- Application of Bokashi compost as a substitute for chemical fertilizers and training on soil preservation techniques;
- Coordinate with ILO to promote farmer knowledge of Occupational Safety and Health practices;
- Work with processors to identify market demand and varieties adapted to the local environment.

(These actions are coordinated with local extensionists, community organizations, SLW, ILO, and processors like GEA, HPC and Snacks Mandalay.)

Off-Farm — Innovations and Actions:

- Capacity building of ginger farmer groups to im-



- prove organization and facilitate new market linkages and sales opportunities, including contract farming possibilities;
- Increasing pesticide and herbicide-free contract growing between farmers and processors to achieve quality premiums and meet international market demands;
 - Facilitating upgrades to ginger processing/factory systems to comply with global standards;
 - Linking producers of high-quality ginger to new/high-end buyers, including international importers and high-end customers; and
 - Identifying new sources of credit, investment and financing opportunities, including loans and grants.

(Actions are supported by VCRD and partners including SLW, GEA, HPC, Snacks Mandalay, ILO and others..)

Selected Impacts

- Training and market linkages facilitated by VCRD helped ginger farmers to more than **double their gross margins (profits) per hectare** (from \$673 in 2016 to \$1,408) in 2018;

- **More than 6,102 ginger value chain stakeholders have been trained on improved practices** including composting, contouring, soil conservation, intercropping, spacing, safe handling/use of inputs;
- As a result of increased interest in Myanmar ginger, two new processors developed the **first washing/packing stations in Shan, helping ginger farmers aggregate** high-quality ginger for sale;
- Farmer groups trained by community-based extensionists **sold 103 MT of pesticide/herbicide-free fresh ginger** to high-end buyers—including **23 MT exported to the U.S. and France**, for which farmers were paid the first quality-based premiums for differentiated product; and
- **3 new ginger seed producers** in Shan **sold 33.5 MT** of high-quality ginger seed stock valued at **\$16,640**, while a local FG produced **125 MT** of Bokashi fertilizer, providing new revenue streams and improved access to high-quality inputs.

FAST FACTS: *Top ginger producing countries in the world include China, India, Nepal and Thailand; fresh ginger is in higher demand than other forms (dried/pickled) according to a market research firm.*



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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