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.

**Strengthening the Soy Value Chain — Strategy:**

VCRD’s strategy in the soy value chain is to facilitate inclusive, market-systems led growth of an industry that meets the quantity and quality requirements of the domestic food-based end-market for soybeans. The project engages with the soy food processing sector, collaborating with major processors in Yangon and Mandalay to upgrade capacity, technology and food safety standards to meet local market demands, produce safe products, and meet important international standards that open new domestic markets and increase purchases from smallholder producers.

**Producers and Target Areas — Context:**

Soy is produced across Myanmar, with about 50 percent of all production originating in Shan; of that amount, about half comes from southern Shan. There, soy is produced during both the rainy and dry seasons primarily in seven townships: Lawksawk, Pindaya, Kyauktalone Gyi, Loilen, Mong Nai, Nansang and Laihka. VCRD collaborates in these areas with tofu and traditional soy food processors, community and farmer groups, the Myanmar Farmers’ Affairs Co. (MFAC—established 2018/19) and private sector extension providers such as Sein Lan Wai (SLW) and Taunggyi Green Garden (TGG), to facilitate technical and market linkage support to 10,000 smallholder households.

**Soy Production — Constraints:**

Historic constraints faced by smallholder farmers to meet market demand and earn best prices include:

- Harvesting during rainy seasons has led to grain with high moisture, mold, and lower prices;
- Upland soil fertility has been reduced due to increased maize mono-cropping;
- Farmers lack access to quality seed and improved technologies; and
- Farmers lack access to seed with different cycle (maturation) lengths, which could provide more options for farmers to spread harvesting periods, adapt to climate conditions and take advantage of higher market prices when supplies are limited.

**On Farm — Innovations and Actions:**

VCRD works closely with community extensionists to organize field days and demonstrations during rainy and dry seasons, enabling farmers, seed and inputs suppliers and other influencers to examine and share results of new practices and technologies. The project works with private and community partners and the Department of Agriculture (DOA) to promote improved technology (moisture meters, dryers, seeders, Rhizobium, storage bags) and with the in locations where farmers and others can observe and learn. The following practices/technologies have been introduced at Farmer Field Days and/or demonstrations:

- Demonstration and distribution (through private sector providers) of improved, locally-adapted seed varieties (approved by Department of Agriculture Research/DAR);
- Introduction of new seed production practices;
- Demonstration of flat-bed grain dryers and airtight storage bags; introduction of hand-seeders;
- Use of locally available Rhizobium inoculant; and
- Introduction of rotation and/or intercropping of soybean and maize during the rainy season.

These actions are supported by VCRD with MFAC; SLW and TGG; farmer groups; community-based organizations; private sector suppliers such as Pioneer Agrobiz and Jaguco Myanmar Co.; DAR and DOA.

**Off-Farm — Innovations and Actions:**
• Support investments in tofu factory upgrades and food safety to improve capacity and increase demand for soy from smallholders;
• Facilitate grain production as a business and contract farming arrangements between suppliers, processors, smallholder soy farmers and government;
• Catalyze new market linkages between seed producers and suppliers, tofu factories, oil millers and high-end retailers, including supermarkets.

(These actions are supported by VCRD through linkages with MFAC; SLW; TGG; Myanmar Nice Tofu Factory; Mandalay T-Brand Tofu, Jaguco, Pioneer, DAR and DOA).

Impacts (Selected):

• Community extensionists made available for transfer 10 improved technologies for soy farmers including dryers, airtight storage bags, hand seeders, Rhizobium and locally adapted soy varieties;
• The project has trained more than 11,400 beneficiaries on improved soybean practices;
• These technologies were adopted by more than 55 percent of soy farmers who attended trainings in 2018, and are now in use by women-led Self-Reliance Groups in Shan and other areas where soy has become a viable, income-generating crop;
• Improved practices/techs were used in almost 13,700 acres of soy fields in southern Shan, helping farmers earn quality premiums from selling higher-quality grain in 2018;
• The project helped facilitate the first revolving fund loan by a national bank to the Kyet Thet Soybean Farmers Group, supported by a pre-sale contract guaranteed by a supplier; and
• The project leveraged more than $1.7 million in private sector investments by processing firms and smallholders in equipment upgrades and other improvements, creating increased demand for high-quality soy grain.

FAST FACT: To cope with unpredictable weather that has impacted yields and bottom lines, soy farmers require seeds with varying maturation cycles to maintain competitiveness. New seed varieties developed by DAR and demonstrated by community extensionists and community-based organizations collaborating with VCRD are offering added crop-cycle flexibility for soy farmers, enabling them to adapt to extreme weather conditions.