



# Improving Avocado Production in Chin State and Southern Shan State

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Case Study





### **Introduction and context**

Despite significant potential, a wealth of natural resources, and encouraging recent growth, decades of economic mismanagement and conflict have exacted a heavy toll on the Myanmar economy. The agricultural sector is the backbone of Myanmar's economy, accounting for approximately half of total employment in the country, as well as 20% of formal exports and 27% of GDP. According to the most recent Asian Development Outlook, Myanmar's agricultural sector grew by 2.8% in 2014 and 3.4% in 2015, markedly slower than the industry and services sectors and the country's overall growth, as is common in most developing countries. Constraints to improved agricultural production include low quality seeds, outdated farming methods and standards, inadequate storage, processing, trade facilities, and limited government assistance.

The UK Department for International Development (DFID) is funding the transformative Business for Shared Prosperity Programme (BSP) in Myanmar, with £25m of funding allocated to the DaNa Facility, tasked with providing grants and technical assistance to non-governmental organizations (NGOs) and businesses to help improve

the business environment. Nearly £2m of grants were awarded to four recipients through the Economic Empowerment Window (EEW). The DaNa Facility issued a call for grants through the EEW in January 2017, with the objective of increasing jobs and income, strengthening livelihoods, and empowering women, persons with disabilities, and other disadvantaged groups in Myanmar. Grants were restricted to national and international civil society organisations (CSOs) and NGOs working in the garments and textiles, agribusiness, and access to finance sectors, with grants ranging from £100,000 to £600,000.

### **Overview of the MFVP project**

The DaNa EEW awarded the Myanmar Fruit, Flower, and Vegetable Producers and Exporters Association (MFVP) a grant of £531,628 for a project focusing on economic empowerment of highland people in the east and west of Myanmar through upgrading coffee, avocados, and elephant-foot yam (CAEFY) value chains. The project aims to increase income for up to 2,000 farmers, including 800 women, and up to 8,000 family members, including 3,200 women. Value chain and cluster interventions are implemented in isolated areas of Southern Chin State and in

the Pa-O Self-Administered Zone (SAZ) within Southern Shan State, both areas are affected by armed conflict. Within the Pa-O SAZ, the project is supporting Hopong, Hsihseng and Pinlaung Townships.

DaNa's assistance builds on MFVP's experience supporting flower, fruit, and vegetable markets in remote areas of Myanmar. The project focuses on all three crops – coffee, avocados and elephant foot yam - in Chin, though in Pa-O activities focus exclusively on avocados, which is considered a high-value crop. With support from DaNa, MFVP is helping small-holder farmers increase their quality, quantity, and income, while finding new markets for avocados in China, the EU, and elsewhere. MFVP is supporting creating farmers' associations, enhancing marketing and training initiatives for farmers, traders, and exporters, and developing a national avocado export strategy. For example, MFVP has organised a National Avocado Festival in Hopong where farmers presented their products to local and foreign buyers. Chin avocado farmers were also invited to showcase their products through regional learning and market opportunities.

### Overview of the regions

The Union of Myanmar is ethnically diverse. The border regions are home to many of Myanmar's ethnic minorities, many of whom have engaged in decades long conflict with the central state and the Myanmar armed forces, known as the Tatmadaw. Despite armed conflict persisting in some areas, a fragile peace process is currently underway with armed groups from some areas of Myanmar, including the specific project areas in Chin and Shan States.

Shan State is located in the east of Burma, bordering China, Laos and Thailand. It is the largest of all the states and regions in Myanmar, and its topography includes hilly areas, especially in

the south and Pa-O SAZ, which are suitable for growing avocados. According to UNICEF, Shan State continues to be affected by conflict and vast areas of the State remain unreached by essential public services.<sup>1</sup> Case study respondents noted that males of all ages often migrate to Thailand in search of work and are absent for long periods. Therefore, women take more household decisions and expanded labour roles on family farms.

Chin State is located in northwest Myanmar, bordering Bangladesh and India, and it also has hilly areas suitable for growing avocados, coffee, and elephant foot yam. According to UNICEF, Chin State is one of the least developed areas of Myanmar, and is dependent on agriculture and forestry. Southern Chin is home to some of the most remote and isolated communities in the country. Chin State has the highest poverty rate of all states and regions in Myanmar, and the population is decreasing due to economic migration to other parts of Myanmar and neighbouring countries.<sup>2</sup> Chin culture is conservative and patriarchal, with men making many of the public and business decisions, while women make decisions about food, household expenditures, and children's education.

In all project areas, ownership of farms and land tends to be mostly male, although formal land registration is low for historical and cultural reasons. Many communities follow customary practices including communal farming, and remote areas remain marginalised from formal government bureaucracies and local governance. Low trust in formal land registration may also stem from historical practices of land confiscation by government or military actors.

### Methodology

The findings below were generated from interviewing key stakeholders in Yangon and Southern Shan State between June 11-14, 2018, car-

<sup>1</sup>UNICEF. Shan State socio-economic context. [https://www.unicef.org/myanmar/Shan\\_State\\_Profile\\_Final.pdf](https://www.unicef.org/myanmar/Shan_State_Profile_Final.pdf)

<sup>2</sup>UNICEF. Chin State socio-economic context. [https://www.unicef.org/myanmar/Chin\\_State\\_Profile\\_Final.pdf](https://www.unicef.org/myanmar/Chin_State_Profile_Final.pdf)

ried out by three DaNa local staff. The fieldwork focused on Shan because avocado cultivation in Chin State is still nascent.

The avocado case study was conducted using qualitative methods. The initial interviews in Yangon were held with the MFVP team and other NGOs operating in Chin and Shan State. For the fieldwork, five Key Informant Interviews (KII) were undertaken in Taunggyi and Hopong Townships with Southern Shan State MFVP staff and key avocado farmers. In addition, one Focus Group Discussion (FGD) was conducted with five female avocado farmers in Hopong Township, moderated by a female DaNa employee. One of the key farmers is actively involved in avocado trading as well. Due to the number of interviews and focus group discussions, the findings are not necessarily representative of the Hopong area nor of Chin State, although they illuminate some key issues faced by avocado producers.

## Findings

The intervention also provides lessons learned for the attractiveness of avocados as an alternative livelihood for farmers in post conflict areas in Myanmar and discusses how the programme is helping farmers leverage loans and access new markets. The intervention also provides DaNa with an opportunity to address gender inequalities in harvesting and selling avocados.

## Gender differences in the avocado value chain

Men and women have different roles in cultivating avocados, and these differences are used to justify why men are paid more than women for their labour. Since avocados are relatively heavy and harvesting is labour-intensive, men are often involved in climbing trees, fertilizing, picking and carrying the fruits. Women tend to be involved in planting seedlings, post-harvest handling and packaging, because they are considered to be more dextrous.

In Shan State, men conduct tasks such as spraying pesticides, digging and tilling soil and other tasks that require stronger physical exertion. For example, men usually climb avocado trees (an activity considered unsuitable for women) to pick and carry the fruit, while women place avocados into bags or boxes. Men also carry the boxes and fertilize the fields. Respondents agreed that men earn more than women per day. One source estimated that in Chin state men earn around 7,000 kyat a day (around £3.60; \$4.60) whereas women earn 5,000 kyat per day (£2.50; \$3.28). An avocado grower in Shan State said that on average a male worker earns 5,000 kyat per day while a female worker would receive 3,500 kyat per day. The reason given for this difference in salaries is that men are involved in more labour-intensive work requiring physical strength, and that activities such as climbing trees, exposure to chemicals, and working with machinery are more dangerous. These wage inequalities are consistent within the national context of a gender pay gap between male and female agricultural workers across Myanmar.<sup>3</sup> In addition, this mirrors some female respondents' perceptions regarding the general household division of labour, where men work harder, though for less time, and get paid more.

“Women have to work more than men in the household. Even in my family, my brother only does labour intensive work, such as clearing land and it ends there. He has nothing more to do. We, the girls have to take care of all the rest and it is really tiring. I think we should all work and take responsibilities together.”

Housewife, 27 years old

<sup>3</sup>Asian Development Bank, United Nations Development Programme, United Nations Population Fund, and the United Nations Entity for Gender Equality and the Empowerment of Women, Gender Equality and Women's Rights in Myanmar – A Situation Analysis, 2016, p52



The MFVP programme is working with farmers' collectives to train farmers, aggregate products, and open new markets. Men's and women's participation in these collectives seems to vary by state.

#### **Gender differences in avocado selling and other business dealings**

In Chin State, where most members are men, women are not yet showing interest in participating in farmers' associations. This may be due to cultural assumptions that such activities are perceived as masculine. In Shan State, women are becoming more involved in farmers' collectives, with one woman taking over her husband's membership and sending him back to the field, saying she wanted to attend the meetings. From the women's focus group discussion, women think their involvement in training is beneficial since they are more willing to learn and apply knowledge, while men tend to focus on traditional practices. They shared their experiences convincing men to try new agricultural practices: while some husbands easily accepted, other women faced challenges in convincing their husbands to try something new.

“When MFVP provided trainings, I was able to join to gain knowledge about avocado markets as my husband was not interested in attending and unable to spare time as he was busy in the farmland. I had difficulty in convincing him to try grafting as he still believes in traditional ways and techniques. However, he later agreed to try grafting training in the next season.”  
Housewife, 42 years old

In both locations, women are becoming more involved in farmers' associations and associated trainings and events as men spend more of their time farming. However, women face barriers to attending events when trainings require long or difficult travel to locations outside their villages, as both men and women are concerned for women's safety and women themselves were reluctant to travel. Women's traditional roles in the home also restrict their ability to participate.

### **Securing land title**

Securing land title is important as it is a legal requirement and allows the land to be passed down in the family, and can be used as collateral for loans to invest in businesses. Land owners have greater benefit than those who work on the land such as casual labourers. Land owners can lease property to other farmers, and hire labourers to work on their farmland. Recently MFVP helped avocado farmers in Pa-O secure loans against their land title, these loans are currently a unique initiative within Myanmar, and have allowed farmers to get a loan from A-Bank of 400 million Kyat for three years paying 13% interest. MFVP played a critical role in connecting A-Bank and Hunam Public Company, which was formed by a group of avocado farmers in Hopong Township. This kind of loan arrangement is not possible with other banks – a unique initiative of A-Bank. A-Bank also participated in the business plan contest conducted by MFVP in Chin State where A-Bank already started exploring possible loan agreements with farmers.

However, there is a gendered element to land ownership and competing claims can cause conflict. According to customary practices, land titles are registered with the head of household, normally men. This can form barriers to women's access to finance, especially women headed households. A respondent in Pa-O state said many farmers currently do not have land use certificate



as required by law and they are collectively trying to secure land use certificate for avocado farmers.

In Chin and Shan States, years of conflict have sometimes given rise to conflicting claims of land ownership, and land-grabbing or confiscation is a significant risk.

### **The avocado cultivation cycle**

Avocados are a potentially high-value crop that grow naturally in some areas of Myanmar. Avocado is seeded in the dry season from February to May, grows throughout the wet season, particularly June and July, and is harvested when the dry season returns in December and January. Trees yield little fruit in the first year and take three to six years to mature. Thus, avocado farming requires a commitment of several years to realise its full potential.

Once avocados are ripe, they are sold on the tree to local collectors/distributors, with a price agreed per tree. The avocados are then harvested by the distributors through a combination of local and migrant labour and transported to markets. Local distributors transport through Myawaddy and Thachileik, on the border with Thailand through agents, with large-scale distributors transporting directly to the border. Due to lack of certification from Myanmar authorities, avocados transported

to the Chinese border are routinely tagged as 'made in Yunan' in order to be sold in China – the avocado boxes are stamped with 'made in Yunan' by Chinese traders who have acquired a General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China (AQSIQ) certificate. Respondents expressed that they could attain higher prices with legal support from the Myanmar Government. In addition, additional revenue could be generated for the Myanmar Government if these avocados are sold as 'made in Myanmar' to China.

An acre of land can yield around 10 metric tonnes of avocado in a season, with a market price of 10 million kyat (£5,200; \$6,666), and can yield a profit of around 4-5 million kyat (£2,000 to £2,500; \$2,600 to \$3,333). Most farmers have around two to five acres of land available. Avocados have a domestic market in Myanmar as well as established markets in Thailand and Cambodia and growing markets in Hong Kong and the rest of China. Business events such as trade fairs held in Hopong and Ruili, China, facilitated by MFVP, have enabled avocado entrepreneurs to connect with both domestic and international traders and buyers.

The main problems faced by farmers involved in the programmes are low yields and limited access to markets, including transportation to markets. Some farmers interviewed said they struggled to grow more avocados than their families consumed. Shan traders are starting to travel to other villages to collect sufficient quantities of avocados to sell in acceptable volumes.

#### **Avocado as a substitute for opium**

One finding that has emerged from the intervention is the possibility of presenting avocados as a substitute for poppy cultivation. Opium has traditionally been grown in areas of Shan State and Pa-O SAZ, with some farmers pushed into

growing opium after losing their more fertile farmland to others. Poppy has also been used to fund militias in these areas. The crop is illegal, and local government officials have previously burned some poppy fields. Respondents suggested that avocados compare favourably to poppy, with lower risk, a larger market, higher yields, market prices and profit margins, although at present avocado farmers are struggling to bring sufficient quantities to market.

“We also wanted to change the practice, but where would we start? Now we are seeing the path. The main intercropping is avocado in this area. In the past, when we were cultivating opium, we worried, but we can now cultivate avocado peacefully without fear, and the market is legal.”

Former opium farmer,  
Pa-O region

## Conclusions and recommendations

The MFVP intervention in Pa-O built on their earlier work in conflict-affected areas such as Chin and Shan States. They have identified the main barriers to successful avocado farming as low crop yields and limited access to markets that they are seeking to address through training, farmers' collectives, and showcasing products to stimulate interest from new markets. DaNa's review of the context where the intervention is operating has uncovered several areas where DaNa can contribute knowledge and technical assistance, including the following:

- Issues around attitudes towards men's and women's roles, decision making, and wages in the avocado value chain. DaNa has already provided dedicated support and mentoring to MFVP to address the gender dimensions of the project, and MFVP participated in a training on gender sensitive approaches to value chain development. DaNa will continue supporting MFVP in ensuring women's equal participation in the project, including farmers' collectives and training sessions that are based outside of participants' home villages.
- Avocados are grown in post-conflict areas of Chin and Shan States, and provides an attractive alternative to opium, which is illegal and may fuel

the conflict. There is evidence that many poppy farmers have shown a willingness to shift towards avocado cultivation. The potential of this development can be explored further through coordination with United Nations Office on Drugs and Crime (UNODC), MFVP, and the Myanmar Avocado Association, including developing a strategic implementation plan that explores the potential of substitution.

- Securing farmer's title to their land is increasingly important as it is a legal requirement and conveys rights to the landholder, including collateral for securing loans in the case of A-Bank. As interventions like MFVP's demonstrate the value of holding land in these areas, disputes over land ownership may increase. DaNa can add value in this area by supporting the registration of land jointly at the household level, increasing women's formal access to land and potentially their access to loans to invest in their business. DaNa can also work with MFVP to support mechanisms to resolve emerging disputes over land ownership.
- In order to promote legal avocado trading with foreign countries, DaNa will explore the potential to facilitate issuing legal certificates such as 'Good Agricultural Practices' certificates to avocado farmers with the aim of increasing prices, and access to markets.

For more details on the DaNa Facility and the work of the programme please visit: [danafacility.com](http://danafacility.com)

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