



May 2019

SUCCESS STORY:

Organic Intercropping for Coconut Trees: Improving Lives on Man-Aung Island

U Thar Htun is a typical coconut farmer from Kyun Gyar Village, Man-Aung in Rakhine State. He is 45 years old, has a family of seven and a 1.5-acre plot of land with 40-50 coconut trees. He supports the education costs for his three children, as well as the medical needs of his ageing parents. Inevitably, in addition to farming, he must work seasonally as a general labourer to earn enough income to sustain his family.

U Thar Htun usually sells his coconuts to a local trader. The trader processes the coconuts into dry copra, a low value product used to make crude coconut oil, and transports it to Yangon for processing. The coconut oil market in Myanmar relies almost solely on supplying cheap oil for hair products and demand is unstable. As a result, the price constantly fluctuates leading to inconsistent sales and incomes for U Thar Htun and many other farmers.

In 2018, Mya Ayer Co. Ltd came to Man-Aung with a fresh and exciting idea: to set up a zero-waste coconut processing factory on the island. This factory will allow Mya Ayer to source the whole coconut, to process it on the island and produce a greater variety of products - while also reducing waste. Mya Ayer produces organic coconut products sourced directly from organically certified coconut farms, providing a higher price to the farmers while also supporting farmers to earn additional income by intercropping ginger and turmeric in the coconut groves. This inclusive business initiative is supported by the DaNa Facility and funded by UK aid.

The Man-Aung Ratana Factory of Mya Ayer will be completed in 2019, providing 250 new jobs for the local community, most of whom are expected to be women. This project will improve the livelihoods of poor coconut farmers and copra makers on Man-Aung Island in Rakhine State through improving market conditions, diversifying crops and creating new jobs along the coconut value chain.

After hearing about the project, U Thar Htun said, "I am delighted to hear that Mya Ayer is supporting organic farmers with training and higher prices for coconuts. I will quickly rush to register and certify my land. I am also excited to learn more about intercropping ginger and turmeric so I can sell additional products in the



U Thar Htun and his wife proudly demonstrating the turmeric and ginger they produced from intercropping on their farm

market throughout the year."

With DaNa Facility and UK aid support, Mya Ayer provided U Thar Htun with organic seeds and inputs, training, and a market guarantee for all of the red turmeric he can produce. Moreover, his land was certified organic by an international third party certification body, under the standards of the United States Department of Agriculture (USDA), the European Union (EU) and the Japanese Agricultural Standard (JAS).

By certifying his coconut farms organic, the price he is receiving for his coconuts has increased by 30%. Also, after successfully harvesting his first red turmeric crop, he earned an additional 600,000 MMK (£300). U Thar Htun happily explains, "I am very grateful to the Mya Ayer Company, the DaNa Facility and UK aid. Now I can provide a better life for my family".

Commercial intercropping at this scale is being conducted for the first time for Man-Aung Island communities. The organic certification process and training was completed for more than 1,500 farmers like U Thar Htun, and intercropping will be extended to 100 acres in the coming season. U Thar Htun said he would like to see many more coconut farmers join in the project so they too can enhance their livelihoods.