

GOLDEN SUNLAND

Improving livelihoods of smallholder farmers and reducing the carbon footprint of rice production

Golden Sunland is a Singaporean company engaged in full value chain rice production in Myanmar, using contract farming and environmentally friendly hybrid seed technology.

THE CHALLENGE

The climate crisis is negatively impacting the production of rice. Moreover, the cultivation of rice itself is harmful to the environment. This creates a vicious circle leading to declining productivity in food production, endangering global food and nutrition security, and affecting people in developing countries worst.

Rice is a staple food to 50 percent of the world's population, the majority of which is grown by smallholder farmers in Asia. Myanmar is one of the countries with the best conditions to grow rice in the world. However, local agriculture suffers from high fragmentation and poor farming practices resulting in low productivity at the expense of nature. That is why Golden Sunland is committed to efficient and climate-friendly production of rice at fair purchase prices.

THE INCLUSIVE BUSINESS APPROACH

Golden Sunland's business model is based on both the extension of its value chain to include upstream and/or downstream activities and integration of its suppliers. The pillars of this model are improving productivity through better seeds, storage and farmer coaching; driving down prices through bulk purchases; connecting resources to the farmers; and direct sales to customers under 'The Little Rice Company' brand.

One of the problems in Myanmar's rice sector is that the local rice varieties have a relatively low yield. Therefore, Golden Sunland has developed a hybrid rice variety that has not been genetically modified. With an average of 30 percent more paddy yield, this seed achieves significantly higher yields compared to local varieties. The company provides farmers with seeds and buys back the rice from the farmers at a pre-agreed price. The buy-back system is transparent and based on fair and clearly defined criteria regarding rice quality and quantity, which are well understood and followed by farmers. Typically, Golden Sunland farmers receive up to 20 percent more than the official government recommended buy-back price.

There is also a lack of coordination and cooperation between smallholder farmers. By partnering with other local farmers through Golden Sunland, they can benefit from the economies of scale of centralised resource and financial management, synchronised planting and harvesting schedules, and collective pest and disease management systems. By selling under its own brand, "The Little Rice Company," the company bypasses middlemen and thus achieves higher profit margins. This is passed on to farmers in the form of above-market purchase prices.

AT A GLANCE

Sector:	Agricultural technology
Founded:	January 2017
Location:	Singapore and Myanmar
Employees:	87
Turnover:	650,000 USD (2020)
IB approach:	Inclusive Business Model
BoP focus:	Suppliers

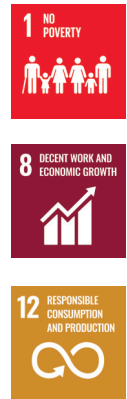
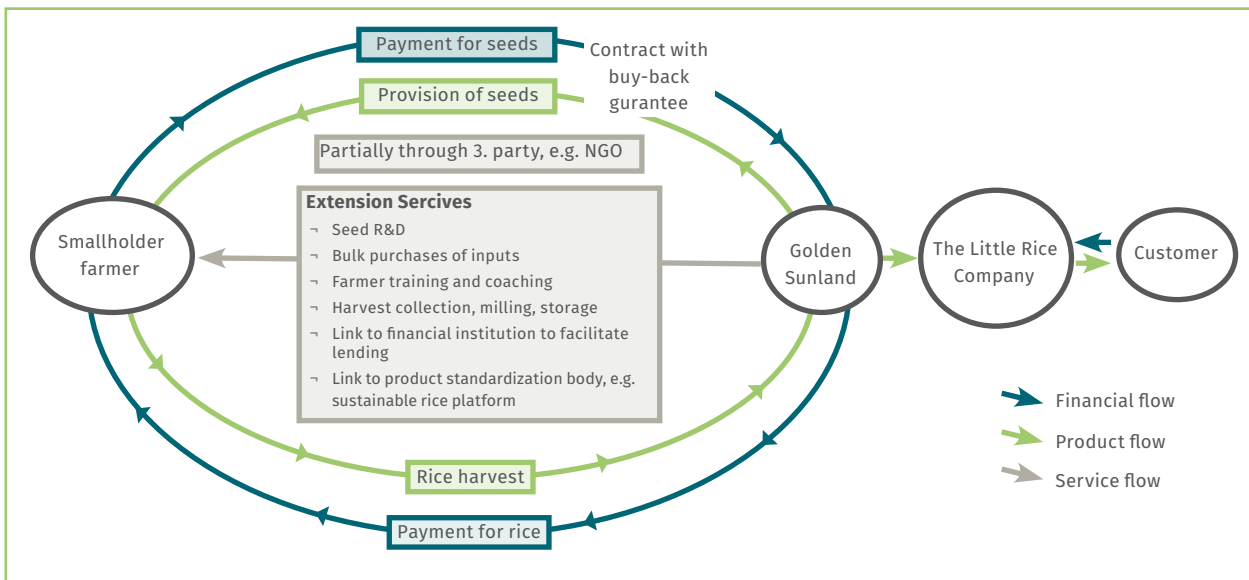
iMPACT

Farmers reached:	600
Income improved:	Net profit increase of 30% on average (about 40 USD/hectare/season)
Environmental protection:	Carbon footprint reduction by 60%

All data from 2020, if not stated otherwise.

„Inclusive business companies provide goods, services, and livelihoods on a commercially viable basis, either at scale or scalable, to people living at the base of the pyramid, making them part of the value chain of companies as suppliers, distributors, retailers or customers.”





THE IMPACT

Through hybrid seed technology and streamlining of the entire value chain, Golden Sunland has been able to increase farmers' net profits on average by 30 percent, which represents an income increase of about 40 USD/hectare/season. The buy-back guarantee provides farmers with a degree of income stability. Since the company was founded, it has produced 4,000 tonnes of rice, improving the livelihoods of 600 farmers. By modernizing and streamlining its rice value chain, Golden Sunland has also been able to reduce its carbon footprint by 60 percent since the start of the project. The company's long-term goal is to enable farmers to escape poverty by providing them with tools and systems to operate collectively and reap the benefits of large-scale farming. This will allow farmers to develop a highly mechanised and efficient agriculture on their own.

THE OPPORTUNITY

Golden Sunland recognised that other markets such as Vietnam or Thailand were already developed and Myanmar, as an emerging market for the rice sector, had more potential for long-term growth. Myanmar was also the last frontier with 7.2 million hectares of rice fields. Much of the rural population lives below the poverty line and farmers are eager to improve their livelihoods, which in turn has created a demand for Golden Sunland's services. Also, apart from rice exports, Myanmar has a large and relatively untapped domestic market for rice that the company was easily able to tap into.

In order to deliver extension services as efficiently as possible, Golden Sunland collaborates with other organisations and NGOs on a project basis. In November 2018, the company met the Myanmar Awba Group, an input provider, at an inclusive business training held by iBAN and the UK funded DaNa Facility. In a strategic partnership with the international NGO Mercy Crops, Awba and Golden Sunland have been enhancing the 'Link to Labutta Market' project since January 2019 by providing farm advisory services in compliance with the GAP standard. The project resulted in net profit increases of at least 30 percent for the farmers.

For more information, please visit:

 www.goldensunland.com

