



Project location:  
Morobe Province, PNG

Project location:  
1 January 2009

Funding source:  
AusAID 45%, Mainland Holdings 55%

Total grant funds approved:  
A\$453,745

Updated December 2012

## Mainland Holdings – Processed Vanilla Export, Papua New Guinea

### ABOUT MAINLAND HOLDINGS

Mainland Holdings is a locally owned Papua New Guinea agribusiness company with over 40 years' experience in working with smallholder farmers.

Mainland Holdings was sold to new owners in 2011 and was restructured. The new owners have opted to retain the ECF supported vanilla business and this will be dependent on profits generated.

Mainland provides technical support services to vanilla growers in crop management, disease control and overall management of supply operations. This helps to overcome poor quality assurance procedures which previously undermined the PNG vanilla industry.

### THE PROJECT AND HOW IT WORKED

Mainland Holdings used an ECF grant to establish a processing plant that will convert fresh green vanilla pods into desiccated, fermented and dried products meeting international standards. Mainland has developed a supply chain of 200 vanilla farmers who are able to supply green vanilla pods for processing. It has given technical support in: crop management, disease control and overall management of supply operation to growers.

Mainland received initial technical support from Uvan Limited, a Ugandan company with over 20 years' experience in vanilla production. This is an important element of the project. The project was expected to provide -

- an addition source of income to communities by creating a reliable market for rural suppliers of fresh uncured vanilla
- Direct employment of buyers, extension officers and factory workers
- Flow-on benefits to small businesses and communities stemming from increased transport services to satisfy production requirements

- A boost to investor confidence in the sector
- A successful model for others to replicate in Papua New Guinea and other Pacific Islands

### THE RESULTS

- The factory and curing plant has been completed and is operational however the operation has not been as successful as expected as Mainland has struggled to secure sufficient volumes of vanilla for a viable export business.
- Mainland created seven full-time jobs and 20 part-time jobs in the curing plant. 12 women have been employed as graders and sorters of green vanilla pods in Lae. They work on an on-call basis, operating around 25% of the time. Previously there was limited opportunity in the rural area for paid employment for women.
- Mainland has also employed three extension workers on a seasonal basis and they are working with women in particular, encouraging growers to improve their productivity and educating people on quality requirements.
- Overall, Mainland has sourced vanilla from 150 households from across Papua New Guinea. Interviews with farmers selling vanilla to Mainland Holdings found on average they had 300 vanilla plants. In a discussion, they said they sell vanilla only when the price is right or to access immediate cash to fund day-to-day expenses.

### HOW ECF FUNDS WERE USED

The ECF grant partly funded the cost of the production facility and funding technical support to suppliers. Only part of the grant was used.

Mainland Holdings is sharing the cost of the project.