

Cocoa Plantation and Production in Myanmar

Myanmar has little cocoa production due to its soil, which tends to be too acidic to grow cocoa trees. As a result, it takes several tries to determine which part of the country is suitable for the sustainable production of cocoa. After conducting a survey, there were several production sites created in Taungoo, northern part of Kayin State, and Kambauk in Tanintharyi region. Nowadays, cocoa is widely planted in these areas. According to the Farmer Myanmar Online Journal, most farmers in Tanintharyi region are interested in planting cocoa trees because it is easy to grow in the area. The farmer who owns banana, areca palm, and betel plantations, are interested to grow cocoa trees, which can grow between those plants.

A French company, Dyna Grow Co. Ltd., has engaged in contract farming with a local farmer, and signed an agreement with 40 local farmers to plant about 30,000 cocoa trees in Kalain Aung Township, Tavoy Township, and Yebyu Township in the second week of June 2017. According to Dyna Grow Myanmar Company, there were about 100 farmers, planting over 58,100 cocoa trees in Tavoy district, Tanintharyi region during 2015 to 2017.

Cocoa Market/Opportunities

So far, there is only one company called “Ananda Coffee and Cocoa” producing domestic brand chocolate in Myanmar. Ananda produces about 100 different kinds of chocolate to distribute to the local and foreign market. It used to have a cafe in one of the city’s plazas, Market Place, which served other treats, such as dried orange peel dipped in milk chocolate. Ananda also receives special orders from hotels. Thus far, they have produced roughly 20,000 bars to be sold at Kandawgyi Palace Hotel and Park Royal Hotel in Yangon. Ananda Coffee and Cocoa uses online channels to arrange distribution, and customers can order products online.

Cocoa Price

Most cocoa trees are planted in Tanintharyi region, which mainly has rubber plantations. Most of the cocoa plantations in Tanintharyi region are developed through farming contracts between the company and local farmer. According to a cocoa farmer in Kalain Aung Township, the company provides cocoa trees for the farmer, and technical assistance for the cocoa plantation. Natural fertilizer is also provided for three years by the company. In the fourth year, cocoa plants start producing the fruit. The local farmer can sell the cocoa fruit to the company based on the current price. The company pays 400 kyats for 3.6 pounds (1.6 Kg) of cocoa fruit. Afterwards, the company usually exports cocoa seeds to Europe.

Plantation areas

Although different types of cocoa trees can be planted in Kayin State, Mon State, and Tanintharyi Region, due to the area’s climate and suitable soil for cocoa development, Tanintharyi region is the most developed one for cocoa production when compared to the two other states. Dyna Grow Myanmar Company plans to extend the plantation of cocoa trees in Dawei, and to advocate local farmers to get involved in the annual development of cocoa production in the region.

In brief, cocoa production in Myanmar is low, but has expanded every year. According to Zaygwet Journal, a Malaysian business delegation held a meeting with the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) in January 2017 to discuss opportunities to promote the chocolate industry and cocoa plantations in Myanmar, which will create mutual benefits for both sides. Thus, it is expected that cocoa production will increase in the future, and investors will be interested to develop cocoa plantations and production in Tanintharyi Region.

References:

<https://www.planetechocolat.com/en/content/164-chocolate-delivery-to-myanmar>

<https://www.thefarmermedia.com/news/8953>

<https://www.kumudranews.com/politics/interview/%E1%80%BB%E1%80%99%E1%80%94%E1%80%B9%E1%80%99%E1%80%AC%E1%82%8F%E1%80%AD%E1%80%AF%E1%80%84%E1%80%B9%E1%80%84%E1%80%B6%E1%80%80-%E1%80%B1%E1%80%81%E1%80%BA%E1%80%AC%E1%80%80%E1%80%9C%E1%80%80%E1%80%B9/>

http://www.zaygwet.com/local_news_detail.php?id=2050