

Interview with Kittitouch Pattanakittipong

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Myanmar, february 2017

We see the whole Southeast Asia as our strategic market including Myanmar. When you enter into Myanmar the first obstacle that you'll find is the poverty. People don't have enough purchasing power. They live a very simple life. They grow a little bit of vegetable at their backyard and they sell it what they don't consume at the local market.

So we introduced the value pack, a small pack of that would allow farmers to get access to high quality seeds, without a big investment, and once they start using it understand why high quality seeds give such a big impact on the yield. And more yield means they have more income, and when they have more income they want to put more investment into their cultivation, in the growing.

We think seed is very important because it's the beginning of everything. But it's not the absolute answer to success for farmers because once they buy seeds, they also need to develop good growing techniques. We know that farmers, they need not just only seed, but also knowledge. And we have both, so we try to train them. It's very much like after-sales service. So we need to have an extension or technology transfer team. They go out. They teach. They train people. They arrange a meeting, and teach them how to use seedling trays, mulching films, and how to increase the yield.

Knowledge transfer

But there are NGOs doing the same thing because they want to help farmers have better life, to have better income. They have objectives, but they don't know how to do it. They don't know how to make it happen. So we meet up with those NGOs and we sit down with them. We have techniques. We have experienced people. We have technical people. And we know the market very well. We know the country very well.

EWS Foundation

So that means we share projects. We discuss with NGOs that, okay, if you have the same plan to improve that area, why don't we coordinate together on this part? We have technical people. You have funding from donors and that's how it all started.

But later on we thought that, it wouldn't be nice having East-West as a business unit doing these kind of non-profit activities, because people might look at it East-West as taking advantage of NGO funding or this kind of thing. So we wanted to split up extension from the normal business functions, and that's how we came up with East-West Seed Foundation to improve farmer life; to teach, to train, and to coach them. So East-West Seed Foundation is a totally non-profit organization.

We have people managing the foundation. But the people who really work in the field have to come from the business operation. Otherwise, it would be a big waste, I mean splitting up the team into two teams: one doing business side, one doing technology transfer. We don't do that. That means East-West Seed Foundation coordinates with NGOs or donors. Once they get a budget then they allocate that budget to each country in the group, and then we work towards the objectives. But people in the field, they're still on the EWS payroll, not on East-West Seed Foundation payroll, and then we charge back and this kind of thing. It's 100% transparent. It's very clear for NGO, so they can come and monitor. They come and audit anytime. That's the concept.

Market development

When we propose a project to improve an area, we need to think about whether this area has business potential. You don't want to do anything in a desert or in the middle of nowhere, that would be a crazy idea. We think that once farmers have more knowledge and higher yields they want to have a better sort of materials: better seeds, better fertilizer, better chemicals, and that's how we view the market potential that will come after the extension activities.

We don't just specify only East-West seed as trials. We can use any seeds from that. If possible, we try to use East-West seed because we donate seeds to East-West Foundation. But, again, for some starting crops that we don't have they can use seed from any brand. It's okay.

We first target the big, growing areas in Myanmar because that means farmer they're really open to new knowledge. That is kind of a simple criteria. And, of course the project is supposed to be agreed by both donors and that's why we're going to do the same project here. For example, like this year, we're going to do in Rakhine and Kayin State.

Seed production

Ten years ago, there was a group of distributors in Myanmar, they went to our head office in Bangkok, showed up, knock on the door, "Can I buy seeds from you? We will pay you cash and then just ship the seed to the border and we take care of the rest." That's how it all started. After two or three years, we saw that sales was growing fast. So we sent a team in to make a market survey, and we set up a small sales representative office, not to sell, not to do any business activity, just to give service to customers here, dealers and distributors: importation, document preparation, those kinds of things.

After the country opened up, the idea of registering a foreign company in Myanmar came to mind. But it's one of the most bureaucratic countries in the world. It took us three-and-a-half years to register a company and now for our construction permit, it's been nine months already. In Thailand it will take you only three days to get construction permit.

Longer term strategy

East-West sees Myanmar as a strategic country, as a strategic market and strategic production area, too. The country has more than 55 million people and the average age is around 25 to 35. It's perfect for seed production. If you look at the map on the left, it's connected to India, Bangladesh, and on the right it's connected to China. So there are many business opportunities in this country, and we're not just taking; it's also giving.

Imagine in Thailand, 35 years ago, when we first established East-West -Thailand, there was no seed industry in the country. There were very small number of seed companies, and after 35 years it has become I think over 400 companies being registered as seed companies in Thailand. So that means we created a seed industry, seed sector in the market, and we hope to do the same thing in Myanmar.

We're not afraid of competition. I will say more than 50% of the newly-registered seed company in Thailand; they were actually our staff, resigned, and then open up their own venture. And I know it's gonna happen with Myanmar, too. That's how we slowly transfer to students, to people or to the country.

It's not about fresh produce anymore; it's about how you're going to increase the value, processing, and while Myanmar is really primitive. Everything is still virgin. And, of course, according to our founder, East-West Seed Founder Simon Groot his intention is not to make money. I think he has more than what he needs. But his intention is to develop, to improve agriculture in undeveloped countries like Myanmar. That is our intention, to get access to those undeveloped areas.

And, we are really good at— we want to be the leader in the tropical zone and create more value to farmers, to stakeholders, not just farmers because once a farmer has become richer, once they have better lives, of course, they spend, they inject money into the system. The country will gain— the economy will get bigger. That's how it works. It's kind of a system.