



**Funding Source:**  
Australian Agency for International Development (AusAID) – 45%, Mainland Holdings -55%

**Program:**  
Enterprise Challenge Fund for the Pacific and South East Asia

**Project Name:**  
Mainland Vanilla Rapid Curing Project

**Project Location:**  
Morobe Province, PNG

**Project Start Date:**  
1 January 2009

**Project End Date:**  
31 December 2011

**Total Grant Funds Approved:**  
A\$453,745

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# Mainland Holdings Limited

## ABOUT THE COMPANY

Mainland Holdings is a well established national agribusiness company in PNG with 37 years experience in working with smallholder farmers. The company has grown to incorporate seven business divisions with its origins in the coffee industry. It has since grown into a sizeable business, with 2,000 employees but has maintained its close links with its rural shareholder base.

Today, the company is involved in a variety of business activities, including, but not limited to, meat processing, poultry and coffee production. Recognising the potential to enhance the quality and supply of PNG's vanilla, Mainland Holdings applied for an ECF grant to expand into the vanilla industry and establish a vanilla rapid curing project. Vanilla is grown extensively in PNG and global demand for quality cured vanilla outstrips supply. Interest in the crop however has dropped in PNG due to quality problems associated with poor curing techniques used in the village and subsequent low yields and fluctuating incomes.

## ABOUT THE PROJECT

Mainland Holdings will establish a processing plant that will convert fresh green vanilla pods into desiccated, fermented and dried products to international standards. This will greatly increase the demand for processed vanilla products from PNG. This process will be implemented through a joint partnerships with Uvan Ltd, a Ugandan company with over 20 years experience in vanilla production.

## PRO-POOR BENEFITS OF THE PROJECT

Sourcing fresh (uncured) vanilla from the villages enables producers to sell a higher proportion of the crop (one price for all grades). In addition, Mainland Holdings will provide technical support services to vanilla bean growers in terms of crop management, disease control and overall management of their supply operation. This will help to overcome poor quality

assurance procedures which have undermined the PNG vanilla industry. The anticipated benefits of this project include:

- a reliable market for 10,000 rural suppliers selling to Mainland Holdings
- employment of 10 additional buyers and extension officers
- 60% increase in earning potential for producers as a result of the overall higher average bean quality, reduced waste and the purchase of lower quality beans for processing that previously could not be sold.

This project will address several important impediments in the supply chain and overall business enabling environment:

- technical extension services will support growers to improve their supply capabilities and income
- the processing unit will provide a market for lower quality vanilla which was previously unable to be sold
- an increase in demand for regular transport services between the supply regions and the processing unit will stimulate increased services by small businesses and result in flow on benefits to other businesses and communities in these regions.

## THE ROLE OF ECF FUNDING

ECF funding support will provide Mainland Holdings with the required resources to implement this project in an effective manner, to rejuvenate and expand village vanilla plantations and provide livelihood opportunities for the poor.

Without ECF support Mainland Holdings would not be in a position to fully fund the project due to other commitments and the cautious approach of financial institutions to agricultural projects in PNG. The success of the project would assist in changing these perceptions, boost investor confidence in the sector and provide a good model for others to replicate in PNG and other Pacific Islands.



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