

Human Interest Story

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Samoa Coconut Cluster: Disrupting the Status Quo by Putting Farmers First

The core value of the Samoa Coconut Cluster (SCC) is simple – farmers come first. From planting, to harvesting, to processing and distributing, they must get their due.



Products of Samoa Coconut Cluster.

Photo credit - Edwin Tamasese.

Since starting SCC in 2013 and becoming formalised in 2015, Managing Director Mr Edwin Tamasese, and his other two business partners, Alo Kolone Vaai and Gasu Isaako Aipovi have done just that.

“What we wanted to see was the value chain developing in such a way that all beneficiaries were treated equally and fairly. That is one of the reasons why many farmers in agricultural sectors, not only coconut, but also coffee, cocoa, and sugar, are being exploited because of traditional models.”

When the company was initially set up, SCC offered to buy coconuts from farmers at a rate of 30 cents per coconut. At that time, other companies were only paying farmers between 12 to 13 cents.

This was more than double for the farmers. That’s why we [SCC] believe we’re disruptors in the sector. And the reason we did that is because we recognised that farmers were being ripped off because oil was of high value and they [buyers] were paying 12 or 13 cents and that was the same price they were paying in 1985. That was not right!”

The company ended up signing around 380 farmers, covering 22,000 acres of land initially, but these numbers have grown exponentially since then.

“We are now working collectively with Serendi Coco Samoa Ltd and between us we have signed over a 1000 farmers, with around 56,000 acres of land with certified organic coconuts.”

“Now our strategy is that we will buy a coconut from the farmer for 30 cents and we will [SCC] produce it into oil. The farmer gets 30 cents from that. Once we start getting desiccated coconut, drying it and selling it as coconut meal, we’ll give the farmer 30 percent of the profit we make. So it comes back to them and it keeps going like that. Every by-product we produce, 30 percent of the profit from that by-product must go back to the farmer. That’s part of our agreement. We believe that each coconut is worth at least \$1.50.” [to the farmer]

Mr Tamasese believes that if farmers receive this amount of return on their coconuts, soon they will not need government subsidies or sponsors.



If the crop is doing well, you will not have to artificially support it. If a farmer knows he is going to get \$1.50 from one coconut, he is going to replant, he is going to clean it [the plantation], and do the pest management himself. It is going to be a win 'sustainability wise'. You will have much healthier plants. The women benefit, the youths benefit because you get employment. You have money in the economy for things like education and health care.



SCC's journey in trying to achieve its mission of agricultural self-sufficiency and developing an equitable value chain is ongoing and has not been without challenges, setbacks, and steep learning curves.

To cater for the increasing coconuts, the company had begun sourcing and planning to supply to new markets, SCC decided to invest in machines that used the centrifuge system of processing. The centrifuge process, also known as the "raw process", is the most challenging and expensive method of making coconut oil, usually using up to 15 to 20 coconuts per litre of oil. The resulting oil however, has a higher value as it retains the essential Vitamin K found in coconuts, and has its own market demand.

The machines however, were expensive and difficult to source. Unfortunately the company that SCC initially secured machines from in China defrauded them. With a significant amount of money lost, SCC had to strategise its next move carefully.

To ensure they were still in production, SCC made a deal with a local company for the use of their machines. It was then that an opportunity with the Coconut Industry Development for the Pacific (CIDP), a joint initiative of the Pacific Community (SPC), African Caribbean Pacific (ACP) states and the European Union, came about.

Through CIDP, 4 projects from Samoa were selected and supported with technical assistance and equipment. Successful projects included: Mailelani Samoa Body Care, Serendi Coco Samoa Ltd, Women in Business Development Inc, and the Samoa Coconut Cluster.

With CIDP's support, SCC was now in a position to buy the equipment it needed, but they were still concerned about buying it from a reliable company. CIDP helped in making this possible as well. It was at a workshop organised by CIDP, where Mr Tamasese, after sharing SCC's experiences and challenges, connected with a well-known Fijian farmer and businessman who in turn connected him with a reliable engineer and businessman in the Philippines, whom they could source from.

"Everything was falling into place. We managed to identify someone who could supply the right machinery for the right price."

Another very significant assistance that CIDP has helped with was in providing machines that process SCC's by-products. As a result SCC can now utilise the shell and coconut meal with a bio char machine and also a coconut meal dryer. This has significantly increased SCC's competitive advantage putting them on an equal footing with suppliers out of Sri Lanka, Philippines and Indonesia.

These machines were reconditioned and reengineered European models, and were projected to produce over 600 litres of oil daily for SCC.

At the time of this interview, Mr Tamasese and three of his staff were planning a 10-day trip to Cebu City, Philippines, as part of the installation process, to be trained on the use of the machines before they were to be shipped to Samoa.



Directors of Samoa Coconut Cluster.

Photo credit - Edwin Tamasese.



Packing export orders for coconut oil.

Photo credit - Edwin Tamasese.

The future is looking bright for SCC and coconut farmers in Samoa.

“I believe that donors have recognised where the gaps have been and the importance of getting the private sector involved. Previously the bulk of this funding would have gone to government ministries and small community projects and because of the nature of its dispersals, you cannot afford the technology that enables the addressing of the value chain gaps that exist. The way that CIDP have done this is revolutionary in the Pacific, it’s the first I have seen done in such a way and I believe it’s going to make a significant impact.”

He further added, “I believe that with the amount of arable land we have here, about 86,000 acres in the productive region, and with the right technology, Samoa could become a real powerhouse. I love the cultural structures that we have here. I believe that we need to have business systems in place that emulate that sort of community focus where wealth is distributed amongst everyone. It’s not about accumulation. It’s about how much we give back.”

About Coconut Industry Development for the Pacific (CIDP):

Coconut Industry Development for the Pacific (CIDP) is a joint initiative of the Pacific Community (SPC) and the European Union (EU) as part of a broader economic partnership between the EU and the African Caribbean Pacific (ACP) states. The aim of CIDP is to bolster the coconut sector in the region through improving the competitiveness of small producers engaged in the coconut value chains, strengthening regional integration of related markets and the intensification of production across the Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Republic of the Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Timor Leste, Tonga, Tuvalu and Vanuatu. The programme runs from 2016-2018 and is valued at 4 million Euro.

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