

CASE STUDY

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# Lionheart Agrotech: Sharing Value with Indigenous Communities

*Delivering a **just rural transition** through profitable coconut plantations working closely and respectfully with indigenous peoples*



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# Social Impact from Coconuts by Lionheart Agrotech

**Collaborating and sharing value from profitable coconut production with indigenous people**

## Location

Palawan, The Philippines

## Context

Coconuts provide a livelihood for approximately one-third of the population of the Philippines. Over 3.4 million people work as coconut farmers, 50% of whom live on less than USD \$2 a day.

## Challenge

Coconut production in the Philippines has typically focussed on the production of raw coconuts, as sap harvesting - which enables a greater portion of the value to be captured locally - requires significant upfront investment.



Case Study – Lionheart Agrotech

A further challenge stems from the exclusion of indigenous peoples from cash crop production in the Philippines. In the last decade, Indigenous Peoples from Palawan have successfully pressured three municipalities to put limits on oil palm cultivation, owing to predatory loan behavior and an erosion of land tenure at the hands of large palm oil companies. These contentious relationships could equally threaten the future security of coconut production.

**“ While the demand for coconut products is strong and expanding globally, I asked myself, why are coconut farmers still poor? ”**

**Christian Eyde Moeller, Founder of Lionheart Agrotech**

## Solution

Following an invitation from the Government of the Philippines in 2015, Lionheart Agrotech set up a portfolio of six farms in the Philippines, which expressly aim to deliver poverty relief, land and fertilizer efficiency, and reduced environmental impact.

To achieve these goals simultaneously, Lionheart opted to grow hybrid coconut, a calorie-efficient crop that requires approximately one-quarter of the land and one-tenth of the water of sugar cane.

To make production profitable while supporting local livelihoods, Lionheart invested in harvesting coconut sap rather than the fruit, a considerably more profitable venture even after the considerable cost of sap harvest infrastructure.

This has enabled Lionheart to provide a stable wage of at least USD \$6 a day to around 200 people per farm, along with social services, pensions, and health insurance.

## Impact

One of the most notable benefits of Lionheart's model has been its relationship with the Indigenous people of Palawan. Its coconut sap operations currently employ over 1,200 Indigenous people who bring knowledge of local climatic and soil conditions to its six farms.

The immediate beneficiaries of the project are Lionheart's employees, but as the money in circulation has grown, a number of entrepreneurial businesses have appeared seemingly out of nowhere. Perhaps unexpectedly these businesses are almost all started by women. The growth of this sector, combined with the opportunities for career growth in the company, has significantly reduced rural to urban migration, with talented people feeling they now have the option to remain in their hometown.

Lionheart's relationship with Indigenous people is not solely financial however. Lionheart worked in dialogue with the Indigenous groups surrounding its farms for

over a year before setting up production, obtaining their consent and including them in designing the farms.

Furthermore, all company leaders are expected to conduct themselves according to 'Adat', the customary laws of the Indigenous Peoples of Southern Palawan. This has led to a considerably more harmonious relationship than is typical of cash crop production in Palawan.

Production has also led to impressive environmental impacts. Since the farms were established, over 350,000 metric tons of carbon dioxide have been captured and stored. Water use per unit of output is favorable compared to other crops like sugar cane, and Lionheart has also reduced fertilizer use and expense by producing its own bio-organic fertilizer.

**“ [Lionheart] always recognize that we are guests on the lands, and we make a concerted effort to build ties with local communities. ”**

Lionheart Agrotech - “More with Less” statement

