



Smallholders Inclusive Organic Vegetable Production for Market in Lao PDR

Silinthone Sacklokham
National University of Laos

1. Context

- In Lao PDR, vegetable production is 1.23 million tonnes/year (DOA, 2011) whilst vegetable consumption is about 200g/capita/day, and the demand grows about 10-20%. Increasing of vegetable demand in Vientiane Capital due to increasing of population,
- Increasing of the awareness of consumers about food safety,
- Development of national food standards and certification by government: GAP, Organic, fair trade)
- Diversity of business forms (conventional # modern) and markets (general # specific, domestic # export),
- Supports from government and development agencies,
- However, we do not know if the objectives are met.

2. Overview of the Business model and the chain

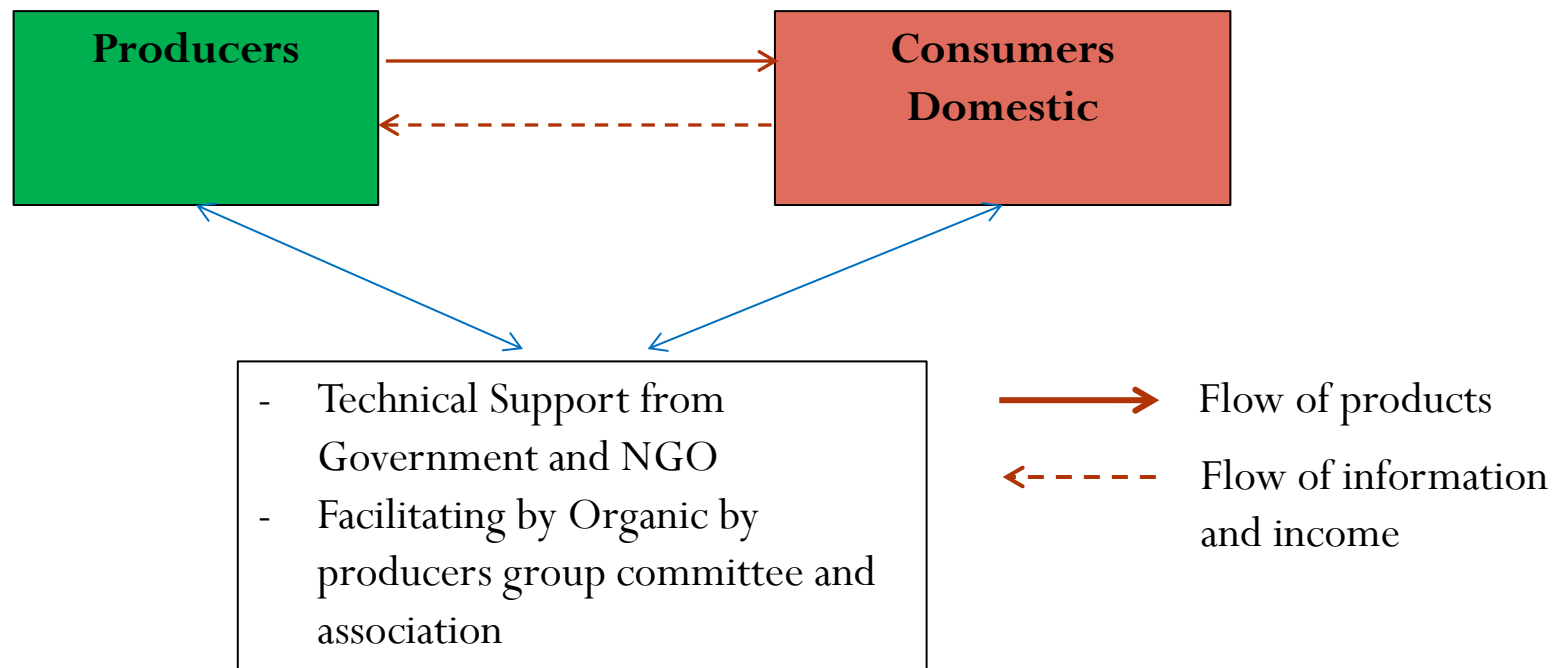
- Purpose of the study

To examine the relationship between the organic producers, supporting actors and consumers.

- Scope of study

The study will focus on organic producers' activities.

Organic Vegetable Value Chain diagram



- The Captain of the vegetable value chain is the organic association

Business objectives / drivers in developing and maintaining model

- Business Objectives
 - Objective of the Chain Captain is to satisfy itself the demand of safe vegetable
 - Objective of smallholder is to supply the healthy and safety vegetables to consumers

Successful of Organic Vegetable Value Chain model

1). Competitiveness of the value Chain

- Food safety: consumer can have access to safe food especially vegetable,
- Export opportunity,
- Growing local demand for organic: increased income of population in Vientiane Capital as well as the awareness,
- Conserve the environment: consumer increased their concern to environment: soil, water, life organism and diversification of ecosystem,
- Policy and training support from government and development agencies.

Successful of Organic Vegetable Value Chain model (cont.)

2) Inclusiveness of the value Chain

- Increased the income of smallholders,
- Price setting,
- Gender sound: women work less in the farm than men: 40% men, 22% women and 38% both work at farm however, women work more than men in trading of products: 15% men, 54% women and 31% both,
- Payment of member' fee
- Sharing the organic product reputation among producers' members.

Roles and contributions of key players

1). Producers

- Produce the safe vegetable following the technique and standard of the government and the order from the producers' association,
- Selling the safe vegetable in organic market directly to consumers or export companies.

2). Farmers Association

- Facilitate and look for the market (only increases the market access for organic farmers)
- Contacts of Development partners government and NGOs

Roles and contributions of key players

3). Government Agencies

- Provides information,
- Extension and infrastructures (public services),
- Provides subsidy to increase the scales, develops standard, collect levies, research
- Subsidy and certification

4). Non Government Organisation

- Provide extension activities: technical training, coaching, production fund and certification cost

5). Banks

- Provide loans (public with subsidy and private)

Challenges in developing and maintaining the model in the future

- Adopt to market change for the organic producers association: increasing product diversification, volume, expansion to modern-retailers,
- Farming systems: access to input to improve soil fertility, photo-sanitary products/method,
- Increase the TA, supports for association.

Conclusions and Recommendations for Future Research

- Organic Vegetable Value Chain provide the higher Income to smallholders and at the same time provide the safe food while maintaining of the environment,
- Scalling up and scalling out of this business model, the critical role will be:
 - The capacity of the organic producers association to be able to access to the market and maintaining of the quality,
 - The support from the government/NGO in research and extension.



Thank you very much
for your attention