



CONNECTING SMALL-VEGETABLE FARMERS to HIGH-VALUE MARKETS



Pakxong district, in the Bolovens highlands, has the climate to grow cool-climate and sub-tropical crops demanded in high-value markets.

But poor agronomic practices, unfamiliarity with international standards and export procedures are some of the obstacles that prevent farmers from tapping the region's comparative advantage.



Coriander



White eggplant



Strawberry



Tomato



Italian Basil



Chili



String bean



Rocket Salad

Pakxong district altitude:
>1,000 meters

The project helped Pakxong farmers, who used to produce low-value cabbage, to diversify crops and connect them to international and local high-value markets, by providing them with:

Technology and training to improve quality standards:

Low-cost plastic canopies were introduced to the farmers, allowing them to grow delicate crops in rainy season.

A small-scale packing house was built to reduce post-harvest losses, transport and logistics costs. It is the first packing house in Champasak province.

Farmers were trained in land preparation, seeding techniques, pest and disease management, harvesting, post-harvest sorting, grading and packaging for the new crops.

A sustainable trade, and a stable market:

Thai companies were introduced to the farmers. A two-year agreement was signed with a company with extensive experience on exporting certified produce to create a responsible and mutually fair relationship.

In close collaboration with national and provincial authorities, farmers were trained to meet Good Agricultural Practices (GAP) and Good Manufacturing Practices (GMP) standards.

Pakxong farmers' vegetables reached Asian ethnic markets in Europe and the Middle East as well as tourism oriented restaurants and hotels in Pakse and Vientiane.

Project name and code:
"Production of Certified Fruit and Vegetables for Export from Lao PDR and Myanmar through Integrated Supply Chain Management" MTF/RAS/242/CFC

Target area in Lao PDR:
Pakxong district, Champasak province

Implementing partners:
FAO-Integrated Pest Management Programme, Australian Volunteers for International Development (AVID), Lao-China Agriculture Center, Lao-Vietnam Agriculture Center

Donor:
Common Fund for Commodities (CFC), OPEC Fund for International Development (OFID)

Implementation period:
May - Dec 2014

88

farmers

benefitted from the project. 40 farmers were initially targeted.

64

canopies

constructed with the project support.

1,500

kg

of coriander, valued at 15 million LAK were exported in four months.

A LOW OR HIGH RISK CHOICE

With the introduction of canopies, farmers have great choice of crops and can still choose a low risk or a higher risk cropping strategy.

A LOW RISK CROP:

CORIANDER grown under CONTRACT for EXPORT



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LOW RISK of pest, disease and production problems.



LOW COST of cash inputs (257,000 LAK per canopy).



LOW MARKET RISK thanks to contract for export.



LESS PROFITABLE although price is beneficial.

PROFITABILITY

Gross income from sales: 109 kg at 10,000 LAK	1,090,000
Cost of cash inputs:	256,950
Seeds (provided by buyer)	-
Chemical fertilizer	33,750
Cow manure	180,000
other nutrient	9,000
Pesticides	-
Electricity for irrigation	6,700
Packaging materials	7,500
Transportation costs	20,000
Depreciation of canopy: 2 months at 117,000 LAK / month	234,000
Net income: (11 person days)	599,050

54,500 LAK per day

A HIGH RISK CROP:

TOMATO grown in RAINY SEASON for LOCAL MARKET



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HIGH PRICE during rainy season (but not always).



RISKY in terms of pest and diseases. Also high risk of crop failure.



HIGH COST of cash inputs (1,545,000 LAK per canopy).



HIGH MARKET RISK and volatile prices.

PROFITABILITY

Gross income from sales: 1,500 kg at 3,000 LAK	4,500,000
Cost of cash inputs:	1,545,000
Seeds (provided by buyer)	50,000
Chemical fertilizer and manure	600,000
Pesticides	50,000
Sticks and rope	60,000
Fuel for irrigation	300,000
Plastic for mulch	110,000
Packaging materials	25,000
Transportation costs	350,000
Depreciation of canopy: 4 months at 117,000 LAK / month	468,000
Net income: (18 person days)	2,487,000

138,200 LAK per day