

# **Ethnic minorities links to market through sales contract and organic oriented production**

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# CERDA introduction

- **VNGO established in 2004**
- **Implementing Development Projects in Northern mountainous provinces**
- **Project area: Van Ban district, Lao Cai province & Binh Gia district, Lang Son province**
- **Donors: ICCO & Rockefeller Foundation**
- **Beneficiaries: ethnic minorities (Tay and Nung)**

# **One of the project objectives is**

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**Help the target ethnic minority groups capable to increase added value of local products by producing commodities through sales contracts and by increasing quality of products based on organic oriented production**



**What problems the farmers in the target area suffer and need to be interfered by the project ?**

# 1st issue: Farmers & their production

- Almost income comes from agriculture and collecting on natural forest products in extractive manner even in protective forest
- Did suffer the big loss because they produced a big amount of products but could not sell.
- Small scale production
- All production and sales activities base on individual level (no linkage)

## 2nd issue: Farmers & market

- Market is fluctuated, entirely relies upon chance, especially Chinese market
- Middleman decides prices -> low price, small profit
- No plan to find out market by themselves (assigned as a government job)

## 3rd issue: Farmers & product's quality

- Substandard quality of products due to overusing chemicals, diseases, insects, and low quality varieties
- No design, packaging, trade name for products
- No plan to promote local special products

# Causes?

- Poor access to market/information
- Poor access to policies (big gap between policies and policy implementation)
- Agricultural/forestry/industry extension is not effective enough to promote diversification of production, income, and trade for farmers

## Causes? (cont.)

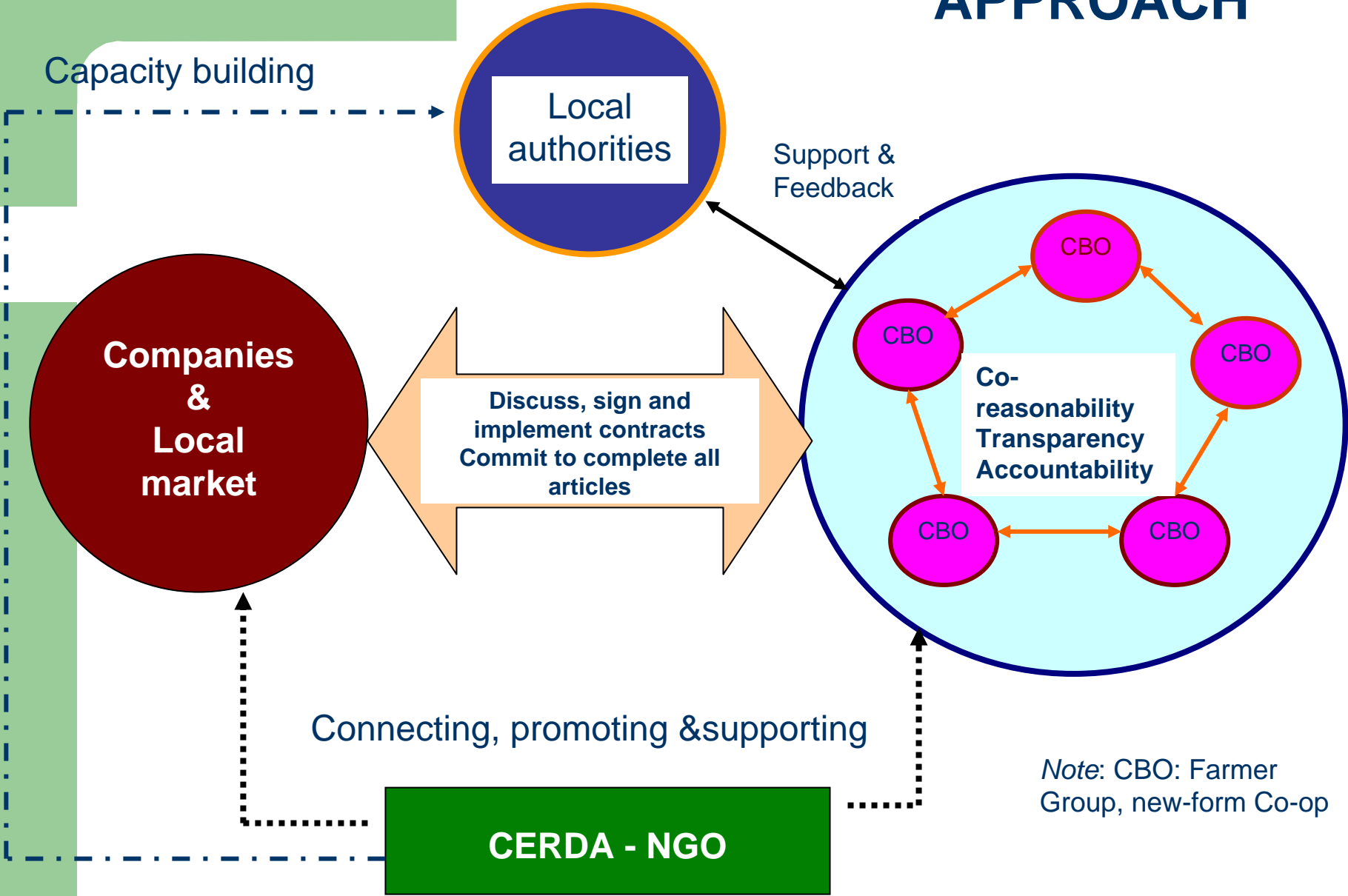
- Limited knowledge and skills on Market Analysis and Development (MA&D)
- Limited knowledge on production accounting (most of production activities base on habit)
- Poor knowledge on commodity production
- No/weak cooperation among farmers
- Lack of key farmers to lead groups

## Causes? (cont.)

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- No awareness of and knowledge on soil protection and safe products
- Chemicals abuse (pesticide, herbicide and fertilizer)
- Serious lack of technology/technique for processing of agro/forest/non-timber products

# APPROACH



# Project activities

## 1. Institutional development

- Set up and develop Farmer Group or new-form Co-operative and networking (in co-op: members hold shares)
- Promote the role of key persons and build their capacity to lead groups (team building, participatory planning & monitoring, accounting, MA&D)

# Project activities (cont.)

## 2. Improve access to market & information

- Research on local potential products and potential companies/buyers
- Introduce use of internet
- Exposure trips
- Access to government policies (new-form co-op, industrial stimulation extension)

## Project activities (cont.)

### **3. Improve access to technology /technique/ professional skills by on-the-job training**

- Produce compost by EM
- Produce Linh Chi mushroom, dried Gac, small round wooden piece (to make shade), edible canna flour
- Introduce new, suitable and market-meeting varieties: potatoes, ginger, edible canna, Gac, rice seed, seedlings for forest plantation, pig, fish
- Introduce new technique of growing potatoes, ginger, producing rice pure seed, piglet, young fish

## Some results

- Farmer groups and Co-ops able to work with companies and participate in value chain
- Raw products sold through sales contracts: ginger, potatoes (Companies in Hoa Binh & Bac Ninh provinces)

## Some results (cont.)

- Processed products sold through sales contracts: Linh Chi mushroom, dried Gac, small round wooden piece (to make shade), edible canna flour (Companies in Bac Giang, Ha Dong, Thai Nguyen provinces)
- Products sold at local potential market: vegetable, piglet, rice seed, young fish, seedlings for forest plantation

# Impact

- Created a turning point for cooperation among farmers and network promotion  
-> more profit, less risk at production, and less/no dependence on middleman
- Quality products improved -> more competitive, more profit
- Farmers more active in production planning and selling

## Impact (cont.)

- More chances to choose buyers/companies and negotiate price
- Better access to policies
- Soil quality improved
- Working and living environment safer (less use of chemicals, more use compost)
- Companies more responsible to society thought dealing with farmers

# Difficulties faced during project implementation

- Custom: many time consuming ceremonial events (long funeral, birthday, new house, one month baby, weeding, ceremonial offerings ...)
- Drinking culture (men)
- Poor conformability in meeting strict requirements of technology/technique
- Hard to find the persons to lead groups



# **Some illustrated pictures of project activities**



**Thank you!**