



ອົງການ ເຮວວິັດ
ສະຖິດເພື່ອການສູນເມີສາກິນ

ສປປ ລາວ

The experiences of HELVETAS Laos on Tea development



About HELVETAS Swiss Intercooperation in Laos

In Laos, HELVETAS aims to strengthen:

- The knowledge and capacity of service providers
- To ensure they have access to basic services and markets
- To equip them with knowledge about sustainable agricultural practices and access to fair markets.



Key Interventions on tea development sector:

Key interventions:

1. Access to fair markets with value chains suitable for uplands
2. Farmers organisations, access to information, resources and services
3. Exportation and access to finance
4. The enabling environment

With main aspects:

- *Environment and Biodiversity: secure ownership and sustainable management of natural resources (land, water and forest)*
- *Gender and social equity: specific attention to products that will benefit women, women's access to information, services markets and decisions*



Where do we work on Tea?

Upland areas with remote and ethnically diverse communities

Through 3 projects:

- **COPE** (Phongsaly)
- **LURAS** (Oudomxay, Xiengkhoung and more 3 upland provinces)
- **Regional BioTrade Southeast Asia** (Laos, Vietnam, Myanmar)

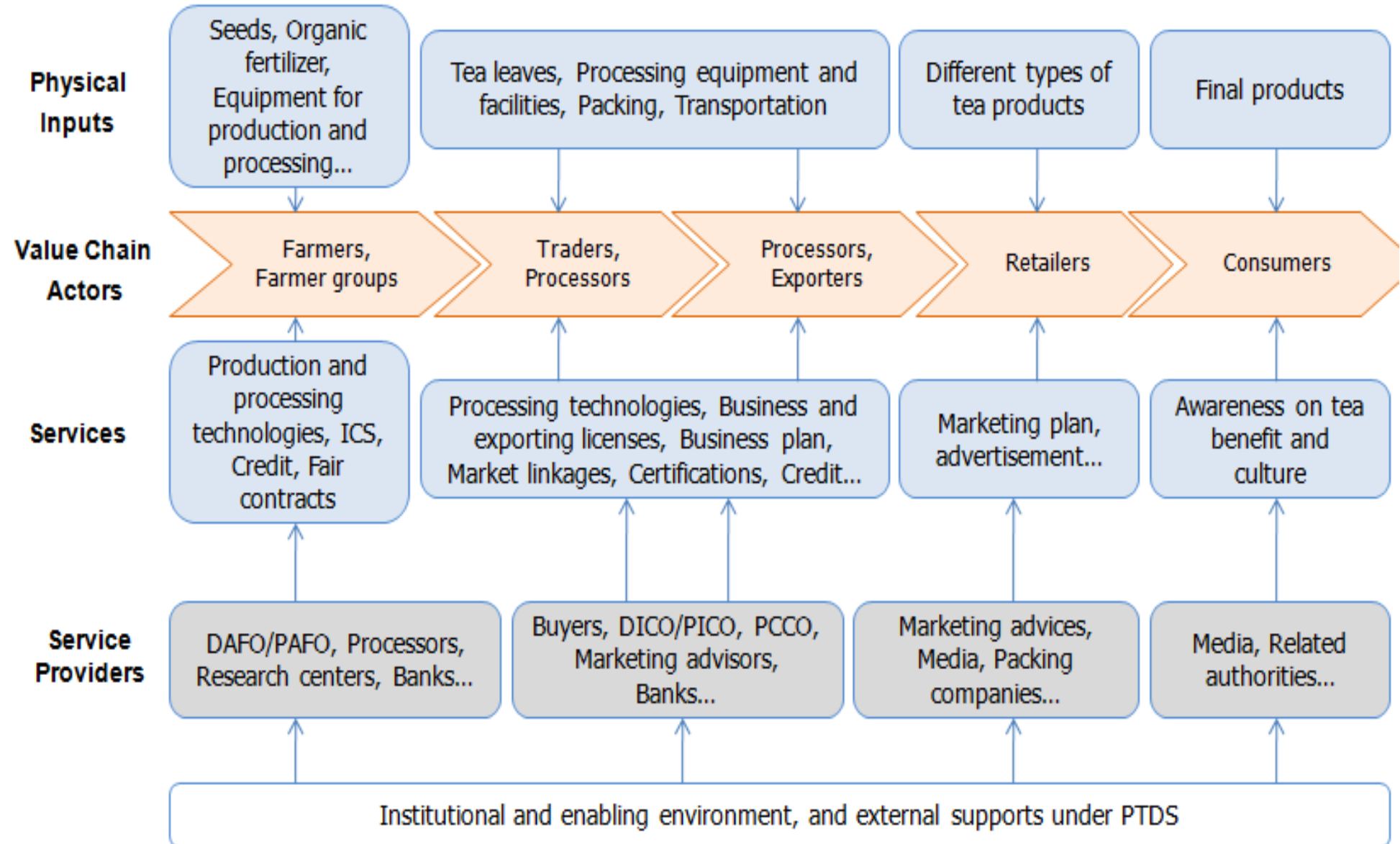


Tea resources



- *Ancient tea (400 years old tea) and plantation (brush) in Phongsaly*
- *Wild tea and plantation tea in Oudomxay and Xiengkhoung*
- *Wild tea called as Shan tea in Vietnam and Myanmar*

Tea value chain



Farmers organisations, access to information, resources and services

- Support more than 20 tea producer households through collective action
- Strengthen for working relationship between tea companies and producer groups with using contract farming and price negotiation
- Improve the standards and obtain to certifications (ODOP, organic, food safety) for local tea products of producer groups and companies
- Farmer to farmer exchange and training on improving production
- VDO documentations



Farmers organisations, access to information, resources and services

Community management of tea resources 1

- Use of FALUPAM method (participatory forest and land use planning and management process)

Done:

- Village boundaries mapping
- Tea gardens registration
- Tea tree registration (each tree has a number)



Next steps:

- Forest, land use and tea gardens planning and then management
- Technical extension to increase tea quality and productivity
- Formation and capacity building of tea producers' groups

Exportation and access to finance

- The improvement of processing quality of Biotrade products
- Supporting 2 tea companies in Phongsaly to obtain EU organic and Fair For Life certification
- Market linkage and business matching (to Ethical buyers in EU)
- Capacity building for local service providers
- Exchange and buyer visits
- Access to loan (local banks)



The enabling environment

Tea multi-stakeholders approach

- Putting together stakeholders: tea producers, private sector (processing companies/tea buyers), government line agencies
- Agreed understanding of tea sector problems and development
- Win-Win situation: better quality for buyers, better price for tea producers



The enabling environment

- Facilitating for enabling business environment and relevant tea development policies through consultation meetings/workshops at provincial and district level.
- Supporting in Phongsaly Tea Development strategy with co-partners PAFO-PICO and relevant provincial and district authorities. The draft has been reviewed by provincial governor and ministry level.

Next steps:

- Improve the draft of strategy
- Submit to provincial governor for final review and approve
- Develop implementation plan of strategy

Opportunities

- Close proximity to Yunnan and Guangxi tea markets and developed tea sectors.
- The development of market for wild tea and forest tea provide an alternative to both slash and burn and cash crop like maize, thereby protecting biodiversity and ecosystem service from agroforestry.
- Suitable land, potential on tea cultivation and labor available to increase production areas.
- Reputation in China especially Yunnan tea markets for chemical free production methods.
- Significant scope to increase on farm productivity, processing quality and equipment within processing factories.
- International buyers interested to source from new locations.
- Clarifying roles and responsibilities and improving coordination amongst local government agencies in support of tea development.
- Increase enforcement of regulations regarding registered tea processors/traders.
- Potential to link with tourism activities.
- Job creation in remote area which may help to reduce out migration

Constraints

- Fragmented small scale production without strong collective action and farmer organization on production, processing and marketing.
- Limited technical knowledge on tea production and processing
- Limited of tea processing technicians at factory levels.
- High levels of price fluctuation. Limited local demand for wet season fresh leaf production.
- Some processors do not meet Sanitary & Phytosanitary Standards (SPS) and other standards.
- Limited markets, mostly relies on Chinese markets. Limited marketing information.
- Sales to Yunnan sometimes blocked. Limited coordination of Phongsaly and Yunnan authorities on tea.
- There is copy of Lao tea/Phongsaly tea in Yunnan markets.
- Limited access to credit for both working and fixed capital.
- Poor road infrastructure.
- Limited government budget to support development of the tea sector.

Thank you !



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in Laos**

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