

## **Superchain project helps small farmers to promote new quality food items in Vietnam and Laos**

The Superchain project is bringing more stable business income to small-scale producers in Vietnam and Laos and at the same time guaranteeing better quality food for urban consumers. To achieve this, the project is establishing new forms of information and co-operation among producers and between producers and distributors who are looking for products of a specific quality. In Vietnam, the project is focussing on “safe” vegetables in the province of Hanoi, *Hoa Vang* sticky rice from Hai Duong province and Mong beef from the Cao Bang highlands. In Laos, the production of vegetables without insecticides in Xiengkhuang province is gradually being converted to fully organic vegetable gardening. The two-year project is being funded by the IFAD and started in May 2007. It is being implemented by the MALICA consortium in Vietnam and the National University of Laos, with co-ordination by CIRAD.

For the different commodity chains studied by the project, research has been conducted on consumer and retailer demand, mainly with regard to quality criteria. The findings of the studies have been disseminated through consultation meetings involving producers, businesspeople, representatives of consumers and the public authorities. They point up a need for producers to promote the origin and specific characteristics of their products which are not always known to their customers. For vegetables, a safety certificate is required by large volume distribution purchasers in Vietnam, as well as sufficient variety of the proposed kinds (over ten). For sticky rice, what is looked for is the aroma and cooking quality. For beef, people want certification that the animal was in good health and was raised on natural food. In Laos, people are looking for vegetables grown without the use of chemical pesticides. In all cases, consumers and retailers are not familiar with the origin of the produce, nor are they familiar with the specific characteristics of quality inherent in the different production sites.

In response to this needs identification in Vietnam, producer groups were set up for vegetables (total of seven groups, 143 producers and 6 hectares), sticky rice (3 groups, 120 producers, 6 hectares), and beef (2 groups, 50 producers, 148 head of livestock). Members of the group agree to follow production specifications, especially with regard to the use of chemicals, type of seed or breed of animal, procedure for fertilisation or feeding, treatment of disease. The co-ops of Tien Le and Phuong Bang were given certificates upon meeting conditions for safe vegetable production, issued by the Provincial Agriculture and Rural Development Department. Vegetable group leaders were trained in the new VietGAP certification procedure, based on producers registering their practices and internal and external inspections of different standards relating to safety at the production and post-harvest stages.

Numerous contacts were developed between vegetable producers and distributors in Hanoi. However, they are confronted with the lack of produce variety. For this reason we are supporting the formation of an alliance of certified vegetable production and distribution units in Hanoi province. Three meetings have been held to date with representatives of 33 producer groups and businesses that got together to complement one another in the supply of a variety of produce for which there is a market demand. An inventory of safe vegetable production

groups with their contacts has been drawn up and a Web site of safe vegetable groups is being prepared.

The Hoa Vang Sticky Rice Production and Marketing Association in Hai Duong was officially formed in December 2008 with 134 founding members. Sales are picking up with a variety of purchasers (supermarkets, stores, export companies, etc.). Sticky rice quality control is ensured through several mechanisms: at the group level, inspection by group leaders and differentiated purchase prices (such as according to the type of seed stock used); control by the Hai Duong Province Health Department, which gives special attention to the cleanliness of the rice.

In November and December two seminars to introduce vegetable produce and rice were held with 200 members of the Hanoi Association of Women Consumers.

We are improving the traceability of beef by having labels put on mountain beef. However it is currently very difficult to garner the co-operation of slaughterhouses in Hanoi to make sure that the labelling stays on right up to the retail stage. We are attempting to move the slaughtering stage closer to the production zones and to get the distribution groups involved in the cold transportation of meat from the abattoir to retail shelves.

An assessment of the efficiency of different forms of vertical co-ordination (relationship between sellers and purchasers) is being made by means of surveys of producers and vegetable group leaders representing the different types of co-ordination: non-contract selling to collectors (65 people surveyed), employment by a production and distribution company, contract with a supermarket or distribution company (44), direct sale to consumers (30). Initial results show that the most profitable strategy for producer groups is combining different contracts with supermarkets and canteens (food services), and direct sales to consumers in their own outlet stores.

In Laos, a seminar was held in Phonsavann on November 6, 2008 to outline the findings of the Xiengkhuang province vegetable and sticky rice market studies to a panel of producers and local authorities. Labelling activities highlighting the origin were launched for three types of vegetables (cabbage, cauliflower and Chinese mustard). An assessment of the forms of co-operation between vegetable producers showed that these were effective in terms of contact with purchasers, but they have to be made official, especially for quality control. Training sessions on organic agriculture are being held with producers in co-operation with a project being carried out by the NGO Helvetas.

The results achieved by the project will be used as a basis for hands-on intervention guidelines in order to more effectively link small-scale producers with city markets. This will also be helpful for provincial officials involved in agriculture and economic development. A wrap-up seminar will be held in June 2009 in Hanoi.

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