

Company transcripts from the field mission to the Value chain and market assessment of nine agricultural commodities in three provinces of Northern Laos

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Authors: Tassilo Tiemann, Davone Bounphasouk, Simone Vongkhamho,
Soulygnuan Viengkamsone, Sybone Lasahak

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1 Duk Hong (Agricultural Promotion Company)

Xam Tai district, Houaphan

Product:	Tung seeds, Sichuan pepper, bamboo shoots	Amount:	Tung seed: < 5 tons Bamboo shoots: 30 tons Sichuan pepper:
Director:			Telephone:
VC role	Trader, Exporter		
Staff:	Not specified		

Overview

Dukhong company is a Vietnamese company buying NTFPS for export to Vietnam. The company did some initial investments and extension activities in Laos 10 years ago.

Business approach and operations

The company provided 350 kg of tung seed to more than ten villages in 2011.

Now they got a 5 tons quota for tung seed, but cannot fulfill the quota since a lot of brokers and agents compete with each other and farmers often sell to those who come first, despite the initial investment. In the district are 20 villages with tung trees and with suitable management the company estimates annual yields of 100 tons.

In 2021 the price for tung seeds was 6,000-7,000 LAK/kg depending on quality and could be sold for 7,500-8,500 LAK/kg to Vietnam via the Nameo border checkpoint, with final destination being Thanh Hóa in Vietnam. The taxes amount to 2%, as it is counted as agricultural commodity since the trees were planted.

The company also buys bamboo shoots (nor hok): Fresh shoots for 1000 LAK/kg, dried shoots for 20,000 LAK/kg. In 2021 they bought 30 tons of dried shoots and sold them for 30,000 LAK/kg to Thanh Hóa and Hanoi in Vietnam.

Taxes are 40%, as the shoots are treated as NTFP.

Sichuan pepper grows in all villages in the area and the buying price is 12,000 LAK/kg for fresh seed, and 40,000-45,000 LAK/kg for dried seeds.

Taxes incurred are 40%, as it is counted as NTFP.

The company also wants to buy sesame for export to Vietnam but can't find farmers who plant it.

Operations area

Xam Tai district

Selling to

Vietnam

Expansion/investments

None

2 Huaphanh Commercial State Enterprise Company

Viengxay district, Houaphan

Product:	Bamboo (Mai Khouane)	Amount:	1,425 tons
Director:	Mr. Phouth	Telephone: 5202 8481	
VC role	Exporter		
Staff:	3, plus 2 temporary		

Overview

This state enterprise is not specialized but is involved in a wide range of trades, from mining to food. They started to deal in Bamboo canes in 2014.

Business approach and operations

Until 2018 the company sold bamboo canes to Lay Van Dong company which shipped to Hanoi, which was good business. However, since 2019 a change in currency exchange rate has made it less attractive.

In 2022, the company received a quota for 2000-3000 tons and ultimately exported about 500 tons of bamboo canes. The quota requested for 2022 is only 500 tons.

The company collects the canes from 14 villages in Viengxai district. The canes are harvested over a one-week period, moved to the factory, and kept for around 15 days of drying (40% weight loss).

The farm gate price is 300 LAK/kg (fresh) and selling price is 8000 LAK/kg (dry). Recently the canes have not met the quality criteria, largely because of poor preservation.

Transport happens using a 25-ton truck to Vietnam. Taxes: 30 million LAK/year.

The major obstacle is a too bureaucratic process with too many steps for document submissions.

Operations area

Viengxay

Selling to

Vietnam

Expansion/investments

No information

3 Mr. Khamphan

Houameuang district, Houaphan

Product: Tung

Amount: 15 tons

Telephone: 5518 0733

VC role Company agent

Staff: None

Overview

Mr. Khamphanh is an extension agent and broker of Lao Vernicia Montana Company, who is a tung oil producer located in Vientiane Capital.

Business approach and operations

Mr Khamphanh provided 6 tons of tung seeds for Vernicia montana company to 20 villages so far. The target is to provide seed to 78 villages. Once the trees reach four years of age, they will start producing seed.

The company set as basic price 3000 LAK/kg but will pass on higher market prices.

In 2021, he bought about 15 tons of seed for 5000 LAK/kg from farmers and sold them for 5300 LAK/kg to Vernicia Montana Company who sent their staffs to pick it up.

Operations area

Houameuang district, Houaphan

Selling to

Lao Vernicia Montana Company, Vientiane Capital.

Expansion/investments

None.

4 Mr. Kounpanya

Xam Tai district, Houaphan

Product: Tung oil

Amount: 12 tons

Telephone:

VC role Trader, Exporter

Staff: None

Overview

Mr. Kounpanya started to buy tung seed in 2018

Business approach and operations

Mr. Kounpanya buys from agents and brokers in Namad, Nangiew, Tinphou, Houylard, and Phoulae villages in Xam Tai district. He bought 12 tons for 5,000 LAK/kg in 2021 and sold them for 6,500 LAK/kg to Vietnam. Transport costs 300 LAK/kg, via the Nameo border checkpoint. The tax rate is 2%.

Private selling and unregistered traders in each village make it hard to reach the quota.

Operations area

Xam Tai district.

Selling to

Vietnam

Expansion/investments

None.

None

6 Mr. Thongsai

Ban Navieng, Hiem district, Houaphan

Product:	Sesame, tung seeds, bamboo worms	Amount:	Sesame: 1.2 tons Tung seeds: 4.7 tons Bamboo worms: 15 tons
			Telephone: 9597 7396
VC role	District trader		
Staff:	Not specified.		

Overview

Mr. Thongsai is a trader for NTFPs who works closely with a Tung oil company and sells his other products to Chinese traders in other provinces.

Business approach and operations

Farmers from Huaphou, Phoulaung, Khonngau, and Namxard villages delivered sesame directly to his house, with the Khonngau village group accounting for almost 90% of all produce. He bought 1.2 tons for 9,500 LAK/kg.

Since 2018 he sold to two Chinese traders: Mr. Axai (Tel.: 5659 3285) in Luang Prabang province for 14,000 LAK/kg, and to Mr. Hongkaow (Tel.: 9942 5333) in Oudomxai province for 15,000 LAK/kg. While Mr Thongsai does not know about the further business of Mr. Axai, Mr. Hongkaow exports everything to China.

In 2020, Mr Thongsai received a quota for sesame of 2.5 tons.

For Tung seeds he partners with Oulayvanh Company in Xamneua district. The company provided 1.5 tons of Tung seeds to villagers in Viengthong, Navieng, Viengphou, and Phoulaung villages. In 2021 he bought from them a total of 4.7 tons for 5000 LAK/kg (fresh Tung seed costs 4,000 LAK/kg, dried seed 5,000 LAK/kg), and sold them to Oulayvanh company who sent their staff to pick it up and paid him 5700 LAK/kg. Costs from taxes and fees to him are 20,000 LAK/ton.

He normally also buys about 15 tons of bamboo worms per year, though in 2021 he only got 1.5 tons. Farmers from Khonngau, Hauphou, Phonsaat, and Thaensing villages deliver to him, and he buys for 80,000 LAK/kg in the early season and 120,000 LAK/kg in the late season. He sells them to Mr. Hongkaow in Oudomxay province for 180,000 LAK/kg. Taxes amount to 6 million LAK. He sees high market demand for all three products but laments the low product quality, the high number of company brokers, and the high number of check points.

Operations area

Hiem district

Selling to

Sesame and bamboo worms to Chinese traders in Luang Prabang and Oudomxay.
Tung seeds to Oulayvanh Company in Xamneua district.

Expansion/investments

None.

7 Tuan Cheuang Thang

Xam Tai district, Houaphan

Product:	Tung seed Sichuan pepper	Amount:	Tung seed: 3 tons Sichuan pepper: 50kg
			Telephone:
VC role	District trader		
Staff:	None		

Overview

Mr. Tuan Cheuang Thang is a small district trader.

Business approach and operations

Mr. Tuan Cheuang Thang bought 3 tons of tung oil in 2021 from brokers in Kone district who delivered to him for 3,000 LAK/kg. He sold them for 3,500 LAK/kg. Large quantities are easy to sell but for small ones it can be hard to find a buyer.

He also buys small quantities of Sichuan pepper (50kg in 2021) for 4,000 LAK/kg fresh seeds, which he sells for 20,000 LAK/kg.

Operations area

Kone district

Selling to

Opportunistic

Expansion/investments

None

8 Agricultural Fruitage Development IMP-EXP Co., and Construction with Complete Installation Electricity LTD.

Luang Prabang town

Product:	Sesame, Paper Mulberry Job's tears, Broom grass, Damar batu, Maize	Amount:	Sesame: 430 tons (2021) Paper mulberry: 80 tons (2021)
Director:	Mrs. Noy (Km 8)	Telephone:	N/A
VC role	Trader/exporter		
Staff:	7		

Overview

Mrs. Noy collects buys and exports NTFPs and agricultural products. She started with collecting Sesame, Job's tears, Broom grass, Damar batu, Mulberry paper, Corn in 1988 and sold them on to other companies. She established her company at Nga district in 1999 and moved to Pongwarn village Louangprabang district in 2004. Then she also bought machines for basic processing such as baling of bark. The company has tried different approaches, tried trading in Sichuan pepper and extension on Black Sesame. For the latter she brought 1.5 tons of seeds from Thailand to villagers in Pakseng, Phonexai, Nummark, Ngoy, and Luang Prabang. But the seed turned out to be Red Sesame and the approach failed.

Business approach and operations

Mrs Noy buys grade A sesame for 15,000 LAK/kg and grade B for 14,000 LAK/kg. Her total shipping costs are 500 LAK/kg (350 LAK for the transportation and 150 LAK for taxes/fees), using truckloads of 35-40 tons. She sells for 1000 LAK/kg above buying price.

Moisture content is an important measure, as buyers will deduct a 5 kg penalty per bag (12%) if moisture is too high. Thus, proper drying is essential before packing.

She has about contracts with about 25 brokers, smaller traders and villagers specifying the amount she wants to buy and at what price. In 2021 she bought more than 430 tons of sesame in Pakseng, Ngoy, and Nambak.

She bought 80 tons of paper mulberry in 2021 from brokers in all districts in Luang Prabang for 5,500 LAK/kg (Company gate price). She sold 15 tons to Phethrama company for 6,000 LAK/kg, 5 tons to Mulberry Pulp Dream international for 7,000 LAK/kg, and the remaining 60 tons to Thailand for 6,300 LAK/kg. Buyer prices when exporting mainly depend on exchange rates and product demand. The company expects to collect about 150 tons in 2022.

Cross-border shipping she manages through a company in Sayabouri for 700 LAK/kg. Her staff gets a salary of 1.5 mio LAK.

Problems for both, sesame and paper mulberry bark are not fully dried products, as well as unclean products and further contamination with dust and dirt during storage.

Operations area

Luang Prabang province

Selling to

Thailand

Expansion/investments

Currently None

9 Agriculture trading and extension Co. Ltd

Luang Prabang town

Product: Paper mulberry bark **Amount:** 1000 tons
Director: Mr. Xieng Chanpheng Telephone: 2235 3336
VC role Large trader, Exporter 9669 5959
Staff:

Overview

Agriculture trading and extension Co. Ltd company is a large trader who works with village groups for product purchase, buying and exporting agricultural commodities and NTFPs, including paper mulberry bark, incense bark (Peuk Mouak), and broom grass.

Business approach and operations

The company works closely with Mr. Keo (9331 2885), a village group representative of Namnga, Nambak, and Pakou villages in Nambak district. They buy for 6,700-6,800 LAK/kg from this group, while some farmers from Pakseng who deliver directly to the factory only get 5,500-5,800 LAK/kg. The company buys up to 1000 tons/month and exports them to Thailand and China (China via Boten, Thailand via Nam Heuang in Sayabouri).

They hire six to ten 20-ton trucks per month (20-30 trips/season) for 25 million LAK per trip to China plus taxes and export fees of 7 million LAK/truck. They sell the bark for 15,000 LAK/kg, and ship about 500 tons per season.

To Thailand they export about 200 tons per season, also in 6-10 trips per month, selling for 14,000 LAK/kg. Transportation costs 6 million LAK/truck, taxes and shipping are an additional 6 million LAK/trip.

Despite these large quantities, and the company trying for years to encourage farmers to plant paper mulberry trees, the demand is still far larger and cannot be covered in either country as not enough produce is available.

In recent years, Phethrama company has also ordered 20 tons/year of mixed grades, for 6500 LAK/kg, and a few other domestic processors ordered 1-2 tons/year for paper making.

Operations area

Nambak and Pakseng districts in Luang Prabang.

Selling to

China and Thailand

Expansion/investments

None

10a Mr. Bounmee

Ban Khong , Nambak district, Luang Prabang

Product:	Sesame, benzoin, paper mulberry, broom grass	Amount:	Sesame & bark: up to 30 tons Benzoin: 2-3 tons
Director:	Mr. Bounmee		Telephone: 5417 9888
VC role	Trader		
Staff:			

Overview

Mr. Bounmee is a trader who buys sesame, benzoin gum, paper mulberry, and broom grass and is a supplier to DFORES company.

Business approach and operations

Farmers deliver sesame directly to him, and he bought 20-30 tons/year from 2016 to 2018. He bought for 12,000 LAK/kg and exported to China selling for 14,000 LAK/kg. Taxes and fees are 6-7million LAK/truck.

Similarly, farmers also delivered paper mulberry bark to his house, about 30 tons per year between 2016 and 2018, which he bought for 3,000-4,000 LAK/kg and sold for 9,000 LAK/kg. Transport costs were 4 million LAK/truck and taxes amounted to 1-2 million LAK/trip.

In the previous a few years the volume of benzoin gum was reduced to an average of 2-3t/year which he sells to S. DFORES. Usually, farmers deliver the commodity to his home.

In the future the volume from Ban Khong should be around 2 tons and for all of Nambak district at least 8 tons.

Operations area

Nambak district

Selling to

Sesame: China

Paper Mulberry bark: China

Benzoin: S.DFORES company

Expansion/investments

None

10b Mrs. Chanmany (Paew)

Ban Pak Nga, Phonexay district, Luang Prabang

Product:	Paper mulberry, sesame, broom grass, hua douk doua (ຫົວດຸກເດືອ), ເປືອກເມືອກ	Amount:	Paper Mulberry: 6 tons (2021) Sesame: 400 kg
			Telephone: N/A
VC role	District trader		
Staff:	None		

Overview

Mrs Chanmany started business in 2000, collecting agricultural commodities throughout Phonexay district. In 2019, she built a warehouse and has changed her business strategy to buying only what is being brought to her, rather than collecting herself.

Business approach and operations

In 2021, she bought about 5-6 tons of paper mulberry bark. for 4,000-5,000 LAK/kg. She distinguishes two grades: young bark, which is white and smooth, which she buys for 5,000 LAK/kg, and sells for 6,000 LAK/kg; and old bark, which is thick and darker, which she buys for 4,000 LAK/kg, and sells for 5,000 LAK/kg. She sells to a range of traders and exporters mainly Mrs. Chanthay, Mrs Yai (Mrs. Sysamoud).

She also bought a total of 400 kg of sesame in 2021, a very small amount due to the small number of producers now, many of which have switched to other crops such as livestock raising with forage grasses. She buys long season sesame (Grade A) for 14,000 LAK/kg and sells it for 15,000 LAK/kg, and buys short season sesame (Grade B) for 13,000 LAK/kg, selling it for 14,000 LAK/kg. Currently sesame is still produced in Ka tang and San louang villages, 31 km away from her warehouse, as well as in the Phonethong area about 62 km away.

Her major problem is price volatility and the lack of commitment to agreements.

Operations area

Phonexay

Selling to

Other Lao traders

Expansion/investments

None

11 Mrs. Ging

Ban Sae, Viengkham district, Luang Prabang

Product: Sichuan pepper **Amount:**

Telephone: 9705 5565

VC role Trader, pre-processor

Staff: None

Overview

Mrs. Ging is trading Sichuan pepper

Business approach and operations

She buys fresh Sichuan pepper for 8,000 LAK/kg from farmers of Meaungmuan, Mai Viengkham, and Vangbong villages, dries it, and sells it for 50,000 LAK/kg.

She sells to Vientiane. But also does online selling, delivering via courier services for 48,000 LAK/50kg, and sells at Nonkhor market to Mr. Phiew Daungpraseuth.

Operations area

Viengkham district

Selling to

Domestic market

Expansion/investments

None

12 Mr. Houmphan

Luang Prabang

Product: Benzoin

Amount: 3 tons

Telephone: N/A

VC role trader

Staff: Not specified

Overview

Mr. Houmphan is a trader who also works under contract with Agroforex.

Business approach and operations

In 2021 Mr. Houmphan bought 3 tons of benzoin gum, all from Nambak district, and most from Ban Khong. His buying price is currently 130,000 LAK/kg

In 2022, he has established so far benzoin plantations in four districts, three in Phongsaly, and one in Luang Prabang. This is part of an ongoing investment by Agroforex, and 13 villages in Nambak district already planted benzoin trees, comprising a total area of 1,914 ha. All participating farmers got trained on proper tree care and gum collection techniques, the latter having a strong impact on gum quality. The best time for tapping depends on the age of the tree, which is why in previous years before their training, most farmers were tapping at the wrong time leading to poor quality gum.

Obstacles: last years some of S. DFORES agents bought at a higher price than Agroforex taking business from him.

Operations area

Luang Prabang

Selling to

Agroforex

Expansion/investments

None

13 Mr. Mairmeuang

Phonthong district, Luang Prabang

Product:	Paper Mulberry, Sesame, Bamboo worms	Amount:	Paper mulberry bark: 6 tons Bamboo worms: 1.5 tons Telephone: 9955 9008
VC role	Trader		
Staff:			

Overview

Mr. Mairmeuang is a Chinese trader in Phonthong district.

Business approach and operations

He buys paper mulberry bark from farmers and brokers who deliver to his shop for 4,500 LAK/kg and sells for 5,500 LAK/kg. In 2021 he bought 6 tons all of which he sold to Mr. Thid Pheuy in Ngoy district. He spends about 600,000 LAK on fuel.

Sesame he used to sell to Pakmong, but in 2021 he bought for 15,000 LAK/kg and could not find buyers.

In 2020 he bought 1.5 tons of bamboo worms for 120,000 LAK/kg, selling them for 125,000 LAK/kg at Namthuam,

Operations area

Phonthong district.

Selling to

Domestic buyers.

Expansion/investments

None

14 Mr. Soulisan

Ban Pa Phai, Nan district, Luang Prabang

Product: Paper Mulberry, Job's tears **Amount:** ca. 100 tons (2021)
Telephone: 5554 6433

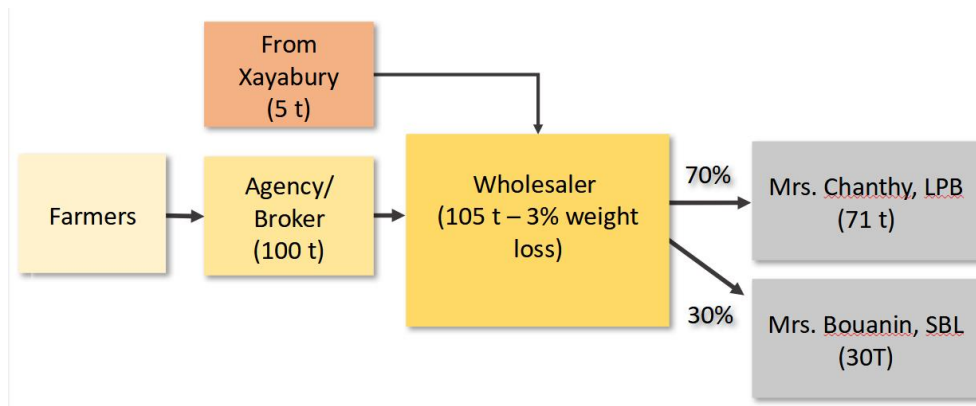
VC role Trader, wholesaler
Staff: None

Overview

Mr. Sulisan started as collector of Job's tears in 2000. His main activity is collecting maize and cassava. In 2018 he started to also collect Paper Mulberry.

Business approach and operations

Mr. Sulisan gets orders from larger traders, namely Ms. Chanthy and Ms. Bouanin, based on which he orders from farmers. Last year, he sold about 70% to Ms. Chanthy and 30% to Ms. Bouanin.



In remote areas (such as Khok Tom, Tha ly, and Nanuan villages), he works with brokers who deliver directly to his warehouse for 5,500 LAK/kg. He gives money advances to about 20 brokers to collect Paper Mulberry bark for him. He collects along the main roads of Ban Keomany, Na Phai, and Houay La paying 5,000 LAK/kg. He also buys about 4-5 tons from Sayabuli province every year. When prices change the company notifies him and he passes the new prices on to brokers and they to farmers.

Transportation cost is 500,000 LAK per trip, with a capacity of 4 tons per trip. Labor cost is 200,000 LAK/trip, and brokers get 2-3 million LAK. Tax for operating from from January to August is 1,260,000 LAK.

He does not sell to a Korean paper company close to him because they cannot pay directly but have to wait for money to be transferred from their mother company first. They also don't have large scales and it takes 5-6 hours to weigh a truckload of 4-5 tons.

One problem in general for him is high competition for Paper Mulberry as well as illegal trade.

Operations area

Nan district

Selling to

The companies of Ms. Chanthy and Ms. Bouanin.

Expansion/investments

None

15 Mulberry Pulp Dream International Co. Ltd

Luang Prabang town

Product:	Paper Mulberry pulp	Amount: 215 tons (2021)
Director	Mr. Khamboun Phongchalernxay	Telephone: 020 9613 4538
VC role	Processor, exporter.	
Staff:	8, plus up to 70 day laborers	

Overview

The company was established in 2014 and in those days only exported dried Paper Mulberry. In 2018 – 2019, the company built a processing plant for about around 1 million USD, which opened the export markets in Korea and China for it.

Business approach and operations

The company used to export two containers of dried bark per month. It now mainly buys Paper Mulberry bark from traders because it doesn't have enough staff to source directly and for now does not focus on working with farmers and extension, though there are plans to change this. Its main sourcing areas are in Pakseng and Xiengngeun districts and very small amounts from Sayabouri. The traders are requested to bale the bark into 50kg, 100x40 cm rolls before sending it to the factory, as it is easier and more efficient to store. The company sources the bark from January to June stores it for year-round processing.

The company processes the bark into fiber pulp which is packaged in vacuumed sealed plastic bags of 15kg, and two bags are combined into a 30kg wrap. One container can hold up to 600 30kg wraps (18 tons), and the company exports one such container per month.

If markets demand and enough bark can be sourced, the factory can churn out up to two containers per month. Market demand is assessed every year before buying the bark. Currently, the company is exploring Central Asian markets, but its main buyers now are China and Korea. The export happens via boat station in Thailand (Lamsabang boat station).

In 2021, the company bought Paper Mulberry for 7000 LAK/kg. The company does not grade fibers and the uniform selling price is 45,000 USD/container (2.5 USD/kg), but may be higher depending on customer requirements. Their staff salaries are set for 1.8 million LAK/month, day laborers who clean the fiber get paid 50,000 LAK/day. The company is paying 200 USD/time income taxes and documentation fees to POCl and the tax department. A certification of origin is necessary as otherwise the customer may have to pay more import tax.

The company is located 1km from residential areas as it has a wastewater treatment system consisting of six sewage treatment ponds, five of which are used for black water.

The two major challenges for the company are on the one hand to control the quality of the pulp because the high water content of 30% makes it prone to fungal attacks. It requires high level of cleanliness in the plant. The second challenge is that the price of bark is low, making it not very attractive to farmers and thus threatening the companies supply of raw material (see expansion/investment below).

Operations area

Pakseung and Xiengngeun districts, Luang Prabang

Selling to

80% to China and 20% to Korea

Expansion/investments

After a study tour to S-Korea in 2018 with a government delegation, the company is looking into the potential for traditional paper production in Luang Prabang. As the governments of Laos and Korea signed an MoU that processing of the Paper Mulberry needed to be completed in Laos before

export, the company is now required to follow the agreement conditions. This might be an employment opportunity for villages in Luang Prabang, located close to the company grounds.

The company plans to work on extension from 2023 on, starting in Xiengngeun district, with the purpose of guaranteeing enough produce in the future. The company plans to provide new techniques to villagers to increase income efficiency. To this end, the company is developing a machine to strip the bark from the trees which will make primary processing easier. It is also looking to provide techniques of pre-processing used other parts of the world (e.g., S-Korea) that lead to higher quality of produce.

Still, the company does not plan to collect the bark directly from villagers as the logistics involved in taking over this part of the value chain would be too taxing.

16 Mr. Nick

Ban Xiengman, Chomphet district, Luang Prabang

Product: Paper Mulberry, Sesame **Amount:** 15 tons (2021) each
 Telephone: 020 9847 9035

VC role District trader
Staff: 2

Overview

A small trader who has been collecting Paper mulberry (Porsa) and sesame since 2015. He is the biggest sesame collector in the district.

Business approach and operations

Mr. Nick has a representative in each village to collect both Paper mulberry and sesame on his behalf from the farmers. He distinguishes two grades: Grade A are whole, undamaged seeds of white color; Grade B are slightly discolored and imperfect seeds. He pays 15,000 LAK/kg dry seed for Grade A and 12,000 LAK/kg for Grade B and adds 1000 LAK/kg for sale, to each buying price. For black sesame there is no market demand. Paper mulberry he normally buys for 4,500 LAK/kg and sells for 5000 LAK/kg, but in 2022 the price rose to 6,000 LAK/kg for buying and 6,500 LAK/kg for sale. His village representatives need to make sure that the bark is completely dry, else he will not buy it.

Mr. Nick doesn't do any processing, only collects produce and waits for a good market price to sell. Sesame is stored in 45 kg bags in his warehouse but cannot be kept too long as it loses around 1% of its weight every two weeks. Paper mulberry he normally keeps for one or two weeks at his warehouse before selling it to a larger trader. The bark loses about 1.5 % of its weight every two weeks. Paper mulberry is in good demand and bigger traders always request more. He pays his two 2 workers at his warehouse each 1.5 mio LAK/month. All documents issued by DICO to legally collect NTFPs and tax amount to 800,000 LAK/year and need to be renewed on a yearly basis.

Operations area

For Sesame mainly three villages: Houykatai, Houyxieng, and Houylon in Chomphet district.
 For Paper mulberry mainly two villages: Houyleing and Houychuang in Chomphet district.

Selling to

Sesame to Ms. Noy at km 8 on the way to Khuangsi waterfall
 Paper mulberry to Mrs. Sysamoud Indala (Pa Syda), a bigger trader in Pakseng,

Expansion/investments

None

17 Mr. Nouan

Ban Nambor, Phonxay district, Luang Prabang

Product:	Sacha Inchi	Amount:	1 ton (2021)	Telephone: N/A
VC role	District trader			
Staff:	None			

Overview

Mr. Nouan is a small trader, registered as district collector, who exclusively trades in Sacha Inchi for Thanchai company. He has a sachu inchi plantation of about 1.5 hectares which he stated in 2019. At that time villagers planted a lot of sachu snchi in the village, because it was promoted by a company. The company provided seeds and technical support to take care of plantations in the beginning and many farmers were excited about the prospects of growing and selling the crop. When the company stopped buying most villagers cut the vines replaced them with other crops. Mr. Nouan, however kept his plantation and when Thanchai came and asked to buy, he was the biggest sachu inchi producer in the village, collecting 1 ton per year, including the little others still have. He became thus a direct agent for Thanchai.

Business approach and operations

Mr. Nouan is a farmer who now also takes on some collection and promotion activities. He is not registered and does not pay taxes on his trading activities.

He sold sachu inchi seed without shell for 7,000 LAK/kg (2021). Now the price is 14,000 LAK/kg (2022).

Sachu inchi with shell he buys for 8,000 LAK/kg and sells for 10,000 LAK/kg, whilst the shell alone costs him 2,000 LAK/kg and sells for 4,000 LAK/kg.

Operations area

Nambor village, Phonxay district

Selling to

Thanchai company

Expansion/investments

Not clear.

18 Mrs. Onkeo

Nambak district, Luang Prabang

Product:	Bamboo shoots, Sesame	Amount:	Shoots: 1.5 tons Sesame: 800 kg
			Telephone: 9664 7285
VC role	Small processor and food producer, small trader		
Staff:	3 day laborers		

Overview

Mrs Onkeo is a small trader and Khai Phaen (river weed) producer.

Business approach and operations

Between 2018-2020, Mrs. Onkeo bought Bamboo shoots (nor here) from five villages: Nalaung, Houaykhong, Houaylan, Bong, and Mee. Farmers deliver the shoots to her house and sell for 2,000-5,000 LAK/kg. She boils the shoots and brings them to markets in Luang Prabang to sell for 15,000 LAK/kg. Her annual production volume is about 1,5 tons. For the processing labor is hired for 50,000 LAK/person/day.

She also produces river weed sheets for consumption (Khai Phean), for which she buys sesame. She buys directly from farmers at Nam Duan village for 15,000 LAK/kg, and from Mr. Thid Pheuy, a trader in Ngoy district for 16,000 LAK/kg, all in all around: 800 kg/year.

Operations area

Nambak district

Selling to

Local markets

Expansion/investments

None

19 Phethrama Mulberry Company

Luang Prabang town

Product: Paper mulberry bark **Amount:** 200 tons
 Telephone: 2213 3331

VC role Large trader/Exporter

Staff: 11 permanent staffs and > 50 temporary workers

Overview

Phethrama Mulberry Company is a large trader who buys paper mulberry bark from all available sources in order to sell on to processors or export.

Business approach and operations

Phethrama Mulberry Company buys directly from traders with quota permission, and to a lesser extend from brokers. They distinguish Grade A - young barks; Grade B - bark from branches; and Grade C - older bark. They normally buy mixed grades for 6,000 LAK/kg from farmers, 6,500 LAK/kg from brokers, and 7,500 LAK/kg from traders.

The traders and brokers they work with in Luang Prabang are: Xiengchanpheng (020 22353336), Pa Syda (02055175125), Mr. Khamphouth, Mrs. Singkeo (Huay Lo village).

The company exports 18 tons per month of paper pulp for 14,000 LAK/kg to Korea via Mulberry Pulp Dream International. It also produces paper bags, stationary articles, etc. for wholesaling or retailing in the domestic market. Currently, the factory produces 5000 white paper sheets (price: 3000 LAK/sheet), 1000 decorated flower paper sheets and 1000 paper bags (price: 5000 kip/bag) a month, respectively. The manufacturing being largely manual, one worker can make about 200 white and 150 decorated paper sheets per day.

The company's goal is to export 60 tons/month but to do so, they need to increase their working capital.

Operations area

Luang Prabang and neighboring provinces

Selling to

South Korea, Thailand; Exploring connections to China (Sichuan Province).

Expansion/investments

None

20 Mr. Somsy

Luang Prabang

Product:	Paper mulberry, sesame, bamboo worms, broom grass,	Amount:	Paper Mulberry: 60 tons Sesame: 4 tons Bamboo worms: 20 tons
			Telephone: 9557 9766
VC role	Trader		
Staff:	Not specified		

Overview

Business approach and operations

Mr Somsy buys paper mulberry bark from Nongkham village near the Hiem district border, six villages in the Mak Mhuay area, and nine villages in the Sobheuang area. He buys 50-60 tons/year for 3,000 LAK/kg and sells most to Mr. Thid Pheuy in Ngoy district for 4,500 LAK/kg, as well as to other traders in Pakmong for 4,600 LAK/kg.

He buys about 4 tons of sesame from farmers in Viengkham district for 10,000 LAK/kg and sells them locally in Ngoy district for 11,000 LAK/kg. He also noticed a decreasing number of producers, while transport cost is increasing.

He also buys about 20 tons per year of bamboo worms for 80,000 LAK/kg and sells them for 100,000 LAK/kg locally within Ngoy district.

Operations area

Vienkham district

Selling to

Domestic traders and markets.

Expansion/investments

None

21 Mr. Sychan

Ban Kalet, Luang Prabang

Product: **Benzoin**

Amount: 30-40 kg

Telephone:

VC role Producer

Staff: None

Overview

In Ban Kalet, 35 families have benzoin tree plantations, of which Mr. Sychan, deputy village chief, is one. The village also has two benzoin brokers, and one representative of each, Agroforex and S. DFORES.

Business approach and operations

The benzoin gum price is now about 150,000 LAK/kg in 2022, down from 180,000 LAK/kg in 2018-2019. Each household produces on average 30-40 kg of benzoin gum per year.

All households sell their harvest to company agents individually and are able to negotiate their own prices.

However, this also creates problems, due to competition between the two agents, and varying prices given to different people.

One problem for plantations is damage by livestock, which has led to a decrease in total production area.

Operations area

Ban Kalet

Selling to

Agroforex and S. DFORES

Expansion/investments

None

22 Thanchai company

Luang Prabang city

Product: Sacha Inchi **Amount:** 170 tons (2021)
Director: Mr. Synouan Phackamphone Telephone: 7777 7228
VC role Trader/exporter 9999 9883
Staff: 12 (5 male, 7 female) plus temporary workers

Company overview

The company has been operating since 2016 and got legal status in 2017 as an export company. Reasons why the company focused on sacha inchi were the growing market, a liking for the crop, which looks bright green throughout the year, the income opportunities it could provide to farmers, and its health benefits. Moreover, Mr. Synouan believed that planting sacha inchi could help villagers to reduce shifting cultivation. The company has also heard many stories from farmers about the improvement of their livelihood due to sacha inchi sales, including better education for their children.

Business approach and operations

Thanchai company has been providing seeds and wires to farmers in four districts in Luang Prabang and is encouraging and supporting more farmers to grow the crop. Whilst it does not have its own plantation, the total cultivation area the company reaches out to is currently 980 ha. The company works with one main collector in each district to collect the seeds from farmers on behalf of the company. Likewise, extension support is often provided via these agents. Sacha inchi two production cycles throughout the year:

- September– May: High production
- July – August: Lower production, (max. 10 tons/month)

Working with farmers is challenging as many farmers do not understand how businesses operate and do not trust in companies, mainly due to bad experiences in the past. A big company had promoted sacha inchi in the past, but then suddenly stopped collecting having gone bankrupt. Despite a constant effort to regain trust, progress is slow.

With export as focus, Thanchai requires export permits from PICO for each of its products, after having paid all taxes. But since Luang Prabang does not share any national borders, PAFO cannot issue phytosanitary certificates requiring the company to request these certificates from Xiengkhouang, Sayabouri and Bolikhamxay provinces. For export to Vietnam, the company uses the Nam Phao border checkpoint (Bolikhamxay).

Thanchai operates a small warehouse with a capacity of more than 200 tons (5000 bags), but normally ships off once 15-20 tons are reached. They also have a de-shelling machine which can process about 5 tons per day and cost 3000 USD, but which is never used since it breaks shells randomly and buyers prefer shells cleanly cracked along the line between both seed lobes.

Operations area

Luang Prabang Province: Pakseng, Luang Prabang, Chomphet, and Phonxay and other districts and provinces with the same price, but the amount is as little as 5 tons/year.

Target markets

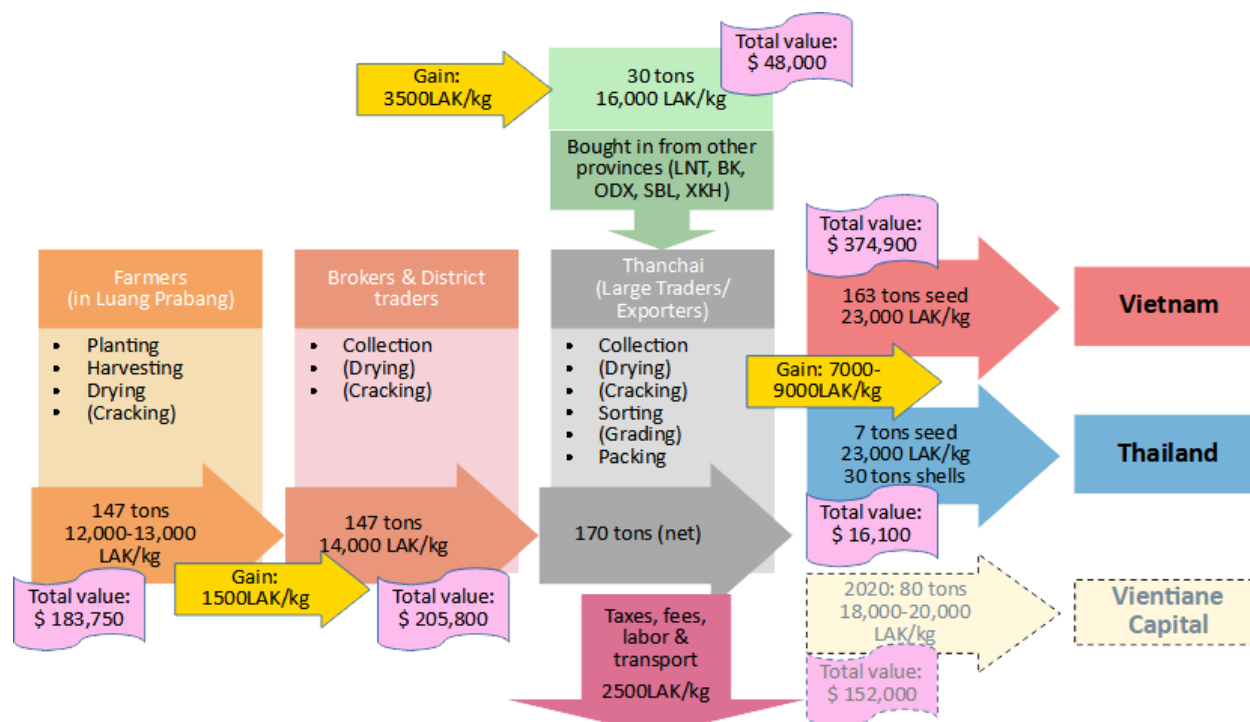
The main export destination is currently Vietnam (>90%), with the rest going to Thailand. In 2020

the company sold to Mai Savanh in Vientiane, because export was constrained due to COVID. Korea is another market the company has sold to before COVID.

Expansion/investments

The company is planning to increase the amount of collected sachinchi production to 2000 tons/year or at least 1,300 tons/year within the next 2 years. It would be a further boost for the company if the government helped promoting sachinchi to farmers.

The following diagram depicts the value chain as identified for Thanchai company for 2021:



Supply and value chain figures for Thanchai company for the year 2021:

Item	Farmers	Traders	Other provinces	Exporters	Vietnam	Thailand	Vientiane
Tons traded	147	147	23	170	163	7	80
Selling price (LAK)	12,500	14,000	16,000		23,000	23,000	19,000
Price increase per kg (LAK)		1,500	3,500		8,800	7,000	4,250
	1,837,50						
Total gain ('000 LAK)	0	220,500	80,500		1,434,400	49,000	340,000
Total gain USD	183,750	22,050	8,050		143,440	4,900	34,000
Total value	183,750	205,800	36,800		374,900	16,100	152,000

23 Mr. Thid Pheuy

Ban Nongkiew, Ngoy district, Luang Prabang

Product:	Paper mulberry, sesame, broom grass, bamboo worms	Amount:	Paper mulberry bark: 100 tons Sesame: 60 tons
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Telephone: 5578 2059

VC role Trader, Exporter

Staff: Not specified

Overview

Mr. Thid Pheuy is a provincial trader and exporter of NTFPs.

Business approach and operations

The company bought paper mulberry bark from district traders from Viengkham, Nambak, Pakxeng and also Ngoy. The average buying price is 5,000 LAK/kg, selling to China for 7,000 LAK/kg. It exports via Boten and pays about 0.3 to 0.4 million LAK/ton for transportation plus 4% tax of total value.

In 2018 and 2019 the company bought on average 60 tons of sesame for 12,000 LAK/kg from farmers of Ngoy and Viengkham districts. Farmers mostly delivered directly to his home while he sold on to Khai Phean making groups, restaurants and markets in Luang Prabang .

Operations area

Luang Prabang province.

Selling to

Paper mulberry bark: China, (South Korea)
Sesame: domestic market in Luang Prabang

Expansion/investments

None

24 Mrs. Touy

Nan district, Luang Prabang

Product:	Paper mulberry Job's tears, Corn, Cassava	Amount:	1.5 tons (2021)
			Telephone: N/A
VC role	Collector		
Staff:	None		

Overview

Mrs. Touy is an agricultural trader focused on Job's tears, Corn, Cassava and others. In 2022 she started collecting Paper mulberry, which pays for her fuel expenses when she goes to Luang Prabang town.

Business approach and operations

She purchases the bark for 6,000 LAK/kg and sells for 6,800 LAK/kg. There are about 7-8 regular collectors in each village and farmers come to sell 7-10 kg per time. The registration fee for collecting forest products is about 1.2 mio LAK/year. She is worried that soon there may be no Paper mulberry trees anymore due area clearing for bulk crops such as cassava, because stripping the bark is labor intensive and not well paid. Currently it is still abundant along the Mekong, for example in Khoktom and Keo Mani villages.

Operations area

Nan district

Selling to

Opportunistic

Expansion/investments

None

25 Mr. Vanthong Phonthachanh

Ban Nongchong, Chomphet district, Luang Prabang

Product:	Sacha Inchi, Paper Mulberry, Sesame	Amount:	Sacha Inchi; 2 tons (2021) Paper mulberry: 3 tons Sesame: 4 tons (2021), up to 6 tons Telephone: 020 5577 1970
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VC role District trader

Staff: None

Overview

Mr. Vanthong is a small trader, registered as district collector, who has been collecting Paper Mulberry, sesame, sacha inchi, corn, Job's tears, broom grass, and Dammar Batu by truck since 2006.

Business approach and operations

In the current season he collected two tons of sacha inchi for a buying price of 13,000-15,000 LAK/kg depending on distance. He sells only to Thanchai company for 14,000-16,000 LAK/kg. In early 2022 he also sold 300 kg of sacha inchi shells to Thanchai, which he bought from farmers for 1,000 LAK/kg and sold for 5,000 LAK/kg. But the company stopped buying shells now and he is stuck with them at his home. While he delivers to Thanchai company he does not have a contract with them.

Collecting also other products his costs are spread over everything he buys. They include

- Ferry service: 110,000 LAK/round trip
- Workers for loading and unloading: 100,000 LAK/round trip
- Fuel for collecting and selling 500,000 LAK/round trip
- Certificate to collect NTFPs: 700,000 kip per year
- Tax: 800,000 LAK/year (trading tax 400,000LAK, Customs tax 400,000 LAK)

He collects Paper mulberry bark in Chomphet district for a price of 4,000 to 4,500 LAK/kg and sells the collected product to three companies for 5,000 to 5,500 LAK/kg. When buying, he prefers white and dry bark. If the bark is still moist, he will calculate the price assuming a weight reduction of 35-40%, or pay a fix price of 3,000 LAK/kg. The price is set every year anew by the buying companies and needs to be agreed upon before buying the bark from farmers.

Sesame also comes from Chomphet district. Sesame loses 2%-15% of weight after buying, depending on moisture content. If he has time, he will grade the seeds into:
Grade A: white and complete seeds, which he buys for 9,000 LAK/kg and sells for 11,000 LAK/kg.
Grade B: discolored and imperfect seeds, which he buys for 7,000 LAK/kg and sells for 8,500 LK/kg.

Low quality seed is the biggest problem he faces.

Operations area

Chomphet district

Selling to

Sacha Inchi: Thanchai company

Paper mulberry and Sesame: 1) Agricultural Fruitage Dev. Co.; 2) Chanpheng Co.Ltd (Pa Chanhthy); and 3) Mrs. Sysamoud Indala (Pa Syda) in Pakseng.

Expansion/investments

Plans to build a warehouse in the future.

26 Mr. Xiengbon

Ban Vangbai, Nambak district, Luang Prabang

Product:	Sesame, bamboo worms, cardamom, broom grass rattan fruit,	Amount:	Sesame: 15 tons Bamboo worm: 7 tons
			Telephone: 9995 5660

VC role District trader

Staff:

Overview

Mr. Xiengbon has been a trader since 2006.

Business approach and operations

Mr. Xiengbon buys sesame from brokers and farmers within the district, who often deliver to him directly. He bought 15 tons for 9,000 LAK/kg and sold to Nambak district for 10,500 LAK/kg.

He also trades bamboo worms, of which he buys about 2 tons from producers and brokers in the district, and 5 tons from Mrs. Hom (030 9144 088) in Namneun village, Houameuang district in Huaphan Province. He buys for 80,000 LAK/kg and sells to Mrs. Seng in Nambak (020 2235 9892) for 90,000 LAK/kg.

Operations area

Nambak

Selling to

Domestic buyers in Nambak district

Expansion/investments

None

27 Xienglong Company

Pakseng, Luang Prabang

Product: Paper mulberry, sesame, broom grass, Job's tears, **Amount:** 200 tons (2021)

Director: Mrs. Sysamoud Indala (also Sis Yai or Pa Sida) Telephone: 5577 0958

VC role Exporter

Staff: Not specified

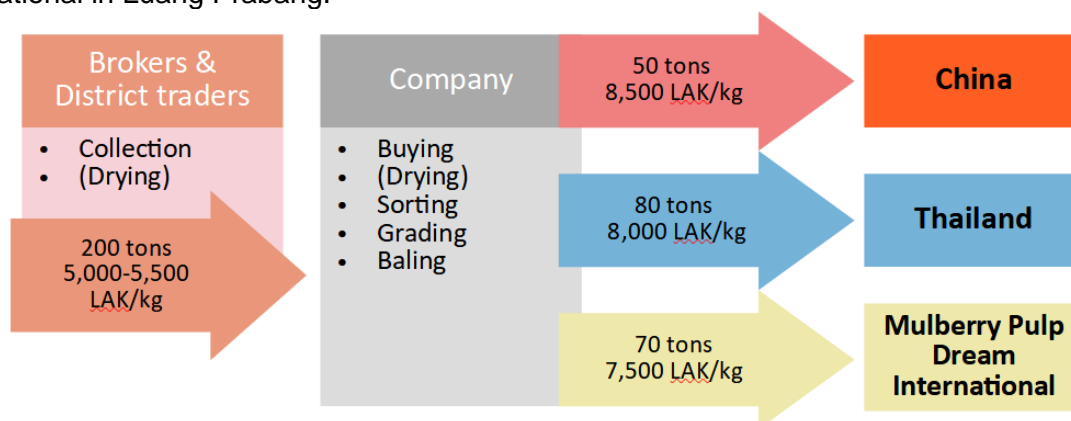
Overview

The company collects mainly NTFPs and exports them with minor processing. The business is now in the second generation and was started about 35 years ago. The company now runs three warehouses which act as purchase points, two in Xiengngern and one in Pak Seng.

Business approach and operations

In 2021, the company collected and sold 200 tons of paper mulberry bark, buying for 5,000 – 5,500 LAK/kg. Whilst the company buys ungraded bark from traders, the produce is later separated and sold as Grade A for 8,000-8,500 LAK/kg, and Grade B for 7,500-8,000 LAK/kg in 50kg bales.

The bark is exported to China via the Boten border to Guangxi province, or to Sukhothai province, in Thailand from Sayabouri. In-country, the bark is also sold to Mulberry Pulp Dream International in Luang Prabang.



Costs incurred include 1.5 Baht/kg for transport to Thailand, and 1.5 mio LAK per trip of 12-13 tons to China. Export documentation, taxes and fees amount to 6 mio LAK/trip. In 2022, the price started out for 6,000-6,500 LAK/kg.

Operations area

Luang Prabang and neighboring provinces.

Selling to

Thailand, China, and Mulberry Pulp Dream International Co.

Expansion/investments

None

28 Mr. Xiengthone

Ban Vangbai, Viengkham district, Luang Prabang

Product:	Paper mulberry, sesame, bamboo worms, Job's tears, broom grass, mushrooms	Amount:	Paper mulberry bark: 50 tons Sesame: 60 tons Bamboo worms: 37 tons
			Telephone: 5929 7296

VC role Trader, exporter

Staff:

Overview

Mr. Xiengthone started with trading paper mulberry in 2012 and has expanded his business since to other commodities.

Business approach and operations

Mr. Xiengthone buys paper mulberry bark from brokers in Viengkham district paying for Grade A 5,000 LAK/kg, for Grade B 3,000 LAK/kg, and for Grade C 2500 LAK/kg. He sells to China via Boten for 11,000 LAK/kg. He trades a total volume of about 50 tons in two delivery trips per year. Taxes and fees for transportation amount to about 11 million LAK/trip for a 25-ton truck, plus tax costs of about 5.5 million LAK/trip (before the current 2022 energy crisis). In terms of demand, he could easily sell double this amount if he could find enough produce.

He buys sesame from farmers and brokers in his village, for 12,000 LAK/kg from brokers and 10,000 LAK/kg from farmers. He sells all of it, about 60 tons to China for 16,000 LAK/kg, shipping twice a year. Taxes and fees amount to 6 million LAK, and fuel to 7 million LAK/round trip.

He also buys bamboo worms from brokers, for which he pays 85,000 LAK/kg in the early season, while towards the end of the season, his purchase price climbs to 130,000 LAK/kg. He bought 2 tons/year from his village, and 35 tons from traders in Kone, Houameuang, and Xam Tai districts in Houaphan province. He sells to China for 5,000 LAK/kg above buying price and pays about 9 million LAK/trip in taxes and for transport.

Operations area

Paper Mulberry: Viengkham districts

Sesame: Vangbai village

Bamboo worms: Vangbai village, Kone, Houameuang, and Xam Tai districts in Houaphan province

Selling to

China

Expansion/investments

None

29 Mrs. Chansouk

Ban Huay Chuang (Phu Laeng), Hongsa district, Sayabuli

Product:	Sesame	Amount:	3 tons (2021)
			Telephone: N/A
VC role	Small broker/trader		
Staff:	None		

Overview

Mrs. Chansouk has been acting as a small trader since 2018, when a house fire destroyed her documents, and she could not prove anymore to be a licensed trader. Only in 2020 she continued collection.

She is buying a wide range of commodities including Job's tears, rice, sesame, paper mulberry, broom grass, and sugar palm fruit.

Business approach and operations

In December 2021 she bought 3 tons of sesame from her own village for 14,000 LAK/kg. She sold to Sonephan commercial company for 14,500-15,000 kip/kg. She can transport 1-2 tons per truckload and the round trip from Huay chuang to Sonephan company costs 400,000 LAK.

Registration fee (patang) is 2.4 mio LAK per year.

In 2021, she also bought paper mulberry bark from farmers in her village for 3,000 LAK/kg and sold it for 3,500 kip/kg.

Eight collectors are currently competing with her for goods from her village: Mrs. Keo, Mr. Nok, Mrs. Champa, Mrs. Mong, Ms. Kung (from Sayabuli), Mr. Thong, Mr. In (from Phu laeng kang), Mrs. Tham (from Phu laeng kang).

Operations area

Ban Huay Chuang

Selling to

Sonephan commercial company

Expansion/investments

None

30 Langsouliphong Import-Export Freight Limited Company

Ban Namphoui, Phiang district, Sayabouri

Product:	Sesame, maize, cassava, Job's tears, etc	Amount:	200 tons (2021)
Director:	Pa Boualery	Telephone: 5612 9892	
VC role	Exporter		
Staff:	Not specified		

Overview

Langsouliphong Import-Export Freight Limited Company is buying maize, cassava, job tear, sesame, and other NTFPs and agricultural commodities for export to Thailand.

Business approach and operations

In 2021, the company bought 200 tons of sesame from about 30 small traders and brokers mostly in Phiang district, but also few in Sayabouri district (Sonephan company), and Luang Prabang (Mrs. Noy). The company buys sesame as mixed grade, paying 14,500 LAK/kg in Sayabouri and 15,500 LAK/kg in Luang Prabang. All of the sesame is exported to Thailand through shipping services, one shipment of 20 tons costing about five million LAK. The company pays income tax on district level and after deducting of all costs, a profit of around 800 LAK/kg remains. The shipping company charges for their services about 250,000 LAK/trip, independent of actual volume and product.

The company buys and ships off as soon as full truck load can be mounted, which can take one or two months. The three main customers are all located in Loei district, Thailand, and are exporting the sesame further to foreign markets.

Since black sesame is not grown in Phiang district, they only buy white sesame. The company attempted black sesame production by providing seed to farmers, but the product quality did not meet the minimum requirements, as farmers mixed black and white seeds.

Quality is often a problem for her as farmers do not deliver high-quality produce, which sometimes lowers the selling price so much that no profit is left.

Sesame production is decreasing every year because farmers are increasingly planting other crops such as cassava. In the past, collecting and selling up to 1,000 tons of sesame annually was not unusual.

Operations area

Phiang district, Sayabouri district, Luang Prabang

Selling to

Thailand

Expansion/investments

None

31 Many Phathana Company Ltd

Ban Mai , Xienghon district, Sayabouri

Product:	Mai hok Bamboo shoots	Amount:	270 tons fresh, 30 tons dried shoots
Director:	Mr Be Manyvong		Telephone: 5805 7777
VC role	Exporter		
Staff:	8		

Overview

The company has traded in agricultural products 20 years. In the past they supported the cultivation of Job's tears, maize, rice, and the collection of palm sugar, broom grass, and bamboo shoots. They operate two drying ovens, one at Hua mouang village and one at Khing village.

Business approach and operations

Mai hok grows at riverbanks and shoots can be collected from September to November. In his district, Houyyouak, Moksatoo, Houameung, Numbeng and Houangkoo villages collect bamboo shoots, as well as Pak hai village in Khop district. In these villages harvest is limited to the mid-season, to allow sufficient regrowth for sustainable management. The farm gate price of peeled shoots was 1,200 LAK/kg in 2020 and 1,500 LAK/kg in 2021. In 2021 the company produced 30 tons of dried shoots, in 2020 more than 18 tons, all of which got exported to China for 25 Yuan/kg (46,000 LAK). For 1 kg of dried shoots about 9 kg of fresh shoots need to be processed. Normally they are the only buyer in the area but in 2020, a company from Oudomxai province came to buy in the same area. Another trader in Khenethao district also produces dried shoots.

The company is supporting farmers to actively manage and plant bamboo. In Houay Yuak (village chief: Ms Sitho, Tel.: 5445 3688) the company paid villagers to grow bamboo there: 36 households now grow 6,200 bamboo plants. They got paid 1,500 LAK per hole, or a total of 10 mio LAK. The company also guarantees a buying price of 1,200 LAK/kg though no contract has been signed. The goal is to establish the same in three villages. This type of plantation production also leads to tax reduction. However, the company has a limited budget for this type of investments and labor for harvesting, halving, peeling and cleaning is constrained as less and less people are interested in collecting the shoots.

Over the past five years, the company has worked with village authorities to design regulations for bamboo forest management. They focused on Khmu people, who have a tradition of NTFP management.

The company has to request a quota every year. Now they also want a quota for 30 tons of firewood for drying the shoots.

Transportation to China costs 800,000 LAK/ton, drying 250,000 LAK per time, and day laborers are hired for loading and unloading for 20,000-25,000 LAK/ton.

However, this year export is constrained as bamboo shoots are not on the import list for China and are not allowed to cross the borders.

Operations area

Xienghon district

Selling to

China

Expansion/investments

None

32 Mr. Norm

Ban Thongkab , Xienghon district, Sayabouri

Product: Rattan shoots

Amount: 100 kg

Telephone: 98884818

VC role Processor

Staff: None

Overview

Mr. Norm is processing rattan shoots for consumption. His final product, dried packed shoots are exported to Thailand and from there also to other countries, such as the USA.

Business approach and operations

Mr. Norm mainly buys from Thongkab village but also from Huay Hark, Synoksay, Pong Paen, and Huay Tong villages. In 2021 he bought 100 kg of shoots (ca. 17,000 – 20,000 pieces) for 1,000 to 1,200 LAK per piece, depending on size and demand. To produce 1 kg of dried shoots he needs about 150-200 shoots. In the past not much rattan was grown, but it has recently become a bit more and thus easier for him to get enough produce.

The fresh shoots only keep for 3-4 days, so processing needs to happen as soon as possible after harvesting. Mr. Norm now has installed ten drying ovens in the village to prevent spoilage, with big ovens having a capacity of 10 kg and smaller ones of 5 kg. The production process includes:

- cutting,
- boiling
- peeling
- oven drying for 3 days
- sun drying
- packing.

However, the product has to be processed carefully as dried shoots that are red or striped cannot be sold.

He produces to order and mainly exports the product to Thailand, selling it for 1,000 THB/kg. Shipping cost is 50 THB/kg.

Operations area

Xienghon district

Selling to

Thailand

Expansion/investments

None

33 Saya Development Lao-Thai cooperation company

Ban Nathuan, Hiem district, Sayabouri

Product:	Paper mulberry Sugar palm fruit, broom grass, tamarind	Amount: 19 tons (2021)
Director:	Mr. Kailath (Thai national)	Telephone: 030 9399 485
VC role	Trader/exporter	
Staff:	17, plus up to 70 day laborers	

Overview

Mr. Kailath used to be a small Thai trader of NTFPs who would buy in Sayabouri and sell across the border to Thailand. After the order No. 15 ("Strengthening Strictness of Timber Harvest Management and Inspection, Timber Transport and Business"), Mr. Kailath founded together with a Lao trader their company focusing on NTFPs and agricultural commodities with Thailand as main market.

The commodities the company deals in are mainly sugar palm fruits, broom grass, tamarind, and paper mulberry. Moreover, the company is also operating as a shipping company at the Nam Ngeun border crossing point.

Business approach and operations

The paper mulberry bark is bought from villagers and small traders only at the company gates, not doing collection nor pick-ups. The supply mainly comes from Huay Loun, Thana, Napho, and Viengxay villages in Sayabouri district. The bark should be as young as possible

The buying price ranges from 5,500 – 7,000 LAK/kg. The cost of all documents and fuel is about 1,500 LAK/kg. The selling price depends on grade and is between 22 and 29 Baht/kg. In 2021, the company exported about 15 tons of bark to Thailand, and sold four tons to Mulberry Pulp Dream International in Luang Prabang. In its role as exporter the company has shipped a total of 200 tons of paper mulberry bark to Thailand in 2021.

The company employs 12 permanent staff at the factory and five at the border in Ngeun district (7 male, 10 female), each of whom gets a salary paid at least 2 million LAK/month. Day laborers are especially hired for processing sugar palm fruit.

Despite numerous collectors, the company has no problems to get enough produce because it offers higher prices for better products. Villagers are aware of the good price for young bark they get paid by this company. However, the market in Thailand is limited, with only two factories, besides a small mulberry paper handicraft sector.

The company sees potential for rattan shoots (price in Thailand is 7 THB per shoot and buyers must cut it themselves), Galangal, kafir lime leaves and lemon grass.

Operations area

Sayabouri district

Selling to

Thailand

Expansion/investments

None

34 Mr. Somvang Chitdavong

Hongsa district, Sayabouri

Product:	Rattan	Amount:	2 m ³ (2021)
Director:	Mr. Somvang Chitdavong	Telephone: N/A	
VC role	Furniture manufacturing		
Staff:	8		

Overview

Mr. Somvang's family used to make wooden furniture. But as it became increasingly difficult to source timber after order No. 15 on "Strengthening Strictness of Timber Harvest Management and Inspection, Timber Transport and Business" was issued, they looked for alternatives. In 2019, they found out that a lot of rattan is available in Hongsa district they started producing rattan furniture. The district authorities supported the idea because rattan furniture had been identified as a district focus commodity. In 2020 the businesses was re-registered as rattan furniture company.

Business approach and operations

The business mainly sources rattan from Pakhouyyang village, about 30km outside town, where they have a small manufacturing facility. Around the village rattan palms still abound and the company buys all the produce they can get. They had originally trained ten workers to make furniture, but villagers were very unreliable and it was difficult working with them. Now, only two workers are left at the factory and a lot of equipment was moved to Mr. Somvang's home in Hongsa town, where he employs six more workers. All his workers get paid based on furniture pieces made.

Mr. Somvang goes to the village to pick up rattan once a week supported by his two workers there. He buys rattan from the villagers, a big diameter (3cm) cane costing 3,000 LAK per meter and small diameter (1 cm) canes costing 1,000 LAK per meter. In 2021 they bought about two cubic meters of rattan for 20 million LAK. He only uses A grade canes.

The business has no clear product pricing scheme since each piece of furniture has different material and labor costs. However, the total revenue from their rattan furniture is about 130 million LAK per year, of which about 50 million is profit.

Most of their furniture is produced to order by shops in Oudomxay, Luang Prabang and Sayabouri towns. They also do direct sales from their shop and participate in a number of festivals and exhibitions. Whilst there is a market in Vientiane transportation costs are prohibitive. In the first three months of 2022 they sent three shipments to each, Oudomxay and Luang Prabang, worth 40 million LAK in total. While there is more demand, the business is lacking operational funds to expand their operations and hire more labor.

The company pays around 600,000 LAK/year income tax, 700,000 LAK for forest restoration, and around 700,000 LAK for business certificates and other documents.

Operations area

Hongsa district, Sayabouri

Selling to

Oudomxay, Luang Prabang and Sayabouri

Expansion/investments

Would need equipment that allows him to produce more, but he does not know what is available that he could afford.

35 Mrs. Sone

Ban Viengkham, Phiang district, Sayabouri

Product: Bamboo **Amount:** 10 steamer baskets per day

Telephone: N/A

VC role Handicraft producer

Staff: None

Overview

Mrs. Sone has been working on bamboo handicraft since she was young and adopted it as a main occupation.

Business approach and operations

She and her family mostly use Mai Bong, which is collected once a year. Her family cuts the bamboo from the large village forest as it is of better quality compared to the ones close to the village. Nobody plants bamboo in the village because it is still common in the wild. On some occasions, Sone's family buys bamboo from other villagers when they bring some back from going to the fields. They pay 2,000 – 2,500 LAK per 50 cm of bamboo cane. In the past people liked to use Mai Kaolam for handicraft because of its color, but the species has disappeared from the village forest, supposedly as part of its natural cycle, but villagers have been waiting for many years for it to grow back.

Producing bamboo sticky rice boxes earns her at least 100,000 LAK/day and she can stay home to take care of her son and parents. Her products are sold by a handicraft shop along the road to Phaklai district. Having a long-term business relationship, they sometimes get upfront payment if needed.

In her area, not many young people work in bamboo handicrafts because they prefer work at a cassava factory and other places outside of the village. This leaves mainly the elderly in the village working this craft. She however considers it a good option for her circumstances.

Operations area

Ban Viengkham, Phiang district, Sayabouri

Selling to

Local shops

Expansion/investments

None

36 Sonephanh Trading Company

Ban Nonsavanh, Sayabouri district, Sayabouri

Product:	Sesame, paper mulberry , sugar palm fruit, maize, Job's tears, broom grass, hua douk doua, ya hua, Russula mushroom, Cardamom	Amount (2021) : 30 tons sesame 30 tons mulberry bark
VC role	Collector and Wholesaler	Telephone: 5966 1597, 5434 5446
Staff:	6, plus 10 day laborers	

Overview

The company collects a range of agricultural and NTFP commodities and operates a warehouse with a dryer.

Business approach and operations

Whereas in 2020, the company collected 80 tons of sesame, in 2021, they could only get 30 tons. The reduction in production is attributed to a shift towards other cash crops such as cassava. The company sells mainly to Pa Boualery company in Numpui village, Phiang district (Tel. 5612 9892) which has a pre-processing facility. Pa Boualery sets prices and informs about needed quantities according to its buyers in Thailand. Pa Boualery informs Sonephanh company which then buys the produce from brokers for about 12,000 LAK/kg and does cleaning, sorting, and drying if needed. Sometimes Pa Boualery provides cash advances to facilitate the collection. In general Pa Boualery adds 500-700 LAK/kg to the buying price of Sonephanh Trading Company. Sonephanh company provides some cash advance to brokers, as well as to farmers for buying herbicides and other inputs.

The company also bought 400 kg of black sesame produced in Xaisatharn and Hongsa for 12,000 LAK/kg and sold them to a retailer in Sayabouri town for 19,000 LAK/kg. This retailer sells on to Luang Prabang and Vientiane Capital as food ingredient for local consumers.

The transport to Pa Boualery is about 100,000 LAK per round trip for a 3.5-ton truck load.

Also in 2021, the company bought 30 tons of paper mulberry bark from brokers for 4,000-5,000 LAK/kg paying more for large quantities than for smaller ones. They then sold it on for 6,000 LAK/kg to Pa Bouanin in Luang Prabang.

The staff base salary is 1.2-1.5 mio LAK, plus extra pay for on- and off-loading, leading to an average income of 2 mio LAK. The company pays more than 20 million LAK income tax per year. Day laborers are hired when needed.

Operations area

White sesame: Hongsa district, along the Mekong, Pakkhai, Huay Chid, Namkha Huay Khualuang, and Pak Hounng villages.

Black sesame: Xaisathan and Hongsa

Selling to

White Sesame: Langsouliphong company in Phiang district

Black Sesame: Local companies in Luang Prabang and Vientiane.

Paper Mulberry: Pa Bouanin

Expansion/investments

None

37 Sor Agricultural Development company

Sayabouri district, Sayabouri

Product:	Paper mulberry, sesame, broom grass, sugar palm fruit, Job's tear, maize, cassava	Amount:	Sesame: 270 tons (2021)
Director:	Mrs. Soulichanh	Telephone: 020 5856 6666	
VC role	Exporter		
Staff:	Not specified		

Overview

The company was established 10 years ago. The company used to collect a large variety of commodities for export to Thailand but has stopped trading in sesame and paper mulberry bark in 2021. It acts as exporter and shipping company for others though, providing the necessary documentation to enable them to export their products under the company's name.

Business approach and operations

The company charges others for export to Thailand 1,300 LAK/kg for sesame and 4 bath or 1,600 LAK/kg for paper mulberry bark. In 2021, the company shipped 270 tons of sesame, costing it about 700,000 LAK/ton for paperwork and transportation. However, the company got about 30% of total amount of the products.

Operations area

Mainly Sayabouri districts

Selling to

Thailand

Expansion/investments

None

38a Mr. Sounthone

Ban Phabong, Khop district, Sayabouri

Product:	Rattan shoots	Amount:	100 kg dried shoots
			Telephone: 9596 0889
VC role	Small scale processor		
Staff:	None		

Overview

Mr. Sounthone's family has a tradition of collecting rattan shoots for sale to traders in Sayabouri town, Oudomxay and Luang Prabang provinces. This year, Mr. Sounthone's family has just started to produce dry rattan shoots for which they have installed a small drying facility.

Business approach and operations

Rattan is only available to a limited extent in Khop district, keeping his operation currently small. In the first three months of 2022, Mr. Sounthone produced 100 kg of dried shoots, of which he sold 70 kg to Thailand and 30 kg to Vientiane since the beginning of this year. To produce 1 kg of dried shoots it takes 150 big rattan shoots or 250 – 300 small shoots.

The farm gate price ranges from 1,200-2,000 LAK/shoot, depending on size. Whilst Mr. Sounthone does not know the cost and profit per kg of shoots, he calculated that for 1,000 THB of investment he gets 1,500 THB revenue, leaving him with about 33% profit, not accounting for labor, it being a family business.

He mainly sources rattan from Houy Nokod, Panghai, Bor, and Pakhang villages in Khop district. A few families dry rattan in Xienghone as well, most of them being Hmong.

Operations area

Khop district, Sayabouri

Selling to

Thailand and Vientiane Capital

Expansion/investments

None

38b Farmers

Ban Huay meuang, Khop district, Sayabouri

Product:	Sichuan pepper	Amount:	20 tons (2021)
Interviewees:	Mr. Somphet Mr. Bounma Mr. Phay (DAFO staff living in the village)	Telephone:	020 5235 18880
VC role	Producers		
Staff:	-		

Overview

Huay Meuang village is cultivating a small variety of Sichuan pepper trees, which have a stronger scent than the bigger Sichuan trees (*Zanthoxylum limonella*). The total planted area in the village is around 10 ha divided between 50 households. Their total harvest is around 20 tons, but villagers only collected about half of all seeds in 2021 due to COVID-19. The border closing with Thailand did prevent villagers to cross the border and sell Sichuan pepper there, instead they only sold within the district.

There are other villages in the area where Sichuan trees are grown (e.g., Nonsavang village, Thongmen village, and Houypha Noy village), but no traders buy from those villages.

The trees are growing naturally, and the owners only take care of the trees growing on their land. Young trees of 2-3 years tend to have bigger fruits than older trees.

Business approach and operations

The main buyers come from Sayabouri town (ca. 60%) and Oudomxay province (ca. 40%), but villagers also sell their products directly to Thailand. In 2019, a Vietnamese trader picked up 6 tons of dried Sichuan pepper for 35,000 LAK/kg.

Operations area

Ban Huay meuang, Khop district, Sayabouri

Selling to

Thailand, Vietnamese traders

Expansion/investments

None

39 Agroforex

Ban Sibounheuang, Vientiane DC & Houaphan

Product:	Benzoin	Amount:	26 tons
Director:	Francis Chagnaud	Telephone:	021 215665
VC role	Processor, exporter		
Staff:	Not specified		

Overview

Agroforex Company was Founded in 1992 and specializes in the development of native natural resources, from initial processing to export, mainly to Europe. It has a Responsible and Ethical Development approach, working closely with village communities.

Business approach and operations

Agroforex has started operation in Houaphan in 1993 and in Luang Prabang in 2011. The company signed a 20-year agreement with PAFO in Houaphan in 1999 to invest in the promotion of *S. tonkinensis*, and has since promoted the conservation of *S. tonkinensis* stands on 2432 ha of fallow land belonging to 1397 families in 66 villages of 5 districts (Houameuang, Xam Neua, Viengxay, Xam Tai and Kone). Applying the same business model, the company works with 1528 ha in Luang Prabang, belonging to 730 families in 34 villages of 3 districts (Nambak, Ngoi and Phonthong). The approach involves engaging DAFO staff in monitoring and management activities, providing small financial support; supply farmers with better harvesting tools; and supporting the building of schools and related investments, but also bridges, roads, water infrastructure etc. The company is the main buyer and exporter of benzoin in Lao PDR.

Agroforex has five main depots which are also used also for the development of other products like cinnamon, stick lac etc. They are located in:

- Nathongchong village, Xam Neua district - a warehouse with nursery facilities, hosting four permanent and four temporary company staffs; main trading area for benzoin gum are five districts in Houaphan province.
- Nongkiew village, Ngoi district - a warehouse with drying facilities and 6 staffs; focusing on benzoin gum collection from Ngoi and Phonthong districts in Luang Prabang province.
- Pakmong village, Nambak district – a warehouse with staff to collect product in the district.
- Khoa and Samphanh districts, Phongsaly province – one staffed warehouse each.

From these warehouses, the benzoin gum is transported to the company headquarters in Sibounheuang village, Sikottabong district, Vientiane Capital. There, mostly women will remove impurities, and grade the raw product. Then the gum will either be pre-processed if ordered specifically by the customer be packaged, labeled, and stored. The merchandise is then exported to the EU (ca. 60%), India (ca. 20%) and the USA (ca. 20%).

Operations area

Houaphan, Luang Prabang, Phongsaly

Selling to

EU, India, USA

Expansion/investments

Constant investments in producers.

40 AT IMP - EXP sole Ltd (Anouphap) Company

Hatsayphong district, Vientiane Capital

Product: Benzoin **Amount:** 3 tons (2020) now 0
Telephone: N/A

VC role Exporter

Staff: Not specified

Overview

Anouphap is a family business focusing on buying agricultural products and NTFPs.

Business approach and operations

The company buys for 90,000-105,000 LAK/kg from farmers or 110,000-115,000 LAK/kg from brokers in all provinces.

It has three depots in three districts of Luang Prabang:

- Nambak district – a warehouse with company staff for the purchases in the district.
- Ngoi district – the depot staff buys produce from Ngoi and Khoa districts in Phongsaly, most of which is transported by boat; and some produce from Xam Neua district in Houaphan.
- Phonthong district - the local staff purchases produce from within the district and stores it at their house.

The raw product is transported to the company headquarters in Bo-O village, Hatsayphong district, Vientiane capital, where cleaning, grading and packaging takes place. Most of the merchandise is shipped to Germany unprocessed and sold to Ernst H. Singelmann GmbH & Co. KG, based in Hamburg and specialized on natural products. The selling price is 160,000-200,000 LAK/kg. Since 2017, Anouphap had seen a decline in exported volume due to competition with S.DFORES company. In 2020, they still exported 3 tons of benzoin resin to Germany, but since then the company has not pursued this trade due to COVID-19 restrictions in the EU, particularly in Germany. However, the company plans to again export benzoin to Germany from 2023 on.

Operations area

Houaphan, Luang Prabang, Phongsaly

Selling to

Germany

Expansion/investments

None

41a DakDae company

Ban Saphanthong Neua, Vientiane Capital

Product:	Sichuan pepper, Tea	Amount:	1.5 tons
Co-Founder:	Ms. Anousone Phimmachanh	Telephone:	030 568 5861
VC role	Collector, pre-processor, exporter		
Staff:	Not specified		

Overview

DakDae is a Lao women-led social enterprise, which was established in January 2018. It provides a market platform for high quality, local products, including help on branding and product development. The company is sourcing Sichuan pepper and other products for specialty markets. It follows fair business rules, has a strong focus on sustainable production systems, and tries to find innovative uses and new markets for Lao NTFPs.

Business approach and operations

DakDae company is working with villagers on establishing new production sites.

The company follows voluntary BioTrade principles in collaboration with Helvetas and pays 5000 LAK/kg Mak Khaen that they have purchased into the village community development fund.

DakDae is in negotiations with French perfume and scent producers, who have tested samples and see great potential for high quality Mak Khaen. Dakdae only buys fresh fruits because village drying often leads to exposure of smoke from open cook fires, which spoils the quality of the fruits for the perfume industry. For their pilot, the company bought 1.5 tons of fresh fruits. The drying is undertaken in Viengxay by a local company that collaborates with Dakdae. The degree of spoilage is not clearly recorded but seems to be of minor concern.

DakDae company has its own record-based tracing systems, to provide transparency about the origin and processing of each batch.

Operations area

Currently Houaphan, Fueang district, Vientiane Province; and exploring new options in Xiengkhuang.

Selling to

Perfume industry in France; Spice traders in Germany and India.

Expansion/investments

Expanding sourcing area and investing into processes that open up new markets.

41b Lao Vernicia Montana Company

Vientiane capital

Product: Tung seed **Amount:** 600 tons
Director: Mr. Vongphet Xayker Yathongtoua Telephone: 9898 9989
VC role Exporter (Processor)
Staff: 17

Overview

The company was established in 2008 as an extension company (2+3 scheme). There were 12,000 ha at the beginning in six northern provinces. In Houaphan, 3,200 ha were established in nine districts of which now only three districts are still involved: Xam Neua, Viengxay and Houameuang. In Luang Prabang, 7,000 ha in 12 districts were established of which currently seven districts are still active. In Phongsaly, Xiengkhuang, and Vientiane province 1,800 ha were established, which completely failed in Vientiane province.

During this early period, the company received funds from the government with the idea of providing an alternative to opium. In 2012/2013, the Lao government stopped this support, leading to lack of funding to keep running the project. As a result, project owner stopped paying farmers for maintenance costs in their plantations. At that time, some farmers, who had trusted the company, have been keeping their plantations active until now while some other farmers, who didn't trust the company, have cut down Tung tree and have planted other crops. Since that year, the company has not updated the total area yet. However, the company is planning to work to update the plantation by using drone and satellite this year.

Business approach and operations

In 2021, Lao Vernicia Montana Company collected 600 tons of Tung seeds for a farm gate price of 4,500 LAK/kg (60%) and buys seeds at the company gates for 5,500 LAK/kg (40%). It guarantees farmers a minimum price of 3,500 LAK/kg. Harvest season is between September and December and the company buys currently seeds from seven districts in Luang Prabang (Viengkham, Ngoi, Nambak, Phonxay, Pakxeng, Xiengngeun and Chormphet). After collecting, company representatives in each village have to check the seed, clean it, and re-pack into company bags. If the company could collect all Tung seeds from all farmers within the original project, it would get around 6,000 tons of seed, which is about 0.03% of the demand in China. However, many small Chinese and Vietnamese traders are buying Tung seeds in the project areas reducing the actual share of the company to about 10% of the total. Therefore, the company cannot get all products from farmers. This is the challenge that the company has been trying to solve for many years.

The main market for Tung seed is China. The company has been exporting Tung seed to China via Nameo border in Houaphan through Vietnam and via Boten. The selling price is 6,500 LAK/kg. The company pays 700,000 LAK/ton for documents and other fees and ships the seeds as soon as they have a truck load of about 40-50 tons (the standard weight is 35 tons for a 12-wheel truck). They use a sister shipping company for 1,5 million LAK/truck to Boten or about 4 million LAK/truck, to Vietnam. Staff salaries are between 1,5 - 3 million LAK, plus DSA, insurance, free meals, which may total 5-6 million LAK/person

Even though they have their own processing plant in Luang Prabang with a capacity of 30 tons/day, the price of Tung seed has been so high for the last five years, that the company prefers to export then seeds rather than the oil.

The high price has as downside that farmers pick unripe fruits from the trees, resulting in lower quality seeds.

Operations area

Northern Laos

Selling to

China

Expansion/investments

The company is planning a collection management system, cooperating with Unitel for this purpose. In this approach, Unitel will provide a telephone number for each farmer who has trees and register their account (one number = one account). A Unitel representative in each village will collect the seeds from farmers, weigh them and record the harvest per person. He/She will then send the list with phone numbers and respective harvest weights to Unitel, who will transfer money to the representative. The next day, the farmer can claim his payment from the village representative (the model is called U-money). The company will start in nine pilot villages in Houaphan, Luang Prabang and Oudomxay in 2022. If successful, they will expand the approach to other provinces in the following year.

The company is also ready for any districts who wants to join the company business. It will provide free seedlings and technical support to farmers and pay 1,000 LAK/tree if it survives for one season.

The company also tries contract-farming in new extension villages in Houameuang district, Houaphan, which involve local government agencies, farmers and the company.

The company has tried to produce white charcoal from tung shells, but this product needs more work on marketing, processing and financing. The company is looking for investors to support this idea.

42 Mai Savanh Lao

Vientiane Capital

Product: Sacha Inchi, pepper, teas, silk, hibiscus, spirulina **Amount:** 80 tons seed, 20 tons oil

Director: Philippe Schmitt Telephone: 2241 9940

VC role Processor, exporter

Staff:

Overview

Mai Savanh Lao is a Lao-French fair trade company, founded in 2005 and WFTO certified. It has a small organic farm in Sekong of about 5 ha and produces oil, protein powder and snacks from Sacha Inchi following HACCP/GHP practices. Its business principle is to keep as much value in the country as possible.

Business approach and operations

Mai Savanh Lao guarantees a minimum price of 10,000 LAK/kg and follows market prices as they rise. The company also certifies organic production and contracts the producers for a premium of 1000-2000 LAK/kg, to ensure their quality for export markets.

The company buys seed directly from farmers but also from major traders such as Thanchai company in Luang Prabang and Dao Samai Lao in Bokeo and Luangnamtha, Mai Savanh Lao acts as local extension provider and end-product processor who keeps all the added value in the country.

Mai Savanh Lao exports about 20 tons of oil per year, which is exported to Europe, Malaysia, Taiwan, and the USA.

Operations area

Laos

Selling to

Domestic, Europe, Malaysia, Taiwan, and the USA

Expansion/investments

43 Society Development of Forest Export-Import Sole Company Limited, (S. DFORES Co)

Vientiane Capital

Product: Benzoin **Amount:** 15 tons (30 tons in 2017)
Director **Mr. Somsack CHANTHAPHONH** Telephone:
VC role Exporter
Staff: Not specified

Overview

The company operates since the early 1990 and has traded in a wide variety of NTFP commodities, such as cardamom, stick lac and benzoin. It has a long history of collaboration with international projects, starting in 1994, when the company collaborated with the Ministry of Agriculture and Forestry and the FAO regional office in Thailand.

Business approach and operations

The company has more than 39 years of experience with benzoin resin acting as production promoter, working closely with smallholder producers. During this period, it cooperated with domestic and international organizations, and exported to Asia and Europe.

Since 2017, the company has collaborated with the HELVETAS Bio Trade project to strengthen market linkages. Key elements were a traceability system and the promotion of legal access to forests through clarification of land use rights for producers.

The company focuses on benzoin areas in Luang Prabang (70%) and Houaphan (30%). It guarantees a minimum buying price of 120,000 LAK/kg, which is adjusted to the actual market price: in 2021 for example, the price started at 130,000 LAK/kg and rose to 200,000 LAK/kg towards the end of the harvesting season. The company has been exporting 15 tons a year on average (max. 30 tons in 2017) to France. The selling price ranged from 35 to 40 USD/kg. The maximum amount the company could currently handle is 60 tons per year.

As of 2021, the company manages the following Styrax resources:

District	Village	Household	Fallow Area (ha)	Number of Styrax trees
	S	S		
Nambak	2	83	889.7	818,601
Phonthong	5	184	512.1	444,750
Ngoy	1	37	128.6	22,330
Grand total	8	304	1,530.4	1,285,681

Operations area

Luang Prabang, Houaphan

Selling to

France

Expansion/investments

None