

Final summary report of SUSPER (Sustainable Development of Peri-Urban Agriculture in South-East Asia)

Rapport final de SUSPER

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Avec synthèses en français

April 2007





Sustainable Development of Peri-urban Agriculture in South-East Asia Project (Cambodia, Lao PDR, Vietnam)

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Moustier P., Final summary report of SUSPER (Sustainable Development of Peri-Urban Agriculture in South-East Asia). Hanoi, The Gioi edition, 152 p.

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2.8 Costs and economic results of some vegetable production processes

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Date: 2003 Pages: 8

Published on website: N Published on hard copy: N

The report aims to compare the costs incurred by and returns from ordinary vegetables, safe vegetables and organic vegetables from production to the retail stage. It is based on surveys of 30 growers (Van Duc, Gia Lam), 4 collectors and 5 retailers for ordinary vegetables; 32 farmers (Van Noi), 4 collectors and 5 retailers for safe vegetables; 3 organic farmers (Lien Mac, Tu Liem) and a company that distributes organic vegetables. Financial costs and benefits have been assessed for two vegetables, cabbage and pakchoy.

Production costs increase when moving from regular vegetables to safe vegetables and then on to organic vegetables, despite lower pesticide costs. Of these costs, labour costs are the highest; seeds and manure costs are also higher. Vegetable productivity tends to decrease when the farmer moves from regular vegetables to safe vegetables and finally to organic. However vegetable prices are higher for safe and organic vegetables. Thus for the same growing area, organic vegetable growers gain the highest return, followed by safe vegetables then regular vegetables.

Collectors of safe vegetables have to pay higher taxes, telephone charges and transportation costs. Another difficulty faced by individual safe vegetable collectors is that their total income from collecting safe vegetables is lower than for regular vegetables. The reason is that the volume of safe vegetables collected is often smaller than that of regular ones. This is one factor that deters safe vegetable collectors from entering the market.

Retailers of safe vegetables pay higher costs than regular vegetable sellers due to higher monthly stall costs and taxes. But the profit the retailer makes from one unit of safe vegetables is higher due to its higher price. This is one factor that encourages different economic sectors to get involved in the safe vegetable marketing process.