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

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at a profit, the figures showing yearly variations in imports suggest that if farmers are successful in producing more regularly then Vietnamese imports will decrease. The farmers expressed their need for information on the supply calendars of the market, daily prices and use of pesticides, as most of the labels are in foreign languages. The preferred means of dissemination for market and technical information is the radio.

This report is a synthesis of the previous (summary 2.9) and the following (summary 2.11) reports.

2.17 Vegetable Marketing in Vientiane (Lao P.D.R.)

Author(s): Somsack Kethongsa, Paule Moustier and Khamtanh Thadavong
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The main objective of research on vegetable marketing in Laos is to help harmonize vegetable production with the market demand in terms of quantity, quality and price.

A review of existing data was carried out, especially the JICA and FAO studies on food marketing in Laos. The studies point out the importance of the Vientiane plain for fruit and vegetables in addition to Boloven Plateau (Champassak province) which mostly provides cabbage and potatoes. The three major food markets are Tong Kan Kham, That Luang and Kua Dim; they operate both as wholesale and retail markets. Market traders usually combine a variety of functions and specialised wholesalers are few.

Two surveys were organised to gain additional information. The first one, investigation of market flows and chains (activity 1) aims at appraising how the market is organised spatially and in terms of functions and to quantify the supply from the different districts/villages and imports. The second one, appraisal of traders' strategies, aims at : (i) finding out the structure of the market (competition) and coordination relationships among the different actors ; (ii) comparing the different origins (peri-urban, rural, imports) in terms of price, quality and availability of commodities ; (iii) identifying advantages and constraints of actors including access to information. The surveys took place in Tong Kan Kham, That Luang and Kua Dim markets. For the investigation of market flows and chains (activity 1), around one-third of market agents were interviewed, accounting for 92 people. The survey took place only once, in June, but data was collected on the variations during the year. Activity 2 took place in August on a sample of 50 traders. In the two surveys, the sample includes the different stakeholders present in markets (retailers, wholesalers, assemblers, producers).

Among the selected vegetables, the following are subject to imports: Chinese kale; round tomatoes and olive tomatoes; big Chinese mustard; cucumbers, while the others (pakchoi, also called choysum), small Chinese mustard, lettuce, yard-long beans, cherry tomatoes) only originate from Lao production. Vegetables commonly imported include varieties that are difficult to produce during the rainy season. In June 2002, at the beginning of the rainy season, imports accounted for 22% of quantities transacted for Chinese kale, round tomatoes and cucumbers; 15% for olive tomatoes; 2% for big Chinese mustard. On the whole for the 9 vegetables, imports account for only 8% of total quantities transacted. 80% of leafy-vegetables originate from less than 30 kilometres from the city centre. Hatsayphong is the main supplier of tomato and leafy vegetables, while Saixetha is the main supplier of cucumbers. The overall number of active traders decreases from June to September, concurrent with the influx of imported products.

Despite the short distance from farm to market, the marketing chains are characterised by a certain complexity. More than half the traders fulfil concurrently the different functions of collection/wholesale/retail. The typical chain involves farmers, collectors, wholesalers and retailers. More than 65% of quantities traded involve more than one middleman between farmers and retailers, even for a perishable vegetable like water convolvulus. The specialisation of wholesale and retail functions is more frequent for imported tomatoes than for local tomatoes. The frequent overlapping of functions may be explained by the absence of a specific location for wholesale marketing in or around retail marketing areas and also by the small volumes transacted (less than 200kg/day for wholesalers and retailers) The 'jumbo' (tuk-tuk) is the dominant mode of transport.

Suppliers and buyers have regular relationships and occasional relationships with variable suppliers. Profit margins are quite small (10-40%). The market can be considered as competitive, yet the characteristics of the marketing chains and the market places make access to market information quite difficult.

Vegetables varieties that are difficult to produce during the rainy season in Laos compete with imports. The research found that at least some Chinese kale, round tomatoes and olive tomatoes, big Chinese mustard and cucumbers are imported. Pakchoy (or choysum), small Chinese mustard, lettuce, yard-long beans and cherry tomatoes are exclusively from Lao producers. In the beginning of the rainy season, imports accounted for 22% of Chinese kale, round tomatoes and cucumbers, 15% for olive tomatoes and 2% for big Chinese mustard. On the whole, when considering the nine vegetables studied, imports represent only 8% of the total.

When comparing Lao and Thai products, traders indicate the following advantages for local products: taste, alleged reputation for food safety; and for imported products: availability and appearance. Prices are similar or slightly lower for local products (2-12%).

These results show that the development of local production in the rainy season is a major strategy to produce additional income opportunities for farmers and traders, and decrease consumer prices. This implies the need to train farmers in terms of pesticide and variety use, as well as in new technologies for off-season production (including tomato grafting).

The comparative advantage of Thailand for producing in the rainy season has to be assessed by further research. Further research could also assist in developing ways of promoting the vegetable safety of Lao products if they are confirmed as better than Thai vegetables.

2.19 Negotiation Tools for the Commodity Chain in Vientiane

Author(s): Jean François Lecoq (CIRAD)
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As a first step to initiate a dialogue among stakeholders in the vegetable commodity chain, a meeting with stakeholders in the vegetables sector was prepared in early December 2002 with the Department of Agriculture of the Lao Ministry of Agriculture. This meeting aimed at informing local stakeholders of some preliminary findings from the production and market surveys carried out by the project (component 1 and 2) and identifying with participatory methods market opportunities and issues for vegetable sectors development in Vientiane peri-urban area.

The report gives an overview of the vegetable sector of Vientiane province in terms of production and marketing based on the analysis of the data collected by the production and market surveys of SUSPER project. The results of the meeting held in Vientiane in early December 2002 are presented. Seasonal adaptation of the production to the market demand and reduction of price instability appeared as major issues for the development of peri-urban agriculture and especially vegetable production. Details were given on crops and months of the year where production should be developed. Some recommendations for further steps are given in the conclusion.