Running an Organic Shop in Vientiane

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Overview ssi stp

1. Why an organic shop?
   ໂປມຫຼງສະມາຊິກຊີ ?

2. What do we sell, where does it come from?
   ນອງລະຍາຍະຍາ, ກາຈາຍຍ່າຍ ?

3. Who are our customers?
   ແຫກຂ້າງລາວມາແຉາໃສ ?

4. What are the challenges and opportunities?
   ຄຸມຊະຫວ່າງທືນຈີກລະດູງທາງ ດາວລາກສາຂາ ?
1. Why an organic shop?  perché un supermarché ?

- 2009: Conducted a market survey in Vientiane
  - pourquoi 2009: ทบทวนผลกระทบการผลิตชุมชนอยู่วิจัย
    - Consumers were interested to buy organic foods
    - Existing organic production was not yet sufficient

- 2010: AgroAsie registered as organic business
  - pourquoi 2010: การไฟแนซิลิตี้ได้รับการสนับสนุนจากองค์การ
    - To produce and sell locally-grown organic foods
    - To develop organic farming systems suitable for farmers in Sangthong District
    - To promote and support the organic industry in Laos
1. Why an organic shop? เป็นทยุງรำธิดิ์ 

• 2010: AgroAsie opened a retail outlet in B. Vat Chan 
  ຢ ບາໂກ ເຬເຆງໄຈ້ເປີຈອ້ານຢ ຢາດວັຈ຅ັນ –  To provide organic and natural products to customers in Vientiane and abroad 
  –  To sell local Lao products where possible 

• 2010: We began our organic farm in Sangthong District 
  ຢ ຢາດວັຈ຅ັນ: ຂ້າມເໜືອໃນຊິວໂຮງໃຫຍ່ສີຂຶ້ນກະສິກ ວັດຮອນ 
  –  Vegetables, fruits, and grains 
  –  Develop commercial organic production systems and training centre
1. Why an organic shop?  البياناتจ ำบัดิดิ?

- Functions of the shop ข้ำงจิหะจำง
  - Sell organic and natural Lao-made products
  - Promote organic, “Made in Laos”, natural products
  - Promote “Fair Trade” through our membership with the Fair Trade Laos Association
  - A discussion and meeting point for those who want to learn about organic production in Laos
2. What do we sell, where is it from? เริ่กขายงาน, มาจากยี่สิ่ง?

• We sell ~150 products including: สินค้าราคาถูกตลอดมี
  ประมาณ 150 ชนิด
  – Fresh vegetables and fruit
  – Tea and coffee
  – Nutrition supplements
  – Healthcare products
  – Handicrafts
  – Lao lao...
2. What do we sell, where is it from? 

- 80% products come from Laos
- 20% products come from outside of Laos
AgroAsie Value Chain

Contracted organic rice farmers

AA farm-grown fresh produce

AA farm-grown field crops

On-farm drying/storage

Off-farm milling (contract)

On-farm packaging

Non-AA fresh produce (certified organic)
(e.g. cucumber, carrots, potatoes…)

Sales at Shop

Non-AA packaged products (some organic)
(e.g. tea, coffee, soap…)

Off-farm packaging

Customers buy at shop OR by direct delivery

Direct local sales of fresh produce (restaurants, hotels, market)

Direct export sales of grains (overseas buyers)
Types of Products Sold: 2012

- Fresh vegetables/fruits: 33%
- Beauty products: 16%
- Packaged food: 12%
- Other: 8%
- Tea/coffee: 31%
3. Who are our customers? ลูกค้าก่อมาจากเผ่าไหน?

- Customers who come to the shop ลูกค้าที่มาในร้าน
  - 95% expatriates
    » 85% Europeans / Americans
    » 10% Japanese / Koreans
  - 5% Lao

- Most are temporary residents, not tourists
3. Who are our customers?  
ລາຍນະການໃດ?

- **Basket customers:** ລາຍນະການໃດ
  - Began home delivery in 2012
  - 100% expatriate

- **Mini-marts:** ຂັ້ນມຳມາດາ
  - 2011 = 4 shops, 2012 = 10 shops
  - Prefer dry products: beans, rice

- **Restaurants:** ລາຍນະການການຈ່າຍ
  - 2011 =
  - 2012 = 10 restaurants + hotels
  - Several have very consistent but small demand (Nov/12 = 2 mill Kip)

- Monthly sales have expanded by 30-50% from 2011 to 2012
Types of Customers: 2012

- Basket or Home Delivery: 10%
- Mini-mart sales: 5%
- Restaurant/Hotel sales: 4%
- Shop sales: 81%
4. What are the challenges & opportunities?

1. Lack of reliability of suppliers

2. Seasonality of expatriate customers

3. Only a small % of Lao customers choose to buy organic products, market is still maturing
4. What are the challenges & opportunities? 

4. Difficult to develop export vegetable market without cold chain and export facilitation.

5. Mini-mart market share can expand – but we can only sell high quality of products AND need high quality packaging.

6. Export products that match the market.
4. What are the challenges & opportunities?

Overall: we have seen an increasing sales trend over the last 2 years

澜swick ເອກະນາການຂະຫວນຂອງໃຫ້ເຫັນມາແລະ ຫຼາຍການ?  ເອກະນາການຂະຫວນຂອງໃຫ້ເຫັນມາແລະ ຫຼາຍການ?