



**PROJECT «NETWORK FOR AGRICULTURE AND RURAL DEVELOPMENT
THINK-TANKS FOR COUNTRIES IN MEKONG-SUB REGION (NARDT)»**



Regional research

Agricultural innovations review in Sub-Mekong region countries

Bolaven Plateau Coffee Producers Cooperative model in Lao PDR

1. General information

Bolaven, located in the Southern part of Laos, is one of three plateaus covering the area of four provinces, Champasack, Saravan, Sekong, and Attapue. Unlike the other two plateaus in the central and Northern regions, Bolaven is an ideal place for coffee plantations because of its rich volcanic soil. After the early 20th century when the French brought coffee to grow in Bolaven, the coffee plantation became a primary source of income contributing to improving the livelihood of many thousand households.

Although there is a large expansion of coffee plantations, small-scale coffee farmers in Bolaven face many difficulties, namely access to the market, low bargaining power, limited value-added, use of chemicals in production, etc. These problems lead to the born of Bolaven Plateaus Coffee Producer Cooperative (known as CPC). From its first establishment until the present, CPC has become a role model for other production groups and cooperatives in several aspects such as organization management, value creation of products, and friendly production to the environment and community. The achievement of CPC can be reflected through Lao Best Coffee Exporter 2012 for best price and quality awarded by the Ministry of Industry and Commerce, Certificate of Fairtrade and Organic products. This certificate is an important trademark bringing the products of CPC into the global market.

2. Model development

Bolaven Plateaus Coffee Producer Cooperative (CPC) is established in 2007 with the support of the Ministry of Agriculture and Forestry and the French Development Agency (AFD). It was first named the Association of Coffee Producer Group in Bolaven Plateau, then the name of this association was changed to Bolaven Plateau Coffee Producer Cooperative in 2014. Presently, CPC employs around 36 staff. There are more than 1,800 household members from 55 villages across three provinces, Champasack, Saravan, and Sekong.

The achievement of Bolaven Plateau Coffee Producer Cooperative (CPC) can be found in many aspects. Inclusive development is recognized as a strong point of CPC. All members can directly vote for their representative through the official election. The board of administration and inspection committees is regularly elected every three years. Members of the committee represent farmers in making decisions related to planning, managing the organization, sharing benefits, and determining the direction of organization development. Therefore, it can be said that coffee farmers involve in all levels of administration hierarchy, this makes Bolaven Plateau CPC a real organization of farmers.

Bolaven Plateau Coffee Producer Cooperative pays careful attention to every process of production to ensure the quality of coffee. CPC provides its members with technical assistance in all aspects of production, selecting seeds, planting, taking care of, utilizing organic fertilizer, and harvesting. Moreover, CPC invested in primary infrastructure such as building one processing plant and an organic fertilizer plant. Currently, there are around 39 collective wet processing centers across communities where CPC members live. Farmers bring freshly harvested red coffee into the wet process (pulping and fermenting process) with a strict set of specifications that enables them to get high-quality coffee. This wet process is an important technique that greatly enhances the organoleptic qualities of Arabica.

Bolaven Plateau Coffee Producer Cooperative always cares about sustainable production. Farmers are supported to produce organic coffee. Presently, the area of organic coffee production covers more than 4,000 hectares. Production with organic inputs is not only friendly to the environment and farmers' health, but it is also an effective way to make CPC products worth a higher price. Moreover, Promoting the application of integrated crop-forestry production is considered a successful innovation of CPC. Farmers are encouraged to grow coffee with other types of local plants which support the growth of coffee trees and lower the cost of production. The integrated crop-forestry system does not only increase productivity, but it also enhances farmers' adaptive capability and makes their coffee production resilient to climate change.

3. Opportunities and challenges

Farmers, who are members of CPC, gain direct benefits from the growth of the Bolaven Plateau Coffee Producer Cooperative. The benefit that coffee farmers gain from being the CPC is a significant increase in their household income. The Certificates of Fairtrade and Organic can guarantee the minimum price which is higher than general market price by around 45 percent over the last five years.

Some of CPC's income and profit are allocated to invest in the infrastructure of members' communities. The CPC invested in building more than 11 schools, drilling 15 groundwaters, donating more than 220 water filters for 42 schools, building a health dispensary, and donating medical equipment for hospitals in Champasack provinces. These significantly contribute to improving the living standard of farmers and their communities.

However, farmers have to face with several challenges, including:

- Bolaven Plateaus Coffee Producer Cooperative (CPC) consists of nearly 2,000 household members that make more complicated management.

- Financial management is a critical concern that matters for CPC's sustainability. Keeping transparency in financial management is a great challenge.

4. Conclusion

Most of the farming production units in Laos are small-scale production. production groups and cooperatives are expected to empower farmers in the market. However, the failure of cooperatives in the 1980s still haunts farmers. The achievement of the CPC confirms that production cooperatives can raise the bargaining power of farmers and improve their living livelihood.

The achievement of CPC in organization management, value-added creation, and friendly production to the environment and community is a momentous sample. These experiences and lessons should be shared with other cooperatives in many channels. There should be handbooks in cooperative management, production management, value-added generation, technical production, and friendly production to the environment and community so that CPC's innovation and knowledge could be widely implemented in other cooperatives.