

Towards organic tea production in Vietnam. A case study in Son La province, Vietnam

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INTRODUCTION

- The country is the fifth-largest global tea exporter and the seventh-largest tea producer, with 124,000 ha of tea estates, over 500 tea processing facilities and 500,000 tons of annual dry tea production. (Bui and Nguyen, 2021; Doanh et al., 2018)
- Cultivating and commercializing tea make up the livelihood for thousands of households in the highlands of northern and central Vietnam. (Doanh et al., 2018; Tran, 2009)
- However, most of the tea area is conventional production, so the competitiveness of Vietnam's tea in the global market is generally weak. Drivers relate to the product's low quality that often does not meet the food hygiene and safety standards of foreign markets.

OBJECTIVE

- Analyze the financial and economic performance of the conventional and organic tea production system in Son La province

METHODOLOGY

Case study design

- Study area: Thuan Chau district, Son La province
- In-depth interviews: 16 tea farmers, three traders, and two processing tea companies
- Direct observation
- Review of official documents

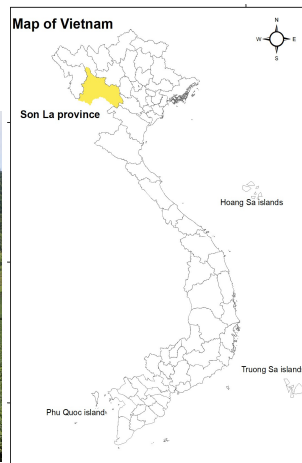


Fig 1: Vietnam with study site

CONCLUSIONS

- Conventional model: low input cost and high productivity in the short run, but serious long-term economic
- It is very difficult to scale up the organic tea production due to the investment costs and difficulty in accessing the international market
- Son La province lacks policies to promote organic tea plantation

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KEY FINDINGS

Conventional tea production

- Tea production area: less than one hectare
- Chemical fertilizers: 0.8 tons/hectare
- Herbicides, pesticides, chemical leaf stimulants: USD 750/hectare
- Labor: low awareness of sustainable development
- Market: domestic market
- Productivity: 15 tons/hectare
- Negatively impact on the environment, consumer health and farmers' health

Towards organic tea production

- Tea production area: less than one hectare
- Fertilizers: (*composted manure: 10 tons; chemical fertilizer: one tons; organic fertilizer: 1.5 tons*)/hectare
- Biostimulants: USD 666.7/hectare
- Labor: Awareness of sustainable development
- Market: domestic market and international market
- Productivity: 9 tons/hectare
- Positive impact on the environment, consumer health and farmers' health

Financial and economic performances of tea farmers

Table 1: Conventional tea production

No.	Description	USD/ha
1	Average factory gate price	8,125
2	Material cost	1,458
-	Seedling	125
-	Weeding tools	83.3
-	Chemical fertilizer	500
-	Herbicides, pesticides, chemical leaf stimulants	750
3	Planting cost	520.8
4	Tending cost	396
5	Harvesting cost	3,125.0
6	Land tax	0
7	Total cost (2+3+4+5+6)	5,500.0
8	Net profit (1-7)	2,625.0

Table 2: Toward organic tea production

No.	Description	USD/ha
1	Average factory gate price	8,625.0
2	Material cost	2,041.7
-	Seedling	125
-	Weeding tools	83.3
-	Fertilizer combination (Biofertilizer, organic fertilizer, chemical fertilizer)	1,166.7
-	Biostimulants	666.7
3	Planting cost	520.8
4	Tending cost	1,266.7
5	Harvesting cost	1,875.0
6	Land tax	0
7	Total cost (2+3+4+5+6)	5,704.2
8	Net profit (1-7)	2,920.8