

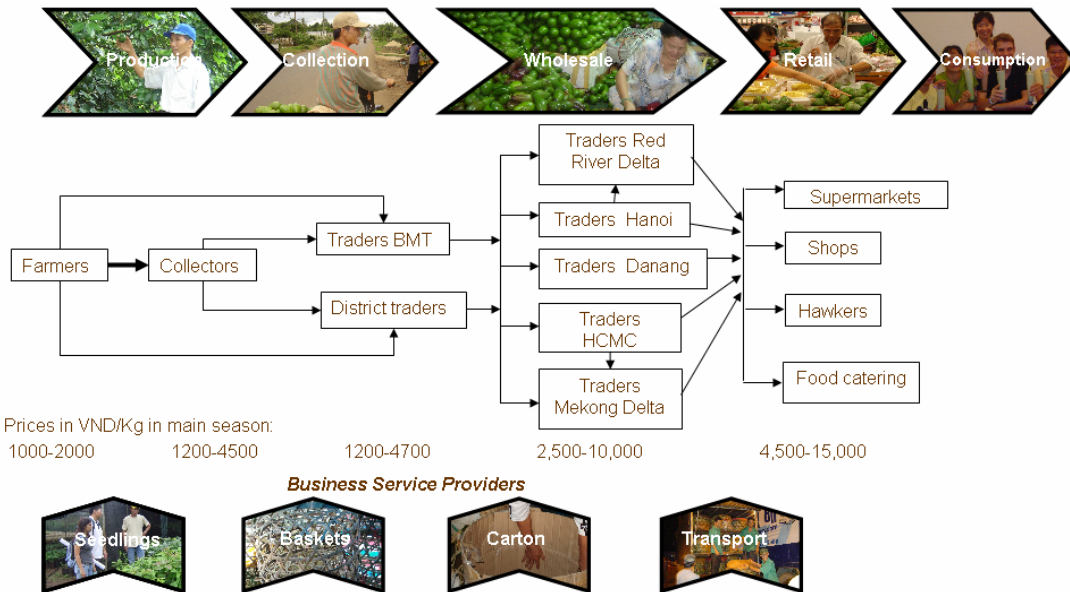
Avocado Value Chain in Daklak

Value chain development activities: August 2006 until March 2009

BACKGROUND

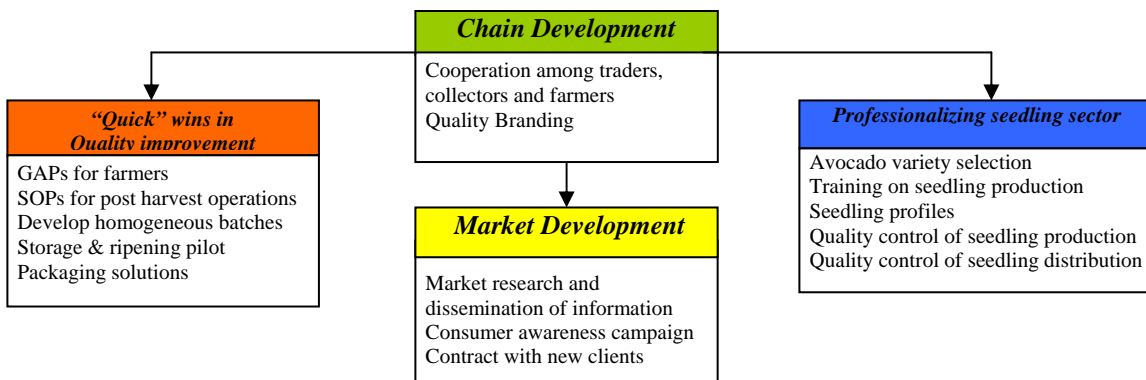
The avocado is relatively new in Vietnam and consumers are not yet very familiar with the product with regard to its nutrition value and its different options for use for a healthy diet. An analysis undertaken in June 2006 proved that there is an enormous potential for the production and consumption of avocados in Vietnam.

The project “Development of an avocado value chain in Dak Lak province” has been conducted by the GTZ-MPI Small and Medium Enterprise Development Program since March 2007. The aim is to create an avocado value chain that will address shortcomings of the sub-sector such as heterogeneous supply, unprofessional production and handling, leading to high losses and low profits for the different chain actors. The following figure shows the results of the mapping of the avocado value chain:



PROJECT INTERVENTIONS

Based on a workshop held in June 2006 in Buon Me Thuot City among major stakeholders of the chain, a comprehensive two-year intervention plan, covering four main areas, was developed.



AVOCADO CHAIN DEVELOPMENT

A market pull approach was used in the chain development. Workshops and meetings were conducted to explain about the project and its benefits. Representatives of wholesale and retail chains have been joining the workshops together with proactive avocado traders, collectors, farmers and local authorities. Committed avocado traders, collectors, farmers and cooperating agencies were identified.

They worked in a group, closely together, applying improved procedures of production and post-harvest operations which resulted in higher quality avocados supplied to markets. Market responses, on the other hand, are channeled back to the producers.

The DAKADO brand was invented, which contains both, the regional heritage (Dak Lak province) and the category name (avocado).

An avocado trader was supported in order to become a professionalized company in fruit trading. A business plan was developed and the packaging house was upgraded.

Trainings were conducted and an operational management system developed to ensure joint work of this avocado stakeholder group and continued efforts in quality control, research and development and trademark promotion after the GTZ support ends.

MARKET DEVELOPMENT

Market development includes market research and consumer awareness campaigns. The market research generated information about consumer perceptions, market size and potential buyers. Results of the research contributed important inputs for a consumer awareness campaign to increase the markets for avocados.

Campaigns which were organized in July/August 2007 and July/August 2008 in Ho Chi Minh City and Hanoi at big retail and wholesale chains such as Sai Gon Co.op, Fivimart and Metro Cash & Carry, conveyed information to consumers about the avocado's potential health and beauty benefits. The campaigns received very useful feedbacks from consumers.

A website <http://www.dakado.vn> has been developed to promote DAKADO avocado as well as getting communications and feedback from customers.

The followings are some examples of marketing materials developed:



DAKADO logo on the poster



New packaging solution



Sticker on a DAKADO avocado

Traceability



Posters promoting benefits of avocado and DAKADO chain development

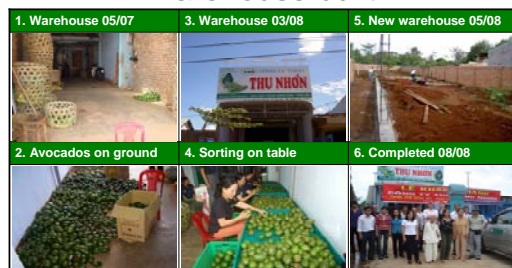
QUALITY IMPROVEMENT

- **SHORT TERM - “QUICK WINS”:** Quality improvements achieved through the development of (1) good agricultural practice (GAP) for farmers, (2) standard operating procedures (SOP) for post-harvest activities, (3) development of homogeneous batches (tree inventory database developed at [Http://tree.dakado.vn](http://tree.dakado.vn) to forecast the type, quantity, harvest period and suppliers of avocado), (4) introduction of efficient professional harvesting tools, (5) good preservation and storage, and (6) packaging solutions.
- **LONG TERM:** The project aims to strengthen the current avocado variety selection program at the Western Agriculture Science Institute. This is to ensure that disease-free avocado seedlings with the correct passport information are available to farmers. An avocado seedling sales monitoring system will also be set up. Together with the avocado trade information established under the market research activity it will provide an early warning system to farmers in case the planted avocado area grows faster than the growth in sales.

ACHIEVEMENTS TO DATE

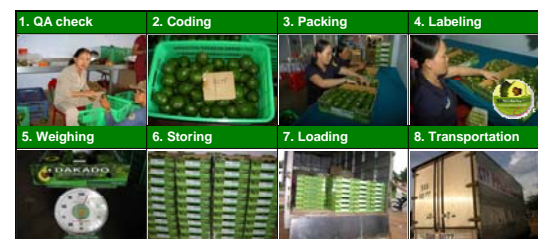
- An avocado group of committed trader, collectors, and farmers is established, in which an avocado trader plays an important role in the change process.
- DAKADO brand for high quality avocado developed, which is owned by avocado group.
- High quality DAKADO avocados were distinguished and accepted by domestic consumers.
- A set of attractive marketing materials and a website were developed and are in use.
- Good Agricultural Practice, a harvesting tool and a Standard Operational Procedure for avocados were developed and used for trainings of farmers, collectors and traders.
- Experiments conducted to identify optimal preservation for avocados. This optimal preservation conditions will be used for export of avocados at a later stage.
- Potential and disease-free avocado varieties identified.
- Investments have been made by (*) farmers on improvement of farms and avocado varieties, (**) avocado trader on promotion of standard packaging and packing house.

Warehouse upgrading, a new warehouse built



DAKADO
Deliver the magic

Professional QA system



DAKADO
Deliver the magic

Collector network development



156 collectors and 256 farmers trained
DAKADO dedication?

DAKADO
Deliver the magic

IMPACT AND SUSTAINABILITY

- Price of high quality and branded DAKADO avocado is 25% to 50% higher than ordinary product
- Percentage of losses reduced through optimal SOP.
- Domestic market development for avocado-based products.
- Interest of international traders/investors in the avocado sector
- An avocado group with farmers, collectors and traders closely cooperated to supply high quality avocados and this group is capable to maintain their collaboration after SMEDP's support ends.
- Pilot model of standardized agricultural product supply chain is highly appreciated by local partners and has a strong potential for replication

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