Organic Shan Tea and Medicinal Plants Cultivation
Bac Ha Tea Company

Opportunity

In the mountainous north of Vietnam, Shan Tea, a variety of wild tea, has been cultivated by ethnic minority women for generations. There is growing demand from domestic and international markets for indigenous specialty tea, especially organic and fair trade-certified products. In Ban Lien Commune, where Bac Ha Tea Company is located, the export volume has been growing by 10-15% a year over the past three years.

Bac Ha Tea Company is also introducing intercropping of medicinal herbs with tea to meet the growing demand for Vietnamese traditional medicine and to create additional income for women farmers. This also helps reduce erosion on sloping land. Vietnam has a rich history of using medicinal plants to treat illnesses and promote wellbeing. Despite the market potential, 75-80% of medicinal plants used in Vietnam are being imported, mainly from China.

To respond to the opportunity, Bac Ha Tea Company will engage with over 1,300 farmers across four communes to expand its supply area of tea and medicinal herbs.

A large proportion of Bac Ha’s population are from ethnic minorities, with Mong, Dao, Tay and Nung the largest groups. Ethnic minority women are actively involved in tea and medicinal herb cultivation and processing.

Challenges

To supply high end export markets, it is necessary to meet stringent quality standards such as organic or Rain Forest Alliance for tea or Good Agricultural and Cultivation Practices (GACP) for medicinal herbs. Without support including group formation and technical training, farmers would find it difficult to upgrade production practices to meet requirements.

The remote location of the communes, poor road access and a lack of literacy amongst some ethnic minority women farmers are additional challenges the project needs to address.

Solutions for Change

» Develop women-led supply chains for tea and medicinal herbs
» Provide technical training (training-of-trainer)
» Develop organic quality control system
» Develop brand and market for Bac Ha organic herbal tea by improving processing facilities to meet organic standards
» Establish nursery

Expected Results

» Increased income for 908 women, including 900 women from ethnic minorities
» 5 new jobs for women created
» Minimum 80% of participating women report increased confidence
» Private sector investment: AUD 278,714