

**SUSTAINABLE RURAL DEVELOPMENT FOR THE POOR PROJECT
IN QUANG BINH PROVINCE - SRDP QUANG BINH**



**SCALE EXPANSION AND LINKAGE IN MUSHROOM
CULTIVATION IN QUANG BINH PROVINCE - VIETNAM
(Sponsored by SRDP Quang Binh)**

Danang, 4th – 06th July, 2018





Background

- **Case:** “Scale expansion and linkage in mushroom cultivation in Quang Binh”
- **Implemented by:** Tuan Linh Mushroom cultivation and Agricultural Business Cooperative
- **Implementation period:** From 12/2016 to 12/2018.
- **Goal:** To improve the linkage in production and consumption of clean mushroom between the Cooperative and mushroom-cultivating CGs in Quang Binh province; to create prestigious products ensuring both quantity and quality provided to customers and to generate stable income for the Cooperative members and CGs.



Results



- The Cooperative invested in workshop for mushroom cultivation with the area of 8,700 m², capacity of 1,500,000 mushroom spawn bag/years and 150 tons of mushroom/year.
- Provide technical training on mushroom cultivation techniques with the participation of 1,173 farmers and labourers.
- Link with over 360 households through 25 CGs in SRDP Quang Binh target area (**more than 50% of which are poor and near poor households and 95% women**) to cultivate lingzhi mushroom, wood ear mushroom and oyster mushroom.
- The Cooperative has registered brand “Tuan Linh clean mushroom” and been granted certificate of good quality and safe products



Results



- Mushroom products are introduced in trade fairs, hotels, restaurants and schools in Quang Binh province and advertised in websites and facebook which helps expand domestic market and export directly to other countries including Thailand, Russia and through exporting companies.
- Revenue from mushroom cultivation and business achieves more than 7 billion VND/year.
- Tuan Linh clean mushroom brand was granted Gold medal for high-quality product in 2016 and Gold brand of Vietnam Agriculture Reward 2017.



Innovations/ Good practices



1

Agreement on the linkage in production and purchase of products through CGs

2

Technical training and provision of input material for mushroom cultivation (tools, mushroom spawn bags).

3

Joint activities including cultivation, purchase and sales of products, creation of financial fund (revolving fund, credit fund)

4

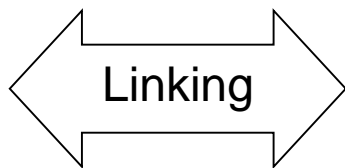
Clear allocation of responsibilities for Cooperative members (investment in facilities, equipment; pilot new varieties; organization, brand development and market expansion)



BUSINESS MODEL OF MUSHROOM VALUE CHAIN ADOPTED BY TUAN LINH COOPERATIVE

- 360 HHs/ 25 CGs
 - Income: 50 mil VND/ HH/year

Mushroom spawn bags, tools and techniques



Domestic market
 (supermarket, restaurants, agents, retail stores)

Export market
 (Taiwan, China, Thailand, Russia,...)

Mushroom

Local authority, SRDP Quang Binh

- 27 members
 - 25 labourers
 - Income: 100 mil VND/ member/year





Facilitating factors

- The demand for mushroom in Vietnam is significantly increasing along with its prevalence among customers. In the world, the import-export growth rate of mushroom attained 10%/year for the period 2006 - 2010.
- The cultivation of mushroom is suitable for households which lack production land, the elderly and farmers in off-season and materials mushroom cultivation are locally available including straw, sawdust, etc
- The support of SRDP Quang Binh enables the Cooperative and CGs to improve their production and business condition and promotes their close linkage.





Challenges

- Mushroom-cultivating households have small production scale; production conditions and technical application are inadequate.
- Market fluctuation may affect the production and business plan of the Cooperative and the compliance of contract signed between the Cooperative and CGs (especially price of mushroom).



Lessons learned



- Invest in workshop, tools and equipment to produce good-quality mushroom spawn bags provided to CGs and undergo effective production process from collection, preliminary processing, processing of materials to packaging and transporting products.
- Give technical guidance to Cooperative members and CGs through training courses and directly.
- Register product brand and quality as stipulated by law.
- Discuss and agree on contract terms and conditions with all CGs members.
- Share information among Cooperative members and with CGs; agree on production and business plan and solutions in case of unexpected market fluctuation.
- Promote branding through website, social networks, participation of trade fair, introduction of products directly to hotels, restaurants, schools, clean agricultural product stores, customer conference and etc., which helps diversify distributing channels.





Recommendations

- (i) Improve capacity and role of actors in the value chain;
- (ii) Propose detailed and transparent plan on linkage
- (iii) Improve production and business activities.
- (iv) Develop traceability system and branding for the products.



PICTURES ON LINKAGE FOR THE DEVELOPMENT OF MUSHROOM VALUE CHAIN



*Thank
You!*

