

Moc Chau organic farming SHAN tea



Moc Chau, Son La province, Vietnam

1. Global tea market

Tea has become the world's second most popular beverage after water, with 3 billion cups consumed every day across the world. A significant amount of tea is consumed domestically, about 1/3 is exported, worth USD 8 billion worldwide. Vietnam is among world's top 15 tea exporters.

According to the FAO and a number of market research companies, the tea sector is expected to grow at compound annual growth rate (CAGR) of about 4%- 5.5% in 2017-2024 period and is projected to reach USD 73 billion in retail value by 2024.

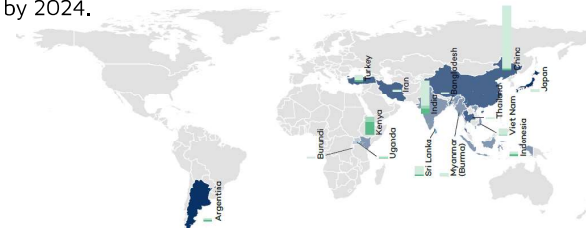


Figure: Top world's tea exporters (source: IISD.org)

China export mainly green teas, while Kenya, Sri Lanka, India and Argentina export mostly black teas, Vietnam & Indonesia do both.

One important challenge that is unique to the tea sector is: all picked leaves need to be processed within 6 hours, therefore all international tea manufacturers need to establish their processing plants close to the fields.

Standards:

Keys standards for tea productions are: Rainforest Alliance, Fairtrade International, UTZ Certified, and Organic.

Vietnam tea export:

According to Vietnam tea association (VITAS), Tea export in 10 months of 2021: 105k tons, value 176 Mil US\$ to 70 countries, with top importers are Pakistan, Taiwan, Russia, China, USA. Black tea 51%, Green tea (including Oolong) 48% Total 250 tea exporting companies.



2. Moc Chau tea

Total tea farm: 1.879 ha

Total fresh tea: 24,350 tons/ year

Total tea companies/ Cooperatives: just > 10, of which, several previously was setup as joint-venture with Japan, currently O2 are joining with Taiwan to export to Taiwan.

Standard for Farming practice: mainly following Rainforest Alliance.

Tea majority: Shan tea and Taiwan Kim Tuyen tea.

- **Shan tea:** the famous native High-mountain tea in Vietnam. It is also found in mountainous areas in Taiwan, northern China. In the Northwest mountainous provinces in Vietnam, we can find hundred-year old Shan teas, those are now under local authority preservation.
- Taiwan Kim Tuyen tea (Jin Xuan Oolong, or Golden Lily), the combination between Taiwan native tea with the Indian Raiburi in 1975, bringing to Vietnam in 1994

3. Our project with Moc chau Tea

Son la (the province where Moc chau is a district), is no.1 tea export among other provinces of Vietnam. However, about 70 per cent of global tea production is sold via auctions. That is for the standardized & commodity tea. At FarminglyCloud, we organize farm holders to produce organic tea, standardize the process to produce high-quality specialty tea.

We start with **1** PILOT PROJECT

Objectives:

- Culture preservation
- Promote sustainable tea farming
- Explore the potential export business to Developed countries

Project:

- Location: Phieng Tien village, Phieng Luong commune, Moc chau district, Son la province
- Total farming area: 33 ha.
- Tea farming area in the project: 10Ha
- Pilot farm: 2Ha, native Shan tea, from 8-15 years old
- Participating household: 19
- We apply natural farming practice to the pilot farm in order to have high quality organic tea in an environmental sustainable way. After 2 years of experiment, we roll out new farming practice throughout all farms in the project.
- Standard: Farminglycloud is currently ISO 22000:2018 certified.

For tea farming, we are following Rainforest Alliance sustainable practices for farms

What we have done:

1/ Soil restoration period

We follow organic farming practice, No herbicide, No pesticide, No inorganic fertilizer, no grass cut & build ecological environment

After 12 months, long enough, the soil itself as well as the plant has time to remove chemical residues.

2/ Tea processing trial 1

- Manual harvest
- Steaming, roasting, rolling, drying in tea process machine.
- Keep 90 days in Tea jar according to the traditional method.

Quality check: Tea raw materials are highly appreciated, but the finished product is not qualified due to inappropriate machine process operation.



3/ Tea processing trial 2

Understand & evaluate the traditional processing

- Manual harvest
- Handmade steaming, roasting, rolling, drying
- Keep 90 days in Tea jar according to the traditional method.

Quality check: the finished product is better, but still need more expertise & improvement in the processing



4/ Tea processing trial 3

Learning from previous trials, combining today's technology with traditional practice, we standardise the process
Quality check: the finished product becomes consistent.

5/ What's next

In addition to evaluating tea materials from new farming practice, standardising the process, we will keep evaluating other processing methods.

The success of a trial commercial test will help pave the way to spin-off the project from FarminglyCloud and form a Tea cooperative in the region.

CONTACTS

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