

## NTFP Market Analysis in Viengkham District, Luang Prabang Province

Khamsao Mouaxengcha, Vansing Manivanh,  
Vongvilay Vongkhamsao, Jean-Christophe Castella

Landscape Mosaics Project – NAFRI-CIFOR

February 2010

Laos is a unique country in the southeast Asia region, with a high dependency on forest products, due to its low population density combined with a high rate of forest cover. Non-Timber Forest Products ( NTFPs ) provided 50% of cash income of rural villages, where 80% of the Lao population lives. Local subsistence use of NTFPs may account for 20-30% of the Gross National Products.

Non-Timber Forest Products ( NTFPs ) play a very important role of food security, daily livelihoods & also the main source of cash income for people who live in the uplands. Households collect and use NTFPs in accordance with village regulations and with approval from district authorities ( DAFO, Trade, & Finance Office ). The harvest / production of NTFPs for the commercial purposes is based on annual quotas granted to registered companies by the government. The provincial and district level traders play a prominent role in this. There is limited value-added processing of NTFPs for consumption and / or export in Lao PDR, but there are a number of small & medium-scale processing industries , including small-scale paper mulberry, incense factories and aromatic oil distillers.

NTFPs account for 16-39% of the village cash income, covering over 50 products. Most people earn some part of their income from NTFPs, but for the poorest households ( 17% of the population ) earnings are as high as 48%.

Due to increasing market demand for certain NTFPs like paper mulberry, broom grass , incense glue bark resources and others have been increasingly exploited :

1. Broom grass / Khem ( *thysanolaema westerhoutii* ) exported to Thailand to make broom.
2. Paper mulberry / Posa ( *Broussonetia papyrifera* ) exported to Thailand to make paper.
3. Incense glue bark / Peuak meuak ( *Boehmeria malabarica* ) exported to China for glue and joss-sticks.
4. Agarwood / Kedsana ( *Aquilaria* sp. ) exported through Thailand to the Middle East as incense.
5. Cardamom / Mark neang ( *Amomum* sp. ) exported to China as medicine
6. Benzoin / Nyaane ( *Styrax tonkinensis* ) exported to France for perfume industry.
7. Stick lac / Khang

8. Yaa hua ( *Smilax glabra* -*Coscinium fenestratum* )
9. Bitter bamboo / Nor kom ( *Indosaa chinensis* ) exported to China as fresh edible shoots
10. Damar resin / Khee xee ( *Laccifer lacca* )
11. Berberine vine / Samhang/Keua hem (berberine vine *coscinium fenestratum* ,  
Fibraurea resia )
12. Bamboo grubs / Maeh or Douang mae exported to China as edible food.
13. Sugar palm / Mark tao ( *Arenga westerhoutii* ) exported to Thailand to make sweets.
14. Big rattan cane.

Harvesting of these products is not always done so in a suitable manner and people risk that in the future continuous can be gained. Local people often sell their products to traders without further adding value to them, thereby limiting their chances of receiving good price.

Most NTFPs are collected in dry season, when people have time after rice and other cash crops are harvested.

In Ngoi & Viengkham district are increasingly raising stick lac which is by some seen as an agricultural product, by other as an NTFP. And after seed multiplication , paper mulberry also becoming a agricultural product which is preferred by the private traders and being avoided of 3 percent to district agriculture and forestry office: An MAF instruction (Oct. '99)

For collecting of berberine vine / peuak meuak , local people spent more than 04 hours ; because natural resources (wild products) gradually increased. Berberine vine appears in the young fallow and some people kept it as domestic & tried to grow as much as possible.

According to interview of 08 households of NTFP producers of Meuang moy village : half of the number collected it from very far away from village and half from their own fallow.

For the new generation ( new household ) : for collecting of NTFP they went very away from the village in the forest for getting of berberine vine ; and now they do not receive yet land use ( have no any fallows).

In some case, not many of NTFPs which are collected men and women assist each other when this requires heavy work ( slashing bamboo for the stem or for finding bamboo grubs, long travel time of transport or involve catching wildlife and fish, but mostly harvesting, transport, processing and marketing of products are made by women

NTFP gathering in Viengkham district has changed more rapidly over the last 15 years ( 1995-2009)than in the other period of Lao history.The main factors causing these changes are:

- Evolving markets for NTFPs.
- Population growth.
- Forest conversion for commercial purposes.
- Government policies directed at upland use.

- *Evolving markets for NTFPs* - Typical products include :
  - \*Medicinal for Chinese medicine market : cardamom, malva nuts, orchid stem.
  - \*Aromatic and woods for used for the production of incense and perfumes.
  - \*Food products : sugar palm fruits ( Thailand ), fresh off-season bitter bamboo shoots ( China )
  - \*Fibre products : e.g bamboo and rattan ( Vietnam )
  - \*\* Trend in the commercial use of NTFPs are :
    - price are staying low, as markets are volatile and non-transparent.
    - Prices are staying low because most products are sold raw, without any processing or quality control.
    - Lack of legislative framework to support sustainable trade in NTFPs.
    - Increase gathering for trade leads to rapid exhaustion of natural stocks for some NTFPs, e.g agarwood.
  
- *Population growth* - with an estimated population growth of 3.5% per year: Due to increased population pressure can make good estimates of declines in off-takes of NTFPS.
  
- *Impact of government policies on upland NTFP availability* -Impact of certain government policies on the livelihood of upland people have been reported elsewhere. The main impact on NTFPs harvesting seems to be that policies on land allocation and reduction of shifting cultivation reduce the area of fallow land producing NTFPs. Land allocation policies may need to be revised to allow village communities to practice the long rotational system that provide them with the maximum range of NTFPs in a sustainable way.

In Luang Prabang, no one company is dealing business of NTFPs. Beside that, they used to buy the agricultural products ( AP) such as : Rice, Maize, Job's tear, soybean, sesame, paper mulberry, kapok, cassava and others... Purchasing of NTFPs & AP is depend on their seasonal harvest. In the previous years, the big amount of exportation for agricultural products were soybean, maize , job's tear & paper mulberry but in the year 2008-09 the dealers faced a lot problems : because their unit prices were decreased.

Most of the business dealers rarely bought NTFPs and did the purchasing of agricultural products such as : sesame was a good price for selling-out of 8.000 - 10.000 kips/kg. It was exported from Luang Prabang to Chine with totaling amount of 2000 tones. Only a few traders who deal the purchasing of maize & paper mulberry and they got lost their businesses.

Because of global economic crisis the NTFPs unit price was down - the business dealers of LPQ sent the exportation to neighbor countries very little amounts. Most of

dealers permanently stopped their business of NTFPs ( Saynamkhane Expot-Import Company or Phetlama Company – a biggest company has changed to built the coffee silo at Champassack province ) and the others were waiting for further status of regional economic when it ‘ will be getting better. Only a few business dealers of LPQ who would like to kept the continuation of business linkage of deal purchasing with 30% of NTFP and 70% of agricultural products

For example Nang-noy bought thousand tons of rice for the Ministry of Defense but only 25 tons of paper mulberry.

The list of Export – Import business dealers of Luang Prabang province.

No.	Name-list	Location(village )
1	Ms. Thavone	Former Ban Done
2	Mrs. Sida	Naviengkham
3	Pheuad-phone	Horxieng
4	Phattana kasikam-Pamay	Xieng -Mouane
5	Saynamkhane ( Phetlama )	Vixoune
6	Song-seum Kasikam-Paamai /Xiengchanpheng	Phaakom
7	Sayphaa	Phone-pheng
8	Vilaykhone	Vixoune
9	Khonechaleun	Phosy market
10	Cotton / Vanho	Viengkeo
11	Hung-heuang	Phosy market
12	Bouavanh	Xiengkeo
13	Phonepadith	Phosy
14	One-chanh	Meuangkhai
15	Seangchanh	Northern Bus station
16	Nang-noy	Paakham

In Luang Prabang, no one company is dealing lonely business of NTFPs. Beside that, they used to buy the agricultural products ( AP) such as : Rice, Maize, Job’s tear, soybean, sesame, paper mulberry, kapok, cassava and others... In the previous years, the big amount of exportation for agricultural products were soybean, maize , job’s tear & paper mulberry.

Because of unit price of each product for both AP & NTFP was not constant ; during the last decade the producers of both were disappointed like Job’ s tear for example in the Y1997 : was 4000-5000 Kips/ kg but Y1998 : 500-1000 Kips / kg. For the maize Y2005 :

1800-2500 Kips/kg but the Y2006 : 1400-2000 Kips/kg & Y2008: 850-1000 Kips/kg , for the paper mulberry Y2005-06 2300-2800 Kips/kg but Y2008-09: 1500-2000 Kips/kg and for stick lack Y2007-08 : 12.000 Kips/kg but Y2008-09 : < 6000 Kips/kg in Viengkham district no one company come to buy it. But not for the sesame , Y2008-09 is the golden year for it because

its unit price was 8.000 – 10.000 kips/kg. Mrs. Sida company said only my company sesame was exported from Luang Prabang to China with totaling amount of >2000 tones.

A few traders of Luang Prabang did purchasing of maize & paper mulberry : and they 've gotten lost. Because of decreasing of its unit price or problem of qualitative processing ( standard of moisture & cleanness)

Because of the agricultural & NTFPs unit price were getting down – the business dealers of LPQ sent exportations to neighbor countries not very big amounts. Because of big lost of maize, job' s tear , soybean and paper mulberry ; most of business dealers temporarily moved not too much purchasing of agricultural and NTFPs and did the change in term of agricultural service (e.g. Saynamkhane Expot-Import Company or Phetlama Company – a biggest company & changed to built the coffee silo at Champassack province ) and the others were waiting for further status of regional economic when it ' will be getting better. Only a few business dealers of LPQ who would like to kept the continuation of business linkage of purchasing with 40% of NTFP and 60% of agricultural products .

For example Nang-noy bought thousand tons of rice for the Ministry of Defense and only 25 tons of paper mulberry but not other NTFPs.

In the year 2008-09, only a Song-seum Kasikam-Pamai Company or Mr. Xieng chanpheng continued the business 70% of NTFPs & 30% of agricultural products.

He said, my company got license of Import-Export trading company in the Year 2004 & the exportations are :

The NTFPs sold-out Y08-09 :

Broom grass : 600 tones with price 4500-6000 kip/kg

Incense glue bark /Peuak-meuak : 200 tones with price 5500-7000 Lak / Kg - every year.

Berberine vine /Samhang(Kheua tieng) : 200 tones with price 1500-1800 Kips/kg -every year.

Paper mulberry /Posa : > 500 tones by the year 2005-06 : 2300-2800 Kips/kg

Y2008-09 : 300 tones with 1500-2000 Kips/kg

Cardamom / Mark neang : 2 tones with a better price of 40000 Kips/kg

Douk-deua : 30 tones with price of dried product : 8000 Kips kg

Mark Khaa phed : 20 tones with price of 10000 Kips/kg

Rattam cane ( Vaine ): 50 tones with price of 6000 Kips / kg

Damar resin / Khee xy : 40 tones with price of 3500 Kips/kg

Stick lac / Khee khang : 100 tones with price of 12000 Kips/kg

During our interview he still keep 250 tons of maize ) ; he said , I have no problems about storage. At my place we have silo with capability of drying for 10 tones per day : and I expand my second silo at branch which is located in Nambark district with capacity of 20 tons a day. Because I have the best quality of maize ( well-dried with a standard moisture ) he can sell out with good price to Vietnam & also Lao Tha-ngone animal feed factory. His company seemed to become more and more active for purchasing whole products ( both : NTFPDs & AP). That's why Mr. Xieng Chanpheng has its branch which plays an important role in relation closely with local traders at 05 districts such as : Nambark, Ngoi, Viengkham , Park xeng & Meuang mai ( a new district ). His new branch becomes as representative of the company and as middle sale or barter :

A branch of Song-seum Kasikam-Paamai eompany (Mr. Xiengchanpheng) has the relation of NTFPs business with Nambark district groups of middle sales, also Ngoi & Viengkham.

These groups play very important roles of purchasing of agricultural & NTFPs . Normally, A branch had given advance with 10-15% of trade amount in accordance with the initial agreement of first unit price of item requested but for whole seasonal harvest. It likes to set up a starting cost of unit price but not for whole seasonal harvest of AP & NTFPs. It may change in the negative manner when the products come with great volumes. The agreement of unit price is effective only at the beginning of harvesting season. No one trader doesn't want to make any agreement contracts which are not effectiveness . It depends on the neighboring countries markets ( Thailand, China & Vietnam ) : This is reason of decreasing the unit price which 're named by the middle sales or barterers to make sure that they can get a gap of benefit ( e.g at the province level - a cost of paper mulberry : 1500-2000 Kips/kg but in Viengkham : 1300-1700 Kips/kg.

When the unit price is decreased the producers are disappointed; especially the poorest households who have insufficient rice for whole year , borrowed the green rice : 1 by 1.5 or 2 =150-200%compansation to be made to village trader ( 1 of 8 interviewed household - a head of household is invalid person from fire ). Normally, the borrower must compensate rice by number of labor days : 10 kgs of rice =35.000 - 40.000 Kips = 2 labor days x 18.000 - 20.000 Kips. In case, if it's compensated by incense glue bark or peuak meuak (8kg of dried = 40.000 Kips ) equal 13-15 kg of green peuak meuak . 1 5kg of green peuak meuak is collected by 2 man days of labor.

In Mueang moy village are living 2 ethnic groups : Lao Lum & Khmu. A first , this village were living lonely Lao Lum then Khmu come after merging the village. As observed the farmers are : four kinds such as : Lowland, upland & both lowland & upland farmers, no

have lowland & upland . (1)For whom , who has enough land for paddy field ( 5-10%) have enough rice for whole the year; for (2) for whom, who have both lowland & upland about 15-20% have enough rice for whole the year (3)for whom, who have only upland 65-70% have no enough rice for whole the year. (4) for whom , who have no lowland nor Upland : only one household does commercial business with plenty of rice for its consumption. It 's an outsider coming here only few years ago and does purchasing of all products from the villagers ( e.g purchasing of bamboo grubs for Mr. Sack - one of middle sale of Viengkham who transferred bamboo grubs to the Chinese traders).

According to Mr. Somsack said for purchasing of bamboo grubs our group ( 9 people ) had paid 8 millions Kips from 8.000 kg of grubs for the last year 2008 and this year 2009 we have to about 11 millions Kips from 10.000 kg of bamboo grubs - This is our target to be achieved; now we sold-out bamboo grubs more 8.500 kg already. To collect this requires heavy work ( often have to cut down a range of stem before a nest of grubs is found. Besides the bamboo grubs are generally sought much further away ( 5-6 hours ) from the village as compared to other NTFPs such as : Broom grass ( less than 1 hour ). Because Bamboo grubs (wildlife) are limited resources & not well managed for exploitation.

It 's possible to raise bamboo grubs as domestic culture - isn't it? Because its cost 40.000 kips/kg - and it's possible to raise as domestic and we have plenty of bamboo surrounding the village. It's opportunity to help the poorest household to generate more incomes.

Usually, the mobile trading shops from different villages ( Kum Ban ) & Viengkham district are gathering at the commune market - This is a 10th-days khmu calendar commune market which is set up only full 1-day along the No. 7 road and rotates from each-other like cycle. At the market, traders from the district brought the industrial trades , food, drugs & daily needs and local people also brought the AP & NTFPs for bartering goods. 1 day prior the commune market is setting up the local producers of AP & NTFPs carried as much as possible all products to be sold or exchanged. The local producers are willing to sell their products directly to the middle sales or barterers but not the village traders. No different cost - the middle sale use the same cost as named by the village traders; because the middle sales or barterers should keep a good relationship with the village traders. Middle sales must pay the percentage of purchasing benefit with 1 kg=100-300 Kips to the village traders.

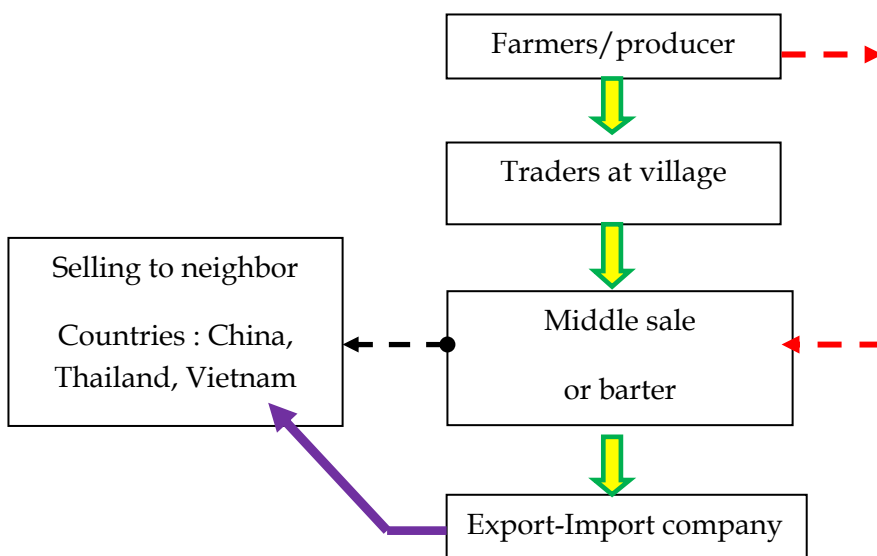
Sometime, when the NTFPs producers would like to check a real price of each NTFPs at the day of commune market , sold-out NTFP directly middle traders (Viengkham)no any different price : no any conflicts with price, because of negotiated price by which has been agreed upon between village traders & middle sales.

In case if someone would like bring all products to Viengkham or Nambark middle sales a surplus of unit cost for 1 kg =100-300 Kips. Sometime local producers exchanged the

products with industrial goods : they must use the same unit price which is existing in the village. The industrial traders may get both benefits” vice-versa “ from the exchange of goods. Because most of traders have their own truck to carry whole trades. The commune market play an important role of marketing at the remote areas and local people can get access to the market & have opportunity to ask some questions and get the original answers from whom they are willing to hear from the right person and they can observe what ‘s about reality of livelihood.

Now the local producers were worried about how to keep as long possible “ at least more than 10 days “ it means , they start to think step by step not only quantitative but qualitative issues. They said at the beginning of seasonal harvest the unit price was OK, but at the end the unit price decrease. We would like to know the reasons of decreasing of unit cost. The middle sales always claim that all products are not met to the spec/not dried enough, poor cleanness, poor sorting ( e.g the broom grass sold-out to Vietnam & Thailand are different in the specification. We do not know “ What will be a spec obtained for selling-out the broom grass to Thailand & Vietnam.

#### Linkages of the trades who deal the business of NTFPs



The cost of each NTFP at the beginning of harvesting season seemed better but at the end mostly falled down. Because of pressure from outside markets and no any effectiveness of trading agreements & no actions from governmental trading sectors who play very important role as a monitor of trading issues.



In the last decade, the trading issues of NTFPs of Lao PDR have not been properly improved in term of qualitative such as : specification of raw materials, packing & shipment which are not responding to international market.

It might say that no any Lao NTFPs traders " Lao NTFPs Trading Companies" dealing this kind of business with the international Trading Sectors such as: from China, Vietnam, Japan, Taiwan, Hong kong, European countries and America.

Many traders said " Lao producers are weakness of processing of NTFPs in term of specifications : % of moisture & others...

Most of AP & NTFPs are exported at the beginning of the dry season ( November to April ). The shipment of goods to Thailand is made 90% by boat through Borkeo border & 10% of transportation by truck through Keine thao boder ( Sayaboury province ). At the beginning of dry season , the level of Mekong river starts to get down : because of no rainfall & the shipment of goods by boat with 200-300 tones big boat is impossible. Normally, the shipments of goods were made by 20-35 tones boat with by Thai Bath of 25.000,00 per trip from Luang Prabang to Borkeo , cost of shipment is approximately : 1 kg =1bath . Time to be spent : 2-3 days : because in the dry season , Mekong river is running-down with fast current & with opposite direction . Boat must be used a lot of energies (more consumption of petrol).

The exportation of goods to China is made only by trucks : One truck is able to carry maximum 17-22 tones ; time to be spent 1-1.5 day from Luang Prabang to Boten boder. Transportation charge 1 tone =1.000.000 -1.200.000 Kips /tone ( 1kg=1000 Kips equivalent 1kg=1.200 Kips or 1 Kg = 4.00 Thai Bath. This traffic is used by the national road of No.13.

The exportation to Vietnam is made also by truck : One truck is able to carry maximum 15-17 tones; time to be spent 2-3 days from Luang Prabang to Yachang boder. Transportation charge 1 tone = 1.200.000 – 1.500.000 Kips : This is very expensive cost of transportation and because the road also is poor.

When we bring-up the cost of broom grass which is purchased by three foreign traders ( Thai, Chinese & Vietnamese ) : its cost is named by 3 different prices & should not be the same. The local producers can get more benefit or good price when it'll be exported to Thailand but contrarily less benefit or worse price when it'll be exported to Vietnam; To China should be a moderate price & may be good price : because the conditions of roads inside China are excellent . China is a biggest consumption of NTFPs.

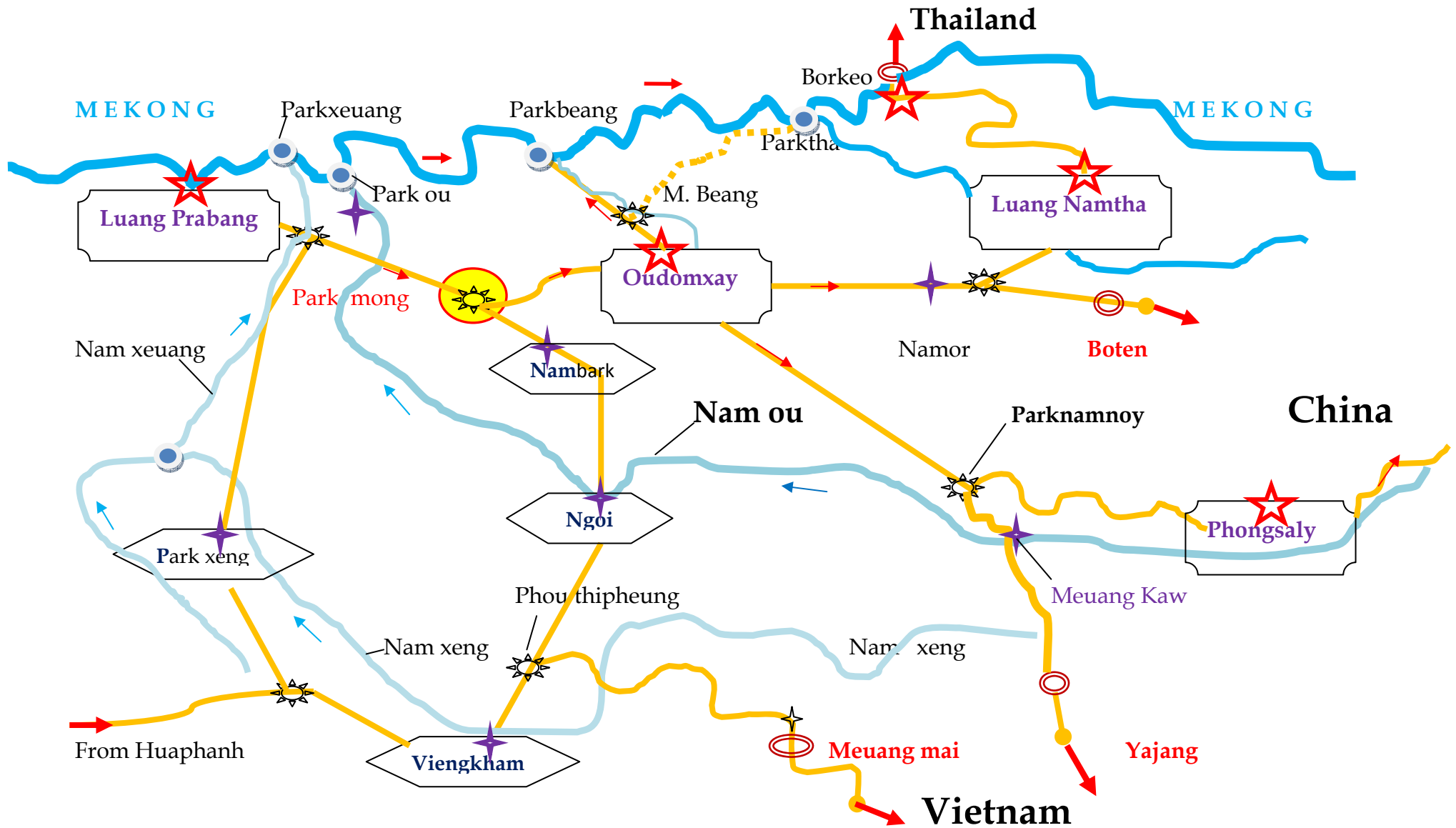
The businessmen would like to rotate his investment capital as fast as possible in order to get revenues; length of road, times, governmental policies & export regulations are the important key to identify the unit price for each item of trades. The most important of business is to take opportunity " One Gate Policy " which 's encouraging local traders be able to deal trading & further to get access to exportation.

In accordance with Socio-Economic development Plan ( 2006-2010 ) the government of Lao PDR is to set up a new check-point at Park Euam of Meuang Mai ( before was a former khets or Kumbans of Vieng kham district ). The road from Phouthipheung to Park Euam ( 45-60 km ) is going to be improved soon/paved road . The construction of overall infrastructures are on-going. The construction of road from Meuang Beang of Oudomxay to Parktha of Borkeo ( 95 km ) will be completed. This is given for the minority ethnic groups to get access to the different services of the governmental sectors. Furthermore local producers will get more facilities of farming systems including : Land allocation & Land use planning.

Goods exportation gate of NTFPs in the Northern part of Laos are :

1. Check point “ Borkeo “to Thailand : far away from LPQ.....km
2. Check point “ Boten” to China far away from LPQ.....km
3. Check point “ Yachang” to Vietnam far away from LPQ.....km
4. Check point “ Park Euam” to Vietnam far away from LPQ.....km

The road to neighbor countries borders at where the Export-Import companies used to their shipments



The figure of NTFPs exported from the province Luang Prabang given by statistic of trade department for the year 2008-09 is quite low : because as said upon that the biggest companies changed their business of purchasing of 50% NTFPs & 50% of agricultural products.

The availability of NTFPs in Northern districts of Luang Prabang province are : Park xeng , Nambark, Ngoi, Viengkham & Mruang mai ( new district ).

According to map on below: Nambark is a centre of commercial district after Luang Prabang town with full equipped infrastructures especially 3 banks ( LDB, APB & Nayobay ) which are providing the rural financial services in term of credit & loan with reasonable of bank interest charge. The banks have given 6-months loans ( short term ) : Thus, the middle sales or barterers at district level ( Nambark & Ngoi but not Viengkham) : Mr. Somsack one of five middle sales of Viengkham said : Up to now, we can get access to the financial services “ it’s impossible for us to get credit or loans from the bank : Because Viengkham doesn’t have any rural finance services & our properties “ land tenure “ are not yet registered as fixed assets issued through the process of land tiling “ which would be taken place soon possible. Secondly, Vieng kham district should built market with size of 25-50 rooms( 3x3m) as the first facilities of financial infrastructures & then others will be further. This year , I faced problem of lacking cash , my business capital was only < 100 millions Kips : during harvesting season, it ‘s not cover for whole products of NTFPs & AP. After harvesting of rice and cash crops local people focused to produce different kinds of the products. These incomes firstly to buy the children clothes against cold weather (November - February ), secondly to buy the rice & thirdly to improve the conditions of housing ( accommodation ).

For the business people who are living in Nambark & Ngoi districts have more opportunity to get access to the banks ( financial services ) & used this credit for their business : the middle sales or barterers become owners of the business but not like before.

In the past years the middle sales should bring the NTFPs to Luang Prabang district and sold them to the export-Import companies as amount due or obliged to clear advances which ‘re gotten or as agreed some kinds of agreements for purchasing NTFPs ‘ each unit price.

The current tax rates are complex and unclear : When a product is transported to the border from district , trader have to pay the following addition taxes :

- 3 percent to district agriculture and forestry office: An MAF instruction ( Oct. 1999 ) to PAFOs regulates the collection of royalties on NTFPs , requiring the collectors of NTFPs to replant the species harvested or pay a natural resource royalty. Royalty rates vary according to NTFPs. For example , for every tone of paper mulberry collected 15 trees have to planted or a royalty of US\$ 5.00 paid.
- 5 percent of purchase price is paid to the district finance office.

- 10.000 Kips per tone is paid to the district commerce office.
- 3 percent goes to the trade department at the border.

Traders also have to pay a 1 percent transit tax for transport from district to district, and often double that for transport out of the province. This is one reason why district . This is one reason why district traders seek to bypass provinces.

In accordance with Trading Regulations ( Laws ), in the previous years the middle sales or barterers don't have right to export the NTFPs goods to neighbor countries( Thailand, China & Vietnam ) : " no have license of exportation business " but after the issuing a policy " One Gate " most of them ( Nambark-Ngoi-Viengkham dealers ) have more chances to get the export ' authorization : they can buy it from any export-import companies of Oudomxay and Borkeo with fee cost about 500.000-700.000 Kips per 10-15 tons truck of NTFPs & AP with registration of Oudomxay trades but not from Luang Prabang: Reasons & why?

Normally for issuing exportation papers, they must bring the truck of goods to Luang Prabang ( go-back with length 240 km : Pmong-LPB-Pmong) & spent 2,5-3days for the completion of issuing the number of exportation papers ( for payment of export fees & daily food more than Lak 800.000 not include petrol cost of length 240 km. The full payment for issuing the exportation paper will reach 1.2 - 1.5 million Lak. **Parkmong point** ( see a map above ) become a centre of transportation traffic to neighboring borders. It may say through Parkmomg the dealers saved 500.000 - 700.000 Lak per truck of 10-15 tons. As estimated the volume of AP& NTFPs 40-60% out from Luang Prabang without registrations; These figures of NTFPs are disappeared from time to time as products of other provinces.

In some cases, on the way from Phonethong to Boten border through Viengkham , Houaphanh & Xieng khouang dealers might take quite big amount of different kinds of NTFPs with good price in order to fulfill their truck. It exist the 6-days Khmu commune market which is moved from beside village of the main road to the other village. On the 5<sup>th</sup> day of commune market preparation, the villagers who are willing to sell their products of NTFPs, agricultural , livestock & fish come to place of market ( is well-know ).

The business of NTFPs took place in the night time before 1 day of starting a commune market : firstly between the producers and village traders ( a group of purchasers in the village ). It's not clear enough that the group of village traders can deal the purchasing of NTFPs so far away or for only one 6-days commune Market in the village.

This group plays very important role for purchasing the products with selection criteria of qualitative specification " dried , clean, pure & no any mixes " In case, if any products are not met to the specification as requested the village traders refuse to purchase or name its cost with very low price.

Whole dealers said, now we use One Gate Policy “Payment of fees, tariff & taxes **here or at the border** are the governmental revenues. It’s may say that it’s not easy to follow-up the trades out from the province; Thus, not only the export–import companies who have right to deal this business and now the middle sales or barterers have also opportunity to deal the exportation matters. This is changed & given more opportunity for local traders to deal exportation business to know & understand about reason & criteria of what & why ? - a unit price of each item is getting down : when the local traders do the business with foreign commerce, they involved , they acted and of course they learnt from reality ; when they get back home , they will inform local producers about the different of specifications & also criteria of each trade of NTFPs. Of course, when the middle sale or barter do the business with outsiders should take more attention on criteria for unit price of NTFPs and its processing “ how to get a better price” with non-verbal agreement but with official papers of agreement.

Furthermore the important element of improved income generation from NTFPs is first a clear understanding of the most lucrative NTFPs in the target areas. To acquire this knowledge participatory assessments need to take place for product identification in order to improve marketing and resource management, as well as providing to district staff & local people on the following issue :

1. Participatory assessment for identifying most lucrative NTFPs
2. NTFP management when necessary
3. Solving possible other problems that people (community ) face in developing their NTFP income such as marketing or product development.

A. Interviewed Mr. Xang Sanaphone – a director of provincial forestry department of Luang Prabang.

The NTFPs has been registered as exploited natural resources in the year 2008-09 :

No	Items ( in English )	Items ( in Lao )	Q'ty in tones
1	Damar resin	Khee xee	2
2	Broom grass	Khem	103
3	Berberine vine	<u>Samhang or Kheua tieng</u> )	
4	Paper mulberry	Posa	283
5	Sugar palm	Mark tao	30
6	Stick lac	Khang	50.1

7	Bamboo shoot	Normai	4
8	Incense glue bark	Peuak meuak	53
9	Dook deua	Dook deua	6

New items of NTFP

No	Items ( in English )	Items ( in Lao )	Q'ty in tones
1		Markvane-chay	
2	Ginger	Khing	

Nobody of statistic unit / Carried-out a survey in Chomphet district of Luang Prabang.

B. Interviewed Mr. Houmpheng Phaphonexay - a director of provincial trade department of Luang Prabang.

The NTFPs has exported in the year 2008-09 :

No	Items ( in English )	Items ( in Lao )	Q'ty in tones
1	Damar resin	Khee xee	270
2	Broom grass	Khem	620
3	Berberine vine	<u>Samhang or Kheua tieng)</u>	0
4	Paper mulberry	Posa	669
5	Sugar palm	Mark tao	567
6	Stick lac	Khang	0
7	Bamboo shoot	Normai	0
8	Incense glue bark	Peuak meuak	98
9		Dook deua	15
10	Wild lemongrass	Sikhaypaah	17
11	Smilax glabra -Coscium fenestratum	Yaahua	5
12		Markvane-chay	52
13			

C. Interviewed Mr. Xiengchanpheng - a director of Agriculture-forestry development promotion company ( a recent biggest company )

No	Items ( in English )	Items ( in Lao )	Q'ty in tones	Cost in Lak / kg
1	Damar resin	Khee xee	>40	3.500
2	Broom grass	Khem	600	4.500-6.000
3	Berberine vine	<u>Samhang or Kheua tieng)</u>	200	1.500 - 1.800
4	Paper mulberry	Posa	300-500	2.300-2.800
5	Sugar palm	Mark tao	0	-
6	Stick lac	Khang	>100	12.000
7	Bamboo shoot	Normai	0	-

8	Incense glue bark	Peuak meuak	200	6.500-7.000
9		Dook deua	30	8.000
10	Wild lemongrass	Sikhaypaah	0	-
11	Smilax glabra - Coscium fenestratum	Yaahua	0	-
12		Markvane-chay	0	-
13	Cardamom	Markneang	20	40.000
14	Big rattan cane	Markvaine	50	6.000
15	Galangal cane	Markhaa	20	10.000

We did not ask the agricultural products such as : maize, sesame, rice & soybean, job's tear etc. It exported quite a lot of quantity.

Now, It's lucky time for me to sell-out my stored maize which have been dried by my silo. It's plenty of market demands such as : in Lao & also Vietnam. In Lao, I sold-out to Thangone Mix feed factory which is needed a large quantity of maize; but problem is only its quality. Its price is 1.200-1.800 Lak / kg. Mr. Xiengchanpheng said " how to give raising awareness of dry processing prior selling-out ". When the products are dried enough , can be kept them as long as possible at least 3-5 months ( e.g the quality of grains ).

#### D. Interviewed Mrs. Sida - a director of Import-Export company

She said : " I have bought not much of NTFP quantity , I only kept my clients or did our best trading relationship; all of my purchased goods I transferred to Mr. Xiengchanpheng company. But I did my best business of exported sesame with >2.000tones ( 8.000-10.000 Lak/kg ) to China. I think, next year it will be good market for sesame.

This year the job's tear has very good price 2.500 - 3.000 Lak /kg, but very little Q'ty exported. I exported it about 50 tones.

In the year 1999-2001, It was >100.000 tones with cost Lak =< 550-850 / kg or no market.