

OG Belavan Farm

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BUSINESS CASE

Implementing vertical integration for a social cause at BOLAVEN FARM







Thecasesolutions.com Company Background

Bolaven Farms is the leading organic grower and supplier of the finest Bolaven coffees. Fine Bolaven coffees are rare and distinctive, grown and processed in the pristine environment of the Bolaven Plateau in southern Laos.

Establish in April 2007 as a Hongkong based limited company with a 100% subsidiary in Laos. Bolaven firm is a business with a social purpose which is to provide high quality coffee to the worldwide public while helping alleviate poverty among coffee farmers.



Company Background

Founded by Sam Say

- Vision: To invest and empower the farming poor to break the cycle of poverty and build a stronger nation.
- Mission: Growing the finest coffee is our passion. Restoring land ownership to the joy of farming poor is our desire.

Thecasesolutions.com A glance about coffee Green Coffee is accounted for more than 80% of the worldwide coffee trade

in terms of value and volume.

What is green coffee?

"Green coffee" beans are coffee seeds (beans) of Coffea fruits that have not yet been roasted.

- - Europe has 31% worldwide consumption
 - U.S has 16% worldwide consumption
 - Brazil has 13% worldwide consumption

TRADITIONAL SUPPLY CHAIN







People in laos

According to United Nations 76.8% of Iao population lived underpoverty line of US\$2/day in 2007.

Low Productivity in Agriculture

GDP per capita in Laos in 2008 was US\$858. Lack of knowledge causes farmers not able to understand the advanced farming technologies and contributed to a reliance on local seed varieties. Lack of advisory services on farming, management and hygiene affect in the farmer's harvest.

Coffee industry in Laos

In 2008, Laos produced 31.125 tonnes of green coffee, accounting for less than 0.5% of worldwide production.

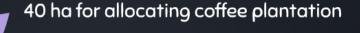




Bolaven Farm

Bolaven farm had 2 main lines: (1)Coffee Farming and distribution (2) farmer education and management training for young laotians.

Bolaven farm has 67 ha land



27 ha for housing, animal stock and other plantations

Main reason for founding a farm is use to demonstration and training centre for lao farmers and future agri-managers.



Invite 130 farmers for 2 years to live at a farm



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- 3 meals a day
- on-site housing
- a wage for adults
- basic schooling for children
- 30% reimbursement for medical bills

1st group : Farmers

May 2009 5 families has graduated envisaged in 6 months training for farmers and training capacity 30 families/year

Train single farmer cost US\$1000/years

2nd group: Management trainees

May 2009 — 14 trainees

3 years training

WHAT TO TAKE CARE?

- coffee- farming management
- wet-mill management
- livestock management
- fertilizer production
- building maintenance

Train single trainee cost US\$2400/years