

The Practice of 'Lettuce Village'



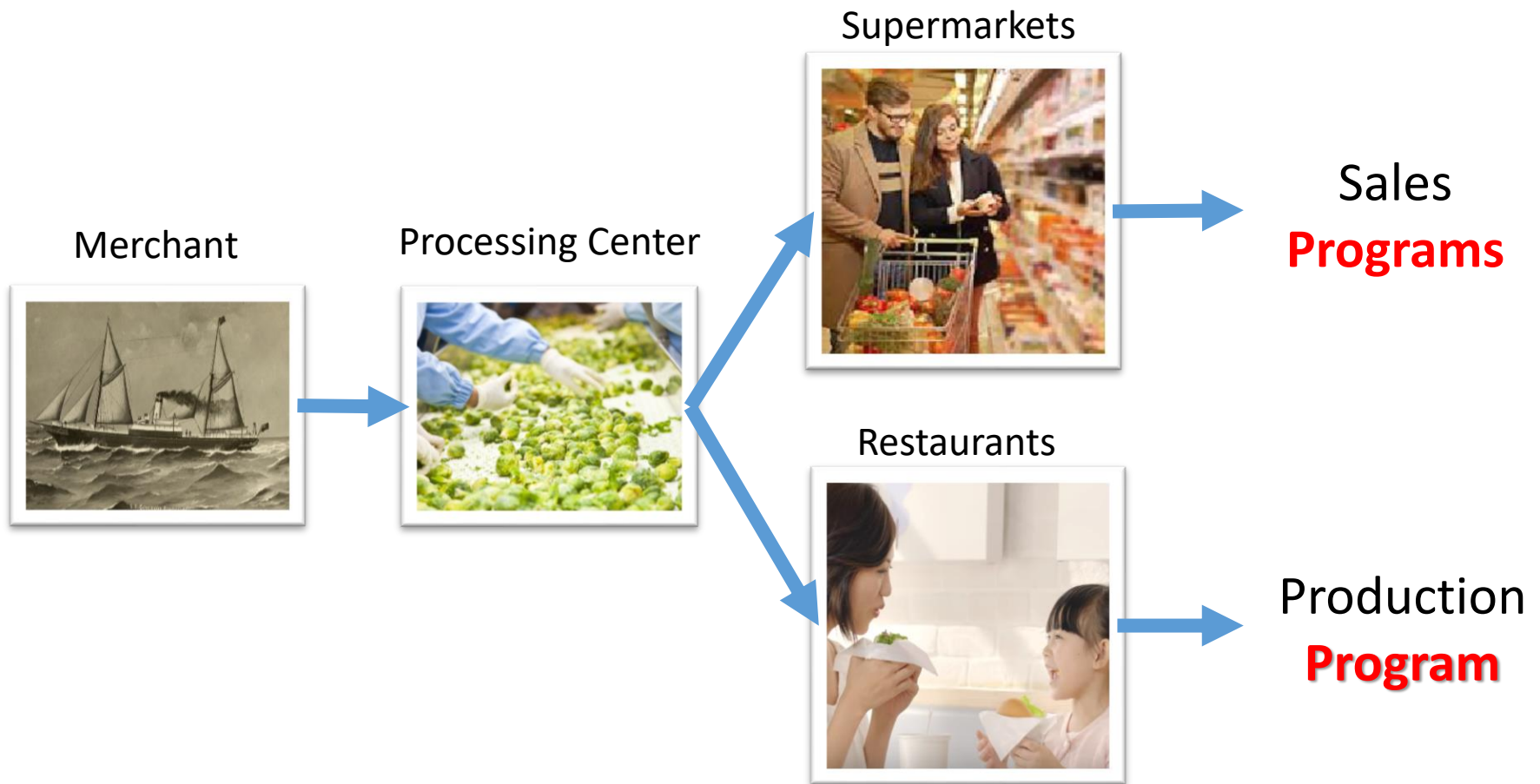
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The Needs of 'Market'



Stability, or 'Predictability' Instead

Predictable...

Cost (Price)

Available Quantity

Quality (Specification)

Delivery Date

Sales/
Production
Program

Various, or 'Unexpected' MSMEs

Due to ...

Small Scale

Micro Capital

Poor Management

Diverse Decision

Unstable
Unexpected

Cost
Quality
Quantity
Delivery date

How To Bridge Over The Gaps?

MSMEs
Unexpected

Markets
Predictability



'Lettuce Village'



'Lettuce Village' (TLV)

- Located in Mailiao township, Yunlin county, Started from 1997.



	2005	2018
Farm Area (has)	30	360
Farmers (persons)	12	250
Quantity (m.tons)	120	8,200
Annual Sales ('000USD)	130	9,240

Strategic Alternatives of TLV, 1

To Concentrate on Lettuce of Winter (Dec-Mar).

- No competitive advantages to plant the major agri-products of domestic market (ex. rice, cabbage...) due to geography.
- Sandy soil and The Occasional Monsoons is good to plant iceberg lettuce.
- Few demand for iceberg lettuce in domestic market.
- **Strict contract terms**, short demand period for Japanese market but with attractive price.



Iceberg lettuce for Japanese market in winter

Strategic Alternatives of TLV, 2

To Introduce G.A.P. (Good Agricultural Practice)

- Initiated upon the request of Japanese clients in the very beginning.
- Begun with pen and paper, written down by Ms. Kuo.
- Unexpected surprise effects from G.A.P.
 - ** By **Traceability**, get easier to detect the causes of defeats.
Ex. pesticide residue, block of incents risky lots...
 - ** Enhancing **uniformity** of field operation and management.
 - ** Improve the **stability and predictability** of production.



G.A.P was as a differential benefit

Strategic Alternatives of TLV, 3

To build up cold storage and auto-packing line

- To expand and improve cold storage.
- To introduce auto-packing line.



To expand capacity for more business expansion.



Challenges & Opportunities

Challenges (Risk)

- Price bargain power is weak. (price taker)
- Tariff duties among different economies.
- Maximum residue level (MRLs) of pesticide are various in all economies.
- Various regulation of quarantine in economics.

Opportunities

- Market diversity: to import vegetable in summer for domestic market.
- Smart System Application: Introduce smart system to enhance traceability.

To Bridge Over The Gaps by G.A.P.

MSMEs

Unexpected



Markets

Predictability



Key Learnings from 'Lettuce Village'

Enhancing MSMEs to enter market, make your production to be '**Predictability**' for your clients.

- **Be Nicher:**

Focus on a specific domain.

- **G.A.P.:**

Take advantage of G.A.P. to improve and organize your productivity.

- **Fixed capital investment:**

Auto-line for sorting and Packing; Cold chain.



Thank You