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# An Exploratory Value Chain Analysis for Burmese Pickled Tea (LAPHET)

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# ABSTRACT

Laphet (pickled tea) is a well-known traditional cuisine of Myanmar consisting of tea leaves fermented into a pickle. It has a unique taste different from tea used for drinking and has health benefits. Despite the fact that pickled tea is a popular food in Myanmar, no research has been done to analyse its value chain and evaluate its potential in the global market.

This study is an exploratory research and aims to examine the value chain of pickled tea from production to the final consumer and to evaluate how to improve the quality in the value chain. In addition, the improvements to the integrity to the pickled tea value chain are addressed.

The value chain analysis revealed the major actors in the pickled tea value chain and described the process as tea leaves pass through several intermediaries with value being added at each stage before reaching the end consumer. The chain is governed by wholesalers and manufacturers who have capital advantage over the other chain actors. Therefore, farmers get the lower share of the price margin.

This study shows the domestic pickled tea value chain and it describes the upgrades to the chain if it is to be upgraded. Pickled tea is a profitable industry and has high potential in the global market. However, there are considerable weaknesses and challenges to developing a sustainable pickled tea industry from both farm and market perspective. Supply issues such as availability of tea leaves, quality and consistency of the pickled tea, and effective grading along the value chain were addressed. Food safety and traceability is also a key area of concern.

The study recommends that value chain upgrading can help improve the effectiveness and efficiency of the chain. Generally, the findings suggest that strategies aiming to strengthen the linkages within the value chain, collective marketing, and improved processing technologies can enhance the development of the pickled tea value chain in Myanmar. Therefore, policy aiming at increasing farmers' access to modern technology and inputs, developing infrastructure, cooperative development, and improving extension systems are recommended to accelerate the chain's development.

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# GLOSSARY

| | |
|---|---|
| Laphet | Pickled tea |
| FAO | Food and Agriculture Organization |
| FAO IGG | Food and Agriculture Organization Intergovernmental Group |
| FAOSTAT | Food and Agriculture Organization Corporate Statistical Database |
| CTC | Crush, Tear and Curl tea |
| USAID | US Agency for International Development |
| USD | United States Dollar |
| VCA | Value Chain Analysis |
| GIZ | Deutsche Gesellschaft für Internationale Zusammenarbeit |
| HACCP | Hazard Analysis Critical Control Point |
| FCL | Full Container Load |
| FSA | Food Safety Activities |
| GHP | Good Hygienic Practice |
| UNODC | United Nations Office on Drugs and Crime |
| IRC | International Rescue Committee |
| JICA | Japanese International Cooperation Agency |
| SADC | Swiss Agency for Development and Cooperation |
| DOA | Department of Agriculture |
| PTPA | Palaung Tea Producing Association |
| MFVPA | Myanmar Fruits and Vegetable Producers Association |
| MOAG | Myanmar Organic Agriculture Group |

* All values in this document are expressed in USD ($) for the purpose of consistency and clarity.