

Improving production capacity and quality to meet growing market demand



About the company

Champahom Trade Import-Export Sole Co. Ltd is a woman-led company. Originally a traditional, quasi-informal family trading business, the company was formally registered in October 2016. It currently has 16 full-time employees.

Champahom’s milling activities produce glutinous rice (60%) and jasmine rice (40%). The company works with farmer groups in six villages around Vientiane that supply paddy rice. And it has the potential to work with more farmer groups. Until now, the rice is sold domestically, on a B2B and B2C basis. The company’s full production capacity, at 10 tons of white rice per day, is roughly 50% lower than existing market demand.

Champahom has also started to receive some interest from overseas buyers for its rice, including a major buyer in Europe. This includes a large food and nutrition company, headquartered in Germany, that is looking to source high quality rice that can be used to produce various kinds of gluten-free starch products.

Rice is increasingly being used as a source of gluten-free and lactose-free starches, flours and digestible protein. For example, rice flour is widely used in baby food and infant cereals. (Rice proteins possess amino acid profiles that are closely related to breast milk.) And rice starch has a diverse range of uses, from improving the creaminess of fat-reduced dairy products, to increased crunchiness of gluten-free biscuits. Rice protein is used in energy bars, baked goods and pet foods, among other uses.



What was the growth challenge ... ?

Champahom realized that the main obstacle to greater sales growth was its out-dated processing machinery and infrastructure at the existing rice mill. The company needs to invest in new production (drying and milling) technology, both to increase volumes and achieve better quality output: general manufacturing practices (GMP).

Greater volumes will meet existing demand, while improved quality will allow the company to start penetrating export markets. The company decided it needed to invest in a new rice mill and processing equipment.

BAF II

Case Study

No. 2

 November 2020

Champahom

Trade Import-

Export Sole Co.

Ltd.



Sector:

Trading

BDS activity:

Industrial design

BDS provider:

Multiple providers



"I am very proud to be one of the companies that have received support from BAF II -- both free advisory and matching grants -- in order to improve my business competitiveness. This support has helped me build up my own personal confidence as a business owner, and motivated me to invest more for greater growth. With BAF II support, I enjoy seeing improvements in production, with better facilities and quality under GMP standards."

Ms Bounhieng, owner of
Champahom Trade Import-Export
Co. Ltd.



"Ms Bounhieng is a genuine entrepreneur. She is focused on addressing the needs of her business, and never stops looking for improvements that can make her business grow. Champahom is one of several women-led businesses that we at BAF II have enjoyed working with, and we have learned a lot from Ms Bounhieng's industry expertise. She works closely with farmer groups in numerous villages, and has provided them with regular income. We wish Ms Bounhieng well with her future business growth."

Ms Vilaichit (May) Senemangthong,
BAF II Deputy Team Leader.

... and what was the BDS solution ?

Having made the decision to invest in a new rice mill, Champahom realized that it needed to plan the layout of the new building, and the drying and processing equipment. It also needed to ensure that the layout of the machinery would comply with GMP standards, in order to ensure it would be certified.

The company realized that even with new equipment inside a new building, without the right design and layout, the production and quality gains it wanted to achieve would not be feasible. It therefore needed to retain the services of expert consultants who could help them design the optimal layout. It was at this point that Champahom approached BAF II and applied for a matching grant to help cover the costs of these consultancy inputs. We were happy to oblige.

The end result

Champahom was able to commence production at the new mill in time for the monsoon season harvest, and initial results suggest that both productivity and quality have improved. The company's production capacity has increased from 10 tons to 42 tons of white rice per day. And the number of farmer groups who supply paddy to the company has also increased to include 6 more farmer groups.

The first shipment of rice to the buyer in Europe was activated. Unfortunately, the impact of the COVID-19 pandemic meant that it was not possible to get the container through Bangkok port. That shipment will have to wait until the supply chain disruptions caused by the pandemic have eased.



So, what's next ...?

Ms Bounhieng, the Managing Director of Champahom Trading Import-Export Co Ltd, was happy with the support provided by BAF II, and has subsequently applied for a second matching grant. This second grant will be used to help with two BDS activities: i) the design and layout of the company's warehouse (for increased volumes of paddy supply into the mill); and ii) the design of new packaging for the rice. The latter will include nutritional information for customers, in three languages.

Want to learn more about BAF II, and explore whether we can help your business to grow ? Go to www.baflaos.com and let's start a conversation.

