

Reflecting national conditions and development priorities under the benchmarking option- results of the country-case on Vietnam

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Studying on:

- A. Overview of production and Trade patterns of horticultural products and the role of EUREPGAP
- B. Implementation of GAP in Vietnam
- C. The gaps between Vietnam GAP and EUREPGAP.
- D. EUREPGAP attempt in Vietnam: The case of dragon fruit
- E. Conclusions.

A. Overview of production and Trade patterns of horticultural products and the role of EUREPGAP

- Production and trade pattern of horticultural products:
 - *It shares small portion: 5% vegetable and 4% fruit in year 1999(IFPRI, 2002).*
 - *Inconsistent quality and quantity have been main constrains to export.*
 - *Lack of good varieties, poor harvest technology and weak supply chain are common.*
 - *Farm size is often small: less than 0.3 ha for vegetable and 1 ha for fruit.*
- Importance of the EUREPGAP standard in the main export market

Vietnam's export horticultural product to European countries is neglect in total export volume.

Food safety and food quality

Quality attributes: classified into three groups

⇒ external : appearance, defects

⇒ Internal: taste, texture, odor.

⇒ Hidden: safety, nutritive value, wholesomeness.

Food safety is just one of quality attributes

Yet, safety is often violated when external quality attributes are targeted by farmers.

GAP in Vietnam

Legal Documents

- 1998: Temporary Regulations on Safe Vegetables Production
(*Decision 67/1998/QĐ- BNN-KHCN*)
- Late 1990s: Establishment of Safe vegetable technical procedures
- June 03, 2002 :Decree No.58/2002/ND-CP of the Government on pesticide management.
- July 26, 2003 : Ordinance No.12/PL-UBTVQH11 Standing Committee of National Assembly on food safety and hygiene

In Practice:

- Since1996: IPM training on vegetable production.
- Since 1999: Establish some certified vegetable production areas.
- Encourage the development of supermarkets and safe vegetable outlets.
- Sample check at marketplaces and other vegetable purchase outlets
- Education of consumers on food hygiene and safety

B. Implementation of G.A.P in Vietnam

I. Safer vegetable program

Food scare and scandals: 13,000 case of poison which have 354 people died only in Mekong Delta (1995)

- G.A.P in Vietnam in practice is *site selection, land use, fertilizer and water usage and pest/pesticide control.*
- Weak enforcement due to lack of resources and lack of co-ordination between agencies.

“Safe vegetable program” ; “Organic vegetable/fruit production” for local consumption

Weakness of fruit & vegetable safety control

Weakness:

- Limited sample testing: the max 3200 samples per year in HCMC.(2004)
- Only use quick, cheap testing methods
- Different testing methods resulting different results.
- Weak certification renewal procedure.

Consumers' preferences:

- Thin market for safe vegetables: about 7% -17% household buy vegetables at SM => small incentives to farmers and traders.
- Reasons:
 - + Inconvenient location
 - + Less varieties for choice
 - + High price
 - + Mistrust of safety

B. Implementation of G.A.P in Vietnam (cont.)

II. Quality assurance system in Vietnam on horticultural products

- Government: Quarantine and Epidemic control departments- Custom officer- SPS measures.
- Private/ foreign : Inspection companies- eg: IMO

III. Government role in national G.A.P development and implementation

- 1- “GAP program in Ho Chi Minh city”-2005:A participatory approach as collaboration between professional authorities: DARD, DOST, DoT, DoH, BSQM, Farmer and Consumer association to establish, to launch and to set up control system.

B. Implementation of G.A.P in Vietnam (cont.)

2. “Tien Giang GAP program”- A project initiated by Vinafruit- A fruit farmer association- March,2005, focusing on:
 - Build up trade mark, market strategy for domestic trading and exportation of 6 provinces on southern Vietnam, with estimate 30% total fruit area in whole country.
 - With funding by USAID.
 - The benchmarking is considered as EUREPGAP
- Vinafruit role is facilitating under the observation of government

B. Implementation of G.A.P in Vietnam (cont.)

IV. Role of International organization in EUREPGAP development and implementation

- Swiss Import Promotion Program (SIPPO)- 1999-2009
- Vietnam Competitiveness Initiative (VNCI) project-funded by USAID- from 2003-2006.
- JICA financed build up quality assurance of dragon fruit to Japan- from 2005-2008.
- Deutsche Gesellschaft fur Technische Zusammenarbeit (GTZ) GmbH for agricultural product brand building- from 2005-2009 which use EUREPGAP benchmark
- FAO projects on horticulture with Southern Fruit Research Institute (SOFRI) on pest control and technology transfer for poor farmers on flood area, etc.

C. The gaps between Vietnam G.A.P and EurepGAP

Below are not available in Vietnamese legal framework.

- **Traceability** (Section 1)
- **Record keeping and internal self-inspection** (Section 2)
- **Soil and substrate management** (Section 5)
- **Complaint** (Section 14)

D. Case study of dragon fruit

Why choose dragon fruit?

Producers and exporter of dragon fruit

- Producers are in Binh Thuan, Tien Giang , Long An provinces
- Main market are China, Taiwan and Hong Kong (50%), Malaysia (20%); European countries like Germany, Holland and France (40% imported to European market is from Vietnam).



Failure to EUREPGAP the first attempt and its lessons

- First introduction by SIPPO program at year 2000, not yet further promotion from government authorities, research institutes.
- In 2003, Bao Thanh Co. is pioneer to invest 4 main suppliers in Binh Thuan Province, working together with some scientists in Post Harvest Technology Institute (PHTI), DARD Binh Thuan, IMO

Failure to EUREPGAP the first attempt and its lesson (cont.)

It's failure because of:

- Solely initiative only BaoThanh Co.
- Need relevant state institutes and local authorities at the beginning to support farmer level needs: technique, finance/ social recognition.
- Implementation of EurepGap need cooperation of various actors in the supply chain- Bao Thanh 's failure to establish a trust with suppliers/ producers.
- High investment cost are the main constrains.

Constraints to EUREPGAP

- Heavy bookkeeping
- Field hygiene and sanitation facility.
- Employees: health, knowledge and practice of food safety
- Mistrust among stakeholders in the value chain
- No rewards for application of EUREPGAP



Conclusions

- Obtaining EUREPGAP certificate will have positive impacts not only on *market access*, but *environmental* and *social* aspect as well.
- Three main considerations: Technique, finance and culture.
- Researchers should be involved in the implementation to extract lessons for duplication.
- Big investment and decreasing world price would be main obstacles for Vietnamese farmers' adoption.
- Quantifying impact of EUREPGAP on farmers in developing countries need to be studied.