



Trung tâm Nghiên cứu & Phát triển HỒ thềng Nông nghiệp
Centre for Agrarian Systems Research & Development

Cold agricultural value chain in Vietnam: challenges and opportunities

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**APEC High Level Public-Private Forum on Cold Chains
To Strengthen Agriculture and Food's Global Value Chain**
October 28–30, 2015, Kagoshima, Japan

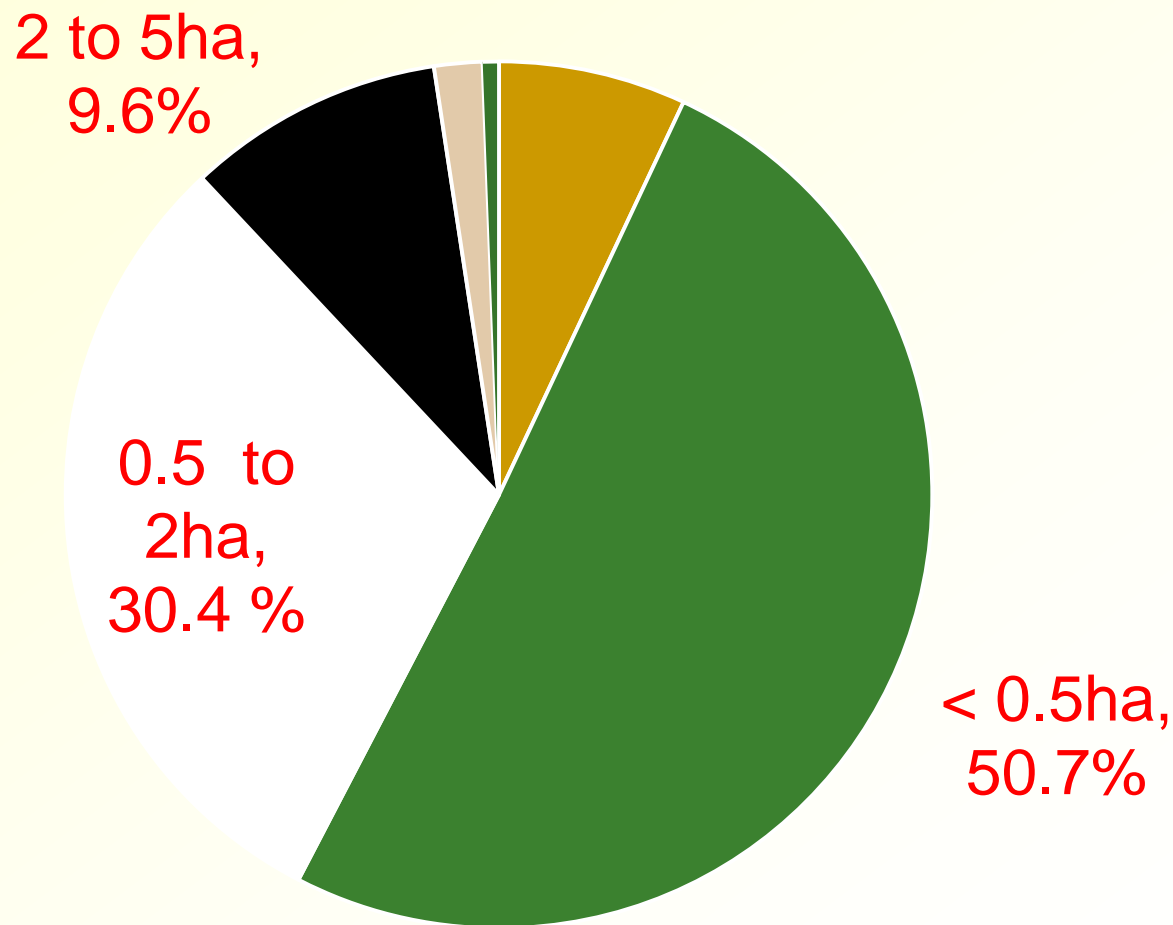


Family farming in Viet nam

- Equitable access to land for all household since 1988
- Family farms with total of 10.3 millions households
- Succesful Green Revolution
 - *Irrigation*
 - *High yield varieties, high land rotation*
 - *High chemical input use*
- Food security assured: 70% with rice
- Exportation: rice, coffee, pepper, cashew, fish, shrim, rubber, cassava, wood, fruit, vegetable...

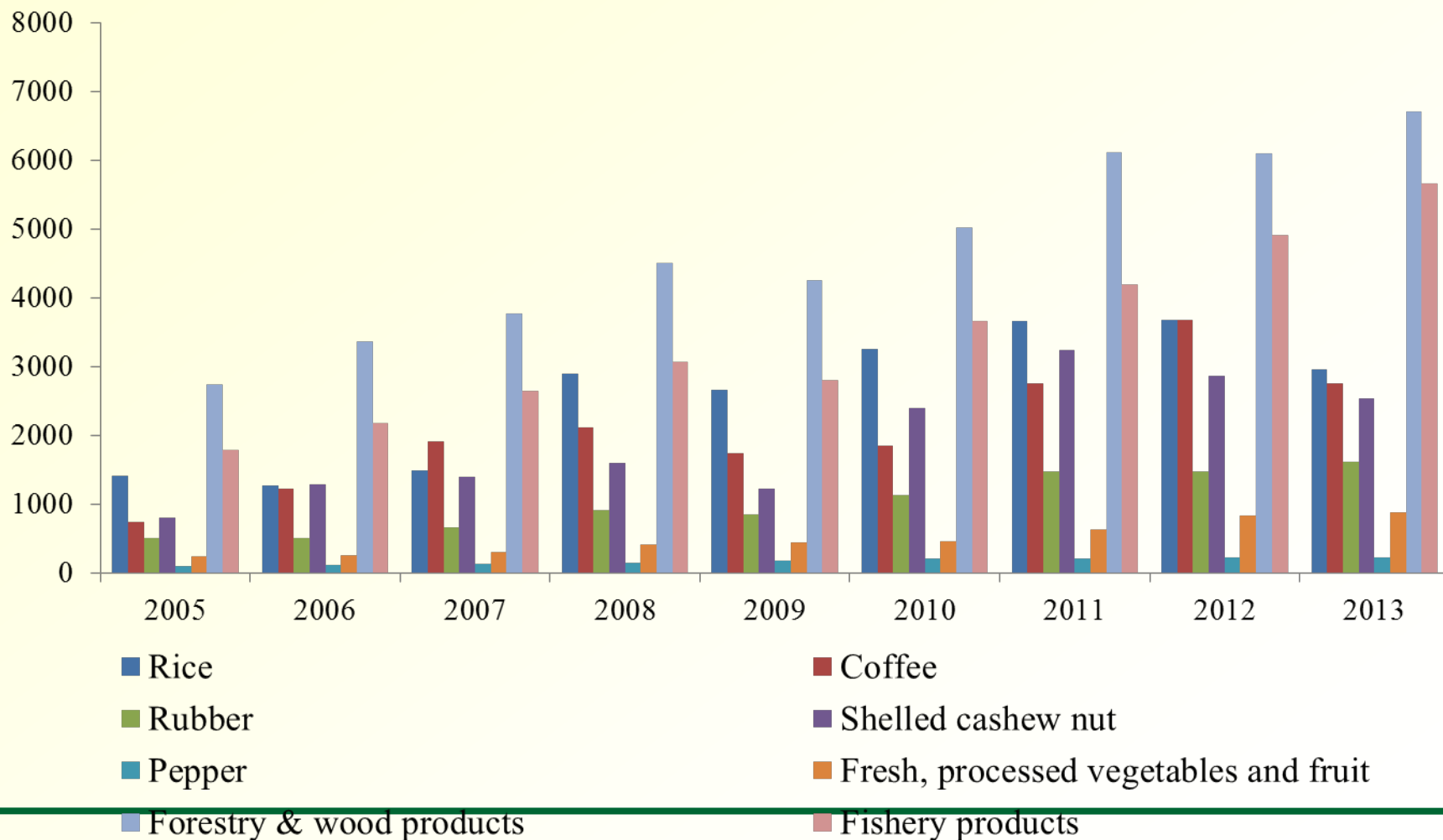


Small Farm agri-land dominant in Vietnam, 2011 (%)





Major agricultural export products (million USD)



Source: GSO, MARD



Facing challenges of agriculture: market access and competitiveness

■ ***Intensification***

- High chemical input and resource cost
- High emission
- High post-harvest loss

■ ***Exportation***

- Low quality and farmer's income
 - Lack of Value chain institutions and farmer's organization
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Status of Vietnam agricultural value chains

- Dispersing: a lot of small stakeholders joining in, little cooperation and coordination along weak chain, lack of long-term strategy
- Without quality differentiation: there is still the mixture between high quality variety and low quality, little brand, without geographical origin ones. The provision for high quality market sector is still limited
- Little innovation: few successful innovative model in the field of modern technology innovation or efficient organizational institution in value chain
- The chain has low added value: As the chain has high cost and much physical loss in and post-harvest, does not meet the quality demand of domestic and international consumers

Situation of Cold technology application in Agricultural value chain

- Mostly for exportation: aquaculture, meat and vegetable.
 - Domestic market: still limited
 - Vegetable/Fruit: potato seed, litchi...
 - High quality meat: beef, chicken, pork
 - Applying at some stage in the chain and not integrated cold chain, *lack of cold chain research*
 - Lacking of small technology
 - CAS (Cells Alive System) tested, very high potential to expand, but high investment costs, high energy costs.
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Existing policies for promoting cold technology

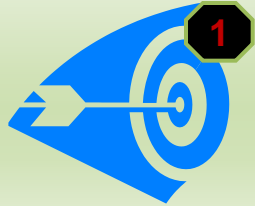
- Policy on promoting post-harvest technology
- Reducing land use tax for investment in cold storage
 - But these policies very low effectiveness
- Constraints:
 - consumer behavior,
 - weak Value chain coordination, and farmer organization
 - limited access to credit bank and
 - lack of appropriated cold technology advisory and service for smallholder and in remote areas.



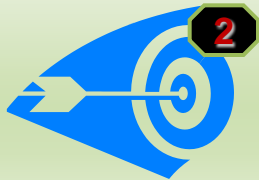
New Vision for Agricultural Restructuring Policy

- Agriculture growth and high value
 - Diversification for poverty Reduction and farmer income driven
 - GHG Emission reduction and adaptation
 - Policy attracting FDI and Public-Private partnership (PPP) and new Food safety requirement
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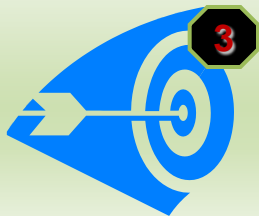
The Orientation of Prioritized post-harvest investment in Vietnam



Reducing losses in agricultural production (both quantity and quality), targeting at 50% reduction by 2020 compared with the current losses of agricultural and marine products



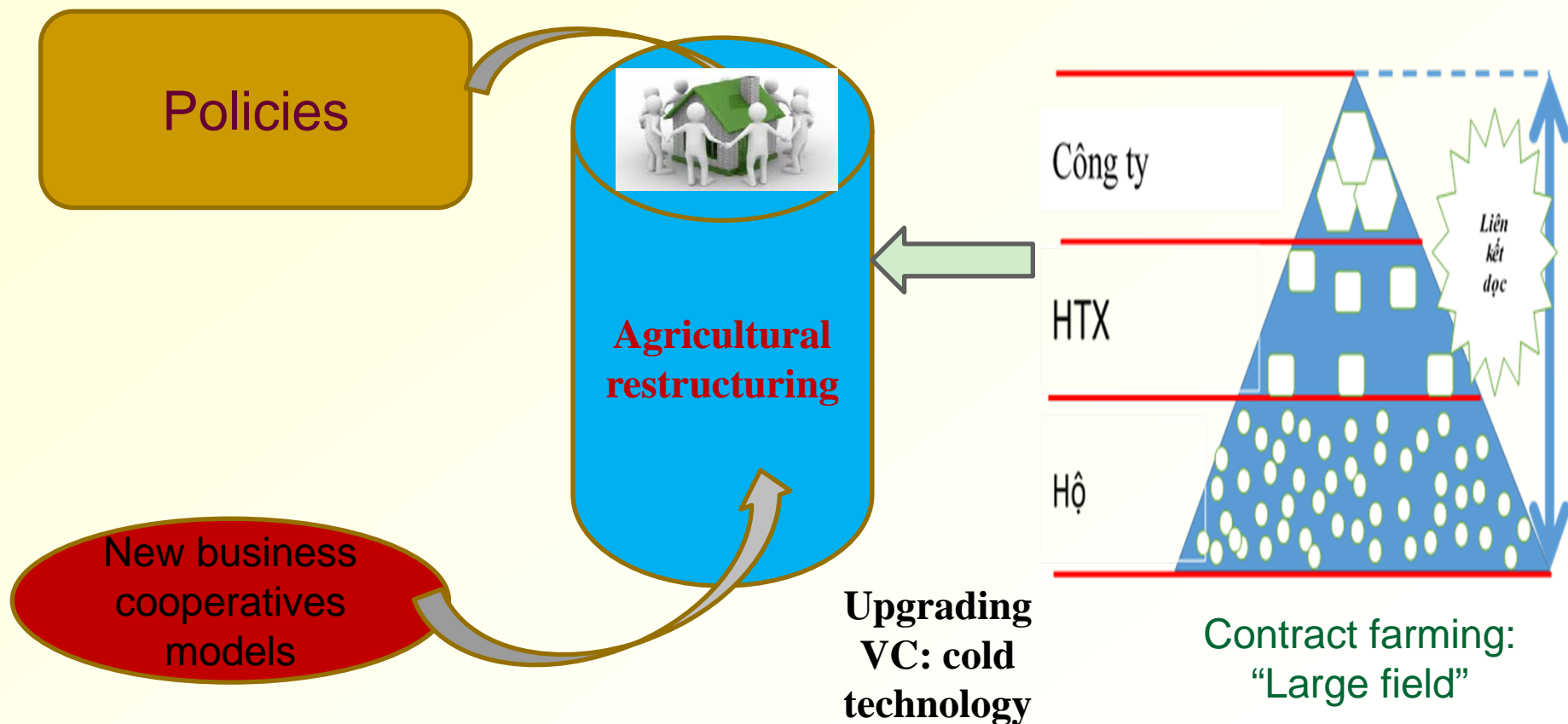
Investment in technological innovation, increasing the proportion of in-depth processed products, ensuring food safety, competitive prices, markets requirements



Investment in advanced technology of high value added products manufacturing from agricultural waste.

Necessary to develop Agri-business Cooperatives

Boosting Small Farmer's Competitiveness





Opportunities for investing cold chain in Vietnam Agriculture

- Vietnam agriculture oriented exportation (11,2% in 2014)
 - Modern retail for domestic market raising fast: supermarket >15%, minimart 80% in 2014
 - Need for integrated cold value chain for **fruits and vegetable, meat, aquaculture, fishery and processed products...**
 - PHANO is ready for cooperation in research and development of appropriated cold chain technologies with international business
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Thank for attention!

