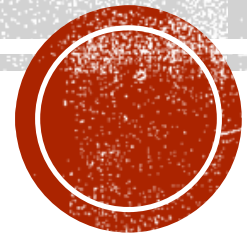


# VIETNAMESE ORGANIC AGRICULTURE DEVELOPMENT

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# WHICH AVOCADO WILL YOU BUY?

- The left with \$3/piece or the right with \$6/piece?



# GENERAL CONCERNS

## 1. Consumers have:

- little willingness to pay more for organic products
- little information provided in general
- Less access to organic products & farmers

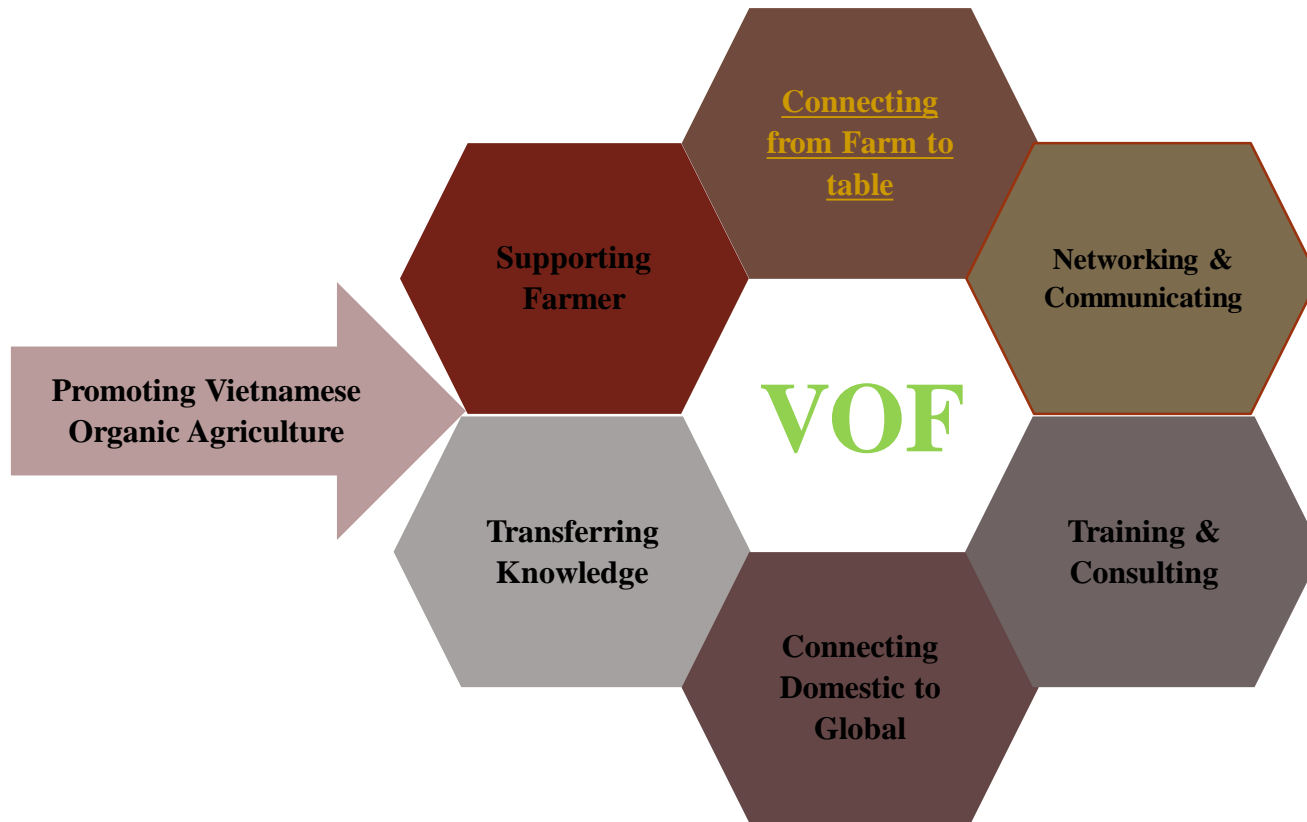
## 2. Farmers & related stakeholders face to:

- lack of legal framework
- high investment costs
- a consequence of the orientation of conventional agriculture development
- lack of information and guidelines on how to produce, harvest, process, and organise logistics
- challenges in the occurrence of diseases, yield loss and market access

☞ *Organic agriculture in Vietnam develops slowly*



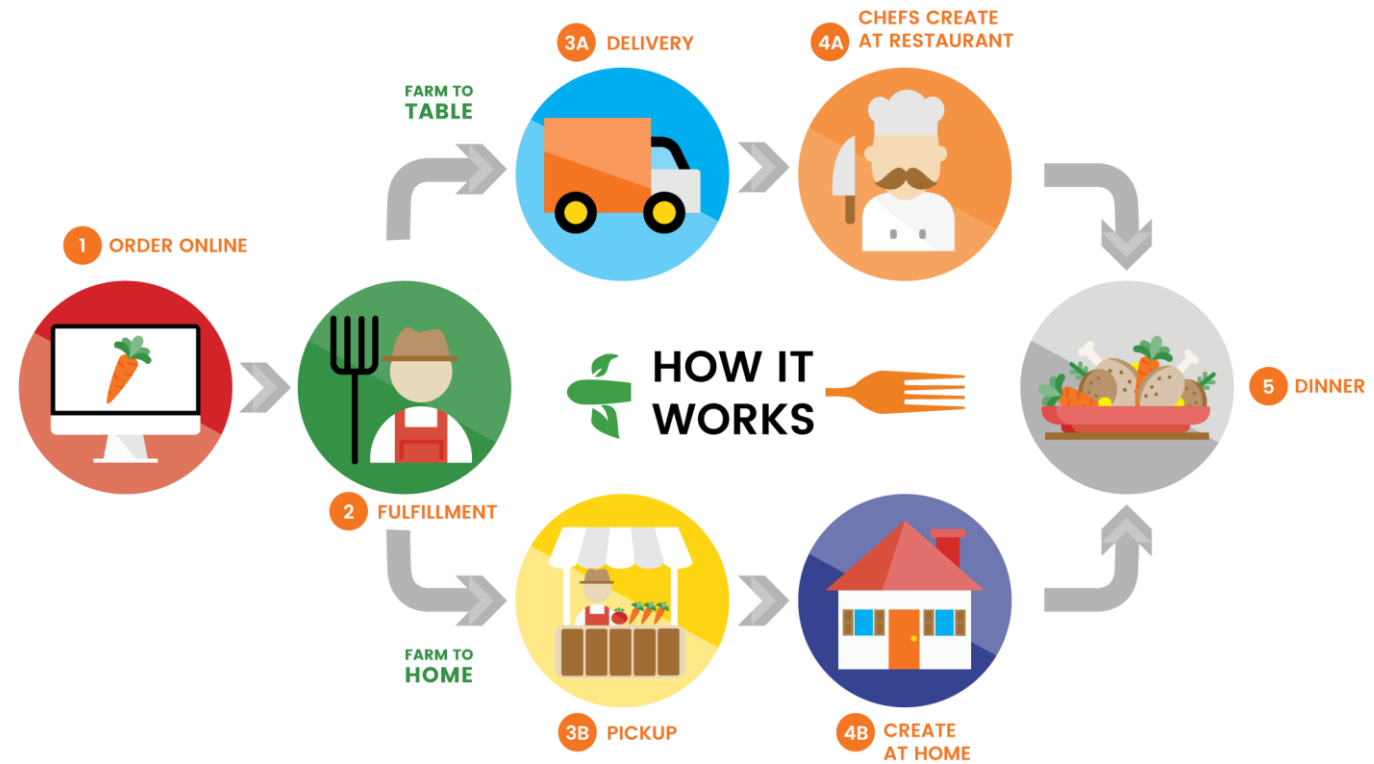
# VIETNAMESE ORGANIC FARMS



VOF – not only an e-Market Place to Promote Vietnamese Organic Agriculture but also an eco-system



# FROM FARM TO TABLE WITH VOF



# DEMAND ON ORGANIC PRODUCTS

- Organic agriculture has become a trend worldwide.
- There are 43 million hectares of organic agriculture all over the world, yielding about US\$80 billion per year.
- The market in Vietnam is estimated at VND3 trillion (\$129.5 million) a year.



# A GLANCE TO VIETNAMESE ORGANIC AGRICULTURE



- The export of agricultural, forestry and aquatic products from Vietnam reached a record high of 40 billion USD in 2018.
- Area devoted to organic farming and biological agricultural production: 45 million hectares in the world, but Vietnam only uses 77,000 hectares.
- The global market for biological agriculture has reached 90 billion dollars while Vietnam only exports around 10 million dollars of organic agricultural products.



# A GLANCE TO VIETNAMESE ORGANIC AGRICULTURE



- Vietnam holds great potential in organic farming development, adding that some enterprises have invested in safe and clean farming production methods and in agricultural ecosystem development in recent years.
- The development of organic agriculture faces multiple challenges. Most of the farmers have yet to switch to organic farming due to high costs, strict requirements and unstable markets.
- The main challenge in organic farming production is the lack of regulations and criteria on manufacturing and certification of organic agriculture products, labels, logos, origin traceability, business operations and inspection, among other things.





# CHALLENGES TO SWITCH TO ORGANIC AGRICULTURE

- The vast majority of farmers in Vietnam are smallholders who have little access to finance and have been working for a long time with contaminated soil. To switch to organic farming requires at least 3 years of transitioning.
- High investment costs are the biggest barrier.
- Just 0.5% of Vietnam's cultivated land and aquaculture land, or around 120,000 hectares, is certified for organic farming (both national & international certification).



# CHALLENGES TO SWITCH TO ORGANIC AGRICULTURE

- The disinterest is also evident in the meager financial support from the government for organic farming. It was only at end of 2018 that the government issued a decree to support organic production in the country, but its focus is on regulating the certification process.
- Decree 109/2018/ND-CP, which takes effect on October 15, includes a chapter to regulate the certification of organic agriculture products, labels, logos, origin traceability, business operations and inspection, among other things.
- The financial assistance mechanisms mentioned in the decree will take a while to kick off, given that no further implementation guidelines have been issued.



# CONSISTENT MANAGEMENT NEEDED

- Organic produce is grown on more in 33 of 63 provinces and cities nationwide. About 60 groups, corporations and production establishments have invested in organic agriculture in Vietnam. Transition from traditional to organic farming requires adherence to strict standards, international cooperation and consistent involvement of the government and farmers.
- Organic product producers should develop specific market orientations, which will encourage them to join production and distribution chains.
- Organic product certification agencies need to improve their knowledge and performance to ensure certification quality, while distributors need to know the products they distribute, and consumers should study carefully products they buy



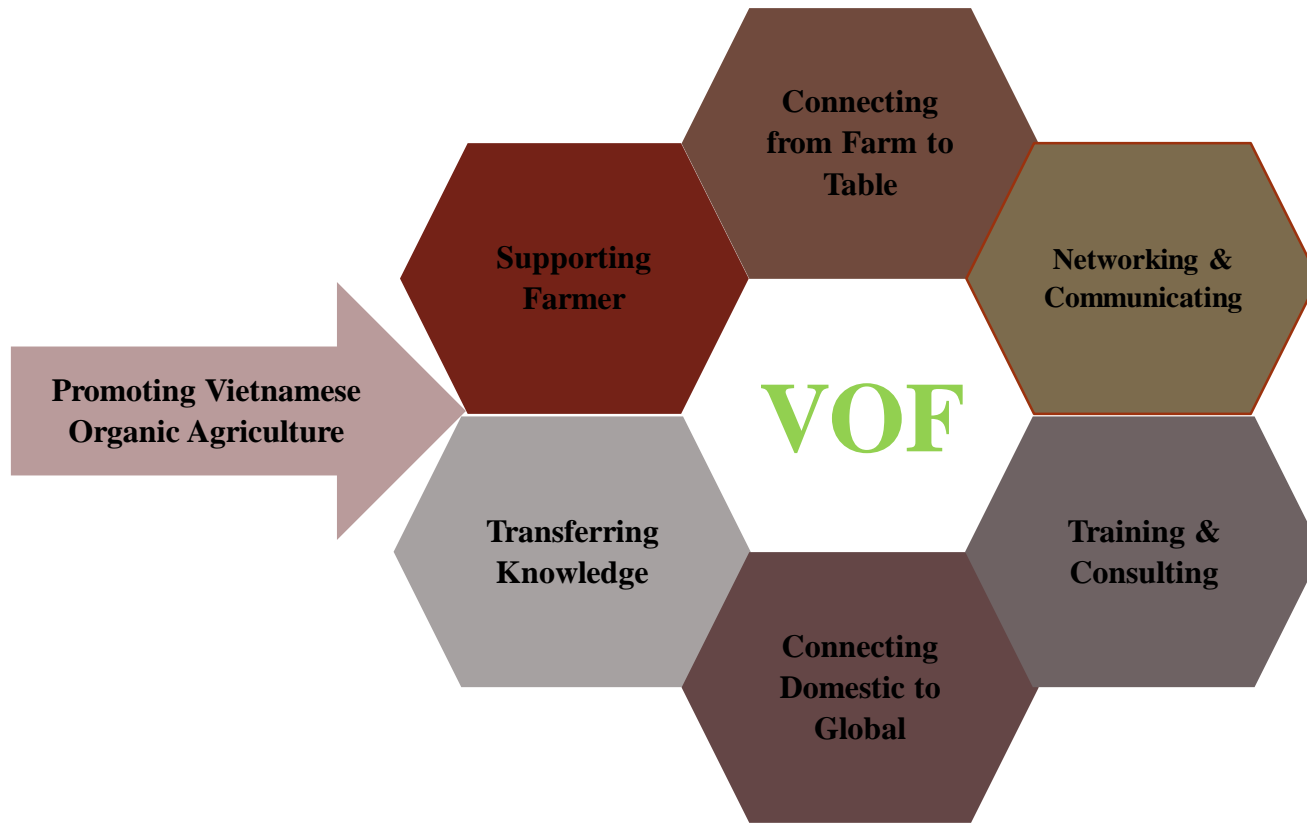
# WHAT IS VOF DOING?

- VOF provides:
  1. facilitation and consultancy for farmers,
  2. links to stakeholders along the values chain and
  3. communication platforms to raise awareness among stakeholders.
- The aim is to:
  1. encourage the whole sector (like seeding and planting institutes, agriculture geography and techs, packaging, food processing, distributors, inspection, and logistics) to support a change to organic farming and sustainable land use.
  2. gather and share information and guidelines, for a market place to connect rural e-commerce development, and for promoting organic agriculture to inbound and outbound.
  3. short cut those costs from farms to tables, and
  4. help to provide consumers with a reasonable price and farmers with a sufficient income.

The additional values of organic agriculture related to ecosystem resilience under climate changes and sustainable development



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