



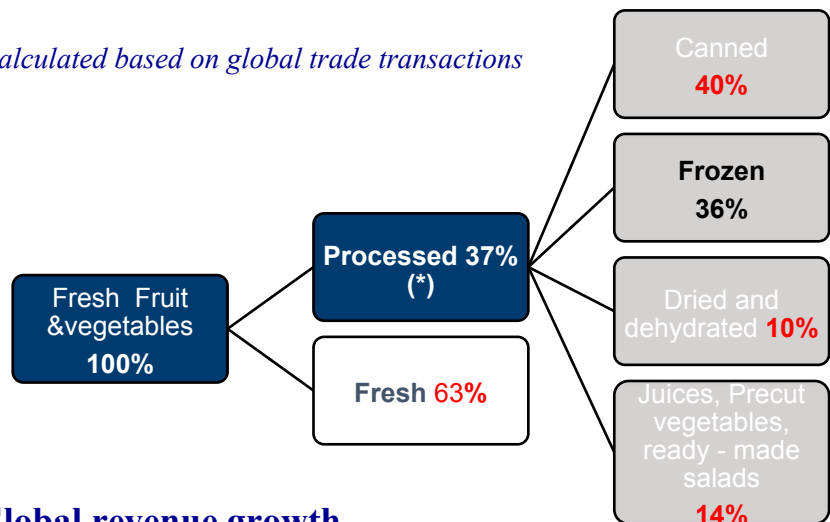
**Best Practice of Agricultural Value chain in  
Vietnam for rural-urban development and  
integration into international market**

Presenter: Mr. Le Thanh  
Chairman of Organic Agricultural Economics Institute

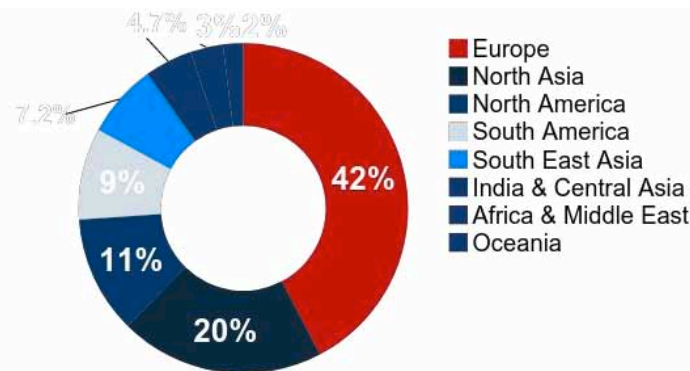
# VEGETABLE PROCESSING INDUSTRY IN THE WORLD (Processed Fruit & Veg - PFV)

## Sector value chain in the world

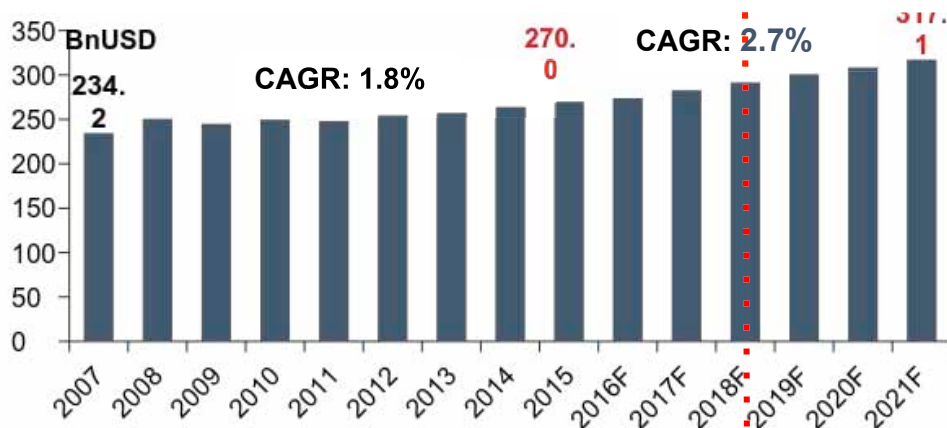
\*Calculated based on global trade transactions



## Produce PFV in the world



## Global revenue growth



## Consume PFV in the world



According to IBISWORLD, Processed Fruit & Veg (PFV) industry is forecast to reach \$ 317.1 billion by 2021, growing by ~ 3% / year, thanks to global consumption growth, especially Emerging countries with rapid growth in income and population. Manufacturing strength is led by the EU (42%), the Americas (22%), and North Asia (20%).

# INTERNATIONAL CUSTOMER

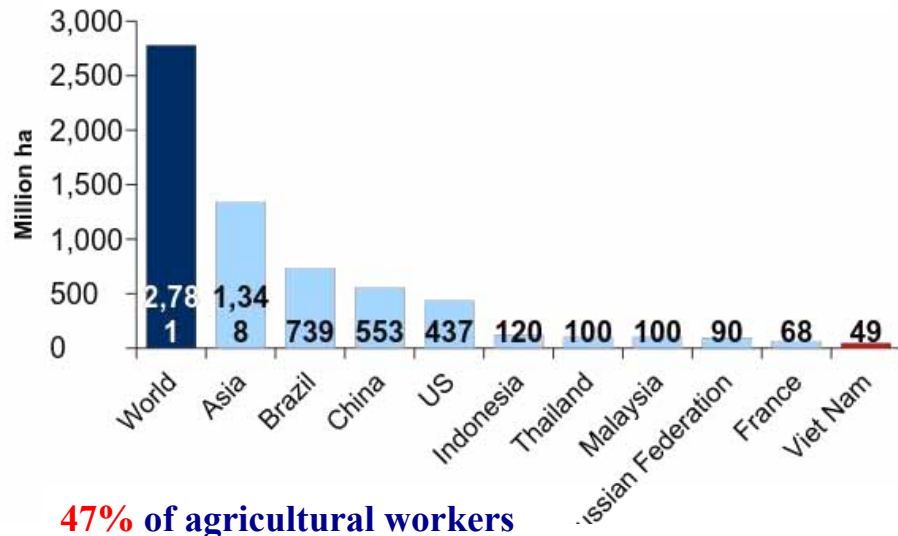


The export market is now the main market of the company with a large customer network including:

- **United States** (Mango)
  - **Australia** (mango, lemongrass)
  - **Singapore** (mangoes, lemons)
  - **Lavifood** applies strict procedures from product procurement, production to packaging and export. Lavifood's quality is verified by international certifications such as ISO 22000: 2005; HACCP; BRC; KOSHER; HALAL.
  - The company's products are sold directly / distributed to the world's leading companies: Agrana, Kerry, Orana Vietnam, Trader Joe's, LotteMart ...
- France** (Taro)
- Korea** (mango, papaya, dragon fruit, pineapple, lime)
- Algeria** (Mangoes)

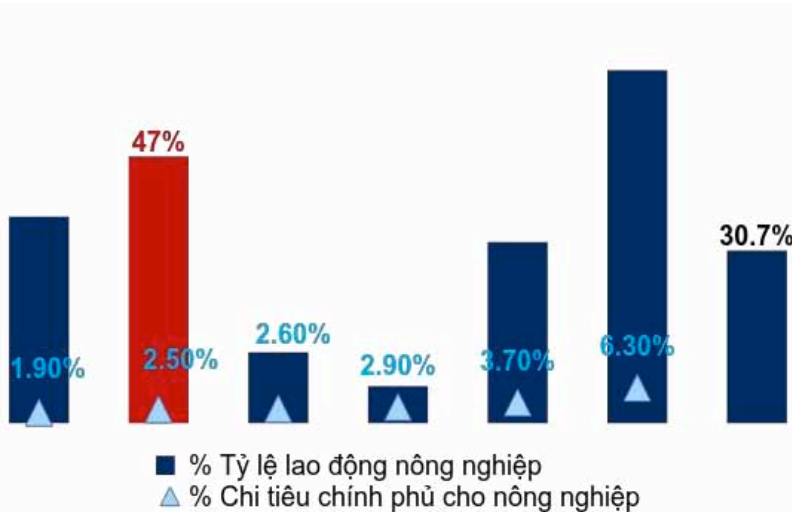
# OVERVIEW OF INDUSTRY - VIETNAM

**49 million hectares** of agricultural land occupies  
**2%** of the world's agricultural area

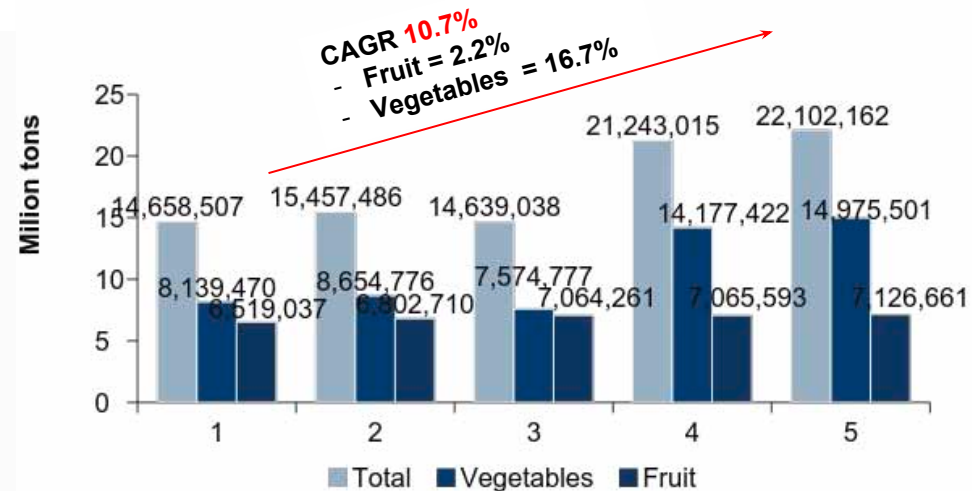


**700,000 hectares** of fruit growing area  
**900,000 hectares** of vegetable area  
**Cuu Long River Delta: 50%** fruit growing area  
**Mekong Delta + Red River Delta: 50%** vegetable growing area

**47%** of agricultural workers  
**2.5%** of government spending on agriculture



Production of **22.1 million tons** of vegetables,  
growing **10.7%** per year

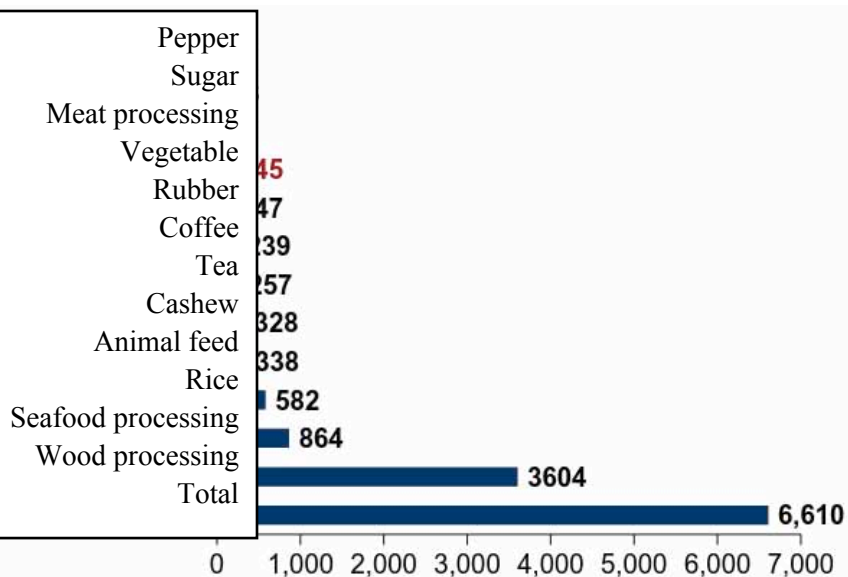


# OVERVIEW OF INDUSTRY - VIETNAM

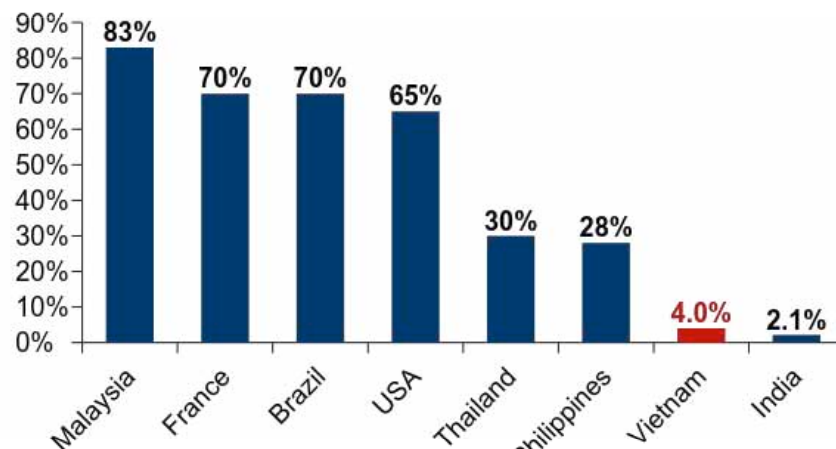
## Vietnamese vegetable and fruit industry

<b>Design capacity (ton / year)</b>		<b>826,630</b>
Labor	Number (person)	18,598
	Average (person / business)	128
Product	Volume (ton / year)	464,157
	Products by labor (ton / labor / year)	25
Processing Value (VND)	State-owned enterprises	398,592
	Foreign-invested enterprises	10,263,744
	Non-state owned enterprise	14,249,664

The number of enterprises operating in the field of processing vegetables only accounted for 2.19%



The rate of processed vegetables in Vietnam is low compared to the world



Source : Cygnus report, Indian Food Processing Sector

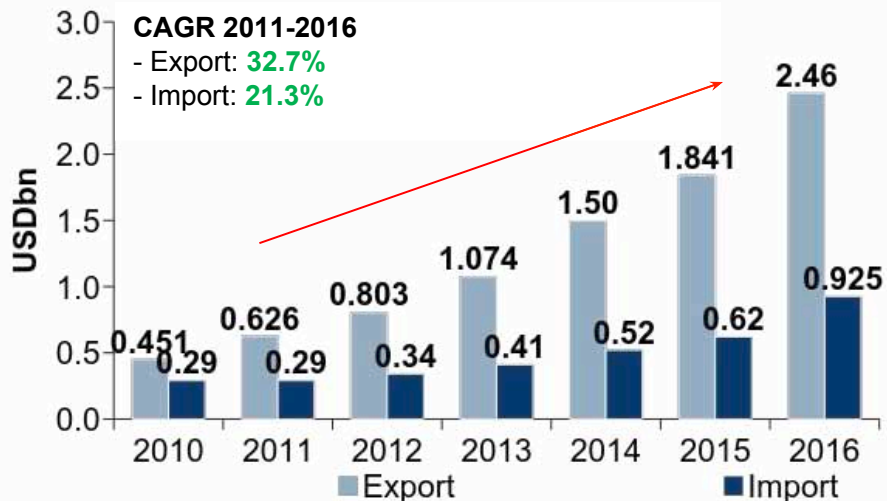
The vegetable processing industry in Vietnam has a lot of potential for growth

(1) The output of processed vegetables only reached a very low level compared to the world average. According to the National Institute of Agricultural Planning and Projects (NIAPP), processed fruit and vegetable output reached 826,630 tonnes, equivalent to 4% of total fruit production in 2013 (22.1 million tonnes). In addition, the number of vegetable processing enterprises accounted for only 2.19% of the total number of enterprises operating in the agricultural sector.

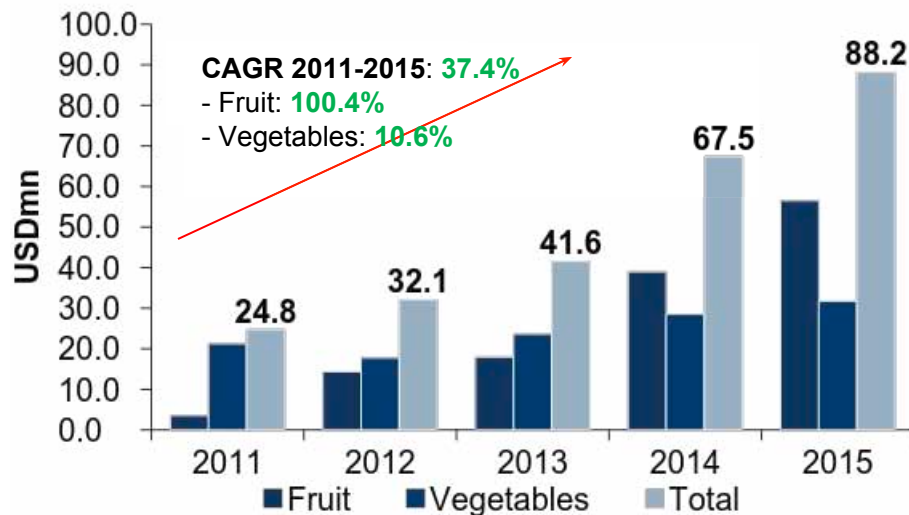
**Government support policy:** Government Resolution No. 30/2017 / NQ-CP dated March 7, 1977, directed by the Prime Minister on the credit package of VND 100 trillion from mobilized capital. Commercial banks to lend high-tech agriculture, clean agriculture at an appropriate interest rate, 0.5-1.5% lower than market interest rates.

# EXPORT PROCESSING VEGETABLE OF VIETNAM

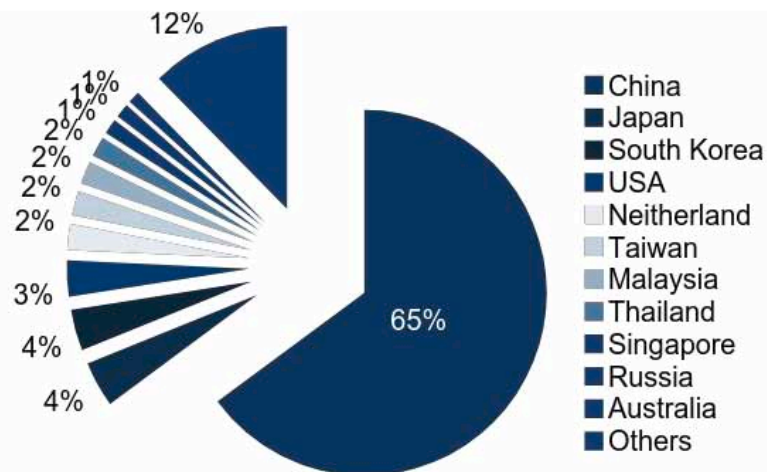
## Export vegetables and fruits of Vietnam



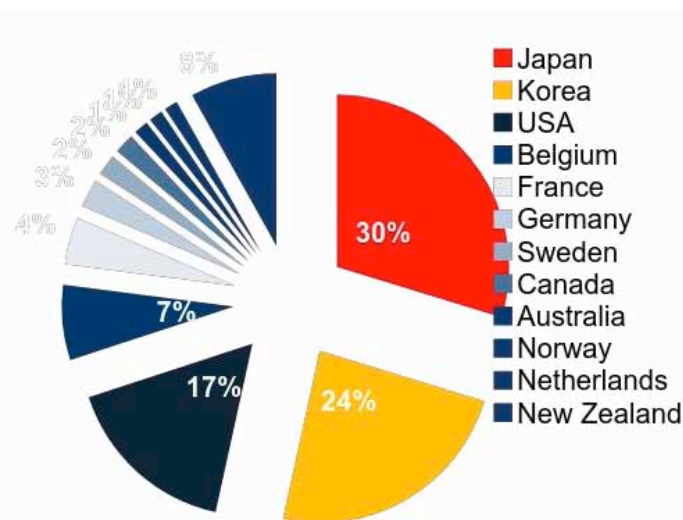
## Export frozen vegetables and fruits of Vietnam



## Export market of vegetables and fruits of Vietnam



## Export market of frozen vegetables and fruits of Vietnam



# AGRICULTURAL VALUE CHAIN FOR INTERNATIONAL MARKET INTEGRATION

2

CHÍNH SÁCH  
CỦA CHÍNH  
QUYỀN VÀ  
ĐẦU TƯ CỦA  
DOANH  
NGHỆP

GOVERNMENT  
POLICY &  
INVESTMENT OF  
PRIVATE SECTOR

SẢN XUẤT  
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RETAIL & EXPORT

4

TÀI CHÍNH, TÍN DỤNG  
FINANCE

3

TIÊU CHUẨN CHẤT LƯỢNG QUỐC TẾ - CÔNG NGHỆ CAO  
- NGUỒN NHÂN LỰC KỸ THUẬT CAO  
INTERNATIONAL STANDARDS - HIGH TECH HUMAN RESOURCES

1

THỊ TRƯỜNG NỘI  
ĐỊA VÀ QUỐC TẾ

DOMESTIC AND  
INTERNATIONAL  
MARKET



**May 12<sup>th</sup>, 2016 - Workshop on "Identification of Vietnamese Organic Agriculture Products"**

**July 15–17<sup>th</sup> & 22–24<sup>th</sup>, 2016 – 100 provincial leaders, Tay Ninh People's Committee participated in environmental survey, learning organic farming model, GlobalGAP in Lam Dong province.**







**June 4<sup>th</sup>, 2016: Welcoming Comrade General Secretary Nguyen Phu Trong to work in Tay Ninh**



**Jan 6<sup>th</sup>, 2017: Mr. Nguyen Van Binh Head of the Central and Local Economic Committee Nguyen Xuan Cuong - Minister of Agriculture and Rural Development summarizes and publishes the Value Chain of Agriculture Model of International Market Integration - In Tay Ninh province**



Promote trade and investment in Vietnam - Japan, with big partners such as Daiwa, OTA Market, Daiki, Kirin ...



Trade promotion, investment in the United States, with partners such as UTC, Carrier, Cargill, Trader Joe's ...



Attending and organizing domestic and international conferences, investment promotion programs, Vietnamese delegation ...

# International Conference "Agricultural value chain development, international market integration and pilot model implementation in Tay Ninh province"

Hội thảo Quốc tế "Phát triển Chuỗi giá trị Nông nghiệp Hội nhập Thị trường Quốc tế và thực hiện mô hình điểm tại Tây Ninh"



# POLICY OF PROVINCES

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- Resolution on agricultural development under the model of international market integration.
- Approve international value chain integration model and implementation plan in Tay Ninh.
- Approve policies to support agricultural investment enterprises, especially factory investment, plantation planning policy for factory investment enterprises.

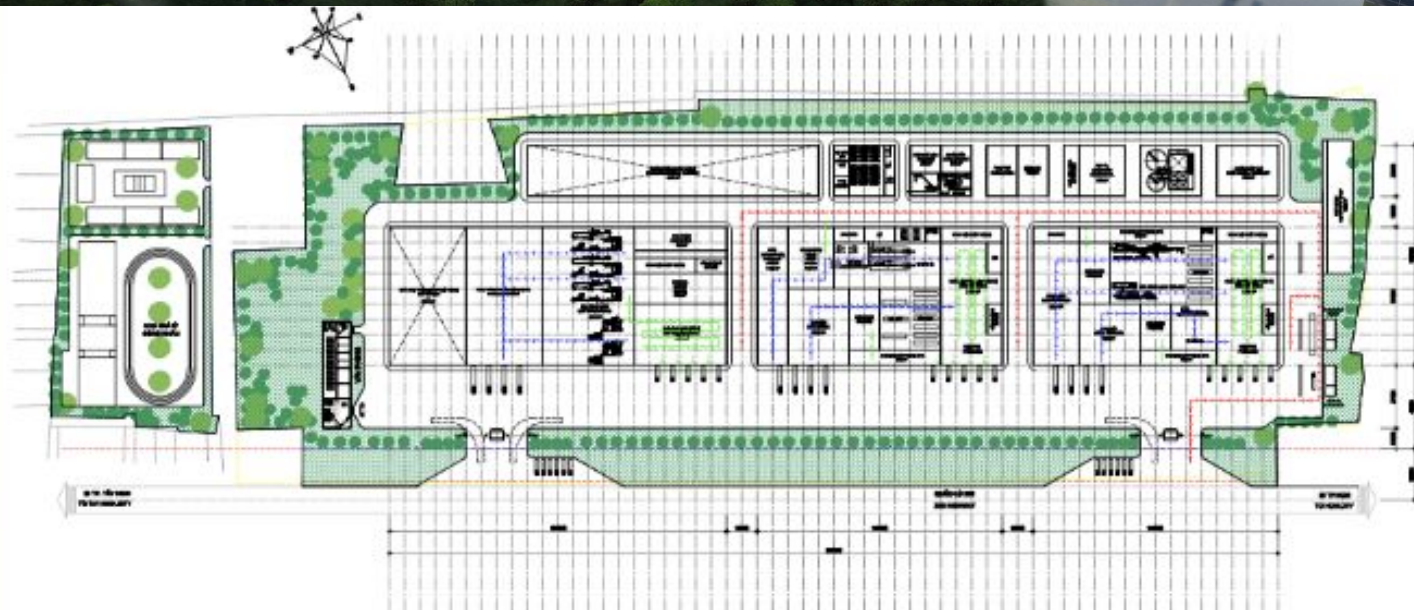
# TANIFOOD FACTORY AT TAY NINH

**Time: May 2th, 2017**

**Participants: 400 guests**

- Minister of Agriculture and Rural Development, Ministry of Natural Resources and Environment
- Leaders of Departments, Branches of Tay Ninh Province and neighboring provinces
- Lavifood's domestic and international partners
- 400 farmers in Tay Ninh, who supply raw materials for the plant





## The most advanced freezing technology

Apply IOF freezing technology from **OctoFrost from Sweden** with outstanding advantages

1

Fast freezing time (70 to 100 seconds)

2

Avoid freezing and keeping the freshness and nutrition of vegetables.

3

Longer shelf life than conventional freezing technology.



Innotec washing line



Peeling line  
ABL- UK



UV sterilization  
Gibbons - UK



# TECHNOLOGY

**Vapour heat treatment  
Reinetsu - Japan**



**Concentrate line technology  
Bertuzzi Italia**



**Drying technology  
Pigo Italia**



**Bottling line technology, cans  
Comac - Italia**

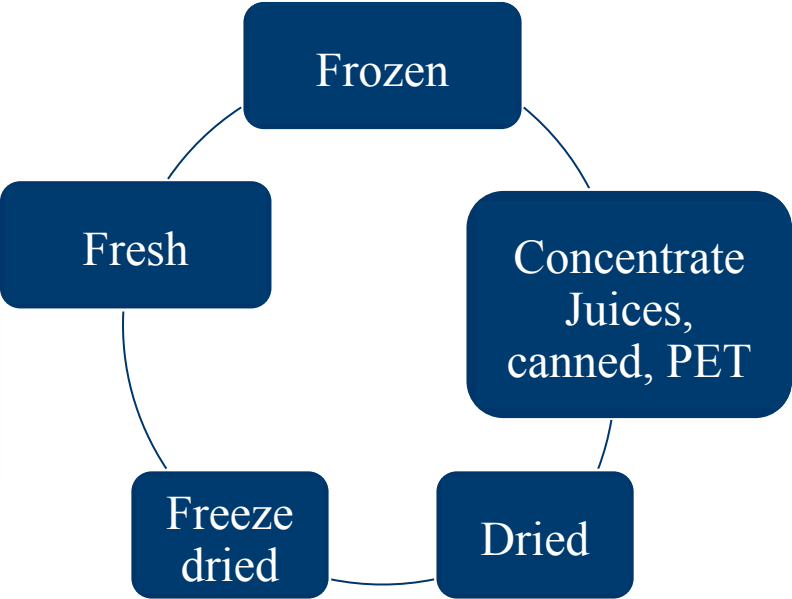




## Bottle compressor line from Krones - Germany



# DIVERSE PRODUCTS



# CERTIFICATION

Minister for Agriculture of the Netherlands

Wenema

Embassy

March 2017



## GLOBALG.A.P.

The Global Partnership for Good Agricultural Practice



ISO 22000

BUREAU VERITAS  
Certification



# MOBILIZING CREDIT AND INVESTMENT SOURCES



Vegetables - Fruits - Agriculture



SAIGON CO.OP



Nâng giá trị cuộc sống



# DEVELOPMENT OF GROWING AREA IN TAY NINH



3 Communes heading west Trang Bang switch cultivation of pineapple, planted 200 hectares

Conversion planted lemon, 100 hectares planted



Conversion of lime cultivation to Large Fodder farmers in Tay Ninh



400 hectares Porcupine Island - Dau Tieng - wild, suitable for agricultural development of natural, organic

# CONTINUES TO NEED MORE RESOURCES AND COOPERATION.

2

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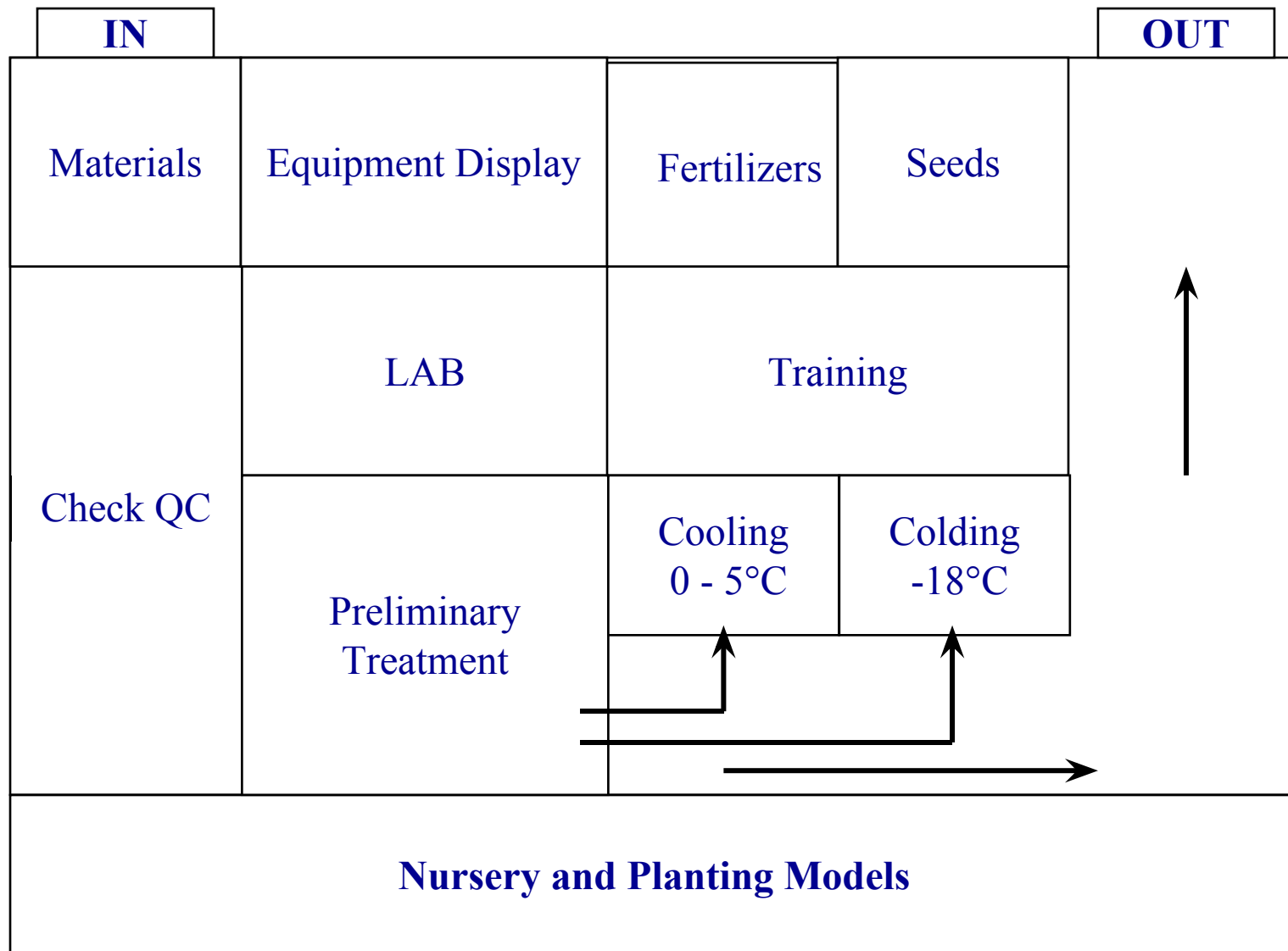
DOMESTIC AND  
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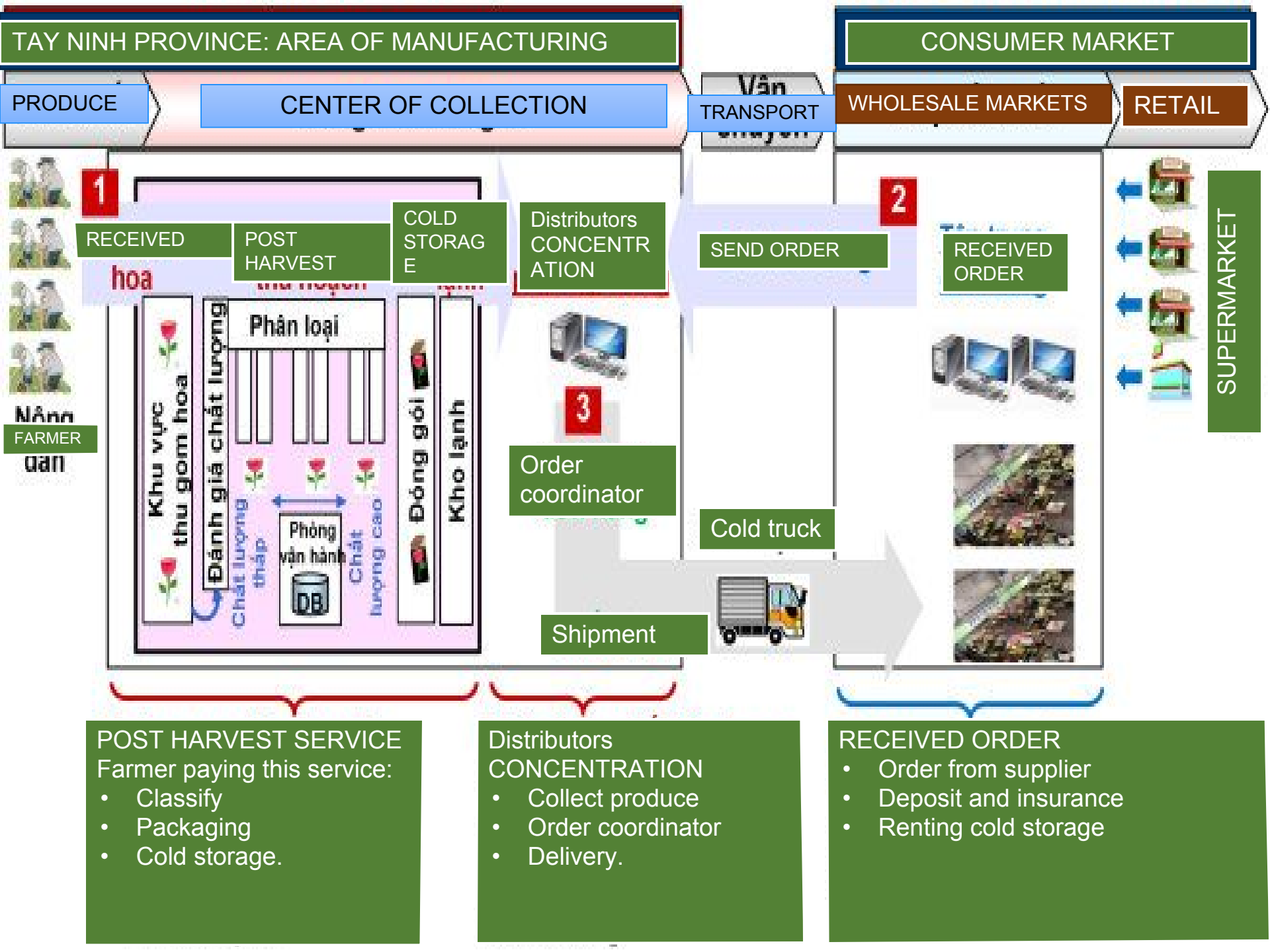
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INTERNATIONAL STANDARDS - HIGH TECH HUMAN RESOURCES



# DEVELOPING TECHNICAL ASSISTANCE CENTERS AND COLLECTING AGRICULTURAL PURCHASE





**TAY NINH PROVINCE: AREA OF MANUFACTURING**

**CONSUMER MARKET**

**PRODUCE** → **CENTER OF COLLECTION**

**TRANSPORT** → **WHOLESALE MARKETS** → **RETAIL**

**1**

**RECEIVED** (hoa)

**POST HARVEST**

**COLD STORAGE**

**Distributors CONCENTRATION**

**Order coordinator**

**SEND ORDER**

**3**

**Shipment**

**Order coordinator**

**Cold truck**

**Phân loại**

**Đánh giá chất lượng**

**Khu vực thu gom hoa**

**Đóng gói**

**Kho lạnh**

**Phòng vận hành**

**Chất lượng thấp**

**Chất lượng cao**

**Nông FARMER ười**

**2**

**RECEIVED ORDER**

**WHOLESALE MARKETS**

**RETAIL**

**SUPERMARKET**

**Shipment**

**POST HARVEST SERVICE**  
Farmer paying this service:

- Classify
- Packaging
- Cold storage.

**Distributors CONCENTRATION**

- Collect produce
- Order coordinator
- Delivery.

**RECEIVED ORDER**

- Order from supplier
- Deposit and insurance
- Renting cold storage



Nông trường - Farm

Vận chuyển - Road

Chế biến - Processing

Vận chuyển - Road

Thị trường - Market



Mãng cầu - Custard



Chanh dây - Passion



Đông lạnh Frozen Fruit



Rau củ quả - F&V



Chợ đầu mối - Wholesale



Mía - Sugar cane



Lợn - Heo - Pig



Thịt - Meat



Thịt heo - Pork



Chợ - Wet

**COLD SUPPLY CHAIN**



Rau củ quả - Fruit & Vegetable



Rau củ quả - F&V



- Cửa hàng - Retail

# BENEFITS



- Sustainable market create the strong connection between rural producers and urban consumers, ensure domestic and international supply
- Policymakers responded by policy adaption
- Sustainability of production and usage of capital resources
- Reduction of food waste and loss
- Improve the access to technologies, inputs and R&D
- Develop farm and off-farm income

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**THANK YOU FOR  
YOUR ATTENTION !**

