



featuring foods





Making Vietnam successful in fruit exports

FAASC – EUROCHAM Dialogue: Traceability and legal enforcement



Content



- Fresh Studio Introduction
- Vietnam fruit exports
- How to make Vietnam more successful in agri exports?
- Successful export case
- Discussion



*Winner of "Most Innovative" and
"Most sustainable company" of the
year*





Fresh Studio

About us

Our mission



“ Grow better lives from farmers to consumers, by making our clients successful in the production and marketing of sustainable food.

”



Fresh Studio



- Professional services firm

- Strategic Management Consulting
- Operations
- Research & Development

- Value chain driven

- Multi-disciplinary teams in Vietnam and in the Philippines: 120 staff
- 360° approach

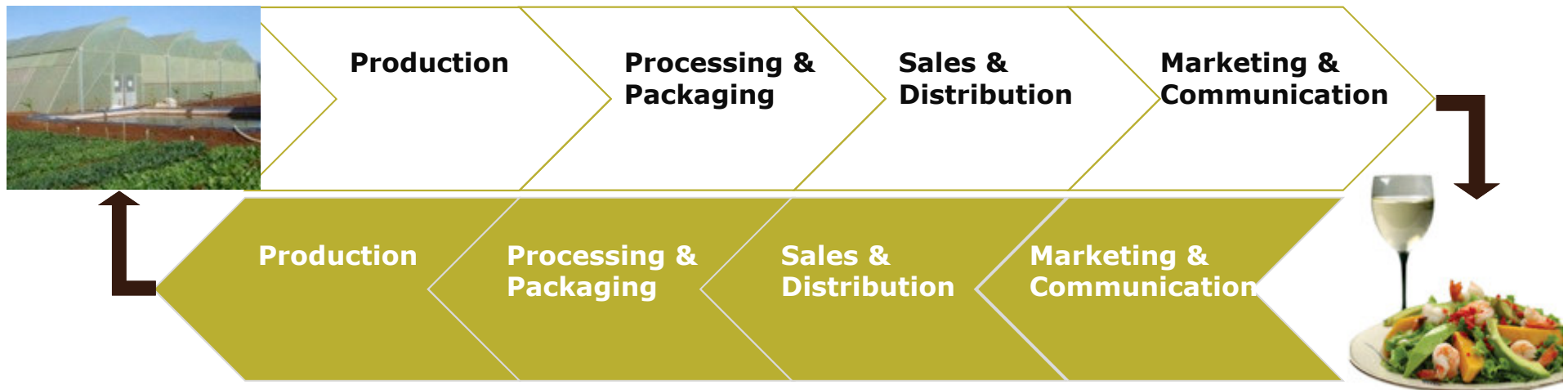
- Located in Asia

- Vietnam offices: Hanoi, Dalat, HCMC, Can Tho
- Working in Philippines, Vietnam, Thailand, Indonesia, Cambodia, Laos, China, Malaysia, Japan and Myanmar

Value chain approach



- From seed to mouth:
 - Promise what you can deliver
 - Deliver what you promise





Vietnam Fruit Exports

FAASC – EUROCHAM Dialogue: Traceability and legal enforcement

Commodity treadmill?



Last update 08:00 | 08/05/2015



VN agricultural products need emergency aid

VietNamNet Bridge - Although the export turnover of agricultural - forestry - fishery products in the past four months reached \$9.13 billion, a series of export items, which are considered Vietnam's strengths, saw a strong downward trend.



Specifically, rice exports fell 9.2% in value, coffee with 39.3% fall in value and 41% in volume, pepper 25% in volume, and seafood 18.6% in volume.

Unfavorable exchange rates, market difficulties, high production costs, and narrowed outlets are the problems

Việt Nam News

THE NATIONAL ENGLISH LANGUAGE DAILY

Home Politics&Laws Society **Economy** Life&Style

Home › Economy

Updated May, 15 2015 08:25:00



Companies urged to focus on food quality



Agricultural exports had increased strongly in recent years to more than US\$30 billion last year. — Photo vietq

HCM CITY (VNS) — Vietnamese firms need to enhance their role in the food industry value chain to supply more quality products and increase export of farm produce.

Fruit sector a positive exception?



Việt Nam News
THE NATIONAL ENGLISH LANGUAGE DAILY

Home Politics&Laws Society **Economy** Life8

Home › **Economy**

Updated May, 04 2015 09:41:00



VN eyes \$2b in produce exports

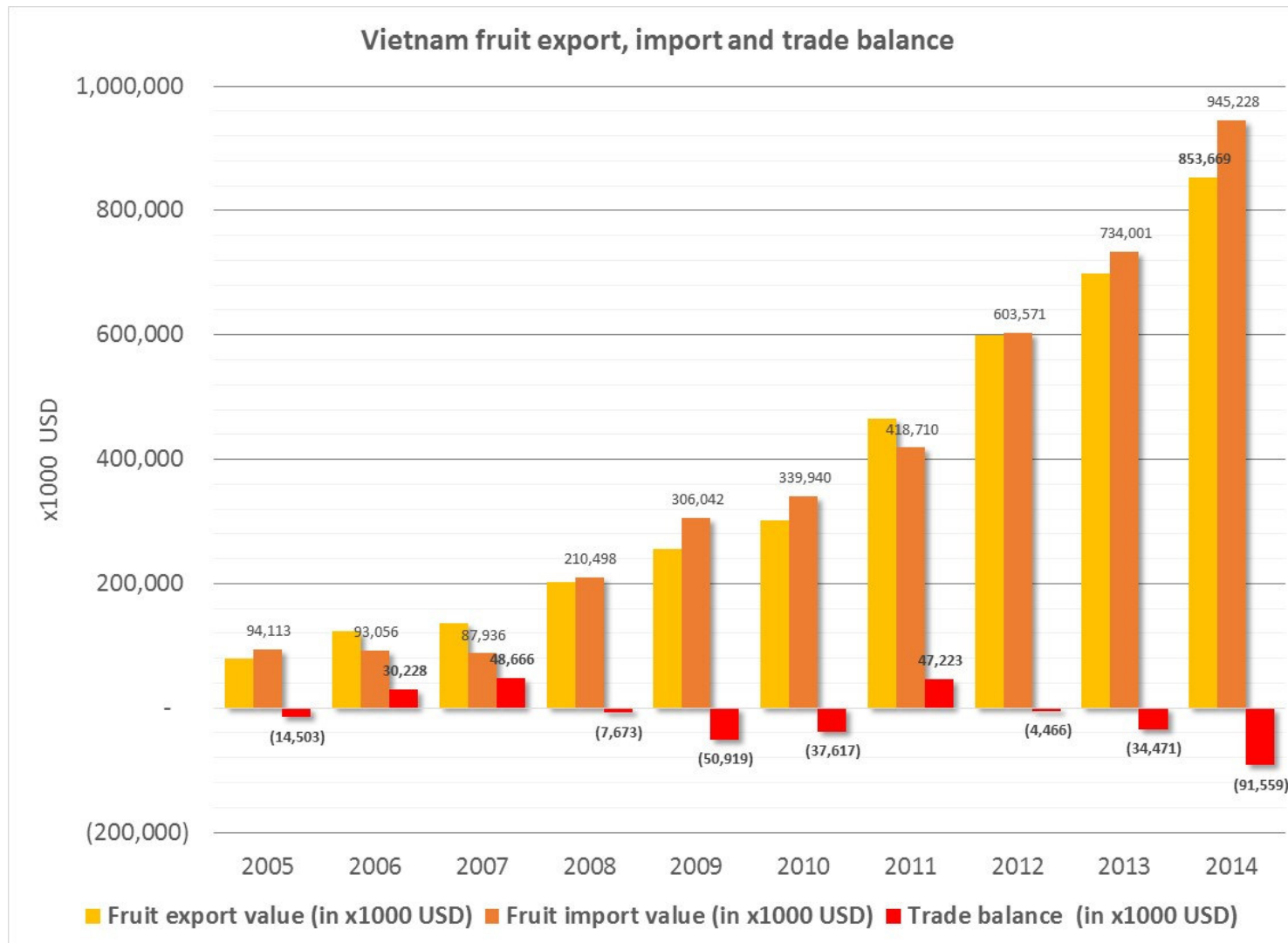


In the first quarter of this year, the Ministry of Agriculture and Rural Development (MARD) said the nation had gained a year-on-year increase of 13 per cent in the export value of fruits and vegetables, amounting to \$274 million. — File Photo

HA NOI (VNS) — Viet Nam expects to reach a total export value of US\$2 billion for fruits and vegetables this year, an official of the Viet Nam Vegetable and Fruit Association (Vinafruit) said.

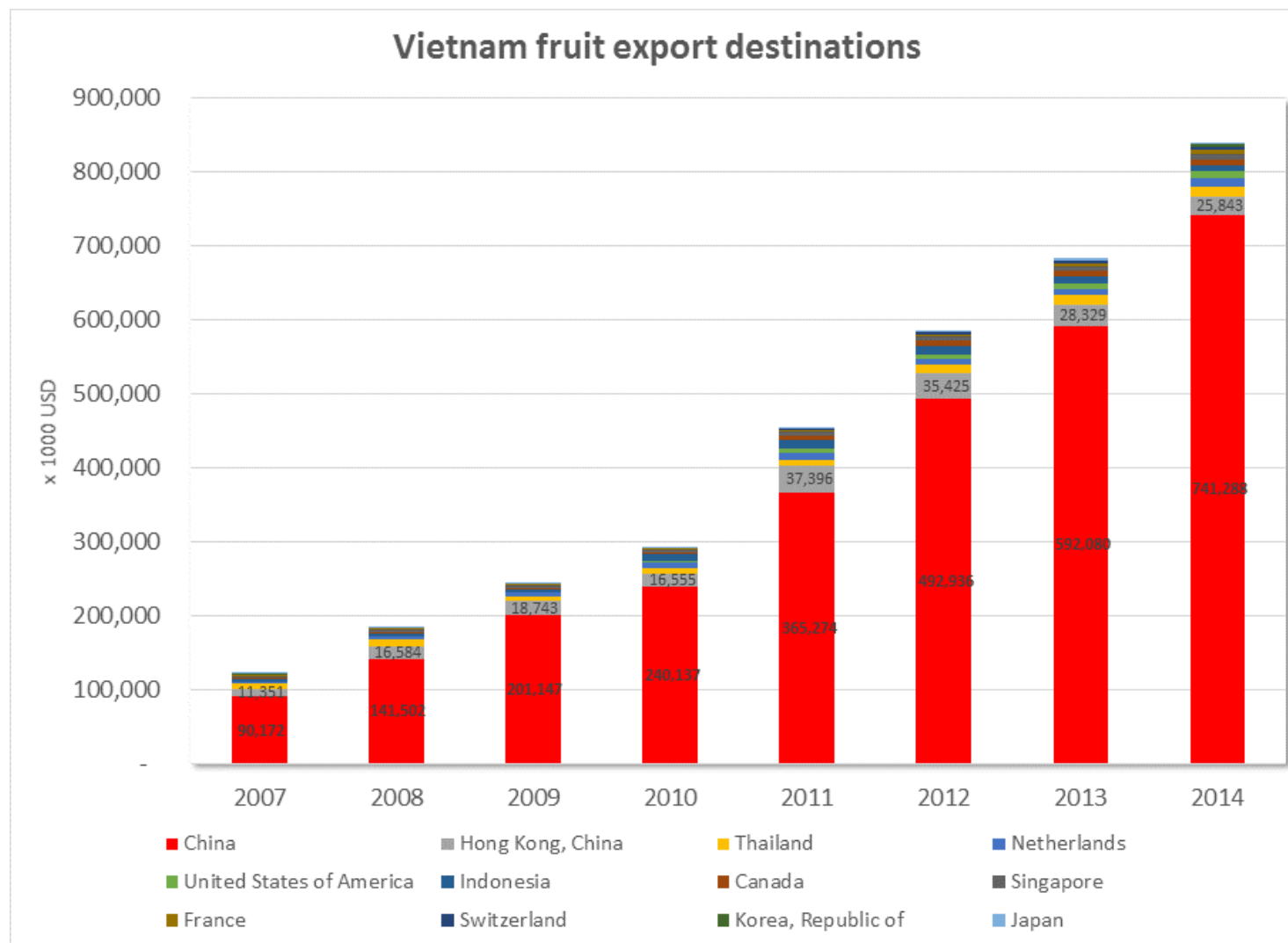
- According to Vietnam trade data, Vietnam is successful in fruit exports
- Expanding to US\$ 2 bln in 2015 according to Media articles

...WTO trade data paint a different picture...



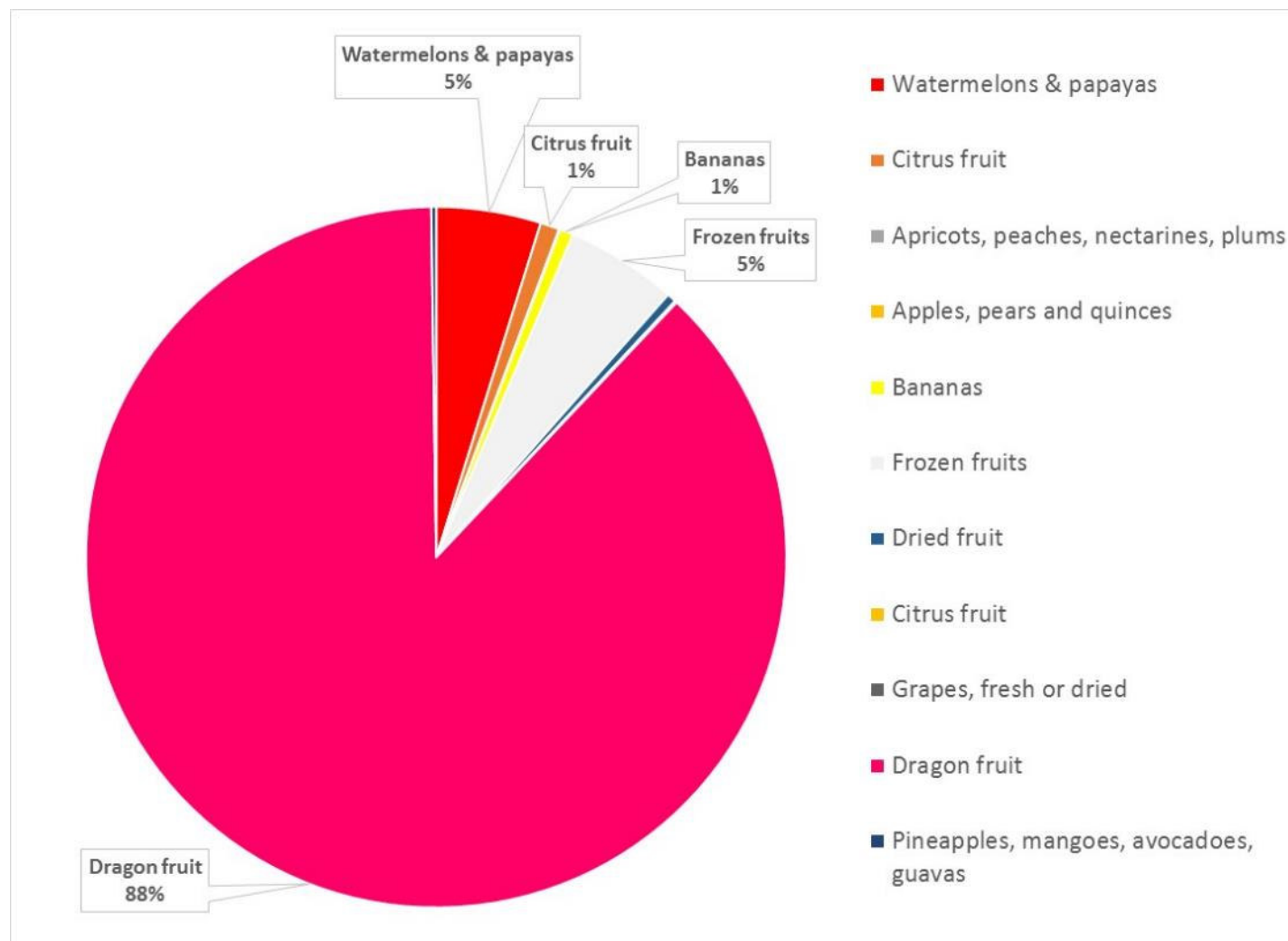
Source: ITC -Trademap

Where are Vietnam fruits going?



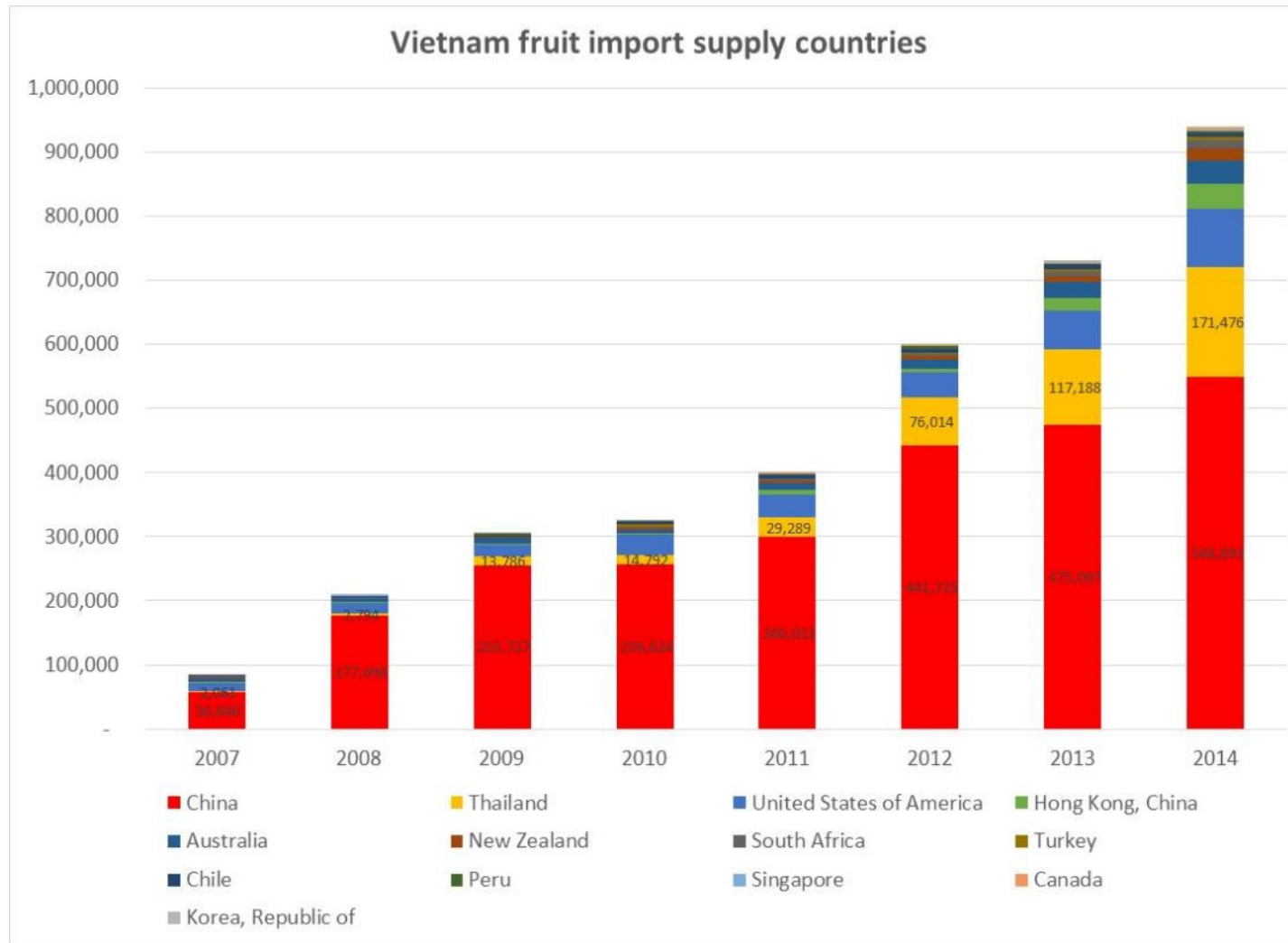
Source: ITC -Trademap

Which fruits is Vietnam exporting?



Source: ITC -Trademap

Where is Vietnam importing from?



Source: ITC -Trademap

Main observations



- ▶ Vietnam is importing more fruits than exporting
- ▶ Over 85% of Vietnamese fruit export value is dragon fruit
- ▶ Over 86% of Vietnamese fruit exports is to China
- ▶ Vietnam is hardly exporting any significant volume to higher end markets such as the EU
- ▶ Vietnamese fruit exports mostly consist out of exporting: dragon fruit at low “cut throat prices” to China



Dragon fruit a commodity?



Việt Nam News[®]

THE NATIONAL ENGLISH LANGUAGE DAILY

Home Politics&Laws **Society** Economy Life&

Home › Society

Updated April, 18 2015 09:47:57



Dragon fruit prices continue to decline



Dragon fruit growers in Tam Vu Township's Duong Xuan Hoi Commune harvest fruit. —

VNA/VNS Photo Dinh Hue

LONG AN (VNS) — Dragon fruit (Thanh long) growers in the southern Ninh Thuan province are worried about the continuous fall in prices, although the main harvest

Việt Nam News[®]

THE NATIONAL ENGLISH LANGUAGE DAILY

Home Politics&Laws **Society** Economy Life&

Home › Society

Updated June, 15 2013 09:53:30



Delta farmers warned of dragon fruit glut

HCM CITY (VNS)— Many farmers in the Cuu Long (Mekong) Delta have switched from rice and other crops to cultivating dragon fruit, prompting warnings from local authorities of a market glut and unsustainable expansion.

The farmers have been attracted by the high profits that dragon fruit currently offers, especially with cultivation using lamps in the night to stimulate off season flowering.

This can bring in VND400-500 million (US\$19,000-23,800) per hectare a year, much higher than rice and other fruit, according to Long An Province's Department of Agriculture and Rural Development.

The area under dragon fruit cultivation in Long An has already reached 2,200ha, exceeding the area targeted for 2015, department officials said.

Nguyen Van A, who has a 0.5ha dragon fruit garden in Long An's Chau Thanh District, said the method of having the cacti flower during the off-season has boosted his household's income.

A said he earns profits of about VND100 million (\$4,700) a year from his garden. He switched from rice to dragon fruit cultivation after he saw other farmers in the district do well.

The dragon fruit paradox in Vietnam



BUSINESS »

The dragon fruit paradox in Vietnam

TUOI TRE NEWS

UPDATED : 08/13/2014 13:56 GMT + 7



Print

Email


Share

While growers in the south-central province of Binh Thuan are **throwing their dragon fruit out in the street**, many fruit exporters are struggling to source quality products to fulfill their export orders to Japan and the U.S.

- ***“While growers in the south-central province of Binh Thuan are throwing their dragon fruit out in the street, many fruit exporters are struggling to source quality products to fulfill their export orders to Japan and the U.S”***

MRL violations Vietnam dragon fruit to EU





RASFF Portal

European Commission > RASFF Portal

Notifications list

New search

Export to...

Search result: 77 notifications

Search criteria

Product category fruits and vegetables

Country Vietnam (VN)

First

Previous 100

Notifications 1 to 77 of 77

Next 100

Last

Classification

Date of case

Last change

Reference

Country

Subject

Product Category

Type

| | Classification | Date of case | Last change | Reference | Country | Subject | Product Category | Type | |
|----|---------------------------|--------------|-------------|-----------|---------|--|-----------------------|------|-------------------------|
| 1. | information for attention | 21/05/2015 | 21/05/2015 | 2015.0615 | CH | too high content of nitrate (4700 mg/kg - ppm) and unauthorised substances carbendazim (1.12 mg/kg - ppm), chlorfenapyr (0.20 mg/kg - ppm) and chlorfluazuron (0.06 mg/kg - ppm) in kale from Vietnam | fruits and vegetables | food | Details |
| 2. | border rejection | 12/05/2015 | 12/05/2015 | 2015.AWB | FI | Salmonella Stanley (2 out 3 samples /25g) in dried black fungus from Vietnam | fruits and vegetables | food | Details |
| 3. | border rejection | 24/04/2015 | 24/04/2015 | 2015.ASX | IT | unauthorised substance permethrin (0.13 mg/kg - ppm) in dragon fruit (Pitaya) from Vietnam | fruits and vegetables | food | Details |
| 4. | information for follow-up | 01/04/2015 | 12/05/2015 | 2015.0411 | DK | dried black fungus from Vietnam, via Germany infested with insects | fruits and vegetables | food | Details |
| 5. | information for attention | 31/03/2015 | 04/05/2015 | 2015.0393 | CH | cyromazine (0.09 mg/kg - ppm) and flubendiamide (0.03 mg/kg - ppm), too high content of nitrate (3375 mg/kg - ppm) and unauthorised substance carbendazim (0.68 mg/kg - ppm) in kale cai ro (Thai broccoli) from Vietnam | fruits and vegetables | food | Details |
| 6. | information for attention | 24/03/2015 | 31/03/2015 | 2015.0356 | CH | unauthorised substance carbofuran (0.16 mg/kg - ppm) in fresh chili (Capsicum frutescens) from Vietnam | fruits and vegetables | food | Details |

Source: <https://webgate.ec.europa.eu/rasff-window/portal/?event=searchResultList>

Border rejection: carbendazim



| | | | | | | | | | |
|-----|------------------|------------|------------|----------|----|--|-----------------------|------|-------------------------|
| 11. | border rejection | 16/01/2015 | 20/02/2015 | 2015.ACD | BE | unauthorised substance carbendazim (0.89 mg/kg - ppm) in dragon fruit from Vietnam | fruits and vegetables | food | Details |
|-----|------------------|------------|------------|----------|----|--|-----------------------|------|-------------------------|



RASFF Portal

European Commission > RASFF Portal

[Notifications list](#) [New search](#) [Export to XML](#) [Print version](#)

Notification details - 2015.ACD

unauthorised substance carbendazim (0.89 mg/kg - ppm) in dragon fruit from Vietnam

| | | | |
|--------------------|------------------|----------------------|---|
| Reference: | 2015.ACD | Notification type: | food - border rejection - border control - consignment detained |
| Notification date: | 16/01/2015 | Action taken: | destruction |
| Last update: | 20/02/2015 | Distribution status: | product not (yet) placed on the market |
| Notification from: | Belgium (BE) | Product: | dragon fruit |
| Classification | border rejection | Product category: | fruits and vegetables |

Hazards

| Substance / Hazard | Category | Analytical result | Units | Sampling date |
|------------------------------------|--------------------|-------------------|-------------|---------------|
| unauthorised substance carbendazim | pesticide residues | 0.89 | mg/kg - ppm | 08/01/2015 |

Countries concerned (D = distribution, O = origin)

[Belgium](#) [Vietnam \(O\)](#)



How to make Vietnam more successful?

FAASC – EUROCHAM Dialogue: Traceability and legal enforcement



Required actions



- Arrange market access, especially to your neighboring countries!
- Enforcement of Vietnam pesticide legislation
- Professionalize farmers and exporters
 - Production protocols
 - Full traceability from field, farm till shelf!
 - Post harvest SOPs
- Require a laboratory in Vietnam which can perform wide spectrum MRL test for over 500 active ingredients

Market access to neighboring countries!



- Example: Thailand
- Vietnam only allowed to export to Thailand: dragon fruit
 - Total value in 2014: US\$ 10 million
- But Thailand exports over 20 different kind of fruits to Vietnam
 - Total value: US\$ 171 million
- Market access needed for: pomelo, lime, fresh vegetables etc.
- ASEAN lowers tariffs, but without market access no benefit for Vietnamese farmers!



Vietnam Fruit Exports

FAASC – EUROCHAM Dialogue: Traceability and legal enforcement

Cases: Pomelo from the Mekong Delta



Client



Product chain



Value chain



Fresh Studio tools



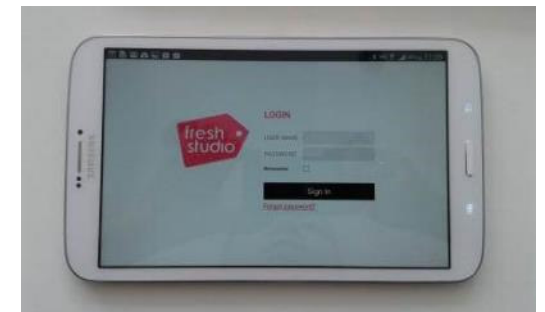
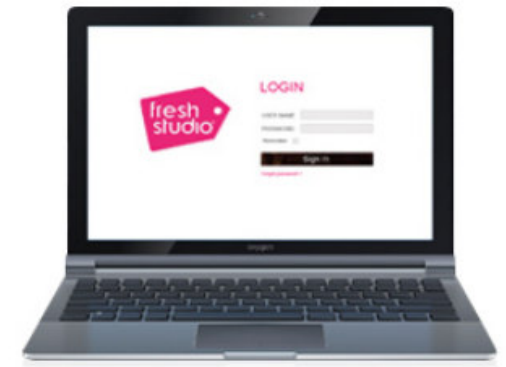
- Value chain analysis
- Marketing strategy: to get the required value added
- Develop sourcing system
 - Teams
 - Extension, QA and Packhouse team
 - Standards
 - New Private Standards
 - Existing standards: Vietgap, GlobalGAP, Rainforest SAN, HACCP, BRC, ETI etc.
 - Protocols
 - Production protocols
 - QA protocols
 - Packhouse SOPs



Fresh Studio tools



- Develop sourcing systems
 - Farmer selection
 - Farmer training
 - Farmer monitoring
 - Farmer auditing
- Production planning
 - Contracts
 - Financing scheme's
 - Harvest forecasting systems
 - Farmer feedback systems
- Packhouse performance
 - KPIs
 - Productivity and quality monitoring



The Fruit Republic



- The Fruit Republic is one of the leading fresh produce exporters of Vietnam
- GlobalGAP, ETI and HACCP certified
- 4000 m² temperature controlled pack house with 700 m² high care fresh cut facility
- Successfully launched own brand in all top 10 supermarket chains in Europe
- >200 staff



GLOBALG.A.P.



Professionally packed



Developing sourcing and marketing



- Fresh Studio was contracted by TFR for supporting sourcing system and marketing
- Includes a full traceability system
 - Allowing TFR and EU customers to trace back each box back to the farmer
- TFR developed its own private extension service to train and monitor the contract farmers
- The TFR QA team continuously tests pesticide residues of leaves and fruit in laboratories in both Vietnam and the Netherlands
- Compare lab test results with record keeping of the farmers
- Developed software system which supports the Extension and QC teams to check



Traceability system



- Harvesting in numbered crates



- In the pack-house every batch kept separate in coded bins



- Every box stamped with traceability code



- Each farmer has its own ID to trace back

ICT innovations to manage smallholders



ICT extension support for agronomists and farmers

EXTENSION SUPPORT



Allow agronomists to report digitally visits to farmers to headquarters. Currently reporting on field visits to farmers is done on paper with a number of unnecessary repetitions of work for agronomists and headquarters.

Benefits:

- Avoid double entry of work which would allow agronomists to dedicate more time to advise farmers.
- Faster feedback loop to agronomists for better planning of visit to farmers and advice on actions to take for farmers.
- Faster feedback loop to farmers about on-farm implementation of good agricultural practices.
- Optimize computation and analysis at HQ level of field visit reports



BoP INNOVATION CENTER
DESIGN • BUILD • ACCELERATE

HiWORLD
GROWING TOGETHER

BoP INNOVATION CENTER
DESIGN • BUILD • ACCELERATE

HiWORLD
GROWING TOGETHER

HELPDESK



Allow agronomists and farmers to digitally access information about pests and diseases, crop protection products, and other main agriculture practice documentation.

Benefits:

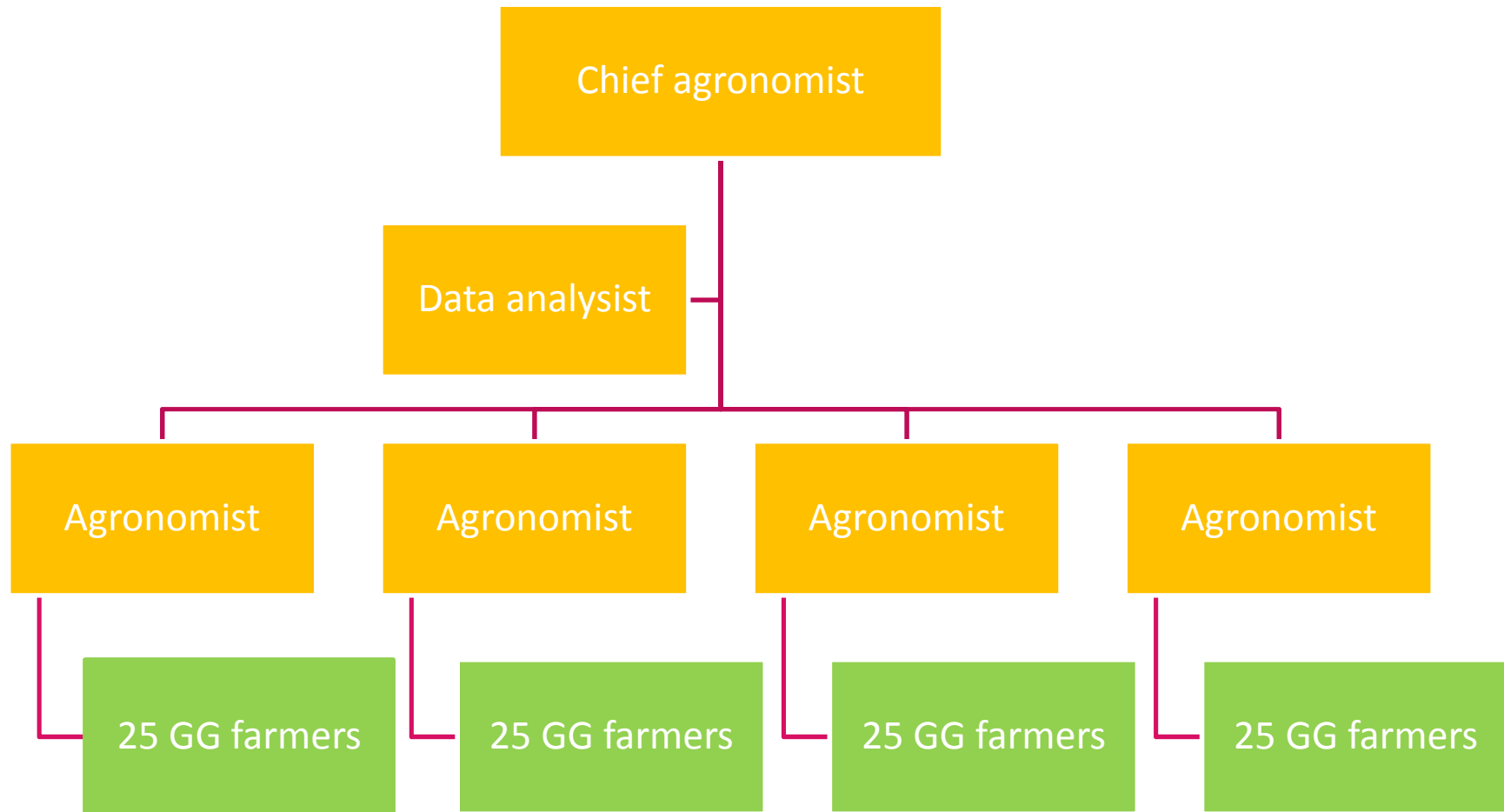
- Access to better farming techniques that ultimately will improve production of safe vegetables in quantity and quality
- Frequently Asked Questions (FAQ) database built up (capture tacit knowledge) which will ease the work of agronomists in the future
- Able to provide targeted trainings based on the main FAQ



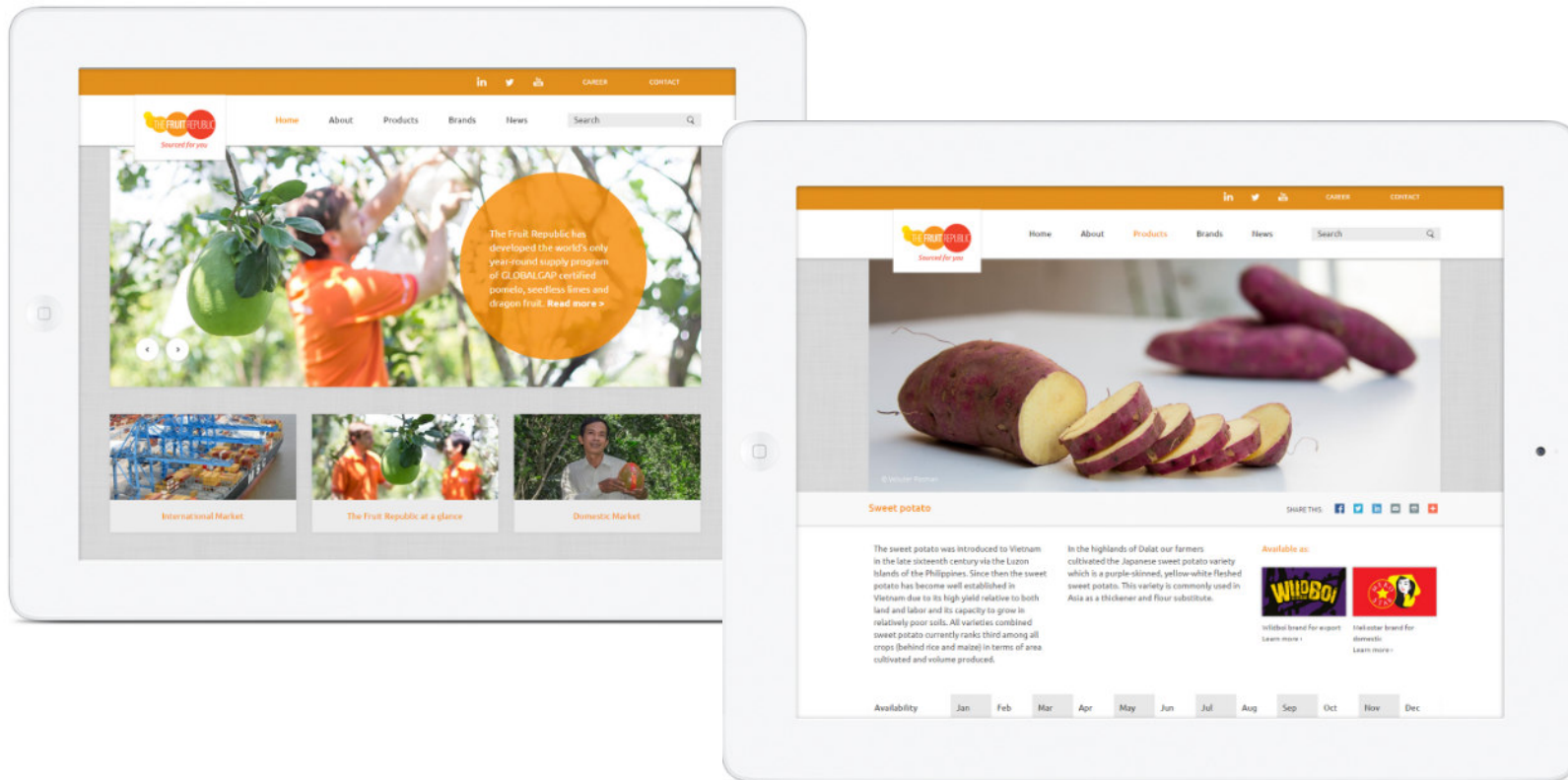
BoP INNOVATION CENTER
DESIGN • BUILD • ACCELERATE

HiWORLD
GROWING TOGETHER

Farm extension system system



Creation of website and social media



Website: www.thefruitrepublic.com

Professional website development including strategy, design, coding and publication.

Trade fair exhibition design



Trade shows

Design and creation of promotion stands and stages at national and international conferences.

Marketing campaigns



Marketing campaigns

Development of inspiring marketing campaigns, from farm to fork, from strategy to implementation. Examples are print and online promotion and in store promotion at modern / traditional retail channels.



Who is next?

Creating sustainable food value chains in Asia

fresh
studio

Thank you for your attention!



Questions

Your challenges

Ideas

Next steps

Contact information:

Siebe van Wijk

siebe.van.wijk@freshstudio.vn

www.freshstudio.vn

