

Fresh Studio anchors commitment to Vietnam

Irmen Mantingh of Fresh Studio Vietnam reports on Vietnam's developing fruit and vegetable sector and the company's activities in this burgeoning economy

VIETNAMESE agriculture has risen to remarkable heights since the government liberalised the sector from state control following a spate of crop failures that led the country to the verge of famine in the 1980s.

The incumbent's Doi Moi reforms (open door policies) redistributed land to growers and gave rise to a farming renaissance that has seen rice production soar and producers turn their hands to a raft of "new" commodities.

From a country haunted by food shortages, Vietnam has become one of the world's largest exporters of crops like black pepper (world's biggest), coffee (world's second), tea, rice, cashew and rubber. The agriculture sector contributes 20 per cent to the GDP (ADB, 2004) and total agriculture export turnover reached US\$5.8bn in 2005 (up by 29 per cent on 2004). Around 60 per cent of Vietnam's total labour force depends on agriculture.

Vietnam's diverse topography, ranging from the Da Lat mountains in the Central Highlands to the large river deltas in the North (Red River Delta) and the tropical South (Mekong Delta), provide favourable conditions for agricultural production, particularly for fruit and vegetables.

This sector is undergoing major change as acreage increases year after year and farms expand. Total fruit acreage has risen from 300,000ha in 1990 to 766,000ha in 2005. And Vietnam's total produce exports rose by 31 per cent in value terms to US\$235m in 2005 compared to 2004. Lychee, longan, rambutan, mango, pineapple, citrus and bananas represent the main fruit crops produced. Last year, pineapple output rose by 13.9 per cent; mango yields by 12.8 per cent and longan by 3.7 per cent. This growth is attracting attention from foreign companies throughout the produce chain, such as seed firms, producers and packaging enterprises.

With the world's 13th largest population of 84m people, a booming tourist industry and the second fastest-growing economy in the world, Vietnam's domestic market for fruit and vegetables should not be underestimated.

The expected entry of Vietnam to the WTO in the near future will open many opportunities in retailing. Some foreign retailers have seized their chance: Metro Cash & Carry, Big C and Dairy Farm have already penetrated the sector, and others are applying for licences to access the market.

These global brands are in need of high quality fresh produce that can meet international food safety standards. This is where the expertise of R&D consultants like Fresh Studio Innovations comes in. Headquartered in the Philippines, Fresh Studio opened its Vietnam office on 1 March under the helm of Siebe van Wijk.

Having worked for four years in Vietnam's horticulture sector, Mr van Wijk recognised a need for professional consulting and R&D services in all stages of the fresh produce supply chain.

His five-strong team has already started work on a raft of projects, including one on behalf of a major retailer. Fresh Studio, together with Wageningen UR, is also contracted to assist Syngenta in implementing a Good Agricultural Practice



Fresh Studio is working on a raft of projects in the sector (GAP) programme for fruit and vegetable production in Vietnam.

Under its scheme, Syngenta hopes to introduce the safe use of pesticides among Vietnamese smallholders by organising farmers in groups, and linking them directly to high-end retailers that will reward them for following GAP protocols with premium prices.

Several Vietnamese produce companies have called upon Fresh Studio to assist them in developing marketing strategies and improve their operations in a bid to differentiate themselves and their product from the competition.

To this end, Fresh Studio has developed a "value innovation model" for the fruit, vegetable and fish industries. The model guides Fresh Studio in its business strategies and enables it to facilitate fast tracking innovations in the industry. Fresh Studio is gearing up to open its third branch in Asia, and plans to unveil new operations in Europe and the Middle East before too long. ■