
Growing out of poverty with potato

Project results Year 4: April 2017 - March 2018

Colophon

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For more information please contact Mr. René van Rensen, R&D Director Crops at Fresh Studio Innovations Asia Ltd., and project leader of project: "Growing out of poverty with potato". You can find his contact details and additional information on our website www.freshstudio.vn.

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The potato is a crop that combines the best of both worlds. It is both a highly dependable crop for nutrition security, and it has the potential to improve the livelihood of small scale farmers. This staple crop, so familiar in most parts of the world, can provide this beneficial combination to farmers and consumers in Vietnam.

For this reason, the Ministry of Foreign Affairs of the Netherlands, Fresh Studio, Agrico, PepsiCo Vietnam and the Dutch Wageningen University set up '**Growing out of poverty with potato**'. This is a five-year PPP (public-private partnership) project (2014-2019) aimed at building a sustainable value chain for high quality potato in Vietnam. In the fourth year after its implementation, the project herewith reports on its results which have been promising.

Increase in demand of Dutch potato varieties in Vietnam

Potato is one of the major crops worldwide. Its high yield potential and nutritional value makes it a universally loved staple food. In Vietnam, potatoes are slowly gaining popularity. Production and consumption of potatoes are increasing. To develop a sustainable potato production system in Vietnam, the project 'Growing out of poverty with potato' was initiated in 2014. The project aims to improve the production of potato, stimulate the demand and create robust value chains for table and processing potatoes. In this way, potatoes can contribute to improved food security, pro-poor development and a healthy, diverse diet in Vietnam.

The export statistics of the UN Comtrade Database (<http://comtrade.un.org>) show that in 2017, 319 tons of Dutch potato seeds have been imported in Vietnam. Consortium partner Agrico accounts for 94 tons of this quantity. Objective is to reach an import level of 500 tons by the end of the project in 2019. Given the successful registration of the first two Dutch potato varieties for commercial introduction in 2018, we expect that the volume of potato seeds imported by Vietnam from the Netherlands will continue to increase in 2018 and beyond.

Export statistics potato seeds from the Netherlands to Vietnam

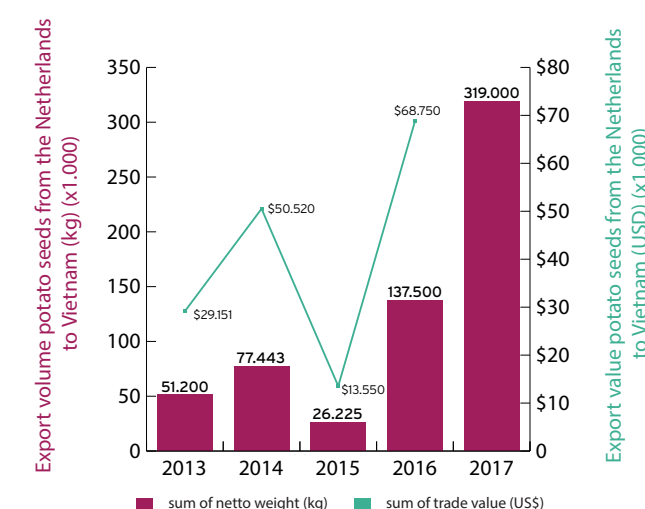


Figure 1. Annual export statistics of potato seeds from the Netherlands to Vietnam (source: UN Comtrade database)

Competitive Vietnamese potato sector

The project 'Growing out of poverty with potato' can be classified as a success if it:

- Creates competitive strength of the Vietnamese potato sector versus imports from neighbouring countries.
- Establishes the Vietnamese potato sector as a reliable supplier of consistent volumes of high quality potatoes to the domestic table potato market and the potato processing industry in Vietnam.

Creating robust potato value chains that are economically viable and sustainable is the final goal of the project. To achieve this, the project partners invest in trust, strong relationships and capacity building. The five-year project is rolled out in the two major potato production regions of Vietnam, small-scale farmers in the Red River Delta (RRD) and large-scale farmers in the Central Highlands.

Growing supply & demand

Supply, demand, supply chain development and policy dialogue are the project's four pillars. In its fourth project year, all pillars yield interesting results. More farmers are being trained and more advisors are equipped to support the farmers and establish contracts with farmers. Altogether they benefit the quality and volume of potato production. All contract farmers grow different, high performing varieties of table potatoes, whose demand we stimulated via awareness campaigns in 2016 and 2017 and a marketing campaign

that will start in 2018. The awareness campaign in wet markets and supermarkets in Hanoi and HCMC informed consumers about the nutritional value of potatoes and how to select, prepare and store potatoes.

Good progress in registration of new varieties

Securing the supply of high quality seed potatoes for Vietnamese farmers is a major critical success factor for the project. New, high-performing Dutch potato varieties that perform best in field trials in Vietnam are submitted for national registration (in two phases). Grown on almost 12 hectares, Dutch variety Erika is now being produced on a commercial scale, together with the already registered varieties Markies (55 hectares) and Rosagold (96 hectares).

The requirement for phase 2 registration is that varieties must be produced on at least 50 hectares within 3 years. Rosagold and Markies are already submitted for this, and the project partners are confident that Erika will also qualify for this ultimately by the end of the project. This year's marketing campaign will spur the demand for these tasty table potatoes. With 3 varieties registered for commercial sale, an important objective of the project will be achieved.

'MECHANISATION TO PROVIDE CONSTANTLY GOOD QUALITY POTATOES'

"The soil and climate conditions in Vietnam are ideal for potato cultivation. To provide retailers, manufacturers and consumers with a constant flow of good quality potatoes, mechanisation is very important. Standardising plant spacing, planting depth and the top layer of soil, are key to uniform quality. Due to migration to the cities, less workers are available in rural areas, so labour costs are up. This also calls for mechanisation. To reap its benefits, farmers need to be trained in handling and maintaining the machinery. To keep it affordable and share investments, they can best co-operate in a machinery pool or work with contractors."

Mr. Sicko de Vries

Field Crops expert at Wageningen University & Research (WUR)

Equipment and good agricultural practices

Besides high-quality seed potatoes, good agricultural practices and mechanisation in potato production help potato farmers increasing their productivity. Training on potato production and machinery application help farmers to increase yields and quality while improving the sustainability of potato production. The 52 potato production advisors support farmers working under a contract in aspects like seed preparation, fertilization, disease prevention, processing and preserving the harvest. All this optimizes their production performance.

Connecting with Vietnamese consumers

Connecting with Vietnamese consumers In general, the project is well on track in its fourth year. Successfully establishing potato value chains is however only viable if there is sufficient demand for good quality potatoes grown in Vietnam. A key success factor for the project is the marketing campaign for Dutch potato varieties grown in Vietnam that will start in the fifth project year, from April/May 2018 onwards. The 'Born in the Netherlands, grown in Vietnam' campaign builds on market surveys, focus group discussions, household panels, sensory tests and awareness campaigns in the fourth and previous project years. A successful marketing campaign will further increase the interest of farmers and traders to supply Dutch potato varieties.

 My favourite potato recipe 

early potatoes with olive oil,
grilled or oven baked

Potatoes on the rise in Vietnam

Achievements April 2017-March 2018

In the fourth year of the project, we encounter growing attention and interest in potato production and consumption in Vietnam. The number of farmers working under a contract is rising and thanks to the training and the high quality Dutch varieties, they enjoy a higher productivity. Consumers are increasingly aware of the nutritional benefits of potato consumption and ways to prepare and store tasty potatoes.

The four pillars of the project are:



Supply



Demand



Value chain development



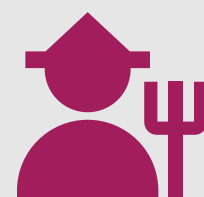
Policy dialogue



 The project aims to introduce and formally register high-performing Dutch potato varieties in Vietnam. An encouraging sign has been the sooner than expected registration (phase 1) of the table potato variety Erika. Like Rosagold and Markies, Erika is expected to qualify for phase 2 registration soon. In addition, the trials of four table potato varieties and one processing variety were continued. So, both farmers and consumers will have more choice in growing and consuming potatoes.



 The potato sector in Vietnam is increasingly facing labour shortages and mechanisation is therefore generally considered a necessity for the sector to survive. At present, mainly local older people are still working in the fields. Younger generations tend to go to the cities, looking for factory jobs. In the third project year, four sets of tractors, planting and harvesting machines were introduced. Last year, the advisors have been trained to operate the equipment. The main challenge is to stimulate farmers in correctly using this equipment to its full potential.



Supply

Up to March 2018, we trained 2014 farmers (70% female) who followed all 3 training modules. This is an increase of 323 farmers, so we are well on track to reach the objective of 2500 fully trained farmers by 2019. With 52 trained potato production advisors, the initial target of 40 trained advisors has already been achieved. The effectiveness of the farmer trainings and extension services for farmers will be investigated in a survey by the end of 2018.



 We established contracts with 1358 farmers, of which 64% is female. The contracts cover an estimated 1358 tons of table potatoes.



'SELLING POTATOES OFF SEASON WILL BE A BIG INCENTIVE'

"This project taught me a lot about mechanisation and using new, simple techniques to increase the potato production. As an owner of a large potato planting area, the extension service by professional potato production advisors proved to be of great value. Thanks to the project, I'm now connected with different traders, from various provinces. However, the potato production is still small and fragile. Farmers have limited knowledge of the potato value chain and don't plan their potato production ahead of time. Supporting farmers with potato seeds for a reasonable price and introducing new techniques and equipment to store the harvested potatoes, will positively change the sector. When farmers can sell the potatoes off season, for higher value, this will be a big incentive for the creation of a sustainable potato value chain."

Mr. Pham Cong Toi

Thanh Ha company



Potato soup with pork
spare ribs

'THE CERTIFICATE FOR THE TRAINING MADE ME VERY PROUD'

"I joined the potato training, because I wanted to learn about new techniques in potato production and grow the new high-quality potato varieties such as Markies. Now I know how to use fertilizer, how to treat potato seeds and the best way to apply plant protection chemicals. The certificate for the training made me very proud. I will use this knowledge to train the members of the women's union. I hope this training helps us to tackle the main challenges in growing potatoes: supply of good quality potato seeds, coping with weather conditions and preventing plant diseases."

Ms. Nguyen Thi Loc

Participant in the farmer training and head of the women's union in Don Town
(Bac Ninh province)



French fries
and potato soup



Demand

In 2017, we completed the general awareness campaign, reaching over a million consumers in wet markets and supermarkets in Hanoi and HCM City over all project years. Over the years, we also interviewed 818 consumers about their potato preferences, 600 consumers participated in sensory evaluation tests and 103 households prepared 4 selected potato varieties and provided valuable feedback. One of the main findings from the consumer surveys and household panels is that Vietnamese consumers prefer a yellow skinned potato, with few shallow eyes. The preferences for texture differ per region: floury in Hanoi and waxy in HCMC. However, consumers always look for the same texture of potato for all dishes. They are not aware about the different varieties that are available in the market.



All this prepared us for the Product Branding Campaign that will start in the fifth project year. We partner with 2 traders and 5 retailers (operating a total of 17 supermarkets) to promote the Dutch potato varieties under the slogan 'Born in the Netherlands, grown in Vietnam'. The campaign focuses on Rosagold and Markies, and to a lesser extent on Erika. It will create awareness on the specific texture of potato varieties and different modes of preparation.





Value chain development

In the fourth year of the project, we formalised direct cooperation with another trader. We now cooperate with 2 traders and the objective is to have at least 5 collaborations with reliable traders.

As we seek long term relationships with reliable traders who acknowledge and reward the added value of the new Dutch potato varieties, the selection process is strict.



In total, we now conducted 36 field days in Red River Delta (RRD) and Lam Dong (Central Highlands) in which we actively engage with farmers and traders.

Policy dialogue



As project partners we continued our contacts with the Potato Policy Platform, where the Dutch Embassy and Vietnamese authorities are also involved. Main goal of the platform is to disseminate information on relevant legislation. Last year we finalised the policy brief to inform relevant stakeholders about the added value of a viable and sustainable potato value chain in Vietnam. Further dissemination of relevant information among Vietnamese and Dutch stakeholders is continued on an ad hoc basis, for instance by organising meetings and workshops.



'BOOSTING POTATO CONSUMPTION IS KEY FOR SUSTAINABLE SECTOR DEVELOPMENT'

"The intensive farmer training and introduction of new varieties will help increasing the potato cultivation areas, average yield, as well as the income of potato farmers. All these elements are the foundation of the sector transformation. The most remarkable result is the high number of farmers trained, especially women. Consumer education via the marketing campaign will boost the potato consumption in Vietnam and create a sustainable demand for high quality potatoes. This is key for a sustainable potato sector development."

Mr. Trai

Staff member of PepsiCo

'WE CAN SELL A RELIABLE VIETNAMESE PRODUCT TO OUR CLIENTS'

"Aeon supermarkets always wants to cooperate with Vietnamese suppliers who sell high quality and branded Vietnamese products. We really appreciate the benefits of the project for all parties. Farmers and suppliers receive good technical and marketing support, while retailers like Aeon can sell a reliable Vietnamese agricultural product to our clients.

In-store promotion is very important to boost sales, especially of food products. The brand 'Gia Dinh Ha Lan' is the first potato brand with marketing support, outstanding packaging and promotion. During the sales pilot last year, the campaign helped us to double the sales of potatoes. It was one of the most effective marketing campaigns in our Fruit & Vegetable section."

Ms. Tran Thi Duyen

Produce merchandiser at Aeon supermarkets in Hanoi



French fries, soup
and stir-fried



Potato soup

'Growing out of poverty with potato': results up to March 2018

Supply


9 Dutch potato
varieties on field trials

Training of 2014 farmers
in potato production completed
(seed preparation, fertilisation,
disease prevention, processing
and preserving the harvest)



 **2 Dutch potato**
varieties are successfully in
final registration phase and
one new variety submitted
for final registration phase.

 **4 tractors**
4 planting and 4 harvesting
machines purchased and
tested

**Training of 52 potato
production adviser**
They will give professional
advice to potato farmers and
help establishing contracts
between farmers and traders



Demand

1,000,000 consumers   **in**
reached through awareness
campaigns in wet markets and
supermarkets in Hanoi
and HCM City.

 **818 consumers**
were interviewed to get more
insight in their potato preferences

food labs 
in Hanoi & HCM City

 **600 consumers**
participated in the
sensory evaluation of the
potato varieties

103 households 
prepared the 4 selected
potato varieties at home and
provided feedback per
potato variety

Supply chain development



36 field days

organized, attended by 19 traders
and 534 farmers

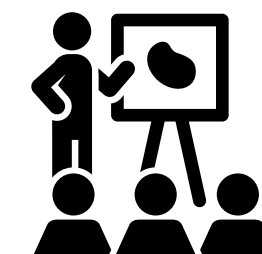
1358 table potato
production contracts covering
1,358,000 kg
table potatoes

1793 contracts
for processing potato realized



Policy development

2 Meetings 
with the Potato Policy
Discussion Platform



**Potato policy
workshop**
with all partners, Dutch Embassy,
Vietnamese authorities and
research institutes

'Born in the Netherlands, grown in Vietnam' gets started

Looking at the increasing number of contract farmers, potato varieties and production yields, it is great to see the potato value chain taking root in Vietnam. A key growth driver is consumer demand as growing potatoes must also become a healthy business model for farmers and traders.

Campaign in two phases

For this reason, branding and awareness activities get a lot of attention in the current fifth year of the project. The 'Born in the Netherlands, grown in Vietnam' campaign is intended to further stimulate the interest in Dutch potato varieties among farmers, traders, retail and - of course - consumers. In 17 outlets in Hanoi and HCMC consumers can buy the Markies, Rosagold and Erika potatoes. The campaign will be introduced in two phases: in April/May 2018 in North Vietnam and May/June in South Vietnam. The campaign will give valuable input on the potential of selling the Dutch varieties, such as preference for variety and packaging, and price sensitivity of consumers and store supervisors in the different retail formulas.

Clear distinction

In-store promotion is an important element of the campaign. A range of point-of-sale materials such as banners, wobblers and bin wraps are all branded with the campaign logo and slogan 'Gia Dinh Ha Lan' and provide information about the origin of the potatoes, the variety name, suggested modes of preparation and nutrition value. Paper bags, recipe cards and a consumer booklet inform consumers about new potato dishes, the nutritional value and how to store potatoes. Promoters wearing a special designed uniform, support consumers in choosing the right potato and provide information about preparing and storing potatoes. Consumers can buy single potatoes with a sticker of the brand and a couple of potatoes in a net with a hanging label attached. The campaign highlights the 'Dutch-Vietnamese' origin of the potatoes, to draw a clear-cut line between these and the Chinese potatoes. All this information helps consumers to trust the safety of the potatoes and find the most suitable variety to prepare the food for their family.

Brand awareness for Dutch potatoes

The awareness activities thus far have been about the health benefits of potatoes in general. The next phase will be about creating brand awareness of the special attributes of the Dutch potato varieties. When consumers ask for the Dutch varieties specifically, the entire supply chain can reap the benefits of this. This will be the starting point in diversifying the Vietnamese potato market, where farmers will have more choice which potato variety to grow and consumers will have more choice which potato variety (or cooking type of potato) to buy.

Informing retail and traders

Traders and retailers will receive a booklet with information about the potato varieties, the project and consumer campaign and an instruction on how to best store and promote potatoes. In a training for the staff of the traders, information about the campaign, the branding of the varieties and the in-store materials will be shared.

More contracts and cooperation

The campaign helps us achieving several specific project outputs such as producing Erika on at least 50 hectares (required for phase 2 registration), closing contracts with at least 2500 farmers (70% of which we hope are female) and establishing direct cooperation with at least 5 reliable traders. With 1358 contracts signed, we achieved some 57% of our objective. This needs special attention in the final project year, just as additional efforts to find three more traders for structural collaboration.

New varieties on the menu

Besides Rosagold, Markies and Erika, further potato varieties are being prepared for phase 1 registration by the end of 2018: Esmee, Laudine and Corsica for North Vietnam and Alouette, Carolus and Corsica for South Vietnam.

Purchasing irrigation materials

After a series of tests, it is concluded that irrigation materials should be purchased and implemented. Project partner Fresh Studio is considering this especially for the Central Highlands, as for the Red River Delta this seems less obvious





'I LOVED TO TRY THE DUTCH VARIETIES'

"We often eat potatoes, especially during the winter. It is familiar food for my family, so I loved to try the different Dutch varieties. The colour and taste of the Markies and Erika are very similar to the potatoes I buy on the market. I was also impressed by the skin colour of the Rosagold and loved the taste and smell of the boiled Markies and Rosagold. If the origin of the potato is guaranteed and the price is reasonable, I would definitely buy these new varieties."

Ms. Bui Thu Thuy

Participant in the household survey



My favourite
potato recipe

French fries for the kids
and soup with the family