

Economy Report Viet Nam

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Main issues

- Review of major public policy measures to reduce FLW
- Review of current status of R&D on FLW reduction/prevention
- Private initiatives on FLW reduction/prevention
- Popular recycling food waste methods
- Food rescue and food donation establishment
- Capacity building needs

Major public policy measures to reduce FLW

Public policy measures	Framework	Plans of actions	Targeted sectors/areas	Expected outcome
<p>The Scheme on improving added value in the processing of agro-forestry and fishery products and reducing post-harvest losses (Decision No. 1003/QD-BNN-CB, 13 May 2014 on approving the Scheme “improving added value in the processing of agro-forestry and fishery products and reducing post-harvest losses”</p>	<ul style="list-style-type: none"> • Increasing added value in the processing of agro-forestry and fishery products • Reducing post-harvest losses 	<ul style="list-style-type: none"> • Organize production activities towards improving the linkage among raw material production processing and consumption • Restructuring processed products towards increasing the proportion of high added value products and improves quality and food safety and reduces production costs • Reducing the post-harvest losses • Increasing the efficiency of use of by-products and development of supporting industries • Markets development • Commercial infrastructure development • Training and human capacity development • Science, technology development • Mechanisms, policy development 	<p>The processing of agriculture, forestry and fishery products Some key products: Rice, coffee, tea, marine products, rubber, salt, wooden furniture and woodchip processing.</p>	<ul style="list-style-type: none"> • Improve the value, efficiency and competitiveness of the agro-forest and fishery products through re-arranging production activities and restructuring products towards increasing the proportion of high-value added products, • Applying science & technology, innovating the processing technologies towards modernizing and reducing post-harvest losses (both quantity and quality); • Improving the quality and food safety • By 2020, the added value of agro-forestry and fishery products increase an average of 20%; Post-harvest losses of agricultural and fishery products reduce to 50% compared to the current ratio

Major public policy measures to reduce FLW (cont.)

Public policy measures	Framework	Plans of actions	Targeted sectors/areas	Expected outcome
<p>Providing support policies to reduce losses in agriculture, and implement respective measures for each commodity value chain (Decision No. 68/2013/QĐ-TTg, 14 Jan 2013 on providing support policies to reduce losses in agriculture, and implement respective measures for each commodity value chain ; substitute for Decision No. 63/2010/QĐ-TTg and Decision No. 65/2011/QĐ-TTg)</p>	<p>Provide financial support to improve technology and innovation in agriculture</p>	<ul style="list-style-type: none"> • Provide support for buying machinery and equipment serving reduction of agricultural losses • Support the difference between the interest rates of long-term and mid-term commercial loans in VND and the State's development credit interest rates to execute projects of investment in lines of machinery and equipment meant for reducing losses in agriculture (including factories); projects of manufacturing of agriculture machinery and equipment 	<p>Agricultural technology</p>	<ul style="list-style-type: none"> • Improve technology and innovative application in agricultural sector • Reduce food loss in agriculture

Major public policy measures to reduce FLW (cont.)

Public policy measures	Framework	Plans of actions	Targeted sectors/areas	Expected outcome
<p>Agricultural restructuring towards raising added values and sustainable development (Decision 899/QĐ-TTg, 10 June 2013 on approving the project “Agricultural restructuring towards raising added values and sustainable development”)</p>	<p>Restructuring agricultural sector in term of economy, society and environment</p>	<ul style="list-style-type: none"> • Improve planning quality; attach the strategy to the formulation of plans for supervising efficiency of state management of planning • Encouraging investment from private sector • Improve the efficiency of public investments • Institutional reform • Adjusting and completing policy system 	<p>Agriculture</p>	<ul style="list-style-type: none"> • Sustain the growth, raise the efficiency and competitiveness by raising the productivity, quality, and added values; satisfy the demands of consumers in Vietnam and boost export • Raise the income and improve living standards of rural residents, ensure food security (including nutrition security) in both the short term and the long term, contribute to the reduction of poverty ratio • Enhance natural resource management, reduce greenhouse gas emission and negative impacts on the environment, utilize environmental benefits, raise capacity for risk management, enhance disaster preparedness, increase forest coverage

Research and Development (R&D)

Technology application:

- 2007-2015: 150 initiatives (Vietnam society of agricultural engineering)
- 2011-2015: 147 mechanization model in rice production help increasing labor productivity 10-30 times and reduce 20-25% of total production cost (Extension program)

Agricultural mechanic industry:

- Tractor producing capacity: Vietnam can produce diesel machine of 30 HP; 40,000 machines/year (30% of total domestic market share)
- Combine harvester: Vietnam has 15 factories but only 3 factories with capacity 1,000 machines/year
- Threshing machine: 3 factories with capacity 6,000 machine/year (in the North)
- Rice milling machine and Dryer: >90% of total market share produced domestically (Bui Van Ngo company, SINCO, LAMICO... with capacity 4 – 48 tons/hour; Dryer with capacity 30 – 200 tons/turn and exported to other countries.

Private initiative - Bui Van Ngo Industrial & Agricultural Machinery Co. Ltd

- 75% of agricultural machinery market share in MRD and export to many countries (Thailand, Philippines, Malaysia, Brazil,...)



Milling Chain



Dryer



CB-1C

Polishing machine

Private initiative - Loc Troi Group

- Leading seed trader in Vietnam
- Own and operate their own science research center
- Invest and apply modern technologies and machines
- Establish the Toge-three agricultural engineers* (2006)
- Develop the “Together with Farmers to the Field” Progame (2006)
- Sign directly contracts with 40.000 farmers
- Develop sustainable agricultural value chain



Science research

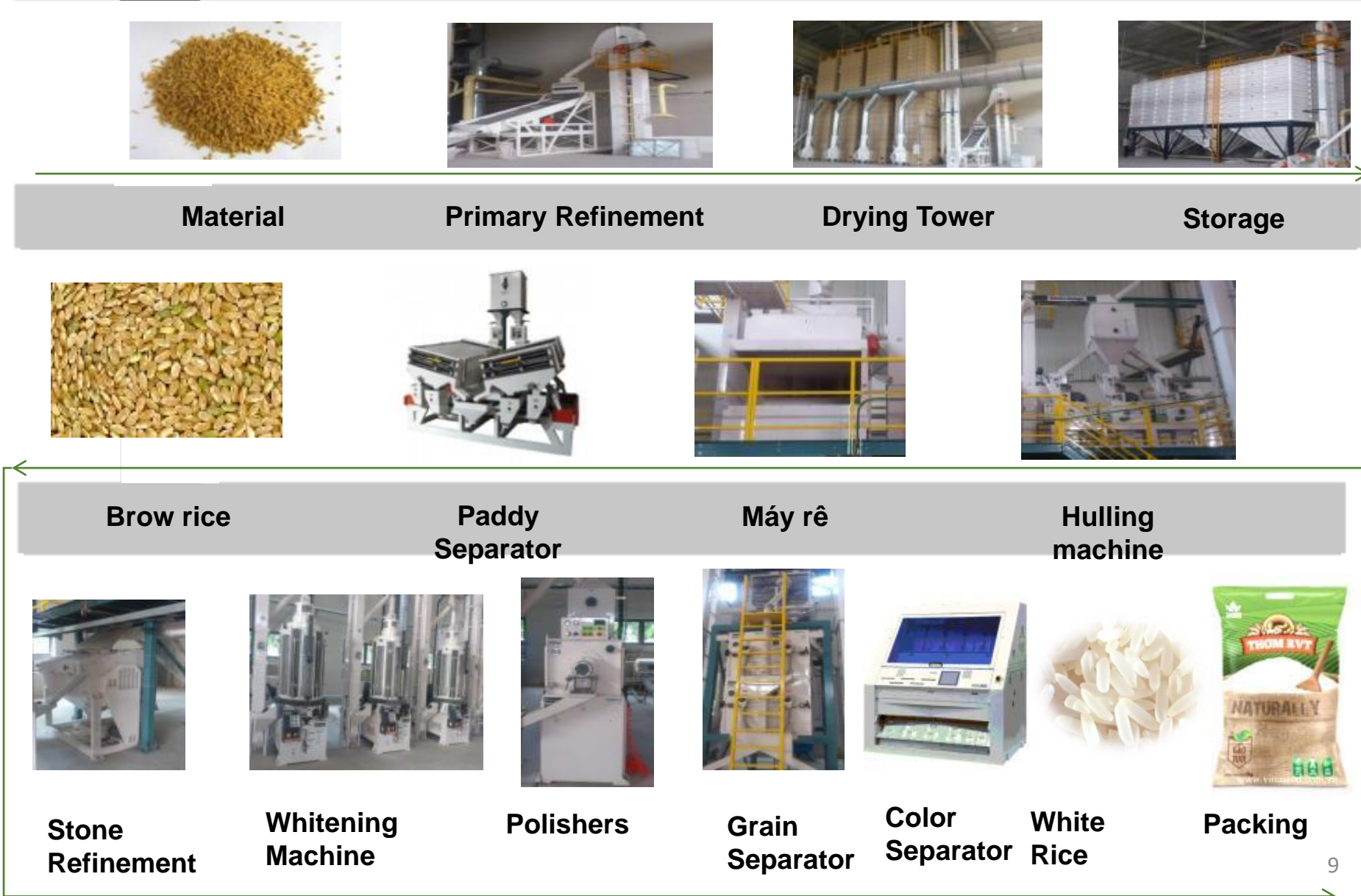


Toge-three engineer



Rice Mills

Private initiative – Synchronous rice processing technologies of Vinaseed



Popular recycling Food waste methods in Vietnam

- In rural area: Use fermented food waste for livestock - For example, in Da Lat, 50 ton of waste from cabbage would be fermented and used as feed for about 16,000 pigs per day with the estimated the value of 100 million VND/day
- In urban area: Development of technologies to produce compost fertilizers from the organic wastes - In Hanoi, it was estimated that about 60 tons organic fertilizer were produced by the method of production of micro-biological organic compost from organic waste including kitchen waste, vegetable and fruits. In Hung Yen province, the organic waste including FW, ruined vegetables and fruits as well as other organic waste from households were collected and composted. These were implemented by 400 households

Food rescue and Food donation

- Most food rescue organizations and food donation organizations are established spontaneously by a small group of people to help farmers at urgent situation such as over-supply
- There is no official rule/act on food rescue or food donation organization establishment in Vietnam
- Example: Hanoi Food Rescue (HFR) – a social project run by a group of high secondary school students and fund by REACH.
- Vietnam Government recently issued ‘urgent pig rescue’ document due to over supply
- Some ‘urgent food rescue’ programs established by food donation organization, group of people such as students, famous people, or officers...to rescue over-supplying products such as pig, water lemon, pumpkin...

Capacity building needs

- Improve management skills of farmer cooperatives would enhance integration of small farmers, create a bridge to connect them work together and with enterprise.
- Improve technical skills of agricultural extension staff would enhance technology application because they will work directly with farmers to guide them apply any new techniques
- Improve research skills of scientist to achieve more innovations in the future