



Production and Market of Organic Products in Vietnam

Production

The organic products have main important parts for economy of Vietnam. They can generate revenue 30 % from total exports and 25% of GDP in the country.

Planting and production organic products in Vietnam are the new things and have started for 10 years ago. The first time the organic products were planted a few of teas and spices. However, 2-3 year ago the areas of production organic teas, vegetables, rice, spices, honeys, and aquatic animals had been expanded much growth. The statistic information in 2006, it revealed that Vietnam had 1,022 farms for production the organic products. All areas of those farms were 6,475 hectares which were 0.08% of the total agricultural areas of Vietnam.

There are a few organic products of Vietnam can product and export; however, many products don't have potentiality to produce them. At the present there are 2-3 international organizations support production the organic products in Vietnam such as Agriculture Development Demark Asia (ADDA) of Denmark, German Technical Cooperation (GTZ) of German and The Japan International Cooperation Agency (JICA) of Japan etc. Moreover, Vietnam gets supporting from companies which have produced the products (aquatic animals, teas, spices and fruits) for exporting. One of these products, the organic tea can export the most.

The important organic products of Vietnam are in urban areas and provinces are in mountain areas. The organic products in urban areas compose of vegetable, fruit, meat, egg and milk and provinces where mountain compose of tea, coffee, pepper, fruit, herbs for production medicine, Cashew nut and wild plants (Cinnamon). These products have produced under the standard certification of importers such EU and the United States by examining and issuing the certificate by the Certification Bodies (CB's).

Marketing

At the present time there are organic products about 90% in Vietnam exported to EU and the United States which are big markets. However, there are fewer markets in the country. Most organic tea and vegetable will be sold for foreigners staying in Vietnam and rich Vietnamese people in Hanoi, Ho Chi Minh City, five star hotels and restaurant in big cities.

In 2001 Vietnam had established Hanoi Organic Company for development the organic vegetable markets in the country. This company got orders from the customers and informed the agriculturists. These agriculturists brought products they planted and harvested





by themselves selling to the company. After that the company sold the products for customers in Hanoi. Most of these customers were foreigners and hotels. However, this system was not good causing from agriculturists, consumers and agent.

The agriculturists produced very less organic vegetables when comparing with the traditional agriculture and they earned low income. The consumers didn't have many big organic vegetable markets for purchasing and those selling products didn't have the standard certification (In 2001, Vietnam did not examined and issued by Certification Bodies (CB's)). Agents didn't gain profit and they could not continuously run business.

In 2005, the private sectors of Vietnam had established private company, Ecolink for running the organic tea business. This company had very important role for developing the organic teas in Vietnam. The main markets for exporting a numbers of organic teas were the United States, Italy and Canada. However, there were very less markets in Vietnam itself. In the future, Ecolink Company plans to export other kinds of organic products. The organic vegetables will become the first products to be produced around the areas of Hanoi to reduce the transportation costs.

In 2004, Mr. Nguyen Ba Hung had established Thien Private Enterprise at Dalad City to produce and sell the organic vegetables under the standard certification of Vietnam. Later, in the year 2006, the company had expanded business and lift up standard production under the standard certification of Euro-Retailer Produce Working Group and Good Agricultural Practice (EUREP GAP). And Thien Private Enterprise was changed as Organik Dalat Joint Venture Co. At the present the company harvests organic vegetables three times a week and once 2.5 tones. 80 % of these products were sold in country and the residues were exported to Japan, German and Taiwan. In the future, the company plans to establish the shops in Ho Chi Minh City and Hanoi City to support the products of company import and export other organic products such as dried items, salt, cooking oil and spices etc.

Agencies Support Productions and Organic Products

- Ministry of Science and Technology
- Ministry of Agriculture and Rural Development
- Ministry of Education

Operation about the Organic Products Conducted the Certificates of Vietnam

Agriculturists in Vietnam can be classified into three main groups as these followings:

1. The traditional organic farmer is a group who never uses some chemicals for cultivation and traditional planting technique. Nowadays a group of this farmer has a few numbers and mainly plants at the hill areas. This farmer is a group of minorities in the north of country.





2. The reformed organic farmer is a group who uses some chemicals for cultivation in the farms. However, after training course about the techniques to manage pests and organic vegetables, this group improved cultivation by reducing / stopping to use some chemicals in the farms.

3. The certified organic farmer is a group developed organic products and was certified or on the process to be certified. Most farmers have been encouraged by the private enterprise with the need to export organic products. There are only a few projects gaining support from the development organization.

Certification and Standard

Although there was attempting to establish the private agencies to certify the certificate for the organic products in the country, Vietnam can't do it. All organic products have been certified by Certification Bodies (CB's) such as the Insulated Cable Engineers Association (ICEA) of Italy, Organic Agriculture Certification Thailand (ACT) etc. This cause is the weak point of organic product business in Vietnam.

The Trend of Organic Product Market in Vietnam

The organic product market in Vietnam is limited because most consumers opine the organic products are luxurious. Although Vietnam government supports to the production, establishment the certification system and the labeling, "ORGANIC VEGETABLES", the consumers don't disbelieve this label. This causes complete failure at the organic product market in Vietnam. However, it is anticipated that the organic product market in Vietnam in the future will expand higher growth because Vietnam has big market with inhabitants over 87 millions. The populations in urban area have more incomes and can purchase organic products with high price. Moreover, the consumers in urban become more attentiveness to buy food safety and healthy food.

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