

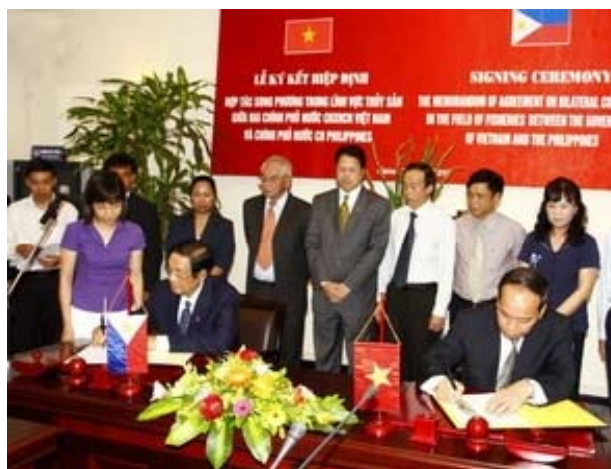
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HIGHLIGHTS

- Bilateral cooperation (p.1)
- Exports of agro-forestry-fishery in first 6 in 2010 (p.2-3)
- International Cooperation programmes/projects approved in the first 6 months in 2010 (p.3-4)

Vietnam and Philippines sign MoU on fishery cooperation



Deputy Minister of Agriculture and Rural Development Vu Van Tam and Philippines Undersecretary of Foreign Affairs Rafael E. Seguis signed the bilateral cooperation agreement

The Memorandum of Understanding (MoU) on fishery cooperation between the Socialist Republic of Vietnam and the Republic of the Philippines was held on 28 June 2010 in Hanoi.

Addressing at the signing ceremony, Deputy Minister of Agriculture and Rural Development cum Director General of the Directorate of Aquaculture Vu Van Tam said the MoU will reflect willingness and determination of the two sides in strengthening their relationship and cooperation for profit of fishermen in the two countries.

He believes that through this MoU, the relationship between the Ministry of Agriculture and Rural

Development and the Ministry of Agriculture of the Philippines in particular, and the relationship between the two countries in general will be raised into the higher level.

According the MoU, the two sides agreed to carry out cooperation actions on information sharing, assistance to offshore fishermen and search and rescue at seas.

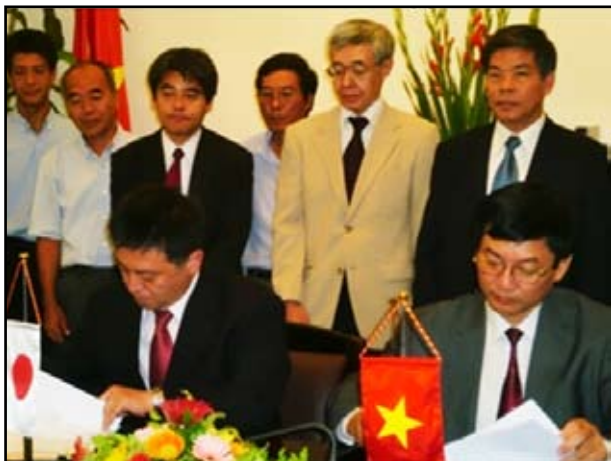
With its strengths in aquaculture, the Philippines is also leading ASEAN in sea algae farming, while Vietnam is strong in freshwater fish farming such as tra and basa fish, shrimps.

The MoU will be a basis for the two sides to conduct research activities and exchange of experiences for aquacultural resources development. After the MoU, the two sides will set a working group and prepare a detailed cooperation plan in each area. Vietnam and the Philippines have a long lasting traditional cooperation relationship as neighbours. The two countries have had cooperation relationship in almost economic, political and social areas, particularly in the ASEAN cooperation framework. In terms of aquaculture, in general, the two countries have similar features in aquacultural development, especially that the Philippines is very experienced in community based fishery management.

However, the cooperation relationship in aquaculture between the two countries has just reached at the level of sharing of information and management experience within multilateral framework through regional organisations such as ASEAN, Seafdec./.

(Source: VNA)

Japan continues to support Vietnam to enhance organisational functions of agricultural cooperatives



On 29 June 2010 in Hanoi, at the witness of the Deputy Minister of Agriculture and Rural Development Nguyen Minh Quang, Mr. Tang Minh Loc, Director General of the Department of Cooperative Economics and Rural Development, and Mr. Shimizu Akira, Deputy Representative of JICA Vietnam signed the Memorandum of Understanding for the project to enhance functions of agricultural cooperatives in Vietnam, phase II

The phase 2 of the project includes: Building facilitators at central/regional level and carry out training courses for officers/leaders/cooperative member; Medium-term and annual workplans are prepared and operational at key cooperatives; Introduction of cooperation classification system and record sheets to monitor actions of cooperatives; Collection of key examples on successful activities,

failures and sharing them with officers and leaders of cooperatives. The phase I of the project was implemented in two provinces of Thai Binh and Hoa Binh (from March 2006 to September 2010) and considerable successes were achieved: Medium-term plan based on farmers' needs was prepared in each pilot cooperative; Services activities of cooperatives were implemented and expanded; Some DARD officers were recognised as key facilitators; Some cooperatives were very successful in providing better services for farmers; Guidelines and manuals for cooperatives were developed. Delivering his speech at the signing ceremony, Deputy Minister Nguyen Minh Quang stressed: "The project phase II will be conducted in the context that Vietnam's agriculture has received special attention and offered favourable conditions of legal and economic environment...as stated in the Resolution No. 26-NQ-TW on agriculture, farmer, rural development; Decision No. 800/QD-TTg of the Prime Minister approving the National Programme for construction of new rural areas in the period of 2010 - 2020, with the content of renovation and development of different patterns of organisations and effective production in rural areas, which is a component of this programme. This is an opportunity for cooperatives to solve problems and for different levels and experts assisting to achieve the project goal. The Ministry of Agriculture and Rural Development will closely work with JICA, different ministries and sectors of relevance so that the project to enhance functions of agricultural cooperatives of the phase II will be implemented as soon as the end of the phase I and will be able to achieve expected outcomes"

Nguyen Van Loi

Exports of agro-forestry and fishery products made \$8.6 billion in first 6 months

As reported by the Ministry of Agriculture and Rural Development, in the first half of 2010, the value of agro-forestry and fishery exports was estimated to reach \$8.6 billion, an increase of 13.5% as compare to the same period in the previous year.



In particular, turnover of key agricultural products is estimated at \$4.6 billion, increasing by 5.8%; the turnover of forestry products is estimated at \$1.59 billion, increasing by 28.9%; and aquacultural products reached \$2 billion, increasing by 13.1%.

The export turnover of agro-forestry-fishery products in June is estimated to reach \$1.5 billion, of which export value of key agricultural products is estimated to reach \$800 million, the turnover of key forestry products is estimated at 260 million, and the estimate of aquacultural products is \$370 million.

Detailed information of key products is indicated below:

(i) Rice export in June estimated at 720 thousand tons with the turnover of \$370 million, giving the total rice export in 6 months of 2010 to 3.6 million tons with the turnover of \$1.87 billion, reduced by 2.3% compared to the same period of last year but increased by 7.0% in value. Rice trading in the international market was increasing when it is said that the Philippines needed to import more than 2 million tons of rice. The needs and price

of rice in the world is on the increase in favour of Vietnam's increase exporting. So far, the Philippines is still the world leading consumption market with the proportion of up to 50.6% (\$759 million), the second market is Singapore with a value of \$108 million (accounting for 7.2%). Among 10 top market of Vietnam's rice consumption, 3 markets made a dramatical increase in terms of quantity and value as compared to the same period of last year, including Singapore (double), Taiwan (4 times), Hongkong (5 times). The average rice export price in the first 5 months reached \$513/ton which increased by 8.46% as compared to the same period of 2009.

(ii) Coffee export in June is estimated to reach 100 thousand tons with the turnover of \$140 million. Quantity and value of coffee export in the first 6 months all decreased as compared to the previous year. The export volume in the 6 months reached 664 thousand tons (-10.5 %), but the value was only \$925 million (-16.2%). The world coffee supply is predicted to drastically increase this year, far exceeding the possible consumption of the market and leading to reduced prices. Increased consumption of Vietnam's coffee was seen in most of its big market, particularly Belgium (the biggest consumption market in the same period of last year) decreased to about 80% of volume and value and dropped the 6th position.

(iii) Tea export in 6 months of 2010 is estimated to reach 52 thousand tons with turnover of \$70 million, decreasing by 1.7% in volume but increasing by 6.2% in value as compared to the same period of last year.

(iv) Cashew nut export in June is estimated to reach 15 thousand tons with turnover of \$80 million, bringing the export in 6 months of 2010 to about 77 thousand tons with turnover of \$405 million, equal to the volume of last year but the turnover increase by 20.2%. the cashew nut price continued to go up, the average export price in 5 months reached \$5,284 /ton (increased by 19.5% compared to the same period of last year). The increase volume and value were found in most big markets such as the US – the top consumption market – increasing by 11.78% in

volume and by 38.85% in value, Netherland: 14.55% and 23.78% respectively, and China saw dramatic drop, only 2/3 of the same period of last year.

(v) Pepper export in June is estimated to reach 15 thousand tons with turnover of \$50 million, making the pepper export in 6 months to be about 75 thousand tons with turnover of \$234 million, increasing by 9,0% in volume but fast increasing by 47.3% as compared to last year. Pepper export price in on the increasing trend because of no sign of reduce demand. The pepper export price in 5 months averaged at \$3,097/ton, increasing by 33.4%. In the 6 months, most of exports to markets were increased. The top market is still the US, followed by Germany, with a proportion of approximately 14% of the total pepper export value.

(vi) The export turnover of wood and wood products in June is estimated at \$240 million, bringing 6 month export turnover to \$1.48 billion, increasing by 30.8% as compared to the same period of last year. Markets for wood and wood products export in the 6 months are still in favourable conditions, the US is still leading market for Vietnam with 39.8% of market share, followed by Japan with 12.5% of market share.

(vii) The turnover of aquacultural products export in June is estimated to reach \$370 million, making the 6 months export turnover reach \$1.7 billion, increasing by 13.1% as compared to the previous year. The top consumption market for Vietnam's aquaculture products is till the EU with \$420 million (25.5%), followed by Japan (18.0%), and the third is the US (17.1%). This year, the three markets made an optimistic increase of about 20% as compared to the same period in 2009. For 5 months in 2010, the highest value proportion for export is shrimp (frozen and processed) with the value of \$558 million, increasing by 27.1%. Exports of tra and basa fish took the second position, with an export volume of 250 thousand tons and the turnover of \$536 million (increased by 21.24% in volume and 13.17% in value as compared to the same period of last year.

(Source: CIS-MARD)

Total funding from the Official Development Assistance (ODA) in the first 6 months in 2010 of the sector valued at \$120 million

According the report from the International Cooperation Department, in the first 6 months, the Ministry of Agriculture and Rural Development approved 17 project with the total ODA funding of \$120 million,

an increase of more than 200% as compared to the same period in 2009 (\$31 million) which reached 51% of the annual plan (statistics indicated in the below table)

ODA PROGRAMMES/PROJECT APPROVED IN FIRST 6 MONTHS IN 2010

No	Title	Donor	Type of ODA	ODA Agreement			
				Value			
				Agency	Exchange rate (origin currency / VND)	ODA fund (original currency)	Converted (million VND)
1	Project "Strengthen network of feedback to policies for rural development in Vietnam", funded by IFAD, Total fund: 200,000 USD;	IFAD	NON-REFUND	USD	19.000	200.000	3.800

2	Project "Improve livelihoods for poor livestock farmers through enhancing fodder cropping in Vietnam", funded by IFAD. Total fund: 19,171 USD	IFAD	NON-REFUND	USD	19.000	19.171	364
3	Phuoc Hoa Irrigation project (last 6 months in 2010 will complete all procedures for receiving and implementing the technical assistance of 200,000 USD from AFD for preparation of loans contents for the second phase).	AFD	NON-REFUND	USD	19.000	200.000	3.800
4	Project "Support to flower planting sector in Vietnam"	FAO	NON-REFUND	USD	19.000	470.000	8.930
5	Approval of project documents "Strengthen food hygiene and safety and animal quarantine (SPS) in Vietnam for commerce – Improve quality and safety of fresh vegetables through accessibility to the value chain in Vietnam.	FAO	NON-REFUND	USD	19.000	533.770	10.142
6	Establish monitoring and evaluation system for management of agriculture and rural development sector, phase 2 (MESMARD-2)	Sweden	NON-REFUND	USD	30.000	2.675.235	80.257
7	Poverty reduction through livestock development in Northern Vietnam (PALD)	Sweden	NON-REFUND	Euro	30.000	217.769	6.533
8	Forestry conservation programme	Japan	NON-REFUND	Yên	190	4.000.000	760
9	Project "Capacity building for adaptation to natural disasters in Central Vietnam"	Japan	NON-REFUND	USD	19.000	4.900.000	93.100
10	Project "Improve the extension system through applications of more effective farming system and cropping techniques for the poor in Mekong Delta region"	Japan	NON-REFUND	USD	19.000	3.889.535	73.901
11	Forest conservation programme (4 million USD) – technical assistance: 65,000 USD	JICA	NON-REFUND	USD	19.000	65.000	1.235
12	Sustainable management of watershed forests in Northeastern Vietnam (3 million USD)- technical assistance: 50,000 USD	JICA	NON-REFUND	USD	19.000	50.000	950
13	Project "Strengthen planning capacity of MARD (2.675 million USD)	Sweden (SDC)	NON-REFUND	USD	19.000	2.675.000	50.825
14	Project "Poverty reduction through livestock development in mountainous Northern Vietnam: 217,769 EURO	Sweden (SDC)	NON-REFUND	Euro	24.700	217.769	5.379
15	Project "Strengthen food hygiene and safety and animal quarantine (SPS) in Vietnam for commerce – Improve quality and safety of fresh vegetables through accessibility to the value chain in Vietnam. Total fund: 533,770 USD;	WB	Loans - Combined	USD	19.000	533.770	10.142
16	TA for the project "Enhance irrigation management and improvement of irrigation system". Total value: 683,648 Euro (about 847,000 USD);	ADB	Loans - Combined	EUR	24.700	683.648	16.886
17	Loans added to the project "Phuoc Hoa Irrigation" ongoing, funded by ADB: 85 million USD	ADB	Loans - Combined	USD	19.000	85.000.000	1.615.000
18	Loans added to the project "Clean water and environmental hygiene in Red River delta rural areas" (In 2009, proposed additional 50 million USD)	WB	Loans - Combined	USD	19.000	15.270.000	290.130
Total (million Vietnam Dong)							2.272.134
Total (millionUSD)							120
	including:					Loan - combined (million VND)	1.932.158
						Non-refunding (million VND)	339.976

(Source: ICD-MARD)