

IN THIS ISSUE

Food and agricultural products quality development and control project (fapqdc) - promoting the quality, safety and value of agricultural products

(Page 1-2)

Sweden to strengthen cooperation in environment and climate change

(Page 3)

Relationship between development and industrialisation

(Page 4)

Pilot insurance scheme for agriculture in 2011-2013

(Page 5)

Gap - value and trademarks of Vietnam's agriculture products prospects and challenges

(Page 6)

Necessary investments for agricultural science, technology and successful implementation of the decree no. 115

(Page 7-8)

FOOD AND AGRICULTURAL PRODUCTS QUALITY DEVELOPMENT AND CONTROL PROJECT (FAPQDCP) - PROMOTING THE QUALITY, SAFETY AND VALUE OF AGRICULTURAL PRODUCTS



Canadian experts are sharing experiences in application of the process to practice safe vegetable production in Canada with Vietnam's delegation

Quality and food safety of agricultural products have not actually ensured to create confidence for domestic and foreign customers. Thus quality improvement, food safety and values of agricultural products received priority attention from the Government of Vietnam as well as other related agencies.

In the cooperation programme between Vietnam and Canada, the

Government of Canada through the Canadian International Development Agency (CIDA) has provided financial and technical assistance for Vietnam's agencies to develop the project Food and Agricultural Products Quality Control (FAPQDCP) within 5 years (from 2008 to 2013).

The FAPQDCP goal is to support the improvement of quality and food safety and marketability of the

agricultural products system through strengthening management and application of good production and processing practice, supervision and expansion of agriculture product markets.

Mr. Nguyen Nhu Tiep, Director of the Department on Quality of agro-forestry-fishery products and the Director of FAPQDCP project said that the approach to improving the quality, safety and hygiene under project implementation are: (i) Ensure food safety at each stage during the production and trading, (ii) Ensure that production facilities and products are checked properly, reliably and effectively, (iii) Apply measures of marketability for stable outputs, balancing benefits between producers, distributors and consumers; trade promotion, brand building, advocacy, providing information on awareness and knowledge of consumers, and (iv) developing a pilot model to apply the above measures, with assessments and adjustments on a scientific and practical basis; consolidation of lessons learned and replication.

According to evaluations, after all efforts, the final beneficiary is the

(Xem tiếp trang 2)



Project experts on a survey of agricultural products in a supermarket

Vietnamese consumers. They will be benefiting from access to agricultural products and foodstuffs of higher and safer quality. Besides, producers, processors, wholesalers and retailers in Vietnam in selected provinces will improve their "skills" to produce goods of high and safer quality.

Pilot models of safe vegetables in some provinces
Since its implementation, the project has carried out many activities:



Mô hình thí điểm rau tại Lâm Đồng
Develop and upgrade laboratories of appropriate standards suitable for product quality analysis, develop guidelines and training materials, and deployment of a pilot model. It is intended to implement the model of commodities groups such as vegetables, fruits, tea, pork and chicken in seven northern provinces, three provinces in central and five southern provinces.

In Lam Dong

The project is being implemented with three key components:

(1) Quality Development will assist farmers to apply the standards of good production practices, safety in the entire five-product-group production chain (vegetables, fruits, tea, pork and poultry) and piloted in 15 provinces;

(2) Quality Control to enhance the capacity of Vietnam's partners in

designing, supervision and quality control, food safety and hygiene according to the standards;

(3) Marketability is made throughout the food production chain based on the "from farm to fork" model to ensure product compliance with good production practices(GPPs)



FAPQDCP experts looking at the vegetable growing area

According to producers about the implementation of the pilot model of safe vegetables in Phong Thuy, Duc Trong, Lam Dong province, "The technical support of the project in time is more practical for vegetable growers. Through training, technical assistance on application of safe vegetable production has helped raise the awareness of food safety, gradually building the brand, improving product value, giving higher profits so as to improve life for our farmers".

Talking about the project results in recent years, Vice Minister of Agriculture and Rural Development Luong Le Phuong said: "... helping farmers find stable outputs for their Vietgap/ GMPs -applied products to ensure food safety and hygiene is one of the top priorities of the food and agriculture product quality development and control project".

In Tien Giang

Signing ceremony of cooperation



agreement to start a pilot model of good producing practice (GPP) applications for oranges, mangoes in Cai Be district, Tien Giang province. The project will develop quality assurance programmes and quality control system developed in the first year and will apply in practice, as well as mass testing of the of the project relevance.

In Hanoi

The Project implemented the pilot model of good producing practice (GPP) applications for vegetable products,



pork and chicken, from production to consumption, on the basis of experience and replication. People's Committee of Hanoi is responsible to direct the departments concerned to participate in the implementation plan and monitor the project. The Department of Agriculture and Rural Development Hanoi is assigned to be the focal point in charge of the implementation of the pilot model in the area.

Cooperation agreement signed to implement a pilot model applying Good Agriculture Practices (GAP) in Thanh Hoa province

Most recently, on 17 September 2010, at the provincial Department of Agriculture and Rural Development of Thanh Hoa, the Ministry of Agriculture and Rural Development and the Thanh Hoa's People's Committee signed the cooperation agreement to implement a pilot model applying Good Agriculture Practices in the province within the framework of the Project on formulation and controlling of agro-products quality, funded by the Canadian International Development Agency (CIDA).

The signing of the cooperation agreement aimed at effective



coordination between the Ministry of Agriculture and Rural Development and the PPC in directing and guiding the relevant departments and sectors to take part in the pilot model of applying good pharmacy practice (GPPs) for safe vegetables, pork and chicken meat in the province, including application at all the stages

from farm production to circulation, in order to find appropriate methods to ensure feasibility, and actual ability to ensure economic efficiency; from which to expand the application of GPPs in other production areas of the province.

(T.H)



An Giang Provincial People's Committee and Vietnam Institute of Science and Technology signed a memorandum of understanding on cooperation with the Swedish Embassy in environment and climate change, in the period 2010 -2013, (27/05/2010)

The mutual cooperation includes:

- Strengthening exchange of information and experiences relating to environment and climate change among the partners.
- The areas of cooperation include: (i) wastewater treatment at the plants processing marine products with micro-biological technology and use of biogas technologies to convert wastes into electrical energy in An Giang province, (ii) processing agricultural wastes from rice husks; (iii) support potential partners to get access to the available programs on environment and climate change in Sweden and other Nordic countries, (iv) support training on environment and climate change.

After the workshop, a proposal has been made, that is, the B4D-CE Programme in Vietnam. The Swedish Trade Council, Sida and the Swedish businesses in the field of biomass, will be the agents closely linked to the B4D-CE program. The main activities of the B4D-CE in the Centre of Excellence (COE), include:

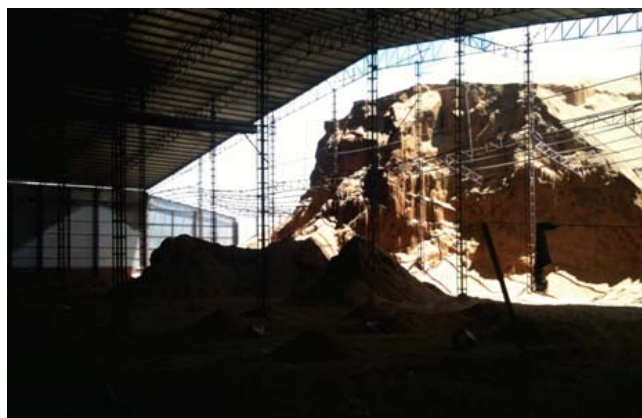
1. Market Development: Building at the same time a number of projects and foremost the ones for the Swedish businesses.

SWEDEN TO STRENGTHEN COOPERATION IN ENVIRONMENT AND CLIMATE CHANGE

2. Capacity strengthening: Implementation of a program or a few programs for both State-owned and private enterprises in Vietnam.
3. Technical support: The experts will assist when needed
4. Formulating start-up projects: The feasibility studies, the actual budget

To Vietnam, the Cuu Long River Delta truly has the greatest potential of rices, and therefore massive amounts of husks should be treated, not only for energy but also for environmental purposes. Results of recent surveys by the Mekong Institute of Research and Development, the rice husks are used only for cooking, composting and other things. Modifying rice husks into electrical energy will be very important for the environment and creates a source of power supply to this region. However, this is really a big challenge for investment in biomass as well as investment in agriculture in general.

(N.M.V)



(Tạm trữ vỏ trấu ở nhà máy xay An Giang)

INVESTMENTS IN AGRICULTURAL DEVELOPMENT - A GOOD SOLUTION TO PROMOTE ECONOMIC DEVELOPMENT



Dr. Dang Kim Son, Director of the Institute for Policy Strategy for Agriculture and Rural Development

"Agriculture development = sustainable growth" is stated in the contents of the "Economic Times Round Table, No. 09/18/2010" by Dr. Dang Kim Son. 1% GDP of increased demand for agriculture will increase 1.2% GDP of the country. Investments in agriculture will create the strongest impact on GDP growth of the entire economic sector. The Vietnam's practice has shown that in the difficult period of the country's economy, appropriate policies were enacted, investments in agriculture

increases, its contribution to GDP usually increases, significant offset is made to maintain the country's economic growth.

Moving into the development process of industrialization, agriculture and rural economy continues to play a strategic role in the course of national development. Stable agriculture, food supplies and food stability maintained, price stability are factors maintaining low wages and contributing to poverty reduction, creating social stability, forming competitive advantages for Vietnam to attract foreign and domestic private investments.

With 70% of the population in rural areas and agriculture is an important source of income of almost social workers, the issue of jobs and increased incomes for the majority of the people, poverty reduction and social justice are the most important to ensure political stability. Additionally, agricultural exploitation and management of most land, water, biology ... therefore agricultural development is a measure to protect



environment and maintain ecological balance of national importance.

Therefore, to maintain high growth and stability, it must be ensured for agriculture, forestry, aquaculture to continue growing rapidly. It is necessary to have incentives to attract farmers and social investments, to increase public investments and adjustments of the balanced investment structures among key infrastructure groups such as irrigation and transport, big and small irrigation schemes, transportation and infrastructural development for marketing, support the family economy and private sector development

(Economic Times)

RELATIONSHIP BETWEEN DEVELOPMENT AND INDUSTRIALISATION

The government is intended that by 2020 Vietnam will be basically an industrialised country. Over years, agriculture is still an important driving force for economic development in Vietnam, but social capital for agriculture, forestry and fisheries sector has not matched. Another question is whether agriculture will stand in any position and will suit any scenario for the agricultural development in Vietnam?

The crisis in world agricultural prices in 2008 has shown that the socio-economic development in the world has entered a new phase. With increasingly depleted natural resources, complicating climate change, continuing increased



population and income of countries around the world, it is likely that agricultural products in general and food/foodstuff in particular will increase in future. By the mid-21st century, food production in the world must double to meet the demand. Agriculture sector will become an effectively economic and political power. Vietnam with its agricultural advantages can become an industrialised country with a relatively high proportion of

agriculture, according to Dr. Dang Kim Son, Director of the Institute of Policy and Strategy for Agriculture and Rural Development.

But as the Deputy Minister of Agriculture and Rural Development Ho Xuan Hung said, the "industry gets to pay the debt for agriculture" is a very legitimate request. "Debt payment" by using industrial impacts on agriculture through applications of science and technology and working style and in profits made from the industry to pay for the agriculture. Using urban areas to lead rural areas, not only in the planning and infrastructure but also changing thoughts for new life, overcoming difficulties in economic integration. Enterprise associated with farmers would be a good way to mobilise resources and farmers effectively linked to markets.

(Hai Van)

The Ministry of Finance (MOF) has announced the draft decision of the Prime Minister on the implementation of a pilot insurance scheme for agriculture from 2011 to 2013. The insurance coverage include: paddy, buffaloes, cattle, pigs, poultry, catfish (*ca tra*), basa fish (*ca ba sa*), *Penaeus monodon* (*tom su*), *P.vannamei* (*tom chan trang*). For paddy insurance, the insurance scheme is piloted in provinces of Nam Dinh, Thai Binh, Nghe An, Ha Tinh, Binh Thuan, An Giang, Dong Thap. For buffaloes, cattle, pigs and poultry, the scheme is trialed in Bac Ninh, Nghe An, Dong Nai, Vinh Phuc, Hai Phong, Thanh Hoa, Binh Dinh, Binh Duong and Hanoi.



Vietnam is a country of agricultural production with up to 70% of the population in rural areas. Recently, each year, natural disasters and diseases on crops and livestock take away from 13 to 15 trillion VND. Meanwhile, only 200 - 400 billion VND (not including the local budget) is allocated from the annual state budget to help farmers deal with diseases. Buying insurance of farmers for their crops and livestock will partly reduce the uncertainties and risks of a natural disasters or epidemics which usually occur in Vietnam.

Agricultural insurance is not a new problem. It has been applied effectively in almost countries of advanced agricultural production. But in Vietnam, the popularity and efficiency of implementation is something to think about. According to MOF, the proportion of insured farmers is very low, less than 1% of

PILOT INSURANCE SCHEME FOR AGRICULTURE IN 2011-2013

the total area of crops and livestock. Every natural disaster, disease outbreak, the source of support for people completely comes from the State. Involvement of business enterprises in agricultural insurance is very low and small.

The reason is that farmers are worrying about poor assessments by enterprises and not timely support. In addition to the fragmented nature of production, farmers do not have a habit of buying insurance and do not understand what it means to buy insurance, so they are reluctant to buy. Moreover, people do not have a habit and not knowing much about agricultural insurance.

Meanwhile, enterprises are afraid of riskiness because agriculture is so large and it is difficult to see profits like in other economic sectors. According to insurance experts, if it is about doing business of insurance alone, no enterprises will be interested in agriculture insurance because it is too risky. Therefore, to make successful agricultural insurance, there is no other way to balance interests of both sides: For farmers it is expected to reduce risks in production; for enterprises it is expected to meet the profits. In this condition, the State's support through policies and appropriate preference play a very

important role because agricultural insurance is of highly social nature and it is very difficult to implement successfully if the State does not build a standard policy.

On the other hand, it is necessary to disseminate communications to farmers so that they can understand obligations for farmers and their interests when buying in agricultural insurance. They will have to deduct a portion of income for agricultural insurance when selling agricultural products, but when there are the crops failures or depreciation, insurance will cover these losses.

According to the draft, when poor agricultural farm households take part in the pilot agricultural insurance scheme they will be supported by 90% - 100% premium. Households and individuals which are not considered poor are supported by 60% - 70% premium. Organizations of agricultural production are supported by 50% premium. Besides, the type of damages/losses caused by natural disasters and diseases in agriculture, such as typhoons, floods, droughts, harmful coldness/chill, frost ... and diseases such as avian influenza, PRRS, and FMD, aquatic diseases of shrimp, catfish, epidemic of brown planthoppers, yellow dwarf and leaf curl in paddy rice.. . will be covered with priorities.



Farmers saving their rice

Implementation of agricultural insurance is intended to help ensure social security in rural areas, improve operational efficiency of insurance markets and help agricultural producers overcome losses due to consequences of natural disasters and disease.

(NTT)

GAP - VALUE AND TRADEMARKS OF VIETNAM'S AGRICULTURE PRODUCTS PROSPECTS AND CHALLENGES



Mekong Delta is deploying GAP models - The process of good agricultural practice - (GlobalGAP; VietGAP, EUGAP) which are relatively successful in the country. GAP creates branding and increase values



Hoa Loc sweet mango produced in line with VietGap standards. Photo: K.Q

of agricultural products such as: GlobalGAP rice of My Thanh Nam, Cai Lay district, Tien Giang province, Lo Ren Vinh Kim star apples (Vinh Kim, Chau Thanh district, Tien Giang province), Hoa Loc mango, Nam Roi My Hoa grapefruit (Binh Minh, Vinh Long province) meeting GlobalGAP standards... The GAP standards have difficult conquest in orchards, rice fields in the Mekong Delta and proved its effectiveness and values of the standards, but still have things to consider.

Maintaining and replication of models

Mr. Nguyen Van Nghia, Vice Chairman of My Hoa grapefruit Cooperative

(Binh Minh, Vinh Long) said: To achieve Global GAP certification, 26 households engaged in the production must spend efforts and investments although fundings for implementation were provided by Metro Cash Ltd

However, this certificate is valid for only one year. After that period, experts must be invited to test and re-issue this certificate of 2-year validity. For the inspection fee of about USD7,700, Vinh Long province has granted USD4,000, the Red Dragon Company has promised to support the cooperative for the testing charge to invite for the Global GAP re-testing and re-certification. According to Le Van Bien, Deputy Head of the Binh Minh Agriculture and Rural Development - Vinh Long province: For Global GAP to expand and develop, there must be businesses to products consumption and funding support for re-testing to farmers. Roles of business in the Global GAP issue from now on are very important.

No movement of GAP

On 10 September 2010, at the Conference Center in Tien Giang Province, the National Agricultural Extension Center held the fifth forum "Extension @ Agriculture"-2010 on "rice production under GAP". The forum was attended by chaired by Vice Minister of Ministry of Agriculture and Rural Development Bui Ba Bong and more than 300 delegates

including managers, scientists, businesses, companies and farmers in the Mekong Delta provinces.

Delegates agreed that "the important experience shows that there should be businesses in charge of consumption because if there is not, GAP products will be also in the same situation of rice and farmers have no longer the capital to GAP re-certification each year. Thus, the link of managers, scientists, enterprises and farmers is essential".

Talking about the four relationships in GAP production, MARD Minister Bui Ba Bong stressed that the relationship between enterprises and farmers should have a common agreement on a basis that farmers should have higher benefits because they are product producers, and it is followed by enterprises. The Deputy Minister expresses his wish to farmers to have bumper crops and more importantly to sell their products at a good price, to become rich and to make the face of new rural development spacious and modern...

GAP is not only applicable for exports but for consumers in Vietnam and is the inevitable direction of Vietnam's



agriculture. Sharing risks of those who involved in GAP but no consumption by enterprises, the Vice Minister Bui Ba Bong, said: "Production in the direction of GAP is needed and encouraged. Development to achieve GAP certification, particularly international certificates is very costly, not doing movements, and should be considered

in different perspectives of production...." According to Prof. Dr. Bui Chi Buu - Director of the Southern Institute of Agricultural Sciences, Vietnam's agriculture must be directed to GAP and the organic agriculture to order to have a sustainable development and environmental protection. (NTT)



Many Millenium Development Objectives achieved ahead of deadlines

Hanoi, 17 Sept 2010, the Ministry of Planning and Investment in coordination with the United Nations in Vietnam held a ceremony to announce the report Millennium Development Goals (MDG) in 2010: many goals archived by Vietnam ahead of deadlines.

In the context of 10 years ago, Vietnam's economic growth was relatively good and stable. The growth rate of GDP per year during 2000-2010 is at 7.2%, GDP per capita in 2010 is estimated at USD 1,200, 3 times higher than that of 2000. By archiving this, Vietnam has moved from the group of poorest countries to the group of low average income levels.

Evaluating the 10-year journey implementing Vietnam's commitments to the MDGs, Mr. John Hendra - the UN Resident Coordinator in Vietnam said that Vietnam has obtained impressive achievements in the implementation of MDGs and has achieved many goals ahead of 2015 deadline. That is, Vietnam has been successful in poverty reduction (MDG 1), close to achieving universal primary education (MDG2), improving maternal health (MDG 5), reducing child mortality (MDG 4) and achieved much progress in gender equality and empowering women (MDG 3).



One of the major challenges to countries as well as to Vietnam is to ensure the MDGs can be achieved equally between the regions, for all subjects and especially disadvantaged groups, in the conditions of unfavorable fluctuations of the global economic situation and the problem of climate change.

(N.T.T)

NECESSARY INVESTMENTS FOR AGRICULTURAL SCIENCE, TECHNOLOGY AND SUCCESSFUL IMPLEMENTATION OF THE DECREE NO. 115

*Mr. Nguyen The Hinh, Msc,
Deputy Director of the Agriculture Projects Management Board
And Director of the Agriculture Science and Technology Project*

Promulgation of the Decree No. 115/2005/ND-CP has opened a promising door to new scientific research agencies active in the service of production and raising incomes for the scientists,

thereby strong motivation for the development of agricultural science and technology. This is a right policy of the Party and the State. However, after five years of implementation, most of the research

agencies of agricultural science and technology are still facing difficulty, not really actively escaping from the constraints of the subsidy mechanism. This has partly to the psychological impact of scientific research in

(Xem tiếp trang 8)

NECESSARY INVESTMENTS FOR



particular and the development of agricultural science and technology in general. This article analyses the desired portion of the difficulties in research agencies in the transformation mechanism in light of the Decree No. 115 and the necessary investments in agricultural science and technology in the future.

Looking from the research institutes of MARD, the implementation of Decree No. 115 seems to only come from the higher level requiring to take the initiative in terms of finance, self-funding, reduced subsidy from the State,... However, necessary conditions for successful implementation of Decree No. 115 for academic institutions are still very limited, namely: (i) take the initiative in personnel and machinery - some institute said that the initiative of directors is much reduced after joining the Vietnam Institute of Agricultural Sciences (VAAS), these institutes became a three-level agencies, not proactive decision-making to send their officials to study and exchange of research abroad, fundings for operational activities, the research subjects are to be realized through another level. ..., (ii) take the initiative on financial mechanisms - if research institutes want to have jobs under the market mechanism it is necessary to have a very flexible financial mechanism and financially autonomous like businesses. However, in the first stage of transformation under the Decree No. 115, research institutes still need

funding sources to support early stage before moving on to real market mechanisms. However, this initial budget has been strictly managed in terms of spending mechanisms leading to the situation that these institutes do not have the opportunity to practice the management mechanism of transformation under the spirit of Decree No. 115. Some research institutes are looking for participation in competitive bidding that can also be placed under financial management by budget and scientists are controlled by the financial mechanism to bind both sides: bid offer agencies and authorising agency.

From the market perspective for scientific and technological research: the present, the order requires scientific and technological research from the private sector which remains very limited. The research conducted by the institutes is primarily derived from the state budget and ODA projects.

This comes from two main reasons: (i) In the recent past, state research agencies were operational under the state subsidy, as research subjects were asked by the state, not really go into actual production, not suggest more research subjects which are really profitable for businesses, (ii) The majority of private enterprises in Vietnam are still small, not enough potential for investments in science and technology research activities.



However, with mechanisms for equitisation and enterprise development stimulation by the Government, the private sector is growing very quickly. Therefore, this time, the research institute needs the support and the request of research topics from the state under a new method, in accordance with market mechanisms to facilitate research and development institutes to be self-controlled in the market oriented mechanism in order to be ready for production by enterprises in the near future.

In summary, the implementation of Decree No. 115 for academics is going like leaving the subsidy mechanism of the late 80th century, and this causes inevitable psychological confusion



and brain loss, and damages caused by confusion in the transformation, ...

Nevertheless, this is a right policy of the Party and the State and this needs supports of the research agencies, the care and help from management agencies, especially the state financial management agencies and the support of donors. Currently, for the ODA funding support of Asian Development Bank (ADB) for agricultural science and technology, although it is not large, it has proved highly effective in an active way to test the new mechanism in order to prove the correctness of Decree No. 115 for the future development of research institutes.

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Comments are welcome at ISG Secretariat - Room 207-209, BLD A8, No. 10 Nguyen Cong Hoan, Ba Dinh, Ha Noi
Tel: 04 37716 702 ❖ Email: isgmard@fpt.vn ❖ Website: www.isgmard.org.vn