



## Interventions along the value chain - experience exchange - Workshop

5<sup>th</sup> May 2016

Army Hotel, 33C Pham Ngu Lao Street, Hanoi



## Interventions along the value chain - experience exchange - Workshop

**Date:** 5<sup>th</sup> May 2016

**Location:** Army Hotel, 33C Pham Ngu Lao Street, Hanoi

### **Objectives**

- To learn from other project/initiatives in Vietnam on development of safe value chains
- To share experience on branding, certifications, safer food initiatives

### **Summary:**

The meeting brought together a range of researcher, development project and private business representatives involved in food safety and the improvement of value chains (vegies, fruit and meet). Five projects/initiatives were presented and discussed. One more initiatives provided feedback by email being unable to join the workshop. Some of the key learnings involved included:

- Importance of engaging with all value chain actors and facilitating ownership from them to address food safety improvement
- Gaining support and working with local authorities to increase success of the food safety interventions
- Ensuring that there are sustainable and long term incentives for value chain actors to undergo behavioural change

The workshop also discussed some of the major challenges faced in improving food safety in Vietnam. These challenges included:

- Lack of consumer trust in current certification and branding schemes for food safety
- How to balance the increased cost of food safety interventions across all actors in the value chain

None of the initiatives was able to share strong evidence on actually improved food safety.

Based on the inputs of presenters a table summarizing details for each initiative was developed (see annex, table 1). The annex also contains the list of participants and agenda (Table 2 & 3). PDF files of all presentations can be shared on request.

### **Workshop notes:**

#### **Welcome note from Ms Nguyen Thi Thanh An (ACIAR Country Manager)**

- Anh shared experience of working with some Australian companies and researchers- single solution technologies are often not enough in the changing and complex world.
- The importance of learning and sharing from different ACIAR projects to further improve the outcomes.
- Anh would see that in the future we continue to collaborate and share information between ACIAR projects

#### **Introduction: Fred Unger, ILRI**

- Aim is to learn from other projects about challenges and solutions for food safety
- Use this as a learning opportunity for development of interventions
- In the line with An (ACAIR) Fred express the hope that this initiated process will be continued and lead to more experience exchange in the future

#### **Introduction: Delia Grace, ILRI**

- ILRI has worked for 10 years in the pork value chain in Vietnam
- This is first time that different projects have come together so it's very valuable
- Food safety is very important- food borne disease ranked in top 2 of public concerns

- High burden of food borne disease (FBD) – WHO report from Dec 2015 found that FBD ranked equally in terms of burden with malaria, TB and HIV. South East Asia has the second highest FBD burden following Africa region.
- Most commonly consumed products are staple food such as rice and maize- but often it is the animal sourced food and produce such as fresh food and vegetables that provide the most significant burden in terms of FBD
- In different countries and regions- high levels of hazards have been found. But the actual risk varies widely.
- Solutions for mass markets: may not always be logical e.g. Commercial farms are not always safer than small scale producers, or commercial vendors versus supermarkets etc.
- Solutions to tackle food safety in these markets is still a challenge
- ILRI has been very strong in the identification of food safety issues but more to be done in addressing these issues.

#### **ACIAR funded PigRISK, Fred Unger (ILRI)**

- Consumer concerns on food safety
- PigRisk project overall objective: reduce food safety risk for consumer and improved income opportunities
- Location: Hung Yen and Nghe An, time: 2012-2017
- Assessment phase (value chain, food safety risk) followed by interventions

##### Key messages:

- There is a food safety issue and FBD burden identified in the pork value chain (Salmonella)
- Risk factors and risky behaviours for FBD have been identified in the Pork Value Chain.
- Key animal health constraints associated with smallholder pig producers have been identified

##### Challenges:

- How to provide safer pork in a resource poor environment (small scale informal sector)
- Conventional methods (western standards) to improve food safety may not be effective
- What are appropriate incentives and are planned innovations scalable?

#### **NIAS (Pig Project): Le Thi Thanh Huyen**

- Location: Son La, Time: project is closed
- Son la province uses mainly local breeds to supply local markets
- Pork value chain is unsystematic with only poor quality control
- Local pigs have a prime price for sell but lower daily growth rates
- Major motivation for farmers to join cooperatives was improved breeding
- Project formed a cooperative group and a slaughterhouse that would have a certain standard of checking and monitoring
- Farmers wanted to be sure on market demand before providing meat or extra pigs
- Project tried to link to private suppliers to create market for pure Ban pigs to Hanoi

##### Key conclusion:

- Market availability is an important factor to influence smallholder pig production
- Group-working and actively accessing stable niche markets can promote local pig producers
- Branding was identified as very important to maintain sustainability

The discussion pointed out that the actual amount of sold local pigs to Hanoi is very low with two 2 pigs/week. This seems to be one of the main challenges in terms of sustainability. Evidence on safer pork wasn't provided.

#### **CASRAD: Beef value chain**

- Inputs related to the ACIAR funded beef value chain project in Son La were provided by Ms. Nguyen Thi Phuong prior to the meeting by email (see annex, table 1)

## **LIFSAP Hai Phong (Trinh Thi Kim Anh)**

Objective: to improve livestock production and address food safety and environment impact

Key components and achievements:

- Training and agriculture classes
- Financial support to improve animal houses/stable (1116 smallholder)
- Certification: 1471/1600 got VietGAHP certificates
- Farmers' cooperative groups establish
- Improved slaughterhouse facilities (34) and markets (29)

Challenge:

- Not able to differentiate between VietGAHP and none VietGAHP
- Don't fully trust VietGAHP certified product
- Consumer may react negatively when disease reports or harmful substances

Recommendations:

- Balance economic gains between various VC actors
- Further establish cooperative model
- Contract linkages should be stronger between producer and traders

## **Bac Tom, Retail Stores: Tran Manh Chien**

- Company was founded in 2010 on the principle of being loyal to sourcing safe food.
- Bac Tom- to show trust and easy to attract the link consumers with honest branding.
- Brown as the major colour to remind that food comes from the soil
- Meanwhile 16 stores in Hanoi and some home delivery via social media
- Target natural foods- no procurement from industrial farms, procurement directly from farms.
- 60% of vegies are "organic" and 40% are "clean"
- Strong links to NGOs and government
- Consumers prefer fresher meat so Bac Tom CEO recounts experience that frozen meat is less popular than chilled meat

Bac Tom has a specific technical adviser team that is responsible for Quality Assurance and they primarily stay in the field to do this duty

Knowledgeable staff which can directly response to buyers concerns for trust gain.

Challenges:

Trust gained in the store with no certification system for organic farming yet in Viet Nam

- Quality control and certification by government are not trusted by consumers (80% consumers do not trust national certificates)
- The majority in the market cannot be traced
- Consumers get used to open and convenient markets

Recommendations:

- Increasing concerns of clean foods thanks to an improved media and income – an opportunity
- Standards and certification systems for small farmers groups should be available
- Certification bodies should be empowered to be trusted by consumers
- Particular need to provide these solutions for small farmer and farmer groups
- More investment in promoting and marketing

## **Moc Chau Safe Vegetables Project (presented by ACIAR on behalf of FAVRI/NOMAFSI):**

### Key question:

- How to make 'big' producers from many small-scale ones?
- How to ensure the quality and safety of vegies produced by 'big' producers?
- How to link 'big' producers with retailers in Ha Noi?
- How to earn trust of Ha Noi consumers and how to scale-up/scale-out?

### Achievements:

- Survey was done on the consumer preferences to show they value freshness and safety of their foods
- Identified that consumers in Hanoi are willing to pay higher prices for safely produced fruit and vegetables
- Start by developing links between farmers with the aim of forming a farmer group and cooperative- develop joint group regulation and group capacity, internal inspection from these farmers groups.

### Lessons learned:

- Also key to link the farmers with retail markets in Hanoi
- Partnerships, with local gov. and DARD and among the project's partners
- Empowerment and leadership of the farmers' cooperatives
- Links to local gov. programs, link farmers and district officials
- Start from small and simple
- Economic benefits for all

## **Acknowledgement**

On behalf of the ILRI PigRISK the author of the report would like to acknowledge to all participants of initiatives for their provided valuable contribution as well as to the Donor representative Ms. Nguyen Thi Thanh An for the continued support. Special thanks go also to the PigRISK VNUA (Econ) team for their logistic support prior to the meeting.

## Annex

Table 1: Overview on initiatives invited for this workshop

	PigRISK	CASRAD	NIAS	NOMAFIS/ FAVRI	LIFSAP	BAC TOM
Value chain commodity	Pig value chain (small holder)	Beef value chain (small holder)	Native pig Value Chain (Small holder)	Vegetable value chain (smallholder)	Mainly focus on pig Value Chain	Vegetables, meat, fish.
Location	Nghe An Hung Yen	Son La	Son La	Moc Chau (Son La)	Hai Phong (but country wide)	Hanoi
Donor/ Funder	ACIAR	ACIAR	Upland program	ACIAR	World Bank	Private Industry
Start and end date	2012-2017	2011-2015	2001-2014	2011-2016	2010-Ongoing (phase 2)	Ongoing
Business model	n/a	n/a	Farmer to market linkages	Farmer to market linkages	Large scale development and infrastructure investment	Farmer to market linkages via private industry retailers
Involvement of government	Consultations with DARD, Policy makers at regional/commune level	NIAS, DARD,	NIAS, local government	Support from local government and regional policy makers	Significant support from government and World Bank (79 M USD phase 1)	n/a
Involvement of private sector	n/a	Qua Tram restaurant and safe food shops	Involvement of private sector in Hanoi. Restaurants and retailers selling premium native breed pork	Involvement of supermarket chain FiviMart; Big C; the Son Ha Company; and a chain of safe vegetable stores called Big Green	Small business and retailers (e.g. slaughterhouse ) Co-funding required	Yes. Completely private sector driven
Still active?	Ongoing  Assessment of pork value chain complete. Development of proposals for food safety interventions ongoing	Completed (2 <sup>nd</sup> phase just started) -Established 3 interest groups of farmers -Grass planting models developed -Appreciate quality of Son La beef -Design product logo, stamp	Completed. Some (1-2 pigs per week) sold in Hanoi currently	Ongoing	Yes	Ongoing Over 15 retailer stores. Expected to increase number of stores.

Reach: farmers/consumers	All stake holder in chain (farmers, collectors, slaughter houses, wholesaler, retailers, consumers ?	All stake holders in chain (farmers, collectors, slaughter houses, wholesaler, retailers, consumers)	Direct impacts on farmers via farm to farm linkages And linkage between farmers and market access in Hanoi	Direct impacts on farmers via farm to farm linkages And linkage between farmers and market access in Hanoi	Farmer groups established Limited outreach (e.g. 1% of all pig farmers)	Linkage of farmers and consumers via private retailers
Did it make food safer? Evidence?	Not directly (outcome for possible phase 2)	Not provided	Not provided	Not provided	Not shared during meeting	Not provided
Key strength	Collaborative approach with vets, public health and economic teams. First ever done cost of FBD and QMRA.	-High quality of Son La beef -Involvement of local authority	Linkages between farmers and market to improve livelihoods	Linkage between farmers to form cooperatives Linkage with market access through industry and private retailers in Hanoi	Infrastructure provision Rather large scale Government involvement	Private sector incentives using consumer concerns and habits to sustain business model
Key challenge	Identification of sustainable feasible incentives that can be applied to scale	-Small scale -No safe slaughter house -Farmers tradition and behaviour -High price (?)	Branding & certification to make project model sustainable. Low no. of sold pork in Hanoi (2/week)	Branding and certification to make project model sustainable -also ensure project certification systems are producing evidence for safer food.	Change of behaviour and practice of actors to improve food hygiene	Ensure that consumer trust is maintained and quality assurance systems have evidence for safer food
Key opportunity	Use risk assessment to identify evidence based changes in value chain to improve food safety.	-Great consumer demand -Habits of Vietnamese consumer (prefer local beef than other)	Provide market access for smallholder native pig farmers in major city markets	Possible model for improved food safety via collaborative approach from small holder farmers linked to strong and sustainable market	Wide scale approach and sufficient funding	Possible private sector model for improved food safety in competitive retail markets

**Table 2: List of participants:**

	Name of participants	Organization	Email address
	Nguyen Thi Phuong	Center for Agrarian Systems Research and Development (CASRAD) Vietnam Academy of Agricultural Science (VAAS) Website: <a href="http://www.casrad.org.vn">http://www.casrad.org.vn</a> Address: Km 9, Thang Long Avenue - An Khanh - Hoai Duc - Ha Noi	<a href="mailto:phuongcnak53@gmail.com">phuongcnak53@gmail.com</a>
	Nguyen Thi Tan Loc	Fruits And Vegetables Research Institute (FAVRI) Trauquy, Gialam, Hanoi, Vietnam Website: <a href="http://www.favri.org.vn">www.favri.org.vn</a> and <a href="http://Malica-asia.org">Malica-asia.org</a>	<a href="mailto:nguyen.thi.tan.loc@gmail.com">nguyen.thi.tan.loc@gmail.com</a> ; <a href="mailto:loc_favri@yahoo.com.vn">loc_favri@yahoo.com.vn</a>
	Le Thi Thanh Huyen	Department of Economics and Farming System; National Institute of Animal Sciences (NIAS) Thuy Phuong, Chem, TuLiem Hanoi- Vietnam	<a href="mailto:lehuyen1973@yahoo.com">lehuyen1973@yahoo.com</a>
	Trinh Thi Kim Anh	LIFSAP Hai Phong	<a href="mailto:kimanh.knhp@gmail.com">kimanh.knhp@gmail.com</a>
	Tran ManhChien	Bac Tom food store 11 Hoang Van Thai, Thanh Xuan District, Hanoi	<a href="mailto:raubactom@gmail.com">raubactom@gmail.com</a>
	Phung Minh Thuan	0907007108; 04.62944411; <a href="mailto:raubactom@gmail.com">raubactom@gmail.com</a> <a href="http://www.bactom.com">www.bactom.com</a> ; <a href="https://facebook.com/raubactom">facebook.com/raubactom</a>	<a href="mailto:thuan.bactom@gmail.com">thuan.bactom@gmail.com</a>
	Nguyen Thi Thanh An	ACIAR	<a href="mailto:an.nguyen@aciarc.gov.au">an.nguyen@aciarc.gov.au</a>
	Pham Duc Phuc	HSPH	<a href="mailto:pdp@hsph.edu.vn">pdp@hsph.edu.vn</a>
	Dang Xuan Sinh	HSPH	<a href="mailto:xuansinhck@gmail.com">xuansinhck@gmail.com</a>
	Steven Lam	HSPH	<a href="mailto:lams@uoguelph.ca">lams@uoguelph.ca</a>
	Duong Van Nhiem	VNUA	<a href="mailto:dvnhiem@vnua.edu.vn">dvnhiem@vnua.edu.vn</a>
	Pham Van Hung	VNUA	<a href="mailto:pvhung@vnua.edu.vn">pvhung@vnua.edu.vn</a>
	Nguyen Thi Duong Nga	VNUA	<a href="mailto:ngantd@gmail.com">ngantd@gmail.com</a>
	Nguyen Thu Huyen	VNUA	<a href="mailto:huyenquyet2002@gmail.com">huyenquyet2002@gmail.com</a>
	Delia Grace	ILRI	<a href="mailto:D.Grace@cgiar.org">D.Grace@cgiar.org</a>
	Fred Unger	ILRI	<a href="mailto:F.Unger@cgiar.org">F.Unger@cgiar.org</a>
	Max Barot	ILRI	<a href="mailto:M.Barot@cgiar.org">M.Barot@cgiar.org</a>
	Le My Hanh	ILRI	<a href="mailto:H.Le@cgiar.org">H.Le@cgiar.org</a>



**Table 3: Agenda**

<b>Time</b>	<b>Description</b>	<b>Comments</b>
9:30 – 9:45	Opening, Introduction and objectives	An Nguyen, ACIAR Fred Unger and Delia Grace
	Coffee and tea	
9:45 – 11:00	Presentation by ILRI and invited representatives of various projects: ILRI PigRisk CASRAD NOMAFIS/FAVRI NIAS (local pig) NIAS (beef) LIFSAP Hai Phong BAC TOM	10 minutes introduction of each imitative and discussions
11:00 – 12:00	Group discussion on safer value chain, branding, certification and successful market access	2 groups
12:00 -12:30	Feedback and wrap up	Fred Unger/Delia Grace
<b>12:30 – 14:00</b>	<b>Lunch</b>	