



AGRICULTURE RESTRUCTURING: TOWARDS HIGHER GLOBAL COMPETITIVENESS AND FOOD SECURITY: CASE OF VIETNAM



Dr. Nguyen Van Bo, VAAS and ACIAR's PAC

Presentation prepared at the 2014 Crawford Fund Meeting on
ETHICS, EFFICIENCY AND FOOD SECURITY: Feeding the 9 Billion, Well
27 August 2014, Canberra

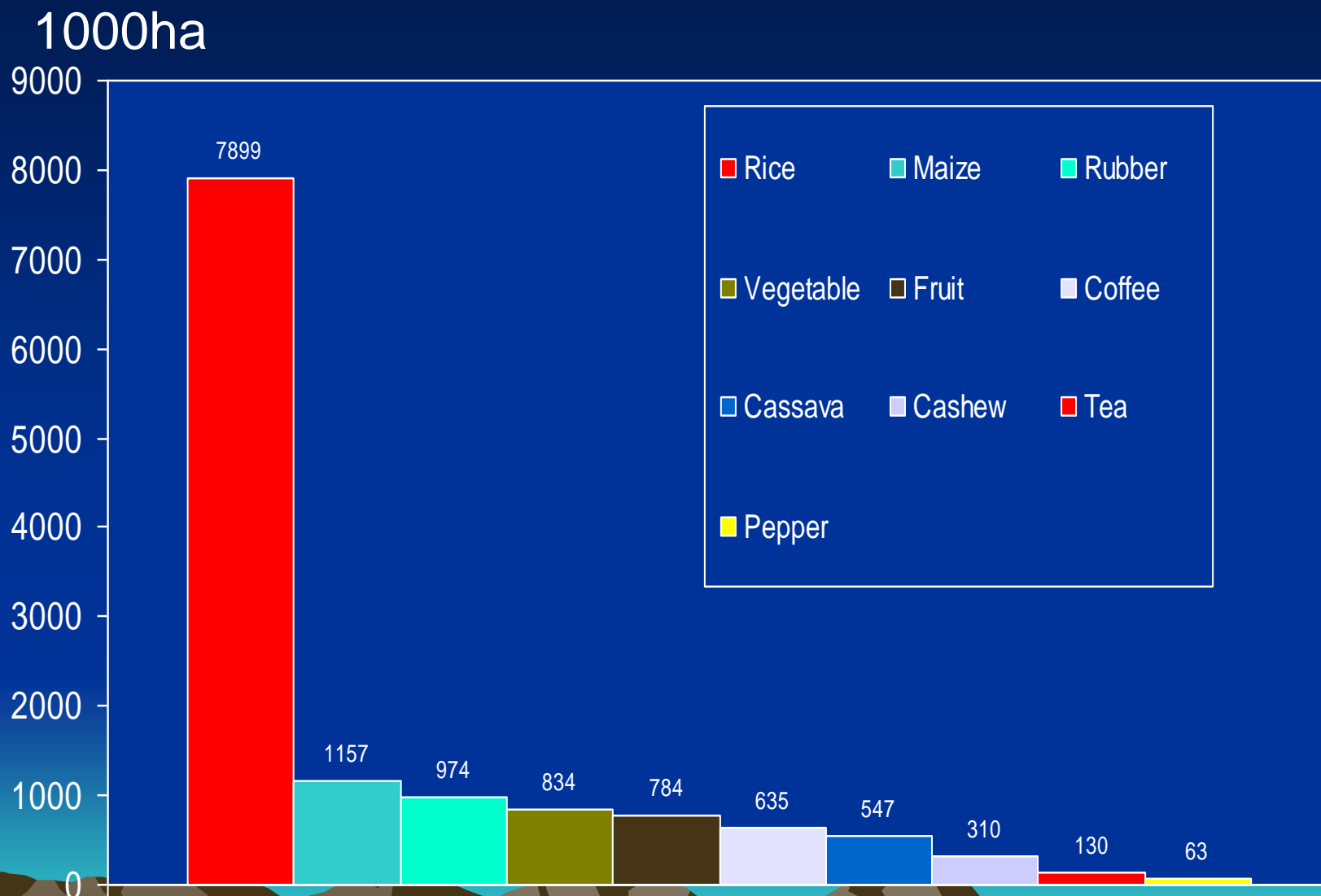


VIETNAM AGRICULTURE-FACTS

- Agriculture-based economy, though agriculture share in GDP is only 22%
- More than 70% of population engaged in agriculture
- Dominant area under food crops
- Agriculture is a very open sector/the big share of key products are for export



PLANTED AREA OF MAIN CROPS, 2013



Source: MARD, 2014

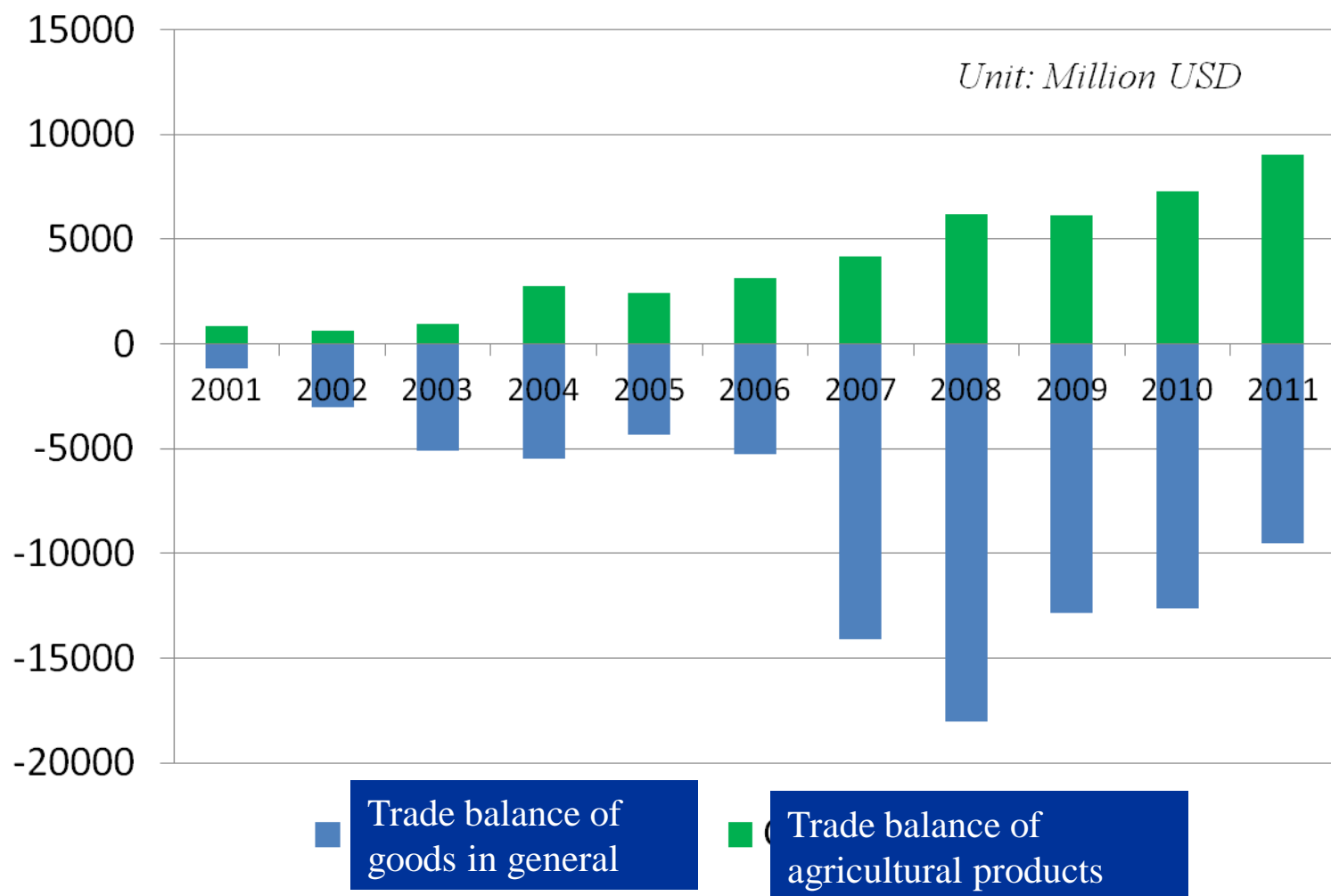


CROPS PRODUCTION AND EXPORT, 2013

Crops	Production 1000 tons	Export, 1000 tons	% Export
Milled Rice	28,649	6,653	23.2
Coffee	1,322	1,308	98.9
Rubber	935	1,090	116.6
Tea	187	142	75.9
Cashew	285	264	92.6
Pepper	123	134	108.9
Cassava	9,740	3,142	32.2

MARD, 2014

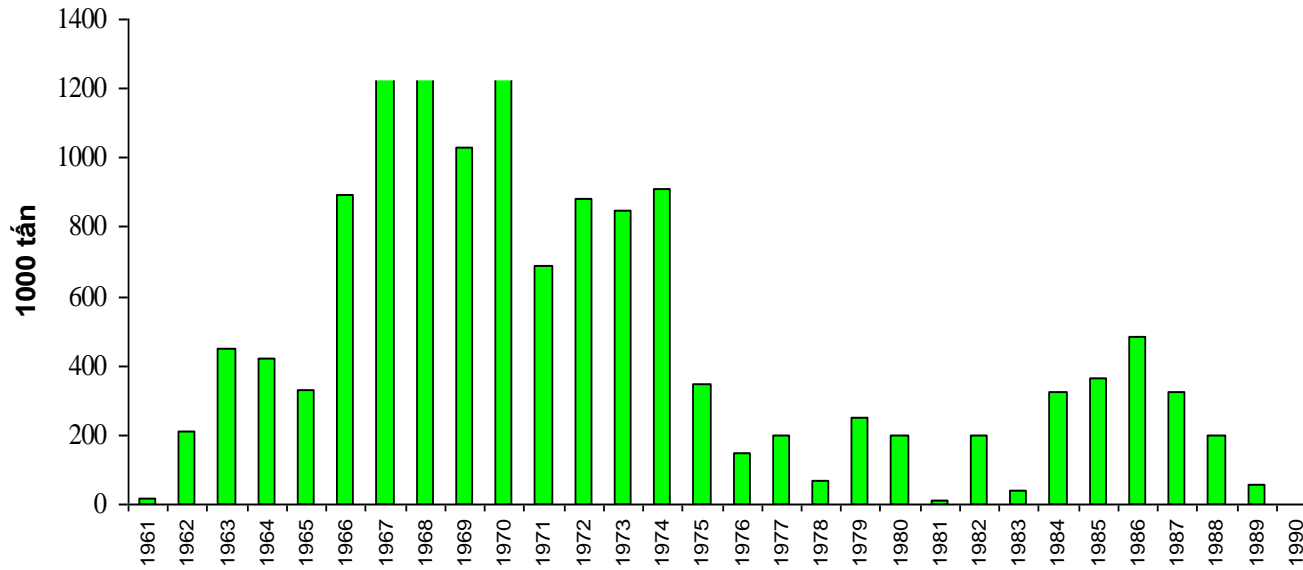
TRADE BALANCE 2001-2011



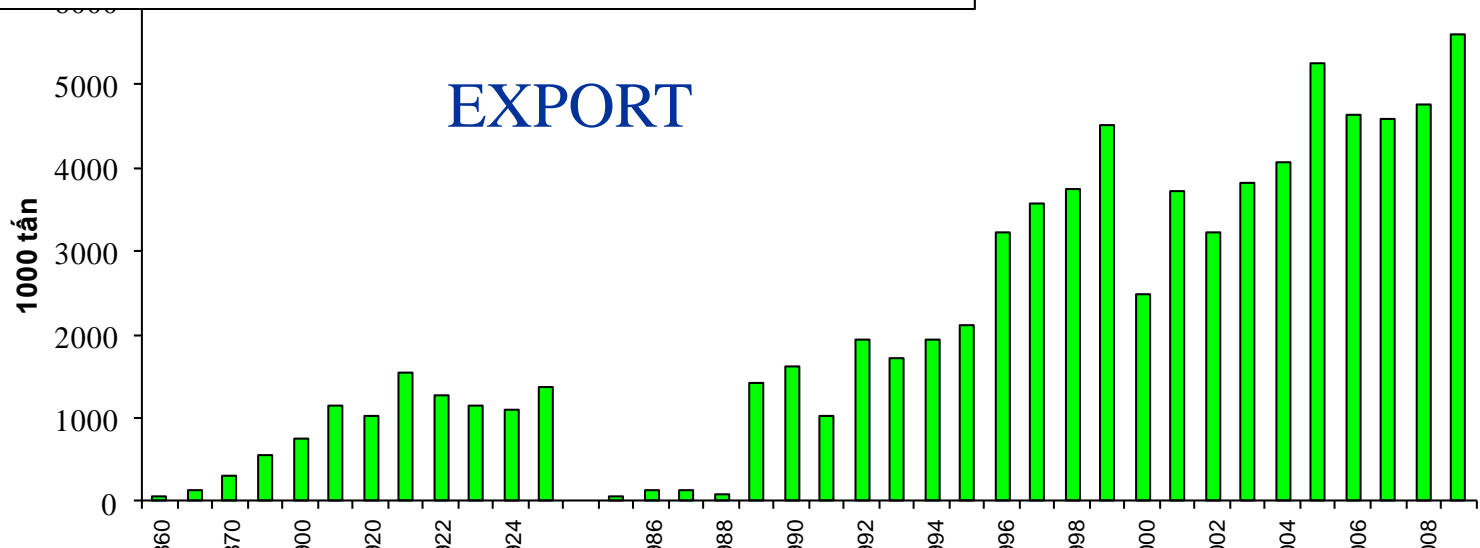
Source: Estimating from data of GSO & MARD (cited by IPSARD, 2013)

RICE IMPORT AND EXPORT

IMPORT



EXPORT



Source: <http://www.irri.org/statistics>



NATIONAL FOOD SECURITY INDICATORS

Indicators	90-92	95-97	00-02	05-07
Proportion of Undernourished Population, %	31	22	17	11
Number of Undernourished, millions	21.0	16.7	13.3	9.6
Dietary energy supply, Kcal/person/day	2,090	2,310	2,520	2,770

Source: Steven Jaffee, 2012



RICE CONSUMPTION IN SELECTED COUNTRIES

Kg/capita/year

Myanmar	160
Vietnam	135
Philippines	128
Indonesia	104
China	95
Korea	88
Malaysia	80
India	77
Japan	45



SUCCESS IN AGRICULTURE

The most important success in Agriculture is turning country from a net food importer to the top exporter of many commodities:

Rice; Coffee; Rubber; Pepper; Cashew nut; Tea; Cassava, Catfish and Shrimp...



KEY REASONS FOR SUCCESS

1. Policy renovation (land allocated to farmers and farmer household are key production unit)
2. Investment increase (mainly in irrigation system improvement)
3. Science and Technology strengthening



CHALLENGES AND SHORTCOMING

1. Limited in Agricultural Land (World average: 1.20 ha; Vietnam: 0.104ha/capita or 8.7%)
2. Population Pressure. 90 mil. (2013), ranking 14th in population and 65th in natural area
3. Quantity-oriented production
4. High postharvest loses
5. High Production Cost (Input cost increasing faster than selling prices)



CHALLENGES AND SHORTCOMING(2)

6. Export prices reducing. Severe competitiveness
7. We are in food security at national level, but not at household level
8. Relatively Low investment for agriculture
9. Driving forces in the past become limiting factors: Land allocation to a small famer households, Quantitative production-driven policy, Rice driven investment ...



QUANTITATIVE PRODUCTION (1986-2012)

Crops	Area increased by	Prod. increased by
Rice	1.35 times	2.73 times
Corn	2.8	8.4
Coffee	8.7	12.7
Rubber	2.5	17.0
Tea	2.0	6.8
Cassava	1.7	3.4
Sugarcane	1.6	3.8

Source: USDA Stat



EXPORT PRICE DECLINING, USD/tons

	2011	2012	2013
Rice	514	461 (- 10.3% vs 2011)	410 (- 11.1% vs 2012)
Rubber	3,954	2,792 (- 29.4% vs 2011)	2,356 (- 15.6% vs 2012)
Coffee	2,047	2,122 (+ 3.7% vs 2011)	1,500 (- 29.3% vs 2012)

Source: Estimated from MARD reports, 2014



AGRICULTURAL GDP GROWTH DECLINING

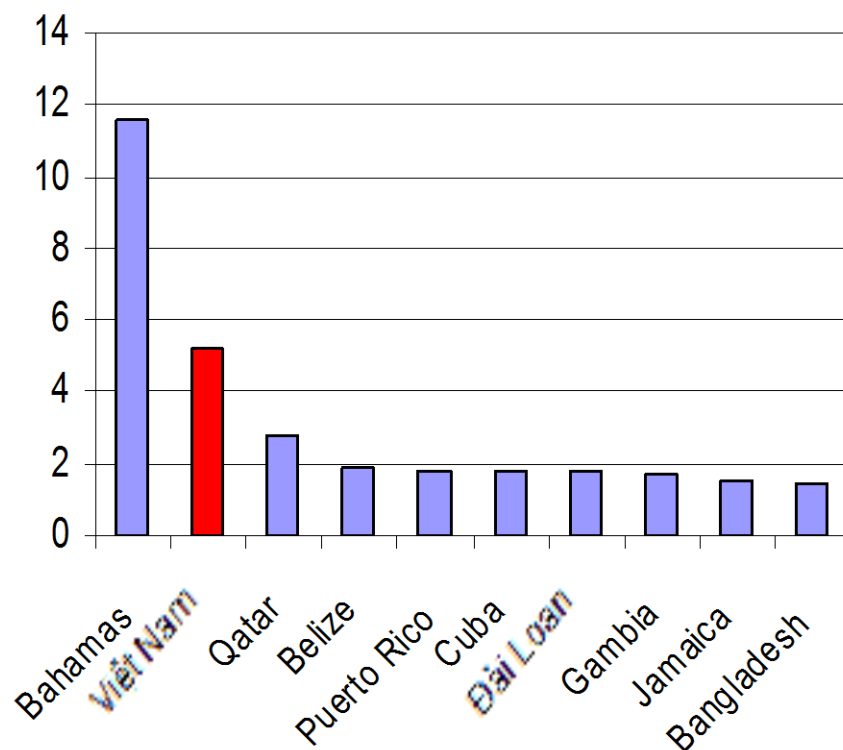
Periods	%
1995-2000	4.01
2001-2005	3.83
2006-2010	3.30
2013	2.80

A large red arrow pointing downwards is positioned to the right of the table, spanning the height of the four data rows, indicating a downward trend in agricultural GDP growth.

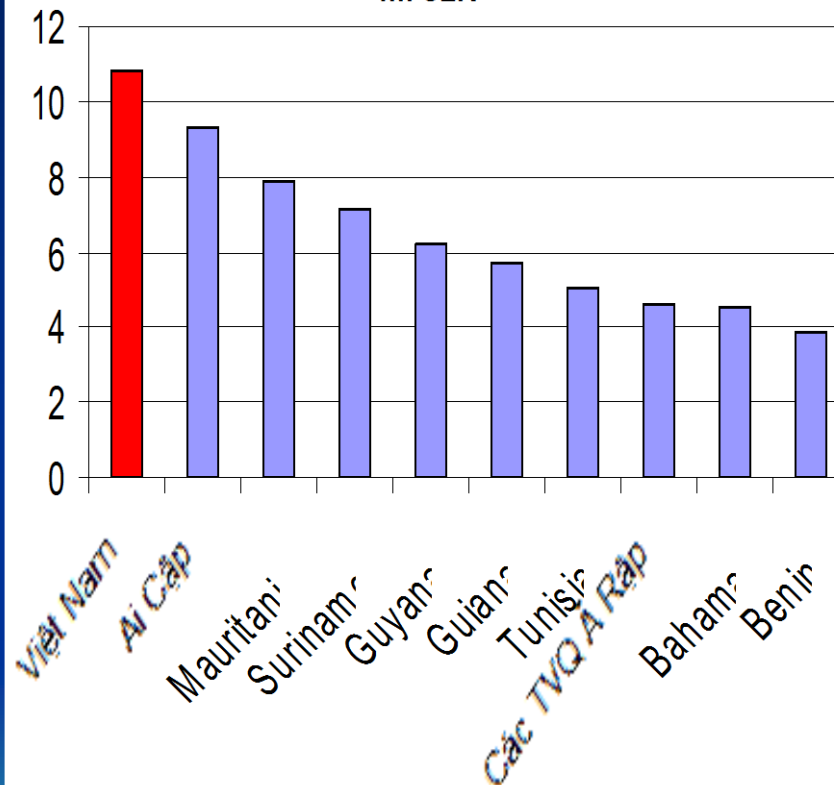
Source: GSO and MARD

CLIMATE CHANGE IMPACTS

Most impacted countries: % Land Area
1m SLR



Most impacted countries: % Population
1m SLR



According to WB, Vietnam is among 5 countries most impacted by Climate Change.



ASEAN SECURITY INDEX SCORE (1-5)

Country	Food	Water	Energy
Singapore	4.0	3.4	4.5
Brunei	3.5	3.0	4.0
Malaysia	3.2	3.4	4.0
Thailand	3.0	2.2	4.0
Vietnam	2.4	1.8	1.5
Indonesia	2.3	2.6	2.5
Phillipines	2.3	2.2	1.5
Myanmar	2.0	2.2	3.0
Laos	1.8	2.6	2.0
Cambodia	1.6	1.6	3.0

Source: Richard Silberglitt. Symposium on Integrated Foresight for Sustainable Economic Development and Eco-Resilience in ASEAN Countries. Thailand, 1– 2 October 2013



ORIENTATION FOR RESTRUCTURING



COMMON GOALS

1. Every Decade: i) production growth increase by 20%, ensuring food security at national and household levels; ii) poverty reduced by 20% and iii) GHG emission reduced by 20%
2. Higher profit from farming and higher income for farmers
3. Harmonizing Agriculture-Industry, Rural-Urban Development
4. Shifting from food security to nutrition security
5. Shifting from Export-Driven to Farmer Income-Driven Approach



MEASURES

1. Production sector restructuring with emphasis on high-value added products and deep processing
2. Science and technology focus
3. Narrowing gap of yields and Post-harvest losses reduction
4. Infrastructure improvement



MEASURES (2)

5. Enterprise-oriented development
6. Governance Improvement
7. Large scale production (land concentration)
8. Contract farming
9. International integration



EFFECTIVE RETURN FROM R-D

- In 2010-11, 130 ACIAR-funded projects have been assessed.
- The assessment showed that, a benefit-cost ratio of around 84:1. That is, every dollar spent on research has delivered \$84 in return.

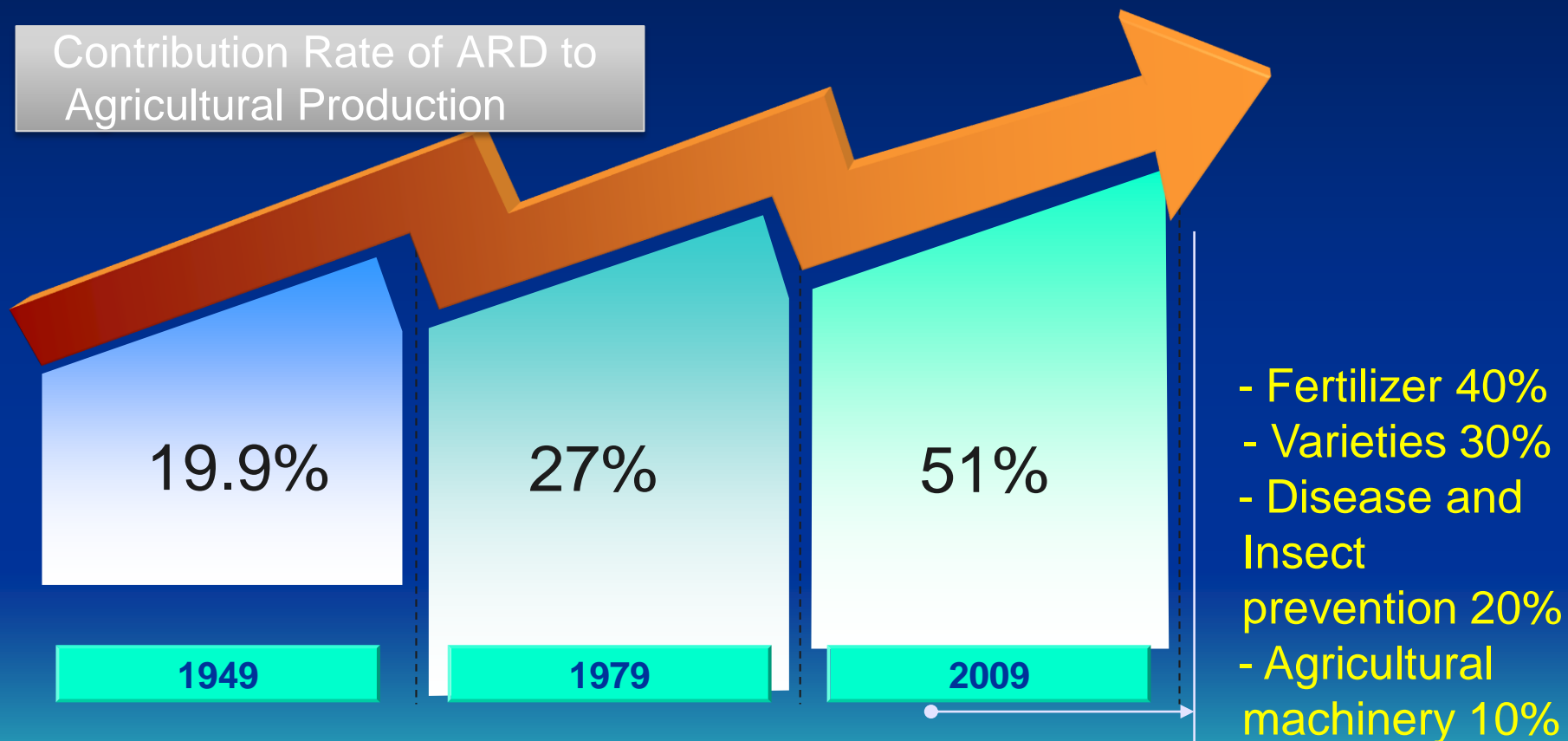
<http://aciar.gov.au/content/returns-aciar-investment>





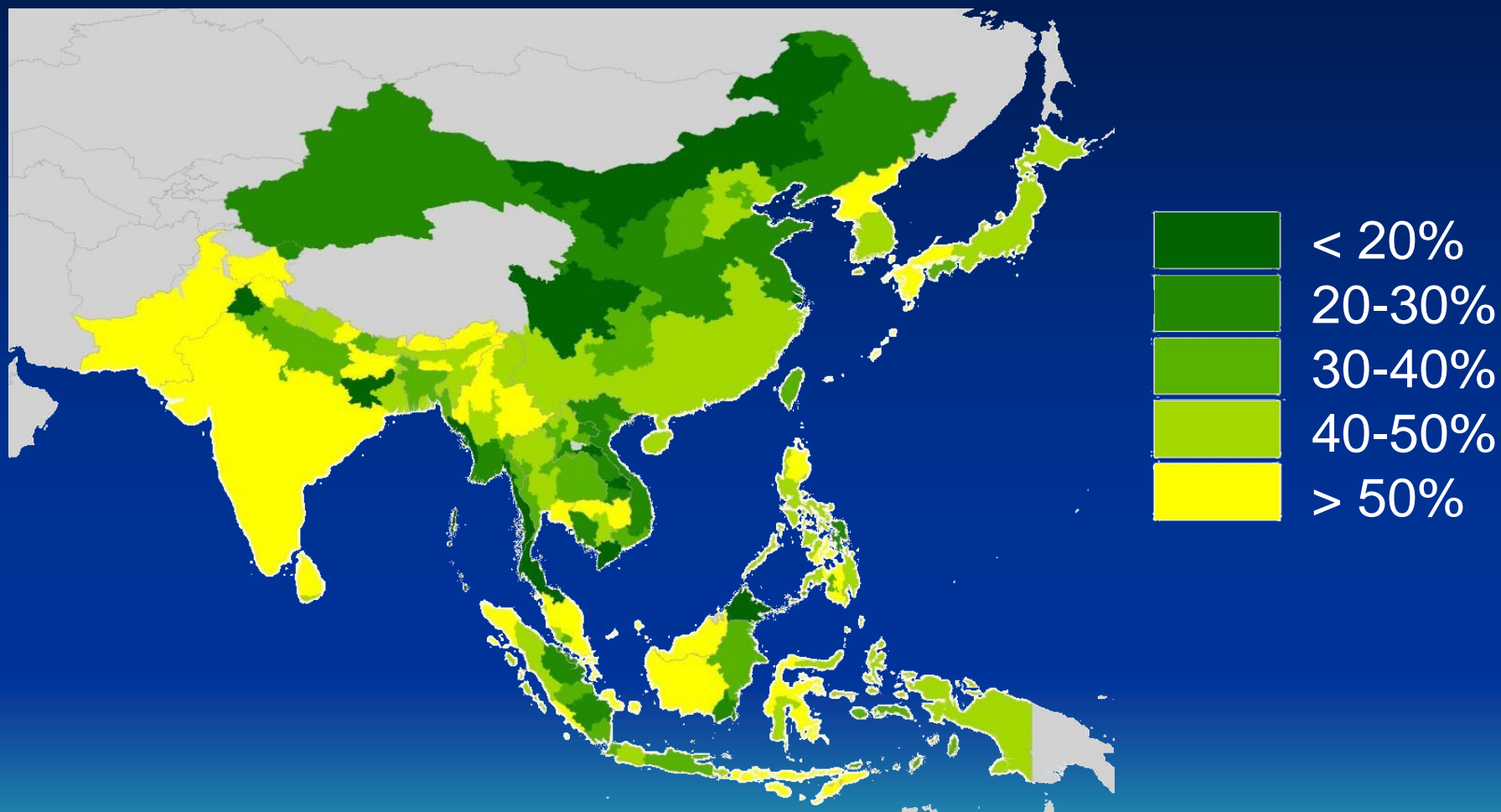
CONTRIBUTION TO AGRICULTURAL DEVELOPMENT IN CHINA

Contribution Rate of ARD to
Agricultural Production

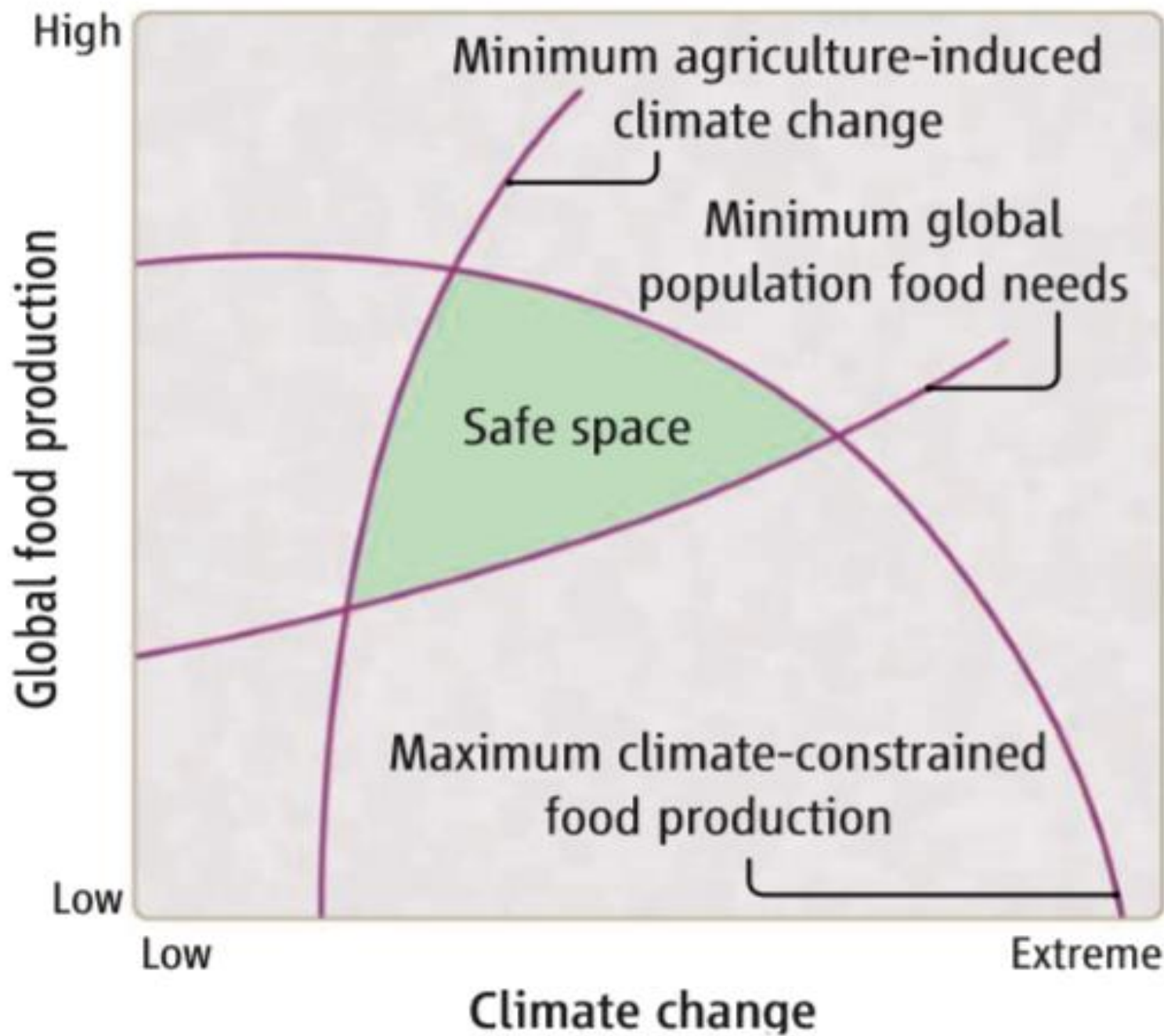


Dongxin FENG, CAAS, 2012

RICE YIELD GAPS IN ASIA



A. Nelson, IRRI (Cited by A. Dobermann, 2012)





MESSAGES

1. Agriculture should be considered as socio-economic sector, not purely economic one.
2. Shifting from Quantitative production to Qualitative one
3. Shifting from food security to nutrient security
4. Farmer-oriented policy
5. Harmonizing interest between Agriculture-Rural and Farmers with Urban and other Sectors
6. Seeking higher investment from private sector for R-D



MESSAGES (2)

Need Int'l R&D organizations like ACIAR and CGIAR:

1. Capacity building and strategy development for developing countries
2. Support food producing/exporting countries in improving production effectiveness, value-added commodities and farmers income
3. Make stronger voice in some sensitive issues like cross-borders use of natural resources, environment pollutions, food safety, GM crops and unfair commercialization



THANK YOU FOR YOUR ATTENTION

Ambassador Allaster Cox presented the Crawford Fund Medal to Dr.
Nguyen Van Bo (March 2011)