

The background of the slide features a light beige, textured surface with faint, natural patterns. A dark, thin branch runs vertically on the left side, with a single, elongated, dried leaf attached to it. Another similar leaf is positioned on the right side, also attached to a branch that extends horizontally across the bottom of the slide. The overall aesthetic is rustic and natural.

CRS Support to Agro-Enterprise Development in Nghe An province, Vietnam.

Hanoi FAO-CRS workshop
17-20 November, 2008

Catholic Relief Services
Agriculture and Rural Enterprise Development Program



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 - Diversified and market-oriented agricultural production
 - Improved livelihood of the target communities
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 - **Issues and lessons learnt**
 - "Clean/organic products"
 - Continuity of support
 - Project support: capacity building or material support or both.
 - Food security and cash income.



Common situation of small farmers and agricultural markets in Vietnam

- **Producers**
 - Primary concern is food security, therefore efforts focused on increasing production
 - Small land holdings
 - Lack of production skill and investment capital
 - Vagueness of market needs
 - Lack of knowledge and skill in business (especially cost / benefit analysis)
 - Weakness in collective production and marketing of products
- **Markets for agricultural commodities.**
 - Seasonal oversupplies at local markets are common, and result in reduced prices and incomes for farmers

Common situation ... "continued"

- **Agricultural business services**
 - Agricultural extension services are experienced in top down approach.
 - Farmers and their service providers/ facilitators try to find markets for agriculture products produced.
 - Farmers are forced to sell their products at very low prices because products produced are not what that market desires.



As a consequence:

Economic prospects for rural communities are improving slowly



Options to improve **Economic prospects for rural communities**

- ✂ Ensure food security at acceptable level then focus on identifying and producing advantaged /selected commodities that meet demands of markets.
- ✂ Improve the competitiveness of products produced in local, national and regional markets through improving farmer's skill in production, agri-marketing and essential infrastructure items.
- ✂ Achieve economies of scale through collective action for production and marketing.
- ✂ Gain access to business development services that improve access to higher value / more competitive markets and provides employment opportunities



Project: "Support to Agro-Enterprise Development in Nghe An Province, Vietnam"

Project life:

Start Date: October 1, 2006

End Date: September 30, 2009

Project Beneficiaries:

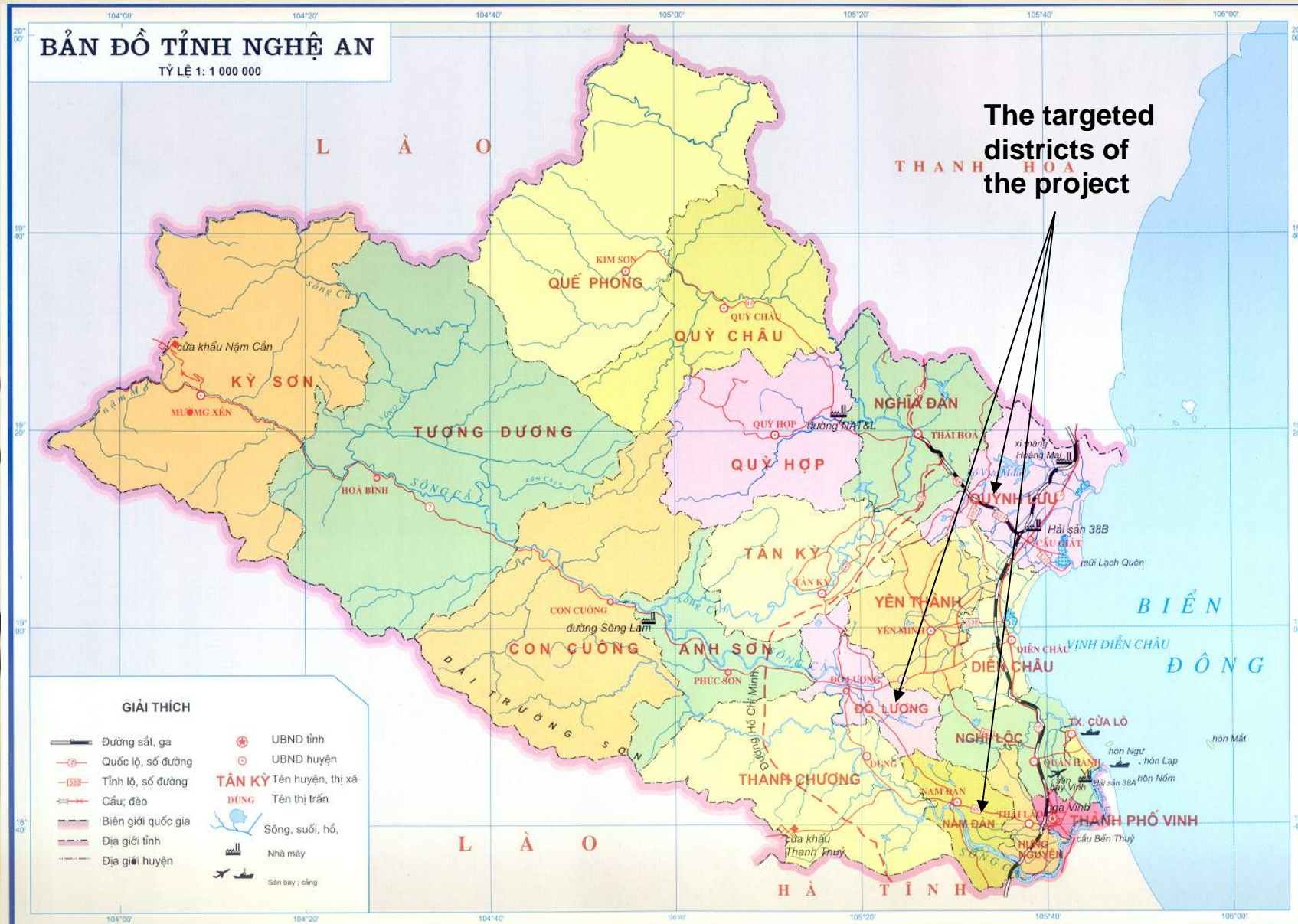
Direct beneficiaries: 37,000 people (of which, estimated 18,800 are women and 18,200 male).

Indirect Participants: 75,000 people (of which, estimated 38,200 are women [51%] and 36,800 are male [49%]).

Project Locations:

Do Luong, Nam Dan and Quynh Luu Districts, Nghe An Province, Viet Nam

The project location



Project Goal: "Poor rural households reliant on agriculture for survival have improved the sustainability of their livelihoods"

SOs Target households have expanded diversity and improved productivity of key commodities

Target households have increased sales and improved prices in key crops

Local governments/ local administration units and service institutions efficiently provide agro-enterprise support services to target households

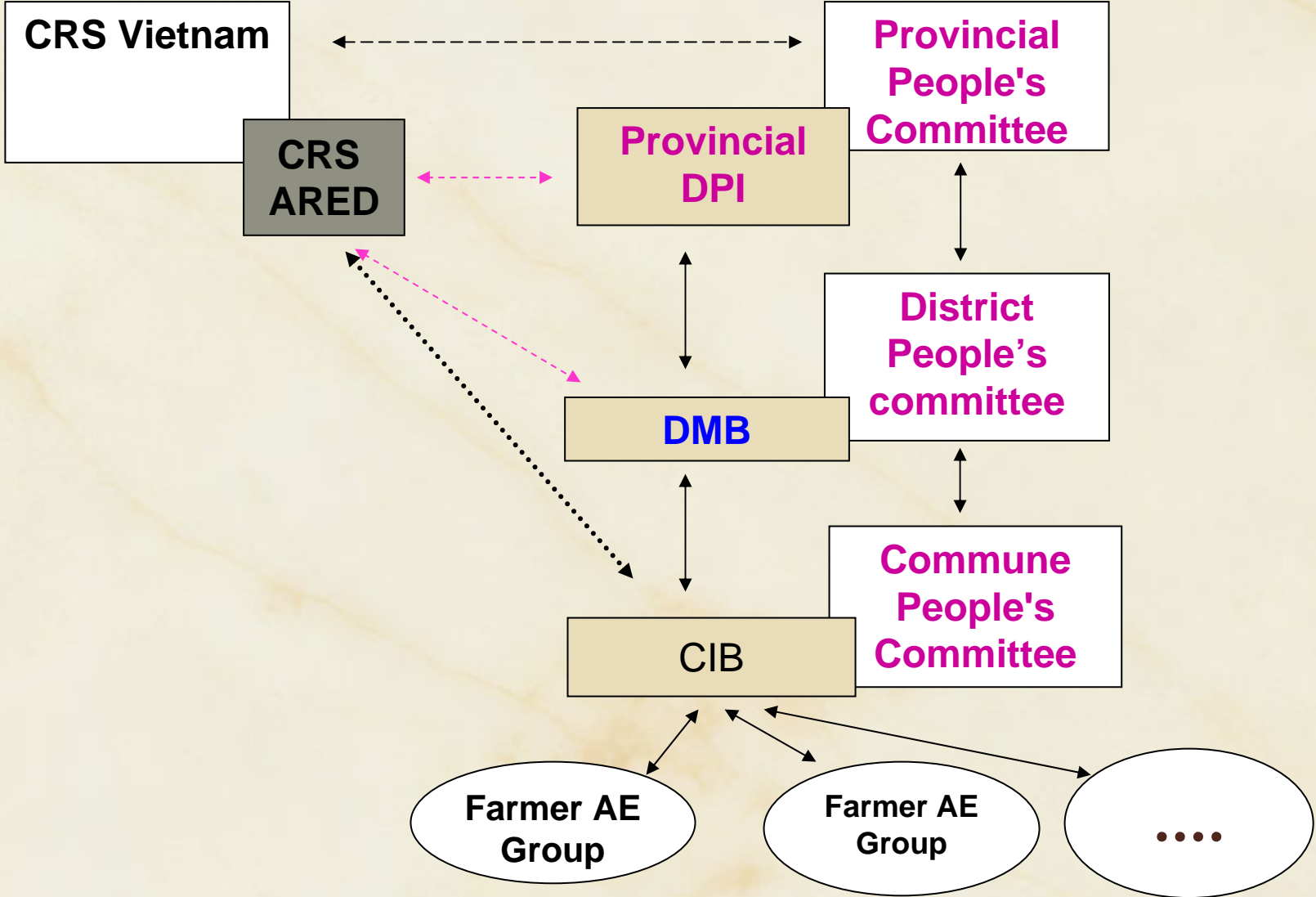


IRs Target households have installed infrastructure and gained improved skills in the sustainable production of key commodities and new products

Target households have improved knowledge, skills and networks in marketing

Local governments/ local administration units and service institutions gain improved agriculture and marketing skills

Project management structure




Project implementation structure and rationale

CRS partners with Nghe An authority to promote the Territory Approach to Agro-enterprise Development.

- ⇒ Ensure the project will be implemented through the Government administration structure (changing a system not a segment).
- ⇒ Improve skill and knowledge of government staff in promoting market oriented production (sustainability, continuity).
- ⇒ Promote ownership and sustainability of the project (participation & sustainability).
- ⇒ Looking for policy improvement for poverty alleviation through agro-enterprise development (scaling up).

Main activities and results

- 
- ❖ **Government staff in administration and technical institutes able to promote agro-enterprise development and manage project.**
 - **Improved their knowledge and skills:** in project area resource assessment, market analysis, planning and reporting, M&E, group management, computing - 8 training courses.
 - **Conducted 3 project area resource assessments** – 30 advantaged products proposed
 - **Identified products with market potential:** 7 Rapid Market Analyses (RMA) – 20 products.
 - **Selected products for marketing:** 7 Participatory market opportunity identification sessions - 17 products.

Main activities and results

❖ Farmers active in collective production and marketing.

- **Decision on selection of products and buyers made.**
- **Sale contracts/ agreement for selected products negotiated and concluded with traders and companies.**
- **Farmer groups formed to implement sale contracts/ agreements: 55 groups – promote leadership of group heads.**
- **Implementation of sale contracts/ agreements: production schedules developed, cross-checked and monitored production process, access to technical agencies for technical support.**
- **Results: 10 products trialed as market requirements. 6 products contractually supplied to buyers.**



Main activities and results

❖ **Promoted linkages between farmer groups and markets.**

- **Successful linkages between farmer groups and markets/ traders:** Metro supermarket in Hanoi (35 tons of cabbage, 32 tons of watermelon), Chipsgood Processing Company in Hung Yen province (32 tons of pineapple), 3 big traders in Nghe An province (squash, watermelon, field cabbage).
- **Maintaining and strengthening linkages with buyers:** the North Nghe An Exporting and Importing Company (chilli), Huong Nam Company in Hai Phong province (dried “gac” fruit), Phuoc Thanh Company, Ltd in HCM (dried onion).

Farmer groups consolidated
cabbage for Metro



Initial achievements to date

❖ Diversified agriculture production with market orientation

11 new varieties introduced to meet market requirements and improve quality of production:

- *Hot chilli*: met Thai exporting standards
- *Cabbage*: Greenhelmet Japanese
- *Green squash*: F2 Thanh Long
- *Spring onion*:
- *Tomato*: Thai Perfect 89, F1 Thanh Nong, American F1 VL 2500 and F1 609
- *Bean*: F1 Indian
- *Water melon*: CS 202 and TN 46.





Project Impacts

- ❖ Improved livelihoods
 - Creation of jobs
 - Value adding
 - Increased income

- ❖ Enhanced environment and human health



Improved livelihoods of target communities

❖ Creation of new jobs

- Packaged and processed products: rotten selection, classifying, stalk removal, drying – more work for more income.
- Farmer now remove stalk of chili as demanded by the market.
- Farmers clean spring onion before delivering to the buyers.

❖ Value adding

- Chili with stalk removed has higher price (1,000 VND/kilo compared with those with stalks intact).
- Cabbage is packaged, labeled and sold in Supermarket for 1,700 VND/kilo higher price compared with no package.



Improved livelihoods of target communities

❖ Increased income of target farmers.

- Income from cabbage sold in supermarket is 51% higher than sold in local market at the same time.
- Income from watermelon sold in supermarket is 36% higher than sold in local market at the same time.
- Yield of new tomato variety increased – income from tomato increased 40% compared with local variety.
- Field cabbage produced in off-season generated 50% more income compared with production during the main season.
- Income from field cabbage is 83% higher than maize on the same land area (and growing time is reduced by half: 4 months to 2 months)
- Income from spring onion is 50% higher than maize on the same land area.

Comparison between selling cabbage at local market and Metro


<i>(per 500m²)</i>	Normal practice	Metro
Volume	2,500	1,800
Income	1,100	3,000
Gross income	2,750,000	5,400,000
Production costs	1,838,000	1,842,000
Cost for Certificate		250,000
Transportation cost		1,300,000
Packing cost		200,000
Profit	912,000	1,808,000

Income improved

Total income from new crop formula/structure increased by 44% in comparison with normal crop structure.

(per 500m²)

Normal crop structure		New crop structure	
Formula 1		Formula 1	
Tomato	5,000,000	Spring onion	2,400,000
Spring onion	2,400,000	Tomato	5,000,000
Spring onion	2,400,000	Leafy vegetable	1,000,000
Leafy vegetable	1,000,000	Spring onion	2,400,000
Carrot	3,000,000	Cabbage	5,000,000
Total	13,800,000	Total	15,800,000
Formula 2		Formula 2	
Leafy vegetable	1,000,000	Spring onion	2,400,000
Spring onion	2,400,000	Water melon	8,170,000
Spring onion	2,400,000	Spring onion	2,400,000
Spring onion	2,400,000	Leafy vegetable	1,000,000
Tomato	5,000,000	Cabbage	5,000,000
Total	13,200,000	Total	18,970,000



Environmental and health issues enhanced

- Cleaner environment (reduced quantities of pesticide and chemicals used)
- Soil quality improved (use of microorganic fertilizer and bio-pesticide).
- Food safety enhanced (microorganic fertilizer and bio-pesticides used strictly in accordance with technical procedures)
- Safety for human health (products certified by authorized bodies)

Issues for further discussion

- “Clean/organic products”. (Production costs - producer's economic profit and consumer's acceptance and sustainability of support).
- Continuity of supports to promote agro-enterprise development. (Roles of actors involved in promotion agro-enterprise development especially management office, service institution)
- Focus on capacity building or material support or both. (Interests from local authorities and donors)
- Food security and income. (Balance between market attention and Accessibility to food)