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National coffee policy of Vietnam

**Statement by the Delegate of Vietnam to
the 111th Session of the International Coffee
Council on 12 September 2013**

Mr Chairman,
Executive Director,
Distinguished Delegates,

Regarding the presentation of CABI, Vietnam would like to share with this Council Session the information about Vietnam's coffee sector policies.

In order to deal with this matter, the Vietnamese Government is implementing fundamental measures to establish a framework for sustainable development in the coming years including the following:

- Restructuring of the Vietnamese coffee sector.
- Organizing coffee farmers into associations and cooperatives.
- Improving quality management: expanding certificated coffee planting areas including VIETGAP, UTZ, 4C, R.F.A. certifications.
- Increasing investment in instant coffee and roasted coffee for added value.
- The implementation of effective breeding programmes, research and the rapid transfer of new varieties with high yield and high quality.

However, the industry has been hit by higher production costs: higher wages, constantly increasing water and electricity prices, and higher costs for fuel, fertilizers, and plant protection products. Coffee prices have changed constantly and caused huge losses to coffee producers, so that coffee farmers have planted rubber trees which is more cost effective than coffee.

Vietnam is one of 10 states in which the impact of climate change is felt most heavily. This is clear for the second year: the rains arrived early, and prolonged drought has caused coffee production to decrease for two years in a row. Production in 2012/13 decreased 20% compared with 2011/12. Production in 2013/14 is expected to fall 15%. In the light of this situation, the Government of Vietnam asks the ICO, other international organizations, and investors to increase investment in Vietnam's coffee industry to help develop sustainable development through the medium of grants and cooperative investment.