

Vietnam Coffee Sector: Policies and Perspectives

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Policies and Performance

- **Supply and Export:**
 - Cultivated area: 645,000ha; Harvested area: 597,200 ha; Certified area (4C, UTZ, rainforest alliance): 60%
 - Average yield: more than 2.4 ton/ha
 - Quality: appropriate for roasted and soluble coffee
 - Export (2015): 1,341,000 tons
- **Policy:** Vietnam coffee sustainable development strategy, Coffee rejuvenation strategy, Vietnam coffee vision to 2020
- **Institutions:** Coffee Coordination Board, Vietnam Coffee Cocoa Association, Public Private Partnership
- **Project/programs:**
 - Irrigation projects: 90,000ha
 - New Rural Development Program
 - Vietnam Sustainable Agriculture Transformation Project (VnsAT)
 - ISLA
 - Other field-level projects of 4c, UTZ, Nestle...

Challenges

- Small-scale production: 90% coffee area is produced in households of which 65 % having total coffee area under 1ha
- Old age coffee trees: 140,000-160,000ha in the next 5-10 years
- 70% coffee area irrigated from underground water, only 10% area applied water-saving technology
- Heavy negative impacts of climate change: drought, losses of surface and underground water



Challenges

- High rate of post-harvest loss caused by green bean harvesting and low-tech of drying (only 12% coffee farmers harvest their farm with more than 70% of ripen bean)
- Low proportion of coffee processed products (10% of total coffee production) => low value added to share for farmers
- Unstable market and exported price
- Lack of information on both market and production
- Low development of coffee value chain and trademark



Proposal for Cooperation

ICO:

- Information sharing (market, price)
- Sharing experience: sustainable production, post harvest, depth processing technology, market development, climate change response

Development partners:

- Connecting to R&D organizations for new and sustainable technologies
- Technical support for climate change response, coffee farmer organization, start-up business, value chain development, insurance, labelling, coordination
- Financing initiatives of sustainable coffee development

Proposal for Cooperation

Coffee producing countries:

- Sharing models of sustainable coffee production: production consolidation, agro-forestry models, water saving technologies, improved harvesting techniques
- Sharing experience of farmer organizations, start-up business, value chain development, domestic market development, insurance, PPP and association development
- Labelling, standards

Coffee importing countries:

- Market access and investment partnership
- Certification, labelling and standards
- Sharing costs of climate change response

THANK YOU!

