

## VIETNAM: SUSTAINABLE COFFEE DEVELOPMENT

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## VIETNAMESE AGRICULTURE

### Achievements in Food Security – Poverty Reduction

#### Export orientation:

##### *Crop commodities exported*

Rice:	No. 2 in the world
<b>Coffee:</b>	<b>No. 2 in the world</b>
Cashew nut:	No. 1 in the world
Black paper:	No. 1 in the world
Rubber:	
Tea:	
Fruits & Vegetables	

## MILESTONES IN COFFEE DEVELOPMENT IN VIETNAM

1857: Coffee trees first introduced to Vietnam

1900: Area about 2,000 ha

1977: 120 years after introduction, area reached 20,000 ha

1981: First year of coffee exports with 68,700 tons

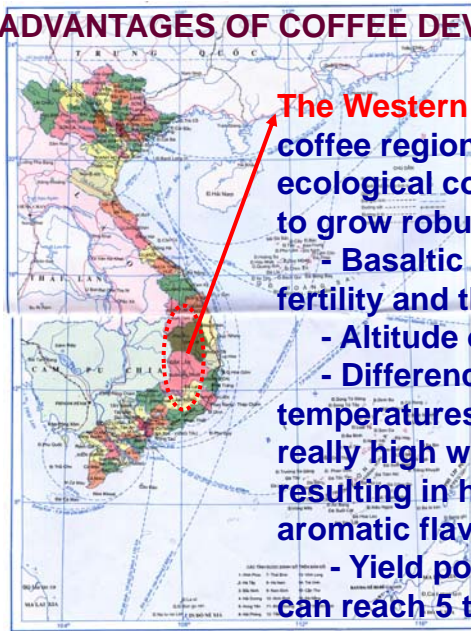
1987: Area reached 100,000 ha

1999: Area reached around 500,000 ha

2008: Production reached 1,000,000 tons

2008: Highest export value reaching US\$ 2 Billion

## ADVANTAGES OF COFFEE DEVELOPMENT IN VIETNAM



**The Western Highland** is the major coffee region of Vietnam with agro-ecological conditions which are ideal to grow robusta coffee:

- Basaltic red soil with high natural fertility and thick soil layers
- Altitude of 500 to 700 m
- Differences between temperatures of day and night are really high which is ideal for coffee, resulting in high quality and good aromatic flavor
- Yield potential of robusta coffee can reach 5 tons/ha.

### VIETNAM COFFEE INFORMATION (2003-2008)

		2003	2004	2005	2006	2007	2008
Area	1000 ha	510,0	503,2	497,4	488,7	506,4	525,1
Area under harvest	1000 ha	480,5	491,9	483,6	481,2	487,9	500,2
Yield	tons/ha	1. 57	1. 74	1.56	1. 77	1. 97	1. 99
Production (beans)	1000 tons	755,1	834,6	752,1	853,5	961,2	996,3
Export volume	1000 tons	749	936	770	870	1194	1066,0
Export value	Million US\$	505	616	735,5	1101,0	1854	2,110

### VIETNAM COFFEE DEVELOPMENT TRENDS (2003-2008)

**Area:** increased from 500,000 ha to 525,000 ha

**Yield:** increased from 1.57 tons/ha to 1.99 tons/ha

**Production:** increased from 755,000 tons to  
1 million tons

**Export value:** increased from US\$ 505 million to  
US\$ 2.1 million

**TOTAL COFFEE PRODUCTION IN THE WORLD (2008/09):**

**128.2 M bags\* (7.69 M tons)**

<b>Brazil:</b>	<b>36%</b>
<b><u>Vietnam-</u> ranked number 2:</b>	<b>15%</b>
<b>Central America and Mexico:</b>	<b>13%</b>
<b>Asia and Oceania:</b>	<b>13%</b>
<b>Africa:</b>	<b>12%</b>
<b>Colombia:</b>	<b>7%</b>
<b>South America:</b>	<b>4%</b>

\* Robusta 49.3 M (38%), Arabica: 78.9 M (62%)

**ROBUSTA COFFEE PRODUCTION IN THE WORLD  
(2008/09): 49.3 bags (2.96 M tons)**

**Vietnam is the largest robusta coffee  
production in the world, accounting for  
35% of the world production**

## VIETNAM COFFEE EXPORTS

Vietnam is ranked No. 2 in world coffee exports with a share of 18%\*

95% of coffee production is exported

Export products: mainly green coffee (90%)

Major importing countries: Belgium, Germany, USA, Italia, Spain, Japan, Netherlands, Korea, France, UK.

\* In 2008/2009, world exports: 97.2 M bags, Vietnam exports: 17.4 M bags

## COFFEE VARIETAL TYPES IN VIETNAM (2008)

<b>1</b>	<b>Robusta</b>	<b>474,036 ha</b>	<b>92,86 %</b>
<b>2</b>	<b>Arabica</b>	<b>31,365</b>	<b>6.14</b>
<b>2.1</b>	<b>Catimor</b>	<b>29,483</b>	<b>5.78</b>
<b>2.2</b>	<b>Moka</b>	<b>1,370</b>	<b>0,27</b>
<b>2.3</b>	<b>Se (Local)</b>	<b>506</b>	<b>0.1</b>
<b>2.4</b>	<b>Catura</b>	<b>3</b>	<b>0</b>
<b>2.5</b>	<b>Bourbon</b>	<b>3</b>	<b>0</b>
<b>3</b>	<b>Excelsa</b>	<b>4,967</b>	<b>0.97</b>
<b>4</b>	<b>Other types</b>	<b>49</b>	<b>0.01</b>

### **CHALLENGES OF COFFEE DEVELOPMENT IN VIETNAM**

- Rapid expansion of area to unfavorable places that do not have water for irrigation in dry season and have poor soil fertility.
- Smallholder production (80% households having < 2 ha).
- Robusta occupies 92%, Arabica only occupies 6%.
- 70% area planted with plants developed from seeds, only 30% area planted with clonal varieties.

### **CHALLENGES OF COFFEE DEVELOPMENT IN VIETNAM (Cont.)**

- 30% coffee fields/plantations are ageing.
- Most coffee fields do not have shade trees.
- Incorrect use of fertilizer, lack of adequate irrigation.
- Infection of diseases and insect pests.
- Effects of climatic changes (severe drought in dry season, erratic rains during flowering time of coffee).

**CHALLENGES OF COFFEE DEVELOPMENT IN VIETNAM  
(Cont.)**

**- Low quality:**

- + Lack of high quality varieties.**
- + Harvesting mixed green and ripe beans.**
- + Lack of drying facilities (increasing black beans) and processing facilities.**
- + Low percentage of coffee production following certified system (UTZ Certified, 4C...).**
- + Lack of standards applied to exported coffee.**

**CHALLENGES OF COFFEE DEVELOPMENT IN VIETNAM  
(Cont.)**

- Intermediate export, Vietnamese coffee brand not yet established.**
- Companies lack of capital for buying and storage to regulate price.**
- Weak linkages among growers, processors and exporters.**
- Weak relationship between exporters and inporters.**
- Fluctuations in prices.**

## HARVESTING COFFEE IN VIETNAM



## PROBLEMS OF WATER MANAGEMENT FOR COFFEE



Lack of water for irrigation



ground surface irrigation

## MAJOR DISEASES ON COFFEE IN VIETNAM



Nematode infection on coffee trees



Nematode damages roots



Rust disease

## SUN DRYING COFFEE IN VIETNAM



Wet processing



Dry processing

## STRATEGIES AND MEASURES FOR SUSTAINABLE COFFEE DEVELOPMENT IN VIETNAM

### Increasing production

- Strict zoning of coffee are: stabilized area: 500,000 ha.
- Increasing yield (to reach 2.5 tons/ha).
  - to breed and select new varieties.*
  - to replace ageing plantations each year.*
  - to grow shade trees – intercropping.*
  - to prune coffee trees.*
  - to apply GAP ( proper use of fertilizers with more organic fertilizers and less chemical fertilizers, economical and timely irrigation, IPM to control pests).*
- Increasing efficiency of household production (linkage of households, linkage of production and market).

## STRATEGIES AND MEASURES FOR SUSTAINABLE COFFEE DEVELOPMENT IN VIETNAM (Cont.)

### Increasing quality

- To consolidate production of arabica coffee.
- Harvest of ripe beans.
- Invest drying facilities (drying patios, mechanical dryers)
- Applying GMP in processing.
- Application of national standards (TCVN 4193 for exported coffee).
- Production of coffee following certified standards like UTZ, 4C, GAP.
- Meeting safety and hygiene standards (minimal pesticide residues).

**STRATEGIES AND MEASURES FOR SUSTAINABLE  
COFFEE DEVELOPMENT IN VIETNAM  
(Cont.)**

**Processing**

- Environmentally-friendly treatment in wet processing.
- Increasing roast and ground products.
- Increasing soluble coffee products.

**Consumption/Trade**

- Increasing domestic consumption of coffee.
- Developing Vietnam coffee trademark; geographic indication.
- Providing facilities and capital to store beans at peak harvest times to regulate prices.
- Direct export.
- Information systems and forecasting.

**STRATEGIES AND MEASURES FOR SUSTAINABLE  
COFFEE DEVELOPMENT IN VIETNAM  
(Cont.)**

**Policy**

- Development of a modern coffee industry (competitive, profitable and sustainable)
- Sector management and coordination
- Strong support for smallholder farmers (credit, technology, farmer organization, market access...).
- Infrastructure investment (irrigation, postharvest and processing, storage...)
- International cooperation.

**NEW COFFEE CLONES  
(ROBUSTA) DEVELOPED  
IN VIETNAM**



**REPLACEMENT OF AGEING COFFEE FIELD  
BY NEW PLANTING**



**Ageing coffee field**



**New planting**

## REJUVENATION OF OLD COFFEE TREES: CUTTING AND GRAFTING NEW CLONE



Old coffee tree

Cutting and grafting

40 days after grafting



6 months after grafting

12 months

42 months

## COFFEE INTERCROPPING



Coffee – Cocoa tree

## COFFEE INTERCROPPING



Coffee – Durian



Coffee – Black pepper

***Thank  
you***



