

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
Coffee:	No. 2 in the world
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

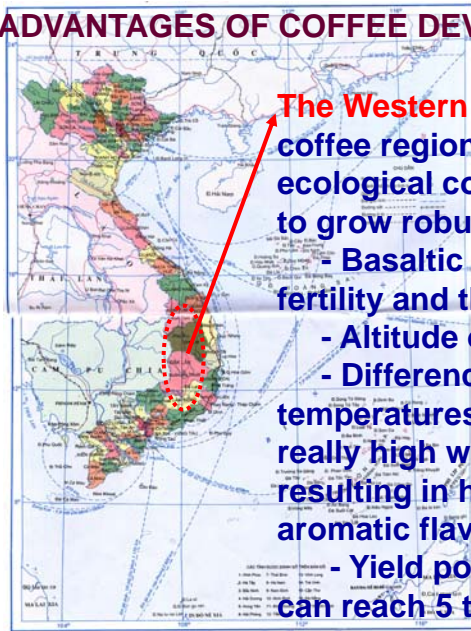
1987: Area reached 100,000 ha

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)

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

*** 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)

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

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***



