Case Introduction:

Technical Cooperation Project on Development Planning of Agriculture Sector in Nghe An Province

2017.08.20
Basic Information on Nghe An Province

Population: 3 million
Land Area: 1.65 million ha
Land Use:
- Forest 75%
- Cultivation Land 16%
- Others 9%

Climate

Rainfall and Temperature Chart
Agriculture in Nghe An Province

Mountainous Area
- Ginger
- Passion Fruit

Hilly Area
- Orange
- Tea

Flat Area
- Peanut
- Rice
Current Issue of Agricultural Products Marketing in Nghe An Province

3 issues to be solved
- Lack of communication among actors
- Lack of information on Market Needs
- Lack of production system to satisfy market needs

Can’t gain much even we produce high quality products
Can’t distinguish the suitable products for us

Producer → Distributer → Processors, Retailers and End users
Project Objective

This Project will develop "The Agriculture Development Master Plan (M/P) for Nghe An Province" and "Action Plan (A/P)" to achieve the goals of the M/P, through introduction of “Agricultural Marketing Platform” and "Contract Agriculture" which will enhance food value chain in Nghe An province.

Project Area

Nghe An Province, Vietnam

Project Duration

Mar. 2016 to Mar. 2019

Project Implementation Organization

Nghe An PPC
Japanese International Cooperation Agency (JICA)
PROJECT APPROACH

1. Establishment of Agricultural Marketing Platform (AMPF) for the Facilitation of Communication and Business Matching Among the Actors of Food Supply Chain

2. Implementation of the Pilot Project Regarding Contract Agriculture for the Creation of Sustainable Food Value Chain
Approach 1: Establishment of Agricultural Marketing Platform (AMPF)

**Role of AMPF**

- Organizing or Participating the exhibition on the agricultural crops and commodities produced in Nghe An for the **promotion of those products and the facilitation of the business matching**.

- **Support farmers and buyers to conduct sustainable contract agriculture** by providing technical assistance and consultation.

- Provide technical assistance to the farmers or agricultural enterprises to **produce the agricultural products which satisfied the specific needs of the market**.
Activities of AMPF

Arrangement of Exchange Meeting

Database Preparation

PR Activities

Arrangement of Pilot Project
Approach 2: Implementation of Pilot Project regarding Contract Agriculture

AMPF conducts the Planning and Implementation of **Pilot Projects** for the creation of FVC in order to check the feasibilities of Contract Agriculture in Nghe An province.

- To evaluate the domestic and international market demand for the preparation of pilot project.
- To provide technical support for the local farmers to produce the agricultural products which satisfied the specific market needs.
- To evaluate the efficiency of Contract Agriculture and finalize those results to make M/P and A/P
Pilot Projects conducted in Nghe An Province: 38 projects
Technical Cooperation Project on Development Planning of Agricultural Sector in Nghe An Province

Pilot Project: Improvement of ginger production to meet international market demand

Current Cultivation Varieties

Too Small

Too White Color

Buyer’s Requirement

Big and Yellow Color

Ginger Paste Products

Pilot Site: Ky Son district
Pilot Duration: March 2017 to March 2018
Producer: Farmers in Ky Son
Processor: Nafoods
Buyer: Japanese Trading Company
Pilot Project: Improvement of ginger production to meet international market demand

Target Crops

Local Farmers and Cooperative

Contract

Nghe An Foods Co., Ltd

Contract

Japanese Trading Company

Production

Processing

Sales

Planting yellow ginger for pilot project

Pre-processing

Processing for Ginger Paste

Sales to Japanese market
Matcha Pilot Project (1)

1. Background
- Nghe An prov. is famous with tea
- Matcha demand is being increased
- Invested by Japanese Company

2. Concepts
- Private – Public Partnership
  Supported by DARD, DPC
- Private – Private Partnership
  Japanese Co. – Vietnamese Co.
- Introduction of Foreign Capital
  Supported by JPN Co. in cooperation with JICA
- Value Chain to Big Market
  Nghe An to South Vietnam
  e.g. Ho Chi Minh City
- Value Added to Traditional Agri-Products
  Value added to Nghe An tea leaves

3. Value Chain

<table>
<thead>
<tr>
<th>Value Chain of Tea Leaves</th>
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</thead>
<tbody>
<tr>
<td><strong>Producer</strong></td>
</tr>
<tr>
<td><strong>Sellers</strong></td>
</tr>
<tr>
<td><strong>Processor (1)</strong></td>
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<tr>
<td><strong>Processor (2)</strong></td>
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</tbody>
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Tea leaves → Tencha

Tencha → Matcha

Matcha → Matcha based products
Matcha Pilot Project (2)

Japanese Company (Supervise, Technical advice) / DARD/DPC

MOU among 5 actors
Farmer (Anh Son Dist.)
   Contract
JPN Company
   Contract
VN Companies (Kien Giang Prov.)

Production

Covered
Steamed/Dried for Tencha

Process

Powdered for Matcha
   e.g. Ice cream/Sweet

Sales

New Matcha Products
   e.g. Matcha Latte/Jelly
Expected Results and Future Perspective

・ Establishment of AMPF would provide the opportunity to obtain the specific needs of the domestic and international buyers, which could create more trade channels for the local farmers in Nghe An province.

・ Facilitation of Contract Farming would create favorable condition to let the local farmers to produce agricultural products which satisfied the needs of the market as well as the trade transaction of the agricultural products becomes more sustainable.

・ Strengthen of the capacity of AMPF would be necessary for the continuous creation of FVC in Nghe An province.
Thank you