

COCOA DEVELOPMENT IN VIETNAM OPPORTUNITIES AND CHALLENGES

Dr.Tong Khiem Chairman, Vietnam Cocoa Development Commission

Dear the President of WCF ! Ladies and Gentlemen !

First of all, on behalf of Vietnam Cocoa Development Commission (VCDC), I would like to wish distinguished guests, ladies and gentlemen good health and happiness.

I would also like to express my sincere thanks to the President of WCF, WWF and the Dutch Ministry of Agriculture, Nature and Food Quality for giving me opportunity to attend this meeting. During the recent years, Vietnam, an agriculture-based developing country, has become an exporter of some agricultural products such as: black pepper, rice, coffee, rubber, tea etc... Recently, cocoa has been intensively developed in Vietnam. The plant actually was first planted in Vietnam since the late of the 19th century but has never become a commodity as there was no viable market.

Cocoa development in Vietnam could be highlighted as follows:

In 1980, Vietnam Government launched the movement for cocoa cultivation. Since then, several projects on cocoa development were implemented in Vietnam with support from WCF, USAID, USDA, DANIDA, Masterfoods, WWF.... Particularly, Success Alliance project brings a great contribution to the sector with a recent expansion to Daklak province in Highland region.

This year, we are working with the Dutch Ministry of Agriculture, and WWF on developing a private-public partnership between the Netherlands and Vietnam on sustainable cocoa development in Vietnam.

We are currently carrying out a needs assessment and will be holding a workshop with all the key stakeholders next month. This will then determine further engagement in this tri-partite relationship

As of April 2007, Vietnam cultivates more than 8,500 ha of cocoa with an average yield of 1.14 tons/ha with the total output of about 1,000 tons per year. Production areas are mainly in the Southern provinces of the country. Quality of exported fermented beans in Vietnam are high evaluated by exporters.

Our difficulties in cocoa development include:

Lack of practices in cocoa production, especially in post-harvesting process

Lack of experience in fermentation on a large scale; Seedling production is not well operated; Farmers worry about uncertain viable markets for production outputs; Price differences between fermented cocoa beans and non-fermented beans applied by purchasing companies are not large enough. This might discourage fermentation practices of farmers.

Cocoa Development Plan up to 2010

1. Viewpoints of Vietnam Government on cocoa development

Income of farmers from cocoa production should be ensured; Customer focus

Cost efficiency and quality assurance; Environmentally sustainable cocoa production

Encouragement to all economic sectors (public and private) to participate in cocoa development; Cooperation enlargement with foreign governmental and non-governmental organizations and private sectors

2. Outlines of the cocoa development plan

Towards 2010: cultivation areas will be 20,000 ha, of which 10,000 ha are to be ready for harvest; average yield will reach 1.5 tons/ha, production will be 15,000 tons, mainly for export.

Newly established Vietnam Cocoa Development Commission, including members from relevant ministries, associations, research centers, provinces and local and foreign enterprises, continues to assist the Ministry of Agriculture and Rural Development in all issues related to the cocoa sector.

Vietnam Cocoa Development Commission, National Agricultural Extension Center, Department for International Cooperation and Department of Crop Production, all under Ministry of Agriculture and Rural Development of Vietnam are contact points for international cooperation in cocoa development. As we realize that the Vietnamese cocoa growers could learn much more from the international experience, we warmly welcome all of you to visit Vietnam to share your experience and assist us in further development of the sector. Finally, we wish our cooperation more and more prosperous.

Thank you for your attention!