



# Agriculture and Sustainable Farming in Vietnam

Le Minh Hoan, Minister of Agriculture and Rural Development of Vietnam, talks about the future of sustainable agriculture in ASEAN.

## What do you see as the future of agriculture in the Association of Southeast Asian Nations (ASEAN) region?

Southeast Asia has favourable natural conditions and ecosystems for the development of a rich, diverse, and adaptive agricultural sector. In addition, its abundant human resources provide strong drivers for agricultural development. The region plays a key role in the global food supply. ASEAN countries produce 25 percent of rice, coffee, and cassava, 15 percent of bananas and mangoes, and as high as 40 percent of citrus fruits for the world. In terms of global exports, the region contributes more than 30 percent of coconut oil, as well as 25 percent of palm oil, and 20 percent of shrimp. Besides, many kinds of perennial crops and fruits come from the region. In 2021 alone, the total value of ASEAN's exports of agricultural, forestry, and fishery products reached over US\$210 billion, representing more than 10 percent of the global export value.

However, ASEAN's agricultural sector has not realised its full potential yet. It still faces technological constraints, lacks connectivity among member states, and the value chains within each member state remain fragmented, unsustainable, and vulnerable to climate change and global market fluctuations.

Agriculture will continue to play an important role for ASEAN countries in ensuring regional and global food security, supporting livelihoods of rural communities, especially the poor and marginalised, and securing a clean and sustainable environment. Therefore, ASEAN agri-food systems will have to become greener, more transparent, and more environmentally and socially responsible.

In due course, I believe ASEAN's agricultural sector will create its own brand names for many globally recognised commodities, turning the region into a key hub for global agricultural logistics and trading. It is also expected that many smart, high-tech models will be widely applied to ASEAN's agricultural sector. ASEAN could become a region of food innovation centres, and there might also be more enhanced public-private partnerships and an enabling business environment for agri-food investors.

## What will be the role of Vietnam's agricultural sector in ASEAN?

Vietnam's economy has made great strides since it joined ASEAN, and the country's agricultural sector has reaffirmed its vital role in the food supply chains and security for the region and the world. Through the implementation of

free trade agreements (FTAs), Vietnam continues to be a critical link between ASEAN and global agricultural markets, and plans to rapidly develop an agri-food system characterised by transparency, responsibility, low carbon emissions, and sustainability.

Vietnam will work with ASEAN member states to develop capabilities in agri-food production, processing, and logistics to serve global demand. We are also trying to strengthen our agricultural research and development (R&D) capacity. That's why Vietnam is proactively collaborating with the World Economic Forum (WEF) and the One CGIAR, the Consultative Group on International Agricultural Research, which is a consortium of agricultural research centres worldwide, to build the Food Innovation Hub in Vietnam as a prototype for ASEAN member states.

We are committed to implementing the Strategic Plan of ASEAN Cooperation on Food, Agriculture and Forestry (SP-FAF), the ASEAN Action Plan for Food Security during the 2021-2025 period, as well as the strategic cooperation plans specific to each sub-sector, including livestock, crop, forestry, and fishery.

In response to the global targets for carbon emission reduction, Vietnam is leading the development of the ASEAN Strategy on Biomass Energy for Agriculture and Rural Development during the 2020-2030 timeframe. We are also committed to playing a more important role in ASEAN to develop and implement initiatives for sustainable agriculture, climate change response, and regional and global food security.

Vietnam will work with ASEAN member states to develop capabilities in agri-food production, processing, and logistics to serve global demand.

### What are the major challenges that Vietnam's agricultural sector is facing today?

Despite its many achievements in recent years, Vietnam's agricultural sector faces many challenges. The COVID-19 pandemic, climate change, supply chain disruptions, decline in natural ecosystems and biodiversity, crop and livestock diseases, and the shift towards responsible green consumption all contribute to the volatile, uncertain, complex, and ambiguous global situation that also influences Vietnam's agricultural sector.

Another major challenge is the increasing competitive pressure both in the domestic and international markets. Industrialisation and urbanisation within the country create strong competition for resources from agriculture. Such competition, together with climate change, poses significant challenges to national and global food security. Meanwhile, there are several challenges that Vietnam's agricultural sector still needs to overcome, including fragmented small-scale production, poor connectivity, and the limited capacity of farmers and farming organisations.

### What do you think is the role of technology in the future of agriculture?

Technology plays an important and critical role for further agricultural development, especially when resources such as land, water, and labour are becoming scarcer. Technology is the key driver of agricultural growth and development, and a fundamental factor to increase productivity, lower costs, ensure food supply, and improve access to food.

Technology can bring about positive changes in breeding, farming methods, as well as the supply chain and distribution system. It helps to improve connectivity between producers and markets, thus breaking the conventional barriers of physical distance. It also helps to develop agricultural suppliers without land, transportation companies without vehicles, and retailers without shops. Besides, technology facilitates the transformation of primary agricultural products to serve the demand not only for food, but also other products such as medicine and cosmetics. It further contributes to the conversion of agricultural by-products into valuable products, giving agricultural products a greater value.

Technology is a key measure of national competitiveness. It is also a fundamental tool for establishing a more efficient, effective, and precise form of agricultural value chain governance. It assists in connecting people, and creating networks, ecosystems, and communities that are inextricably

## Technology plays an important and critical role for further agricultural development, especially when resources such as land, water, and labour are becoming scarcer.

linked despite being physically apart. It is therefore important that we improve our capacity to absorb and apply technology in the best way, in order to optimally serve producers and consumers, as well as protect the global environment. This is true not only for Vietnam but also for ASEAN in general. Member states need to cooperate better, so as to improve our collective capacity in agricultural technology, thereby proactively building and operating a system of agricultural innovation.

At the same time, technology is rapidly changing along with the Fourth Industrial Revolution, including digital transformation, which leads to the emergence of advanced developments, such as smart and circular agriculture, and blockchains. These new technologies are extremely important to improve efficiency and productivity, but also pose significant challenges that require the improved capacity of government officials, businesses, and farmers to adapt to and adopt them.

### How would all the bilateral trade agreements that Vietnam has signed impact the country's agricultural sector?

The implementation of FTAs will have a great impact on Vietnam's agricultural sector. FTAs will improve our access to export markets. Vietnam also has the opportunity to strengthen trade and investment cooperation, as well as acquire scientific and technological know-how from other countries. In addition, FTAs will help promote the consolidation of the ongoing institutional and policy reforms in our country.

However, the opening up of the domestic market during FTA implementation will increase competition and pressure on production, especially for less competitive sectors. Trade disputes will emerge while our capacity for resolution remains

limited. Enterprises also lack the experience to apply the technical standards for quality, environment, labour, and branding requested by importing countries. Also, there are very few geographical indications associated with Vietnamese agricultural products. For example, it was only after we had signed the Vietnam-European Union (EU) FTA that the EU was committed to protecting 31 geographical indications for Vietnam's agricultural products.

To better take advantage of the various FTAs, our Ministry is developing programmes to promote agri-food exports to key markets that Vietnam has signed FTAs with, such as the US, the EU, China, and Japan. In the near future, through engagement with the business community, cooperatives, and farmers, sustainable approaches to agriculture will be implemented more synchronously and effectively. As a result, our agri-food exports can gradually meet the demand for quality and standards while our competitiveness and reputation in the global market will improve.

### How can Vietnam better integrate into the food supply chain?

One of the key developments outlined in Vietnam's Strategy for Sustainable Agriculture and Rural Development for the 2021-2030 period and Vision to 2050 is the strong innovation in the governance of agricultural value chains that connect farmers, farmer groups, and businesses across various localities in a more systematic manner.

To implement this strategy, Vietnam's agricultural sector in the next phase will need to focus on consolidating its agricultural value chains by improving infrastructure, ensuring food safety and biosecurity, and applying technical standards for sustainable production, such as VietGAP and GlobalGAP, to serve the demands of different market segments. We also need to apply digital technologies to codify production areas, farmers, and businesses in the agricultural value chains. This helps to improve our capacity to manage the quantity and quality of agricultural inputs, which contributes to building Vietnam's branding for its key agricultural commodities in international markets.

Special priority will be given to promoting cooperation among the value chain stakeholders based on the principles of transparency, responsibility, risk-sharing, and mutual benefit for key agricultural commodities. In this process, the private sector will play the lead role to promote collective action among farmers, develop markets, and connect farmer groups to the markets.

We will promote targeted scientific research closely through technology transfer and digital transformation in the agricultural sector. Priority will be given to R&D for smart agriculture that will be responsive to climate change, efficient for resource use, and friendly to the environment.

Finally, we will also promote market development for agriculture. The focus will be on establishing wholesale markets associated with logistics centres in key production areas, and using FTAs to expand our export markets and join the global agricultural value chains, including the retail distribution networks in international markets. [AM](#)

**Le Minh Hoan**

*is Minister of Agriculture and Rural Development of Vietnam*