Making Agricultural Markets Work Better for the Poor The Participation of the Poor in Agriculture Value Chains in Viet Nam



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Process of Commercialization

- transformation of the rural economy: non-farm activities are the main source of income and employment.
- development of agriculture into rural businesses: millions of enterprises able to seize new opportunities, create employment, and add value.



Key challenges

- Increasing the competitiveness of Vietnamese agriculture and rural businesses
- Linking the poor to this process
- Generating higher returns to labour
- Participating in global value chains to do this



The Value Chain Approach

"An organized system of exchange from production to consumption with the purpose of increasing value and competitiveness"

Value Chain 🗲 Supply Chain

- Value Chain is about linkages generating value for the consumer
- Supply Chain is about logistics

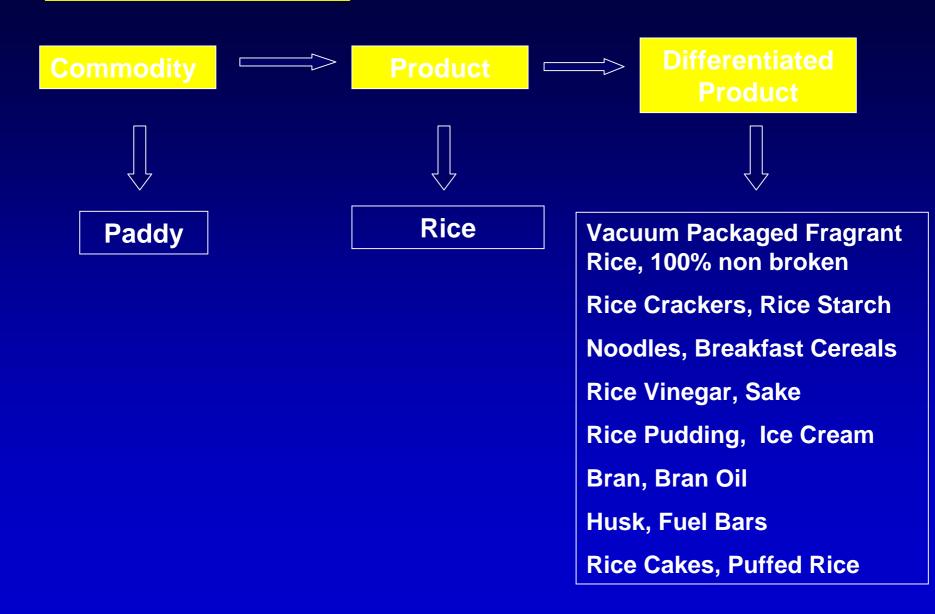


Features of a Value Chain

- The chain creates business linkages by getting stakeholders to work together. This requires effective coordination of decisions and exchange
- **Governance** is needed to coordinate
- In order to increase value, the value chain needs to meet consumer demand and be competitive
- In order to keep competitiveness, the value chain needs to innovate continuously
- In order for the chain to establish effective linkages, the chain needs to distribute benefits that provide incentives to the participants







Lessons from MMW4P in Viet Nam

Study areas

- Rice
- Tea
- Cassava
- Fresh fruit and vegetables (supermarkets)
- Contract Farming

Overall lessons:

- High potential
- Relatively:
 - poor returns for volume exported
 - Low value added in VN
- Linked vs unlinked
- Need for:
 - Partnerships in value chain
 - Quality improvements
 - Diversification of markets and products



Thank you



