

THE DEVELOPMENT OF ORGANIC FARMING IN VIETNAM

PERKEMBANGAN PERTANIAN ORGANIK DI VIETNAM

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ABSTRAK

Produk-produk organik saat ini sangat potensial untuk dikembangkan karena semakin besarnya minat konsumen dunia akan produk makanan yang bebas dari penggunaan bahan-bahan kimia, seperti pupuk dan pestisida kimia, sehingga aman untuk dikonsumsi. Permintaan produk-produk organik terutama datang dari negara-negara Eropa Barat, Amerika Utara, serta Asia Timur. Berbagai keuntungan yang bisa didapatkan dari pertanian organik adalah peningkatan kesehatan tubuh, kesehatan ekosistem (tanah, air, hewan, dan tumbuhan), serta peningkatan penghasilan bagi para petani karena harga produk organik yang lebih tinggi dibandingkan dengan produk-produk pertanian pada umumnya. Semakin besarnya pangsa pasar produk organik di dunia merupakan kesempatan besar bagi para produsen pertanian untuk beralih dari sistem konvensional ke sistem organik. Artikel ini ditulis berdasarkan penelitian yang dilakukan oleh penulis bersama dengan tim peneliti PSDR-LIPI lainnya tentang pertanian berkelanjutan di Vietnam pada tahun 2013, dan ditambah dengan berita-berita terkini tentang pertanian organik Vietnam. Hasil penelitian dan penelusuran menunjukkan bahwa kesempatan untuk meraih pasar organik yang besar belum banyak ditangkap oleh negara-negara produsen dan pengeksport hasil pertanian, misalnya Vietnam. Hingga saat ini, pertanian organik di Vietnam belum berkembang pesat, walaupun keberadaannya telah tersebar di beberapa daerah. Lambatnya perkembangan pertanian organik ini disebabkan oleh beberapa hal, di antaranya pembangunan pertanian yang masih berorientasi pada masalah kuantitas dan bukan kualitas, belum ada tuntutan yang besar dari pasar domestik untuk masalah keamanan pangan, dan besarnya biaya investasi untuk sebuah pertanian organik.

Kata kunci: *pertanian organik, pasar produk organik, kerangka hukum, investasi besar, dan pertanian*

ABSTRACT

Organic products nowadays are very potential to be developed because of the increasing demand from consumers around the world on healthy food which are free from chemicals, such as found in fertilizers and pesticides. Demand for organic products mainly comes from countries in the western of Europe, northern America, also East Asia. Besides promoting health for human and the environment, organic farming can also increase income for farmers due to the higher price of organic products compared to ordinary agricultural products. The growing market share of organic products in the world is a great opportunity for agricultural producers to shift from conventional to organic agriculture system. This article is written based on the PSDR-LIPI research about sustainable agriculture in Vietnam in 2013, coupled with current news on Vietnam's organic farming today. The research result shows that the opportunity to reach a large organic market has not been caught by the agricultural producer countries, including Vietnam. Until now, organic agriculture in Vietnam has not developed rapidly, although it has spread in some provinces. The slow growth of organic agriculture is a consequence of several things, such as the orientation of agricultural development which emphasize more on quantity and not quality, lack of legal framework, and complicated and high investment costs for developing organic farming.

Keywords: organic farming, organic market, legal framework, high investment, agriculture

INTRODUCTION

Food safety is a global current issue. More and more people concern about product quality and they demand for healthy food. One alternative farming system to produce healthier food is organic farming. Substantively, organic farming is the oldest form of agriculture on earth. The Food and Agriculture Organization (FAO) sees organic farming as “a system that relies on ecosystem management rather than external agricultural inputs”. Thus, it eliminates the use of chemical inputs, such as synthetic fertilizers and pesticides, drugs, genetically modified seed and breeds, preservatives, additives, and irradiation (FAO, undated). Meanwhile, the International Federation of Organic Agriculture Movements (IFOAM) (cited by Jimenez, 2006, 11) defines organic farming as an agricultural system with environmentally, socially, and economically sound food production.

There are various benefits of organic farming. First, organic farming produces good quality and healthy food. It also promotes ecological harmony and maintains the health of people, soil, plants, and animals by minimizing or even eliminating the use of chemical inputs. Second, organic producers can obtain job security; spend lower initial investment since organic products do not need expensive chemical inputs and they are drought resistance crops; receive high income as organic consumers are willing to pay more for organic products; and get marketing opportunities, as well as knowledge and skill (Chait, 2016). Because of the benefits, the consumer of organic products and global sales of organic food tends to increase every year, from 15.2 billion US Dollars in 1999 to 90 billion US Dollars in 2016 (Statista, 2018a). The demand for organic products mostly comes from people in European and North American continents. The leading organic markets in 2015 are the United States, followed by Germany, France, China, Canada, UK, Italy, Switzerland, Sweden, and Spain (Lernoud and Willer, 2017a: 147).

The large organic market opens wide opportunities for producer countries to produce organic products and get high profits. According to FiBL-IFOAM survey in 2017, there have been around 2.4 million organic producers throughout the world in 2015. Of this number, 35% are

from Asia. This was followed by Africa (30%) and Latin America (19%). The countries with the most organic producers are India, Ethiopia, and Mexico (Lernoud and Willer 2017b: 63). Unfortunately, Vietnam is not on the list of organic producers, even though it is one of the largest agricultural producers in Asia and it has succeeded to manage its agricultural sector in the last two decades, particularly for rice. Currently, this country is the second largest rice exporter in Southeast Asia and the third largest in the world (Statista, 2018). For that reason, this article examines the growth and trend of organic farming in Vietnam.

AGRICULTURAL SCHEMES IN VIETNAM: FROM FOOD SECURITY TO FOOD SAFETY

Historically, there were several transformations in agriculture sector in Vietnam since the reunification between North and South Vietnam in 1975. Those transformations were earmarked to achieve national food security. First transformation occurred right after the reunification happened. During this period, the Government of Vietnam applied a socialist agricultural system based on the previous model of northern collectivization. Top down approach was implemented, allowing agricultural production in the state's hand. Thus, the state controlled and managed the entire process of agricultural production, including the land use crop decision (Dinh, 1993). The implementation of agricultural collectivization program directly conducted under the leadership of the Vietnam Communist Party (VCP) (Nguyen, 2010).

However, the collective system performed poorly, and Vietnam experienced an economic crisis in the early 1980s. Then, the government of Vietnam adopted more flexible approach of agricultural policy (Diglio and Siddivo, 1998: 549), but still under the collective agricultural program. The approach called as Contract/Directive 100 system, issuing in 1981. This is well known as the second transformation. The introduction of this directive raised agricultural output and changed cropping patterns since it allowed collectives to have contract with individuals to produce agricultural output and sell

the surplus in the private market or state agencies. However, over the long run, the system could not be sustained because of many reasons, such as the top-down planning approach of land use and crop choice, government's inability to procure the contracted harvest, and the lack of security of land tenure (Vo cited by Diglio and Siddivo, 1998: 549). As a consequence, agricultural sector performed stagnant.

Between 1976 and 1985 was a period of slow growth and famine since there was a decline in food production as a consequence of collective agricultural policy. Then in 1986, the Government of Vietnam promoted some radical changes by enacting a series of reform which transformed the country from a centrally-planned economy to market economy with its socialist orientation, called as Doi Moi (renovation). Doi Moi era is the time for Vietnam to bring the agricultural sector as the primary strategy to develop its economy. In the late 1980s, Contract 100 system was replaced by Contract 10 System. With this new contract, some changes were taken by the government, such as placing the units of agricultural production on the hand of farming families, applying land tax index, and allowing land use rights of no more than 3 Ha for farmers. As the result, Vietnam was able to reach self-sufficiency in the late 1980s by increasing rice production (Diglio and Siddivo, 1998: 550). In 1990, Vietnam produced 19.2 million ton of rice. This number doubled to 40 million ton in 2010 and grew to 43.4 million ton in 2016. The increase production not only can meet domestic needs, but also world market demand. Vietnam's export volume increased from 1.6 million in 1990 to 6.8 million tons in 2010 and 8 million tons in 2012. 2012 was the first time for Vietnam transcending Thailand's rice export in the world market (FAO, 2017). However, Vietnamese rice export number decreased to around 6.5 million ton in the following years (2013-2015) (GSO, 2017). The development of agricultural sector brought great contribution to the total GDP and it has played important role in the Vietnamese economy over twenty years.

One of the reasons for Vietnam's success in developing its agricultural sector is to rely on the Green Revolution platform, which strongly

supports the use of agrochemical inputs, for example pesticide, to increase productivity (International Trade Center, 2013). Some steps were taken. In 1988, import tariffs were cut, and in 1992 the government issued Decision No. 1237/1992/HDBT to free the market and to set the price for several good and services (World Bank, 2016: 63). All of these regulations provided convenience for the farmers to get agrochemical inputs. Consequently, the use of pesticides among farmers has increased every year. They consider pesticides as an important component to maintain plant from pests and diseases, reduce farmers' time in pest problems compared with conventional methods, keep the products fresh, and maximize their farming productivity. The use of pesticide progressively grew as Vietnam opened its economy to a market-based system in the mid-1980s. In the next decades, pesticide use in Vietnam increased dramatically from 15,000 in 1991 to 76,000 tons in 2007 (Hoi, 2009: 380) and to about 105,000 tons with an expenditure of US\$744 million in 2012 (ILS cited by Hoi, 2016: 1). The total cost of pesticide imports rose 47 percent year on year. In fact, in the first eight months of 2017, Vietnam spent as much US\$ 660 million on pesticides (Tuoi Tre News, 2017).

Pesticides as well as fertilizer indeed provide satisfactory result, yet their incorrect and excessive use may result in great hazards to human health and also the environment. This is what happened in Vietnam due to lack of farmers' knowledge. The overused of agrochemical inputs in Vietnam get hard reactions from consumers throughout the world. This anxiety is responded by the Government of Vietnam by issuing a "Safety Vegetable" or "Rau An Toan" scheme to convince consumers that Vietnamese Vegetables are in high quality and safe to be consumed (APEC, 2008: 40).

Food safety scheme continued to be the government's concern. One famous program launched by the government of Vietnam was the campaign of "no early spray" in 1994. The aim of the campaign was to reduce the excessive use of chemical pesticides, especially during the first 40 days of planting rice seeds. In 1998, the initiative regulation on the scheme had been temporary issued. The Integrated Pest Management (IPM)

and Safe Vegetable Growing Practices are two examples of training courses that had to be followed by provincial and district authorities (I-Light, 2012). Later in 2003, the government issued the Ordinance of Food Safety and Hygiene with the aim of minimizing the residue impact on human health (Hoi, 2009: 381). The ordinance determines that the safety and hygiene of food is under the responsibility of food business operators. The operators also have an obligation to meet standardization in producing safe food. Simultaneously, the government also regulates the use of pesticides in agriculture. Using less pesticide means less toxic to human body and also contribute to environmental protection. This is an approach that promotes by the government to three key agents (producers, operators, and consumers) (Hoi, 2009: 381).

In 2003, the government of Vietnam also launched a new program called as “Three Reductions Three Gains (3R3G)” (Ba Giam Ba Tang) in Can Tho Province, South Vietnam. Three reductions means to reduce the use of three inputs in agricultural production, i.e. seeds, fertilizers, and pesticides. The reason for this program is because during the period 1990-2004, the majority of farmer believed that the use of three inputs in large quantity will bring good impact on the number of crops (Heong et al, 2010). As the consequences, there are the increased uses of seed by 50%, doubled use in fertilizer, and frequently spraying of pesticides (Huan, et. al., 2009). However, in reality, based on the research, the high and excessive use of those inputs gives negative effects. For example, highly fertilized crops can attract insects to produce more eggs, survive better, live longer, and become ecologically more fit (Lu, Huan, NH, LV Thiet, HV Chien, KL Heong, 2005). Meanwhile, the use of pesticides with high dose intensity causes negative impact on the environment and on the yield, both in terms of quality as well on safety. This situation is considered quite dangerous because agricultural products with low level of quality and safety cannot compete maximally in a free market that prioritizes both. Finally, it will reduce profits.

Throughout the years of 2005-2006, more than three million farmers in Vietnam

adopt 3G3R program (Huan, et.al., 2009b). As more and more farmers are adopting 3R3G program, there is certainly the increase of 3R3G adoption land area, for example, in An Giang Province. In this province, there has been a significant increase in land area for adopting 3R3G program, from less than 50,000 ha in 2004 to more than 250,000 ha in 2005. This means that there has been five-fold increase in just over one year. The positive achievements of the 3R3G program is the reduction use as much as 10% for seeds, 7% for fertilizer, and 30% for insecticides. This reduction can provide benefits to farmers, amounting to USD 44 per ha (Heong, et.al., 2010). Therefore, in 2006, the Ministry of Agriculture and Rural Development launched a 3R3G program as a national priority.

One more program contrived by the government is the “1 Must Do 5 Reductions” (1M5R) program. What is meant by “1 Must Do” here is the necessity to use certified seed; while “5 Reductions” includes a reduction in using of a quantity of seeds, fertilizers, pesticides, water, and reduction in post-harvest lost. This program is a continuation of the 3R3G program and it was conducted in 2008. This program is indirectly aimed to answer the demands of Vietnam’s engagement in the World Trade Organization (WTO) in 2007 which requires further improvement of its agricultural products’ quality (World Bank, undated).

However, those agricultural programs could not turn the world’s attention on safety issue of Vietnamese agricultural products. Food safety in Vietnam still leaves a big question among consumers. Vietnam needs to rectify its agricultural system. An alternative that can be chosen is reviving its organic farming since consumers believe that this kind of farming can produce food in a green and clean manner from the field to the table. Besides, organic farming is also well known as environment friendly agricultural system which can promote sustainable agricultural development.

Organic Farming in Vietnam

The past and current development of organic farming in Vietnam is difficult to be traced. Simmons and Scott (2008: 2) recognize

this difficulty; and according to them, the available information of organic agriculture in Vietnam is very limited. References are mostly articles in newspaper or a description about organic farming projects report. There is no statistical data about the numbers of organic farmers as well as the type and numbers of organic produce and its export to overseas. This lack of information brings adversity to discover recent development of organic agriculture in Vietnam.

As revealed by Voan (2006), organic farming in Vietnam already emerged in the mid 1990s. However, until the late 1990s, the initiative to do organic farming was still very low. The organic area was still limited to organic tea, essential oils, and spices plantation. These products were mostly exported to Europe (Simmons and Scott, 2008). Until the late 2000s, the development of organic farming was still slow, but it showed significant progress in the last 2-3 years with the current various products, such as tea, spices, vegetables, rice, honey, and aquaculture (Voan, 2006). Organic agriculture journey ultimately led to the first organic agricultural congress held in Hanoi in May 2012 by The Vietnam Agriculture Association (VOA) (Vietnam Plus, 2012). This first debut simultaneously signifies the recognition of organic farming in Vietnam.

Based on its survey in 2001, the IFOAM in 2006 and 2007 reports that certified organic land in Vietnam was only 6,475 Ha or 0.07% of the total farming land throughout the country (IFOAM cited by Simmons and Scott, 2008: 4). However, in 2012, Vietnam Farmers Union (VFU) claimed that there are 21,000 Ha of organic farming land or 0.2% of the total arable land in the country. This organic farm land is still smaller compared to that of Cambodia and Thailand (Thanhlien news, 2012). As there is a growing demand of organic products globally, organic land area has expanded in Vietnam. From the report of the FiBL and IFOAM in 2013, the certified organic area in Vietnam reached 31,700 Ha and it grew to 77,000 Ha in 2016 (Vietnam Organic Agriculture Association (VOAA) in Vietnam News, 2017).

There have been about 1,022 organic farms spreading across Vietnam until 2013. The

number of organic farming is currently increased along with the development of international market for organic products. There are 33 out of 63 provinces and cities in Vietnam have organic farming models; ranging from organic vegetable, organic mushroom, organic rice, organic fisheries, organic tea and coffee, organic herbs, and other organic projects. Nevertheless, the scales are still small (VOV, 2017). For organic vegetable, the largest growing area is located in Lam Dong Province, the Central Highlands of Vietnam. This province has 43,800 ha of organic vegetable land, spreading in Da Lat City and surrounding districts: Don Duong, Duc Trong, and Lac Duong.

The organic vegetables they produce are not only for domestic markets in HCMC, Hanoi, Nha Trang, and some big cities in south central coast; but also for international markets, such as Taiwan, Singapore, Japan, EU countries, the United States and Australia (Vietnam Chamber of Commerce and Industry, 2013). Another organic vegetable is carried out in Tra Vinh Province, Mekong Delta. The organic project is collaboration between the Vietnamese Heritage Institute and Tra Vinh University (Simmons and Scott, 2008: 20). Farmers in Tra Vinh, Vinh Long, and other cities in Mekong Delta are the target of the project. The collaboration between them was formed in July 2007 with two pilot research programs, which are “evaluating the potential of organic farming as a sustainable and profitable option for farmers” and “introducing a variety of vegetables and mushrooms originating from Western sources into gardens set up for research” (The Vietnamese Heritage Institute, 2012).

For organic rice, the projects are scattered in some provinces, for example in Luong Son District (Hoa Binh Province), Chuong My District (Ha Tay Province), and Tien Giang Province. Luong Son District in Hoa Binh Province is situated near Hanoi. Organic farming in this district was develop in 2008 and it covers nine hectares. The presence of organic farming in this district cannot be separated from the support of the Agriculture Development Denmark Asia (ADDA) and the Vietnam Farmers Union (VFU). Small volumes of organic products

from this district are sold in small local markets (Thanhnie news, 2012). Organic project in Luong Son District is targeted for thousand of rice farmers of Muong ethnic minority. It is financially supported by the Spanish Agency for International Development Cooperation (AECID), and there are many parties involved in the implementation, i.e AECID, the Institute of Policy and Strategy for Agriculture and Rural Development (ISPARD), and some local authorities. The aim of the project is to increase farmers' income, provide safe farm produce, and satisfy the domestic market's rising demand (Thanhnie news, 2012).

Not much different from Luong Son District, organic rice farming in Chuong My District (Ha Tay Province) is supported by foreign agency. Rice farmers community in this district get fund from the Japanese International Co-operation Agency (JICA) and get training from the University of Tokyo and Hanoi University of Agriculture to adapt a new system of rice farming method, called the System of Rice Intensification (SRI). The project name is "Improving Production and Marketing Capacity Improvement for Sustainable Agriculture, Farmers Empowerment, Rice Improvement, and a Cleaner Environment" (PAMCI-SAFE RICE). The project includes three communes in this district, which are Dong Phu, Dai Nghia, and Dai Hung (Viet Nam News, 2013).

Besides vegetable and rice, other agricultural products are organically practiced in Vietnam. For instance, is organic shrimp farm. The famous organic shrimp is run in Ngoc Hien District, Ca Mau Province in Delta Mekong (Mangrove Action Project, 2009). Meanwhile, organic tea farms can be found in Tay Nguyen Province, Bac Ha province, and Lao Cai Province (Simmons and Scott, 2008: 18-19). The provinces with organic species and essential oil include Yen Bai, Tuyen, Quang, Lang Son, Nghe An, Long An, Bin Phuoc, Lam Dong, and Dac Nong (Simmons and Scott, 2008: 19). There is also organic mushroom, which is performed in Tra Vinh Province (The Vietnamese Heritage Institute, 2012) and Da Nang Province in Central Vietnam (Morison, 2013).

Actors Behind Organic Farming in Vietnam

Although the exact number of organic farmers in Vietnam is not be known for certain, Simmons and Scott (2008: 3) have succeeded to configure three types of organic farmers in Vietnam, namely the traditional organic farmers, the reformed organic farmers, and the certified organic farmers. They allege that each type only consists the small numbers of organic farmers. The first group is called as the traditional organic farmers. Usually, they live in the mountainous areas in the central and north Vietnam. They practice traditional agricultural methods and have never used agrochemical in their agricultural system. Simmons and Scott (2008: 3) claim that the reason for these farmers not to use agrochemical is due to the limited access and the expensive price of agrochemical rather than the environmental concerns.

The second group of organic farmers in Vietnam is the reformed organic farmers. Initially, they used to be agrochemical users on farms, yet they switched to and adopted organic farming practices after receiving ecological farming methods and explication about the negative impact and the dangerous of agrochemicals. The last group is the certified organic farmers or in the process of becoming certified. This group of farmers is usually incorporated in development organizations which train them about organic production methods, whilst private trading companies act as the locomotives (Simmons and Scott, 2008: 3, 14). Amongst the three types of organic farmers in Vietnam, the last group has the highest numbers than others.

The current situation shows that organic farming in Vietnam is collaboration between national organic farming companies and local farmers; or between foreign agencies and private companies or local farmers. A great dependence to foreign agencies is very pronounced due to high investment cost to do organic farming and there is no domestic certification for organic products in Vietnam (Vietnam News, 2017). Several foreign agencies involved are the Agricultural Development Denmark Asia (ADDA), the International Global Change Institute (IGCI), the

Swiss Import Promotion Programme (SIPPO), the Japanese International Co-operation Agency (JICA), the Spanish Agency for International Development Cooperation (AECID), New Zealand Aid, and the French Organization CIRAD (Centre de International Cooperation pour Agriculture Recherche en Development). ADDA has various organic projects in Vietnam. In the first project, ADDA collaborates with other agencies, both within and outside the country, such as the Hanoi-based nonprofit consultant, the Oxfam International, and the Australian Development Agency AusAid. The collaboration between them emerged as a form of concern upon the failure of Hanoi Organic Project. Together, they helped and worked with the farmers on the outskirts of Hanoi to do a transition into organic production methods and certification process. The project then called as the Thanh Xuan Organic Project. In 2010, it distributes 1,000 kilograms of organic products every week in Hanoi, and it has 300 regular customers (Meat Trade News, 2010). In another project, ADDA collaborates with the Vietnamese Farmers Union (VNFU) to train farmers on organic production techniques and to develop local markets for organic crops. The project run from 2005 to 2007, and it was located in Bac Ninh, Vinh Phuc, and Lao Cai Provinces for vegetables; Tuyen Quang Province for oranges; Bac Giang Province for litchis; and Hai Phong Province for freshwater fish (Simmons and Scott, 2008: 19). Several intended objectives of the project are to develop production and marketing system for organic products and to manage organic certification system (APEC, 2008: 41).

Another foreign agency involved in the development of organic farming in Vietnam is the International Global Change Institute (IGCI). IGCI occupies three projects for developing organic production methods for tea and other crops (International Trade Center, 2013). This institution forms a partnership with the Ministry of Agriculture and Rural Development (MARD) and Thai Nguyen University of Agriculture and Forestry (TUAF) to train farmers and to develop organic production system (Simmons and Scott, 2008: 18). It also collaborates with a local private company (Ecolink) to develop organic

tea products for local and export market in Thai Nguyen and Lao Cai Provinces. Together, they foster 18 farmers in Thai Nguyen Province and 286 farmers in Lao Cai Province (Simmons and Scott, 2008: 19).

The Swiss Import Promotion Programme (SIPPO), Trading Organic, New Zealand Aid, and Centre de International Cooperation pour Agriculture Recherche en Development (CIRAD) are other foreign agencies engaged in organic development in Vietnam. The product covered by SIPPO is organic prawns. It has assisted prawn growers in Ca Mau Province, Mekong Delta Vietnam, since 1991 to breed certified organic prawns to be exported to Europe (International Trade Center, 2013). Meanwhile, Trading Organic is a private company from the Netherlands. It is a joint venture company with Vinh Phuc Co. They export organic foods, such as cashew, pineapple, mango, and passion fruit to Europe, North America, and Japan (Simmons and Scotts, 2008: 19). Hereinafter is New Zealand Aid. This institution involved in organic tea project in Dong Hy and Khe Mo Districts (80 km northwest of Hanoi) between 2002 and 2005. In carrying the project, it collaborated with Thai Nguyen University of Agriculture and Forestry (TUAF). Besides helping local community in those two districts, this institutions also assisted the MARD to develop the National Organic Production Guidelines for organic tea and other crop in Vietnam which was corresponded with the international recognised guidelines (APEC, 2008: 42). Next foreign agency in Vietnam is CIRAD. It is a French organization which also involves in organic farming in Vietnam. With the support from the French Embassy in Vietnam, it started an organic agricultural project in Vietnam and established cooperation with the Fruit and Vegetable Research Institute (APEC, 2008: 46).

Besides organic foreign agencies, another actor plays in organic development in Vietnam is Vietnamese local organic companies. They are carried out by private company or a collaboration with universities, such as (Simmons and Scott, 2008: 18-20) Hanoi Organics, Sapro, Vien Phu Organic Fragrant Rice, Ecolink, Moonflower, Natural-Pro, Organic Garden at the Vietnam Friendship Village, Cao Bang Bitter Tea

Company, Organik Dalat Company, and Nguyen Thanh Chim (a member of The Vietnamese Heritage Institute). Two leading projects were mostly organic vegetables and mushroom cultivations (The Vietnamese Heritage Institute, 2012).

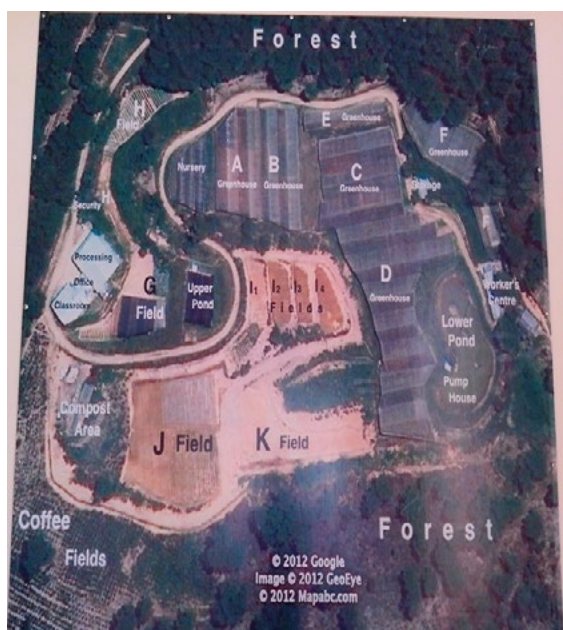
Organik Dalat: A Success Story of Organic Company in Vietnam

Organik Dalat is one of the largest organic farmings in Vietnam. It is located in the outskirts of Da Lat City, Lam Dong Province, the Central Highlands of Vietnam. It belongs to Dr. Nguyen Ba Hung, a doctor graduated from the National Institute of Agriculture in France. He started Organik Dalat in Vietnam in 1997. Initially, his vegetable organic produces were sold to expatriate families in Ho Chi Minh City with a vegetable box scheme (interview with Dr. Hung, 9 May 2013, Da Lat). Furthermore, the company sold to other producers around Da Lat and sent to many five star hotels, restaurants, cruise ships, and catering companies across Vietnam. In order to expand the market, in

Subsequent years, the company managed to get other organic certificates from GAP (Switzerland) and HACCP (Netherlands) (I-Light, 2012). This is a breakthrough step for the company to further enter into European organic vegetable market since certification is the passport to ensure that the organic food from the company is safe to be consumed and it is in conformity with the applicable international organic standards.

The EureGAP certification further spurred Dr. Hung to continue expanding his organic farming by buying 15 ha land in the outskirts of Da Lat city. In selecting the location of the farm, Dr. Hung deliberately chose the isolated place. According to him (interview with Dr. Hung, 9 May 2013, Da Lat), this condition is very important to avoid the pesticide residue contamination from other neighbouring farms. The isolated farm of Organik Dalat Company can be seen in picture 1. From the picture we can see that the Organik Dalat Company farm lies in the middle of forests and coffee fields.

Operating organic farming is clearly not easy. To run the company, Dr. Hung is helped by some agricultural experts and his son, who is also a doctor in agriculture graduated from overseas. He also empowers local communities by employing them as workers in his company. As revealed by Dr. Hung, it needs a lot of works, knowledge, and patient to maintain natural balance. Some technical points that need to get full attention of organic producers are controlling insects and water quality. For insect problem, as much as possible, Dr. Hung conducts his own research to naturally get rid of nasty pests. His basic principle is to maintain the balance of the nature. Therefore, for example, he installs several Greenhouses in six locations (see again picture 1). Almost all of the Greenhouse is equipped by sealed net and double doorsystem, and shaded by clear plastic to prevent insect to enter in. To maintain water quality, he built himself water reservoir and maintained the microbial balance in it. Some examples of organic vegetables from the Organik Dalat Company include lettuce, tomatoes, cauliflowers, cucumber, and carrot (interview with Dr. Hung, 9 May 2013, Da Lat). The Organik Dalat Company has managed its



Source: Photograph taken during the fieldwork

Picture 1. The Map of Organik Dalat Company 2012

2003, he rented land and his company started to export organic lettuce to Taipei. In August 2005, the Organik Dalat obtained the EureGAP certification.

organic farming very well. Now, it has an organic shop in Ho Chi Minh. It sells a diverse organic products, not only from its own company, but also from other companies, even from other countries.

The Future of Organic Development in Vietnam

The increasing demand of organic products from other countries, in a certain sense, may encourage the development of organic agriculture in Vietnam in the future. Two main influence factors for the positive future of the development of organic agriculture in Vietnam are:

1. Assistance from several international organic agricultural institutions, universities, and many agricultural experts. Currently, there are many professors and doctors from the universities in Vietnam involve and become adviser in organic agriculture (Vneconomy, 2010). Their knowledge and opinions will definitely support the development of organic agriculture in Vietnam and will eventually rise the number of Vietnamese organic consumers.

2. Higher price of organic products compared to conventionally grown ones. The price of organic food are 10—40 percent higher than non-organic ones because organic farming needs specific requirements and takes long process.

However, The Vietnamese Minister of Agriculture and Rural Development says that organic farming in Vietnam is still underdeveloped (The Saigon Times, 2018). Vietnam has a lot of homeworks to going organic, which also determine the future of its organic agriculture. Based on various sources, these includes:

1. The lack of suitable organic farmland (I-Light, 2012).

One of the organic agriculture requirements is a farmland or water supply that are free from the chemicals intrusion from other surrounding farms. It needs up to seven years for the soil in the defiled land to recover from the chemical profanation and to be ready to be used as organic farmland. As most of the farmland is

contaminated with chemical residue, it is difficult to find ‘virgin’ land in Vietnam. If there is virgin land, the price will be very expensive. These conditions are surely unfortunate for farmers since they need sustainable income to resume their lives.

2. Complicated and expensive process of organic certification (I-Light, 2012).

This is another major obstacle in developing organic farming in Vietnam. Without certification, organic producers cannot claim and label their product as organic. Actually, in 2006, Vietnam has regulated basic organic standardization. Unfortunately, until now, it has not had its own internal organic certification yet. Consequently, for those who want to undertake organic farming, they have to obtain certification from foreign certifier, such as IMO from Switzerland, ICEA from Italy, and ACT from Thailand (APEC, 2008: 45). The process of external certification takes long time, and most farmers find it too costly. This causes only the rich organic farmers can perform the process. Since alot of products from organic farmers cannot be certified, there are only small volumes of organic products that can be sold in some local markets. This brings difficulty for consumers to get clean organic food (Thanhnien news, 2012).

3. The government’s attention and legal framework

Although Vietnamese organic products have an international promising market, unfortunately, organic farming system in Vietnam has not received considerable attention from the government, and it has grown in “an unplanned manner” (Thanhnien news, 2012). There are no official programs or regulations for supporting organic system since the government still obsessed to meet national food security and the international food demand (I-Light, 2012). This impedes the promotion of organic farming within the country (Thanhnien news, 2012).

No legal framework for organic farming eventually causes further effects, such as no training for organic expert in the field, no aid for organic farmers to create organic offices, or

no extra costs in production system. Therefore, it is clear that the growth of organic farming needs the legal framework to result a planned growth of organic agriculture. Actually, the Government of Vietnam through the Ministry of Agriculture and Rural Development (MARD) has collaborated with the Vietnam Farmers Union in practicing some organic agricultural projects. Unfortunately, all is far from the basic need to develop organic farming. The draft of the National Basic Standards for Organic Products has been conceived and enacted by the MARD in December 2006 through the Decision No. 4094/BNN-KHCN on the issued of 10 TCN 602:2006 Organic. This standard follows the IFOAM guideline and ISO 65, which are issued by Codex Alimentarius on organic. However, this standard has not further issued yet into regulations or policies or specific programs (Thanhnie news, 2012). Thus, it does not bring a better condition for organic development in Vietnam. Vietnam still needs real organic policy, such as the infrastructure, the certification and accreditation, the research and development, the training and education, and also the financial support (APEC, 2008: 43, 44).

Until now, there has not been real still specific policies or program to further support organic farming in this country. For instance, there is no a standard for clean production and national organic certification. Although national policies have favored natural conservation, agricultural policies in Vietnam still primarily geared toward raise production capacity for national food security, economic growth, and trade targets. These policies appear to conflict with environmental goals. Protecting natural resources and environment has not been a pillar of agricultural policy, the use of danger synthetic inputs still continues to be practiced, and the practices at provincial level maintains high productivity (World Bank, 2016: 35). The policy and administrative failure makes organic farming is still underdeveloped in Vietnam.

4. The reluctance of farmers

Those three factors above cause reluctance of farmers in Vietnam to go organic. Additionally, there are also two other major reasons for

Vietnamese farmers not to switch to organic farming. First is a transition time. Switching from conventional to organic farming is not easy and requires along time. Many farmers worry that farming without chemical inputs will reduce the produce and finally will cut their profits (Meat Trade News, 2010). Secondly, there is a lot of technical problems. Indeed, the organic production requires a hard working, high investment, and careful method to manage pest, pestilent insect from other conventional fields, water contamination, high-standard land, imbalanced ecosystem, etc (interviewed with Dr. Hung, 9 May 2013, Da Lat; Thanhnie news, 2012; Meat Trade News, 2010). Based on the interview with one student whose parents are farmers, it can be underlined that all of those technical problems and investments become major constraints not only for her parents but also for mostly farmers to divert to organic system since in general they live in poverty (interviewed with a student, 15 May 2013, Ho Chi Minh City).

5. Underdeveloped organic domestic market.

90% of Vietnamese organic products are exported abroad, mainly to European countries and the United States of America (Simmons and Scott, 2008: 4). It is also predicted that in short to medium term, the development of organic agriculture in Vietnam will still be largely determined by export demand (Simmons and Scott, 2008: 9). The condition is inversely proportional to the situation of domestic market. As well as other developing countries, domestic demand for organic products has not been growing rapidly yet. Demand usually comes from expatriates; upper middle class people who live in big cities, such as Hanoi and HCMC; and five stars hotels or restaurants (Simmons and Scott, 2008: 4). Low domestic demand to some extent is influenced by price and knowledge. The price of organic products is more expensive than non-organic ones. This makes many people will think twice for buying organic products. About knowledge, it has to be admitted that a lot of Vietnamese consumers do not understand the meaning of organic (Thanhnie news, 2012). Only farmers, consumers, and people who are concerned know the concept of organic

agriculture (Vneconomy, 2010). Most people are confused about the differences between the terms “safe vegetables” and “organic”. This leads to a distrust (Simmons and Scott, 2008: 9), consequencing on the consumption pattern among the public and the existence of organic products in the country.

CONCLUSION

Presently, organic farming becomes a new trend in agricultural system. A lot of research results indicate that there are many positive aspects that we can earn from organic agriculture since it brings excessive benefits not only to human but also to the environment. Demand for organic food also shows a significant increase, particularly from people in Europe, Northern America, East Asia countries. However, it is unfortunate that the increase demand of organic food does not necessarily bring good development of the system in agricultural countries, such as in Vietnam.

Vietnam is one of the largest agricultural producers in the world and its agricultural development runs very fast. It has several spots of organic farming across the country to anticipate the increase demand of Vietnamese organic products from other countries. Generally, those organic farmings are collaboration projects between international agricultural agencies and national agricultural institutions, universities, or private companies. These verily bring advantages to Vietnam. First, Vietnam can further develop organic farming system. Second, those advantages contribute to sustainably agricultural sector within the country in the future.

However, the development of organic agriculture in Vietnam is not very encouraging and seems to walk very slowly. Even, it is still categorized as the new phenomenon in this country as it has just reached its significant progress in the past 2-3 years. The development of organic agriculture in Vietnam is hampered by several fundamental things. The orientation of national agricultural development which emphasizes more on quantity gives impact on the lack of supported regulations and legal framework to support the existence and development of organic farming. Consequently, it is difficult for

Vietnam to produce good quality and safe food. These are big homeworks to be solved; otherwise it will be very hard for this country to survive in the developing world market.

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