

**VIETRADE** - In 2015, with the context of the declining productivity and export value among most of agriculture products, fresh fruit export has outstood with the growth rate of nearly 50% against 2014.

### ***Successful penetration into choosy markets***

According the Ministry of Industry and Trade (MoIT), over the past few years, Vietnam's fresh fruit export has enjoyed favorable conditions, resulted in the increasing impressive export growth...Export value of fresh fruits was reported only USD 439 million in 2009, witnessed an increase to USD 827 million in 2012, USD 1.1 billion in 2013 and USD 1.5 billion in 2014.

The General Department of Customs (GDC) informed that export turnover for fresh fruits in 2015 has achieved a spectacular growth rate of 47% against 2014, equivalent to USD 2.2 billion. This is the record high growth rate in the context of such other produces as rice, coffee, cashew nuts, rubber and seafood experienced a decrease. Positive signal came from the acceptance of several choosy markets such as the US, Japan and EU for various fruits like longan, lychee, mango, dragon fruit, green grapefruit, bringing about a new position for Vietnam's fruits.

In 2015, more than three tons of lychees were exported to the US market for the first time.

Australia also approved to import fresh lychee from Vietnam and the first 16 consignments of over 28 tons of lychee were exported to this market. The successful penetration of lychee into Australian market has also paved the way for other fruits like dragon fruit, longan, mango...

As for Japan, besides more than 1,200 tons of dragon fruit, Vietnam also exported more than 10.6 tons of mangos to the market. Mr. Nishikawa Yasuo, Office of Nishikawa Senator said that Japan's Ministry of Agriculture, Forestry and Aquaculture approved the import of Dong Nai mango into the market after the Japanese business delegations conducted a field visit to Dong Nai's fruit plantations. Particularly, Dong Nai mango planted in Xuan Loc province was chosen by Japanese importers. The penetration of Vietnam's mango into Japanese market is phenomenal since for a long period, only white dragon fruit was accepted to enter the market.

New Zealand has sent experts to inspect the planting area for rambutan, set forth the conditions and grant import license to this export item. Korea has also agreed to expand the mango planting area beyond the Mekong Delta River.

The acceptance to various markets of Vietnamese fruits can be traced to the successful application of GlobalGap and VietGap production practices by Vietnamese farmers. What is more, off-season production practice on orange, sugar clementine, rambutan, durian, lychee...has proved to be effective.

By far, Vietnam has export fruits to more than 40 nations and territories, among which China is the largest importer. Evidently, the delivery of Vietnamese fruits into choosy markets is also a means to increase the value of export fruits and decrease the dependency on Chinese market.

### **Breakthrough in 2016**

Assessment of export potentials in 2016 by Mr. Hoang Trung, Deputy Director of the Plant Protection Department (Ministry of Agriculture and Rural Development) forecasted a larger volume of fruit export against 2015, especially key fruit exports like mango would experience a robust growth, thanks to the successful penetration into an array of choosy markets, active preparation of ministries, industries, local authorities and enterprises as well as the increased awareness of the farmers in producing fruits that comply with import requirements by choosy markets.

According to Mr. Nguyen Xuan Hong, Director of the Plant Protection Department, in 2015, the very first consignments of Cat Chu mango were exported to Japan, bringing about many advantages. Export of mango to Japan is expected to surge this year. Besides mango, Vietnam is in the negotiation process to export other fruits like red dragon fruit, lychee, longan, rambutan, star apple to Japan.

Mr. Hong also noted that as Vietnam is a member of the Transpacific Partnership (TPP), the country's fruits would be more advantageous than other nations', including its key export markets such as the US, Japan and Australia...Export markets for Vietnamese fruits are forecasted to expand in 2016. Despite the abundant opportunities, Vietnam's fruit and vegetable exports would have to comply with the strict requirements on food hygiene and phytosanitary.

## **To boost fruit exports**

Mr. Hong also noted that exporting fruits to such choosy markets as EU, Japan, the US,... would require compliance to requirements on food hygiene and phytosanitary, which can be achieved by using radiation and heated steam treatment. Also, organizing production, planning for large specialized crop area and introducing a produce traceability system such as codes for crop area, packaging agency, processing manufacturer... should be done at the same time.

According to Mr. Nguyen Minh Chau, Head of the Southern Horticultural Research Institute (SOFRI), in order to promote fruit exports, in the time to come, production re-organizing should be properly taken in alignment with the new context. Vietnam can learn from the Cooperative models of Japan, Korea and Taiwan. The Japanese model is supported by the government with operation cost, such as the construction for packaging house, administrative office and investment on advanced technology production lines. Apart from this, the cooperative does have a supermarket to help with production consumption for its members. Hence cooperative members will be supported from the input stage to the output stage. Admittedly, cooperative model is the only solution to develop a large production area, ensuring fruit quality consistency, and food sanitary under strict supervision. In achieving this, the government should plan and create a support mechanism for fruit production following the modern cooperative model towards the specialized and systematic production.

The government should also provide enterprises with incentives to promoted the outsource model with farmers. Establishing several credible export brands for Vietnamese fruits is another priority. Enterprises should not be encouraged to export the same produces, which may trigger competition and reduce export value...An advisable model adopted by New Zealand companies is the specialization in one or two types of fruits of their strengths and strictly organized in terms

of production, purchasing, packaging and exporting...This can be applied first to exporters of dragon fruit, Cat mango, green grapefruit, longan, rambutan...which will then help promoting fruit exports and reap financial benefits for farmers on their own crop area.

The government should play an active role in coordinating the “linkage of the four houses” to develop large specialized crop area, make fruits accessible to the supermarkets and promote fruit exports. Otherwise, large specialized crop area and modern cooperative of fruit production cannot be achieved.