



Viet Nam shows how to integrate an agricultural value chain

In Southeast Asia, Viet Nam has set a good example for integrating its agricultural value chain. Value chains are the goods and services needed for a product to move from farm to consumer.

In 2010, Viet Nam launched a public–private partnership project called the Partnership for Sustainable Agriculture, which drew interest from big companies. The partnership between the government and the private sector established training programs for farmers, which increased their productivity and income, and improved both crop quality and yield.

Countries in Central Asia and the Caucasus where farms are inefficient might gain insight from the partnership model used by Viet Nam.

In public–private partnerships, governments and major agricultural industries jointly develop training programs. Small and medium-sized farming enterprises or SMEs are provided with seeds, fertilizers, pesticides, among others, to increase their productivity and product quality.

Involving major agricultural industry players can also encourage SMEs to form clusters and serve as satellites to larger agro-processors, wholesalers, and retailers. This in turn strengthens links between big industry, farmers, and SMEs.

Viet Nam’s participation in the Greater Mekong Subregion (GMS) demonstrates how economic corridors can improve farms and promote agriculture around existing and planned infrastructure. An economic corridor is an area within a country or between countries where an integrated infrastructure network spurs economic growth. The corridors—with their highways, railways, ports, and housing—attract investments and

stimulate economic activity. The other GMS countries are Cambodia, the People's Republic of China, Lao People's Democratic Republic (Lao PDR), Myanmar, and Thailand.

In Viet Nam, the North–South Economic Corridor focuses on agriculture and agro-industry such as food processing, nonfood agro-industry, and agricultural machinery and equipment. The Southern Economic Corridor is developing a commercial and industrial food crop production and processing center. This center focuses on producing cassava- and sugarcane-based ethanol. The East–West Economic Corridor encourages agriculture processing such as cross-border contract farming, where small farmers work with big agribusiness companies, gaining access to buyers, training, seeds, fertilizers, and pesticides.

This has been a summary of part of an ADBI policy brief by Aladdin Rillo and Suryo Ariyanto Nugroho.