

Vietnam's Agricultural Export: Situation and Solutions

Mai Thi Dung

University of Labour and Social Affairs

Nguyen Duc Duy

St. Paul American School Hanoi

Agricultural products are one of Vietnam's important export industries, contributing positively to the country's overall export turnover. In 2020-2021, the global Covid-19 pandemic significantly affected Vietnam's agricultural import and export activities. The article assesses the current situation of Vietnam's agricultural exports in the period of 2019-2021; On that basis, proposing solutions to increase Vietnam's agricultural exports in the post-Covid-19 context.

1. Introduction

In Vietnam, promoting the export of agricultural products is one of the most important policies in the process of agricultural restructuring toward increasing added value and sustainable development. From the Vietnamese point of view, agriculture is understood in a broad sense to include the fields of cultivation, animal husbandry, fisheries, forestry, and salt production.

The implementation of Vietnam's manufacturing exports in recent years shows that, besides many achievements, difficulties and limitations have not been achieved. Prominent are the problems related to the limited and uneven product quality; low export value, the face row is not multi-format, export the element of the middle server into a number of the most market; export scale is still small. Add to That are the same image of the big services Covid-19 ask for the right solutions to find the export path of Vietnamese manufacturing in an efficient and solid way. The Center researches articles on the export of Vietnamese agriculture, from which to propose some solutions to increase exports.

2. The current situation of Vietnam's agricultural exports

On export turnover of agricultural products.

In recent years, Vietnam's agricultural exports have grown at a high and stable rate. In the period from 2007 to now, even in the period of 2019-2021, when Vietnam and the world were heavily affected by the Covid-19 pandemic, the export turnover of agricultural products has tended to increase (Xuan, N.H.N., 2021).

Thus, basically, the export growth of the agricultural and aquatic products group is quite positive with 8/9 items recording growth in 2021. In which, tea is the only item with a decrease of 127 thousand

tons, turnover exports reached \$214 million, down 1.8% in value and 6% in volume compared to 2020. In 2020, the Covid-19 pandemic affected a series of major export markets such as the United States, EU, China (Ministry of Industry and Trade, 2021).

Table 1: Export turnover of some key agricultural products, 2019-2021

Commodity	Year 2019	Year 2020		Year 2021	
	Turnover (USD)	Turnover (USD)	increase/decrease	Turnover (USD)	increase/decrease
Seafood	8.54	8.4	-1.5%	8.88	5.65%
Vegetables	3.75	3.17	-12.7%	3.55	8.6%
Rice	2.81	3.12	11.2%	3.3	5.3%
Rubber	2.3	2.38	3.6%	3.28	37.5%
Coffee	2.86	2.74	-4.2%	3.07	12.1%

Source: Compiled from Vietnam import and export reports

On the structure of export agricultural products.

In general, agricultural products in the structure of export goods recorded a positive trend, the proportion of exports of the group of agricultural products and aquatic products ranked second, accounting for 8.9% of the export value last year. Wood and wood products, vegetables, cashew nuts, processed products tend to increase and decrease the proportion of rice, coffee, rubber and tea. The sectors with high growth in exports of processed products are rubber, wood, and seafood, leading to a decrease in the proportion of raw exports and an increase in the proportion of processed agricultural products (from 21.75% in 2008 to an increase of 21.75% in 2008), 45% in 2019) (Ministry of Industry and Trade, 2020).

About the export market

Thanks to the policy of market expansion and the negotiation of market opening, the participation in FTAs has been focused. As a result, there are 33 export markets with a turnover of over 1 billion USD in 2021, the number of large markets over 10 billion USD increases to 5 markets. (Ministry of Industry and Trade, 2022)

Despite being affected by the Covid-19 pandemic, export turnover to other major markets tends to increase, such as the Americas market with a

turnover of US\$ 4.67 billion, up 20.7% compared to the previous year. In 2020; European market reached 4.4 billion USD, up 11.5% compared to 2020; African market reached 936 million USD, up 21.0% compared to 2020; the Oceania market with a turnover of USD 557 million, up 11.7% compared to 2020. (Ministry of Industry and Trade, 2022)

2. Restrictions still exist in the export of agricultural products

About export value and quality of exported agricultural products

The export growth of a number of commodities is mainly based on an increase in quantity and at times an increase in price due to scarce supply in the market. The main reason is that Vietnam's agricultural products are still exported in raw and semi-processed form. The new trend of producing green and organic agricultural products has not been focused. The system of common standards applied to Vietnamese agricultural products, combined with a program to build a national agricultural product brand, has not been seriously implemented. This is a major limitation, reducing product competitiveness and at the same time limiting the deep participation in the retail distribution system of importing countries.

The quality of exported agricultural products is not uniform and unstable. Meanwhile, the needs of customers and the requirements of importing countries are increasing. The requirements on food hygiene and safety and traceability have not been fully met, leading to many export orders being returned due to the use of banned substances during production and processing.

About the export market

The level of market diversification of some agricultural and aquatic products is not high. In the period 2010 - 2021, the export of agricultural products depends on two markets, China and the United States, accounting for 47.2% of the total value of agricultural exports in 2021 (Ministry of Industry and Trade, 2022). The export focus on a few key markets makes the degree of dependence on such markets increasing. When China implements a strict Covid-19 prevention policy; closing border markets and suspending the exchange of goods by border residents for a long time, export turnover of some agricultural products to China decreased: vegetables and fruits reached 1.84 billion USD, down 25.7%; seafood reached 1.37 billion USD, down 3.3% over the same period in 2019 (WTO, 2020a)

About the production of agricultural products

The scale of domestic production is small, with 80% of farmers having an area of less than 1 hectare. This limits the production of uniform products, uni-

form quality. Export products are subject to fierce competition while supporting resources for agriculture are limited. Total investment in agriculture, forestry and fishery accounts for only 5.69% of total social investment capital (Ministry of Industry and Trade, 2022). In the context of integration, countries are increasingly raising non-tariff barriers to protect the domestic market, while our country's agricultural production is still in the direction of spontaneity, smallness and dependence. into pesticides, so the export of agricultural products faces many obstacles.

About the activities of enterprises exporting agricultural products in the country

The Covid-19 pandemic has caused disruptions in transportation and trade activities. Regulations on social distancing, travel and trade restrictions of Vietnam and other importing countries affect logistics activities in the agricultural value chain. The process of transporting and clearing goods takes longer and costs more than before due to the requirements of disease control procedures. Vietnam's logistics costs are still high, accounting for 12% of the cost of seafood products, 29% of the cost of vegetables and fruits, and 30% of the cost of rice. The system of quality control criteria, hygiene and food safety is still lacking, so there is often a high loss due to spoilage and infection, especially for fresh fruits and vegetables and aquatic products that need good preservation conditions. specific management (Xuan, N.H.N., 2021).

Government support and market information

On the Government side, the negotiation to be recognized in terms of quality management, food safety management and animal and plant quarantine is limited and requires a lot of time. The formation of a common playground, forming a chain of links to strictly control from production, building material areas, investing in processing, consuming products, developing national brands with the participation of farmers, export enterprises, scientists and the State in Vietnam are still loose. With the role of orientation, the analysis and forecast of the market is still limited, the public service system including inspection, supervision and quality management is still limited, affecting the quality of exported goods. Synchronous coordination among sectors and levels in activities to promote agricultural exports is still limited. Therefore, no long-term stable contracts have been signed.

3. The context of Vietnam's agricultural exports in the post-Covid-19 period

The epidemic and epidemic prevention measures make it difficult for businesses to transport and preserve agricultural products. Disruptions in global agricultural supply chains, leading to food shortages

as many countries are unable to export goods, especially the transport and distribution of agricultural products (Bhat, B. A., Gull, S., and Jeelani, G., 2020). From a consumer perspective, the epidemic causes income to decrease, consumer demand to decrease while food prices rise. From a production perspective, increased inputs such as fertilizer prices, seed prices, and animal feed reduce farmers' profits (OECD, 2021).

In the post-Covid-19 era, Vietnam's agricultural exports take advantage of available opportunities. The development of science and technology and the wave of the 4.0 technology revolution both promote the agricultural industry to improve competitiveness, meet the increasing requirements of export markets, and reduce costs due to carry out online trade promotion activities. In addition, the effectiveness of monetary tools, tariffs, and economic stimulus to promote production and consumption of countries increases the demand for agricultural imports in the international market (UNCTAD, 2020a). According to the forecast of the OECD-FAO in the period of 2019-2028, the world's consumption of agricultural products will increase by an average of 1.5-3% per year (FAO, 2020).

4. Solution to export agricultural products of Vietnam

To the Government

The Government reviews and assesses export regulations in general, agricultural exports in particular in the country and legal differences under commitments in free trade agreements. At the same time, the Government plays an important role in providing information, raising awareness, building national and industry brands, supporting inter-sectoral cooperation and much more. The government has increased investment and capital attraction in the agricultural sector, improved the quality of labor resources, reduced freight costs, improved production standards and processes, and actively applied high technology in the agricultural sector. agricultural production for export.

On the side of Ministries and Sectors

To facilitate management and support businesses, the Ministry of Agriculture and Rural Development develops a central database on planting area codes and coordinates with localities to regularly update information, manage strict management. The Ministry of Agriculture shall develop a list of pesticides permitted for use and pesticides banned from use in accordance with the market for importing agricultural products, and strictly manage the market for chemicals used in agriculture.

Trade promotion activities need to be built in a

comprehensive and effective way to support enterprises to access the market. An online trade connection system to connect Vietnamese businesses with partners wishing to import and between businesses and business support organizations to seek opportunities to expand export markets; building a centralized database.

On the side of enterprises exporting agricultural products.

Agricultural product exporters need to take measures to stabilize the source of goods, invest in large-scale and methodical production, apply technology, reduce transportation costs, and apply technology in preserving agricultural products, replacing agricultural products. change the label to be more attractive and suitable to the tastes of customers. Exporting enterprises actively seek out useful information about regulations applied in importing countries, research to make Vietnamese agricultural products export suitable to the tastes of different markets, but must meet convenience requirements and belong to a sustainable supply chain.

On the side of agricultural production establishments, cooperatives, and farmer households

Production, processing and exporting establishments must strictly comply with the criteria on residues of pesticides, veterinary drugs, pollutants and chemicals according to the regulations of the importing country for each group of agricultural products. produce. The use of plants and seeds should ensure high quality and economic efficiency, have good resistance to pests and diseases to limit the use of agrochemicals, etc. To increase investment and apply scientific advances and technology, in the short term as well as in the long term, it is necessary to focus on research and breeding, creating varieties with high yield and quality, ensuring food safety and quality, and encouraging organic products. muscle. /.

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