Public and private responsibilities in food quality control. Applications to Vietnam

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Objectives of presentation

- To show the responsibility of public administrations and private agents in the control of food safety
- To show that the control of food safety is more complex than the control of other types of quality, and requires a specific organisation of public and private interventions
- To present past and planned investigations on control mechanisms of vegetable safety in Hanoi
Food safety as a public health issue (public good)

- A public good has characteristics which explains that it is difficult to be delivered by the private sector (free access)

- Examples of public goods: health, education, transport

- Responsibility of the state recognised in Vietnam Ordinance on Food safety (nov. 2003):
  “The State shall have policies and shall take measures to ensure that foodstuffs are hygienic and safe with the aim of protecting people's health and lives”.
Food safety as a commodity chain problem

- The final food safety of products is the result of the behaviour of:
  - Farmers
  - Traders
  - Processing-transport enterprises
  - Final consumers

- Ensuring food safety increases costs which have to be supported by consumers or by the state
Quality criteria in Vietnam vegetable chains

- **Individual Farmers**
  - Concerns for freshness
  - Low prices
  - Regular quantities (Regular origin)
  - Limited chemicals
  - Variable appreciation of damages
  - Knowledge of origin

- **Collectors**
  - Concerns for freshness
  - Quick cash, high prices
  - Variable information about chemical use

- **Urban night wholesale markets**

- **Market retailers**
  - Street vendors
  - Concerns for freshness
  - Limited chemicals
  - Variable appreciation of damages
  - Knowledge of origin
  - Low prices, but possible quality premium for the non poor

Quality criteria in vegetable chains

- Farmers’ associations + Semi-public companies (ex. Bao Ha)
  - Concerns for Limited chemicals
  - Concerns for appearance of vegetables
  - Concerns for stable outlets

- Supermarkets
  - Concerns for Limited chemicals (certificate)
  - Knowledge of origin (safe vegetable groups)
  - Low prices, but quality premium

- Shops
- Quality market stalls

Source: Son, Thai, Moustier (2003); Moustier and al (2005, 2006)
Higher production costs push for higher sale prices

Example of cabbage chain (Son and al, 2003) (VND/kilo) sold in safe vegetable shops

Here: +28% production costs; + 33% sale price)
Technical and institutional solutions

- Technical training
- Management training
- Improving access to inputs and credit
- ....

- Obtaining adequate prices:
  - Differential pricing/quality
  - Make quality and make it known!
  - Solve information problems related to quality
Why is quality control complex and requires coordination in food chains


- Bad quality drives out the good one when consumers cannot make the difference between good and bad quality
Technical solutions

- Training on safe production
- Measuring quality attributes:
  - Ex: pesticide residues in vegetables
  - Fat content in pig
  - Salmonellae on pig meat..

- But there will still remain costs and errors of measure
Institutional solutions

- Reference to standards = technical specifications which the producers voluntarily respect or which are governed by regulations.
- Common technical references which enable information on food safety to be cheaper and easier to obtain
- Public (generic standards): minimum level of non-toxicity
- Private (specific standards): stricter requirements; voluntary codes of practices; e.g. EurepGap
Institutional solutions (standards)

In Vietnam

- List of authorized chemicals, maximum residue limits, general production orientations
- Generic or specific standard? Higher than basic non toxicitiy requirement?
- Regulations for organic vegetable production (2006)
Institutional solutions

- Certification: process by which compliance to standards is controlled and validated by a document

- Quality signs:
  - Brand-name good (possible retaliation by consumers) – private enterprise
  - Label – farmers’ groups
  - Possible indication of certification
Institutional solutions: certification in Vietnam (RAT)

- 1996-2001: certificate of safe vegetable production granted by ministry of science and technology
- 2004-2007: under the responsibilities of the provinces, plant protection divisions
- From 2007: under the responsibilities of the provinces departments of agriculture, plant protection divisions
- Signed commitments by head of farmers’ groups, analyses of product, soil and water samples
- Yearly, renewable certificates
  - Around 100$/ha, subsidised by the province
  - No strict coincidence between labelling as « safe vegetables » and certification
Food safety incentives by intra-chain coordination

- Regular relationships, trust, information transfers, commitments, developed between farmers-traders-consumers
- Short chains (direct sales=vertical integration) makes exchange of information easier between producers and consumers:
  - In Vietnam, shops and retail market stalls managed by safe vegetable groups
  - In Laos and India, organic farmers’ markets
- Contracts between purchasers and sellers with quality and price specifications
  - In Vietnam, between supermarkets and farmer groups

- Provides incentives for quality efforts:
  - Interlinkages between input/credit/output
  - Security of outlets/supply (contracts, vertical integration)
  - Joint investments (e.g. training, sample analyses) to develop and promote quality
### Public and private governance (co-regulation) of food safety control (Kaplinsky & Morris; Rouvière, 2007)

<table>
<thead>
<tr>
<th></th>
<th>Public</th>
<th>Private</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rule-setting (rules of compliance)</strong></td>
<td>Public standards</td>
<td>Private standards Collective rules/commitments</td>
</tr>
<tr>
<td><strong>Monitoring (control of compliance)</strong></td>
<td>Farm and product inspections by public inspectors</td>
<td>Farm and product inspections by members of group or by inspectors paid by group Third-party</td>
</tr>
<tr>
<td><strong>Enforcement (taking measures for compliance)</strong></td>
<td>Training, farmers’ information, consumer information Sanctions</td>
<td>Internal sanctions Internal training and information</td>
</tr>
</tbody>
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Conclusion

- Joint responsibility of public administrations and private agents (incl. Farmer organisations) in the control of food safety
- Control of food safety requires positive incentives (preventive measures) and negative incentives (sanctions)
- Public-private product-process food safety control presently tested in HaTay province, Son Phuong and Thuong Tin, with HaTay province department of agriculture and farmer groups