

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

Paule Moustier, CIRAD  
Malica seminar, 11/12/07



# 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)

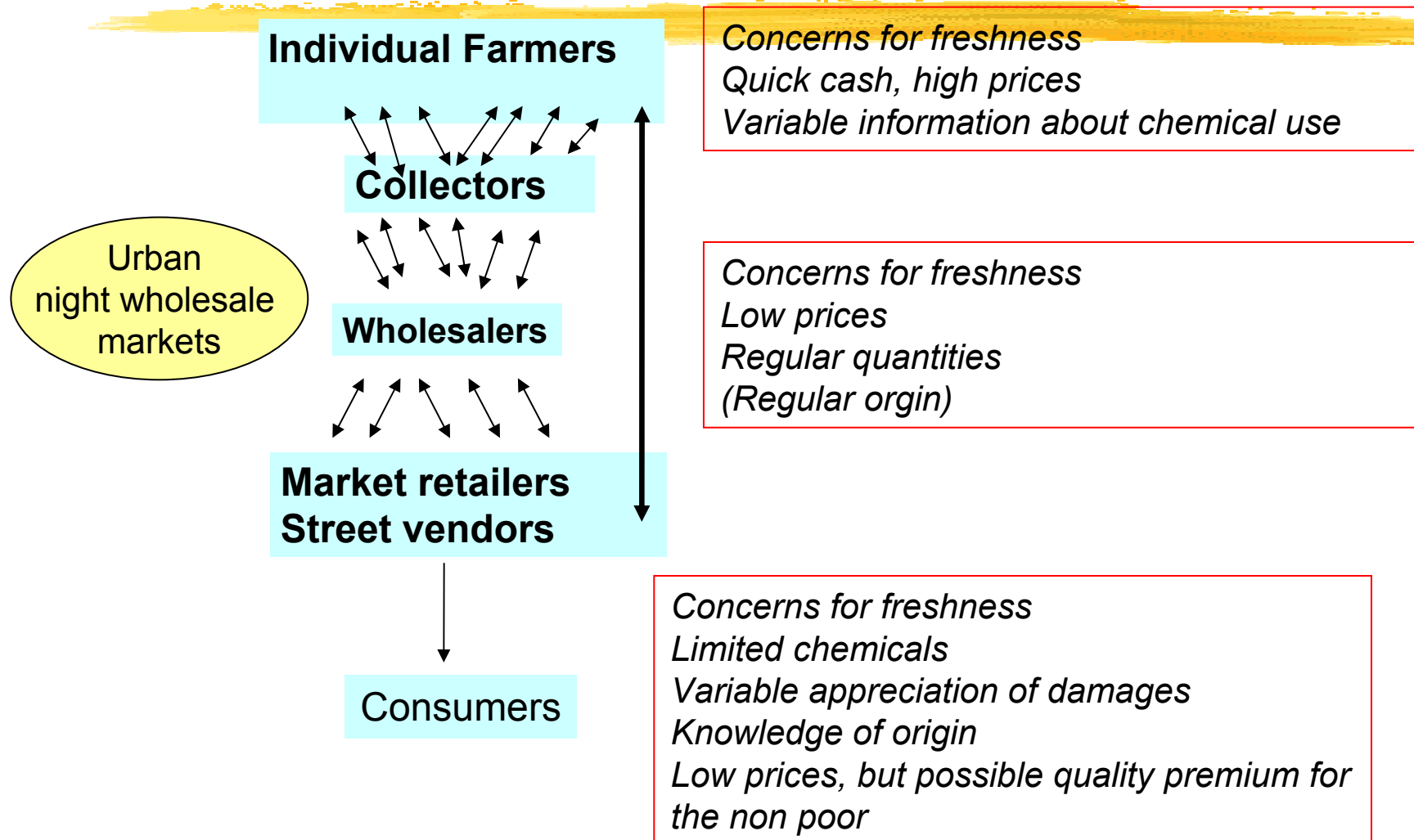
- ⌘ A public good has characteristics which explains that it is difficult to be delivered by the private sector (free access)
- ⌘ Examples of public goods: health, education, transport
- ⌘ Responsibility of the state recognised in Vietnam Ordinance on Food safety (nov. 2003):  
“The State shall have 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



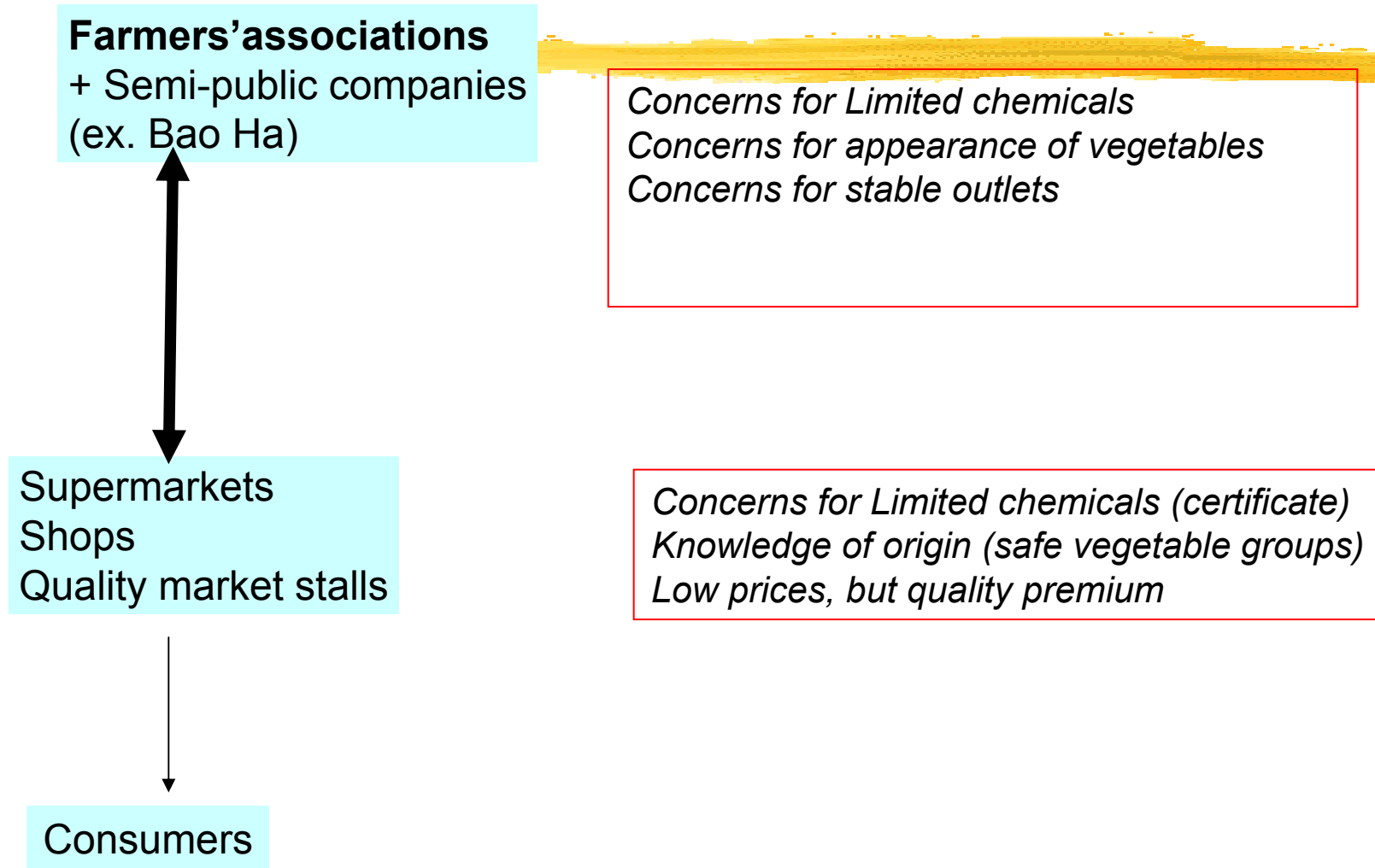
- ⌘ The final food safety of products is the result of the behaviour of:
  - ☑ Farmers
  - ☑ Traders
  - ☑ Processing-transport enterprises
  - ☑ Final consumers
- ⌘ Ensuring food safety increases costs which have to be supported by consumers or by the state

# Quality criteria in Vietnam vegetable chains



Source: Son and Moustier, Loc, Phan Thi Giac Tam (2005), Figuié (2006), Mayeur (2006), Langlais and Moustier (2006)

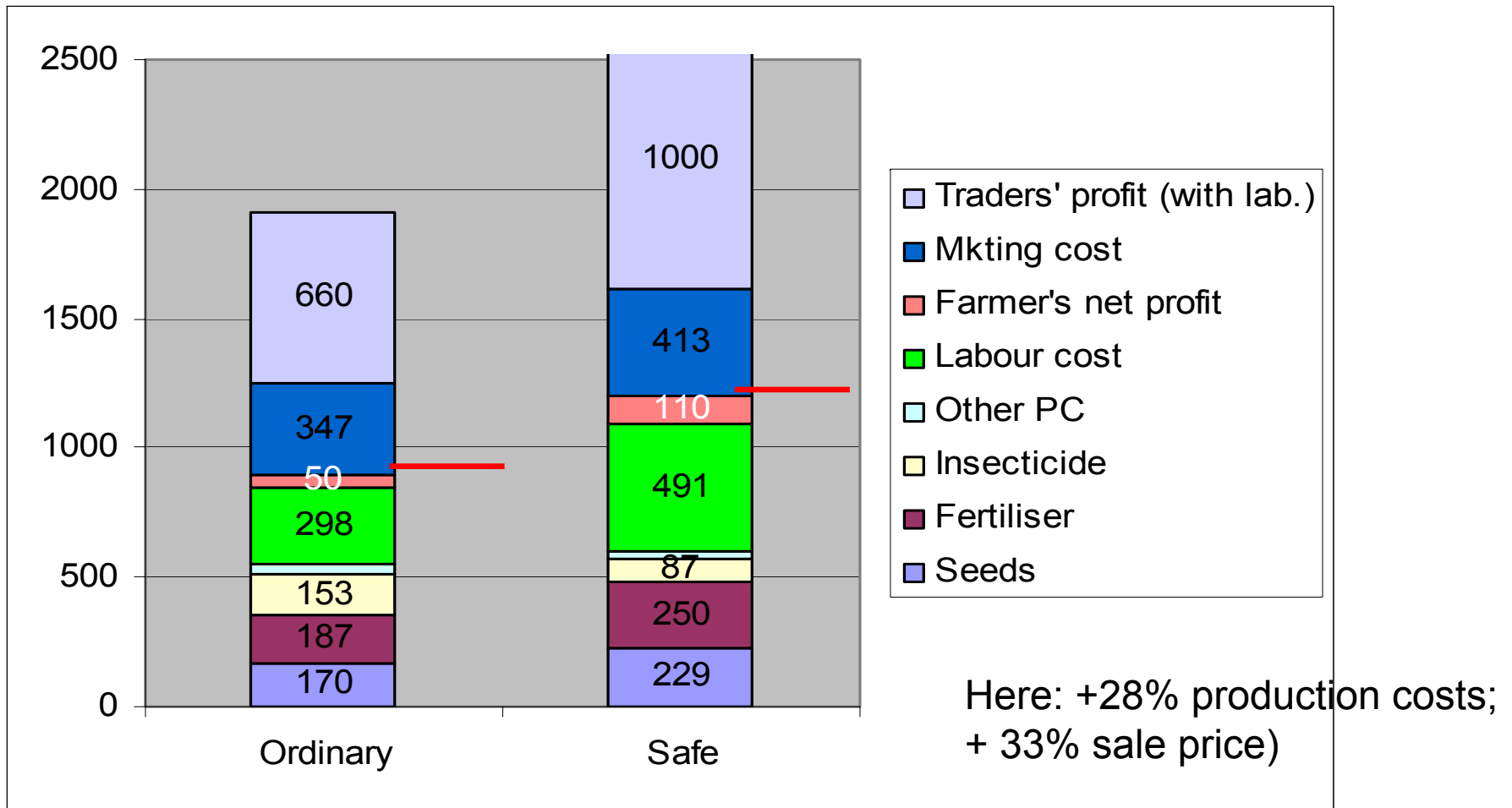
# Quality criteria in vegetable chains



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



— Farmer 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

- Akerlov (1970): the market for « lemons » (bad cars): adverse selection
- 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

- ☒ Regulations for « safe vegetable production »: Mard, 2004; Mard, April 2007.
- ☒ List of authorized chemicals, maximum residue limits, general production orientations
- ☒ Generic or specific standard? Higher than basic non toxicity 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)

	Public	Private
Rule-setting (rules of compliance)	Public standards	Private standards Collective rules/commitments
Monitoring (control of compliance)	Farm and product inspections by public inspectors	Farm and product inspections by members of group or by inspectors paid by group Third-party
Enforcement (taking measures for compliance)	Training, farmers' information, consumer information Sanctions	Internal sanctions Internal training and information



# 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 departement of agriculture and farmer groups

