

Tentative Synthesis First day Malica seminar

Paule Moustier, 12/12/07

In the morning of yesterday session, we reviewed the changes in Vietnam consumption with a growing demand for quality, as regards food safety, as well as specialty regional products. These changes are mainly explained by two factors: the increases in incomes – in both urban and rural areas – and the growing sources of food risks (amplified by the growing mediatisation of food risks). Food risks are related to intensification and in some cases industrialization of agricultural production; and the addition into the traditional model of consumption of rice and leafy vegetables of food more subject to food risks like temperate vegetables, chicken and pork. In addition there is a growing distance between place of production and the place of consumption. This is another factor of consumers' anxiety and mistrust for food safety – a fact which is not typical of Vietnam and which some economists have termed as “the anxiogenic distancing”. This growing distance relates to local products as well as imports, especially imports from China which consumers are particularly worried about.

Actually yesterday while Virginie had given us quite a glamorous image of the Vietnamese urban consumer – young, independent, open to novelty, with rising income prospects - Mrs Quynh Chi left us with quite a sad image of the Vietnamese consumer: the Vietnamese consumer is according to her anxious; anxious about price inflation; and anxious about food risks. Fortunately, we have at least two reasons for hope.

The first reason for hope is that Vietnamese consumers are not passive. They are presently doing their best from their side to limit food safety risks when they choose and prepare the products. They are eager to get more information to do better and to defend their rights.

The second reason is that Vietnamese consumers and suppliers have already developed solutions in terms of intra-chain coordination to limit the food risks. Now these solutions need some scaling up, and support by adequate policy. I will spend some minutes on these strategies because they are at the same time rationale from the point of view of international economic literature and experiences, and specific of the indigenous Vietnamese culture, history and knowledge.

The first strategy is proximity relationships between consumers, farmers and traders. 60% of the 800 interviewed consumers interviewed by Mrs Huong buy food from a regular market retailer – an impressive figure. Muriel has already shown that sales from regular retailers in formal and informal retailers is a crucial strategy for consumers to get access to food with more guarantees on safety and low cost. Luan presented also how direct links between Moc Chau farmers and Hanoi consumers have been efficient in reassuring consumers about the composition of milk during the crisis on wrong milk labeling. It is really crucial that the Vietnamese government maintains the diversity in food distribution

by protecting a network of decentralized retail markets; it should also support the development of farmers' markets and shops. Freshness is the first criteria of quality expressed by consumers – in reference to vegetables as well as meat.

A second strategy of consumers' reassurance is supply from supermarkets and visible enterprises which have a reputation for more control of food and also possible retaliation. Yet supermarkets are only available to the well-off. So they should be only considered as one option of distribution among others. Besides, business type enterprises like supermarkets or milk companies should be subject to more control especially in terms of possible wrong labeling of their products as regards the place of production and the composition of products.

A third strategy of consumers' trust on quality is trust on state control. State should at least guarantee that food is not toxic. The legislation is in place but there should be an effective administration in charge of systematic regular scientific control, and in addition, sanctions.

Another positive aspect is farmers' ability to develop collective action to communicate to consumers their efforts in terms of quality and develop internal food safety control based on joint protocols. Successful stories have been presented in the case of pork and safe vegetables. Increases in incomes have been documented. One again, constraining rules are the key for reliability of quality. Incentives and sanctions have to be combined – like for helmets. Third-party external certification is still lacking.

Finally, technical research should be developed so that farmers are trained to use more endogenous natural resources instead of chemicals – herbal composts, natural predators. This will be good at the same time for health and for the environment.