Models of establishment of geographical indications for agricultural products in Vietnam:

facts, difficulties and prospects

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1. Relevance of Geographical indications in Vietnam

- Renovation in economy
- Increasing exports, WTO (2007) and competition
- Domestic market: trust in local specialty foods
- Export diversification towards high quality items
- Protection expected from abuses abroad
- Necessity for securing local biodiversity
- Strengthening role of GI for local economy
2. Legal framework and procedure for Geographical Indications

- 1996 Decree 63/CP: Appellation of origin and GI
- 2005 IP Law:
  - “Geographical indication is a sign used to indicate that a product originates from a specific area, locality, territory or nation.
  - The GI product’s reputation, quality or characteristics shall be attributable to its geographical region”

Institutional roles defined by several Decree and Circulars:
- Ministry of Science and Technology
  - Issuing national registration; general management
- Ministry of Agriculture and Rural Development
  - Preparing registration, research supports for management
- Ministry of Trade and Industry
  - Trade support
- Provincial People's committees
  - Management and control; issues certificates for GI users
Procedure for GI implementation in Vietnam

- Phase 1: Preparing registration
  - Local administration organisations (e.g. People’s committee) initiate procedure to register the GI.
  - Research organisations and specialists help construct a scientific base for registration purpose, in which the link between product and place characteristics should be proven.
  - Application is submitted by local administration.
- Phase 2: GI management and application
  - The organisations and individuals in the locality should then apply to the local administration organisation (such as the People’s committee) in order to obtain the right to use the GI.
GI applications in Vietnam

- Identifying specific quality attributes
  - Identifying specific geographical characteristics of the production area
- Relationship between geographical conditions and specific quality attributes
- Mapping the GI region to be protected
- Designing the collective technical protocol and training producers (option)
3. Limitations and obstacles

- Context of WTO compliance: Rapid legal implementation, without corresponding internal institutions and operational capacity.
- Political option to accelerate registration through expertise rather than participation of producers/stakeholders: 2 phases.
- Accumulation of functions by People’s Provincial Committee: registration, management, technical support, control supervision
  - Excessive delocalization
  - Lack of human and financial resources
  - Lack of independence and impartiality
  - Necessary national arbitrage
<table>
<thead>
<tr>
<th>Requirements in registration protection</th>
<th>Vietnam</th>
<th>Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description of product quality, specification</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Relation local conditions / production practices</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Production conditions: compulsory protocol</td>
<td>After registration</td>
<td>Before registration</td>
</tr>
<tr>
<td>Control plan</td>
<td>No</td>
<td>X</td>
</tr>
<tr>
<td>Application for geographical indication after registering</td>
<td>Individual user’s license required</td>
<td>Collective user’s right</td>
</tr>
<tr>
<td>Product’s traceability: control tools, documents</td>
<td>No</td>
<td>X</td>
</tr>
</tbody>
</table>

*not yet ready for use application*
Registration ahead of defining organization and rules

- Lack of congruence between rules, controls and sanctions
  - Control plan does not match Production protocol
- No demand for GI user’s license yet
- Protection ineffective
- Other mechanism for quality management: internal control groups

Search for participative models
4. Model of a participatory approach: Thieu Litchi of Thanh ha

- The region has the most specialized production in Litchi plantation.
- The region has the most diversified litchi varieties.
- The region has longest history of litchi with the ancestral tree of Litchi.
- The region has best quality of litchi and strong reputation by consumer.
Protection of Geographical Indication (GI) in 2007
Logo of Thanh ha Litchi Association and Logo of GI Thanh ha
Organisation of Thanh Ha Thieu Litchi Producer’s Association

EXECUTIVE BOARD (7 persons)

-President

Vice-President in charge of trade

Vice-President in charge of production

Accounting – financial department

Process-trade department

Quality monitoring and production service department

4 production groups with 148 members
Internal monitoring system for quality product in the Association

Association
- 3 persons (148 members)
- Constructing criteria for product quality monitoring of the association
- Disseminating plan to groups of the association
- Monitoring, remaining implementation
- Summary general achievements of the association

Group
- 1-2 persons/group (40-60 members)
- Receiving plan from association and summary achievements and activities of the group
- Monitoring implementation of the group

Sub-association
- 1-2 persons/sub-association (10-15 members)
- Monitoring technique process implementation of members
- Summary, reporting to group
Organisation of Thieu Thanh ha litchi product distribution

Process and trade department

Head of group 1
+ Quality monitoring

Member .. 1

Member .. 2

Member .. n

Head of group 2
+ Quality monitoring

- To contact counter parts, sign contracts of litchi distribution
- To assign volume to groups
- To set prices for collecting for groups
- To control goods quality
- To concentrate goods volume for a place
- To handover goods to counter parts

- To receive volume from the Process and trade department of the association
- To assign volume to members
- To set collection price to members
- To control goods quality
- To concentrate goods volume and handover to the association

- To register volume to head of group
- To handover goods in time
- To self check Thieu litchi quality
- To fill full information into quality monitoring sheet
# Economic result of Litchi producer

<table>
<thead>
<tr>
<th>Criterion</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Asso members</td>
<td>Non members</td>
</tr>
<tr>
<td>Fertilizers (1000 đ/360 m²)</td>
<td>208,4</td>
<td>130,8</td>
</tr>
<tr>
<td>Insecticide (1000 đ/360 m²)</td>
<td>82,0</td>
<td>46,0</td>
</tr>
<tr>
<td>Total expenditure (1000 đ/360 m²)</td>
<td>290,4</td>
<td>176,8</td>
</tr>
<tr>
<td>Yield (kg/360 m²)</td>
<td>700</td>
<td>550</td>
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<tr>
<td>Farm gate price (1000 đ/360 m²)</td>
<td>2,5</td>
<td>2,2</td>
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<tr>
<td>Gross income (1000 đ/360 m²)</td>
<td>1750</td>
<td>1210</td>
</tr>
<tr>
<td>Profit (1000 đ/360 m²)</td>
<td>1459,6</td>
<td>1033,2</td>
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5. CONCLUSIONS

- Rapid GI implementation in WTO accession context, but incomplete institutional building
- High economic potential, but low effective protection and use
- Role of agricultural economists:
  - Document and assess on going experiences
  - Quality: from an administrative definition to a multi-stakeholder negotiation arena
  - Re-think role of state and producers’ organizations
  - Propose quality management models and institutions based on actors’ practices
- GI related economic research in 4 directions
PROCESS RELATED TO GEOGRAPHICAL INDICATION

1. Product specification

2. Codification of technical knowledges

3. Supply chain coordination and logistics

4. Linkages with multi-functionality of agriculture
Market and agriculture linkages for cities in Asia

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Thank you!