

AUSTRALIA IN VIETNAM

# AGRICULTURE STRATEGY



Australian Embassy  
Vietnam



Australian Consulate-General  
Ho Chi Minh City, Vietnam



# 01

## Introduction

Australia's agriculture relationship with Vietnam cuts across all key pillars of our bilateral relationship – economic, innovation and security. As Ambassador, I am constantly impressed with the breadth and depth of our work in agriculture, from projects that help smallholder farmers establish a business supplying safe vegetables to supermarkets in Hanoi, to large Vietnamese companies using Australian technology to pioneer sustainable shrimp farming in Vietnam.

This Australia in Vietnam Agriculture Strategy sets out the strategic framework for our agricultural relationship across the two missions in Hanoi and Ho Chi Minh City, and covers all Australian Government agencies in Vietnam. This document outlines how we are transitioning to a true partnership of mutual benefit, which will build on our 40 years of collaboration in the agriculture, fisheries, forestry and water sectors.

**Mr Craig Chittick**  
Australian Ambassador to Vietnam



# 02

## Bilateral agriculture partnership

Although Australia and Vietnam are both large agricultural producers and exporters, bilateral agriculture trade, valued at A\$2.8b in 2016, is largely complementary. Australia predominately exports raw materials including grains, cotton, and live animals. These commodities are processed in Vietnam, creating jobs and developing Vietnam's value-adding industries. Australia also exports wine, meat and dairy products which are used in hotels and restaurants in Vietnam's developing tourism and hospitality industries.

Australian technology is being utilised in Vietnamese agri-businesses, improving productivity and safety and assisting Vietnam in developing world-class agricultural products. Australian investments are diversifying Vietnam's

manufacturing industries beyond textiles and electronics and into food processing.

Vietnam's agricultural exports to Australia are predominately processed and value added in Vietnam prior to export to Australia. Exports of seafood, cashews and tropical fruit are also growing.

Australia has provided long-term support to develop Vietnam's agriculture sector, including by developing export opportunities for forestry, seafood and horticulture sectors and increasing skills through research collaboration, scholarships and training programs. Aus4Vietnam will build on this, including supporting reforms to further liberalise the economy, foster innovation, and create more space for the private sector.

*Farmer watering his chilli crop, established through the Australian Funded Integrated Coastal Management Program in the Mekong Delta*

**Credit: GIZ**

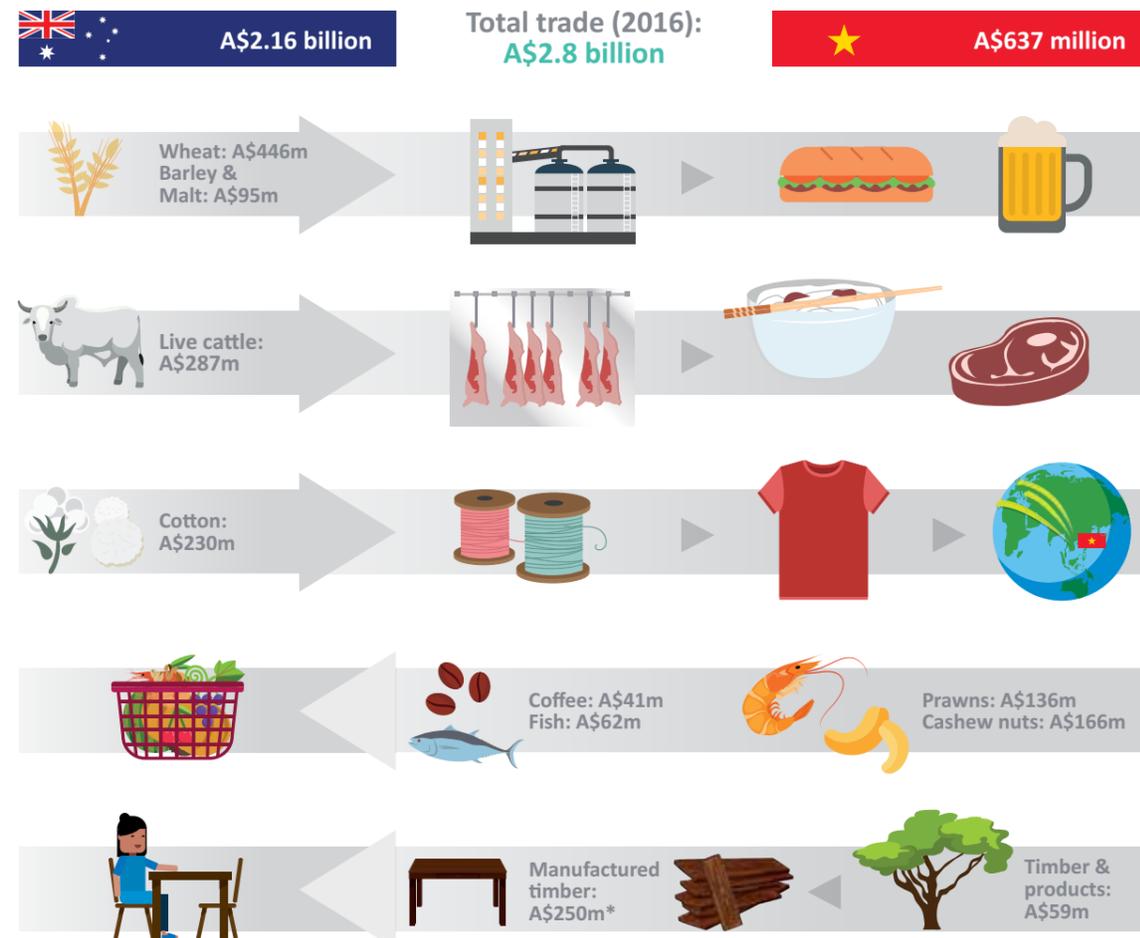
*Cover photo:*

*Australian chef Luke Nguyen meeting with Mrs Minh, a farmer from Bac Ha District, Lao Cai Province, who has been supported through an ACIAR project to produce safe vegetables.*

**Credit: Australian Embassy**

# Australia Vietnam agriculture partnership

## Trade



**Trade agreements**  
ASEAN Australia New Zealand Free Trade Agreement



Negotiating partners in the Regional Comprehensive Economic Partnership (RCEP) + Trans Pacific Partnership

\*Manufactured timber not included in value of agriculture, fisheries and forestry trade

## Investment

companies investing in:  
feedmills, meat production, dairies, flour mills, malting barley, aquaculture, vegetable production.



companies investing in:  
livestock

## Development cooperation

ACIAR:  
**A\$100m 24 years**  
**170 projects**

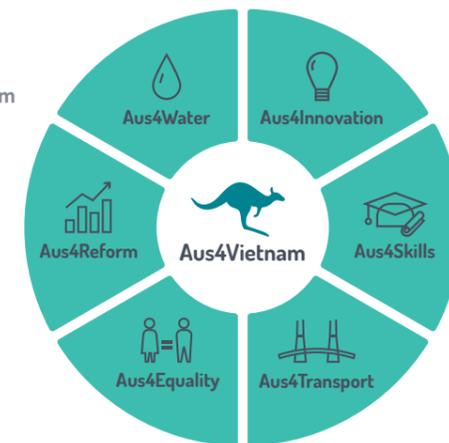
Current projects are focussing on:

- Agribusiness
- Fisheries
- Forestry
- Agricultural Development Policy
- Livestock production systems and animal health
- Soil management and crop nutrition

**A\$125m** in support for clean water and sanitation +  
**A\$20m Aus4Water** program

**A\$6.5m** for  
**Aus4Reform** includes developing competitive agriculture factor and product markets

**A\$35m Aus4Equality** program focussing on agriculture and tourism in Son La and Lao Cai



**23** Australian Government supported volunteers working in agriculture and related sectors since 2012

**\$146m** for **Aus4Skills** includes improving skills in the agriculture sector

**A\$2.8m** for disaster risk management

Technical collaboration in: remote diagnostics, quarantine treatments, food safety, global trade rules, electronic certification.

## Education and training

**1,190** scholarships to study agriculture in Australia

**500+** students studying agriculture and related fields in Australia through Vietnamese government scholarships.

**430** students studying agriculture in Australia through Australia Awards scholarships

**148** Australia Award Fellowship recipients

**73** ACIAR John Allwright Fellowship recipients

**22** Vietnamese Endeavour Scholarships and Fellowship recipients, including 18 postgraduate and 4 short-term

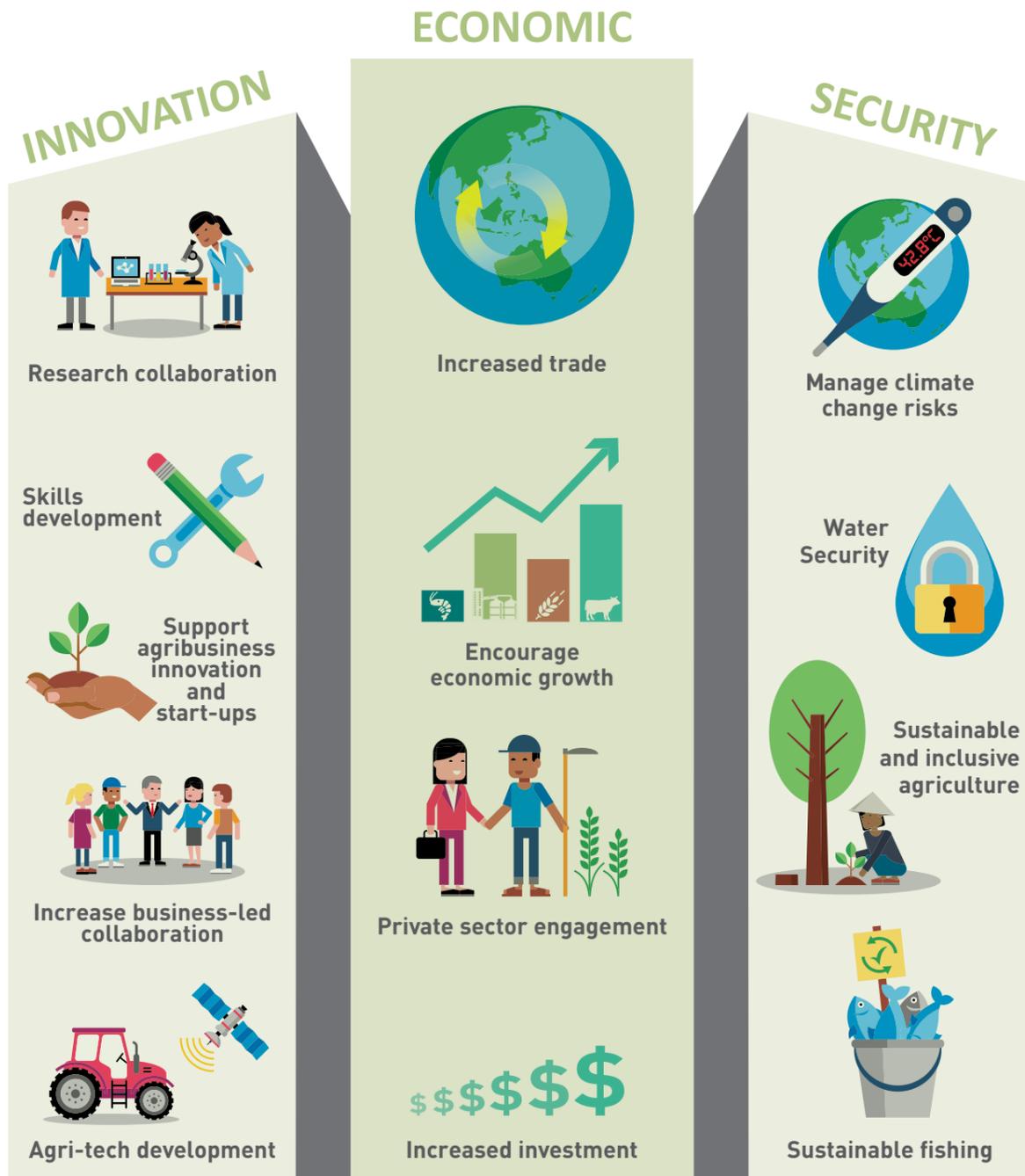
**18** ACIAR John Dillon Fellowship (short-term) recipients

# 03

## Australia in Vietnam Agriculture Priorities

Priorities have been developed by reflecting on the current relationship and taking into account each country's agriculture priorities and objectives (refer to pages 15 and 18) and areas of common interest. These priorities incorporate relevant activities from Australian Government programs and strategies

including the Australia in Vietnam Gender Equality Strategy 2016-2020, the Australian Centre for International Agricultural Research (ACIAR) Vietnam Strategy 2017-27, Aus4Equality, Aus4Reform, Aus4Innovation, the Australia World Bank Partnership and Austrade's 2017-2018 Market Plan.



### Supporting Vietnam's horticulture industry

Australia is supporting the development of Vietnam's horticulture industries by progressing market access and improving food safety, production practices and post-harvest handling. Vietnam is now exporting lychees, mangoes and, soon, dragon fruit to Australia and work is underway for exports of longans. Plant technical discussions have been established under the Vietnam-Australia Agriculture Forum to agree on priorities and progress new and improved export opportunities for both Vietnam and Australia.

Australia has provided technical assistance to support the use of irradiation and vapour heat treatment to treat pests on exported fruit and prevent their entry into Australia, including assisting facilities to meet Australia's requirements. Two irradiation facilities in Vietnam have now been approved by Australia to treat lychees and mangoes and four vapour heat treatment facilities have been approved to treat dragonfruit. The Australian Government and industry are also working to have additional treatment options approved for Vietnamese fruit entering Australia.

Australia has provided technical capacity building to Vietnam's Plant Protection Department via the ASEAN Regional Diagnostic Network Project, which builds capabilities and infrastructure in plant pest diagnostics. Additionally, Australia is working to build capabilities in Vietnam to perform surveillance for plant pests, manage surveillance information and report on surveillance outcomes.

In 2017-2018, the Australian Horticultural Exporters' Association will work with Vietnamese horticulture exporters to improve handling, treatment and transport to ensure Vietnamese fruit arrives on the shelves in Australia and other export markets in good condition. The Australian Government is funding this project through the Agricultural Trade and Market Access Cooperation programme (ATMAC).

ACIAR's 2017-27 strategy proposes ongoing support for Vietnam's horticulture sector, including projects to develop better skills to analyse and solve nutrient deficiencies in fruit and vegetable production, improving the quality and value of temperate and tropical fruits and improving the quality and quantity of safe vegetables. The projects will also provide information on markets and production capacity of important crops to assist the Vietnamese Government with planning for the industry.

#### DID YOU KNOW?

*Australian rice companies are sourcing rice from Vietnam to stabilise supply, while also improving quality and safety in Vietnam's rice sector. Find out more on page 10.*





Vietnamese chefs learn to utilise Australian ingredients in the Taste of Australia culinary competition

Credit: Australian Consulate General

## ECONOMIC PRIORITIES

### Promote and further trade in agriculture, fisheries and forestry products.

- Progress bilateral market access requests.
  - The Vietnam Australia Agriculture Forum provides a mechanism for agreeing to market access priorities and addressing sensitivities in the agricultural relationship.
- Support projects to improve market access outcomes for Australia and Vietnam.
- Foster opportunities delivered through regional trade agreements.
- Advocate for removal of unnecessary or inefficient technical barriers to trade for agricultural products.
- Improve two-way clearance processes through increased use of electronic certification.
- Promote uptake of standardised certification models, particularly in regional trade groups.
- Support policy development to facilitate trade through food safety management and transparent and harmonized import-export technical standards.

- Provide evidence-based policy analysis to enhance food safety in Vietnam's local and international markets and estimate costs and benefits of regulatory regimes to meet importing country requirements.
- Facilitate the trade in legally harvested timber and compliance with Australia's illegal logging laws by developing country specific guidelines for Vietnam.



Credit: DAWR

### DID YOU KNOW?

10-15 of every 100 consumers in Vietnam are affected annually by food borne disease. See how Australia is working to address this on pages 9 and 12.

### Adoption of electronic certification

Electronic exchange of export certificates facilitates trade by providing more efficient processing and clearance of commercial consignments, improving security and reducing the potential for fraudulent certificates. The International Plant Protection Convention (IPPC) is encouraging members to adopt harmonized electronic phytosanitary certification (ePhyto) systems, including by funding the development of a global Hub and the Generic ePhyto National System (GeNS).

The IPPC conducted a survey of ePhyto readiness in January 2016 and Vietnam was identified as a country with strong potential to use GeNS. The Australian Government is funding a project to develop and implement GeNS in Vietnam. An initial scoping study was undertaken in March 2017 and further work, including hosting workshops, providing technical assistance and supporting legislative changes are planned for 2017 and 2018.



Credit: Andrew Taylor

### Encourage economic growth for agriculture.

- Work with farmers, private firms, policy makers and researchers to identify ongoing bottlenecks to the development of equitable, efficient and transparent markets for land use rights.
- Undertake applied policy studies to identify restrictions to productive markets and to improve the competitiveness of agriculture.
- Fund collaborative research to improve food safety and farmer incomes including enabling participation in export supply chains.

- Support business partnerships with the private sector, particularly those that employ women.
- Fund the Organisation for Economic Cooperation and Development (OECD) "Review of Fisheries and Aquaculture Policy in Viet Nam".

### Support private sector engagement.

- Conduct industry and sector review studies to support private sector engagement in agriculture.
- Support increased private sector engagement in supporting industries including transport, logistics and related services.
- Support private-public dialogue on improving food safety and quality.
- Develop an action plan to integrate agribusinesses into global value chains.
- Fund the Partnership for Sustainable Agriculture in Vietnam (PSAV) to improve agricultural production methods, product quality and the application of new technologies and promote and expand agricultural markets.
- Support development of policies and financial incentives for women-led small and medium enterprises to have better linkages to global value chains.
- Foster links with women occupying senior positions in Vietnam's agriculture sector through its leadership initiatives.
- Involve private sector in research for agricultural development and consider companies as one of the key users of the research results.

### DID YOU KNOW?

Vietnam is home to the world's largest shrimp hatchery. Find out how Australian technology is improving productivity, sustainability and safety in Vietnam's seafood sector on page 13.



Credit: Getty Images

### Australian investment in Vietnam 's agriculture sector

Australian companies are investing in Vietnam 's agriculture and food processing sectors including production of flour, malt, animal feed, meat and dairy products.

Interflour Group, part owned by Australia 's largest co-operative, CBH Group, operate two flour mills in Vietnam, a wheat trading business and the company established the first privately-owned grain terminal and storage infrastructure in Vietnam. Interflour Group also opened its Intermalt malting facility in Vietnam in July 2017. The facility will initially have an annual production capacity of around 110 000 tonnes of malt.

The Mavin Group was established in 2004 under the name Austfeed, originally an Australian-invested enterprise, to develop a feedmill in the

north of Vietnam. Since that time, the company has evolved to become a wholly Vietnamese owned company manufacturing animal feed, veterinary pharmaceuticals, farming equipment, pork breeding and food processing. The company operates a fully integrated supply chain from "farm to table".

VN Futuremilk and MaxiFeed Australia are 100% Australian owned business ventures that were established in Tuyen Quang Province in 2008. The dairy farm employs over 70 staff from the local area and produces high quality milk, which they sell solely to major Vietnamese dairy company Vinamilk. VN Futuremilk has adapted feeding, animal husbandry and milk technology from Australia and other parts of the world in order to suit production in tropical climates in Vietnam.

### Foster private enterprise investment in the agriculture sector.

- Reduce barriers to private sector entry and investment in agriculture, agri business and the rural economy.
- Reduce state monopoly power and other distortionary interventions in agriculture markets.
- Create an enabling environment to encourage investment in agriculture through ACIAR projects.
- Deliver agribusiness focussed events and trade missions to increase engagement between Australian and Vietnamese industries.
- Promote Australian agribusiness research, education, technology and services linkages and partnerships.



Intermalt, Ba Ria Vung Tau Province  
Credit: Intermalt



Mavin Austfeed  
Credit: Mavin Austfeed

### Food safety in the pork value chain

In Vietnam, food safety is a high priority for citizens and the government. Foodborne disease (FBD) is not only a major public health problem but also presents a barrier to smallholder farmers who wish to sell in high value domestic and export markets. Pork is the most widely consumed meat in Vietnam, but along the pork value chain hazards are pervasive, costs of compliance are high, and enforcement capacity is weak.

The PigRISK project aims to improve the livelihoods of smallholder pig farmers in Vietnam and improve food safety in the pork value chain. This project is managed by the International Livestock Research Institute (ILRI) in collaboration with the Vietnamese partners and funded by ACIAR. The project builds on strong national and international partnerships to address questions including: Is pork in Vietnam safe? What is the extent of the risk? How significant are the risks? How best can these risks be managed?

Using market-based approaches, PigRISK conducted extensive risk assessment and capacity building in food safety and identified and generated evidence on food safety risks and impacts. PigRISK confirmed the high impact of pork borne disease -

10-15 out of 100 consumers are affected annually by FBD. The project identified critical points for risk management interventions. The research findings are influencing policy at the national level through the National Food Safety Working Group and the Food Safety Risk Assessment Taskforce. The research group has become one of the foremost groups working on food safety in Vietnam with high international recognition.

Safe pork research will continue to receive financial support from ACIAR in the next five years, as well as policy support to improve food safety and market integration for other key commodities.



Credit: Getty Images/Flickr RF

### Sharing knowledge of dairy food safety systems

Dairy Australia, with the support of the Victorian Government, hosts an annual inbound scholarship program to improve knowledge of Australia's Dairy Food Safety system for Vietnam and other South East Asian countries. The program combines theoretical sessions presented by subject matter experts from Dairy Australia, regulators and industry, with practical exposure through visits to dairy farms and manufacturing facilities. The program has been designed to follow a logical progression along the value chain, highlighting the relevant food safety issues at each point, and demonstrates how these are both forwardly and backwardly integrated to deliver a robust system.

Participants are employed in a dairy/food industry related role involving: quality assurance; purchasing/procurement of dairy ingredients; manufacturing of food products using imported dairy ingredients; marketing and distribution of imported dairy products; and/or regulatory compliance. Candidates typically hold a middle management level role and have been identified within their company as having strong potential to progress to a senior management role during their career.

Six graduates from Vietnam have participated in this program to date and Dairy Australia is committed to continuing this opportunity in the future.



Credit: Joshua Smith

### Securing consistent supply and improving quality and safety in the rice sector

Australian company SunRice has been sourcing rice from Vietnam for over 10 years. Vietnam is an important part of SunRice's strategy to secure alternative and consistent international sources of rice to offset fluctuating rice harvest volumes domestically in Australia. SunRice recently established a representative office in Vietnam and is now assessing the expansion of its supply business through directly investing in the supply chain and exporting rice from Vietnam.

SunRice has successfully collaborated with Vietnamese companies, which have contracted farmers to grow rice (predominately around

Can Tho Province), and then processed and packaged this product for SunRice. The company's engagement in Vietnam has already benefitted local rice growers through the development of medium grain rice varieties that command a premium price, increasing farmer incomes. Processing facilities in Vietnam have also benefitted from SunRice engagement through knowledge and skill transfers to improve quality and safety standards. Vietnamese rice growers, processors and packagers are an essential part of SunRice's supply chain and, as such, are required to adhere to high quality and safety standards.

## INNOVATION PRIORITIES

### Support research partnerships.

- ACIAR's Vietnam Strategy 2017-27 supports research in agribusiness, fisheries, forestry, livestock production systems and animal health, soil management and crop nutrition, agricultural policy development.
- Agriculture is a priority sector in the Australia Vietnam Agreement on Science and Technology Collaboration.
- Support collaboration between Vietnamese and Australian researchers through the Global Innovation Strategy within the National Science Innovation Agenda.

### Develop skills and knowledge for male and female Vietnamese government officials, academics and industry representatives.

- Australia Awards Scholarships and Fellowships.
- Australia Awards Short Courses.
- Endeavour Fellowships and Scholarships.
- ACIAR John Dillon and John Allright Fellowships.
- Australian Volunteers for International Development.
- Aus4Reform linkages with Australian research and policy institutions.
- Collaborations with multilateral organisations such as the World Organisation for Animal Health, the Food and Agriculture Organisation of the United Nations and the OECD.

### Establish an agri-business innovation support facility in Vietnam.

- Evaluate infrastructure and policy scenarios for reducing transport costs and improving market access using case studies of agri-food value chains.
- Examine innovative and inclusive financing of agricultural value chains.

### Support agribusiness start-up and innovation ecosystems.

- Develop targeted incubation, acceleration and mentoring programs.
- Foster business-led collaboration between Vietnam and Australia.

### Promote and foster agritech development.

- Promote Australia as a source of agricultural equipment, technology and services.
- Connect Australian industry innovators and start up clusters with research and development collaboration and partnership opportunities in Vietnam.

### DID YOU KNOW?

*Vietnam now produces 15,000 tonnes of oysters every year. Find out how Australia has supported the development of Vietnam's oyster industry on page 17.*



Credit: DAWR

## Development of Cattle Training Abattoirs in Vietnam

The increase in live cattle trade between Australia and Vietnam has driven large-scale investment into commercial beef cattle trading operations by major Vietnamese companies, and the development of Vietnam's beef industry. This trade has provided significant benefits for both countries. For Australia, it has provided an alternative livestock export market to the Indonesian trade. For Vietnam, it has stabilised the supply of fresh beef into the market through the development of a growing feedlot sector, and initiated fundamental changes to the way cattle are being handled and processed at abattoirs, including delivering improved animal welfare and food safety outcomes. Australian live export companies have invested into both infrastructure and personnel to support these changes.

To provide a platform for future improvements, the Australian cattle industry is now investing in training abattoirs. Commercial abattoirs have been chosen to be industry leaders in the use of slaughter technology and techniques. Kentmaster Equipment Pty Ltd has provided slaughter equipment to fulfil the needs for modern vertical processing of carcasses. Meat and Livestock Australia and the Ministry of Agriculture and Rural Development Agro Processing and Market Development Authority have signed a letter of agreement to formalise these activities.

The Australian Government, through the Aus4Skills program, is implementing a package comprising Australia Awards Short Courses, technical assistance and a study tour to deliver slaughter and management training for abattoir workers and staff and upskilling Vietnamese abattoir management and beef distributors.



Credit: DAWR



Credit: Nguyen Van Thuan

### DID YOU KNOW?

*Over 1,000 Australian and Vietnamese government scholarships have been awarded for studying agriculture and related fields in Australian universities. Find out what opportunities are available on page 11.*



Agriculture alumni meeting at the Australian Embassy, June 2017

Credit: Australian Embassy

## OIE Veterinary Education Twinning Project

The Stop Transboundary Animal Diseases and Zoonoses (STANDZ) program, funded by the Australian Government Department of Foreign Affairs and Trade, is supporting the University of Queensland (UQ) and Nong Lam University (NLU) to develop quality assurance processes in veterinary education in Vietnam. This project, which began in July 2015, aims to: undertake a gap analysis of current curricula; address identified major curricular gaps; contribute to sustainable veterinary education practice; and developing an outcomes assessment framework for current curricula.

To date, the project has completed the gap analysis, held two workshops, assessed outcomes via a survey of graduating students and staff and facilitated student exchanges. It also undertook a gender assessment of veterinary services in South East Asia to account for the implications of the growing female workforce. Through this project, NLU has been recognised for taking a leading role in veterinary education in Vietnam and several other institutions are now interested in participating. The program has also fostered additional activities including UQ staff providing teaching into the Advanced Program in Veterinary Science and the attendance of one UQ staff member at a workshop on the development of a Masters program at NLU.

## Australian technology helping to bring Vietnamese shrimp to the world

Founded by Vietnamese-Australian entrepreneur Van Thanh Luong and his family in 2001, Viet-Uc Seafood Company now operates the world's largest shrimp hatchery in the Mekong Delta of Vietnam. The company employs over 1,500 workers, exporting over 40 billion premium shrimp each year, largely to the Japanese and European markets.

Its continued success over the last two decades is a direct result of the innovative application of game changing Australian technologies in feed formulation and farming systems, allowing Viet-Uc to pioneer sustainable shrimp farming in Vietnam.

Initially employing CSIRO technology in developing its shrimp seed stock hatchery, Viet Uc has continued to expand its R&D relationships with Australian institutions and technology companies, now utilising technology from CSIRO, AQ1 Systems (a sensor technology company) and MBD Energy (a water bio-remediation company) among others.

These partnerships have resulted in ongoing research and technology driven developments, including antibiotic-replacement therapy for

aquaculture, sonic-based automatic feeding, and a solar salt pond. These developments allowed Viet-Uc to acquire exclusive licensing for selective breeding of white shrimp and black tiger prawns in Vietnam, and therefore its reputation for producing the highest-quality shrimp in Vietnam.

With its seven Australian technology and R&D partners, Viet-Uc is a powerful case study for Australian innovation-based agricultural joint ventures. Over the next five years, associated royalties of these partnerships to the Australian institutions and private sector companies is predicted to be in the tens of millions of dollars.



Australian Ambassador Craig Chittick visiting Viet Uc's Bac Lieu facility

Credit: Australian Embassy

## SECURITY PRIORITIES

### Support water security in Vietnam.

- Share Australia's water expertise with Vietnam and other Mekong countries and support Mekong governments' water reform priorities.
- Fund the Mekong River Commission to ensure that Mekong water is developed in the most efficient manner that mutually benefits all member countries and minimises harmful effects on people and the environment in the Lower Mekong Basin.
- Support regional consultation processes and national reform efforts for more transparent and inclusive water resources management through the Mekong Water Resources Program.
- Encourage private sector investment to improve access to clean water and sanitation for rural households.
- Facilitate continued engagement between the Australian Water Association and the Vietnamese water sector.



Credit: DAWR

### Support sustainable and inclusive agriculture.

- Empower rural and ethnic minority women to better engage in agriculture and tourism businesses.
- Enhance women's voices in decision-making and leadership.
- Support government policies and services that enable more inclusive development.
- Grow agricultural markets in North West Vietnam, through vocational training and access to finance and technology for women to excel.
- Support an increased share of women-headed businesses and a reduction in gender-based labour productivity gaps.
- Linking disadvantaged smallholder farmers to markets.
- Collaborate with Vietnam to supply Australian tree germplasm to support ongoing plantation development programs and facilitate adaptation to climate change and pest and diseases and for higher value wood products.



Ms Trieu Mui Pham with cinnamon produced with the help of an Australian funded program

Credit: SNV, Care international and Oxfam Vietnam

### DID YOU KNOW?

Australia is improving animal welfare and food safety outcomes in Vietnam's beef sector. Read more on page 12.

### Manage climate change risks.

- Develop and apply scientific and policy options for assessing climate limitations and variability and increasing resilience to climate change in farming systems for the Mekong Delta, and Central highlands and North West regions.
- Support the delivery of innovative technologies and practical climate change solutions to address coastal erosion, agriculture and aquaculture in the most vulnerable areas.
- Support Vietnam's SMEs with early-stage financing, technology commercialisation, market development and venture acceleration services which focus on energy efficiency and sustainable agribusiness.
- Strengthen regional planning and coordination, and improve knowledge and decisions on climate-resilient investments and livelihoods in the Mekong Delta through co-funding with the World Bank.
- Promote the development, testing and scaling up of innovative technologies, tools and approaches to reduce greenhouse gas emissions in the land cultivation and production stages for rice, supporting Thai Binh provincial and national goals in poverty reduction, environmental protection and responding to climate change.
- Develop and apply scientific and policy options for assessing climate limitations and variability, in particular for the Mekong Delta and Central highlands.



A pilot Australian funded mangrove restoration activity in the Mekong Delta - Credit: GIZ

### Promote efficient use of agricultural land.

- Advance the integration of farm enterprises covering cropping, livestock and forestry with improved and holistic agricultural systems.
- Support projects to improve soil management and crop production, increasing on-farm efficiency and reducing negative impacts on community assets such as water resources and infrastructure.
- Promote a more transparent and active market for agriculture land use rights in Mekong Delta provinces.

### Support sustainable fishing practices.

- Implement the Memorandum of Understanding on Combatting IUU Fishing.
- Develop and implement a joint Public Information Campaign to deter IUU fishing.
- Fund the Australian Institute of Marine Science and the Vietnam Academy of Science and Technology marine science workshop focussing on coastal health, habitat modelling and coral reef monitoring and management.

### Vietnam's strategic objectives for agriculture

By 2030:

- Develop the agriculture sector based on comparative advantage and competitiveness.
- Access to high value and sustainable export markets for Vietnam's agro products and integrate into the global value chain.
- Create an equally competitive environment, enhance innovation and technologies and reform institutions to encourage a highly productive agriculture sector and make Vietnam's agro products competitive in international markets.
- Develop agribusiness and encourage investment in the agriculture sector to improve value adding and incomes for farmers.

## Helping Vietnam to meet growing water demands

Vietnam's civilisation is steeped in water. The country has a 2,300km coastline and over 2,300 rivers, and two thirds of the population live along Vietnam's three main river basins. But the country is facing growing water management challenges as a result of rising demand, misallocation of resources, urbanisation, climate change and dependency on its neighbours. Improved water management will be critical if Vietnam is to modernise its agriculture, build sustainable cities, achieve better public health outcomes, and empower women. Meeting these challenges will need major capital expenditure, technological innovation, and strategic management of Vietnam's water assets. Encouragingly, the Vietnamese Government is increasingly looking to the private sector and international partners to provide the necessary capital, technology and expertise to modernise its water management.

As Australia's biggest water network with 5,000 members representing a \$20 billion water industry, the Australian Water Association (AWA) is working to connect Australian water innovation and expertise with the Vietnamese water sector. In partnership with the Vietnam Water Supply

and Sewerage Association and with support from the Australian Government, AWA has facilitated strong Australian participation at Vietnam's largest water exhibition, Vietwater, in 2015 and 2016, and strong Vietnamese participation at Ozwater '16 and Ozwater '17. These organisations have now facilitated a twinning program between five Australian utilities and five Vietnamese water utilities to take forward key water reform objectives of the Vietnamese Government by offering Australian expertise in delivering safe and reliable potable water, wastewater and drainage services to water professionals in Vietnam



The twinning signing ceremony on Day 1 of Ozwater '17  
Credit: AWA

## Combating illegal, unreported and unregulated (IUU) Fishing

IUU fishing is a significant challenge for international fisheries governance. It has major impacts on our region's food security and economies. Both Vietnam and Australia routinely apprehend vessels illegally fishing in their waters. Vietnam and Australia are party to regional agreements to combat IUU fishing, including the Southeast Asian Regional Plan of Action to Promote Responsible Fishing Practices including Combating IUU Fishing in the Region (RPOA). The RPOA is a highly successful regional approach to addressing IUU fishing, where member countries have committed to improving fisheries management and governance and sharing surveillance data to enable countries to deny IUU vessels entry to port.

In response to an increase in apprehensions of Vietnamese-flagged vessels fishing illegally in Australian waters, Vietnam and Australia negotiated a Memorandum of Understanding (MOU) to combat IUU fishing. Through this MOU, Australia has proposed a public information campaign to develop and present information to Vietnamese fishers and the wider fishing industry to increase their awareness of the consequences of IUU fishing. The Australian Fisheries Management Authority is working with the Ministry of Agriculture and Rural Development to develop and implement the public information campaign in 2017, focused initially in Quang Ngai province. Similar campaigns in other markets have led to a significant reduction in IUU fishing activity as fishers have a better understanding of the rules and potential penalties for not following those rules.

## A poverty-busting agribusiness model

Mrs Luyen used to grow maize and bean as the main crops to supply her own family, and so did most farmers in Moc Chau district, Son La province in North West highlands of Vietnam. Thanks to an ACIAR research project, Ms Luyen is now leading a 38-member cooperative which produces "accredited safe" vegetables to supply to stores and supermarkets in Hanoi. She has paid off all her debt, renovated her house, bought two trucks to deliver high-quality vegetables daily from the cooperative to retailers in Hanoi, and hired extra labours to assist family members in grading and packing the produce.

The demand for safe food in Vietnam is increasing, especially for daily-consumed produce. Mrs Luyen and other smallholder farmers in Moc Chau saw the opportunity and joined an ACIAR research project to adopt safe and innovative farming practices to grow temperate vegetables, which are insufficiently supplied in summer. The local government supported the establishment of an accredited brand for "Moc Chau safe vegetable" complying with the national standards. The project also supported direct trade to stores and supermarkets.

Thanks to the effective partnership between Australia and Vietnam from research institutes, government agencies and the private sector, farmers like Mrs Luyen now can earn 75-100 million VND (A\$4,500 – 5,800) per ha per year from accredited safe vegetables, which is 4-5 times more than rice or maize cropping.

The North West continues to be one of the three geographic focused regions for ACIAR investment in the next ten years. Investment into research and development through ACIAR and Aus4Equality programs aims to replicate the successful story of Mrs Luyen across all provinces of the North West highlands of Vietnam.



Ambassador Chittick with Mrs Luyen at her greenhouse growing safe vegetables  
Credit: Australian Embassy

## Developing Vietnam's aquaculture industries

The cultured oyster industry in Vietnam has undergone rapid expansion over the past decade. Oyster farming has spread across the country and production is estimated at 15,000 tonnes per annum. The domestic market demand continues to grow and there are significant export opportunities to be explored. However, further work is needed to overcome remaining challenges, including using new technologies, managing marine worm infestations, improving industry productivity and product quality.

Through an ACIAR-funded research project, Australian scientists from Port Stephens Fisheries Institute, New South Wales Department of Primary Industries are working with Vietnamese scientists to improve the survival and quality of oysters in Vietnam by employing new culture techniques similar to those in use in Australia, and establishing a selective breeding program. Water quality monitoring programs have commenced, including

establishing processes to ensure that oysters can comply with international food quality standards.

In addition to support for the oyster industry, ACIAR will continue to support Vietnam to develop potential aquaculture industries that help smallholder farmers earn a sustainable livelihood. High value species with low input cost and relatively simple production practices are the target of these programs. Focus industries include sea cucumber, seaweed, half-pearl, marine finfish and shrimp.



Credit: ACIAR

# 04

## How we will deliver

The Vietnam-Australia Agriculture Forum (VAAF), established in 2016, will review progress of commitments. The VAAF is chaired by a Deputy Secretary of the Australian Government Department of Agriculture and Water Resources, and a Vice Minister of the Ministry of Agriculture and Rural Development of the Socialist Republic of Vietnam. The VAAF will initially meet on an annual basis.

An internal Action Plan has been developed to manage and monitor the achievement of the policy objectives. Each action has a lead agency responsible for delivering it. A review of the Action Plan will take place in the lead up to each VAAF meeting. The review meeting will be chaired by the Deputy Head of Mission. Implementation and monitoring will be coordinated by the Counsellor (Agriculture).



*Ms Trieu Thi Mui with organic cinnamon seedlings, an Australian funded activity*

**Credit: SNV, Care International and Oxfam Vietnam**

### Australian Government agriculture policy principles and priorities

Keeps families as the cornerstone of farming by establishing career paths based on financial stability, training and succession options

Increases returns at the farm gate by reducing costs and unnecessary barriers to productivity and profitability

Supports strong and vibrant regional communities

A fairer go for farm businesses

Reduces unnecessary regulation at all levels of government - to lower restrictions on farm management decisions and encourage investment

Focuses on Australia's competitive advantages so we are prepared to realise the food demand of the growing middle class in our region

Strengthening our approach to drought and risk management

**Stronger Farmers  
Stronger Economy**

Building the infrastructure of the 21st century

Builds the infrastructure of the 21st century to improve transport and communications linkages to domestic and international markets

Promotes access to key export markets

Accessing premium markets

Farming smarter

Creates well-paying jobs in agriculture, including in the downstream sectors of food manufacturing, food retailing and hotels and restaurants

Maintains access for all Australians to high-quality and affordable fresh food