

Universitas Medan Area
Program Pascasarjana, Medan, Indonesia
Webinar on 16th July 2020

**Theoretical views and experiences in the rapid
progress of plantations in Vietnam and the
Opportunities and Challenges of plantation
development in New Normal**

Dr. Ho Ngoc Phuong

University of Economics

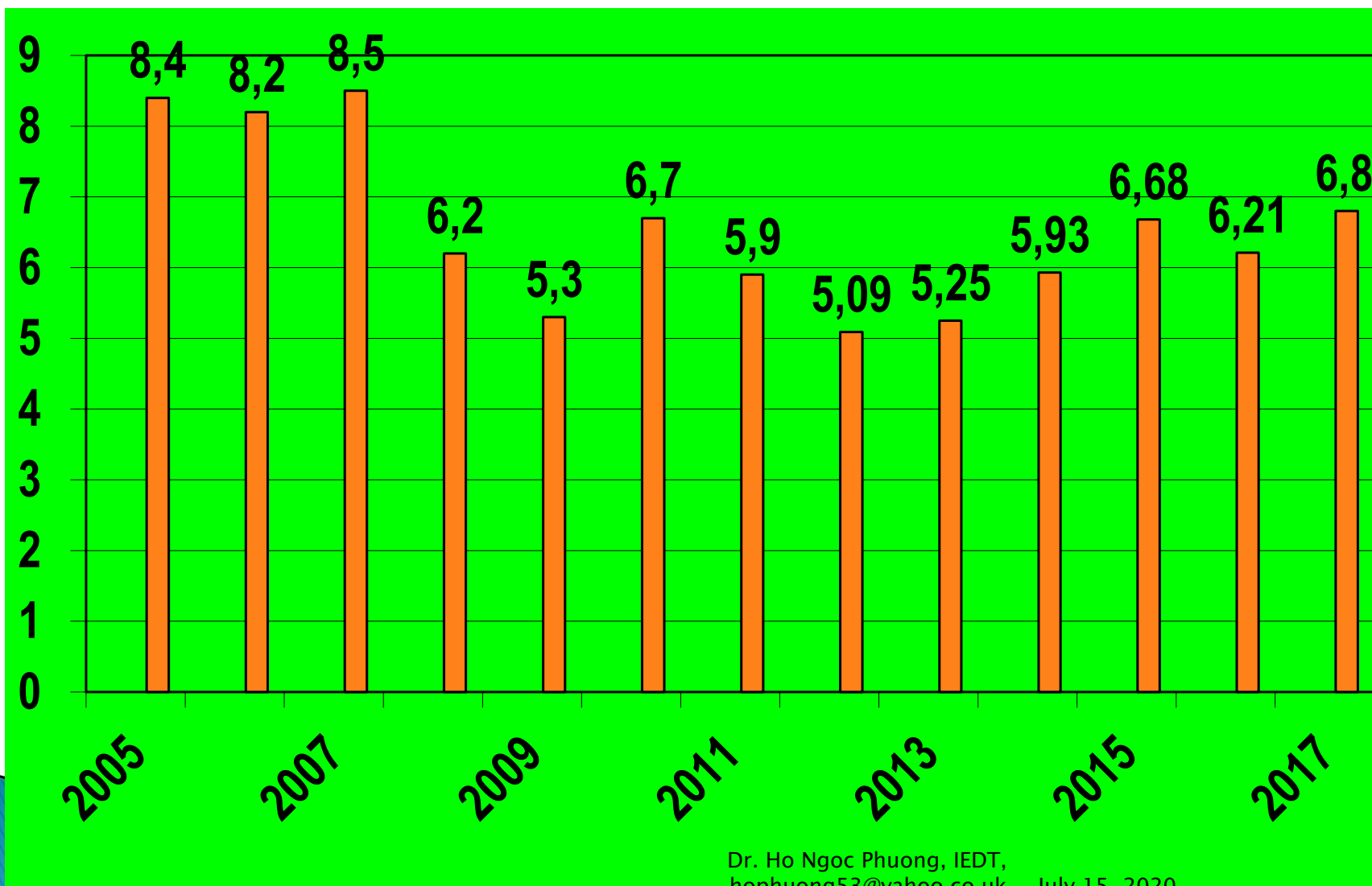
Loyola University Chicago, Vietnam Center

Ho Chi Minh City, Vietnam

Covid-19 in Vietnam

- ▶ Lockdown from 1st –22nd April 2020
- ▶ Since that day no new case infected in community
- ▶ 370 infected case reported
- ▶ No dead case recorded
- ▶ Heaviest case was British Pilot known as patient 91 recovered and back home on 12 July
- ▶ Returned to New Normal Live since 22 April

GDP Growth Rate 2005–2019 (%)



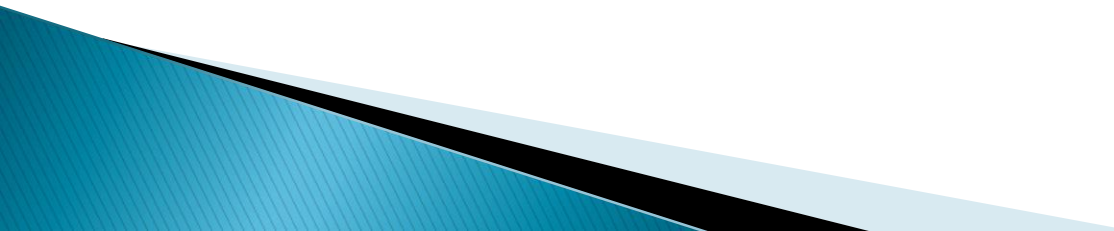
Main crops of plantations 2017-2018

▶ Coffee	600,000ha
▶ Tea	130,000ha
▶ Rubber	960,000ha
▶ Pepper	150,000ha
▶ Cashew	290,000ha
▶ Cocoa 5	0,000ha

Coffee Plantation

- ▶ Coffee has been firstly introduced by the French in 1857,
- ▶ Coffee developing through plantations from 5,900 ha (1990s) to 600,000 ha (2010s).

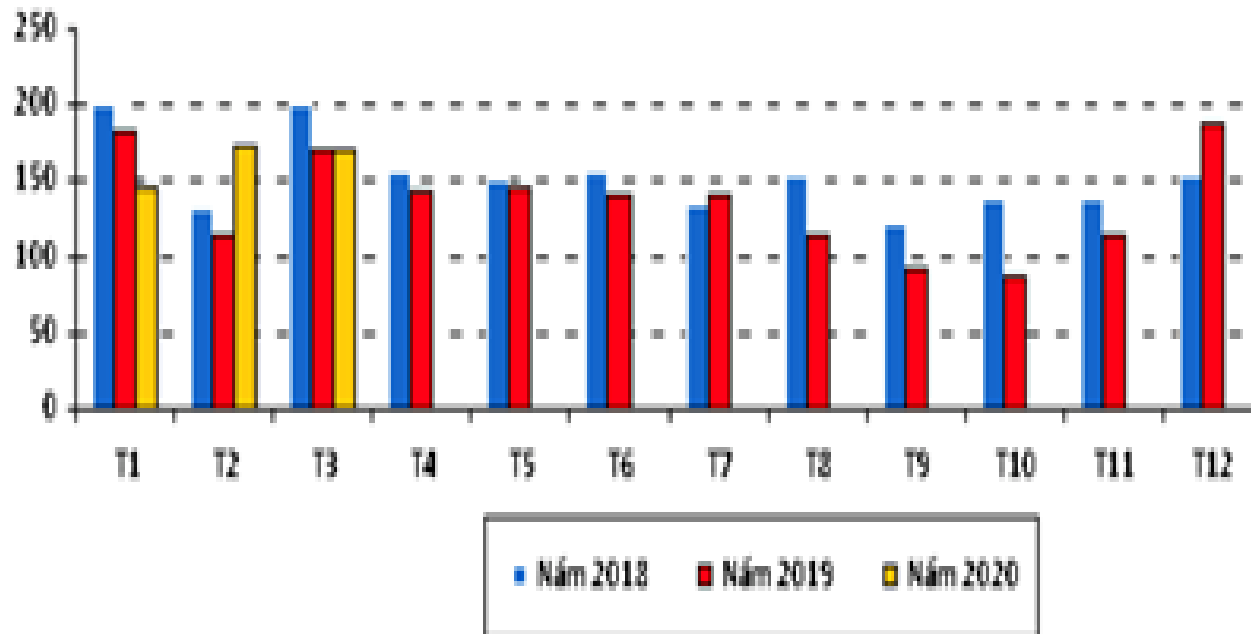
Coffee Plantation

- ▶ 2011–2018: coffee growth rate 8.3% per year
 - ▶ Productivity 2.3ton/ha is high recorded
 - ▶ Making **2nd place** of coffee output in the world after Brazil
- 

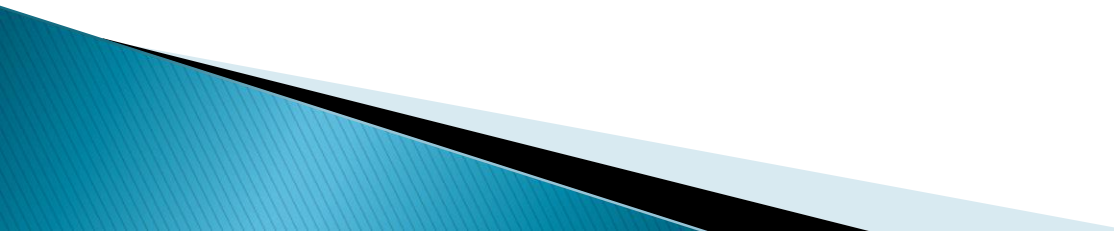
Export coffee each month of years 2018, 2019 and 2020 (*thousand ton*)

Lượng cà phê xuất khẩu qua các tháng năm 2018 - 2020

(ĐVT: nghìn tấn)



Coffee Plantation

- ▶ Coffee output made up 3% GDP
 - ▶ Average export value USD3.13billion/year (2011–2018)
 - ▶ VN coffee export to more than 80 countries/territories
 - ▶ It made up 14.2% coffee bean global export market
- 

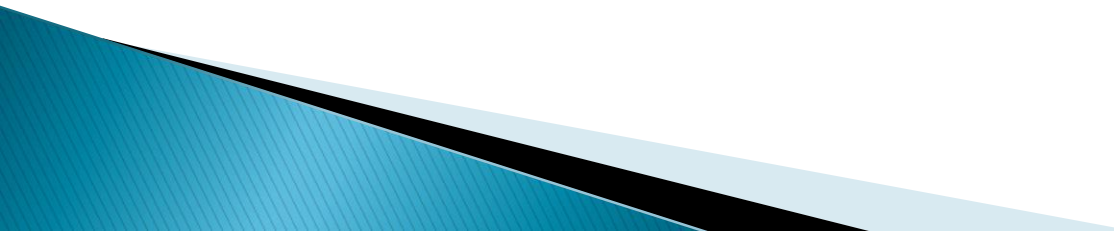
Coffee Plantation

- ▶ **Vietnam** and **Indonesia** are two main exporters to China made up 10% of total import of this market.
- ▶ Instant /roast coffee ranked at **5th place** made up 9,1% market share after **Brazil, Indonesia, Malaysia and India**
- ▶ **Vinacafe and Trung Nguyen Café** are famous trade mark in international market.

Coffee Plantation

- ▶ 2019: Export 1.61 million tons valued at USD2.785billion decreased 21.2% compared to 2018.
- ▶ As of 30 May 2020 FOB price at HCM was USD1,249/ton

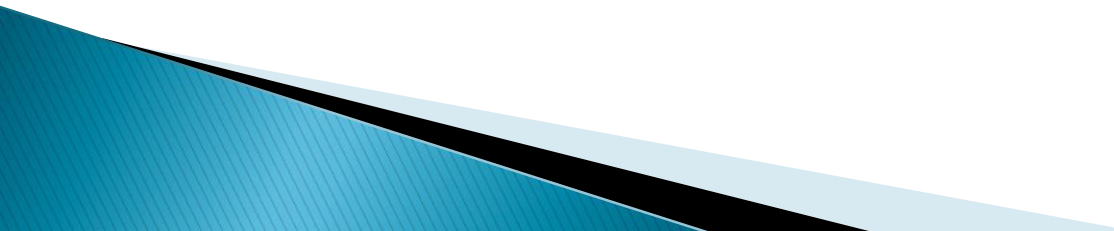
Impact on welfare

- ▶ Created 500,000 jobs relating to coffee
 - ▶ It made up 15% of exported agricultural products
 - ▶ Improving living standard of people on highlands areas especially minorities where locations are far away the city centers
 - ▶ Positively affected on poverty alleviation in rural areas.
- 

How Covid-19 affect coffee market?

- ▶ The first quarter 2020 price Robusta decreased to 12% valued at USD1.186/ton
 - ▶ China is 11th global market (USD9,124billion) and is the 3rd global market of Robusta (1,500 bags), but demand decreased.
 - ▶ Starbucks closed 2,000 shops in China in ending January 2020
- 

Coffee Strategy

- ▶ Focused on exported orientation
 - ▶ Specialized zone of production integrating with high technology processing factories.
 - ▶ Development trade mark, promotion, marketing, exhibition, attract high qualified human to work for coffee industry.
- 

Coffee Strategy

- ▶ Research and development, forecast market.
 - ▶ Development with overseas Vietnamese enterprises to penetrate market in Thailand, Australia, France, Germany and America.
 - ▶ 2030: target to export coffee value reached USD6billion
- 