

IDH Tea program in Vietnam

From 2015-2018, IDH and its public and private sector partners have addressed issues of responsible agrochemical management and responsible farming practices in the Vietnamese tea sector. Through promoting public-private partnerships, our projects aim to ensure tea quality and market access for companies, as well as to improve tea farmers' income and livelihoods. **With the continuous efforts of IDH and the program partners, the program has delivered significant impact at the sectoral level as it contributed to 11% of the 2017's total tea production in Vietnam being responsibly produced.**



Sector overview

Vietnam is one of the key players in the worldwide tea market. With the national plantation area of 134,000 ha and an annual production of 185,000 tons (2017), the tea sector provides livelihoods to 500,000 tea farmers and workers in 500 processing facilities in Vietnam. The industry is export-oriented as 80% is exported to foreign markets. In 2017, the annual export of the industry was valued at 251 million U.S. dollars (2017).

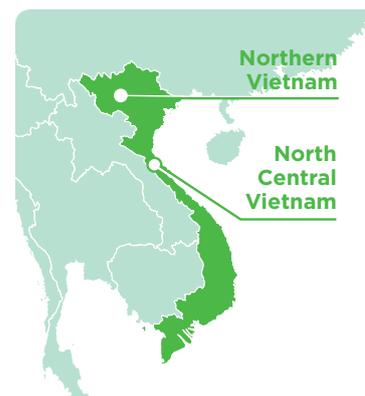
The Vietnamese tea sector is confronting major challenges that is threatening its position in the worldwide tea market. Most pressing, a production's race to the bottom, where quantity is prioritized over quality and agrochemicals are improperly used, has led to a downfall of the Vietnamese tea sector in the global tea market. Because of these developments, the tea industry is at disadvantage in terms of quality, price and market access against other global competitors. At the same time, contaminated tea production threatens consumers' health and has a negative impact on the economic, social and environmental tea production zone and surrounding area.



Responsible
Agrochemical
Management



Smallholder
Inclusion



MAIN SUSTAINABILITY ISSUES

TARGETED: smallholder livelihoods, responsible agrochemical management

PARTNERS: Unilever, Vietnam Tea Association (VITAS), Ministry of Agriculture and Rural Development (MARD), local tea companies

PROJECTS:

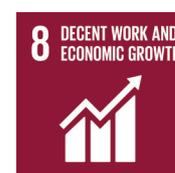
- Quality and Sustainability of Tea industry in Vietnam
- Integrating Smallholders into Quality and Sustainable Tea Supply Chains in Vietnam - Phase 2

DURATION PROGRAM: 2015-2018

FARMERS REACHED: 8,101

VOLUME OF SUSTAINABLE PRODUCTION: 20,860 tons

RELEVANT SDGS:



Key IDH programs and activities

Recognizing the alarming issues of poor agrochemical management, IDH, in partnership with Unilever and relevant stakeholders started the first project in the tea sector in 2013. The key objective of this project was to support producers to achieve sustainability certification and thus secure market access. This completed by the end of 2015. Building on the outcome of the project, together with MARD, VITAS and front-running companies, IDH has scaled up its role to become the focal point for sustainable tea in Vietnam, supporting not only a stronger governance for the sector at national level, but also developing innovative projects to improve agrochemical management at field level. This resulted in 2 projects.

1. AGRI-TEAM PROJECT

Quality and Sustainability of Tea industry in Vietnam:

A cooperation between IDH, VITAS and 13 front-running producers, focusing on addressing the exceeding agrochemical residues in tea products (compared with EU and US MRLs), via developing an innovative model for agrochemical spraying: the Agri-team Model. Through this, producing companies organize an agrochemical spraying team (about 10 members/team), to provide farmers with a proper set of agrochemicals, spraying services or monitoring farmers' spraying activities. This helps to reduce a lot of farmers' time for spraying, to improve the tea quality and productivity, and specially improves their health and the surrounding environment.

2. VUI PROJECT

Integrating Smallholders into Quality and Sustainable Tea Supply Chains in Vietnam -

Phase 2: A collaboration between MARD, Unilever, IDH and VITAS, which focuses on building Vietnamese tea high-quality position via a major upscale and replication of the Agri-team Model and sustainability certification of the production. The main activity is to strengthen the regulatory framework on agrochemicals and to developing the National Sustainability Curriculum (NSC) to align available training materials and reduce overlapping resources in training farmers.



Key IDH program activities & impact

Key results of the two projects include:

- **Establishment of 36 Agri-teams, training 4,037 farmers.** This led to 20% yield improvements and 11,860 tons of tea responsibly produced. This largely exceeds targets, as initially the project targeted 13 Agri-teams. Some producers replicate this model in their own operations based on the Agri-team manual.
- Under the VUI project, **205 lead farmers and 4,064 farmers trained on certification and Agri-team models.** This resulted in 8,600 tons of tea responsibly produced.
- **Scaling up of the Agri-team model requested by the Plant Protection Department (PPD)** – the government agency responsible for agrochemical management in Vietnam. The PPD has officially recognized the model's success and requested VITAS (Vietnam Tea Association) to support replication in the sector.
- **National Sustainability Curriculum (NSC)** has been officially endorsed by the National Agriculture Extension Center (NAEC) in early 2018 and will be embedded as the key training material for their extension activities the following years. With an extension network in 20 tea production provinces, it is expected that at least 20% of Vietnam tea farmers will benefit trainings and guidance on the NSC in the upcoming years.

Next steps: 2019-2020 IDH Tea program

The IDH Tea program in Vietnam has brought about significant impact on improving practices in production and its influence on the environmental, social and economic well-beings in program targeted areas.

Challenges remain on sector level around inconsistent quality of tea caused by the complicated distribution system in Vietnam.

For the next steps, IDH in Vietnam aims to address sustainability on sector as well as field level. The program will leverage technical and financial support to upscale the Agri-team model even further and for NSC trainings at the sector level. **A new project will be developed to address sustainability issues, such as improving agrochemicals distribution and management system.** This new project is currently discussed and consulted with government agencies and private sector players to capture comprehensive sustainability objectives as well as identify public-private resources for relevant interventions implementation.

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