

## Vietnam's MARD convened to discuss establishing an export agricultural, forestry and fishery logistics chain

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During the conference, Nguyen Anh Phong, Deputy Director of the Institute of Policy and Strategy for Agricultural and Rural Development, raised the issue of the small-scale production of agricultural products in Vietnam including retail and fragmented, purchasing agricultural products in large quantities is very difficult to do. In addition, the country has a long and narrow territory, agricultural products are diverse and rich across regions, and China is the main market for agricultural exports.

“With the characteristic of a narrow and long territory, the demand for logistics services serving the gathering and preservation of agricultural products and transshipment in main raw material areas is very high. Including a diverse system of transporting agricultural products along the length of the country to major cities; logistics system in border areas and transportation system, agricultural product transit center connected to border areas” explained Nguyen.

In global agriculture, forestry, and fisheries, logistics services are becoming increasingly important due to large-scale, commodity agricultural production and the diversification of products. Markets and wholesale markets have been upgraded, as have logistic services including transportation, preservation, storage, classification, and packaging. However, logistics for Vietnam's agricultural value chain is still facing many problems, including high costs, infrastructure development that cannot keep up with actual demand, and limited service supply capacity. Specifically, logistics costs currently account for 12% of seafood prices, 23% of wooden furniture prices, 29% of fruit and vegetable prices, and 30% of rice prices. Vietnam's logistics cost ratio is currently 6% higher than Thailand's, Malaysia 12% and Singapore up to 300%.

Deputy Minister of Agriculture and Rural Development Tran Thanh Nam emphasized that the limitations are due to the fact that Vietnam has not had a long-term strategy and planning for agricultural logistics development with a long-term vision. A lack of policies to support logistics development for agricultural production and business areas, as well as a lack of policies to develop agricultural product linkage centers and agricultural focal centers that are only in the pilot stage.

Ministry of Agriculture proposed to implement 3 projects:

- Establishing a cross-border agricultural, forestry, and fisheries logistics chain connecting the markets of Vietnam, Laos, Cambodia, and China
- Establishing an agricultural, forestry, and fishery export logistics infrastructure chain integrating e-commerce and multimodal transportation
- Establishing an agricultural, forestry, and fisheries logistics chain by air connecting Asean and Chinese markets; which focuses on cross-border e-commerce applications.

"Vietnam has 7 economic regions with different production conditions, infrastructure, and market connection needs. Therefore, building a strategic network of regional logistics centers with connectivity only solves the problem." solve the overall planning problem, create synchronous mechanisms and policies to support both agriculture and logistics to develop together. However, the design and construction of regional logistics centers requires research. , detailed assessment to ensure the project brings practical results, meeting long-term development needs," the Deputy Minister emphasized.