



Rice production is key for the Vietnam economy, yet today there is the urgent need to restructure the sector towards sustainability.

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CONSUMERS AS KEY DRIVERS OF CHANGE FOR SUSTAINABLE RICE PRODUCTION

Although Vietnam is one of the world's biggest rice producers and exporters, the productivity growth of its rice sector has reached a plateau since 2010. There is an urgent need to restructure the sector towards sustainable cultivation. Here consumers can become a key driver of change. Promoting sustainability-related labels for quality rice can be an effective market-driven mechanism to respond to Vietnamese consumers' demand for safer, higher-quality and better-value rice while also encouraging farmers to start a transition towards sustainable rice cultivation practices.

By Carolina Barcella, Nguyen Hoang Diem My and Matty Demont

Vietnam is the world's fifth-largest rice-producing country and is also one of its leading rice exporters. Rice production remains a key sector in the economy of Vietnam. Rice is cultivated on 82 per cent of the country's arable land, it employs the majority of its working age population in the agricultural sector, and it provides 80 per cent carbohydrate and 40 per cent protein of the average Vietnamese.

Rice production in Vietnam has continuously increased, from 25 million tons in 1995 to almost 44 million tons in 2017 when rice exports were at 6 million tons. This remarkable achievement has mainly been the result of the agriculture-specific reforms that Vietnam launched in 1986 as part of the Doi Moi reforms that triggered the modernisation process

of its economy. Due to the importance that rice has in the overall economy of Vietnam both as a source of income for its farmers and a food staple for its population, a lot of efforts have been made to ensure food security and rice self-sufficiency. Institutional reforms and trade liberalisation along with the expansion of rice harvested area and the growing use of fertilisers and pesticides encouraged Vietnamese farmers to produce more rice, which led to increasingly higher yields and significant improvements in the country's rural economy.

However, this trend is unlikely to continue. Vietnam has already started to experience a decrease in rice output and export volumes since 2010. The continuous emphasis on the intensification of rice production has resulted in en-

vironmental degradation and overexploitation of resources that together with urbanisation, climate change and high emissions of greenhouse gases (GHGs) have started to negatively affect rice productivity. For this reason, the Vietnamese government has already adopted several measures to spur a transition towards more sustainable rice farming practices where improvements in rice productivity and quality are pursued together with enhancements of environmental protection, farmers' welfare and consumers' food safety.

Yet, simply adopting public policy measures and engaging farmers may not be sufficient in catalysing the transformation needed. Promoting the effective adoption of sustainable rice farming in Vietnam may require a collabo-

rative approach towards sustainability where consumers can become a key driver of change. To address this issue, it is important to investigate Vietnamese consumers' demand and find market-driven solutions to effectively engage them in the transition towards more sustainable rice value chains.

QUALITY LABELS AND CERTIFICATIONS TO RESPOND TO URBAN CONSUMERS' DEMAND

Recent research carried out in two big cities in the south of Vietnam, Ho Chi Minh and Can Tho, in 2015 and 2016, shows that the main drivers of Vietnamese urban consumers' rice purchasing behaviour are: sensory and convenience aspects of rice, food safety and health concerns and price. In other words, Vietnamese consumers look for rice that fits their preferences and that is not only safe and healthy, but also of high-quality at an affordable price. Furthermore, the research highlights that Vietnamese consumers are becoming increasingly aware that through their consumption habits, they can contribute to protecting the environment and improving farmers' welfare, although these factors come second when consumers make their rice purchasing choice. But how can Vietnamese consumers be assured that the rice they are buying is safe, healthy and of high-quality? Quality labels and certifications are one of the most effective communication tools that can boost consumers' trust and confidence that certified rice has been produced according to specific standards that assess rice quality and safety. However, for quality labels and certifications to work, it is important that consumers are familiar with them and understand the quality aspects that each label certifies.

A follow-up study of the same research conducted with consumers in Ho Chi Minh in June this year reveals that Vietnamese urban consumers are getting more familiar with quality labels and certifications, and look for them among the information provided on the rice package about the safety and the quality of rice. Yet, familiarity with quality labels still does not translate into understanding other quality aspects that each quality label certifies. However, this result shows that quality labels and certifications can be adopted as a promising communication tool by rice producers and retailers to boost consumers' trust and confidence in certified rice thanks to the increasing reliance of Vietnamese urban consumers on rice quality labels when they make their rice purchasing choices.

FOOD QUALITY LABELS

Vietnamese Good Agricultural Practices (VietGAP) and **Global Good Agricultural Practices (GLOBALG.A.P.)** are considered "sustainability-related labels" because they certify that a product has been produced in compliance with the three dimensions of sustainability (ecological, economic and social) that ensure the protection of the environment, the welfare of the farmers and the safety of the consumers. **Hazard Analysis and Critical Control Points (HACCP)** is con-



sidered a "food safety-related label", while organic labels can also be considered "sustainability-related labels", but with more emphasis on synthetic agrochemical-free production methods and food safety.

DOES SUSTAINABILITY MATTER?

If quality labels and certifications are to be used as an effective communication tool not only to respond to consumers' demand for safer, higher-quality and better-value rice, but also to encourage farmers to adopt more sustainable rice farming practices, there is then the need to investigate which rice quality labels Vietnamese consumers are already familiar with and whether Vietnamese consumers are interested in and recognise the value of rice that is produced following sustainable production standards.

Today, the main food quality labels that can be found in the Vietnamese rice market are VietGAP, GLOBALG.A.P. and HACCP. Organic certified rice is also available in the Vietnamese market, but since Vietnam lacks a national certification system for organic food especially for specific product categories, Vietnam organic rice is certified according to standards which are recognised by external organisations, such as the United States Department of Agriculture (USDA) and the European Union (EU).

The quality label most Vietnamese consumers are familiar with is VietGAP, which consumers mainly get to know from TV news and health programmes and information provided by the supermarkets. Although VietGAP is already considered a "sustainability-related label" because it covers the three dimensions of sustainability (ecological, economic and social) in food production, the research shows that Vietnamese consumers mainly associate the VietGAP label with food safety, hence ignoring other sustainability aspects that the certification covers. This is the result of the quality and amount of information that consumers have been provided on VietGAP quality label. The information campaigns to promote VietGAP label has only focused on the food safety aspect of the standard.

Yet, the research also proves that if consumers are provided with clearer and better information on the different dimensions of sustainability, they will recognise the importance of the values conveyed by sustainably-produced rice and will also show willingness to pay for it. Therefore, the promotion of rice sustainability-related labels needs to be accompanied by more comprehensive information campaigns to increase consumers' awareness of and trust in the safety, quality and value of rice that has been produced in compliance with sustainable rice cultivation standards and provide consumers with clear and transparent information on the origin of the rice they want to purchase.

SUPERMARKETS – PROVIDERS OF SAFE RICE AND TRUSTWORTHY INFORMATION

A significant finding of the research is the importance that supermarkets are playing in shaping Vietnamese urban consumers' purchasing habits, especially among upper middle-income consumers. Supermarkets are considered trustworthy providers not only of safe and high-quality food, but also as providers of reliable information on food quality labels and certifications.

Being afraid of buying rice that is mixed, fake and does not have a clear indication of origin, Vietnamese urban consumers are increasingly getting used to buying quality rice at the supermarket instead of at the traditional market. At the supermarket, consumers can find packaged rice featuring more and clearer information (such as rice variety, labels, country of origin, expiration date, nutritional profile, method of production and cooking instructions, etc.) on the package, and they feel assured that rice has been controlled before finding its way to the supermarkets' shelves. Supermarkets also appeal to Vietnamese urban consumers because

SUSTAINABLE RICE PLATFORM (SRP)

The Sustainable Rice Platform (SRP) was convened in 2011 by the United Nations Environment Programme (UNEP) and the International Rice Research Institute (IRRI) to improve the overall biophysical, environmental, and socio-economic sustainability of the rice sector. In 2015, the SRP launched the world's first international standard for sustainable rice, which assesses the sustainability of any rice cultivation system via 46 requirements under 8 broad themes. Progress toward compliance is measured through an increased score against the SRP Standard or through the use of a set of 12 quantitative performance indicators. Following two years of field testing, the SRP Standard and Performance Indicators have been evaluated and a new version 2.0 of the Standard as well as the Performance Indicators is being prepared.

they offer them a pleasant shopping experience in a cleaner, cooler and more hygienic environment, where consumers can find everything they need at any time without the need to bargain.

SRP – A NEW STANDARD FOR VIETNAM'S SUSTAINABLY-PRODUCED RICE?

Considering Vietnamese consumers' increasing familiarity with and trust in quality labels and certifications, promoting sustainability-related labels to certify sustainably-produced rice will be an effective market-driven tool to increase Vietnamese awareness and trust in sustainably-produced rice and increase their willingness to pay for it. Thus, the next question is: which standards and certification system should be adopted to promote sustainable rice farming in Vietnam?

Although rice that is certified VietGAP or GLOBALG.A.P. can already be considered to follow food safety and sustainability practices, their standards are not specific for rice cultivation. To assess the sustainability of rice cultivation, in 2015, the Sustainable Rice Platform (SRP) released the world's first standard for sustainable rice cultivation. The SRP can be seen as complementary to the existing GAP standards as it sets new, more efficient and specific standards for sustainable rice cultivation (see Box above).



Vietnamese urban consumers prefer buying packaged rice at supermarkets because it provides them with information on the country of origin, nutritional content, quality and safety of rice.

Photo: Carolina Barcella

The Loc Troi Group, a leading provider of agricultural services and products in Vietnam, joined the SRP in 2015 and has started to adopt the SRP Standard to work towards sustainable rice farming practices. Loc Troi's adherence to the SRP Standard can be a leading example for the adoption of sustainable rice farming by other leading rice producers. If more Vietnamese rice producers join SRP and start to produce rice according to the SRP Standard (or verify their impact against the SRP Performance Indicators), there is a promise that in the near future, Vietnamese urban consumers will have the opportunity to purchase rice that has been produced according to the new, specific and more efficient SRP Standard for sustainable rice cultivation.

SUMMING UP ...

Since Vietnam has already recognised the need to make its rice sector more sustainable, consumers' demand needs to be made an integral part of the solution. The results show that sustainability-related labels can be an effective market-driven tool to respond to urban consumers' demand for safer, higher-quality and better-value rice, while also encouraging farmers to comply with sustainable rice cultivation standards in order to be awarded with benefits, such as a reduction of production costs, increased health and better prices for quality rice.

However, consumers need to be familiar with and understand the information conveyed by the label. Therefore, promoting sustainability-related labels needs to go hand in hand with effective information campaigns that provide consumers with trustworthy, transparent and comprehensive information on the quality aspects certified by sustainability-related labels.

Rice packages, supermarkets, TV, family and friends and social media are the key communication channels through which this information can be provided to consumers. Only if consumers are adequately informed will they trust and recognise the values of sustainability-related labels for sustainably-produced rice and become more willing to pay for it.

Last but not least, to increase consumers' interest in and demand for sustainably-produced rice, the most important thing is that sustainably-produced rice fits consumers' taste at a reasonable price. Consumers may recognise the importance of protecting the environment and enhancing farmers' welfare, but it will be hard for them to eat a sustainably-produced rice that they do not like. Hence, fostering sustainable production practices should go hand in hand with quality governance and consumer-focused rice value chain development.

Carolina Barcella is a M.A. candidate in Asian Studies at the School of Foreign Service at Georgetown University in Washington DC, United States.

Nguyen Hoang Diem My holds a PhD degree from the Department of Agricultural Economics at Ghent University, Belgium, and is a lecturer and researcher at the University of Economics, Hue University, Vietnam.

Matty Demont is a Senior Economist at the International Rice Research Institute (IRRI) and is based in Metro Manila, Philippines.
Contact: m.demont@irri.org

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For more information about the SRP and to download the SRP Standard and Performance Indicators, visit: www.sustainablericeplatform.org