

## CHAPTER 14 CROPLIFE VIETNAM

### OVERVIEW

The total export turnover of agricultural, forest and seafood products reached more than US\$26 billion in the first eight months of 2019, marking a year-on-year increase of 1.6 per cent. A report recently released by the Ministry of Agriculture and Rural Development (MARD), showed that eight groups of products reached an export value of at least US\$1 billion: coffee, rubber, rice, vegetables, shrimp, pangasius, wood and wood products. Exports of coffee, rubber and rice were at least US\$2 billion.<sup>1</sup>

According to the UN Food and Agriculture Organisation (FAO), demands for rice, fruits and fishery in the world market will continue to increase. This will be key for Vietnamese agricultural exports to maintain a high growth rate and reach the export turnover target set in 2018.<sup>2</sup> The EU as well as Japan, the United States (US), South Korea and China, China are the five leading markets importing Vietnamese fruits and vegetables. Besides, the quality of Vietnamese fruits has gradually been confirmed, and the products have successfully entered hard markets like the EU, the US, Australia, Canada, Japan and New Zealand.<sup>3</sup> Further, extended technology application, promotion and investments, and the impact of various free trade agreements continue to play a key role in the growing pace of Vietnam's agriculture.

To achieve this, Vietnam needs to further diversify its production, move to high-added-value products, build a brand strategy, create more Geographical Indications, ensure traceability, minimise material loss during harvesting and post-harvest production, increase quality and open up new markets in neighbouring countries.<sup>4</sup> Achieving this export goal also depends on mitigating national food safety-related issues, ensuring farmers are enabled through the responsible use of technology, and making certain that importing countries strengthen technical barriers and apply stricter regulations on food safety, quality and origin.<sup>5</sup>

High profile examples calling into question the essential safety of key crops, fish, meat and other products across the food value chain in Vietnam have littered the media landscape in recent years. While this drumbeat of coverage has led to the positive development of society taking greater interest in how food is produced in addition to its safety and sustainability, harmful fallout has been realised as well. Specifically, misinformation around what is and isn't safe as it relates to human and environmental health has unfortunately led to an erosion of public trust in the food supply, spurred regulatory reaction and hindered national trade.

Overuse or misuse of agricultural inputs, poorly regulated or illegal imports, substandard products, and a lack of traceability are important factors that should be addressed in order to assure safe food along with ensuring that national smallholder farmers engage in Good Agricultural Practices (GAP).<sup>6</sup>

1 "Agriculture exports rake in \$26 billion in 8 months", *Vietnam News*. Available at: <<https://vietnamnews.vn/economy/534638/agricultural-exports-rake-in-26-billion-in-eight-months.html>>, last accessed on 19 January 2020.

2 "Vietnam's agricultural exports to hit \$41 billion in 2018", *Hanoi Times*. Available at: <<http://www.hanoitimes.vn/economy/2018/07/81e0c9a8/vietnam-s-agricultural-exports-to-hit-us-41-billion-in-2018/>>, last accessed on 19 January 2020.

3 "The difficulties in reaching Vietnam's agricultural export target", *Vietnam Investment Review*. Available at: <<https://www.vir.com.vn/the-difficulties-in-reaching-vietnam-s-agricultural-export-target-56439.html>>, last accessed on 19 January 2020.

4 "Vietnamese farm produce exports should prosper in 2016", *VOV World*, 18 March, 2016. Available at: <[vovworld.vn/en-US/Economy/Vietnamese-farm-produce-exports-should-prosper-in-2016/420103.vov](http://vovworld.vn/en-US/Economy/Vietnamese-farm-produce-exports-should-prosper-in-2016/420103.vov)> last accessed on 19 January 2020; "Valuable farm produce sold at low prices", *Vietnam Net*, 14 July 2016. Available at: <[english.vietnamnet.vn/fms/business/160073/valuable-farm-produce-sold-at-low-prices.html](http://english.vietnamnet.vn/fms/business/160073/valuable-farm-produce-sold-at-low-prices.html)>, last accessed on 19 January 2020; "Vietnam needs to build food brands: experts", *Vietnam News*, 05 October 2016. Available at: <[vietnamnews.vn/economy/343911/vn-needs-to-build-food-brands-experts.html](http://vietnamnews.vn/economy/343911/vn-needs-to-build-food-brands-experts.html)>, last accessed on 19 January 2020; "Vietnam earns more money from fruit than from crude oil", *Vietnam Net*, 22 October 2016. Available at: <[english.vietnamnet.vn/fms/business/165540/vietnam-earns-more-money-from-fruit-than-from-crude-oil.html](http://english.vietnamnet.vn/fms/business/165540/vietnam-earns-more-money-from-fruit-than-from-crude-oil.html)>, last accessed on 19 January 2020.

5 "Assuring Food Safety and Quality", *FAO Food and Nutrition Paper* No. 76. Available at: <<http://www.fao.org/3/a-y8705e.pdf>> last accessed on 19 January, 2020>, last accessed 8 December 2019.

6 "Food safety risk management in Vietnam: Challenges and opportunities", *World Bank Report*. Available at: <<http://www.worldbank.org/2Fen%2Fcountry%2Fvietnam%2Fpublication%2Ffood-safety-risk-management-in-vietnam-challenges-and-opportunities&usq=AOvWaw2UHiX1C8qHZniBUUB3LH>>, last accessed on 19 January 2020.

With the global population projected to reach 10 billion in 2050<sup>7</sup>, Vietnam's smallholder farmers are under increasing pressure to produce sufficient food for a growing population. With less access to arable land and water as well as more pests and disease to combat, this makes the job of our smallholder farmers much more daunting. According to a December 2016 World Bank "Taking Stock" report, Vietnamese agriculture is at a turning point – it's agricultural sector needs to generate "more from less", generating more economic value as well as farmer and consumer welfare, using less natural and human capital.<sup>8</sup>

Vietnam's smallholder farmers rely on crop protection products to prevent pests, disease and weed pressures from damaging their crops and limiting their harvests. Between 26 and 40 per cent of the world's potential crop production is lost annually because of weeds, pests and diseases. Without crop protection, these losses could easily double. Specifically, crop protection products prevent nearly 40 per cent of global rice and maize harvests from being lost every year.<sup>9</sup> And, as the impacts of climate change in Vietnam and across Asia grow, the various pressures will become more extreme – making effective use of crop protection products more important than ever.

Beyond the increased yields, crop protection products also play a key humanitarian role in aiding Vietnam's smallholder farmers. In particular, the responsible and safe use of herbicides helps lift the burden of the out-of-date and inefficient practice of hand weeding. In the absence of herbicides, hand weeding just one hectare takes roughly 140 hours and requires walking about 10 km in a stooped position.<sup>10</sup> Eliminating the need for this back-breaking practice has been greatly beneficial to the health of many of Vietnam's 24.5 million smallholder farmers as well as their families and a giant leap forward.

The protection that advanced crop protection products provide is not limited to the field. These products also help prolong the viable life and prevent post-harvest losses of crops while in storage.

Additionally, biotech crops have expanded beyond the big four (maize, soybeans, cotton, and canola) to give more choices for many of the world's consumers and food producers. Biotech crops increased the production of food, feed and fibre from 1996 to 2016 around the globe by 659 million tons and helped slow the advance of climate change by reducing carbon emissions. In 2016 alone, it's estimated that biotech crop plantings lowered carbon dioxide emissions equivalent to removing 16.7 million cars from the road for an entire year. At the same time, 90 per cent of the roughly 18 million risk-averse farmers benefitting from biotech crops annually were small resource, poorer farmers.<sup>11</sup>

The Central Highlands and the Mekong Delta are important for agricultural production in Vietnam. The droughts in the Central Highlands; and salt intrusions and drought in the Mekong Delta have made it clear though that concrete actions to reverse the impact of climate change are needed. It is not possible for Vietnam to stop climate change on its own, but Vietnam can support farmers to find out what seeds, traits, good farming practices and agrochemicals are suitable to deal with these changes.

Hereafter, we will discuss some of the topics raised in the introduction more in detail as we believe these are paramount to the success of Vietnam as agricultural global player.

The plant science industry comprising leading R&D companies and members of EuroCham's CropLife Vietnam Sector Committee have contributed to this chapter.<sup>12</sup>

7 World population projected to reach 9.8 billion in 2050, and 11.2 billion in 2100, *United Nations News*. Available at: <<https://www.un.org/development/desa/en/news/population/world-population-prospects-2017.html>>, last accessed on 19 January 2020.

8 An Update on Vietnam's Recent Economic Developments, World Bank taking stock 2016. Available at: <<https://openknowledge.worldbank.org/bitstream/handle/10986/25748/110676-WP-PUBLIC.pdf?sequence=1&isAllowed=y>>, last accessed on 19 January 2020.

9 "OECD-FAO Agricultural Outlook 2012", *OECD-FAO*. Available at: <[https://www.oecd-ilibrary.org/agriculture-and-food/oecd-fao-agricultural-outlook-2012\\_agr\\_outlook-2012-en](https://www.oecd-ilibrary.org/agriculture-and-food/oecd-fao-agricultural-outlook-2012_agr_outlook-2012-en)>, last accessed on 19 January 2020.

10 FAO, Sustainable Agricultural Mechanization. Available at: <<http://www.fao.org/sustainable-agricultural-mechanization/guidelines-operations/crop-production/en/>>, last accessed on 19 January 2020

11 ISAAA Brief No.54, Executive Summary. Available at: <<http://www.isaaa.org/resources/publications/briefs/54/executivesummary/default.asp>>, last accessed on 19 January 2020.

12 CropLife Vietnam Sector Committee members: Arysta, BASF, Bayer, Corteva, Isagro, FMC, Summit Agro, Sumitomo Chemical and Syngenta.

## I. A SUSTAINABLE AGRICULTURAL SECTOR

Relevant authorities: Ministry of Agriculture and Rural Development (MARD), Ministry of Industry and Trade (MOIT), Ministry of Natural Resources and Environment (MONRE)

### Issue description

In this paragraph, we will raise some issues that we think need to be addressed to create a sustainable agricultural sector, including Ministry of Agriculture and Rural Development (MARD) processes on cutting off crop protection products, and approval of advanced technology.

#### 1. Crop protection products

In CropLife's view, crop protection products play a critical role in producing more safe, affordable and nutritious food using fewer resources. Without this tool, more than half of the world's crops would be lost to insects, diseases and weeds, leading to enormous economic and environmental damage.<sup>13</sup>

#### Cutting off crop protection products

The Sector Committee is aware that MARD is currently reviewing crop protection products registered in Vietnam in the direction of implementing the policy of tightening the management of crop protection products according to Article 49 of the Law on Plant Protection and Quarantine 41/2013/QH13 / QH13 of 25 November 2013. We emphasised that CropLife Vietnam and its members agree with this policy. We recognise the roster of crop protection products registered for use in Vietnam has simply grown too large, is littered with chemicals that are outdated and rarely used, and has become a worrisome management issue for MARD. The members of CropLife Vietnam in recent years have voluntarily withdrawn from the list of crop protection products allowed for use in Vietnam products with low biological efficacy, those which are outdated and do not meet the requirements of production or non-business. Along with that, we are also continuing to introduce and conduct new registrations for a number of new generation products, applying high technology, safety and efficiency.

However, we would like to emphasise that a non-science based banning decision would remove safe, effective and critically-important weed/insect/disease management tools from the toolbox of Vietnam's 25 million farmers. This would have devastating impacts on the nation's agricultural sector, consumers and economy.

The Sector Committee has a scientific and international standards-based solution towards achieving the Government's objective of a 30 per cent reduction of product registrations by 2021<sup>14</sup> without sacrificing the sustainability and competitiveness of Vietnam agriculture and looks forward to working further with Government to implement this objective.

#### **The process of cutting off crop protection products should be a consistent, scientifically rigorous process in line with international standards.**

While the Sector Committee appreciates that MARD has expressed its commitment to a review process that includes consultation with industry, there are still some pending concerns. The sector calls on the Government to ensure that cutting off crop protection products are properly assessed through a consistent, scientifically rigorous process in line with internationally accepted methods and standards. Such assessments need to be conducted by scientific experts and a suitable timeline should apply to allow for a thorough review. This is consistent with the direction recently set by the Prime Minister for the removal of unnecessary government procedures that can stifle production and trade while reinforcing the need for transparency.

#### 2. Genetically modified technology

We would like to raise the issue of the delays to the reviewing-approval process for Genetically Modified (GM)

<sup>13</sup> Half the crops would be lost if without pesticide", *Vietnam Investment Review*. Available at: <<https://www.vir.com.vn/half-the-crops-in-would-be-lost-without-pesticides-62074.html>>, last accessed on 19 January 2020.

<sup>14</sup> "Orientation of crop protection in the new situation", *Ministry of Agriculture and Rural Development*, 16 May 2018. Available at: <<https://www.mard.gov.vn/Pages/dinh-huong-cong-tac-bao-ve-thuc-vat-trong-tinh-hinh-moi.aspx>>, last accessed on 20 January 2020.

hybrids and GM food feed. To the date, a remarkable number of GM product submissions are still pending for approval for food and feed use. There are also some GM traits application dossiers waiting for MARD's approval in which a majority of the dossiers have successfully completed the technical review process and are now waiting for the final approval.

On the regulation of Genetically Engineered (GE) crops, Vietnam has two opportunities. The first is a strategic opportunity to benefit from over two decades of global commercialisation of GE crops. This will help Vietnamese farmers to deal with real world production challenges such as pest and weed control. One example of this is the use of GE corn as an effective Integrated Pest Management (IPM) tool that resists Fall Armyworm.

The second opportunity is administrative. Vietnam's food and feed approval process for imported GE grains has stalled. Under Vietnamese law, the total time from submission to approval should be 60 working days but decisions are being administratively delayed for years. Delays in the approval process create unnecessary risks to Vietnam's grain and feed imports. If Vietnam were to restart the approval process, the risks to the grain trade would be immediately removed.

With regard to the next generation of plant breeding innovations, including genome editing, Vietnam has the opportunity to create new and promising solutions to the biggest problems facing production agriculture. Depending on the regulatory approach Vietnam takes, gene editing tools could be accessible to a broad range of plant breeders, including the public sector and small enterprises. These tools can potentially be used across all agriculturally important crops, including vegetables, fruits and specialty crops important to Vietnam's international competitiveness. However, science-based, risk-proportionate, and globally harmonised regulatory policies will be needed. The Sector Committee would be happy to further share and elaborate on this later with the relevant authorities.

### Potential gains/concerns for Vietnam

H.E. Prime Minister Nguyen Xuan Phuc has called for Vietnam's agriculture sector to become one of the top-15 most developed in the world in just ten years and to utilise scientific and technological advances to help achieve this.<sup>15</sup> The Prime Minister has further emphasised that more innovation is needed to generate new drivers for growth to ensure macroeconomic stability. Such an ambitious agenda can be achieved only if the Government embraces agricultural innovation.<sup>16</sup>

In order to achieve the Government's objective of having a sustainable agricultural sector it is important that farmers have access to high-quality agrochemicals with space to innovate during the process. If the above-mentioned issues are addressed it will result in a sufficient quantity of high-quality agrochemicals available for farmers to increase quality and quantity of produce using fewer natural resources such as water and harming the soil or producing CO<sub>2</sub>; thus reducing the carbon footprint of Vietnam. Unleashing the possibilities of modern agriculture to support sustainable, inclusive development requires enormous investment, collaboration and a stable policy and regulatory environment. All three factors are critical in the context when Vietnam harnesses cutting-edge technology to accelerate its development. To increase the competitiveness of Vietnamese farmers as well as to ensure the future investment in innovation, Vietnamese farmers should be encouraged to have access to safe crop protection products, and new, higher performing hybrids. This will ensure the Government can achieve its agriculture restructuring goals and support Vietnamese farmers to continue producing safe, affordable and nutritious food for the community and exports.

### Recommendations

A clear, science-based and predictable regulatory process is very important to attract the much needed FDI to 'import' know-how and innovation:

- The Sector Committee can support and discuss with Government a regulatory roadmap towards the Government's goal to achieve a 30 per cent reduction of product use without sacrificing the sustainability and competitiveness of Vietnam agriculture;

15 "Prime Minister Nguyen Xuan Phuc: In 2025, agriculture must be ranked in the top 10 in the world for exports", *Bnews*. Available at: <<https://bnews.vn/thu-tuong-nguyen-xuan-phuc-nam-2025-nong-nghiep-phai-dung-top-10-the-gioi-ve-xuat-khau/143255.html>>, last accessed on 20 January 2020.

16 "Vietnamese Government Encouraged to Embrace Agricultural Innovation to Protect Vietnam's Economy & Food", *Acnnewswire*. Available at: <<https://www.acnnewswire.com/press-release/english/46244/vietnamese-government-encouraged-to-embrace-agricultural-innovation-to-protect-vietnam-s-economy-&-food-security>>, last accessed on 20 January 2020.

- The Sector Committee requests for a proper assessment in cutting off crop protection product as it needs to be conducted by scientific experts and a suitable timeline should apply in line with internationally accepted methods and standards;
- Farmers should be encouraged to use advanced, safe and effective crop protection products with the appropriate stewardship training programs;
- The Government should accelerate the GM approval process to ensure no restrictions on imports which lead to severe long-term economic consequences and suffering for traders and customers, i.e., literally millions of Vietnamese farmers and producers of pork, poultry, and aquaculture, as well as food manufacturers; and
- The Sector Committee recommends fostering opportunities for constructive dialogues to address any outstanding topics or concerns that the Government may have in this regard.

CropLife's commitment to a Sustainable Agriculture Vision of Vietnam: Improving Stewardship & Encouraging Agriculture Innovation:

- Commitment to doing stewardship differently: CropLife Vietnam and member companies have made significant investments in stewardship in Vietnam through collaborations with local stakeholders. However, these initiatives have not been successful enough in addressing the problem. We are committed to working with the Government to develop a new stewardship approach, built on better understanding of decision-making drivers for Vietnamese farmers around crop protection use, introduction of new genetic products and solutions using GM technology, tactical components that leverage digital stewardship as well as social media outreach, scalable solutions, a potential role for enhanced enforcement, the involvement of local and generic companies, and meaningful value chain reforms and incentives.
- Commitment to invest in agriculture innovation: The plant science industry offers a powerful combination of global resources and experience along with local understanding and networks. With the integrated agricultural solutions, this can benefit farmers' productivity, and efficiency. The Sector Committee reaffirms its commitment to delivering the latest innovation, for instance, innovative crop protection products, precision farming tools, high-yielding seeds and other advanced technology that can help farmers overcome increasingly complex economic and environmental challenges.
- Commitment to agriculture policy innovation: The Vietnamese Government's foresight to encourage farmer adoption of previous scientific breakthroughs has helped to feed millions of people over the last few decades. Today, this foresight is equipping farmers with the critical tools they need to prevent the devastation caused by fall army worm. We urge a whole-of-government approach to reinforce policies that encourage agriculture innovation that are supported by a transparent, science-based regulatory system consistent with international best practice. We would like to collaborate with the Government towards policy and regulation development for the sustainable system.

## II. FOOD SAFETY: RESIDUE MANAGEMENT ON AGRI-PRODUCTS

Relevant authorities: Ministry of Agriculture and Rural Development (MARD), Ministry of Health (MOH), Ministry of Industry and Trade (MOIT)

### Issue description

Food safety related to pesticide residues in agricultural products is a common topic of high public concern. The presence of pesticide residues in agricultural products has sometimes been exaggerated by the media, thus raising the question among consumers on the safety of the food supply chain and the Government's management method of pesticide use to ensure food safety without sacrificing farmer's essential tools. Crop protection products play an essential role in agricultural production to ensure productivity and food security. Therefore, the management method of the production, trade and use of CP products in order to avoid exceeding the pesticide Maximum Residue Limit (MRL) and to ensure food safety to meet domestic consumption and grow export turnover is important.

In order to manage the issue of crop protection residues in agricultural products, a comprehensive solution is required with the participation of all stakeholders in the agricultural production chain, including the role of relevant authorities, growers, enterprises and this is an issue that cannot be solved in a short time.

However, within this proposal, CropLife Vietnam would like to discuss three points that we believe would greatly improve the problem of residues in agricultural products in the current time.

### **Hazard Base Management vs. Risk Base Management**

Recent decisions<sup>17</sup> to impose restrictions on certain crop protection products have raised the question of hazard-based versus risk-based management.

Circular 21/2015/TT-BNNPTNT<sup>18</sup> effective since 1 August 2018 includes Article 6 which poses a potential threat to Vietnam's farmers, economy, environment and consumers. Particularly, point (dd) of Article 6 provides:

- Banning and no registration of the crop protection products with active ingredients or finished products falling under GHS Category 3 & 4 for use on vegetables, fruit trees and tea plants; or
- Chemical pesticide subject to quarantine in more than 7 days for use on vegetables, fruit trees and tea plants.

Using the Global Harmonised System (GHS) classification to restrict the registration of vegetables, fruit trees and tea plants is not in accordance with international standards that follows risk-based assessment methodology.<sup>19</sup> This regulation is not based on scientific grounds and Vietnam is the first nation in the world to adopt it. This regulation limits or bans the number of technologies available to Vietnam's vegetables, fruit tree, and tea plant farmers. This also means restricting their access to the most technologically-advanced tools and safest options to combat pests, diseases and to overcome climate-related issues.

### **Lacking of legal enforcement**

In our view, the importance of law enforcement in Vietnam is a critical concern. There are many reasons leading to exceeding MRL in agricultural products. It may be due to the irresponsible use of growers, sub-standard CP products, counterfeit products, hidden AIs, etc. Currently administrative penalties are set for these violations<sup>20</sup>, but are usually mild and do not have a punitive effect. In addition, there is a need to strengthen the enforcement of the relevant provincial authorities at the market ground, which has not been implemented well, especially regulations applied for growers. Currently, the grower's responsibility in ensuring food safety is left open and out of control.

### **Enhance awareness and training on responsible use of crop protection products to farmers**

As we have mentioned, high use of agricultural inputs such as crop protection products and chemical fertilizers, poorly regulated or illegal imports, substandard products, and a lack of traceability are also important risk-factors in assuring safe food. However, the biggest challenge lies in changing the practices of vast numbers of small farmers. A small scale of agricultural production, small farmers with low education and lack of knowledge about the products and technologies in farming and agriculture production lead to irresponsible use, miss use and over use of the CP products.

Therefore, the role of training on the responsible use of CP products to farmers should be further promoted and strengthened. This activity has been jointly implemented by many partners, especially authorities and CP companies. But the impact on user behaviour change is still limited because it is not meeting farmer's expectations.

17 Decision 1186/QĐ-BNN-BVTV dated 10 April 2019 of Ministry of Agriculture and Rural Development on removal of glyphosate from the list of pesticides allowed to be used.

18 Circular No. 21/2015/TT-BNNPTNT dated 8 June 2015 of The Ministry of Agriculture and Rural Development on pesticide product Administration.

19 EPA Overview of Risk Assessment in the Pesticides Program. Available at: <<https://www.epa.gov/pesticide-science-and-assessing-pesticide-risks/overview-risk-assessment-pesticide-program>> and EFSA: Cumulative risk assessment of pesticides. Available at: <<https://www.efsa.europa.eu/en/news/faq-cumulative-risk-assessment-pesticides>>, last accessed on 20 January 2020

20 Decree 31/2016/ND-CP dated 6 May, 2016 of the Government on penalties for administrative violations against regulations on plant varieties, plant protection and quarantine



## Potential gains/concerns for Vietnam

GHS and Preferred Internal Index (PHI) are not intended to be used as an alternative to risk assessment methodology in determining the toxicity or safe consumer use of a crop protection product. If fully realised, these developments would put Vietnam's farmers, consumers, environment and national economy at greater risk, and ultimately would bring significant competitive disadvantages to the country's agriculture sector comparing to its ASEAN neighbours and other economic partners, including the European Union. Without appropriate regulation and functional enforcement, food safety issues are likely to worsen.

### Recommendations:

- Develop a functioning, predictable legal framework based on scientific grounds and in harmonisation with international standards;
- Registrations of any crop protection product and their use should be allowed unless there are unacceptable risks in terms of consumers' or operators' exposure or environmental safety. Their use should not be restricted by unprecedented and unreasonable criteria such as use of GHS classification for cut-off and use of PHI for restrictions on specific crops;
- Vietnam is currently utilizing CODEX and ASEAN EWG-MRLs for setting/establishing national MRLs (Circular 50/2016/TT-BYT of Ministry of Health<sup>21</sup>). CropLife is willing to support Vietnamese authorities (Ministry of Agriculture and Rural Development and its Department of Plant Protection) to develop internationally aligned regulations to manage residues not exceeding national MRLs;
- Develop an MRL database and requirements for agricultural commodities in importing countries to make it easy for growers/exporters to access;
- Partnership and collective efforts among the Vietnamese Government, national crop protection industry, and relevant stakeholders should be facilitated to promote the correct and safe use of crop protection products and GAP should be sustained and strengthened; and
- More efforts should be undertaken by the Vietnamese Government to monitor domestic markets, including ensuring that residue-related issues among agricultural commodities are addressed as well as implementing current regulations on goods labelling and clear information provision to ensure farmers' proper and safe use. More consideration should be given to developing appropriate regulations for effective enforcement.

## III. COUNTERFEIT AND SUB-STANDARD PRODUCTS

Relevant authorities: Ministry of Agriculture and Rural Development (MARD), Ministry of Industry and Trade (MOIT), Ministry of Finance – National 389 Committee (MOF)

### Issue description

#### Illegal products, counterfeits, and low quality products

The use of counterfeit crop protection products or crop protection products with lower percentages than what the label indicates or crop protection products with hidden Active Ingredients (AI) is increasing. This causes loss to farmers as well as food safety issues. It also runs the risk of products being returned at importing destinations and limits the possibility to develop a sustainable agricultural sector. A severe shortage of funds and personnel has resulted in such loose management of crop protection products in the southern region that most of the market is out of control. In fact, crop protection products carrying fake labels of famous brands have been in the market for a long time. This problem is considerably worsened when the crop protection product itself of spurious, low quality and is being sold cheaply. Some cultivation and plant protection divisions in the Mekong Delta have admitted that they have not been doing an effective job of detecting fake crop protection products and poor-quality products.<sup>22</sup>

21 Circular 50/2016/TT-BYT dated 30 December, 2016 of Ministry of Health regulations on maximum residue levels of pesticide in food.

22 "Fake, low quality pesticides 'out of control', *Vietnamnews*. Available at: <<http://vietnamnews.vn/society/417266/fake-low-quality-pesticides-out-of-control.html#5D4lzoHStVgq8cF1.99>>, last accessed on 20 January 2020.

Besides, incomplete and inadequate legal enforcement system and mechanisms at the market ground and a limited knowledge of enforcement authorities regarding intellectual property law has also worsened the problem. Moreover, the increasing trick made by some companies by adding unregistered AIs into the products without having declared them on the label (called hidden AIs) has caused a danger to food safety and unexpected crop protection products residue. The case of Vietnam Tea Association has caused alarm due to export cargoes being returned by importing countries.<sup>23</sup>

### Potential gains/concerns for Vietnam

The counterfeit of crop protection products has created a twinge for the society. This does not negatively affect crop yields and farmers' lives but it also damages enterprises' reputations and intellectual property rights. The criminal sanctions on CP counterfeit activities are expected to have strong deterrent effects in the context that these types of crime have been increasing with more sophisticated tricks. This situation not only causes great damage to farmers' health and well-being, not to mention to the market and the reputation of Vietnam's agricultural sector in international trading but also presents challenges to the State management agencies and legitimate enterprises. This requires drastic action from all stakeholders.

Combating counterfeit and substandard crop protection products is of critical importance and it measures need to be enforced and enhanced by relevant authorities including deploying necessary resources. So, better enforcement combined with increased awareness and training will ensure that Vietnam can become a global agricultural and food products producer and exporter. Illegal products adversely impact the economy because innovation is stifled or discouraged while agricultural innovation plays a key role in driving agricultural productivity, rural development, as well as environmental sustainability.

### Recommendations:

- Improve knowledge and responsibility of ground staff on the Law on Intellectual Property (IP) Rights and guiding regulations to support the identifying and avoiding IP violations at market;
- Ensure strong punishment with criminal action to combat the production and trading of counterfeit crop protection products;
- Enhance the monitoring and supervision of use of crop protection materials more strictly;
- Implement stricter inspections, control and management of problematic cases;
- Enforce existing regulations on the use of counterfeit and illegal products;
- Enforce existing regulations on clear labelling and instructions' contents for correct and safe use by farmers;
- Increase awareness of farmers, producers and retailers about the irresponsible use of counterfeit and sub-standard products; and
- Work with the private sector to organise training for farmers, producers and retailers to avoid using counterfeit and sub-standard products.

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<sup>23</sup> "Tea industry and value chain building problem", *Nongthonviet.com.vn*. Available at: <<http://nongthonviet.com.vn/nong-nghiep/201812/nganh-san-xuat-che-va-bai-toan-xay-dung-chuoi-gia-tri-737705/>>, last accessed on 20 January, 2020