

Vietnam

Introduction

Vietnam is located in Southeast Asia, bordered by the Gulf of Tonkin and the South China Sea to the east, China to the north, Laos and Cambodia to the west, and the Gulf of Thailand to the south. The Vietnamese trace the origins of their culture and nation to the fertile plains of the Red River Delta in northern Vietnam.

The country shares maritime borders with Indonesia, Malaysia, Philippines, and Thailand. With an area of 331,689 km² Vietnam is about three times the size of Bulgaria or slightly larger than the U.S. state of New Mexico.

Vietnam has a population of 90.7 million people (in 2014); it is the 13th most populous country in the world.

Official Name	Socialist Republic of Vietnam
ISO Country Code	Vn
Time	UTC +7h
Country Calling Code	+84
Capital City	Hanoi (Ha Noi)
Other Cities	Ho Chi Minh City (formerly Saigon; 5.4 million), Hai Phong (1.8 million), Can Tho (1.1 million), Da Nang (720 000)
Climate	Tropical monsoon
Natural resources	Phosphates, coal, manganese, bauxite, chromate, offshore oil and gas deposits, forests, hydropower.
Agriculture products	Paddy rice, coffee, fish and seafood, rubber, cotton, tea, pepper, soybeans, cashews, sugar cane, peanuts, bananas, poultry.
Currency	Dong (VND)

The emergence of cashew industry in Vietnam

Vietnam is the top biggest manufacturers and exporters of cashew nut in the world. Since 1990, Vietnam has emerged as a main producer of cashew nut in the Asia. During 1980s, Vietnam started growing cashew as a high-economic plant. In 1990s, the area of land to grow has been expanded to rural areas. Vietnam Cashew Association (VINACAS) established in 1990 to facilitate the development of Vietnam cashew industry. African countries are the major suppliers of RCN for Vietnam along with Cambodia.

Cashew growing regions

Cashew was mainly grown in provinces such as Dak Nong, Daklak, Binh Duong, Binh Phuoc, Tay Ninh, Long An, Kien Giang, Kon Tum, Gia Lai, Quang Nam, Quang Ngai, Binh Dinh, Phu Yen, Khanh Hoa, Ninh Thuan, Lam Dong, Binh Thuan and Dong Nai. The Binh Phuoc accounts for 50% of the total cashew production in the country.



Harvesting Season

The raw cashew nut harvest season in Vietnam is between February and June.

Sea ports of Vietnam

Sea ports of Vietnam

Da Nang Port lies at the south end of a bay off the South China Sea in east central Vietnam some 622 kilometers north-northeast of Saigon port in Ho Chi Min City. One of the country's biggest cities, Da Nang Port has an excellent harbor enclosed to the east by the Tien Sa Peninsula and Cape Da Nang. In

In addition to being one of the country's major container ports, Da Nang Port is an industrial city with a fast-growing economy.

Saigon Port lies on the Song Sai Gon (Saigon) River about 80 kilometers north of the Mekong River Delta and the South China Sea. Port. Saigon Port is Vietnam's most important economic center, accounting for a fifth of the nation's Gross Domestic Product and almost a third of its industrial production.

The Port of Ho Chi Minh City lies on the Song Sai Gon (Saigon) River about 2.7 nautical miles north-northeast of Saigon Port and about 85 kilometers north of the Mekong River Delta as the river flows into the South China Sea.

The Port of Ho Chi Minh City reflects the influence of the French after a century of colonial rule and the United States after almost two decades during the United States' Vietnam War.

Shipping Lines

MSC HOCHIMINH CITY

Vietnam National Shipping Lines

VIET HOA GROUP (VIETNAM)

Haiphong - Zim Integrated Shipping (Vietnam) Llc (Haiphong Branch Office)

Ho Chi Minh City - Zim Integrated Shipping (Vietnam) Llc Ho Chi Minh Office

vietnam ocean shipping company

KUNNA INTERNATIONAL LOGISTICS JSC - BEST DDU, DDP, EXW RATE IN VIETNAM.

THE FOREIGN TRADE FREIGHT FORWARDING AND WAREHOUSING JOINT STOCK COMPANY

VU KHANG INVESTMENT SERVICES AND TRADING COMPANY

Ben Thanh Logistics Joint Stock Company

KHL LOGISTICS (KIM HUNG LONG LTD)

UP LOGISTICS CORPORATION

KTB Trade & Services Company Limited (KTB Co., Ltd)

NORTHERN OCEAN TRANSPORT

TRADING SERVICES JSC.

New Golden Sea Logistics Co.,LTD

Palm Logistics

POTALOGISTICS - DA NANG OFFICE

HO CHI MINH Branch:

AsiaTrans Vietnam

Tal Trading and Logistics JSC.,

Blue Sea Transportation Trading Co.,Ltd

IDFD TRADING IMPORT EXPORT SERVICE CO., LTD

Shipping Companies in Vietnam

CAI MEP

HAIPHONG

HO CHI MINH CITY

Asia New Express (ANS)

China Korea Indonesia Service (CKI)

China Thailand Service (CTX)

China Vietnam Express Line (CVX)

Vietnam Thailand Strait Express (VTS)

Vietnam Shipping Lines by Trade

ASIA - AMERICA

China East Coast (CEC)

ZIM Seven Star Express (Z7S)

Asia New Express (ANS)

China Korea Indonesia Service (CKI)

China Thailand Service (CTX)

China Vietnam Express Line (CVX)

Haiphong Shuttle Express (HSX)

Haiphong Hongkong Express (HHX)

Vietnam Thailand Strait Express (VTS)

VINACAS

Vietnam Cashew Association (VINACAS) was established in 1990 to facilitate the development of Vietnam cashew industry. Vietnam Cashew came in 50 markets around the world and is not dependent on any major export markets yet. According to VINACAS, Vietnam cashew exports with an overall volume of US\$2 billion, with processing capacity reaching 1.3 million tonnes was achieved in 2015. In November 2013 Vietnam Cashew Association (VINACAS) has signed the Memorandum of Understanding with Cashew Importer Association of Ivory Coast (AEC – CI), the Exporters Council of Benin (Benin Conec) and Nigeria Cashew Association (NCAN) mainly to strengthen the relationship between the Vietnam cashew nut importers and exporters RCN from these countries.

VINACAS signed the MOU with The Cotton and Cashew Council of Cote D'Ivoire in May-2014. The objective of the MOU is to help Cote D'Ivoire as followed:

- Supporting in consulting and training producers of cashew in Cote D'Ivoire on cultivation technical and post-cultivation steps;
- Exchanging information about the industry;
- Protecting the trade exchange between the two countries; and

Vinacas is establishing a cashew support center, which supports farmers and businesses access to the technical support standards, to strengthen the quality of products.

Vinacas also plans to promote products in the domestic markets through coordination of the HCM City Nutrition Center and Vietnam Nutrition Institute to study and introduce the use of cashew to consumers.

In 2014 VINACAS successfully implemented project extension "Pairing renovated garden that "in two provinces of Binh Phuoc and Dong Nai with the goal of achieving at least 3 tonnes / ha rehabilitation following transplantation.

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Government policies for the sector

The cashew sector is supported in the import tax on materials: for cashew nuts, in shell (code HS 08013100), the import duty is 5%, lower than the rate of 30% for the group HS 0801. This is one of the preferences given to this sector in order to facilitate domestic cashew processing enterprises to get imported materials.

Stabilizing material regions is one of key issues of cashew sector, according to the planning for cultivation to 2020 with a vision toward 2030 provided by MARD (The Ministry of Agriculture and Rural Development), aiming to maintain the world's largest cashew exporter position.

According to the plan, 40,000 hectares of new established plantation till 2020 will be created, bringing total growing area by 2015 to 380,000 hectares, with the production of 500,000 tonnes and cashew nuts exports of 200,000 tonnes. Thus, by 2020, the total growing area reaches 400,000 hectares; the production reaches 600,000 tonnes; and volume of exported cashew products reaches 250,000 tonnes.

Regarding cashew processing, the plan aims at diversifying products, raising the percentage of processed cashew nuts to at least 40% in different forms (salt-roasted cashew, cashew butter, cashew nuts sweets, etc.). Moreover, it also targets to increase the domestic consumption to reduce the risks caused by bad fluctuations in the export markets, and take advantage of broken cashew nuts during mechanical processing instead of manual processing.

Besides, because cashew is one of the key export sectors and it is contributing to the hunger eradication and poverty reduction, the government has established the draft strategy on Vietnamese cashew sustainable development to 2020 with an estimated investment of VND 2,608 billion.

It is expected that some programs in the strategy will aim at (i) re-cultivating 60,000 hectares of old and infected cashews or low-yielding varieties; (ii) intensively cultivating 100,000 hectares of high yield and good quality cashews; (iii) intercropping in 96,000 hectares of cashews to increase economic efficiency;

(iv) researching on varieties, technical progresses of intensive cultivation, re-cultivation and intercropping cultivation of cashews; (v) building the research center for cashew and cashew breed production by 2020; (vi) encouraging both agriculture and industry for cashew sector; (vii) researching and manufacturing technological equipment line for processing cashew-based by-products; (viii) investing in reform of technological equipment line and cashew processing technology; (ix) branding and promoting trade.

Area, Production and Productivity of Cashew nuts

Vietnam raw cashew nut area more than doubled since 1990, after the establishment of VINACAS. Cashew has been grown on more than 300,000 ha with an average in Vietnam since 2000. Government data indicate that total cashew plantations hit a record high of 440,000 ha in 2007. From the high of 2007, area under cashew plantations declined by 26% to 324,000 in 2013.

Government of Vietnam is planning to increase the area under cashew to 600,000 by 2020. Vietnam has a challenge of not being able to allocate more land to cashew as a result of competition from other Vietnamese main crops *viz.*, rubber, pepper, etc has resulted in narrowing of cashew cultivation area.

Thus, productivity improvement is the option. But productivity declined sharply from 2009 high of 2957 kg per ha to 804 kg per ha in 2013.

Moving plantations from mountains, better seed programme, choosing proper seasons for seeding and harvesting and use of Integrated Pest Management (IPM), Vietnam aims to increase productivity to 1700 – 2000 kg/ha in the coming years.

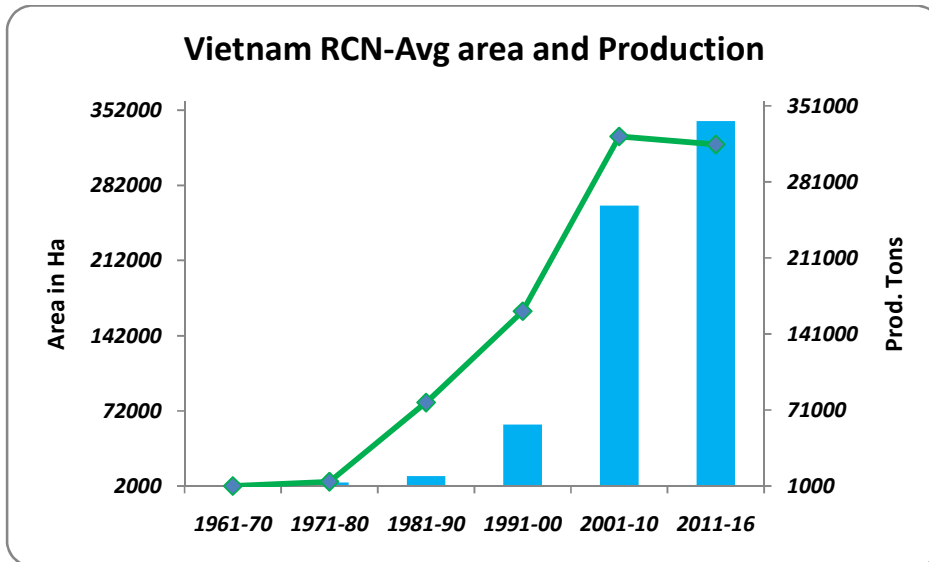
VINACAS is planning to increase Vietnamese cashew value thru the following programs:

Firstly, focus on processing of value added products and diversification of product lines.

Secondly, arousing hidden demands of local consumers aimed at reaching the targets of cashew kernel domestic consumption volume of about 30,000 metric tonnes until 2020 that is doubled increased in comparison with the 2015's figures of around 15,000 metric tonnes.

Thirdly, building Vietnam National Food Trademarks for cashew products and encouraging all cashew stakeholders to participate in the program "Vietnam Value". In order to implement this program, VINACAS has collaborated with the State and Central Ministries to perform a number of projects, including new cashew variety researches, cashew rejuvenation and intensive farming, trade promotion, building National Food Trademarks for cashew industry, etc. VINACAS has co-operated with Vietnam - HCMC Nutrition Center, Thanh Nien (Youth) Media & Communication Group, Vietnam Agriculture Daily, Club of Agricultural Economic Reporters etc to research and promote healthy nutritional value of cashew kernels of Binh Phuoc and Dong Nai origins. As a result, the 2015's domestic consumed cashew volume increased by one hundred percent in compared with 2014.

The fourth program is trade promotion and export boost. As you may know, for almost 10 years Vietnam has been the world leading cashew kernel exporter. We are proud since today the world people "Talk about Cashew, Think about Vietnam". We are striving our best so that in the near future, the global citizens would "Talk about Cleaner and Greener Cashew, Think about Vietnam!".



Vietnam is the second largest producer of raw cashew nut, next to India. Vietnam raw cashew nut production increased to an all time high of 400,000 tonnes in 2010. Since then it's on a steady decline and produced 252,000 tonnes in 2013 due to decline in productivity as well as shrink in acreage. But once again cashew production is inching closer to 2010 highs in 2015 and 2016.

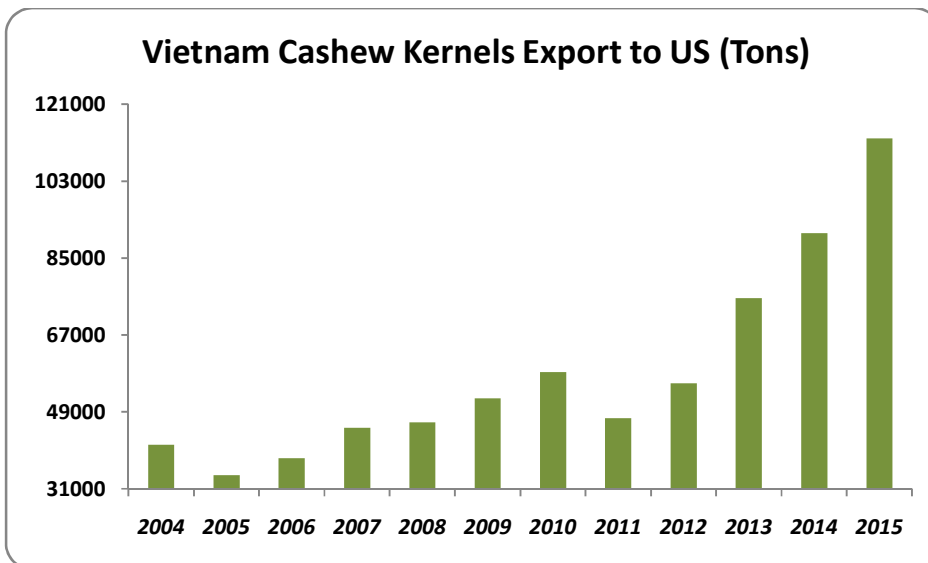
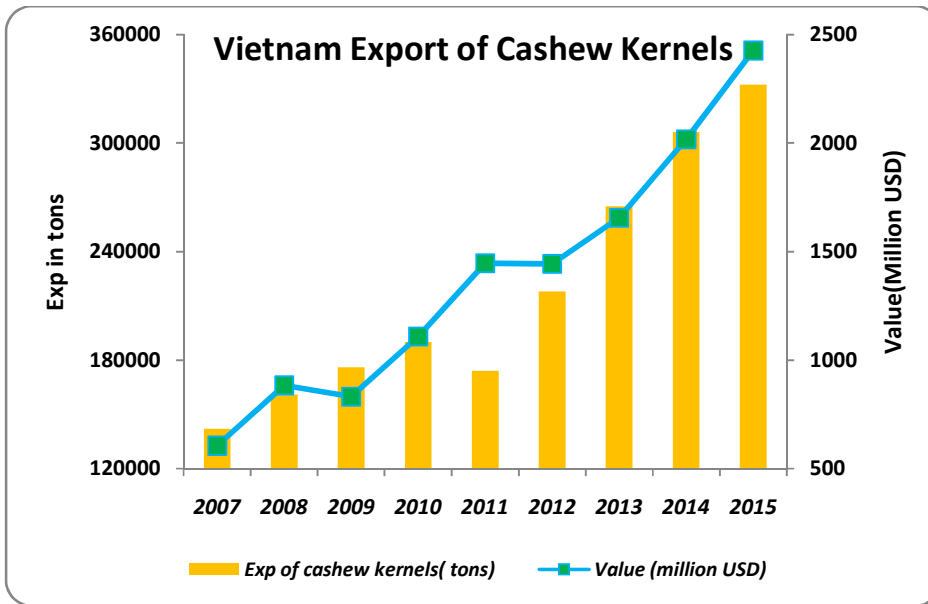
Exports

Vietnam is the world top exporter of cashew kernels since 2006 and exported 332,246 tonnes in 2015 as against 306,000 in 2014, a year-on-year rise of 8.57%.

The US market accounted for the lion's share of exports with a 34% market share, followed by the European Union (EU), which includes United Kingdom at 25% and China at 15%. Australia, Canada, UAE, Israel, Russia, Taiwan, New Zealand and Japan are the other major markets with a combined share of 14% and above.

Export of cashew kernels registers an impressive growth in the last one decade. From 103,000 tonnes exported in 2005, it has grown to 332,246 tonnes in 2015.

Vietnam exported close to 260,000 tonnes of cashews worth 2050 million U.S. dollars in the first nine months of 2016 and well poised for new record.



Imports

Vietnam imported a record raw cashew nut of 865,000 tonnes in 2015 when compared with 769,000 tonnes imported in 2014. Vietnam imports RCN mainly from African countries such as Ivory Coast, Nigeria, Cambodia and Indonesia. Raw cashew nut imports so far in the first nine months of 2016 totalled close to 800,000 tonnes.

Processing capacity

Vietnam's cashew processing industry has started since 1990s. During last three decades, Vietnam has raised itself into being the second largest processor of raw cashew. Vietnam's current processing capacity exceeds 1.3 million tonnes. There are about 500 large and medium scale processing sites and 500 small scale ones. All large scale sites have gained GMP, ISO and HACCP certificates. Vietnam has also developed processing capability to add value of roasted, salted roasted and coated with honey or chocolate cashew. Factories are designed to make use of human resource and machinery capabilities to maximize the profit for processors. Cost of financing is about 5% to 7% for the large processors and 10% to 12% for medium scale processors.

Challenges for Vietnam's cashew processing industry

Vietnam is trying to control the costs, commit to customers and cooperate with suppliers to ensure the sustainable development of the cashew industry. In the last year, VINACAS has coordinated with The Cotton and Cashew Council of Cote D'Ivoire to strike a win-win partnership.

The two countries have signed a Memorandum of Understanding (MOU), in which Cote D'Ivoire would provide high quality raw cashew nuts to Vietnam. In contrast, Vietnam would let Cote D'Ivoire process about 20-30% of its raw cashew nuts through transfer of technology of processors and other related assistance. Vietnam is also helping the neighboring Cambodia to increase productivity to ensure the continuity supply of raw materials.

The machinery manufacturers are researching to decrease the number of laborers, reduce costs and improve product consistency. In 2013, Vietnam has sent a business delegation to Australia and expanding business opportunities in this market. Vietnam is also trying to build the relationship with the Middle East countries. At the same time, Vietnam has also identified the importance of the local demand and is keen on improving the domestic demand of cashew kernels.