

**Improving smallholder farmer incomes through strategic market development
in mango supply chains in southern Vietnam**

**Annual Workshop
November 2020**

**Activity 1.8
Wholesale market monitoring study – update & next steps**

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Implementing Agency



Funding Agency



Australian Government
Australian Centre for
International Agricultural Research

Aim & objective

Activity 1.8

- Undertake wholesale market monitoring

Focus

- To capture & track domestic mango pricing information in HCMC, Hanoi & wholesale centres

Research questions aligned to this activity

- What innovations have the most cost-effective & positive impacts on productivity, losses, quality & harvest timing leading to improved price & farmer incomes?
- What is the relative attractiveness of Hanoi & the export market of Hong Kong compared to the HCMC market for smallholder farmers?

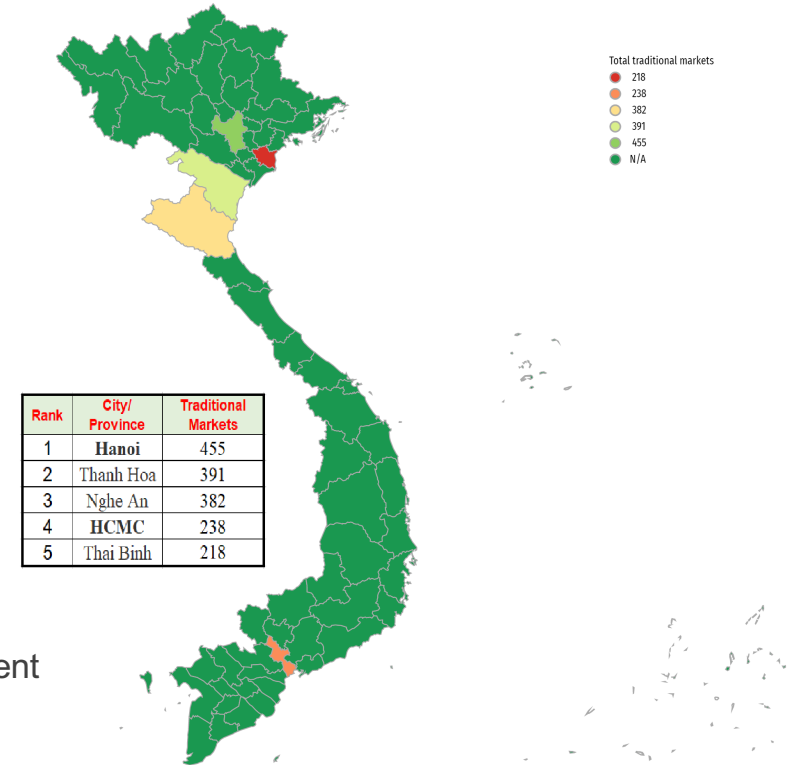


Overview

Drivers of change

- Rapid transformation of domestic F&V distribution
- Traditional markets still play a vital role
- Vietnam - 8539 traditional markets & 83 wholesale markets
- Increases in:
 - supermarkets
 - convenience stores (incl. organic)
 - safe/organic food stores (organicfood.vn; vietgreenfood; Dalat G.A.P)
 - e-commerce businesses.
- Vietnam policies aim to:
 - increase international cooperation to further development wholesale markets
 - promote programs to encourage socialisation
 - attract domestic & foreign investment in building & developing wholesale markets.

Top 05 provinces



Sources: General statistics office of Vietnam, 2019

Method

Activity design

- To capture qualitative & quantitative wholesale market information & understand supply trends, seasonality & pricing.

Data captured

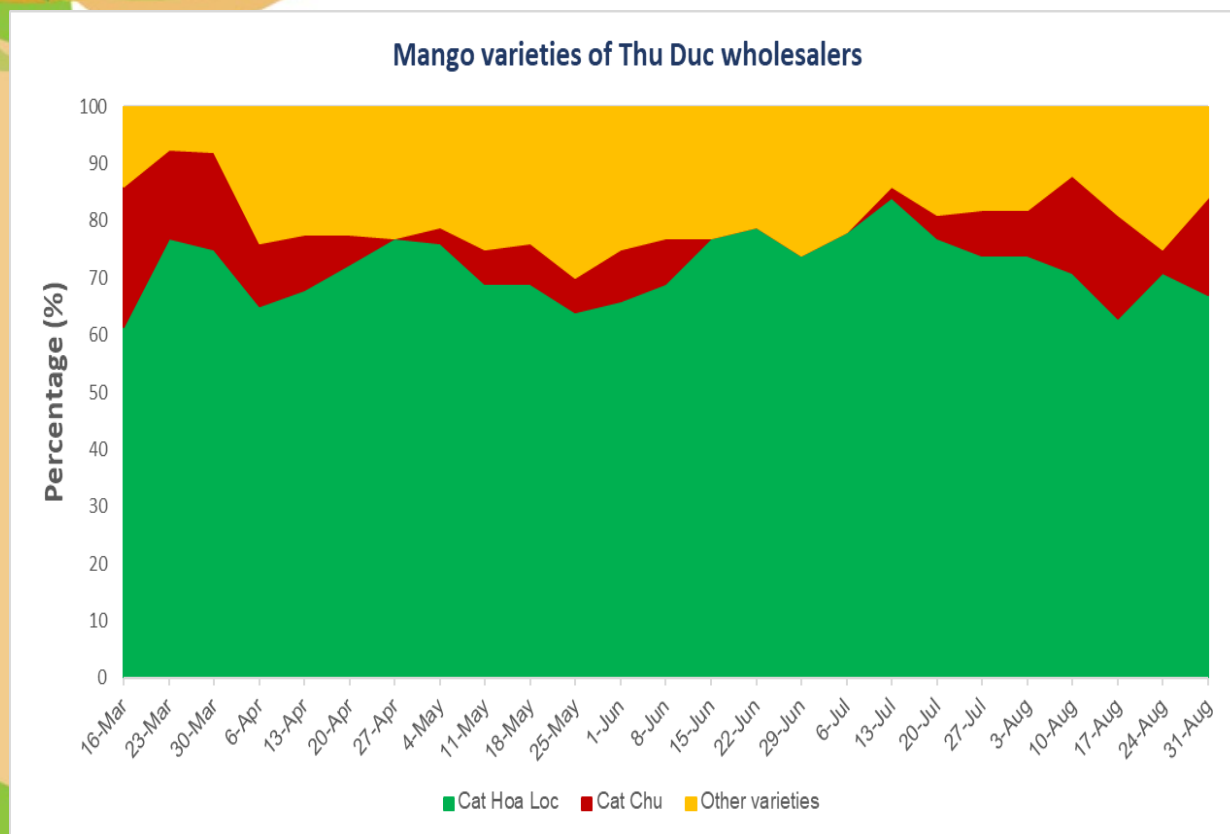
- Weekly mango prices from 20-25 wholesalers – 3 locations
- Hanoi = 5–10 wholesalers from Long Bien Market*
- HCMC = 10 wholesalers from Thu Duc Market + 5 wholesalers from Binh Dien Market
- Dong Thap = 1 wholesaler from My Hiep Market (pricing points between local wholesale & city wholesale markets)

Instrument & target audience

- Interview checklists (semi-structured) with MMUs (who manage the wholesale markets in general & especially who manage the fruits segments of these wholesale markets)
- Interviews – template, to collect weekly wholesaler information (in-person & via telephone).

**Note: Due to restrictions, Long Bien Market work is delayed until next mango season*

Results

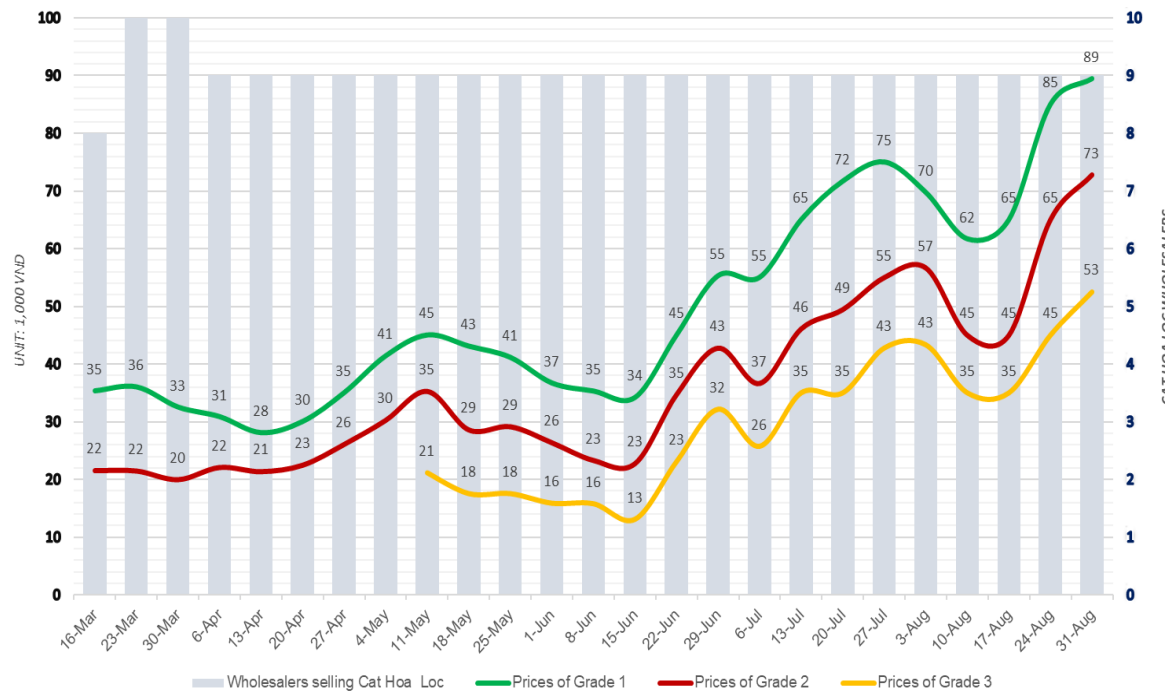


Source: Weekly mango prices, Thu Duc Market, March – August 2020

- Thuc Duc Market sells food products from around the country
- Easily accessible from central highlands, and eastern and central provinces
- Other varieties – Cambodian Keo, Taiwanese, Thai
- Data collected - 10 specialised mango wholesalers (selling mango only)
- Cat Hoa Loc - dominant variety – from Mar to Aug – represents >60%
- Cat Chu main supply – March & Aug



Results (cont.)



Cat Hoa Loc Wholesalers

- Price gap between Grade 1, Grade 2, & Grade 3: about VND10,000-15,000/kg (AUD0.60–0.90/kg)
- Peak-season (March to June) prices did not exceed VND50,000/kg (AUD2.99/kg)
- Shoulder-season (after June) prices increased (sometimes double that of peak-season prices)
- The change of trade during the COVID-19 period had minor & short-term effects on Cat Hoa Loc prices (i.e. weeks 1&2, August 2020)

Source: Weekly mango prices, Thu Duc Market, March–August 2020



Thu Duc Market, March – August 2020

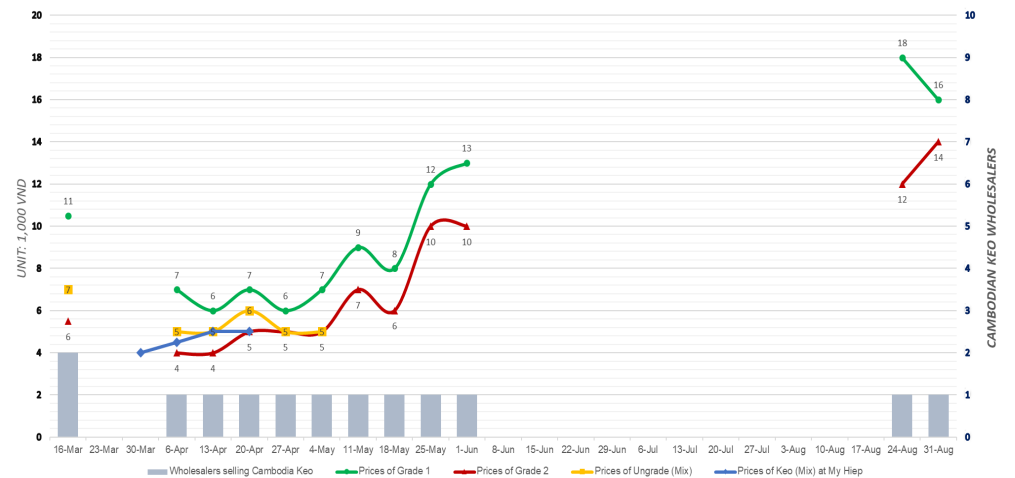
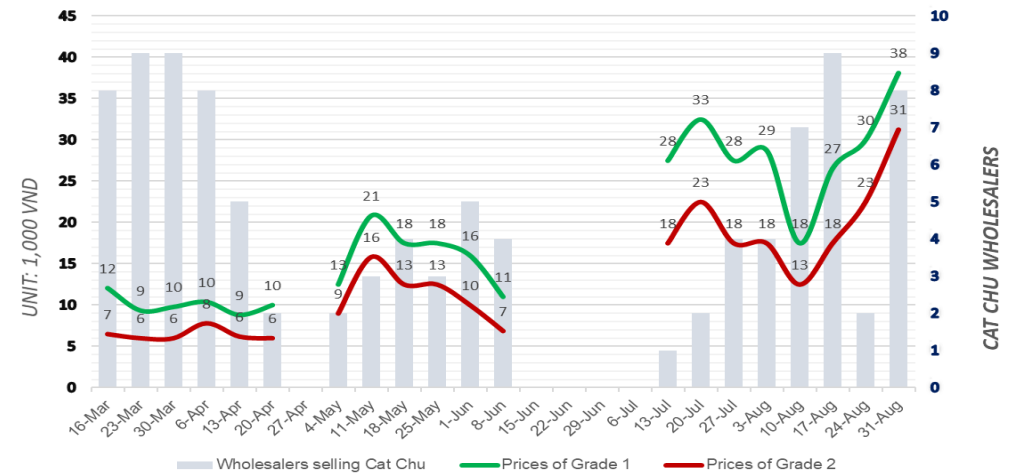
Graph 1

- Cat Chu variety - less volume than Cat Hoa Loc
- fewer wholesalers sold Cat Chu
- Cat Chu was not available in off-season (June, July)
- Only 2 grades – price gap – VND5,000/kg (AUD0.30/kg)
- COVID-19 trade restrictions impacted Cat Chu prices (March & early April) reduced Grade 1 price – VND10,000/kg (AUD0.60/kg)

Graph 2

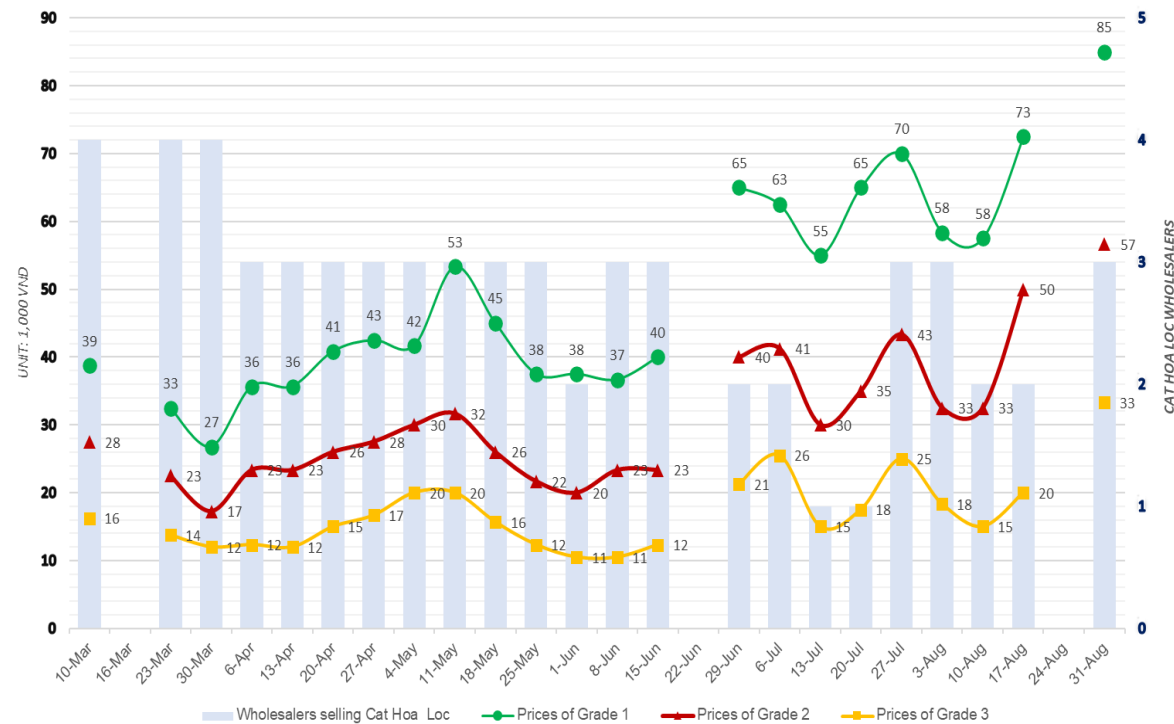
- Cambodian Keo variety - available (not as popular as Cat Hoa Loc & Cat Chu)
- Cambodian Keo lowest priced variety

Results (cont.)



Results (cont.)

Binh Dien Market (BDM), March – August 2020



Cat Hoa Loc variety:

- available for most of the monitoring period
- unavailable in some weeks as BDM mangoes only come from western provinces (transport is more difficult with BDM located at the western gateway of HCMC)
- larger price gaps between grades 1, 2 & 3 about VND10,000–30,000/kg (AUD0.60–1.80/kg)

Source: Weekly mango prices, Binh Dien Market, March–August 2020



Binh Dien Market, March – August 2020

Graph 1

- Cat Chu available, off-season western provinces – April to August
- Fewer wholesalers sold Cat Chu variety
- Wholesalers classified Cat Chu into 2 grades; gap: VND5,000/kg–20,000/kg (AUD0.30–1.20/kg)
- Cambodian Keo variety unavailable

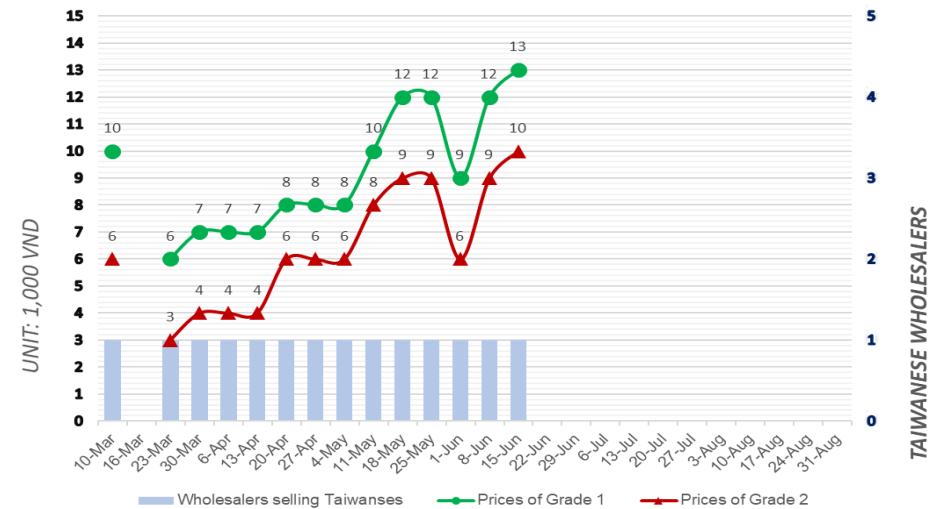
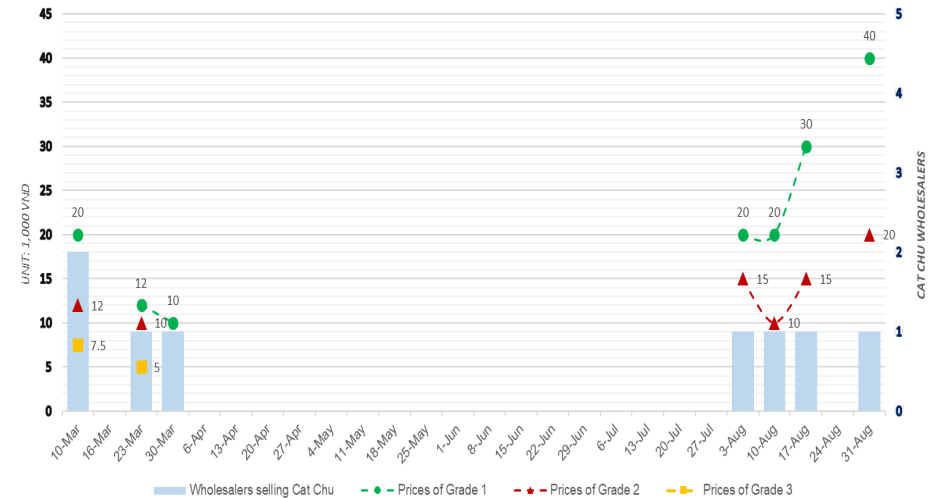
Graph 2

- Taiwanese mangoes – lowest selling price used for green/salad eating

Source: Weekly mango prices, Binh Dien Market, March – August 2020

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Results (cont.)



Outputs & Outcomes



Outputs

Mango trading information of the selected wholesalers

- Long Bien Market, Hanoi
- Thu Duc Market, HCMC
- Binh Dien Market, HCMC

Outcomes

- Pricing information, using cost-benefit analysis to evaluate revenues for farmers
- Shared with – growers, cooperatives, packhouses, wholesalers, retailers
- Understanding wholesale pricing throughout the season will provide financial justification for growers to change/improve on-farm practice.

Next steps 20/21

Weekly wholesale market data capture

- My Hiep: 1-2 wholesalers
- Binh Dien: 5 wholesalers
- Thu Duc: 10 wholesalers

Long Bien market interviews

- Long Bien Market Management Unit
- Weekly: 5-10 wholesalers

