



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

End of Project Review
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Title: Vietnam Domestic Mango Markets

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Implementing Agency



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Aim & Objectives

Key focus

- ▶ To obtain an in-depth understanding of key issues, market & consumer insights in the fresh mango market in Vietnam
- ▶ To capture & track domestic mango pricing information in HCMC and Hanoi wholesale markets

Research questions

- ▶ What is the current situation of market segment, products flows, and demand of mangoes in the two targeted metros?
- ▶ What is the current information of seasonality, fruit quality parameters, and requirements from consumers, especially for local mango varieties such as Cat Hoa Loc and Cat Chu mangoes?
- ▶ What innovations could have the most cost-effective & positive impacts on productivity, losses, quality & harvest timing leading to improved price & farmer incomes?

Overview

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- ▶ Mango is one of the government-nominated priority fruits with significant potential for economic benefit to the Mekong River Delta region
 - ▶ Mango is the second most popular fruit in Vietnam (after banana in term of producing areas) grown in many provinces (MARD, 2019)
 - ▶ Approximately 94% of mango farms are smaller than 0.5 ha
 - ▶ There could be more than 70,000 mango farming households with a primary income source of 105.4 million dong (US\$4,464), substantially more than rice (ADB, 2013)
 - ▶ Rapid transformation of domestic F&V distribution
 - ▶ Traditional markets still play a vital role (around 8500 traditional markets & 80 wholesale markets)
 - ▶ Increases in supermarkets; convenience stores (incl. organic); safe/organic food stores (organicfood.vn; vietgreenfood; Dalat G.A.P); e-commerce businesses
 - ▶ Lack of current understanding of the value chain and market segmentations for mangoes in HCMC and Hanoi results in poor communication between markets and farms and hinders the development of mango markets

Benefits of change

What we learnt

- ▶ In HCMC, Cat Hoa Loc, Cat Chu, and Keo are the top 3 mango varieties; in Hanoi, Cat Chu, NhaTrang, and Keo are the top 3 popular varieties; green-skin-Taiwan mango and Tu Quy mango are popular in HCMC while green-skin-Thailand mango and green-skin-Taiwan mango are popular in Hanoi.
- ▶ Large and well-known enterprises do not have to find mango suppliers since suppliers (farmer groups, agriculture cooperatives and traders) approach them; less established businesses find suppliers via friends' recommendations and the internet while some suppliers also approach these businesses
- ▶ Small businesses that purchase small quantity of mangoes (as food service companies, stalls in wet market) do not have formal contracts with suppliers; established and large businesses, exporters, supermarkets usually have formal contracts with suppliers.
- ▶ When purchasing mangoes, purchasers' requirements can be categorised into three main groups: (1) appearance, (2) quality, and (3) production certification
- ▶ Total percentage of mango losses (for both quality and quantity losses) in the chain is quite high –from 13% up to 19% on average (in HCMC).
- ▶ Large supermarket chains have shown their interest in developing QR codes for traceability.



Pathways to adoption

- ▶ **Variety Focus** - Cat Hoa Loc and Cat Chu are respectively the most preferred mango variety in HCMC market & Hanoi market
- ▶ **Chain Focus** - Retailers do not source mangoes directly from farmers because most are smallholders; Agricultural cooperatives, farmer groups, collectors, wholesaler/traders act as the intermediaries between farmers and consumers
- ▶ **Price Focus** - Mango price depends on season, variety, & several quality parameters. In Hanoi prices are much higher than in HCMC

