Promoting SRP in the framework of sustainable rice cultivation in Vietnam

Market Orientated Smallholder Value Chain (MSVC) program. A multistakeholder initiative between Olam Agri, the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and Vietnam's Ministry of Agriculture and Rural Development (MARD), in support of the Better Lives Initiative in Asia.

Mekong Delta, Vietnam

2018 – 2022

Project objective and mission:

Improved livelihoods of smallholder farmers in the Mekong Delta and a promoted, accelerated integration into the rice value chain, achieved by training 10,000 farmers in the Mekong Delta in sustainable rice cultivation practices.

Nguyen Ngoc Son, GIZ photo, An Giang province, 2019

Key highlights from SRP practices:

- Farmers' income increased by **17%** to **25%**
- Average reduction in production costs of **22.5%**
- Increase in farmers' profitability due to a **5** to **10%** higher price for SRP rice compared to conventional rice
- Notable benefits for the environment and local communities through **reduced chemical inputs**

Consumer attitudes towards sustainable rice in Vietnam

According to the Sustainable Rice Report, which examines the results of a consumer survey conducted by GIZ in 2022, around 70% of Vietnamese consumers are aware of the concept of sustainable rice. The average Vietnamese consumer defines sustainable rice as a crop that minimizes the use of chemical inputs, enhances soil health, and safeguards biodiversity.

Impressively, 84% of respondents are willing to pay more for sustainable rice, with most willing to pay a premium of 5% to 10%, according to the same report. Willingness to spend more money is particularly pronounced among men and people under the age of 30. Almost all people who have ever purchased sustainable rice in Vietnam are willing to pay more.

Situational analysis of rice production and consumption in the Mekong Delta

Rice farming in Vietnam's Mekong Delta is dominated by conventional methods of rice cultivation, with the average rice farm size being around 1.2 hectares[1]. Most farmers belong to the older generation, as the younger cohorts have migrated to urban areas in Vietnam for work.

Driven by Vietnam's Sustainable Agriculture Transformation Project (VnSAT), introduced in 2015, rice cultivation methods have evolved positively in Vietnam. The rice produced according to the SRP Standard are aligned with the VnSAT. In the past, agriculture in Vietnam was characterized by limited mechanization, overuse of seed varieties, heavy use of agrochemicals, and rudimentary irrigation techniques. Extensive capacity building through VnSAT, has led to an improvement in farmers' rice cultivation techniques, resulting in strongly increased yields of rice production. An exemplary measure is the implementation of suitable irrigation methods for the wet and dry seasons leading to an increase from one to two or three rice seasons in a year.

1 | 679005.pdf (core.ac.uk)

Sustainable Rice Platform SRP

Nonetheless, despite high levels of awareness among Vietnam's consumers, widespread acceptance of sustainable rice practices among farmers has yet to be adopted as the demand for sustainable rice remains significantly lower than demand for conventional rice, due to higher costs.

Implementation of the MSVC program

Prior to the initiation of the MSVC program, a benchmark survey was conducted by a Research Institute in Vietnam across four provinces in 2018. The survey results indicated that in the Mekong Delta region, the average rice yield across three seasons was 6.1 tons per hectare, with a total production cost of 18 million VND per hectare and returns of 17 million VND per hectare.

Training of farmers

The SRP training program and curriculum, developed by GIZ in collaboration with the Vietnamese government at the national and provincial levels, was specifically tailored to Vietnamese rice farmers in smallholder farms and cooperatives, as well as technical staff in the Mekong Delta, with training conducted on-site in the various provinces. The sessions included both theoretical learning in the classroom and practical applications in the field. Farmers from the cooperatives were also guided to ensure that the quality and variety of the rice produced was of a similar standard. Overall, the training was highly appreciated as it considered the culture of farmers in the Mekong Delta and was designed around their attitudes and beliefs.

> It was extremely impressive to see how the authorities came together with the smallholder farmers and cooperatives to drive the development of the sustainable rice ecosystem within the Mekong Delta."
>
> *Mr. Nguyen Ngoc Son, Agriculture Specialist, GIZ Vietnam*

Farmers were trained on the 41 requirements of SRP, covering areas such as nutrient management, responsible use of chemicals, child labor considerations, as well as setting appropriate levels of pay and working hours for farm laborers. In total, farmers undertook four training sessions per season. After each session the farmers were observed by technical staff, with further support provided to them when required.

The shift to sustainable rice production was an adjustment for the farmers. Changes in the application levels of agrochemicals inputs to fulfill compliance with EU and US markets as well as transition from rice straw burning practices were some of the initial challenges encountered but it did not take them long to get up to speed with the new techniques and overcome these challenges with the guidance of the technical staff.

Nguyen Ngoc Son, GIZ photo, Dong Thap province, 2019

Financial benefits for farmers

Following the implementation of SRP practices, farmers experienced a notable increase in income, ranging from 17% to 25%. Around 80% of the 10,000 targeted smallholders, of which 25% are female, have increased their net income from using sustainable rice production methods by 20%. The sales price of sustainable rice was 5 to 10% higher than conventional rice when all 41 SRP requirements were implemented properly.

Production costs were reduced by an average of 22.5%. Although there was no significant increase in yield, farmers remained highly satisfied with the results of the program as they benefitted from greater profits due to reduced production costs and at the same time higher selling prices for their produce.

Both male and female farmers who have adopted the proven climate-smart, sustainable SRP practices report numerous success stories. These agricultural best practices have gained widespread recognition, featuring on national and regional television broadcasts and in various agricultural publications.

> "While there was some initial opposition to the adoption of the SRP Standard, farmers soon become convinced of the exceptional benefits offered and even termed it as a beautiful farming practice."
>
> *Mr. Nguyen Ngoc Son, Agriculture Specialist, GIZ Vietnam*

Advantages for communities from sustainable rice cultivation

In the past, farmers in the Mekong Delta placed significant emphasis on maximizing the amount of rice they produced. The introduction of SRP practices has led to a significant shift in these priorities. Farmers now consider the quality of rice produced, along with the associated health benefits of sustainable rice cultivation. Moreover, there is also greater awareness of the positive impact of sustainable rice practices on the environment and the local community, particularly in terms of reduced reliance on agrochemicals.

> "With renewed support from local communities and provincial governments on sustainable rice cultivation, farmers have become more proactive in safeguarding the ecology and environment within their communities."
>
> *Mr. Nguyen Ngoc Son, Agriculture Specialist, GIZ Vietnam*

This work is funded through the develoPPP programme which Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH implements on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) and in collaboration with private companies. The support is provided through the Mainstreaming Sustainable Rice project, which aims to scale sustainable rice production and demand globally.

Sustainable Rice Platform SRP