

Changes in Organic Participatory Guarantee Systems (PGS) in Northern Vietnam

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Abstract

Organic Participatory Guarantee Systems (PGS) may be an important contribution to Organic 3.0. The way that PGS systems are managed can be a major determinant of their success. In Northern Vietnam differing management of PGS systems can determine their level of social and ecological success, as well as the impressions of farmers and retailers. Nevertheless, more farmers' groups are turning to individual management and this may have negative consequences for the future of PGS in the region.

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Introduction

Rising demand for Organic around the Hanoi province of Vietnam poses a challenge for small-scale rural farmers who struggle to meet the cost and technical ability necessary for third party Organic certification. Organic PGS is a way for such farmers to access certification based on peer-review and social control. This system supports appropriate farming practices through social mechanisms (Fonseca *et al.*, 2008; Zanasi and Venturi 2008) and supports traditional livelihood systems based on high agrobiodiversity farming (Darlong 2008). PGS certification is context specific, allowing systems to adapt to local conditions and communities to collaborate on collective efforts for marketing. Potential for expansion to more Hanoi Organic markets and room for improvement in the management systems exists (Fresh Studio 2010). The level to which PGS farmers manage collective work and decision-making in land-use planning when sharing collective land varies and may be a determinant for the productivity and success of the PGS (Whitney *et al.* 2014^{ab}). The current study seeks to describe the implications of shifting management practices on the future of PGS in the region.

Material and methods

Since 2008 farmers northern Vietnam have been operating within a PGS framework outlined by the Agriculture Development Denmark Asia (ADDA) and Vietnam Farmers Union (VNFU) Organic Project (ADDA-VNFU 2009). These farmers groups are operating under 'National Basic Standards for Organic Products in Vietnam' prepared by the Vietnamese Ministry of Agriculture and Rural Development (MARD 2006) and further clarified in the PGS Organic Standards published by the ADDA and VNFU Organic Project (ADDA-VNFU 2011). Under the framework, Organic farmers are organized into PGS groups to manage production and supply local markets on shared parcels of Organic certified land. Most farmers are responsible for a small plot of land within the certified area

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while other farmer groups cooperate on the management of the entire land area (Whitney et al. 2014^{ab}).

What follows is a report on the development of PGS since it was introduced to Vietnamese farmers in 2008. Differences between PGS systems in Thanh Xuan commune in the Red River Delta of the Hanoi province versus those of the Luong Son commune in the rugged mountainous areas in Hoa Binh province are considered with a focus on Organic vegetables data collected from PGS committee coordination annual reports and key informant interviews from 2008-2015.

Results

Data shows that the Organic production area has expanded from 2012-2013 and 2014-2015 PGS farmer members and production areas have expanded rapidly (from 68 members in 2012 to 101 members in 2015 and from 4.86 hectares in 2012 to 11.39 hectares in 2015 respectively). Consistent instruction and direction from the PGS Coordination Committee (PGSCC) is driving the shift.

Other drivers are the potential for greater income generation and increasing market demand. PGS Organic vegetable production is economically advantageous over rice production in the Hanoi province (the main production system in the region) and this also drives demand for PGS among farmers. A full-time farmer can earn 3 to 4 million Vietnamese dong (VND) (139 to 185 USD) per month, 30 million VND (1,389 USD) annually per *sào* (equivalent to 0.036 hectare) after costs. In contrast, a rice farmer gets about 20 million VND (926 USD) from one *sào* per year. Sales of PGS Organic vegetables in 2015 were three times higher than the sales in 2011 due to growth of consumer demand for PGS Organic and the capacity of PGS farmers to meet demand.

With the less favorable geographical conditions, more fragmented land areas and relatively lower education of farmers, average production outputs and yield of PGS Luong Son was much lower than Thanh Xuan. From 2011-2015 average yield of Thanh Xuan and Luong Son was 28.49 tons per hectare and 8.78 tons per hectare, respectively. In 2015, average incomes for PGS Thanh Xuan increased three times compared to their 2011 earnings (362 million VND in 2015, up from 200 million VND in 2011). PGS Luong Son was not as successful in improving yields and income as PGS Thanh Xuan (80.5 to 114.5 million VND in 2011 and 2015 respectively). This discrepancy is likely due to: (i) Income sources other than PGS Organic vegetables, (ii) production quality that did not meet market requirements, (iii) unfavorable natural and social conditions. These factors will be further explored in a comprehensive survey in 2016.

Discussion

Results show that the ADDA-VNFM Organic PGS development and training on Organic production, integrated pest management (IPM) through extension and project staff and farmers has been largely successful (c.f. Fresh Studio 2010). PGS ensures high agrobiodiversity and traditional livelihoods by recognizing the merits of traditional practices and customs (Darlong 2008). Additionally positive trends in income also support Organic PGS production. Future research into PGS Organic vegetable production in the north of Vietnam should address the regional difference in production and work to support the expansion and quality of local Organic PGS. A follow up informant interview is planned and may be presented at the OWC.

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