



**BAN ĐIỀU PHỐI NGÀNH HÀNG CÀ PHÊ VIỆT NAM
VIETNAM COFFEE COORDINATING BOARD (VCCB)**

1st VCCB MEETING 2015

MINUTES

I. Time: 7:30 – 12:00 am, 06 August 2015

II. Venue: The Administrative Center of Lam Dong province, 36 Tran Phu Street, Ward 4, Da Lat city, Lam Dong province

III. Participants: 13/15 equivalent to 13 votes

Chairmen:

- 1.-2. Mr. Nguyen Do Anh Tuan: Director General of Institute of Policy and Strategy for Agriculture and Rural Development (IPSARD) – VCCB co Vice Chairman, and authorized to represent Mr. Le Quoc Doanh, Vice Minister of MARD - VCCB Chairman
3. Mr. Le Van Duc: Deputy Director of DCP – Chief of VCCB Office, authorized to represent Mr. Ma Quang Trung, Director of DCP - VCCB co Vice Chairman

VCCB members:

4. Mr. Pham S: Vice Chairman of Lam Dong PPC
5. Mr. Y Dham Enuol: Vice Chairman of Dak Lak PPC
6. Mr. An Van Khanh: Deputy Director of Processing Department
7. Mr. Pham Quang Huy: ICD authorized by Ms. Pham Thi Hong Hanh
8. Mr. Dong Van Quang: Vice Director General of Vinacafe, VICOFA representative authorized by Mr. Nguyen Nam Hai, Vice Chairman of VICOFA
9. Mr. Nguyen Tan Trung: Lam Dong coffee farmer representative
10. Mr. Nguyen Khac Hiep: Dak Lak coffee farmer representative
- 11.–12. Mr. Flavio Corsin: IDH Vietnam Manager and authorized to represent Mr. Serge Mantiene, Director of SMS/ACOM
13. Mr. Nguyen Van Tao: Director of Intimex Bao Loc, authorized by Mr. Do Ha Nam, Director General of Intimex

Absent members:

14. Mr. Dao Quoc Luan: Vice Director of Department of Planning, MARD
15. Mr. Nguyen Xuan Thai: Director General of Thang Loi

Observers:

1. Mr. Dang Kim Son: Former Director General of IPSARD
2. Mr. Vu Quoc Tuan: Corporate Affairs Manager, Nestle Vietnam
3. Ms. Duong Phuong Thao: Vice Director of Export-Import Department, MOIT
4. Mr. Tran Duc Thanh: Central Highlands Steering Committee
5. Mr. Truong Hong: Vice Director, WASI
6. Mr. Pham Toan Vuong: Vice Director General, Agribank
7. Mr. Dave D’Haeze: General Manager Asia-Pacific, EDE Consulting
8. Mr. Do Thanh Chung: Country Director, EDE Consulting
9. Mr. Do Ngoc Sy: Sourcing Manager, Jacob Douwge Egbert
10. Ms. Tran Thi Quynh Chi: ISLA/IDH Manager
11. Mr. Le Tuan Anh: Senior Advisor/Project Manager Sustainable Market, SNV
12. Mr. Nguyen Chi Hieu: Value Chain Advisor Sustainable Coffee Program, SNV
13. Ms. Nguyen Thu Huong: Executive, Credit Department, State Bank of Vietnam
14. Ms. Le Thi Ha Lien: Deputy Director, Agroinfo, IPSARD
15. Ms. Do Lien Huong: Researcher, Commodity Markets Division, IPSARD
16. Mr. Trinh Van Tien: Researcher, Commodity Markets Division, IPSARD
17. Mr. Nguyen Ngoc Luan: Researcher, Agroinfo, IPSARD
18. Ms. Bui Thi Minh Dung: Researcher, Commodity Markets Division, IPSARD

IV. Main contents and voting results:**1. Activities updates and priorities of VCCB**

Mr. Le Van Duc gave brief report on major activities of VCCB in the first 6 months of 2015, and proposal on priorities of VCCB in the last 6 months of 2015 (the presentation attached).

Mr. Flavio Corsin reviewed on coffee sustainability initiatives being implemented in Vietnam (the presentation attached).

Discussion

Representative of Lam Dong PPC raised the issue on the poor coffee trade results although Vietnam Arabica coffee production has advantages on yield and productivity, and asked for future plan and direction for the development of this sector and the contribution of VCCB to this plan.

IPSARD’s representative raised a question on the coffee rejuvenation progress and requested representative of Agribank to report on the disbursement result of the loan package of the bank for rejuvenation.

DCP' representative informed that in order to implement the coffee restructuring towards higher quality and added values, the restructuring of coffee varieties, especially continuous development of Arabica coffee in eligible areas under planned areas for coffee development in provinces is being deployed. Production area of Arabica coffee has been reducing in the Central Highlands, but in some Northern provinces, the coffee production has seen a huge surge, from 2,700 ha (2001) to more than 15,500 ha (2014), which provide high productivity and premium quality products. It is necessary to continue appealing intensive processing enterprises to invest in Arabica coffee production and processing to increase added values. At the same time, it is essential to continue investing in research and transfer on new varieties and cultivation practices to develop our Arabica coffee more sustainably.

To deploy the coffee rejuvenation program, MARD gave direction to related Ministerial agencies on:

- *Planning:*

MARD approved Plan on sustainable coffee development until 2020 (Decision 3417/QD-BNN-TT) including coffee rejuvenation issues; approved Plan on coffee rejuvenation in the Central Highlands in 2014-2020 (Decision 4521/QD-BNN-TT) as the basis for local authorities reviewing their areas of coffee rejuvenation.

- *Rejuvenation practices:*

+ DCP developed the temporary Robusta coffee rejuvenation procedures in 2010, completed in 2013; and completed Guidance on Robusta coffee grafting process.

+ The project "Research on the major causes of death of replanted coffee trees and recommendations to reduce rotation time" is being implemented to supplement for the Coffee rejuvenation procedures.

- *Production organization:*

+ Set up the Steering Committee on Coffee Rejuvenation;

+ Issued economic and technical norms on coffee rejuvenation for provincial employment;

+ Developed and issued Plan on producing varieties for coffee rejuvenation until 2020 for provincial deployment;

+ Approve the Project on developing coffee varieties 2011-2015, prepare to develop the project on developing coffee varieties 2015-2020, and provide sources of original varieties, commercial varieties for coffee rejuvenation;

+ Approve the Project on Agricultural extension for coffee rejuvenation deploying in some Central Highlands provinces.

- *Fund for rejuvenation:*

+ MARD collaborated with the World Bank to design VnSAT project which included the support for coffee rejuvenation;

+ MARD collaborated with the State Bank to formulate the policy on coffee rejuvenation loans (Document No. 3227/NHNN-TD dated 11/5/2015 on guidelines for granting loans on coffee rejuvenation in the Central Highlands).

To implement the coffee rejuvenation program, local authorities and related agencies have done various things including:

- Establishment of Steering Committees on coffee rejuvenation at provincial level; there is 5 provinces in the Central Highlands establishing the Steering Committee so far.

- Approval of PPC of 4 provinces (Lam Dong, Dak Lak, Gia Lai, Kon Tum) on Coffee rejuvenation Action plan at district level.

- Collaboration between local authorities and WASI to carry out the project on coffee varieties and the project on agricultural extension on coffee rejuvenation;

- Strengthening coffee variety management in the province; and rejuvenation deployment through guiding and training;

- Regular coordination with MARD to inspect coffee rejuvenation matters in the province so as to find solutions for more suitable implementation.

The Agribank leader shared some information about the loan program of the bank for rejuvenation. Currently, Agribank is the exclusive agency assigned by the State Bank of Vietnam to provide loans for coffee rejuvenation. Agribank has allocated 12,700 billions dong for coffee sector and is now ready to implement this program. To date, Agribank has granted 691 billion dong for coffee rejuvenation in 5 provinces in the Central Highlands. In general, lending activities for replanting has seen relatively positive progress. In Lam Dong province, the bank has granted 630 billion dong. However, the bank still faces many difficulties and problems when allocating loans to the other provinces.

Agribank's representative proposed as follows:

- MARD should revise the procedure to approve the list of participants of rejuvenation program, allowing Commune-level People's Committee to approve the list of households and district-level People's Committee to approve the list of organization to apply for loans.
- PPC should speed up the issuance of the land use right certificates;
- Provide support on finance, varieties, cultivation practices, post-harvest processing and preservation technologies for coffee production and impose regulations on compulsory replanting or switch to other crops if the coffee trees suffer from disease to reduce risks for the bank.
- PPC should actively act as the linkage among the government, farmers, and enterprises; and allow banks to be involved in the policy making process.

- For VnSAT project or similar projects, MARD and SBV should prioritize Agribank as the implementing unit instead of signing contract with BIDV, then sub-contract to Agribank as the case of VnSAT project.
- VCCB should consult relevant Ministries in the development and approval of the list of leading coffee export enterprises, promptly inform banks to adjust lending conditions, avoid international payment risks including risks related to L/C.
- VCCB should facilitate and monitor the partnership and collaboration among enterprises and update Agribank on this for value chain lending.

DCP's representative commented as follows:

- Regarding the approval of the list of individuals, households and organizations requesting for coffee replanting loans, MARD issued the Decision No. 2765/QD-BNN-TT dated 13/7/2015 to supplement the Decision No. 4521/QD-BNN-TT dated 21/10/2014 on approving Rejuvenation Program in the Central Highlands during 2014-2020. Under this Decision, Commune People's Committee is responsible for the approval of list of participants.
- Regarding support for varieties, MARD has assigned WASI to implement a project on setting up gardens for first-line plants and a system to transfer varieties to develop gardens for first-line plants and to transfer commercial varieties to different provinces.

2. Action plan for the last six months of 2015

No.	Adjusted plan for the last 6 months	In-charge	Collaborating	Vote	Comments
I	Review and comment on policies and institutional arrangement				
1	Organise consultation for the establishment of Vietnam Development Coffee Fund ¹	P&S		13/13 (100%)	
2	Promote interdisciplinary activities related to coffee sector	P&S		13/13 (100%)	- It was suggested to have inter-ministerial group to solve issues of coffee sector.VCCB needs to determine its role in inter-ministerial perspective. - It was recommended to form just a group of experts from Ministries for advisory in specific issues. And it is necessary to develop the national strategy for coffee sector since it will be general guidelines for the sector in the next 10-15 years.
3	Support the establishment of farmer organisations/sub associations ²	P&S		13/13 (100%)	
3.1	<i>Promote Dak Lak Province to establish Dak Lak Coffee farmer association</i>		Dak Lak PPC and DARD		- Regarding to Decree 45 and Circular 03 of Ministry of Internal Affairs, it is clear that only sub-associations at district level will be established in Dak Lak; and these sub-associations will be members of Buon Ma Thuot Coffee Association. Dak Lak will review functions, tasks, regulations of BMT Coffee Association to ensure that it is the place for all actors of Dak Lak's coffee to join, share and contribute experiences/ideas. - These associations/sub-associations are clarified not to overlap with Farmers' Union because Farmers' Union is social and political organisation, not focusing on supporting farmers in production, trading

¹ Annex 3: Update Consultation activity for establishing Vietnam Development Coffee Fund

² Annex 6: Updates on supporting activities for the establishment and reinforcement of Coffee Farmer Association in Lam Dong

					or connecting farmers to market and banks. Decree 55 will facilitate the access of sub-associations to domestic banks. - Leaders of P&S Sub-committee agreed to invite Mr. Trinh Duc Minh, president of Buon Ma Thuot Coffee Association as a new member of this Sub-committee.
3.2	<i>Consolidate operation of Lam Dong Coffee Farmer Association via piloting technical and policy model, connecting support activities for farmers, and strengthening the representative capacity of farmers</i>		Lam Dong Coffee Farmer association , Production sub-committee and others		- It was pointed out that according to New Rural Areas Resolution, the board should not only stop at the establishment of associations or sub-associations, it is necessary to develop cooperatives. If this is feasible, attention should be paid to developing value chain connecting enterprises-banks-farmers-the State-scientists. - It was suggested to assess effectiveness of associations/sub-associations in Lam Dong.
II	Implement MARD 2020 sustainable coffee program				
4	Support the development of action plans for key issues to implement the sustainable coffee development proposal in Lam Dong and Dak Lak	P	P&S-P&T	13/13 (100%)	
A	<i>Promote sustainable coffee production</i>				
5	Promote coffee rejuvenation program			13/13 (100%)	
5.1	<i>Collaborate with State Bank and Vietnam Bank for Agriculture and Rural Development to overcome difficulties and effectively implement the credit policy for coffee rejuvenation³</i>	P&S			
5.2	<i>Organize consultation and approval of coffee rejuvenation action plan</i>	P	P&S		

³ Annex 7: Update consultation activity for rejuvenation credit policies

5.3	<i>Support the Minister direct and promote the localities to develop rejuvenation data base</i>	P	P&S		
5.4	<i>Support the Minister direct and monitor the research on restructuring varieties of coffee and participate in guiding the localities to enhance quality management on coffee varieties for coffee rejuvenation</i>	P			
6	Manage water sources effectively			13/13 (100%)	
6.1	<i>Collaborate with General Department of Irrigation, Department of Water resources management/MOST and other provinces to develop an effective management procedure of water resources</i>	P&S	P		
6.2	<i>Acquiring research results and effective water resources management and saving-water irrigation measures application</i>	P&S	P		
7	Support and monitor the dissemination of National Sustainable Curriculum ⁴	P&S		13/13 (100%)	
7.1	<i>Organize ToT, ToF training courses</i>				- It was suggested that P&S Sub-committee should collaborate with Production Sub-committee to connect with NGOs such as Community Development Center (CDC), vocational training centers of MOLISA for NSC's dissemination and upscale.
7.2	<i>Support farmers to apply materials and connect with enterprises</i>				
7.3	<i>Connect stakeholders to disseminate training documents</i>				
8	Develop guidelines and pilot coffee	P&S	P	13/13	

⁴ Annex 8: Updates on TOT, TOF and NSC promotion activities

	landscape improvement, pilot in Lam Dong and Dak Lak			(100%)	
9	Research on monitoring annual coffee supply and organise Coffee Outlook 2015	P&S	P, P&T	13/13 (100%)	
B	<i>Promote sustainable coffee processing and trading</i>				
10	Survey, receive feedbacks and comments on the implementation of the standard TCVN 4193: 2014	P&T	P&S	13/13 (100%)	
11, 12, 13	Combine: Disseminate plans and policies of processing and preserving coffee; introduce and connect farmers to access technology and domestic and foreign processing enterprises	P&T	P&S	13/13 (100%)	<ul style="list-style-type: none"> - It was proposed that VCCB should consider building brand for Vietnamese coffee; and consult on insurance policies for coffee production. - Insurance issue was suggested to be put under Activity I “Review and comment on policies and institutional arrangement”. At first, it could be study on new insurance package under Decision 315. - It was pointed out that support farmers to access technology should be specified due to different farmers’ demands. - VCCB Office stated that newsletters, reports will be sent more frequently.
14	Support to make plans developing the coffee market	P&T	P&S		The scope of this activity is too broad. More detailed contents is needed. Processing & Trading Sub-committee will discuss on the specific contents and vote through email.
15	Study on Vietnam coffee branding	P&T	P&S	13/13 (100%)	<ul style="list-style-type: none"> - It was said that Vinacafe has not been assigned to do brand-building for Vietnam coffee; and VCCB has adequate capacity (legal base, professional expertise, commercial connection and linkage with international organizations such as ICO) to carry out the brand-building for Vietnam coffee. - It recommends that VCCB needs to assess

					<p>experiences on brand-building first, and then considers developing national brand for coffee.</p> <ul style="list-style-type: none"> - It was claimed that it is very difficult to build national brand. It needs foreign expertise, strategies, specific steps and resources. IPSARD should be involved in policy review process. - VCCB was suggested to propose MARD to recommend MOIT to put coffee brand-building as priority to implement in coming year.
16	Provide market information for enterprises and farmers	P&S	P&T		
17	Research roles of traders/middlemen in coffee sustainable development	P&S	P&T	12/13 (92.3%)	
III	Coordinate the use of external supporting sources				
18	VCCB representatives participate in ICO and actively participate in global vision among ICO- 4C and IDH	VCCB Office	P&S	13/13 (100%)	<ul style="list-style-type: none"> - It was recommended that the participation in ICO is necessary to be considered because it is costly. Many Asian countries have left ICO. Vietnam could consider joining Asean Coffee Federation with low membership fee.
19	Organize the Public-Private Partnership forum for Sustainable Coffee Development	VCCB Office			<ul style="list-style-type: none"> - It was suggested that discussion on PPP should be organized at lower level with specific topics and be integrated into provincial workshops/seminars; it is necessary to have direction to develop private agri-service with charges that farmers and enterprises are willing to pay. - Leaders of P&S Sub-committee agreed that this sub-committee will discuss cautiously then report to members on objectives, participants and reasons on whether it should be combined with coffee outlook.
20	Cooperate with VnSAT, ISLA Program and other programs in sustainable coffee development	VCCB Office		13/13 (100%)	Consider the mechanism on information exchange and collaboration between VCCB and Central Highlands Steering Committee

22	Research and recommend Vietnam to participate in the ASEAN Coffee Federation	VCCB Office		13/13 (100%)	
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3. Organization and finance of VCCB

#	Contents need to vote	Vote	Comments
1	Approve financial regulations and expenditure plan 2015 of VCCB	13/13 (100%)	Mechanism to add new members within a sub-committee is decided by its leaders. - Agribank is ready to support VCCB's activities. - It was suggested to have promotion activities for VCCB
2	Set up the Experts Group supporting VCCB Office and VCCB's activities	13/13 (100%)	
3	Recommend Minister gradually connect to ICO and global forums on coffee, including Forum on global coffee sector – vision to 2020	13/13 (100%)	
4	VCCB be consulted in the process of developing, implementing, evaluating and scaling programs/projects related to coffee sector of Ministries, domestic and foreign organisations.	13/13 (100%)	

The meeting ended at 12:00 am on the same day./.

Da Lat, 06 August 2015

Vice Director of DCP
PO. Co Vice Chairman of VCCB

Director General of IPSARD
Co Vice Chairman of VCCB

Mr Le Van Duc

Mr Nguyen Do Anh Tuan