

PGS - A management tool for Development of Organic Product Chain in Vietnam



What
Why
How

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Concept of PGS

- Participatory Guarantee Systems (PGS) is quality assurance initiatives
- It operates outside the frame of third party certification
- It emphasize the participation of stakeholders, including producers and consumers
- It is for smallholder & relevant for local markets

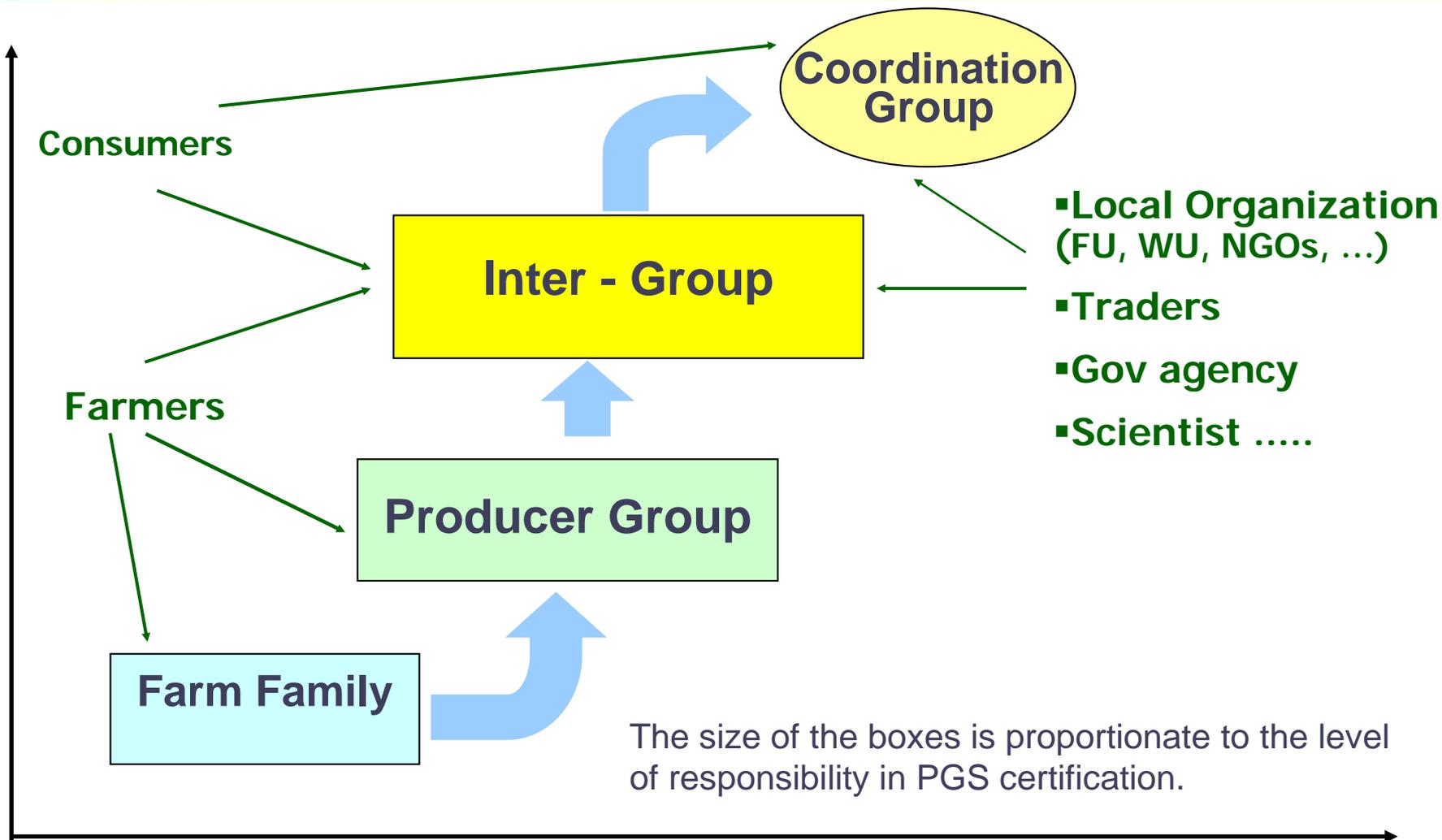


Why PGS in Vietnam

- Consumers lose their trust in “clean/safe” products and lack knowledge of qualities organic products while no any CB for organic
- A national standards for organic production and processing (TCN10-2006) issued, but no regulation for applying
- PGS is adopted by IFOAM (2004) as a guarantee system for small holders to help farmers access organic products to local markets.
- Stakeholders agreed to set up PGS in 2008 for organic farmers under the ADDA-VNFU prj (2005-2012)



Structure of the PGS Vietnam





Develop organic supply chain with PGS

- ✓ Stakeholders are linked along organic chain from production to consumption



- ✓ Producers, traders & consumers are involved in realizing supply chain from production, post harvest, and sales
- ✓ Registered farmers are organized systematically to produce accordingly standards and follow PGS regulation
- ✓ Traders register PGS, work closely with farmer group under farming contract and respect PGS regulation
- ✓ Consumers join PGS for monitoring the market as well as farming



Develop grassroots network

- Farmers join PGS voluntarily have to be trained organic farming and **organized in groups**
- At least 2 groups formed to create **Inter-group** at each area for a linkage between the local groups
- Structure of Inter-groups with participation of stakeholders include farmers, retailers, consumers...in the **functional teams**
- **A system** include action plan, regulations, check list, PGS manual, logo/seals ect...are developed
- **Traning** of inspection, leadership, accountant, planing, dealing and postharvest... are carried out
- Coordinate peer review process (mornitoring/ auditing)
- Take the decision on certification and send to PGS.CC
- Take action on fraud and non-compliance



Production and monitoring

- Farmers must attend training and sign a pledge complying with PGS rules and standards
- Production is organized in a group in a concentrated area with assignment among members
- Production plan is made with a contract between the trading company and the farmers
- Farmers are trained to be inspectors for peer review
- Farmers are involved directly in monitoring, auditing and making decisions
- Maintaining a daily check between farmers with random checks from the local network
- Non-compliance by an individual means the entire group has been dealt with.
- Peer review is conducted twice per year under the coordination of the local network (Inter-group)
- Farmers pay a fee for running the PGS system



Postharvest and monitoring

- Only farms certified by PGS can sell products as organic
- Harvested products are checked by quality controllers and trading company staff
- a simple packing houses with basic facilities for weighing, cleaning, sorting and packaging are set up
- All harvests belong to gr members have to bring to one packing house (not allow bring home for handling)
- PGS products both inconversion and certified those must be packed and traced back to individual who supply
- A regulations and format for packaging/labeling are agreed by PGS.CC, farmers and retailers in system
- A Digital Trace Verified System for PGS Vietnam particularly is start running in early 2017



Market and monitoring

- Currently products mainly sell in special shop by retailers
- Sellers who make direct contract to farmer groups have to register PGS and pay fee to run PGS as duties
- Develop standards and regulations for retailers
- All certified PGS products must packaged and labeled on farm before delivery to shop
- Make commitments not only doing business but also support farmers and engage monitoring quality
- Visit shops randomly by volunteers teamwhere selling PGS products
- PGS.CC coordinate the supervision for overall system regards to the integrity of products from farm to market



Steps of guarantee process in PGS

Farmer groups

- Register PGS
- Takes the "Farmer's Pledge"
- Completes Farm Management Plan

Producer Group Peer Review

- Carry out cross inspection
- Complete inspection report
- Submits report to the Inter-Group

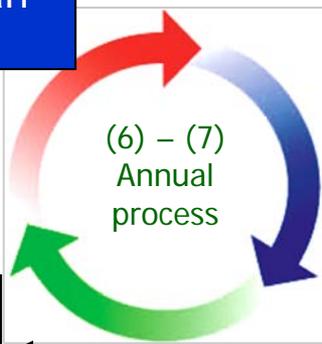
Inter-Group

- Check pledges and FMPs
- Organizes inspection
- Check report and make decision
- Sends summary report to PGS.CC
- Annual re-inspection of sample

Coordinating Group

- Clarify for completeness of summary report
- Follows up on non-compliance issue
- Issues ID# to Group & farmers
- Issues certificates to each farmer
- Maintains database with certification situation
- Coordinate monitoring distribution network
- Random pesticide residue testing

(3)



(1)

(8)

(2)

(4)

(5)



Organic vegetable chain in Hanoi

- Growing interest in organic vegetable among consumers → Increase the volume of sale
 - 2009: 8 -10 tons/month with 7,6 ha of 11 FGs
 - 2012- 2013: 20 – 25 tons/month
 - 2014: 328 tons (27 tons/month)
 - 2015: 415 tons with 26,8 ha/41 FGs
 - 6 month 2016: 315 tons with 38 ha/ 52 FGs

- More retailers seeking organic products, register as PGS member and pay fee to run PGS
 - 2009: 4 retailers
 - 2013: 9 retailers with > 25 outlets
 - 2014: 12 retailers with 35 outlets in Hanoi city
 - 2015: 9 retailers with 45 outlets
 - 2016: 14 retailers with 60 outlets



Important implication of the PGS

- PGS significantly raised the awareness and capacity of farmers and stakeholders on food safety issue
- Created grass root networks where farmer show up their responsibility for community and securing food safety
- Sharing responsibilities and benefits between trader and farmer of monitoring and quality guarantee a long product chain (pay fee)
- An effective guarantee with low cost for small farmer as well as for people meet to share and learn
- Not only increase income per month (50-100%) but also improve relationship among community
- More provinces are interest and adopt PGS (Hoi An city, Ben Tre province, Ho Chi Minh city)



Lesson learnt

- Certification should in groups where group members can share benefits as well as responsibility
- Forming a realistic chain with traceability is optimum option make farmer more professional with premium price
- To establish a successful network, concerning of local authority is essential factor
- Local government support especially the policy for land use support
- Select retailers/traders stand next to farmers need strong commitment not only for their own business
- Very clear regulations with agreement of stakeholders

Inspection activity of farmers





Field visit





PGS in Local Market



Weekend Market



Board sign to shop



Home delivery



Retail shop



PGS Organic vegetable in Bac Tom shop



BACTOM
Chuyên thực phẩm sạch

RAU HỮU CƠ

Xx: Lương Sơn, Hòa Bình, VN
Thanh Xuân, Sóc Sơn, HN, VN



PGS in Agroviet fair





PGS - ĐẢM BẢO THỰC SỰ HỮU CƠ

ĐẢM BẢO NHỮNG SẢN PHẨM ĐƯỢC ĐƯA TỚI BỮA ĂN CỦA KHÁCH HÀNG THỰC SỰ LÀ SẢN PHẨM HỮU CƠ
HỆ THỐNG DUY NHẤT TẠI VIỆT NAM HIỆN NAY CHỨNG NHẬN CÁC SẢN PHẨM HỮU CƠ TẠI THỊ TRƯỜNG TRONG NƯỚC
ĐƯỢC XÂY DỰNG DỰA TRÊN SỰ TIN CẬY VÀ CÙNG THAM GIA KIỂM SOÁT CỦA TẤT CẢ CÁC BÊN LIÊN QUAN

Chi tiết về nhóm sản xuất được chứng nhận và các điểm bán xin vui lòng xem tại website

www.vietnamorganic.vn



ĐẢNG CỘNG SẢN VIỆT NAM QUANG VINH MUÔN NĂM

Thank you!

