Fostering food safety and SEAPs in the GMS: what can we learn from urban consumers’ perceptions and behaviours in Vietnam?

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Key messages
- Food safety is a key determinant of consumer behaviours in Vietnam
- Origin is an important proxy for food safety. Being local is not enough
- Support a variety of retail, certification and traceability formats
- Promote short value chains, harnessing the potential of ICT (social media, e-commerce)
- Set up and facilitate a regional learning and R&D alliance for designing and mainstreaming agricultural and trade innovations

Consumer concerns over food quality, safety and healthiness in the Greater Mekong Sub-region (GMS) are growing together with urbanization, living standards, and health and environmental issues. As a result, Safe and Environmentally Friendly Agricultural Products (SEAP) develop in all GMS countries. Triggered by excessive agricultural intensification pathways and associated food scandals, demand for SEAP in Vietnam is also shaped by on-going retail modernization – with its varied manifestations – and by government and private sectors’ standards and quality schemes. With prospect of highest growth rate in food consumption among ASEAN countries up to 2020, Vietnam domestic market holds a huge trade and value addition potential. With a view to support pathways both expanding the market for SEAP for local farmers and SMEs and ensuring enabling access to food safety to all consumers, there is a need for better unpack urban consumers’ food safety perceptions and behaviours in relation to market transformations.

In December 2017, we interviewed a representative sample of 700 urban consumers in both residential areas and market places in Hanoi (250), Ho Chi Minh City (360) and Danang (90).

Understanding market transformations and food safety concerns

Wet markets are still the main outlets in Vietnam (53%). However, consumers increasingly mainly shop at supermarkets (32.5%) or have them as second main outlet (39%), with a shift between shopping in wet markets (92.5 to 84.5%) and in supermarket (70.5 to 83.5%), in the last 5 years. Street vendors have also lost ground (21 to 15.5%). These trends are even more pronounced in HCMC, with 44.5% consumers shopping in supermarkets than in Hanoi (21%) and Danang (22%) against respectively 47.5%, 56% and 73.5% in wet markets. Conversely specialized and convenience shops know the most significant growth (112% and 90% from 20.5 to 43.5% and 26 to 49.5%). Short supply chains also grow: from 8.5 to 11.5% for direct purchase from farms, and organic markets (1.5%) and online buying (3% from social networks and 2% from internet) emerge.

Modern retail accounts for between 15 and 25% domestic market shares, consisting in a few hundred supermarkets and shopping malls, and about a thousand convenience stores. The latter is still considered small compared to other Asian countries such as Thailand and considering the prospect for growth of the middle class.

Supermarkets are quoted the best place for buying safe food (73%). Specialized shops come far behind (32%), reflecting their positioning as safe food provider but also lower consumer familiarity with these shops. People shopping at these shops consider them to be the best place for safe food (95%) while wet markets, though still being the main outlet in Vietnam, are not chosen for safe food (except for 7.5%). Overall the main determinants of outlet choices remain convenience (69.5%) and habits (57.5%), and then food safety (38.5%) (Tab. 1).

**Table 1: Reasons for buying at main outlet (Multiple choices)**

<table>
<thead>
<tr>
<th>Reason</th>
<th>Total population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convenient location</td>
<td>69.5</td>
</tr>
<tr>
<td>Always went here</td>
<td>57.5</td>
</tr>
<tr>
<td>Food safety</td>
<td>38.5</td>
</tr>
<tr>
<td>Diversity of products</td>
<td>27.5</td>
</tr>
<tr>
<td>Quick shopping</td>
<td>19.5</td>
</tr>
<tr>
<td>Branded products</td>
<td>19.5</td>
</tr>
<tr>
<td>Food looks more appetizing</td>
<td>18.5</td>
</tr>
<tr>
<td>Cheap</td>
<td>8</td>
</tr>
<tr>
<td>Nice shopping experience</td>
<td>9</td>
</tr>
</tbody>
</table>

Source: Authors’ survey.
However, food safety dominates choices of supermarket, specialized or convenience store shoppers (77%, 75% and 86%), contrasting with the convenience (74%) and habits (82%) focus of wet market shoppers.

The persistence of convenience related behaviours – also manifested in buying food daily and spending less than 10’ in transport dominance (60% and 61,5% of main shoppers) - explain the permanence of wet markets against supermarkets and is consistent with the preferences for freshness and convenience (fig 1 and 2). However, the modern retail sector increasingly competes with traditional markets on convenience grounds, with frequent purchases (above four times a week) dominating convenience and specialized store shoppers (55,5% and 65% respectively). Processed food are bought mainly at modern retail while vegetables are still purchased at wet markets.

Figure 1: Ranking of the three most important attributes when purchasing cabbage

Source: Authors’ survey.

Figure 2: Ranking of the three most important attributes when purchasing pork

Source: Authors’ survey.

Food safety conceptions and strategies

Contrasting perceptions on food safety prevail: 89% perceive food as unsafe against 4,5% as safe; and only 38% state being well informed, 22%, poorly informed and 38%, average. By contrast, 96% consider managing to purchase safe food (in line with 81% stating their household never got sick because of food poor quality) and trust that they know the origin of their food: some (69%) or all (17%). Recent retail transformations influence food safety strategies though behaviours are yet not necessarily consistent. People indicate relying firstly on certified products (48,5%) for ensuring food safety, then on knowing the seller (43%) and going to a specialized shop (32%). However, guarantee is not listed as an important attribute when purchasing cabbages and pork though considered sensitive products (fig. 1).

Origin is a proxy for food safety: 97% consider information on origin as important; it is stated as the second most important attribute for purchasing both cabbage and pork (fig. 2) and is the third most frequent answer for defining safe food (28,5%). Quoted used sources of information on origin are first product labels (56,5%) and store displays (50,5%) before the seller (38,5%), manifesting a shift from traditional forms of trust towards formal guarantees. People shopping at wet markets significantly more rely on knowledge of the seller (60,5% against 21,5%) and on freshness (35,5% against 29%) than those shopping at supermarkets, and less on product labels (30,5% against 71%).

If import is not necessarily seen as safer (35,5% against 34,5%), buying local is not considered a food safety strategy (except for 2%). Consumers have a deeper understanding of and concern for the origin of the products than just being local, in line with stated proximity to farming (39% knowing personally farmers) and with 13,5% quoting buying from their province as a food safety strategy.

Food safety is understood primarily as the absence of chemicals (50,5%) and of health issue (49%) and only as the absence of pathogens for 24,5%, confirming that pesticides is the perceived most prominent safety concerns. The main source of information about food safety remains traditional media: television (89,5%), though young people rely almost as strongly on internet and social networks (67% and 71% against 76,5%). 74% consider that the State should be responsible for controlling food safety. However, 41% state not being aware of public regulations on this, and among those aware, 49% opinion the lack of enforcement. Interestingly, though reliance on shops is an increasingly important strategy for purchasing safe food, people place responsibility in the private sector only after farmer groups and consumer associations.

Safe related standards are widespread

Awareness and purchase levels of VietGAP (respectively 57% and 37% representing on average 443.441 VND/week), organic (59% and 14,5%: 356.625
VND/week) and safe (45% and 29%; 376.425 VND/week) standards confirm Vietnam emerging country status. However, knowledge does not extend beyond the logo, i.e. not to standard management and to attached practices (ex. for VietGap, 84% knowing the logo against 5% claiming knowing about management and 12% about practices). Overall knowledge is stated as lower for safe than for VietGap and organic standards: e.g. regarding attached benefits, respectively 55%, 75% and 63%. This likely relates to possible confusion due to low consistency in branding and labelling safe food and to evolving regulations attached to it.

Food safety standards are a key instrument of the food safety management strategy. However, overall vegetables certified as SEAP represent less than 10% of domestic sales (World Bank, 2017). The first regulation of “safe” vegetables (‘rau an toan’) dates back to 1998. It defined safe agricultural zones. Introduced in 2008, the Vietnamese Good Agricultural Practices (VietGap) is the most widespread and supported standard. Though a domestic standard was promulgated in 2006, organic standards found in the markets are foreign ones.

Consumers purchase VietGap, safe and organic food (i.e; guaranteed food) for ensuring food safety (97%, 97% and 96%). Convenience (25%, 22% and 23%), taste (11%, 7% and 19%) and environmental concerns come far behind (17%, 11% and 19%). And consumers considering being well informed about food safety purchase significantly more guaranteed food. Convenience is the main constraint for buying more guaranteed food, especially organic food, and then comes price. Lack of information on organic outlets and of convenient VietGap outlets are the main reasons preventing purchase (47% and 28% respectively) before price (31% and 19%) while the latter is the main issue for safe food (27%).

Figure 3: PGS organic logo and sample from a web search of VietGAP logos for vegetable

Though VietGap purchases overall dominate organic ones, the PGS logo, which represent a tiny niche for now, is better recognized than the selected VietGap logo (figure 3, logos shown surrounded by red) (51% against 32%). Contrary to the proliferation of logos for labelling food adhering to VietGap or safe standards, Participatory Guarantee Systems (PGS) are consistently used and promoted.

Recommendations:

Harmonize standard labelling (logos) and quality assurance schemes to ensure consistency and improve recognition: 1) at national level building upon the recent national standards for organic and VietGap standards (respectively TCVN 11041-1 à 4: 2017 and TCVN 11892-1: 2017) promulgated by the Ministry of Science and Technology; 2) at GMS level using ASEAN policies as benchmarks and starting with mutual recognition.

Support a variety of retail segments to accommodate the diversity of consumer behaviours and preferences, ensuring that guaranteed food, and therefore SEAP, are available on both modern and traditional outlets, notably by publicly endorsing the low cost PGS and adapting them to upgraded wet market settings. Support different approaches to manage origin in the value chain: varied traceability systems (barcodes, QR codes) but also geographical indication labelling.

Promote short supply chains, as ways of ensuring freshness, convenience and origin while contributing to a local supply drive. Further explore the potential for supporting purchase from organic markets, e-commerce or via social medias.

Set up and facilitate a regional learning and R&D alliance for designing and mainstreaming agricultural and trade innovations: 1) drawing and sharing lessons from the variety of approaches to ensure food safety and promote SEAPs across the GMS; 2) fostering research at regional level: to improve SEAP productivity, notably R&D on seeds and pest control, and to shape SEAP markets, value chain and consumer analysis.

Acknowledgements

This document has been funded under the Core Agriculture Support Program Phase II of the Asian Development Bank.

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References

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