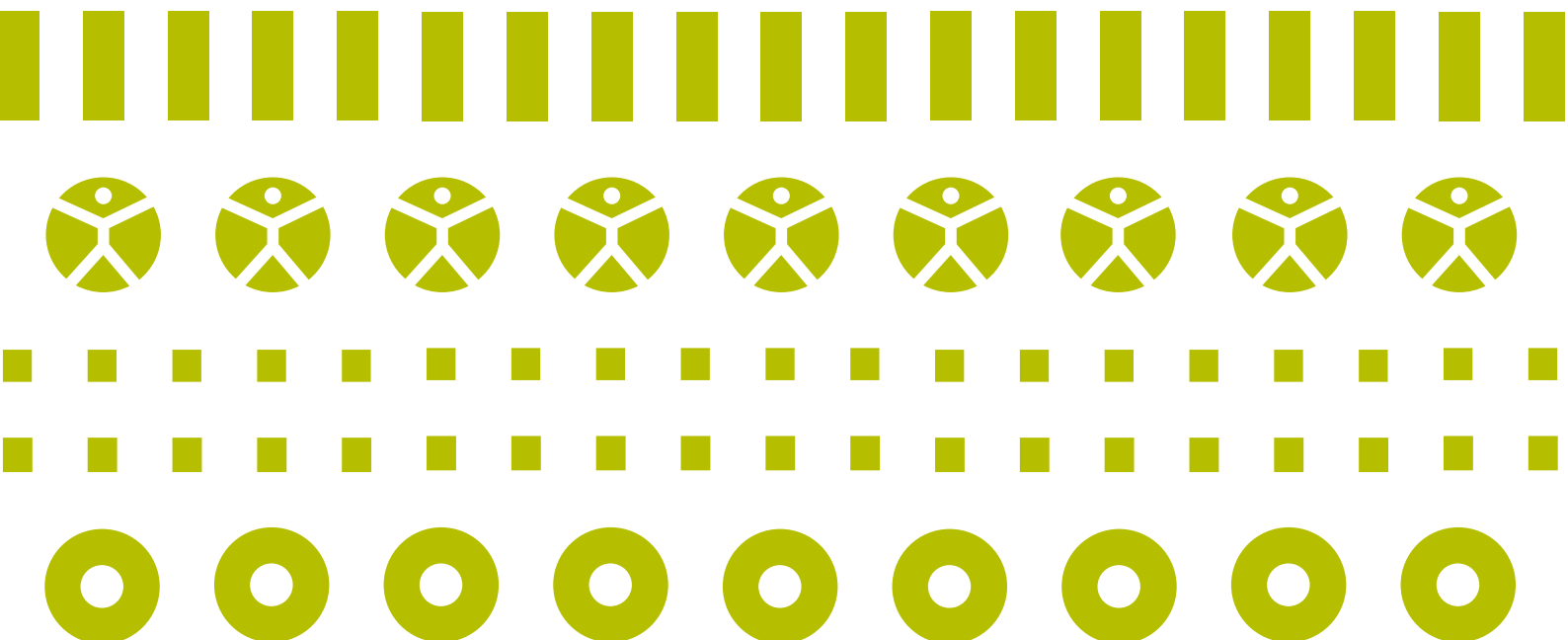


Participatory Guarantee System Learning Series - Case Study 1

PGS organic in Thanh Xuan, Hanoi –
An example of sustainability



PGS organic in Thanh Xuan, Hanoi – An example of sustainability

Participatory Guarantee System (PGS) is a low-cost quality assurance mechanism that guarantees the quality of agricultural products and has the potential to regain consumers' trust. Implemented in 66 countries worldwide, it has been used in Vietnam for over 10 years. As part of the project “**Capitalisation of Participatory Guarantee System experiences in Vietnam for upscaling & institutionalisation**”, Vietnam National University of Agriculture and Rikolto investigated all the existing PGS in Vietnam to assess their strengths and weaknesses and come up with recommendations on how to improve PGS in the Vietnamese context. This case study investigates the factors that made PGS Thanh Xuan the most successful PGS model in Vietnam and identifies some of the features that should be replicated by other PGS to improve their sustainability

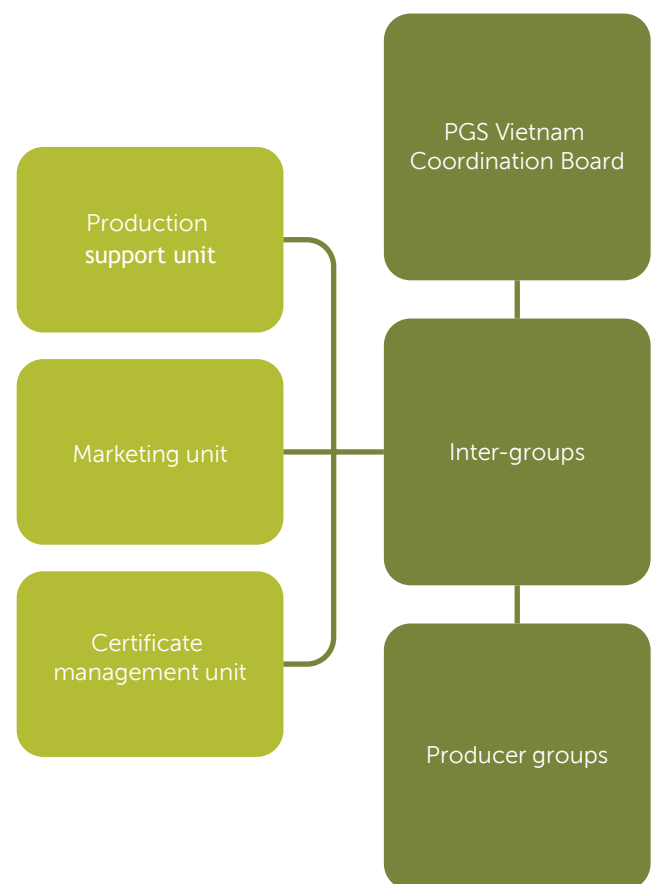
Context

PGS was first implemented in Vietnam in Thanh Xuan commune, Soc Son district, in Hanoi. It was introduced by the Danish non-governmental organisation ADDA in 2008, following the model developed by IFOAM, the International Federation of Organic Agriculture Movements. Bai Thuong was the first farmer group to receive a certification in 2009. Today, **Thanh Xuan intergroup is comprised of 21 producer groups for a total of 121 members**. Each producer group is composed of 3 to 9 farmers and constitutes the unit to which the certification is granted. Thanh Xuan intergroup is one of the 5 intergroups managed by PGS Vietnam's General Coordination Board in northern Vietnam.

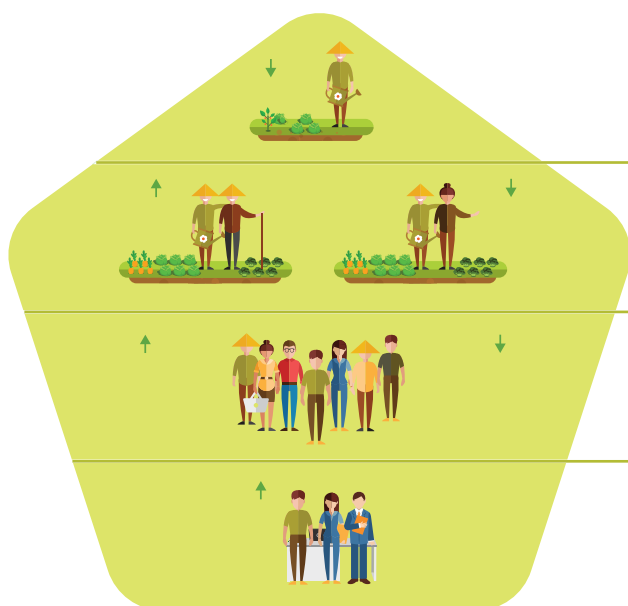
PGS production is based on the Vietnam PGS Organic Standards in line with the Ministry of Agriculture and Rural Development's Standards for Organic Production and Processing. In 2013, the **Vietnam PGS Organic Standards** were officially admitted into the IFOAM Family of Standards.

Over the 10 years of operations in Thanh Xuan, the production area for PGS organic vegetables increased from 7.7 ha to over 20 ha in 2018. So far, **Thanh Xuan is the most sustainable PGS model in Vietnam**, building on a solid market, government support, strong reputation and sustained commitment by its member farmers.

Structure of PGS Vietnam



PGS operational model



1. Farmers

- Produce vegetables according to a food standard
- Sign a pledge
- Participate in cross - checking & inspections

2. Farmer groups

- Carry-out cross inspections plans and produce inspection reports
- Regularly verify member's compliance with the standard
- Organize member meetings and apply for certification

3. Cooperative/ Inter-groups

- Develop cross - inspections plans and review inspection reports
- Manage certification applications
- Sanction non complying groups

4. Local Coordination Board

- Reviews certification requests and inspection reports
- Carries out random inspections and testing
- Issues certifications
- Supports market linkage



WHAT IS PGS?

IFOAM, the International Federation of Organic Agriculture Movements defines PGS as a “low-cost, locally based system of quality assurance with a strong emphasis on social control and knowledge building.” It is a simple but effective participatory certification system that involves a wide range of stakeholders such as farmers, consumers, retailers, NGOs and local authorities in agricultural products’ quality assurance. It has a lower cost and complexity than third-party certifications, making it more in line with the reality of smallholder farmers. Principles and rules for safe or organic production are conceived and applied through contributions of all stakeholders. They are adapted to fit the local context, taking into account individual communities, geographic area, cultural environment and markets.

Why PGS?

Farmers in Thanh Xuan have a long tradition of growing vegetables. However, in the past, they used to **apply large quantities of agrochemicals**, especially fertilizers and pesticides. This resulted in a decrease in soil quality and adverse effects on farmers’ health. Most vegetables were sold at the local market at a **low and unstable price**. Due to the small size of their plots and limited financial resources, the majority of farmers was unable to apply for third-party food safety certifications. Besides vegetables, farmers used to grow rice as their main crop. With 2 harvests a year, their income from rice ranged from 3 to 4 million VND/year (USD 130-175) which was not enough to ensure decent living conditions. Therefore, a lot of residents left their homes to find jobs in other locations. PGS offered them a new opportunity to make a living out of vegetable production and to reduce the negative impact of conventional farming on their local environment and health.

PGS' performance in Thanh Xuan



Food safety

Before they can apply for PGS certification, farmers must be trained for 3 months on the organic PGS standards and practices. Their water and soil are tested during the certification process to ensure their safety. The 3-level certification process - internal control within each farmer group, cross-checking across farmer groups and random inspections by the Coordination Board - coupled with the quick chemical test performed on the vegetables, controls and assures farmers' compliance with the PGS Organic standard.



Income generation

Farmers' income from the sales of PGS vegetables varies from 2.5 to 10 million VND (USD 110 - 430) per month depending on the size of the production area and season. This is approximately 12 times more than the income yielded from rice production. Most vegetables sell for 15,000 VND/kg (USD 0.65), except for herbs which cost 25,000 VND/kg (USD 1.1). This is higher than the price of non-PGS vegetables. This has resulted in higher and more stable income for farmers.



Visibility and consumer engagement

Thanh Xuan is well known by safe and organic food retailers in Hanoi, and by local customers. Between 2008 and 2015, over 500 groups have visited the site to learn about PGS and organic agriculture.



Market access

The Thanh Xuan intergroup sells 30 - 40 tons of organic vegetables per month to buyers in Hanoi and up to 70 tons in winter. In 2018, it has approximately 30 regular buyers from the retail sector such as Bac Tom, Tam Dat, Soi Bien and Ecomart. The intergroup also set up two businesses to support the marketing of its products: Thanh Xuan Agricultural Service and Investment Co., Ltd and Thanh Xuan Organic Vegetable Cooperative.



Sustainability

While the intergroup still receives external support from development actors, it has its own financial resources to pay for intergroup activities. These resources come from farmers' contribution to the intergroup. Farmers also use part of their profit to invest in infrastructure such as irrigation systems and net-houses.



Environmental protection

PGS has contributed to reducing the environmental pollution linked to the use of agrochemicals in Thanh Xuan. Thanks to the use of organic fertilizer and compost, soil fertility has increased. The use of natural pest management methods such as natural insect repellent flowers contributes to local biodiversity.



"When I was a child, I used to grow and sell vegetables with my mother. Cultivating vegetables was my hobby. However, in the past, I used a lot of chemicals which affected my health. Because of that, I gave up growing vegetable for a long time. In 2008, we were trained on producing vegetables according to the PGS organic standards. Today, my production volume is stable and I want to continue with PGS organic vegetable production"

—
Ms. Tho, member of Bai Thuong producer group.

Success factors for PGS sustainability

- Thanh Xuan farmers are able to **plan their production** well and to provide buyers with the vegetables they require, both seasonal and off-season.
- The intergroup's strong **connection to markets** has enabled farmers to earn a stable income which has maintained their commitment over the years.
- The proximity of Hanoi, where consumers' demand for organic products is high, makes **transportation** easier and reduces logistical struggles.
- Farmers have a **good command of organic production techniques** for vegetables and they demonstrate a hard-working attitude.
- After 10 years of existence, the intergroup has been able to demonstrate the benefits of PGS to farmers which has encouraged new farmers to join the intergroup. It also managed to build a **strong reputation** with end-consumers and retailers in Hanoi, thus inspiring **trust**.
- Intergroup leaders have demonstrated strong leadership, knowledge and enthusiasm and have been able to communicate them to farmers.
- **Local authorities** at the communal and district level have supported the intergroup through land consolidation policies, training delivery, and infrastructure investment.



Recommendations and conclusions

Despite the strengths mentioned above, a series of elements should still be improved to increase the sustainability and performance of PGS in Thanh Xuan. First, **consumers** should be more closely involved in cross-checking inspections and/or as members of the intergroup to further strengthen the trust relationship between actors in the supply chain. Second, **local authorities** could increase their involvement by promoting PGS in their local community in order to attract more farmers to participate in the system and to encourage more consumers to buy PGS products. Some departments such as the Plant Protection Department could also increase the frequency of their **food safety analysis** to further build consumers' trust. Third, the intergroup needs to **maintain farmers' knowledge up to date** to ensure that all members follow the organic standard, the PGS pledge and PGS regulations correctly. Finally, the majority of farmers in the farmer groups are 50 years old or above. Young people do not envision a career in the agricultural sector and prefer to work as labourer in the industrial zones around Thanh Xuan. **Mobilising young people** to join PGS will be one of the challenges in the coming years.

Acknowledgments

Rikolto and VNUA express their sincere gratitude to all the farmers, consumers, representatives of companies, local authorities and NGOs for their participation in the PGS capitalisation study. Their insights offer a wealth of knowledge and have strongly contributed to improving our understanding of the current situation of PGS in Vietnam.

About Rikolto

Rikolto is an international Non-Governmental Organisation (NGO) with more than 40 years of experience in partnering with farmer organisations and food chain actors across Africa, Asia, Europe and Latin America. Rikolto envisions a world with food systems that allow poverty and hunger to be eradicated and that do not burden our planet more than it can bear. Active in Vietnam since 1994, we run programmes in 15 countries to foster more sustainable and inclusive food systems. Rikolto builds bridges of trust and trade, between the food industry, governments, research institutions, and farmer organisations around this one central question: ‘What will we eat tomorrow?’.

About VNUA

Vietnam National University of Agriculture (VNUA) was established in 1956 as one of the first national universities of Vietnam. VNUA is a multi-disciplinary research university focusing on agriculture and rural development. VNUA is also a relied-upon consulting agency for the Ministry of Agriculture and Rural Development as well as other local governmental bodies across the country. The university has approximately 38,000 students and comprises 14 faculties and 5 research institutes. The present study was conducted by staff members at the Faculty of Food Science and Technology.

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To learn more

Rikolto's project page on Participatory Guarantee Systems for Safe Vegetables: <https://vietnam.rikolto.org/en/project/participatory-guarantee-systems-safe-vegetables-vietnam>

The website of PGS Vietnam (organic vegetables): <http://vietnamorganic.vn/pgs>

ALiSEA - a regional platform to network initiatives that support agroecology in Southeast Asia:
<http://www.ali-sea.org>

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