

VIETNAM AGRITECH REPORT

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Prepared by Business Centre
British Chamber of Commerce Vietnam

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International Affiliate

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OUR TEAM



What we do ?

The British Chamber of Commerce (BritCham) was officially established in Ho Chi Minh in 1998 with its Ha Noi branch founded in 2007. BritCham Vietnam aims to support and develop Vietnam-UK business links while raising the profile of Vietnam in the British business community and vice versa. As an accredited British Chamber, Britcham in association with the Department for International Trade (DIT), is committed to promote strong business links between Vietnam and the UK.



BUSINESS MATCHING:

Partner search and one-to-one meetings with potential clients, agents/distributors or outsourcing partners



BUSINESS DEVELOPMENT REPRESENTATIVE:

Provide a professional business development representative to act locally on your behalf, strengthen existing engagements with the Vietnam market on a long term basis and develop further business relationships within the market.



INWARD INVESTMENT FACILITATION:

Business Registration, Site Selection, Factory/Office Set-up & Operations Support, HR & Financial Management



BUSINESS SERVICES EVENTS:

Organise trade missions, product launches and seminars/workshops



MARKET STUDIES:

Sector reports, competitor analysis and local prospect background research



EXPORT OPPORTUNITIES:

Explore your export opportunities to Vietnam through DIT's portal opportunities.export.great.gov.uk



WEBINARS:

Online dialogues with experts within industries to forecast new trends in doing business in Vietnam



BACK-OFFICE SUPPORTS:

Due Diligence, Marketing Materials & Company Documents Translation

CONTACT US



OUR ADVOCACY WORKS

BCAC

The BRITISH CORPORATE ADVOCACY COUNCIL, comprising of the Heads of some of the largest British companies operating in Vietnam, continue to provide support to BritCham Vietnam in its engagement of key business issues and was instrumental in the support to gain the full VBF membership.



BRITISH EDUCATION BUSINESS GROUP – BEBG is a proposed working group of BritCham Vietnam and its British Corporate Advocacy Council, to work alongside the British Embassy, Department for International Trade and British Council.

Members

DIAGEO



Founding Members

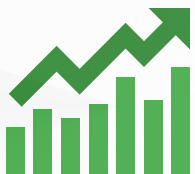


VIETNAM'S AGRICULTURE OVERVIEW



GDP contribution of agricultural sector

14.85 %



Growth rate

2.7%



FDI inflow

\$3.69 billion,
505 projects projects in total
by the end of May, 2021



Number of employed people in agri-food sector

28 million



Agritech firms

46

VIETNAM'S AGRICULTURE OVERVIEW

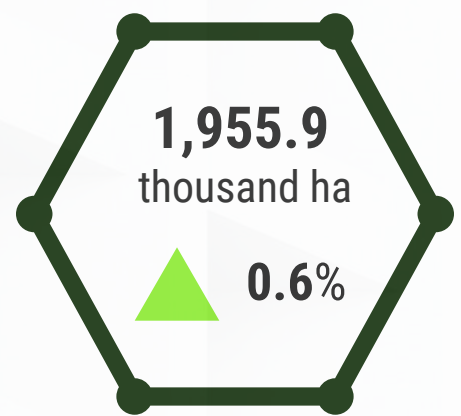
Cultivation

as of 15th August 2021

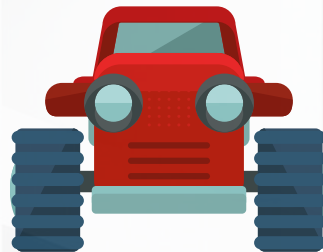
Winter paddy planned area



Summer-autumn paddy planned area



Compared to the same period last year



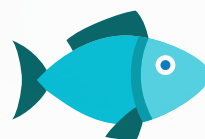
Livestock



Fishery production

Aquaculture

2,987.7 thousand tons



Catching

2,704.8 thousand tons



PRESENT AND FUTURE CHALLENGES



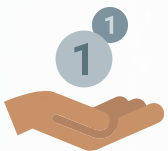
Vietnam has been ranked **among 5 countries** that are likely to be most affected by climate change. This has resulted in **flood, drought, typhoon and salt water intrusion**, which has **degraded agricultural capacity**. In the 2019 - 2020 harvest season, **25,120 ha of orchards** were damaged by salt water intrusion in the Mekong Delta.



There are **2,000 hamlets**, accounting for **2%** of the total population, which have not had access to internet signals in 2021. Vietnam ranked **62/134** in **Networked Readiness Index 2020**, after Thailand, Malaysia and Singapore in Southeast Asian region. The poor infrastructure has slowed down the digital transformation.



Vietnam's farming methods are unsustainable. For example, from 2015, the amount of **pesticide use** is **100,000 tons** per year. The development of this sector has led to **land degradation, biodiversity loss, deforestation, greenhouse gas emissions, and water pollution**.



Another challenge is the lack of sufficient financial services for smallholders, which decreases their motivation to innovate. Those services are only available to large-scale farms with exportable commodities. According to FAO (2021), **only 30 agricultural businesses** were **registered as being high tech** in 2010-2018 in Vietnam.



Finally, the **fragmentation** and **lack of transparency** in the supply chain also remain an obstacle. There are many intermediaries and transactions between farmers and their customers. Thus, it is difficult for the smallholders to understand market demand while their customers do not have adequate sourcing information.

THE RISE OF DIGITALISATION

Government Efforts



Digital Agriculture Association

It was launched in 2019, aiming to enhance technology infrastructure, expand market, initiate digital solutions, and attract investors.



Policy

Decision No. 749/QĐ-TTg dated June, 2020 recognises agriculture as one of eight priority sectors for digital transformation. In February 2021, restructuring plan for this sector for 2021-2025 period is approved in order to develop a modern and sustainable agriculture to connect it with the global value chain.



Financial support

The State Bank of Vietnam and other banks have offered a financial package of VND 100 trillion (US\$4.37 billion) to assist hi-tech agricultural businesses. In addition, The Ministry of Planning and Investment is drafting a decree that will revise Decree No. 57/2018/NĐ-CP to support loans and interest rates as well as provide financial aid for investors in this sector.

Agritech Business Growth

12

certified high-tech agriculture areas,

where the most prominent ones include Hau Giang, Phu Yen and Bac Lieu.

> 20

agritech enterprises in Central Highlands

implement state-of-the-art technology methods such as IoT, big data, blockchains, plant growth monitoring cameras, etc.

Global Support And Interest

Aus4Innovation Program

funded GRAFT Challenge Vietnam 2021 and The Vietnam Agritech Accelerator (VAA) to select high calibre startups and innovative solutions to tackle challenges and boost productivity of Vietnam's agriculture sector.

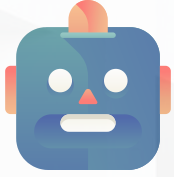


AgTech Vietnam Program

is a three-month pilot acceleration program for AgTech companies to provide advisory services to smallholders to manage resources such as water, fertilizers, and pesticides efficiently using technology for sustainable production and better income.

ROBOTS IN THE FIELD

How AI can be applied



In charge of essential tasks

such as collecting data, identifying and spraying weeds, and irrigation to improve productivity and solve current challenges.



Monitoring crops

based on data from sensors, satellites and cameras.



Predictive analysis

comprises of machine-learning models, cloud computing, and IoT to forecast environmental impacts to crops for better adaption and increasing profits.



Precision agriculture

This application enables farmers to manage their resources more effectively and save costs.

Vietnam's progress



Private enterprises such as Vinamilk, VinEco, TH True Milk, and Minh Phu Sea Food have already applied cutting edge technologies such as AI, automation, precision farming, genetic engineering, and IoT in their processes with the support of the government. Vinamilk and TH True Milk, for example, have modernised their grasslands with automatic watering machines and soil tillers. Mimosatek, a rising startup, has developed an IoT-based management services that collect data related to moisture, light, temperature, fertilizing, and other factors onto a cloud platform. This has enabled farmers to optimize their resources and make information-driven decisions while their commercial partners can keep track of the crop yield.

Besides, from 2017 to 2020, Google cooperated with Viet Nam Farmers' Union (VNFU) to enhance digital skills for 30,000 Vietnamese farmers.

TOP 5 STARTUPS IN VIETNAM



Demeter

Demeter is founded in 2017 by Pham Ngoc Thanh Tung. Its IoT-based system that includes three parts. The first part, Connected Edge, is in charge of monitoring irrigation systems, pumps, drones, micro-climate systems, camera systems, weather-station systems, and sensor systems. The second part stores and generates data into information in the cloud which is then used by the third part to identify tasks. The company's first system was built at Cau Dat farm, which aimed to boost productivity and reduce human involvement.

MimosaTek

Since 2014, MimosaTEK has been focused on using precision agriculture to improve existing farming practices in Vietnam. Its objective is to transform farmers' experience-based decision into information-driven one. The system allows farmers to remotely manage and automate their farms using the crop database, sensors and mobile devices. For this innovation, MimosaTek has achieved Securing Water for Food award from USAID in 2017.



Hachi

Hachi was founded in 2016 after initiating from a startup project in Vietnam National University of Agriculture and Hanoi University of Science and Technology. Its IoT-based hydroponic farming systems with automatic watering, automated fan and mist settings can be remotely controlled by a smart phone. This leads to effective land and light use along with labour and time efficiency.

Sero.ai

Sero.ai, founded in 2016, is an AI-driven agritech startup that builds a platform to connect farmers and experts. Farmers can upload pictures of their unhealthy plants into the platform. Computer vision technology then analyses the disease and propose solutions.



Naturally Vietnam

Naturally was founded by a husband-and-wife team Mai and Patrice Gautier with a mission to enhance transparency in the food market. It provides a platform where people can keep track of the origin and purchase food products sourced from six farms in the Soc Son district of Hanoi.

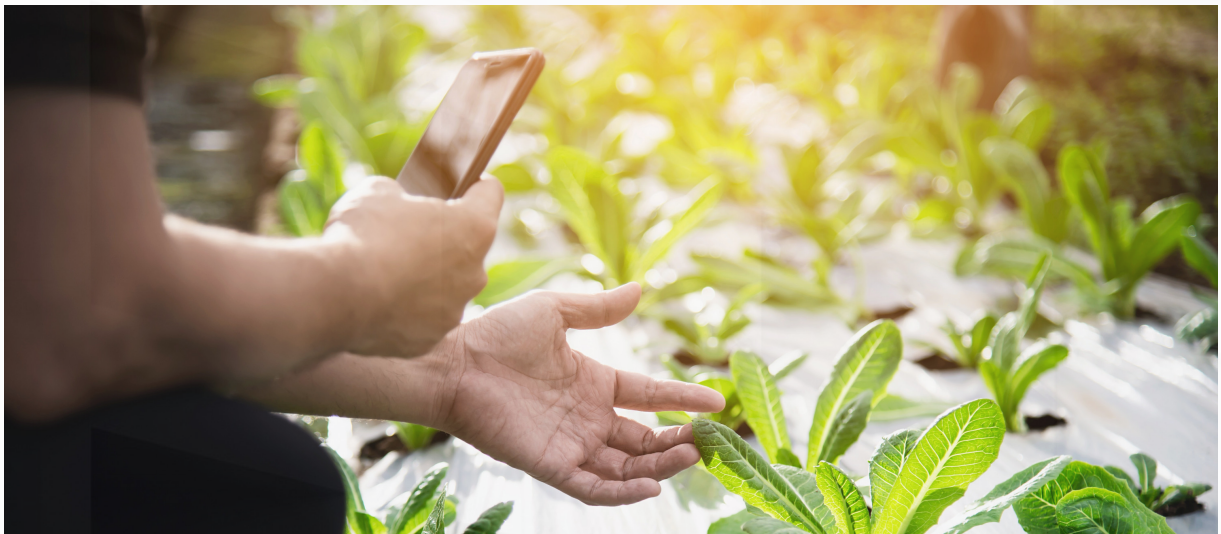
STARTUP AND COPORATE COLLABORATION

Viettel Corporation and Nextfarm

Launched in 2017 in Vietnam, NextFarm combines AI and Machine Learning in their platform to analyse and provide farmers agriculture precision solutions and early warnings about plant diseases. It has been supported by Viettel Corporation to implement this platform in Vietnam and introduce to other Southeast Asian countries such as Cambodia and Myanmar.

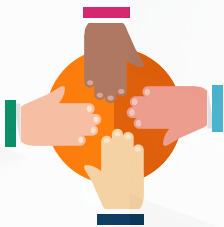
Intel Corporation and Demeter

Demeter has been Intel Corporation's partner since June, 2017 in developing IoT solutions for agriculture. According to Nguyen Duc May, Co-Founder of Demeter, Intel's strength is hardware while Demeter strength is its software. Thus, the two can collaborate to create optimum and sustainable solutions with high security for the market.



PROMISING FUTURE OF AGRITECH

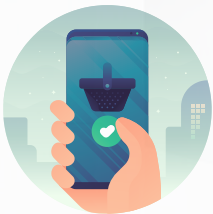
Increasing investment



This sector has attracted a lot of attention from foreign investors, including Enzootic (Israel and Hong Kong), GoodHout BV, SmartFarm Co Ltd, and FairAgora Asia (Thailand), GAGO (China), Intello Labs (India), Pycno Industries (Australia), Gintel (Taiwan), and Fluence corporation-NIROBOX (Israel). In addition, GRAFT Vietnam Challenge 2021 has also chosen 9 agritech enterprises (from India, Indonesia, USA, Israel and Thailand) to support them to approach the Vietnamese market and solve challenges in aquaculture, breeding and farming.

Many Vietnamese conglomerates such as Thaco, Vingroup, FLC, FPT, The Gioi Di Dong, and Hoa Phat have also invested in this sector.

E-commerce trend



The coronavirus outbreak and social distancing methods in Vietnam has boosted the trend of purchasing agriculture products through E-commerce sites such as Postmart (Vietnam Post), Vo So (Viettel Post), Shopee, etc. This has enabled the farmers to interact directly with their customers, which reduces the fragmentation in the supply chain.

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