



Australian Government

Australian Trade and Investment Commission

Exporting Summerfruits to Vietnam

August 2022

Agribusiness Expansion Initiative



Boots on the ground to work with you in multiple markets



Events and activities specifically for the agri-food sector



Comprehensive sector/market info online 24/7, self serve



Suite of services to help clients expand and diversify

Working with peak bodies and government agencies on agreed priorities and for seamless service

Chris Morley | Trade Commissioner

Lan Anh Ha | Senior Business Development Manager

Mai Bui | Business Development Manager

Austrade

Ask a question

[slido.com](https://www.slido.com)

#Summerfruit



Vietnam market overview



COVID-19: Vietnam reopens its economy & business impacts



Market insights : Summerfruits to Vietnam



Vietnam is Asia's top performing economy



Political

One-party system
Politically stable



Economy

4th largest economy in ASEAN
Growth: 5.25% - 7.08% (2011 – 2019), 2.91% (2020), 2.58% (2021)



Trade Relationship

12th trading partner (2021)
Commodities, agri-food, education exports & electronics imports



Population

98.5 million (2021)
37.1 % urban population
36 million people will join the middle class by 2030



Digital Data

72 million social media users (2021)
Most popular social platforms:
YouTube, Facebook, Zalo



FTAs

Joined 15 FTAs & negotiating 2
Regional FTAs with Australia:
AANZFTA, CPTPP, RCEP



Workforce

50.5 million (2021)
Services (37.9%),
Agriculture (28.9%),
Industry (33.2%)



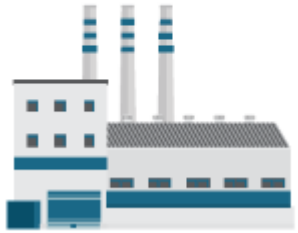
Business Environments

#70 globally in EODB(2020)
39th globally and 3[#]ASEAN in
Logistics Performance Index

Understanding Vietnam's appeal

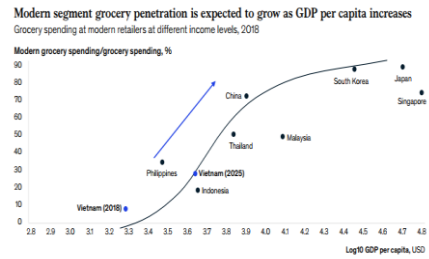
Robust supply chain

291 operational industrial parks with occupancy rate of 70.9%



- Strategic location
- Young workforce
- Golden population
- Competitive labor costs
- Enhance infrastructure

Growing market size



- Fast-growing middle class
- Educated young digital savvy generation

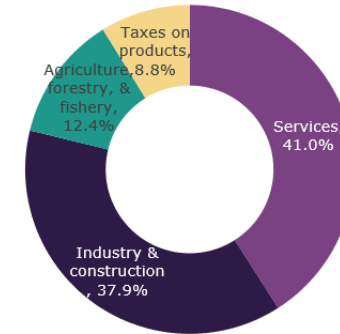
Trade reform



- Trade liberalization :17 FTAs
- Tackle public debts, non-trade barriers & improve EODB
- Digitalization
- Incentive for high tech and value added manufacturing

Dynamic FDI sector

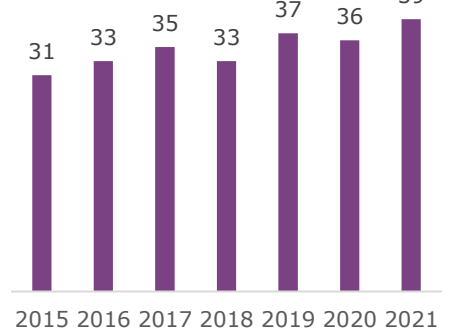
- Contribution to GDP by sector (%) in 2021



- China +1 Destination
- Emerging manufacturing hub
- Leading FDI investors: South Korea (18.3%); Japan (15.8%) (20%), Singapore (15.8%)

Improving transparency

- Vietnam's Corruption Perception Index, 2015 - 2021



- Vietnam ranking on corruption perception index improved from 2015 to 2021



Vietnam market overview



COVID-19: Vietnam reopens its economy & business impacts

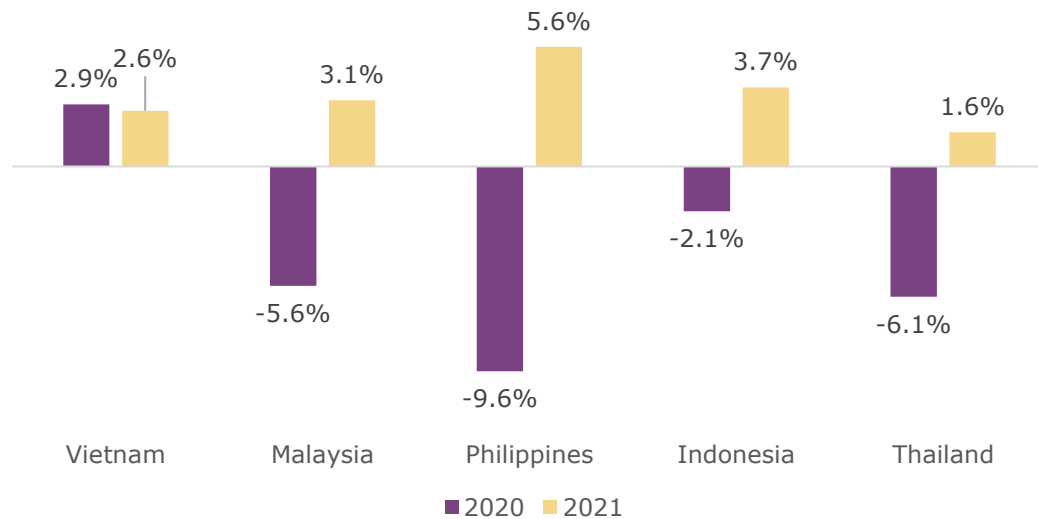


**Market insights :
Summerfruits to Vietnam**



Covid : reopen economy & impacts

GDP growth, ASEAN-5 (2020 – 2021)



Source: IMF & statistics offices

Vietnam Growth Forecast in 2022



- Vietnam’s GDP increased by 2.6 percent in 2021 and 7.72 percent yoy in Q2 2022.
- Since 15th March 2022, Vietnam has reopened borders for international travellers
- Rising logistics costs and container shortage remain a pressing issue

COVID-19 : reopen economy & impacts

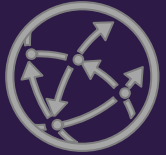
COVID impacts will continue to change rapidly

- **Price sensitivity is still high** – you may find importers requesting flexibility on price/terms
- **Shipping delays** – having strong relationships and regular communication can help overcome obstacles/manage timelines
- **Unfulfilled demand** : Supply chain disruption due to Covid means unfulfilled demand for fruits in 2021
- **Growing demand** - Despite the pandemic, continued growing interest and familiarity with imported fruit, particularly driven by social media trends





Vietnam market overview



COVID-19: Vietnam reopens its economy & business impacts

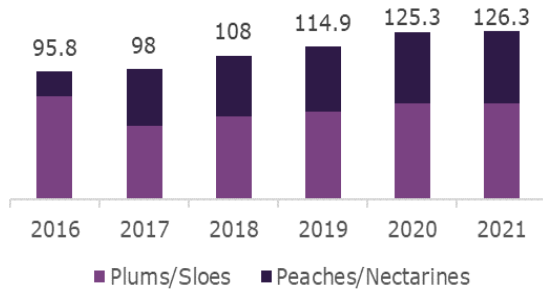


Summerfruits to Vietnam

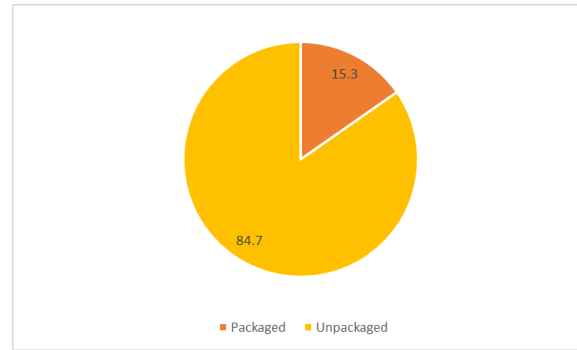


Export of summerfruits to Vietnam

Import value of summerfruits



Retail sale (%) packaged vs loose in 2021



Vietnam import & production capacity

- In 2020, import A\$3.26 million of stone fruits, 100% from China
- No apricot import.
- 11,000 ha, 60,000 tons/year of plum from Son La province.
- Small production of peaches & apricots in Lao Cai, harvesting May-July

January 2015

Stopped importing fresh fruit from Australia over concerns of Mediterranean fruit fly.

Total sales (volume) of top imported fruits 2016-2021

'000 tonnes	2016	2017	2018	2019	2020	2021
Apples	87.5	107.7	130.8	151.1	150.7	149.7
Banana	1,301.6	1,249.7	1,417.7	1,583.5	1,708.8	1,713.5
Cherries	4.2	5.7	6.8	8.2	7.0	6.7
Cranberries/Blueberries	0.0	0.0	0.0	0.1	0.0	0.0
Grapefruit/Pomelo	504.3	562.8	642.9	728.0	786.0	756.0
Grapes	59.5	56.5	66.3	74.5	74.3	72.2
Kiwi Fruit	2.5	3.4	4.3	4.4	4.4	4.4
Lemon and Limes	145.5	168.2	193.4	215.3	207.5	198.8
Oranges, Tangerines and Mandarins	898.3	1,058.4	1,167.6	1,319.4	1,403.7	1,463.5
Peaches/Nectarines	9.9	21.7	23.1	24.2	25.0	24.1
Pears/Quinces	36.6	45.0	54.5	64.3	69.8	72.4
Pineapple	261.0	266.2	274.2	283.8	294.4	282.5
Plums/Sloes	44.8	31.1	33.0	35.1	36.5	36.5
Strawberries	0.8	1.1	1.4	1.6	1.7	1.7
Other Fruits	1,939.4	2,049.9	2,172.8	2,324.9	2,462.8	2,328.4
Fruits	5,296.0	5,627.3	6,188.8	6,818.3	7,232.6	7,110.6

Aggressive promotion from competing imported fruits

Supply chain disruption unfulfilled demand in 2021

Expected strong recovery 2023 onward

Between 2016-2021

Retail sales of stone fruit grew by 5.7% CAGR, hitting A\$126.6 million in 2021.

February 2022

Regain market access

for peaches & nectarines
Plum under negotiation



Market drivers

Opportunities

- Value proposition on premium, nutrients & food safety
- Work with tech savvy buyers on sale plan and marketing plan (below & above the line, instore & digital)
- Proximity
- Zero tariff
- Leverage first mover advantage to build relationship & loyalty
- Room for consumers & retailers' education on products attributes, nutrients, handling, packaging & usage
- Media & consumers' negative perceptions of China faking Sapa peaches

Challenges

- Lacking consumer familiarity with products
- Retailers lack knowledge on fruit handlings & storage. Top of mind concern on shelf life & fruit quality
- Chinese fruits offer lower prices , big size (200-250g/fruit), long shelf life
- Korean peaches have large size (300-350g/fruit), fragrant and sweet
- Aggressive marketing promotions in market from competing imported fruits
- Continues to be a price sensitive market despite GDP increases (pre-covid)
- Risk of product fraudulent



Photo of a Vietnamese consumer selecting Chinese peaches by the road
Source: <https://vietnamdaily.trithuccuocsong.vn/tieu-dung-ban-doc/dao-sapa-to-mong-ban-o-sai-gon-va-su-that-khien-ai-cung-bat-ngo-70395.html>

Brand/ Origin	Package size	Price (AUD)
"Đào mỏ quạ" China	1kg	\$ 1.5 to \$ 3.7
"Đào tôn ngộ không"/đào tiên China	3-4 fruits per kg	\$ 8.6 to \$ 9.6
Yellow peaches China	2.5 kg	\$ 19.67
Yellow peaches Korea	2 fruits/pack 600-700gr	\$ 17
Flat peaches Spain	500 gram (pack of 5 fruits 100g/fruit)	\$ 16.4
Nectarins Australia	1kg	\$ 8.2 - \$ 11.9



Meeting market expectations

Consumer demand & peak periods

- Key consumers: middle to upper-income customers
- Large-size, sweet fruit, crunchy
- Smaller-sized fruit is mainly found in traditional markets
- Price sensitive
- Enjoy picking & selecting fruits for own consumption, packaging for gifting
- Peak periods:
 - November- December (Teachers Day, Christmas period)
 - Jan – Feb (Chinese New Year, Valentine)
 - Buddhist's praying days (1st and 15th monthly lunar calendar)

Retail channels

- **Traditional markets**
- **Supermarkets/minimarts:**
Winmart; Winmart+, MM Megamarket
Central Retails, BHX, KingFood, BRG, An Nam Gourmet, Grove Fresh....
- **Speciality fruit shops:**
Klever fruit, Thuy Anh Fruit, Always Fresh, Minh Phuong, Mia Fruit...
- **E-commerce:** pages & stores usually managed by retailers or importers themselves on ecommerce platforms :
Lazada, Shopee, Tiki, Grab

Product specs

- Range of sizes depend on retail channel
- Retailers/buyers prefer products packed in punnet to avoid damage
- Innovative packaging especially for gifting purpose
- Peaches and nectarines could range from 33-35mm to 50-65mm or bigger depending on channel
- Long shelf life
- Retail packs of 500g, 1kg
- Ecommerce (zalo, facebook) also offers full box of 2.5 kg

Best practices : marketing & branding



- Instore promotion, sampling & consumer events
- Supermarket display competition
- Point of sale giftaway for retailers
- Premium branded gift aways for consumers
- Packaging innovations

- Billboard, roadshow, event sponsorship
- Online & offline media advertising
- Social media & Key opinion leaders
- Ecommerce branding activations

Partnership leads to long term growth

Understanding the Vietnamese market & consumers



What are the needs of my Vietnamese consumers?
Who are they?
What interesting offer can my products give?

Enhance your distribution system



How do I connect with distributors and retail?
Where are the final destinations of my products?
Which wholesale or modern retail?

Monitor distribution channels



How to I monitor delivery & impacts of marketing activations and sale from distance?

Building product awareness



My product is new in the market. How to introduce it?

Building brand awareness



My product is available in the market. How to make it stand out in the sea of sameness?

Building brand preference



How to create long-term relationships and loyalty from my importers and retention from consumers?

Tips for doing business



How can you set your business up for success?



Maximise benefits of Australian reputation for clean and green



Develop and maintain good relationship with your buyers – they will expect long term business relationships. Avoid miscommunication by speaking regularly!



Collaborate with key retailers/buyers in market to generate awareness and promote Australian summerfruit – online (storytelling) and offline (in-store). Educate retailers/buyers on product handling.



Don't forget to let Austrade, industry partners and state government supporters know what you're up to so we can celebrate your success!



Australian Government

Australian Trade and Investment Commission

Austrade backing bold ambition



How Austrade can help

Advice



Export guidance



Market selection



Market research

Connection



Introductions



Business matching



Market experiences

Support



Practical assistance



Profile support



Trouble shooting

How Austrade can help

Social media & Ecommerce



tasteofaustralia.vn/



<https://lzd.co/Taste-of-Australia>

In market profile support



Retail Promotions



Trade Show & Buyers Mission



Industry collaboration activities with stakeholders

- Trade Missions to Vietnam
- Buying Mission to Australia and international trade shows
- Taste Of Australia events in market
- Trade Shows :
 - Asia Fruit Logistica| Bangkok Nov 2022
 - Food Hotel Vietnam | Ho Chi Minh City Dec 2022

Austrade Vietnam Agrifood & Consumer Team



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Ask a question

[slido.com](https://www.slido.com)

#Summerfruit



Australian Government
Department of Agriculture

Peaches and nectarines market update - Vietnam



Gyan Chand
Aug 2022

Trial shipment – Update

- Virtual audit/trade under irradiation pathway



Stakeholder engagement

- Face to face & Virtual meetings
- Publication of operational Work Plan (MiCoR)



Department of Agriculture – Gyan Chand

Export pathways

- Irradiation – growers with/without systems approach
- Cold treatment - growers with system approach
- Vietnam recognises all states and territories except WA free of Med fly
- Fruits from WA – Systems Approach (Cold treatment 3 ° C or below for 20 consecutive days or Irradiation 150 Gray)/ Non Systems approach (Irradiation 200 Gray)
- Fruits from all other States/territories (excludes WA) – Systems approach (Cold treatment 3 ° C or below for 18 consecutive days or Irradiation 150 Gray)/ Non Systems approach (Irradiation 200 Gray)



Registration – 2022/23 season

- Registration process & department audit
- Approved list of entities to be submitted to PPD



Department of Agriculture – Gyan Chand

Packaging requirements

- Avoid using materials that are impervious to fumigants e.g. plastic liners and semipermeable bags which may prevent reconditioning on arrival
- Consignments are subject to rejection should POC be detected and reconditioning not feasible due to packaging
- Refer to section 3.1 of the WP



Ben Reilly

Fresh Produce Business Manager

Steritech

Ask a question

[slido.com](https://www.slido.com)

#Summerfruit



STERITECH

Protecting what matters

Exporting to Viet Nam via X-ray treatment

Austrade / SAL preseason export meeting

Exporting to Viet Nam via X-ray treatment – Ben Reilly

Irradiated exports to Viet Nam

2016 Table grapes

2016 Oranges and mandarins

2017 Cherries

2022 Summer fruit

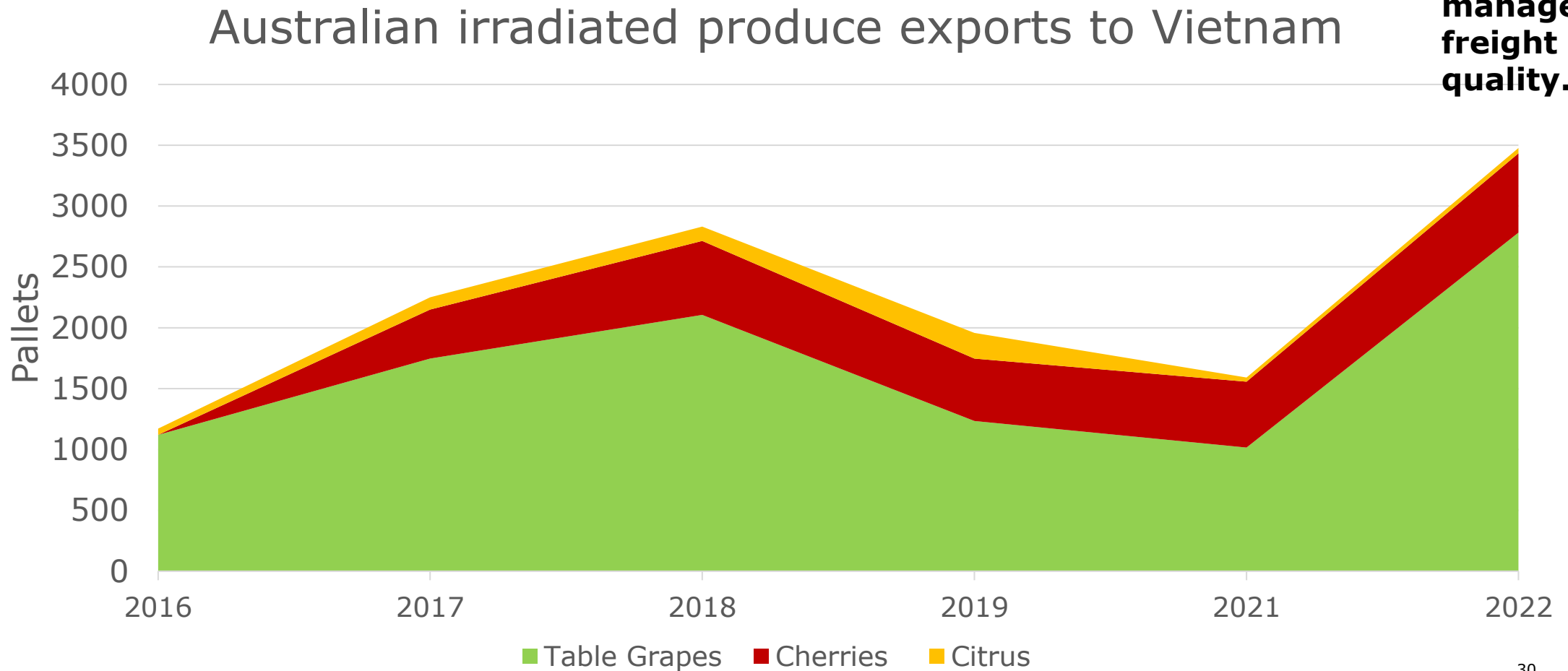
Why X-ray?

- Maintains the cold chain

- Australia's fastest route to market

Exporting to Viet Nam via X-ray treatment – Ben Reilly

Irradiated trade volumes to VN



Air freight used to manage sea freight delays, quality.

Exporting to Viet Nam via X-ray treatment – Ben Reilly

Australia's advantage: Air freight

Premium, freshest to market

React quickly, Tet promotions

Compliment sea-freight

Risk management

Exporting to Viet Nam via X-ray treatment – Ben Reilly

Myths and confusion

Treatment time

Truth- Treatment process takes <1hr, 6hr operational turnaround.

Transport to QLD took 3 days, before VIC facility opened.

Quality

Truth – treatment maintains the cold chain and delivers product faster and fresher.

Importers have confused CD sea freight with X-ray air freight in the past.

Exporting to Viet Nam via X-ray treatment – Ben Reilly

2022 Summer fruit trade and trials

200 pallets shipped to TAS and SA

Positive feedback from wholesale

AM 19002 trials

Final report via NSW DPI pending

Overall no discernable difference



Exporting to Viet Nam via X-ray treatment – Ben Reilly

Learning from others

Cherries - cold chain!!

Table grapes - air freight for quality & service advantage

Attention to detail -

Docs & labelling: DAFF / AO's usually happy to check

Product spec's: size, sugars etc.

Exporting to Viet Nam via X-ray treatment – Ben Reilly

Steritech operations

21 Titan Drive

Mickleham, 3064

Receiving 12am Mon to 12pm Fri (24/5)

Operations:

Team email mrforders@steritech.com.au

Ops manager swynntaylor@steritech.com.au

Deliver no later than 8am for same day turnaround

Summer Fruit approved pack styles for VN	
Carton weight	Cartons per layer
12kg	8
10kg	6
3kg	12
3.75kg	8
10kg	8

Contact MRF orders with packaging weight and dimensions to confirm.

Exporting to Viet Nam via X-ray treatment – Ben Reilly

Planning to export

- ✓ Labeling
- ✓ Pest proof packaging
- ✓ Inspection location
- ✓ Service provider relationships
 - who will liaise with Steritech?
 - Who will be invoiced?
- ✓ Road freight direct – receiving 24/5
 - consolidate with ICA-55?

Exporting to Viet Nam via X-ray treatment – Ben Reilly

ICA-55 - Domestic Biosecurity

East / West is extremely important to many exports

X-ray is an alternative to Fumo and ICA-21.

Costco WA, IGA Tas (IFP)

SA, WA, TAS wholesalers

Generic treatment for any fruit fly / any crop

No broken cold chain

Treats MAP bags & open trays

Zero recalls / failed treatments



STERITECH

Protecting what matters

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Q&A

Slido.com #Summerfruit

Gyan Chand – DAFF

Ben Reilly – Steritech

Trevor Ranford – Summerfruit Australia

Chris Morley – Austrade

Lan Anh – Austrade

Mai Bui - Austrade

What's next?

Reach out to your Tradestart or Global Engagement Manager

New to Austrade? Get in touch to see how we can help and ask specific questions about grants, programs and services

- 13 28 78

Try the *Guide to Exporting* tool to identify, understand and prioritise markets

- export.business.gov.au

Read more about the \$72m Agribusiness Expansion Initiative

- agriculture.gov.au
- austrade.gov.au

Keep informed about the latest agribusiness news

- austrade.gov.au/news/newsletters



Thank you!



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