



**Asia-Pacific Forestry Week 2019**

Forests for Peace and Well-being

17-21 June 2019 | Incheon, Republic of Korea

# NON TIMBER FOREST PRODUCTS SUSTAINABLE SUPPLY, MARKET TRENDS AND POLICY RESPONSE IN VIETNAM



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# INTRODUCTION ABOUT NTFPRC



Non Wood forest products  
Research Sub Institute

Non Timber Forest Products  
Research Centre

20/11/19  
78

27/09/19  
95

- Non Timber Forest Products Research Centre (NTFPRC) was founded in 1978 and renamed in 1995.
- The NTFPRC is now the specialized institution in charge of NTFP research and under the Vietnamese Academy of Forest Sciences (VAFS).
- The Centre is the "national hub" for R&D on NTFPs in Vietnam.
- Having lots of experience studying NTFP production and market trends.
- Having lots of good cooperation with national and international stakeholders to study NTFP production and market trends for a long time.



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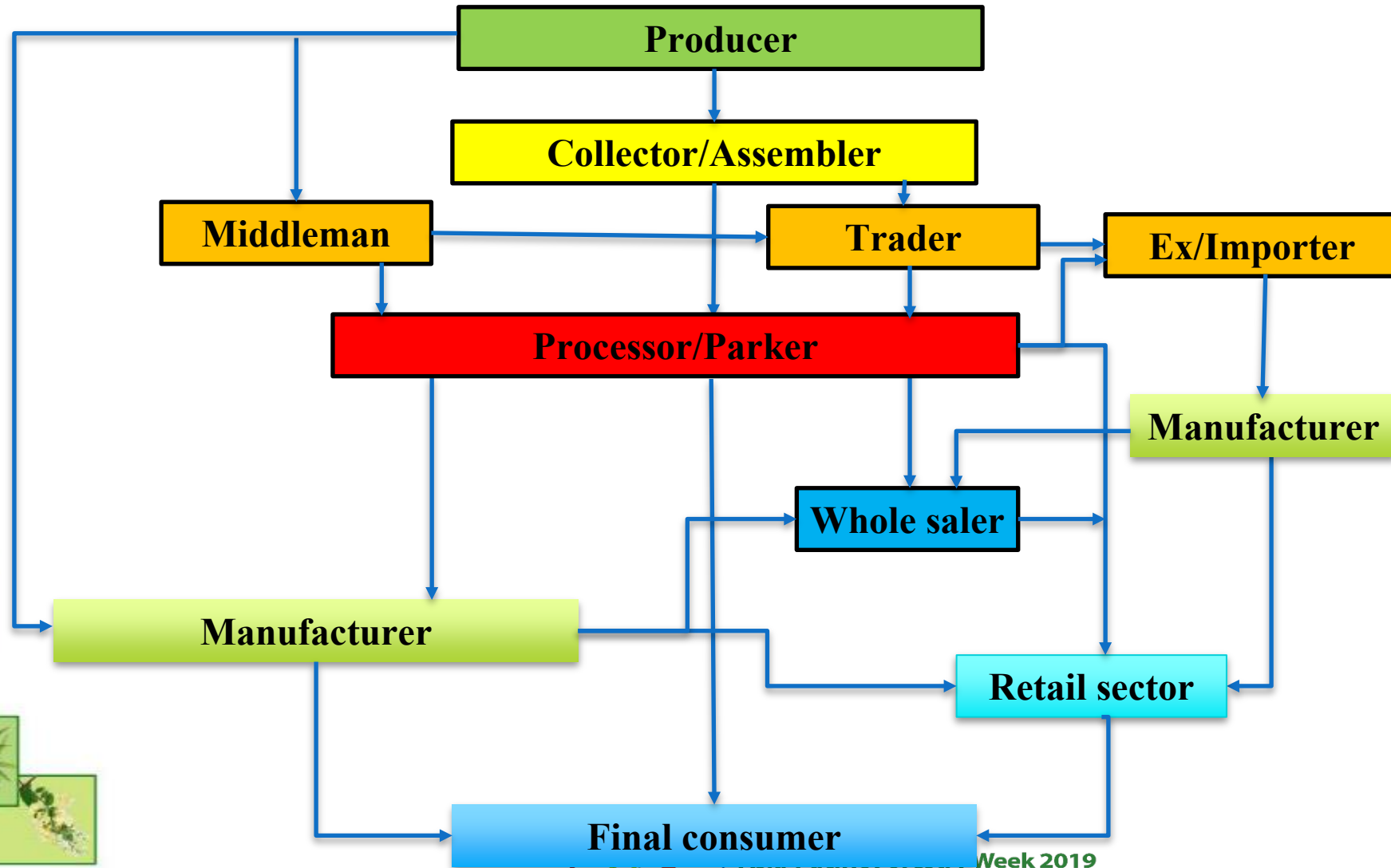


# ABOUT NTFP SUSTAINBLE SUPPLY, MARKET TRENDS, AND POLICY RESPONSE IN VIETNAM

1. Overview about major NTFP supply chain and international market trends.
2. Overview about Major NTFP supply chain and market trends in Vietnam.
3. Challenges on market and supply of NTFP: experiences from Vietnam
4. The potential of NTFPs and general interventions needed in future.



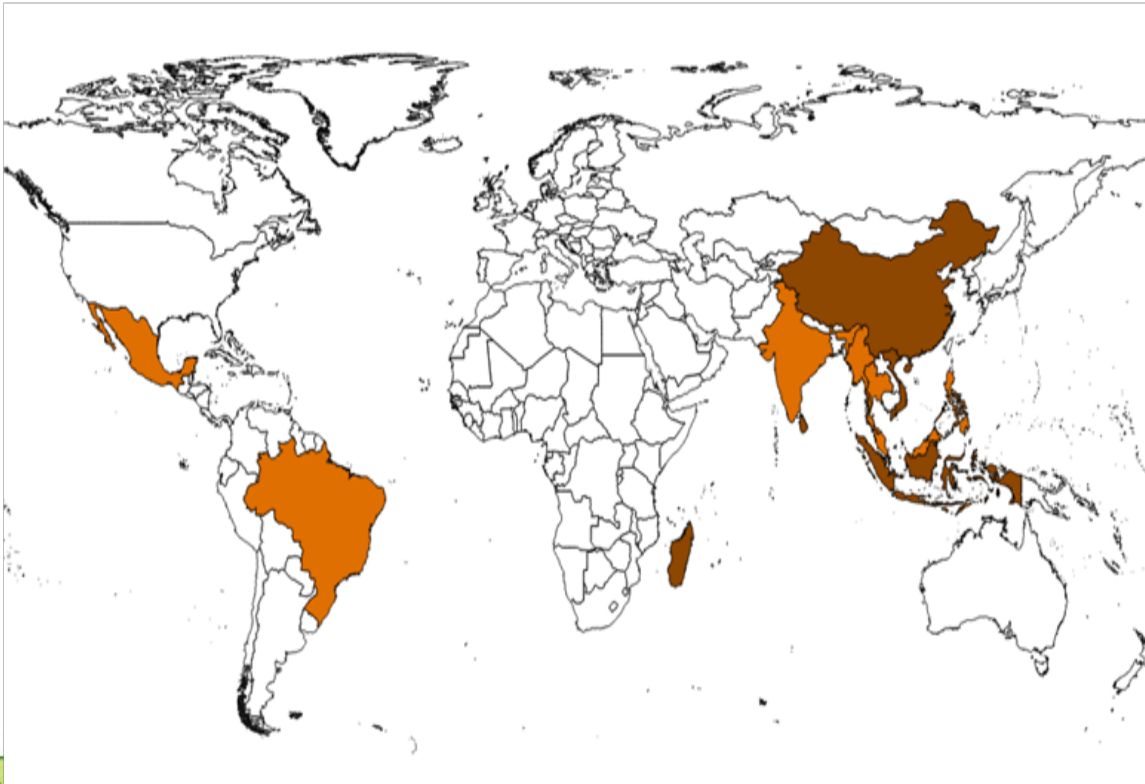
# MAJOR NTFP SUPPLY CHAIN



Nowadays, agents within the world NTFP supply chain have become multifunctional. A collector at a large scale can also be a processor and an exporter, while a processor can also be an importer.



# PRODUCTION OF MAIN NTFP



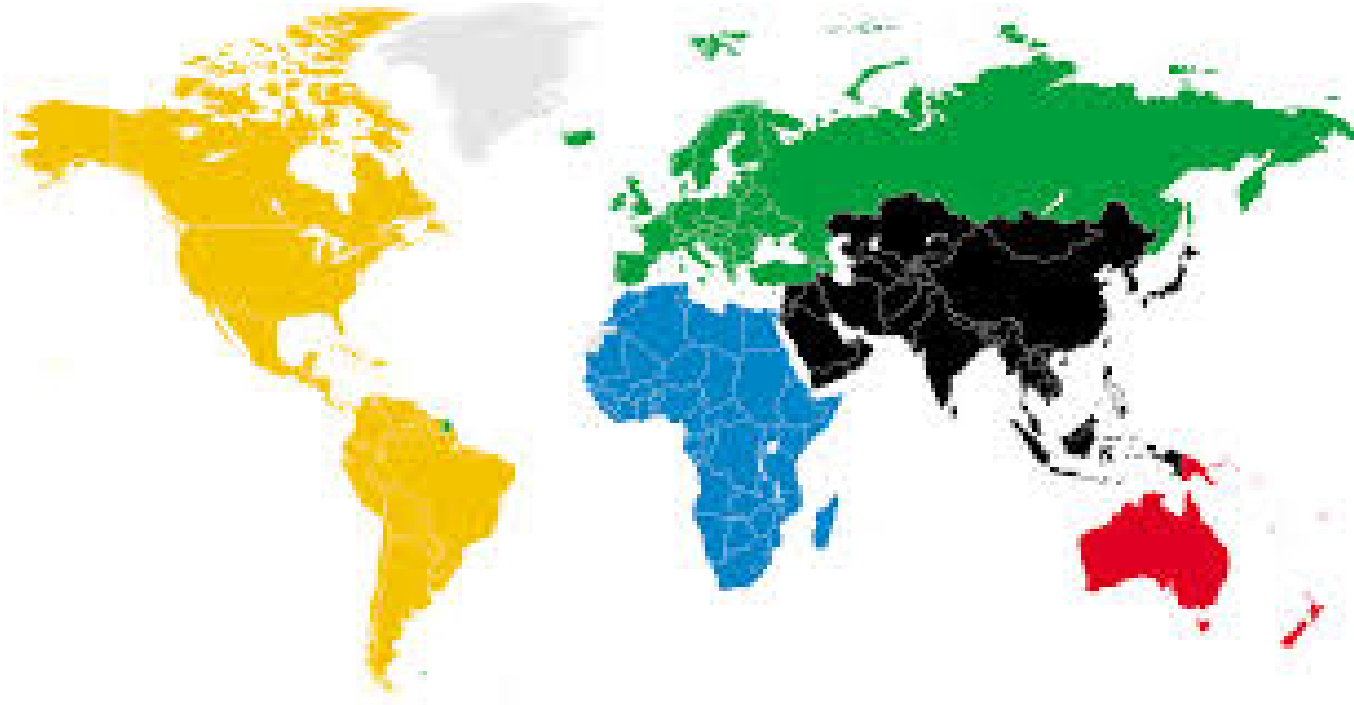
**Bamboo and Rattan:** China, Indonesia, Vietnam, Philippin,  
**Cinnamom:** Indonesia India, China, Sri Lanka and Vietnam;  
**Star Anise:** China, Vietnam  
**Cardamom:** Nepal, China and India  
**Ginseng:** Korea, China, USA, Canada,..  
**Natural Honey:** China, India, New Zealand,..

- Invest actively in technology and branding.
- Have own official grading system.
- Promote sustainable spice production



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# IMPORTATION OF MAIN NTFP



**Main Importers of NTFP: USA, EU, China, India, UAE, Mexico, Saudi Arabia, Korea, Japan, Brazil, Canada, Singapore,..**

**USA, EU import about 35-40% of the total import volume. In EU, Germany and the Netherlands are the largest importers and re-exporters. China is the largest producer and consumer of medicinal herb.**



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# INTERNATIONAL NTFP MARKETS TRENDS



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# NTFP RESOURCES IN VIETNAM



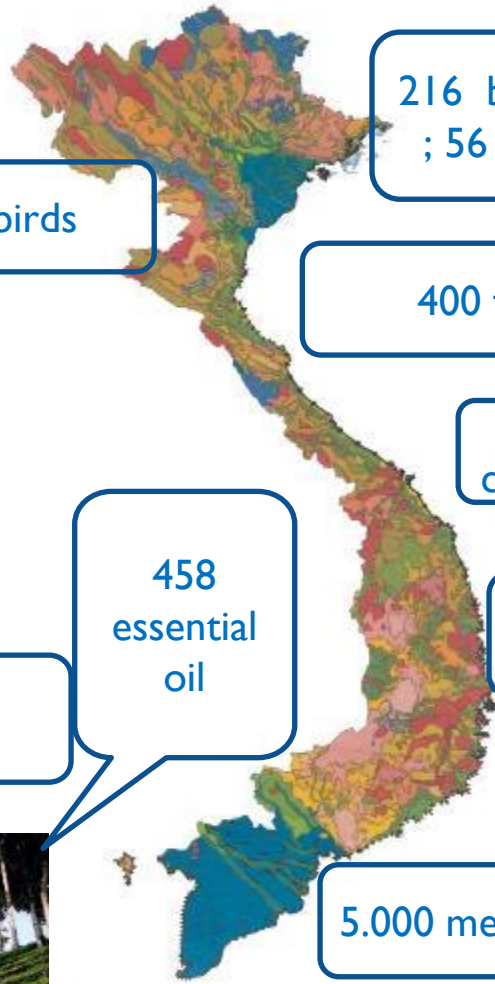
310 animals

840 birds

473 resin,  
oleoresin, fat oil

458  
essential  
oil

5.000 medicines



216 bamboo  
; 56 rattan

400 foods

113  
cosmetic oil

800 tannin

93 dyes



2019

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# MAIN NTFP GROUPS IN VIETNAM

1. Fibrous products: bamboo, rattan, ....
2. Food products: cinnamon, star anise, mushrooms, bee honey, tea;
3. Medicines and cosmetics: Cardamom, Ginseng (*Panax vietnamensis*, *Morinda officinalis*..);
4. Extractive products: pines, benzoin, essential oils (*Litsea cubeba*, agar wood); fat oils (*vernica*);
5. Animals and animals' products: shellac resin,...
6. Others: orchid, etc...



# VALUES OF NTFP IN VIETNAM

## USES VALUE

In cooking and food

Medicinal use

Tools, construction, ...

Other uses (energy, culture...)

## ECONOMIC AND SOCIAL VALUE

Contribute to national annual export (1,2 billion USD/year)

Supply input materials for various industries development

Improve local people's living standards

Protect the forest, environment and biodiversity conservation

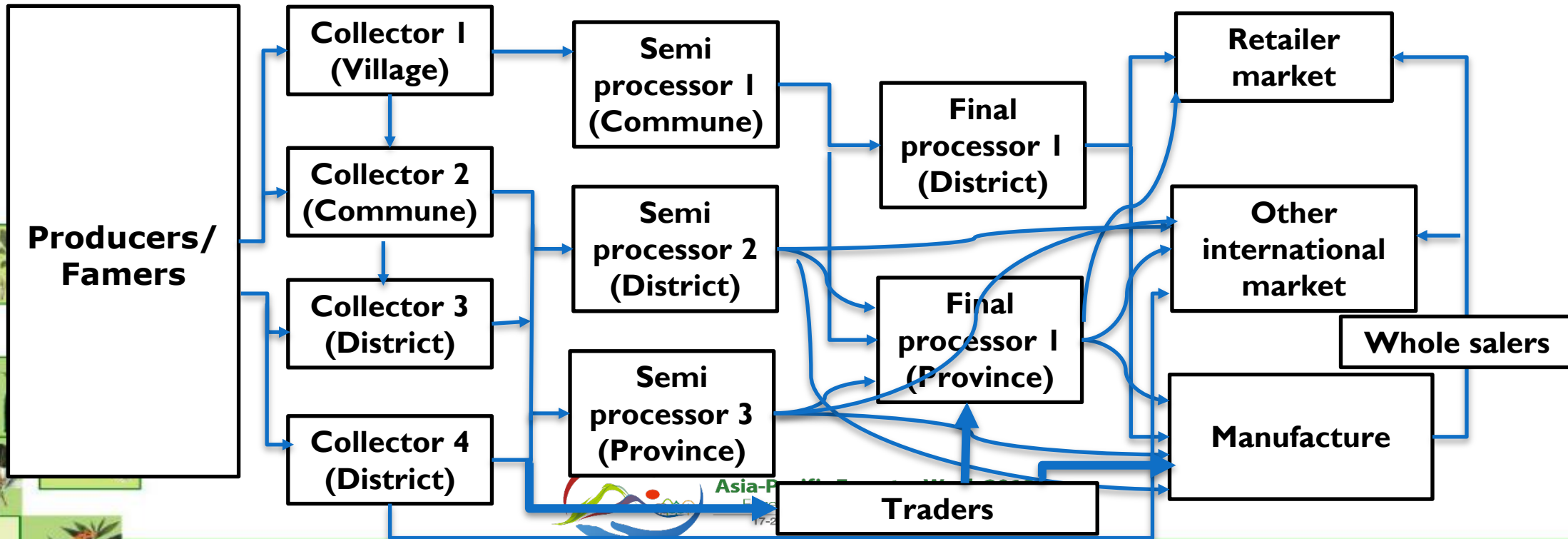


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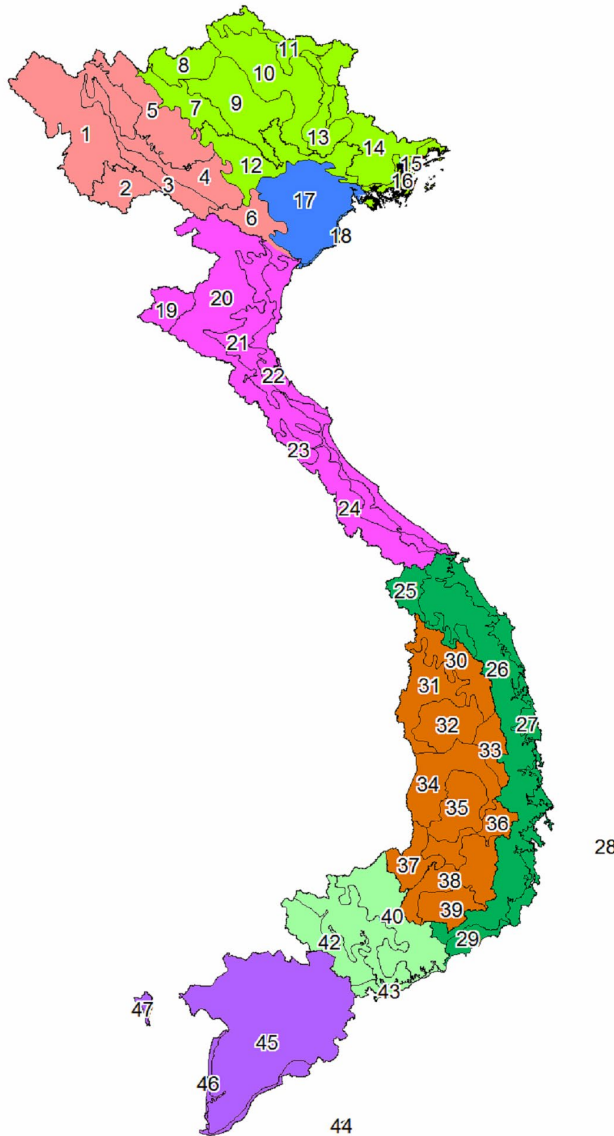
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# NTEFP SUPPLY CHAIN IN VIETNAM



# PRODUCTION OF MAIN NTFP IN VIETNAM



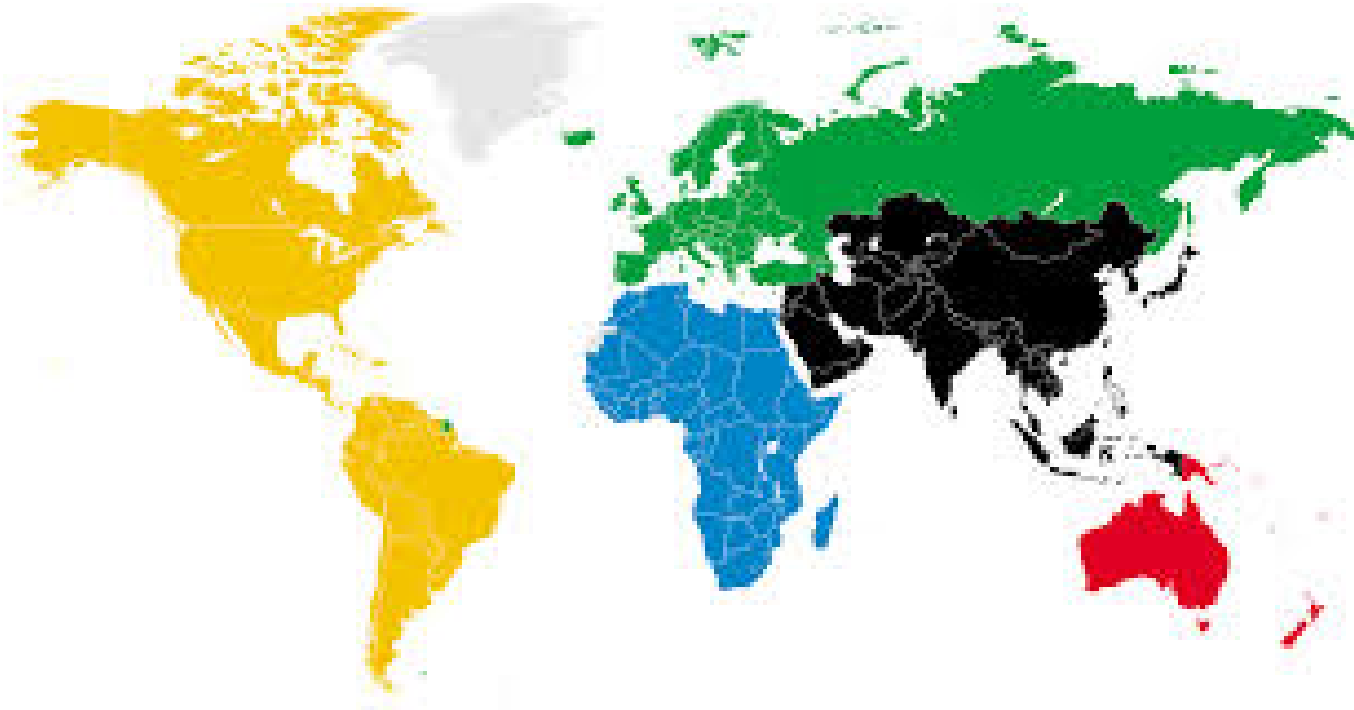
**Bamboo and Rattan:** North West, North of Central, South of Central and Central Highland  
**Cinnamom:** North East, North of Central, South of Central;  
**Star Anise:** North East  
**Cardamom:** Northern Part  
**Ginseng:** South of Central and Central Highland  
**Natural Honey:** Southern Part.

*Vietnamese NTFP production is not as organized, innovative and professional*



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# IMPORTERS OF NTFP FROM VIETNAM



**Main Importers of NTFP from Vietnam : China, India, USA, Taiwan, Korea, Thailand, Malaysia, Germany, France, Singapore, Netherlands, Indonesia, Japan, UK, Canada, UAE, Mexico, Saudi Arabia, Japan, UK, Brazil, Canada, Morocco,..**

- **China is also an important trade partner with Vietnam;**
- **China and Korea are also easy customers;**
- **India are the easiest clients. They do not care much about quality but they purchase the cheap and low;**
- **USA, EU is a big and potential market. However, they have strict product safety and quality control requirements.**



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# CHALLENGES ON MARKET AND SUPPLY OF NTFP: EXPERIENCES FROM VIETNAM

1. Policies on NTFPs are not comprehensive and organization for implementation work is slow .
2. Small scale production;
3. Scarcity in NTFP supplies, global demand increases;
4. International competition;
5. Limited awareness of quality. Demand on high and consistent quality. Producers do not have the knowledge and technology of importers;
6. Strict importing regulations;
7. Lack of compliance with international standards;
8. No branding, certification;
9. Weak market power;
10. Lack of international linkages;
11. Tariffs for processed products;
12. Market data constraints, lack of reliable data and future forecast;



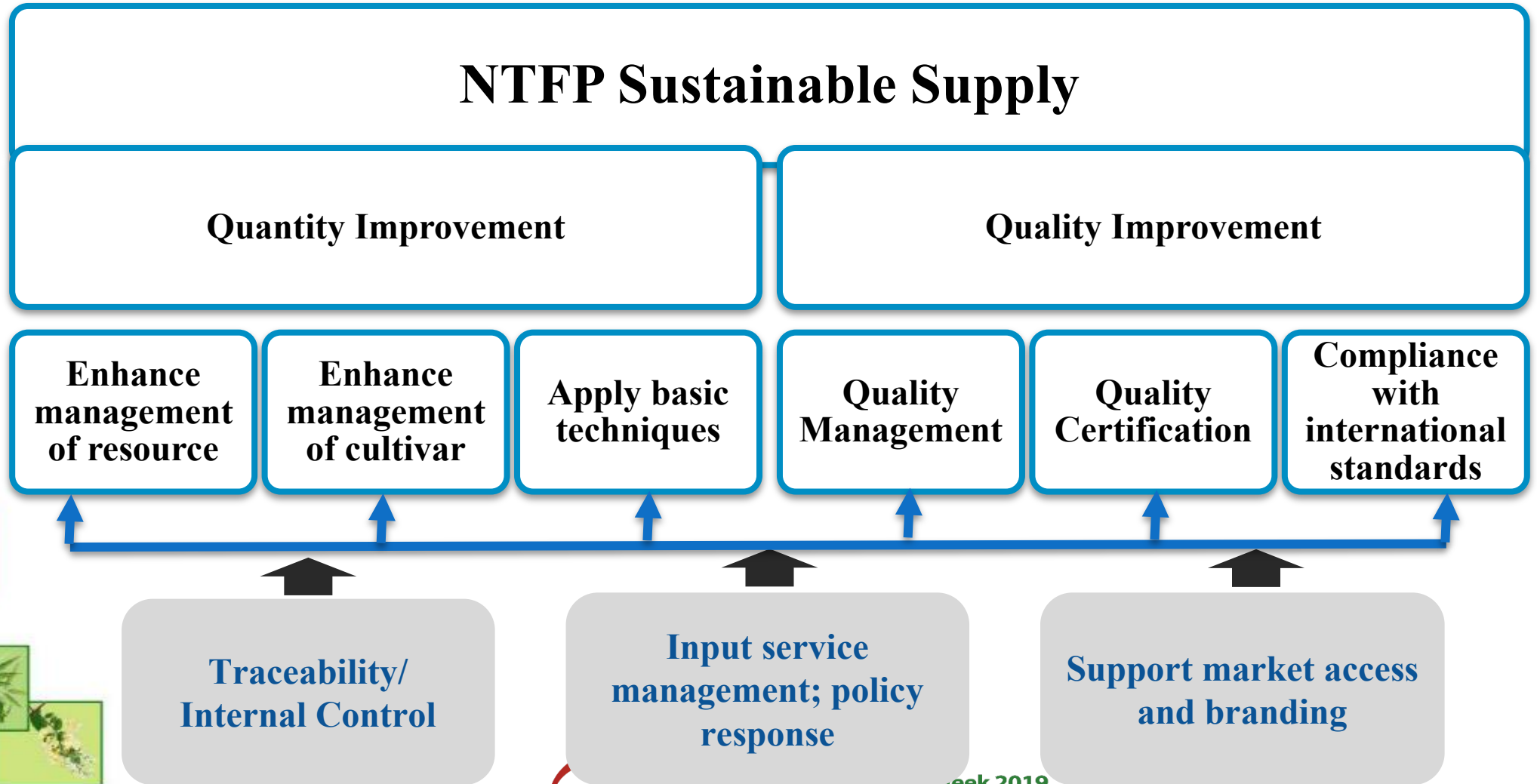
# THE POTENTIAL OF NTFP DEVELOPMENT IN FUTURE

1. Favorable cultivation conditions;
2. Low investment;
3. Scarcity in spice supplies in the world.
4. Internationalization of NTFP use.
5. Healthier lifestyle.
6. Natural use trend (organic).
7. Traceability.
8. Technology advance drives changes;
9. High price of substitute NTFP.
10. Value addition.

 Estimate: global NTFP demand increases with growth rate about 15-25% per year.



# GENERAL INTERVENTION NEED





# GENERAL INTERVENTIONS NEED FOR SHORT TERM

ISSUES	INTERVENTIONS
1. Quality/standard	<ul style="list-style-type: none"> <li>• Develop a general grading system.</li> </ul>
2. Develop sustainable quality management protocol	<ul style="list-style-type: none"> <li>• A protocol for sustainable quality management should be developed.</li> </ul>
3. Develop Standard Operating Procedures (SOPs) for all postharvest activities	<ul style="list-style-type: none"> <li>• Standard Operating Procedures should be developed to assure that the reduction in quality after harvest will be minimized.</li> </ul>
4. Channel development and trade dynamics	<ul style="list-style-type: none"> <li>• Direct sourcing of large EU, USA players can increase opportunities for direct cooperation.</li> </ul>
5. Communication	<ul style="list-style-type: none"> <li>• Take initiative and improve communication.</li> </ul>
6. Website	<ul style="list-style-type: none"> <li>• A website proposing well-defined products, competitive advantages and a client reference list all help to create a trustworthy environment</li> </ul>
7. Establishment of a reliable and up-to-date database	<ul style="list-style-type: none"> <li>• A web-based knowledge and source of essential real-time data including farm locations, crop production and yield information as well as crop price which provide farmers access to information about their farms, market information and would revolutionise NTFP production traceability</li> </ul>





Thank you!

