

Participatory Appraisal of Competitive Advantage (PACA®)



Stimulating Local Economic Development along the Pangasius Value Chain in Mekong Delta

Presentation Event
Long Xuyen
December 2004



Structure of this Presentation



- 1. Structure and Objectives of the PACA Exercise Along the Pangasius Value Chain in the Mekong Delta**
- 2. Diagnosis of the Pangasius Value Chain in the Mekong Delta**
- 3. Short- and Medium- and Long-term Proposals to Improve the Performance and Efficiency of the Pangasius Value Chain**

1. Structure and Objectives of the PACA Exercise Along the Pangasius Value Chain in the Mekong Delta

What is the sequence of activities in a PACA?



Fieldwork (2.12 – 8.12.)

PACA-Exercise (1.12 – 10.12.)

PACA-Project



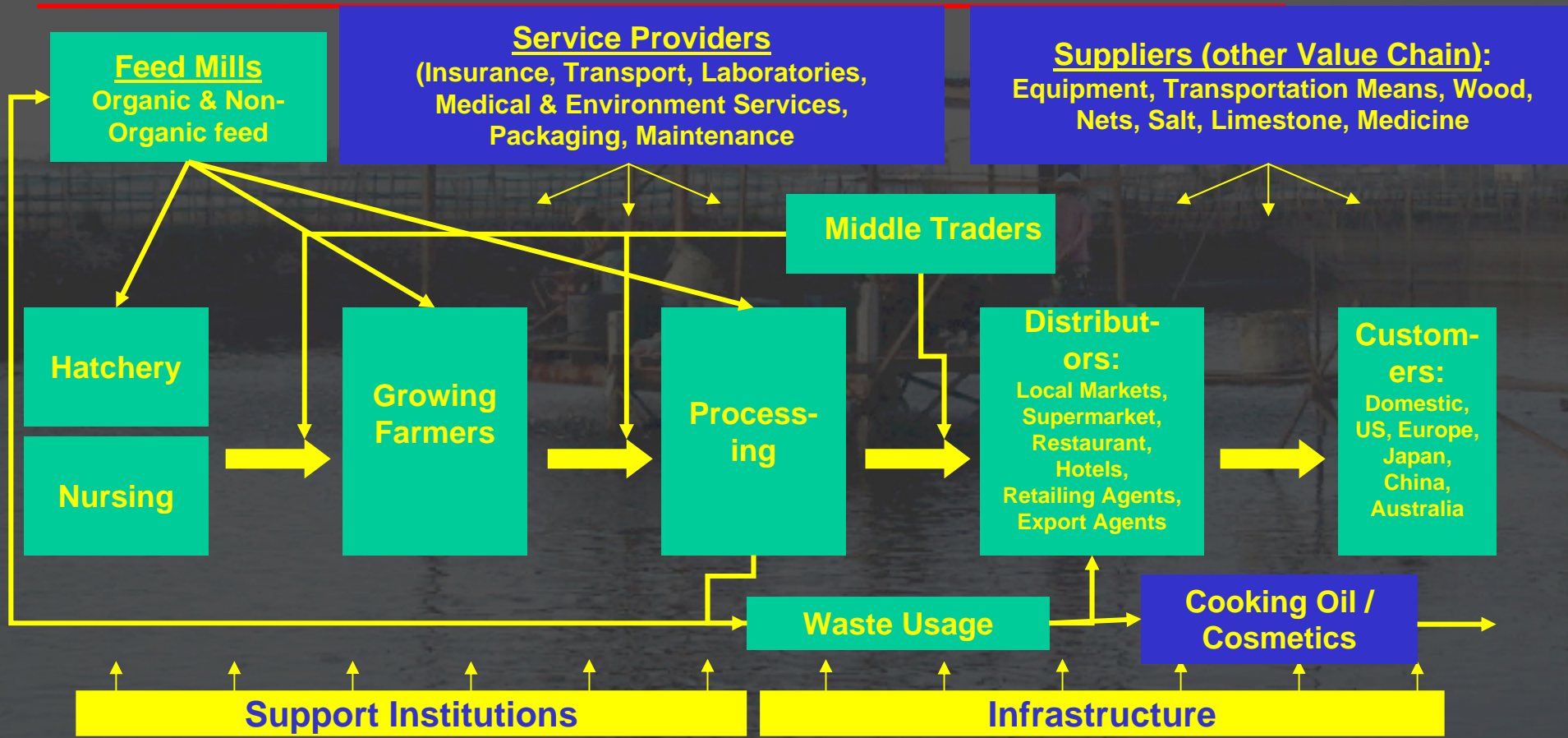
What is the immediate result of this PACA?



- A diagnostic of the fish value chain
- A set of proposals for practical activities
 - to strengthen the cooperation along the fish value chain
 - to stimulate the competitiveness of companies
 - to create new business opportunities
- Numerous local stakeholders who have a clearer idea about value chain promotion and Local Economic Development

2. Diagnosis of the Pangasius Value Chain in the Mekong Delta

Map of the Pangasius Value Chain in the Mekong Delta



Support Institutions: AFA, VASEP, Universities An Giang and Can Tho, Center of Techn. Application and Transfer, Banks, Center of Extension No. 9, Development Assistance Fund, Farmer's Association, NAVICOVET, TPCs, VCCI

Infrastructure: Roads, Bridges, Ferries, Public Utilities, Land, Water Area, Communication, Wells



Fish farming



Limitation

- Master plan is not followed strictly
- Demand for fish determined by processing factories, exporting companies
- Lack of long term business plan
- High threat of pollution
- Not fully meeting international standards about fish farming
- Lacking working capital
- Not industrial feed is unstable in term of price and quality
- Not active in disease prevention

Fish farming



Opportunity:

- Good market
- Experienced farmers
- Easy access to bank loan
- Having technical support about organic fish farming from foreign organisation
- High profit

Processing companies



Limitation

- Underdeveloped product distribution
- Weak market access
- Weak cooperation between processors & farmers
- Little diversification of product
- Lack of modern management
- Lack of long and big consuming contracts
- Lack of capital for stock keeping

Processor



Opportunity:

- Market demand is increasing
- Abundant material source
- Strong support from the government and profession institution
- Pangasius is a good substitute for other products
- Meeting demand of international customers

Feed producers and providers



Limitation

- Raw material mostly imported
- Delay payment effect feed producers and providers business
- Usage of home-made feed is still prevalent

Feed producers and providers



Potentials & Opportunities:

- Strong market demand
- Diversified product full fills market need
- Bargaining power with customers is strong due to limited number of feed producers
- Buyers are easy with product (not picky about quality)
- Good conditions to develop distribution network

Supporting institution



Limitation:

- Little researching on need of “clients”
- Supporting institutions are not diversified and not suitable with the need of the sector
- Foreign language skill and profession skill is still limited
- Limitations to provide quick service
- Limited infrastructure
- Lack of ability in approaching donors
- Cooperation between supporting institutions is still weak



Supporting institution



Potentials & Opportunities:

- Sectors of the value chain cooperate with institutions
- Agriculture extension centre cooperate well with farmers
- Supporting activities getting more diversified
- Big demand for supporting activities from all sectors in the value chain

Cross cutting issues in the fish value chain



Limitation:

- Trade mark for Pangasius is not developed
- Lack of cooperation between provinces
- No habit in using consultancy service
- Most activities in the value chain are not oriented toward the final customer
- No code for traceability
- Little concern on environment protection
- Lack of close cooperation between modules of the value chain (nursery/hatchery-fish farming-processing-consuming/distribution, etc.)
- Efficiency of supporting institutions can be improved
- Information is not up to date and spread on time

Cross cutting issues in the fish value chain



Potentials and Opportunities

- Experienced in Pangasius fish farming, fish processing and feed producing
- Strong support from ministries, other supporting institution, different level of local government
- Logistic management is good despite limited infrastructure

3. Short term, mid term and long term proposals to improve the Pangasius value chain

Fish farming



Short term proposals:

1. Information workshop for farmers about traceability
 - Proposed organisation: AFA
 - Possible budget: AFA
2. Business management training for farmers
 - Proposed organisation: Agriculture Extension Centre (Department of Agriculture & Rural Development)
 - Possible fund: Agriculture Extension Fund/ contribution from farmers

Fish farming



Mid term proposal:

Developing quality standard in Fish farming

- Proposed organisation: Agriculture Extension Centre/ Department of Fishery Control
- Possible budget: From the government

Processing



Short term proposals:

Marketing-strategy development training for processing companies

- Proposed project champion:
 - Consultant companies
 - Foreign buyers
- Possible budget: Contribution from participating companies

Processor



Long term proposal:

1. Customer need appraisal

- Proposed organisation: VASEP/AFA
- Possible budget: Contribution from associations

2. Business management training for companies

- Proposed organisation: VASEP; VCCI Can Tho, consultant companies, training centres
- Possible budget: Contribution from participating companies (50%) + VASEP (50%)

Processor



Long term proposal:

3. Workshop to Improve information exchange between farmers and processor
 - Proposed organisation: Ministry of Aquaculture (host), VASEP, AFA
 - Possible budget: Contribution of association, companies

Feed producing & providing



Mid term proposal:

Improve quality control of feed

- Proposed organisation: Inspection department (the department of agriculture and Rural development)
- Possible budget: Government

Introduction of codes for traceability

Proposed organisation: Ministry of Fisheries, Ministry of Trade

- Possible budget: Government



Supporting institution



Short term proposal:

1. Training farmers about quality standards
 - PO: Department of Agriculture & Rural Development, AFA
 - PF: Government
2. Workshops for farmers and processor about environment
 - PO: Department of Science, Technology and Environment with Department of Agriculture & Rural Development and AFA
 - PF: Government

Supporting institution



Mid term proposal:

1. Technical support for AFA to build development strategy for consultant service
 - PO: Donors (Addivoca, GTZ)
 - PF: Donors
2. Joint need survey for customers' need of supporting institution
 - PO: AFA, VCCI, Department of Agriculture and Rural Development
 - PF: Government budget

Supporting institution



Long term proposal:

1. Improving technical and management ability for AFA
 - PO: AFA
 - PF: AFA, donors
2. Researching of water pollution and how it effects the quality Pangasius
 - PO: Department of Science, Technology & Environment (host) with department of Fishery control, Department of Agriculture & RD
 - PF: Government

Cross cutting issues



Short term proposals:

1. Newsletter about fish value chain (market, international standards...)
 - Champion Organisation: Department of Agriculture & Rural Development, AFA, VCCI,
2. Frequent round table discussion (every 3-6 month) for different sectors in the value chain
 - CO : AFA with Department of Agriculture & RP
3. PACA presentation at the Pangasius seminar in AN Giang 14.12.04
 - CO: VCCI Can Tho



Cross cutting issues



Mid term proposals:

1. Build brand name for Pangasius from Vietnam
 - CO: Ministry of Fisher + VASEP
 - PF: Government fund/ contribution
2. Develop distribution network abroad
 - CO: Ministry of Trade, Ministry of Fishery, VASEP
 - PF: Trade Promotion Fund, Companies

Champion organisations in PACA implementation



- An Giang Department of Planning & Investment
- An Giang Department of Agriculture & Rural Development
- Can Tho VCCI
- GTZ

Contact

Thomas Ganslmayr

VCCI Can Tho

0908 565355

tga@hcm.vnn.vn

