2nd International Conference of Development and Economy (ICODECON)
9-12 June 2016
Thessaloniki, Greece.

Conference site: www.icodecon.com
info: info@icodecon.com

Under the auspices of:

HELLENIC REPUBLIC
MINISTRY OF ECONOMY,
DEVELOPMENT & TOURISM

HELLENIC REPUBLIC
MINISTRY OF EDUCATION, RESEARCH
AND RELIGIOUS AFFAIRS
Book of abstracts of International Conference

2nd International Conference of Development and Economy (ICODECON)

9-12 June 2016, Thessaloniki, Greece

Editors: D. Petropoulos & G. Kyriazopoulos

May 2016.

Technological Educational Institute (TEI) of Peloponnese,

Antikalamos, 24100, Kalamata, Greece

www.teikal.gr

info: info@icodecon.com

ISBN 978-618-82146-2-0
Contract farming application in the Vietnamese shrimp value chain

T. M. H. Ho$^1$ and Ph. Burny$^{2,3}$

$^1$Institute of Agricultural Sciences for Southern Vietnam, 121 Nguyen Binh Khiem St., District 1, Ho Chi Minh City, Vietnam. Email: hop.htm@iasvn.org

$^2$Walloon Center for Agricultural Research, Rue du Bordia 04, 5030 Gembloux, Belgium

$^3$GemblouxAgro-Bio Tech (University of Liège), Passage des Déportés 02, 5030 Gembloux, Belgium Email: burny@cra.wallonie.be

Shrimp value chain in Vietnam functions with a large number of farmers. They stayed in the weakest position in the chain due to their small individual scale with an average land of about 0.5 ha/farm, and low skills [1]. As a leader and holding the strongest power in the shrimp value chain, the processors determine shrimp prices and set up requirements of shrimp quality and size in the market though quality control has not been completely implemented due to the limitations of financial capital, knowledge, awareness, as well as the quality of raw material supplied by collectors and farmers. In order to help the shrimp sector working more efficiently, the Vietnamese government brought together shrimp farmers and plant processors through a farming contract. Two years after this application, the contract farming model failed due to the floor price mechanism, risk sharing, small scale of the model while there are excess suppliers in the market, administrative misconception and inefficient public management. As a result, farmers still stay at the weakest position and the shrimp sector could not improve its product safety to adapt the requirement of import markets.

The study results recommend necessarily a planning and projection of shrimp production zones, re-organizing shrimp farmers into legal teams or groups or cooperatives to increase the size of the existing shrimp cultivation units in Vietnam.

KEYWORDS: contract farming, value chain, shrimp, Vietnam.

JEL CLASSIFICATION CODES: Q19.

References