



BỘ CÔNG THƯƠNG - MINISTRY OF INDUSTRY AND TRADE  
**CỤC XÚC TIẾN THƯƠNG MẠI**  
VIETNAM TRADE PROMOTION AGENCY



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## CONSULTANCY REPORT

### Follow up training courses of 2019 and in Son La, Can Tho and networking workshop in Dak Lak 2020



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# 1. A record of participants' questions and a summary of the speaker responses

## 1.1. Questions and answers about traceability

### **Question 1: What is traceability?**

**Answer:** Traceability is the ability to track, identify a unit of product through each stage of the production, processing and distribution process.

### **Question 2: Traceability other how to retrieve information?**

**Answer:** Information retrieval is the activity of collecting and displaying related information based on available data or from updating data on the server.

Traceability is one of the most effective measures to control goods today. This is a method to help consumers tracing and checking the complete and exact origin of the products they buy. The traceability information includes: producer, production technical process, production location, shipping process, distribution, product name and information, ... through data storage of all entities participating in the chain. Since then, traceability also helps discover dirty food, fake goods, poor quality goods to better protect the corporate brand.

The method is widely applied and mostly in developed countries. Currently in Vietnam this method is also being widely applied.

### **Question 3: Can the counterfeit goods be detected through the traceability stamp?**

**Answer:** Through the traceability stamp with anti-counterfeiting feature, consumers can completely verify product and goods information. Therefore, enterprises can also overcome and prevent counterfeiting on the market.

### **Question 4: How to control raw materials when purchasing products from farmers?**

**Answer:**

- It is necessary to define / clearly locate the material area (area, yield, productivity)
- There are tools and processes for remote control for each household. This is also the capacity record, the property of the farmer.
- Control chain from input supplying to final consumption
- Test samples before harvest and after processing

**Question 5: Just the day before, testing the product and meeting the requirements. The next day, the neighbor's house sprayed the drug to our house, leading to the unsatisfactory product. Please ask the expert how to handle?**

**Answer:**

- Choose households with adjacent production areas to join cooperatives or businesses
- Making a vegetative belt or plastic separating fields (if the same standards are not applied)

**Question 6: Farmers often have their own mind to deal with. Does traceability eco-system control farmers?**

**Answer:**

Traceability eco-system help farmers and producers use mobile web. Itrace has a division that censors information before uploading to the system.

- For people who are not literate it is possible to convert voice into text
- Granting access to the system if the farmer cannot enter it himself, the enterprise / technical staff will assist
- Itrace system has error reporting tools
- There are specialized personnel

**Question 7: I am the manager of a cooperative. Is the allocation of planting area code common to the cooperative or for each household?**

**Answer:**

- Apply for a common code for the whole cooperative
- Private code for each household
- If exporting to China, the planting area code and the packaging processing factory code are necessary and related.

**Question 8: In 2018, the enterprise was granted VietGap certificate. In 2019, the Department of Agriculture and Rural Development took a sample and discovered excessive lead content. Please ask an expert how to find the cause?**

**Answer:**

All production and harvesting operations with chemical hazards should be reviewed and considered, including:

- Selection and preparation of production sites: Soils, fertilizers, supplements, water sources
- Sowing: Seeds (seeds, seedlings), planting tools
- Watering: Irrigation water, irrigation tools
- Fertilizing: Fertilizer, water (foliar fertilization and solution line), fertilizer tools
- Pest management: Pesticides, water, spraying tools
- Other farming activities: Tools, materials
- Animal Management: Chemical
- Harvest: Harvesting tools, containers, harvesters

An independent monitoring unit is required during the production process to monitor and assist the producers in complying with the process and ensure the elimination of chemical, biological and physical hazards to the product.

**Question 9: Benefits of applying bar codes with businesses**

**Answer:**

With the strict management of the barcode system, enterprises can reduce data entry, minimize confusion in calculation and data entry and can minimize staffing as well as time for the management and inventory of the quantity of sold goods and the amount of inventory. Since then increase business profits multiplied. The competition in the market has also increased because it will quickly respond to the customers' time needs, proactively source capital thanks to low inventory rates.

When applying barcode codes, you will reduce 90% of the damage caused by inventory for too long and discounted goods. It's helpful decide to import / produce new goods, quickly respond to customer orders. 100% discount on wrong import and export thanks to barcode accuracy. 50% reduction in operation time and data entry at the warehouse, understanding the amount of inventory to have a suitable business strategy.

In addition, when registering for a bar code number, an enterprise can easily integrate into the international market. Build trust and prestige with consumers because products and goods will have transparent information every time the customer scans the code.

**Question 10: The exporting enterprise interfered with Dong Thap, the customs required the area code to be planted while the company was only given a packing code. Please ask an expert about how to handle it**

**Answer:** To be granted a planting area code, you need:

- VietGap / Global Gap Certified
- There is production area and output estimates
- There is purchase contract

Therefore, businesses should find sellers who have certificates according to standards required by the importing market and then combine them to apply for planting area codes.

**Question 11: Is food origin synonymous with food quality and safety?**

**Answer:** In the current Vietnamese context, these two concepts are not identical, but if an enterprise uses GS1-compliant traceability stamps, traceability by consumers will help the business:

- To accurately and completely recall and remove products that do not guarantee quality and food safety from the supply chain.
- Identify deviations in the production and processing process in order to promptly change them to meet the needs of customers.

**Question 12: As an agricultural export trading company, may I ask for the code of the growing area? What conditions to be granted the planting area code, which agency handles the application? Thank you!**

**Answer:**

**Step 1:** Organizations, businesses and individuals that want to issue codes of growing areas must submit an application for code numbering (in the form) to the Plant Protection Department.

**Step 2:** The Plant Protection Department reviews the documents submitted by the organization/ individual. If the required documents have been met; The Department of Plant Protection will inspect and survey fruit growing areas to apply for codes. In necessary cases at the request of the importing country; staff of the Plant Protection Department of the importing country can accompany them for the same assessment.

**Step 3:** After checking and surveying, if the planting area meets all technical criteria, the Plant Protection Department will issue a code of the growing area (Production Unit Code - P.U.C). In the case the planting area does not meet all the standards; The Plant Protection Department will direct remedial measures. The applicant can apply after completing the missing requirements.

**Step 4:** The Plant Protection Department will notify the result and the planting area number to the registered organization / individual and send that number to the National Plant Protection Agency of the importing country. Particularly for the US market, the Plant Protection Department of this country will

re-issue the IRADS (Irradiation Reporting and Accountability Database) code based on the P.U.C code of the Plant Protection Department. In case of exporting to the US, the cargo box must contain all information on the two above codes.

**ATTENTION:**

- In the case of on the same area but there are 3 different types of plants, 3 codes will be planted.
- In case the subject of application is a cooperative or company, the representative of the cooperative or the company is the focal point of consumption for how a member must have an agreement on consumption commitment in the chain.
- The codes have been granted depending on the product. It can be 2 years since the Plant Protection Department will re-evaluate it once upon request from the export market regulation.
- In principle, to be granted, the area must be adjacent and at least 1 code is 6ha, but flexible service providers are still able to support.

**1.2. Questions and answer about trade promotion**

**1. If businesses have litigation problems when participating in international trade. Could you advice where can I find help and how to help us?**

**Answer:**

Settlement of disputes in international trade is often agreed in foreign trade contracts, including the selection of agencies or organizations to mediate or arbitrate. In Vietnam, it is usually the International Arbitration Center under VCCI.

**2. When participating in international trade, businesses can risk meeting virtual companies. I we joint Itrace system, can the system help us to verify foreign transactions?**

**Answer:**

The system can support you can contact the Vietnam Trade Office in the partner country to request assistance in verifying the foreign legal entity. A list of Vietnamese Foreign Trade Affairs can be found on the homepage of the Ministry of Industry and Trade ([www.moit.gov.vn](http://www.moit.gov.vn)).

**1.3. Questions and answers about packaging design and branding**

**Question 1. What is the most important thing about brand design? What should be paid attention to when conveying a message to the designer?**

**Answer:**

That is the business philosophy of the head of the business and the essence of the product. There are many companies and products in the world that are similar to the brand and product of your business. So it is important to show values of the company and products of your business.

You must understand and explain in detail the above two values to the designer. That way, the design company can visualize the value of your brand and product as closely as possible to create the best tailored product.

**Question 2. What is the difference between brand logo and symbol?**

**Answer:**

A logo is an image that combines the brand name and the symbol. An symbol is an element of the logo. It is a symbol that represents the values or philosophy of a company or product. For example, the logo of the Starbucks Coffee Company depicts a girl with bold green strokes. The girl's image is symbolic. And accordingly, the brand name 'STARBUCKS COFFEE' is combined to form the logo. Now you just need to look at the symbol to know it is the brand STARBUCKS Coffee.

In the case of companies that want to brand their exports, we know that each country uses a different language, so creating a good icon and using it strategically is a good idea.

### **Question 3. What are the design items needed to build a brand?**

#### **Answer:**

Essential design items include: Brand name and logo, slogan, label packaging and other application designs (such as business cards, shopping bags, promotional product designs attached ...) And Character Design.

Foreign companies, including South Korea, are tending to use slogans and characters (mascots) to differentiate their brands and packaging designs.

A prime example of the Nike shoe label "Just do it". The 'NIKE' values aligned with the values of the sports fashion brand 'NIKE' has contributed to 'NIKE' sales growth with a good product experience.

Character helps conveying the values of the brand and products in a natural and consumer-friendly way. Character designs can also be used for label packaging. Enterprises can use character images to make stickers on social networks SNS (Zalo), advertising mascots, masks as a means of communicating to customers.

### **Question 4: What is the role of packaging for brands and products?**

#### **Answer:**

Packaging is considered as a design component / factor forming the brand, packaging plays the role of conveying the value and product information of the business to consumers. In addition, the packaging also protects the product for convenient distribution and the product is safely delivered to consumers.

### **Question 5. What is the value of packaging and label to consumers?**

#### **Answer:**

Packaging, labels are the means where the products of businesses and consumers come into contact with each other. Consumers enjoy visual and tactile aesthetic satisfaction through the design and goodness of the packaging.

In addition, for agricultural and food products, consumers will be more confident if your mark has international certifications of organic, eco-friendly, geographic and country of origin. land. This is especially important for export agricultural and aquatic products.

### **Question 6. What should enterprises keep in mind in packaging design and export brand?**

**Answer:**

That is a trademark has been legally registered. Brand name and logo must be registered through the National Office of Intellectual Property of Vietnam in order to avoid legal troubles in Vietnam and the exporting countries.

As for packaging, there are no special regulations for each country, but each country has its own meaningful colors, symbolic animals. Therefore, it is important to discuss and communicate accurately with the design company during concept development.

**Question 7: What are the recent packaging design trends?**

**Answer:**

There are 10 notable recent trends listed in the following table:

Explanation	Illustrating images	
<p>1. Packaging design in a simplistic sense</p>		
<p>2. Sustainable packaging design: using recycled materials - protecting the environment</p>		
<p>3. Use neutral tones, pastel colors, and patterns</p>		

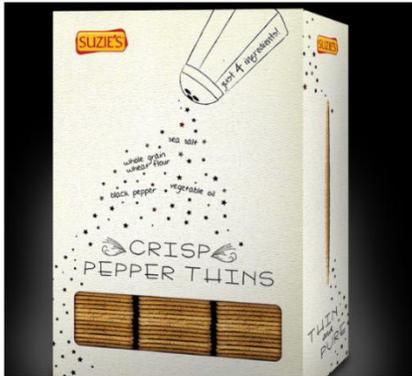
4. The packaging graphics look fun & different: Character design



5. Black & white colors



6. Transparent packaging, customers can see the product inside



7. Environmentally friendly packaging design



<p>8. Classic design: using ancient images, creating a feeling of closeness, familiarity with users</p>	
<p>9. Use gradients (gradients, changes in density, color contrast) in packaging design</p>	
<p>10. Craft packaging design: carefully packed with a private label</p>	

**Question 8. How is the process of designing a brand and packaging for agricultural products?**

**Answer:**

First of all, it is necessary to investigate and analyze the history, culture as well as geographical features of the same agricultural product. Based on the information we learn, come up with design ideas and directions, then the branding process.

The next step is to define the logo shape and choose the font design color that matches the design concept given earlier.

Brand names and logos need to be registered with the NOIP.

Then, design packaging and labeling products. Depending on the needs of each business, you can design business cards, exhibition booths, stickers for delivery vehicles ...

**Question 9. Do I need to regularly renew the logo and packaging?**

**Answer:**

Usually, the world famous brands we know, they re-brand after 3-5 years. There isn't a set amount of time, but it's a good idea to refresh the product according to the actual needs of the company.

In modern society, the demand for small packaging and product diversification is the main trend. Social issues such as climate change, changing economic markets, changing family members, and prolonging life expectancy also affect culture and consumer behavior. Therefore, if businesses pay attention to changing the volume and volume of packaging, it will have a positive impact on sales.

**Question 10. What is the cost of branding and packaging design?**

**Answer:**

The branding costs of professional design firms are very expensive. In Korea, the minimum price is 30,000 USD. Furthermore, there aren't many companies that specialize in branding. This is because brand design requires skilled personnel who specialize in different fields such as marketing and design.

In addition, packaging is also an element of the brand, so it is necessary to design to create a feeling of unity, cohesion and compliance with the brand identity. Most SMEs adopt freelance designs to design products. But packaging has an impact on sales, so businesses also need to be careful in the design selection process. The lowest cost of designing a package in Korea is \$ 1,500

However, the MASS C&G company offers a very special price only for Vietnamese small and medium enterprises. Design package includes: brand name, logo and slogan range from 2,000 USD to 5,000 USD, depending on the annual revenue of the company. And 500 USD per packaging design.

\* Note: Brand design is diverse: Brand design is not just for products and services. Cities, events, festivals, and even national policies all need brands. MASS C&G started brand design services 30 years ago, when Korea started brand and character design services. Our company has designed brands in cities of Korea such as Incheon, Ulsan, Boryeong and Chuncheon. In 2018, we design characters (mascots) for the Winter Olympics to be held in Korea.

## **2. A record of proposed activities from SME and TPO/TPIs for further support from INTEC**

### **2.1. Proposed activities from SME and TPO/TPIs in the workshop 2020**

- Discussing with China to increase customs clearance time at the border to avoid stagnation to increase the rate of damaged fruit.
- There are activities to help businesses apply a traceability system in production and business practices.
- The instructions are more specific and help Businesses understand and take advantage of preferential tariffs on the Chinese side and other international markets.
- Promote negotiation with China to help businesses reduce time for customs clearance at the border.
- Need support in negotiation with China to help businesses reduce time for customs procedures at the border.
- Support businesses in insurance for agriculture, insurance for growing areas
- Promote linkage in brand rice production in Vietnam and export to China
- Support in exporting promotion for rice and fruits to China and other markets.
- Support to promote linkage with Chinese importers
- Please provide specific guidance for businesses as they have a well-linked value chain
- It is still too vague that need to be clearer about QR codes
- Building a network application model from production, management to export
- Training management capacity for enterprises and cooperatives
- It is necessary to open many training courses on trade promotion, connecting trade and product consumption for farmers.
- The program is very good and helpful, we hope the organizers regularly have similar training courses
- Finding and connecting output for agricultural products
- Need to build a network of export markets that are less dependent on politics
- We want our fruit products exported to many countries
- Please support information on how to export to China and other international markets
- Should open many similar seminars to help businesses find export markets

### **2.2. Proposed activities from SME and TPO/TPIs in the workshop 2019**

- Exchanges with China to reduce or exempt imported VAT for goods that are fruits of Vietnam. Because the Vietnamese side does not collect import VAT on Chinese fruits exported to Vietnam
- Exchanging with the Chinese side allows large Vietnamese trucks to directly transport fruit to the Chinese side border gate for procedures and into the yard, directly to Chinese vehicles without having to transfer to many small cars and then to large Chinese cars to transport goods inland through the exchange of Chinese border residents. (At present, only dragon fruits and mangoes of Vietnam through Lao Cai - Bac Son International Border Gate can apply this process).

- Together with the Chinese side to research to expand the list of fruits allowed to be exported to the Chinese market;
- Regularly organize seminars on new regulations of China on imported requirements of Vietnamese fruits.
- Organize similar seminars on regulations on importing and exporting agricultural products of Vietnam to the Chinese market
- Regularly update and provide new regulations of the Chinese side on import conditions of Vietnamese fruits
- Harmonized research collaboration on Maximum Residue Levels (MRL) on agricultural products.
- China's detailed regulations on the maximum residue level requirement (MRL) of each type of agricultural product that Vietnam exports to China.
- Support businesses with simpler procedures when entering the Chinese market as well as other major markets.
- Regularly hold similar seminars
- It is recommended to hold similar workshops for plant quarantine officers and businesses

### **3. Recommendations to INTEC on how to maintain the created online exchange platform in sustainable manner**

In fact, most businesses do not want to bring their questions or problems to discuss in social groups. According to some experts and businesses, the nature of business is buying and selling, competing, keeping confidentiality, reality and prioritizing revenue and profit. Thus, their problems and difficulties could also be things that they don't want to discuss in public forums because it can limit their competitiveness as there are many competitors with similar products and services on the market.

Facebook and Zalo are two social networks that participants were suggested to join in order to maintain activities of connectivity, sharing and post-workshop supports. In fact, the majority of workshop participants joined in the Zalo group due to its convenience, ease of use, free text messaging and free calls and easy access to information. Moreover, Zalo social network can be easily integrated with different operating systems on the mobile phone and does not require users to provide personal information when joining groups.

The number of people joining Facebook groups is negligible because this social network requires users to provide personal information such as email or phone number. Moreover, joining facebook groups is also more inconvenient when different operating systems on the phone have different requirements when joining the group.

Therefore, in upcoming time, consultant propose Intech using Zalo groups to support businesses after the workshops through the following activities:

- Inform / share information related to supporting activities for production and business of SMEs
- Organize training courses and online sharing by experts according to the needs of SMEs such as traceability, packaging design ...
- Collect and share success or failure lesson learns of business in production and trading, especially international trade
- Collaborate with experts to select a number of businesses to support and build successful cases and share with other SMEs in the groups. For example, Intech has started coordinated with Mr. Thusil Tissera, Chief Representative Officer of Ranfer Vietnam to support commercial promotion of tea industry.
- Promote SMEs to raise questions and difficulties and connect with experts' advices and support according to a 1-1 model
- Promote entrepreneurship and the creative and initiative of SMEs in taking advantage of free trade agreements.