

Welcome Address
FARMD Annual Conference 2012
Dr. Bui Ba Bong, Vice Minister of Agriculture
Ministry of Agriculture and Rural Development (MARD)
Viet Nam

Dear

Distinguished Guests

Ladies and Gentlemen,

On behalf of the Ministry of Agriculture and Rural Development of Viet Nam, it is my great pleasure to extend to you all a very warm welcome to Ho Chi Minh City, Vietnam. This is a good opportunity to renew contacts and discuss problems of mutual interest with attendees from all over Asia.

As you know, accompanying shifts in diet along with increases in per capita income, world trade in higher value and perishable foods continues to grow at a much faster pace than that of staple grains or agricultural raw materials. With its rapidly growing middle class, developing countries will continue to account for the bulk of incremental global food demand and a growing share of world food and agricultural imports. Hence, much of the growth in world food and agricultural imports will occur in Asia, Africa, and the Middle East; and these trends could open up great opportunities for agricultural exporting countries like Viet Nam.

However, agricultural production is likely to suffer from rising and continued volatility. According to FAO and USDA forecasts, prices in the medium terms are expected to hover near historically high prices due to increased demand for grain, oilseeds and livestock products, industrial raw materials, biofuel programs, and expected high energy prices. This is a cause and also a consequence of more speculative trading in commodity markets. At the same time, the agriculture sector is also facing a series of growing risks such as diseases, environmental pollution, and climate change. These major risks are threatening incomes of both farmers and business owners.

In Viet Nam, adverse movements in agricultural prices, unstable employment opportunities, or natural disasters can all have a profound effect on those involved in agriculture, especially poor farmers. According to a recent UN report, Vietnam is one of the top ten countries in the world affected the most by natural disasters. Meanwhile,

crop insects and animal diseases are also common given the hot and humid tropical climate. A research report found that livestock disease occurred in all 12 provinces investigated between 2008 and 2010 and the highest infection rate was up to 70 percent of communes in a province. In addition, price volatility of agricultural products has been increasing, leading to welfare losses of both producers and consumers. At the same time, the capability of farmers to recover from income shocks has declined despite the government's supporting policies and insurance programs.

Regarding increasing risks in the agriculture sector, FARMD Annual Conference 2012 focuses on topics in "Risk and Rice in Asia". We will have the opportunity to listen to experts at this conference to share the knowledge, discussions, and most importantly identify suitable management strategies and tools. By creating a platform for multi-stakeholder debate and discussion, we will foster improved understanding of risks and risk management across the Asia rice supply chains. And the conference will also raise awareness of FARMD, increase memberships and promote opportunities for regional cooperation.

I am confident that the discussions held during this conference will lead us at the end to important conclusions on the subject of agricultural risk management and promising chances for cooperation.

I wish you a productive and successful conference and a very pleasant stay in Ho Chi Minh City.