

Mr. Vu Thai Son, Long Son JSC, Vietnam

This is a transcript of the exclusive interview of Mr. Vu Thai Son, Long Son JSC, Vietnam taken on the occasion of World Cashew Convention & Exhibition 2018

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Could you please brief about the challenges faced by Vietnamese buyers in procuring raw cashew nuts?

This year we are facing problem as the RCN price is at a record high and the kernel buyer is not keen to committing big volumes. Secondly, banks in Vietnam are not willing to finance cashew processing companies to buy RCN at this very high price.

Considering that 3/4th of the RCN is being imported to Vietnam are from other countries, how do you ensure the traceability of the product?

As of now, in Vietnam the traceability system is done until the country. We can't do until the province of each country. In Vietnam, we separate lots according to different countries of origin. From the kernel produced from each lot, we can easily obtain the traceability of the product.

In 2018, Vinacas is planning to reduce the Vietnam kernel exports to 300,000 tons from about 355,000 tons exported in 2017. Could you please elaborate on the same?

2017 is not a very good year for Vietnam as processors paid very high price for RCN and they also faced lot of quality issues. VINACAS is planning to reduce kernel exports in order to concentrate on quality of the produce.

How do you tackle the quality problems and what are the expectations of the kernel buyers?

To tackle the problem of quality issues, we have to reduce the imports of raw material and to buy RCN from more reliable sellers. From the kernel side, Vietnam has no problem in dealing with the buyers, although the parity is not very good.

Is processing viable considering the cost of RCN?

Up to 2016, although the RCN price was higher and the kernel price was also getting higher due to demand, we did not have a problem. In 2017, first the RCN price was high and the kernel price was also high. But later kernel price dropped and thus created problem. Some factories started to lose money.

Are processors able to get access to finance considering the higher cost of working capital?

It's not easy because Vietnam don't have that much money to help the cashew industry. Moreover, due to high price for broken, some banks feel very risky to finance. This year banks will not finance much to cashew industry.

