

# VIFOCO, VIETNAM

## Going circular for long-term competitiveness

### About Vifoco

Since the economic reform in the 1980s, Vietnam has transformed from a nation heavily affected by food shortage to one of the world's leading producers and exporters of agricultural products, such as coffee, peanuts, and rice. Agriculture sector contributed 12,35% to the gross domestic product (GDP) in 2021. Since the reform, agriculture has become an important sector in Vietnam, employing around 18 million people in 2020.

Vifoco Import Export Joint Stock Company was established in 2008 in Bac Giang, the Northern part of Vietnam. Vifoco produces frozen and canned fruits and vegetables. They partner with local cooperatives to source vegetables and fruits from local farmers.

Vifoco's products have met ISO standard on quality management system. It means they have consistently provided products and services that meet customer and regulatory requirements. They have also obtained Vietnam Good Agricultural Practices (VIETGAP) certificate. Companies must meet several criteria to get certified, such as standards of production techniques, food safety, labor standard, and product origin traceability. In the domestic market, local buyers prefer products that are certified.



### Drivers for circularity

Aware of the importance of 'going green' for the long-term growth of the company, Vifoco aims to adopt circular business practices, particularly in its production processes. The goal is to become more energy efficient and to leave less carbon footprint by acquiring the proper knowledge, tools, and technology.

Maintaining the brand's competitiveness in the market is important to Vifoco. Informed about the increasing demand for sustainable products in the international market, Vifoco plans to integrate circularity as part of its business strategy to go global and tap into opportunities to engage with international partners and buyers.

## Steps taken and expected results

Vifoco joins International Trade Centre (ITC)'s Resource Efficiency and Circular Production (RECP) coaching programme implemented by GreenToCompete Hub Vietnam. RECP helps businesses optimize the use and management of resources (water, energy and waste) and identify solutions to make production processes greener.

Vifoco worked with ITC experts to assess its water and electricity use at different production stages as well as the potential to reduce and recover waste. After completing a cost-benefit analysis exercise, the coach suggested measures, such as:



→ **Monitoring and Evaluation system:** Vifoco developed an energy data Monitoring and Evaluation system that records all the necessary information to assess gaps and define measures to further improve energy efficiency.

→ **Electricity:** The three most energy-consuming equipments at Vifoco's factory are cold storages, frozen cellars and IQF (Individual Quickly Freezer) systems. ITC's RECP Expert suggests measures to improve efficiency, including: (1) installing insulated industrial doors that open and close automatically; (2) installing plastic curtains on storage doors; (3) using buffer room. In the specific case of Vifoco, the measure recommended by the expert is to install curtains. By installing PVC (Polyvinyl chloride plastic) curtains, the company may save 30-40% energy loss for the cold storages and frozen cellars (about 150-200 million VND per year). Vifoco can install separate electricity meters for main equipment and machines in the factory. This is an affordable solution with high effectiveness for Vifoco's case.



→ **Biomass boiler:** Vifoco may consider investing in a biomass boiler to replace the current coal-fired boiler. Biomass boiler is a great alternative to the traditional coal-fired boiler because it treats agricultural wastes, waste paper, metal from landfills, and manure from livestock and poultry farms. However, biomass boiler installation requires high investment upfront, and it will not bring immediate economic efficiency. Thus, this measure is not recommended to be applied at the early stage of circularity transition.



## Looking forward

As the next steps, Vifoco will focus on developing two solutions, namely energy data monitoring and evaluation system, and installation of insulated doors and curtains that will help reduce energy consumption. Throughout the RECP two-year coaching programme, the company will be closely guided by ITC's local and international experts to ensure that the measures suggested are tailored to the needs of the company.



**“With a small investment of 50-70 million VND (2.200-2.700 USD), Vifoco can reduce its electricity consumption and enhance the longevity, stability of the cold storages and frozen cellars.”**

## About GreenToCompete Hubs

The GreenToCompete Hubs develop small businesses' capacity and knowledge to implement green business practices.

The Hubs are multipliers of the International Trade Centre (ITC)'s Trade and Environment programme with a focus on national priorities.

With financial support from Swedish International Development Agency (SIDA), ITC partners with Vietrade in offering small businesses different programmes and tools in Vietnam.

## CONTACT INFORMATION

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