MINISTRY OF EDUCATION AND TRAINING

**THUONGMAI UNIVERSITY**

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**RISK CONTROL IN AGRICULTURAL PRODUCTS EXPORT OF VIETNAMESE ENTERPRISES**

**Specialized: Commercial Business**

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**SUMMARY OF ECONOMIC THESIS**

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# PREAMBLE

## The urgency of the topic

Vietnam is an agricultural country, with the tradition of producing agricultural - forestry - fishery products. According to the report of the General Department of Statistics and the Ministry of Agriculture and Rural Development, for the whole year of 2017, export turnover reached 213.77 billion USD, up 21.1% over the previous year and is an increase Highest for many years. The total export value in 2017 of the agriculture, forestry and fishery sector reached a new record with 36.37 billion USD, an increase of 13% over the same period. Vietnam's agricultural products have been exported to 180 countries around the world, the value of agricultural, forestry and fishery exports has increased rapidly and sustainably. In 2007, Vietnam joined WTO with the value of export turnover of 12.6 billion USD, of which 10 groups of goods exported more than 1 billion USD per year. Agricultural exports (AE) always maintain an average trade surplus of 7-8 billion USD / year, contributing an important part to limit the deficit in the national trade balance.

Agricultural products are essential commodities to serve the daily demands of people. Improved economy and human life made that demand increase both in quantity and quality worldwide. However, the production and export of agricultural products is not easy because agricultural products are found to have many specific characteristics such as seasonality and necessity ... Furthermore, this activity also depends on many other objective and subjective factors. Subjective factors such as production level, labor productivity, management ability ... need to have time to develop, this activity is constantly influenced by objective factors such as economic situation. economic, world politics, interest rates, natural conditions ... AE is therefore also a potential area with many risks such as in the process of transportation, price risks, exchange risks, interest risks ... and especially the risks related to technical barriers of importing countries such as the US, EU and Japan. In recent years, there have been many cases of Vietnamese agricultural products exported or not returned for customs clearance for many different reasons. For example, in 2001, the order of 10,000 tons of Vietnamese rice exported to Iraq was returned due to saltwater contamination. Or as in 2011, about 600 tons of Vietnamese honey was returned by the US pharmaceutical agency due to a fungicide named Carbenzamin, although the amount of this substance in Vietnam's honey is much lower than the of CODEX. Many agricultural products such as pepper, cashew ... of Vietnam account for 50% market share of the world market, but still cannot control the market due to weak quality. Therefore, despite being prioritized by enterprises (EN) according to the Circular No. 86/2013 / TT-BTC dated June 27, 2013, the enterprises in Vietnam still face many difficulties when facing the This risk.

Vietnamese enterprises are facing a lot of risks while mainly carry out risk control (RC) activities to transfer risks or simply accept risks without deep understanding and application about RC. Using synchronous measures on RC effectively. Studies in this area have not yet systematically approached risks in AE business, but often researched risk identification, risk analysis, RC or operational activities to manage risk. . Risks in AE are inevitable. However, RC will help businesses more proactive in facing risks. RC requires a guideline in action, from overall macro strategy to specific micro measures. This means that businesses must have appropriate knowledge and experience to conduct RC.

Base on the above requirement, the author has chosen the content of ***“Risk control in agricultural products export of Vietnamese enterprises”*** to be the research topic for his thesis.



## Research overview

***\* The first part, researches on agricultural exports***

Ngo Thi Tuyet Mai (2007) at the doctoral dissertation level has studied the competitiveness of some major agricultural exports such as rice, coffee, tea, rubber ... of Vietnam in the context of international economic integration. From the theoretical issues and the actual research situation, the author has pointed out 05 key points that orient solutions and 08 main solutions to improve the competitiveness of Vietnamese agricultural products in the world market.

The doctoral thesis of Nguyen Minh Son (2008) on economic solutions to promote the export of agricultural products of Vietnam also studied in the context of international economic integration. The thesis systematized general theoretical issues about agricultural exports as well as assessed the situation of Vietnam's agricultural exports, thereby clarifying the achievements, limitations and internal causes. process of developing agricultural production and export. The thesis also proposes key points, objectives, directions and recommendations to boost Vietnam's agricultural exports in the context of international economic integration.

Author Dinh Van Thanh (2010) had a state-level study on "Enhancing the capacity of agricultural products to participate in global value chains in current conditions in Vietnam" to draw lessons for Vietnam when agricultural products join the global value chain. Research and analyze and comprehensively evaluate the current capacity of Vietnam's agricultural products' participation in the global value chain of agricultural products as well as in-depth analysis and specific assessment of capacity to participate in Global value chain of 9 Vietnamese agricultural products. The thesis proposes four general solution groups and four specific solutions for each research item.

In order to evaluate the AE opportunities in Vietnam to the Gulf countries, Vu Thanh Huong and colleagues (2011) based on export theories, more specifically the actual data on rice export activities from the perspective of Gulf importers and foreign economic relations of Gulf countries with Vietnam and the world. The article analyzed the status of AE in Vietnam to the Gulf countries according to the six main commodity groups in the period of 2006-2009, assessing Vietnam's AE opportunities to the countries of the Gulf countries in two aspects: opportunities from this market and opportunities from the Vietnamese market, thereby proposing solutions to boost AE to markets in the Gulf countries.

In a 2012 study, Vu Van Hung and his colleagues presented some basic contents about Vietnam's current situation and solution to rice export after 5 years being a member of WTO. Through the analysis of the topic statistics, the overview of our country's export situation has been evaluated 5 years after WTO accession. From that result, the author has proposed 3 groups of solutions to promote rice export in the coming time, specifically the solution group for rice production and processing; group of solutions to diversify products and enhance trade promotion; and a group of solutions to improve Vietnam's rice business environment.

In 2013, Tran Thanh Hai studied a ministerial-level project on solutions to diversify export markets to improve the export efficiency of Vietnam's agricultural products. The project has assessed the current situation of Vietnam's agricultural product export market and the current policies of the Government of Vietnam in diversifying export markets for agricultural products. Besides, the topic has also clearly analyzed the problems and limitations to be solved in the coming time. On the basis of the views, objectives and orientations of diversifying export markets of Vietnam's agricultural products and proposing solutions to diversify export markets such as solutions to support production and creation. source of export goods, solutions for export market information support, solutions for trade promotion support, solutions for branding support.

The research of Hoang Thi Van Anh on China's agricultural market and the ability to export some Vietnamese products was conducted in 2012. The results have been analyzed and indicated that China is a potential market for Vietnam's AE EN, and at the same time comparing it with the reality of Vietnam's export of agricultural products to China over the period. The thesis has proposed a number of solutions to boost Vietnam's agricultural product exports to the Chinese market in the near future as it continues to create a legal corridor to facilitate EN to export agricultural products, to be able to The ability to create supply, the ability to meet the import regulations of the Chinese market ... is aimed at improving the competitiveness of Vietnamese agricultural products in the coming time.

The doctoral dissertation of Nguyen Thu Quynh (2013) on "Development of AE market strategy of Vietnamese ENs" has evaluated the situation of developing export market strategies of AE EN from applying business philosophy, developing value selection and positioning strategies in export markets, analysing strategy implementation to provide value to the AE market to pointing out the status of core competencies and differences in the implementation of export market strategy. Since then, the conclusions of general assessment have been drawn, the causes and synthesized issues raised from the situation are also challenges to continue developing the AE market strategy for the period 2011 - 2020 for the AE Vietnamese EN.

***\* The second part, studies on risk management, prevention and control in agricultural exports***

In 2005, the World Bank - WB studied about innovative innovations in risk management of agricultural production in developing countries. This study aimed at assessing and showing how to manage risk for agricultural production products in developing countries. The study aims to provide the most general view of risk and risk management practices in the agricultural sector, make assessments and identify risks in a relatively comprehensive way, not just risks. natural risks, but also market fluctuations, government policies, etc. provide a risk management strategy for agricultural production in developing countries.

Another study by Dana and her colleagues in 2008 was about risk management of agricultural product prices in developing countries. The paper focuses on assessing risks posed by the market rather than natural risks as distinct characteristics of some developing countries compared to developed countries.

Mitra and Tim in 2009 studied two aspects of AE restrictions that are safety and commercial discipline. In Part I, the study looked at the effects of protection on countries that imposed those measures on other countries. Part II presents an overview of export barriers that have been agreed in trade negotiations and agreements; These barriers, despite negative effects, also have an undeniable role in international trade. Developed countries are becoming more and more concerned about food safety and increasingly strict regulations in their trade laws; This is the issue discussed in Section III of the study. The study is a fully integrated analysis of the impact of export barriers on exporting and importing countries. The study also clearly explains the positive and negative role of trade barriers, introduces key barriers under international trade regulations and proposes measures to improve the effectiveness of this export barrier.

The author Kimura and Antón in 2011 had two publications related to agricultural risk management in Australia and Canada. In Australia, the paper applies a holistic approach to consider the interaction between all risk factors for farmers as well as the country's policies and agricultural development. In Canada, the main difference is that this study has a holistic approach to agriculture in relation to the causal factors of risk, farm strategy and government policy. The study mainly analyzes the overview of Canadian agricultural risk management. Since then, the author proposes a number of important solutions to government policies to coordinate with farmers to improve the quality of risk management and minimize losses.

In 2011, OECD studied the role of the Government in agricultural risk management. The study focused on assessing the policies of several national governments in a number of basic agricultural areas such as livestock and farming. Specifically, analyzing the appropriateness of policies and aiming at evaluating the effectiveness and quality of implementation in some countries.

Bui Huu Duc in recent years also has some research on risks in Vietnam AE. In 2015, there was a research paper on solutions to limit risks in AE of Ha Tinh province and 2016 was a scientific research project on risk management of AE EN to Chinese market. The 2016 study of the author was a very complete report on the basic and practical contents related to AE of the ENs to the Chinese market. In parallel with the theoretical foundation of risks, export risks, risk management, export risk management, EN model and export risk management content, the authors also studied AE risk management experience of countries such as America, Brazil, Tanzania to draw lessons for Vietnam.

Vietnamese agricultural and aquatic products are all products with similar characteristics and often face risks when exporting to other countries. Therefore, the study of documents on seafood export also helps the author have more insight. Author Le Cong Tru in 2011 carried out a doctoral thesis on analytical framework for risk management for aquaculture, in case of raising Vietnamese catfish. The study aims to develop a theoretical basis for risk management for catfish farming in Vietnam in three main directions: (1) risk awareness and risk management analysis in raising catfish; (2) developing the basis of risk management theory in catfish farming in Vietnam; and (3) to build a decision support system as a risk management tool in catfish farming in Vietnam.

Another study on fisheries is the doctoral thesis of Nguyen Bich Thuy in 2013 on measures to prevent seafood export risks of Vietnamese EN. The thesis has made important contributions in building theoretical and practical basis for the study of activities to prevent risks in seafood export. From the viewpoint of risk prevention in fishery exports, the author has proposed a model of risk prevention in seafood export of Vietnamese EN, which requires Government responsible parties, VASEP, Research institutes, banks and EN must cooperate closely, consult each other in the performance of each party's duties. Besides, the topic also stated the principle of risk prevention. And propose a risk prevention process from describing the whole situation to identification, analysis, measurement, control and risk financing.

## The research gap for the thesis

After reviewing the research works related to the thesis at home and abroad, the author found that:

* There have been studies on Vietnam's agricultural exports as well as studies on risk management and prevention in AE, fisheries of Vietnamese EN.
* Previous studies have provided some basic concepts related to the author's research: concept of risk, export risks, export risk management, risk management model in AE.

However, there are still some research gaps that the author has identified, that are:

- Theoretical gap: Previous studiesave identified models of management / prevention of agricultural / fishery risks or RC but not agricultural products. The dissertation of the author will build the model of risk control in exporting labor.

- Practical gaps: Previous studies have focused on some specific agricultural commodities or on a specific market such as the EU, US, China, etc. The author's thesis researches agricultural products in general, exports to markets in the world.

- Gaps in research methodology: Previous authors used the formula to calculate the risk value through the criteria of probability, occurrence and impact level. Determining the RC strategy through the value of risks has also been studied by the authors. But the use of a series of interconnected tools, from risk assessment / classification, strategic selection, and selection of RC measures will be a new feature in the thesis's research.

- The gap on Vietnam's export social issues:

+ Identify the most complete and general about the risks that are happening in the export of social enterprises of Vietnam.

+ Measure and classify each risk in the export of export life of Vietnamese enterprises.

+ Identify strategies and select measures to control each risk in the export of export life of Vietnamese enterprises.

+ Proposing a number of solutions related to forest fire safety for export of life of Vietnam enterprises

* Time gap: The study time of the thesis will be more updated. Secondary data was collected between 2012 and 2018, primary data was surveyed in 2017. Analysis and report the final result in 2018 - 2019.

## Research purposes and tasks

* Purposes: propose solutions for RC activities in agricultural exports of Vietnamese EN, including: Complete risk assessment; Complete identifying the RC strategy; Complete selecting RC measures; and Completing RC implementation.
* Tasks:
* Systematize the rationale for RC in AE of ENs.
* Analyze the RC status in AE of Vietnamese EN. Provide assessments of the successes, limitations and causes of restrictions as a basis for proposing solutions.
* Propose solutions for completing: assessing risk; identifying RC strategy; selecting RC measures; and implementing RC.

## Research questions

* What are the risks for AE Vietnamese ENs? How are these risks measured?

- Does the company define a control strategy for each type of risk based on the value and class of each risk?

- Does the company select the risk control method for each type of risk in accordance with the identified risk management strategy?

- Does the company implement RC through detailed planning and implementation?

## Subjects and scope of research

\* Research object: theoretical and practical issues related to the RC activity in the export of agricultural products of the Vietnamese EN.

\* Research scope

- Scope of content:

+ The research focuses on the contents of risk control, including: determining priority order in risk control, identifying control strategies appropriate to each type of risk, identifying necessary measures to control each risk. .

+ The contents of risk identification (identification of quantity, name of each type of risk) and risk analysis (research, measurement, classification of each risk) will also be studied for The input data for the main content of the thesis is RC.

- Space scope:

+ Agricultural commodities studied by the thesis are key agricultural products in Vietnam such as rice; the coffee; pepper; cashew; tea; vegetables, flowers and fruits; rubber, cassava and products from cassava according to the announcement of the Ministry of Agriculture and Rural Development in the "Strategy for Cultivation Development to 2020". These are also the items that account for a large proportion in agricultural products and often face many risks in export.

+ Researching enterprises are Vietnamese enterprises that export key agricultural products. Activities within the scope of agricultural exports include: purchasing, preserving, preliminary processing / processing, transporting and selling goods to foreign markets. The dissertation does not study enterprises that have the main stage of farming major agricultural products because the difference in operation process between manufacturing enterprises and commercial enterprises will lead to risks that are quite far apart. Moreover, the research major of the thesis is Commerce Business, so it is appropriate to prioritize researching commercial enterprises.

+ Enterprises are studied throughout the territory of Vietnam, all three regions of North - Central - South.

- Time range: secondary data used in the period from 2012 to 2018, the questionnaire was surveyed from May to October 2017. Data was analysed and reported in 2018 - 2019.

## Research method

\* Data collection methods

- Collecting secondary data: desk data collecting method (desk data)

- Collecting primary data: Methods used to collect primary data for the thesis, including survey method by questionnaire, expert method.

\* Methods of data analysis: the thesis uses both quantitative analysis method (by excel tool) and qualitative (synthesis, analysis, comparison).

## New contributions of the thesis

- In theory:

+ Develop RC model in AE EN with the contents: risk assessing, RC identifying, RC selecting, RC implementing.

+ Determining the scientific basis for: calculating the value of risks, classifying risks, determining the priority order for risks to be controlled.

- In practice:

+ Identify and analyze existing AE risks of Vietnamese EN, including: determining the number and name of risks, determining the possibilities and the degree of influence of each type, calculating the value of risk, classifying the urgent of risks.

+ Show the RC strategies and measures that EN is using in AE operations. Assessing the suitability and inappropriate for the RC strategies and measures that EN is using for each type of risk.

+ Assessing the effectiveness of the RC implementation in the surveyed EN.

+ Proposing solutions for Improving risk measurement; Determining RC strategy; Selecting RC and Implementing RC effectively at AE Vietnamese EN.

## Contents of the thesis

In addition to the introduction, research overview, conclusions, references, appendices; The content of the thesis is divided into 03 chapters:

- Chapter 1: Theoretical basis for controlling risks in agricultural exports of enterprises.

- Chapter 2: Situation of risk control in agricultural product exports of Vietnamese enterprises

- Chapter 3: Some suggestions for risk control activities in agricultural exports of Vietnamese enterprises

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# CHAPTER 1. THEORETICAL BASIS OF RISK CONTROL IN THE EXPORT OF AGRICULTURAL PRODUCTS OF ENTERPRISES

## Export of agricultural products

Article 28 of the Commercial Law No. 36/2005 / QH11 clearly states that "Export of goods means that goods are taken out of the territory of Vietnam or brought into a special area in the territory of Vietnam to be regarded as distinct customs areas in accordance with the law”.

Agricultural products, according to WTO, are "goods originating from agricultural activities". However, the thesis will only focus on the export of some key agricultural products of Vietnam often encounter risks such as rice; the coffee; pepper; cashew; tea; vegetables, flowers, fruits; rubber, cassava and cassava products.

Hence, "AE is the removal of agricultural products from the Vietnamese territory to enter the markets of the world." The characteristics of AE are formed from the general characteristics of export and the specific characteristics of agricultural products. There are five characteristics of AE including: The lack of stability in goods; Often encounter many technical barriers; Uncertainty in export prices; Long flow process; The diversity of customers.

## Risk in agriculral export

Nowadays, the concept of risk is still very diverse with many different views of different authors. However, there are two main approaches to risk: one is the negative school consider risks are loss; the second is from the neutral school, considering the risks are the factors can be considered lose or win and we can also measure, evaluate, and control them. Business today is always associated with risks and opportunities. Risks do not necessarily bring about bad results if we know appropriate control. On the contrary, opportunities are unlikely to bring good results if we do not know how to grasp and apply. Therefore, the author's view of the risk will follow the neutralist school, taking risks as unexpected events and associated with losses, however, people with their own awareness can measure , assessment and control to turn risk into sewing for EN. Risk classification can be as follows:

- According to business fields: industry, agriculture, banking, import and export, tourism, construction, transport - transport, health, education - training.

- According to the level of loss: the risk of loss is high - average - low.

- According to the frequency of occurrence: the risk of occurrence is high - medium - low.

- According to the environment: Risks from the external environment (macro environment; micro-environment; industry environment) and risks from the environment within the EN.

Within the scope of the dissertation's research on agricultural exports, the author uses the classification criteria of the environmental impact and EN operating procedures to classify risks in AE. The risks in AE of EN are determined by the author including 11 categories as follows: Risks from natural disasters; Risk of price fluctuation; Risks due to regulations of importing countries; Risks due to policies of exporting countries; Risk of capital shortage; Risks due to lack of management skills and professional skills; Information risk; Risk of selecting partners, negotiating and signing contracts; Payment risk; Risks of supplying input agricultural products; Risk of transport and preservation. Types of risks in AE are determined based on several bases: 1 / Characteristics of agricultural products and AE, 2 / Risk classification criteria according to the impacted environment, 3 / Overview of studies previous rescue and 4 / Ask expert opinion.

## Risk control in agriculral export

### *Definition of risk control in agriculral export*

There are also many concepts about RC as the concept of AS / NZS (1999); ISO 310000 (2009) by authors Heikki Summala (2007); SkillMaker (2014); Mattord et al (2010); Bolt (2012); Nelson and colleagues (2015); Le Anh Dung (2015), Nguyen Van Tien (2010), Doan Ke Bon (2009), Doan Thi Hong Van (2013). From the above concepts, some basic points about RC can be drawn as follows:

- RC is measures or actions taken (such as policies, strategies, tools, techniques...)

- Processing strategies or RC strategies or RC's purpose is to:

+ Detecting or blocking, eliminating, avoiding risks;

+ Minimize risks (minimize the possibility of or minimize the level of loss);

+ Transfer risk (part or whole);

+ Accept risks (with monitoring and evaluation).

Thus, synthesizing and selecting from the above points of view, the author introduces the concept of RC for the thesis: “RC is the use of strategies and measures to change risks in a more beneficial direction. for EN”.

From the concept of AE and the risks selected for the thesis, the author gives the concept of risk in AE as follows: “The risk in AE is unexpected events that cause losses to EN during the export of agricultural products”.

### *The role of risk control in agricultural exports*

Summarizing the studies, RC demonstrates several important roles as follows:

- Firstly, in the overall risk management model, RC is the next step after the risk identification and assessment step (AS / NZS, 1999) but plays the most important role.

- Secondly, in exporting enterprises, RC contributes to making the operation process take place in the correct order and procedures; ensure the rationality in implementing the objectives of RC.

- Thirdly, for exporting enterprises, RC helps businesses operate effectively and improve corporate governance capacity.

- Fourthly, for stakeholders such as importers, farmers, laborers; RC helps these components develop sustainably with the export enterprises.

Thereby, it can be seen that risk control activities play a very important role in contributing to the profits of exporting exporting enterprises, helping to improve the value of businesses with customers, suppliers, employees and other partners. competitors. RC of export agricultural products is very important for exporting enterprises because this product depends heavily on subjective and objective factors and if the risks occur, it often brings great losses to businesses. export. Risk control activities not only enhance the value of businesses within a country but it also affirms the prestige of enterprises in the international market with fierce competition among countries and businesses in the world. different countries. This activity requires businesses to pay due attention to its complexity and the tools, techniques and strategies not only implemented to domestic audiences but also to foreign markets.

### *Principles of risk control in agricultural exports*

According to Tran Hung (2017) and the authors of risk management, RC is an activity in overall risk management, so it is necessary to follow the general principles of risk management, including:

- Principle 1: Target the target

- Principle 2: Associated with the responsibility of the administrator

- Principle 3: Associated with the activities of the organization

- Principle 4: Ensuring a correct and complete assessment of risks

- Principle 5: Define the right strategy and choose the right measures

In addition, due to being in the overall activities of businesses, RC is also governed by the following general principles:

- Principle 6: Using the risk reduction method must be based on the correlation of costs and benefits

- Principle 7: Only use measures and instruments to control risk as determined by law.

- Principle 8: The use of RC measures must be consistent with the ethical standards and social responsibility.

### *Some models of risk control*

- Risk control model in ISO 31000: 2009

RC in ISO 310000 of the International Standardization Organization includes the development of risk coping strategies that will then take specific control measures. Specific RC strategies and measures include: Avoiding risks; Risk transfer; Risk Reduction; Take risks.

- Risk control model in AS / NZS 4360: 1999

In the risk management model AS / NZS of Australia and New Zealand, RC is in step 6 - handling risks. RC involves reducing the likelihood of consequences and the effects of risks. RC (or risk handling) under the AS / NZS includes identifying strategies, evaluating strategies, preparing RC plans and implementing.

### *Rsk control model in agriculral export of enterprise*

Based on these contents about AE, together with the RC models studied, the author builds the RC model in AE of EN as figure 1.1.

The contents of the model include:

(1) Risk assessment is carried out through 02 tasks: measuring the value of risk; and classify risks according to measured values.

- Risks can be measured by quantitative or qualitative methods. For products with frequent fluctuations such as agricultural exports, the use of qualitative methods to measure the value of risk is more feasible in implementation. Therefore, the dissertation uses qualitative method to quantify the value of risk with 02 criteria of probability (KN) and Influence level (AH) according to Likert scale from 1 to 5 corresponding to the word level lowest to highest. Thus the value of risk is calculated by the product of KN and AH. The higher the risk of KN and the larger the AH, the greater its value and vice versa.

- Risk classification: The value of risk is a basis to classify risks, thereby making decisions on risk management strategies and measures. The rank of risk is adjusted by the author according to the division of SBIRS (2012). There are 4 classes: low (≤ 5); average (over 5 to ≤ 10); high (over 10 to ≤ 15) and very high (above 15).

(2) Determine strategies in controlling risks in agricultural exports of enterprises. RC strategy is determined based on simultaneously 02 targets of skills and knowledge of each risk according to Goossens & Cooke (2001). There are four types of strategies corresponding to the score level of KN-AH: Avoid (high-high), Reduce (high-low), Transfer (low-high) and Accept (low-low).

**Figure 1.1. Model of risk control in agricultural exports of enterprises**

*Source: AS/NZS (1999), ISO (2009) and the author corrects (2017)*

Risk in agricultural export

(Have evaluated)

**RISK CONTROL IN AGRICULTURAL EXPORT**

Accept

Transfer

Mitigate

Avoid

Determine

RC strategy

Select RC solutions

Select RC solutions

corresponding to each risk

Implement

RC

Detailed planning for each solution

Organize implementation

(3) Measures to control risks in agricultural exports of enterprises: In the RC, after orienting the strategy, it is necessary to take specific enforcement measures according to those strategic directions. For agricultural exports, measures will be determined corresponding to each risk. The basis for making these measures is statistics through previous studies of agricultural export risks. After synthesis, the author worked with experts to agree on these measures for the thesis. This section will be detailed in the actual chapter.

(4) Implementation of risk control in agricultural exports of enterprises

The RC implementation is EN planning and organizing the implementation of the RC after the strategy has been identified and the measure is selected. The RC implementation plan needs to describe in detail the possible risks (name, likelihood, impact level, where / process may be ...); From there, it sets up a detailed program of time and resources for each measure to take this RC (when it is done, how long it will take, who will be the one who works, who will be affected, who will control investigation ...); What is the expected result of this control (how much it will cost, how much money will be saved by not losing).

### *Factors affecting business risk control in exporting agricultural products*

- Internal factors: organizational model, strategy and export business capacity of enterprises, financial capacity of enterprises, information systems of enterprises, personnel in charge of risk control of enterprises .

- Factors outside the enterprise: environmental factors of agriculture, macro-environmental factors of both exporting and importing countries (natural environment, political and legal environment, economic environment) , cultural and information environment).

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# CHAPTER 2. CURRENT SITUATION OF RISK CONTROL IN VIETNAMESE AGRICULTURAL EXPORT

## Overview of Vietnam's agricultural exports in the period of 2012 - 2018

### *Export turnover of agricultural products of Vietnam*

The period of 2012 - 2018 experienced an upward trend in the export value of agricultural products. If at the beginning of the period, in 2012, the value of export agricultural products reached 15.463 billion USD, in 2013, this figure dropped to only 14,053 billion USD. There was a rebound in 2014 at US $ 15.213 billion, but soon after that, dropped to US $ 14.810 billion in 2015. At the end of the period, 2016 and 2017 witnessed the increase in export value of agricultural products all reached over USD 15.432 billion in 2016 and 2017, up to USD 19.934 billion. Especially in 2018, agricultural export turnover increased sharply, reaching a record of 40.02 billion USD.

In the period from 2012 to 2016, export witnessed a decline in growth rate. While the total export turnover of the whole country still achieved a relatively high growth rate, an average of 12.8% / year, the export of agricultural products faced many difficulties, only an average increase of 2.4% / year. . The sign of increasing again was witnessed in the period 2017 - 2018 when the rate of increase in 2017 was about 6.9% and especially increased sharply with the rate of 76.3% in 2018.

### *Structure of Vietnam's agricultural exports*

Vietnam's agricultural product structure is formed from key agricultural products such as rice; coffee, pepper, cashew kernels, tea, vegetables, flowers, fruits, rubber, cassava and cassava products. In the 2012 – 2017 period, some agricultural products such as cashew nuts and vegetables have achieved good growth. Compared to 2012, the export turnover of cashew nuts in 2017 has increased 2.4 times, reaching 3.517 billion USD; In addition, the turnover of fruit and vegetable products in 2017 has increased by 4.2 times compared to 2012, reaching US $ 3,501 billion and being the largest turnover among Vietnam's agricultural exports. . Besides, the export of cashew nuts also increased quite well, both increased by more than 14% / year on average during the period 2012-2017. Pepper is also one of 03 products with the highest level of export value, but because of 2017, the selling price of pepper is declining although the export quantity has increased, making the value decrease. Meanwhile, the export turnover of many other commodities is still low, not reaching the turnover of 2012, such as coffee, rice, cassava and rubber. This is in part due to the world's tendency to reduce commodity prices. Coffee is a group of agricultural products with the most volatile export turnover in the past 6 years. By the end of 2017 AE of Vietnam had good results with 7/8 items with turnover of more than 1 billion US dollars, except for a non-turnover of over 1 billion US dollars of tea; Cashew nuts and vegetables increased strongly in export value (about 30% compared to 2016). Particularly in 2018; exports of rice - coffee - vegetables have increased again, reaching over 3,064 - 3,537 - 3,810 billion USD, while other products nearly doubled. Some products that have recorded a downward trend in exports are pepper, cashew kernels, tea, rubber and cassava. Total turnover still has a stable growth, reaching 111.5% compared to 2017.

According to statistics of the Ministry of Agriculture and Rural Development (MARD), Vietnamese agricultural and forestry products are in 180 countries and territories around the world nowadays. Exports of these commodities continued to grow and surplus, contributing to improving the trade balance. In early 2012, Vietnam had only 19 export markets with more than 1 billion USD. By 2018, there were 29 markets reaching this value. In terms of key agricultural products, there are four markets that achieved export value of over USD 1 billion, namely China, EU, US and ASEAN. While China is always the biggest market of AE Vietnam, ASEAN is considered a market with a lot of potential for demand and advantages in export transport. Other new markets in the Asian region such as India, Japan and South Korea are growing markets well but export value is still low. The United States and the EU are markets with great purchasing power but high demands on agricultural products and quality. Data over the years from 2015 to 2018 of the countries listed by the authors from data of the General Department of Customs, GSO (2019):

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Table 2.1. Export value of Vietnamese agricultural products to markets** | **Country** | **2015** | **2016** | **2017** | **2018** | *Source: GSO (2019)* |
| Trung Quốc | 2.092 | 2.101 | 5.383 | 5.320 |
| EU | 1.907 | 2.162 | 2.454 | 2.281 |
| Hoa Kỳ | 1.253 | 1.526 | 1.709 | 1.742 |
| Asean | 1.341 | 1.025 | 1.577 | 1.777 |
| Ấn Độ | 214 | 268 | 251 | 283 |
| Nhật Bản | 218 | 239 | 1051 | 1088 |
| Hàn Quốc | 152 | 154 | 657 | 740 |

## Analyzing the situation of risk control in agricultural exports of Vietnamese enterprises

### *Assessing risks in exporting agricultural products of Vietnamese enterprises*

The total number of valid votes collected for analysis is 151 votes, corresponding to 151 EN. The criteria for statistical sample descriptions include: EN scale (based on number of employees); Duration of agricultural product export (according to the number of years); Proportion of exports on revenue (calculated in percentage%); and Qualifications of Export CEO / Director (based on academic qualifications). The majority of ENs in the survey sample are those with less than 50 employees, 6-12 years of experience and 30% - 70% of export revenue and CEO qualification.

Risks in agricultural exports of EN Vietnam are determined to include 11 different risks with values assessed and measured from the following EN:

**Table 2.2. Measuring and classifying risks in agricultural products export of Vietnamese enterprises**

Likehood and Impact are evaluated from 1 (least) to 5 (most)

| **No.** | **Risk** | **Likehood** | **Impact** | **Value** | **Rank** |
| --- | --- | --- | --- | --- | --- |
|  | Risks from natural disasters | 2,56 | 4,50 | 11,52 | Cao |
|  | Risk due to policy of Vietnam | 3,43 | 2,74 | 9,40 | Trung bình |
|  | Risks due to import policies | 4,45 | 4,60 | 20,47 | Rất cao |
|  | Risks of price fluctuations | 4,32 | 4,25 | 18,36 | Rất cao |
|  | Capital shortage risks | 3,25 | 4,38 | 14,23 | Cao |
|  | Risk of lack of professional management level | 2,51 | 3,20 | 8,03 | Trung bình |
|  | Information risks | 3,44 | 3,40 | 11,70 | Cao |
|  | Risk of selecting and signing contracts | 3,43 | 3,39 | 11,63 | Cao |
|  | Payment risks | 3,12 | 3,27 | 10,20 | Cao |
|  | Risks of supply of agricultural inputs | 3,63 | 4,38 | 15,90 | Rất cao |
|  | Risks of transport preservation | 4,02 | 3,64 | 14,63 | Cao |

*Source: Summary of survey data (2018)*

### *Identifying the risk control strategies in agricultural exports of Vietnamese enterprises*

For each risk, the ENs will be asked about the RC strategy currently in use by EN. There are four types of RC strategies: Avoid, Reduce, Transfer and Accept. EN can choose more than 1 strategy for 1 type of risk. The statistical results of AE in RC strategy of EN Vietnam are presented in the following table:

**Table 2.3. Strategies to control risks in agricultural exports of these Vietnamese enterprises**

*Calculation unit: Number of choices*

| **No.** | **Risk** | **Avoid** | **Mitigate** | **Transfer** | **Accept** | **N/A** | **Total** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 1 | Risks from natural disasters | 0 | 34 | 5 | 108 | 26 | 173 |
| 2 | Risk due to policy of Vietnam | 37 | 0 | 0 | 79 | 35 | 151 |
| 3 | Risks due to import policies | 89 | 23 | 0 | 36 | 15 | 163 |
| 4 | Risks of price fluctuations | 53 | 0 | 36 | 44 | 25 | 158 |
| 5 | Capital shortage risks | 0 | 0 | 34 | 78 | 39 | 151 |
| 6 | Risk of lack of professional management level | 89 | 45 | 0 | 0 | 32 | 166 |
| 7 | Information risks | 0 | 64 | 76 | 0 | 19 | 159 |
| 8 | Risk of selecting and signing contracts | 48 | 33 | 67 | 12 | 0 | 160 |
| 9 | Payment risks | 0 | 9 | 75 | 37 | 30 | 151 |
| 10 | Risks of supply of agricultural inputs | 0 | 0 | 0 | 52 | 99 | 151 |
| 11 | Risks of transport preservation | 0 | 0 | 102 | 41 | 22 | 165 |
|  | **TỔNG CỘNG** | **316** | **259** | **395** | **542** | **391** |  |

*Note: EN may select more than one RC strategy for each risk.*

*Source: Summary of survey data (2018)*

For some types of risks, it can be seen that the total number of votes reached over 151 votes, which indicates that some ENs choose more than one strategy to cope with one type of risk. Specifically the risks of: lack of professional management skills, information, selection of partners to negotiate to sign contracts, natural disasters, transport and preservation, regulations of importing countries and price fluctuations. Only 04 risks of the number of votes reached 151 are the risks of capital, payment, supply of agricultural inputs and AE policies of Vietnam.

### *Selecting the risk control measures in agricultural exports of Vietnamese enterprises*

In the RC, after orienting the strategy, it is necessary to take specific enforcement measures according to those strategic directions. For agricultural exports, measures will be determined corresponding to each risk. Through primary and secondary data collected, RC solutions of Vietnamese EN being implemented are summarized as follows:

**Table 2.4. Solutions to control risks in agricultural exports of these Vietnamese enterprises**

|  | **Risks – Solutions** |
| --- | --- |
|  | ***Capital shortage risk (very high)*** |
|  | Setting up a risk reserve fund to overcome incidents and minimize losses |
|  | Negotiate deferred payment with agricultural product suppliers |
|  | Negotiate AE support policies with the Bank |
|  | Search for credit support sources, especially for processing and preserving agricultural products |
|  | ***Risks of input farm produce supply (very high)*** |
|  | Find stable supplies in terms of output and quality of agricultural products |
|  | Diversify partners, partners, suppliers |
|  | To formulate a network of agricultural product export and transportation |
|  | Towards long-term contracts |
|  | Production linkage between farmers and EN |
|  | Look for high quality agricultural products based on the orientation of forming export agricultural supply chains |
|  | Control the origin of agricultural products |
|  | Collect at the manufacturer's garden |
|  | ***Risks of importing agricultural products of importing countries (very high)*** |
|  | Keep abreast of import regulations of markets |
|  | Find out the needs of importers to supply the right types and quality of agricultural products |
|  | Pay attention to science and technology to ensure that agricultural products meet the standards from production, preservation, processing, packaging and transportation. |
|  | Selecting agricultural products that apply international quality management system such as ISO9000, ISO14000, SA8000, HACCP |
|  | Building a trademark of Vietnamese agricultural products. |
|  | Register for protection of trademarks, geographical indications or selection of protected agricultural products |
|  | Build wholesale centers right where the goods are imported |
|  | ***Information risk (high)*** |
|  | Learn and fully exploit the information sources on the internet, newspapers and publications |
|  | Carefully understand information about partners and markets before export decisions |
|  | Sign contracts with patrons who have traded many times, or are reputable in the world |
|  | Facilitate access to international RC tools |
|  | Use market access intermediaries |
|  | ***Risk of selecting partners, negotiating and signing contracts (high)*** |
|  | Using personnel with foreign trade skills, mastering foreign languages ​​when negotiating and negotiating |
|  | Trading through familiar traders, or market intermediaries |
|  | Focus on marketing to bring more value added |
|  | Verifying the strength and reputation of partners, especially Internet search partners |
|  | ***Payment risk (high)*** |
|  | Use irrevocable L / C payment methods, especially for new customers. |
|  | Gradually export quota, instead, it is a form of contract of international trade |
|  | Use derivative financial instruments to ensure contract performance |
|  | Buy international transport insurance or buy export credit insurance in case of necessity |
|  | Use experienced personnel to perform contracts |
|  | Coordinate with relevant parties to handle to minimize losses and protect the interests of the parties. |
|  | Actively respond to trade remedies and international trade disputes |
|  | Simultaneously deploy, effectively achieve high results in the process of distributing agricultural products for export |
|  | Changing thinking and export operations (CIF, FOB import instead of FOB CIF import as at present) |
|  | ***Transport and storage risks (high)*** |
|  | Select a reputable logistics service provider |
|  | Perform synchronously from production to processing and consumption when possible |
|  | Investing in post-harvest technology, preserving quality of export products |
|  | Attract EN to participate in processing and consumption |
|  | ***Risk of price volatility (high)*** |
|  | Ensure product quality, increase efficiency and value of exports |
|  | Improve the competitiveness of agricultural products / AE EN Vietnam |
|  | Using strong and stable currency in export (USD) |
|  | Diversifying export markets, paying special attention to new markets such as the US, Africa, Japan, Indonesia, Canada and Singapore. |
|  | Join the agricultural associations in the country and around the world |
|  | Trade promotion for Vietnamese agricultural products |
|  | Discover opportunities in new markets to develop high-end export products |
|  | Paying attention to the domestic market when foreign markets have many price fluctuations |
|  | ***Risk of lack of professional management skills (high)*** |
|  | Raising awareness about risks of both employees and leaders |
|  | Selecting personnel suitable for work requirements |
|  | Improve EN's capacity and RC level |
|  | Training to improve the quality of human resources |
|  | Hire a consultant on strategy formulation and risk management plan |
|  | ***Natural disaster risk (average)*** |
|  | Establish early warning system and response plan |
|  | Buy cargo insurance when necessary |
|  | ***AE policy risk of Vietnam (average)*** |
|  | Learn about policies for AE of Vietnam, especially preferential policies |
|  | Cooperate with the State management agency to promptly capture policies for AE |
|  | Actively participate in the formulation and adjustment of policies towards sustainable development AE EN |

*Source: Summary of survey data (2018)*

### *Implementing the risk control in agricultural exports of Vietnamese enterprises*

The implementation of RC will be evaluated through four basic contents:

- Firstly, about personnel in charge of forest risk management in enterprises. There are 03 levels from low to high, namely businesses with no specialized personnel in forest risk management (level 1), there are businesses with specialized staff but have not yet established separate departments and levels (level 2) and There are businesses that have separate departments with specialized personnel for this work (level 3). The number of enterprises corresponding to levels 1-2-2 is 19 - 86 - 46 enterprises. Reconciliation with the factors of the characteristics of the surveyed enterprises shows that often the enterprises are large-scale, long-term, high proportion of export sales and qualified CEOs; there will be a strong investment in personnel implementing RC and vice versa. This is also a normal phenomenon in business because RC often requires resources of enterprises, especially human resources. Therefore, only when enterprises have achieved certain sizes will there be appropriate investments in this work.

- Secondly, the proportion of enterprises having a plan for forest risk management. Most of the surveyed enterprises (94%) confirmed that they had a plan to control the risks in the export of life that their businesses often face. Only 9/151 enterprises (accounting for 6%) answered no. The number of enterprises that do not plan this risk can be due to the number of risks and the level of losses caused by risks is not significant (small enterprises, low export proportion or newly operating enterprises). Or it may be due to the experience of piloting with experience, so enterprises feel that it is not necessary to make a detailed plan but still be able to implement the RC.

- Thirdly, the contents of an enterprise's risk management plan include 6 parts: 1 / Principal name of each risk; 2 / Detailed description of each risk; 3 / Calculate the value and classify each risk; 4 / Analysis of losses when risks are not controlled; 5 / Analyze the results achieved with the RC; 6 / Specific action programs for RC. There are 04 basic contents expressed in all (142/151), 1,2, 4, and 6. Content 3 and 5 are only 84 - 93 enterprises having implemented.

- Finally, the content that businesses self-assess on the effectiveness of the risk control organization. There are 05 levels of efficiency to evaluate, from "completely ineffective" to "very effective", there are no businesses self-assess at the lowest and highest levels. There are 06 enterprises that identify the organization of forest fire safety as "a little effective"; 69 enterprises rated it as "moderately effective" and the rest 76 rated it as "quite effective".

**2.3. Assessing activities of risk control in agricultural exports of Vietnamese enterprises**

***2.3.1. The achieved results***

- Firstly, about risk assessment: EN Vietnam all take serious considerations and assess certain severity levels for each risk.

- Secondly, on strategic identification: The EN surveys showed a sense in determining control strategies for each type of risk in AE that EN is encountering. Some EN have identified the right strategy to control some risks.

- Thirdly, on the selection of measures: the stage where EN performs best in all stages, especially with high ranking risks, the popular measures are all used by EN. used to execute RC. This shows that, basically, EN has somewhat well-aware and correct control of the risks in AE that EN is encountering.

- Fourth, the implementation of RC at ½ of the EN numbers surveyed has achieved quite good results. The rest has also recorded a moderate level of effectiveness. No EN is not effective in implementing RC.

***2.3.2. Remaining drawbacks***

- About risk assessment. In fact at the EN survey, the risk assessment is only carried out when the ENs have to answer the author's questionnaires without the important steps in risk assessment as a measure of risk and classification. Priority sequencing RC by rank and calculated value.

- About defining RC strategy. The restriction in risk assessment leads to the identification of control strategies for the risks in AE of the Vietnamese EN surveyed, which are not true to the reality of risk. Specifically, up to November 8, the risk is 100% of the EN's determination of strategies. 03 risks remaining, the number of EN determined correctly is not the maximum.

- About the selection of RC measures. The measures chosen to control each of EN's AE risks are mostly common measures, being used by many ENs in the present. But these are not sustainable measures to reduce the level of risk or avoid risks.

- About the RC implementation. Accounting for two-thirds of EN numbers, there are no specialized departments to implement the RC and up to EN of EN numbers suggest that the implementation of the RC only achieves a moderate or somewhat effective level.

***2.3.3. The cause of the limitations***

- From internal factors of the organization: The organization model of many ENs is still young: There is no competitive export strategy and capability, low financial ability; Infrastructure has not been fully invested; Information system has many shortcomings; High quality human resources have not really been invested.

- From external factors: The element of the agricultural environment has not created value chains from the agricultural supply chain for export; Elements of the macro environment of both the exporting country and the importing country: have a significant impact on EN's RC in EN.

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# CHAPTER 3. SOME RECOMMENDATIONS FOR RISK CONTROL IN THE AGRICULTURAL EXPORT OF VIETNAMESE ENTERPRISES

1. **The international and domestic context affects the agricultural products export of Vietnamese enterprises**

\* International context

- Firstly, the escalation in the US-China trade war

- Secondly, an increase in non-tariff barriers in agricultural imports

- Thirdly, the trend of consuming organic agricultural products

- Fourthly, population growth is a major challenge for the world economy and for global food security in particular.

- Fifthly, the shift of world agricultural market to developing countries, especially in Asia

- Sixthly, in the world market, there is a rapid increase in the value of import and export of products such as processed meat, grease, and milk of developing countries.

- Lastly, fluctuations in agricultural product prices in the world market are always high and occur frequently.

\* Domestic context

- Firstly, is an increase in bilateral and multilateral agreements between Vietnam and countries around the world

- Secondly, agriculture is Vietnam's key economic sector

- Thirdly, the Government has many mechanisms and policies to support export agricultural products

- Fourthly, development science and technology facilitates the increase in quality and output of agricultural products.

1. **Viewpoints on controlling risks in agricultural exports of Vietnamese enterprises in the coming time**

- Firstly, RC needs to follow the supply chain of agricultural exports during the IoT era

- Secondly, RC needs to rely on the actual resources of EN

- Thirdly, RC based on application of science and technology

- Finally, RC and sustainable development in AE

1. **Proposing solutions to control risks for agricultural exports of Vietnamese enterprises**

### *Improving risk assessment of agricultural exports of Vietnamese enterprises*

- In order to increase the reliable and cover more aspects of risk, EN can use 02 criterias more about "Time of occurrence of risk" and "Percentage of occurrence of risk ". The important or highly similar risks that the EN does not know to prioritize to handle any risks first can apply 1 or 2 new criteria. In addition, quantitative methods can be used to measure risks. This method is done by quantifying analysis on the basis of probability theory. To calculate probability distributions, usually three variables are used: the number of losses that EN encounters over a certain period of time, the degree of damage each loss, the total value of losses that EN incurs in a span time.

- Additional in risk classification. After being measured, AE risk of EN Vietnam must be classified based on the criteria set out. This section needs to determine how many are and what risks are in the category of serious class - high rank - average - low class. Currently, with EN surveys, risks in AE have no risk of being ranked low, indicating that risks are assessed by ENs to the extent that they need to handle or handle risks simultaneously.

- Add new risks (if any) to put under control. Risk assessment as input data for RC activities should be carried out continuously to detect more potential risks.

### *Completing the identification of risk control strategies in agricultural exports of Vietnamese enterprises*

Instead of identifying RC strategies according to sentiment or experience, based on scientific grounds for risk measurement, risk classification, and matrix identifying risk strategies of Goosens & Cooke (2001); AE EN Vietnam is proposed with RC strategies corresponding to each risk as follows:

Table 3.1. Proposing a strategy to control risks in agricultural exports of Vietnamese enterprises

| **Impact**  **Likehood** | **High** | **Low** |
| --- | --- | --- |
| **High** | AVOID:  1. Policy risks of importing countries (very high)  2. Risk of price volatility (very high)  3. Risk of supply of agricultural inputs (very high)  4. Risk of transport and storage (high)  5. Risk of capital shortage (high)  6. Information risk (high)  7. Risk of selecting partners, negotiating and signing contracts (high)  8. Payment risk (high) | MITIGATE:  1. Vietnam's policy risk (average) |
| **Low** | TRANSFER:  1. Natural disaster risk (average)  2. Risk of lack of professional management skills (high) | ACCEPT: |

Note: High corresponds to a score of> 3.0 and Low corresponding to a score of ≤ 3.0

*Source: Goosens & Cooke (2001) and the author proposed (2018)*

There are 08 risks to use the "avoid" strategy; 02 risks need to use the "transfer" strategy and 01 risk to use "mitigation" strategy. There is no risk that "acceptance" strategy should be used. Identifying the right strategy will be the basis for setting goals when using RC measures. Instead of level 3 being taken as high as the author suggests, ENs can get a score of 3.5 or even 4 points depending on the EN rating.

### *Completing the selection of risk control measures in agricultural exports of Vietnamese enterprises*

After identifying the risk control strategy, EN will choose measures that are appropriate to its actual strategy and resources. Based on the three strategic groups identified above, EN may study the following specific measures to control risks. However, EN depends on the actual resources that can choose other suitable measures, as long as it still ensures the strategic orientation in that RC. EN can compare measures together before making a choice decision.

(1) For the risk group that is likely to occur and the degree of influence at the high level, the appropriate strategy to choose is to avoid. It means that measures that businesses use to control risks are proactively affecting the risk to avoid such risks.

- Risks due to import policies of importing countries include:

+ Technical barriers: The cause of the risk of export agricultural products is that they do not meet the technical requirements of the importing country. Therefore, to control this risk, EN need to impact on the farming stage such as: selecting breeds, cultivating according to the standard process to ensure the quality of output agricultural products.

+ Import policy: For ENs which export to Chinese market in border trade are often at risk due to changing policies. Measures to avoid risk may be setting up information channels, building a market research department to regularly update the policy provisions of the importing country or looking for export opportunities in the mainstream

- Risks of input agricultural supply: Control measures to avoid this risk is that EN must be proactive in input supply both in quantity and quality. ENs with financial potential should invest in their own zoning plan to provide input to their EN. Small and medium ENs should establish close relationships with growers and traders through long-term contracts and assist them in production to ensure market output meets market requirements.

- Risk of price volatility: Currently Vietnam's agricultural products are subject to many risks because of frequent market fluctuations. This is a potential risk and a high degree of influence. The appropriate strategy proposed here is avoidance so EN should determine measures to actively avoid this risk. EN can invest machinery lines to switch from raw agricultural products to processed ones to be less risky due to frequent price fluctuations. If in the case that EN does not have sufficient resources, then it is possible to choose a transfer strategy by buying hedging insurance as some of the current agricultural export ENs do

(2) For high risk groups but low impact level, the proposed strategy is Mitigation. The measures will aim to: reduce the likelihood of risk; minimize losses.

- Risk of capital shortage proposed measures is:

+ Negotiating with the bank on loan support policies

+ Negotiate deferred payment with agricultural product suppliers

+ Setting up a risk reserve fund to overcome incidents and minimize losses

- Risk of information proposed measures are:

+ Learn and fully exploit the internet information resources, websites of the Ministry of Agriculture and Rural Development, Vietnam TBT associations and offices

+ Establishment of a specialized research and market research department

+ Using market access intermediaries

- Risk of selecting partners, negotiating and signing contract measures proposed are:

+ Understanding information about partners, verifying the strength and prestige of partners before trading

+ Using personnel with foreign trade skills, fluent in foreign languages ​​when negotiating, negotiating and signing contracts

- Payment risk, the proposed measure is:

+ Negotiating to use low-risk payment method such as irrevocable L / C

+ In cases of using other payment methods, it is necessary to specify the payment term and penalty terms in case the buyer fails to fulfill the payment obligation.

- Risk of storage preservation, proposed measures are:

+ Investing in post-harvest and preservation technology

+ In case EN cannot afford the capital, it is recommended to select a reputable logistics provider

(3) For risk groups with low probability and high level of influence, the proposed strategy is transfer, which means that EN accepts to pay for transferring part or all of the risk to other subjects. For the risk of natural disasters, the proposed measure is to buy insurance; As for risks due to management qualifications, the EN professional expertise may abandon outsourcing costs.

(4) For risk with low potential of occurrence and low level of influence, EN should use the acceptance strategy and take measures to establish a reserve fund if that risk occurs.

The RC measures when selected, in addition to following the strategic direction of control for that risk, EN also needs to set specific goals to be able to implement that measure. Some notes in choosing RC measures:

- Measures must give priority to solving the most important things first and must have specific calculations on efficiency.

- Notify all relevant people about control measures implemented, especially the reasons for the changes.

- Provide adequate monitoring to verify that new control measures are being implemented and used properly.

In order to risk control solutions are implemented effectively, enterprises would note the following contents:

- Firstly, Improve the quality of human resources for risk control activities

- Secondly, Ensuring supply for agricultural export enterprises

### *Completing the implementation of risk control in agricultural exports of Vietnamese enterprises*

Firstly, EN need to determine the order of priority in RC implementation based on the value of calculated risks. For the EN surveys, the author suggests a priority order to address AE risks of EN Vietnam as follows:

Table 3.2. The priority order of risk control of Vietnamese agricultural exporters

| **Priority** | **Risk** |
| --- | --- |
| Priority 1 | 1. Risks due to policies of importing countries (very high)  2. Risk of price fluctuation (very high)  3. Risk of supply of agricultural inputs (very high) |
| Priority 2 | Risk of transport and storage (high)  5. Risk of capital shortage (high) |
| Priority 3 | 6. Information risk (high)  7. Risk of selecting partners, negotiating and signing contracts (high)  8. Risks from natural disasters (high)  9. Payment risk (high) |
| Priority 4 | 10. Vietnam's policy risk (average)  11. Risk of lack of professional management skills (average) |

*Source: Author proposed (2018)*

As can be seen from the table above, EN should prioritize to handle the risks of value from high to low. Risks have the same rank but are classified into two different priority treatment groups because their values ​​reach different levels of proximity. Finally, if the value of risk is equal, AE EN Vietnam can choose the "likelihood" or "influence level" criteria to prioritize risk handling.

After prioritizing, EN will conduct the RC implementation. An implementation plan is needed to ensure the implementation process is complete and effective. AE EN Vietnam has not yet had a specialized department to implement RC work; At the same time, there is no habit of assigning a specific individual responsible for the risks that may occur. This can be supplemented by EN's determination. EN may assign a member of the team who has many skills or experience of risk. Or you can hire an independent expert on this issue. The individual responsible for the RC needs to be knowledgeable about EN, knowledgeable about the AE market and accompany EN in the stages of the RC process to provide the most appropriate advice or guidance. EN is also advised to use RC forms or journals to store information about risks, risk values, class of risks, strategies and measures to RC, prioritize risk handling and responsible persons. assigned to serve as a basis for risk monitoring or inspection later.

**3.4. Some recommendations**

\* With Government and line ministries

- Firstly, representing EN to negotiate with import markets on agricultural import and export policies

- Secondly, effectively implement strategies and policies to develop agricultural products for export

- Thirdly, build strong national brands and indications

\* With related associations

- Develop strong associations to provide timely support to businesses

- Develop information system of world agricultural market

- Strengthen trade promotion

**CONCLUSION**

The dissertation of the study on "Control of risks in agricultural exports of EN Vietnam" is presented in accordance with the standard 03 chapters including chapter 1 theoretical basis, chapter 2 status and chapter 3 proposed solutions. Based on research objectives, the thesis has clarified the following contents:

1. Overview of the research related to the thesis, systematizing the basic theoretical issues of risk control. Analyzing and evaluating research projects that are closely related to the topic of the dissertation published in and outside the country, pointing out the outstanding issues that have not been resolved, the "gaps" of knowledge, made the basis for setting up research questions that the thesis needs to focus on.

2. Systematizing the theoretical basis of risk control including: the concept of agricultural product exports, agricultural product export risks and risk control in agricultural product exports, proposing a risk control model EN's export of agricultural products includes the main contents of (1) risk assessment, including: identification, measurement, classification, ranking of priorities; (2) RC includes: defining strategies, selecting measures and implementing RC.

3. Analyzing the situation of risk control in agricultural exports of Vietnamese enterprises in the period of 2012-2017. The research results have identified 11 common risks in agricultural export activities, which are Capital shortage risks, Risks due to lack of management and professional skills, information risks, risks. partner selection, negotiation and contract signing, payment risk, risks from natural disasters, input agricultural risks, transport / storage risks, export policy risks Vietnam's agricultural products, Risks due to policies of importing countries, risks of technical barriers, risks due to risks of world agricultural prices. Types of strategies such as avoidance, mitigation, transfer, acceptance; and specific risk control measures also applied by ENs for each risk. Based on the analysis, some assessments on the achieved results, limitations and causes of the control of EN risks

4. Based on the analysis of the international and domestic context affecting agricultural exports of Vietnamese enterprises, the author gives a view on controlling risks in agricultural exports of Vietnamese enterprises. In the near future: Risk control should be carried out in the supply chain; Risk control based on actual resources of the business; Control risks based on application of science and technology; Control risks associated with sustainable development in agricultural exports

5. From the point of view on the author proposed solutions for Improving risk measurement; Determining RC strategy; Selecting RC and Implementing RC effectively. In addition, the dissertation also makes recommendations to the Government, line ministries and related associations to support effective agricultural export risk control activities of Vietnamese ENs.

RC is a difficult field, especially with sensitive products like export agricultural products. Through its efforts, NCS has focused on researching and proposing the contents of RC of Vietnam EN ENs, including: risk assessment, RC strategy identification, RC measure selection and RC implementation. . Besides, the number of 151 EN surveyed is not a large research sample. In addition, the irrespective of agricultural exports may also affect the identification of risks in the EN that deal with different products. However, the thesis still has theoretical and practical contributions to the study and evaluation of the RC content in AE of Vietnamese ENs. In the process of carrying out the thesis, it is inevitable that the shortcomings, NCS would like to receive contributions from the teachers and siblings so that the students can complete the thesis better.

**LIST OF PUBLICATIONS**

1. Enhancing the participation of Vietnamese agricultural products in the global value chain – Economy Forecast Review No.05, March 2014

2. Experience of developing LIFFE coffee exchanges in the UK- Economy Forecast Review May 2016

3. Risk control in agricultural products export: International experience and lessons for Vietnamese enterprises – Asia Pacific Economy Review No. 488, February 2017

4. Model of risk control in agricultural products export of Vietnamese enterprises - Asia Pacific Economy Review No.514, April 2018

5. Report of risk control situation in agricultural export of Vietnamese enterprises – Industry and Trade Magazine No.6, April 2019

6. Analyzing the capacity in organic agricultural products export of Vietnamese enterprises - Asia Pacific Economy Review No.562, April 2020