

- What advantages encouraged the An Giang Agricultural Products and Food Import-Export Company to invest in this line of products?
- What is its orientation for the next stage of development?

An Giang province in the Long Xuyên Trapezoid has a lot of potentials which are well exploited. One of its staples is rice, not to mention other agricultural products. Generally, An Giang is a province endowed with favorable natural conditions.

Exploiting these conditions, the An Giang Agricultural Products and Food Import-Export Company (AFIEX CO) embarked on the trade in agricultural products for export in order to develop local economy.

AFIEX CO, a state enterprise, was established in 1990 when the multi-sector market economy came into being. To survive and develop in the competitive environment, it has to work out the best business strategy and learn how to make the best use of local advantages. For years, the Company has paid attention to the following businesses:

- Exporting rice, manioc flour, sliced cassava, maize, cashew nut, pig and chicken, wooden furniture, etc.
- Importing fertilizer, chemicals, electrical and domestic appliances, etc.

AFIEX CO has also bought founders' shares of many joint-ventures such as Việt Nguyên joint venture (VINARICE) specialized in processing high-quality rice for export, International Food Cooperation (IFC) specialized in processing agricultural products and foodstuff for export, etc.

#### 1. Advantages of AFIEX CO

In rice exporting business, Vietnam met with strong rivals in the European markets (such as Indonesia, Thailand), so the quality and price become matters of great importance. The Company has invested a lot in growing Jasmin 85 (CA 92) rice, a new strain of rice imported from the Philippines, in Thất Sơn (Châu Đốc). This is a high-quality strain of rice with long, good-flavored, and transparent grains. The Company also possesses a rice mill which can process 40-50 thousand tonnes per day before exporting them.

Due to product quality and competitive price, the Company is able to find footholds in both European and Asian markets. Since 1993, the Com-

pany has cooperated with VINARICE to export some hundred thousand tonnes of high-quality rice every year, and make big profits.

#### 2. Animal feed factory

AFIEX CO has also possessed a big animal feed factory (one of the biggest in the Western South Vietnam) marketing its products in provinces in the Mekong Delta.

The factory is equipped with a modern production line producing some 50 thousand tonnes of animal feed per day. In May 1995, two more lines with a daily capacity of 12 thousand tonnes were imported from the Netherlands along with a lot of equipment imported from Japan or the US. So the factory could offer a wide range of products to buyers.

Its products were sold at lower prices than what came from HCMC and Sông Bé because its local supplies of raw materials were stable.

#### 3. Other annuals

Besides rice, the Company has also invested in growing a new strain of manioc imported from Thailand with a yield of some 45 thousand tonnes per hectare. Manioc of this strain is produced in large quantities in Châu Đốc.

The Company has also paid attention to the growing of hybrid maize. Many new strain of maize, such as long-lived DK888, LVN10 or short-lived DK999, Cargille 4070, Cargille 929, etc. were grown in An Giang up to now. These annuals could be exported or used as raw materials to produce animal feed. Planting annuals has become short-term plans which helped the Company carry out long-term ones in the past few years.

#### 4. Orientation of the AFIEX CO in the

coming years

Giving a short interview, Bửu Huy, Vice-Director of the AFIEX CO, revealed the plan of the Company for the next few years.

**Q: What is your plan to develop the Company in 1997?**

**A:** In 1997, we plan to build a food processing factory, a manioc processing factory with daily output of 400 tonnes. In addition, we are preparing to have some 6,000 hectares grown with manioc, and if need be, we will supply loans and encourage farmers to plant manioc of Thailand strain which could yield some 45 thousand tonnes per hectare in comparison with 12 thousand tonnes produced by local strains. Well-processed manioc flour will be exported and its by-products are used for making animal feed.

Generally, rice, hybrid maize and manioc are saleable products which will become our staples in 1997.

**Q: Do you intend to expand your animal feed factory? Can its products compete with imported counterparts?**

**A:** Of course, we have to expand it in order to meet market demand.

As for animal feed made by foreign factories in Vietnam, they aren't the center of our attention, because our products have the same quality as theirs, but ours are sold at more competitive prices. So we can compete successfully with them.

**Q: Could you tell me what products your new food processing factory will make?**

**A:** I'm sorry, I'm afraid I can't. Please wait and see.

I can't but thank him for the interview.

## STAGES OF DEVELOPMENT OF THE AN GIANG AGRICULTURAL PRODUCTS AND FOOD IMPORT-EXPORT COMPANY

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