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Livestock and Products Update

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Report Highlights:

Vietnam's livestock in 2004 had a growth rate of 2.3%. This was significantly lower than in 2003 due to highly pathogenic avian influenza outbreaks. However, Vietnam has been trying the best to recover the poultry sector from this outbreak. Post estimates that Vietnam's livestock sector will still grow at a 4% growth rate in 2005.

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SUMMARY**Production**

The Ministry of Agricultural and Rural Development (MARD) reported that Vietnam's livestock production value as a proportion of the total value of Vietnam Agriculture production increased from 17% in 2001 to 22.4% in 2004. MARD hopes the country can raise this livestock proportion livestock to 30% by 2010.

Vietnam's livestock in 2004 had a growth rate of 2.3% (See table 1). This was significantly lower than in 2003 due to highly pathogenic avian influenza outbreaks.

Table 1: Vietnam's livestock sector annual Growth Rate

Year	Total Ag Sector	Crop Production	Livestock
2000	5.4	5.2	6.7
2001	2.6	2.3	4.2
2002	6.2	5.5	9.9
2003	4.2	3.2	8.2
2004	4.2	4.7	2.3

Source: General Statistical Office (GSO), MARD

Post estimates that Vietnam's livestock sector will grow at a 4% growth rate in 2005 as Vietnam has been trying the best to recovering from the avian influenza outbreak.

MARD estimates Vietnam's 2005 animal meat production (live weight) at 2,800 thousand metric tons (TMT), about 11.7% higher than 2004's production (see table 2). Pork plays a dominant role in total livestock production. Currently, about 80% of the meat production is pork while the share of poultry meat is about 12.8% and other kinds of meat including beef, buffalo, and goat meat occupy only 7.2%.

Table 2: Vietnam -- Key Livestock Components - 2000-2005

	Unit	2002	2003	2004	2005 est.	2010 est.
Cattle population	Thousand heads	4,062.9	4,397.3	4,910	5,250	6,500
Buffalo population	Thousand heads	2,814.5	2,835	2,870	2,950	3,300
Swine population	Thousand heads	23,210	25,461	26,144	27,000	33,000
Poultry population	Thousand heads	233,300	254,057	218,152	245,000	350,000
Goats and sheep	Thousand heads	621.9	780.35	1,020.2	1,200	2,000
Total meat production (live weight)	tmt	2,196.2	2,329	2,507	2,600	3,700
<i>of which pork meat</i>	tmt	1,653.6	1,795	2,012	2,100	2,900
<i>Poultry meat (live weight)</i>	tmt	388.4	373	320.4	300	500
<i>Beef and buffalo meat</i>	tmt	154.2	161	180.3	200	300

Share of pork meat/total meat	%	75	77	80	80.77	78.5
Share of poultry meat/total meat	%	18	16	13	11.54	13.5
Share of beef and buffalo meat	%	7	7	7	7.69	8
Total Egg production	Billion pieces	4.53	4.85	3.94	3.85	4.9
Per capita egg consumption	Pieces/head/year	56.63	60.62	48.64	50	62
Per capita meat consumption (live weight)	kg/head/year	27	28	31.3	35	40

Source: GSO, MARD

In Vietnam, per capita meat consumption is increasing. Annual per capita meat consumption (live weight) in Vietnam increased to 31.3 kg in 2004 as the income levels of Vietnamese people are improving. MARD estimates that 2005 per capita consumption will be about 35 kg/head/year, up significantly from 23 kg in 2000.

Prices

Post estimates prices of livestock in domestic market in 2005 will increase significantly because of high demand *and* the continued impact of the bird flu in 2004 and 2005. The supply of poultry meat decreased sharply in 2004, which made chicken meat prices increased 20%-30% compared with 2003.

Annual average price of pork (live weight) in 2004 was VND 14,800/kg (live weight). The average pork price in southern Vietnam was VND 15,550 per kg, equivalent to US\$ 1.00, and in northern Vietnam was VND 14,000/kg equivalent to US\$ 0.9.

Recent Vietnamese domestic market prices for livestock are stated in table 3.

Table 3. Domestic prices of livestock in Vietnam of Aug. 4, 2005
(US\$ 1= VND 15,900)

	in Northern provinces	In Southern provinces
Pork meat (live weight) (VND/kg)	13,500- 15,000	17,500- 19,500
Chicken meat (live weight)(local indigenous type) (VND/kg)	35,000- 36,000	44,000- 52,000
Chicken meat (local indigenous type) (VND/kg)	45,000- 50,000	46,000- 54,000
Beef (VND/kg)	65,000- 75,000	75,000- 80,000
Chicken Eggs (VND/ten eggs)	14,000- 15,000	15,000- 16,000
Duck Eggs (VND/ten eggs)	12,000- 13,000	13,000- 14,000

Source: MARD, FAS

POULTRY

HPAI Outbreak

Vietnam's Department of Animal Health (DAH), breaks down the two-year old outbreak of highly pathogenic avian influenza (HPAI) into three periods.) .

First period from late December 2003 to March 2004

The HPAI spread throughout Vietnam hitting 57 of 64 of the country's provinces and cities. The DAH estimated the number of suspected infected and culled poultry at 58.66 million head, 30.4 million were chicken, 13.5 million were waterfowls, and 14.76 million were domesticated quail.

Second period from April 2004 to November 2004

The outbreak during this period was mainly confined to the Mekong River Delta. The total number of culled poultry in this period was far less than in the first outbreak, only 80,078 head, of which there were 55,999 chicken, 8,132 waterfowls, and 19,947 quail. By November 2004, in the whole country there was only one commune affected and the number of destroyed poultry was only 20 heads.

Third period from December 2004 to present

The avian influenza outbreak became more severe again in December 2004 when 12 provinces were affected and 43,139 poultry culled. The peak of the outbreak during this period was in January, during which 1,080,190 thousand birds were destroyed in 31 provinces.

MARD reports that the total number of culled poultry from December 2004 to Aug. 8th, 2005 was 2,158, 526 heads, of which 475,841 were chicken, 831,656 were waterfowls and 851,029 quails.

This last period has been characterized by outbreaks occurring mostly on small household farms. No large farm has been affected.

In all periods, disease occurrence has tended to be associated with areas where waterfowls populations are significant. Most of the provinces with high risks of infection are in the Mekong River Delta, where 70% of waterfowl have tested positive with the bird flu virus strain H5N1.

Table 4. Impact of AI on Vietnam poultry population

Period	Number of poultry death/destroyed
December 2003-March 30, 2004	43.9 million of which 30.4 million chicken, 13.5 million waterfowls excluding 14.76 million quails
April-Nov. 2004	80,078 heads of which 55,999 chicken, 8,132 ducks and 19,947 quails
Dec. 2004- Aug. 8, 2005	475,841 chicken; 831,656 ducks and 851,029 quails

Source: MARD

Vietnam plans to use vaccination as a control measure for HPAI. Several types of bird flu vaccines were tested on a limited scale in early 2004, and pilot vaccinations for the northern Nam Dinh and southern Tien Giang provinces started in August 2005. DAH intends to vaccinate nationwide before December when the next increase in infections is inspected.

Vietnam is using vaccines imported from China and the Netherlands to inoculate chickens, ducks and quails against the H5N1 virus. The National Epidemic and Hygiene Institute is also developing a bird flu vaccine for production. This vaccine is expected to be available in Vietnam towards the end of this year.

Vietnam's government has said they will pay farmers VND 15,000-18,000 (\$US 1= \$15,868) for each diseased chicken, duck or geese culled.

MARD and Ministry of Health (MOH) are taking strict measures to protect poultry breeding farms from the bird flu outbreak. These include setting up checkpoints and mobile quarantine teams and preventing the illegal transportation of poultry. Because of the bird flu, MARD has designed a project to restructure the domestic poultry breeding system to encourage sustainable development. The poultry-breeding sector must make detailed plans for developing concentrated breeding sites taking advantage of industrial breeding and production. However, MARD decided not to allow any waterfowl hatchings until February 2006 since waterfowls are so frequently associated with the disease.

Production

Due to the HPAI outbreak Vietnam's 2004 poultry population dropped 14% to 218 million as compared to 254 million in 2003 (See table 5&6).

MARD hopes the country can increase the total poultry population by 12% to 245 million by 2005 and to 350 million by 2010. However total meat production will decrease as inventories are rebuilt. However, post believes Vietnam will not be able to reach the 2005 goal in poultry population due to the HPAI outbreaks.

Table 5: Vietnam - Poultry Sector

	Unit	2001	2002	2003	2004	2005 est.	2010 est.
Total poultry population	Million heads	218.12	233.3	254.06	218.15	245	350
Chicken population	Million heads	158	159	185	159	195	270
Duck population	Million heads	58	73	69	59	50	80
Poultry meat production	Thousand metric ton	322.6	388.4	372.72	316.41	300	500
Poultry egg production	Billion pieces	4.16	4.53	4.85	3.94	3.85	

Source: GSO; MARD, Vietnam Feed Association

Table 6. Annual volume of poultry in the areas of Vietnam
(Unit: Million head)

Areas	2001	2002	2003	2004	Growth rate compare 2004/2003 (%)
Whole Country	218.12	233.29	254.06	218.15	-14
North Vietnam	126.49	134.90	151.67	142.06	-6.3
Red River Delta	46.86	50.66	65.55	59.08	-9.8

North East	45.62	47.33	41.64	39.51	-5.1
North West	6.8	7.11	7.85	7.89	0.5
North Central Coast	27.16	29.79	36.68	35.59	-2.9
<i>South Vietnam</i>	<i>91.60</i>	<i>98.39</i>	<i>102.39</i>	<i>76.09</i>	-25.6
South Central Coast	14.36	15.36	16.19	14.79	-8.6
Central Highlands	5.62	6.26	10.06	8.68	-13.7
North East South	24.9	26.78	24.67	11.05	-55.2
Mekong River Delta	46.72	49.99	51.46	35.56	-30.8

Source: *MARD*

Vietnam poultry breeding stock

In all of Vietnam there are 2,260 poultry farms, of which 119 are breeding farms. Sixty-seven percent of breeders stocks are local private own companies (see table 8).

Table 7. Distribution of poultry breed stocks, stations in Vietnam

S/N	Name of organization	Amount
1	National Institute of Animal Husbandry	6
2	Vietnam National Livestock Cooperation	7
3	Institute of Agricultural Science of South Vietnam	1
4	Companies, Centers, enterprises under control of Province	15
5	Companies under control of Foreign Investment	10
6	Private own farms	80
	Total	119

Source: *MARD*

To improve the poultry sector Vietnam is keen to import pure chicken breeds for growing and for cross breeding from a variety of countries and companies.

SWINE SECTOR

Swine population

According to MARD, total swine population reached 26.1 million head by the end of 2004 (see table 2), increasing 2.7% in comparison with 2003. Of this, 3.7 million head were sows.

Vietnam targets to have 27,000 thousand heads of pigs by 2005 and 33,000 thousand heads by 2010.

Pork production

Swine are the most important animal for Vietnamese livestock production and MARD pays the most attention to this sector. Pork production in 2004 reached 2.012 MMT tons, increasing 12% by comparison with 2003 (1.795 MMT) (see table 2) to a significant degree due to the use of more high-yield lean meat hybrids and foreign swine breeding stocks, and better quality pig feeds. MARD hopes pork production will reach 2.100 MMT (live weight) in 2005, 104% higher than last year's production. They also have a target of 2.9 MMT for 2010 (see table 2).

In the Vietnamese diet, fresh pork meat is the most common animal protein source. Now Vietnamese people in cities are also consuming more processed pork (canned meat or prepared sausages). However, legal imported pork products are still not widely available in Vietnam.

Domestic pork prices

By the end of 2004 and in the first six months of 2005, domestic pork prices increased sharply in both northern and southern provinces due primarily to the impact of bird flu.(see table 8). However, after peaking in February of this year in northern province and in June in southern provinces, pork prices have been dropping as the bird flu situation has improved and higher prices have prompted swine producers to increase production.

Table 8: Vietnam's 2004-2005 Average Monthly Swine Prices (live weight).
(Unit: VND/kg) (US\$1=VND 15,900)

Months	Northern provinces			Southern provinces		
	2003	2004	2005	2003	2004	2005
January	11,000- 12,500	10,500- 12,500	16,000- 17,500	16,000- 17,000	12,500- 13,500	18,000- 19,000
February	11,500- 12,000	13,500- 15,000	16,500- 18,500	16,500- 17,000	12,000- 15,000	18,000- 20,500
March	11,000- 12,000	11,500- 12,500	15,000- 17,500	16,000- 17,000	14,000- 15,000	18,000- 19,500
April	11,000- 12,500	13,000- 14,000	14,500- 15,500	16,200- 16,500	14,000- 14,500	19,000- 22,000
May	11,000- 12,500	13,500- 15,000	13,500- 15,500	16,000- 16,500	14,000- 14,500	21,500- 22,500
June	11,000- 12,500	13,500- 15,000	13,500- 15,500	15,000- 16,000	14,500- 15,000	22,500- 23,500
July	11,000- 12,500	13,500- 15,000	13,500- 15,000	12,000- 13,500	14,200- 14,700	21,000- 23,000
August	11,000- 12,500	15,000- 16,500	13,000- 14,000	11,000- 13,000	15,000- 17,000	18,000- 19,500
September	11,000- 12,500	14,500- 16,500		11,000- 13,500	15,000- 17,000	
October	10,500- 12,500	15,000- 16,500		11,000- 12,500	15,000- 17,000	
November	10,500- 12,500	15,000- 16,000		11,500- 12,500	15,000- 17,000	
December	10,500- 12,500	15,000- 16,000		12,500- 12,700	16,500- 18,000	

Source: MARD

Trade

Although the Vietnamese government has plans to increase pork exports to 80,000 tons this year and 100,000 tons for years afterwards, exports continue at the 10,000–30,000 tons only, worth US\$16–48 million /year.

Vietnam pork meat does not compete effectively in the international market. Health restrictions related to both animal and human health close many markets to Vietnam. Vietnamese pork is also not usually lean enough to compete overseas. The lean meat ratio of live pigs is still very low (about 33.6% - 40.6 % in the north and 34.5%-42.6% in the south of Vietnam) while international markets require leaner meat ratios.

MARD plans to support industrial style farms, encourage production with good quality breeds and lower export prices. Vietnam imported very high quality pork breeds from USA (for the northern provinces) and Australia (for southern provinces) such as: Landrace, Yorkshire, Duroc that will produce pork with lean meat ratios up to 56-60%. However poor intellectual property rights protection in Vietnam limits the degree to which foreign breeders are willing to provide genetics to the country.

The United States has exported live pigs to Vietnam for recent years. The value and volume of U.S. live swine, which were exported to Vietnam during the period of 2000 – 2004, are stated in table 9. In 2004, the number of live swine imported from the United States decreased significantly to 110 head, a 50% decrease compared with the previous years. During the first five months of 2005, Vietnam has not imported any live swine from the United States.

Table 9. The value and volume of USA Live Swine export to Vietnam in 2000-2004

	2000	2001	2002	2003	2004	2005 est.
Volume (heads)	932	0	110	222	110	150
Value (in Thousand US Dollars)	256	0	111	215	126	159

Source: US. Department of Commerce, U.S. Census Bureau, FAS estimate

Illegal import of pork meat and live pigs from China difficult to control

While Vietnam tries to boost its production to meet domestic consumption and the government's export plan, in fact there were illegal imports of pork meat and live pigs from China, which are difficult to control. These imports meet a strong and growing domestic demand, especially in provinces bordering China.

CATTLE SECTOR

Cattle Inventory

In 2004, the cattle and buffalo inventory in Vietnam was 4.908 million head of cattle and 2.87 million head of buffalo, increasing 7.6% in total compared with 2003. The cattle number increased 11,7% compared with 2003 to 4.394 million head (see table 2), of which 95,794 were dairy cows.

The total beef and buffalo meat production of Vietnam in 2004 reached 180.3 TMT, a 12% increase compared with 2003, of which 121.3 TMT were beef and 59 TMT were buffalo meat.

Post estimates the cattle inventory will be 5.25 million head by 2005, an increase of 4% in comparison with 2004 due to high domestic demands for beef and dairy products. Up to now, Vietnam has 3,400 cattle breeding farms, of which about 1,000 farms are in the north

and 2,400 farms in the south. The number of cattle breeding farms is increasing in Vietnam as this sector is profitable to the farmers.

Local farmers are currently unable to provide enough grass for cattle. This will continue to be a big problem given the many demands for Vietnam's land. MARD encourages many regions in the country to have "appropriate plans" to increase fresh grass areas, but how this will be achieved in practice is unclear. This would seem to indicate significant opportunities for the import of beef and processed dairy products in the future.

Dairy cattle

MARD reported that Vietnam's dairy cattle population increased significantly from 41,240 heads in 2001 to 95,794 heads in 2004

The Ministry of Industry estimates that the dairy cows inventory will grow to 200,000 – 250,000 head by 2010 (see table 10 & 11). Although production is still very small given Vietnam's population, demand for fresh dairy products particularly among wealthier city dwellers is driving this increase in local dairy production.

The proportion of dairy cows in Southern provinces is about 70% of the total, followed by the North with 24% and the central region with 6%. Ho Chi Minh City is the largest dairy-farming center in the country with over 52,000 head. Dairy farm size varies between regions. In the Northern provinces, the average number of dairy cows per farm is 4-5, while the average size of a dairy farm in the Southern provinces is 7-10 cows. However, industrial type dairy farms with an average size of 1,000-2,000 cows are set up in both northern and southern parts of Vietnam.

Despite this growth, many small household farms find they cannot compete and are selling their dairy cattle. The big scale dairy farms are replacing the small household farms.

Table 10. Total dairy cow population estimated in 2005 and 2010

Areas Provinces, Cities	2005		2010	
	Total dairy cow population	Total milking cow population	Total dairy cow population	Total dairy cow population
1	2	3	4	5
I. South East Area	61.103	27.499	78.591	35.365
Lam Dong	4.533	2.000	7.385	3.300
1	2	3	4	5
II. South West Area	9.913	4.461	26.011	11.696
III. South Central Area	9.578	4.310	32.270	14.508
IV. North Central Area	12.500	5.625	39.500 (20.500)	17.775 (9.225)
V. Red River Delta	21.217	9.545	49.100	22.095
VI. Northern Mountainous Areas	18.917	8.512	38.382	17.270
Total	137.761	61.952	252.239	113.459

Source: Ministry of Industry

In Vietnam, 80% of the heard are Holstein Friesland (HF) and Jersey, which produce 3,000-5,500 litters/300 day cycle/head.

Table 11: Vietnam's Dairy Cow Population
(unit: head)

	2001	2002	2003	2004	2005 est.
Total dairy cow population	41,240	55,840	88,834	95,794	100,000
of which in the Northern provinces	6,170	11,066	21,320	22,991	25,000
in the Central provinces	935	3,653	5,330	5,748	8,000
In the Southern provinces	34,135	41,121	62,184	67,055	75,000

Source: MARD

Dairy cow imports

In 2004, Vietnam imported 1,200 head of dairy cattle, a 80% drop compared with total dairy cow imports in 2003 (see table 12).

Table 12: Vietnam Dairy Cattle Imports

	2001	2002	2003	2004	2005 est.
Total imported cattle	1,133	3,889	6,215	2,200	1,500
Of which imported cows	192	3,392	5,581	1,200	500

Source: Ministry of Trade, FAS estimate

The main suppliers for dairy cows to Vietnam were Australia, New Zealand, and Thailand. More than 80% of the cattle were shipped from Australia. In the past, Vietnam imported small quantities of dairy cattle from the United States, such as 104 dairy cows in 1997, and 121 breeding dairy cows and 183 bulls in 2001. Currently the Vietnam government does not allow imports of live cattle from the United States due to two recent cases of BSE in the United States.

Milk production

Vietnam's 2004 fresh milk production was about 135,000 tons of milk, an increase of 12.5% compared with 2003's level (see table 13) due to increases in both cow numbers and yields. MARD hopes the country can reach 165,000 tons production in 2005

Table 13: Milk Production

		2002	2003	2004	2005 est.	2010 est.
Fresh milk production	Tons	95,000	126,000	151,310	165,000	350,000
Fresh milk production per capita	kg/capita/year	1.18	1.56	1.84	1.95	2.3

Source: MARD

Fresh milk production per capita grew to 1.84 kg in 2004, an increase of 18% as compared with 2003's level. The target production for 2005 would mean a per capita consumption of 1.95 kg.

Table 14: Vietnam's Plan for Fresh Milk Consumption in 2005 and 2010

	Unit	2000	2005	2010	Growth rate (%/year)	
					2001-2005	2006-2010
Population	Thousand	77,685.5	83,352	87,758		
Milk consumption per capita	Liter	5,9	8	10		
Total domestic milk consumption	Thousand liters	460,000	667,000	900,000	7,7	6,2

Source: Ministry of Industry

In the last 10 years, the domestic raw milk price has stayed steady at VND 3,200 to VND 3,500 per kilo (\$US=VND 15,900. The fresh milk retail price was around VND 3,550-VND 3,850/ liter in 2004,. Over the past few years, the price of condensed milk has climbed to VND 9,000-VND 10,000 from VND 5,000.

Although the milk production is increasing, it still meets just 15%-20% of the domestic milk consumption. To meet domestic demand, Vietnam spent \$209 million on imports of milk and milk products in 2004. The United States plays a major supplying nearly 15 percent of this total. The value of U.S. dairy product export to Vietnam (CY 2000 to Jan-June 2005) are presented in table 15.

Table 15: U.S. Dairy Product Exports to Vietnam (2000-Jan-Jun. 2005)

(Unit: US\$ 1,000)

DAIRY PRODUCTS	2000	2001	2002	2003	2004	Jan-Jun. 05
NON-FAT DRY MILK	4,188	1,727	1,110	1,145	15,720	15,167
DRY WHOLE MILK & CREAM	0	5,403	615	0	5,330	0
OTHER DAIRY PRODUCTS	1,142	1,606	2,855	3,826	5,178	5,786
WHEY	708	748	1,317	1,412	2,529	1,452
CASEIN	0	26	0	73	366	29
FLUID MILK & CREAM	134	219	125	96	18	0
CONDENSED& EVAP MILK	0	0	5	0	0	0
YOGRT & OTHR FERM MILK	0	22	0	0	0	0
ICE CREAM	0	25	0	0	0	0
CHEESE & CURD	7	10	0	0	0	0
TOTAL	6,179	9,786	6,027	6,552	29,141	22,433

Source: US Department of Commerce, US Census Bureau, Foreign Trade Statistics

Vietnam spent US\$ 171 million on imports of milk and milk products in the first six months of 2005, an increase of 68% compared with the same period of 2004 due in part to the government's recent decision to lift tariffs and eliminate its dairy quota regime. Import growth should continue as improvements in income are fueling stronger demand for dairy products.

ANIMAL FEED

Vietnam's 2003 commercial animal feed production was up by 14% but due to the avian influenza outbreak, the 2004 increased only slightly compared with 2003's total commercial feed production, of which 73% is compound feed and 30% is concentrate.

Table 16: Vietnam Commercial Animal Feed Production (2000-6/2005)

	2000	2001	2002	2003	2004	Jan-Jun. 2005
Total animal feed production (TMT)	8,200	8,500	8,900	9,500	10,000	5,000
Total commercial animal feed production (TMT)	2,700	3,000	3,400	3,870	3,700	1,850
of which compound feed (TMT)	1,700	1,950	2,400	2,820	2,700	1,400
Concentrate feed (TMT)	330	350	340	350	350	150
Share of commercial feed/total feed (%)	33	35	38	41	37	37

Source: MARD, Vietnam Feed Association (VNFA)

(Note: the estimate conversion rate between concentrate feed and commercial feed is 1:3)

Post estimates that Vietnam must have about 11 – 12 million tons of animal feed to produce over 2,600 thousand tons of livestock production by 2005 and 13-15 million tons by the end of 2010.

Vietnam's domestic price of animal feed has remained high

Reportedly, the price of animal feed in April 2005 increased by 20% in comparison with the same period of last year due to higher soybean and corn import prices. Corn prices increased by 30%, from VND 1,900/kg to VND 2,700/kg in northern provinces and to VND 2,500/kg in southern provinces. Lysine import prices also increase by 5-10%.

Furthermore, bad management and distribution systems in Vietnam's markets are also to the causes of high prices of animal feed. Normally, first sales agencies add 10-12% to the original prices and second sales agencies also add 10-12%. Therefore livestock farmers face a 20-24 % increase in the price of animal feed, leading to higher production cost.

Vietnam continues to import animal feed and materials

The Vietnamese animal feed production sector in Vietnam is now relying heavily on imported feed ingredients. Vietnam imports 60% of the materials, including maize, soybean meal, fish meal, meat & bone meal, rice bran, wheat bran, pre-mixes and vitamins needed to produce animal feed locally. In total, the whole sector annually imports 40% of maize, 80% of soybean meal and 50% of fish meal required for feed production.

In 2004 Vietnam spent US\$ 478 million on imports of animal feed and materials. In the first six months of 2005, Vietnam spent US\$ 319 million a 54% increase compared with the same period of 2004.

Vietnam's 2004 imports of soybean meal are estimated at 890 TMT, a decrease of 11% from 990 tmt imported in 2003 due to the impacts of the avian influenza outbreak. However, the imports of soybean meal are expected to continue to increase in the future due to limited local production of soybeans and continued expansion in the livestock and fish sector. With no commercial crushing facility in Vietnam, soybean meal imports will continue to be a necessity. There is no import duty for soybean meal.

Vietnam imports animal feed and materials from different countries including China, Thailand, the Netherlands, England, France and the United States.

Table 17: Key U.S. Feed Ingredient Exports to Vietnam in Volume

(Unit: Metric tons)

	2000	2001	2002	2003	2004	Jan. - Jun. 05
Animal fodder (code: 1214)	0	0	0	236	107	0
Soybean meal	18,990	15,000	25,388	44,498	17,469	10,524
Animal feed (code: 2309)	6,087	7,716	5,886	8,671	4,806	9,881
Maize (Corn) (code: 1005)	145.6	159.3	199.4	296.2	268.7	134
Soybeans (code: 1201)	5,500	847	0	0	380	660

Source: U.S. Trade.

Table 18: Key U.S. Feed Ingredient Exports to Vietnam in Value

(In thousands of US. dollars)

	2000	2001	2002	2003	2004	Jan. - Jun. 05
Animal fodder (code: 1214)	0	0	0	47	23	0
Soybean cake & meal	3,420	2,907	5,011	10,312	4,230	2,298
Animal feed (code: 2309)	2,547	4,105	3,187	4,653	3,781	10,617
Maize (Corn) (code: 1005)	60	68	90	160	133	86
Soybeans (code: 1201)	1,011	205	0	0	121	175

Source: U.S. trade

Animal feed processing industry

As of May 2004 according to MARD's data, there are 196 animal feed and premix manufacturers operating in Vietnam, of which there are 44 animal feed mills producing premix animal feed and 138-152 mills (to produce both compound and concentrate feed). Among 196 animal feed mills, there are 65 mills that belong to the Vietnam Animal Feed Association. The total capacity of Vietnam's animal feed mills is estimated at 5.4 million metric tons (MMT).

The most animal feed mills are located in southeastern Vietnam. These account for 42.8% of all mills in the country and nearly 40% of total animal feed production. The Red River Delta in the north of Vietnam accounts for 26.1% of mills and 35.4% of production.

Key feed milling companies include foreign invested companies such as CP Group (Thailand); Proconco (France); Cargill (USA); TTC (Taiwan); New Hope (China) and Cheil Jedang group (South Korean) along with a number of Vietnamese companies such as DABACO (Bac Ninh), VINA, Thanh Binh, Long Chau (Dong Nai), VIC (Hai Phong), Hoan Duong (Hanoi), NOPICO An Khanh, Ngoc Hoi Animal Feed Mill, and AFIMEX (An Giang).