

Voluntary Report – Voluntary - Public Distribution

Date: December 06,2019

Report Number: VM2019-0067

Report Name: Vietnam African Swine Fever Update

Country: Vietnam

Post: Hanoi

Report Category: Agricultural Situation, Livestock and Products

Prepared By: Nga Bui, Sarah Gilleski

Approved By: Robert Hanson

Report Highlights:

African swine fever (ASF) was first detected in Vietnam in February 2019 and has spread to all 63 provinces in Vietnam. ASF in Vietnam has led to the death and culling of about 5.9 million pigs or about 22 percent of the total swine population, pushing prices to record highs. Immediate impacts due to ASF have been felt by different sectors of the economy though it is challenging to quantify the cumulative economy-wide losses to date. ASF is expected to continue to affect Vietnam's swine sector and the economy at large. The end of the ASF outbreak cannot be predicted, although the rate of reported cases appears to be slowing.

Status Update

ASF outbreaks were first reported in Vietnam in February 2019 (for the previous ASF status update, please see [GAIN Report VM9027](#)), since then the disease has swept through all 63 provinces in Vietnam. According to the Vietnamese General Statistics Office (GSO), as of November 19, 2019, there have been detections of ASF in 8,505 communes (76.2 percent of communes) within 666 districts (93.4 percent of districts), resulting in the death and culling of 5.9 million pigs, with a total weight of more than 337,900 tons, accounting for more than 8.8 percent of Vietnam’s total pig weight. According to official statistics, Vietnam’s pig herd has shrunk by 22 percent compared to the same period last year. Other sources suggest that about 30-40 percent of Vietnam’s total swine population has been lost to the disease itself and to depopulation.

In many localities, the size of the pig herd has declined dramatically due to the devastation of the epidemic. The Red River Delta region, which covers Hanoi and ten other cities and provinces, has reportedly been hardest hit. In September 2019, the total swine population in this region decreased by 38.3 percent compared to the same period in 2018. In the capital of Hanoi, home to the second largest pig herd in Vietnam, the ASF epidemic has been discovered in nearly 40 percent of the pig-raising households across 24 districts and towns, leading to 535,500 pigs culled, accounting for nearly 29 percent of the capital’s pig population, with a total weight of approximately 37,000 tons. In the southern province of Dong Nai, known as Vietnam’s “pig capital”, as of early November 2019, the total number of pigs decreased by 41 percent compared to the pre-outbreak number of 1.5 million pigs but some believe that the actual loss of pigs may be higher than that.

Figure 1: Vietnam’s swine herd

	October 1, 2018	April 1, 2019	August 31, 2019
Total pig population (<i>heads</i>)	26,251,722	24,520,771	22,053,800
Sow population (<i>heads</i>)	3,548,617	3,211,383	2,719,532
Great-grandparent pigs (<i>heads</i>)	120,642	127,642	109,626

(Source: MARD’s calculation based on reports submitted by 56 out of 63 cities and provinces)

Despite Vietnam’s disease control efforts, ASF re-appeared in some provinces where the ASF epidemic had been declared to be over (i.e. there are no further ASF cases detected after a 30-day period). According to the official statistics released by MARD in mid-October, reappearing ASF outbreaks were reported in 573 communes. Recently MARD reported that 60 percent of communes have gone 30 days with no findings of new or reappearing cases. And in 14 provinces more than 85 percent of the communes have gone 30 days with no findings of ASF cases. Of note, all 151 communes in the

northern province of Hung Yen, where the first ASF outbreak was reported earlier this year, have declared that the ASF epidemic is over.

Reportedly, the outbreak has been contained and shown signs of slowing down. The number of ASF-infected communes and the number of culled pigs have dropped sharply since June 2019. The highest peak was observed in May when more than 1.2 million pigs died or were culled. According to MARD, in November, there were 152,000 culled pigs, down about 88 percent compared to May. MARD attributes the recent fall in the number of culled pigs to the following factors:

- During the first period of ASF detections, although not all depopulated pigs were infected, any herds surrounding ASF-infected pigs were culled immediately, particularly in the northern part of Vietnam where there is a high livestock density. The pig population density has therefore declined sharply and so has the chance of ASF infection.
- Better awareness and application of more effective ASF prevention and control measures, particularly, the strengthened application of biosecurity measures and use of preparations for improving pigs' resistance to disease.
- Necessary adjustments such as depopulation of only diseased pigs, dead pigs and pigs tested positive for ASF virus and continued monitoring of healthy or ASF-negative pigs.

According to experts, the ASF epidemic has passed its peak and is now on a downward trend. MARD Minister Nguyen Xuan Cuong has recently stated that this was the most dangerous disease facing the Vietnamese livestock sector. He noted that if there was no positive solution, the disease could destroy the whole sector and Vietnam needs to be prepared to live with ASF as people should not expect that Vietnam can completely get rid of it. Reports of new cases at the commune level have started to decline but it is still uncertain if that trend will continue.

Challenges for ASF control in Vietnam

To date, according to the World Organization for Animal Health (OIE), ASF has been found in 50 countries and territories. The presence of the ASF virus has been confirmed in at least 10 Asian countries including China (August 2018), Mongolia (January 2019), Vietnam (February 2019), Cambodia (March 2019), Democratic People's Republic of Korea (May 2019), Hong Kong (May 2019), Laos (June 2019), the Philippines (July 2019), Myanmar (August 2019), Republic of Korea (September 17, 2019) and most recently Timor-Leste (September 27, 2019) affecting hundreds of millions of pigs. The recent increase in the number of ASF outbreaks shows the potential for it to spread further across Asia. Therefore, the risk of infectious pathogens from abroad entering Vietnam will be very high if measures to control the movement of pigs and pig products across the border are not taken properly. Swine herds that are being restocked are at a high risk of recontamination.

Currently, hog prices are soaring while it is taking a long time for the government to make indemnity payments to affected pig farmers. As a result, there are no incentives for pig farmers to report to the local government suspected cases or diseased pigs. Many farmers would rather sell off their pigs for cash or slaughter for consumption than inform the local authorities, resulting in the spread of pathogens. Another challenge is that high hog prices will likely incentivize pig farmers to restock or even expand their herd without taking appropriate biosecurity measures, which has the potential risk of ASF spread in 2020 and beyond.

There are reports that Vietnam's resources deployed in the year-long fight against ASF are overwhelmed, causing delays in the depopulation of diseased pigs. In addition, due to a re-organization process, the total number of people working in the veterinary services at the district and the provincial level has been cut, which has also impacted the implementation of ASF prevention and control measures. The lack of a commercial ASF vaccine remains a big challenge. Last but not least, small-scale pig-raising households still dominate in Vietnam, which is also a challenge to ensure proper implementation of biosecurity measures.

ASF Impacts

The Vietnamese pig farming industry is characterized by scattered, small-scale operations, mostly backyard farms/small pig-raising households. According to MARD, pig production in Vietnam accounts for 71 percent of the livestock sector, whereas the share of poultry and ruminant production is 20 percent and 9 percent respectively. The swine sector provides livelihoods for about 2.4 million small-scale pig-raising households and about 10,000 large-scale farms.

It is evident that small-scale backyard swine farmers have suffered considerably higher losses as a result of ASF than large-scale farming operations, as they are not able to implement proper biosecurity measures. Farmers contracted to large pig producers tend to suffer less in individual outbreaks, as they receive support from the contracting company. The outbreak has led to a significant income disruption, and in some cases, to bankruptcy for pig producers (because many producers received bank loans to invest in their pig production), which existing indemnity payment policies can only partly address.

ASF has had a severe impact on the profitability of livestock businesses, at least in the short term. According to local media reports, during the first three quarters of 2019, there has been a significant drop in profits of key players in the livestock industry. In addition, industries that rely on the livestock sector, such as feed and other input industries have also been impacted. With a 22 percent decline in the pig population, Post estimates that the total feed demand in Vietnam will be down by approximately 8 percent in 2019. Post forecasts a slight decline in soybean meal (SBM), imports in the

marketing year (MY) 2019/20 to 4.8 million metric tons (MMT). Post estimates total SBM imports to continue to decrease in MY2020/21 to 4.4 MMT due to ASF (see [GAIN Vietnam: Oilseeds and Products Update](#)).

Falling live-pig inventory, declining pork production, and soaring pork prices are a result of ASF

Figure 2: 2020 Forecast - Selected ASF-Impacted Asian Countries

2020 Forecast: Selected ASF-Impacted Asian Countries									
Country	Beef			Pork			Chicken Meat		
	Consumption	Production	Total Imports	Consumption	Production	Total Imports	Consumption	Production	Total Imports
China	↑ 3%	↓ -3%	↑ 21%	↓ -22%	↓ -25%	↑ 35%	↑ 15%	↑ 14%	↑ 20%
Philippines	↓ -7%	↑ 1%	↓ -19%	↓ -10%	↓ -16%	↑ 32%	↑ 13%	↑ 10%	↑ 27%
South Korea	↑ 2%	↑ 2%	↑ 2%	↑ 3%	↑ 1%	↔ 0%	↑ 4%	↑ 2%	↑ 8%
Vietnam	↑ 4%	↑ 3%	↑ 7%	↓ -5%	↓ -6%	↑ 50%	↑ 6%	↑ 5%	↑ 12%

(Source: USDA report on livestock and poultry: World Markets and Trade, October 2019)

Given the spread of ASF across the region, Post forecasts that the domestic pork production will decline in 2020. According to the USDA October forecast, Vietnam’s pork production will decline by 6 percent in 2020 (see Figure 2). It is still uncertain when production will recover to pre-outbreak levels because of the continued spread of ASF, potential delays due to cautious approaches taken by pig producers in repopulating their herds, and the regulatory procedures for restocking.

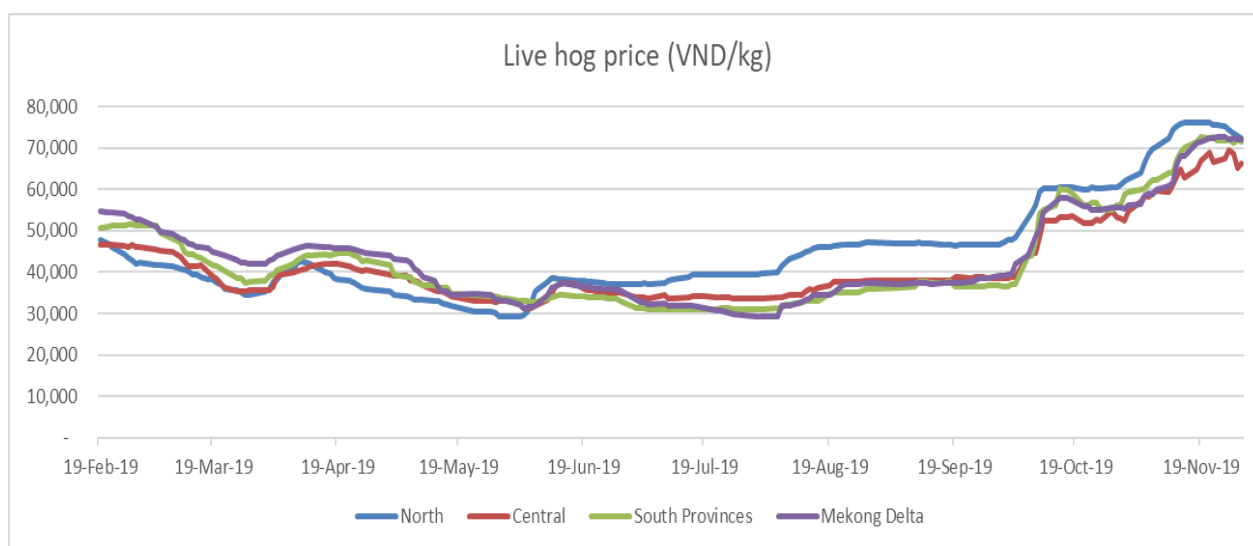
In the early stages of the ASF outbreak, pig farmers tried to liquidate their herds as quickly as possible for fear of ASF spread. Large meat processors with financial and freezer storage capability purchased pork to stockpile for processing in anticipation of pork supply shortages. Now that hog prices have sharply increased and the momentum of the price hike will be maintained from now until at least the Lunar New Year (Tet) at the end of January 2020, pig producers are more likely to retain their market-ready pigs in anticipation of higher prices to get higher returns. As a result, many small pork sellers at traditional markets had, reportedly, stopped selling pork meat for several days due to a lack of supply.

Hog prices surged to record highs, Vietnam’s Consumer Price Index (CPI) rose as a direct result

In late May, when the ASF epidemic was at its peak in Vietnam, there was a dramatic drop in live hog prices (see Figure 3). The live hog prices in the north and the central parts of Vietnam dropped to the lowest in early June and in August respectively. In June, hog prices began to rebound due to concerns about the rapid spread of ASF and the pork supply shortage. The northern part of Vietnam was exposed to ASF two months earlier than the southern part and is seeing rising live hog prices as supply

declines, whereas the prices in the south are still below those in the north. Live hog prices have increased by 35-40 percent since September 2019, with the approach of Tet it is uncertain when hog prices will stabilize. Current hog prices have hit a record high, having soared due to inadequate supply starting in September. The seasonal demand for pork increases ahead of the festive season (the fourth quarter of the year and the first quarter of the following year are always peak season for food consumption) also causes price increases. The ASF outbreak in China, which started last year, has also affected hog prices.

Figure 3: Vietnam’s live hog prices February – November 2019



The increase in hog prices has been seen in all markets, especially traditional markets. In supermarkets, retail prices have gone up by 15-30 percent. MARD is working on solutions to stabilize prices, including increasing imports, restocking, and encouraging production of other livestock. MARD predicted high hog prices due to the shortage of pork supply in Vietnam and neighboring countries, particularly the sharp decline in China’s swine population. MARD and MOIT have estimated a pork shortage of about 200,000 tons during the end-of-the-year period. However, some industry associations believe that the pork shortage may be higher due to the fact that small-scale households have not restocked their herds, or their herds have been recontaminated. Large-scale farms are also affected by ASF.

Consumer Price Index increased because of pork prices

The tight supply of domestic pork has not only prompted the rapid rise in pork prices, but also contributed to an increase in the CPI, especially in November 2019. During the first 11 months of 2019 the CPI increased by 2.6 percent compared to the same period in 2018. In November alone the CPI

increased by 3.5 compared to November 2018. November's CPI was the highest it's been during the last nine Novembers. Reportedly, rising pork prices contributed to 0.78 percent of the November CPI increase. The core inflation in November 2019 increased by 0.3 percent compared to the previous month and by 2.2 percent over the same period last year. The average core inflation in the first 11 months of 2019 increased by 1.9 percent as compared to the same period in 2018.

Responses to ASF

Livestock producers

Pig producers are facing challenges in restocking their herd due to a lack of breeds, capital, and the risk of recontamination. To date, there are still 109,000 great-grandparent pigs (about 10 percent of them had reportedly been lost to the disease), which are strictly protected to rebuild the herd. Some producers have been responsive to the GVN's request to switch from pork production to poultry, beef, and aquaculture production. Government data shows that in the first nine months of 2019, other livestock production has increased, specifically, buffalo meat production increased by 3.1 percent, beef production increased by 4.2 percent, poultry meat production increased by 13.5 percent, egg production increased by 10 percent, and aquaculture increased by 6.5 percent compared to the same period last year.

Consumers

The impact of ASF has been felt by Vietnamese consumers. As noted in [GAIN Report VM9027](#), shortly after confirmation of the first ASF outbreaks in Vietnam, consumers reduced their pork consumption for fear of ASF and switched to other animal proteins, such as poultry meat, eggs, seafood, and beef. Recently, there has been a decline in the demand for pork due to surging hog prices and media reports on ASF positive pork (from unknown origins) in the market for human consumption. In Vietnam, the most important considerations for consumers are food safety, price, and convenience. Summer is traditionally an off-season period for meat consumption.

Due to ASF and increasing food safety concerns, some consumers have changed their shopping style and turned to modern retail outlets, such as supermarkets where they can identify the origin of the meat and buy pork products at a relatively stable price. Since the emergence of the ASF outbreaks, supermarkets such as Saigon Co.op, Satra, Lotte, and Vissan have recorded a 20-30 percent increase in sales due to stable prices, quality assurance, and traceability, whereas, traditional markets have posted a 20-30 percent decline in sales compared to the previous period. Sales of pork substitutes such as poultry meat have reportedly increased by 10-15 percent.

Media reports quoted MARD's estimates that up to 90 percent of pork sold on the domestic market is "fresh" or "warm" meat, i.e. newly slaughtered, un-chilled meat. Chilled and frozen meat is usually sold in convenience stores, supermarkets, and meat processing companies. Chilled/frozen meat is currently not popular in the domestic market. Many local consumers still believe that frozen meat is not fresh and is frozen to hide an unpleasant taste. Although chilled meat remains a new concept to many Vietnamese consumers, its market is expected to expand. Rising incomes, changing lifestyles (e.g. convenience-oriented, improved standards of living, growing demand for variety in food consumption), growing concerns about food safety and health, development of a meat processing industry, and expansion of modern retailers may lead to increased consumption of processed pork products such as canned meat, meat balls, sausage, pate, ham and growing demand for safe pork products. However, price is an obstacle because at present, the price of chilled meat in supermarkets is reportedly 20-30 percent higher than warm meat from markets. Vietnamese consumers are very price sensitive. The recent pork price hike is concerning for most consumers because pork is the most consumed meat in Vietnam, accounting for 70 percent of the total meat consumption. Industry sources believe that chilled meat will gain popularity in the long run, particularly in modern retailers.

Industry

Local media reports indicate that many enterprises have started moving into the chilled meat sector. A growing percentage of chilled meat is being provided by Vietnamese enterprises, which are operating under international quality standards and within a closed integrated supply chain. Local integrated companies are working to promote chilled pork as clean and safe products. A new processing facility in Ha Nam province has a capacity of 1.4 million pigs, equivalent to 140,000 tons of pork per year. Another one of Vietnam's leading animal feed companies has introduced a new product line including chilled meat. Local media quoted the MARD Minister as saying that chilled meat processing is part of the process of converting production from small scale to industrial processing scale with chain management, product traceability, and meeting export criteria.

Industry sources reported that freezer storage facilities have grown in response to pig liquidation (particularly since the disease peak period in May) and that meat processors and distributors have been stockpiling pork meat in anticipation of higher prices and in preparation for higher demand in the lead up to Tet and beyond. There are enterprises participating in the Market Stabilization Program that are committed to keeping prices stable, by not increasing prices in the month before Tet and the month after Tet, and at the same time offering discounts in the days before the Tet holiday for essential goods, such as pork and poultry meat. This program was initiated in 2002 in Ho Chi Minh City (HCMC) and aimed at stabilizing prices of essential goods during Tet when demand for these items usually increased by 20-40 percent. The program focuses on eight goods: rice, sugar, cooking oil, cattle meat, poultry, processed foods, eggs, and vegetables. Under the program, businesses specializing in production and trade of essential goods are selected to cooperate with the city in planning production,

processing, and purchase of such goods to meet consumer demand and stabilize prices. Businesses participating in the program are eligible for interest-free loans to promote production or to purchase goods and maintain reserves. Enterprises in turn pledge to sell items at 10 percent lower than the market price.

Trade

With the domestic pork market hit hard by ASF, it has been widely reported in the local media that Vietnam has imported pork from Brazil, the United States, and Poland pouring in at prices lower than the domestic price. Despite media reports and recent calls by the GVN to increase pork imports, during the first nine months of 2019, pork imports are slightly down compared to 2018.

Figure 5: Vietnam's pork imports 2016-2019 (Value in USD)
(HS 0203 - Meat of Pork: Fresh, Chilled or Frozen)

	2016	2017	2018	2018 (Jan-Sep)	2019 (Jan-Sep)	%Δ 2019/18
Total	59,502,549	40,601,127	82,259,214	58,516,786	58,465,280	-0.1
EU 28	25,477,692	15,701,510	28,216,292	20,067,915	23,568,248	17.4
United States	3,116,926	11,266,711	21,352,387	14,419,529	6,649,885	-53.9
Hong Kong	23,652,001	9,467,083	16,290,149	13,810,589	645,219	-95.3
Canada	1,544,375	2,033,631	1,047,292	658,396	3,994,296	506.7
Australia	1,259,073	1,184,825	1,638,111	1,197,807	1,792,063	49.6
Brazil	2,835,158	449,364	12,942,015	7,675,306	20,347,959	165.1
Others	1,617,324	498,003	772,968	687,244	1,218,820	77.3

(Source: Trade Data Monitor)

The value of the U.S. pork exported to Vietnam increased in 2018 but is currently down 54 percent in the first nine months of 2019. The EU is the largest exporter of pork to Vietnam, exporting about \$23,6 million worth of pork and posting a 17.4 percent increase in the first nine months of 2019 compared to the same period last year. Brazil has increased their exports to Vietnam and is now the second largest exporter of pork. Post believes that competitive prices have played a part in the surge in the Brazilian pork imports into Vietnam. Canadian pork exports have also increased in 2019 reaching nearly \$4 million.

Currently 24 countries have market access to export meat and meat products to Vietnam, out of which 19 countries have been exporting pork products to Vietnam: 5 Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) members (Australia, New Zealand, Canada, Mexico, Japan), 11 EU-Vietnam Free Trade Agreement (EVFTA) members (Poland, Italy, Belgium, the Netherlands, Germany, France, Spain, Hungary, Ireland, Denmark, Austria), 1 EAEU FTA (Russia), Brazil, and the United States.

A decline in the consumption of pork has resulted in a rise in the consumption of pork substitutes such as chicken and beef. According to U.S. Trade statistics, in the first ten months of 2019, the value of U.S poultry (HS 0207) exported to Vietnam has reached \$115.6 million (up 19 percent year-on-year). The value of poultry exported from the South Korea to Vietnam has increased by 71.3 percent, reaching \$37.8 million.

Government's Response

Central Government

To date, Vietnam has issued more than 60 documents guiding the implementation of ASF prevention measures. The Prime Minister and two Deputy Prime Ministers have chaired five ASF conferences.

On June 18, 2019, the Government released [Resolution No. 42 / NQ-CP](#) regarding urgent solutions for the prevention and control of ASF and [Decision 793/QĐ-TTg](#) dated June 27, 2019, on the specific mechanisms and policies to support funding for disease prevention. Specifically, GVN compensates producers for pigs that must be depopulated. Payment is based on kilogram, specifically:

Pig producers

- For suckling pigs and fatteners of all kinds: VND 25,000 per kilogram of live pigs
- For breeding pigs: VND 30,000 per kilogram of live pigs

Small and medium-sized enterprises

- For suckling pigs and fatteners of all kinds: VND 8,000 per kilogram of live pigs
- For breeding pigs: VND 10,000 per kilogram of live pigs
- For great-grandparent and grandparent pigs: VND 500,000 per head

The National Steering Committee on ASF prevention and control requested the National Steering Committee on anti-smuggling and local People's Committees to take measures to prevent, detect, and strictly handle cases of smuggling, illegal transportation, and trafficking of animals and animal products, especially pigs and pork products into Vietnam ([Official Letter No. 10/BCDDTLCP](#) dated October 16, 2019). In the event that illegal shipments of animals and animal products are detected,

they must be destroyed immediately (samples should be taken and sent to veterinary agencies for disease testing before disposal).

In the face of the recent rising pork prices, the government has ordered ministries, agencies, and provinces to try to stabilize live hog prices and ensure adequate pork supplies until the end of 2019; with increasing imports as an option (Official letter [No.9380/VPCP-KTTH](#) dated October 16, 2019). Accordingly, MARD was assigned to take the lead, in collaboration with the Ministry of Industry and Trade (MOIT), the Ministry of Finance (MOF), and GSO to urgently assess the pork supply and demand situation (including both live hogs and finished pork). Deputy Prime Minister Vuong Dinh Hue asked these agencies to consider scenarios, suggest solutions to stabilize prices, and estimate the supply and demand of pork from now through the Lunar New Year holidays and festivals in 2020. GSO was assigned to take the lead, in collaboration with relevant agencies to assess the impact of pork prices on the CPI and to ensure that the CPI in 2019 and 2020 is under control, per targets set by the National Assembly and the Government.

Ministry of Agriculture and Rural Development (MARD)

MARD has been working on a [draft Circular](#) amending and supplementing a number of articles of [Circular No. 07/2016/TT-BNNPTNT](#) from May 31, 2016, regarding prevention and control of terrestrial animal diseases. In particular, MARD proposed including ASF in the list of terrestrial animal diseases subject to epidemic announcement. The draft also proposes additional guidelines for prevention and control of ASF. Issues such as restocking and import quarantine are included in the additional guidelines. Of note, imports of pigs and pig products including cooked products from ASF-infected regions will be temporarily suspended; raw or semi-processed pork from tourists and people traveling between Vietnam and other countries will be strictly forbidden; and additional tests for ASF are required for animals, animal products, byproducts and animal feed derived from pigs imported from affected countries. To date, the draft Circular has not been notified to the WTO.

In addition, MARD has also been assigned to revise Vietnam's Emergency Response Action Plan for ASF preparedness and control. In the early stage of the ASF outbreak, due to the widespread concerns about ASF among the public, MARD encouraged people not to boycott pork products that are safe, non-infected, and processed hygienically. During the peak period, the MARD Minister issued recommendations to continue focusing on the prevention and control of epidemics but not to repopulate herds. At the same time, he urged farmers to refrain from developing pig production and shift focus to expanding production of cattle, poultry, and aquaculture.

According to the MARD Minister, a number of measures have been taken in order to contain and control the spread of ASF, of which the combination of biosecurity solutions and rational use of biological preparations in livestock production are currently seen as the most effective solutions.

Minister Cuong has also encouraged industry to work with scientists to study the development of an effective vaccine against ASF.

MARD has asked localities to consider restocking their pig herd to avoid pork shortages at the end of 2019, particularly for Tet. Key players in the meat industry were encouraged by the Government to stockpile pork in their freezers to prepare for Tet. There are reports that some producers and traders are hoarding pigs waiting for their prices to rise and there are signs of price manipulation. MARD Minister Cuong urged industry to protect the market together with consumers, to not increase prices immeasurably, to not hoard goods and subsequently dump stocks onto the market to get high returns. Minister Cuong also emphasized that farms and businesses were not allowed to export pigs unofficially to China as both countries do not have an official pig trade agreement. For large farms that meet hygiene and biosecurity requirements and that are located in the epidemic-free area, MARD encouraged them to not only restock but also expand their herd. Farms located in areas previously affected by ASF and currently scientifically assessed as safe can restock their herd. MARD instructed pig farmers in localities which have recovered from the ASF to repopulate and encouraged the diversification of the supply of alternative products.

MARD has continued to call on consumers to switch to other food to reduce pressure on pork, and is promoting cattle raising, poultry, and aquaculture to offset the short supply. In MARD's 2020 agriculture and rural development plan, poultry production growth of 9-10 percent, beef production growth of 4.5 percent, and pork production growth of 4 percent is outlined.

Ministry of Industry and Trade (MOIT)

MOIT continues to closely monitor the pork market situation and prices, especially the price of imported meat, and takes appropriate measures when there are abnormal changes in prices or consumption. MOIT is directing the market management forces to strengthen the control of transportation and circulation of goods to prevent smuggling and trade fraud. On October 21, 2019, MOIT issued Directive 12/CT-BCT, relating to the stabilization of the pork market. Specifically, MOIT has instructed Departments of Industry and Trade (DOIT) to take initiative in having a plan to prepare goods and stockpile pork at the end of the year for Tet and creating conditions for businesses to import pork when needed.

In addition, MOIT will closely coordinate with the MARD in guiding and facilitating pork imports for food processing and food distribution enterprises, especially those already registered to participate in the Market Stabilization Program, to stabilize the market at the end of the year and during Tet.

Local government

In general, local governments were instructed to work with food processing enterprises to increase new ready-to-eat pork products processed from imported frozen pigs to meet the needs and tastes of the consumer and partially replace the demand for warm meat in the market.

Ho Chi Minh City (HCMC)

According to HCMC's DOIT, the current demand for pork in HCMC is about 4,000 tons per day and is expected to increase to about 5,000 tons during Tet. Thus, in order to stabilize the market from now until Tet, DOIT is focused on closely monitoring the pork market, effectively implementing the Market Stabilization Program, urging industry to continue to be proactive in sourcing and promoting pork supply, and handling misinformation about the pork market. If needed, the Department will consider plans to increase imports of pork. There is also a contingency plan to stockpile other products such as imported chicken and beef. If any sudden change occurs, DOIT will suggest that businesses discharge their pork reserves and boost imports to provide goods and stabilize prices.

DOIT has proposed to HCMC leadership the creations of a pork trading floor, which will for the allow direct purchase of pork, without intermediaries, from pig farmers. The establishment of a live hog trading floor is expected to take place by 2021.

Hanoi

According to DOIT, on average, Hanoi consumes 18,594 tons of pork, 5,300 tons of beef, 6,200 tons of chicken, and 5,200 tons of seafood on a monthly basis. Demand for pork increases to 22,300 tons a month during Tet or festive seasons. In order to ensure adequate supply for Tet, DOIT has mobilized businesses to store frozen pork and meat to produce processed food. Currently, there are 22 enterprises participating in the reserve and market stabilization program.¹ The city has directed pig-raising facilities in the area to step up their production of substitutes for demand during Tet. Hanoi DOIT is coordinating with the DOITs of other provinces and cities with high pork production so that businesses can be connected with the supply sources, ensuring the sufficient supply. Specifically, in November, DOIT held a conference to connect supply and demand between Hanoi and more than 50 provinces and cities, focusing on agricultural products, processed food, and seafood to replace pork products.

¹ <http://thanglong.chinhphu.vn/ket-noi-nguon-cung-thuc-pham-bao-dam-du-nhu-cau-dip-tet>

Attachments:

No Attachments.