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## Vietnam

### Livestock and Products

### Livestock Production Update

## 2004

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**Report Highlights:** The recent outbreak of highly pathogenic avian influenza (HPAI), in addition to on-going problems with food-and-mouth disease, could greatly slow (or even significantly reduce) Vietnam's rapidly growing livestock sector. As this report is being written, WHO, OIE and CDC experts are working with the Vietnamese government to control the avian influenza outbreak. Although the total impact of the outbreaks is unknown, there will be a big drop in demand for animal feed in the near term, and a longer-term need to re-stock the poultry sector. Despite the poultry problems, the swine and dairy sectors continue to expand.

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## HPAI Outbreak

According to the 4-Feb-2004 report from Vietnam's Department of Animal Health (DAH), the highly pathogenic avian influenza (HPAI, also called the bird flu) has spread throughout Vietnam -- in 56 of 64 total provinces and cities. The DAH estimates the number of infected/dead poultry is roughly 12 million, about 9-10 percent of Vietnam's total poultry population, and is growing by several million each day.

Vietnam announced the first case of bird flu in the middle December 2003 when thousands of chickens suddenly died in two Mekong River Delta (MRD) provinces -- Long An and Tien Giang. In less than one month, the bird flu quickly spread all over the country. In early January, Vietnam officially notified OIE that HPAI had been detected in Vietnam.

Although the outbreak is far from over, it seems certain that the impact on the poultry sector will be very significant, perhaps to the point where a massive re-stocking will be required. The impact on poor, rural smallholder families, and the entire agricultural sector, could be equally severe.

## SUMMARY

Vietnam's livestock sector has achieved higher growth rates compared to the crop and total ag sectors (see Table 1). The livestock sector contributes around 20-21% of the total value of Vietnam's agricultural production. One of key objectives of the Ministry of Agricultural and Rural Development is to continue rapid growth in the livestock sector, which in turn lifts rural incomes.

**Table 1: Vietnam's Agricultural Sector Annual Growth Rate – Percent Growth**

Year	Total Ag Sector	Crop Production	Animal Husbandry
2000	5.4	5.3	6.4
2001	2.6	2.3	4.2
2002	5.2	4.3	9.9

Source: General Statistical Office (GSO)

Post estimates that Vietnam's 2003 livestock sector also grew at an 8-9% growth rate. Due to the highly pathogenic avian influenza (HPAI) and foot-and-mouth (FMD) outbreaks, 2004 will bring a steep production drop, especially in the chicken and duck populations.

MARD estimates Vietnam's 2003 animal meat production (live weight) at 2,329 thousand metric ton (tmt), about 8.5% higher than 2002's production (see Table 2). Pork and poultry meat are the two key meats consumed in Vietnam (fish is also important food/agricultural sector, but not covered by this report). More than 77% of the meat production is pork meat while the share of poultry meat is about 16%. Other kinds of meat include beef, buffalo, and goat meat. Almost all the animal products are for domestic use. Vietnam does not export poultry (even before the HPAI outbreak), and only exports an insignificant quantity of pork.

**Table 2: Vietnam -- Key Livestock Components -- 2000-2003**

	Unit	2000	2001	2002	2003 est.
Cattle	thousand head	4,128	3,896	4,060	4,394
Buffalo	thousand head	2,897	2,819	2,810	2,835
Swine population	thousand head	20,194	21,740	23,210	25,461
Poultry population	thousand head	198,050	216,016	233,290	254,057
Total meat production (live weight)	tmt	1,836	1,989	2,146	2,329
of which pork meat	tmt	1,409	1,513	1,653	1,795
Poultry meat (live weight)	tmt	287	323	338	373
Beef and buffalo meat	tmt	140	153	154	161
Share of pork meat/total meat	%	77	76	77	77
Share of poultry meat/total meat	%	16	16	16	16
Share of beef and buffalo meat	%	8	8	7	7
Per capita meat consumption	kg/head/year	23	25	27	28
of which pork meat	kg/head/year	18	18	20	21

Source: GSO, MARD and FAS/VN estimate

In Vietnam, per capita meat consumption is increasing, but it is still at low levels compared to most developing countries. In 2003, annual per capita meat consumption (live weight) increased to 28 kg, up significantly from 23 kg in 2000. MARD plans (i.e., encourages Vietnamese farmers to produce more meat) to increase annual per capita meat consumption to 35 kg by 2005 and 45 kg by 2010. Pork still plays a dominant role, but the ratio of other meat (beef and poultry) will increase (according to MARD's plans).

## POULTRY

Vietnam's chicken sector includes small-farmer (back-yard) raised chicken and 'industrial' (larger commercial-sized) chicken operations. The industrial chicken herd accounts for around 35% of the total chicken population. As noted above, the HPAI outbreak (as of 4-Feb-04) has already led to the culling (or death by disease) of over 12 million chickens and ducks. Undoubtedly, Vietnam's 2004 poultry population will be much lower than the 2003 level.

**Table 3: Vietnam -- Poultry Sector**

	Unit	1990-1995	2000	2001	2002	2003 est.
Chicken population	million head	80-107	147	158	159	185
Duck population	million head	23-32	51	58	73	69
Poultry meat production	thousand metric ton	167-197	286	322	338	372
Poultry egg production	Billion	1.9-2.8	3.7	4.16	4.2	4.8

Source: GSO and MARD

More than 80% of the baby industrial chicks are supplied by foreign-invested companies including Japfa Comfeed (Indonesia); CP Vietnam (Thailand) and Cargill (USA).

The broiler breeds being raised in Vietnam include BE, AA, Cobb 500, Hubbard Gomet, Avian, Ross, and Isa-mpk. Industrial chicken laying breeds include Leghorn, Goldline 54, Hyline, and Brownick.

In Vietnam, poultry is grown in all regions, but there are concentrations in the Red River Delta (RRD) in the north (with 26% percent of the total poultry population), in the Mekong River Delta (21%), Northeast- provinces (16%) and Southeast provinces (10%). Ha Tay province in the RRD and Dong Nai province in the Southeast have the biggest poultry stock with more than 8 million head per each province. There are about 2,260 (small, but still commercial-oriented) poultry farms operating in Vietnam with average 1,000-1,400 chicken/ducks per farm. For example, there are about 797 poultry farms in Ha Tay (RRD), 281 farms in Dong Nai and 208 farms in Binh Duong (Southeast region). Many of the larger poultry farms are operating under financial and processing arrangements with foreign invested companies including CP-Vietnam (Thailand) and Japfa Comfeed (Indonesia)

The swine and dairy cow sectors have been given more priority in MARD's plans, as Vietnam wants to boost pork meat exports as well as reduce their reliance on imported milk products. Hence, the poultry sector has not really developed many large commercial operations or processing plants.

### **Vietnam poultry breeding stock**

MARD is applying strict measures to prevent poultry breeding farms from the deadly bird flu. In a meeting held recently, Vietnam's Deputy Prime Minister Nguyen Tan Dung asked all relevant agencies to carried out appropriate measures to keep the poultry breeding stock safe.

Some agricultural research institutes, including the National Animal Research Institute and Vietnam Agricultural and Science Research Institute (VASI), are working on poultry re-stocking schemes to ensure that adequate breeder stocks are available when the HPAI outbreak is over.

Under MARD's management, Vietnam's grand-parent (GP) poultry stock is estimated at 30,000 head of which 21,500 are GP chicken; and 19,000 are GP ducks. The breeding poultry flocks (both GP and parent stocks (PP) total about 220,000 head) are kept in MARD's breeding farms. The total capacity of these farms is to supply 200-220 thousand high-quality chicks and ducks to farmers annually. To date, most of those breeding farmers have not been infected by HPAI.

In addition to MARD's poultry breeding farms, several private and foreign invested breeding farms are also operating in Vietnam. More than 80% of the baby industrial chickens are supplied by foreign-invested companies including Japfa Comfeed (Indonesia); CP Vietnam (Thailand) and Cargill (U.S.A).

To improve the poultry sector productivity, Vietnam is keen to import pure chicken breeds for growing as well as for breed crossing. The imported broiler breeds being raised in Vietnam include BE, AA, Cobb 500, Hubbard Gomet, Avian, Ross, and Isa-mpk. Industrial chicken laying breeds are Leghorn, Goldline 54, Hyline, and Brownick and the semi-industrial chicken breeds such as Tam Hoang, Luong Phuong, Kabir, Sasso, and Isa.

## SWINE SECTOR

### Pork production

The swine/pork sector receives the most attention (and funds) in MARD's plans. Vietnam's hog to lean pork meat ratio has increased from 40-42% in 1996-2000 to about 45 percent today. This yield improvement is due to use of more hybrids and exotic swine breeding stock, and use of better quality feeds. Because of the Government's animal breeding program, the ratio of hybrid and exotic swine to lower-yielding traditional breeds has increased to 70-80%, much higher than that level of 50-60% in 1996. The Feed Conversion Rate (FCR – kilograms of feed to produce one kg of hog live weight) has also improved from 3.5-3.8 in 1996 to about 3.0-3.2 in 2003.

Vietnam's 2003 pork production is estimated at 1,795 tmt (live weight), 8.5% higher than 2002's production (see Table 4) due to higher hog numbers and higher average slaughter weights. Pork is the most important animal protein source in the Vietnamese diet. Pork is mainly consumed as fresh (straight from the market) meat, as processed pork (canned meat or prepared sausages) or imported pork products (canned hams) are not widely available in Vietnam.

### Domestic pork prices

**Exchange rate: Vietnamese Dong (VND) 15,700 equal to \$1 as of Feb. 3, 2004**

In 2003, domestic pork prices decreased in both Northern and Southern provinces as production expanded, exports slowed, and consumption did not increase as quickly as expected. In late 2003, pork prices (live weight) were quoted at VND 10,500-12,500 / kg in Northern provinces and VND 11,000-12,500/kg in Southern provinces (see Table 4). Pork farmers were complaining as the break-even threshold price is estimated at VND 11,000/kg; most farmers only have profits if the price is over VND 13,000/kg.

**Table 4: Vietnam's 2003 Average Monthly Swine Prices (live weight).**

Unit: VND/kg

	Northern provinces	Southern provinces
January	11,000-15,000	16,000-17,000
February	11,500-12,000	16,500-17,000
March	11,000-12,000	16,000-17,000
April	11,000-12,500	16,200-16,500
May	11,000-12,500	16,000-16,500
June	11,000-12,500	15,000-16,000
July	11,000-12,500	12,000-13,500
August	11,000-12,500	11,000-13,000
September	11,000-12,500	11,000-13,500
October	10,500-12,500	11,000-12,500
November	10,500-12,500	11,500-12,500
December	10,500-12,500	12,500-12,700

Source: MARD

Due to the Lunar New Year celebration (Tet), domestic pork prices shot up as high as VND 18-19,000/kg (live weight) in early 2003.

Bird Flu – And the ongoing avian influenza outbreak has caused the price of pork to spike (as all consumption of chicken and eggs has ceased).

### **Pork exports**

Despite the Government's efforts to boost pork exports, Vietnam's 2003 exports were insignificant. Vietnam cannot compete on the international market due to high internal costs and an inability to meet the tighter health regulations required by importing countries. In 2003, only a few thousand metric tons of pork were exported, much lower than the 2002's level around 12,000 mt.

Vietnam's pork exports to traditional markets (Russia and Hong Kong) face fierce competition from cheaper pork from Brazil and China. According to Vietnam's Livestock Cooperation (Vinalivesco), Vietnam's port export prices were as high as \$1,600-1,700/mt, much higher than China's and Brazil's quotes around \$900-1,200/mt.

High production costs and the low lean meat ratio of Vietnamese hogs makes the pork export price less competitive. The pork production (live weight) cost is estimated at \$750/mt in the Red River Delta (RRD) while it is about \$900-1,000/mt in the Mekong River Delta (MRD).

Vietnam's high feed price is the major cause of the high pork price, as feed costs are about 70% of the total costs of production. Reportedly, the price of animal feed increased by 5-6% this year due to higher soybean meal and corn import prices. The import price of corn increased by 20-25% to \$150-160/mt from \$120/mt last year, while imported soybean meal is now over \$286/mt. Moreover, other animal feed ingredients have also become more costly; rice bran increased by VND 150-200/kg to VND 2,200-2,500/kg.

Another huge barrier to increasing pork exports is the poor hygiene conditions of most of Vietnam's processing facilities. According to Vietnam's Department of Animal Health (MARD/DAH), out of 20 pork-processing facilities, only 12 plants can satisfy international food safety and hygiene standards for markets such as Russia, Hong Kong and Malaysia. Moreover, even the top plants must obtain an animal health certificate for each shipment due to lack of veterinary agreements between Vietnam and the pork importing countries. To add to the general concerns, Vietnam suffers from Food and Mouth Disease (FMD) outbreaks on an annual basis.

Currently, there are 20 commercial pork processing plants operating in Vietnam, with an annual processing capacity of 50,000 mt. Some of the top pork processors are trying to upgrade their facilities to meet international health standards in the hopes that exports will expand.

## DAIRY SECTOR

### Vietnam dairy cows

Vietnam's dairy cows are concentrated (more than 70%) in areas surrounding Ho Chi Minh City. About 23% of the dairy cows are in Northern provinces and the remaining in the Central (Tay Nguyen) Highland regions (see Table 5). Vietnam's dairy herd includes local breeds, hybrids, and purebred Holstein Friesland (HF) and Jersey cows. More than 80% of the dairy cows are hybrid.

Vietnam's 2003 dairy herd is estimated at 80,000 head, an increase of 48% to compare with 2002's level due to higher dairy cattle imports and because of the Government's animal breeding program. In 2003, dairy cattle imports increased to 5,591 head from 3,394 cattle imported in 2002. The government's program on hybrid cows also achieved remarkable results. According to MARD, about 70,000 dairy cows were artificially inseminated during the 2002-2003 period.

The dairy herd increased in all regions, but the biggest growth rate was in the Northern provinces. Some Northern provinces, including Tuyen Quang, Son La, and Thanh Hoa, are very keen to develop the dairy industry. In 2003 the dairy cow population in the Northern provinces increased by 67% to 18,500 head from 11,066 in 2002. Tuyen Quang and Thanh Hoa provinces were reportedly the leading dairy cows importing provinces in the countries. Out of 6,000 cattle imported in 2003, approximately at 3,000 cattle were imported by those two provinces.

**Table 5: Vietnam's Dairy Cow Population (unit: head)**

	2001	2002	2003est.
Total dairy cow population	41,240	55,840	80,000
of which in the Northern provinces	6,170	11,066	18,500
in the Tay Nguyen (Central) provinces	935	3,653	5,000
In the Southern provinces	34,135	41,121	56,500

Source: MARD

In Vietnam, about 95% of the dairy cows are managed by small households, milk companies or joint-ventures companies; only 5% of the herd is under the control of state-owned breeding companies. Dairy farm sizes vary between regions. In the Northern provinces, the average number of dairy cows per farm is 3-4 while the average size of a dairy farm in the Southern provinces is 6-10 cows. A few larger dairy cow farms can accommodate more than 50 cows.

Vietnam plans to have 100,000 dairy cows by 2005 and 200,000 cows by 2010. However, the actual number of dairy cows might even exceed those targets because of the ambitious plans of local provinces. If the provinces are able to fund their expansion plans (a concern), then Vietnam's dairy herd could reach 126,000 head by 2005 and 256,000 head by 2010.

Whatever the actual number turns out to be, the number of dairy cows in Vietnam is soaring.

## Dairy cow imports

In 2003 Vietnam imported about 6,215 dairy cattle, an increase at 59% compared with the total animal imports in 2002. The imported dairy cattle include 5,548 dairy cows and the remaining cattle were breeding stock (see Table 6). Australia, New Zealand and Thailand were the dairy cow suppliers to Vietnam. More than 80% of the cattle were shipped from Australia.

**Table 6: Vietnam Dairy Cattle Imports -- 2001-2003**

	2001	2002	2003 est.
Total imported cattle	1,133	3,889	6,215
of which imported cows	192	3,392	5,581

Source: Trade

In general, the imported cattle are in good condition. The mortality rate is low, about 2-3%. The average milk yield of the imported cows is around 10-15 liters/day. About 5-8% of the imported cows have milk yields over 20 liters/day, while another 18-20% of the imported cows yield about 15 liter per day.

Imported cows grow, very well, in the Moc Chau plateau of Northern Son La province and in Lam Dong (in the Tay Nguyen/Central Highlands) due to cooler conditions. In these areas, the average milk yield is about 18 liters/day,

However, imported cattle (especially the purebreds) do not seem to adapt well to all regions. Several reports indicate that there are some problems (high abortion rates, low milk yields) with imported cattle kept in the hot and very humid Mekong River Delta provinces.

After reviewing the National Program on dairy sector development (2000-2003), MARD has suggested three main regions suitable for dairy cows development.

(1) The first region includes some districts of Lam Dong province (Tay Nguyen Central Highlands) and Moc Chau plateau of the Northern Son La province. Pure HF and Jersey cows are strongly recommended for those regions.

(2) Pure HF and Jersey cows, and hybrid cows grow well in the second region including Tuyen Quang, Ha Tay, Vinh Phuc, Bac Ninh and Hanoi suburbs (in the North); South-Eastern provinces and surrounding areas of Ho Chi Minh City (in the South).

(3) In the third region (Thanh Hoa, Nghe An, Ha Nam provinces in the North; Binh Dinh, Phu Yen in the South coastal region; Long An in the MRD and Tay Ninh province in South East), MARD suggests farmers should only try hybrid cows.

(4) Despite several milk projects in the Mekong River Delta (MRD), MARD does not encourage raising dairy cows in the MRD areas where annual flooding occurs, or in provinces that have low levels of economic development or severe climate conditions (high temperatures).

Post estimates Vietnam's 2004 dairy cattle imports will be lower than 2003's level due to tighter import requirements imposed by the Government.

### **Tighter management of cattle imports requested by MARD**

On Nov. 2, 2003, the Agricultural Department of MARD issued new guidelines on importing cattle. Accordingly, cattle importing agencies need to submit their quarterly or annual cattle importing plans to the department. The importers have to submit detailed documents (the historical data, quantity, importing schedule, etc.) on the cattle shipments they hope to make. The importers also need to have qualified quarantine sites, with approval from local authorities. The cattle importers are responsible for the quality of the imported cattle.

Regarding dairy farms, the new guidelines indicate that any dairy farm that wants to raise imported dairy cattle needs to submit their proposal in accordance with the MARD's dairy cattle development program. The provincial agricultural department must certify that each farm meets all appropriate conditions (feed, water, veterinary service, technical staff, and fresh milk collecting facilities) before the farm is allowed to raise imported dairy cattle.

### **Milk production**

According to MARD's estimate, Vietnam's 2003 fresh milk production is about 115,000 liters, an increase of 40% compared with 2002's level (see table 7). The increase of fresh milk production is due to an increase in the number of milking cows and milk yields. Data from MARD shows that, currently, more than 50% of the cows are milking.

The state-owned milk company (Vinamilk) buys about 60 percent of the fresh milk; Dutch Lady (a foreign investment in HCMC) buys about 20 %, Nestle (another foreign investment) and several local milk processing companies buy the remainder.

**Table 7: Milk Production -- 2000-2003**

		2000	2001	2002	2003 est.
Fresh milk production	tmt	52,000	64,700	90,000	126,000
Fresh milk production per capita	kg/capita/year	0.67	0.82	0.98	1.56

Source: MARD

The fresh milk production cost is estimated at VND 2,000-2,800 /liter, of which 63-68 percent of the expenditures is for feed.

Although fresh milk production is increasing rapidly, it still only meets 10-15% of the domestic milk consumption. To meet the domestic demand, Vietnam annually spends around \$120-130 million on imports of milk powder and milk products. New Zealand, Netherlands, Australia and the United States are the major dairy product supplier to Vietnam.

U.S. dairy product exports to Vietnam (CY-2000 to Jan-Oct 2003) are presented in table 8.

**Table 8: U.S. Dairy Product Exports to Vietnam (2000-Jan.-Oct. 2003)**

(Unit: 1,000 USD)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	Jan.-Oct.03
<b>MILK NOT CONCENTRATE</b>	<b>4,188</b>	<b>7,129</b>	<b>1,730</b>	<b>1,145</b>
<b>WHEY, NATURAL MILK</b>	708	748	1,317	1,229
<b>MILK CONCENTRATED</b>	134	219	125	71
<b>BUTTERMILK</b>	0	22	0	0
<b>CHEESE AND CURD</b>	7	10	0	0
<b>TOTAL</b>	<b>5,037</b>	<b>8,128</b>	<b>3,173</b>	<b>2,445</b>

Source: U.S. trade

To meet the domestic demand for milk products, Vietnam continues to rely heavily on imports of milk and milk products. According to MARD's estimate, per capita annual milk (fresh milk equivalent) consumption in 2005 and 2010 will increase to 9 kg and 12 kg, respectively. Therefore, the country might (depending on how fast domestic production ramps up) need to import about 579 tmt of milk and milk products (fresh milk equivalent) in 2005 and around 630 tmt in 2010.

**Table 9: Vietnam's Plan for Fresh Milk Consumption in 2005 and 2010**

	<b>2005</b>	<b>2010</b>
Total milk consumption	760,000	1,100,000
= Domestic production	163,000	350,000
= Import	579,000	630,000
Milk consumption per capita	9	12
Domestic production/capita	1.95	3.9

**ANIMAL FEED**

Vietnam's commercial feed production annually grows at 10-13% as increasing livestock numbers and demand for quality feed (rather than home-made) soars. Vietnam's 2002 commercial animal feed production was up by 13% to 3.4 mmt from 3.0 mmt in 2001 (see table 10). The growth rate was even higher in 2003 as the result of good domestic prices for animal products in 2002. Post estimates Vietnam's 2003 commercial animal feed production at 3.8 mmt of which 70% is industrial (ready to use) feed, and 30 percent is concentrate feed (which the farmers mix with on-farm ingredients).

**Table 10: Vietnam Commercial Animal Feed Production -- 2000-2002**

	2000	2001	2002
Total animal feed (tmt)	8,200	8,500	8,900
Total commercial animal feed production (tmt)	2,700	3,000	3,400
of which industrial feed (tmt)	1,700	1,950	2,400
Concentrate feed (tmt)	330	350	340
Share of commercial feed/total feed (%)	33	35	38

Source: MARD

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

The Vietnamese animal feed industry relies heavily on imported feed ingredients, including soybean meals, corn, fishmeal, meat & bone meal, rice & wheat bran and feed pre-mixes and vitamins. In 2002, according to official data, Vietnam spent more than \$200 million to import raw materials, feed ingredients and feed for the livestock sector.

In 2003, Vietnam's soybean meal imports are estimated at 960 tmt, an increase of 27% from 795 tmt imported in 2002. Argentina and India were key soybean meal suppliers to Vietnam. Other soybean meal exporters to Vietnam include China, Brazil and the United States. Post estimates (before the avian influenza outbreak; revisions might be needed based on how long it takes to control the outbreak) Vietnam's 2004 soybean meal imports at 1,100 thousand metric tons, or about 14% higher than 2003's level.

Vietnam imports corn seasonally, and most of the corn is imported from China. Vietnam's 2003 corn imports are estimated at 350-400 tmt (for more detail, see our report VM3019). Vietnam also imports other materials like low quality wheat and wheat bran for the feed industry.

Vietnam also imports many kinds of feed ingredients like amino acid, vitamins, whey, supplementary minerals, and feed premixes from different countries including China, Thailand, Netherlands, England, France and the United States.

**Table 11: Key U.S. Feed Ingredient Exports to Vietnam  
– Metric Tons**

	2000	2001	2002	Jan.-Oct.03
Animal fodder (code: 1214)	0	0	0	172
Soybean meal (code:2304)	26,500	16,000	25,000	19,600
Animal feed (code: 2309)	6,087	7,716	5,886	7,392

Source: U.S. Trade and FAS/VN estimate.

### **Animal feed producers asked the Government to reduce import tariffs charged on animal feed ingredients.**

According to agricultural researchers, MARD officials, farmers, and feed-millers, the high cost of the animal feed is the major constraint for the livestock sector. Expenditures on animal feed account for 65-75% of the animal production costs. Import duties also impact animal feed prices as more than 60% of feed ingredients are being imported. Current import duties imposed on feed ingredients range from 5-10%. Vietnam's Animal Feed Association has asked the Government to review and to lower import tax rates of feed ingredients, especially to reduce the import tariff of corn to 0 or 3% from the current rate of 5%.

### **Animal feed processing industry**

As of June 2003, according to MARD data, there are 182 animal feed and premix manufacturers operating in Vietnam. Of the 182 operations, there are 138 animal feed mills (to produce both finished and concentrate feed) with participations from all economic sectors including foreign invested, joint-ventures, state-owned and private sector enterprises. The total designed capacity of the animal feed mills is estimated at 5.00 mmt. Although small in number (15), the foreign invested companies hold more than 50% of the animal feed production capacity in Vietnam. Key

companies including French -- Proconco; Thai -- CP; U.S. -- Cargill; Taiwanese -- TTC; Chinese -- New Hope and South Korean -- Cheil Jedang group.

Although the number of privately owned animal feed mills accounts for more than 50% of total animal feed mills, their production capacity is only 21-23% due to the small scale of their mills. These mills are mainly producing concentrate feed.