

# INDUSTRY NEWS

Vietnam Livestock | Animal Health | Animal Nutrition

## Struggling poultry farmers seek support to avoid bankruptcy

Vietnam Poultry Association (VIPA) has submitted a petition to Government calling for solutions to remove difficulties for the poultry farming and save farmers and enterprises from bankruptcy.

The association said that many enterprises and farms were on the verge of collapse with thousands forced to narrow down production scale or temporarily halt operation due to prolonged losses.

Due to the negative impact of the COVID-19 pandemic, the cost of input materials increased to a record high while the consumption market fluctuated, pushing the prices of poultry products down considerably.

At some point in time, the selling prices of poultry products stayed at only two-thirds of the production costs, pushing the poultry farming industry into a lot of difficulties, the association said. (Source: Vietnam News, May 21<sup>st</sup> 2023)

## Meat producers forecast to see more positive results

Analysts expect meat producers to record more positive business results in 2023 thanks to lower input costs and higher average live hog prices.



According to Ha Thu Hien, an analyst from VNDIRECT Securities Joint Stock Company, global agricultural product prices would maintain a downward trend in 2023 thanks to the increase in the supply of most food items.

In addition, Ukraine continues to return to supplying agricultural products to the world market.

Corn and soybean meal prices are forecast to decrease by 7.9% and 1.8% respectively in 2023. Therefore, VNDIRECT expects that feed costs will gradually decrease from the second quarter of 2023. Meat producers will record improved gross profit margin this year.

In addition, low feed costs will have a positive impact on smallholder farmers. However, in the long term, the farmers will be cautious in re-herding because they observe price fluctuations of live hogs in the market. (Source: Vietnam News, May 10<sup>th</sup> 2023)

## Japfa Vietnam inaugurates animal feed mill and slaughterhouse

On May 10, Japfa Comfeed Vietnam (Japfa Vietnam)





## Agro-forestry-aquatic product exports drop 11% in five months

Agro-forestry-aquatic product exports were estimated at 20.26 billion USD in the first five months of 2023, down 11.1% YoY, according to M0A.

Vietnam's imports also dropped 8.7% to 13.15 billion USD, resulting in a five-month trade surplus of 3.55 billion USD, falling 21.1% from a year earlier. In May, exports stood at 4.85 billion USD, with a YoY decrease of 3.5%. (Source: Vietnam Plus, May 29<sup>th</sup> 2023)

## Up to 551 million bird of poultry raised across Vietnam

The poultry population was approximately 551.4 million bird in Vietnam at the of April of 2023, a YoY increase of 2.4%. The poultry meat output was estimated at 563,200 tonnes, up 4.2% YoY, while the volume of eggs was estimated at 4.7 billion, up 4.5%.

There are 32,230 husbandry farms and areas are certified to be disease-free. (Source: Vietnam Plus, May 12<sup>th</sup> 2023)

inaugurated its animal feed mill and slaughterhouse located in the Minh Hung Sikico industrial zone, Hon Quan district, Binh Phuoc province in Vietnam.

The "Feed-Farm-Food" model and underscores the unwavering commitment of Japfa Vietnam to sustainable development in the Vietnamese market.

The ceremony was graced by prominent dignitaries, including Denny Abdi, the ambassador extraordinary and plenipotentiary of Indonesia to Vietnam; Phung Duc Tien, the deputy minister of Agriculture and Rural Development; Tran Tue Hien, the deputy secretary of the Provincial Party Committee, and chairwoman of the People's Committee of Binh Phuoc province, and other distinguished guests. (Source: Vietnam Investment Review, May 10<sup>th</sup> 2023)

## 17 million USD shrimp processing plant commences operations in southern Vietnam



Viet-Uc Seafood Corporation put a 10 ha. shrimp processing plant in Bac Lieu Province, southern Vietnam into service on Friday, with a total investment of roughly VND400 billion (USD 17 million).

The Viet Uc-Bac Lieu shrimp processing plant, located in the Bac Lieu Hi-Tech Agricultural Park, is considered the first seafood processing facility in the country that has applied automation to over 70 % of its operations.

The plant also adopts advanced manufacturing technologies in order to produce value-added shrimp products meeting international standards such as HACCP and BRC as well as serving highly demanding markets including the U.S., Japan, and Europe. (Source: Tuoi Tre News, May 21<sup>st</sup> 2023)



## Live pig price in May 2023

In May, domestic live pig price increased. The average price of live pig across Vietnam was VND 55,680 per kilogram, up 8.5% compared to the last month, and down for the 0.8% after a consecutive months of decline.

After 8 consecutive months of decline, live pig prices from the beginning of April to now have recovered slightly by 5-10% compared to the price level in the first quarter, ranging from VND 55,000/kg to VND 61,000/kg.

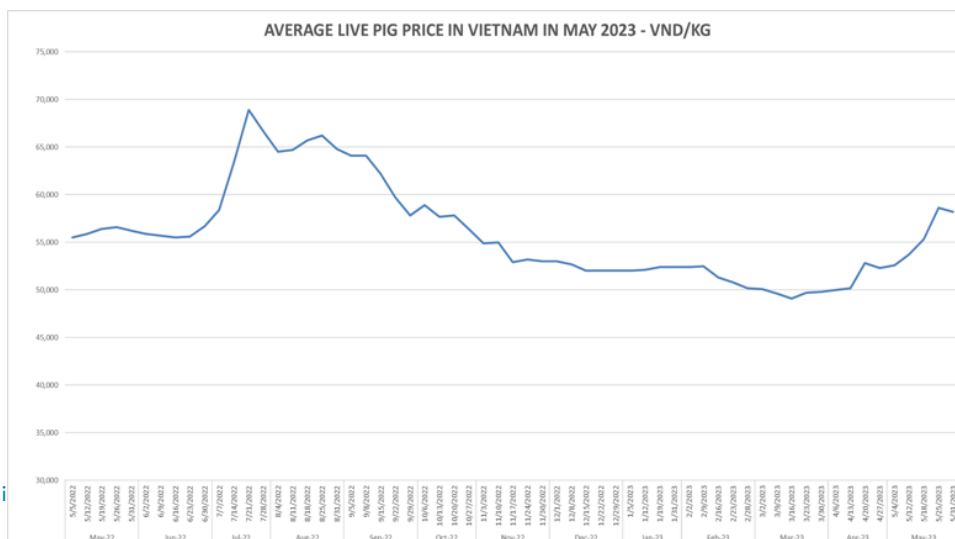
In the report on pig farming of Vietcombank Securities Company Limited (VCBS), inflation has cooled down since the end of March, people's spending may soon recover. Besides, the domestic supply at the end of the year may decline sharply in the context of low pork prices and high prices of animal feed, making farmers afraid to re-herd.

“Supply is shrinking and purchasing power is on the rise again, which could help pork prices rebound around August. As a result, profit margins of pig producers will improve by 6-14% over the years.”, VCBS said.

The analysis department said that in 2022, the price of food and feed costs will increase, so the cost of raising a live pig will increase from 10 kg to 100 kg, on average, it takes at least 4.7 million to break even.

It was reported that the selling price of pig bred in the backyard is not as high as pigs bred in the professional farms. As a result, a lot of farmers due to poor profitability have had to leave the industry. It is reported that the percentage of pork supply from farmers is only 38% of the total supply of the country, that is meaning that 62% of the porks supplied into Vietnam market is not coming from more industrialized farms. It is reported that industrial pig farms cost production is supposedly 4.2 million to raise a pig from 10-100 Kg.

Meanwhile, industrial pig farms only cost VND 4.2 million to raise a live pig from 10 kg to 100 - 125 kg. VCBS believes that with the current live pig price at VND 52,700/kg, the EBITDA margin in May for industrialized farms can improve to VND 990,000/100 kg. (Source: Vietnambiz, May 2023)



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