

The Food Sector in Vietnam

Hanoi and Ho Chi Minh City, 2 - 6 November 2009

Official Danish business delegation to Vietnam

Celebrating the State Visit to Vietnam by H.M. The Queen of Denmark and H.R.H. The Prince Consort

accompanied by T.R.H. The Crown Prince Couple



The Food Sector in Vietnam.

Vietnamese are big consumers of pork and prefer pork to chicken and beef. In the Vietnamese diet, fresh meats from recently slaughtered animals are still the favorite animal protein source. However, people in the cities are now also accepting frozen meats either produced domestically or imported. They are also consuming more ready-made foods, such as canned meats and sausages. Frozen imported beef and chicken are used by restaurants and hotels in big cities to meet their needs for meat quality and hygiene.

High demand for fresh dairy products, particularly in Vietnam's big cities, is driving production. In 2005, per capita fresh milk production reached 2.38 kg, a 29-percent increase over the year before. But milk production remains small even after recent gains, and domestic dairies meet only about 22 percent of demand.

After eliminating an import quota system in 2005, Vietnam's dairy product imports swelled 47 percent to over \$300 million. Vietnam's dairy product import growth is forecast to continue as improvements in living standards, especially in big cities, boost demand well beyond domestic production capacity.

Taking Stock of Livestock Segments

In 2005, Vietnam's livestock production made up 25 percent of the total value of its agricultural production. The government expects the country will raise the proportion of livestock to 30 percent by 2010 and 35 percent by 2015.

The value of Vietnam's livestock sector in 2005 grew 11.6 percent, while the total agricultural sector increased only by 3.2 percent. Increased swine and beef production, and stabilization of the poultry sector in the wake of outbreaks of highly pathogenic avian influenza, account for the significant growth in the livestock sector's value.

Almost all of Vietnam's pork production is for local consumption; only 1-2 percent of it is exported. Vietnam imports some processed pork.

The country's tariff rates will drop with its WTO accession. But it will still likely meet most of its own pork demand, except possibly for offal – and here the Vietnamese affinity for cuts unpopular in Western diets might result in significant imports.

Retail sector

Vietnam's retail landscape is vast and rapidly growing. There are half a million stores countrywide selling consumer packaged goods – a 13 per cent rise since 2006 – and a value growth of 18 per cent according to A.C. Nielsen. The Modern Trade evolution has seen Supermarkets, local and international, increase their store coverage dramatically over the last year. And with the country further opening up its retail market to foreign investment in 2009 (because of WTO commitments), it's an interesting time to be in a retailer in Vietnam. The Top 3 supermarkets are increasing their dominance as the smaller players lose appeal. Big C and Saigon Co-Op offers a wider range of fresh foods at highly competitive prices and offer new alternatives to the wet market.

Total FMCG has increased 31%. Food, Dairy and Beverage enjoy the highest growth 43%, 36% 48% in 2008.

Danish Food Promotion Event in Vietnam.

The Danish Agricultural Council is organising a food promotion event in Hanoi and in Ho Chi Minh with the participation by HRH the Prince Consort. The event aims to increase awareness of Danish food products among retail purchasing agents, wholesale dealers, importers, foodservice, food manufacturers and relevant media in Vietnam.

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The event "Taste a Bite of Denmark" is going to be held twice - at Hotel Melia in Hanoi and at Hotel Sheraton in Ho Chi Minh. The Danish delegation includes a talented Danish Chef and from the Vietnamese side the Chefs from Hotel Melia and Hotel Sheraton will participate..

The chefs will compete for proposition of the most delicious food recipes based on Danish raw materials from the participating companies, with local media coverage.

The event is organized as a VIP-event with limited numbered seats and attendance of HRH the Prince Consort. We will prepare a list of invitations based on our contacts, your profiles and the targeted audience.

Tables with company signs are available for a small-scale promotion of products, brochures or similar material, adjacent to the room where the chefs' challenge takes place. Contact meetings based on company profile and requests will be arranged in the same room prior to the event.

All participants will be handed a commercial gift bag with Danish products at the end of the event.

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