

## **Value Chain Analysis of Beef Cattle Production in Different Cattle Feeding Systems in Bac Kan Province**

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Prevalence of cattle markets with high demand in uplands of northern Viet Nam leads to ease of marketing of cattle, giving a positive condition for cattle development. This has not been as vigorous as expected despite existence of supporting policies. Market for cattle in uplands is still underdeveloped although marketing of cattle is considered as essential factor influencing their development. Herd sizes have not increased, in some cases, farmers have decreased size or ceased production altogether. This paper uses a value chain analysis approach to examine cattle subsector in Bac Kan and will attempt to identify potential entry points for improving value chain to assist cattle production.

A significant proportion of marketed cattle come from neighbouring provinces and China and amount of cattle traded in local markets depends on seasons and outbreaks. Live cattle prices have fluctuated significantly due to economic crisis and cattle lean meat capacity. Tay minority farmers producing cattle in free-ranging and part-time grazing systems often sell cattle at local markets but have poor negotiation capacity. H'Mong minority farmers producing in cut-and-carry systems bring their cattle to markets to achieve best price, as having a better capacity for valuation, many H'Mong also work as cattle traders. Middlemen working in groups with tight relation with each other play a key role in price determination, but need for high capital investment to undertake this business.

Middlemen and slaughterhouse owners have strong relationships to ensure cattle supply. Most farmers lack information on correct pricing for cattle, deciding value of cattle based on middlemen. Farmers who are not grouped or working in collaboration together get less benefit than others. The value chain analysis suggests that formation of community farmer groups for collective marketing and capacity building with formal regulation is a critical option to improve bargaining power, position and linkages of farmers with other actors, and there should be more government intervention in control of cattle smuggling, control of quality of products, defining procedures for cross-border trading and paperwork. Specific policies related to slaughterhouse conditions, location should be implemented in the Northern provinces in order to improve development of beef cattle.

**Keywords:** Cattle development, cattle systems, value chain, Viet Nam, uplands