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Value chain analysis of beef cattle feeding systems in Bac Kan province, the Northern Mountainous Region, Vietnam

Preliminary findings

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Introduction

- ❑ High demand of consumers in urban areas
 - ❑ Availability of cattle markets in study site
 - ✓ essential opportunities to participate in economic activity
 - ✓ high and smooth flow of live cattle
 - ❑ Considerable development projects of cattle production
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- ➔ Why is cattle production still under-developed?
 - ❑ Stable/gradually decreasing cattle population
 - ❑ Reducing cattle herd size in households/stop keeping cattle
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Objectives

- ❑ To identify actors and distribution systems of live cattle and beef in study sites
 - ❑ To identify constraints and opportunities for the beef cattle value chain
 - ❑ To derive recommendations for sustainable development of cattle production in study areas through value chain approach
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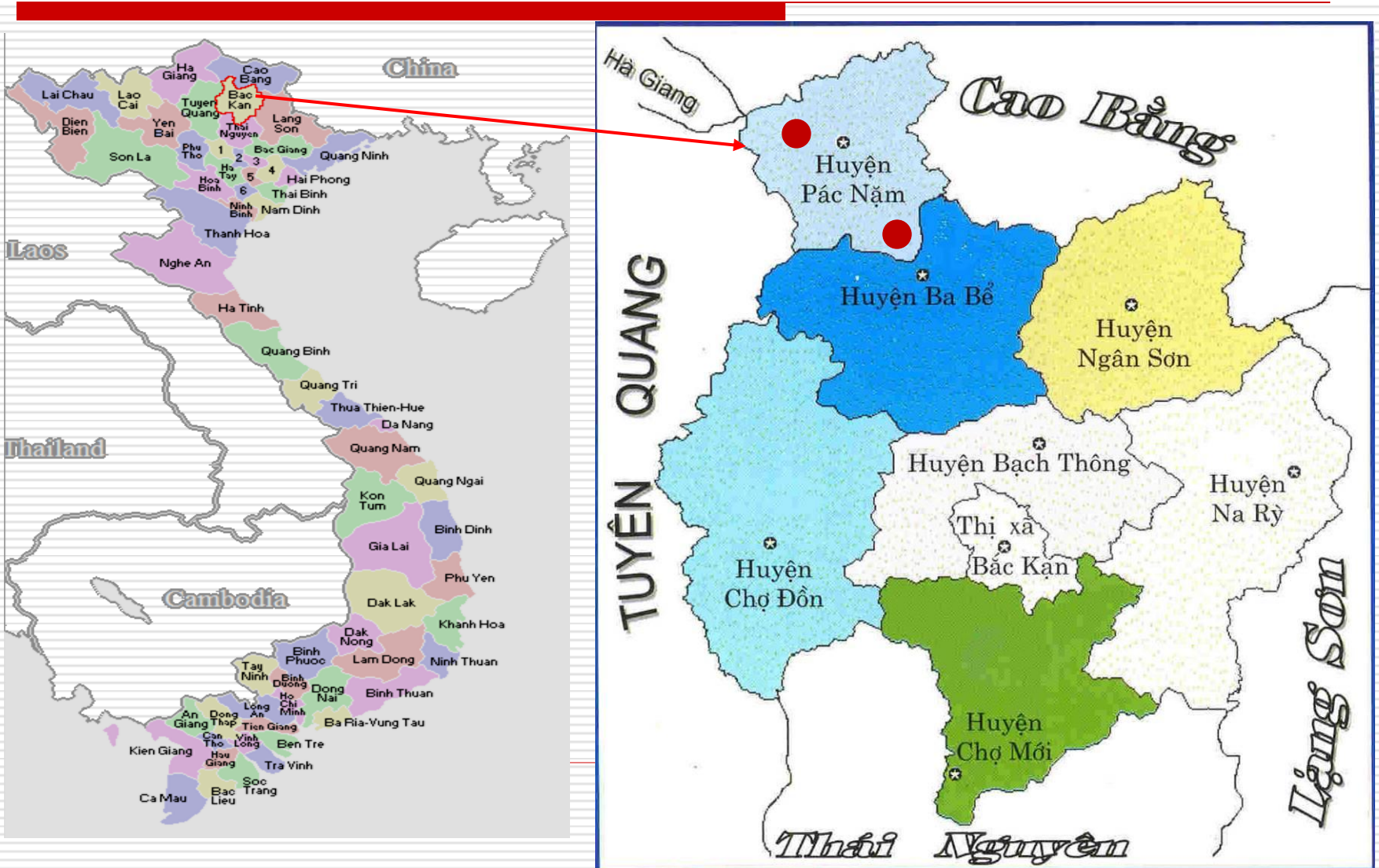
Selection of tools

- ❑ Collection of secondary information
 - ❑ Household interviews
 - ❑ Key informants
 - ❑ SWOT analysis of actors in cattle value chains
 - ❑ Data processing & analyses
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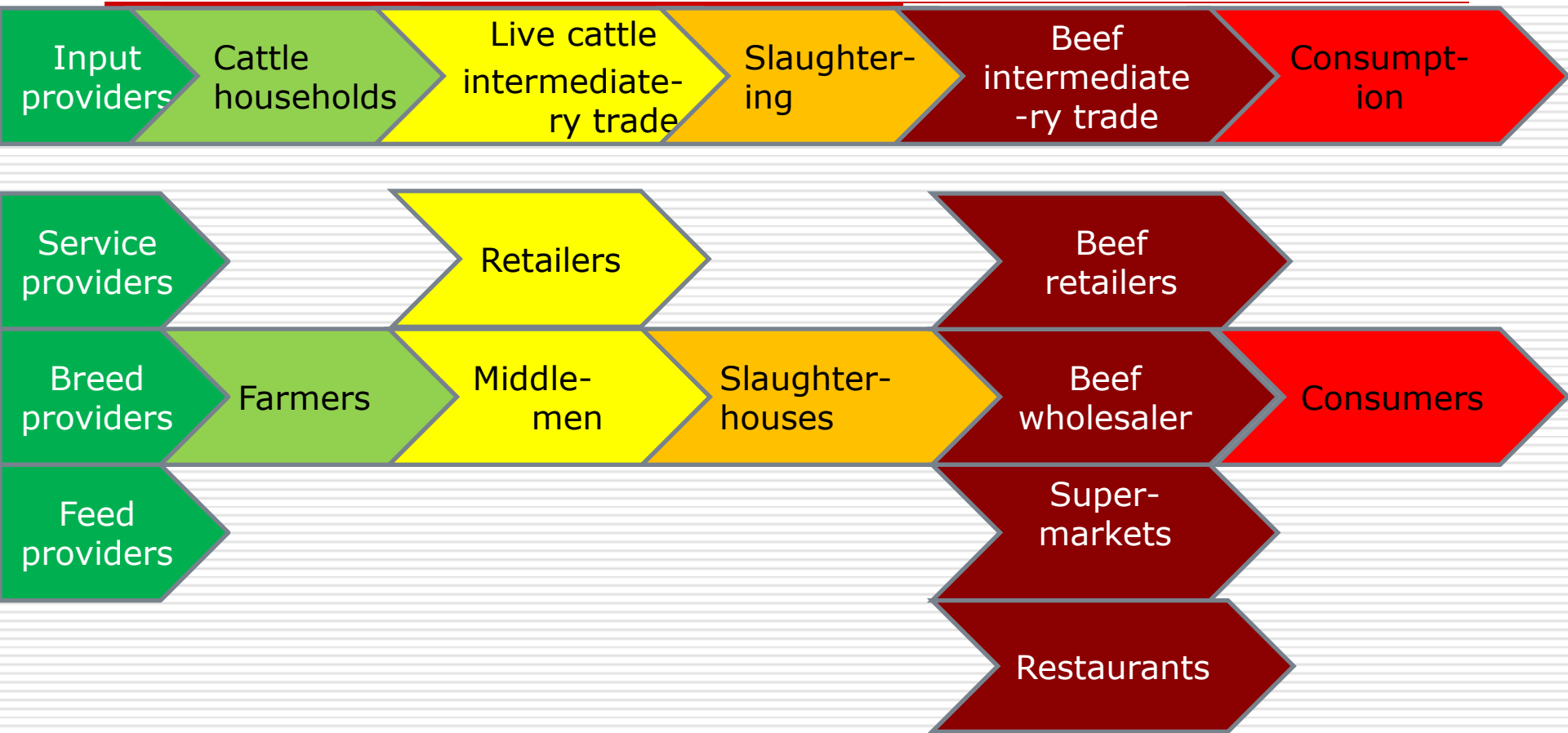
Selection of target groups

- ❑ 97 households in three beef cattle feeding systems;
 - ❑ 5 retailers in live cattle markets in Pac Nam;
 - ❑ 5 groups of middlemen in live cattle markets in Pac Nam;
 - ❑ 3 slaughtering houses in Hanoi;
 - ❑ 2 slaughterhouses cum retailers in Bac Kan;
 - ❑ 4 beef wholesalers in Hanoi markets;
 - ❑ 5 beef retailers in Bac Kan and Hanoi markets;
 - ❑ 4 local authorities.
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An overview of the study site



Actors in cattle value chain



Extension and agricultural staff; veterinarian; researchers and institutions; NGOs



Strengths and opportunities

- Self-breeding, self-providing feed

- Easy trading, high demand
- Supporting of government
- Cattle price

- Working in groups
- Tight relationships
- Price agreed among middlemen

- Cattle sources outside
- Short capital turnover,
- Easy trading, stable customers, verbal contract

- Verbal contract
- Increasing demand

- More opportunities of products
- High quality of beef import

SWOT

Input providers

Cattle producers

Cattle intermediatery

Slaughtering

Beef intermediatery

Consumption

Weaknesses and threats

- Poor veterinary, extension services
- Poor breeding quality

- Information, barganing capacity
- Cattle outbreaks, poor profitability
- Long keeping, cattle resources

- High investment capital
- High lobby & transportation costs
- Risks from outbreaks, lost, shock

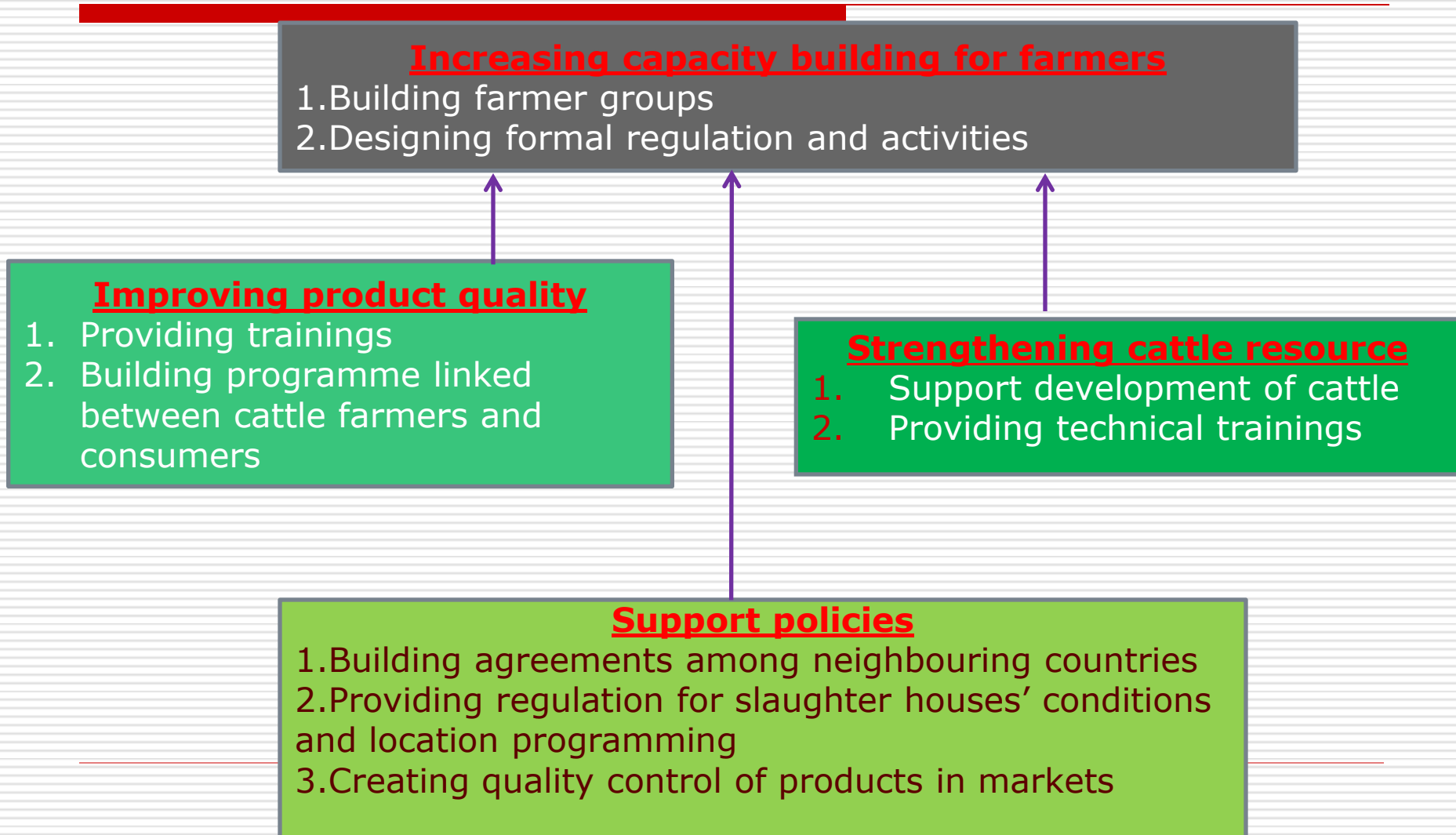
- Poor conditions, residential quarter
- High unexpected lobby costs, tax
- Great debt fixed, no uniform cattle
- Unstable cattle resource

- Leftover at end of marketing time
- Loss of products during trading
- Long-term debt of buyers

- No official distribution line
- Poor uniform, processed product
- Poor guaranteed product: quality, types, hygiene



Recommendations for intervention activities



THANK YOU FOR YOUR ATTENTION!



Cattle source in markets

- ❑ Peak season of cattle trading: August – February
 - ❑ Movement of cattle depending strongly on disease outbreaks, price disparity
 - ❑ Cattle source: Local cattle, neighbouring provinces and China
 - ❑ Cattle from outside:
 - ✓ small scale
 - ✓ no regular basis
 - ✓ none official regulation
 - ✓ without security of veterinary
 - ✓ no custom check
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Table 1: An example showing differences of lean meat yield and value of live cattle

| <i>Cattle breed</i> | <i>Lean meat proportion (%)</i> | <i>Live-weight (kg/cattle)</i> | <i>Lean meat performance (kg/cattle)</i> | <i>Value (VND/head)</i> |
|---|---------------------------------|--------------------------------|--|-------------------------|
| Cattle 1 | 30.0 | 300 | 90 | 8,100,000 |
| Cattle 2 | 35.0 | 300 | 105 | 9,450,000 |
| <i>Difference between two cattle</i> | 5.0 | 0 | 15 | 1,350,000 |

* Required evaluation criteria: fatness, leanness, skeleton frame, head, legs, rump, thigh, chest, neck

Figure 1: Estimated live cattle lean meat price in the study site during 2000-2009

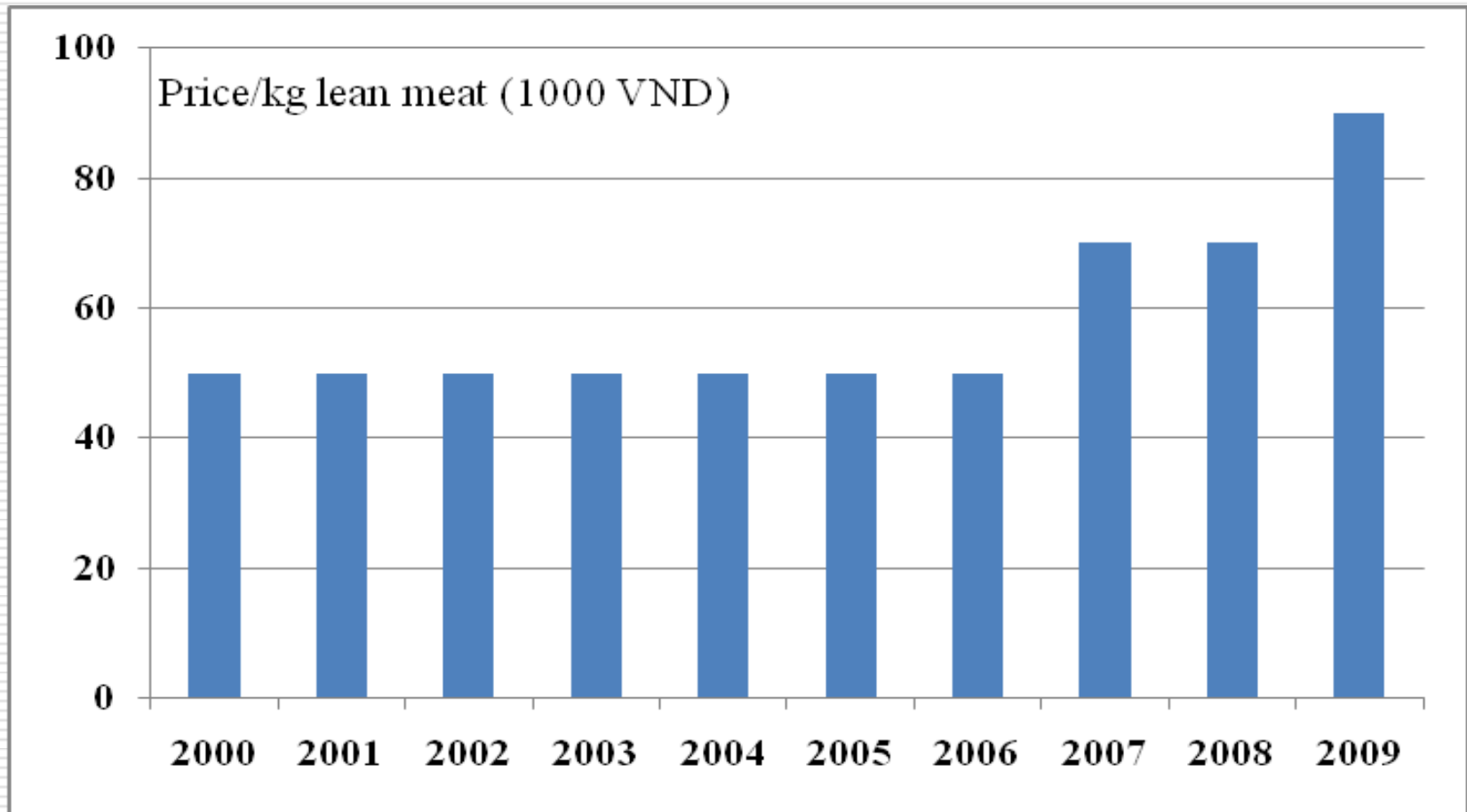


Figure 2: Estimation of expenses for a cattle head transporting to Hanoi

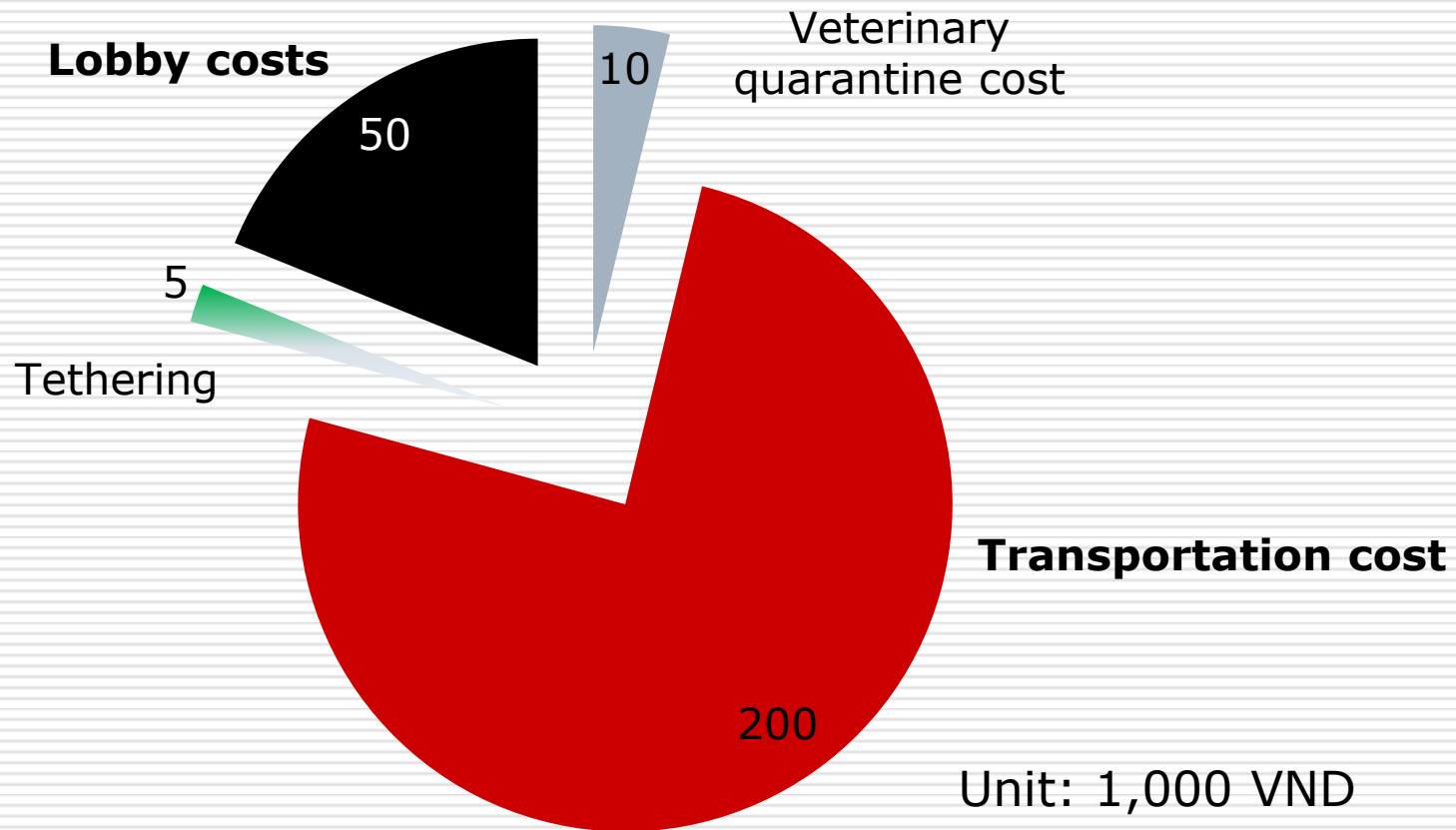


Figure 3: Prediction of benefit per head of cattle per day sharing among actors and their added value

