



VIETNAM MARKET REPORT

Dairy Cattle, Genetics and Feed

April 2014



Wisconsin is actively building a trade relationship with Vietnam

- **January 2012:** Secretary Ben Brancel and Economic Development Consultant Jennifer Lu traveled to Vietnam to meet with Vietnamese agricultural officials and major dairy companies.
- **April 2012:** Vietnamese Ambassador Cuong visited Wisconsin to discuss agricultural cooperation with Secretary Ben Brancel and several agricultural companies.
- **October 2012:** the first-ever dairy delegation of eight members from Vietnam visited Wisconsin and the World Dairy Expo to discuss trade and potential collaborations.
- **April 2013:** DATCP hosted the Cao Bang Province Trade Mission to Wisconsin.
- **October 2013:** DATCP invited two feed buyers from Vietnam to meet one-on-one with Wisconsin exporters of livestock feeds and ingredients and attend the World Dairy Expo the World Dairy Expo

Demand for Dairy Cattle and Dairy Genetics

Vietnam is one of the fastest growing economies in the world and has sincere interest in developing their dairy industry. This growth creates potential for cattle, genetics and feed exporters:

- This growth is reflected in increasing demand for dairy inputs and products. Dairy consumption per person in Vietnam is only 33lbs, compared to 77lbs in the rest of Asia—leaving room for further increases in demand.
- In 2011, domestically produced dairy products only satisfied 20% of domestic demand.
- Increasing demand is putting pressure on the industry to expand. Industry and government are responding, as large investments have been made in the last year and operations are becoming more industrialized.
- This industry transformation has increased demand for dairy inputs including animal feed ingredients, live cattle, genetics, dairy technology, expertise, management.

Opportunities for Wisconsin Producers

- Bovine semen, embryos and live cattle:
 - A protocol was recently established (June, 2012) allowing live breeding cattle from the US to be exported to Vietnam.
- Animal feed ingredients (hay, soybeans, soybean meal, Dried Distillers Grains (DDG's)):
In 2010, two thirds of soybeans imported into Vietnam were used for animal feed. DDG's is one of the top feed products that Vietnam imports.

- Dairy equipment, dairy management, consulting and expertise
 - Wisconsin is internationally recognized for its cutting edge dairy technology and research. There are business opportunities that could be leveraged by companies/universities looking to share the same with Vietnam.

Through recently concluded Free Trade Agreements, Vietnam has pledged not just to lower import tariffs and eliminate quotas, but also to increase market access for goods and services, strengthen Intellectual Property Right protection, enhance legislative and regulatory transparency, and improve its commercial dispute settlement and trade facilitation processes. Vietnam is also a member of the Trans Pacific Partnership (TPP), which if entered into force, will allow greater access to U.S. food and agricultural products.

Wisconsin Agricultural Exports to Vietnam

U.S. exports of agricultural products grew only 1% and remained at just over US\$1.6 billion in 2012, and another, albeit modest, new record high.

Vietnam was the third largest market in Southeast Asia for agricultural products and the second largest for consumer ready products in 2012. ²

Wisconsin agricultural exports to Vietnam were \$35million in 2012. Top five agricultural products exported from Wisconsin to Vietnam 2012 (approximate value):

1. Misc. grain, Seed & fruit: \$10.1 million
2. Sugars: \$9.8 million
3. Dairy, Eggs & Honey: \$8.4 million



4. Animal Waste and Animal Feed: \$3 million
5. Hides and skins: \$1.4 million³

Doing Business in Vietnam

1. Build Relationships

Vietnam, like many Asian markets, is a relationship driven society. It is beneficial to travel to the market to meet with buyers. Vietnam businesses value connections with US government agencies and officials. The International Trade Team has an established network in Vietnam. Accessing this network will provide you with legitimacy and the connections you need to be successful in exporting products to Vietnam.

2. Market Research

Vietnam is a diverse country and there are vast differences between rural and urban demand. Supply chains are not highly developed and may require close attention and research. Understanding both of these aspects through market research will be crucial for success in the market.

3. Learn the Exporting Requirements

Often, importers don't know if an export requirement has changed. Check the requirements for the export of live dairy cattle or dairy cattle genetics [here](#).

Sources:

1. Food Export: Vietnam Country Profile
2. GTIS: World Trade Statistics

International Services from the State of Wisconsin

The Wisconsin Department of Agriculture, Trade and Consumer Protection hosts the International Trade Team. Wisconsin companies, whether new to exporting or a seasoned international business, can benefit from the Team's extensive knowledge and trade expertise. Read our [Guide to Services](#) or call us at 1-800-462-5237 for more information.

FOR ADDITIONAL INFORMATION CONTACT:

Jennifer Lu
Economic Development Consultant
Wisconsin Department of Agriculture, Trade and Consumer Protection
Tel: 608-224-5102
Email: Jennifer.lu@wi.gov

