



Ministry of External Affairs
Government Of India



ECONOMIC
DIPLOMACY
DIVISION



Animal Feed Ingredients Market in Vietnam

**Report
2021**

PAGE	CONTENT
5 – 22	1. Overview on Animal Feed in Vietnam
6 – 7	<u>1.1 Supply Chain of Animal Feed in Vietnam</u>
8 – 18	<u>1.2 Current Situation of Animal Feed Supply in Vietnam</u>
8 – 10	1.2.1 Domestic supply of Animal Feed
11 – 18	1.2.2 Animal Feed Imports of Vietnam
19- 22	<u>1.3 Current Situation of Animal Feed Demand in Vietnam</u>
19 – 20	1.3.1 Animal Feed consumption
21 – 22	1.3.2 Animal Feed Exports of Vietnam
23 – 33	2. Legal Framework
24 – 27	<u>2.1 Regulations on import conditions, commercial authorization, food safety and hygiene</u>
28 – 32	<u>2.2 Regulations on tariffs, trade agreements with partner countries</u>
33	<u>2.3 Policies and regulations on investment attraction and incentives for foreign enterprises</u>
34 – 86	3. Opportunities for Indian enterprises
34 – 36	<u>3.1 Animal Feed materials from India import</u>
37 – 38	<u>3.2 Animal Feed from India import</u>
39 – 42	<u>3.3 Animal Feed Market Potentials in Vietnam</u>
43 – 44	<u>3.4 Advantages and disadvantages regarding legal framework in Vietnam market for Indian enterprises</u>
45 – 50	<u>3.5 Recommendation for factors promoting competition</u>
51 – 68	<u>3.6 Potential enterprises and partners in Vietnam for Indian businesses</u>
69 – 70	<u>3.7 Animal feed trade fairs and exhibitions</u>
71 - 73	<u>3.8 Proposals of procedure for access into Vietnamese market</u>

HS Code

Free Trade Agreements

2301	Flours, meals and pellets, of meat or meat offal, of fish or of crustaceans, molluscs or other aquatic invertebrates, unfit for human consumption; greaves.	ASEAN Free Trade Area	AFTA
2302	Bran, sharps and other residues, whether or not in the form of pellets, derived from the sifting, milling or other working of cereals or of leguminous plants.	ASEAN-China Free Trade Area	ACFTA
2303	Residues of starch manufacture and similar residues, beet-pulp, bagasse and other waste of sugar manufacture, brewing or distilling dregs and waste, whether or not in the form of pellets.	ASEAN-Korea Free Trade Area	AKFTA
2304	Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of soya-bean oil.	ASEAN-Japan Comprehensive Economic Partnership	AJCEP
2305	Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of ground-nut oil.	Vietnam-Japan Economic Partnership Agreement	VJEPA
2306	Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of vegetable fats or oils, other than those of heading 23.04 or 23.05.		
2307	Wine lees; argol.	ASEAN-India Free Trade Area	AIFTA
2308	Vegetable materials and vegetable waste, vegetable residues and by-products, whether or not in the form of pellets, of a kind used in animal feeding, not elsewhere specified or included.	ASEAN-Australia-New Zealand Free Trade Area	AANZFTA
2309	Preparations of a kind used in animal feeding.		
230910	- Dog or cat food, put up for retail sale:	Vietnam-Chile Free Trade Agreement	VCFTA
23091010	-- Containing meat		
23091090	-- Other	Vietnam-Korea Free Trade Agreement	VKFTA
230990	- Other:		
	-- Complete feed:	Comprehensive and Progressive Agreement for Trans-Pacific Partnership	CPTPP
23099011	--- Of a kind suitable for poultry		
23099012	--- Of a kind suitable for swine	ASEAN-Hong Kong, China Free Trade Agreement	AHKFTA
23099013	--- Of a kind suitable for prawns		
23099014	--- Of a kind suitable for primates	European-Vietnam Free Trade Agreement	EVFTA
23099019	--- Other		
23099020	-- Premixes, feed supplements or feed additives	ASEAN Trade in Goods Agreement	ATIGA
23099090	-- Other	UK Free Trade Agreement	UKVFTA

1

Out of 265 factories producing animal feed at present, there are 85 FDI factories, owning 65% of the market share **while domestic enterprises are still struggling in raw material crisis**

2

Vietnamese domestic agricultural **can only supply a maximum of 4.5-5 million tons of maize, 4 million tons of bran** while **the domestic annual demand is total around 26-27 million tons of each kind**, especially corn, soybeans and wheat

3

The animal feed price constantly increase, African swine fever and Covid-19, explains the downtrend of animal feed import turnover in 2020.

4

China, Thailand, other countries in Asia (not elsewhere specified), USA and Singapore owns total 67% of Vietnam's animal feed import turnover.

5

Vietnam's animal feed will need about 28-30 million tons of material annually in the next 5 years, equivalent to 12-13 billion USD with an average annual growth rate of 11 -12%

6

While Indian animal feed ingredients' import tax rate is currently 0%, animal feed except for dogs and cats from India is under a high tax rate at 5-6% compared with other major importing countries to Vietnam such as China, Korea and European countries.

7

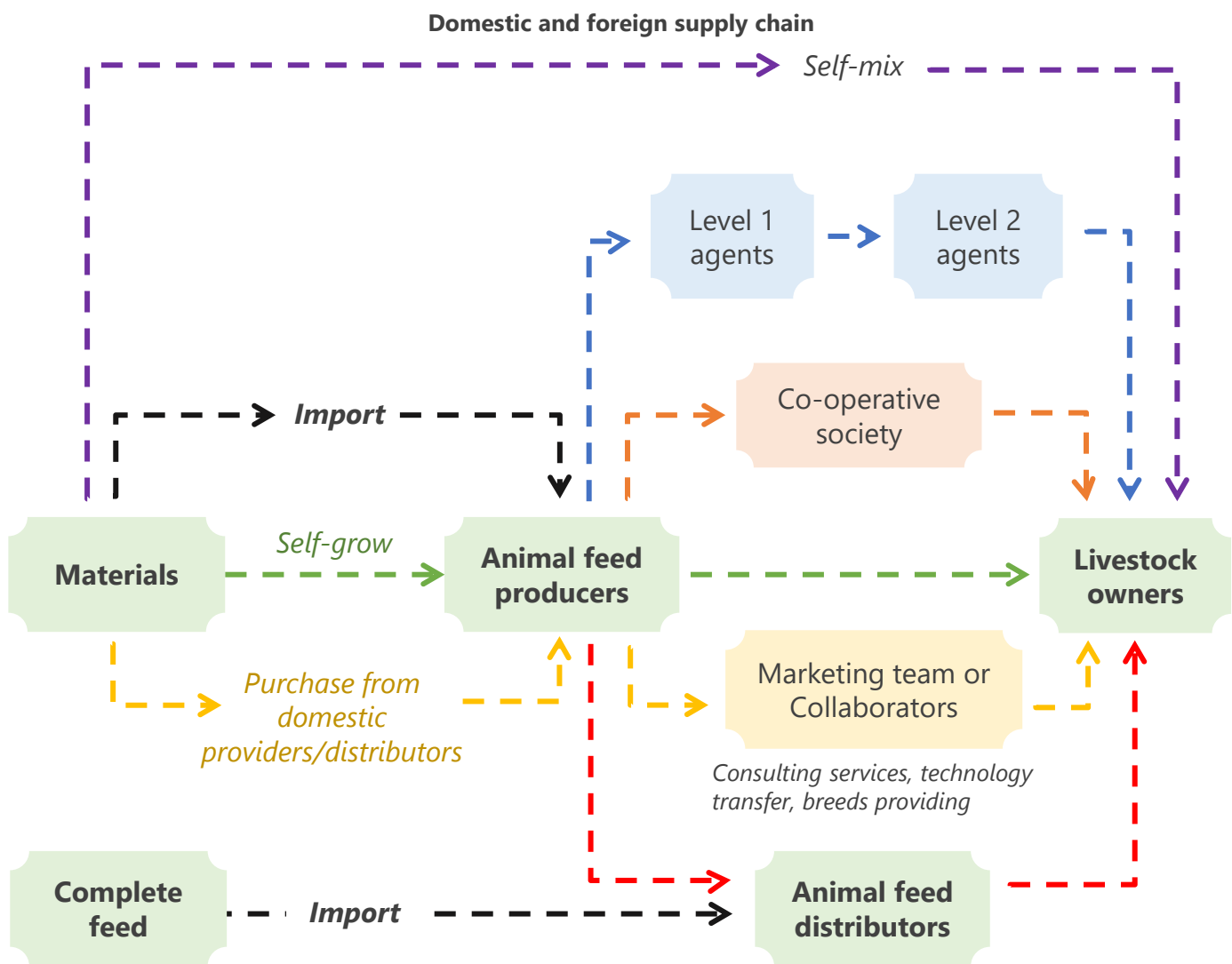
India only exported feeds for other breeds as the only complete feeds while **Vietnam mostly import dogs or cats food and feed for prawns.**

8

In comparison with other major markets, **the median price of material from India was sufficiently higher while the price of feed supplements is a low level.**



Overview on Animal Feed in Vietnam



In case of animal feed additives, producers mainly distribute through animal medical center. However, following decentralized management, the local veterinarian is not responsible for quality inspection or sanction. This responsibility belongs to inspectors from the Ministry of Agriculture and Rural Development.

Each year, animal husbandry and fisheries industry needs 32-33 million tons of feed. In which, **more than 7 million tons are self-mixed by farmers from ingredients without using complete mixed feed.** The remaining total output of 26 million tons are produced in factories to supply domestic consumption and export.

Distribution channels:

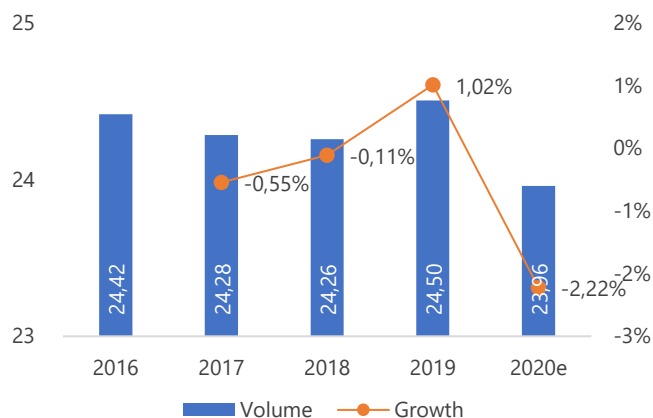
Currently, producing enterprises in animal feed industry mainly use the 2 following distribution system:

- **Through level 1 and 2 agents:** This type handles around 90% of animal feed production output. Foreign companies mostly follow this system. Agents would make instant payment and thereby, immediately receive a commission of 4-12%. Agents also may get more commission, promotion or even a international travel trip.
- **Through livestock handling and processing units:** In this system, the company will provide breeds, animal feed, medicines as well as consulting services. After a while, they would collect final products and bring to the market. This approach helps businesses to have control from production to consumption stage, reduce production chain disruptions and ensure product quality as many large producers now are following 3F (Feed – Farm – Food). This method only accounts for about 10% of animal feed production and is mainly applied by large animal feed such as Dabaco, CP, Hung Vuong, etc. To participate in the system, farmers must provide sufficient capital to build their own barn which must ensure the required technical standard of nurturing and disease safety for each type of livestock. During the breeding, farmers normally also self-pay labor and other operational costs while enterprises are responsible for providing feed, veterinary drugs and vaccines; guiding and supervising, purchasing products.

Meanwhile, **some animal feed companies such as Anco, Hung Vuong, Proconco, etc. sell their products directly to livestock owners without going through an agent.** This method would help them to minimize costs, increase productivity and competitiveness, especially in the selling price compared with FDI competitors.

Animal Feed Production output of Vietnamese enterprises, 2016 - 2020e

Million tons

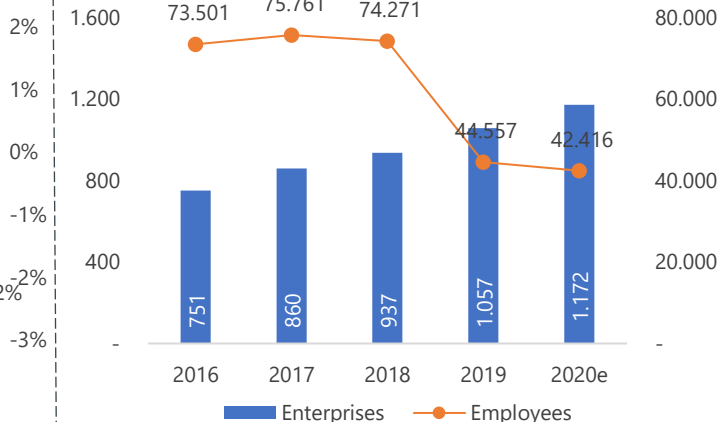


Source: VIRAC, GSO

Number of Vietnamese enterprises and employees in animal feed production industry, 2016 - 2020e

Enterprises

Employees



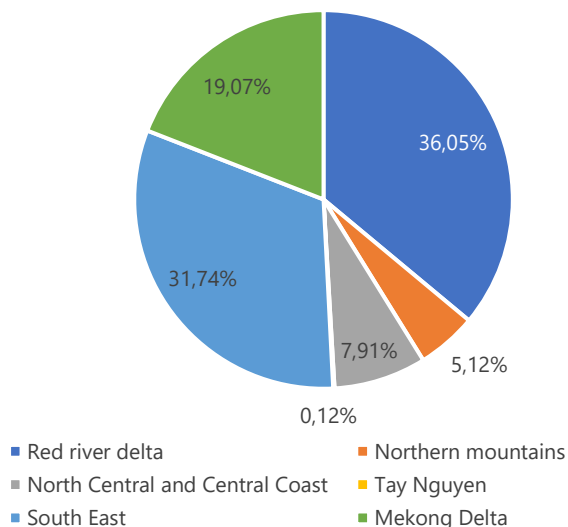
Source: VIRAC, GSO

Recently, while domestic enterprises are struggling in raw material crisis, some foreign enterprises are planning to build more factories to increase output.

According to the Ministry of Agriculture and Rural Development, out of a total of 265 factories producing animal feed at present, there are 85 factories belonging to FDI enterprises, but their products account for 65% of the market share; while 180 factories belonging to domestic enterprises only account for 35% of the market share.

Small-scale and household pig farms had to halt their operations due to **African swine fever**, leading to the decrease in animal feed demand and the later adjustment of choosing the source of protein in dietary patterns of the consumer as well as increased shopping patterns in modern retail chains..

Proportion of Vietnamese enterprises in animal feed industry by region, 2020



Source: VIRAC, GSO

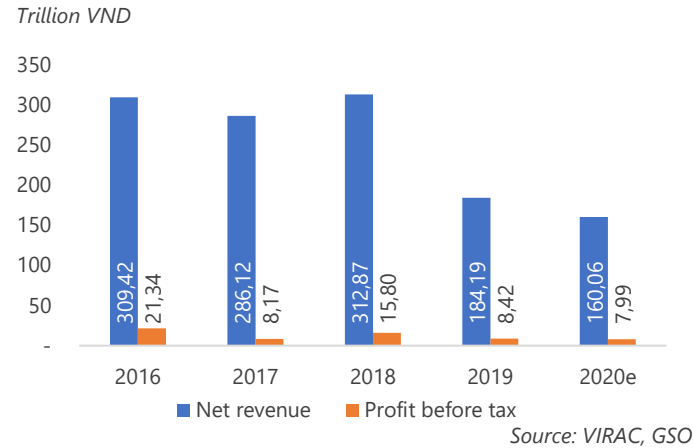
Animal feed enterprises are mainly located in Red River Delta and South East region as these two regions are most developed in farming, especially in pig farming.

In addition to large corporations from Thailand, the US, China, etc, who have invested in Vietnam before, a number of corporations from Singapore, Netherlands or Germany also have the intention to invest in Vietnam. Therefore, animal feed market in Vietnam is expected to see a fierce competition to gain market share.

1.2 Current Situation of Animal Feed Supply in Vietnam

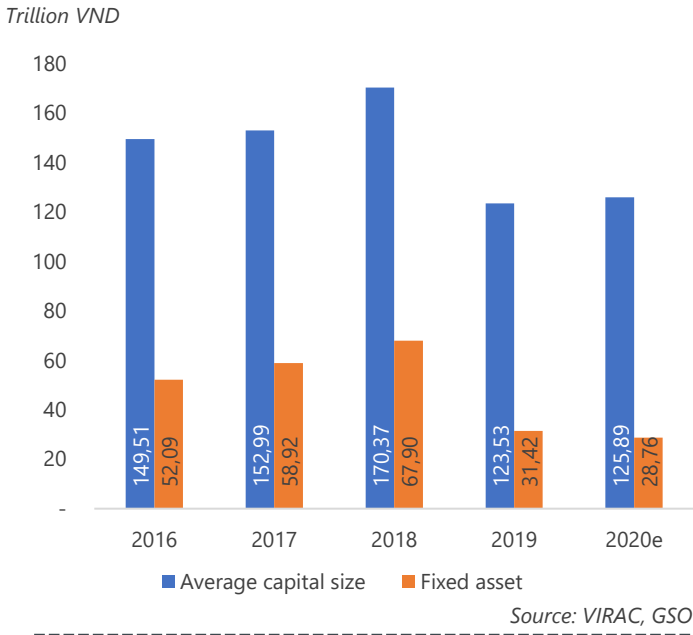
1.2.1 Domestic supply of Animal Feed

Revenue and Profit of Vietnamese enterprises in animal feed production industry, 2016 - 2020e



With a **strict disease control regulation during Covid-19** in some export countries, many of whom even have to suspend their operations, the logistic industries was severely affect, which leads to supply chain disruptions. Large enterprises such as C.P Vietnam, Cargill, GreenFeed can only run at 30-40% of their capacity, while their normal state is 80%. Besides, many enterprises during this time also faced difficulties in finding consumers.

Average capital and fixed asset of Vietnamese enterprises in animal feed production industry, 2016 - 2020e

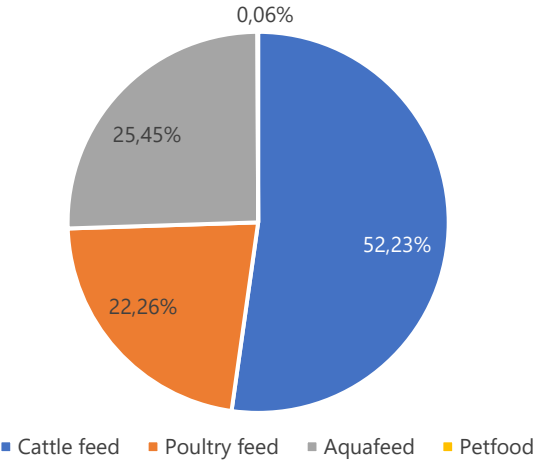


Both domestic and FDI enterprises is still dependent on import regarding of input materials source, therefore, they have to bear the fluctuation in price and exchange rate. In addition, there is fierce competition in the market when more and more competitors enter, causing profits to fluctuate following the fluctuations of sales.

Investment capital and fixed assets of the animal feed industry are increasing during 2016-2018, due to the participation of new competitors in the industry as well as the investment to expand production capacity of FDI companies.

However in 2019 and 2020, Covid-19 has negatively affected enterprises in animal feed production industry, causing a lot of them to shut down operations.

Proportion of animal feed purposes by output volume, 2020e



The output of cattle feed was recorded at 12.51 million tons, down 2.72% compared to the previous year, while poultry and aqua feed production also decreased by 1.12% and 2.17% respectively compared to 2019.

1.2 Current Situation of Animal Feed Supply in Vietnam

1.2.1 Domestic supply of Animal Feed

Major processing animal feed enterprises in Vietnam

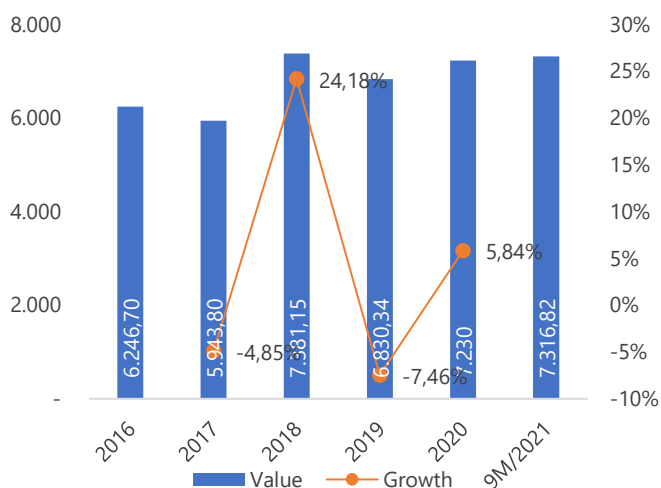
Name	Address	Business	Products	Infrastructure
C.P. Vietnam	Lot No. 13, Bien Hoa II Industrial Zone, An Binh ward, Bien Hoa city, Dong Nai province	3F model: <ul style="list-style-type: none"> • Feed: Animal feed • Farm: Fresh meat • Food: Processed food 	<ul style="list-style-type: none"> • Fish feed • Chicken feed • Pig feed • Shrimp feed 	9 factories located in the North and the South
de Heus	8th Floor, Cantavil Premier Complex, No. 1 Hanoi Highway, Ho Chi Minh City	<ul style="list-style-type: none"> • Animal feed • Silos and Tankers • Farm management software • Barns design • De Heus Mobile App • Breeding • Slaughterhouse 	<ul style="list-style-type: none"> • Swine feed • Poultry feed • Cattle feed • Aqua feed • Rabbit feed 	9 factories located all 3 main regions of Vietnam
Proconco	Bien Hoa Industrial Park I, Dong Nai	<ul style="list-style-type: none"> • Animal feed 	<ul style="list-style-type: none"> • Swine feed • Feed for cows • Cattle feed • Shrimp feed • Fish feed 	7 factories located in the North and the South
Japfa Comfeed	Huong Canh Town, Binh Xuyen, Vinh Phuc Province	<ul style="list-style-type: none"> • Animal feed • Breed provision 	<ul style="list-style-type: none"> • Swine feed • Cattle feed • Chicken feed • Duck feed • Aqua feed 	5 factories located in the North and the South
Greenfeed	Nhut Chanh Commune, Ben Luc Dist., Long An Province, Vietnam.	3F model: <ul style="list-style-type: none"> • Feed • Farm • Food 	<ul style="list-style-type: none"> • Swine feed • Poultry feed • Cattle feed • Aqua feed 	9 factories located all 3 main regions of Vietnam
DABACO	35 Ly Thai To street, Bac Ninh City, Bac Ninh Province, Viet Nam	<ul style="list-style-type: none"> • Animal feed • Contracted farming • Meat processing 	<ul style="list-style-type: none"> • Swine feed • Poultry feed • Cattle feed • Aqua feed • Rabbit feed • Frog feed 	6 factories located in the North
Cargill	Floor 10 & 11 Maple Tree Business Center, 1060 Nguyen Van Linh Blvd., Tan Phong Ward, District 7, Ho Chi Minh City	<ul style="list-style-type: none"> • Animal nutrition • Food and beverage ingredients • Agriculture Supply Chain • Metals • Unique Aqua Macro Feed Ingredients 	<ul style="list-style-type: none"> • Swine feed • Fish food • Poultry feed • Shrimp feed 	8 factories located all 3 main regions of Vietnam
CJ Vina Agri	1A My Yen Ward Ben Luc District Long An Province	3F model: <ul style="list-style-type: none"> • Feed • Farm • Food 	<ul style="list-style-type: none"> • Swine feed • Poultry feed • Cattle feed • Aqua feed 	7 factories located all 3 main regions of Vietnam

1.2 Current Situation of Animal Feed Supply in Vietnam

1.2.2 Animal Feed Imports of Vietnam

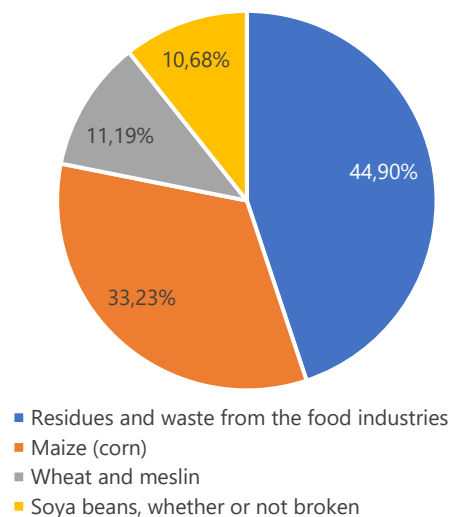
Vietnam's raw materials import turnover, 2016 - 9M/2021

Million USD



Source: VIRAC, GDVC

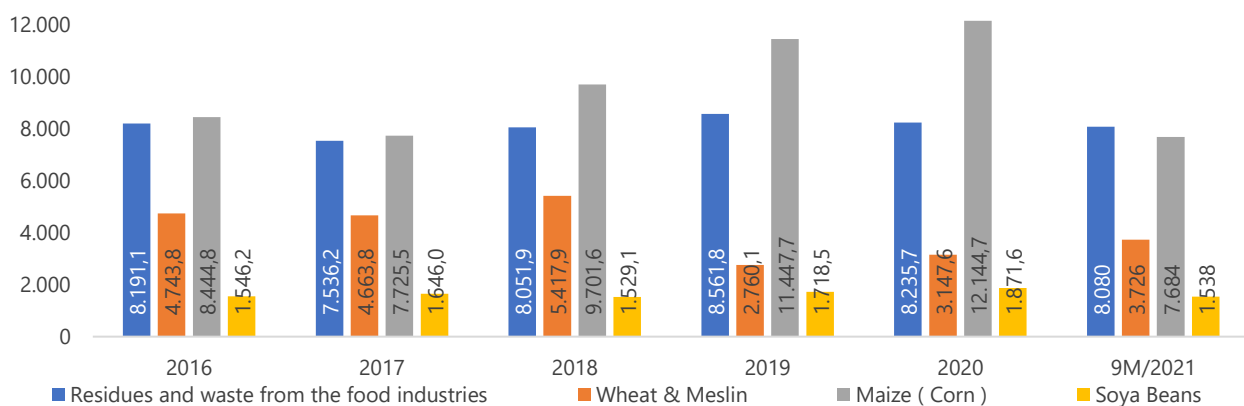
Vietnam's Raw Material Import from World by turnover, 2020



Source: VIRAC, GDVC

Raw materials import volume , 2016 - 9M/2021

Thousand tons



Source: VIRAC, GDVC

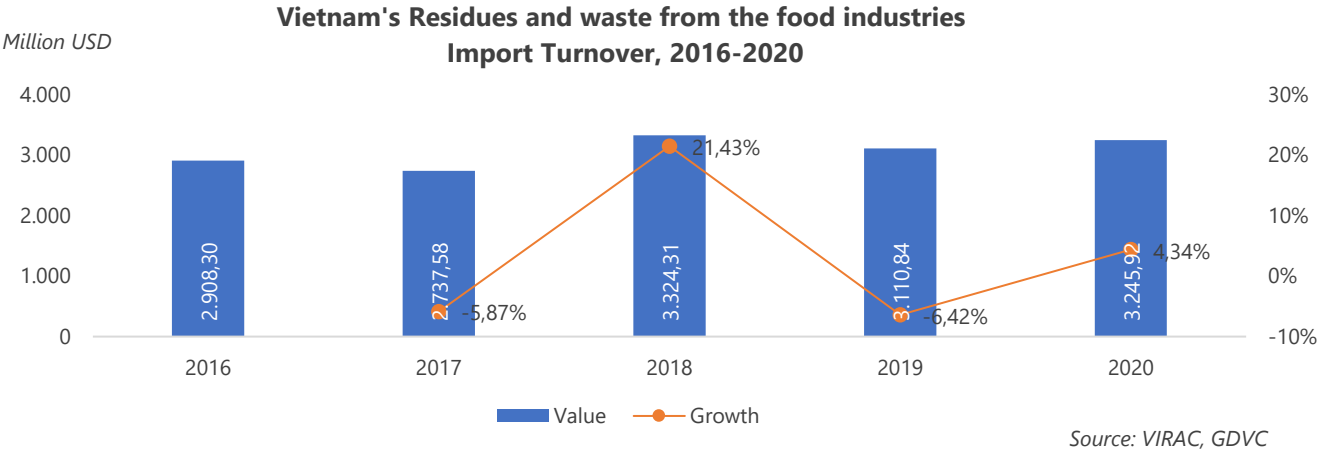
In the first 9 months of 2021, animal feeds materials showed an uptrend mainly thanks to an increase in maize (corn) and residues import.

In the first half of 2020, raw materials import was severely affected by the Covid-19 epidemic. Many wheat and corn producing countries in the world such as the US, Russia and Ukraine even have to suspended exports. However, in the second half, the supply chain has been more stable after the global effort to prevent the spread, which help raw material import having a growth.

According to the Chairman of the Vietnam Poultry Association, the reason why Vietnam (who is a leading food producer and exporter in the world) still has to import the majority of raw material of feed materials is that the domestic agricultural can only supply a maximum of 4.5-5 million tons of maize, 4 million tons of bran, 4 million tons of cassava for animal feed, while the domestic annual demand is total around 26-27 million tons of each kind, especially corn, soybeans and wheat. **According to USDA, an estimated 80% of raw material used as animal feeds each year, including industrialized animal feed, is imported.**

According to the Vice Chairman of the Vietnam Livestock Association, the major problem of the livestock sector is the complete dependency on import materials of the animal feed segment and the influence of foreign enterprises on the market.

Residues and waste from the food industries

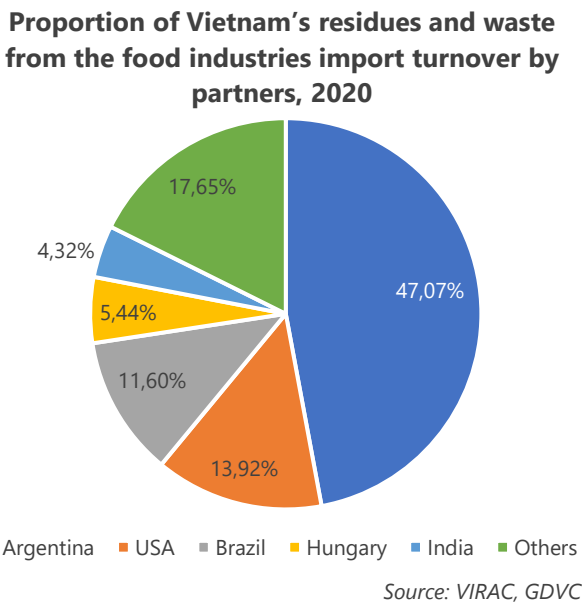
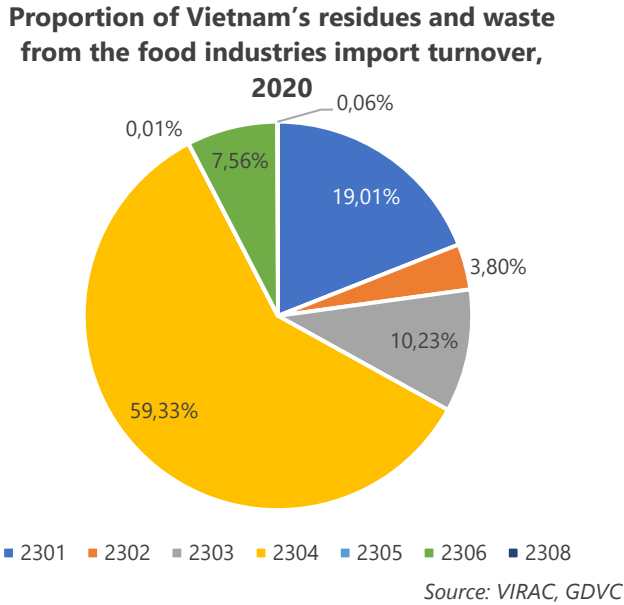


Plant materials and plant wastes (HS code: 2308) recorded import turnover to nearly 2 million USD which doubled the figure of 2019.

Although import turnover uprose, import volume saw a significant decline. This happened due to the stagnancy in production chain, along with the rise in price of input materials. Imports of oilseed meal and other solid waste obtained from the extraction of peanut oil (HS code 2305) lost more than 80% in volume. However, vegetable materials and vegetable waste (HS code: 2308) increased strongly against the trend, reaching 2.6 thousand tons, up 69% compared with 2019.

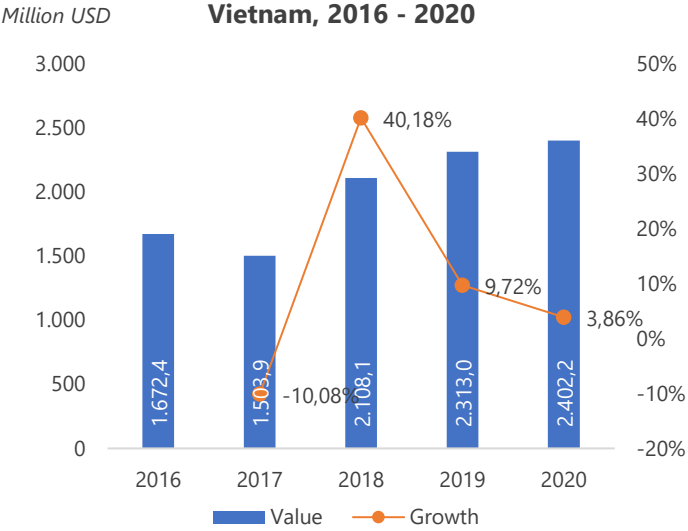
The agricultural sector play the role of the "supporting base factor" for the Vietnam economy, but it is showing concerning signs of volatility after being affected by the Covid-19 epidemic. Evidences were that the whole industry export capacity has lost its position due to difficulties in production and consumption while imports of raw materials and inputs rapidly increased.

Despite being a leading food producer and exporter in the world, Vietnam still has to import the majority of ingredients for domestic animal feed industry, which makes the figure increasing year by year.



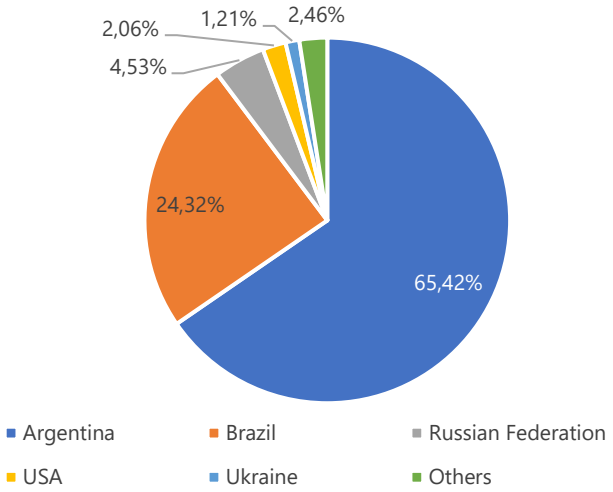
Maize (Corn)

Maize (Corn)'s import turnover of Vietnam, 2016 - 2020



Source: VIRAC, GDVC

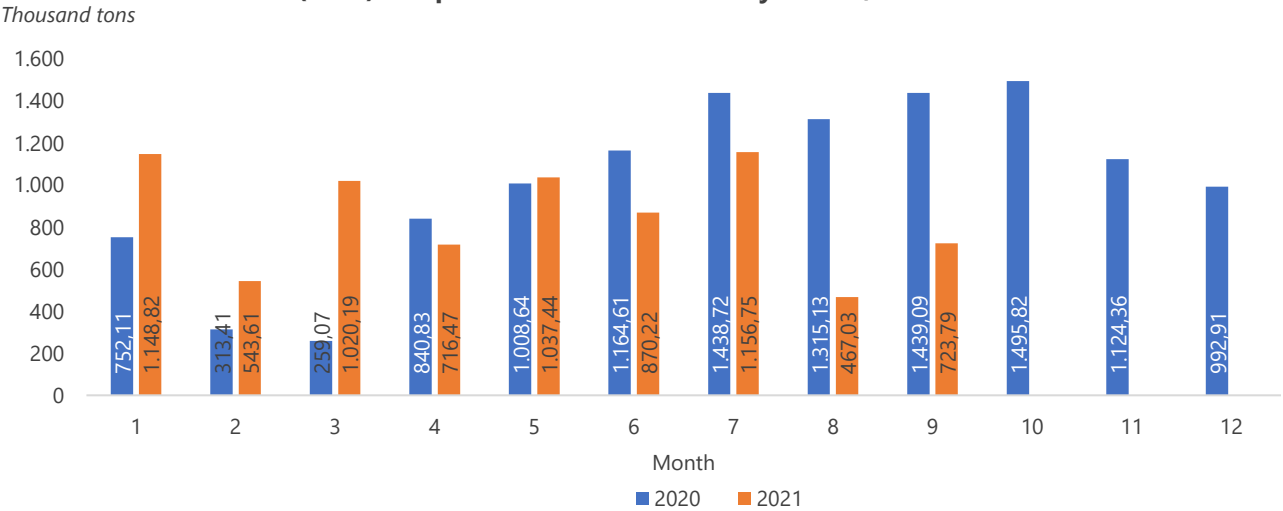
Proportion of Vietnam's maize (corn) import partners by trade turnover, 2020



Source: VIRAC, GDVC

- Corn is consistently one of Vietnam's top 10 most imported agricultural product annually. Total domestic harvesting quantity only met 40-50% of overall needs, the rest is from import
- **Argentina and Brazil are largest import partners.** Russian Federation in 2020 took the third place from Thailand while China's fifth place in 2019 was replaced by Ukraine in 2020. Argentina's trade value in 2020 was 1,571.66 million USD, up 7.67% compared with 2019. On the other hand, Brazil' trade value in 2020 decreased 27.85% compared with 2019. India meanwhile only takes 0.063% of Vietnam maize import turnover in 2020 with 1.52 million USD.

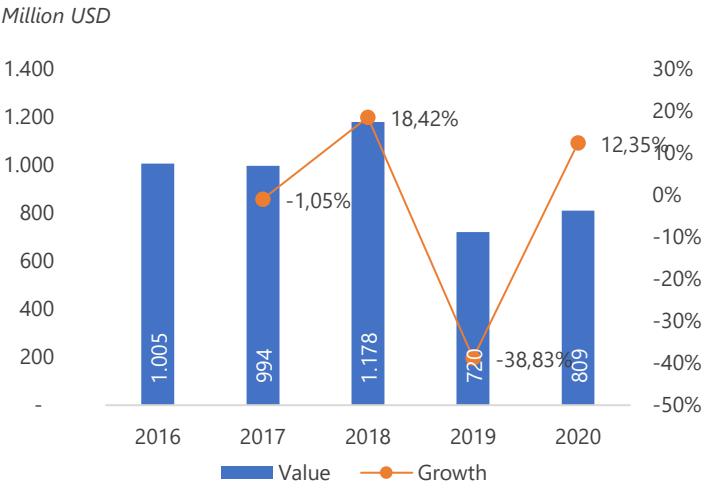
Maize (Corn)'s import volume of Vietnam by month, 2020 – 9M/2021



Source: VIRAC, GDVC

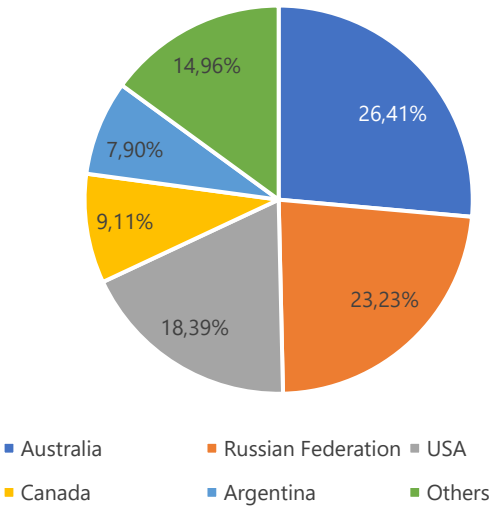
Wheat and meslin

Wheat & meslin 's import turnover of Vietnam, 2016 - 2020



Source: VIRAC, GDVC

Proportion of Vietnam's wheat & meslin import partners by import turnover, 2020



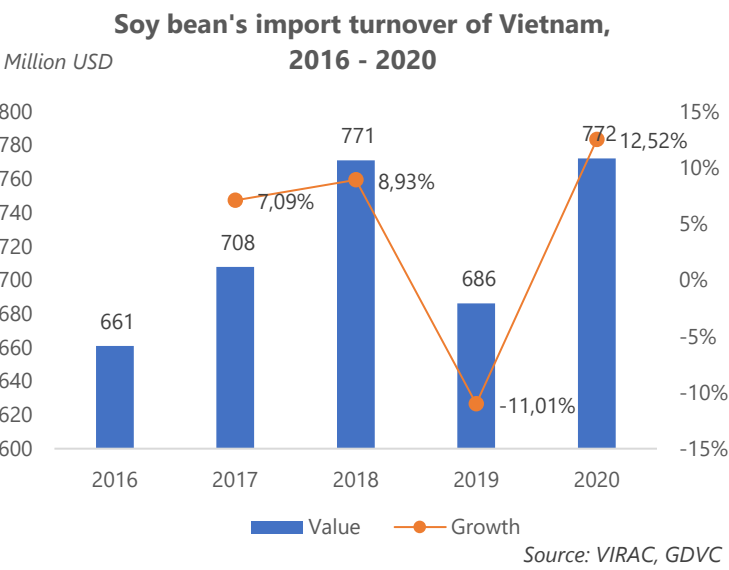
Source: VIRAC, GDVC

Wheat and meslin’s import of Vietnam in 2020 increase in both volume and turnover.

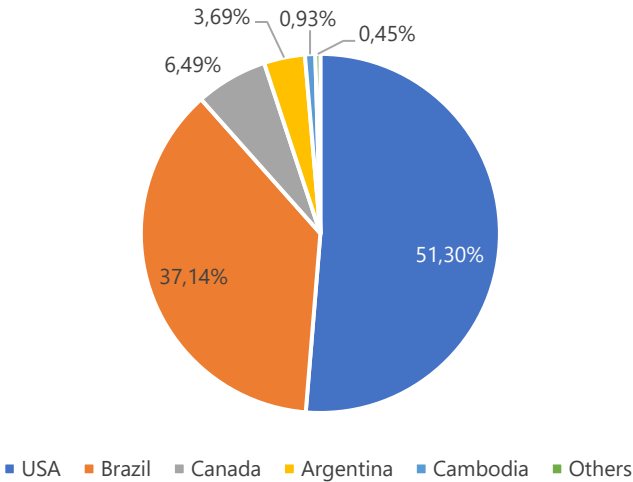
Two of the markets that increased sharply in both volume and value of import in 2020 compared with 2019 were the US and Brazil: US wheat imports turnover skyrocketed with a surge of 113.53% in volume and 117.41% in value over the same period of 2019 while Brazil's wheat imports also sufficiently gained 180.09% in volume and 153.07% in value. On the other hand, there are some markets facing a significant decrease in both volume and turnover the Canadian market dropped by 24.92% in volume and 27.04% in value over last year, Australia was down 8.76% in volume and down 11.55% in value and Russia decreased 19.82% in volume and 13.29% in value. In 2020, US wheat imports turnover skyrocketed with a surge of 113.53% in volume and 117.41% in value over the same period of 2019.

In 2020, India did not import wheat and meslin from Vietnam. However, in 2019, its import turnover was 325.34 thousand USD, equivalent to 1,135 tons.

Soya beans



Proportion of Vietnam's soya beans import partners by import turnover, 2020



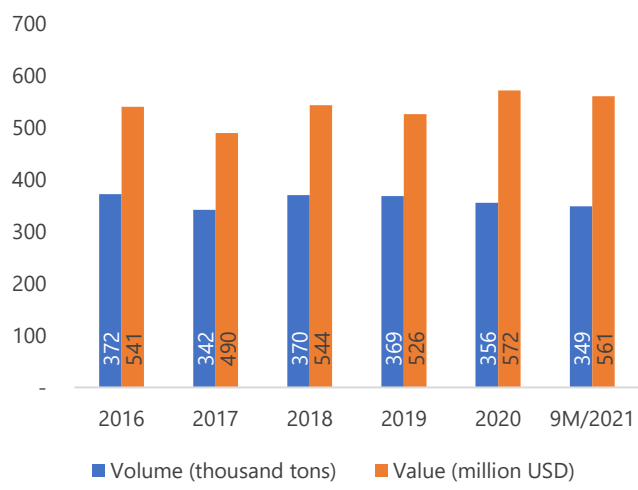
The rank of the fifth largest soya beans import partners of Vietnam stayed the same in 2019 with USA and Brazil owning around 89% of Vietnam’s total import turnover in 2020. In these top 5, USA and Brazil had an increase in both trade volume and import turnover compared with 2019. Trade volume of USA increased 22.78%, reaching 931.37 thousand tons while its import turnover reached 396.12 million USD, up 29.6% over 2019. Brazil also had an uptrend in both trade volume and import turnover with 11.6% and 11.92% respectively. On the other hand, Canada and Argentina’s import significantly decreased with Canadian trade volume and value falling 31.17% and 26.67% respectively and Argentina’s downtrend of around 40% in both indicators.

The other partners of Vietnam are mostly from Asia, West Africa or Europe.

India has stopped importing soya beans from Vietnam since 2017. In 2017, its import turnover was only 261 USD with 600 kilograms of soya beans.

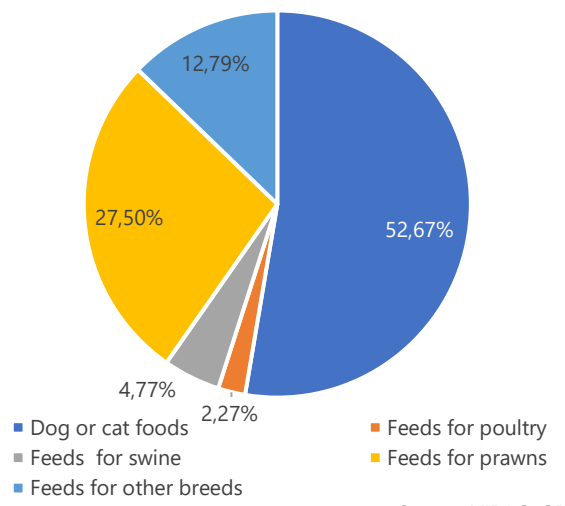
1.2.2 Animal Feed Imports of Vietnam

Animal feed's import volume and turnover of Vietnam, 2016 - 9M/2021



Source: VIRAC, GDVC

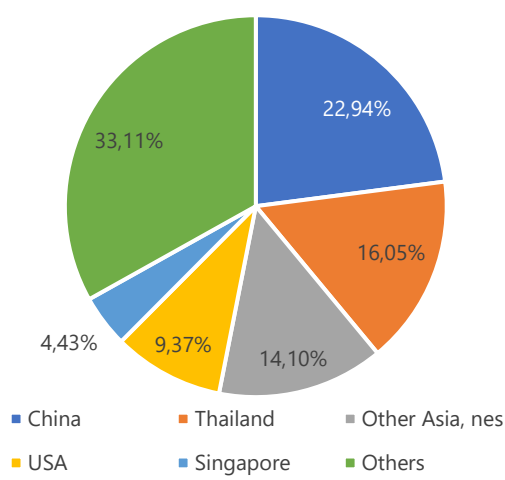
Proportion of categories in Vietnam's animal feeds by import turnover, 2020



Source: VIRAC, GDVC

The animal feed price constantly increase in the end of 2020 and continuing to rise in the first half of 2021 is the reason to the difference in trend of import volume and turnover. African swine fever together with Covid-19, especially in America and China, two large animal feed suppliers to Vietnam, explains the downtrend of animal feed import turnover in 2020.

Proportion of Vietnam's animal feed import turnover by partners, 2020



Source: VIRAC, GDVC

Import turnover of top Vietnam's animal feed import partners, 2020

Partner	Million USD	YoY Growth
China	131.17	21%
Thailand	91.79	2%
Other Asia, nes	80.66	25%
USA	53.58	14%
Singapore	25.35	36%
Others	189.32	-4%

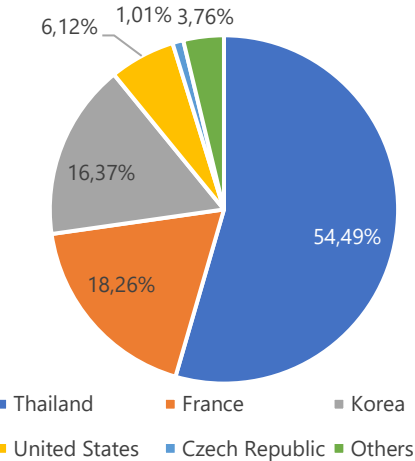
Source: VIRAC, GDVC

- **Large animal feed import partners of Vietnam includes China, Thailand, other countries in Asia (not elsewhere specified), USA and Singapore; these five partners owns around 67% total import turnover of Vietnam.**
- Some market with high turnover growth during 2019 – 2020 is: Belgium with 10.9 million USD, up 70.12%; Japan with 2.97 million USD, up 60.1% and Singapore with 25.35 million USD, up 36.23% compared with 2019. In 2020, India was the exporter of only 0.95% Vietnam's animal feeds by value, decreased from 1.77% in 2019.

1.2 Current Situation of Animal Feed Supply in Vietnam

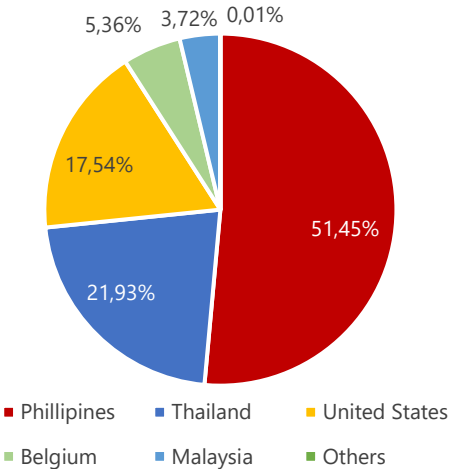
1.2.2 Animal Feed Imports of Vietnam

Vietnam's dogs or cats feeds import partners by import turnover, 2020



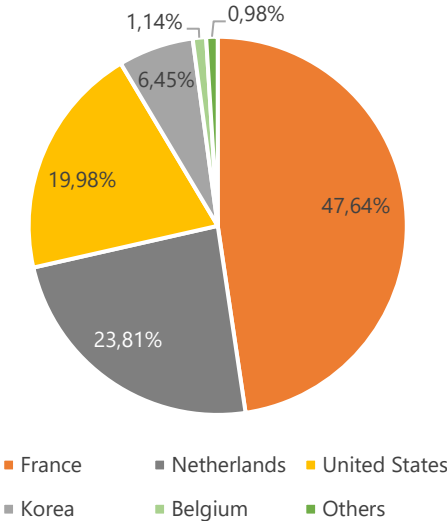
Source: VIRAC, GDVC

Vietnam's feeds for poultry import partners by import turnover, 2020



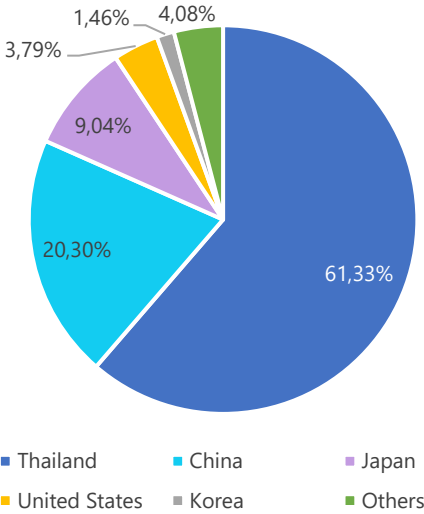
Source: VIRAC, GDVC

Vietnam's feeds for swine import partners by import turnover, 2020



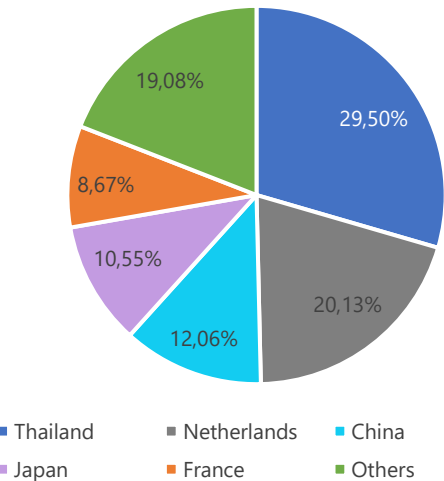
Source: VIRAC, GDVC

Vietnam's feeds for prawns import partners by import turnover, 2020



Source: VIRAC, GDVC

Vietnam's feeds for other breeds import partners by import turnover, 2020



Source: VIRAC, GDVC

The products in animal feed in Vietnam are usually imported from some big countries such as Thailand, Korea, United States or China

Top largest Animal Feed import enterprises, 2020

Name	Proportion in Vietnam's import turnover, 2020
GROBEST INDUSTRIAL (VIETNAM) CO., LTD)	6.46%
INTERNATIONAL AGRICULTURAL PRODUCTS JOINT STOCK COMPANY	6.33%
HA VA VET CO.,LTD	5.03%
C.P. VIETNAM CORPORATION	4.30%
SHENG LONG BIO - TECH INTERNATIONAL CO.,LTD	2.71%
Hikimega Nutrition Ltd. Agricultural Service	2.69%
C.P. VIETNAM CORPORATION (Aquafeed Brand)	2.45%
C.P. VIETNAM CORPORATION (Dong Nai Factory)	1.93%
DDP CO.,LTD	1.82%
NAM HOA TRADING DEVELOPMENT COMPANY LIMITED	1.49%

* Please refer to 3.10 section for potential enterprises' detailed information

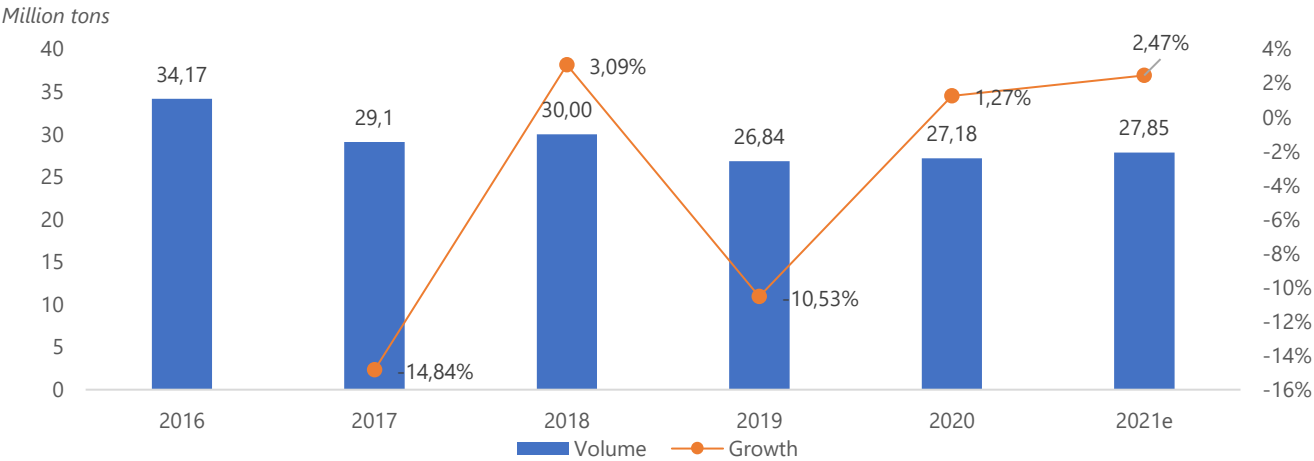
Source: VIRAC, GDVC

Top largest Animal Feed import partner enterprises, 2020

Name	Proportion in Vietnam's import turnover, 2020
RIGHT POINT TECHNOLOGY LIMITED	7.37%
V-MILK B.V	6.00%
PREMIXSTAR BIOTECHNOLOGY CO., LTD.	5.43%
AMLAN INTERNATIONAL (A DIVISION OF OIL DRI CORPORATION OF AMERICA)	5.00%
GUANGZHOU NUMEGA NUTRITION CO.,LTD	2.94%
GUANGDONG HINTER BIOTECHNOLOGY GROUP CO., LTD	2.87%
MULTI-ADVANCE BIOTECHNOLOGY CO., LTD.	2.37%
SMART PARADISE CORPORATION	1.48%
GUIZHOU CHANHEN CHEMICAL CORPORATION	1.42%
GUANGDONG TONGWEI FEED CO.,LTD	1.38%
PERFECT COMPANION GROUP CO.,LTD.	1.16%

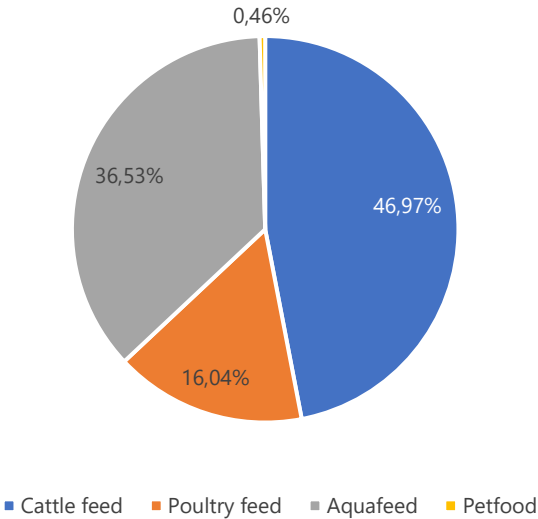
Source: VIRAC, GDVC

Animal feed demand in Vietnam, 2016 - 2020



The storm of African swine fever had been controlled soon after the outbreak. However, this disease, along with bird flu, foot and mouth disease and blue ear disease broke out continuously, thereby left a negative impact on the livestock industry. In addition, the severe effect of Covid-19 in many major suppliers such as the US, EU, Russia, etc. had affected not only production and trade in Vietnam, but also feed consumption. Following the government’s effort in disease control, disruption in supply chain and farming activities during social distancing is also one of the main reasons for the decline in Vietnam’s domestic animal feed consumption.

Proportion of animal feed purposes by supply value, 2020



- **Because of African swine fever, cattle feed showed a largest downtrend compared with other categories** with a 3.48% decrease in consumption value compared with 2019.
- Poultry feed also had a decrease of 4.36% over 2019.
- In 2020, aqua feed also showed a slight decrease of 2.2% compared with 2019.

Animal feed consumption habits in Vietnam**Self-mixed animal feeds**

Self-mixed animal feeds trend has started to grow in Vietnam in 2014 – 2015 when the animal husbandry faced difficulties due to fluctuations in prices and prolonged animal disease. Farmers initially had troubles in each steps, from learning technology, finding suitable formula to searching materials (minerals, vitamins, amino acids, etc.) for suitable and high-quality feeds. However, with the development of information technology, farmers now can easily access the technology of producing feeds. Along with that, manufacturers of premixes and feed additives now support farmers with formulas, techniques, as well as advice on choosing raw materials so that farmers can have feed at cheapest cost while still satisfy animals' nutrition demand.

Self-mixed feed is considered to be a very cost-saving method for farmers. It is estimated that each livestock farm can save 10-20% feed costs when using self-mixed feed to replace industrial feeds.

Factors affecting purchasing decision

Besides product quality and price, farmers or co-operative societies often select suppliers through incentives and the support of feed businesses during livestock production. For smallholder farmers, being supported with technologies and breeding is a decisive factor when choosing a supplier as they lack knowledge of livestock. Besides, consumers in Vietnam also tend to following the feedback and recommendations of surrounding people.

Biotechnology

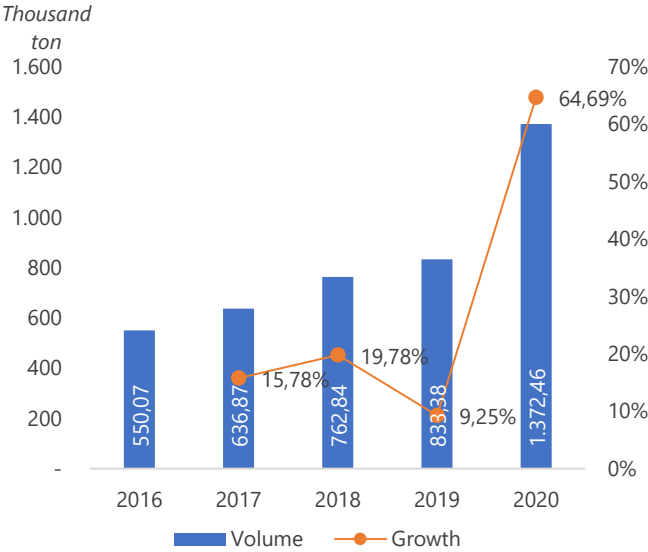
Biotechnology is a new trend in the feed industry. When the African swine fever broke out, many livestock farmers had turned to raising buffaloes, cows, goats and poultry in a biosecurity direction. Various feed additives such as enzymes, vitamins, binders, which are already used and accepted in this industry, continue to grow thanks to its ability to improve animal health, productivity and profitability. This trend requires feed enterprises to have stricter control over raw materials sources and production processes.

Microbial products added to the feed can help prevent diseases and protect environment with reasonable price while still providing meat with high quality. This products is also suitable for distinct farming conditions of Vietnamese farmers.

1.3 Current Situation of Animal Feed Demand in Vietnam

1.3.2 Animal Feed Exports of Vietnam

Vietnam's animal feed raw materials export volume, 2016 -2020

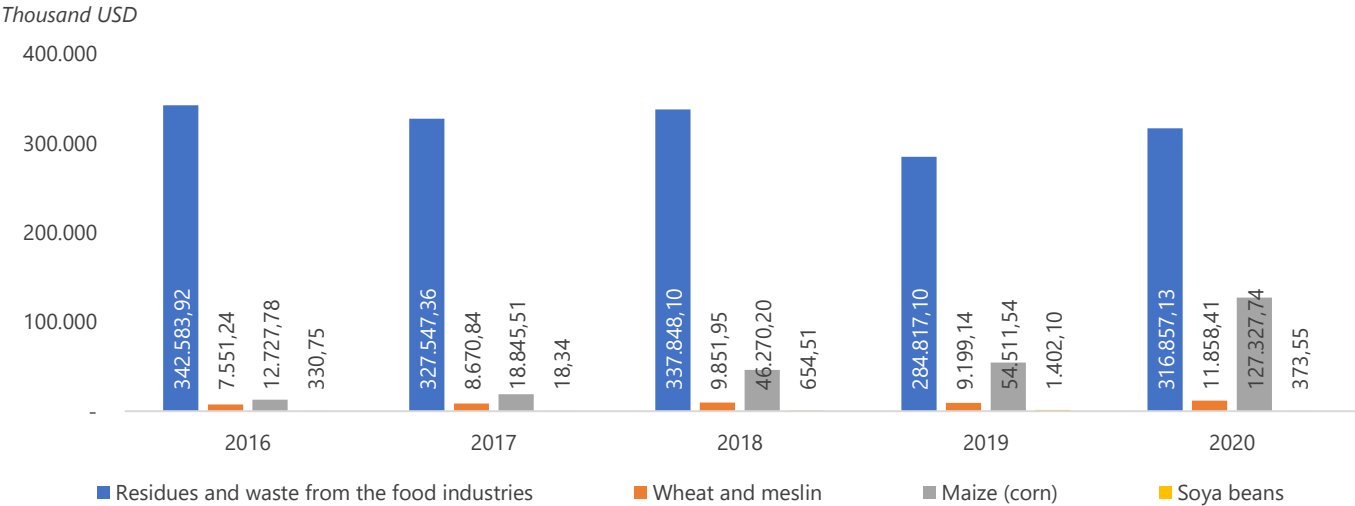


Source: VIRAC, GDVC

During 2019-2020, there are some countries with noticeable growth rates such as Belgium (2,678.78%), Kenya (508.00%), Canada (238.09%) or Philippines (190.15%). In contrast, there are also some countries with a sharp decrease in turnover such as Germany (97.84% downtrend) or Singapore (96.47% decrease)

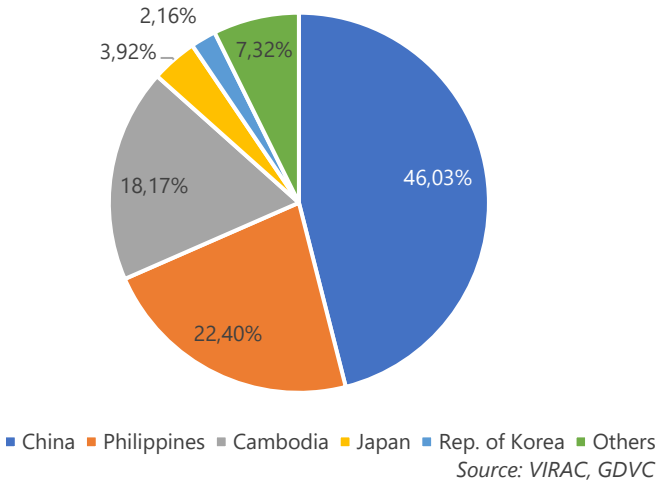
In 2016 - 2017, there are some countries that have stopped importing raw materials from Vietnam such as Andorra, Austria, Brazil, Israel, etc. In contrast, there are countries that have started importing materials from Vietnam in the last 2 years: Senegal, Romania or Kenya. India only took 0.32% of Vietnam's animal feed export turnover in 2020.

Vietnam's animal feed raw materials export turnover, 2016 -2020



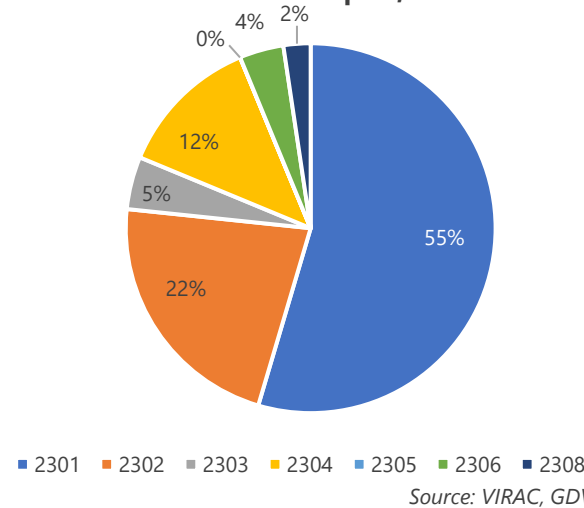
Source: VIRAC, GDVC

Vietnam's raw materials export partners, 2020



Source: VIRAC, GDVC

Proportion of residues and waste from the food industries export, 2020



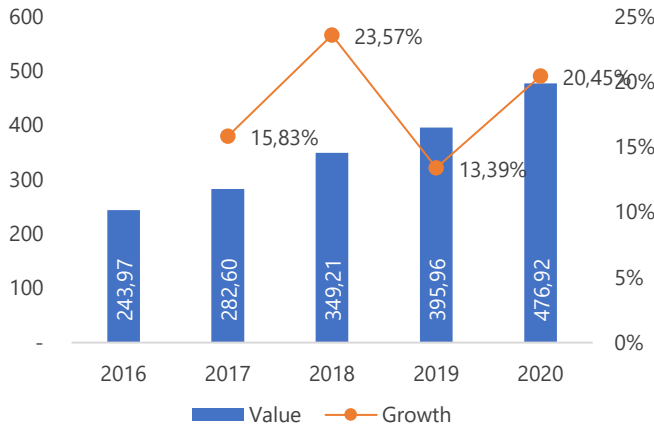
Source: VIRAC, GDVC

1.3 Current Situation of Animal Feed Demand in Vietnam

1.3.2 Animal Feed Exports of Vietnam

Vietnam's animal feed export turnover, 2016 - 2020

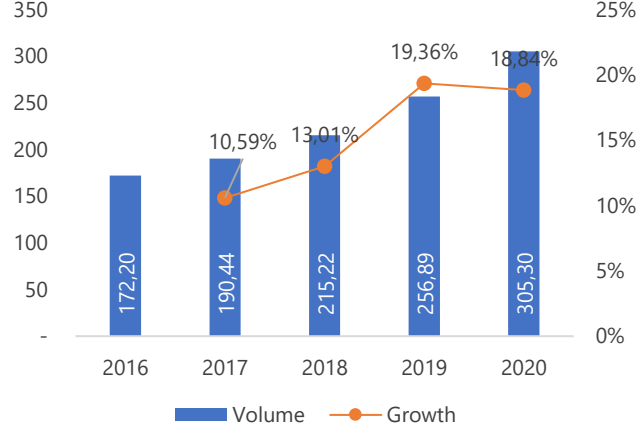
Million USD



Source: VIRAC, GDVC

Vietnam's animal feed export volume, 2016 - 2020

Thousand tons

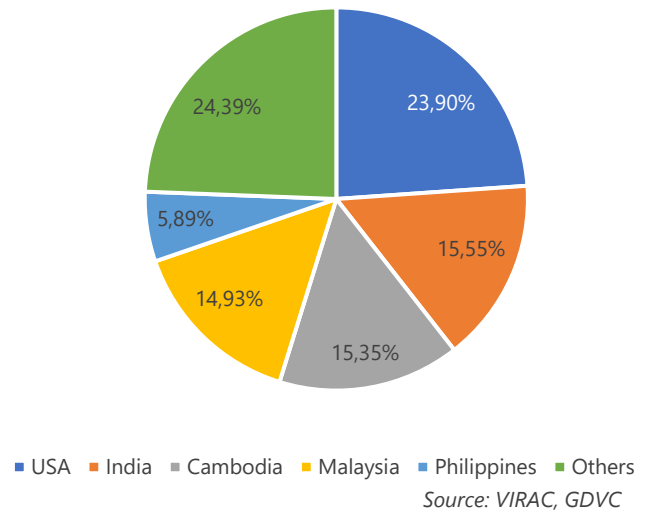


Source: VIRAC, GDVC

Except Malaysia, all other four largest animal feed importer from Vietnam in 2020 have witnessed growth in turnover. USA in 2020 has surpassed Malaysia, Cambodia and India to become the largest importer of animal feed Vietnam. India from the 3rd largest animal feed importer from Vietnam has become the 2nd largest with an increase of 31.39% compared to 2019. The major animal feed importing countries of Vietnam are mainly located in Asia.

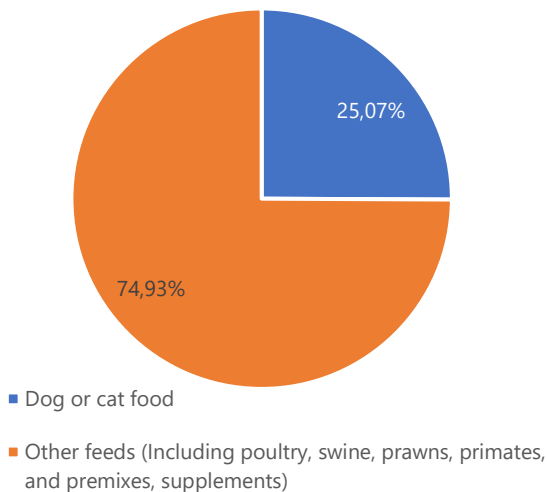
In the past 6 months, the domestic animal feed industry has exported over half a billion USD to many markets such as China, the US, Cambodia, etc. According to the General Department of Vietnam Customs, the export turnover of animal feed of Vietnam in the first 6 months of 2021 had a sharp increase of 52.7% compared to 6M/2020.

Vietnam's animal feeds export partners, 2020



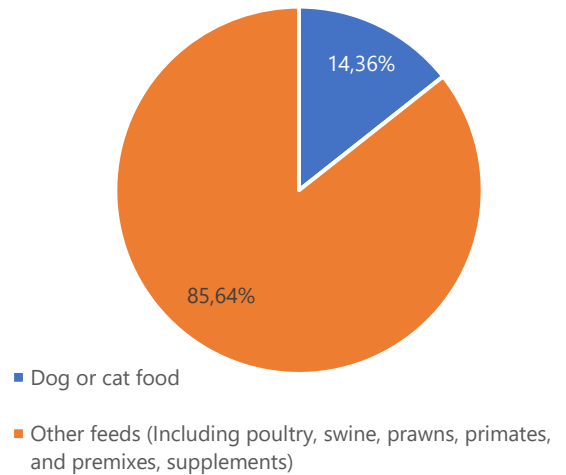
Source: VIRAC, GDVC

Proportion of Vietnam's animal feed export, 2020



Source: VIRAC, GDVC

Proportion of Vietnam's animal feed export, 2019



Source: VIRAC, GDVC



2.

Legal Framework

a. Regulations on production

❖ Vietnamese National Standards

- TCVN 6952:2001 (ISO 14718:1998). Animal feeding stuffs - Sample preparation.
- TCVN 4326:2001 (ISO 6496:1999). Animal feeding stuffs — Determination of moisture and other volatile matter content
- TCVN 1532 - 1993. Animal feeding stuffs. Sensory test method
- TCVN 4328-1:2007 (ISO 05983-1:2005). Animal feeding stuffs - Determination of nitrogen content and calculation of crude protein content - Part 1: Kjeldahl method
- TCVN 3707-90. Aquatic products - Method for the determination of nitrogen amoniac content.
- TCVN 4330-86. Animal feeding stuffs - Method determination of for Sodium chloride Content
- TCVN 4882: 2007 (ISO 40831:2006). Microbiology of food and animal feeds. Methods to detect and quantify Coliform
- TCVN 6846: 2007 (ISO 07251: 2005). Microbiology of food and animal feeding stuffs - Horizontal method for the detection and enumeration of presumptive Escherichia coli - Most probable number technique
- TCVN 4829: 2005 (ISO 6579: 2002); TCVN 4830: 2005 (All 3 parts 1, 2, 3) (ISO 06888) -1, 2, 3: 1999, Amd-1, 2, 3: 2003)
- TCVN 4806: 2007 (ISO 06495: 1999). Animal feeding stuffs – Determination of water-soluble chlorides content

❖ Technical regulations

- QCVN 01 - 77 : 2011/BNNPTNT: National technical regulation Animal feed mill - Conditions for veterinary hygiene and food safety
- QCVN 01 - 78: 2011/BNNPTNT: National technical regulation Animal feeding stuffs - Criteria of safety and maximum level in animal feed stuff
- QCVN 01 - 103: 2012/BNNPTNT: National technical regulation on testing feeding-stuff for chicken
- QCVN 01 - 104: 2012/BNNPTNT: National technical regulation on resting feeding-stuff for pigs
- QCVN 01-183: 2016/BNNPTNT: National technical regulation Animal feed - Maximum level of mycotoxins, heavy metals and microorganisms in compound feeds for livestock
- QCVN 01-190: 2020/BNNPTNT: National technical regulation Animal feed and ingredients in aquaculture feed – Maximum level of undesirable substances

❖ Law on Animal Husbandry

- On November 19, 2018, Vietnam's National Assembly (NA) passed the **Law on Animal Husbandry which takes effect from January 1, 2020 and replaces the 2004 Ordinance on Livestock Breeds**. With this bill's approval, Vietnam now has passed four key laws for its agriculture industry, including the Law on Cultivation, the Law on Fisheries, the Law on Animal Husbandry and the Law on Forests. This Law provides a legal framework on livestock production, livestock breeds, animal feed, humanitarian treatment of livestock, processing and marketing of livestock products, and the state management of animal husbandry

a. Regulations on production

❖ Chemicals prohibited from use in animal feed and the ingredients permitted for use in animal feed

- On November 28, 2019, Ministry of Agriculture and Rural Development (MARD) issued **Circular 21/2019/TT-BNNPTNT Guiding a Number of Articles of the Animal Husbandry Law on Animal Feed**. This Circular takes effect on January 14, 2020 and replaces MARD's previous Circulars regulating the chemicals prohibited from use in animal feed and the ingredients permitted for use in animal feed.
 - 25 chemicals, biological products and microorganisms are banned from use in animal feed. Specifically: Carbuterol; Cimaterol; Clenbuterol; Chloramphenicol; Diethylstilbestrol; Fenoterol; Isoxuprin; Methyl-testosterone; Carbadox; Olaquinox; Vat Yellow 1; Vat Yellow 2; Vat Yellow 3; Vat Yellow 4; Auramine; Cysteamine...
 - Materials allowed for use in animal feed: feed ingredients, nutritional ingredients, preservatives, enzymes, microorganisms, emulsifiers, thickeners, antioxidants, stabilizers, gelling agents, acidity regulators, silage aids, radioactive contamination control agents, coloring and flavoring agents, etc.
 - The following information must be fully recorded on the label of feed for pet: Name of the product; Tradenames; Quantity; Standards; Date of manufacture; Due date; Storage instructions; Table of nutritional ingredients; Materials; Name, address and phone number of the registered organization or individual. Besides, organizations and individuals may add some other information about batches, product codes, logos, etc., but must comply with labelling laws.

❖ Lists of permissible antibiotics as growth stimulants in livestock and poultry feeds in Vietnam and contents thereof

- On May 31, 2016, Ministry of Agriculture and Rural Development (MARD) issued **Circular 06/2016/TT-BNNPTNT guiding lists of permissible antibiotics as growth stimulants in livestock and poultry feeds in Vietnam and contents thereof**. This Circular takes effect on July 15, 2016 and replace MARD's previous regulations on antibiotics in animal feed guided in Circular 81/2009/TT-BNNPTNT issued on December 25, 2009.
- In 2017, the Ministry of Agriculture and Rural Development (MARD) launches the **Viet Nam National Action Plan for management of antibiotic use (AMU) and control of antibiotic resistance (AMR) in livestock production and aquaculture 2017 – 2020**. With financial support from the United States Agency for International Development (USAID), this plan was developed in collaboration with the Food and Agriculture Organization of the United Nations (FAO) to guide the actions of the agriculture sector, governed by agencies under the Ministry of Agriculture and Rural Development (MARD), and complement the Ministry of Health national action plan on combating drug resistance in the period from 2013 – 2020.

→ The aforementioned regulations on production are those that producers and importers of animal feed must comply with in order to be allowed to distribute their products to the market. Meat and seafood products before being distributed gets strict inspection for food safety. This leads to standards compliance being the first and decisive factor when farmers choosing feed products. Therefore, regulatory non-compliance may bring an opportunities to other animal feed suppliers to gain your market share.

b. Regulations on commercial authorization

- ❖ **Tariff:** The taxation laws (amendment) on January 1, 2015 moved animal feed from goods subject to VAT at the rate of 5% to goods not subject to VAT. **Circular 17709/BTC-TCT (4/12/2014)** issued by Ministry of Agriculture and Rural Development guides that animal feed are not subject to VAT from import to distribution.
- ❖ **Business policies: Decree No. 66/2016/ND-CP** dated July 01, 2016, regulates requirements for investment in protection and quarantine of flora, plant varieties; common wild animals; aquatic animals; foods and husbandry. Among these, some requirements for investment on animal feeds are mentioned.

→ The taxation laws (amendment) exempts VAT for animal feed from import to semi-finished products helps to reduce the selling price of the product as well as input costs for businesses, therefore indirectly support farmers. According to Department of Price Management (Ministry of Finance), after the VAT exemption policy took effect, there were 7 animal feed producers and distributors announce discounts with the Price Management Department with the discount rate from 1% to 5.5% in January-February 2015. According to the Ministry of Finance's assessment, **after nearly 1 year implementing the VAT exemption for animal feed, this preferential policy has a positive effect** by contributing to the decrease of cost and selling price by about 4% - 4.5 % at the production and raw materials mixing stage; simplifying procedures in VAT declaration and reduction financial difficulties for businesses

c. Other regulations

- ❖ On February 6, 2017, the Department of Livestock Production (Ministry of Agriculture and Rural Development) issued **Circular 133/CN-VP** to animal feed manufacturers in Vietnam informing about the implementation of electronic records of administrative procedures applied to domestically produced animal feed. Accordingly, from February 15, 2017, the Department of Livestock Production does not accept paper documents and only accepts electronic records at this one and only domain name: <https://dvc.mard.gov.vn>.
- ❖ The Government of Vietnam (GVN) published **Decree 39/2017/ND-CP** on April 4th, 2017, replacing Decree 08/2010/ND-CP on animal feed management, and revoking a number of articles in Decree 66/2016 regulating requirements for investment and trade for plant quarantine and plant protection, plant varieties; common wild livestock; animal husbandry, aquaculture, and foods

→ **Regulations on business and production or sanctions** help authorities to manage business situation, output/input product quality, and ensure product quality for consumers. Especially after July 1, 2016, when the 2015 Penal Code took effect with strict sanctions, the use of banned substances such as salbutamol or other industrial chemicals which is harmful to consumers' health will be limited and strictly controlled.

→ **Vietnamese national standards and technical regulations are the foundation for enterprises to develop quality standards, manage input materials and ensure food safety to finished products, thereby ensuring business continuity and transparent operation.**

d. Procedures for importing animal feed in Vietnam

Search for products allowed to be imported:

- Access the online service portal of the Ministry of Agriculture and Rural Development (<http://dvccn.mard.gov.vn/Pages/TrangChu.aspx>).
- On the Menu, there is a section “DMTACN NHẬP KHẨU”, click on this. There are 3 options: According to Circular 26/2012, After Circular 26/2012 or 2019 list. Corresponding to each section, there will be a PDF file, which importer can check if the goods they intend to import are on the list of permitted circulation in Vietnam or not.

The product is **not on the list** of products allowed to be circulated in Vietnam

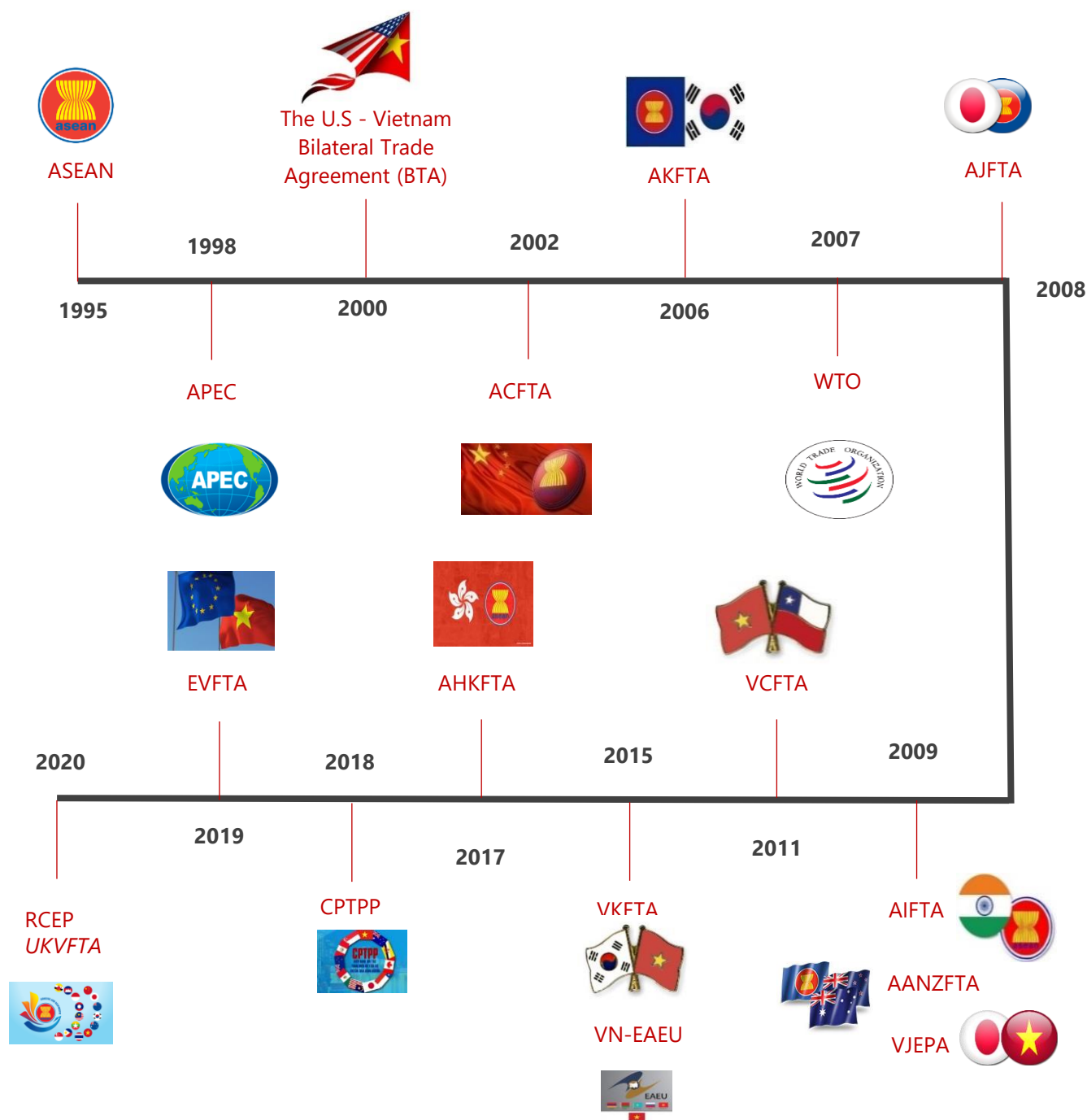
The product is **on the list** of products allowed to be circulated in Vietnam

- **Step 1: Get the quality recognition of animal feed and animal feed allowed to be circulated in Vietnam.** Within 15 working days from the date receiving a complete and valid application, the Department of Livestock Production shall issue a license to allow animal feed import using the Form No. 09.TACN Appendix I promulgated together with Decree No. 13/ 2020/ND-CP dated January 21, 2020. In case of refusal, a written reply must be given clearly stating the reason.
- **Step 2: Check the quality of imported goods.** Then, importers must invite a competent inspection agency to take samples for inspection. Quarantine may be taken simultaneously. If the goods meet the requirements, they will be able to carry out customs clearance procedures, and if not, they will most likely have to be re-exported.

- Following Circular 39/2018/TT-BTC (amending article 16 of Circular 38/2015/TT-BTC), **the customs application requires:**
 - Customs declaration: 1 original paper
 - Goods sale and purchase contract (a contract is established in writing or in other forms of equivalent value in writing: 1 copy (depending on each customs branch, it is not required at present)
 - Commercial invoice: 01 copy.
 - Bill of lading: 01 copy
 - Packing list: 01 copy
 - Certificate of composition (COA): 01 copy
 - Importer base standard: 01 copy
 - Quality inspection registration certificate: 01 copy
 - Official letter to bring goods to the warehouse for storage: 01 original paper (for enterprises wishing to bring goods to the warehouse for preservation while waiting for the results of state inspection, in order to limit the costs of storing containers, storing yards, etc.)
 - Certificate of circulation of animal feed in Vietnam: 01 copy
- It is recommended to **register for quality inspection on the national 1-door system about 2 weeks before the ship's arrival date.**

In the context of globalization, as well as facing increasingly stringent requirements on the quality of seafood products, particularly in the context of FTA integration, the Vietnamese government's introduction of a number of regulations on Certificate of origin, logo, traceability, and setting quality standards is critical to dominating and competing with other countries around the world. **Vietnam has signed, implemented, and is currently negotiating a total of 17 free trade agreements as of September 2021. (FTAs).** Joining international trade treaties brings both opportunities and challenges to domestic businesses.

Vietnam's integration process from 1995 to present



Source: VIRAC, WTO

❖ **Import taxes**

- **Circular No.38/2015/TT-BTC** on customs procedures, customs supervision and inspection, export tax, import tax, and tax administration applied to exported and imported goods
- **Decree 122/2016/ND-CP** promulgated schedules of import tariffs and preferential import tariffs, list of goods and its flat tax, compound tariff, and out-of-quota import tariff that need to perform customs clearance, produce tasks related to goods classification, quality control implementation, or imported/exported food safety inspections are subject to Circular No. 14/2015/TT-BTC.
- **Decree 134/2016/ND-CP** provides guidelines for the law of export and import duties. Article 16 of the Law No. 107/2016/QH13 on export and import duty regulates tax exemptions.

❖ **Import tax for animal feed ingredients**

- In **Circular No. 09/VIPA** (June 7, 2021), the Vietnam Poultry Breeders Association proposed a 50% reduction in import tax on animal feed ingredients.
 - Through reviewing the raw materials for animal feed production, the Ministry of Finance found that corn and wheat are two items that account for a high proportion in animal feed production, which currently all have import tax above 0%. In which, corn has the MFN import tax rate of 5%. Wheat has an MFN import tax rate of 3%. Other basic ingredients are at 0%.
 - In order to reduce input costs not only for the animal feed industry but also for other industries, to implement the Government's direction in Resolution No. 58/NQ-CP and 63/NQ-CP, the Ministry of Finance plans to submit to the Government the plan to reduce the MFN import tax rate of wheat and corn products.
 - For wheat products: Reduce the MFN import tax rate of wheat products, HS code 1001.99.99 from 3% to 0%.
 - For corn products: Reduce the MFN import tax rate of corn products, HS code 1005.90.90 from 5% to 3%.
 - The reduction of MFN import tax on corn will generally not have a great impact on the domestic agricultural industry because wheat cannot be grown in the country and domestically-grown corn till now is mainly serving human.
- In November, Vietnamese government signed an promulgate a decree to reduce wheat and meslin's MFN tax rate from 3% to 0% and corn from 5% to 2% starting from December 31, 2021.

Tariffs on raw materials and animal feed by trade agreements

Products	Raw Materials										Animal Feed (2309)	
	Wheat & Meslin	Maize (Corn)	Soya Beans	2301	2302	2303	2304	2305	2306	2308	-10	-90
General Import Tax	4.5-7.5	5-7.5	5	5	5	5	3-5	5	5	5	10.5	4.5-5
Preferential Import Tariffs	3-5	0-5	0	0	0	0	0-2	0	0	0	7	0-3
VAT	0-0.5	0-0.5	0-0.5	5	5	5	5-10	5	5	5	5	5
AFTA	0	0	0	0	0	0	0	0	0	0	0	0
ACFTA	0	0	0	0	0	0	0	0	0	0	0	0
AKFTA	0	0	0	0	0	0	0	0	0	0	0	0-5
AJCEP	0	0	0	0	0	0	0	0	0	0	0	0-3
VJEPA	0	0	0	0	0	0	0	0	0	0	0	0-3
AIFTA	0	0	0	0	0	0	0	0	0	0	0	5-6
AANZFTA	0	0	0	0	0	0	0	0	0	0	0	0
VCFTA	0	4	0	0	5	3-5	0	0	0	0	0	0
VKFTA	0	0	0	0	0	0	0	0	0	0	0	0
CPTPP	0	0	0	0	0	0	0	0	0	0	0	0
AHKFTA	0	0	0	0	0	0	0	0	0	0	0	0
EVFTA	2.5	7.5	0	0	0	0	0	0	0	0	3.5	0-1.5
ATIGA	0	0	0	0	0	0	0	0	0	0	0	0
UKVFTA	2.5	7.5	0	0	0	0	0	0	0	0	3.5	0-1.5

Source: VIRAC, GDVC

→ Overall, India and other countries are having a relatively fair competition in terms of tariffs. Others products in Preparations of a kind used in animal feeding (HS Code: 230990) (including cattle feed, poultry feed and aqua feed) are even charged a higher tax rate compared with other countries having trade agreements with Vietnam.

Vietnam’s raw materials and animal feed tariff schedule with India

HS Code	Base rate (2007 MFN)	Category	1-Jan-18	1-Jan-19	1-Jan-20	1-Jan-21	31-Dec- 21	31-Dec- 22	31-Dec- 23	31-Dec- 24
1001	5	NT-1	1	0	0	0	0	0	0	0
1005	0-30	NT-1	0-7.5	0	0	0	0	0	0	0
1201	0-5	NT-1	0-1	0	0	0	0	0	0	0
2301	8	NT-1	3	0	0	0	0	0	0	0
2302										
2202.10	10	ST	7	6	6	6	5	5	5	5
Others	10	NT-1	3	0	0	0	0	0	0	0
2303	8-10	NT-1	3	0	0	0	0	0	0	0
2304	5	NT-1	1	0	0	0	0	0	0	0
2305	5	NT-1	1	0	0	0	0	0	0	0
2306	5	NT-1	1	0	0	0	0	0	0	0
2308	10	NT-1	3	0	0	0	0	0	0	0
2309										
2309.10										
2309.10.10	10	NT-1	3	0	0	0	0	0	0	0
2309.10.90	10	NT-1	3	0	0	0	0	0	0	0
2309.90										
2309.90.11	10	ST	7	6	6	6	5	5	5	5
2309.90.12	10	ST	7	6	6	6	5	5	5	5
2309.90.13	10	ST	7	6	6	6	5	5	5	5
2309.90.19	10	ST	7	6	6	6	5	5	5	5
2309.90.20	5	ST	5	5	5	5	5	5	5	5
2309.90.30	10	ST	7	6	6	6	5	5	5	5
2309.90.90	8	ST	5	5	5	5	5	5	5	5

Source: VIRAC, VCCI

Opportunities and Challenges from FTA

Opportunities:

- **Approach to new scientific and technical developments** from FTA members with modern, advanced industrial livestock production.
- **Diversify import products and get access to processed products** with good quality, reasonable prices; create opportunities to access and expand export market
- **Opportunity to build, reorganize production, restructure the industry towards sustainable development and add value to join the global supply chain**
- **Attract domestic and foreign investors** to improve high-tech production methods. Closed production and processing, serving in the country and participating in export.



Challenges:

- **Product quality and food safety and hygiene are still poor** due to the old-fashioned production line. Controlling products imported through unofficial channels still has many inadequacies, not taking advantage of regulations on trade remedies and technical barriers for imported products.
- Removing the tax guarantee will create opportunities for animal feed and animal feed materials to be massively imported into Vietnam, **creating competitive pressure with similar products in the country.** This is a large challenge especially when Vietnam is trying to reduce the dependence to other countries in terms of materials



Investment incentives

- Investment attraction is mentioned in these following documents: Law on Investment 2014, Enterprise Income Tax, which was amended and supplemented in 2013), Law on Export and Import Tax 2016, and other guiding documents.
- According to Clause 1, Article 15 of the Law on Investment 2020, from 01/01/2021, **investment incentives are provided in the following forms:**
 - Lower cooperate income tax rates for whole duration of investment term or part thereof; exemption from and reduction of tax rates,
 - Import duty exemption for fixed assets, and
 - Reduction/exemption of land rental.
- According to Clause 2, Article 15 of Investment Law 2020, from 01/01/2021, **to determine the incentives for each project, there are some criteria as follow:**
 - Projects of investment shall be eligible for investment incentives if the projects invest in some business lines (*Animal feed is among the business lines eligible for investment incentives in Vietnam*)
 - Projects of investment shall be eligible for investment incentives if the projects invest in the administrative divisions in disadvantaged area or extremely disadvantaged areas; and industrial parks, export-processing zones, hi-tech zones, economic zones.
 - Any project in which the capital investment is VND 6,000 billion or more, and the minimum amount of at least VND 6,000 billion is disbursed within 03 years from the day on which the investment registration certificate or decision on investment policies is issued.
 - Any investment project in a rural area that employs at least 500 workers.
 - High-tech companies, science and technology companies, and science and technology organizations.

In addition to the above general incentives for businesses, FDI enterprises also enjoy other incentives on FDI attraction:

FDI attraction

- FDI Company was applied a lower tax rate than the ordinary income tax rate for a definite term or for the entire duration of the investment project; tax exemption, tax reduction, other incentives as prescribed.
 - According to Investment law 61/2020/QH14, **tax rate for FDI company can reduce up to 10%.**
 - Clause 11 Article 16 of the Law on Import Tax and Export Tax No. 107/2016/QH13 dated 6/4/2016 **applied free tax to goods imported to create fixed assets; raw materials, supplies and components imported for production.**

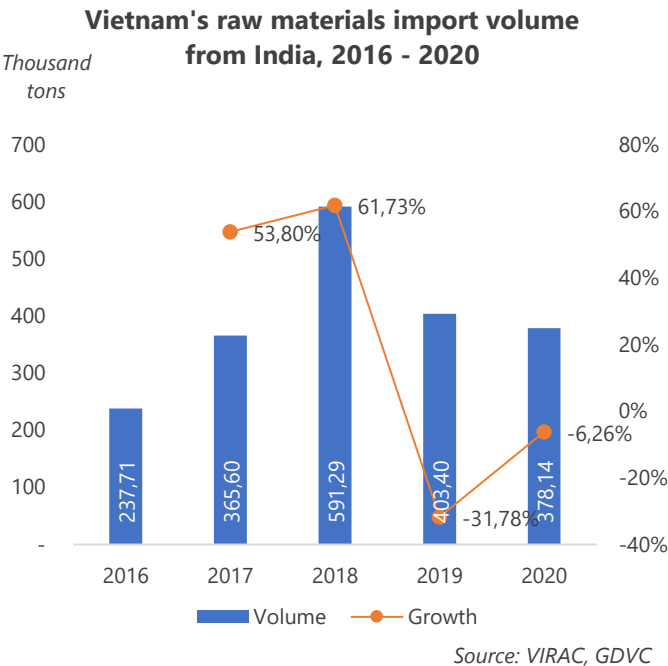
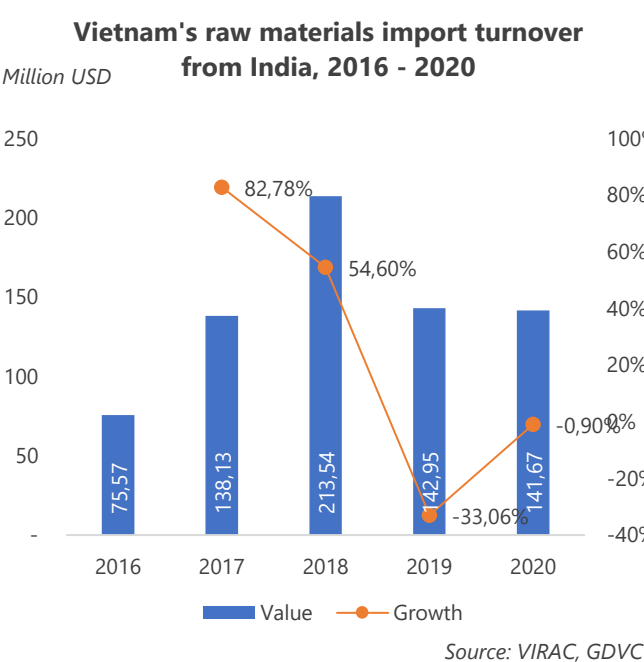
3.

Opportunities for Indian enterprises

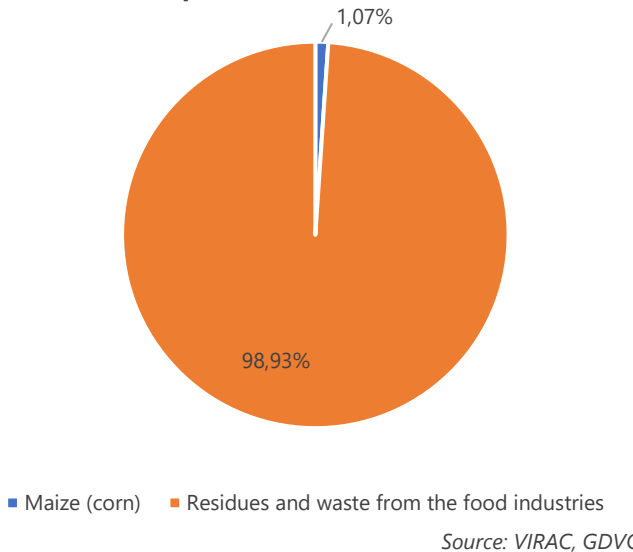


According to Ministry of Industry and Trade, despite Covid-19 pandemic, trade turnover from both countries still witnessed a significant growth. Total export turnover from Vietnam to the Indian market in the first 6 months of the year reached 2.92 billion USD, up 35.5% over the same period last year. In the opposite direction, Vietnam's goods import turnover from India increased by 76.3%, reaching 3.42 billion USD.

The main reason for the fall in the import turnover of raw materials from India is the barrier in Vietnam’s animal quarantine and inspection regulations. Therefore, **Vietnamese enterprises have turned to import animal feeds and raw materials from other partners such as Argentina, the United States, China, Italy and import corn from Brazil, Thailand, Argentina, Cambodia and Laos.**



Proportion of Vietnam's Raw Material of import from India, 2020



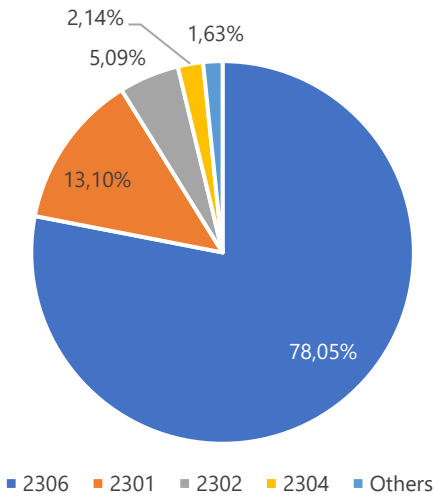
After 2017, Vietnam had stopped importing soya beans from India. In 2017, soya beans turnover was 261 USD while import volume was only 600 kilograms.

During 2016 – 2020, Vietnam import Wheat and meslin from India only in 2018 and 2019. Turnover in 2019 was 325.34 thousand dollars with an eleven-fold increase from 2018 while trade volume reached 1,135 tons, up 849% compared with 2018. Despite an enormous growth in the previous 2 years, Vietnam did not import Wheat and meslin from India in 2020.

Residues and waste from the food industries

In the last 2 years, residues and waste from the food industries imported from India did not record any huge difference in total import turnover.

Proportion of Vietnam's raw material import from India by import turnover, 2020



Source: VIRAC, GDVC

The import volume on the other hand decreased slightly by nearly 7%, from 400.30 thousand tons in 2019 to 372.41 thousand tons in 2020.

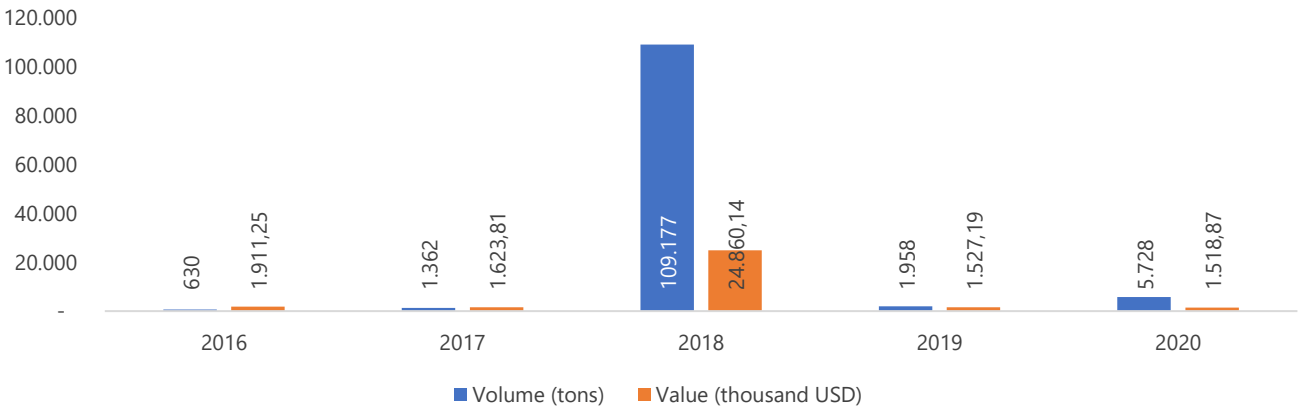
The import of oilseeds and other solid wastes obtained from the extraction of vegetable fats or oils (HS Code: 2306) records a turnover of 109 million USD, up 45.85% over the same period in 2019. India is also a large import partner of this product when it accounted for 44.60% of the Vietnam’s total import turnover of oilseeds and solid waste imported in 2020.

Meanwhile, although the import of flour and pellets (HS Code: 2301) reached 18.36 million, the total import turnover sharply fell by nearly 52.75% compared to 2019.

Notably, Scraps from starch production and similar scraps (HS code: 2303) had growth rate of around 1100% in value and nearly 338.56% in volume.

Maize (Corn)

Vietnam's maize (corn) import from India, 2016 -2020



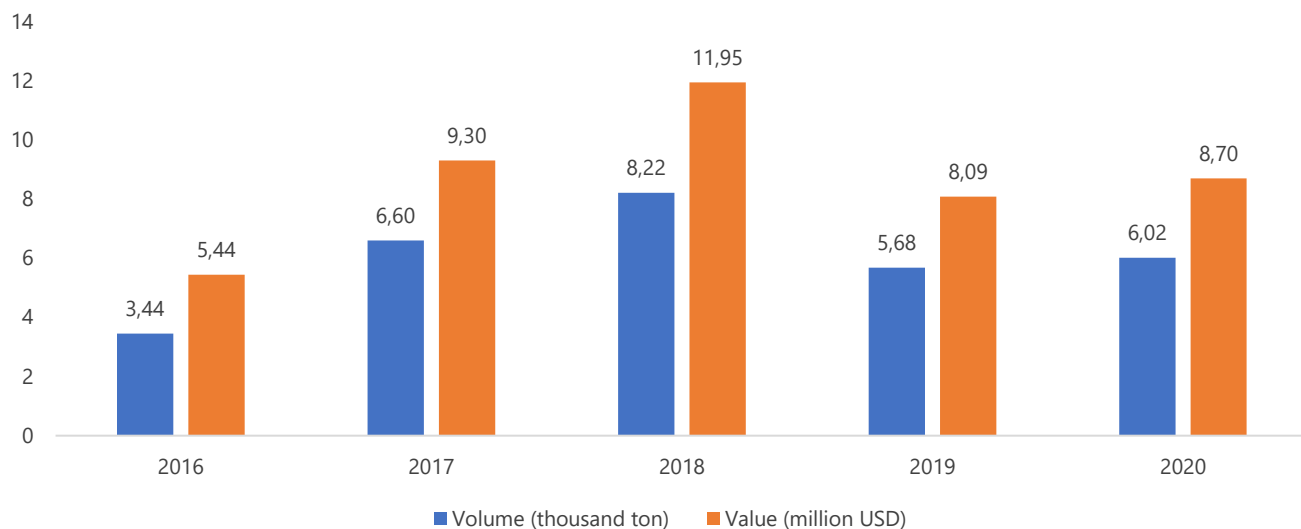
Source: VIRAC, GDVC

The increase in corn imports often have positive correlation with an increase in consumption of consumption such as pork or beef. Maize is an important raw material, accounting for the highest proportion in animal feed production. Normally, when the domestic maize price is high, the import turnover would increase as a replacement for domestic source, and vice versa.

Corn import turnover in 2018 had a sudden increase because Vietnamese enterprises start to import again this product after a temporary halt. Also at this time, domestic supply is no longer enough to meet domestic needs.

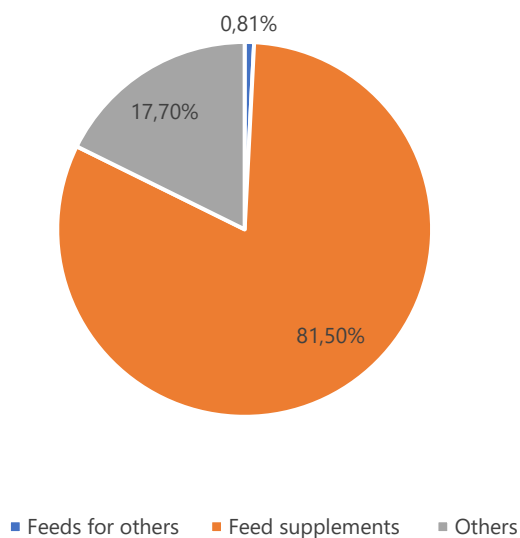
In 2021, maize is among a group of imports from India having significant growth. According to the General Department of Vietnam Customs, in August alone, the country spent more than 10 million USD to import nearly 34,000 tons of corn from India, thereby increasing the import volume of the first 8 months in 2021 to more than 1 million tons with a total turnover of 306 million USD.

Animal feeds' import volume and turnover from India of Vietnam, 2016 - 2020



Source: VIRAC, GDVC

Proportions of animal feeds' import from India, 2020



Source: VIRAC, GDVC

Among animal feeds, the products that India focuses on the most are feed supplements and additives

Countries that export animal feeds, except dog or cat foods (HS Code: 230990) to Vietnam, set their average price for this product at nearly 1,600 USD/ton.

Top enterprises in animal feed import from India, 2020

Name	Proportion in Vietnam's import turnover, 2020
DSM Nutritional Products Viet Nam Ltd.	11.87%
ANTIN VIETNAM COMPANY LIMITED	10.25%
DABACO Group Joint Stock Company	9.35%
Innovative Chemicals Company Limited	6.93%
Green Science Company Limited	5.06%
Minh An Co.,LTD (Brand)	4.41%
Lotus Nutrition Joint Stock Company	3.54%
Agro Nutrition International Joint Stock Company	3.20%
Advance Pharma Vietnam	2.74%
PVS Viet Nam Company Limited	2.59%

Source: VIRAC, GDVC

Top partner enterprises in animal feed import from India, 2020

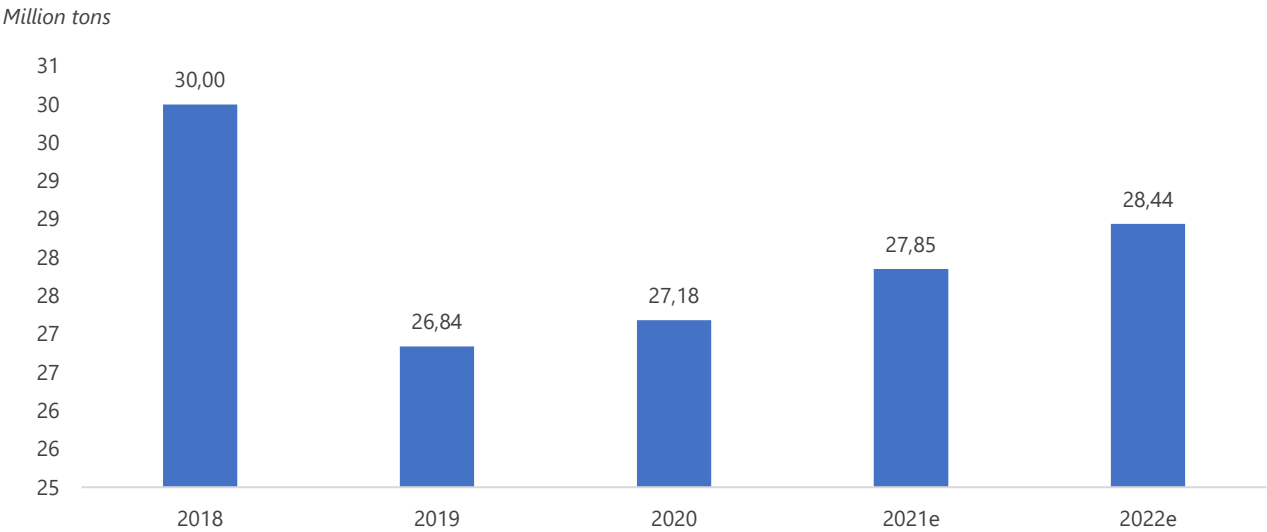
Name	Proportion in Vietnam's import turnover, 2020
TOLA SARL	14.71%
RUBAMIN LIMITED	10.42%
NEO AGRO BUSINESS CO., LTD	10.37%
NATURAL REMEDIES PVT. LTD	6.26%
RUBAMIN PRIVATE LIMITED	5.78%
ICON FORMULATIONS	4.05%
AMPHI PTE., LTD	3.29%
ZYMONUTRIENTS PRIVATE LIMITED	3.02%
PRIYA CHEMICALS	2.84%
CPF(INDIA) PVT.LTD,	2.74%

Source: VIRAC, GDVC

Growth forecast

- According to the survey conducted by Vietnam Report on animal feed industry in 2021, **57.1% of enterprises expect that they would maintain the growth rate; 28.6% forecast to have a positive growth rate** and only 14.3% of enterprises believe their growth rate would be lower.
- According to the forecast of the Poultry Breeders Association, **Vietnam's animal feed will need about 28-30 million tons of material annually in the next 5 years**, equivalent to 12-13 billion USD with an average annual growth rate of 11 - 12%, of which, more than half of feed material output (14-15 million tons) is for the poultry industry.
- According to the United States Department of Agriculture (USDA), **the Vietnamese animal feed market is expected to reach a market size of 12.270 billion USD by 2025.**

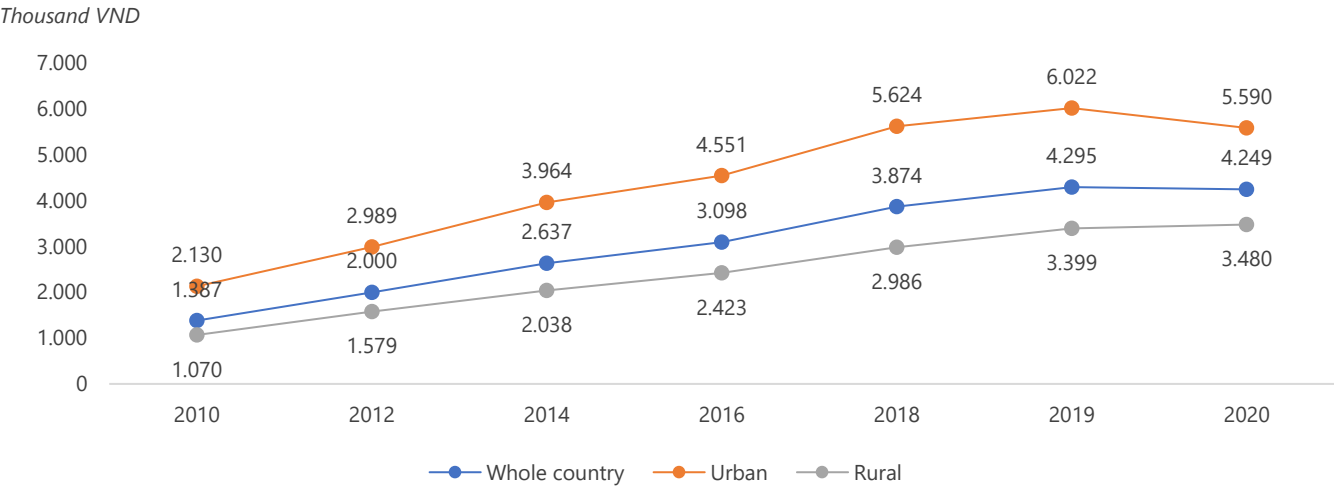
Animal feed demand in Vietnam, 2018 - 2022e



Source: VIRAC, USDA

Development dynamics

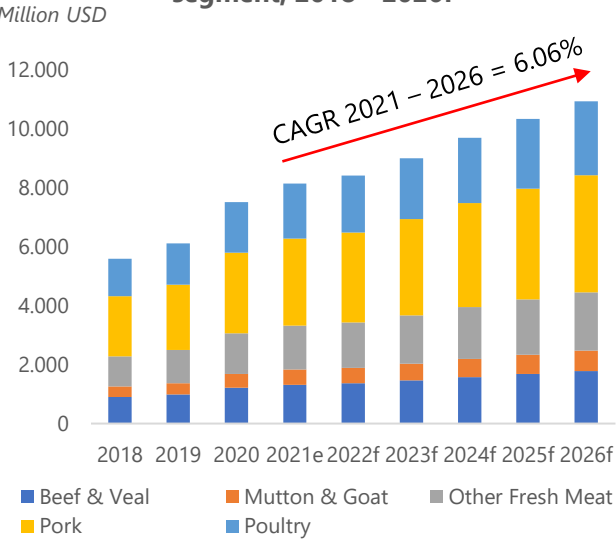
Monthly average income per capita at current prices by residence, 2010 - 2020



Source: VIRAC, GSO

- Average income also contributes to the demand for meat consumption. **Higher incomes also mean that consumers tend to switch to more nutritious products like meat instead of rice and vegetables.** With monthly spending per capita increase year by year, meat consumption in general is forecasted to follow a growing trend in the upcoming years. Especially buffalo meat, with 40% less calories, 11% more protein and 10% more minerals compared to beef across all cuts (according to USDA in 1991), is expected to see a high growth than other types of meat.

Revenue of Vietnam's fresh meat segment, 2018 - 2026f



Source: VIRAC, Statista

- **Vietnam’s animal feed industry would benefit from the growing domestic livestock industry.** In animal husbandry, animal feed accounts for about 70% of the product cost. It is estimated that up to 65% of traditional feed ingredients for industrial feed production are imported. Mr. Nguyen Thanh Son, Chairman of the Vietnam Poultry Breeding Association assessed that, in the last 10 years, Vietnam's livestock industry has achieved impressive growth of an average of 5-6% each year.
- **The Government has proposed many supportive policies to improve the efficiency of farming households.** The policy for the period 2015-2020 has helped increase the income of livestock households by 5-10% through a total budget of 832,781 billion VND. The proposed policy for the period 2021-2025 will be the driving force to help livestock farmers re-herd, thereby positively impacting the animal feed industry.

SWOT

Strengths

- **Strong economic growth together with political and social stability makes Vietnam an attractive destination for foreign investment**
- **Vietnam's animal feed industry is growing very fast but still remains plenty of room for growth.** According to Vietnam Poultry Association's estimation, animal feed demand in the next 5 years would be 28-30 million tons annually, equivalent to 12-13 billion USD and an average growth rate of 11-12% per year.

Opportunities

- **More meat-intensive eating habits of Vietnamese people brings opportunities to animal feed industry.** According to the Diplomat, the average Vietnamese person would eat four times more meat now than he/she did 30 years ago. Having no cultural barriers to meat consumption, growth in meat domestic consumption would bring opportunity to animal feed enterprises.



Weaknesses

- **Feed inputs are heavily dependent on imports.** This is partially the reason of high production costs. Compared with other countries in the region, animal feed price in Vietnam is usually about 10% higher. Also, dependent on import materials make domestic production unstable and risky.
- **Agents are demanded to have large capital to support farmers.** In Vietnam, the financial capacity of farmers, who are main consumers of animal feed products, are usually not strong, therefore, they often have to buy on credit.
- **Disruption chain of supply.** According to Japfa, an animal feed products that go from the farm to the consumer generally must go through at least 5 intermediaries, pushing the price up by the large amount.

Threats

- **The negative effect of Covid-19 on logistics leads to supply chain disruptions.** In addition to strict disease control in exporting countries, a breakdown in logistics is also a reason making some enterprise have to halt their operations due to the lack of raw materials
- **With the absence of professional guidance for animal raiser, a vulnerability to the demand of animal feed will continue to develop.** Animal in Vietnam is mainly raised in small farms, which makes them more exposed to disease, thereby affecting animal husbandry and later animal feed.

Technology

Starch gelatinization: is a process that breaks the intermolecular bonds of starch molecules in the presence of water and heat, allowing hydrogen bonding sites (Hydroxy hydrogen and oxygen) to include more water. This makes the starch granules irreversibly in water. Water acts as a plasticizer. This technology helps to encapsulate essential fats into well-cooked starch, helping to reduce fat separation in the animals' stomach, stimulating feed intake and improving starch digestion, providing enough fat for piglets to grow and increase average daily gain (ADG)



Hydrothermal technology: combines the effects of heat and water to convert substances in the input with different shapes and characteristics into a uniform product at the output, which is an oxidation process without the use of fire. This technology is especially suitable for substances with relatively high organic content.



Active microbial fermentation: In animal husbandry, to ferment bran, cornstarch, tapioca, etc. faster, plants do not use microorganisms in nature, but requires a group of pure selected beneficial microorganisms, through a rigorous production process. Using fermented feed with active microbial enzymes will achieve the following effects: Good growth and development, rapid weight gain; reduce food consumption and costs.



Micro capsule technology: Biological substances such as vitamins, minerals, enzymes, microorganisms are often easily damaged by heat, light, etc., why they need to be covered with inert substances or heat-resistant substances for protection. When encapsulated, biological substances will be broken down in the small intestine absorb, so that the activity is almost not reduced or denatured. At present, the commonly used microencapsulation agents for coating are: starch, gelatin, protein, depending on the purpose of preservation, use an appropriate encapsulation agent.



ADVANTAGES

The Ministry of Agriculture and Rural Development proposed that the Ministry of Industry and Trade **negotiate with Vietnam's animal feed materials main importers to gain preferential policies on trade**. First of all, corn, wheat, soybeans, and bran from the US, Argentina, Brazil, India, Australia, etc. would be prioritized. The strengthening of cooperation between Vietnam and other countries will help products from these countries receive more tax incentives from Vietnam.

Vietnam Livestock Association proposes to **reduce import tax** on corn, soybeans in order to support farmers on animal feed price through lower raw materials price.

In October 2021, the Deputy Prime Minister directed the Ministry of Agriculture and Rural Development to **strengthen the control animal feed input materials selling prices**, especially raw materials and veterinary medicine. Strengthen the control will help the animal feed industry to be more transparent and fairer.

DISADVANTAGES

In Government's in Resolution 128/NQ-CP of the Government, Ministry of Agriculture and Rural Development is assigned to **promote self-reliance for animal feed materials** instead of be dependent on import, which would hinder the import of animal feed materials.

- In terms of policy: Feed production industrialization project with solutions to reduce materials import is among 5 projects in decree built by Ministry of Agriculture and Rural Development to raise livestock efficiency.
- In terms of breeding techniques: Breeding farmers are encouraged to use domestic and especially local raw ingredients and self-mix with concentrate feed. This encouragement targets to reduce the cost of animal feed. Also, medium to large-scale livestock farms are suggested to invest in feed storage technology.
- In terms of materials planting area: The agricultural sector is researching to promote agricultural land accumulation.
- Other mentioned measures: Developing deep-water seaports, logistics system and Make full use of agricultural by-products such as fish meal, beer residue, rice straw, etc. to produce animal feed.

According to GSO's Department of Agriculture, Forestry and Fisheries, **animal feeds are considered to be moved into list of products that needs price control and stabilization**. At the same time, Ministry of Agriculture and Rural Development is requested to coordinate with related units for **feed production costs and profit' inspection, examination and audit**. Also, the authorities is planning to determine the ceiling prices for animal feed and strictly control the price declaration of feed processors and distributors as this category is on the list of items that requires price declaration according to Decree No. 177/2013/ND-CP. All of this strict control would increase the amount of time and money, which is already high, spent on inspection before a product can enter the market.

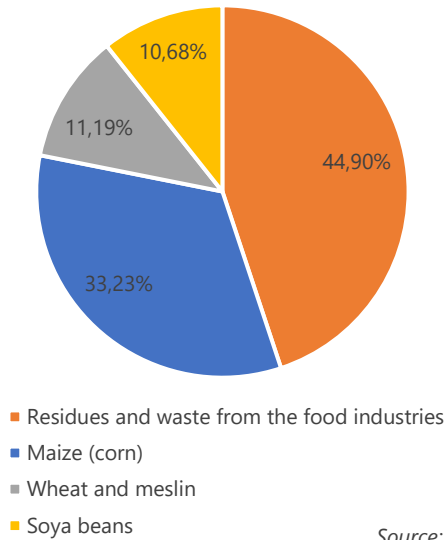
DISADVANTAGES

Products	230910	Poultry feeds	Swine feeds	Prawn feeds	Primate feeds	Feeds for other breeds	Feed supplements
ACFTA	0	0 (-PH, TH)	0 (-PH, TH)	0 (-TH)	0 (-PH, TH)	0 (-PH, TH)	0
VJEPA	0	0	0	3	0	0	0
AIFTA	0	6	6	6	6	6	5
VKFTA	0	0	0	0	0	0	0
EVFTA	3.5	1.5	1.5	0	0	0	0

Compared with other major importing countries to Vietnam such as China, Korea and European countries, **Animal feed except for dogs and cats from India is under a high tax rate at 5-6%.** The other countries with free trade agreements with Vietnam are all subject to less than 3%, many of whom have reached an agreement on 0%. This will be a disadvantage for products from India, therefore, India may consider adjusting other factors such as selling price to ensure competitiveness.

Recommendation on products

Proportion of Vietnam's raw material import turnover, 2020



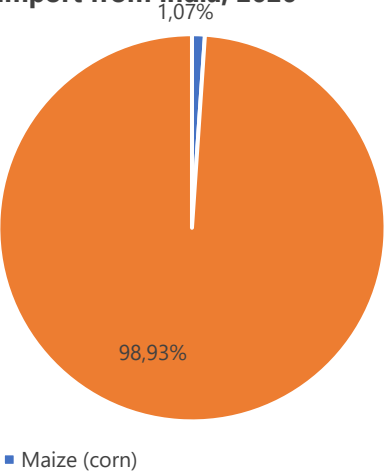
Source: VIRAC, GDVC

Vietnam’s import of soya beans from India had been stopped since 2017 and recently wheat and meslin also suffered the same circumstances at the beginning of 2020. India may consider adding these two products and increase the maize (corn) proportion on exporting animal feed ingredients to Vietnam.

In terms of Residues and waste from the food industries, **import of Oil-cake and other solid residues resulting from the extraction of soya-bean oil (HS Code: 2304)**, following up by Flours, meals and pellets (HS Code: 2301). However, those 2 products were not India’s prioritised import product. Instead, India may consider putting these two products on their exporting product list.

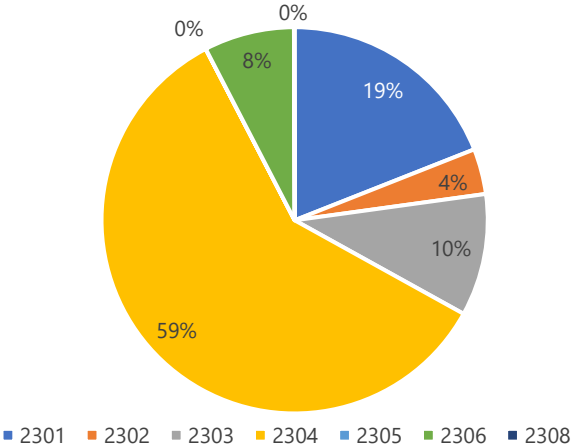
Oil-cake and other solid residues resulting from the extraction of vegetable fats or oils (HS Code: 2306) was India’s key player in the Vietnam export scene, as it filled up roughly 80% of the total turnover, in compared with others from the same category. Notably, **India completely owns the market of Oil-cake and other solid residues resulting from the extraction of ground-nut oil (HS Code: 2305)**, as it is the only country to provide Vietnam with the product.

Proportion of Vietnam's raw material of import from India, 2020



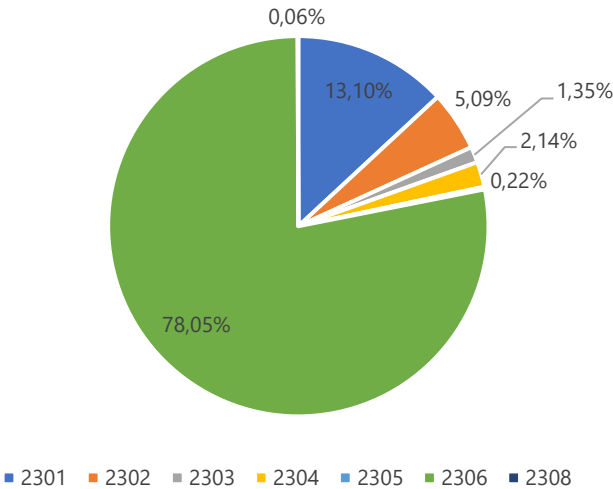
Source: VIRAC, GDVC

Proportion of residues and waste from the food industries import turnover, 2020



Source: VIRAC, GDVC

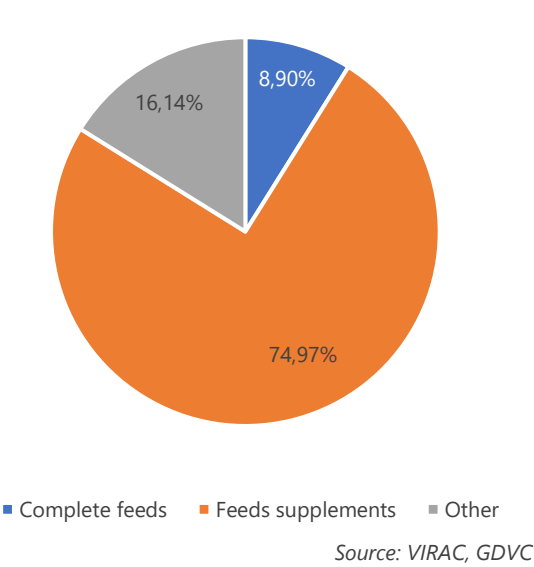
Proportion of residues and waste from the food industries import turnover from India, 2020



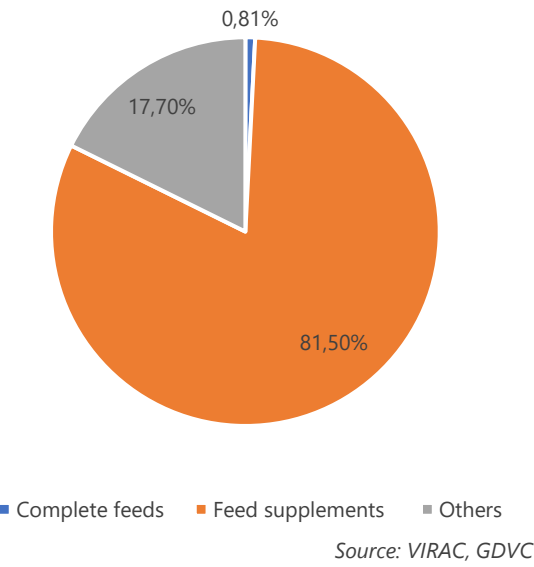
Source: VIRAC, GDVC

Recommendation on products

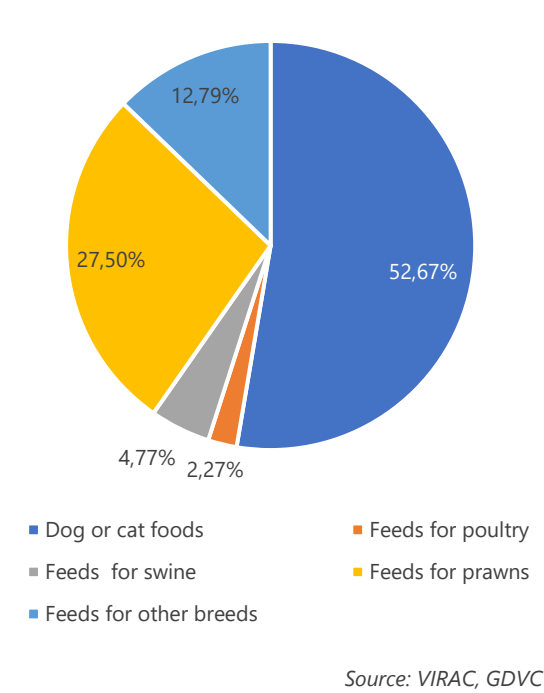
Proportions of Vietnam's animal feeds' import turnover, 2020



Proportions of Vietnam's animal feeds' import turnover from India, 2020



Proportion of categories in Vietnam's complete animal feeds by import turnover, 2020



In animal feeds, India mainly focused on feeds supplements. This also follows Vietnam’s products proportion as in 2020, import turnover of this product accounts for 74.97% of total import turnover of animal feeds (HS Code: 2309).

The two most imported complete feeds products are dog or cat foods (52.67%) and feed for prawns (27.5%). However, these 2 products are not on the list of products from India when India only exported to Vietnam feeds for other breeds as the only complete feeds.

India can consider adding these products to the exporting list in order to exploit the potential from two products with large import turnover in Vietnam.

Recommendation on price

Import Price Comparison by countries in 2020

Unit: USD/ton	World	India	USA	Canada	China	France	Argentina	Australia	Brazil	Italy
2301	805.02	1,496.90	630.03	624.39	1,496.90	624.72	724.37	624.39	637.12	629.40
2302	182.79	314.87	210.99	168.28		168.29		168.28		
2303	266.73	776.97	237.61	231.87	763.48			231.87		
2304	422.63	422.63	422.63		422.63		422.63		422.63	
2305	2,499.98	2,499.98								
2306	247.95	333.75	302.14	294.89	368.65			257.82		380.31
2308	748.03	748.03	748.03			748.03				
230910	2,384.38		2,384.38	2,384.37	2,384.41	2,384.38		2,384.40	2,384.37	2,384.39
230990	1,579.22	1,579.22	1,579.22	1,579.22	1,579.22	1,579.22	1,579.22	1,579.22	1,579.22	1,579.22
1001	257.10		257.10	268.30		453.20	227.36	501.67	238.35	288.36
1005	197.80	196.82	197.80	210.00	5,714.33	477.07	196.57		190.69	456.02
1201	412.58		412.58	456.51	238.22	379.80	395.57		388.89	367.99

Source: VIRAC, GDVC

In comparison with some of the most influential countries in Vietnam's importation scene, the median price of material from India was sufficiently higher.

Oil-cake and other solid residues resulting from the extraction of ground-nut oil (HS Code: 2305), in which India owns the whole market shares, reach approximately 2500 USD/ton, **more than 6 times higher** than that of 2019, due to restrictions in international logistic as well as the outbreak of the Covid-19 pandemic.

India's import price for Flours, meals and pellets (HS Code: 2301) remains at the same level as in the previous year, but still came at nearly doubled the mean world's figure. Bran, sharps and Residues of starch manufacture & similar residues (HS Code: 2303)' import from India also suffered the same circumstance, as both of these product out-leveled other's regions prices. **India export Bran, sharps (HS Code: 2302) at about 315 USD/ton, doubled that of world's average, while the price for exporting Residues of starch manufacture & similar residues (HS Code: 2303) to Vietnam almost tripled other countries' cost figure.**

Therefore, actions and measure should be seriously considered and taken to lower the overall price of export, in order to gain competitiveness against other countries that are also trying to gain share in Vietnam's material scene.

Recommendation on price

Import Price Comparison by countries in 2020

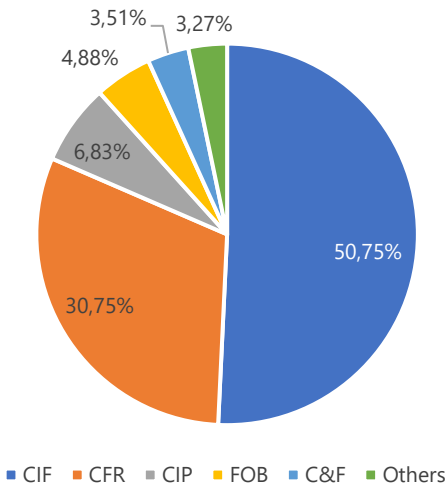
Unit: USD/KG	Poultry feeds	Swine feeds	Prawns feed	Feeds for other breeds	Feeds supplements
Thailand			46.06	7.67	11.65
Japan			8.07	8.47	72.87
China					17.89
United States	7.85		29.31	2.32	11.26
France		1.18	19.82	7.99	8.52
China		3.58	6.24	2.26	3.38
Netherlands		5.07		1.50	9.40
India					6.02
Korea		2.20	3.37	4.85	4.22
Price range	1.03 - 7.85	1.17 - 5.07	2.77 - 46.06	0.2 - 53.25	0.52 - 72.87

Source: VIRAC, GDVC

In kilograms, **India keeps the price of feed supplements at a low level compared to the world with the 2020 average being \$6.02/kilogram.** The nation with the highest price for this product is Japan with 72.87 USD/kilogram and the lowest is 0.52 USD/kilogram from Slovakia.

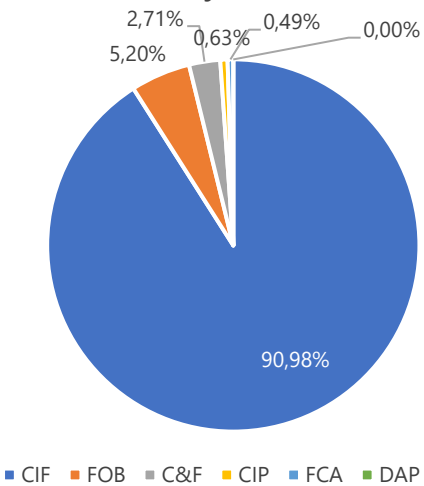
Recommendation on terms of delivery

Proportions of Vietnam's animal feeds' import turnover by terms of delivery, 2020



Source: VIRAC, GDVC

Proportions of Vietnam's animal feeds' import turnover from India by terms of delivery, 2020



Source: VIRAC, GDVC

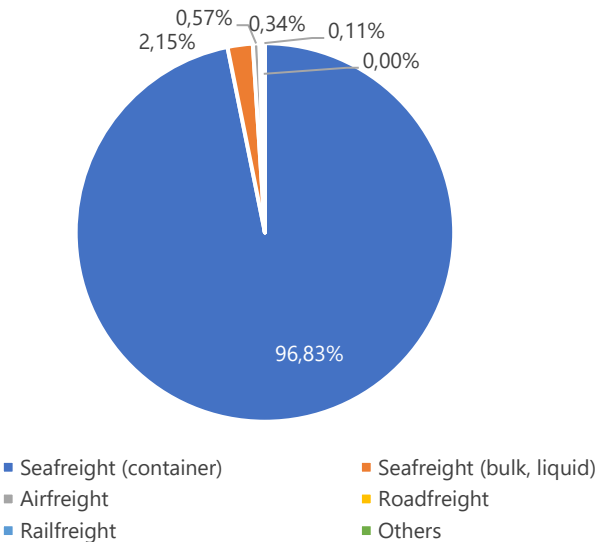
Animal feed imported to Vietnam used a total of 13 delivery terms.

The two main terms of delivery applied when exporting animal feeds to Vietnam are CIF and CFR. **Following this trend, 90.98% of animal feed import turnover from India to Vietnam used CIF.**

CFR has not yet been used by India despite having the advantage that the seller is responsible for arranging the transportation and must pay the cost of carriage, therefore, the seller can add a margin of error and profit margin built into the CFR price.

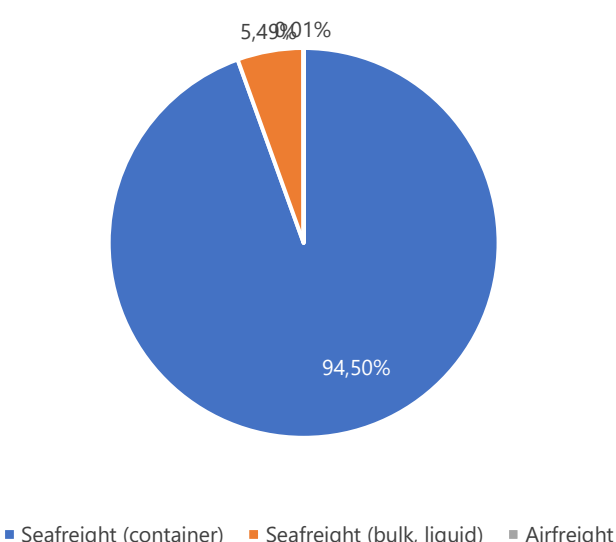
Recommendation on transportation modes

Proportions of Vietnam's animal feeds' import turnover by transportation modes, 2020



Source: VIRAC, GDVC

Proportions of Vietnam's animal feeds' import turnover from India by transportation modes, 2020



Source: VIRAC, GDVC

96.83% of animal feeds imported in Vietnam in 2020 are by sea freight. Similarly, this is also the most used form of shipping by exporters in India.

In addition to the three modes of transport used by India, Vietnam also applies road freight and rail freight to import animal feeds. India may also consider using these modes of transport if suitable.

Recommendation on payment methods

Raw materials

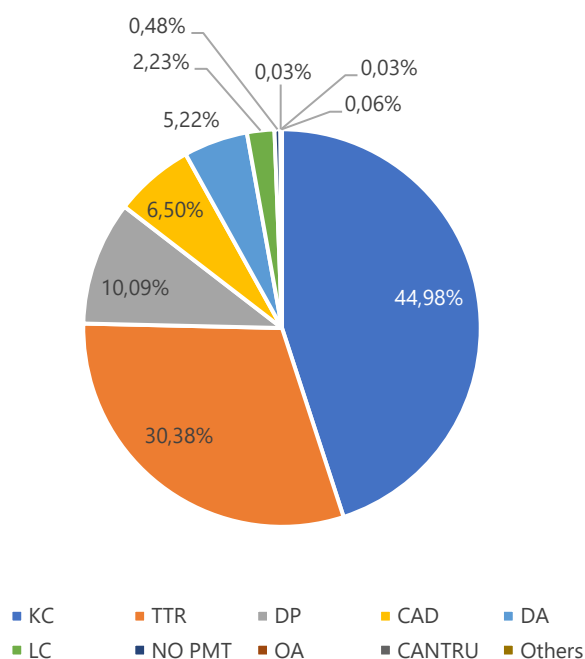
Animal feed raw materials import are usually paid under an irrevocable L/C (Letter of Credit) thanks to its safety.

Importers in Vietnam will be guaranteed by the rules that the exporters must deliver enough goods and comply with the commitments and procedures in order to receive money from the banks. Exporters on the other hand will also be ensured that importers will fully pay once the exporter has fully implemented the procedures, delivered the goods and met the quality standards.

- For small orders, importers often use L/C at sight (Letter of Credit at sight) because when making immediate payment, the importer will have an advantage in prices negotiation and build trust with exporters, thereby earning more opportunities.
- For bulk orders, exporters often suggest using Deferred payment L/C (Deferred Payment Letter of Credit) because of the higher safety (this is a type of irrevocable L/C). Besides, compared to L/C at sight, the importer now is only responsible for payment when it is due; so the importer has more time to sell the goods and collect money to pay following the obligation in the L/C.

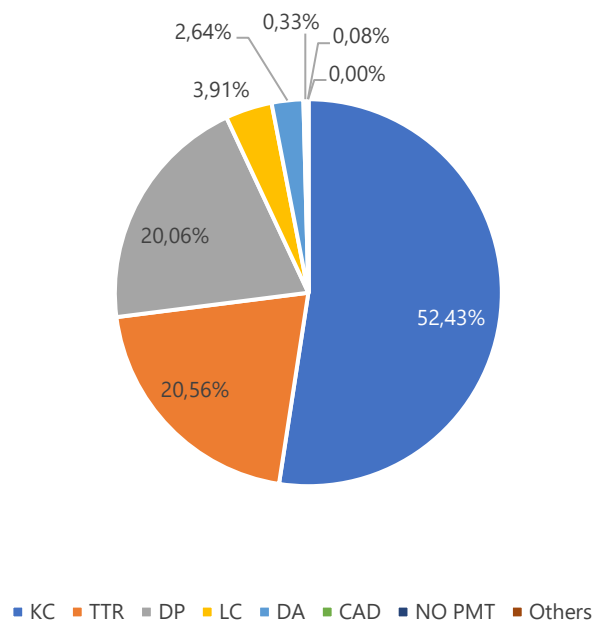
Animal feed

Proportion of Vietnam's animal feed import turnover by payment methods, 2020



Source: VIRAC, GDVC

Proportion of Vietnam's animal feed import turnover from India by payment methods, 2020



Source: VIRAC, GDVC

- India also follows the general trend when using KC, TTR and DP as its 3 main payment methods.
- However, currently, India has not yet used OA and CANTRU while other countries such as Singapore or Thailand had applied, therefore, India may consider the benefits of these two forms to optimize commercial activities.

Top animal feed importers in Vietnam, 2020

Name	Tax code	Address	Revenue (billion VND)	Main import market
C.P. VIETNAM CORPORATION	3600224423	Bien Hoa II Industrial Park - Long Binh Tan Ward - Bien Hoa City - Dong Nai.	84,528.55	China, Taiwan, Thailand, USA,
UNI-PRESIDENT VIETNAM CO., LTD.	3700306630	No. 16-18-20 DT 743 road, Song Than 2 industrial park - Di An ward - Di An city - Binh Duong.	10,667.95	China, Thailand, Taiwan
SHENG LONG BIO - TECH INTERNATIONAL CO., LTD	1100592721	Lot A05, Duc Hoa 1 Industrial Park, Hamlet 5 - Duc Hoa Dong Commune - Duc Hoa District - Long An.	9,295.72	China, USA, Vietnam
DABACO GROUP	2300105790	No. 35, Ly Thai To Street, Vo Cuong Ward, Bac Ninh City, Bac Ninh Province, Vietnam	6,766.90	China, USA, Brazil
Vietnam-France Joint Stock Company Proconco An Binh Animal Feed	3600234534	Road 9, Bien Hoa 1 Industrial Park, An Binh Ward, Bien Hoa City, Dong Nai Province, Vietnam	2,872.47	India, China, Taiwan
ASIA NUTRITION TECHNOLOGIES (LA) CO., LTD	308926192	Long Dinh - Long Cang Industrial Cluster, Long Cang Commune, Can Duoc District, Long An Province, Vietnam	2,783.53	China, Brazil, Taiwan, USA
PERFECT COMPANION VIET NAM COMPANY LIMITED	310011869	3rd floor, 5 Dong Nai, Ward 2, Tan Binh District, Ho Chi Minh City, Vietnam	360.65	Thailand
MARINE FUNCTIONAL VIET NAM COMPANY LIMITED	312606741	T Floor, Hoang Viet Building, 34 Hoang Viet, Ward 4, Tan Binh District, Ho Chi Minh City, Vietnam	323.92	USA, Australia, Brazil
CITY ZOO COMPANY LIMITED.	301636007	146D4 Nguyen Van Huong, Thao Dien Ward, District 2, City Ho Chi Minh, Vietnam	265.52	Austria, France, Netherlands

Source: VIRAC, 2020

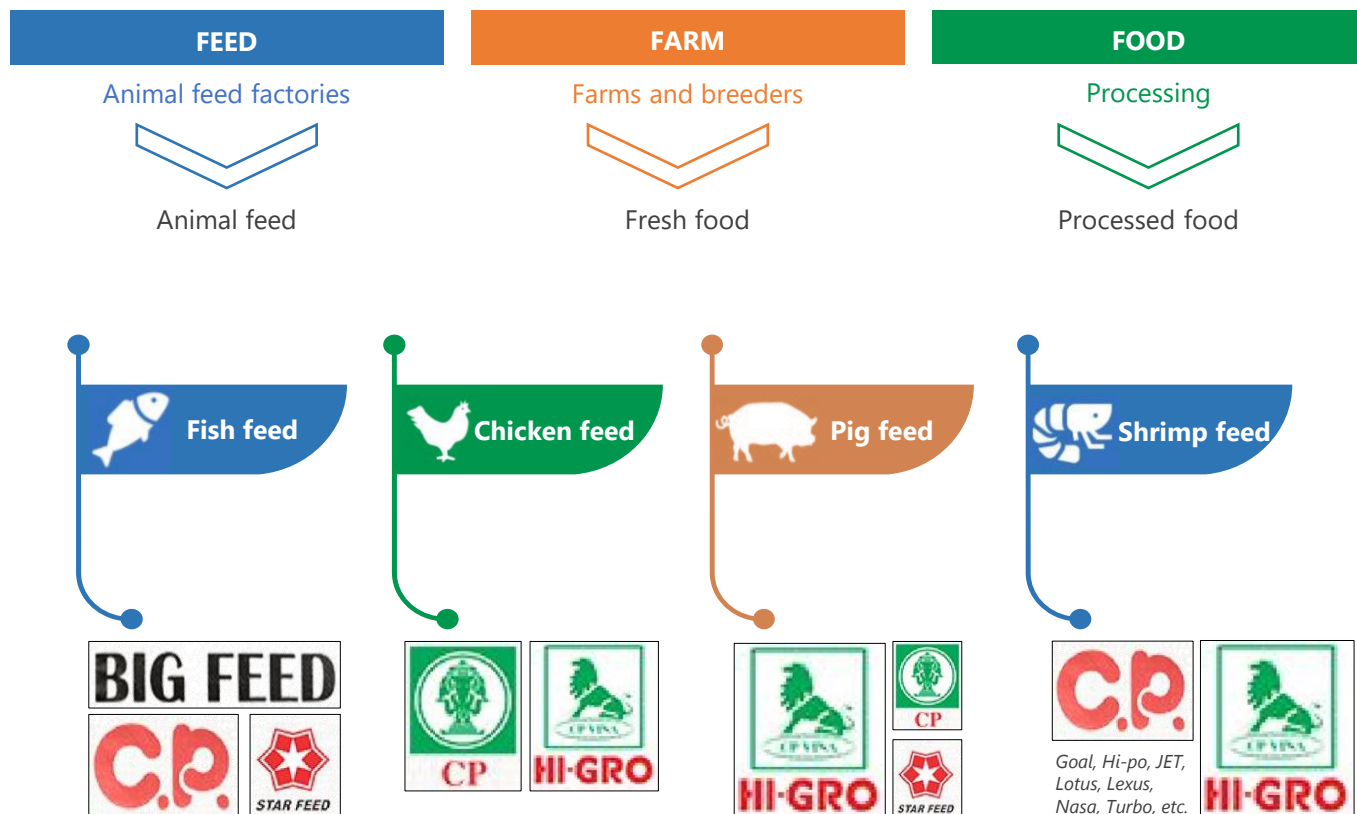
* This report includes the financial indicators of potential companies because it displays the company's financial health, which gives more information for investors or stakeholders making decisions

C.P. VIETNAM LIVESTOCK CO., LTD



Charoen Pokphand Group (C.P), Thailand, invested in Vietnam since 1988 through a representative office in Ho Chi Minh City. In 1993, C.P. Group established C.P. Vietnam Livestock Co., Ltd and built an animal feed factory in Bien Hoa 2 Industrial Park, Dong Nai, which is still remain as the Company's headquarter till this day. In 2009, C.P. Vietnam Livestock merged with Charoen Pokphand Vietnam and later, in 2011, changed their name to C.P. Vietnam Corporation.

C.P. Vietnam operates a closed system with 3 areas to ensure product quality from production to finished products.



Profitability indicators	2020	2019
Revenue (billion VND)	84,528	68,421
Net Profit (billion VND)	18,896	6,333
Profitability		
Gross Profit margin	34.79%	19.07%
Net Profit margin	28.28%	11.75%
EBIT/Revenue	28.78%	12.70%
ROA	0.49	0.21
ROE	0.67	0.35

Source: VIRAC, 2020

UNI-PRESIDENT VIETNAM CO., LTD.



Uni - President Group was formally established on July 1, 1967 in Taiwan, with 80 employees, invested NT \$ 32 million

Uni-President Vietnam Co., Ltd. licensed to invest in Feb. 6, 1999 with a total investment of 225 million USD. Uni-President first operated a factory in Song Than Industrial Park 2, Binh Duong, and later gradually expanding with factories in Tien Giang, Ninh Thuan and Quang Nam.

Scope of business

In 2002, Uni-President Binh Duong Vietnam develop the project on construction of Flour Factory and in July 2003 the factory was officially put into operation. The company offers a wide range of products used for bread, dumplings, sponge cake, etc.



With a dietitians came from the Department of Nutrition of the famous University of Taiwan, Uni-President is providing the high quality noodles. The instant noodle factory of Uni-President Vietnam officially started operating on 15/12/2001

August 2001, Uni-President began production of cattle food using modern manufacturing techniques and following strict quality management.

Cattle Feed

Feed for Quail

Chicken Feed

Swine Feed

Duck Feed

Aqua feed department was setup in 1999 and in 2001, Uni-President built their first aqua feed plant in Binh Duong, mainly produced the feed for prawns and fishes. The company gradually expanded with their second and third factories in Tien Giang and Quang Nam to serve farmers in the Central and the South.

Prawn Feed

Supplementary Prawn Feed

Fish Feed

Supplementary Fish Feed

Probiotic

Shrimp post-larvae

Profitability indicators	2020	2019
Revenue (billion VND)	10,667	10,686
Net Profit (billion VND)	899	480
Profitability		
Gross Profit margin	16.95%	16.51%
Net Profit margin	10.10%	6.60%
EBIT/Revenue	0.11	0.07
ROA	1.83	1.98
ROE	2.95	3.03

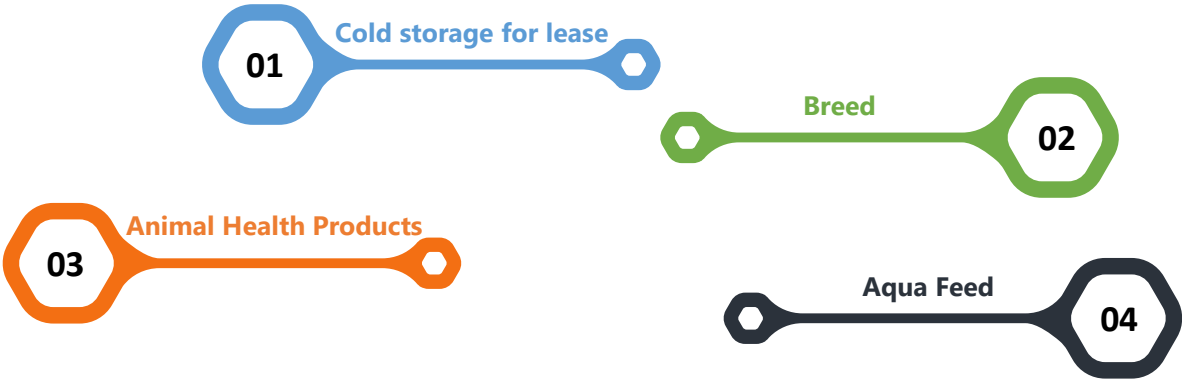
Source: VIRAC, 2020

SHENG LONG BIO-TECH INTERNATIONAL CO., LTD



Sheng Long Bio-tech International Co., Ltd is a 100% foreign-owned company as a subsidiary of Haid Group. Guang Dong Haid Group Company Ltd, the parent company of Sheng Long (Vietnam), is a high-tech listed enterprise based on R&D, production and sales of both aquatic and poultry feed. Sheng Long is engaged in manufacturing and sales of aquatic feed, aquatic breeding, and animal health products.

Scope of business



White Prawn

Tiger Prawn

Booster Feed

Fish Feed

- Grouper Fish Feed
- Seabass Fish Feed
- Tilapia Floating Feed
- Catfish
- Goby Fish Feed
- Snakehead Fish Feed

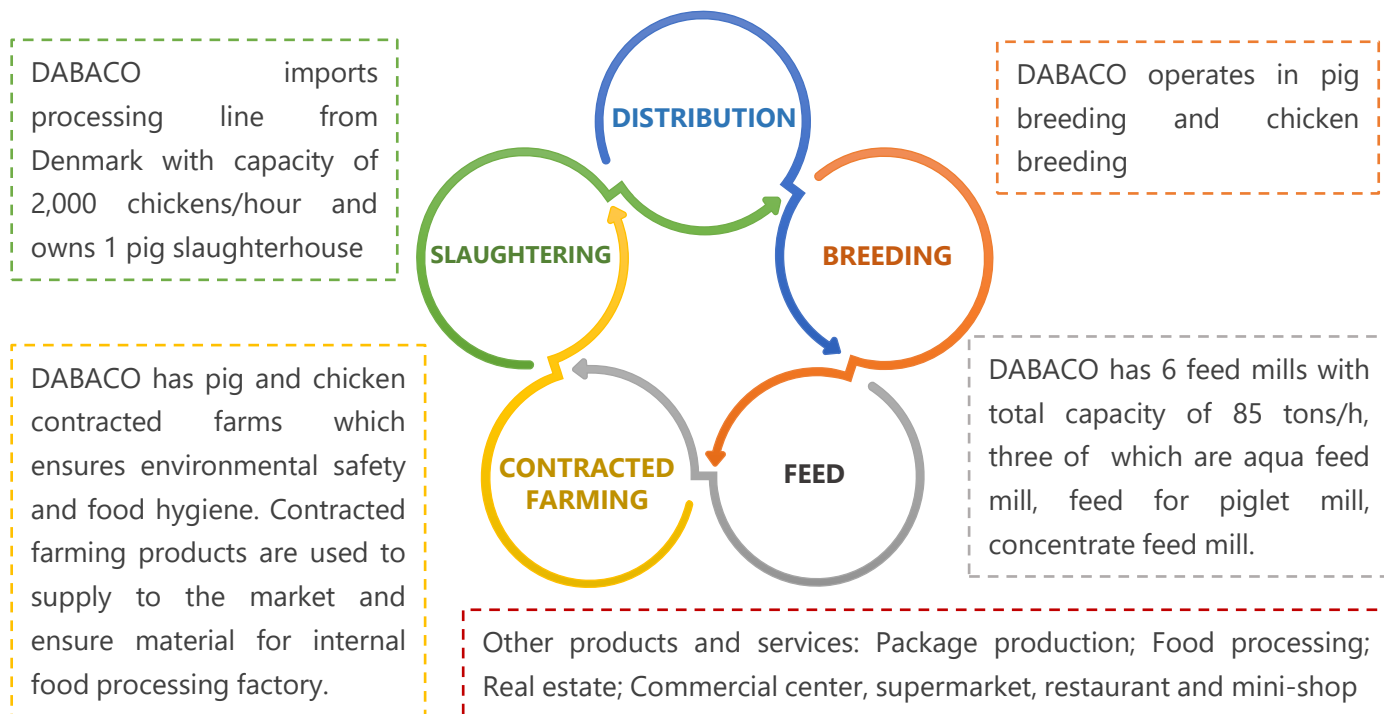
Profitability indicators	2020	2019
Revenue (billion VND)	9,295	7,754
Net Profit (billion VND)	653	573
Profitability		
Gross Profit margin	16.95%	16.51%
Net Profit margin	10.10%	6.60%
EBIT/Revenue	0.11	0.07
ROA	1.83	1.98
ROE	2.95	3.03

Source: VIRAC, 2020

DABACO GROUP

DABACO Group was founded in 1996, with the name Ha Bac Agricultural Products Company as a state-owned enterprises. DABACO is a multi-field group of which specializes mainly on animal feed, cattle and poultry breeding and food processing. DABACO develop value chain from breeding to animal feed, contracted farming and meat processing.

On 18/3/2008, DABACO stock was officially exchanged on Hanoi Stock Exchange

DABACO's business scope**Animal feed products by brands**

Profitability indicators	2020	2019
Revenue (billion VND)	6,766	7,051
Net Profit (billion VND)	950	224
Profitability		
Gross Profit margin	9.66%	7.40%
Net Profit margin	14.66%	3.62%
EBIT/Revenue	0.17	0.05
ROA	0.79	0.88
ROE	2.06	2.52

Source: VIRAC, 2020








VIETNAM - FRANCE JOINT STOCK COMPANY FOR ANIMAL FEED PRODUCTION (PROCONCO)



Vietnam - France Joint Stock Company for Animal Feed Production ("PROCONCO") was established in 1991, formerly the first joint-venture company producing animal feed between France and Vietnam.

With 7 factories, closed production processes and a network of more than 1000 distributors, PROCONCO is providing optimal nutritional solutions to farmers through various brands.

Products

						
PIG	COW	CHICKEN	DUCK	QUAIL	SHRIMP	FISH
Piglets	Calves	Chickens	Ducks	Quails	Shrimps	Pangasius
Gilts	Diary cows	Laying hens	Laying ducks	Laying quails		
Sows	Cows	Backyard chickens	Fattened duck	Backyard quails		
Boars		Parent chickens				

Profitability indicators	2020	2019
Revenue (billion VND)	2,872	3,015
Net Profit (billion VND)	698	964
Profitability		
Gross Profit margin	11.68%	12.97%
Net Profit margin	27.51%	33.00%
EBIT/Revenue	28.16%	36.06%
ROA	0.10	0.16
ROE	0.11	0.18

Source: VIRAC, 2020

Contacts

Address: Bien Hoa Industrial Park I Dong Nai

Tel: 0251 3 836 404 - 02513 836 454

Fax: 0251 3 836 146

Website: www.conco.com.vn

ASIA NUTRITION TECHNOLOGIES



Asia Nutrition Technologies (ANT) is under Dachan Food Asia (DFA), a multinational cooperation in Asia, with main industry being animal feed. ANT's first factory was established in 1995 in Dong Nai province. In 2018, the company has a total of 5 factories in Dong Nai, Hai Duong, Long An, Binh Dinh, Binh Duong.

Contacts

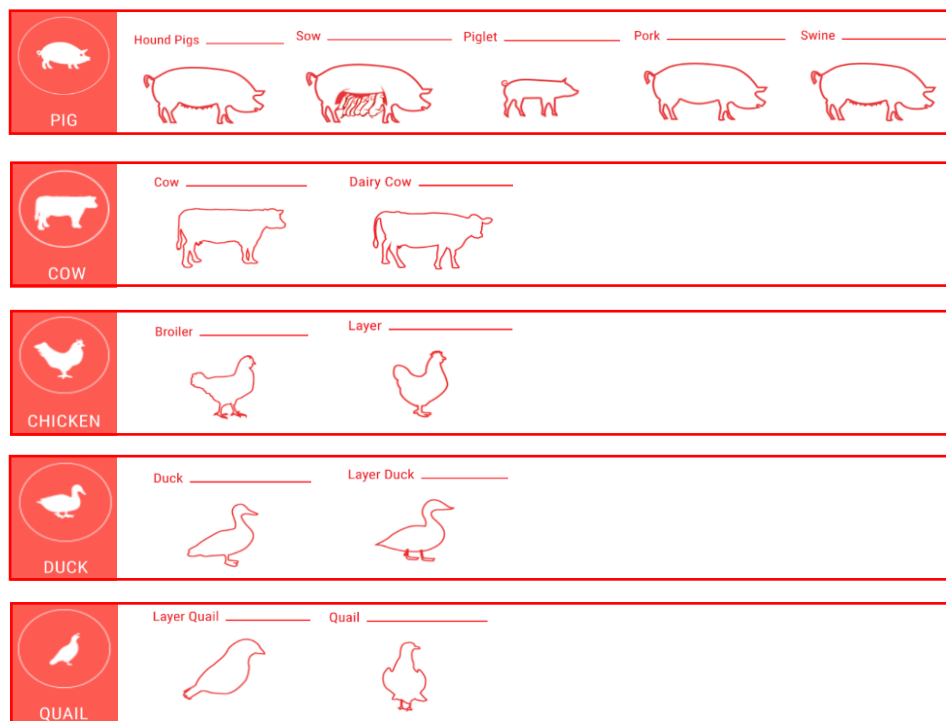
Address: Song May Industrial Park,
Bac Son Commune - Trang Bom Dist. -
Dong Nai Town

Phone: 02513 869111

Fax: 02513 869110

Email: antmarketingdn@gmail.com

Products



Profitability indicators	2020	2019
Revenue (billion VND)	2,783	2,863
Net Profit (billion VND)	327	210
Profitability		
Gross Profit margin	10.14%	10.24%
Net Profit margin	13.76%	8.96%
EBIT/Revenue	0.14	0.10
ROA	2.18	2.39
ROE	4.76	6.11

Source: VIRAC, 2020

PERFECT COMPANION VIET NAM



Perfect Companion Viet Nam is established in April 22, 2010 with the head office in Tan Binh district, Ho Chi Minh City.

All pet foods produced are formulated following the nutritional levels established by the National Research Council of the United States (NRC) and The Association of American Feed Control Officials (AAFCO) for each type of pet.

Achievements

More than 5 branches

More than 100 staffs

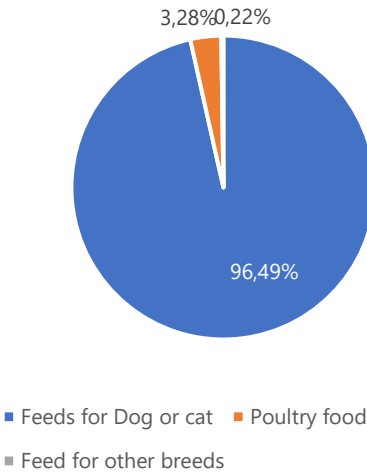
Products

<p>DOG FOODS</p>	<p>CAT FOODS</p>	<p>BIRD FOODS</p>
<p>CHICK FOODS</p>	<p>FISH FOODS</p>	<p>OTHER FEEDS</p>

Profitability indicators	2020	2019
Revenue (billion VND)	360	302
Net Profit (billion VND)	29	14
Profitability		
Gross Profit margin	32.25%	30.20%
Net Profit margin	10.69%	5.68%
EBIT/Revenue	0.11	0.06
ROA	4.29	4.58
ROE	10.89	29.44

Source: VIRAC, 2020

Proportion of Perfect Companion's animal feed import, 2020



Source: VIRAC, GDVC

Address: No. 28/16A, Phan Dinh Giot Street - Ward 2, Tan Binh District, Ho Chi Minh City, Vietnam

Phone: (84-8) 38455604

Email:info@perfectcompanion.com.vn





Website: http://perfectcompanion.com.vn/

MARINE FUNCTIONAL VIET NAM COMPANY LIMITED



Marine Functional Viet Nam Company Limited was founded in January, 2014. MFC provides functional ingredients and nutrition solutions for animal feed producers, such as protein hydrolysates, fish oil, black soldier fly larvae oil for animals and aqua feed industry, and pet food. Currently, the company has a protein hydrolysates and oil production factory in Sa Dec, Dong Thap province.

Products

			
Protein hydrolysates	Protein powder	Fish and insects oil	Biological organic fertilizer
Protein hydrolysates is the source of supply of essential amino acids with high absorption ability to help livestock grow and avoid disease.	Protein powder contains amino acids, mineral salts, and necessary micronutrients, helping animals digest and absorb food	Omega 3, 6, 9 are the sources of nutrition in black soldier fly larvae and fish. Fish oil and larvae oil help pets to avoid disease, stimulate appetite, and grow.	Microbiological organic fertilizer contributes to reduce the harmful effects of chemical abuse on agricultural products, enhancing environmental protection, orienting sustainable organic agriculture.

Address: T Floor, Hoang Viet Building, No. 34, Hoang Viet Street, Ward 4, Tan Binh District, Ho Chi Minh City

Phone/Fax (84-28) 5449 6336 / (84-28) 5449 6338

Email: contact@marinefunctional.com

Website: <https://www.marinefunctional.com/>

Profitability indicators	2020	2019
Revenue (billion VND)	323	261
Net Profit (billion VND)	24	1
Profitability		
Gross Profit margin	14.36%	15.58%
Net Profit margin	0.35%	0.62%
EBIT/Revenue	0.09	0.01
ROA	0.64	1.27
ROE	2.23	2.88

Source: VIRAC, 2020

CITY ZOO COMPANY LIMITED



CityZoo was established in 1999 with investment capital from France. CityZoo specializes in pet supplies, especially importing and distributing nutritional foods for dogs and cats. CityZoo has a warehouse for imported goods with the total area of over 15,000 m² in Cu Chi, Ho Chi Minh City.

Brands

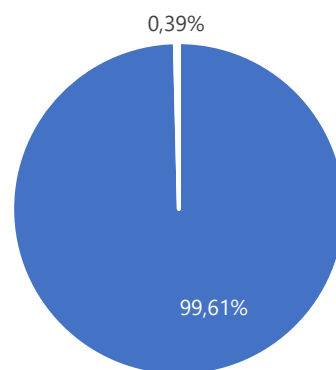




PUGMARKS



Proportion of City Zoo's animal feed import, 2020



■ Feed supplements ■ Others

Source: VIRAC, GDVC

Profitability indicators	2020	2019
Revenue (billion VND)	265	221
Net Profit (billion VND)	75	63
Profitability		
Gross Profit margin	43.41%	43.86%
Net Profit margin	36.99%	37.01%
EBIT/Revenue	0.37	0.37
ROA	2.15	2.25
ROE	3.30	3.52

Source: VIRAC, 2020

Address: No.146D4, Nguyen Van Thuong Street, Thao Dien Ward, 2 District, Ho Chi Minh City, Vietnam

Phone: (84-8) 3512 5793

Email: sales@cityzoo.vn

Website: www.cityzoo.vn

Top animal feed from India importer, 2020

Name	Tax code	Address	Revenue (billion VND)	Main import market
DABACO GROUP	2300105790	No. 35, Ly Thai To Street, Vo Cuong Ward, Bac Ninh City, Bac Ninh Province, Vietnam	6,766.90	India, China, Brazil, USA, France
Vietnam-France Joint Stock Company Proconco An Binh Animal Feed	3600234534	Road 9, Bien Hoa 1 Industrial Park, An Binh Ward, Bien Hoa City, Dong Nai Province, Vietnam	2,872.47	India, China, Taiwan
INTERNATIONAL AGRICULTURE NUTRITION JSC	3600618918	Lot A4 Song May Industrial Park - Bac Son Commune - Trang Bom District - Dong Nai Province	1,320.73	Malaysia
VIET NAM GREEN VET JOINT STOCK COMPANY	101192989	Lot A2CN4 Tu Liem Industrial Complex, Phuong Canh Ward, Nam Tu Liem District, Hanoi City, Vietnam	364.13	India, Indonesia, Thailand, USA
EZ NUTRITION WAY COMPANY LIMITED	3602978190	No. 39, Quarter 5, Trang Dai Ward, Bien Hoa City, Dong Nai Province, Vietnam	140.98	India, Malaysia, Taiwan, Denmark
INNOVATIVE CHEMICALS COMPANY LIMITED	302747006	22 Street No. 37 - An Phu Ward - Thu Duc City - Ho Chi Minh City.	114.80	India, Malaysia, Netherlands, Belgium
GREEN SCIENCE CO., LTD	0312599861	43/7B Hamlet 6, Xuan Thoi Thuong Commune, Hoc Mon District, Ho Chi Minh City, Vietnam	74.47	India, USA
APC INDUSTRY CORP	0307749832	No. 10 Street 22, Linh Chieu Ward, Thu Duc City, Ho Chi Minh City, Vietnam	10.46	India
PVS TELECOMMUNICATION CO.LTD.,	314417820	B19.21, Sunrise Cityview, No. 33 Nguyen Huu Tho, Tan Hung Ward, District 7, Ho Chi Minh City, Vietnam	6.96	India
FOURBROS LIMITED LIABILITY COMPANY	314412822	366/24A Pham Huu Lau, Hamlet 4, Phuoc Kien Commune, Nha Be District, Ho Chi Minh City, Vietnam	3.77	India

Source: VIRAC, GDVC

* Since some potential businesses for India may overlap with the categories of World, please refer to detailed information on World section




** This report includes the financial indicators of potential companies because it displays the company's financial health, which gives more information for investors or stakeholders making decisions

ANCO NUTRIENT INTERNATIONAL JOINT STOCK COMPANY

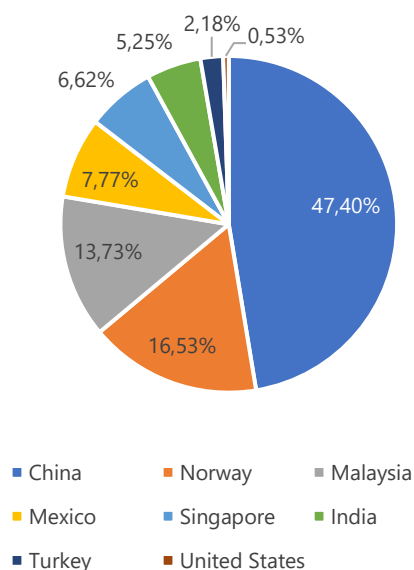


Anco Nutrient International Joint Stock Company was a joint venture between Malaysia and Vietnam with the first factory built in 2003 in Dong Nai. In 2015, Masan Nutri-Science invests 70% of shares in ANCO and takes strong steps to support its development.

Products

Pigs	Chickens	Ducks
 <ul style="list-style-type: none"> • Piglets • Sow • Gilts • Boars 	 <ul style="list-style-type: none"> • Broiler • Laying hens • Free-range broilers 	 <ul style="list-style-type: none"> • Ducks • Broilers • Laying ducks

ANCO's animal feed import turnover by partner countries, 2020



Source: VIRAC, GDVC

Profitability indicators	2020	2019
Revenue (billion VND)	1,320	1,265
Net Profit (billion VND)	-64	-89
Profitability		
Gross Profit margin	10.53%	10.65%
Net Profit margin	-4.47%	-6.21%
EBIT/Revenue	9.16%	8.69%
ROA	-0.01	-0.02
ROE	-0.03	-0.05

Source: VIRAC, 2020

Address: Lot A4, Road 4, Song May Industrial Park, Bac Son Commune, Trang Bom District, Dong Nai Province, Vietnam

Phone/Fax: (84-251) 3968 705 / 3968 175 / 3968 323 / (84-251) 3968 716

Website: www.anco.com.vn

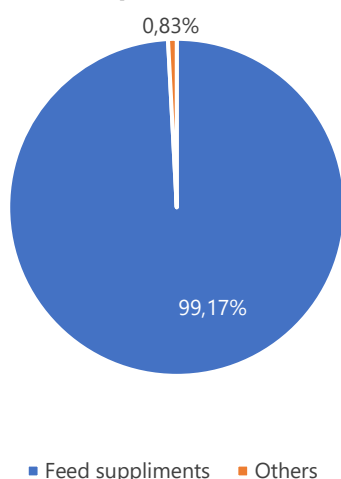
VIET NAM GREEN VET JOINT STOCK COMPANY



Green Vet JSC is established in 2001, specializing in the field of manufacturing and trading veterinary medicine, aquatic veterinary medicine. Currently, all of them are only for the domestic market. GreenVet specializes in producing and veterinary drugs and supplying animal feed additives and other tools/ equipment.

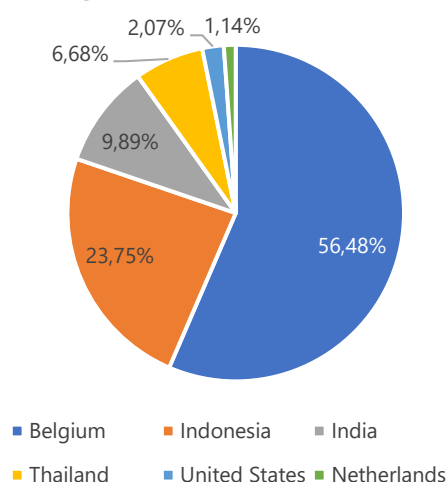
- Products for cattle
- Products for swine
- Products for dogs and cat
- Products for poultry
- Products for shrimp fish

Proportion of Green Vet's animal feed import, 2020



Source: VIRAC, GDVC

Greenvet's animal feed import turnover by partner countries, 2020



Source: VIRAC, GDVC

Address: Lot A2CN4, Tu Liem Industrial Cluster, Phuong Canh Ward, South Tu Liem District, Ha Noi City, Vietnam

Phone/Fax: (84-24) 37805385/86/ 1800 6635 (Hotline)

Email: info@greenvet.com.vn

Website: <https://greenvet.com.vn>

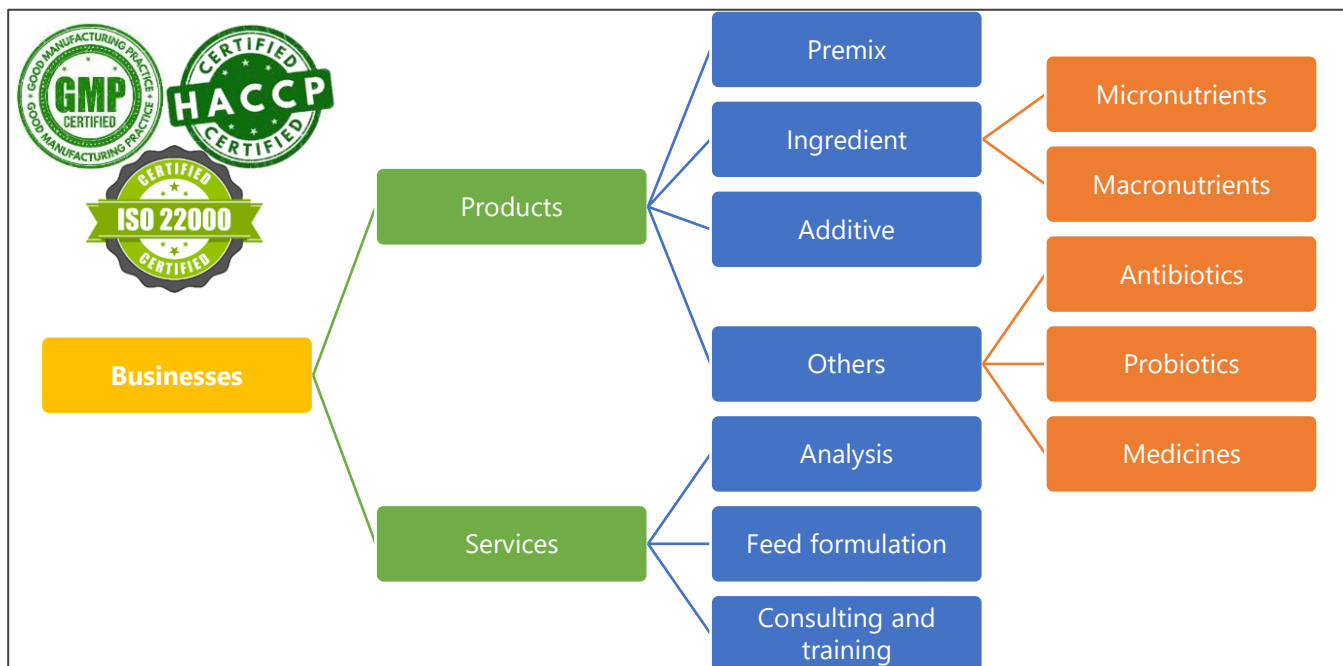
Profitability indicators	2020	2019
Revenue (billion VND)	364	323
Net Profit (billion VND)	76	89
Profitability		
Gross Profit margin	16.11%	20.78%
Net Profit margin	22.03%	29.29%
EBIT/Revenue	0.23	0.31
ROA	2.20	1.80
ROE	4.12	4.23

Source: VIRAC, 2020

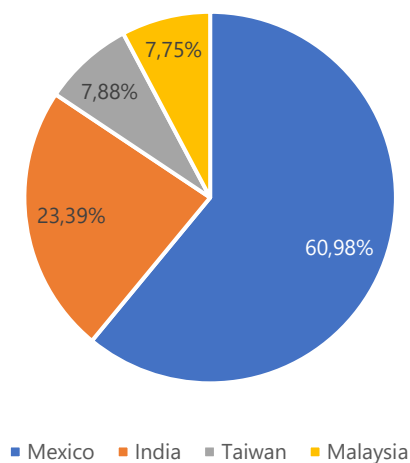
EZ NUTRITION WAY COMPANY LIMITED



Established in December 26, 2012, EZ Nutrition Way Co Ltd is operating in manufacturing premix and supplement products for aquatic, animal, poultry feeds. The company mainly imports vitamins from China for production.



EZ's animal feed import turnover by partner countries, 2020



Source: VIRAC, GDVC

Profitability indicators	2020	2019
Revenue (billion VND)	140	164
Net Profit (billion VND)	1.33	1.16
Profitability		
Gross Profit margin	10.15%	9.69%
Net Profit margin	1.19%	0.95%
EBIT/Revenue	0.03	0.02
ROA	1.30	2.04
ROE	21.30	24.87

Source: VIRAC, 2020

Address: No. 39, Quarter 5, Trang Dai Ward, Bien Hoa City, Dong Nai Province, Vietnam

Phone/Fax: (84-251) 3971 133 / +84 915 483 139 / +84 905 106 568

Email: info@ezntw.com

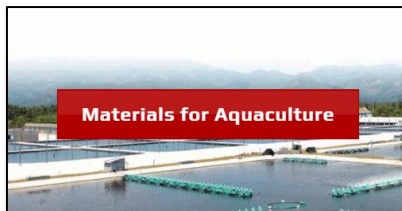
Website: <http://www.ezntw.com/>

GREEN SCIENCE COMPANY LIMITED



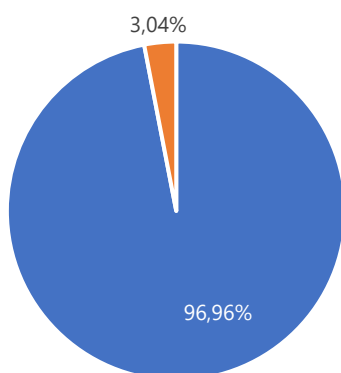
Green Science Company Limited is established in December 26, 2013 with head office located in Ho Chi Minh City. The company is an importer and distributor of raw materials such as microorganisms (biological products, yucca, nutrition, minerals, additives, chemicals) used in seafood and chemical industry

Products



Probiotics – Nutrition – Water treatment chemical – Yucca – Mineral – Additives – Final product

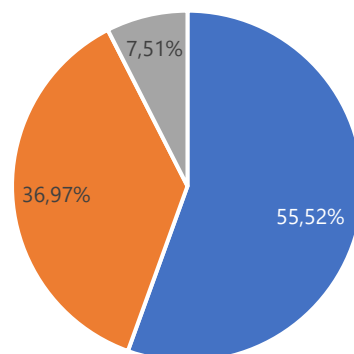
Proportion of Green Science's animal feed import, 2020



■ Feed suppliments ■ Others

Source: VIRAC, GDVC

Green Science's animal feed import turnover by partner countries, 2020



■ United States ■ India ■ Mexico

Source: VIRAC, GDVC

Address: No. 43/7B, Hamlet 6, Xuan Thoi Thuong Commune, Hoc Mon District, Ho Chi Minh City, Vietnam

Phone: (84-28) 3713 5188

Email: sales1@khoahocxanh.com

Website: <https://khoahocxanh.com/>

Profitability indicators	2020	2019
Revenue (billion VND)	74	56
Net Profit (billion VND)	0.25	0.34
Profitability		
Gross Profit margin	23.02%	13.61%
Net Profit margin	16.54%	5.61%
EBIT/Revenue	0.17	0.06
ROA	2.05	1.99
ROE	4.56	4.78

Source: VIRAC, 2020

APC COMPANY LIMITED



APC is established in January, 2010 with the head office located in Can Tho. The company specializes in animal feed. Currently, APC is an executive distribution in terms of veterinary medicine from Neospark Company (India).

Products

Aquaculture

Veterinary

Agriculture

Pharmacy

For fish

For shrimp

Address: 149/41, Hoang Van Thu, An Cu Ward , Ninh Kieu District, Can Tho City, Vietnam

Phone/Fax: 02923.502.499 / 02923.918.233

Email: mail-apc@apccantho.com

Website: <http://apccantho.com.vn/vi/trang-chu/>

Profitability indicators	2020	2019
Revenue (billion VND)	10	4
Net Profit (million VND)	7.49	-6.94
Profitability		
Gross Profit margin	17.08%	40.88%
Net Profit margin	0.33%	-0.16%
EBIT/Revenue	0.00	0.00
ROA	0.81	0.39
ROE	61.78	25.28

Source: VIRAC, 2020

PVS VIETNAM COMPANY



PVS Vietnam Company was established in 2013, specializing in distributing products from Indian PVS Group.

PVS Group India specializes in the healthcare products covering human, poultry, veterinary and aquatic products field. In addition, PVS also provide single microorganism products for drug factories and additives for feed factories.

Products

- Antibiotic products for veterinary health care.
- Concentrated microbiological raw materials for drug factories.
- Specialized herbal products for shrimps, fingerlings
- Additives and premixes used in animal feed.

Businesses

- Producing and distributing veterinary medicines
- Feed Additives for cattle, poultry and aquatic feeding
- Aquatic veterinary medicines

Hotline: 076 53 54 777

Email: psvsina@gmail.com

Tel: (028) 39 22 55 41

Website: <http://pvsvietnam.com.vn/index.html>

Profitability indicators	2020	2019
Revenue (billion VND)	6.96	9.05
Net Profit (million VND)	-77.90	-44.15
Profitability		
Gross Profit margin	19.97%	17.73%
Net Profit margin	-0.55%	-0.43%
EBIT/Revenue	-0.01	0.00
ROA	1.46	1.74
ROE	6.94	8.42

Source: VIRAC, 2020

FOURBROS LIMITED LIABILITY COMPANY



FOURBROS Limited Liability Company was established on 08/11/2017, with head office located in Nha Be District, Ho Chi Minh City.

Fourbros LLC is a Saigon-based company specializing in trading agribusiness and related commodities, notably aquaculture healthcare products (specifically those used for shrimp farming), horticultural products (agricultural crops and plantations), and food and beverage. In addition, we provide inbound tours and market entry consultancy for foreigners.

Products

Fourbros is the importer and distributor of healthcare products for the farming of shrimps notably back-tiger prawns and whiteleg shrimps. Products vary greatly but can be divided into the following two main categories:

- Feed supplements of all kinds: vitamins and/or minerals, hepatopancreas enhancers, growth enhancers, with or without fortified probiotics.
- Water (pond) treatment: probiotics, zeolites/ absorbents/ deodorizers/ oxygen generators.

Address: 366/24A Pham Huu Lau, 4 Village, Phuoc Kien Commune, Nha Be District, Ho Chi Minh City

Phone: (84-28) 5417 0990

Email: sales@4bros.com.vn

Website: <https://4bros.com.vn/home-en/>

Profitability indicators	2020	2019
Revenue (billion VND)	377	320
Net Profit (million VND)	-417	-115
Profitability		
Gross Profit margin	19.97%	17.73%
Net Profit margin	-0.55%	-0.43%
EBIT/Revenue	-0.01	0.00
ROA	1.46	1.74
ROE	6.94	8.42

Source: VIRAC, 2020

List and schedule of Agriculture Trade Fairs and Exhibitions 2022

Name	Industry	Date	Place
Tan Suu Spring Fair 2022 – Tan Binh District	Textile, jewelry, pharmaceuticals, health care, furniture and handicrafts, agricultural products, food and cuisine, tourism,...	01/2022	446 – 448 Hoang Van Thu, Ward 4th, Tan Binh District, HCMC
ILDEX Vietnam	Livestock, Dairy Industry, Meat Processing and Aquaculture	16/03/2022 - 18/03/2022	Saigon Exhibition and Convention Center (SECC), 799 Nguyen Van Linh, Tan Phu Ward, Distric 7, HCMC
Vietnam EXPO 2022	Devices, Electrical equipment, Food and beverage, International pavilion, Enterprises “National Brand”	13/04/2022 - 16/04/2022	Hanoi International Exhibition Center, 91 Tran Hung Dao, Hoan Kiem, Hanoi
Food Ingredients Vietnam 2022	Food and ingredients	18/05/2022 - 20/05/2022	Saigon Exhibition and Convention Center (SECC), 799 Nguyen Van Linh, Tan Phu Ward, Distric 7, HCMC
Propak 2022	Production and distribution of packaging; machinery and equipment for food packaging,	28/07/2022 - 30/07/2022	Saigon Exhibition and Convention Center (SECC), 799 Nguyen Van Linh, Tan Phu Ward, Distric 7, HCMC
Vietfood & Beverage & Propack HCM 2022	Food and beverage	11/08/2022 - 13/08/2022	Saigon Exhibition and Convention Center (SECC), 799 Nguyen Van Linh, Tan Phu Ward, Distric 7, HCMC
VietStock 2022	Livestock, animal feed and meat processing	12/10/2022 - 14/10/2022	Saigon Exhibition and Convention Center (SECC), 799 Nguyen Van Linh, Tan Phu Ward, Distric 7, HCMC
Propack Vietnam & Vietfood Beverage Hanoi	Food and beverage; food processing and packaging technology	03/11/2022- 06/11/2022	Hanoi International Exhibition Center, 91 Tran Hung Dao, Hoan Kiem, Hanoi
Food & Hotel Hanoi 2022	Food and beverage, hotel restaurant equipment and services	25/11/2022 - 27/11/2022	Hanoi International Exhibition Center, 91 Tran Hung Dao, Hoan Kiem, Hanoi

Among the aforementioned trade fairs, VIRAC recommends India companies in animal feed industry to focus on these two trade fairs below, which focus and suitable to animal feed producers and distributors the most.

Specialized Exhibition of Livestock, Feed and Meat Processing in Vietnam

Taking place for the first time in 2004, Vietstock 2022 exhibition has been constantly expanding and developing in both scale and quality as a Vietnam's leading international exhibition specialized in livestock, feed and meat processing.

In 2022 Vietstock will once again hold a comprehensive event for members in the value chain including livestock, feed and meat processing, expected to attract more than 13,000 representatives and trade visitors as well as more than 350 exhibitors.

Time:

- First Day: Wednesday, 12 October 2022
- Second Day: Thursday, 13 October 2022
- Third Day: Friday, 14 October 2022



Venue: Saigon Exhibition & Convention Center, District 7, City. Ho Chi Minh



ILDEX VIETNAM

Time:

- First Day: Wednesday, 3 August 2022
- Second Day: Thursday, 4 August 2022
- Third Day: Friday, 5 August 2022

Venue: Saigon Exhibition and Convention Center, District 7, Ho Chi Minh City

International Exhibition on Animal Husbandry, Veterinary Medicine, Dairy Industry, Meat Processing and Aquaculture in Vietnam

ILDEX Vietnam is an International Exhibition on Livestock, Veterinary Medicine, Dairy Industry, Meat Processing and Aquaculture held every 2 years. Through 7 times of organization, the exhibition has proven to be a golden time for both domestic and international businesses not only to introduce new products, but also to update the latest information about the market, experience new technology and gain valuable knowledge through a series of seminars by leading experts in the industry.

It is expected that 12,000 visitors and 350 exhibitors from 30 countries will attend the exhibition in 2022.

Proposal for export



- **Screening for suitable channels:** Vietnam has a large number of potential options for suppliers as mentioned in supply chain. Importers may choose the distributors that directly supply to customers, or go through third parties such as agents or co-operative society.
- **Deciding on channels:** Having a specific channels would help the suppliers to clearly set target customers, precisely deciding the margin or cost spent on distribution and efficiently choosing partners

- **Searching for potential distributors:** Regularly, animal feed producers or ingredients suppliers usually looks for local distributors through databases of consulting companies or government organizations, trade fairs
- **Profile screening:** When a potential distributor is identified, the animal feed producers or ingredients suppliers may need to analyze the company's profile to find the suitable one in terms of scale, experience, financial status, target customers, marketing methods, etc.

- **Contacting:** After deciding on the appropriate partners, the suppliers would need to contact the local distributors to confirm the information gathered from profile screening, preliminarily assess the ability to meet requirements on safety, management systems, quality assurance. Local distributors in Vietnam would also need to receive documents proving product quality and other standards in compliance the regulations in Vietnam, as well as exchange the conditions before making an agreement.

- **Signing the contract:** If two sides agree on the corporation, the suppliers can consider signing a contract for the first order animal feed products or ingredients.
- **Delivering:** During the transportation, the suppliers and local distributors still need frequent information exchange to ensure the quality and progress of work.

1. Deciding on partners

- **Defining your objective:** The first step in forming a joint venture is to clearly identify what the company needs. In animal feed case, Indian companies should clearly define whether they want to export ingredients or complete animal feed, whether they need a distributor or animal feed producer.
- **Profile screening:** When a potential partner is identified, Indian company should analyze the profile to collect necessary information about the financial condition or possible conflicts of interest

2. Choose a type of joint venture

- **Structure the joint venture:** After finding a partner, the next step will be to structure the joint venture. Regularly, there are a few ways to do it: Form a separate legal entity or Operate under a joint venture agreement without creating a separate legal entity.
- **Profile screening:** When a potential distributor is identified, Indian company may need to analyze the company's profile to find the suitable one in terms of scale, experience, financial status, target customers, marketing methods, etc.

3. Draft a joint venture agreement

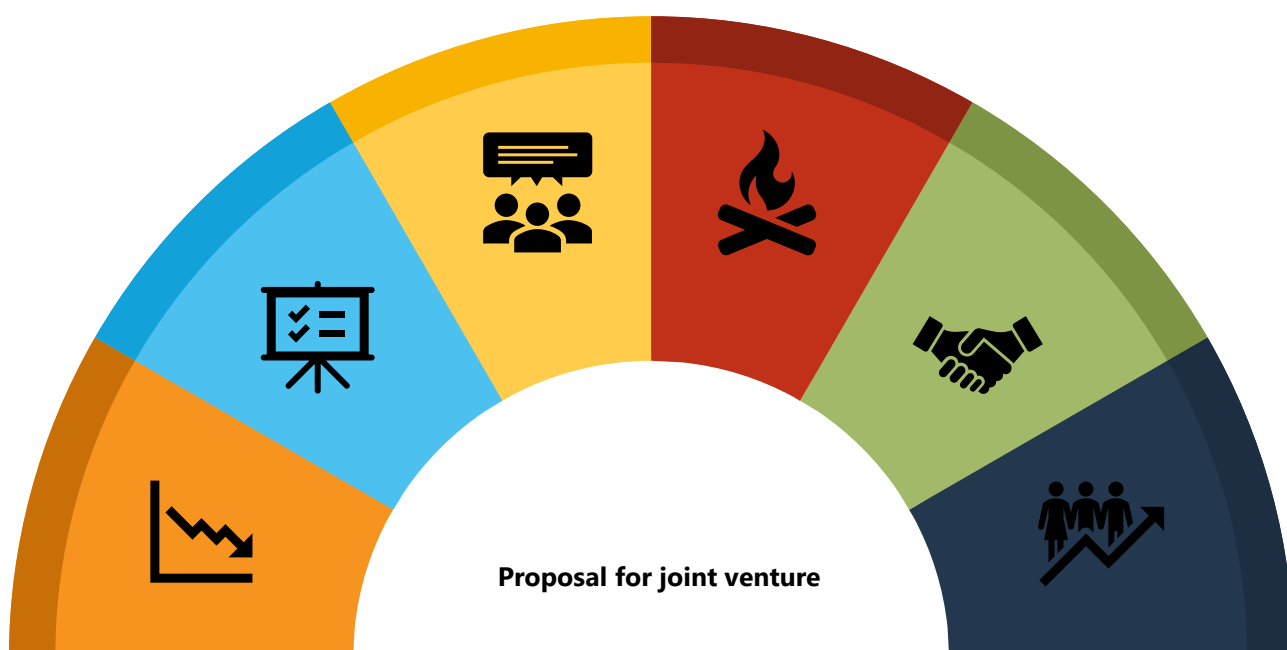
- **Drafting contract and adjusting terms:** Before signing a contract, the 2 companies would need many drafting the contract. The contract should be in compliance with regulations in both of the countries and be detailed to avoid any dispute later. Also, it is better for both parties to have legal representation as part of the process

4. Joint venture filling

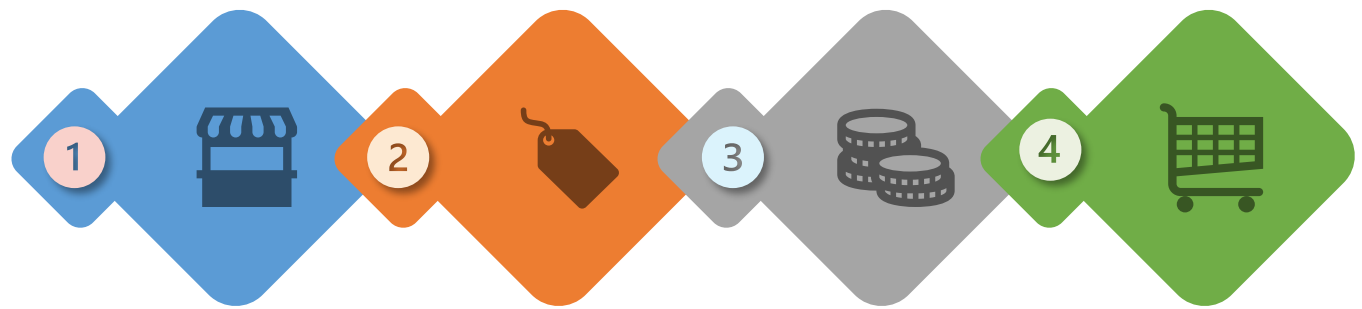
- **Prepare paperwork:** In compliance with the regulations in both nations, 2 parties should prepare paperwork to submit to the authorities for the establishment of a joint venture company
- **Submitting:** After preparing all the documents, the investors can submit at the Department of Planning and Investment or the secretarial office according to the specific regulations of each locality

5. Cooperating

- **Cooperating:** During the corporation, the both parties should maintain the frequently contact ensure the efficiency of the investment and business result for both sides.



Proposal for investment



Searching for suitable investee company

- **Searching for potential suppliers:** Regularly, animal feed or ingredients exporters usually looks for prospective investee through databases developed by consulting companies or government organizations, trade fairs. Also, foreign investor majorly avoid State-owned company and foreign company, which are not fond of a new foreign investment.
- **Profile screening:** When a potential company is identified, investors should analyze the profile to collect necessary information, mostly about business operation result, financial status, vision of the company.

Visit

- **Visit:** The purpose of the first visit is to confirm the information gathered from profile screening, preliminarily assess the ability to meet requirements on management systems, quality assurance, condition of production or distribution, etc.

Adjusting contract terms

- **Deciding on the investment:** After deciding to follow the investment, the investors should contact the investees to confirm the information gathered from profile screening and the visit.
- **Drafting contract and adjusting terms:** Before signing a contract, the 2 companies would need many meetings to adjust the terms on the contract. The contract should be in compliance with regulations in both of the countries and be detailed to avoid any dispute later.

Signing the contract

- **Signing the contract:** If two sides agree on the corporation, the suppliers can consider signing a contract for the investment.
- **Cooperating:** During the corporation, the investors and investees should maintain the frequently contact and adjustment following the recommendation and information exchange of 2 sides to ensure the efficiency of the investment and business result for both sides.



***Thank
You!***