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U.S. Department of Agriculture Agricultural Marketing Service Poultry Programs Market News and Analysis Branch

Vietnam

In 2001 the United States (U.S.) signed a Bilateral Trade Agreement (BTA) with Vietnam. The terms of the BTA included the reduction of many tariff and non-tariff barriers on key consumer-oriented and ingredient exports to the country which included prepared meats. When the BTA eased import restrictions in December of 2004 it also allowed U.S. and Vietnamese joint ventures along with international companies to import products. Previously only domestic companies could import products. Vietnam also joined the WTO on January 11, 2007. According to Vietnam's accession agreement, they will liberalize the wholesale, retail and franchise sectors eventually allowing totally foreign owned retail outlets and the establishment of franchises in 2009.

The economy in Vietnam has been growing and developing at a rapid rate. The country had been averaging a gross domestic product (GDP) growth rate of 7% over the last decade and since 2006 had a growth rate over 8%. In 2007 Vietnam had a target growth rate of 8.5%. As a result, Vietnam has the second fastest growing economy in Asia. Vietnam has been steadily transitioning away from open-air markets to modern supermarkets with an increase noted from 2 in 1999 to 85 in 2004. Tourism has also been increasing to Vietnam helping to boost the hotel and restaurant industry (HRI). One of the proven best selling products to the HRI sector has been frozen poultry.

With urban per capita income increasing at a rate of 8-10% per year and continued improving living standards has resulted in a growing middle class. The growing middle class and a sizeable young population with increasing exposure to a Western lifestyle has resulted in the traditional trade of wet markets and small household owned shops being challenged by an upsurge in modern trade with the number of supermarkets, convenience stores, min-marts, hypermarkets, large wholesale stores and department stores on the rise. "Modern Trade" currently has 12% of total retail food sales and is expected to continue its 2001-2006 average growth rate of 20% per year.

Even though about 42-45% of total Vietnamese consumption expenditure is for food consisting mostly of staples and basic food items such as rice, meat, salt, sugar, vegetable oil and sauces, consumer surveys are indicating increased spending on meat, eggs, fresh fruits, vegetables, confectionary, snack foods and sophisticated food items.

In order to satisfy increasing consumer demand and slow the rise of market prices the Government of Vietnam issued the directive No. 18/2007/CT-TTg on "Urgent Measures to Restrain Market Prices" on August 1, 2007. The directive requested relevant ministries and agencies implement measures to slow the rise of market prices during the last months of 2007 to achieve the target growth rate of 8.5%. To help achieve this Preferential Import Tax Rates (i.e. MFN Tariffs) were amended effective August 8, 2007 resulting in MFN tariffs of agricultural products including meat, meat offal, eggs, milk products, vegetable oils and materials for animal feed being reduced an average of 30-50%.

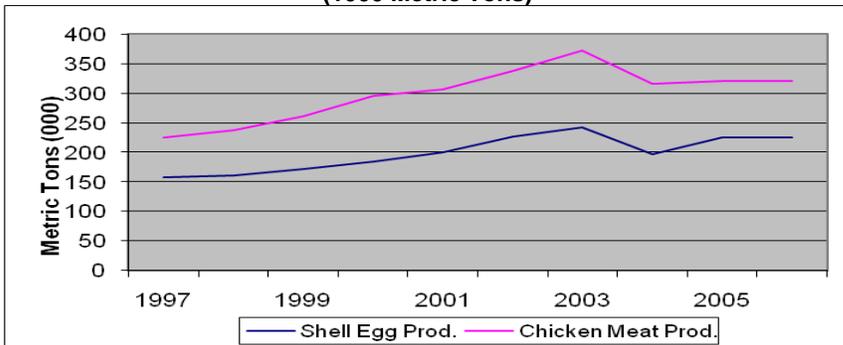
Some reductions, including those for chicken meat, go beyond Vietnam's bound rate commitments in their WTO accession agreement. It is projected U.S. agricultural exports will exceed \$500 million in 2008. U.S. chicken exports have grown rapidly recently even with the higher tariffs. Some of the increased exports may have been assisted by the decreasing value of the U.S. dollar the last couple years. No time frame was given for lifting these reductions with some feeling it may be difficult to raise them again. Vietnam continues to experience problems with the H5N1 virus. The virus has been detected in 13 provinces since the start of the year. In an attempt to help Vietnam in its fight against H5N1 the World Organization for Animal Health is donating 20 million doses of vaccine.

Sources: USDA/FAS and various news sources.

Vietnam 1997-2006
Chicken Meat Production, Hen Shell Egg Production
(1,000 Metric Tons)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Shell Egg Prod.	158	161	172	185	201	227	243	197	225	225
Chicken Meat Prod.	226	239	262	296	308	338	373	316	322	322

Vietnam 1997-2006
Chicken Meat Production, Hen Shell Egg Production
(1000 Metric Tons)

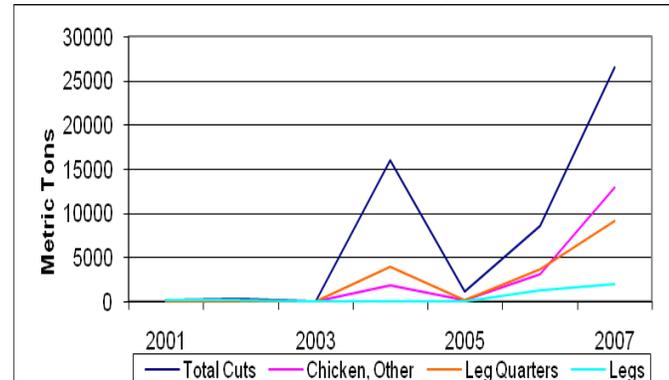


Data copied: March 23, 2008
Faostat.fao.org/site/569/DesktopDefault.aspx. FAOSTAT, Statistics Division, Food and Agriculture Organization of the UN

U.S. Frozen Fowl Cut Exports
To Vietnam 2001-2007

	2001	2002	2003	2004	2005	2006	2007
Total Cuts	183	275	24	16,003	1,193	8,560	26,479
Chicken, Other	0	24	0	1,774	93	3,137	12,938
Leg Quarters	0	63	24	3,936	208	3,667	9,144
Legs	136	189	0	0	9	1,250	2,047

U.S. Frozen Fowl Cut Exports
To Vietnam 2001-2007



Source: USDA/FAS

INSPECTED EGG PRODUCTS-

U.S. & CANADA IMPORT/EXPORT TRADE

U.S. Exports to Canada, in Pounds (000) (Preliminary)

Type	Year-To-Date			
	2008	2007 /1	2008 /2	2007
Liquid	0	241	49	1,338
Frozen	0	0	2	5
Dried	0	0	98	168
Total	0	241	149	1,511

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Type	Year-To-Date			
	2008	2007 /1	2008 /2	2007
Liquid	259	567	3,944	3,698
Frozen	0	2	191	113
Dried	0	40	0	156
Total	259	609	4,135	3,967

Inspected Shell Eggs

U.S Exports to Canada, In 30-Dozen Cases (Preliminary)

	Year-To-Date			
	2008	2007 /1	2008 /2	2007
Jumbo	0	0	0	0
Ex Large	480	1,089	2,810	3,639
Large	4,800	5,190	9,850	12,481
Medium	870	3,300	6,540	7,715
Ungraded	9,600	4,500	43,390	10,380
Misc	0	0	0	85
Total	15,750	14,079	62,590	34,300

/1 Comparable Week, to-date figures may not total due to rounding.

/2 Includes revisions to previous week(s)

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Source: USDA AMS Poultry Programs, Market News & Analysis Branch

**U.S./CANADIAN LIVE POULTRY-
SLAUGHTERED UNDER INSPECTION**

Week Ending 15 Mar-08 (Preliminary)

U.S. fowl slaughtered domestically

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	1,088	1,557	2,645
Last Week	1,353	1,475	2,828
Same week yr ago	1,223	1,220	2,443
To-date/2008	14,829	16,351	31,180
To-date/2007	12,225	14,943	27,168

U.S. fowl slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	290	0	290
Last Week	453	0	453
Same week yr ago	293	0	293
To-date/2008	3,231	12	3,243
To-date/2007	2,366	14	2,380

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Total U.S. fowl slaughtered in the U.S. and Canada

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	1,378	1,557	2,935
Last Week	1,806	1,475	3,281
Same week yr ago	1,516	1,220	2,736
To-date/2008	18,060	16,363	34,423
To-date/2007	14,591	14,957	29,548

Source: USDA AMS Poultry Programs, Market News & Analysis Branch

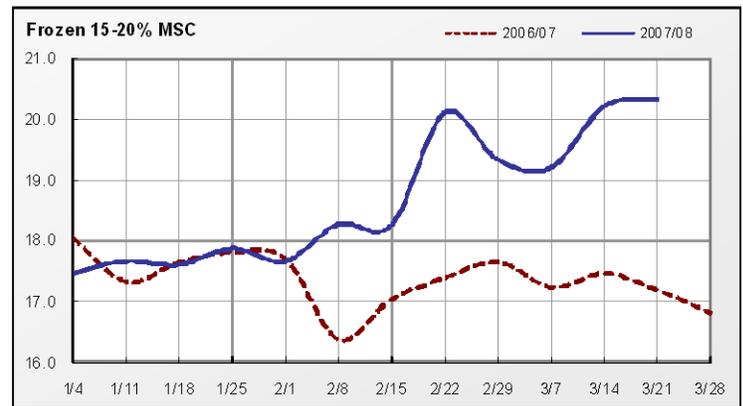
NATIONAL MECHANICALLY SEPARATED CHICKEN

(FOB Shipper Dock or equiv., negotiated prices in trucklot and less-than-trucklot volumes reported in thousand lb. quantities, cents/lb.; delivery within 2 weeks.)

MSC trade sentiment was steady to fully steady. Supplies were in good balance and well cleared on fresh 15-20%; close on the remainder. Moderate to good demand was noted on frozen. Demand for raw materials continues to be good with supplies tight. Domestic movement was mostly moderate. Export demand was light to good with good inquiry from Central and South American countries; Mexico was seasonally quiet with the Easter holiday and border closings. Schedules were mixed, ranging light to normal mostly due to the holiday and a continuation of tight raw materials. Frame values continue to range 5 to 9 cents FOB, mostly 7 to 9 cents FOB. Trading on Frozen 15% or less without skin, kidneys, or sex glands at 26 cents FOB.

Weekly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)

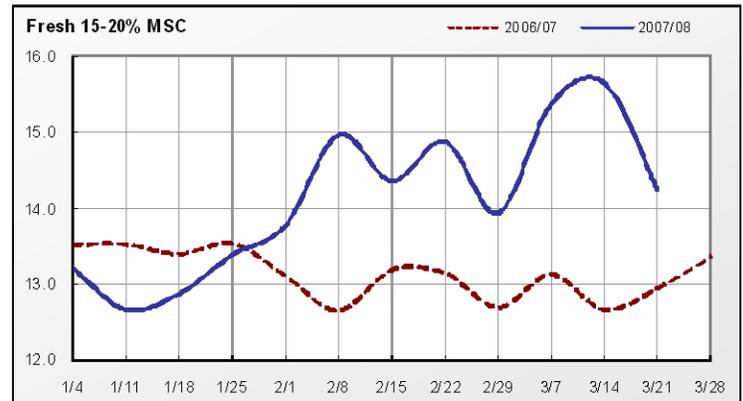
Fat Content	Frozen			Fresh		
	21-Mar-08	Last Week	Last Year	21-Mar-08	Last Week	Last Year
15% or Less						
Price Range	19.00	18.00	16.50-20.00	18.75 - 19.00	18.00 - 19.00	16.00-17.00
Wtd Avg Price	19.00	18.00	16.99	18.86	18.70	16.39
Volume Traded	55	52	289	141	302	364
Vdume Exported	55	52	248	-	-	-
15-20%						
Price Range	16.25 - 24.00	16.25 - 26.00	15.00-21.00	11.50 - 22.00	12.00 - 22.00	11.00-16.00
Wtd Avg Price	20.32	20.22	16.82	14.24	15.65	13.36
Volume Traded	1,550	1,920	1,605	2,474	1,878	3,249
Vdume Exported	1,190	1,560	1,319	367	82	1,265
20% or More						
Price Range	-	-	-	-	-	14.00
Wtd Avg Price	-	-	-	-	-	14.00
Volume Traded	-	-	-	-	-	40
Vdume Exported	-	-	-	-	-	-



Monthly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)

Fat Content	Frozen			Fresh		
	Feb 2008	Jan 2008	Feb 2007	Feb 2008	Jan 2008	Feb 2007
15% or Less						
Wtd Avg Price	20.40	15.69	16.85	17.58	15.70	16.53
Volume Traded	584	215	1,361	1,566	1,486	1,550
Vdume Exported	264	215	1,161	-	-	-
15-20%						
Wtd Avg Price	18.82	17.64	17.06	14.37	13.08	12.93
Volume Traded	8,143	5,922	4,886	11,547	9,007	9,269
Vdume Exported	7,223	5,359	4,166	2,321	2,197	1,997
20% or More						
Wtd Avg Price	-	-	-	18.03	12.00	14.00
Volume Traded	-	-	-	775	82	440
Vdume Exported	-	-	-	-	-	-

Note: Volume exported refers to that portion of the total volume that is destined for export markets.



NATIONAL YOUNG TURKEY PARTS, INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 21 MARCH 2008.

The market tone on 4-8 lb. breasts and mechanically separated turkey (MST) was steady to instances firm. The market tone on balance of parts and meats was steady. Demand was light, many processors shutting down either Friday or Monday for the holiday. Trading was slow to moderate. Offerings light to adequate. For domestic: mechanically separated turkey 19 cents for pet food and fresh scapula 98 cents. For export: fresh tom drums 48 cents delivered.

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME	WEEKLY	WEEKLY
FRIDAY, MARCH 21, 2008	RANGE	CODE 1/	PRICE	(000)	WTD AVG	WTD AVG
					PRICE	VOLUME
						(000)
DRUMSTICKS, TOMS	49.00-53.00		50.29	280	50.54	748
WINGS FULL-CUT - TOMS	50.00		50.00	378	49.70	621
WINGS, V-TYPE, TOM		R	55.00	312	56.27	552
TAILS		F	28.25	120		
MECHANICALLY SEPARATED 2/	22.00-23.50		22.67	242	22.43	282
THIGH MEAT - FROZEN		M	96.00	41	96.00	41

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
THURSDAY, MARCH 20, 2008	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	50.00		50.00	144
WINGS FULL-CUT - TOMS		W	49.57	94
WINGS, V-TYPE, TOM	54.00-57.00		55.00	312
TAILS		F	28.25	120
MECHANICALLY SEPARATED 2/		W	21.00	40
THIGH MEAT - FROZEN		M	96.00	41

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
WEDNESDAY, MARCH 19, 2008	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	51.00		51.00	324
WINGS FULL-CUT - TOMS	49.00-50.00		49.57	94
WINGS, V-TYPE, TOM		M	57.92	240
TAILS		F	28.25	120
MECHANICALLY SEPARATED 2/	21.00		21.00	40
THIGH MEAT - FROZEN		M	96.00	41

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
TUESDAY, MARCH 18, 2008	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		F	52.00	162
WINGS FULL-CUT - TOMS		M	49.00	149
WINGS, V-TYPE, TOM		M	57.92	240
TAILS		F	28.25	120
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN		M	96.00	41

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
MONDAY, MARCH 17, 2008	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		F	52.00	162
WINGS FULL-CUT - TOMS	49.00		49.00	149
WINGS, V-TYPE, TOM	56.00-58.50		57.92	240
TAILS		F	28.25	120
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN	96.00		96.00	41

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.):
M=MONDAY T=TUESDAY W=WEDNESDAY R-THURSDAY F=FRIDAY
2/ Product contains 15/20% fat with skin added.