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Navigating an uncertain future. Opportunities to strengthen collaboration and trade in the beef cattle sector

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This activity received grant funding from the Department of Foreign Affairs and Trade under the Australia-Vietnam Enhanced Economic Engagement Grant Program



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Trends



- Beef consumption in Vietnam has increased strongly over the past 10 years.
- Increased market demand for beef has led to increases in domestic production and also to increases in imports of cattle and beef from overseas, including from Australia.
- Australian exports of beef to Vietnam increased from USD13 million in 2012 to more than USD112 million in 2022.
- Australian cattle exports to Vietnam were valued at around USD57 million per year in 2013. This had increased to USD400 million per year in 2020 before pulling back in the last couple of years.



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Strengthen business relationships



- -The business relationship between the beef cattle industries in the two countries, while not without challenges in the early days, has steadily developed and significant investments have been made by both sides.
- The sectors in both countries have experienced multiple shocks and stresses (see below)



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Shocks affecting beef cattle markets in Vietnam and Australia



- Disruptions to supply chains, cross-border trade, and consumer demand from COVID-19.
- The impacts of transboundary diseases (LSD and FMD), and food safety concerns (salbutamol)
- A reduction in cross-border and transit trade of Mekong cattle to China.
- Rapid and substantial fluctuations in the price of Australian cattle, significant increases followed by decreases.
- Increases in the import of frozen beef and IBM, accompanied by changes in meat trading and consumption patterns.
- Increasing costs of animal feeds, fertilizers, and petrol.
- Changing demand for fresh hot beef from local slaughterhouses.
- Declining Mekong region cattle prices



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A new phase of collaboration



- The relationship between the two industries is now entering a new phase of where the emphasis will be on collaboration and partnership and investment for sustainable livestock sector development.
- A good example of this is exports of breeding cattle from Australia to Vietnam, rather than only fattening or slaughter cattle.
- Key areas of future collaboration and investment between Vietnam and Australia have been identified in 2021 and 2022 under the Australia-Vietnam Enhanced Economic Engagement project “ Blueprint for beef cattle sector development, trade and investment between Vietnam and Australia” in AVEG1.



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Priority investment areas identified under AVEG1



- Market information and analysis
- Breeding and genetics
- Feedlot efficiency and performance
- Processing and value addition
- Food safety and integrity systems
- Animal welfare implementation
- Epidemics and transboundary disease
- Digital technologies and data analytics
- Regulation and enabling environment.



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Different forms of investment between Vietnam and Australia

- Technical collaboration
- Research and development
- Innovation and technology adoption
- Trade in cattle, beef and genetics
- Skills and labour
- Infrastructure
- Relationships and collaboration
- Policy and enabling environment.



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A first step to strengthening technical collaboration, trade and investment Vietnam and Australia

- This symposium is a direct response to these priorities and a request for closer technical collaboration in key areas by MARD.
- The symposium is also an opportunity to identify concrete next steps for future business, trade and technical collaboration.



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