



Vietnam's Abattoir Sector Animal Welfare and Integrity

Alta

FOOD AND AGRICULTURE PTE LTD

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**Integrity is not One thing.
Young customers and
Vietnamese expect it all!**

- **Antibiotic resistance**
- **Disease control for humans and animals**
- **Combat illegal import**
- **Increase productivity and quality**
- **Anti-brand counterfeiting / substitution**
- **Food safety**
- **Transparency, increasing trust of partners**
- **Animal welfare**
- **Sustainable livestock farming, reducing waste**

**Abattoirs and meat
distribution is currently the
biggest limitation for cattle
industry development in
Vietnam**

Before 2014



Low volumes (5 head)

Whole animal sold.

Abattoirs were small and unhygienic.

Sold and eaten fresh so sickness was rare.

Frozen meat was from yesterday. And not good.

Located in urban areas, close to end consumers or where animals were sold.

No real consideration for animal welfare.

But trust between humans made the system work.

Australian Cattle



Better consistency and quality of supply.
Same impact as improving Vietnamese cattle genetics and feeding overnight.

Still whole animal sold.
Still sold as fresh meat.

Investment in infrastructure to hold animals.
Growth in abattoir size.

ESCAS introduced stunning and better husbandry
CCTV and traceability systems
Reliant on Australian cattle volumes
Integrity turned to validation

**We have come a long way
very fast...**

**Be proud of your
achievements.**

but...

What did COVID do for the industry?



People couldn't get to wet markets.
And couldn't afford beef.

People realised that imported frozen meat was consistent, high quality, cheaper, and easier.

High Australian cattle prices. Imports dropped.
Salbutamol reduced number of Thai cattle.

Integrity lost and expensive to get back

How do Modern Abattoirs Work?

High standards for environment, food safety, animal welfare. Lots of trust. Lots of access.

High overheads - Infrastructure, loss of meat, cost of processing is huge (~\$300)

Balance the carcass - Can send each cut to the most profitable destination.

Prices and profitability constantly changing.

Requires very **high volumes**

And access to **export (value) markets**

And what exists in Vietnam?

Large investment needed to be able to store beef (chilled or frozen). Integrity issues.

Staff costs are low. But low volumes limit profit. Limited access to quality abattoir infrastructure

100% Carcass sold in Vietnam and so whole carcass can't compete for price.

Global markets create instability with local prices.

Low volumes

No access to export (value) markets

What this means for Animal Welfare and Integrity



Enforced ESCAS Standards meant everyone had to invest to improve

Still need training, training, training

Systems for captive bolt devices, and monitoring evolved around Australian cattle.

Monitoring livestock movement is not enough, but an important first step.



Government Support

- Chilled Meat Standards
- Animal Welfare Standards
- Border Closures

We need to reduce investment in cool new technology and farm to fork traceability.

Understand how to sell the animal.
And be consistent

**We can predict
Vietnam's beef industry
future by looking around
the world**

Option 1

Consolidated Production



~1.3 million head killed annually.

5 Abattoirs processing high quality chilled and frozen products into main cities
200,000 - 500,000 head

Pull trough for closed loop systems - improved production, WOAH disease free zones, larger more productive farm systems.

Other cattle can still be processed locally for small remote towns but shouldn't enter the major city markets.

Investment from overseas into meat processing.

Businesses learn to sell the carcass in competition with imported products and compete directly with a better local product.

Option 2 Niche Model

~1 million head mainly local cattle killed annually

1-2 importers

Maybe 2 high quality abattoirs processing 20,000 head into chilled local meat market

Solid traditional supply chain. Likely with limited investment from overseas.

Very little investment needed and production will turn to cattle exports to China or local farmers selling into small wet markets.



Key Takeaways:

- The rapid development has been amazing!
- Legal Standards create a framework that now needs to be consistently enforced
- Without abattoir development all the other aspects of the beef industry can not modernise
- Animal welfare, integrity, traceability, and environment are important but come at a cost for production
- You are competing with global systems for price and quality.
- Training and infrastructure support is needed

**Thank you for joining me
and I look forward to the
future.**



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