

OVERVIEW OF POLICY ON CATTLE SECTOR IN VIET NAM

Rural Development Center (RUDEC)

Institute of Policy and Strategy for Agriculture and
Rural Development (IPSARD)

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2. Support policies
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1. The legal framework for managing cattle sector is increasingly synchronous, enhancing environmental protection, productivity, and product quality (1)



- Law on animal husbandry
- Guiding Decrees (13, 14, 46)
- Circulars of MARD (20, 21, 22, 23, 31)
- Law on veterinary medicine, Law on environment protection

- **Livestock is a conditional sector:** Organizations and individuals that raise livestock must declare their livestock activities to the Commune People's Committee. Raising 01 cattle must declare.
- **Regulations on livestock density limits by regions:** Red River Delta (1.8 livestock unit/ha); Northern midlands and mountainous areas (1.0 livestock unit/ha); North Central and Central Coast (1.0 livestock unit/ha); Central Highlands (1.0 livestock unit/ha); Southeast (1.5 livestock unit/ha); Mekong Delta (1.0 livestock unit/ha). The Provincial People's Committee decides local livestock density, but not exceed the livestock density of the region.
- **Animals must be treated humanely in breeding, transporting, slaughtering, and scientific research.**
- **Conditions for family farms:** raising area separates to human residences; having appropriate methods for preventing animal disease; collecting livestock waste under legal regulations.
- **Conditions for farms:** Suitable locations; ensuring water sources; having measures to protect the environment according to Law on environment protection; having records for tracing origin of animals; ensuring a safe distance (from 150 – 500m according to farm scale); Large-scale farms (300 livestock units or more) must be granted a Certificate of eligibility for animal husbandry.

1. The legal framework for managing the livestock industry is increasingly synchronous, enhancing environmental protection, productivity, and product quality (2)



- Law on animal husbandry
- Guiding Decrees (13, 14, 46)
- Circulars of MARD (20, 21, 22, 23, 31)
- Law on veterinary medicine, Law on environment protection

- **Regulations on livestock waste treatment:** Regulations on livestock waste treatment are mandatory, ensuring compliance with legal regulations on wastewater and gas emissions according to prescribed standards for solid waste of organic origin, wastewater and gas emissions for livestock farms. For family farms, it needs to have measures to treat manure, wastewater, gas emissions to ensure environment quality and not affect surrounding people.
- **Regulations on livestock wastewater:**
 - QCVN 62-MT: 2016/BTNMT (National technical regulation on livestock waste water): Regulations on limits of pollutants in livestock wastewater before being discharged into the environment (COD, BOD₅, nitrogen...)
 - QCVN 01-195:2022/BNNPTNT (National technical regulation on livestock wastewater used for crops): Regulations on maximum limits for substances in livestock wastewater used for crop irrigation purposes (chloride, arsenic, mercury, ecoli...). The purpose is to take advantage of nutrients for plants and reduce treatment costs.
- **The Law on Environment Protection stipulates that environment impact assessment (EIA) must be implemented for projects that have the risk of causing environmental pollution:** (i) Industrial-scale livestock farming with high capacity (> 1,000 livestock units), medium capacity (from 100 - less than 1,000 livestock units); Industrial-scale cattle slaughterhouses with large capacity (from 1,000 cattle/day), medium capacity (100 - to less than 1,000 cattle/day)

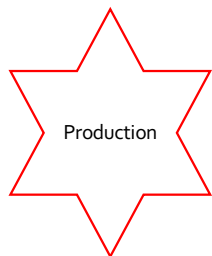
1. The legal framework for managing the livestock industry is increasingly synchronous, enhancing environmental protection, productivity, and product quality (3)



- Law on animal husbandry
- Guiding Decrees (13, 14, 46)
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- The slaughter location must be separate from environmental pollution areas; concentrated areas for household waste, industrial and hospital waste treatment zones (Article 20, Decree 66/2016/NDCP).
- Individuals and business organizations transporting animals and animal products out of the province are required to carry out Quarantine of animals and animal products (Veterinary Law, Circular 07/VBHN-BNNPTNT).
- Regulations on sanctioning administrative violations in livestock production (Decree 14/2021/ND-CP): Penalties for violations of livestock farming conditions and livestock waste treatment. The highest punishment level for violations of livestock waste treatment is 20 million VND/farm, the additional penalty is revoking livestock registration certificate if regulations are violated.
- The Law on Environment Protection 2020 also stipulates handling environment protection violations for organizations and individuals: the State requires responsibility to address pollution, restore environment, pay compensation for damages, and will be handled according to the provisions of this Law and other relevant laws.

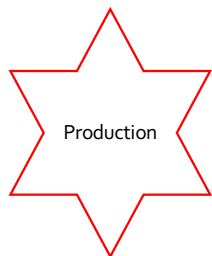
2. Support policies for beef cattle farming (1)



1. Land

Support policy contents	Legal basis
<ul style="list-style-type: none">- Land fund for concentrated livestock farming- Increase the scale of agricultural land transfer (15 times)- Flexibly change the structure of crops and livestock for agricultural production land- Mechanism for concentration and accumulation of agricultural land	2023 Land law
<ul style="list-style-type: none">- Exemption or reduction of land rental: Applicable to enterprises with agricultural projects with investment incentives. Land rent exemption period (7, 11 years), 50% reduction for the next 5-7 years.- Support for land concentration: Applicable to enterprises with special preferential agricultural projects with land sublease (Support of 20% of land rent for the first 5 years); Projects receiving capital contributions in land (50 million VND/ha, not exceeding 10 billion VND/project)- Support for raw material area infrastructure: Applicable to enterprises with agricultural projects receiving investment incentives. Support level: 50 million VND/ha, not exceeding 10 billion VND/project.	Decree 57/2018/NĐ-CP

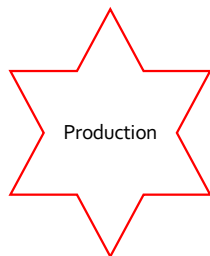
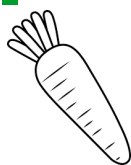
2. Support policies for beef cattle farming (2)



2. Credit

Support policy contents	Legal basis
<ul style="list-style-type: none">• Access to unsecured capital: 100 million VND for individuals/households in outside rural area; 200 million VND for individuals/households in rural area; 300 million VND for cooperation groups and business households; 1 billion VND for cooperatives, farms, agricultural enterprises.• Unsecured loans for linkage models: Unsecured loan level is 70% of the value of the linkage project; 80% of the value of the linkage project for value chain linkage.• Credit policy for high-tech application agriculture production: Applies to projects in high-tech application agriculture zones/areas. Unsecured loan level is 70% of the value of the technology transfer contract.	Decree 55/2015/NĐ-CP Decree 116/2018/NĐ-CP (revised and updated)
<ul style="list-style-type: none">• Support for commercial loan interest rate differences: Applicable to enterprises with investment projects in agriculture and rural areas. Support period is maximum 8 years. Loan limit with interest rate support: no more than 70% of the total investment of the project.	Decree 57/2018/NĐ-CP
<ul style="list-style-type: none">• Support on hiring consultants for linkage model: a subsidy of 100% of cost for hiring consultants for establishing a linkage model, not exceeding 300 million VND.	Decree 98/2018/NĐ-CP

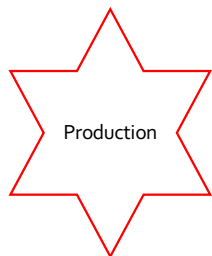
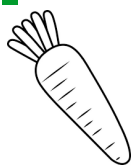
2. Support policies for beef cattle farming (3)



3. Infrastructure

Support policy contents	Legal basis
<ul style="list-style-type: none">• Infrastructure investment support for beef cattle projects: 05 billion VND/project to build infrastructure for waste treatment, transportation, electricity, water, factories and equipment purchase.• Infrastructure investment support for slaughtering/processing livestock products. The support level is 60% of investment costs and not exceeding 15 billion VND/project to build infrastructure for waste treatment, transportation, electricity, water, factories and purchase of equipment.	Decree 57/2018/NĐ-CP
<ul style="list-style-type: none">• Infrastructure support for linkage projects: supporting 30% of capital investment in machinery and equipment, building infrastructure to support the linkage, and not exceeding 10 billion VND.	Decree 98/2018/NĐ-CP

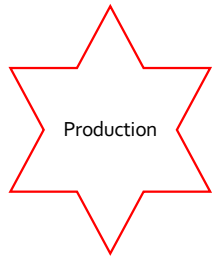
2. Support policies for beef cattle farming (4)



4. Science and technology applications

Support policy contents	Legal basis
<ul style="list-style-type: none">• Support enterprises to carry out pilot production projects to apply new technology, high technology, and produce new products. The level of support (70%; 50%) of the funding to perform the task depends on the level of investment incentives, but not exceeding 01 billion VND.• Support enterprises with livestock breed production projects approved by the Provincial People's Committee. The support level is 70% of the cost, not exceeding 03 billion VND.• Enterprises investing in high-tech application agriculture zones, areas, and projects are supported with a maximum of 300 million VND/ha to build infrastructure, equipment, and environmental treatment.	Decree 57/2018/NĐ-CP
<ul style="list-style-type: none">• Support livestock farming in alignment with VietGAP and organic standards. Support costs for assessment, sampling, and analysis of livestock areas; certification costs.	Decree 109/2018/NĐ-CP Decision 01/2012/QĐ-TTg (VietGAP)

2. Support policies for beef cattle farming (5)



4. Taxes and fees

Support policy contents	Legal basis
Continue to extend agricultural land use tax exemption until December 31, 2025	Resolution 107/2020/QH14
VAT: VAT exemption (5%) for businesses/cooperatives that buy, sell, and exchange livestock products (cattle meat after slaughter, cooling, freezing).	VAT Law (106/2016/QH13)
Enterprise/Cooperative income tax exemption: Cooperatives/enterprises is exempt from income tax: Livestock cooperatives; Livestock cooperatives in difficult and especially difficult socio-economic areas; Livestock enterprises in especially difficult socio-economic areas.	Law 22/VBHN-VPQH (Law on corporate income tax)

2. Support policies for beef cattle farming (6)



5. Trade and consumption



Support policy contents	Legal basis
<ul style="list-style-type: none">Consumption of livestock products is associated with the linkage chain. Prioritize the consumption of branded livestock products, associated with linkage chains, and having product consumption contracts for livestock farmers.	Decision 1520/QĐ-TTg
<ul style="list-style-type: none">Encourage enterprises to invest in building wholesale markets, auction centers, and e-commerce platforms to introduce, promote, and auction livestock breeds and livestock products.	
<ul style="list-style-type: none">Establish appropriate technical barriers and expand trade promotion activities for livestock products, especially key livestock products with advantages.	

2. Support policies for beef cattle farming (7)

Import tax and VAT for live beef cattle

V	HS Code	Description	Normal import tax	Document	Effective date	Preferential import tax	Document	Effective date	VAT
0	0102	Live bovine animals							
1		- Cattle:							
2	01022100	- - Pure-bred cattle for breeding	5	15/2023/QĐ-TTg	15/07/2023	0	26/2023/NĐ-CP	15/07/2023	*
2	010229	- - Other:							
3		- - - Male cattle:							
4	01022911	- - - - Oxen ^(SEN)	7.5	15/2023/QĐ-TTg	15/07/2023	5	26/2023/NĐ-CP	15/07/2023	*.5
4	01022919	- - - - Other	7.5	15/2023/QĐ-TTg	15/07/2023	5	26/2023/NĐ-CP	15/07/2023	*.5
3	01022990	- - - Other	7.5	15/2023/QĐ-TTg	15/07/2023	5	26/2023/NĐ-CP	15/07/2023	*.5

2. Support policies for beef cattle farming (8)

Import tax and VAT for beef

V	HS Code	Description	Normal import tax	Document	Effective date	Preferential import tax	Document	Effective date	VAT
0	0201	Meat of bovine animals, fresh or chilled.							
1	02011000	- Carcasses and half-carcasses	45	15/2023/QĐ-TTg	15/07/2023	30	26/2023/NĐ-CP	15/07/2023	*.5
1	02012000	- Other cuts with bone in	30	15/2023/QĐ-TTg	15/07/2023	20	26/2023/NĐ-CP	15/07/2023	*.5
1	02013000	- Boneless	21	15/2023/QĐ-TTg	15/07/2023	14	26/2023/NĐ-CP	15/07/2023	*.5
0	0202	Meat of bovine animals, frozen							
1	02021000	- Carcasses and half-carcasses	30	15/2023/QĐ-TTg	15/07/2023	20	26/2023/NĐ-CP	15/07/2023	*.5
1	02022000	- Other cuts with bone in	30	15/2023/QĐ-TTg	15/07/2023	20	26/2023/NĐ-CP	15/07/2023	*.5
1	02023000	- Boneless	21	15/2023/QĐ-TTg	15/07/2023	14	26/2023/NĐ-CP	15/07/2023	*.5

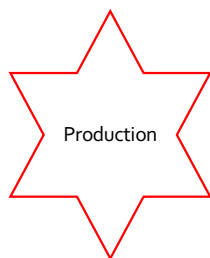
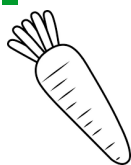
List of countries (26 countries) and enterprises eligible to export meat and animal meat products to Viet Nam: at the website of the Department of Animal Health (<https://cucthuy.gov.vn/danh-sach-cac-doanh-nghiep-cua-22-nuoc-du-dieu-kien-xuat-khau-thuc-pham-co-nguon-goc-dong-vat-tren-can-vao-viet-nam>)

2. Support policies for beef cattle farming (9)

Beef import tax under trade agreements: the majority of Viet Nam's commitments have brought the tax rate on import of live animals and meat to 0% without import quotas.

V	HS Code	Description	ACFTA	ATIGA	AJCEP	VJEPA	AKFTA	AANZF TA	AIFTA	VKFTA	VCFTA	VN- EAEU	CPTPP	AHKFT A	VNCU	EVFTA	UKVFTA	VN- LAO	RCEPT						
																			A	B	C	D	E	F	
0	0201	Meat of bovine animals, fresh or chilled.																							
1	02011000	- Carcasses and half-carcasses	0	0	1	2.5	o(-LA, KR)	0	0	0	10	0	0	12		0	0			21	21	21	21.8	21	21
1	02012000	- Other cuts with bone in	0	0	1	2.5	o(-LA, KR)	0	0	0	0	0	0	8		0	0			14	14	14	14.5	14	14
1	02013000	- Boneless	0	0	1	2.5	o(-LA, KR)	0	0	0	0	0	0	6		0	0			9.8	9.8	9.8	10.2	9.8	9.8
0	0202	Meat of bovine animals, frozen																							
1	02021000	- Carcasses and half-carcasses	0	0	1	2.5	o(-LA, KR)	0	0	0	0	0	0	8		0	0			14	14	14	14.5	14	14
1	02022000	- Other cuts with bone in	0	0	1	2.5	o(-LA, KR)	0	0	0	0	0	0	8		0	0			14	14	14	14.5	14	14
1	02023000	- Boneless	0	0	1	2.5	o(-LA, KR)	0	0	0	4	0	0	6		0	0			9.8	9.8	9.8	10.2	9.8	9.8

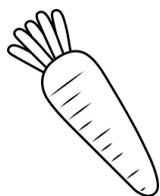
2. Support policies for beef cattle farming (10)



6. Risk support

Contents	Legal basis
<p>Support for agriculture insurance fee: The Government has a policy to support agricultural insurance premiums for beef cattle, specifically:</p> <ul style="list-style-type: none">+ 90% of insurance fee/individual that produces agricultural products and is a member of a poor household or near poor household;+ 20% of insurance fee/individual that produces agricultural products and is not a member of a poor household or near poor household;+ 20% of insurance fee for organization that produces agricultural products by using large-scale and concentrated model that applies high technologies,... <p>Limitations: Support for insurance fees until December 31, 2025 (Decision 13/2022/QĐ-TTg implementing agricultural insurance support policy)</p>	Decree 58/2018/NĐ-CP (agricultural insurance)
<p>Support to recover agriculture production suffering from natural disasters and epidemics:</p> <ul style="list-style-type: none">+ Losses caused by natural disasters: Beef cattle of 6 months of age: 500,000 - 2 million VND/cattle; over 6 months of age: 2 million-6million VND/cattle;+ Losses caused by epidemics: support 45,000 VND per kilogram for bufflalo, cow...	Decree 02/2017/NĐ-CP (natural disasters and epidemics)
No interest payment for outstanding debts subject to damage by natural disasters or epidemic within a maximum time period of 02 (two) years	Decree 55/2015/NĐ-CP

2. Support policies for beef cattle farming (11)



- Decision 1520/QĐ-TTg (animal husbandry strategy)
- Decision 1741/QĐ-TTg (breeds)
- Decision 1625/QĐ-TTg (animal feed)
- Decision 1740/QĐ-TTg (slaughtering and processing)
- Decision 1742/QĐ-TTg (science and technology)

7. List of priority projects for implementation in strategic projects (2023 – 2030)

Priority projects/tasks	Expected capital (Billion VND)
1. Build and develop a beef cattle breed system	300
2. Develop industrial production, processing and preservation of agricultural by-products for animal feed	700
3. Develop raw material production areas for animal feed	200
4. Build a quality control system and an auction trading center for livestock products	500
5. Develop Viet nameese standards and regulations for slaughtering, processing and consuming livestock products	20
6. Build an electronic traceability system for exported livestock products	200
7. Research key livestock breeds with high productivity and quality to meet domestic consumption and export	200

3. General comments: Lack of overall direction and implementation resources

- The legal institutional framework for livestock management is increasingly strict toward increasing environment protection, productivity and quality. Therefore, investment costs for livestock production also increase.
- The 2023 Land Law has many breakthroughs for beef cattle farming (regulations on concentrated livestock land, flexible conversion of crop structure to develop food crops).
- General support policies for agriculture from producing, processing, and consuming products are relatively synchronous (Decree 55, 57, 98). However, implementation process still has many shortcomings, making the policy effectiveness not high.
- There is currently a lack of specific support policies for the livestock sector. Lack of a comprehensive project to develop beef cattle farming.
- Resources for the development of the beef cattle sector are very limited: The Government does not allocate funding sources for implementing strategic livestock projects, but stipulates that it comes from annual, integrated funding sources. The National Target Programs 2021-2025 have a very large budget, but do not specifically stipulate the content and funding sources for livestock (beef cattle).
- Beef cattle farming is presently evolving with an incomplete value chain. The range and number of products connected within the chain remain limited and unsustainable. There is a shortage of deeply processed products, and a brand name has not yet been established.

4. Policy recommendations

Orientation for the development of beef cattle farming until 2030

General orientation:

- Develop livestock production along the value chain, effectively exploit the potential and advantages of regions to meet domestic demand and export.
- Develop sustainable and effective livestock production, adapting to climate change associated with value chain development, humane treatment of livestock, and protection of the environment and ecosystem.

Specific objectives to 2030:

- Stabilize beef cattle herd with size of 6.5 - 6.6 million heads, of which about 30% are raised on farms
- Proactively produce beef cattle breeds that meet 70% of domestic production needs

4. Policy recommendations

- The Government should issue a Decree on support policies to improve livestock efficiency to replace Decision 50, which expired in 2020.
- Effectively implement the contents of the Strategy and 04 component projects approved by the Government; focusing on supporting planning, allocation and integration of resources.
- Research and propose technical requirements for importing cattle and cattle products to protect domestic cattle and buffalo sector;
- Effectively implement measures to prevent informal live cattle. Propose the Ministry of Industry and Trade to coordinate with the Ministry of Foreign Affairs to amend the Viet Nam-Laos Border Agreement in the direction of having control measures.
- Consider to reduce fees and corporate income taxes to support livestock enterprises to restore production (end of 2025).
- Complete Viet Nam's standard systems for beef cattle products to serve as a basis for enterprises to improve their competitiveness.
- Ministry of Agriculture and Rural Development studies and develops a separate development project for the beef cattle industry

4. Policy recommendations

- Integrate policies to promote science and technology application in Circular Economy in agriculture, including a content for the livestock sector
- Applying information technology to manage quality along the supply chain/traceability to ensure meat quality for domestic and export markets.
- Support for branding for livestock enterprises, including beef cattle enterprises

Thank you very much!



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