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Competitiveness of Poultry and Pig Production in Vietnam: An application of Policy Analysis Matrix

Abstract -

Policy Analysis Matrix was applied to assess the competitiveness of local, crossbred and exotic breeds of poultry and pig production in North and South Vietnam using data from a stratified sample of 2213 farms collected in 1999. Results show that poultry meat and egg production is generally competitive except meat and egg production with local breeds, and egg production with crossbreeds in the North, and egg production with local breeds in the South, due to low productivity and high per unit cost. There are economies of scale in the North but it is not so clear in the South. Domestic prices of both outputs and inputs are higher than the world prices. If output prices fall moderately due to withdrawal of protective policies and domestic demand slows down from the current high levels, poultry breeds that are profitable under the existing situation would still remain competitive. Pig production under existing technologies and market conditions is highly competitive, especially with local and crossbreeds in the North and exotic breeds in the South. Currently the producers in the South are apparently benefiting more due to market conditions and policy that make input cost higher and output price lower in the North. There are economies of scale in pig production. Medium farms are more cost effective, and small farms are least competitive. Unless targeted support is provided to small farms, they are likely to be pushed out of business in a more liberalized economic environment.

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Yes