



Domestic livestock is likely to be well again

- Domestic market: ready-to-cook chicken price goes up in Hanoi
- In Thuong Tin, the largest poultry wholesale market of whole country is being built
- Mouth and foot disease continues to spread out
- Chicken exports from Thailand are forecast to drop by 5% in 2009
- Market prospects

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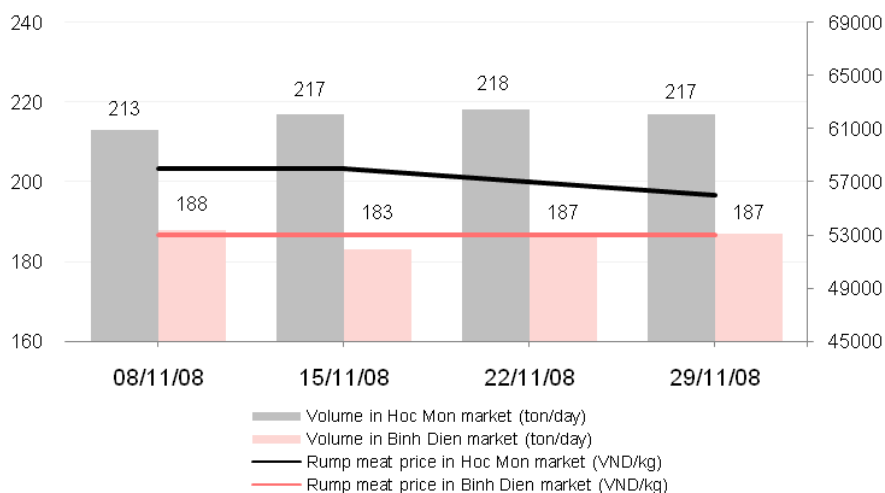
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I. DOMESTIC MARKET

Pork: Unlike trend by 22nd November, amount of pork in 2 Ho Chi Minh wholesale markets decreased slightly by 29th November (0.25%). At Binh Dien market, amount of pork is 187 ton/day. After an increase of 5 ton/day by 22nd November, volume of pork at Hoc Mon market declines 1 ton/day (a reduction of 0.46%), to 217 ton/day. Regardless of a decline of pork volume at these markets, rump pork price at Hoc Mon this week decreases further 1,000 VND/kg to 56,000 VND/kg while the price at Binh Dien market continues to remain steady at 53,000 VND/kg.

Pork volume and prices in HCMC wholesale market



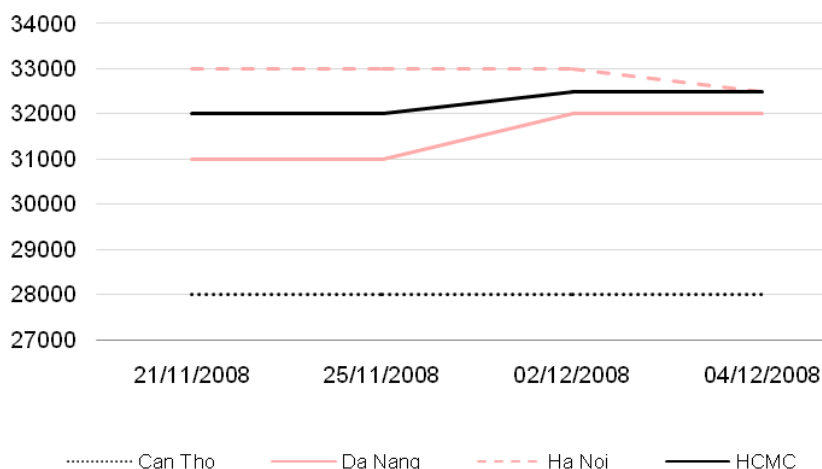
Source: www.agro.gov.vn

This week, over 80kg-live hog price in Can Tho starts to stop declining at 28,000 VND/kg after constant reductions within past weeks. Meanwhile in Da Nang and Ho Chi Minh, the prices tend to increase again. In Da Nang, the price increases 1,000 VND/kg to 32,000 VND/kg, and increases 500 VND/kg to 32,500 VND/kg in Ho Chi Minh. Only in Hanoi, the price this week continues to drop down (a decrease of 0.76%).

Change in pork prices				
Market	Can Tho	Da Nang	Hanoi	Ho Chi Minh City
Live-hog over 80 kg				
This week (VND/kg)	28,000	32,000	32,750	32,500
Last week ((VND/kg)	28,000	31,000	33,000	32,000
Change (VND/kg)	0.00	1,000	-250	500
Change (%)	0.00	3.23	-0.76	1.56
Rump pork				
This week (VND/kg)	58,000	62,000	60,000	63,000
Last week ((VND/kg)	58,000	61,000	60,000	62,000
Change (VND/kg)	0.00	1,000	0.00	1,000
Change (%)	0.00	1.64	0.00	1.61

Source : www.agro.gov.vn

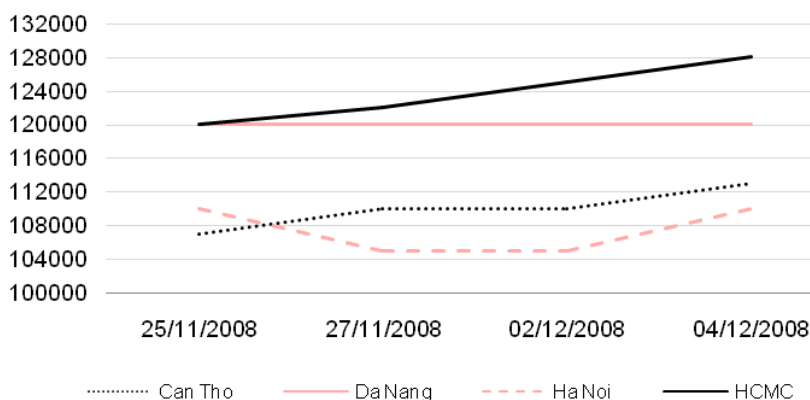
Prices of live hog (over-80-kg pig) (VND/kg)



Source : www.agro.gov.vn

This week, rump pork prices in Da Nang and Ho Chi Minh increase again similar to the trend of live hog price. Two remaining markets have stable prices compared to last week, 60,000 VND/kg in Hanoi and 58,000 VND/kg in Can Tho. Accordingly, compared to last month, the prices in markets this week are still higher with an increase of 0.17%, 0.98%, 1.04% in Can Tho, Da Nang and Ho Chi Minh, respectively. Only in Hanoi, the price declines 4.76%.

Leg beef prices (VND/kg)



Source : www.agro.gov.vn

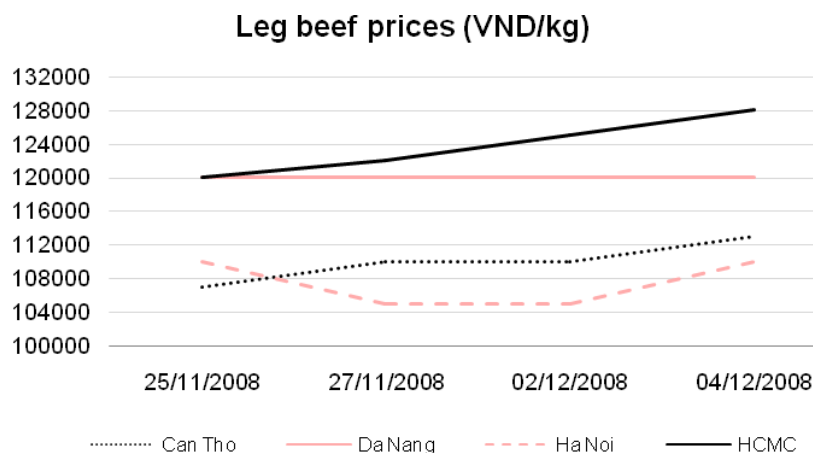
Beef: This week, leg beef price in Can Tho continues to increase more 4,500 VND/kg, to 111,500 VND/kg. In Ho Chi Minh, the price this week continues to increase to 126,500 VND/kg, up 6,500 VND/kg (an increase of 5.42%). The price in Da Nang is 120,000 VND/kg. Only in Hanoi, price is down (a decrease of 2,500 VND/kg). From the first 11 months, the price in Can Tho, Da Nang and Ho Chi Minh increases 9.4%, 10.89% and 14.49%, respectively ; Hanoi is the market which has the lowest increase (up 5.20%).

In the Northern mountainous provinces, the weather is very severe, the temperature drops down 10°C at night as well as hoarfrost appears very

much, which do not only have negative impacts on farm products but also threaten cattle and cause deficiency in feed.

Change in beef prices				
Market	Can Tho	Da Nang	Hanoi	Ho Chi Minh City
This week (VND/kg)	111,500	120,000	107,500	126,500
Last week (VND/kg)	107,000	120,000	110,000	120,000
Change (VND/kg)	4,500	0	-2,500	6,500
Change (%)	4.21	0.00	-2.27	5.42

Source: www.agro.gov.vn



Source: www.agro.gov.vn

Chicken: Price for ready-to-cook original chicken in Hanoi starts to increase, up 5,000 VND/kg to 85,000 VND/kg for origin chicken and 10,000 VND/kg to 50,000 VND/kg for industrial chicken. Meanwhile, the price in Lam Dong continues to remain unchanged 90,000 VND/kg for origin chicken and 42,000 VND/kg for industrial chicken.

II. FACTORS EFFECTING SUPPLY SOURCE

1. Epidemic diseases

Blue-ear disease: There is not any provincial report on the disease sources. Thus, blue-ear disease is controlled successfully in the whole country.

Mouth and foot disease: In Ha Tinh and Yen Bai, new disease sources continue to be found. This week, it newly appears in Thai Binh and Ninh Binh. From 23rd-28th November 2008, Ninh Binh Province found infected 25 cows and 7 buffalos in Yen Thanh and Yen Hoa Communes, Yen Mo District. Provincial Veterinary Bureau along with appropriate authorities takes samples and applies methods of stopping spread of this disease.

From 25th-27th November 2008, 24 infected cattle were found in Nam Binh, Vu Cong and Vu Binh Communes, Kien Xuong District, Thai Binh. Up to 30th November 2008, Thai Binh Veterinary Bureau found further new disease sources in Binh Dinh and Hong Tien Commune, Kien Xuong District that

caused 9 buffalos to be infected. Up to 3rd December 2008, there were 33 infected buffalos in Kien Xuong District.

On 1st November, 2 infected cows were found in Ky Hai Commune, Ky Anh District, Ha Tinh. Up to 2nd December 2008, 6 infected cattle were found in communes including Ky Hop (2 buffalos), Ky Hung (2 cows), Ky Tien (2 cows). Up to 2nd December 2008, total infected cattle in Ky Anh District were 424 cows and buffalos.

According to report from I Veterinary Bureau, 5 infected cattle were found in Dong Khe Commune, van Chan District, Yen Bai Province on 2nd December 2008.

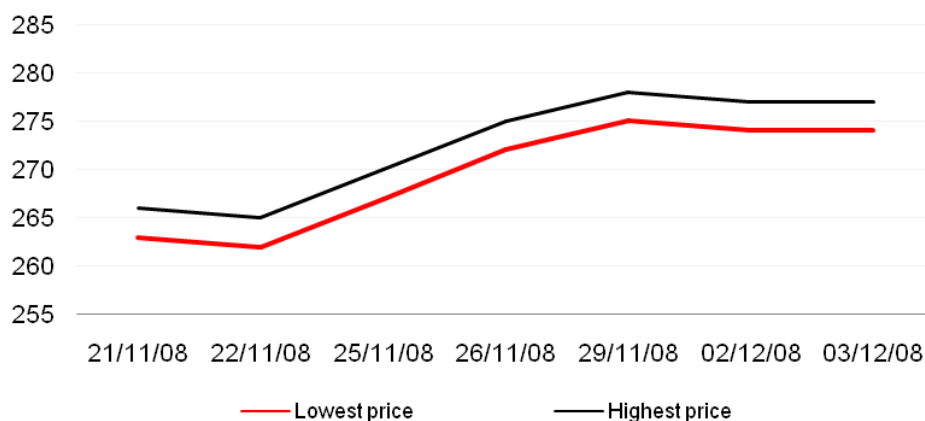
Thus, now there are 6 provinces including: Nghe An, Yen Bai, Thanh Hoa, Ninh Binh, Thai Binh and Ha Tinh, in which foot and mouth disease has not passed 21 days.

Avian influenza: This week, avian influenza in Nghe An passes 21 days. Thus, it is controlled successfully in the whole country.

2. Animal feed

Similar to last week, Indian soybean meal price delivered in Bedi/Kandla port ranges of 274-277 USD/ton this week. Compared to low price level on 22nd November 2008 (262-265 USD/ton), the price increases about 10 USD/ton this week. However, compared to the record price of July, current price declines about 50%. A sharp reduction in soybean meal price is a positive signal for raisers because it will help feed price decrease. However, this is a worry for feed enterprises because they can be closed down due to loss-making. When the price increased at high level of more 550 USD/ton, many enterprises were in hurry to import a bulk of soybean meal because they thought the price would continue to increase. Up to present, the price declines more 50% (more 200 USD/ton) while feed ingredients with high price are much in stock because domestic livestock develops slowly, which makes enterprises have difficulties in resolving it. If they still continue to keep high sales price, nobody will buy them because the prices in other markets are decreasing but if they reduce in the price which is as the same as market price, they will sell at a loss of USD hundreds/ton. Thus, it is very difficult for them to continue operating.

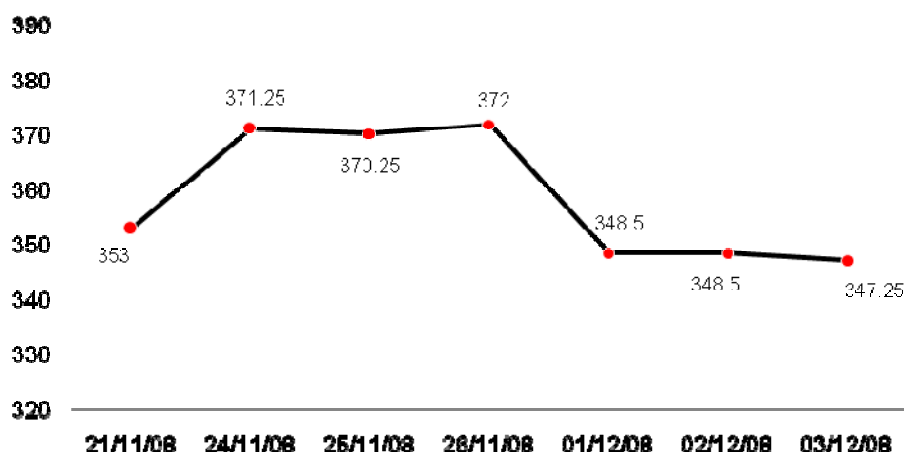
Soybean meal FAS/FOB price at Bedi/Kandla port - India (USD/ton)



Source: www.sopa.org

This week, corn price delivered by March 2009 continues to sharply decline to 347-348 Uscent/bushel. The price delivered by March 2009 declines at lower level than the price delivered by December 2008, which proves risks of many countries's 2009 economies such as U.S.

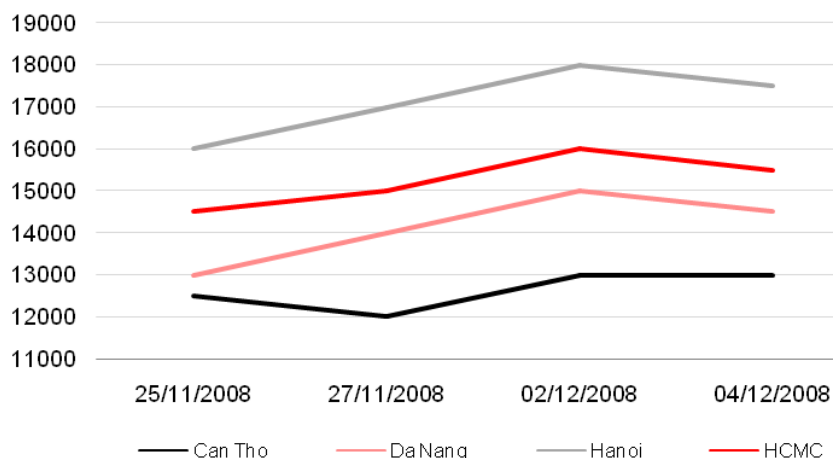
March corn price in CME (Uscent/bushel)



Source: www.cbot.com

Soybean price immediately increase again at high level. It sharply increases 1,750 VND/kg in Da Nang and Hanoi, 1,250 VND/kg in Ho Chi Minh (up 8.62%) and 500 VND/kg in Can Tho. Accordingly, the price this week in Hanoi, Ho Chi Minh, Da Nang and Can Tho is 17,750 VND/kg, 15,750 VND/kg, 14,750 VND/kg and 13,000 VND/kg, respectively.

Soybean prices (VND/kg)



Source: www.agro.gov.vn

According to information from Ninh Thuan Agriculture and Rural Development, after inspecting feed quality of 10 enterprises, 5 of 13 tested samples do not meet minimum protein and phosphorus content compared to their registered criteria, including: Anco S80 Super Sow produced by National Agriculture Nutrition Joint-venture Company on 8th September 2008; 510 L produced by New Hope Limited Company on 5th August 2008; Top-Ho DH4 produced by Farmtech Vietnam Co.Ltd on 11th September 2008; DR-NupaK 802V produced by A Chau Nutrition Co.Ltd on 10th September 2008; Dachan 101V produced by A Chau Nutrition Co.Ltd on 5th August 2008.

3. Feeder

In Tien Giang, 10kg-feeder pig price (local breeding) increases 5,000 VND/kg, to 60,000 VND/kg this week.

Meanwhile, the price in Than Cuu Nghia decreases to 72,000 VND/kg (down 3,000 VND/kg).

III. ENTERPRISE INFORMATION

According to latest information from Ms. Pho Nam Phuong, director of Sai Gon Livestock and Food Processing Company, temporarily they will not reduce slaughter capacity of An Nhon poultry slaughter center. At present, An Nhon Center provides 50,000-60,000 of ready-to-cook chicken per day for market, accounting 40-50% of the sales volume in Ho Chi Minh. Thus, consumers in Ho Chi Minh do not yet worry about shortage of chicken in the short term.

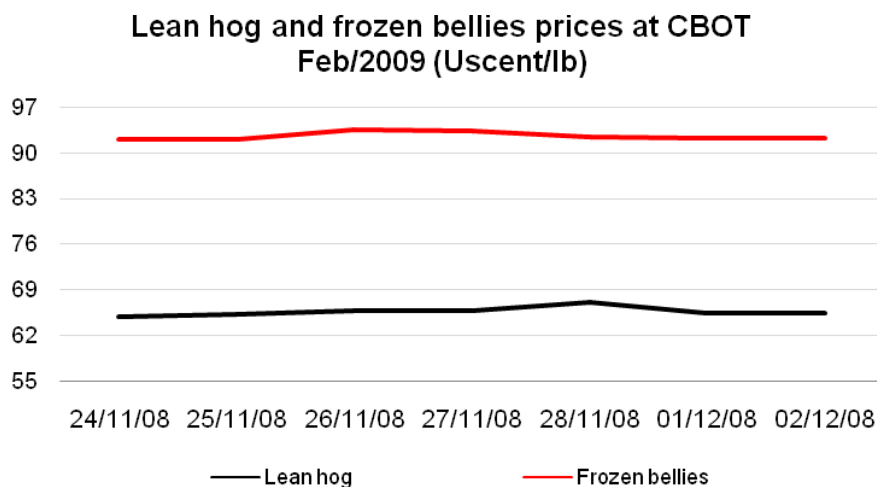
Moreover, Dong Nai Food Processing Factory (D&F) says that to serve chicken demand in the upcoming Lunar New Year, D&F has prepared an original chicken herd of 60,000 heads for sales in Co.opmart, Big C, Vinatex and hotels in the city. Especially, processed products are always maintained in temperature of 0-5^oC, even in shipment to ensure food to be fresh and safe. Moreover, commitments on controlling chicken price of large companies

such as Vissan, Phu An Sinh for Lunar New Year are helping to stabilize consumer's psychology.

According to Hanoi Department of Agriculture and Rural Development, Hanoi is building the largest food wholesale market of whole country in Ha Vy Hamlet, Thang Loi Commune, Thuong Tin District which is worth 13 billion VND of total investment capital. This market is built to replace old market which is very dirty and polluted. The market has a size of 1.7 ha and ensures biological safety regulations; moreover, slaughter in the market will be implemented basing industrial machines. Accordingly, poultry transported to Ha Vy must have quarantine certificates. After being slaughtered in the market, veterinary department will inspect and issue quarantine certificates before circulation. It is expected that Ha Vy poultry market will start operating by late 2009 or early 2010 with a capacity of 20,000 live poultry/day.

IV. INTERNATIONAL MARKET

U.S economic recession has caused reduction of purchasing power, which has affected meat futures contract in Chicago market (U.S). This week, futures pork price by February 2009 continues to decline slightly to 65.3 Uscent/lb for lean pork and 92.125 Uscent/lb for frozen bellies on 2nd December 2008.



Source: www.reuteur.com

Cambodian chicken farmers are going out of business due to low prices as a result of imports from neighboring Thailand and Vietnam. They said the cheap chicken imports caused the price to go down by almost 50% from early in the year to about KHR 7000 (USD 1.7) in November 2008. The farmers also claimed their birds fell ill due to the use of poor quality feed imported from Thailand.

Following a six year suspension of exports, China's first 600 tons of cooked chicken meat was transported to Europe by Shandong Zhucheng Foreign Trade Co recently. Shandong is the only province in China permitted to export poultry meat to EU nations at present. In July, the EU Committee passed a resolution that allows member states of the EU to resume import of

China's cooked poultry meat products from nine companies, including Shandong Zhucheng Foreign Trade and Shandong Xinchang Group

Chicken export from Thailand is forecast to drop by 5% in 2009 from an estimated 380,000 tons this year worth around USD 1.25 billion. The expected drop in exports is a result of sluggish economies in the US, Europe and Japan while the recurrence of the bird flu will have a minimal impact on exports as most Thai shipments are cooked chicken.

V. MARKET PROSPECT

According to information from Ministry of Agriculture and Rural Development, domestic livestock is likely to be well again after coming to a deadlock due to cheap price of imported meat, high price of feed, disease epidemics as well as low purchasing power. Up to November 2008, total buffalo herds reached 2.9 million heads and volume of live buffalo increases 6%; cow herd reached 6.4 million heads and volume of live cow increased 10.3% compared to August 2007. Pig herd also develops quite stably at 26.7 million of heads, up 5.6%; poultry herd increases quite sharply 9.4% and volume of live poultry is up 16.4% compared to the beginning of the year. Accordingly, Ministry of Agriculture and Rural Development considers that we will not have to worry about shortage of cattle, poultry, especially not to import meat from other countries. Although domestic livestock is developing again, severe weather over time has caused many animals to be died. Next months, the weather will continue to be colder so households as well as provincial leaders need to actively prevent cattle and poultry herds from cold spell.

Ministry of Agriculture and Rural Development has just issued Decision 3762, on 28th November on managing melamine substance in livestock sector. Approved level for ingredient and animal feed is not over 2.5mg/kg. This decision is issued after feed advisory board including Livestock Department, Aquaculture Department and representative of Health Department discuss and make decisions based on melamine regulations in foodstuffs from U.S, Canada, EU, Taiwan and Hongkong.

Sources

Information Centre for Agriculture and Rural Development (AgroInfo - www.agro.gov.vn)
Vietnam Veterinary Department
Reuters
www.CBOT.com
www.thepigsite.com
www.thepoultrysite.com

VI. MARKET DATA

6.1. Prices for beef and pork in the markets this week (VND/kg)

Date	21/12/2008	25/12/2008	02/11/2008	04/11/2008
Live hog (over- 80- kg pig)				
Can Tho	28000	28000	28000	28000
Da Nang	31000	31000	32000	32000
Ha Noi	33000	33000	33000	32500
Ho Chi Minh City	32000	32000	32500	32500
Rump pork				
Can Tho	58000	58000	58000	58000
Da Nang	61000	61000	62000	62000
Ha Noi	60000	60000	60000	60000
Ho Chi Minh City	62000	62000	63000	63000
Leg beef				
Can Tho	107000	110000	110000	113000
Da Nang	120000	120000	120000	120000
Ha Noi	110000	105000	105000	110000
Ho chi Minh	120000	122000	125000	128000

Source: www.agro.gov.vn

6.2. Live hog prices in the markets (over 80-kg-pig) (VND/kg)

Market	Absolute price				Change this week to		
	This week (VND/kg)	Last week (VND/kg)	Last month (VND/kg)	The first ten months (VND/kg)	Last week (%)	Last month (%)	The first ten months (%)
Can Tho	28000	28000	28833	33849	0.00	-2.89	-17.28
Da Nang	32000	31000	31833	35995	3.23	0.52	-11.10
Ha Noi	32750	33000	34356	35231	-0.76	-4.67	-7.04
Ho Chi Minh City	32500	32000	32722	36969	1.56	-0.68	-12.09

Source: www.agro.gov.vn

6.3. Rump pork price (VND/kg)

Market	Absolute price				Change this week to		
	This week (VND/kg)	Last week (VND/kg)	Last month (VND/kg)	The first ten months (VND/kg)	Last week (%)	Last month (%)	The first ten months (%)
Can Tho	58000	58000	57900	59662	0.00	0.17	-2.79
Da Nang	62000	61000	61400	61924	1.64	0.98	0.12
Ha Noi	60000	60000	63000	61847	0.00	-4.76	-2.99
Ho Chi Minh City	63000	62000	62350	63054	1.61	1.04	-0.09

Source: www.agro.gov.vn

6.4. Leg beef price (VND/kg)

Market	Absolute price				Change this week to		
	This week (VND/kg)	Last week (VND/kg)	Last month (VND/kg)	The first ten months (VND/kg)	Last week (%)	Last month (%)	The first ten months (%)
Can Tho	111500	107000	101600	101919	4.21	9.74	9.40
Da Nang	120000	120000	114400	108216	0.00	4.90	10.89
Ha Noi	107500	110000	109700	102189	-2.27	-2.01	5.20
Ho Chi Minh City	126500	120000	118200	110486	5.42	7.02	14.49

Nguồn: www.agro.gov.vn

6.5. Prices for ready-to-cook original chicken in the markets (VND/kg)

Week	Hanoi	Lam Dong
Ready-to-cook industrial chicken		
W48 (24/11-30/11/2008)	40,000	42,000
W49 (01/11-07/11/2008)	50,000	42,000
Ready-to-cook original chicken		
W48 (24/11-30/11/2008)	80,000	90,000
W49 (01/11-07/11/2008)	85,000	90,000

Source: www.agro.gov.vn

6.6. Prices for processed foodstuffs in the Hanoi market this week (VND/kg)

Food	Brand	Unit	This week	Last week	Change
Smoked tender loin	Vissan	200g	39,900	39,900	0
Sterilized sausage	Vissan	160g	13,600	13,600	0
Pork sausage	Hien Thanh	200g	19,400	19,400	0
Pork sausage	Duc Viet	200g	26,800	24,500	-8.6
Pork sausage	Vissan	200g	25,800	25,800	0
Smoked jambon	Vissan	200g	32,400	32,000	-1.2
Smoked leg jambon	Duc Viet	200g	27,200	27,200	0
Sausage	Vissan	500g	76,800	76,800	0
Canned stewed pork	Vissan	150g	16,400	16,400	0
Pork liver paste	Vissan	170g	15,200	15,200	0
Pork sausage	Vissan	200g	25,800	25,800	0
Canned beef	Vissan	150g	16,400	16,400	0
Pork liver paste	Ha Long	170g	12,600	12,600	0

Source: www.agro.gov.vn

6.7. Soybean price in the markets (VND/kg)

Date	Can Tho	Da Nang	Hanoi	Ho Chi Minh City
25/11/2008	12500	13000	16000	14500
27/11/2008	12000	14000	17000	15000
02/12/2008	13000	15000	18000	16000
04/12/2008	13000	14500	17500	15500

Source: www.agro.gov.vn

6.8. FAS/FOB soybean meal price in Bedi/Kandla port, India (USD/ton)

Date	The lowest price	The highest price
25/11/08	267	270
26/11/08	272	275
29/11/08	275	278
02/12/08	274	277
03/12/08	274	277

Source: Association of Indian soybean producers

6.9. Prices for lean and belly pork delivered by February 2009 in Chicago market (Uscent/lb)

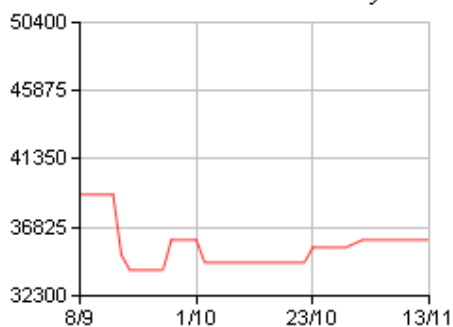
Date	Lean pork	Frozen bellies
27/11/08	65.85	93.4
28/11/08	66.975	92.325
01/12/08	65.45	92.225
02/12/08	65.3	92.125

Source: www.reuters.com

6.10. Prices for several products within last 3 months

Live-hog (more than 80kg pig)

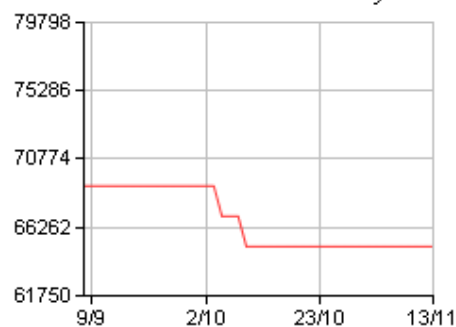
Domestic price(VND/kg)-Retail Price
Market: Ho Chi Minh City



Norm	Price	Unit	Market
The highest	39000	VND/kg	Ho Chi Minh
The lowest	22500	VND/kg	Dong Nai
Average	33191	VND/kg	
Common	32000	VND/kg	
08/09/08	35000	VND/kg	
25/11/08	30000	VND/kg	

Rump-pork

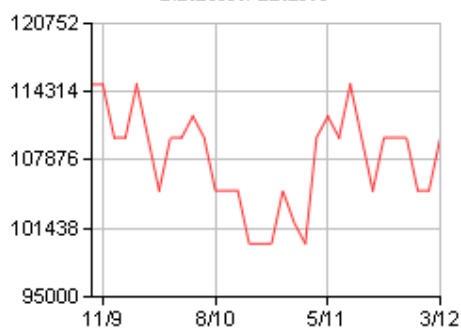
Domestic price(VND/kg)-Retail Price
Market: Ho Chi Minh City



Norm	Price	Unit	Market
The highest	70000	VND/kg	Lam Dong
The lowest	50000	VND/kg	Lang Son
Average	61099	VND/kg	
Common	65000	VND/kg	
08/09/08	60000	VND/kg	
05/12/08	55000	VND/kg	

Leg beef

Domestic price(VND/kg)-Retail Price
Market: Hanoi

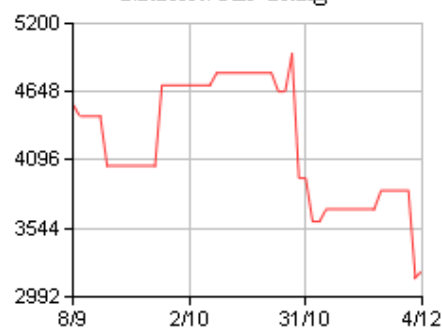


Norm	Price	Unit	Market
The highest	128000	VND/kg	Ho Chi Minh
The lowest	50000	VND/kg	Tra Vinh
Average	110531	VND/kg	
Common	110000	VND/kg	
09/09/08	115000	VND/kg	
05/12/08	120000	VND/kg	

Source: www.agro.gov.vn

Bran

Domestic price(VND/kg)-Retail Price
Market: An Giang



Norm	Price	Unit	Market
The highest	4950	VND/kg	An Giang
The lowest	3150	VND/kg	An Giang
Average	4225	VND/kg	
Common	4800	VND/kg	
08/09/08	4550	VND/kg	
04/12/08	3200	VND/kg	

Exchange rate

FC code	FC name	Buying	Transfer	selling
AUD	AUST.DOLLAR	11,184.69	11,252.20	11,435.04
CAD	CANADIAN DOLLAR	13,306.17	13,427.01	13,645.18
CHF	SWISS FRANCE	13,812.98	13,910.35	14,136.37
DKK	DANISH KRONE	-	2,914.76	2,962.13
EUR	EURO	21,637.37	21,702.48	22,055.12
GBP	BRITISH POUND	25,036.93	25,213.42	25,623.11
HKD	HONGKONG DOLLAR	2,158.66	2,173.88	2,209.20
INR	INDIAN RUPEE	-	338.11	351.95
JPY	JAPANESE YEN	178.62	180.42	184.08
KRW	SOUTH KOREAN WON	-	10.89	12.49
KWD	KUWAITI DINAR	-	61,167.16	62,410.21
MYR	MALAYSIAN RINGGIT	-	4,635.00	4,710.31
NOK	NORWEGIAN KRONER	-	2,385.28	2,424.04
SEK	SWEDISH KRONA	-	2,070.24	2,103.88
SGD	SINGAPORE DOLLAR	11,047.46	11,125.34	11,306.11
THB	THAI BAHT	463.42	463.42	492.14
USD	US DOLLAR	16,980.00	16,983.00	16,985.00

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