

# **COW RAISING BUSINESS EXPERIENCE**

**IN VAN DUC COMMUNE, GIA LAM DISTRICT, HANOI**

**Presented by:**

Van Duc Agriculture Cooperative  
Van Duc Commune, Gia Lam  
District, Hanoi





## Objective

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Sharing experience of commercial cow raising in Van Duc Agriculture Cooperative, Gia Lam district, Hanoi

# Structure

1. Market situation
2. Relevant natural and socio – economic situations
3. Commercial cow rising and consumption
4. Lesson learnt
5. Recommendation

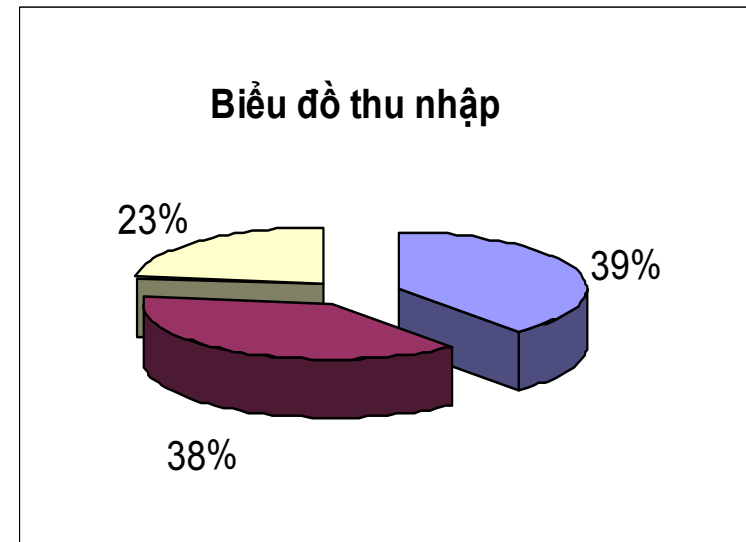
# I – MARKET SITUATION

- This commune started raising cow in 1954, in the early 1990s, they oriented into
- From 1995: beef demand in Hanoi increased -> number of households raising cow as well as numbers of cow go up.
- From 2001 – 2003: The quantity of cow experienced an upward trend of 2700 – 3000 cows (10 times more than in 1995)
- From 2006 – 2008: 5000/year in turnover, permanently 3000 cow (50% of Gia Lam district's)

**The market demand decide the cow- raising production scale**

## II – RELEVANT SOCIO – ECONOMIC SITUATION

- Van Duc is the suburb commune nearby Red Rive and Khuyen Luong port, 15 km far from Hanoi centre
- Agricultural land: 286 ha, in average **420 m<sup>2</sup>/person**
- Population: 6800 peopel/1700 household
- Average income: **450.000 VND/person/month**
- Income: Livestock **39%**; cultivation 38% and services 23%.



**Geographical position is Van Duc advantage**

# Strength and Weakness of commercial cow raising

## Strength

- People have experience of cow raising
- Less risky than other livestock products,
- Initiative of cow feeding
- Do not require much of agricultural land
- Much higher profit than cultivation
- Technical Training by Gia Lam Extension station
- Village veterinarian network is set up and operated
- Near Hanoi – biggest consumption market

## Weakness

- Lack of large scale slaughterhouse in the area
- Beef is bought for inner dealers
- Inner dealers hinder outer dealers from purchasing cow -> limited sale price
- Lack of actively supporting input (calf and thin cow)
- Lack of agro – enterprise knowledge and skills

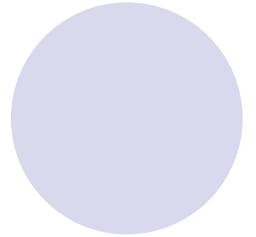
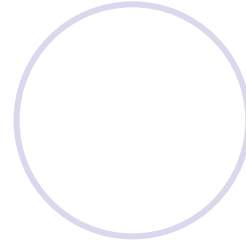
# Opportunity and threat of commercial cow – raising

## Opportunity

- Relentless beef demand of Hanoi market

## Threat

- Competition from imported beef and other food
- Competition from other provinces focus to Hanoi market
- Impact of inflation



### III- COMMERCIAL COW RAISING SITUATION IN VAN DUC

- Value chain
- Market approach
- Policy environment and outer support
- Commercial cow – raising situation
- Product consumption
- Business effectiveness

# VALUE CHAIN

INPUT

PRODUCTION

OUTPUT

Nghe An  
(25%)

Phu Tho  
(50%)

Hai Duong  
(15%)

Ha Tay  
(10%)

Calf

Raising in 13 – 14  
months

Người  
Chăn nuôi

Fattening in 3 - 4  
months

Thin cow

DEALERS

Beef

HUNG  
YEN

HA NOI  
(90%)

Consumer

# Market approach

Market information approach

- **Market information : from** (i) dealers; (ii) other communes/districts; (iii) Cooperative; (iv) households
- **Information treatment** via 2 ways: (i) discussion, information sharing among club members; (ii) discussion and information sharing among households
- **Households** decide themselves tự quyết định phương án chăn nuôi, tiêu thụ sản phẩm cho Thương lái địa phương.

## Policy environment and outer support

- Encouragement for livestock development and product consumption from Gia Lam People committee
- Van Duc People's Committee supported investment of waste channel to the field by Van Duc People's Committee
- Training of Biogas tank construction
- Technical training of livestocking, cowraising, disease prevention from Extension Station, Animal Health Station of Ha Noi and Gia Lam district,
- The Agriculture Department of Gia Lam and Gia Lam Bank of Social Policy conduct the program: ' Cow for the poor', lend poor household 200 cows (1.2 billion VND) without interest in 2 – 3 years

# Production

- 2 main types of production
  - *Raising calf: 13 – 14 months*
  - *Fattening thin cow: 3 – 4 months*
- Organization: cow raising in household. 1 club was organized in 1/3 villages of the commune from 2002. Others do not organize groups/clubs
- Total flock: 3000 cows (3 – 4 cows/household)

## Product consumption

- ❑ 90% of product is for Hanoi market, the rest is for Hung Yen market, 150 – 170 item/month
- ❑ Each household directly sells for inner dealers in negotiated price
- ❑ Dealers are often also slaughter – house owners
- ❑ Processed beef are wholesale and retail sold in markets
- ❑ The selling price is determined from Hanoi market, households updated from the cooperative, neighbours and dealers
- ❑ Beef price in Van Duc is 1000/kg higher than other communes, thanks to better

# Business effectiveness

- Annual turnover of commercial cow raising : 37.000.000.000 VND/year
- Business accounting (ĐVT: item)

	Cost (1000.000 VND)	Price (1000.000 VND)	Benefit (1000.000 VND)	Time (month)
Calf	5.5 - 6.5	8.0 – 10.0	2.5 – 3.5	13 -14
Thin cow	6,5 – 7.0	9.0 – 10.0	2.5 – 3.0	3 - 4

- Household turnover: 60 – 70 million/year
- Cow – raising contributes 39% total turnover of the commune,
- Poverty rate: 3.58%

## IV - BÀI HỌC KINH NGHIỆM

- Kinh doanh Bò thịt phải dựa theo yêu cầu thị trường, Kinh nghiệm chăn nuôi và phải xây dựng được lòng tin giữa người chăn nuôi và người cung cấp giống, người thu mua sản phẩm thường xuyên.
- Với điều kiện gần thị trường lớn như Hà Nội thì có thể tổ chức sản xuất theo Câu lạc bộ hoặc Hộ gia đình đều có thể đáp ứng yêu cầu thị trường và đem lại hiệu quả kinh tế cao.

## V- RECOMMENDATION

- Chính quyền nên hỗ trợ xây dựng lò giết mổ tập trung để kích cầu cho việc bán sản phẩm, nâng cao hiệu quả kinh doanh sản phẩm Bò thịt.
- Nhà nước nên có chính sách bảo hiểm cho chăn nuôi Bò thịt.
- Tổ chức Phi chính phủ (NGO) hỗ trợ đào tạo kiến thức, kỹ năng kinh doanh nông nghiệp và tổ chức các chuyến tham quan học tập mô hình kinh doanh nông nghiệp thành công.

Thank you for your attention