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Key Findings

- Consumers in both Ha Noi and Ho Chi Minh City emphasize safety as their key poultry quality concern.
- Markets in Ha Noi are less formal and have more free-range poultry than those in Ho Chi Minh City.
- In both cities, the duck sector is less formal than the chicken sector.
- Local open air markets are popular places to purchase poultry in both cities.
- Trust in institutions certifying poultry safety varies widely between the two cities.

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Poultry Demand in Ha Noi and Ho Chi Minh City

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Policies for HPAI control in Viet Nam are set at the national level. Consumer demand can both support and undermine efforts to control HPAI, and regional preferences should be carefully considered in designing policies that might be impacted by consumer demand and preferences. This brief compares poultry consumption patterns and attitudes between consumers in Ho Chi Minh (HCM) City and Ha Noi, the two largest urban centres in Viet Nam.

Use of similar methodologies in studies undertaken in both cities as a part of safety certified poultry supply chain projects allows for direct comparison between poultry and general consumption behaviours and trends. The study in Ha Noi was undertaken in the late summer of 2008, about 1.5 years before the study in HCM City was undertaken and results should be interpreted in this context. A major observable time trend in Viet Nam over the past two years has been significant inflation, and for this reason food budgets and prices are not used for the comparison. However, there are some major differences between the two cities that cannot be explained by time trends.

The survey undertaken in Ha Noi included about 900 participants, and the survey undertaken in HCM City had about 600 participants. Both surveys covered diverse neighbourhoods in urban districts.

General shopping habits and demographic characteristics in Ha Noi and HCM City are quite different. In Ha Noi, almost all households shop for food on a daily basis, while in HCM City only 64% of households report purchasing food every day. In Ha Noi, over half of all households never shop for food in a supermarket, while in HCM City only 13% of households

never buy food in a supermarket. In HCM City, less money is spent on meat and seafood, while slightly more of the food budget goes towards eating outside of the home.

Table 1. Consumer Ranking of Poultry Quality Attributes

Rank	Ha Noi (Summer 2008)	HCM City (Spring 2010)
1 (most important)	Safety	Safety
2	Freshness	Freshness
3	Firm (not soft) Meat	Price
4	Feed Source	Meat Flavour
5	Meat Flavour	Feed Source
6	Price	Convenience
7 (least important)	Convenience	Firm (not soft) Meat

Safety and freshness of poultry are the key concern of households in both Ha Noi and HCM City (Table 1). Beyond this, there are several differences in quality preferences. In Ha Noi, meat firmness is emphasized, while this is not very important in HCM City. Meat firmness is related to breed of poultry, and this might be related to the difference in consumption of free-range or local poultry. Meat flavour and convenience are ranked higher in HCM City than in Ha Noi, while in Ha Noi feed source is of relatively higher importance. Overall, ranking of attributes indicate that consumers in Ha Noi have a preference for characteristics of poultry that are related to traditional production practices.

Table 2. Consumer Ranking of Poultry Safety Concerns

Rank	Ha Noi (Summer 2008)	HCM City (Spring 2010)
1 (most important)	HPAI	HPAI
2	Non-HPAI Disease	Non-HPAI Disease
3	Feed Additives	Safety Inspection
4	Origin	Origin
5	Safety Inspection	Market Hygiene
6	Market Hygiene	Slaughter Hygiene
7 (least important)	Slaughter Hygiene	Feed Additives

Consumers in both cities are very concerned about HPAI and poultry diseases in general as well as poultry origin, but otherwise there are some differences in safety concerns. Ha Noi consumers emphasize concern over feed additives or antibiotics, while this is not a large concern in HCM City. Slaughterhouse and market hygiene are not relatively as important, while safety inspection is a significant concern in both cities. Overall, these findings suggest that supply chains that emphasize disease prevention and traceability to origin would appeal to consumers in the two major urban centres of Viet Nam.

Chicken is a larger expense for households in Ha Noi, which might be related to preferences for more expensive local chicken, which is often double or more the price of industrially raised chicken. Local chicken refers to 'ga ta', i.e. native breeds that are generally raised in farmyards and scavenge for food. Local chicken dominates chicken markets in Ha Noi, while industrial chicken is more likely to be consumed than local chicken in HCM City. Markets in HCM City are also more formal and regulated, with 84% of chicken inspected by public inspectors compared to 24% in Ha Noi. Safety labels or safety branding of chicken is much

more common in HCM City, which indicates that firms are more likely to sell chicken in markets. In both cities, 70 to 80% of chicken is purchased in wet markets while 15% of chicken is purchased in supermarkets. In Ha Noi, poultry sales outside of supermarkets and wet markets were attributed to less formal sources such as itinerant live poultry sellers in urban areas or direct purchase from rural areas.

Table 3. Chicken Consumption

	Ha Noi (Summer 2008)	HCM City (Spring 2010)
Chicken as a % of total HH Meat and Seafood Expenditure	18	11
% Local (Backyard/Scavenging) ¹	75	39
% Industrial Breeds ¹	12	44
% Purchased with Government Inspection	24	84
% Purchased with Private Safety Labeling	12	52
% Purchased from Cho (Market) ²	68-79	80
% Purchased from a Supermarket	5-13	15

Duck represents a small percentage of meat expenditure in Ha Noi and HCM City, but is still a significant expense. Local ducks are much more popular in Ha Noi, although their popularity or share of consumption is not as large as local chicken. In HCM City ducks are much more likely to be government inspected. However, private certification or safety labelling is much less common for ducks than chicken in both cities, although it is relatively more common in HCM City. Most ducks in Ha Noi are purchased in wet markets and are almost never purchased in supermarkets. Wet markets have less of an important role in HCM City, while supermarkets have a small but significant market share.

Table 4. Duck Consumption

	Ha Noi (Summer 2008)	HCM City (Spring 2010)
Duck as a % of total HH Meat and Seafood Expenditure	9	6
% Local ³ (based on regional definitions)	36	23
% Industrial Breeds ⁴	-	32
% Purchased with Government Inspection	10	73
% Purchased with Private Safety Labeling	1	11
% Purchased from Cho (Market)	93	58
% Purchased from a Supermarket	1	10

The attitudes towards poultry certifying institutions, as indicated in Table 5, differ between Ha Noi and HCM City. International companies have earned high levels of trust in Ha Noi, but not in HCM City. Local vendors are trusted in Ha Noi, but not in HCM City. Domestic companies and the Department of Animal Health (DAH) are more trusted in HCM City, while supermarkets are not as trusted in Ha Noi as in HCM City. These different levels of trust

¹ Other chicken breeds include 'free grazing' and a category for 'other'.

² This was measured using two different methods resulting in different estimates.

³ In Ha Noi local duck is referred to as 'vit ta', while in HCM City the type of duck that is closest to 'vit ta' based on its characteristics is called 'vit chay dong'.

⁴ As with chicken, other breeds include 'free grazing' and 'other'

indicate that safety certified supply chains would have to have very different market approaches and partnerships for certification in the two cities.

Table 5. Trust in Poultry Safety 'Certification'

Rank	Ha Noi (Summer 2008)	HCM City (Spring 2010)
1 (most trusted)	International Companies	Domestic Companies
2	Local Vendors	DAH
3	Domestic Companies	Supermarkets
4	Supermarkets	Market Inspectors
5	DAH	International Companies
6 (least trusted)	Market Inspectors	Local Vendors

Conclusion

This comparison of Ha Noi and HCM City indicates some key differences and similarities in poultry markets. Consumers are very concerned about freshness and safety, and wet markets have a key role in urban poultry sales. Markets for ducks are generally less regulated, with seemingly little depth of involvement or market share for the formal sector. We further see what might appear to be a shift in preferences from local to industrial chicken in HCM City. This trend however could also be explained by a change in relative prices and local chicken becoming less available due to formalization of markets. Even with the smaller market share, the 40% market share of local chicken still provides an opportunity for development of supply chains that incorporate smallholder chicken production and certification of origin.

HCM City residents place less emphasis on fresh food than those in Ha Noi, which is perhaps related to more women working outside of the home. Also, relatively less money is spent on meat, which could be attributed to several causes. Meat markets might be more competitive in HCM City, especially with the prevalence of supermarkets, even though supermarkets are not necessarily cheaper. More emphasis is placed on price in HCM City, which might explain why households spent less of their food budget on meat. Another potential explanation is that preferences are different between the two cities, households in Ha Noi preferring types of meat that are more expensive. Preferred breeds of chicken are an explicit example of this difference.

Even though consumers in HCM City purchase chicken in more formal settings and regulated markets than in Ha Noi, they also rank disease and origin as top safety concerns. This indicates that higher levels of regulation or government certification in HCM City have not changed household's perception of poultry safety related issues. Although most poultry in HCM City is still purchased in wet markets, local vendors and market inspectors do not earn high levels of trust. Poultry from certified supply chains in either city could focus on marketing towards these specific concerns. Market aspects of poultry certification in HCM City would need to rely more on convenience and integrating local breeds into the more formal supply chains. In Ha Noi, the emphasis might be on upgrading local poultry supply chains while ensuring that local poultry producers maintain market access.

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