




**Lessons learned, the new adaptation of Decree 36,
the role of Viet GAP and different market options.**



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The Content for this Morning

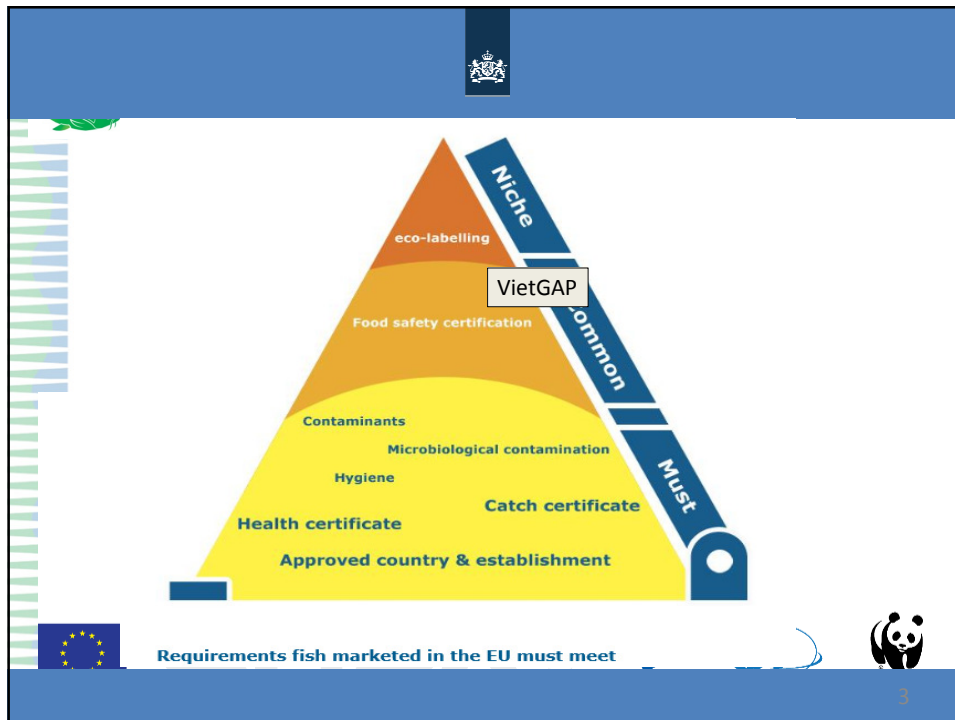
1. Market Dynamics and expectations
2. The story of Pangasius – press, reality, and perception
3. The Vietnamese reaction
4. Driving forces of European Markets and Legislation
5. Decree 36 and most relevant issues
6. VietGAP – expectations and implementation
environmental criteria
7. Adaptations in Decree 36
8. Legislation and Marketing –
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Seafood Prix d'Elite New Products Competition


Award Categories
Grand Awards will be given in the following categories:

- Best New Retail Product
- Best New Foodservice Product


In addition, special awards may also be given, at the judges' discretion, in the following categories:

- Health and Nutrition (qualitative categories (sustainability), image)
- Retail Packaging (logistics and marketing)
- Originality (novelties)
- Convenience (qualitative categories, target group)
- Seafood Product Line (concept, not only product – client binding)

Seafood Prix d'Elite		New Products Competition	
SEAFOOD PRIX D'ELITE JUDGING CRITERIA			
Criteria			% of total
Taste profile (flavor, texture, aroma, cooked appearance)			30%
Packaging (label information, environmental factors, food safety)			10%
Market potential (potential for commercial success, correct pricing and profile for target market, value [quality/price ratio])			15%
Convenience (for the end user and consumer)			15%
Nutritional value (appropriate for product and meal occasion)			10%
Originality			20%
Total			100%



Environmental criteria







Vietnam

- Pangasius farms must apply and be VietGAP certificated on good aquaculture practice or granted the international certifications appropriate to Vietnam laws.
- VietGAP general standard for farms (**goes further than EU regulations**) who are participating in aquaculture .

EU, view:

DC 36:
Article 15. Validity of the Decree
This Decree is valid from 20 June 2014
VietGAP: No. 3824/QD-BNN-TCTS Hanoi, 6th September 2014

The VietGAP in conjunction with a good and believable traceability (enforcement) is definitely a very good marketing tool.




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Applied changes in Decree 36

1. Food safety and quality for processed pangasius:
Maximum water content: 86% - before 83%
2. Glazing ratio for pangasius exported must follow the imported markets. In other cases, maximum glazing: 20%.
3. Certifications to commercial pangasius farms:
From the 1st January 2017, all commercial pangasius farms have to apply and have certification for good Aquaculture VietGAP or international certification practice Prescribed by the law of Vietnam.
4. Registration for pangasius exporting Contracts:
 - Registration for exporting pangasius is NOT a pre-require condition Contracts in the Procedures for customs clearance.
 - Companies Must submit registration for exporting pangasius Contracts with Ministry of Agriculture and Rural Development (MARD) BEFORE the 25th of each month.



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Food safety and quality for processed pangasius

Maximum water content: 86% - before 83%

- <https://www.undercurrentnews.com/2014/10/17/vietnam-struggles-to-upgrade-pangasius-exports-new-law-will-limit-soaking-and-moisture-content> (Oct.17 Seafood News)
- **Vietnam struggles to upgrade pangasius exports, new law will limit soaking and moisture content**


The issue:

The protein content of




- **conventionally** farmed fillets ranged between 13.3 % and 15.7 %
- **organically** farmed fillets, which ranged between 17.0 % and 17.4 %



The water content of

- conventionally farmed fillets ranged between 82.1 % and 83.3 %
- organically farmed fillets at around 80 %



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Plant	Water %	Protein %	Ash %	Fat %	P2O5 g/kg	pH
Conventional farmed						
C1	82.7 ± 0.7	13.3 ± 0.7	0.8 ± 0.1	2.9 ± 0.4	4.6 ± 0.1	6.8 ± 0.1
C2	82.2 ± 1.0	14.2 ± 0.9	1.1 ± 0.1	1.7 ± 0.3	3.6 ± 0.1	7.5 ± 0.2
C3	83.3 ± 1.0	13.5 ± 1.1	1.1 ± 0.1	1.8 ± 0.5	3.3 ± 0.2	7.6 ± 0.2
C4	83.3 ± 0.9	14.4 ± 0.8	0.8 ± 0.1	2.0 ± 0.3	4.3 ± 0.2	6.8 ± 0.2
C5	82.1 ± 0.8	15.7 ± 0.5	1.3 ± 0.1	1.4 ± 0.4	3.0 ± 0.2	7.2 ± 0.1
Ecological farmed						
E1	79.9 ± 0.7	17.1 ± 0.4	1.0 ± 0.1	1.9 ± 0.3	4.3 ± 0.2	6.6 ± 0.1
E2	80.0 ± 0.5	17.4 ± 0.5	0.9 ± 0.1	1.8 ± 0.4	4.3 ± 0.1	6.4 ± 0.1
E3	80.4 ± 0.4	17.0 ± 0.5	0.8 ± 0.1	2.3 ± 0.9	3.8 ± 0.4	6.7 ± 0.1



Average composition of Pangasius fillets on the German market (n=10 Fillets)

In Germany as well as in the European Union the addition of polyphosphate in deep frozen fish fillets is restricted to an amount of 5 g/kg (calculated as P2O5) and has to be labeled correctly.

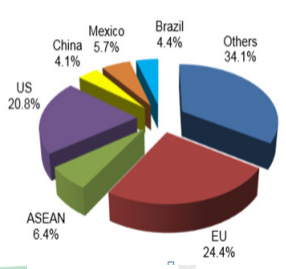
The addition of water binding compounds to Pangasius does not consequently lead to a product of worse sensory quality, as a test with a trained sensoric panel showed.





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From the marketing side this leaves us with what? Is there a connection between VietGAP and water content?



- EU is and will stay, as shown, a very important market for fish;
- Areas with strong buying power are sensitive ecologically and regarding additives;
- Fish often also has a luxury flair;
- Also in EU are divers = also price sensitive markets;
- Many of the non EU markets are less sensitive to additives – but many are to taste and reputation.

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SUPA From the marketing side this leaves us with what **ChiPro** **Is there a connection between VietGAP and water content?**

Market	Percentage
US	20.8%
EU	24.4%
ASEAN	6.4%
Mexico	5.7%
China	4.1%
Brazil	4.4%
Others	34.1%

Consultant's opinion:

- 86% water content allows to defend the low price markets!!
- With 86% water content will be difficult
 - In Europe general, since it needs to be declared and
 - Will not recover the higher value markets **without further measures**;
- Pangasius untreated and well prepared could regain higher value markets again, if
 - The quality difference is noticeable and can be "branded";
 - no product gets into the high value markets with false declarations
 - Re-import to EU through other 3rd countries needs to be intercepted;
 - All labelling and declarations have to be reliable;
 - Ideally the higher quality is connected with a story/legend (pre-cooled before processing etc.)
- Low budget markets in EU might need a special marketing approach;
- All differences in Quality need to be transparent!!
- = The buyer needs to have a choice what to consume!

Logos: EU, VNCP, ASEAN, WWF

SUPA **Glazing ratio for pangasius exported must follow ChiPro** **the imported markets. In other cases, maximum glazing: 20%**

In EU this is only an issue because in the past there were false declarations on glazing content, now net weight is declared:

- Technically 6% may be sufficient depending on circumstances, 10% glazing is common;
- The maximum 20% may be functional in certain circumstances, if declared they only add to transportation costs;
- Exporter's should follow buyers demand. In case the buyer demands them to do a false declaration, the criminal act is undertaken by the exporter (within the new EU law the importer also bears higher responsibility);

Logos: EU, VNCP, ASEAN, WWF




Certifications to commercial pangasius farms:
From the 1st January 2017, all commercial pangasius farms have to apply and have certification for good Aquaculture VietGAP or international certification practice Prescribed by the law of Vietnam.

- On a legal side it makes traceability easier.
- In case this is well re-enforced it is a great tool for building a new image, respectively uplifting it.
- It would particularly work well with a good product quality.



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Legislation and Marketing – Control and Entrepreneurship

Discussion:

- The legislation has now set up a frame which is in no contradiction with the EU and leaves industry space for their marketing efforts
- The EU buyers also do not want restrictions but reliable transparency
- Violate the transparency would violate EU law as Vietnamese law since labelling should follow importer's law
- To translate the now set clear circumstances into a good marketing strategy in not government but industry task , not individual but in groups and as association
- CBI instruments as Country, Sector or Section branding might help

The content needs to correspond with the label






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- **Cảm ơn bạn!**
- **Thank You!**






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