

# A STUDY ON CATFISH (*PANGASIUS*) VALUE CHAIN IN MEKONG DELTA REGION

Le Van Gia Nho, Nguyen Phu Son<sup>1</sup>

## INTRODUCTION

The project “A study of catfish (*Pangasius*) value chain in the Mekong Delta Region” has applied an approach of “ValueLinks” developed by GTZ (2007) - (Deutsche Gesellschaft für Technische Zusammenarbeit – Germany) because this approach is highly relevant to the sustainable development of value chain. The project has been carried out through surveys on relevant stakeholders/agents who participated in the catfish (*Pangasius*) value chain in 4 provinces of An Giang, Can Tho, Vinh Long and Dong Thap since 2011.

## RESULTS & DISCUSSIONS

The main findings of the project as following:

### Positioning the agents in catfish value chain

The value chain of catfish value chain in the Mekong Delta is presented in the Figure 1.

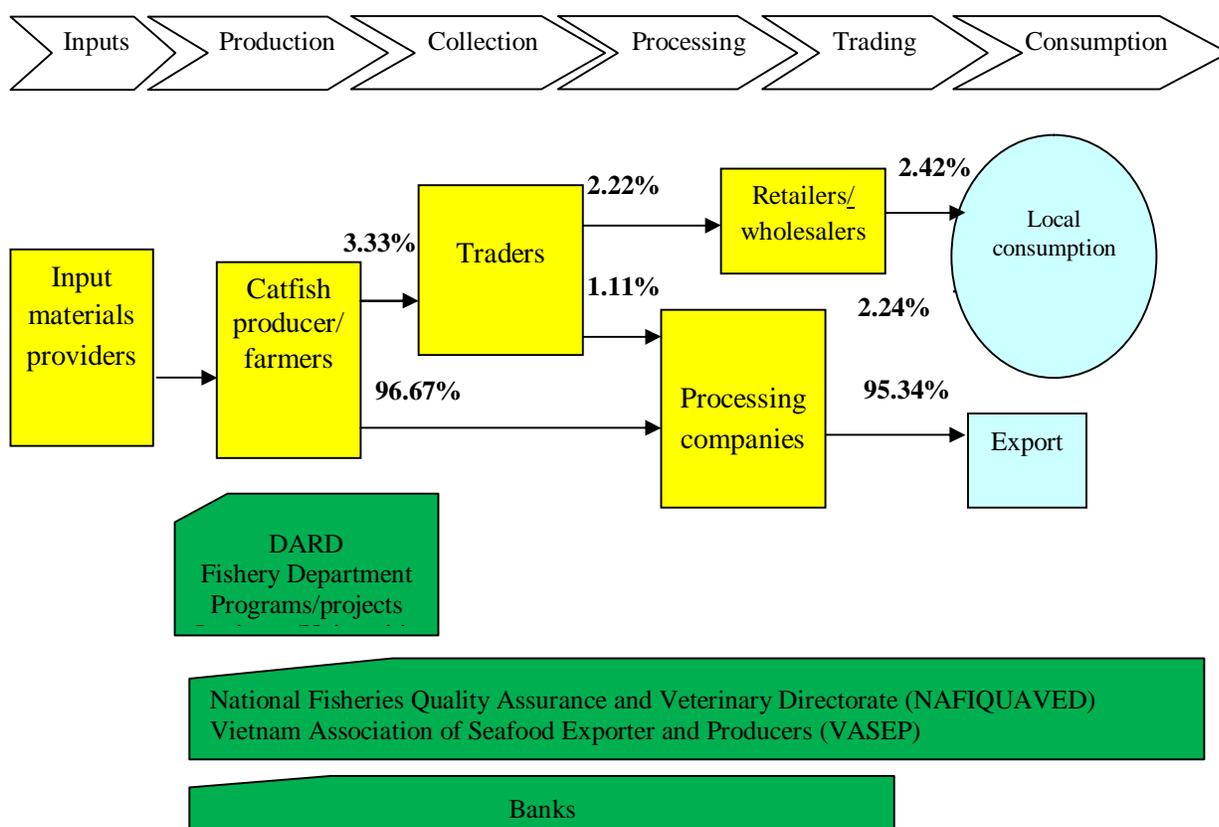


Figure 1. Value chain of catfish in Mekong River Delta, 2011

<sup>1</sup> Mr. Nguyen Phu Son, Can Tho University

There are 4 marketing channels of catfish production and consumption as following:

**Channel 1:** *Input materials providers à Catfish producers/farmers à Traders à Retailers/wholesaling market à Consumers (domestic/local ones).*

**Channel 2:** *Input materials providers à Catfish producers/farmers à Processing companies à Export*

**Channel 3:** *Input materials providers à Catfish producers/farmers à Traders à Processing companies.*

**Channel 4:** *Input materials providers à Catfish producers/farmers à Processing companies à Domestic consumers.*

*\* Marketing channel 1:*

The proportion of added values (VA) to the whole chain: catfish producers, traders, and retailers contributed of 39%, 31.5%, and 29.5%; respectively (see Table 1). Regarding net added values, these figures are equivalent 46.6%, 17.3%, and 36%; respectively.

In channel 1, total average VA of whole chain is 4.178 VND per kg (of which, 38.98% for producers, 31.5% for traders, and 29.52% for retailers). Total profit is 1,202 VND per kg, in which producers/farmers get 46.6%, 36% and 17% for retailers and traders; respectively.

Table 1. Financial analysis of marketing channel 1 in MRD, 2011

*Unit: VND per kg*

Agents	Producers/farmer	Traders	Retailers	Total
Selling prices	20,267	21,583	21,500	
Intermediary costs	18,638	20,267	20,267	
Added values	1,629	1,316	1,233	4,178
Additional costs	1,068	1,108	800	
Net added values	561	208	433	1,202
% added values	38.98	31.50	29.52	100.00
% net added values	46.63	17.33	36.04	100.00

*Note: The above figures are calculated based on 1 kg of catfish*

*Source: Survey results, 2011.*

*\*Marketing channel 2*

The total added value is 7,283 VND per kg, in which processing company is actor that created the highest ones, up to 63.2%, and remaining of 36.77% generated by producers/farmers (see Table 2). Total profit is 3,209 VND per kg, of which, profits of factories agent accounted for 45.8%, producers got 54.2% of the total profit of whole chain. Generally, net added value that producers/farmers got from direct-trading (with processing companies) is higher than other trading formula. In the coordination of farmer and processing companies, producers obtained further technical support, varieties, feed and so on. Furthermore, if this linkage gets closer, both producers and companies are able to supply better products to the market because

producers must adopt factory's standard quality. Companies offer export information and demand of market for producers to manage better farming activities and control price fluctuation.

Table 2. Financial analysis of marketing channel 2 in MRD, 2011

<i>Unit: VND per kg</i>			
Agents	Producers	Processing companies	Total
Selling price	18,658	23,263	
Intermediary costs	15,979	18,658	
Added values	2,678	4,605	<b>7,283</b>
Additional costs	939	3,136	
Net added values	1,740	1,469	<b>3,209</b>
<b>% added values</b>	<b>36.77</b>	<b>63.23</b>	<b>100.00</b>
<b>% net added values</b>	<b>54.22</b>	<b>45.78</b>	<b>100.00</b>

Note: The above figures are calculated based on 1 kg of catfish

Source: Survey results, 2011.

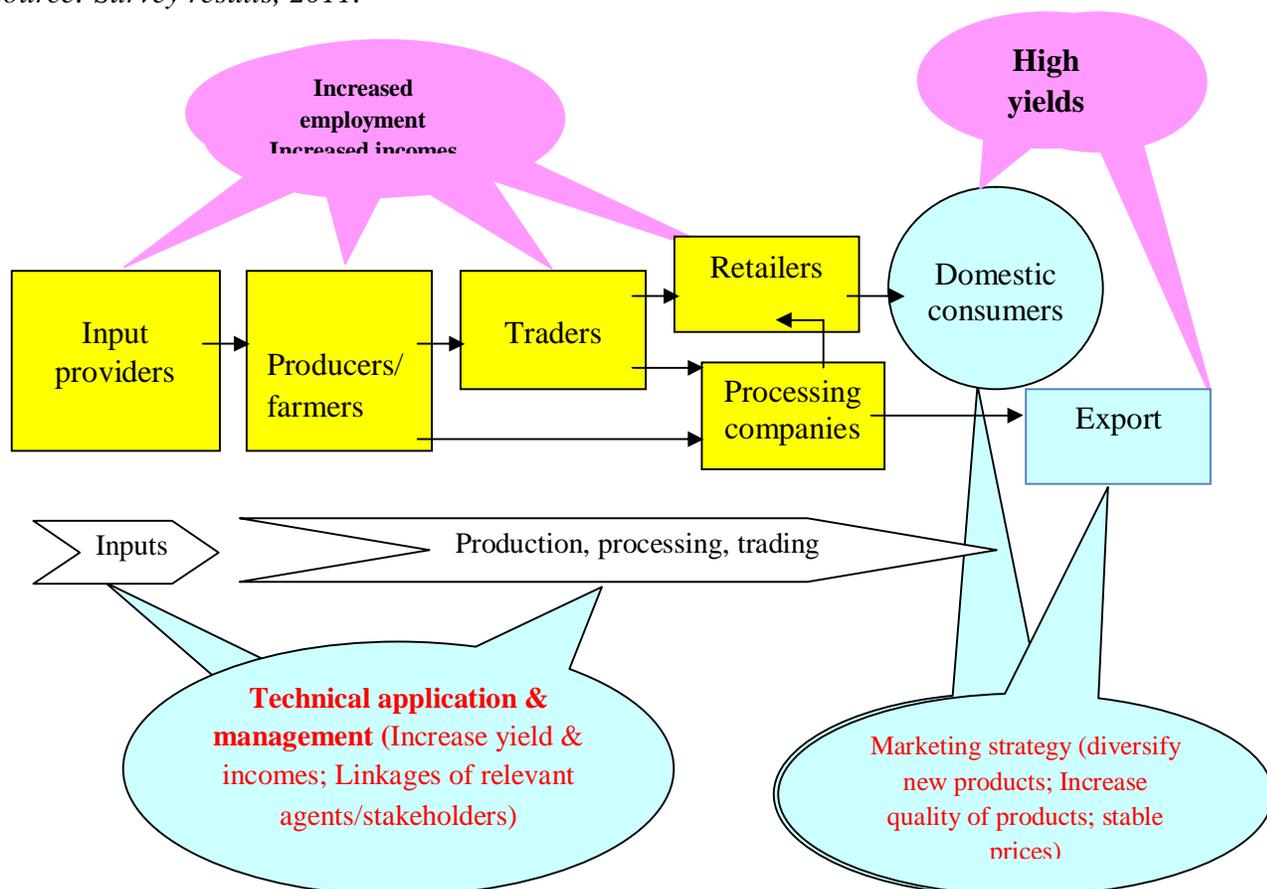


Figure 2. Development strategy for catfish value chain in MRD

### Strategy and implementation catfish value chain

The strategy for growing catfish value chain plays an important role in the next decades. In order to achieve this plan, some tasks should be focused on: improvement of yield and productivity of catfish; enhance quality of catfish products lines; standardize the quality of material catfish by controlling and monitoring chains from the input-materials to final products (Figure 2).