Vietnam

MARKET SNAPSHOT | BEEF & SHEEPMEAT

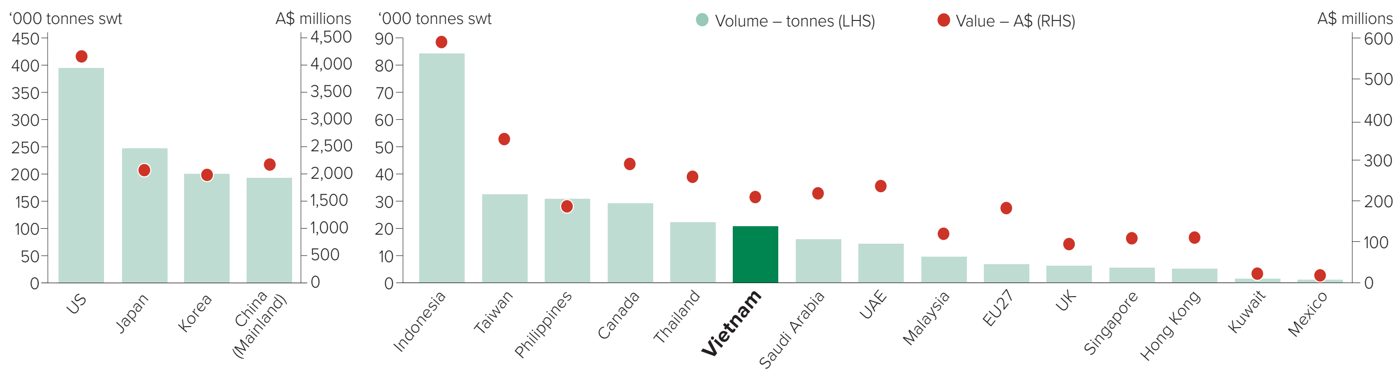
MEAT & LIVESTOCK AUSTRALIA

EXPORTS
Fast-growing beef market and major live cattle destination

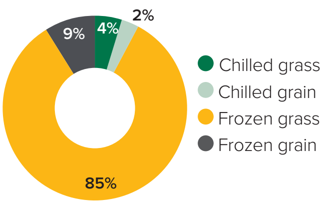
CONSUMERS
Rapid rise in consumer disposable incomes fuelled by fast economic growth

GROWTH
Demand for healthy, natural protein for family occasions

Australian beef exports to Vietnam in a global context [1 and 2]

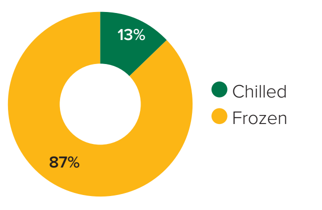


Australian beef exports – volume[1]



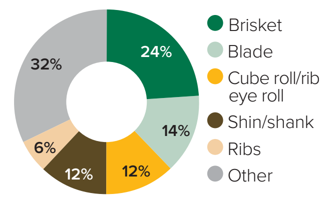
Total 20,795 tonnes swt

Australian beef exports – value[2]

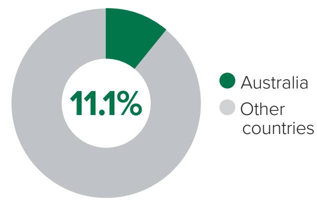


Total A$209 million

Australian beef exports by cut[1]

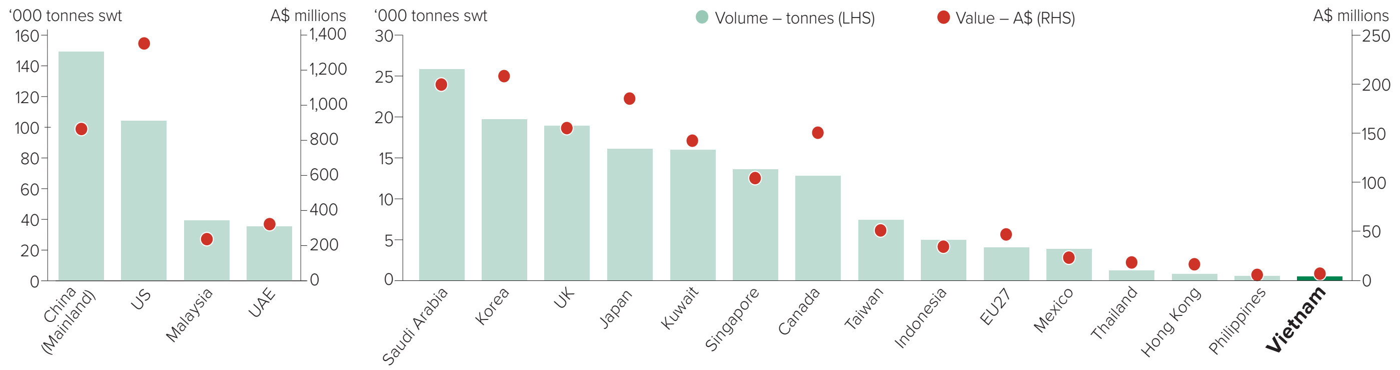


Australia's volume share of beef imports[3]

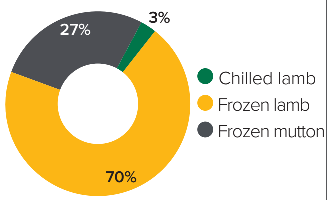


Note: Data are based on total export figures reported by suppliers and do not take into consideration re-exports

Australian sheepmeat exports to Vietnam in a global context [1 and 2]

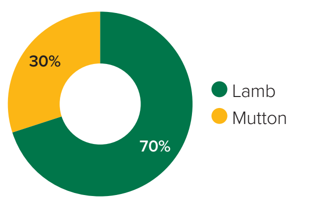


Australian sheepmeat exports – volume[1]



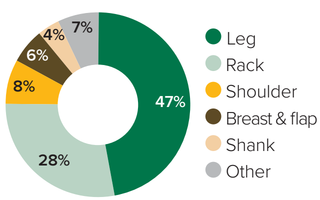
Total 532 tonnes swt

Australian sheepmeat exports – value[2]

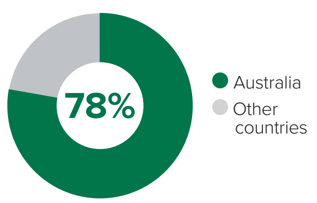


Total A$6.6 million

Australian sheepmeat exports by cut[1]



Australia's volume share of sheepmeat imports[2]



Note: Figures are for supplier exports to Vietnam

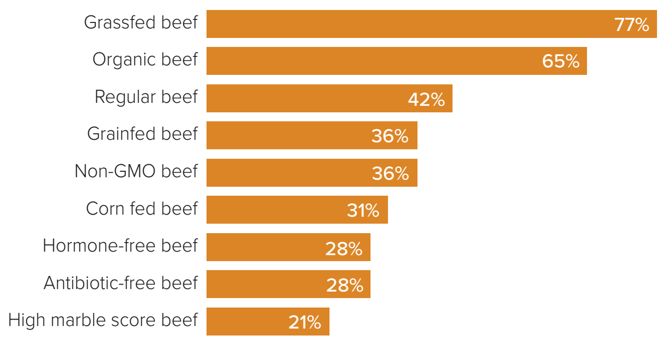
Data source for charts: [1]DAFF (CY2024), [2]Trade Data Monitor (TDM) (MAT November 2024), [3]Trade Data Monitor (TDM) (MAT September 2024)

Beef

CONSUMERS

- Beef is a very popular protein in Vietnam. While the local diet is dominated by fish, pork and poultry on a per capita consumption volume basis, beef consumption frequency is the highest in South-East Asia.
- Vietnam has the fastest growing economy in South-East Asia, with a rapid expansion of the middle class and demand for superior and quality food items such as imported beef. Despite having the region's lowest disposable income per household, Vietnam ranks third in per capita beef consumption, following wealthier markets like Malaysia and Singapore. This highlights beef's strong integration into daily cuisine. Beef consumption is projected to grow by 4.6% annually from 2024 to 2028, compared to an average of 1.1% across other South-East Asian countries *(Source: Fitch Solutions)*.
- Vietnamese consumers have relatively good knowledge about beef compared with other South-East Asian countries, largely attributed to its prominence in local cuisine. They regard beef as a superior meat and an important source of nutrition, essential to a healthy diet for the family, especially for children. Hence Vietnamese are willing to pay a premium price for it *(Source: MLA Global Consumer Tracker Vietnam 2023)*.
- Fresh beef (hot meat) is the most preferred type of beef in Vietnam as it is often associated with high quality and better taste. This also reflects common meal preparation habits, which demand purchasing fresh ingredients for cooking the same day.
- Food health and safety remain two of the biggest public concerns in Vietnam due to a series of food scandals over the past decade, which were amplified during the pandemic. As a result, awareness of beef types other than regular fresh beef has been growing. While still niche, in recent years more Vietnamese have bought specific types of beef such as organic and products with health-related claims *(Source: MLA Global Consumer Tracker Vietnam 2023)*.
- The cost of living is a concern for Vietnamese consumers, who are becoming more mindful of their spending due to worries about household budgets. In this context, more affordable beef options will be key to maintaining demand. In the premium space, secondary Wagyu cuts and long-fed grainfed beef offer cost-effective alternatives for those seeking high quality meals without compromising on standards.

Vietnamese consumers – beef types have ever bought



Source: MLA Global Consumer Tracker Vietnam 2023

FOODSERVICE

- Vietnam's foodservice sector is highly fragmented with many different channels and players. The sector is dominated by small-scale, local independent restaurants, where fresh beef from local or locally-processed Australian cattle is typically used. These small restaurants generally purchase fresh beef from local wet markets or wholesale markets daily in the early morning. Modern chain restaurants represent a relatively small share of the market but are rapidly expanding. Frozen and chilled boxed beef is utilised more in this segment.
- The rise of Asian cuisines in Vietnam, driven by international tourism and local interest in diverse flavours, is expanding the demand for beef. Restaurants featuring Korean and Japanese dishes are a considerable and growing share of the market, presenting new opportunities for high quality beef.
- Full-service restaurants are forecast to be the second fastest growing channel after cloud kitchens, driven by young consumers seeking the full dine-in experience to enjoy a variety of cuisines, along with the notable business dining segment. In these channels, consumers seek superior quality and exciting dishes – this is where Australian beef leverages its positive perceptions of being tender and consistently high quality *(Source: MLA Global Consumer Tracker Vietnam 2023)*.
- Affluent and young consumers, especially Generation Z and young Millennials (aged between 18 to 40) are the key growth drivers for the Vietnamese foodservice sector. This consumer segment is aspirational and seeks new experiences, and is keen to try new food trends and cuisines from different cultures.

Vietnam international tourism arrivals and spending

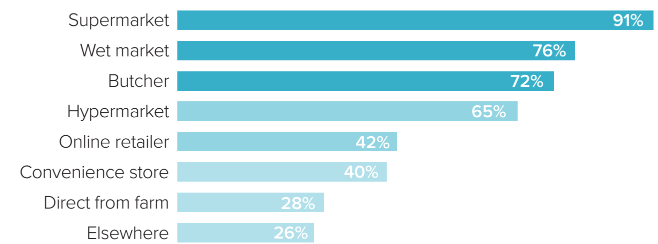
Source: Fitch Solutions

- While full-service restaurants continue to lead in sales, cloud kitchens are experiencing the most rapid growth. A key factor propelling the expansion of the cloud kitchen channel is the surging consumer demand for online food delivery services, exemplified by platforms like GoFood, GrabFood, Baemin and Lala. These applications tap into a broader customer demographic and enhance the efficiency of food ordering and delivery operations.
- Full-service restaurants are embracing new technologies like mobile payments, online ordering and home delivery to meet growing demand for convenience. With more dining options, including prepackaged meals, pricing is increasingly important. Additionally, subscription meal kits are emerging as a potential disruptor in the foodservice market.

RETAIL

- Vietnam has a fragmented grocery retail sector, with about 90% of the market dominated by traditional retail. The wet market sector is expected to continue to grow at a rate of 5.4% per year on average through to 2028 *(Source: IGD)*, underpinned by Vietnamese consumers' cultural preferences and cooking habits.
- Wet markets are the main distribution channel for fresh (hot) beef, while modern retail outlets are more typically used for chilled and frozen products. While the vast majority of beef is estimated to be sold through wet markets, the pandemic has paved the way for faster development in modern (online/offline) retail as players across the value chain look for ways to overcome inefficiencies in traditional supply chains and infrastructure, to meet unprecedented demand.

Place of beef purchase for frequent* shoppers



*Source: MLA Global Consumer Tracker Vietnam 2023, *Buy beef at least once a month*

- Vietnam is undergoing rapid urbanisation, with the number of modern retail outlets increasing across the country, especially in large cities. Modern grocery retail is estimated to grow at about 7% annually from 2024 to 2028 *(Source: IGD)*.
- Major modern retail chains include Winmart, Saigon Co.op, Go!, Tops Market, Bach Hoa Xanh, LotteMart, Aeon and Mega Market nationwide, while more local specialist stores such as Annam Gourmet and Vissan are also expanding rapidly. Modern retail growth is expected to outperform traditional retail, increasing market share in coming years, particularly the online and supermarket formats.
- Continuing the trend after the pandemic-related disruptions to wet markets, many local stakeholders transitioned to frozen boxed beef, recognising its convenience. This shift allowed them to order specific cuts tailored to local preferences, and the extended shelf life of frozen products streamlined the supply chain to reach end consumers more efficiently. Additionally, increasing urbanisation rates and rising disposable incomes have shaped consumer preferences, emphasising the importance of quality and safety in frozen products. Consequently, this shift has led to an accelerated and long-lasting transformation in favour of packaged products in the market.
- Branded chilled meat products, including modern meat shop chains, have emerged and are expected to increase penetration as consumers and local stores become more sophisticated, switching from wet markets to modern stores in their growing quest for safe food and, ultimately, health and wellness.

Key benefits of shopping for beef at traditional versus modern retail

Wet market: Perceived better taste of fresh beef, personal relationship with seller.

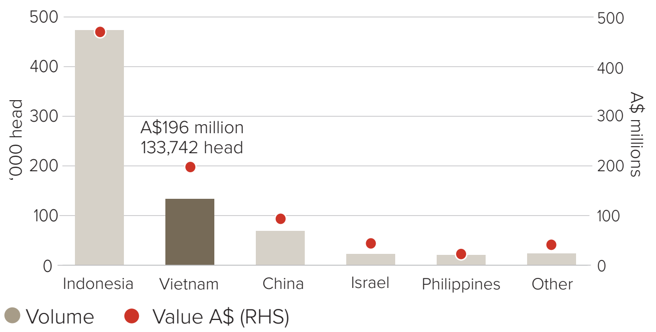
Supermarket: Meat with higher guarantee of safety due to higher hygiene standards, higher levels of quality control, greater transparency across the supply chain and more accurate information about provenance.

Source: MLA Vietnam Wet Market Shoppers Research 2020

AUSTRALIAN LIVE CATTLE EXPORTS

- For the 12 months ending October 2024, Vietnam ranked as the second-largest market for Australian cattle, primarily as a destination for slaughter cattle, and accounted for some 88% of total slaughter cattle exports. Additionally, Vietnam stands as the second largest market for breeder cattle, after China *(Source: DAFF)*.

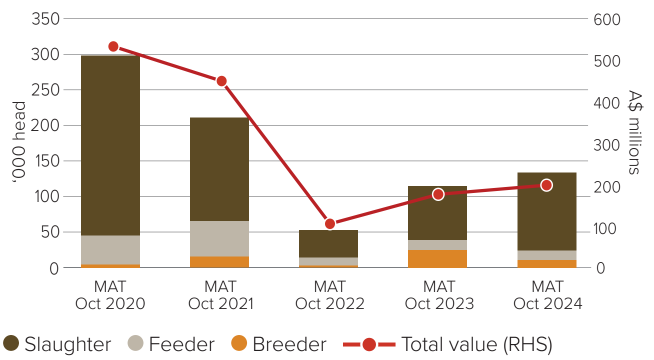
Australian live cattle exported to Vietnam



Source: DAFF, Trade Data Monitor (TDM), 12-month period Sep 2023 to Oct 2024, All cattle types combined

- Vietnam is a price-sensitive market which struggled to maintain the trade flowing during the Australian cattle rebuild. However, current Australian competitive prices have led to an increased demand from importers showing the preference for Australian animals due to their size and consistency. Despite this, strong competition remains from cattle sourced from neighbouring countries like Thailand, Cambodia, Myanmar, and Laos.
- Australian cattle are a key source of meat, contributing approximately 7% to total beef consumption.
- Australian cattle exports to Vietnam for the 12 months ending October 2024 saw an increase of 18% compared to the previous year, reaching a total of 133,742 head. This marked a second year of growth after a challenging period for the trade when prices were relatively high *(Source: DAFF)*.
- In an effort to diversify their supply sources and manage price, Vietnam has been importing live cattle from alternative suppliers in neighboring countries such as Thailand, Myanmar and Laos, as well as sourcing frozen Indian buffalo meat. At the same time, consumer demand for fresh meat has waned due to impacts of higher cost of living and a gradual long-term shift towards boxed beef, which has been the trend since the pandemic.

Australian live cattle exported to Vietnam

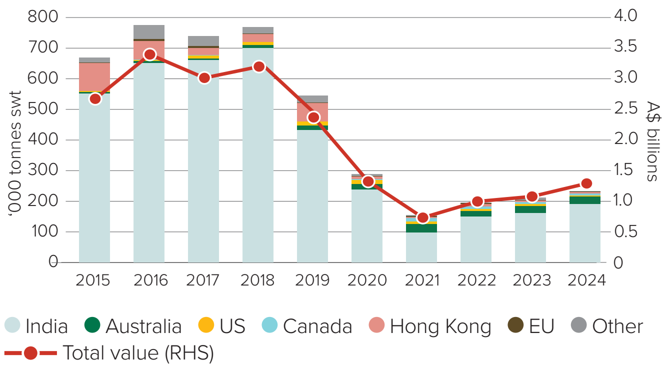


Source: DAFF, Trade Data Monitor (TDM), MAT = moving annual (12 months) total to October

COMPETITIVE LANDSCAPE

- In the 12 months ending in August 2024, Vietnam imported a total of 233,654 tonnes swt of beef. This continued the recovery in import volumes since 2021 following a significant drop due to the pandemic. However, volumes are notably lower than the all-time high of 2016, when about 85% of the imports were re-exported and not for domestic consumption. Re-export volumes have been decreasing to an estimated 10% of imports.
- India was Vietnam's largest beef supplier with a market share of approximately 82%. Indian buffalo meat (IBM) imports grew 22% year-on-year in the 12 months ending August 2024 due to the economic rebound and demand for cheaper product against the backdrop of the cost of living crisis. The rise of living costs triggered increased demand for cheaper beef into wet markets. IBM is typically channeled through wholesale markets for distribution to low-end food service and traditional markets. However, the meat is considered low quality and is less favoured by the majority of Vietnamese consumers.
- Australia was the second largest supplier, accounting for approximately 8% of Vietnam's imported (boxed) beef market in the 12 months ending August 2024. Vietnam has been one of the fastest-growing markets for Australian beef exports globally since 2018, accelerated by the removal of Vietnam's import tariffs for Australian products under the ASEAN-Australian-New Zealand Free Trade Agreement. This has increased consumer interest in Australian products. For the 12 months ending August 2024, Australia exported a record high of 18,725 tonnes swt of beef to Vietnam, a 56% year-on-year increase *(Source: DAFF)*.

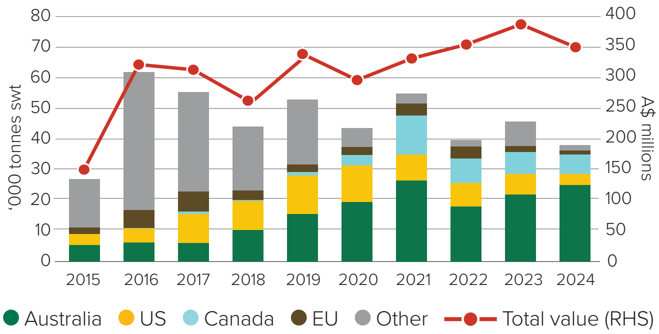
Vietnam beef imports by supplier*



*Source: Trade Data Monitor (TDM), *MAT year ending August, Data are based on total export figures reported by suppliers and do not take into consideration re-exports*

- Demand for high-quality beef has been steadily rising over time, driven by the growing influence of Japanese and Korean cuisine, which has increased awareness of highly marbled beef. While the market for high value Australian beef remains relatively small, it has been expanding, particularly in chilled grainfed products. Amid rising living costs, highly marbled Australian beef offers a more affordable premium option compared to products like Japanese Wagyu.

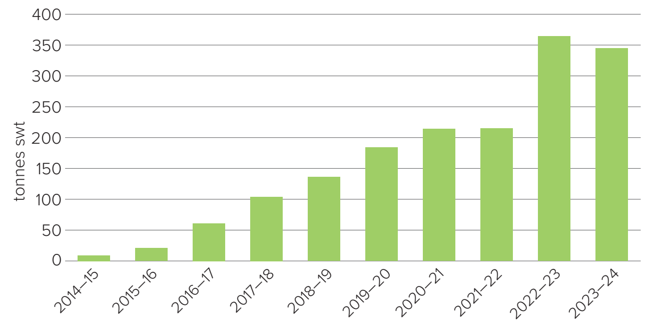
Beef exported to Vietnam by key suppliers (excluding India and Hong Kong)*



*Source: Trade Data Monitor (TDM), *MAT year ending August, Data are based on total export figures reported by suppliers and do not take into consideration re-exports*

- Since the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CP-TPP) came into effect in 2020, Canada has emerged as a significant competitor in the premium beef segment, overtaking the US to become the third largest supplier. In the 12 months to August 2024, Canada supplied 10,949 tonnes swt to Vietnam. During the same period, the US exported a total of 4,145 tonnes swt.
- Influenced by Chinese migrants, offal dishes feature in Vietnamese cuisine. *Pha Lau Bo* is a popular Vietnamese dish prepared with a combination of offal cuts. In the 12 months ending August 2024, Argentina become the largest offal supplier with a 152% year-on-year increase in volume to total 41,847 tonnes swt valued at A$93 million. Australia is the third largest supplier of beef offal after India. In the 12 months ending August 2024 Australian offal export value to Vietnam reached almost A$37 million, up 7% year-on-year, while India's exports totalled A$135 million.

Australian chilled beef exports to Vietnam



Source: DAFF, Australian Financial Year

Pho (Vietnamese beef noodle soup)

Sheepmeat

CONSUMERS

- Sheepmeat is a relatively new and unfamiliar niche protein in the Vietnamese diet. Therefore, it tends to be consumed on special occasions at foodservice venues rather than at home. However, affluent households with children consume it more frequently as it is considered a nutritious protein that supports healthy growth and development. Lamb is increasing in popularity as more consumers seek to cook new, sophisticated meat dishes.
- Although Vietnamese consumers do not eat lamb often, they do have relatively positive associations with lamb. They regard lamb as a superior, tender meat of high nutritional value which makes it worth paying a bit more for *(Source: MLA Global Consumer Tracker Vietnam 2023)*.
- Vietnam has a long tradition of using goatmeat in their cuisine as a special occasion item and the presence of specialised goatmeat restaurants is spread across the country. Historically, the warm climate limited the need for sheep wool, however the demand for sheepmeat has been driven by tourists and young consumers over the years.

Top consumer lamb associations

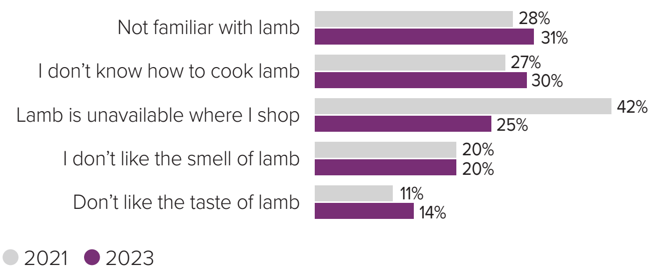
Strengths	Weakness
The most superior meat	Fresh
Usually tender	Easy and convenient to prepare
Willing to pay a bit more	Easy and convenient to purchase
High nutritional value	Can be used in many different meals
The animal is well-cared for	Essential part of a healthy diet for growing children

Source: MLA Global Consumer Tracker Vietnam 2023

FOODSERVICE

- Foodservice remains the key distribution channel for sheepmeat as most Vietnamese consumers either do not know how to cook it or find it difficult to cook at home.
- Australian sheepmeat exported to Vietnam is mostly utilised in higher-end Western-style restaurants.
- Tourists and young consumers looking for novel and exciting new tastes have increased demand for Western-style cuisines, thereby growing demand for lamb dishes.
- Sheepmeat demand is tied to foodservice activity. While imports have been recovering post-pandemic, the pace is slower than expected due to consumers being cautious with spending, especially on dining out as living costs continue to rise.

Reasons why Vietnamese consumers don't buy lamb

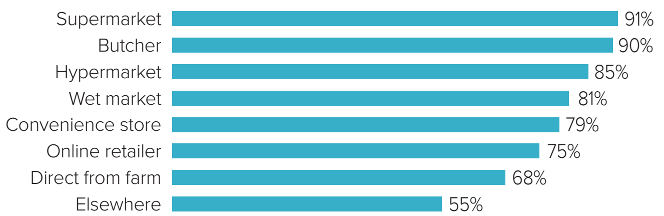


Source: MLA Global Consumer Tracker Vietnam 2023

RETAIL

- Vietnamese consumers who buy sheepmeat at retail in large cities tend to shop at multiple venues, from modern retail outlets to traditional markets. However, modern retail is the main channel selling imported sheepmeat products.
- Lamb is primarily available in frozen form at modern retail outlets in Vietnam. However, for more discerning customers, certain higher-end stores and specialised butchers provide the option of chilled lamb products. Meanwhile, online platforms continue to be used for purchasing lamb even since the restrictions eased, maintaining a relatively large customer base *(Source: MLA Global consumer Tracker Vietnam 2023)*.

Where frequent* consumers purchase lamb

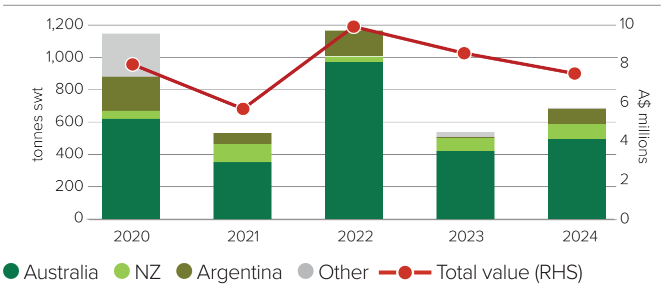


*Source: MLA Global Consumer Tracker Vietnam 2023, *At least once a month*

COMPETITIVE LANDSCAPE

- Vietnam's domestic production is relatively small, with an estimated combined sheep and goat flock of 2.9 million head. 2024 domestic production is estimated to be approximately 22,500 tonnes cwe, accounting for about 95% of total national consumption, and is forecast to increase 1.2% annually to 2028 *(Source: GIRA)*.
- Australia is the largest sheepmeat supplier with a 70% market share, followed by New Zealand and Argentina both with 13% in the 12 months ending August 2024. Australian exports rose 15% year-on-year, rebounding from a volume drop in 2023 due to slower foodservice growth. New Zealand products have strengthened over the last two years, while Argentina offers competitively priced products in the market.

Sheepmeat exports to Vietnam by key supplier*



*Source: Trade Data Monitor (TDM), Figures are for supplier exports to Vietnam, *MAT year ending August*

Beef

Market access overview – beef

Trade agreements	Import tariffs	Competitors	Volume restrictions	Technical access
ASEAN-Australia New Zealand Free Trade Agreement **(AANZFTA)** Comprehensive and Progressive Agreement for Trans-Pacific Partnership **(CPTPP)**	**Under AANZFTA:** 0% for all product lines	**India** (buffalo meat): Under India-ASEAN FTA zero tariff **Canada, New Zealand and Japan:** Same as Australia **US and Paraguay:** No FTA, tariffs vary between 14%–30%	Zero	No major hurdles

Best access — Major challenges

Source: Trade agreements, DFAT, WTO

Sheepmeat

Market access overview – sheepmeat

Trade agreements	Import tariffs	Competitors	Volume restrictions	Technical access
ASEAN-Australia New Zealand Free Trade Agreement **(AANZFTA)** Comprehensive and Progressive Agreement for Trans-Pacific Partnership **(CPTPP)**	**Under AANZFTA:** 0% for all product lines	**New Zealand:** Same access conditions as Australia **UK:** Under UK-Vietnam FTA: 0% **Argentina:** No FTA, tariff 7%	Zero	No major hurdles

Best access — Major challenges

Source: Trade agreements, DFAT, WTO