

OFCO and European-style breaded *Pangasius* fillets

Since 1999 OFCO Sourcing has succeeded in introducing frozen *Pangasius* fillet to European market. The company is set up as an intermediary between *Pangasius* suppliers and buyers with the role of protecting interests of both parties.

Breaded *Pangasius* fillets

In recent years in addition to working as a bridge between Viet Nam *Pangasius* and the world market, OFCO has conducted in-depth research in markets, demand and buying power for Viet Nam seafood products at distribution networks and retailers in European market.

OFCO has, so far, developed successfully a new product – European-style *Pangasius* fillets seasoned which is accepted by French customers.

Jean-Charles Diener, OFCO director, said the company has invested much time, efforts and finance to develop such

convenient product. However, to perfect processing formula and technique, the breading stage initially was conducted in France. This is the result of many years of trading Viet Nam seafood products, as well as experiences and knowledge of gastronomy of European customers. Fish fillets and breaded fish fillets are very popular and widely accepted by different classes of customers.

In a bid to massively produce and take advantages of competitive production costs in Viet Nam, OFCO has completed the production line and installed in Viet Nam for massive production.



Jean-Charles Diener, OFCO director

OFCO mission

OFCO has set its mission is to promote Viet Nam seafood, support the industry and find the appropriate customer for each supplier.

According to Diener, most suppliers have their own areas of expertise but it seems that they lack sound sales strategies. In reality, many Vietnamese suppliers are trying to sell to every possible customer without a real sales strategy and OFCO find this as a mistake. The fact is... there is no interest for a supplier to sell to two different customers that will compete on the same market. Though final customers may win, in due course the supplier will have no alternative but reduce its price and margin to satisfy competitiveness between the two customers.

Whether by intention or not, suppliers developing business with



European-style breaded *Pangasius* fillet of OFCO

importers and eventually selling directly to the customers of the importers often arrives. This action hurts the former and bigger importers who in protection of their own interest will have to reduce their sales and always push down the price at the minimum to avoid this situation from happening again.

It is important to remember that only very few importers will sell directly to the final customers. Most of the importers will sell back to retailers, distributors or processors. If suppliers do not respect better their customers and don't work enough with them to develop their sales, the number of importers may increase but each of them will import smaller volumes hence this will be reflected in lower price to ensure their position.

To keep correct price for fishers, farmers and processors it is very important to develop better sales strategies and this is the objective of OFCO. With a network of over 800 customers around the world, OFCO can ensure to always find the right customer for each supplier and each item.

With very important knowledge of the market and keen understanding of the position of each customer, OFCO contributes to the development of the business of several suppliers by setting up real sales strategies.

OFCO campaigns for better promotion of Viet Nam seafood, especially *Pangasius*.

For the sustainability of the *Pangasius* industry, OFCO believes that developing a large promotion campaign should now be a priority, and wish to be an ambassador of this excellent product.

Pangasius is an ideal item: the taste, smell and texture of the fillets



OFCO taking part in seafood shows to better promote Viet Nam seafood.

make this fish suitable for nearly all markets. In only few years, *Pangasius* conquered most of the important markets on earth. However, with its competitive price and big volume, *Pangasius* more or less affects fisheries industries in countries importing this fish. As a result, in America, Spain, Australia, Egypt and New Zealand, etc to name a few emerge coverage of wrong information on Viet Nam *Pangasius*. The arguments used are easy to refuse but too often these are the only information that reaches the final consumers.

In comparison, the Vietnamese black tiger shrimp have a good worldwide reputation and can be sold up to US\$1 per kilo more expensive than our neighboring countries, but considering that the said black tiger shrimp do not compete with the local production of the importer's countries, this reputation still took 10 years to be established. With the correct approach OFCO believes that this too can also be reached by Vietnamese *Pangasius* in due time.

Also OFCO is acting as a middleman between the Vietnamese suppliers and

worldwide customers. The Vietnamese suppliers are the "first link of the chain" to develop a long-term strategy and OFCO's priority is to ensure their success and their strength.

Viet Nam seafood industry is well developed and boasts some of the best seafood plants in the world. All customers visiting these plants were impressed with their cleanliness, sanitary conditions and some for their modernism. Unfortunately, these investments are often too expensive and are reflected in high production costs. Vietnamese businessmen and contractors are motivated to always build better and better plants which are more expensive and luxuriant than focus on the real main objective of improving efficiency hence results in a paradox that today, small plants are more competitive than the bigger ones.

OFCO recommends to be always mindful of the objective of production, the price of the final product and which markets to target.

* Comments and opinions run in the article belong to Jean-Charles Diener. They are his own viewpoints.