

What is wrong with breaded pangasius?

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Consumers around the world who have tasted breaded Pangasius fillet for the first time love the product. But why does this item can't be sold in large volume?

Big names in distribution and food service in the world were interested in the early stages of the Pangasius industry to develop manufactured product, especially breaded Pangasius items.

Vietnamese companies have good technical knowledge to develop such items and several of them even already invested a lot of money in automatic processing line including automatic batter, flour and breading applicator followed by deep-fried bath then cooker.

The cost to set up such processing line is very variable and depends on the degree of manual and automatic work. While most of the steps can be done manually therefore no special equipment investment would be necessary, investing in equipment help to reach a high level of consistency. As a result, the volume of production increase and eventually reduce cost.

All ingredients seems ready for success... then why the product is not?

Despite the market for such item could

be huge and can potentially reach new segments and be more profitable for Vietnamese processors than regular Pangasius fillet, the demand is weak.

Marketing and communication

The main issue to develop manufactured Pangasius product is not technical or financial but marketing and communication.

Manufactured product like breaded Pangasius fillet cannot be sold as easily as compared to white fish fillet. Buying white fish fillet is different from buying processed food products where consumers need to have more confidence in what they are buying. Therefore, established names in the food industry should be associated to it.

Due to unfounded bad propaganda against Pangasius, rarely are the importers, manufacturers, whole sellers or distributors willing to associate their image to Pangasius and promote this species. Developing a good and consistent product is only a very small step.

Important and strong efforts in commu-



Breaded Pangasius fillet

nication are necessary to sell breaded fillet or other manufactured product and an important step is to be as much as possible separated from the actual bad reputation of Pangasius or find a way to restore this image.

Sufficient market study

Market study is necessary before setting-up processing line for breaded Pangasius.

Before investing in breading processing, Vietnamese processors should study the market, develop partnership with some clients and keep in mind that they will be in direct competition with high performing factories from other countries. In Europe and USA for example, factories for breaded products are running more likely at full or nearly capacity reducing considerably their processing cost.

Breaded fish fillet is actually more expensive in Vietnam than in western countries
Several Pangasius processors already

invested lots of money to set up an automatic processing line but without preliminary sufficient market study it is more likely that they will not be able to maximize the use of their equipments and therefore, their processing cost will be too high on this competitive and 'mature' market. Another factor that increases considerably the production cost in Vietnam is electricity consumption and the coating used, which is most of the time imported and more expensive than in Europe and USA.

A possible initial strategy could be to focus on Vietnam's very competitive labor cost. Vietnamese processors may have interest to process manually breaded Pangasius fillet at first and exporters should target markets with the lowest percentage of coating (which is at the opposite of the actual trend) because of the higher cost of the coating in Vietnam and step by step develop cost efficient strategies as the market matures. ■

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