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# The three key steps to restore the image of *Pangasius*



*Pangasius* is probably the best farmed fish and maybe even one of the best farmed species on earth but pangasius fillet's quality is slowly decreasing and becoming unpopular.

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Because of the sustainability of its farming, *Pangasius* is the best way to feed the increasing world population that needs more and more protein. *Pangasius* fillet is also good, inexpensive and can easily be adapted to any cooking. Species like *Pangasius* can be the solution to many worldwide problem but because of *Pangasius* inherent qualities, this fish competes too strongly against other seafood. To fight back, fisheries industry around the world develop bad and false propaganda to beat *Pangasius* whereas Vietnamese suppliers compromise on *quality* to reduce even further the price to become more aggressive on the market thus creating an unhealthy competition. This has become a 'cycle' that must stop and Vietnamese suppliers must find efficient responses to these propaganda and rebuild the reputation of *Pangasius*.

There are three steps that I believe essential to restore the image of *Pangasius* industry:

- 1 - Fix a minimum export price,
- 2 - Be more confident with *Pangasius* product and develop efficient marketing strategy,
- 3 - Increase the nutritional quality,

***It is important to consider that bad propaganda against *Pangasius* also affect other Vietnamese seafood industry and not just *Pangasius*. Any positive developments on *Pangasius* will also help all Vietnamese seafood exporters such as shrimps and tuna exporters!***

Many people already know that something is wrong about *Pangasius* industry and should probably agree with the 3 keys steps I will discuss. Several meetings have been made, good ideas have been expressed but we need to take more concrete actions.

***The question on everyone's mind now should be how***



*do we make these 3 steps happen?*

## First step to restore the image of *Pangasius*

Act on the selling price

***Vietnamese should stop reducing the price, because the very cheap price is already the problem!***

Worldwide buyers are not confident with *Pangasius* and they are confused with the massive range of price and offers they receive. Considering that there are over 300 companies offering this product with many specification and qualities, it will be too difficult to set-up common standard between all the exporters.

Having said that, it is necessary to act on the selling price and impose some acceptable minimum export prices. It will not always be easy to define this price and Vietnamese seafood industry should do it together with the help of VASEP and the cooperation of OFCO and maybe with the possible involvement of the Vietnamese government. Tuna, shrimps and other main seafood Items from Viet Nam follow the world trends, so the Vietnamese government does not need to interfere. This is not the case for *Pangasius*, it needs external help to regulate its market. Viet Nam is the only big exporter of *Pangasius* therefore Viet Nam must be the one regulating the price.

The minimum price should be reasonable and should not focus only on what is happening in Viet Nam. It is necessary to take in consideration the world market for White fish fillet. A minimum price should be defined for the main specification (Untrimmed, Well trimmed, 'intermediary trimming if necessary' / 10%, 20% glazing, etc...) and it should be clear on packaging and documents. For example, it is not allowed today to export *Pangasius*

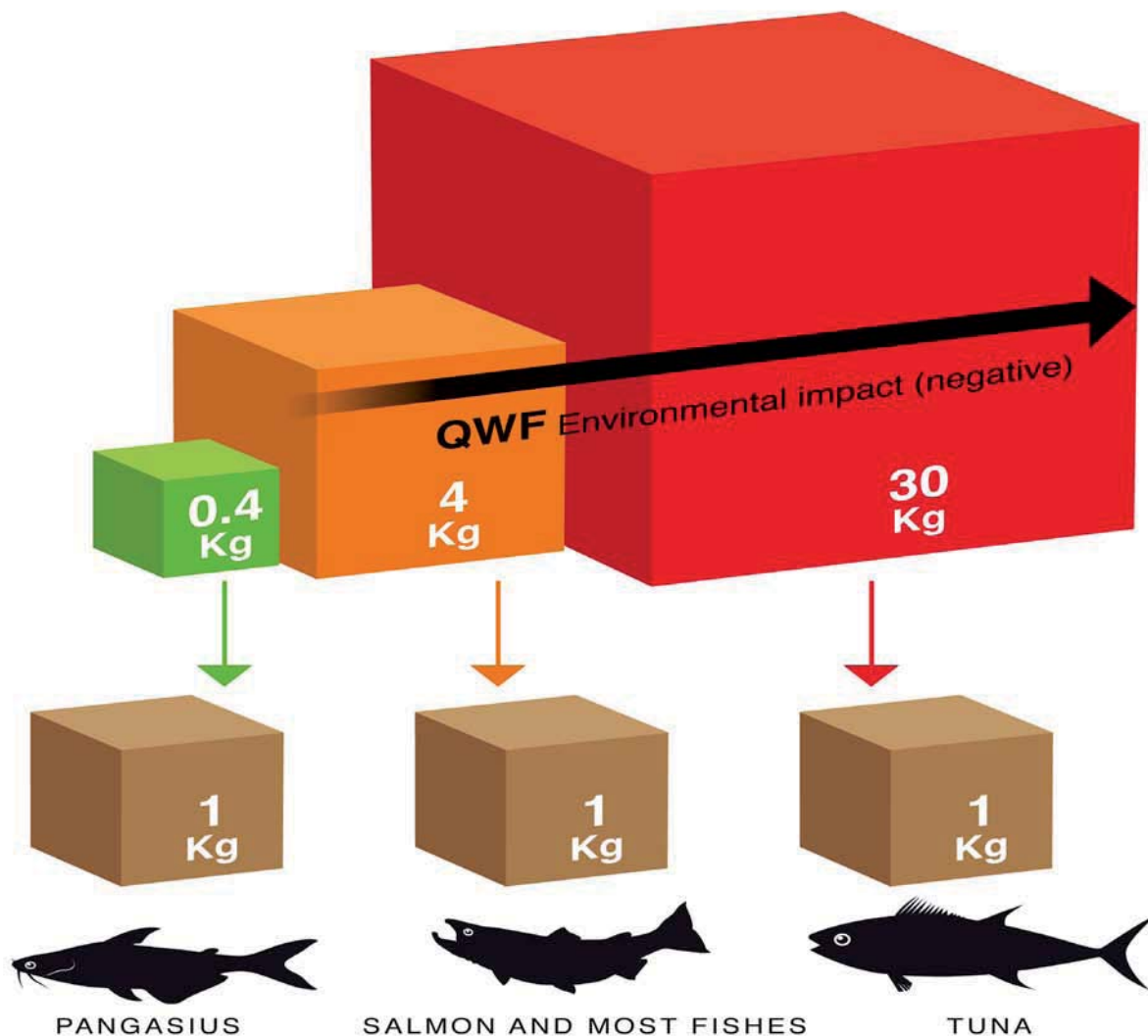
with over 20% glazing but with no strict control on prices the action is limited because to obtain cheap prices, it has become necessary to falsify the official specification and often buyers impose it.

This is the first step to restore the trust of the buyers, which will also force exporters to compete more on the quality and less on the price. It will also increase the quality and give more confidence to the consumers.

The first minimum price chosen should be practical (not too expensive) but should be respected by everyone. And eventually increase the price step by step according to the market acceptance.

It should still remain possible to obtain cheap price for the markets who ask for cheaper product and it should remain possible to export lower quality at cheaper price. There are many ways to reduce the price without confusing buyers and final consumers. Therefore, the specifications should be clear on packaging and documents: "*Cheap price should go with cheap specification*".

*Pangasius* exporters should also contribute a small



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The presentation illustrates the Quantity of Wild Fish (QWF) necessary to feed and produce 1 kg farmed fish.

percentage of the export price (or fix fee per kilo) to a fund that will be managed by national authority. This fund could sponsor indirect promotion at first and then, as soon as the situation with *Pangasius* is improved, Viet Nam could develop a wide spread promotional campaign.

### Second step to restore the image of *Pangasius*

Be more  
confident with  
*Pangasius*

*Pangasius fillet can be a very good product and Vietnamese should be confident with their product!*

10 years of bad propaganda developed a wrong impression on *Pangasius*.

*Pangasius* is a very good fish. Just because *Pangasius* is inexpensive it doesn't mean that it is not a good product. *Pangasius* is cheap because Viet Nam have a very competitive labor cost to process this fish and because this fish is omnivorous: same as the pig *Pangasius* can digest animal and vegetal protein.

Farming an omnivorous fish like *Pangasius* is much more efficient and sustainable than most of the other fishes farmed in the world which are mostly carnivorous such as salmon and tuna. These fishes need lots of animal proteins on their diet, proteins that are issued mainly from industrial fishing which are not only very expensive but also harmful for the environment.

Many organizations say that aquaculture is a good

alternative to industrial and commercial fishing and can help protect our ocean resources. However, it still requires up to 4 kg of wild fish (caught specifically for fishmeal) to feed and produce 1 kg of salmon and most of the common farmed species. Anchovies for example is the biggest sea caught fish in volume but is mainly converted into fishmeal for Aquaculture. Currently and despite the limited research study on *Pangasius* feeds compared to the exhaustive Salmon feed research and development, it takes only 0.4 kg of wild fish to produce 1 kg fish *Pangasius*. With more research, the 0.4 QWF for *Pangasius* could still be brought down to an even lower value.

There have been some discussions that consider tuna farming as a solution to protect the declining wild stock but considering that it takes 30 kg wild fish to feed and produce 1 kg tuna, the situation is worse than most farmed fishes. Feeding carnivorous fish require high proportion of animal protein in their diet which is expensive and explains also why *Pangasius* is cheaper to produce than those fishes. Farming omnivorous fish is the more viable solution as compared to the current development of feeding carnivorous fishes with vegetable.

Some other aspects that could also be listed to explain the advantages of *Pangasius* industry are stable and warm weather condition all year round, possible full traceability, ideal fillet texture and taste to develop a large variety of products. These alone could explain the competitive price and the quality of the product.



*Pangasius* during harvesting

### ***The new trend today is SUSTAINABILITY.***

Many organizations are speaking about sustainability and several of them are even already in Vietnam and are interested to take profit out of the *Pangasius* creating a “sustainable *Pangasius* farming certification” even if it means spreading false and bad propagandas on traditional *Pangasius* farming to create an artificial need for their certificate. These organizations don’t help in the development of the industry; rather they are just here to tell the world what we already know: *Pangasius* is a sustainable product.

*Pangasius* is already one of the most sustainable farmed species on earth not just with fish farming but land farming included. *Pangasius* is an excellent way to feed the increasing world population’s demand for more and more protein. *Pangasius* can be the solution to many worldwide problems. *Pangasius* is already the best way to protect our ocean ecological balance.

Focusing on SUSTAINABLE FARMING is one of the best tool to promote *Pangasius* over the other farming species and even over the wild-caught fishes which is often not sustainable. The world is worried about the fish stock decline in our ocean and species like *Pangasius* can be the solution!

While *Pangasius* farming and processing is not perfect, its level of acceptability is already in a very good position. If the market matures and accept higher price, the few grey area on farming and processing can be easily resolved.

***Pangasius farming is already sustainable ... Viet Nam just need to be more confident about it.***

### **Third step to restore the image of *Pangasius***

Increase  
the quality

***Pangasius is sold in most of the markets around the world despite the poor nutritional quality of Pangasius fillet!***

On the downside, *Pangasius* fillet is quite poor in terms of nutritional value but this could be corrected easily with proper feed formulation (during farming) and the use of more suitable treatment to reduce water absorption (during processing). But of course, that is only possible if the price of *Pangasius* increase.

“We are what we eat”, same as livestock any other farmed products, it is possible to increase the nutritional value of *Pangasius* which could help Vietnamese exporters to get new markets that will pay more for better quality *Pangasius* fillet. Also, it is necessary to control antibiotic residue or other unauthorized substance and ensure the safety of the product from the farm up to the final product through better quality management systems.

Viet Nam have all the technology and the knowledge to



*Well trimmed Pangasius fillet*

transform this fish into a perfect final product but a better market price and a better recognition of *Pangasius* are necessary to make this possible. If Viet Nam improve the nutritional fact of *Pangasius* the market for this product will be much bigger.

### **Conclusion**

If the price of *Pangasius* is regulated, there will be positive results that will come out of this: quality will improve, bad propaganda will eventually disappear and the market will increase considerably. The importers, wholesalers and even the distributors will become more confident to promote this fish resulting to development of new items or products. There will be a healthy competition with the other fish industry and everybody will be on the winning side. Vietnamese farmers and exporters will get good profit out of *Pangasius*. Vietnamese seafood industry will benefit indirectly from a better image of the *Pangasius*. Importers and wholesalers will also benefit because they could develop better sales strategy and increase their margin. The food processing industry could use this fish in large scale, opening totally new opportunities for *Pangasius*. And more importantly, for a few additional cents, customers will have a better product.

*Pangasius* farming is good, the processing is good and *Pangasius* is one of the most sustainable farmed species on earth. Vietnamese exporters have to develop good sales strategy and regulate the price. The buyers should find interest to buy *Pangasius* and not just be forced by the market that is always asking for cheaper product. With the help of the importers & distributors, Viet Nam could really start promoting this product as the greatest aquaculture fish in the world.

The graph OFCO created about QWF (presented at the beginning of this note and accessible at <http://ofco>.


## Sustainable Development

info/Pangasius.html) is not new information for seafood professional around the world but IF the final consumers in developed countries learn and understand it, then all their idea and perception about farming fishes will change and *Pangasius* will receive a much better respect!

To reach those final consumers, huge investments in marketing and advertisements are necessary OR simply find the right people to bring the information to the right organizations that will convey the correct information. Several of the main *Pangasius* exporters already offered to sponsor OFCO to protect *Pangasius* interest ... but to be efficient, all *Pangasius* exporters should be united to speak in one voice.

***Pangasius of Viet Nam should be represented to all important international summits on aquaculture and***

***sustainability farming.*** Next September at the upcoming Seafood summit to be held in Hong Kong there will be an important discussion about sustainable farming, Viet Nam should be represented.

***For these three steps to happen, Vietnamese seafood exporters must find a representative, an ambassador for Pangasius, who have the strong motivation, authority and fund to push the idea through.*** 



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