

## **P20. The development of the dairy production in Vietnam - Smallholder farming and large scale investments**

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In Vietnam, the demand for dairy products is booming. Between 1990 and 2010, milk consumption in Vietnam rose from 34 000 to 1.3 million tons of milk equivalent (GSO, 2011). Until the beginning of the 2000s, however, dairy production has not been much developed. Therefore, the country has mainly relied on imports to meet this demand. In 2000, imports of dairy products accounted for 95 % of consumption (Bui Thi Nga, 2012).

To reduce this dependency on imports, the Vietnamese government launched in 2001 a National Dairy Development policy to support the dairy sector. In ten years, the number of dairy cows increased from 35000 to 130000, and the domestic production reached 300.000 tons in 2010. This impressive development of the milk production relied mainly in smallholder dairy farms producing elephant grass on small plots (Cuc Chan Nuoi, 2013). It is estimated that around 20000 rural households lived directly from this activity.

Despite those positive results, however, the domestic production has still been insufficient to meet the growing demand. In 2009, the government launched a new livestock development strategy (livestock to 2020) to support large scale dairy farms.

And corporate dairy companies (like Vinamilk, DutchLady, Moc Chau milk or Thmilk) have developed a significant number of intensive dairy mega-farms. These farms raise between 800 and 26,000 cows, and buy an important part of their feed from outside.

The Vietnamese government hopes to cover 50% of the needs with this new production model by 2020 (DLP, 2008).

These two models (smallholder production and industrial farms) differ on several points: production capacity, economic viability, social equity, environmental impact. But until now, there has been very few data published to compare the efficiency and the sustainability of those 2 types of production systems. The emergence of mega- farms question the future of the milk sector in Vietnam. How must milk sheds evolve in response to those changes in policy and in milk markets? This poster presents the approach of the REVALTER project carried out by a team of national and international researchers, in order to build future scenarios for dairy farming in Vietnam.