



Unlocking Growth in the Animal-Based Agri-Food Value Chain in Vietnam:

Insights and Strategies



November 2025



Animal-Based Agri-Food Value Chain in Vietnam

The Opportunity and the Challenge

Vietnam's animal-based agri-food sector represents approximately one-third of the nation's US\$100 billion food and beverage market, making it a cornerstone of the economy. Yet, beneath this significant market value lies a landscape of intense competition and considerable volatility. The value chain, spanning from feed production to retail, is served by a mix of powerful foreign firms and large domestic players, creating constant competitive pressure.

Profitability is a primary challenge. Gross margins vary dramatically—from as low as 5% in highly commoditized segments to over 35% in more value-added areas, exposing businesses to significant financial risk. Furthermore, the industry is grappling with challenges ranging from reliance on imported raw materials and fragmented distribution to rising demands for traceability and safety.

To thrive in this demanding environment, a 'business-as-usual' approach is insufficient. Sustainable success requires a clear strategy focused on operational excellence and targeted growth. This report provides an analysis of the value chain, dissects these key challenges, and presents a framework of actionable levers to help companies build resilience and unlock profitable growth.

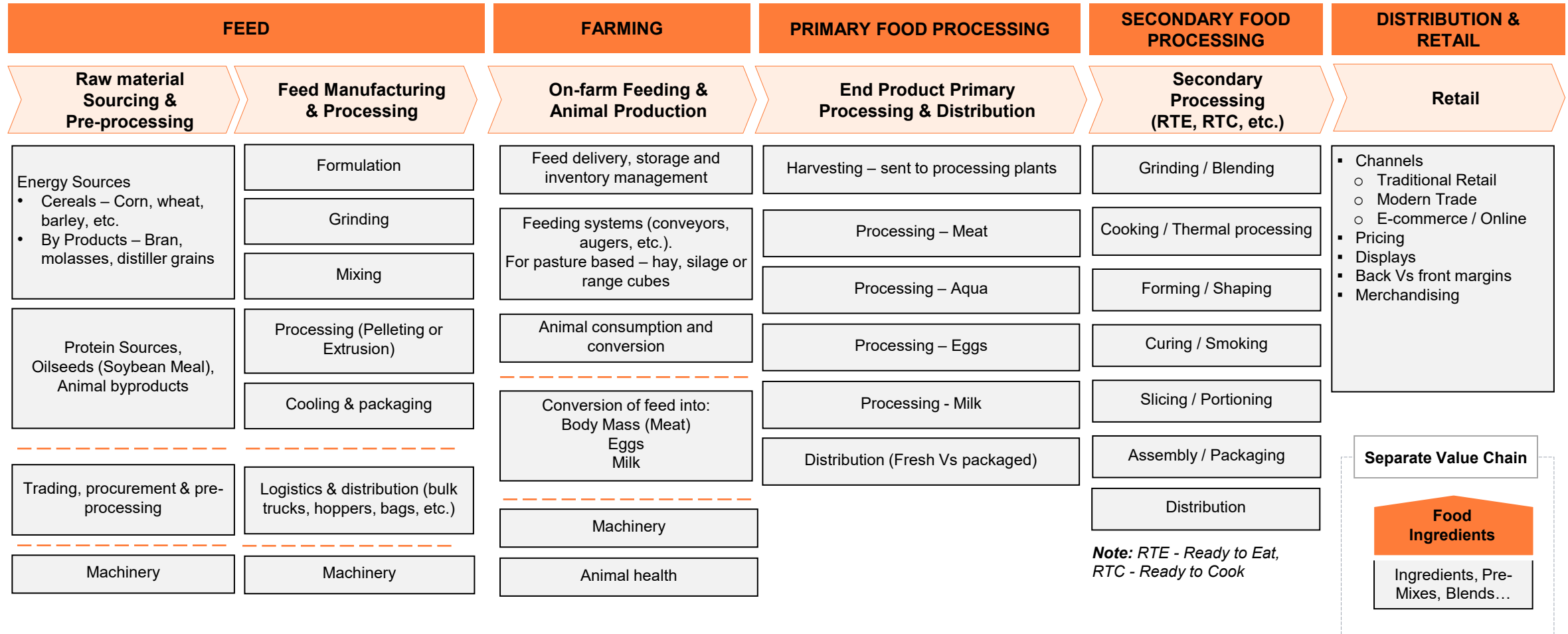


1

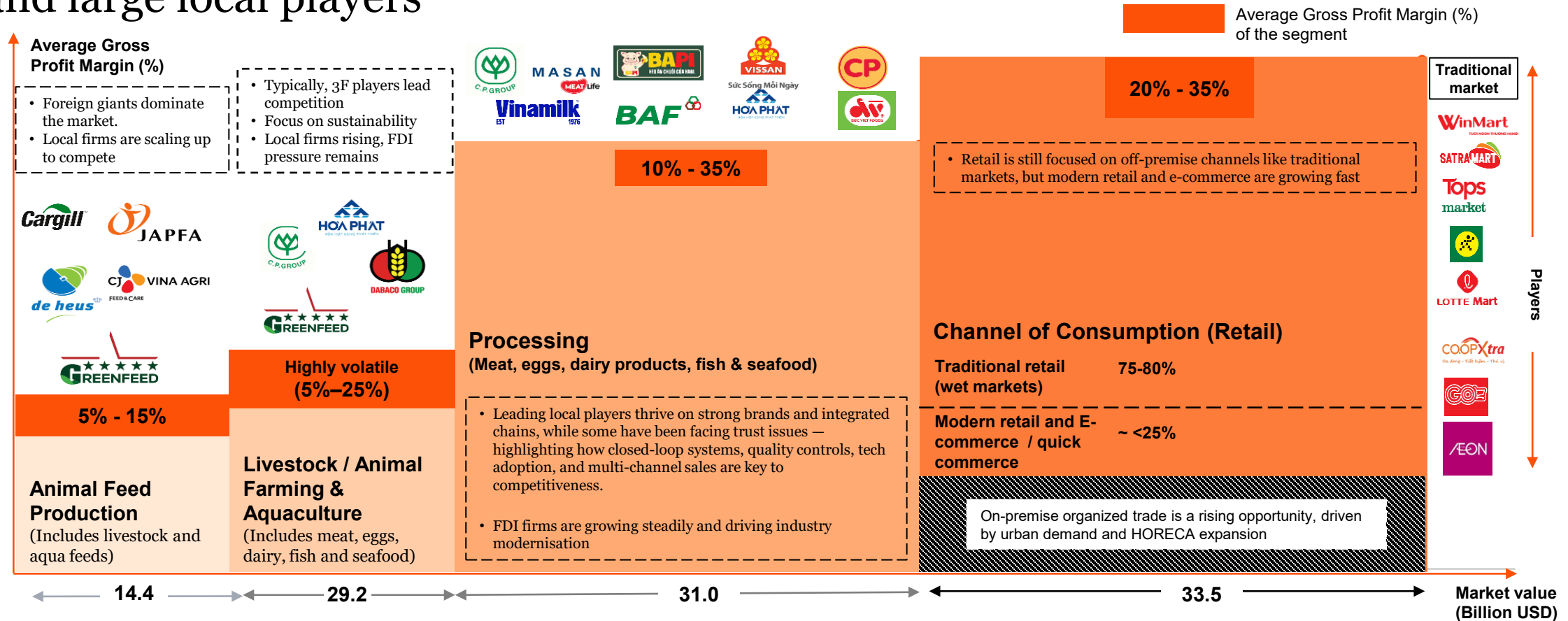
Understanding the landscape: The Animal-based Agri-Food Value Chain in Vietnam

PwC's work with leading 'Feed-Farm-Food' (3F) players provides the insights to help clients navigate market pressures and unlock value across the entire animal-based agri-food value chain

ANIMAL-BASED AGRI-FOOD VALUE CHAIN



The animal-based food value chain accounts for roughly 33% of Vietnam's total Food & Beverage (F&B) sales and is fiercely competitive, being served by foreign players and large local players



Source: PwC research and analysis, [Imarc](#), [B&Company](#), Statista, Databridge, Gmp, Mordor Intelligence, VietnamBiz, Vietnam Livestock Magazine, Agriculture and Agri-Food Canada, Center for Industry and Trade Information – Ministry of Industry and Trade, Vietnam Fisheries, World Bank, Center for WTO and International Trade, Euromonitor International

Disclaimer: The brand identifiers in this page are used solely for illustrative identification. PwC respects third-party IP rights and complies with applicable Vietnamese laws. No license, sponsorship, endorsement, partnership, or affiliation is granted or implied.

Average per capita spend on food and non-alcoholic beverage (annually) - ~980 USD; Total spend as a country on food and non-alcoholic beverages is ~100 Billion USD per year for Vietnam.

Definitions:

- On-premise:** Point of Sales for which consumption occurs at the point of sale (e.g., restaurants, cafés).
- Off-premise:** Point of Sales for which consumption occurs away from the point of sale (e.g., delivery, supermarkets, wet markets, convenience stores).



2 Navigating the Headwinds: Key Challenges Across the Value Chain

There are challenges across this value chain which primarily stem from global factors, infrastructure, efficiency and risks/compliance

Stage	Common Challenges in Vietnam	
Raw material Sourcing & Pre-processing	<ul style="list-style-type: none"> • Heavy reliance on imported raw materials (corn, soybean), making it vulnerable to global price fluctuations. • Inconsistent quality of domestic raw materials, lack of standardization. • Challenges around logistics and storage infrastructure. Global supply chains remain unstable, affecting costs and delivery timelines • Stringent sustainability policies and antibiotic regulations, placing increasing pressure on raw material. 	
Feed Manufacturing & Processing	<ul style="list-style-type: none"> • High and volatile input costs. • Intense competition between local and foreign-invested companies. • Increasing requirements for animal food safety and traceability. • Limited research on cost-optimized nutrition strategies. 	
On-farm Feeding & Animal Production	<ul style="list-style-type: none"> • Predominantly small-scale farming, making disease control difficult. • Low adoption of advanced technologies, resulting in low productivity. • Weak value chain integration and limited eco-farming models. • High risk of disease outbreaks and biosecurity challenges. 	<ul style="list-style-type: none"> • Lack of traceability and consistency in imported breeds. • Shrinking land availability and rising environmental costs
End Product Primary Processing & Distribution	<ul style="list-style-type: none"> • Fragmented slaughtering facilities, often failing to meet hygiene standards. • Lack of a fully integrated cold chain system. • Fragmented distribution channels with weak linkages. 	<ul style="list-style-type: none"> • Higher domestic pork production costs than key global competitors. • New livestock laws requiring stricter farm standards and traceability, pushing businesses to invest in technology and transparency management
Secondary Processing (RTE, RTC, etc.)	<ul style="list-style-type: none"> • Growing demand for processed products, but consumer habits still favour fresh products. • High investment costs for processing technology. • Competition from imported processed foods. 	
Retail	<ul style="list-style-type: none"> • Growing modern retail is growing but dominance from traditional channels. • Rising demand for traceability and quality certifications. • Shifts in consumer behaviour post-COVID (focus on safety and convenience). 	

Source: PwC research and analysis, TechnoServe, World-Grain , IFPRI GFPR , FAO, Wiley, FoodResearchLab, Phap Luat news

Note: The above list is just an illustration of some typical challenges across different stages in the value chain.



3

The Path to Growth: Strategic Levers for Value Creation

To tackle these challenges, companies must pursue strategic value creation while asking critical questions about strategic alignment, revenue growth, margin optimization, and governance among others

Value Creation Lever	Description	Key questions companies must ask themselves?
Strategic Alignment	<ul style="list-style-type: none"> Align company strategy with value chain position for enhanced competitiveness and ensure cost structures remain competitive 	<ul style="list-style-type: none"> Are our strategic objectives aligned with our current position in the value chain? What capabilities can we leverage to move up or down the value chain?
Revenue Growth	<ul style="list-style-type: none"> Drive revenue through strategic product, channel, and value chain decisions 	<ul style="list-style-type: none"> Which products or services can we expand to boost revenue? Are we utilizing all available channels effectively for maximum market coverage?
Gross Margin Variability	<ul style="list-style-type: none"> Manage margin variability to ensure profitability and maximize resource efficiency 	<ul style="list-style-type: none"> How can we better control costs to stabilize gross margins? What strategies can be implemented to enhance pricing power?
Indirect Spends Optimization	<ul style="list-style-type: none"> Optimize marketing and trade spends to enhance engagement while minimizing costs to produce and cost to serve 	<ul style="list-style-type: none"> Are our marketing and trade spends effectively driving consumer engagement? How can we enhance consumer engagement and impact? How can we streamline our production and supply chain overheads?
Asset Efficiency	<ul style="list-style-type: none"> Enhance asset utilization to minimize waste and rapidly convert profits into cash 	<ul style="list-style-type: none"> What efficiencies can be introduced to optimize asset performance and working capital deployed? Which underperforming assets can be optimized or divested?
Governance	<ul style="list-style-type: none"> Implement robust governance practices for transparency and ensure comprehensive risk management principles are in place (eg - commodity and forex risk) 	<ul style="list-style-type: none"> How well do our risk management practices align with industry standards? What improvements can be made to strengthen governance and compliance?

By harnessing a wide array of industry practices, companies can enhance efficiencies and address the key questions, paving the way for significant value creation across these levers



Strategic Alignment

- Aligning products with market demand and revenue/profit pools
- Market development
- Product portfolio innovation
- Value chain expansion through Mergers & Acquisitions



Revenue Growth

- Product portfolio diversification
- Pricing strategy
- Channel development and cross-channel positioning
- Promotions & marketing strategy
- Leveraging partnerships and alliances



Gross Margin Variability

- Yield improvement
- Process optimization
- Cost control measures
- Strategic Sourcing / supplier contract re-negotiation
- Feed formulation optimization
- Lean manufacturing practices



Indirect Spends Optimisation

- Marketing ROI and volume growth correlation
- Manufacturing overheads reduction
- Operations streamlining
- Other SG&A spend optimisation
- Voice of customer research



Asset Efficiency

- Asset rationalisation
- Inventory optimisation
- Energy saving technologies
- Modernization and technology upgrades
- Portfolio divestment



Governance

- Compliance frameworks
- Time motion studies to align tasks with Roles & Responsibilities
- Financial governance and Risk management protocols
- Accounting Health Check




















4 Your Transformation Partner: How PwC Can Help

PwC's Transformation Team helps clients translate these efficiencies and strategic opportunities into sustainable growth

We provide end-to-end support in the value enhancement journey, starting with rapid diagnostics to strategic implementation and continuous performance optimization



We have extensive experience advising similar industry players on strategic value creation

Case studies	Value Creation Levers Impacted
Restructuring advisory to one of the largest Southeast Asian feed-farm-food players to support the company's growth and improve operational efficiency	   
Treasury advisory to a leading animal feeds group in Southeast Asia for better efficiency and cash visibility	 
Finance and Treasury Function transformation through operating model redesign for a leading Asian integrated agribusiness group	 
Operational review of a fish sauce manufacturer struggling with cash flow to identify value creation opportunities across sales operations, supply chain and manufacturing	  
Value creation Levers	 Strategic Alignment  Revenue Growth  Gross Margin Variability  Indirect Spends Optimization  Asset Efficiency  Governance

Get in touch



Mohammad Mudasser

Director, Deals - Transformation
PwC Tax and Advisory (Vietnam)
mohammad.mudasser@pwc.com



Bhanti Pratiksha

Senior Manager, Deals - Transformation
PwC Tax and Advisory (Vietnam)
bhanti.pratiksha@pwc.com