

Fact Sheet 2 Pangasius in the Mekong Delta

by SVEN GENSHICK

One of the most important recent trends in the Mekong Delta has been the development of the Pangasius sector (especially farming and processing), which depends a lot on water for production and is one of the major sources of water pollution. Preliminary findings of the still ongoing research are as follows:

The Vietnamese catfish, most commonly known as Pangasius, but also as *Ca Tra* (*Pangasianodon hypophthalmus*) or *Basa* (*Pangasius Bocourti*), has become well known worldwide and is now exported to more than 100 countries around the globe.

In the Mekong Delta, fishing and fish farming have always been vital parts of people's livelihoods. Since the 1960s, fish fingerlings have been caught in rivers or canals and put into small ponds and nets for extensive cultivation. In the late 1990s, through scientific progress and successful breeding programmes, the so called *Pangasius boom* took off.

The rich supply of artificially bred fish fry enabled the intensification of fish farming. Today, *Ca Tra* farming is very popular, and is mainly based on high stocking densities (>40 fish/m²) in large ponds with depths ranging between two to five metres. Cage farming, on the other hand, is on the decline. This shift from semi-closed (cages) to closed farming systems (ponds) is due to better water management. In addition, pond farming is more efficient, especially in terms of disease treatment and effective feeding, year-round fish farming that is independent from seasonal changes to river water flow.

The success of Pangasius farming is related closely to the establishment of fish processing industries and sub-industries such as by-product processing and ancillary industries for feed, veterinary products and services as well as technical equipment. The sector provides for more than 150,000 livelihoods, most of which are managed by women from rural areas. Since aquaculture products are sold all over the world, especially Pangasius farming and processing have become a very important industry for Vietnam and serves rural development well, particularly in the central and northern Mekong Delta.

Feeding Ca Tra with artificial feed



Photograph: Sven Genschick (2010)

In Can Tho City, after many years of successful growth and profit, Pangasius farming in recent times has brought disillusion to farmers and actors in related industries. Pangasius and its output have created unplanned and external effects, such as pollution or dumping scandals, which cause frequent conflicts that need to be defused. Additionally, price fluctuations caused by the uncontrolled output of raw material, changing demands on export markets and increasing prices for fingerlings and feed make it difficult to raise Pangasius profitably. In particular,

the fact that the fish need to be raised for six to ten months – a time of investment and not of refinancing – complicates accurate investment planning. The risk of making a loss was always there, but in recent times the threat has become alarming. The percentage of fish being produced at company-owned pond sites is increasing, although still more than 50 % of export fish stems from individual or cooperative-owned farms. Nevertheless, since 2006/2007, a growing number of farms have stopped raising Pangasius; instead, they now rear fish species that are sold at local markets and whose production is characterised by more stable prices and lower investment costs.

The above outlined market-related price fluctuations lead to stricter loan policies, private funding with high interest rates, late payment practices and a lack of trust among actors, especially between farmers and processors. For instance, the shortage of raw material is caused partly by the late payment practices of processing companies, which prevent farmers from paying back interest and loans on time. Without new loans, farmers are then unable to invest in a new crop, which in turn affects the quantity of raw material output. Consequently, when raw material becomes scarce, its price increases and compromises the profit of processing companies, thus creating a vicious circle that needs to be broken up if the situation is to improve.

Besides gaining a general overview about functionalities and networks in the Pangasius sector, ongoing research as part of the WISDOM project concentrates on the daily practices and factors that

influence the outcomes of fish farming in general.

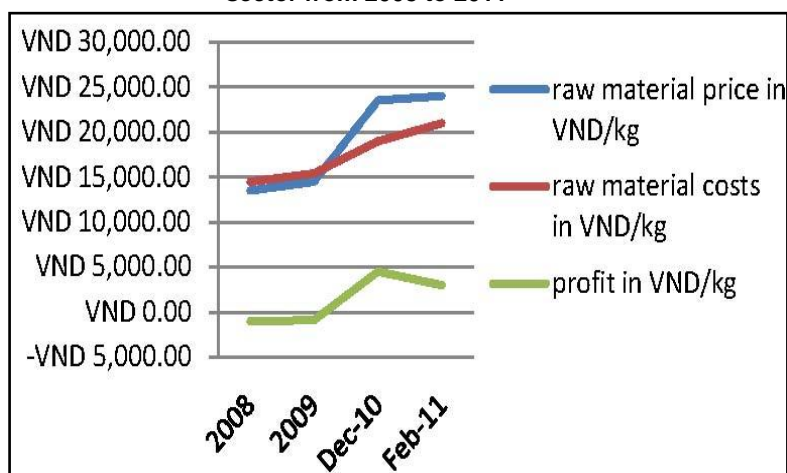
Key aspects will be farmers' educational backgrounds, their work experiences and previous professions, state regulations and natural conditions such as water source access and water source quality. It will also be of interest to establish how scientific innovations in Pangasius farming have influenced traditional farming models.

Fish Processing Industry



Photograph: Simon Benedikter (2009)

Development of costs and profits of the Pangasius sector from 2008 to 2011



Graph: Sven Genschick, 1US \$ = 20,652,25 Vietnamese Dong/VND (May 2011)

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