



Vietnam rice market & World

1. Long period of sun shining creates disadvantage for rice planting
2. Rice-an objective of Post-harvesting National Strategy for rice, corn, soybean, peanut by the year 2020
3. Late May and April 2007, Vietnam rice export sharply increases
4. World rice supply forecasted

Vietnam rice market

Production

By regions, in Mekong Delta provinces, An Giang and Tra Vinh guideline farmers to grow rice at once indicated timetable divided into 2 periods to avoid brown backed rice plant hopper and salt-marsh and based on a right track of crop calendar. In An Giang, 50000 ha of summer-autumn rice are reported successfully seeded and well grown by 25 April. In the whole Delta, about 387,545 ha or summer-autumn rice are reported successfully seeded, mostly in Dong Thap, Tien Giang, Can Tho, Hau Giang. However, about 11 thousand ha of early summer-autumn rice in the Delta were infected brown backed rice plant hopper, up nearly 4 thousands ha from week earlier, mostly in Dong Thap, Vinh Long, and Bac Lieu. This is a danger to the summer-autumn rice areas which



will be seeded on a large scale in May and June. In Northern provinces of Vietnam, about 1,125.8 thousands ha of winter-spring rice areas are successfully seeded and well grown by 15 April.

Late April, weather performed quite comprehensively, long-period of hot sun shining, low level of rainfall leads to dry condition which is disadvantage to grow summer-autumn rice in some provinces in Mekong delta (An Giang, Tra Vinh) and to winter-spring rice in Red river delta (Ha Nam). Meanwhile, in Nghe An (central highland of Vietnam), dull and foggy weather created favor for rice disease growing. About 4,300 thousand ha of winter-spring rice in Nghe An are infected brown-backed rice plant hopper and white-backed rice plant hopper.

Policy

MARD granted Decision No. 20/2007 dated on 15, March, 2007 on approval by the year 2020 Post-harvesting National Strategy for rice, corn, soybean, peanut. This strategy focuses on 3 main fields:

- (i) Strengthen research, design and manufacture post-harvested equipment and technology in high quality, efficiency and low cost
- (ii) Mechanize, gradually automation in post-harvest field
- (iii) Develop infrastructure, service and commerce activity for the field

In which, government will:

- (iv) Create favor conditions for all types of economic stakeholders to borrow loan for develop mechanization, automation in post-harvest field for rice, corn, soybean and peanut
- (v) Supported from national budget for a part of technology transformation costs serving for manufacturing agricultural mechanic equipment and processing, maintaining agri& forestry products
- (vi) Put priority on develop technical infrastructure in rural area, especially irrigation system to serve for develop commodities of rice, corn, soybean and peanut.

Vietnam rice export early 4 months of 2007

Year 2007	Quantity (thousand ton)	Value (millions USD)
January	66	21
February	194	63
March	556	173
April	600	189
Accumulated for early 4 months of 2007	1416	446

Source: www.agro.gov.vn

By provincial level, it's depend on particular condition, the provincial people committee grant their supporting policies to encourage farmers and post-harvest service units to invest in technology renovation, to mobilize internal capacity to construct rural market system, develop market information system and trade promotion .

Export

In April 2007, Vietnam has exported about 600 thousands ton of rice, and export value accounted for has been nearly USD 186 millions, up 22% in quantity and 39% in value in comparison with the same period last year. Rice export quantity has sharply increased due thanks to strong domestic supply, and high level Of rice export price (up 14% from year earlier), and Weather's nice for rice loading on board.

Within week, Vietnam rice export prices are: USD 300/ton for 5% broken rice, USD 295/ton for 10% broken rice, USD 290/ton for 15% broken rice, USD 285/ton for 25% broken rice. Total rice export volume of early 4 months of 2007 was reported about 1.4 millions ton, export value reached about USD 443 millions, down 19% in quantity and 7% in value from year.

Main destination for Viet rice is Asia markets, in which Indonesia accounts largest portions with 59% of total Viet rice export volume and mostly imported 15% broken rice. Philippines stands at second with 19% proportion, mostly imported 25% broken rice.

World rice market

Rice outlook released in April 2007 by RERS/USDA was indicated that, in the year 2007, world rice export is forecasted to increase 3.6% (equivalent to 1 millions ton) from year earlier. In which, Thailand rice export is forecasted by 19.4%, Vietnam increases 6.3%, Pakistan increase 3.3%, while India and the U.S decreases volume of rice exported.

India

Rice exporters have expressed concern over the adverse fallout in trade due to firming up of the Indian rupee against the US dollar and sought the government's intervention to prevent damage.

The Indian rupee has appreciated by 9% against the dollar since August 2006 due to heavy inflow of the green-back into the country. "The government and RBI should stop being a mute spectator to the whole episode. It must take remedial steps at the earliest and help out the exports from this very grave and critical situation", the All India Rice Exporters Association said in a statement.

The statement said any delay in correction will cause "bankruptcy to many small and medium industry in the days to come for which we will hold no body else except the government of India". It said basmati contracts made in October-November 2006 were signed when the dollar was worth Rs 44.50-Rs 45 and with the present rate of Rs 42 for a dollar the exporters have already lost about 7% of the total value of their contract.

World rice export (thousand ton)			
Country/year	2005	2006	Forecasted 2007
Thailand	7274	7376	8800
Vietnam	5174	4705	5000
India	4687	4500	4300
United States	3862	3360	3300
Pakistan	3032	3000	3100
Total	29009	28353	29360

Source: www.ers.usda.gov



Rice export price of Vietnam and Thailand (USD/ton - Source: www.agro.gov.vn)

	Vietnam			Thailand		
	March 2007	April 2007	Changes	March 2007	April 2007	Changes
5% broken rice	304,7	303,2	-1,2	314,3	311,2	-3,1
10% broken rice	295,4	300,5	5,1	310,7	307,1	-3,6
15% broken rice	290,6	294,9	4,3	307,2	304,3	-3,0
25% broken rice	285,6	288,4	2,8	295,2	292	-3,2

Domestic price of paddy, rice in selected provinces (VND/kg - Source: www.agro.gov.vn)

Province	Ordinary Rice			Province	Ordinary Paddy		
	March 2007	April 2007	Changes		March 2007	April 2007	Changes
(1)	(2)	(3)	(4)=(3)-(2)	(5)	(6)	(7)	(8)=(7)-(6)
An Giang	4725	4733	8	Vinh Long	3100	2850	-250
Kien Giang	4575	4733	158	Tay Ninh	3225	3150	-75
Bac Lieu	4700	4733	33	Bac Lieu	2800	2867	67
Lam Dong	5220	5167	-53	Nghe An	3300	3300	0
Ben Tre	4650	4500	-150	Ben Tre	3125	2950	-175
Tien Giang	4050	4050	0	Dong Nai	3100	3000	-100

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