



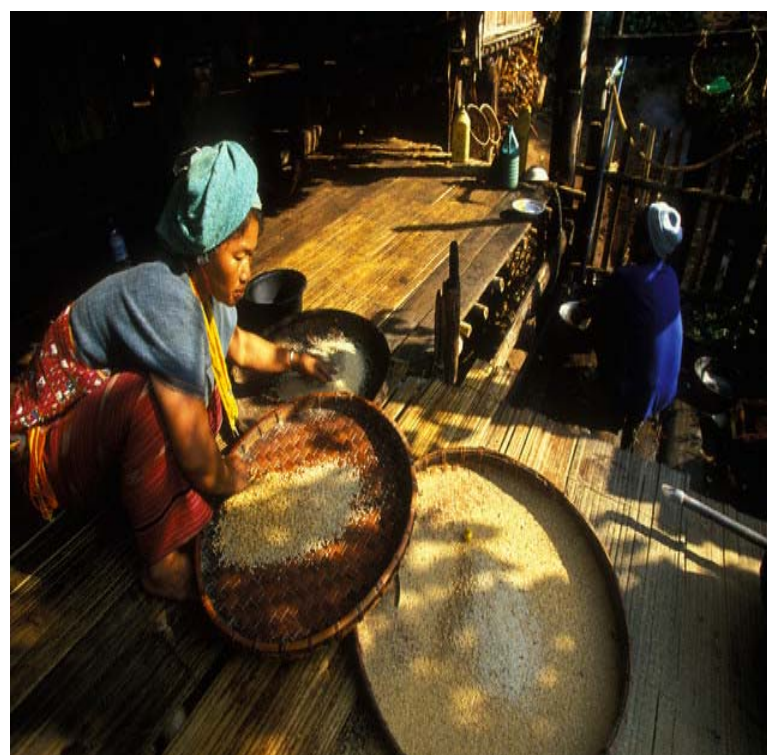
Vietnam rice market & World

1. Thanks to actively movement to resist pestilent insect, Soc Trang gained high yield of early summer-autumn rice
2. Thua Thien Hue's in shortage of rice seed for summer-autumn crop
3. Vietnam's rice price stable within week due to high demand
4. Asian rice market eventful again

Vietnam rice market

Production

Soc Trang farmers have harvested over 12,000 hectares of early summer-autumn rice, in total planted areas of 19,000 hectares. The average yield reaches 5.6 ton/hectare, 0.3 ton/hectare higher compared to the same period last year. In this summer-autumn crop, the Soc Trang's prospective planting is about 151,000 hectares, includes 20,000 hectares of special rice planting. The experience of local people showed that the net profit per each hectare of special rice sold is about 3-5 millions dong, a little bit higher than case of selling ordinary rice. Bac Lieu farmers have harvested at the wrong time nearly 5,000 hectares of spring-summer rice with rather low yield, below 4 ton/hectare. The consequence was resulted from the shor-



tage of water at the end of the season, drought weather harmful for rice plants being already in ear and blossoming. Besides, it has been undermined severely by snail and mouse. By 20th May, Thua Thien Hue farmers have harvested nearly 20,000 hectares of winter-spring rice, in total 25,690 planted areas. This year, the prolonged cold rain from the beginning of the crop, and cold wind in early April have been harmful for rice plant being in the ear for the first time. The rice yield is estimated to decrease from 15% to 25%. Finishing harvesting the winter-spring rice, Thua Thien Hue farmers has been hurry up in land preparation for the next crop, in order to keep follow the right harvested calendar of the next crop, which is expected before 30th August, going a head of early flood. However, Thua Thien Hue's in shortage of 900 tons of rice seed for summer-autumn crop, due to the fact that disadvantage weather decreased quantity part of on -the-spot grown rice varieties.

Policy

In order to encourage the local farmers use highquality rice variety which can assist tobrown and yellow backed rice plant hopper,the Department of Cultivation (MARD) recommend that farmers should use rice varieties such as NR-64, VND95-20, OMCS 2000 OM 2517, OM 2718, OM 3536.

The provinces need to follow strictly to Guidance of Ministry of Agriculture and Rural Area regarding the prevention from the brown insect and yellow disease, sanitize the paddy-field well, apply the methods on preventing harmful diseases such as IPM, " 3 decreases-3increases" and use plant protection drug.

The agriculture sector has been mobilizing local officers working for plant protection, cultivation and agricultural extension to support for farmers to discover early the brown insect and timely

solving, inspect the caught paddy-fields to point out timely recommendation for farmers to comply with the process of plant protection , support to fund for abolishment of caught rice.

Export

In the first four months of 2007, Vietnam has exported 1.4 million tones of rice which is worth at USD 446 million, decreased 19.4% in quantity and 7.3% in value. Vietnam is projected to export one million ton of rice in May and June of 2007.

In the domestic market, the rice price was stable though sharp increase of domestic demand, because the main harvesting crop is going to finish while the producers are still buying rice to implement signed agreements. Within week, in Ho Chi Minh City and the Mekong River Delta, the high-quality rice price of 5% broken rice reached 300 USD/ton decreasing compared to 303 USD/ton of last week and rice of 25% broken rice was 285 USD/ton and kept stable compared to last week. It is forecasted that Vietnam rice price will not increase in the years to come because at present, the price keeps at the high level in many years.



World rice market

The rice price has been relatively stable over the last week. Thailand rice price of 100% B was at 326 USD/ton, of 5% broken rice at 318 USD/ton, slightly increasing compared to 316 USD/ton of the previous week.

In Pakistan, the wholesaled rice price increased 50 Rupee/100 kg, reached 3,800 Rupee/100kg and Basmati rice increased from 200 Rupee to 4000 Rupee/100kg. In Chicago (the U.S), the rice price decreased slightly due to excess supply. In May 2007, the issue of rice quality became the hottest spot of the world market when Russia decided to prohibit their import of Thailand rice and stopped importing of Indian rice. Russia decided to ban Thailand rice from 1/5/2007 after Russia had discovered the worm in Thailand rice. In March 2007, Russian Agency of Food Quality Monitoring warned that Indian rice caught with some dangerous substances for human health. Respect to this problem, Indian officials did not find any solution. In contrast, the U.S has returned to continue export rice into Cuba market, 8 months after Cuba announced the inspection of rice import from the U.S for fear of the genetic modified products.

Pakistan

The rice price in domestic markets of Pakistan resumed to increase due to the fact that export demand increased while domestic rice output decreased. Prices of various kinds of rice increased around 15-20%.

Pakistan is exporting medium quality and high quality rice in the Middle East countries and low-quality in African markets. There's shortage of rice in domestic market and government increasing rice export have pushed rice prices up.

Pakistan has produced 5.8 million tons of rice and consumed 2.3 million tons, excess 3.5 million tons to export, annually.

Thailand

Last week, Thailand rice price softly increased due to support of new demand and sharply increased of Bath. White rice 100%B of Thailand offer with price higher than previous week, at 327 USD/ton; 5% broken rice stood at 318 USD/ton, 100% broken sortex rice offer at 322 USD/ton, increased 2 USD.

Thailand is the largest export rice in the world, with the aim will be export 8.5 to 9 million ton of rice in 2007, compared 7.5 million tons in 2006 because a high demand in the world market. Exporter of Thailand hope Iran will buy rice of them. Last week, they negotiated with each other and offer at price 322 USD/ton. In 2006, Iran bought 650,000 ton rice of Thailand and prepare will be buying 800,000 tons in 2007.

Thailand rice price is forecasted to be stable in the coming days due to high price of Bath. However, if the demand is not high, the price will not sharply increase.



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

	Vietnam			Thailand		
	Week 14 - 20/5/2007	Week 21 - 27/05/2007	Changes	Week 14 - 20/5/2007	Week 21 - 27/05/2007	Changes
5% broken rice	300.8	300.17	-0.63	315.8	317.33	1.53
10% broken rice	294.2	293.67	-0.53	311.2	315.0	3.8
15% broken rice	290.0	290.67	0.67	307.0	307.0	0
25% broken rice	285.0	285.67	0.67	288.2	287.0	-1.2

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

Province	Ordinary Rice			Province	Ordinary Paddy		
	Week 14- 20/5/2007	Week 21- 27/05/2007	Changes		Week 14- 20/5/2007	Week 21- 27/05/2007	Changes
(1)	(2)	(3)	(4)=(3)-(2)	(5)	(6)	(7)	(8)=(7)-(6)
An Giang	5000	5000	0	Lam Dong	5200	5200	0
Kien Giang	5000	5000	0	Ben Tre	4600	4600	0
Binh Duong	5000	5200	0	Tien Giang	4400	4400	0

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