

1. Mekong Delta provinces completes winter-spring season with total harvested paddy yields of 9.2 millions ton, Red River delta complete seeding 1.1 millions hectares for winter-spring season
2. Timely policy and economic efficiency for rice commodity in Mekong Delta provinces
3. Vietnam rice export price gains reach the highest levels since 3 years back

## Vietnam rice market

### Production

In 2006/07 winter-spring rice crop, it is the first time that all 13 Mekong delta provinces were seeding for paddy at one time to avoid the spreading of rice diseases. Until now, according to preliminary estimation, Mekong delta provinces have harvested around 9.2 millions ton of paddy on the total 1,502 millions hectares of seeding, increases 200 thousand tons in comparison with the same period last year.

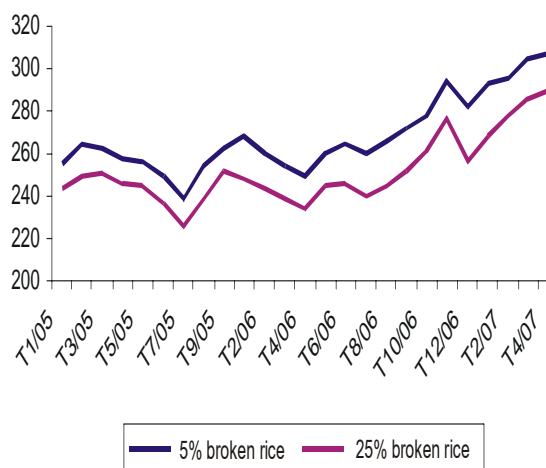
Until now, the Northern provinces of Vietnam currently completed seeding 1.1 millions hectares of winter-spring paddy, including 549 thousand hectares in Red river delta provinces and 328 thousand hectares in Northern Central of Vietnam. Recently, the high wet climate and overcast weather has created favorable condition for growing rice blast disease. Nearly 5,400 hectares of winter-spring paddy in Northern provinces now catches with this disease, nearly 9 times higher in comparison with the same period last year.

### Policy

An Giang, Tien Giang, Kien Giang, ?ong Thap provinces have implemented a number of supporting policies for farmers in encouraging mechanization in rice harvesting process (See VietRice

weekly No.3, March for reference). These policies now bring direct economic benefits for farmers, Chau Thanh district (An Giang province) is one example. In 2006/07 winter-spring season, with 45 machines, Chau Thanh has raised the paddy areas harvested by machine to nearly 81% of total harvested paddy areas, absolutely higher compared to 7% last year. Thanks to that renovation of mechanization in harvesting, farmers reduces harvest time by 50% (from 2 months to only 1 month), saving 50% payment for harvesting cost (from amount of 2.3 millions VND/ha if harvested by

Export price of Vietnam rice - USD/ton (2005-2007)



Nguồn: www.agro.gov.vn

manual, to amount of 1.2 millions VND/ha if harvested by machine).

Vietnamese government has asked Vietnam Food Corporation (VINAFOOD) to strengthen its investment on rice warehouse, and processing mills. By the year 2010, VINAFOOD will construct a system of rice warehouse which is able to contain up to 1 million tons, in order to ensure better condition for storing and processing paddy.

### Export

Due to the limitation of supply increases from traditional rice production countries, international demand for Viet rice steadily increases. The main markets are Indonesia and Philippine. From early 2007 to now, Vietnam exporting enterprises has signed contracts with total 3 millions ton, with contractual prices at the highest levels since 3 years back. In 2001, average exporting price of Viet

rice was USD 168 per ton, in 2005 was USD269 per ton, and in the first 3 months of 2007 the price is USD291 per ton.

Most recently, Indonesia has signed a contract to buy 1 million tons rice of Vietnam, implementing until 2009. It is expected that export price of Viet rice will increase in the following weeks. Within week, (9-15 April, 2007), average exporting price of 25% broken rice is around 289.33 USD/ton, and 5% broken rice is 307.5 USD/ton.

Within week, there are 8 vessels are waiting to load with total volume of 93,000 ton, including 63,900 tons of 5% broken rice to Africa, 6,700 tons of 15% broken rice to Indonesia, 22,400 tons of 25% broken rice to Philippine; 12 vessels has completed loading and left port with total volume of 106,441 ton of rice, including 23,600 ton of 5% broken rice to Africa, 44,027 ton of 15% broken to Indonesia, 38,814 tons of 25% broken to Philippines.





## International rice market

### Asian Rice market:

Asian physical rice prices were unchanged Friday in thin trade, supported by strong domestic prices in Vietnam. Exporters said not many buyers are making inquiries for Vietnam rice, as prices are too high. Buyers are waiting for prices to go down. But prices aren't likely to fall next week due to the strong local demand, said exporters. There are no buyers in the (export) market, but domestic prices are pretty stable because many exporters are buying paddy (in the local market) for their outstanding contracts," said a second exporter. In other news, Thailand has agreed to supply Indonesia with 1.5 million tons of rice this year under a bilateral agreement.

### Russia

Russian federal food quality watchdog Rosselkhoznadzor Friday said it was suspending all rice imports from Thailand as of May 1. The decision comes after a 1,200 metric ton consignment of rice was seized by Rosselkhoznadzor officials at the port of Novorossiisk because the rice contained dead grain pests.

Rosselkhoznadzor said in mid-January all rice supplies

from Thailand to Russia until April 1 this year would only be allowed if they were accompanied by documents confirming compliance with Russian health safety standards. At the time Rosselkhoznadzor officials visited Thailand, and it was discovered the local standards of food safety control didn't meet requirements, and Thailand doesn't have a system to monitor the presence of residual dangerous substances in export rice, although the country had the possibility of carrying out such tests.

### India

India's rice exports in the marketing year to September 2007 are projected to total 4.0 million-4.5 million metric tons, down from 4.7 million tons a year earlier. India rice exports this year are likely to decline on high local demand and stagnant output over the years. Non-Basmati rice exports are expected between 3.0 million-3.5 million tons this marketing year, down from 3.6 million tons in the year-earlier period. Basmati rice exports are also likely to fall to around 1.0 million tons this year from an all time high of 1.1 million tons in the 2005-06 marketing year.



## Export price of Vietnam rice (USD/tấn - Source: www.agro.vn)

Items	6/4/2007	9/4/2007	10/4/2007	11/4/2007	12/4/2007	13/4/2007	Change (compared to last week)
5% broken rice	308	307,5	307,5	300	300	300	-8
10% broken rice	303	303	302	302	298,5	298,5	-4,5
15% broken rice	297,5	297,5	297,5	297,5	292,5	292,5	-5
25% broken rice	290	290	289	287,5	287,5	287,5	-2,5

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

Provinces				Provinces				Unit
Ordinary rice				Ordinary paddy				
	Week từ 02-08/04/2007	Week từ 09-15/04/2007	Changes		Week từ 02-08/04/2007	Week từ 09-15/04/2007	Changes	
(1)	(2)	(3)	(4)=(3)-(2)	(5)	(6)	(7)	(8)=(7)-(6)	(9)
An Giang	4700	4700	0	Bac Lieu	2850	2850	0	VND/kg
Bac Lieu	4700	4700	0	Vinh Long	-	2850	-	VND/kg
Kien Giang	4600	4800	200	Tra Vinh	2800	2900	100	VND/kg
Lam Dong	5200	5200	0	Dong Nai	3000	3000	0	VND/kg
Tien Giang	4050	4050	0	Tay Ninh	3150	3150	0	VND/kg

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