



## Vietnam rice market

**1.** Linkages FOUR stakeholders of rice value chain together for preparing summer-autumn rice season in Mekong delta region

**2.** Land for cultivating annual crops- an object to amend the limit to receive agricultural use right

## World rice market

**3.** Vietnam will increase export volume for rice in 2nd quarter, 2007

**4.** Export prices of Vietnam and Thai rice slightly decrease within week in 2nd quarter,

### Vietnam rice market

Thanks to the success of the winter-spring crop, an incentive atmosphere being spread out in Mekong Delta provinces of Vietnam. Both farmers and agricultural agencies in the region are consensus that it's needed to improve farmer's skill in cultivating rice. They hope that this movement once again, will bring resounding victories for the next summer-autumn rice season. However, the input cost for rice production has continuously increased, which is expected to reduce net profit for rice farmers.

#### Production

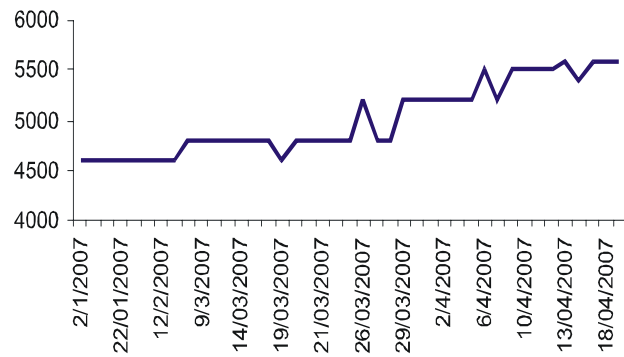


After recognizing the big win from winter-spring rice season, though comprehensive happening of rice disease, at most at this time the farmers in Mekong delta provinces realize big immediately profit if their cultivation skill is improved. Infact, agricultural agencies in Mekong delta have organized a number of information and extention programs, Forum of Extention @ Technology is one among them.

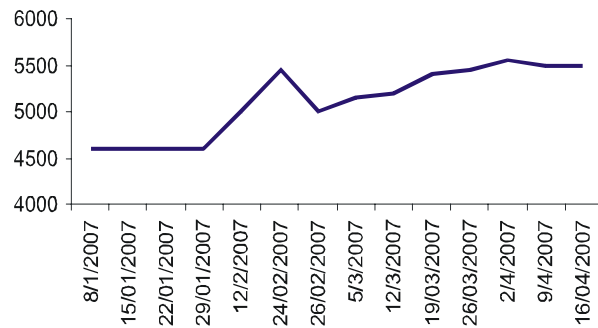
In April 2007, it is the third time within year the Forum of Extention @ Technology has been organized, which focused on providing technical awareness and production information for farmers to prepare for summer-autumn rice season. According to estimation of organization board, the number of subscribers attends this Forum increases to 700 members, the largest number since before. Members includes representatives from agricultural agencies under MARD (21 Department of Plant protection and others), representative of leading research institute on agricultural science of Vietnam such as Institute for agricultural science of Southern Vietnam, Nong lam University-Hochiminh city; Vietnam Agricultural Science Institute, representatives of food business enterprises in Ha Noi, HCMC, An Giang. Particularly, the most excellent 100 farmers at rice cultivation of An Giang, provincial extention centers, the best 5 farmers of each province also take part in the Forum, with the purpose that to collect knowledge, experience and apply in next summer-autumn rice season in their local areas.

Currently in Mekong delta provinces, 63% farmers of the whole regions are aware of application the IPM model to rice, 37% farmers know application of program "3 decreases, 3 increases"- (decrease sowed seeds, nitrogenous fertilizer, pesticide and increase productivity, quality and economic efficiency), 34% farmers know technique of line sowing.

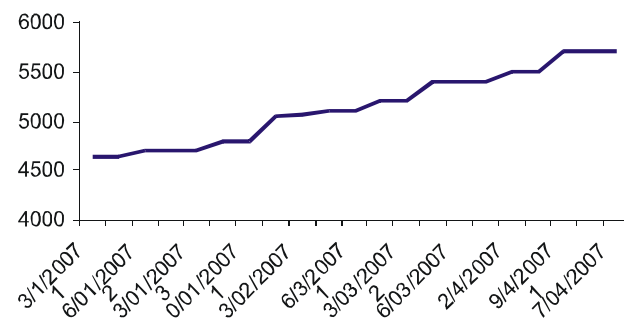
**Price of Ure fertilizer in An Giang 2007 (VND/kg)**



**Price of Ure fertilizer in Dong Thap 2007 (VND/kg)**



**Price of Ure fertilizer in Dong Nai 2007 (VND/kg)**



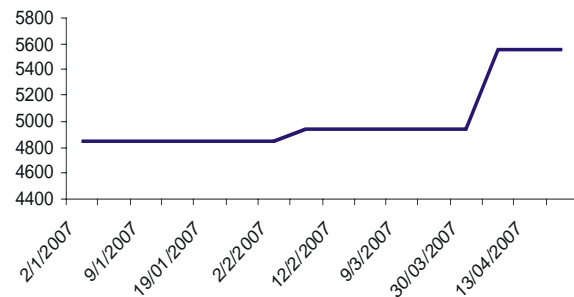
Currently, price of fertilizers have sharply increased in almost provinces compared to early 2007. Until 20, April, 2007 price of ure fertilizer increases by 21% in An Giang, 20% in Dong Nai, 22% in Dong Thap, 14% in Ha Noi, 25% in Kien Giang, 18% in Lam Dong, 25% in Tra Vinh. The main reason is due to the increase in domestic fertilizer production input cost, and international fertilizer price.

### Policy

Vietnam Ministry of Agricultural and Rural development (MARD) has granted the action plan for plant protection by the end of 2007, which concentrated in 5 key programs, including technology transformation in the direction to a fresh and sustainable agricultural production, strengthening checking residual of plant protection chemical on plants, and strongly concentrate on protecting rice seasons in the whole nation within year, building models to apply System of Rice Intensification (SRI) on 50 ha of cultivation plant areas in each provinces. The expected indicator of this program is to reduce losses caused by diseases under 5% of rice production.

On 19, April, 2007, the 48th meeting session of Standing Committee of National Assembly IX has spent time on discussion about Draft of Resolution of limit to transfer agricultural use of households and individuals. This is still on debate and expected to be approved in the next meeting session in May. Several types of land which are objects to be regulated under this Resolution, including land for cultivating annual crops, multi year crops, grown production forestry land. Under this draft, no limit level for transferring land use for aquaculture, salt, and other agricultural land. The Resolution aims to gradually overcome the situation of fragmented and disperse agricultural production land, and protect the agricultural farmers losing their cultivation land into hands of some peo-

Price of Ure fertilizer in Ha Noi 2007 (VND/kg)



ple. According to the draft of Resolution, transferring land for cultivating annual crops to other uses limited not exceed 5ha subject to provinces of Ba Ria-Vung Tau, Binh Duong, Binh Phuoc, Dong Nai, Tay Ninh, HCMC; not exceed 15 ha applied to provinces of An Giang, Bac Lieu, Ben Tre, Ca Mau, Dong Thap, Hau Giang, Kien Giang, Long An, Soc Trang, Tien Giang, Tra Vinh, Vinh Long, Can Tho; not exceed 3 ha applied to other provinces.

### Export

Within week, export price of Vietnam rice has slightly decreased. Average export price of 5% broken rice is USD 300/ ton, decreased compared to price in previous week USD 304.5 USD/ton; price of 10% broken rice is USD 297.5 USD/ton, decreased compared to USD 300.8/ton in previous week; price of 15% broken rice is USD 292.5 USD/ton, decreased compared to USD 295.5 USD/ton; price of 25% broken rice is USD 287.5 USD/ton, decreased compared to USD 288.6 USD/ton in previous week.

In mid April 2007, the regular meeting of Managing Team for exporting rice 1st quarter is organized in HCMC. The released report shows that in the first quarter 2007, Vietnam has exported 710 thousand tons of rice, with export value of 230 millions USD, decreased 43% in quantity and 33%

in value in comparison with the same period last year. In the context that Viet rice gained big international demand, but low export volume of rice in the 1st quarter, and big win in domestic supply of winter-spring paddy, the Managing Team for exporting rice -under Vietnam Ministry of Trade will increase its rice export volume, from 1.4 millions ton to 1.6 millions ton in the 2nd quarter, 2007.

Within week, there 5 vessels are waiting to load

rice to export, with total quantity of 78,150 ton, in which 7,000 ton of 25% broken rice exported to Japan market, 71,150 ton of 5% broken rice exported to Africa. Meanwhile, there are 8 vessels complete loading rice and left ports with total volume of 51,625 ton, including 6,700 ton of 15% broken rice to Indonesia, 44,925 ton of 25% broken rice to Philippine.



## International rice market

### India

Kohinoor Foods Ltd. has exported 200 tons of Basmati rice to China. This is the first deal that India gained with the biggest rice consumption country in the world. Currently, production cost for Basmati rice is about Rupee/kg, retail price is about 75-80 Rupee/kg. The most salient characters of Basmati rice is its smell much more better than other types of rice. The demand for this type of rice has been increasing in Australia, strongly increasing in Europe, but stagnant in Middle East.

The annual production of aroma rice of India is about 4 millions ton, in total rice production about 90 millions ton. Currently, production of aroma rice of India accounts for 70% of aroma rice in the world, and the rest of Pakistan.

### Thailand

Average export price of Thailand rice has slightly decreased, about USD 2 per ton. However, in comparison with the same period last year, export price of high quality rice of Thailand increased by USD 17-18 per ton, while price of Vietnam rice increase by USD 38-40 USD per ton. The gap between Vietnam and Thailand rice prices has reduced.

Although the supply of rice in Thailand has increased after the harvesting season, but Thailand government has interfered to support domestic price at high level. Thailand signed agreement to export 150,000 tons of Jasmine rice and 400,000 tons of sortex rice for Ghana; 350,000 tons for Jasmine rice for Senegal. China is tended to buy special rice of Thailand.

## Exporting rice price of Vietnam and Thailand (USD/ton - Source: www.agro.vn)

	Vietnam			Thailand		
	Week 9- 15/04/2007	Week 16- 22/04/2007	Changes	Week 9- 15/04/2007	Week 16- 22/04/2007	Changes
5% broken rice	304,5	300	-4,5	311,2	310	-1,2
10% broken	300,8	297,5	-3,3	306,8	306	-0,8
15% broken	295,5	292,5	-3	302,8	304	1,2
25% broken rice	288,6	287,5	-1,1	292	290	-2

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

Province		Ordinary Rice			Province		Ordinary Paddy		
	Week 9- 15/04/2007	Week 16- 22/04/2007	Changes		Week 9- 15/04/2007	Week 16- 22/04/2007	Changes		
(1)	(2)	(3)	(4)=(3)-(2)	(5)	(6)	(7)	(8)=(7)-(6)		
Bac Lieu	4700	4800	100	Bac Lieu	2850	2900	50		
Kien Giang	4800	4800	0	Dong Nai	3000	3000	0		
Tien Giang	4050	4050	0	Tra Vinh	2900	2900	0		

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