



## Vietnam rice market & World

1. The 2007 summer - autumn rice intensification method in the Mekong River
2. The decrease in rice area, the increase in cropper area, the drought prevention for industrial crops
3. Vietnam held international conference on competitive law and policy in the region
4. It is less transaction in the Asian rice market

### Vietnam rice market

#### Production

In the Mekong River Delta of Vietnam, the farmers are seeding simultaneously for the summer- autumn rice. The situation of brown backed rice plant hopper and stun yellow disease is predicted still pretty complicated; the fertilizer price is highly increased. Therefore, besides applying method of seeding continuously to avoid rice diseases, agriculture sector guidelines farmers to apply the general intensification methods, such as using the confirmation rice seed such as VN? 95-19, OMCS 2000, OM4498, IR64, and OM576 which are against the insect, putting down fertilizer in the right technique, and managing water source for rice.

The Red River Delta is facing with the drought because recently, the water level of The Red River



Delta continuously down and it is forecasted that it will continuously lower affecting adversely to the agricultural production. Institute of Irrigation Planning (Ministry of Agriculture and Rural Development) is researching and proposing the solution to overcome the drought in the red river basin. According to the statistics, the period from January to April of this year, the inflow in Da River lacks 15-20%, Lo River: 70-83%, Red River: 30-40%. In Khanh Hoa, the hot weather, less rainfall makes water level in provincial reservoirs continuously go down to the lowest point. Many reservoirs went under the dead water level.

In order to prevent the drought, the agriculture industry in provinces guides localities to actively reduce rice area, increase areas of industrial crops, especially, the well drought frightened trees such as maize, potato, cassava, bean. Besides, continue to seed and fight against the drought for the rice crop.

### Policy

After two years of the promulgation of Vietnam competitiveness law, on May 3rd, 2007, Department of competitiveness management - Ministry of Trade chaired to organize the 4th international conference on competitiveness law and policy in the Asia-East region in Hanoi. The purposes are to promote cooperation, information exchange and experiences in the process of building and implementing competitiveness policy. The conference is attracted the participation of 14 competitiveness agencies from different countries

such as China, Japan, Korea, Mongolia, Thailand, Indonesia, The Philippines, Brunei, Myanmar, Laos, Cambodia, Malaysia, Singapore, as well as representatives of domestic ministries, the management agencies, universities, research institutes, sector associations, representatives of several domestic and international organizations, diplomatic representation agencies, foreign chamber of commerce in Vietnam.

### Export

In early 2007, thanks to favorable condition for the price and consumption market for rice-the main export commodity of An Giang, its export turnover has been growing. In April, An Giang export turnover reached the nearly USD 52 millions increasing around 9% compared to last month, in which, the export rice increase by 42%. The major contribution from rice export commodity, with 92,000 tons in quantity and the current export price stood at USD 305-310 per ton of the 5% broken rice, USD 280-285 per ton of the 25% broken rice slightly increasing in comparison with last month and increasing 30USD/ton compared to the same period last year.

In the week, Vietnam export rice price was stable in spite of not much customers. Vietnam exporters are urgently completing the signed contracts with Indonesia, the Philippines. Export price for 5% broken rice stood at USD 302 per ton, 10% broken rice is USD 300 per ton, 15% broken rice, 25% broken rice stood at 294.5 USD/ton, USD 286.25 per ton, respectively, FOB-HCMC.



## World rice market

### Thailand

In the crop of 2007, Thailand rice buying price reached averagely around 600-660 bat/kg (USD 9.16 - USD 12.21) higher than the crop of last year from 200-300bat/kg, at the same time, the average export rice price at least was higher than 25USD/kg compared to last year. Mr. Krirkkai Jirapaet- Minister of Ministry of Trade of Thailand believed that the rice export would increase under the proposed objective in 2007 because the world demand for Thailand rice still keeps at the high level. In the week, in Thailand, the market was so quiet that it could not sign new contracts, mainly implementing the signed contracts with Iran, Iraq, China, Japan, Indonesia, the Philippines and Malaysia. According to the statistics of Thailand department of Foreign Trade of Ministry of Trade, the country rice export from 1 Jan to 25 April increased 11.8% compared to the same period of last year reaching USD 2.52 millions. In the first 25 days of April, Thailand exported 599,604 tons increasing 30.9% compared to the same period of April of last year. Nevertheless, Department of Foreign Trade did not present the cause of the increase of export rice volume in the last time. Last week, rice of 5%broken rice of Thailand was asked at 310 USD/ton, 10%, 15%, 25%, broken rice was asked at 308USD/ton, 306 USD/ton, 290USD/ton,

respectively, rice of 100%B of Thailand was asked at around 323-325 USD/ton, FOB-Bangkok

### Philippines

The Philippines will not buy rice from the U.S because the U.S rice suppliers were not ready for inspecting gene modification. Primarily, the Philippines planned to buy around 65,000 tons the U.S rice on schedule of the first six months of 2007 and demanded the U.S to check the gene modified rice after the Europe Union had discovered that the U.S rice exporting into their market contained the gene modified rice which was not allowed to put into circulation was under the consideration to buy the U.S yellow maize and soy-bean.

### Indonesia

By this time, there have been around 520,000 tons rice to land at Indonesian harbor, in the total of 1.5 millions ton rice in total this country plans to import in this year the remainder is 500,000 ton rice which will be delivered in June. Some areas in Indonesia started to enter into the main rice harvesting crop, and domestic rice together with imported rice will make sure to guarantee stable rice price in domestic market within the reach in the three coming months.



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

	Vietnam			Thailand		
	Week 23-28/4/2007	Week 30/04-06/05/2007	Changes	Week 23-28/4/2007	Week 30/04-06/05/2007	Changes
5% broken rice	299,5	302	2,5	310	310	0
10% broken rice	296,5	299,25	2,75	306,67	308	1,33
15% broken rice	291	294,5	3,5	304,67	306	1,33
25 % broken rice	285	286,25	1,25	290	290	0

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

Province	Ordinary Rice			Province	Ordinary Paddy		
	Week 23-28/4/2007	Week 30/04-06/05/2007	Changes		Week 23-28/4/2007	Week 30/04-06/05/2007	Changes
(1)	(2)	(3)	(4)=(3)-(2)	(5)	(6)	(7)	(8)=(7)-(6)
An Giang	4800	4800	0	Bac Lieu	3000	2900	-100
Bac Lieu	4800	4800	0	Binh Duong	3600	3600	0
Binh Duong	4900	5000	100	Dong Nai	3000	3000	0
Kien Giang	4800	5000	200	Kien Giang	4800	5000	200
Lam Dong	5200	5200	0	Lam Dong	5200	5200	0
Tien Giang	4050	4050	0	Tien Giang	4050	4050	0

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