



## Vietnam rice market & World

1. Mekong River Delta: Raining favors for seeding the summer-autumn rice
2. Red river delta and northern highland: Alarm of disease booming to spring-winter rice
3. Putting forward the plan on free of charge irrigation for the farmer
4. The 2007 Rice conference: Opportunity for promoting trade of Thai rice

## Vietnam rice market

### Production

In early May the weather in Mekong River Delta was favorable for the cultivation of the summer- autumn rice in many places. In An Giang, the early rain is so good for planting of the summer-autumn rice, accumulated planting areas of summer-autumn rice is reported to 81,700 ha, accounts for 60% of total provincial plan on cultivating (132,464 ha). In Dong Thap, the planting areas of summer- autumn rice increases to 182,200 ha, accounts for over 96% of total planned seeding areas and few area of diseased affected rice.

In the Northern provinces, the spring-winter rice growth is facing many hurdles. In the Red River Delta and the northern highland, the spring-winter rice areas which caught insect is tenfold higher compared to the



last spring-winter crop. On 7th, May, Minister of Ministry of Agriculture and Rural Development urges that province authority in Northern provinces to implement all method to prevent spreading of diseases on the spring-winter rice. Provinces of Thai Binh, Nam Dinh, Ninh Binh, Hai Duong, Bac Giang, are most seriously affected with the high insect dense. If it's not prevented properly, it will cause the combustion on a large-scale, and seriously influence on rice yields. The mountainous provinces such as Hoa Binh, Son La are also facing with many difficulties due to the impact of the yellow leaves disease.

### Policy

The department of water resource (MARD) has submitted a proposed policy that will abolish collecting irrigation fees for farmers. Accordingly, the Government will manage the system of the clue irrigation works, in 1, 2, 3 level channels; the remainder is the system of dykes, the grassroots pumping stations which will be controlled by cooperative organizations. It is estimated that within 3-5 years of implementing new policies, the irrigation works needs to be granted maximum VND 1,500 billions per year maintain operation, in which, the direct payments for irrigational companies is VND 1,100 billion.

The irrigational companies will be transformed into one-member limited enterprise, joint-stock company, and economic administrative agencies. The state budget source will be granted to uphold activities, maintenance, and construct big irrigation works.

### Export

Despite that Thailand enterprises are devoting their strength in negotiating to sell rice in the next 2007 Rice conference, nevertheless, Vietnam may be more competitive to win rice contracts from Iran, thanks to its lower price level. The white rice 100% broken rice- type B of Vietnam is around 305 USD/ton, FOB- HCMC, USD 20 lower compared to Thailand rice. Iran bought around high -quality rice 60,000 ton 5% broken rice of Vietnam, nonetheless, it needs to consider the quantitative satisfaction possibility for big contracts with Iran.

Vietnam is the second largest rice export country in the world, it is expected that it will export 5 millions ton this year increasing 500,000 ton compared to the primary objective thanks to the sharply increased rice demand in foreign countries. Thailand sets the target to export 8.5 million ton rice in 2007 increasing compared to 7.5 million ton rice of last year.



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## World rice market

### Thailand

The signed contracts between Thailand and Iran will complete in June/2007 and Thailand hopes that Iran will buy 3/4 of the rice volume in May/2007. In the next week, at the Thailand rice conference (from 10-12/5/2007) Thailand rice export companies hope to sign some trade deals to the Iran rice import companies. Seven rice export companies of Thailand were asked at 322 USD/ton, no trade deal was signed. For Iran, it is hopeful to negotiate successfully the delivery deals in July and August. In 2006, Iran imported 650,000 Thailand rice 650,000 ton and it is projected that it will buy 800,000 ton to guarantee the rice supply source while the nucleus conflict with the western countries is going

At present, the white rice 100% broken rice - type B of Thailand is asked at the price of around 325 USD/ton, FOB, and Bangkok, Thailand. Thailand is the

largest rice export country in the world.

### Pakistan

The rice price in domestic market increased 2-3% in the last week due to the scarce supply source. According to the information source from business companies, the scarcity of rice is not due to the increased consumption demand which is the virtual scarcity created by speculators. Because the Indian rice supply source is decreasing due to the decreased output. Basmati Sindh rice - the normal type increased from 50 Rs to 3,800 Rs, in the meanwhile, Super Basmati Sindh - the high quality type increased from 200Rs to 4,000 Rs/kg. Super Canal - the normal type increased from 200Rs to 4,300Rs, in the meanwhile, the high-quality type increased from 100Rs to 4,300 Rs.



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

	Vietnam			Thailand		
	Week 1 - 5/5/2007	Week 7 - 11/05/2007	Changes	Week 1 - 5/5/2007	Week 7 - 11/05/2007	Changes
5% broken rice	303	304	1	312,5	315	2,5
10% broken rice	300,12	301	0,88	308	308	0
15% broken rice	295,5	296,5	1	306	306	0
25% broken rice	286,88	287,5	0,62	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 30/4- 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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