

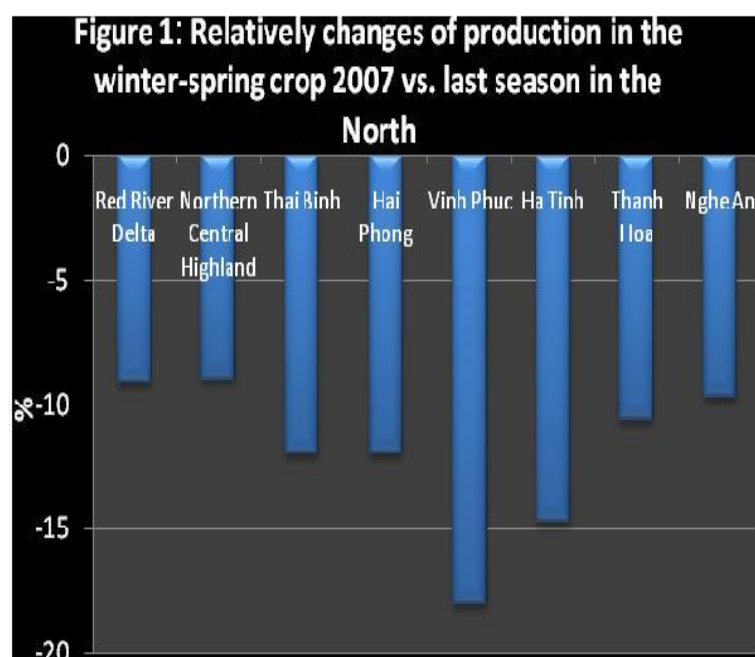


1. The production of winter-spring crop 2007 reaches 17 million tons, the planted area of summer-autumn crop reaches nearly 2 million hectares
2. Can Tho's enterprises sign buying contracts for farmers of about 100 thousand tons of high quality rough rice
3. In the first six months, Vietnam's rice exports to 7 of the top 10 traditional largest importers sharply decrease
4. Asian rice export prices were little changed because of weak demand and shortage of vessels

Vietnam's rice market

Production

The GSO's June report indicated that in the whole country, the winter-spring crop harvested areas reached 2,986.6 thousand hectares, about 9 thousand hectares lower compared to last season; with the yield of 5.17 tons/hectare, about 1.6 quintals/hectare lower compared to last season; and the production reached about 17.05 million tons, about 530 thousand tons less than last season. Of this, the Northern provinces contributed 6.2 million tons, about 600 thousand tons less than last season, because of decreasing production in all rice-cultivating provinces and regions (Figure 1). Up to 15 June 2007, the Northern provinces have harvested more than 1.06 million hectares of winter-spring crop, about 92.6% of planted areas. Of this, the Red River Delta and the Eastern North & Western North have



Source: General Statistics Office (GSO), Monthly statistical information, 06/2007

harvested about 98.1% and 72% of planted areas, respectively. The North Central Highlands have completed harvesting of 100% of the planted area.

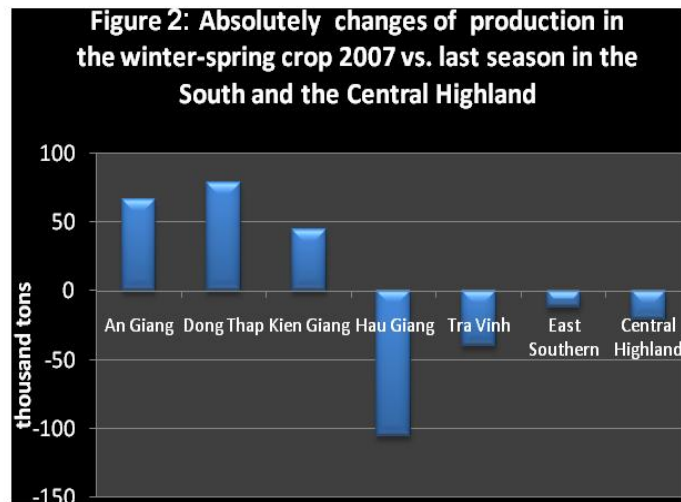
The Southern provinces have fully completed harvesting the winter-spring crop. The Southern's production reach 10.86 million tons, about 66 thousand ton more than last season, with the yield of 5.88 ton/hectare, about 0,4 quintal/ha higher compared to last season. In this crop, the Mekong River Delta experience with increasing harvested results in term of areas, yield and production. Of this region, the production reaches 9.1 million tons, about 74.6 thousand tons higher compared to last season, because of huge production increase of An Giang, Dong Thap, Kien Giang (Figure 2).

Up to 15 June, about 2 million hectares of summer-autumn crop were seeded, about 144 thousand hectares in the North and 1.72 million hectares in the South. Of this, the Mekong River Delta seeded more than 1.5 million hectares, about 4.4% less than last season. Up to now, the provinces have harvested about 97.3 thousand hectares of the early summer-autumn crop, only about 50% of the area seeded by this date last season, mostly because of late seeding to avoid rice diseases.

At the same time as the harvesting of the winter-spring and the seeding of the summer-autumn crops, most of provinces in the Red River Delta, the North Mountain, and the Coastal Central Southern and the Central Highland have starting seeding the winter crop. Up to 15 June, in the whole country, about 164.3 thousand hectares of winter crop were seeded, about 15% less than last season. Of this, the Northern provinces seeded more than 124 thousand hectares of early winter rice; the Southern provinces seeded 40.3 thousand hectares, about 14% less than last season.

Policy

The Vietnam's Government has issued the Decision No. 80 dated on 24 June 2002, to encourage farmers and



Source: GSO, Monthly statistical information 06/2007

enterprises to market agricultural products by signing contracts. This document outlined the required methods for the two stakeholders. However, up to now, there have been a lot of cases in which one side did not comply with signed contracts and there is no rule for solving this situation. There are frequent reports that when farmers have signed contracts to sell rice to enterprises, if the market price goes up, farmers go ahead and sell to small traders, creating difficulties for the enterprises.

This year, Can Tho province successfully implemented the policy on contracts. The enterprises in Can Tho provinces signed wholesale buying contracts for farmers for about 100 thousand tons of high quality rough rice in all districts, with the minimum contract prices about 3.000 VND/kg. At that price, a farmer can earn around 1,000 - 1,200 VND per kg of rough rice. In addition, the enterprises have advanced cash and agricultural inputs for farmers' cultivation activities. Wholesale contracts have consumed only about 20% of expected rough rice supply... The other 80% of rough rice supply (mostly of ordinary rough rice) will be sold by farmers through other channels (small traders).

Exports and Prices

MARD's monthly report of 06/2007 indicated that, in June 2007, Vietnam exported 450 thousand tons of rice with an export value of more than 143 U.S dollars (check this

number). For the beginning sixth months, Vietnam exported 2.3 million tons, with an export value of 731 million U.S dollars, decreasing 18.9% in quantity and 5.6% in value compared to last season.

It is noteworthy that in the first six months, Vietnam sharply reduced rice exports to seven of the top ten largest importers for Vietnamese rice, compared to the same period last year: decreasing about 75% in the case of Russia, 67% to Cuba, 58% to South Africa, 52% to Japan, 44% to the Philippines, 40% to China, 31% to Malaysia. In contrast, Vietnam rice exports to Indonesia sharply increased, about 7-fold, with one third of total Vietnam's rice exports going to Indonesia. Indonesia thus became the largest importer of Vietnamese rice in the first half of the year.

The situation may create unfavorable conditions for Vietnam's rice exports in the coming years. The main reasons are the Vietnamese Government's restrictions on rice exports to ensure food security, and increases in transport fees, with rice export enterprises experiencing difficulty finding affordable shipping.

During the week, most of the export shipments made from Saigon Port were for milled rice. On 25 June, there were 8 rice export shipments made out of Saigon Port, with a total of 62,985 tons. Currently, increases in prices of rough rice and domestic as well as international transportation fees have created difficulties for rice export enterprises, since most of them have tried to fulfill the contract terms, which were signed earlier. Compared to early 2007, transportation fees from Can Tho to HCMC increased 1 USD per ton of rice, and costs for Asian destinations also increased around 20 - 30 USD per ton. Moreover, the summer-autumn rice did not mature at the optimal time, and on-farm stocks are limited, which has pushed the rough rice prices up about 1,000 VND per kg compared to the same period last year. The polished rice price for export is in the range of 3,800 - 4,100 VND/kg.

Export prices of Vietnam rice stood at high level. In Export prices of Vietnam rice stood at a high level. In Ho Chi Minh City, the prices of 5%, 10%, and 25% broken rice were 302-305 USD per ton, 297-300 USD per ton, and 287-290 USD/ton, FOB, respectively; with all prices up an average of 5-6 USD per ton compared to early June.

In the next month, July, Vietnam will begin harvesting a new crop. However, it's forecast that the new supply will not affect the current prices level, because of high demand for rice from enterprises to fulfill contracts to export to Indonesia and the Philippines.

Weather

The weather this year has been unusual; heavy rain caused rice plants to lodge in the fields and some fields flooded. In the case of summer-autumn rice it could be difficult to use machines to cut rice in small, flooded fields with very soft soil. Rice cultivated in such areas may need to be harvested manually. Manual harvesting will be costly for farmers, due to the high cost of labor resulting from the current severely limited supply of agricultural labor in rural areas now.

Statistics of rice production up to 15 June 2007

Crops	Performance of this period (2007)			This period vs. same period last year (%)		
	In the whole country	In the North	In the South	In the whole country	In the North	In the South
Winter-Spring						
Areas (thousand ha)	2986,6	1140,8	1845,8	99,7	99,4	99,9
Yield (Quintal/ha)	57,1	54,4	58,8	97,3	91,8	100,7
Production (Thousand tons)	17056,9	6201,0	10855,9	97,0	91,2	100,6
Summer-Autumn						
Planted areas (Thousand ha)	2000	144	1720	-	-	-
Winter						
Planted areas (Thousand ha)	164,3	124	40,3	-	84,2	86

World rice market

(Dow Jones) - Asian rice export prices were little changed Thursday in the absence of many buyers, most of whom are deterred by a shortage of vessels. In Thailand, buyers remain scarce because of high freight costs, and not too many vessels are coming to Bangkok to pick up rice. Buyers are very quiet so it looks like there is little demand in the market. The cost of freight going to West Africa has increased to \$130/ton from \$100 earlier this year. Exporters said buyers could be waiting for the new crop to arrive in the market starting next month before making new deals.

Thai export prices are expected to be softer beginning next month as farmers will be harvesting the second crop. Until the new crop arrives in the market, adjustments in export prices will be determined by the exchange rate, exporters added. Thai 100% grade B was offered Thursday at \$336-\$337/ton, FOB, Bangkok, the 5% broken at \$326-\$327/ton while parboiled 100% sortexed was offered at \$330-\$332/ton. These prices were little changed from Wednesday's offers

Data

Export prices of Vietnam and Thailand rice (USD/ton- Source: www.agro.gov.vn)

Commodity	Vietnam			Thailand		
	Week 18-23/6/2007	Week 25-30/6/2007	Changes	Week 18-23/6/2007	Week 25-30/6/2007	Changes
5% Broken rice	322	322	0	303,5	303,5	0
10 % Broken rice	320	320,33	0,33	298	298	0
15% Broken rice	318	318	0	293	293,17	0,17
25% Broken rice	297	297	0	286	286	0

Domestic prices of selected rice in An Giang (VND/kg- Source: www.agro.gov.vn)

Commodity	Day	Prices	Unit	Commodity	Day	Prices	Unit
Dry sticky paddy (opaque)	25/06/07	3550	VND/kg	Ordinary milled rice	25/06/07	5100	VND/kg
Dry sticky paddy (opaque)	26/06/07	3550	VND/kg	Ordinary milled rice	26/06/07	5100	VND/kg
Dry sticky paddy (opaque)	27/06/07	3550	VND/kg	Ordinary milled rice	27/06/07	5100	VND/kg
Dry sticky paddy (opaque)	28/06/07	3550	VND/kg	Ordinary milled rice	28/06/07	4850	VND/kg
Dry sticky paddy (opaque)	29/06/07	3550	VND/kg	Ordinary milled rice	29/06/07	5100	VND/kg

Retailed prices of ordinary milled rice and ordinary rough rice in Ba Ria - Vung Tau
(VND/kg- Source: www.agro.gov.vn)

Commodity	Day	Prices	Unit	Commodity	Day	Prices	Unit
Ordinary milled rice	31/05/07	6000	VND/kg	Ordinary rough rice	31/05/07	3500	VND/kg
Ordinary milled rice	20/06/07	6000	VND/kg	Ordinary rough rice	20/06/07	3500	VND/kg
Ordinary milled rice	27/06/07	6000	VND/kg	Ordinary rough rice	27/06/07	3500	VND/kg

Retailed prices of ordinary milled rice and ordinary rough rice in Bac Lieu
(VND/kg-Source: www.agro.gov.vn)

Commodity	Day	Prices	Unit	Commodity	Day	Prices	Unit
Ordinary milled rice	07/06/07	4800	VND/kg	Ordinary rough rice	07/06/07	3200	VND/kg
Ordinary milled rice	14/06/07	5000	VND/kg	Ordinary rough rice	14/06/07	3200	VND/kg
Ordinary milled rice	19/06/07	5000	VND/kg	Ordinary rough rice	21/06/07	3200	VND/kg

Retailed prices of ordinary milled rice and ordinary rough rice in Bac Ninh
(VND/kg-Source: www.agro.gov.vn)

Commodity	Day	Prices	Unit	Commodity	Day	Prices	Unit
Ordinary milled rice	06/06/07	5100	VND/kg	Ordinary rough rice	06/06/07	3500	VND/kg
Ordinary milled rice	12/06/07	5100	VND/kg	Ordinary rough rice	12/06/07	3500	VND/kg
Ordinary milled rice	19/06/07	5100	VND/kg	Ordinary rough rice	19/06/07	3500	VND/kg

Retailed prices of ordinary milled rice and ordinary rough rice in Bien Hoa
(VND/kg-Source: www.agro.gov.vn)

Commodity	Day	Prices	Unit	Commodity	Day	Prices	Unit
Ordinary milled rice	08/06/07	4800	VND/kg	Ordinary rough rice	08/06/07	3100	VND/kg
Ordinary milled rice	12/06/07	4800	VND/kg	Ordinary rough rice	12/06/07	3100	VND/kg
Ordinary milled rice	19/06/07	4800	VND/kg	Ordinary rough rice	19/06/07	3100	VND/kg

Retailed prices of ordinary milled rice and ordinary rough rice in Binh Duong
(VND/kg-Source: www.agro.gov.vn)

Commodity	Day	Prices	Unit	Commodity	Day	Prices	Unit
Ordinary milled rice	12/06/07	5300	VND/kg	Ordinary rough rice	12/06/07	3650	VND/kg
Ordinary milled rice	19/06/07	5300	VND/kg	Ordinary rough rice	19/06/07	3650	VND/kg
Ordinary milled rice	26/06/07	5300	VND/kg	Ordinary rough rice	26/06/07	3650	VND/kg

Retailed prices of ordinary milled rice and ordinary rough rice in Can Tho
(VND/kg-Source: www.agro.gov.vn)

Commodity	Day	Prices	Unit	Commodity	Day	Prices	Unit
Ordinary milled rice	08/06/07	4700	VND/kg	Ordinary rough rice	08/06/07	2900	VND/kg
Ordinary milled rice	12/06/07	4700	VND/kg	Ordinary rough rice	12/06/07	2900	VND/kg
Ordinary milled rice	19/06/07	4700	VND/kg	Ordinary rough rice	19/06/07	2900	VND/kg

Retailed prices of ordinary milled rice and ordinary rough rice in Ha Noi
(VND/kg- Source: www.agro.gov.vn)

Commodity	Day	Prices	Unit	Commodity	Day	Prices	Unit
Ordinary milled rice	06/06/07	5200	VND/kg	Ordinary rough rice	06/06/07	2900	VND/kg
Ordinary milled rice	12/06/07	5200	VND/kg	Ordinary rough rice	12/06/07	2900	VND/kg
Ordinary milled rice	19/06/07	5200	VND/kg	Ordinary rough rice	19/06/07	3100	VND/kg

Retailed prices of ordinary milled rice and ordinary rough rice in Hai Phong
(VND/kg-Source: www.agro.gov.vn)

Commodity	Day	Prices	Unit	Commodity	Day	Prices	Unit
Ordinary milled rice	06/06/07	5800	VND/kg	Ordinary rough rice	06/06/07	3800	VND/kg
Ordinary milled rice	12/06/07	5800	VND/kg	Ordinary rough rice	12/06/07	3800	VND/kg
Ordinary milled rice	19/06/07	5800	VND/kg	Ordinary rough rice	19/06/07	3800	VND/kg

Retailed prices of ordinary milled rice and ordinary rough rice in Lang Son
(VND/kg-Source: www.agro.gov.vn)

Commodity	Day	Prices	Unit	Commodity	Day	Prices	Unit
Ordinary milled rice	06/06/07	5700	VND/kg	Ordinary rough rice	06/06/07	3800	VND/kg
Ordinary milled rice	12/06/07	5700	VND/kg	Ordinary rough rice	12/06/07	3900	VND/kg
Ordinary milled rice	19/06/07	5700	VND/kg	Ordinary rough rice	19/06/07	3900	VND/kg

Retailed prices of ordinary milled rice and ordinary rough rice in Long Xuyen
(VND/kg-Source: www.agro.gov.vn)

Commodity	Day	Prices	Unit	Commodity	Day	Prices	Unit
Ordinary milled rice	08/06/07	4800	VND/kg	Ordinary rough rice	29/05/07	2900	VND/kg
Ordinary milled rice	12/06/07	4800	VND/kg	Ordinary rough rice	08/06/07	2900	VND/kg
Ordinary milled rice	19/06/07	4800	VND/kg	Ordinary rough rice	12/06/07	2900	VND/kg

Retailed prices of ordinary milled rice and ordinary rough rice in My Tho
(VND/kg-Source: www.agro.gov.vn)

Commodity	Day	Prices	Unit	Commodity	Day	Prices	Unit
Ordinary milled rice	08/06/07	4850	VND/kg	Ordinary rough rice	08/06/07	2900	VND/kg
Ordinary milled rice	12/06/07	4850	VND/kg	Ordinary rough rice	12/06/07	2900	VND/kg
Ordinary milled rice	19/06/07	4850	VND/kg	Ordinary rough rice	19/06/07	2900	VND/kg

Retailed prices of ordinary milled rice and ordinary rough rice in Nam Dinh
(VND/kg- Source: www.agro.gov.vn)

Commodity	Day	Prices	Unit	Commodity	Day	Prices	Unit
Ordinary milled rice	06/06/07	5100	VND/kg	Ordinary rough rice	06/06/07	3200	VND/kg
Ordinary milled rice	12/06/07	5100	VND/kg	Ordinary rough rice	12/06/07	3200	VND/kg
Ordinary milled rice	19/06/07	5100	VND/kg	Ordinary rough rice	19/06/07	3200	VND/kg

Retailed prices of ordinary milled rice and ordinary rough rice in Nghe An
(VND/kg-Source: www.agro.gov.vn)

Commodity	Day	Prices	Unit	Commodity	Day	Prices	Unit
Ordinary milled rice	08/06/07	4800	VND/kg	Ordinary rough rice	08/06/07	3200	VND/kg
Ordinary milled rice	12/06/07	4800	VND/kg	Ordinary rough rice	12/06/07	3200	VND/kg
Ordinary milled rice	19/06/07	4800	VND/kg	Ordinary rough rice	19/06/07	3200	VND/kg

Retailed prices of ordinary milled rice and ordinary rough rice in Nha Trang
(VND/kg- Source: www.agro.gov.vn)

Commodity	Day	Prices	Unit	Commodity	Day	Prices	Unit
Ordinary milled rice	08/06/07	4900	VND/kg	Ordinary rough rice	08/06/07	3100	VND/kg
Ordinary milled rice	12/06/07	4900	VND/kg	Ordinary rough rice	12/06/07	3100	VND/kg
Ordinary milled rice	19/06/07	4900	VND/kg	Ordinary rough rice	19/06/07	3100	VND/kg

Retailed prices of ordinary milled rice and ordinary rough rice in Ca Mau
(VND/kg-Source: www.agro.gov.vn)

Commodity	Day	Prices	Unit	Commodity	Day	Prices	Unit
Ordinary milled rice	08/06/07	4750	VND/kg	Ordinary rough rice	08/06/07	2950	VND/kg
Ordinary milled rice	12/06/07	4750	VND/kg	Ordinary rough rice	12/06/07	2950	VND/kg
Ordinary milled rice	19/06/07	4750	VND/kg	Ordinary rough rice	19/06/07	2950	VND/kg

Retailed prices of ordinary milled rice and ordinary rough rice in Da Nang
(VND/kg-Source: www.agro.gov.vn)

Commodity	Day	Prices	Unit	Commodity	Day	Prices	Unit
Ordinary milled rice	08/06/07	4800	VND/kg	Ordinary rough rice	08/06/07	3000	VND/kg
Ordinary milled rice	12/06/07	4800	VND/kg	Ordinary rough rice	12/06/07	3000	VND/kg
Ordinary milled rice	19/06/07	4800	VND/kg	Ordinary rough rice	19/06/07	3000	VND/kg

Retailed prices of ordinary milled rice and ordinary rough rice in Quang Ninh
(VND/kg- Source: www.agro.gov.vn)

Commodity	Day	Prices	Unit	Commodity	Day	Prices	Unit
Ordinary milled rice	06/06/07	4800	VND/kg	Ordinary rough rice	06/06/07	3000	VND/kg
Ordinary milled rice	12/06/07	4800	VND/kg	Ordinary rough rice	12/06/07	3000	VND/kg
Ordinary milled rice	19/06/07	4800	VND/kg	Ordinary rough rice	19/06/07	3000	VND/kg

Retailed prices of ordinary milled rice and ordinary rough rice in Thai Binh
(VND/kg- Source: www.agro.gov.vn)

Commodity	Day	Prices	Unit	Commodity	Day	Prices	Unit
Ordinary milled rice	08/06/07	5700	VND/kg	Ordinary rough rice	08/06/07	3500	VND/kg
Ordinary milled rice	12/06/07	5700	VND/kg	Ordinary rough rice	12/06/07	3500	VND/kg
Ordinary milled rice	19/06/07	5700	VND/kg	Ordinary rough rice	19/06/07	3500	VND/kg

Retailed prices of ordinary milled rice and ordinary rough rice in Tien Giang
(VND/kg- Source: www.agro.gov.vn)

Commodity	Day	Prices	Unit	Commodity	Day	Prices	Unit
Ordinary milled rice	15/06/07	4400	VND/kg	Ordinary rough rice	12/06/07	3200	VND/kg
Ordinary milled rice	22/06/07	4400	VND/kg	Ordinary rough rice	19/06/07	3200	VND/kg
Ordinary milled rice	29/06/07	4500	VND/kg	Ordinary rough rice	26/06/07	3200	VND/kg

Retailed prices of ordinary milled rice in some markets
(VND/kg- Source: www.agro.gov.vn)

Market	Day	Prices	Unit
Tp.HCM	08/06/07	5000	VND/kg
Tp.HCM	12/06/07	5000	VND/kg
Tp.HCM	19/06/07	5000	VND/kg
Kiên Giang	30/05/07	5000	VND/kg
Kiên Giang	06/06/07	5000	VND/kg
Kiên Giang	14/06/07	5000	VND/kg
Lâm Đồng	15/06/07	5200	VND/kg
Lâm Đồng	22/06/07	5200	VND/kg
Lâm Đồng	29/06/07	5200	VND/kg

Exchange rate USD/VND
Source: Vietcombank

Currency unit	Exchange rate
USD	16.133
USD	16.125
USD	16.125
USD	16.127
USD	16.127
USD	16.138
USD	16.141

Địa chỉ liên hệ

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