

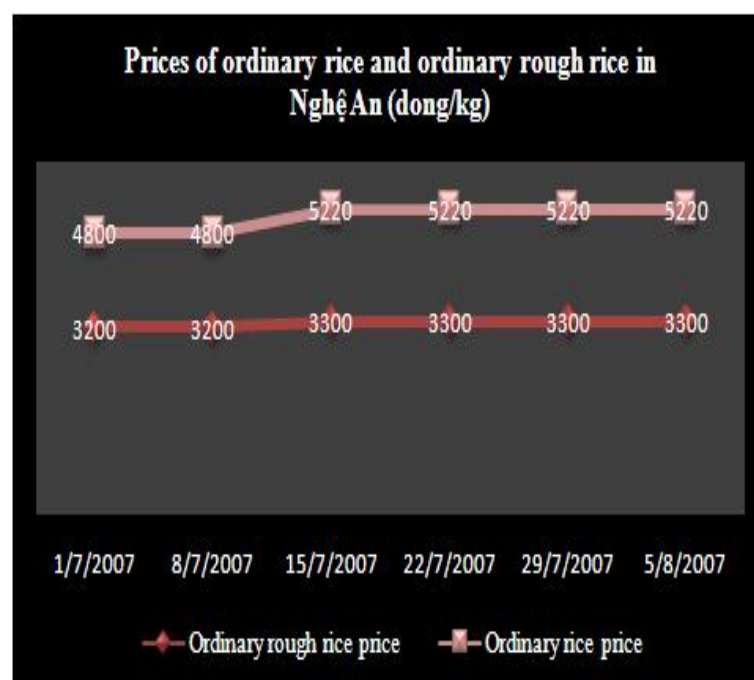


1. The Mekong River Delta provinces support agricultural mechanization
2. Over 30,000 hectares of rice fields in the Central Highland are in a serious drought situation
3. Vietnam has run out of rice for export in 2007
4. Rice prices in Asian markets decreased strongly after standing at high levels during previous weeks

## Vietnam's rice market

### Production

The spread of brown backed rice plant hoppers and the shortage of rice - harvesting workers are threatening farmers in rice-cultivating provinces in the Mekong River Delta. The urbanization process has led young workers to leave agriculture and seek jobs in the urban and industrial areas. This situation has caused a serious shortage of rice-harvesting workers at the time when most of the provinces in the region are beginning a new harvest. Moreover, concentrated seeding in one period has caused most planted rice to mature at one time, and farmers have tried to harvest quickly to avoid brown backed rice plant hoppers and rice grassy stunt virus-all making the labor shortage more serious.



Source: [www.agro.gov.vn](http://www.agro.gov.vn)

Meanwhile, some provinces of the Mekong River Delta are supporting their farmers with policies to encourage the purchase of agricultural machines. Dong Thap province has invested about 10 billion VND to carry out mechanization by providing farmers two-year-loans with preferential interest to buy agricultural machines. Tien Giang province has supported farmers with payment of 50% of the value of machinery and preferential interest. Kien Giang province plans to buy 200 combined-function agricultural machines in 2007. Farmers will pay 30% of the machine's value, the bank will lend farmers 70% of the machine's value and the localities will support farmers with interest payments for the 2 years of borrowing. However, up to 2006, the region has only about 1.800 machines, including 100 combined harvesters. With that stock of machines, only about 3% of rice areas in the Mekong River Delta can be harvested mechanically, a very tiny proportion.

In order to improve the efficiency of the rice variety breeding program, An Giang province has just undertaken a project to develop certificated rice varieties. By 2008, about 75% of total rice planted areas will use confirmed varieties and 90% will do so by 2009. The total investment capital of the project is 4.5 billion VND for the implementation period from now to 2008. This project will focus on producing confirmed varieties that resist brown backed rice plant hoppers and can meet export standards.

### Exports and Prices

During the week, rice prices were stable in most provinces in the country. The prices of ordinary milled rice in Tien Giang were 4,500 dong/kg, in Lam Dong were 5,200 dong/kg, in Binh Duong



Source: [www.agro.gov.vn](http://www.agro.gov.vn)

5,300 dong/kg, unchanged compared with the previous week. The prices of ordinary rough rice in Thai Binh still stood at 3,300 dong/kg, were 3,300 dong/kg in Nghe An, and 3,650 dong/kg in Binh Duong.

Also during the week, the prices of Vietnam export rice continued to increase because of high demand from the domestic export enterprises to fulfill signed contracts. 5% broken rice was priced 305.4 USD/ton, a 1.3 USD/ton increase compared to the previous week. 10% broken rice was in the range of 300.4 USD/ton, an increase of 1.3 USD/ton compared with the previous week. 15% broken rice increased slightly by 0.2 USD/ton, reaching 296 USD/ton.

On 1 August 2008, the Trade Research Institute (Ministry of Trade) announced that Vietnam has run out of rice for export in late 2007. From the beginning of the year, Vietnam's rice export enterprises have signed contracts to export rice with an accumulated quantity of 4.5 million tons, meeting the export target of Vietnam in 2007.

The Vietnam Food Association has not allowed any enterprise to sign more export contracts since the middle of July. Meanwhile, it is forecast that Vietnam's rice production in 2007 will only reach about 8.7 million tons.

### Weather

After a long spell of sun during about two months, many provinces in the Central Highland are experiencing serious drought. In the 4 most severely drought-stricken provinces of Nghe An, Binh Dinh, Ha Tinh and Quang Tri, over 30.000 hectares of rice and farm were dry. The most seriously affected

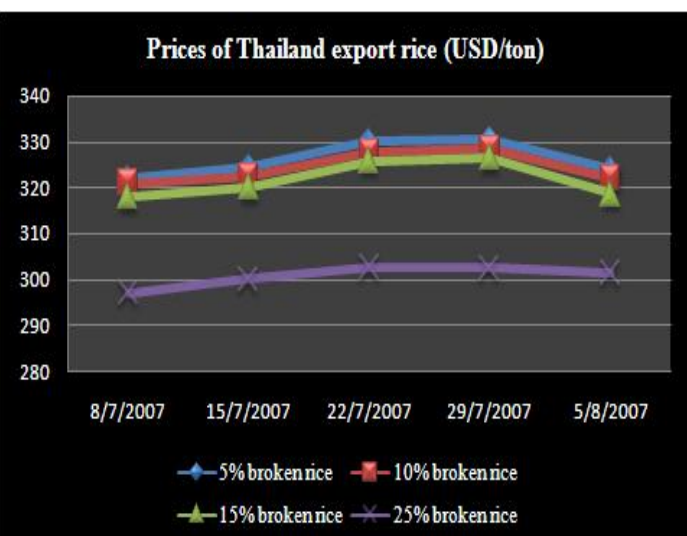
areas belong to the regions which do not have irrigation works or have only a small irrigation reservoir. The drought not only affects the planted areas, but also the overall agricultural production, especially clean water for inhabitants' household use. At present, many inhabitants have to buy clean water at the prices of 20.000 to 40.000 dong/m<sup>3</sup>. Before the situation of serious drought, the Department of Water Resource (Ministry of Agriculture and Rural Development) encouraged the provinces in the Central Highland to dredge the irrigation canals, pump water to rescue the rice and plants, and provide the people with running water.

## World rice market

Within the week, the export rice price in the Asia market tended to decrease because the Baht's devaluation compared to the U.S dollar lowered the Thai rice price. Although the Thai rice price decreased, the costumers with held purchases because the prices did not decrease as much as they expected. Meanwhile, Thai suppliers continue to purchase rice to fulfill signed contracts. The strong demand in the domestic market kept the inland rice price at a high level and the export rice price cannot decrease much. The Thai 100% rice level B was priced 338-339 USD/ton, FOB Bangkok, the prices of 5% broken rice were in the range of 325 to 330 USD/ton and 100% parboiled rice was priced 333-342 USD/ton.

At the beginning of last week, Thailand sold 200,000 tons of rice to Iraq with a price of 420 USD/ton, C&F, delivery deadline August - September 2007. This contract is a part of the auction organized by Iraq to buy a total 300,000 tons of rice.

Thai rice exports to Malaysia this year will



Source: [www.agro.gov.vn](http://www.agro.gov.vn)

increase 40% compared to the previous year, reaching 560,000 tons because Vietnam temporarily stopped exporting rice to maintain the national food security. Each year, Malaysia imports about 800,000 tons of rice, half of this supplied by Thailand, and the remainder supplied by Vietnam, India and Pakistan.

## Data

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

Commodity	Vietnam			Thailand		
	Week 23-29/07/07	Week 31/7-4/8/07	Changes	Week 23-29/07/07	Week 31/7-4/8/07	Changes
5% Broken rice	304.1	305.4	1.3	330.4	324	-6.4
10 % Broken rice	299.1	300.4	1.3	328.4	322.2	-6.2
15% Broken rice	295.8	296	0.2	326.4	318.6	-7.8
25% Broken rice	287.2	289.8	2.6	302.4	301.4	-1

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)	30/08/2007	3250	VND/kg	Ordinary milled rice	30/08/2007	5100	VND/kg
Dry sticky paddy (opaque)	31/08/2007	3250	VND/kg	Ordinary milled rice	31/08/2007	5100	VND/kg
Dry sticky paddy (opaque)	1/08/2007	3250	VND/kg	Ordinary milled rice	1/08/2007	5100	VND/kg
Dry sticky paddy (opaque)	2/08/2007	3250	VND/kg	Ordinary milled rice	2/08/2007	5100	VND/kg
Dry sticky paddy (opaque)	3/08/2007	3250	VND/kg	Ordinary milled rice	3/08/2007	5100	VND/kg

Retail 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	15/07/2007	6000	VND/kg	Ordinary rough rice	15/07/2007	3500	VND/kg
Ordinary milled rice	22/07/2007	6000	VND/kg	Ordinary rough rice	22/07/2007	3500	VND/kg
Ordinary milled rice	29/07/2007	6000	VND/kg	Ordinary rough rice	29/07/2007	3500	VND/kg

Retail 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	15/07/2007	5000	VND/kg	Ordinary rough rice	15/07/2007	3200	VND/kg
Ordinary milled rice	22/07/2007	5000	VND/kg	Ordinary rough rice	22/07/2007	2900	VND/kg
Ordinary milled rice	29/07/2007	5200	VND/kg	Ordinary rough rice	29/07/2007	3000	VND/kg

Retail 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	15/07/2007	5100	VND/kg	Ordinary rough rice	22/07/2007	3500	VND/kg
Ordinary milled rice	22/07/2007	5100	VND/kg	Ordinary rough rice	29/07/2007	3500	VND/kg
Ordinary milled rice	5/08/2007	5400	VND/kg	Ordinary rough rice	5/08/2007	3700	VND/kg

Retail 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	8/07/2007	4800	VND/kg	Ordinary rough rice	8/07/2007	3100	VND/kg
Ordinary milled rice	15/07/2007	4800	VND/kg	Ordinary rough rice	15/07/2007	3300	VND/kg
Ordinary milled rice	22/07/2007	4800	VND/kg	Ordinary rough rice	22/07/2007	3300	VND/kg

Retail 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	22/07/2007	5300	VND/kg	Ordinary rough rice	22/07/2007	3650	VND/kg
Ordinary milled rice	29/07/2007	5300	VND/kg	Ordinary rough rice	29/07/2007	3650	VND/kg
Ordinary milled rice	5/08/2007	5300	VND/kg	Ordinary rough rice	5/08/2007	3650	VND/kg

**Retail 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	8/07/2007	4700	VND/kg	Ordinary rough rice	22/07/2007	2900	VND/kg
Ordinary milled rice	15/07/2007	4700	VND/kg	Ordinary rough rice	29/07/2007	3200	VND/kg
Ordinary milled rice	22/07/2007	4700	VND/kg	Ordinary rough rice	5/08/2007	3200	VND/kg

**Retail 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	22/07/2007	6500	VND/kg	Ordinary rough rice	22/07/2007	3900	VND/kg
Ordinary milled rice	29/07/2007	6500	VND/kg	Ordinary rough rice	29/07/2007	3900	VND/kg
Ordinary milled rice	5/08/2007	6500	VND/kg	Ordinary rough rice	5/08/2007	3800	VND/kg

**Retail 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	22/07/2007	5200	VND/kg	Ordinary rough rice	22/07/2007	2900	VND/kg
Ordinary milled rice	29/07/2007	5200	VND/kg	Ordinary rough rice	29/07/2007	2900	VND/kg
Ordinary milled rice	5/08/2007	5200	VND/kg	Ordinary rough rice	5/08/2007	3100	VND/kg

**Retail 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	22/07/2007	5800	VND/kg	Ordinary rough rice	22/07/2007	3700	VND/kg
Ordinary milled rice	29/07/2007	5800	VND/kg	Ordinary rough rice	29/07/2007	3700	VND/kg
Ordinary milled rice	5/08/2007	5800	VND/kg	Ordinary rough rice	5/08/2007	3700	VND/kg

Retail 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	8/07/2007	4800	VND/kg	Ordinary rough rice	8/07/2007	2900	VND/kg
Ordinary milled rice	15/07/2007	4800	VND/kg	Ordinary rough rice	15/07/2007	3200	VND/kg
Ordinary milled rice	22/07/2007	4800	VND/kg	Ordinary rough rice	22/07/2007	3200	VND/kg

Retail 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	8/07/2007	4850	VND/kg	Ordinary rough rice	8/07/2007	2900	VND/kg
Ordinary milled rice	15/07/2007	5050	VND/kg	Ordinary rough rice	15/07/2007	3200	VND/kg
Ordinary milled rice	22/07/2007	5050	VND/kg	Ordinary rough rice	22/07/2007	3200	VND/kg

Retail 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	22/07/2007	5200	VND/kg	Ordinary rough rice	22/07/2007	3250	VND/kg
Ordinary milled rice	29/07/2007	5200	VND/kg	Ordinary rough rice	29/07/2007	3500	VND/kg
Ordinary milled rice	5/08/2007	5200	VND/kg	Ordinary rough rice	5/08/2007	3600	VND/kg

Retail 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	22/07/2007	5220	VND/kg	Ordinary rough rice	22/07/2007	3200	VND/kg
Ordinary milled rice	29/07/2007	5220	VND/kg	Ordinary rough rice	29/07/2007	3300	VND/kg
Ordinary milled rice	5/08/2007	5220	VND/kg	Ordinary rough rice	5/08/2007	3300	VND/kg

**Retail 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	22/07/2007	5300	VND/kg	Ordinary rough rice	22/07/2007	3100	VND/kg
Ordinary milled rice	29/07/2007	5300	VND/kg	Ordinary rough rice	29/07/2007	3200	VND/kg
Ordinary milled rice	5/08/2007	5300	VND/kg	Ordinary rough rice	5/08/2007	3200	VND/kg

**Retail 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	15/07/2007	5500	VND/kg	Ordinary rough rice	15/07/2007	3150	VND/kg
Ordinary milled rice	22/07/2007	5500	VND/kg	Ordinary rough rice	22/07/2007	3200	VND/kg
Ordinary milled rice	29/07/2007	6000	VND/kg	Ordinary rough rice	29/07/2007	3200	VND/kg

**Retail 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	1/07/2007	4800	VND/kg	Ordinary rough rice	1/07/2007	3000	VND/kg
Ordinary milled rice	8/07/2007	4800	VND/kg	Ordinary rough rice	8/07/2007	3000	VND/kg
Ordinary milled rice	15/07/2007	5200	VND/kg	Ordinary rough rice	15/07/2007	3500	VND/kg

**Retail 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	22/07/2007	4800	VND/kg	Ordinary rough rice	22/07/2007	3000	VND/kg
Ordinary milled rice	29/07/2007	4800	VND/kg	Ordinary rough rice	29/07/2007	3000	VND/kg
Ordinary milled rice	5/08/2007	4800	VND/kg	Ordinary rough rice	5/08/2007	3000	VND/kg



Retail 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	22/07/2007	4700	VND/kg	Ordinary rough rice	22/07/2007	3100	VND/kg
Ordinary milled rice	29/07/2007	5100	VND/kg	Ordinary rough rice	29/07/2007	3300	VND/kg
Ordinary milled rice	5/08/2007	4700	VND/kg	Ordinary rough rice	5/08/2007	3300	VND/kg

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

Market	Day	Prices	Unit
Tp.HCM	1/07/07	5000	VND/kg
Tp.HCM	09/07/07	5000	VND/kg
Tp.HCM	15/07/07	5500	VND/kg
Tiền Giang	15/07/2007	4500	VND/kg
Tiền Giang	22/07/2007	4500	VND/kg
Tiền Giang	29/07/2007	4500	VND/kg
Lâm Đồng	15/07/2007	5200	VND/kg
Lâm Đồng	22/07/2007	5200	VND/kg
Lâm Đồng	29/07/2007	5200	VND/kg

Exchange rate USD/VND  
Source: Vietcombank

Currency unit	Exchange rate
USD	16.148
USD	16.143
USD	16.141
USD	16.142
USD	16.145
USD	16.142
USD	16.142

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