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Report Highlights:

Post estimates Vietnam's wheat imports volume in the MY 2015/2016 at 2.60 million tons, an increase of about 300,000 tons compared to MY 2014/2015 imported volume. The use of feed wheat mainly contributed to the increase. Imported volume for MY 2016/2017 is forecast at 2.7 million tons.

According to traders, the first volume of 86,000 tons of U.S. feed wheat (HS code 10019990) was shipped into Vietnam in MY 2014/2015 and another 68,000 tons was shipped during July-February MY 2015/2016.

Adjusted corn imported volume in MY 2014/2015 is from 3.5 million tons to 4.9 million tons, mainly from South American source, due to the big drop of corn prices from this source that attracted vast

imported volume. The import of corn volume in MY 2015/2016 is revised up from 3.0 to 7.3 million tons with the same reason. The Vietnam MY 2016/2017 corn import is forecasted at 6.0 million tons.

Post estimates total rice production for MY 2015/2016 to reach 44.94 million tons of paddy rice, or approximately 28.09 million tons of milled rice equivalent. This is about 180,000 tons of paddy less than USDA's official number for the same Marketing Year due mainly to the impact of drought weather caused by El Nino that resulted in lower production in the Spring crop in the Mekong River Delta. Post's forecast for MY 2016/2017 rice production is 45.77 million tons with expected higher yield in seasonal crops, and larger planted/harvested area of seasonal crops.

SITUATION AND OUTLOOK

In the Mekong River Delta, there are about 180,000 tons of paddy less than USDA's official number for the same Marketing Year (MY 2015/2016), due mainly to the impact of drought weather caused by El Nino that resulted in lower production in the Spring crop in the Mekong River Delta. According to another MARD's estimate, due to drought and saltwater intrusion, there were about 106,000 hectares of rice affected by drought and salinity in two years 2015-2016, the MY2014/2015 Winter crop; the MY2014/2015 late Autumn crop; and the MY2015/2016 spring crop. The water shortage and salinization, are also threatening the upcoming Autumn crop in the MRD.

In March 2015, the Vietnamese Ministry of Agriculture and Rural Development (MARD) approved three genetically modified corn varieties for commercial planting. This is the final step in the regulatory approval process for Vietnam to commercialize biotech corn. In April 2015, the approved GM corn varieties were planted making Vietnam the 29th country to commercialize a biotech crop in the world.

The local corn production areas have been gradually increased but not changed markedly over time, reflecting the Vietnamese government policy encouraging the increase of corn cultivation for supplying the local feed industry. However, local corn production face challenges by the competitive price corn supplied by giant corn growers like India, Argentina, and Brazil. Since 2014, when international corn prices were slashed lower than the all-time prices for Vietnamese corn, there has been abnormal corn volume imported into the country, despite the supply has been much higher than the local demand.

In Vietnam, the growth of baked wheat-based products and noodles requires high quality wheat, which possibly favors increased consumption of U.S. wheat. The recent year-on-year volume of U.S. wheat exported to Vietnam is steadily increasing. This situation justifies the increase demand for premium quality wheat. Recent improvements in trade-related infrastructure, such as deep sea ports that can receive Panamax vessels, should help U.S. wheat be more competitive by reducing ocean freight costs.

In general, feed wheat can be an alternative feed source in place of corn. Imports of feed wheat depend greatly on its price competitiveness with corn prices. Feed wheat imported in MY 2014/2015 increased sharply due to its price competitiveness. The first volume of 86,000 tons of U.S. feed wheat (HS code 10019990) was shipped into Vietnam in MY 2014/2015 and another 68,000 tons was shipped into Vietnam during July-February MY 2015/2016.

Vietnam feed industry summary

The Vietnam feed industry relies on about 45% of total demanded volume imported from other countries, which includes soybean meal, corn, DDGS, various kinds of meal or bran like copra, canola, rape seed meal, and wheat bran including some animal protein sources like meat and bone meal (MBM) and fish meal. The local production source of feed ingredients includes corn, rice bran, broken rice and cassava.

The local sources for feed include rice bran and broken rice, which are obtained from the rice industry. The rice milling industry produces approximately 5 million tons of rice bran, most of which is used for feed. Unlike rice bran, which is used only as a feed ingredient, broken rice is used in a relatively small volume given its strong competitiveness with exported rice. Cassava for use in feed face strong competition from exported cassava, local industrial use and the biofuel industry. As a result, the volume of cassava for feed use has been decreasing.

Imported feed wheat accounts for about 20-25 percent of total imported wheat in recent years. However, the import volume can be increased greatly when wheat prices become competitive with corn import prices. Wheat then becomes an alternative source of energy ingredients.

While Vietnam can supply more than 75 percent of its demand for energy source feed ingredients, it relies heavily on imported protein sources such as soybean, soybean meal, meat and bone meal, and fish meal. Currently, Vietnam focuses on expanding corn and soybean planted area to minimize level of ever-increasing yearly imports. However, it seems that government policy favors expanding corn acreage.

Imports of finished feed are estimated at about 1.5 million tons per year. Home-made feed is based mostly on local ingredients, which are mainly from local supply sources such as corn, rice bran, broken rice, cassava, and other local vegetable and various kinds of food waste.

The table below shows the volume and sources of various feed materials. The smaller supply of local cassava and local corn lead to the higher imports of corn, DDGS, and feed wheat.

Revised Estimate of supply of feed ingredients for Vietnam feed industry (million tons)

	CY 2014		CY 2015		CY 2016	
	Old	Revised	Old	Revised	Old	Revised
Import(1)	9.35	10.75	9.50	12.00	9.65	12.05
Soybean Meal	3.70	4.90	3.75	5.10	3.80	5.20
Corn	2.00	2.20	2.00	2.59	2.00	2.90
DDGS	0.50	0.50	0.50	0.66	0.50	0.60
Feed wheat	0.50	0.50	0.55	0.95	0.60	0.60
Other meal/bran	1.00	1.00	1.00	1.00	1.00	1.00
Others (MBM, FM, ...)	1.65	1.65	1.70	1.70	1.75	1.75
Local supply (2)	12.50	12.30	13.00	11.85	13.50	12.50
Corn	5.20	5.00	5.60	5.30	6.00	6.00
Rice bran	5.00	5.00	5.00	5.00	5.00	5.00
Broken rice	0.50	0.50	0.50	0.50	0.50	0.50
Cassava	1.80	1.80	1.90	1.05	2.00	1.00
Imported feed (3)	1.50	1.50	1.50	1.50	1.50	1.50
Grand Total (4)	23.35	24.55	24.00	25.35	24.65	26.05
Manufactured feed (5)	14.70	14.70	15.60	15.60	16.50	16.50
Home-made feed (6)*	7.15	9.85	6.90	9.75	6.65	9.55

*: (6) = (4)-(3)-(5); Source: Post's estimate

1. WHEAT

STATISTICAL TABLES

Vietnam's Production, Supply and Demand for Wheat

Wheat Market Begin Year	2014/2015		2015/2016		2016/2017	
	Jul 2014		Jul 2015		Jul 2016	
Vietnam	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	0	0	0	0	0	0
Beginning Stocks	373	373	294	280	0	405
Production	0	0	0	0	0	0
MY Imports	2296	2317	2600	2600	0	2700
TY Imports	2296	2317	2600	2600	0	2700
TY Imp. from U.S.	317	302	0	350	0	400
Total Supply	2669	2690	2894	2880	0	3105
MY Exports	225	160	225	200	0	250
TY Exports	225	160	225	200	0	250
Feed and Residual	600	700	700	700	0	750
FSI Consumption	1550	1550	1575	1575	0	1600
Total Consumption	2150	2250	2275	2275	0	2350
Ending Stocks	294	280	394	405	0	505
Total Distribution	2669	2690	2894	2880	0	3105

(1000 HA) ,(1000 MT)

PRODUCTION

Vietnam does not produce wheat.

CONSUMPTION

The Marketing year (MY) 2015/2016 wheat total consumption is estimated at 2.275 million tons, a slight increase (25,000-ton increase) compared to MY 2014/2015 due to the likely increase using of milling wheat in the market.

The MY 2016/2017 wheat consumption is also forecast to slightly increase due to the greater demand for both feed wheat and milling wheat. Increasing in feed wheat consumption is following the growth of the feed industry, mostly for aqua feed. At the same time, increase consumption for milling wheat is driven by the on-going demand for wheat based products in the fast food industry. Although the demand for the latter is small, the growth is steadily increasing.

The MY 2014/2015 wheat consumption is revised from 2.15 to 2.25 million tons, due mainly to the gain of using feed wheat as imported wheat prices became favorably competitive compared to imported corn prices.

Wheat is the second staple food (after rice) for Vietnamese living in big cities. These urban dwellers consumed many forms of wheat based food. Traditional Chinese noodles and instant noodles account for the largest share of wheat flour consumption in Vietnam, at 40-50 percent. Bread/baguette production consumes about 35-40 percent, and about 10-25 percent is used for other baked goods and wheat-based foods. In recent years, according to food industry experts, there have been some changes in milling wheat use pattern for wheat based products. The wheat used for bread/baguette has been increased to 40-45 percent of total milling wheat consumption. Other baked goods and wheat based foods have also been increased to 15-25 percent. At the same time, Chinese noodles/instant noodles use dropped to 35-40 percent. The changes indicate the increasing trend in the pace of urbanization and increasing familiarity of consumers using convenience foods. The latter is increasing being used in place of the rice-based diet that still dominates Vietnamese cuisine. The increased presence of fast food chains in Vietnam such as such as McDonalds, Dunkin Donuts, and Burger King including western food cafes are also a key factor in boosting the use of wheat based food. The use of wheat based food, however, is still limited to big cities. The level of increased consumption of milling wheat, therefore, is still moderately small. Overall, total demand for milling wheat ranges from 1.50 to 1.55 million tons per year.

There is, however, an increased use of top-quality wheat for higher quality wheat based products introduced by western food outlets. The demand for U.S. wheat, which is considered as premium quality wheat, therefore, is increasing steadily.

Some small quantities are also milled for feed use, which is mainly used for aquaculture feed, both as an ingredient and as a feed binding agent especially in especially shrimp feed. Feed wheat, however, has recently been utilized as an alternative source for other animal feeds, in lieu of corn, cassava, and broken rice, based on its price competitiveness. Feed wheat use in MY 2014/2015 increased about 100,000 tons and estimated at about 700,000 tons due to its competitive prices compared to imported corn prices. Post estimates the use of feed wheat for the local animal feed industry in MY 2015/2016 to be unchanged due to imported corn low prices. Consumption of feed wheat in MY 2016/2017 is forecast slightly increased, about 50,000 tons, compared with MY 2013/2014 in anticipation of the growth of the feed industry.

Currently the total country's wheat mill designed capacity is about 3.0 million tons annually. With strong competition from foreign -owned mills, there are only a few small local private mills existing

in the country. Given the yearly consumption of 2.0-2.1 million tons, the actual average capacity of these mills only reaches 68 percent of designed capacity. This shows a strong competition in the wheat milling sector and also demonstrates the anticipation of future growth of Vietnam’s wheat consumption.

TRADE / COMPETITION

Import

Vietnam is a net importer of wheat. Current import duties are five percent for wheat and fifteen percent for wheat flour. Australian wheat, however, enjoys duty free access to Vietnam under the Australia – Vietnam Free Trade Agreement, which entered into force in January 2016.

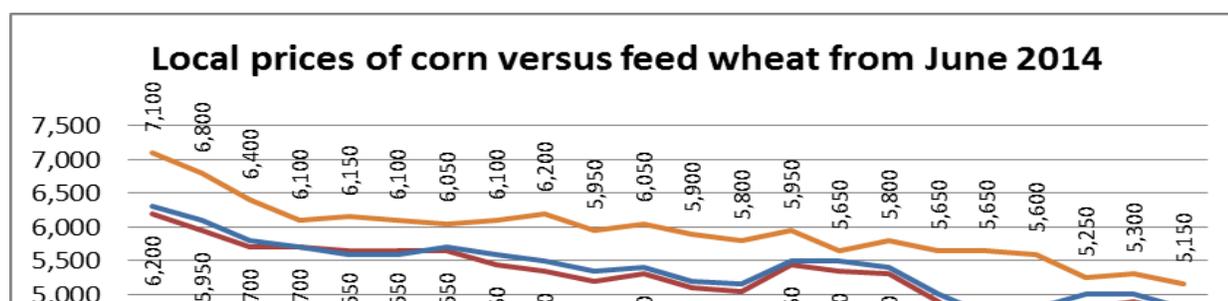
Post estimates Vietnam’s wheat imports volume in the MY 2015/2016 at 2.60 million tons, an increase of about 300,000 tons compared to MY 2014/2015 imported volume, with mainly the increase in the use of feed wheat. Imported volume for MY 2016/2017 is forecast at 2.7 million tons, for expected increase in the use of both milling and feed wheat. Vietnam’s wheat imports for the MY 2014/2015 were 2.32 million tons, about 20,000 tons more than USDA’s official estimate.

Australian milling wheat is expected to continue dominating the wheat import market in Vietnam, accounting for over 70-80 percent of Vietnam’s total wheat imported volume yearly.

The growth of baked wheat-based products and noodles requiring high quality wheat possibly favors increased consumption of U.S. wheat. U.S. wheat is also used by Vietnamese mills for blending as a cost-effective way to improve the quality of their flour products. The recent year-on-year volume of U.S. wheat exported to Vietnam is steadily increasing thus proving the increase demand of premium quality wheat. Imports of U.S. wheat in MY 2015/2016 are estimated to increase to 350,000 tons from 302,000 tons in MY 2014/2015. The forecast import volume for U.S. in MY 2016/2017 is 400,000 tons. Recent improvements in trade-related infrastructure, such as deep sea ports that can receive Panamax vessels, should help U.S. wheat be more competitive by reducing ocean freight costs.

As mentioned, feed wheat can be an alternative source mainly in place of corn. Imports of feed wheat depend greatly on its price competitiveness with corn prices. Feed wheat imported in MY 2014/2015 increased sharply due to its price competitiveness as shown in the below graph, the feed wheat-corn price gap was narrowed down from August-September 2015, resulted in some extra volume of feed wheat imports into Vietnam.

According to traders, the first volume of 86,000 tons of U.S. feed wheat (HS code 10019990) was shipped into Vietnam in MY 2014/2015 and 68,000 tons of U.S. feed wheat (HS code 10019990) was shipped into Vietnam during July-February MY 2015/2016.



Source: US Grain Council Representative office in Vietnam

Export

Vietnam exports wheat to neighboring countries in South East Asia. Vietnam made wheat flour is mainly for export is a competitive price product with low quality and mainly supplied as an ingredient for the aquaculture industry. Small quantities are used in the instant noodle industry. Vietnam is largest wheat flour exporter to Thailand. Vietnam exports of wheat flour to other countries like Indonesia, Malaysia, and The Philippines are mainly for the feed industry. Additionally, Vietnamese flour exports to Singapore, Hong Kong and Taiwan are for the food processing industry and/or re-selling to other countries.

Vietnam Exports of wheat flour in Marketing Year *(ton, wheat equivalent quantity)*

Importer	Marketing year				
	2012/2013	2013/2014	2014/2015	2015/2016 (est.)	2016/2017 (forecast)
Total	112,180	125,860	159,460	150,000	150,000
Thailand	69,770	73,870	61,640		
Philippines	17,780	17,780	54,940		
Hong Kong	10,940	15,050	16,080		
Singapore	12,310	13,680	13,400		
Indonesia	2,740	4,100	6,700		
South Korea	-	1,370	5,360		
Malaysia	-	-	-		
Taiwan	-	-	-		

Source: Global Trade Atlas

2. CORN

STATISTICAL TABLES

Vietnam's Production, Supply and Demand for Corn

Corn	Vietnam	2014/2015		2015/2016		2016/2017	
		Market Year Begin: May 2013		Market Year Begin: May 2014		Market Year Begin: May 2015	
		USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested		1,180	1,179	1,300	1,300		1,300
Beginning Stocks		724	724	1,004	1,033		1,100
Production		5,280	5,281	6,000	5,980		6,240
MY Imports		3,500	4,908	3,000	7,300		6,000
TY Imports		3,500	6,700	3,000	6,900		6,000
TY Imp. from U.S.		6	5	0	0		0
Total Supply		9,504	10,913	10,004	14,313		13,340
MY Exports		500	500	500	500		500
TY Exports		500	500	500	500		500
Feed and Residual		6,700	8,080	7,000	11,313		10,240
FSI Consumption		1,300	1,300	1,400	1,400		1,500
Total Consumption		8,000	9,380	8,400	12,713		11,740
Ending Stocks		1,004	1,033	1,104	1,100		1,100
Total Distribution		9,504	10,913	10,004	14,313		13,340

1000 HA, 1000 MT, MT/HA

PRODUCTION

Corn has long been the second largest annual crop in terms of acreage in Vietnam. However, corn is planted only in areas that are not conducive for planting cash crops. Such areas include the mountainous regions with poor soil fertility and regions lacking adequate water supply for other better cash crops. Since corn is primarily being grown in unfavorable conditions, Vietnam's corn yields are significantly low. Furthermore, insects and damage to the corn crop is severe.

Corn is one of several local crops such as cassava and rice (broken rice, rice bran), which are used to supply the ever-growing feed industry. Local corn production has been not able to satisfy the demand in recent years. 2 million tons of imported corn is brought into Vietnam each year. As such, corn producers are under pressure to quickly increase their productivity in order to satisfy the increasing demand. Increasing corn productivity through the use of high-yielding varieties seems the most likely way to achieve the government's objectives of increasing yield to meet domestic demand in the feed sector.

According to MARD, the revised Vietnam corn production was 5.28 million tons in calendar year (CY) 2015, a 34,000-ton decrease compared to Post's last forecast. This is due to both smaller harvested area and lower yield corn crops caused by adverse weather in the north of Vietnam and unfavorable international corn prices.

The estimate of CY 2016 harvested area is unchanged from Post's last forecast, 1.3 million hectares due to the government's policy of increasing the corn planted area by shifting from ineffective rice cultivation areas. However, with unfavorable international corn prices, the CY 2017 corn harvested area is forecasted about the same as CY 2016, about 1.3 million hectares. The average corn yield is expected to be slightly higher in CY 2016, at 4.6 tons per hectare, and CY 2017, at 4.8 tons per hectare, due to the gradual use of GM corn varieties in Vietnam. The overall increase of corn production is mainly due to the higher average corn yield. As average corn yield increase up to certain level, farmers can be convinced that achieving profit margin is possible by planting corn.

Vietnam Corn Production in Calendar Year 2015-2016 and forecast for 2017

	Unit	2015		2016		2017 Forecast
		Old	New	estimate	Revised	
Harvested area	1,000 Ha	1,250	1,179	1,300	1,300	1,300
Yield	mt/ha	4.50	4.48	4.60	4.60	4.80
Production	1,000 mt	5,315.00	5,281.00	5,980.00	5,980.00	6,240.00

Source: MARD / Post Estimate

In March 2015, MARD's Crop Production Department (CPD) approved three genetically modified corn varieties for commercial planting. This is the final step in the regulatory approval process for Vietnam to commercialize biotech corn. In April 2015, the approved GM corn varieties were planted making Vietnam the 29th country to commercialize a biotech crop in the world.

The table shows corn areas by geographical regions. The northern midlands and mountain area have the largest corn planted area, followed by the Central highland.

Area of Corn by region

Unit: 1,000 hectares

	2011	2012	2013	2014
WHOLE COUNTRY	1 121.3	1 156.6	1,170.4	1,177.5
<i>Red River Delta</i>	96.0	86.4	88.3	88.7
<i>Northern midlands & mountain areas</i>	465.7	502.0	504.5	514.7
<i>North Central & Central coastal area</i>	207.6	121.4	206.0	207.9
<i>Central Highland</i>	232.6	246.9	251.7	248.2
<i>South East</i>	78.7	79.3	79.8	80.0
<i>Mekong River Delta</i>	40.7	39.6	40.1	38.0

Source: General Statistics Office

The corn areas have gradually increased but not changed significantly over time. This situation reflects the Vietnamese government policy of encouraging the increase of corn cultivation for supplying to the local feed industry. However, local corn production faces challenges from the competitive price corn supplied by giant corn growers like India, Argentina, and Brazil.

The Southern regions, primarily made up of Central Highlands, South East, and the Mekong River Delta grow mostly one corn crop per year, starting from the middle of May. The Northern regions, primarily made up of the Red River Delta, Northern midlands and mountain area, North Central and Central coastal area have two to three crops per year- Spring, Autumn, Winter. According to MARD, the Spring crop starts from the first half of February to second half of May; the Autumn crop starts from the end of May to early September and the Winter crop starts from the end of September to early January.

Corn crops pattern in northern area in 2010

	Crop			Total
	Spring	Autumn	Winter	
<i>Red River Delta</i>	32.560	12.000	53.040	97.600
<i>North Central and Central coastal area</i>	48.920	34.380	52.000	135.300
<i>Northern midlands and mountain areas</i>	286.552	173.448	-	460.000
Total	368.920	219.448	105.040	692.900

Corn crops pattern in northern area planning for 2015-2020

	Crop			Total
	Spring	Autumn	Winter	
<i>Red River Delta</i>	40.000	10.000	65.000	115.000
<i>North Central and Central coastal area</i>	50.000	35.000	80.000	165.000
<i>Northern midlands and mountain areas</i>	300.000	180.000	40.000	520.000
Total	390.000	225.000	145.000	800.000

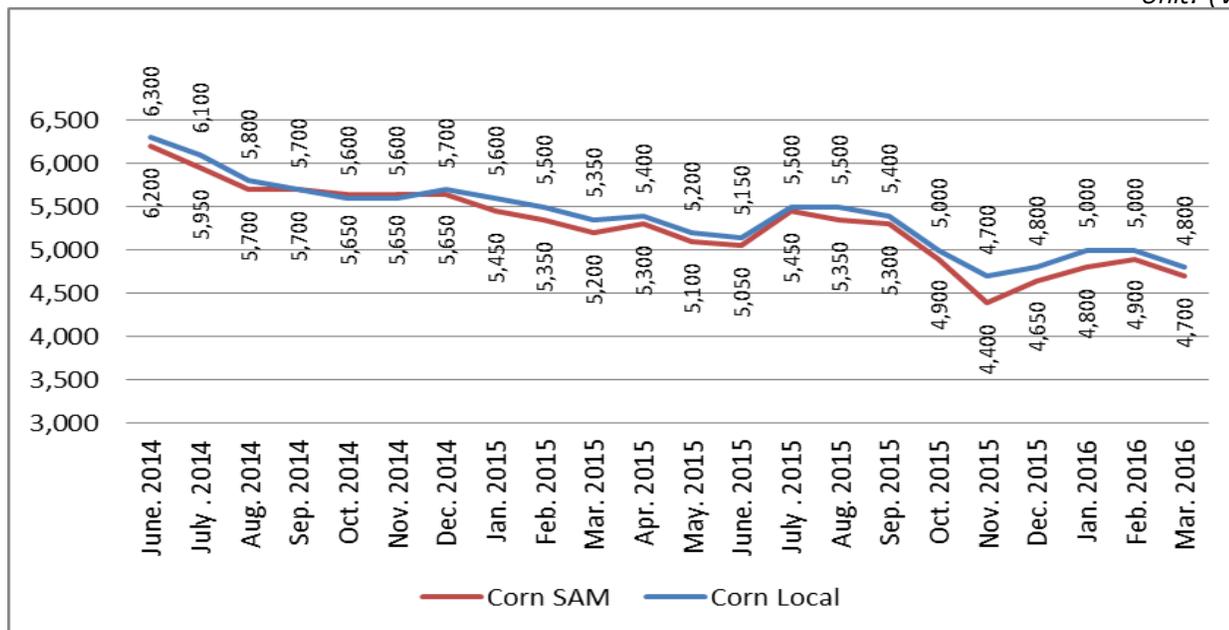
Source: MARD

DOMESTIC PRICES

Domestic corn prices went down continuously and reached their lowest levels in November 2015 due to the drop of imported corn prices. In general, local corn prices followed downward international trend in prices, regardless of the seasonal structure. Moreover, local corn prices were almost all the time higher than prices for South American imported corn. This situation resulted in gigantic volume of SAM corn being imported into the country.

Domestic price of local corn and imported South American corn (SAM)

Unit: (VND/kg)



Source: US Grain Council Representative office in Vietnam

CONSUMPTION

In Vietnam, corn is used as the main source of energy-ingredient for the animal feed industry, for food use as corn starch, and for limited use by other industries like beer, textiles, and the pharmaceutical industry. However, more than 80 percent of corn is used as feed ingredients.

In the animal feed industry, corn is used in both the commercial and home-made sectors, mainly for hog and poultry feeds. Corn use is expected to increase to meet the livestock sector’s growth, and the majority of corn entering Vietnam predominantly comes from imported sources. This situation is completely likely into the near future because local corn production is unable to keep up with the fast growing demand of the animal feed industry. Over the past few years, the feed industry needed about 1.8-2.0 million tons of imported corn to satisfy its demand. However, the real imported volume depends greatly on the availability of other alternative products like broken rice, rice bran, and cassava locally, and the price competitiveness of imported feed wheat and DDGS. The annual increase of corn use both for food and feed is about 200,000 – 400,000 tons depending on the above mentioned factors.

Since 2014, when international corn prices were slashed lower than the local Vietnamese corn prices, there has been an abnormal corn volume imported into the country regardless that supply has been much higher than the local demand. There have been record volumes of corn imports. However, corn exports have not set record volumes. Post therefore assumes the surplus volume as

feed and residual category. The real volume for feed used, therefore is much lower than this feed and residual number.

TRADE / COMPETITION

Competition exists between the home-made feed and manufactured feed sectors in Vietnam. Commercial feed manufacturers usually can only purchase up to 50 percent of total locally produced corn.

Corn growers, on the other hand, do not have appropriate storage facilities. Farmers must sell their product quickly after the harvest. The inability to store their products continue to make local corn prices prone to seasonal fluctuations.

Corn has competition from other feed ingredient sources. Cassava, local broken rice and imported feed wheat are among the main alternatives to corn. In recent years, rice and cassava farmers have focused more on export markets and fell short of supplying the domestic animal feed industry. Imported feed wheat was a very good alternative for imported corn as feed wheat prices became competitive.

There is strong price competition in the domestic market between locally produced corn and imported corn. The locally produced corn prices have followed the drop in prices of imported corn.

IMPORT / EXPORT

Post adjusted corn imported volume in MY 2014/2015 from 3.5 million tons to 4.9 million tons, mainly from South American source, due to the big drop in corn prices from this source that attracted vast imported volume. The import of corn volume in MY 2015/2016 is revised up from 3.0 to 7.3 million tons with the same reason. The Vietnam MY 2016/2017 corn import is forecasted at 6.0 million tons.

According to trade sources, Vietnam exported some volume of its locally produced corn to China via border trade. There is no official data on the total volume; reportedly, Vietnam exported around 500,000 tons of local corn to China over MY 2014/2015. Post estimates the border trade with China will be 500,000 tons for both MY 2015/2016 and MY 2016/2017.

Imports of DDGS

The U.S. continues to be the dominant the supply source of DDGS to the Vietnam market. The import volume was decreased in CY 2012 and 2013 due to quarantine pest issues but then bounced back strongly in CY 2014 and CY 2015 with volumes reaching 639,000 tons and 660,000 tons respectively.

U.S. Export of DDGS into Vietnam 2011-2015

Product	UOM	2011		2012		2013		2014		2015	
		Value	Qty								
Distillers Grains	MT	125,654	495,687.0	105,288	371,481.0	114,211	357,396.0	162,980	638,934.0	155,413	660,032.0
	MT	125,654	495,687.0	105,288	371,481.0	114,211	357,396.0	162,980	638,934.0	155,413	660,032.0

Source: GATS

POLICY

Official application of commercial production of three GM corn varieties

In March 2015, MARD's Crop Production Department (CPD) approved three genetically modified corn varieties for commercial planting. This is the final step in the regulatory approval process for Vietnam to commercialize biotech corn. In April 2015, the approved GM corn varieties were planted making Vietnam the 29th country to commercialize a biotech crop in the world.

The deadline for the approval process of issuing of certificate for GM plants to be used as food/feed postponed until March 2016

Concerning the feed / food safety registration regulatory process for approving individual biotech traits for food and feed use in Vietnam, MARD extended the deadline to submit dossiers one additional year from March 10, 2015 to March 10, 2016.

Currently, biotech seeds companies have completed their dossiers for their events for feed and food crops (mostly corn and soybean varieties). The updated list is posted on the Ministry of Agriculture and Rural Development website – please refer to the following link:

<http://www.agrobiotech.gov.vn/web/default.aspx?Lang=en-Uk>

RICE

STATISTICAL TABLES

Vietnam's Production, Supply and Demand for Rice

Rice, Milled Market Begin Year Vietnam	2014/2015		2015/2016		2016/2017	
	Jan 2015		Jan 2016		Jan 2017	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	7792	7823	7660	7680	0	7750
Beginning Stocks	999	999	927	850	0	538
Milled Production	28234	28166	28200	28088	0	28609
Rough Production	45174	45066	45120	44941	0	45774
Milling Rate (.9999)	6250	6250	6250	6250	0	6250
MY Imports	400	400	400	500	0	500
TY Imports	400	400	400	500	0	500
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	29633	29565	29527	29438	0	29647
MY Exports	6606	6615	7000	7000	0	7000
TY Exports	6606	6615	7000	7000	0	7000
Consumption and Residual	22100	22100	21900	21900	0	22000
Ending Stocks	927	850	627	538	0	647
Total Distribution	29633	29565	29527	29438	0	29647
(1000 HA) ,(1000 MT)						

Vietnam's Area, Yield, and Production for Rough Rice (as of March 2016)

Marketing Year	2014/2015 Revised		2015/2016 Estimate		2016/2017 Forecast	
	Old	New	Old	New	Old	New
Harvested Area (tha)						
Winter ¹	1,800	1,780	1,680	1,700		1,700
Spring ²	3,112	3,112	3,100	3,050		3,100
Autumn ³	2,880	2,931	2,880	2,930		2,950
TOTAL	7,792	7,823	7,660	7,680		7,750
Yield (mt/ha)						
Winter	4.80	4.80	4.85	4.85		4.90
Spring	6.65	6.65	6.75	6.70		6.75
Autumn	5.50	5.40	5.55	5.55		5.60
AVERAGE	5.80	5.76	5.88	5.85		5.90
Production (tmt)						
Winter	8,640	8,544	8,148	8,245		8,330
Spring	20,695	20,695	20,925	20,435		20,925
Autumn	15,840	15,827	15,983	16,261		16,520
TOTAL	45,175	45,066	45,056	44,941		45,775

¹ Lua
Mua
(10th
Month),
² Winter-
Spring, ³
Summer-
Autumn
Source:
MARD,
Post
estimates

Estimate for MY 2015/2016 (began January 2016)

Post estimates total rice production for MY 2015/2016 to reach 44.94 million tons of paddy rice, or approximately 28.09 million tons of milled rice equivalent. This is about 180,000 tons of paddy less than USDA's official number for the same Marketing Year due mainly to the impact of drought weather caused by El Nino, which lowered the Spring crop production in the Mekong River Delta. Post estimates about 20,000 hectares increase for MY 2014/2015 harvested area compared to USDA's official number due to expansion of the Autumn crop in the Mekong River Delta.

The initial Post forecast for MY 2016/2017 rice production is 45.77 million tons with expected higher yield in seasonal crops, and larger planted/harvested area of Winter and Autumn crops, and back to normal planted/harvested area of Spring crop in the Mekong River Delta.

Post revised total rice production for MY 2014/2015 down from 45.17 to 45.07 million tons of paddy rice. It is about 100,000 tons of paddy less than USDA's official number for the same Marketing Year due mainly to the drought weather that impacted the MY 2014/2015 Autumn and Winter crop in the Mekong River Delta.

Spring Crop

The total harvested area for the MY 2015-2016 Spring crop in the Mekong River Delta (MRD), planned by MARD, is reported identically the same size for the MY 2014/2015 Spring crop. Post estimates, however, the total Vietnam MY 2015/2016 spring crop harvested area is at 3.05 million hectares, about 50,000 hectares less than the previous estimate due to the impact of drought that caused the loss of both planted area and lower average crop yield, from 6.75 to 6.70 ton per hectare in the Mekong River Delta.

The planting progress of MY 2015/2016 Spring crop in North Vietnam was reported as the same in size compared to MY 2014/2015, due to the favorable weather allowing farmers to carry out their plantings for the main Spring crop, after the strong cold spell in early part of calendar year 2016, refraining people from early plantings. As of March 15, 2016, the Northern Spring crop planting is about completed, about 1.11 million hectares.

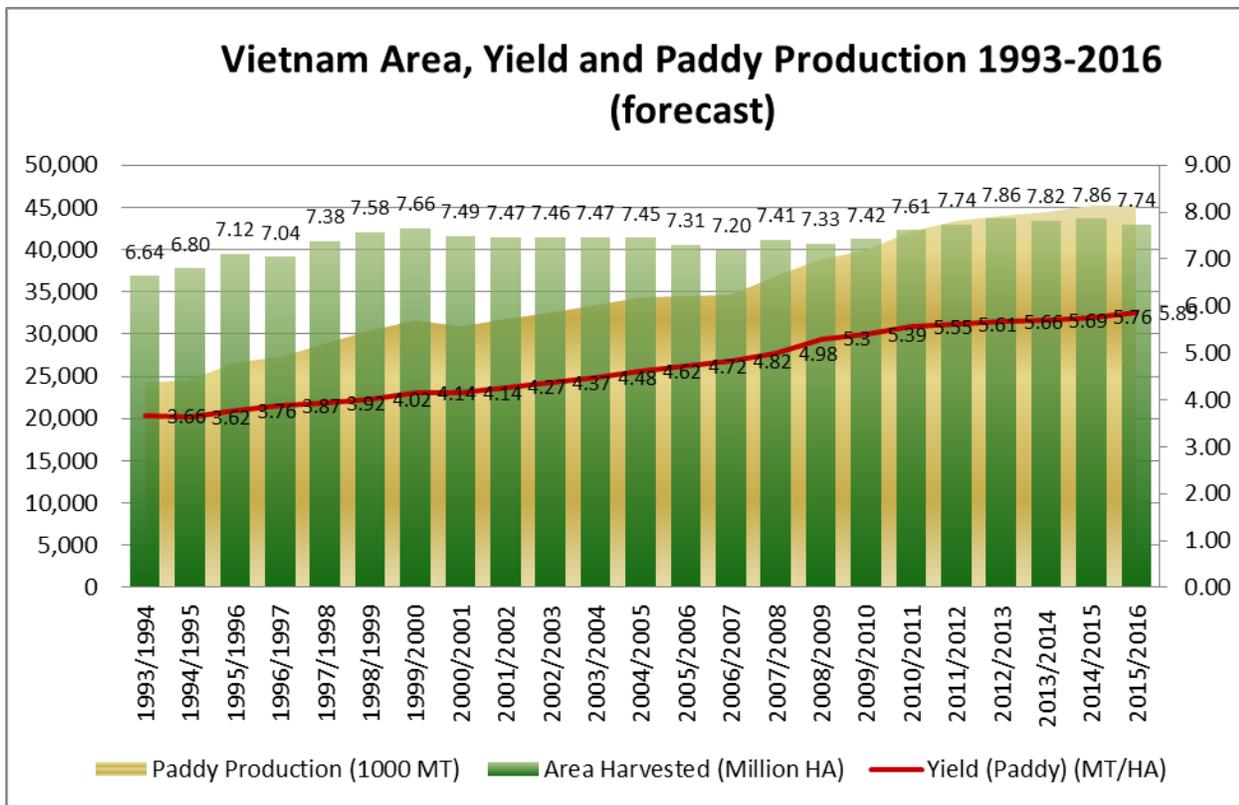
Autumn Crop

The autumn crop is mainly located in the southern provinces. Especially, the MRD typically accounts for more than 80 percent of the total autumn crop planting area. As of March 15, 2016, the on-going MY 2015/2016 autumn crop planted area (mainly in the MRD) totaled more than 343,000 hectares, compared to about 287,000 hectares in MY 2014/2015, year on year basis.

The Vietnam harvested area for the MY 2015/2016 autumn crop is estimated to increase about 50,000 hectares, compared to the previous estimate, or about the same with MY 2014/2015 autumn crop, 2.93 million hectares, mainly due to the GVN setting a larger planted/harvested area for the late Autumn crop in the MRD. Harvested area of MY 2016/2017 Autumn crop is forecasted unchanged at 2.95 million hectares.

Winter Crop

Post estimates the harvested area for winter crop is 1.70 million hectares, in MY 2015/2016, about 70,000 hectares fewer than MY 2014/2015. The cut is going to happen mainly in the Mekong River Delta, where the Winter crop is no longer considered as one of the main crops due to its lower yield compared to other crops, and having a longer crop cycle that makes it more susceptible to pests and diseases. Harvested area of MY 2016/2017 Winter crop is forecasted unchanged at 1.70 million hectares.



Source: Foreign Agricultural Service, Official USDA Estimates

Mekong River Delta (MRD) Rice Production in the MY 2015/2016

According to another MARD’s estimate, due to drought and saltwater intrusion, there were about 106,000 hectares of rice affected by drought and salinity in two years 2015-2016. In details, 30,000 hectares of rice damaged to the MY2014/2015 Winter crop; 32,000 hectares to MY2014/2015 late Autumn crop; and 44,000 hectares to the MY2015/2016 spring crop, in total 1.55 million hectares damaged of 2016 planted spring crop, as of early March 2016.

Spring Crop

As of March 20, 2016, Mekong River Delta (MRD) farmers have harvested about 1.11 million hectares, about 70 percent, of their MY 2015/2016 spring crop. Post estimates the harvested area in the region to be 1.52 million hectares, about 30,000 hectares smaller compared with MY 2014/2015. The estimated spring crop production for MRD is 10.76 million tons of paddy, down about 41,000 tons from the MY 2014/2015. According to MARD, the planted crop started about a month earlier to avoid the drought weather in March, April.

Estimate of rice production and damage of the MY 2015/2016 Spring crop in the MRD provinces

Province	Production area and Damage estimate (ha)		
	Planted Spring crop	Damage estimate	%
Long An	233,822	2,960	1.27
Dong Thap	204,900	-	-
An Giang	238,300	-	-
Tien Giang	74,075	5,500	7.42
Vinh Long	61,600	-	-
Ben Tre	14,401	1,330	9.24
Kien Giang	301,708	8,506	2.82
Can Tho	87,300	-	-
Hau Giang	77,900	1,000	1.28
Tra Vinh	63,983	2,974	4.65
Soc Trang	142,127	7,000	4.93
Bac Lieu	46,573	3,200	6.87
Ca Mau	-	-	-
Total	1,546,689	32,470	2.10

(Source: MRD provincial Department of Agriculture and Rural Development, Post's estimate)

Autumn Crop and Winter Crop

The water shortage and salinization, however, are threatening the coming Autumn crop in the MRD. Meanwhile, MARD is warning farmers not to plant early Autumn crop but wait until the rain starts for the main Autumn planting. There is a possibility of late planting of the Autumn crop due to the El Nino phenomenon.

In some provinces where farmers can manage fresh water, people have started the early Autumn crop. However, in some areas along the river where salinity level is high, farmers must drain water from the field before sowing and pumping water back in several days after paddy emerges. If the young paddy is damaged farmers have to wait for the rain water to re-sow the paddy. Damaged paddy has occurred in some province including Ca Mau, Kien Giang, Tra Vinh, Soc Trang, where the planted area of Autumn crop is larger than the Spring crop, which also recorded damages. The precise number of acreage to be re-sown, however, is not publicly reported.

In other area, where farmers are unable to manage the water source, they safely wait for the rain in order to start with their planting, expectedly by second half of April. With the recent decision of China's allowing additional water flow to the Mekong River region, however, it allows farmers starting their planting earlier than expected. Farmers now can start planting their second crop, Autumn crop from mid of April.

The Autumn crop is mainly located in the southern provinces. The MRD typically accounts for more than 80 percent of the total Autumn crop planting area. The Autumn crop includes Main Autumn and Late Autumn crops.

According to MARD, the plan for late the Autumn crop area is still expanding due to the high selling price advantage of the crop during harvest, which is off-season with competing countries' harvests. Post estimates the MRD total harvested area for the MY 2015/2016 Autumn crop at 2.52 million hectares (including main and late Autumn crops), compared to 2.49 million hectares in MY 2014/2015.

As of March 15, 2016, the on-going MY 2015/2016 autumn crop planting is underway with a total area of more than 342,000 hectares, compared to about 247,000 hectares at the same period MY 2014/2015, mainly due to the high selling price of the paddy.

Post revised the harvested area for the Winter crop in the MRD from 200,000 hectares to 280,000 hectares due to almost no flooding in the MRD during flooding season which allowed farmers to increase their area for Winter crop. Estimate for MY 2015/2016 Winter crop is 200,000 hectares, about the same with other normal marketing year.

Mekong River Delta (MRD) Rice Production in the MY 2015/2016

Rice Production in the Mekong Delta by Marketing Year (000 ha; mt/ha; 000 mt)

	2014/2015 (Revised)			2015/2016 (Estimate) (new)		
	Area	Yield	Prod.	Area	Yield	Prod.
Winter	280	4.20	1,176	200	4.20	840
Spring	1,563	7.14	11,160	1,515	7.10	10,756
Autumn (in which)	2,485	5.56	13,811	2,520	5.56	14,003
<i>Main Autumn</i>	1,670	5.83	9,736	1,670	5.84	9,753
<i>Late Autumn</i>	815	5.00	4,075	850	5.00	4,250
Total	4,310	5.93	25,392	4,235	6.04	25,599

Source: MARD, Post estimate

CONSUMPTION

Rice is the main staple food in Vietnam. Vietnam's decline in per-capita rice consumption is consistent with other countries in Asia. As the economy develops, consumers have greater purchasing power and more access to other foods, with per-capita consumption of rice declining as income increases.

According to MARD, the most recent per capita rice consumption is about 136 kilogram. MARD uses the average per capita rice consumption to forecast rice supply and demand. The amount of rice used for average per capita consumption has decreased because of the availability of other food sources. The average per capita rice consumption per month in urban areas is lower than that in the rural areas. Rice consumption also registered a faster decline in urban areas. However, from this current per capita rice number, the yearly population growth of about one million people is the main driver of the increase in total consumption – thus, total consumption continues to grow. Post estimates that the country needs each year an additional 150,000 tons for total rice consumption.

Post's per capita consumption is showing over 200 kilogram in the PSD table. Part of this is due to some volume referred as the residual is actually the unrecorded volume of border trade (about 2 million tons of milled rice in MY 2014/2015 and expected same volume in MY 2015/2016). Other factors in Vietnam's increased rice consumption include higher use of rice in home-made animal and aquaculture-feeds, and growth in industrial scale food processing, especially in the beer and rice wine industries.

Post estimates the use of rice for food processing industry is around 6 million tons a year and additional 50,000-100,000 tons increase per year. In this sector, rice flour based food such as

dumplings, noodles, rice papers, rice flour cakes, beer and local rice wine production uses a large volume of rice.

In the animal feed industry, commercial feed only satisfies around 60 percent of the total demand; the remaining 40 percent is drawn from local sources of home-made feed. Rice is one of the main ingredient sources of home-made feed for swine, fish, and poultry, especially in the MRD. Although the table: **Estimate of supply of feed ingredients for Vietnam feed industry**, shows the maximum supply of rice for feed is about 500,000, Post estimates the increased use of rice for animal feed industry is estimate about 50,000-100,000 tons per year, depending on its price competitiveness with other alternative sources like corn and cassava.

According to trade source, in total, the additional local rice consumption is a maximum of 500,000 tons per year.

STOCK

There is no official number of Vietnam rice stocks. Rice stocks are calculated from the total of rice production, carry over stock and import after deducting export and consumption and residual. Rice stocks in MY 2014/2015 went down to 850,000 tons, due to the increase of rice consumption and residual. A part of residual is the unrecorded volume of border trade. This contributed to the high rise of paddy price in the early of calendar year 2016. Rice stocks in MY 2015/2016 and MY 2016/2017 are estimated to decrease to very low level; 537,000 tons and 647,000 tons, respectively, due to remaining strong rice consumption and residual and expected higher export volumes.

TRADE / COMPETITION

Domestic Prices

The drought, together with salinization in the Mekong River Delta, has had an impact on the local trade and domestic prices:

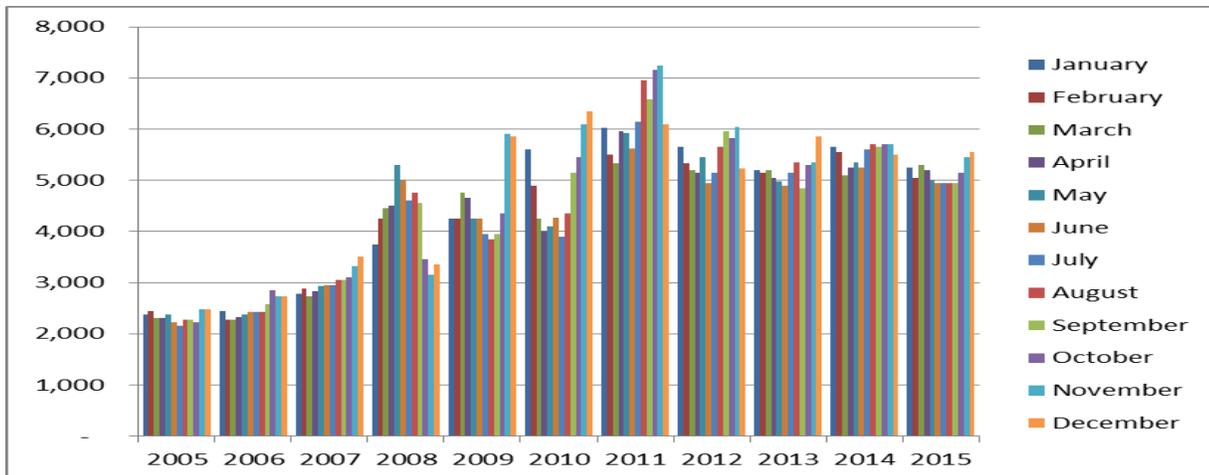
The rivers and canal system flowing through the Mekong River Delta are an essential form of transportation. The majority of rice produced in the Mekong Delta area is transported by boats. Generally, transporting paddy rice and milled rice is done by boats. The lack of water in the Mekong River impacts the movement of rice. Farmers in the remote parts of the Mekong Delta are unable to move their rice to market. This situation could cause paddy price to fall in remote areas.

On the other hand, most farmers are intentionally holding their paddy, in anticipation of higher selling price due to the drought situation. Buyers/local traders (especially border trade buyers) are also increasing their buying price to secure purchases. This has contributed to a price rise in both the local paddy market and export rice market.

Domestic prices fluctuations depend on several factors: the availability of paddy harvested from different crops during the year, the export demand, and the overall carry-over stock/ending stock. Normally, paddy prices usually drop to their lowest point two times in the year: once at the peak harvest of the Spring crop (during March-April) and once at peak harvest of the main Autumn crop (during June-July). The paddy prices also depend on the available stocks, especially carry-over stocks at the end of the year, against the off-harvest time of that period. The harvest of the Spring paddy crop in the Mekong River Delta started at the end of January.

Vietnamese Monthly Paddy Price calendar year 2005-2015

Unit: VND/kg

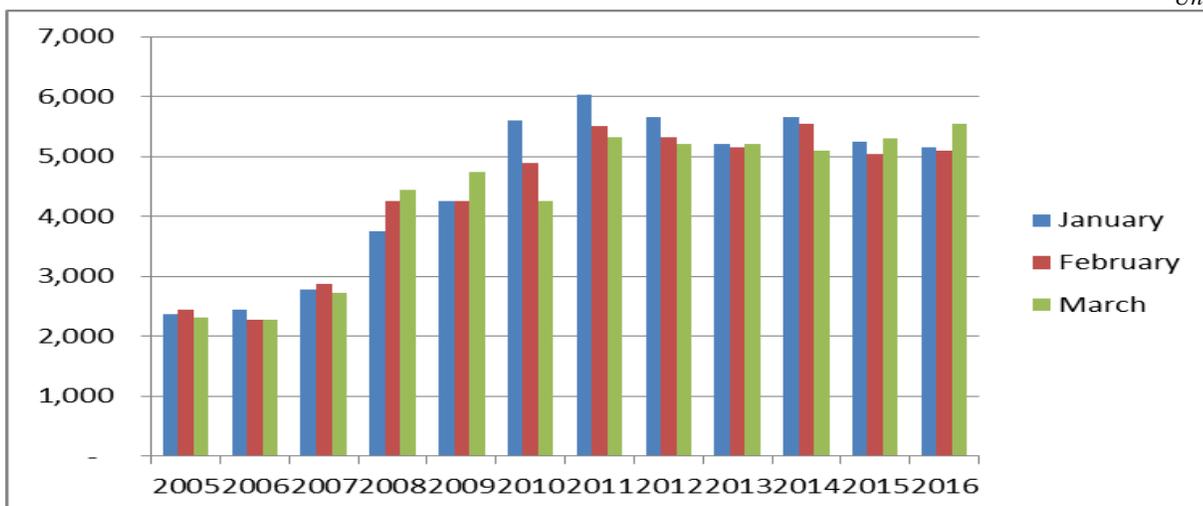


Source: Vietnam Food Association, Combined data

However, the price trend in the MY 2015/2016 (started January 2016) has been abnormal compared to other years. The below graph shows the paddy rice price tendency over the first three months of the year, prices in March of each year tend to go lower than prices in January and February, due to on-going harvest of the Spring crop in the Mekong River Delta, except prices in March of 2015, 2016, and 2008, 2009. Paddy price went up in March of 2008 and 2009 due to the global short supply. The price premium, between March and February was very high in 2016 (VND 450) compared to other years with the same tendency (VND 200 in 2008, VND 250 in 2015, and VND 500 in 2009).

Vietnamese Monthly Paddy Price of the First Three Months of Calendar Year from 2005-2016

Unit: VND/kg



Source: Vietnam Food Association, Combined data

Government Purchase program

The Vietnam Food Association (VFA) is a social organization of enterprises operating in the fields of food producing, processing and trading. One of the VFA's functions is to boost the country's rice production, under direction of the Prime Minister. It often creates programs and instructs its

members to purchase rice for stockpiling one or two times per year in March and/or June, just when the peak Spring and Autumn harvests occur. This prevents the local prices from dropping significantly, thereby helping farmers to maintain higher profit margins for their rice production. The purchase program often goes together with the minimum purchase price or guaranteed purchase price.

The purchase price established by VFA is based on the calculation of estimated production cost, provided by the Vietnam Ministry of Finance, of a specific seasonal crop plus a 30 percent profit margin. The guaranteed purchase price for paddy rice has been VND5,000 per kilogram since MY 2010/2011. The guaranteed purchase price set for the MY 2009/2010 Spring crop was VND4,000 per kilogram, while MY 2008/2009 was set at VND3,500 per kilogram.

With high level local paddy price in March 2016, the Prime Minister decided not to provide any purchase program for the Spring crop in the Mekong River Delta.

Exports

The Vietnam Food Association (VFA) maintains rice export registration requirements and the Minimum Export Price (MEP) based on the Government Regulations - Ordinance 109/2010/ND-CP, which regulates the flow and prices for rice exports.

Export prices also increased sharply during the first three months of calendar year 2016. At the peak of the harvest, export prices went up about \$10 per ton compared to prices in December 2015, when prices were down about \$20-30 per ton at the same time of during the last few years. This is because in the Mekong River Delta harvest begins in March.

Many rice traders are concerned about the ongoing high but unrealistic of rice prices that may cause negative trade impacts such as losses and defaults. At the same time, the Government of Vietnam is concerned over the export of rice. The government's concern is partly due to high selling prices that may endanger Vietnam's local food security. The GVN may set a lower export target to ensure its local food security.

The Vietnam MY 2015/2016 rice exports is estimated at 7.0 million tons, compared to 6.6 million tons in the MY 2014/2015, due to expected higher demand from neighboring countries, which are experiencing similar drought conditions and may increase their imports.

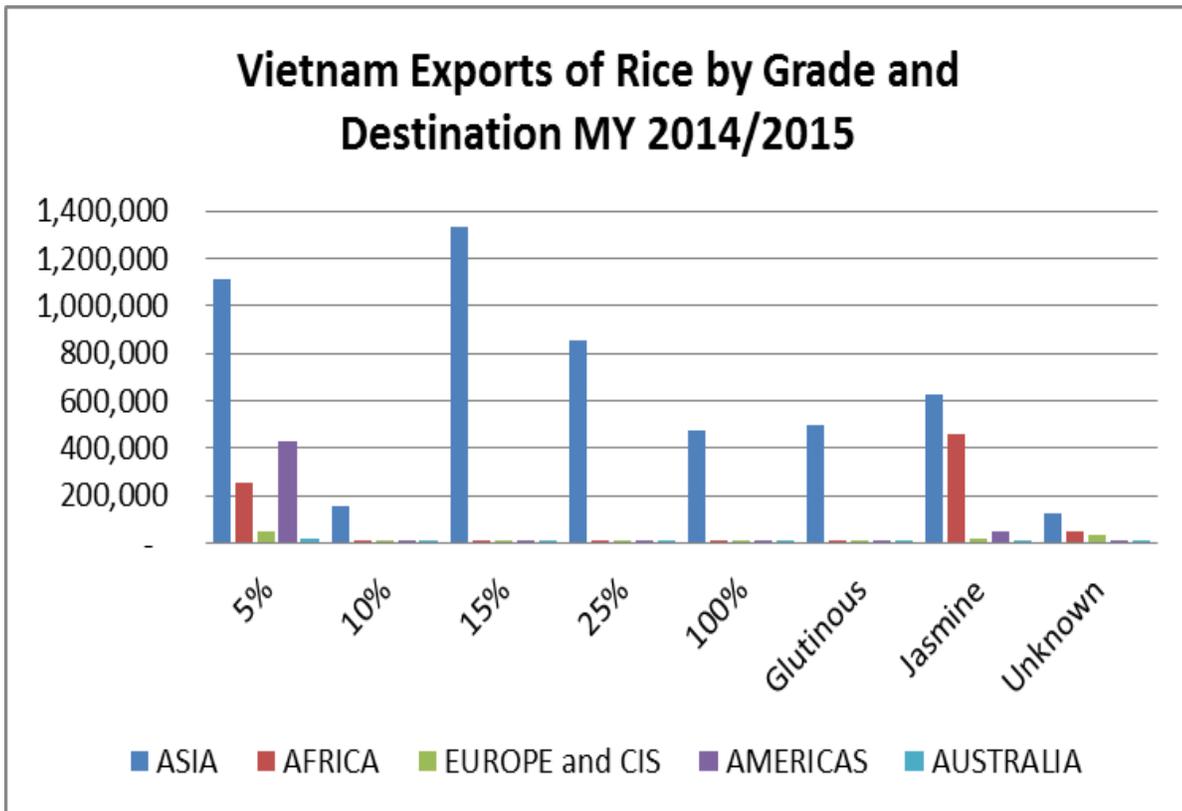
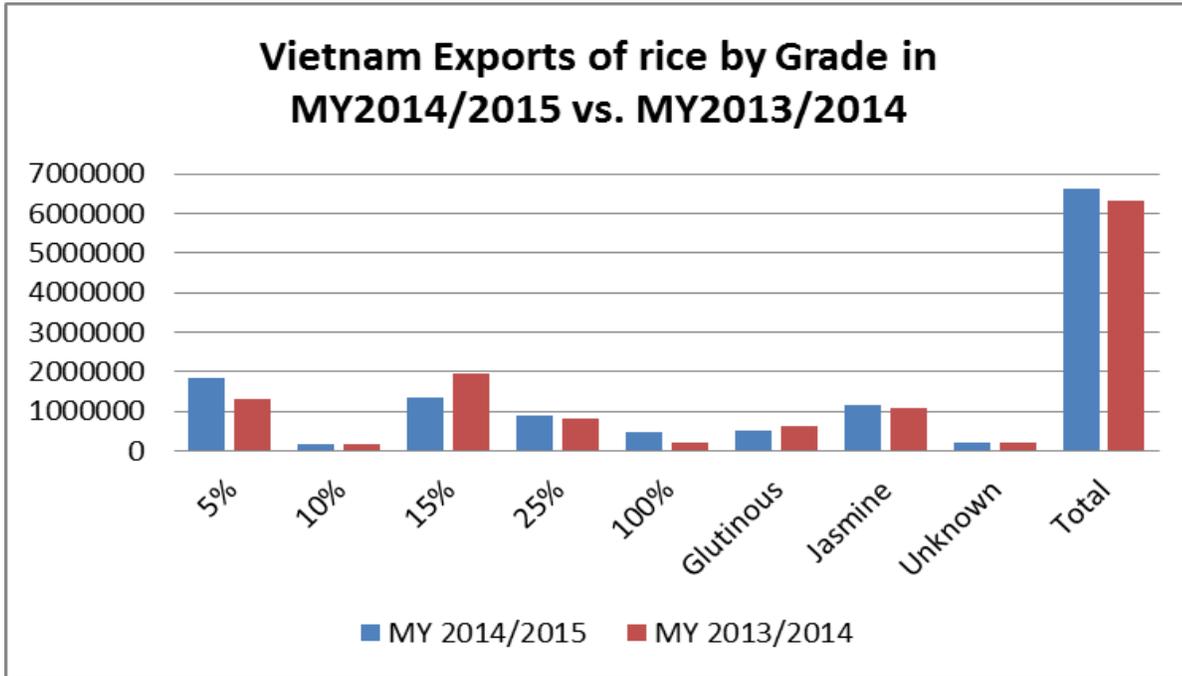
According to VFA, Vietnam MY 2014/2015 (January-December 2015) exports reached 6.62 million tons, an FOB value worth \$2.70 billion, and CIF valued at \$2.90 billion.

Regarding official trade, Asia remained the biggest market for Vietnamese rice with more than 5.17 million tons out of total 6.62 million tons of exported milled rice in the MY 2014/2015. China remained the top importer of Vietnamese rice with 2.16 million tons of milled rice in MY 2014/2015, down 160,000 tons from MY 2013/2014's 2.0 million tons. The Philippines maintained its regular import volume of about 1.14 million tons of official imports from Vietnam. Vietnamese rice exports to the Chinese market is expected to remain strong in the MY 2015/2016.

Vietnam's exports of milled rice to Africa were 785,000 tons in the MY 2014/2015, compared with 800,000 tons in the MY 2013/2014 due to strong competition from India, Thailand and Pakistan.

By quality (grade), Vietnam shipped more high quality white rice (5 percent, Jasmine), but less 15 percent, glutinous, and others in MY 2014/2015 compared to MY 2013/2014. In general, Jasmine rice volume recorded more than 1.2 million tons in MY 2014/2015, compared to nearly 1.1 million

tons in MY 2013/2014, accounting for more than 18 percent of the total milled rice export. The goal of the government is to increase rice exports, especially the export of high value Jasmine rice.



In MY 2014/2015, Vietnam exported rice of all quality (5 percent, 10 percent, 15 percent, 25 percent, 100 percent, glutinous, Jasmine, and others) to several Asian countries; African market focused more on 5 percent and Jasmine rice; EU market preferred 5 percent, jasmine, and others (parboiled, Japonica, brown rice...); markets in the Americas accepted more 5 percent and Jasmine; and Australia bought more 5 percent, 25 percent, Jasmine, and others.

Vietnam Rice Export By Grade and Destination MY 2014/2015

	5%	10%	15%	25%	100%	Glutinous	Jasmine	Unknown	Total
ASIA	1,109,430	156,701	1,331,157	855,323	476,847	494,193	627,404	123,204	5,174,259
In which: Indonesia	168,768	-	483,853	26	9,397	11,450	590	50	674,134
Philippines	172,018	39,075	218,450	696,380	1,250	9,774	494	374	1,137,815
Malaysia	257,516	1,340	144,610	3,465	363	52,374	81,993	3,370	545,031
Singapore	54,997	2,011	27,450	970	11,463	21,761	80,079	18,962	217,693
East Timor	4,425	-	64,783	675	-	-	1,700	312	71,895
Iraq	-	-	-	-	-	-	51	75	126
Iran	-	-	-	-	-	-	74	163	237
Syria	2,000	-	-	-	-	-	-	-	2,000
Yemen	250	-	-	-	-	-	50	-	300
South/North Korea	162	-	-	-	11,000	32	83	14,525	25,802
Japan	65	-	-	25	75	2,010	733	861	3,769
Cambodia	-	-	-	-	-	-	250	185	435
Hongkong	16,911	-	6,470	50	2,994	4,188	76,626	2,357	109,596
UAE	10,972	-	-	16,545	-	84	40,453	7,651	75,705
Taiwan	6,389	2,431	-	356	2,250	14,889	522	7,163	34,000
Bahrain	25	-	-	-	-	22	1,011	-	1,058
Bangladesh	-	-	-	-	-	-	-	-	-
Saudi Arabia	9,431	73	-	-	-	343	11,939	920	22,706
China	362,317	111,024	377,473	136,529	437,539	372,749	311,324	52,792	2,161,747
Brunei	3,600	50	1,653	-	-	1,360	7,452	67	14,182
others*	39,584	697	6,415	302	516	3,157	11,980	13,377	76,028
AFRICA	251,417	4,084	11,010	13,927	605	35	456,595	47,109	784,782
In which: Tanzania	7,763	-	50	-	-	-	6,027	-	13,840
Senegal	-	-	-	-	-	-	1,723	-	1,723
Angola	7,296	1,084	50	-	-	-	4,071	52	12,553
Rwanda	-	-	-	-	-	-	-	-	-
Ghana	43,601	3,000	-	77	305	-	281,630	-	328,613
Uganda	-	-	-	-	-	-	-	-	-
Ivory coast	117,175	-	4,700	8,000	-	-	117,538	125	247,538

Reunion	-	-	-	-	-	-	3,566	-	3,566
west africa	-	-	-	-	-	-	-	-	-
Mozambiq	6,147	-	-	8	-	10	16,826	-	22,991
Yemen	-	-	-	-	-	-	-	-	-
Kenya	5,810	-	-	-	-	-	125	-	5,935
Congo	3,310	-	-	-	-	-	1,105	-	4,415
Libya	362	-	-	-	-	-	396	144	902
Algeria	23,420	-	6,060	-	-	-	925	6,140	36,545
Benin	3,500	-	-	750	50	-	2,889	750	7,939
Burkina Faso	-	-	-	-	25	-	46	-	71
Cameroon	28,500	-	-	5,000	-	-	1,012	-	34,512
Gambia	-	-	-	-	-	-	-	272	272
Guinea	137	-	-	-	-	-	23	-	160
Guinea Bissau	-	-	-	-	-	-	-	-	-
Madagascar	233	-	-	-	-	-	-	-	233
Mali	-	-	-	-	-	-	-	-	-
Mauritania	-	-	-	-	-	-	-	-	-
Nigeria	100	-	-	-	-	-	348	2	450
Sierra Leone	156	-	150	45	225	-	175	-	751
Somali	-	-	-	-	-	-	-	-	-
South Africa	395	-	-	47	-	25	1,707	38,938	41,112
Togo	52	-	-	-	-	-	1,350	641	2,043
Zambia	1,020	-	-	-	-	-	736	-	1,756
others*	2,440	-	-	-	-	-	14,377	45	16,862
EUROPE and CIS	49,895	2,895	3,573	1,200	22	2,550	19,223	32,922	112,280
In which: Russia	26,801	2,375	1,850	-	-	125	273	16,533	47,957
Ukraine	5,482	-	1,375	-	-	-	302	718	7,877
Poland	415	-	75	600	-	-	2,165	224	3,479
others*	17,197	520	273	600	22	2,425	16,483	15,447	52,967
AMERICAS	426,718	208	2,650	180	86	963	51,290	3,602	485,697
In which: Cuba	374,528	-	-	-	-	-	42	52	374,622
Brasil	286	-	-	-	-	25	-	460	771
Haiti	36,052	-	-	-	-	-	90	-	36,142
Mexico	883	-	-	-	-	-	-	48	931
Chile	1,113	208	416	-	-	-	-	1,523	3,260
Puerto Rico	-	-	-	-	-	-	-	-	-
others*	13,856	-	2,234	180	86	938	51,158	1,519	69,971
AUSTRALIA	16,909	598	5,194	13,376	1,231	35	11,356	9,234	57,933
In which: Australia	4,751	23	-	101	1,225	33	3,498	1,573	11,204

New Caledonia	-	-	-	-	-	-	47	23	70
New Zealand	553	-	50	-	6	-	2,558	2,879	6,046
others*	11,605	575	5,144	13,275	-	2	5,253	4,759	40,613
UNKNOWN	-	-	-	-	-	-	-	-	-
TOTAL	1,854,369	164,486	1,353,584	884,006	478,791	497,776	1,165,868	216,071	6,614,951

* Others indicates that no clear destination is declared. It may/may not include the countries in the list of the same region

Source: Trade/Custom Office/VFA

Imports

Vietnam imports rice mostly from Cambodia, with a small volume of sticky rice coming from Laos. Most of Cambodia's shipments occur around the beginning of the calendar year, immediately after its main crop is harvested. In Vietnam, imported paddy is used for local consumption after processing, since most of the rice grown in the Mekong River Delta is purely for export. Vietnamese farmers also have paddy rice investments in Cambodia for additional rice production, which is used mostly for local consumption in Vietnam.

In the absence of official data, Post estimates that MY 2015/2016 and MY 2016/2017 rice imports from Cambodia is 500,000 tons, given decrease of carry-over stock from MY 2014/2015.