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Report Highlights:

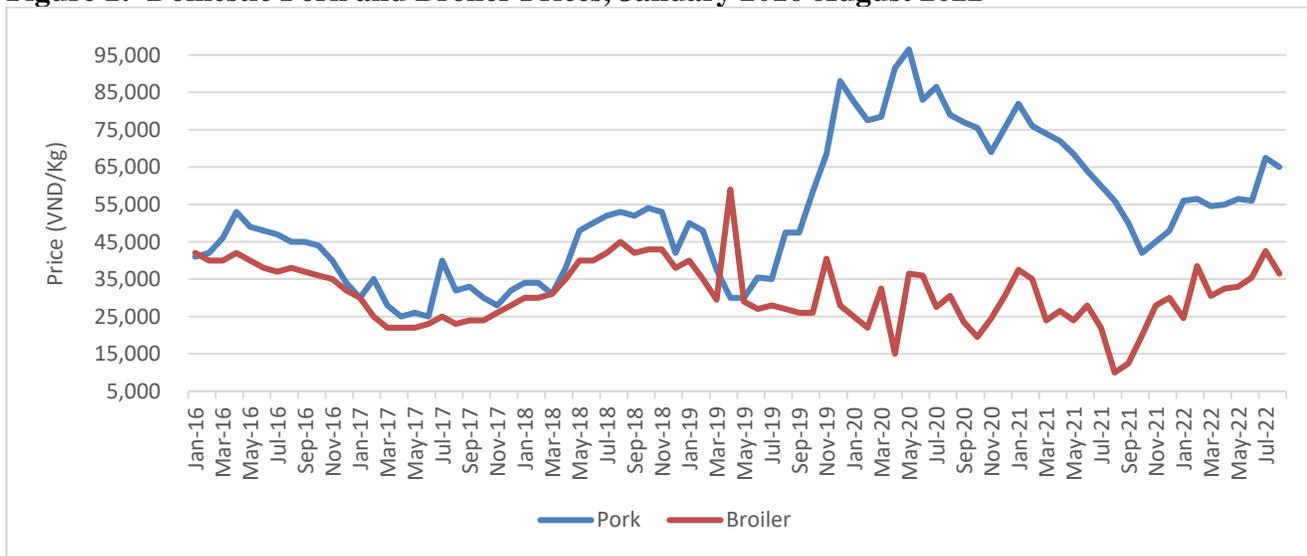
High production costs, price instability and lingering disease threats discouraged livestock production which has kept overall 2022 feed demand flat compared to the previous year. Due to high corn prices as well as flat feed demand, Post revises its marketing year (MY) 2021/22 corn consumption down to 13.80 million metric tons (MMT) and imports down to 9.20 MMT. Vietnam feed mills substituted feed wheat for corn, which more than offset declining milling wheat consumption, resulting in higher MY 2021/22 wheat consumption and imports. Post revises MY 2021/22 wheat consumption up to 4.25 MMT and imports up to 4.60 MMT. Post lowers MY 2021/22 rice production to 43.11 MMT partly due to a shrinking production area as producers shifted to cultivation of other crops. Post revises MY 2021/22 rice exports up to 6.70 MMT on steady demand and improved logistics and revises MY 2021/22 imports up to 1.40 MMT on current import pace and demands in Vietnam.

Vietnam Feed Industry Summary

The livestock sector recently showed signs of recovery from impacts of high input costs, diseases, and market price instability ([VM2022-0026](#)), yet challenges remained. The General Statistics Office (GSO) reported that the total swine population increased by 3.8 percent and live-weight production increased by 5.7 percent at the end of June 2022, compared to the same period last year. Between June to August, hog prices rebounded by approximately 15 percent from early 2022 levels to a VND58,000-68,000/kg range (Figure 1). Improved pork prices helped producers partly offset increased production costs and support repopulation efforts in the second half of 2022 to meet domestic demands ahead of the Lunar New Year in January 2023. Vietnam's imports of pork and pork offal in the first eight months of 2022 were down by 45 and 56 percent respectively (source: Agromonitor), reducing competition pressure on the local swine production sector to some extent. However, according to contacts in livestock production, input costs of livestock farming increased by 37 percent from early 2022 which challenged repopulation efforts for small and medium scale farmers. African Swine Fever (ASF) outbreaks continued to occur but were quickly contained, and market participants are closely watching results of the pilot production and use of a recently introduced ASF vaccine.

According to GSO, Vietnam's poultry population and live-weight production in the first half of 2022 was up by 1.2 and 5.2 percent respectively from the same period last year. Avian influenza outbreaks are under control, and the poultry farming sector is slowly recovering on stable demands and improved prices. Following ASF outbreaks in mid-2019, many swine farmers switched to poultry production, leading to oversupply and a price crash of chicken meat in 2020. COVID lockdowns continued to weigh on poultry demands in 2021 and exacerbate prices. Post notes that prolonged volatile chicken prices in 2020-2021 due to oversupply and COVID lockdowns drained small and medium farmers' financial resources. Although chicken prices have rebounded since May 2022 (Figure 1), many small and medium farmers are unable to benefit from higher prices as they either already exited the market, scaled down, or switched to contract farming for larger-scale companies.

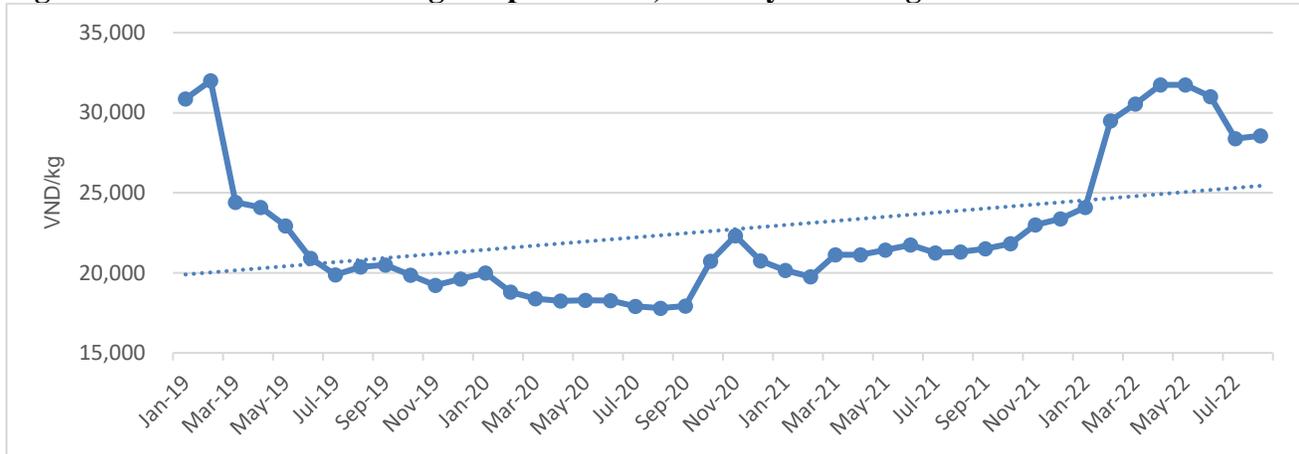
Figure 1: Domestic Pork and Broiler Prices, January 2016-August 2022



Source: U.S. Soybean Export Council, U.S. Grains Council

Aquaculture production grew in the first eight months of 2022 due to better prices (Figure 2) and rising export demands. GSO’s statistics showed that total aquaculture production in the first eight months of 2022 increased by 7 percent from last year to reach 3.17 million tons. According to the Vietnam Association of Seafood Exporters and Producers (VASEP), export revenues of catfish and shrimp reached \$1.80 billion and \$3 billion respectively in the first eight months of 2022, a 23 percent and 81 percent increase year-on-year (Figure 3). However, VASEP forecasts that exports will slow in the coming months due to high stocks and inflation in major importing markets.

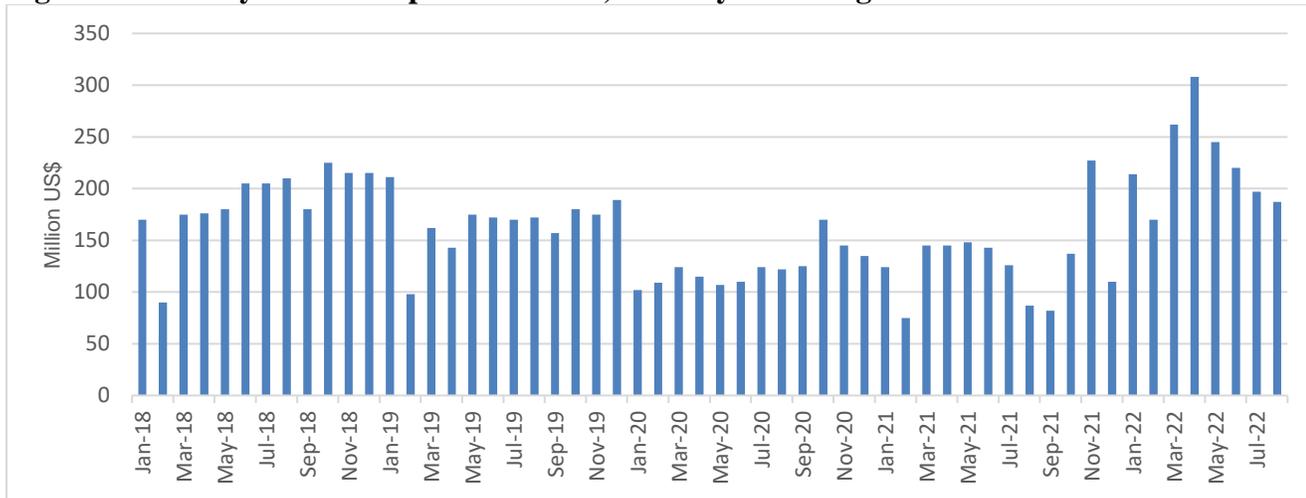
Figure 2: Catfish Prices in Dong Thap Province, January 2019-August 2022



Source: VASEP

Note: Dong Thap province is one of Vietnam’s two major catfish producing provinces.

Figure 3: Monthly Catfish Export Revenues, January 2018-August 2022



Source: VASEP, Vietnam Customs

Based on World Bank data, Vietnam’s economy rebounded in the beginning of 2022 with a steady Gross Domestic Product (GDP) growth rate estimated at 5.1 percent in the first quarter and at 7.7 percent in the second quarter. The World Bank forecasts Vietnam’s GDP growth to surge from an estimated 2.6 percent in 2021 to 7.5 percent in 2022. Economic recovery and the resumption of tourism

are expected to support demands for livestock products. However, as explained above, high production costs and lingering disease threats are disincentives that impede small and medium scale farmers from maintaining or expanding their production. Industry contacts noted that companies who pursue farm-feed or farm-feed-food integrated models continued to grow in the current market situation, while some small and medium feed mills scaled down due to high and volatile prices of ingredients and spiking production costs.

High production costs and disease threats may prevent the livestock sector from growing in 2022. Demands for livestock products will remain flat, as will feed demands. Aquaculture feed will see higher demands than livestock feed thanks to expanding production in the aquaculture sector to meet growing export demands. Post revises its forecast of feed demands in 2022 down to 26.55 MMT due to flat animal feed production. Post also revises 2023 feed demand forecast down to 27.44 MMT, a three percent year-on-year increase in line with higher protein demands to serve the growing population and tourism (Table 1).

Table 1: Vietnam Feed Demand CY2021-2023 (Unit: MT)

	CY 2021	CY 2022	CY 2023
Animal Feed	20,400,000	20,400,000	21,181,000
Aquaculture Feed	5,800,000	6,150,000	6,260,000
Total	26,200,000	26,550,000	27,441,000

Source: Post's estimate

Approximately 75 percent of feed ingredients in Vietnam are imported (Table 2). In addition to local broken rice, Vietnam imported approximately 200,000 tons of feed-grade broken rice from India in the first seven months of 2022, higher than the same period last year. However, the India Government's ban on broken rice exports which went into effect on September 9, will hinder Vietnam from importing more broken rice this year for feed manufacturing. Post also noticed higher imports of rice bran in the first eight months of 2022 than the previous year. Higher imports of feed-grade broken rice and rice bran substituted for corn which was too expensive, traders noted.

Table 2: Vietnam Feed Ingredients Demand CY 2021-2023 (Unit: MT)

Year	CY 2021	CY 2022	CY 2023
Imports (*)	19,402,000	19,898,000	20,706,240
Soybean Meal	5,776,000	5,904,500	6,085,920
Corn	7,064,000	7,330,000	8,386,720
Distillers dried grains solubles (DDGS)	1,020,000	1,020,000	1,059,050
Feed wheat	2,200,000	2,248,000	1,700,000
Rice bran, broken rice	680,000	700,000	700,000
Plant-based meal/bran	1,881,000	1,896,500	1,939,200
Other protein meals	781,000	799,000	835,350
Local Supply	6,798,000	6,652,000	6,734,760
Corn	2,400,000	2,200,000	2,100,000
Rice bran, broken rice	3,969,000	4,009,000	4,175,480
Cassava	429,000	443,000	459,280
Total	26,200,000	26,550,000	27,441,000

(*) Including local crush from imported beans

Source: Post's estimate

CORN

Production, Supply, and Distribution

Corn	2020/2021		2021/2022		2022/2023	
Market Begin Year	May 2020		May 2021		May 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	987	880	988	820	970	770
Beginning Stocks	1462	1462	2747	4062	995	3122
Production	4735	4200	4798	3960	4700	3700
MY Imports	13500	13300	9200	9200	10700	10500
TY Imports	11200	11300	9500	9100	11500	10500
TY Imp. from U.S.	518	517	0	0	0	100
Total Supply	19697	18962	16745	17222	16395	17322
MY Exports	500	800	500	300	500	500
TY Exports	500	800	500	300	500	500
Feed and Residual	15000	12600	13800	12300	13500	12900
FSI Consumption	1450	1500	1450	1500	1500	1500
Total Consumption	16450	14100	15250	13800	15000	14400
Ending Stocks	2747	4062	995	3122	895	2422
Total Distribution	19697	18962	16745	17222	16395	17322
Yield	4.7974	4.7727	4.8563	4.8293	4.8454	4.8052

(1000 HA), (1000 MT), (MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

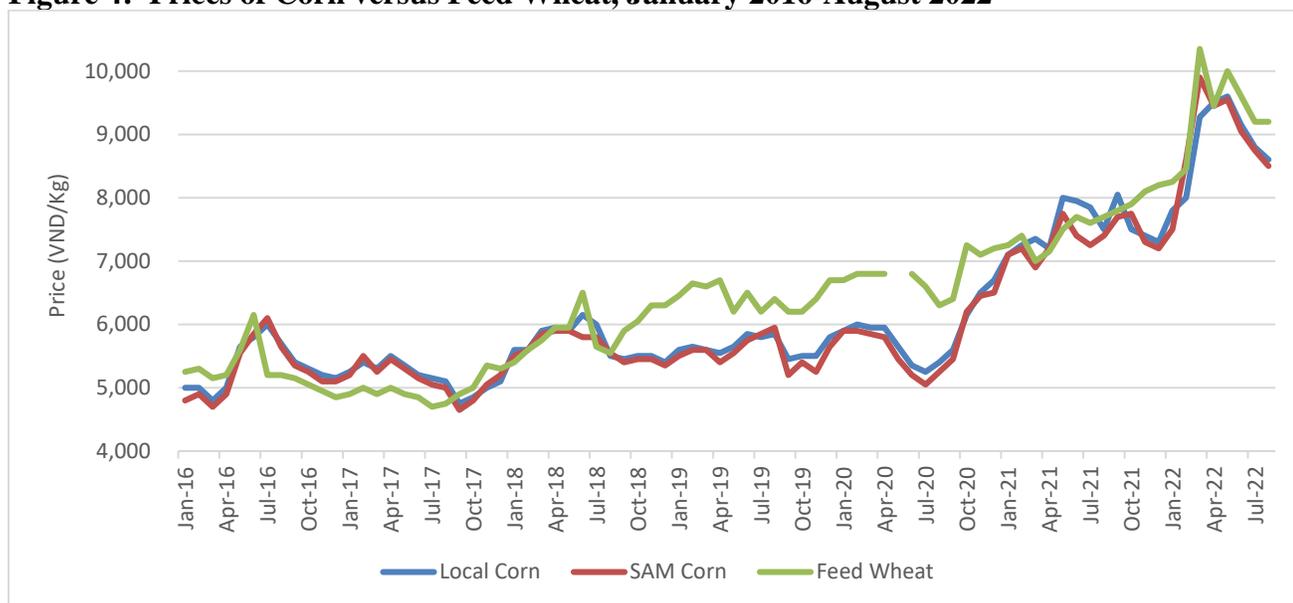
TY = Trade Year, which for Corn begins in October for all countries.

TY 2022/2023 = October 2022 - September 2023

CONSUMPTION

Consistently high corn prices in the first eight months of 2022 led to lower imports and feed use (Figure 4). As noted in Table 3, corn imports declined by 16 percent compared to the same period last year, to 5.85 MMT. According to feed mills and traders, feed wheat, broken rice and rice bran substituted for corn as these ingredients are interchangeable energy sources in some feed formulations. Feed wheat imports in the first eight months of 2022 increased by 19 percent from the previous year to 1.35 MMT. Imports of broken rice for feed use in the first seven months of 2022, mainly from India, increased by 77 percent compared to last year, and reached over 200 thousand metric tons (TMT).

Figure 4: Prices of Corn versus Feed Wheat, January 2016-August 2022



Note: SAM corn means South America corn. Feed wheat price in May 2020 was not available.

Source: U.S. Grains Council, U.S. Soybean Export Council

Table 3: Corn versus Feed Wheat Imports 2021-2022

Corn and Feed Wheat Imports (tons)			
	Jan-Aug 2021	Jan-Aug 2022	Change
Corn	6,950,000	5,850,000	-1,100,000
Feed Wheat	1,130,000	1,350,000	220,000

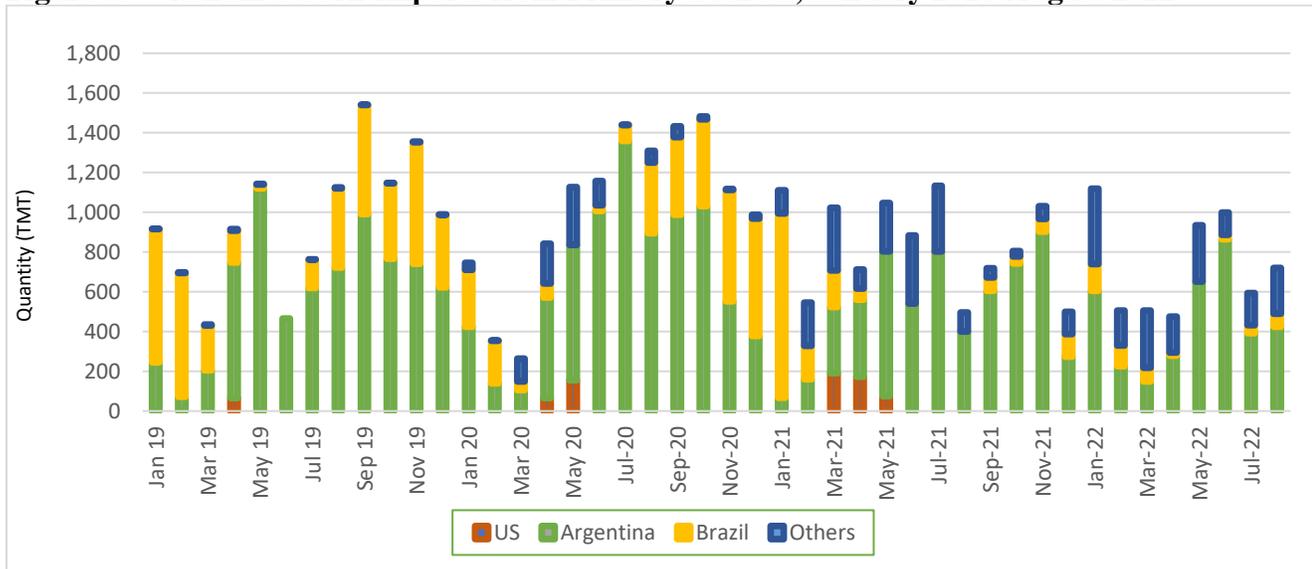
Source: Traders, Vietnam Customs, Post's Calculation

In addition to price disadvantages, the slow recovery of the livestock sector also reduced corn demands. Post revises its estimate of MY 2021/22 feed and residual for corn down to 12.30 MMT, and total consumption down to 13.80 MMT, lower than the previous year.

TRADE/COMPETITION

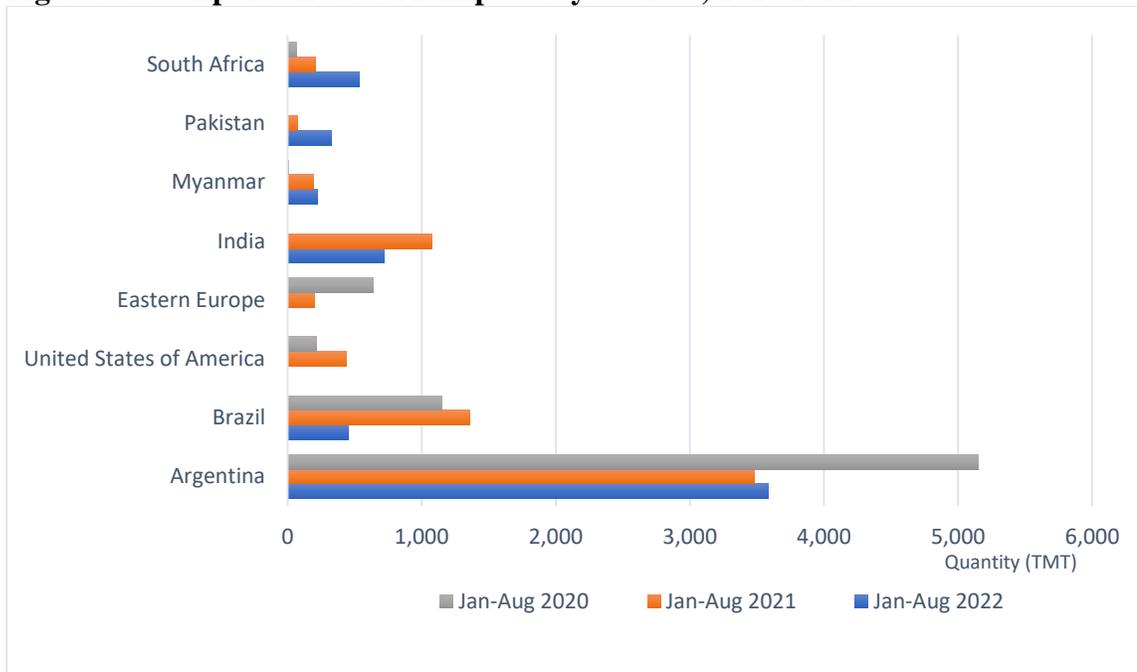
As a result of disrupted supply from Eastern Europe, combined with lower supply from Brazil, India, and the United States, local importers started sourcing corn from Pakistan, South Africa and Myanmar for offsetting (Figure 5 and 6). In the first eight months of 2022, imports from Pakistan and South Africa increased remarkably by 317 and 161 percent from the previous year to 325 TMT and 538 TMT.

Figure 5: Vietnam’s Corn Imports from Primary Sources, January 2018-August 2022



Source: Trade Data Monitor, LLC. (TDM), Vietnam Customs, Traders, Post’s calculation

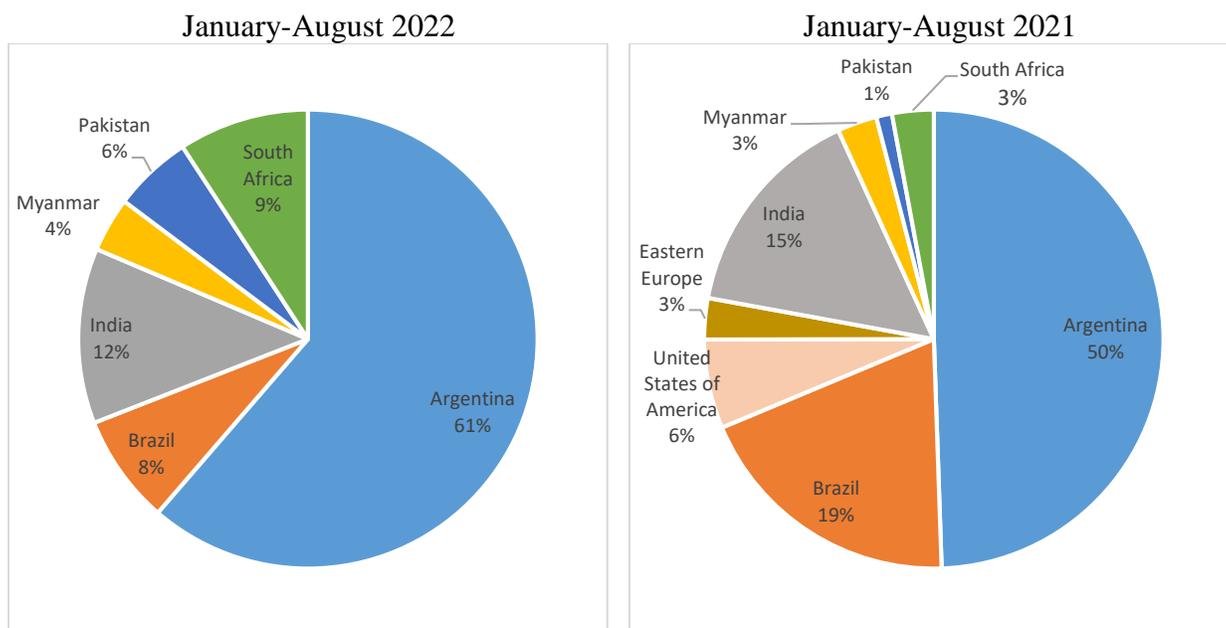
Figure 6: Comparison of Corn Imports by Sources, 2020-2022



Source: TDM, Vietnam Customs, Traders, Post’s calculation

Argentina remained the largest corn supplier to Vietnam with 3.59 MMT, accounting for 61 percent of total imports (Figure 7). India became the second largest supplier with 723 TMT in quantity and a 12 percent in market share. Brazil corn sales to Vietnam dropped due to rising prices and shipping costs.

Figure 7: Vietnam’s Corn Imports Market Share 2021-2022



Source: TDM, Vietnam Customs, Trades, Post’s calculation

Although corn prices in the domestic market declined from this year’s peak, they still remained at a six-year high (Figure 4). Contacts in the livestock and feed sectors said high input costs have weighed on livestock production. According to the Provincial Husbandry Association, due to serial impacts of ASF outbreaks, COVID-19 lockdowns, market instability, and high production costs in the past two years, at least half of small livestock farmers and households in Dong Nai, Vietnam’s largest producing province for swine and poultry, have ceased or scaled down operations or switched to contract farming. Many livestock farmers also switched from home-made feed to commercial feed due to the high cost of feed ingredients. Some feed mills that do not have farming noted that their animal feed production volume declined in line with low momentum of livestock production. Post revises Vietnam MY 2021/22 corn imports down to 9.20 MMT based on the market status and current importing pace.

Agromonitor quoted Vietnam Customs’ statistic that Vietnam’s corn exports reduced by over 60 percent in the first eight months of 2022. Post revises its estimate for MY 2021/22 exports down to 300 TMT due to lower imports and high prices.

STOCKS

Post revises its estimate for MY 2021/22 stocks down to 3.12 MMT on lower imports.

WHEAT

Production, Supply, and Distribution

Wheat	2020/2021		2021/2022		2022/2023	
Market Begin Year	Jul 2020		Jul 2021		Jul 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	0	0	0	0	0	0
Beginning Stocks	849	849	867	739	803	789
Production	0	0	0	0	0	0
MY Imports	3900	3860	4527	4600	4200	4000
TY Imports	3900	3860	4527	4600	4200	4000
TY Imp. from U.S.	434	420	161	155	0	300
Total Supply	4749	4709	5394	5339	5003	4789
MY Exports	282	220	341	300	250	250
TY Exports	282	220	341	300	250	250
Feed and Residual	1400	1600	1900	2200	1600	1700
FSI Consumption	2200	2150	2350	2050	2400	2200
Total Consumption	3600	3750	4250	4250	4000	3900
Ending Stocks	867	739	803	789	753	639
Total Distribution	4749	4709	5394	5339	5003	4789

(1000 MT)

MY = Marketing Year, begins with the month listed at the top of each column

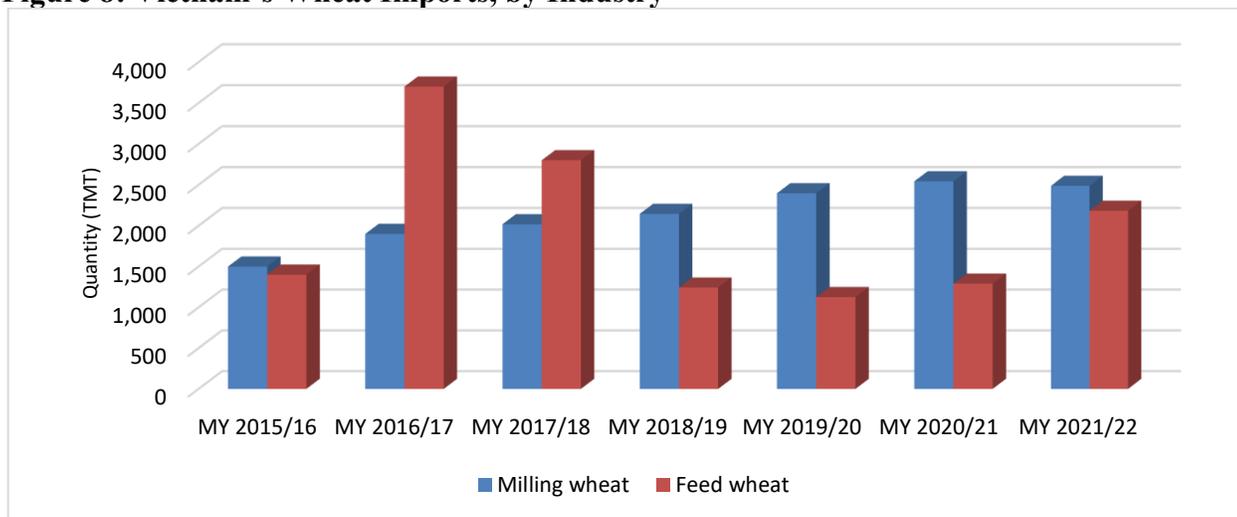
TY = Trade Year, which for Wheat begins in July for all countries.

TY 2022/2023 = July 2022 - June 2023

CONSUMPTION

Post noticed higher feed wheat consumption due to higher demands for aquaculture feed and corn substitution in animal feed. As explained in the corn section, high corn prices led to a higher inclusion ratio of feed wheat in some feed formulations as these are interchangeable energy sources. Expansion of aquaculture which was supported by improved prices and increasing export demands also contributed to higher demands for feed wheat. Most millers reported better sales of wheat flour for aquaculture feed this year. Post revises the estimate of feed wheat consumption in MY 2021/22 up to 2.20 MMT higher than the previous year (Figure 8), largely due to higher corn prices.

Figure 8: Vietnam's Wheat Imports, by Industry



Source: Vietnam Customs, Traders, Post's estimate

On the milling side, wheat flour production trended down due to rising global wheat prices. Millers noted that they could not increase flour prices to align with the rising pace of wheat prices. Therefore, the more they produced, the less profit they made. Based on Vietnam Customs statistics, milling wheat prices from Australia, the United States, Argentina, and Canada in first eight months of 2022 were 33, 39, 23, 74 percent higher respectively, compared to the same period last year. Slow resumption of inbound tourism also weighed on demands for wheat-based products. Vietnam imports mainly Soft White and Hard Red Spring wheat varieties from the United States. With the reduction of U.S. wheat imports, millers used some Australia Standard White to substitute for Soft White Wheat, and Australia Prime Hard to substitute Hard Red Spring. However, according to the millers, wheat from other sources cannot fully replace U.S. wheat. Premium wheat flour products, in particular, need a certain blending ratio of U.S. wheat. Post revises its estimates for MY 2021/22 milling wheat consumption further down to 2.05 MMT. As feed wheat consumption increased more than offsetting declining milling wheat consumption, total wheat consumption saw a net increase. Post revises its estimate of Vietnam's wheat consumption in MY 2021/22 up to 4.25 MMT.

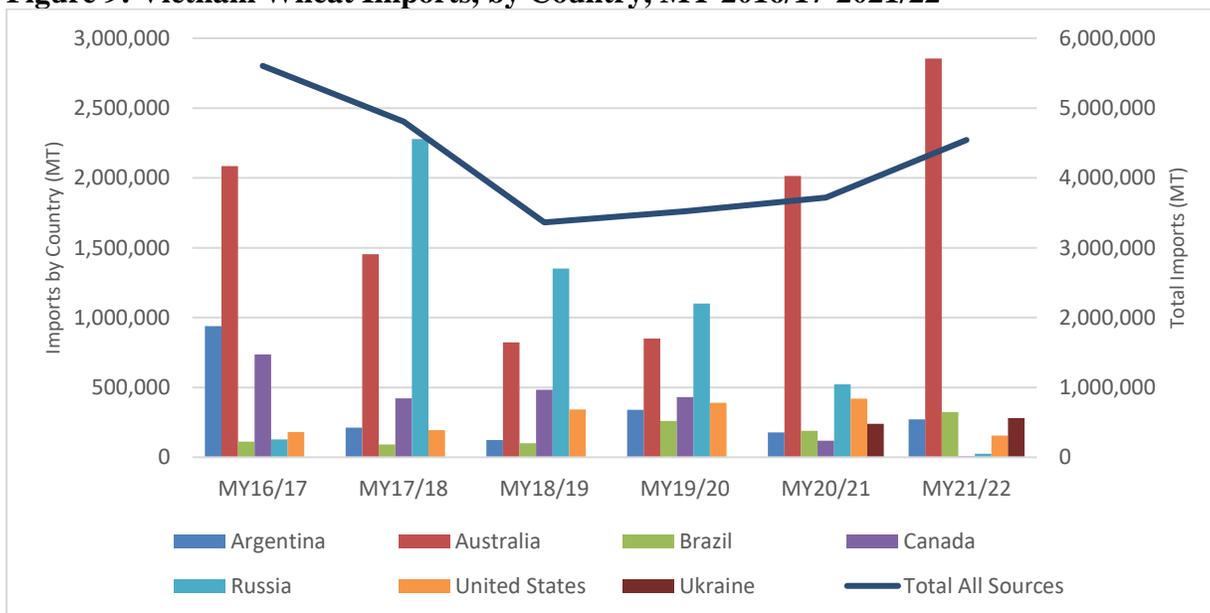
Post revises the MY 2022/23 forecast of wheat consumption up to 3.90 MMT, which is lower than the previous year as higher milling wheat consumption is insufficient to offset lower feed wheat consumption. Milling wheat consumption will recover in line with economic and tourism recovery. Feed wheat consumption will lower when corn prices decline. Post revises its estimates for MY 2020/21 wheat consumption up to 3.75 MMT, mainly due to higher consumption of feed wheat. Vietnam imports of feed wheat in the first eight months of 2021 saw an increase of 518 TMT compared to the previous year. In addition, minimal price gaps between corn and feed wheat drove feed mills to use more feed wheat ([VM2021-0078](#)).

TRADE/COMPETITION

Imports

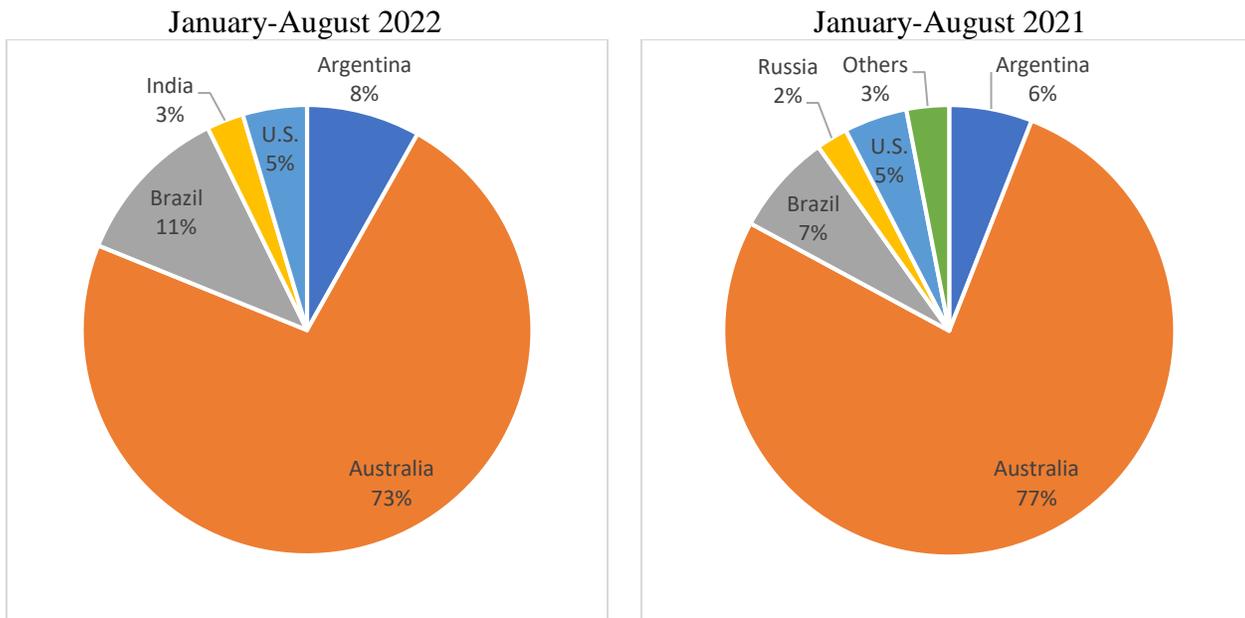
Vietnam wheat imports saw a decline of 8 percent in the first eight months of 2022 as increases in feed wheat imports were not enough to offset lower milling wheat imports. However, total imports in MY 2021/22 were 22 percent higher than MY 2020/21 thanks to higher imports in the first half of MY 2021/22 (Figure 9). Taking advantage of a good crop and competitive prices, Australia continued to be the largest supplier of wheat to Vietnam, accounting for 73 percent of the market share (Figure 10). Australia wheat prices averaged at \$377/ton and \$338/ton for milling wheat and feed wheat, 23-33 percent up from the previous year. India average wheat prices saw the least spread of less than 20 percent, averaging at \$372/ton and \$359/ton for milling wheat and feed wheat respectively, making it an alternative source when prices skyrocketed in the traditional supplying markets. Wheat imports from India rose from almost zero to over 73 TMT, accounting for 3 percent of the market share in the first eight months of 2022. The market share of Argentina and Brazil wheat trended up, taking advantage of the Most Favored Nation (MFN) import tariff phase-out which went into effect on December 30, 2021. Imports from the United States dropped due to high prices and short supply. With improved supply of the new U.S. crop, and the recent downtrend of prices, millers expect to resume purchase of U.S. wheat in MY 2022/23.

Figure 9: Vietnam Wheat Imports, by Country, MY 2016/17-2021/22



Source: TDM, Traders, Vietnam Customs, Post's estimate

Figure 10: Vietnam's Wheat Imports Market Share



Source: TDM, Traders, Vietnam Customs, Post's calculation

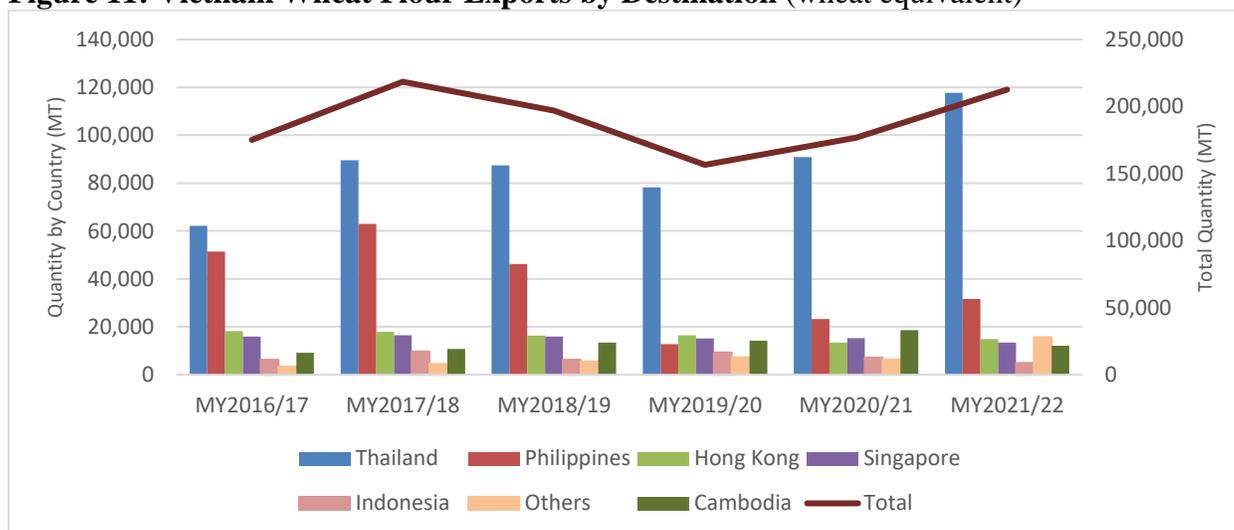
According to Vietnam Customs, in the first eight months of 2022, Australia was the largest supplier of feed wheat with 68 percent of all feed wheat imports, followed by Brazil with 24 percent market share. Australia was also the largest supplier of milling wheat, accounting for 77 percent, followed by Argentina with 12 percent.

Post revises estimates for Vietnam's wheat imports in MY 2021/22 further up to 4.60 MMT based on Vietnam Customs' statistics. Post also revises MY 2022/23 imports up to 4 MMT, in line with higher forecast of wheat consumption.

Exports

According to TDM data, Vietnam's exports of wheat flour in the first seven months of 2022 increased by 20 percent compared with the previous year. Logistical constraints related to container availability and freights recently eased, supporting flour exports. Some wheat mills noted steady growth in flour export demands this year. Post revises its estimate for MY 2021/22 exports of wheat flour up to 300 TMT (wheat equivalent) (Figure 11).

Figure 11: Vietnam Wheat Flour Exports by Destination (wheat equivalent)



Source: TDM, Post's estimate

STOCK

Post revises MY 2021/22 ending stocks up to 789 TMT due to higher imports. All stocks are held by the private sector. Normally about three-month's worth of consumption is held at a time.

RICE

Production, Supply, and Distribution

Rice, Milled	2020/2021		2021/2022		2022/2023	
Market Begin Year	Jan 2021		Jan 2022		Jan 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	7305	7305	7285	7265	7290	7295
Beginning Stocks	1180	1180	2639	2661	2808	2805
Milled Production	27381	27381	27069	26944	27400	27225
Rough Production	43810	43810	43310	43110	43840	43560
Milling Rate (.9999)	6250	6250	6250	6250	6250	6250
MY Imports	1800	1800	1200	1400	800	1000
TY Imports	1800	1800	1200	1400	800	1000
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	30361	30361	30908	31005	31008	31030
MY Exports	6272	6300	6600	6700	6400	6400
TY Exports	6272	6300	6600	6700	6400	6400
Consumption and Residual	21450	21400	21500	21500	21700	21600
Ending Stocks	2639	2661	2808	2805	2908	3030
Total Distribution	30361	30361	30908	31005	31008	31030
Yield (Rough)	5.9973	5.9973	5.9451	5.9339	6.0137	5.9712

(1000 HA), (1000 MT), (MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Rice, Milled begins in January for all countries.

TY 2022/2023 = January 2023 - December 2023

Production

Table 4: Vietnam's Area, Yield, and Production for Paddy

Marketing Year	2020/2021 Estimate		2021/2022 Estimate		2022/2023 Forecast	
	Old	New	Old	New	Old	New
Harvested Area (THA)						
Spring ¹	3,020	3,020	3,000	3,000	3,010	3,000
Autumn ²	2,710	2,710	2,710	2,690	2,710	2,700
Winter ³	1,600	1,575	1,575	1,575	1,575	1,575
TOTAL	7,330	7,305	7,285	7,265	7,295	7,275
Yield (MT/HA)						
Spring	6.82	6.82	6.70	6.67	6.82	6.80
Autumn	5.55	5.59	5.59	5.59	5.59	5.59
Winter	5.06	5.12	5.12	5.12	5.12	5.12
AVERAGE	5.97	6.00	5.95	5.93	5.99	5.99
Production (TMT)						
Spring	20,600	20,600	20,100	20,000	20,520	20,400
Autumn	15,050	15,150	15,150	15,050	15,150	15,100
Winter	8,100	8,060	8,060	8,060	8,060	8,060
TOTAL	43,750	43,810	43,310	43,110	43,730	43,560

¹ Winter-Spring, ² Summer-Autumn, ³ Lua Mua (10th Month)

Source: Ministry of Agriculture and Rural Development (MARD), General Statistics Office (GSO), Post estimates

According to the Ministry of Agriculture and Rural Development (MARD) and industry contacts, farmers used less chemical fertilizers and pesticides during the MY 2021/22 spring crop due to the high cost of these products. In addition, unfavorable weather conditions such as abnormally low temperatures and excessive unseasonal rains affected yields of the MY 2021/22 spring crop. MARD estimated that the average yield of the MY 2021/22 spring crop dropped by 0.19 tons/hectare (T/HA) from the previous year. Lower yield, combined with a decline in cultivation area ([VM2022-0044](#)), led to lower production of the MY 2021/22 spring crop by 3 percent. Post revises the estimate for MY 2021/22 spring crop production down to 20 MMT (Table 4).

Cultivation of the MY 2021/22 main autumn crop is almost complete. Based on MARD's statistics, the cultivation area declined by 1.6 percent from the previous year, with higher contraction reported in the southern region due to conversion into other crops such as fruits, vegetables and aquaculture. Farmers continued to maintain the ratio of certified seed use at 77 percent, contributing to stable yields. The percentage of high-quality rice varieties continued to increase to 68 percent, while medium-quality rice varieties trended down to 8 percent. With stable yields, production volume of the MY 2021/22 main autumn crop will still likely decline due to area contraction. According to MARD and contacts at the Vietnam Food Association, cultivation of the MY 2021/22 late autumn crop, which is grown mainly in

the southern region, developed in normal weather and water conditions. Post revises its estimate of MY 2021/22 autumn crop area and production down to 2,690 THA and 15.05 MMT on a smaller main autumn crop.

The planting pace of the MY 2021/22 winter crop was slower than last year in the northern region due to delays in harvest of the spring crop, while it was faster in the southern region thanks to less impacts from droughts and salinity intrusion.

Overall, Post revises its estimates of MY 2021/22 area and production down to 7,265 THA and 43.11 MMT (Table 4) due to smaller spring and autumn crops.

Mekong River Delta

Table 5: Rice Production in the Mekong Delta, MY 2020/21-2022/23

Crop	MY 2020/21 (Estimate)			MY 2021/22 (Estimate)			MY 2022/23 (Forecast)		
	Area	Yield	Prod.	Area	Yield	Prod.	Area	Yield	Prod.
Spring	1,520	7.17	10,900	1,510	7.02	10,600	1,500	7.13	10,700
Autumn	2,240	5.83	13,050	2,210	5.82	12,870	2,220	5.77	12,800
<i>Main autumn</i>	<i>1,520</i>	<i>5.95</i>	<i>9,050</i>	<i>1,490</i>	<i>5.95</i>	<i>8,870</i>	<i>1,500</i>	<i>5.87</i>	<i>8,800</i>
<i>Late autumn</i>	<i>720</i>	<i>5.56</i>	<i>4,000</i>	<i>720</i>	<i>5.56</i>	<i>4,000</i>	<i>720</i>	<i>5.56</i>	<i>4,000</i>
Winter	165	4.73	780	165	4.73	780	165	4.73	780
Total	3,925	6.30	24,730	3,885	6.24	24,250	3,885	6.25	24,280

Area (THA), Yield (MT/HA), Production (TMT)

Source: MARD; GSO; Post's estimate

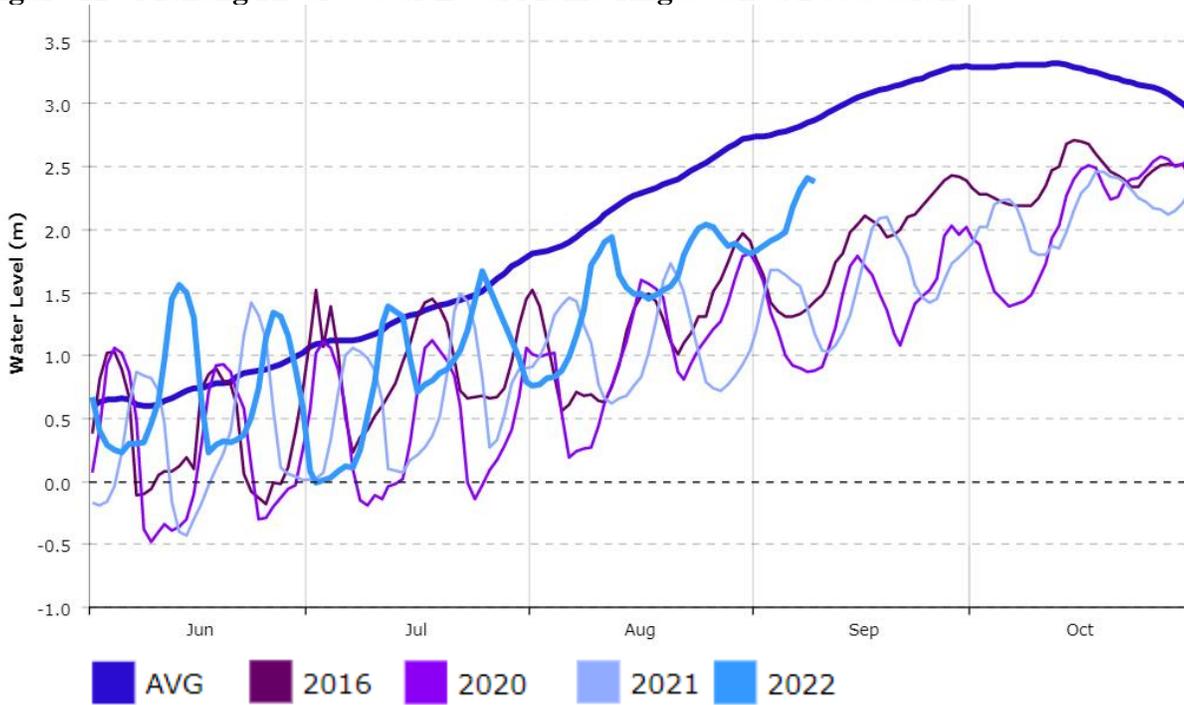
Note: Main/late autumn crop is also as known as summer-autumn/autumn-winter crop.

MARD reports that the MY 2021/22 spring crop in the Mekong Delta contracted in area by 12 THA due to crop conversion, and yield by 0.15 T/HA, leading to 315 TMT less in production. Lower yields resulted from unfavorable conditions, including high input costs and unseasonal rains that affected yields. Post revises its estimate for the MY 2021/22 spring crop production down further to 10.60 MMT, lower than the previous year (Table 5).

Industry contacts estimated that approximately 90 percent of the MY 2021/22 main autumn crop in the Mekong Delta was harvested as of the end of August with the same yields as last year. However, due to smaller planting area, production volume declined accordingly.

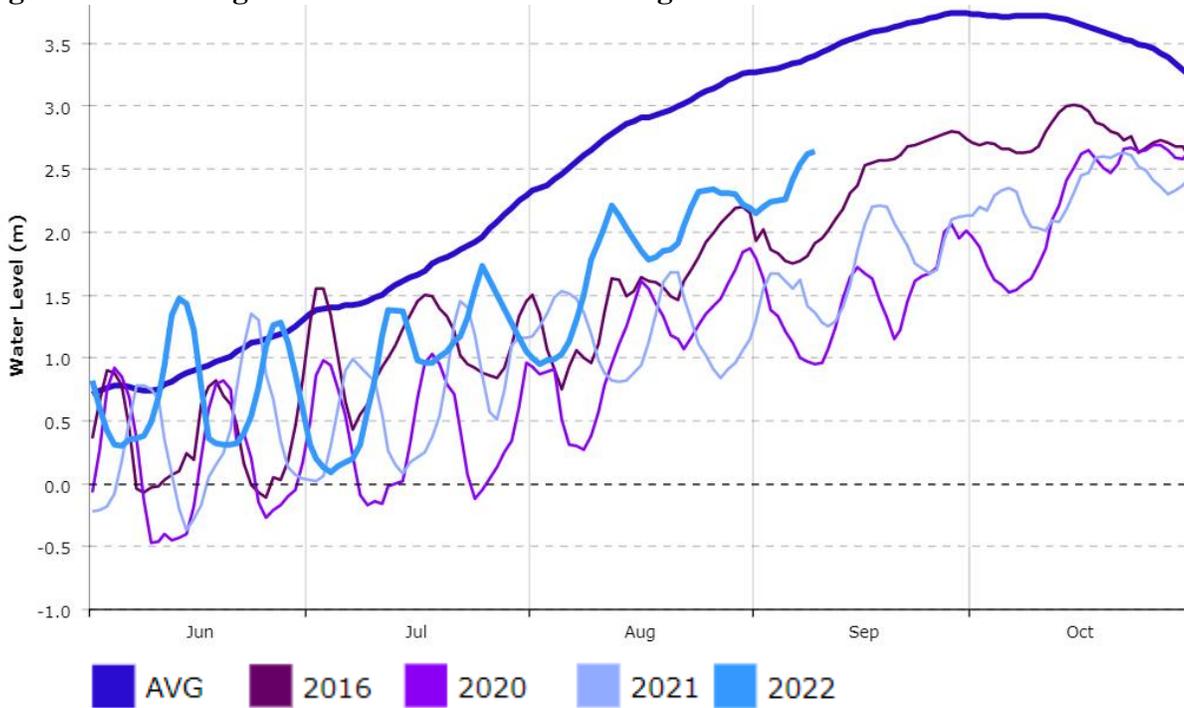
Mekong River levels in the 2022 wet season (June-October) were higher than previous years, supporting irrigation of the MY 2021/22 late autumn crop and winter crop (Figure 12 and 13). According to MARD and industry contacts, the MY2021/22 late autumn crop developed well thanks to sufficient water supply and low risks of droughts and salinity intrusion. Post revises its harvest area and production estimates of the MY 2021/22 autumn crop in the Mekong Delta down to 2,210 THA and 12.87 MMT on a smaller main autumn crop.

Figure 12: Mekong River Water Level Monitoring at Chau Doc Station



Source: Mekong River Commission

Figure 13: Mekong River Water Level Monitoring at Tan Chau Station



Source: Mekong River Commission

Consumption

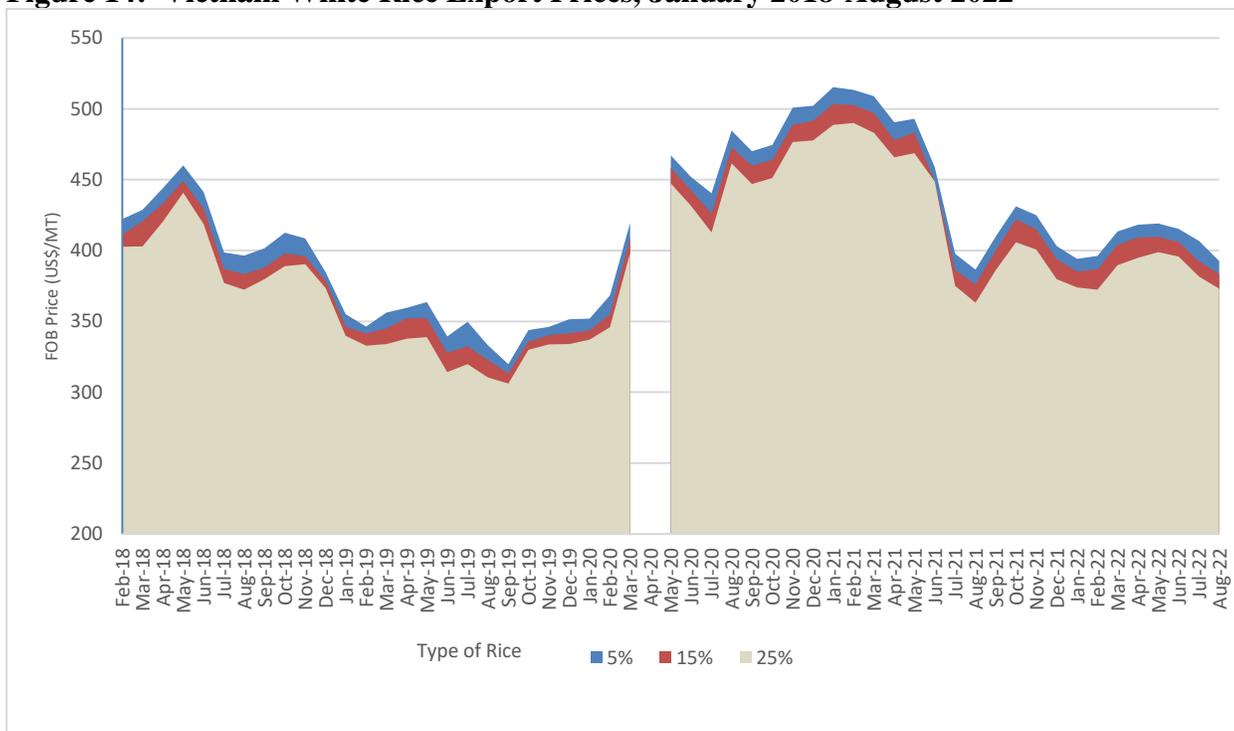
Post maintains its estimate of MY 2021/22 consumption at 21.50 MMT as Vietnam consumption of this staple food remains steady.

Trade

Export Prices

Soft demands from the major markets during bulk harvest of the main autumn crop, and constant depreciation of the Vietnam Dong (VND) against the U.S. Dollar (USD) drove export prices down during May-August (Figure 14). The USD to VND exchange rate increased by 3 percent in the first eight months of 2022. Recently, the local press cited the Director General of MARD/Crop Production Department (CPD)'s statement that Vietnam rice prices are driven by the market. Although international media speculated that Vietnam and Thailand would join hands to raise rice prices in the global market, local rice traders doubted this suggestion as the two countries are not dominant players and not direct competitors in terms of major export markets and rice varieties.

Figure 14: Vietnam White Rice Export Prices, January 2018-August 2022



Source: Traders

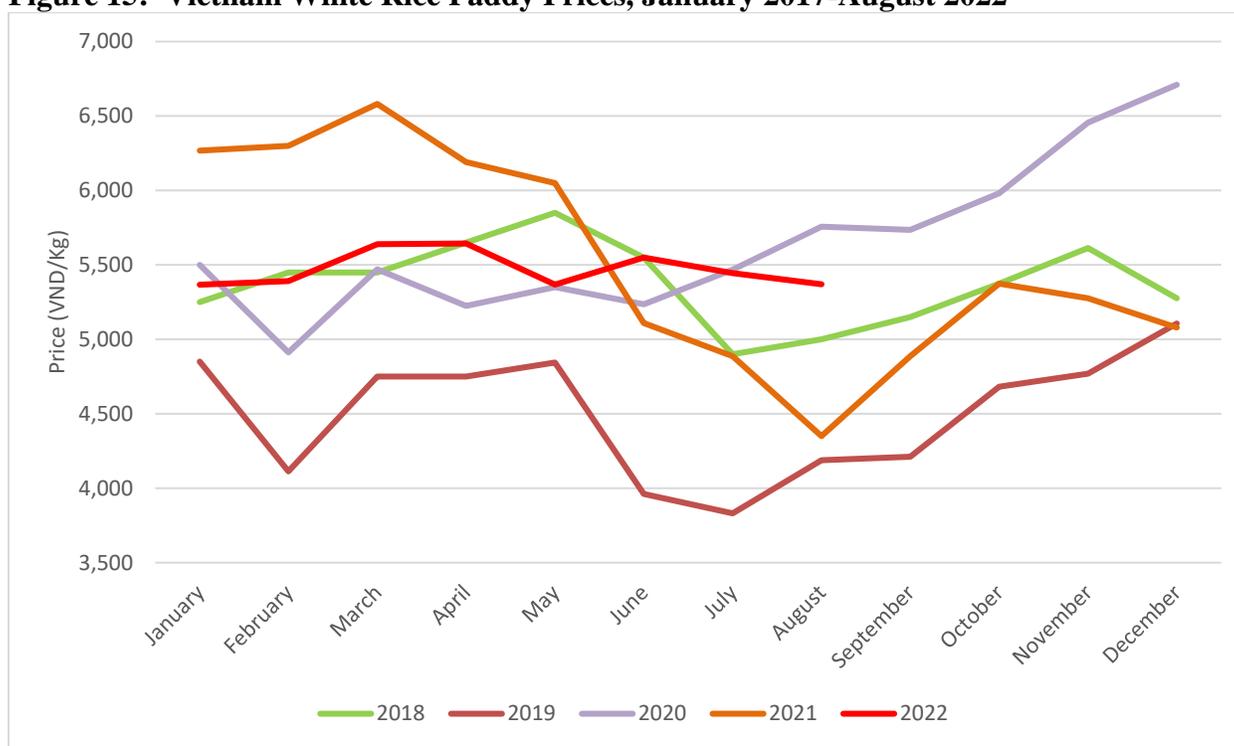
Note: Prices in April 2020 were not available due to the Government of Vietnam's rice export ban.

Domestic Prices

In the first eight months of 2022, paddy prices were more stable than the previous years, ranging from VND 5,350 to 5,650 per kilo on average, as input costs remained high (Figure 15). Industry contacts

estimated that production costs per one kilo of paddy of the MY 2021/22 main autumn crop was approximately 5 percent higher than last year. According to MARD/CPD, high input costs urged farmers to be more determined in applying sustainable farming models, such as “3 Intense 3 Reduce”, “1 Must 5 Reduce”, which aim to reduce the use of water, seed, fertilizers, and plant protection products, therefore helping to reduce production costs. Rice traders reported high prices of broken rice due to increasing demands for feed to substitute more expensive ingredients such as corn.

Figure 15: Vietnam White Rice Paddy Prices, January 2017-August 2022

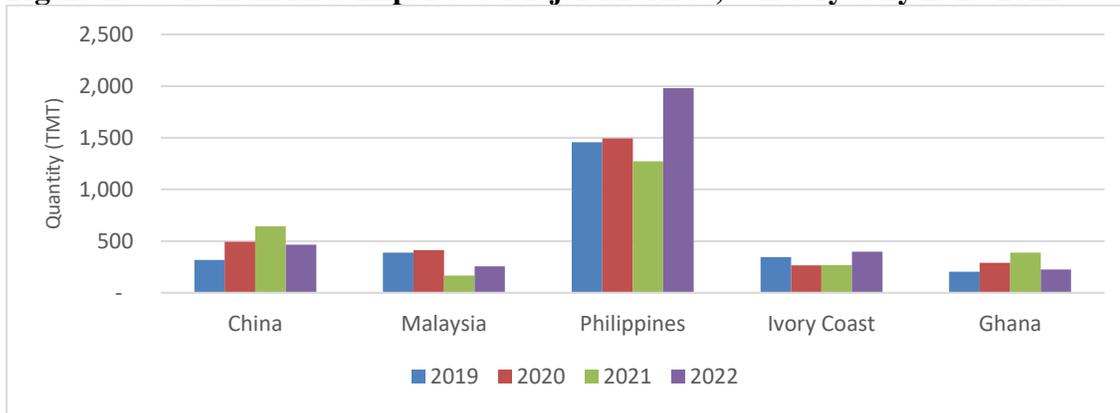


Source: Traders

Exports

According to Vietnam Customs’ data, the Vietnam rice export volume in January-July 2022 reached 4.08 MMT – 16.7 percent higher than the same period of last year. Its value increased by 6 percent to \$1.99 billion. Being the largest importer, the Philippines bought 1.98 MMT of Vietnam rice in the first seven months, up 55.7 percent year on year, and accounting for 49 percent of the market share. China, the second largest buyer of Vietnam rice, bought 466 TMT (down 27.6 percent), of which, glutinous rice accounted for 48 percent. Exports to Cote d’Ivoire and Malaysia rose 48 and 53 percent to 397 TMT and 255 TMT respectively. Exports to Ghana dropped by 42 percent to 224 TMT as its currency has weakened significantly against the USD since early this year (Figure 16).

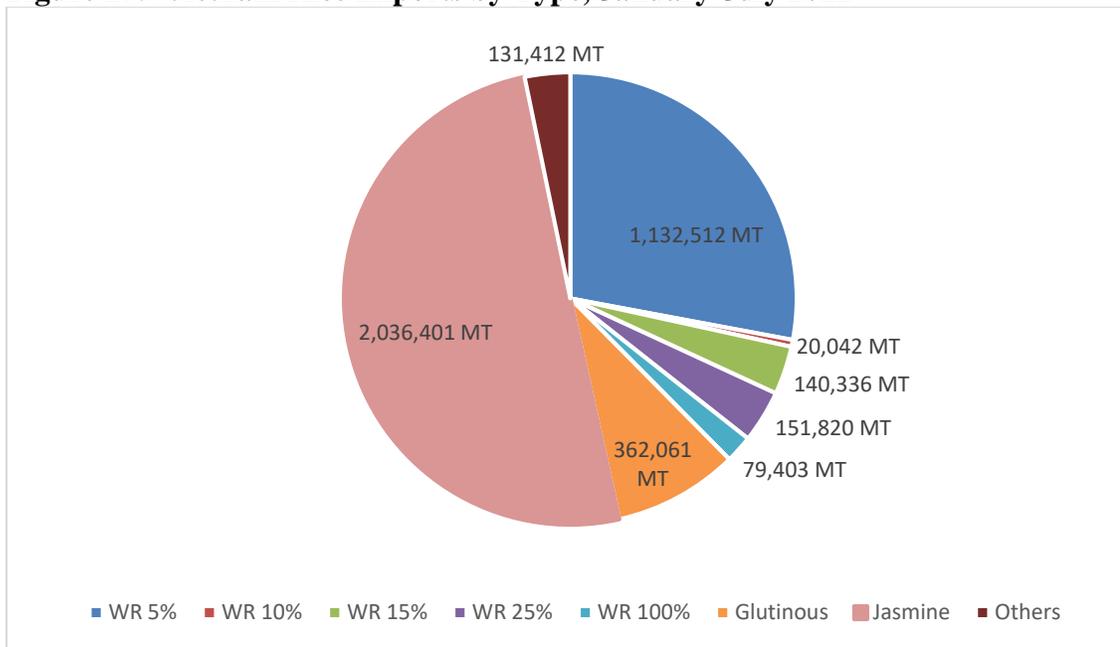
Figure 16: Vietnam Rice Exports to Major Markets, January-July 2019-2022



Source: Vietnam Customs

The share of white rice exports in the first seven months of 2022 continued to trend down, dropping to 38 percent from 43 percent in the same period of last year. In contrast, the share of jasmine rice rose to 50 percent from 37 percent in total exports (Figure 17). Smaller cultivation area of the regular white rice IR50404 variety contributed to a smaller share of white rice in total exports.

Figure 17: Vietnam Rice Exports by Type, January-July 2022



Source: Vietnam Customs, Traders, Post’s analysis

Note: WR – White rice

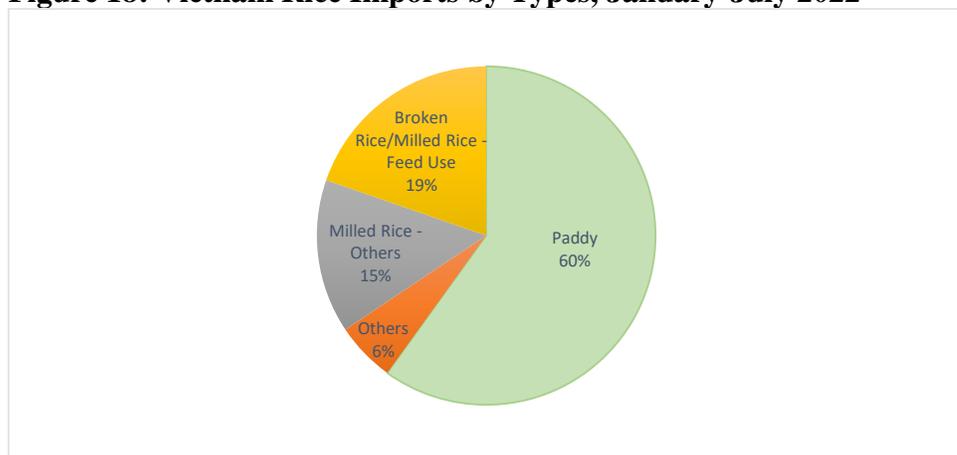
Rice traders expect to continue to see stable export demands for the remainder of 2022. The recent imposition of a 20 percent export duty on non-Basmati rice grades by the Government of India made India rice more expensive in the global market. However, demands from the Philippines market slowed down over the past month due to buyers’ lower price expectation. Depreciation against USD of currency in major export markets is also a disadvantage for Vietnam’s rice exports. Combining with the current

steady export pace, and slightly eased sea freights, Post revises its estimate for Vietnam's MY 2021/22 rice exports up to 6.70 MMT.

Imports

In the first seven months of 2022, Vietnam imported over approximately 1 MMT of rice, slightly lower than the previous year. 98 percent of the total imports were from Cambodia and India, based on Vietnam Customs' preliminary data. Paddy accounted for 60 percent of the total imports, mainly from Cambodia. Rice traders noted that Vietnam's paddy imports from Cambodia are normal trade in many years, as Cambodia grows a lot of regular white rice varieties such as IR50404 in provinces near Vietnam. Milled rice and broken rice for both food and feed use accounted for 20 percent each, mainly from India (Figure 18). The imposition of an export duty of 20 percent on non-Basmati rice grades and a ban on export of broken rice by the Indian government will potentially affect Vietnam's rice imports, as these products currently account for approximately 38 percent of Vietnam's total imports. Rice traders noted that the market can hardly absorb such a rushed and significant tariff revision and may reduce purchases in the interim. Post revises its estimate of Vietnam MY 2021/22 imports up to 1.40 MMT, still lower than the previous year, based on the current import pace, and demands in Vietnam.

Figure 18: Vietnam Rice Imports by Types, January-July 2022



Source: Vietnam Customs, Traders, Post's calculation

Stocks

Post revises MY 2021/22 stocks slightly down to 2.80 MMT on lower production and higher exports.

Table 6: Vietnam's Rice Exports, by Grade and Destination, January-July 2022

Destination	5%	10%	15%	25%	100%	Glutinous	Jasmine	Unknown	Total
ASIA	974,656	19,623	138,486	146,801	66,920	358,409	1,247,210	75,313	3,027,418
Indonesia	3,250	0	3,825	1	399	22,225	3,548	4,053	37,301
Philippines	749,768	2,760	117,681	144,490	36,298	47,162	859,932	12,567	1,970,658
Malaysia	142,175	1,932	351	0	0	42,889	51,891	9,183	248,421
Singapore	7,022	25	0	0	1,109	2,536	35,002	6,128	51,822
East Timor	0	0	16,450	0	0	0	3,394	0	19,844
Iraq	0	0	0	0	0	0	0	0	0
Iran	0	0	0	0	0	0	13	8	21
Syria	33,000	0	0	0	0	0	0	0	33,000
Yemen	0	0	0	0	0	0	0	0	0
South Korea	152	0	0	0	15,000	8	11,421	9,071	35,652
Japan	40	0	0	0	0	0	471	68	579
Cambodia	512	8,876	0	0	0	11,881	5,350	9,414	36,032
Hongkong	1,854	0	0	321	22	194	36,108	2,045	40,544
UAE	984	25	0	0	0	263	20,777	6,571	28,619
Taiwan	1,589	0	0	0	0	5,129	3,436	0	10,154
Bahrain	0	0	0	0	0	33	1,610	201	1,844
Bangladesh	0	0	0	0	0	0	322	603	925
Saudi Arabia	1,786	0	0	42	0	219	12,834	3,884	18,766
China	29,149	6,000	0	500	13,577	221,634	188,072	6,310	465,241
Brunei	250	0	0	0	0	0	400	0	650
Others	3,126	5	179	1,448	515	4,237	12,629	5,207	27,347
AFRICA	24,790	0	0	2,349	3,759	59	680,587	7,394	718,937
Tanzania	0	0	0	0	0	0	6,285	0	6,285
Senegal	0	0	0	0	0	0	1,530	0	1,530
Angola	372	0	0	0	0	0	316	0	688
Rwanda	0	0	0	0	0	0	0	0	0
Ghana	13,530	0	0	2,349	1,499	0	200,811	0	218,188
Uganda	0	0	0	0	0	0	0	0	0
Ivory coast	5,771	0	0	0	2,000	0	395,991	4,500	408,262
Reunion	0	0	0	0	0	0	4,439	0	4,439
Mozambique	1,058	0	0	0	0	0	29,784	5	30,847
Kenya	0	0	0	0	0	0	55	27	82
Congo	0	0	0	0	0	0	520	0	520
Libya	0	0	0	0	0	0	0	0	0
Algeria	0	0	0	0	0	0	26	108	134
Benin	48	0	0	0	0	0	1,490	0	1,538
Burkina Faso	0	0	0	0	0	0	0	0	0
Cameroon	0	0	0	0	0	0	3,775	0	3,775

Gambia	0	0	0	0	0	0	628	0	628
Guinea	54	0	0	0	0	0	134	1,587	1,775
Guinea Bissau	0	0	0	0	0	0	0	0	0
Madagascar	0	0	0	0	0	4	16	3	23
Mali	0	0	0	0	0	0	0	0	0
Mauritania	0	0	0	0	0	0	0	0	0
Nigeria	0	0	0	0	0	0	136	0	136
Sierra Leone	0	0	0	0	0	0	52	0	52
Somali	0	0	0	0	0	0	0	0	0
South Africa	27	0	0	0	0	18	2,865	876	3,786
Togo	208	0	0	0	260	0	6,942	0	7,410
Zambia	0	0	0	0	0	0	0	0	0
Others*	3,723	0	0	0	0	38	24,792	288	28,840
EUROPE	5,331	0	0	311	0	2,511	39,970	15,190	63,314
Russia	52	0	0	0	0	88	1,835	359	2,334
France	689	0	0	0	0	63	1,580	85	2,418
Ukraine	0	0	0	0	0	0	5	165	170
Poland	102	0	0	23	0	180	1,828	906	3,039
Others*	4,487	0	0	288	0	2,180	34,721	13,676	55,353
AMERICAS	114,486	0	0	386	0	670	21,379	2,714	139,635
Cuba	91,450	0	0	0	0	0	0	0	91,450
Brazil	0	0	0	0	0	47	3	35	85
Haiti	0	0	0	0	0	0	20	0	20
Mexico	0	0	0	0	0	0	0	20	20
Chile	0	0	0	0	0	12	51	106	169
Puerto Rico	0	0	0	0	0	0	0	0	0
Others*	23,036	0	0	386	0	611	21,305	2,552	47,890
OCEANIA	13,248	419	1,850	1,973	8,725	412	47,255	30,801	104,684
Australia	1,041	235	0	48	100	129	13,870	7,736	23,160
New Caledonia	0	0	0	0	0	10	204	2,102	2,316
New Zealand	230	0	0	0	0	4	3,253	2,066	5,553
Others*	11,977	184	1,850	1,925	8,625	270	29,928	18,897	73,655
TOTAL	1,132,512	20,042	140,336	151,820	79,403	362,061	2,036,401	131,412	4,053,987

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

Source: Vietnam Customs, Traders, Post's calculation

Attachments:

No Attachments