

**Required Report:** Required - Public Distribution

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## **Report Name:** Grain and Feed Update

**Country:** Vietnam

**Post:** Hanoi

**Report Category:** Grain and Feed

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### **Report Highlights:**

Post revised its estimates for the Vietnam marketing year 2022/2023 (MY 2022/23) paddy harvest area and production forecast down to 7,162 thousand hectares (THA) and 43.15 million metric tons (MMT). Based on potential export demand for the remainder of 2023, Post revised its Vietnam MY 2022/2023 rice export estimate up to 6.7 MMT.

## RICE

### Production, Supply, and Distribution

Rice, Milled	MY 2021/2022		MY 2022/2023 (Estimate)		MY 2023/2024 (Forecast)	
Market Year Begins	Jan 2022		Jan 2023		Jan 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	7,185	7,100	7,170	7,162	7,160	7,185
Beginning Stocks (1000 MT)	2,639	2,639	2,354	2,402	1,754	1,971
Milled Production (1000 MT)	26,769	26,670	27,000	26,969	27,000	26,900
Rough Production (1000 MT)	42,830	42,672	43,200	43,150	43,200	43,040
Milling Rate (.9999) (1000 MT)	6,250	6,250	6,250	6,250	6,250	6,250
MY Imports (1000 MT)	1,500	1,834	1,100	1,300	1,300	1,850
TY Imports (1000 MT)	1,500	1,834	1,100	1,300	1,300	1,850
TY Imp. from U.S. (1000 MT)	-	-	-	-	-	-
Total Supply (1000 MT)	30,908	31,143	30,454	30,671	30,054	30,721
MY Exports (1000 MT)	7,054	7,091	7,200	6,700	6,700	6,600
TY Exports (1000 MT)	7,054	7,091	7,200	6,700	6,700	6,600
Consumption and Residual (1000 MT)	21,500	21,650	21,500	21,650	21,600	22,500
Ending Stocks (1000 MT)	2,354	2,402	1,754	2,321	1,754	1,621
Total Distribution (1000 MT)	30,908	31,143	30,454	30,671	30,054	30,721
Yield (Rough) (MT/HA)	5.961	6.0101	6.0251	6.0249	6.0335	5.9903

(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 2023/2024 = January 2024 - December 2024

## Production

**Table 1: Vietnam's Area, Yield, and Production for Rough Rice**

Marketing Year	MY 2021/22		MY 2022/23 Estimate		MY 2023/24 Forecast	
	Old	New	Old	New	Old	New
Harvested Area (THA)						
Spring <sup>1</sup>	3,000	2,980	3,000	2,952	3,000	3,000
Autumn <sup>2</sup>	2,620	2,565	2,650	2,640	2,620	2,620
Winter <sup>3</sup>	1,565	1,555	1,570	1,570	1,565	1,565
<b>TOTAL</b>	<b>7,185</b>	<b>7,100</b>	<b>7,220</b>	<b>7,162</b>	<b>7,185</b>	<b>7,185</b>
Yield (MT/HA)						
Spring	6.67	6.70	6.77	6.84	6.73	6.73
Autumn	5.57	5.65	5.58	5.63	5.63	5.63
Winter	5.26	5.28	5.16	5.16	5.18	5.18
<b>AVERAGE</b>	<b>5.96</b>	<b>6.01</b>	<b>5.98</b>	<b>6.02</b>	<b>5.99</b>	<b>5.99</b>
Production (TMT)						
Spring	20,000	19,980	20,300	20,200	20,190	20,190
Autumn	14,600	14,480	14,800	14,850	14,750	14,750
Winter	8,230	8,212	8,100	8,100	8,100	8,100
<b>TOTAL</b>	<b>42,830</b>	<b>42,672</b>	<b>43,200</b>	<b>43,150</b>	<b>43,040</b>	<b>43,040</b>

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

Source: MARD; GSO; Post estimates

Based on the Vietnam General Statistics Office's (GSO) reporting, the total harvested area of the MY 2022/23 spring crop declined by 28 thousand hectares (THA) over the previous year. There was a higher contraction in the southern region due to the conversion of land use for construction and the planting of other products (such as fruits, vegetables, and perennial crops). Other land was used for aquaculture by either rotating the cultivation of rice and shrimp or intercropping rice and shrimp which farmers noted has enriched fields, increased production values that helped improve incomes, and supported adaption to climate change. With favorable weather conditions, the application of high-tech rice farming models, and the selection of right cultivars, the MY 2022/23 spring crop yield grew by 0.14 tons per hectare (T/HA) to 6.84 T/HA, resulting in a higher production output of 20.2 million tons. Post revised its estimates of Vietnam's MY 2022/23 spring crop harvested area and production down to 2,952 THA and 20.2 MMT respectively (Table 1).

The autumn rice cultivation was slower than the same period in 2022 mainly due to hot weather and late rains. Vietnam's National Centre for Hydro – Meteorological Forecast predicted a 70-80 percent chance of El Nino developing by mid- 2023 and extending into 2024. Based on the Vietnam Ministry of Agriculture and Rural Development (MARD)'s estimates, approximately 10 THA to 15 THA of autumn crop could face imminent risks of drought, water scarcity, and saltwater intrusion. Post revised its

harvest area and production volume estimates for the MY 2022/23 autumn crop at 2,640 THA and 14.85 MMT (Table 1). Post revised the overall MY 2022/23 paddy harvest area and production forecast down to 7,162 THA and 43.150 MMT.

### *Mekong River Delta*

**Table 2: Rice Production in the Mekong Delta, MY 2021/22-2023/24**

Crop	MY 2021/22			MY 2022/23 (Estimate)			MY 2023/24 (Forecast)		
	Area	Yield	Prod.	Area	Yield	Prod.	Area	Yield	Prod.
<b>Spring</b>	<b>1,510</b>	<b>7.08</b>	<b>10,692</b>	<b>1,480</b>	<b>7.23</b>	<b>10,700</b>	<b>1,470</b>	<b>7.21</b>	<b>10,600</b>
<b>Autumn (in which)</b>	<b>2,126</b>	<b>5.75</b>	<b>12,220</b>	<b>2,140</b>	<b>5.83</b>	<b>12,485</b>	<b>2,140</b>	<b>5.86</b>	<b>12,550</b>
<i>Main Autumn</i>	<i>1,476</i>	<i>5.83</i>	<i>8,610</i>	<i>1,490</i>	<i>5.86</i>	<i>8,735</i>	<i>1,490</i>	<i>5.87</i>	<i>8,750</i>
<i>Late Autumn</i>	<i>650</i>	<i>5.55</i>	<i>3,610</i>	<i>650</i>	<i>5.77</i>	<i>3,750</i>	<i>650</i>	<i>5.85</i>	<i>3,800</i>
<b>Winter</b>	<b>174</b>	<b>4.82</b>	<b>838</b>	<b>175</b>	<b>4.86</b>	<b>850</b>	<b>175</b>	<b>4.86</b>	<b>850</b>
<b>Total</b>	<b>3,810</b>	<b>6.23</b>	<b>23,750</b>	<b>3,795</b>	<b>6.33</b>	<b>24,035</b>	<b>3,785</b>	<b>6.34</b>	<b>24,000</b>

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

Source: MARD, GSO, Post's estimate

The harvest of the MY 2022/23 spring crop in the Mekong Delta was completed in May and on time. According to GSO, the harvest in the Mekong Delta was 1,480 THA, a decline of 28 THA, with the main contraction in the provinces of Bac Lieu (5 THA), Vinh Long (6.6 THA), and Soc Trang (7.8 THA). However, due to favorable weather conditions and adoption of modern agricultural methods as well as suitable cultivars, yields reached 7.23 MT/HA, an increase of 0.15 MT/HA, which resulted in higher production of 8 TMT.

By the end of May, Mekong Delta farmers planted 1,320 THA of the autumn crop, out of a target of 1,500 THA, and harvested 152 THA. The planting pace of the MY 2022/3 autumn crop was slower than last year due to hot weather and late rains.

Post revised its estimate for MY 2022/23 production down to 24.035 MMT, due to the crop area reduction (Table 2).

### **Consumption**

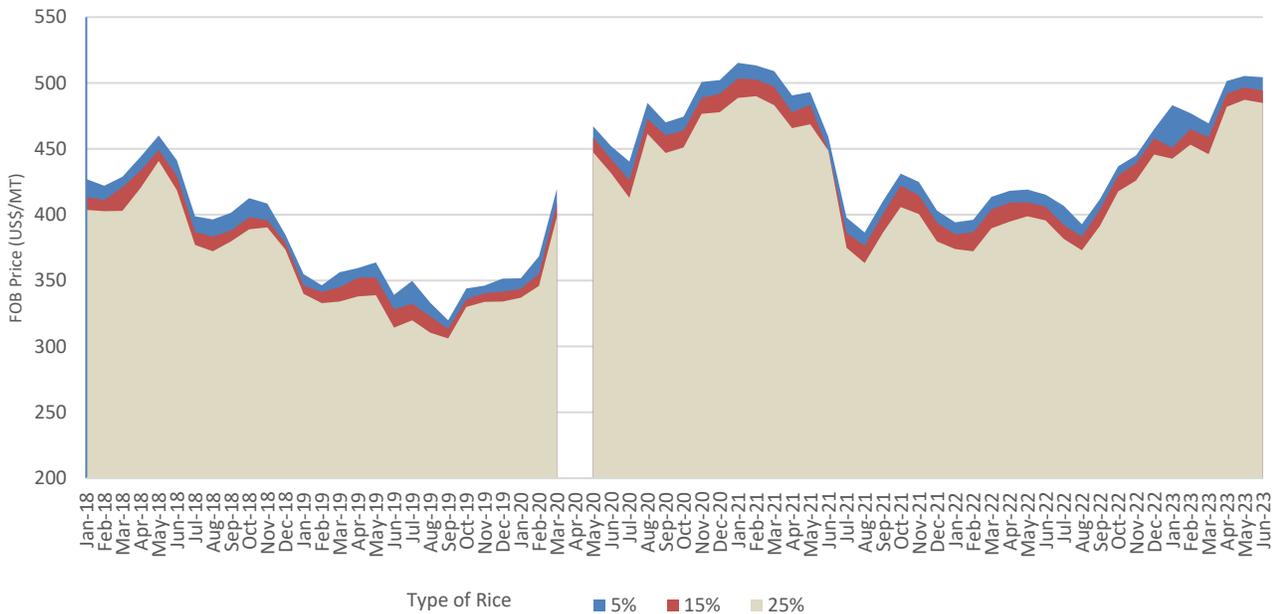
Post retained its MY 2022/23 consumption estimate at 21.65 MMT.

## Trade

### Export Prices

Vietnam rice export prices saw constant growth during the first half of 2023. Prices in early June were the second highest levels in the last five years and at their highest since April 2021 (Figure 1).

**Figure 1: Vietnam White Rice Export Prices, January 2018-June 2023**



Source: Trade contacts, Agromonitor, Post's calculations

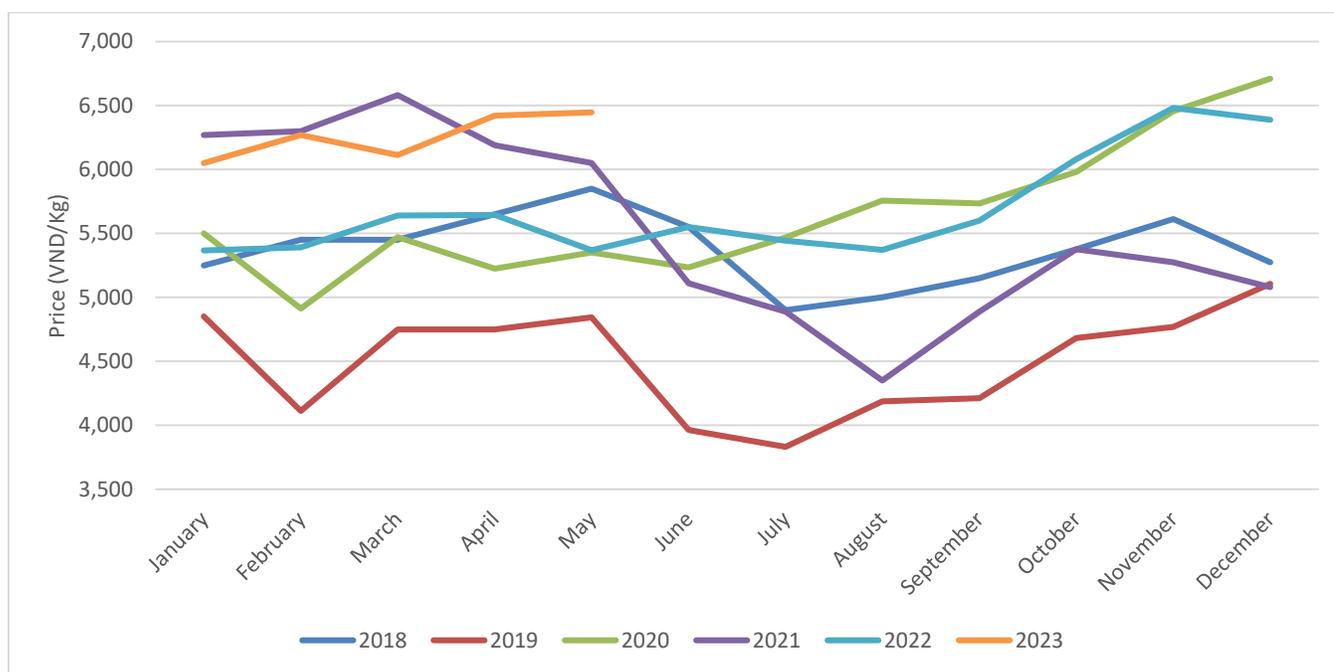
Post note: April 2020 prices were not available due to the Vietnam Government (GVN)'s rice export ban at that time.

These high prices were due to strong demand for food reserves in the face of economic and political instability, concerns about the impact of El Nino weather patterns on production, and the limited supply of the early autumn crop. According to the Vietnam Food Association, the Vietnam rice export price is currently higher than that of Thailand and India. Specifically, Vietnam 5 percent broken white rice increased about 20 percent over the same period of last year, reaching USD 503 per ton in the third week of June, while the same variety from Thailand and India sold for 500 USD per ton and 458 USD per ton, respectively. Despite this price surge, rice traders note that some major exporters saw lower profits or incurred losses because rising domestic rice prices outpaced the contraction in export prices and a high lending rate.

## Domestic Prices

From January to May 2023, paddy prices increased about VND 800 per kilogram, up 14 percent over the same period of 2022. Paddy prices in May reached their highest prices in five years due to the tight supply of the autumn crop (Figure 2).

**Figure 2: Vietnam White Rice Paddy Prices, January 2018-May 2023**

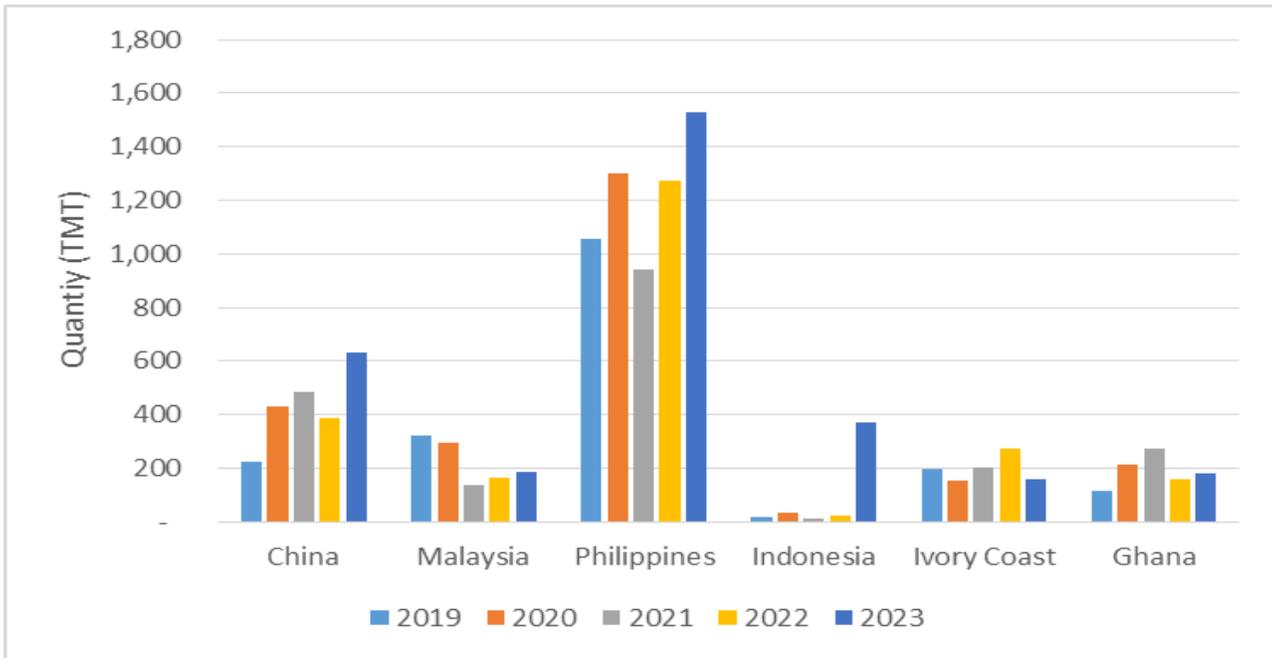


Source: Trade contacts, Agromonitor, Post's calculation

## Exports

According to Vietnam Customs' data, rice exports for the first 5 months of 2023 reached 3.61 MMT in volume and 1.92 billion in value, an increase of 30.4 percent and 41.6 percent respectively over the same period of last year. The Philippines, China, and Indonesia are the three key markets for Vietnam rice. The Philippines remained the biggest importer, buying 1.03 MMT, an increase of 13 percent over the same period in 2022, and accounting for about 36 percent of the total export market share. China ranked second with 660 TMT in export volume, up 123 percent, and accounting for 23 percent. Although ranked third, Indonesia, saw the strongest growth with a volume of 270 TMT, up 23 times (2,186 percent) over the same period last year. In addition, rice exports to other markets had strong growth, such as Taiwan (up 31 percent), Senegal (up 6,540), Chile (up 2,227 percent). Exports to some EU markets also surged, such as Poland (up 730 percent). In contrast, the Ivory Coast saw a major decline in its imports at 102 TMT, down by 52 percent. (Figure 3).

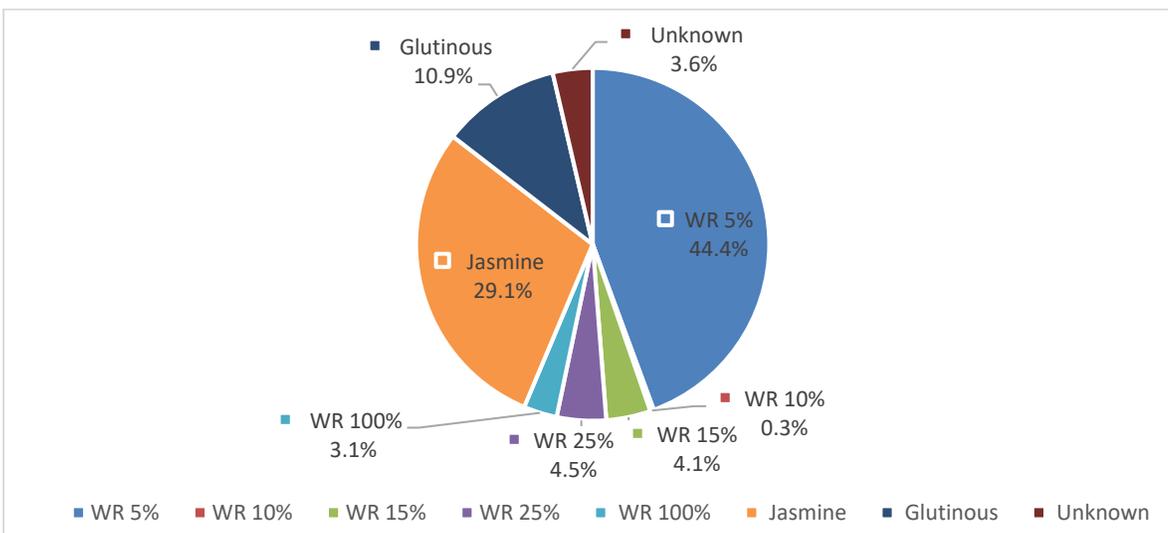
**Figure 3: Vietnam Rice Exports to Major Markets, January-May**



Source: Vietnam Customs

White rice exports in the first 4 months of 2023 increased 97 percent over the same period of last year and accounted for approximately 56 percent of total exports (up from 40 percent in the previous year) on increasing demand from the Philippines and Indonesia. Exports of glutinous increased 58 percent to 314 TMT, accounting for 11 percent, thanks to a recovery in China demand. Jasmine rice declined by 13 percent, accounted for 29 percent (down from 47 percent) of total exports. (Figure 4).

**Figure 4: Vietnam Rice Exports by Grade, January-April 2023**



Source: Vietnam Customs, Trade contacts, Post’s calculation

Note: WR – White rice

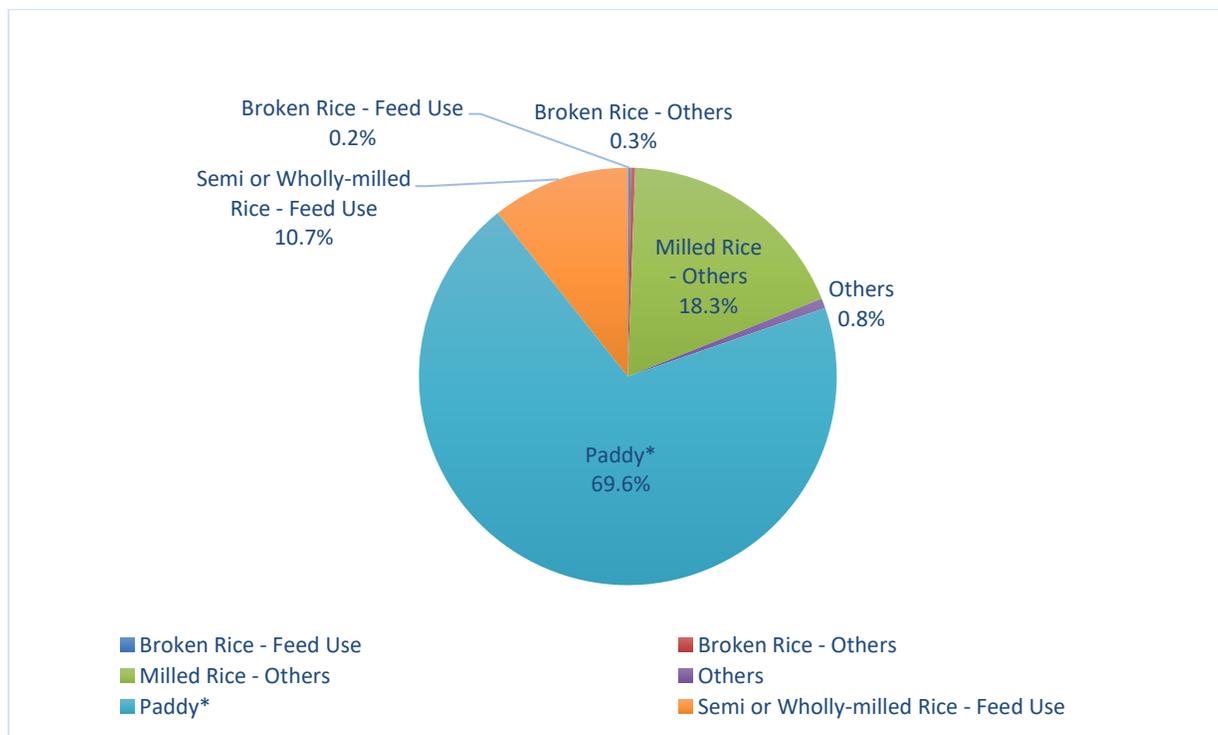
Rice traders continue to see high export demand for remainder of 2023, due to strong needs of food reserves coupled with concerns of El Nino’s impact on rice producing countries such as India and Thailand. In response to El Nino, many countries such as the Philippines, China, Indonesia, Malaysia, and those in Africa boosted their rice stocks. For instance, Malaysia announced its intention to import an additional 150,000 tons of rice to ensure its domestic supply and, at the end of March, Indonesia planned to import 2 million tons of rice for its 2023 national reserves. Exporters are also expanding to high-value markets such as the EU, where prices are 1.5-3 times higher than normal. In addition to favorable prices, Vietnam exporters are also take advantage of preferential import taxes under the Europe-Vietnam free trade agreement (EVFTA).

Post revised its Vietnam MY 2022/23 rice export estimate up to 6.7 MMT based on the current export pace and potential export demands for the remainder of the year.

### Imports

In the first four months of 2023, Vietnam imported over 850 TMT rice, 69 percent of which was from Cambodia and 29 percent from India, based on Vietnam Customs’ preliminary data. Paddy accounted for 70 percent of the total imports, mainly from Cambodia. Milled rice and broken rice for both food and feed use accounted for 29 percent, mainly from India, with total imports at over 250 TMT. As India had banned exports of broken rice and imposed a 20 percent duty on exports of various grades in September 2022, Vietnam shifted to imports of white rice mainly for food and feed use. (Figure 5).

**Figure 5: Vietnam Rice Imports by Types, January-April 2023**



Source: Vietnam Customs, Trade contacts, Post’s calculation

**Policy:**

On May 25, 2023, the GVN issued [Decision 583/QĐ-TTg](#) approving a strategy to develop the Vietnam rice export market up to 2030. The strategy focuses on increasing the added value, improving the export value, and reducing the export volume by 2030 to 4 million tons with a turnover of about USD 2.62 billion. The average export growth rate will decrease by an estimated 2.4 percent in the 2023 - 2025 period and 3.6 percent in the 2026 - 2030 period. Under this strategy, between 2023 and 2025, the rice export by grade is targeted to: 15 percent for low and medium grade white rice; 20 percent for high-grade white rice; 40 percent for fragrant rice (including japonica rice and specialty rice); 20 percent for glutinous; and 5 percent for others. The GVN wants the rate of exported rice featuring Vietnam brands to exceed 20 percent. Regarding export markets, the GVN expects the proportions of export turnover to be Asia (60 percent), Africa (22 percent), North America (7 percent), the Middle East (4 percent), Oceania (4 percent), and Europe (3 percent).

**Stocks**

Post revised MY 2022/23 stocks up to 2.32 MMT.

**Table 3: Vietnam Rice Exports by Grade and Destination January-April 2023**

<b>Destination</b>	<b>5%</b>	<b>10%</b>	<b>15%</b>	<b>25%</b>	<b>100%</b>	<b>Jasmine</b>	<b>Glutinous</b>	<b>Unknown</b>	<b>Total</b>
<b>ASIA</b>	<b>1,145,775</b>	<b>6,495</b>	<b>113,483</b>	<b>124,914</b>	<b>58,158</b>	<b>479,696</b>	<b>297,709</b>	<b>47,412</b>	<b>2,273,642</b>
Philippines	635,246	2,550	81,759	113,531	25,060	121,698	42,312	3,362	1,025,518
China	128,295	2,580	29,700	10,511	17,396	247,426	223,515	826	660,249
Indonesia	248,111	250	846	826	335	13,234	4,986	1,137	269,725
Malaysia	118,061	-	138	-	184	21,496	9,602	3,753	153,233
Others	5,224	7	890	22	13,583	22,589	3,937	18,657	64,909
Singapore	7,698	25	150	-	550	19,334	880	4,606	33,243
Hongkong	204	3	-	-	1,050	14,551	94	715	16,618
Cambodia	364	420	-	-	-	-	7,227	6,591	14,603
Saudi Arabia	1,023	660	-	-	-	5,814	1,367	3,784	12,649
Taiwan	512	-	-	-	-	1,171	3,648	2,718	8,049
Bahrain	7	-	-	24	-	6,104	8	368	6,510
East Timor	540	-	-	-	-	5,155	13	760	6,468
Japan	490	-	-	-	-	1,124	120	10	1,744
Bangladesh	-	-	-	-	-	-	-	124	124
<b>AFRICA</b>	<b>77,406</b>	<b>0</b>	<b>1,000</b>	<b>1,545</b>	<b>29,678</b>	<b>326,862</b>	<b>14,025</b>	<b>14,329</b>	<b>464,845</b>
Ghana	54,094	-	-	-	2,083	49,561	-	780	106,519
Ivory coast	5,602	-	-	-	26,540	70,172	-	21	102,336
Cameroon	-	-	-	-	-	69,530	-	-	69,530
Tanzania	10,796	-	1,000	-	-	31,898	13,480	118	57,292
Senegal	540	-	-	-	-	38,473	-	34	39,047
Togo	1,532	-	-	1,545	798	15,380	276	11,789	31,319
Others	1,244	-	-	-	-	20,231	262	797	22,536

Mozambique	2,621	-	-	-	-	17,318	-	-	19,939
Algeria	-	-	-	-	-	4,238	-	4	4,242
Kenya	250	-	-	-	-	3,852	-	36	4,139
South Africa	83	-	-	-	-	2,700	1	710	3,493
Reunion	-	-	-	-	-	1,323	-	18	1,341
Congo	-	-	-	-	257	924	-	19	1,200
Benin	322	-	-	-	-	509	-	-	831
Angola	322	-	-	-	-	100	-	-	422
Burkina Faso	-	-	-	-	-	345	-	-	345
Gambia	-	-	-	-	-	130	-	-	130
Nigeria	-	-	-	-	-	109	-	-	109
Madagascar	-	-	-	-	-	39	6	3	48
Guinea	-	-	-	-	-	28	-	-	28
Sierra Leone	-	-	-	-	-	-	-	-	-
<b>EUROPE</b>	<b>2,029</b>	<b>765</b>	<b>0</b>	<b>0</b>	<b>176</b>	<b>14,014</b>	<b>2,220</b>	<b>24,592</b>	<b>43,795</b>
Others	2,006	765	-	-	176	11,755	2,201	13,415	30,318
Poland	23	-	-	-	-	953	4	10,547	11,527
France	-	-	-	-	-	709	-	423	1,132
Russia	-	-	-	-	-	597	15	141	753
Ukraine	-	-	-	-	-	-	-	65	65
<b>AMERICAS</b>	<b>37,676</b>	<b>0</b>	<b>2,803</b>	<b>318</b>	<b>0</b>	<b>8,258</b>	<b>138</b>	<b>3,170</b>	<b>52,363</b>
Cuba	35,504	-	-	-	-	-	-	-	35,504
Others	1,867	-	200	318	-	8,193	127	2,715	13,420
Chile	260	-	2,603	-	-	13	11	22	2,909
Brazil	0	-	-	-	-	52	-	294	346
Mexico						-	-		

	45	-	-	-	-			139	184
<b>OCEANIA</b>	<b>17,871</b>	<b>2,209</b>	<b>0</b>	<b>3,332</b>	<b>371</b>	<b>11,698</b>	<b>99</b>	<b>15,776</b>	<b>51,356</b>
Others	17,088	2,033	-	3,332	275	7,133	-	10,308	40,168
Australia	318	176	-	-	96	3,489	87	3,393	7,558
New Zealand	455	-	-	-	-	956	4	725	2,140
New Caledonia	11	-	-	-	-	121	8	1,350	1,490
<b>TOTAL</b>	<b>1,280,758</b>	<b>9,469</b>	<b>117,285</b>	<b>130,109</b>	<b>88,382</b>	<b>840,529</b>	<b>314,191</b>	<b>105,279</b>	<b>2,886,002</b>

Destination	5%	10%	15%	25%	100%	Jasmine	Glutinous	Unknown	Total
<b>ASIA</b>	1,145,775	6,495	113,483	124,914	58,158	479,696	297,709	47,412	2,273,642
<b>AFRICA</b>	77,406	-	1,000	1,545	29,678	326,862	14,025	14,329	464,845
<b>EUROPE</b>	2,029	765	-	-	176	14,014	2,220	24,592	43,795
<b>AMERICAS</b>	37,676	-	2,803	318	-	8,258	138	3,170	52,363
<b>OCEANIA</b>	17,871	2,209	-	3,332	371	11,698	99	15,776	51,356
<b>TOTAL</b>	<b>1,280,758</b>	<b>9,469</b>	<b>117,285</b>	<b>130,109</b>	<b>88,382</b>	<b>840,529</b>	<b>314,191</b>	<b>105,279</b>	<b>2,886,002</b>

\* 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, Trade contacts, Post's calculation

**Attachments:**

No Attachments