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Report Highlights:

Post revises the total feed demand forecast down to 26.6 million tons in MY2021/22 as Vietnam continues to face issues with African Swine Fever, inflation, and high feed ingredient costs. Post lowers the forecast for soybean imports, soybean crush, and soybean meal consumption in line with the lower feed demand. Vietnam's livestock sector is rebuilding but is restricted by disease threats and high input costs.

Executive Summary

Vietnam is rebounding from the COVID-19 pandemic but continues to face issues with economic recovery and inflation. On January 11, 2022, Vietnam's National Assembly adopted a Resolution on fiscal and monetary policies to support and speed up the local economic recovery in 2022 and 2023. The policy package is worth about $15 billion including tax reductions, healthcare, social security, enterprise support, infrastructure development, and housing rental subsidies for employees working in industrial zones. According to local media, this package has been rolling out at an unexpectedly slow pace in the first half of 2022.

A World Bank Report[1] issued in August forecasts that Vietnam's economy will grow 7.5 percent in 2022 and 6.7 percent in 2023. The rebound of services and domestic demand will drive the economic growth, while industrial production is expected to moderate as external demand weakens. Inflation is projected to accelerate to 3.8 percent in 2022 and 4 percent in 2023, due to higher input prices passed on to final products.

Food and feed consumption is increasing as the tourism, food service, hotel, and restaurant sectors reopen. The operational capacity of wholesale and wet markets, processors, and manufacturers also continues to grow.

As of August 15, the total swine herd was up 6.8 percent, the poultry flock increased 3.6 percent, and poultry egg production increased 4.8 percent, compared to the same period of 2021. The total aquaculture production in first eight months of 2021 was up 7 percent, to about 3.2 million tons, including catfish, shrimp, and other aquaculture products, according to the Ministry of Agriculture and Rural Development's (MARD) Monthly Progress Report.

Post lowers its total feed demand estimates in MY2021/22 to 26.6 million tons and 27.5 million tons in MY2022/23 as African Swine Fever remains as a threat to backyard farmers, together with high compound feed prices due to higher prices of ingredients.

Post lowers Vietnam's soybean imports to 1.95 million tons and 2.05 million tons in MY2021/22 and MY2022/23 respectively, due to lower soybean meal (SBM) demand for feed use. Total soybean crush is lowered to 1.35 million in MY2022/23 in line with the lower feed demand. SBM for feed use is forecast down to 6.1 million tons in MY2022/23 following the lower crush volume and lower feed demand. Post lowers SBM imports to 5.2 million tons in MY2022/23.

Soybeans for food use are forecast to stay at 520,000 tons in MY2021/22 and increase to 550,000 tons in MY2022/23 following projected growth in the retail, food, and beverage sectors. Post keeps its forecasts

[1] The World Bank, Taking Stock August 2022 – Educate to Grow

of refined vegetable oil consumption at 1.3 million tons in MY2021/22 and increasing to 1.35 million tons in MY2022/23 as the food service and tourism sectors rebound.

OILSEEDS SITUATION AND OUTLOOK

Soybean

Production

According to MARD, Vietnam's soybean planted area as of August 15, 2022, was 32,200 hectares, a reduction of 6 percent compared to the same period last year. The decline in soybean planted area in the northern mountainous, Red River Delta, and the Central Highland provinces in MY2021/22 is a part of the overall trend where Vietnamese farmers are switching to more profitable crops such as various fruits and vegetables that are grown for both export and domestic consumption.

Post forecasts local soybean production at 53,000 tons in MY2021/22[2] and decreasing to 48,000 tons in MY 2022/2023 on a planting area of 33,000 and 30,000 hectares respectively, with a low average yield of 1.6 tons per hectare.

Table 1: Soybean Production

	2019	2020	2021	2022*	2023*
Crop area (thousand ha)	49.5	41.7	36	33	30
Crop yield (MT/ha)	1.53	1.58	1.6	1.6	1.6
Total production (TMT)	**75.9**	**65.7**	**58**	**53**	**48**

Source: General Statistics Office (GSO), Ministry of Agriculture and Rural Development (MARD),
The data included inventory of winter crop in the North starting from October annually
**Post estimates*

Consumption

Industrial Crush

Vietnam has two industrial soybean crushing facilities, one located in the south and the other in the north of Vietnam. The demand for soybean crush is driven both by the need for meal for animal feed and the demand for soy oil.

Post revises its soybean crush forecast down to 1.35 million tons in both MY2021/22 and MY2022/23 reflecting the forecasted feed demand for soybean meal (SBM). According to an industry contact, feed millers are being more reserved in their purchases of SBM.

Food Use Consumption

[2] Marketing Year (MY) of soybean is from January 1 to December 31

Post forecasts soybean consumption for food use in MY2021/22 at 520,000 tons and 550,000 tons in MY2022/23 with the reopening and recovery in the food service, tourism, industrial and processing sectors; and increased demand in wholesale and wet markets. According to the Vietnam General Statistics Office (GSO), as of August 31, total retail revenue and food and lodging revenue increased by 19.3 and 48.1 percent respectively compared to the same period last year.

Post forecasts a high demand for soymilk for local consumption and export. According to local media, in the first half of CY2022, total turnover from soymilk products at Vinasoy and FAMI, two of the largest local soymilk brands, increased by 12 percent compared to the same period of last year. FAMI gained market access to China and Japan in June 2021.

Feed, Seed, Waste Consumption

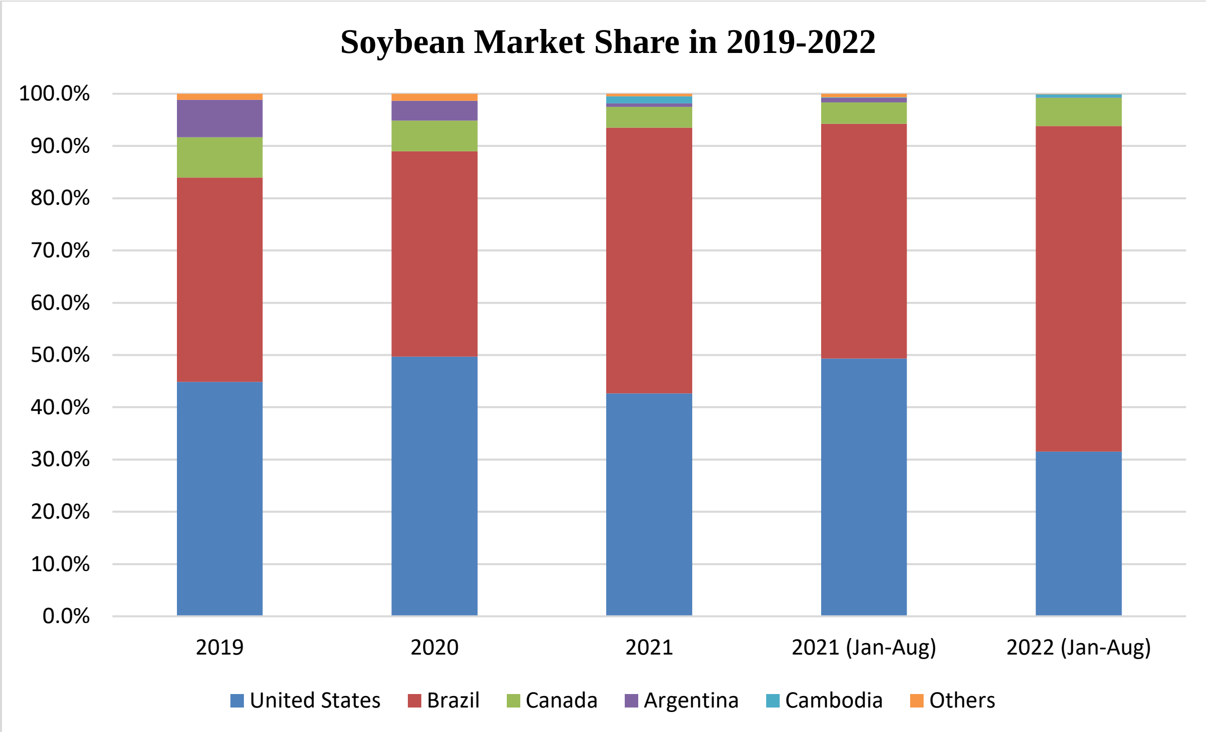
Post forecasts MY2021/22 and MY2022/23 soybean feed consumption at 165,000 and 180,000 tons respectively due to increasing full fat soybean demand for feed for piglets, sows, and chickens.

Trade

Imports

According to Vietnam Customs, Vietnam's soybean imports, as of August 31, reached 1.29 million tons, a decrease of 7.5 percent compared to the same period last year. Brazil was the largest soybean exporter with 62.3 percent of the market share followed by the United States with 31.5 percent of the market share. Cambodia continues to supply a small amount of soybeans to Vietnam with 0.6 percent of market share due to its proximity and good quality of beans for food use.

Table 2: Soybean Supplier Market Share (percentage)



Source: Vietnam Customs (https://www.customs.gov.vn)

Post revises its forecasts of soybean imports down to 1.95 million tons in MY2021/22 and 2.05 million tons in MY2022/23 due to lower soybean meal demand for animal feed.

Policy

On March 31, 2019, the MARD/Plant Protection Department (PPD) announced a zero-tolerance policy for soybean and wheat shipments containing the weed seed *Cirsium arvense.* This policy has created uncertainty for exporters, importers, and the Vietnamese feed and flour milling industries. On December 25, 2020, Vietnam issued the Circular 15 promulgating the National Technical Regulations (NTR) 192 on the phytosanitary requirements for imported regulated articles. NTR 192 sets a zero tolerance on all quarantine pests regulated under Circular 35/2014/TT-BNNPTNT issued in 2014 including *Cirsium arvense*. Please refer to the GAIN report VM-2020-0128 for further information. Circular 15 entered into force on June 25, 2021.

Peanuts

Production

Post forecasts peanut production at 400,000 tons in MY 2021/22,[3] decreasing to 388,000 tons in MY2022/23 based on projected decreases in planted area as farmers switch from peanuts to more profitable crops such as various fruits and vegetables.

According to MARD, as of August 15, peanut planted area was 148,000 hectares, a drop of 2 percent in area compared to the same period of the previous year. Peanut growing area is declining due to low yields and farmers switching to more profitable crops and fruits.

Table 3: Vietnam's Peanut Production

	2019	2020	2021	2022*	2023*
Crop area (thousand ha)	176.8	170	165	160	155
Crop yield (MT/ha)	2.48	2.5	2.5	2.5	2.5
Total peanut production** (TMT)	438.8	425.5	412.5	400	388

Source: GSO, MARD
**Post estimate*
***in-shell basis*

Crush

Post forecasts peanut crush volume at 33,000 tons in MY2021/22 and 34,000 tons in MY2022/23 due to projected higher family consumption and a switch from fat use in the central provinces. This reflects peanut oil production with a low oil extraction rate of 0.26 due to the small-scale production and limited crushing technology. Peanut crushing occurs at the household level based on family consumption in the central provinces.

Food Use Consumption

Most locally produced and imported peanuts are consumed in retail sales channels, food service, and the food processing industry (especially in the snack industry) for both domestic consumption and export.

In-shell peanuts are available from street vendors in boiled and roasted forms, at "bia hoi" (fresh draft beer) restaurants, and in wet markets during harvest season. Small retail stores usually sell raw shelled peanuts in loose formats, while modern retailers, including supermarkets and hypermarkets, sell packaged raw shelled peanuts. Foodservice providers and food processors purchase peanuts in bulk.

[3] Marketing Year (MY) of peanuts is from January 1 to December 31.

Post revises its forecast of total peanut consumption down to 500,000 tons in MY2021/22 as the food service sector, food processors and “bia hoi” restaurants have yet to reach their pre-COVID operational levels. Post forecasts consumption to increase to 520,000 tons in MY2022/23 as of foodservice providers, processors, and retail stores increase their operations.

Trade

Imports

According to Vietnam Customs, as of August 31, Vietnam imported about 92,000 tons of peanuts (in-shell basis) down 42 percent compared to the same period of the previous year. The majority of peanut imports are shelled peanuts. India and Madagascar are the largest shelled peanut suppliers to Vietnam with about 70 percent of the total market share.

The drop in imported in-shell peanuts in MY2020/21 reflects the limited operations of foodservice providers, restaurants, and “bia hoi” restaurants due to COVID-19 outbreaks in the first quarter. Vietnam imports shelled peanuts for border trade with China. China’s Zero COVID policy is affecting border trade with Vietnam.

Post lowers its forecast for peanut (in-shell basis) imports down to 200,000 tons in MY2021/22 due to border trade issues with China and increases it to 280,000 in MY2022/23 due to the anticipated full recovery of operations in the local foodservice and processing sectors coupled with lower forecasted production.

Table 4: Vietnam’s Peanut Imports by HS code

	2020	**2021**	**2021 (Jan-Aug)**	**2022 (Jan-Aug)**
Total in-shell peanut (MT) *(HS code 120241)*	16,304	1,222	106	440
Total shelled peanut (MT) (in-shell basis) (*HS code 120242)*	228,305	212,821	158,264	91,393
Total peanut imports (in-shell basis) (MT)	**244,609**	**214,043**	**158,375**	**91,833**

Source: Vietnam Customs and Post’s calculation

**Note: Conversion rate from shelled peanut into in-shell peanuts: 1.33.*

Exports

As of August 31, Vietnam exported 34,000 tons of peanuts (in-shell basis, excluding peanuts with HS code 200811) according to Vietnam Customs, a major drop compared to the same period last year. China’s Zero COVID policy has affected border trade with Vietnam. Customs data shows that no peanuts were exported to China, normally a major export market for Vietnam's peanuts, between February and April.

According to TDM, Vietnam exported 1,881 tons of prepared and preserved shelled peanuts (HS code 200811) in MY2021/22, down 39 percent compared to the same period of the previous year. This reflects the lower operational capacity of local processors due to COVID-19 outbreaks in March.

Vietnam imports peanuts for border trade with China. Post forecasts that peanut exports in MY2021/22 will decrease due to China's Zero COVID policy. Post forecasts peanut exports in MY2022/23 will increase due to the recovery from COVID-19 and expected reopening of border trade coupled with strong demand from China.

Post forecasts peanut exports will decrease to 80,000 tons in MY2021/22 due to the border trade issue with China and increase to 120,000 tons in MY2022/23 as the borders reopen.

Table 5: Vietnam Peanut Exports, by HS Code 200811

	2019	2020	2021	2021 (Jan-June)	2022 (Jan-June)
Shelled peanut exports (MT) (*HS code 200811)*	4,774	5,552	3,936	2,310	1,414
Peanut exports (in-shell basis) (MT)	**6,349**	**7,384**	**5,234**	**3,072**	**1,881**

Source: TDM [4]
Note: Peanuts are on an in-shell basis, including shelled peanuts HS code 200811 including peanut butter. Conversion rate from shelled peanut into in-shell peanuts: 1.33.

Table 6: Vietnam's Peanuts Exports, by HS code

	2020	2021	2021 (Jan-Aug)	2022 (Jan-Aug)
Total in-shell peanut (MT) *(HS code 120241)*	15,666	14,284	13,690	840
Total shelled peanut (MT) (in-shell basis) (*HS code 120242)*	94,890	90,888	79,711	32,877
Peanut exports (in-shell basis) (MT)	**110,556**	**105,172**	**93,401**	**33,727**

Source: Vietnam Customs and Post's calculation
**Note: Conversion rate from shelled peanut into in-shell peanuts: 1.33.*

[4] Vietnam is not a reported country in TDM. Throughout this report, every time TDM is noted, Vietnam exports refers to global imports from Vietnam and Vietnam imports refers to global exports reported to Vietnam.

Copra

Production

Vietnam's coconut planting area was 186,000 hectares in 2021, according to GSO. The Mekong Delta is the major coconut producing region in Vietnam, with Ben Tre as the largest coconut planting province, accounting for about 40 percent of the total coconut planting area, with major coconut producers and processors. Tra Vinh province is the second largest coconut planting province with 25,000 hectares in 2021, accounting for about 13.4 percent of the total coconut planting area.

Coconut planting area is projected to continue to increase as it's more profitable than other crops. Coconuts have a stronger resilience to salinity intrusion in the coastal areas compared to other crops, according to the Tra Vinh Department of Agriculture and Rural Development. Tra Vinh has about 700 hectares of the macapuno or coconut sport variety, which is called "dua sap" in Vietnamese. This variety is priced five times higher than normal coconut varieties in the domestic market. Tra Vinh province also provides technical and administrative support to coconut farmers in cooperation with processors to obtain organic certifications from recognized parties including USDA, organic EU, JAS, and Global GAP.

The coconut black headed caterpillar (Opisina arenosella) was discovered in Ben Tre province in July 2020. According to a weekly pest report of the MARD/PPD, as of September 1, 2022, about 986 hectares in Ben Tre, Soc Trang, and Tra Vinh have been infected. The pest damages coconut leaves and nuts and can possibly kill the trees. Treatment and technical assistance are ongoing with the engagement of research institutes and universities.

Post forecasts the average coconut yield at 9,000 nuts per hectare in MY2021/22 and MY2022/23. Post forecasts the harvested area at 180,000 hectares in MY2021/22 and 184,000 hectares in MY2022/23, which is 10,000 hectares lower than the planting area to account for the four to five years it takes from planting coconut trees to the first harvest, according to the Ben Tre Coconut Association.

Vietnam produces a limited amount of copra from coconut oil crushing due to low domestic demand. The main processed products are coconut milk, desiccated coconuts, canned coconut juices, and charcoal for export and domestic consumption. Vietnam's copra production is a by-product of its coconut oil production. The estimated extraction rate from milling copra to coconut oil is 64 percent.

Post forecasts copra production at 15,000 tons in both MY2021/22 and MY2022/23 based on the estimated coconut oil production.

Table 7: Coconut and Copra Production

	2019	2020	2021	2022*	2023*
Coconut planting area (thousand ha)	178	182.4	186	190	194
Coconut harvested area (thousand ha)	168	172	176	180	184
Average coconut yield (nuts/ha)	9,149	9,000	9,000	9,000	9,000
Coconut production (million nuts)	1,537	1,512	1,584	1,620	1,656
Coconut Oil production (MT)	8,000	9,000	10,000	10,000	10,000
Milling Copra Consumption for coconut oil crushing (MT) ***	12,000	14,000	15,000	15,000	15,000
Total Estimated Copra Production (MT)***	12,000	14,000	15,000	15,000	15,000

Source: MARD, GSO, TDM, Ben Tre Coconut Association and Coconut Processing Companies
*Post estimates
*** Estimated extraction rate is 64 percent.

Consumption

According to a source from Ben Tre Provincial Department of Science and Technology, there are 208 different coconuts products for both food and industrial uses for both the export and domestic markets.

Industrial Use

Copra crushing plants located in Ben Tre province have a total estimated annual production capacity of 10,000 tons of crude and refined oil and 3,000 tons of virgin coconut oil for the domestic and export markets. Ben Tre has local processors producing desiccated coconuts, coconut milk, and coconut juices for domestic consumption and export. Tra Vinh has about 22 local processors using coconut shells and husks to produce charcoal, coconut liner, and mats for domestic and export markets. Small processors in Tra Vinh produce coconut oil for cosmetics and coconut sugar from coconut nectar.

Post forecasts copra crush at 15,000 tons in both MY2021/22 and MY2022/23. This reflects the estimated coconut oil production.

Food Use

There is no official production or consumption data for copra, desiccated coconut, and other coconut products in Vietnam. However, the major coconut products for food use include fresh and mature coconuts for immediate consumption and cooking, coconut milk, desiccated coconut, coconut milk powder, refined coconut oil, and coconut juice.

Trade

Vietnam continues to import and export a negligible volume of copra while instead focusing on other coconut products. According to TDM, in first half of MY2021/22, Vietnam imported about 318 tons of coconuts in the inner shell and 2,665 tons of coconuts, other than desiccated, a major decrease compared to the same period last year due to lower operational levels of coconut processors. Vietnam imports these as ingredients for processing into other coconuts products for export. Indonesia was the main supplier to Vietnam.

Table 8: Vietnam's Coconut Product Imports *Unit: MT*

Product group	2019	2020	2021	Jan-Jun 2021	Jan-June 2022
Desiccated coconuts (HS code 080111)	203	633	1,987	80	912
Coconuts in the inner shell (Endocarp) (HS code 080112)	2,391	34,928	24,614	11,826	318
Coconuts, other than desiccated (HS code 080119)	2,882	87,329	39,185	23,990	2,665
Copra (HS code 120300)	271	71	0	0	0
Coconut fibers (HS code 530500; 530511; 530519; 530810)	1,926	3,978	3,366	1,716	2,416

Source: TDM

Coconut products that are exported include desiccated coconuts, coconuts in the inner shell, coconut milk, coconut fibers, and activated charcoal. According to TDM, Vietnam's exports of coconuts in the inner shell reached 86,000 tons. China is the largest importer with 96 percent of the market share. According to a local contact, dried endocarp is usually traded via vessel to China.

In the first half of MY2021/22, Vietnam's exports of coconut products other than desiccated coconut, were down 45 percent compared to the same period of the previous year. Vietnam's exports of desiccated coconuts, coconut fibers, and coconut milk also declined. The decline reflects the impacts of the border trade issues with China.

Table 9: Vietnam's Coconut Product Exports *Unit: MT*

Product group	2019	2020	2021	Jan-June 2021	Jan- June 2022
Desiccated coconuts (HS code 080111)	21,129	15,674	56,820	16,636	8,448
Coconuts in the inner shell (Endocarp) (HS code 080112)	229,750	104,979	141,057	69,772	85,917
Coconuts, other than desiccated					

(HS code 080119)	119,867	199,054	98,789	73,288	40,243
Copra (HS code 120300)	0	2	0	0	0
Coconut fibers (HS code 530500; 530511; 530519; 530810)	110,017	88,884	75,301	47,918	21,671
Coconut milk (HS code 21069099001/2/3) *	38,593	51,920	44,741	25,514	22,612

Source: TDM
**Coconut milk exports to Thailand*

Post forecasts an increase of exports of coconut products in the second half of MY2021/22 and MY2022/23 as the borders reopen.

Rapeseed

Production

There is no official data for rapeseed production in Vietnam. Rapeseed cultivation occurs mainly in the northern mountainous provinces as part of the tourism industry or for household consumption. Post keeps the rapeseed cultivation area at 1 thousand hectares for MY2021/22 and MY2022/23[5].

Consumption

Aside from the tourism industry, rapeseed is also used for oil extraction at the household level. Post estimates very low rapeseed consumption to continue in MY2021/22 and MY2022/23.

[5] Marketing Year (MY) of rapeseed, rapeseed meal and rapeseed oil are from October to September.

MEALS SITUATION AND OUTLOOK

Soybean Meal

Production

Post forecasts SBM production in both MY2021/22[6] and MY22/23 at 1.05 million tons. This reflects the forecasted soybean crushing volume at the two crushing facilities.

Table 10: Vietnam's Soybean Meal Production

	2019	2020	2021	2022*	2023*
Total Local SBM Production (TMT)	937	976	1,015	1,053	1,053

*Source: Local Producers, *Post estimate.*

Feed Consumption

Post revises its forecasts of feed consumption down in MY2021/22 and MY2022/23 due to price volatility and existing uncertainties for animal repopulation.

African Swine Fever and Other Animal Diseases.
In first half of 2022, ASF outbreaks continued in 47 provinces leading to the culling of about 37,000 pigs. On June 3, MARD announced its approval for the commercial production of the NAVET-ASF vaccine, the first ASF vaccine ever approved for commercial production. In the first phase of commercial availability MARD is allowing 600,000 doses to be used in select provinces. Local media reported that post-vaccination incidents have occurred in three provinces, Binh Dinh, Phu Yen, and Quang Ngai. Vietnamese authorities are investigating these incidents and have requested the use of the vaccines to be suspended in those provinces until further notice. Swine producers and relevant stakeholders are closely watching the pilot results and government decision for wider commercial use of the ASF vaccine. Post is also monitoring the situation closely. ASF remains a threat to backyard farmers while large producers are aware of the importance of biosecurity investments.

Avian Influenza outbreaks occurred in 13 provinces leading to the death, and culling of 59,000 birds, a major drop compared to the same period of 2021, according to MARD/Department of Animal Health and Department of Livestock Production.

Livestock Production
According to MARD's Monthly Progress Report, as of August 15, the total swine population was up 6.8 percent, the poultry flock increased 3.6 percent, and the total poultry egg production increased 4.8

[6] Marketing Year (MY) of SBM is from January 1 to December 31

percent, compared to the same period of 2021. Total aquaculture production in first eight months of 2021 was up 7 percent, to about 3.2 million tons including catfish, shrimp, and other aquaculture products. However, the Vietnam Association of Seafood Exporters and Producers (VASEP), forecasts that shrimp and catfish exports will slow down in the coming months due to high stocks and price inflation in the major importing markets.

According to an industry source, the farm-gate prices for white and color broilers have increased since May, which led producers to accelerate their poultry repopulation. The reopening of school canteens, industrial zones, and restaurants contributed to the increasing demand for poultry products.

Farm-gate hog prices have increased by about 15-20 percent since April. This has led swine producers to repopulate to take advantage of the strong market demand for meat at the end of the year. Post predicts that swine repopulation will take on a faster pace at large-scale producers, particularly integrated operations that employ the farm-feed-food modality. Household farmers will remain cautious about repopulating because of disease threats and price volatility, particularly with high production costs including feed and piglets.

Post lowers its forecast of total feed demand in MY2021/22 to 26.6 million tons and 27.5 million tons in MY2022/23.

In Vietnam, protein meals used for feed production are very price sensitive. Feed millers will use alternate protein sources in their feed ration formulations based on price. Soybean meal is the major protein source in all aqua and animal feed formulations, ranging from a 15 to 32 percent share of the total ingredients. Post lowers the forecast for SBM feed consumption down to 5.9 million tons in MY2021/22 and 6.1 million tons in MY2022/23. This reflects the feed consumption forecasts.

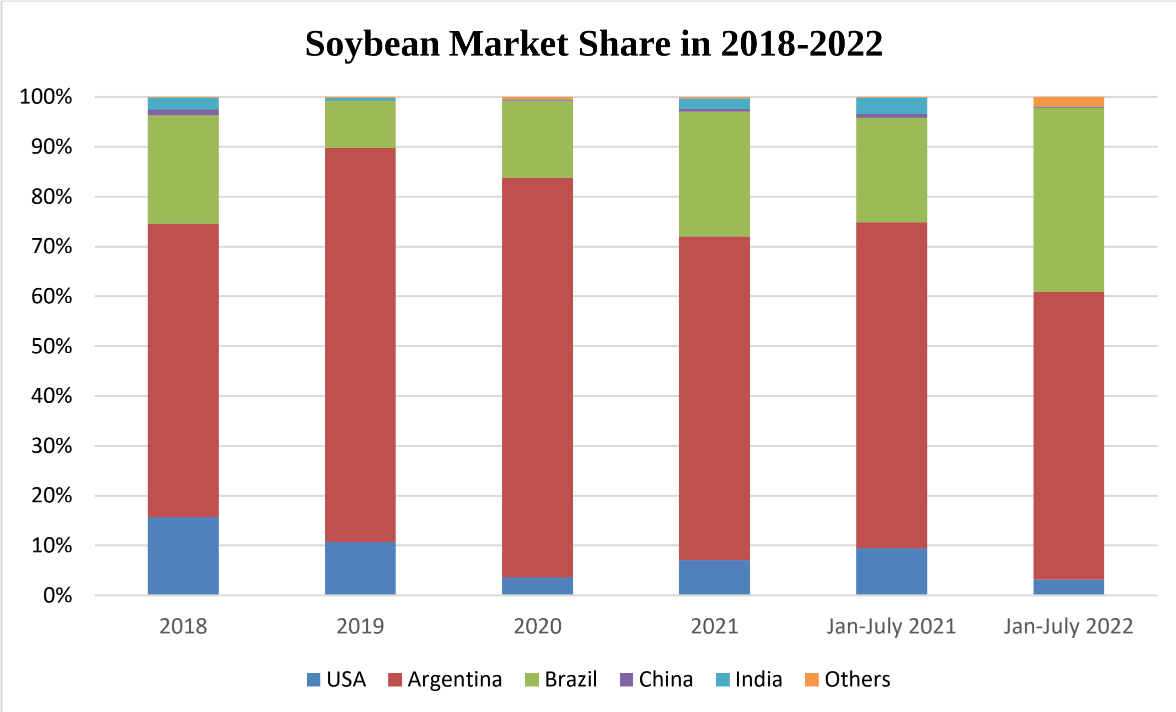
Trade

<u>Imports</u>

In the first seven months of MY2021/22, Vietnam imported 3.15 million tons of SBM, a decrease of 4.3 percent compared to the same period of MY2020/21. Argentina is the largest supplier accounting for 57.7 percent of the SBM imports due to lower prices. The second largest SBM supplier to Vietnam is Brazil accounting for 37 percent of the total market share. The United States is the third largest SBM supplier to Vietnam this year, exporting 100,000 tons.

Post revises the forecast for SBM imports in MY2021/22 down to 5 million tons and 5.2 million tons in MY2022/23. This reflects the total feed demand and local SBM production.

Table 11: Total Soybean Meal* Imports by Source 2018-2022 (Unit: TMT)



Source: TDM data
**Note: Soybean meal (HS code: 2304), and other residues from soybeans (HS Code: 230250), and soy flour (HS code 120810)*

Exports

According to AgroMonitor, Vietnam exported 84,000 tons of SBM in the first seven months of MY2021/22. Cambodia continues to be the main export market, as Cambodia lacks a port, making it costly to directly import SBM from other international sources.

Post revises the forecast for SBM exports in both MY2021/22 and MY2022/23 down to 120,000 tons due to lower SBM exports to the Philippines in MY2021/22 and the consistent demand from Cambodia.

Other Meals

Production

Post forecasts copra meal production at 5,000 tons for both MY2021/22 and MY2022/23, based on the estimated volume of coconut oil exports.

In Vietnam, inputs for fishmeal production also include by-products from aqua product processors and marine captured anchovies. Some offshore fishing vessels have limited their operations since early 2022, due to the increased price of diesel fuel, according to local media. In Kien Giang province, which has the largest fishing fleet in Vietnam, about 20 percent of their offshore vessels have paused fishing due to the high diesel prices and low prices for captured marine products.

Most fishmeal producers in Vietnam are located in the south, in close proximity to input suppliers at the fishing ports and the fish processors, including catfish processors. Post revises fishmeal production in Vietnam down to 430,000 tons in both MY2021/22 and MY2022/23 due to decreasing anchovy catch and constant catfish production.

Trade

Imports

Fishmeal is used as a high-protein ingredient for shrimp feed and animal feed (sows and piglets), according to an industry source. According to TDM, Vietnam fishmeal imports in the first half of MY2021/22 were 52,000 tons, down 5.4 percent compared to the same period of MY2020/21. South Korea, Peru, and India are the top three fishmeal suppliers to Vietnam.

Post lowers the forecast for fishmeal imports down to 130,000 tons in MY2021/22 and up to 150,000 tons in MY2022/23[7] due to lower local fishmeal production.

According to TDM, Vietnam's rapeseed imports were 111,000 tons as of June 30, a decrease of 9 percent compared to the same period of MY2020/21. India is the largest supplier of rapeseed meal to Vietnam. Post revises its forecast of rapeseed meal imports down to 150,000 tons in both MY2021/22 and MY2022/23 following the estimated total feed demand.

Copra meal imports were 52,000 tons in the first seven months of MY2020/21, an increase of 74 percent compared to the same period of the previous year. Indonesia and the Philippines were the two major suppliers of copra meal to Vietnam. Post revises copra meal import forecasts in MY2021/22 and MY2022/23 up to 80,000 tons due to its lower price compared to other ingredients.

Exports

Fishmeal exports reached 115,000 tons in the first half of MY2021/22, up 3 percent compared to the same period of the previous year. China remains the largest market.

Post revises its forecast of fishmeal exports down to 170,000 tons in MY2021/22 and 180,000 tons in MY2022/23 due to projected lower local production, with China being the largest export destination. Vietnam exports low-protein fishmeal, while importing high-protein fishmeal.

[7] Marketing Year (MY) of fishmeal is from January 1 to December 31.

OILS SITUATION AND OUTLOOK

Production

Post revises its forecasts of total refined vegetable oil production down to 1.45 million tons in MY2021/22 due to the impact of COVID outbreaks in first quarter of 2022. Oil production is forecast to increase to 1.53 million tons in MY2022/23 due to increasing domestic consumption and export.

Post lowers its forecast of local soy oil production down to 257,000 tons in both MY2021/22 and MY2022/23, reflecting the soybean crush volume. Rice bran oil production is forecast to increase to 24,000 tons in MY2021/22. According to sources in the oil industry, rice bran oil production continues to increase with higher demand for home cooking because of its high quality and affordable price.

Table 12: **Refined Vegetable Oil Production in Vietnam**

	2019	2020	2021	2022*	2023*
Refined vegetable oil (TMT)	1,253	1,315	1,390	1,450	1,530

*Source: GSO, *Post estimates and local producers*

The domestic price of peanut oil is not competitive with other vegetable oils for household cooking, industrial canteens, or food service. Currently, domestic refined and bottled peanut oil is about $5-6 USD per liter while other vegetable oils range from $2.50 to 3.50 USD a liter.

Table 13: Peanut Oil Production

	2019	2020	2021	2022*	2023*
Peanut oil production (MT)	7,605	7,900	8,200	8,500	8,700

*Source: GSO, *Post estimate*

Food Consumption

Palm oil is used widely in the food service and food processing sector because of its low price. According to GSO, as of August 31, the total revenue from food and lodging services increased 48 percent compared to the same period of the previous year. Post projects a higher use of palm oil in the food processing, food service sector, and canteens in industrial zones in MY2021/22 and MY2022/23 as tourism, processing in industrial zones, and school canteens resume operations.

Post forecasts refined vegetable oil consumption at 1.3 million tons in MY2021/22 and 1.35 million tons in MY2022/23 as the food service and tourism sectors rebound. There is room for oil consumption growth since vegetable oil consumption per capita in Vietnam is about 14 kg. The OECD-FAO projects Vietnam’s vegetable oil consumption per capita could increase to 18 kg by 2028, with an average consumption growth of 2.2 percent per year from 2019-2028.

Trade

Imports

Table 14: **Imported Vegetable Oils to Vietnam (thousand metric tons - TMT)**

	2019	2020	2021	2022*	2023*
Palm oil	870	1,005	915	950	980
Soy oil	45	45	71	80	80
Rapeseed oil	2	4	3	3	3
Coconut oil	3	4	4	4	4

Source: TDM
** Post estimates*

According to TDM, in the first seven months of MY2021/22, Vietnam imported 462,000 tons of palm oil, down 8 percent compared to the same period of the previous year. Indonesia's export policy restrictions in May and COVID-19 outbreaks limited both supply and demand for foodservice providers in the first quarter. Vietnam imported very little palm oil in May when Indonesia restricted exports for three weeks. The two main palm oil suppliers are Indonesia and Malaysia. Vietnam imported 23,000 tons of soy oil from the world with Thailand as the main supplier.

Post lowers its forecast of palm oil imports in MY2021/22 down to 950,000 as imports were limited in the first five months of MY2021/22. Imports are forecast to increase to 980,000 tons in MY2022/23 following the projected economic recovery.

Post forecasts soy oil imports at 80,000 tons in both MY2021/22 and MY2022/23 because of increasing soy oil consumption and exports.

Exports

According to an update published by the Vietnam Industry and Trade Information Center at the Ministry of Industry and Trade, in MY2020/21, Vietnam vegetable oil exports were double in value compared to MY2019/20. The top four export markets were Cambodia, South Korea, Malaysia, and the United States. Cambodia and South Korea accounted for 41.3 percent and 23 percent of total exports value of the MY2020/21. Major Vietnam vegetable oil exports were palm oil, soy oil, and coconut oil, of which palm oil and soy oil exports accounted for 50 percent and 36 percent respectively of the total export value.

According to TDM, in the first half of MY2021/22, Vietnam exported about 22,000 metric tons of soy oil to South Korea, which accounted for 64 percent of Vietnam's soy oil exports. As of June 30, Vietnam exported 7,000 tons of coconut oil, with the United States, Canada, and China as the top three importers. Cambodia is continuing to increase their imports of soy and palm oil from Vietnam.

Table 15: **Vietnam Exported Vegetable Oils to Cambodia (thousand metric tons - TMT)**

	2017	2018	2019	2020	2021*
Palm oil	48	39	42	52	60
Soy oil	0.5	0.5	1	1.5	1.5

Source: TDM – Annual Series and Vietnam as reporter.
** Post forecast*

Post forecasts soy oil exports at 75,000 tons in MY2021/22 and 80,000 tons in MY2022/23 following high soy oil prices and the forecasted domestic soy oil production. Vietnam's soy oil exports normally happen at times of low consumption and high production, for instance after the Lunar New Year holiday, with increased imports occurring before the holiday.

Post revises its forecast of palm oil exports down to 62,000 tons in both MY2021/22 and MY2022/23 due to projected lower local production and imports, with Cambodia as the main export market.

Post keeps coconut oil exports at 10,000 tons in both MY2021/22 and MY2022/23.

PSD Tables

Oilseed, Soybean	2020/2021		2021/2022		2022/2023	
Market Year Begins	Jan 2021		Jan 2022		Jan 2023	
Vietnam	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	40	0	30	0	30	0
Area Harvested (1000 HA)	36	36	33	33	30	30
Beginning Stocks (1000 MT)	348	348	451	471	454	439
Production (1000 MT)	58	58	53	53	48	48
MY Imports (1000 MT)	2015	2015	2000	1950	2050	2050
Total Supply (1000 MT)	2421	2421	2504	2474	2552	2537
MY Exports (1000 MT)	0	0	0	0	0	0
Crush (1000 MT)	1300	1300	1350	1350	1400	1350
Food Use Dom. Cons. (1000 MT)	480	500	510	520	530	550
Feed Waste Dom. Cons. (1000 MT)	190	150	190	165	190	180
Total Dom. Cons. (1000 MT)	1970	1950	2050	2035	2120	2080
Ending Stocks (1000 MT)	451	471	454	439	432	457
Total Distribution (1000 MT)	2421	2421	2504	2474	2552	2537
Yield (MT/HA)	1.6111	1.6111	1.6061	1.6061	1.6	1.6
(1000 HA), (1000 MT), (MT/HA)						

Oilseed, Peanut	2020/2021		2021/2022		2022/2023	
Market Year Begins	Jan 2021		Jan 2022		Jan 2023	
Vietnam	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	0	0	0	0	0	0
Area Harvested (1000 HA)	165	165	160	160	155	155
Beginning Stocks (1000 MT)	76	76	54	61	49	48
Production (1000 MT)	413	413	400	400	388	388
MY Imports (1000 MT)	214	214	250	200	280	280
Total Supply (1000 MT)	703	703	704	661	717	716
MY Exports (1000 MT)	15	110	15	80	15	120
Crush (1000 MT)	60	32	60	33	60	34
Food Use Dom. Cons. (1000 MT)	574	500	580	500	585	520
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	634	532	640	533	645	554
Ending Stocks (1000 MT)	54	61	49	48	57	42
Total Distribution (1000 MT)	703	703	704	661	717	716
Yield (MT/HA)	2.503	2.503	2.5	2.5	2.5032	2.5032
(1000 HA), (1000 MT), (MT/HA)						

Oilseed, Copra	2020/2021		2021/2022		2022/2023	
Market Year Begins	Jan 2021		Jan 2022		Jan 2023	
Vietnam	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	0	186	0	190	0	194
Area Harvested (1000 HA)	176	176	180	180	184	184
Trees (1000 TREES)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	8	8	8	8	20	8
Production (1000 MT)	282	14	288	15	288	15
MY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	290	22	296	23	308	23
MY Exports (1000 MT)	0	0	0	0	0	0
Crush (1000 MT)	282	14	276	15	288	15
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	282	14	276	15	288	15
Ending Stocks (1000 MT)	8	8	20	8	20	8
Total Distribution (1000 MT)	290	22	296	23	308	23
Yield (MT/HA)	1.6023	0.0795	1.6	0.0833	1.5652	0.0815
(1000 HA), (1000 TREES), (1000 MT), (MT/HA)						

Oilseed, Rapeseed	2020/2021		2021/2022		2022/2023	
Market Year Begins	Oct 2020		Oct 2021		Oct 2022	
Vietnam	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	0	1	0	1	0	1
Area Harvested (1000 HA)	1	1	1	1	1	1
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	2	2	2	2	2	2
MY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	2	2	2	2	2	2
MY Exports (1000 MT)	0	0	0	0	0	0
Crush (1000 MT)	2	2	2	2	2	2
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	2	2	2	2	2	2
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	2	2	2	2	2	2
Yield (MT/HA)	2	2	2	2	2	2
(1000 HA), (1000 MT), (MT/HA)						

Meal, Soybean	2020/2021		2021/2022		2022/2023	
Market Year Begins	Jan 2021		Jan 2022		Jan 2023	
Vietnam	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	1300	1300	1350	1350	1400	1350
Extr. Rate, 999.9999 (PERCENT)	0.7808	0.7808	0.78	0.78	0.78	0.78
Beginning Stocks (1000 MT)	525	525	350	317	303	270
Production (1000 MT)	1015	1015	1053	1053	1092	1053
MY Imports (1000 MT)	5052	5052	5200	5000	5300	5200
Total Supply (1000 MT)	6592	6592	6603	6370	6695	6523
MY Exports (1000 MT)	112	345	120	120	120	120
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	80	80	80	80	85	85
Feed Waste Dom. Cons. (1000 MT)	6050	5850	6100	5900	6175	6100
Total Dom. Cons. (1000 MT)	6130	5930	6180	5980	6260	6185
Ending Stocks (1000 MT)	350	317	303	270	315	218
Total Distribution (1000 MT)	6592	6592	6603	6370	6695	6523
(1000 MT), (PERCENT)						

Meal, Copra	2020/2021		2021/2022		2022/2023	
Market Year Begins	Jan 2021		Jan 2022		Jan 2023	
Vietnam	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	282	14	276	15	288	15
Extr. Rate, 999.9999 (PERCENT)	0.3511	0.3571	0.3514	0.3333	0.3507	0.3333
Beginning Stocks (1000 MT)	10	10	9	15	10	20
Production (1000 MT)	99	5	97	5	101	5
MY Imports (1000 MT)	56	56	50	80	50	80
Total Supply (1000 MT)	165	71	156	100	161	105
MY Exports (1000 MT)	2	0	1	0	1	0
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	154	56	145	80	150	80
Total Dom. Cons. (1000 MT)	154	56	145	80	150	80
Ending Stocks (1000 MT)	9	15	10	20	10	25
Total Distribution (1000 MT)	165	71	156	100	161	105
(1000 MT), (PERCENT)						

Meal, Rapeseed	2020/2021		2021/2022		2022/2023	
Market Year Begins	Oct 2020		Oct 2021		Oct 2022	
Vietnam	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	2	2	2	2	2	2
Extr. Rate, 999.9999 (PERCENT)	0.5	0.5	0.5	0.5	0.5	0.5
Beginning Stocks (1000 MT)	27	27	24	23	15	24
Production (1000 MT)	1	1	1	1	1	1
MY Imports (1000 MT)	156	155	125	150	155	150
Total Supply (1000 MT)	184	183	150	174	171	175
MY Exports (1000 MT)	0	0	0	0	0	0
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	160	160	135	150	150	160
Total Dom. Cons. (1000 MT)	160	160	135	150	150	160
Ending Stocks (1000 MT)	24	23	15	24	21	15
Total Distribution (1000 MT)	184	183	150	174	171	175
(1000 MT), (PERCENT)						

Meal, Fish	2020/2021		2021/2022		2022/2023	
Market Year Begins	Jan 2021		Jan 2022		Jan 2023	
Vietnam	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Catch For Reduction (1000 MT)	0	0	0	0	0	0
Extr. Rate, 999.9999 (PERCENT)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	42	42	22	19	24	39
Production (1000 MT)	460	450	460	430	460	430
MY Imports (1000 MT)	107	107	130	130	150	150
Total Supply (1000 MT)	609	599	612	579	634	619
MY Exports (1000 MT)	231	230	180	170	190	180
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	356	350	408	370	424	400
Total Dom. Cons. (1000 MT)	356	350	408	370	424	400
Ending Stocks (1000 MT)	22	19	24	39	20	39
Total Distribution (1000 MT)	609	599	612	579	634	619
(1000 MT), (PERCENT)						

Oil, Soybean	2020/2021		2021/2022		2022/2023	
Market Year Begins	Jan 2021		Jan 2022		Jan 2023	
Vietnam	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	1300	1300	1350	1350	1400	1350
Extr. Rate, 999.9999 (PERCENT)	0.19	0.19	0.1904	0.1904	0.19	0.1904
Beginning Stocks (1000 MT)	112	112	87	87	76	69
Production (1000 MT)	247	247	257	257	266	257
MY Imports (1000 MT)	72	72	80	80	80	80
Total Supply (1000 MT)	431	431	424	424	422	406
MY Exports (1000 MT)	74	74	75	75	75	80
MY Exp. to EU (1000 MT)	0	0	0	0	0	0
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	270	270	273	280	275	285
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	270	270	273	280	275	285
Ending Stocks (1000 MT)	87	87	76	69	72	41
Total Distribution (1000 MT)	431	431	424	424	422	406
(1000 MT), (PERCENT)						

Oil, Coconut	2020/2021		2021/2022		2022/2023	
Market Year Begins	Jan 2021		Jan 2022		Jan 2023	
Vietnam	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	282	14	276	15	288	15
Extr. Rate, 999.9999 (PERCENT)	0.6489	0.6429	0.6449	0.6667	0.6424	0.6667
Beginning Stocks (1000 MT)	16	16	15	16	10	17
Production (1000 MT)	183	9	178	10	185	10
MY Imports (1000 MT)	4	4	4	4	4	4
Total Supply (1000 MT)	203	29	197	30	199	31
MY Exports (1000 MT)	10	10	10	10	10	10
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	178	3	177	3	178	3
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	178	3	177	3	178	3
Ending Stocks (1000 MT)	15	16	10	17	11	18
Total Distribution (1000 MT)	203	29	197	30	199	31
(1000 MT), (PERCENT)						

Oil, Palm	2020/2021		2021/2022		2022/2023	
Market Year Begins	Jan 2020		Jan 2022		Jan 2023	
Vietnam	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	0	0	0	0	0	0
Area Harvested (1000 HA)	0	0	0	0	0	0
Trees (1000 TREES)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	117	117	82	77	55	48
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	915	915	930	950	950	980
Total Supply (1000 MT)	1032	1032	1012	1027	1005	1028
MY Exports (1000 MT)	0	50	0	62	0	62
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	945	900	950	910	960	920
Feed Waste Dom. Cons. (1000 MT)	5	5	7	7	7	7
Total Dom. Cons. (1000 MT)	950	905	957	917	967	927
Ending Stocks (1000 MT)	82	77	55	48	38	39
Total Distribution (1000 MT)	1032	1032	1012	1027	1005	1028
Yield (MT/HA)	0	0	0	0	0	0
(1000 HA), (1000 TREES), (1000 MT), (MT/HA)						

Oil, Rapeseed	2020/2021		2021/2022		2022/2023	
Market Year Begins	Oct 2020		Oct 2021		Oct 2022	
Vietnam	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	2	2	2	2	2	2
Extr. Rate, 999.9999 (PERCENT)	0.5	0.5	0.5	0.5	0.5	0.5
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	1	1	1	1	1	1
MY Imports (1000 MT)	3	3	3	3	3	3
Total Supply (1000 MT)	4	4	4	4	4	4
MY Exports (1000 MT)	1	0	0	0	0	0
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	3	4	4	4	4	4
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	3	4	4	4	4	4
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	4	4	4	4	4	4
(1000 MT), (PERCENT)						

Attachments:

No Attachments