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Vietnam

Grain and Feed

Rice Weekly Update

2004

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Report Highlights: Export prices were higher than prices quoted last week by USD 1-3/mt or about USD 2-5/mt higher than prices offered two weeks ago. The Ministry of Trade set regulations to control Vietnam's 2004 rice exports at 3.5 million metric tons.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Hanoi [VM1]
[VM]

Indicative price (Week ending July 23, 2004)**Vietnam rice export prices (FOB basis) for various grades**

| Grade % Broken | #1 | #2 | #3 | #4 | #5 | #6 | #7 | Period Averages | |
|-------------------|-----|-----|-----|-----|-----|-----|-----|--------------------|-----------------------|
| | | | | | | | | Current Average | Previous (July 16) |
| 5 | 228 | 229 | 230 | 230 | 230 | 230 | 230 | 229.57 | 227.71 |
| 10 | 225 | 225 | 226 | 226 | 225 | 225 | 225 | 225.29 | 224.71 |
| 15 | 221 | 221 | 222 | 222 | 222 | 222 | 222 | 221.71 | 220.71 |
| 25 | 217 | 217 | 218 | 218 | 219 | 219 | 219 | 218.14 | 216.14 |

Source: Average indicative prices from exporters

Export prices went up by \$1-3/mt compared with prices quoted last week or about \$2-5/mt higher than prices 2 weeks ago. In local markets, domestic prices increased by VND 50-60/kg (approx. \$3-4/mt) or VND 100-160/kg (approx. \$6-10/mt) compared with last week and last 2 weeks respectively, depending on the quality of the rice.

Exports

The following are reported rice exports (metric tons) from July 10 to July 16, 2004.

| Week ending | Quantity | 4-WK Avg. | Year to date | Year ago |
|-------------|----------|-----------|--------------|-----------|
| May 14 | 83,000 | 83,750 | 1,585,000 | 1,395,000 |
| May 21 | 80,000 | 96,250 | 1,665,000 | 1,470,000 |
| May 28 | 110,000 | 92,500 | 1,775,000 | 1,610,000 |
| June 04 | 100,000 | 93,250 | 1,875,000 | 1,785,000 |
| June 11 | 31,000 | 80,250 | 1,906,000 | 1,857,000 |
| June 18 | 64,000 | 76,250 | 1,970,000 | 1,947,000 |
| June 25 | 61,000 | 64,000 | 2,031,000 | 2,156,000 |
| July 02 | 131,000 | 71,750 | 2,162,000 | 2,250,000 |
| July 09 | 118,000 | 93,500 | 2,280,000 | 2,321,000 |
| July 16 | 72,000 | 95,500 | 2,352,000 | 2,395,000 |

Rice Export Control

Effective from June 2004, rice exporters must report their contract prices and quantities to the Vietnam's Food Association (VFA), per the Ministry of Trade (MOT)'s news regulations. Without a notification from the VFA, rice exporters cannot obtain custom clearance for their shipments.

On July 19, 2004 the MOT also sent an official letter to ask the VFA and the Customs Office to strictly control rice exports in order to ensure Vietnam's 2004 rice exports do not exceed 3.5 million metric tons.

According to the MOT, the goal of the 3.5 MMT export limit is to stabilize rice prices in local markets and to avoid contracts signed at low prices that may cause losses for rice exporters in late 2004. Moreover, this measure will also secure exportable quantities of rice for delivery in early 2005. Many rice traders are complaining about the MOT's new regulations.

End of Report