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Grain and Feed Annual

2017

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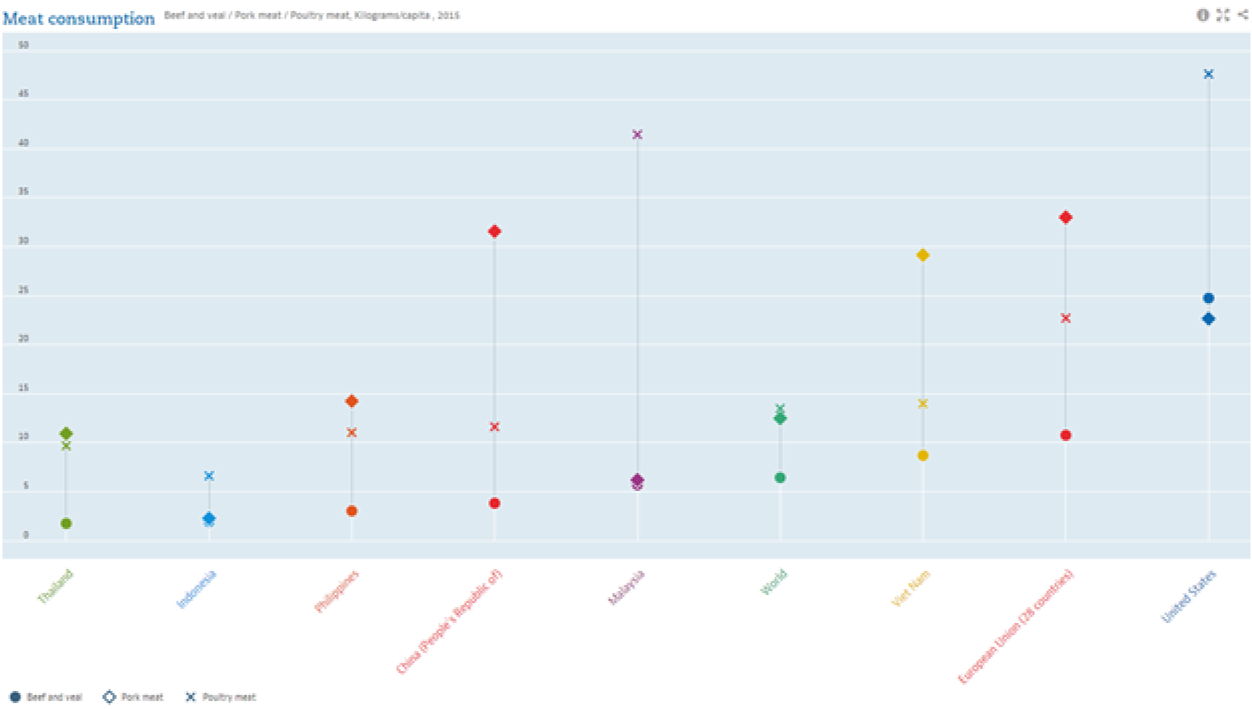
Report Highlights:
Post estimates Vietnam's wheat imported volume for MY 2016/2017 at 4.5 million tons due to expected increase in the use of both milling and feed wheat. Corn imports are likely to decrease partly as wheat prices remain competitive. Rice production is forecast at 44.52 million tons of paddy rice due to improved weather conditions and sufficient rainfall.

SITUATION AND OUTLOOK

Vietnam is one of world's top pork consumption countries and stands second in Asia, only after China. The Vietnam hog industry is the key driver of local feed industry. The hog industry has developed rapidly since the 1990s. The last two years, Vietnam sold a growing number of live hogs through the border whenever the demand was very high in China.



Source: https://data.oecd.org/agroutput/meat-consumption.htm

Vietnam's feed industry performed well in 2016 as imports of feed ingredients increased sharply, meeting the rapid increase of local feed demand. In recent years, Vietnam's hog industry was particularly focused on supplying the local market. Beginning in late 2015, the Vietnam hog industry exported a large number of live hogs, through unofficial channels. Unexpectedly, the border was closed and hog prices dropped dramatically in late 2016, which strongly impacted the Vietnam hog industry and at the same time also had serious impact on the feed industry.

Despite the setbacks, the industry learned from this experience that the export of live hogs and pork meat from Vietnam to countries with higher demand is feasible. The increasing feed mills are working on meeting the high feed demand due to the fast-growing intensive swine industry. Related government agencies are supporting programs focusing on animal production for export.

The government is also considering the importance of imported feed ingredients especially imported corn. The government is aware that there are periods when imported corn is very competitive to local grown corn in lieu of price.

The local corn production areas have gradually increased but not changed markedly over time, reflecting the Vietnamese government's policy of encouraging the increase of corn cultivation for supplying the local feed industry. However, local corn production face challenges as a result of competitive priced corn supplied by major corn producers like Argentina, and Brazil. Since 2014, competitive international corn prices brought about by slashes in price have been lower than prices for Vietnamese corn. The latter situation, has resulted in abnormal corn volume imported into the country, despite the supply has been much higher than the local demand.

On the other hand, under the right conditions, feed wheat can be an alternative feed source in place of corn. Imports of feed wheat depend greatly on its price competitiveness with corn prices. Feed wheat imported in MY 2016/17 and MY 2017/18 are estimated to increase sharply due to its price competitiveness. However, the reality is feed wheat cannot totally replace corn in the feed industry. Initially, feed wheat was almost exclusively used in aquaculture. Currently, due to the competitive price of feed wheat, the latter is becoming a crucial ingredient in producing compound feed for aquaculture and livestock. This situation is impacting total corn imports into Vietnam.

Vietnam feed industry summary

Despite performing well in 2016, the Vietnam feed industry faced great challenges. In recent years, the Vietnam feed industry relied heavily on imported ingredients - about 45 percent of total raw material volume is imported from other countries. The imported raw materials include soybean meal, corn, DDGS, various kinds of meal and bran like copra, canola, rape seed meal, and wheat bran. Additionally, imported ingredients also include animal protein sources like meat and bone meal (MBM) and fish meal. In calendar year 2016, the total imported feed ingredients increased up to 50.83 percent of the total. Post estimates the import share will be 50.92 percent in calendar year 2017 and down to 46.56 percent in calendar year 2018, due to the decrease in the industry's hog population.

The local sources for feed include rice bran and broken rice, which are obtained from the rice industry. The rice milling industry produces approximately 5 million tons of rice bran which is estimate up to 6 million tons in the CY 2016, most of which is used for feed. Unlike rice bran, which is used only as a feed ingredient, broken rice is used in a relatively small volume given its strong competitiveness with exported rice. The amount of broken rice used for feed in CY 2016 is revised up from 0.5 million tons to 1.5 million tons due to the low demand for export and high demand for local feed production.

There is expected high demand for cassava use in feed as a result of weak demand of exported cassava, and low volume for local industrial production and the biofuel industry. The latter conditions have resulted in the volume of cassava for feed use increasing from 1 million tons to 2 million tons.

Imported feed wheat accounts for about 20-25 percent of total imported wheat in recent years. However, the import volume is likely to increase greatly from 0.6 million tons to 1.1 million tons as wheat prices become competitive with corn import prices. Feed wheat is increasingly becoming an important energy source for the animal feed industry in Vietnam.

While Vietnam can supply more than 75 percent of its demand for feed ingredient energy sources, the country relies heavily on imported protein sources such as soybean, soybean meal, meat and bone meal, and fish meal. Currently, Vietnam focuses on expanding corn and soybean planted area to minimize level of ever-increasing yearly imports. More specifically, government policies favor expanding corn acreage.

Home-made feed is originally based mostly on local ingredients, which are mainly from local supply sources such as corn, rice bran, broken rice, cassava, and other local vegetable and various kinds of food waste. However, home-made feed is not a sustainable feed source for a growing intensive animal production industry. Home-made feed production volume increased sharply in calendar year 2016 as a result of high demand. Post estimates that there was significant volume of imported feed ingredients used in producing home-made meal.

Imports of finished feed are estimated at about 1.5 million tons per year. Imported feed is specific kinds of feed for certain group of animal and fish, such as prawn feed, ornamental fish, and pet food.

Source of feed ingredients supplied for Vietnam feed industry calendar year 2016-2018

	CY 2016	CY 2017	CY 2018
Import(1)	**17.37**	**14.00**	**13.30**
Soybean Meal	5.60	5.50	5.00
Corn	5.70	3.99	3.80
DDGS	1.20	0.50	0.50
Feed wheat	1.10	2.75	2.50
Other meal/bran	2.00	0.50	0.50
Others (MBM, FM, …)	1.77	0.76	1.00
Local supply (2)	**15.30**	**11.99**	**13.70**
Corn (production + stock)	5.80	5.49	7.20
Rice bran	6.00	5.00	5.00
Broken rice	1.50	0.50	0.50
Cassava	2.00	1.00	1.00
Imported feed (3)	**1.50**	**1.50**	**1.50**
Grand Total (4)	**34.17**	**27.49**	**28.50**
Manufactured feed (5)	**19.62**	**20.52**	**21.50**
Home-made feed (6)*	**14.55**	**6.96**	**7.00**

***: include local crushed from imported beans**
****: (6) = (4)-(3)-(5); Source: Post's estimate**
Source: Post's estimate

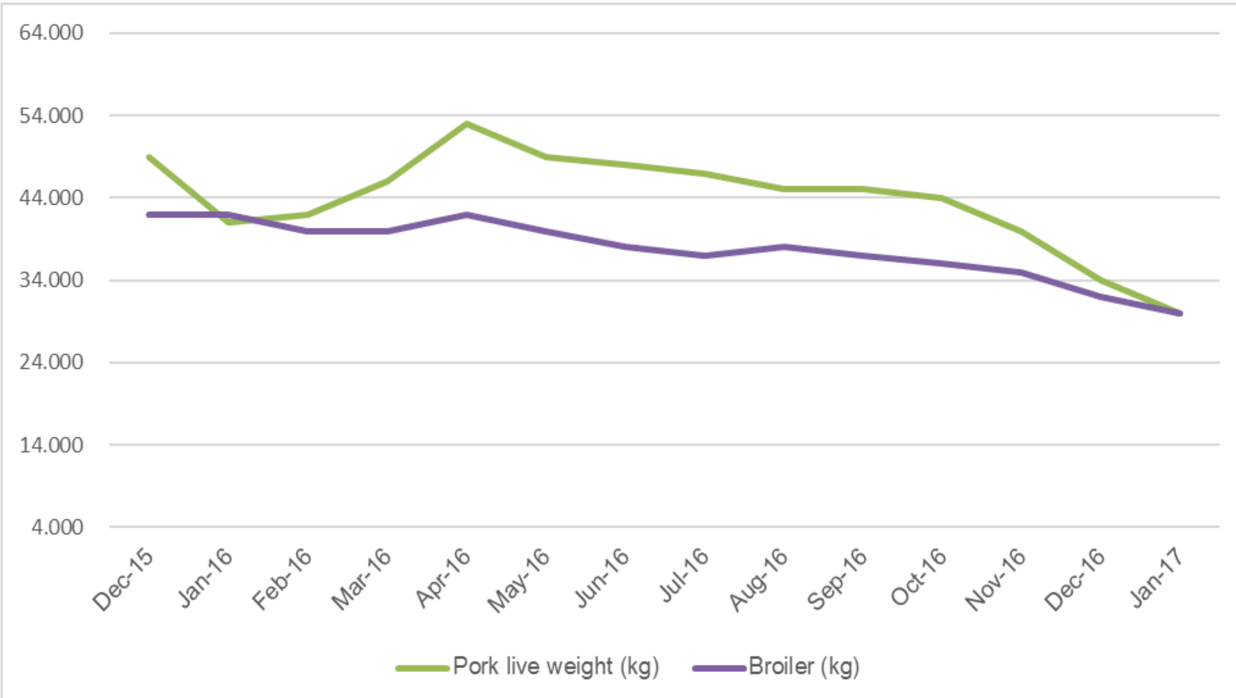
The CY 2016 Vietnam feed demand increased significantly to 31 percent compared to CY 2015. The increase was mostly generated in the animal feed sector. More specifically, there was a big increase in the local swine industry demand as Vietnam exported live swine through the border to neighboring countries. The export started and lasted from December 2015 to about December 2016 (12 months). Most of the swine movements were from private farms. Farmers in many provinces across the country expanded their swine production very rapidly to benefit from a robust border trade. With high demand and tight feed supply from manufacturers, home-made feed production increased rapidly. Home-made feed is formulated by incorporating mainly local rice/rice products and local corn with imported ingredients. Home-made feed production, however, is expected to decrease sharply in calendar year 2017, due to border closures of neighboring countries. According to post's estimate, based on the total numbers of swine in the calendar year, the total feed demand in CY 2016 is 34.17 million tons, over 8 million tons increase from 26.1 million of CY 2015 and 27.49 million tons in CY 2017.

Vietnam Total feed demand from calendar year 2015-2018

		2015	2016	2017	2018
Animal Feed		20.872.000	28.694.075	21.787.720	22.700.000
Aqua feed		5.226.000	5.475.000	5.700.000	5.800.000
Total Feed		**26.098.000**	**34.169.075**	**27.487.720**	**28.500.000**
Manufactured		**18.547.000**	**19.623.000**	**20.523.000**	**21.500.000**
Animal Feed		*15.847.000*	*16.623.000*	*17.223.000*	*18.000.000*
Aqua feed		*2.700.000*	*3.000.000*	*3.300.000*	*3.500.000*
Home made		**7.551.000**	**14.553.775**	**6.964.720**	**7.000.000**
Animal Feed		*5.025.000*	*12.078.775*	*4.564.720*	*4.700.000*
Aqua feed		*2.526.000*	*2.475.000*	*2.400.000*	*2.300.000*
Total Feed		**26.098.000**	**34.169.075**	**27.487.720**	**28.500.000**

Local Prices of Pork and Broiler from December 2015 to January 2017

VND/kg



Source: US Grain Council Representative Office in Vietnam

The graph shows pork price increased sharply in early calendar year 2016, starting from January and reaching its peak in April. Next, price was almost flat from August to October and went down quickly from October to January 2017. The price trends mirrored the dynamics of swine border trade. The border closure caused a dramatic fall in pork meat prices and local swine production faced a huge surplus of pork meat.

For poultry, the situation was not comparable to swine. Poultry prices fell continuously in 2016, due to several factors that prevented farmers from maintaining or increasing production. Especially, high feed cost and management led to heightened competition between poultry and other alternative animal protein sources, such as local hog, fish, and shrimp.

1. WHEAT

STATISTICAL TABLES

Vietnam's Production, Supply and Demand for Wheat

Wheat	2015/2016		2016/2017		2017/2018	
Market Begin Year	Jul 2015		Jul 2016		Jul 2017	
Vietnam	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	0	0	0	0	0	0
Beginning Stocks	288	288	632	230	0	576
Production	0	0	0	0	0	0
MY Imports	3069	2908	5000	5000	0	4500
TY Imports	3069	2908	5000	5000	0	4500
TY Imp. from U.S.	222	263	0	230	0	0
Total Supply	3357	3196	5632	5230	0	5076
MY Exports	250	291	250	304	0	314
TY Exports	250	291	250	304	0	314
Feed and Residual	900	1100	2800	2750	0	2500
FSI Consumption	1575	1575	1700	1600	0	1650
Total Consumption	2475	2675	4500	4350	0	4150
Ending Stocks	632	230	882	576	0	612
Total Distribution	3357	3196	5632	5230	0	5076
(1000 HA) ,(1000 MT)						

PRODUCTION

Vietnam does not produce wheat.

CONSUMPTION

The marketing year (MY) 2016/2017 wheat total consumption is estimated at 4.350 million tons, a considerable increase (1.675 million-ton increase) compared to 2.675 million tons in MY 2015/2016 due mainly to the increase feed use of wheat, as feed wheat prices were competitive compared to corn in the international market.

The MY 2017/2018 wheat consumption forecast remains high due to wheat prices, which are expected to still remain low due to larger crops in wheat producing countries in MY2016/2017. The increase in feed wheat consumption is reflective of the growth in the feed industry. At the same time, increase consumption for milling wheat is driven by the on-going demand for wheat based products in the fast food industry. The total consumption in MY 2017/2018 is smaller than in MY 2016/2017 due to smaller demand for feed wheat. The demand for milling wheat will see a slight increase.

The MY 2015/2016 wheat consumption is revised up 200,000 tons from 2.475 to 2.625 million tons, due mainly to the increase of feed wheat use.

Wheat is the second staple food (after rice) for Vietnamese living in big cities. These urban dwellers consumed many forms of wheat based food. In recent years, the wheat used for bread/baguette as well as other baked goods and wheat based foods has increased. The changes reflect the increasing pace of urbanization and increasing familiarity of consumers using convenience foods. The increased presence of fast food chains in Vietnam such as such as McDonalds, Dunkin Donuts, and Burger King including western food cafes are also a key factor in boosting the use of wheat based food. The use of wheat based food, though, is still limited to big cities is spreading to second-tier cities. As a result, the level of consumption of milling wheat is moderately small but has steady been increasing. Total current demand for milling wheat ranges from 1.50 to 1.60 million tons per year and the increase is about 50,000 tons a year.

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

Currently, Vietnam's wheat mill designed capacity is about 3.0 million tons annually. Strong competitive foreign-owned mills have cut into the number of local mills - there are only a few small local private mills existing in the country. Given the yearly consumption of 2.0-2.1 million tons, the actual average capacity of these mills reaches 68 percent of the designed capacity. This shows a strong competition in the wheat milling sector and also demonstrates the anticipation of future growth of Vietnam's wheat consumption. However, in MY 2016/2017, more mill projects expected to be in operation in the second half of calendar year 2017. This will increase the Vietnam total milling capacity to 3.2-3.4 million tons and will also reflect an expanding local milling industry. The Vietnam milling industry is expected to not only to supply its milled flour locally but also regionally to other countries in Southeast Asia.

TRADE / COMPETITION

Import

Vietnam is a net importer of wheat. Current import duties are five percent for wheat and fifteen percent for wheat flour. Australian wheat, however, enjoys duty free access to Vietnam under the Australia – Vietnam Free Trade Agreement, which entered into force in January 2016. The Vietnam-Eurasia Economic Union Free Trade Agreement (VN-EAEU FTA) effective on October 5, 2016 also bring zero import duty wheat from Russia, Belarus, Kazakhstan, Armenia, and Kyrgyzstan, into Vietnam.

Post estimates Vietnam's wheat imports volume in the MY 2015/2016 at 2.9 million tons, an increase of about 600,000 tons compared to MY 2014/2015 imported volume, with the increase mainly comprised of feed wheat. Imported volume for MY 2016/2017 is estimated at 5 million tons, with expected increase in the use of both milling and feed wheat. According to trade numbers, of 5 million tons imported in the MY 2016/2017, milling wheat is about 1.9 million tons and the outstanding 3.1 million is for feed wheat. In MY 2015/2016, Vietnam imported 2.9 million tons of wheat – of this amount, milling wheat accounted for 1.5 million tons and feed wheat accounted for 1.4 million tons.

Over the last decades, Australian milling wheat dominated the wheat import market in Vietnam. Australian wheat accounted for over 70-80 percent of Vietnam's total wheat imported volume yearly. The Australian wheat import volume is expected at 1.3 million tons of the total 5 million tons, or about 26 percent of the total Vietnam wheat import share in MY 2016/2017.

U.S. wheat is considered as high quality wheat and it is used by Vietnamese mills for blending as a cost-effective way to improve the quality of their flour products. The recent year-on-year volume of U.S. wheat exported to Vietnam is steadily increasing thus reflecting the increase demand of premium quality wheat. Actually, imports of U.S. wheat in MY 2015/2016 are estimated 263,000 tons from 302,000 tons in MY 2014/2015, and down to 230,000 tons in MY 2016/2017 due to Vietnam's plant protection tightening control of U.S. wheat shipments.

Argentina became the second largest supplier of wheat to Vietnam in MY 2016/2017 (for both milling and feed wheat). The volume is estimated at about 1 million tons.

Vietnam mainly imports feed wheat from East European countries, such as Romania, Bulgaria and countries in the Eurasia Economic Union. Estimated import volume from the latter regions into Vietnam is estimated at about 2 million tons in MY 2016/2017, or over 44 percent of total import volume. In recent years, feed wheat imported into Vietnam has been increasing sharply due to its price competitiveness. Overall, due to freight cost advantage, prices of East Europe and Eurasia feed wheat are still competitive compared to South American source corn prices.

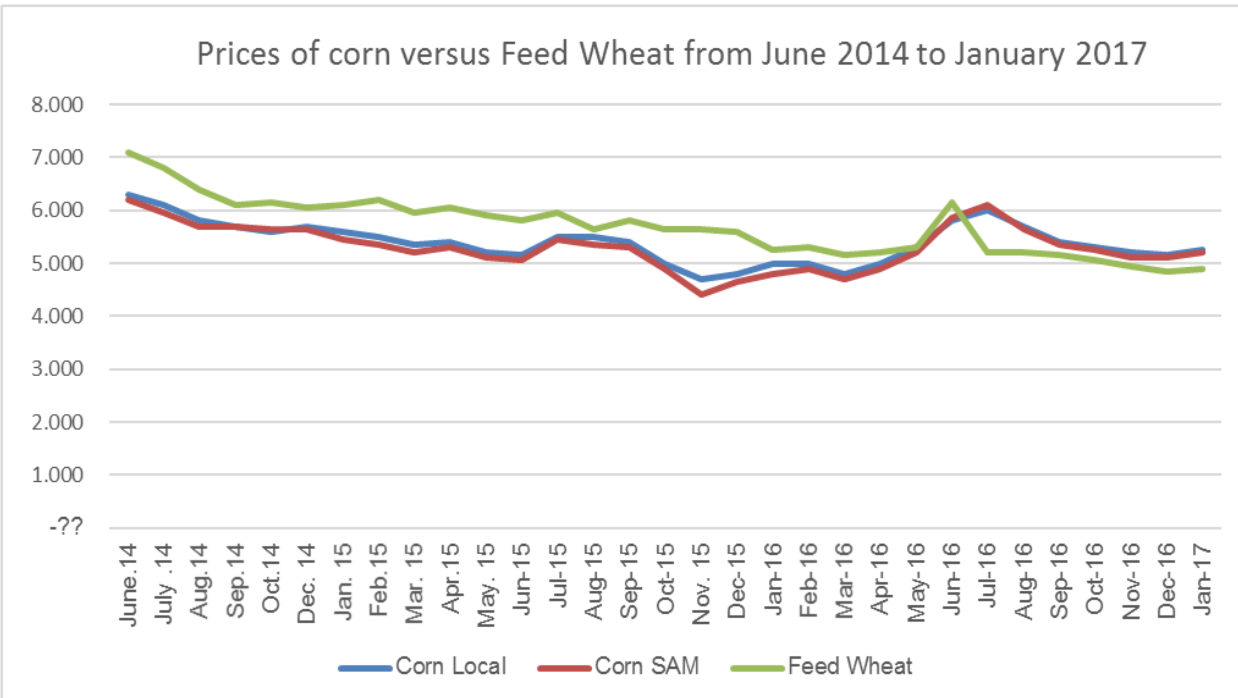
Estimate of Feed production from CY 2015 to CY 2018

		2015	2016	2017	2018
Animal Feed		20.872.000	28.694.075	21.787.720	22.700.000
Aqua feed		5.226.000	5.475.000	5.700.000	5.800.000
Total Feed		**26.098.000**	**34.169.075**	**27.487.720**	**28.500.000**

Source: Post's estimate

The MY 2017/2018 wheat import volume forecast remains high due to low selling prices and good harvest reports from wheat producing countries. However, increase volume depends also on how Vietnam can successfully expand its flour products to other markets in the region and including the growth prospect of the animal husbandry and aquaculture sectors. The above table shows that aquaculture feed production has increased since 2015. The animal feed sector, however, is expected to shrink to normal production levels after a record setting level in calendar year 2016.

Wheat imports from the U.S., in particular, are depended on Vietnam plant protection policies. These policies including quarantine and post-harvest fumigation polices could affect wheat imports into Vietnam. However, the local milling wheat industry is expected to continue importing U.S. wheat given its superior baking quality.



Source: US Grain Council Representative Office in Vietnam

Vietnam imports around 10,000-15,000 tons of wheat equivalent wheat based product like ramen, Spaghetti, Pasta from other country each year. The volume is still small compared to the volume of wheat grain for the local wheat milling industry.

Export

Vietnam exports wheat to neighboring countries in South East Asia. The low price of Vietnam made wheat flour infer that the quality of the product is low. However, the low price means that the product is competitively priced. The product is mainly supplied as an ingredient for the aquaculture industry. Small quantities are also used in the instant noodle industry. The export growth Vietnam wheat flour has been flat in recent years.

By country, Vietnam is the largest exporter of wheat flour to Thailand. Vietnam exports of wheat flour to other countries like Indonesia, Malaysia, and the Philippines are mainly for the feed industry. Additionally, Vietnamese flour exports to Singapore, Hong Kong and Taiwan are for the food processing industry and/or re-selling to other countries.

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

Country	2011	2012	2013	2014	2015	2016	2017*	2018*
Philippines	14.971	22.457	24.329	24.329	76.728	76.728	80.000	80.000
Thailand	31.814	76.728	95.443	101.057	86.086	74.857	80.000	85.000
Hong Kong	5.614	9.357	14.971	20.586	22.457	22.457	25.000	25.000
Singapore	16.843	14.971	16.843	18.714	18.714	18.714	20.000	20.000
South Korea	-	-	-	1.871	7.486	13.100	15.000	15.000
Indonesia	1.871	-	3.743	5.614	9.357	9.357	10.000	12.000
Macau	-	1.871	1.871	1.871	1.871	1.871	2.000	2.000
Malaysia	9.357	13.100	-	-	-	-		
Taiwan	11.229	1.871	-	-	-	-		
Total	91.700	140.357	157.200	174.042	222.699	217.085	232.000	239.000

**: Estimate*
Source: Global Trade Atlas

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

Country	2011	2012	2013	2014	2015	2016	2017*	2018*
Germany	5,472	6,840	4,104	2,736	12,312	19,152	15,000	16,000
United States	4,104	4,104	5,472	6,840	9,576	9,576	10,000	12,000
Japan	4,104	4,104	4,104	4,104	5,472	5,472	5,500	5,500
Singapore	4,104	4,104	5,472	5,472	5,472	5,472	5,500	5,500
Australia	1,368	1,368	1,368	2,736	2,736	4,104	4,000	4,000
France	1,368	1,368	2,736	4,104	4,104	4,104	4,200	4,200
Taiwan	1,368	1,368	1,368	1,368	2,736	2,736	2,800	2,800
Netherlands	-	1,368	1,368	2,736	2,736	2,736	2,800	2,800
Russia	9,576	10,944	6,840	5,472	5,472	2,736	2,800	2,800
United Kingdom	-	1,368	1,368	1,368	2,736	2,736	2,800	2,800
South Korea	1,368	2,736	2,736	2,736	2,736	2,736	2,800	2,800
Czech Republic	2,736	2,736	2,736	2,736	2,736	2,736	2,800	2,800
Canada	1,368	1,368	1,368	1,368	1,368	1,368	1,400	1,400
Hong Kong	-	-	-	-	1,368	1,368	1,400	1,400
Belgium	1,368	1,368	1,368	1,368	1,368	1,368	1,400	1,400
China	1,368	1,368	-	1,368	1,368	1,368	1,400	1,400
Sweden	-	-	-	-	-	1,368	1,400	1,400
Thailand	-	1,368	-	-	-	1,368	1,400	1,400
Malaysia	-	-	-	1,368	1,368	-	1,400	1,400
Hungary	1,368	-	-	1,368	-	-		
Poland	10,944	12,312	-	-	-	-		
Slovakia	-	-	1,368	-	-	-		
Romania	1,368	-	-	-	-	-		
South Africa	1,368	1,368	1,368	-	-	-		
Total	54,720	61,560	45,144	49,248	65,664	72,504	70,800	73,800

**: Estimate*
Source: Global Trade Atlas

2. CORN

STATISTICAL TABLES

Vietnam’s Production, Supply and Demand for Corn

Corn	2015/2016		2016/2017		2017/2018	
Market Begin Year	May 2015		May 2016		May 2017	
Vietnam	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1179	1150	1100	1100	0	1180
Beginning Stocks	604	604	1335	390	0	1810
Production	5281	5230	4950	5100	0	5500
MY Imports	7950	7956	8000	7700	0	6500
TY Imports	8600	8060	8500	8000	0	6500
TY Imp. from U.S.	436	437	0	110	0	0
Total Supply	13835	13790	14285	13190	0	13810
MY Exports	500	500	500	500	0	500
TY Exports	500	500	500	500	0	500
Feed and Residual	10600	11500	11500	9480	0	10500
FSI Consumption	1400	1400	1400	1400	0	1400
Total Consumption	12000	12900	12900	10880	0	11900
Ending Stocks	1335	390	885	1810	0	1410
Total Distribution	13835	13790	14285	13190	0	13810
(1000 HA) ,(1000 MT)						

PRODUCTION

Corn has long been the second largest annual crop in terms of acreage in Vietnam. However, corn is planted only in areas including the mountainous regions with poor soil fertility and other regions lacking adequate water supply. Since corn is primarily grown in unfavorable conditions, Vietnam's corn yields are significantly low. Additionally, corn yields are also affected by crop losses due to pests and diseases.

Corn is one of several local crops such as cassava and rice (broken rice, rice bran), which are used to supply the fast-growing feed industry. However, local corn production has been unable to meet the demand in recent years. Each year, increasing volume of imported corn is brought into Vietnam. As such, corn producers are under pressure to increase their productivity in order to meet the increasing demand. The reality is local corn simply cannot compete with imported corn regarding production cost and quality. Increasing corn productivity through the use of high-yielding varieties seems the most likely way to achieve the government's objectives of increasing yield to meet domestic demand in the feed sector.

According to MARD, the revised Vietnam corn production was 5.28 million tons in MY 2015/2016, which is a 49,000-ton decrease compared to Post's last forecast. This is due to smaller harvested area (1.15 million hectares compared to 1.18 million hectares) caused by unfavorable international corn prices and adverse weather conditions in the north of Vietnam. However, the planting of slightly higher yield corn crops (4.55 tons per hectares compared to 4.48 tons per hectares) compensated for the loss in acreage.

The estimate of MY 2016/2017 harvested area is unchanged from Post's last forecast, 1.1 million hectares. The government's policy of increasing the corn planted area by shifting away from rice production to corn production has been ineffective. Furthermore, the corn harvested area is decreasing due increase corn imports. The average corn yield is expected to be slightly higher in MY 2016/2017, at 4.6 tons per hectare, and MY 2017/2018, at 4.66 tons per hectare, due to the gradual use of GM corn varieties in Vietnam. In April 2015, approved GM corn varieties were planted making Vietnam the 29th country to commercialize a biotech crop in the world. The overall increase of corn production is mainly due to the higher average corn yield. As average corn yield increase up to certain level, farmers can be convinced that achieving profit margin is possible by planting corn.

Vietnam Corn Production in MY 2015/2016, 2016/2017 and forecast 2017/2018

	Unit	MY 2015/2016		MY 2016/2017		2017/2018 Forecast
		Old	New	estimate	Revised	
Harvested area	1,000 Ha	1,179	1,150	1,100	1,100	1,180
Yield	mt/ha	4.48	4.55	4.50	4.64	4.66
Production	1,000 mt	5,281.00	5,230.00	4,950.00	5,100.00	5,500.00

Source: MARD / Post Estimate

Area of Corn by region

Unit: 1,000 hectares

	2011	2012	2013	2014	2015
WHOLE COUNTRY	**1,121**	**1,156**	**1,170**	**1,179**	**1,179**
Red River Delta	96	86	88	88	91
Northern midlands & mountain areas	466	502	505	515	519
North Central & Central coastal area	207	202	206	208	210
Central Highland	233	247	252	250	241
South East	79	79	80	80	79
Mekong River Delta	40.7	40	40	38	38

Source: General Statistics Office

The cultivation of corn has gradually increased but has resulted in no significant changes over time. This situation reflects the Vietnamese government policy of encouraging the increase cultivation of corn cultivation for supplying to the local feed industry. However, local corn production faces stiff competition from major corn producers like Argentina, and Brazil.

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

Corn crops pattern in northern area in 2010

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

Corn crops pattern in northern area planning for 2015-2020

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

Source: MARD

DOMESTIC PRICES

The fall in imported corn prices below local corn prices is the primary factor driving corn imports into Vietnam. Starting from Mid-June 2014, domestic corn prices fell continuously and reached their lowest levels in November 2015 due to the drop of imported corn prices. The bulk of corn harvest take place in May, so price movements in 2015 are in line with seasonality. For 2016, local prices were up in response to the crop shortage in Brazil. In general, local corn prices recently reflect a corresponding downward trend in international prices, regardless of the seasonal structure.

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

Unit: (VND/kg)

Source: US Grain Council Representative Office in Vietnam

CONSUMPTION

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

In the animal feed industry, corn is used in both the commercial and home-made sectors, mainly for hog and poultry feeds. Corn use is expected to increase to meet the livestock sector's growth, and the majority of corn entering Vietnam predominantly comes from imported sources because local corn production is unable to meet the fast-growing demand of the animal feed industry.

The real imported volume depends greatly on the availability of other alternative products like broken rice, rice bran, and cassava locally, and the price competitiveness of imported feed wheat and DDGS. In theory, the annual increase of corn use both for food and feed is about 200,000 – 400,000 tons. However, the level of corn imported volume depends on both the growth of the hog and poultry sectors and the supplies of other alternative products can greatly affect the corn volume import each year. For example, the significant increase of imported corn in MY 2015/2016 and 2016/2017 was mainly as a result of record high number of hogs in calendar year 2016.

TRADE / COMPETITION

Competition exists between the home-made feed and manufactured feed sectors in Vietnam. Commercial feed manufacturers usually purchase up to 50 percent of total locally produced corn. In MY 2015/2016 and MY 2016/2017, Post believes that home-made feed consumed a large amount of imported corn to meet the high demand from the local hog industry.

Corn faced strong competition from feed wheat because feed wheat prices have been lower than corn prices since the summer of 2016. Additionally, cassava and local broken rice are among the main alternatives to corn. Over the past 5 years, rice and cassava farmers have focused more on export markets. The result is less supply of cassava and broken rice for the domestic animal feed industry. However, in MY 2915/2016 and My 2016/2017, rice and cassava exports declined, leaving more ingredients for the local feed industry.

IMPORT / EXPORT

Post adjusted corn imported volume in MY 2016/2017 from 8.0 million tons to 7.7 million tons, mainly from South American source. Post also adjusted corn imported volume down to 6.5 million in MY 2017/2018 compared to 7.7 million tons in MY 2016/2017, due mainly to the scale back in the hog industry that is causing a shrink in the total feed production, also partly due to the on-going price competitiveness of feed wheat from both South America and East Europe origins.

According to trade sources, Vietnam exported some volume of its locally produced corn to China via border trade. There is no official data on the total volume. Reportedly, Vietnam exported around 500,000 tons of local corn to China in MY 2015/2016. Post estimates the border trade with China will be 500,000 tons in MY 2016/2017 and MY 2017/2018 respectively.

Imports of DDGS

The U.S. continues to be the dominant supply source of DDGS to the Vietnam market. However, all imports were suspended due to quarantine pest issues in early December 2016. The May-January 2016/2017 export number to Vietnam shows that the import volume increased by 81 percent compared to the same period of May-January 2015/2016. The increase reflects market jitters as the local feed industry piled up stock anticipating suspension of DDGS from the U.S.

U.S. Export of DDGS to Vietnam MY 2012/2013-2015/2016 and first 9 months of 2016/2017

Product	UOM	2012	2013	2014	2015	2016	May - Jan 2016	May - Jan 2017	Period/Period % Change (Qty)
Distillers Grains - 2303300000	MT	466,653.0	348,143.0	471,820.0	584,631.0	731,495.0	520,142.0	940,245.0	81
Data Source: U.S. Census Bureau Trade Data									

RICE

STATISTICAL TABLES

Vietnam’s Production, Supply and Demand for Rice

Rice, Milled	2015/2016		2016/2017		2017/2018	
Market Begin Year	Jan 2016		Jan 2016		Jan 2017	
Vietnam	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	7674	7704	7690	7700	0	7710
Beginning Stocks	1259	1259	1317	1455	0	1416
Milled Production	27458	27584	27800	27861	0	28102
Rough Production	43933	44134	44480	44578	0	44963
Milling Rate (.9999)	6250	6250	6250	6250	0	6250
MY Imports	300	300	300	300	0	300
TY Imports	300	300	300	300	0	300
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	29017	29143	29417	29616	0	29818
MY Exports	5100	5088	5600	5500	0	6000
TY Exports	5100	5088	5600	5500	0	6000
Consumption and Residual	22600	22600	22700	22700	0	22800
Ending Stocks	1317	1455	1117	1416	0	1018
Total Distribution	29017	29143	29417	29616	0	29818
(1000 HA) ,(1000 MT)						

Vietnam's Area, Yield, and Production for Rough Rice (as of March 2017)

Marketing Year	2015/2016 Revised		2016/2017 Estimate		2017/2018 Forecast	
Harvested Area (t. ha)	**Old**	**New**	**Old**	**New**	**Old**	**New**
Winter[1]	1,700	1,705	1,700	1,700		1,700
Spring[2]	3,034	3,034	3,050	3,050		3,050
Autumn[3]	2,940	2,964	2,940	2,960		2,960
TOTAL	**7,674**	**7,704**	**7,690**	**7,710**		**7,710**
Yield (mt/ha)						
Winter	4.85	4.94	4.90	4.90		4.95
Spring	6.40	6,40	6.45	6.45		6.50
Autumn	5.53	5.49	5.60	5.60		5.65
AVERAGE	**5.72**	**5.73**	**5.78**	**5.78**		**5.83**
Production (t. mt)						
Winter	8,245	8,423	8,330	8,330		8,415
Spring	19,430	19,430	19,672	19,672		19,825
Autumn	16,258	16,281	16,464	16,576		16,723
TOTAL	**43,933**	**44,134**	**44,466**	**44,578**		**44,963**

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

Source: MARD, Post estimates

Estimate for MY 2016/2017 (began January 2017)

Post estimates total rice production for MY 2016/2017 to reach 44.52 million tons of paddy rice, or approximately 27.83 million tons of milled rice equivalent. This estimate mirrors USDA's official number for the same marketing year, and it is about 250,000 tons of milled rice increase compared to Post's estimate for MY 2015/2016 production, due to good weather conditions with ample water supply. However, Vietnam's Ministry of Agriculture and Rural Development (MARD) reports that excessive rain in the early dry season has made many farmers unable to reach peak production. As a result there were harvesting delays in the Mekong River Delta (MRD), where Vietnam gets more than 90 percent of its milled rice.

The initial Post forecast for MY 2017/2018 rice production is 44.96 million tons with expected higher yield in seasonal crops (5.83 tons per hectare compared to 5.78 tons per hectare in MY 2016/2017). Post also forecast in place of larger planted/harvested area (only about 10,000 hectares), due to the limited potential for expanding rice production in Vietnam. Moreover, the Government of Vietnam (GVN) does not have a policy encouraging Vietnam rice production. There is some discussion calling for reducing rice production in favor of higher value crops.

Post revised total rice production for MY 2015/2016 from 43.93 million of current USDA's estimate-number to 44.13 million tons of paddy rice, which is about 200,000 tons of additional paddy due mainly to the higher production of the late Autumn and Winter crops in the Mekong River Delta.

Spring Crop

The total harvested area for the MY 2016/2017 Spring crop in the MRD is reported at 3.055 million hectares according to MARD. Post estimates the total Vietnam MY 2016/2017 Spring crop harvested area is at 3.05 million hectares, about 16,000 hectares more than the previous Spring crop of MY 2015/2016 due to good weather conditions and sufficient water supply for the crop. However, unseasonal rain in some areas prevented the crop from reaching its highest productivity according to MARD.

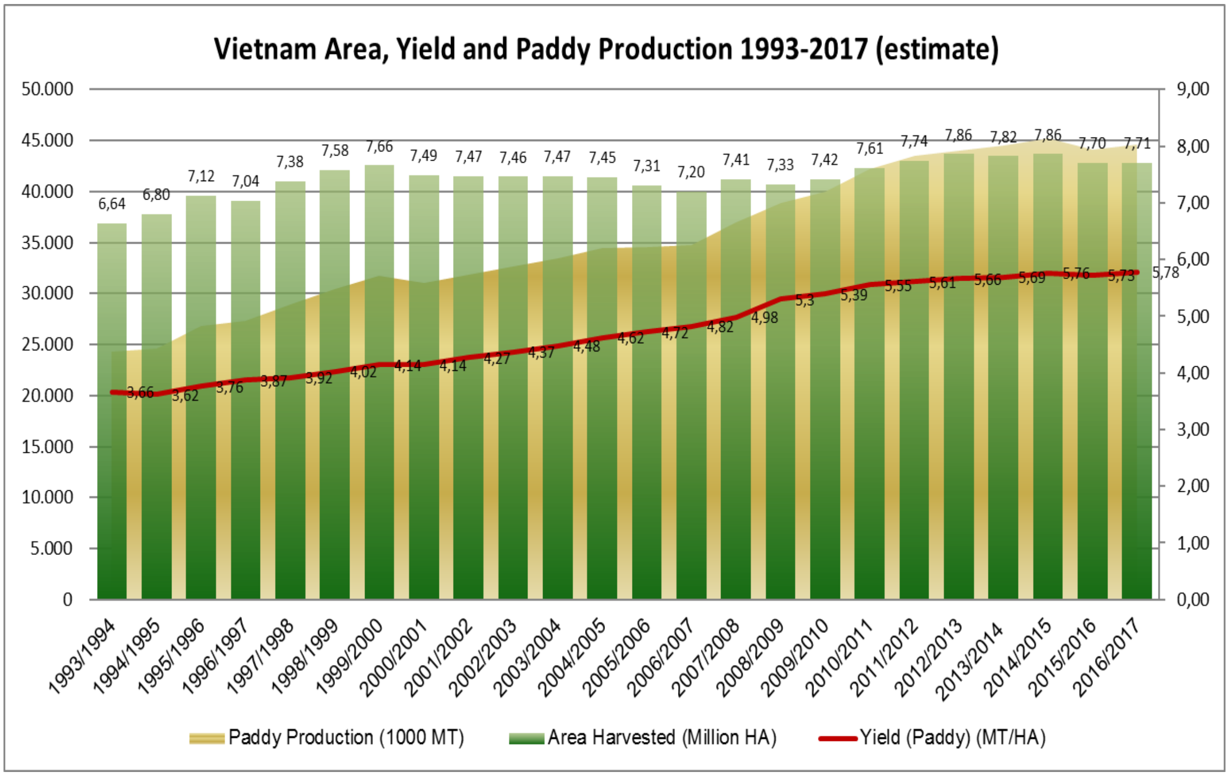
The planting progress of MY 2016/2017 Spring crop in North Vietnam was reported at over 30 percent than the same time in the MY 2015/2016, due to favorable weather conditions allowing farmers to carry out plantings of the main Spring crop. As of March 15, 2017, the Northern Spring crop planting reached its final planting at about 1.12 million hectares.

Autumn Crop

The Autumn crop is mainly located in the southern provinces. Especially, the MRD typically accounts for more than 80 percent of the total Autumn crop planting area. As of March 15, 2017, the on-going MY 2016/2017 Autumn crop planted area (mainly in the MRD) totaled more than 300,000 hectares, compared to about 343,000 hectares in MY 2015/2016, year on year basis.

The Vietnam harvested area for the MY 2016/2017 Autumn crop is estimated to increase about 20,000 hectares, compared to the previous estimate, or about the same with MY 2015/2016 Autumn crop, 2.96 million hectares, mainly due to the GVN setting a larger planted/harvested area goal for the late Autumn crop in the MRD. Harvested area of MY 2017/2018 Autumn crop is forecasted unchanged at 2.96 million hectares.

Winter Crop
Post estimates the harvested area for the Winter crop is 1.70 million hectares, in MY 2016/2017, and MY 2017/2018 about the same as MY 2015/2016. The Winter crop rice is a traditional variety and is grown mainly for local consumption. Consequently, the yield is usually lower than other crops in the year.



Source: Foreign Agricultural Service, Official USDA Estimates

Mekong River Delta (MRD) Rice Production in the MY 2017/2018

The MY 2016/2017 rice production in the MRD has so far been considered favorable due to suitable weather conditions. The Spring crop, which is the first and also the main crop of MY 2016/2017is expected to reach a record level.

Spring Crop
As of March 20, 2017, MRD farmers have harvested about 0.83 million hectares, about 53.55 percent, of their MY 2016/2017 Spring crop. Post estimates the harvested area in the region to be 1.55 million hectares, about 30,000 hectares larger compared with MY 2015/2016. The estimated Spring crop production for the MRD is 11.16 million tons of paddy, up about 400,000 tons from the MY 2015/2016. According to MARD, the planted crop started about a month earlier to help avoid the drought conditions in March and April.

Autumn Crop and Winter Crop

The Autumn crop includes Main Autumn and Late Autumn crops.

Unlike the MY 2015/2016 Autumn crop that was threatened by a rainfall shortage and salinization conditions, plans are in place for a successful MY 2016/2017 crop. MRD farmers were encouraged to start planting earlier than usual in MY 2016/2017. As of March 15, farmers have planted about 300,000 hectares of the 1.6 million hectares.

In general, the late Autumn crop appears right after the Main Autumn crop and the former is not endangered by the annual flooding. According to MARD, the plan for late the Autumn crop area is robust due to the high selling price advantage of the crop during the harvest, which is off-season with competing countries' harvests. Post estimates the MRD total harvested area for the MY 2016/2017 Autumn crop at 2.51 million hectares (including main and late Autumn crops), compared to 2.5 million hectares in MY 2015/2016.

Post revised the harvested area for the Winter crop in the MRD from 200,000 hectares to 180,000 hectares due to the shift in planting from the Winter rice crop to the high-yielding late Autumn crop. The revised harvested area is also as a result of a shift in crop diversification - from rice to other better cash crops in MY 2015/2016 and MY 2016/2017. Estimate for MY 2017/2018 Winter crop is also 180,000 hectares, about the same in a normal marketing year.

Mekong River Delta (MRD) Rice Production in the MY 2016/2017

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

	2015/2016 (Revised)			2016/2017 (Estimate)			2017/2018 (Estimate)		
	Area	Yield	Prod.	Area	Yield	Prod.	Area	Yield	Prod.
Winter	**180**	**4.50**	**810**	**180**	**4.60**	**828**	**180**	**4.60**	**828**
Spring	**1,515**	**7.10**	**10,757**	**1,550**	**7.20**	**11,160**	**1,550**	**7.30**	**11,315**
Autumn *(in which)*	**2,500**	**5.68**	**14,202**	**2,510**	**5.70**	**14,301**	**2,500**	**5.74**	**14,344**
Main Autumn	*1,670*	*5.84*	*9,753*	*1,660*	*5.85*	*9,711*	*1,650*	*5.86*	*9,669*
Late Autumn	*830*	*5.36*	*4,449*	*850*	*5.40*	*4,590*	*850*	*5.50*	*4,675*
Total	**4,195**	**6.14**	**25,769**	**4,240**	**6.20**	**26,289**	**4,230**	**6.26**	**26,487**

Source: MARD, Post estimate

CONSUMPTION

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

However, Vietnam's growing population may help curb the declining trend in the country's per capita rice consumption. According to MARD, the most recent per capita rice consumption is about 136 kilograms. MARD uses the average per capita rice consumption to forecast rice supply and demand. The amount of rice used for average per capita consumption has decreased because of the availability of other food sources. The average per capita rice consumption per month in urban areas is lower than that in the rural areas. Post estimates that the country needs each year an additional 150,000 tons to meet domestic consumption.

Post's per capita consumption is showing over 200 kilograms in the PSD table. Part of this is due to residual volume, which is actually the unrecorded volume of border trade (about 2 million tons of milled rice in MY 2015/2016 and expected same volume in MY 2016/2017 and MY 2017/2018). Residual contributed to the high rise of paddy price in the early of MY 2016/2017.

Other factors contributing to Vietnam's increased rice consumption include higher use of rice in home-made animal and aquaculture-feeds, and growth in the food processing sector, especially in the beer and rice wine industries.

Post estimates the use of rice for food processing at around 6 million tons a year with an additional 50,000-100,000 tons increase per year. In this sector, rice flour based food products such as dumplings, noodles, rice papers, rice flour cakes, beer and local rice wine production use a large volume of rice.

In the animal feed industry, commercial feed only meet around 60 percent of the total demand; the remaining 40 percent is drawn from local sources of home-made feed. Rice is one of the main ingredient sources of home-made feed for swine, fish, and poultry, especially in the MRD. Post estimates the increased use of rice for animal feed industry at about 50,000-100,000 tons per year, depending on the price competitiveness of rice compared with other alternative sources like corn and cassava.

In total, the additional local rice consumption is a maximum of 500,000 tons per year.

STOCK

There is no official number of Vietnam rice stocks. Rice stocks are calculated from the total of rice production, carry-over stock and import after deducting export and consumption and residual. Rice carry-over stock in MY 2015/2016 was at about 1.46 million tons, due to smaller than expected export volume.

Rice carry-over stocks in MY 2016/2017 and MY 2017/2018 are estimated to remain at around the volume of over one million tons of milled rice - specifically, 1.42 million tons and 1.02 million tons respectively, due to the GVN's policy of limiting both official exports and on-going border trade exports. According Post's calculation, 1 million tons of milled rice could approximately feed Vietnam's 93 million-population for 28 days.

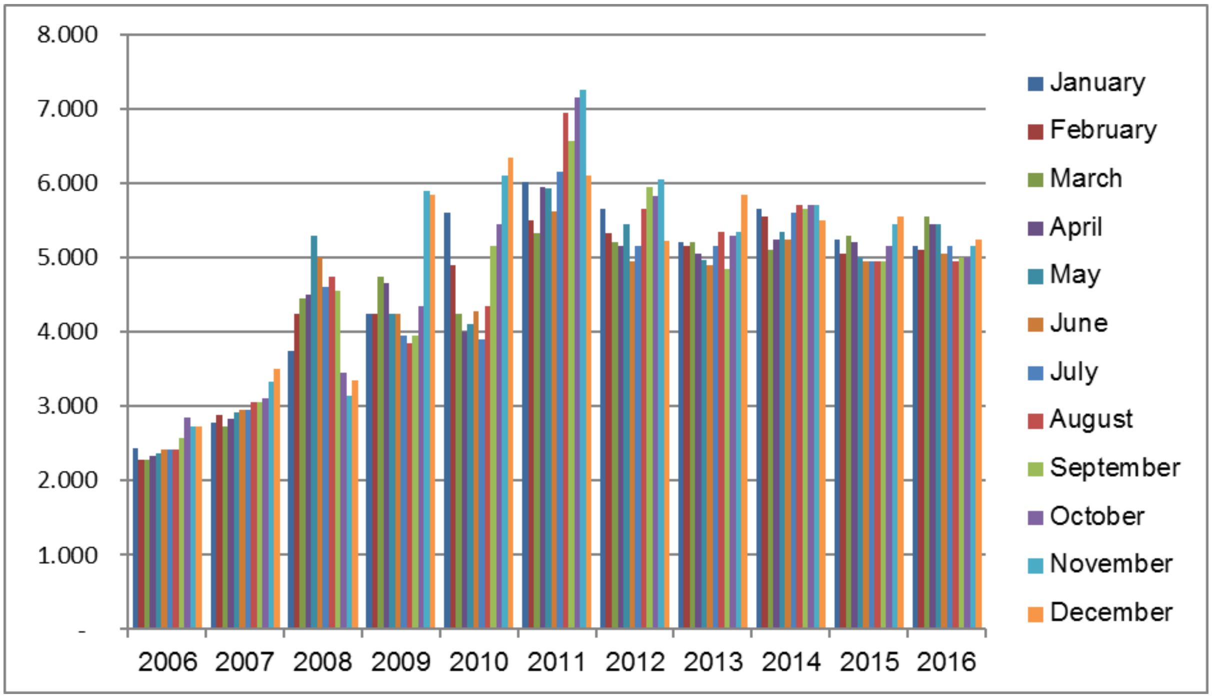
TRADE / COMPETITION

Domestic Prices

Domestic prices fluctuations depend on several factors: the availability of paddy harvested from different crops during the year, export demand, and the overall carry-over stock/ending stock. Generally, paddy prices drop to their lowest point two times a year: once at the peak harvest of the Spring crop (during March-April) and the second drop occurs at peak harvest of the main Autumn crop (during June-July). The harvest of the Spring paddy crop in the MRD started at the end of January. Additionally, paddy prices also depend on the available stocks, especially carry-over stocks at the end of the year.

Vietnamese Monthly Paddy Price Marketing year 2005/2006-2015/2016

Unit: VND/kg

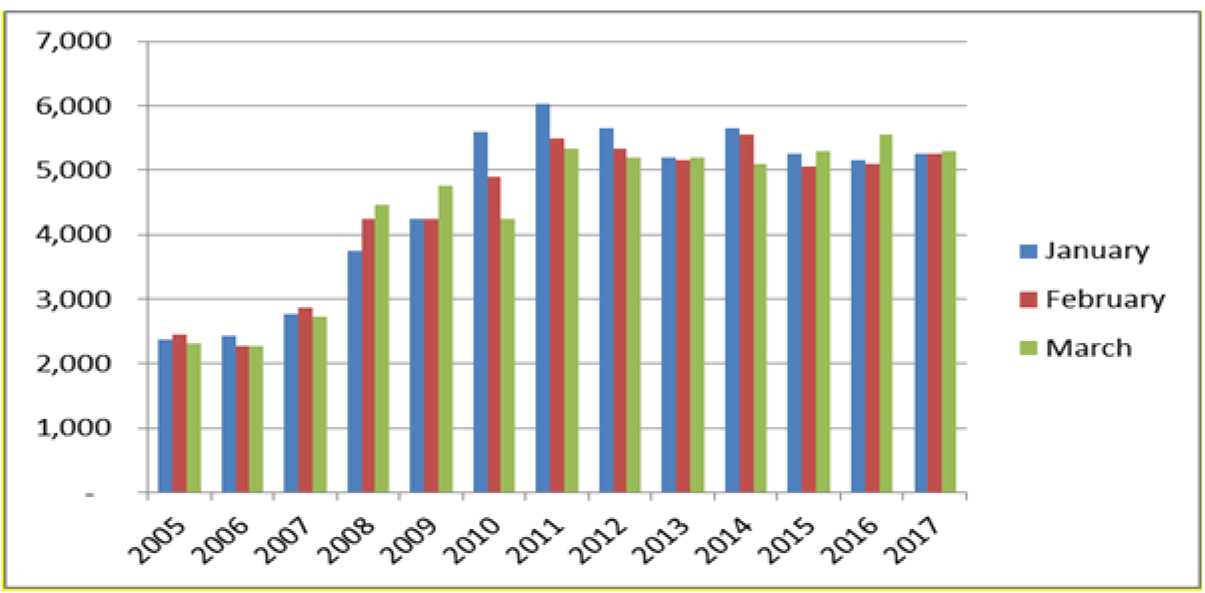


Source: Vietnam Food Association

Local price trend in MY 2015/2016 was identical to MY 2014/2015. However, the trend shows that the price in March-May 2106 was at its peak due to high export demand. On the other hand, price during the last three months of the year (October-December) was lower than the previous year, due to lower export demand.

Vietnamese Monthly Paddy Price of the First Three Months of CY Year 2005-2017

Unit: VND/kg



Source: Vietnam Food Association, Combined data

The above table shows local paddy prices for the first 3 months of the year. Prices have been flat for the first 3 months of 2017, which is distinct from other bumper harvest years. During past years of bumper crops, prices have continuously dropped or increased as a result of high demand. However, prices during the first 3 months of 2017 were flat at high levels in conjunction with the on-going harvest in the MRD, continuing rice movement from the MRD to the North for the border trade and weak demand from conventional export markets.

Exports

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

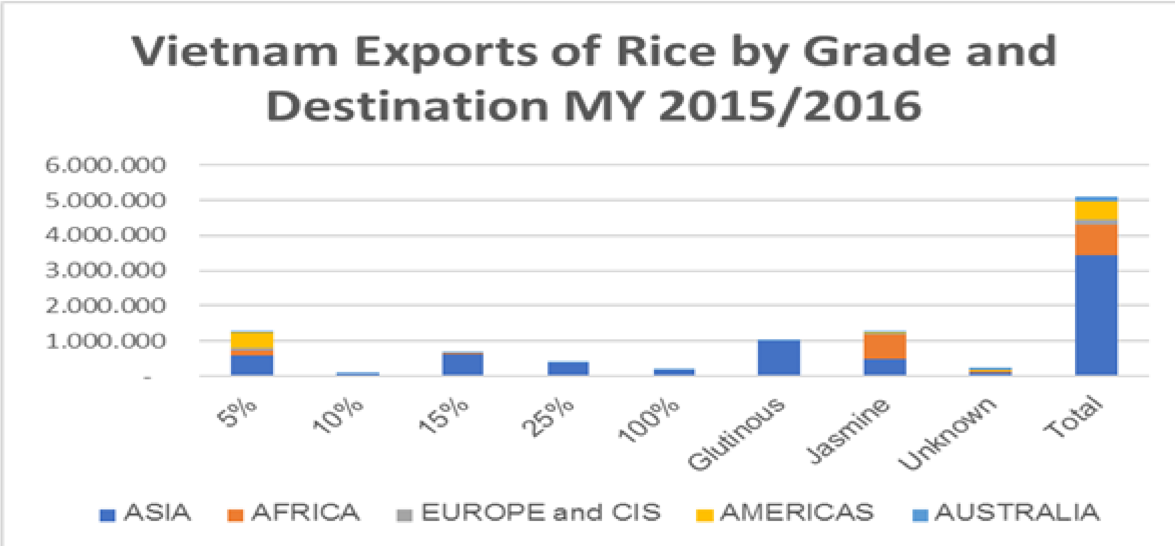
Commonly, prices were down about $20-30 per ton during the first 3 months of the year, over the past years, due to the start of rice harvesting in the MRD. Export prices increased during the first three months of MY 2015/2016 and MY 2016/2017, supported by buying demand from the Philippines and the border trade.

According to Post’s statistic, the Vietnam MY 2015/2016 rice exports is estimated at 5.1 million tons, compared to 6.6 million tons in the MY 2014/2015, due to lower paddy production, increased competition from other rice exporting countries (mainly Thailand and India).

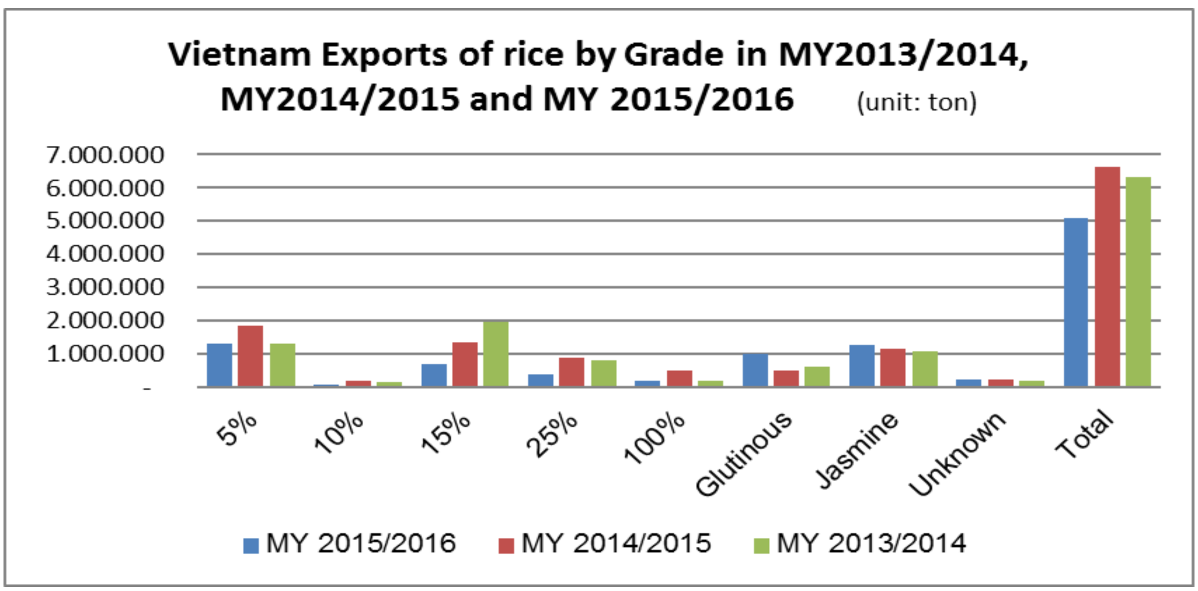
According to VFA, Vietnam MY 2015/2016 (January-December 2016) exports reached 4.89 million tons, a FOB value worth of $2.13 billion, and CIF value at $2.19 billion.

Regarding official trade, Asia remained the biggest market for Vietnamese rice receiving approximately 5.1 million tons in MY 2015/2016 compared with 5.17 million tons out of total 6.62 million tons of exported milled rice in the MY 2014/2015. Within Asia, China remained the top importer of Vietnamese rice with 1.77 million tons in MY 2015/2016, compared to 2.16 million tons of milled rice in MY 2014/2015. The Philippines’ imports dropped from its regular official import volume of about 1.1-1.2 million tons to only 400,000 tons.

Vietnam’s exports of milled rice to Africa were 873,000 tons in MY 2015/2016, compared to 785,000 tons in the MY 2014/2015. The decrease was due to strong competition from India, Thailand and Pakistan. 77 percent of Vietnam’s rice shipped to the African market was fragrant rice, which is priced competitively over other sources.



In terms of quality (grade), despite the lowest export volume in three years (MY 2013/2014, 2014/2015, and 2015/2016), Vietnam shipped more high quality white rice (5 percent, glutinous, and especially Jasmine). In particular, Jasmine rice volume accounting for more than 24 percent of the total milled rice export recorded more than 1.26 million tons, compared to 1.2 million tons in MY 2014/2015, and nearly 1.1 million tons in MY 2013/2014. The increase reflects the government's goal of increasing rice exports, especially the export of high value Jasmine rice.



Vietnamese rice exports to the Chinese market is expected to remain strong in MY 2016/2017. In late December 2016, Vietnam's Plan Protection Department, Ministry of Agriculture and Rural Development, announced that 22 rice exporters were approved by the Chinese General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ). Effective January 1, 2017, the 22 exporters can officially export rice into the Chinese market.

In MY 2016/2017, Vietnam is focusing on rice exports to the East European countries. The reason is that the Vietnam-Eurasia Economic Union Free Trade Agreement (VN-EAEU FTA) went into effect on

October 5, 2016. As a result, Vietnam can export rice with preferential import duty into Russia, Belarus, Kazakhstan, Armenia, and Kyrgyzstan.

According to the Vietnam Ministry of Industry and Trade (MOIT), the Rice Trade Agreement between Vietnam and the Philippines signed in 2010 has been officially extended to 2018. Consequently, Vietnam can supply up to 1.5 million tons of rice each year to the Philippines.

Post put an initial estimate for Vietnam MY 2016/2017 rice export volume at 5.5 million tons and 6.0 million tons for MY 2017/2018 export forecast.

Vietnam Rice Export By Grade and Destination MY 2015/2016

	5%	10%	15%	25%	100%	Glutinous	Jasmine	Unknown	Total
ASIA	**604,003**	**55,327**	**644,395**	**377,396**	**162,457**	**998,510**	**487,121**	**106,025**	**3,435,234**
In which: Indonesia	81,400	-	266,500	-	9,177	3,250	143	-	360,470
Philippines	54,243	880	-	328,270	4,000	12,570	1,000	-	400,963
Malaysia	64,138	7,383	101,852	1,500	260	37,552	50,154	6,228	269,067
Singapore	15,177	-	4,821	607	5,306	6,907	63,935	5,342	102,095
East Timor	2,700	-	103,700	-	-	72	2,796	-	109,268
Iraq	15,600	-	-	-	-	-	75	50	15,725
Iran	50	-	-	-	-	-	3	108	161
Syria	1,340	-	-	-	-	-	-	-	1,340
Yemen	125	-	-	-	-	-	-	-	125
South/North Korea	5,351	-	-	-	1,000	17	168	10,014	16,550
Japan	125	-	150	-	-	-	234	154	663
Cambodia	-	-	-	-	-	-	-	122	122
Hongkong	17,521	338	4,200	3,585	193	982	64,093	5,413	96,325
UAE	51,705	-	-	23	-	108	38,003	30,412	120,251
Taiwan	2,086	1,898	-	-	-	18,313	3,745	4,259	30,301
Bahrain	172	-	-	-	-	29	863	206	1,270
Bangladesh	-	-	-	-	-	2	16	6	24
Saudi Arabia	5,541	-	-	-	-	80	11,892	1,816	19,329
China	258,161	29,078	163,172	42,536	141,724	915,578	199,709	24,547	1,774,505
Brunei	6,673	14,500	-	-	-	1,450	7,067	946	30,636
others*	21,895	1,250	-	875	797	1,600	43,225	16,402	86,044
AFRICA	**143,471**	**-**	**19,576**	**2,546**	**490**	**369**	**680,186**	**25,881**	**872,519**
In which: Tanzania	3,500	-	-	-	-	-	11,558	-	15,058
Senegal	23	-	25	-	-	-	299	-	347

Angola	30,515	-	1,170	250	-	26	2,118	206	34,285
Rwanda	-	-	-	-	-	-	-	-	-
Ghana	19,275	-	-	250	390	-	473,157	-	493,072
Uganda	-	-	-	-	-	-	-	-	-
Ivory coast	49,636	-	-	-	-	-	138,556	-	188,192
Reunion	-	-	-	-	-	-	3,659	-	3,659
west africa	-	-	-	-	-	-	-	-	-
Mozambiq	775	-	-	-	-	265	31,159	-	32,199
Yemen	-	-	-	-	-	-	-	-	-
Kenya	-	-	-	-	-	-	126	50	176
Congo	50	-	-	-	-	-	733	-	783
Libya	1,000	-	-	-	-	-	44	300	1,344
Algeria	30,558	-	18,305	-	-	-	197	894	49,954
Benin	407	-	-	-	-	-	2,851	2,000	5,258
Burkina Faso	-	-	-	-	-	-	65	-	65
Cameroon	23	-	23	23	-	73	1,700	13	1,855
Gambia	-	-	-	-	-	-	69	-	69
Guinea	-	-	-	-	-	-	-	-	-
Guinea Bissau	-	-	-	-	-	-	46	-	46
Madagascar	-	-	-	1,500	-	-	-	-	1,500
Mali	-	-	-	-	-	-	-	-	-
Mauritania	-	-	-	-	-	-	-	-	-
Nigeria	-	-	-	-	-	-	939	23	962
Sierra Leone	52	-	-	-	-	-	177	-	229
Somali	-	-	-	-	-	-	-	-	-
South Africa	185	-	-	-	-	5	2,913	20,646	23,749
Togo	375	-	53	500	-	-	1,605	-	2,533
Zambia	-	-	-	-	-	-	-	-	-
others*	7,097	-	-	23	100	-	8,215	1,749	17,184
EUROPE and CIS	**47,448**	**3,972**	**3,130**	**2,600**	**265**	**7,330**	**50,604**	**18,103**	**133,452**
In which: Russia	9,339	2,760	1,600	2,500	-	125	93	8,980	25,397
Ukraine	3,975	-	-	100	-	17	378	233	4,703
Poland	-	-	-	-	-	1	528	297	826
others*	34,134	1,212	1,530	-	265	7,187	49,605	8,593	102,526
AMERICAS	**466,478**	**-**	**2,260**	**103**	**2,156**	**1,518**	**31,950**	**11,606**	**516,071**
In which: Cuba	427,590	-	-	-	-	-	2	6	427,598
Brasil	390	-	-	-	-	38	48	1,127	1,603

Haiti	333	-	-	-	-	141	103	-	577
Mexico	500	-	2,000	-	-	-	-	-	2,500
Chile	550	-	260	-	-	-	-	1,550	2,360
Puerto Rico	-	-	-	-	-	-	-	-	-
others*	37,115	-	-	103	2,156	1,339	31,797	8,923	81,433
AUSTRALIA	**40,569**	**417**	**3,400**	**250**	**2,076**	**508**	**11,547**	**72,936**	**131,703**
In which: Australia	3,600	142	-	-	1,984	368	4,086	4,813	14,993
New Caledonia	51	-	-	-	-	45	-	22	118
New Zealand	1,629	50	200	-	92	-	1,425	4,882	8,278
others*	35,289	225	3,200	250	-	95	6,036	63,219	108,314
UNKNOWN									-
TOTAL	**1,301,969**	**59,716**	**672,761**	**382,895**	**167,444**	**1,008,235**	**1,261,408**	**234,551**	**5,088,979**

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

Source: Trade/Custom Office/VFA

Imports

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

In the absence of official data, Post estimates that MY 2016/2017 and MY 2017/2018 rice imports from Cambodia is 300,000 tons, given the limited sources of rice from Cambodia.

POLICY

Government Purchase program

The Vietnam Food Association (VFA) is a state-owned enterprise (SOE) operating in the fields of food producing, processing and trading. One of the VFA's functions is to boost the country's rice production, under direction of the Prime Minister. VFA often operates programs instructing its members to purchase rice for stockpiling one or two times per year in March and/or June- at the peak of the Spring and Autumn harvests. This policy prevents local prices from dropping significantly, thereby helping rice farmers to maintain higher profit margins. The purchase program often goes together with the minimum purchase price or guaranteed purchase price.

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

In January 2017, the VFA proposed a purchase program in March-April 2017 in order to prevent the local rice price from crashing during peak harvest. Currently, there are no signs from the GVN regarding support of local paddy price during January-March 2017 season in the MRD.

Vinafood 2 (Vietnam Southern Food Corporation), and Vinafood 1 Vietnam Northern Food Corporation) will proceed for IPO (Initial Public Offering) this year.

According to MARD, Vinafood 2, which is a SOE has completed the procedures to become a public corporation around the second quarter of MY 2016/2017. Additionally, MARD is also determining the appropriate time for Vinafood 1 to also become a public corporation. The government's goal is for Vinafood 1 to become public corporation during the fourth quarter of the marketing year.

No more registration to be a rice exporter

The government has developed a master plan to improve export market opportunities for Vietnam rice. The plan will also enhance the competitiveness of rice export enterprises, while promoting rice export. On September 19, 2016, the Ministry of Industry and Trade issued Official Letter No. 8768/BCT-XNK proposing that the Prime Minister consider abolishing a rice exporter plan (Decision No. 6139/QD-BCT), which set out burdensome criteria and conditions for becoming a rice exporter including requirements for warehousing and rice milling.

Under the direction of Deputy Prime Minister Trinh Dinh Dung, Document No. 10257/VPCP-KTTH dated November 28, 2016, January 4, 2016, the Minister of Industry and Trade signed a new Decision to abolish Decision No. 6139/QD-BCT.

Abolishing these criteria and conditions aims to eliminate restrictive business conditions that are inconsistent with the provisions of the Investment Law of 2014, which ensure transparency of institutions, business environment, and business facilitation. Additionally, the rice master plan envisions strengthening investment in the rice export sector while boosting strong prices for farmers.