

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Vietnam

Grain and Feed Update

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Approved By:

Gerald Smith

Prepared By:

Quan Tran

Report Highlights:

Wheat import volume for MY 2015/2016 is forecast unchanged. The Vietnam MY2014/2015 rice export is revised up from 6.3 million tons to 6.5 million tons, due to unexpected demand from Vietnam traditional markets at the end of calendar year 2015. The MY 2015/2016 rice export is revised down from 7.1 million tons to 6.0 million tons, due to expected low carry-over stocks from the MY 2014/2015.

Post:

Hanoi

Commodities:

Wheat

Rice, Milled

1. WHEAT

STATISTICAL TABLES

Vietnam's Production, Supply and Demand for Wheat

Wheat Market Begin Year Vietnam	2013/2014		2014/2015		2015/2016	
	May 2013		May 2014		May 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	0	0	0	0	0	0
Beginning Stocks	265	265	373	373	294	368
Production	0	0	0	0	0	0
MY Imports	2158	2158	2296	2370	2600	2600
TY Imports	2158	2158	2296	2370	2600	2600
TY Imp. from U.S.	161	161	317	260	0	300
Total Supply	2423	2423	2669	2743	2894	2968
MY Exports	175	175	225	225	225	225
TY Exports	175	175	225	225	225	225
Feed and Residual	350	350	600	600	700	700
FSI Consumption	1525	1525	1550	1550	1575	1575
Total Consumption	1875	1875	2150	2150	2275	2275
Ending Stocks	373	373	294	368	394	468
Total Distribution	2423	2423	2669	2743	2894	2968

(1000 HA) ,(1000 MT)

PRODUCTION

Vietnam does not produce wheat.

CONSUMPTION

The MY 2014/2015 wheat consumption remained at 2.15 million tons.

The MY 2015/2016 wheat consumption is forecast to remain unchanged due to less demand for feed wheat for the feed industry, which is expecting more competitive price of corn compared to feed wheat.

TRADE / COMPETITION

Post revises Vietnam's wheat imports volume in the MY 2014/2015 slightly up from 2.296 million tons to 2.370 million tons, an increase of 74,000 tons compared to the Official number, due to the increase in the use of feed wheat. Imported volume for MY 2015/2016 is forecast unchanged at 2.60 million tons.

Australian milling wheat remains dominant in the wheat import market in Vietnam, its market share, however, shrank from over 70-80 percent of Vietnam's total wheat imported volume in MY 2013/2014 to around only 50 percent in MY 2015/2015. Canadian wheat and Brazilian wheat picked up shares from almost nothing in MY 2013/2014 to more than 300,000 tons from each source in MY2014/2015. The forecast for total import of wheat into Vietnam remains unchanged in the MY 2015/2016.

The growth of baked wheat-based products and noodles requires high quality wheat, which possibly favors increased consumption of U.S. wheat. U.S. wheat is also 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 keeps on increasing – explaining the increase demand of premium quality wheat. However, exports of U.S. wheat into Vietnam which previously was expected to be around 320,000 tons in MY 2014/2015 has to be revised down to around 260,000 tons due to strong price competition from other wheat sources, especially Canadian wheat. Post put the forecast for import of U.S. wheat in MY 2015/2016 at 300,000 tons.

2. RICE

STATISTICAL TABLES

Vietnam's Production, Supply and Demand for Rice

Rice, Milled Market Begin Year Vietnam	2013/2014		2014/2015		2015/2016	
	Jan 2013		Jan 2014		Jan 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	7788	7788	7692	7792	7660	7660
Beginning Stocks	863	863	999	999	1173	633
Milled Production	28161	28161	28074	28234	28200	28160
Rough Production	45058	45058	44918	45175	45120	45056
Milling Rate (.9999)	6250	6250	6250	6250	6250	6250
MY Imports	300	300	400	400	400	500
TY Imports	300	300	400	400	400	500
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	29324	29324	29473	29633	29773	29293
MY Exports	6325	6325	6300	6500	7100	6000
TY Exports	6325	6325	6300	6500	7100	6000
Consumption & Residual	22000	22000	22000	22500	22000	22600
Ending Stocks	999	999	1173	633	673	693
Total Distribution	29324	29324	29473	29633	29773	29293

(1000 HA) ,(1000 MT)

PRODUCTION

Vietnam's Area, Yield, and Production for Rough Rice (as of August 2015)

Marketing Year	2013/2014 Revised		2014/2015 Estimate		2015/2016 Forecast	
	Old	New	Old	New	Old	New
Harvested Area (tha)						
Winter ¹	1,770	1,770	1,700	1,800	1,680	1,680
Spring ²	3,111	3,111	3,112	3,112	3,100	3,100
Autumn ³	2,907	2,907	2,880	2,880	2,880	2,880
TOTAL	7,788	7,788	7,692	7,792	7,660	7,660
Yield (mt/ha)						
Winter	4.75	4.75	4.80	4.80	4.85	4.85
Spring	6.67	6.67	6.65	6.65	6.75	6.75
Autumn	5.47	5.47	5.58	5.50	5.55	5.55
AVERAGE	5.79	5.79	5.84	5.80	5.88	5.88
Production (tmt)						
Winter	8,407	8,407	8,160	8,640	8,148	8,148
Spring	20,750	20,750	20,695	20,695	20,925	20,925
Autumn	15,901	15,901	16,064	15,840	15,983	15,983
TOTAL	45,058	45,058	44,919	45,175	45,056	45,056

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

Source: *MARD, Post estimates*

Revised estimate for MY 2014/2015 Vietnam rice production (began January 2015)

Post revises total rice production for MY 2014/2015 to reach 45.18 million tons of paddy rice, or approximately 28.24 million tons of milled rice equivalent. A slight increase compared to MY 2013/2014 production (about 100,000 tons of paddy). The increase in production is mainly due to the larger planted and harvested area of winter crop, due to low level flooding in the Mekong River Delta (MRD).

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 December 15, 2015, the harvest of the MY 2014/2015 autumn crop is nearly completed, due to decreased water supply caused by lower flooding water level. For crop in some planted areas, yield is expected down (from 5.58 tons per hectare to 5.5 tons per hectare) resulting in lower production (from expected 16.06 million tons to 15.84 million tons).

Winter Crop

Also due to the lower flooding water level, farmers were able to expand their areas for winter crop, the latest crop of the year. Post revised the harvested area for winter crop from 1.7 million hectares to 1.8 million hectares. The MY 2014/2015 winter crop production, therefore, was revised up from 8.16 million tons to 8.64 million tons.

CONSUMPTION

Post estimates that the country needs to consume each year an additional amount between 100,000 tons to 500,000 tons for rice to remain the dominant staple food and for the country to supply the food processing and animal feed industries.

In recent year Vietnam has exported rice to neighbor countries, mainly China, via border trade. However, the trade volumes have not been recorded in the official numbers of both selling and buying countries. Post therefore cannot include the number of such trade volumes into the export numbers and has to consider these volumes as a part of local consumption. Post's local consumption, is eventually higher than the actual local consumption.

STOCK

Rice stock in MY 2014/2015 is estimated to be very low due to unexpected increase in demand from Indonesia and the Philippines. Rice stock in MY 2015/2016, however, is expected to be at an identical low level compared to MY 2014/2015, which will prevent Vietnam exporting large amounts in MY 2015/2016.

TRADE / COMPETITION

Exports

The Vietnam MY2014/2015 rice export is revised up from 6.3 million tons to 6.5 million tons, due to unexpected demand from Indonesia and the Philippines at the end of calendar year 2015. The MY 2015/2016 rice export is revised down from 7.1 million tons to 6.0 million tons, due to expected low carry-over stocks from the MY 2014/2015.

Imports

Post estimates MY 2014/2015 and MY 2015/2016 rice imports from Cambodia remained 400,000 tons and 500,000 tons, respectively, given Vietnam's thin carry-over stock from MY 2013/2014 to MY 2014/2015.