

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Vietnam

### Grain and Feed Update

**October 2010**

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**Report Highlights:**

Post revises its estimate for Vietnam's MY 2009 rice production up from 39.24 million tons to 39.28 million tons (paddy basis), a slight increase due mainly to the switching of some land from the lower yielding Winter crop to the higher yielding late Autumn crop. A small amount of Winter crop area was not planted in order to help with Spring crop preparation, due to the expected water shortage in the Mekong River Delta in March and April of 2011.

Post:  
Hanoi

Commodities:  
Rice, Milled

Author Defined:  
PS&D Table:

Rice, Milled Vietnam	2008/2009		2009/2010		2010/2011	
	Market Year Begin: Jan 2009		Market Year Begin: Jan 2010		Market Year Begin: Jan 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Area Harvested</b>	7,334	7,334	7,351	7,355	7,350	7,350
<b>Beginning Stocks</b>	2,018	2,018	1,961	1,961	1,409	1,561
<b>Milled Production</b>	24,393	24,393	24,398	24,550	24,750	24,808
<b>Rough Production</b>	38,904	38,904	39,037	39,280	39,600	39,693
<b>Milling Rate (.9999)</b>	6,270	6,270	6,250	6,250	6,250	6,250
<b>MY Imports</b>	500	500	400	400	500	500
<b>TY Imports</b>	500	500	400	400	500	500
<b>TY Imp. from U.S.</b>	0	0	0	0	0	0
<b>Total Supply</b>	26,911	26,911	26,759	26,911	26,659	26,869
<b>MY Exports</b>	5,950	5,950	6,200	6,200	5,800	5,800
<b>TY Exports</b>	5,950	5,950	6,200	6,200	5,800	5,800
<b>Consumption and Residual</b>	19,000	19,000	19,150	19,150	19,500	19,500
<b>Ending Stocks</b>	1,961	1,961	1,409	1,561	1,359	1,569
<b>Total Distribution</b>	26,911	26,911	26,759	26,911	26,659	26,869

1000 HA, 1000 MT

## PRODUCTION

### Vietnam's Area, Yield, and Production for Rough Rice (as of October 2010)

Marketing Year	2008 Revised		2009 Estimate		2010 Forecast	
	Old	New	Old	New	Old	New
Harvested Area (tha)						
Winter <sup>1</sup>	1,800	1,800	1,750	1,710	1,800	1,710
Spring <sup>2</sup>	3,024	3,024	3,035	3,035	3,000	3,030
Autumn <sup>3</sup>	2,510	2,510	2,566	2,610	2,550	2,610
<b>TOTAL</b>	<b>7,334</b>	<b>7,334</b>	<b>7,351</b>	<b>7,355</b>	<b>7,350</b>	<b>7,350</b>
Yield (mt/ha)						
Winter	4.46	4.46	4.36	4.36	4.35	4.35
Spring	6.15	6.15	6.22	6.22	6.20	6.20
Autumn	4.89	4.89	4.96	4.96	5.16	5.16
<b>AVERAGE</b>	<b>5.30</b>	<b>5.30</b>	<b>5.41</b>	<b>5.34</b>	<b>5.39</b>	<b>5.40</b>
Production (tmt)						
Winter	8,028	8,028	7,630	7,456	7,831	7,439
Spring	18,598	18,598	18,878	18,878	18,600	18,786
Autumn	12,278	12,278	12,727	12,946	13,169	13,468

<b>TOTAL</b>	<b>38,904</b>	<b>38,904</b>	<b>39,235</b>	<b>39,280</b>	<b>39,600</b>	<b>39,693</b>
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<sup>1</sup> Lua Mua (10<sup>th</sup> Month), <sup>2</sup> Winter-Spring, <sup>3</sup> Summer-Autumn

Source: *MARD, Post estimates*

### **Estimate for MY 2009 (began January 2010)**

Post revises its estimate for Vietnam's MY 2009 rice production up from 39.24 million tons to 39.28 million tons (paddy basis), a slight increase of 40,000 tons due mainly to the larger planted area of late Autumn crop, but much smaller planted area of the Winter crop, where Mekong River Delta farmers partly switched their Winter crop to late Autumn crop, which gives a better yield and has a shorter planting time. A small amount of Winter crop area was not planted to help with Spring crop preparation, due to the expected pending water shortage in the Mekong River Delta.

#### **Autumn Crop (including main autumn and late autumn crops)**

According to the Ministry of Agriculture and Rural Development (MARD) in the provinces, the harvest of Vietnam's main Autumn crop was completed, as of October 15, 2010. Vietnam's total planted/harvested area for the main Autumn crop was revised from 2.08 million hectares to 2.094 million hectares, up 14,000 hectares due to some new area where farmers shifted from shrimp farms or other crops to rice planting.

Planting of the late autumn crop, focused in the Mekong River Delta, was completed by mid October. The total planted area was reported at 512,000 hectares. Post revises the total harvested area for the late Autumn crop from 480,000 to 510,000 hectares, up 30,000 hectares from Post's September estimate due to the increase of planted area and favorable weather conditions. The increased area was the land where farmers shifted from the Winter rice crop to late Autumn rice crop anticipating more income from the high export rice price. The Autumn rice crop has higher yield and a shorter life cycle than the Winter rice crop. The Autumn crop is used for the export market while the Winter crop is normally used domestically.

Post revises the total harvested area from 2.566 million hectares to 2.610 million hectares.

#### **Winter Crop**

Winter crop area was reported down 40,000 hectares in the Mekong River Delta, as of October 15, 2010. Harvesting of Winter crop in the north was going on at 87 percent of the total planted area in the region, and was reported in good condition. Harvesting in the central area was delayed and recorded at 75 percent of the total planted area due to heavy rain and flooding. However, no severe damage was reported.

Post revises the harvested area from 1.75 million hectares to 1.71 million hectares due mainly to the drop of planting area in the Mekong River Delta.

### **The Mekong River Delta (MRD) Rice Production**

#### **Autumn Crop (including main autumn and late autumn crops) and Winter Crop**

The increase of late autumn area, 30,000 hectares, was taken from the Winter rice crop area in response to the current high export rice prices, farmers tend to grow more rice for the export market.

The planted area for the Winter crop is therefore down 40,000 hectares. Besides the 30,000 hectares the was used for the late Autumn crop, farmers stopped planting the other 10,000 hectares in order to better prepare it for the new Spring crop which is expected to be started earlier than normal to avoid the water shortage that is expected in March and April of 2011. This expected water shortage is due to the anticipated water level in the Mekong River in 2011 at the

end of the dry season in March and April. MARD expects the water level to be lower than normal in 2011, and to be at its lowest point all year in March and April.

MARD currently expects the MY 2010 Spring crop in the Mekong River Delta to be planted on 1.558 million hectares, about the same area as MY 2009. However, the planting progress will be earlier than normal. Due to current low water level in the Mekong River Delta, MARD advised farmers in the Mekong River Delta to finish 60 percent of their planting during November and the other 40 percent in December of 2010. The normal planting pattern is 50 percent or less in November and remainder in December and January.

**Table 3. Rice Production in the Mekong Delta by Marketing Year**

(000 ha; mt/ha; 000 mt)

	2008 (Revised)			2009 (Estimate) (old)			2009 (Estimate) (new)		
	Area	Yield	Prod.	Area	Yield	Prod.	Area	Yield	Prod.
Winter	320	3.95	1,264	260	3.95	1,027	220	3.95	869
Spring	1,544	6.32	9,758	1,559	6.56	10,227	1,559	6.56	10,227
Autumn	1,553	4.72	7,330	1,630	5.00	8,150	1,644	5.00	8,220
Late Autumn	470	3.80	1,786	480	4.00	2,112	510	4.40	2,244
<b>Total</b>	<b>3,907</b>		<b>20,138</b>	<b>3,929</b>		<b>21,516</b>	<b>3,933</b>		<b>21,560</b>

Source: MARD, Post estimate