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Report Highlights:

Growth in Vietnam's economy, including a rebound in tourism, is expected to fuel protein demands which will increase demand for feed grains in Market Year (MY) 2023/24. Post forecasts feed demand up to 27.7 million metric tons (MMT), a three percent year on year increase. High wheat prices are expected keep demand for wheat for feed use flat while overall imports up will increase to 4.2 MMT in MY 2023/24 due to expected higher demand for milling wheat for tourism and services. High wheat prices are also expected to increase demand for rice and corn as feed ingredient alternatives. Rice consumption is also expected to grow with both population growth the rebounding of the tourism sector. Post expects MY 2023/24 rice exports at 6.6 MMT, an increase but lower than MY 2021/2022's high export volumes due to slightly decreased production caused by crop conversion and urbanization, and strong regional competition.

SITUATION AND OUTLOOK

According to the General Statistics Office (GSO), Vietnam's economy rebounded in 2022, with a strong Gross Domestic Production (GDP) growth of 8 percent. Growth in agriculture, forestry and fishery sectors reached 3.4 percent. The Consumer Price Index averaged about 3.1 percent. The government has put into place policies to promote economic growth such as keeping interest rates low, supporting strong credit growth, and the government's Program for Socioeconomic Recovery and Development. Strong growth in the manufacturing and service sectors also contributed to the economic recovery.

The World Bank Publication, 'Taking Stock' released in March 2023, reports that Vietnam's high growth rate in 2022 is due to its low growth in 2021 (2.6 percent), the rebound of domestic consumption in post COVID-19 and export-oriented manufacturing. The World Bank forecasts that Vietnam's GDP growth will reach 6.3 percent in 2023 and driven by domestic demand and capital investment of the 2022-2023 Economic Support Program. Weaker estimated demand in the major export markets including the United States, China and the Eurozone may affect Vietnam's export-led economy. Higher estimated inflation in 2023 may also affect domestic consumption.

According to GSO, in 2022, total Vietnam retail and services revenue increased 20 percent compared to 2021. Revenues from food and beverage, lodging, and traveling services have increased sharply in 2022. The World Bank report "Taking Stock: Harnessing the Potential of the Services Sector for the Growth"¹ projects that Vietnam's services sector will play a crucial role in supporting and maintaining the country's sustainable economic growth in the coming years.

In January 2023, China announced its reopening policy. According to local media, this policy will have positive impact on the global economy, and Vietnam's export and tourism from mid-2023. Vietnam exports to China have not been subjected to COVID testing since January 8, 2023. The volume of trucks exporting goods to China through border gates in the northern provinces has increased sharply in the first few months of 2023.

Opportunities and challenges in the outlook above will drive demands for meat, poultry, and seafood products, thereby feed demands.

Vietnam Feed Industry Summary

The livestock sector continues to face high feed prices, and lingering diseases. GSO reported that the total swine population in 2022 increased by 11.4 percent and live-weight production increased by 6 percent, compared to the previous year.

Hog prices decreased, down about 20 percent compared to prices in September 2022, ranged from VND 48,000-51,000 per kg (Figure 1). According to local media, low hog prices, low pork and poultry, and high feed price, disease outbreaks in early 2023, and weak demand for pork and poultry meat, have challenged the profitability of livestock farmers, particularly smallholder farmers. The livestock industry has witnessed a strong restructuring with smallholders leaving production or contract farming with large

¹ <https://openknowledge.worldbank.org/entities/publication/d4826652-6768-453a-86be-0bb54a6ef90f>

commercial producers. The above-mentioned factors will affect livestock farmers’ decision to repopulate or expand their herds.

From conversations with trade contacts, the strong pace of swine repopulation in 2022 led to high supply which has been depressing hog prices. Hog and pork prices were low during the Tet Holiday which is usually the time of year with the highest demand. While feed prices kept rising due to high prices of imported ingredients, swine farmers gained very small profits. Feed mills could not raise feed prices in line with the increasing pace of feed ingredient prices, therefore feed mill revenues also suffered. According to traders and feed millers 2023 and potentially 2024, will be years of adjustment for swine and feed production at both large and small scales.

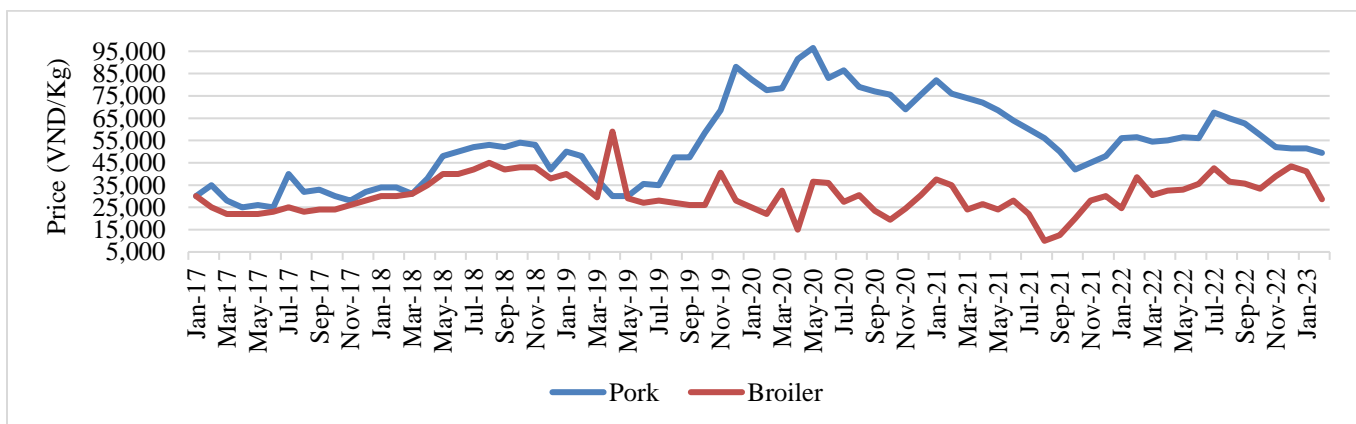
Vietnam’s imports of pork and pork offal, and poultry in 2022 are down compared to 2021. This was the result of higher local production. According to Agromonitor, Vietnam’s exports of live hogs to Cambodia increased 45 percent, a major market, and pork to Hong Kong and Thailand increased 16 percent in 2022, compared to 2021.

The input costs of swine production, including feed prices, are estimated to average from VND 48,000-53,000, according to local media. Inputs costs vary and depend on whether farmers use sows or buy piglets for repopulation of their herds. Due to disease challenges and low profits for family-scale production, an industry contact estimated decreasing swine populations particularly in the back-yard model.

In February 2023, the Ministry of Agriculture and Rural Development (MARD) announced its review of the first African Swine Fever (ASF) commercial vaccine and introduced the testing results of the second ASF vaccine. According to industry contacts, farmers continue to face ASF threats.

Farm-feed or farm-feed-food integrated companies have been continuing to grow in the current market situation, while some small and medium feed mills scaled down due to high and volatile prices of ingredients and spiking production costs.

Figure 1: Domestic Pork and Broiler Prices

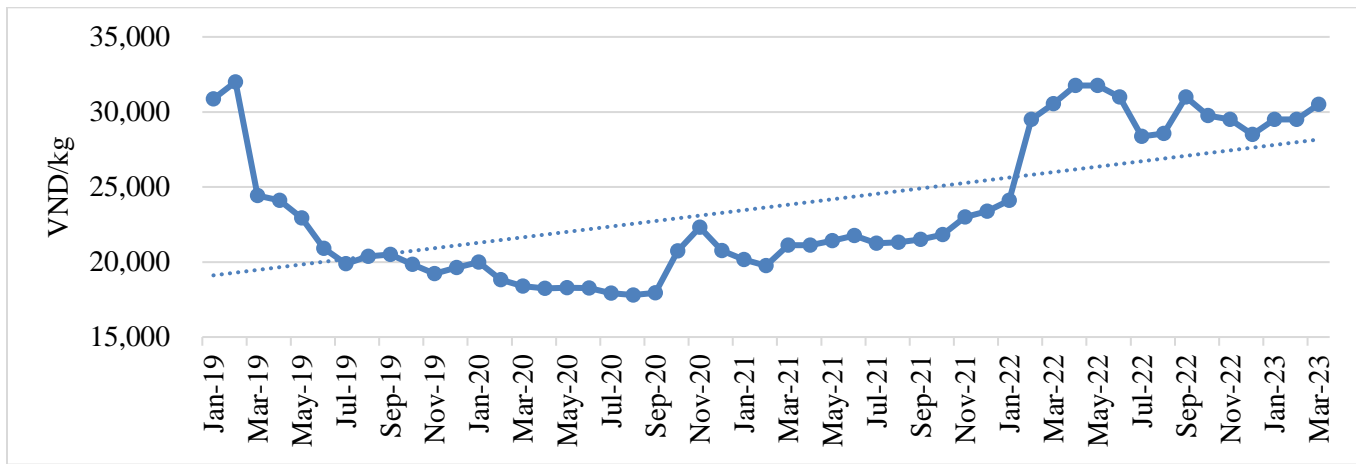


VND=Vietnamese Dong

Source: U.S. Soybean Export Council, U.S. Grains Council

According to MARD, catfish exports rose 8 percent and while production increased 43.7 percent in 2022 compared to the previous year (Figure 3). Catfish prices remained high in 2022 while the export trend was down since September 2022, and sharply decreased in the first months of 2023 (Figures 2 and 4). According to an industry contact, in January and February 2023, a southern catfish processor operated three days per week due to high stock in cold storage and limited purchasing orders. The export downtrend is due to low demand and high inflation at major export markets including U.S. and EU countries. China reopening increased catfish exports in the first months of 2023. The reopening could not offset the downward trend but is a positive sign for producers and processors. According to an industry contact, catfish exports are estimated to increase in the third quarter of 2023.

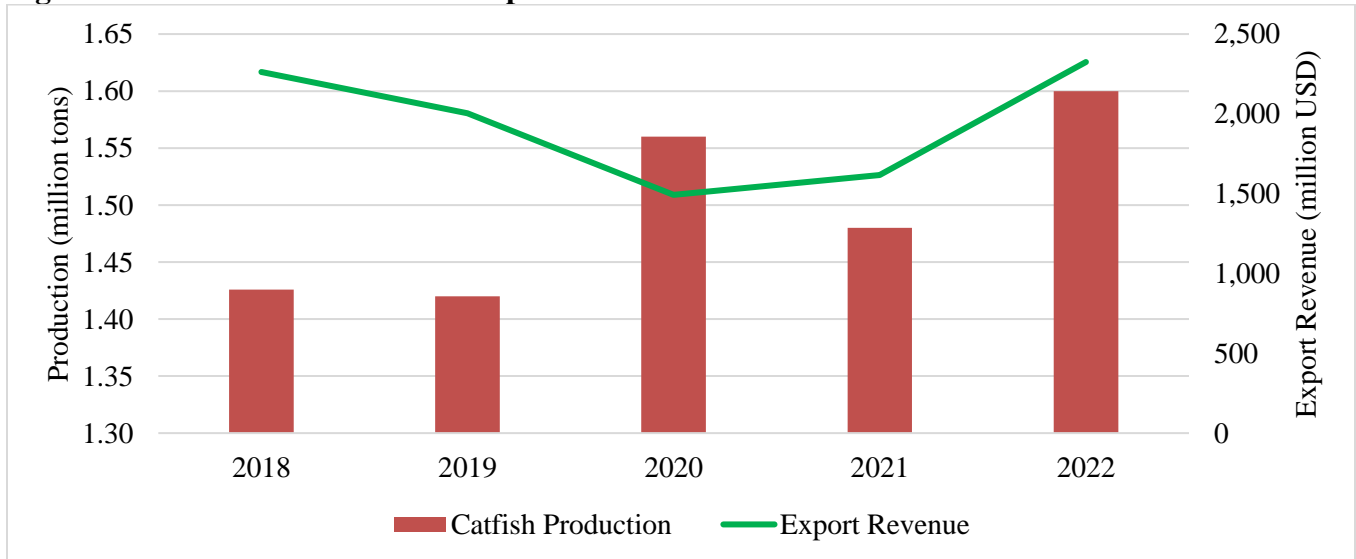
Figure 2: Catfish Prices in Dong Thap Province



Source: Vietnam Association of Seafood Exporters and Producers (VASEP)

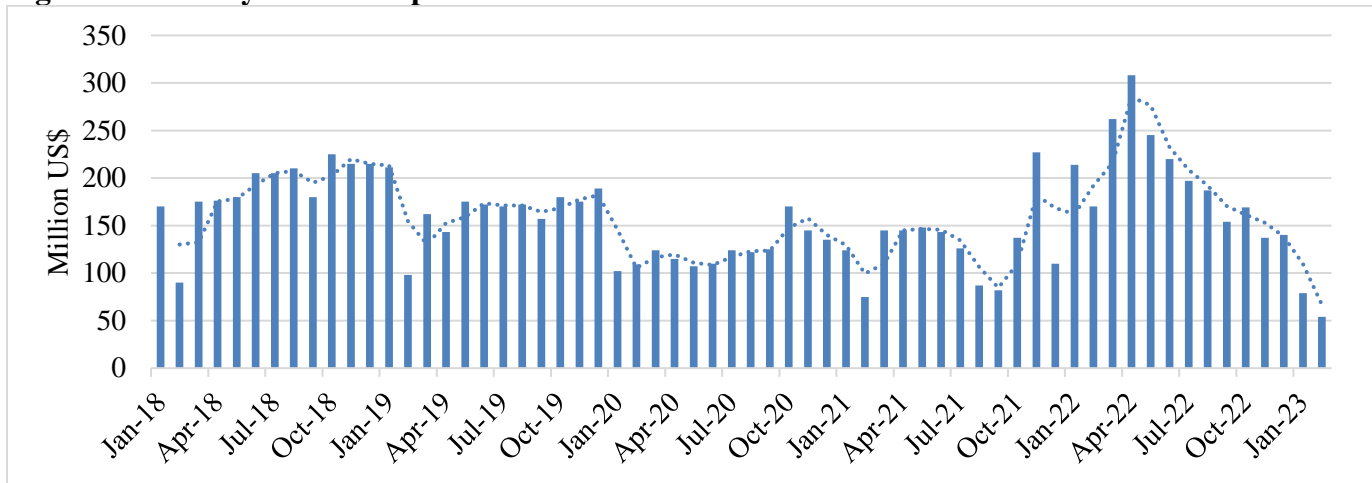
Note: Dong Thap province is one of Vietnam’s two major catfish producing provinces.

Figure 3: Catfish Production and Export Revenues



Source: MARD and Vietnam Customs

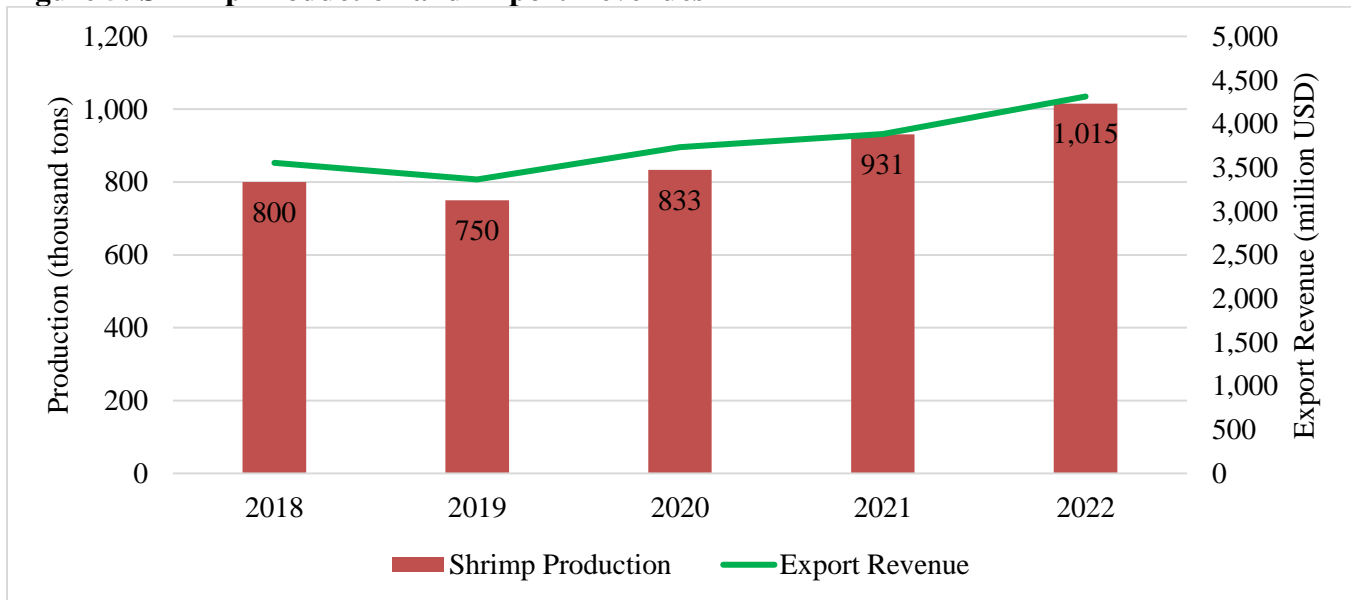
Figure 4: Monthly Catfish Export Revenues



Source: VASEP, Vietnam Customs

Shrimp production and export revenues showed steady growth in 2020-2022, according to MARD and Vietnam Customs (Figure 5). Shrimp export revenue rose 11 percent, reaching \$4.3 billion, while its export volumes increased 5.5 percent. However, in first two months of 2023, shrimp exports sharply decreased by 55 percent compared to the same period of the previous year. The export downtrend is due to low demand and high inflation at major export markets including the U.S., EU, and Japan. Shrimp exports are estimated to increase in the third quarter of 2023.

Figure 5: Shrimp Production and Export Revenues



Source: MARD and Vietnam Customs

Post forecasts 2024 feed demand forecast up to 27.7 MMT, a three percent year-on-year increase in line with higher protein demands to serve the growing population and tourism (Table 1).

High production costs, low hog, and poultry prices (Figure 1), and disease threats will prevent the livestock sector from growing rapidly in first half of 2023. Currently, demands for livestock products remain flat, leading to stalled feed demands. Catfish production is expected to increase in late 2023, following the anticipated increase in export demand. Post revises its forecast of feed demands in 2023 increase to 27 MMT.

Table 1: Feed Demand (Unit: MT)

| | CY 2022 | CY 2023 | CY 2024 |
|------------------|-------------------|-------------------|-------------------|
| Animal Feed | 20,400,000 | 20,800,000 | 21,445,000 |
| Aquaculture Feed | 6,150,000 | 6,210,000 | 6,260,000 |
| Total | 26,550,000 | 27,010,000 | 27,705,000 |

Source: Post's estimate

CY=Calendar Year

Approximately 75 percent of feed ingredients in Vietnam are imported (Table 2). In addition to local broken rice, Vietnam imported approximately 250 thousand tons of feed-grade broken rice from India in 2022 to substitute high-priced corn and feed wheat. However, due to the India Government's ban on broken rice exports, which went into effect on September 9, Vietnam imports of broken rice from India declined about 50 percent in 2022 over 2021. Post estimates that in the increase of imported rice bran, and other plant-based meals for feed use offset the decrease of imported corn and broken rice in 2022. Vietnam's cassava imports tripled in 2022 compared to the previous year. Vietnam's cassava imports are for exports and feed use.

Table 2: Feed Ingredients Demand (Unit: MT)

| Year | CY 2022 | CY 2023 | CY 2024 |
|---|-------------------|-------------------|-------------------|
| Imports (*) | 19,855,000 | 20,314,900 | 20,967,901 |
| Soybean Meal | 5,950,000 | 6,000,600 | 6,136,100 |
| Corn | 7,480,000 | 7,940,300 | 8,214,900 |
| Distillers dried grains solubles (DDGS) | 1,020,000 | 1,040,000 | 1,072,250 |
| Feed wheat | 1,998,000 | 1,900,000 | 1,900,000 |
| Rice bran, broken rice | 717,000 | 700,000 | 700,001 |
| Plant-based meal/bran | 1,891,000 | 1,918,500 | 2,051,800 |
| Other protein meals | 799,000 | 815,500 | 892,850 |
| Local Supply | 6,695,000 | 6,695,100 | 6,737,099 |
| Corn | 2,200,000 | 2,100,000 | 2,000,000 |
| Rice bran, broken rice | 4,002,000 | 4,096,700 | 4,227,699 |
| Cassava | 493,000 | 498,400 | 509,400 |
| Total | 26,550,000 | 27,010,000 | 27,705,000 |

() Including local crush from imported beans.*

Source: Post's estimate

CORN

Production, Supply, and Distribution

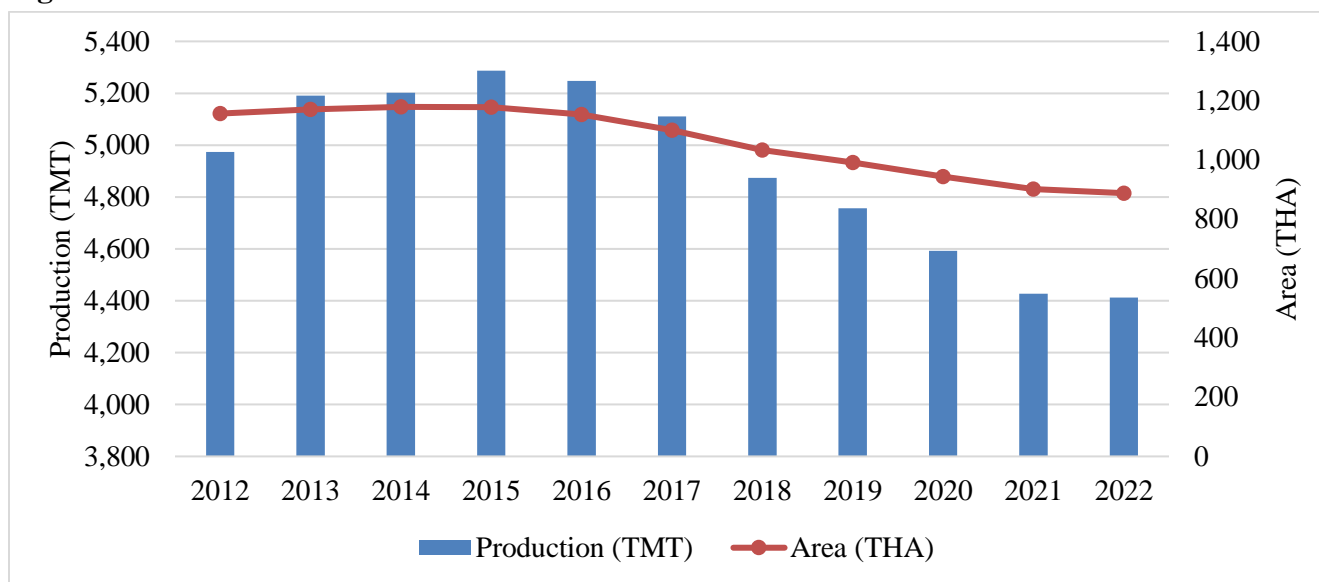
| Corn | 2021/2022 | | 2022/2023 | | 2023/2024 | |
|------------------------------|---------------|----------|---------------|----------|---------------|----------|
| Market Year Begins | May 2021 | | May 2022 | | May 2023 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Area Harvested (1000 HA) | 903 | 820 | 890 | 770 | 0 | 747 |
| Beginning Stocks (1000 MT) | 2,544 | 2,544 | 940 | 1,604 | 0 | 1,224 |
| Production (1000 MT) | 4,446 | 3,960 | 4,400 | 3,770 | 0 | 3,660 |
| MY Imports (1000 MT) | 9,200 | 9,200 | 9,200 | 10,500 | 0 | 10,700 |
| TY Imports (1000 MT) | 9,100 | 9,100 | 9,200 | 10,500 | 0 | 10,700 |
| Total Supply (1000 MT) | 16,190 | 15,704 | 14,540 | 15,874 | 0 | 15,584 |
| MY Exports (1000 MT) | 500 | 300 | 500 | 250 | 0 | 200 |
| TY Exports (1000 MT) | 500 | 300 | 500 | 250 | 0 | 200 |
| Feed and Residual (1000 MT) | 13,300 | 12,300 | 11,800 | 12,900 | 0 | 13,000 |
| FSI Consumption (1000 MT) | 1,450 | 1500 | 1,450 | 1,500 | 0 | 1,500 |
| Total Consumption (1000 MT) | 14,750 | 13,800 | 13,250 | 14,400 | 0 | 14,500 |
| Ending Stocks (1000 MT) | 940 | 1,604 | 790 | 1,224 | 0 | 884 |
| Total Distribution (1000 MT) | 16,190 | 15,704 | 14,540 | 15,874 | 0 | 15,584 |
| Yield (MT/HA) | 4.9236 | 4.8293 | 4.9438 | 4.8961 | 0 | 4.8996 |

(1000 HA) ,(1000 MT) ,(MT/HA)
 MY = Marketing Year, begins with the month listed at the top of each column
 TY = Trade Year, which for Corn begins in October for all countries. TY 2023/2024 = October 2023 - September 2024

PRODUCTION

According to GSO, local corn production and area have steadily declined since 2015 due to low imported corn prices for feed ingredients (Figure 6). Farmers have shifted to more profitable cash crops such as fruits, coffee, and pepper from corn depending upon the soil quality. Industry contacts indicate the production is lower than GSO's statistics. Local corn is unable to compete with imported corn due to its lower prices. Post forecasts that the corn production continues to decrease in MY 2023/24 due to the continued decline in harvested area amid steep competition from low cost imported corn, particularly from South America. Post keeps its estimates for MY 2022/23 corn production area at 770 THA with production output at 3,770 TMT. In calendar year (CY) 2022, corn production and area slightly declined to 4,412 thousand metric tons and 888 thousand hectares.

Figure 6: Corn Production and Area



Source: GSO

Table 3: Corn Area, Yield, and Production

| Marketing Year | 2021/22 | | 2022/23 | | 2023/24 | |
|----------------------|----------|-------|----------|-------|----------|-------|
| | Estimate | | Forecast | | Forecast | |
| | Old | New | Old | New | Old | New |
| Harvested Area (THA) | 830 | 820 | 770 | 770 | | 747 |
| Yield (MT/HA) | 4.77 | 4.83 | 4.81 | 4.90 | | 4.90 |
| Production (TMT) | 3,960 | 3,960 | 3,700 | 3,770 | | 3,660 |

Source: GSO, MARD, Post's estimate

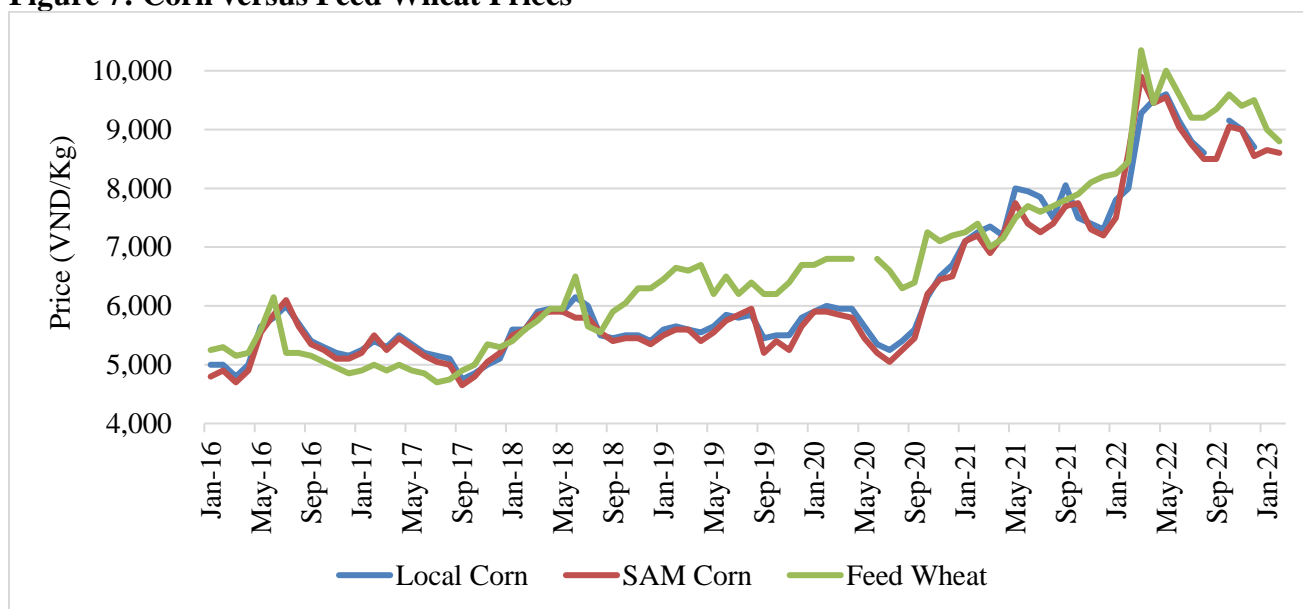
CONSUMPTION

Post forecasts MY2023/24 corn consumption to increase to 14.5 MMT, including 13 MMT feed and residual due to estimated continued wheat high prices and in line with the total feed demand forecasts.

Continued high wheat prices will likely lead to higher consumption of corn for feed use. Post maintains Vietnam's MY 2022/23 forecasts of corn consumption at 14.4 MMT, including 12.9 MMT feed and residual due to higher demand for animal feed and low import of feed wheat.

Corn prices remained high in CY 2022 leading to lower imports (Figure 7). According to traders and feed millers, feed wheat, barley, rice bran and broken rice substituted for corn as energy sources in some feed formulations. CY 2022 feed wheat imports were down approximately 17 percent from CY 2021 according to customs data, due to its high price compared to corn and other ingredients (Table 4). The Russia-Ukraine war has driven wheat prices up and affected global wheat supply.

Figure 7: Corn versus Feed Wheat Prices



Note: SAM corn means South America corn. Breaks in lines means the data is unavailable.

Source: U.S. Soybean Export Council in Vietnam

Table 4: Corn versus Feed Wheat Imports

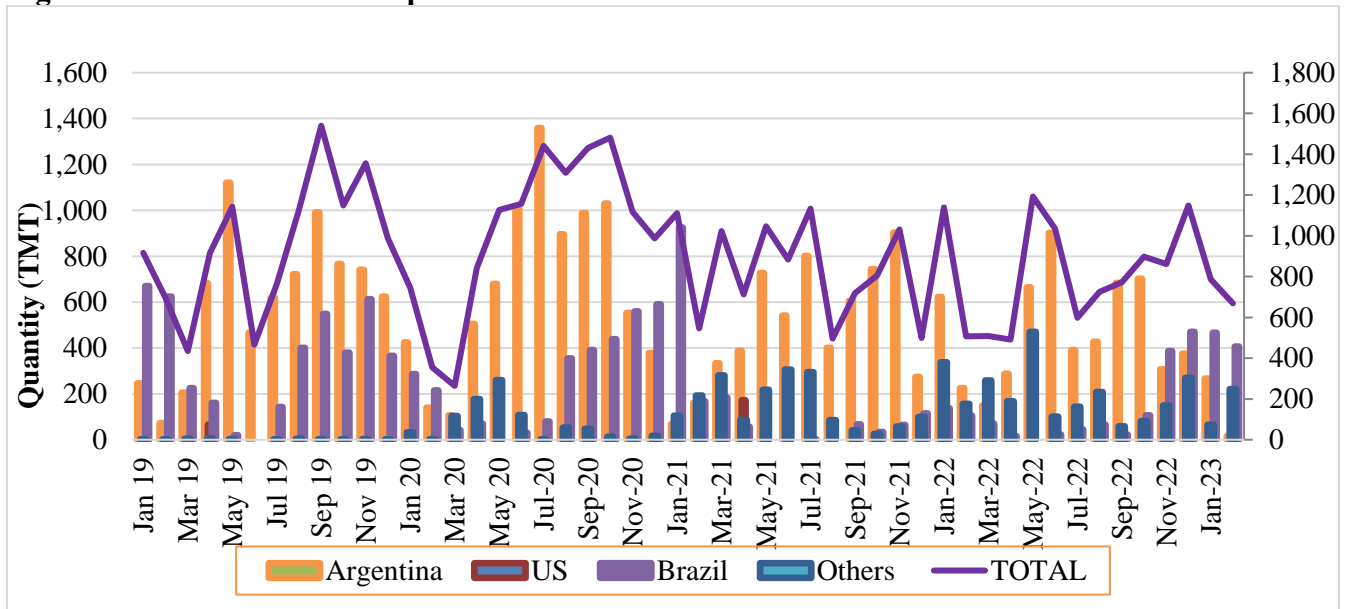
| Corn versus Feed Wheat Imports (tons) | | | |
|---------------------------------------|-------------------|------------------|-----------------|
| | 2021 | 2022 | Change |
| Corn | 10,004,500 | 9,877,500 | -127,000 |
| Feed Wheat | 2,030,000 | 1,690,000 | -340,000 |

Source: Trade contacts, Vietnam Customs, Post's Calculation

TRADE/COMPETITION

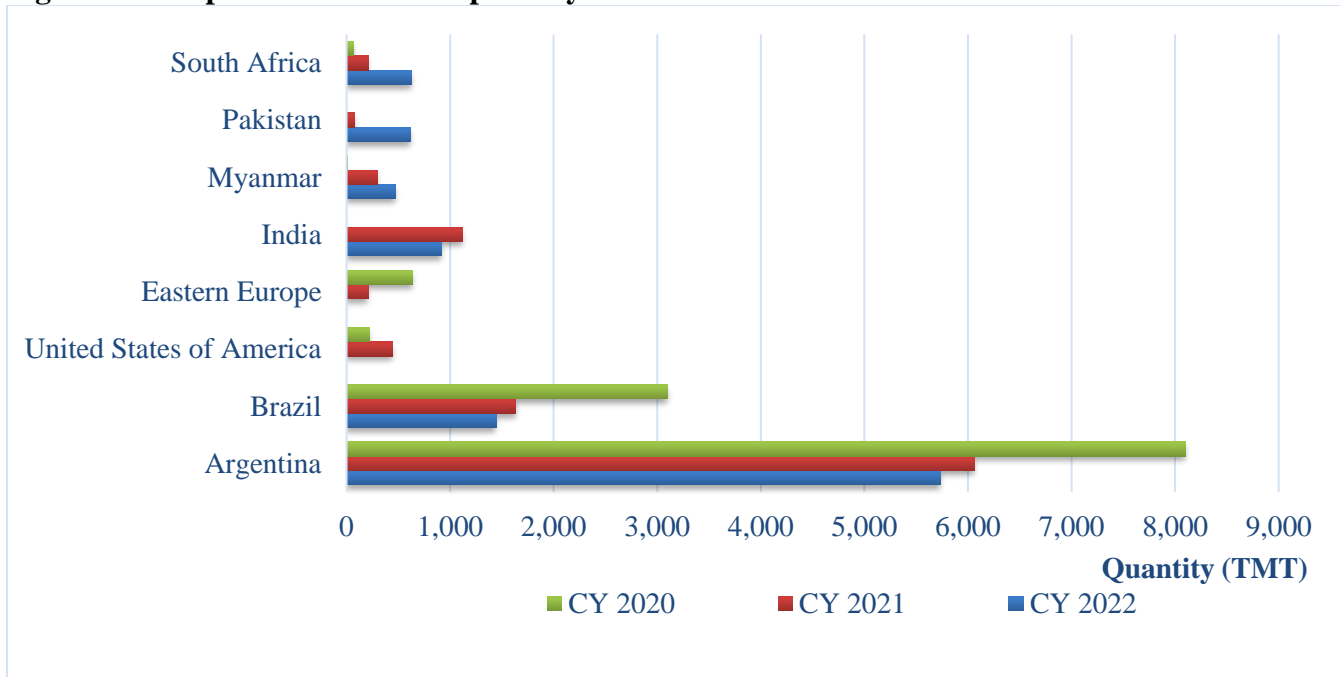
Due to increased corn prices and disrupted supply from Eastern Europe, local importers sourced corn from Pakistan, Myanmar, and South Africa (Figure 8 and 9). In CY 2022, Vietnam's corn imports from Argentina, Brazil and India declined by 6, 12, and 18 percent respectively, compared with the previous year. Corn imports from Pakistan, Myanmar, and South Africa increased from 580 thousand metric tons in CY 2021 to 1.72 million tons in CY 2022.

Figure 8: Vietnam's Corn Imports from Main Sources



Source: Vietnam Customs

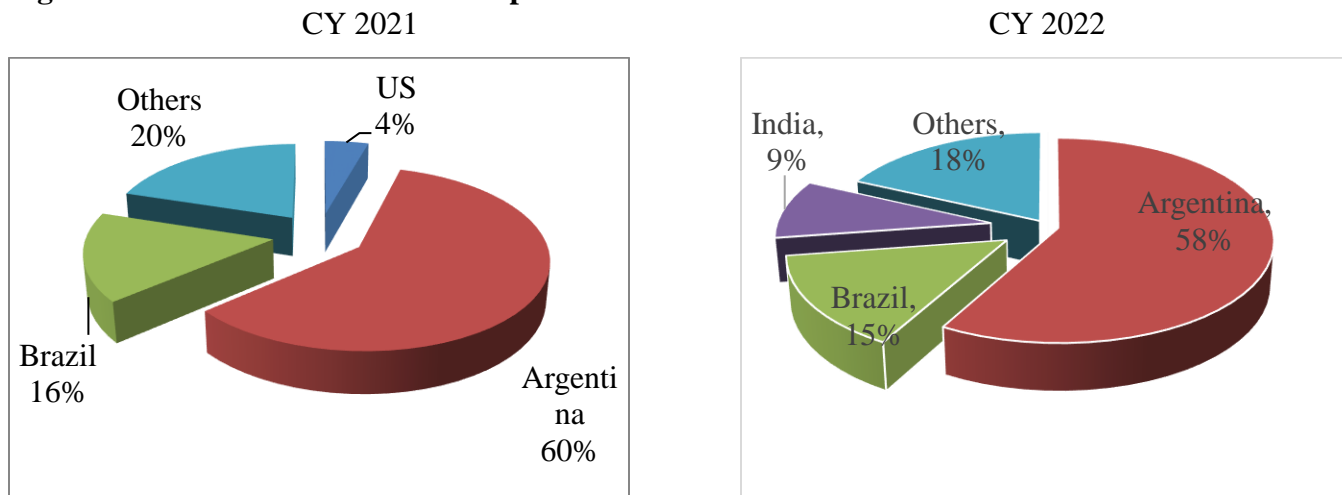
Figure 9: Comparison of Corn Imports by Source



Source: Vietnam Customs

In CY 2022, Argentina remained the largest corn supplier to Vietnam with 58 percent of the total market share. Brazil followed with a 15 percent market share, India with 9 percent, and other suppliers with 18 percent (Figure 10).

Figure 10: Market Share of Corn Imports to Vietnam



Source: Trade Data Monitor LLC, Vietnam Customs, Trade Contacts and Post's Calculation

Domestic corn prices declined from their peak in early 2023 but are still at a six-year high (Figure 7). The high price of corn, an important ingredient in feed formula, led to high input costs of compound feed, which weighed on livestock production. Due to ASF there has been a shift towards the commercial scale production. An industry contact estimated that hogs in commercial scale farms are now accounting 60 percent of total swine population, and the remaining 40 percent is at family scale. Commercial feeds are preferred by farmers due to the high prices of ingredients for home-made feed. Post forecasts Vietnam MY 2023/24 corn imports will be at 10.70 MMT on estimated increasing feed demand.

Vietnam's corn exports in CY 2022 were down 53 percent compared to the previous year, according to Vietnam customs data. Post forecasts for MY 2023/24 exports decrease to 200 thousand tons as MY 2022/23 due to less demand in Association of Southeast Asian Nations (ASEAN) and high price.

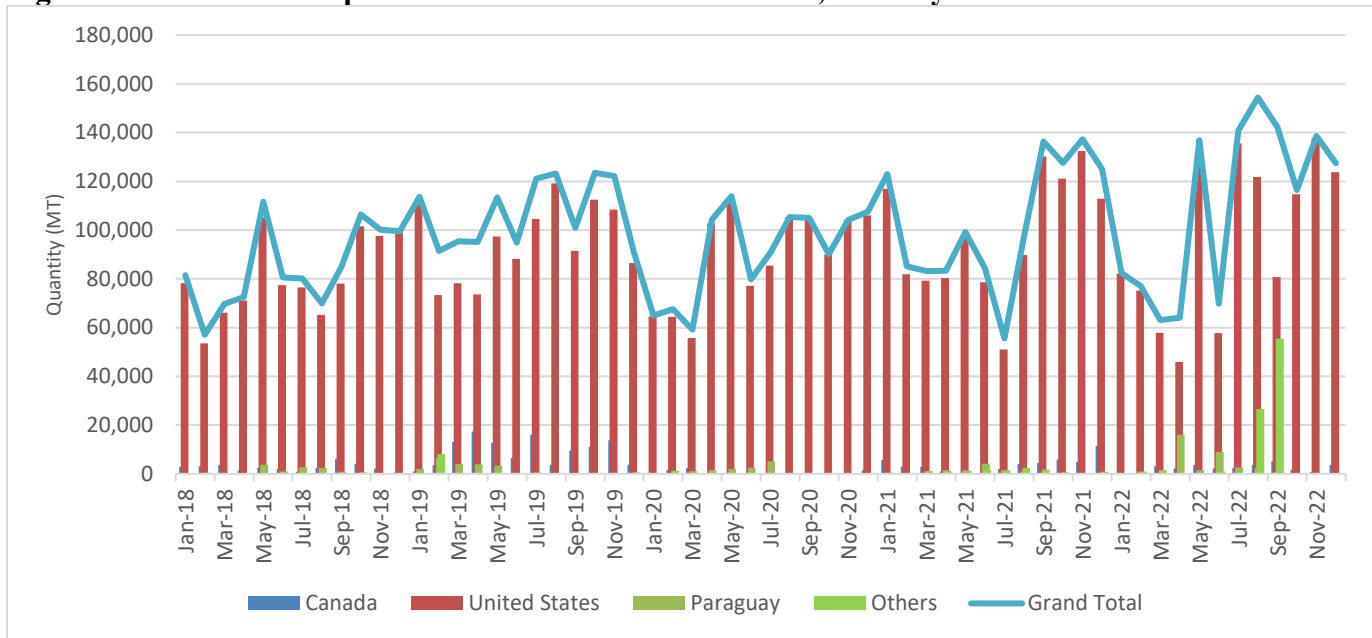
STOCKS

Post forecasts MY 2023/24 stocks at 884 thousand tons, lower than previous year, on estimated higher demands. Post also lowers MY 2022/23 stock at 1.22 MMT, lower than the previous year, due to higher consumption and lower production.

Imports of Distillers Grains with Soluble (DDGS)

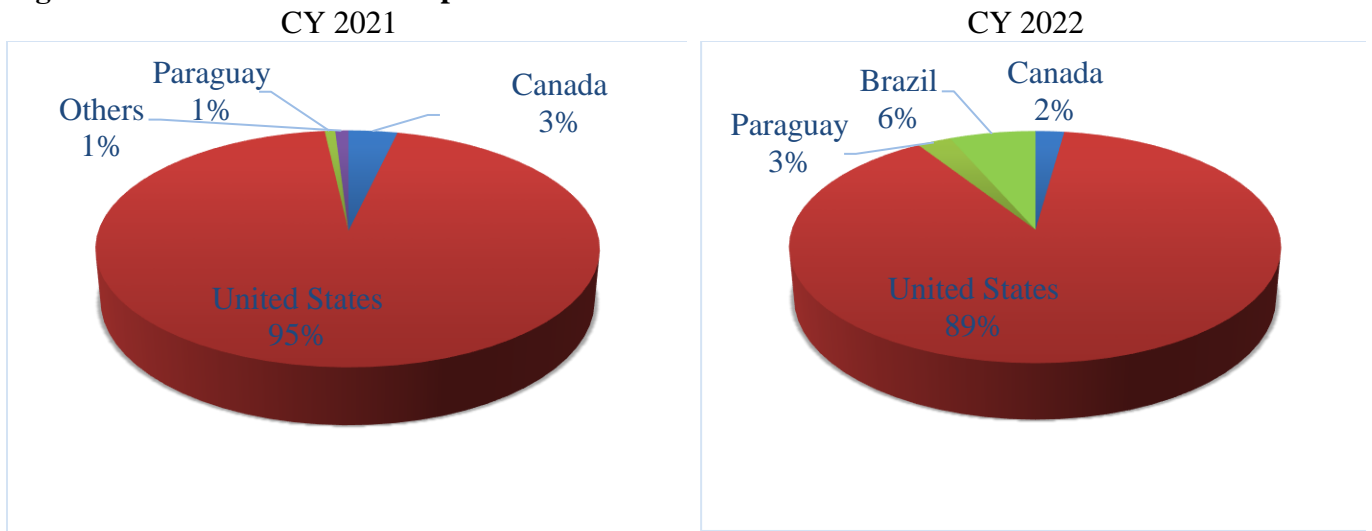
Corn DDGS imports in CY 2022 reached approximately 1.31 MMT, 6 percent higher than the previous year. The United States was the largest supplier of DDGS to the Vietnam feed industry (Figures 11 and 12). Brazil became the second largest supplier. Australia and Canada are the major suppliers of wheat DDGS to Vietnam.

Figure 11: Vietnam’s Imports of DDGS from Main Sources, January 2018-December 2022



Source: Vietnam Customs

Figure 12: Vietnam’s DDGS Imports Market Share



Source: Vietnam Customs

POLICY

On November 15, 2021, the GVN issued [Decree 101/2021/ND-CP](#) which revised Most-Favored-Nation (MFN) tariff rates on corn down from 5 to 2 percent, and wheat from 3 percent to zero ([VM2021-0097](#)). The Decree came into force on December 30, 2021.

On December 09, 2022, MARD/Plant Protection Department issued a letter to USDA/APHIS notifying the U.S. that Vietnam had removed the requirement for a phytosanitary import permit for DDGS, exported from the U.S. to Vietnam. This policy makes no change to the existing phytosanitary import

requirements applied to manage phytosanitary risks on the DDGS. This came into force on December 15, 2022.

WHEAT

Production, Supply, and Distribution

| Wheat | 2021/2022 | | 2022/2023 | | 2023/2024 | |
|------------------------------|---------------|----------|---------------|----------|---------------|----------|
| Market Year Begins | Jul 2021 | | Jul 2022 | | Jul 2023 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Area Harvested (1000 HA) | 0 | 0 | 0 | 0 | 0 | 0 |
| Beginning Stocks (1000 MT) | 717 | 717 | 753 | 767 | 0 | 617 |
| Production (1000 MT) | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Imports (1000 MT) | 4,527 | 4,600 | 4,600 | 4,000 | 0 | 4,200 |
| TY Imports (1000 MT) | 4,527 | 4,600 | 4,600 | 4,000 | 0 | 4,200 |
| Total Supply (1000 MT) | 5,244 | 5,317 | 5,353 | 4,767 | 0 | 4,817 |
| MY Exports (1000 MT) | 341 | 300 | 250 | 250 | 0 | 300 |
| TY Exports (1000 MT) | 341 | 300 | 250 | 250 | 0 | 300 |
| Feed and Residual (1000 MT) | 2,100 | 2,200 | 2,200 | 1,700 | 0 | 1,700 |
| FSI Consumption (1000 MT) | 2,050 | 2,050 | 2,200 | 2,200 | 0 | 2,300 |
| Total Consumption (1000 MT) | 4,150 | 4,250 | 4,400 | 3,900 | 0 | 4,000 |
| Ending Stocks (1000 MT) | 753 | 767 | 703 | 617 | 0 | 517 |
| Total Distribution (1000 MT) | 5,244 | 5,317 | 5,353 | 4,767 | 0 | 4,817 |
| Yield (MT/HA) | 0 | 0 | 0 | 0 | 0 | 0 |

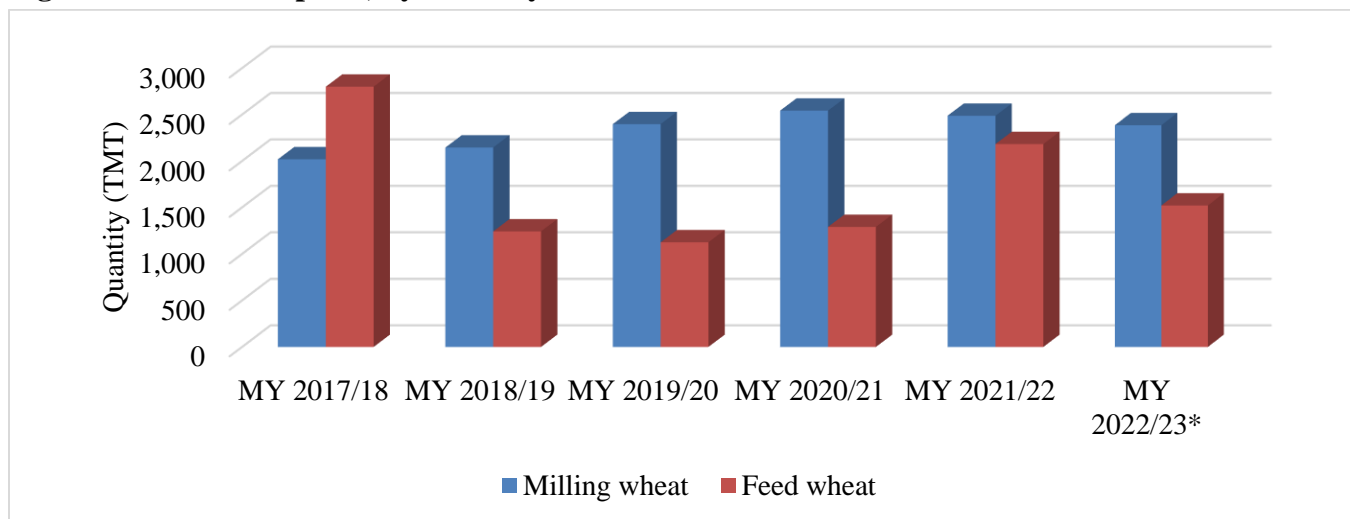
(1000 HA) ,(1000 MT) ,(MT/HA)
 MY = Marketing Year, begins with the month listed at the top of each column
 TY = Trade Year, which for Wheat begins in July for all countries. TY 2023/2024 = July 2023 - June 2024

CONSUMPTION

Post forecasts MY 2023/24 wheat consumption at 4.00 MMT, higher than MY 2022/23, on higher demand for milling wheat due to an expected rebound in the tourism sector. Post forecasts feed wheat consumption MY 2023/24 will remain flat due to high wheat prices. The Russia-Ukraine war drove wheat prices up and continues to make the wheat market highly volatile.

Post keeps its estimates for MY 2022/23 wheat consumption at 3.90 MMT with forecasted consumption flat in feed wheat and up in milling wheat. As explained in corn section, Vietnam imported a larger amount of rice bran, plant-based meals and cassava to substitute for feed wheat as energy sources for animal feed production. Tourism and services rebounded in CY 2022 and early 2023. China's reopening policy was also a positive signal for consumption for the coming years.

Figure 13: Wheat Imports, by Industry



Source: Vietnam Customs, Trade Contacts, * Post's Estimate

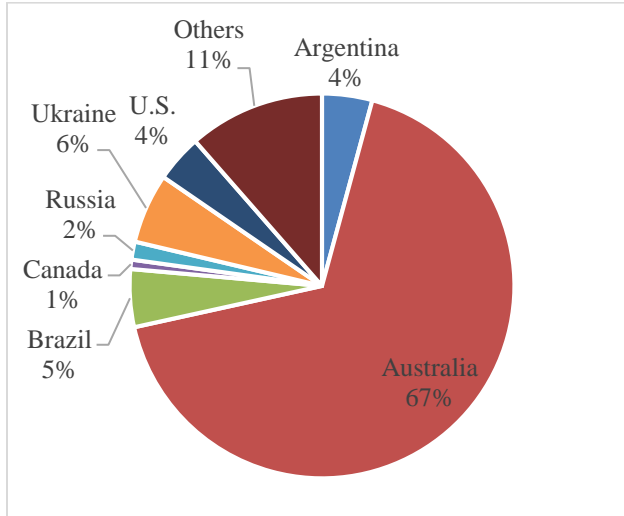
TRADE/COMPETITION

Imports

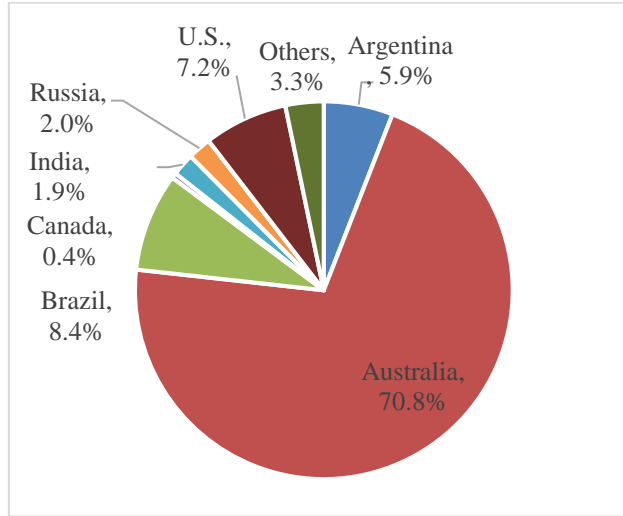
Post forecasts Vietnam's wheat imports in MY 2023/24 will increase to 4.2 MMT due to expected higher demand of milling wheat for tourism and services. Post maintains the wheat imports estimate for MY 2022/23 at 4 MMT.

According to Vietnam Customs, total Vietnam CY 2022 wheat imports were about 3.9 MMT, a decline of 16.5 percent compared to CY 2021. Australia continued to be the largest wheat supplier to Vietnam with 70.8 percent of total market share, followed by Brazil, U.S., and Argentina in CY 2022 (Figure 14). However, the wheat import volume from Australia was down 15 percent while Brazil, U.S., and Argentina increased their export volumes to Vietnam by 40, 46 and 14 percent respectively in CY 2022 compared with the previous year, thanks to Most Favored Nation (MFN) zero import tariff which went into effect on December 30, 2021, for all classes of wheat (Figure 15).

Figure 14: Market Share of Wheat Imports to Vietnam
CY 2021

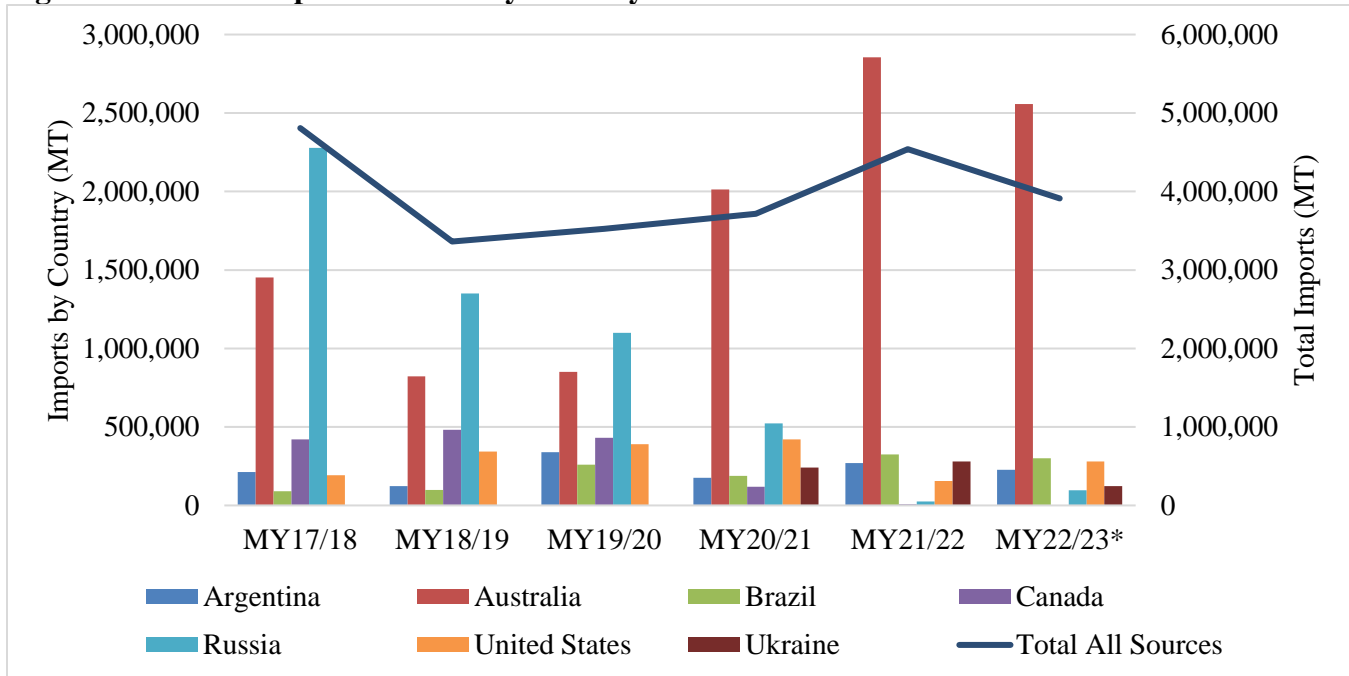


CY 2022



Source: Vietnam Customs

Figure 15: Wheat Imports Volume by Country

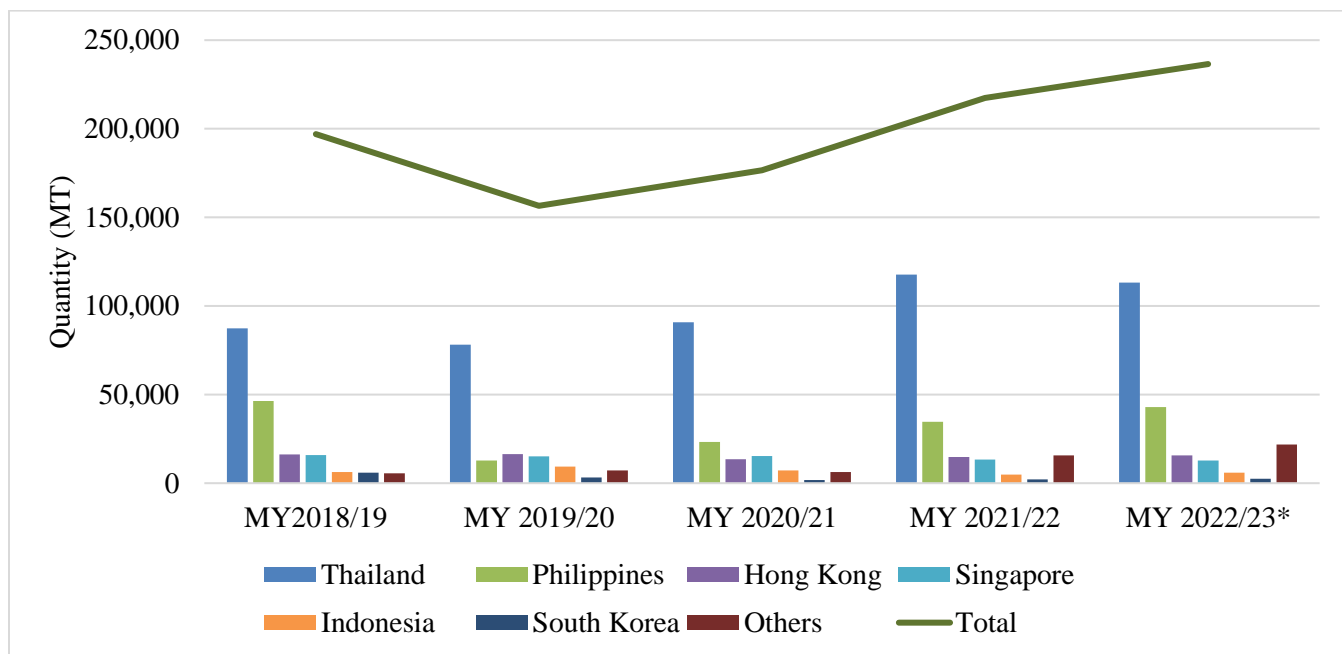


Source: Trade Data Monitor LLC, Vietnam Customs, Traders, *Post's estimate

Exports

According to Trade Data Monitor LLC, Vietnam's exports of wheat flour in the first half MY 2022/23 increased by 19 percent compared to the same period of the previous year. Post maintains its estimate for MY 2022/23 exports of wheat flour at 250 TMT and forecasts that MY 2023/24 will increase to 300 TMT.

Figure 16: Vietnam Wheat Flour Exports by Destination (wheat equivalent)



Source: Trade Data Monitor LLC, *Post's estimate

STOCKS

Post forecasts that MY 2023/24 ending stocks will decline slightly due to estimated high consumption.

Post forecasts MY 2022/23 ending stocks at 617 TMT, lower than the previous year, due to lower imports. All stocks are held in the private sector, generally for three months' consumption.

POLICY

As noted in the Corn Policy section, on November 15, 2021, the GVN issued [Decree 101/2021/ND-CP](#) that revised Most-Favored-Nation (MFN) tariff rates on wheat from 3 percent to zero ([VM2021-0097](#)). The Decree came into force on December 30, 2021. As noted above, the introduction of MFN tariff rates for wheat has had a positive effect on U.S. wheat exports to Vietnam.

RICE

| Rice, Milled | 2021/2022 | | 2022/2023 | | 2023/2024 | |
|------------------------------------|---------------|----------|---------------|----------|---------------|----------|
| Market Year Begins | Jan 2022 | | Jan 2023 | | Jan 2024 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Area Harvested (1000 HA) | 7,185 | 7,100 | 7,170 | 7,220 | 0 | 7,185 |
| Beginning Stocks (1000 MT) | 2,639 | 2,639 | 2,308 | 2,402 | 0 | 2,552 |
| Milled Production (1000 MT) | 26,769 | 26,670 | 27,000 | 27,000 | 0 | 26,900 |
| Rough Production (1000 MT) | 42,830 | 42,672 | 43,200 | 43,200 | 0 | 43,040 |
| Milling Rate (.9999) (1000 MT) | 6,250 | 6,250 | 6,250 | 6,250 | 0 | 6,250 |
| MY Imports (1000 MT) | 1,500 | 1,834 | 1,100 | 1,300 | 0 | 1,400 |
| TY Imports (1000 MT) | 1,500 | 1,834 | 1,100 | 1,300 | 0 | 1,400 |
| TY Imp. from U.S. (1000 MT) | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Supply (1000 MT) | 30,908 | 31,143 | 30,408 | 30,702 | 0 | 30,852 |
| MY Exports (1000 MT) | 7,100 | 7,091 | 6,800 | 6,500 | 0 | 6,600 |
| TY Exports (1000 MT) | 7,054 | 7,091 | 6,800 | 6,500 | 0 | 6,600 |
| Consumption and Residual (1000 MT) | 21,500 | 21,650 | 21,550 | 21,650 | 0 | 21,700 |
| Ending Stocks (1000 MT) | 2,308 | 2,402 | 2,058 | 2,552 | 0 | 2,552 |
| Total Distribution (1000 MT) | 30,908 | 31,143 | 30,408 | 30,702 | 0 | 30,852 |
| Yield (Rough) (MT/HA) | 5.961 | 6.0101 | 6.0251 | 5.9834 | 0 | 5.9903 |

(1000 HA) ,(1000 MT) ,(MT/HA)
 MY = Marketing Year, begins with the month listed at the top of each column
 TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2023/2024 = January 2024 - December 2024

PRODUCTION

The production forecast for 2023/24 is a slight decline due to conversion from rice to higher valued crops such as fruit trees and aquaculture. Urbanization has also caused some decline in planting area in the Mekong Delta and that and conversion to other crops is likely to continue. However, rice remains critical to the Vietnamese agricultural sector and the priority is producing high yielding and high value rice varieties. Fertilizer prices have reduced slightly from last year's high, but remain very high compared to previous years. Although some Vietnamese media reports an expectation that worldwide availability of fertilizer will increase next year decreasing pressure on farmers, many rice industry contacts expect prices to remain high and farmers to use bio-organic fertilizers or composts in response which may impact yields. Contacts also report that the high price of fertilizer has increased farmers'

adoption of the government's "five reductions" strategy which focuses on reducing inputs as they were motivated by the high cost of fertilizer to reduce its use without negatively impacting yield.

The MY 2022/23 forecast remains unchanged. As of mid-February, Vietnam planted 2,693 thousand hectares of winter-spring rice which is slightly higher than the same time last year. The 22/23 spring crop cultivation area in the Southern region declined slightly from 1,822 ha at mid-February 2022 to 1,870 ha this year whereas the Northern cultivation area expanded from 782 ha to 823 ha. Production experts estimated yields remain the same this year as last year due to limited issues with salinity intrusion and favorable weather conditions. As noted above, farmers have reduced fertilizer use due to high prices but have been adopting better application practices.

CONSUMPTION

Post forecasts MY 2023/24 consumption of rice to rise slightly based on increased demand for rice for feed use and based on population and tourism growth. Post slightly raises the consumption for MY 2022/23 based on continued strong use of rice in feed and as tourism rebounds.

As noted in the Corn and feed sections consumption of rice as a feed ingredient increased in MY 2021/22 as the prices of other feed ingredients rose as a result of global high prices.

TRADE

Imports

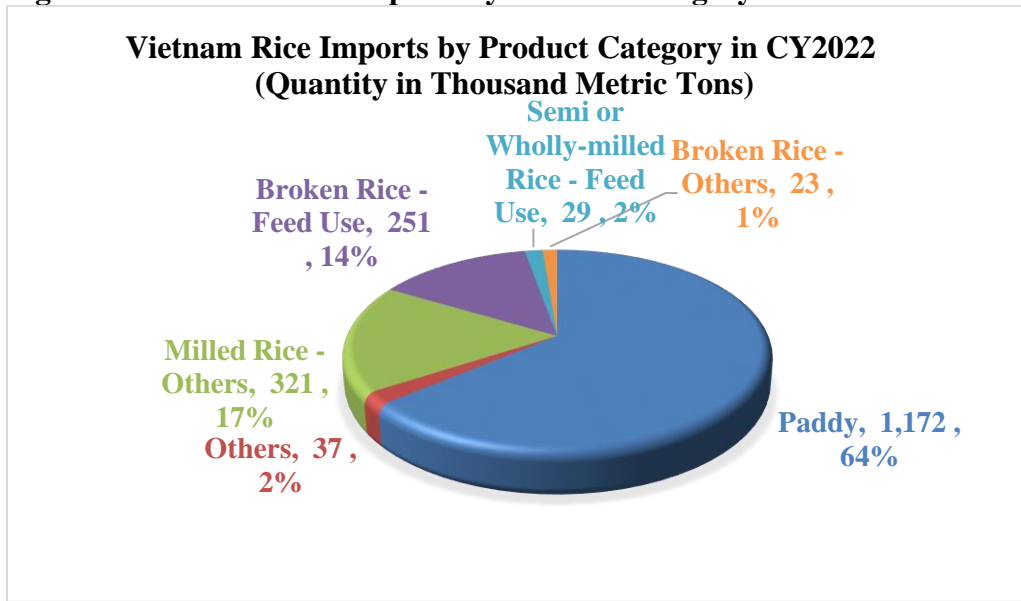
Post forecasts that 2023/24 rice imports will increase from the low volumes forecasted in MY 2022/23 returning more in line with historical trends. Higher imports are forecasted due to steady demand for rice for feed and for consumption in line with both population growth and continued rebound of the tourism sector in Vietnam.

The MY 2022/23 estimated import volume is raised slightly as there is continued demand for rice for feed as other feed ingredients remain priced high and international data sources and rice traders indicate a steady demand for paddy from Cambodia in the early months of 2023.

If the ban on broken rice exports from India is lifted, these import numbers could potentially increase.

According to Vietnam customs Vietnam imported 1,834 TMT, in MY 2021/22 with a significant volume of imports arriving in the last quarter of the year in the form of paddy rice from Cambodia and Indian milled rice for feed use (Figure 17).

Figure 17: Vietnam Rice Imports by Product Category



Source: Vietnam Customs, Trade Contacts

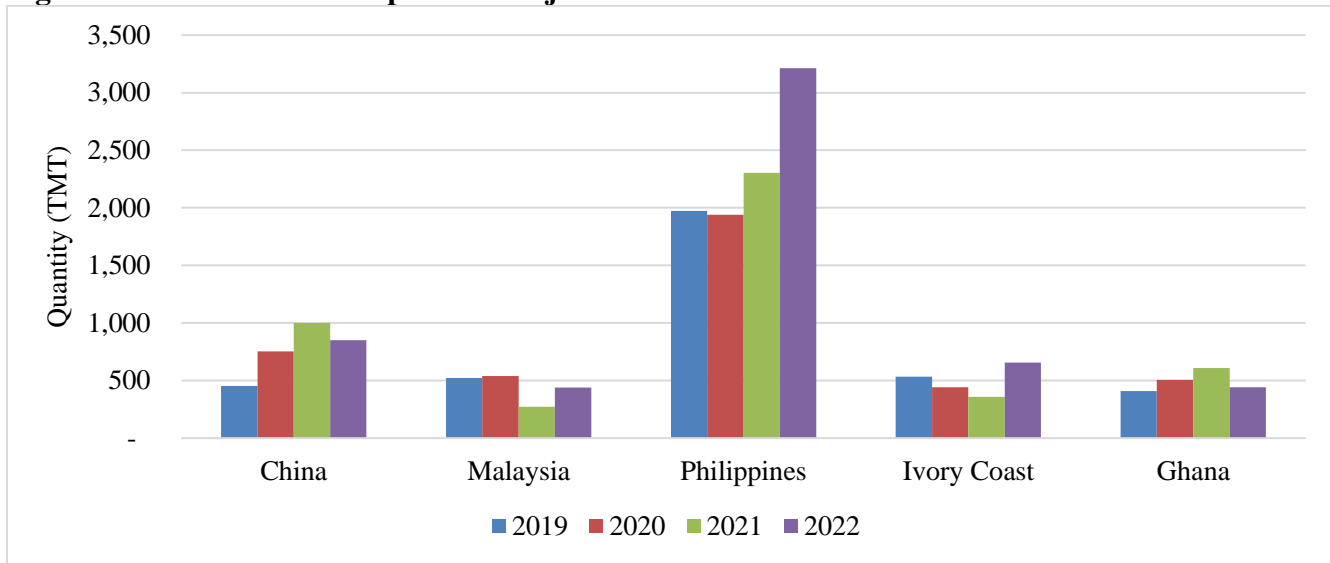
Exports

Amidst slightly reduced production and strong competition from Thailand, MY 2023/24 exports are forecast at 6.6 MMT, slightly above MY 2022/23 but well below the high export numbers in MY 2021/22. Traders note that demand from the Philippines particularly for Jasmine rice is expected to be strong.

The MY 2022/23 forecast is unchanged but it still lower than 2021/22 as there are reduced imports from the Philippines, Vietnam’s major export market. Although some traders note there is difficulty supplying the specific varieties the Philippines buyers’ demand.

In MY 2021/2022 the Philippines remained Vietnam’s largest export market followed by China and the Ivory Coast (Figure 18). Forty-three percent of the exports to the Philippines were 5 percent grade and 39 percent were Jasmine rice. Forty-four percent of exports to China were Jasmine rice and 42 percent were glutinous rice.

Figure 18: Vietnam Rice Exports to Major Markets

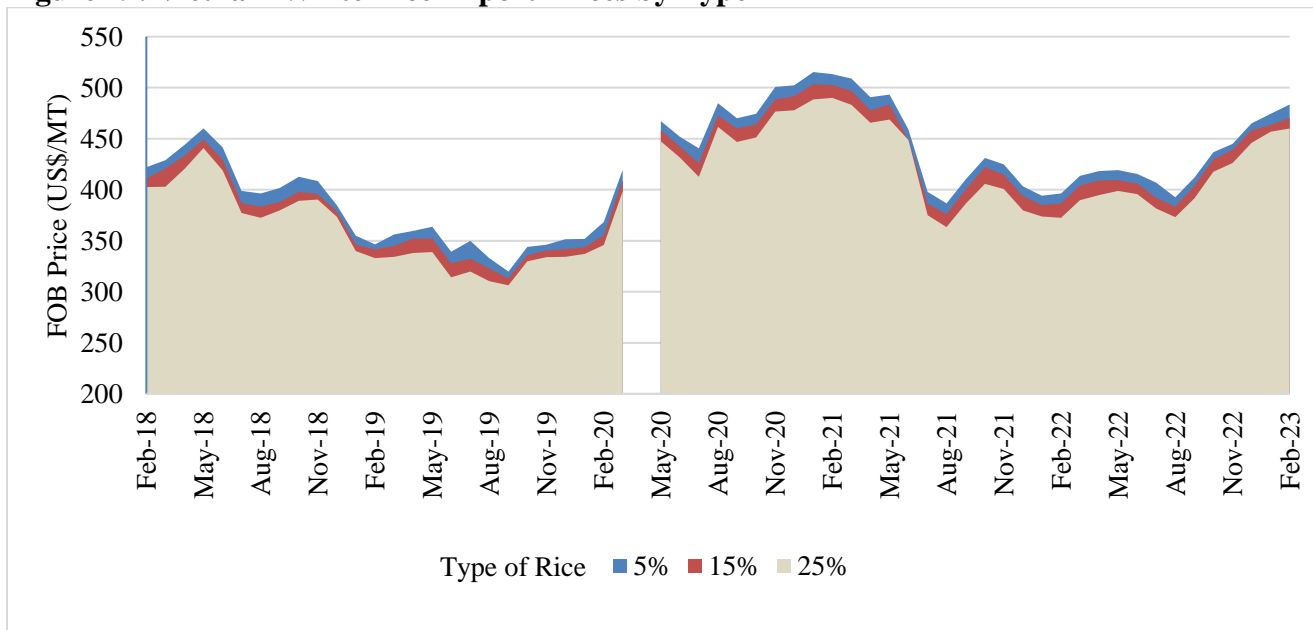


Source: Vietnam Customs

Export Prices

While Vietnam export prices remained below Thai prices for the majority of MY 2021/22, the beginning of MY 2022/23 has seen Thai and Vietnam prices much closer demonstrating the strong competition in the region. In early 2023, white rice export prices, while not at a record high are at the second highest level seen within the last five years (Figure 19).

Figure 19: Vietnam White Rice Export Prices by Type

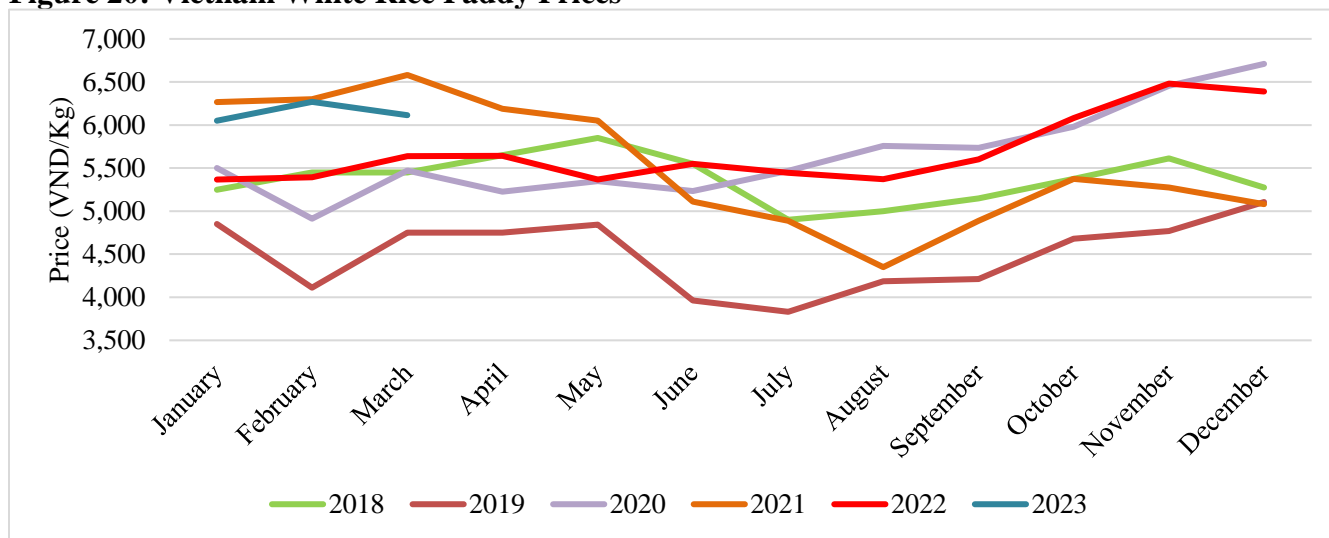


Source: Trade Contacts, Agromonitor, Post’s Calculations

Domestic Prices

In MY 2022/23, domestic demand has been strong as supplies were abundant during the spring harvest. As noted in Figure 20, Vietnam white rice paddy prices are near the highest prices recorded in the last five years.

Figure 20: Vietnam White Rice Paddy Prices



Source: Trade Contacts, Agromonitor, Post's calculation

STOCKS

Vietnam does not maintain statistics for national rice stocks. Post expects MY 2023/24 stocks are expected to increase due to a slower export pace and expected higher imports. The MY 2022/23 stocks are also estimated higher due to the pace of exports.

In the 2022/23 spring harvest season there were some reports that mills had been stock-building to take advantage of low prices.

POLICY

Rice production is one the Vietnamese agriculture sectors largest contributors to methane gas emissions. The government of Vietnam has continued to emphasize with the assistance of international donors, on sustainable rice production. These programs include the “3 Intense 3 Reduce, 1 Must 5 Reduce model and the sustainable Rice Platform. The goal of these programs is to reduce the use of inputs (water, seed, fertilizer, plant protection products) reduce post-harvest losses, and encourage the use of certified seed and improved technology. Contacts have indicated that last year's high price of fertilizer has incentivized farmers to adopt these practices, particularly regarding fertilizer, in order to save costs and preserve yields.

In addition, as noted above, Vietnam has been focusing on producing more higher value varieties which will provide farmers with increased income and meet the demands of trading partners.

Trade volumes are heavily influenced by changes in policy of major importing countries like the Philippines and China. Some traders report being concerned about custom's valuation in the Philippines, but many did not indicate any issues at the moment. In addition, if India reverses its broken rice ban, that could increase rice imports for feed use.

Table 5: Vietnam Rice Exports By Grade and Destination January-December 2022

| Destination | 5% | 10% | 15% | 25% | 100% | Glutinous | Jasmine | Unknown | Total |
|-----------------|------------------|---------------|----------------|----------------|----------------|----------------|------------------|----------------|------------------|
| ASIA | 1,897,587 | 27,464 | 256,323 | 199,884 | 88,431 | 583,730 | 2,000,594 | 163,169 | 5,217,181 |
| Philippines | 1,378,459 | 7,210 | 222,839 | 196,466 | 56,156 | 95,147 | 1,243,520 | 12,609 | 3,212,406 |
| China | 80,263 | 6,000 | 1,000 | 500 | 13,577 | 364,359 | 375,810 | 7,945 | 849,454 |
| Malaysia | 271,655 | 2,182 | 8,035 | - | 55 | 46,047 | 88,889 | 14,514 | 431,376 |
| Indonesia | 51,175 | - | 7,575 | 251 | 574 | 38,355 | 14,498 | 7,265 | 119,693 |
| Singapore | 15,804 | 100 | 75 | - | 1,884 | 3,478 | 67,999 | 11,368 | 100,707 |
| Hongkong | 2,561 | - | - | 419 | 22 | 262 | 64,897 | 3,716 | 71,877 |
| Cambodia | 4,074 | 11,866 | - | - | - | 21,442 | 5,990 | 18,804 | 62,176 |
| Bangladesh | 21,200 | - | - | - | - | 4 | 9,369 | 839 | 31,412 |
| Saudi Arabia | 2,053 | - | - | 42 | - | 589 | 21,463 | 6,513 | 30,660 |
| East Timor | 2,000 | - | 16,450 | - | - | - | 4,691 | - | 23,141 |
| Taiwan | 3,127 | 76 | - | - | - | 6,796 | 8,296 | 1,072 | 19,367 |
| Bahrain | - | - | - | - | - | 33 | 2,564 | 274 | 2,870 |
| Japan | 57 | - | - | - | - | 0 | 512 | 118 | 686 |
| Others | 65,159 | 30 | 349 | 2,206 | 16,163 | 7,218 | 92,097 | 78,134 | 261,357 |
| AFRICA | 47,879 | 50 | 0 | 8,899 | 13,998 | 77 | 1,183,959 | 25,240 | 1,280,101 |
| Ivory coast | 5,771 | - | - | - | 11,128 | - | 643,748 | 4,500 | 665,146 |
| Ghana | 34,930 | - | - | 2,349 | 2,586 | - | 391,173 | 6,877 | 437,916 |
| Mozambique | 2,050 | - | - | - | - | - | 51,067 | 9 | 53,125 |
| Togo | 258 | - | - | 3,550 | 260 | - | 11,460 | - | 15,528 |
| Tanzania | - | - | - | - | - | - | 12,615 | - | 12,615 |
| Cameroon | - | - | - | 2,500 | - | - | 6,966 | - | 9,466 |
| Reunion | - | - | - | - | - | - | 7,058 | 60 | 7,118 |
| South Africa | 115 | - | - | - | - | 22 | 4,171 | 1,397 | 5,705 |
| Senegal | - | - | - | - | 24 | - | 2,909 | - | 2,933 |
| Benin | 48 | - | - | - | - | - | 2,237 | - | 2,285 |
| Kenya | - | - | - | - | - | - | 2,135 | 70 | 2,205 |
| Guinea | 54 | - | - | - | - | - | 323 | 1,587 | 1,964 |
| Angola | 920 | - | - | - | - | - | 651 | - | 1,571 |
| Congo | - | - | - | - | - | - | 876 | - | 876 |
| Gambia | - | - | - | - | - | - | 655 | - | 655 |
| Nigeria | - | - | - | - | - | - | 326 | - | 326 |
| Burkina Faso | - | - | - | - | - | - | 292 | - | 292 |
| Algeria | - | - | - | - | - | - | 26 | 240 | 266 |
| Madagascar | - | - | - | - | - | 8 | 140 | 6 | 154 |
| Sierra Leone | - | - | - | - | - | - | 104 | - | 104 |
| Others | 3,734 | 50 | - | 500 | - | 48 | 45,027 | 10,494 | 59,852 |
| EUROPE | 9,961 | 0 | 0 | 311 | 153 | 6,024 | 59,114 | 36,242 | 111,805 |
| Russia | 2,994 | - | - | - | - | 143 | 3,837 | 811 | 7,786 |
| Poland | 146 | - | - | 23 | - | 254 | 3,373 | 3,908 | 7,704 |
| France | 689 | - | - | - | - | 227 | 2,690 | 385 | 3,991 |
| Ukraine | - | - | - | - | - | - | 5 | 252 | 257 |
| Others | 6,132 | - | - | 288 | 153 | 5,400 | 49,210 | 30,885 | 92,068 |
| AMERICAS | 267,827 | 60 | 0 | 386 | 1 | 1,074 | 34,981 | 6,867 | 311,196 |
| Cuba | 244,420 | - | - | - | - | - | 2 | - | 244,422 |
| Chile | - | - | - | - | - | 12 | 80 | 170 | 262 |
| Brazil | - | - | - | - | - | 64 | 3 | 83 | 150 |
| Mexico | - | - | - | - | - | - | 105 | 40 | 145 |
| Others | 23,407 | 60 | - | 386 | 1 | 998 | 34,792 | 6,574 | 66,217 |
| OCEANIA | 20,564 | 1,999 | 1,850 | 1,973 | 10,005 | 551 | 75,707 | 58,280 | 170,928 |
| Australia | 1,203 | 665 | - | 48 | 180 | 258 | 22,090 | 12,607 | 37,051 |
| New Zealand | 236 | - | - | - | - | 6 | 5,130 | 3,841 | 9,212 |
| New Caledonia | - | - | - | - | - | 17 | 567 | 3,753 | 4,336 |
| Others | 19,124 | 1,334 | 1,850 | 1,925 | 9,825 | 271 | 47,922 | 38,079 | 120,329 |
| TOTAL | 2,243,818 | 29,572 | 258,173 | 211,452 | 112,587 | 591,456 | 3,354,356 | 289,798 | 7,091,212 |

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

| | | | | | | | | | |
|--------------------|-----------|------------|------------|------------|-------------|------------------|----------------|----------------|--------------|
| Destination | 5% | 10% | 15% | 25% | 100% | Glutinous | Jasmine | Unknown | Total |
| ASIA | 1,897,587 | 27,464 | 256,323 | 199,884 | 88,431 | 583,730 | 2,000,594 | 163,169 | 5,217,181 |
| AFRICA | 47,879 | 50 | - | 8,899 | 13,998 | 77 | 1,183,959 | 25,240 | 1,280,101 |
| EUROPE | 9,961 | - | - | 311 | 153 | 6,024 | 59,114 | 36,242 | 111,805 |
| AMERICAS | 267,827 | 60 | - | 386 | 1 | 1,074 | 34,981 | 6,867 | 311,196 |
| OCEANIA | 20,564 | 1,999 | 1,850 | 1,973 | 10,005 | 551 | 75,707 | 58,280 | 170,928 |
| TOTAL | 2,243,818 | 29,572 | 258,173 | 211,452 | 112,587 | 591,456 | 3,354,356 | 289,798 | 7,091,212 |

Attachments:

No Attachments