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Country: Vietnam

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Report Highlights:

In MY 2023/2024, Vietnam's rice production appears to be remained stable compared to previous year. Despite a slight decline in harvested areas because of climate change as drought and salt-instruction. By adjusting the crop calendar and adopting new rice high-yield, disease-tolerance rice varieties have led to higher yields compared to the previous year, thereby, offsetting losses from reduced harvested areas. Export volumes have also remained stable, driven by strong demand, although export prices are subject to uncertainty depending on the export and import policies of other countries. Import volumes have become increasingly important as additional supply source, particularly for the rice used for food and feed processing. Vietnamese authorities prioritize sustainability and efficiency in rice business and production. They have proposed the programs aimed at increasing incomes and living standards for rice farmers, protecting environment, adapting climate change, and reducing greenhouse gas emissions.

RICE

Production, Supply, and Distribution

Rice, Milled	2022/2023		2023/2024		2024/2025	
Market Year Begins	Jan 2023		Jan 2024		Jan 2025	
Vietnam	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	7100	7120	7145	7000	7150	6950
Beginning Stocks (1000 MT)	2855	2855	2420	2645	1870	1770
Milled Production (1000 MT)	26940	27140	27000	26625	27000	26500
Rough Production (1000 MT)	43104	43424	43200	42600	43200	42400
Milling Rate (.9999) (1000 MT)	6250	6250	6250	6250	6250	6250
MY Imports (1000 MT)	2750	2500	2750	2300	2950	2600
TY Imports (1000 MT)	2750	2500	2750	2300	2950	2600
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	32545	32495	32170	31570	31820	30870
MY Exports (1000 MT)	8225	8150	8300	8200	7500	7900
TY Exports (1000 MT)	8225	8150	8300	8200	7500	7900
Consumption and Residual (1000 MT)	21900	21700	22000	21600	22100	21400
Ending Stocks (1000 MT)	2420	2645	1870	1770	2220	1570
Total Distribution (1000 MT)	32545	32495	32170	31570	31820	30870
Yield (Rough) (MT/HA)	6.071	6.0989	6.0462	6.0857	6.042	6.1007
(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 2024/2025 = January 2025 - December 2025						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Production

Table 1: Vietnam's Area, Yield, and Production for Rough Rice

Marketing Year	2022/2023		2023/2024		2024/2025	
	Jan 2023 Estimate		Jan 2024 Estimate		Jan 2025 Forecast	
Harvested Area (THA)	Old	New	Old	New	Old	New
Spring ¹	2,952	2,950	2,970	2,950	2,960	2,950
Autumn ²	2,640	2,620	2,620	2,520	2,650	2,500
Winter ³	1,570	1,550	1,560	1,530	1,540	1,500
TOTAL	7,162	7,120	7,150	7,000	7,150	6,950
Yield (MT/HA)						
Spring	6.84	6.92	6.84	6.88	6.86	6.85
Autumn	5.63	5.69	5.65	5.63	5.62	5.60
Winter	5.16	5.24	5.19	5.29	5.19	5.47
AVERAGE	6.02	6.10	6.04	6.09	6.04	6.10
Production (TMT)						
Spring	20,200	20,400	20,300	20,300	20,300	20,200
Autumn	14,850	14,900	14,800	14,200	14,900	14,000
Winter	8,100	8,124	8,100	8,100	8,000	8,200
TOTAL	43,150	43,424	43,200	42,600	43,200	42,400
Milled (MT)	26,969	27,140	27,000	26,625	27,000	26,500

Source: Ministry of Agriculture and Rural Development (MARD), Vietnam General Statistics Office (GSO), post estimates.

Post forecasts total harvested area in MY2024/2025 will fall slightly to 6.95 million hectares and total paddy production will dip to 42.4 million metric tons. Farmers are switching rice land to other more profitable crops. Increased saline intrusion and adverse weather trends also pose challenges to rice production in Vietnam.

Total harvested area in the MY2023/2024 Spring Season crop is estimated at 2.95 million hectares based on GSO statistics. Farmers planted earlier than usual based on the recommendation of MARD officials. As a result, production is expected to be less affected by drought and saltwater intrusion, especially in the Mekong River Delta region. Higher output prices in MY2022/2023 also encouraged rice farmers to adopt new high yield and disease tolerant rice varieties. Yields are expected to increase slightly to 6.88 MT/ha as a result. Total MY2023/24 Spring production is estimated at 20.3 million metric tons on a paddy basis.

Planted area in the Autumn season declined compared to last year according to GSO and MARD reports due to adverse weather, including drought and late rains. These weather conditions are expected to lower harvested area and yield this season. As a result, post slightly lowered estimated MY2023/2024

paddy harvested area and paddy production to seven million hectares and 42.6 million metric tons, respectively.

Mekong River Delta

Table 2: Rice Production in the Mekong Delta, MY 2022/23-2024/25

Crop	MY 2022/23			MY 2023/24 (Estimate)			MY 2024/25 (Forecast)		
	Area	Yield	Prod.	Area	Yield	Prod.	Area	Yield	Prod.
Spring	1,480	7.23	10,700	1,490	7.23	10,773	1,500	7.25	10,875
Autumn	2,190	5.87	12,850	2,140	5.93	12,690	2,150	5.90	12,685
<i>Main Autumn</i>	<i>1,490</i>	<i>6.07</i>	<i>9,050</i>	<i>1,440</i>	<i>6.14</i>	<i>8,840</i>	<i>1,450</i>	<i>6.20</i>	<i>8,990</i>
<i>Late Autumn</i>	<i>700</i>	<i>5.43</i>	<i>3,800</i>	<i>700</i>	<i>5.50</i>	<i>3,850</i>	<i>700</i>	<i>5.50</i>	<i>3,850</i>
Winter (Lua Mua)	178	5.13	914	180	5.00	900	190	5.00	950
Total	3,848	6.36	24,464	3,810	6.39	24,363	3,840	6.38	24,510

Area (1000 HA), Yield (MT/HA), Production (1000 MT)

Source: MARD, GSO, Trade Contact

In Mekong River Delta region, production in MY2024/2025 is forecast at 24.51 MMT on 3.84 million hectares, largely unchanged from MY2023/24. Increased production in this region is expected to offset a drop in rice production in in the Red River Delta, Highlands and Central Regions. Post estimates MY2023/24 production at 24.36 MMT on 3.81 million HA.

MARD officials advised rice farmers to plant earlier last year. Following this advice, farmers started sowing fields in late October 2023 and finished in April 2024. This earlier sowing helped limit the area affected by drought and saltwater intrusion to only 1,232 hectares according to the Crop Production Department of MARD. Total paddy production in MY2023/24 Spring Season crop is estimated at 10.77 million metric tons (MMT). Some localities with higher Spring paddy production compared to last crop are Soc Trang (+87,600 MT), Tra Vinh (+34,900 MT), Long An (+30,500 MT), Bac Lieu (+13,700 MT), and Kien Giang (+13,400 MT).

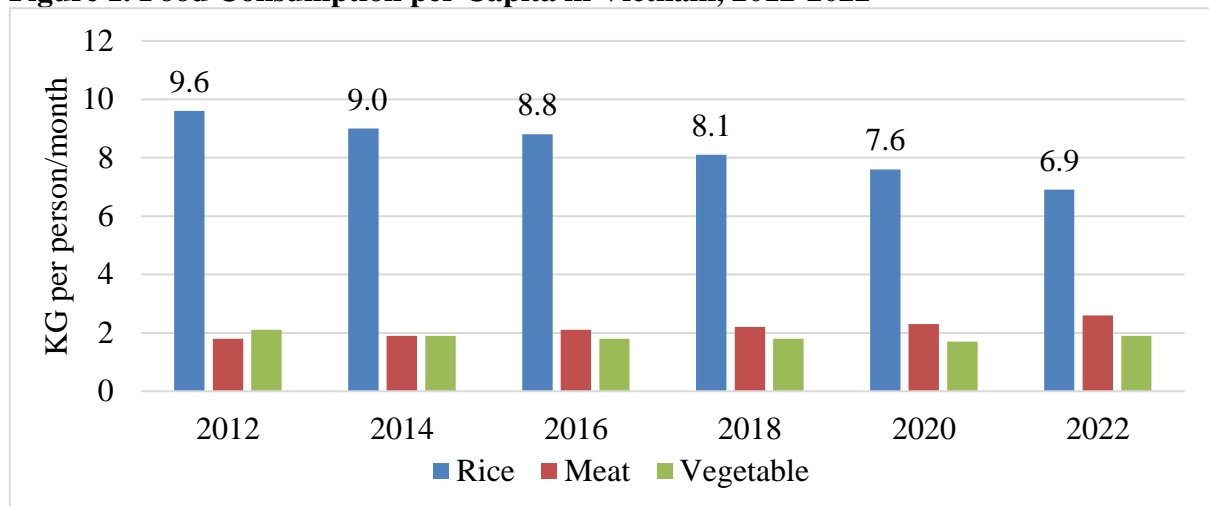
According to GSO, localities across the Mekong River Delta have sown 1.44 million HA for the Autumn season, equal to 98% of the same period last year. The small decline in production area was due to hot weather, late rain, and limited irrigation water. According to contacts, rice area for the late Autumn season in the Mekong Delta is expected to be around 700,000 HA. This area is safeguarded by a dyke system that limits flooding during that period. The winter season is typically characterized by longer cultivation times. Farmers tend to grow high quality rice varieties such as ST24, ST25 and Jasmine rice during this season.

Consumption

MY2024/25 consumption is forecasted to drop to 21.4 MMT on declining rice consumption and lower seed use. Consumers are diversifying their diet as incomes rise, resulting in lower per capita rice consumption. Seed use is also falling along with declining acreage and improved efficiency in seeding practices. Estimated MY2023/2024 consumption is lowered to 21.6 MMT based on these trends and available government statistics.

Rice consumption per capita in Vietnam has declined from 9.6 kg per person per month in 2012 to 6.9 kg per person per month in 2022 according to GSO statistics. This equates to a four percent average annual decline in rice consumption. Based on this trend, post estimates direct human rice consumption at 8-9 MMT a year.

Figure 1. Food Consumption per Capita in Vietnam, 2012-2022



Source: GSO

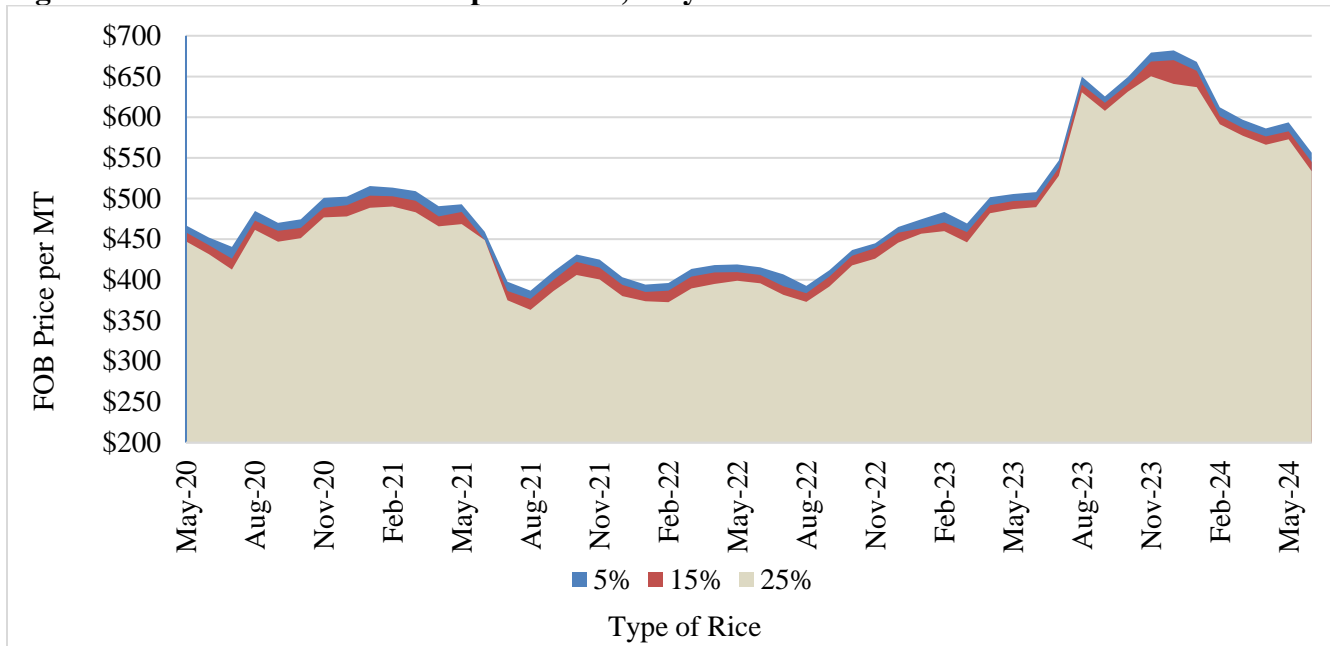
According to the Institute of Policy and Strategy for Agriculture and Rural Development (IPSARD), 12-13 MMT of rice are used for processing purpose, such as noodles, cake, and rice-powder, as well as for feed processing and seeding. Rice use for processing and feed is expected to increase in the future. However, rice for seeding is expected to decrease due to falling planting area and seed usage per hectare. With the adoption of advanced technologies, seed use for sowing could fall from 100 KG/HA to 80 KG/HA.

Trade

Export Prices

Vietnam export prices have declined gradually since December 2023. Export prices were approximately 18 percent lower in June 2024 than last December. However, current prices are still 9 percent higher than they were in MY2022/2023. Prices in the coming months could be significantly influenced by policy decisions in India, the Philippine, and Indonesia.

Figure 2: Vietnam White Rice Export Prices, May 2020-June 2024

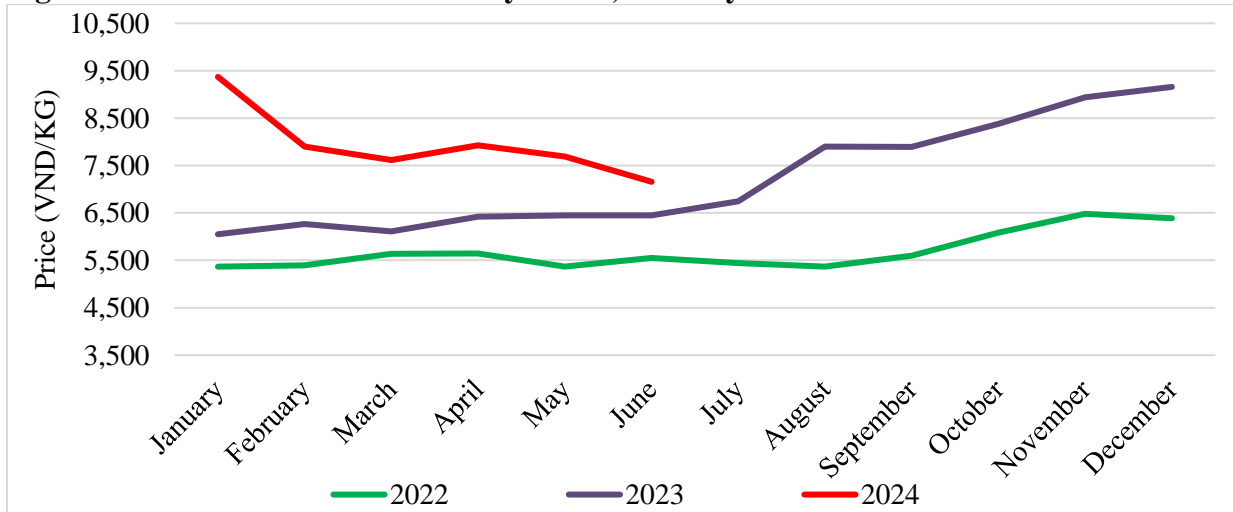


Source: Trade contacts, Agromonitor

Domestic Prices

Local paddy price declined 24 percent between January and June 2024, following the trend of falling export prices. In June 2024, the average paddy price was about 7,200 VND/KG, 11 percent higher than in June 2023. Rice farmers are enjoying higher profits compared to the last five years. Farmers are expending to respond by increasing the use of inputs like fertilizer to boost production. According to trade contacts, rice buyers now must pay a deposit (approximated 5 million VND per hectare) to farmers for buying priority rights.

Figure 3: Vietnam White Rice Paddy Prices, January 2019-June 2024



Source: Trade contacts, Agromonitor

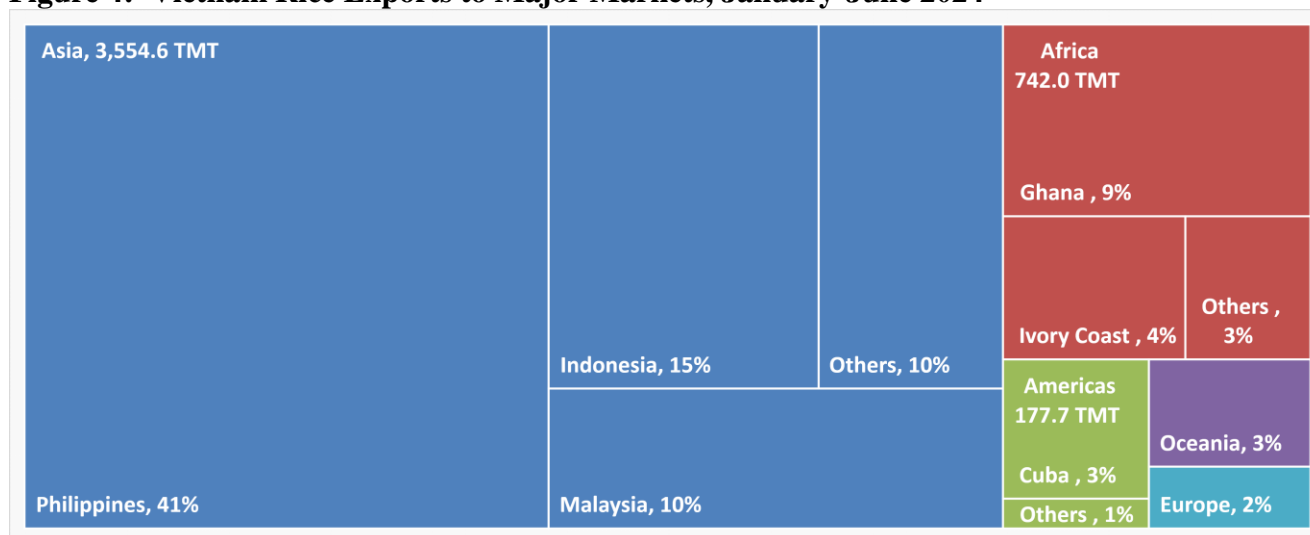
Exports

Forecasted MY 2024/2025 rice exports are raised to 7.9 MMT on stable production, strong global demand and falling domestic demand. MY2023/24 rice exports are estimated at 8.2 MMT on year to date customs data and continued strong demand in the Philippines and other major markets.

Vietnam exported 4.67 MMT of rice in the first 6 months of 2024, up 10 percent from the same period last year. Asian countries were the largest buyers, accounting for 76 of Vietnam's rice exports. African countries accounted for another 16 percent. The Philippines remained the largest importer, accounting for 41 percent of rice exports. The Philippine government recently issued a new rice import tariff policy for 2024-2028, reducing the import tax rate from 35 percent to 15 percent. This policy change is expected to boost Vietnam rice exports. Indonesia was the second largest importer, accounting for 15 percent of exports. Malaysia and Ghana were the third and fourth largest markets, accounting for 10 percent and 9 percent respectively. China only imported 215,400 MT of rice, down sharply from the same period last year.

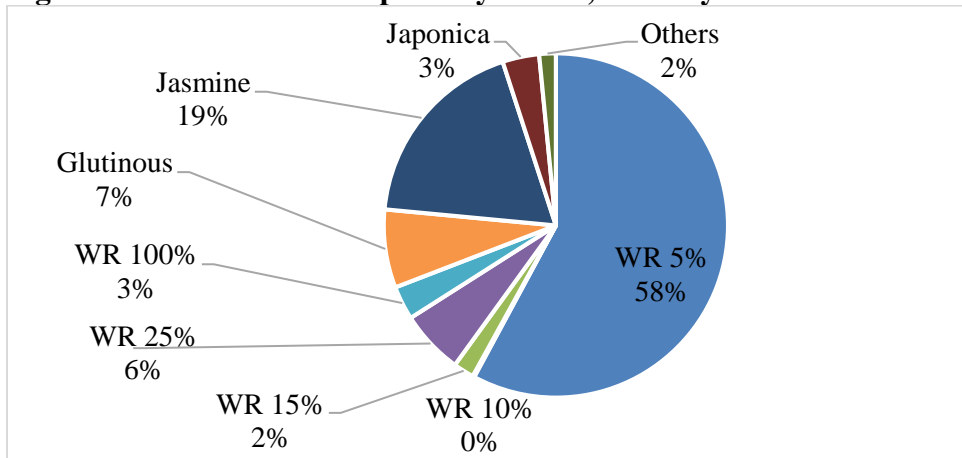
White rice accounted for 69 percent of total exports (Figure 5). Rice with 5 percent broken (WR5%), the highest quality of white rice categories, accounted for 85 percent of white rice exports. Exports of Jasmine rice totaled 864,300 MT in the first 6 months of 2024, down 8 percent from 2023 and down 65 percent from 2022. Buyers in Africa accounted for 61 percent of Jasmine rice export volume. Vietnam exported 343,500 MT of glutinous rice in the first half of 2024, with 56 percent of exports destined to China.

Figure 4: Vietnam Rice Exports to Major Markets, January-June 2024



Source: Vietnam Customs in thousand metric tons (TMT)

Figure 5: Vietnam Rice Exports by Grade, January-June 2024



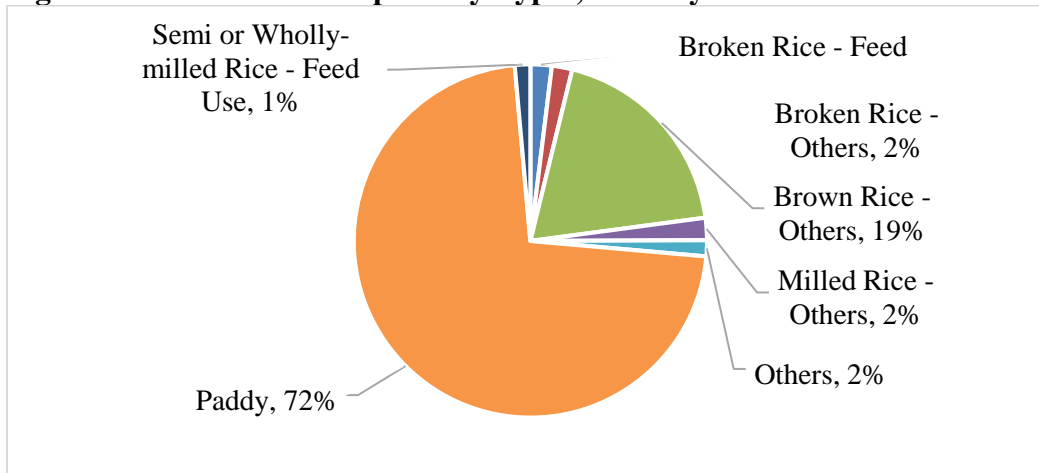
Source: Vietnam Customs, Trade contacts

Note: WR – White rice

Imports

Post forecasts revised MY2024/25 imports at 2.6 MMT. Strong demand for rice for food processing and feed will continue to support imports. MY2023/24 rice imports are estimated at 2.3 MMT based on trade data and estimated cross border flows. However, not all cross border trade is captured in official statistics, making it difficult to estimate this figure with a high degree of accuracy.

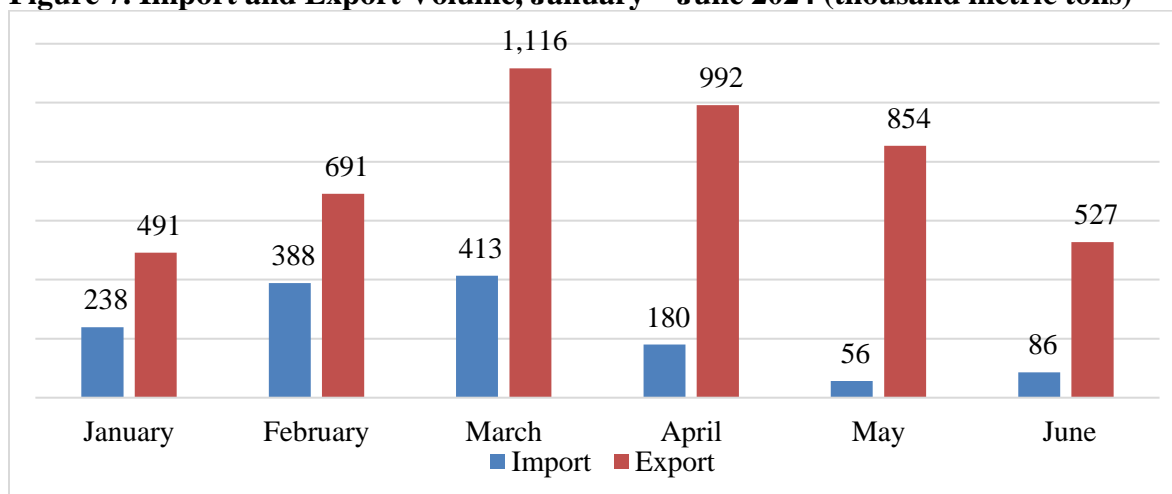
Figure 6: Vietnam Rice Imports by Types, January-June 2024



Source: Vietnam Customs, Trade contacts

Vietnam imported approximately 1.36 million MT of milled rice equivalent in first 6 months of 2024 according to Vietnam Customs data. Paddy rice accounted for 72 percent of the total, primarily from Cambodia. This paddy is processed by Vietnamese millers for domestic consumption and re-export. The second largest import category is brown rice (19 percent), primarily from India. Brown rice is used for processing or feed use. Falling production area in Vietnam has increased demand for imported brown rice. According to contacts, the IR50404 variety of rice now only accounts for 15 percent of rice area. This variety is mainly used for food processing or for feed processing. Vietnam rice farmers are focusing on growing high-quality varieties with better export prices.

Figure 7. Import and Export Volume, January – June 2024 (thousand metric tons)



Source: Vietnam Customs

Policy

The Prime Minister issued Decision No. 1490/QĐ-TTg on November 27th, 2023, approving the “Sustainable development of one million hectares of specialized rice farming with high quality and low emissions associated with green growth of the Mekong Delta by 2030” project. The purpose of this project is to establish one million hectares for specialized farming of rice with high quality and low emissions.

This project will be carried out in two phases. In the first phase (2024-2025), the project consolidates the existing area of 180,000 hectares of the Vietnam Sustainable Agriculture Transformation Project (VnSAT). Several activities are being designed and implemented, including refresher trainings, planning, development of the measurement, reporting and verification (MRV) system, counting and experimentation on issuing carbon credits for qualified rice regions, improvements for agricultural cooperatives, and preparations for the 2026-2030 period. In the second phase, which will require further investment, key areas were identified that will specialize in farming high-quality rice with low emissions on an additional 820,000 hectares.

Stocks

Vietnam does not have official statistics for rice stocks. The General Department of State Revenue is assigned by the Prime Minister to buy 220,000 MT of rice annually to increase national reserve resources. These stocks are used to provide support and relief in unexpected cases and emergencies. In addition, Article 12 of Decree 107/2018/ND-CP on rice export business stipulates that traders engaged in the rice export business must regularly maintain a minimum circulating reserve equal to 5 percent of the trader’s exports over the previous 6 months. Post estimates that there is about 200–300,000 MT of reserves under this policy.

Rice traders and businessmen may also have additional reserves, but normally less than 6 months supply. The reserve rice quality becomes worse over time due to the lack of suitable rice storage facilities. Based on the above policies, stable production, and continued strong demand, post estimates MY2023/2024 ending stocks at 1.77 MMT and MY2024/25 ending stocks at 1.57 MMT.

Table 3. Vietnam Rice Exports by Grade and Destination January-June 2024

Destination	5%	10%	15%	25%	100%	Glutinous	Japonica	Jasmine	Unknown	Total
Asia	2,382,839.9	3,580.6	85,720.0	234,497.6	131,274.3	342,250.4	65,807.8	276,518.1	32,094.9	3,554,583.5
Philippines	1,328,813.7	2,255.0	81,117.0	234,370.6	110,232.2	43,244.8	837.0	102,914.9	26.1	1,903,811.2
Indonesia	654,849.0				3,120.0	14,151.0	6,024.0	13,334.0	17,400.0	708,878.0
Malaysia	359,592.3	736.0	3,941.0		110.6	51,083.8	6,603.9	33,414.0	2,052.2	457,533.7
China	5,362.0				4,664.0	192,530.1	276.5	12,532.2	7.0	215,371.7
Singapore	16,206.1		537.0		2,024.9	18,367.3	6,391.6	46,385.5	1,328.1	91,240.5
Cambodia	898.2					16,244.4	9,663.7	60.0	3,646.4	30,512.8
UAE	1,679.2	100.0				246.3	5,782.6	20,348.1	781.3	28,937.4
Hongkong	639.5	30.0			150.0	153.6	1,866.0	17,413.5	2,846.3	23,099.0
Saudi Arabia	2,023.7			7.0		140.0	6,397.6	11,256.0	666.0	20,490.3
South Korea	989.8			120.0	10,000.0	14.9	42.6	383.5		11,550.8
Taiwan	1,984.9	459.6				4,502.6		1,481.9	473.4	8,902.3
East Timor	2,745.5					16.5	5.0	2,280.1	3.0	5,050.1
Syria	783.0						1,550.0		246.0	2,579.0
Bahrain	28.9					37.1	355.9	1,163.8	24.0	1,609.7
Japan	37.0						150.0	45.5	502.1	734.6
Iran							545.0	25.0	54.0	624.0
Bangladesh						17.2	272.0	45.0		334.2
Iraq							152.2			152.2
Brunei							64.8			64.8
Others	6,207.2		125.0		972.7	1,500.8	18,827.4	13,435.0	2,039.0	43,107.1
Africa	148,569.0		2,480.0	10,548.3	13,858.7	23.4	21,748.8	526,234.3	18,486.4	741,948.9
Ghana	104,259.0		50.0		2,052.0			300,422.9	18,355.7	425,139.6
Ivory coast	27,601.3			8,070.3	10,296.7			141,861.9		187,830.1
Mozambique	8,690.5		2,430.0	182.0				42,552.1		53,854.5
Libya	275.0						20,000.0			20,275.0
Togo	1,917.6							7,199.6		9,117.2
Cameroon	2,486.5				1,510.0	1.6	2.0	3,777.3		7,777.4
Tanzania	540.0							4,863.0		5,403.0
South Africa	100.0					11.2	1,240.6	2,888.4		4,240.2
Congo	530.0			1,216.0				101.5	78.0	1,925.5
Benin	46.0			1,080.0				704.1		1,830.1
Reunion	23.8						54.0	1,213.0		1,290.8
Senegal								1,174.0		1,174.0
Angola	618.6							204.0		822.6
Guinea	7.6						83.0	174.4		265.0
Nigeria								161.1		161.1
Sierra Leone	125.0							25.0		150.0
Madagascar						5.6	4.0	123.4		133.0
Kenya							61.3	53.3		114.6
Uganda								0.0	0.0	0.1
Others	1,348.3					5.0	303.9	18,735.4	52.7	20,445.3
Americas	150,912.9	401.2	411.8	162.0	94.3	312.7	7,748.3	16,790.5	875.4	177,709.1
Cuba	146,385.5		74.8	162.0						146,622.3
Brazil	142.6					26.0	2,005.7	1.0	302.3	2,477.6
Chile	78.0		312.0				15.0		25.0	430.0
Mexico							107.0	47.0	54.0	207.9
Haiti	26.8							19.2		46.0
Others	4,280.1	401.2	25.0		94.3	286.7	5,620.6	16,723.3	494.1	27,925.4

Oceania	9,314.2	3,451.7	275.0	34,921.1	2,488.5	159.8	35,268.7	23,250.4	16,040.9	125,170.3
Australia	636.2	147.7			184.9	125.8	5,672.6	9,269.7	329.1	16,365.9
New Zealand	330.9				3.6	27.6	1,846.7	2,510.3	198.3	4,917.3
New Caledonia	52.7					5.5	6.0	255.2	1,602.8	1,922.3
Others	8,294.4	3,304.0	275.0	34,921.1	2,300.0	1.0	27,743.5	11,215.1	13,910.7	101,964.8
Europe	11,514.3		2,200.0	120.0	137.1	795.8	30,229.7	21,539.6	5,187.0	71,723.5
Ukraine						7.0	10,304.6	51.0	34.0	10,396.6
Netherlands	804.1					90.4	2,326.3	3,132.3	582.2	6,935.2
Poland	328.9					63.5	3,538.9	2,367.7	160.6	6,459.6
Russia	1,819.5					68.7	355.5	2,311.2	478.5	5,033.4
France	1,234.9					35.6	659.9	653.2	59.5	2,643.1
Spain	139.0					28.0	528.5	266.0	96.5	1,058.0
Belgium						275.0				275.0
Others	7,187.9		2,200.0	120.0	137.1	227.6	12,515.9	12,758.3	3,775.7	38,922.6
Total	2,702,870.6	7,433.6	91,086.8	310,336.0	147,852.9	343,542.1	160,803.3	864,332.9	72,684.6	4,671,135.3

Destination	5%	10%	15%	25%	100%	Glutinous	Japonica	Jasmine	Unknown	Total
Asia	2,382,839.9	3,580.6	85,720.0	234,497.6	131,274.3	342,250.4	65,807.8	276,518.1	32,094.9	3,554,583.5
Africa	148,569.0		2,480.0	10,548.3	13,858.7	23.4	21,748.8	526,234.3	18,486.4	741,948.9
Americas	150,912.9	401.2	411.8	162.0	94.3	312.7	7,748.3	16,790.5	875.4	177,709.1
Oceania	9,314.2	3,451.7	275.0	34,921.1	2,488.5	159.8	35,268.7	23,250.4	16,040.9	125,170.3
Europe	11,514.3		2,200.0	120.0	137.1	795.8	30,229.7	21,539.6	5,187.0	71,723.5
Total	2,703,150.3	7,433.6	91,086.8	280,249.0	147,852.9	343,542.1	160,803.3	864,332.9	72,684.6	4,671,135.3

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

Source: Vietnam Customs, Trade contacts

Attachments:

No Attachments