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Vietnam

Grain and Feed

Weekly Rice Update

2003

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Report Highlights:

Rice export prices continue to increase in conjunction with higher domestic prices due to end of Summer-Autumn Crop (S-A) harvest and limited rice supply availability. Estimate of exports in October is over 300 thousand metric tons.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Hanoi[VM1]
[VM]

Indicative price (Week ending October 17, 2003)**Vietnam rice export prices (FOB basis) for various grades**

Grade % Broken	#1	#2	#3	#4	#5	#6	#7	Period Avg.	
								CUR.	PRV. (Sept.29)
5	195	194	193	194	195	194	195	194.25	188
10	190	189	190	189	190	185	190	189.57	184
15	185	183	185	185	185	183	184	184.28	178
25	175	174	173	174	175	173	174	174.00	169

Source: Average Indicative price from Exporters

Due to the completion of S-A crop harvest in the Mekong River Delta (MRD), Vietnam rice availability has become limited and domestic raw un-milled rice prices are soaring from VND 2,400-2,430/kg (in a week ago) to current level of VND 2,470-2,500/kg, a week-on-week increase of VND 50-100/kg (equivalent to USD 3-6/mt). As a result, current Vietnamese rice export offer prices remain at high levels as indicated in the table above. These levels are up around \$2-3/mt from last week's price and up about \$5-6/mt compared with those of two weeks ago.

Vietnam's rice market and trade is quite at present due to extremely high offer prices from exporters and absence of new buying inquires. Traders are not expecting any decrease in price in November and December 2003 as Vietnamese rice exporters have to fulfill outstanding contracts of 500,000 mt in the last quarter of 2003.

Exports

According to trade sources, Vietnam's rice exports reached 3.24 mmt as in the first nine months of 2003, and year-on-year increase of 20 % compared in the same period. In which, exports of high grade (5% and 10% broken rice) and low grade (white rice with broken rice of 25% up) accounted for about 40% and 27% respectively. Asian countries (including the Middle East) were still the most important markets for Vietnam's rice, lifting over 70% of the total rice exports, followed by countries from Africa and Cuba. Top five importers of Vietnam's rice in the first nine months of 2003 were Indonesia, Philippines, Malaysia, Iraq and Cuba.

The following are rice exports from Oct.1 to Oct.9, 2003

Week ending quantity	4-Wk Avg.	Year to date	Year ago
Oct 09	105,000	3,345,000	2,820,000

It is estimated that, rice exports in October are about 310,000 mt, bringing exports in the first ten months is likely to reach 3.56 mmt. Post estimates Vietnam will likely export 3.8 mmt in 2003.

Vietnam first hosts the Global Rice Summit.

The annual World Rice Commerce Conference has been held in Hanoi in Oct.16-17, 2003. The key participants include rice traders, food associations, transportation and support companies from the World's key rice producing and trading regions. The meeting was a forum for sharing experiences in rice production, updating rice trade information including market prices as well as creating opportunities for producers to meet with new trade partners. According to the newest estimate of the FAO, Vietnam Ministry of Trade, Vietnam's

2003 rice export will reach 3.90-4.00 mmt and Vietnam will be back second place after Thailand

End of Report