FOOD SECURITY SNAPSHOT

- Rice production estimated at average levels in 2018
- Exports of rice expected to increase in 2018, imports of wheat and maize forecast at above-average levels
- Prices of rice stabilized in June, but remained at their highest level since early 2012
- Cyclone causing damage to crops and infrastructure

Rice production estimated at average levels in 2018

Harvesting of the 2018 main winter/spring season paddy crop, which accounts for about 45 percent of the total annual paddy production, concluded in June. Official estimates indicate a production of 20.5 million tonnes of paddy, 6 percent above last year's reduced level. The year-on-year increase reflects improved yields due to the favourable weather conditions and adequate water supplies, which more than offset a slight reduction in plantings.

Planting of the 2018 summer/autumn paddy crop, which accounts for about 35 percent of the total annual production, was completed in July. According to the latest official estimates around 1.9 million hectares were sown to summer/autumn paddy crop, of which 1.6 million hectares are located in the Mekong Delta. Planting of the minor winter (10th month) crop, accounting for about 20 percent of the annual output, is ongoing under generally favourable weather conditions. According to the latest official estimates, as of mid-August, around 1.3 million hectares were sown, which is close to previous years.

The 2018 maize crop harvested by June is forecast at 4.9 million tonnes, 5 percent below last year's near-average level, due to a contraction in plantings as farmers preferred to plant more profitable cash crops.

Rice exports expected to increase in 2018, while imports of wheat and maize in 2018/19 forecast at above-average levels

Rice exports are forecast at 7.2 million tonnes in calendar year 2018, 14 percent more than in 2017, due to higher demand from traditional importing countries.

Cereal imports, mostly wheat and maize, are forecast at a high level in the 2018/19 marketing year (July/June). Imports of wheat, which is not produced in the country, are expected to reach
4.8 million tonnes, close to previous year’s above-average level, reflecting high domestic demand. Maize imports are forecast at a well above-average level of 9.5 million tonnes, reflecting the sustained demand from the feed industry. Demand for feed crops rose significantly in the last four years, mainly reflecting increasing domestic pork meat consumption and high demand for pork meat from China.

**Prices of rice decreased marginally in July, but remained at high level**
Wholesale prices of rice decreased marginally in July, but remained at high levels, reflecting increased export demand, coming in the wake of output contractions in 2016 and 2017, along with a shift away from cultivation of lower grade Indica rice varieties.

**Cyclone causing damage to crops and infrastructure**
The passage of tropical storms Son Tinh in late July and Bebinca in mid-August affected northern provinces of the country, while excessive rains caused localized flooding in the southwestern provinces. According to Viet Nam Disaster Management Authority (VNDMA), as of 31 July 2018, the storms and floods resulted in 122 human causalities, affected large numbers of people, and caused damages to housing, infrastructure, livestock and crops, representing a total economic loss of USD 26 million. The most affected were provinces located in the southwest and central provinces, including Dien Bien, Son La, Yen Bai, Lao Cai, Phu Tho, Hoa Binh, Cao Bang, Lang Son, Thanh Hoa and Nghe An.

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