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Vietnam

Oilseeds and Products Annual

FAS Vietnam Presents Its Annual Snapshot of the Oilseeds Sector

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Report Highlights:

U.S. soybean meal exports to Vietnam in 2009 were a record 174,000 MT, rising 90 percent over the year before. Because of exceptional growth and more emphasis on quality within the feed industry, Post expects U.S. exports of soybean meal to double to another record of 350,000 MT in 2010.

The first commercial crushing facility in Vietnam will not begin operating at full capacity until the third quarter of 2011. Post expects total soybean meal imports to climb from 2.4 MMT to 2.6 MMT in 2010, and does not expect to see the rate of soybean meal imports fall until the second half of 2011.

Executive Summary:

Vietnam's oilseed production continued to fall well below demand from the food industry, the livestock and aquaculture feed sectors and the vegetable oil industry. Accordingly, Vietnam plans to expand growing areas for major oilseed crops including soybeans, peanuts, sesame, copra, sunflower and rice bran in 2010. However, Post doubts that production will actually increase as much as the government would like it to due to the high input costs and low yields of oilseed crops in Vietnam.

Imports of soybeans and soybean meal in 2009 rose significantly because of increased demands from the food processing, livestock and aquaculture feed industries combined with a zero percent import tariff. In fact, Vietnam's soybean imports reached a record 175,000 MT in 2009, a 26 percent increase over the previous year with 80 percent of total imported volume from the United States. Soybean meal imports remain high at 2.5 MMT. Soybean and soybean meal imports should continue to increase in 2010 as demand remains strong and credit availability improves.

Vegetable oil (crude and refined) imports for 2009 were an estimated 630,000 MT, about an 11 percent drop from the previous year as credit tightened due to the government's inflation control policy. Imports should begin to grow again in 2010 because of continued strong demand.

Commodities:

Oilseed, Soybean

Production:

Vietnam's 2009 soybean production continues to be small, falling far short of domestic demand. A significant reduction in crop area (about 24 percent) was due to a massive flood and unusually heavy rains at the end of 2008 and in the beginning of 2009 that drenched 15 provinces in north central Vietnam. (Table 1 and PSD table 16)

Table 1: Soybean production, 2005 - 2010

	2005	2006	2007	2008	2009	2010* est.
Crop area (thousand ha – tha)	204.1	185.6	190.1	192.1	146.2	190
Crop yield (mt/ha)	1.43	1.39	1.45	1.39	1.46	1.47
Total production (tmt)	292.7	258.1	275.5	267.6	213.6	280

Source: General Statistics Office (GSO) and Post's Estimate (*)

The Ministry of Agriculture and Rural Development (MARD) set a target for area planted to soybeans at 220,000 ha, which would, *in theory*, raise total production to 325,000 MT by 2010. However, Post doubts that these targets are achievable because of prevailing low yields, high production costs, and the fact that imports are priced very competitively. Currently, locally produced, grade one soybeans (food grade) retail for VND 10,400 - 10,500/kg (\$545-\$550/MT) while imported U.S. food grade soybeans are quoted at \$470-\$472/MT CFR, Haiphong.

Despite MARD's ambitious plan for expanding domestic soybean production, farmers have no economic incentive to expand their production areas given the traditionally low yields and high input costs associated with growing local soybean varieties. Vietnamese scientists are currently conducting research on biotech and other modern soybean varieties with higher output levels and lower production costs, and many farmers are reportedly interested in growing Bt soybeans. However, biotech seeds are not yet approved for commercial sale in Vietnam. While Vietnam approved the legal framework for producing biotech crops in 2005 (Bio-safety Decree No. 212), the implementing regulations from many ministries have yet to be approved. Only MARD has its regulations in place. However, MARD's regulations only concern part of the overall approval process: conducting field trials of biotech crops. Circular 69/2009/TT-BNNPTNT, published October 27, 2009, and Circular 72/2009/TT-BNNPTNT, published November 17, 2009, establish these regulations. Bt soybeans are one of three biotech crops (corn, cotton and soybeans) that MARD initially approved for field trials. However, given the slowness of the implementation process, it is doubtful that commercial biotech production of any of these crops will begin any time

soon. Reportedly, no companies are applying for Bt soybean field trials at this time. Even after a company applies, the field trial period is expected to last for two or three years before final approval for commercialization will be granted. A revision of Bio-safety Decree 212 ([VM5062](#)) is currently underway and is expected to be approved by the middle of the year 2010. The revised Decree provides the legal frame work for research and commercialization of GMOs and GM products. However, Post is still uncertain if this revision will include a requirement for mandatory labeling of GM products. Please contact Post for an un-official translation of the latest version of the Decree.

Consumption:

Almost all locally produced soybeans continue to go toward meeting the growing demand from the food processing industry for products such as soymilk, tofu and soy sauce. Only a small portion of lower-quality, full fat soybeans are used for animal feed. Construction of Vietnam's first large-scale industrial crushing facility with capacity of 3,000 MT, per day, has started near Ba Ria Serece Port (Phu My port), in the south. Once completed, this facility will require approximately 850,000 MT of full fat soybeans per year, to run at full capacity. The current import tariff structure at zero percent for beans versus 15 percent for meal provides an additional incentive for the Ba Ria Serece facility to operate at full capacity once it comes completely online, which is expected to happen in third quarter 2011. Accordingly, Post expects the demand for full fat soybeans to continue to grow in 2010 and in 2011.

Trade:

Imports

Vietnam's 2009 soybean imports were over 175,000 MT, an enormous hike of 26 percent over the previous year's import level. The growth is in response to strong demand from both the food and feed sectors. Most manufacturers import full fat soybeans for use in both food and feed. The demand for full fat soybeans should increase to a total import level of about 200,000 MT in 2010.

Eighty percent of Vietnam's soybean imports come from the United States. The rest are sourced from China, Argentina, Canada, Cambodia, American Samoa and India. U.S. soybean exports to Vietnam have grown by 110,000 MT since 2007. Post estimates Vietnam's U.S. soybean imports in 2010 at 200,000 MT. This assumes a 33 percent growth in demand from food manufacturers, and about 25 percent growth in demand from feed manufacturers.

Table 2: Soybean imports by source

Country	2007		2008		2009	
	Quantity (mt)	Value (thousand \$)	Quantity (mt)	Value (thousand \$)	Quantity (mt)	Value (thousand \$)
Total Imports:	53,257	16,465	138,853	107,257	175,261	77,216
USA	23,607	8,926	105,703	71,591	138,408	65,413
China	16,318	2,630	16,348	2,676	20,500	3,438
Argentina	779	283	8,176	4,172	3,711	1,907
Canada	787	307	4,763	2,740	6,152	3,102
Cambodia	n/a	n/a	n/a	n/a	2,360	1,474
American Samoa	4,672	1,749	581	351	1,379	608
India	1,393	412	n/a	n/a	1,088	431
Japan	n/a	n/a	n/a	n/a	550	274
Burma	n/a	n/a	n/a	n/a	374	182
Thailand	n/a	n/a	n/a	n/a	293	191
Laos	n/a	n/a	n/a	n/a	260	79
Taiwan	n/a	n/a	n/a	n/a	126	68

Source: Estimates from local industry contacts; General Customs Department

Currently, grade 2 soybeans are quoted at \$468, per metric ton, CFR Haiphong.

Vietnam also imports a small volume of full fat soybean flour for both the food and feed industries, mainly from Malaysia and Thailand (Table 3).

Table 3: Full Fat Soybean flour imports by source

Country	2008		2009	
	Quantity (mt)	Value (thousand \$)	Quantity (mt)	Value (thousand \$)
Total Imports:	9,019	9,017	5,496	3,918
Malaysia	8,979	6,325	5,042	3,543
Thailand	10	7.2	363	290
USA	2	4.8	38	29
Denmark	n/a	n/a	24	23
China	2	5.5	18	15
Japan	14	2,667	11	18
Taiwan	12	7.3	0.2	0.3

Source: General Customs Department

Import Tariffs

The tax rates applied to soybeans and full fat soybean flour imported from countries having Most Favored Nation (MFN) status with Vietnam are:

Import duty rate for soybeans (HS code: 1201): 0 percent + VAT: 5 percent
 Import duty rate for soybean flour (HS code: 1208): 15 percent + VAT: 10 percent

Commodities:

Oilseed, Peanut

Production:

Vietnam's 2009 peanut production is about 525,000 MT. The crop area dropped 2.4 percent due to unfavorable weather in the first quarter of 2009. The average yield is 2.11 metric tons, per hectare. In 2010, Post expects production to increase 4 percent to 540,000 mt as a result of farmers planting better varieties, and some expansion in acreage. (Table 4 and PSD table 15).

Table 4: Peanut production, 2004 - 2010

	2007	2008	2009	2010 est.
Crop area (thousand ha – tha)	254.6	255.4	249.2	255
Crop yield (mt/ha)	2	2.08	2.11	2.12
Total production (tmt)	510	530.5	525.1	541

Source: General Statistics Office (GSO), MARD

Consumption:

In Vietnam, the majority of peanut production is used in the snack and confectionery industries. Only very small amounts are used in-shell for household consumption, extruded for cooking oil, or exported.

Trade:

Imports

Vietnam imports a small amount of peanuts (both in-shell and shelled). As a result of higher demand from the snack food industry, Vietnam's 2009 total in-shell basis peanut imports are 3,179 MT (Tables 5, 6 and Table 21 Vietnam's Peanut Import Matrix). However, in-shell and shelled are moving in opposite directions. Decreased demand for in-shell peanuts in 2009 resulted in a 26 percent decline in imports, which totaled only 504 MT (Table 5). This is in contrast to Vietnam's 2009 imports of shelled peanuts are 2,011 MT, the equivalent to 2,675 MT of in-shell peanuts, which is an 133 percent increase over the previous year (Table 6). About 94 percent of total imports are from China, India and Laos.

Table 5: In-shell peanut imports by source

Country	2007		2008		2009	
	Quantity (MT)	Value (thousand \$)	Quantity (MT)	Value (thousand \$)	Quantity (MT)	Value (thousand \$)
Total in-shell peanut imports:	756	315.5	679	753	504	173
China	633	118.5	269	86	459	141
Indonesia	123	197	400.5	656	19	26
Laos	n/a	n/a	n/a	n/a	26	6
Malaysia	n/a	n/a	9.5	11	n/a	n/a

Source: General Customs Department, Post adjusted statistics

* Note: In-shell peanut HS code 120210

Table 6: Shelled peanut imports by source

Country	2007		2008		2009	
	Quantity (MT)	Value (thousand \$)	Quantity (MT)	Value (thousand \$)	Quantity (MT)	Value (thousand \$)
Total shelled peanut imports converted into in-shell peanuts	1,504.5	822.3	1,147.8	510	2,674.6	1,106
Total shelled peanut imports	1,131.2	822.3	862	510	2,011	1,106
China	468	150.4	237	76	1,109	306
India	577	626.4	516	315	593	553
Laos	n/a	n/a	n/a	n/a	193	82
Indonesia	80	33.6	60	28	n/a	n/a
Russian Federation	n/a	n/a	n/a	n/a	39	53
South Korea	n/a	n/a	22	38	37	65
Thailand	2.3	8.7	2.4	9	21	33
Malaysia	n/a	n/a	14	13	14	13
Other countries	3.9	3.2	10.6	31	5	1

Source: General Customs Department, Post adjusted statistics

* Note: Shelled peanut HS code 120220 and 200811 (excluding peanut butter); Conversion rate: 1.33

Exports

Vietnam exports a small quantity of in-shell and shelled peanuts, mainly to Thailand, China, Malaysia, Indonesia, and Taiwan. In 2009, Vietnam exported about 8,000 MT of shelled peanuts to Thailand, as well as 2,000 MT to China, 2,000 MT to Taiwan, 1,000 MT to Russia, 1,000 MT to Malaysia and 1,000 MT to Singapore. Total exports of shelled peanuts fell about 50 percent in 2009 as demand dropped.

Table 7: Vietnam's peanut exports

Year	2007	2008	2009	2010 est.
In-shell peanut exports (thousand metric tons – tmt)	8	2	2	2
Shelled Peanut exports (tmt)	36.8	30	15	20
Total converted into in-shell peanut exports (tmt) (conversion rate 1.33)	56.9	41.9	21.95	28.6

Source: General Statistics Department, Global Trade Atlas

Import Tariffs

The tax rates applied to peanuts imported from countries having Most Favored Nation (MFN) status with Vietnam are as follows:

Import duty rates:

0 percent for peanuts in-shell, suitable for sowing (HS code:12021010),
VAT: 5 percent

10 percent for other peanuts in-shell (HS code: 12021090); VAT: 5 percent

10 percent for shelled peanuts, whether or not broken (HS code: 20220);
VAT: 5 percent

34 percent for roasted ground nuts (HS code: 200811), VAT: 10 percent

Commodities:

Meal, Soybean

Production:

No official data is available for soybean meal production in Vietnam. Vietnam continues to produce only a negligible amount of soybean meal as there are no commercial crushing facilities. Post expects zero soy meal production in 2010. However, once the Ba Ria Serece crushing plant starts to run at full capacity, the production could reach 700,000 MT in 2011.

Trade:**Imports**

Vietnam's 2009 soybean meal imports were the same as 2008. They remain at this high level because of demand from the pork, poultry, and aquaculture feed industries. However, most of the growth in feed demand will be filled by DDGS, copra meal, and canola meal because they are less expensive than soybean meal and the overall quality of the feed is not significantly affected by using the less expensive alternatives. Post expects imports of soybean meal will only grow by 200,000 MT taking total soybean meal imports to 2.6 MMT in 2010.

India continues to be the largest supplier of soybean meal to Vietnam, although its market share dropped from 71 percent in 2008 to 41 percent in 2009. It lost most of that market share to Argentina which grew its market share from 17 percent in 2008 to 38 percent in 2009. Post has learned this shift was due to the combination of cheaper freight rates available from Argentina as ships sought to pick-up back haul cargos at reduced prices and the higher quality of Argentinean meal compared to Indian meal.

U.S. soybean meal exports to Vietnam in 2009 totaled an estimated 174,000 MT, rising 90 percent over the year before, though it still accounts for only a small share of Vietnam's market. U.S. soybean meal is expected to increase its market share in 2010 as the feed industry continues to place more emphasis on the total value of feed components. Since the quality of U.S. soybean meal is very high it has become more competitive as feed producers have become more sophisticated. India will remain the leading supplier of soybean meal because of its shorter transport time, but both the United States and Argentina are gaining market share because of quality. Average import prices in 2009 were \$435/MT for U.S.; \$427/MT for Argentina; and \$400/MT for India.

Table 8: Soybean meal imports by source

	2007	2008	2009
Total Imports: (tmt)	2,549	2,461	2,478
India	1,563	1,751	1,014.6
Argentina	731	415	983.8
USA	49	90	173.6
China	46	47	171.2
Brazil	42	73	69.5
Taiwan	11	8	20.7
South Korea	n/a	n/a	18.9
Singapore	8	4	8.5
Japan	2	6	5.9
UAE	66	32	3.3
Korea (DPRK)	n/a	n/a	1.9
Indonesia	11	8	1.8
Antigua and Barbuda	2.7	n/a	1.4
Malaysia	15	11	1.4
Other countries	5	16	1.2

Source: Estimates from traders, General Customs Department

Vietnam's imports of soybean meal in 2010 should continue to increase as demand from the growing animal and aquaculture feed industries remain strong. Reportedly, in CY 2009, Vietnam produced about 9.3 million MT of industrial animal feed (about 20 percent soybean meal) and 1.9 million MT of aqua feed (15-20 percent soybean meal). Post estimates Vietnam's 2010 total soybean meal imports at 2.6 million metric tons.

Imported soybean meal is currently going for around \$430/MT CFR Haiphong. See Table 17 below for the soybean meal PS&D.

Import Tariff

The tax rates applied to soybean meal imported from countries having Most Favored Nation (MFN) status with Vietnam is an Import duty rate of 0 percent and a 5 percent VAT

Commodities:

Meal, Copra

Meal, Fish

Meal, Palm Kernel

Meal, Peanut

Production:

In 2009, Vietnam imported 1 MMT of other oilseed meals valued at \$179 million. The tax rate applied to other oilseeds meals imported from countries having Most Favored Nation (MFN) status with Vietnam is 0 percent and a 5 percent VAT.

Trade:

Table 9: Other oilseeds meal imports 2007-2009

	2007	2008	2009
Total import volume (tmt)	761	719	1,062
Total import value (million \$)	108	157	178

Source: General Customs Department, Post adjusted statistics

Table 10: Other oilseeds meal imports per commodities in 2009

HS Code	Commodities	Volume (mt)	Value (thousand \$)
	Total other meals imports	1,061,510	\$ 178,833
2302	<i>Other meals (wheat, rice bran)</i>	336,532	\$ 56,573
2305	<i>Peanut meal</i>	11,937	\$ 4,613
2306	<i>Other meals, of which</i>	713,041	\$ 117,647
	<i>Palm nut meal</i>	160,142	\$ 11,122
	<i>Copra meal</i>	157,221	\$ 20,464
	<i>Rice bran meal</i>	144,353	\$ 20,917
	<i>Canola meal</i>	64,808	\$ 16,419
	<i>Guar meal</i>	8,846	\$ 2,399
	<i>Tea seed meal</i>	8,362	\$ 1,339
	<i>Cotton seed meal</i>	288	\$ 107
	<i>Palm seed meal</i>	80	\$ 55
	<i>Sunflower meal</i>	55	\$ 20
	<i>Other meal</i>	168,885	\$ 44,805

Source: General Customs Department, Post adjusted statistics

Commodities:

Oil, Coconut

Oil, Palm

Oil, Soybean

Production:

Vietnam's 2009 vegetable oil production was 593,000 MT, about the same level as the previous year. The vegetable oil industry continues using both domestic (mainly sesame and peanut) and imported (mainly palm and soybean) crude oils for its production. The domestic industry uses small and household sized 'crushing' facilities and only has very localized distribution capabilities. Since there are no commercial crushing facilities, all of the crude oil supply is imported for large-scale production. Local producers and traders expect production to increase about 10 percent in 2010 to about 652,000 MT because demand for oil is growing and the first large-scale industrial crushing facility will not begin to operate until 2011.

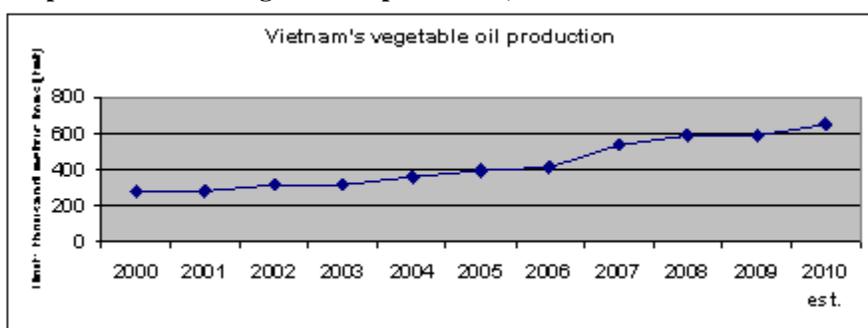
There are at least 35 vegetable oil manufacturers in 13 provinces around the country. The Vietnam Vegetable Oil Industry Corporation (Vocarimex) and its associated sub-companies and manufacturing facilities such as Tuong An Vegetable oil Joint Stock Company; Tan Binh Vegetable oil Joint Stock Company; Vegetable Oil Extraction Joint Stock Company; Golden Hope-Nha Be Edible Oil Co. Ltd; Cai Lan Oil and Fats Industries Company Ltd; account for 79 percent of the total refined oil production and 23 percent of total crude oil production.

Table 11: Refined vegetable oil production

	2006	2007	2008	2009	2010 est.
Total refined vegetable oils production (tmt)	415.6	535	592.4	593	652
State-owned	192.5	252.2	n/a	n/a	n/a
Private companies	39.5	48.7	n/a	n/a	n/a
Foreign-invested firms	183.7	234.1	n/a	n/a	n/a

Source: General Statistic Office, Local producers & traders

Graph 1: Vietnam's vegetable oil production, 2000 - 2010



Source: General Statistics Office, estimates from local producers

Consumption:

Although no official data is available for vegetable oil consumption per capita, the industry estimates it at 7.0 kg/year. This level is well below neighboring countries' levels such as 15 kg/person/year in China and 20 kg/person/year in Malaysia. According to the Ministry of Trade and Industry (MOIT), this level is forecast to increase by 8 percent per year in the period of 2008-2018 or to an equivalent of 15.2 kg per capita by 2018 and to rise by 3.5 percent in the period of 2018-2025 or to an equivalent of 19.4 kg per capita by 2025. Post projects extremely strong growth in vegetable oil demand for the next 15 years.

Most imported soybean and palm oils are for food use, only a small volume of imported soy oil is used in the industrial and cosmetic manufacturing sectors. Vietnam's total domestic consumption for food use of soybean oil was about 128,000 MT in 2009 (see table 25) and for palm oil it was 500,000 MT (see table 28). Levels should increase to 130,000 MT for soybean oil and 540,000 MT for palm oil in 2010.

Table 12: Vietnam's domestic consumption

	Unit	1995	2000	2005	2006	2007	2008	2009 est.	2010 est.
Population	1,000 people	71,995	77,635	83,105	84,108	85,155	86,211	86,987	87,770
Total domestic vegetable oil consumption	1,000 mt	77.04	178.56	311.49	346.44	556.53	607.00	660.42	719.71
Per capita vegetable oil consumption	Kg/person/year	1.07	2.3	3.75	4.12	6.54	7.04	7.6	8.2

Source: General Statistic Office, Ministry of Industry and Trade

Trade:

Imports of vegetable oils

Vietnam's vegetable oil industry continues to rely on imported crude and refined oil. In 2009 Vietnam imported an estimated 632,000 MT of crude and refined vegetable oils of all types, which is a drop of 11.2 percent from 2008. The drop was due to a lack of dollar denominated credit available to crude vegetable oil importers in the beginning of 2009. The GVN tried to combat inflation by tightening credit availability. The GVN raised the rates on loans to the semi-private banks which in turn raised rates on loans to businesses. This made it especially difficult for businesses to borrow money denominated in dollars. Vegetable oil importers slashed imports for the first half of 2009 because of this lack of credit.

Total crude and refined palm oil imports were about 502,000 MT, a 24.3 percent increase over the previous year, accounting almost 80 percent of total vegetable oil imports while the total crude and refined soy oil imports were 122,000 MT, a significant drop of 41 percent from the year before, accounting for about 19 percent; only a tiny amount of other vegetable oils were imported. Post forecasts that total vegetable oil imports will increase to 691,000 MT in 2010 as local demand continues to grow by 8 percent per year.

Table 13: Total vegetable oil imports

	2007	2008	2009	2010 est.
Total vegetable oil imports (tmt)	548.3	711.2	631.6	691
Total Crude vegetable oil imports	274.6	328.2	313.5	345
Total Refined vegetable oil imports	273.7	383	318.1	346

Source: General Customs Department, Estimates from traders

Vietnam imports only a small volume of vegetable oil and fats from the United States. However, in 2009 Vietnam's edible oils and fats imports (mainly crude soybean oil) reached a record 55,000 MT, with a total value of \$44 million in 2009. (table 14).

Table 14: U.S. vegetable oil and fat exports to Vietnam

HS code	Products	2007		2008		2009		January 2010	
		Volume (mt)	Value (thousand \$)	Volume (mt)	Value (thousand \$)	Volume (mt)	Value (thousand \$)	Volume (mt)	Value (thousand \$)
1507	Soybean Oil	n/a	n/a	n/a	n/a	51,999	41,317	12,000	9,812
1508	Ground nut oil, Refined	n/a	n/a	n/a	n/a	13.6	15		
1509	Olive Oil	1.3	8	0.9	7	13.1	22		
1514	Rape/Colza Oil	n/a	n/a	n/a	n/a	0.8	3		
1515	Fixed Veg. Fat and Oil	22.7	18	234.4	329	2,413	2,451	76.2	141
1516	Fats, Hydrogen	251.5	175	98	179	57.1	167	2.6	17
1517	Margarine	745.3	1,005	662.5	655	66.4	76		
1518	Process Oil, An/Veg.	277.4	156	16.3	31	n/a	n/a	n/a	n/a
	Total	981.2	1,362	1,012	1,201	54,563	44,051	12,079	9,970

Sources: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics (BICO report)

Imports of crude vegetable oil

Vietnam's total crude vegetable oil imports in 2009 were an estimated 314,000 MT, about a 4.5 percent drop from the previous year. Palm oil from Indonesia, Malaysia and Thailand accounted for about 64 percent of total crude vegetable oil imports. Soybean oil from United States, Argentina, Malaysia, Thailand and Brazil accounted for much of the remaining crude vegetable oil imports. Only a tiny amount of rapeseed, sunflower, and olive crude oils were imported.

Table 15: Crude vegetable oil imports

Crude vegetable oil (thousand metric tons)	2007	2008	2009	2010 est.
Total	274.6	328.2	313.5	345
Crude palm oil (tmt)	161	199	203	223
Crude Soybean oil (tmt)	114	129	106	117
Other crude vegetable oil	0.6	0.2	4.5	5

Sources: Estimates from traders, General Customs Department

Imports of refined vegetable oil

Vietnam's refined vegetable oil imports for 2009 dropped about 17 percent from the previous year as because of tightened credit. Palm oil imports accounted for about 94 percent of total refined vegetable oil. Malaysia provided about 82 percent, while Indonesia supplied 11 percent. Soybean oil imports in 2009 dropped significantly (79 percent), accounting for 5 percent of total refined vegetable oil imports.

Table 16: Refined vegetable oil imports

Crude vegetable oil (thousand metric tons)	2007	2008	2009	2010 est.
Total	273.7	383	318.1	346
Refined palm oil	272	305	299	312.5
Refined Soybean oil	1.6	78	16	30
Other refined vegetable oil	0.14	0.1	3.1	3.5

Source: Estimates from traders, General Customs Office

Import Tariff

The most updated tax rates that apply to crude and refined vegetable oils imported from countries having Most Favored Nation (MFN) status with Vietnam are shown in table 12 below:

Table 17: Import tariffs for vegetable oils

	Crude Oil	Refined oil
Import duty		
<i>for soybean oil (HS code 1507)</i>	5%	15%
<i>for peanut oil (HS code 1508)</i>	5%	25%
<i>for olive oil (HS code 1509)</i>	5%	24%
<i>for palm oil (HS code 1511)</i>	5%	25%
<i>for sunflower oil (HS code 1512)</i>	5%	15%
<i>For cottonseed oil (HS code 1512.21 and 1512.29)</i>	5%	25%
<i>for copra oil (HS code 1513)</i>	5%	25%
<i>for rape oil (HS code 1514.11 and 1514.19)</i>	5%	5%
<i>for rape oil (HS code 1514.91 and 1514.99)</i>	2%	24%
<i>For other vegetable oil (HS code 1515.11 and 1515.19)</i>	5%	10%
<i>For sesame oil (HS code 1515.50)</i>	5%	25%
<i>For vegetable oils (HS code 1516)</i>	25%	25%

Source: Ministry of Finance (Circular 216/2009/TT-BTC dated 12th November 2009)

Exports

In 2009, Vietnam exported a small volume of vegetable oils and fats consisting mainly of sesame and rice bran oils with a total value of \$14 million, a decrease of 44 percent from the previous year. The primary markets were Japan, China, Australia and South Korea.

Table 18: Vietnam's vegetable oils and fat exports

HS code	Commodities	2007		2008		2009	
		Value (thousand \$)	Quantity (tmt)	Value (thousand \$)	Quantity (tmt)	Value (thousand \$)	Quantity (tmt)
1507	Soya bean oil and its fractions	\$6,630	8	\$343	-	\$403	-
1508	Peanut oil and its Fractions	n/a	n/a	-	0	\$35	0
1509	Olive Oil and its fractions	\$5	0	0	0	0	0
1511	Palm oil and Its fractions	\$4,207	6	\$10,950	12	\$63	-
1512	Sunflower or cotton-seed oil & fractions	\$901	1	\$1,190	1	-	0
1513	Copra, Palm Kernel or babassu Oil and Factions	\$1	0	\$25	0	\$66	0
1514	Rape, Colza or Mustard Oil and their fractions	\$2	0	-	0	-	0
1515	Fixed Vegetable Fats and Oils and Fractions	\$10,927	13	\$18,769	16	\$13,103	13
1516	Animal or Vegetable Fats, Oils and fractions	\$34	0	\$7	0	\$23	0
1517	Margarine, Edible Mixed of Animal or Veg. Oils or fractions	\$56	0	\$17	0	\$13	0
1518	Animal or Vegetable Fats, Oils and fractions boiled Oxid	\$1	0	-	0	\$147	0
	Total	\$22,764	28	\$31,301	29	\$13,853	13

Sources: Global Trade Atlas

STATISTICAL TABLES

Table 19: Vietnam's Production, Supply & Demand Table for Soybeans

Soybean Oilseed, Vietnam (1000 HA)(1000 MT)	2007			2008			2009		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010		
	USDA Official Data		New Post Dat a	USDA Official Data		New Post Dat a	USDA Official Data		New Post Dat a
	Officia l	Pos t		Officia l	Pos t		Officia l	Pos t	
Area Planted	0	192	192	0	195	146	0	200	200
Area Harvested	280	192	192	200	195	146	200	200	200
Beginning Stocks	9	15	9	95	20	14	40	40	20
Production	410	268	268	300	273	214	300	300	300
MY Imports	120	139	139	175	150	175	200	320	200
MY Imp. from U.S.	95	106	106	100	115	138	80	280	160
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	539	422	416	570	443	403	540	660	520
MY Exports	0	0	0	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Crush	0	0	0	0	0	0	0	0	0
Food Use Dom. Cons.	300	302	302	325	313	263	345	220	350
Feed Waste Dom. Cons.	144	100	100	205	110	120	175	400	150
Total Dom. Cons.	444	402	402	530	423	383	520	620	500
Ending Stocks	95	20	14	40	20	20	20	40	20
Total Distribution	539	422	416	570	443	403	540	660	520
CY Imports	120	139	139	175	150	175	200	320	200
CY Imp. from U.S.	95	106	106	145	115	138	125	280	160
CY Exports	0	0	0	0	0	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0

Source: Estimates from traders, General Customs Office, FAS estimates

Table 20: Vietnam's Soybeans Import Matrix

Country	Vietnam		
Commodity	Soybeans		
Time Period	Jan-Dec	Units:	MT
Imports for:	2008		2009
U.S.	105,703	U.S.	138,408
Others		Others	
China	16,348	China	20,463
Argentina	8,176	Canada	6,152
Canada	4,763	Argentina	3,711
United Arab Emirates	1,696	Cambodia	2,360
American Samoa	581	American Samoa	1,379
Singapore	575	India	1,088
Thailand	412	Japan	550
Japan	257	Burma	374
Malaysia	141	Thailand	293
Taiwan	128	Laos	260
Total for Others	33,076		36,667
Others not Listed	74		186
Grand Total	138,853		175,223

Source: Estimates from traders, General Customs Office

Table 21: Vietnam's Production, Supply & Demand Table for Peanuts

Oilseed, Peanut Vietnam (1000 HA)(1000 MT)	2008			2009			2010		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010		
	USDA official data		New Post	USDA official data		New Post	USDA official data		New Post
	Official	Post	Data	Official	Post	Data	Official	Post	Data
Area Planted	0	255	255	0	260	249	0		255
Area Harvested	250	255	255	250	260	249	250		255
Beginning Stocks	31	34	31	53	32	32	62		35
Production	490	531	531	500	559	525	500		541
MY Imports	4	2	2	4	2	3	4		3
MY Imp. from U.S.	0	0	0	0	0	0	0		0
MY Imp. from EU	0	0	0	0	0	0	0		0
Total Supply	525	567	564	557	593	560	566		579
MY Exports	30	40	42	30	53	22	30		29
MY Exp. to EU	0	2	0	0	2	0	0		0
Crush	165	20	20	175	20	20	180		20
Food Use Dom. Cons.	232	475	470	245	485	483	250		495
Feed Waste Dom. Cons.	45	0	0	45	0	0	45		0
Total Dom. Cons.	442	495	490	465	505	503	475		515
Ending Stocks	53	32	32	62	35	35	61		35
Total Distribution	525	567	564	557	593	560	566		579
CY Imports	4	2	2	4	2	3	4		4
CY Imp. from U.S.	0	0	0	0	0	0	0		0
CY Exports	30	40	0	30	53	22	30		29
CY Exp. to U.S.	0	0	0	0	0	0	0		0

Source: General Customs Office, Global Trade Atlas, FAS estimates

Table 22: Vietnam's Peanut Import Matrix

Country	Vietnam		
Commodity	Peanuts	(in-shell basis)	
Time Period	Jan-Dec	Units:	MT
Imports for:	2008		2009
U.S.		U.S.	0.08
Others		Others	
India	686	China	1,933.0
China	584.3	India	788.0
Indonesia	480.3	Laos	282.8
Korea (DPRK)	29.5	Russian Federation	51.2
Malaysia	28.5	South Korea	49.4
Australia	11.5	Thailand	28.4
Thailand	3.2	Indonesia	19.4
		Malaysia	19.0
		Philippines	6.9
Total for Others	1,823		3,178
Others not Listed	2		0.13
Grand Total	1,825		3,178

Source: General Customs Office, Global Trade Atlas

Table 23: Vietnam's Production, Supply & Demand Table for Soybean Meal

Meal, Soybean Vietnam (1000 HA)(1000 MT)	2008			2009			2010		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010		
	USDA official data		New Post	USDA official data		New Post	USDA official data		New Post
	Official	Post	Data	Official	Post	Data	Official	Post	Data
Crush	0	0	0	0	0	0	0	0	
Extr. Rate, 999.9999	0.	0.	0.	0.	0.	0.	0.	0.	
Beginning Stocks	0	20	0	0	50	50	0	50	
Production	0	0	0	0	0	0	0	0	
MY Imports	2,439	2,461	2,461	2,467	2,550	2,478	2,600	2,600	
MY Imp. from U.S.	30	90	90	110	100	171	250	350	
MY Imp. from EU	0	0	0	0	0	0	0	0	
Total Supply	2,439	2,481	2,461	2,467	2,600	2,528	2,600	2,650	
MY Exports	0	0	0	0	0	0	0	0	
MY Exp. to EU	0	0	0	0	0	0	0	0	
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	
Feed Waste Dom. Cons.	2,439	2,431	2,411	2,467	2,580	2,478	2,600	2,600	
Total Dom. Cons.	2,439	2,431	2,411	2,467	2,580	2,478	2,600	2,600	
Ending Stocks	0	50	50	0	20	50	0	50	
Total Distribution	2,439	2,481	2,461	2,467	2,600	2,528	2,600	2,650	
CY Imports	2,439	2,461	2,461	2,467	2,550	2,478	2,600	2,600	
CY Imp. from U.S.	0	90	90	0	100	171	0	200	
CY Exports	0	0	0	0	0	0	0	0	
CY Exp. to U.S.	0	0	0	0	0	0	0	0	
SME	2,439	2,431	2,411	2,467	2,580	2,478	2,600	2,600	

Source: Estimates from traders, General Customs Office, FAS estimate

Table 24: Vietnam's Soybean Meal Import Matrix

Country	Vietnam		
Commodity	Soybean meal		
Time Period	Jan-Dec	Units:	MT
Imports for:	2008		2009
U.S.	90,116	U.S.	173,634
Others		Others	
India	1,750,719	India	1,014,655
Argentina	415,284	Argentina	983,815
Brazil	72,730	China	171,171
China	47,354	Brazil	69,549
United Arab Emirates	32,096	Taiwan	20,764
Malaysia	10,656	South Korea	18,861
Taiwan	8,164	Singapore	8,479
Indonesia	8,048	Japan	5,949
Japan	6,233	United Arab Emirates	3,270
Canada	5,072	Korea (DPRK)	1,939
Philippines	4,895	Indonesia	1,765
Total for Others	2,361,251		2,298,278
Others not Listed	9,222		5,926
Grand Total	2,460,589		2,477,838

Source: Estimates from traders, General Customs Office

Table 25: Vietnam's Production, Supply & Demand Table for Soybean Oil

Oil, Soybean Vietnam (1000 HA)(1000 MT)	2007			2008			2009		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010		
	USDA Official Data		New Post	USDA Official Data		New Post	USDA Official Data		New Post
Official	Post	Data	Official	Post	Data	Official	Post	Data	
Crush	0	0		0	0	0	0	0	0
Extr. Rate, 999.9999	0.	0.	0.	0.	0.	0.	0.	0.	0.
Beginning Stocks	0	6	0	5	6	7	0	6	0
Production	0	0	0	0	0	0	0	0	0
MY Imports	91	207	207	72	220	122	80	220	135
MY Imp. from U.S.	0	0	0	0	0	34	0	0	40
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	91	213	207	77	226	129	80	226	135
MY Exports	0	0	0	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	1	0	0	1
Food Use Dom. Cons.	86	207	200	77	220	128	80	220	130
Feed Waste Dom. Cons.	0	0	0	0	0	0	0	0	0
Total Dom. Cons.	86	207	200	77	220	129	80	220	131
Ending Stocks	5	6	7	0	6	0	0	6	4
Total Distribution	91	213	207	77	226	129	80	226	135
CY Imports	91	207	207	72	220	122	80	220	135
CY Imp. from U.S.	0	0	0	0	0	34	0	0	40
CY Exports	0	0	0	0	0	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0

Source: Estimates from traders, General Customs Office, FAS estimate

Table 26: Vietnam's Crude Soy Oil Import Matrix

Country	Vietnam		
Commodity	Crude Soy oil		
Time Period	Jan-Dec	Units:	MT
Imports for:	2008		2009
U.S.	0	U.S.	34,000
Others		Others	
Argentina	47,656	Thailand	32,116
Malaysia	38,469	Argentina	21,750
China	27,379	Brazil	12,000
Thailand	15,076	Malaysia	5,835
Taiwan	20	Taiwan	1
Total for Others	128,600		71,702
Others not Listed			-
Grand Total	128,600		105,702

Source: General Customs Office

Table 27: Vietnam's Refined Soy Oil Import Matrix

Country	Vietnam		
Commodity	Refined Soy oil		
Time Period	Jan-Dec	Units:	MT
Imports for:	2008		2009
U.S.	21	U.S.	1.57
Others		Others	
Malaysia	77,339	Malaysia	12,877
Singapore	376	Singapore	3,191
Thailand	151	Taiwan	50
Japan	31	Thailand	30
Taiwan	8	Japan	3
South Korea	2	South Korea	1
		China	0.09
		Australia	0.08
Total for Others	77,907		16,153
Others not Listed	1		-
Grand Total	77,928		16,154

Source: General Customs Office

Table 28: Vietnam's Production, Supply & Demand Table for Palm Oil

Oil, Palm Vietnam (1000 HA)(1000 MT)	2007			2008			2009		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010		
	USDA Official Data		New Post	USDA Official Data		New Post	USDA Official Data		New Post
	Official	Post	Data	Official	Post	Data	Official	Post	Data
Area Planted	0	0	0	0	0	0	0		0
Area Harvested	0	0	0	0	0	0	0		0
Trees	0	0	0	0	0	0	0		0
Beginning Stocks	37	21	37	40	20	20	45		15
Production	0	0	0	0	0	0	0		0
MY Imports	447	504	504	471	580	502	500		550
MY Imp. from U.S.	0	0	0	0	0	0	0		0
MY Imp. from EU	0	0	0	0	0	0	0		0
Total Supply	484	525	541	511	600	522	545		565
MY Exports	16	5	5	15	7	7	15		10
MY Exp. to EU	0	0	0	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0	0	0	0		0
Food Use Dom. Cons.	428	500	516	451	550	500	485		540
Feed Waste Dom. Cons.	0	0	0	0	0	0	0		0
Total Dom. Cons.	428	500	516	451	550	500	485		540
Ending Stocks	40	20	20	45	43	15	45		15
Total Distribution	484	525	541	511	600	522	545		565
CY Imports	447	504	504	471	580	502	500		550
CY Imp. from U.S.	0	0	0	0	0	0	0		0
CY Exports	16	0	0	15	0	7	15		10
CY Exp. to U.S.	0	0	0	0	0	0	0		0

Source: Estimates from traders, General Customs Office, FAS estimate

Table 29: Vietnam's Crude Palm Oil Import Matrix

Country	Vietnam		
Commodity	Crude Palm oil		
Time Period	Jan-Dec	Units:	MT
Imports for:	2008		2009
U.S.	0	U.S.	0
Others		Others	
Indonesia	130,165	Indonesia	161,743
Thailand	44,884	Malaysia	26,021
Malaysia	20,219	Thailand	11,789
India	3,498	India	2,700
China	40	Japan	895
Total for Others	198,806		203,149
Others not Listed			-
Grand Total	198,806		203,149

Source: General Customs Office

Table 30: Vietnam's Refined Palm Oil Import Matrix

Country	Vietnam		
Commodity	Refined Palm oil		
Time Period	Jan-Dec	Units:	MT
Imports for:	2008		2009
U.S.	0	U.S.	0
Others		Others	
Malaysia	203,189	Malaysia	261,190
Indonesia	98,063	Indonesia	36,245
Japan	3,225	India	546
Singapore	653	Singapore	358
South Korea	7	Thailand	117
		Maldives	62
		South Korea	14
		Japan	7
		Germany	1
Total for Others	305,137		298,539
Others not Listed			-
Grand Total	305,137		298,539

Source: General Customs Office