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## **Vietnam**

### **Oilseeds and Products Annual**

#### **New Crushing Plants Change Outlook for U.S. Soybean, SBM Exports to Vietnam**

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**Report Highlights:**

In CY 2010, U.S. soybean meal exports to Vietnam reached a record 429 thousand metric tons (TMT), an increase of 146 percent over the previous year. Because of exceptional growth and an increased emphasis on quality within the feed industry, Post expects U.S. exports of soybean meal to reach another record in 2011. The first two commercial oilseed crushing facilities in Vietnam are expected to begin operation in the second and third quarters of 2011; this should lead to a decrease in the rate of soybean meal imports in the second half of 2011 and beyond. Accordingly, Post expects imports of full-fat soybeans to steadily increase in the next three to five years.

**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. Although plans have been set to expand growing areas for major oilseed crops, Post doubts that production will increase as much as the Government of Vietnam desires due to the high input costs and generally low yields of oilseed crops in Vietnam.

Imports of soybeans and soybean meal in 2010 rose significantly due to increased demand from the food processing, livestock, and aquaculture feed industries combined with a zero percent import tariff.

Vietnam's soybean imports reached a record 228 thousand metric tons (TMT) in 2010, a 24 percent increase over the previous year with 78 percent of total imported volume from the United States.

Soybean meal imports remained high at 2.5 million metric tons (MMT). U.S. soybean meal exports to Vietnam in 2010 hit a record 429 TMT, an increase of 146 percent over the previous year. Post expects that soybean meal imports will begin to decline in the second half of 2011 due to the opening of the first oilseed crushing facilities in Vietnam. Post expects U.S. soybean meal imports to increase slightly in 2011 but decline in 2012 as more meal is produced locally. Accordingly, Post expects imports of full-fat soybeans to steadily increase in the next three to five years.

Because the United States has a larger market share and competitive advantage in exports of soybeans compared to soybean meal within the Vietnamese market, Vietnam's shift to importing more beans for local crushing is a positive development for U.S. trade.

Vietnam imported an estimated 721 TMT of crude and refined vegetable oils of all types in 2010, a 14 percent increase over 2009, to meet growing local demand. Post expects this trend to continue in the next three to five years.

**Commodities:**

Oilseed, Soybean

**Production:**

Vietnam's 2010 soybean production increased 39 percent over the previous year to 297 thousand metric tons (TMT), although the scale remains relatively small and continues to fall far short of domestic demand (Table 1). A significant expansion in crop area (about 35 percent) and greater efforts to improve yield contributed to higher output in 2010. However, this output still fell far below the 2010 target of 325 TMT, set by the Ministry of Agriculture and Rural Development (MARD), due to high production costs and Vietnam's generally inferior soybean yields.

The soybean has been cultivated for a very long time in Vietnam. A short-duration crop, the soybean is suitable for rotation and improving soil fertility. According to official government statistics, soybeans are grown in twenty eight provinces across the country, with approximately 70 percent cultivated in the north and 30 percent in the south. About 65 percent of Vietnam's soybeans are grown in upland areas,

mostly on low-fertility soil, and 35 percent in the lowlands of the Red River Delta. They are grown at various times of year in different areas of the country and may be incorporated as a spring, summer, or winter crop.

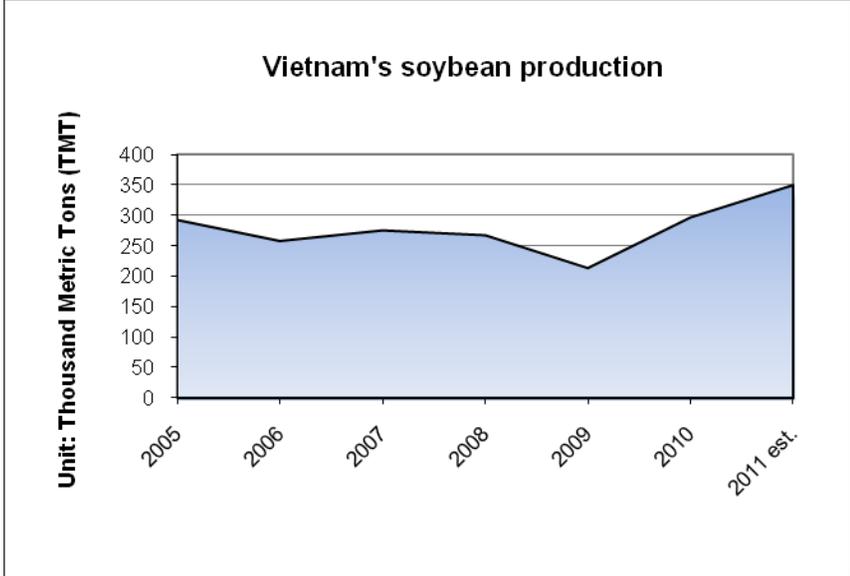
Vietnamese scientists are conducting research on biotech and other modern soybean varieties with higher output levels and lower production costs. At present, MARD has approved three biotech crop types for field trials – corn, cotton, and soybeans. Reportedly, many farmers are interested in growing Bt soybeans, but no companies are applying to implement Bt soybean field trials at this time. When a company does apply, the field trial period is expected to last for two or three years before final approval for commercialization is granted. Given the slow pace of the implementation process, it is doubtful that commercial production of any of biotech oilseed crops will begin in the near future in Vietnam.

**Table 1: Soybean production**

	2005	2006	2007	2008	2009	2010	2011
Crop area (thousand ha (tha))	204.1	185.6	190.1	192.1	146.2	197.8	215*
Crop yield (MT/ha)	1.43	1.39	1.45	1.39	1.46	1.50	1.63*
Total production (TMT)	292.7	258.1	275.5	267.6	213.6	296.9	350*

Source: General Statistics Office (GSO), \*FAS estimates

**Graph 1: Vietnam’s soybean production**



Source: General Statistics Office (GSO), \*2011-FAS estimates

**Consumption:**

Almost all domestically-produced soybeans are used to meet the growing domestic demand. Most of the soybeans produced in Vietnam, along with the high-quality imported soybeans, are used for human consumption. Major products include traditional non-fermented foods including tofu, soy milk, and soy flour for the food processing industry; lesser quantities are used for soy sauce, miso paste, and household-scale soybean oil production. Only a small portion of the soybeans produced in Vietnam are

used for animal feed. Imports paint a different picture – roughly three quarters of imported soybeans in 2010 went to animal feed and one quarter to human consumption.

Several local feed mills have started using imported full-fat soybeans for their commercial feed production. In 2010, commercial feed production in Vietnam grew by more than 10 percent, in response to growing demand from the livestock sector. MARD estimates that the demand for locally-produced commercial feed will grow to 16,000 TMT by 2015 and 19,000 TMT by 2020. Furthermore, local demand for oil is growing, and the reduced tariff rate for soybeans (zero percent) makes crushing plants an attractive investment in Vietnam.

In 2011, Vietnam’s first two soybean crushing facilities are scheduled to begin production. Construction of Bunge Vietnam’s 3,000 MT per day capacity soybean crushing facility, within the Phu My port complex in the South, will be completed in May 2011 (See Photo 1). This facility will be capable of unloading ships that meet the size requirements to fit through the Panama Canal, known as “Panamax” vessels. In the North, a 1,000 MT per day capacity crushing plant managed by the Quang Minh Group in Hung Yen province is expected to be completed in the third quarter of 2011 (See Photo 2). Accordingly, Post expects the demand for imported full-fat soybeans to be much higher in the coming years.

**Photo 2: Bunge Vietnam Crushing Plant in Southern Vietnam**

Capacity: 3,000 MT per day



*Photo: Bunge Vietnam*

**Photo 1: Quang Minh Group’ Crushing Plant in Northern Vietnam**

Capacity: 1,000 MT per day



*Photo: Quang Minh Group*

**Trade:**  
**Imports**

In 2010, Vietnam imported over 227,000 MT of soybeans, an enormous hike of 24 percent over the previous year. The import value in 2010 reached \$106 million, nearly tying the record of \$107 million set in 2008. Approximately 78 percent of Vietnam’s soybean imports come from the United States; the rest are sourced from Canada, China, Argentina, Uruguay, and other countries (Table 2). Recent import growth is due to strong demand from both the food and feed sectors. The total import volume of full-fat soybeans should increase to about 700 TMT in CY 2011 (MY 2010), based on our projection for the operation of Vietnam’s two new oilseed crushing plants in the second and third quarters of 2011. For CY 2012 (MY 2011) we expect imports to more than double to 1.5 MMT.

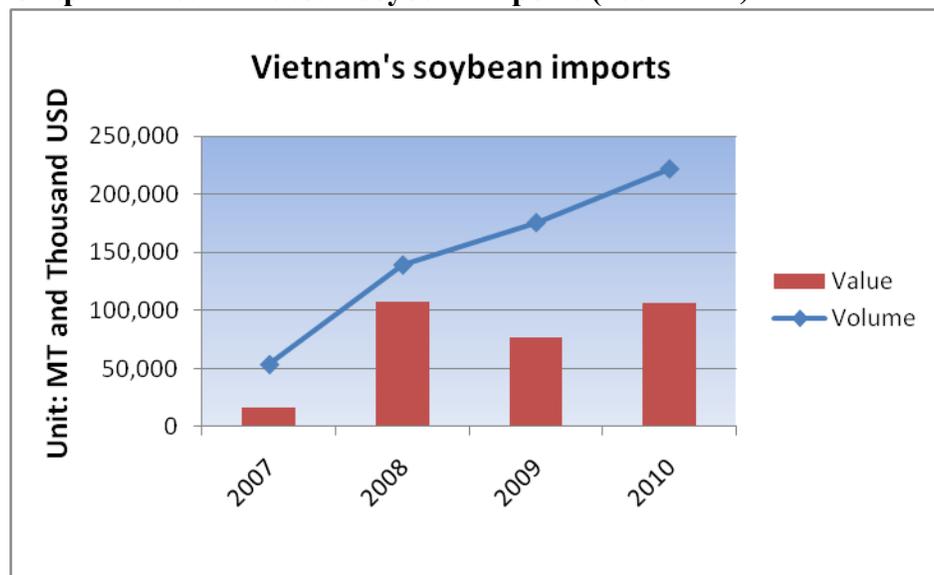
Marketing efforts in Vietnam for U.S. soybeans and soybean meal are supported by the American Soybean Association – International Marketing (ASA-IM) office in Hanoi.

**Table 2: Soybean imports by sources**

Country	2008		2009		2010	
	Quantity (MT)	Value (thousand \$)	Quantity (MT)	Value (thousand \$)	Quantity (MT)	Value (thousand \$)
<b>Total Imports:</b>	<b>138,853</b>	<b>107,257</b>	<b>183,886</b>	<b>84,706</b>	<b>227,651</b>	<b>106,469</b>
USA	105,703	71,591	141,194	65,413	178,111	87,384
Canada	4,763	2,740	6,152	3,102	17,818	8,526
China	16,348	2,676	20,500	3,438	13,736	2,191
Argentina	8,176	4,172	3,711	1,907	13,263	5,971
Others	3,863	26,078	12,329	10,846	4,723	2,397

Source: General Customs Department, Global Trade Atlas, Post adjusted statistics

**Graph 2: Vietnam’s total soybean imports (2007-2010)**



Source: General Customs Department, Global Trade Atlas, Post adjusted statistics

**Ports**

Vietnam has three deep-water ports: 1) Phu My-Ba Ria Serece port and 2) Cai Mep Interflour port, both located on the Thi Vai River of Ba Ria, Vung Tau Province, Southern Vietnam (about 30 miles from Ho Chi Minh City); and 3) Cai Lan port in Quang Ninh Province on the Northeast coast. These ports can all handle large vessels (50,000+ tons). With its latest expansion in late 2010, the Cai Mep Interflour port should be capable of receiving Panamax-sized 75,000 DWT vessels, which will lower freight costs, thus making U.S. agricultural commodities (including soybeans) more competitive for shipment to Vietnam.

According to Vietnam National Shipping Lines (Vinalines), the recently-opened Cai Mep International Terminal (CMIT) in Vung Tau province, near the major Interflour and Phu My ports, has purchased and received the first two of six Super Post-Panamax Ship-To-Shore (STS) quay cranes, designed to handle the largest vessels currently afloat (15,000 TEUs). CMIT is the first container terminal in Vietnam to cater to this size of container vessel. Additional features include 22 container bays and direct access to the newly dredged Cai Mep Terminal Channel, which has a minimum water depth of 14m. Shipping lines have shown interest in Southern Vietnam in recent months, with twelve vessels strings already offering direct liner services between Cai Mep and North America, EU, and the Mediterranean.

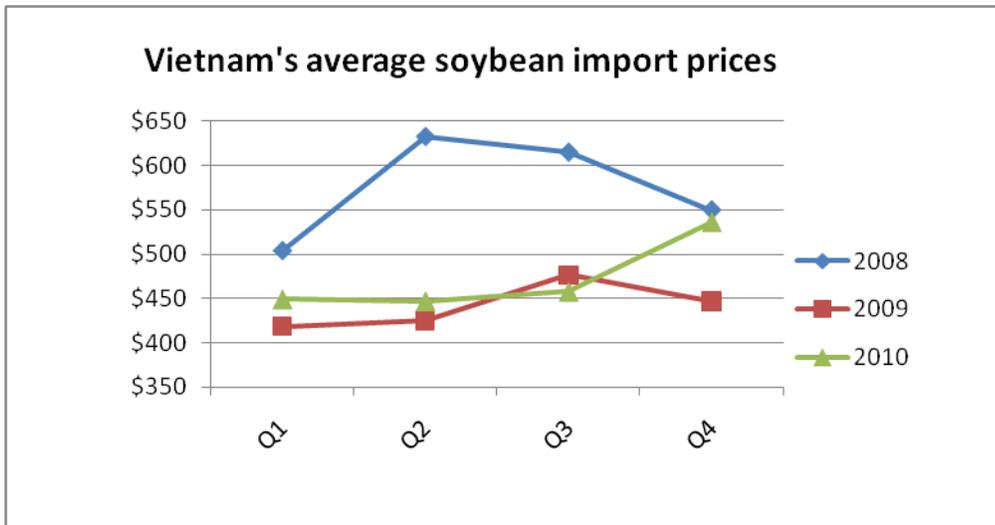
Cai Lan International Container Terminal in northern Vietnam began construction in 2010 of a container terminal in Cai Lan, Quang Ninh province, with a total investment of US\$155 million. Upon scheduled completion in June 2012, the terminal will be able to handle container vessels of 3,000-4,000 TEUs.

Currently, soybeans imported to Vietnam are shipped by both containers and bulk vessels. However, according to local importers, the cost for containers is growing more expensive due to a shortage of container supplies in high seasons (quarters 2 and 4 in the year). In addition, the freight rate is considerably higher for container cargo than for bulk cargo. Thus, bulk import shipments of soybeans are likely more competitive and preferable for Vietnam. This logic holds as long as the crushing plants can find sustained demand for the soybean oil created by the crushing process, and keep their plants running at or near capacity.

### **Prices**

Vietnam's average import price for soybeans in 2010 was \$472 per metric ton, about a 7 percent increase over 2009 (\$442), but 18 percent lower than the 2008 price (\$575) (Graph 3). Local traders forecast that soybean import prices will remain high due to strong demand in the world market, rising oil/gas prices, and higher ocean freight costs. Import prices for grade 2 full fat soybeans were \$595, \$610 and \$585 per metric ton, CFR Hai Phong in January, February and March 2011, respectively.

### **Graph 3: Vietnam's average soybean import prices (2008-2010)**



Source: General Customs Department, Post adjusted statistics

### Import Tariffs:

The tariff rate applied to soybeans (HS Code: 1201) imported from countries having Most Favored Nation (MFN) status with Vietnam is 0 percent / 5 percent VAT. Tariffs rates for other trade agreements are listed in Table 3.

**Table 3: Soybean import tariffs**

HS code	Description	Import tariffs (%)								VAT
		MFN	AIFTA	AANZFTA	VJEP	AJCEP	ACFTA	AKFTA	CEPT	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<b>1201</b>	<b>Soybeans, whether or not broken</b>									
1201.00.10	- Suitable for sowing	0	0	0	0	0	0	0	0	*
1201.00.90	- Other	0	4.5	5	4	5	5	5	0	*, 5

Source: Ministry of Finance

#### Notes:

- MFN: Most Favored Nation
- AIFTA: ASEAN-India Free Trade Agreement
- AANZFTA: ASEAN-Australia-New Zealand Free Trade Agreement
- VJEP: Vietnam-Japan Economic Partnership Agreement
- AJCEP: ASEAN Japan Comprehensive Economic Partnership
- ACFTA: ASEAN China Free Trade Agreement
- AKFTA: ASEAN Korea Free Trade Agreement
- CEPT: Common Effective Preferential Tariff
- VAT: Value Added Tax

**Table 4: Vietnam's Production, Supply & Demand Table for Soybeans**

Oilseed, Soybean Vietnam	2009/2010		2010/2011		2011/2012	
1000 HA, 1000 MT	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	198	0	215		235
Area Harvested	200	198	200	215		235
Beginning Stocks	13	13	28	28		28
Production	300	297	300	350		388
MY Imports	220	228	400	700		1,500
MY Imp. from U.S.	160	178	170	550		1,200
MY Imp. from EU	0	0	0	0		0
Total Supply	533	538	728	1,078		1,916
MY Exports	0	0	0	0		0
MY Exp. to EU	0	0	0	0		0
Crush	0	0	100	500		1,300
Food Use Dom. Cons.	350	355	345	370		400
Feed Waste Dom. Cons.	155	155	175	180		200
Total Dom. Cons.	505	510	620	1,050		1,900
Ending Stocks	28	28	108	28		16
Total Distribution	533	538	728	1,078		1,916

Source: General Customs Office, Global Trade Atlas, Post adjusted statistics

**Table 5: Vietnam's Soybean Import Matrix**

Country	Vietnam		
Commodity	Soybeans		
Time Period	Jan-Dec	Units:	MT
Imports for:	2009		2010
U.S.	141,194	U.S.	178,111
Others		Others	
China	20,500	Canada	17,818
Canada	6,152	China	13,736
Argentina	3,711	Argentina	13,263
Cambodia	2,360	Uruguay	1,899
American Samoa	1,379	Ukraine	884
India	1,088	Cambodia	810
Japan	550	Thailand	410
Myanmar (Burma)	374	Laos	242
Thailand	293	Taiwan	175
Laos	260	Japan	128
Total for Others	36,667		49,365

Others not Listed	6,025		175
<b>Grand Total</b>	<b>183,886</b>		<b>227,651</b>

Source: General Customs Office, Global Trade Atlas, Post adjusted statistics

### Commodities:

Oilseed, Peanut

### Production:

According to the General Statistics Office, Vietnam's peanut production dropped by 4.9 percent in 2010 to 486 thousand metric tons (TMT), and the planted crop area decreased by 5.7 percent. Because peanuts can only be grown in specific soil conditions (sandy to light textured soils), Vietnam has only two main production areas: Nghe An in the North Central region (Nghe An, Thanh Hoa), the other in the South (Cu Chi, Long An, Tay Ninh). MARD indicates that in some provinces, farmers lacked motivation to expand production, as peanuts are less profitable compared with other crops. In 2011, Post expects production to increase 6 percent to 515 TMT because farmers will be planting better varieties, although the crop area is unlikely to expand back to 2009 levels (Table 6, Table 11).

**Table 6: Peanut production, 2008 - 2012**

	2008	2009*	2010*	2011 est.**	2012 est.**
Crop area (tha)	255.4	245	231	245	250
Crop yield (MT/ha)	2.08	2.09	2.11	2.1	2.2
Total production (TMT)	530.5	510.9	485.7	514.5	550

Source: General Statistics Office (GSO), \*MARD, \*\*Post estimates

### Consumption:

Post estimates that 475 TMT of peanuts were consumed domestically in Vietnam in 2010. The majority of peanuts are used in the snack and confectionery industries and a small amount are used in-shell for household consumption, extruded for cooking oil, or exported.

### Trade:

#### Imports

Vietnam regularly imports a small amount of peanuts, both in-shell and shelled. About 98 percent of total peanut imports come from China, India, and Laos. Due to demand from the snack food industry, Vietnam's total peanut imports (in-shell equivalent) reached 4,988 MT in 2010, an increase of 57 percent over the previous year. Vietnam's 2010 imports of shelled peanuts reached 3,300 MT, equivalent to 4,389 MT of in-shell peanuts, a 64 percent increase over the previous year (Table 8).

**Table 7: In-shell peanut imports by source**

Country	2008	2009	2010*
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	Quantity (MT)	Value (thousand \$)	Quantity (MT)	Value (thousand \$)	Quantity (MT)	Value (thousand \$)
<b>Total in-shell peanut imports:</b>	<b>679</b>	<b>753</b>	<b>504</b>	<b>173</b>	<b>599</b>	<b>415</b>
China	269	86	459	141	547	351
Indonesia	400.5	656	19	26	n/a	n/a
Other countries	9.5	11	26	6	52	64

Source: General Customs Department, \*Global Trade Atlas

\* Note: In-shell peanuts: HS code 120210

**Table 8: Shelled peanut imports by source**

Country	2008		2009		2010	
	Quantity (MT)	Value (thousand \$)	Quantity (MT)	Value (thousand \$)	Quantity (MT)	Value (thousand \$)
<b>Total shelled peanut imports converted into in-shell peanuts</b>	<b>1,147.8</b>	<b>510</b>	<b>2,674.6</b>	<b>1,106</b>	<b>4,389</b>	<b>1,372</b>
Total shelled peanut imports	862	510	2,011	1,106	3,300	1,372
China	237	76	1,109	306	1,893	488
India	516	315	593	553	822	594
Laos	n/a	n/a	193	82	535	221
Other countries	109	119	116	165	50	69

Source: General Customs Department,

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

## Exports

In 2010, Vietnam exported a small quantity of in-shell and shelled peanuts, mainly to Thailand, Malaysia, Indonesia, Philippines, Taiwan, and China. Total exports of both in-shell and shelled peanuts dropped significantly in 2010 due to decreased demand (Table 9).

**Table 9: Vietnam's peanut exports**

Year	2007	2008	2009*	2010*	2011** est.
In-shell peanut exports (MT)	8,000	2,400	4,200	3,700	4,000
Shelled Peanut exports (MT)	36,800	30,000	20,500	13,100	13,000
Total converted into in-shell peanut exports (MT)	56,900	41,900	31,500	21,100	21,300

(conversion rate 1.33)

Source: General Statistics Department, \*Global Trade Atlas, \*\*Post estimates

**Table 10: Peanut import tariffs**

HS code	Description	Import tariffs (%)								VAT
		MFN	AIFTA	AANZFTA	VJEPA	AJCEP	ACFTA	AKFTA	CEPT	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<b>1202</b>	<b>Peanuts, not roasted or otherwise cooked, whether or not shelled or broken</b>									
1202.10.10	- - Suitable for sowing	0	0	0	0	0	0	0	0	*
1202.10.90	- - Other	10	8	10	7	6	5	5	0	*, 5
1202.20.00	- Shelled, whether or not broken	10	8	10	7	6	5	5	0	*, 5
<b>2008</b>	<b>Fruits, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, NESOI.</b>									
2008.11.10	- - - Roasted nuts	32	35	30	32.5	30	15	20	5	10
2008.11.20	- - - Peanut butter	22	35	30	32.5	30	15	20	5	10
2008.11.90	- - - Other	24	35	30	32.5	30	15	20	5	10

Source: Ministry of Finance; Notes: VAT\*: 0 percent

**Table 11: Vietnam's Production, Supply & Demand Table for Peanuts**

Oilseed, Peanut Vietnam	2009/2010		2010/2011		2011/2012	
1000 HA, 1000 MT	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	244	0	245		250
Area Harvested	260	244	260	245		250
Beginning Stocks	33	33	36	8		8
Production	550	486	550	515		550
MY Imports	6	5	6	8		8
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	589	524	592	531		566
MY Exports	23	21	30	23		25
MY Exp. to EU	0	0	0	0		0
Crush	20	20	20	20		20
Food Use Dom. Cons.	510	475	510	480		510
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	530	495	530	500		530
Ending Stocks	36	8	32	8		11
Total Distribution	589	524	592	531		566

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

**Table 12: Vietnam's Peanut Import Matrix**

Country	Vietnam		
Commodity	Peanuts	(in-shell basis)	
Time Period	Jan-Dec	Units:	MT
Imports for:	2009		2010
U.S.	0.08	U.S.	0
Others		Others	
China	1,933	China	3,065
India	788	India	1,093
Laos	283	Laos	712
Russian Federation	51.2	Hong Kong	52
South Korea	49.4	Thailand	66.5
Thailand	28.4		
Indonesia	19.4		
Malaysia	19.0		
Philippines	6.9		
Total for Others	3,178		4,988
Others not Listed	0.13		
<b>Grand Total</b>	<b>3,178</b>		<b>4,988</b>

Source: General Customs Office, Global Trade Atlas

**Table 13: Vietnam's Peanut Export Matrix**

Country	Vietnam		
Commodity	Peanuts	(in-shell basis)	
Time Period	Jan-Dec	Units:	MT
Imports for:	2009		2010
U.S.		U.S.	
Others		Others	
Indonesia	11,909	Thailand	12,279
Thailand	10,554	Indonesia	2,338
China	2,597	Malaysia	2,291
Malaysia	2,096	Taiwan	2,051
Taiwan	1,915	Philippines	1,349
Singapore	696	Canada	250
Philippines	469	Singapore	233
Ukraine	410	Ukraine	145
Russia	314	Russia	133
Total for Others	30,960		21,069
Others not Listed	505		66
<b>Grand Total</b>	<b>31,465</b>		<b>21,135</b>

*Source: Global Trade Atlas*

**Commodities:**

Meal, Soybean

**Production:**

Vietnam has historically produced a negligible amount of soybean meal due to a lack of commercial crushing facilities. Post estimates zero soybean meal production in 2010. However, the newly-built Bunge crushing plant (3,000 MT per day capacity) and Quang Minh Group crushing plant (1,000 MT per day capacity) are slated to begin operation in May 2011 and the 3rd quarter of 2011, respectively (See Commodities: Oilseed, Soybean - Photo 1 and Photo 2). Local soybean meal production could reach 120,000 MT in 2011 and is expected to increase significantly in the coming years. However, demand for soy oil serves as a potential limiting factor in meal production (See Commodities: Oil, Soybean).

**Consumption:**

According to the American Soybean Association office in Vietnam, about 70 percent of soybean meal goes to hog feed, 15 percent to poultry feed, 10 percent to aquaculture feed, and 5 percent to other uses.

**Trade:**

**Imports**

Vietnam's 2010 soybean meal imports reached a record of over 2.7 million metric tons (MMT), a 10.2 percent increase over 2009 due to surging demand from the feed industry. Vietnam's large imports of soybean meal illustrate the shortage of protein sources in the country. Post expects imports of soybean meal in CY 2011 (MY 2010) to reach 2.55 MMT, slightly less than the 2010 figure, and in CY 2012 (MY 2011) to be about 2.00 MMT.

In 2010, Argentina became the largest supplier of soybean meal to Vietnam for the first time, taking market share from India. Argentina's market share accounted for 42 percent in 2010, while India's market share dropped to 29 percent in 2010 from 41 percent in 2009. This shift was due to several factors:

- Cheaper freight rates available from Argentina as ships sought to pick up back-haul cargos at reduced prices
- High prices for Indian meals in 2010 due to local demand
- Higher quality of Argentinean meals compared to Indian meals
- Hesitation to import Indian meals stemming from two pest/weevil infected shipments of corn and meal from India in late 2010 and early 2011

U.S. soybean meal exports to Vietnam in 2010 totaled an estimated 429 TMT, rising 147 percent over the year before. Although the U.S. market share in Vietnam is small, it increased to 16 percent in 2010 from 3.7 percent in 2008 and 7 percent in 2009 (Table 14). The quality of U.S. soybean meal is high, and U.S. meal is becoming more competitive as Vietnamese feed producers become more sophisticated. Local traders project that U.S. soybean meal will increase its market share again in CY 2011 due to U.S. marketing efforts and the feed industry's desire for quality meal.

Marketing efforts in Vietnam for U.S. soybean meal are supported by the American Soybean Association – International Marketing (ASA-IM) office in Hanoi.

**Table 14: Soybean meal imports by source in the period 2006-2010**

		2006	2007	2008	2009	2010
<b>S/N</b>	<b>Total Imports: (TMT)</b>	<b>1,641</b>	<b>2,549</b>	<b>2,461</b>	<b>2,478</b>	<b>2,737</b>
1	Argentina	541	731	415	983.8	1,137
2	India	922	1,563	1,751	1,014.6	804
3	USA	31	49	90	173.6	429
4	Brazil	59	42	73	69.5	273
5	China	0.5	46	47	171.2	45
6	UAE	32	66	32	3.3	1
7	Other countries	55.5	52	53	62	48

*Source: Estimates from traders, General Customs Department, Post adjusted statistics*

The feed industry in Vietnam faces a number of hurdles in the years to come. The Government of Vietnam (GVN) decided to raise electricity prices 15.28 percent beginning March 1st, 2011. In addition, the prices of oil and gasoline have risen. The Vietnamese dong is under consistent pressure versus the U.S. dollar which causes imported feed ingredients to have high prices. Inflation has reached a critical level in Vietnam and the GVN is implementing a tightening credit policy resulting in tight bank loans and tight hard currency supply for many small and medium-sized feed mills. All these factors will contribute to higher production costs for animal feed in Vietnam.

Furthermore, zoonotic disease outbreaks have also caused problems for the feed livestock industry. Outbreaks of Foot and Mouth Disease (FMD) and avian influenza (H5N1) have occurred in many provinces across the country, leading to a decreased demand for animal feed in the first three months of CY 2011. However, according to MARD, the livestock sector will recover and continue to develop in the second half of CY 2011. Post estimates that Vietnam will need about 12 MMT of industrial animal feed (about 20 percent soybean meal) for the livestock sector and 3 MMT of fish feed (15-20 percent soybean meal) for the aquaculture sector in total in 2011.

Vietnam also imports a small volume of full fat soybean flour for both the food and feed industries, mainly from Malaysia, accounting for 98 percent of total imports (Table 15).

**Table 15: Soybean flour imports by sources**

Country	2008		2009		2010	
	Quantity (MT)	Value (thousand \$)	Quantity (MT)	Value (thousand \$)	Quantity (MT)	Value (thousand \$)
Total Imports:	9,019	9,017	5,496	3,918	4,699	3,258
Malaysia	8,979	6,325	5,042	3,543	4,588	3,157
China	2	5.5	18	15	33	26
USA	2	4.8	38	29	27	29

Japan	14	2,667	11	18	21	30
Taiwan	12	7.3	0.2	0.3	15	9
South Korea	n/a	n/a	n/a	n/a	15	7
Thailand	10	7.2	363	290	n/a	n/a
Denmark	n/a	n/a	24	23	n/a	n/a

Source: General Customs Department; \*Note: Soybean flour HS code: 1208

A small volume (5,802 MT) of soybean hulls (HS Code: 230250), mainly from Argentina, were also imported by Vietnam in 2010 to be used in the feed industry.

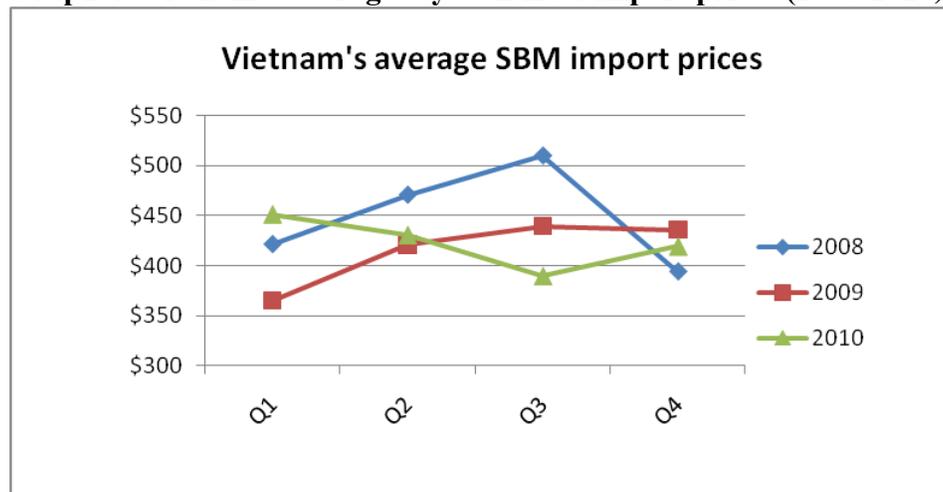
### Prices

Vietnam's average import price for soybean meal (SBM) in 2010 was \$423 per metric ton, about 2 percent higher than the previous year (\$415), but 6 percent lower than 2008 (\$449) (Graph 4). Average import prices in 2010 were \$448/MT for U.S. SBM, \$426/MT for Indian SBM, and \$407/MT for Argentinean SBM. Production costs in Argentina, including labor and land, are cheaper, bringing down the import price.

As of late March, imported prices are quoted at around \$465- \$467/MT CFR Haiphong for U.S. SBM, \$458-\$460 for Argentinean SBM, and \$441-\$445 for Indian SBM. These prices have all decreased compared with the previous month.

The feed industry in Vietnam will tend to use cheaper ingredients to lower production cost; most of the growth in feed demand is filled by less expensive products such as DDGS, copra meal, and canola meal. See Table 16 for a comparison of local prices of common feed ingredients in Vietnam. However, an increasingly large segment of the industry recognizes the value in using high-protein soybean meal, and will lean towards U.S. product when the Argentinean supply is difficult.

**Graph 4: Vietnam's average soybean meal import prices (2008-2010)**



Source: General Customs Department, Post adjusted statistics



**Table 16: Local prices of major feed ingredients in Vietnam market**

Product	Nov-10	Dec-10	Jan-11	Feb-11
Feed Stuffs	VND/MT	VND/MT	VND/MT	VND/MT
Rice Bran 2	3,900,000.00	5,700,000	5,800,000	5,650,000
U.S. SBM	10,100,000.00	10,824,000	10,500,000	11,500,000
Argentina SBM		9,000,000		11,000,000
India SBM	8,600,000.00	9,810,000	9,700,000	10,300,000
Wheat bran	6,500,000.00	5,800,000	6,000,000	5,800,000
Rapeseed meal	5,760,000.00	6,218,100	6,250,000	6,410,000
Palm Kernel Meal	3,200,000.00	3,600,000	3,500,000	3,900,000

Source: Local traders, ASA-IM office in Vietnam;

Exchange rate as of April 22, 2011: \$1=VND20,925.00

### Import Tariffs

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

- Import duty rate for soybean meal (HS code: 230400): 0 percent + VAT: 5 percent
- Import duty rate for soybean flour (HS code: 120810): 12 percent + VAT: 10 percent
- Import duty rate for soybean hulls (HS code: 230250): 12 percent + VAT: 10 percent

**Table 17: Meal import tariffs**

HS code	Description	Import tariffs (%)								VAT
		MFN	AIFTA	AANZFTA	VJEP	AJCEP	ACFTA	AKFTA	CEPT	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<b>1208</b>	<b>Flours and meals of oil seeds or oleaginous fruits, other than those of mustard.</b>									
1208.10.00	- Of soya beans	12	25	25	22	23	10	15	0	10
1208.90.00	- Other	25	25	25	24	23	10	15	0	10
<b>2008</b>	<b>Fruits, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included.</b>									
2008.11.10	- - - Roasted nuts	32	35	30	32.5	30	15	20	5	10
2008.11.20	- - - Peanut butter	22	35	30	32.5	30	15	20	5	10
2008.11.90	- - - Other	24	35	30	32.5	30	15	20	5	10
<b>2302</b>	<b>Bran, sharps and other residues, whether or not in the form of pellets, derived from the sifting, milling or other working of cereals or of leguminous plants.</b>									
2302.10.00	- Of maize (corn)	0	8	10	7	6	5	5	0	5
2302.30.00	- Of wheat	0	8	10	4	5	5	5	5	5
2302.40	- Of other cereals									
2302.40.10	-- Of rice	0	9	10	7	6	5	5	0	5
2302.40.90	-- Of other	0	8	10	7	6	5	5	0	5

	cereals									
2302.50.00	- Of leguminous plants	0	8	10	7	6	5	5	0	5
<b>2303</b>	<b>Residues of starch manufacture and similar residues, beet-pulp, bagasse and other waste of sugar manufacture, brewing or distilling dregs and waste, whether or not in the form of pellets.</b>									
2303.10	-Residues from starch manufacture and similar residues:									
2303.10.10	- - Of manioc (cassava) or sago	0	8	10	7	6	5	5	0	5
2303.10.90	- - Other	0	7.5	10	4	5	5	5	0	5
2303.20.00	- Beet-pulp, bagasse and other waste of sugar manufacture	0	8	10	7	6	5	5	0	5
2303.30.00	- Brewing or distilling dregs and waste	0	8	10	4	5	5	5	0	5
<b>2304.00.00</b>	<b>Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of soya-bean oil.</b>	0	4.5	0	0	0	0	0	0	5
<b>2305.00.00</b>	<b>Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of ground-nut oil.</b>	0	4.5	0	0	0	0	0	0	5
<b>2306</b>	<b>Oil cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of vegetable fats or oils, other than those of heading 23.04 or 23.05</b>									
2306.10.00	- Of cotton seeds	0	4.5	0	0	0	0	0	0	5
2306.20.00	- Of linseed	0	4.5	0	0	0	0	0	0	5
2306.30.00	- Of sunflower seeds	0	4.5	0	0	0	0	0	0	5
2306.41.00	- - Of low erucic acid rape or colza seeds	0	4.5	0	0	0	0	0	5	5
2306.49.00	- - Other	0	4.5	0	0	0	0	0	5	5
2306.50.00	- Of coconut or copra	0	4.5	0	0	0	0	0	0	5
2306.60.00	- Of palm nuts or kernels	0	4.5	0	0	0	0	0	0	5

2306.90	- Of others									
2306.90.20	-- Of maize (corn) germ	0	4.5	0	0	0	0	0	0	5
2306.90.90	- - Other	0	4.5	0	0	0	0	0	0	5
<b>2307.00.00</b>	<b>Wine lees; argol.</b>	0	8	10	7	6	5	5	0	5
<b>2308.00.00</b>	<b>Vegetable materials and vegetable waste, residues and by-products, whether or not in the form of pellets, of a kind used in animal feeding, NESOL.</b>	0	8	10	7	6	5	5	0	5

Source: Ministry of Finance; Notes: VAT\*: 0 percent

**Table 18: Vietnam's Production, Supply & Demand Table for Soybean Meal\***

Meal, Soybean Vietnam	2009/2010		2010/2011		2011/2012	
1000 MT, PERCENT	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	0	0	100	500		1,300
Extr. Rate, 999.9999	0	0	1	1		1
Beginning Stocks	43	43	43	41		31
Production	0	0	78	390		1,014
MY Imports	2,768	2,748	2,878	2,550		2,000
MY Imp. from U.S.	500	456	350	500		400
MY Imp. from EU	0	0	0	0		0
Total Supply	2,811	2,791	2,999	2,981		3,045
MY Exports	0	0	0	0		0
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	2,768	2,750	2,956	2,950		3,000
Total Dom. Cons.	2,768	2,750	2,956	2,950		3,000
Ending Stocks	43	41	43	31		45
Total Distribution	2,811	2,791	2,999	2,981		3,045

Source: General Customs Office, FAS adjusted statistics;

\*Note: Soybean meal includes soybean meal and cake (HS Code: 230400); soy flour (HS Code: 120810); and soybean hulls (HS Code: 230250)

**Table 19: Vietnam's Soybean Meal Import Matrix**

<b>Country</b>	Vietnam		
<b>Commodity</b>	Soybean meal		
<b>Time Period</b>	Jan-Dec	<b>Units:</b>	MT
<b>Imports for:</b>	2009		2010
U.S.	173,634	U.S.	429,160
Others		Others	
India	1,014,655	Argentina	1,136,548
Argentina	983,815	India	803,890
China	171,171	Brazil	272,579
Brazil	69,549	China	44,596
Taiwan	20,764	Singapore	23,420
South Korea	18,861	Taiwan	17,624
Singapore	8,479	Malaysia	2,514
Japan	5,949	Thailand	1,060
United Arab Emirates	3,270	United Arab Emirates	1,015
Korea (DPRK)	1,939	American Samoa	1,000
Indonesia	1,765		
<b>Total for Others</b>	<b>2,298,278</b>		<b>2,304,246</b>
Others not Listed	5,926		3,772
<b>Grand Total</b>	<b>2,477,838</b>		<b>2,737,178</b>

Source: General Customs Office, Post adjusted statistics

**Commodities:**

Meal, Copra

Meal, Palm Kernel

Meal, Rapeseed

**Trade:**

In 2010, Vietnam imported 1.19 MMT of other oilseed meals, valued at \$233 million, a 12 percent increase over 2009 (Table 20). The tax rate applied to other oilseed meals imported from countries having Most Favored Nation (MFN) status with Vietnam remains 0 percent with a 5 percent VAT.

**Table 20: Other oilseed meal imports 2007-2010**

	2007	2008	2009	2010
Total import volume (TMT)	761	719	1,062	1,189
Total import value (million \$)	108	157	179	233

Source: General Customs Department, Post adjusted statistics

**Table 21: Other oilseed meal imports per commodity in 2009-2010**

HS	Commodities	2009		2010	
		Volume	Value	Volume	Value (thousand)

Code		(MT)	(thousand \$)	(MT)	\$)
	Total other meals imports	1,061,510	178,833	1,189,370	233,147
2302	Other meals (wheat, rice bran)	480,885	77,490	611,861	117,900
2305	Peanut meal	11,937	4,613	5,803	2,279
2306	Other meals, of which	568,688	96,730	571,706	112,968
	Palm Kernel meal	160,222	11,177	154,478	16,690
	Copra meal	157,221	20,464	151,878	20,372
	Canola meal	64,808	16,419	249,949	72,468
	Tea seed meal	8,362	1,339	13,061	2,843
	Cotton seed meal	288	107	n/a	n/a
	Sunflower meal	55	20	424	270
	Sesame meal	n/a	n/a	721	197
	Guar meal	8,846	2,399	110	22
	Other meals	168,886	44,805	1,085	106

Source: General Customs Department, Post adjusted statistics

**Commodities:**

Oil, Coconut

Oil, Palm Kernel

Oil, Soybean

**Production:**

Vietnam's 2010 refined vegetable oil production was estimated by local producers at about 700 TMT for all oil types, a 19 percent increase over the previous year (Table 22). The vegetable oil industry continues to use both domestic (mainly sesame, peanut, and rice bran) and imported (mainly soy and palm) crude oils for its production. Local producers and traders project that domestic production will increase about 15 percent in 2011 to about 805 TMT, largely due to the opening and operation of two new industrial crushing facilities (See Commodities: Soybean- Photo 1 and Photo 2).

On June 28th, 2010, the Ministry of Industry and Trade (MOIT) issued its *Development Plan for Vietnam's Vegetable Oil Industry up to 2020, and Vision to 2025*. The plan states the following measurable objectives:

- In the period of 2011-2015, Vietnam will produce 1.138 MMT of refined oil of all types and 268 TMT of crude oil of all types.
- In the period of 2016-2020, Vietnam will produce 1.587 MMT of refined oil and 370 TMT of crude oil of all types.
- In the period of 2021-2025, Vietnam will produce 1.929 MMT of refined oil and 439 TMT of crude oil of all types.

MOIT and MARD are charged with developing a master plan and policy for the production of oilseed crops such as soybean, peanut, sesame, etc. The GVN will encourage farmers to utilize new varieties (especially biotechnology varieties) for mass production to meet local demands.

The Vietnam Vegetable Oil Industry Corporation (Vocarimex), the biggest vegetable oil producer in Vietnam, and its associated sub-companies and manufacturing facilities produce about 90 percent of the total domestic refined vegetable oil. Vocarimex has set the following goals:

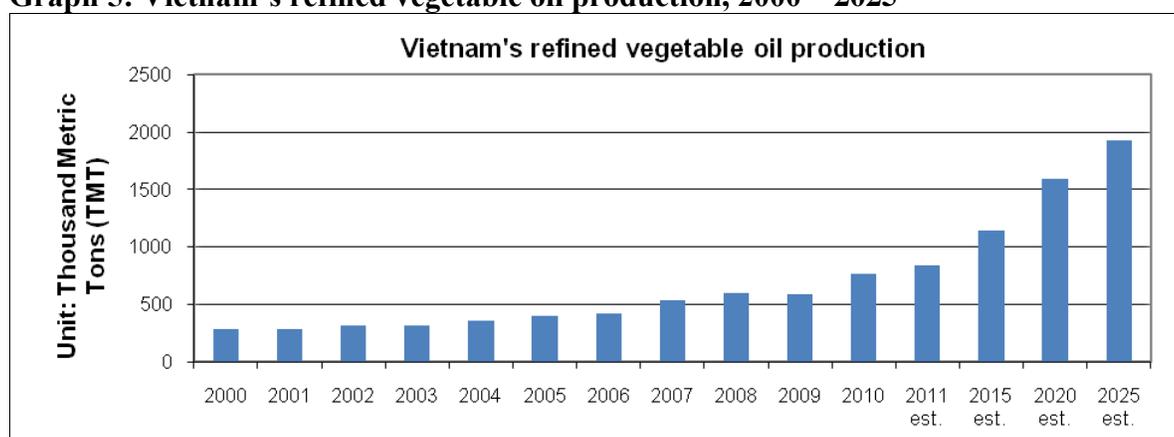
- Produce 655 thousand metric tons of all types of vegetable oil in 2011.
- Produce 2 million metric tons of refined vegetable oil and 400 thousand metric tons of crude vegetable oil by 2020.
- Export about 60 thousand metric tons of all types of vegetable oil by 2020.

Post is skeptical about Vietnam's ability to become vegetable oil positive in just ten years and thus doubts that Vocarimex's 2020 export goal will be met.

**Table 22: Refined vegetable oil production**

	2006	2007	2008	2009	2010*	2011*	2015**	2020**	2025**
Total refined vegetable oils production (TMT)	415.6	535	592.4	588.5	700	805	1,138	1,587	1,929
State-owned	192.5	252.2	303.7	296.3	n/a	n/a	n/a	n/a	n/a
Private companies	39.5	48.7	65	66.3	n/a	n/a	n/a	n/a	n/a
Foreign-invested firms	183.7	234.1	223.7	225.9	n/a	n/a	n/a	n/a	n/a

Source: General Statistic Office (GSO); \*Estimates from local producers;  
 \*\*Ministry of Industry and Trade (MOIT)

**Graph 5: Vietnam's refined vegetable oil production, 2000 – 2025**

Source: GSO; MOIT; Estimates from local producers

### Consumption:

Local producers estimated Vietnam's 2010 total vegetable oil consumption at 690 TMT (Table 23).

Although no official data is available for vegetable oil consumption per capita, Post projects extremely strong growth in vegetable oil demand for the next 15 years due to the country's growing economy (GDP increased 6.78 percent in 2010) and marketing campaigns by local oil producers recommending people use healthier vegetable oils instead of animal fats (Graph 6).

Vietnam's Industry Policy and Strategy Institute (IPSI) estimated local consumption per capita to be 7.3-8.3 kg per person in 2010. However, this level was far from the World Health Organization's recommendation of 13.5 kg per capita per year. IPSI projects Vietnam's per capita consumption will increase to 16.2-17.4 kg per person per year by 2015 and to 18.6 kg-19.9 kg per person per year by 2020.

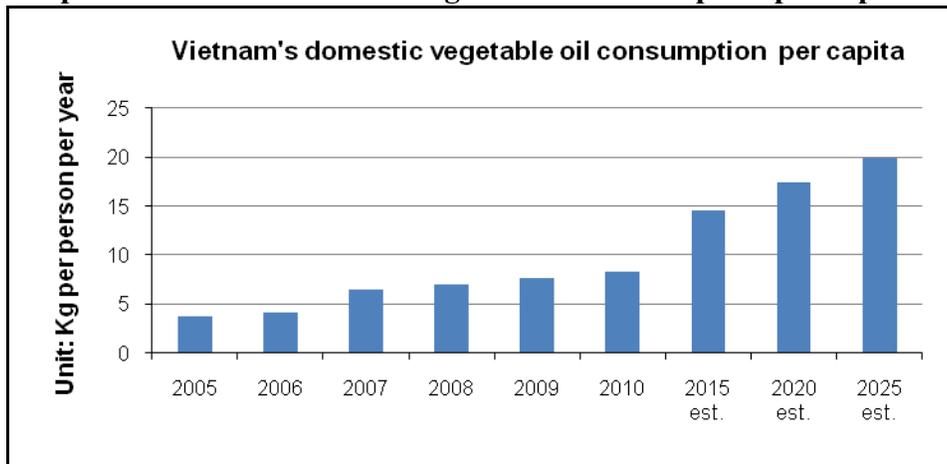
Most imported soybean and palm oil is currently for food use; only a small volume of imported oil is used in the industrial and cosmetic manufacturing sectors. In 2010, Vietnam's total domestic consumption of soybean oil for food use was about 175 TMT. The figure for palm oil was 525 TMT. Post expects consumption to increase to 200 TMT for soybean oil and 560 TMT for palm oil in 2011.

**Table 23: Vietnam's domestic vegetable oil consumption**

	Unit	2005	2006	2007	2008	2009	2010*	2015*
Total domestic vegetable oil consumption	1,000 MT	311.49	346.44	556.53	607.00	660.42	690	1,200
Per capita vegetable oil consumption	Kg/person/year	3.75	4.12	6.54	7.04	7.6	7.8	14.5

Source: GSO; MOIT; IPSI; \*Estimates from local producers

**Graph 6: Vietnam's domestic vegetable oil consumption per capita**



Source: GSO, MOIT, IPSI; Estimates from local producers

## Trade:

### Imports of vegetable oils (both crude and refined)

Vietnam's vegetable oil industry continues to rely on imported crude and refined oil. In 2010, Vietnam imported an estimated 721 TMT of crude and refined vegetable oils of all types, a 15 percent increase over 2009, to meet the growing demand (Table 24). Total crude and refined palm oil imports accounted for almost 74 percent of total vegetable oil imports and increased 6 percent in 2010 to 533 TMT. Total crude and refined soy oil imports reached 185 TMT in 2010, a 51 percent increase over 2009, accounting for about 24 percent of imports. Only a tiny amount of other vegetable oils were imported. Post forecasts that total vegetable oil imports in 2011 will remain unchanged because locally crushed oil will fill the growth in local demand.

The United States exports a small volume of various types of vegetable oils and fats, mainly soybean oil, to Vietnam (Table 25). U.S. exports decreased somewhat in 2010, likely due to a bumper soybean crop in Argentina, which made Argentinean soybean oil more price competitive.

Ostensibly to control the country's inflation rate, MOIT recently issued Decision 1380, dated March 25, 2011, which declared a list of commodities and products not encouraged to be imported into Vietnam. Post has issued a GAIN report explaining the situation (VM1029). The published list includes various

types of refined vegetable oils. Post does not expect this to affect U.S. oil exports, since the United States mainly sends crude oil, not refined oil, to Vietnam.

**Table 24: Total vegetable oil imports**

	2008	2009	2010
Total vegetable oil imports (TMT)	711.2	631.6	721.5
Total Crude vegetable oil imports	328.2	313.5	345.1
Total Refined vegetable oil imports	383	318.1	376.4

Source: General Customs Department, GTA.

**Table 25: U.S. vegetable oil and fat exports to Vietnam**

HS code	Products	2007		2008		2009		2010	
		Volume (MT)	Value (thousand \$)						
1507	Soybean Oil	n/a	n/a	n/a	n/a	51,999	41,317	30,000	28,926
1508	Groundnut oil, Refined	n/a	n/a	n/a	n/a	13.6	15	0	0
1509	Olive Oil	1.3	8	0.9	7	13.1	22	0.7	3
1514	Rape/Colza Oil	n/a	n/a	n/a	n/a	0.8	3	0	0
1515	Fixed Veg. Fat and Oil	22.7	18	234.4	329	2,413	2,451	1,171	1,927
1516	Fats & oils Hydrogen	251.5	175	98	179	57.1	167	30.3	249
1517	Margarine	745.3	1,005	662.5	655	66.4	76	85.5	85
1518	Process Oil, Animal/Vegetable	277.4	156	16.3	31	n/a	n/a	5.9	38
	Total	1,298	1,362	1,012	1,201	54,563	44,051	31,293	31,228

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

### Imports of crude vegetable oil

Vietnam's total crude vegetable oil imports in 2010 were an estimated 345 TMT, about a 10 percent increase over the previous year (Table 26). Palm oil from Indonesia, Thailand, Malaysia and Cambodia accounted for about 62 percent of total crude vegetable oil imports. Soybean oil from United States, Argentina, Malaysia, Thailand and China accounted for much of the remaining crude vegetable oil imports. Only a tiny amount of rapeseed, sunflower, and olive crude oils were imported.

**Table 26: Crude vegetable oil imports**

Crude vegetable oil (TMT)	2007	2008	2009	2010
Total	274.6	328.2	313.5	345.1
Crude palm oil (TMT)	161	199	203	214
Crude Soybean oil (TMT)	114	129	106	131
Other crude vegetable oil	0.6	0.2	4.5	0.1

Sources: Estimates from traders, General Customs Office

### Imports of refined vegetable oil

Vietnam's refined vegetable oil imports for 2010 increased by 18 percent over the previous year (Table 27). Palm oil imports from Malaysia, Indonesia and other countries, accounted for about 85 percent of total refined vegetable oil. Soybean oil and other oils account for 15 percent of total refined vegetable oil imports in 2010.

**Table 27: Refined vegetable oil imports**

Crude vegetable oil (TMT)	2007	2008	2009	2010
Total	273.7	383	318.1	376.4
Refined palm oil	272	305	299	319
Refined Soybean oil	1.6	78	16	55
Other refined vegetable oil	0.14	0.1	3.1	2.4

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 the table below:

**Table 28: Import tariffs for vegetable oils**

	Crude Oil	Refined oil
Import duty		
Soybean oil (HS code 1507)	5%	15%
Peanut oil (HS code 1508)	5%	25%
Olive oil (HS code 1509)	5%	22%
Palm oil (HS code 1511)	5%	25%
Sunflower oil (HS code 1512)	5%	15%
Cottonseed oil (HS code 1512.21 and 1512.29)	5%	25%
Copra oil (HS code 1513)	5%	25%

Rapeseed oil (HS code 1514.11 and 1514.19)	5%	5%
Rapeseed oil (HS code 1514.91)	5%	n/a
Rapeseed oil (HS code 1514.99)	5%	22%
Other vegetable oil (HS code 1515.11 and 1515.19 )	5%	10%
Corn seed oil (HS code 1515.21)	5%	n/a
Jajoba oil (HS code 1515.30)	5%	10%
Sesame oil (HS code 1515.50)	5%	25%
Tengkawang oil (HS code 1515.90)	5%	25%
Other animal or vegetable oils (HS code 1516.10)	23%	23%

*Source: Ministry of Finance*

Tariff rates for AIFTA, AANZ FTA, VJEP A, AJCEP, ACFTA, AKFTA, and CEPT are listed in Appendix 1.

### **Exports**

In 2010, according to MOIT, Vocarimex and its manufacturers exported about 32,000 metric tons of vegetable oil, mainly sesame and rice bran oils, with a total value of \$33 million, to mainly Japan, China, Pakistan, Singapore, Malaysia, Australia, and Cambodia.

According to MOIT's *Development Plan for Vietnam's Vegetable Oil Industry up to 2020, and Vision to 2025*, Vietnam hopes to export 50 TMT, 80 TMT and 100 TMT oil of all types in the in the periods of 2011-2015, 2016-2020 and 2021-2025, respectively.

**Table 29: Vietnam's Production, Supply & Demand Table for Soybean Oil**

Oil, Soybean Vietnam	2009/2010		2010/2011		2011/2012	
1000 MT, PERCENT	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	0	0	100	500		1,300
Extr. Rate, 999.9999	0	0	0	0		0
Beginning Stocks	0	0	4	10		49
Production	0	0	18	90		234
MY Imports	135	186	156	150		50
MY Imp. from U.S.	12	12	10	10		5
MY Imp. from EU	0	0	0	0		0
Total Supply	135	186	178	250		333
MY Exports	0	0	0	0		0
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	1	1	1	1		1
Food Use Dom. Cons.	130	175	168	200		240
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	131	176	169	201		241
Ending Stocks	4	10	9	49		92
Total Distribution	135	186	178	250		333

Source: Estimates from traders, General Customs Office, FAS adjusted data

**Table 30: Vietnam's Crude Soy Oil Import Matrix**

Country	Vietnam		
Commodity	Crude Soy oil		
Time Period	Jan-Dec	Units:	MT
Imports for:	<b>2009</b>		<b>2010</b>
U.S.	34,000	U.S.	30,000
Others		Others	
Thailand	32,116	Argentina	58,989
Argentina	21,750	Thailand	21,292
Brazil	12,000	Malaysia	13,921
Malaysia	5,835	China	5,882
<b>Total for Others</b>	<b>71,701</b>		<b>100,084</b>
Others not Listed	1		1,006
<b>Grand Total</b>	<b>105,702</b>		<b>131,090</b>

Source: General Customs Office, FAS adjusted data

**Table 31: Vietnam's Refined Soy Oil Import Matrix**

<b>Country</b>	Vietnam		
<b>Commodity</b>	Refined Soy oil		
<b>Time Period</b>	Jan-Dec	<b>Units:</b>	MT
<b>Imports for:</b>	2009		2010
U.S.	1.57	U.S.	1
Others		Others	
Malaysia	12,877	Singapore	38,044
Singapore	3,191	Malaysia	16,612
Taiwan	50	Thailand	215
Thailand	30	Canada	50
		Taiwan	23
<b>Total for Others</b>	<b>16,148</b>		<b>54,944</b>
Others not Listed	4.17		11
<b>Grand Total</b>	<b>16,154</b>		<b>54,956</b>

Source: General Customs Office, FAS adjusted data

**Table 32: Vietnam's Production, Supply & Demand Table for Palm Oil**

Oil, Palm Vietnam	2009/2010		2010/2011		2011/2012	
1000 HA, 1000 TREES, 1000 MT	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0		0
Area Harvested	0	0	0	0		0
Trees	0	0	0	0		0
Beginning Stocks	9	9	9	7		12
Production	0	0	0	0		0
MY Imports	529	533	550	570		570
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	538	542	559	577		582
MY Exports	0	10	0	15		15
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	529	525	550	550		560
Feed Waste Dom. Cons.	0		0	0		0
Total Dom. Cons.	529	525	550	550		560
Ending Stocks	9	7	9	12		7
Total Distribution	538	542	559	577		582

Source: Estimates from producers, General Customs Office, FAS adjusted data

**Table 33: Vietnam's Crude Palm Oil Import Matrix**

<b>Country</b>	Vietnam		
<b>Commodity</b>	Crude Palm oil		
<b>Time Period</b>	Jan-Dec	<b>Units:</b>	MT
<b>Imports for:</b>	2009		2010
U.S.	0	U.S.	0
Others		Others	
Indonesia	161,743	Indonesia	170,159
Malaysia	26,021	Malaysia	36,465
Thailand	11,789	Thailand	6,997
India	2,700	Cambodia	350
Japan	895		
Total for Others	203,149		213,971
Others not Listed			-
<b>Grand Total</b>	203,149		213,971

Source: General Customs Office, FAS adjusted data

**Table 34: Vietnam's Refined Palm Oil Import Matrix**

<b>Country</b>	Vietnam		
<b>Commodity</b>	Refined Palm oil		
<b>Time Period</b>	Jan-Dec	<b>Units:</b>	MT
<b>Imports for:</b>	2009		2010
U.S.	0	U.S.	0
Others		Others	
Malaysia	261,190	Malaysia	307,865
Indonesia	36,245	Indonesia	10,500
India	546	Japan	604
Singapore	358	Thailand	73
Thailand	117	South Korea	31
Maldives	62		
South Korea	14		
Total for Others	298,531		319,072
Others not Listed	8		-
<b>Grand Total</b>	298,539		319,072

Source: General Customs Office, FAS adjusted data

## Appendix 1

**Table 28: Import tariffs for vegetable oils**

HS code	Description	Import tariffs (%)								VAT
		MFN	AIFTA	AANZFTA	VJEPA	AJCEP	ACFTA	AKFTA	CEPT	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<b>1507</b>	<b>Soybean oils and its fractions, whether or not refined, but not chemically modified</b>									
1507.10.00	- Crude oil, whether or not degummed	5	4.5	5	4	5	5	5	3	10
1507.90	- Others:									
1507.90.10	- - Fractions of unrefined soya-bean oil	5	4.5	5	4	5	5	5	3	10
1507.90.20	- - Refined oil	15	26	25	24	23	15	15	5	10
1507.90.90	- - Other	15	26	30	24	23	15	20	5	10
<b>1508</b>	<b>Groundnut oils and its fractions, whether or not refined, but not chemically modified</b>									
1508.10.00	- Crude oil	5	8	5	4	5	5	5	0	10
1508.90	- Others:									
	- - Fractions of unrefined ground-nut oil									
1508.90.11	- - - Fractions of unrefined ground-nut oil in solid forms, but not chemically modified	5	15	5	4	5	5	5	0	10
1508.90.19	- - - Other	5	15	5	4	5	5	5	0	10
	- - Refined oil									
1508.90.21	- - - Fractions of refined ground-nut oil in solid forms, but not chemically modified	25	25	25	24	23	15	15	5	10
1508.90.29	- - - Other	25	25	25	24	23	15	15	5	10
	- - Others:									

	---									
1508.90.91	Fractions of ground-nut oil in solid forms, but not chemically modified	25	25	30	24	23	15	20	5	10
1508.90.99	--- Other	25	25	30	24	23	15	20	5	10
<b>1509</b>	<b>Olive oils and its fractions, whether or not refined, but not chemically modified</b>									
1509.10	- Crude oil									
	- - In packing of net weight not exceeding 30 kg									
1509.10.10		5	4.5	5	4	5	5	5	0	10
1509.10.90	- - Others:	5	4.5	5	4	5	5	5	0	10
1509.90	- Others:									
	- - Fractions of unrefined olive oil:									
	--- In packing of net weight not exceeding 30 kg									
1509.90.11		5	15	5	4	5	5	5	0	10
1509.90.19	--- Other	5	15	5	4	5	5	5	0	10
	- - Refined oil:									
	--- In packing of net weight not exceeding 30 kg									
1509.90.21		22	25	25	24	23	15	15	5	10
1509.90.29	--- Other	22	25	25	24	23	15	15	5	10
	- - Others:									
	--- In packing of net weight not exceeding 30 kg									
1509.90.91		22	25	30	24	23	15	20	5	10
1509.90.99	--- Other	22	25	30	24	23	15	20	5	10
<b>1510</b>	<b>Other oils and their fractions, obtained solely from olives, whether or not refined, but not chemically modified, including blends of these oils or fractions with oils or fractions of heading 1509.</b>									
1510.00.10	- Crude oil	5	4.5	5	4	5	5	5	0	10
	- Others:									
	- - Fractions of unrefined									
1510.00.91		5	15	5	4	5	5	5	0	10

	oil									
1510.00.92	- - Refined oil	25	25	25	22	23	15	15	5	10
1510.00.99	- - Other	25	25	30	24	23	15	20	5	10
<b>1511</b>	<b>Palm oils and its fractions, whether or not refined, but not chemically modified.</b>									
1511.10.00	- Crude oil	5	4.5	5	4	5	5	5	3	10
1511.90	- Others:									
	- - Fractions of unrefined oils, but not chemically modified									
1511.90.10		5	25	25	22	23	12.5	17.5	5	10
1511.90.90	- - Other	25	25	25	22	23	12.5	17.5	5	10
<b>1512</b>	<b>Sunflower seed, safflower or cotton seed oils and fractions thereof, whether or not refined, but not chemically modified.</b>									
	-Sunflower seed, safflower oils and their fractions									
1512.11.00	- - Crude oil	5	4.5	5	4	5	5	5	0	10
1512.19	- - Other									
	- - - Fractions of unrefined sunflower-seed or safflower oils									
1512.19.10		5	15	5	4	5	5	5	0	10
1512.19.20	- - - Refined oil	15	25	25	24	23	15	15	5	10
1512.19.90	- - - Other	25	25	30	24	23	15	20	5	10
	-Cotton seed oils and its fractions									
	- - Crude oil, whether or not gossypol has been removed									
1512.21.00		5	8	5	4	5	5	5	0	10
1512.29	- - Other									
	- - - Fractions of unrefined cotton-seed oil									
1512.29.10		5	8	5	4	5	5	5	0	10
1512.29.20	- - -	25	25	30	24	23	15	20	5	10

	Refined oil									
1512.29.90	- - - Other	25	25	30	24	23	15	20	5	10
<b>1513</b>	<b>Coconut (Copra) oils, palm kernel or babasu oil and fractions thereof, whether or not refined, but not chemically modified.</b>									
	- Coconut (Copra) oil and its fractions									
1513.11.00	- - Crude oil	5	8	5	4	5	5	5	3	10
1513.19	- - Other									
1513.19.10	- - - Fractions of unrefined coconut oil	5	15	5	4	5	5	5	0	10
1513.19.20	- - - Refined oil	25	25	25	24	23	15	15	5	10
1513.19.90	- - - Other	25	25	30	22	23	15	20	5	10
	- Palm kernel or babasu oils and their fractions									
1513.21.00	- - Crude oil	5	8	5	4	5	5	5	0	10
1513.29	- - Other									
	- - - Fractions of unrefined palm kernel and babassu oils									
1513.29.11	- - - - Fractions of unrefined palm kernel and babassu oil in solid form, but not chemically modified	5	15	5	4	5	5	5	0	10
1513.29.19	- - - - Other	5	15	5	4	5	5	5	0	10
	- - - Refined oil									
1513.29.21	- - - - Fractions of refined palm kernel and babassu oil in solid form, but not chemically	25	25	30	22	23	15	20	5	10

	modified									
1513.29.29	- - - - Other	25	25	30	22	23	15	20	5	10
	- - - Others:									
	- - - -									
1513.29.91	Fractions of palm kernel and babassu oil in solid form, but not chemically modified	25	25	30	24	23	15	20	5	10
1513.29.99	- - - - Other	25	25	30	24	23	15	20	5	10
<b>1514</b>	<b>Rape, colza or mustard oils and fractions thereof, whether or not refined, but not chemically modified.</b>									
	-Low erucic acid rapeseed or colza oil and its fractions									
1514.11.00	- - Crude oil	5	4.5	5	4	5	5	5	3	10
1514.19	- - Other									
	- - -									
1514.19.10	Fractions of unrefined oil	5	4.5	5	4	5	5	5	0	10
1514.19.20	- - - Refined oil	5	4.5	25	4	5	5	5	5	10
1514.19.90	- - - Other	5	4.5	30	4	5	5	5	5	10
	- Other:									
1514.91	- - Crude oil									
	- - - Rape or colza oil and its fractions									
1514.91.10	- - - Rape or colza oil and its fractions	5	15	5	4	5	5	5	5	10
1514.91.90	- - - Other	5	15	5	4	5	5	5	5	10
1514.99	- - Others:									
	- - -									
1514.99.10	Fractions of unrefined oil	5	15	5	4	5	5	5	0	10
1514.99.20	- - - Refined oil	22	25	25	24	23	15	15	5	10
	- - - Other:									
	- - - -									
1514.99.91	- - - - Rape or colza oil and its fractions	22	25	30	24	23	15	20	5	10
1514.99.99	- - - - Other	22	25	30	24	23	15	20	5	10
<b>1515</b>	<b>Other fixed vegetable fats and oils (including jojoba oil) and their fractions, whether or not refined, but not chemically modified.</b>									



	g oil									
1515.90.11	--- Crude oil	5	8	5	4	5	5	5	0	10
1515.90.12	--- Fractions of unrefined oil	5	8	5	4	5	5	5	0	10
1515.90.19	--- Other	25	35	30	32.5	30	15	20	5	10
	- - Other:									
1515.90.91	--- Crude oil	5	8	5	4	5	5	5	0	10
1515.90.92	--- Fractions of unrefined oil	5	8	5	4	5	5	5	0	10
1515.90.99	--- Other:									
1515.90.99.10	---- Refined Tung oil	10	15	10	7	6	5	5	5	10
1515.90.99.90	---- Other	25	25	25	24	23	15	15	5	10
<b>1516</b>	<b>Animal or vegetable fats and oils and their fractions, partly or wholly hydrogenated interesterified, re-esterified or, elaidinised, whether or not refined, but not further prepared.</b>									
1516.10	- Animal or vegetable fats and oils and their fractions:									
	- - In packings of 10 kg net weight or more									
1516.10.10		23	25	25	24	23	15	15	5	10
1516.10.90	- - Other	23	25	25	24	23	15	15	5	10
1516.20	- Vegetable fats and oils and their fractions:									
	-- Re-esterified fats and oil and its fractions									
1516.20.11	--- Of soya bean	22	25	25	24	23	15	15	5	10
1516.20.12	--- Of palm oil, crude	25	25	25	24	23	15	15	5	10
1516.20.13	--- Of palm oil, excluding crude	25	25	25	24	23	15	15	5	10
1516.20.14	--- Of coconut	25	25	25	24	23	15	15	5	10
1516.20.15	--- Of palm kernel oil	25	25	25	24	23	15	15	5	10
1516.20.16	--- Of peanuts	25	25	25	24	23	15	15	5	10
1516.20.17	--- Of linseeds	25	25	25	24	23	15	15	5	10

1516.20.18	--- Of olives	25	25	25	24	23	15	15	5	10
1516.20.19	--- Of others	25	25	25	24	23	15	15	5	10
-- Hydrogenated fats in flakes, in packages										
1516.20.21	--- Of palm oil, soybean oil, peanut oil or coconut oil	25	25	25	24	23	15	15	5	10
1516.20.22	--- Of linseed oil	25	25	25	24	23	15	15	5	10
1516.20.23	--- Of olives	25	25	25	24	23	15	15	5	10
1516.20.29	--- Other	25	25	25	24	23	15	15	5	10
1516.20.30	-- Refined, bleached and deodorized (RBD) stearin palm oil	25	25	25	24	23	15	15	5	10
1516.20.40	-- Hydrogenated refined, bleached and deodorized palm kernel olein or stearin	25	25	25	24	23	15	15	5	10
1516.20.50	-- Palm kernel stearin, crude, iodized index not over 48	25	25	25	24	23	15	15	5	10
1516.20.60	-- Palm kernel stearin, crude	25	25	25	24	23	15	15	5	10
1516.20.70	-- Refined, bleached and deodorized palm kernel stearin, iodized index not over 48	25	25	25	24	23	15	15	5	10
1516.20.80	-- Other palm kernel	25	25	25	24	23	15	15	5	10

	stearin, iodized index not over 48									
	-- Others:	25	25	25	24	23	15	15	5	10
1516.20.91	--- Of palm oil, peanut oil or coconut oil	25	25	25	24	23	15	15	5	10
1516.20.92	--- Of linseeds	25	25	25	24	23	15	15	5	10
1516.20.93	--- Of olives	25	25	25	24	23	15	15	5	10
1516.20.99	--- Of others	25	25	25	24	23	15	15	5	10
<b>1517</b>	<b>Margarine, edible mixtures or preparations of animal or vegetable fat or oils or of fractions of different fats or oils of this Chapter, other than edible fats or oils or their fractions of heading 1516 .</b>									
1517.10.00	- Margarine, excluding liquid Margarine	20	20	25	20	19	15	15	5	10
1517.90	- Others:									
1517.90.10	-- Imitation ghee	30	35	30	32. 5	30	15	20	5	10
1517.90.20	-- Liquid margarine	28	35	30	32. 5	30	15	20	5	10
1517.90.30	-- Mould release preparation	30	35	30	32. 5	30	15	20	5	10
	-- Imitation lard; shortening									
1517.90.43	--- Shortening	20	27.5	25	22	23	10	15	5	10
1517.90.44	--- Imitation lard preparation	28	35	30	32. 5	30	15	20	5	10
	-- Mixtures or preparations of vegetable fat or oils and its fractions:									
1517.90.50	--- Solid mixtures or preparations	30	35	30	32. 5	30	15	20	5	10
	--- Liquid mixtures or preparations:									
1517.90.61	---- In which ground-nut oil	30	35	30	32. 5	30	15	20	5	10



	- Animal or vegetable fats and oils and their fractions, boiled, oxidized, dehydrated, sulphurised, blown, polymerised by heat in cacuum or in inert gas, or otherwise chemically modified, excluding those of heading 15.16;									
1518.00.12	- - Animal fats and oils	5	4.5	5	4	5	5	5	0	10
1518.00.14	- - Peanut, soybean, palm kernel or coconut oils	5	4.5	5	4	5	5	5	0	10
1518.00.15	- - Linseed oil and its fractions	5	4.5	5	4	5	5	5	0	10
1518.00.16	- - Olive oil and its fractions	5	4.5	5	4	5	5	5	0	10
1518.00.19	- - Other	5	4.5	5	4	5	5	5	0	10
1518.00.20	- Inedible mixtures or preparations of animal fats or oils or of fractions of different fats or oils	5	4.5	5	4	5	5	5	0	10
	- Inedible mixtures or preparations of animal fats or oils or of fractions of different fats or oils:									
1518.00.31	- - Of palm oil, including palm kernel	5	4.5	5	4	5	5	5	0	10
1518.00.32	- - Of ground-nuts, soybeans or coconuts	5	4.5	5	4	5	5	5	0	10
1518.00.33	- - Of linseeds	5	4.5	5	4	5	5	5	0	10
1518.00.34	- - Of Olives	5	4.5	5	4	5	5	5	0	10
1518.00.39	- - Other	5	4.5	5	4	5	5	5	0	10
1518.00.60	- Inedible mixtures and preparations of animal fats or oils or fractions thereof and	5	4.5	5	4	5	5	5	0	10

	vegetable fats or oils or fractions thereof									
<b>1520</b>	<b>Glycerin, crude; glycerol waters and glycerol lyes</b>									
1520.00.10	- Crude glycerol	3	4.5	3	2	3	3	3	0	10
1520.00.90	- Other	3	4.5	3	2	3	3	3	0	10
<b>1521</b>	<b>Vegetable waxes (other than triglycerides), beeswax, other insect waxes and spermaceti, whether or not refined or coloured.</b>									
1521.10.00	- Vegetable waxes	3	4.5	3	2	3	3	3	0	10
	- Others:									
1521.90.10	- - Beeswax and other insect waxes	3	4.5	3	2	3	3	3	0	10
1521.90.20	- - Spermaceti	3	4.5	3	2	3	3	3	0	10
<b>1522</b>	<b>Degras; residues resulting from the treatment of fatty substances or animal or vegetable waxes.</b>									
1522.00.10	- Degras	3	4.5	3	2	3	3	3	0	10
1522.00.90	- Other	3	4.5	3	2	3	3	3	0	10

Source: Ministry of Finance