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Vietnamâ??s rice prices hit new high of $663 per ton in global market

29 November 2023 | News

According to Vietnam's ITPC, broken rice export prices continue to rise, reaching a new high of $663 per tonne. The global rice supply is predicted to fall by 3.6 million tons next year over the previous crop. In addition, Vietnam Food Association (VFA) reports that, after many days of hovering around $653 per ton, Vietnamâ??s five percent broken rice export price increased by $10 per ton on November 21 to $663, officially hitting a new peak. As such, the five percent broken rice price has increased by $190 per ton, or 40.2 percent compared with February 1. Vietnamâ??s price is $78 per ton higher than Thailandâ??s and $85 more than Pakistanâ??s.Â



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Meanwhile, Vietnamâ??s 25 percent broken rice price has been standing high at $648 per ton, higher by $107 per ton than the same kind of product of Thailand, and $152 than Pakistan. The General Department of Customs (GDC) reported that as of November 15, Vietnam had exported 7.4 million tons of rice, worth $4.16 billion, the highest level since 1989. Rice has become the fourth biggest export turnover among farm produce. The three others are woodwork, seafood, and vegetables and fruits.

The Ministry of Agriculture and Rural Development (MARD) estimated that Vietnamâ??s rice exports may reach 8 million tons this year and have revenue of $4.5 billion. Experts believe that the world rice market will continue to be busy in the last months of the year and early 2024 because of shortages. The rice prices are expected to stay at high levels and wonâ??t fall

below $640-650 per ton. However, they warned that there are risks. As rice prices have risen, enterprises are not stockpiling rice products. Vietnam also may lose partners because the high prices will make products less competitive.

The US Department of Agriculture has raised its predicted rice consumption in 2023-2024 by 1.6 million tons to 525.2 million. India consumption is believed to be higher following the governmentâ??s decision on expanding food support programs. The total rice supply around the globe in 2023-2024 is estimated at 692.6 million, or 1.6 million higher than the initially predicted level, but 3.6 million tons lower than the 2022-2023 crop. If so, this will be the second consecutive year to witness global supply falls.

The decreases in the global supply in the 2023-2024 crop compared with the previous crop is the result of the decrease in beginning inventory of 8 million tons to 174.8 million, higher than the increase in global rice output of 4.4 million tons.

Pham Quang Dieu, a rice expert, has warned that Vietnamâ??s stockpile in 2024 will be thin, and recommended that exporters be very cautious when signing contracts with late deliveries.