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The commerce of the exportation of rice
from South Vietnam

TRAN-VAN-THI,
President of the National Committee of Vietnam of the International
Chamber of Commerce

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**The commerce of the exportation of rice
from South Vietnam**

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1. Production

Alimentary base of more than half of the global population, rice has always constituted the principle resource of South Vietnam. According to the analyses, this cereal is an aliment almost complete by its richness in nitrogenous materials, in phosphoric acid and in hydro-carbonated materials. Its nutritive value loses nothing in its comparison with wheat.

The soil of South Vietnam, situated in a tropical zone, is composed principally of sand on a clay base and alluviums carried each year in flood periods by two great rivers, the Mekong and the Donai, that copiously waters it thanks to a ramification in considerable number of irrigations, canals and rivers. The elements that it contains: nitrogen, phosphoric acid and potassium contribute largely to its fertility which also proceeds from seasonal rains, abundant and regular, falling during six months of the year.

The rice growing production of South Vietnam can be classified in three great categories after the terrains of culture: rices of the low terrains, rices of the elevated terrains and rices cultivated in inundated terrains; or following the epochs in which the rices are cultivated: premature rice, seasonal rice, tardy rice. It suffered a great regression during the second world war and during the war of independence of Vietnam which followed from it, the exodus of a great part of the rural population to the cities having provoked the abandon of important cultivable areas.

This deficiency was rectified only after 1955 and, from 1957, one was able to undertake exportations once again. The table below gives the areas cultivated and the rice growing production from 1953 to 1957:

1951	1,500,000 ha	1,975,000 tonnes
1952	1,522,000	1,977,430
1953	1,718,000	2,236,100
1954	2,000,000	2,740,948
1955	2,020,000	3,014,621

It is necessary to note that before the second world war, the area of cultivated lands in rice in South Vietnam alone (ancient Cochin China) was from 2,400,000 ha giving a production of 3,100,000 tons.

II. ___ Supplies in view of exportation

The supplies in paddy and in rice are of two kinds. One offer is made by the exporter factory for a certain tonnage of rice, of a determined quality, at such a price, deliverable at such a date. Valid for a very short delay generally not passing 48 hours, this putting into hand allows the exporter to negotiate his sales with his foreign clients. Or else the exporters themselves proceed with buying and the constitution of stocks. They organize themselves in groups of buyers that make use of the collecting centers installed in the most remote points of the places of production.

The purchases of paddy in the producer provinces by the merchants for the needs of local consumption, by the manufacturers in view of a resale to the exporters and by the buying organizations of the exporters, are controlled by the Administration that watches over the maintenance of a certain stability of the market prices.

III. ___ Exportation commerce

The qualities of rice destined for exportation are controlled by reglementary texts which differentiate deluxe rice, special choice rice, white rice, lightly blanched rice from the plantation, cargo rice and dried rice.

The cargo rices come from a decortication of the paddy. Still conserving their original color, they are exported, either to be bleached and reconditioned in the destined countries, or for the needs of alimentary industries.

The white rices, as their name indicates, are those which after husking undergo a second work of bleaching in the factories. They comprise numerous categories: very long deluxe rice, pure long or round choice rice, current long or round white rice, current no. 1 white rice, current

no. 2 white rice, Japanese type, Reunion, Java, etc...

The dried rice undergoes a special preparation. After immersion in water, the paddy is cooked by vapor, then refrozen and dried, it passes to the husking and to the bleaching like the ordinary paddy. The rice thus obtained, blonde and translucent, can be conserved for a long time.

The broken pieces and the farinas of rice are the by-products of the manufacturing of the paddy.

Four private and official organisms cooperate in verifying the conformity of the rices and products for exportation with the conditioning norms fixed by the government. These are the Control Service of quality raising from the Exporters of Rice Syndicates, the General Society of Supervision in that which concerns the weight of the embarked merchandise, the Conditioning Service dependant on the Minister of Agriculture to deliver the phytosanitary certificate and finally the Customs which gives the last hand to the affair in effectuating a final control of quality, of weight and of the freshness of the product.

IV. ____ Price at exportation

The first concern of the Government of Vietnam is first of all to assure to the producer a suitable remuneration. It also preoccupies itself in avoiding great mark ups in the local market price of rice, which are detrimental to the popular classes in the great agglomerations, such as Saigon-Cholon, capital of Vietnam which accounts for nearly 2 million inhabitants.

It is in consideration of these two capital facts, that the Government fixes the minimum and maximum prices of the paddy in output, which serve in turn to base the determination of prices F. O. B. on the different qualities of rice and derivatives at exportation.

To this base the incidence of world market prices are added, in function of which the repatriations of devices which the exporters are subjected to are effectuated in the proportion of 65 % at the official change rate and 35 % at the free market rate. This support percentage is destined to allow the Vietnamese rice to efficiently enter into competition on the exterior markets.

V. ____ Evolution of the exportations

Up until the second world war, rice occupied first place in exportations from Saigon's port. These exports interested at the same time both Vietnam

and Cambodia that, under the French occupation, formed with Laos the Indochinese Union.

Following the statistics, the average of exportations of the quinquennial period preceeding the second world war (1935 to 1939) was 1,513,000 tons for the two countries, of which 1,170,000 tons for South-Vietnam. The port of Saigon was thus classed in concurrence with Bangkok and Rangoon in the exportation commerce of rice.

But the second world war brought a rude blow to the rice exporters of South Vietnam who were in constant regression up to becoming null in 1956.

Their recovery having taken place in 1957, here are the tonnages exported since this date:

1957.....	197,000 tons
1958.....	107,000
1959.....	200,000 (January to September 1959)

The principle clients of Vietnam are the French Community, Japan, the Philippines, Singapor, Hong-Kong, Indonesia, Pakistan, Indian Union, South Korea, Great-Britain, etc...

VI. — Conclusions

South Vietnam being a country of agricultural vocation, its rice production will remain for a long time still the most powerful maintenance of its economy.

Also, the Government of Vietnam has given in its economic development plan priority to the restoration in culture of abandoned lands and the enhancing of vast areas in fallow land situated as much in the high region of the country as in the plain.

On the other hand, it is involved in augmenting the rentability of the soil by the intensive use of chemical fertilizers, the development of the mechanized culture, the struggle for mastery of the water and the adaptation of certain varieties of rice to the periodic floods of the Mekong, this great fluvial artery which waters and fertilizes simultaneously Laos, Thailand, Cambodia and Vietnam.

In consequence of these works, an exportable surplus to the order of 350,000 tons is envisaged in 1960 for Vietnam.

October 1959

TRAN-VAN-THI.
