

Plants

Non-rated

Divergent performance of agricultural products

Shinning rubber and dimming rice

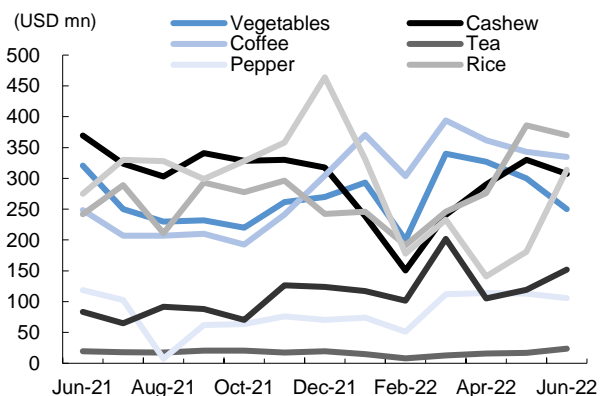
- In Jun, rubber export gained the spotlight thanks to an amazing increase in both export volume and value. However, contrary to the expectation about boosting export output in the context of global food shortage fears, rice exports recorded a little bit shy result.
- According to the GSO, Jun exports of cassava/rubber increased 28%/73% mom to reach USD152mn/USD314mn, while rice/cashew decreased 4%/7% mom to reach USD370mn/USD307mn.
- In terms of value, rubber export volume was 180,000 tonnes, upped 64% mom. The export of cassava is also positive with 350,000 tonnes, climbing 25% mom. However, exports of rice downed 6% mom to reach 750,000 tonnes in Jun.
- Total agricultural plants formed a USD1,857mn export value (+4% mom and +11% yoy) and rice still constituted the biggest share with 20%, followed by coffee (18%), cashew (17%), and rubber (17%). In the structure of agricultural exports in Jun, there was a strong restructuring when rubber increased its proportion from 10% (in May) to 17% (in Jun).

Heavier material cost in the feed industry is a concern

- On the import size, corn import value was USD400mn (+17% mom and +53% yoy), while cashew import value reached USD276mn (+11% mom and -32% yoy). In detail, Jun exports of corn was 1,100,000 tonnes, (+22% mom and +27% yoy), reaching the highest level of all time. Corn is the main ingredient in animal feed production. Hence, the rising in the material could have a negative impact on the gross margin of feed industry.
- Vietnam's 5% White Rice FOB price in Jun was about USD418/tonne, fell 4% compared to May level but downed to 10% yoy. Similarly, Thai's White Rice 5% FOB price decreased 9% mom in Jun.
- We are afraid that if Vietnam's rice export price has kept the same level as Thai's, Vietnam will find it difficult to compete with Thailand in the export market. In fact, Vietnam's rice export is penetrating into Asia and Africa markets and Vietnam's rice market share in the US and EU is still quite modest. In 2021, Thailand exported rice to the US 573,000 tonnes, while Vietnam sold only 15,000 tonnes to this market.

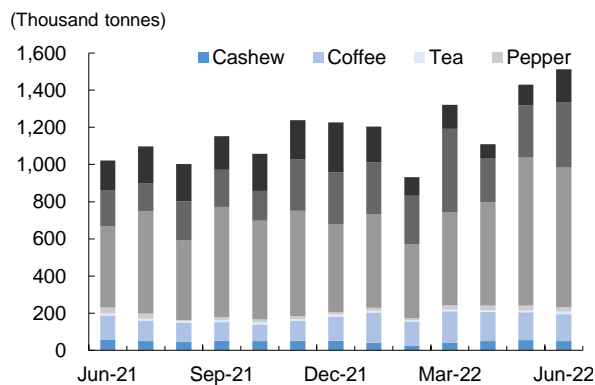
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Figure 1. Agricultural export value in Jun



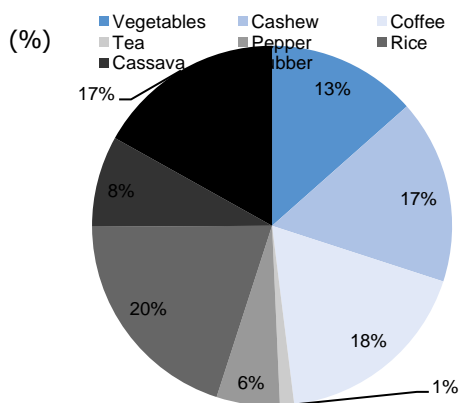
Source: MoIT, KIS

Figure 2. Agricultural export volume



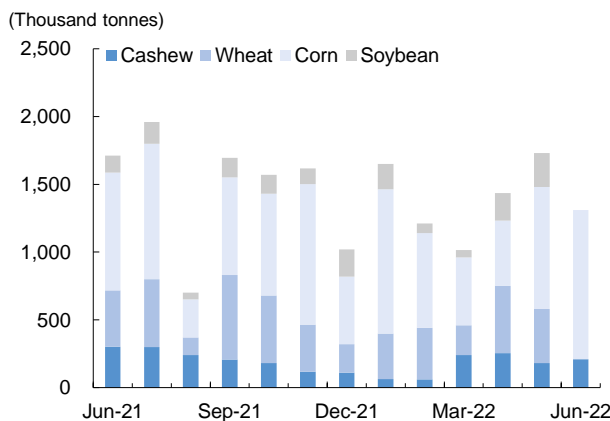
Source: MoIT, KIS

Figure 3. The proportion of export value by commodities



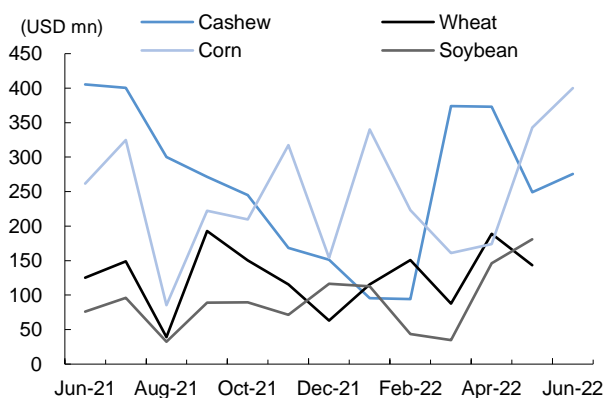
Source: MoIT, KIS

Figure 4. Agricultural import value in Jun



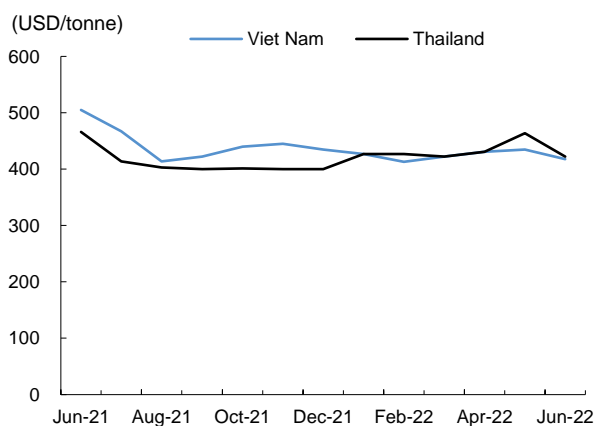
Source: GSO, KIS
Note: The GSO has not yet published the import data of wheat and soybean

Figure 5. Agricultural import volume in Jun



Source: GSO, KIS
Note: The GSO has not yet published the import data of wheat and soybean

Figure 6. Viet Nam & Thailand Rice White FOB price (5% broken)



Source: Bloomberg, KIS

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