

Viet NAM: ESTIMATES OF SUPPORT TO AGRICULTURE

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DEFINITIONS AND SOURCES

Table 1. Agricultural Support Estimates / Total Transfers contains country Total Support Estimate (TSE) and derived indicators, which cover all agricultural production, i.e. all agricultural commodities produced in the country. Definitions of basic data sets refer to the specific programmes applied in the country. For the Producer Support Estimate (PSE) and Consumer Support Estimate (CSE), each policy measure is classified according to implementation criteria, which include: the *transfer basis* of support (output, input, area/animal numbers/receipts/income, and non-commodity criteria); whether support is based on *current or non-current basis*; whether *production is required or not* to receive payment. Each policy measure is also assigned several “labels” indicating additional implementation criteria. "MPS commodities", which vary across countries, are those for which the market price support is explicitly calculated in Tables 4.1 – 4.12. Table 4.13 provides MPS estimates for “other commodities” i.e. those for which individual MPS estimates were not made due to these commodities’ very small share in total value of production (below 1%) or lack of data.

Table 2. Breakdown of PSE by Commodity and Other Transfers provides a breakdown of the total PSE into four categories reflecting the flexibility given to farmers regarding which commodity to produce within the various policy measures. These categories are: Single Commodity Transfers (SCT); Group Commodity Transfers (GCT); All Commodity Transfers (ACT); and Other Transfers to Producers (OTP). All data sets in Table 2 come from Tables 1 and 3.1 – 3.13 where definitions are included.

Tables 3.1 – 3.13 Producer Single Commodity Transfers contain producer SCT by commodity, which are calculated for Viet Nam for the following 12 commodities: maize, rice, cashew nuts, refined sugar, beef and veal, pig meat, poultry meat, eggs, pepper, coffee, tea and natural rubber, provided that the value of production of that commodity exceeds 1% of the total value of production. In addition, SCT for “other commodities” is also calculated (Table 3.13), which covers transfers *to single commodities other than MPS commodities*. All data sets in the calculation of producer SCT by commodity come from Tables 1 and 4.1-4.13 where definitions are included.

Tables 4.1 – 4.13 contain **Market Price Support (MPS)** and **Consumer Single Commodity Transfers** (consumer SCT) by commodity, calculated for the same set of commodities as **Tables 3.1 to 3.13**. Definitions are provided only for basic data sets from which all the other data sets in this table are derived.

Definitions of the indicators, criteria for classification of policy transfers included in support estimation, and methods of calculation are contained in [the PSE Manual](#) (*OECD’s Producer Support Estimate and Related indicators of Agricultural Support: Concepts, Calculations, Interpretation and Use*).

TABLE 1: VIET NAM: TOTAL SUPPORT ESTIMATE

Definitions:

I. Total value of production (at farm gate): Total agricultural production valued at farm gate prices, i.e. value (at farm gate) of all agricultural commodities produced in the country. Source: Food and Agriculture Organisation of the United Nations (FAO), FAOSTAT website

I.1. Of which share of MPS commodities (%): Share of commodities for which MPS is explicitly calculated (in Tables 4.1-4.12) in the total value of agricultural production.

II. Total value of consumption (at farm gate): Consumption of all commodities domestically produced valued at farm gate prices, and estimated by increasing the value of consumption (at farm gate) of the MPS commodities according to their share in the total value of agricultural production [(II.1) / (I.1) x100].

II.1. Of which MPS commodities: Sum of the value of consumption (at farm gate prices) of the MPS commodities as indicated in Tables 4.1-4.12.

III.1 Producer Support Estimate (PSE): Associated with total agricultural production, i.e. for all commodities domestically produced [Sum of A to G; when negative, the amounts represent an implicit or explicit tax on producers].

A. Support based on commodity output

A.1. Market Price Support: On quantities domestically produced (excluding for on-farm feed use -- *Excess Feed Cost*) of all agricultural commodities, estimated by increasing the MPS for the MPS commodities according to their share in the total value of production by commodity group [for each commodity group: $(\sum \text{MPS for MPS commodities}) / (\sum \text{VP for MPS commodities}) \times \text{VP for total group}$; the total MPS is then calculated as the sum of MPS by commodity group]. For Viet Nam, the commodity groups considered are: group 1 (crops) and group 2 (livestock).

A.2. Payments based on output

B. Payments based on input use

B.1. Payments based on variable input use

Input subsidies within Program 135

Period of implementation: since 2000

The Socio-economic Development Programme for Ethnic Minorities and Mountainous Areas (known as Programme 135) is the largest and most important poverty reduction programme targeted on ethnic minorities and remote areas. Part of this broad programme includes subsidies for agricultural inputs and services such as extension. Available data would suggest that these subsidies represent around 13% of total expenditures on Program 135 and this share has been adopted for the whole period. The remaining 87% has been distributed as follows: 61% for category CB Storage, marketing and other physical infrastructure (see below) and 26% is considered as not provided for agriculture. Source: Viet Nam Ministry of Agriculture and Rural Development (MARD), submission to OECD

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Payments are included in All Commodity Transfers.

Irrigation fee exemption (central government)

Period of implementation: since 2000

Funding from central and local government to Irrigation and Drainage Management Companies, which are responsible for upper-level systems. Source: Viet Nam Ministry of Agriculture and Rural Development (MARD), submission to OECD

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Payments are included in Group Commodity Transfers for crop products (GCT1 – Crops).

Irrigation fee exemption (local government)

Period of implementation: since 2000

Funding from central and local government to Irrigation and Drainage Management Companies, which are responsible for upper-level systems. Source: Viet Nam Ministry of Agriculture and Rural Development (MARD), submission to OECD

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Payments are included in Group Commodity Transfers for crop products (GCT1 – Crops).

Subsidy for high quality breeds of animals and high quality seeds

Period of implementation: since 2000

Budgetary expenditure by the Ministry of Finance to stabilise market prices for essential agricultural inputs. Source: Viet Nam Ministry of Agriculture and Rural Development (MARD), submission to OECD

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Payments are included in All Commodity transfers.

Seeds and seedling subsidy

Period of implementation: since 2000

Central and local government support providing plant breeding material to farmers to encourage product diversification, improve the quality of production or support farmers in response to natural disasters and disease outbreaks. Source: Viet Nam Ministry of Agriculture and Rural Development (MARD), submission to OECD

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Payments are included in Group Commodity Transfers for crop products (GCT1 – Crops).

B.2. Payments based on fixed capital formation

Machinery purchase to reduce post harvest losses

Period of implementation: since 2010

Government funding to financial institutions to provide farmers with short-term concessional interest rate loans to purchase machines, mechanical equipment, facilities and materials. Source: Viet Nam Ministry of Agriculture and Rural Development (MARD), submission to OECD

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Payments are included in Group Commodity Transfers for crop products (GCT1 – Crops).

B.3. Payments based on on-farm services

C. Payments based on current area planted/animal numbers/receipts/income – production required

Paddy field support (to keep about 4 million ha of paddy area) - central

Period of implementation: since 2011

Central and sub-national programmes to keep about 4 million ha of paddy area: Direct per hectare annual payment to paddy farmers of VND 500 000 per ha of wet-paddy farming land and VND 100 000 (USD 5) per ha on other paddy farming land. Source: Viet Nam Ministry of Agriculture and Rural Development (MARD), submission to OECD

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO; Payment eligibility: Area (A)

Payments are included in Single Commodity Transfers for rice.

Paddy field support (to keep about 4 million ha of paddy area) - local

Period of implementation: since 2011

Central and sub-national programmes to keep about 4 million ha of paddy area: Direct per hectare annual payment to paddy farmers of VND 500 000 per ha of wet-paddy farming land and VND 100 000 (USD 5) per ha on other paddy farming land. Source: Viet Nam Ministry of Agriculture and Rural Development (MARD), submission to OECD

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO; Payment eligibility: Area (A)

Payments are included in Single Commodity Transfers for rice.

Agricultural insurance fees

Period of implementation: 2011-13

Pilot insurance programme implanted in selected provinces, for certain commodities and for a specific list of risks. The government premium varied according to income classification of applicant, i.e. greater

support for the less well off. Source: Viet Nam Ministry of Agriculture and Rural Development (MARD), submission to OECD

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO; Payment eligibility: Income (I)

Payments are included in all commodity transfers (ACT).

D. Payments based on non-current area planted/animal numbers/receipts/income – production required

E. Payments based on non-current area planted/animal numbers/ receipts/income – production not required

F. Payments based on non-commodity criteria

F.1. Payments based on long-term resource retirement

Reforestation program

Period of implementation: until 2010: Government expenditure to farmers to replant and protect forests with the goal of planting 5 million hectares. Source: Viet Nam Ministry of Agriculture and Rural Development (MARD), submission to OECD

Use of labels: Production limits: NO; Variable payment rates: Not applicable; Input constraints: YES (voluntary-other).

Payments are included Other Transfers to Producers.

F.2. Payments based on specific non-commodity output

F.3. Payments based on other non-commodity criteria

G. Miscellaneous payments

III.2 Percentage PSE [$100 \times (\text{III.1}) / ((\text{I}) + (\text{Sum of A2 to G}))$]

III.3 Producer NPC: For all agricultural commodities the producer NPC is estimated as a weighted average of the producer NPC calculated for the individual MPS commodities and shown in Table 4. For each commodity Producer NPC = [domestic price received by producers (at the farm gate) + unit payments based on output] / border price (also at the farm gate).

III.4 Producer NAC [$1 / (100 - (\text{III.2})) \times 100$]

IV. General Services Support Estimate (GSSE): total budgetary expenditure to support general services provided to agriculture [Sum of H to M].

H. Agricultural Knowledge and Innovation System

H.1. Agricultural Knowledge Generation

Agricultural research development

Period of implementation: since 2000

Public financing of agriculture-related research institutions. Source: Viet Nam Ministry of Agriculture and Rural Development (MARD), submission to OECD

H.2. Agricultural Knowledge Transfer

H2.a. education

Agricultural education

Period of implementation: since 2000

Public financing of agricultural schools. Source: Viet Nam Ministry of Agriculture and Rural Development (MARD), submission to OECD

H2.b. extension services

Agricultural extension and advisory service

Period of implementation: since 2000

Public financing of extension projects and National Agriculture Extension Centre. Source: Viet Nam Ministry of Agriculture and Rural Development (MARD), submission to OECD

Improving public awareness and disaster risk management

Period of implementation: since 2013

Public financing of agriculture-related research institutions. Source: Viet Nam Ministry of Agriculture and Rural Development (MARD), submission to OECD

I. Inspection and Control

I.1. Agricultural product safety and inspection

I.2. Pest and disease inspection and control

Pest and disease inspection and control

Period of implementation: since 2000

Public finance allocations for health, safety, grading and standardisation services relating to agricultural products. Source: Viet Nam Ministry of Agriculture and Rural Development (MARD), submission to OECD

I.3. Input control

J. Development and maintenance of Infrastructure

J.1. Hydrological Infrastructure

Irrigation central and sub-national

Period of implementation: since 2000

Public finance allocations to assist with the rehabilitation and expansion of irrigation networks. Source: Viet Nam Ministry of Agriculture and Rural Development (MARD), submission to OECD

J.2. Storage, marketing and other physical infrastructure

Program 135

Period of implementation: since 2000

Part of the broad programme targeting ethnic minorities and remote areas includes support to build storage facilities at the village, communal and inter-communal level, as well as to construct local physical infrastructure. Available data would suggest that this support represents around 61% of total expenditures on Program 135 and this share has been adopted for the whole period. Source: Viet Nam Ministry of Agriculture and Rural Development (MARD), submission to OECD

Agricultural transportation

Period of implementation: since 2000

Public finance allocations to MARD to construct roads in rural areas. Source: Viet Nam Ministry of Agriculture and Rural Development (MARD), submission to OECD

J.3. Institutional infrastructure

J.4. Farm restructuring

K. Marketing and promotion

K.1. Collective schemes for processing and marketing

Market information system

Period of implementation: since 2000

Public finance allocations to link producers with markets. Source: Viet Nam Ministry of Agriculture and Rural Development (MARD), submission to OECD

K.2. Promotion of agricultural products

L. Cost of Public stockholding

Expenditure for paddy reserve

Period of implementation: since 2000

Public finance allocations to hold a national reserve stock of rice (spread through out the country). Source: Viet Nam Ministry of Agriculture and Rural Development (MARD), submission to OECD

Paddy farm gate price subsidy

Period of implementation: since 2008

Public finance allocations to subsidise the interest rate payments on loans taken out by enterprises that purchase rice for temporary storage. Source: Viet Nam Ministry of Agriculture and Rural Development (MARD), submission to OECD

M. Miscellaneous

V.1 Consumer Support Estimate (CSE): Associated with agricultural production, i.e. for the quantities of commodities domestically produced, excluding the quantities used on-farm as feed -- excess feed cost. [Sum of N to Q; when negative, the amounts represent an implicit tax on consumers].

N. Transfers to producers from consumers (TPC): Associated with market price support on all domestically produced commodities, estimated by increasing the transfers calculated for the MPS commodities according to their share in the total value of production by commodity group [for each commodity group: $(\Sigma \text{ TPC for MPS commodities}) / (\Sigma \text{ VP for MPS commodities}) \times \text{VP for total group}$; the total TPC is then calculated as the sum of TPC by commodity group. For the list of commodity groups, see Section A.1. Market Price Support within this Table 1].

N.1. Of which MPS commodities: Sum of the values of transfers from consumers to producers associated with market price support for the MPS commodities as calculated in Tables 4.1 to 4.13.

O. Other transfers from consumers (OTC): Transfers to the budget associated with market price support on the quantities imported of domestically produced commodities, estimated by increasing the transfers calculated for the MPS commodities according to their share in the total value of production by commodity group [for each commodity group: $(\Sigma \text{ OTC for MPS commodities}) / (\Sigma \text{ VP for MPS commodities}) \times \text{VP for total group}$; the total OTC is then calculated as the sum of OTC by commodity group. For the list of commodity groups, see Section A.1. Market Price Support within this Table 1].

O.1. Of which MPS commodities: Sum of the transfers to the budget associated with market price support on the quantities imported of the MPS commodities as calculated in Tables 4.1 to 4.13.

P. Transfers to consumers from taxpayers

P.1. Commodity specific transfers to consumers: Sum of commodity specific transfers from taxpayers to consumers (farm gate level) from Table 4.13.

P.2. Non-commodity specific transfers to consumers: Sum of non-commodity specific transfers from taxpayers to consumers.

Q. Excess Feed Cost: Associated with market price support on quantities of domestically produced crops and used on-farm as feed as calculated (Sum of *Excess Feed Cost* in the MPS Tables for maize, rice, beef and veal, pig meat, poultry and eggs – MPS Tables 4.1 and 4.2, and MPS Tables 4.5 to 4.8).

V.2 Percentage CSE $[100 \times (V.1) / ((II) + (P))]$

V.3 Consumer NPC: For all agricultural commodities the consumer NPC is estimated as a weighted average of the consumer NPC calculated for the individual MPS commodities and shown in Table 2. For each commodity consumer NPC = domestic price paid by consumers (at the farm gate)/ border price (also at the farm gate).

V.4 Consumer NAC $[(1 / (100 - (V.2))) \times 100]$

VI. Total Support Estimate $[(III.1) + (IV) + (P)]$ and $[(R) + (S) - (T)]$

R. Transfers from consumers [(N) + (O)]

S. Transfers from taxpayers [(III.1)-(N) + (IV) + (P)]

T. Budget revenues [(O)]

TABLE 2. VIET NAM: BREAKDOWN OF PSE BY COMMODITY SPECIFICITY AND OTHER TRANSFERS

All data sets in Table 2 to come from Tables 1 and 3.1 to 3.13 where definitions are included.

Definitions:

I. Producer Single Commodity Transfers (producer SCT): the annual monetary value of gross transfers from consumers and taxpayers to agricultural producers, measured at the farm level, arising from policy measures directly linked to the production of a single commodity such that the producer must produce the designated commodity in order to receive the payment. This includes policies where payments are specified on a per-commodity basis [Sum of SCTs for individual commodities from Tables 3.1-3.13].

Percentage producer SCT: is the commodity SCT expressed as a share of gross farm receipts for the specific commodities (including support in the denominator). This indicator can be expressed for the total SCT (Table 2), or for a specific commodity (Table 3.1 to 3.13).

$$\%SCT = 100 * SCT / (\text{Value of production}_{COM} + A.2_{COM} + B_{COM} + C_{COM} + D_{COM})$$

$$\text{Share in Total PSE (\%): } SCT_{SHARE} = 100 * SCT / PSE$$

II. Group commodity transfers (GCT): the annual monetary value of gross transfers from consumers and taxpayers to agricultural producers, measured at the farm gate level, arising from policy measures whose payments are made on the basis that one or more of a designated list of commodities is produced. That is, a producer may produce from a set of allowable commodities and receive a transfer that does not vary with respect to this decision [GCT = B_{GROUP} + C_{GROUP} + D_{GROUP}].

$$\text{Share in Total PSE (\%): } GCT_{SHARE} = 100 * GCT / PSE$$

Transfers to specific groups of commodities: the GCT indicator is calculated for Australia for the following groups of commodities: All crops, fruits and vegetables, all livestock, and ruminants.

III. All commodity transfers (ACT): the annual monetary value of gross transfers from consumers and taxpayers to agricultural producers, measured at the farm gate level, arising from policy measures that place no restrictions on the commodity produced but require the recipient to produce some commodity of their choice [ACT = C_{ALL} + B_{ALL} + D_{ALL}].

$$\text{Share in Total PSE (\%): } ACT_{SHARE} = 100 * ACT / PSE$$

IV. Other Transfers to Producers (OTP): the annual monetary value of gross transfers made under policies that do not fall in the above three cases (SCT, GCT, ACT). That is, payments that do not require any commodity production at all. [OTP = E + F + G]

$$\text{Share in Total PSE (\%): } OTP_{SHARE} = 100 * OTP / PSE$$

$$\text{V. Total PSE: } PSE = A + B + C + D + E + F + G = SCT + GCT + ACT + OTP$$

Percentage PSE: $\%PSE = 100 * PSE / (\text{Total Value of Production at farm gate} + A.2. + B + C + D + E + F + G)$

TABLE 3. VIET NAM: PRODUCER SINGLE COMMODITY TRANSFERS (BY COMMODITY)

Tables 3.1 to 3.13, provide information on Producer Single Commodity Transfers (PSCT) for the following commodities: maize, rice, cashew nuts (with shell), refined sugar, beef and veal, pig meat, poultry meat, eggs, pepper, coffee (green), tea and rubber and “other commodities”. All data sets in the calculation SCT by commodity come from Tables 1 and 4.1 – 4.12 where definitions are included.

Definitions:

I. Level of production: Data from respective commodity Tables 4.1 – 4.12 (Market Price Support tables)

II. Value of production (at farm gate): Data for respective commodity Tables 4.1 – 4.12 (Market Price Support tables)

III. Producer Single Commodity Transfers: Sum of transfers to respective single commodity in categories A, B, C and D.

A. Support based on commodity output

A1. Market Price Support [Data for respective commodity from Tables 4.1 – 4.12]

A2. Payments based on output

Payments based on output (A.2) provided to respective single commodity [Data from Table 1]

B. Payments based on input use, single commodity [B.1_{COM} + B.2_{COM} + B.3_{COM}]

B1. Based on variable input use

Payments based on variable input use (B.1_{COM}) provided to respective single commodity [Data from Table 1].

B2. Based on Fixed capital formation

Payments based on fixed capital formation (B.2_{COM}) provided to respective single commodity [Data from Table 1].

B3. Based on on-farm services

Payments based on on-farm services (B.3_{COM}) provided to respective single commodity [Data from Table 1].

C. Payments based on current A/An/R/I, production required, single commodity

Payments based on current A/An/R/I (C_{COM}) provided to respective single commodity [Data from Table 1].

D. Payments based on non-current A/An/R/I, production required, single commodity

Payments based on non-current A/An/R/I, production required (D_{COM}) provided to respective single commodity [Data from Table 1].

IV. Percentage producer SCT : $\%SCT = 100 * (III) / ((II) + (A.2) + (B_{COM}) + (C_{COM}) + (D_{COM}))$

TABLE 4. VIET NAM: MARKET PRICE SUPPORT AND CONSUMER SINGLE COMMODITY TRANSFERS

Tables 4.1 to 4.13, contain calculation of the Market Price Support (MPS) and Consumer Single Commodity Transfers (consumer SCT) for the following commodities: maize, rice, cashew nuts (with shell), refined sugar, beef and veal, pig meat, poultry meat, eggs, pepper, coffee (green), tea and rubber and “other commodities”. The data sets used in calculation of the MPS and consumer SCT by commodity are described below. Values for “other commodities” are derived using information on total Market Price Support and Value of Production, and individual commodity data.

Definitions:

1. MAIZE

I. Level of production

Total production of maize, measured in dried, loose (without cob) terms.

Source: Ministry of Agriculture and Rural Development (MARD), Statistical Yearbook of Agriculture and Rural Development, various editions.

II. Producer prices (at farm gate)

Average farm gate price of maize produced from hybrids CP888 and VN10, the most common and representative varieties, measured in dried, loose (without cob) terms.

Source: Provided by MARD.

III. Value of production (at farm gate) [(I)*(II)]

IV. Trade status

Net imported.

Source:

V. Market price differential at the farm gate

Market price differential is calculated according to the price gap method: difference between the Producer price (at farm gate) and the Reference price (at farm gate).

VI. Reference prices at the farm gate (including the definition of the margin)

Average C.i.f. import unit price of maize. In order to take account differences in the moisture content of imported and domestically produced maize, an adjustment factor of 0.93 is used to convert the import

price into a domestic equivalent, i.e. import product is assumed to have an average moisture content of 13% while the average domestic product has a moisture content of 20%.

Domestic wholesale prices are not readily available for commodities in Viet Nam. Consequently marketing margins (the cost of transport from the farm gate to the place of processing and processing costs) were established in consultation with Vietnamese officials and experts. For maize, it is assumed that the marketing margin, expressed as a percentage of the farm gate price, remains at the same level over the whole period. Consequently, its equivalent in absolute terms varies depending on the level of farm gate price in a given year. The constant marketing margin is 16% maize. The absolute value of the margin in a given year is subtracted from the border reference price.

Port charges and transportation costs (between Viet Nam's border and domestic wholesale markets): were developed in consultation with Vietnamese officials and usually expressed as a percentage of the border reference price: 2% maize. This percentage has been converted into an absolute value and added to the CIF price.

Sources: Provided by MARD.

VII. Level of consumption (at farm gate)

Total domestic use during the calendar year (total production, plus net trade), measured in dried, loose (without cob) terms.

Source: Import and export data used in the calculation of domestic consumption provided by MARD.

VIII. Consumption prices (at farm gate)

Implicit prices corresponding to reference prices plus the unit value of market transfers.

Source:

IX. Value of consumption (at farm gate) [(VII)*(VIII)]

2. RICE

I. Level of production

Total production of rice, measured in dried, unhusked paddy terms.

Source: Ministry of Agriculture and Rural Development (MARD), Statistical Yearbook of Agriculture and Rural Development, various editions.

II. Producer prices (at farm gate)

Average farm gate price of dried, unhusked paddy sold by farmers in the Mekong River and Red River Deltas.

Source: Provided by MARD.

III. Value of production (at farm gate) [(I)*(II)]

IV. Trade status

Net exported

V. Market price differential at the farm gate

Market price differential is calculated according to the price gap method: difference between the Producer price (at farm gate) and the Reference price (at farm gate).

VI. Reference prices at the farm gate (including the definition of the margin)

Average F.o.b. export unit price of rice. An adjustment factor of 0.66 is used to convert the export price (milled rice) into a dried unhusked paddy price, i.e. 0.66 kg of milled rice is obtained from 1 kg dried unhusked paddy.

Domestic wholesale prices are not readily available for commodities in Viet Nam. Consequently marketing margins (the cost of transport from the farm gate to the place of processing and processing costs) were established in consultation with Vietnamese officials and experts. For rice, it is assumed that the marketing margin, expressed as a percentage of the farm gate price, remains at the same level over the whole period. Consequently, its equivalent in absolute terms varies depending on the level of farm gate price in a given year. The constant marketing margin is 7.5% for rice. The absolute value of the margin in a given year is subtracted from the border reference price.

Port charges and transportation costs (between Viet Nam's border and domestic wholesale markets): were developed in consultation with Vietnamese officials and usually expressed as a percentage of the border reference price: 4.2% for rice. This percentages has been converted into an absolute value and subtracted from the FOB price.

Sources: Provided by MARD.

VII. Level of consumption (at farm gate)

Total domestic use during the calendar year (total production, plus net trade), measured in dried, unhusked paddy terms.

Source: Import and export data used in the calculation of domestic consumption provided by MARD.

VIII. Consumption prices (at farm gate)

Implicit prices corresponding to reference prices plus the unit value of market transfers.

IX. Value of consumption (at farm gate) [(VII)*(VIII)]

3. CASHEW NUTS

I. Level of production

Total production cashew nuts, measured in fresh with shell terms.

Source: Ministry of Agriculture and Rural Development (MARD), Statistical Yearbook of Agriculture and Rural Development, various editions.

II. Producer prices (at farm gate)

Average farm gate price of cashew nuts, measured in fresh with shell terms.

Source: Provided by MARD.

III. Value of production (at farm gate) [(I)*(II)]

IV. Trade status

Net exported

V. Market price differential at the farm gate

Market price differential is calculated according to the price gap method: difference between the Producer price (at farm gate) and the Reference price (at farm gate).

VI. Reference prices at the farm gate (including the definition of the margin)

Average F.o.b. export unit price of dried shelled cashew nuts. An adjustment factor of 0.22 is used to convert the export price (dried shelled) into a fresh with shell farm gate price, i.e. 0.22 kg of dried shelled cashew nuts is obtained from 1 kg fresh with shelled product.

Domestic wholesale prices are not readily available for commodities in Viet Nam. Consequently marketing margins (the cost of transport from the farm gate to the place of processing and processing costs) were established in consultation with Vietnamese officials and experts. For cashew nuts, it is assumed that the marketing margin, expressed as a percentage of the farm gate price, remains at the same level over the whole period. Consequently, its equivalent in absolute terms varies depending on the level of farm gate price in a given year. The constant marketing margin is 16% for cashew nuts. The absolute value of the margin in a given year is subtracted from the border reference price.

Port charges and transportation costs (between Viet Nam's border and domestic wholesale markets): were developed in consultation with Vietnamese officials and usually expressed as a percentage of the border reference price: 0.3% for cashew nuts. This percentages has been converted into an absolute value and subtracted from the FOB price.

Sources: Provided by MARD.

VII. Level of consumption (at farm gate)

Total domestic use during the calendar year (total production, plus net trade), measured in fresh with shell terms.

Source: Import and export data used in the calculation of domestic consumption provided by MARD.

VIII. Consumption prices (at farm gate)

Implicit prices corresponding to reference prices plus the unit value of market transfers.

IX. Value of consumption (at farm gate) [(VII)*(VIII)]

4. SUGAR CANE

I. Level of production

Total production of sugar cane, measured in refined sugar terms.

Source: Ministry of Agriculture and Rural Development (MARD), Statistical Yearbook of Agriculture and Rural Development, various editions.

II. Producer prices (at farm gate)

Average wholesale price of refined sugar.

Source: Provided by MARD.

III. Value of production (at farm gate) [(I)*(II)]

IV. Trade status

Net imported

V. Market price differential at the farm gate

Market price differential is calculated according to the price gap method: difference between the Wholesale price (refined sugar) and the Reference price (at farm gate).

VI. Reference prices at the farm gate (including the definition of the margin)

Average F.o.b. export unit price of refined sugar in solid form (HS 170199) from Thailand to the world. This value is increased by 2.26% to account for the transportation cost from Thailand to the Vietnamese border.

Marketing margins are not applied for the calculation of the Market Price Differential for sugar cane as domestic wholesale prices are used for price comparison.

Port charges and transportation costs (between Viet Nam's border and domestic wholesale markets): were developed in consultation with Vietnamese officials and usually expressed as a percentage of the border reference price: 4% for sugar cane. This percentages has been converted into an absolute value and added to the CIF price.

Sources: COMTRADE database.

VII. Level of consumption (at farm gate)

Total domestic use during the calendar year (total production, plus net trade), measured in refined sugar terms.

Source: Import and export data used in the calculation of domestic consumption provided by MARD.

VIII. Consumption prices (at farm gate)

Implicit prices corresponding to reference prices plus the unit value of market transfers.

IX. Value of consumption (at farm gate) [(VII)*(VIII)]

5. BEEF AND VEAL

I. Level of production

Total production of beef and veal, in carcass weight equivalent.

Source: Ministry of Agriculture and Rural Development (MARD), Statistical Yearbook of Agriculture and Rural Development, various editions.

II. Producer prices (at farm gate)

Average farm gate price of all categories of bovine animals on carcass weight equivalent terms, obtained by dividing the average sale price of live weight by 0.51.

Source: Provided by MARD.

III. Value of production (at farm gate) [(I)*(II)]

IV. Trade status

Net imported.

V. Market price differential at the farm gate

Market price differential is calculated according to the price gap method: difference between the Producer price (at farm gate) (carcass equiv.) and the Reference price (at farm gate).

VI. Reference prices at the farm gate (including the definition of the margin)

Average F.o.b. export unit price of bovine meat, fresh or chilled (HS 0201 and 0202) from Australia to the world. This value is increased by 10% to account for the transportation cost from Australia to Viet Nam. A conversion factor of 0.70 is used to convert the export price (retail weight) into a carcass weight equivalent, i.e. 0.7 kg of retail weight beef is produced from 1kg of carcass weight.

Domestic wholesale prices are not readily available for commodities in Viet Nam. Consequently marketing margins (the cost of transport from the farm gate to the place of processing and processing costs) were established in consultation with Vietnamese officials and experts. For beef and veal, it is assumed that the marketing margin, expressed as a percentage of the farm gate price, remains at the same level over the whole period. Consequently, its equivalent in absolute terms varies depending on the level of farm gate price in a given year. The constant marketing margin is 6.4% for beef. The absolute value of the margin in a given year is subtracted from the border reference price.

Port charges and transportation costs (between Viet Nam's border and domestic wholesale markets): were developed in consultation with Vietnamese officials and usually expressed as a percentage of the border reference price: 1.6% for beef. This percentage has been converted into an absolute value and added to the CIF price.

Sources: COMTRADE database.

VII. Level of consumption (at farm gate)

Total domestic use during the calendar year (total production, plus net trade), on carcass weight equivalent.

Source: Import and export data used in the calculation of domestic consumption provided by MARD.

VIII. Consumption prices (at farm gate)

Implicit prices corresponding to reference prices plus the unit value of market transfers.

IX. Value of consumption (at farm gate) [(VII)*(VIII)]

6. PIG MEAT

I. Level of production

Total production of pig meat, in carcass weight equivalent.

Source: Ministry of Agriculture and Rural Development (MARD), Statistical Yearbook of Agriculture and Rural Development, various editions.

II. Producer prices (at farm gate)

Average farm gate price of pigs for slaughter on a carcass weight equivalent terms, obtained by dividing the average sale price of live weight by 0.74.

Source: Provided by MARD.

III. Value of production (at farm gate) [(I)*(II)]

IV. Trade status

Net exported

V. Market price differential at the farm gate

Pig meat is a marginally exported commodity subject to import tariffs. The price gap has been set to zero.

VI. Reference prices at the farm gate (including the definition of the margin)

Not applicable as the Market Price Differential is set to zero.

Domestic wholesale prices are not readily available for commodities in Viet Nam. Consequently marketing margins (the cost of transport from the farm gate to the place of processing and processing costs) were established in consultation with Vietnamese officials and experts. For pig meat, it is assumed that the marketing margin, expressed as a percentage of the farm gate price, remains at the same level over the whole period. Consequently, its equivalent in absolute terms varies depending on the level of farm gate price in a

given year. The constant marketing margin is 17% for pig meat. The absolute value of the margin in a given year is subtracted from the border reference price.

Port charges and transportation costs (between Viet Nam's border and domestic wholesale markets): were developed in consultation with Vietnamese officials and usually expressed as a percentage of the border reference price: 3% for pig meat. This percentages has been converted into an absolute value and subtracted from the FOB price.

Sources: Provided by MARD.

VII. Level of consumption (at farm gate)

Total domestic use during the calendar year (total production, plus net trade), in carcass weight equivalent.

Source: Import and export data used in the calculation of domestic consumption provided by MARD.

VIII. Consumption prices (at farm gate)

Implicit prices corresponding to reference prices plus the unit value of market transfers.

IX. Value of consumption (at farm gate) [(VII)*(VIII)]

7. POULTRY MEAT

I. Level of production

Total production of poultry (chicken and duck), in carcass weight equivalent.

Source: Ministry of Agriculture and Rural Development (MARD), Statistical Yearbook of Agriculture and Rural Development, various editions.

II. Producer prices (at farm gate)

Weighted average farm gate price of chicken and duck for slaughter on a carcass weight equivalent terms, obtained by dividing the average sale price of live weight by 0.74.

Source: Provided by MARD.

III. Value of production (at farm gate) [(I)*(II)]

IV. Trade status

Net imported.

V. Market price differential at the farm gate

Market price differential is calculated according to the price gap method: difference between the Producer price (at farm gate) (carcass equiv.) and the Reference price (at farm gate).

VI. Reference prices at the farm gate (including the definition of the margin)

Average F.o.b. export unit price of whole poultry, fresh or chilled (HS 020710) from China to the world.

Domestic wholesale prices are not readily available for commodities in Viet Nam. Consequently marketing margins (the cost of transport from the farm gate to the place of processing and processing costs) were established in consultation with Vietnamese officials and experts. For poultry, it is assumed that the marketing margin, expressed as a percentage of the farm gate price, remains at the same level over the whole period. Consequently, its equivalent in absolute terms varies depending on the level of farm gate price in a given year. The constant marketing margin is 15% for poultry. The absolute value of the margin in a given year is subtracted from the border reference price.

Port charges and transportation costs (between Viet Nam's border and domestic wholesale markets): were developed in consultation with Vietnamese officials and usually expressed as a percentage of the border reference price: 3% for poultry. This percentage has been converted into an absolute value and added to the CIF price.

Sources: COMTRADE database.

VII. Level of consumption (at farm gate)

Total domestic use during the calendar year (total production, plus net trade), on carcass weight equivalent.

Source: Import and export data used in the calculation of domestic consumption provided by MARD.

VIII. Consumption prices (at farm gate)

Implicit prices corresponding to reference prices plus the unit value of market transfers.

IX. Value of consumption (at farm gate) [(VII)*(VIII)]

8. EGGS

I. Level of production

Total production of eggs in the shell, both layer and native chickens.

Source: Ministry of Agriculture and Rural Development (MARD), Statistical Yearbook of Agriculture and Rural Development, various editions.

II. Producer prices (at farm gate)

Average farm gate price of hen eggs.

Source: Provided by MARD.

III. Value of production (at farm gate) [(I)*(II)]

IV. Trade status

Net imported.

V. Market price differential at the farm gate

Market price differential is calculated according to the price gap method: difference between the Producer price (at farm gate) and the Reference price (at farm gate).

VI. Reference prices at the farm gate (including the definition of the margin)

Average farm gate price for eggs in China.

Marketing margins are not applied for the calculation of the Market Price Differential for eggs as China's farm gate prices are compared directly with Viet Nam's farm gate prices.

Port charges and transportation costs are not applied for the calculation of Market Price Differential for eggs as Viet Nam's farm gate prices are compared with farm gate prices in China, thus adjustments are not needed.

Sources: OECD PSE/CSE database.

VII. Level of consumption (at farm gate)

Total domestic use during the calendar year (total production, plus net trade), eggs in the shell, both layer and native chickens.

Source: Import and export data used in the calculation of domestic consumption provided by MARD.

VIII. Consumption prices (at farm gate)

Implicit prices corresponding to reference prices plus the unit value of market transfers.

IX. Value of consumption (at farm gate) [(VII)*(VIII)]

9. PEPPER

I. Level of production

Total production of pepper, measured in dried terms.

Source: Ministry of Agriculture and Rural Development (MARD), Statistical Yearbook of Agriculture and Rural Development, various editions.

II. Producer prices (at farm gate)

The weighted average price of black and white pepper, measured in dried terms.

Source: Provided by MARD.

III. Value of production (at farm gate) [(I)*(II)]

IV. Trade status

Net exported

V. Market price differential at the farm gate

Market price differential is calculated according to the price gap method: difference between the Producer price (at farm gate) and the Reference price (at farm gate).

VI. Reference prices at the farm gate (including the definition of the margin)

Average F.o.b. export unit price of pepper.

Domestic wholesale prices are not readily available for commodities in Viet Nam. Consequently marketing margins (the cost of transport from the farm gate to the place of processing and processing costs) were established in consultation with Vietnamese officials and experts. For pepper, it is assumed that the marketing margin, expressed as a percentage of the farm gate price, remains at the same level over the whole period. Consequently, its equivalent in absolute terms varies depending on the level of farm gate price in a given year. The constant marketing margin is 22% for pepper. The absolute value of the margin in a given year is subtracted from the border reference price.

Port charges and transportation costs (between Viet Nam's border and domestic wholesale markets): were developed in consultation with Vietnamese officials and usually expressed as a percentage of the border reference price: 0.16% for pepper. This percentage has been converted into an absolute value and subtracted from the FOB price.

Sources: Provided by MARD.

VII. Level of consumption (at farm gate)

Total domestic use during the calendar year (total production, plus net trade), measured in dried terms.

Source: Import and export data used in the calculation of domestic consumption provided by MARD.

VIII. Consumption prices (at farm gate)

Implicit prices corresponding to reference prices plus the unit value of market transfers.

IX. Value of consumption (at farm gate) [(VII)*(VIII)]

10. COFFEE

I. Level of production

Total production of coffee beans Robusta, measured in dried green bean terms.

Source: Ministry of Agriculture and Rural Development (MARD), Statistical Yearbook of Agriculture and Rural Development, various editions.

II. Producer prices (at farm gate)

Average farm gate price of Robusta coffee, measured in dried green bean terms.

Source: Provided by MARD.

III. Value of production (at farm gate) [(I)*(II)]

IV. Trade status

Net exported

V. Market price differential at the farm gate

Market price differential is calculated according to the price gap method: difference between the Producer price (at farm gate) and the Reference price (at farm gate).

VI. Reference prices at the farm gate (including the definition of the margin)

Average F.o.b. export unit price of dried green Robusta coffee beans.

Domestic wholesale prices are not readily available for commodities in Viet Nam. Consequently marketing margins (the cost of transport from the farm gate to the place of processing and processing costs) were established in consultation with Vietnamese officials and experts. For coffee beans, a constant marketing margin of USD 17/tonne is used.

Port charges and transportation costs (between Viet Nam's border and domestic wholesale markets): were developed in consultation with Vietnamese officials. A constant port charge and transportation cost of USD 6/tonne is used for coffee beans.

Sources: Provided by MARD.

VII. Level of consumption (at farm gate)

Total domestic use during the calendar year (total production, plus net trade), measured in dried green bean terms.

Source: Import and export data used in the calculation of domestic consumption provided by MARD.

VIII. Consumption prices (at farm gate)

Implicit prices corresponding to reference prices plus the unit value of market transfers.

IX. Value of consumption (at farm gate) [(VII)*(VIII)]

11. TEA

I. Level of production

Total production of tea, measured in semi-processed fresh terms.

Source: Ministry of Agriculture and Rural Development (MARD), Statistical Yearbook of Agriculture and Rural Development, various editions.

II. Producer prices (at farm gate)

Average farm gate price of tea, measured in semi-processed fresh terms.

Source: Provided by MARD.

III. Value of production (at farm gate) [(I)*(II)]

IV. Trade status

Net exported

V. Market price differential at the farm gate

Market price differential is calculated according to the price gap method: difference between the Producer price (at farm gate) and the Reference price (at farm gate).

VI. Reference prices at the farm gate (including the definition of the margin)

Average F.o.b. export unit price of dried tea. An adjustment factor of 0.50 is used to convert the export price (dried) into a semi-processed fresh farm gate price, i.e. 0.50 kg of dried tea is obtained from 1 kg of semi-processed fresh tea.

Domestic wholesale prices are not readily available for commodities in Viet Nam. Consequently marketing margins (the cost of transport from the farm gate to the place of processing and processing costs) were established in consultation with Vietnamese officials and experts. For tea, it is assumed that the marketing margin, expressed as a percentage of the farm gate price, remains at the same level over the whole period. Consequently, its equivalent in absolute terms varies depending on the level of farm gate price in a given year. The constant marketing margin is 13% for tea. The absolute value of the margin in a given year is subtracted from the border reference price.

Port charges and transportation costs (between Viet Nam's border and domestic wholesale markets): were developed in consultation with Vietnamese officials and usually expressed as a percentage of the border reference price: 1.5% for tea. This percentage has been converted into an absolute value and subtracted from the FOB price.

Sources: Provided by MARD.

VII. Level of consumption (at farm gate)

Total domestic use during the calendar year (total production, plus net trade), measured in semi-processed fresh terms.

Source: Import and export data used in the calculation of domestic consumption provided by MARD.

VIII. Consumption prices (at farm gate)

Implicit prices corresponding to reference prices plus the unit value of market transfers.

IX. Value of consumption (at farm gate) [(VII)*(VIII)]

12. NATURAL RUBBER

I. Level of production

Total production of natural rubber, measured in fresh latex terms.

Source: Ministry of Agriculture and Rural Development (MARD), Statistical Yearbook of Agriculture and Rural Development, various editions.

II. Producer prices (at farm gate)

Average farm gate price of natural rubber, measured in fresh latex terms.

Source: Provided by MARD.

III. Value of production (at farm gate) [(I)*(II)]

IV. Trade status

Net exported

V. Market price differential at the farm gate

Market price differential is calculated according to the price gap method: difference between the Producer price (at farm gate) and the Reference price (at farm gate).

VI. Reference prices at the farm gate (including the definition of the margin)

Average F.o.b. export unit price of condensed latex in blocks (RSS1 or RSS3). An adjustment factor of 0.60 is used to convert the export price (latex blocks) into a fresh latex price, i.e. 0.6 kg of condensed latex block is produced from 1 kg of fresh latex.

Domestic wholesale prices are not readily available for commodities in Viet Nam. Consequently marketing margins (the cost of transport from the farm gate to the place of processing and processing costs) were established in consultation with Vietnamese officials and experts. For natural rubber, it is assumed that the marketing margin, expressed as a percentage of the farm gate price, remains at the same level over the whole period. Consequently, its equivalent in absolute terms varies depending on the level of farm gate price in a given year. The constant marketing margin is 30% for natural rubber. The absolute value of the margin in a given year is subtracted from the border reference price.

Port charges and transportation costs (between Viet Nam's border and domestic wholesale markets): were developed in consultation with Vietnamese officials and usually expressed as a percentage of the border reference price: 2% for natural rubber. This percentage has been converted into an absolute value and subtracted from the FOB price.

Sources: Provided by MARD.

VII. Level of consumption (at farm gate)

Total domestic use during the calendar year (total production, plus net trade), measured in dried terms.

Source: Import and export data used in the calculation of domestic consumption provided by MARD.

VIII. Consumption prices (at farm gate)

Implicit prices corresponding to reference prices plus the unit value of market transfers.

IX. Value of consumption (at farm gate) [(VII)*(VIII)]