

VIETNAM

The Government of Vietnam has many programs under which inputs such as seed, fertilizer, and irrigation water are subsidized. At the provincial level, seed are provided to farmers at subsidized rates. Fertilizer manufacturers and importers have access to low-interest credit. Approximately half of the cultivated land in Vietnam is irrigated and farmers pay a subsidized fee for using water for irrigation. The irrigation fee is set by each province under the guidelines of the Ministry of Water Resources. On average, farmers pay approximately half of the irrigation maintenance and operation costs.

Vietnam joined WTO on January 11, 2007 as the 150th member of the organization. Its commitments for joining WTO included reduction in tariffs, a ceiling on agricultural subsidies, and a phase out period for quota elimination.

CORN

- Import tariff on corn was reduced to 0% as of January 1, 2008.

COTTON

- Vietnam has a guaranteed purchase price for seed cotton, currently about \$0.38/kg (\$0.52/lb lint equivalent).
- Cotton fiber has no import tariff, but cotton waste has a tariff of 10%, cotton yarn a tariff rate of 20%, and cotton fabric a tariff of 40%.

RICE

- The Vietnamese government sets a minimum purchase price on paddy, currently VND3,500/kg (\$9.35/cwt).
- Selected farmers produce certified seed, provided by government rice institutes, which is then distributed to farmers at subsidized prices for commercial rice production.
- Almost all rice exporters are state owned companies.
- Rice is subject to a 5% value added tax (VAT), and exporters are refunded VAT based on the purchase price in Vietnam. More than \$50 million in VAT was rebated for rice exported in 2005.
- The Vietnamese Trade Promotion Fund is used to assist Vietnamese enterprises to carry out trade activities.
- Rice export companies receive credit subsidies.
- The Vietnam Ministry of Trade provides incentive rewards for companies whose total export value increases. The total incentive reward for rice exporters in 2005 was about \$6 million (\$104 million for all exported goods).

SOYBEANS

- Vietnam has an import duty rate of 5% for countries with Most Favored Nation Treaty status.
- The duty rate is 0% for soybeans imported from ASEAN countries.

WHEAT

- No wheat production or controls.