



Vietnam Pepper Crop Estimate 2016

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Crop Balance Sheet

2016 Crop Estimate = 156,000 MT +/- 5%

FLOW	2016 (Est.)	2015	2014	2013
Carried-over (A)	12,600	4,100	7,100	8,500
Crop Output (B)	156,000	140,000	150,000	129,500
Imports (C)	8,000	19,000	15,000	16,000
Border Trade Imports (D)	8,000	6,500	4,800	4,200
Total availability (E=A+B+C+D)	184,600	169,600	176,900	158,200
Exports (F)	150,000	130,000	148,500	128,200
Conversion from white (G)	12,000	10,200	10,500	9,500
Border Trade Exports (H)	10,000	11,000	9,000	9,000
Total Year Outflow (I=F+G+H)	172,000	151,200	168,000	146,700
Domestic Consumption (J)	6,000	5,800	4,800	4,400
Carried Forward (K = E-I-J)	6,600	12,600	4,100	7,100

Source: Vietnam Pepper Association, International Pepper Community

2016 Province wise Crop Estimate

Province	Qty MT	Comments
Gia Lai	32,000	Vines recovery is confirmed to give better yield compared to 2015
Daknong	23,000	In the year 2015, more people have been sold out in the month of Nov/Dec, but next year, time for harvest will be in Jan onwards. Crop is good there, too.
Daklak	25,000	More plantations expanding give of course higher volume. This province is like to sell more in season time because there are many other commodities like coffee, cocoa, corns, cashew...
Binh Phuoc	23,000	Old bad vines were replaced by new ones. Yield is OK here.
Dong Nai	22,000	People are also trying to plant as much as pepper possible, but land limitation will remain the same volume as last year.
Baria	20,000	We observed longer spikes and good flowering. Expansion was reached to maximum capacity of land.
Others	11,000	Generally good feedback due to good weather conditions and planting in last 3 years. (include Quang Tri, Phuc Quoc, etc)
Total	156,000	

Note : Numbers have been rounded off nearest '000, Source: Vietnam Pepper Association

2016 Province wise Crop Estimate

Vietnam pepper Crop 2015-2016 reported to be better because:

- Last year 2014-2015 was a poor crop in Vietnam. Logically for pepper one year is good and the following year is worse and reverse;
- More plantations are in the harvesting ages. Due to price attractiveness, pepper farmers earn good amount of money for their pepper investment compared to other plants;
- Weather is considered favorable.

Market view: Supply - Demand

Demand-Supply may balance:

- The world's economy picture is not very bright for whom want to enter pepper business to make money by stocking;
- China buyers are seem more cautious at the moment compared to the same period of year 2015. Their effect will be still unknown though;
- Even though the demand may increase by 5% every year for pepper, supply can cover all demand if origins do not have severe weather issue;
- Market opened this year USD 1,000/MT less than last year. Trend is bearish as buyers are waiting for more competitive prices from Vietnam. At USD 500/MT lower, more demands will pick up.

Market view: Salient points

- Farmers are now rich and their holding power is stronger;
- The World will depend Vietnam for pepper supply alone during Jan-June;
- Indian crop reported 30-40% lost;
- Vietnam Dong currency may depreciated soon begin of year 2016;
- The position taken from industry to traders, producers, exporters are unknown;
- Tet holiday is from week 5. Then market will reopen in week 8. So shipment will be delayed in February.

Market view: Business tactics

- ✓ Keeping close eyes for daily market movement in the main season, so chance to have good deals is possible.
- ✓ Risk management is key that buying should be in some different times to adjust the good average.
- ✓ Purchase recommended March-June.

Photo: Plantations 2016

Some photos that we took during last field trip to Baria – Vung Tau production area.

