

# **FLOUR FORTIFICATION IN VIETNAM**



**A Brief for Leaders**

**Draft  
December 2003**



**Capital:** Hanoi

**Demography:** 81,624,716 (July 2003 est.); population growth rate: 1.29% (2003 est.) [1]

**Geography:** Southeastern Asia, bordering the Gulf of Thailand, Gulf of Tonkin, and South China Sea, alongside China, Laos, and Cambodia [1]

**Languages:** Vietnamese (official), English (increasingly favored as a second language), some French, Chinese, and Khmer; mountain area languages (Mon-Khmer and Malayo-Polynesian) [1]

**Government:** Communist state. *chief of state:* President Tran Duc LUONG (since 24 September 1997), *head of government:* Prime Minister Phan Van KHAI (since 25 September 1997); *cabinet:* Cabinet appointed by the president on the proposal of the prime minister and ratification of the National Assembly [1]

**Number of administrative divisions:** 58 provinces and 3 municipalities;

**GDP:** \$183 billion (2002 est.); GDP Growth Rate: 6% (2002 est.); GDP per capita: \$2,250 (2002 est.) [1]

**Agriculture – products:** paddy rice, corn, potatoes, rubber, soybeans, coffee, tea, bananas, sugar; poultry, pigs; fish [1]

## COUNTRY ADMINISTRATION

1. Prime Minister: Phan Van Khai; Deputy Prime Minister: Nguyen Tan Dung; Deputy Prime Minister: Vu Khoan; Deputy Prime Minister Pham Gia Khiem [2003]
2. Ministry of Agriculture and Rural Development: Minister: Le Huy Ngo; Tel: 845-4107, Fax: 845-4319 [2003]
3. Ministry of Public Health: Minister: Tran Thi Trung Chien, *M.D.*; Tel: 846-2970; Fax: 846-4051 [2003]
4. Committee for Population and Family Planning: Minister: Mai Ky Tel: 823-7456; Fax: 825-8993 [1996]
5. General Statistical Office; General Director: Le Van Toan Tel: 846-4353; Fax: 846-4345 [1996]

## The Product

Recently Vietnamese flour millers were faced an additional problem for already sick milling industry – increased tariff on wheat imports, which should be paid during 30 days after wheat imported. The tariff was raised from 0% in December. [2]. This situation leads to additional economical problem, because banks will not grant loans for tax payments. 2].

***Wheat Export/Import:*** Vietnam domestically grows no wheat. It has imported about 450,000 tonnes annually in the past five years, while wheat flour imports generally have exceeded 300,000 tonnes a year. [2] Vietnam's wheat imports have climbed steadily from 80,000 metric tons in 1996 to 825,000 mt in 2002 (an increase of 17% compared with 2001's level). By 2004, wheat imports will probably exceed one million metric tons. [6]

India was the biggest wheat supplier to Vietnam, with a market share of 42% (350 tmt), followed by Australia, which exported 270 tmt of wheat for a share of 33% of the market. The wheat import from China was estimated at 58 tmt. The U.S. wheat accounted for 4% of the market share (see figure 2 and table 1). Other wheat suppliers to Vietnam included Canada, Pakistan and Russia [6].

**Table 1: Vietnam's wheat imports by key exporting countries (unit: tmt)**

	1999	2000	2001	2002	Jan/Aug.03
<b>TOTAL WHEAT IMPORTS</b>	<b>440</b>	<b>550</b>	<b>705</b>	<b>825</b>	<b>720</b>
From Australia	396	434	440	270	80
From India	0	0	178	350	220
From China	0	0	0	58	290
From United States	36	36	38	35	26
Other countries	8	80	49	112	104
TOTAL FLOUR IMPORTS	145	82	62	50	33
TOTAL FLOUR EXPORTS	0	3	6	10	0

Source: Trade

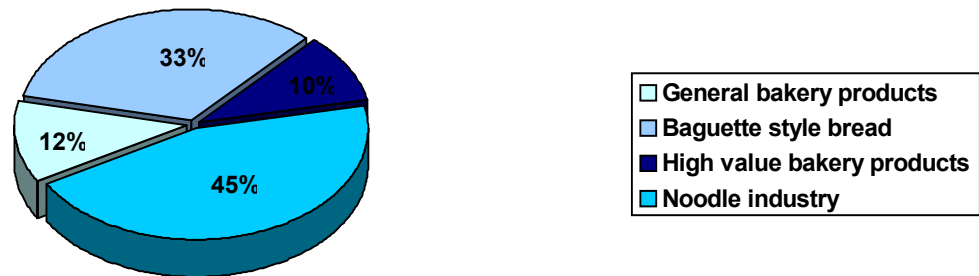
### **Type of wheat:**

**Flour Production:** It was estimated that in 2003 Vietnam produced 610 thousand metric tons (tmt) of wheat flour extracted from 825 tmt of imported wheat. It is expected that most mills will continue to grow productivity by 10% in each of the next two years because of increased consumption of wheat flour for noodle production, bakery and aquaculture feed industries. [6]

**Flour Consumption:** Five-year annual consumption (1997-2001) averaged 624,000 tonnes in a range of 550,000 in 1999 to a record 700,000 in 2001. [2]

“Vietnam’s food and aquaculture use of wheat flour is growing by approximately 10% annually. It is accelerated by the expanding noodle industry (supported by strong exports of instant noodle); bakery industries and increasing demands of the shrimp feed industry. Food usage of wheat flour is raising due to good export markets of instant noodles, stable growth of the national economy (Vietnam’s 2003 GDP’s growth rate estimated at 7.5%) and changing eating habits. Urban populations are consuming more wheat flour based food products. The staple food is still rice, but the proportion of wheat-based products in the Vietnamese daily diet has been gradually increasing. Wheat flour is used mainly for making instant and wet noodles, baguette style breads and other bakery and confectionary products. According to wheat millers, wheat flour is used: 45 % for noodle industry (mainly instant noodle) 33 % for baguette style bread, including Vietnamese-style short baguette bread 12% for general bakery products (cakes, biscuits, cookies etc.) and confectionary 10% for high-quality bakery products (see figure 1).”[6]

**Figure 1: Wheat Flour usage for food**



*\* Adopted from [6]*

**Milling Infrastructure:** There are 12 mills in Vietnam today with the total annual capacity of about 700,000 tonnes. Four more mills are going to start working this year. It might raise the total milling capacity to more than 1 million tonnes. [2] [6] According to U.S. Wheat Associates, more than 60% of all Vietnamese flour consumption is in the south, with the remainder in the north. Flour consumption is limited outside of major urban areas. [2]

## Process

**Cooperation with GAIN:** Vietnam is one of the countries (among China, Morocco and South Africa) who have been selected to receive nearly \$15 million in grants for food fortification from The Global Alliance for Improved Nutrition (GAIN) [3]. GAIN approved the Vietnam proposal for a 3-year \$3 million grant for fortification fish sauce with iron [4].

## Progress

**Baseline parameters from which to track progress after fortification could include:**

**Anemia:** Iron deficiency anemia affects 45% of children under 5 years of age, 40% of non-pregnant women and 53% pregnant women are anemic [7]

Anaemia prevalence in children <60 months – 34%, anaemia prevalence in non-pregnant women – 24%, Anaemia prevalence in pregnant women – 32% [8].

**Folic Acid deficiency:**

## ***Product information:***

### **References**

1. CIA World Fact Book
2. Vietnam. Country Focus. World Grain. [http://www.world-grain.com/country\\_stories.asp?ArticleID=54720](http://www.world-grain.com/country_stories.asp?ArticleID=54720)
3. Food Fortification Partnership Awards First Grants to Vietnam, Morocco, South Africa and China. Global Health. USAID. [http://www.usaid.gov/pop\\_health/home/News/gain.html](http://www.usaid.gov/pop_health/home/News/gain.html)
4. New global alliance brings food fortification to world's poor. WHO. <http://www.who.int/mediacentre/releases/2003/prgain/en/>
5. Vietnam's wheat imports continue to rise. Grain news. <http://www.mediumgrainrice.com/news/getnews.asp?newsID=1807>.
6. Vietnam Grain and Feed Wheat and Corn Update 2003. USDA. Foreign Agricultural Service: GAIN Report. <http://www.fas.usda.gov/gainfiles/200311/145986741.pdf>
7. Profiles of the food security and nutritional status of ane populations. USAID. August 3, 2001. [http://www.dec.org/pdf\\_docs/PNACPo55.pdf](http://www.dec.org/pdf_docs/PNACPo55.pdf)
8. UNICEF. <http://www.unicef.org.vn/>