

Rice Distribution System and Efficiency of Rice Trading in The Mekong River Delta

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ABSTRACT

This study examines the current rice marketing system and the channels of rice distribution in the Mekong River Delta. In the domestic rice market, private rice traders have an important role in distributing the product to regional and inter-regional consumers. Large millers/polishers control the export channels. Domestic channels of rice distribution are organized quite effectively to provide the convenient form and quality of the product to final consumers. The rice assemblers and retailers may be considered as most efficient in trading. In contrast, the rice millers/polishers seem to be inefficient owing to their relatively higher percentage shares of marketing cost to gross marketing margins. The free market orientation in Vietnam has created a favorable environment for private rice traders. The national trade flows are completely liberalized offering a good opportunity for increasing the efficiency of the marketing systems.