



A report summary from the Economic Research Service

Implications of Vietnam's Rice Export Limit for the Global and U.S. Rice Markets

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Key Points

- In May 2023, Vietnam announced it would cut annual rice exports to 4 million metric tons by 2030, a 50-percent decrease from its 2024/25 export volume of 8 million metric tons (USDA, FAS, 2026).
- Vietnam is currently the second-largest rice exporter in the world behind India, surpassing Thailand in 2025. In the 2024/25 trade year, India, Vietnam, and Thailand had a combined 63.6 percent share of global rice exports, with individual shares of 37.5, 13.1, and 13.0 percent, respectively.
- This study has two scenarios. The first scenario analyzes the impacts of Vietnam reducing its 2030 rice exports to 4 million metric tons. The second scenario builds on the first scenario, with India responding to the increase in international rice prices from Vietnam's export restriction with its own rice export restriction.
- Results from the first scenario show rice import reductions for several countries. For example, the Philippines (Vietnam's largest rice export market) reduces total imports by 30.0 percent and the price of imported rice increases 10.5 percent.
- Under the second scenario, the impacts on global markets are more pronounced. Sub-Saharan African countries, for example, have larger reductions in imports and consumption because India has a larger presence in these markets than Vietnam.
- The results suggest that Vietnam's rice quota alone is unlikely to significantly affect the United States. However, U.S. exports and production increase by 13.5 and 3.9 percent under the second scenario, with the added restriction on Indian exports, as opposed to 1.1 and 0.4 percent under the first scenario.

Why Does This Matter?

One potential impact of Vietnam's export limit is an increase in rice exports by Vietnam's competitors. The impact of this export restriction for other major rice exporters will vary and depend on several factors including the level of direct competition between Vietnam and each exporter. The United States is currently the fifth-largest rice exporter in the world, but there is little direct competition between the United States and Vietnam for rice exports, so the impacts of Vietnam's

export limit on U.S. production and exports may be minimal. However, as the second-largest exporter in the world, Vietnam's export limit may result in an increase in the international price which, historically, has caused major exporters to limit exports to keep domestic prices low. These additional restrictions, modeled as a 33.0-percent reduction in India's rice exports, would lead to a larger increase in exports for the United States.

A Few More Details

This study analyzes the impacts of Vietnam's rice export limit on the global rice market. It uses the Global Trade Analysis Project (GTAP) computable general equilibrium model to determine the impacts of this policy. Population, Gross Domestic Product, labor, capital, and total factor productivity projections from the Centre for Prospective Studies and International Information (CEPII) were used to create a 2030 baseline in GTAP. This baseline was used to calculate Vietnam's 2030 rice exports and the corresponding shock that would result from restricting these exports to 4 million metric tons annually (51.77 percent). Introducing the export shock to the GTAP model using the updated 2030 baseline resulted in simulated impacts of Vietnam's export restriction on the global rice market. The study also examines an alternative scenario in which India introduces its own export restriction to shield domestic consumers from international price hikes, in response to global rice price increases resulting from Vietnam's export limit. The analysis uses India's 2022/23 rice export ban as a proxy for the hypothetical 33.0-percent export restriction of the second scenario. Note that the study utilizes the static GTAP model and that the results compare two equilibriums, one before the shock and one after. The time that it takes the market to adjust to the shock and reach the new equilibrium is not known. A limitation of the analysis is that, due to data limitations, the report does not disaggregate rice by variety, which may lead to some results representing an upper bound (i.e., the increase in U.S. exports may be an upper bound as U.S. rice is not a perfect substitute for Vietnamese rice), while other results represent a lower bound (i.e., impacts for importing countries may represent a lower bound as the substitution away from Vietnamese rice to other exporters is limited based on variety).

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