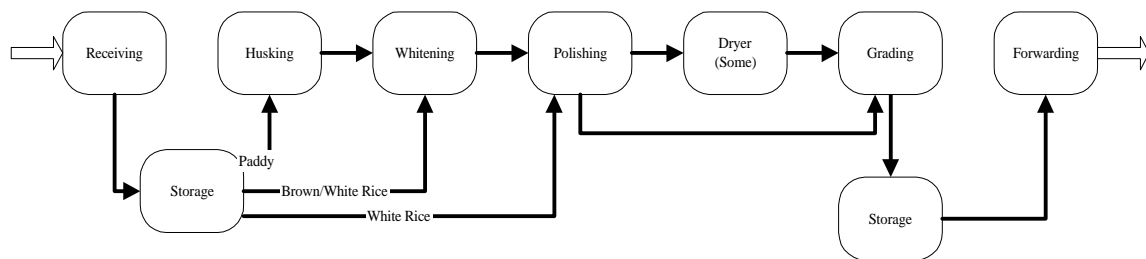


Rice Mill for Export

There are 29 factories under four SOEs for export, two under Vietnam Southern Food Company (VSFC) and the other two under the People’s Committee in Dong Thap Province. Among 29 above, only 17 factories exist in the Study Area. In Tieng Giang Province there are three companies having export license. 8 are located in Cai Lay and Cai Be District in the Study Area among all 15 SOE’s factories existing in the Province.



Major Process Chart for Export Rice Mill

Actually, as they cannot attain all amount of export quotas given by the parent agencies such as VSFC and the Ministry of Trade, they used to allocate some of the quotas to affiliated private rice millers having polishing machines. Those private millers process and control the product in conformity with quota’s requirement and forward them to Saigon port and load directly to the ship noticed before. In this regard, recently the association of the private rice millers has been established in Sa Dec area to receive quotas unitarily among 19 numbers of rice millers are participating now.

The characteristic of rice mill for export is to have polishing machine and improve the product value, by polishing the surface of white rice. The polishing machine used in those factories is wet type polisher using water, manufactured locally. Accordingly, basic process constitution of factory is husking-whitening-polishing, but there are some factories equipped with only polishing process and without husking process. The Japanese color sorting machines have been introduced in a few factories to exclude colored kernels but these are not used efficiently because of difficulty for maintenance.



< Polishing machine >

Normally, those rice mills procure paddy and export after proper processing and grading. However, they procure brown rice and white rice more than paddy through rice mills and traders in the vicinity whenever they receive a export quota, because of the limited number of their own purchasing staff, lack



< Popular inspection instrument in export rice mill >

of funds and shortage of storage capacity.

It is considered that such situation have appeared in the course of very fast development of rice export without enough time and investment for taking appropriate measures in developing processing system. As the results, the machinery of rice mill are not well unified or coordinated in a processing line, introducing and adding necessary machinery such as polishing machines just for the occasion without a proper improvement plan on long terms basis.

There are portable moisture meter, caliper and balance used for inspection in almost all rice mills, and only a few rice mills have more sophisticated equipment such as huller, whitener, width grader and divider for inspection.

The problem of insufficient drying at production stage is continuously carried in the products and the factories are facing the difficulty to clear the contract requirement of moisture content below 14%. To cope with this problem, the dryer for white rice are spreading to factories in the Area. This dryer is generally composed of a square bin for white rice, two coal furnaces and two fans, and a square bin is connected to furnaces through fans by ducts, and combustion gas of coal is directly blown into a bin. This device overthrows the common sense in rice processing and negative effects such as the occurrence of broken rice and the invalidation of polishing are expected.



< Dryer for white rice >

Storage Facility

As of 1998, there are about 700 warehouses with the total storage capacity of 450,000 tons¹. Many warehouses are concentrating to Sa Dec and Cao Lanh as rice processing areas. The most large-scale facility is Cao Lanh Silo of 48,000t capacity. SOEs possess 83 numbers of warehouses among the above 700 with about total 250,000 ton capacity occupying 56% of the total. Among this 83, 56 warehouses are located in the Study Area and have 180,000 tons of total capacity. Also, the warehouse belonging to SOEs are 28 numbers in Tien Giang Province with total capacity 85,000 tons, among which 11 warehouses are located in Cai Lay and Cai Be Districts with total capacity is 46,200 tons. Most companies tend to shorten storage period to save storage expenditure. More than 30% of these warehouses are facing deterioration of facilities and coming in of a rainwater during the rainy season. The repair is not advancing well because lack of funds¹.

¹ “Summery Report of Investment & development Plan for Export Rice Production Area in Dong Thap Province”, Jan. 1999, Dong Thap P.C.

The biggest Cao Lanh Silo equips 54 square bins including some supplementary bins. This facility is the design of typical European grain silo based on the bulk handling system, constructed by the aid of France. Therefore, there are many difficulties for the effective utilization of this facility. For example, the receiving system of a raw material is inconvenience for no existence of a bulk handling practice in the Area. Additionally, the charging system is not suitable for brown and white rice because many broken and damaged grains generated they are fell down from a belt conveyor placed on the top of the bins. Now, MARD and SVFC are considering the counter measure for effective utilization of this facility to be concluded by the end of 1999.



< Whole view of Cao Lanh Silo (Left) and a conveyor over the top of storage bins (Above) >

Warehouse attached to Rice Mill for Export

The warehouse attached to the rice mill for export is used not only for storage of raw material and product but also used as an area for grading product in conformity with the condition of the contract.

As mentioned before, it is the practice of rice mill for export to procure raw material after receiving the export quota, and the storage period of materials is not so long.



< Grading activity for export >

The warehouse is used for buffer storage of processing and forwarding rather than for stock of raw material. Therefore, the losses in storage period are not critical.

The storage condition of warehouses, mainly of SOE's the Study Team visited, had no serious problems though rice bags were stacked disorderly on the floor directly in some private warehouses. The general conditions of SOE's warehouse

observed are as follow: