A An, CLDRRI partner to build 60,000-Ha OM19 rice supply chain by 2032

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Strategic agreement covers seed supply, farmer support, processing and market linkages as Vietnam looks to strengthen its position in higher-value rice markets

A An Food Joint Stock Company and the Cuu Long Delta Rice Research Institute (CLDRRI) have entered into a strategic cooperation agreement to develop the OM19 rice variety at commercial scale, with an ambition to establish more than 60,000 hectares of linked production area by 2032.

The agreement brings together a research institution with a commercial rice company to address one of the biggest challenges facing the Mekong Delta's rice industry: building reliable supplies of high-quality paddy that can be traced from the field through processing and ultimately to the market.

The partnership covers the supply of seed, production organisation, technical cultivation support, processing and sales. It is also linked to the development of the "Can Tho Rice" brand under a project focused on selecting fragrant and high-quality rice varieties for the brand.

For A An, the agreement is as much about securing raw material as it is about expanding cultivation. Rather than relying solely on open-market procurement, the company plans to build a defined production base where the variety, cultivation practices, quality standards and output can be managed more closely.

The approach reflects a wider shift in Vietnam's rice business, where exporters and processors are increasingly looking beyond volume and towards consistency, traceability and varieties that can command better value in demanding markets.

OM19 has been selected for the programme because of its combination of grain quality and adaptability to conditions across the Mekong Delta.

The variety produces grains measuring nearly 8 mm in length and has low amylose content, an attractive appearance and a mild fragrance. Its ability to perform across different ecological areas of the Mekong Delta makes it suitable for organised production over a large geographical area.

These characteristics give OM19 potential in the higher-quality rice segment, particularly for export markets where buyers are placing greater emphasis on grain appearance, eating quality, consistency and traceability.

For A An, developing the variety at scale also provides an opportunity to bring procurement closer to production. A controlled raw material area can give the company greater visibility over how rice is grown, what inputs are used and how the crop is handled before it reaches the processing facility.

That control becomes increasingly important as international buyers demand more information about the origin and production practices behind agricultural commodities. The agreement gives CLDRRI a role beyond developing and maintaining the technical foundation of the variety. The institute will provide cultivation guidance and technical support to farmers participating in the production programme.

A An, meanwhile, will take responsibility for organising the commercial side of the chain, including seed-related costs, production linkages, processing and sales. The company will cover variety licensing costs and royalties associated with commercial products and will pay CLDRRI for technical cultivation support provided to farmers.

For growers, the arrangement is intended to reduce some of the financial and technical uncertainty associated with adopting a new production model. Instead of farmers carrying the entire burden of obtaining inputs and determining cultivation practices themselves, they will receive guidance on seed use, fertiliser, water management and other aspects of production suited to OM19. The objective is straightforward: improve yields and grain quality while keeping production costs under control.

For the company, the benefit lies in building a more predictable supply of paddy that meets defined quality requirements. This creates a direct commercial connection between the laboratory, the farm and the processing plant. Research provides the variety and technical know-how; farmers produce the crop; and the company organises the movement of the rice into processing and markets.

Vietnam is one of the world's major rice exporters, but the economics of the sector increasingly depend on its ability to move into higher-value segments rather than compete purely on volume. That requires consistency at the farm level. A rice processor or exporter can control what happens inside its own plant, but it has much less control over paddy coming from fragmented and unrelated farms. Differences in seed, fertiliser use, harvesting practices, moisture levels and post-harvest handling can ultimately affect the quality and uniformity of the finished product.

A large, organised OM19 production area could help address some of those problems. The planned 60,000-hectare footprint is therefore significant not simply because of its size, but because it is intended to operate as an integrated supply chain. Seed supply, cultivation, technical assistance, processing and sales are being brought into the same commercial framework.

The model could also give A An greater visibility over production volumes and raw material availability, helping the company plan processing and market commitments with greater confidence. The commercial case will ultimately depend on whether farmers see enough benefit to remain part of the production chain over the long term.

A An's decision to absorb licensing and royalty costs and finance technical support is designed to make participation more attractive while reducing some of the upfront burden on growers. CLDRRI's technical role is equally important. Farmers will receive guidance on how OM19 should be cultivated, including the management of seed, fertiliser and water.

The partnership also plans to introduce resource-saving cultivation practices. The intention is to reduce unnecessary input use and gradually lower greenhouse gas emissions from production. For farmers, better input management can translate into lower production costs. For buyers, it can provide a stronger sustainability story around the rice they purchase. For the company, it can contribute to a more consistent raw material base.

The three interests are increasingly converging as international food markets put greater pressure on agricultural supply chains to demonstrate not only what they produce, but how it is produced. The OM19 programme is also connected to the development of the "Can Tho Rice" brand, giving the project a regional identity beyond the individual variety.

The strategy is aimed at linking high-quality rice varieties with an organised production system and a recognisable market proposition. If the programme reaches its target, OM19 could become an important component of the raw material base supporting the brand. That could help move the discussion around Vietnamese rice away from commodity pricing and towards differentiation based on variety, quality, origin and production standards.

For a country with a long-established rice export industry, that distinction is becoming increasingly important. The target of more than 60,000 hectares by 2032 means the partnership has several years to build the production base, strengthen farmer participation and establish markets for the resulting rice.

Its success will depend on execution across the entire chain. Expanding acreage is only one part of the challenge. The partners will also need to maintain varietal purity, ensure farmers follow agreed cultivation practices, manage harvest and post-harvest quality, and develop sufficient processing and market demand to absorb the crop. The agreement nevertheless signals a clear direction for A An and CLDRRI.

Instead of treating rice as a crop that begins and ends with the harvest, the partners are building a commercial model around the entire value chain—from research and seed to the field, processing plant and final customer. If the planned production area is achieved, the OM19 programme could become a sizeable source of high-quality raw material for A An while giving farmers a more structured route into the premium rice market.

For Vietnam's Mekong Delta, where rice remains central to the agricultural economy, such models could become increasingly important as the industry seeks higher returns from every hectare rather than simply producing more tonnes. The OM19 agreement is, in that sense, a bet on a more organised rice business: one where the variety is chosen for the market, production is planned around the variety, and the value of the final grain is considered from the beginning of the crop cycle.