



WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATION

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Indonesia

Indonesia rice production reached 79 million tonnes

In 2016, the production of paddy rose 79 million tonnes from 74 million tonnes in 2015. Indonesia will keep increasing the agricultural output through various measures that particularly on mechanization and agricultural technology. According to this move, the production cost of one hectare has been reduced from Rp12 million (USD 890) to Rp 6 million (USD 445). Additionally, the farmers can plant two to three times in one year. Moreover, the government has guaranteed the price of basic commodities and will guarantee the purchase price.

**USD 1 = Rp 13,473*

Source: ANTARANEWS. (2016, Dec 30). *Indonesia rice production reached 79 million tonnes.*

Myanmar

Rice exports to Africa grow

According to the Ministry of Commerce, Myanmar exports about 600,000 tonnes of rice until mid-December 2016 compared

with less than 150,000 tonnes in the same period of 2015. Myanmar Agribusiness Public Corporation (MAPCO) shipped over 86,000 tonnes of rice to African countries and about 17,885 tonnes to China. The kyat depreciation had driven exports. On 2016, exports to China dropped due to the instability in the border area and strict security checks.

Source: Nilar. (2017, Jan 1). *Rice exports to Africa grow. Eleven Myanmar.*

2016 in review: trouble for the Myanmar rice industry

Unstable rice prices had a big impact on the rice industry in 2016. The monsoon rice was priced at Ks 350,000 (USD 250) per 100 baskets** compared with last year at Ks 500,000 (USD 369).*** From April to December, Myanmar shipped around 590,000 tonnes of rice compared with the previous year at 700,000 tonnes.

The falling trade volume and prices were caused by thin demand after China, the major buyer of Myanmar's rice, banned imports since the beginning of 2016. The government planned to buy rice from farmers at inflated price. Due to dollar appreciation in November, the rice price spiked to Ks 500,000 per 100 baskets. From April to November 2016, Myanmar earned over USD 230 million on rice and broken rice exports.

**USD 1 = Ks 1,354*

***USD 0.11 per kilogramme*

****USD 0.18 per kilogramme*

Source: Rice HQ World Rice Industry News & Prices. (2016, Dec 28). *2016 in review: trouble for the rice industry.*

Philippines

The department of Agriculture (DA) wanted quantitative restrictions (QR) on rice extended by 2 years

The DA insisted that QR on rice should be extended by two more years instead of being allowed to expire on the beginning of July 2017. The higher tariffs on beyond-quota rice imports should remain to protect the domestic rice since the local farmers still cannot compete on the global stage. The production cost of domestic rice is higher than other competitive countries. For example, the average production cost of unmilled rice is now 12 peso (USD 0.24) per kilogramme, compared with Viet Nam in 6 peso (USD 0.12) per kilogramme.

**USD 1 = 49.76 peso*

Source: Rice HQ World Rice Industry News & Prices. (2016, Dec 28). *DA wants QR on rice extended by 2 years.*

Thailand

2017 rice exports forecast at 10 million tonnes

Rice exports in 2017 should benefit from rising demand in some markets such as the Middle East. However, competition will also be tougher as global rice production is expected to increase. Other factors are the global economic recovery in many markets, mainly on the United States, while China is expected to post slower economic growth. Expected rising oil prices will also affect the prices of commodities and crops, while climate change could have an impact on agricultural output. The policy to decrease rice production and plantation areas, and the government's plan to release its stockpiles, should also affect the rice prices in the market.

Source: K, PRATRUANGKRAI. (2016, Dec 30). *2017 rice exports forecast at 10m tonnes.* The Nation.

Viet Nam

Viet Nam earns USD 2.2 billion from rice exports this year

With the estimated figure at 4.88 million tonnes of exported rice in 2016, the shipments declined 25.8 percent in volume and 21.2 percent in value year-on-year. China still is the biggest importer of Viet Nam's rice. In the past 11 months, Viet Nam shipped 1.61 million tonnes, worth USD 722.2 million to China, dropped 20.5 percent in volume from 2015. Markets with sharply declined in Viet Nam's rice exports were Philippines (down 65 percent), Malaysia (48 percent), the US (33 percent), etc.

The falling of rice exports was caused by El Nino phenomenon and flooding in the country. The total rice production was estimated at 43.6 million tonnes, dropped 3.3 percent from last year.

Source: The Viet Nam News Agency. (2016, Dec 28). *Viet Nam earns 2.2 billion USD from rice export this year.*

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