



WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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Cambodia

Cambodian rice millers and exporters are strongly concerned that Thailand's plan to release 4.32 million metric tonnes (MMT) of state rice stocks by September, could depress prices of the grain on commodity markets.

Cambodia's milled rice exports were close to 170,000 tonnes in the first three months of 2017, an increase of 3 percent over the same period last year. Since Cambodia's rice production costs are high, Cambodia should consider finding other markets which Thailand does not reach so that Cambodia can maintain rice quality and get premium prices.

China is the biggest single country market for Cambodia's milled rice. France and Poland ranked second and third in Cambodia's milled rice markets, importing 21,000 and 12,000 tonnes respectively.

Source: Khmer Times. (June 1, 2017). *Concern over rice stockpile released by Thailand.*

Myanmar

Between late April and the third week of May, Myanmar exported more than 360,000 tonnes of rice, up 260,000 tonnes from the same period last year.

Myanmar was searching for the new markets to boost exports. The country exported 1.8 MMT worth USD 660 million in 2014-2015; 1.5 MMT worth USD 526 million in 2015-2016; and 1.8 MMT worth USD 553 million in 2016-2017.

Source: Eleven Myanmar. (June 1, 2017). *Rice export on rise.*

Thailand

Export prices further increased 1-2 percent mainly due to the strengthening of the Thai baht. The government received 58 bids totaling 1.7 MMT in response to the tender for releasing the last remaining food-grade rice stocks of 1.8 MMT issued on May 24, 2017. The bids consisted of approximately 1.4 MMT of fragrant rice, 0.2 MMT of white rice, and 0.1 MMT of broken rice and glutinous rice.

The government is expected to finalize the sale of 1.7 MMT of food-grade rice stocks next week, together with the sale of 0.5 MMT of deteriorated rice stocks to ethanol producers from the 1 MMT tender issued on April 28, 2017. If both sales are finalized, the government rice stocks are expected to decline to approximately 2.9 MMT which consist of 0.1 MMT of food-grade rice, 2.2 MMT of feed-grade rice stocks, and 0.6 MMT of deteriorated rice.

Source: Prasertsri, P. (May 31, 2017). *Thailand Weekly Rice Price Update.* USDA Foreign Agricultural Service.

In Marketing Year (MY) 2017/2018 main-crop rice cultivation is well above MY2016/2017 due to favorable rainfall. The government has continued to sell the rice stocks that remain from the MY2011/2012 – MY2013/2014 pledging programs. MY2017/2018 main-crop rice cultivation is occurring much sooner than last year in irrigated areas due to sufficient irrigation supplies.

As of May 19, 2017, the Royal Irrigation Department (RID)'s crop progress report indicated that approximately 1.6 million rai (0.3 million hectares) of MY2017/2018 main-crop rice has been planted in irrigated areas, compared to 0.03 million rai (4,800 hectares) for the same period of MY2016/2017. Post's forecast for rice production in MY2017/2018 remains unchanged at 19.5 MMT which is approximately a 5 percent increase from MY2016/2017 due to the recovery of main-crop rice production in irrigated areas.

*1 Rai = 0.16 Hectare

Source: Prasertsri, P. (May 2017). *Thailand Grain and Feed Update*. USDA Foreign Agricultural Service

Viet Nam

Saltwater intrusion and unseasonal rain have cut the paddy output in Viet Nam's Mekong Delta by nearly 4 percent to 9.63 MMT in this harvest, worse than previous official estimates. The delta's plantations also declined 1 percent from 2016 to 1.54 million hectares. Smaller rice output, coupled with fresh demand from Bangladesh, could further raise export prices in Viet Nam. The price is at its highest since July 6, 2016 at USD 380.

Viet Nam's rice exports this month could reach an estimated 550,000 tonnes, bringing the January-May shipments to 2.33 MMT, up around 2 percent from the same period last year. Viet Nam is forecast to export 5.6 MMT of rice this year, up 10 percent from 2016.

Source: Ho Binh Minh. (May 29, 2017). *Vietnam's key rice crop output falls more than expected on saltwater, rain*. VnExpress International.

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