



WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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Indonesia

Bank Indonesia (BI) revealed that the country will achieve rice self-sufficiency by 2020. It will take the country three to five years to get the result if the government has consistency on its efforts to develop irrigation infrastructure. One Indonesian approximately consumes 144 kilogrammes of rice per year. In 2015, rice production was 43.9 million metric tonnes (MMT), increased from 75.4 MMT of paddy rice. The Agriculture Ministry aims to open another 80,000 hectares of new rice fields and 500 water deposits to enhance rice self-sufficiency plan.

Source: Ribika, S. (Mar 31, 2017). *Indonesia's rice self-sufficiency to be achieved by 2020*. The Jakarta Post.

Marketing Year (MY) 2016-2017 rice production is estimated to 37.15 MMT (milled rice equivalent) due to increasing harvested areas. Indonesian government has no plan to ask BULOG to import rice through the remainder of MY 2016-2017. Therefore, imported rice is expected to drop to 500,000 tonnes. Typically, irrigated farms are cultivated

rice during the first and second crop cycles (October-February and March-June), and followed by paddy or secondary crops such as corn, bean, peanut, or sweet potato during the third crop cycle (July-October). MY 2016-2017 first crop planting was on-time based on sufficient rainfall and irrigation. With normal start of the first crop cycle, the first main harvest is ongoing through March 2017. The Second paddy harvest will begin during June and July 2017.

In MY 2017-2018 harvest areas are estimated at 12.20 million hectares. Current farm gate prices of wet rice paddy in Java range from Rp 4,100-7,500 (USD 0.31- 0.56) per kilogramme.

*USD 1 = Rp 13,291

Source: Wright, T. (Mar 30, 2017). *Indonesia Grain and Feed Annual Report 2017*. USDA Foreign Agricultural Service.

Malaysia

In Fiscal Year (FY) 2016-2017, rice production is forecast at 1.8 MMT. In addition, in FY 2017-2018, rice production is forecast to slightly increase to 1.82 MMT. Even though cultivated areas in East Malaysia have increased, dry weather is expected to reduce yields in 2017-2018. Based on unofficial data, it was estimated that the cultivated areas further dropped to 510,000 hectares in 2016.

Rice consumption per capita in Malaysia is at 82.3 kilogrammes in 2016. Long grain variety is the most popular consumed rice. For year 2016, total import of rice was worth USD 377 million. Nearly 65 percent of rice imported to Malaysia is long grain and white Jasmine fragrant rice variety from Viet Nam and Thailand.

Source: Wahab, A. G., Dong, J. (Mar 27, 2017). *Malaysia Grain and Feed Annual*. USDA Foreign Agricultural Service.

Philippines

The Department of Agriculture said the unmilled rice production in the first three months of 2017 increased at 4.14 MMT, up 5.34 percent compared with last year. It was the first time in history that rice yield was over 4.15 tonnes per hectare, breaking the previous record of 3.9 tonnes per hectare. This fruitful result was from expansion of the hybrid rice seeds which had been proven to produce up to double the average production of inbred rice seeds.

Source: Lim, J. C. (Apr 3, 2017). *DA initial data signal record rice yields.* Business World Online.

The Department of Agriculture (DA) is on hold the 250,000-tonnes importation of state buffer stockpiled rice. Despite the National Food Authority proposed that Philippines needs to immediately import 250,000 tonnes of rice, the DA believes otherwise. The DA said this plan may have to be reviewed and validated as the DA expected a bumper rice harvest this planting season.

Source: Malaya Business Insight. (Mar 31, 2017). *Rice imports plan on hold.*

Thailand

Thai government planned to issue a new tender for approximately 1.8 MMT of deteriorated rice for ethanol production in April 2017. Moreover, the remaining food-grade rice stocks of around 1.5 MMT will be retendered in May 2017, followed by the remaining non-food grade rice and deteriorated rice stocks in June and July 2017, respectively. Rice exports from January 1 - March 26, 2017, totaled 1.7 MMT.

Source: Prasertsri, P. (Mar 28, 2017). *Thailand Rice Price - Weekly.* USDA Foreign Agricultural Service.

Viet Nam

Instead of buying Viet Nam's rice at VND 10,000 (USD 0.44) per kilogramme which less expensive than imported rice, Vietnamese still are willing to buy rice from Thailand or Japan which have higher prices than domestic rice. The country mostly exports low-price rice and has been relying on the Chinese markets. Director of the institute of Agricultural Genetics of Viet Nam indicated that there is something on Thailand rice exports model that Viet Nam can learn from, or Viet Nam's agriculture will face big difficulties and cannot compete with nearby countries. In the domestic market, Japanese rice costs at VND 170,000-200,000 (USD 7.49-8.81) per 5 kilogrammes bag. Thai Hom Mali cost VND 200,000-250,000 (USD 8.81-11.02). In general, imported rice is 2-3 times more expensive than domestic products.

**USD 1 = VND 22,672.77*

Source: Vietnam Net Bridge. (Apr 2, 2017). *Vietnamese prefer Thailand's expensive rice to Vietnam's cheap rice.*

P.R. China

Marketing Year (MY) 2017-2018 rough rice production is forecast at 211.1 MMT and harvested area is forecast at 30.8 million hectares, raised by 650,000 hectares from USDA's March estimates for MY 2016-2017. Rice planting begins in March and ends in June. In MY 2017-2018, consumption is forecast at 144 MMT. Long-term trends of falling rice consumption tend to continue.

Rice imports in MY 2017-2018 are forecast at 4.5 MMT, down 500,000 tonnes from the USDA's March estimates due to restrictive measures for export sales to China. From July 2016 to January 2017, rice imports reached 1.63 MMT, dropped to 18 percent year-on-year.

Estimated exports value in MY 2017-2018 is at 800,000 tonnes. Export destinations include North Korea, Republic of Korea, and Hong Kong.

Source: Kim, G., Anderson, L. (Apr 4, 2017). *Grain and Feed Annual Wheat and Rice Supplants Corn Area*. USDA Foreign Agricultural Service.

China donated 12,000 tonnes of parboiled rice to the government of Zimbabwe on April 3, 2017 to alleviate food shortage in various communities. Zimbabwe expects to start receiving the consignments by the end of May-June 2017.

Source: Zimbabwe Consolidated News. (Apr 4, 2017). *China donates 12K tonnes of rice-The Herald*.

Republic of Korea

Korean government plans to continue drawing down rice stocks in MY 2017-2018 from 1.7 MMT to 1.3 MMT in the current MY, as stocks remain over than U.N. Food and Agriculture Organization (FAO) recommended levels. In MY 2017-2018 rice production is forecast to drop to 3.9 MMT, down 7 percent from 4.19 MMT in 2016-2017. Planted areas are expected to decline to 162,000 hectares as the government plans to enhance rice reduction programme. Rice average yield is forecast at 5.22 tonnes per hectare.

MY 2017-2018 rice consumption is forecast at 4.6 MMT. Per capita table rice consumption is predicted at 60.1 kilogrammes in MY 2016-2017 based on falling consumption trends for table rice.

Source: Choi, S., Hinkle, A.F. (Apr 4, 2017). *Grain and Feed Annual 2017 Annual Report*. USDA Foreign Agricultural Service.

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