



WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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Cambodia

Milled rice exports had flatten out, increased to 170,000 tonnes in the first three months of 2017, increased 3 percent compared with the same period in 2016. The rise came after exports in March fell by 16 percent and exports in January rose 10 percent and 17 percent respectively. The flattening of exports comes after the European Union warned that it would ban imported rice from Cambodia from the middle of this year if the rice contains unacceptable levels of the fungicide Tricyclazole. The EU's new threshold is 0.01 milligrams of Tricyclazole residue per kilogram of rice paddy, down from 1 milligram. Prime Minister Hun Sen called on all relevant parties to help the rice sector such as choosing the rice seeds, the technical aspect of farming, reducing costs of logistic, and opening more rice markets.

Source: Chea, V. (Apr 19, 2017). *Rice exports flatten out.* Khmer Times.

Cambodian rice exports declined dramatically in March, causing the average export growth of the Kingdom's dominant cash crop to increase by only 3 percent during the first quarter of this year. Cambodia exported a total of 166,678 tonnes in the first quarter this year, up from 162,220 tonnes during the same period in 2016. In the first quarter of this year, Cambodia exported 84,059 tonnes of rice to the EU while exports to China accounted for nearly 40 percent of total exports at 67,482 tonnes.

Source: Hor, K. (Apr 19, 2017). *Rice exports show slow growth.* The Phnom Penh Post.

Lao PDR

Lao PDR plans to produce about 5 million tonnes of rice by 2020 to ensure food security in the country. The Ministry of Agriculture and Forestry expects to export about 400,000 tonnes of rice in 2017. The focus will be on specialty variety including black rice, koynoi rice, and hom rice. Since 2000 Lao PDR has a surplus to its own demand of approximately 1 million tonnes per annum. Lao PDR is one of the rice growers in ASEAN with annual rice exports to Viet Nam, Thailand, and other countries of over 300,000 tonnes per year.

Source: Vientiane Times. (Apr 25, 2017). *Vietnam still biggest market for Lao rice in Asean.*

Myanmar

Fifty percent of Myanmar's exported rice was exported to China. However, rice exports to China also decreased due to border's dilemma in Muse. For this reason, the government plans to export rice by sea. Myanmar's rice has been exported to 54 countries.

China and Africa are the major markets of Myanmar's rice. Myanmar's broken rice is shipped to 33 countries such as Afghanistan, Botswana, Canada, Germany, Greece, Malaysia, and etc. More than 900,000 tonnes of rice and broken rice were exported between April and the end of December in 2016. About 60,000 tonnes of rice were exported to many African nations each month.

Source: Nilar. (Apr 21, 2017). *China, Africa major rice buyers.* Eleven Myanmar.

Philippines

In an effort to stop rice importation and stabilize the country's food supply, the government launched the 'Masaganang Ani 200' programme which target to boost Philippines rice yield to 200 cavans (10 tonnes) per hectare. An official from Department of Agriculture said the volume of rice trade in the market showed serious decline in the past three years in the amount of rice available for import purchases. Therefore, this Masaganang Ani 200 is the good option for Philippines. This source person said that Philippines must improve farmers' productivity and have no need to expand their area. They just need to improve technology. Hybrid rice can double farmers' harvest from the current nation average yield of 4.15 tonne per hectare. This average already improved from 3.9 tonnes per hectare due to productivity growth from hybrid rice.

*1 Cavan = 50 Kilogramme

Source: Kritz, B. (Apr 21, 2017). *DA launches high-yield rice program.* The Manila Times.

Thailand

The national rice policy committee approved the sale of the first lot of inedible state rice stocks put up for general auction, totalling 1.62 million tonnes worth 7.92 billion baht (USD 228.7 million). The approved amount is much lower than the combined 2.07 million tonnes of inedible state rice stocks proposed by 15 qualified bidders on March 23, 2017. The national rice policy committee's decision is based on maximum proposed prices, quality of the grains, the state's financial costs in storing rice stocks and the possible impact on local rice and other cereal prices. They have already sent a letter informing the winning bidders to sign purchase contracts with the state-run Public Warehouse Organisation and the Marketing Organisation for Farmers. The committee also approved on April 12, 2017 a proposal to call the first auction of 1.03 million tonnes rice for industrial use only.

Between January 1 and April 12 this year, Thailand exported 3.4 million tonnes, up 9.31 percent from the same period last year, worth USD 1.43 billion, up 6 percent in value.

*USD 1 = 34.63 Baht

Source: Arunmas, P. (Apr 20, 2017). *1.62m tonnes approved for rice auction.* Bangkok Post.

Viet Nam

The first quarter of rice exports was up nearly 58 percent in volume over the same period of 2016 to hit 1.4 million tonnes and USD 577 million under FOB term. The export growth has facilitated rice consumption in local market while the Government has yet to launch the annual rice stockpiling programme.

Viet Nam's rice sector has been facing various factors such as drought and saline intrusion. The saline intrusion in Mekong Delta is one of big concerns since it narrowed rice cultivation areas. Consequently, local rice prices have been sharply increased. At the end of March, fresh long grain rice was sold at VND 5,200 (USD 0.23), up from 4,700 (USD 0.21) early 2016.

Viet Nam's rice price has been highest among other export countries in Asia. It is USD 10-20 per tonne higher than Thai rice.

*USD 1 = VND 22,732.44

Source: Vietnam Breaking News. (Apr 22, 2017). *Export growth pushes up local rice prices.*

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