



## WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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### Lao PDR

***Milled rice exports from Laos to China have been affected by the high standard conditions of Chinese authorities since 2016.*** Last year, 2016, one Chinese firm ordered milled rice from Laos in the amount of 7,200 tonnes, but the country was unable to supply due to the high quality of rice required. A challenge for Lao rice producers is an improving the standard including the technical systems, machines and certification, in order to access foreign markets especially China.

**Source:** Vientiane Times. (2017, Aug 1). *Lao rice exporters struggle to meet China's standards.*

### Myanmar

***More than 80,000 acres of Monsoon paddy (wet season paddy) fields have been submerged by flooding, due to heavy torrential rains since the beginning of July.*** Flood hit about 35,000 acres of paddy fields in Yangon, Magwe, Bago, Sagain, Ayeyawady, Tanintharyi, Mon regions, and Kachin State while 18,000 - 20,000 acres were damaged. However, the

number of flooded areas has increased and only 500 acres of paddy fields are able to re-grow.

**Source:** Eleven Myanmar. (2017, Jul 29). *80,000 acres of paddy fields flooded.*

**Source:** Myanmar Times. (2017, Jul 31). *80,000 acres of paddy cultivation flooded.*

### Philippines

***Six companies from ASEAN won the bid to supply 250,000 tonnes of 25 percent broken, well-milled, long grain white rice to Philippines, under the government to private (G2P) importation.*** The winners for this bidding included four firms from Viet Nam, one from Singapore and another one from Thailand. The total of rice import volume was divided into eight lots: six lots of 25,000 tonnes each, as minimum, and two lots of 50,000 tonnes each, as maximum. The first lot of 50,000 tonnes went to Singapore at the lowest offer of 413.89 USD per tonne, the 2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> lots of 25,000 tonnes went to Viet Nam at the lowest offer of 414 USD per tonne, 409 USD per tonne, 425.90 USD per tonne, 421.64 USD per tonne, and 415.65 USD per tonne, respectively. Thailand won the 7<sup>th</sup> lot of 25,000 tonnes at the lowest offer of 431.7 USD per tonne, and the last one, 50,000 tonnes, went to Viet Nam at the lowest offer of 424.45 per tonne. The total amount of this bidding reached to 104.86 million USD or 5.2 billion Pesos.

**Source:** The Philippine Star. (2017, Jul 26). *Asean firms win bid to supply rice to Philippines.*

**Source:** The Philippine News Agency. (2017, Jul 26). *Vietnam suppliers win bid to supply 175,000 MT of rice to PH.*

## Viet Nam

***Demand for Vietnamese rice is expected to be stable in the third quarter of 2017, owing to winning the auction to supply 175,000 tonnes of rice to Philippines.*** In addition to the rice export contracts to the Philippines, Viet Nam is also preparing to export rice under the previously signed contracts to Cuba, Bangladesh and Malaysia. Furthermore, In the first seven months of 2017, Vietnamese rice export is estimated at 3.3 million tonnes, earning a revenue of 1.5 billion USD, up 15.7 per cent in volume and 13.7 per cent in value over the same period of 2016. Currently, Viet Nam's rice export prices are more profitable than Thailand which 5 percent broken rice is quote at 395 USD per tonne while Viet Nam's is quote at 407 USD per tonne. Nonetheless, if the domestic rice prices turn up too high, Vietnamese rice exports would find it hard to compete against foreign rivals whilst negotiating commercial contracts.

**Source:** VietNamNews. (2017, Jul 31). *Demand for VN rice to be stable in Q3: VFA.*

***Central farmers face losses after Quang Tri and Ha Tinh provinces were hit by storms Talas and Sonca.*** Some 600 hectares of rice field in the Quang Tri province was submerged, due to Storm Sonca, with the water hindering growth. While, in Ha Tinh, a total of 11,710 hectares of rice and vegetables fields was flooded, due to Storm Talas, causing enormous losses to local farmers.

**Source:** Viet Nam News. (2017, July 29). *Central farmers face losses after storms.*

***Mekong Delta provinces cultivated 355,400 hectares of Fall-Winter rice crops by middle of July 2017, 8.7 percent dropped from the same period of 2016.*** During the period of Summer-Fall rice crops, Viet Nam has cultivated more than 2.12 million hectares, up 2 percent year on year and approximately 90.6 percent of the total of southern provinces

which account for 77.6 percent from the Mekong Delta, down 2.3 percent year on year. However, the yield for Summer-Fall rice crops was estimated at around 5.87 tonnes per hectare.

**Source:** VietNamPlus. (2017, Jul 27). *Mekong Delta sees drop in Fall-Winter rice areas.*

***Farmers in Mekong Delta might face losses from excessive rice stock, due to overproduction of Japanese rice variety.*** According to this rice variety has been approved for cultivating only in Red River Delta and northern midlands, growing in Mekong Delta is expected to lead in surplus. Even though farmers have no permission to cultivate Japanese rice in this area, it already has been sowed across 43,000 hectares mostly in Kien Luong, Hon Dat and Giang Thanh districts which 30,000 hectares are under contract to wholesalers, while another 13,000 hectares have been seeking for buyers. In accordance with Japanese rice is still new for domestic customers so farmers might face losses from abundant supply, low prices and poor sales, warned by the authorities.

**Source:** VietNamNet. (2017, Jul 26). *Mekong Delta authorities warn about excessive rice stock.*

**Source:** VietNamNews. (2017, Jul 29). *Mekong farmers plant high-yield Japanese rice.*

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