



## WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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### **Cambodia**

***The first-ever rice deal to import 250,000 tonnes of white rice from Cambodia to Bangladesh was cancelled, due to over delay in shipments, said officials at the state grains buyer.*** The deal was signed in August 2017 at 453 USD per tonne as the Bangladesh government raced to shore up depleted stocks and combat with domestic prices of the staple grain after floods. Nevertheless, the deal was terminated as the Cambodian side failed to supply rice on time, said the head of Bangladesh's state grain buyer.

**Source:** Bangkok Post. (2017, Nov 14). *Bangladesh scraps rice deal with Cambodia.*

***Cambodian government signed two Memorandum of Understanding (MoUs) with Chinese companies to bolster local rice production, build up storage infrastructure, and increase rice exports.*** The first agreement was signed with the Export-Import Bank of China, also known as Exim bank of China, focusing on upgrading rice production. The second agreement was signed with CITIC Group Cooperation,

focusing on the technical aspects of increasing rice production, such as the development, maintenance and operation of sector-related infrastructure. Due to the government, the agreements aim to solve structural challenges that limit the potential of the Cambodian rice sector, with an emphasis on sustainability. The new partnership will result in the development of 15 warehouses and silos across 11 provinces. The envisioned warehouse and silo network will have the potential to process up to 19,500 tonnes of rice per day and store nearly one million tonnes. Furthermore, as per the MoUs, the Chinese companies will provide technical assistance and guidance to help Cambodia boost its rice exports to the Chinese market.

**Source:** Khmer Times. (2017, Nov 14). *China partnership to strengthen rice sector.*

***Cambodia had exported 142,768 tonnes of milled rice to China in the first ten months of 2017, a 59-percent rise over the same period of 2016, according to the latest report on 9 November 2017.*** The report released by the Secretariat of One Window Service for Rice Export showed that China is the top buyer of Cambodian rice, followed by France and Poland. Rice export to China accounted for 29 percent of the country's total rice export, noting that the total rice export during January to October 2017 was 492,115 tonnes, up 17 percent over the same period of 2016, said the report. Moreover, the country aims to export 200,000 tonnes of rice and 300,000 tonnes of rice to China in 2017 and 2018, respectively.

**Source:** Xinhua. (2017, Nov 9). *Cambodia's rice export to China up 59% in 10 months.*

## Thailand

***The state-owned Bank for Agriculture and Agricultural Cooperatives (BAAC) has set aside more than 80 billion baht (2.42 billion USD) in loans and grants for rice farmers in an effort to delay paddy sales during the annual harvest season.***

According to the BAAC's senior executive vice-president, the bank is ready to provide financial assistance to rice farmers and agricultural cooperatives. The loan scheme starts from 10 November 2017 to 28 February 2018 with an expectation to encourage rice farmers to postpone 2 million tonnes of paddy sales during the annual harvest season to stabilise prices. Moreover, the government is also giving financial aid of 1,500 baht (45.4 USD) per tonne to participating farmers who agree to keep their paddy stocks for sale at a later date, while all rice farmers will be granted 1,200 baht (36.32 USD) per rai for harvesting and rice-quality improvement costs, capped at 12,000 baht (363.22 USD) per family.

\* 1 USD = 33.037

\*\* 1 rai = 0.16 hectare

**Source:** National News Bureau of Thailand. (2017, Nov 13). *BAAC to provide loans to farmers who postpone paddy sales.*

Bangkok Post. (2017, Nov 10). *Loans allotted to hold paddy.*

***Thai jasmine rice crowned the World's Best Flavored Rice for the fifth time and for the second year in a row.***

According to the 9<sup>th</sup> World's Best Rice 2017 event in Macau, Thailand's jasmine rice was recognised for its superior taste for the second year in a row after reclaiming the honor in 2016. Thai jasmine rice was followed by fragrant rice from Cambodia and ST24 rice from Vietnam. Altogether, Thai jasmine rice has won the accolade five times after being named best flavor in 2009, 2010, 2011, 2016, and 2017. According this, Thailand's Ministry of Commerce will use

the latest win to boost the nation's rice sales.

**Source:** National News Bureau of Thailand. (2017, Nov 9). *Thai jasmine rice crowned best in world for flavor for fifth time.*

## Republic of Korea

***South Korea's rice production of 2017 fell to the lowest level in nearly 40 years amid the government's effort to tackle the oversupply of the staple grain.***

As the government has been pushing to control rice production in order to deal with a chronic glut of grain, the country's rice production of 2017 reached 3.97 million tonnes, down 5.3 percent from 4.2 million tonnes in 2016, according to the data compiled by Statistics Korea. This was the smallest amount since 1980 when the country's rice production hit 3.55 million tonnes.

**Source:** The Korea Bizwire. (2017, Nov 14). *S. Korea's Rice Production Drops to Lowest Level in Nearly 40 yrs.*

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