



WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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Indonesia

Indonesian rice stock is sufficient to meet demand until early 2019.

The State Logistics Agency (Bulog)'s rice stockpiles currently store 2.2 million tonnes and Coordinating Economic Affairs Minister has given an assurance that this amount is sufficient to meet the domestic market demand until early next year. Bulog has also expressed its readiness to supply rice to the market in order to stabilise the price and fulfill the demand for the next four months. Besides, there will be no more rice imports up to yearend as Bulog is required to maintain between 1 and 1.5 million tonnes of rice and the agency also purchases about 3,000 tonnes of paddy rice from farmers every day.

Source: The Jakarta Post. (2018, Dec 20). *Rice stock sufficient to meet demand until early 2019: Minister*; and The Jakarta Post. (2018, Oct 31). *No need to import rice: Bulog*.

Lao PDR

Laos achieves rice export target to supply 20,000 tonnes of rice to China.

Last year, the Chinese government agreed to purchase 20,000 tonnes of rice from Laos through Xuanye (Lao) Co., Ltd., but the country had exported just 16,800 tonnes.

Recently, Laos has achieved its target for exporting rice to China in this December after the Indochina Development Partners (IDP) Rice Mills of Laos signed a trading agreement with China National Cereals, Oils and Foodstuffs Corporation (COFCO). Regarding this, the IDP Rice Mills will firstly export 1,000 tonnes of rice and will continue with the remaining 2,200 tonnes by the end of December 2018, according to Ministry of Industry and Commerce. Laos earned more than 31.16 million USD from rice exports last year. The government is hoping to earn more than 45.56 million USD from rice exports this year.

Source: UTCC: Asean Economic Community Strategy Center. (2018, Dec 19). *Laos achieves rice export target to China*; and Vientiane Times. (2018, Dec 15). *Laos achieves rice export target to China*.

Myanmar

Myanmar earned over 495 million USD from rice and broken rice exports.

According to the figures released by the Ministry of Commerce, from 1 April to 30 November 2018, Myanmar earned over 495 million USD from the exports of rice and broken rice more than 1.45 million tonnes. During eight months, rice exports via the border trade reached 270 million USD, while via the maritime trade hit 225 million USD. Due to the market expansion in 2017-2018 fiscal year, rice exports hit nearly 3.6 million tonnes worth over 1.1 billion USD, while exports via maritime trade increased up to 48 percent from about 30 percent in the previous years. During this 2018-2019 fiscal year, rice exports via border trade accounts for 53.62 percent and 46.38 percent via maritime trade. In the next three years, Myanmar is expected to fetch about 1.5 billion USD from the total exports of four million tonnes of rice.

Source: Eleven Myanmar. (2018, Dec 20). *Myanmar earns US\$495 M from rice and broken rice export*; Eleven Myanmar. (2018, Dec 16). *Rice exports hit over US\$ 495 million in eight months*; and Eleven Myanmar. (2018, Nov 17). *Myanmar earns US\$440 M from rice export*.

Philippines

The National Food Authority (NFA) would still be mandated to sell affordable rice even with the enactment of the proposed rice tariffication law.

The rice tariffication law or Senate Bill 1998, approved by the congress last November, replaces quantitative import restriction (QR) on rice with tariffs and will liberalise the rice industry by removing the quota on rice imports. Under the measure, the NFA will no longer have the authority over rice importation and would be directed to buy paddy from local farmers to maintain buffer stocks for calamities and emergencies. Meanwhile, together with Department of Agriculture, the NFA will focus on developing cost-efficient system that will help reduce the production costs of locally-produced rice and stabilise rice prices. Even with the tariffication on rice and liberalisation of the rice industry, the NFA shall continue to provide the public particularly the less fortunate with the rice that is affordable and safe, said President Rodrigo Duterte. Under the current setup, the NFA is tasked with stabilising prices by buying rice from farmers and selling at 27 and 32 pesos (0.5-0.6 USD), cheaper than commercial rice. If the implementing rules of the law would allow the NFA to sell rice, the agency will have to sell them at 33 pesos (0.62 USD) to break even, said Agriculture Secretary. Nevertheless, President Rodrigo Duterte has yet to sign the proposed rice tariffication law.

*1 USD = 52.973 pesos

Source: Manila Bulletin. (2018, Dec 21). *Villar: NFA would still be mandated to sell affordable rice to the poor*; The Manila Times. (2018, Dec 20). *Sotto hits Piñol over pullout of NFA rice*; ABS-CBN News. (2018, Dec 19). *Palace vows to continue selling cheap rice ahead of tariffication law signing*; and National Food Authority. (2018, Dec 19). *NFA MULLS ROLE UNDER A TARIFFED RICE REGIME*.

Viet Nam

A Vietnamese firm signed an agreement with a Dubai company for sustainable rice production in Viet Nam.

On 20 December 2018, the Vietnamese agricultural company named Loc Troi Group signed an agreement with UAE-based food company, Phoenix Group, in Dubai for sustainable rice production in Viet Nam. Under the agreement, the two companies agreed to produce traceable high-quality rice and reduce chemical residues in it to increase farmers' incomes and mitigate the impact of climate change. Regarding this, about 10,000 smallholder farmers in Viet Nam will be benefited by developing sustainable rice production on 10,000 hectares of land. This agreement would help expand the presence of Phoenix Group in Viet Nam. At the same time, the company will support Loc Troi Group to promote Vietnamese rice in the global market, said Phoenix Group chairman. According to Chairman and General Director of Loc Troi Group, this is a major step forward which will help the company gain access to a sustainable rice production programme, achieve great connectivity, expand market, and compete in the global rice market.

Source: Viet Nam News. (2018, Dec 22). *Loc Troi Group sign agreement with Dubai company for rice production*.

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