



WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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Malaysia

Malaysia's rice imports in 2018 are forecast to drop to 900,000 tonnes.

According to the US Department of Agriculture (USDA), Malaysia's rice imports are forecast to drop 10 percent to 900,000 tonnes in 2018 from 1 million tonnes in 2017 as the government reduces ending stocks to 400,000 tonnes this year from 480,000 tonnes in the previous year. However, rice imports are seen improving to 950,000 tonnes in 2019 as the government needs to replenish ending stocks to 380,000 tonnes. The increase in rice imports is in line with projected population growth of 3 percent annually from 2018 to 2020. Even rice consumption is tended to decrease, as western food is gaining popularity especially in urban areas, rice remains a staple food among Malaysian, said the USDA.

Source: The Edge Markets. (2018, Apr 25). *USDA: Malaysia 2018 rice imports forecast to drop to 900,000 tonnes.*

Philippines

The National Food Authority (NFA) will reopen tender for the 250,000-tonne rice, due to the unsuccessful bidding last week.

The bidding on 27 April 2018 was failed in accordance with the higher prices offered by Thailand and Viet Nam, which were above the reference price set by NFA. The NFA's reference price was set at 483.63 USD per tonne for the 50,000 tonnes of 15 percent

broken rice and 474.18 USD per tonne for the 200,000 tonnes of 25 percent broken rice. For the 15 percent broken rice, Viet Nam offered 540 USD per tonne, while without any offer from Thailand. For the 25 percent broken rice, Viet Nam offered 532 USD per tonne, while 530 USD per tonne from Thailand. According to the overpriced offers, both countries were asked to reoffer, but the result was the same of much higher prices. Thus, the NFA has set the reopening tender of offers from Thailand and Viet Nam for the supply 250,000-tonne rice on 4 May 2018, following consultation with the Special Bids and Awards Committee (SBAC). The new tender will still use the same Terms of Reference (TOR). However, the reference price will be computed anew based on the current world market price a day before the opening of price offers and in consideration of the current peso-dollar exchange rate during the same period.

Source: National Food Authority. (2018, Apr 27). *NFA to reopen tender for 250,000 MT rice import*; and The Philippine Star. (2018, Apr 30). *NFA reopens tender for 250,000 MT rice.*

Thailand

The Thai government approved 1.67 billion baht (52.7 million USD) in loans for farmers and agricultural institutes.

According to director-general of the Internal Trade Department, on 30 April 2018, the National Rice Policy Committee, chaired by Prime Minister, endorsed the loan scheme to build rice barns for farmers and agricultural institutes in order to help store rice and delay paddy sales to stabilise prices. Of the loan amount, the state-owned Bank for Agriculture and Agricultural Cooperatives (BAAC) will offer 150,000 baht (4,734 USD) to each eligible farmer, and 3 million baht (94,696 USD) to each agricultural institute. The scheme targets 10,000 borrowers, while the government helps subsidise 3 percent of the interest rate per year.

* 1 USD = 31.68 baht

Source: Bangkok Post. (2018, May 1). *B1.67bn for rice barn loans okayed.*

Thai Hom Mali rice enjoys online sale to China via Alibaba at Tmall.com.

The amount of Hom Mali rice ordered through Thai Rice Flagship Store on Tmall.com website has been rising, said the director-general of the International Trade Promotion Department. However, due to honorary president of Thai Rice Exporters Association, commercial online sale of rice in big amount would not be easy in accordance with several import restrictions imposed by the Chinese government such as quota limit and health restriction, and certificate of quality standard from the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ). So far, only 48 Thai rice exporters have obtained the AQSIQ certificate.

Source: Thai PBS English News. (2018, Apr 27). *Thai Hom Mali rice enjoys brisk online sale to Chinese consumers.*

Viet Nam

Vietnamese rice exports faced uncertainty in the first quarter 2018.

According to the Ministry of Agriculture and Rural Development (MARD), about 524,000 tonnes of rice were exported in January with a total value of 249 million USD, up 49 percent in volume and 51.3 percent in value compared to December 2017. After declines in February, rice exports rose sharply in March, jumping 94 percent in volume to 658,818 tonnes and 100 percent in value to 338 million USD month-on-month. During the first quarter 2018, the country's overall rice exports increased by 15.5 percent with the average export price rose by 14.2 percent to 501 USD per tonne compared to the same period in 2017, while China has remained the largest market, accounting for 27.7 percent of the total exported volume.

Source: Viet Nam News. (2018, Apr 26). *Viet Nam rice exports face uncertain Q1*; and Reuters. (2018, Apr 12). *ASIA RICE-INDIAN PRICES SLIDE AS DEMAND DIPS; VIETNAM RATES UP FOR THIRD WEEK.*

China

Hunan province is announced to reduce rice production area in order to cope with oversupply of rice.

The move is part of a supply-side structural adjustment reform to reduce production of low-quality rice as China struggles with a rice surplus. Hunan province's communist party leadership announced an objective of reducing rice-cultivated area by 3 million mu, equal to 200,000 hectares, in 2018 and also shift the land into a crop mix with higher quality crops based on regional comparative advantage to follow consumer demand, and optimize returns for farmers. Regarding to this, Hunan is planned to focus on building up seven major agricultural industries by 2020, comprising rapeseed, bamboo, grain processing, livestock and poultry, tea, vegetables, and cotton-flax-silk, said the provincial communist party official.

Source: Dim Sums. (2018, Apr 27). *Rice Province Plans to Reduce Crop.*

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