



## WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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### Malaysia

***The monopoly to import rice by Padiberas Nasional Berhad (Bernas) has been terminated on 6 June 2018.*** Pursuant to this, the government wanted to reduce the monopoly of Bernas, who is the national commodities procurement agency, to supply rice by granting the same license to several other companies. However, the government is not planning to close the agency down. To break up the monopoly, the government will need to carefully analyse and introduce a new framework for the paddy and rice industry as this is related to food security. A working paper on the termination will be drafted with feedback from Agriculture and Agro-based Industry Ministry and other stakeholders before being submitted to the government for further action, according to Agriculture and Agro-based Industry Minister.

**Source:** New Straits Times. (2018, June 6). *Bernas' monopoly ends*; New Straits Times. (2018, June 8). *Bernas not closing down, only rice monopoly affected: Salahuddin*; and The Edge Markets. (2018, June 11). *New framework needed for paddy, rice industry*.

### Myanmar

***Myanmar will export 1 million tonnes of rice to China in the 2018-19 fiscal year.*** Myanmar's Ministry of Commerce will sign a memorandum of understanding (MoU) with Yunnan provincial government in June 2018 to officially export 1 million tonnes of rice and other agricultural products to China, as well as to import agricultural equipments,

fertilizers, electronics and steel from China. The MoU signing came after detailed discussions with relevant organisations - Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) and Myanmar Rice Federation (MRF). According to the General Secretary of MRF, this deal would be a benefit to Myanmar's rice industry as MRF hopes to facilitate rice export of more than 3 million tonnes in the upcoming fiscal year, with a target to reach 4 million tonnes in the 2020-21 fiscal year.

**Source:** DVB Multimedia Group. (2018, June 6). *Naypyidaw negotiating rice export deal with Yunnan*; and Eleven Myanmar. (2018, June 9). *Commerce Ministry to sign MoU with Yunnan on agro exports*.

### Philippines

***The distribution of the imported rice from Viet Nam and Thailand under government-to-government (G2G) tender will be delayed due to bad weather.*** The shipment of 75,000 tonnes of rice from Viet Nam and Thailand, as part of the total 250,000 tonnes of rice importation under G2G scheme, has been stalled due to the monsoon rains, enhanced by Typhoon Maliksi. In accordance with National Food Authority (NFA), the shipment is expected to be unloaded to Metro Manila within a week as soon as the weather conditions improve. Regarding to the bad weather conditions, the arrival of rice allocation of 4,000 tonnes to Negros Occidental, which was expected to arrive by 10 June 2018, has also been delayed. The province is waiting for the final advice from the government particularly on the new schedule, said provincial manager of NFA-Negros Occidental.

**Source:** GMA News Online. (2018, June 10). *Imported rice from Vietnam, Thailand to be delivered once weather improves-NFA*; The Philippine Star. (2018, June 10). *'Domeng' develops into typhoon as it leaves PAR*; GMA News Online. (2018, June 11). *Stormy weather delays distribution of NFA rice*; and SUNSTAR. (2018, June 12). *NFA: Arrival of rice allocation in Negros Occidental delayed*.

***The first shipment of 250,000 tonnes of rice under government-to-government (G2G) tender started arriving the ports.*** An initial shipment totalling 16,000 tonnes from Viet Nam arrived at the ports of Subic (11,000 tonnes) and Surigao (5,000 tonnes) on 2 June 2018. It will be immediately unloaded and back to the market within a week.

The shipment is a part of the 250,000-tonne rice importation from only Viet Nam and Thailand under G2G tender to immediately replenish the National Food Authority (NFA)'s depleted food security stocks. As of the end of last month, the 76,700 tonnes were being loaded in five vessels at the ports of origin, while the 86,700 tonnes were ready to be loaded. A suitable ship was being nominated for the balance of 70,600 tonnes. Of the total volume, arrival of 100,000 tonnes of 25 percent broken rice was set by the end of 31 May 2018, while other 100,000 tonnes of the same grade will have to arrive not later than 15 June 2018. The remaining of 50,000 tonnes of 15 percent broken rice must arrive by the end of 30 June 2018. Late deliveries will be punished corresponding penalties under the Grain and Feed Trade Association (GAFTA) rules. However, the GAFTA provides a grace period of 7 days for late deliveries.

**Source:** National Food Authority. (2018, June 6). *NFA rice imports arrive*; and The Philippine Star. (2018, June 9). *Rice prices up for 6th straight month*.

## Viet Nam

### ***Vietnamese sticky rice sees price reduction in accordance with its over-supply and dependence on a single large market.***

Although it is now the beginning of the summer-autumn crop harvesting, the sticky rice farmers are quite inactive because they have few orders and few prospective buyers. According to the statistics of Viet Nam Food Association (VFA), in 2017, Viet Nam exported 1.4 million tonnes of sticky rice mainly to China. Regarding to this, last year, as Viet Nam was expanding sticky rice production, China also quickly increased sticky rice cultivation. The current inventory of Chinese enterprises is quite large; therefore, promoting the export of sticky rice to China's market in the near future is impossible. Additionally, due to decreasing demand for sticky rice, its price declined sharply from 530-540 USD per tonne in January - February 2018 to 460-470 USD per tonne at the present time.

**Source:** Viet Nam News. (2018, Jun 12). *Vietnamese sticky rice sees price reduction*.

### ***Viet Nam will shift rice fields in Kien Giang province to aquaculture.***

Kien Giang province, located in the Mekong Delta region of southern Viet Nam, is planned to shift 86,625 hectares of unproductive rice fields to aquaculture and cultivation of other high-value crops from now to 2020. Of the total rice fields, 72,713 hectares will be used for rotating shrimp and rice or fish and rice on the same field, 10,492 hectares for short-term crops, and 3,420 hectares for others, according to the province's Department of Agriculture and Rural Development. The conversion of rice fields will increase income for farmers and establish concentrated agricultural and aquaculture areas that meet market demand, said the Deputy Director of the department.

**Source:** Viet Nam News. (2018, Jun 9). *Kien Giang to shift rice fields to aquaculture*.

## China

### ***Seawater hybrid rice strain is expected to be planted across the country by 2020.***

On 9 June 2018, Chinese agricultural scientist, Yuan Longping, also known as "Father of Hybrid Rice", announced that the roadmap for the rice technology research in the seawater hybrid rice has been completed. The new generation of hybrid rice will firstly be planted experimentally in six provinces in China, and is expected to be promoted across the country by 2020. According to the statistics, there is about 200 million mu (13.4 million hectares) saline-alkaline soil in China, hoping that the seawater hybrid rice could promote to half of such area in the upcoming 3 years. According to the minimum output of 300 kilograms per mu, this would increase at least 30 million tonnes of rice to the country every year, said Yuan.

\* 1 mu = 0.067 hectare  
1 hectare = 15 mu

**Source:** China Daily. (2018, June 11). *Seawater hybrid rice expected to be planted around China by 2020*; and east money.com. (2018, June 9). *Yuan Longping: To trial the planting of salt-tolerant hybrid rice in six provinces in 2020*.

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