



WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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Cambodia

New rice storage and drying facilities funded through a government-led loan scheme were finally inaugurated.

The loans are part of a government lending scheme that makes low-interest loans available to rice-milling firms that want to build rice storage facilities in four rice-growing provinces, including Battambang, Kampong Thom, Prey Veng and Takeo, with the aim to expand the storage capacity during harvest season and boost the country's rice exports as well as maintain the local price of paddy. With the 15 million USD loan supported by the state-owned Rural Development Bank (RDB), the Battambang-based facility operated by Thanakea Srov (Kampuchea) Plc was opened on 3 July 2018 with a capacity to store 200,000 tonnes of wet paddy and process the drying of 3,000 tonnes of rice a day. Then, Amru Rice, who received 5 million USD loan from RDB for operation, opened its warehouse and silo on 4 July 2018 in Kampong Thom, followed by Khmer Food, who received 10 million USD loan from RDB for operation, launched its facilities in Prey Veng and Takeo on 6 July 2018. Each facility in the followed three provinces has a capacity to store 50,000 tonnes of wet paddy and dry 1,500 tonnes of rice daily.

Source: Phnom Penh Post. (2018, Jul 4). *Facility for rice opens in Battambang*; Khmer Times. (2018, Jul 5). *Amru Rice finishes rice storage facilities in Kampong Thom*; and Khmer Times. (2018, Jul 9). *Rice silo and warehouse launched*.

The Rural Development Bank (RDB) encourages farmers to plant fragrant rice.

The RDB is encouraging farmers to plant a variety of fragrant rice known as 'Sen Kro Ob', which was named Cambodia's best rice in a national competition last year, as the demand and the price for this rice variety are increasing, but the supply is insufficient. Recently, demand for Sen Kro Ob has sharply increased, especially in Europe and China, when Chinese consumers are now changing their eating habits and prefer fragrant rice over white rice. At present, a great number of exporters are now demanding this type of fragrant rice to process and export. This is the time for farmers to seize the opportunity and start making money from this rice variety, when a single hectare of land planted with Sen Kro Ob could generate about 5.8 million riels (1,400 USD), and the price is now at 1,400 riels (0.35 USD) per kilogram of paddy, according to CEO of the RDB and CEO of Amru Rice, one of the leading rice exporters in Cambodia.

Source: Khmer Times. (2018, Jun 29). *RDB urges farmers to plant fragrant rice*.

Myanmar

Myanmar targets to export 2.5 million tonnes of rice this year.

According to Myanmar Rice Federation (MRF), the country expects to export 2.5 million tonnes of rice in 2018. From the first of April to 8 June 2018, Myanmar earned about 182 million USD from exporting over 527,800 tonnes of rice and broken rice to around 50 countries, when 278,000 tonnes were exported via border trade and 294,800 tonnes were shipped via maritime trade. Last 2017-18 fiscal year, Myanmar was able to export nearly 3.6 million tonnes worth around 1.1 billion USD, reaching the record high in more than 50 years. For the 2020-21

fiscal year, Myanmar also targets to export 4 million tonnes of rice with earnings of 1.5 billion USD, said the MRF.

Source: Eleven Myanmar. (2018, Jul 2). *Myanmar expects to export 2.5 million tons of rice this year.*

Philippines

Rice shipments of 172,000 tonnes from Viet Nam and Thailand already arrived in various ports across the Philippines.

As of 28 June 2018, of the total volume as part of 250,000-tonne rice importation under government-to-government (G2G) tender, about 132,000 tonnes are still at the ports, while 37,444 tonnes had already been delivered at the National Food Authority (NFA) designated warehouses. In addition to other 40,400 tonnes are either in transit or being loaded at the ports of origin, while the remaining of 37,600 tonnes is still for nomination of vessels from the country of origin. As the imported rice stocks arrived at the ports of Surigao and Subic, Surigao already received its full allocation of 5,000 tonnes, while Subic received 17,000 tonnes from its total allocation of 25,000 tonnes. For other areas where NFA rice had been delivered include; Batangas - 12,400 tonnes; Tabaco - 6,300 tonnes; Iloilo - 4,000 tonnes; Cebu - 25,000 tonnes; Cagayan de Oro - 12,300 tonnes; Davao - 10,000 tonnes; General Santos - 5,000 tonnes; and Manila - 72,300 tonnes.

Source: The Philippine Star. (2018, Jul 1). *NFA intensifies rice price monitoring*; and National Food Authority. (2018, Jun 29). *NFA fast tracks distribution of imported rice.*

Viet Nam

Vietnamese rice exports to Malaysia showed strong growth in value over the past five months.

During January to May 2018, Viet Nam earned nearly 122 million USD from rice exports to Malaysia, surging 177 percent from the same period last year, according to the Ministry of Industry and Trade (MOIT). The impressive increase in value was a result

of lower rice supply from other countries, creating opportunities for Viet Nam to boost rice exports, due to Vietnamese Commercial Counsellor in Malaysia. In addition, Viet Nam Trade Office in Malaysia has actively supported some Vietnamese enterprises, namely Hanoi Trade Corporation (Hapro) and Loc Troi Group, in finding local partners for building and advertising rice products sold exclusively in the states of Sabah and Sarawak, and also developing the brand for jasmine rice. With the support of the MOIT, Vietnamese rice products will achieve sustainable development in the Malaysian market, said Viet Nam Trade Office.

Source: Viet Nam News. (2018, Jul 4). *Viet Nam's rice exports to Malaysia show strong growth*; Nhan Dan Online. (2018, Jul 3). *Vietnam's rice exports to Malaysia surge in first five months.*

Viet Nam's rice exports rose 25 percent in volume and 42 percent in value during the first six months of 2018.

According to the Ministry of Agriculture and Rural Development (MARD), about 604,000 tonnes of rice were exported in June 2018, worth 317 million USD, taking the respective figures during January - June 2018 to 3.56 million tonnes and 1.81 billion USD, up 25 percent in volume and 42 percent in value year-on-year. As of last May 2018, even though rice exports to Chinese market dropped by 21.3 percent against the same period last year, China was still the largest importer of Vietnamese rice with a 30 percent share, followed by Indonesia with 18.7 percent. At present, Viet Nam's rice export price is now improving due to the rising exports of high-grade rice and jasmine rice, accounting for over 80 percent of total rice exports. This year, the target for rice export is set at 6.5 million tonnes focusing on high-quality rice, according to Deputy Minister of Agriculture and Rural Development.

Source: The Saigon Times Daily. (2018, Jul 2). *Rice export surges.*

China

China has changed tariffs on importation of rice and rice products, effective from the first of July 2018.

According to Ministry of Finance of China, tariffs on rice and rice products imported from certain countries will be abide by specific tariff rates in accordance with the rules of World Trade Organisation (WTO), the World Customs Organisation (WCO), and bilateral free trade agreements. Tariffs on rice and rice products imported from the Association of Southeast Asian Nations (ASEAN) will be at 50 percent each for paddy and whole rice, 40 percent for fine powder of rice, and 5 percent each for broken rice and coarse powder. For the Most Favored Nation (MFN) tariff rate for rice, tariff-rate quotas, and ordinary tariff rate, these will not be affected by the new policy. The tariff adjustment is based on changes to domestic rice industry standards. The purpose is to better adapt to the needs of trade development, said the ministry.

Source: ECNS of China News Service. (2018, Jul 2). *China changes rice import tariffs*; and TREA.

Republic of Korea

Rice output in 2018-19 is forecast to fall by 6.1 percent to 3.73 million tonnes.

Under the rice reduction program, the government of Republic of Korea (ROK) has encouraged rice farmers to cultivate other crops in paddy lands to relieve the burden of heavy stocks accumulated since 2013-14. Consequently, estimated rice planting area has been revised down 6.6 percent to 705,000 hectares, about 50,000 hectares less than the previous year. The reduced paddy lands were converted to soybeans (8,891 hectares), fodder (13,576 hectares), and other various crops (10,384 hectares). Moreover, the ROK government will complete the draft revision of the Rice Income Compensation Act by the end of 2018, planning to implement the revised income support program from 2020 after completing public hearings in

2019, according to the Global Agricultural Information Network (GAIN) report from the U.S. Department of Agriculture (USDA).

Source: World Grain News. (2018, Jul 6). *Korean rice output forecast to fall by 6.1%*.

Gathered by the APTERR Secretariat
Tel: +66 (0) 2579 4816-17 Fax: +66 (0) 2579 4840
Email: voraporn.mue@apterr.org
Website: <http://www.apterr.org/>

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