



WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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Indonesia

Indonesia's paddy production is forecast to reach 83 million tonnes in 2018.

According to Director General of Food Crops at the Ministry of Agriculture and Rural Development, Indonesia's paddy rice production this year is forecast to be about 83 million tonnes, up from 81 million tonnes last year due mainly to an intensification of planting area. Furthermore, Indonesia targeted that its paddy rice production in 2019 would increase and reach 84 million tonnes, added Director General.

Source: Reuters. (2018, Sep 12). *Indonesia's 2018 unhusked rice production forecast at 83 mln T - official.*

Philippines

The Philippine paddy rice losses from typhoon exceeded the forecasts.

According to the Department of Agriculture, the strong typhoon named Mangkhut hit the northern provinces of the Philippines over the weekend, causing the loss of 250,730 tonnes of paddy rice. However, the damage was previously predicted at 157,000 tonnes as a worst-case scenario. Thus, the actual damage was 60 percent over the initial forecast. The department initially estimated crop damage at about 177 million USD. Nevertheless, it may increase to 203-222 million USD as more damaged field reports come in, said Agriculture Secretary.

Source: Reuters. (2018, Sep 17). *Philippine paddy rice losses from typhoon exceed forecasts.*

The Department of Trade and Industry (DTI) wants to import 150,000 tonnes of rice to solve inflation issue.

The DTI proposed the proposal to import 150,000 tonnes of rice to the National Food Authority (NFA) Council, as the more costly price of the staple gave a huge push to inflation last August 2018. This will be done through its attached agency, the Philippine International Trading Corporation (PITC), in order to augment the current supply of the NFA, said DTI. However, the NFA Council, the policy-making body, has not yet approved this proposal. If approved, the importation is expected to arrive the country by December 2018. These would be sold at 27-32 pesos (0.5-0.6 USD) per kilogram. Nevertheless, DTI did not reveal where to be sourced for its import.

*1 USD = 54.00 pesos

Source: Inquirer Business. (2018, Sep 15). *DTI seeks to import 3M bags of rice;* and Inquirer Business. (2018, Sep 14). *DTI-attached agency wants to import 3 million bags of rice.*

The Philippines is expected to import 1.2 million tonnes of rice in 2019.

According to the latest report of the United States Department of Agriculture (USDA), the Philippines would likely import 1.2 million tonnes of rice in 2019, up from the earlier projection of 1.1 million tonnes as local production will not cover the demand for the country's main staple. In addition to milled-rice production next year, it is seen to slightly increase by 0.5 percent to 12.3 million tonnes, up from the expected 12.23 million tonnes this year. Also, there would be slight improvements in rice-planted areas next year to 4.87 million hectares from 4.84 million hectares this year. However, yield per hectare is seen to be stagnant at 4.01 tonnes in 2019. In terms of ending stocks, the Philippines would likely end 2018 with a carryover volume of 2.5 million tonnes for 2019, said USDA.

Source: The Philippine Star. (2018, Sep 14). *'Philippines to import 1.2 MT of rice in 2019'.*

Viet Nam

Vietnamese firm has agreed to supply 2 million tonnes of rice annually to the Philippines starting from 2019.

The Viet Nam Southern Food Corporation (Vinafood 2) has signed a Memorandum of Understanding (MoU) with the Philippine firm named AgriNurture, Inc. (ANI) to become an exclusive supplier of long-grain rice for this company with the supply deal worth at 1 billion USD. Under the MoU, ANI is set to import as much as 2 million tonnes of rice annually starting from 2019. The terms and conditions of the exclusive supply agreement shall be finalised in accordance with applicable Philippines laws. This cooperation will help address the issues of the Philippines' rice supply as this agreement is in line with ANI's unsolicited joint venture proposal to the National Food Authority (NFA) of the Philippines for the financing and purchasing of imported rice to help augment the country's buffer stock, according to a representative of ANI.

Source: Viet Nam News. (2018, Sep 18). *Vinafood 2 to supply rice for Philippine firm*; Philippine Daily Inquirer. (2018, Sep 18). *AgriNurture to buy rice from Vietnam state firm in \$1-B deal*; and Philippine Daily Inquirer. (2018, Sep 17). *ANI, VINAFOOD ink \$1-B annual rice import deal*.

Republic of Korea

About 640 million USD will be allocated in subsidies to rice farmer in 2018.

Under the law designed to protect the local rice industry, the Republic of Korea (ROK) government gives rice farmers the difference between the target price of rice and the actual market price. The government has spent millions of USD to support the price for years through giving out subsidies to rice farmers and purchasing oversupplied rice. This year, the government will pay nearly 640 million USD in subsidies to rice farmers, down 1.8 percent from last year, according to the Ministry of Agriculture, Food and Rural Affairs (MAFRA).

Source: Yonhap News Agency. (2018, Sep 16). *Gov't to pay 717 bln won in subsidies to rice farmers*.

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