



## WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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### Philippines

#### ***The Bureau of Customs (BOC) refuses undervaluation of rice imports.***

The BOC denied allegations by a group of farmers called the Federation of Free Farmers, Inc. (FFF) that rice importations are undervalued. According to the FFF, the Department of Finance (DOF) reported that the BOC collected 5.9 billion pesos (114 million USD) in tariffs from 1.43 million tonnes of imported rice from March to July 2019. However, importers paid 4.24 billion pesos (81 million USD) less than what they were supposed to pay. On 29 July 2019, the BOC clarifies the issue on undervaluation of rice importation and denied the FFF's allegations. The BOC revealed that its Import Assessment Service (IAS) provides reference values on rice imports as a guide when the veracity of the declared values is disputable. All ports abide with the said published data except when the commercial invoice of the rice shipment is supported by genuine and validated proof of payment such as bank telegraphic transfer of payment, sales contract and other similar legitimate instrumentalities that indicate actual

sales transaction between the seller and the buyer. This system follows the World Trade Organisation (WTO)'s internationally recognised system of valuation. Likewise, the system is prescribed under Section 701 of the Customs Modernization and Tariff Act (CMTA).

\*1 USD = 51.39 pesos.

**Source:** Manila bulletin news. (2019, Jul 30). *Customs denies undervaluation of rice imports* ; GMA news. (2019, Jul 29). *BOC denies undervaluation of rice imports* ; and Philippines Information Agency. (2019, Jul 29). *BOC Clarifies the issue on undervaluation of rice importation.*

### Thailand

#### ***Low rainfall would possibly lower Thai rice exports to 8.5 million tonnes.***

According to Honorary President of the Thai Rice Exporters Association (TREA), 2019 is a tough year for the rice industry due to prolonged low rain levels in the northeast of the country as well as the stronger baht. Thailand awaits and expects the rain to fall in August this year. If it does not come by the month, Hom Mali paddy rice production in the northeast would be cut by 40-50 percent to 4-4.5 million tonnes from normal production of 8.5-9 million tonnes. Accordingly, Hom Mali milled rice supply is expected to fall to only 2 million tonnes from 4 million tonnes. In contrast, if the rain comes earlier, Thailand still has a chance to export 1 million tonnes of Hom Mali rice with the price increasing to around 1,500 USD per tonne from 1,100 USD last year. Besides, Thailand's rice shipments hit the lowest rate in June this year at only 578,000 tonnes compared with 720,000 tonnes in the previous month. The drop has led the country's rice exports in the first six months of the year fall by 19.6 percent year-on-year to only 4.36 million tonnes. Due to a sharp fall in the six-month shipments, the TREA officially lower the target for annual rice exports to 9 million tonnes from 9.5 million tonnes earlier. However, if the low rainfall extends until this August, it will possibly lower rice exports to 8.5 million tonnes.

\*1 USD = 31 Baht

**Source:** Bangkok Post. (2019, Jul 25). *Low rainfall dries up rice exports*; Reuters. (2019, Jul 24). *Thai rice exporters cut 2019 target for annual exports.*; and Bangkok Post. (2019, Jul 24). *Low rainfall to hit rice exports.*

***Non-seasonal rice plantation in the central region this year might be skipped.***

Farmers in the Chao Phraya River basin might be asked to suspend non-season rice plantation for early next year, due to a scarce water supply to the four major dams supporting the central region. According to Deputy Secretary-General of the Office of the National Water Resources and Chief of the Ad-Hoc Crisis Centre, the amount of water going to the dams is small compared with last year, resulting in not enough water to feed non-seasonal rice plantation. Hence, farmers should change to other crops that require less water consumption. However, this might not get to the crisis point if at least a storm hits the country, which is likely to happen in August or September. Meanwhile, Royal Irrigation Department (RID) assures that there would be adequate water supplies for household consumption and farming if all parties strictly comply with its water management plan.

**Source :** Bangkok Post. (2019, Jul 28). *Out of season rice could be stopped.*

3.87 million tonnes from 3.53 million tonnes in 1980 because of technology improvement.

**Source:** Yonhap news. (2019, Jul 29). *S. Korea's total rice paddy area drops 40 pct over nearly 4 decades.*

**The Republic of Korea**

***Rice paddy area in the Republic of Korea (ROK) declined almost 40 percent.***

According to the Statistics Korea, the ROK's total rice paddy area fell 39.5 percent to 737,000 hectares at the end of 2018 from 1.22 million hectares in 1980. The decline in rice paddy area came amid a chronic supply glut of rice as well as dwindling in rice consumption in the country. Rice is a key food for Korean people; however, rice consumption has been on a steady decline in recent decades due mainly to changes in diet and eating habits. Still, the country's rice production in 2018 increased to

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\* This Weekly Update on ASEAN Plus Three Rice Situations is based on all available sources during the period. The APTERR Secretariat shall take no responsibility for data accuracy in this publication and any consequence of their use.