



WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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Cambodia

Cambodia exported almost 133,000 tonnes of rice to China, a 54 percent increase from the same period last year.

As reported by the One Window Service for Rice Export Formality, China remained the biggest buyer of Cambodian rice during the January-August period of 2019, accounting for 39 percent of the country's total rice exports. In the first eight months of this year, Cambodia exported nearly 133,000 tonnes of rice to China, up 54 percent year-on-year. Meanwhile, more than 120,000 tonnes of rice were shipped to the European markets; however, the volume was down 47 percent from the same time last year. Also, the market share for Cambodian rice in the European Union (EU) had declined to 35 percent from 52 percent. Cambodian rice shipments to the European market have decreased after the EU imposed tariffs on rice imports for the three consecutive years in order to curb a surge in rice imports from the country, along with protecting European producers.

Source: Vietnam News Agency. (2019, Sep 5). *Cambodia exports nearly 133,000 tonnes of rice to China.*

Cambodia is among the top five exporters of organic rice to the European Union (EU).

Cambodia was the fifth largest exporter of organic rice to the EU last year, while local companies are confident exports will continue to increase in the coming years. Demand for

organic rice in the EU, as well as other key markets like the United States, Australia, and China, is soaring as consumers become more environmentally and health-conscious. According to the figures from the EU, Cambodia exported 8,467 tonnes of organic rice to the market in 2018, accounting for 3.9 percent of all EU organic rice imports. About 90 percent of all Cambodian exports of organic rice to the EU belonged to Amru Rice Company, the organic rice producer in Cambodia for export. For this year, the amount of Cambodian organic rice shipped to the EU has increased. The demand for organic rice in the EU also grows about 15 percent every year, added Signature of Asia – Cambodia's rice miller and exporter.

Source: Khmer Times. (2019, Sep 4). *Cambodia among top 5 exporter of organic rice to EU.*

Philippines

The government was urged to impose the special safeguard duties on rice imports to solve the rice price falling.

The paddy prices were drop coincided with the overflow of rice imports since January 2019. In addition to this, the Republic Act 11203 (RA 11203) or Rice Tariffication Law has been implemented since March 2019. In light of the plummeting prices of paddy, the Federation of Free Farmers (FFF) urged the government to immediately impose special safeguard duties on rice imports, fearing that the prices of the staple will further decline as the main harvest season peaks next month. These measures will allow the government to temporarily impose additional duties on rice imports, thus making them more expensive. Meanwhile, the FFF has also supported the government's plan to implement more stringent application of pest and disease and food safety controls on rice imports. The Department of Agriculture (DA) will push for the implementation of the non-tariff measures (NTM) and legislated Land Use Plan. These measures will include subsidies for ensuring the improvement of competitiveness and productivity of local farmers under the new rice regime.

Source: The Manila Times. (2019, Sep 7). *Special safeguard duties versus rice import urged.*

Viet Nam

Vietnamese rice exports face difficulties, due to obstacles from the major markets.

According to the Ministry of Agriculture and Rural Development (MARD), Viet Nam will face difficulties in rice exports in the short term, because of obstacles in major markets such as China and the Philippines. Even China's demand for rice was still high, the Chinese importers have reduced the purchase from Viet Nam due to new technical barriers imposed by the Chinese government. Besides, China has strengthened quality control of goods and inspection of food safety. Therefore, Vietnamese rice exports to China have plummeted. Likewise, after approving policies to promote rice imports in six months ago, the Philippines has a high inventory of rice at present. Hence, Viet Nam's rice exports to this market are expected to fall in the near future. On the other hand, Vietnamese rice exports to the European Union (EU) are expected to grow sharply in the future because of the positive impact from the EU-Viet Nam Free Trade Agreement (EVFTA) when it comes into force. Regarding the difficulties, the Ministry of Industry and Trade (MOIT) needs to step up trade promotion activities, especially for China to maintain stable exports to this market. In addition, associations must actively support businesses in building production chains and brands for Vietnamese rice, said Director of MARD's Agricultural Product Processing and Market Development Department.

Source: Vietnam News Agency. (2019, Sep 6). *Eight-month rice exports down*; and Bizhub. (2019, Sep 6). *Viet Nam faces difficulties in rice exports*.

Viet Nam exported 4.54 million tonnes of rice in the first eight months of 2019.

From January to August 2019, Viet Nam shipped about 4.54 million tonnes of rice worth nearly 2 billion USD, up 0.3 percent in volume but down 14.9 percent in value year-on-year, according to Agro Processing and Market Development Authority (AgroTrade). During the period, strong growth was seen in

Ivory Coast (64.5 percent), Australia (63.9 percent), Hong Kong (43.5 percent), and Saudi Arabia (31.3 percent). The average export price in the eight months was at 433 USD per tonne, a 14 percent decrease from a year earlier. The Philippines outstripped China to become the Viet Nam's biggest buyer in the said period, accounting for 34.5 percent or 1.46 million tonnes of the total rice exports. In contrast, Vietnamese rice exports to China plummeted 66 percent from the same period last year, pushing the country to the second position. In August 2019 alone, Viet Nam shipped aboard 591,000 tonnes of rice with the earnings of 265 million USD.

Source: Vietnam Plus. (2019, Sep 6). *Eight-month rice exports down*.

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