



WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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Cambodia

Forty Cambodian rice traders are agreed to export rice to the Chinese market.

This week, the Cambodian Ministry of Agriculture, Forestry and Fisheries (MAFF) had a meeting with China's General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) to discuss Cambodian exports to China, particularly rice. During the meeting, the Chinese authorities agreed to speed up the review of applications of 40 Cambodian firms, who want to start exporting rice to China. In the first round of reviews, 26 local rice traders passed the quality-control tests and were already permitted to export rice to China. Meanwhile, the second round of reviews will be taken place soon. The decision by AQSIQ is seen as an important development that will help Cambodia achieve its goal of fulfilling its rice export quota in the Chinese market. As reported by the Cambodia Rice Federation (CRF), from January to September 2019, Cambodia exported 157,793 tonnes of rice to China, accounted for 39.6 percent of the country's total rice exports and up 44 percent from the same period last year. Moreover, the CRF is confident the country will be able to ship a full amount of allowed quota of 300,000 tonnes this year, up from 170,000 tonnes last year.

Source: Vietnam Plus. (2019, Oct 24). *China to import more rice from Cambodia*; and Khmer Times. (2019, Oct 23). *More local rice traders set to export to Chinese market.*

Thailand

The revenue of Thai rice exports will be decreased, due to the strong baht.

The baht appreciation is expected to cut down the revenue of Thai rice exports by 30-40 billion baht (987 million – 1.31 billion USD), along with lowering rice shipments to only 8 million tonnes this year from 11.2 million tonnes last year. According to honorary president of the Thai Rice Exporters Association (TREA), the prospects of Thai rice exports this year remain dim as the strong baht makes local grains more expensive than those from Viet Nam and China. Prices of Thai white rice are around 50 USD higher than in Viet Nam, while China has increased its cheaper rice shipments to the African market. White rice shipments are also expected to be lowered by 35 percent to only 3 million tonnes this year from 5.49 million tonnes last year. Besides, the drought in Thailand will cut rice output and may result in higher prices.

*1 USD = 30.39 baht

Source: Bangkok Post. (2019, Oct 28). *Strong baht to shave rice exports by up to B40bn.*

Thailand is likely to miss the 2019's target of 9 million tonnes of rice exports.

Earlier, the Thai Rice Exporters Association (TREA) cut down the annual rice export target for 2019 to 9 million tonnes from 9.5 million tonnes. However, the TREA has forecast the new export target to only between 8-8.1 million tonnes of rice, due mainly to the baht appreciation. This projection is 3.5 million tonnes lower than last year's export volume. According to the Commerce Ministry's report, rice exports from January to September 2019 reached only 5.9 million tonnes, down 28.1 percent year-on-year. Even though many local exporters have suffered from losses because of strong baht, they still have continued trading in order to safeguard their market share.

Source: Bangkok Post. (2019, Oct 28). *Strong baht to shave rice exports by up to B40bn*; Nation Thailand. (2019, Oct 23). *Rice Exports expected to show shortfall*; and Vietnam News Agency. (2019, Oct 23). *Thailand likely to miss this year's rice export target.*

China

The third-generation of hybrid rice gives high yield with a shorter growing period.

The third-generation of hybrid rice developed by Yuan Longping, the father of hybrid rice, and his team was lately collected and showed a major discovery in output. Based on two plots of land in Qingzhu Village under the city of Hengyang in central China's Hunan Province, the final yields came to 1,046.3 kilogrammes (1.046 tonnes) per mu (0.07 hectare). The rice strain has a stout stem, fertiliser tolerance, lodging resistance, large spike and more grains. The most important of the third-generation of hybrid rice is that it has a shorter growing period. The previous high-yield of hybrid rice varieties took 160-180 days from sowing to harvesting, while the figure was shortened to 125 days for the new hybrid rice variety. The shorter growing period can reduce the use of pesticides, fertilisers, as well as save costs and improve production efficiency. Therefore, this new hybrid rice variety is easier to be cultivated by ordinary farmers compared with the previous generations, which required a large amount of water, fertilisers, and technological support.

*1 hectare = 15 mu
1 mu = 0.07 hectare

Source: Xinhua. (2019, Oct 23). *Third-generation hybrid rice achieves high yields in China*; and Shanghai Daily. (2019, Oct 23). *'Father of hybrid rice' makes vital breakthrough*.

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

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