



WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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Cambodia

The Food and Agriculture Organisation (FAO) predicts that Cambodia will have positive prospects in 2020.

According to the FAO of the United Nation (UN), Cambodia's rice production is forecast to rise 1.5 percent to 6.6 million tonnes this year, which will give positive prospects for the country. The swift repeal of export restriction earlier this year is expected that the shipments will continue to grow and unhurt. On the other hand, the export outlook is less positive on heightened border controls and reduce demand from China and Laos but it could still keep overall shipments around 1.5 million tonnes. Additionally, the FAO highlighted the policy development in Cambodia that government announced 50 million USD in credit to rice millers, as an aim to help them buy 300,000 tonnes of paddy from last year's harvest season.

Source: Khmer Times. (2020, Jun 14). *UN FAO prospects positive rice harvest this season.*

Indonesia

Indonesia sets to expand rice fields on Borneo island to raise productivity.

The President of Indonesia assigned the Ministry of Public Works and Housing (PUPR) to expand the country's agricultural land programme through a project to optimize 165,000 hectares of rice field in Pulang Pisau district, Central Kalimantan on Borneo island. The project will be carried out from 2020 to 2022, as aiming to develop alluvial land. According to the PUPR, the 85,500 hectares of land in this region are being used for agricultural purposes and the remaining 79,500 hectares need to be reclaimed with an aim of rising rice productivity to 2 tonnes per hectare.

Source: Vietnam News Agency. (2020, Jun 12). *Indonesia expands rice fields on Borneo island.*

Thailand

Thailand focus on promoting soft rice output to cater to the global demand.

Several breeds of soft rice have become increasingly popular among health-conscious consumers due to its low sugar content. Thailand exports relatively low volumes of soft rice compared to other rice. The breeds that need more promotion in the international market are Kor Khor (RD) 21,45,59,77,79, and Phisanulok 60-1. Currently, farmers buy soft rice's seeds for around 200,000 rai (32,000 hectares). However, the RD aims to promote the planting of soft rice in crop year 2020-21 over at least 2 million rai (320,000 hectares) by providing subsidy to soft-rice farmers in the selected areas.

*1 hectare = 6.25rai

**1 rai = 0.16 hectare

Source: Nation. (2020, Jun 11). *Soft rice output in focus amid rising demand from the health-conscious.*

Prices of Thai rice increase this week due to the strong baht and concerning over supply shortage.

This week, rates for Thai benchmark 5 percent broken rice rose to 505-533 USD per tonne, the highest level since early May 2020, from 490-512 USD per tonne last week. Prices of Thai rice are higher than competitors due to the strong currency, exchanging into higher export prices in the US dollars. Besides, supply concerns remain existed in the domestic market despite the rain that eased worry about supply shortage from the worst drought, driving rice prices up.

Source: Reuters. (2020, June 11). *Asia Rice-Thai prices hit 1-month peak on strong baht, supply woes.*

Viet Nam

Viet Nam seems to become the world's leading rice exporters in 2020.

According to the Minister of the Ministry of Industry and Trade (MOIT), Viet Nam may take a global lead in rice exports this year. Many countries were trying to raise food stockpiles due to the Covid-19 pandemic, driving demand for Vietnamese rice up and pushing the country's rice export in the first two months of 2020 to increase by 31.7 percent from the same period last year. Earlier, the government decided to suspend rice exports because the climate change, such as droughts and salinisation, raised concern over the country's ability to maintain the level of rice exports. After re-evaluating the situation, the government allowed rice export at a normal volume in May 2020. As a result, from January to May 2020, the country exported 3.06 million tonnes of rice worth 1.48 billion USD, an increase of 11.8 percent and 25.44 percent in volume and value year-on-year.

Source: Viet Nam News. (2020, Jun 16). *Rice exports set to skyrocket, renewable energy in high demand : trade minister,* and Vietnam News Agency. (2020, Jun 15). *Vietnam likely to become world's leading rice exporters this year: Minister.*

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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