



## WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

**No. 9 4 - 10 January 2017**

---

### **Cambodia**

#### **Slowing rice export growth 'worrisome'**

Slowing growth in Cambodian milled rice exports was the result of outdated policies. A new rice export policy was being formulated by the Supreme National Economic Council. Cambodia's milled rice exports reached 542,144 tonnes in 2016, increased from 538,396 tonnes in 2015. China was the biggest buyer at 127,460 tonnes, or about 24 percent.

The industry hit target of producing 4 million tonnes of surplus rice. However, exports were barely over half the 2015 target of 1 million tonnes.

**Source:** C. Phearun. (2017, Jan 9). *Slowing Rice Export Growth 'Worrisome'*. The Cambodia Daily.

#### **Bank planed USD 10 million for rice investment**

Cambodian Rice Bank (CRB) planned to invest about USD 10 million in building a rice silo and drying machine in Battambang province. CRB planned to establish a farming association through contracts with farmers to make their

agricultural products more valuable and to avoid falling prices through brokers.

In 2016, Cambodia's Ministry of Economy and Finance sent a draft memorandum of understanding to the Chinese Government. This action aimed to seek a loan of about USD 300 million to build 10 large silos, which could store a total of 1.2 million tonnes of paddy rice to ensure both millers and exporters could have a continuous supply.

**Source:** Khmer Times. (2017, Jan 9). *Bank plans \$10 million for rice investment*.

### **Cambodia's rice exports fall sharply**

Cambodia's milled rice exports grew only 0.7 percent in 2016 compared with 2015. This was the lowest since 2014. In 2016, Cambodia exported 542,144 tonnes of milled rice and the lowest exports were in the first quarter of the year and December. In the first quarter of 2016, a severe drought affected rice production; in addition, the rice millers had been complaining of low-grade cheaper rice from Viet Nam that flew into Cambodia's markets. In September 2016, Cambodian government provided USD 27 million loan to rice millers to buy paddy rice from farmers. This action aimed to prevent rice prices from falling further.

**Source:** Khmer Times. (2017, Jan 6). *Cambodia's rice exports fall sharply*.

### **Myanmar**

#### **Ministry ditched reserve rice plan**

The Union Minister for Commerce said the ministry will not buy reserve rice this year since the local rice prices have become stable. The government usually buys reserve rice from farmers to avoid the falling in domestic rice production when

local rice price declined. The government resells reserve rice when local rice price are unstable to stabilize the prices.

In 2015-2016 fiscal year, the country had produced around 12.20 million metric tonnes. Till October of the 2016-2017 FY, 7.52 million acres (3 million hectares) was put under paddy.

**Source:** Eleven Myanmar. (2017, Jan 9). *Ministry ditches reserve rice plan.*

\*1 Acre = 0.40 Hectare

## **Philippines**

### **Reduction in rice imports through better irrigation systems pushed**

The National Irrigation Administration (NIA) said improving the irrigation systems along with other agricultural supports will hugely contribute to the reduction of country's rice importation. The country's current average rice production wastage is about 15 percent. The record showed that the total land area in the Philippines, only 57 percent is irrigated.

NIA said the P 370 billion fund (USD 7.4 billion) needed for the 10 year master plan of the agency. The fund can be taken from the P 400 billion (USD 8 billion) saving from rice import reduction.

\*USD 1 = P 49.53

**Source:** Erwin P. Nicavera. (2017, Jan 6). *Reduction in rice imports through better irrigation systems pushed.* Sun Star.

## **Thailand**

### **Rice output cuts, export boost on agenda**

The government will aim again to cut rice production this year and also increase export. Thailand failed to get farmers to

grow less in 2016. The Agriculture Ministry would be in charge of drawing up this year rice production plan. The government still holds 8 million tonnes of stockpile rice from a previous government's subsidy scheme which will shortly be set in auction to private companies.

Thailand will set the target of rice production of 25 to 26 million tonnes in 2016. The last crop year, the country produced 30 million tonnes of rice. Prices of Thai benchmark 5 percent broken rice was quoted at USD 360-365 per tonnes, FOB basis on 9 January 2017.

**Source:** Reuter. (2017, Jan 9). *Rice output cuts, export boost on agenda.*

### **State vowed demand-driven approach to rice handling**

The government said it will strike a better balance between rice supply and demand during the 2017-2018 seasons in an aim to stabilize prices. The state's rice management plan this year will be demand-driven, taking the expected demand from key buyers in Asia, the Middle East and African for white rice, China and Singapore for Hom Mali fragrant rice.

The government was also committed to optimizing the mega farm scheme, aiming to develop 426 rice mega farms spanning 800,000 rai (128,000 hectares) in 2016. Participating farmers can borrow up to 5 million baht (USD140,488) at 0.01 percent interest from the Bank for Agriculture and Agricultural cooperatives (BAAC), while the Commerce ministry is responsible for marketing and sale, and finding buyers. Last August 2016, the cabinet approved 3.25 billion baht (USD 91 million) worth of lending package via the BAAC for mega farms project during 2017-2018.

\*1 Rai = 0.16 Hectare

\*USD 1 = 35.59 Baht

**Source:** P. Arunmas. (2017, Jan 6). *State vowed demand-driven approach to rice handling.* Bangkok Post.

## **Viet Nam**

### **Minister of Industry and Trade relaxed rice exports regulations**

There were the regulations that stipulated conditions for becoming a rice export firm and set maximum rice export license limited to 150 traders. The firms that applied for licenses to export rice had to have at least one warehouse with minimum capacity to store 5,000 tonnes of rice and one rice husking factory with a minimum capacity of 10 tonnes of paddy per hour. The facilities had to be located in planned area.

As those regulations were the barriers in the expansion of the rice sector, the ministry had pledged to cancel some legal documents and simplify administrative procedures. This aimed to support enterprises, to improve the investment environment, and to raise national competitiveness.

**Source:** Viet Nam News. (2017, Jan 6). *Ministry relaxed rice exports regulations.*

Gathered by the APTERR Secretariat  
Tel: +66 (0) 2579 4816-17 Fax: +66 (0) 2579 4840  
Email: [nisacholsn@gmail.com](mailto:nisacholsn@gmail.com)  
Website: <http://www.apterr.org/>

*\* This Weekly Update on ASEAN Plus Three Rice Situation 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.*