



WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

No. 15
15 – 21 February 2017

Indonesia

The Indonesia government will maintain the prices of rice above Rp 3,700 (USD 0.28) per kilogramme by buying agricultural production directly from farmers. In Central Java and East Java, the rice prices had been declining; this was a consequence from increasing of agricultural production. Also, this matter caused farmers' concerns in cultivating their crops. Recently, rice prices range from Rp 3,100 (USD 0.23) to Rp 3,500 (USD 0.26) per kilogramme.

*USD 1 = Rp13,367.98

Source: Hermansyah, A. (2017, Feb 21). *Government to maintain rice price above Rp 3,700 per kg.* The Jakarta Post.

Myanmar

Myanmar earned USD 12 million from exporting over 40,000 tonnes of rice in January, increased 17,694 tonnes from December. It also gained more than USD 10 million from exporting 40, 576 tonnes of broken rice in January.

Source: EMG. (2017, Feb 17). *January rice exports hit \$ 12 m.* Eleven Myanmar.

Philippines

Farmers' cooperatives and private companies asked the National Food Authority (NFA) for one month extension of the arrival period for rice imported under minimum access volume (MAV). Under the NFA guidelines, rice imports under the MAV must arrive in Philippines not later than February 28, 2017. The NFA has yet to approve the importers' requests. Last December, the NFA allowed traders to import 692,340 metric tonnes (MT) of rice, less than the country's annual MAV of 802,500 MT. Rice at 642,340 metric tonnes will be imported under the country specific quota (CSQ). Of the total rice under CSQ, 293,100 MT will be purchased from Thailand and Viet Nam. A total of 50,000 MT of rice under the omnibus origin is allowed to be imported from any country.

Source: Arcalas, J. Y. (2017, Feb 15). *NFA urged to extend arrival period for rice import.* Business Mirror.

Thailand

The Foreign Trade Department announced on Jan 10, 2017 for an auction of 2.87 million tonnes that fit for consumption. This first general auction of state stockpiles in 2017 attracted 48 qualified bidders. Hom Mali fragrant rice attracted the most interest, accounting for 745,236 tonnes, followed by white rice 5 percent at 479,761 tonnes. The department will submit the results of the auction to the panel handing state rice stocks and the national rice policy committee for final approval.

Source: Bangkok Post. (2017, Feb 17). *Bidders flock to rice auction.*

Viet Nam

The saltwater intrusion has affected the rice fields in Mekong Delta; the income from rice and fish begins to decline. This Delta is a major source of rice supply with cultivation area of 1.546 million hectares for domestic consumption and export. The rice output in the region was 25.2 million tonnes in 2015-2016 crop years, accounting 56 percent of country's production. Mekong Delta's farmers have been trying to adapt to this new circumstance by applying intensive farming and intercropping models, and producing new green products. In addition, experts pointed out that farming shrimp is also a good solution under saline intrusion.

Source: Viet Nam Net Bridge. (2017, Feb 21). *Mekong Delta Learns to 'Live in peace' with salt water.*

Experts believe that Viet Nam should focus on producing high-quality rice products to compete in high-end markets such as China, South Korea, Singapore, and EU. Viet Nam's 5 percent and 15 percent broken rice are offered at prices higher by USD 5 -10 a tonne than the same kind of Thai rice. To solve this dilemma, the exporters have to reduce selling prices. However, the traders might face losses as the domestic prices are on the rise. For this reason, lowering prices is not the key to compete with Thai rice in the international market.

Source: Viet Nam Net Bridge. (2017, Feb 20). *Opportunities exist for rice exports in high-end market.*

The South Korean government will pay nearly 1.5 trillion won (USD 1.3 billion) in subsidies to rice farmers in 2017 as compensation for falling prices. The rice prices have been declining due to the decreasing demand from changes in consumption habits of consumers.

The Ministry of Agriculture, Food and Rural Affairs decided to set the subsidies at 33,499 won (USD 29.29) per an eighty-kilogramme sack of rice while some 706,000 hectares of rice paddies are subject to the government subsidy. As a result, 1.5 trillion won (USD 1.31 billion) will be paid to rice farmers this year.

**USD 1 = 1,143.68 won*

Source: Sejong. (2017, Feb 21). *Gov't to pay 1.5 tln won in subsidies to rice farmers.* Yonhap News Agency.

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Republic of Korea