



WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

No. 23

26 Apr – 9 May 2017

Indonesia

In 2017, the Indonesian Agriculture Ministry has expressed its plan to create around 80,000 hectares of rice fields from the land that have not been developed by the owners as a part of the country's food security programme. The new rice fields would be created outside Java. Before the rice fields are created, initial work, including investigations and design surveys, will be carried out. In 2016, the ministry created 129,096 hectares of new rice fields in 27 provinces, slightly lower than the target of 132,167 hectares.

Source: Far Eastern Agriculture. (May 2, 2017). *Indonesia to create 80,000 hectares of new rice fields.*

Myanmar

Due to exports' target at 2 million metric tonnes (MMT) during 2017-2018, Myanmar plans to introduce contract farming to 300,000 acres (121,405 hectares) of farming land to meet its target. The Myanmar Rice Industry (MRI) is required to negotiate with farmers from different regions to introduce

this contract farming. It is expected that the monsoon and summer paddy will be grown on 300,000 acres (121,405 hectares) of farmland on a basis of contract framing during 2017-2018. The monsoon paddy will be about 150,000 acres (60,702 hectares) and the rest will be summer paddy. Rice exports reached 1.4 MMT during 2015-2016 and 1.7 MMT in the 2016-2017. Myanmar expected to gain USD 1 billion from rice exports by 2022.

*1 Acre = 0.40 Hectare

Source: Nilar, (May 3, 2017). *Plans to introduce contract farming to 300,000 acres of farmland introduced.* Eleven Myanmar.

Philippines

The National Food Authority (NFA) should increase its buying price of paddy rice by P2 (USD 0.04) per kilogramme to compete with local traders and beef up NFA's buffer stocks. As of March 31, 2017 farm price of rice (clean and dry) was highest at P22.60 (USD 0.45) per kilogramme. The NFA buying price remains at P17 (USD 0.34) per kilogramme for clean and dry rice. The NFA said it could not buy paddy rice from farmers as private traders were buying their crop for P18 - 20 (USD 0.36 - 0.40) per kilogramme, higher than its support price of P17 per kilogramme.

*USD 1 = P 49.93

Source: Cruz, J. M (Apr 30, 2017). *Govt urged to hike buying price of palay.*

Thailand

The government announced that they received 21 qualified bids on selling deteriorated rice stocks. Government tender deteriorated rice stocks of totaling approximately 1

MMT. Industry expects the government to sell the entire tender to the 11 highest bidders. Those highest bidders include domestic ethanol/ biomass/ biogas producers and domestic power plants. Their bids averaged 2,500 baht (USD 72) per tonne. The sale was finalized by the Sub-Committee on the sale of Government Stocks on May 8, 2017.

If this sale is completed, total government stocks will decline to 4 MMT consisting of 1.7 MMT of food-quality rice, 2.2 MMT of feed quality rice, and 0.1 MMT of deteriorated rice. This would be a 50 percent reduction from the amount of rice held by the government at the start of 2017. The government plans to retender the remaining 1.7 MMT of food-quality rice stocks in May 2017, followed by 2.2 MMT of feed-quality rice in June 2017.

*USD 1 = 34.74 Thai baht

Source: Prasertsri, P. (May 2, 2017). *Thailand Rice Price – Weekly Rice Price Update*. USDA Foreign Agriculture Service.

Viet Nam

Viet Nam exported an estimated at 1.84 MMT of grain in the first four months of 2017 dropped nearly 9 percent from 2017. In winter-spring rice crop, the Mekong Delta had a slightly smaller rice production at 9.8 MMT due to higher rainfall. Viet Nam rice exports prices remained stable at the end of April and were cheaper than Thai grain. The Vietnamese benchmark 5 percent broken grade of rice was sold at USD 347 - 350 per tonne at the end of March. Thai rice of similar grade was sold at 387 per tonne on April 26, 2017.

Source: The Voice of Viet Nam. (May 5, 2017). *Vietnam's Jan-April rice exports fall to 9-year low- govt.*

P.R. China

The central government announced in February that high-quality paddy rice should be a priority in agricultural production in 2017.

Chinese farmers traditionally pursue quantity over quality when it comes to grain. However, now the consumers have more concern on rice quality. Compared to regular paddy rice, high-quality rice is brighter in color and better in texture, and some type have distinctive aroma. Chinese government has recently announced plans to cultivate a high volume of high-quality rice.

Hunan province, for example, plans to produce about 666,667 hectares of rice this year. Meanwhile, Chongqing hopes to produce 300,000 hectares of such rice. Sichuan plans to extend its high-quality rice area to more than 1 million hectare in 2017.

Source: Xinhua. (May 5, 2017). *China Focus: High-quality rice yields hope for Chinese farmers.*

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