



WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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Philippines

The Department of Agriculture (DA) is now backing the proposal of the National Food Authority (NFA) to import 250,000 tonnes of rice that will serve as the country buffer stocks. It is the good time to import rice because the world market price is dropping. Purchasing and shipping process would take approximately two months before the arrival of rice, which will be just in time for the start of lean month in July.

Source: Simeon, L. M., (May 11, 2017). *DA pushes for immediate rice importation.* Philstar.com.

Thailand

The government plans to set auction for the last remaining 1.7 million metric tonnes (MMT) of food-grade rice stocks. The tender details are expected to be announced by mid-May.

Thailand had exported rice from January 1 - April 30, 2017 totaled 2.75 MMT. Exports prices increased 2-3 percent due to various new inquiries for fragrant and white rice.

Source: Prasertsri, P. (May 9, 2017). *Thailand Weekly Rice Price Update.* USDA Foreign Agricultural Service.

Viet Nam

Falling demand and overseas competition are expected to affect Vietnam's rice exports. India and Vietnam, the world's leading rice exporters, may see international sales fall below previously expected levels due to slowing demand and rising competition from China. The USDA cut Viet Nam's rice export forecast by 3.6 percent to 5.6 MMT.

Viet Nam's rice exports in the first two months of this year fell 23.5 percent from the same period in 2016 to 738,000 tonnes.

Source: Minh, H. B. (May 12, 2017). *China set to cut into India, Vietnam rice exports in 2017-USDA.* Vietnam Express.

China and many African countries have returned to Viet Nam for seeking fragrant and white rice.

The demand helped stabilize exports prices despite the rising supply at the end of major harvest. One of the factors which attracts buyers is the cheaper price compared with Thai or Indian rice. Viet Nam's five percent broken rice was sold at USD 355-360 a tonne, while Thai five percent broken rice was sold at USD 387-392 a tonne on May 4, 2017. From January to April, Viet Nam exported to China at around 815,000 tonnes.

Source: Minh, H. B. (May 12, 2017). *Demand from China, Africa supports Vietnamese rice prices at harvest end.*

Buyers of Asian rice turned to Viet Nam due to attractive prices.

Thai benchmark five percent broken rice increased up to USD 387-392 a tonne compared with Viet Nam's Five percent broken rice which was sold at USD 355-360 a tonne. Thai prices increased further; therefore, importers turned to Viet Nam's rice.

Source: Tanakasempipat, P. (May 11, 2017). *Asia Rice- Buyers turn to Vietnam as prices stay firm in Thailand, India.*

Japan

Farmers have started planting rice in Fukushima Prefecture for the first time since the 2011 nuclear disaster. The farmers will conduct radiation tests before shipping their rice. However, no rice grown in the village had shown the level of radioactivity exceeding the safety standard since experiment rice planting began in 2012. Fukushima Major ensured that the products made in the prefecture are safe due to the advanced technology which is used in decontamination measures. He also added that the monitoring and inspection systems are second to none.

Source: Rice outlook. (May 16,2017). *Japan-Fukushima sees farmers plant rice for the 1st time since nuclear disaster.*

P.R.China

China's rice stocks are forecast to rise nine percent to over 75 MMT. These are the largest since 2001-2002 and represents over 60 percent of global stocks.

China's rice importation is forecast down 200,000 tonnes to 4.8 MMT, on a slightly larger crop. China remains the largest importer as prices in neighboring countries are expected to remain relatively lower than the minimum support prices.

Source: USDA United States Department of Agriculture. (May 2017). *Grain: World Markets and Trade.*

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