



WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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Lao P.D.R.

Rice cultivation in the main rice growing season across Lao P.D.R. is about 9 percent complete out of a total area of over 800,000 hectares. After rice farmers completed harvesting dry season crops last month, they have moved on to plant rice for the wet season. The rice paddies, where cultivation has been completed, have a total area of almost 70,000 hectares. This year, the government set a plan to produce rainy season rice production on 817,700 hectares nationwide. They expect to use almost 50,000 tonnes of rice seed with yield of about 3.5 tonnes per hectare. The output of dry season rice production in the period of 2016-2017 reached 473,700 tonnes of paddy harvested from 95,000 hectares nationwide, with yield of 5.26 tonnes per hectare.

Source: Lao News Agency. (June 15, 2017). *Rice Transplantation Reaches About 9 Percent.*

Philippines

State-run National Food Authority (NFA) is set to conduct in the first week of July the bidding for 250,000 tonnes of rice supposedly to beef up government buffer stocks during the lean months. However, the NFA clarified there is no immediate need for importation of both NFA and the private sector, saying that total rice stocks in the Philippines are still at comfortable levels with 44 days for household stocks and 28 days for commercial stocks.

Source: K. Galvez, J. (June 15, 2017). *NFA sets bidding for 250,000 MT imported rice.*

Thailand

Around 2.1 million metric tonnes (MMT) of non-food-grade rice stored by the state were expected to be sold in the latest bidding held on June 15, 2017 by Ministry of Commerce. For this reason, there is only a small amount of poor quality grain remaining in the government stockpiles to be put on sale.

The Commerce Ministry will spend a week submitting all the offers for approval by the National Rice Policy Committee. If the committee approves the sale, there will be a last lot of inedible rice around 500,000 tonnes left for the next bidding round which expected to be set on July, 2017. There is also around 160,000 tonnes of food-grade rice due to be sold via another auction in August.

Source: Arunmas, P. (June 16, 2017). *New bids eat at inedible rice stockpile.* Bangkok Post.

Thailand is on schedule to have its first central market for milled rice by the end of 2017, bringing consumers and importers to meet farmers and traders.

The new market channel comes at a time when prices are on the rise. This market will not only be open to traders or middlemen to sell their rice, but also to exporters, millers and even farmers who want to display their stocks.

Tight supply during a time when demand is strong has pushed prices higher. Rising prices also encourage millers to keep rice in their stocks, waiting to sell when prices will rise higher. That has pushed the price of the benchmark 100% Thai rice to USD 450 a tonne, up from USD 380 earlier this month, traders said.

**USD 1 = 33.90 Baht*

Source: Arunmas, P., Phoonphongphiphat, A. (June 14, 2017). *Central market plan on track, says ministry.* Bangkok Post.

Viet Nam

Rice export prices in Viet Nam have risen to USD 400-410 a tonne, the highest in nearly 30 months due to fresh demand from Bangladesh and the Philippines. The price of Viet Nam's 5 percent broken rice has risen around 10 percent since the end of May to USD 410 a tonne this week, highest since November 19, 2014. Thailand's 5 percent broken rice was sold at USD 450-460 per tonne. This makes Viet Nam's rice more attractive.

The rising of rice prices in Viet Nam has happened since farmers in the Mekong Delta finished harvesting their largest crop in a year, the winter-spring crop, with rice production slightly down due to saltwater intrusion and unseasonal rain.

The crop's paddy output is forecast at 9.63 MMT, dropped nearly 4 percent from 2016. Viet Nam is forecast to export 5.6 MMT of rice this year, up 10 percent from 2016.

Source: Ho Binh Minh. (June 15, 2017). *Vietnam's rice prices near 30-month high on robust overseas demand, thin supply.* Vn Express International.

Viet Nam is expected to be the world's fifth largest rice producer in 2017, following from the Food Agricultural Organization (FAO). The FAO forecast that the biggest rice producer this year will be China with 142.3 MMT, followed by India with 110.4 MMT. The global rice output is likely to increase by 0.7 percent to 502.3 MMT due to production facilitation policies in Asia and yield recovery in South America and Australia.

Source: Vietnam.net. (June 14, 2017). *Vietnam to be among world's largest rice producers: FAO.*

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