



WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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Cambodia

New Memorandum of Understanding (MoU) on purchase and sale rice and fertilisers between local Cambodian firm and the United Arab Emirates (UAE)'s International Trading has been signed.

According to the new MoU, the local Cambodian company, Virasun Development, will export 50,000 tonnes of milled rice to the UAE's International Trading per year. In turn, the Cambodian firm will purchase 50,000 tonnes of fertiliser materials from the enterprise per year either. Cambodia has previously only exported small amounts of milled rice to the Emirates, adding that the new agreement was an excellent development for the industry, said the official of Ministry of Agriculture, Forestry and Fisheries.

Source: Khmer Times. (2017, Oct 11). *New MoU on rice signed.*

Lao PDR

The total value of rice exports and rice imports of 2017 is expected to hit the same figure at 42.8 million USD.

According to the Ministry of Industry and Commerce, rice exports for the whole year of 2017 are expected to earn 42.8 million USD, up 0.5 percent from 2016, while the value of rice imports is anticipated to be the same figure after an increasing of 1.2 percent over 2016. Even though Laos produces rice for domestic consumption and for export, it still buys rice from neighbouring countries for instance Thailand, China, and Viet Nam, due to a shortage of rice in the local market.

Source: Vientiane Times. (2017, Oct 12). *Laos: Exports, imports of rice hit same value in 2017.*

Myanmar

Myanmar will try to improve its rice export capacity by producing rice of different kinds from different zones, according to the Minister of Commerce.

Despite a continued increase in rice export, Myanmar is still far behind its neighbouring Thailand, which can export 10 million tonnes a year. The minister emphasised the need to take systematic measures to produce rice in kind by launching different zones and markets. As rice is a strategic good, measures are being taken to export rice under a government-to-government system. Moreover, discussions will be made with relevant departments to prevent malpractice and irregularities in the local market to ensure a strong and sustainable market, said the minister.

Source: Eleven Myanmar. (2017, Oct 17). *Myanmar to try to improve rice-export capacity.*

Purchasing of 100,000 tonnes of white rice from Myanmar to Bangladesh was approved on 11 October 2017, due to the Bangladeshi Food Minister.

As a consequence of the Rohingya refugee crisis in Bangladesh, the Bangladeshi government seeks to overcome a shortage of the country's staple. In consonance with the approvals, rice is being purchased at 442 USD per tonne, including shipping, insurance, and discharge costs.

Source: Reuters. (2017, Oct 11). *UPDATE 1-Bangladesh approves purchase of rice from Myanmar.*

Philippines

The country's rice inventory declined by 20 percent to 1.42 million tonnes in the first nine months of 2017.

This was lower than the 1.78 million tonnes of rice recorded in 2016. Stock inventory of Filipinos' main staple will be sufficient for 40 days while stocks held by households and commercial warehouses will be good for 20 days each, according to the latest data from the Philippine Statistics Authority (PSA). The National Food Authority (NFA), meanwhile, has depositories enough only for two days when it is supposed to have a 15-day buffer stock.

Source: The Philippine Star. (2017, Oct 11). *Rice stocks dwindle in 9 months.*

Thailand

As a consequence of a strong demand from overseas for Thai rice, rice prices are expected to hold steady.

Abundant rice crops are unlikely to cause any price slumps in 2017 as demand for Thai rice from several countries, especially in Asia, is expected to keep prices relatively high and steady. The price of premium

grade, hom mali rice, is quoted at 750-800 USD per tonne while the price of common grade 5 percent white rice is quoted at 375-400 USD per tonne, compared with the average price of 2016 when 781 USD per tonnes and 394 USD per tonnes for premium grade and common grade, respectively. Furthermore, so far, Thailand has exported 8.2 million tonnes of rice, an average of 820,000 tonnes a month. However, the country's rice export could even hit 11 million tonnes in 2017, the Ministry of Commerce's target, if Thailand could export an average of 900,000 tonnes during the last three months of the year, said the president of Thai Rice Exporters Association.

Source: Bangkok Post. (2017, Oct 17). *Rice prices expected to hold steady.*

Viet Nam

Viet Nam targets between 2.3 to 2.5 billion USD in rice export revenues by 2030, according to the Ministry of Industry and Trade (MOIT).

The target was announced at a conference on realising Viet Nam's rice export strategy during the 2017-2020 period, with a view towards 2030. Under the strategy, Viet Nam will gradually reduce its rice export volumes whilst increasing the proportion of high-earning varieties, with the annual volume for the 2017-2020 period targeted at 4.5-5 million tonnes and shrinking to 4 million tonnes by 2030. Specifically, low and medium-quality white rice will not exceed 20 percent of the total export volume by 2020, while high-quality white rice accounts for 25 percent, fragrant, speciality and Japonica rice around 30 percent and glutinous rice at 20 percent. By 2030, fragrant, speciality and Japonica rice will make up at 40 percent of Viet Nam's rice export volume, with

glutinous rice at 25 percent and other nutritious rice at over 10 percent.

Source: Nhan Dan Online. (2017, Oct 17). *Vietnam targets US\$2.5 billion in rice export revenues by 2030.*

Republic of Korea

South Korea's rice output is expected to fall below 4 million tonnes in 2017, due mainly to bad weather conditions in the harvest season.

According to the Statistics Korea, the country's rice production is expected to come to 3.96 million tonnes in 2017, down 5.8 percent from 4.2 million tonnes in 2016. Unfavorable weather conditions during the planting and harvesting seasons is largely behind the weak number, said the statistics office. Furthermore, the country's rice acreage declined 3.1 percent on-year from 778,734 hectares in 2016 to 754,716 hectares in 2017 as the government has been pushing to control rice production in order to deal with a chronic glut of the staple grain.

Source: Korea Herald. (2017, Oct 17). *Korea's rice output expected to fall below 4m-ton mark this year.*

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