



## WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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### Cambodia

**Local conglomerate Soma Group signed a Memorandum of Understanding (MoU) with Australia-based rice exporter, Sun Rise, according to the Ministry of Agriculture, Forestry and Fisheries (MAFF)**  
The MoU was signed last week in Australia and the result is positive. Sun Rise is Australia's biggest rice exporting company. The company is looking for partners that have quality products and are able to maintain a stable supply, so it is a great opportunity as Cambodia had a 5-million tonnes rice surplus in 2016, said the director-general of agriculture at MAFF. Presently, talks are now focused on whether Soma Group will export its products directly to Sun Rise or Sun Rise will partner up with Soma Group to invest in the local agriculture sector and export Cambodian rice under its own brand, revealed the director-general.

**Source:** Khmer Times. (2017, Nov 29). *Soon-to-be partnership to expand rice exports.*

### Myanmar

**The government vowed on 30 November 2017 to eliminate the rampant trafficking of raw paddy to China.**

Illegal trading of raw paddy with China may hurt rice exports in the upcoming harvesting season, when many merchants from China buy paddy at a lower price from Myanmar and resell to the Chinese government at a higher price. Also, China does not allow raw paddy imports due to the trade policy. According to the problem, the Ministry of Commerce has enlisted the support of the Customs Department and the Myanmar Police in effort to put an end to the illegal activity. In accordance with illegal transaction, even local paddy farmers benefit from higher paddy price, however, it could lead to steep and sudden fluctuations in price when a slowdown in Chinese demand. In the long-term, this will jeopardise the entire Myanmar rice export business, said joint general secretary.

**Source:** The Myanmar Times. (2017, Dec 1). *Govt vows to end illegal rice trade;* and The Myanmar Times. (2017, Nov 27). *Ministry to deal with illegal rice exports to China.*

### Philippines

**The National Food Authority (NFA) assures the public that rice price increase is price related, not due to a lack of supply.**

Rice prices were slightly increased by 1-2 Pesos (0.02-0.04 USD) per kilogram for premium rice, special rice, 5 to 15 percent broken rice, and well-milled rice. The reason is the low-priced stocks held by traders and retailers are starting to be depleted, adding that traders are now starting to sell their newly harvested stocks bought at higher ex-farm prices. Also, the main harvest that started in late September is almost over and lean months, the period with little or no harvest. Thus, it is normal that rice prices will slightly increase. Nevertheless, rice prices will eventually settle down to its previous levels as rice imports via Minimum

Access Volume (MAV) quota start arriving in December, said the NFA.

\* 1 USD = 50.252 Pesos

**Source:** National Food Authority. (2017, Nov 29). *NFA ASSURES RICE PRICE INCREASE IS NOT DUE TO LACK OF SUPPLY.*

## **China**

### ***Trial planting of China's japonica hybrid rice has succeeded in Cambodia.***

The japonica hybrid rice was developed by Yuan Longping, also known as the father of hybrid rice, and his team. After five years of trial planting in two provinces of Cambodia, this success marks a new era for large-scale planting in a tropical area. The yield of rice is nearly 8 tonnes per hectare, which will greatly increase local farmers' incomes. At present, the project has been approved by the Cambodian government and 200,000 hectares of land will be planted with the rice as planned, according to the project executor.

**Source:** People's Daily Online. (2017, Nov 29). *Trial planting of China's japonica hybrid rice succeeds in Cambodia.*

## **Japan**

### ***Japan's ruling Liberal Democratic Party (LDP) adopted a proposal for establishing a private sector-led national organization that will collect supply-demand information on rice to prevent an oversupply.***

At the agriculture-related meeting of the LDP on 28 November 2017, the new organisation is expected to be set up by the end of 2017, due to worries about an excessive supply of rice after the abolition of rice production adjustment system "gentan" (the government's decades-old policy of curtailing rice production by encouraging farmers to reduce the acreage of their rice paddies in exchange for subsidy payments) in fiscal year 2018. Under the proposal, the envisaged organisation will be joined mainly by the Central Union of Agricultural Cooperatives, or JA-Zenchu, rice

wholesalers and associations of restaurant operators and exporters, said the LDP.

**Source:** The Japan News. (2017, Nov 29). *Group to be established to prevent oversupply of rice;* and The Japan Times. (2014, Jan 28). *Abe's deceptive rice reform.*

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