



WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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Indonesia

National Logistics Agency (Bulog) signs contracts with six companies for rice imports of 281,000 tonnes. Even if Indonesia planned to import 500,000 tonnes of rice to curb rice price hikes, the country could only import 346,000 tonnes, due to the limited of time. According to this, there are eight winning bidders including two companies from Viet Nam with the largest volume of 141,000 tonnes, three from Thailand with the volume of 120,000 tonnes, one from India with the volume of 20,000 tonnes, and two from Pakistan with the volume of 65,000 tonnes. However, companies from Pakistan canceled during price negotiations. Resulting in only 281,000 tonnes of rice will be delivered by 28 February 2018, said Bulog corporate secretary.

Source: Reuters. (2018, Feb 7). *Indonesia's Bulog signs contracts for 281,000 T of rice imports*; and The Jakarta Post. (2018, Jan 22). *Indonesia can only import 346,000 tons of rice.*

Lao PDR

The Ministry of Agriculture and Forestry (MAF) and the Food and Agriculture Organisation of the United Nations (FAO) collaborate strategy under the Regional Rice Initiative (RRI) to boost rice production and fish breeding. According to a workshop, which was held in

Vientiane last week, MAF and FAO need to develop a strategy and action plan for communication methods to inform the main stakeholders in the sector about rice planting and fish breeding in rice fields under the RRI. This collaboration will help boost new skills and knowledge on rice and fish farming to increase production and to reduce capital investments. Also, it will help promote environmental protection for sustainable development and green rice landscapes.

Source: Vientiane Times. (2018, Feb 12). *MAF, FAO collaborate on strategy to boost rice production.*

Philippines

The Department of Agriculture (DA) will set up outlets to sell more affordable commercial rice to counter effects of the inadequate of National Food Authority (NFA) rice in the markets. According to the DA, the commercial rice will be sold at these outlets for 38 Pesos (0.72 USD) per kilogram, compared to the present commercial rice at prices ranging from 36-65 Pesos (0.69-1.24 USD) per kilogram, while NFA rice is quoted at 27-32 Pesos (0.51-0.61 USD) per kilogram. However, rice prices will be stabilised when the importation of 250,000 tonnes of rice arrives the country in the first week of June, or after the harvest season, due to the approval of NFA Council on 12 February 2018. Additionally, the government projects the paddy production would reach 4.9 million tonnes, equivalent to 3.6 million tonnes of milled rice, in this harvest season, said chairman of the NFA Council.

* 1 USD = 52.059 Pesos

Source: GMA News Online. (2018, Feb 13). *Gov't to sell commercial rice to counter effects of NFA rice lack*; and The Manila Times. (2018, Feb 13). *Govt. okays rice imports after harvest season.*

The National Food Authority Council (NFAC) finally approved the importation of 250,000 tonnes of rice in 2018. Since early November 2017, the National Food Authority (NFA) had requested the NFAC for an authority for rice importation to replenish the NFA's depleted buffer stock to

fulfill food security and stabilise rice prices in accordance with weather disturbances that hit the country in 2017. In early January 2018, the NFA received the standby authority to import 250,000 tonnes. However, at that time, the NFA was still waiting for the approval from NFAC. Until 7 February 2018, President Rodrigo Duterte gave NFAC's chairman a verbal instruction to activate the NFA's standby authority to import 250,000 tonnes subject to the NFAC's assessment on timing and mode of procurement. Eventually, on 12 February 2018, the importation of 250,000 tonnes was approved considering the importation should arrive in the first week of June 2018, or after the harvest season, and mainly from Viet Nam and Thailand. Regarding this, to ensure that the importation process will be more inclusive and transparent, the NFAC chose the method of government-to-private (G2P) importation, or open tender based on the same terms of reference in the 2017 G2P procurement, according to chairman of the NFAC.

Source: Philippine Daily Inquirer. (2018, Feb 13). *NFA set to import 250,000 MT of rice*; Rappler. (2018, Feb 12). *NFA Council activates authority to import 250,000 MT of rice*; and Philippine Daily Inquirer. (2018, Jan 10). *NFA to import 250,000 MT of rice*.

Viet Nam

Viet Nam's rice exports show positive signs in the first quarter of 2018.

According to the Vietnam Food Association (VFA), about 630,000 tonnes of rice will be exported in the first quarter of 2018 in consonance with the signed contracts last year. Meanwhile, the global demand for rice is forecast to rise sharply in 2018. The main factor behind the 2018's rice trade expansion is increased output from Viet Nam, Pakistan, and Myanmar, three of the world's Top six rice exporting countries, according to the United States Department of Agriculture (USDA)'s 2018 world rice production forecast issued in late 2017. Due to this, Vietnamese rice exports in January 2018 increased by 56.5 percent in volume to 524,000 tonnes, earning 249 million USD, up 74.2 percent in value as compared with the same month in 2017. In addition to the

price, Vietnamese rice prices surged by 45 USD in January to 420-430 USD per tonne. Moreover, increasing in demand from China and Southeast Asian markets, such as the Philippines and Indonesia, would help boost Viet Nam's rice exports in 2018 to 6 million tonnes, up 400,000 tonnes against 2017, forecast the VFA. However, to compete with India and Pakistan in the African markets, Viet Nam still need to improve food hygiene and safety requirements and also formulate better strategies, said the VFA.

Source: Hanoi Times. (2018, Feb 9). *Vietnam's rice exports show positive signs in first quarter of 2018*.

China

China cuts the 2018 minimum purchase price for rice by 13 percent to deal with the huge stocks of the grain.

Rice prices for early season are set at 2,400 yuan (381 USD) per tonne, down 200 yuan (31.7 USD) from 2017, and rice prices for mid-to-late season are also down by 200 yuan (31.7 USD) to 2,520 yuan (400 USD) per tonne. While price for japonica rice was cut by 400 yuan (63.5 USD) to 2,600 yuan (413 USD) per tonne, according to the National Development and Reform Commission (NDRC). Additionally, China has already stepped up its rice exports, mainly to African countries, to help get rid of old stocks and is also planning to cut the rice acreage by 2.2 percent this year.

* 1 USD = 6.2915 yuan

Source: Business Recorder. (2018, Feb 9). *China cuts 2018 minimum purchase price for rice amid bulging stocks*.

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