



WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

No. 65
28 March - 3 April 2018

Indonesia

Indonesia bought 500,000 tonnes of rice from Viet Nam and Thailand.

On 28 March 2018, the State Logistics Agency (Bulog) made deals to import 300,000 tonnes of 15 percent broken grade from Viet Nam and 200,000 tonnes of 5 percent broken grade from Thailand with the price, including Cost Insurance and Freight (CIF), 465.90 USD and 473.80 USD per tonne respectively. The exporter from Viet Nam was Vinafood, while the exporters from Thailand were unknown. The total of 500,000 tonnes is set to ship in April and May this year in order to help improve local supplies and stabilise domestic prices. Moreover, Bulog previously bought 50,000-tonne rice from Pakistan in an international tender on 21 March 2018 and the shipment period was set by the end of May this year.

Source: Business Recorder. (2018, Mar 29). *Indonesia buys about 500,000 tonnes rice.*

Thailand

Thai rice exports orders are falling in accordance with a strong baht.

During January - February, rice exports rose 10 percent year-on-year to 1.91 million tonnes in volume and 16.1 percent to 30.32 billion baht (965 million USD) in value. However, in February alone, Thailand exported 950,761 tonnes of rice worth 14.92 billion baht (475 million USD), declining 1.2 percent in volume and 3.1 percent in value month-on-month due to the decreasing exports of Hom Mali rice and parboil rice, according to the president of the Thai Rice Exporters Association (TREA). Orders for both kinds of rice dropped because prices were relatively high, particularly Hom Mali rice which was quoted at 1,144 USD per tonnes compared with 900 USD per tonne from Cambodia and 650 USD per tonne from Viet Nam. Nevertheless, the export of white rice to Asian and African markets in this March will continue at the same pace with the expectation of 850,000 tonnes and the major buyers will include Benin, Indonesia, Malaysia, and Mozambique, said the TREA.

* 1 USD = 31.4063 baht

Source: Bangkok Post. (2018, Mar 30). *Rice exports up but may lose momentum;* and National News Bureau of Thailand. (2018, Mar 31). *Thai rice exports topple 30 billion baht in first 2 months of 2018.*

Thailand is expected to produce a total of 30.52 million tonnes of paddy in the 2018/2019 season, up from 30.45 million tonnes of the previous year.

According to the latest policy on rice management, the government has to forecast demand annually and assign state agencies to encourage farmers to grow rice. In 2018/2019 season, the government forecasts paddy demand for export at 14.7 million tonnes, while domestic consumption, industrial use, and seed stock are estimated

at 12 million tonnes, 2.4 million tonnes, and 1.4 million tonnes respectively. Regarding to the varieties of total expected paddy as mentioned above, demand for Hom Mali rice is forecast at 6.42 million tonnes, while Thai general aromatic rice at 1.61 million tonnes and white rice at 15.23 million tonnes. In addition to demand for glutinous rice and special varieties, the government estimates at 7 million tonnes and 260,000 tonnes respectively.

Source: Spring News. (2018, Mar 29). *Thai government aims 30.5 million tonnes for paddy production*; and Bangkok Post. (2018, Mar 30). *Rice rallies on hot China demand*.

Viet Nam

Viet Nam exported nearly 1.4 million tonnes of rice in the first three months of 2018, worth 668 million USD.

Regarding to the figures, it was up 9.1 percent in volume and 23.8 percent in value against the same period of 2017, according to the Vietnam Food Association (VFA). Last year, Viet Nam exported roughly 5.9 million tonnes of rice, mainly to China and the Philippines, worth nearly 2.7 billion USD. This year, Viet Nam plans to export 6.5 million tonnes including higher volumes of high-grade rice, for instance, Japonica rice, fragrant rice, and sticky rice, as the country has increased export of high-grade rice in recent years when Japonica rice accounting for 4.4 percent of its total rice exports in 2017, said the VFA.

Source: Xinhua. (2018, Apr 2). *Vietnam exports more rice in 3 months*.

Republic of Korea

Rice production costs in 2017 increased from a year earlier, according to the report by Statistics Korea.

In 2017, farmers spent a total of 691,374 won (648 USD) to grow rice on a 1,000-

square meter (0.1 hectare) paddy, up 2.5 percent from 2016 of 674,340 won (632 USD). Overall costs, including fertilizers and pesticides slightly increased 1.6 percent year-on-year to 447,775 won (420 USD), while land-borrowing costs and other indirect expenses rose 4.3 percent to 243,598 won (228 USD) over the previous year. The gross income of rice farmers in 2017 came to 974,553 won (914 USD) per 1,000-square meter paddy, up 13.8 percent from 2016, due mainly to a sharp increase in rice prices, according to the Statistics Korea's latest report.

* 1 USD = 1,066.2 won

Source: Yonhap News Agency. (2018, Mar 29). *S. Korea's rice production costs up in 2017*.

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