



# WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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## Philippines

***The rice tariffication programme is expected to boost paddy output in 2019.***

The Department of Agriculture (DA) expects that the rice tariffication programme will boost the country's paddy production in 2019 to a record harvest of 20 million tonnes. The rice tariffication bill intends to replace import restrictions on rice with tariffs, lifting the quantitative restrictions and mandating the National Food Authority (NFA) to buy its buffer stock from local farmers. The proposed measure also seeks to create the Rice Comprehensive Enhancement Fund (RCEF), which earmarks 10 billion pesos (190 million USD) a year for six years to ensure that all duties collected from imported rice will benefit local farmers. With the amount, the DA through the PhilMech (Philippine Center for Postharvest Development and Mechanization) will provide farmers with machinery and equipment worth 5 billion pesos (95 million USD), free high-yielding seeds worth 3 billion pesos (57 million USD), 1 billion pesos (19 million USD) each for credit through LandBank and training through Agricultural Training Institute. However, the rice tariffication programme will take effect only when President Duterte has signed the bill into a law.

\*1 USD = 52.608 pesos

**Source:** The Manila Times. (2018, Dec 29). *Rice tariffication to boost 2019 paddy output*; and Reuters. (2018, Dec 26). *PHILIPPINES SEES 2.5-3.5 PCT RISE IN FARM OUTPUT NEXT YEAR.*

## Viet Nam

***Rice exports see strong growth in volume and value in the year of 2018.***

Viet Nam's total rice exports in 2018 reached 6.15 million tonnes worth 3.15 billion USD, up 5.7 percent in volume and 19.6 percent in value compared to 2017. The figures are the result of changes in the right direction, aiming to gradually reduce the volume but still stabilise and increase the value of Vietnamese rice. White rice exports accounted for 51 percent of the total export revenue, while jasmine and aromatic rice accounted for 32 percent, followed by glutinous rice and japonica rice with 12 percent and 5 percent, respectively. Notably, low-quality rice accounted for only over 2 percent of the total export volume. In recent years, Viet Nam's rice industry has paid more attention to promotional activities. The recent launch of Viet Nam's national rice logo has reiterated the efforts to bring more rice to the world market. Furthermore, Viet Nam has become a member of the global sustainable rice production programme, and for the first time in years, Vietnamese rice price is higher than Thailand's.

**Source:** Vietnam Plus. (2019, Jan 4). *Vietnamese rice makes name in world market*; and Viet Nam Net. (2018, Dec 23). *The year 2018 in review: rice exports see strong growth in volume and value.*

## China

***China has allowed first-ever rice imports from the United States (US).***

China agreed to open its rice market to US producers after a deal was struck in 2017. It did not take effect straight away as inspection procedures had to be taken place. Recently, after phytosanitary standards and procedures set out in 2017 agreement were reached, China finally gave final approval to imports of rice from the US. However, the amount of rice that China is going to import

from the US was not immediately clear. Regarding this, US rice products will face competition in China, where Vietnam and Thailand are major rice exporters. Opening the market for American rice imports is believed to be another goodwill gesture from China after Chinese and American leaders agreed on a 90-day truce. Earlier December 2018, China confirmed that a new round of trade talks is going to take place in January 2019.

**Source:** South China Morning Post. (2018, Dec 28). *Slow cooker: China gives final approval to imports of rice from US after inspection procedures put in place*; and RT Business News. (2018, Dec 28). *China allows first-ever imports of US rice ahead of trade talks*.

## **Republic of Korea**

***The government of Republic of Korea (ROK) raised purchase price of rice for emergency reserves by 27.5 percent to better help local farmers.***

The ROK government purchased rice from farmers over the October-December period by initially providing 30,000 won (26.74 USD) per 40-kilogramme sack in line with its standing reserve policy. Within the end of December 2018, the government planned to make up the difference. On 28 December 2018, the Ministry of Agriculture, Food and Rural Affairs (MAFRA) decided to set the 2018's price for a 40-kilogramme sack of rice at 67,050 won (59.76 USD), up 27.5 percent from last year of 52,570 won (46.85 USD). The raise in purchase price of rice is expected to improve the earnings of local farmers, said the ministry. Additionally, the ministry completed the purchase of 350,000 tonnes of earmarked rice for 2018. The emergency reserve system is designed to store staple grains as a contingency against natural disasters and other food supply crises. The government normally purchases 17 to 18 percent of the annual consumption amount, worth about two months, as backup.

\*1 USD = 1,122.08 won

**Source:** The Korea Herald. (2018, Dec 28). *Govt. marks up purchase price of rice for emergency reserves by 27.5%*.

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