



## WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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### Cambodia

***Viet Nam has agreed to increase rice import quota for Cambodian rice.*** During the meeting on 13 February 2019, which was presided over by Cambodian Commerce Minister and a representative of the Vietnamese Ministry of Industry and Trade, Viet Nam agreed to grant zero duty privileges to 32 Cambodian goods, and agreed to expand its quota of Cambodian rice to 300,000 tonnes and tobacco leaves to 3,000 tonnes for 2019 and 2020. In return, Cambodian side agreed to give zero duty privileges to 26 Vietnamese goods. According to a spokesman of the Ministry of Commerce, an agreement will be signed soon when a Vietnamese delegation visits Cambodia again.

**Source:** Khmer Times. (2019, Feb 15). *Cambodia and Vietnam agree to drop import duties.*

***Rice exports continue to decline.*** Cambodia exported 59,625 tonnes of rice to international markets in January 2019, a 5 percent drop from 62,623 tonnes recorded in the same period last year. Of the total rice export amount, 23,899 tonnes, or 40.7 percent, were shipped to the European Union (EU). China imported 18,671 tonnes, while ASEAN member states imported about 9,200 tonnes and around 7,800 tonnes were exported to other destinations. According to vice president of the Cambodian Rice federation (CRF), the

country's rice sector is likely to face disadvantages, especially when the European Commission (EC) re-imposed duties on indica rice imports from Cambodia, as well as Myanmar, on 18 January 2019. However, rice exports will really depend on whether consumers continue to choose Cambodian rice despite the price increase. Therefore, Cambodian rice sector needs to diversify away from the EU market and to make local rice more competitive internationally by reducing production costs, stressed vice president of CRF.

**Source:** Vietnam Plus. (2019, Feb 14). *Cambodia's rice exports continue to decline*; and Khmer Times. (2019, Feb 13). *Exporters blame EU tariffs for 5 pct drop in rice shipments.*

### Philippines

***Rice imports are expected to reach 2.3 million tonnes in 2019.*** The Philippines will continue to import more rice this year as local production will still not be able to cover the national demand for the country's main staple and as the government moves towards the liberalisation of the rice importation. According to a report from the United States Department of Agriculture (USDA), the Philippines is seen to import some 2.3 million tonnes of rice in 2019, 21 percent higher than the 1.9 million tonnes of rice which were imported in 2018. According to Department of Finance, on 14 February 2019, President Rodrigo Duterte finally signed the Rice Tariffication Act (Republic Act No.11203), which would replace the quantitative restrictions on rice imports with tariffs, and it will take effect on 5 March 2019. As the Philippines moves closer to the implementation of the Rice Tariffication Act, more imported rice are expected to enter the country.

**Source:** The Manila Times. (2019, Feb 19). *Rice tariffication to start March 5, not March 3, clarifies Finance*; GMA News Online. (2019, Feb 19). *Rice tariffication will ensure rice prices remain affordable – NEDA*; Philippine Daily Inquirer. (2019, Feb18). *Rice tariffication starts on March 3*; The Philippine Star. (2019, Feb 11). *Philippines rice imports to hit 2.3 million MT this year*; and Food Evolution. (2019, Feb 11). *PH's rice imports seen hitting 2.3M MT.*

## Thailand

### ***Rice insurance scheme for the 2019 season has been approved.***

The cabinet has approved a rice insurance scheme for the 2019 season worth 1.74 billion baht (55 million USD), aiming to cover 30 million rai (4.8 million hectares) of farmland. The scheme, which is operated by the Bank for Agriculture and Agricultural Cooperatives (BAAC), covers six types of natural disasters, including floods, droughts, storms, cold, hail, and fires. The scheme is scheduled to start from 1 April 2019 and will charge an insurance premium of 85 baht (2.7 USD) per rai or 0.16 hectare, with the government subsidising 51 baht (1.6 USD) and farmers required to pay 34 baht (1.08 USD). The last year's rice insurance scheme was successful with almost 27 million rai (4.32 million hectares) of farmland, or 82 percent of the scheme's target, was insured for the 2018 crop year.

\*1 USD = 31.39 baht

\*\* 1 rai = 0.16 hectare / 6.25 rai = 1 hectare

**Source:** Bangkok Post. (2019, Feb 19). *Rice insurance continues.*

## Viet Nam

### ***Viet Nam is going to export 100,000 tonnes of rice to China.***

On 22 February 2019, the Ministry of Agricultural and Rural Development (MARD) held a meeting between Vietnamese exporters with a delegation of the Food Valley of China (FVC) to exchange information about expanding export market of the two nations. At the working session, the Vietnam Southern Food Cooperation (Vinafood 2) and the FVC signed a Memorandum of Understanding (MoU) on exporting 70,000 tonnes of ordinary rice and 30,000 tonnes of glutinous rice to Chinese market. The FVC will also support the Vietnamese enterprises to improve science and technology in production as well as processing. In addition to rice, export of Vietnamese fruits including durian, avocado, and mango is highly appreciated by the FVC.

**Source:** Saigon gian phong online. (2019, Feb 23). *Vietnam to export 100,000 tons of rice to China.*

### ***Viet Nam plans to export about 6 to 7 million tonnes of rice in 2019.***

According to the Ministry of Agriculture and Rural Development (MARD), Viet Nam plans to export around 6-7 million tonnes of rice this year, compared with roughly 6.1 million tonnes of rice worth about 3.1 billion USD in 2018. This year, Viet Nam will intensify application of advanced technologies in growing paddy rice, which will let the country able to produce 43.5 million tonnes of paddy rice from 7.5 million hectares of paddy rice-growing area. Moreover, Vietnamese Prime Minister also asked MARD and the Ministry of Industry and Trade (MOIT) to seek bigger and longer terms of export markets for Vietnamese rice, noting that Vietnam's rice export turnovers surged in such markets as Indonesia, Iraq, China, Hong Kong, and the Philippines last year. In January 2019, Viet Nam exported about 400,000 tonnes of rice with the earnings of 180 million USD, seeing declines of 18.5 percent in volume and 24.8 percent in value year-on-year.

**Source:** Xinhua. (2019, Feb 20). *Vietnam to export 6-7 mln tons of rice in 2019.*

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