



## WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

**No. 123**  
**19 - 25 June 2019**

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### **Cambodia**

***Cambodia and a Chinese firm signed a contract to build rice warehouses and drying machines in 11 provinces.***

According to the Ministry of Economy and Finance of Cambodia, the Engineering, Procurement and Construction (EPC) contract was recently inked between Cambodian Commerce Minister and the Chairman of China's state-owned CITIC Construction. The project is made possible under the concessional loan from the Chinese government. Under the contract, the CITIC Construction would construct 12 rice storage facilities with a total capacity of 827,000 tonnes and 10 rice drying machines with a total capacity of 13,000 tonnes per day in 11 Cambodian provinces, consisting of Pursat, Battambang, Takeo, Banteay Meanchey, Siem Reap, Kampong Thom, Kampong Cham, Prey Veng, Kandal, Kampong Speu, and Preah Sihanouk. With this project, Cambodia is expected to have enough capacity to increase its rice exports to international markets and achieve its target of exporting at least one million tonnes of rice a year in the future, as well as to enhance Cambodia's rice reputation.

**Source:** Xinhua. (2019, Jun 20). *Cambodia awards Chinese firm to build rice warehouses, drying machines in 11 provinces.*

### **Philippines**

***The National Food Authority (NFA) achieves over 250,000 tonnes of paddy, exceeding its initial procurement target.***

As of 19 June 2019, the NFA has procured 5.18 million bags of paddy or 258,519 tonnes, an 11 percent surpassing its initial paddy procurement target for the first half of 2019 of 4.65 million bags or 232,500 tonnes. The bulk of NFA's purchases still mostly came from the Philippines rice-producing provinces such as Mindoro, Nueva Ecija, Isabela, Bulacan, Cagayan, North Cotabato and Sultan Kudarat. Moreover, even with the summer-cropping season already done, the NFA was able to procure a total of 401,847 bags of paddy or 20,092 tonnes in the first two weeks of June 2019, exceeding its target of procurement 261,000 bags or 13,050 tonnes for the month by 54 percent. Besides, the NFA had been preparing for the lean months between July to September when the harvest was irregular, according to NFA Administrator.

**Source:** Inquirer.Net. (2019, Jun 24). *NFA exceeds palay procurement targets, prepares for lean months;* and Concept News Central. (2019, June 21). *NFA procures 5M bags of palay.*

### **Viet Nam**

***Vietnam needs new solutions to boost rice export amid market challenges.***

According to Deputy Minister of the Ministry of Industry and Trade (MOIT), the demand for rice of the three major markets, including China, Indonesia, and Bangladesh, has dropped recently. In the first five months of 2019, Viet Nam only exported 239,000 tonnes of rice to the said three markets, compared to 1.44 million tonnes in the same period last year. Particularly China, Viet Nam exported 223,078 tonnes of rice to China during the period, a 74 percent decrease from last year, due to high levels of rice inventory and stricter standards. China was once the biggest customer of Viet Nam, accounting for 40 percent of the total rice export. However, it has dropped to third place presently. Meanwhile, Viet Nam

exported only 2.76 million tonnes of rice worth 1.18 billion USD during the first five-month period this year, down 6.3 per cent in volume and 20.4 per cent in value against the same period last year. According to Vice President of the Vietnam Food Association (VFA), the domestic rice sector is expected to face a range of challenges not only in 2019 but also the years to come, because of the increasing global rice volume which is forecast to exceed 499 million tonnes this year, up 4.2 million tonnes from the previous year. Regarding these situations, Viet Nam must aim for more diverse customers as well as improve its rice quality. Likewise, the MOIT and related agencies must help boost promotional programmes and assist firms in developing a brand for Vietnamese rice.

**Source:** Vietnam Plus. (2019, Jun 24). *Solutions sought to boost rice export amid market challenges*; and Vietnam Net. (2019, June 24). *Vietnam still faces rice export difficulties*.

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