



WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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Malaysia

Malaysia expected to generate revenue of 30 million ringgit (7.1 million USD) from Langkawi glutinous rice. The integrated glutinous rice cultivation project was launched in Langkawi on 2 August 2019, for the purpose of boosting 30 million ringgit (7.1 million USD) in revenue within three years (2019-2021) and to reduce dependence on the glutinous rice imports from neighbouring countries.

Glutinous rice of Siding variety produced by the Malaysian Agricultural Research and Development Institute (MARDI) was cultivated in 39 hectares as a pilot project. Thus, all agencies under the Ministry of Agricultural and Agro-based Industry (MOA) can monitor and focus on any potential disruptions to the development of the project. In addition, the MOA expected that 6,000 tonnes of glutinous rice can be harvested within three years and help increase an income to the farmers for 30 million ringgit.

Prime Minister Tun Dr. Mahathir Mohamad who also the Member of Parliament from Langkawi wanted the glutinous rice cultivation project to be implemented in Langkawi with

the aims of promoting this island to become a major glutinous rice producer in the future.

*1 USD = 4.17 ringgits.

Source: Bernama. (2019, Aug 2). *MOA expects Langkawi glutinous rice to generate RM30 m in Revenue.*

Thailand

This year's initial drought damage in agricultural sector was estimated to nearly 10 billion baht (322 million USD). The University of the Thai Chambers of Commerce revealed the recent estimate after conducted a survey on this year's drought disaster by compiling data from agricultural government agencies and private firms nationwide. As the result, the agricultural sector has been affected the most from the drought.

As of 1 August 2019, the Department of Agricultural Extension's data showed that 1,341 square kilometers (1.34 hectares) of farmland was affected by drought, most of which is rice farms accounted of 656 square kilometers (6.56 hectares) with a preliminary estimated value of damage at 7.5 billion baht (242 million USD). Combining with other agricultural commodities, the overall damage was brought up to 9.8 billion baht (316 million USD)

If the drought extends to September, overall damage could reach 37 billion baht (1.19 billion USD) as the wet season rice cultivation cycle would be affected. As the result, Thai economy growth would decrease to 2.9 percent from 3 percent.

Furthermore, a widespread drought would also affect the export sector. Thailand's 5 percent broken rice price rose to 395-405 USD per tonne from 390-395 USD last week. Thai rice exports have declined 19.6 percent

compared with the same period of last year while overseas demand remained the same.

*1 USD = 30.99 baht

*1 hectare = 0.01 square meter

Source: National News Bureau of Thailand. (2019, Aug 3). *Drought disaster initial damage estimated 10bn baht; and Reuters. (2019, Aug 1). Asia Rice: Vietnam prices dip on fears Philippines could curb imports.*

Philippines

The private sector has rewarded rice farmers in supporting on an increase of the rice production. On 8 July 2019, the SL Agritech Cooperation and Go Negosyo launched the Masaganang Ani 300 Award to encourage the farmers who will harvest 300 sacks (15 tonnes) of palay per hectare. Currently, more than 95 percent of country's rice farmers cannot be able to receive the award due to a lack of agricultural support service and low hybrid rice usage.

The Philippine government was given 22 years notice from the World Trade Organization (WTO) to prepare for current 35 percent rice tariff. However, no support measure was put in place for the local farmers.

Therefore, a public-private partnership must be established and formulate the necessary measures for rice farmers to improve their profitability and compete effectively with rice imports.

*1 USD = 52.20 pesos

Source : Inquirer Business. (2019, Aug 2). *Justice for rice farmers.*

Viet Nam

Viet Nam's rice export increased in volume but decreased in value in the first seven months of 2019. According to the Ministry of Agriculture and Rural Development (MARD),

Viet Nam exported to 4.01 million tonnes of rice worth 1.73 billion USD increasing 2.1 percent in volume but decreasing 14.3 percent in value year on year.

From January to June this year, the average price of rice export was 431 USD per tonne, down 15 percent compared with the same period of last year.

The Philippines was the biggest buyer in the year's first half by accounting of 33.7 percent of Viet Nam's rice export. However, the Philippines is likely to curb rice imports during its harvest season in September to support local farmers.

In the short term, according to Minister Nguyen Xuan Cuong's advise, Viet Nam, to explore new markets, especially in Africa and ASEAN to make up for the dropping volume of export.

Source : Vietnam Plus. (2019, Aug 6). *Seven-month rice export up in volume, but down in value ; and Reuters. (2019, Aug 1). Asia Rice: Vietnam prices dip on fears Philippines could curb imports.*

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