



WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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Philippines

The Bureau of Customs (BOC) will audit traders to find undervaluation of rice.

The BOC is set to begin a full audit of all entities engaged in rice trading because of reports that there might have been traders who undervalued their rice shipments to avoid paying higher taxes. According to the BOC Assistant Commissioner, the notification letters would be sent to rice traders and importers next week, with the audit expected to start at the end of August 2019. If undervaluation is proven, the traders will incur a minimum penalty of 125 percent to a maximum of 600 percent of the amount they failed to pay for the rice shipments.

Source: Inquirer Business. (2019, Aug 9). *BOC to examine rice trader's books amid undervaluation allegation.*

Thailand

Thai rice prices increased as a prolonged drought hit the country's supply.

As reported by the Thai Meteorological Department, water levels in dams nationwide are far short of the monthly average. Even though harvesting has started in some areas, the dry conditions still have affected the quality of rice leading to an increase in domestic rice prices. The prices were also driven up as many exporters have been trying to buy rice to shore up their stocks amid concerns over a possible

shortage. This week, Thai rice export prices rose on worries that the country's worst drought in about a decade could further squeeze its supply. Thailand's benchmark 5-percent broken rice rose to 406-425 USD a tonne on 8 August 2019 from 395-405 USD per tonne last week. Thai rice prices were also higher than other Asian hubs, with a strong baht contributing to the high rates even as demand remained flat.

Source: Reuters. (2019, Aug 8). *Asia Rice: Thai rates gain as drought hits supply; Vietnam eyes South America market.*

Viet Nam

A new decree was launched to promote Vietnamese rice export activities.

Over 40 businesses have been added to the list of rice exporters after the government's newly revised decree 107, which was issued on 15 August 2018, on rice export came into effect recently. According to Deputy Director of the Import and Export Department under the Ministry of Industry and Trade (MOIT), the revised decree 107 aim to solve problems and create the most open environment to develop rice businesses. Under the new decree, the condition to become a wholesale business has been loosened. Businesses can now rent rice milling plants, as well as warehouses, and are not to require owning these facilities as they were under the old decree. This helps businesses save costs and take advantage of surplus facilities of other businesses. In addition, under the new decree, the enterprises do not have to register their export contact as previously. From January to July 2019, Viet Nam exported 4.01 million tonnes of rice worth 1.73 billion USD, up 2.1 percent in volume but down 14.3 percent in value year-on-year, according to the Ministry of Agriculture and Rural Development (MARD).

Source: Viet Nam News. (2019, Aug 13). *New decree issued to promote rice exports;* and Vietnam News Agency. (2019, Aug 12) *Over 40 businessmen licenced to export rice following new decree.*

Viet Nam is seeking opportunities to export rice to the South American market.

A delegation from the Vietnam Food Association (VFA) was in Mexico earlier this week to seek opportunities to ship Vietnamese rice to South America as the country was attempting to find the new markets for the grain. As reported by the Ministry of Agriculture and Rural Development (MARD), Viet Nam exported 651,000 tonnes of rice in July 2019, beating a government forecast of 600,000 tonnes. Besides, due to the preliminary data, about 103,000 tonnes of rice were loaded at Ho Chi Minh City ports during 2-10 August 2019 with 42 percent bound for West Africa, 29 percent for Iraq, and the remainder for the Philippines and Malaysia. This week, Viet Nam's rates for 5-percent broken rice remained unchanged from last week at 340-350 USD per tonne.

Source: Reuters. (2019, Aug 8). *Asia Rice: Thai rates gain as drought hits supply; Vietnam eyes South America market.*

Valuable anti-diabetic compounds were found in Quang Tri organic white rice.

According to Associate Professor and Head of the Laboratory of Plant Physiology and Biochemistry in Hiroshima University of Japan, the two chemical compounds, Momilactone A and Momilactone B (MA and MB), have been founded in Ong Bien organic white rice grown in the central province of Quang Tri of Viet Nam under schemes and technology provided by Dai Nam Ong Bien Group Joint Stock Company based in the south-central province of Ba Ria-Vung Tau. The MA and MB compounds can prevent diabetes, obesity, and gout through their ability to inhibit enzymes relating to the diseases. The MA and MB compounds are very rare and have not been fully studied for biological and pharmacological activities. Some studies have previously found rice to have compounds that inhibit diabetes, but only in brown or red rice. Therefore, the discovery of the said two compounds in white rice created a breakthrough in the world's plant physiology, especially rice. However, the Vietnam's Health Ministry and relevant

agencies have not yet commented or verified the claims, including the nutrition values of rice, the content of MA and MB, and its anti-diabetic ability.

Source: Vietnam Plus. (2019, Aug 8). *Valuable anti-diabetic compounds found in Quang Tri organic white rice.*

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