



WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

No. 131
14 - 20 August 2019

Philippines

The Department of Agriculture (DA) plans to allocate funding for hybrid rice programme to get the country's set target of paddy production of 21 million tonnes.

Since the Rice Competitiveness Enhancement Fund (RCEF) has already portioned 3 billion pesos (57 million USD) for inbred rice, the DA has decided to allocate its rice programme budget for hybrid rice. According to the Agriculture Secretary, the DA will start devoting its budget of about 2 billion pesos (38 million USD) in 2020 for the improvement and expansion of hybrid rice in the Philippines as it planned to achieve the country's paddy production target of 21 million tonnes. Once achieved, the 21 million tonnes will be the record-high paddy production in the country compared to the current highest record of 19.28 million tonnes in 2017, said Agriculture Assistant Secretary.

* 1 USD = 52.42 pesos

Source: Philstar Global. (2019, Aug 19). *DA to allocate P2B for hybrid rice.*

Thailand

Commerce Minister has proposed a policy of price insurance for five types of rice to help boost income for farmers.

On 17 August 2019, a joint meeting of officials, operators and farmers had agreed to set conditions on insured paddies of five types. According to Commerce Minister, the output for each farming household varies by paddy type, while the acreage per household for all five categories must not exceed 40 rai (6.4 hectares). The maximum ensured amount will be in the range of 14 to 30 tonnes and paddies with 15 percent moisture will be guaranteed. However, the rice insurance scheme will not cover the rice that harvested less than 100 days of being planted. The chosen five paddy strains include white rice with the guaranteed price at 10,000 baht (322 USD) per tonne and up to 30 tonnes; sticky rice at 12,000 baht (386 USD) per tonne and up to 16 tonnes; Hom Mali rice at 15,000 baht (483 USD) per tonne and up to 14 tonnes; fragrant rice at 14,000 baht (450 USD) per tonne and up to 16 tonnes; and Pathum Thani rice at 11,000 baht (354 USD) per tonne and up to 25 tonnes. The insurance prices will be approved by the National Rice Policy Committee and then will be forwarded to the cabinet for the final approval. Once announced, around 3.9 million farmers will benefit from the policy.

*1 USD = 31.0497 baht

*1 hectare = 6.25 rai

Source: Bangkok Post. (2019, Aug 18). *Jurin floats rice price insurance* ; and Bangkok Post. (2019, Aug 17). *Rice prices likely to be set at B10,000 to B14,000.*

Prolonged protests may affect Thai Hom Mali rice exports to Hong Kong.

Worried Thai rice exporters are closely monitoring the situation in Hong Kong, fearing that the prolonged protests may affect exports of Hom Mali rice. As reported by the honorary chairman of the Thai Rice Exporters Association (TREA), the market share of Thai Hom Mali rice in Hong Kong has now dropped to only 52 percent, compared to 7-8 years ago with 90 percent of market share. It is attributed the

sharp drop in market share to the high price of Thai Hom Mali rice about 1,200 USD per tonne, compared with 500-550 USD per tonne from Viet Nam. Nevertheless, Hong Kong remains an important market for Thai Hom Mali grains, which is popular among its people. To cope with the protest situation, Thai rice exporters might have to look for other markets with high purchasing power like the United States and Canada. Meanwhile, Thailand's International Trade Office in Hong Kong will hold a promotional campaign for Hom Mali as well as organic rice in leading shopping mall such as 759 Store and Test, according to Deputy Director-General of International Trade Promotion Department (DITP) of Thailand.

Source: Thaibsworld. (2019, Aug 16). *Prolonged protests may affect exports of Thai Hom Mali rice to Hong Kong.*

The damage from drought in the northeast of Thailand has reached an estimated 3 billion baht (96 million USD).

According to Assistant Secretary-General from the Office of Agricultural Economics (OAE), the damage from drought in the northeastern region has reached approximately 3 billion baht, while more than 800,000 rai (128,000 hectares) of farmlands countrywide are thoroughly uncultivable. The most affected crop is rice with 226,452 tonnes in 600,000 rai (96,000 hectares) damaged, equivalent to 1.9 billion baht (61 million USD). Regarding all nationwide farmlands, the OAE estimates about 10.87 million rai (1.7 million hectares) will suffer from a serious water shortage that leaves crops dead standing. Most of these areas are in the northeastern region, including Khon Kaen, Nakhon Ratchasima, Maha Sarakham, Petchabun, and Chaiyaphum. The reason behind this year's severe drought is the El Niño phenomenon, which affected climate change and increased average temperatures, as well as reduced rain quantity throughout the country, said Assistant Secretary-General.

*1 USD = 31.0497 baht

**1 hectare = 6.25 rai

Source: The Nation Thailand. (2019, Aug 16). *Northeastern drought stacks up Bt3 billion in damages.*

Viet Nam

Viet Nam is struggling to find new markets as dwindling demand in China.

According to data from the Vietnamese Customs, rice exports to China in the first seven months of 2019 fell 65.7 percent to 318,100 tonnes from the same period last year. Viet Nam is, therefore, struggling to find new markets to compensate for the sharp decline in shipments to China. Demand for rice in China remains high; however, the importers cannot buy from Viet Nam because of technical barriers which the Chinese government has imposed. Apart from this, prices for Viet Nam's 5-percent broken rice this week fell to 335-345 USD a tonne from 340-350 USD a tonne last week. To boost Vietnamese rice exports this year, the Ministry of Industry and Trade (MOIT) would organise several trade promotion trips.

Source: Reuters. (2019, Aug 15). *Asia rice-Vietnam struggles to find new buyers as Chinese demand dwindles.*

Gathered by the APTERR Secretariat
Tel: +66 (0) 2579 4816-17 Fax: +66 (0) 2579 4840
Email: nattakarn.san@apterr.org
Website: <http://www.apterr.org/>

* This Weekly Update on ASEAN Plus Three Rice Situations is based on all available sources during the period. The APTERR Secretariat shall take no responsibility for data accuracy in this publication and any consequence of their use.