



WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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Cambodia

The European Union (EU)'s tariffs damaged 500,000 Cambodian farmers.

In January 2019, the EU imposed tariffs for the three consecutive years, starting from 2019-2022, on indica rice imports from Cambodia, as well as Myanmar, in order to protect its local producers following a surge importation. Due to this tariff imposition, about 500,000 Cambodian farming families, who grow jasmine and fragrant rice, has faced the economic disruption, according to the Cambodia Rice Federation (CRF). For the first six-month period of this year, Cambodian rice exports to the EU declined by half to only 93,000 tonnes compared with the same period last year. The EU imposed tariffs at 175 euros (194 USD) per tonne in the first year, at 150 euros (166 USD) per tonne in the second year, and 125 euros (138 USD) in the last year. Aside from this, the EU is now considering the withdrawal of its Everything But Arms (EBA) programme which gives almost 50 developing countries duty-free access for all exports to the EU, except arms. The EU-Cambodian economic relations could also be affected by the changes to Cambodia's privileged trading status.

*1 USD = 0.90 euro

Source: Asia News. (2019, Aug 23). *EU tariffs on Cambodian rice damage 500,000 farmers*; and Xinhua. (2019, Aug 23). *Cambodia : EU's rice tariffs affect half mln farmer-families.*

Thailand

Nationwide sticky rice traders were ordered to report their inventories to prevent rice hoarding as the higher prices.

The sticky rice price has risen to 15,179 baht (490 USD) per tonne in August 2019, up 56.53 percent, from 9,697 baht (313 USD) month-on-month. To prevent sticky rice hoarding and profiteering, therefore, the Commerce Minister has ordered sticky rice traders, including millers and exporters, to report their inventories by 27 August 2019 to the authorities. Millers, traders, and exporters, who refuse to submit their stock report or submit inaccurate stocks, will be subject to a maximum five years in jail or a fine of not more than 5,000 baht (161 USD) or both. For hoarding or profiteering of rice, violators are subject to seven years of punishment, a fine of up to 140,000 baht (4,523 USD) or both. The domestic price of sticky rice rose sharply to 50 baht (1.61 USD) per kilogramme from 35 baht (1.13 USD) last month. The surge in price was attributed to the widespread drought and lower production over the last two years, as farmers shifted to grow more Hom Mali rice, which latter provides a higher price.

*1 USD = 30.9462 baht

Source: Bangkok Post. (2019, Aug 27). *State tackles glutinous rice price*; and Thai News Agency. (2019, Aug 26). *Govt Checks Sticky Rice Stocks Nationwide.*

A budget of 21 billion baht (678 million USD) for the price guarantee scheme for rice was recently endorsed.

As proposed by the Commerce Minister, on 21 August 2019, the National Rice Policy Committee chaired by the Prime Minister approved the price guarantee scheme for rice worth 21 billion baht for stabilising rice prices for farmers with insured prices. The scheme ensured the amount of rice only in the range of 14-30 tonnes with 15 percent moisture and maximum 40 rai (6.4 hectares) of the acreage per household. The five types of paddy guaranteed by the scheme comprise white rice with the price at 10,000 baht (323.14

USD) per tonne and up to 30 tonnes; sticky rice at 12,000 baht (387.77 USD) per tonne and up to 16 tonnes; Hom Mali rice at 15,000 baht (USD) per tonne and up to 14 tonnes; fragrant rice at 14,000 baht (452 USD) per tonne and up to 16 tonnes; and Pathum Thani rice at 11,000 baht (355.46 USD) per tonne and up to 25 tonnes. The proposal will be sent to the cabinet for further approval on 27 August 2019. About 3.9 million families are expected to benefit from the scheme.

*1 USD = 30.9462 baht

**1 hectare = 6.25 rai

***1 rai = 0.16 hectare

Source: Bangkok Post. (2019, Aug 22). *Rice panel Oks B21 bn for price guarantee scheme*; and Thai News Agency. (2019, Aug 21). *Bt21-Billion Budget Approved to Guarantee Rice Price*.

Viet Nam

Viet Nam expects to harvest 150,000 tonnes of paddy from the summer-autumn crop in the Mekong Delta area this year.

According to the Ministry of Agriculture and Rural Development (MARD), the Mekong Delta expects to harvest more than the last year of about 150,000 tonnes of paddy in this summer-autumn crop. The Mekong Delta has so far harvested about two-third of its 5.7 million hectares of rice field with an average yield of 5.7 tonnes per hectare, a 100-kilogram increase from the same crop last year. The growth is more than enough to compensate for the falling output of the last summer-autumn harvest, which estimated at 50,000 tonnes. The harvest of this season's entire rice area is expected to be completed in early September 2019. There has been no report on effects of drought and saline intrusion in the area. Besides, MARD recommended the Mekong Delta area to expand the next autumn-winter crop from 4,000 hectares to about 750,000 hectares in order to keep this year's output stable and higher than last year.

Source: Vietnam Plus. (2019, Aug 25). *Mekong Delta expects 150,000 more tonnes from summer-autumn rice crop*.

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