



## WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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### Myanmar

***Setting a new floor price for paddy rice could create pros and cons of outcomes.***

According to the Deputy Minister of Commerce, setting a new floor price with higher paddy price could boost support for government candidates among the country's millions of rural voters in the 2020 general elections, whereas it could also have an adverse effect on urban voters. The rice floor price is a very sensitive issue. The higher price is good; however, there will be political consequences leading to demonstrations if the price is lower. Therefore, the price must be beneficial for both merchants and farmers. Regarding this, the government has consulted with farmers and the Myanmar Rice Federation (MRF) on the price range, price controls, and market intervention. In 2018, the government set the floor price of 500,000 Kyats (328 USD) per 100 baskets or 2.1 tonnes (one basket is roughly 21 kilogrammes). Compared with 480,000 Kyats (313 USD) per 2.1 tonnes in other days, the prices have fallen to 450,000 Kyats (294 USD) nowadays in some areas. Besides, the government has allocated 15 billion Kyats (9.8 million USD) to stabilise the price of paddy in 2020, said the Deputy Minister of Commerce.

\*1 USD = 1,529 Kyats

**Source:** Myanmar Times. (2019, Sep 2). *Rice prices could trigger unrest, senior official says.*

### Philippines

***Rice Tariffication Law was blamed for a sharp decrease in paddy prices.***

Known as the rice granary of the Philippines, Nueva Ecija province produces the bulk of the national supply of rice grains. The sharp decline of paddy prices was blamed on the Implementation of Republic Act 11203 (RA 11203) or the Rice Tariffication Law, which opened up the market to the unlimited rice imports. According to a representative from Nueva Ecija, after the implementation of the law in March this year, paddy prices in the province dropped to 12 pesos (0.23 USD) per kilogramme due to cheaper rice imports. Moreover, some farmers were forced to sell their products as low as 7 pesos (0.13 USD) per kilogramme since they started to harvest in August this year. On 2 September 2019, the Department of Agriculture (DA) launched its Expanded Survival and Recovery Assistance Program for Rice Farmers (SURE Aid Program) in the province. The programme provides one-time loan assistance of 15,000 pesos (289 USD) to rice farmers with no interest rate in eight years. However, the said initiative was only an aid for rice farmers and not the actual solution to the problem. In contrast, the government should set the floor price of paddy to at least 20 pesos (0.38 USD) per kilogramme. This will help farmers recover and keep on planting.

\*1 USD = 51.85 pesos

**Source:** Manila Times. (2019, Sep 3). *Rice Tariffication Law to blame for drop in palay prices.*

## **Thailand**

***The cabinet approved a package worth 59 billion baht (1.92 billion USD) in rice price guarantee and subsidy schemes.***

On 28 August 2019, the Thai cabinet approved a budget of 59 billion baht for the price guarantee programme and subsidy schemes for rice and oil palm. Of the total budget, 13.3 billion baht (432 million USD) is for the rice price guarantee programme, while 21.4 billion baht (696 million USD) for oil palm. The remaining 25 billion baht (813 million USD) is to subsidise production cost for rice farmers. The scheme will be operated by state-owned Bank for Agriculture and Agricultural Cooperatives (BAAC) from October this year to October 2020. The rice price guarantee scheme will cover five types of paddy, namely white rice; Hom Mali rice; fragrant Pathum Thani rice; provincial fragrant rice; and sticky rice, with 15 percent moisture and not to exceed 30 tonnes per family. Under the scheme, the maximum acreage per household of 40 rai (6.4 hectares) is covered. Farmers will be paid the differences only when the prices fall below the benchmark prices, according to the Deputy government spokeswoman.

*\*1 USD = 30.7298 baht*

*\*\*1 hectare = 6.25 rai*

*1 rai = 0.16 hectare*

**Source:** Bangkok Post. (2019, Aug 28). *Cabinet okays schemes for rice, oil palm.*

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