



WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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Philippines

The government has been urged to impose special safeguard duties at least 70 percent on rice importation.

After the Rice Tariffication Law or Republic Act 11203 (RA 11203) came into force at the beginning of this year, the continuous inflow of rice imports has so far reached 2.4 million tonnes, resulting in a severe drop in local rice prices. This might force local farmers in rural areas to resort to joining communist rebels. In this regard, the Philippine Chamber of Agriculture and Food Inc. (PCAFI) is urging the government to immediately impose a rice tariff at a minimum 70 percent, under the Safeguard Measures Act or Republic Act 8800 (RA 8800), to arrest record-high rice imports. The tariff protection under the safeguards would serve as a temporary policy, while the minimum rate of 70 percent is reasonable enough as an extra edge against rice imports, according to PCAFI President. Besides, with the influx of rice imports, the Federation of Free Farmers (FFF) earlier expressed the same proposal to the government to immediately impose special safeguard duties on rice imports, fearing local rice prices would further decrease as the main harvest season peaks next month.

Source: The Manila Times. (2019, Oct 3). *Farming group seeks 70% rice tariff.*

Thailand

The government prepared measures to prevent domestic rice price plummeting.

Pursuant to the announcement on 3 October 2019, the Department of Internal Trade (DIT) introduced measures to prevent the falling in domestic rice prices, for example, urging farmers to postpone selling harvested rice until the prices return to normal levels. However, the postponing should not take a long time as there is no rice left in the stock while consumers' demand is rising steadily. The move follows the reduction of rice export goal 2019, which was adjusted by the Thai Rice Exporters Association (TREA), from 9.5 million tonnes to only 8.5 million tonnes. One of the factors behind the TREA's decision to reduce export volume was the strong baht, making the price of rice, as well as other agricultural goods, unfavourable to importers. To solve the baht appreciation, the Bank of Thailand (BOT) must urgently introduce monetary measures to weaken the baht, according to DIT Director General.

Source: The Nation. (2019, Oct 4). *Reducing rice exports unlikely to impact domestic price: Internal trade office*

Viet Nam

Rice exports in the first nine months hit 5.2 million tonnes worth 2.24 billion USD.

According to the Ministry of Agriculture and Rural Development (MARD), Viet Nam shipped 586,000 tonnes of rice in September 2019 with the earning of 251 million USD, pushing the total rice export volume and value of this year reached 5.2 million tonnes and 2.24 billion USD, respectively. Compared to the same period of 2018, the figures represented an increase of 5.9 percent in volume but a decrease of 9.8 percent in value. From January to August 2019, the Philippines was the top market for Vietnamese rice consuming 1.76 million tonnes worth 720 million USD, up 2.9 times higher in volume

and 2.6 times in value over the same period last year. Strong growth was also seen in other markets, including Australia at 75 percent, Ivory Coast and Hong Kong at nearly 35 percent each.

Source: The Voice of Vietnam. (2019, Oct 4). *Rice exports bring home 2.24 billion USD in nine months.*

The large-scale rice fields in Bac Lieu province give benefits to rice farmers in term of the economy of scale.

The Mekong Delta province of Bac Lieu has 26 large-scale rice fields with a combined area of 50,000 hectares, according to the provincial Department of Agricultura and Rural Development. In the first half of 2019, five fields with an average size of 100 hectares were created. The programme is yielding positive results, such as increasing farmers' incomes, farmers' awareness of the economy of scale, and providing them with guaranteed outlets for their crops. A large-scale rice field is created by pooling individual farmers' fields to increase productivity and reduce costs, while produces 2-3 rice crops per year. The province uses the technique of 3 reductions and 3 increases, which refers to a reduction in the use of seeds, fertilisers, and chemicals to achieve increases in productivity, quality, and efficiency. Therefore, farmers benefit from sowing seeds at the same time of preventing disease outbreaks, and using machines while harvesting simultaneously. Moreover, the province seeks to expand the area under the large-scale rice fields to 100,000 hectares by 2020, equivalent to 51 percent of the province's entire rice farming area.

Source: Viet Nam News. (2019, Oct 7). *Bạc Liêu's large-scale rice fields prove benefit of economy of scale.*

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