



WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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Myanmar

Low quality of paddy has caused the falling in export prices in 2019.

According to the Secretary General of Myanmar Rice Federation (MRF), the export of paddy fetched a poor price this year, as the quality of the newly harvested paddy is low. This is the result of insufficient water supply and the difficulty of available paddy seeds. Therefore, even though using the advance rice grinding machines, the quality of paddy seeds is still low. However, the MRF is seeking the best way to solve this problem. Likewise, farmers are required to immediately inform the regional committee and township committee about the availability of paddy strains, water supply, and other difficulties. The MRF will also cooperate with the relevant regional governments in order to help solve the problem quickly and effectively.

Source: Eleven Myanmar. (2019, Dec 23). *Low quality drives export paddy price down.*

Thailand

Demand for Thai rice remains dim as the baht appreciation drives prices up.

Demand for Thai rice was still being hurt by cheaper competitors. The prices throughout the year of 2019 were significantly higher than those from a neighbouring country, especially Viet Nam, due mainly to the strong local currency. This week, prices of Thailand's 5 percent broken rice were at 395-420 USD per tonne, on a free-on-board (FOB) basis, whereas rates for Viet Nam's 5 percent broken rice were quoted at 350-352 USD a

tonne. However, Thai farmers are harvesting new season rice and exporters also hope the new supply could help lower the prices in the near future.

Source: Business Recorder. (2019, Dec 24). *Indian rice export prices rise as demand picks up.*

Viet Nam

Vietnamese rice prices increased as the uptick in demand from the Philippines.

As of 19 December 2019, the price of Viet Nam's 5 percent broken rice was quoted at 350-352 USD per tonne, compared with 350 USD a tonne last week. This is due mainly to the increased demand from the Philippines. Moreover, Vietnamese rice price is expected that rice prices to further increase until supplies from the Winter-Spring crop are available from late January to early February 2020.

Source: Business Recorder. (2019, Dec 24). *Indian rice export prices rise as demand picks up.*

Viet Nam's rice sector is forecast to face difficulties in 2020 with the volatility of production, demand and prices.

According to the Ministry of Agriculture and Rural Development (MARD), there were 7.47 million hectares of available land for rice production in October 2019, shrinking by 92,300 hectares from October 2018. The rice cultivated area will continue to decline by 500,000 hectares in the coming years for other purposes, such as aquatic or fruit cultivation. Accordingly, the estimated volume of rice production in 2020 will be around 41.5 million tonnes, down 6.7 percent year-on-year. Additionally, the prices may fall in 2020 as the demand for Vietnamese rice has been decreasing. Some countries have restructured their agriculture sector in order to improve the domestic supply and satisfy local demand. Therefore, the decline in prices in 2020 could negatively affect the rice sector.

Source: Vietnamnet. (2019, Dec 23). *Vietnam's rice sector forecast to face difficulties in 2020.*

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