



WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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Cambodia

Cambodia allows resuming the export of white rice and paddy from 20 May 2020.

The Cambodian government has decided to lift the ban on the export of paddy, white rice, and fish on 20 March 2020 onward. The government is constantly monitoring the situation of farmer's cultivation, and stockpiles and the global market. Therefore, the decision was made because the country has sufficient rice capacity for domestic consumption and exports. The reopening would help partially offset the economic slowdown in the service sector. Additionally, it would allow Cambodia to expand the market, while some countries continue to restrict exports of agriculture products. In the first four months of this year, Cambodia exported 300,252 tonnes of rice to the international markets, up 40.46 percent year-on-year.

Source: The Phnom Penh Post. (2020, May 17). *Exports of paddy, white rice and fish are back on the table.*

Thailand

Prices of Thai rice decrease due to the rain and entering of new supplies.

This week, Thailand's benchmark 5 percent broken rice were quoted at 480-485 USD per tonne, down from 515-546 USD per tonne last week. The prices decrease because the new supply will enter the market this month and rain forecast can ease concerns over a supply shortage. Demand for Thai rice remains flat but the buyers like the Philippines may interest due to the dropping prices. However, Thailand is still facing strong competition from Viet Nam.

Source: Reuters. (2020, May 15). *RPT-Asia Rice-Thai prices dip as demand flows to India, Vietnam.*

Suspension of the tariff privileges on parboiled rice from the United States (US) will not affect Thai rice exporters.

The United State Trade Representative (USTR) is considering a proposal from the USA Rice Federation to suspend tariff privileges under the Generalised System of Preferences (GSP) on six rice products. This suspension aims to help American rice farmers and manufacturers. However, Thailand would not be affected by this suspension because the country use GSP privileges only on parboiled rice, which exports very low on value and volume. Each year, Thailand exported approximately 500,000 tonnes of rice to the US, of which 90 percent was jasmine rice, 9 percent was sticky rice, and 1 percent was parboiled rice, according to the Thai Department of Foreign Trade (DFT). Additionally, the exporters will pay tax only 11.2 percent if the USTR suspends tariff privileges on parboiled rice.

Source: Nation. (2020, May 18). *Exporters unfazed at likelihood of losing US tariff privilege for parboiled rice.*

Viet Nam

Vietnamese rice prices increase due to the low supplies but uptick in demand.

This week, rates for Vietnamese 5 percent broken rice raise to a near one-year high at 450-460 USD per tonne. The low supplies are driving rice prices up as the traders are rushing to fulfil contracts, which were signed before the export ban. Meanwhile, the government is buying rice from farmers for the national stockpiling programme. The supplies from the upcoming harvest will not increase sharply because the harvesting comes slowly, lasting more than two months.

Source: Reuters. (2020, May 15). *RPT-Asia Rice-Thai prices dip as demand flows to India, Vietnam.*

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