



WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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Cambodia

Cambodia's revenue from rice exports reaches more than 328 million USD in the first nine months of 2020.

From January to September 2020, Cambodia exported 488,785 tonnes of rice worth over 328 million USD, up 22.62 percent in volume and over 10 percent in value year-on-year, according to the report from the Cambodia Rice Federation. During this period, China remains the top buyers of Cambodian rice at 171,896 tonnes, followed by the European Union at 161,614 tonnes, the Association of Southeast Asian Nations market at 67,433 tonnes, and other markets. The recently Covid-19 pandemic has driven demand for Cambodian rice. Additionally, the country's rice export in 2020 is forecast to reach at least 800,000 tonnes, said the Ministry of Agriculture, Forestry and Fisheries.

Source: Xinhua. (2020, Oct 5). *Cambodia's rice export reaches 490,000 tonnes*; and Phom Penh Post. (2020, Oct 4). *Rice exports top \$300M in first nine months of year.*

Malaysia

Malaysia-based companies enter a joint venture to develop the Rice Information Management System (RIM System).

The Key Alliance Group Bhd (KAG), through the Agrocloud Sdn Bhd (Agrocloud), has entered into a Shareholder Agreement with the Rimbun Duan Ventures Sdn Bhd (RDV) and the Fortifoods Sdn Bhd (Forti) to develop and promote the Rice Information Management System (RIM System). The RIM System is an intelligent and integrated in-field rice production management solution. This project is in the line with the Federal government's agenda of addressing national food security by promoting agro-technology and precision farming. Also, it aims to reduce national farmer subsidies whereas increasing their overall income.

Source: Bernama. (2020, Sep 29). *Key Alliance to develop Rice Information Management System.*

Thailand

Thai rice exports are falling due to the strong baht and low production.

According to the Thai Rice Exporters Association, Thailand's rice export is expected to drop to only 5 million tonnes in 2020 from 7.5 million tonnes in 2019. The reasons attributed to the strengthening baht and low rice production, pushing high rice prices. The rates for Thai white rice is currently around 490 USD per tonne compared to white rice from Viet Nam, India, and Myanmar at 460 USD per tonne, 370 USD per tonne, and 420 USD per tonne, respectively. Malaysia has purchased only 40,000 tonnes of Thai white rice this year, falling from the usual purchasing of 400,000 tonnes annually, because the country has switched to rice from Viet Nam, India, and Myanmar. Meanwhile, the Philippines has imported only 1.8 million tonnes of rice, which came from Viet Nam 1.7 million tonnes and only around 60,000 tonnes from Thailand. In the first nine months of this year, Thailand shipped 4 million tonnes of rice, averaging between 300,000 and 400,000 tonnes monthly.

Source: Nation Thailand. (2020, Oct 5). *Strong baht, low production pull down Thai rice exports.*

Thailand seems to have a brighten prospect from zero percent tax for rice exports to the European Union (EU).

On 22 September 2020, the European Commission announced that the remaining annual quota for Thai rice, including white rice, jasmine rice, fragrant rice, and parboiled rice, would have zero tariff in October 2020 for up to 24,883 tonnes. Previously, the EU collects rice import tax at 145 Euro (170 USD) per tonne. This is a good opportunity for Thai rice exporters to raise their shipments to the EU market. Besides, the exporters who want to exercise this quota must apply first for a certificate for exporting rice to the EU at the Department of Foreign Trade.

*1 USD = 0.85 Euro

Source: Bangkok Post. (2020, Sep 30). *No tariffs for EU rice shipments.*

Viet Nam

Two Viet Nam-based company sign a deal to form a strategic partnership.

The Loc Troi Group, one of Viet Nam's leading manufacturers and suppliers of agriculture services, have signed a partnership deal with the Louis Rice Grop, one of Viet Nam's top rice import and export, to become a strategic partner. This partnership deal is expected to pave the way for cooperation in rice purchasing, exporting and distribution. Also, both companies will cooperate to support each other in sales, reducing post-harvest losses, and adding the value of Vietnamese grains. With the extensive experiences of these two companies in the agricultural sector, the collaboration would support the position of Viet Nam's food industry in regional and international markets.

Source: Vn Express. (2020, Sep 22). *Loc Troi Group, Louis Rice form strategic partnership.*

Prices of Vietnamese rice slightly decrease due to the silent export activities.

Rates for Vietnamese 5 percent broken rice were quoted at 460-480 USD per tonne this week from 475-495 USD per tonne last week as the export activity muted with the absence of buyers from the Philippines. Some exporters are only focusing on fulfilling their contracts signed with Cuba. Besides, the traders are concerned the possible drought or salination during the upcoming season because of the low water levels in the Mekong Delta this year.

Source: Reuters. (2020, Oct 2). *RPT-Asia Rice-rate dip in top hubs; traders flag low Mekong water levels.*

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