



WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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Cambodia

Drought hits 2,600 hectares of rice fields in Kampong Cham province.

The prolonged drought during June and July 2021 together with a lack of sufficient water resources affected 2,600 hectares of rice fields in four districts of Kampong Cham province, namely Batheay, Prey Chhor, Cheung Prey, and Stung Trang, as well as caused a drop of yields by 30-40 percent. Although there were some rainfalls at the second weekend of July, the impact of drought is still threatening yields. Regarding this, the provincial governor asked relevant officials to work with local authorities to assist farmers by providing technical advice in using fertilisers and pesticides to increase yields.

Source: The Phnom Penh Post. (2021, Aug 12). *Drought hits rice yields in Kampong Cham, Oddar Meanchey.*

Thailand

Thailand hopes rice exports increase in the last five months of 2021 to reach its target of 6 million tonnes.

According to the Thai Rice Exporters Association, Thai rice exports are expected to increase in the remaining five months of 2021, helped by the weak baht and relatively low prices against the competitors. Over the mentioned period, rice exporters expect to ship an average of 600,000-700,000 tonnes of

rice per month, leading exports to meet the target of 6 million tonnes for the whole year. However, important obstacles persist, especially container shortages, limited shipping spaces and expensive freight rates. Another key concern is labour shortages during the Covid-19 pandemic. In the first seven months of this year, Thailand exported only 2.8 million tonnes of rice, an average of 400,000 tonnes per month. The figure is below the export target average of 500,000 tonnes per month or 3.5 million tonnes during the period.

Source: Bangkok Post. (2021, Aug 13). *Weak baht to fuel rice exports.*

Prices of Thai rice decrease this week because of the softening baht.

Rates for Thai 5 percent broken rice fell to 380-395 USD per tonne, the lowest level since April 2019, from 385-410 USD per tonne last week. The prices continue to decline due mainly to the baht depreciation whereas demand remains flat because of high shipping costs, said a Bangkok-based trader.

Source: Reuters. (2021, Aug 13). *ASIA RICE High shipping costs, weak baht drag Thai rates to over 2-year low.*

Viet Nam

Prices of Vietnamese rice remain unchanged as slow export activities.

Vietnamese 5 percent broken rice prices were unchanged at 390 USD per tonne. Export activities remain sluggish amid the weak demand and logistics difficulties due to the movement restrictions caused by the Covid-19 pandemic, said a trader in An Giang province. However, domestic paddy prices have increased in recent days after the government said that it would consider stockpiling rice to support farmers.

Source: Reuters. (2021, Aug 13). *ASIA RICE High shipping costs, weak baht drag Thai rates to over 2-year low.*

Commercial banks are directed to help the rice industry in the Mekong Delta during the Covid-19 pandemic.

The Governor of the State Bank of Viet Nam (SBV) has directed commercial banks in the Mekong Delta region to support rice producers and traders to overcome the difficulties amid the Covid-19 pandemic as it has negatively affected the rice supply chain. Under Document No. 5747/NHNN-TD, commercial banks must fully and promptly meet the capital needs as well as expand credit limits for rice traders. Also, the banks have to improve their internal procedure to shorten the loan approval period, diversify appropriate credit products as well as work closely with rice traders and businesses to explore effective solutions. However, the loan must still meet the government's current credits rules to ensure legal cash flow management and debt recovery, stated by the SBV.

Source: Bizhub. (2021, Aug 13). *Commercial banks directed to aid rice industry amid pandemic.*

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