



## Highlights of Rice Outlook

- ASEAN paddy production was estimated to increase by 5.5 percent from 181.1 million (metric) tons (115.9 million tons milled rice) in 2007 to 191.0 million tons (122.7 million tons milled rice) in 2008, mainly due to farmers' response to prices increase in first half of 2008 and favorable weather.
- The 2009 production is forecast to increase only by 0.7 percent compared to 2008, from 191.0 million tons (122.7 million tons milled rice) to 192.4 million tons (123.5 million tons milled rice), because the prices have continuously declined since May 2008.
- The import will decrease especially in the Philippines and Indonesia due to the increase in production.
- The rice stock is expected to increase for ASEAN as a whole and also for individual countries especially in Thailand and Vietnam, the major exporting countries, due to lower demand in world market.
- The FOB prices in exporting countries have fallen sharply after their peak in May 2008 but the current prices are still relatively high, as compared with the same period of previous year.
- The food security situation in ASEAN countries, in general, is expected to improve in 2009.

**Table 1: Summary of (milled) rice situation in ASEAN**

Items	2008	2009	% change
Supply (Million tons)	145.68	150.31	▲ 3.17
Beginning stock	19.23	24.11	▲ 25.33
Production	122.71	123.49	▲ 0.64
Import	3.74	2.71	▼ 27.52
Demand (Million tons)	145.68	150.31	▲ 3.17
Domestic utilization	104.30	106.72	▲ 2.33
Export	17.28	15.62	▼ 9.63
Ending stock	24.11	27.97	▲ 16.02
Ratio of production to domestic utilization (%)	117.65	115.71	▼ 1.94
Ratio of beginning stock to domestic utilization (%)	18.44	22.59	▲ 4.15

## ASEAN Rice Situation in 2008

### Production

Paddy production in ASEAN in 2008 was estimated at 191.0 million tons, up 9.9 million tons or 5.5 percent from previous year. The production increases occurred in every country in the region except Brunei and Malaysia (Table 2, Figure 1). The harvested areas have increased from 45.8 to 46.9 million hectares, up 2.3 percent. Most of the increase was in Indonesia, Vietnam and Thailand, the major producing countries. In general, the increase in production was due to the increase in both area and yield. The expansion of the planted area was a result of farmers' response to the increase in the world prices between January-May 2008 just before the growing season of the new crop (Table 3, Figure 2). The average yield has also increased from 3.95 to 4.08 tons per

hectare or up about 3.15 percent. The increase in yield was due to the use of new improved varieties and the farmers took better care of their crops. However, in some countries such as Myanmar, Malaysia and Brunei the harvested area has decreased mainly because of the flood. For Myanmar, the reduction in harvested area was due to the cyclone Nagris. However, the overall production has increased because of the improved yield (Table 4, Figure 3).

### **Utilization and Stock**

In 2008, about 104.3 million tons of milled rice was used for domestic utilization (for food, feed, seed, waste and industry) within the region as compared to 122.7 million tons of total production (Table 5). This means that ASEAN could produce about 17.7 percent more rice than domestic requirements. In term of rice self sufficiency (the ratio of domestic production to domestic utilization), 6 countries have ratio at greater than 100 percent, meaning these countries are self sufficiency in rice. The countries that have the ratios less than 100 percent in 2008 were Brunei, Malaysia, the Philippines and Singapore, with 3, 70 and 86 percent of domestic requirement, respectively. Singapore does not produce any rice (Table 7, Figure 9).

Regarding stock, the total ending stock for the ASEAN in 2008 was estimated at 24.1 million tons of milled rice. Most of stocks are kept in Thailand, Vietnam, Myanmar, Indonesia and the Philippines (Table 5, Figure 8). When considering the ratio of stock to domestic utilization (food security ratio) by country, it was found that only Thailand, Brunei and Vietnam have the ratios above 20 percent (i.e. would have enough stock to last about 2-3 months). These countries were considered as food secure. However, it should be noted that too much stock may be not necessary for countries which are already self-sufficient and are able to produce more than one crop a year. This is, in fact, it may also cause the domestic price to decline (Table 8, Figure 10).

### **Trade**

Although there was a rice crisis in the world during the first half of 2008 due to the expected supply shortage in the world and export restriction in many exporting countries, the ASEAN as a whole was still able to export 17.3 million tons of milled rice which constituted about 60 percent of the world trade. In 2008, Thailand, Vietnam and Cambodia are the major exporting countries in the region which estimated to export about 10.66, 5.00 and 1.47 million tons, respectively. (Table 5, Figure 4-5)

Regarding import, in 2008 all ASEAN countries together imported about 3.7 million tons. The Philippines, Malaysia, Singapore and Indonesia imported about 2.34, 0.94, 0.25 and 0.18 million tons, respectively. Other countries imported very small amount which did not have any significant impact on the rice market (Table 5, Figure 6-7).

### **Prices**

Export prices (FOB) for all kinds of rice in major exporting countries in ASEAN followed the same pattern which started to increase from November 2007 and rose very quickly until they reached their peaks in May 2008. The prices have fallen after that. However, November prices this year are still well above the prices in the same month of previous year. The average of FOB prices for Thai Hommati rice (jasmine rice) was highest among other kinds of rice in the region. The average FOB prices of this kind of rice in 2007 was 562 US\$ per ton. For Thailand milled rice 5% it was 328 US\$ per ton in 2007 while the average FOB price average of Vietnam for the same grade was 310 US\$. For 2008, the FOB prices in Thailand have dropped from 973 US\$ in May to 550 US\$ in November, down 43 percent. Likewise, the FOB prices in Vietnam have fallen from 925 US\$ to 400 US\$, down 57 percent in the same period. The drop in export prices was due to the ample supply in Thailand and Vietnam and sufficient stock in importing countries (Table 9, Figure 11).

## **Prospects for 2009**

The paddy production in ASEAN in 2009 is forecast at 192.4 million tons or increase only 0.7 percent as compare with 2008. This is due to the drop in prices after it reached the highest point in May 2008. The farmers are, therefore, reluctant to expand the planted area especially in the dry season and the third crop (Table 2, Figure 1).

The domestic utilization in ASEAN is forecast to increase from 104.3 million tons of milled rice in 2008 to 106.7 million tons in 2009. All countries are expected to increase domestic utilization because of the increase in population (Table 6).

Regarding trade, the ASEAN export is forecast to decline from 17.3 million tons of milled rice in 2008 to 15.6 million tons in 2009 while the imports are forecast to be reduced from 3.7 to 2.7 million tons of milled rice (Table 6, Figure 4-5).

As a result, the ending stock is expected to increase from 24.1 to 28.0 million tons of milled rice, up about 16.2 percent. The food security ratio is forecast to increase from 18.4 percent to 22.6 percent. The food security situation is expected to improve in importing countries such as Malaysia, the Philippines, Singapore and Indonesia (Table 6, Figure 8).

**Table 2 : Paddy production in ASEAN countries, 2007-2009**

Unit: 1,000 Tons

Country	2007 (2006/07)	2008 (2007/08)	change 2008 over 2007		2009 (2008/09)	change 2009 over 2008	
			Quantities	(%)		Quantities	(%)
<b>ASEAN</b>	<b>181,134.32</b>	<b>191,029.60</b>	<b>9,895.28</b>	<b>5.46</b>	<b>192,351.51</b>	<b>1,321.91</b>	<b>0.69</b>
Brunei	1.51	1.36	-0.15	-9.93	2.23	0.87	63.97
Cambodia	6,264.00	6,727.00	463.00	7.39	6,777.00	50.00	0.74
Indonesia	57,157.44	60,236.85	3,079.41	5.39	61,203.47	966.62	1.60
Lao PDR	2,663.70	2,710.91	47.21	1.77	2,890.44	179.52	6.62
Malaysia	2,375.60	2,374.18	-1.42	-0.06	2,451.67	77.48	3.26
Myanmar	30,923.00	31,442.47	519.47	1.68	32,543.00	1,100.54	3.50
Philippines	16,240.19	16,885.83	645.64	3.98	17,019.05	133.23	0.79
Singapore	-	-	-	-	-	-	-
Thailand	29,641.87	32,099.40	2,457.53	8.29	31,464.66	-634.74	-1.98
Vietnam	35,867.01	38,551.60	2,684.59	7.48	38,000.00	-551.60	-1.43

**Table 3 : Paddy harvested area in ASEAN countries, 2007-2009**

Unit: 1,000 Hectares

Country	2007 (2006/07)	2008 (2007/08)	change 2008 over 2007		2009 (2008/09)	change 2009 over 2008	
			Quantities	(%)		Quantities	(%)
<b>ASEAN</b>	<b>45,847.16</b>	<b>46,877.28</b>	<b>1,030.12</b>	<b>2.25</b>	<b>47,163.95</b>	<b>286.67</b>	<b>0.61</b>
Brunei	1.35	1.25	-0.10	-7.41	1.28	0.03	2.40
Cambodia	2,516.00	2,567.00	51.00	2.03	2,592.70	25.70	1.00
Indonesia	12,147.64	12,343.62	195.98	1.61	12,593.31	249.69	2.02
Lao PDR	796.48	781.24	-15.23	-1.91	779.09	-2.15	-0.28
Malaysia	673.24	667.66	-5.59	-0.83	669.85	2.20	0.33
Myanmar	8,074.00	8,011.39	-62.61	-0.78	8,162.00	150.61	1.88
Philippines	4,272.89	4,461.91	189.03	4.42	4,428.19	-33.72	-0.76
Singapore	-	-	-	-	-	-	-
Thailand	10,165.16	10,668.91	503.75	4.96	10,637.52	-31.39	-0.29
Vietnam	7,200.41	7,374.30	173.89	2.41	7,300.00	-74.30	-1.01

**Table 4 : Paddy yield in ASEAN countries, 2007-2009**

Unit: Tons/Hectare

Country	2007 (2006/07)	2008 (2007/08)	change 2008 over 2007		2009 (2008/09)	change 2009 over 2008	
			Quantities	(%)		Quantities	(%)
<b>ASEAN</b>	<b>3.95</b>	<b>4.08</b>	<b>0.12</b>	<b>3.15</b>	<b>4.08</b>	<b>0.00</b>	<b>0.08</b>
Brunei	1.12	1.09	-0.03	-2.73	1.74	0.65	60.13
Cambodia	2.49	2.62	0.13	5.26	2.61	-0.01	-0.26
Indonesia	4.71	4.88	0.17	3.71	4.86	-0.02	-0.41
Lao PDR	3.34	3.47	0.13	3.76	3.71	0.24	6.92
Malaysia	3.51	3.56	0.05	1.31	3.66	0.10	2.92
Myanmar	3.83	3.92	0.09	2.47	3.99	0.06	1.59
Philippines	3.80	3.78	-0.02	-0.43	3.84	0.06	1.56
Singapore	-	-	-	-	-	-	-
Thailand	2.92	3.01	0.09	3.18	2.96	-0.05	-1.69
Vietnam	4.98	5.23	0.25	4.95	5.21	-0.02	-0.43

**Table 5: Rice balance sheet in ASEAN countries, 2008 (Milled Rice)**

Unit : tons

Country	Supply				Demand			
	Beginning Stock	Production	Imports	Total	Domestic Utilization	Exports	Ending stock	Total
<b>ASEAN</b>	<b>19,233,935</b>	<b>122,708,623</b>	<b>3,741,139</b>	<b>145,683,698</b>	<b>104,296,749</b>	<b>17,280,834</b>	<b>24,106,115</b>	<b>145,683,698</b>
Brunei	16,121	883	30,409	47,414	30,960	nil	16,454	47,414
Cambodia	102,400	4,305,280	nil	4,407,680	2,660,480	1,472,000	275,200	4,407,680
Indonesia	1,573,000	38,096,895	183,987	39,853,882	35,939,729	364	3,913,789	39,853,882
Lao PDR	238,025	1,626,548	nil	1,864,573	1,515,513	nil	349,060	1,864,573
Malaysia	244,369	1,582,788	938,641	2,765,798	2,252,913	2,847	510,038	2,765,798
Myanmar	3,325,800	19,808,753	nil	23,134,553	18,241,745	100,000	4,792,808	23,134,553
Philippines	2,118,500	11,043,332	2,338,102	15,499,934	12,835,585	1,623	2,662,726	15,499,934
Singapore	10,000	-	250,000	260,000	170,000	40,000	50,000	260,000
Thailand	6,827,700	21,185,604	nil	28,013,304	11,097,504	10,664,000	6,251,800	28,013,304
Vietnam	4,778,020	25,058,540	nil	29,836,560	19,552,320	5,000,000	5,284,240	29,836,560

**Table 6: Rice balance sheet in ASEAN countries, 2009 (Milled Rice)**

Unit : tons

Country	Supply				Demand			
	Beginning Stock	Production	Imports	Total	Domestic Utilization	Exports	Ending stock	Total
<b>ASEAN</b>	<b>24,106,115</b>	<b>123,488,617</b>	<b>2,711,645</b>	<b>150,306,377</b>	<b>106,722,464</b>	<b>15,616,418</b>	<b>27,967,495</b>	<b>150,306,377</b>
Brunei	16,454	1,448	31,322	49,224	31,889	nil	17,336	49,224
Cambodia	275,200	4,337,280	nil	4,612,480	2,691,840	1,634,560	286,080	4,612,480
Indonesia	3,913,789	38,681,958	nil	42,595,747	37,736,477	nil	4,859,270	42,595,747
Lao PDR	349,060	1,734,261	nil	2,083,321	1,558,604	nil	524,716	2,083,321
Malaysia	510,038	1,634,443	900,000	3,044,481	2,292,625	4,858	746,998	3,044,481
Myanmar	4,792,808	20,502,090	nil	25,294,898	18,491,250	432,000	6,371,648	25,294,898
Philippines	2,662,726	11,130,461	1,520,323	15,313,510	13,068,009	nil	2,245,501	15,313,510
Singapore	50,000	-	260,000	310,000	175,000	45,000	90,000	310,000
Thailand	6,251,800	20,766,676	nil	27,018,476	11,124,300	9,000,000	6,894,176	27,018,476
Vietnam	5,284,240	24,700,000	nil	29,984,240	19,552,470	4,500,000	5,931,770	29,984,240

**Table 7 : Ratio of rice production to domestic utilization in ASEAN countries  
(Self-sufficiency ratio)**

Unit: tons

Country	2008			2009		
	Production	Domestic Utilization	Ratio (%)	Production	Domestic Utilization	Ratio (%)
<b>ASEAN</b>	<b>122,708,623</b>	<b>104,296,749</b>	<b>117.65</b>	<b>123,488,617</b>	<b>106,722,464</b>	<b>115.71</b>
Brunei	883	30,960	2.85	1,448	31,889	4.54
Cambodia	4,305,280	2,660,480	161.82	4,337,280	2,691,840	161.13
Indonesia	38,096,895	35,939,729	106.00	38,681,958	37,736,477	102.51
Lao PDR	1,626,548	1,515,513	107.33	1,734,261	1,558,604	111.27
Malaysia	1,582,788	2,252,913	70.26	1,634,443	2,292,625	71.29
Myanmar	19,808,753	18,241,745	108.59	20,502,090	18,491,250	110.87
Philippines	11,043,332	12,835,585	86.04	11,130,461	13,068,009	85.17
Singapore	-	170,000	-	-	175,000	-
Thailand	21,185,604	11,097,504	190.90	20,766,676	11,124,300	186.68
Vietnam	25,058,540	19,552,320	128.16	24,700,000	19,552,470	126.33

**Table 8 : Ratio of rice stock to domestic utilization in ASEAN countries  
(Food security ratio)**

Unit: tons

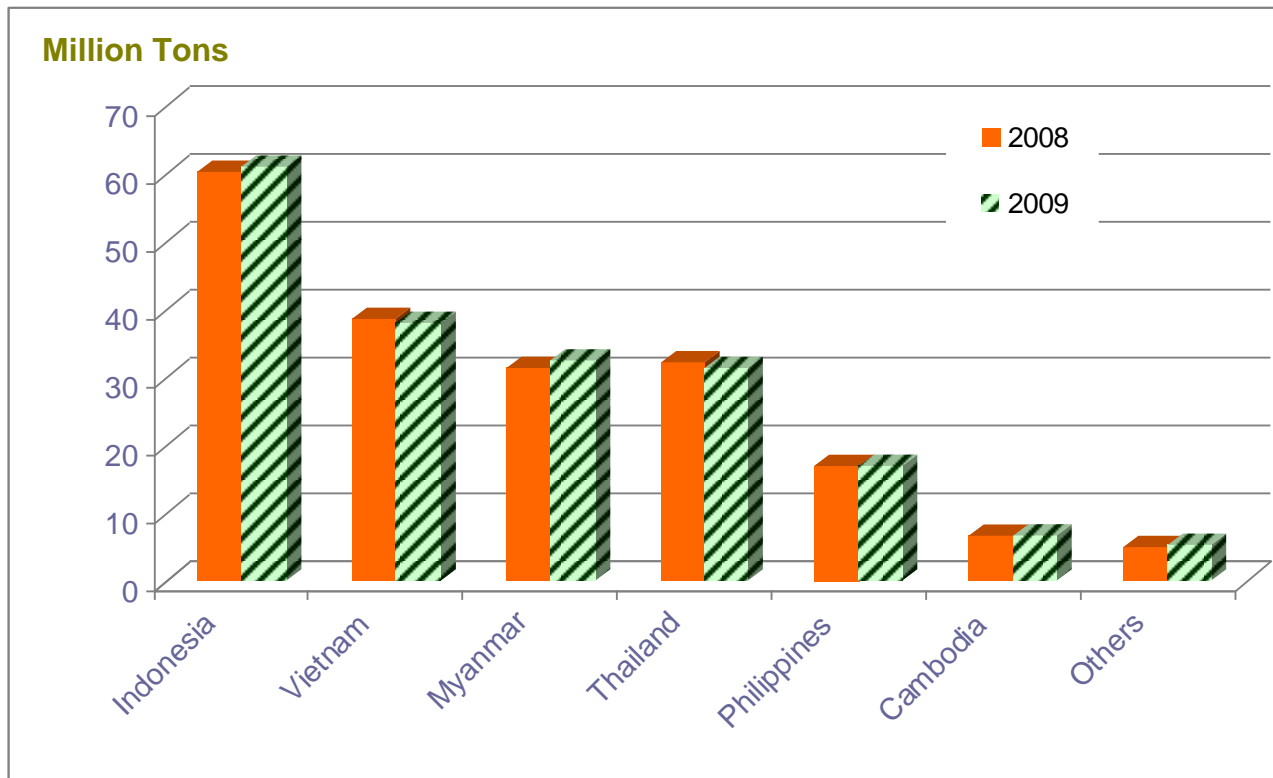
Country	2008			2009		
	Beginning Stock	Domestic Utilization	Ratio (%)	Beginning Stock	Domestic Utilization	Ratio (%)
<b>ASEAN</b>	<b>19,233,935</b>	<b>104,296,749</b>	<b>18.44</b>	<b>24,106,115</b>	<b>106,722,464</b>	<b>22.59</b>
Brunei	16,121	30,960	52.07	16,454	31,889	51.60
Cambodia	102,400	2,660,480	3.85	275,200	2,691,840	10.22
Indonesia	1,573,000	35,939,729	4.38	3,913,789	37,736,477	10.37
Lao PDR	238,025	1,515,513	15.71	349,060	1,558,604	22.40
Malaysia	244,369	2,252,913	10.85	510,038	2,292,625	22.25
Myanmar	3,325,800	18,241,745	18.23	4,792,808	18,491,250	25.92
Philippines	2,118,500	12,835,585	16.50	2,662,726	13,068,009	20.38
Singapore	10,000	170,000	5.88	50,000	175,000	28.57
Thailand	6,827,700	11,097,504	61.52	6,251,800	11,124,300	56.20
Vietnam	4,778,020	19,552,320	24.44	5,284,240	19,552,470	27.03

**Table 9 : FOB Price of rice in selected ASEAN countries**

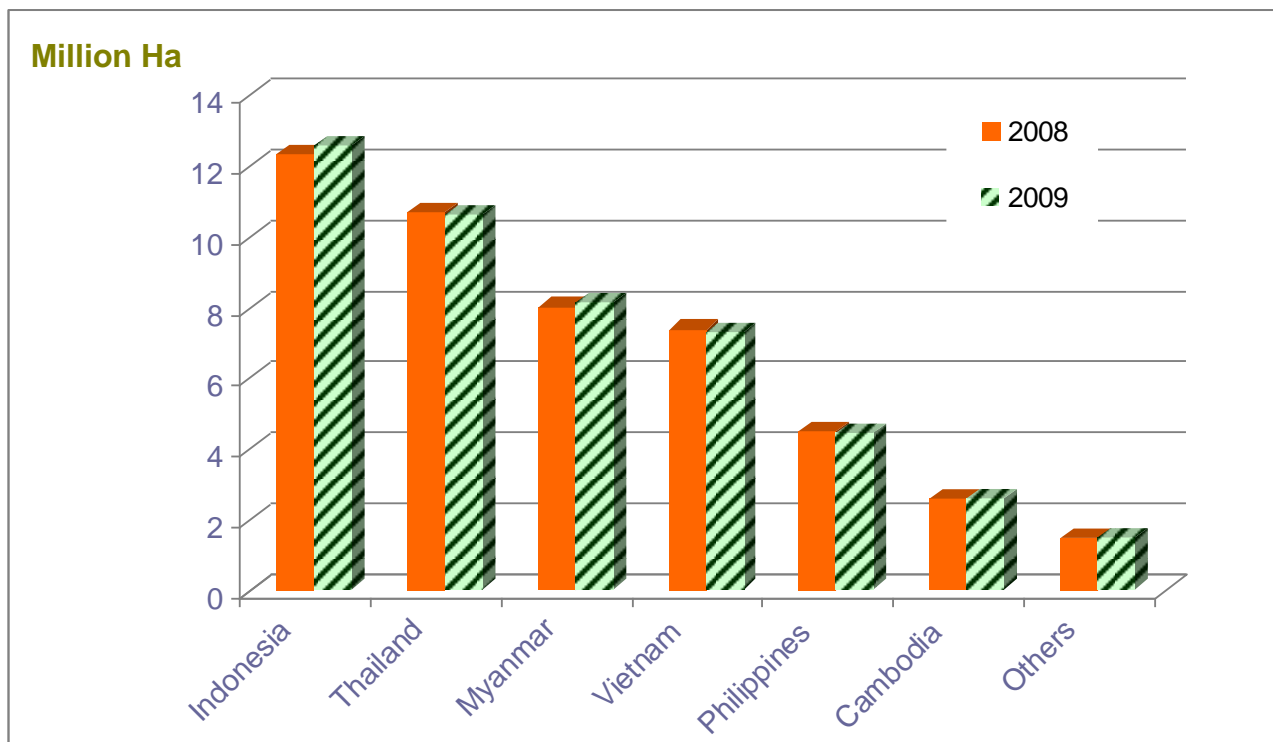
Unit : US\$/Ton

<b>Country</b>	<b>Grade</b>	<b>Year</b>	<b>Jan.</b>	<b>Feb.</b>	<b>Mar.</b>	<b>Apr.</b>	<b>May</b>	<b>Jun.</b>	<b>Jul.</b>	<b>Aug.</b>	<b>Sep.</b>	<b>Oct.</b>	<b>Nov.</b>	<b>Dec.</b>	<b>Average</b>
<b>Cambodia</b>	Milled Rice 5%	2007	341	340	344	345	343	355	356	360	356	357	373	397	523
		2008	404	510	515	760		897	796	725	738	666			668
<b>Myanmar</b>	Milled Rice 25%	2007	355			211				239	225	250	266	275	260
		2008	277	287	305	323	319		380						315
<b>Thailand</b>	Hommali Rice	2007	529	537	551	554	552	553	568	559	563	564	595	621	562
		2008	672	739	821	1,103	1,205	1,079	991	924	883	820	795	793	902
	Milled Rice 5%	2007	313	317	321	319	320	329	336	326	323	327	340	362	328
		2008	418	454	554	854	973	856	833	764	670	640	550		688
<b>Vietnam</b>	Milled Rice 5%	2007	290	295	305	304	301	301	303	311	315	318	335	338	310
		2008	355	425	510	810	925	845	715	565	530	530	400		601

**Figure 1 : Paddy production of selected countries in ASEAN, 2008-2009**

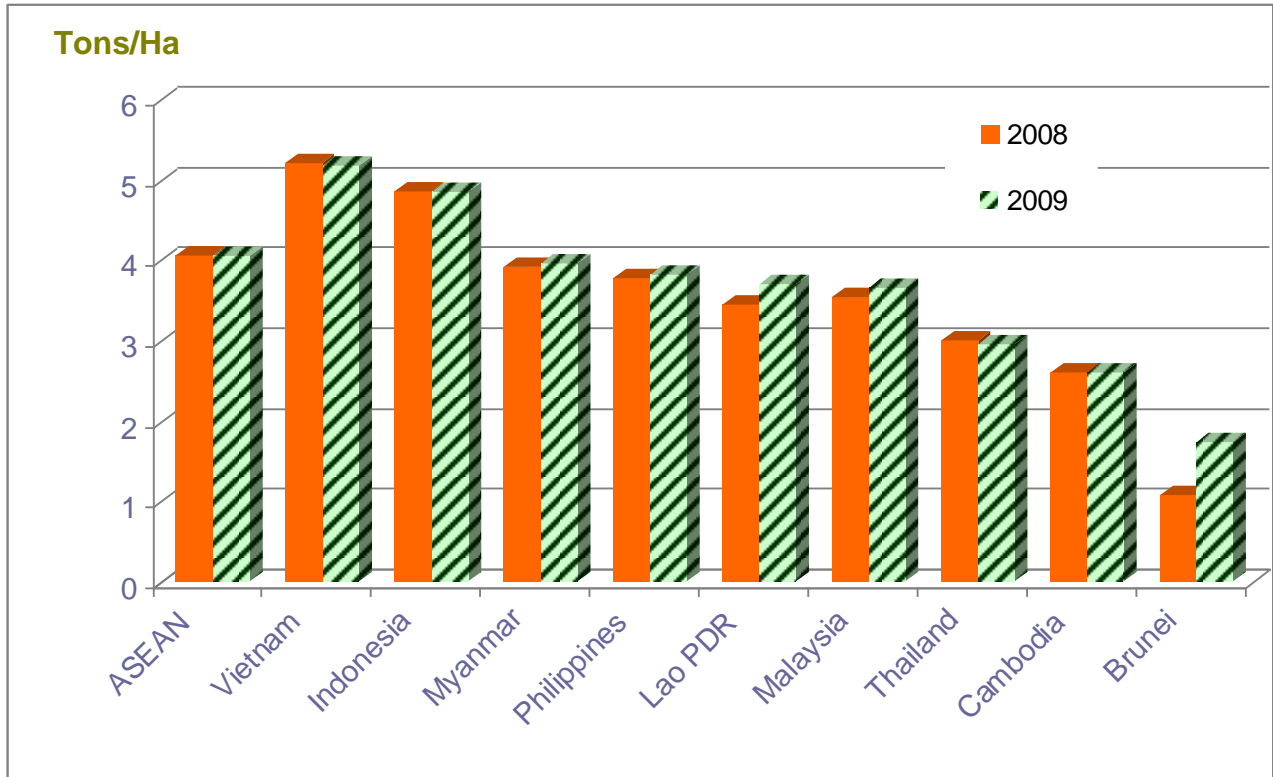


**Figure 2 : Paddy harvested area of selected countries in ASEAN, 2008-2009**

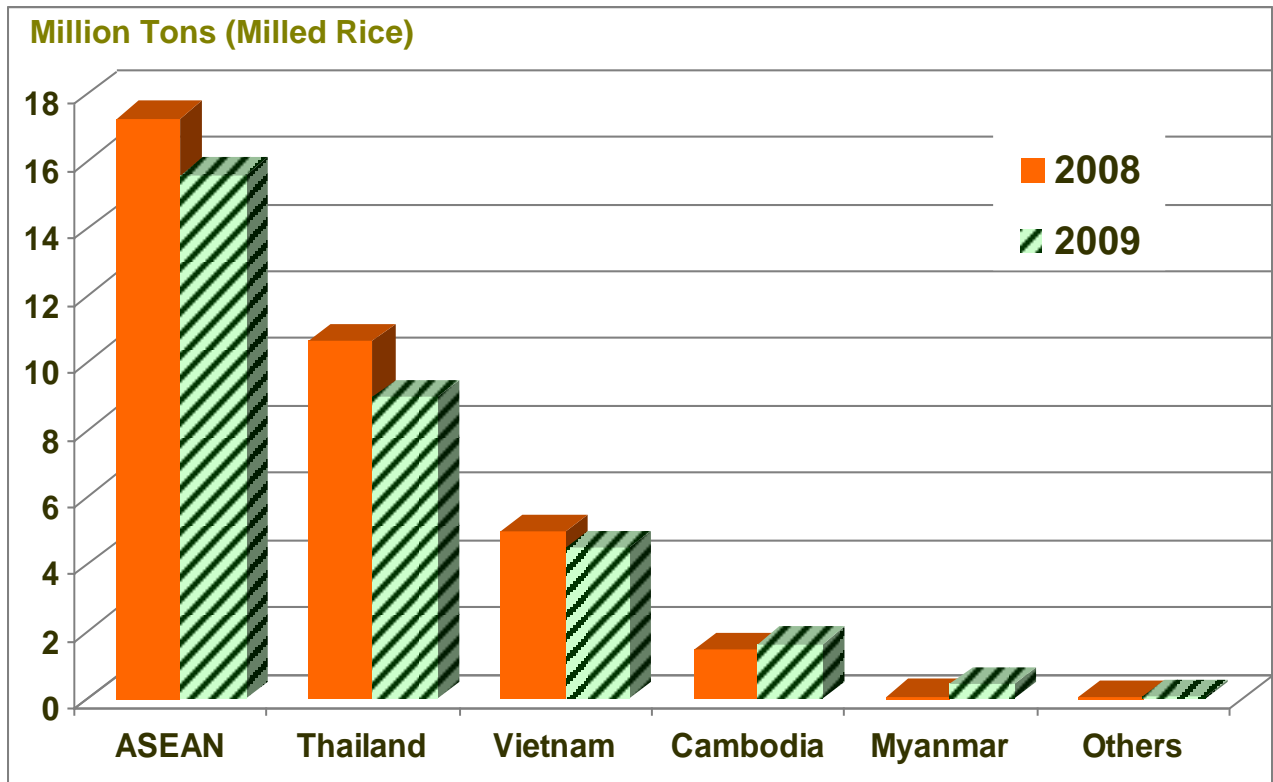




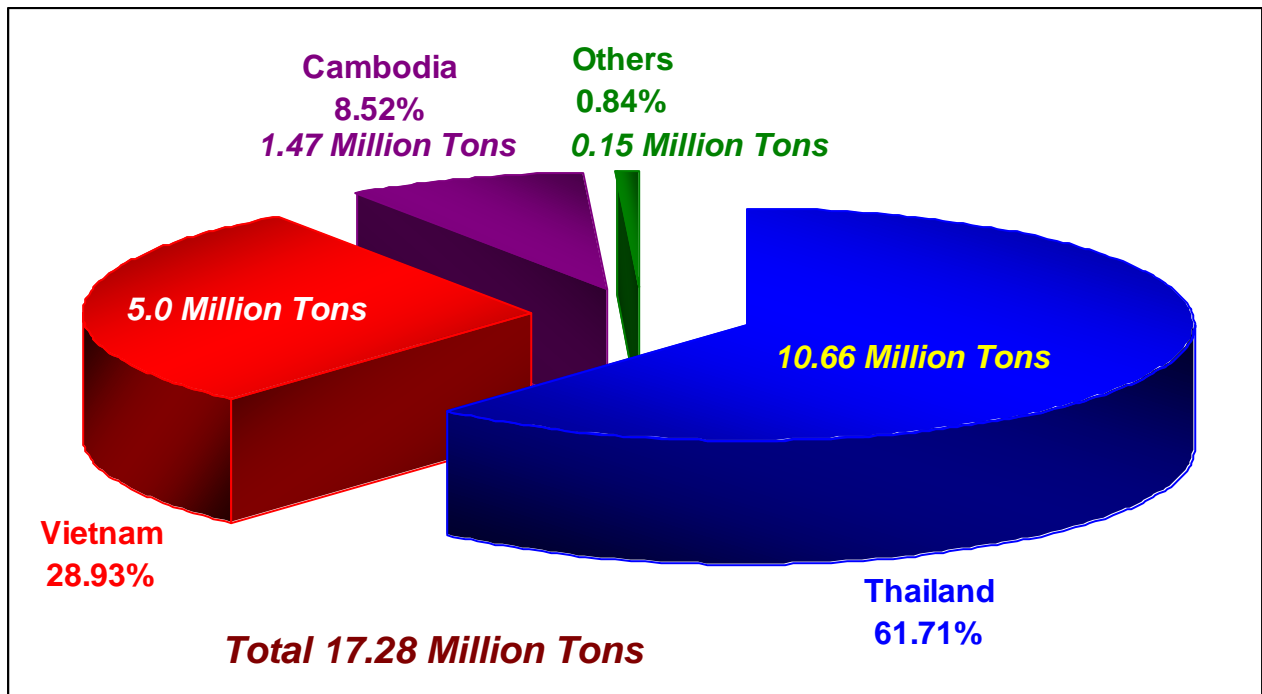
**Figure 3 :** Paddy yield of countries in ASEAN, 2008-2009



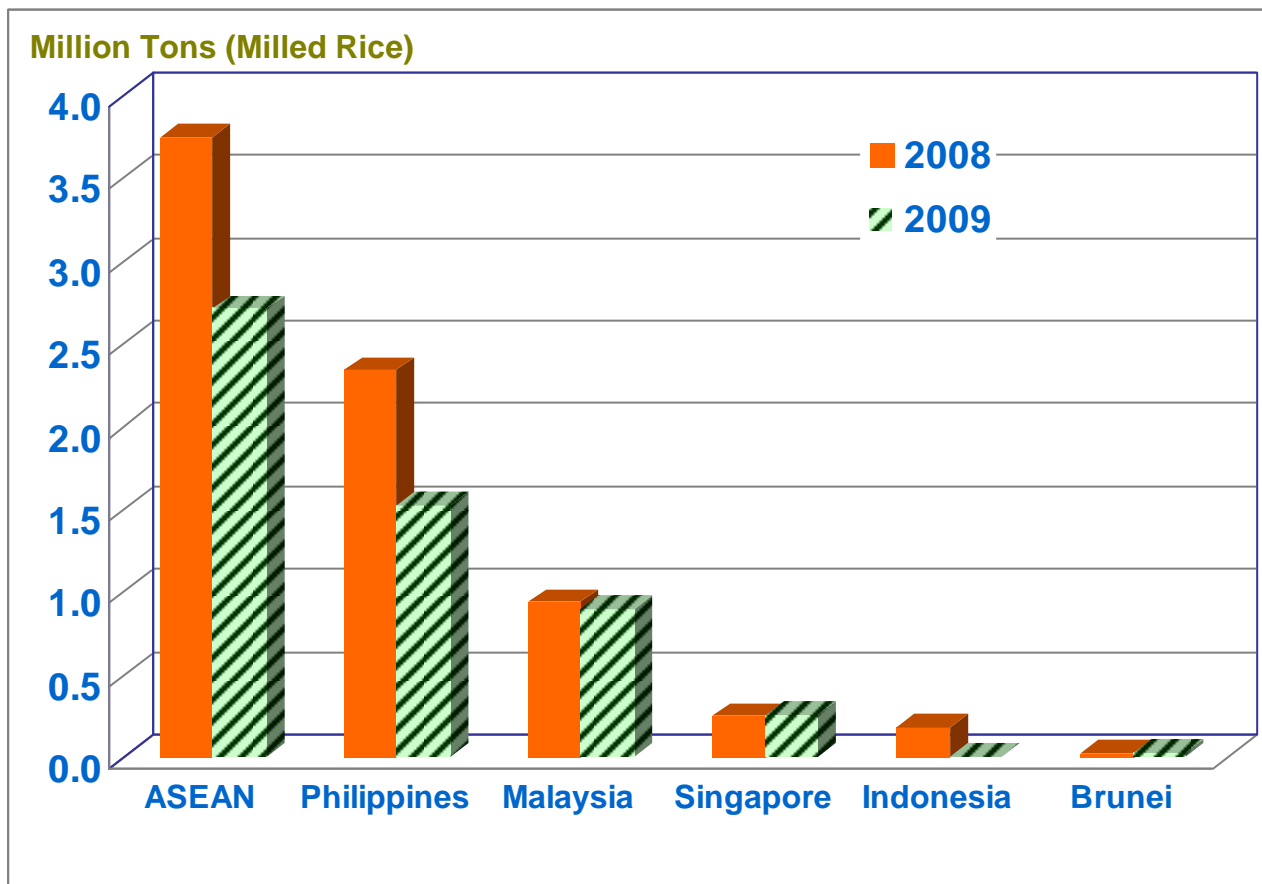
**Figure 4:** Amount of rice export (million tons) of selected countries in ASEAN in 2008-2009



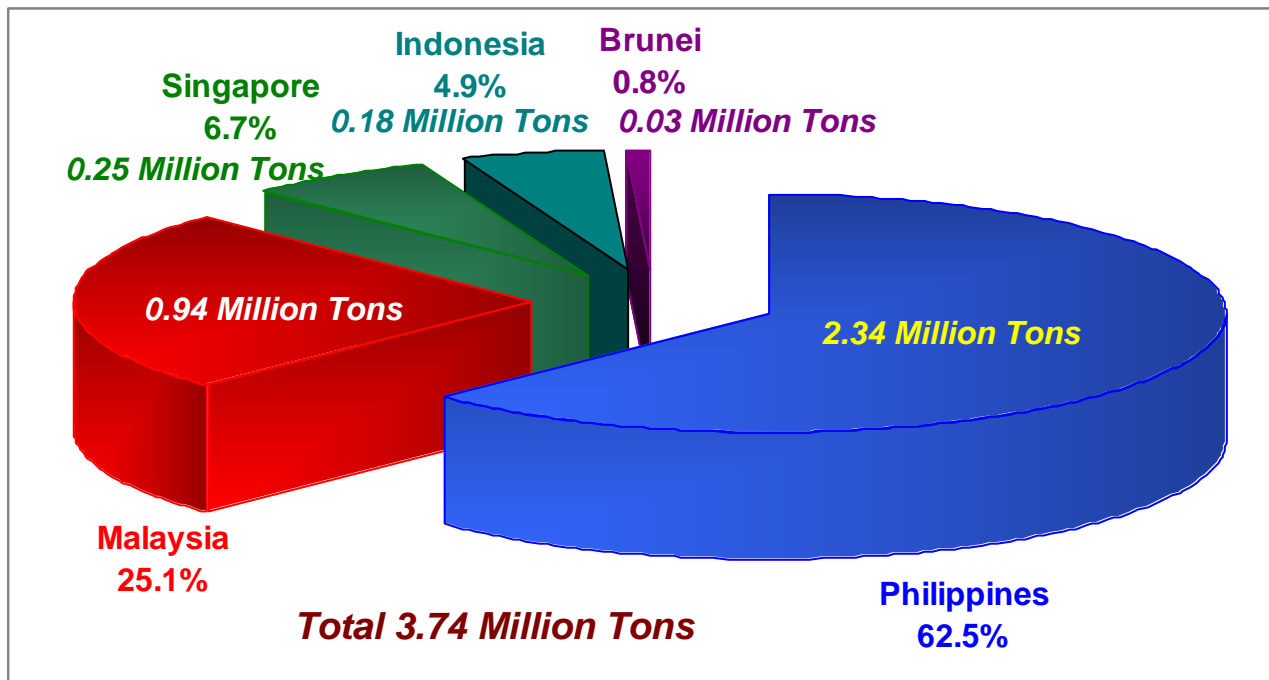
**Figure 5 :** Share of rice export among ASEAN countries, 2008



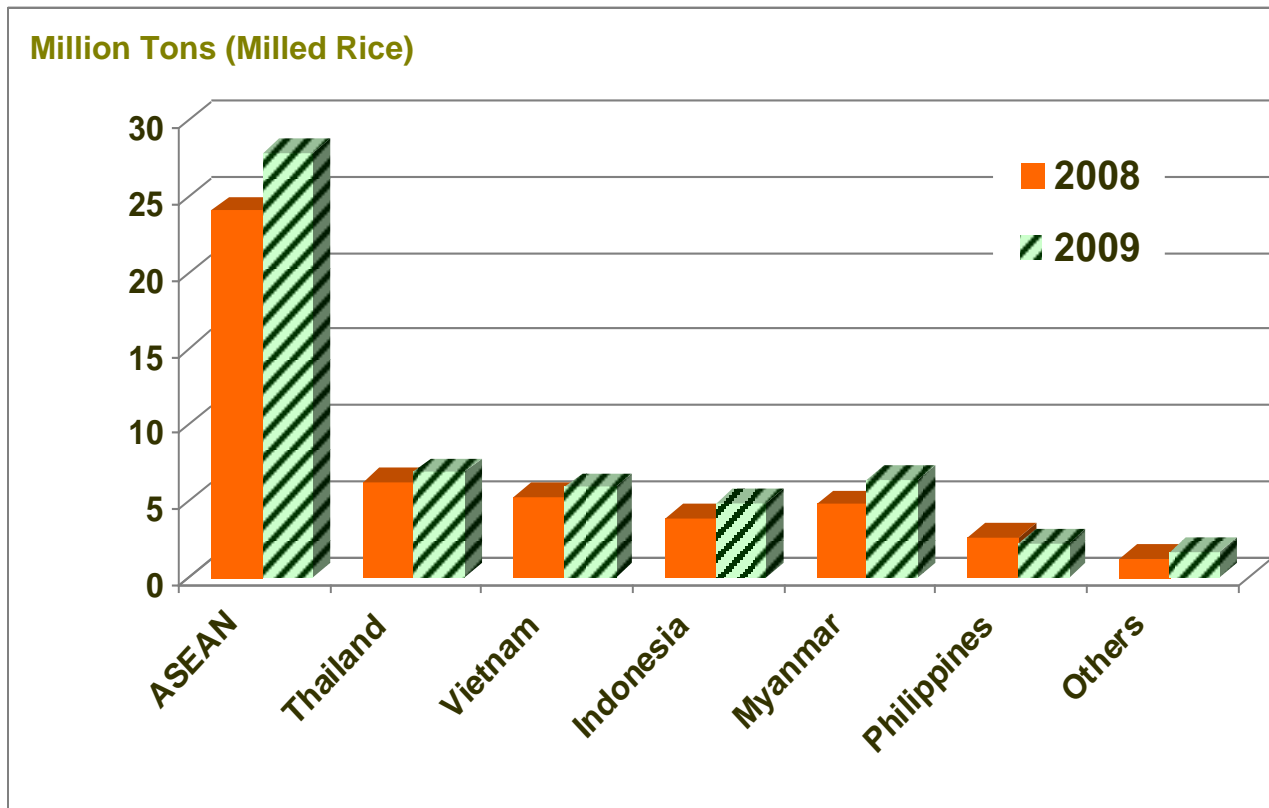
**Figure 6:** Amount of rice import (Million tons) by selected countries in ASEAN in 2008-2009



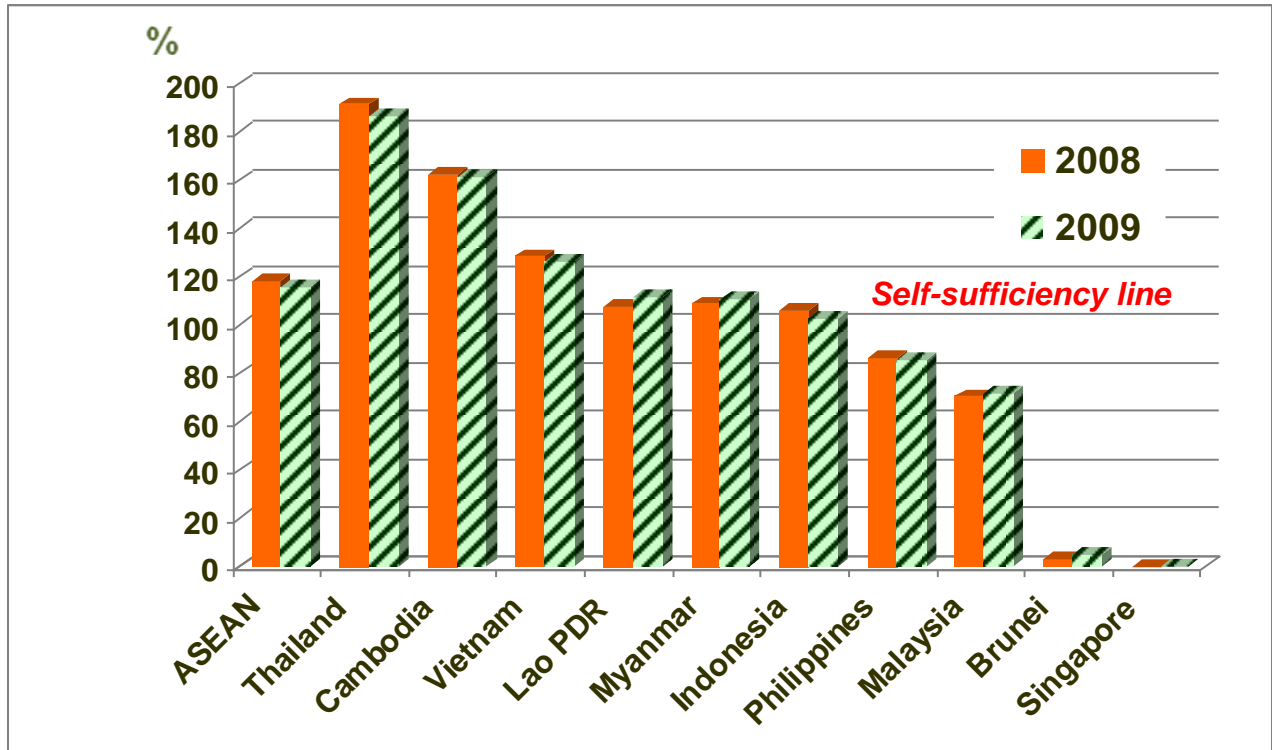
**Figure 7 :** Share of rice import among ASEAN countries, 2008



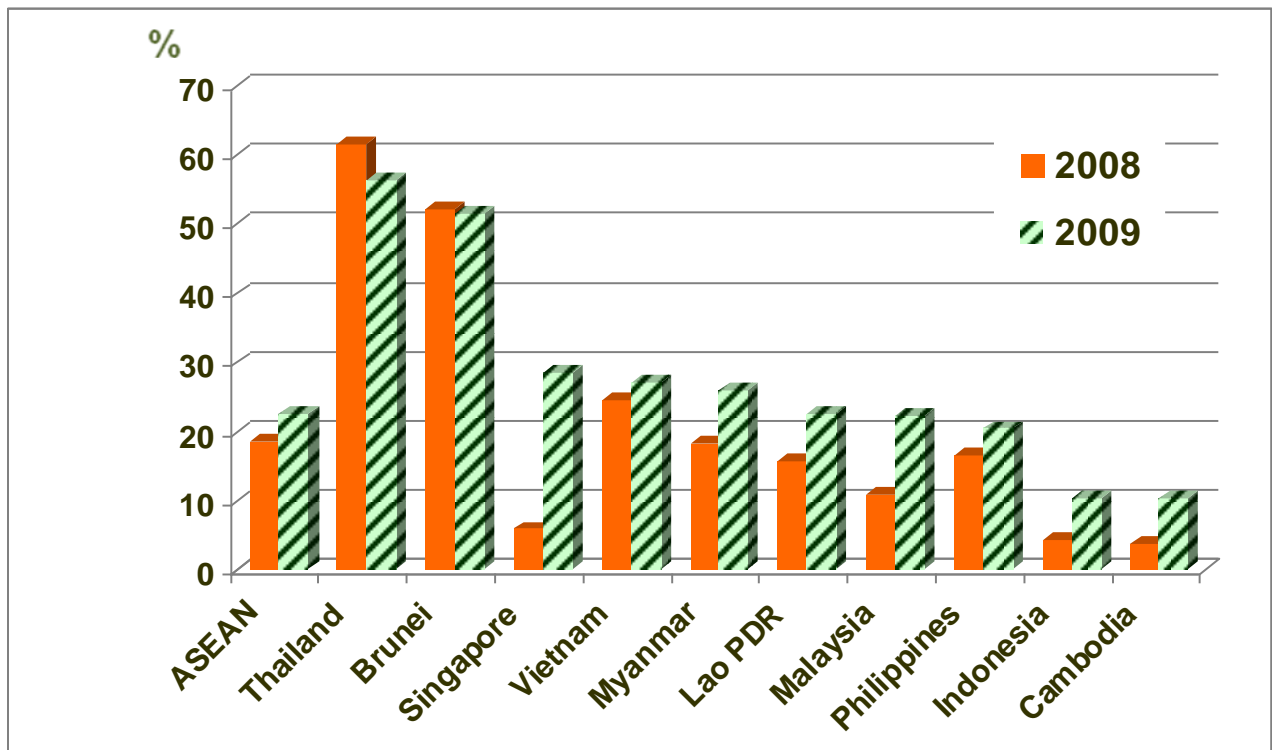
**Figure 8:** Amount of ending stock of rice in ASEAN countries



**Figure 9:** Ratio of rice production to domestic utilization in ASEAN countries (Self-sufficiency ratio)



**Figure 10:** Ratio of rice stock to domestic utilization in ASEAN countries (Food security ratio)



**Figure 11 :** FOB price (US\$) of milled rice of selected countries in ASEAN in 2007-2008

