

***Different aspects of rice in Asia were discussed in the workshop
“Modernizing The Asian Rice Industry”, Bangkok, Thailand.***

Each year there are many international events organized about rice, especially after the food price crisis in 2008. International organizations, food agencies and the rice industry actively organize or participate in meetings focused on rice trading and rice policies, as well as food security measures, in order to learn from each other’s experiences and hopefully to understand the causes of and ways of reducing the panic that can happen when prices start to rise.

The idea of a workshop on Modernizing the Asian Rice Industry came up after a study on the Rice Industry in Asia was carried out in 2009 by the World Bank, ADB and FAO. FAO and AFMA had been discussing the gap in collaboration between public and private sectors, and wanted to organize a regional workshop that could be of benefit to both private and public sectors and promote collaboration. Four areas focused on in the program were 1) Futures Exchanges and Rice Trading, 2) Promoting Contract Farming in the Rice Business, 3) Improving Post-Harvest Handling, and 4) Improving Collaboration within the Marketing Chain and between the Marketing Chain and the Public Sector. Summaries of each session of the workshop are presented inside.

At the first session, on Futures Trading for rice, participants expressed their interest in the possibility of such exchanges in the region. However, they noted that several important issues had yet to be resolved, in particular the fact that there were many grades of rice. There was a need for a Basis Contract (probably Thai 5%), with other grades attracting premiums or discounts, although some participants cautioned against having fixed premiums and discounts because they noted that market circumstances frequently changed and there were no fixed price relationships between grades.



The atmosphere of the workshop



Experiences shared by NGO from Lao PDR.

In discussing Contract Farming for rice, participants noted that there had been a resurgence of interest in contract farming recently. They considered that it could be a valid approach for paddy and rice in Asia, particularly for companies who required special varieties or high qualities of rice for domestic or export markets and could not be assured of obtaining on spot markets the quantities or qualities that they needed. There were presently relatively few examples of contract farming for rice in Asia but there were potential benefits for both farmers and companies and participants felt that the private sector should be playing a more active role in promoting such production.



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Another session of the workshop was on ways of improving collaboration between the private sector and governments. One possibility was to set up a chain association that that represented everyone in the chain, such as farmers, millers, traders and exporters. In 2010, such an association was established in Myanmar, called Myanmar Rice Industry Association (MRIA). Their experiences on how they set up and what is their role were shared in this meeting.



Hermetic Storage Cocoons control moisture and insects without pesticides, maintain milling quality, germination of seeds and protect grain from rodents, presented by Mr. Martin Gummert, Senior Scientist, Post Harvest Development International Rice Research Institute, Philippines

The final workshop session was on Improving Post-Harvest Handling. Examples of improvements presented included combine harvesting, which could reduce losses at harvest time from between four and ten percent to just 1-2 percent. The International Rice Research Institute (IRRI) had also identified significant benefits from using mechanized drying but outside Thailand and the Mekong Delta of Vietnam this form of drying was not used in any significant way, possibly because there were no price incentives for farmers to improve quality. Other improvements discussed included hermetically sealed storage systems, including 50kg super bags and 5ton cocoons, the introduction of which had proved very successful on a pilot basis. Use of fluidisation techniques for rice drying in mills was also discussed.

The majority of participants were from the private sector (40%) and public agencies (37%). The rest were from international organizations and NGOs (23%). Participants agreed that the workshop had been a valuable exercise and had raised some important issues. Building on the issues discussed would require the development of constructive engagement between government and private sectors. The role of ASEAN in developing such dialogue would be important but it was considered that activities should not be limited solely to ASEAN countries but should include all major rice producing and consuming countries in the Asian region. It was stressed that the private sector was driven by the need for profitability and thus its support for interventions would depend on the extent to which they could facilitate increased efficiency. However, it was also noted that the rice private sector in Asia had very broad characteristics, from large-scale multinational corporations, represented at this workshop, down to small-scale mills and traders. Interventions would need to take into account the needs of smaller business as well as large ones.

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