

South-East Asian rice production – major changes ahead



Increasing rice surpluses and attractive off-farm incomes – ***agri benchmark*** will analyze upcoming challenges to South-East Asian rice producers.

Over the next 5 to 10 years South-East Asian rice producers will face a strong increase in competition and hence the need for major structural changes. In order to better understand the drivers for that change likely outcomes farm economists from Thailand, Vietnam, Laos, Myanmar and Germany came together in Bangkok in order start an ***agri benchmark*** initiative on rice.

On March 19th/20th the Knowledge Network Institute of Thailand (KNIT) and the global network "***agri benchmark*** Cash Crop" organized a seminar in Bangkok. The workshop was funded by the Thai Research Fund. *agri benchmark* is an independent, science-based, non-profit network of farm economists striving to improve the understanding of global agriculture (see www.agribenchmark.org).

Somporn Isvilanonda (KNIT, Thailand), Khiem Tri Nguyen (University An Giang, Vietnam), Khamsavang Sombounkhanh (Champasak Agriculture and Forestry College, Laos), Ngoc Luan Nguyen (Vietnam), Zaw Ye Tun (Corporate Executive, Myanmar Agri-business Public Corporation Ltd.) and Yelto Zimmer (Coordinator ***agri benchmark***, Thünen Institute, Germany) agreed to start this initiative. There are talks underway to expand the cooperation to Cambodia.

Based on the establishment of farmers groups and typical farms in the key rice production regions the following topics will be analyzed first:

- (1) Due to rapid growth of the national economies wages rates already increased significantly and they will continue to do so. Current rice production systems are rather labor intensive and hence result in low labor productivity. Therefore, the key challenge is how labor productivity can be increased and what needs to be changed in order improve labor productivity.
- (2) Given the potentials for rice production growth and the strong political will to mobilize them it is very likely that rice output will grow rapidly. At the same time because of dietary changes demand for rice will decline. Consequently, a strong increase in regional surplus and ultimately a pressure on rice prices can be foreseen. Therefore the ***agri benchmark*** network will explore what sites and what rice production systems are the most competitive ones and what alternative crops will be the most profitable alternatives to growers.