Follow-up to the Guidelines for National and International Action on Rice 2006-2009

Joint Meeting of the Intergovernmental Group on Oilseeds, Oils and Fats (30th Session), the Intergovernmental Group on Grains (32nd Session) and the Intergovernmental Group on Rice (43rd Session)

Santiago, 4-5 November 2009

Documents

- CCP: OF-GR-RI 09/2: Summary of major policy developments and recommendations for special consideration by the IGG
- CCP: OF-GR-RI 09/02-Supp.1: Official text of the Guidelines and Statistical annexes

What are the Guidelines?

… a voluntary code of action to:

- help achieve a balance between global rice production and consumption
- minimize distortions on world markets and trade
- foster the development of the rice sector in developing countries through multilateral cooperation

The Rice Guidelines mainly aim at streamlining policies that depress world prices. Hence, they provide limited guidance to policy makers in situations of high international prices

In what context?

Period coverage: late 2006 to early 2009

At a world level:

- Brisk economic growth, until the bursting of the financial crisis, in the second half of 2008
- A general surge in commodity prices
- Investors' renewed interest in agriculture
- A stalling of the Doha Round Negotiations

At a national level:

- Inflationary pressure
- Widening rural-urban income gaps
- Electoral timetables

Rice Production Policies

- General production policies that addressed long run objectives, such as self-sufficiency
- Short term measures geared at rapid output expansions and market stabilization

Production Policies

In Asia

- Renewed efforts to raise self-sufficiency
- Yield enhancement through hybrid seeds
- Shift of emphasis from quantity to quality
- Alongside, narrow the

GM rice in the commercial, regulatory and advanced R&D pipeline

Developer:	Product name:	Event name/genes:	Trait:	Unique identifier:
Rice events authorised in at least one country but not yet commercialised anywhere				
Bayer CropScience	LibertyLink	LLRICE62 *	Herbicide tolerance (to glufosinate)	ACS-OSØØ2-5
Rice events in the regulatory pipeline in at least one country				
n/a (China)	n/a	Bt63 * #	Insect resistance	n/a
n/a (China)	n/a	KMD1 * #	Insect resistance	n/a
n/a (China)	n/a	Xa21 * #	Disease resistance (against leaf blight)	n/a
n/a (Iran)	n/a	B827 * #	Insect resistance	n/a
Rice events at advanced stages of R&D				**Possible commercialisation**
IRRI (Philippines)	Golden Rice 1	n/a	Crop composition (beta-carotene cont.)	2011
Bayer CropScience	n/a	n/a	Herbicide tolerance	2011-13
Bayer CropScience	n/a	n/a	Insect resistance	2011-13
n/a (China)	n/a	Bar68-1	Herbicide tolerance (to glufosinate)	2012
IRRI (Philippines)	Golden Rice 2	n/a	Crop composition (beta-carotene cont.)	2012
n/a (India)	n/a	CP iORF-IV	Virus resistance	2012
n/a (India)	n/a	RTBV-ODs2	Virus resistance (to tungro bacilliform)	2012
n/a (India)	n/a	chi11 tlp	Disease resistance	2013
n/a (India)	n/a	cry1Ac	Insect resistance	2013-15
n/a (India)	n/a	cry1Ab, cry1C & bar	Insect resistance	2013-15
n/a (India)	n/a	Glyoxalase I and II	Abiotic stress tolerance (to salinity)	2015+
n/a (India)	n/a	Osmotin	Abiotic stress tolerance (to drought)	2015+
n/a (Indonesia)	n/a	Bacillus thuringiensis	Insect resistance	2015+
n/a (Pakistan)	n/a	Bacillus thuringiensis	Insect resistance	2015+

Source: Alexander J. Stein and Emilio Rodríguez-Cerezo. The global pipeline of new GM crops - Implications of asynchronous approval for international trade. European Commission: Joint Research Centre. Institute for Prospective Technological Studies.

Production Policies

In Africa

Promotion of Rice Self-sufficiency, mainly through

- **Yield enhancement - continued diffusion of Nerica and other HYV seeds, subsidies on seeds and fertilizers**
- **Land expansion - large institutional and private investments in agricultural land**
- **Heightened international assistance to the rice sector**
- **Attempts to** address sectoral constraints, upstream (seed, irrigation) and downstream

Status of New Rice for Africa (NERICA) diffusion in Sub-Saharan Africa (as of March 2009)

	Upland Nerica																		Lowland Nerica													
Variety	***1***	***2***	***3***	***4***	***5***	***6***	***7***	***8***	***9***	***10***	***11***	***12***	***13***	***14***	***15***	***16***	***17***	***18***	***14***	***19***	***20***	***26***	***28***	***34***	***36***	***38***	***39***	***41***	***42***	***49***	***60***	***Total***
Benin	A	A		A				A											A		A	A	A									*8*
Burkina Faso												R	R		A		R	A		R	R							R			R	*9*
Cameroon																			A									A				*2*
Rep. Congo										A																						*1*
DR Congo				A		A	A																									*3*
Cote d'Ivoire	R	R	A	A	A																											*5*
Ethiopia	R	R	R	R																												*4*
The Gambia	A	A	A	A	A	A	A																									*7*
Ghana	R	A							A					A																		*4*
Guinea	R	R	R	R	R	R	R																									*7*
Kenya	A			A						A	A																					*4*
Liberia	A			A			A	A					A	A	A					A	A											*9*
Madagascar			A	A																												*2*
Mali				R				A	A			A		A				A		R									R			*8*
Niger																											A			A		*2*
Nigeria	R	R	A					A											A					A	A	A			A	A		*10*
Uganda	R		A	R						R																						*4*
Sierra Leone	A	A	A	A	A	A														A	A											*8*
Senegal	A				A	A																										*3*
Sudan				A			A																									*2*
Togo	A		A	A																A				A								*5*

Other Varieties

The Gambia	**WAS 161-B-9-2**	**WAS 122-IDSA-15-WAS-6-1**	**WAS 127-B-5-2**	
Senegal	**NERICA-S19**	**NERICA-S22**	**NERICA-S36**	**NERICA-S44**

A:Adopted **R:Released**

Adapted from: Africa Rice Centre (WARDA) - African Rice Initiative (ARI). *ARI Annual Report 2008*. March 2009.

Production Policies

In Latin America and the Caribbean

- Renewed public involvement in sector
- Provision of credit facilities
- Some regional assistance programmes in support of the rice industry

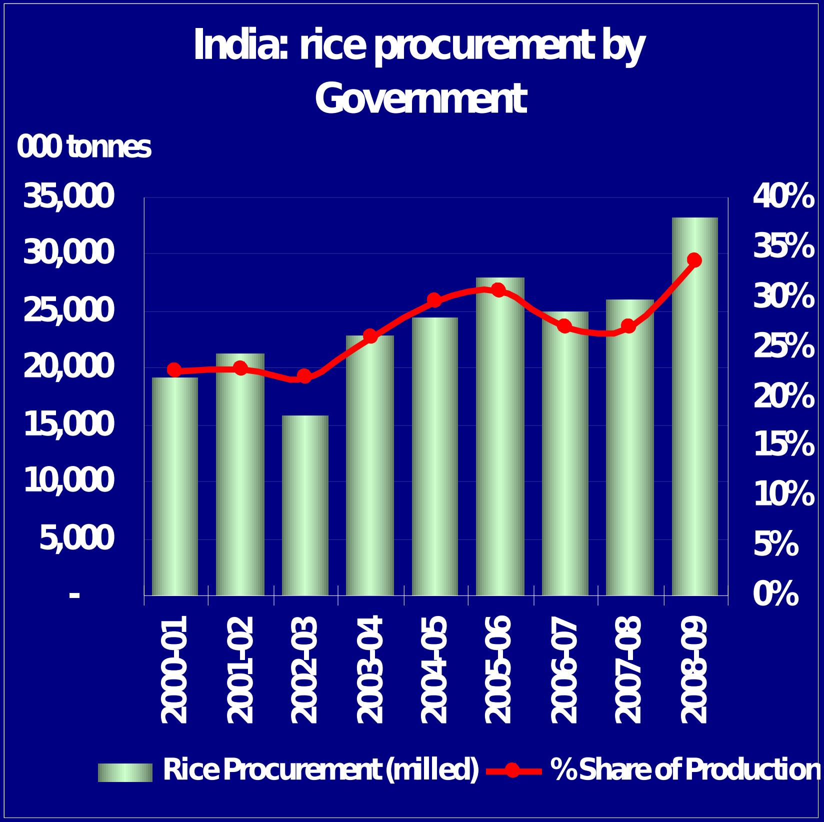
Support Price Policies

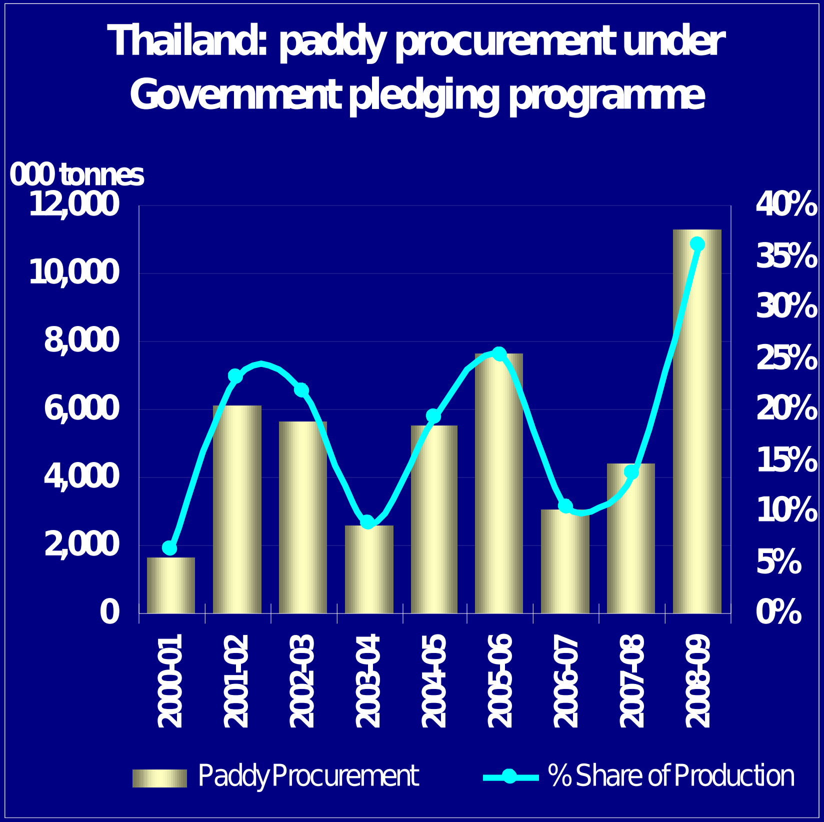
Paddy Support Prices

- Sharply raised, in both exporting and importing countries
- Often not up to market levels
- In a number of countries,

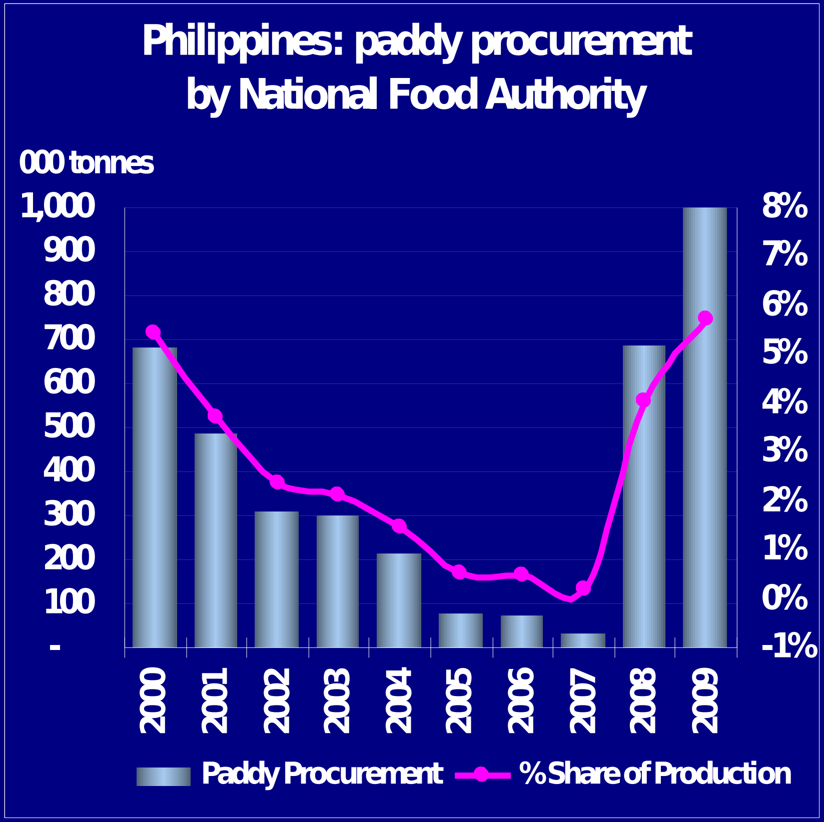
Paddy Support Prices (US$/MT)			
EXPORTERS	2006-07	2007-08	2008-09
China - Semi-late & Late crops	181	189	227
India - Common	128	163	175
Pakistan - Irri-6	126	-	214
Thailand - 5%	179	196	337
United States	143	144	145
IMPORTERS	2006-07	2007-08	2008-09
Bangladesh	153	201	248
Brazil	84	88	131
Costa Rica	336	355	552
European Union	191	208	216
Indonesia	247	281	305
Iran, Isl. Rep. - Neda	611	652	1114
Korea, Rep.	2256	2360	1647
Malaysia	242	267	324
Philippines	188	238	384
Sri Lanka - Nadu	161	151	186
Turkey - Baldo	513	635	776

Market Stabilisation Policies





Market Stabilisation Policies



Policy Changes in selected countries

In Japan

- 2007 Government stock-set-aside programme
- Increased cultivation of rice for non-food uses, e.g. livestock feed

In the Republic of Korea

- Rice Income Compensation Act: price deficiency outlays fall, but direct area payments raised in 2006 and 2008
- Lower volume of purchases under Public Storage System for Emergency programme

Policy Changes in selected countries

In the United States

- Loan rate steady at USD 143 per tonne, no counter-cyclical payments or marketing loan benefits paid since 2006
- Food Conservation and Energy Act 2008 – "*ACRE*" payments linked to actual plantings

In the European Union

- 2008 CAP Health Check: As of 2012, the € 75 per tonne crop specific aid to eligible rice producers will be integrated in the Single Farm Payment, so all direct payments will be "decoupled"
- Paddy rice intervention mechanism retained, but quantity eligible for intervention in 2009/10 set to zero.

Trade Policies

- As Doha round stalls, regional and bilateral agreements gained prominence
  - ASEAN – by 2010, reduces intra-tariff to max 5% (except for Indonesia, Malaysia and the Philippines)
  - ECOWAS – a fifth tariff band of 35% added to CET
  - EU-ACP – only one full agreement reached with Cariforum

- Intensification of Government-to-

Export Measures

- Export subsidies unnecessary amid high world prices
- Imposition of export restraints
  - Export Bans
  - Export taxes
  - Minimum export prices
  - Export contracts restrained and ceilings introduced
  - Abolition of export rebates

Import Measures

- Barriers to imports eased
  - duties either lowered or removed
  - zero-duty import quotas established
- Appeals for provision of food aid
- Government-to-government transactions continued outside bans

Import Measures:

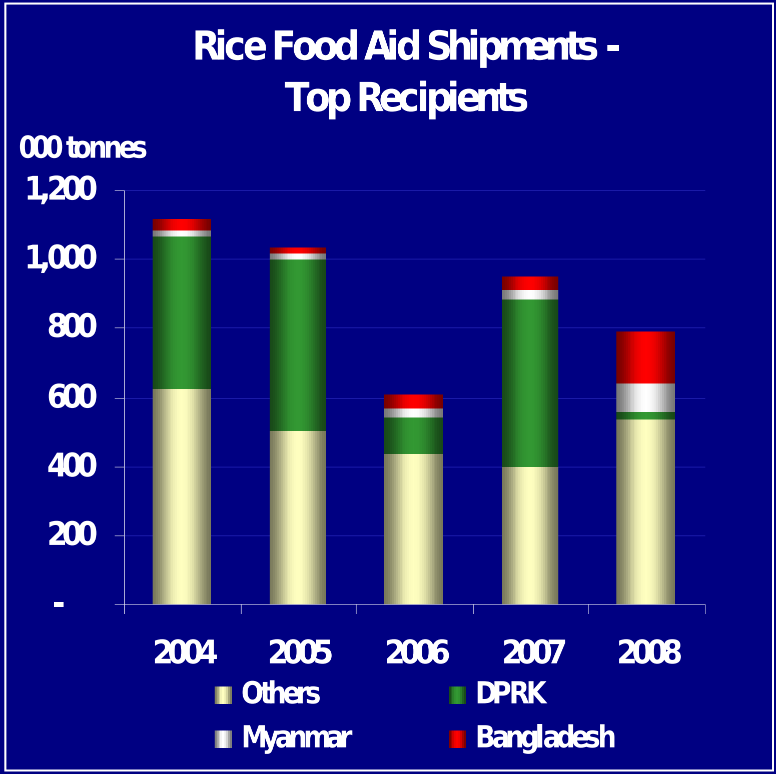
In the European Union

- Preferential tariff rate quota agreements
  - Up to 20% of total imports is eligible for duty free entry into the region
  - Everything but Arms initiative gives unlimited and duty-free access to rice from LDCs as of Sep09

- Economic Partnership

Food Aid

- Reduced volumes channeled, specially in 2006
- Increased volumes delivered through triangular transactions
- Major donors: Republic of Korea, Japan and the United States
- Major beneficiaries in 2006-08: Bangladesh, DPR Korea, and



Consumption and Marketing Policies

- Imposition or tightening of retail price controls **through ceilings or fixed prices**
- Extensive market intervention schemes:
  - Release of reserves through open market sales
  - Subsidised rice sales and extension of food distribution schemes

Rice Reserves

- Rebuilding of rice government stocks, reflecting renewed concerns over food security
- Low volumes of rice committed to the WFP International Emergency Food Reserve, although recovering in 2008
- Regional initiatives: East Asian Emergency Rice Reserve

Issues for Special Consideration:

- Areas of progress: Para 62 (1) - (2)
- Areas of concern: Para 62 (3) - (4)
- Secretariat Recommendations: Para 62 (5)-(9)

Thank you

FAO Rice Group

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