USDA United States Department of Agriculture
Foreign Agricultural Service

GAIN Global Agricultural Information Network

**Required Report:** Required - Public Distribution **Date:** April 20, 2021

**Report Number:** CB2021-0002

# Report Name: Grain and Feed Annual

**Country:** Cambodia

**Post:** Phnom Penh

**Report Category:** Grain and Feed

**Prepared By:** Thanh Vo

**Approved By:** Benjamin Petlock

**Report Highlights:**

Post revised its marketing year 2020/2021 (MY20/21) estimates of rice harvested area and production at 3,265 thousand hectares (THA) and 9.48 million metric tons (MMT), lower than the USDA official numbers. Post forecasts that MY21/22 harvested area and production will reach 3,310THA and 9.61MMT based on expectations for improved weather conditions. Post revised its MY20/21 estimates for corn harvested area and production down to 185THA and 895 thousand metric tons (TMT), lower than the USDA official numbers, and forecasts MY21/22 harvested area and production at 190THA and 920TMT based on improved weather conditions and expectations for increased feed corn demand.

## Executive Summary

Successive storms and floods impacted over 300 thousand hectares (THA) of rice cultivation in October 2020. However, Cambodia's Ministry of Agriculture Fisheries and Forestry (MAFF) affirmed that the rice output of the MY20/21 wet season crop was not affected by the storms and flooding as farmers replanted in the affected areas. The MY20/21 dry season crop benefited from close to average water levels of the Mekong River and precipitation, therefore Post estimates production volume slightly up from the previous year.

In calendar year (CY) 2020, domestic swine population rebounded to approximately 90 percent of its pre-African Swine Fever (ASF) levels, with expansion in large-scale farms offsetting losses in backyard farms. Post expects to see a near full recovery of the swine industry in CY2021, along with stable poultry production and emerging aquaculture production. Post estimates total feed demand in Cambodia in CY2020 at 850 thousand metric tons (TMT) and forecasts 900TMT in CY2021, higher than CY2019, providing diseases such as ASF, are kept under control.

## RICE

**Table 1: Cambodia's Production, Supply, and Distribution for Rice**

| Rice, Milled | 2019/2020 | | 2020/2021 | | 2021/2022 | |
|---|---|---|---|---|---|---|
| Market Begin Year | Jan 2020 | | Jan 2021 | | Jan 2022 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Area Harvested | 3256 | 3256 | 3300 | 3265 | 0 | 3310 |
| Beginning Stocks | 499 | 499 | 549 | 581 | 0 | 514 |
| Milled Production | 5740 | 5740 | 5840 | 5783 | 0 | 5862 |
| Rough Production | 9410 | 9410 | 9574 | 9480 | 0 | 9610 |
| Milling Rate (.9999) | 6100 | 6100 | 6100 | 6100 | 0 | 6100 |
| MY Imports | 10 | 10 | 10 | 10 | 0 | 10 |
| TY Imports | 10 | 10 | 10 | 10 | 0 | 10 |
| TY Imp. from U.S. | 2 | 3 | 0 | 3 | 0 | 0 |
| Total Supply | 6249 | 6249 | 6399 | 6374 | 0 | 6386 |
| MY Exports | 1350 | 1340 | 1450 | 1455 | 0 | 1470 |
| TY Exports | 1350 | 1340 | 1450 | 1455 | 0 | 1470 |
| Consumption and Residual | 4350 | 4328 | 4400 | 4405 | 0 | 4460 |
| Ending Stocks | 549 | 581 | 549 | 514 | 0 | 456 |
| Total Distribution | 6249 | 6249 | 6399 | 6374 | 0 | 6386 |
| Yield (Rough) | 2.89 | 2.89 | 2.9012 | 2.9035 | 0 | 2.9033 |

(1000HA), (1000MT), (MT/HA)

## Production

**Table 2: Rice Area, Production, and Yield by Crop**

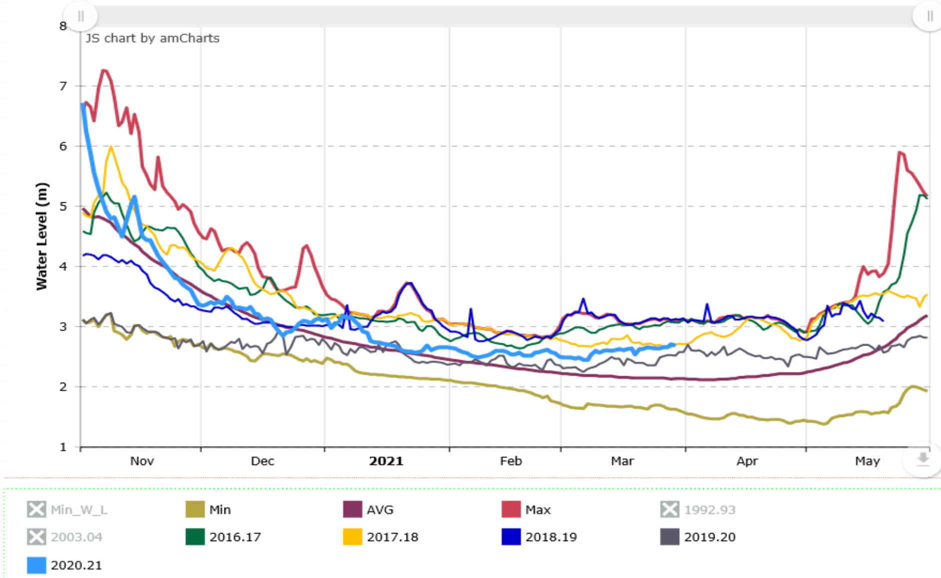
| MY | 2019/2020 | | | 2020/2021 Estimates | | | 2021/2022 Forecasts | | |
|---|---|---|---|---|---|---|---|---|---|
| | Harvested area (THA) | Yield (MT/ HA) | Production (TMT) | Harvested area (THA) | Yield (MT/ HA) | Production (TMT) | Harvested area (THA) | Yield (MT/ HA) | Production (TMT) |
| Wet season | 2,671 | 2.686 | 7,175 | 2,675 | 2.699 | 7,220 | 2,720 | 2.702 | 7,350 |
| Dry season | 585 | 3.818 | 2,235 | 590 | 3.831 | 2,260 | 590 | 3.831 | 2,260 |
| **Total** | **3,256** | **2.890** | **9,409** | **3,265** | **2.904** | **9,480** | **3,310** | **2.903** | **9,610** |

Notes: For the wet season, Cambodia's primary crop period, sowing starts in May-June, and the crop is harvested in August-September for short and medium duration varieties and October-January for long duration varieties. For the Cambodia's secondary crop season, the dry season, sowing starts in November-December, with the crop harvested from February to April. MY20/21 includes two crops: 2020 wet season and 2020-2021 dry season.
Source: Ministry of Agriculture, Forestry and Fisheries; Post's estimates.

Successive storms with heavy rains caused severe flooding in many provinces in Cambodia in October 2020. Several media reports cited MAFF's statistics that flooding inundated over 300THA of rice cultivation, mainly in the central and western provinces of Battambang, Banteay Meanchey, Pursat, Siem Reap etc., with over 100THA damaged at varying degrees. Despite this large area of rice cultivation affected and/or damaged by floods, MAFF estimated that production of the MY20/21 wet season crop remained at the same level as the previous year as farmers replanted damaged crops in time for harvest in February 2021. Local media reported that MAFF had supplied 6,400MT of rice seeds to farmers for replanting following the floods. However, industry noticed a tight supply of export-standard rice during the November-December harvests with a lower paddy quality and parts of paddy areas forced to be replanted due to submergence in water.

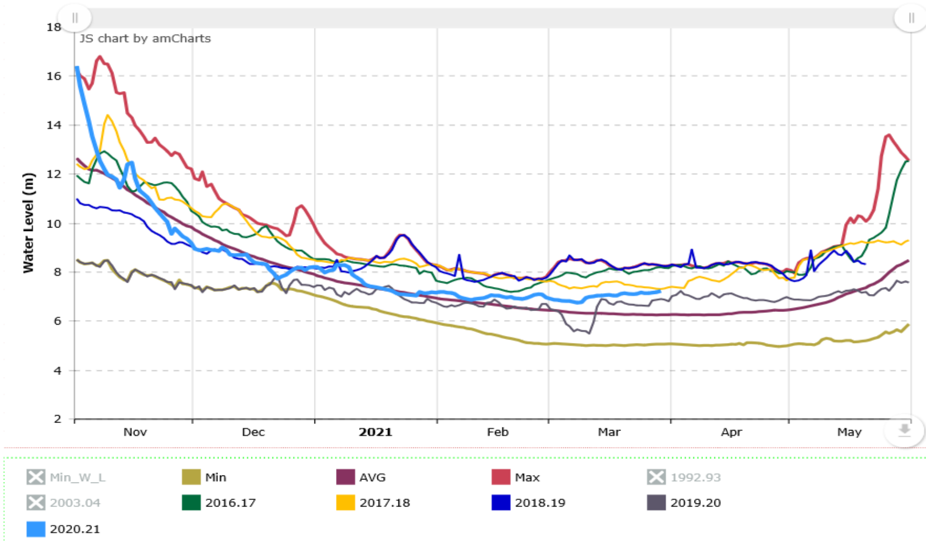
The MY20/21 dry season crop exceeded the previous year's level and offset the damaged areas of the wet season crop, according to MAFF sources cited by local media. However, one industry contact noted that the expansion of the dry season crop could be due to the inclusion of replanted areas of the wet season crop that had been destroyed by natural disasters. Based on the Mekong River Commission's (MRC) meteorological monitoring and forecast reports, the 2020/2021 dry season seems to be wetter than the previous year, with rain potentially arriving earlier in the 2021 wet season than in 2019 and 2020. Mekong River water levels in the 2020/2021 dry season appear to be close to or above average, and higher than 2019/2020 levels when severe droughts occurred in Cambodia (Figures 1 and 2). With improved Mekong River water levels and wetter conditions in the 2020/2021 dry season, Post estimated the MY20/21 dry season crop harvested area and production at 590THA and 2.26MMT, slightly up from the previous year. Post revised estimates for MY20/21 harvested area and production up to 3,265THA and 9.48 million metric tons (MMT), lower than the USDA official numbers. Post forecasts that MY21/22 harvested area and production will reach 3,310THA and 9.61MMT based on expectations of improved weather conditions.

**Figure 1: Mekong River Water Level Monitoring at Stung Treng Station**




Source: MRC

**Figure 2: Mekong River Water Level Monitoring at Kratie Station**

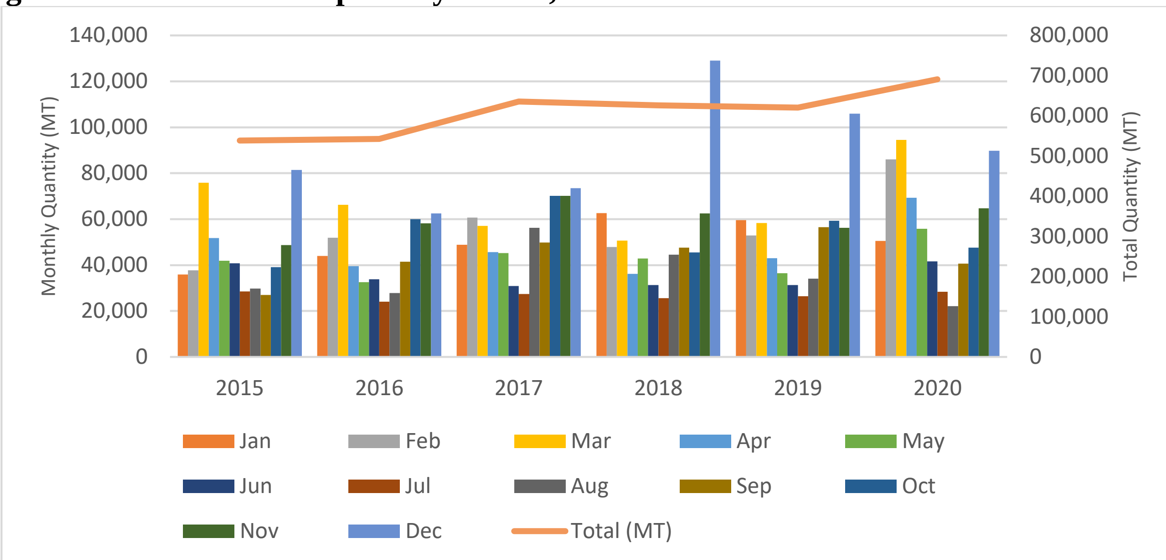



Source: MRC

## Trade

In MY19/20, the official rice export volume reached 690,829MT, 11 percent higher than the previous year. This increase was despite the Cambodian government's export ban on paddy and white milled rice enacted from April 5 to May 20, 2020 to secure domestic rice supplies amidst global COVID-19 outbreaks (Figure 3 and Table 3).

**Figure 3: Official Rice Exports by Month, CY2015-2020**




Source: Secretariat of One Window Service for Rice Export Formality (SOWS-REF)

**Table 3: Official Rice Exports by Month, CY2015-2020 (Unit: MT)**

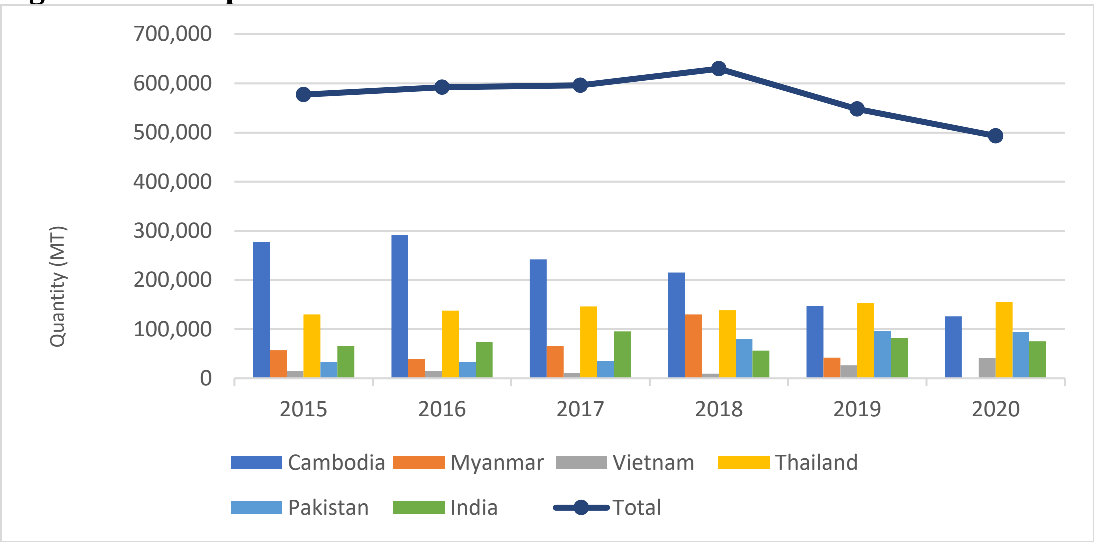
| Month | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|
| Jan | 35,921 | 44,033 | 48,820 | 62,623 | 59,625 | 50,450 |
| Feb | 37,676 | 51,912 | 60,731 | 47,809 | 52,861 | 86,049 |
| Mar | 75,867 | 66,275 | 57,127 | 50,683 | 58,335 | 94,449 |
| Apr | 51,719 | 39,550 | 45,716 | 36,239 | 42,942 | 69,304 |
| May | 41,842 | 32,558 | 45,243 | 42,865 | 36,409 | 55,845 |
| Jun | 40,800 | 33,862 | 30,925 | 31,318 | 31,366 | 41,563 |
| Jul | 28,492 | 24,087 | 27,354 | 25,543 | 26,475 | 28,413 |
| Aug | 29,819 | 27,799 | 56,274 | 44,558 | 34,032 | 22,130 |
| Sep | 26,969 | 41,429 | 49,776 | 47,626 | 56,541 | 40,572 |
| Oct | 39,064 | 60,016 | 70,149 | 45,543 | 59,354 | 47,530 |
| Nov | 48,748 | 58,168 | 70,122 | 62,433 | 56,209 | 64,740 |
| Dec | 81,479 | 62,455 | 73,442 | 128,985 | 105,957 | 89,784 |
| **Total** | **538,396** | **542,144** | **635,679** | **626,225** | **620,106** | **690,829** |
| Change (%) | 39% | 1% | 17% | -1% | -1% | 11% |

Source: SOW-REFS

In CY2020, Cambodian long grain white rice and parboiled rice imported into the European Union (EU) continued to be taxed at €150/MT ($166)[1] due to the imposition of safeguard tariffs that took effect on January 18, 2019, and then were reduced to €125/MT ($151)[2] for CY2021 (KH9002). According to the European Commission, Cambodia was the largest supplier for Indica milled and semi milled rice to the European Union from CY2015 to 2018. However, Cambodia has ranked behind Thailand since CY2019 in exports to Europe as the safeguard tariffs have made Cambodian rice less competitive in that market (Figure 4).

[1] Euro/US$ exchange rate at 1.1066 on February 3, 2020
[2] Euro/US$ exchange rate at 1.2084 on February 1, 2021
Source: https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/index.en.html

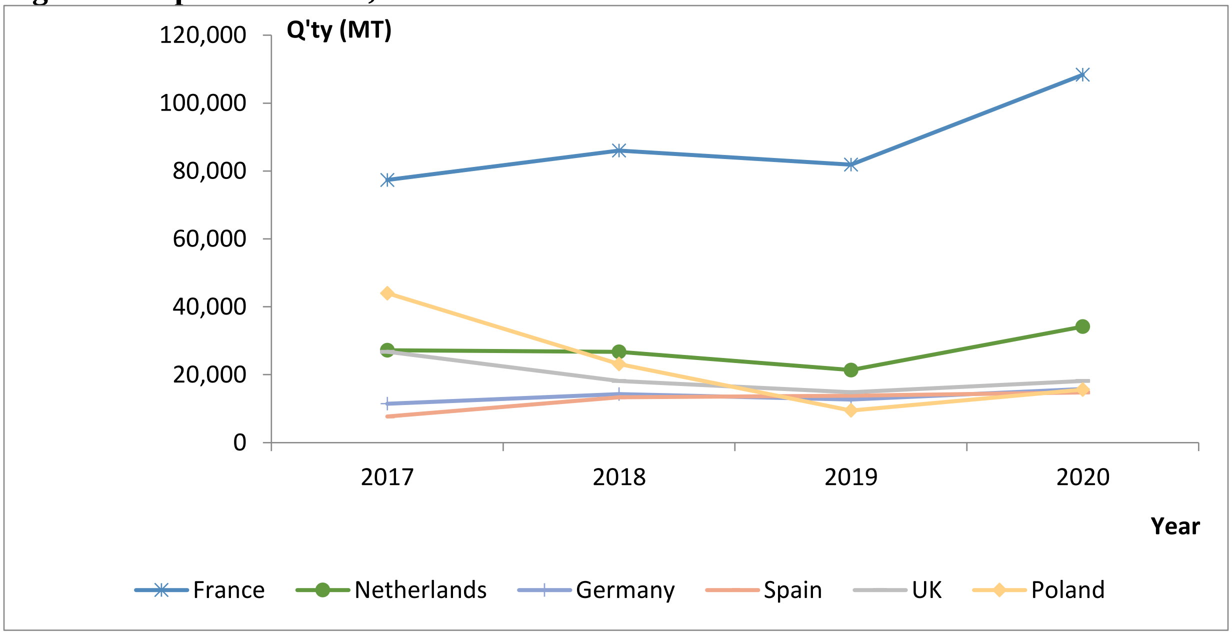
**Figure 4: EU Imports of Indica Milled and Semi-milled Rice CY2015-2020**




Source: European Commission

According to the Cambodia's Secretariat of One Window Service for Rice Export Formality (SOWS-REF), although there was growth in exports to some individual EU members (such as to France, the Netherlands, and Poland), exports to the entire EU market remained nearly flat at 203,791MT in CY2020 (Figure 5 and Table 4). Industry reported that exports to the EU were affected by COVID-19 lockdowns, and the recent skyrocketing in global shipping costs and container shortages. Container sea freight has increased by at least two to three times since the end of CY2020, hampering Cambodia's rice exports, especially in the first two months of CY2021 with exports dropping by 44 percent compared with last year.

**Figure 5: Top EU Markets, CY2017-2020**




Source: SOWS-REF

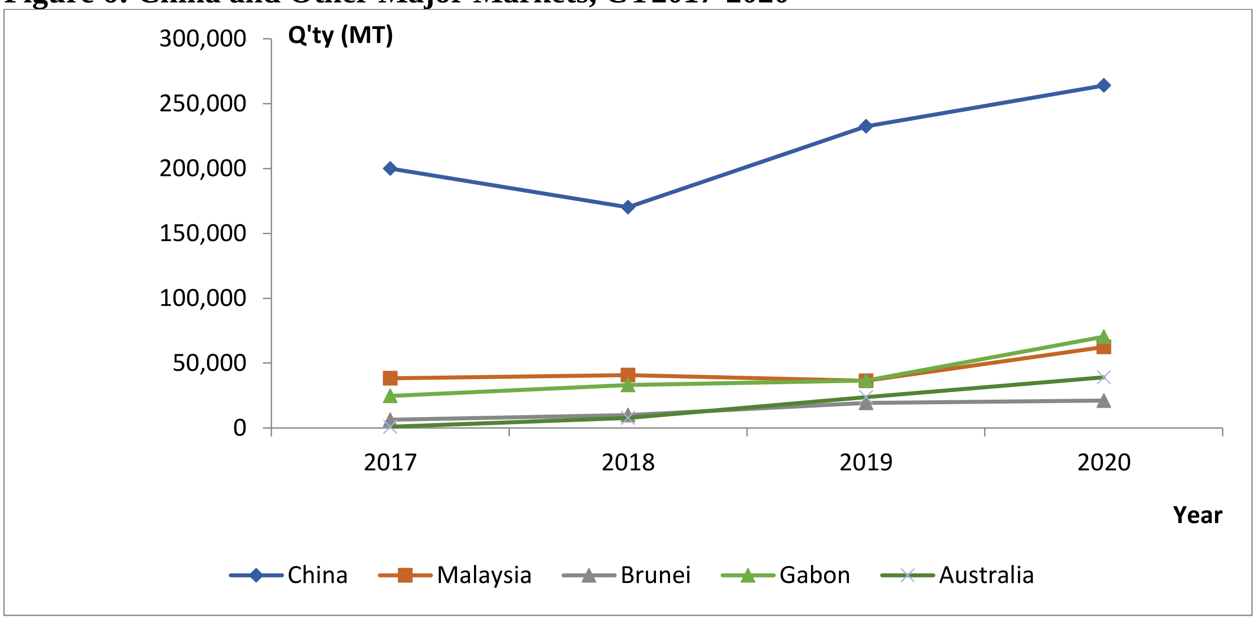
**Table 4: Top Markets, CY2017-2020 (Unit: MT)**

| Year | France | Netherlands | Germany | Spain | United Kingdom | Poland |
|---|---|---|---|---|---|---|
| 2017 | 77,363 | 27,175 | 11,454 | 7,702 | 26,775 | 44,023 |
| 2018 | 86,050 | 26,714 | 14,279 | 13,333 | 18,178 | 23,142 |
| 2019 | 81,905 | 21,390 | 12,701 | 13,871 | 14,836 | 9,453 |
| 2020 | 108,332 | 34,162 | 15,788 | 14,783 | 18,167 | 15,657 |

Source: SOWS-REF

Asia was the largest market for Cambodian rice accounting for 54 percent of total exports, with China as the top buyer, accounting for 38 percent (equivalent to 263,949MT, a jump of 13 percent from CY2019). Malaysia, Brunei, Gabon, and Australia—Cambodia's other major markets—continued to show steady growth in the past year (Figure 6 and Table 5).

**Figure 6: China and Other Major Markets, CY2017-2020**




Source: SOWS-REF

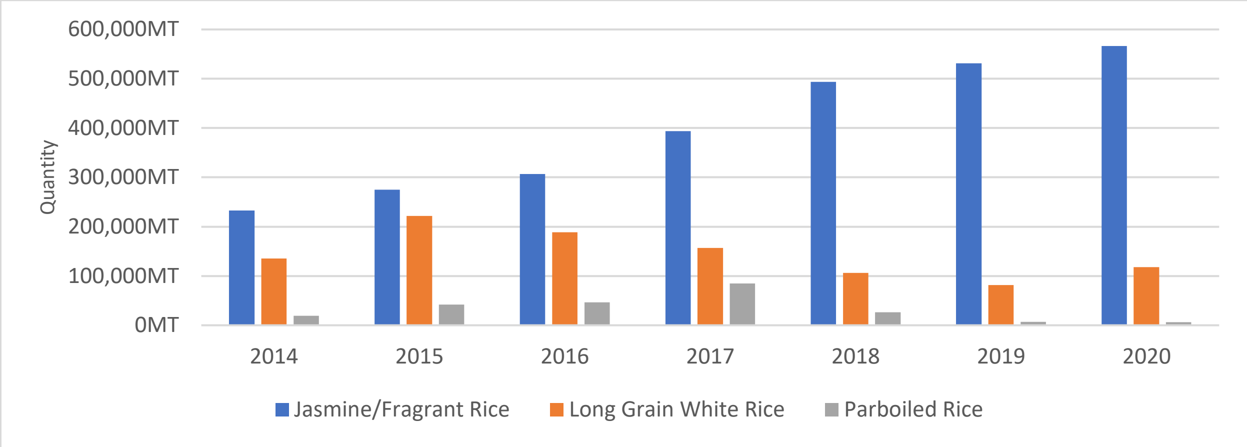
**Table 5: China and Other Markets, CY2017-2020 (Unit: MT)**

| Year | China | Malaysia | Brunei | Gabon | Australia |
|---|---|---|---|---|---|
| 2017 | 199,857 | 38,360 | 6,342 | 24,677 | 930 |
| 2018 | 170,154 | 40,861 | 10,017 | 33,060 | 7,648 |
| 2019 | 232,593 | 36,397 | 19,399 | 36,663 | 23,750 |
| 2020 | 263,949 | 62,370 | 21,126 | 70,317 | 39,046 |

Source: SOWS-REF

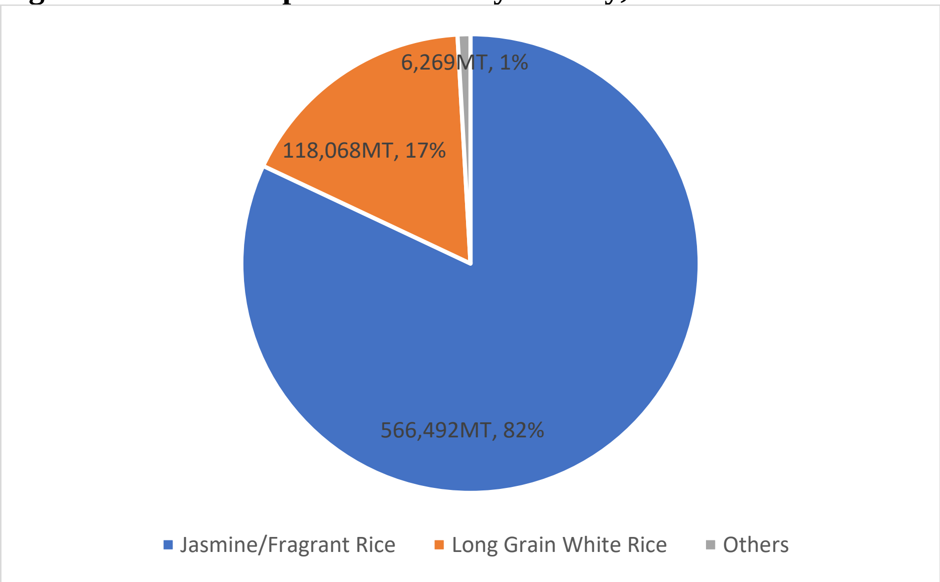
Fragrant rice continued to account for the largest share of exports, at 82 percent (Figures 7 and 8).

**Figure 7: Official Exports Volume by Variety, 2014-2020**




Source: SOWS-REF

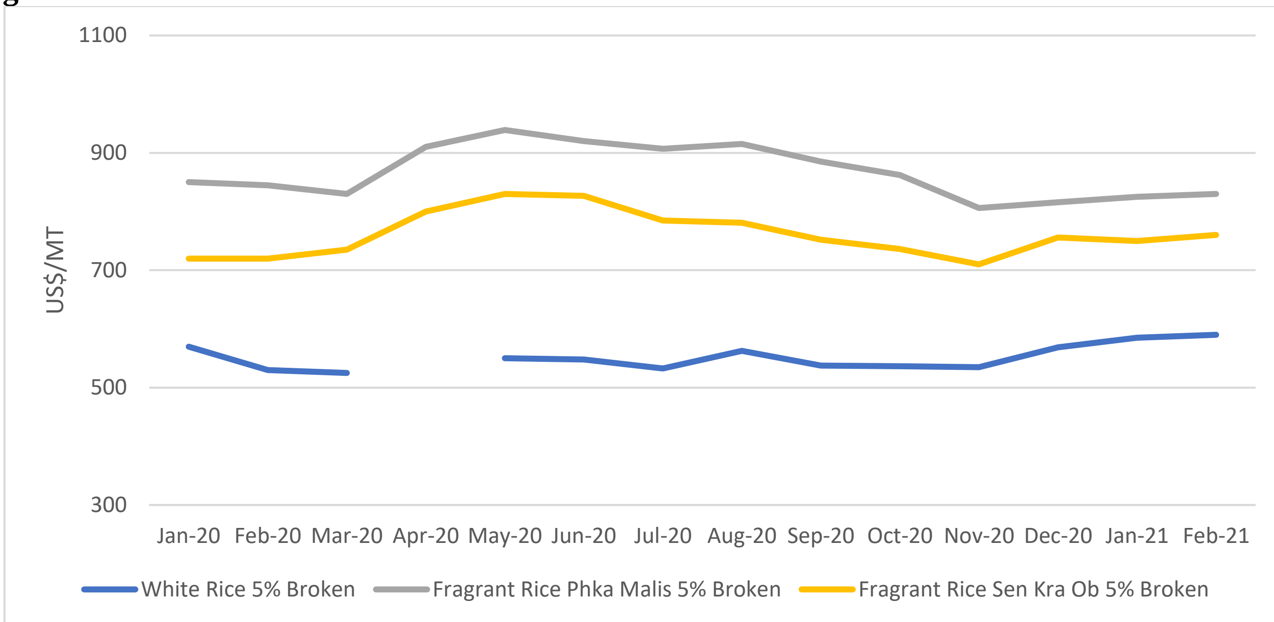
**Figure 8: Official Exports Volume by Variety, 2020**




Source: SOWS-REF

Export prices in MY20/21 were lower than the previous two years, although still higher than other sources (Figure 9).

**Figure 9: FOB Price of Milled Rice**




Note: White rice prices in April-May 2020 unavailable due to the government's rice export ban.
Source: Cambodia Rice Federation

Based on Vietnam customs statistics, Vietnam's official imports of paddy from Cambodia during the second half of CY2020 ranged from 10,000MT to nearly 200,000MT/month, much higher than pre-COVID-19 pandemic levels. The increase of official imports was attributed to possible side-effects of stricter border controls of trade to prevent the spread of COVID-19.

Post revised its MY19/20 estimates of rice exports at 1.34MMT, including 650,000MT for cross border trade, and forecasts that MY20/21 rice exports will increase to 1.45MMT, including 750,000MT of cross border trade.

## CORN

**Table 6: Cambodia's Production, Supply, and Distribution for Corn**

| Corn | 2019/2020 | | 2020/2021 | | 2021/2022 | |
|---|---|---|---|---|---|---|
| Market Begin Year | Jul 2019 | | Jul 2020 | | Jul 2021 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Area Harvested | 185 | 185 | 190 | 185 | | 190 |
| Beginning Stocks | 316 | 316 | 196 | 256 | | 261 |
| Production | 890 | 895 | 930 | 895 | | 920 |
| MY Imports | 80 | 80 | 100 | 100 | | 100 |
| TY Imports | 80 | 80 | 100 | 100 | | 100 |
| TY Imp. from U.S. | 0 | 0 | 0 | 0 | | 0 |
| Total Supply | 1286 | 1291 | 1226 | 1251 | | 1281 |
| MY Exports | 500 | 500 | 400 | 400 | | 400 |
| TY Exports | 500 | 500 | 400 | 400 | | 400 |
| Feed and Residual | 400 | 350 | 420 | 400 | | 450 |
| FSI Consumption | 190 | 185 | 200 | 190 | | 195 |
| Total Consumption | 590 | 535 | 620 | 590 | | 645 |
| Ending Stocks | 196 | 256 | 206 | 261 | | 236 |
| Total Distribution | 1286 | 1291 | 1226 | 1251 | | 1281 |
| Yield | 4.8108 | 4.8378 | 4.8947 | 4.8378 | | 4.8421 |

(1000HA), (1000MT), (MT/HA)

### Production

**Table 7: Corn Area, Production, and Yield by Crop**

| Year | MY19/20 | | MY20/21 Post's estimate | | MY21/22 Post's forecast | |
|---|---|---|---|---|---|---|
| | Harvest area (Ha) | Production (MT) | Harvest area (Ha) | Production (MT) | Harvest area (Ha) | Production (MT) |
| Dry season | 23,834 | 119,328 | 23,834 | 119,328 | 24,311 | 122,908 |
| Wet Season | 161,623 | 776,108 | 161,623 | 776,108 | 164,855 | 799,391 |
| **Total** | **185,457** | **895,436** | **185,457** | **895,436** | **189,166** | **922,299** |

Notes: The wet season is the main corn crop season. Sowing starts in July to August with harvest from October to November. The dry season crop starts in February to March and the crop is harvested from June to July. MY20/21 includes the 2020 wet season and 2021 dry season.
Source: MAFF; Post estimates.

Local media cited MAFF's estimates of MY20/21 corn production at the same level as the previous year at 950TMT, although some industry contacts noted lower estimates. Red or yellow corn, which is used for feed manufacturing, generally accounts for 90 percent of total production. Industry sources said some corn farmers have switched to cassava on increasing export demand for cassava chips and starch, higher prices, and less husbandry efforts. Post revised its MY20/21 estimates for the corn harvested area and production down to 185 THA and 895 TMT, lower than the USDA official numbers (Table 7).  Post forecasts MY21/22 harvested area and production at 190 THA and 920 TMT as hydrometeorology forecasts showed lower threats of severe drought with improved water supply and demands for feed corn are expected to continue to trend upwards.

**Consumption**

After the first ASF outbreak was confirmed in April 2019, industry reported that at least 20 to 30 percent of the local swine herd was infected.  In CY2020, the domestic swine population rebounded to approximately 90 percent of its pre-ASF level, with expansion in large scale farms offsetting losses in backyard farms.  While ASF, Porcine Reproductive and Respiratory Syndrome (PRRS), and avian influenza recurrence risks are still the major concerns, Post expects a near full recovery of the swine industry in CY2021, along with stable poultry production and emerging aquaculture production.  Post estimates total feed demand in Cambodia in CY2020 at 850 TMT and forecasts 900 TMT in CY2021, higher than CY2019, providing diseases are under control.  Post revised its estimates for MY19/20 and MY20/21 corn consumption down to 535 TMT and 590 TMT respectively, mainly on lower feed and residual.  In MY21/22, Post forecasts that consumption will increase to 645 TMT on steady food demand and a revival of livestock production.

**Trade**

The feed industry mainly drives demand for local corn, together with export demand.  Cross-border trade of corn is vital as farmers and collectors' shortage of working capital and storage capacity encourages them to sell corn quickly after harvest.  Due to COVID-19, Cambodia and neighboring countries imposed stricter preventive measures at the borders, affecting cross-border trade flows.  Post maintains its estimates for MY20/21 corn exports, including cross-border trade, at 400 TMT, lower than the previous year, and keeps the same number for MY21/22 forecast.

Feed mills reported that the local corn stock is not available year-round, urging them to supplement with imports which are usually cheaper than local sources.  On average, local corn has maintained a $10 to $20 per MT premium over imported corn.  However, rocketing global prices of all grain types since the last quarter of CY2020 have made imported corn more expensive than local corn.  Local corn prices also benefited from a rise in global prices, with local media reporting a nearly 20 percent increase in local corn prices.  Post maintained its estimates for MY20/21 corn imports at 100 TMT and forecasts the same in MY20/21 on steady feed demand.

**Attachments:**

No Attachments