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Report Name: Grain and Feed Annual

Country: Cambodia

Post: Phnom Penh

Report Category: Grain and Feed

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Report Highlights:

Foreign Agricultural Service Phnom Penh (Post) forecasts an increase of both rice and corn production in Cambodia due to lower input prices, higher animal feed prices, and a positive outlook on tourist inflow into the Kingdom. In addition, Post forecasts an increase of exports of Cambodian rice due to its export market recovery from high logistic costs, and higher corn exports due to high demand in the region.

Executive Summary:

Post forecasts that Marketing Year (MY 2023/24) rice harvested area and production will slightly increase from the previous year due to increased application of inputs, increased mechanization, anticipated better weather conditions and demand from export markets. Post also forecasts rice exports to China to decrease as a share of the total exports due to an increase in exports to the European Union (EU) market.

Post forecasts corn production and harvested area (especially the dry season) to increase due to higher feed prices and a positive outlook on the inflow of tourists, especially from China, that will increase feed demand as domestic livestock production increases.

RICE

Production, Supply, and Distribution

Rice, Milled	**2021/2022**		**2022/2023**		**2023/2024**	
Market Year Begins	**Jan 2022**		**Jan 2023**		**Jan 2024**	
Cambodia	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Harvested (1000 HA)	3271	3271	3310	3310	0	3370
Beginning Stocks (1000 MT)	218	218	208	159	0	152
Milled Production (1000 MT)	5771	5771	5933	5933	0	6222
Rough Production (1000 MT)	9461	9461	9726	9726	0	10200
Milling Rate (.9999) (1000 MT)	6100	6100	6100	6100	0	6100
MY Imports (1000 MT)	69	10	50	10	0	10
TY Imports (1000 MT)	69	10	50	10	0	10
TY Imp. from U.S. (1000 MT)	3	1	0	0	0	0
Total Supply (1000 MT)	6058	5999	6191	6102	0	6384
MY Exports (1000 MT)	1700	1740	1600	1850	0	1910
TY Exports (1000 MT)	1700	1740	1600	1850	0	1910
Consumption and Residual (1000 MT)	4150	4100	4100	4100	0	4250
Ending Stocks (1000 MT)	208	159	491	152	0	224
Total Distribution (1000 MT)	6058	5999	6191	6102	0	6384
Yield (Rough) (MT/HA)	2.8924	2.8924	2.9384	2.9384	0	3.0267

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2023/2024 = January 2024 - December 2024

Production

Table 1: Rice Area, Production, and Yield by Crop

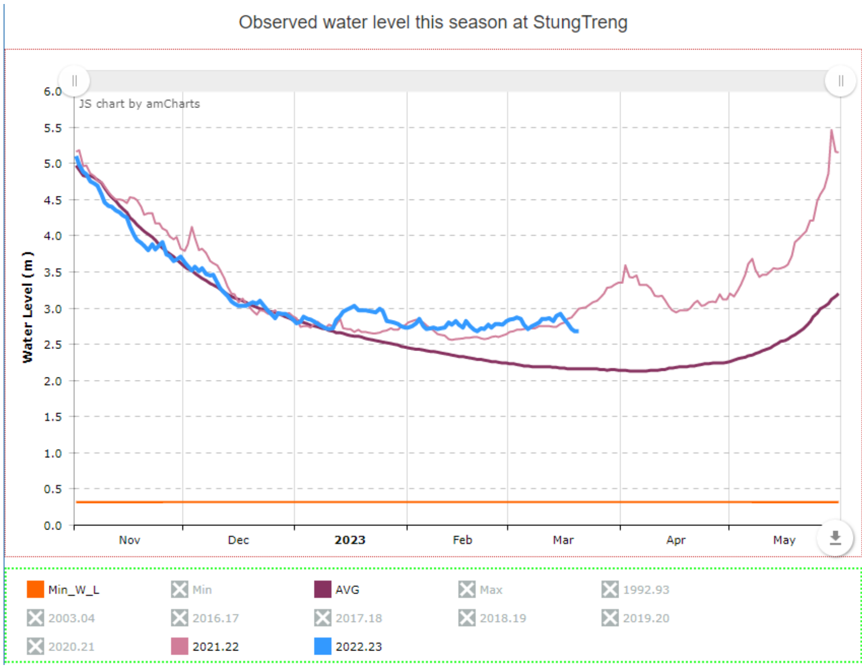
MY	2021/2022			2022/2023 Estimate			2023/2024 Forecast		
	Harvested area (THA)	Yield (MT/HA)	Production (TMT)	Harvested area (THA)	Yield (MT/HA)	Production (TMT)	Harvested area (THA)	Yield (MT/HA)	Production (TMT)
Wet season	2,671	2.696	7,200	2,700	2.737	7,390	2,750	2.727	7,500
Dry season	600	3.767	2,260	610	3.831	2,337	620	4.354	2,700
Total	**3,271**	**2.892**	**9,460**	**3,310**	**2.939**	**9,727**	**3,370**	**3.026**	**10,200**

Notes: For the wet season, Cambodia's primary crop period, sowing starts in May-June, with the crop harvested in August-September for short- and medium-term varieties and October-January for longer term varieties. For Cambodia's secondary crop period, the dry season, sowing starts in November-December, with the crop harvest occurring from February to April. MY 2022/23 includes two crops: 2022 wet season and 2022-2023 dry season.
Source: Ministry of Agriculture, Forestry and Fisheries; Post's estimates.

Post forecasts a slight increase in both production and area in MY 2023/24 to 10.2 million metric tons (MMT) and 3,370 thousand hectares (THA), respectively, due to a decreased price of chemical fertilizer and better weather conditions that allows more water for dry season rice to grow. Industry contacts informed Post that a 50-kilo bag of chemical fertilizer decreased from $45 to only $35 in MY 2022/23 allowing dry season farmers to apply more. Industry thinks the price will continue to decrease in MY 2023/24. Post forecasts the wet season rice area to slightly increase due to the increased demand of fragrant rice from the European Union (EU) market due to the lift of the EU's safeguard measure in January 2022. Furthermore, in November 2022, Cambodia's fragrant rice – Pkhar Romdoul – won the World's Best Rice award, which will increase an appetite for Cambodia's premium rice. Therefore, Post forecasts farmers will grow this variety more and there will be an increase in the supply accordingly in MY 2023/24.

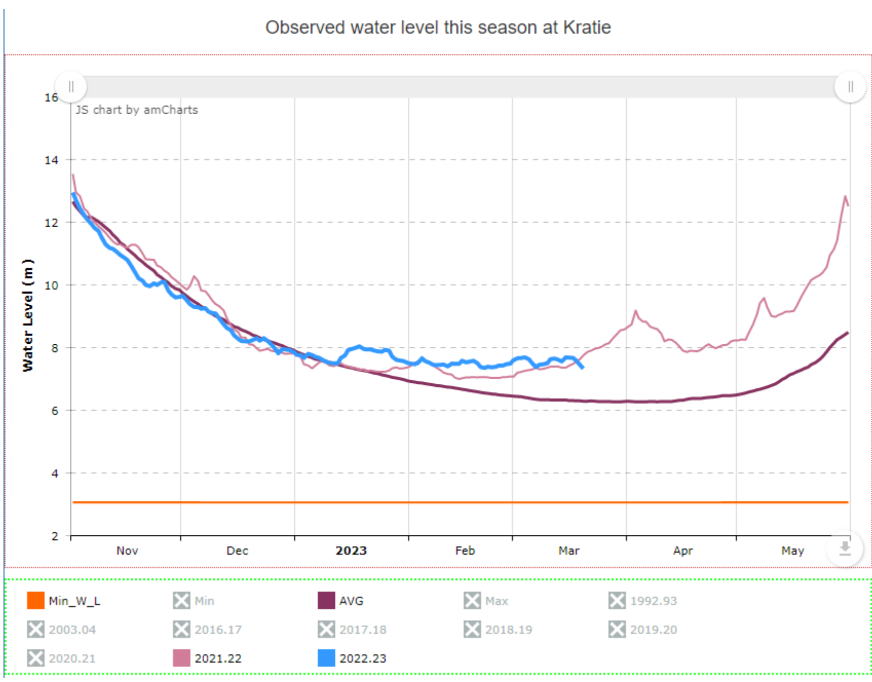
Post's estimate for MY 2022/23 remains unchanged. A decrease in input prices and more utilization of technology will slightly increase production and trade from the previous year. The Ministry of Agriculture, Forestry and Fisheries (MAFF) noted an increased use of mechanization in rural Cambodia with 99 percent of cultivated areas and 85 percent of harvested areas using machineries in 2022. In addition, the Mekong River Commission (MRC) indicates the average water level to be higher than previous years.

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



Source: Mekong River Commission

Figure 2: Mekong River Water Level Monitoring at Kratie Station

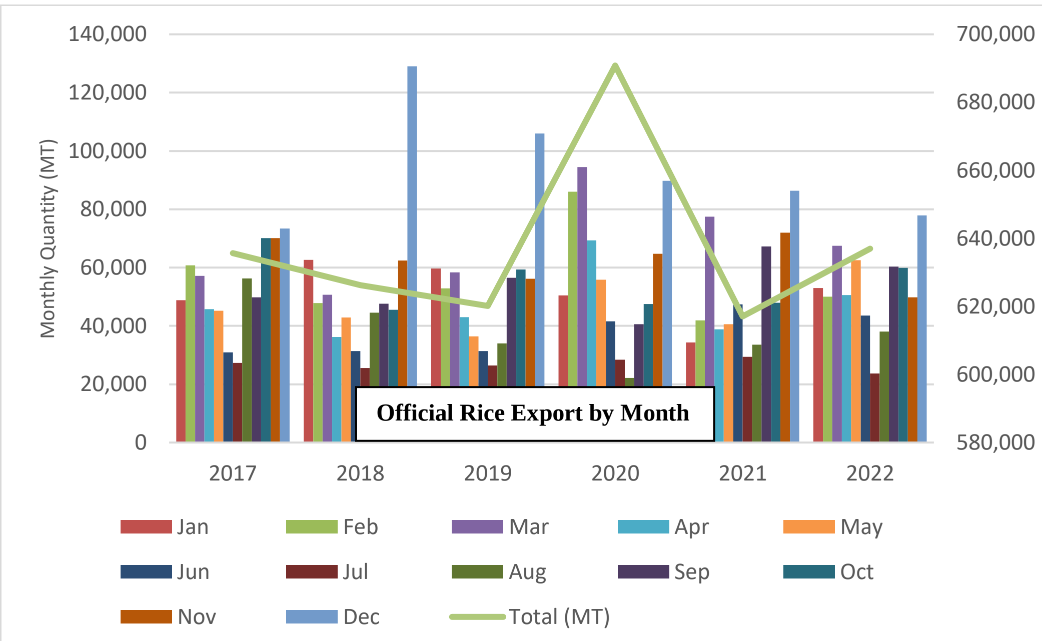


Source: Mekong River Commission

Trade

Post forecasts Cambodia rice exports to continue to increase in MY 2023/24 due to the continued ease of logistic costs and rekindled relationships with European buyers as well as continued demand for paddy rice from Vietnam. In MY 2021/22, the Cambodia Rice Federation (CRF) reported milled rice export volume totaled at 637,004 MT, 3 percent higher than the previous year (Figure 3, table 2). This increase was due to lower freight costs and the lift of the safeguard measure previously imposed by the European Union (EU). The EU safeguard measure was lifted in January 2022. In addition, according to international sources, Cambodia rice exports to Vietnam increased to 1.1 MMT (milled rice equivalent) in MY 2022/23 due to higher demand for feed use.

Figure 3: Official Milled Rice Exports by Month



Source: Cambodia Rice Federation (CRF)

Table 2: Official Rice Exports (Unit: MT)

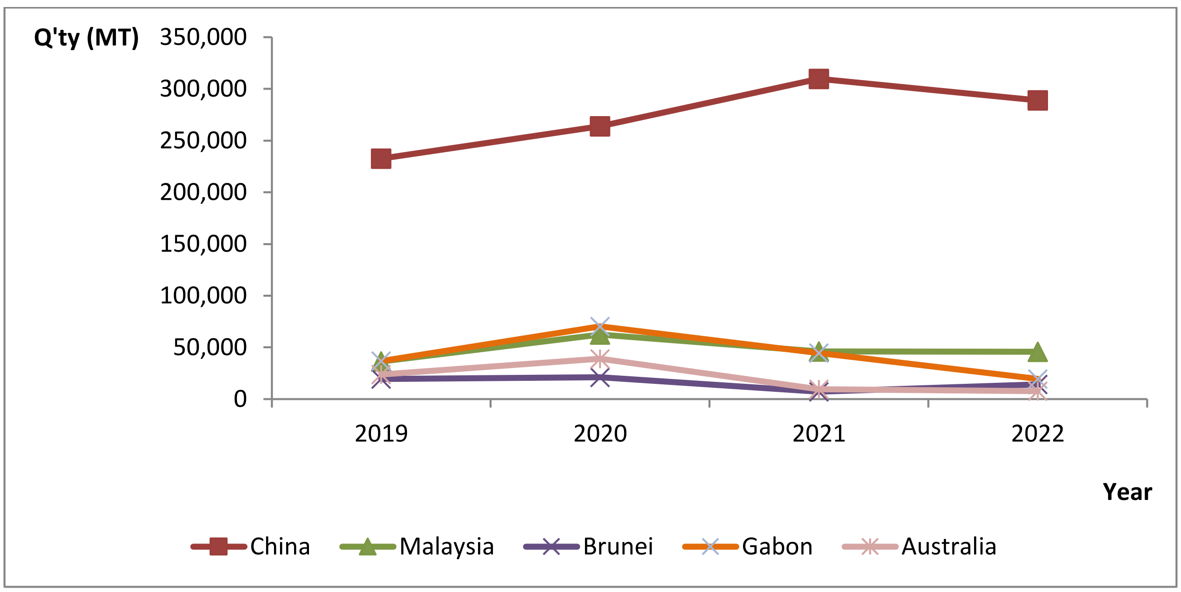
Month	2017	2018	2019	2020	2021	2022
Jan	48,820	62,623	59,625	50,450	34,273	53,036
Feb	60,731	47,809	52,861	86,049	41,949	50,022
Mar	57,127	50,683	58,335	94,449	77,466	67,481
Apr	45,716	36,239	42,942	69,304	38,807	50,599
May	45,243	42,865	36,409	55,845	40,536	62,537
Jun	30,925	31,318	31,366	41,563	47,419	43,525
Jul	27,354	25,543	26,475	28,413	29,415	23,702
Aug	56,274	44,558	34,032	22,130	33,582	38,098
Sep	49,776	47,626	56,541	40,572	67,251	60,361

Oct	70,149	45,543	59,354	47,530	47,971	59,888
Nov	70,122	62,433	56,209	64,740	72,010	49,849
Dec	73,442	128,985	105,957	89,784	86,390	77,906
Total (MT)	**635,679**	**626,225**	**620,106**	**690,829**	**617,069**	**637,004**
Change (%)	17%	-1%	-1%	11%	-11%	3%

Source: Cambodia Rice Federation (CRF)

Although China is still Cambodia's top milled rice export destination accounting for 45 percent of the total official milled rice exports in MY 2021/22, the exported volume to China decreased by 7 percent from MY 2020/21. The CRF notes that the decrease was because Cambodia could not produce enough Sen Kro Oub (SKO) variety that China demanded. The SKO variety was impacted by floods and due to a lower market price, farmers produced less in MY 2021/22. In addition, according to the Trade Data Monitor LLC, Cambodia exported more than 3.5 MMT of paddy to Vietnam MY 2021/22. However, Vietnamese customs reported only 1.8 MMT imports of paddy rice from Cambodia. Cambodia exported very minimal amount of paddy to Thailand at 5,400 tons in MY 2021/22, according to Cambodia's General Department of Customs and Excise.

Figure 4: Milled Rice Exports to Key Export Destinations



Source: Cambodia Rice Federation (CRF)

Table 3: Milled Rice Exports to Key Export Destinations (Unit: MT)

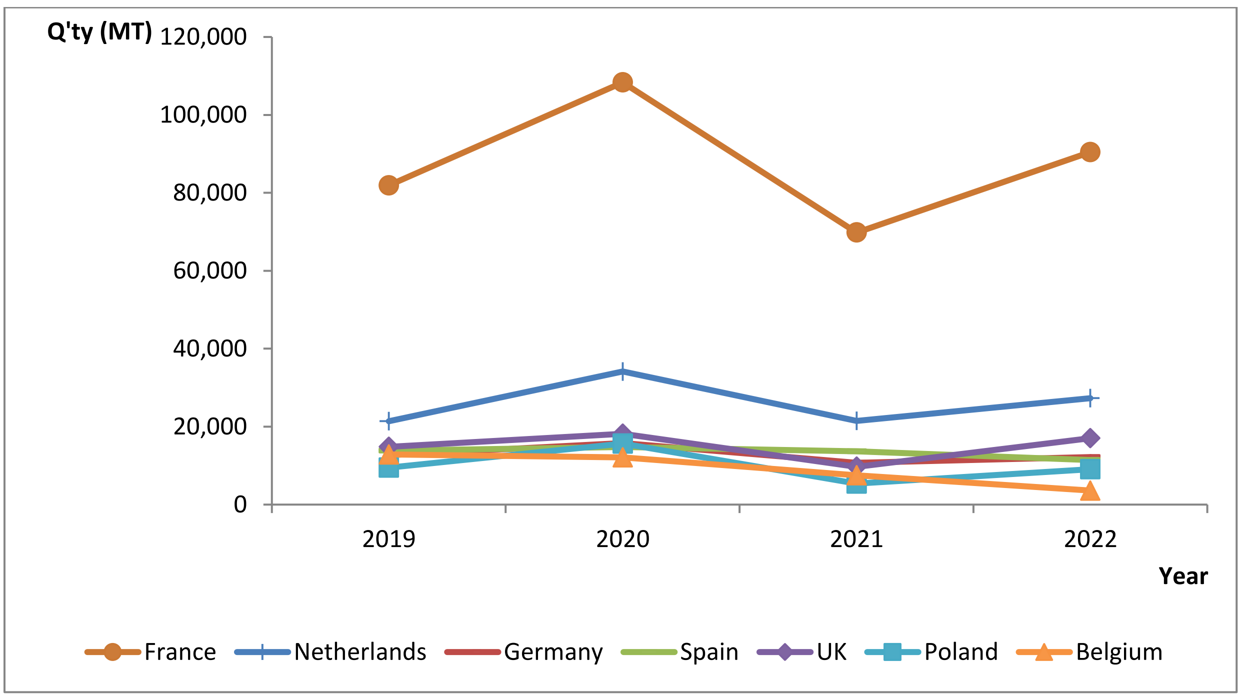
Year	China	Malaysia	Brunei	Gabon	Australia
2019	232,593	36,397	19,399	36,663	23,750
2020	263,949	62,370	21,126	70,317	39,046
2021	309,709	46,181	7,182	44,406	9,412
2022	288,830	45,798	14,112	19,547	7,693

Source: Cambodia Rice Federation (CRF)

Cambodia reports increased rice exports to the EU market due to reduced freight costs and a removal of EU safeguard measures. For example, exports to France increased by 30 percent from CY 2021 to CY 2022 due to a strong business relationship between Cambodian exporters and French buyers (Figure 5). Other markets in the EU also increased rice imports from Cambodia gradually.

News reports indicated that Cambodia aims to sign an MOU to export milled rice to the Philippines during a visit of the Philippine International Trading Corporation (PITC) to Cambodia in early 2023. However, industry contacts told Post that the price is too high for Philippines consumers; therefore, there is no expectation that there would be significant exports even should an MOU be put into place.

Figure 5: Top EU Markets



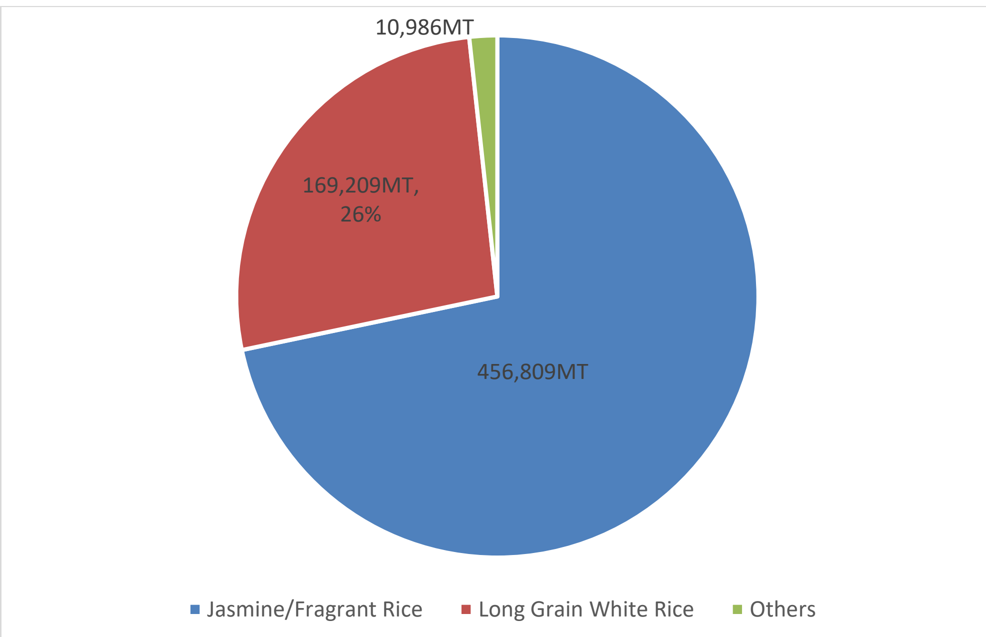
Source: Cambodia Rice Federation (CRF)

Table 4: Top EU Markets (Unit: MT)

Year	France	Netherlands	Germany	Spain	UK	Poland
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
2021	69,802	21,491	10,723	13,664	9,692	5,396
2022	90,478	27,341	12,199	11,431	17,010	9,104

Source: Cambodia Rice Federation (CRF)

Figure 6: Official Rice Export Volumes by Variety



Source: Cambodia Rice Federation (CRF)

CORN

Production, Supply, and Distribution

Corn	2021/2022		2022/2023		2023/2024	
Market Begin Year	Jul 2021		Jul 2022		Jul 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	190	185	160	171		181
Beginning Stocks	256	231	84	251		197
Production	920	895	760	906		965
MY Imports	100	120	150	140		160
TY Imports	100	120	0	140		160
TY Imp. from U.S.	0	0	0	0		0
Total Supply	1276	1246	994	1297		1322
MY Exports	400	350	300	450		550
TY Exports	400	350	300	450		550
Feed and Residual	450	450	450	450		450
FSI Consumption	195	195	200	200		205
Total Consumption	645	645	650	650		655
Ending Stocks	231	251	44	197		117
Total Distribution	1276	1246	994	1297		1322
Yield	4.8421	4.842	4.75	5.007		5.007

Production

Table 5: Corn Area, Production, and Yield by Crop

Year	MY 2021/22		MY 2022/23 Post's estimate		MY 2023/24 Post's forecast	
	Harvest area (Ha)	Production (MT)	Harvest area (Ha)	Production (MT)	Harvest area (Ha)	Production (MT)
Dry season	23,834	119,328	50,311	301,866	60,311	361,866
Wet Season	161,623	776,108	120,884	604,420	120,695	603,475
Total	**185,457**	**895,436**	**171,195**	**906,286**	**181,006**	**965,341**

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. MY 2022/23 includes the 2022 wet season and 2023 dry season.
Source: MAFF, Post's estimates.

Post forecasts an increase in corn production and harvested area to 965 TMT and 181 THA, respectively, in MY 2023/24 due to increased price of animal feeds, thereby incentivizing farmers to increase cultivated corn area. Local news reported a 20 percent price increase of corn due to low supply resulting from the Russia - Ukraine war. MAFF reported corn production increased in 2022 by more than 60 percent in harvested areas due to the price increase. Dry season corn production increased sharply due to good weather conditions, while wet season corn production decreased due to severe flooding. Thailand reported a shortage of corn supply that led to a 400 percent increase in imports from Cambodia, according to the Trade Data Monitor LLC.

Consumption

Post forecasts an increase in feed demand in MY 2023/24 by 1,500 TMT or a 7 percent increase from the previous year due to higher demand of meat resulting from tourists increase into Cambodia. China was the largest source of foreign tourists to Cambodia before the pandemic. More than two million Chinese tourists frequented Cambodia in 2019. With the ease of travels by the Chinese government, the Ministry of Tourism expects to attract at least one million Chinese tourists in 2023. The inbound tourists will increase meat demand in the Kingdom and will push meat prices higher which will increase feed demand accordingly. MY 2022/23 stable meat prices combined with high increase in feed ingredients has been challenging for producers. Industry contact says Cambodia imports around 50 percent of feed ingredients and uses half from local sources. Prices of feed ingredients, the source further added, increased by almost 20 percent, thereby leading to less profits for animal raisers. The Cambodia Livestock Raisers Association estimates a total of 1,164 TMT of feed demand in Cambodia, while industry contact told Post that the number can be up to 1,400 TMT including feeds that are not registered. Of the total feed demand, 40 percent of it is corn.

Trade

Post forecasts exports of corn to increase in MY 2023/24 due to the pull of higher market prices. Borders are open between Cambodia and its neighboring countries driving higher demand of meat, particularly due to the revitalization of the tourism sector, thereby pushing more production of animal feed that demands Cambodia's corn. Since the feed industry, as well as exports, mainly drives demand for local corn, cross-border trade of corn is common but oftentimes not recorded. For example, Thailand recorded a sharp increase of corn imports from Cambodia; however, the figure is not available in Cambodian data. Post forecasts corn exports to continue to increase to Thailand from Cambodia in MY 2023/24 to 550 TMT or by 22 percent. MY 2022/23 exports are also forecast to increase due to Thai demand.

Attachments:

No Attachments