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Report Name: Grain and Feed Annual

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Post: Phnom Penh

Report Category: Grain and Feed

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Report Highlights:

Rice production in Cambodia is forecast to increase due to higher rice prices and the use of higher quality seeds. Rice exports to Vietnam have been surging as Vietnam mills have offered higher prices to Cambodian farmers. Corn production and exports are forecast lower on anticipated lower demand due to sufficient supply in Cambodia's traditional export markets .

Executive Summary:

Post forecasts that Marketing Year (MY) 2024/25 rice harvested area and production will increase as farmers expand rice production in anticipation of higher prices and strong export demand. Increased use of inputs and mechanization are also helping to boost production. Corn production and harvested area are forecasted to increase due to higher local demand for feed. The Cambodian government has implemented new policies restricting meat exports, leading to higher demand for local meat production.

RICE

Production, Supply, and Distribution

Rice, Milled	2022/23		2023/24		2024/25	
Market Begin Year	Jan 2023		Jan 2024		Jan 2025	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	3310	3470	3370	3580		3640
Beginning Stocks	208	159	232	873		1707
Milled Production	5933	6943	6000	7200		7300
Rough Production	9726	11415	9836	11600		12000
Milling Rate (.9999)	6100	6100	6100	6100		6100
MY Imports	41	50	50	60		70
TY Imports	41	50	50	60		70
TY Imp. from U.S.	1	1	0	0		0
Total Supply	6182	7173	6282	8133		9103
MY Exports	1900	2300	2150	2400		2500
TY Exports	1900	2300	2150	2400		2500
Consumption and Residual	4050	4000	3900	4000		4000
Ending Stocks	232	873	232	1733		2603
Total Distribution	6182	7173	6282	8133		9103
Yield (Rough)	2.9384	3.2896	2.9187	3.2849		3.3222

(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 2024/2025 = January 2025 - December 2025

Production

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

MY	2022/2023			2023/2024 Estimate			2024/2025 Forecast		
	Harvested area (1000 HA)	Yield (MT/HA)	Production (1000 MT)	Harvested area (1000 HA)	Yield (MT/HA)	Production (1000 MT)	Harvested area (1000 HA)	Yield (MT/HA)	Production (1000 MT)
Wet season	2,800	3	8400	2,900	3	8,640	3,000	3	8,800
Dry season	670	4.5	3015	680	4.5	3,060	700	4.7	3,200
Total	**3,470**	**3.2896**	**11,415**	**3,580**	**3.2849**	**11,700**	**3,640**	**3.3222**	**12,000**

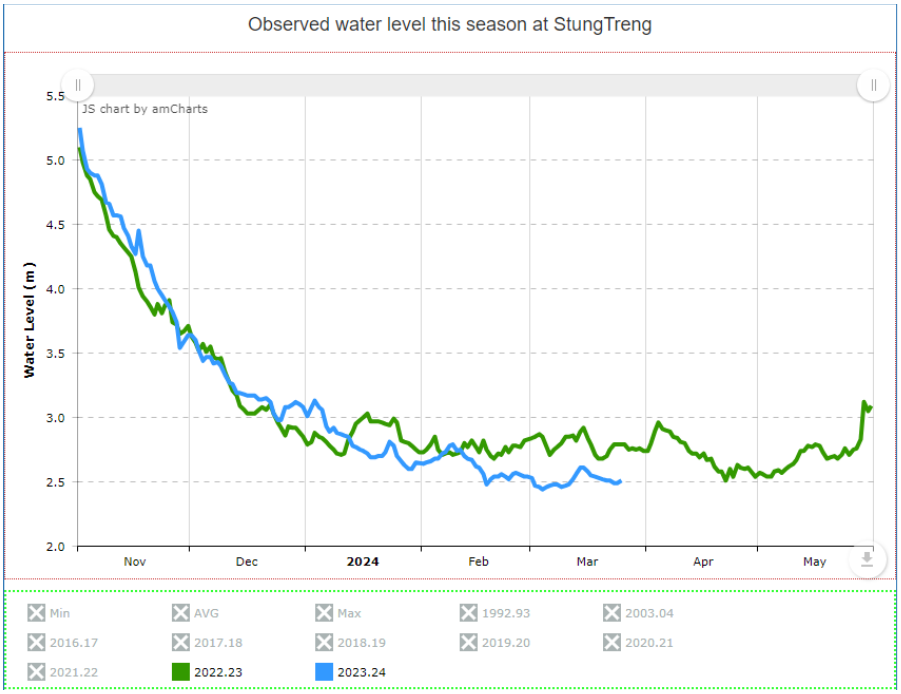
Notes: For the wet season, Cambodia's primary crop period, sowing starts in May-June. The crop is harvested in August-September for short and medium-term varieties and October-January for longer term varieties. For Cambodia's secondary dry season crop period, sowing starts in November-December with harvest occurring from February to April. MY 2023/24 includes two crops: 2023 wet season and 2023-2024 dry season.
Source: Ministry of Agriculture, Forestry and Fisheries (MAFF); Post's estimates.

Post forecasts an increase in both production and area in MY 2024/25 to around 12 million metric tons (MT) and 3,640 thousand hectares respectively. Cambodian farmers are increasing rice production in anticipation of higher prices offered by foreign buyers. Yields are also rising due to the use of higher quality seeds. India's restrictions on the export of non-basmati rice have also helped increase demand for Cambodian rice exports. Contacts report that Vietnamese traders offer high prices at the farm gate and are less selective on quality. Millers told Post that the Vietnamese traders would offer to purchase all types of paddy rice, making it harder for Cambodian millers to compete.

Input prices have fallen according to the Ministry of Agriculture, Forestry and Fisheries (MAFF), reducing production costs for rice farmers and increasing profits. Post forecasts that both wet and dry season rice yields will increase due to higher application of inputs such as fertilizer and a better use of pesticides to deal with pests on time. MAFF's new policy of distributing rice seeds with higher germination rates to farmers after natural disasters has also contributed to higher yields. MAFF distributed more than two million MT of rice seeds to affected farmers in MY 2022/23 alone.

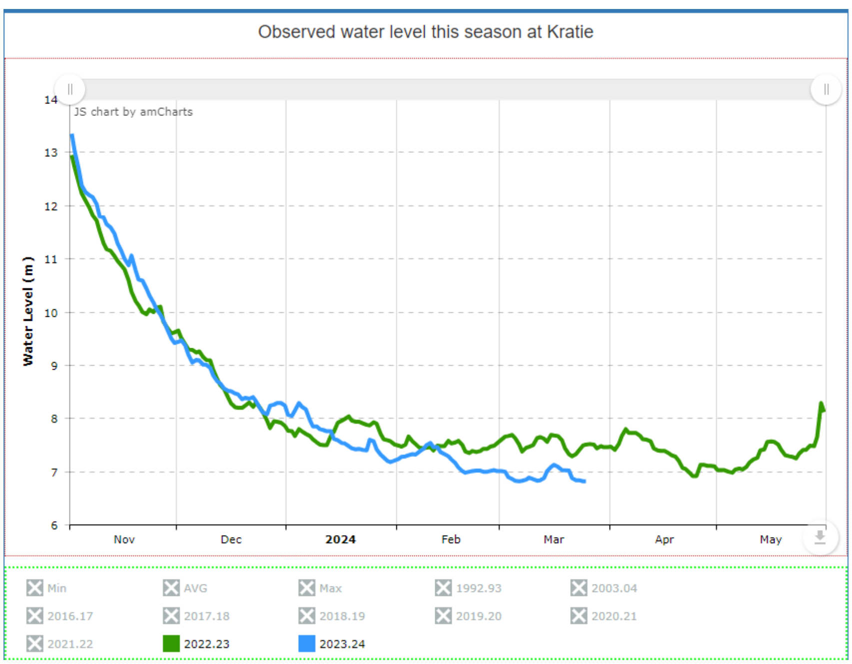
Post raised estimated MY 2023/24 wet season rice production for the same reasons. Lower input costs and more utilization of technology is supporting production growth. MAFF reported an increased use of mechanization in rural Cambodia. While the Mekong River Commission (MRC) reports average water levels will be lower than last year, dry season rice production water usage is expected to be be more efficient as MAFF and the private sector have introduced climate-smart agriculture techniques such as Alternate Wetting and Drying (AWD) as well as drought-tolerant seeds.

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

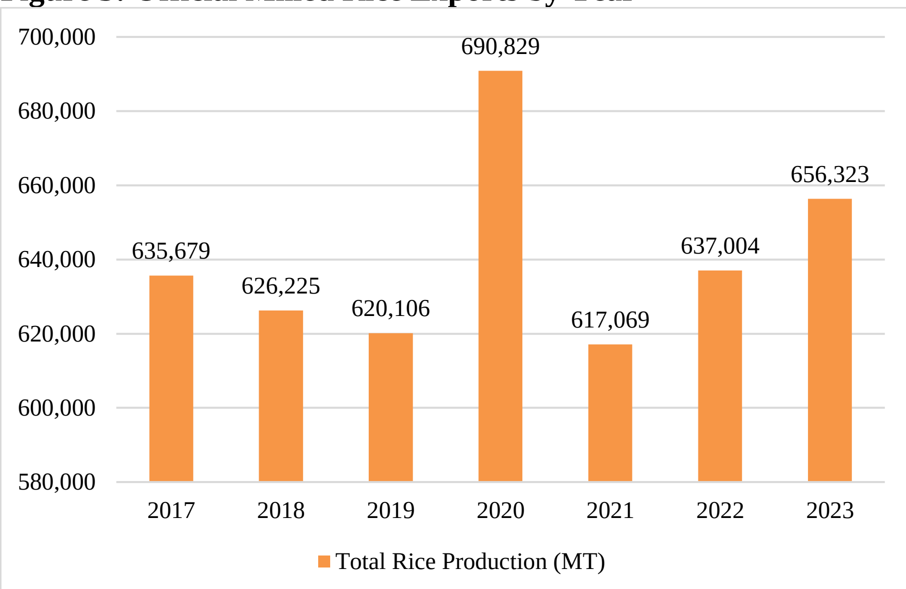


Source: Mekong River Commission

Trade

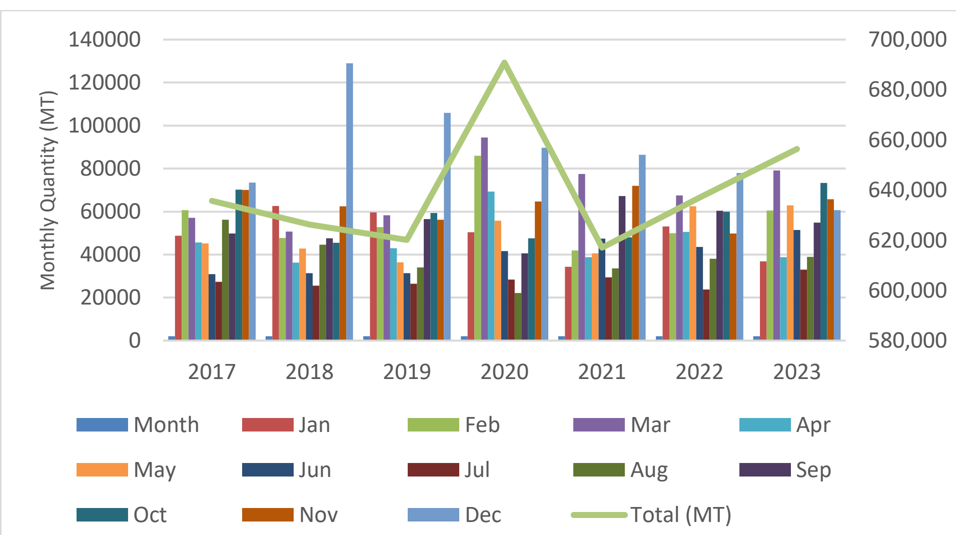
Post forecasts that rice exports will continue to increase in MY 2024/25 due to high demand for Cambodian rice. The Cambodia Rice Federation (CRF) reported that milled rice exports in MY 2022/23 totaled 656,323 MT, 3 percent higher than the previous year (Figure 3, table 2). Post estimates total MY 2022/23 rice exports were higher as these CRF statistics do not include paddy exports to Vietnam. The CRF further noted that Cambodia paddy exports to Vietnam increased to 4.387 million MT in MY 2022/23. Strong demand for rice for food and feed consumption, as well as rice exports, have caused Vietnamese traders to seek additional supplies.

Figure 3: Official Milled Rice Exports by Year



Source: Cambodia Rice Federation

Figure 4: Official Milled Rice Exports by Month



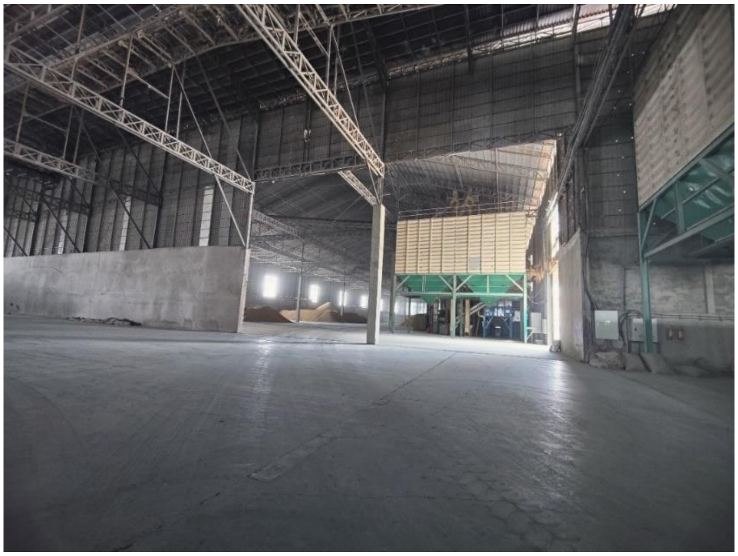
Source: Cambodia Rice Federation

Table 2: Official Rice Exports

Month	2017	2018	2019	2020	2021	2022	2023
Jan	48,820	62,623	59,625	50,450	34,273	53036	36900
Feb	60,731	47,809	52,861	86,049	41,949	50022	60567
Mar	57,127	50,683	58,335	94,449	77,466	67481	79114
Apr	45,716	36,239	42,942	69,304	38,807	50599	38740
May	45,243	42,865	36,409	55,845	40,536	62537	62863
Jun	30,925	31,318	31,366	41,563	47,419	43525	51449
Jul	27,354	25,543	26,475	28,413	29,415	23702	33075
Aug	56,274	44,558	34,032	22,130	33,582	38098	38991
Sep	49,776	47,626	56,541	40,572	67,251	60361	54882
Oct	70,149	45,543	59,354	47,530	47,971	59888	73343
Nov	70,122	62,433	56,209	64,740	72,010	49849	65706
Dec	73,442	128,985	105,957	89,784	86,390	77906	60693
Total (MT)	**635,679**	**626,225**	**620,106**	**690,829**	**617,069**	**637,004**	**656,323**
Change (%)	17%	-1%	-1%	11%	-11%	3%	3%

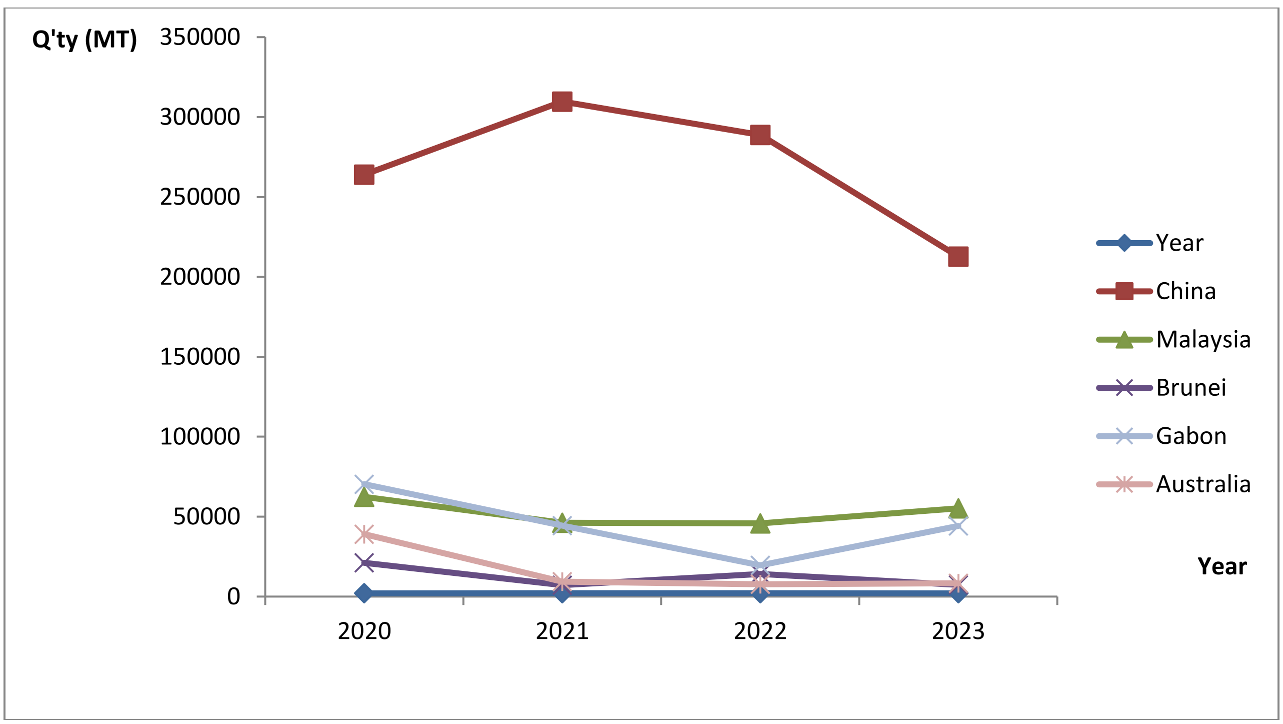
Unit: MT
Source: Cambodia Rice Federation

Although China is still Cambodia's top milled rice export destination, accounting for 32 percent of total official MY 2022/23 milled rice exports, exports to China decreased by 13 percent in MY 2022/23. According to the Cambodian Rice Federation, decreased exports to China were due to large stockpiles in China and high prices. The Cambodian Rice Federation reported more than 4.3 million MT of paddy exports to Vietnam in MY 2022/23 (2.7 million MT MRE). However, only 64 percent of this amount went through official channels with with complete export documentation. The remaining amount was unofficial cross-border trade, and the Vietnamese customs reports lower volumes of trade. Cambodia exported very minimal amounts of paddy to Thailand in MY 2022/23 according to Cambodia's General Department of Customs and Excise. Cambodian rice millers told Post that they are facing challenges in buying paddy rice from farmers to mill as they are selective in grain quality and cannot match the higher offer prices offered by Vietnamese traders. In December 2023, local millers complained their mills were almost empty with milling down 40 percent compared to the same period last year.



An empty rice mill in Battambang in December 2023

Figure 4: Milled Rice Exports to Key Export Destinations



Unit: MT

Source: Cambodia Rice Federation

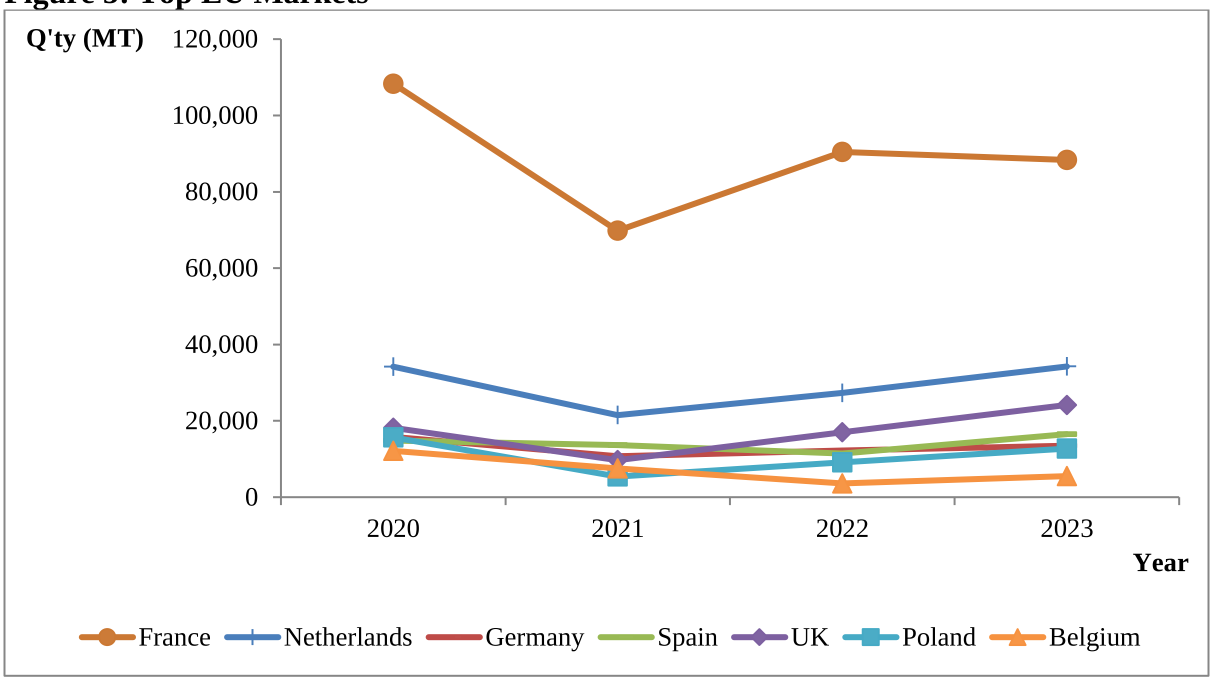
Table 3: Milled Rice Exports to Key Export Destinations

Year	China	Malaysia	Brunei	Gabon	Australia
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
2023	212,756	55,148	7,329	44,162	8,375

Unit: MT
Source: Cambodia Rice Federation

Cambodia's rice exports to the EU market keep increasing after the removal of EU safeguard measures. For example, exports to Poland and the UK increased by 40 percent and 42 percent, respectively, in MY 2022/23. Other markets in the EU also increased rice imports from Cambodia gradually.

Figure 5: Top EU Markets



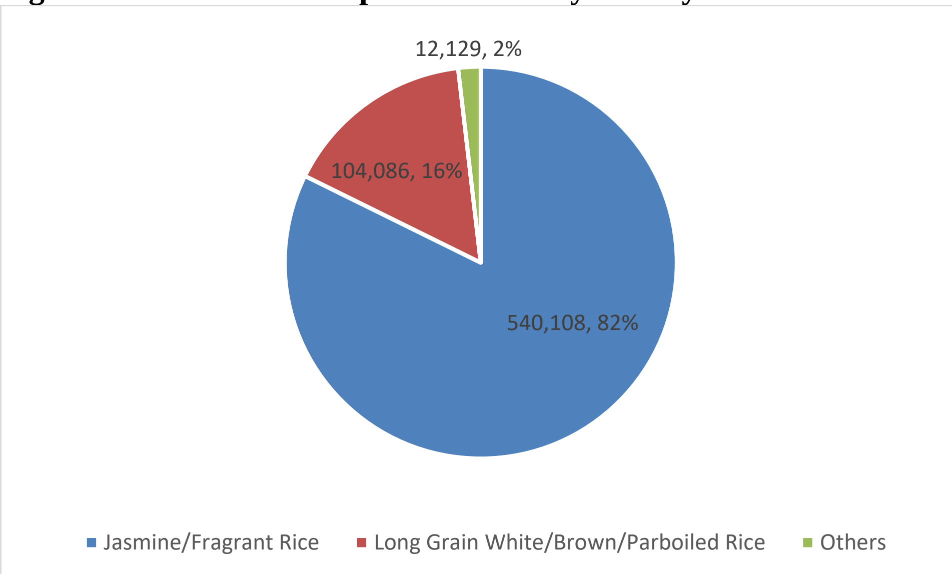
Unit: MT
Source: Cambodia Rice Federation

Table 4: Top EU Markets

Year	France	Netherlands	Germany	Spain	UK	Poland
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
2023	88,381	34,246	13,518	16,518	24,167	12,753

Unit: MT
Source: Cambodia Rice Federation

Figure 6: Official Rice Export Volumes by Variety



Unit: MT
Source: Cambodia Rice Federation

Cambodian fragrant rice remains popular in export markets such as Europe. However, there are reports of large volumes of unofficial exports of Cambodian paddy rice varieties OM5451 and IR504 to Vietnam.

Consumption

According to the World Food Program, Cambodia's rice consumption per capita is 142 kilograms per year. Cambodia's population is approximately 17 million, but 1.2 million are migrant workers living and working in neighboring countries. With a population of around 15.8 million residing in Cambodia, local rice consumption is estimated at 2.24 million MT. MAFF contacts report that around 13 percent of paddy rice is reserved each year for feed and seed. Based on this, post estimates that 800,000 MT of milled rice equivalent is used for animal feed and rice seeds per year. In addition, Post forecasts rice residuals at one million MT. Based on these assumptions, post forecasts MY 2024/2025 consumption at four million MT.

Stocks

Post raises its forecast for MY 2024/25 stocks to 2.6 million MT due to higher production. Post raises estimated MY 2023/24 stocks to 1.7 million MT, also due to higher production estimates.

Policy

In August 2023, MAFF set out a new policy to recruit 1,600 communal agricultural officers to be placed in different provinces to help farmers with technical agricultural knowledge. MAFF also started delivering rice seeds to farmers after crises, such as floods and droughts. This has helped farmers restart planting quickly after natural disasters.

CORN

Production, Supply, and Distribution

Corn	2022/2023		2023/2024		2024/2025	
Market Begin Year	Jul 2022		Jul 2023		Jul 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	171	186	180	263		236
Beginning Stocks	107	107	113	467		1247
Production	906	1060	965	1480		1340
MY Imports	150	150	160	180		130
TY Imports	150	140	160	170		120
TY Imp. from U.S.	0	0	0	0		0
Total Supply	1163	1317	1238	2127		2717
MY Exports	400	200	500	120		110
TY Exports	400	190	500	110		100
Feed and Residual	450	450	450	560		600
FSI Consumption	200	200	205	200		210
Total Consumption	650	650	655	760		810
Ending Stocks	113	467	83	1247		1797
Total Distribution	1163	1317	1238	2127		2717
Yield	5.2982	5.6989	5.3611	5.6274		5.6780

(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 Corn begins in October for all countries. TY 2024/2025 = October 2024 - September 2025

Production

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

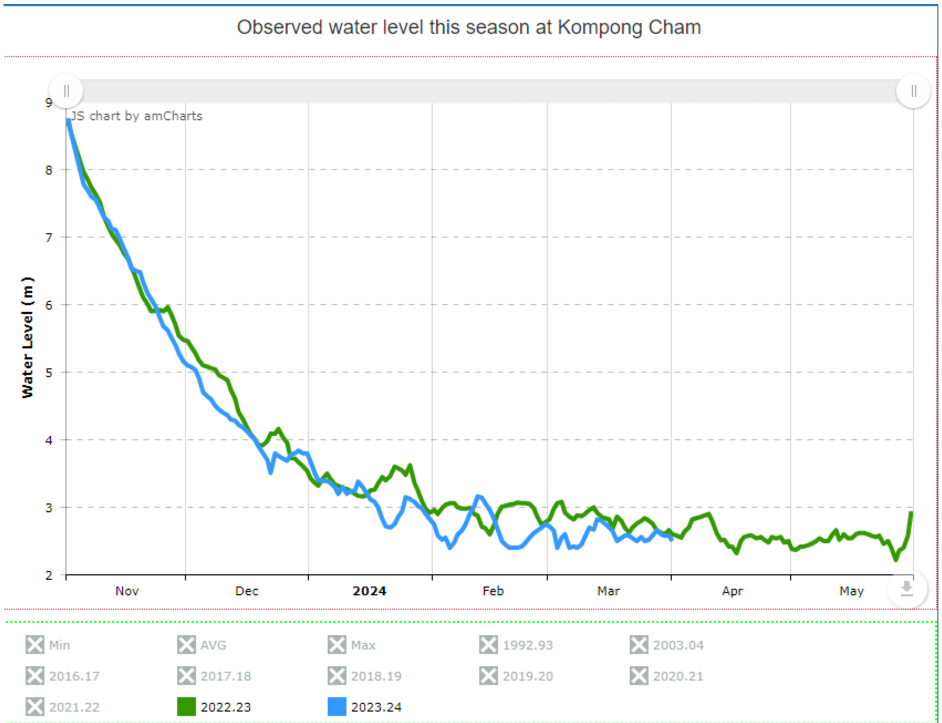
Year	MY 2022/23		MY 2023/24 Post's estimate		MY 2024/25 Post's forecast	
	Harvest area (Ha)	Production (MT)	Harvest area (Ha)	Production (MT)	Harvest area (Ha)	Production (MT)
Dry season	57,727	288,785	51,972	249,467	49,374	236,994
Wet Season	128,353	770,118	211,565	1,227,077	190,409	1,104,369
Total	**186,110**	**1,058,903**	**263,537**	**1,476,544**	**239,782**	**1,341,363**

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 2023/24 includes the 2023 wet season and 2024 dry season.
Source: MAFF, Post's estimates.

Post forecasts MY 2024/25 corn production and harvested area at 1.34 million MT and 240,000 HA respectively, lower than MY 2023/24 estimates due to lower anticipated demand from Thailand and water shortage in the dry season. Dry season corn production will likely decrease due to the effect of El Nino, while wet season corn production will potentially increase due to better seeds and management of water. According to contacts, corn seeds suppliers are introducing corn seeds with higher potential yields. Field demonstrations are being conducted to convince farmers to use better quality seeds. Post forecasts that corn exports will fall, as the Thai government has announced it will stop buying corn from countries that burn corn residues in the field after harvest (including Cambodia) due to its environmental impact. This policy is expected to take effect in 2025. In addition, Thailand estimated higher corn production in MY 2024/25. According to Trade Data Monitor LLC, Cambodia exported around 110,000 MT of corn to Thailand in 2023, accounting for 98 percent of total corn exports.

Estimated MY 2023/24 corn production and harvested area is raised to 1.476 million MT and 263,000 HA respectively. Farmers, anticipating higher corn prices, switched cassava acreage to corn. MAFF reported a decrease in planted cassava area in 2023 and a large increase in corn area. Farmers in Battambang, one of Cambodia's main corn production provinces, told Post that the farm gate price of corn decreased by about 20 percent compared to the previous year. However, they would still grow corn in the upcoming year projecting that the price will go back up. In addition, farmers told Post that they are using better quality corn seeds that provide higher yields, which makes them more confident in growing corn despite the drop in prices. In early 2024, the Cambodian government temporarily banned the import of frozen meat and offal into Cambodia from March 2024 to September 2024. This measure aims to make local meat production more profitable. Demand for feed is expected to increase as a result as local farmers increase animal production.

Figure 7: Mekong River Water Level Monitoring at Kampung Cham



Source: Mekong River Commission

Consumption

Post forecasts an increase in total feed demand in MY 2024/25 by about 6.6 percent from the previous year due to the Cambodian government's push for higher local meat production and ban on the importation of frozen meat and offal. Low meat prices in MY 2023/24 combined with high feed costs have been challenging for local meat producers.

Trade

Corn imports are forecast to decrease in MY 2024/25 to 130,000 MT due to sufficient domestic production. Feed industry contacts told Post that local corn production is sufficient and of acceptable quality, leading to fewer imports. Cross-border trade of corn is common but often not fully recorded. For example, Thailand reported 36,000 MT of corn imports from Cambodia in 2023, while Cambodia reported 115,000 in exports to Thailand. Post forecasts that corn exports to Thailand will decrease in MY 2024/25 due to sufficient supply in Thailand and Thailand's potential ban on corn from neighboring countries that burn corn fields after harvest.

Policy

On January 9, 2024, the Ministry of Commerce and MAFF released a joint statement temporarily banning frozen meat and offal imports for six months starting March 12, 2024. This policy aims to increase demand for local meat and support local producers. It will also increase local demand for corn and other animal feed. As noted above, the potential Thai ban on importing corn from countries that burn crop residue after harvest could also reduce corn exports from Cambodia.

Attachments:

No Attachments