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Rice Price Surge Frustrates And Puzzles Asians

By REUTERS

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MANILA (Reuters) - From the airconditioned supermarkets of Tokyo to the open-air stalls of Manila reactions across Asia to record leaps in the price of rice vary from fear and frustration to a nonplussed shrug of the shoulders.

Fried, boiled or steamed, rice is synonymous with food in this region but with wide disparities in national wealth and paddy output, Asian consumers are differently affected by prices of Thai grain hitting \$1,000 a tonne.

In the Philippines, Indonesia and Bangladesh, three of the top four world rice importers with millions of poor between them, some people are having to scrimp on already meager budgets and skip meals to ensure they can still feed their families a daily helping of the cereal.

"What can I do? Rice prices soar, we have to follow them," said Rudin, a 28-year-old shopper in Indonesia's capital, Jakarta adding he was not in a position to pile up stocks because he had limited income.

Experts say there are signs the dramatic international price situation may improve in the months ahead as more harvests hit markets and importers ease back on purchases.

A near tripling in the world benchmark, Thai 100 percent B grade wide rice, was triggered after exporting nations curbed shipments to cool domestic inflation.

Prices on most local Asian markets have not jumped as much either because countries are self-sufficient in rice or because importing nations only need to buy a fraction of national demand and subsidize those purchases to poor consumers.

But local prices have still risen significantly and while they wait for them to ease, many Asians have little choice but to tighten their belts or queue in the tropical heat to buy cheap government stocks of the grain.

"We have to stand on the line for up to six hours to grab a bagful of rice. Often we go back empty handed as supplies run out," said Mariam Begum, who works as a house maid in the Bangladeshi capital Dhaka.

"To stand in the queue, I take half-day leave every day from my employers and have also brought my only son out of school to stand in another queue," said the 45-year old mother of four.

NO PANIC

With the exception of Bangladesh, where some factory workers went on the rampage this month, Asian consumers have not taken to the streets to vent their frustration at the rising cost of food and fuel.

And with rice prices starting to ease in some countries, the hope is that the situation, which has been volatile in parts of Africa and in Haiti, will remain calm in Asia.

"Personally, I don't see panic," said Kazuyuki Tsurumi, the representative of the United Nation's Food and Agriculture Organisation (FAO) in the Philippines.

The FAO has said that food riots will spread in developing countries unless world leaders take major steps to reduce prices.

"There's really no rice supply shortage," said Liza Balarit, a rice retailer at a public market in Manila. "Only a shortage of money to buy it."

In affluent countries such as South Korea and Singapore, many people are able and willing to absorb price increases rather than cut back on their favorite staple.

In Japan, some budget-conscious consumers are even turning to home-grown rice, which because of various government programs has a fairly stable price, in the face of soaring costs for imported grains such as wheat, which is pushing up the cost of bread, beer and noodles.

"These days I am using more rice in our meals, along with some fish and miso soup, because bread and pasta have become too expensive," said one Japanese housewife.

In China, a net rice exporter, some people are even unaware that the grain has hit a record high on world markets.

"I am not going to hoard any rice, prices are very stable here," said Mr Hu, an office worker in

Beijing.

"Is the international price at a record high? I didn't even know that."

(Additional reporting by Manny Mogato in Manila, Ruma Paul in Dhaka, Mita Valina Liem in Jakarta, the Beijing newsroom and Risa Maeda and Linda Sieg in Tokyo; Editing by Sanjeev Miglani)

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