



SOUTHEAST ASIA PROGRAM PPI/PPIC AND IPI MONTHLY NEWSLETTER



September 2006

HIGHLIGHTS FROM THE SOUTHEAST ASIA PROGRAM

Workshop on "Site-Specific Nutrient Management (SSNM) for Maize in Vietnam" held at NISF, Hanoi, August 8-10, 2006

A review and planning workshop on *Site-Specific Nutrient Management (SSNM) for Maize in Vietnam* was held at the National Institute for Soils and Fertilizer (NISF) on 8-10 August 2006 to

- ▶ Evaluate the agronomic and economic performance of crop and nutrient management strategies tested at project sites during 2005/06;
- ▶ Develop a site-specific nutrient management approach for maize in Vietnam based on results from 2005 and 2006; and
- ▶ Develop crop and nutrient management recommendations and participatory approaches for delivery at key locations in 2007 and beyond.

The project is a joint collaboration between the University of Cantho, the Cuu Long Rice Research Institute, the Institute of Agricultural Sciences of Southern Vietnam, the Western Highlands Agro-Forestry Scientific & Technical Institute (WASI), NISF, and the Southeast Asia Program (SEAP) of PPI/PPIC and IPI (www.seap.sg).

Initial project findings based on two maize cropping seasons include

- ▶ Yields of 6-10 t/ha are attainable with current technologies at project sites in An Giang (10 t/ha) > Red River Delta (RRD), alluvial soil (9 t/ha) > Tra Vinh (8 t/ha) > RRD, degraded soil (6 t/ha) > Soc Tang (6 t/ha) > Tay Ninh (5-6 t/ha)
- ▶ Yield response to nutrient application varied widely depending on yield level, soil type and climatic conditions
- ▶ Yield increases with ample NPK in combination with increased planting density and/or different plant spacing over the farmers' fertilizer practice were substantial: RRD, alluvial soil (+2.3 t/ha or 33%) > Tay Ninh (+1.9 t/ha or 54%) > Tra Vinh (+1.5 t/ha or 24%) > Soc Tang (+1.2 t/ha or 21%) > An Giang (+0.7 t/ha or 8%). No yield advantage was recorded on degraded soil in the RRD, presumably because farmers applied larger amounts of farm yard manure compared to NPK treatments.
- ▶ Low yields in farmers' fields were often a combination of low effective planting density at harvest (<60,000 plants/ha) and nutrient deficiencies.



Dr. Bui Huy Hien, Director of NISF, speaks at the review and planning workshop of the project on SSNM for Maize in Vietnam, August 8, 2006.



Project site with maize in Son La Province, North Vietnam.

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A key achievement of the workshop was the development of improved site-specific fertilizer N, P and K recommendations based on results obtained in the first and second year. Activities in 2006/07 will aim at a participatory evaluation of newly developed SSNM recommendations together with larger farmer groups at project sites. On-farm experiments at all sites will be used to verify project findings and assess specific research issues related to N, P and K management.

The collaborative project on SSNM in maize supports on-farm and on-station experiments in seven Vietnamese provinces with funding from Canpotex International and PPI/PPIC and IPI.

NEWS FROM THE REGION

Rice News

▶ Rice farms to switch focus

Ho Chi Minh City authorities have decided to transform 11,000 ha of rice fields into land for other crops and livestock. The change is a part of an attempt to improve the economic efficiency of farms and plantations in Cu Chi, Hoc Mon and Binh Chanh districts. The rice will be replaced with products including organic vegetables, flowers, bonsais, dairy cows, crocodiles, and decorative fish and other aquatic species.

The government is considering reviving the politically sensitive policy of rice imports, a senior official said, with a likely shortage from crop failures due to drought and a series of natural disasters in the country. Drought conditions in rice-producing areas since June have reduced total production by up to 30%, said Bayu Krishnamurti, a deputy in charge of agriculture and marine affairs at the Coordinating Ministry for the Economy.

Source: *Agroviet*, 29 August 2006, <http://www.agroviet.gov.vn/>

▶ FAO asks for more investigation into rice

FAO asked for more investigation on rice to obtain greater yield and take care of the necessities of increasing world population. Development of C4 rice and other similar varieties is already a fact for FAO and this organization suggests to all States members to support the investigation centered in perfecting the photosynthetic capacity of the rice plant.

In the future it is necessary to confront feeding a world population of 8,300 million people in 2030, with a demand of 771 million MT of rice. So that rice production is sustainable, FAO proposes to increase yield by hectare with the objective to solve demand of this cereal that is the basic food for more than half of the world population.

Source: *ORYZA*, 29 August 2006, <http://www.oryza.com>

▶ Philippine rice and corn production up

The Department of Agriculture (DA) announced that rice (palay) production this year may reach 15.4 million metric tons (MT), an increase of 5.7% over last year's output. Barring a spate of typhoons and floods and aided by good climate and a rapid expansion of areas for cultivation, next year's output may actually rise to 16.17 million MT, a historic high, Agriculture Secretary Domingo Panganiban said.

Panganiban also reported that corn production for the first half of the year has risen by 32%, from 2 million MT in 2005 to 2.6 million MT. For the entire year, Panganiban predicts that corn yield would reach 6 million MT, or 14.4% higher than the 2005 production of 2 million MT.

However, even with the bumper harvest and improved rice varieties, the country would still have to secure rice in overseas market to satisfy the demand. Given the projected 15.4 million MT of palay for this year, this translates to only 10.01 million MT of rice at 65% recovery. With consumption pegged at 31,000 MT a day for the entire country, the total projected consumption for the year would be 11.3 million MT. This means that the total projected rice deficit for the year would be 1.3 million MT. For the first half of the year, the country produced 6.5 million MT of the cereal, an increase of 8.4% over the six million metric tons harvested for the same period last year. These statistics indicate that the DA is succeeding in improving harvests and intensifying the use of hybrids.

Meanwhile, the figures for corn compare well with other projections, with one agency putting the corn production for the year at 4.82 million MT from crops planted in 2.02 million ha with an average production of 2.39 t/ha.

Corn is a significant crop since 83% of the entire yield goes to feeds for poultry and livestock. Only 16% is used as food while only a measly 1% is utilized as seeds. But based on another agency's estimates, the country this year would have a shortage of 1.2 million MT of corn.

The DA pins its hope for a bigger annual corn output on the cultivation of *Bacillus thuringiensis* (Bt) corn, which has been approved for commercial use in the country. Bt corn, developed through genetic engineering by biotechnology experts, has been used in Mindanao and the Visayas, along with some areas in Central and Southern Luzon.

Source: *The Manila Bulletin*, 16 August 2006, <http://www.mb.com.ph>

► **Bumpy road ahead as Asia pushes transgenic rice**

Consumer fears may force China and India to delay transgenic rice by another two years, but these countries will have to eventually embrace the technology to meet growing demand. The exporting countries of Thailand and Vietnam are unlikely to introduce transgenic rice for many years on fears of losing market share. The news that unapproved genetically modified rice was found in some U.S. long grain supplies -- which rattled the Chicago rice market -- is unlikely to have a big impact on global prices.

Source: ORYZA, 25 August 2006, <http://www.oryza.com>

► **Rice fields, wells dry up in West Java, Indonesia**

A dry spell that has hit West Java's rice producers since June this year has caused farmers Rp 703 billion (US\$76.4 million) in losses due to crop failure. The drought in the province's northern coastal area has also caused a water crisis in Cirebon and Indramayu regencies.

Head of the West Java Agriculture Office, Asep S. Abdi, said that as of Aug. 25 this year, 118,076 ha of rice fields had been affected by the water crisis and 42,699 more hectares were under threat. Asep said the drought had hit 420 districts in the province's 21 regencies. A total of 41,807 ha of rice fields experienced crop failure resulting in Rp 703 billion in losses. The fields would have produced an estimated 407,000 tons of unhusked rice. Asep said the worst conditions were experienced by rice producers who relied on irrigation from dams, such as those in Cirebon and Indramayu regencies. However, he asserted that the drought would not have an impact on the rice supply in the province since the total losses represent only 0.2% of overall rice production in West Java. Residents claim the ongoing drought is the worst they have experienced.



Source: The Jakarta Post, 31 August 2006, <http://www.thejakartapost.com>

Oil Palm News

► **New oil palm disease in Sarawak**

A new disease known as Basal Stem Rot which is caused by a fungus called *ganoderma* has been detected in oil palms in Sarawak. The report, however, did not indicate the extent of infection although oil palm smallholders have been advised to be alert for the emergence of the disease. The disease is suspected to have been caused by a mixed variety of palms from Indonesia. Currently, no cure for the disease has been developed.

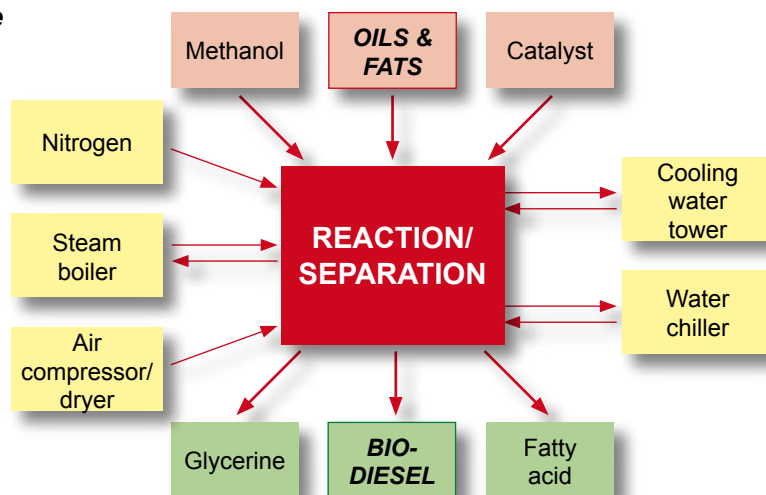
The Malaysian Palm Oil Board and Malaysia Agriculture Research and Development Institute are in the forefront against prevention of the disease. According to the Malaysia's Minister of Plantation Enterprises and Commodities, Peter Chin, smallholders in the southern region near the Malaysia-Indonesia border and sizeable amount in the northern area have been affected.

Source: UCAP News, 10 August 2006, <http://www.ucap.org.ph/>

► **Peter Cremer to erect biodiesel plant in Singapore**

Peter Cremer (Singapore), the Asian arm of Germany's Cremer Gruppe, plans to set up a \$20 million biodiesel plant in Singapore by May 2007. The plant will have a production capacity of 200,000 MT biodiesel. John Hall, global marketing director of Peter Cremer Gruppe energy business said that the company would sell the fuel at \$40 per barrel to earn a profit.

Singapore as a biodiesel plant site has the capability to develop a biodiesel industry as it has easy access to palm oil, a biodiesel raw material available from neighboring countries like Malaysia and Indonesia which are the top two producers of palm oil. They jointly account for 80% of global palm oil supply.



Simplified Biodiesel Flowsheet (adapted from www.crowniron.com)

Source: UCAP News, 31 August 2006, <http://www.ucap.org.ph/>

► **Malaysian biofuel subsidy urged**

Malaysian market analysts say the government's plan for mandatory use of biodiesel next year will not be successful unless the fuel is subsidized as palm oil prices are costly. The comment was made in the wake of a legislative proposal to be filed this month mandating the use of 5% biodiesel blend starting 2007.

Analysts have projected palm oil prices to rise further in the next two years from current levels of MYR 1,520 to MYR 1,600-1,700/MT due to rising demand from the food and biodiesel sectors. Industry sources said biodiesel production could be feasible above the MYR 1,777/MT level but with government subsidy.

Source: UCAP News, 31 August 2006, <http://www.ucap.org.ph/>

► **Indonesian government slammed over palm oil fund**

Environmental groups in Indonesia are criticizing the government for setting aside funds to counter a public relations campaign against its extensive palm oil plantation projects. They said the money would be better spent on efforts to overhaul the country's oil palm industry, such as increasing the quality of the product rather than its quantity, and promoting the use of better seedlings rather than expanded planting to increase output.

Last month, Indonesia and Malaysia agreed to allocate 500,000 euro (US\$ 639,700) to counter campaigns launched by non-governmental organizations against the expansion of palm oil plantations in the two countries. The deal was signed in Medan, North Sumatra, by Indonesian Agriculture Minister Anton Apriyanto and Malaysian Plantation Industries and Commodities Minister Peter Chin Fah Kui.

Both ministers said the move was prompted by what they called the unfounded accusations of local and foreign NGOs, who argue oil palm plantations have damaged the environment and contributed to the destruction of the two countries' remaining natural forests. Indonesia and Malaysia now account for 84% of the world's crude palm oil production and 88% of global exports.

Environmentalists have strongly opposed the expansion of palm oil plantations, saying the slash-and-burn method used to clear the land would trigger massive forest fires that could send hazardous haze to parts of Indonesia and neighboring countries. The Riau provincial administration recently accused two oil palm plantation firms of causing forest fires on some 3,000 ha of the province's land, including a protected forest, which later caused haze over Malaysia and Thailand.

Mina Susana Setra of the Indigenous People's Alliance of West Kalimantan said the government was wasting money on the campaign. However, Indonesian Palm Oil Producers Association Chairman Derom Bangun defended the government's move, saying "bad publicity can only be countered by good publicity". "Not all of the accusations are true. Yes, there is a problem, but we've been trying to improve our performance by upholding the principles of benefiting the people, the planet, and profit," he said.

Source: The Jakarta Post, 03 August 2006, <http://www.thejakartapost.com>

► **Malaysia's Golden Hope to assist Venezuela in oil palm activities**

Malaysia's plantation-based Golden Hope Plantations Bhd is ready to extend its expertise to oil-rich Venezuela which is keen on palm oil-related activities in an effort to diversify. Golden Hope's group chief executive Datuk Sabri Ahmad said Venezuelan President Hugo Chavez had indicated the country's desire to grow oil palm to produce biodiesel and food as well as for oleochemical purposes. He said Venezuela shared a similar equator line with Malaysia, making its land suitable for planting oil palm.

Venezuela grows minimal oil palm currently and bought about 34 tons, or less than 1% of Malaysia's total palm oil exports of 12.5 million tons in 2004. Sabri said Golden Hope initially could provide consultancy agrotech services to develop the palm oil industry in Venezuela.

Source: Malaysian National News Agency, 29 August 2006, <http://www.bernama.com/>

Maize News

► **Plan for increased maize and soybean crops in Vietnam**

According to the Ministry of Agriculture and Rural Development, Vietnam will increase its area dedicated to soybean and maize cultivation over five years to meet the demand of the livestock husbandry. At present, Vietnam has about 100,000 ha of soybean and 200,000 ha of maize.

Vietnam's maize yield this year was estimated at 400,000-500,000 tons, the same as last year. Imports of 400,000-500,000 tons have therefore been required to meet domestic demand.

Vietnam's imports of dry soybeans this year are predicted to reach 900,000 tons, up from 700,000 tons in 2005.

Source: Agroviet, 10 August 2006, <http://www.agroviet.gov.vn/>



Other News

► **Coffee scarcity likely to take place in Vietnam**

There may be a shortage of coffee in the near future and the prices of coffee would then continue to rise before the coffee crop is harvested in October, the Viet Nam Coffee and Cocoa Association (Vicofa) has warned. Viet Nam is projected to yield only 11.5 million packages of coffee in 2006, 14% less than 2005. The volume of coffee reserve has been estimated at less than 40,000 tons, while the demand for Vietnamese coffee has increased.

The Vietnamese coffee harvest is expected to yield between 780,000-950,000 tons in the 2007 crop. Viet Nam's coffee harvest continues for four months. If the weather is fine, it will take a week after harvest to have coffee ready for export, but if it rains, it will take longer.

At present, a kilo of Robusta coffee is sold for 21,700 VND (USD 1.36) in the Central Highlands province of Lam Dong, up 2,300 VND over last week's price. In another Central Highlands province, Dak Lak, a kilo of coffee is sold for 19,800 VND (USD 1.24), up 300 VND.

Source: Agroviet, 29 August 2006, <http://www.agroviet.gov.vn/>

► **Small-scale rubber growing areas sharply increase in Vietnam**

The number of areas under small-scale rubber trees has sharply increased in recent years, with an annual rise of 13,000-20,000 ha, accounting for over 37% of the country's total 500,000 ha. According to Dr. Mai Thanh Phung from the National Centre for Agricultural Promotion, the small-scale rubber growing movement has developed in many economic zones, especially provinces such as Binh Duong, Binh Phuoc and Tay Ninh.

The world demand for natural rubber products and prices of rubber latex have been rising in recent years, thus encouraging farmers to grow rubber trees. The National Centre for Agricultural Promotion also plans to encourage farmers to expand the areas of growing small-scale rubber trees in order to improve their lives and increase acreages of green vegetations. It is expected that half of Viet Nam's total 700,000 ha of rubber will be grown at small scale plantation in 2010. However, the productivity from small-scale rubber growing gardens is much less than that from state-owned rubber farms due to farmers' poor cultivation techniques.

To increase the small-scale rubber productivity, the State and agricultural promotion agencies should organize technical training courses for farmers and provide them with funds to upgrade their existing gardens and expand the newly-growing area.

Source: Agroviet, 25 August 2006, <http://www.agroviet.gov.vn/>

► **Malaysian rubber smallholders get RM 2,000 monthly by 2010**

The Rubber Industry Smallholders Development Authority (RISDA) is confident that all registered smallholders will take home at least RM 2,000 (US\$ 530) a month by 2010 as the agency is intensifying its replanting program.

Chairman Tan Sri Muhammad Muhamad Taib said RISDA was targeting to replant 20,000 ha of rubber plantations a year while 15,000 ha would be replanted with other crops. He said the replanting exercise involved rubber trees that were more than 25 years old. The smallholders will be given RM 7,000 (US\$ 1,860) for each hectare of rubber holdings replanted with young plants and RM 4,448 (US\$ 1,180) if it was replaced with other crops such as oil palm.

Source: Bernama, 10 August 2006, <http://www.bernama.com/>



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