



Policy measures taken by governments to reduce the impact of soaring prices (as of 15 December 2008)

ASIA

Afghanistan

- ▶[Nov 08] Tariff on wheat imports lowered from 2.5 percent to zero.
- ▶[Nov 08] The Government has earmarked USD 50 million to buy and import food items from regional markets. Government to government contracts being negotiated to import wheat from Pakistan and Kazakhstan.

Armenia

- ▶[Mar 08] Announces attempt at wheat self-sufficient for 2009/10 (subsidizing land and expanding irrigation)

Azerbaijan

- ▶[May 08] Eliminated customs on grain and rice imports.
- ▶[May 08] Eliminated VAT on imported grain, rice and flour May 2008-2009
- ▶[May 08] Govt Action Plan: offered to increase the subsidiation of the wheat production from AZN 40 to AZN 50 per hectare and to increase the land reclamation activities to raise the grain crop from 2.6 to 4.0 tons for hectare; a nitrogen fertilizer plant should be built and thwe super-phosphate plant in Sumgayit should be restored. Small processing enterprices should be created in the rural area. Regional centers to purchase, store and sell agricultural goods should be set in several districts.

Bangladesh

- ▶[Apr 08] Ban on export of soybean oil and palm oil for six months.
- ▶[May 08] Special financing to the Rural Development Bank to private rice millers to stock rice for domestic supply. In 2008 funding increased from 6 million USD to 10 million USD
- ▶[May 08] Procurement price for Boro rice (milled) fixed at BDT 28 (USD 0.41) per kg and for Boro paddy at BDT 18 per kg, to procure 15 million tonnes between May and September 2008
- ▶[May 08] Cash subsidies to small farmers initially intended to compensate the increase cost of diesel, now distributed to all farmers cultivating less than 1 hectare
- ▶[May 08] Governement will import 1 lakh (100.000) tonnes of wheat at about 32 BDT/kilogram after failing to procure wheat locally as its market price is higher than the governement fixed price
- ▶[Jun 08] The government has announced Hight Yielding Varieties (HYV) of rice to boost production of staple commodities.
- ▶[Jun 08] Bangladesh announced plans to import 1.3 million tonnes of grains from the international market to raise its emergency stocks by 300% to 3.2 million tonnes in 2008/09
- ▶[Aug 08] Public and private commercial banks have set the agriculture credit disbursement target at

USD 1.4 billion USD for the fiscal 2008-09, marking a 13 percent growth over that of previous fiscal. The loan will be given to agro-based eight sub-sectors like crops, irrigation equipment, livestock, agricultural product marketing, fisheries and poverty alleviation.

▶[Aug 08] The government has decided to increase rice procurement price from Taka 28.00 per kg. to Taka 29.25 per kg. to fulfill government plan of procuring 1.2 million tons rice as early as possible. The government has signed contract with rice millers to procure 1,018,299 tons of milled rice and millers so far supplied 727,539 tons which around 58 percent of target

▶[Aug 08] The country wide open market sale (OMS) of rice at BDT 28 per kg begins on 20 August 2008 aiming to prevent any further hike in prices of the food stuff before and during the months of September and October (Ramadan period). The government is launching it in order to support the poorer segment of people, badly affected by the current soaring prices of rice.

▶[Aug 08] In the wake of soaring prices, the state run Trading Corporation of Bangladesh (TCB) started selling some essential commodities at fair prices during the months of Ramadan. The TCB will sell sugar, soybean, chickpea and onion through its mobile outlets on trucks and retail sales centres everyday except Fridays.

▶[Oct 08] The Government has decreased the price of petroleum products by 9 to 10 percent

Cambodia

▶[May 08] Import duties reduction on some food items and lifting import restrictions on others (ex. pork)

▶[May 08] In May banned export of paddy and rice for two months and instructed Green Trade and Cambodian Rice millers association to sell from stocks.

▶[May 08] Released 200 tonnes of rice in the market at a lower price (1.800 KHR) than the market price (2.500 KHR)

▶[May 08] Oil and power subsidies

▶[May 08] Export tax licensing milled rice

▶[Jul 08] Government granted 3,000 t rice to WFP to support its food aid activity in Cambodia

▶[Aug 08] Loans to rice millers association and Green Trade (parastatal company under the Ministry of Commerce) to purchase rice (in total USD 10 million)

▶[Sep 08] 40 billion KHR (USD 1= 3,900 Riel) will be allocated to raise civil servants' salary

China

▶[Dec 07] VAT export rebate removed on wheat, rice, maize and soybeans.

▶[Jan 08] Export duties introduced: 20 percent on wheat, buckwheat, barley and oats; 5 percent on rice, maize, sorghum, millet and soybeans; 25 percent on wheat flour and starch; 10 percent on flours of maize, rice and soybeans.

▶[Apr 08] Taxes on fertilizer exports doubled to ensure supplies for domestic farmers.

▶[Apr 08] Cancellation of 13% export tax rebate.

▶[May 08] The 2008 paddy output in China is expected to increase by 0.84 percent from last year's record of 187.3 million tonnes. The government recently (September) announced to increase the minimum support price to 1580 yuan/tonnes for indica rice (middle and late) and 1640 yuan/tonnes for Japonica rice and up by 140 yuan/tonnes, respectively

▶[Jun 08] Reduced import duty from 12 percent to 6 percent on frozen pork and from 5 percent to 2 percent on meals (soybean meal, peanut meal, etc).

▶[Jun 08] China allows exports to North Korea despite food export ban

▶[Jun 08] To mitigate shortages of diesel during grain harvest the state will provide exclusive supply channels for diesel-powered farming vehicles, handing out special filling cards for farming vehicles and direct diesel delivery to farmers

- ▶[Oct 08] The main grain crops official purchasing price has been raised at above the level in the open market and the Government has started buying soybean, corn, rice, rapeseed and cotton in major producing regions.
- ▶[Nov 08] Elimination of a 5 percent export tax on corn and soybeans, and of a 10 percent tax on corn flour and starch. Export taxes for wheat and wheat flour are lowered respectively from 20 to 3 percent and from 25 to 8 percent. Export taxes for rice fixed at 3 percent from the previous 5 percent.
- ▶[Dec 08] The Government removed the market price controls on food grains, vegetable oils, pork, beef, mutton, dairy products, and eggs. Prices of these food items started to be determined by the markets.

India

- ▶[Jan 08] The federal government banned corn export to cool prices
- ▶[Mar 08] Minimum sale price for basmati rice exports raised by about 50 percent to USD 1 200 per tonne.
- ▶[Apr 08] Ban on non-basmati rice exports.
- ▶[Apr 08] India imposed an export duty of INR 8 000 rupees (USD 200) on the premium basmati rice.
- ▶[May 08] Removed ban on export of non-basmati rice, edible oil and pulses to Bhutan.
- ▶[May 08] India removed a 36% import tariff on wheat flour, but maintain the ban on wheat established in 2006
- ▶[Jul 08] Bans export of maize until October 15.
- ▶[Jul 08] Support price for wheat increased to INR 10 000 per tonne for the 2008/09 marketing year, compared with INR 8 500 per tonne in 2007/08.
- ▶[Sep 08] India's federal government relaxed a ban on export of non-basmati rice and is allowing the shipment of a premium variety beginning Oct 15. Export of the PUSA-1121 grade will be allowed only if the free on board price is at least \$ 1,200 per metric ton.
- ▶[Oct 08] Ban on maize exports lapsed on October 15
- ▶[Oct 08] The Government increased state-set minimum support price for all rice varieties by INR 500 per tonne (USD 9.58). The minimum support prices of common grade rice will be now INR 9 000 per tonne while the price of grade A rice will be INR 9 300 per tonne.

Indonesia

- ▶[Apr 08] Subsidies introduced for the poor: IDR 50 000 (USD 5.40) per month.
- ▶[Apr 08] Duty on wheat imports (5%) and soybeans (10%) removed.
- ▶[May 08] Soybean subsidies to the producers of tofu and tempe for 6 months 1000 IDR/kg
- ▶[May 08] Reduction of the income tax for soybean from 2,5 percent to 0,5 percent
- ▶[May 08] VAT for wheat and flour paid by the government
- ▶[May 08] Government pay value added tax for bulk selling of cooking oil for domestic market
- ▶[May 08] Increase rice subsidies for 2008 from 10 kg to 16 kg per household per month with supply allocation for 9 months at a price rate of 1,600 IDR (managed and distributed by BULOG and the local government)
- ▶[May 08] Reduction of the import tax on wheat flour
- ▶[May 08] Indonesia will launch an intensification program in rice growing over 300,000 hectares of rice fields in cooperation with the state Board of Logistics (Bulog) private companies, banks and groups of farmers to increase production this year. The expansion of rice fields was also expected to contribute to increase the country's production to 61.02 million tons of dry unhulled rice this year from 57.1 million tons last year.
- ▶[May 08] President of Indonesia has issued presidential instruction for the disbursement of US\$1.55

billion to help 19.1 million poor households cope with panned fuel increase by up to 30% in June

- ▶[Jun 08] Increase fertilizer subsidy to a total budget of USD 1.8 billion (up 240 percent).

Iran (Islamic Republic of)

- ▶[Mar 08] Suspends wheat exports since March 2008
- ▶[Jul 08] Abolished import duty on rice, potato and kinno from Pakistan. (Rice duty was 150%.)

Iraq

- ▶[May 08] Government has increased the salaries of public sector and university staff by 50% to 100%, thus increasing the purchasing capacity of a large section of the Iraqi population
- ▶[Aug 08] Government of Iraq (GOI) has started implementing distribution of chemical fertilizers with purchase prices subsidy up to 60%; whereas the purchase subsidy on animal feed is 50%

Jordan

- ▶[Feb 08] Subsidization of some food items (wheat flour, barley, rice, vegetable oils, wheat etc) continue. Wheat price remains about one-third of international price.
- ▶[May 08] The government decided to keep the prices of bread unchanged at bakeries until the end of this year
- ▶[May 08] Suspended custom duties on most basic imported food stuffs to decrease the prices in local markets
- ▶[May 08] Government temporarily banned exports of fresh vegetables/Banned on exporting eggs
- ▶[Jul 08] Used risk management instruments to hedge increasing wheat prices
- ▶[Jul 08] Reduction of sales taxes and custom duties on both basic food commodities and agricultural inputs: custom duties on eggs and poultry suspended thereby reducing their prices by 30%
- ▶[Jul 08] Increased food reserves: to guard against price fluctuations, the government will purchase large amount of wheat and barley to cover consumption needs for two years
- ▶[Jul 08] Agreement with the private sector to control prices: the prices of rice and sugar will now be printed on all packages to avoid retail marks-ups
- ▶[Jul 08] Strengthened early warning system to monitor strategic reserves of basic commodities
- ▶[Oct 08] The Minister of Agriculture allocated 3 million Jordanian dinars for an initiative to encourage farmers to increase the area planted during the next agricultural seaso. The initiative will include the provision of free seeds and tools, loans at subsidized interest rate, and the payment of 5 Jordanian dinar for each Donum of land (1 000 square metres) planted to the targeted crops namely, wheat, barley. At the same time the Government is committed to buy these crops from the producers at the international price level.

Kazakhstan

- ▶[Mar 08] Traders agree on minimum quantity of grain to reserve for domestic market.
- ▶[Apr 08] The ban on exports of wheat, imposed on 15 April 2008 has been lifted with effect of 1 September. This will facilitate neighbouring countries mobilizing their wheat import needs.
- ▶[Oct 08] The Government will inject USD 3 billion in the agriculture sector to help farmers withstand the impact of the global credit crisis.

Lebanon

- ▶[May 08] Ministry of economy and trade is subsidizing wheat destined for bakeries
- ▶[May 08] Stop the program "Export Plus" (subsidizing transportation fees for fruits and vegetables exportation) for a period of one year

- ▶[Jul 08] Repealing customs duties on imported food products (meat, fish and dairy products, cereals, sugar for which customs tariff were set at 5%. The decision covers as well different types of vegetable oils (palm, soyabean, sunflower, coconut, corn, sesame) which customs duties were set at 15%.
- ▶[Aug 08] Increase the minimum wage from 200 USD per month to 333 USD, and a 133 USD pay increase to all employees in public and private sectors
- ▶[Sep 08] The program of Export plus (support for the exportation products program) is working again after a period of suspension (from May to August)
- ▶[Sep 08] Reduce by 80 percent heavy import levies on chicken (70 percent or 2.8 USD per kg)
- ▶[Sep 08] Increase the wheat national reserves for bread making to 105,000 tons, while traditionally they were kept at around 75,000 tons
- ▶[Sep 08] Government is engaged in directly importing wheat and selling it at subsidized prices to private flour mills (15.000 MT a month). The subsidy on wheat has cost Government about 25.2 million USD from early 2007 up to June 2008. In July 2008, Government approved an additional subsidy of 100 USD per ton of wheat to offset the impact of rising fuel prices

Malaysia

- ▶[Apr 08] Allocated the budget of USD 1.29 billion to grow rice on a massive scale in a state on Borneo Island.
- ▶[May 08] Monthly release of imported rice (ST15) to market to be raised by 9 000 tonnes to 20 000 tonnes.
- ▶[Jun 08] Some rice imports to be subsidized. Price caps to be implemented on Super Special Tempatan 5 percent and Super Special Tempatan 10 percent at MYR 2.8 (USD 0.87) per kg and MYR 2.7 (USD 0.84) per kg respectively from June.
- ▶[Jun 08] Guaranteed minimum price for producers raised from MYR 650 to MYR 750 per tonne.
- ▶[Sep 08] The Kemubu Agricultural Development Authority (KADA) has initiated plans to help Malaysia end rice import by 2015. It has set aside RM 68 million to subsidise compound fertilizers, level land and enhance agricultural infrastructure, which includes the irrigation system and machinery.
- ▶[Nov 08] The Government has lowered the ceiling price of 5% broken local (ST5) rice by 20 sen to RM 2.60 (USD 0.72) and that of ST10 by 30 sen to RM 2.40 (USD 0.66)

Mongolia

- ▶[Jan 08] Seasonal tariff of 15 % from imported wheat and flour removed.
- ▶[May 08] Provide special subsidies to the low income population in rural areas
- ▶[May 08] Mongolia has declared its intention of self-sufficiency
- ▶[May 08] Government will provide subsidies to planters

Myanmar

- ▶[Jul 08] Augmenting the production of food crops, livestock and aquaculture
- ▶[Jul 08] Suspend rice export to neighbouring countries
- ▶[Nov 08] Myanmar lifts rice export ban: authorities in Myanmar have lifted a ban on rice export imposed after cyclone Nargis devastated swathes of crucial agricultural land in the southwest delta

Nepal

- ▶[May 08] Increasing state emergency food stocks by 15 000 tonnes.
- ▶[May 08] Ministry of Finance approved 109 million of NPR (1,71 million USD) to Nepal Food Corporation to purchase food stock for future distribution

- ▶[May 08] Ban on export of rice, maize, wheat from 30 April 2008

Pakistan

- ▶[Apr 08] Minimum export prices imposed on four grades of rice. Super basmati rice: USD 1 500 per tonne (fob); basmati: USD 1 300 per tonne; broken white rice (IRRI-6): USD 750 per tonne; and long-grain rice (IRRI-9): USD 1 000 per tonne
- ▶[May 08] The private sector is permitted to import wheat and the 10 percent import duty is waived.
- ▶[Jul 08] Ban on private wheat exports to Afghanistan and introduction of 35 percent duty on wheat and wheat products exports.
- ▶[Jul 08] Increase in wheat support price (started in March) from PKR 510 to PKR 625 per 40 kg with further review before next year's wheat crop in August-September.
- ▶[Jul 08] Import of 2.5 million tons wheat is already in progress after domestic output from the 2007-08 crop fell to 21.8 million tons, compared with a target of 24 million tons. It is expected that entire supplies will be received before end November
- ▶[Jul 08] Government has taken measures to control informal trade across the border
- ▶[Jul 08] Support to the farmers for next cropping season: subsidy on fertilisers is proposed to be increased from PKR 25 billion to PKR 30 billion; subsidy for procuring modern agriculture tools/equipment is also foreseen
- ▶[Jul 08] Income Support Programme: The government has devised a mechanism and will soon launch a programme to provide PKR 1,000 relief to 3.5 million households on monthly basis. Priority will be given to vulnerable groups including unemployed, widows and disabled people
- ▶[Jul 08] Set up cold storages to facilitate export of perishable commodities, e.g. fruits and vegetables
- ▶[Jul 08] Abolition of GST on pesticides and fertilizers, 5% FED on crop insurance, 10% custom duty on imported rice seed
- ▶[Oct 08] Minimum export price for Basmati rice removed
- ▶[Oct 08] Procurement price of Irri increased to Rs 700 (USD 8.89) per 40 kgs, Basmati rice to Rs 1500 (USD 19.6) per 40 kgs.

Philippines

- ▶[Mar 08] Program to lead the Philippines to 98% self-sufficiency in the staple food by 2010
- ▶[Apr 08] Quotas on rice and maize imports by private traders lifted but tariffs for these products remain in place.
- ▶[Apr 08] Allocation of cheap rice cut to 3 kg per buyer.
- ▶[Apr 08] The Philippines has ordered a halt to the conversion of farmland to industrial, residential or commercial use hoping to generate a possible shortfall of the staple.
- ▶[Apr 08] 47,000 families of Manila will have the access cards that would allow them to buy government-subsidized rice by Tuesday next week
- ▶[Apr 08] The Philippines considers to eliminate 3% import tariff on never-imported commodity, wheat and 35% import tariff on corn in order to prevent shifting wheat and corn-eaters to rice.
- ▶[Jul 08] The government through the National Food Authority (NFA) sells subsidized rice (1) PHP18.25 for the poor through their "rolling store" (NFA trucks) and through the churches and barangays. (2) PHP25 per kilo for middle-income (3) PHP35 a kilo of high-grade rice to reduce the NFA's deficit caused by the rice subsidies and also help stabilize the commercial price of rice at P35 per kilo level. The high-grade rice will come from the 15 percent of the 600,000 metric tons that the government would import from Vietnam and the rice coming from the United States. The national government through the National Food Authority (NFA) distributed nearly 14.8 million bags of rice and spent P 8.6 billion from January to June

2008 to subsidize rice.

- ▶[Aug 08] Production Enhancement Measure: National seed subsidy program The Philippine Government will earmark about PHP9 billion (USD 205 million) for the national seed subsidy program of the Department of Agriculture (DA) over the next two years. The amount will come from revenue from the 12 percent value-added tax (VAT) on oil products.
- ▶[Oct 08] Government support price for yellow maize increased to PHP 11.50 per kilogram.
- ▶[Oct 08] National Food Authority is procuring rice from farmers at a price of PHP 1 800 per 50 bags to build up stocks.

Republic of Korea

- ▶[Jan 08] Import duties reduced: milling wheat from 1 to 0.5 percent; maize from 1.5 to 0.5 percent; soybeans and feed maize from 2 to zero percent.
- ▶[May 08] Increase early crop production and reduce the post-harvest loss to overcome the lean season and intensive main crop production
- ▶[May 08] Official food price is maintained by the government subsidies
- ▶[May 08] Public distribution system (PDS)

Saudi Arabia

- ▶[Apr 08] Duty on wheat eliminated entirely. Duties on food products (Frozen poultry, dairy goods and vegetable oil cut to 5 percent from 20 percent.)
- ▶[May 08] Salaries and wages of the Public Sector have been increased by 5% in 2008 and will be increased by 10% in 2009 and 15% in 2010
- ▶[May 08] Since April the government has increased subsidies on some important food stuffs such as rice. In May 12 billion Saudi Riyals have been allocated to consumer subsidies for strategic commodities such as rice, powdered milk for children, and wheat.
- ▶[May 08] In April welfare payments have been introduced. In May support money given to the poor through Social Security System has been increased by 10%. Greater attention is being given to the vulnerable groups.
- ▶[May 08] Increase awareness of consumers on prices, quality, safety and availability of food items to help in developing adoption of healthy and safe diets and reducing losses and waste
- ▶[May 08] The government has taken steps to further develop strategic food reserves that could ensure food security to all people living in the Kingdom of Saudi Arabia.
- ▶[May 08] Review and organize import policies and programmes to ensure dependable, sufficient and efficient supplies of main food items
- ▶[May 08] Eliminated import tariffs on wheat, poultry, dairy products and vegetable oil.

Sri Lanka

- ▶[Apr 08] Control measures introduced on retail and wholesale prices for all varieties of rice (effective from 16 April). Government to keep the price of rice under LKR 100 (about USD 0.9) per kilogram.
- ▶[Jun 08] Sri Lanka has slapped a minimum export price floor of 100 000 rupees (US\$ 923) per metric tonnes to block rice export.

Syrian Arab Republic

- ▶[May 08] State salaries were raised by 25 percent
- ▶[May 08] Price of strategic crops has been reviewed and increased by 40% of the initial estimation (wheat, cotton, sugar beet, maize)
- ▶[May 08] In May establishment of a special fund to support agricultural products. In October the Government has provided farmers with feed on loan to be paid next season, and free

veterinary medicines and vaccines

- ▶[Aug 08] Grant to support irrigation expansion (up to 40 percent of the cost providing farmers pay cash the remainder)
- ▶[Aug 08] Banned export such as wheat-based products and food legumes crops
- ▶[Aug 08] Introduction of government subsidies on fuel used for irrigated crops

Tajikistan

- ▶[May 08] Government has assessed the situation regarding the 2nd cropping season and promoted increase of second crop sowing, which resulted in % 40 increase in land available for summer planting. The GoT allocated from the central budget TJS 140 M credit line for agriculture production through commercial banks. TJS 7.5 M was allocated for purchase of seeds for potato (local variety), grain crops (Russian variety), maize (former Yugoslavia)

Thailand

- ▶[May 08] Thailand lifted the ban on rice sales in restricted zones after the protest of farmers in Chiang Rai on May 10 against local mill owners they said were buying their grains at unfair, lower prices.
- ▶[Sep 08] Increase of minimum purchase price for wheat and rice. The National Rice Policy Committee agreed the highest-ever intervention price of Bt 14 000 a tonne for white paddy rice. The guaranteed price for jasmine rice is Bt 16 000 a tonne, while sticky rice is Bt 9 000 a tonne.
- ▶[Oct 08] Maize imports banned
- ▶[Nov 08] The Government has announced it would release 3.1 million tonnes of rice on the market to clear warehouses in anticipation of a new buying scheme.
- ▶[Nov 08] Under a new rice procurement scheme, the Government will pay farmers up to THB 15 000 per tonne (USD 445 per tonne) for fragrant Hom Mali paddy and THB 12 000 per tonne (USD 295 per tonne) for white rice paddy. The support level for white rice translates to around USD 650 per tonne, against current offers from importing countries of only USD 550 per tonne for the 100 percent grade B variety.

Turkey

- ▶[Mar 08] Cut import duties on wheat from 130 to 8 percent; on maize from 130 to 35 percent; and on barley from 100 to zero percent.
- ▶[May 08] Food importation (for example: rice)

Viet Nam

- ▶[Apr 08] Rice export ban extended through June 2008. Total rice exports in 2008 are likely to be cut to about 3.5 million tonnes from 4.5 million tonnes in 2007.
- ▶[Jun 08] Viet Nam plan to set up 100,000 tonne storage to stabilize rice prices

Yemen

- ▶[May 08] Increase by 200 000 YER salaries for public sector and by 100 000 YER for retired
- ▶[May 08] Subsidized wheat: action in the process (under review) to purchase wheat produced locally by the government to encourage local production of wheat
- ▶[Jul 08] Government undertook steps towards monitoring the prices at retail level.
- ▶[Jul 08] Import wheat through the government corporation and distribution in retail basis
- ▶[Sep 08] Government has doubled social welfare and cash transfer allocations