



DRAFT OIC PROGRAMME OF ACTION FOR DEVELOPMENT OF RICE

1. INTRODUCTION

Rice is an important crop in terms of cultivated land, production, food supply and trade. It is the second most widely grown cereal crop and number one source of food for about three billion people across the world¹. Rice is one of the top three staple crops (including Wheat and Maize) that are providing more than half of all calories consumed by the entire human population. According to the estimates of FAO, the global production of rice spread across 117 countries and estimated at 770 million tonnes for 2017. There are over 144 million rice farms worldwide on a harvested area of about 167 million hectares.

2. CURRENT STATE

i. Production

Rice is one of the major staple crops grown across majority (43) of OIC member countries with a total harvested area of about 43 million hectares. According to the latest estimates from the FAO (Figure 1), production of paddy rice in OIC countries was recorded at 179 million tonnes in 2017 compared to 116 million tonnes in 2000. Meanwhile, the total area for rice harvest has also climbed up from 32 million hectares in 2000 to 43 million hectares in 2017. As a group, OIC countries accounted for 23% of world total rice production and 26% of world total area harvested for rice in 2017.

At the individual country level, production of rice remained highly concentrated in a few OIC countries (Figure 2). In 2017, top-10 producers accounted for around 95% of OIC total rice production. Among these countries, Indonesia alone accounted for 46% of OIC total production followed by Bangladesh (27%), and Pakistan (6%). Globally, five OIC members were ranked among the top-20 rice producers in the world: Indonesia (3rd), Bangladesh (4th), Pakistan (13th), Egypt (14th), and Nigeria (16th).

Rice production is dominated by the small farmers across the top-rice producing OIC member countries and elsewhere. In Indonesia, the largest OIC rice producer, around 90 percent of rice production is contributed by small farmers, each holding an average land area of less than 0.8 hectares². Over the years, the government of Indonesia has taken measures like subsidy on fertilizers, seeds, and machinery; and investment in rice infrastructure (especially irrigation) to attain rice self-sufficiency³. In case of Bangladesh, rice self-sufficiency is an important constituent of National Development Plan since 1999. To achieve this target, the government has employed

¹ <https://bit.ly/2Mqf5sm>

² <https://bit.ly/2NXaf56>

³ <https://bit.ly/2T3J77S>

several policy measures, including the investments in irrigation infrastructure, provision of subsidized credit and distribution of improved rice varieties⁴. Similarly, Turkey, under the National Agricultural Project, has introduced a special incentive scheme for farmers to grow high quality rice across the 76 designated agricultural basins.

Figure 1: Rice Production and Area (rhs)

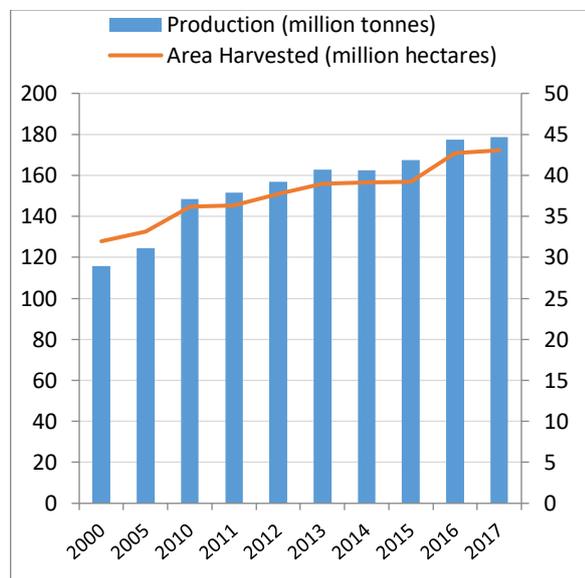
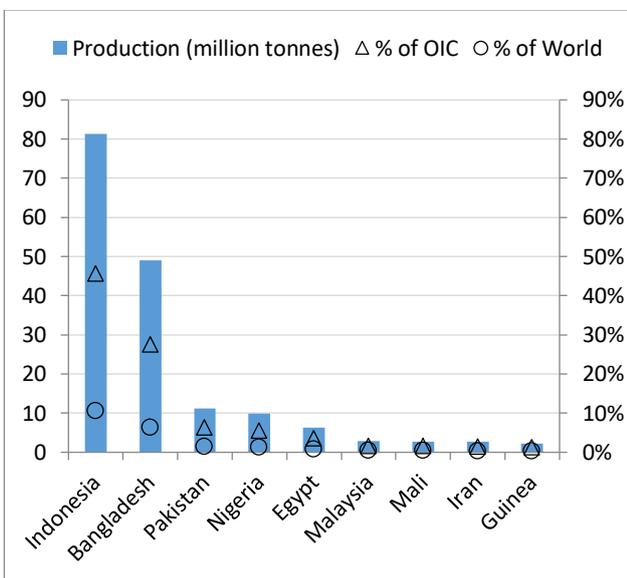


Figure 2: Top-10 OIC Rice Producers, 2017



Source: FAOSTAT Online Database

ii. Consumption

Food is the primary methods of utilization of rice in OIC countries and elsewhere. As shown in Figure 3, 90 million tonnes worth of rice was consumed as food whereas only four million tonnes was used as feed in OIC countries. The relative share of food and feed in total production of rice in OIC countries stands at 52% and 2%, respectively. The food component is slightly higher in OIC countries compared to the Non-OIC countries where 50% of rice production is being used for food consumption.

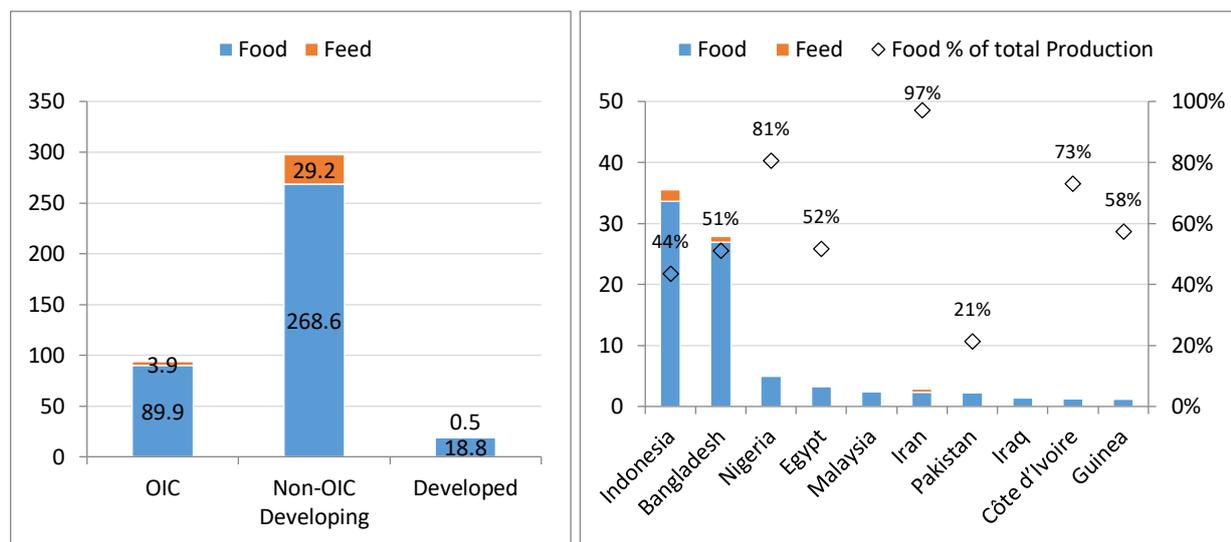
According to FAO Regional Rice Strategy for Sustainable Food Security in Asia and Pacific, various outlooks for 2030 indicate the global demand for rice to be in the range of 503-544 million metric tonnes. This is equivalent to the average growth rate of approximately 1 percent per year relative to total consumption of 439 million tonnes in 2010. This demand growth is driven mainly by the growth in population although the changing consumption pattern also has an influence. Asian rice consumption is projected to account for close to two-thirds of this total increase in demand by 2030. Additional demand will arise from export markets and the projected increase in exports from Asia in 2022 relative to 2013 is in the range of 5-7 million tonnes, with additional imports into Africa being 2-3 million tonnes. Overall, the trade outlook for 2022 is of world rice trade of about 46 million tonnes which represents an expansion of 8-9 million tonnes relative to the projection for 2013.

In absolute terms, the highest amount of rice is used for food in Indonesia, followed by Bangladesh, Nigeria, Egypt and Malaysia (Figure 4). The relative share of food use in total

⁴ <https://bit.ly/2MpAl1j>

production varies greatly across the major producers and consumers of rice in OIC countries. In general, more than half of total production of rice is consumed as food in 13 OIC countries. Among these countries (Figure 4), largest share of rice production was consumed as food in Iran (97%) followed by Nigeria (81%), Côte d'Ivoire (73%) and Guinea (58%). On the other hand, once again Indonesia is the top OIC country with respect to feed use of rice followed by Bangladesh and Iran. Nevertheless, the feed component is comparatively negligible across the OIC countries.

Figure 3: Utilization of Rice (million tonnes), 2013 **Figure 4: Top OIC Consumers of Rice, 2013**



Source: FAOSTAT Online Database

iii. Trade

Global trade of rice was recorded at US\$ 48.1 billion in 2017, including US\$ 24.3 billion in exports and US\$ 23.8 billion in imports. India, the second largest producer of paddy rice in the world, accounted for 29% of global exports followed by Thailand (21.2%). On the other hand, China which is the largest producer of the paddy rice, accounted for the highest share (7.7%) of global imports of rice followed by Iran (5.1%), Benin (4.5%), and Saudi Arabia. OIC countries, as a group, are an important player in global rice trade. In 2017, with a total value of US\$ 14.0 billion, these countries accounted for more than a quarter (29.0%) of global rice trade (Figure 6). As a group, however, OIC countries are net importers of rice with US\$ 11.2 billion in imports and only US\$ 2.8 billion in exports. The relative share of OIC countries in global rice exports and imports was recorded at 11.4% and 47.1%, respectively (Figure 6).

Figure 5: Rice Trade (billion US\$), 2017

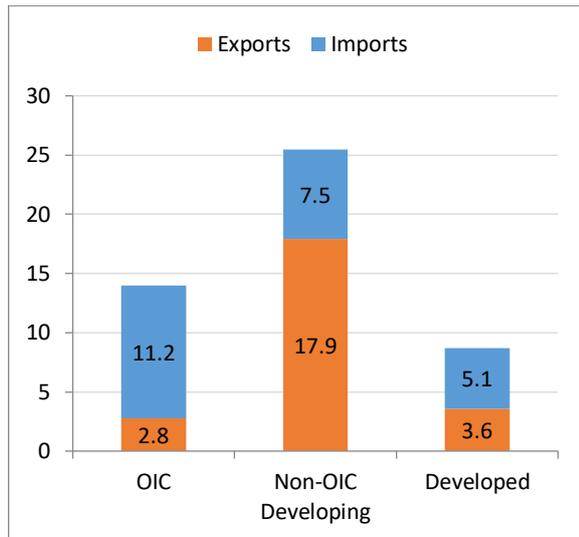
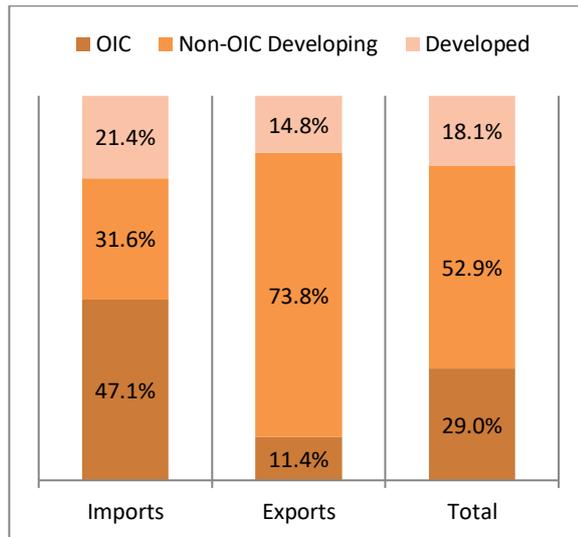


Figure 6: Share in Global Rice Trade, 2017

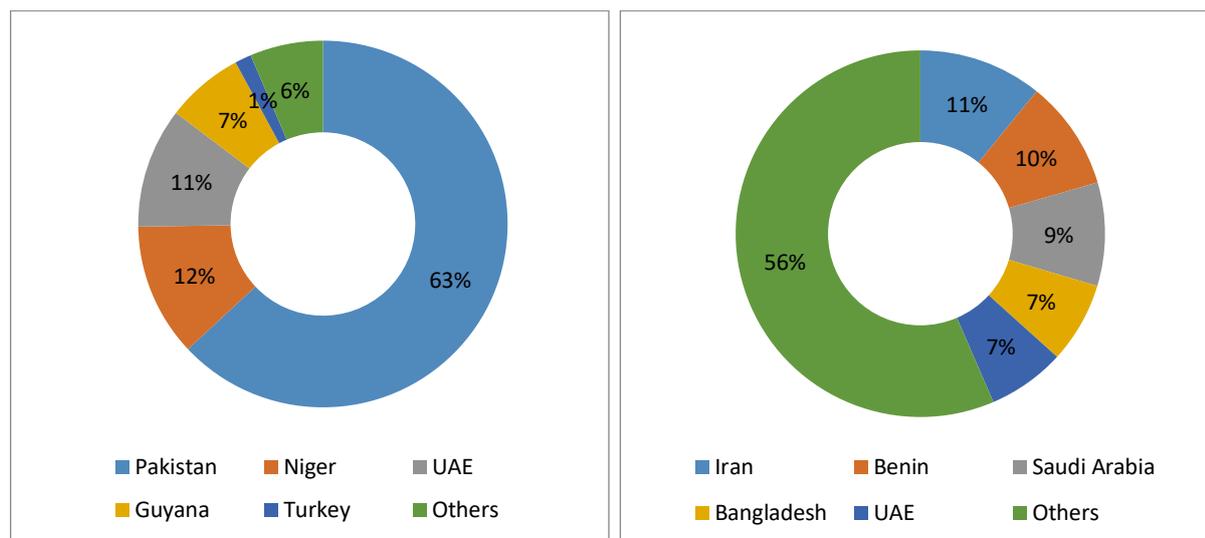


Source: UN COMTRADE and ITC statistics

OIC rice exports are highly concentrated in few countries where only four members accounted for over 92% of the total rice exports in 2017. Pakistan was the largest rice exporter with an export value of US\$ 1.7 billion, which constituted 63% of OIC total rice exports in 2017 (Figure 7). Among others, Niger was the second largest rice exporter, accounting for 11.7% of OIC total rice exports, followed by United Arab Emirates (10.6%) and Guyana (6.8%). It is worth mentioning that UAE is the largest re-exporter of rice in the world, accounting for around 81% of global rice re-exports⁵. In case of rice imports, top-10 importers accounted for over two third (67%) of OIC rice imports in 2017. As shown in Figure 7, Iran was the top rice importer accounting for 11% of OIC total rice imports followed by Benin (10%), Saudi Arabia (9%) and Bangladesh (7%). (Bangladesh Update): Despite the increase of population, Bangladesh food security efforts and strategy succeeded to leap the production of Rice from self-insufficient to exportation. Bangladesh produced all-time high 37.2 million tonnes of Rice in FY19. Bangladesh exported above 22,400 tonnes of Rice worth US \$ 17.7 million in last fiscal year (FY '2018-19), of which 100 per cent was fragrant rice. This exceed the double up from the export FY '18, which was 11,000 tonnes worth \$ 7.13 million in according to the Bangladesh Rice Exporters Association (BREA) and the Export Promotion Bureau (EPB). According to Ministry of Agriculture, the country now has capacity to export at least 1.0 million tonnes of rice following high domestic production as well as 1.5 million tonnes of the government storage.

⁵ <https://bit.ly/2T7Abhl>

Figure7: Top OIC Rice Exporters (lhs) and Importers, 2017



Source: UN COMTRADE and ITC statistics

3. CHALLENGES AND OPPORTUNITIES

i. Major problems

Rice is a strategic commodity therefore the economic growth and political stability depend on an adequate, affordable and stable production and supply of this crop. Common problems identified across rice sector in many OIC member states, which need to be addressed include:

- Need to produce more rice to meet the rising demand due to population growth
- Poor access to improved seed varieties;
- Lack of awareness of enhanced rice farming practices, particularly in preventing the emergence of increased pest and disease risks and in post-harvest handling to reduce losses;
- Lack of sustainable strategies for farmer organization and service delivery;
- Lack of investment in increased irrigation to reduce vulnerability to droughts;
- Lack of access to credit and investment capital;
- Current inadequacies in marketing and business linkages along rice supply chains;
- Lack of harmonized quality standards to facilitate regional trade;
- Trade policy uncertainties linked to periodic use of export and import restrictions

ii. Opportunities

There are several opportunities to be considered as tools in ensuring food security

- Natural resource endowments;
- Growing consumer demand;
- Attaining food security;
- Introducing and transferring modern farming technologies, equipment, and skills;
- Increasing wage and self-employment opportunities for the rural community;

- Enhancing science and technology dimension to increase rice productivity;
- Reducing post-harvest losses through processing.

4. OBJECTIVES AND TARGETS

The overall objective of the OIC Programme of Action for Development of Rice is to ensure self-sufficiency in rice in the medium term, and to export to the regional and international markets in the long term. The main aim of this Programme of Action is to provide vision in ensuring development of this strategic product through increasing the level of produced rice, ensuring access to improved seed varieties, improving awareness of enhanced rice farming practices, elaborating sustainable strategies for farmer organisation and service delivery, attracting investments in increased irrigation, providing access to credit and investment capital, eliminating inadequacies in marketing and business linkages, creating harmonised quality standards, reducing policy uncertainties related to periodic use of export/import restrictions.

i. Specific Objectives

- meeting increasing national requirements for rice;
- reducing rice imports;
- exporting surplus rice to regional and international markets.

ii. Targets

- increasing production of rice through rational use of resources;
- enhancing rice value chain and reducing post-harvest losses;
- enhancing the well-being and livelihoods of rural communities/smallholders;
- improving regional cooperation on rice
- ensuring food and nutrition safety.

5. RESPONSES AND COOPERATION AREAS

The activities listed below represent what is necessary at local, national and OIC levels level to increase rice production.

i. Local and Community-based

- improving rice cultivation and productivity through rational use of water, soil, high-yielding seeds and modern techniques;
- improving access to farming materials (seeds, equipment, fertilizers, fuel, etc.), institutional credit and finance to farmers for production increase and income generation;
- providing production and market information to farmers through modern information and communication technologies;
- creating farmer organizations/cooperatives to foster local development and community-driven approaches in the area of rice production.

ii. National

- creating the necessary legal and institutional framework for sustainable and increased rice production;
- establishing a national seed programme to support rice production;
- improving pre-and-post harvest processing storage facilities for quality conservation;
- ensuring optimal use of the country's natural resources particularly with regard to water and soil, through supporting soil, water and plant laboratory analysis;
- investing in rural infrastructure and integrated industrial processing, branding, and packaging of rice for both local and regional consumption and export;
- conducting targeted training programmes to build the capacity of farmers to access and effectively use new technology and information for rice production;
- investing in R&D for inducing and supporting technological innovations in all stages of the rice value chain for productivity, higher quality and nutritional value;
- establishing agricultural insurance system to reduce farmers' production and market risks;
- establishing effective public - private partnerships to mobilize needed resources and support for rice sector development;
- linking farmers to markets by providing timely price and market information and improving transport network.

iii. Regional and intra-OIC

- conducting collaborative trainings and workshops to develop new/improved technology in rice production, post-harvest and processing activities;
- identifying improved production/post-harvest technologies available in the OIC region for possible adoption in the needy OIC member states;
- intensifying cooperation in production and processing technology development and transfer, and enhancing development, harmonization and adoption of OIC quality standards for rice products;
- strengthening intra-OIC cooperation in addressing issues and problems affecting trade in rice among OIC member states;
- promoting bilateral exchanges of experts, technology transfer, training and extension aimed at developing specific skills of rice producers in OIC member states;
- promoting intra-OIC investments in developing rice sector in OIC member states.

6. IMPLEMENTATION MECHANISM

Implementation of the OIC Programme of Action for Development of Rice will be accomplished through incorporation of the agreed objectives in the national strategies for development of rice.

Wider consultations with stakeholders are required for expanding vision regarding this Programme of Action. In order to fast-track the formulation of projects and their effective implementation under the OIC Programme of Action for Development of Rice, a Steering Committee comprising OIC member states, which are interested in value chain development of rice, and relevant OIC institutions will be established. It is envisaged that the above Committee will hold regular meetings, with the objective of reviewing the progress made in the

implementation of the OIC Programme of Action, identifying priorities and new opportunities for the development of rice sector, as well as approving projects. In addition, a Project Committee comprising the project-owners and financing partners will also be established. The main task of the Project committee will be monitoring and ensuring the efficient implementation of the approved projects.

**EXECUTIVE FRAMEWORK FOR IMPLEMENTATION OF
THE PROGRAMME OF ACTION (5 years)**

No.	Goal	Activity	Timeframe	Expected outcome
1	Increasing production of rice through rational use of resources: <ul style="list-style-type: none"> - improving rice cultivation and productivity through rational use of water, soil, high-yielding seeds and modern techniques 	<ol style="list-style-type: none"> 1. creating the necessary legal and institutional framework for sustainable and increased rice production; 2. establishing a national seed programme to support rice production 		Rational use of resources involved in rice production will imply higher yield levels positively affecting rice production. Elaboration of strategies/regulatory documents facilitating sustainable and increased rice production. At a country level – national programmes to be elaborated in coordination with respective OIC institutions for permanent support of rice production.

2	<p>Enhancing rice value chain and reducing post-harvest losses:</p> <ul style="list-style-type: none"> - providing production and market information to farmers through modern information and communication technologies 	<ol style="list-style-type: none"> 1. improving pre-and-post harvest processing storage facilities for quality conservation; 2. identifying improved production/post-harvest technologies available in the OIC region for possible adoption in the needy OIC member states; 3. linking farmers to markets by providing timely price and market information and improving transport network; 4. conducting collaborative trainings and workshops to develop new/improved technology in rice production, post-harvest and processing activities. 	<p>Islamic Food Processing Association (IFPA) to extend support to member countries in developing effective mechanisms of pre-and-post harvest facilities in order to avoid rice loss. Interaction with OIC member countries for a better knowledge and experience-sharing in advanced production/post-harvest technologies. Enhancing farmers' awareness about pricing and market environment across the OIC area, as well as cooperation with logistic/transportation companies. MoUs with centres of excellence for conduct of trainings and workshops within the above centres in new/improved technologies in rice production, post-harvest and processing activities</p>
3	<p>Enhancing the well-being and livelihoods of rural communities/smallholders:</p> <ul style="list-style-type: none"> - improving access to farming materials (seeds, equipment, fertilizers, fuel, etc.), institutional credit and finance to farmers for production increase and income generation 	<ol style="list-style-type: none"> 1. conducting targeted training programmes to build the capacity of farmers to access and effectively use new technology and information for rice production 2. creating farmer organizations/cooperatives to foster local development and community-driven approaches in the area of rice production 	<p>Capacity-building of field workers for effective use of new technologies in production of rice. Uniting farmers into a network of farmer organisations and/or cooperatives for elaboration and further use of innovative approaches in rice production</p>

4	<p>Improving regional cooperation on rice:</p> <ul style="list-style-type: none"> - intensifying cooperation in production and processing technology development and transfer, and enhancing development, harmonization and adoption of OIC quality standards for rice products 	<ol style="list-style-type: none"> 1. establishing effective public - private partnerships to mobilise needed resources and support for rice sector development 		<p>Interaction between farmer households and public authorities to be established for support of rice sector development through regulatory framework</p>
5	<p>Ensuring food and nutrition safety:</p> <ul style="list-style-type: none"> - strengthening cooperation of stakeholders, research institutions and food auditors for better control over non-use of genetically modified substances in products 	<ol style="list-style-type: none"> 1. promoting bilateral exchanges of experts, technology transfer, training and extension aimed at developing specific skills of rice producers in OIC member states 2. ensuring optimal use of the country's natural resources particularly with regard to water and soil, through supporting soil, water and plant laboratory analysis 		<p>Intensifying of activities of centres of excellence for gaining experience in scientific and technologic area for avoidance of genetically modified and non-nutritious products.</p>
6	<p>Meeting increasing national requirements for rice:</p> <ul style="list-style-type: none"> - obtaining list of specific requirements to qualitative indicators on rice 	<ol style="list-style-type: none"> 1. investing in R&D for inducing and supporting technological innovations in all stages of the rice value chain for productivity, higher quality and nutritional value 		<p>Due to the need in permanent update of R&D technologies, permanent contribution to be maintained in this direction</p>
7	<p>Reducing rice imports:</p> <ul style="list-style-type: none"> - facilitating domestic production of rice at the country level in OIC member states 	<ol style="list-style-type: none"> 1. strengthening intra-OIC cooperation in addressing issues and problems affecting trade in rice among OIC member states 		<p>In order to strengthen the OIC trade network and support each OIC country's level of trade turnover, the member states shall strengthen cooperation and elaborate joint tools facilitating intra-regional trade</p>

8	<p>Exporting surplus rice to regional and international markets:</p> <ul style="list-style-type: none"> - strengthening intra-OIC cooperation in addressing issues and problems affecting trade in rice among OIC member states 	<ol style="list-style-type: none"> 1. investing in rural infrastructure and integrated industrial processing, branding, and packaging of rice for both local and regional consumption and export 	<p>In order to support economic development of OIC member states and address the problems affecting trade, cooperation instruments to be introduced and adopted by each member country to facilitate export of surplus rice in the OIC area and beyond.</p>
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