

## YINGLUCK SAYS LOCAL AND WORLD MARKETS MADE PRICE CUT UNAVOIDABLE

# Modified rice scheme to stay: PM

POST REPORTERS

» The government will not abandon its rice-pledging scheme but will proceed in a more sustainable way, Prime Minister Yingluck Shinawatra said yesterday.

On the government's decision to reduce by 20% the price it pays farmers for rice under the programme, she said it had no choice given the state of local and world markets, and the need for fiscal discipline.

The government is trying to prevent protests by farmers upset by the reduction of the pledging price to 12,000 baht a tonne from 15,000 baht from next month.

Speaking on the *Yingluck Government Meets the People* programme on NBT, the premier reiterated the government's confidence that rice-pledging could improve the quality of life of the nation's farmers.

She also said the original pledge price of 15,000 baht per tonne was 40% above the prevailing market rates.

Critics had long warned the scheme was destined for trouble and the government is now sitting on millions of tonnes of rice it can't sell, with an accumulated debt of at least 136 billion baht.

Nevertheless, the scheme has helped spur domestic consumption and enhanced

economic expansion, Ms Yingluck said.

The price cut is intended to better balance costs, quality, global prices and fiscal discipline, she said.

The cabinet had no option but to approve the cut as world rice prices did not increase last year, she said. If global prices increase in the future, the pledge price will be adjusted accordingly.

According to a survey conducted last week by Nida Poll, 59% of respondents disagreed with the rice price reduction.

A majority of those surveyed said their sympathies were with the farmers. The government should seek to reduce its debts by combating alleged corruption within the scheme, they said.

In contrast, 36% of those polled agreed with the price cut, saying it would ease the financial burden on the government.

Deputy Commerce Minister Nattawut Saikuar said yesterday that provincial police officers will observe operations at participating warehouses in a bid to prevent foul play during the storage and stockpiling of rice under the scheme.

Ayutthaya governor Witthaya Phiewpong said an inspection is already under way to check for any irregularities. It has so far identified that some farmers were

not issued with their Prathuan papers, which they need to claim payments at banks for the rice they pledge.

The documents were not issued because the farmers failed to complete the proper registration forms, Mr Witthaya said, adding that there were missing documents relating to about 10 tonnes of rice.

Meanwhile, a Bangkok Poll conducted on June 18-20 by the Research Centre at Bangkok University, suggests the prime minister's popularity has plunged. The survey of 1,234 respondents showed the premier's approval rating is now 40.4%, down from 51.2% in November.