

All Rice Countries Will Harvest Larger Crops



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Global rice production for 2010/11 is projected at a record 459.4 million tons (on a milled basis), up 4 percent from a year earlier. A waning El Niño and the expectation of a normal monsoon are forecast to bring a recovery from last year's crop losses in India and the Philippines.

The only 2010/11 production change this month was for Colombia. That country's production forecast was reduced by 299,000 tons to 1.44 million tons based on updated estimates from the U.S. Agricultural Counselor in Bogota.

All of the top 10 rice-producing countries are expected to harvest larger crops in 2010/11.

Meteorological models point to the onset of a normal monsoon for South Asia. Though the seasonal rains were stalled by several days due to Cyclone Phet, the cyclone has now moved on and rains have begun in India's southern and western provinces. As such, production is expected to rebound in India after last year's poor monsoon caused a crop reduction of 12 percent to 87.5 million tons. With a normal monsoon, India is expected to produce a near-record 99.0 million tons in 2010/11.

With a weakening El Niño, production is also expected to rebound in the Philippines. In 2009/10, heavy rains and multiple typhoons at the beginning of the season destroyed many rice fields in the north. In other parts of the country, extremely dry conditions were the problem, resulting in an overall crop reduction of 9 percent from the previous year. A more normal rainfall pattern is expected for 2010/11 as El Niño wanes.

In addition to the larger crops projected for China, India and the Philippines, record production in 2010/11 is projected for Bangladesh, Burma, Indonesia, Thailand, and Vietnam – all major rice producers. In addition, the Philippines is the world's largest importer of rice; Thailand and Vietnam are the largest exporters.

Several large production revisions for 2009/10 this month resulted in a revised global production estimate of 440.6 million tons, down fractionally from last month's estimate. The largest change was for Bangladesh, whose 2009/10 production estimate was reduced 1.1 million tons to 30.5 million tons based on information from the U.S. Agricultural Counselor in Dhaka.

The global disappearance forecast for 2010/11 was reduced nearly 700,000 tons to 452.8 million tons, still the highest on record. Reductions for Bangladesh, Colombia, and the Philippines were partially offset by an increase for the United States. The global ending stocks forecast for 2010/11 is also lowered slightly this month to 96.3 million tons, still more than 7 percent above a year earlier and the largest since 2002/03.

Ending stocks projections for 2010/11 were reduced this month for Colombia, the Philippines, and the United States. These downward revisions were partially offset by an upward revision for Australia. The global stocks-to-use ratio remains calculated at 21.3 percent – the highest since 2002/03.

2011 Global Trade Forecast

Slightly Raised to 31.4 Million Tons

Calendar year rice trade for 2011 is forecast

at 31.4 million tons (milled basis), up 50,000 tons from last month and 6 percent larger than a year earlier. The only export revision for 2010/11 was a 50,000-ton increase in the U.S. export forecast to 3.4 million tons, primarily based on more competitive prices.

Thailand is projected to remain the largest rice exporter in 2011, with total exports forecast to increase 0.5 million tons from 2010 to a near-record 10.0 million tons. Large stocks and expectations of a record crop in 2010/11 support this forecast. Higher exports in 2011 are also forecast for Argentina, Brazil, Burma, Cambodia, China, India, Pakistan, Uruguay, and Vietnam. These countries, plus the United States and Thailand, account for almost all global rice exports.

On the import side, Colombia's 2011 import forecast was raised 30,000 tons to 50,000 tons based on a smaller crop forecast.

The Philippines is expected to remain the top rice importer in 2011, taking 2.5 million tons, down just 100,000 tons from the 2010 record. Nigeria is projected to be the second largest importer in 2011, buying 1.9 million tons, an increase of 100,000 tons from this year and the second highest on record. Imports are also forecast higher in 2011 for China, Cote D'Ivoire, Iran, Iraq, Mexico, and Saudi Arabia, among others.

There were no revisions for 2010 exporters. For 2010 importers, the only revision was a 85,000-ton reduction in the U.S. import estimate to 650,000 tons based on a slower than expected pace through March and expectations regarding purchases the remainder of the year.

Thailand's Trading Prices Decline Due To A Lack of Major New Sales

Trading prices for Thailand's high- and medium-quality grades of non-specialty rice have fallen around 5 percent from the second week of May.

Prices for Thailand's high-quality, 100-percent Grade B (fob vessel, Bangkok) milled rice for export were quoted at \$460 per ton for the week ending June 7, down 5 percent from the week ending May 3. Prices for Thailand's 5-percent broken were quoted at \$436 per ton for the week ending June 7, also down 5 percent from the week ending May 3.

Similar price declines were experienced by Thailand's lower quality rice varieties. For the week ending June 7, prices for Thailand's A-1 Super 100-percent broken were quoted at \$325 per ton, down 2 percent from the week ending May 3.

While Thailand's prices have declined, Vietnam's price quotes have increased slightly over the past month.

U.S. long-grain milled rice export prices continue to fall due to a lack of fresh demand for milled rice exports. For the week ending June 8, prices for high-quality southern long-grain rice (No. 2, 4-percent broken, bagged, free alongside vessel, U.S. Gulf port) were quoted at \$452 per ton, down \$22 from the week ending May 11. With U.S. price quotes falling, Thailand's price quotes are now just \$7 above U.S. prices (adjusted to reflect the fob vessel price). U.S. long-grain rough-rice (bulk, fob vessel, New Orleans) is quoted at \$285 per ton for the week ending June 8, down \$10 from the week ending May 11.

Prices for California rice, in contrast, have increased over the past month. Prices for California package-quality medium-grain rice (sacked) for domestic sales are quoted at \$739 per ton for the week ending June 8, up \$22 from the week ending May 11. Export price quotes (for 30-kg bags, fob vessel) are reported at \$740 per ton, up 14 percent from the week ending May 11. Δ