

# China Accounts For Upward Revision In Production



**ECONOMIC RESEARCH SERVICE**

U.S. Department of Agriculture, Washington, DC

Market Outlook on Rice is sponsored by  
RiceTec, Inc.

**G**lobal rice production for 2012/13 is forecast at 464.2 million tons (milled basis), up 1.0 million tons from last month's forecast, but 1.1 million tons below the year-earlier record. Global rice area is projected at 158.8 million hectares, virtually unchanged from last year, but fractionally below a year earlier, with India accounting for most of the year-to-year decline. The average yield is forecast at 4.36 tons per hectare, fractionally below the year-earlier record.

China accounts for the bulk of this month's upward revision in global production. China's 2012/13 crop was raised 1.0 million tons to a record 143.0 million tons, based on a larger area estimate and favorable weather in most rice growing areas of the country this year. Rice production in 2012/13 in the Philippines was raised 200,000 tons to a record 11.0 million tons based on both a larger area and higher yield forecast.

Outside Asia, the U.S. crop was raised 0.2 million cwt to 6.3 million cwt based on both larger area and a higher yield estimates. Spain's 2012/13 production was raised 119,000 tons to 604,000 tons based on information from the U.S. Agricultural Counselor in Madrid. Also in Europe, Portugal's 2012/13 production forecast was raised 39,000 tons to 127,000 tons based on a slightly larger area and a much stronger yield.

These upward revisions were partially offset by several reductions. First, Burma's 2012/13 production estimate was lowered 0.25 million tons to 10.75 million tons based on a smaller area estimate caused by drought in the north and severe floods in the South, especially flooding in the Irrawaddy Delta. Sri Lanka's production was lowered 200,000 tons to 3.0 million tons based on a weaker Yala crop caused by drought. Pakistan's 2012/13 production forecast was lowered 100,000 tons to 6.7 million tons based on a smaller area estimate. Outside Asia, Russia's 2012/13 production forecast was lowered 30,000 tons to 670,000 tons based on a smaller area estimate reported by the Russian Federal State Statistical Service.

Global rice production for 2011/12 is estimated at a record 465.3 million tons, up 0.3 million tons from last month's estimate and 3.5 percent above a year earlier.

Global disappearance for 2012/13 is projected at a record 467.7 million tons, up 1.3 million from last month's forecast and 2 percent larger than a year earlier.

Global ending stocks for 2012/13 are projected at 102.2 million tons, up 0.4 million tons from last month, but 3.5 million tons below a year earlier. Ending stocks are the second highest in a decade.

## **Export Forecast for 2013 Raised for Brazil, Paraguay, and the United States**

Global calendar year 2013 trade is forecast at 35.86 million tons, up almost 0.4 million tons from last month's forecast, but still fractionally below a year earlier. There were four 2013 export revisions this month. First, the U.S. export forecast was raised 250,000 tons to 3.35 tons based on larger supplies in 2012/13. Brazil's

2013 export forecast was raised 200,000 tons to 800,000 tons based on a stronger export pace in 2012. Paraguay's 2013 exports were raised 50,000 tons to 200,000 tons, also based on a stronger pace in 2012. Russia's 2013 exports were raised 10,000 tons to 160,000 tons based on recommendation from the U.S. Agricultural Counselor in Moscow.

There were several 2013 import revisions this month. First, China's 2013 imports were reduced 200,000 tons to 1.3 million tons based on a larger crop. Second, the EU's 2013 import forecast was lowered 150,000 tons to 1.4 million tons based on larger production and a slower pace of imports in 2012. Third, the U.S. 2013 import forecast was reduced 50,000 tons to 700,000 tons based on larger supplies and slower pace of deliveries in 2012.

Global trade for 2012 was raised 0.2 million tons to 35.87 million, still 0.3 million below the year earlier record.

There were several 2012 import revisions this month. First, Indonesia's 2012 import forecast was raised 250,000 tons to 1.5 million tons based on recommendation from the U.S. Agricultural Counselor in Jakarta. The Government Indonesia's logistical agency, BULOG, is expected to make substantial purchases for delivery in late in 2012 and early 2013. Second, Nepal's 2012 imports were raised 50,000 tons to 150,000 tons based on a much stronger pace since India lifted its export ban in late 2011. Third, Sierra Leone's 2012 imports were raised 25,000 tons to 175,000 tons based on a strong pace through the summer. Import projections for 2012 were also raised this month for Tajikistan and Tanzania.

These upward revisions for 2012 imports were partially offset by two reductions. First, the EU's 2012 import forecast was lowered 0.1 million tons to 1.3 million based on pace to date. Second, the U.S. 2012 import forecast was lowered 25,000 tons to 700,000 based on a slower-than-expected pace through July and much larger supplies.

## **Thailand's Export Prices Have Declined Since Late August; Vietnam's Continue To Rise**

Prices for most grades of Thailand's higher-quality non-specialty white milled-rice have declined since late August after increasing earlier last month due to stronger baht. Prices for Thailand's high-quality, 100-percent Grade B (fob vessel, Bangkok) milled rice for export were quoted at \$581 per ton for the week ending September 10, down \$7 from the week ending August 27, but still up \$10 from early August.

Prices for Thailand's 5-percent parboiled rice – a specialty rice – were quoted at \$601 per ton for the week ending September 10, down \$6 from the week ending August 27, but up \$36 from the first week of August.

In contrast, price quotes from Vietnam continue to increase, mostly due to recent large purchases by the Philippines, Malaysia, Sub-Saharan Africa, and China. For the week ending September 11, prices for Vietnam's 5-percent double-water-polished with 5-percent broken were quoted at \$455 per ton – up \$30 per ton from the week ending August 7.

U.S. prices have increased over the past month as well, mostly due to stronger prices for other grains caused by the U.S. drought. For the week ending September 11, prices for high-quality Southern long-grain rice (No. 2, 4-percent broken, bagged, free alongside vessel, U.S. Gulf port) were quoted at \$590 per ton, up \$22 from August 7. U.S. long-grain rough-rice (bulk, fob vessel, New Orleans) was quoted at \$370 per ton for the week ending September 11, up \$5 per ton from the week ending August 7. Δ



Link Directly To: **PIONEER**