

# Global Rice Producing Countries Expected To Harvest Large Crops



**ECONOMIC RESEARCH SERVICE**

U.S. Department of Agriculture, Washington, DC

Market Outlook on Rice is sponsored by RiceTec, Inc.

**G**lobal rice production for 2010/11 is projected at a record 459.7 million tons (on a milled basis), up 4 percent from a year earlier.

All of the top 10 rice-producing countries – China, India, Indonesia, Bangladesh, Vietnam, Thailand, Burma, the Philippines, Brazil, and Japan – are expected to harvest larger crops in 2010/11.

Rice production is expected to rebound in India in 2010/11 with the return of a normal monsoon. Indonesia's crop is forecast to increase 3 percent to 40.0 million tons, mostly due to adoption of new higher yielding varieties and continued government fertilizer subsidies. Production in Bangladesh is forecast at a record 32.3 million tons, up 700,000 tons from last year.

Vietnam's production forecast of a record 24.75 million tons is nearly 2 percent larger than 2009/10, despite a slightly smaller harvested area. Thailand's production – forecast at a record 20.6 million tons – is primarily driven by a higher yield.

Production in the Philippines – the largest rice importing country – is forecast up nearly 7 percent to a record 10.8 million tons, as the effects of El Niño that adversely impacted production in 2009/10 are expected to dissipate. Japan's production is forecast to increase nearly 2 percent to 7.9 million tons from last year's production decline.

There were several production revisions for 2009/10 this month which resulted in a revised global production estimate of 442.2 million tons. The largest revision was a 500,000-ton increase in India's production to 87.5 million tons based on a revised yield estimate.

Global ending stocks for 2010/11 are projected at 96.6 million tons, almost 7 percent larger than a year earlier and the highest since 2002/03.

## **Global Rice Trade Projected To Increase 5 Percent in 2011**

Calendar year trade for 2011 is forecast at 31.35 million tons (milled basis), up more than 5 percent from 2010, but still below the 2007 record of 31.9 million tons.

With ample supplies and a projected record production in 2010/11, Thailand's 2011 exports are forecast up 500,000 tons to a near-record 10.0 million tons. Exports from low-cost producer Vietnam are also expected to increase in 2011, rising to 5.8 million tons.

With record supplies in the U.S. and expectations of crop reductions in key Western Hemisphere markets such as Mexico, Nicaragua, and Venezuela, U.S. exports are forecast to increase almost 2 percent to 3.35 million tons in 2011.

The only exporter projected to reduce shipments in 2011 is Egypt, whose exports are projected to drop 120,000 tons to 400,000 tons, mostly due to a smaller crop.

Several countries are projected to increase imports in 2011. Bangladesh's imports are projected to increase 150,000 tons to 400,000 tons, as population growth outpaces production. Similarly, Iran is projected to import 1.6 million tons in 2011, up from 1.4 million tons from this

year despite an expected record crop in 2010/11. Nigeria's 2011 imports are forecast to increase 100,000 tons to a record 1.9 million tons. Smaller increases in imports are projected for China, Cote D'Ivoire, Guinea, Hong Kong, Iraq, Mexico, Mozambique, South Africa, Thailand, United Arab Emirates, and Yemen.

Imports to several countries are projected to remain unchanged from 2010 to 2011. The EU's import forecast of 1.35 million tons is unchanged from 2010, as slightly increased production in 2010/11 will cover additional domestic demand.

Increased domestic production is expected to result in decreased imports for several countries. Imports for the Philippines are expected to decline from a record 2.6 million tons in 2010 to 2.5 million tons in 2011. Production for the Philippines is projected higher in 2010/11 than in 2009/10 when the impacts from El Niño reduced production. For Brazil, 2011 imports are forecast at 600,000 tons, down 150,000 tons from 2010. Haiti's 2011 imports are projected at 275,000 tons, down 50,000 tons from this year. Imports are also forecast to decline in 2011 for Australia, Bolivia, Burkina Faso, and Mali.

There were several 2010 trade revisions this month. The largest revision was a 500,000-ton reduction in Thailand's exports to 9.5 million tons based on a weaker-than expected export pace to date.

Numerous revisions were also made to importers for 2010. The largest increase was for Brazil, whose imports were increased by 100,000 tons to 850,000 tons.

Large Global Supplies, Lack of New Sales, Push Global Trading Prices Lower Trading prices for Thailand's high- and medium-quality grades of non-specialty rice have fallen 6-9 percent from the first week of April. Prices continue to fall in the face of ample global supplies and little fresh import demand.

## **Large Global Supplies, Lack of New Sales, Push Global Trading Prices Lower**

Trading prices for Thailand's high- and medium-quality grades of non-specialty rice have fallen 6-9 percent from the first week of April.

Prices for Thailand's high-quality, 100-percent Grade B (fob vessel, Bangkok) milled rice for export were quoted at \$482 per ton for the week ending May 10, down 7 percent from the week ending April 5. Prices for Thailand's 5-percent broken rice were quoted at \$459 per ton for the week ending May 10, down 6 percent from the week ending April 5. Prices for Thailand's 5-percent parboiled rice – a specialty rice – were quoted at \$474 per ton for the week ending May 10, down 8 percent from the week ending April 5.

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 May 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 \$474 per ton, down \$17 from the week ending April 13. U.S. prices (adjusted to reflect the fob vessel price) are now just \$7 above Thailand's quotes, well below historic levels. U.S. long-grain rough-rice (bulk, fob vessel, New Orleans) is quoted at \$295 per ton for the week ending May 11, down \$10 from the week ending April 13.

Prices for California rice have also declined over the past month. Prices for California package-quality medium-grain rice (sacked) for domestic sales are quoted at \$717 per ton for the week ending May 11, down \$11 from the week ending April 13. Export price quotes (for 30-kg bags, fob vessel) are reported at \$650 per ton, unchanged from prices reported April 13. Δ