

Global Rice Production Soars To 457.9 Million Acres



ECONOMIC RESEARCH SERVICE

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With lingering concerns about food security in some of the world's poorest countries, combined with increased investment in rice production on the African continent, global rice production in 2011/12 is forecast at a record 457.9 million tons (milled basis), up 1 percent from 2010/11.

China's 2011/12 production is forecast at 140.0 million tons – fractionally above 2010/11's crop of 139.3 million tons, a result of expanded planted area.

Rice production in India is expected to increase 2.5 million tons to 97 million tons in 2011/12, but to remain below the country's record crop of 99.18 million tons in 2008/09. Indonesia's crop is forecast to increase 2 percent to 37.6 million tons, driven both by higher area and yields. Bangladesh's 2011/12 production is forecast at a record 33.0 million tons, up 100,000 tons from last year, entirely based on increased planted area.

Vietnam is forecast to harvest a record 25.43 million tons of rice in 2011/12, nearly 180,000 tons greater than in 2010/11, with all of the increase attributed to a higher yield. Production in Thailand is expected to increase nearly 500,000 tons in 2011/12 to a record 20.75 million tons, driven by expanded plantings.

Production in Burma is forecast up 250,000 tons in 2011/12 to 11.0 million tons. The Philippines is expected to harvest 450,000 more tons of rice in 2011/12, with total production forecast at 10.8 million tons.

In contrast, Brazilian rice production is expected to contract in 2011/12 by 1.6 million tons to 7.9 million tons. Japan's production is also forecast to decline in 2011/12, by 40,000 tons to 7.7 million tons.

Production is projected higher in 2011/12 for several other major rice-producers, including some exporters. Rice production in Pakistan is expected to rebound in 2011/12 after historic floods devastated that country's rice production in 2010/11. Production is forecast up 2.1 million tons to 6.8 million tons on both area and yield gains. Cambodia's production is projected to increase 3.6 percent to 5.2 million tons on both increased area and yield. Production in Sri Lanka is expected to grow by 21 percent in 2011/12 to 2.9 million tons, largely due to expanded plantings.

Aside from Brazil, the only other large producer set to reduce production in 2011/12 is the United States.

Reduced production is forecast for several countries in South America. Argentina and Uruguay – both mid-level exporters – are expected to decrease production in 2011/12, due mostly to large domestic supplies.

There were several production revisions for 2010/11 this month that resulted in a revised global production estimate of 451.6 million tons. The largest revision this month was for Bangladesh, whose 2010/11 production estimate was raised 600,000 tons to 32.9 million tons based on the recommendation of the U.S. Agricultural Counselor in Dhaka.

Mali's 2010/11 production estimate was raised 375,000 tons to 1.52 million tons this month. Burma's production estimate was raised 250,000 tons to 10.75 million tons on increased yield expectations given investments in

rice production technologies in that country.

These upward revisions were partially offset by several reductions. The largest of these was for Nigeria. That country's production estimate was reduced 930,000 tons to 2.67 million tons based on the recommendation of the U.S. Agricultural Counselor in Lagos. Pakistan's production estimate was also reduced, down 300,000 tons to 4.7 million tons, based on the recommendation of the U.S. Agricultural Counselor in Islamabad.

Global disappearance in 2011/12 is projected at a record 458.7 million tons, up 2 percent from a year earlier. Bangladesh, Cambodia, China, Laos, Pakistan, Sri Lanka, and Thailand account for most of the projected increase.

Global ending stocks for 2011/12 are projected at 96.2 million tons, down 1 percent from the revised 2010/11 estimate.

Global Rice Trade Projected To Increase 1.1 Million Tons in 2012

Calendar year trade for 2012 is forecast at a record 32.2 million tons (milled basis), up nearly 4 percent from 2011. Trade is projected to grow in 2012 as a result of large available supplies in many of the world's major exporting countries, as well as of expectations of lower global prices.

With record production projected in 2011/12 and large rice stocks, Thailand's 2012 exports are forecast at a near-record 10 million tons, unchanged from 2011.

Imports to several countries are projected to remain unchanged from 2011 to 2012. The EU's import forecast of 1.07 million tons is unchanged from 2011, as both production and consumption in the EU are projected to remain virtually unchanged in 2012.

For many major importers, increased domestic production is forecast to decrease import demand in 2012. Larger 2011/12 production in Indonesia is projected to result in a 1.35-million ton decline in imports in 2012 to 400,000 tons. Similarly, increased 2011/12 production for Bangladesh is projected to result in a 450,000-ton decrease in exports for that country to 550,000 tons in 2012.

There were several 2011 trade revisions this month. The largest exporter revision was a 500,000-ton increase for Burma to 700,000 tons. Exports from the EU were increased by 220,000 tons to 400,000 tons based on the recommendation of the U.S. Agricultural Counselor in Brussels.

Stronger Thai Baht and Higher Farm Prices in Vietnam

Push Asian Export Prices Higher

Trading prices for Thailand's high- and medium-quality grades of non-specialty rice have risen 1 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 \$501 per ton for the week ending May 10, up 1 percent from the week ending April 4.

Prices were also higher for Thailand's lower quality rice varieties. For the week ending May 10, prices for Thailand's A-1 Super 100-percent broken were quoted at \$423 per ton, up 6 percent from the week ending April 4.

In Vietnam, export price quotes have strengthened over the past month due to the pressure of higher local farm-gate prices. For the week ending May 10, prices for 5-percent broken were quoted at \$480 per ton – up 3 percent from the week ending April 5.

Prices for California rice have remained strong over the past month, with California's package-quality medium-grain rice (sacked) for domestic sales quoted at \$871 per ton for the week ending May 10, unchanged since late November of 2010. Δ