

India Accounts For Most Of October Production Rise



rice outlook

ECONOMIC RESEARCH SERVICE

U.S. Department of Agriculture, Washington, DC

Market Outlook on Rice is sponsored by RiceTec, Inc.

Global rice production for 2012/13 is forecast at a record 465.1 million tons (milled basis), up 0.8 million tons from last month's forecast and fractionally above a year earlier. Global rice area is projected at 158.7 million hectares, fractionally below a year earlier, with India accounting for most of the year-to-year decline. The average global yield is forecast at a record 4.37 tons per hectare, fractionally above 2011/12.

India accounts for the bulk of this month's upward revision in 2012/13 global rice production. India's 2012/13 rice crop was raised 1.0 million tons to 99.0 million tons, based on a higher yield.

These upward 2012/13 production revisions were partially offset by two reductions. First, Uruguay's 2012/13 production forecast was lowered 56,000 tons to 840,000 based on a lower area estimate. Uruguay's 2012/13 rice area was lowered 10,000 hectares to 150,000 based on higher expected returns for competing crops, primarily soybeans. Second, Haiti's 2012/13 milled crop was lowered 20,000 tons to 120,000 tons based on a lack of rainfall throughout the growing season that has lowered the yield.

There were two small production revisions for 2011/12. First, Argentina's production was raised 33,000 tons to 1.0 million tons based on a higher yield reported by the Government. Second, the U.S. crop was fractionally raised to 5.87 million based on a slightly lower milling yield. In addition, there were several production revisions this month for Sub-Saharan Africa for both 2011/12 and 2012/13.

Global rice disappearance for 2012/13 is projected at a record 468.6 million tons, up 0.9 million from last month's forecast and 2 percent larger than a year earlier.

Global ending stocks for 2012/13 are projected at 102.0 million tons, down 0.3 million tons from last month's forecast and 3.5 million tons below a year earlier.

India's 2012 Exports Are Projected at a Record 9.75 Million Tons

Global calendar year 2013 trade is forecast at 35.99 million tons, up 0.1 million tons from last month's forecast, but still 5 percent below the year-earlier record. There were four, largely offsetting, 2013 export revisions this month. First, Egypt's 2013 export forecast was raised 250,000 tons to 850,000 tons based on the announcement by the Government on October 1 of the end of its export ban and larger supplies. Second, Venezuela's 2013 export forecast was raised 35,000 tons to 50,000 based on an expected continuation of its current shipment pace. Third, China's 2013 export forecast was lowered 100,000 tons to 500,000 tons based on expectations of continued uncompetitive prices. Fourth, Uruguay's 2013 export forecast was lowered 50,000 tons to 800,000 tons based on smaller supplies.

There were several 2013 significant import revisions this month. First, China's 2013 imports raised 200,000 tons to 1.5 million based on expectations of a continuation of this year's strong pace. Second, Iraq's 2013 import forecast was raised 100,000 tons to 1.3 million tons based

on expected stronger demand. Third, Turkey's 2013 imports were raised 80,000 tons to 300,000 tons based on a stronger pace in 2012 and the recent lifting of Egypt's export ban. Fourth, Nepal's 2013 imports were increased 70,000 tons to 220,000 based on record purchases from India in 2012.

Global trade for 2012 was raised 1.85 million tons to a record 37.7 million, up 4 percent from a year earlier. On the export side, India's exports were raised 1.75 million tons to a record 9.75 million based on a record pace of shipments to date and larger supplies. Burma's 2012 exports were raised 150,000 tons to 750,000 tons, also based on shipment pace. Venezuela's 2012 exports were revised up 35,000 tons to 50,000 tons based on an expected continuation of recent levels. These upward revisions were partially offset by a 100,000-ton reduction in China's 2012 exports to 400,000 tons based on shipment pace and uncompetitive prices.

There were several significant 2012 import revisions this month. First, Nigeria's 2012 import forecast was raised 550,000 tons to a record 3.0 million based on large stocks held by traders and expectations of higher levies. China's 2012 imports were raised 400,000 tons to 1.9 million based on a much stronger pace to date. Senegal's imports were raised 130,000 tons to a record 950,000 based on shipment pace. India has supplied most of this rice. Ghana's 2012 imports were increased 75,000 tons to 475,000 based on stronger demand.

Smaller upward revisions in 2012 import forecast were made this month for Cote D'Ivoire, Kenya, Madagascar, South Africa, Nepal, Turkey, Tanzania, Cameroon, Somalia, Angola, Venezuela, Jordan, and Panama.

These upward import revisions were partially offset by three reductions. First, Bangladesh's 2012 imports were lowered 160,000 tons to 240,000 tons based on a slower-than-expected pace. Second, Australia's imports were lowered 20,000 tons to 130,000 based on a slow pace. And finally, Egypt's 2012 imports were reduced 250,000 tons to 250,000 tons to 550,000 tons, also based on a slower pace and a larger crop forecast.

Export Prices from Thailand and Vietnam Have Declined

Prices for most grades of Thailand's higher-quality non-specialty white milled-rice have declined 1-2 percent since early September, primarily due to the release of some Government held stocks. Prices for Thailand's high-quality, 100-percent Grade B (fob vessel, Bangkok) milled rice for export were quoted at \$569 per ton for the week ending October 8, down \$12 from the week ending September 10. Prices for Thailand's 5-percent broken were quoted at \$557 per ton for the week ending October 8, also down \$12 from the week ending September 10.

Price quotes from Vietnam have declined as well, mostly due to a lack of new demand from big regular buyers such as Indonesia, China, and the Philippines. For the week ending October 9, prices for Vietnam's 5-percent double-water-polished with 5-percent broken were quoted at \$440 per ton - down \$15 per ton from the week ending September 11.

U.S. prices have long-grain milled rice have remained steady over the past month. For the week ending October 9, 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, unchanged since late August. U.S. long-grain rough-rice (bulk, fob vessel, New Orleans) was quoted at \$360 per ton for the week ending October 9, down \$10 per ton from the week ending September 11. Δ



Link Directly To: CACHE RIVER



Link Directly To: PIONEER