

India Accounts For Most Rice Production Decline



ECONOMIC RESEARCH SERVICE

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Global rice production for 2012/13 is forecast at 464.3 million tons (milled basis), down 0.8 million tons from last month's forecast and fractionally below the year-earlier record.

There were several downward revisions to 2012/13 production forecasts this month. First, Thailand's production was lowered 0.55 million tons to 20.5 million tons. Second, Bangladesh's 2012/13 production forecast was lowered 0.3 million tons to 33.8 million.

Third, Sri Lanka's 2012/13 production was lowered 0.14 million tons to 2.86 million based on information from the U.S. Agricultural Counselor in Colombo reporting a smaller yala crop caused by drought. Fourth, South Korea's 2012/13 production was lowered 0.2 million tons to 4.1 million based on smaller area and a lower yield reported by the Government of Korea.

There were three downward production revisions outside of Asia. First, Turkey's 2012/13 production forecast was lowered 32,000 tons to 483,000 based on information from the U.S. Agricultural Counselor in Ankara reporting smaller area and a weaker yield. In the Western Hemisphere, Mexico's 2012/13 production forecast was lowered 25,000 tons to 128,000 tons based on smaller area reported by the Government of Mexico. Finally, the U.S. crop was lowered 10,000 tons to 6.33 million based on a slightly lower yield.

These downward revisions to 2012/13 production forecasts were partially offset by several upward revisions.

The 2011/12 global production forecast was fractionally lowered this month. Bangladesh's production estimate was lowered 0.3 million tons to 33.7 million based on a weaker yield and lower area reported by the Government of Bangladesh. Mexico's 2011/12 production was lowered 14,000 tons to 111,000 tons based on smaller area reported by the Government of Mexico. These two downward revisions were partially offset by three upward revisions. First, Vietnam's 2011/12 production estimate was raised 135,000 tons to 26.9 million tons. Second, Uruguay's 2011/12 production estimate was raised 66,000 tons to almost 1.0 million tons. Third, Argentina's 2011/12 production estimate was raised 12,000 tons to 1.02 million tons based on a higher yield.

Global rice disappearance for 2012/13 is projected at a record 467.9 million tons, down 0.7 million from last month's forecast, but 2 percent larger than a year earlier.

Global ending stocks for 2012/13 are projected at 102.3 million tons, up 0.3 million tons from last month's forecast, but 3.6 million tons below a year earlier.

2012 Global Trade Forecast

Raised to a Record 38.2 Million Tons

Total calendar year 2013 global rice trade is forecast at 36.1 million tons, up slightly from last month's forecast, but nearly 6 percent below the year-earlier record.

On the 2013 import side, China's import fore-

cast was raised 500,000 tons to 2.0 million tons based on a strong pace of purchases this year. In nearby South Korea, imports were raised 240,000 tons to 640,000 based on the timing of the country's World Trade Organization's import commitments.

Outside of Asia, Iraq's 2013 import forecast was raised 50,000 tons to 1.35 million tons based on stronger consumption. In addition, Colombia's 2013 import forecast was raised 50,000 tons to 180,000 tons based on the recently implemented U.S.-Colombia Free Trade Agreement that includes a duty-free tariff rate quota for U.S. rice into Colombia.

Calendar year 2012 global rice trade was raised almost 0.5 million tons to a record 38.2 million, up 2.0 million from last year.

There were several 2012 import revisions this month. First, in Asia, China's import forecast was raised 700,000 tons to a record 2.6 million tons based on very large shipments from Vietnam. Thailand's 2012 imports were raised 400,000 tons to a record 600,000 tons based on massive border trade. Indonesia's 2012 imports were raised 200,000 tons to 1.7 million based on Government efforts to boost stock levels.

In Sub-Saharan Africa, Cote d'Ivoire's 2012 imports were raised 300,000 tons to a record 1.3 million tons based on massive imports from India. Senegal's imports were raised 250,000 tons to a record 1.2 million tons based on shipment pace, with India accounting for a large share. Nigeria's imports were raised 200,000 tons to a record 3.2 million tons as large shipments from India continue.

Thailand's Trading Prices Have Risen Slightly Because of Tighter Supplies

Prices for most grades of Thailand's higher-quality non-specialty white milled-rice have risen slightly over the past month as exporters purchase more rice to fulfill contracts with Nigerian exporters. Prices for Thailand's high-quality, 100-percent Grade B (fob vessel, Bangkok) milled rice for export were quoted at \$573 per ton for the week ending November 5, up \$4 from the week ending October 8. Prices for Thailand's 5-percent broken were quoted at \$560 per ton for the week ending November 5, up \$3 from the week ending October 8.

Prices for Thailand's 5-percent parboiled rice – a specialty rice – were quoted at \$594 per ton for the week ending November 5, up \$21 from the week ending October 8. Prices for Thailand's broken have also risen over the past month. For the week ending November 8, prices for Thailand's A-1 Super 100-percent broken were quoted at \$523 per ton, up \$11 from the week ending October 8. Price quotes for Thailand's premium jasmine rice – an aromatic – were quoted at \$1,078 per ton for the week ending November 5, unchanged since early October.

Price quotes from Vietnam have increased over the past month due to strong sales to Africa and Indonesia. For the week ending November 6, prices for Vietnam's 5-percent double-water-polished with 5-percent broken were quoted at \$455 per ton – up \$15 per ton from the week ending October 9, but nearly unchanged from most of September.

U.S. prices for long-grain milled rice have risen slightly over the past month, partly due to strong export sales. For the week ending November 6, prices for high-quality Southern long-grain rice (No. 2, 4-percent broken, bagged, free alongside vessel, U.S. Gulf port) were quoted at \$595 per ton, up \$5 from the week ending October 9.

Prices for California milled rice for the domestic market have remained unchanged over the past month. Δ



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