

# India Leads Way In Rising Production Estimates



**ECONOMIC RESEARCH SERVICE**  
U.S. Department of Agriculture, Washington, DC  
Market Outlook on Rice is sponsored by RiceTec, Inc.

The 2011/12 global rice production forecast was raised by 3.0 million tons this month to 461.4 million tons (milled basis), led principally by a higher production forecast for India. Global rice production in 2011/12 is projected at a record, up more than 2 percent from 2010/11.

The largest production change this month was for India, whose 2011/12 production estimate was raised 3.0 million tons to 100.0 million tons. In September, the Government of India's First Advanced Estimate showed a kharif crop of 87.1 million tons, and conditions for the rabi crop have been favorable thus far. This is the largest crop on record for India.

Thailand's crop was raised 500,000 tons this month to a record 21.25 million tons based on the recommendation of the U.S. Agricultural Officer in Bangkok.

Smaller production increases were made for the Dominican Republic and Haiti.

These increases were partially offset by several downward revisions. The Philippines production estimate was reduced to 250,000 tons to 10.65 million tons due to losses from typhoons Nesat and Nalgael. The U.S. Agricultural Officer in Manila reported that losses in Luzon have been substantial, with area estimated down 1 percent and yields losses estimated at 2 percent below last month's forecast. Production in the Philippines is still forecast 1 percent higher than last year.

Pakistan's production estimate was revised down 150,000 tons this month to 6.65 million tons due to flooding in the Sindh province in August.

U.S. production for 2011/12 was reduced 127,000 tons this month to 6.0 million tons. The revision was entirely due to a lower yield estimate from the National Agricultural Statistics Service. A variety of weather problems this spring and summer in several rice-producing States have hindered the crop's development, leading to the reduction.

Global rice production for 2010/11 was raised nearly 200,000 tons this month to 451.4 million tons. Vietnam's 2010/11 production estimate was raised 158,000 tons to a record 26.1 million tons based on information from the U.S. Agricultural Officer in Ho Chi Minh City. Smaller production increases were made for the Dominican Republic and Haiti.

Global disappearance in 2011/12 is projected at a record 457.8 million tons, up 1.8 million tons from last month's forecast and more than 10 million tons larger than 2010/11.

Global ending stocks for 2011/12 are projected at 101.41 million tons, up 2.8 million tons from last month and 4 percent larger than a year earlier. This is the fifth consecutive annual increase in global ending stocks, with the forerunner the highest since 2002/03. The global stocks-to-use ratio for 2011/12 is calculated at 22.2 percent compared with 21.8 percent in 2010/11.

## **Global Trade in 2012 Is Projected To Fall 4 Percent from the 2011 Record High**

The global calendar year 2012 trade forecast

was raised 1.2 million tons this month to 33.0 million tons (milled basis), up 4 percent from last month, but down 4 percent from the 2011 record.

India's 2012 export forecast was raised 1.0 million tons to 4.5 million tons based on the recommendation of the U.S. Agricultural Officer in New Delhi. In addition to a larger crop forecast this month, the country has relaxed its export ban on non-basmati rice and is competitively priced on the international market. With Thailand's trading prices largely uncompetitive, India is expected to play a larger role in the global rice market in the upcoming year. Vietnam's export forecast was raised 300,000 tons to 6.7 million tons on the recommendation of the U.S. Agricultural Officer in Ho Chi Minh City. Russia's 2012 export forecast was raised 15,000 tons to 150,000 tons.

In contrast, Pakistan's 2012 export forecast was reduced 150,000 tons this month to 3.75 million tons based on a smaller 2011/12 production estimate.

Global trade for 2011 was raised by 1.1 million tons this month to a record 34.2 million tons. Thailand's 2011 export forecast was raised 500,000 tons to a record 10.5 million tons on pace-to-date. India's export forecast was raised 300,000 tons this month to 3.8 million tons based on sales announced since the lifting of that country's non-basmati rice export ban. Burma's export estimate was raised 200,000 tons to 1.0 million tons based on the recommendation of the U.S. Agricultural Officer in Rangoon.

Brazil's 2012 export estimate was raised 100,000 tons to a record 8.5 million tons based on pace-to-date. Similarly, Uruguay's export estimate was raised 50,000 tons to 975,000 tons – also a record – based on updated export sales data from the U.S. Agricultural Officer in Buenos Aires, Argentina. The only reduction this month was for China – a decrease of 100,000 tons to 500,000 tons based on export pace-to-date.

Several 2011 import revisions were made this month. Nigeria's imports were raised 300,000 tons to a record 2.2 million tons based on a report from the U.S. Agricultural Officer in Lagos.

## **Trading Prices From Most Origins Have Declined Over the Past Month**

Trading prices for Thailand's high- and medium-quality grades of non-specialty rice have fluctuated between \$600 and \$625 since the first week of September, as buyers and sellers await the October implementation of the country's new paddy rice mortgaging scheme.

Prices also fluctuated for Thailand's lower quality rice varieties. For the week ending October 10, prices for Thailand's A-1 Super 100-percent broken were quoted at \$490 per ton, up 3 percent from the week ending September 5.

U.S. long-grain milled-rice prices have fallen over the past month, partially in response to weak export demand. For the week ending October 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 \$617 per ton, down \$22 from the week ending September 6.

Prices for California rice were unchanged over the past month, with harvest now underway. California's package-quality medium-grain rice (sacked) for domestic sales is quoted at \$860 per ton for the week ending October 11, unchanged from the week ending September 6. For the week ending October 11, prices were reported at \$775 per ton, down \$75 per ton from the week ending September 6. Δ