

Minor Producing Countries Show Upward Revisions



rice outlook

ECONOMIC RESEARCH SERVICE

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Global rice production in 2010/11 is forecast at 459.2 million tons (milled basis), virtually unchanged from last month's forecast, but almost 4 percent larger than a year earlier and the highest on record.

There were several upward production revisions this month, all to minor producing countries. First, Costa Rica's production was raised by 61,000 tons to 162,000 tons due to both expanded plantings and a higher yield. Second, Turkey's 2010/11 production forecast was raised 30,000 tons to 450,000 tons due to an increased area estimate.

Finally, Australia's 2010/11 crop was raised by 21,000 tons to 235,000 tons based on information from the U.S. Agricultural Counselor in Canberra indicating a higher yield.

These increases were more than offset by several downward production revisions. The largest of these decreases was for the United States, whose crop was reduced 129,000 tons to 7.68 million tons. A lower yield based on survey data from the National Agricultural Statistics Service is responsible for the reduction. Guyana's production estimate was reduced 95,000 tons to 315,000 tons.

Production estimates for China and Pakistan – both major exporters – are unchanged this month, despite adverse weather likely impacting crops in both countries.

Pakistan's 2010/11 production estimate is also unchanged this month, although the largest floods in 80 years are currently devastating much of the country. Because flood waters have yet to subside in the major rice-growing provinces of Punjab and Sindh, an accurate estimate of production losses is not yet available. USDA continues to monitor the situation.

The 2009/10 global production forecast was raised more than 2 million tons this month to 442.6 million tons. The increase is primarily due to a large upward revision in India's production for 2009/10.

The 2009/10 production estimate for neighboring Bangladesh was also raised this month. Bangladesh's production is estimated at 31.0 million tons, up 500,000 tons from last month.

These 2009/10 revisions are partially offset by a 179,000 ton decrease in Brazil's production estimate to 7.64 million tons, based on the latest report from the Government of Brazil. Several smaller 2009/10 production revisions were made for Australia, Costa Rica, Turkey, and Uruguay.

The global disappearance forecast for 2010/11 was increased this month by 4.5 million tons to 456.6 million tons – the highest on record. Large increases in projected disappearance for India and Bangladesh more than offset decreases for Brazil and Guyana.

2011 Global Rice Trade Remains Forecast at 31.3 Million Tons

Global trade for calendar year 2011 is virtually unchanged from last month's forecast of 31.3 million tons. The only revision for an exporter this month for 2011 was a 40,000-ton increase in Australia's exports to 105,000 tons based on a larger crop forecast for 2010/11. On

the importer side, Turkey's imports were raised 100,000 tons to 300,000 tons based on information from the U.S. Agricultural Counselor in Ankara.

These increases were partially offset by two import reductions. First, Costa Rica's 2011 import forecast was reduced 60,000 tons to 50,000 tons based on an increased production estimate for 2010/11. And second, Uganda's 2011 imports were reduced by 5,000 tons to 55,000 tons based on a continuation of 2010's import pace.

There were several large revisions to both importers and exporters for 2010. The largest exporter revision was made for Pakistan whose 2010 exports were raised 450,000 tons to 3.75 million tons.

The U.S. 2010 export forecast was raised 125,000 tons to 3.45 million tons based on U.S. Census data through June, information from the weekly U.S. Export Sales report through July 29, and expectations regarding shipments the remainder of the year.

These upward revisions were partially offset by a 300,000-ton decrease in Burma's export forecast to 300,000 tons. A 50,000-ton reduction in Guyana's exports to 200,000 tons was also made this month, a result of a decreased production estimate.

The largest revision for rice importers in 2010 was for Bangladesh, whose import forecast was raised 250,000 tons to 500,000 tons based on information from the U.S. Agricultural Counselor in Dhaka. Turkey's import estimate was also raised substantially, doubling from 200,000 to 400,000 tons.

Thailand's Export Prices Post Slight Decline,

Vietnam's Prices Up 11 Percent

Trading prices for Thailand's high- and medium-quality grades of non-specialty rice are down just 1- 2 percent from the first week of July.

Prices for Thailand's high-quality, 100-percent Grade B (fob vessel, Bangkok) milled rice for export were quoted at \$466 per ton for the week ending August 9, down 2 percent from the week ending July 5. Prices for Thailand's 5-percent broken rice were quoted at \$441 per ton for the week ending August 9, down 1 percent from the week ending July 5. Prices for Thailand's 5-percent parboiled rice – a specialty rice – were quoted at \$474 per ton for the week ending August 9, unchanged from the week ending July 5.

In contrast, Vietnam's price quotes have risen over the past month based on substantial export shipments. Price quotes for 5-percent broken rice rose to \$400 for the week ending August 10, up 11 percent from the week ending July 6.

With a record U.S. 2010/11 crop anticipated, U.S. long-grain milled rice export prices continue to slide. For the week ending August 10, prices for high-quality southern long-grain rice (No. 2, 4-percent broken, bagged, free alongside vessel, U.S. Gulf port) were quoted at \$413 per ton, down \$28 from the week ending July 6. U.S. rice is now trading at a discount to Thai price quotes, with U.S. quotes (adjusted to reflect the fob vessel price) \$38 less than Thai quotes. U.S. long-grain rough-rice (bulk, fob vessel, New Orleans) is quoted at \$240 per ton for the week ending August 10, down \$20 from the week ending July 6.

California rice prices are unchanged over the past month. Prices for California package-quality medium-grain rice (sacked) for domestic sales are quoted at \$728 per ton for the week ending August 10. Export price quotes (30-kg bags, fob vessel) remain at \$740 per ton. Δ



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