

# Production Estimates Drop For India, Ecuador



## rice outlook

ECONOMIC RESEARCH SERVICE

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**G**lobal rice production for 2012/13 is forecast at a record 465.1 million tons (milled basis), down almost 1.4 million tons from last month's forecast, but up 1.0 million tons from a year earlier. The bumper crop is the result of expanded area. At 160.0 million hectares, global rice area is up 1.1 million hectares from a year earlier and the highest on record.

India accounted for the bulk of this month's downward revision in global production. Severe problems with disease, weather, and pests have lowered Ecuador's 2012/13 production forecast 250,000 tons to 600,000 tons, little changed from the year-earlier abnormally small crop and weak yield. Finally, Ukraine's 2012/13 crop was lowered 15,000 tons to 85,000 tons based on government data reporting smaller area.

These downward revisions were partially offset by several increases. First, Egypt's 2012/13 crop was raised 700,000 tons to 4.5 million based on a record area of 750,000 hectares recommended by the U.S. Agricultural Counselor in Cairo. Egypt's crop is up 6 percent from a year earlier and one of the largest on record. Vietnam's 2012/13 production forecast was raised 375,000 tons to a record 26.9 million tons based on recommendation from the U.S. Agricultural Counselors in Hanoi. The U.S. 2012/13 crop was raised 255,000 tons to 6.1 million based on a larger area estimate reported by the National Agricultural Statistics Service in late June. El Salvador's 2012/13 rice production forecast was raised slightly based on government data.

Global rice supplies are expected to be plentiful in 2012/13. Record crops are projected for four Asian exporters – Cambodia, China, Thailand, and Vietnam. Near-record crops are projected for two additional Asian exporters – India and Pakistan.

Several major importers are projected to produce record crops in 2012/13. The top four Asian rice importers – Bangladesh, Indonesia, Malaysia, and the Philippines – are projected to harvest record crops in 2012/13. Outside Asia, Nigeria is projected to harvest a record crop, while Iran's production is projected to be unchanged from this year.

Global production for 2011/12 is projected at 463.9 million tons, virtually unchanged from last month's forecast, but 3 percent above a year earlier.

Global disappearance for 2012/13 is projected at a record 466.8 million tons, virtually unchanged from last month's forecast, but almost 2 percent larger than a year earlier. Global ending stocks for 2012/13 are projected at 102.5 million tons, down 1.7 million tons from both last month and a year earlier, with India and Indonesia accounting for most of this month's downward revision.

### **China's 2012 and 2013 Import Forecasts Raised 0.5 Million Tons to 1.5 Million Tons**

Global calendar year 2013 trade is forecast at 35.8 million tons, up fractionally from last month's forecast and 1.0 percent above a year

earlier. There were two 2013 export revision this month. The U.S. 2013 export forecast was raised 100,000 tons to 3.1 million tons based on larger supplies and expectations of more competitive prices. Second, Ecuador's 2013 export forecast was lowered 35,000 tons to 15,000 tons based on a smaller crop.

There were several revisions on the import side. First, China's 2013 import forecast was raised 500,000 tons to 1.5 million based on recommendation from the U.S. Agricultural Counselor in Beijing and stronger imports in 2012. Second, Indonesia's 2013 import forecast was raised 50,000 tons to 1.45 million based on recommendation from the U.S. Agricultural Counselor in Jakarta. Third, Nepal's 2013 imports were raised 45,000 tons to 100,000 tons based on stronger imports in 2012. In Africa, 2013 import forecasts were raised for both Tanzania and Sierra Leone based on upward revisions in 2012 import forecasts.

The 2012 global trade forecast was raised 50,000 tons to 35.5 million tons, still almost 2 percent below the year-earlier record.

### **Thailand's Prices Continue to Decline While U.S. Prices Strengthen**

Prices for most grades of Thailand's specialty and white rice declined over the past month due to a lack of new inquires from buyers and expectations that the government will release some of its intervention stocks in the second half of the year. Prices for Thailand's high-quality, 100-percent Grade B (fob vessel, Bangkok) milled rice for export were quoted at \$601 per ton for the week ending July 9, down \$12 from the week ending June 11. Prices for Thailand's 5-percent broken were quoted at \$592 per ton for the week ending July 9, down \$10 from the week ending June 11.

Prices for Thailand's 5-percent parboiled rice—a specialty rice—were quoted at \$591 per ton for the week ending July 9, down \$13 from the week ending June 11. Prices for Thailand's broken have decreased over the past month as well. For the week ending July 9, prices for Thailand's A-1 Super 100-percent broken were quoted at \$525 per ton, down \$20 from the week ending June 11. Price quotes for Thailand's premium jasmine rice were quoted at \$1,034 per ton for the week ending July 9, down \$9 from the week ending June 11. All price quotes for Thailand's rice are from the Weekly Rice Price Update, reported by the U.S. Agricultural Counselor in Bangkok.

Price quotes from Vietnam slightly declined over the past month, a result of large supplies from a bumper spring crop. For the week ending July 10, prices for Vietnam's 5-percent double-water-polished with 5-percent broken were quoted at \$410 per ton – down \$5 per ton from the week ending June 12. Thailand's price quotes for 5 percent broken are currently \$182 per ton above quotes for Vietnam's 5-percent double-water-polished milled rice, compared with a difference of \$187 for the week ending June 12.

In contrast, U.S. long-grain milled-rice prices continue to increase. For the week ending July 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 \$562 per ton, up \$11 from June 12. U.S. long-grain rough-rice (bulk, fob vessel, New Orleans) was quoted at \$345 per ton for the week ending July 10, unchanged since May 22.

Prices for California rice for the domestic market have increased slightly over the past month as well. California's package-quality medium-grain rice (sacked) for domestic sales was quoted at \$788 per ton for the week ending July 10, up \$6 from the week ending June 12. Δ



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