

# Production Forecasts Lowered For Russia, U.S., Vietnam



**ECONOMIC RESEARCH SERVICE**

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**G**lobal rice production for 2013/14 is forecast at a record 478.7 million tons (milled basis), down 0.5 million tons from last month's forecast but up almost 2 percent from a year earlier. The bumper global crop is the result of expanded area.

There were five crop revisions for 2013/14 this month. First, the U.S. crop was lowered 318,000 tons to 5.72 million tons due to a lower area estimate reported by NASS.

Second, Vietnam's 2013/14 crop was lowered 180,000 tons to 27.67 million tons based on slightly lower area forecast recommended by the U.S. Agricultural Office in Hanoi. Third, Russia's 2013/14 crop was lowered 50,000 tons to 650,000 based on smaller area reported by the Ministry of Agriculture. Production is down 5 percent from 2012/13.

These three downward revisions were partially offset by two upward revisions. First, Ecuador's the 2013/14 crop was raised 88,000 tons to 878,000 tons based on a much higher yield reported in an FAO country report. And second, Guyana's 2013/14 crop was revised up 19,000 tons to a record 442,000 tons based on an FAO country report that indicated an excellent first crop, which accounts for slightly more than half the total crop.

The 2012/13 global production forecast was lowered 0.3 million tons to 469.8 million tons, still up almost 1 percent from a year earlier.

These production reductions were partially offset by three upward revisions. First, China's 2012/13 crop was raised 300,000 tons to 143.3 million tons based on final National Bureau of Statistics data. The yield was raised slightly as well. Second, Argentina's 2012/13 crop was increased 52,000 tons to more than 1.01 million tons based on a higher yield reported by the Ministry of Agriculture. The Government of Argentina reported a record crop in Corrientes. And third, Australia's 2012/13 production estimate was raised 35,000 tons to 835,000 tons based on a higher yield reported by ABARE. Area was actually lowered. Both Argentina and Australia are mid-level exporters.

Global rice use (including a residual component) for 2013/14 is projected at a record 476.1 million tons, down 0.2 million tons from last month's forecast but up 1.4 percent from a year earlier. Nigeria and the United States account for most of the downward revision in the 2013/14 global rice domestic disappearance forecast. On an annual basis, Bangladesh, Cambodia, China, India, Indonesia, and Vietnam account for most of the projected increase in global consumption in 2013/14. In contrast, consumption and residual is projected to decline in 2013/14 in Japan, South Korea, and the United States. Consumption has declined for several decades in both Japan and South Korea due to diet diversification.

Global ending stocks for 2013/14 are projected at 108.0 million tons, down 0.6 million tons from last month's forecast but 2.5 percent

larger than a year earlier.

## **Export Forecasts for 2014 Lowered for Pakistan, Russia, and the United States**

Total calendar year 2014 global rice trade is forecast at 38.0 million tons, down 0.2 million tons from last month's forecast and 1 percent below this year. There were three downward revisions for 2014 exporters.

These reductions were partially offset by two upward revisions in 2014 export forecasts.

There were three country-specific import revisions for 2014 this month. First, Mozambique's 2014 import forecast was raised 50,000 tons to a record 470,000 tons based on expectation of a continuation of the strong import pace set in 2013. Second, Togo's 2014 import forecast was raised 40,000 tons to 150,000 tons, also based on a stronger pace in 2013. And third, the 2014 U.S. import forecast was raised 15,000 tons to a record 740,000 tons based on smaller U.S. supplies in 2013/14.

The 2013 total global rice trade forecast was lowered 0.5 million tons to 37.6 million, 4 percent below the year-earlier record.

There were two major import reductions for 2013 this month. First, Indonesia's 2013 import forecast was lowered 500,000 tons to 1.0 million tons based on a much slower than expected delivery pace. Second, Nigeria's 2013 import forecast was lowered 100,000 tons to 2.3 million tons based on a slower pace of purchases since January, when Nigeria's tariffs on imported rice were sharply raised.

These downward revisions were partially offset by three upward revisions for Sub-Saharan Africa. Benin's 2013 imports were raised 50,000 tons to 250,000 tons; Mozambique's 2013 imports were raised 50,000 tons to 450,000 tons; and Togo's 2013 imports were boosted 40,000 tons to 150,000 tons.

## **Thailand's Trading Prices Decline on Weaker Baht, Lack of Demand**

Prices for most grades of Thailand's higher and medium-quality white milled rice declined 2-5 percent over the past month, mostly a result of a weaker baht, expectations that the Government of Thailand will begin selling 0.5-1.0 million tons of its rice stocks per month beginning in August, and few new sales. Prices for aromatic rice and parboiled rice – both specialty rices – have declined as well.

Prices for Thailand's high-quality, 100-percent Grade B (fob vessel, Bangkok) milled rice for export were quoted at \$523 per ton for the week ending July 8, down \$15 from the week ending June 10.

Price quotes from Vietnam have increased slightly over the past month as sales from the spring crop that was recently harvested end and sales from the smaller summer crop are about to start.

U.S. prices for long-grain milled rice have remained nearly unchanged since early June. For the week ending July 9, prices for high-quality U.S. Southern long-grain rice (No. 2, 4-percent broken, bagged, free alongside vessel, U.S. Gulf port) were quoted at \$639 per ton, down \$6 from a week earlier but unchanged from early June. Prices for U.S. long-grain rough-rice (bulk, fob vessel, New Orleans) were quoted at \$400 per ton for the week ending July 9, up \$15 from early June, a result of continued strong U.S. long-grain rough-rice sales to Mexico and Venezuela.

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

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