

Production Increases, Reductions Reported Globally



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Global rice production for 2009/10 is raised 4 million tons this month to 440.3 million tons (milled basis), still 1.6 percent below the 2008/09 record. Production increases for India and Bangladesh are responsible for most of the increase.

The largest upward revision was for India, whose crop was raised 2.5 million tons to 87.0 million tons due to a larger area estimate.

There were two production revisions for 2008/09. Afghanistan's production estimate was raised 107,000 tons to 275,000 tons due to higher area and yield estimates based on recently released data from FAO. Production estimates for Afghanistan for 2003/04-2007/08 were revised this month as well. Malaysia's crop was increased by 6,000 tons to 1.54 million tons.

Global disappearance for 2009/10 is projected at a record 440.6 million tons, up almost 1 percent from last month's forecast and a year earlier.

The 2009/10 global ending stocks forecast was decreased 2 percent this month to 90.9 million tons, primarily due to a 4.4-million ton reduction in China's ending stocks. Global stocks remain slightly below the 2008/09 level of 91.2 million tons.

Reduced Export Forecast for China Cuts 2010 Global Trade Forecast to 30.4 Million Tons

The global trade forecast for calendar year 2010 was revised down one percent to 30.4 million tons, still 6 percent higher than 2009 trade. Global trade in 2010 is nearly 5 percent below the 2007 record of 31.9 million tons.

China's 2010 export forecast was reduced by 650,000 tons to 850,000 tons based on information from the U.S. Agricultural Counselor in Beijing. Exports from Saudi Arabia – all transshipments – were reduced to 20,000 tons from 50,000 tons.

These reductions were partially offset by several upward revisions. The largest increase was for Vietnam, whose projected exports were raised 250,000 tons to 5.75 million tons based on current export commitments and competitive prices. Malaysia's exports were raised to 1,000 tons from zero based on a larger production forecast. Additionally, rice exports from South Africa, all transshipments, were raised 5,000 tons to 30,000 tons.

On a year-to-year basis, Thailand, Pakistan, and the United States account for most of the projected 1.6-million-ton increase in global rice exports.

Import forecasts were raised this month for several countries. The Philippines' import projection was raised by 400,000 tons to a record 3.0 million tons based on both a reduced production forecast and information from the U.S. Agricultural Counselor in Manila. Imports by Nigeria were raised 200,000 tons to 1.8 million tons based on a continuation of last year's strong import pace. Similarly, Malaysia's 2010 imports were raised 170,000 tons to 1.02 million tons based on a continuation of its record 2009 import pace. Finally, Algeria's 2010 import forecast was raised 25,000 tons to 100,000 tons, also based on the continuation of its 2009 import pace.

The largest import reduction was for Saudi

Arabia, whose imports were reduced 300,000 tons to 1.1 million tons based on information from the U.S. Agricultural Counselor in Riyadh.

On a year-to-year basis, the Philippines accounts for the bulk of the increase in global imports. Imports by the Philippines are projected to increase 1.0 million tons in 2010.

There were several exporter revisions for 2009. China's exports were raised 23,000 tons to 783,000 tons based on year-end data. South Africa's exports – entirely transshipments – were increased slightly to 27,000 tons. In contrast, transshipments through Saudi Arabia for 2009 were decreased by 30,000 tons to 20,000 tons. U.S. exports for 2009 were reduced 150,000 tons to 2.95 million tons based on year-end export data.

Several adjustments to importers for 2009 were made this month based on year-end trade data. Malaysia's 2009 imports were raised 240,000 tons to a record 1.07 million tons. Nigeria's imports were raised 100,000 tons to 2.0 million tons – also a record – based on near-complete 2009 shipment data. Smaller upward revisions were made for 2009 import estimates for Algeria, Bolivia, Chile, China, Cuba, the Dominican Republic, El Salvador, and Japan.

There were several downward revisions this month to 2009 import estimates as well. The largest of these was for Saudi Arabia, whose imports were lowered 321,000 tons to 1.05 million tons. Smaller 2009 import reductions were made for Canada, Colombia, Costa Rica, Honduras, South Korea, South Africa, Taiwan, and the United States.

Lack of New Sales and Larger Global Supplies

Push Global Trading Prices Lower

Trading prices for Thailand's high- and medium-quality grades of non-specialty rice have fallen 8-9 percent from the second week of February.

Prices for Thailand's high-quality, 100-percent Grade B (fob vessel, Bangkok) milled rice for export were quoted at \$539 per ton for the week ending March 8, down 8 percent from the week ending February 8. Prices for Thailand's 5-percent broken were quoted at \$507 per ton for the week ending March 8, down 9 percent from the week ending February 8.

Thailand's low-quality rice prices experienced similar declines over the last month. For the week ending March 8, prices for Thailand's A-1 Super 100-percent broken were quoted at \$385 per ton, down 8 percent from the week ending February 8. All weekly price quotes for Thailand's rice are from the Weekly Rice Price Update, reported by the U.S. Post in Bangkok.

Vietnam's prices have also declined. Price quotes for 5-percent broken dropped to \$385 for the week ending March 9, down 8 percent from the week ending February 9.

A lack of new export demand has also led to a sharp decline in U.S. long-grain milled rice export prices. For the week ending March 9, prices for high-quality southern long-grain rice (No. 2, 4-percent broken, bagged, free alongside vessel, U.S. Gulf port) were quoted at \$507 per ton, down \$66 from the week ending February 9. U.S. prices (adjusted to reflect the fob vessel price) are now more than \$15 below

Thailand's quotes. U.S. long-grain rough-rice (bulk, fob vessel, New Orleans) is quoted at \$310 per ton for the week ending March 9, down \$20 from the week ending February 9.

Prices for California rice have also declined 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 March 9, down \$44 from the week ending February 9. Export price quotes (for 30-kg bags, fob vessel) are reported at \$625 per ton, down \$100 from February 9. California milled rice export prices have dropped more than 25 percent since August. △