

# Record Crops Expected for India, China, Thailand, Vietnam

## rice outlook

ECONOMIC RESEARCH SERVICE

U.S. Department of Agriculture, Washington, DC

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**G**lobal rice production for 2013/14 is forecast at a record 479.2 million tons (milled basis), down just 0.1 million tons from last month's forecast but up 2 percent from a year earlier. The bumper crop is the result of expanded area. At a record 161.4 million hectares, global rice area in 2013/14 is up 2 percent from a year earlier. Burma, China, India, Nigeria, and Thailand account for most of the year-to-year area increase. The average global yield is forecast at a record 4.43 tons per hectare (on a rough-rice basis), unchanged from 2012/13.

The only production revision this month for 2013/14 was an 0.1 million ton reduction in Peru's crop to 2.0 million tons based on revised 2012/13 area and yield estimates.

Record crops are projected for most Asian rice exporters in 2013/14. India is projected to harvest a record 108.0 million tons of rice in 2013/14, up 4 percent from 2012/13. Thailand's 2013/14 production is projected at a record 21.1 million tons, an increase of 4.5 percent from a year earlier, as result of both record area and a record yield. Vietnam's

2013/14 production is forecast at a record 27.85 million tons, up nearly 1 percent from 2012/13, the result of a record yield. Cambodia's 2013/14 production is projected at a record 4.9 million tons, 6.5 percent larger than 2012/13 production.

Both Pakistan and Burma are projected to produce larger, but not record, crops in 2013/14.

Several Asian importers are projected to harvest record or near-record crops in 2013/14. At a record 144.0 million tons, China's 2013/14 rice production is up 1.0 million tons from a year earlier due to expanded area. Bangladesh is projected to expand production by 0.2 million tons to a record 34.2 million tons, mostly due to a small area expansion.

In Southeast Asia, the Philippines are projected to produce a record 11.7 million tons of rice in 2013/14, an increase of 3 percent from a year earlier, with both area and yield record-high. The Philippines has increased production at a solid pace in recent years, partly due to expanded use of high-yielding hybrid varieties and a steady increase in area. Malaysia is projected to harvest a record 1.75 million tons of rice in 2013/14, a 3-percent increase from a year earlier, mostly due to a higher yield. Indonesia is projected to produce 37.7 million tons of rice in 2013/14, up fractionally from 2012/13, but well below the 2008/09 record of 38.3 million tons.

Except for Uruguay, South American rice exporters are projected to expand production in 2013/14.

In contrast, little growth in production is projected for South America's rice importers in 2013/14.

In Sub-Saharan Africa, the largest rice importing region in the world, several major importers are projected to harvest record crops in 2013/14. Nigeria, the region's largest rice-producing, consuming, and importing country, is projected to harvest a record 3.1 million tons, up 31 percent from 2012/13, a result of both expanded area and a record yield. Production is also projected higher in 2013/14

in Mali and Senegal.

In other regions, Egypt's 2013/14 rice-production is projected at a record 4.85 million tons, up nearly 4 percent from a year ago, a result of record area. In contrast, Australia's production is projected to decline 9 percent to 730,000 tons because of smaller plantings resulting from reduced water availability.

Global rice use (including a residual component) for 2013/14 is projected at a record 476.3 million tons, down 0.5 million tons from last month's forecast but up 1.5 percent from a year earlier.

Global ending stocks for 2013/14 are projected at 108.6 million tons, up almost 1 percent from last month's forecast and almost 3 percent larger than a year earlier.

On a year-to-year basis, stronger shipments from Thailand and Vietnam in 2014 are projected to be nearly offset by weaker shipments from China and India. Projected year-to-year changes for other exporters in 2014 are smaller.

The 2013 total global rice trade forecast was lowered 0.5 million tons to 38.1 million, 3 percent below the year-earlier record. Thailand accounts for all of the downward revision in the 2013 export forecast. On the 2013 import side, Nigeria's 2013 imports were lowered

0.5 million tons to 2.4 million tons based on a slower rate of purchases, largely due to the increase in rice import tariff-rates in 2012. Also, Somalia's 2013 imports were lowered 50,000 tons to 150,000 tons based on a slower than expected pace to date.

These two reductions were partially offset by two upward revisions.

First, Angola's 2013 import forecast was raised

150,000 tons to a near-record 500,000 tons based on a very strong pace of shipments early in the year. Second, Libya's 2013 import forecast was raised 60,000 tons to 300,000 tons based on a very strong pace of purchases to date.

### 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 4-5 percent over the past month, mostly a result of a weaker baht, expectations that the Government of Thailand will have to sell its stocks of rice, and few new sales.

Prices for Thailand's high-quality, 100-percent Grade B (fob vessel, Bangkok) milled rice for export were quoted at \$538 per ton for the week ending June 10, down \$23 from the week ending May 6. Prices for Thailand's 5-percent broken were quoted at \$526 per ton for the week ending June 10, down \$22 from the week ending May 6. Prices for Thailand's 5-percent parboiled rice were quoted at \$544 per ton for the week ending June 10, down \$8 from the week ending May 6.

Price quotes for Thailand's premium jasmine rice – an aromatic variety – were quoted at \$1,124 per ton for the week ending June 10, down \$22 from the week ending May 6. Prices for Thailand's broken have declined as well.

Price quotes from Vietnam continue to decline, largely a response to a slowing pace of sales to core Asian and African markets and large supplies in Asia.

U.S. prices for long-grain milled rice have declined since late May, partly a result of a slowing in export demand for milled long-grain rice. For the week ending June 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 \$639 per ton, down \$22 from May 20. Prices for U.S. long-grain rough-rice (bulk, fob vessel, New Orleans) were quoted at \$385 per ton for the week ending June 11, up \$10 from early May. U.S. long-grain rough-rice sales to Mexico and Venezuela remain strong. Δ

**GLOBAL HIGHLIGHTS**

- Global rice production for 2013/14 is forecast at a record 479.2 million tons.
- Global rice use (including a residual component) for 2013/14 is projected at a record 476.3 million tons.
- Total calendar year 2014 global rice trade is forecast at 38.1 million tons.



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