

Record Global Rice Production Forecast For 2013



rice outlook

ECONOMIC RESEARCH SERVICE

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Global rice production for 2012/13 is forecast at a record 465.3 million tons (milled basis), up 1.0 million tons from last month's forecast and fractionally above a year earlier. Global rice area is projected at 158.4 million hectares, 0.6 million hectares below a year earlier, with India accounting for most of the year-to-year decline.

There were several upward revisions to 2012/13 production forecasts this month, mostly in Asia. First, Vietnam's production was raised 0.610 million tons to a record 27.7 million tons based on information from the U.S. Post in Ho Chi Minh City indicating larger area. Second, Japan's 2012/13 production was raised 255,000 tons to 7.78 million based on larger area and a higher yield. Third, North Korea's 2012/13 production was raised 240,000 tons to 1.74 million based on a World Food Program/Food and Agricultural Organization report indicating a much higher yield. Fourth, Ecuador's production was revised up 80,000 tons to 1.03 million tons based on information from the U.S. Post in Quito indicating higher yields. Finally, Ukraine's 2012/13 crop was raised 10,000 tons to 100,000 tons based on a higher yield.

These upward revisions were partially offset by two reductions. First, South Korea's 2012/13 crop was lowered 94,000 tons to 4.0 million based on a lower yield caused by typhoons along the southwest coast, the major rice growing area. And second, Cuba's 2012/13 production was lowered 28,000 tons to 310,000 tons based on Government data reporting a smaller area resulting from drought in late spring and early summer.

The 2011/12 global production forecast was raised 0.2 million tons to 465.0 million tons. There were two upward revisions. First, Vietnam's 2011/12 crop was raised 205,000 tons to 27.08 million based on slightly more area. Second, Cuba's 2011/12 production was increased 32,000 tons to 370,000 tons based on larger area and a higher yield reported by the Government. These two upward revisions were partly offset by a 19,000-ton reduction in the 2011/12 Australian crop to 678,000 tons.

Global rice disappearance for 2012/13 is projected at a record 468.5 million tons, up 0.6 million from last month's forecast, but more than 2 percent larger than a year earlier.

Global ending stocks for 2012/13 are projected at 102.5 million tons, up 0.3 million tons from last month's forecast, but 3.2 million tons below a year earlier. Global ending stocks in 2012/13 are the second highest in a decade.

2012 Global Trade Forecast

Raised to a Record 38.5 Million Tons

Total calendar year 2013 global rice trade is forecast at 36.1 million tons, up 50,000 tons from last month's forecast, but 6 percent below the year-earlier record. In 2013, the top global buyers in 2012 – China and West Africa – are expected to import less rice.

There was only one 2013 export revision this month. The 2013 U.S. export forecast was raised 50,000 tons to 3.45 million based on a very strong pace thus far in the 2012/13 mar-

ket year. U.S. exports in 2013 are projected to be up 150,000 tons from 2012.

There were four upward revisions to 2013 import forecasts, Yemen's import forecast was raised 75,000 tons to a record 425,000 tons based on stronger than expected shipments from India. Peru's 2013 import forecast was increased 25,000 tons to 200,000 tons based on a higher 2012 estimate. Gambia's 2013 import forecast was raised 20,000 tons to 135,000 tons, also based on a higher 2012 estimate. Finally, Kenya's 2013 import forecast was revised up 20,000 tons to 360,000 tons based on stronger imports in 2012.

These upward revisions were partially offset by three downward revisions in 2013 imports. First, Iran's 2013 import forecast was lowered 150,000 tons to 1.8 million based on weaker imports in 2012. Second, North Korea's 2013 import forecast was lowered 25,000 tons to 75,000 tons based on a smaller 2012 import forecast and larger supplies. Finally, Ukraine's 2013 import forecast was lowered 10,000 tons to 70,000 tons based on larger supplies and weaker imports in 2012.

The 2012 global trade forecast was revised up to 38.5 million tons, 6 percent above a year earlier and the highest on record.

There was only one 2012 export revision this month. Vietnam's 2012 export forecast was raised 300,000 tons to a record 7.5 million tons based on a stronger-than-expected pace to date and larger supplies.

There were several 2012 import revisions this month, mostly based on final 2011/12 trade data from major exporters. First, Iraq's 2012 imports were raised 100,000 tons to a record 1.35 million. Yemen's 2012 imports were raised 60,000 tons to 400,000 tons based on strong shipments from India. Costa Rica's 2012 imports were raised 15,000 tons to 65,000 based on shipment pace. Ecuador's 2012 imports were raised 15,000 tons to 35,000 tons based on stronger than expected border trade with Peru.

These upward revisions in 2012 import forecasts were partially offset by 4 reductions. First, Iran's 2012 import forecast was lowered 200,000 tons to 1.7 million tons based on weaker shipments from Thailand and smaller transshipments from the United Arab Emirates. Second, Cuba's 2012 imports were lowered 75,000 tons to 450,000 tons based on a slow pace of shipments in the second half of the year. Third, Turkey's 2012 import forecast was lowered 60,000 tons to 240,000 tons based on a slower-than-expected shipment pace. Fourth, Ukraine's 2012 import forecast was reduced 25,000 tons to 50,000 tons based on shipment pace and weaker consumption. Finally, North Korea's 2012 import forecast was lowered 25,000 tons to 75,000 tons based on a much larger crop.

Thailand's Trading Prices Are Unchanged; Vietnam's Prices Have Declined

Prices for most grades of Thailand's higher quality non-specialty white milled-rice have changed very little over the past month, with Thailand uncompetitive in many markets due to its Paddy Pledging Scheme.

Prices for Thailand's high-quality, 100-percent Grade B (fob vessel, Bangkok) milled rice for export were quoted at \$573 per ton for the week ending December 3, unchanged from a month earlier.

In contrast, price quotes from Vietnam have decreased over the past month, mostly due to a lack of new sales.

U.S. prices for long-grain milled rice have remained unchanged over the past month, as the impacts from strong sales and a larger crop this year are offsetting. △



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