

Record High Global Rice Production Forecast

Global rice production for 2012/13 is forecast at a record 466.5 million tons (milled basis), fractionally above last month's forecast and up almost 1 percent from a year earlier. The bumper crop is the result of expanded area. At 159.8 million hectares, global rice area is up almost 1.0 million hectares from a year earlier and the highest on record.

Global supplies are expected to be plentiful in 2012/13. Record crops are projected for three Asian exporters – Cambodia, China, and Thailand. Near-record crops are projected for three additional Asian exporters – India, Pakistan, and Vietnam. Among the non-Asian exporters, both Brazil (also an importer) and Australia are projected to harvest larger crops in 2012/13. In contrast, Argentina, Egypt, and the United States are project to harvest smaller crops in 2012/13.

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 464.0 million tons, up 0.7 million tons from last month's forecast and 3 percent above a year earlier. The largest increase was for Vietnam, whose production estimate was raised 0.3 million tons to a record 26.75 million, based on a larger than expected spring crop in the Mekong River Delta.

Global disappearance for 2012/13 is projected at a record 466.7 million tons, up 1.0 million tons from last month's forecast and almost 2 percent larger than a year earlier. Consumption forecasts were raised this month for Iran, Vietnam, and several African countries. On a year-to-year basis, Bangladesh, Burma, China, India, Indonesia, Thailand, and Vietnam account for most of the expected increase in domestic use. Global ending stocks for 2012/13 are projected at 104.2 million tons, down 0.7 million tons from last month, with India accounting for most of the downward revision. Ending stocks are fractionally below a year earlier. This is the first year of decline for global ending stocks since 2006/07. The global stocks-to-use ratio for 2012/13 is calculated at 22.3 percent, down slightly from 22.8 percent a year earlier.

Global Rice Trade Projected To Increase to 35.7 Million Tons in 2013

Global calendar year 2013 trade is forecast at 35.7 million tons, an increase of 0.5 million tons from last month's forecast and 1.5 percent above a year earlier. There was only one 2013 export revision this month – India's 2013 export forecast was raised 0.5 million tons to 6.5 million tons based on large supplies and recommendation from the U.S. Agricultural Counselor in New Delhi. Despite the upward revision, India's exports are still below the 2012 revised record of 8.0 million tons.

On the import side, Iran's 2013 imports were boosted 350,000 tons to a record 1.95 million tons, based on revised back-year import estimates that were the result of 2011 Pakistan export data. Angola's 2013 import forecast was raised 40,000 tons to a record 310,000 tons and Somalia's 2013 imports were raised 15,000 tons to 175,000 tons, with both revisions based on

revised back-year trade data.

The 2012 global trade forecast was raised almost 1.0 million tons to 35.4 million tons, still almost 2 percent below the year-earlier record. On the export side, India's exports were raised 1.0 million tons to a record 8.0 million based on large supplies and recommendation from the U.S. Agricultural Counselor in New Delhi. Brazil's imports were raised 75,000 tons to 900,000 tons based on back-year trade data, recent shipment data, and available supplies. Finally, the 2012 U.S. export forecast was raised 100,000 tons to 3.4 million based on a rapid pace of sales this spring and expectations regarding sales the rest of the calendar year.

There were several import revisions for 2012 this month. First, Iran's 2012 imports were boosted 350,000 tons to a near-record 1.9 million tons based on final 2011 export-to data from Pakistan. South Africa's 2012 imports were raised 150,000 tons to 900,000 tons, also based on final 2011 export data from Pakistan. Import forecasts for both Angola and Somalia were raised based on higher 2011 import estimates.

Thailand's Trading Prices Have Decreased Since Mid-May

Due to Lack of Demand and Large Supplies

Prices for most grades of Thailand's parboiled and white rice have declined over the past month due to a lack of new inquires from buyers and expectations that the government will begin releasing its intervention stocks in July. Prices for Thailand's high-quality, 100-percent Grade B (fob vessel, Bangkok) milled rice for export were quoted at \$613 per ton for the week ending June 12, down \$6 from the week ending May 15.

Prices for Thailand's 5-percent parboiled rice – a specialty rice – were quoted at \$604 per ton for the week ending June 12, down \$8 from the week ending May 15. Prices for Thailand's broken have decreased over the past month as well.

Price quotes from Vietnam also declined over the past month, a result of large supplies from a bumper spring crop. For the week ending June 12, prices for Vietnam's 5-percent double-water-polished with 5-percent broken were quoted at \$415 per ton— down \$15 per ton from the week ending May 15. Thailand's price quotes for 5 percent broken are currently \$187 per ton above quotes for Vietnam's 5-percent double-water-polished milled rice, compared with a difference of \$177 in mid-May.

In contrast, U.S. long-grain milled-rice prices have increased from a month earlier, largely a response to expectations of a much smaller crop in 2012/13 and a strong pace of exports earlier this spring. For the week ending June 12, prices for high-quality Southern long-grain rice (No. 2, 4-percent broken, bagged, free alongside vessel, U.S. Gulf port) were quoted at \$551 per ton, up \$22 from May 15. U.S. long-grain rough-rice (bulk, fob vessel, New Orleans) was quoted at \$345 per ton for the week ending June 12, down \$5 from the week ending May 15, but unchanged since May 22.

Prices for California rice for the domestic market have remained unchanged over the past month. California's package-quality medium-grain rice (sacked) for domestic sales was quoted at \$783 per ton for the week ending June 12, unchanged from the week ending May 15, but up \$11 from the week ending May 1. Δ