

# Record Rice Crop Expected In Far East



**ECONOMIC RESEARCH SERVICE**

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**G**lobal rice production for 2012/13 is forecast at a record 466.4 million tons (milled basis), an increase of less than 1 percent from a year earlier. The bumper crop is the result of expanded area.

Among the Asian global rice exporters, Cambodia, China, Thailand, and Vietnam are projected to harvest record crops in 2013/12, while production is expected to be a near-record in India and Pakistan in 2012/13. Of the top five exporters – which typically account for more than 80 percent of global shipments – only the United States is expected to harvest a small crop in 2012/13.

China, the world's largest rice-producing country, is projected to produce a record 141.0 million tons of rice in 2012/13, up fractionally from a year earlier, a result of expanded area. In nearby Pakistan, production is projected at a near-record 6.8 million tons, up almost 5 percent from a year earlier, a result of both area expansion and a higher yield.

Vietnam is projected to harvest a record 26.5-million ton crop in 2012/13, fractionally above a year earlier, a result of a slightly higher yield. Thailand is projected to harvest a record 21.05 million tons of rice, up 3 percent from a year earlier, a result of both record area and a record yield. For the United States, production is expected to decline 1 percent to 5.83 million tons, the result of a big drop in area. The crop (on a milled basis) is the smallest since 1988/99.

The remaining Asian net-exporting countries are projected to harvest larger crops in 2012/13.

Among the non-Asian exporters, both Brazil and Australia are projected to harvest larger crops in 2012/13.

Global disappearance for 2012/13 is projected at 465.7 million tons, up almost 2 percent from a year earlier and the highest on record. Bangladesh, Burma, China, India, Indonesia, Thailand, and Vietnam account for most of the expected increase in domestic use. Disappearance is expected to continue to decline in Japan and is projected nearly stable in South Korea and the United States. By region, East Asia, South Asia, and Southeast Asia account for the bulk of the expected increase in disappearance in 2012/13.

Global ending stocks for 2012/13 are projected at 104.9 million tons, up 0.7 million tons from a year earlier and largest since 2001/02.

## **Global Rice Trade Projected**

### **To Increase to 35.2 Million Tons in 2013**

Global calendar year 2013 trade is forecast at 35.2 million tons, an increase of 3 percent from a year earlier and second only to the 2011 record of 35.9 million tons. On the export side, substantial increases by Burma, Cambodia, China, Pakistan, and Thailand are projected to more than offset lower shipments from Argentina, India, and the United States.

In 2013, Thailand is projected to return as the largest exporter, shipping 8.0 million tons, up 23 percent from a year earlier, but still well

below the 2011 record of 10.65 million tons. Vietnam's exports are forecast to remain unchanged from this year's record of 7.0 million tons, as Vietnam has picked up some of Thailand's markets. India is projected to export 6.0 million tons of rice in 2013, down from a record 7.0 million in 2012.

Pakistan is projected to export a record 4.0 million tons in 2013, up almost 7 percent from a year earlier, a result of large supplies, competitive prices, and expanded global trade. The United States is projected to export 3.0 million tons of rice in 2013, down 9 percent from a year earlier.

Among the mid-level exporters, Cambodia is projected to export a record 950,000 tons of rice in 2013, up 19 percent from the year-earlier revised level. Burma is projected to boost exports 25 percent to 750,000 tons, still below 2011 trade and well below record levels shipped prior to World War II.

Outside Asia, Egypt's exports are projected to be unchanged from this year's 600,000 tons, as area restrictions continue to prevent Egypt's export from returning to the record levels achieved prior to 2009. In South America, Brazil is projected to export 900,000 tons of rice in 2013, up 9 percent from a year earlier, making Brazil a net exporter in 2013.

On the import side, most major Asia importers are projected to import less rice in 2013. Indonesia is projected to import 1.44 million tons of rice, down 28 percent from a year earlier, the result of large supplies. Malaysia is projected to import 1.05 million tons of rice in 2013, down 3 percent from a year earlier, the result of a record crop. Bangladesh's imports are projected to decline almost 8 percent to 600,000 tons, also due to a record crop. Imports by the Philippines are projected at 1.5 million tons, unchanged from this year, largely due to a larger crop.

Outside Asia, Nigeria's imports are forecast at 2.25 million tons, down 8 percent from a year earlier, a result of a record crop. In contrast, South Africa's imports are projected to increase 33 percent to a record 1.0 million tons, a result of strong consumption growth. In the Middle East, Iran is projected to import a near-record 1.6 million tons of rice in 2013, up 3 percent from a year earlier, despite a larger crop. Iraq's imports are projected to be unchanged from this year's near-record 1.2 million tons. Saudi Arabia is projected to import 1.18 million tons of rice in 2013, up 2 percent from a year earlier.

### **Thailand's Trading Prices Increase On Stronger Demand**

Prices for most grades of Thailand's parboiled and white rice have risen over the past month due to inquiries from buyers for large shipments to Nigeria before July when import tariffs rise.

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 based on the March 30 intended plantings estimates. For the week ending May 1, prices for high-quality Southern long-grain rice (No. 2, 4-percent broken, bagged, free alongside vessel, U.S. Gulf port) were quoted at \$524 per ton, up \$22 from April 10. U.S. long-grain milled-rice traders faces strong price competition in the global market. U.S. long-grain rough-rice (bulk, fob vessel, New Orleans) was quoted at \$335 per ton for the week ending May 1, up \$20 from the week ending April 1.

Prices for California rice for the domestic and export markets have remained unchanged over the past month. Δ