

Revised Milling Rates Spur Higher Production Forecasts



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The 2011/12 global rice production forecast was raised 2.65 million tons this month to 465.4 million tons (milled basis). The crop is almost 3 percent above a year earlier and the highest on record. Australia, Bangladesh, China, Egypt, the EU, India, Indonesia, Pakistan, and Sri Lanka account for most of the projected year-to-year increase in global production in 2011/12.

This month, USDA revised average milling rates as far back as 2006/07 for about 40 countries largely based on information obtained by the Foreign Agricultural Service from U.S. embassies on actual milling yields, milling practices, and milling technology to better estimate individual country milling rates.

The largest production increase this month was made for Burma, with the production estimate raised 1.1 million tons to 11.6 million tons, a result of a much higher average milling rate.

Revised milling rates resulted in higher production forecasts for several countries. Egypt's 2011/12 production estimate was raised 0.26 million tons to 4.56 million tons, a 39-percent increase from a year earlier. Colombia's 2011/12 crop was raised 0.2 million tons to 1.66 million tons. Nigeria's 2011/12 production was increased more than 0.1 million tons to a near-record 2.7 million. Total rice production in the EU in 2011/12 was revised up 164,000 tons to a record 2.1 million tons.

These upward production revisions were partially offset by several downward revisions, mostly in South America. Brazil's 2011/12 production forecast was lowered 136,000 tons to 7.7 million tons based on revised area, yield, and production estimates reported by the Government of Brazil. Ecuador's 2011/12 crop projection was lowered 82,000 tons to 624,000 based on a much lower yield resulting from excessive rain since January. Outside South America, the Philippines' 2011/12 production forecast was lowered 84,000 tons to 10.6 million based on a smaller milling yield.

The 2010/11 global production estimate was raised 2.1 million tons to 453.2 million tons, up 2 percent from a year earlier. Nearly all upward revisions were the result of this month's milling rate revisions. Burma accounted for about half the upward revision, with its 2010/11 production estimate raised 1.1 million tons to a record 11.9 million tons.

Global disappearance for 2011/12 is projected at 462.9 million tons, 3.0 million tons above last month's forecast and the highest on record.

Global disappearance in 2011/12 is 3 percent larger than a year earlier, with India accounting for the largest share of the year-to-year increase in global disappearance.

Global ending stocks for 2011/12 are projected at 100.3 million tons, up 0.2 million tons from last month's forecast and almost 3 percent larger than a year earlier. This is the fifth consecutive annual increase in global ending stocks, with ending stocks the highest since

2002/03. The global stocks-to-use ratio for 2011/12 is calculated at 21.7 percent, virtually unchanged from 2010/11.

Brazil's Rice Exports Are Projected To Decline Sharply in 2012

The global calendar-year 2012 trade forecast was lowered 0.1 million tons (milled basis) from last month's forecast to 32.7 million tons, almost 7 percent below the 2011 record of 35.1 million tons.

The only export revision this month was a 100,000-ton reduction in Brazil's exports to 625,000 tons, less than half the record 1.3 million tons exported in 2011.

On an annual basis, Thailand accounts for the bulk of the projected decline in exports in 2012, with shipments dropping 4.0 million tons to 6.5 million tons, the smallest since 1998.

There were three import revisions for 2012 this month. First, Brazil's 2012 import forecast was raised 40,000 tons to 640,000 tons based on smaller supplies. Second, the U.S. import forecast was raised 25,000 tons to 675,000 tons based on a recent increase in the monthly pace of deliveries. And third, Malaysia's 2012 import forecast was lowered 45,000 tons to 1.09 million tons based on a larger crop projection and information from the U.S. agricultural counselor in Kuala Lumpur.

Global trade in 2011 is estimated at 35.1 million tons, virtually unchanged from last month's estimate, but almost 11 percent higher than a year earlier.

There were several revisions for 2011 importers this month. First, the Philippines 2011 import estimate was lowered 300,000 tons to 1.2 million tons, largely based on information from the U.S. agricultural counselor in Manila. Malaysia's 2011 import estimate was lowered 50,000 tons to 990,000 tons based on trade data and information from the U.S. Agricultural Counselor in Kuala Lumpur. These downward revisions were nearly offset by two upward revisions. First, Bangladesh's 2011 import estimate was raised 83,000 tons to 1.5 million tons based on trade data and information from the U.S. agricultural counselor in Dhaka. Second, Honduras' 2011 import estimate was raised 20,000 tons to 130,000 based on year-end trade data.

Thailand's Trading Prices Increase Slightly; U.S. and Vietnam Prices Continue To Decline

Trading prices for Thailand's high- and medium-quality grades of non-specialty rice have increased slightly since early February, mostly due to a stronger Thai baht.

Prices for Thailand's 5-percent parboiled rice – a specialty rice – were quoted at \$574 per ton for the week ending March 5, up \$23 from the week ending February 6.

Prices for Thailand's broken rice have increased as well. For the week ending March 5, prices for Thailand's A-1 Super 100-percent broken rice were quoted at \$523 per ton, up \$6 from the week ending February 6.

In contrast, price quotes from Vietnam fell over the past month, mostly a response to lower priced rice from India and Pakistan.

U.S. long-grain milled-rice prices have declined from a month earlier. For the week ending March 6, prices for high-quality Southern long-grain rice (No. 2, 4-percent broken, bagged, free alongside vessel, U.S. Gulf port) were quoted at \$513 per ton, down \$5 from February 7. U.S. long-grain milled-rice faces strong price competition in the global market and the U.S. has made few recent sales. Δ



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