

S. America Accounts For Most Rice Increases



Global rice production for 2012/13 is forecast at a record 465.6 million tons (milled basis), fractionally above last month's forecast and up 0.5 million tons from a year earlier. Global rice area is projected at 158.4 million hectares, 0.6 million hectares below the year earlier record, with India accounting for most of the year-to-year decline. The average global yield is forecast at a record 4.38 tons per hectare, fractionally above 2011/12.

There were several upward revisions to 2012/13 production forecasts this month, mostly in South America. First, Brazil's production was raised 0.34 million tons to 8.16 million tons based information from the Government's reporting agency, CONAB, indicating slightly more area and a much higher yield.

In nearby Argentina, the 2012/13 production forecast was raised 130,000 tons to 1.04 million, as result of a 30,000-hectare boost in area to 230,000 hectares. Rice production in Argentina is expected to be up 2 percent from a year earlier. Guyana's 2012/13 production forecast was raised 10,000 tons to a record 420,000 tons based on a larger than expected second crop that boosted the average yield. Outside South America, Pakistan's 2012/13 crop forecast was raised 100,000 tons to 6.8 million based on recommendations from the USDA office in Islamabad indicating a slightly higher area estimate. The U.S. 2012/13 crop estimate was raised slightly to 6.36 million tons based on a higher yield.

These upward revisions were partly offset by 5 reductions. First, Cambodia's 2012/13 production forecast was lowered 275,000 tons to 4.23 million tons based on smaller area and a weaker yield. The Dominican Republic's 2012/13 production forecast was lowered 63,000 tons to 510,000 tons based on information from the Ministry of Agriculture indicating smaller area. Russia's 2012/13 crop was lowered 45,000 tons to 685,000 tons based on a 15,000-hectare drop in area to 185,000 hectares. The Philippines 2012/13 production forecast was lowered 10,000 tons to 10.99 million based on slightly smaller area reported by the USDA office in Manila. Finally, Haiti's 2012/13 production was lowered 4,000 tons to 62,000 tons based on a lower yield that was caused by tropical storms.

Global rice use (including a residual component) for 2012/13 is projected at a record 468.6 million tons, virtually unchanged 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, down fractionally from last month's forecast and 3.0 million tons below a year earlier.

Global Trade in 2012 Estimated At a Record 39.1 Million Tons

Total calendar year 2013 global rice trade is forecast at 37.4 million tons, up 1.25 million tons from last month's forecast, but more than 4 percent below the year-earlier record.

Export forecasts for 2013 were revised up for several countries this month.

The 2012 global rice trade estimate was increased .06 million tons to a record 39.1 million tons, up 8 percent from a year earlier. The substantial trade volume reported in 2012 was largely the result of record shipments from India and Vietnam and historically large imports by China and West Africa. Imports in 2012 were record high for China, Côte d'Ivoire, Ghana, Nigeria, and Senegal. Rice from India and Vietnam was competitively priced in 2012, a major factor driving the large purchases.

On the 2012 export side, there were several upward revisions.

Thailand's Trading Prices Rise Slightly on Tighter Supplies

Prices for most grades of Thailand's higher quality white milled-rice increased slightly over the past month, mostly due to tighter exportable supplies. From October 1, 2012 to January 4, 2013, the Government's Paddy Pledging Program had received preliminary pledges of 7.7 million tons of rough-rice, twice the amount the government received during the same period last year. Prices for lower-quality rice have increased at a stronger rate.

Prices for Thailand's high-quality, 100-percent Grade B (fob vessel, Bangkok) milled rice for export were quoted at \$571 per ton for the week ending January 7, up \$3 from the week ending December 10. Prices for Thailand's 5-percent broken were quoted at \$561 per ton for the week ending January 7, up \$4 from the week ending December 10. Prices for Thailand's 5-percent parboiled rice were quoted at \$574 per ton for the week ending January 7, up \$4 from the week ending December 10.

Prices for Thailand's broken have increased at a stronger pace. For the week ending January 7, prices for Thailand's A-1 Super 100-percent broken were quoted at \$537 per ton, up \$9 from the week ending December 10. All price quotes for Thailand's rice are from the Weekly Rice Price Update, reported by the USDA office in Bangkok.

Price quotes from Vietnam have also increased slightly over the past month, mostly due to 2012's record pace of shipments. For the week ending January 8, prices for Vietnam's 5-percent double-water-polished with 5-percent broken were quoted at \$415 per ton – up \$10 per ton from the week ending December 11. Thailand's price quotes for 5-percent broken are currently \$146 per ton above quotes for Vietnam's 5-percent double-water-polished milled rice, down \$6 per ton from a month earlier.

U.S. prices for long-grain milled rice have also increased over the past month, mostly due to a fast pace of sales. For the week ending January 8, prices for high-quality Southern long-grain rice (No. 2, 4-percent broken, bagged, free alongside vessel, U.S. Gulf port) were quoted at \$617 per ton, up \$22 from the week ending December 11. U.S. long-grain rough-rice (bulk, fob vessel, New Orleans) remained quoted at \$360 per ton for the week ending January 8, unchanged since early October.

In contrast, prices for California milled rice have declined over the past month, as new sales have been slow. California's package-quality medium-grain rice (sacked) for domestic sales was quoted at \$750 per ton for the week ending January 8, down \$33 from the week ending December 11. Export prices (for 30 kg bags, fob vessel) for California milled rice were also quoted at \$750 per ton for the week ending January 8, down \$65 from the week ending December 11. Price quotes for Vietnam, U.S. long- and medium-grain milled-rice prices, and U.S. rough-rice export prices are from the weekly Creed Rice Market Report. Δ



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