

SE Asia Flooding Spurs Lower Production Estimate



ECONOMIC RESEARCH SERVICE

U.S. Department of Agriculture, Washington, DC

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The 2011/12 global rice production forecast was reduced by 0.4 million tons this month to 461.0 million tons (milled basis), led by reductions in several Southeast Asian countries due to severe flooding in that region.

The largest production estimate decreases this month were made in Southeast Asia as a result of damages from severe flooding. Thailand's production forecast was reduced 950,000 tons to 20.3 million tons.

Many of Thailand's neighbors lack the capability to make up losses from the floods on a second crop. For Burma, production was revised down 500,000 tons to 10.5 million tons on the recommendation of the U.S. Agricultural Officer in Rangoon. Similarly, Cambodia's production estimate was reduced 400,000 tons to 4.8 million tons based on official reports from the U.S. Embassy in Phnom Penh. Last, Laos' production estimate was reduced 150,000 tons to 1.9 million tons based on findings from recent FAS crop travel to that country.

Outside of Asia, several large reductions were made this month in Sub-Saharan Africa. Production estimates for Madagascar, Mali, and Nigeria were all reduced by more than 100,000 tons, largely based on new data from FAO, down to 2.8 million tons, 1.6 million tons, and 2.6 million tons, respectively.

These declines were partially offset by a large increase for China, whose production forecast was raised 2.0 million tons to 141.0 million tons based on Government of China data indicating larger area. Production was also raised for Argentina, up 113,000 tons to 1.0 million tons based on preliminary plantings data from the Argentine Ministry of Agriculture. The crop is second only to the 2010/11 record. Smaller increases were made for Cote D'Ivoire, Malawi, Sierra Leone, and the United States.

Global rice production for 2010/11 was reduced by almost 0.2 million tons this month to 451.2 million tons. The largest revision was for Nigeria; that country's 2010/11 production estimate was revised down 180,000 tons to 2.49 million tons based on new information from the FAO. Smaller 2010/11 production estimate reductions were made for Australia, Cameroon, Guyana, Kenya, Malawi, Peru, and Sudan, while production estimates were raised slightly for Argentina, Benin, Chad, and Panama.

Global disappearance in 2011/12 is projected at a record 458.3 million tons, up almost 0.6 million tons from last month's forecast and nearly 11 million tons larger than 2010/11. Upward revisions for China, Ghana, and Sierra Leone were partially offset by reductions for Burma, Cambodia, Laos, Nigeria, and Thailand.

Global ending stocks for 2011/12 are projected at 100.6 million tons, down 0.8 million tons from last month and 3 percent larger than a year earlier.

Global Trade in 2012 Is Projected To Fall 4 Percent from the 2011 Record High

The global calendar year 2012 trade forecast was cut 50,000 tons this month to 32.9 million tons (milled basis), down fractionally from last

month's forecast and more than 4 percent less than the 2011 record.

Changes to exporters for 2012 were nearly offsetting, with increases for South American exporters almost equal to reductions in Southeast Asia. Brazil's export forecast was raised 150,000 tons to 900,000 tons based on expectations that Brazil will continue to be a strong export presence in the upcoming trade year. The 2012 export forecast for Argentina was raised 50,000 tons to 650,000 tons due to an increased 2011/12 production forecast. At the same time, Cambodia's export forecast was reduced 200,000 tons to 800,000 tons based on a reduced production forecast due to flooding in that country. Similarly, Burma's export forecast was reduced 50,000 tons to 750,000 tons based on a downward production revision.

On the import side, Madagascar's import forecast was raised 100,000 tons to 200,000 tons based on a reduced production estimate for 2011/12. Similarly, Mali's import forecast was raised 60,000 tons to 160,000 tons based on a reduced production estimate. Ghana's import forecast was raised 70,000 tons to 400,000 tons based on both a downward production revision for 2011/12 and the expected continuation of 2011's import pace.

Global trade for 2011 was raised by 125,000 tons this month to a record 34.4 million tons.

Several 2011 import revisions were made this month as well. Ghana's 2011 import estimate was raised 100,000 tons to a record 520,000 tons, based on import pace-to-date.

Thai Price Quotes Rise, While Price Quotes From Other Origins Fall

Trading prices for Thailand's high- and medium-quality grades of non-specialty rice have increased since the second week of October. The U.S. Agricultural Officer in Bangkok reports that while the paddy mortgage scheme had previously been supporting prices near the \$600 per ton level, the recent increase in prices is due to tight supplies of brokens needed for blending, as well as logistical issues resulting from the country's recent floods. Prices for Thailand's high-quality, 100-percent Grade B (fob vessel, Bangkok) milled rice for export were quoted at \$631 per ton for the week ending November 8, up 2 percent from the week ending October 10. Prices for Thailand's 5-percent brokens were quoted at \$618 per ton for the week ending November 8, up 3 percent from the week ending October 10. Prices for Thailand's 5-percent parboiled rice—a specialty rice—were quoted at \$613 per ton for the week ending November 8, up 2 percent from the week ending October 10.

U.S. long-grain milled-rice prices have also declined over the past month, partially in response to lower trading prices from several sources. For the week ending November 8, prices for high-quality Southern long-grain rice (No. 2, 4-percent brokens, bagged, free alongside vessel, U.S. Gulf port) were quoted at \$595 per ton, down \$22 from the week ending October 11. Because Thailand's quotes increased this month while U.S. quotes declined, Thai rice is now trading at a premium of \$21 compared to U.S. rice (adjusted to reflect the fob vessel price).

Prices for California rice were unchanged over the past month, as harvest starts to wind down in that State. California's package-quality medium-grain rice (sacked) for domestic sales is quoted at \$860 per ton for the week ending November 8, unchanged from the week ending October 11. Export price quotes (for 30-kg bags, fob vessel) are also unchanged from last month at \$775 per ton. Δ



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