

Some Increased Rice Production Offset By Reductions



ECONOMIC RESEARCH SERVICE

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Global rice production in 2010/11 is forecast at a record 452.4 million tons (milled basis), down slightly from last month's forecast, but still almost 3 percent larger than a year earlier.

Production changes for this month were mostly offsetting. Sri Lanka's 2010/11 production estimate was raised 206,000 tons this month to 2.8 million tons based on a Government of Sri Lanka report indicating a record yala crop. Vietnam's projected 2010/11 production estimate was raised by 163,000 tons this month to 24.98 million tons based on projections of a much larger winter crop by the U.S. Agricultural Counselor in Ho Chi Minh City.

Nicaragua's 2010/11 production estimate was raised 58,000 tons to a record 253,000 tons based on the expectation of continued production increases after a strong 2009/10 crop. Brazil's production estimate was increased 50,000 tons to 8.45 million tons based on the latest projections from the Government of Brazil. The U.S. crop was raised 40,000 tons to 7.44 million tons based on a higher yield estimate reported by NASS. Finally, Russia's production estimate was raised 20,000 tons to 690,000 tons based on a higher crop yield reported by the Russian Government.

These increases were more than offset by several projected crop reductions, the largest of which was for Egypt.

Two smaller reductions were made within South America. Colombia's 2010/11 production estimate was reduced 66,000 tons to 1.27 million tons. Bolivia's 2010/11 production estimate was cut this month by 37,000 tons to 252,000 tons based on information from the Government of Bolivia.

Global production for 2009/10 was reduced by 290,000 tons this month to 440.9 million tons.

The global disappearance forecast for 2010/11 was reduced this month by 200,000 tons to 452.8 million tons – still the highest on record. The global ending stocks forecast for 2010/11 was reduced nearly 400,000 tons this month to 94.4 million tons, down less than 1 percent from 2009/10 ending stocks.

Global Rice Trade in 2011 Is

Forecast To Be Virtually Unchanged at 30.3 Million Tons

Global rice trade for 2011 is estimated at 30.3 million tons, up slightly from last month, but down nearly half-a-percent from 2010. Thailand's 2011 export forecast was raised 300,000 tons to a near-record 10.0 million tons based on the recommendation of the U.S. Agricultural Counselor in Bangkok. Turkey's export forecast was raised 35,000 tons to 50,000 tons this month based on the recommendation of the U.S. Agricultural Counselor in Ankara.

Several substantial revisions were also made for importers this month. Indonesia's 2011 import forecast was raised 300,000 tons to 950,000 tons based on the recommendation of the U.S. Agricultural Counselor in Jakarta. Indonesia's 2009/10 production estimate was reduced this month based largely on a reduced

milling rate, resulting in lower domestic supplies of milled rice and necessitating higher imports in order to satisfy domestic consumption.

Turkey's imports were raised by 100,000 tons this month to 400,000 tons based on the recommendation of the U.S. Agricultural Counselor in Ankara. Colombia's projected 2011 imports were increased 50,000 tons this month to 150,000 tons, based on production losses in that country's 2010/11 crop due to severe flooding. Smaller import increases were made for Jamaica and Bolivia.

These increases were partially offset by reductions for several other import markets.

Trade for calendar year 2010 was raised 0.5 million tons this month to 30.4 million tons, due principally to large end-of-year shipments from the world's top two rice exporters – Thailand and Vietnam. Thailand's 2010 export estimate was increased 300,000 tons this month to 8.8 million tons, mostly due to large shipments to Indonesia and Sub-Saharan Africa in the final weeks of the year. Vietnam's export estimate was raised 234,000 tons to 6.7 million tons based on final export data reported by the U.S. Agricultural Counselor in Ho Chi Minh City. Smaller export estimate increases were made for Guyana, Kazakhstan, and Turkey.

These increases were slightly offset by two small reductions. Egypt's 2010 export estimate was reduced 40,000 tons to 560,000 tons based on information from the U.S. Agricultural Counselor in Cairo. The U.S. export estimate was reduced 25,000 tons to 3.5 million tons on a slower-than-expected shipment pace. The U.S. revision was based on Census shipments data through October and shipment data from the weekly U.S. Export Sales report for December.

On the importer side, the largest adjustment for 2010 was a 350,000-ton increase in Indonesia's import estimate to 1.15 million tons.

Global Trading Prices Decline on Thailand's Intervention Stock Release

Trading prices for Thailand's high- and medium-quality grades of non-specialty rice have decreased from 3 to 6 percent from the first week of December.

Prices for Thailand's high-quality, 100-percent Grade B (fob vessel, Bangkok) milled rice for export were quoted at \$529 per ton for the week ending January 10, down 5 percent from the week ending December 7. Prices for Thailand's 5-percent broken were quoted at \$512 per ton for the week ending January 10, down 4 percent from the week ending December 7. Prices for Thailand's 5-percent parboiled rice—a specialty rice—were quoted at \$526 per ton for the week ending January 10, down 3 percent from the week ending December 7.

Prices were also down for Thailand's lower quality rice varieties. For the week ending January 10, prices for Thailand's A-1 Super 100-percent broken were quoted at \$401 per ton, down 5 percent from the week ending December 7.

Vietnam's price quotes have softened slightly in recent weeks. For the week ending January 11, prices for 5-percent broken were quoted at \$485 per ton – down \$15 per ton from the week ending December 7.

For the week ending January 11, prices for high-quality southern long-grain rice (No. 2, 4-percent broken, bagged, free alongside vessel, U.S. Gulf port) were quoted at \$584 per ton, down \$11 from the week ending December 7.

U.S. long-grain rough-rice (bulk, fob vessel, New Orleans) remains quoted at \$310 per ton for the week ending January 11, unchanged from the week ending December 7, but down \$15 from late December. Δ



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