

U.S. Expected To Increase Rice Use



Global rice production for 2012/13 is forecast at a record 465.8 million tons (milled basis), fractionally above last month's forecast and up 0.8 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 four upward revisions to 2012/13 production forecasts this month, with two in South Asia. First, Bangladesh's production was raised 0.2 million tons to a record 34.0 million tons based on information from the USDA office in Dhaka indicating a record yield. In nearby Nepal, the 2012/13 production estimate was raised 100,000 tons to a record 3.0 million tons, also based on a higher yield. Third, Bolivia's 2012/13 production estimate was raised 74,000 tons to a record 364,000 tons based on a much larger area estimate and a higher yield. Finally, Ukraine's 2012/13 crop was raised 3,000 tons to 103,000 tons based on year end Government data.

These upward revisions were partially offset by four reductions. First, Argentina's 2012/13 production forecast was lowered 32,000 tons to 1.008 million tons based on information from the USDA office in Buenos Aires indicating a weaker yield. Second, Panama's 2012/13 crop forecast was lowered 34,000 tons to 175,000 tons based on information from FAO indicating smaller area. Outside the Western Hemisphere, Laos' 2012/13 production forecast was lowered 55,000 tons to 1.48 million tons based mostly on a weaker area estimate. The 2012/13 area forecast was reduced based on lower area estimates for 2011/12 and 2010/11. Finally, Russia's 2012/13 crop estimate was lowered 2,000 tons to 683,000 tons based on year-end data from the Russian Federal State Statistics Service.

The 2011/12 global crop estimate was raised fractionally this month to 465.0 million tons, up 3.5 percent from a year earlier. There was one upward revision. Nepal's 2011/12 crop estimate was raised 70,000 tons to 2.97 million tons based on FAO data indicating a much higher yield, although slightly lower area.

Global rice use (including a residual component) for 2012/13 is projected at a record 469.3 million tons, up 0.7 million tons from last month's forecast and, but more than 2 percent larger than a year earlier.

Global ending stocks for 2012/13 are projected at 101.95 million tons, down 0.5 million tons from last month's forecast and 3.5 million tons below a year earlier. Ending stocks forecasts were lowered this month for Indonesia, but raised for China and the United States. Despite the downward revision, global ending stocks in 2012/13 are the second highest in a decade.

Import Forecasts for 2013 Lowered For Cuba, Egypt, and Indonesia

Total calendar year 2013 global rice trade is

forecast at 37.1 million tons, down 0.2 million tons from last month's forecast and 1.9 million tons below the year-earlier record.

There were several 2013 import revisions this month. On the downside, Indonesia's 2013 import forecast was lowered 650,000 tons to 800,000 tons based on recommendations from the USDA office in Jakarta. Indonesia's 2013 imports are nearly 1.2 million tons below 2012. Egypt, a net-exporter, is projected to import just 50,000 tons of rice in 2013, down 100,000 tons from last month's forecast and 300,000 tons below last year. The remaining downward revisions are in Latin America. Brazil's 2013 import forecast was lowered 50,000 tons to 700,000 tons based on information from the USDA office in Brasilia. Finally, Bolivia's 2013 import forecast was lowered 35,000 tons to just 5,000 tons based on a much larger crop forecast.

These downward revisions in 2013 import forecasts were partially offset by three upward revisions.

The 2012 global rice trade estimate was lowered fractionally to 39.0 million tons, still up 2.8 million tons from a year earlier and the highest on record.

There were 5 downward revisions to the 2012 import estimates this month. These downward revisions were partially offset by several upward revisions, with two in Asia.

There were five upward revisions to 2012 imports in Latin America.

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 and some strengthening of the Thai baht. Prices for lower-quality rice have declined.

Prices for Thailand's high-quality, 100-percent Grade B (fob vessel, Bangkok) milled rice for export were quoted at \$576 per ton for the week ending February 5, up \$5 from the week ending January 7. Prices for Thailand's 5-percent broken were quoted at \$564 per ton for the week ending February 5, up \$3 from the week ending January 7. Prices for Thailand's 5-percent parboiled rice were quoted at \$576 per ton for the week ending February 5, up \$7 from the week ending January 7.

Price quotes for Thailand's premium jasmine rice – an aromatic variety – were quoted at \$1,118 per ton for the week ending February 5, up \$39 from the week ending January 7.

Price quotes from Vietnam continue to decline, mostly due to a lack of major new sales and expectations of a bumper winter-spring harvest to begin later this month. For the week ending February 5, prices for Vietnam's 5-percent double-water-polished with 5-percent broken were quoted at \$390 per ton – down \$25 per ton from the week ending January 8.

U.S. prices for long-grain milled rice have declined slightly over the past month, partly due to a slowdown in sales over the holidays. Despite a small decline over the past month, U.S. long-grain milled prices remain above December and early January levels. For the week ending February 5, prices for high-quality Southern long-grain rice (No. 2, 4-percent broken, bagged, free alongside vessel, U.S. Gulf port) were quoted at \$612 per ton, down \$5 from the week ending January 8. In contrast, U.S. long-grain rough-rice (bulk, fob vessel, New Orleans) were quoted at \$370 per ton for the week ending February 5, up \$10 per ton from the week ending January 8.

Prices for California milled rice for the U.S. market have remained unchanged over the past month. Δ