

Weather Accounts For India's Downward Production Trend



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Although large downward production revisions were made this month for India and the United States, global rice production for 2010/11 is still forecast to be the highest on record. At 452.5 million tons, the global production is down 2.1 million tons from last month's forecast, but up nearly 2 percent from 2009/10.

The largest production revision this month was for India, whose production was reduced 2.0 million tons to 97.0 million tons.

The U.S. crop was also reduced this month, down 400,000 tons to 7.6 million tons, still the largest on record.

Burma's 2010/11 production estimate was reduced 200,000 tons to 10.8 million tons. Smaller reductions in 2010/11 production forecasts were made this month for Angola, Benin, Cote D'Ivoire, the European Union, Mozambique, and Rwanda.

These 2010/11 downward revisions were partially offset by several increases.

Global production for 2009/10 was revised upward this month to 441.5 million tons. The largest upward revision was for Guinea, whose 2009/10 crop was raised 248,000 tons to 910,000 tons. Smaller upward revisions were made for Brazil, Burkina Faso, Cameroon, Chad, Gambia, Guinea-Bissau, Kenya, Liberia, Mali, Mauritania, Niger, Sudan, and Togo. These increases were partially offset by several small production decreases for Angola, Benin, Cote D'Ivoire, Uganda, and Uruguay.

The global disappearance forecast for 2010/11 was reduced this month by 1.7 million tons to 452.7 million tons – still the highest on record. Reductions for Benin, Cote D'Ivoire, India, and others more than offset increases for Cameroon, Guinea, and Mali. The global ending stocks forecast for 2010/11 was lowered this month to 94.3 million tons, down nearly 300,000 tons from last month, and down slightly from 2009/10 global rice ending stocks. Large reductions in the ending stocks forecasts for Burma and the U.S. were partially offset by increased forecasts for Indonesia and Mali.

2011 Global Rice Trade Forecast Slightly Reduced to 30.5 Million Tons

Global trade for 2011 was reduced slightly this month to 30.54 million tons – less than a 1-percent decrease from last month's projection. Global trade remains forecast nearly 2 percent higher than in 2010.

The only exporter revisions this month were decreases for Burma and Russia.

For the importers, Indonesia's 2011 imports were raised 150,000 tons this month to 400,000 tons, based on information from the U.S. Agricultural Counselor in Jakarta indicating future government-to-government purchases from Thailand. Imports by the United Arab Emirates (UAE) were raised 50,000 tons this month to 400,000 tons.

These increases were slightly offset by decreases in import forecasts for several African countries, motivated largely by changes in 2010/11 production forecasts. The largest of these was a 150,000-ton reduction Guinea's imports to 225,000 tons. The global export forecast for 2010 remains unchanged this month at

30.1 million tons, with no adjustments in exports for either major or minor exporting countries.

Revisions to importers for 2010 were mixed. Indonesia's import forecast was raised 200,000 tons to 700,000 tons based on expected shipments of a government-to-government purchase from Thailand before the end of the year. The import forecast for the United Arab Emirates was raised 60,000 tons to 400,000 tons based on the recommendation of the U.S. Agricultural Counselor in Abu Dhabi. These increases were partially offset by a 130,000-ton reduction in Guinea's 2010 import forecast to 200,000 tons, based on a large increase in the country's 2009/10 production estimate and a slower-than-expected shipment pace.

Thailand and U.S. Trading Prices Are Up from a Month Ago

Trading prices for Thailand's high- and medium-quality grades of non-specialty rice have risen 4 to 6 percent from the first week of September, due largely to a stronger Thai baht.

Prices for Thailand's high-quality, 100-percent Grade B (fob vessel, Bangkok) milled rice for export were quoted at \$502 per ton for the week ending October 4, up 4 percent from the week ending September 6. Prices for Thailand's 5-percent broken were quoted at \$486 per ton for the week ending October 4, up 5 percent from the week ending September 6. Prices for Thailand's 5-percent parboiled rice – a specialty rice – were quoted at \$540 per ton for the week ending October 4, up 5 percent from the week ending September 6.

Prices also increased for Thailand's lower quality rice varieties. For the week ending October 4, prices for Thailand's A-1 Super 100-percent broken were quoted at \$429 per ton, up 6 percent from the week ending September 6.

Vietnam's prices have remained unchanged over the past month, quoted at \$460 for the week ending September 28, due to light demand and tight supplies leading up to the country's main-season harvest. Because Thailand's prices rose this month as Vietnam's quotes remained unchanged, the premium of Thai rice increased to \$42, compared to a difference of \$23 last month.

Though a record rice crop is projected for the U.S. in 2010/11, price quotes for U.S. long-grain milled rice firmed over the past month due to concerns over yields in the Delta, where extremely hot weather this summer hindered rice plant development. For the week ending September 28, prices for high-quality southern long-grain rice (No. 2, 4-percent broken, bagged, free alongside vessel, U.S. Gulf port) were quoted at \$485 per ton, up \$55 from the week ending September 7. This large rise in prices pushed U.S. prices closer to Thai quotes, with U.S. rice (adjusted to reflect the fob vessel price) quoted at a \$2 discount to similar varieties from Thailand this week, compared to a discount of nearly \$40 a month ago. U.S. long-grain rough-rice (bulk, fob vessel, New Orleans) is quoted at \$285 per ton for the week ending September 28, up \$40 from the week ending September 7.

for California rice have remained mostly unchanged over the past month, with prices for California package-quality medium-grain rice (sacked) for domestic sales still quoted at \$750 per ton for the week ending September 28. Export price quotes (for 30-kg bags, fob vessel) are reported at \$800 per ton, up \$10 from the week ending September 7. Japan, South Korea, and Taiwan have all begun tendering to fulfill their WTO market access commitments, and demand for U.S. medium-grain from Middle-East origins remains strong. Δ



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