

Weather Concerns In Asia Reduce Crop Estimates



The global production forecast for 2009/10 is raised slightly from last month to 433.7 million tons (milled basis), down 3 percent from the year-earlier record.

Weather concerns in several countries in South and East Asia have led to reduced crop estimates for 2009/10. Bangladesh's production was reduced 1.0 million tons to 30.0 million tons based on a reduced yield forecast. Late and uneven monsoon rains combined with localized floods during transplanting likely reduced yields of the summer planted Aman. The earlier planted Aus rice crop also suffered from lack of rains. Damage from several late-season typhoons have reduced the Philippines' production forecast 160,000 tons to 10.7 million, with area lowered 50,000 hectares. Outside Asia, Colombia's production was lowered 185,000 tons to 1.45 million due to a lower yield resulting from excessive rain. Nicaragua's production was lowered based on severe drought in much of the region.

These reductions were more offset by several upward revisions. First, China's 2009/10 production forecast was raised 900,000 tons to 136.0 million, the largest since 1999/2000. The upward revision – entirely due to a revised yield – was based on government data indicating larger than expected single and late-season crop harvests. Madagascar's crop was raised 350,000 tons to a record 2.7 million based on larger area and a record yield. Guyana's production was raised 54,000 tons to 369,000 based on larger plantings. The U.S. crop was raised 1 percent to 7.06 million tons due to a higher yield. Russia's production was raised 40,000 tons to 575,000 based on a higher yield. This is the largest crop for Russia since 1990/91. There were several smaller revisions – both increases and decreases – to production forecasts for Sub-Saharan Africa this month.

Global disappearance for 2009/10 is projected at 438.5 million, up fractionally from last month and the highest on record.

This month's global ending stocks forecast for 2009/10 was raised more than 1 percent from last month to 85.9 million tons, down 4.8 million tons from 2008/09. Ending stocks were raised this month for Indonesia, the Philippines, and the United States. The global stocks-to-use ratio was lowered fractionally from last month to 19.2 percent, down from 2008/09's forecast of 20.0 percent.

Global Rice Trade Projected To Increase 5 Percent in 2010;
Vietnam's 2010 Export Forecast Raised to 5.5 Million Tons

The global trade forecast for 2010 was raised 430,000 tons to 29.65 million tons this month, 5 percent higher than in 2009. High global prices and trade restrictions in both 2008 and 2009 caused global trade to decline both years.

There were three revisions to exporters for 2010 this month. First, Vietnam's export forecast was raised 500,000 tons to a near-record 5.5 million. The increase was largely based on a 724,000-ton increase in the 2008/09 Vietnam crop estimate to a record 24.4 million tons. The upward revision was due to both a larger area estimate and a higher yield. Exports by the Eu-

ropean Union were raised 35,000 tons to 135,000 based on information from the U.S. Attaché. In contrast, Egypt's 2010 export forecast was lowered 100,000 tons to 500,000 based on continued government restrictions.

There were only minor changes for major importers for 2010. The European Union imports were raised 150,000 tons to 1.4 million based on information from the U.S. attaché in Brussels. Nicaragua's imports were raised 30,000 tons to 130,000 based on a smaller 2009/10 crop projection. Finally, Russia's imports were lowered 40,000 tons to 180,000 based on a larger crop.

The 2009 global trade remains forecast at 28.2 million tons, more than 4 percent below 2008. Export revisions were minor. On the import side, purchases by the Philippines were lowered 400,000 tons to 2.0 million based on a slower-than-expected shipment pace to date. This reduction was partially offset by a 150,000-ton increase in imports for the EU to 1.35 million.

Thailand's Trading Prices Drop 6-8 Percent; Vietnam's Price Quotes Increase

Trading prices for Thailand's high- and medium-quality grades of non-specialty rice have declined 6-8 percent over the past month. These factors have more than offset a stronger baht.

Prices for Thailand's high-quality, 100-percent Grade B (fob vessel, Bangkok) milled rice for export were quoted at \$522 per ton for the week ending October 5, down \$41 from the week ending September 7. Prices for 5-percent broken were quoted at \$497 per ton for the week ending October 5, down \$39 from the week ending September 7. Prices for Thailand's 5-percent parboiled rice – a specialty rice – were quoted at \$578 per ton for the week ending October 5, down \$37 from the week ending September 7.

Low-quality rice prices have also declined, although to a lesser degree. For the week ending October 5, prices for Thailand's A-1 Super 100-percent broken were quoted at \$299 per ton, down \$7 from the week ending September 7.

While Thailand's rice prices have declined, Vietnam's rice prices have risen over the past month. For the week ending October 6, price quotes for Vietnam's 5-percent broken were around \$400 per ton, up \$30 from the week ending September 8. The increase is largely a result of anticipation of a large sale the Philippines later this year and recent government price stabilization purchases.

U.S. long-grain milled rice export prices have declined since mid-September after holding steady for more than 6 weeks. For the week ending October 6, price quotes for high-quality southern long-grain rice (No. 2, 4-percent broken, bagged, free alongside vessel, U.S. Gulf port) were quoted at \$496 per ton, down \$33 from the week ending September 8. The price decline is largely due to a lack of demand by offshore buyers, adequate U.S. supplies, and expectations of large harvest. U.S. prices (adjusted to reflect the fob vessel price) are currently a few dollars below Thailand's quotes. U.S. long-grain rough-rice (bulk, fob vessel, New Orleans) remains quoted at \$330 per ton for the week ending October 6, unchanged from the week ending September 8.

Like long-grain prices, California medium-grain milled rice quotes continue to decline. Prices for California package-quality medium-grain rice (sacked) for domestic sales are quoted at \$860 per ton for the week ending October 6, down \$22 from the week ending September 8. Export price quotes (in 30-kg bags, fob vessel) are reported at \$825 per ton, down \$25 from the week ending September 8. A bumper expected harvest and a big increase in carryout are behind the slide in U.S. medium/short-grain prices. Δ



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