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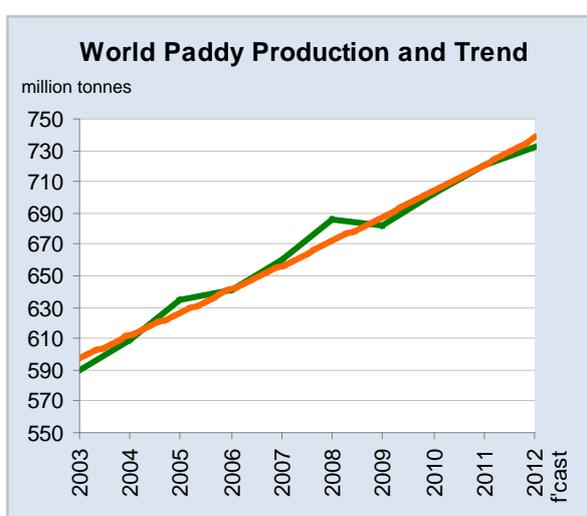
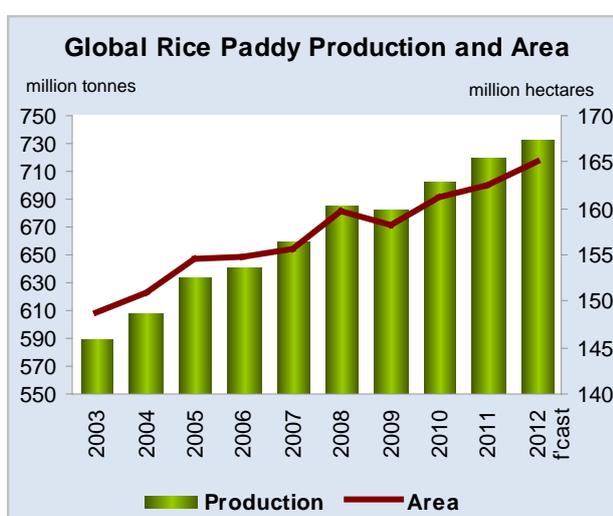
## ROUND-UP

- Since January, the estimate of **world paddy production in 2011** has been lowered by 1.4 million tonnes to 720.0 million tonnes (480.1 million tonnes, milled basis), reflecting deteriorating prospects in several countries, in particular Bangladesh. Yet, if confirmed, world output would surpass the already bright 2010 outcome by 2.5 percent, or 17.7 million tonnes. This would be a rather positive result, given the erratic climatic conditions that have characterized the season under the lingering la Niña, which, only now, is dissipating. Much of the 2011 expansion stemmed from gains in major Asian rice producing countries, especially India, where output surpassed 100 million tonnes of milled rice for the first time. Record crops were also harvested in Latin America and the Caribbean, while production in Oceania proceeded on a recovery path. These gains served to more than compensate for falling production in Africa, North America and Europe.
  - Turning to the coming season, FAO has set its first forecast of **global paddy production in 2012** at 732.3 million tonnes (488.2 million tonnes, milled basis), 1.7 percent above the revised 2011 estimate. The year-on-year increase, equivalent to 12.3 million tonnes, partly rests on expectations of a return to more neutral weather conditions. It would rely mostly on a 1.6 percent expansion of plantings to 165.1 million hectares, as average yields are expected to remain steady at a relatively high 4.44 tonnes per hectare. Asia is mostly behind the 2012 projected increase in world production, with large absolute gains expected in Bangladesh, China, India, Myanmar, Pakistan, the Philippines and, especially, Thailand, where the sector is foreseen to recover from last year's disastrous floods. The outlook is also positive in Indonesia, Malaysia and Sri Lanka, which have already harvested their main 2012 crops. Production is expected to rebound in Africa, headed by Mali, Senegal and Nigeria, while Madagascar may incur a contraction, following the passage or landfall of successive storms since January. Prospects are rather subdued in Latin America and the Caribbean (LAC), where production is likely to slide by 7 percent from the 2011 record, after a combination of dry weather, falling rice prices and rising input costs depressed plantings, especially in Argentina, Brazil and Uruguay. In the other regions, drought and falling prices also prompted farmers in the European Union and the United States to shift to other crops, while Australia already garnered a bumper 2012 crop on ample irrigation water.
  - FAO's forecast of **global rice trade in calendar 2012** has been raised to 34.3 million tonnes, 1.5 million tonnes more than foreseen in January. The new forecast reflects upwards revisions to imports, especially by China, Egypt, Indonesia and Senegal, while exports, mainly by India, Brazil, Pakistan and Uruguay, were scaled up. Nonetheless, at 34.3 million tonnes, 2012 world trade in rice would still fall 2 percent, or close to 900 000 tonnes, short of the 2011 record. This year's contraction is expected to be driven by faltering import demand in the major traditional markets in Asia, many of which just garnered large crops. By contrast, amid deteriorated output prospects, Africa is now foreseen to require greater deliveries. Imports by countries in Latin America and the Caribbean, Europe and North America are also expected to rise. The availability of ample and relatively cheap supplies is expected to allow India to increase rice exports and capture a larger share of the market. Australia, Cambodia, Pakistan and Viet Nam are also expected to sell more. India's resumption of non-basmati deliveries, after it lifted its 3-year export ban last September, is instigating growing competition and falling prices, a trend that is hitting Thailand's exports most negatively. Reduced availabilities may also depress sales by Argentina, Brazil, China, Myanmar, the United States and Uruguay.
  - Although FAO has lowered its forecast of **world rice utilization in 2011/12** to 468.4 million tonnes (milled basis), this remains 2 percent above the previous year's estimate. The projected increase reflects expectations of continued growth in global consumption as food to 396.0 million tonnes, which translates into a modest gain in average per caput intake to 56.7 kilos. Under current prospects, global rice use in 2012/13 could rise by a further 2 percent to 477.0 million tonnes, with food consumption reaching 402.6 million tonnes and average annual per capita intake, 57.0 kilos. In 2013, world rice consumption could be heightened by falling prices in many regions but also by India's plan to widen the numbers of household eligible to subsidized grain distribution.
  - Since January, FAO has revised up its forecast of **global rice carryover in 2012** by 1.8 million tonnes to 152.8 million tonnes (milled basis), which is 11.8 million tonnes above their opening level and sufficient to cover 3.9 months of projected global rice consumption. A further accumulation is preliminarily foreseen in **2013**, when world rice carried-over are predicted to reach 164.3 million tonnes. In both years, the stock replenishment is expected to concentrate in net rice exporting countries, mainly China (Mainland) and India, but also Thailand, where they are being boosted by public purchases under the pledging programme. Stocks held by importing countries as a group are expected to change little both in 2012 and 2013.
- International rice export prices** have remained on a steady to downward trend since January, as competition for shrinking markets, instigated by India's September lifting of its ban on regular rice exports, depressed prices in most origins. However, export quotations remain firm in Thailand, supported by government purchases. Under current prospects of ample availabilities, export prices could remain under downward pressure in the coming months, although that will also very much depend on the unfolding of the 2012 season, as well as policy decisions and currency factors.

## INFORMATION UPDATE AS OF 26 APRIL 2012

### Production growth expected to slow down in 2012

While the 2011 season is about to be concluded, FAO has revised down its estimate of global paddy production<sup>1</sup> for the season by 1.4 million tonnes to 720.0 million tonnes (480.1 million tonnes, milled basis). Production figures reported in January were lowered for **Bangladesh, Pakistan, Sri Lanka** and **Venezuela**, while they were raised for **Cambodia, India, Japan** and **Nigeria**. Despite the downward adjustment, the revised global production estimate would still suggest a record harvest in 2011, with world output surpassing the already bright 2010 outcome by 2.5 percent, or 17.7 million tonnes. Much of the season's expansion is expected to stem from large gains in Asia, in spite of torrential rains and floods having caused damage in a number of countries. Record crops were also harvested in Latin America and the Caribbean, while production in Oceania proceeded on a recovery path. These gains served to more than compensate for falling production in Africa, North America and Europe.



Turning to the 2012 season, although most northern hemisphere countries will not begin to plant their main crops until May/June, these are already at the harvest stage along or south of the Equator. The season started in the Southern Hemisphere still under the influence of a La Niña event, which most meteorological agencies indicate is on course to dissipate. These agencies have also raised the possibility of El Niño conditions emerging late in the year, but have predicted generally neutral El Niño/La Niña conditions during June-September, a critical period for Northern Hemisphere countries, when rainfall performance is decisive to the development of the main paddy crops. Assuming relatively favourable growing conditions, FAO has set its first forecast of global paddy production for the 2012-2013 season at 732.3 million tonnes (488.2 million tonnes, milled basis), which is only 1.7 percent above the revised 2011 estimate. Prospects for slowing production growth are consistent with falling rice prices across many important producing countries, rising costs of basic inputs and reported difficulties by producers to access credit. The increase in world output, equivalent to 12.3 million tonnes, would rely largely on a 1.6 percent expansion of plantings to 165.1 million hectares, while average yields are expected to remain steady at the high average of

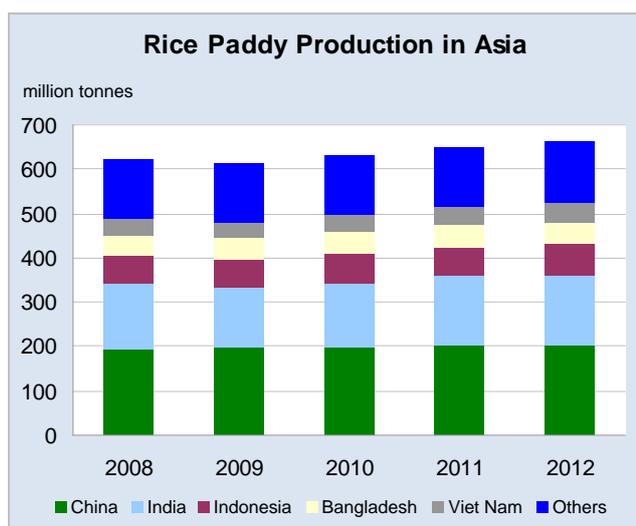
<sup>1</sup> The 2011 rice production season normally includes rice from the main paddy crops whose harvests fall in 2011, to which rice from all subsequent secondary crops, if any, is added. In the case of northern hemisphere countries, this principle implies that production in 2011 comprises the main rice crop, which is usually collected in the latter part of the year, plus the volume obtained from the successive secondary crops, commonly harvested in the first half of 2012. In the case of southern hemisphere countries, production in 2011 normally comprises rice from the main paddy crops assembled in the first part of 2011, plus rice from the secondary crops, generally gathered in the latter part of 2011. This approach to assess rice production is applicable to any given season.

4.44 tonnes per hectare reached in 2011. Asia is largely behind the 2012 projected increase in production, with recoveries in Africa and a third year of recuperation in Oceania also expected. On the other hand, production levels in North America, Latin America and the Caribbean and Europe look set to fall.

## A. ASIA

### India heads a 2.7 percent expansion of production in Asia in 2011

Given that several important producers in Asia are now gathering their 2011 secondary crop, governments continue to update their forecasts of output for the full season. As a result, the outlook for 2011 production in the region has been subject to a 804 000 tonne downward adjustment to 651.9 million tonnes (434.9 million tonnes, milled basis), a level that would still imply a 2.7 percent year-on-year increase from the 2010 harvest. Based on the latest estimates, **Bangladesh, the Chinese Province of Taiwan, the Islamic Republic of Iran, the Democratic People's Republic of Korea, Malaysia, Nepal, the Philippines and Turkey** are all set to end the season with larger harvests. Particularly favourable results are anticipated in **China (Mainland)** and, especially, **India** where production is estimated to have jumped by over 11 million tonnes. Marked increases were also registered by **Pakistan** and **Viet Nam**, while output in **Afghanistan, Indonesia, Japan, the Republic of Korea, the Lao People's Democratic Republic, Myanmar, Sri Lanka and Thailand** underwent a contraction.



Although still preliminary, given that much will depend on the pattern of the monsoon rains, FAO has tentatively set its 2012 production forecast for the region at 665.5 million tonnes (443.8 million tonnes, milled basis), 2.1 percent above the current 2011 estimate. Based on assumptions of average growing conditions, several countries incurring a contraction in 2011 due to unfavourable weather are expected to see output rebounding in 2012. Amongst the single producers, this is particularly expected to be the case of **Thailand**, where a strong recovery is foreseen, as producers respond to the high prices offered under the public support programme.

**Indonesia, the Lao People's Democratic Republic, Myanmar and Sri Lanka** are also expected to recuperate losses, with further growth anticipated in **Bangladesh, China (Mainland), India, Pakistan and Viet Nam**.

The 2011 season ended negatively in **Afghanistan**. Lower yields, depressed by dry conditions and reduced availability of water for irrigation, offset gains in area planted to paddy, resulting in output declining by 6 percent to 672 000 tonnes (450 000 tonnes, milled basis). Farmers in the country are presently engaged in planting activities of 2012 crops, with early prospects pointing to more favourable results. In fact, crops are poised to benefit from improved rain and snowfall performance, which should raise water availability for irrigation and allow yields to recover. As a result, the country is currently anticipated to gather 700 000 tonnes (469 000 tonnes, milled basis), up 4 percent from 2011.

FAO has lowered the 2011 production forecast for **Bangladesh** by 1.3 million tonnes to 50.6 million tonnes (33.7 million tonnes, milled basis), now pointing to a modest 1 percent increase from

the record 2010 level. The reduction follows the release of figures by the Bangladesh Bureau of Statistics, which assess the Aman harvest at 19.2 million tonnes (12.8 million tonnes, milled basis), nearly 700 000 tonnes less than predicted earlier and virtually unchanged from 2010. With high energy prices and power shortages reportedly affecting irrigation activities, the ongoing Boro harvest is also estimated to have remained steady at 27.9 million tonnes (18.65 million tonnes, milled basis). The figures would thus indicate that the bulk of the 340 000 tonne increase in overall 2011 output came from the Aus crop. Over the 2012 season, authorities are aiming to raise production from this crop, the smallest of the three cultivated each year, by a further 300 000 tonnes to 3.7 million tonnes (2.5 million tonnes, milled basis). A support package of Taka 350 million (USD 4.2 million) has been earmarked for the purpose, which will finance cultivation of 49 000 hectares of land, distribution of Nerica and high-yielding seed varieties, as well as fertilisers.<sup>2</sup> Although much of the success of the season will be determined by the performance of the summer rains, FAO has tentatively set its 2012 production forecast for the country at 51.8 million tonnes (34.5 million tonnes milled basis), 2 percent above the current 2011 estimate.

In an attempt to counter downward pressure on local quotations from the harvest, in March the Government of Bangladesh raised its targeted volume of purchases from the main Aman crop, from an initial amount of 200 000 tonnes to 350 000 tonnes. These volumes were to be bought by 15 April, at a price of Taka 28 per kilo (USD 336 per tonne) in the case of parboiled rice and Taka 27 per kilo (USD 324 per tonne) in the case of white rice. Though representing a small share of overall domestic consumption, procurement of supplies by the government is essential to the well functioning of the country's Public Food Distribution System, which targets to distribute 1.7 million tonnes of rice in the 2011-2012 fiscal year, 7 percent more than in 2010-2011.

Even though crops were affected by severe floods between September and October, 2011 production in **Cambodia** is officially estimated to have hit a record of 8.8 million tonnes (5.6 million tonnes, milled basis). The 6 percent growth was owed to excellent yields, thanks to abundant water supplies, greater use of improved varieties and silt deposits from floods. While producers in the country begin land preparation for the planting of the 2012 paddy crop, FAO's forecasts for the coming season point to output rising by an additional 2.5 percent to 9.0 million tonnes (5.8 million tonnes, milled basis). Indeed, the sector is expected to continue attracting great investment interest, given its potential of furnishing large and affordable supplies to foreign markets. In this connection and since first announcing a 2015 export target of 1.0 million tonnes, public assistance the sector has included the provision of seeds to farmers, expansion of agricultural lending, investment in irrigation infrastructure and tax relief measures on items such as agricultural machinery and materials. However, while output has seen a vibrant pace of growth in recent years, shortages of financing for procurement and limited processing capacity continue to constrain the industry. Some relief should, however, be provided by this year's renewal of the Credit Guarantee Programme for USD 25 million worth of commercial loans to millers, while a joint venture with Viet Nam for a large milling facility is expected to become operational in May 2012.

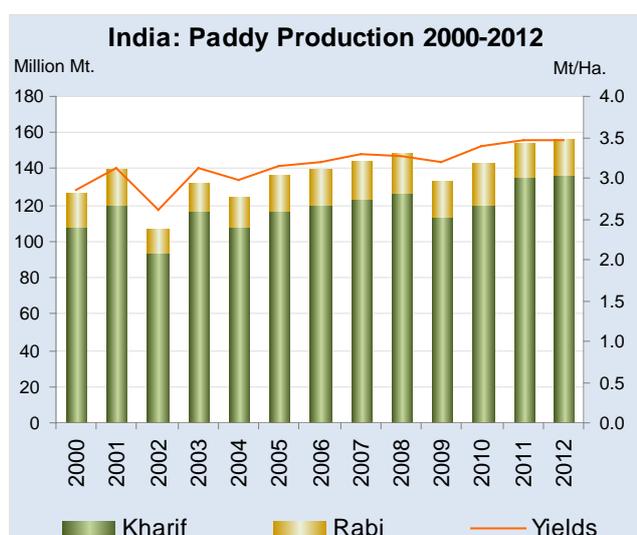
The official 2011 production estimate for **China (Mainland)** remains unchanged at 200.8 million tonnes (137.5 million tonnes, milled basis), a 3 percent year-on-year increase, mainly stemming from larger harvests in northeaster provinces. On the other hand, the 2012 season was opened with the February planting of early rice crops. Based on the current FAO outlook, output in the country is expected to expand by 0.6 percent to 202.0 million tonnes (138.4 million tonnes, milled basis). The projected slowdown of growth reflects rising costs of fuel and other inputs, which would dampen the positive effect of a 9-18 percent increase in support prices.

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<sup>2</sup> All currency conversions are based on exchange rates as on 1 April 2012.

China: Government paddy procurement prices									
	Early Indica Rice	Intermediate and Late Indica Rice	Japonica Rice	Early Indica Rice	Intermediate and Late Indica Rice	Japonica Rice	Early Indica Rice	Intermediate and Late Indica Rice	Japonica Rice
	Yuan per 50 kilo			Yuan / tonne			USD / tonne		
	2008	77	79	82	1,540	1,580	1,640	220	226
2009	90	92	95	1,800	1,840	1,900	263	269	278
2010	93	97	105	1,860	1,940	2,100	272	284	308
2011	102	107	128	2,040	2,140	2,560	311	326	390
2012	120	125	140	2,400	2,500	2,800	312	327	391

For 2012, the Chinese Government has further affirmed its commitment to assist the sector by boosting agricultural allocations by 18 percent to Yuan 1.2 trillion (USD 189 billion). Of these, 162.8 billion (USD 26 billion) are to be earmarked to fund direct payments to grain growers, subsidies on seeds and machinery, as well as other inputs. The increase is consistent with this year's main policy framework, stated in the No. 1 Central Document, which again underscored the importance of rural issues, stable grain output and agricultural technology. Ensuring self-sufficiency in grains through greater production, enhanced distribution and market stability are also at the core of a draft Grains Law, made public for commentary in February. The document additionally reinforces the legal oversight of the State over all research, production, sale and trade of genetically-modified crops. This follows unconfirmed reports in the latter part of 2011, which would have Chinese authorities not pushing ahead with commercialization of GM rice or GM wheat over the coming five to ten years, while prioritising GM maize instead.



Following the April release of the Third Advance Estimates, **India's** production forecasts for 2011 have been raised by 615 000 tonnes to 155.1 million tonnes (103.4 million tonnes, milled basis). The adjustment results from revised estimates of Kharif production, now assessed substantially higher at 136.1 million tonnes (90.8 million tonnes, milled basis), up 10.1 million tonnes from 2010. This increase is gauged to have more than compensated for a 17 percent decline in Rabi crop output to 19.0 million tonnes (12.7 million tonnes, milled basis), given that prospects of lower prices depressed area under Rabi paddy. As a result and reflecting the

excellent growing climate that prevailed over the season, the overall 2011 production estimate still points to an 8 percent year-on-year expansion and a new record.

As to prospects for the 2012 season in India, these remain uncertain at this time of the year, given that the performance of the monsoon rains will be a critical factor, especially for the development of the predominantly rainfed Kharif crop. However, in its first seasonal forecast, the India Meteorological Department (IMD) has dispelled earlier concerns regarding the probability of an El Niño event negatively impacting monsoon performance over the coming months. Based on the agency's April forecast, rainfall in the June-September period is likely to remain within normal bound, reaching 99 percent of the Long Period Average. As such and assuming no major obstacles are occurred, the country is tentatively forecast to gather 157.5 million tonnes (105.0 million tonnes, milled basis), which would top the current 2011 estimate by 2.4 million tonnes. Part of this growth is expected to reflect the strong Government assistance that the sector currently enjoys. For

instance, as part of its 2012 budgetary allocations, Indian authorities have set out plans to raise investment in irrigation and storage facilities, while targeting a 21 percent increase in agricultural credit disbursement. Moreover, after a reported success of the 2011 campaign in eastern regions, allotments to the “Bringing the Green Revolution in Eastern India” (BGREI) programme have been boosted by Rupees 6.0 billion (USD 115 million) to Rupees 10.0 billion (USD 192 million). Measures to raise yields over the season are to include promotion of the System of Rice Intensification (SRI), of stress and salt tolerant seed varieties and of hybrid rice. These would come on top of official recommendations to raise minimum support prices for paddy by up to 16 percent, although the heavy financial costs that fertilisers subsidies entail to the State would be behind similar proposals to raise regulated prices of urea by 10 percent from their current level of Rupees 5 310 per tonne (USD 102 per tonne).

The 2012 season is well advanced in **Indonesia**, where the main paddy crop is currently at harvest stage. Output this season is officially anticipated at 68.0 million tonnes (42.8 million tonnes, milled basis), down substantially from the 72.0 million tonnes (45.4 million tonnes, milled basis) initially targeted, but still 4.0 percent above the poor 2011 outturn. Although pest infestation problems persist, climatic conditions are improved relative to 2011, with active steps being reportedly taken to contain incidence of pest attacks. In a strive to reduce reliance on imports, Indonesian authorities have also announced that Rupiah 9 trillion (USD 1.0 billion) have been set aside for state companies to bring 100 000 hectares under rice cultivation in the Kalimantan region. The project aims to bring an additional 200 000 hectares under paddy in the coming years, with the objective to raise output by 1.0 million tonnes by 2013. A separate Government decision has also approved a 25-30 percent increase in official purchasing prices to Rupiah 3 300 - 6 600 per kilo (USD 363-726 per tonne). This is after official prices had been left unchanged since 2009. It is hoped that this level will enable Bulog to meet a procurement target of 3.5 million tonnes, up from a 2011 low of 1.6 million tonnes. The measure could also serve to partly compensate for higher subsidised urea costs, the ceiling price of which was raised by 12.5 percent to Rupiah 1 800 per kilo (USD 198 per tonne) in January.

Demonstrating the resilience of the sector to the devastation caused by the March 2011 earthquake and tsunami, the 2011 season in **Japan** is officially estimated to have ended with a 10.5 million tonne (7.6 million tonnes, milled basis) output. Despite the small reduction, equivalent to 1.0 percent, fears of shortages and of nuclear contamination prompted consumers to stock-up on supplies, resulting in strong price increases in the second half of the year, a tendency that contrasted sharply with a near three-year downward streak. As to prospects for the 2012 crop, FAO does not foresee much change, with output forecast to remain largely steady. However, the coming season will see more stringent limits applied in testing for presence of radioactive contaminants in food. Starting on 1 April 2012, produce found to contain caesium above a 100 becquerels per kilo threshold will be prohibited from entering the market. In addition, it will not be permitted to plant rice in areas where 2011 harvests were found to contain traces of caesium above the previously applicable threshold of 500 becquerels per kilo. Municipalities where caesium concentration in 2011 crops ranged from 100 and 500 becquerels per kilo will be permitted to grow rice, provided all produce subsequently gathered undergoes testing before distribution. All combined, the areas to which the above restrictions apply were reported to be small, amounting to 7 300 hectares, or 0.5 percent of the 1.6 million hectare extension in 2011.

Notwithstanding an unfavourable growing climate, 2011 production in the **Democratic People’s Republic of Korea** expanded by 2 percent to 2.48 million tonnes (1.63 million tonnes, milled basis). Higher yields, boosted by greater availability of fertilisers, energy and irrigation, made the expansion possible. Even though the 2012 crop will not be planted until May/June, assuming average growing conditions prevail over the season, FAO tentatively forecasts production in the country to remain largely unchanged from the 2011 level.

Following successive large harvests, in 2010 the **Republic of Korea** announced a more ambitious rice acreage reduction plan, aiming to cut plantings by 40 000 hectares. For the purpose, authorities offered a payment of Won 3 million (USD 2 640) per hectare to producers willing to plant other crops in their paddies. In line with the initiative, area retrenchments are estimated to have been responsible for a 1.8 percent contraction in 2011 production to 5.7 million tonnes (4.22 million tonnes, milled basis). With the programme set to continue through 2013, FAO anticipates 2012 output in the country to contract by an additional 1.7 percent to 5.6 million tonnes (4.1 million tonnes, milled basis).

Like many countries in the region, the **Lao People's Democratic Republic** was hit by torrential rains and floods in September/October 2011, which affected twelve of the country's provinces and an estimated 64 000 hectares of farmland. Despite the allocation of Kip 130 billion (USD 16 million) to rehabilitate infrastructure and assist production, delays in repairs of irrigation schemes are reported to have constrained water availability for the secondary crop. As a result, the country is anticipated to end the 2011 season with a 2.95 million tonnes harvest (1.8 million tonnes, milled basis), or 3.9 percent less than in 2010. However, amid expectations of a return to normal growing conditions, production in the country is forecast to rebound by 3.4 percent to 3.1 million tonnes (1.8 million tonnes, milled basis) in 2012.

Located in the southern hemisphere, **Malaysia** is well into the 2012 season, having already collected its main paddy crop. With no major setbacks reported to have been incurred, FAO anticipates the country to gather 2.7 million tonnes (1.7 million tonnes, milled basis) in 2012, up 1.3 percent from the good 2011 outcome. Much of this growth is expected to rest on official efforts to boost yields, as a means to sustain a 70 percent self-sufficiency in rice. New initiatives to achieve these objectives include the consolidation of smallholdings located around major production centres into estate farms.

**Myanmar** was also negatively impacted by floods in 2011, a hindrance that was largely responsible for an estimated 2.6 percent output decline to 30.0 million tonnes (18.9 million tonnes, milled basis). FAO anticipates much of these losses to be recovered over the 2012 season, permitting the country to gather 31.0 million tonnes (19.5 million tonnes, milled basis). The projected growth relies on expectations of a return to average growing conditions. However, notwithstanding efforts to shore-up prices through official purchases, the sector is facing rising production costs, shrinking margins and continuous credit constraints, all of which are reported to be fostering a move away from paddy cultivation. Nevertheless, authorities are set to increase technical assistance to farmers, especially to raise yields and quality, banking on an improved 2012-2013 export pace.

Although 423 000 tonnes lower than previously anticipated, the latest official assessment of 2011 production in **Pakistan** confirms an exceptional seasonal turnout, with output estimated to have rebounded to 10.3 million tonnes (6.9 million tonnes, milled basis), up 3.1 million tonnes from the 2010 flood-incurred losses. The increase was made possible by remarkable area recoveries in Sindh, even though the lower parts of the province were again affected by floods. Less favourable results were reported in Punjab, where cultivation of Basmati rice is concentrated. Stagnant yields are indeed a source of growing concern to the local Basmati industry, which accredits the problem to a lack of development and introduction of new varieties. As to the 2012 season just starting, production in the country is provisionally predicted to rise by 4.4 percent to 10.8 million tonnes (7.2 million tonnes, milled basis). The forecast relies on expectations of strong export demand continuing to sustain prices in the country, although water availability for irrigation will be a determining factor in the season's success.

In the **Philippines**, the 2011 season is still underway and will only conclude with the completion of secondary crop harvests in June. The production outlook for the country points to a small increase

of 1.6 percent to 16.9 million tonnes (11.1 million tonnes, milled basis), with gains in secondary crop output poised to compensate for wet-season losses to typhoons. To reduce the risk of such events, a new plan has been announced by officials that will seek to advance main crops plantings by a month, in a bid to permit harvests to take place ahead of the October-November period, when the country is most battered by typhoons. The programme will be at first implemented over 190 000 hectares in Central Luzon, also envisaging the introduction of a third crop between the main and dry season harvests. Launch of several irrigation infrastructure works is expected to further support future production gains. On the other hand, while officials have kept procurement prices at Pesos 17.0 per kilo (USD 395 per tonne), financial constraints would have resulted in the National Food Authority (NFA) lowering the 2012 procurement target from 1.2 million to 592 000 tonnes. This follows an already small 2011 purchase drive, which saw slightly over 280 000 tonnes of paddy bought by the agency, down from 487 000 tonnes in 2010. Although the 2012 season in the country is not due for launch until July, assuming an average unfolding of the season and taking account of the various initiatives launched under the country's rice self-sufficiency programme, FAO anticipates production to increase by 2.9 percent to 17.5 million tonnes (11.5 million tonnes, milled basis).

Following the release of official figures from the Department of Census and Statistics, FAO has lowered the 2011 production figure for **Sri Lanka** by 381 000 tonnes to 3.9 million tonnes (2.6 million tonnes, milled basis). The revision implies a 10 percent year-on-year contraction, driven by a 24 percent slump in main Maha output due to floods. As to the 2012 season, which is already well advanced, FAO foresees the country gathering an all-time high of 4.5 million tonnes (3.1 million tonnes). The favourable outlook rests on prospects of a record Maha crop, which, thanks to a 12 percent expansion in plantings and excellent yields, is officially anticipated to rebound by 50 percent to 3.0 million tonnes (2.0 million tonnes, milled basis). Authorities expect up to 160 000 tonnes of this volume to be purchased by the Paddy Marketing Board, with Rupees 28.5 billion (USD 222 million) worth of credit earmarked to facilitate public and private sector purchases of paddy this season.

Officials have slightly raised the 2011 production estimate for **Thailand**, now pegged at 31.6 million tonnes (20.9 million tonnes, milled basis), or 11 percent below the 2010 level. The revision mirrors expectations of an even larger secondary crop, now set to rise by 11 percent to 11.3 million tonnes (7.5 million tonne, milled basis). An expansion in plantings, driven by high prices, was behind the increase, which partly compensated for a near 4.0 million tonne loss in main crop output to severe floods. However, while the crop developed under good conditions, brown plant-hoppers attacks remain a major concern, prompting the Government to push ahead with earlier plans to reduce the number of crops grown per season to two. The measure is expected to support increases in productivity over the coming season, further aiding flood prevention efforts by allowing land left fallow to act as water catchment areas. On the other hand, the first official forecast of 2012 main crop production points to a 21 percent recovery to 24.7 million tonnes (16.4 million tonnes, milled basis). For the full season, FAO expects Thailand's production to rebound by 11 percent to 35.0 million tonnes (23.2 million tonnes, milled basis).

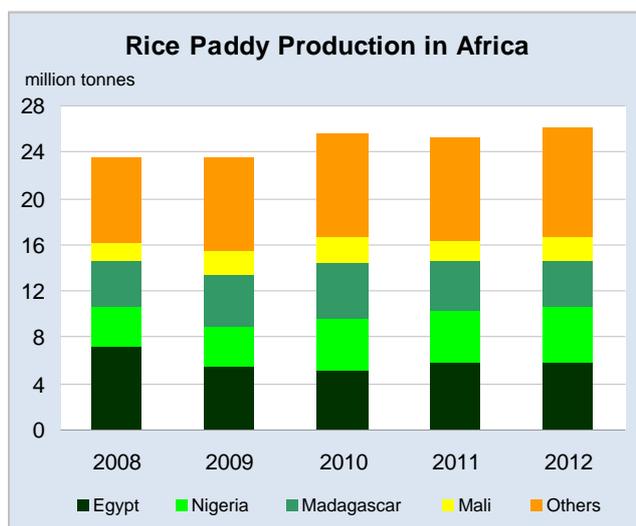
<b>Thailand: Paddy farm gate prices 2009-2012</b>						
	2009	2010	2011	2012		
				Jan	Feb	Mar
Baht/Mt						
<b>Non-Glutinous</b>	9,658	8,400	9,145	9,641	9,645	9,921
<b>Hommali</b>	13,513	13,552	13,035	15,201	15,024	14,770
<b>Glutinous</b>	7,880	13,392	14,709	13,364	13,072	12,706
Source: Bank of Thailand						

Since its reinstatement, the Paddy Pledging Programme has been successful in elevating Thai producer prices, but not to the full extent initially envisioned, largely because of a slow pace of mortgaging and slackening export sales. The first round of the scheme, estimated to have cost Baht 140 billion (USD 4.5 billion), concluded on 29 February with 6.8 million tonnes procured, 30 percent of the total main crop, though over three million tonnes short of the original target. Despite much controversy still surrounding its implementation, the paddy pledging programme was extended to run between 1 March and 15 September 2012, so as to cover off-season paddy crops. Farmers will continue receiving Baht 13 800-20 000 (USD 441-639) per tonne of paddy pledged, but, unlike in the first round of the programme, which permitted unlimited amounts to be mortgaged, the second round is to be subject to value and quantity limits of Baht 500 000 and/or 33 tonnes, respectively, per household. Officials expect up to 8.0 million tonnes of paddy to be pledged under this second round, for an estimated cost of Baht 120 billion (USD 3.8 billion).

In **Viet Nam**, the harvest of the first 2012 winter-spring crop was reported to be behind schedule as of March 15, much as a result of delays incurred at planting time. Nonetheless, the outlook for the crop is favourable, as despite a stable level of winter-spring plantings, good growing conditions are foreseen to support yield gains. Officials expect overall 2012 production in the country to reach 42.5 million tonnes (28.3 million tonnes, milled basis), virtually replicating the 2011 record. Of these, 23.4 million tonnes are anticipated to be collected in the Mekong Delta, where authorities have been encouraging farmers to come together and cultivate rice under large-scale plantations. Meanwhile, with local quotations coming under pressure from the harvest, the Government requested in March that member companies of the Viet Nam Food Association (VFA) purchase up to 1.0 million tonnes of paddy from farmers between March and April, to be retained in stock for three months. Provisions have been made for companies to receive subsidised credit to fund the drive, while producers will be paid Dong 5 000 per kilo (USD 250 per tonne) of paddy sold.

## B. AFRICA

### Production in Africa declines in 2011

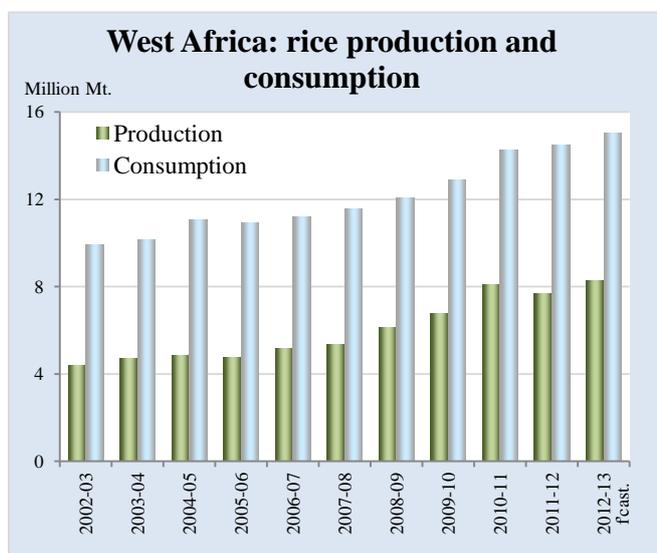


Following a 200 000 tonnes downward revision, aggregate output in *Africa* is now estimated to have fallen by 1 percent to 25.3 million tonnes in 2011 (16.6 million tonnes, milled basis). Reversing earlier expectations of an increase, the reduction mirrored losses caused by delayed and erratic rainfall in various West African countries. As a whole, production in Eastern African countries is estimated to have changed little from the previous year. However, Madagascar, the largest southern African producer, also incurred a fall, with a marked recovery in Egypt not sufficient to compensate for these drops. As to the 2012 season, it is still at

varying stages of development. Countries located south of the Equator are already busy harvesting their main crops, whilst planting activities in Western and Northern African nations have yet to commence. FAO's first forecast of production in 2012 in the region is favourable, with output recoveries in Western Africa largely behind expectations of 3 percent production upturn to 26.1 million tonnes (17.1 million tonnes, milled basis).

In *Northern Africa*, 2011 production in **Egypt** is estimated to have rebounded by 12 percent to 5.8 million tonnes (4.0 million tonnes, milled basis), as farmers expanded plantings in reaction to strong prices and loose enforcement of official cultivation limits. FAO anticipates this trend to continue into 2012, with the country foreseen to gather 5.9 million tonnes (4.1 million tonnes, milled basis). The forecast growth is based on expectations of rice prices continuing to prove more attractive than those of other crops, encouraging farmers to continue planting beyond the official area limits originally imposed to conserve water resources.

With the 2011 season virtually completed in all *West African countries*, governments have released new crop assessments, which paint a grimmer picture of the impacts of the late and erratic rains that characterised the campaign over much of the sub-region. To take these into account, FAO has lowered its production estimates for the sub-region as a whole by 230 000 tonnes to 12.2 million tonnes (7.7 million tonnes, milled basis), or 4 percent less than the 2011 record. Most of the contraction is imputable to **Mali**, where production is officially assessed to have slumped by nearly 600 000 tonnes to 1.7 million tonnes (1.2 million tonnes, milled basis), owing to severe water constraints in Sahelian zones and areas along the Niger River delta. A marked decline was also witnessed in **Senegal**, where the output is estimated to have fallen by 27 percent to 439 000 tonnes (307 000 tonnes, milled basis). The decline was owed to dry spells, an early withdrawal of rains and delays in the distribution of fertilisers. In **Cote d'Ivoire**, the 2011 season unfolded on the back-drop of population displacements and limited access to inputs and services, resulting from post-electoral civil strife. These, along with below average and poorly distributed rainfall, depressed production by 3 percent to 702 000 tonnes (421 000 tonnes, milled basis). In **Ghana**, yield losses stemming from the bad climate are estimated to have been responsible for output declining by 6 percent to 463 000 tonnes (278 000 tonnes, milled basis). Dry spells and deficient precipitation also hindered production in **Burkina Faso, Chad, Gambia, Guinea Bissau and Niger**. By contrast, the latest estimates confirm a good outcome for crops in **Benin, Guinea, Liberia, Mauritania, Nigeria Sierra Leone and Togo**.



Looking ahead at the 2012 season, output in the sub-region is tentatively forecast to recover to 13.1 million tonnes (8.3 million tonnes, milled basis). However, given the predominantly rain-fed nature of the sector, much will depend on the performance of the seasonal rains, the arrival of which will set a start to sowing activities. The forecast growth also relies on expectations of favourable returns and of public assistance to the sector continuing to drive expansions in plantings. Indeed, notwithstanding the poor turnout of the 2011 season, production in the sub-region has seen a very dynamic pace of growth, passing from an aggregate of 8.2 million tonnes (5.1 million tonnes, milled basis) in

2007 to 12.2 million tonnes in 2011 (7.7 million tonnes, milled basis). This expansion has, however, proven insufficient in meeting the growing consumer demand for rice in the sub-region.

Still, various countries are steadfast in their aspirations for self-sufficiency in rice. This is the case of **Cote d'Ivoire**, where the Government has revisited its 2008 self-sufficiency programme, which sought to expand output by 200 000 tonnes annually and eliminate imports by 2012. A revised rice development strategy for the period of 2012-2020 is now aiming to raise output to 2.1 million tonnes by 2018, a level expected to transform the country into a net-exporter of rice. Costs of

implementing the programme through 2016 have been estimated at FCFA 672 billion (USD 1.3 billion). Activities envisioned include interventions in the seed sector, water management and irrigation, as well processing and marketing of produce. Assuming normal growing conditions prevail, FAO anticipates the country to reap a total of 730 000 tonnes (438 000 tonnes, milled basis) in 2012, representing a 4 percent recovery from the 2011 level.

Over the 2012 season, authorities in **Ghana** are set to expand fertiliser subsidies to cover 176 000 tonnes, further to continuing efforts to improve farm mechanisation and seed provision. Cultivation of 60 000 hectares of rice and other crops is also being targeted under the Youth in Agriculture programme, while the National Food Buffer Stock Company (NAFCO) has been mandated to keep 10 000 tonnes of rice under constant stock. Producers supplying the agency are paid Cedi 35 per 85 kilo bag of paddy sold (USD 230 per tonne). Provided growing conditions normalise over the season, FAO anticipates 2012 output in the country to pick up to 500 000 tonnes (300 000 tonnes, milled basis).

As part of the Agricultural Transformation Action Plan (ATAP), officials in **Nigeria** have recently overhauled the subsidised fertiliser distribution system, considered to be ineffective in ensuring farmer access to the input. A Growth Enhancement Support Scheme will instead seek to minimise public intervention in the purchase and distribution of fertilisers and seeds, and have farmers acquire inputs directly from commercial entities. Officials have also embarked in a drive to attract foreign investment in the sector, with recent deals with Spanish and American firms expected to foster the development of large stretches of land. Other forms of support include programmes geared at boosting access to credit, increased border protection and plans to construct 100 mills with Chinese investors' support. Under the expectation of a normal unfolding of the rainy season, FAO anticipates continuous area gains to boost 2012 production in Nigeria to 4.7 million tonnes (2.8 million tonnes, milled basis), 4 percent above a revised 2011 estimate of 4.5 million tonnes (2.7 million tonnes, milled basis).

In **Sierra Leone**, much of the fast pace of production growth seen in recent years is being accredited to the adoption of Nerica varieties. Authorities have also embarked in programmes geared at raising mechanisation in swamp and lowland areas. The sector further benefits from foreign investment, notably from China, with a project to cultivate 25 000 hectares of land in northern regions set to begin this year. FAO currently anticipates the country to harvest 1.3 million tonnes (780 000 tonnes, milled basis) in 2012, implying a 10 percent expansion from the already record 2011 outcome.

In Eastern Africa, reducing dependence on imports is also in **Rwanda's** agenda. To sustain production, efforts are concentrating on rehabilitating marshlands in eastern regions, which could assist the country to garner 95 000 tonnes (63 000 tonnes, milled basis) in 2012. The **United Republic of Tanzania** has embarked in various projects geared at boosting irrigation and paddy production, the latest of which will see USD 14 million of external assistance invested in rehabilitating twenty existing irrigation schemes over the next three years. Prospects for production in 2012 are still uncertain, given current forecasts of late and erratic March/May rains potentially affecting the sub-region for a second season. Although these could jeopardize the development of the main crops, set for harvest in June, FAO still assumes normal weather conditions may prevail. As a result, Tanzania's production in 2012 is provisionally forecast at 1.4 million tonnes (910 000 tonnes, milled basis), which would imply a full recovery from the unfavourable 2011 outturn.

In Southern Africa, harvesting activities of the main 2012 crops are already underway. After an irregular start to the rainy season, **Madagascar**, the largest producer in the sub-region, was affected by the passage of consecutive storms in January, which were followed by the landing of cyclone Giovanna and tropical storm Irina, both in February. Based on a survey of damages, significant

losses, ranging from 25 to over 75 percent of total production, may have been endured in eighteen affected districts across the country, with the timing of the storms' landfall coinciding with plant emergence or flowering in many regions. To take account of these damages, FAO has set its 2012 production forecast for the country at 4.0 million tonnes (2.7 million tonnes, milled basis), which would imply a 7 percent decline from the already drought and storm-affected 2011 harvest. By contrast, prospects are favourable for **Mozambique**, where sustained area expansions, facilitated by investment in the sector, are foreseen to drive 2012 output up by 3 percent to 280 000 tonnes (187 000 tonnes, milled basis). Meanwhile, commercial paddy cultivation is set to be introduced in **South Africa**, a country that has traditionally relied on imports to cover its domestic consumption needs. This follows successful field trial cultivations under irrigated conditions in various areas of the country. Encouraged by these results, investment in seed as well as processing facilities would be currently underway, with an eye to establishing a commercial rice industry in the country in three-year's time.

### C. CENTRAL AMERICA AND THE CARIBBEAN

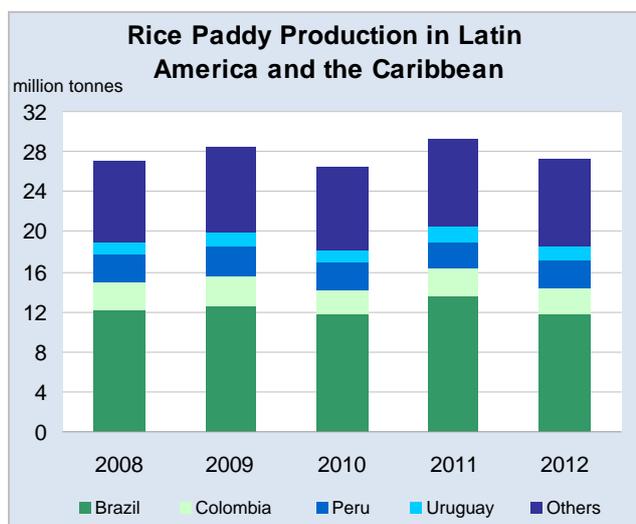
#### After the 2011 season ended with negative results, prospects for 2012 crops are mixed

As the season is nearing completion in *Central America and the Caribbean*, FAO has lowered its 2011 production forecast for the sub-region by 250 000 tonnes to 2.7 million tonnes (1.8 million tonnes, milled basis), or 5 percent below the 2010 level. Compared to figures reported in the January issue of the RMM, the estimate for production is now smaller in the **Dominican Republic**, where the 2011 harvest is officially assessed at 835 000 tonnes (551 000 tonnes, milled basis), 5 percent less than the record 2010 level, but still well above a five-year average of 667 000 tonnes (440 000 tonnes, milled basis). Though still pointing to a small increase, less buoyant production figures were also reported in **Cuba**, with output recovering by a more modest 1 percent to 460 000 tonnes (307 000 tonnes, milled basis). Within the sub-region, **Nicaragua** is the only other country estimated to have ended the season favorably. On the other hand, negative weather is gauged to have hampered crops in **Haiti**, **El Salvador**, **Guatemala** and **Honduras**, whilst a combination of financial constraints and bad weather also led to declines in **Costa Rica** and **Mexico**.

Although still preliminary, prospects for 2012 production in the sub-region point to a harvest of 2.7 million tonnes (1.8 million tonnes, milled basis), virtually unchanged from the current 2011 estimate. Amongst individual producers, the outlook is negative in **Costa Rica**, where continued difficulties in marketing produce, after consecutive years of surpluses, have led the industry to announce plans to curb production to a level sufficient to cover 60 percent of local requirements. The measure would help to lower agricultural subsidy payments within ceilings agreed to under the WTO, which in the recent past have also involved attempts to phase-out fixed producer prices. For 2012, Costa Rica's production is thus forecast to decline by 30 percent to 175 000 tonnes (114 000 tonnes, milled basis). By contrast, output in **Cuba** is foreseen to increase by 11 percent to 510 000 tonnes (340 000 tonnes, milled basis), as the country makes headway in its efforts to reduce its dependence on imports. In addition to investments on productive inputs and equipment, positive results are being reported from an ongoing technical assistance project with Viet Nam. Under the project, which had an 8 000 hectare extension, yields reached 4.7 tonnes per hectare in 2011, which compares to a national average of 2.6 tonnes per hectare the same year. Prospects are also positive in the **Dominican Republic**, where output may reach 850 000 tonnes (561 000 tonnes, milled basis). New paddy support prices of RD 2 000 – RD 2 100 (USD 425-446 per tonne) per 120 kilos will apply for this new harvest, with further public assistance being channelled through a renewal of tax exemptions, subsidised credit and the warehouse receipts programme. A return to more normal growing conditions may also help **El Salvador**, **Guatemala**, **Haiti** and **Mexico** to recuperate losses incurred in 2011, while prospects of cuts in plantings in **Panama** may entail further declines in output in the country.

## D. SOUTH AMERICA

### Brazil behind prospects of a 7 percent decline in production in South America



The 2012 season is well advanced in *South America*, where many countries are already harvesting the year's main crop. The outlook for the sub-region remains negative, pointing to a 7 percent decline in production from the 2011 record to 24.5 million tonnes (16.4 million tonnes, milled basis). A sharp contraction in **Brazil** would be responsible for much of this fall, although **Argentina**, **Paraguay** and **Uruguay** are also forecast to incur reductions under a combination of dry conditions, falling prices and rising production costs. Based on the latest estimates, contractions in these countries would more than outweigh possible gains in **Bolivia**,

**Colombia, Guyana, Peru and Venezuela.**

Harvesting of the 2012 crop is progressing in **Argentina**, where 60 percent of crops had already been collected by 5 April. The area planted to paddy this season is now assessed to have declined to 237 000 hectares, down from the exceptional 256 000 hectares planted in 2011. The retrenchment reflects mounting production costs, as well as fuel shortages which constrained irrigation activities and encouraged some producers to switch to soybean cultivation. Moreover, as dry conditions are expected to depress average yields to 6.7 tonnes per hectare, total 2012 paddy production is officially forecast at 1.5 million tonnes (1.0 million tonnes, milled basis), 220 000 tonnes less than the 2011 record.

By contrast and notwithstanding the country being similarly affected by drought at the onset of the season, production prospects are favourable in **Bolivia**. FAO anticipates the ongoing 2012 harvest to yield 600 000 tonnes (398 000 tonnes, milled basis), 3 percent above the outstanding 2011 level. However, the prospect of another large crop putting further downward pressure on prices is a cause for concern to the sector, which has rallied for permission to ship supplies abroad. In order to help farmers cope with the excess produce, the Government has announced that the state enterprise EMAPA will be procuring supplies from producers at USD 46 per 200 kilos (USD 230 per tonne, in addition to permitting up to 50 000 tonnes of rice to be exported.

Farmers in **Brazil** are officially estimated to have cut plantings by 12 percent to 2.5 million hectares this season, influenced by rising production costs, low prices and difficulties in placing surpluses from the record 2011 harvest. In addition, with water supplies in reservoirs proving insufficient, the prevailing drought is anticipated to depress yields, with high day/night-time temperature differentials also likely to impair the quality of the harvest. Based on CONAB's April crop forecast, these factors look set to result in a 14 percent decline in 2012 production to 11.7 million tonnes (7.8 million tonnes, milled basis), a level similar to 2010.

Although the projected contraction is expected to prove generally supportive of domestic prices, Brazilian authorities have readied Reais 737 million (USD 403 million) to implement the minimum guaranteed price policy this season. The funds will cover up to 2.02 million tonnes of rice in case prices fall below the minimum set levels of Reais 18.90 - 30.96 per 50 kilogramme bag (USD 207-

338 per tonne), and will be extended to producers through four schemes. These programmes include the Aquisicao do Governo Federal (AGF), under which CONAB undertakes direct purchases from farmers at minimum prices; the Premio Equalizador Pago ao Produtor (PEPRO) under which producers selling supplies through auctions are guaranteed the difference between reference prices and the prices received in the auctions; the Premio para Escoamento do Produto (PEP), which extends the difference between floor prices and price determined through auctions to traders purchasing supplies from producers at minimum prices, provided these are moved from surplus zones into deficit areas; and the Public Options contracts, which guarantees the right to a future sale to the Government at minimum prices, plus storage and financial costs. In 2011, official support under these programmes is estimated to have been extended to nearly 3.0 million tonnes of rice.

FAO estimates the 2011 season in **Colombia** to have closed with a 10 percent area-led output recovery to 2.65 million tonnes (1.8 million tonnes, milled basis). Despite the upturn, the season was not without setbacks. Damages to heavy rainfall were incurred, with adverse climatic conditions also favouring the emergence of plagues, to which significant yields losses in some producing areas are being attributed. Meanwhile, the March-April launch of summer crop planting activities marks the start of the 2012 season. Assuming a return to normal growing conditions, production is preliminarily forecast to rise by 1.9 percent to 2.7 million tonnes (1.8 million tonnes, milled basis). The expansion reflects expectations of producers reacting to higher prices, as well as concerted efforts by the local industry to improve farming practices and raise productivity to maintain competitiveness. To boost yields to 7.0 tonnes per hectare by 2014, official initiatives in favour of the sector will also include the continuation of the storage incentive and Rural Development Equity programmes, technical capacity building and research, extension of agricultural insurance and increased border surveillance.

In **Ecuador**, the harvest of 2012 main crops is just starting. Production prospects for this winter crop have been marred by excessive precipitations. Coastal areas have been the most affected by floods and landslides resulting from excessive rains, with an estimated 34 000 hectares crop land, most of which under paddy, destroyed. Although part of these losses could still be recovered through larger secondary crops, production in Ecuador is currently forecast to remain unchanged from the 2010 poor result at 1.4 million tonnes (798 000 tonnes, milled basis).

Officials in **Guyana** estimate that the January-ended 2011 season closed with a harvest of 584 000 tonnes (380 000 tonnes, milled basis), up 7 percent year-on-year and an all time high. The excellent turnout came on the back of greater plantings and higher yields, credited to improved farming practices, technical training and use of improved seed varieties. Over the 2012 season, the Government is targeting to produce 9 percent more, or 634 000 tonnes (412 000 tonnes, milled basis). For the purpose, authorities will continue works on upgrading irrigation and drainage facilities as well as seed research, with expectations of more land being brought under paddy cultivation, particularly in southern coastal areas of the country.

Prospects are also favourable in **Peru**, where sowing activities were completed by February. In contrast to the dry conditions prevailing during the 2011 season, abundant precipitation this year has favoured the replenishment of water in major reservoirs. This has facilitated a recovery of plantings lost to drought in the important producing regions of Piura and Lambayeque. Reflecting yield improvement promoted by the more favourable growing environment and with favourable price prospects expected to drive further area gains, FAO forecasts 2012 production in the country to amount to 2.7 million tonnes (1.8 million tonnes, milled basis), up 3 percent from 2011.

By contrast, area under paddy is set to fall by 5 percent in **Uruguay** to 185 000 hectares, as rising input and energy costs, as well as a dry climate, constrained producer decisions at sowing time. In addition, plantings were carried out with delays, with subsequent dry conditions requiring

supplementary irrigation. Against this backdrop, and while harvesting activities progress in the country, field reports are confirming expectations of yield declines from the record 2011 level of 8.0 tonnes per hectare. Taking these factors into account, FAO anticipates the country to reap a total of 1.5 million tonnes (1.1 million tonnes, milled basis) in 2012, down 9 percent from the previous year, but still the second largest harvest on record.

Production in **Venezuela** over the 2011 season is officially assessed to have amounted to 845 000 tonnes (592 000 tonnes, milled basis), 255 000 tonnes less than previously foreseen. Although this level represents a 6 percent increase from the dismal 2010 outcome, it would also imply an only partial output recovery after consecutive years of weather-constrained harvests. Over the 2012 season, the Venezuelan Government is aiming to raise production to 1.21 million tonnes (847 000 tonnes, milled basis), a level that FAO anticipates could be achieved provided weather conditions return to normal levels. Indeed and whilst this targeted output stands 43 percent above the 2011 outcome, it still falls short of the record 1.4 million tonnes (952 000 tonnes, milled basis) gathered in 2010. To support the sector, in addition to continuing input distribution and credit programmes, in April the Government also raised the level of producer prices by 24 percent to Bolivars 2.50 per kilo of Type A paddy (USD 581 per tonne) and 2.48 per kilo of Type B Paddy (USD 600 per tonne). Official statements would also have a review of maximum selling prices to consumers undertaken in the coming months.

## E. NORTH AMERICA, EUROPE AND OCEANIA

### Australia continues on a recovery path but production likely to decline in the United States and the European Union

In *North America*, the **United States** closed the 2011 season with negative results, harvesting 8.4 million tonnes (5.9 million tonnes, milled basis) or 23 percent less than in 2010. A combination of droughts and floods was behind the area-led decline, although yields recovered over the season. On the other hand, the USDA's March Prospective Plantings report confirmed expectations of further area reductions in 2012. Producers look set to substitute rice for other crops, due to unremunerative prices and falling foreign demand. Under the expected 5 percent retrenchment, plantings would fall to 1.04 million hectares, the lowest extension since 1987, with the contraction concerning medium grain varieties. Despite the bleak outlook, as on 22 April, planting activities in the country are proceeding well, with up to 65 percent of the crop already on the ground. This compares to the 42 percent progress recorded in the corresponding period in 2011. On these bases and assuming average yields are achieved over the season, FAO anticipates 2012 production in the United States to decline to 8.2 million tonnes (5.7 million tonnes, milled basis).

USA – 2012 Rice Prospective Plantings: Area by Class and State <sup>1/</sup> (000 ha.)								
	2011				2012			
	Long Grain	Medium Grain	Short Grain	All	Long Grain	Medium Grain	Short Grain	All
<b>Total</b>	<b>726</b>	<b>344</b>	<b>18</b>	<b>1,088</b>	<b>754</b>	<b>261</b>	<b>21</b>	<b>1,036</b>
<b>Arkansas</b>	380	103	0	484	429	40	0	470
<b>California</b>	3	217	17	237	2	198	20	220
<b>Louisiana</b>	152	19	0	171	166	18	0	184
<b>Mississippi</b>	65	0	0	65	55	0	0	55
<b>Missouri</b>	55	2	0	58	59	2	0	61
<b>Texas</b>	71	3	0	74	45	2	0	47

<sup>1/</sup> Released 30 March, 2012  
Source: National Agricultural Statistics Service (NASS), Agricultural Statistics Board, USDA.

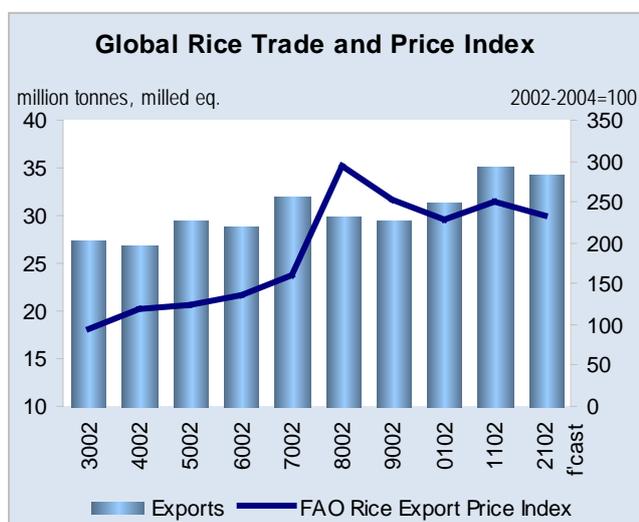
In **Europe**, unfavourable weather was also responsible for a 2 percent contraction in the **EU-27** zone, where 3.1 million tonnes (1.8 million tonnes, milled basis) are estimated to have been gathered in 2011. A reduction in Italy, caused by yields losses to cold temperatures and pest attacks, drove the fall, while Bulgaria, France, Hungary, Romania and Spain registered gains. Meanwhile, as farmers in Italy prepare to sow the 2012 crop, a sector survey of planting intentions is predicting a 4 percent decline in area to 237 500 hectares, most of which would concern Indica qualities due to low price prospects. Reduced water availability for irrigation following deficient rainfall in the past few months has also marred the outlook in Spain, the second largest producer in the area. As a result and largely reflecting likely cuts in these two countries, an early forecast of production in the EU, sees **2012** output falling for a third consecutive season to 3.0 million tonnes (1.8 million tonnes, milled basis). By contrast, barring major setbacks, additional area gains are expected to permit the **Russian Federation** to gather 1.24 million tonnes (827 000 tonnes, milled basis), up 3 percent from the record 2011 estimate.

In **Oceania**, officials in **Australia** have slightly upgraded the forecasts of 2012 output since January, based on a somewhat higher estimate of area cultivated. The 2012 paddy crop, virtually all collected by now, is expected to reach 923 000 tonnes (616 000 tonnes, milled basis), 27 percent above the 2011 level. Ample availabilities of irrigation water were responsible for a 46 percent increase in area planted to paddy this season. However, and while minor damage to crops is reported to have resulted from February floods and pest attacks, current assessments point to a 13 percent decline in yields to 8.5 tonnes per hectare, as these were depressed by unseasonably cold temperatures in January.

## I. INTERNATIONAL TRADE IN RICE

### Forecasts of 2012 world trade in rice upgraded, but still pointing to a contraction from the 2011 record

FAO's forecast of global rice trade in calendar 2012 has been raised to 34.3 million tonnes, 1.6 million tonnes more than foreseen in January. The revision mostly stems from higher than previously anticipated imports by Brazil, China (Mainland), Egypt, Indonesia, Saudi Arabia and Senegal, which more than compensated for downward adjustments for the Chinese Province of Taiwan, the Philippines and the Islamic Republic of Iran. As for exports, forecasts were raised for India, but also Brazil, Egypt, Myanmar, Pakistan, Uruguay and Viet Nam, while they were cut for China (Mainland) and Thailand.



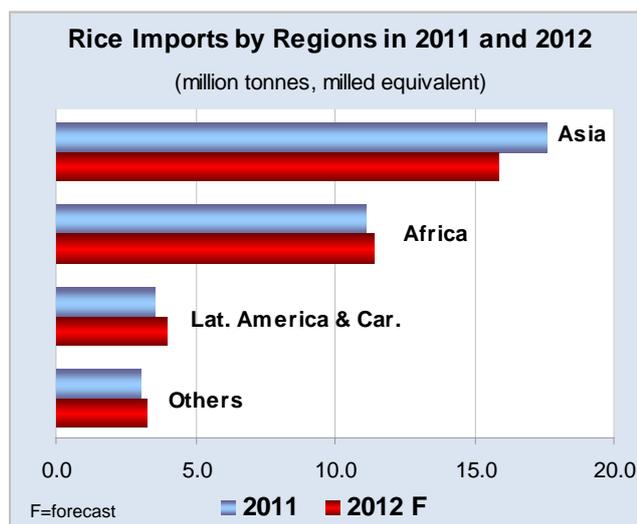
Notwithstanding the sizeable upward revision, at 34.3 million tonnes, 2012 world trade in rice would still fall 2 percent, or 900 000 tonnes, short of the 2011 record. The contraction is expected to be driven by faltering import demand in the major traditional markets in Asia, much as a result of the favourable production achieved in 2011. By contrast, deteriorated output prospects in Africa are now foreseen to lead to greater deliveries to the continent. Imports by countries in Latin America and the Caribbean, Europe and North America are similarly expected to rise. Counting on ample and relatively cheap supplies, India appears well placed to increase

its deliveries and capture a larger share of the market. Australia, Cambodia, Pakistan and Viet Nam

are also expected to export more. India's resumption of non-basmati deliveries, after it lifted in September its three-year export ban, is instigating growing competition amongst suppliers. Rice exports by Thailand are forecast to be most negatively hit by this trend, largely on account of uncompetitive prices, which are being sustained by the paddy pledging programme. Lower availabilities in Argentina, Brazil, China (Mainland), Myanmar, the United States and Uruguay may also depress exports by these countries.

## Imports in 2012

### Weaker demand in Asia behind forecast contraction in 2012 trade



The anticipated contraction in globally traded volumes in 2012 is based on expectations of marked declines in rice imports by Asian countries, several of which can bank on comfortable level of supplies from large 2011 harvests. The region is currently foreseen to cut deliveries to 15.8 million tonnes, 10 percent less than the 2011 record. Particularly sizeable declines are forecast in **Bangladesh** and **Indonesia**, where governments are likely to purchase rice from their domestic rather than external markets to replenish state inventories and supply public distribution programmes. Cuts in the **Philippines** as part of the country's self-sufficiency pursuits are also

expected, with **Japan, Nepal, Sri Lanka** and **Turkey** similarly forecast to import less. Reductions in these countries would more than compensate for increasing purchases by **Afghanistan, China (Mainland), Iraq, Jordan, the Democratic People's Republic of Korea, the Republic of Korea, Malaysia** and **Saudi Arabia**.

Since the start of the year, the Government of **Bangladesh**, which is normally responsible for the bulk of the country's imports, has not undertaken any direct purchase from world markets, as officials have concentrated on local procurement. As a result, first semester imports are officially anticipated at 90 000 tonnes. Contracts for the remainder of the year will likely depend on the progress of the ongoing Boro harvest and on whether sufficient supplies to service welfare schemes can be sourced locally. Already, the public purchasing campaign from the Aman crop has been extended to cover an additional 150 000 tonnes. For the full year, FAO sees the country importing 600 000 tonnes, which would be 60 percent less than in 2011.

Unlike exports, rice imports in **China (Mainland)** can be contracted by private traders. In the first months of the year and ahead of the June harvest of the Early crop, high domestic prices and local shortfalls in southern provinces are reported to have prompted large purchases by Chinese buyers, mostly from Pakistan and Viet Nam. To take account of these contracts, FAO has raised the 2012 forecast for Chinese imports to 1.0 million tonnes, about 400 000 tonnes more than the 2011 official figure.

In the first months of the year, **Indonesia** is estimated to have taken consignment of close to 700 000 tonnes of foreign rice, as part of a 2011 quota allocated to Bulog to rebuild inventories. As mandated by Government, no additional deliveries will take place until the main crop harvest is completed in June. The size of Indonesia's imports depends, to a large extent, on the success of this crop, which accounts for roughly 60 percent of national production and provides supplies that Bulog may draw from for its local market operations and for an expanded public distribution

programme. To ensure that the Government domestic purchasing activities are not undermined by low offering prices, as was the case in 2011, official purchasing prices were raised by 25-30 percent to Rupiah 3 300 - 6 600 per kilo (USD 363-726 per tonne). This is after an import agreement was reached with Myanmar to purchase up to 200 000 tonnes of rice annually. However, assuming that the country is able to fulfil most of its domestic procurement intentions, Indonesia is now foreseen to import 1.5 million tonnes, down from a revised 2011 estimate of 2.8 million tonnes.

In **Japan**, despite the local industry emerging largely intact from the triple March 2011 disaster, one of the consequences of the catastrophe has been a waning of the strong consumer preference for domestic rice and its shift in favour of imported produce. This trend does not only reflect fears of contamination from the crippled Fukushima nuclear plant, but also higher domestic prices, after consumers precipitated to stockpile produce soon after the disaster. In spite of this recent inclination, FAO does not foresee much change in external purchases by Japan, which in previous years were mainly used for food aid programmes, utilization as feed, or kept in storage. Imports are expected to stay in line with the country's WTO commitments at 700 000 tonnes, a level that compares to the 742 000 tonnes officially reported for 2011.

Likewise, 2012 imports by the **Republic of Korea** are anticipated to be governed by its Minimum Market Access requirements, which will involve an expansion of the minimum access quota to 368 000 tonnes. Since 2005 and until quota allocations reach a total of 408 700 tonnes in 2014, the special treatment regime under the WTO has entailed an annual import increase of 20 347 tonnes, equivalent to 8 percent of domestic rice consumption.

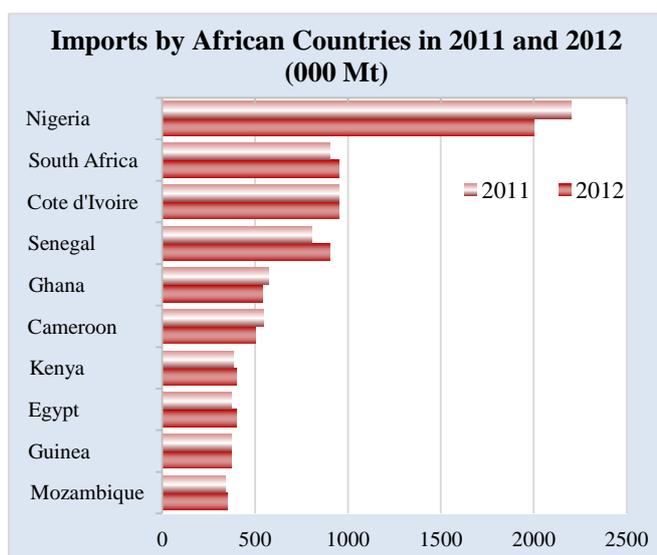
Despite current prospects for a larger 2012 crop, growing domestic needs are forecast to boost **Malaysia's** imports by 7 percent to 1.1 million tonnes, with Viet Nam expected to consolidate its position as the country's main supplier of rice. However, Bernas, the sole agency entrusted with importing rice to Malaysia, is also understood to be in arrangements to buy more from Pakistan. By contrast, given the excellent 2011 season result, **Nepal** is expected to cut purchases from abroad to 100 000 tonnes, down from the 250 000 tonnes in 2011.

FAO currently anticipates total imports by the **Philippines** to amount to 900 000 tonnes in 2012, 300 000 tonnes less than previously anticipated and 22 percent below the estimate for 2011. The Government has confirmed an initial import target of 500 000 tonnes for calendar 2012. However, contrary to early expectations, rather than allocating the entire allotment to the private sector, the National Food Authority will be sourcing 120 000 tonnes of it to rebuild stocks, mainly under G-to-G contracts with Thailand, Viet Nam and potentially also Cambodia. At a service fee, commercial traders and farmer groups will be able to bring in the remaining duty-free allocation of 380 000 tonnes by 30<sup>th</sup> of June. These quantities are in addition to the 350 000 tonne WTO minimum access quota, applications for which were issued in February. These volumes will, however, be subject to an import duty of 40 percent, which compares with an out-of-quota rate of 50 percent. The Philippines is still negotiating the extension of this special import regime on rice, due to expire on 30 June, and is reported to have offered to lower the in-quota duty rate to 35 percent in order for the regime to be prolonged into 2015.

Reflecting expectations of a record 2012 seasonal performance, imports by **Sri Lanka** are forecast to remain minimal and in the order of 30 000 tonnes. Further affirmation of the comfortable level of domestic supplies has been given by a food aid donation of 7 500 tonnes to drought-stricken Somalia in January. The move that is consistent with official ambitions to turn Sri Lanka into a net-rice exporter in the medium-term.

Conversely, the latest forecasts for *Near Eastern Asia* point to rising imports in the sub-region. For instance, **Afghanistan** may be required to step-up purchases by 50 000 tonnes to 260 000 tonnes in

order to make up for output shortfalls incurred in 2011. Both **Iraq** and **Saudi Arabia** may also raise purchases, each taking delivery of 1.3 million tonnes. Meanwhile, consignments to the **Islamic Republic of Iran** may reach 1.1 million tonnes, unchanged from 2011. This is notwithstanding a sharp devaluation of the Rial and the country's growing difficulties in settling payments, due to tightening international sanctions, which had translated into a rising number of contract defaults. Indeed, to circumvent the sanctions, a Rupee payment mechanism has been established with India, one of the country's most important trade partner. Various other proposals have been put forward to bypass restrictions on financial transactions, including calls to engage in barter trade, most notably with Uruguay and Pakistan.



Consistent with the revised outlook for production in the region, FAO has upgraded forecasts of 2012 imports by *Africa* to an overall 11.4 million tonnes, a level that exceeds the 2011 estimate by 2 percent. Given the poor production result achieved within the sub-region, part of the projected growth is expected to concentrate in *West African* countries, particularly **Burkina Faso**, **Chad**, **Gambia**, **Guinea Bissau** and **Niger**. Purchases are also forecast to surge in **Mali**, from virtually nil to 180 000 tonnes, after the Government has put in place measures to facilitate the refurbishment of stocks. They include the suspension of import duties and value added taxes on rice from 1 March to 30

May, alongside a price ceiling of FCFA 330 (USD 657 per tonne) per kilo at wholesale level and of FCFA 355 (USD 697 per tonne) per kilo at retail level. The 2011 production shortfall in **Senegal** is likewise predicted to foster a 12 percent rise of imports to 900 000 tonnes, while **Cote d'Ivoire** may keep them steady at 950 000 tonnes. In December 2011, authorities in **Nigeria** announced their intentions to impose a 25 percent levy on husked rice imports, starting on 1 July 2012, further to the 5 percent import duty it already accrues. Levies on milled/semi-milled rice are also to be raised from 20 to 40 percent by that date, to be applied on top of a 10 percent import duty presently in place. Since the initial announcement, Nigerian buyers have been actively sourcing supplies in the market, in an effort to bypass the higher charges by completing deliveries within the first half of the year, before the new rules become operational. FAO anticipates the measure to have only a limited impact on level of purchases of the country, partly because of the porous nature of its borders, through which much of its imports already take place. Hence, Nigeria is currently foreseen to take delivery of 2.0 million tonnes in 2012, which, while 200 000 tonnes below volumes estimated for 2011, would still position the country as the world's largest single destination of rice.

In the southern parts of the continent, despite a favourable outlook for 2012 production, both **Madagascar** and **Mozambique** are predicted to necessitate higher deliveries in order to accommodate for a growing demand. In Madagascar, supplies would be specially needed given prospects of two consecutive seasons of production falls. The same is expected in **South Africa**, where, in the absence of local rice production, 950 000 tonnes of imports will be required to meet domestic needs. Although a traditional rice exporter and notwithstanding larger supplies from a good 2011 crop, high domestic prices are expected to prompt **Egypt** to buy 400 000 tonnes in 2012, 8 percent more than in 2011. This volume would be imported by the government to partly fill a 1.1 million tonne requirement for its ration card distribution system. By contrast, elsewhere in the continent, good crops are expected to permit **Benin**, **Cameroon**, **Sierra Leone**, **Rwanda** and the **United Republic of Tanzania** to cut imports over the year.

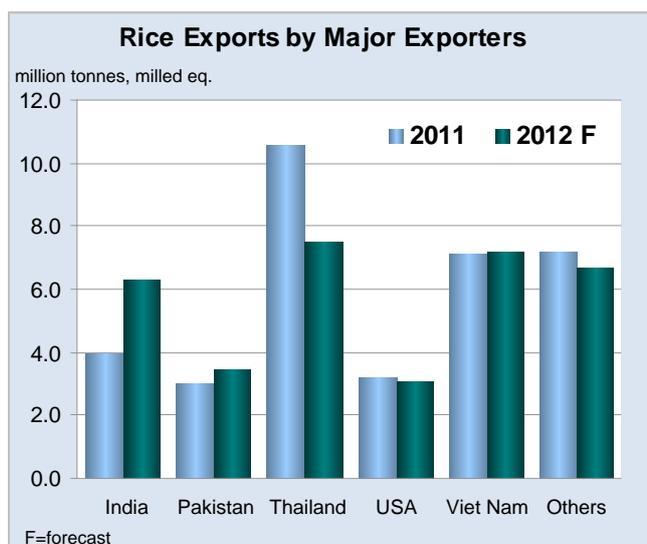
Aggregate rice shipments to *Latin America and the Caribbean* are now foreseen to reach 3.9 million tonnes, up 12 percent from the 2011 estimate. **Brazil** is expected to account for most of this increase, as the poor 2012 harvest would not be sufficient for the country to cover its domestic needs and maintain a level of exports. As a result, imports could reach 900 000 tonnes, 50 percent more than in 2011. Nonetheless, the Brazilian Government has taken steps to protect farmers and limit rice inflows from neighbouring suppliers. For instance, with its Argentinean counterpart, it agreed to institute an import quota for rice originating from that country. Brazil's move follows a record 2011 production season that saw local prices come under increasing downward pressure, prompting authorities to intervene and keep quotations from falling below minimum guaranteed levels. Within *South America*, rice imports are also forecast to rise in **Colombia**, where they may reach 60 000 tonnes. Authorities have recently agreed on an implementation date for the U.S.-Colombia Free Trade Agreement, now set to come into effect on 15 May 2012. Under the accord, 79 000 tonnes of rice from the United States will be exempted from an 80 percent import duty, as of the first year of implementation. This tariff-rate quota will be gradually raised over a period of 19 years, after which all US rice imports will be granted duty-free access to the Colombian market. On the other hand, consecutive seasons of below-average harvests have required that **Venezuela** rely on external supplies to meet its domestic needs. In spite of a partial output recovery in 2011, this trend is expected to continued into 2012, with the country forecast to purchase 340 000 tonnes. Much of this volume is expected to be contracted by the Government, which had already announced in March the arrival of 170 000 tonnes of paddy to cover needs for the April to May period.

Countries in *Central American and Caribbean* are similarly predicted to import 2.3 million tonnes of rice overall, or 4 percent more than in 2011. Amongst the individual countries, poor production results are likely to entail larger purchases by **Costa Rica**, **Haiti**, **Mexico** and **Panama**. In the case of **Costa Rica**, the increase might also reflect efforts by the local industry to cut production, in an effort to solve bottlenecks arising from successive surplus harvests, while leaving more room for imports, which enter on preferential terms under the US-Central America free trade agreement (CAFTA). Within the sub-region, consignments to **Cuba** may also rise to 500 000 tonnes in 2012, while a good crop may permit **Nicaragua** to cut purchases by 6 percent to 80 000 tonnes.

*Elsewhere*, sustained demand is projected to result in aggregate rice imports by the **EU-27** zone rising by 8 percent to 1.3 million tonnes. For the second half of the 2011-2012 marketing year, started in March, the import duty on non-basmati husked rice will be lowered from Euro 42.5 to Euro 30 per tonne. The reduction follows a slow pace of shipments of 138 500 tonnes between September 2011 and February 2012. This compares to a threshold of 258 565 tonnes, under which the lower duty applies. By contrast, tariffs will remain unchanged at Euro 175 per tonne in the case of semi/wholly milled rice given that the 238 000 tonnes imported in the said period surpass the minimum threshold of 182 239 tonnes. On the other hand, at 180 000 tonnes, forecast deliveries to the **Russian Federation** point to little change from 2011. Once the country ratifies its accession to the World Trade Organisation by mid-year, duties levied on most types of rice, currently at Euro 120 per tonne, are scheduled to be reduced to an ad-valorem rate of 15 percent, but not less than Euro 45 per tonne. This level will be gradually reduced until it reaches 10 percent, but not less than Euro 30 per tonne, in 2015. Meanwhile, the USDA's latest assessment has upgraded forecasts of 2012 deliveries to the **United States**, which are now predicted to reach a high of 725 000 tonnes, up from 620 000 tonnes in 2011.

## Exports in 2012

### World trade in rice forecast to contract, but India's exports may surge



Although subject to 1.6 million tonne upward revision since January, at 34.3 million tonnes, FAO's latest forecast of global trade in rice points to a 2 percent contraction of exchanges in 2012. On the export side, the reduction is still forecast to mainly concern **Thailand**, much as a result of the high support price policy pursued by the Government, which has significantly eroded its competitiveness. However, under tighter supply situations, **Argentina, Brazil, China (Mainland), Myanmar, the United States and Uruguay** may also export less. On the other hand, several important exporters are anticipated to be in a position to expand sales. **India** is foremost amongst these, as its resumption of

non-basmati rice trade is not only predicted to be responsible for a surge in its exports, but also for intensifying competition amongst the various origins. **Australia, Cambodia, Pakistan and Viet Nam** may similarly step-up deliveries over the course of the year.

Consistent with the favourable outlook for 2012 output, rice consignments by **Cambodia** are forecast to grow by 9 percent to 1.2 million tonnes, much of which will be routed through Thailand and Viet Nam for processing and re-export. Over the year, deliveries to Viet Nam should also be facilitated by the renewal of a duty free import quota of 300 000 tonnes, effective until end-December 2013. While exports of milled rice in the first quarter of the year were reported to have progressed well, rising by 50 percent year-on-year to 38 500 tonnes, official deliveries by country could see a further boost under a government-to-government deal with the Philippines, currently under negotiation.

Notwithstanding the favourable result of the 2011 harvest, **China (Mainland)** is only foreseen to ship some 400 000 tonnes in 2012. This is significantly below the low of 516 000 tonnes officially registered in 2011. Given that rice exports are fully under state control in the country, the forecast reduction reflects expectations of officials responding to upward pressure on domestic prices by curbing sales abroad, especially as competition for its lower quality Indica markets in Africa intensifies.

In February, **Indian** authorities reassessed their September decision to lift the non-basmati rice export ban, favouring a continuation of common rice shipments from privately held stocks. FAO predicts that move could serve to boost India's 2012 exports to a 6.3 million tonnes, up from a revised 2011 estimate of 4.0 million tonnes. This is notwithstanding port congestion continuing to be a problem, as the condition that shipments be restricted to Electronic Data Interchange (EDI) ports, in order to facilitate their monitoring, still holds. This requirement was, nonetheless, somewhat relaxed in the case of trade across the border with Bangladesh and Nepal, under a decisions that also permitted state trading enterprises to engage in non-basmati rice trade from private stocks and for shipments to take place under the Food Aid Programme. On the basmati front, further relief was provided by a USD 200 cut in the minimum export price (MEP) to USD 700 per tonne. This is after fragrant deliveries from the country had encountered significant difficulties in concluding payments with the Islamic Republic of Iran, its largest single basmati market, mainly due to the tightening of sanctions on the country. Of recent, prospects of a new

market in China (Mainland), following the positive conclusion of phytosanitary standards and certification procedures, have given a further boost to the industry.

Banking on greater assistance to the sector, authorities in **Myanmar** have announced an export target of 1.0 million tonnes for the 2012-2013 fiscal year, started in April. To support the achievement and in order to offset the effects of adverse currency movements, the Government has extended the exemption of taxes on rice exports and other commodities to 14 July. However, FAO's outlook for calendar exports by Myanmar is more subdued, given output shortfalls from a flood-affected crop and logistical disadvantages relative to other affordable regional suppliers. These factors are expected to translate into an 11 percent year-on-year decline in exports by the country to 700 000 tonnes.

By contrast, given the excellent 2011 production result, **Pakistan** is forecast to count on sufficient supplies to raise shipments by 14 percent to 3.5 million tonnes. Affordable volumes of Irri rice are anticipated to sustain the performance, while the outlook may prove somewhat bleaker in the fragrant rice segment. Indeed, Pakistan's basmati competitiveness is being hindered by higher prices from a smaller crop, especially after India cut its basmati minimum export prices in February. The industry has also expressed concern over recent steps taken to normalise trade relations between the two countries. More specifically, in November 2011 Pakistan agreed to extend Most-Favoured-Nation status to India, a move that is thought could result in Indian supplies transiting through Pakistan to benefit from its advantageous access to Near Eastern and Central Asian markets through land routes.

High prices supported by the Paddy Pledging Programme have virtually priced **Thailand** out of the international market since October last year. In the first quarter of 2012, this trend was reflected in cumulative Thai shipments almost halving from a year earlier to roughly 1.5 million tonnes. While the fall has mainly concerned white rice, progress in the first quarter also revealed a shrinking of orders in the fragrant rice segment, where the country is believed to have a stronger hold. On this backdrop, Thai officials have been spearheading efforts to revive cooperation talks amongst ASEAN exporters, with further hopes vested on G-to-G transactions under renewed agreements with Indonesia, the Philippines and more recently Bangladesh. However, given their non-binding nature, such agreement are unlikely to provide much respite to sector. As such and unless the large public stocks accumulated through the Pledging scheme are released into the market, thereby easing quotations to more competitive levels, FAO foresees 2012 deliveries by Thailand falling by 29 percent to 7.5 million tonnes.

The pace of shipments has also lagged significantly behind in **Viet Nam**, where increasing competition resulted in aggregate exports in the first quarter of the year falling to 1.1 million tonnes, down 43 percent from the corresponding period in 2011. Despite this sluggishness, the outlook for the country is still favourable, as, unlike Thailand, it has allowed export quotations to slide and remain competitive. In addition, the arrival of abundant winter-spring crops is expected to keep export prices down and attract buyers. Signs of this were already apparent by end-March, when delivery contracts of 3.2 million tonnes were reported to have been signed. In fact and notwithstanding an expected weakening of demand from some of its key Asian destinations, logistical advantages should permit the country to retain hold over its African markets, while unexpected support has also been provided by large purchases from Chinese buyers along bordering regions. As a consequence, FAO now forecasts Viet Nam to ship 7.2 million tonnes in 2012, up only slightly from shipments a year earlier, but trailing closely behind Thailand for the place of world's largest supplier of rice.

Although still subject to official restraints, FAO has upgraded forecasts of 2012 shipments by **Egypt** by 200 000 tonnes, to take account of volumes making their way out of the country through

unofficial channels. Indeed and whilst authorities have continued to resort to imports to supply the public rationing system, reports suggest that the higher prices fetched abroad are providing growing incentive for outflows to take place unrecorded. Although recent statements would have officials stepping-up border controls to tackle the issue, FAO now anticipates deliveries by the country in 2012 to amount to 300 000 tonnes, up from a revised 2011 estimate of 200 000 tonnes.

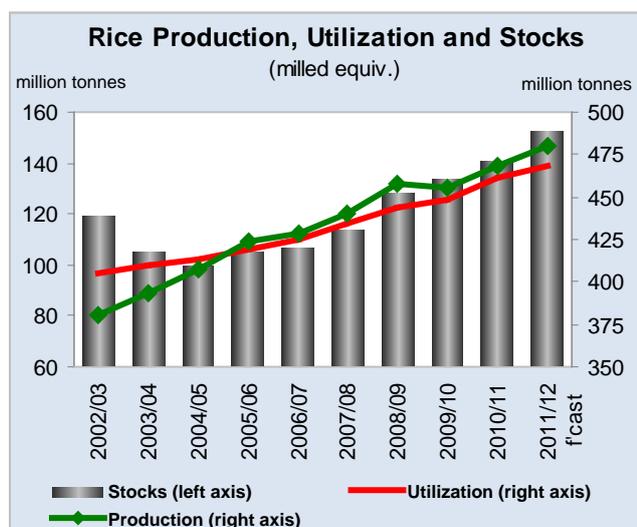
In its latest assessments, the USDA has slightly upgraded forecasts of 2012 deliveries by the **United States**, which are now predicted to reach 3.1 million tonnes. This level would still suggest a 4 percent year-on-year contraction in shipments, as prospects of a smaller crop are likely to continue eroding the country's competitiveness abroad. This trend is expected to be most pronounced in the long-grain segment, as illustrated by recent experience with Iraq. US Shipments to this country fell by 80 percent to 41 000 tonnes already in 2011, with no deliveries to Iraq taking place since January of that year. This situation prompted U.S. officials in February to request that Iraq reconsider its import requirements, including pre-delivery bagging and quality specifications. The rice sector in the United States is nonetheless hopeful that the conclusion of import certification procedures with China (Mainland) and the forthcoming start to the US-Colombia Free Trade Agreement will help sales to recover.

Based on current production prospects, **Australia** is anticipated to make a strong come-back into the international market over the course of calendar 2012. FAO anticipates consignments by the country to reach 400 000 tonnes, up from an estimate of 260 000 tonnes in 2011. If confirmed, this volume would stand out as the largest amount of shipments recorded since 2006, when prolonged drought began to severely constrain production in the country.

Amongst South American origins, **Argentina's** 2012 rice exports are foreseen to amount to 550 000 tonnes, down 10 percent year-on-year, reflecting a tighter supply situation due to output shortfalls. The reduction could also derive from fewer shipments to its largest single market, Brazil, following a March agreement between the respective Governments which has paved the way for the institution of a Brazilian import quota for Argentinean rice. The deal was associated to measures to guarantee access of Brazilian pork into the Argentinean market. In 2011, falling prices in **Brazil** prompted active market interventions by the government, through the PEP programme, to which much of the surge in Brazilian exports in 2011 have been attributed. However, and while the Government has set aside a budget of Reais 720 billion (USD 403 million) to fund price support measures over the season, firmer prices from a sharp reduction in availabilities are likely to entail a less pronounced need to intervene in 2012. Thus, Brazil could see its 2012 deliveries depressed by 54 percent to 600 000 tonnes, a level that would reposition the country as a net-importer of rice. Prospects of output shortfalls in Brazil should, instead, favour deliveries by **Uruguay**, one of its major suppliers. This is after the emergence of Brazil as a large exporter in 2011 had also partly rivalled its hold in some traditional markets, including the European Union. However, news of the quota agreement between Argentina and Brazil, and fears that it could potentially be extended to cover its produce have been a source of concern for the Uruguayan local industry. The country is also faced with a smaller harvest this year, which FAO gauged could contribute to a 4 percent fall in its deliveries to 900 000 tonnes.

## II. RICE UTILIZATION

### Growing global demand for rice as food behind forecast of higher rice utilisation in 2012 and 2013



Given revisions to figures of production in 2011, from which supplies over the year will be principally drawn, FAO has lowered its forecast of **world rice utilization in 2012** to 468.4 million tonnes (milled basis), a level that would imply a 2 percent expansion from the previous year. The projected increase reflects expectations of continued growth in global demand for rice as food, amounting to approximately 396.0 million tonnes. Taking account of projected population growth over the year, this 6.6 million tonne increase would be sufficient for **average per caput consumption** to rise by 0.3 kilos to 56.7 kilos per person. Volumes destined to animal feed

are similarly anticipated to grow by 2 percent to 12.2 million tonnes, while other uses (seeds, post-harvest losses and industrial uses) are on aggregate predicted to absorb 60.2 million tonnes, up from an estimate of 59.5 million tonnes for the previous year.

Based on preliminary prospects for the 2012 paddy season, FAO's first forecasts of **global rice use in 2013** sees world utilization rising by a further 8.6 million tonnes to 477.0 million tonnes. Consumption of rice as food is again expected to fuel most of this growth, rising by 2 percent to 402.6 million tonnes. On a **per capita basis**, this gain would imply a 0.5 percent increase in average world rice intake to 57.0 kilos per person. Amongst the various regions, **Asia** is expected to be largely behind the forecast growth, with rations passing to an average of 82.7 kilos per person, up from 82.2 kilos in 2012. The announced implementation of India's National Food Security Bill as of 2013 could further boost rice consumption next year. Under India's proposal, entitlements to subsidized rice are to be extended to 75 percent of the rural population and to 50 percent of the urban population. Per caput rice intake is instead expected to remain largely stable in **Africa** at 22.7 kilos and in **Latin America and the Caribbean** at 30.1 kilos per person. By contrast, current prospects point to declines, in the order of 1 percent, in **North America** to 10.2 kilos and in **Oceania** to 14.8 kilos per person. In **Europe** rice intake may fall by a larger margin of 2 percent to 4.9 kilos per person.

On the other hand, a review of local price developments in the first quarter of the year reveals that anticipated increases in world consumption could be supported by a general downward trend in domestic quotations. This is primarily the case in **Asia**, where domestic prices have tended to be lower relative to their level in the last quarter of 2011. **Bhutan, Japan and Indonesia** have been the exception to this trend, while pronounced declines in the rest of the region have been witnessed, especially in **Cambodia, China (Mainland), Sri Lanka, Thailand and Viet Nam**. Generally speaking, retail/wholesale rice prices also trended lower in most of **Africa**, except in eastern parts of the continent, where countries such as **Rwanda, Uganda and the United Republic of Tanzania** have seen exceptional gains since the start of the year. This is not only relative to their values in the last quarter of 2011, but also compared to their levels a year earlier. Recent price trends have been mixed in **Latin America and the Caribbean** instead, with declines in **Bolivia, Honduras and Mexico** registered against gains in **Brazil, Costa Rica and Nicaragua**. Meanwhile, quotations in the **United States and Italy** during the first quarter of the year also tended to weaken.

## MONTHLY RETAIL PRICES OF RICE IN SELECTED MARKETS

ASIA	Historical monthly price trend						Latest available:		Latest quotation available compared to: <sup>1</sup>			
	2007	2008	2009	2010	2011	2012	Month	USD/Kg	3 months earlier	1 year earlier	2 years earlier	
Bangladesh: Dhaka (coarse)							Mar-12	0.35	-1%	-16%	6%	
Bhutan: Samdrup Jongkhar (white)							Feb-12	0.37	13%	0%	13%	
Cambodia: Phnom Penh (mix)*							Mar-12	0.42	-24%	2%	-12%	
China: 50 City Avg. (japonica second quality)							Mar-12	0.85	-3%	1%	24%	
India: Delhi							Mar-12	0.47	1%	4%	4%	
Indonesia: Ntl. Avg.							Mar-12	1.14	3%	18%	39%	
Japan: Tokyo Ku-area (white)							Feb-12	5.58	3%	8%	0%	
Lao PDR: Vientiane (ordinary first quality)							Mar-12	1.00	0%	-11%	0%	
Mongolia: Ulaanbaatar							Mar-12	1.24	1%	-2%	10%	
Nepal: Kathmandu (coarse)							Feb-12	0.44	0%	3%	9%	
Pakistan: Karachi (irri)							Mar-12	0.54	0%	17%	40%	
Philippines: Ntl. Avg. (well-milled)							Mar-12	0.82	1%	2%	2%	
Sri Lanka: Colombo (white)							Mar-12	0.43	-7%	-8%	3%	
Thailand: Bangkok (5% broken)*							Feb-12	0.49	-13%	3%	-5%	
Viet Nam: Dong Thap (25% broken)							Mar-12	0.35	-19%	-10%	17%	
<b>WESTERN AFRICA</b>												
Benin: Cotonou (imported)							Feb-12	1.07	0%	4%	9%	
Burkina Faso: Ouagadougou (imported)*							Mar-12	0.75	0%	-4%	16%	
Cape Verde: Santiago (imported)							Feb-12	1.11	-2%	-1%	-3%	
Chad: N'Djamena (imported)							Feb-12	1.01	-17%	15%	9%	
Mali: Bamako*							Mar-12	0.75	-1%	14%	23%	
Mauritania: Nouakchott (imported)							Jan-12	0.69	-1%	-29%	-46%	
Niger: Niamey (imported)							Jan-12	0.89	0%	0%	13%	
Senegal: Dakar (imported)							Jan-12	0.81	19%	3%	12%	
<b>CENTRAL AFRICA</b>												
Dem. Rep. Congo: Kinshasa (imported)							Feb-12	1.06	-11%	-9%	-5%	
<b>EASTERN AFRICA</b>												
Rwanda: Kigali*							Feb-12	1.16	13%	38%	7%	
Somalia: Mogadishu (imported)							Feb-12	0.77	-30%	-4%	-14%	
Uganda: Kampala*							Mar-12	1.34	17%	79%	59%	
United Rep. of Tanzania: Dar es Salaam*							Mar-12	1.27	41%	58%	38%	
<b>SOUTHERN AFRICA</b>												
Madagascar: Ntl. Avg. (local)							Mar-12	0.59	-4%	-1%	-	
Mozambique: Maputo							Mar-12	0.86	-6%	-18%	-2%	
<b>CENTRAL AMERICA AND THE CARIBBEAN</b>												
Costa Rica: Ntl. Avg. (first quality)							Feb-12	1.55	5%	-11%	3%	
Dominican Rep: Santo Domingo (first quality)							Mar-12	1.20	0%	-1%	-3%	
El Salvador: San Salvador							Mar-12	1.09	0%	0%	4%	
Guatemala: Ntl. Avg. (second quality)							Mar-12	1.17	1%	3%	4%	
Haiti: Port-au-Prince (imported)							Mar-12	1.08	1%	2%	-17%	
Honduras: Tegucigalpa (second quality)*							Mar-12	0.78	-4%	-7%	-6%	
Mexico: Mexico City (sinaloa)*							Mar-12	0.82	-7%	-2%	10%	
Nicaragua: Ntl. Avg. (second quality)							Feb-12	0.91	9%	7%	8%	
Panama: Panama City (first quality)							Mar-12	1.13	2%	4%	8%	
<b>SOUTH AMERICA</b>												
Bolivia: La Paz (grano de oro)*							Feb-12	0.84	-5%	-8%	-3%	
Brazil: Ntl. Avg.							Feb-12	1.10	3%	3%	-6%	
Ecuador: Quito (long grain)*							Mar-12	0.96	0%	7%	23%	
Peru: Lima (corriente)							Mar-12	0.93	0%	7%	23%	
<b>NORTH AMERICA</b>												
United States: City Avg. (long grain, uncooked)							Mar-12	1.54	-4%	-6%	-8%	
<b>EUROPE</b>												
Italy: Milan (arborio volano)*							Mar-12	1.25	-12%	-34%	4%	
Russian Federation: Ntl. Avg.							Feb-12	1.46	1%	-7%	2%	

<sup>1</sup> Quotations in the month specified in the third column were compared to their levels in the preceding three, twelve and twenty-four months. Price comparisons were made in nominal local currency units. Sources: FAO/GIEWS GIEWS Food Price Data and Analysis Tool; Monthly Report on the Retail Price Survey, Japan Ministry of Internal Affairs and Communications; U.S. Bureau of Labor Statistics (BLS); Associazione Industrie Risiere Italiane (AIRI).

\* Wholesale prices.

### III. CLOSING STOCKS

#### Global rice carryovers in 2012 now set to reach 153 million tonnes, with further rebuilding anticipated in 2013

Since January, FAO has raised forecasts of **global rice inventories at the close of the 2011-2012 marketing year** by 1.8 million tonnes to 152.8 million tonnes (milled basis). Upward revisions to carry-overs in Bangladesh, China (Mainland), Nigeria and Thailand were behind the increase, more than compensating for downward adjustments in the Islamic Republic of Iran, Myanmar, Pakistan, the Philippines, Sri Lanka and Viet Nam. At the revised level, world rice reserves would exceed their opening level by 11.8 million tonnes, being sufficient to cover 3.9 months of projected global rice consumption. **Developing countries** are expected to be behind all of the growth, accumulating 9 percent more than the previous year, or 148.2 million tonnes, while reserves held by **developed countries** may incur a 5 percent decline to 4.6 million tonnes.

The anticipated stock replenishment is forecast to concentrate in **rice exporting countries**, mainly as a reflection of bumper crops in the two largest global rice producers, **China (Mainland)** and **India**. In the former, further assisted by official purchases, rice carry-overs are predicted to reach 83.1 million tonnes, up 10 percent from the previous year. Likewise and on the back of an excellent 2011 production result, India is foreseen to end the year with a 3.0 million tonne boost to reserves to 24.5 million tonnes. The increase, being forecast to occur on account of Government purchases, is despite expectations of a surge in rice deliveries by the country. Indeed, by 1 April a fast pace of local procurement had led public rice holdings to reach 33.35 million tonnes, 4.5 million tonnes above their level a year earlier and more than 19.0 million tonnes over mandated levels under the country's Buffer Norms.

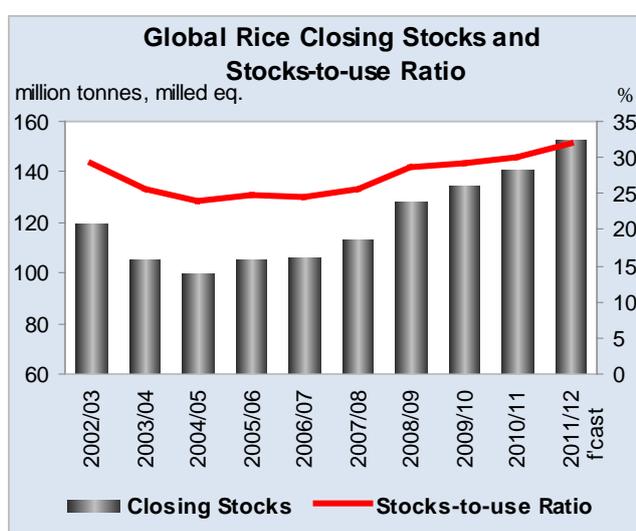
	Buffer Stock Norms			Stock in Central Pool		
	Buffer Norms	Strategic Reserve	Total	2010	2011	2012
<b>1st January</b>	11.8	2.0	13.8	24.35	25.58	29.71
<b>1st April</b>	12.2	2.0	14.2	26.71	28.82	33.35
<b>1st July</b>	9.8	2.0	11.8	24.26	26.86	
<b>1st October</b>	5.2	2.0	7.2	18.44	20.5	

Source: Food Corporation of India

Although the surge has applied a heavy burden on the country's storage facilities, the increase precludes the expansion of public distribution programmes under the National Food Security Bill. The scheme, which officials would have implemented by year's end is estimated to require 64 million tonnes of grain (wheat and rice) for distribution and cost up to USD 67 billion (Rupees 3.5 trillion).

A boost in Government holdings is also behind expectations of a 20 percent increase in inventories held by **Thailand** to 7.4 million tonnes. In fact, the first round of the reinstated Paddy Pledging Programme already concluded in February absorbing 6.8 million tonnes of main-crop paddy. While plans for future stock releases remain uncertain, official expectations would have an additional 8.0 million tonnes being mortgaged under the second round of the programme, which is to cover secondary paddy crops until September 2012. Similarly and notwithstanding a sustained pace of shipments, good crops are foreseen to lead both **Pakistan** and **Viet Nam** to reconstitute stocks, while a smaller crop is officially expected to require that the **United States** draw its inventories down by 18 percent to 1.2 million tonnes.

As a group, **rice importers** are expected to close the marketing year with a fairly stable level of reserves of 27.2 million tonnes. Amongst the major international buyers, larger domestic purchases and an overall good harvest are expected to boost carryovers in **Bangladesh** by 3 percent to 7.0 million tonnes. Likewise, on the back of efforts to advance local procurement while continuing imports, **Indonesia** is foreseen to rebuild inventories by 700 000 tonnes to 6.0 million tonnes. Meanwhile, prospects of more limited purchases from abroad under renewed efforts to attain self-sufficiency, are expected to entail a drawdown in reserves in the **Philippines**. By 1 March, ahead of the June 30 end to the marketing year, the country was already estimated to hold 2.01 million tonnes on stock, 30 percent less than a year earlier. This 840 000 tonne decline was mainly on account of a lower volumes in Government silos, which were officially reported at 778 000 tonnes, virtually half their levels a year earlier. Nevertheless, with part of the fall expected to be compensated by imports currently taking place, the country is foreseen to close the year with a more limited draw down of 21 percent to 2.4 million tonnes. Amongst the other major destinations, carryovers are similarly predicted to decline in the **European Union**, while these remain largely steady in **Brazil** and in **Nigeria**.



On the other hand, preliminary forecasts of global rice inventories at the close of the 2012-2013 marketing years, indicate a possible continuation of the stock rebuilding trend registered over the past eight years, with world carry-overs predicted to reach 164.3 million tonnes. The forecast level would imply a 8 percent rise from the previous year. The increase would permit the **global stock-to-use ratio** to pass from 30.1 in 2010/11 to 32.0 percent in 2011-2012 and to 33.7 percent in the coming year. **China (Mainland)** is forecast to account for a large share of the growth, amassing an additional 9 percent to 90.5 million tonnes. Amongst the largest rice

suppliers, **India** is also expected to continue refurbishing stocks to 27.0 million tonnes. **Pakistan**, **Thailand** and **Viet Nam** are similarly foreseen to reconstitute inventories, a trend that could result in a 2 percentage point increase in the major exporters' <sup>3</sup> stock-to-disappearance ratio<sup>4</sup> to 25 percent.

## IV. INTERNATIONAL PRICES

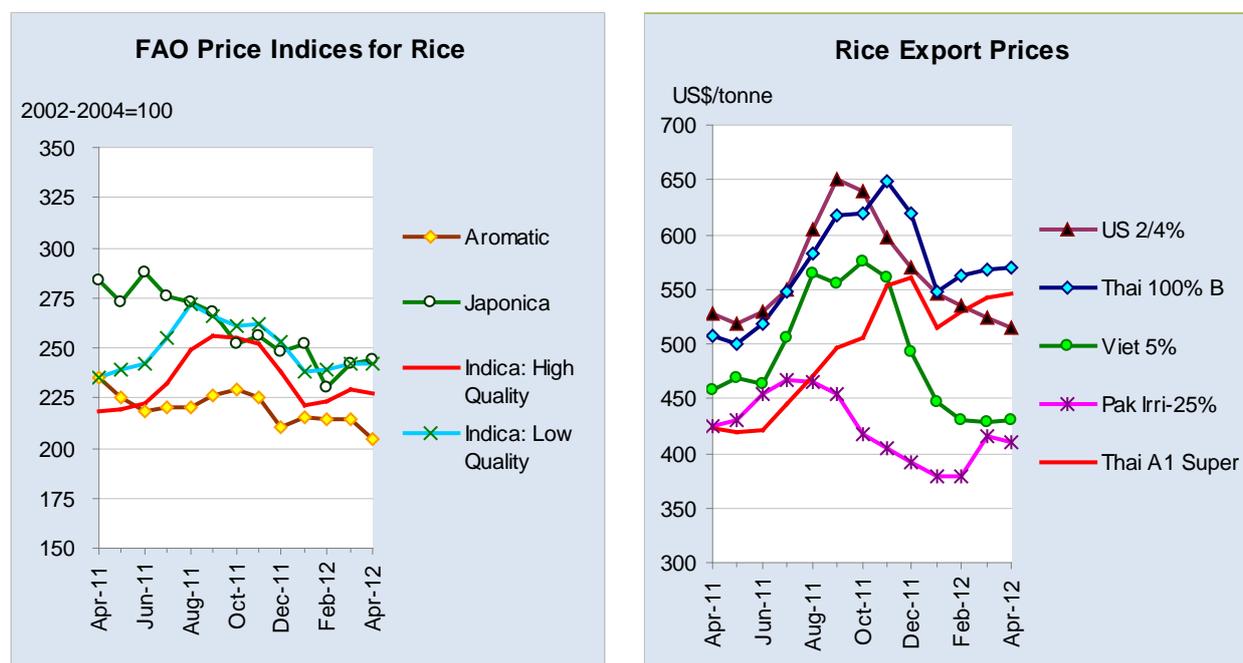
### International rice prices on a steady to downward trend

International rice export prices have remained on a steady to downward trend over the past three months, as captured by the FAO All Rice Price Index falling by 1 point since January to an April value of 234. The relative stability of the Index, despite the arrival of secondary crop harvests in northern hemisphere countries, is explained by diverging trends across the various rice segments. Growing competition has underpinned declines in Aromatic and Japonica prices over the past three months, with the corresponding indices shedding 11 and 8 points respectively to 204 and 244 points. This trend was, however, mostly contrasted by gains in high quality Indica rice, whose Index rose by 3 percent to 227 during the period, supported by strong demand from Asian and African countries. Low Quality Indica prices also tended to strengthen, with their April index standing 2

<sup>3</sup> Thailand, Viet Nam, the United States, India and Pakistan.

<sup>4</sup> Defined as the five countries' stocks divided by the five countries' domestic utilization plus exports.

percent above January at 242 points. In spite of these recent gains, at a January-April average of 233 points, the FAO All Rice Price Index stood 7 percent below its corresponding level a year earlier, continuing a downward tendency that has characterised the international rice market since September, when India lifted its ban on non-basmati rice exports.



Looking at the various origins, quotations in **Thailand** have remained strong, much as a result of the Paddy Pledging Program. The scheme has offset downward pressure applied by the harvest of offseason crops and by a thinning of foreign demand, resulting in Thai 100% B standing 4 percent above its January value at USD 569 per tonne. Weak buying interest has not concerned all qualities of Thai rice, nevertheless, as a surge in inquiries from Nigeria significantly lifted quotes of parboiled rice, which is now priced 7 percent higher than benchmark Thai 100% B. Similarly, higher domestic demand for brokens, needed in order to meet quality specifications under the mortgaging programme, narrowed the differential between 5% and 25% Thai rice, which have been quoted virtually equally since January. The opposite has been the case in the **United States**, where a slow pace of shipments underpinned declines in the long-grain market. Fewer inquiries and the arrival of the winter-spring harvest also weighed heavily on quotes in **Viet Nam**, in spite of brief support being provided by large sales to China (Mainland) and the Philippines. In March, this situation prompted authorities to launch a stockpiling programme to cover 1.0 million tonnes paddy, while also adjusting minimum export prices and stepping up their enforcement. After first being lowered, these now stand back at their January level of USD 450 for 5% broken and at USD 425 for 25% broken. Meanwhile, IRRI prices have tended to strengthen in **Pakistan**, after delays in the Vietnamese harvest and logistical difficulties in India boosted demand from Chinese and African buyers. Pakistan's Basmati prices have held less ground however, largely on account of competition with India and the resumption of shipments from that country to the Islamic Republic of Iran. Though less pronounced, these factors and a USD 200 cut in minimum export prices to USD 700 per tonne in February, were similarly behind steady declines in basmati prices in **India**, with a recent depreciation of the Rupee also driving falls of IRRI 25% broken.

As to prospects for the coming months, rice export prices are likely to be influenced by the progress of secondary crop harvest in major northern hemisphere countries and of main crops in countries south or along the equator. Fresh supplies from these harvests could add further downward pressure on international quotations, particularly if prospects of a weaker world import demand are confirmed. However, pressure from these crops could be partly attenuated by higher demanded

prices by farmers, especially on the backdrop of rising costs of basic inputs, or by a stepping up of official support measures to producers. In this connection, with the Paddy Pledging Programme in Thailand set to continue until September, significant changes in Thai rice quotations appear unlikely. For this reason, policy decisions in the country regarding potential stock-releases will be of importance, as would eventual decisions regarding exports in India. However, prospects of ample availabilities and storage problems are likely to keep Indian officials from reinstating curbs on non-basmati exports in the near term, especially if, as has been stated, the National Food Security Bill will not be implemented until year's end.

<b>FAO Rice Price Indices (2002-2004=100)</b>					
	All	Indica		Japonica	Aromatic
		High quality	Low quality		
<b>2007</b>	<b>161</b>	<b>156</b>	<b>159</b>	<b>168</b>	<b>157</b>
<b>2008</b>	<b>295</b>	<b>296</b>	<b>289</b>	<b>315</b>	<b>251</b>
<b>2009</b>	<b>253</b>	<b>229</b>	<b>197</b>	<b>341</b>	<b>232</b>
<b>2010</b>	<b>229</b>	<b>211</b>	<b>212</b>	<b>264</b>	<b>231</b>
<b>2011</b>	<b>251</b>	<b>237</b>	<b>250</b>	<b>274</b>	<b>227</b>
<b>2011</b> April	245	218	235	284	235
May	242	219	239	273	225
June	247	222	242	288	218
July	251	232	255	276	220
August	260	249	272	273	220
September	260	256	266	268	226
October	253	255	261	252	229
November	254	252	262	256	225
December	242	238	253	248	210
<b>2012</b> January	235	221	238	252	215
February	229	223	239	230	214
March	235	229	242	242	214
April	234	227	242	244	204
<b>2011</b> Jan.-Apr.	250	229	237	289	237
<b>2012</b> Jan.-Apr.	233	225	240	242	212
<b>% Change</b>	-6.8	-2.0	1.1	-16.1	-10.7

Source : FAO

N.B. - The FAO Rice Price Index is based on 16 rice export quotations. "Quality" is defined by the percentage of broken kernels, with high (low) quality referring to rice with less (equal to or more) than 20 percent broken. The Sub-Index for Aromatic Rice follows movements in prices of Basmati and Fragrant rice.

RICE EXPORT PRICES														
	Thai White 100% B Second grade	Thai Parboiled 100%	U.S. Long Grain 2,4%	Thai 5%	Viet 5%	Argentina max 10%	India 25%	Pak 25%	Thai 25%	Viet 25%	Thai A1 Super 1/	U.S. California Medium Grain 2/	Pak Basmati Ordinary	Thai Fragrant 100%
	<i>(US \$/tonne, f.o.b.)</i>													
<b>2007</b>	335	332	436	325	313	338	289	290	305	294	275	557	677	550
<b>2008</b>	695	722	782	682	614	584	...	498	603	553	506	913	1077	914
<b>2009</b>	587	619	545	555	432	459	...	351	460	384	329	1019	937	954
<b>2010</b>	518	532	510	492	416	499	...	372	444	387	386	764	881	1045
<b>2011</b>	565	563	577	549	505	475	409	433	511	467	464	855	1008	1054
<b>2011</b>														
April	507	516	528	490	457	510	...	424	465	421	423	871	1150	990
May	500	508	518	483	469	496	...	430	460	438	419	871	1025	993
June	518	521	529	502	464	450	...	454	468	430	421	871	938	1007
July	548	548	549	532	505	450	...	467	490	466	445	871	910	1062
August	582	588	605	566	564	450	...	466	520	530	471	866	875	1096
September	618	625	650	601	555	450	437	455	550	515	497	860	950	1110
October	620	610	639	604	576	450	419	418	556	524	505	860	962	1140
November	649	624	597	632	560	450	396	405	594	515	553	816	950	1141
December	620	598	569	603	492	468	384	391	587	464	560	764	890	1125
<b>2012</b>														
January	548	531	546	531	446	475	390	379	529	410	515	816	950	1087
February	563	570	535	547	431	475	395	379	542	395	530	816	950	1110
March	567	614	524	551	428	472	379	415	551	387	543	788	950	1120
April	569	608	514	552	431	474	384	411	553	384	546	772	825	1091
<b>2011 Jan.-Apr.</b>	532	533	568	515	468	510	...	426	476	430	424	871	1150	992
<b>2012 Jan.-Apr.</b>	562	581	530	545	434	474	387	396	544	394	533	798	919	1102
<b>% Change</b>	5.6	8.9	-6.7	5.9	-7.4	-7.1	...	-7.1	14.4	-8.5	25.7	-8.4	-20.1	11.1

**Sources:** Jackson Son & Co. (London) Ltd., Thai Department of Foreign Trade (DFT) and other public sources.

1/ White broken rice. 2/ No. 1, maximum 4-percent broken, sacked, California mill.

... = unquoted

**Note:** Please note that data may have been subject to revision due to temporary unavailability and/or late publishing of weekly price quotations.

TABLE 1: WORLD PADDY PRODUCTION

	2007-2009	2010	2011	2012	Annual Change		2011 Forecast	
	Average		Forecast	Forecast	2012 over 2011		Previous	Revision
	million tonnes				million tonnes	%	million tonnes	
<b>WORLD</b>	676.1	702.3	720.0	732.3	12.3	1.7	721.4	-1.4
Developing countries	651.4	675.3	695.0	707.4	12.4	1.8	696.7	-1.6
Developed countries	24.7	27.0	25.0	24.9	0.0	-0.1	24.7	0.2
<b>ASIA</b>	613.1	634.7	651.9	665.5	13.5	2.1	652.7	-0.8
Bangladesh	46.3	50.3 G	50.6 G	51.8	1.1	2.2	51.9	-1.3
Cambodia	7.2	8.2 G	8.8 G	9.0	0.2	2.5	8.4 G	0.4
China	192.5	197.2	202.3	203.5	1.2	0.6	202.3	-
of which China (Mainland)	191.0	195.8 G	200.8 G	202.0	1.2	0.6	200.8 G	-
India	142.5	144.0 G	155.1 G	157.5	2.4	1.5	154.5 G	0.6
Indonesia	60.6	66.5 G	65.4 G	68.0 G	2.6	4.0	65.4 G	-
Iran, Islamic Rep. of	2.4	2.3 G	2.4	2.4	0.0	0.0	2.4	-
Japan	10.8	10.6 G	10.5 G	10.5	0.0	0.4	10.3	0.2
Korea Rep. of	6.4	5.8 G	5.7 G	5.6	-0.1	-1.7	5.7 G	-
Lao PDR	2.9	3.1 G	3.0 G	3.1	0.1	3.4	3.0	-0.1
Malaysia	2.4	2.5 G	2.7 G	2.7	0.0	1.3	2.7 G	-
Myanmar	31.0	30.8	30.0	31.0	1.0	3.3	30.0	-
Nepal	4.3	4.5 G	5.1 G	4.8	-0.3	-5.3	5.1 G	-
Pakistan	9.7	7.2 G	10.3 G	10.8	0.5	4.4	10.8 G	-0.4
Philippines	16.4	16.7 G	17.0	17.5	0.5	2.9	17.0	-
Sri Lanka	3.6	4.3 G	3.9 G	4.5	0.6	16.1	4.3 G	-0.4
Thailand	31.9	35.6 G	31.6 G	35.0	3.4	10.7	31.5 G	0.2
Viet Nam	37.9	40.0 G	42.3 G	42.5 G	0.2	0.4	42.3 G	-
<b>AFRICA</b>	22.9	25.6	25.3	26.1	0.8	3.1	25.5	-0.2
<b>North Africa</b>	6.6	5.2	5.9	6.0	0.1	1.7	5.8	0.0
Egypt	6.6	5.2	5.8	5.9	0.1	1.7	5.8	-
<b>Western Africa</b>	9.6	12.8	12.2	13.1	0.9	7.3	12.4	-0.2
Côte d'Ivoire	0.7	0.7 G	0.7 G	0.7	0.0	3.9	0.7 G	0.0
Guinea	1.5	1.6 G	1.7 G	1.7	0.0	1.8	1.8	-0.1
Mali	1.6	2.3 G	1.7 G	2.0	0.3	14.8	1.9	-0.2
Nigeria	3.4	4.5 G	4.5	4.7	0.2	4.4	4.3	0.2
Sierra Leone	0.7	1.0 G	1.2 G	1.3	0.1	9.8	1.2 G	-
<b>Central Africa</b>	0.5	0.5	0.5	0.5	0.0	5.9	0.5	0.0
<b>Eastern Africa</b>	1.8	1.8	1.8	1.9	0.1	3.3	1.8	-
Tanzania	1.3	1.4	1.3	1.4	0.1	4.5	1.3	-
<b>Southern Africa</b>	4.4	5.2	4.8	4.5	-0.3	-6.4	4.8	-
Madagascar	4.0	4.8 G	4.3	4.0	-0.3	-7.0	4.3	-
Mozambique	0.2	0.3 G	0.3 G	0.3	0.0	3.2	0.3 G	-
<b>CENTRAL AMERICA &amp; CAR</b>	2.6	2.8	2.7	2.7	0.0	0.6	2.9	-0.3
Cuba	0.5	0.5 G	0.5 G	0.5	0.1	10.9	0.5	-0.1
Dominican Rep.	0.8	0.9 G	0.8 G	0.9	0.0	1.8	0.9	-0.1
<b>SOUTH AMERICA</b>	24.2	23.5	26.5	24.5	-1.9	-7.2	26.6	-0.2
Argentina	1.2	1.2 G	1.7 G	1.5 G	-0.2	-12.8	1.7 G	0.0
Brazil	12.0	11.7 G	13.6 G	11.7 G	-1.9	-14.3	13.6 G	-
Colombia	2.7	2.4 G	2.7	2.7	0.1	1.9	2.7	-
Ecuador	1.6	1.7 G	1.4	1.4	0.0	0.0	1.4	-
Peru	2.7	2.8 G	2.6 G	2.7	0.1	2.7	2.6	0.0
Uruguay	1.3	1.1 G	1.6 G	1.5	-0.1	-8.7	1.6 G	-
<b>NORTH AMERICA</b>	9.4	11.0	8.4	8.2	-0.2	-2.3	8.4	-
United States	9.4	11.0 G	8.4 G	8.2	-0.2	-2.3	8.4 G	-
<b>EUROPE</b>	3.8	4.4	4.5	4.4	-0.1	-1.9	4.5	0.0
EU	2.8	3.1 G	3.1	3.0	-0.1	-3.4	3.1	0.0
Russian Federation	0.8	1.1 G	1.2	1.2	0.0	3.3	1.2	-
<b>OCEANIA</b>	0.1	0.2	0.7	0.9	0.2	26.5	0.7	0.0
Australia	0.1	0.2 G	0.7 G	0.9 G	0.2	27.1	0.7 G	-

## FOOTNOTES:

The 2012 paddy production season normally includes rice from the main paddy crops whose harvests fall in 2012, to which rice from all subsequent secondary crops, if any, is added. In the case of northern hemisphere countries, production in 2012 comprises the main rice crop, usually collected in the latter part of the year, plus the volume obtained from the successive secondary crops, commonly harvested in the first half of 2013. In the case of southern hemisphere countries, production in 2012 normally comprises rice from the main paddy crops assembled in the first part of 2012, plus rice from the secondary crops, generally gathered in the latter part of 2012. This approach to assess rice production is applicable to any given season.

Totals computed from unrounded data.

G Official figure.

TABLE 2: WORLD RICE IMPORTS

	2007-2009	2010	2011	2012	Annual Change		2012 Forecast	
	Average		Estimate	Forecast	2012 over 2011		Previous	Revision
	<i>million tonnes</i>				<i>million tonnes</i>	<i>%</i>	<i>million tonnes</i>	
<b>WORLD</b>	30.5	31.5	35.2	34.3	-0.8	-2.4	32.8	1.6
Developing countries	25.7	27.0	30.5	29.4	-1.0	-3.4	27.9	1.5
Developed countries	4.8	4.5	4.7	4.9	0.2	4.1	4.9	0.1
<b>ASIA</b>	14.3	15.7	17.5	15.8	-1.7	-9.8	15.4	0.4
Bangladesh	1.1	0.7 G	1.5 G	0.6	-0.9	-59.0	0.6	-
China	0.9	1.2	1.2	1.6	0.4	35.0	1.2	0.3
of which China (Mainland)	0.4	0.4 G	0.6 G	1.0	0.4	67.3	0.5	0.6
Indonesia	0.8	1.0	2.8	1.5	-1.3	-46.4	1.0	0.5
Iran, Islamic Rep. of	1.2	1.1	1.1	1.1	0.0	0.0	1.3	-0.2
Iraq	0.9	1.2 G	1.2	1.3	0.1	8.3	1.3	-
Japan	0.6	0.7 G	0.7 G	0.7	0.0	-5.7	0.7	-
Malaysia	1.0	0.9 G	1.0 G	1.1	0.1	6.7	1.1	-
Philippines	2.0	2.4 G	1.2	0.9	-0.3	-21.7	1.2	-0.3
Saudi Arabia	1.0	1.0	1.3	1.3	0.1	4.0	1.2	0.1
United Arab Emirates	0.6	0.6	0.6	0.6	0.0	1.6	0.6	-
<b>AFRICA</b>	9.9	9.6	11.1	11.4	0.3	2.3	10.5	0.9
Côte d'Ivoire	0.8	0.8	1.0	1.0	0.0	0.0	0.9	0.1
Nigeria	1.9	2.1	2.2	2.0	-0.2	-9.1	1.9	0.1
Senegal	0.9	0.7 G	0.8 G	0.9	0.1	11.8	0.8	0.1
South Africa	0.9	0.8	0.9	1.0	0.0	5.6	1.0	-
<b>CENTRAL AMERICA &amp; CAR</b>	2.2	2.0	2.2	2.3	0.1	4.2	2.2	0.1
Cuba	0.6	0.4 G	0.5	0.5	0.0	4.2	0.6	-0.1
Mexico	0.6	0.6	0.7	0.7	0.0	4.2	0.7	0.1
<b>SOUTH AMERICA</b>	1.0	1.3	1.3	1.6	0.3	25.7	1.5	0.2
Brazil	0.6	0.8 G	0.6 G	0.9	0.3	49.9	0.8	0.1
<b>NORTH AMERICA</b>	1.0	0.9	1.0	1.1	0.1	10.9	1.0	0.1
United States	0.7	0.6 G	0.6 G	0.7 G	0.1	16.9	0.7 G	0.1
<b>EUROPE</b>	1.8	1.6	1.6	1.7	0.1	5.5	1.7	0.0
EU 1/	1.2	1.1 G	1.2	1.3	0.1	8.3	1.3	-
Russian Federation	0.2	0.2 G	0.2	0.2	0.0	0.0	0.2	-
<b>OCEANIA</b>	0.4	0.5	0.4	0.4	0.0	-2.3	0.4	-

**FOOTNOTES:**

Totals computed from unrounded data.

1/ Excluding intra-trade.

G Official figure.

TABLE 3: WORLD RICE EXPORTS

	2007-2009	2010	2011	2012	Annual Change		2012 Forecast	
	Average		Estimate	Forecast	2012 over 2011		Previous	Revision
	<i>million tonnes</i>				<i>million tonnes</i>	<i>%</i>	<i>million tonnes</i>	
<b>WORLD</b>	30.5	31.5	35.2	34.3	-0.9	-2.5	32.8	1.5
Developing countries	26.9	26.9	31.2	30.0	-1.1	-3.6	28.5	1.5
Developed countries	3.6	4.6	4.1	4.3	0.2	5.7	4.3	0.0
<b>ASIA</b>	24.0	24.2	27.5	27.2	-0.2	-0.9	26.2	1.1
Cambodia	0.9	1.0	1.1	1.2	0.1	9.1	1.2	-
China	1.1	0.7	0.6	0.5	-0.1	-19.0	0.8	-0.3
of which China (Mainland)	1.0	0.6 G	0.5 G	0.4	-0.1	-22.4	0.7	-0.3
India	4.0	2.2 G	4.0	6.3	2.3	57.5	5.0	1.3
Myanmar	0.6	0.5 G	0.8 G	0.7	-0.1	-11.3	0.6	0.1
Pakistan	2.8	3.5 G	3.1 G	3.5	0.4	14.3	3.2	0.3
Thailand	9.4	9.0 G	10.6 G	7.5	-3.1	-29.3	8.0	-0.5
Viet Nam	5.1	6.9 G	7.1 G	7.2	0.1	1.2	7.0	0.2
<b>AFRICA</b>	0.9	0.7	0.3	0.4	0.1	46.8	0.3	0.1
Egypt	0.8	0.5 G	0.2	0.3	0.1	50.0	0.1	0.2
<b>SOUTH AMERICA</b>	2.2	2.3	3.5	2.6	-0.9	-25.6	2.2	0.4
Argentina	0.4	0.5 G	0.6	0.6	-0.1	-9.8	0.5	0.1
Brazil	0.4	0.4 G	1.3 G	0.6	-0.7	-54.0	0.4	0.2
Guyana	0.2	0.3 G	0.3 G	0.3	0.0	-1.8	0.3	-
Uruguay	0.9	0.7 G	0.9 G	0.9	0.0	-4.0	0.8	0.2
<b>NORTH AMERICA</b>	3.1	3.9	3.2	3.1	-0.1	-3.5	3.1	0.1
United States	3.1	3.9 G	3.2 G	3.1 G	-0.1	-3.5	3.1 G	0.1
<b>EUROPE</b>	0.2	0.5	0.5	0.6	0.1	21.7	0.6	-0.1
EU 1/	0.1	0.3 G	0.3	0.3	0.1	20.0	0.3	-
Russian Federation	0.0	0.2 G	0.2	0.3	0.1	25.0	0.3	-0.1
<b>OCEANIA</b>	0.1	0.1	0.3	0.4	0.1	53.8	0.4	-
Australia	0.1	0.1	0.3	0.4	0.1	53.8	0.4	-

## FOOTNOTES:

Totals computed from unrounded data.

1/ Excluding intra-trade.

G Official figure.

TABLE 4: END OF SEASON STOCKS 1/

	2007-2009	2010	2011	2012	Annual Change		2012 Forecast	
	Average		Estimate	Forecast	2012 over 2011		Previous	Revision
	<i>million tonnes</i>				<i>million tonnes</i>	%	<i>million tonnes</i>	
<b>WORLD</b>	116.3	134.4	141.0	152.8	11.8	8.4	151.1	1.8
Developing countries	112.2	130.1	136.2	148.2	12.0	8.8	146.4	1.8
Developed countries	4.1	4.3	4.9	4.6	-0.3	-5.2	4.6	0.0
<b>ASIA</b>	109.8	127.9	134.2	146.2	12.0	9.0	144.7	1.5
Bangladesh	4.7	5.4	6.8	7.0	0.2	2.9	6.5	0.5
Cambodia	1.4	1.5	1.6	1.7	0.1	7.6	1.6	0.1
China	59.5	70.7	75.6	83.2	7.7	10.1	82.5	0.8
of which China (Mainland)	59.3	70.4	75.4	83.1	7.7	10.2	82.2	0.9
India	18.6	21.0	21.5	24.5	3.0	14.0	24.0	0.5
Indonesia	2.8	4.5	5.3	6.0	0.7	13.2	6.0	-
Iran, Islamic Rep. of	0.3	0.3	0.3	0.3	0.0	0.0	0.4	-0.1
Japan	2.3	2.4	2.7	2.7	0.0	-1.1	2.6	0.1
Korea Rep. of	0.8	1.4 G	1.4	1.3	0.0	-2.9	1.3	-
Lao PDR	0.3	0.3	0.3	0.3	0.0	-10.7	0.3	0.0
Malaysia	0.2	0.3	0.2	0.2	0.0	10.0	0.2	0.0
Myanmar	5.6	5.3	4.8	3.9	-0.9	-17.9	4.0	-0.1
Nepal	0.3	0.2	0.2	0.3	0.1	25.0	0.3	-
Pakistan	0.6	1.0	0.3	0.6	0.4	140.0	0.8	-0.2
Philippines	2.2	3.4 G	3.0 G	2.4	-0.6	-20.9	2.6	-0.2
Sri Lanka	0.1	0.2	0.4	0.3	-0.2	-37.5	0.4	-0.2
Thailand	4.6	5.6	6.2	7.4	1.3	20.3	7.0	0.4
Viet Nam	4.5	3.4	2.7	3.1	0.4	14.0	3.4	-0.3
<b>AFRICA</b>	2.9	2.8	3.2	3.3	0.1	1.8	2.8	0.5
Egypt	1.1	1.2	1.1	1.3	0.2	18.8	1.3	0.0
Nigeria	0.4	0.2	0.4	0.4	0.0	-9.1	0.2	0.2
<b>CENTRAL AMERICA &amp; CAR</b>	0.4	0.4	0.4	0.4	0.0	-4.1	0.4	0.0
Dominican Rep.	0.1	0.1	0.1	0.1	0.0	-14.3	0.1	0.0
<b>SOUTH AMERICA</b>	1.5	1.5	1.1	1.1	0.0	-3.3	1.2	-0.1
Argentina	0.1	0.1	0.0	0.1	0.1	300.0	0.1	-
Brazil	0.4	0.3	0.3	0.3	0.0	0.0	0.3	-
Ecuador	0.1	0.1	0.1	0.1	-0.1	-50.0	0.1	-
Peru	0.3	0.4	0.3	0.3	-0.1	-21.7	0.3	0.0
<b>NORTH AMERICA</b>	1.1	1.2	1.6	1.3	-0.3	-18.0	1.3	0.0
United States	1.1	1.2 G	1.5 G	1.2 G	-0.3	-18.2	1.2 G	0.0
<b>EUROPE</b>	0.5	0.6	0.6	0.5	0.0	-1.8	0.6	-0.1
EU	0.4	0.5 G	0.5 G	0.5 G	0.0	-4.1	0.5	-0.1
Russian Federation	0.0	0.0	0.0	0.0	0.0	33.3	0.0	0.0
<b>OCEANIA</b>	0.1	0.0	0.0	0.1	0.0	194.8	0.1	-
Australia	0.1	0.0	0.0	0.1	0.0	450.0	0.1	-
<b>GOVERNMENT STOCKS</b>								
Bangladesh	0.6	0.5 G	0.6 F	1.2	0.6	110.9	1.2	-
India	9.1	18.4 G	20.3 F	22.0	1.7	8.4	23.0	-1.0
Japan	0.8	0.9 G	0.8 F	0.7	-0.1	-16.1	0.7	-
Korea Rep. of	0.7	0.8 F	0.8	0.7	0.0	-1.3	0.7	-
Philippines	0.9	2.0 G	1.5 F	1.5	-0.1	-4.0	1.5	-0.1

## FOOTNOTES:

Totals computed from unrounded data.

1/ Data refer to carry-overs at the close of national crop seasons ending in the year shown.

G Official figure.

**TABLE 5: RICE SUPPLY AND UTILIZATION IN MAIN EXPORTING COUNTRIES**

	Opening Stocks	Production 1/	Imports	Total Supply	Domestic Use	Exports	Closing Stocks
<i>thousand tonnes</i>							
<b>CHINA</b> <sup>2/3/</sup>							
2009-10	63 777	134 798	1 214	199 789	128 401	722	70 666
2010-11 est.	70 666	135 156	1 157	206 978	130 847	556	75 575
2011-12 f'cast	75 575	138 659	1 561	215 795	132 100	450	83 245
<b>INDIA</b> <sup>2/</sup>							
2009-10	23 800	89 100 G	100	113 000	89 758	2 242 G	21 000
2010-11 est.	21 000	95 980 G	100	117 080	91 580	4 000	21 500
2011-12 f'cast	21 500	103 410 G	50	124 960	94 160	6 300	24 500
<b>PAKISTAN</b> <sup>2/</sup>							
2009-10	1 100	6 883 G	16	7 999	3 430	3 524 G	1 045
2010-11 est.	1 045	4 822 G	60	5 927	2 614	3 063 G	250
2011-12 f'cast	250	6 900 G	15	7 165	3 065	3 500	600
<b>THAILAND</b> <sup>2/</sup>							
2009-10	5 200	21 195 G	300	26 695	12 065	9 030 G	5 600
2010-11 est.	5 600	23 557 G	400	29 557	12 799	10 608 G	6 150
2011-12 f'cast	6 150	20 936 G	400	27 486	12 586	7 500	7 400
<b>UNITED STATES</b> <sup>4/</sup>							
2009-10	977 G	7 133 G	562 G	8 672	3 620	3 868 G	1 184 G
2010-11 est.	1 184 G	7 593 G	620 G	9 397	4 670	3 213 G	1 514 G
2011-12 f'cast	1 514 G	5 874 G	725 G	8 113	3 775	3 100 G	1 238 G
<b>VIET NAM</b> <sup>2/</sup>							
2009-10	4 300	25 980 G	500	30 780	20 550	6 880 G	3 350
2010-11 est.	3 350	26 673 G	600	30 623	20 791	7 112 G	2 720
2011-12 f'cast	2 720	28 230 G	600	31 550	21 250	7 200	3 100

**FOOTNOTES:**

Data refers to national crop years: October-September for China and India, November-October for Pakistan, Thailand and Viet Nam and August-July for the United States. Totals computed from unrounded data.

1/ Milled basis.

2/ Rice trade data refer to the calendar year of the second year shown.

3/ Including Taiwan province.

4/ Rice trade data refer to the August/July marketing season.

G Official figure

\* Unofficial figure