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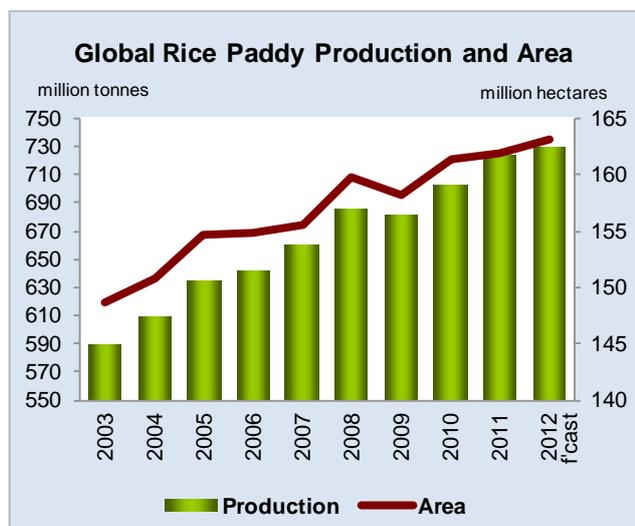
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## ROUND-UP

- Despite recent floods in Africa, the 2012 season has been progressing satisfactorily, especially after a revival of the monsoon rains since mid-August allayed fears of a repeat of the 2009 drought in India. As a result, FAO has raised its July forecast of **global paddy production in 2012** by 4.2 million tonnes to 729 million tonnes (486 million tonnes, milled). Prospects have improved especially for India, but also Egypt, the Democratic Republic of Korea, the Philippines, the United States and Viet Nam, while they worsened in Myanmar, Colombia and Senegal. At 729 million tonnes, the season would end 0.7 percent above last year's production record, with all of the increase relying on an area expansion to 163 million hectares. Expectations of large production shortfalls in India and Brazil are mostly behind the subdued world output growth, as the season is otherwise seen to end positively in a majority of countries. In *Asia*, paddy output is projected to reach 661 million tonnes (441 million tonnes, milled basis), up 0.8 percent from 2011, underpinned by widespread gains and particularly large increases in Bangladesh, China, Indonesia, the Philippines, Thailand and Viet Nam. Beyond India, where production may fall by 4 percent, Cambodia, the Republic of Korea, Nepal and Turkey are also predicted to witness a decline. Weather conditions have been overall positive in *Africa*, which has led FAO to raise the region's production forecast to 26.4 million tonnes (17.3 million tonnes, milled basis), 4 percent more than in 2011. Much of this growth would be on account of Egypt, where attractive prices again prompted farmers to exceed their cultivation limits, but also of Mali, Ghana, Mozambique, Sierra Leone, Tanzania and, even, flood-stricken Nigeria. However, output in Benin, Burkina Faso, Cameroon, Madagascar and Niger may be depressed by excessive rainfall or storms. FAO's outlook for production in *Latin America and the Caribbean* points to a 6 percent contraction to 27.4 million tonnes (18.3 million tonnes, milled basis), as insufficient irrigation water and expectations of low margins depressed rice cultivation in Argentina, Brazil, Ecuador and Uruguay. In the *other regions*, the United States' output is anticipated to be boosted by record yields, while Australia is heading towards its best season since 2006. In Europe, the Russian Federation looks set to harvest a bumper crop, while unfavourable weather curbed production in the EU.
- FAO has raised its July forecast of **international rice trade in 2012** by over 3 million tonnes, to 37.3 million tonnes (milled basis), 2 percent more than in 2011 and an all time record. Driving the 2012 trade surge are steadfast import demands by countries in the Near East and Africa, in particular the Islamic Republic of Iran and Nigeria and, in South America, Brazil and Venezuela. The trade expansion is also fostered by soaring purchases by China, which has turned into a net rice importer since 2010. By contrast, positive production results may enable Bangladesh, Indonesia and the Philippines to curtail imports. Much of the 2012 trade expansion is predicted to be captured by India, whose exports are being boosted by competitive pricing, allowing it to displace Thailand from its long-standing primacy among exporters. In addition, increased volumes are to be shipped from the United States and Viet Nam, but also Australia, Cambodia and Egypt. By contrast, short availabilities may constrain exports by Brazil, Ecuador, Myanmar, Pakistan and Uruguay.
- **World rice trade in 2013** is forecast to reach 37.5 million tonnes, marginally above the 2012 current estimate. Such a high volume reflects expectations of large draw downs from the huge inventories held by exporting countries, as they need to make space for the new crops, a move that could translate into more attractive world prices. In particular, Thai sales, either through private traders or G-to-G deals, are forecast to rebound. Shipments by Australia, Egypt, Pakistan and Viet Nam are also forecast to increase. By contrast, the 2012 production shortfall and rising domestic needs may depress India's exports next year. Shrinking availabilities could also lower sales by Argentina, Bolivia, Brazil, the United States and Uruguay. Among importers, Bangladesh, the EU, Indonesia, Iraq, Malaysia and Saudi Arabia are forecast to step up purchases. On the other hand, although remaining high, deliveries to China, the Islamic Republic of Iran, Nigeria and the Philippines could decline.
- **Global rice utilization in 2012/13** is predicted to increase by 1.4 percent to 475 million tonnes. Being a major staple food, over 85 percent of the total, or 402 million tonnes, are estimated to be destined for human consumption, with only 13 million tonnes and 61 million tonnes utilized as feed and other uses (including waste), respectively. Per capita food consumption is forecast to rise from 56.7 kg in 2011/12 to 56.8 kg in 2012/13.
- Global rice production in 2012 is now foreseen to outpace consumption in 2012/13 by an even larger amount than predicted in July, resulting in a 5 million tonnes upward revision in **global rice carryover stocks** in 2013. Compared to last year, these are expected to rise by 7 percent, or 10 million tonnes, to a new high of almost 170 million tonnes, marking the eighth consecutive year of stock accumulation. As a result, the world rice stock-to-use ratio is forecast to rise from 33.6 percent in 2012 to 35.5 percent in 2013.
- **International rice prices** were rather subdued in the first four months of 2012, but have since shown a tendency to firm, influenced by large government purchases and stock building in Thailand and by lively purchases by African countries and China. In October 2012, the FAO All Rice Price Index (2002-2004=100) averaged 244 points, up from 235 points in January, but nine points lower than in October 2011. The drop of prices from last year was particularly evident for Japonica and aromatic rice, but less pronounced for both lower and higher quality Indica rice. Across the various trade origins, Thailand's extension of its high producer price policy generally kept fob prices at a premium compared to other sources, with the benchmark Thai 100% B rice quoted at USD 595 per tonne in October. Although a seasonal tightening of supplies and logistic difficulties recently lifted prices in India, Pakistan, the United States and Viet Nam, quotations for the first ten months averaged lower in these countries than in 2011, while they moved higher in Thailand.

## I. PRODUCTION

### Forecasts of global production in 2012 upgraded by 4.2 million tonnes



The 2012 season is well over in southern hemisphere countries, while producers in countries located in the northern hemisphere are currently in the process of harvesting the season's main crop.<sup>1</sup> FAO's forecast of global paddy production in 2012 now stands at 728.7 million tonnes (485.9 million tonnes, milled basis), 4.2 million tonnes above the level foreseen in July. The improved production outlook reflects expectations of larger crops in Asian countries. This is chiefly the case of India, although forecasts of production were also upgraded in the Democratic People's Republic of Korea, the Republic of Korea, the Philippines and Viet Nam. Outside the region,

production prospects have also improved in Egypt, Paraguay, Peru and in the United States, while they have deteriorated mainly in Colombia, Myanmar and Senegal.

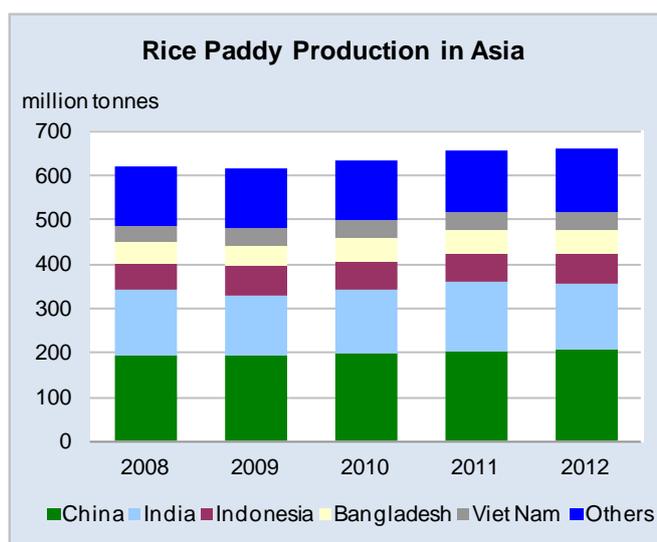
Based on the latest forecast of 728.7 million tonnes (485.9 million tonnes, milled basis), global paddy production in 2012 is set to exceed the 2011 historical record by 4.9 million tonnes or 0.7 percent. All of the forecast growth is expected to reflect a larger area planted to paddy, while yields remain steady at an above-average level of 4.5 tonnes per hectare. Looking at the various regions, production is poised to increase in Asia, Africa, North America and Oceania, while it may fall in Europe and in Latin America and the Caribbean.

### A. ASIA

#### A revival of the monsoon in India boosts prospects for paddy production in Asia

FAO has upgraded its July forecast of paddy production in Asia by 3.1 million tonnes to 660.6 million tonnes (440.6 million tonnes, milled basis). Much of the revision reflects an improved outlook for India, where a revival of the rains on the latter part of the monsoon season boosted production prospects. At 660.6 million tonnes (440.6 million tonnes, milled basis), 2012 production in Asia would top the 2011 record outcome by 5.0 million tonnes. The forecast expansion mirrors gains in the largest global producer of rice, **China (Mainland)**, as well as in **Indonesia, the Philippines, Thailand** and **Viet Nam**. Albeit smaller in magnitude, current prospects also point to gains in **Bangladesh, the Democratic People's Republic of Korea, the Islamic Republic of Iran, the Lao People's Democratic Republic, Pakistan** and **Sri Lanka**. On the other hand and despite the upward revision, rainfall deficits at the start of the season are still predicted to depress production in **India**, with less favourable climatic conditions also behind anticipated declines in **Cambodia, the Chinese Province of Taiwan, the Republic of Korea** and **Nepal**.

<sup>1</sup> The 2012 rice 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, this principle implies that production in 2012 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 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.



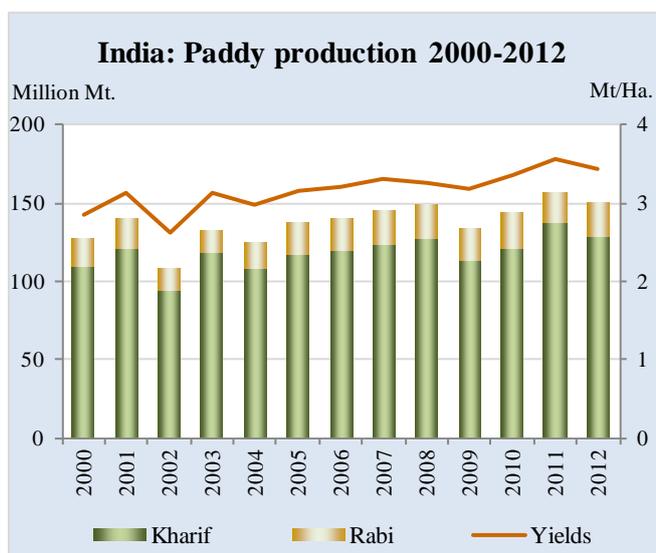
In **Bangladesh**, the Aus crop, the smallest of the three crops cultivated each year, has already been collected and farmers are now harvesting the Aman crop. Notwithstanding an overall favourable outlook, the season's prospects have been somewhat dampened by low prices and high production costs. Moreover, whilst the Aus crop developed under normal growing conditions, transplanting activities of the second, and more important, Aman crop are reported to have been hampered by dry weather in August. This was particularly the case in northern growing regions, where farmers were encouraged to substitute transplanted Aman

with shorter cycle varieties and to apply supplementary irrigation. FAO currently envisages the country gathering 51.3 million tonnes (34.2 million tonnes, milled basis) in 2012, which would represent a small increase, in the order of 1.0 percent, from the 2011 record.

Early-planted main crops are being reaped in **Cambodia**, but the wet season harvest will not be in full swing until December. Climatic setbacks early in the season, namely below average precipitation, are behind current expectations of a 1 percent production decline to 8.7 million tonnes (5.6 million tonnes, milled basis). Indeed, despite an improved performance of the rains in August and September, by end-September the area planted to the wet season crop still fell 82 000 hectares short of the previous year's level at 2.4 million hectares.

Semi-officials forecasts of 2012 production in **China (Mainland)** released by the China National Grain and Oils Information Centre remain unchanged at 205.0 million tonnes (140.4 million tonnes, milled basis). This level would suggest a 2 percent, or 4.0 million tonne, expansion from the 2011 harvest, sustained by a 1.2 percent rise in yields to 6.8 tonnes per hectare and a 0.8 percent expansion in area to 30.3 million hectares, reflecting strong Government support to the sector. This includes the setting of higher minimum purchasing prices for the season, which were raised by 18 percent in the case of early indica paddy to Yuan 120 per 50 kilo bag (USD 381 per tonne), by 17 percent to 125 per 50 kilo bag (USD 396 per tonne) for late/intermediate indica paddy and by 9 percent to Yuan 140 per 50 kilo bag of japonica paddy (USD 444 per tonne). Still, a surge in pest infestations has proven a source of concern this year, after important producing regions, including Jiangxi, Sichuan, Guangdong were all affected by plant-hopper and blast attacks. The spread of diseases, which is being attributed to abundant precipitations brought on by storms, prompted the Government in August to allocate a budget of Yuan 600 million (USD 95 million) to subsidise pest control measures for the various grain crops.

In **India**, the June to September southwest monsoon season, of critical importance to the predominantly rainfed Kharif crop, closed with cumulative precipitation levels at 92 percent of the Long Period Average (LPA). After enduring rainfall deficits of 28 percent and 13 percent in June and July respectively, cumulative rains in August and September exceeded their normal levels by 4 percent. This late revival of the monsoon, together with a 23 day postponement in its normal withdrawal date, permitted farmers to make up for much of the planting delays witnessed early in the season and, based on the First Advance Estimates, 39.2 million hectares were put under Kharif cultivation, only 2 percent less than in 2011. Against this backdrop and on expectations that the planting delays would still take their toll on average yields, the first official forecast of production released in September anticipated 2012 Kharif production to fall by 6 percent to 128.4 million tonnes (85.6 million tonnes, milled basis). However, as the abundant rains received in the latter part



of the monsoon season also helped replenish reserves of water for irrigation and improved soil moisture conditions, prospects for the secondary Rabi crop are much improved. This would be especially the case given the 16 percent increase in support prices approved for the season. As a result, FAO has raised India's 2012 production forecast by 2.2 million tonnes to 150.0 million tonnes (100.0 million tonnes, milled basis), which would represent a 4 percent shortfall from the 2011 all-time high, but still be the second best performance on record.

On the policy front, the Indian Government approved a series of measures to mitigate the effects of the poor rainfall on agricultural

production. For instance, under the Diesel Subsidy Scheme, effective until 30 September 2012, farmers in drought-hit areas were made eligible to a 50 percent subsidy on the costs of diesel used to power supplementary irrigation. Another such initiative was the Enhanced Seed Subsidy Scheme, which raised ceilings of subsidies on seeds by 40 percent in the case of cereals to Rupees 7 000 (USD 130) per tonne. Moreover, amid concerns over depleting water tables and deteriorating soil health, officials announced that they would encourage cultivation of alternate crops in the states Punjab and Haryana. The move would be consistent with the "Bringing the Green Revolution to Eastern India" programme, which puts emphasis on developing rice production in the seven eastern states of Assam, Bihar, Chattisgarh, Jharkhand, Orissa, Eastern Uttar Pradesh and West Bengal, which normally benefit from more abundant water supplies. The Government will also seek to procure 40.0 million tonnes of rice from local markets starting in October, a level that compares to the 35.0 million tonnes of rice actually procured by state agencies between October 2011 and September 2012.

The bulk of the 2012 harvest has already been collected in **Indonesia**. Official forecasts of production in the country have remained unchanged at 68.6 million tonnes (43.2 million tonnes, milled basis), representing a 4 percent recovery from the 2011 level. The increase would reflect gains in crops gathered between January and August, which benefited from more favourable weather and fewer pest outbreaks relative to 2011, as these are foreseen to yield 2.7 million tonnes more than in 2011. Nevertheless, smaller gains in off-season crops collected between September and December are also anticipated. This is notwithstanding some crop losses to abnormally dry conditions, which are reported to have affected some 127 000 hectares of paddy fields by September. In response, the Government announced that a budget of Rupiah 199 billion (USD 20 million) would be allocated to assist the most affected farmers.

The 2012 crop harvest was concluded in October in the **Islamic Republic of Iran**. Overall, the season is reported to have evolved favourably, yielding an estimated 2.4 million tonnes of paddy (1.5 million tonnes, milled basis). The 4 percent year-on-year increase was attributable to a larger area coverage, but yields also rose, mirroring a conducive climate and the growing adoption of high yielding varieties.

The paddy season also unfolded well in **Japan**. Plantings were reported to have been completed on a timely manner, thanks to good climate through the crop development period. FAO currently anticipates the country to gather some 10.5 million tonnes (7.6 million tonnes, milled basis), largely unchanged from the 2011 level.

According to government assessments, the October-ended harvest in the **Republic of Korea** yielded 5.5 million tonnes of paddy (4.1 million tonnes, milled basis), 2 percent less than a year earlier and the lowest since 1980. The contraction was driven by lower yields, depressed by excessive rains brought on by the passage of storms in August and September. However, area cultivated under paddy also continued to decline. Meanwhile, in September officials announced intentions to procure 370 000 tonnes of rice during harvest time, 30 000 tonnes more than in 2011. The purchases are part of the Public Rice Stockholding Program (PRSP) and will be undertaken at average market prices.

Main crop gathering activities are underway in the **Lao PDR**. FAO's production outlook foresees the country harvesting 3.1 million tonnes (1.8 million tonnes, milled basis) in 2012, up 3 percent from the 2011 contracted level. The forecast growth relies on expectations of a more normal climate prevailing but also reflects the public assistance granted to the sector. Following a Government decision, this will now include minimum prices for paddy farmers. According to the September measure, during the 2012/2013 season, public and private entities are to purchase glutinous paddy at no less than Kip 2 500-3 000 per kilo (USD 300-360 per tonne), although parties may negotiate prices down should the quality of supplies be considered below par.

Building on the success of granaries such as MADA and KADA, where much of the country's production concentrates, the Government of **Malaysia** has announced the establishment of four new granaries in the states of Sabah, Sarawak and Pahang under its 2013 budgetary allocations. These new granaries are to extend over 19 000 hectares and cost Ringgit 140 million (USD 46 million) to develop. In addition, an insurance scheme covering 172 000 smallholders with less than 10 hectares of holdings is to be rolled out. Other production incentives are to be continued, including price support measures and subsidies on fertilisers, seeds, incentives to raise yields, which all combined will require Ringgit 2.4 billion (USD 783 million). Over the 2012 season, virtually concluded by now, FAO estimates the country to have gathered some 2.7 million tonnes (1.7 million tonnes, milled basis), 1 percent more than the 2011 level.

Vast parts of **Myanmar** were flooded after torrential monsoon rains hit the country starting in late July. In addition to damaging infrastructure and causing massive population displacements, the inundations are reported to have inflicted considerable damage on paddy cultivations in the important producing areas of Ayeyarwady and Bago. At the same time, the northern and central areas of the country were being affected by precipitation shortfalls. The unfavourable climate compromised growth prospects for the season, even as officials distributed seeds and other productive inputs to aid farmers replant crops. As a result, FAO has lowered its production forecast for the country to 30.0 million tonnes (18.9 million tonnes, milled basis), unchanged from the 2011 flood affected outcome. On the other hand, in a bid to avert potential price increases caused by a tighter domestic supply situation, the Government, through the Myanmar Rice Industry Association, has released supplies to the market from emergency reserves. Officials have additionally announced plans to assist the sector's growth by encouraging the introduction of a third cropping cycle, cultivation of high yielding varieties as well as boosting irrigation capacity.

November marks the end to crop harvesting activities in **Pakistan**. The production outlook for the country remains positive, pointing to a 2 percent year-on-year expansion to 9.4 million tonnes (6.3 million tonnes, milled basis). The anticipated growth is expected to rely mostly on an expanded area, as farmers switch to cultivation of rice from other crops. Still, the season has not progressed without setbacks. Limited water availability for irrigation, due to a slow melting of glaciers, followed by precipitation shortfalls for much of July, slowed the progress of planting activities in Sindh, Punjab and Balochistan. An upturn of monsoon rains in August provided much relief, although ensuing floods are also estimated to have damaged nearly 400 000 tonnes of paddy, mostly in Sindh and Balochistan.

The 2012 production outlook for the **Philippines**, where the main crop harvest is ongoing, has been upgraded by 500 000 tonnes since July. The revision follows the release of more buoyant official forecasts, which anticipate favourable climatic conditions at planting time and adequate availabilities of productive inputs to facilitate a 9 percent increase in main crop output to 9.92 million tonnes (6.5 million tonnes, milled basis). Part of the forecast expansion would also reflect the successful introduction of a third cropping cycle between 2011 dry season and the 2012 main season harvests, under a scheme announced earlier in the year and geared at averting losses to storms generally incurred in October and November. Assuming weather conditions remain normal for the remainder of the season, FAO anticipates the Philippines to gather 18.0 million tonnes (11.8 million tonnes, milled basis), 6 percent above the 2011 harvest and an all time record.

Located in the southern hemisphere, **Sri Lanka** concluded the 2012 season in September. Overall, officials estimate some 4.2 million tonnes of paddy (2.9 million tonnes, milled basis) to have been gathered, 9 percent more than the 2011 flood affected outcome. The rise was attributable to greater coverage and exceptional yields from the main (Maha) crop, which more than compensated for a 34 percent drought-induced slump in the secondary (Yala) output to 1.2 million tonnes (839 000 tonnes, milled basis). Further to impeding plantings from reaching their targeted level, the dry climate is estimated to have affected 25 0000 hectares of paddies, causing a loss of up to 328 000 tonnes of secondary crop output.

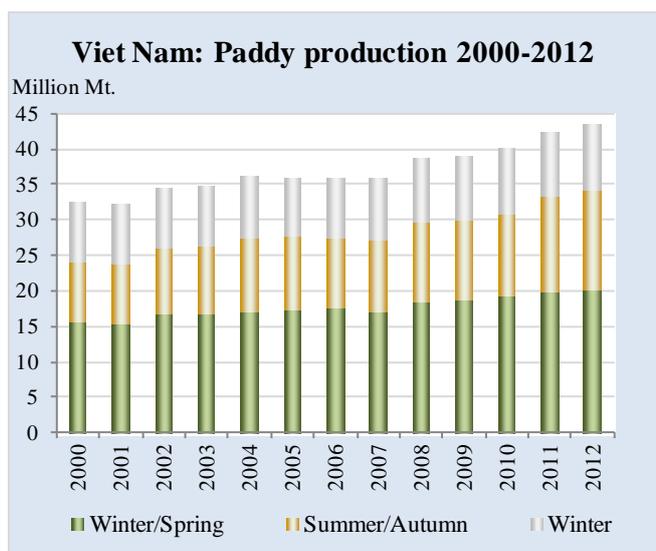
According to an official forecast released in September, 9.9 million hectares of rice were cultivated under the 2012 main crop in **Thailand**, slightly above the 2011 level. However, and contrary to the previous year when devastating floods affected over a million hectares of plantings, the 2012 season is progressing generally well. Adequate water supplies and reduced incidence of pest attacks are expected to sustain some yield improvements. This is notwithstanding below-average August rains over much of the country. Consequently, the 2012 main season harvest, currently being gathered, is anticipated to amount to amount to 25.0 million tonnes (16.6 million tonnes, milled basis), up 7 percent year-on-year. Under the assumption that a normal climate continues and that the favourable Government support prices encourage producers to replicate the excellent 2011 offseason outcome, Thailand is expected to reap 36.0 million tonnes (23.8 million tonnes, milled basis) over the full season, 4 percent more than in 2011.

Indeed, Thai farmers are likely to continue enjoying high prices under the Paddy Pledging Programme, after an October decision formally approved its extension for the 2012 season. A budget of Baht 240 billion (USD 7.7 billion) was allocated for implementation of the first round of the scheme, running from 1 October 2012 to 28 February 2013, with a target of absorbing 15.0 million tonnes of main-crop output. This budget includes Baht 150 billion (USD 4.8 billion) worth of state-bank loans and an additional Baht 90 billion (USD 2.9 billion) to be accrued from the release and sale of part of the 21.5 million tonnes of paddy accumulated through the programme's implementation in 2011/12.<sup>2</sup> Producers will continue to receive between Baht 13 800 and 20 000 (USD 446-646) per tonne of paddy, since mortgaging prices were left unchanged, with unlimited amounts permitted to be pledged.

The paddy pledging programme continues to attract much controversy, amid concerns over its negative implications for the export sector and hefty cost to the state. Whilst a separate budget is expected to be approved for the extension of the programme to cover the offseason harvest, total expected outlays for the full 2012/2013 have been indicated at Baht 405 billion (USD 13.1 billion). Moreover, with the 2011/2012 run of the programme having been extremely successful at absorbing

<sup>2</sup> This volume included 7.0 million tonnes of main crop output mortgaged between 7 October 2011 and 29 February 2012 and an additional 14.5 million tonnes of 2011 secondary crop paddy pledged between 1 March 2012 and 3 October 2012.

a large share of domestic produce, thanks to its attractive terms which offer producers prices up to 40 percent above prevailing market levels, the massive public stockpiles accumulated so far are already reported to have put significant strain on the country's storage capacity.



Based on the latest Government crop assessments, 2012 paddy production in **Viet Nam** is set to reach 43.4 million tonnes (28.9 million tonnes, milled basis), 900 000 tonnes more than previously foreseen. The revised forecast would imply a 1.1 million tonne expansion from the already record 2011 harvest, an achievement made possible by an expanded area of 7.75 million hectares and higher yields of 5.6 tonnes per hectares. After rising by an exceptional 16 percent in 2011, the October-ended summer-autumn harvest is anticipated to rise further, this time to some 13.8 million tonnes (9.2 million tonnes, milled basis). The good result added to the bumper winter-spring crop collected earlier in the

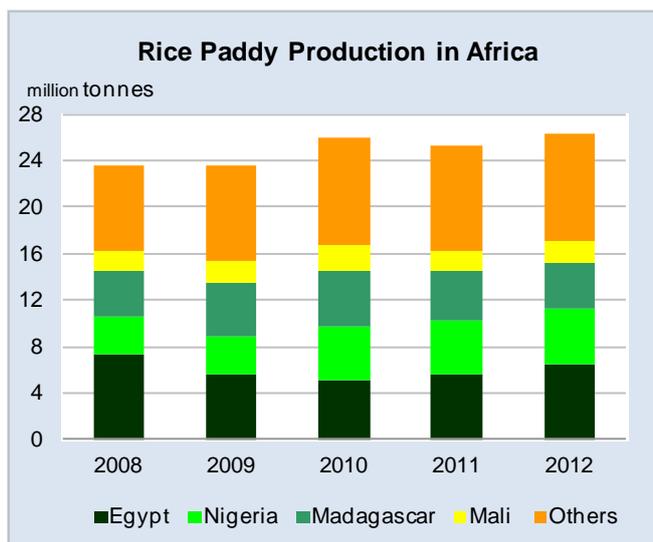
year, while current expectations also point to a normal winter crop.

## B. AFRICA

### Production prospects upgraded in Africa, now pointing to a 4 percent output recovery

Most of the 2012 main paddy crops are now at the harvest stage in northern and western African countries, while the bulk of the season's crop has been already collected in the eastern and southern parts of the continent. FAO's forecast of 2012 production in Africa now stands at 26.4 million tonnes (17.3 million tonnes, milled basis), 4 percent, or 1.1 million tonnes, above the 2011 depressed level. Much of the output recovery this season is predicted to concentrate in Egypt, which is forecast to harvest an even larger crop than foreseen in July. The outlook is also favourable in western and eastern Africa, which may serve to compensate for production shortfalls in southern African countries.

In *Northern Africa*, official assessments put 2012 production in **Egypt** at 6.5 million tonnes (4.5 million tonnes, milled basis), 622 000 tonnes more than foreseen in July and 15 percent more than the previous year. The expansion would rely on a significant increase in area planted to paddy, as prospects of favourable returns prompted farmers to expand acreage beyond the 1.1 million feddan (462 000 hectares) official cultivation limit, imposed to conserve scarce water resources. Indeed, violations of area curbs have been widespread and on-going for consecutive seasons. However, the Government announced in September it would cancel fines imposed on farmers for breaching cultivation limits in 2011 and 2012, with the purpose to strictly enforce them over the 2013 season. Additional encouragement was provided to the sector by the suspension of the ban on rice exports in October and the setting of higher paddy procurement prices of Pounds 2 000-2050 (USD 322-330) per tonne on government purchases. A budget of Pounds 1.0 billion (USD 161 million) has been set aside for state agencies to undertake this year's procurement campaign, which is geared at supplying the country's ration card system with the 1.1 million tonnes of rice it requires annually.



As various countries in *West Africa* readied to start harvesting their main 2012 paddy crops, in September Government officials released the first crop assessments of the season. Compared to figures presented in July, the production outlook for the sub-region is slightly lower at 12.7 million tonnes (8.0 million tonnes, milled basis), 250 000 tonnes less than previously foreseen. The revised outlook would still suggest a 4 percent recovery of the sector from the 2011 depressed level, facilitated by generally improved climatic conditions. Indeed, the rainy season, which determines much of the success of predominantly rainfed crops, has been

characterized by abundant and well distributed precipitation over much of the area. This factor is expected to promote both area gains and yield improvements, boosting production in **Chad, Cote d'Ivoire, Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Mauritania, Senegal and Sierra Leone**. Copious amounts of rainfall have, however, also resulted in floods in numerous countries in the sub-region. Often as a result of crop damages caused by these inundations, current prospects point to likely production shortfalls in **Benin, Burkina Faso and Niger**.

The production outlook is favorable in **Cote d'Ivoire**, where the main season harvest is underway. Even though some delays in the installation of the seasonal rains were recorded this season, overall rainfall performance remained within normal bounds, a factor that is expected to promote overall larger plantings and yield improvements. This is in spite of reported shortages of productive inputs, particularly seeds, which are reported to have prevented some farmers from fulfilling their planting intentions. FAO currently envisages production in the country to reach 730 000 tonnes (438 000 tonnes, milled basis), a 4 percent recovery from the 2011 poor outturn. Meanwhile, as part of a wider agricultural investment plan, the Government of Cote d'Ivoire has announced that FCFA 2 trillion (USD 3.9 billion) would be channeled to the local rice and cocoa industry through 2015. The scheme, which foresees interventions to improve yields, rehabilitate infrastructure and distribute inputs, follows the launch of a renewed drive to attain rice self-sufficiency by 2016, which was announced earlier in the year.

In **Gambia**, erratic rainfall severely constrained production in 2011 causing an estimated output slump of 20 percent to 80 000 tonnes (12 000 tonnes, milled basis). Prospects are more favorable for the 2012 crop, which is generally collected between October and November. FAO anticipates the country to reap 100 000 tonnes (65 000 tonnes, milled basis), a level comparable to the 2010 harvest. The production upturn is expected to come in spite of various setbacks incurred, including a delayed onset of the seasonal rains, localized floods, and reported cases of seed shortages.

By contrast, the 2012 paddy season was opened with an early arrival of the seasonal rains over much of **Guinea**. Primarily reflecting area expansions made possible by a favorable climate, the country is foreseen to gather 1.7 million tonnes (1.1 million tonnes, milled basis), 2 percent more than in 2011. Part of the forecast production increase is also expected to mirror support extended to producers under input distribution programs, namely of seeds and fertilizers. One of such schemes, the Emergency Agricultural Productivity Support Project (PUAPA), seeks to boost rice production over a 35 000 hectares extension by providing farmers with inputs and technical assistance.

In **Mali**, rainfall performance this season was much improved relative to 2011, when dry spells and an early recession of floodwaters severely constrained production. The sector additionally

benefitted from strong support in the form of seeds distribution and subsidised fertilisers, which are reported to have sustained important recoveries in area planted to paddy. Still, some localised crop losses were incurred to floods, after heavy downpours were recorded in August and September, particularly in the southern regions of Ségou, Koulikoro, Sikasso, Kayes and Mopti. Overall, FAO anticipates the country to reap 1.9 million tonnes (1.3 million tonnes, milled basis) in 2012, representing a 9 percent upturn from the dismal 2011 harvest.

**Niger** was also battered by torrential rains in August and September, which triggered floods, population displacements and damages to infrastructure. Some 10 000 hectares of paddy plantations along the Niger river delta are estimated to have been submerged by the floods, with significant losses in crops grown under irrigated and rainfed conditions reported in the regions of Tillabéri, Dosso and Niamey. To take account of these damages, Niger's 2012 forecast of production has been lowered to 70 000 tonnes (46 000 tonnes, milled basis), 17 percent below the already poor 2011 harvest.

A favourable rainfall pattern together with official efforts to promote growth were behind buoyant September assessments of production released by the Government in **Nigeria**, which pegged 2012 output at 4.8 million tonnes (2.9 million tonnes, milled basis), 5 percent above the 2011 harvest. The main crop, now at harvest stage, did in fact benefit from abundant and well distributed rains, although the country has also been stricken by torrential rains and severe floods since mid-July. To date, no assessment of crop damages is yet available but the inundations have been widespread, affecting thirty-three of the country's thirty-six states. However, losses incurred over the main paddy crop could still be recouped by expanding production of the secondary crop, given that the abundant precipitation and enhanced soil conditions may prove beneficial to yields. The Nigerian Government has additionally announced plans to mitigate potential crop losses by supporting the dry season harvest, namely through the distribution of productive inputs. Thus, until more information is made available about the impact of the floods, FAO has left its production forecast for Nigeria unchanged at 4.7 million tonnes (2.8 million tonnes, milled basis), up 133 000 tonnes year-on-year.

In **Senegal**, the 2012 season was opened with an early arrival of seasonal rains over southern parts of the country. Contrary to the climate prevailing in 2011, this year's main crops, now at harvest stage, have benefitted from normal to above-normal rainfall. Although localised cases of floods and were reported, the favourable climate is officially forecast to boost output to 429 000 tonnes (300 000 tonnes, milled basis), 6 percent above the previous year's level but significantly less than the 610 000 tonnes foreseen by FAO in July. The less buoyant prediction would imply a more phased recovery in the local sector, which had reached a production high of 604 000 tonnes (423 000 tonnes, milled basis) in 2010.

In **Central Africa**, production prospects have deteriorated in **Cameroon**, much as a result of excessive rains, which resulted in rivers bursting their banks and ruptures of dikes. The ensuing floods inflicted significant damages on crops in the far-northern and, in particular, in the northern region where much of the country's rice cultivation takes place. This is after untimely showers had inhibited planting activities earlier in the season. As a result, FAO now anticipates the country to gather some 100 000 tonnes (68 000 tonnes, milled basis), 33 percent less than in 2011.

Most countries located in **Eastern Africa** have already collected their 2012 main crops and, by now, are busy harvesting their off-season crops, where these are cultivated. Overall, production in the sub-region is forecast to recover from the 2011 poor result, amounting to a total of 2.0 million tonnes (1.3 million tonnes, milled basis). The expected increase, equivalent to 2 percent, is foreseen to reflect an upturn in the **United Republic of Tanzania**, the largest producer in the area. Mirroring expansions in area prompted by favourable price prospects, Tanzania is expected to gather 1.5

million tonnes (975 000 tonnes, milled basis), up 3 percent year-on-year. Output in **Ethiopia** is also officially expected make inroads, rising to 104 000 tonnes (67 000 tonnes, milled basis). Amongst the other producers in the sub-region, crops in **Kenya** and **Uganda** are foreseen to remain largely stable at 45 000 tonnes and 220 000 tonnes (29 000 and 147 000 tonnes, milled basis) respectively.

The 2012 season is well over in *Southern Africa*, where countries are now preparing or already engaged in planting activities of their 2013 main paddy crops. The 2012 campaign ended with negative results in **Madagascar**. FAO estimates irregular rains and storm-induced damages to have depressed output by 7 percent to 4.0 million tonnes (2.7 million tonnes, milled basis). Meanwhile, as planting activities of 2013 main paddy crops commenced in October, officials in the country announced plans to boost irrigation infrastructure, with a view to rehabilitate 20 000 hectares of land for paddy cultivation across three regions. The project will be implemented over the coming two years, with external financial assistance. On the other hand, officials in **Mozambique** have released new assessments of the 2012 season outcome, pegging total output at a record of 343 000 tonnes (229 000 tonnes, milled basis). The 26 percent year-on-year increase came on the back of 74 000 hectare expansion in area under paddy, while average yields fell by 4 percent to 1.1 tonnes per hectare. Over the 2013 season, officials aim to top the 2012 high outcome by 2 percent to 350 000 tonnes (233 000 tonnes, milled basis). The Government target relies on expectations of further increases in paddy plantings.

### C. CENTRAL AMERICA AND THE CARIBBEAN

#### **Paddy production in Central America and the Caribbean to decline by 3 percent**

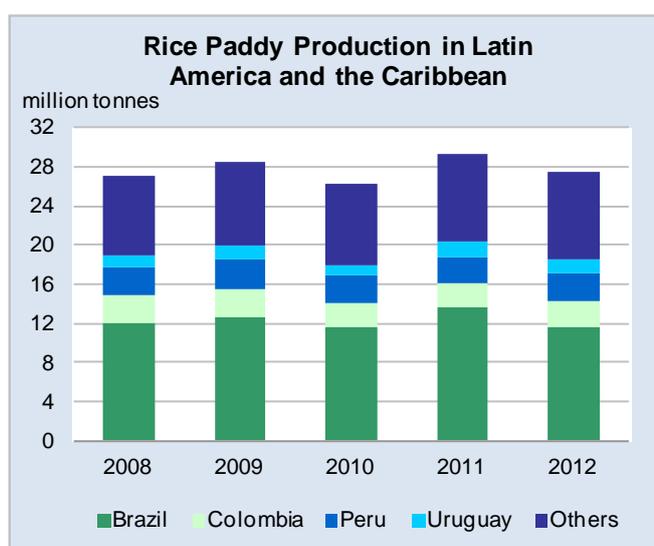
Most countries in *Central America and the Caribbean* are now harvesting their 2012 main season crops, with producers in some countries also preparing to plant secondary paddy crops. FAO's forecast for production in the sub-region points to an aggregate harvest of 2.7 million tonnes (1.8 million tonnes, milled basis), down 3 percent from the previous year. At a country level, prospects are negative in **Costa Rica**, where the local industry has taken steps to curb rice production so as to overcome bottleneck problems in the commercialization of produce. Largely reflecting the decline in area cultivated, Costa Rica is forecast to end the season with a 30 000 tonne contraction to 175 000 tonnes (144 000 tonnes, milled basis). In an update of judicial proceeding concerning producer prices in the country, a court ruling issued in July 2012 has favored rice producers. The ruling orders farmers to be paid damages and fixes a higher producer price of Colones 23 131 per 73.6 kg. bag (USD 616 per tonne). The court had already established a temporary price of 22 604 (USD 599 per tonne) in 2011, in a case initiated by farmers after a 2010 official decision lowered producer prices for rice by 17 percent, in a bid to comply with WTO obligations concerning agricultural subsidies.

The 2011 production estimate has been revisited in **Cuba**. Following the end of the dry season harvest in July, officials estimate production to have rebounded by 25 percent from the 2010 drought-reduced level to 566 000 tonnes (378 000 tonnes, milled basis). By and large, the excellent achievement came on the back of larger plantings, although yields also rose by 6 percent to 2.7 tonnes per hectare. Prospects are less positive for the 2012 season, since heavy rains are reported to have hampered planting activities and caused localised damages to standing crops, adding to protracted shortages of inputs and machinery. FAO now anticipates Cuba to collect 525 000 tonnes (350 000 tonnes, milled basis), 7 below the 2011 record, but still an above average outturn. The outlook is also negative in **Panama**, where output may decline by 12 percent to 268 000 tonnes (175 000 tonnes, milled basis), reflecting a combination of unfavorable price prospects, high production costs and drought.

By contrast, notwithstanding some localised crop losses caused by heavy precipitation, production prospects are favourable in the **Dominican Republic**, where some 850 000 tonnes (561 000 tonnes, milled basis) may be gathered. Larger plantings, supported by official measures to assist the sector, are also foreseen to underpin production in **Nicaragua** by 4.3 percent to 440 000 tonnes (286 000 tonnes, milled basis). Meanwhile, up to 1 000 hectares of land look set to come under paddy in **Jamaica** this year, under a new rice development programme announced by the Government. The scheme, which follows a similar initiative launched in 2009, will support further extensions through 2015, with the aim of substituting 15 percent of the country's annual rice imports with local produce.

#### D. SOUTH AMERICA

**The 2012 season ends with a 7 percent production decline in South America, with prospects for 2013 crops still dampened by competition with other crops**



FAO's latest forecast of production in South America, where most countries have already concluded the 2012 paddy campaign, points to an overall 7 percent production decline to 24.45 million tonnes (16.4 million tonnes, milled basis). The contraction was mostly driven by cuts in area planted to paddy, as the sector was constrained by insufficient water supplies for irrigation, as well as prospects of lower margins. The retrenchment was most-felt in **Brazil**, but production in **Argentina**, **Ecuador** and **Uruguay** also fell. By contrast, **Bolivia**, **Chile**, **Colombia**, **Guyana**, **Paraguay**, **Peru** and **Venezuela** are all projected to end the season with larger crops.

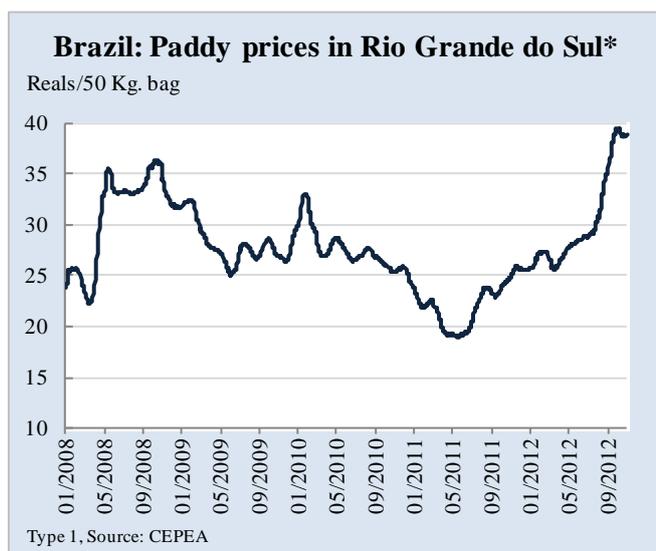
On the other hand, as producers in various countries are now in the process of sowing the 2013 paddy crops, early prospects for production in the sub-region point to little change from the 2012 level. Indeed, and whilst current climatic conditions favour a replenishment of water supplies for crop irrigation, the sector continues to be constrained by high production costs. This, together with more profitable margins for crops such as maize and soybeans, is likely to discourage producers from reclaiming areas for paddy cultivation.

Reduced supplies of water for irrigation and more profitable price prospects for other crops prompted producers in **Argentina** to move away from rice cultivation in 2012. The resulting 8 percent area cut was responsible for a 170 000 tonne output contraction to 1.55 million tonnes (1.1 million tonnes, milled basis). As planting of the 2013 crops progresses, the outlook for production remains mixed across the main producing regions. In Corrientes, abundant water availability for irrigation may foster a small increase in the rice area. By contrast, in Entre Rios, the second most important producing region in Argentina, the area under paddy is likely to be negatively affected by high rice production costs associated with the reliance on fuel-powered irrigation systems in the region.

Conversely, the 2012 season in **Bolivia** closed with yet another record harvest of 600 000 tonnes (412 000 tonnes, milled basis). The 3 percent year-on-year increase was driven by larger plantings, as yields are estimated to have remained steady at 2.5 tonnes per hectare. On the other hand, positive results are being reported by a technical assistance project funded by Japan and implemented in the northern parts of the department of La Paz. Under the scheme, fields cultivated

under irrigated conditions, instead of a traditional slash-and-burn system, together with ratoon cropping are reported to have more than quadrupled yields from their normal average of 1-2 tonnes per hectare.

With northern and north-eastern regions having by now completed their crop harvests, the 2012 season has come to a full close in **Brazil**. Overall, the production estimate for the country has changed little, still indicating a 15 percent output contraction to 11.6 million tonnes (7.7 million tonnes, milled basis). The decline was imputable to sharp area cuts, reflecting producers' reaction to low prices following the record 2011 harvest and to water supply problems. On the other hand, planting activities of the 2013 crops are underway in central and southern regions. Based on CONAB's October crop assessment, production in the country looks set to change little in 2013,



ranging from 11.5 million to 11.7 million tonnes (7.7-7.8 million tonnes, milled basis). Despite expectations of a continued substitution of other crops for rice, in particular maize and soybeans, official assessments predict area cuts to be contained to roughly 50 000 hectares. This follows prospects of improved water supplies in key producing regions, but also of a hefty recovery in domestic rice quotations. Indeed, against the backdrop of a much reduced 2012 harvest and strong export demand, paddy prices in Rio Grande do Sul hit a high of Reals 39.4 per 50 Kg. bag (USD 385 per tonne) on 02 October 2012, which compares Reals 23.8 per bag a year earlier (USD 232 per tonne). The price

escalation has also prompted the authorities to release public stocks through a series of auctions since August.

Based on official assessments, the 2012 season in **Chile** closed with an excellent turnout. Paddy production expanded by 15 percent to 150 000 tonnes (101 000 tonnes, milled basis), all thanks to higher yields of 6.2 tonnes per hectare. This 20 percent boost in productivity served to compensate for a 4 percent decline in area coverage to 24 000 hectares. As to the 2013 season, based on a survey of planting intentions, farmers would intend to expand the area under paddy by a small margin of roughly 1 percent over the coming year. Still much of the season's success would depend on availability water for irrigation in major reservoirs, which by end of August stood at below average levels.

In **Colombia**, the summer crop harvest has been completed and producers are now engaged in planting activities of 2012 winter crops. FAO has lowered the production forecast for the country by 120 000 tonnes to 2.6 million tonnes (1.8 million tonnes, milled basis), based on recently released official assessments. The revised projection would still suggest a 1 percent expansion from the 2011 harvest, supported by yield improvements. Climatic conditions are in fact much better than in 2011, when heavy precipitations damaged crops and stimulated the spread of pests.

The production outlook is negative in **Ecuador**, where FAO anticipates the 2012 harvest to decline by 5 percent to 1.4 million tonnes (798 000 tonnes, milled basis). The reduction is mainly attributable to crop damages caused by floods, but also to widespread pest attacks. Vast extensions of paddy plantations in the growing regions of Guayas, Los Rios and Manabí have been affected by golden apple snail infestations. As the launch of 2013 planting activities in December is nearing,

Ecuadorian producers are being provided with technical training and pesticides to combat the plague.

Reversing earlier expectations of an output decline, the 2012 production forecast in **Paraguay** has been revised upwards to 500 000 tonnes (350 000 tonnes, milled basis) and now stands 95 000 tonnes above the 2011 level. Notwithstanding the severe drought that characterised much of the 2012 agricultural season, paddy producers are reported to have been able to expand plantings to 90 000 hectares. The unfavourable climate did, however, impact on average yields, with untimely rains also reported to have required the replanting of some fields. The rice sector in Paraguay continues to witness a fast rate of growth, much of which reflects investments made to capitalise on the product's export potential to regional markets, especially Brazil.

FAO has also upgraded the forecast of 2012 production in **Peru** by 200 000 tonnes. The revision follows higher estimates of area, as improved water supplies for irrigation are reported to have encouraged producers in Piura, San Martin and Lambayeque to expand rice plantings. With the overall favourable climate this season also expected to promote yield improvements, output in the country is now anticipated to reach 2.9 million tonnes (2.0 million tonnes, milled basis), up 11 percent from the reduced 2011 level. Downward pressure on prices exerted by the large harvest has, however, somewhat depressed prospects for the 2013 season. Based on official assessments of planting intentions, which report data on an August-July basis, farmers are likely to react to prospects of lower remuneration by cutting area under paddy by 1 percent to 380 200 hectares.

The 2012 season yielded negative results in **Uruguay**. Pressured by high production costs and inadequate water supplies, output declined by 13 percent to 1.4 million tonnes (997 000 tonnes, milled basis). As to prospects for the 2013 season, these have also been clouded by high production costs, which could continue encouraging producers to replace rice with other crops, particularly soybeans. Concerns over availability of water for irrigation also persist, even though in early October, rains helped raise water supplies in major reservoirs, chiefly over northern and central areas of the Uruguay. Based on the improved water supply situation, the industry forecasts 182 000 hectares to be put under rice, largely unchanged from the 2012 level, but up from 179 000 hectares previously expected.

Collection of 2012 summer crops is ongoing in **Venezuela**. The production outlook for the country remains unchanged at 1.1 million tonnes (785 000 tonnes, milled basis). This level would imply a strong area-led recovery of 33 percent from the low 2011 harvest. More favourable climatic conditions, as well as higher producer prices, are behind the forecast growth. This is in spite of reports of continued input shortages and high levels of indebtedness in the sector.

## **E. NORTH AMERICA, EUROPE AND OCEANIA**

### **Production recovers in Australia and the United States, while prospects remain negative in the European Union**

In North America, the outlook for the **United States** has improved further, with output now officially anticipated to amount to 9.02 million tonnes (6.34 million tonnes, milled basis), 357 000 tonnes more than foreseen in July and 8 percent above the poor 2011 harvest. The expansion is foreseen to rely mostly on a 5 percent improvement of yields, now assessed at a record of 8.3 tonnes per hectare, reflecting favourable growing conditions. Looking at the various states, the increase is mainly attributable to larger area coverage in Arkansas and Missouri, which offset declines in all the other producing states. In the case of Texas, severe drought conditions and the imposition of restrictions on water use induced significant area retrenchments. More generally, gathering

activities are progressing well, with completion rates of 94 percent being reported by 28 October, ahead of the 92 percent five-year average.

In ***Europe***, unfavourable growing conditions and prospects of lower remuneration constrained 2012 plantings in the **EU-27 zone**. This was particularly the case in Spain, the second largest producer in the area, where water shortages resulting from a severe drought are estimated to have fostered a 6 percent area retrenchment to 114 400 hectares. As prospects of average yields have somewhat improved since July, production in the country is now foreseen to decline by 9 percent to 849 000 tonnes (510 000 tonnes, milled basis). The area under rice was also cut in Italy, where 235 000 hectares have been put under paddy, 5 percent less than in 2011, with much of the decline reflecting a shift away from long-grain varieties. Although weather setbacks are reported to have caused some delays in planting activities in the country, overall yields are expected to improve relative to 2011 lows. As a consequence, Italy is forecast to gather 1.41 million tonnes (846 000 tonnes, milled basis), 5 percent below the previous year's level. Amongst the other EU producers, prospects also point to declines in Bulgaria, France, Greece, Portugal and Romania. As a result, FAO anticipates the season in the EU-27 to end with a 5 percent production contraction to 2.9 million tonnes (1.7 million tonnes, milled basis). Meanwhile, the outlook remains favourable in the **Russian Federation**, where gathering activities were concluded in September. Production in the country is expected to strike a new record of 1.2 million tonnes (827 000 tonnes, milled basis), 3 percent more than in 2011. The forecast growth relies on expectations of favourable price prospects from a buoyant export demand fostering an expansion in area coverage, with yields also expected to rise, amid growing usage of high yielding varieties.

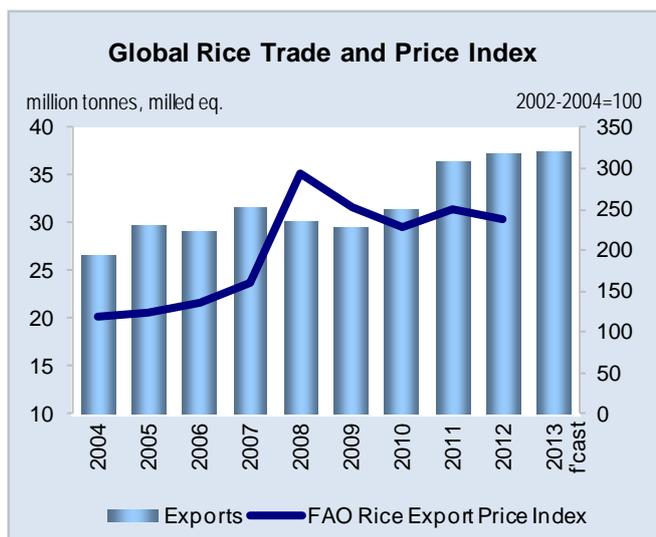
In ***Oceania***, the 2012 season concluded in **Australia** with yet another significant output upturn, the fourth since drought led production to hit a 2008 low of 18 000 tonnes (12 000 tonnes, milled basis). Despite some yield losses, output in the country rose by 34 percent to 968 000 tonnes (646 000 tonnes, milled basis). On the other hand, the 2013 paddy campaign was opened in October in New South Wales. Based on ABARE's first forecast of production for the season, ample availabilities of water for irrigation are likely to promote yet another expansion in plantings, this time by 11 percent to 120 000 hectares. Coupled with more normal yield levels, the expansion could underpin production by 12 percent to 1.075 million tonnes (717 000 tonnes, milled basis), which would stand as the highest level achieved since 2002.

## II. INTERNATIONAL TRADE IN RICE

### A. Trade in 2012

#### World trade in rice to strike a new record

Since the July issue of the RMM, FAO has raised its forecast of 2012 global trade in rice by 3.1 million tonnes to 37.3 million tonnes (milled basis). The revision mostly stemmed from higher than previously foreseen imports by Asian countries, of which principally China (Mainland), the Islamic Republic of Iran and Thailand. Outside of Asia, sizable adjustments were also made to purchases by Cote d'Ivoire and Nigeria. On the export side, the most significant upward revision since July has concerned deliveries by India, although Brazil, Paraguay and Viet Nam are similarly foreseen to export more. These changes were more than sufficient to offset lower anticipated sales, primarily by Pakistan and Thailand.



The revised forecast of 37.3 million tonnes, reverses previous expectations of a contraction in world rice trade over calendar 2012, with global volumes delivered now foreseen to exceed the 2011 record by 2 percent, or 894 000 tonnes. Unlike the previous year, Asia is not anticipated to be the primary driver of trade in 2012, mostly due to fewer purchases by Far Eastern countries, a reflection of the excellent production results achieved since then and efforts by important buyers in the area to refurbish stocks through local, rather than international, purchases. Instead, the expansion looks set to be sustained by strong import demand from countries in Near East

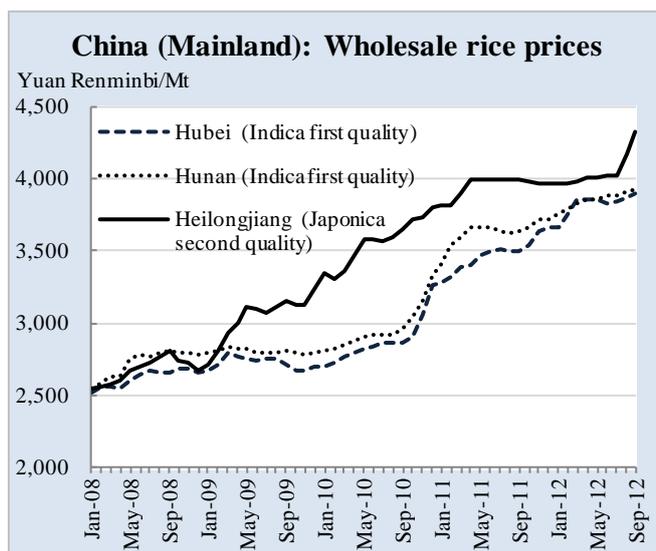
Asia, Africa and from Latin America and the Caribbean, often prompted by more affordable prices. Indeed, India's full return to the market since September last year has instigated much competition amongst the various suppliers of rice. Relatively low quotations for Indian rice are now foreseen to raise the country's deliveries to new records. The export outlook is also favourable for Australia, Cambodia, Egypt, Paraguay, the United States and Viet Nam, which would more than offset significantly reduced shipments from Thailand, but also Argentina, Brazil, Myanmar, Pakistan and Uruguay.

## Imports in 2012

### Strong import demand in Africa and Near East Asia behind a 2 percent rise in global trade in 2012

Based on the latest forecasts, strong import demand is likely to boost international trade in rice in 2012 to 37.3 million tonnes, surpassing the 2011 record by 2 percent. However, although the region remains the main destination of global rice deliveries, *Asia* is forecast to cut aggregate purchases by 4 percent to 17.4 million tonnes, with countries located in the Far East responsible for the shortfall. For instance, Bangladesh and Indonesia, two nations that had stood out as the region's top importers in 2011 are anticipated to buy much less. In the case of **Bangladesh**, purchases in 2012 are expected in the order of 340 000 tonnes, significantly below the 1.5 million tonnes shipped the previous year, reflecting production gains and renewed efforts by the Government to source supplies locally. Under similar circumstances, rice consignments to **Indonesia** are set to fall by 54 percent to 1.3 million tonnes. Most of this volume was delivered to the country in the first part of the year and, although since late October Bulog has been back in the market to secure new supplies, the bulk will likely reach the country only in 2013. Much like in 2011, Indonesia's import drive is geared at complementing quantities procured domestically, so as to reconstitute end-of-year stocks to a desired minimum of 2.0 million tonnes.

Shipments to the **Philippines** are similarly foreseen to decline by 22 percent to 900 000 tonnes in 2012, consistent with the government policy to reduce the nation's reliance on imports. Meanwhile, deliveries to the **Republic of Korea** and **Japan**, which are governed by the commitments taken by each country with the WTO, are expected to remain in the order of 370 000 tonnes and 700 000 tonnes, respectively. In both cases however, the timing of actual deliveries in 2011 would imply some reduction in 2012. Favourable production results are also behind official expectations of a 40 percent cut in purchases by **Sri Lanka** to 17 000 tonnes.



FAO anticipates falling imports by these countries to more than compensate for rising purchases in other *Far Eastern* nations. Foremost amongst these is **China (Mainland)** which is now poised to buy 2.0 million tonnes of rice in 2012, some 600 000 tonnes more than previously foreseen and a level that would position the country as the world's second largest rice importer after Nigeria. The 1.4 million tonne surge from 2011 is notwithstanding several seasons of record level production. Instead, the emergence of China as an key net rice importer appears to be mostly price-driven. On average, Indica quality rice in the provinces of Hunan and Hubei was quoted at Yuan 3 915 per tonne at

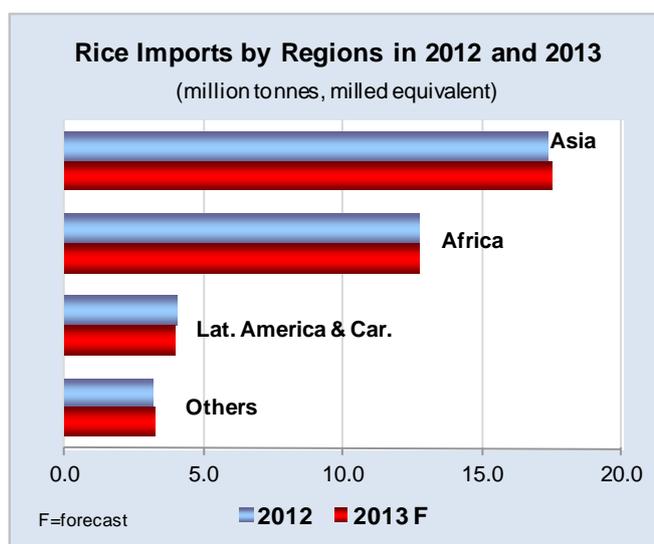
wholesale by September, equivalent to USD 622, a level that compares to reported import values of USD 430 per tonne of long-grain rice originated from Viet Nam. Concerns over inflationary pressure, in a context of rising international grain prices, also prompted Chinese officials to announce in August that undisclosed amounts of rice and maize would be released from state reserves.

Amongst other countries in the *Far East*, FAO sees **Malaysia** importing a total 1.1 million tonnes in calendar 2012, 7 percent more than in 2011 and a level required to meet consumption needs. Meanwhile, volumes delivered to **Thailand** are forecast to amount to 750 000 tonnes, up from an estimate of 400 000 tonnes the previous year. The increase reflects reports of rapid pace of inflows, mostly unofficial, from neighbouring countries, which have been attracted by the relatively high prices prevailing in Thailand. These additional supplies have helped relieve some of tightness stemming from the large volumes of local produce being mortgaged under the paddy pledging programme and kept away from the market.

Import demand is expected to remain strong in various *Near Eastern Asian countries*. This is particularly the case of the **Islamic Republic of Iran**, which has seen 1.3 million tonnes of rice delivered in the first nine months of the year. Despite increasing international pressure on the country and a severe currency devaluation, various exporters have vied to establish means that would enable them to circumvent financial sanctions imposed. Argentina is the latest of such countries, but Pakistan, Thailand and Uruguay have all put forward barter proposals to the Islamic Republic of Iran. More importantly, India, its largest traditional supplier, has put a Rupee payment mechanism in place that has facilitated much of the fast level of deliveries witnessed this year. On the whole, FAO now anticipates the Islamic Republic of Iran to take 1.6 million tonnes of foreign rice in 2012, 300 000 tonnes more than forecast in July and 33 percent more than in 2011. **Iraq** is also expected to step-up its purchases by 8 percent over the course of the year to around 1.35 million tonnes, while on the back of rising consumption, **Saudi Arabia** is forecast to import 1.3 million tonnes, up 4 percent year-on-year. Amongst the few exceptions to this upward trend within the sub-region, **Turkey** is presently foreseen to buy some 240 000 tonnes, 5 percent less than last year, reflecting larger domestic availabilities from a good 2011 harvest.

Combined, *African countries* are forecast to import 12.7 million tonnes in calendar 2012, 8 percent more than the previous year. This level is predicted to mirror greater shipments to *West African* countries, including **Burkina Faso, Chad, Gambia, Guinea Bissau, Mali, Niger** and **Senegal**, which incurred production setbacks in 2011. In addition, amongst individual nations, **Nigeria** is forecast to take delivery of 2.8 million tonnes in 2012, which is 800 000 tonnes more than

previously predicted and a 7 percent increase from 2011. The growth is mostly in reaction to announced increases in border protection, which induced Nigerian buyers to precipitate to the market in an attempt to complete arrivals ahead of their implementation. The measures concerned husked and milled/semi-milled rice, which, effective 1 July 2012, accrue overall import duties of 30 percent and 50 percent, respectively, up from rates of 5 percent and 30 percent previously applicable.<sup>3</sup> Moreover, confirmation that officials intend to raise tariffs on both kinds of rice again on 1 January 2013 has triggered another wave of purchases in recent months. The pace of deliveries has also been intense in **Cote d'Ivoire**, where some 720 000 tonnes were shipped in the first nine month of the year, 20 percent more than in the corresponding period in 2011. Over the full year, FAO now anticipates the country to take 1.2 million tonnes, 9 percent more than in 2011. This volume is expected to include deliveries under a reported G2G agreement concluded with Thailand. The flow will be facilitated by a three-month suspension of duties and taxes on imported rice announced in August. **Liberia**, too, has recently declared that it would waive import duties and taxes on rice, the latest in the sub-region that has already seen Cote d'Ivoire, Mali, and Senegal take action to facilitate inflows and/or establish ceiling/reference prices at the retail level. In *Eastern Africa*, **Burundi**, **Kenya** and **Rwanda** are also forecast to take larger deliveries, having also made recourse to lower tariff regimes this year. In *Southern Africa*, strong local demand is expected to lift **South Africa's** purchases by over 10 percent to 1.0 million tonnes, with higher deliveries also foreseen in **Madagascar** due to consecutive poor harvests. By contrasts, greater output may enable **Egypt**, **Mozambique**, **Sierra Leone** and **Togo** to cut purchases over the course of the year.



In 2012, countries in *Latin America and the Caribbean* are forecast to raise imports by 17 percent, to an overall volume of 4.0 million tonnes, driven chiefly by greater consignments to *South American countries*. Amongst these, **Brazil** would be responsible for much of the increase, taking about 900 000 tonnes, 50 percent more than in 2010, to make up for this year's production shortfall. Within the sub-region, shipments to **Colombia** are predicted to register a sharp rise, passing from 34 000 tonnes in 2011 to 84 000 tonnes this year. This mainly follows the forthcoming completion of a first delivery of 79 000 tonnes under the U.S.-Colombia Trade Promotion Agreement.

To give access to the preferential quota, import certificates were auctioned in October by the Colombia Rice Export Quota Inc. (COL-RICE), a newly established entity, which has been assigned the responsibility to administer the agreement's tariff rate quota through open tender auctions. It is foreseen that revenue accrued from its operations, after expenses are accounted for, will be shared equally between the two countries' rice associations to fund research, market development activities and to support efforts to boost the sectors' competitiveness. On the other hand, and although traditionally a rice exporting country, **Ecuador** is seen to import 35 000 tonnes in 2012, up from virtually nothing for much of the past decade, in response to the weather and pest setbacks that depressed output in 2011 and 2012. In **Venezuela**, FAO anticipates deliveries to rise to 340 000 tonnes, up from a revised 2011 level of 167 000 tonnes. In *Central American and the*

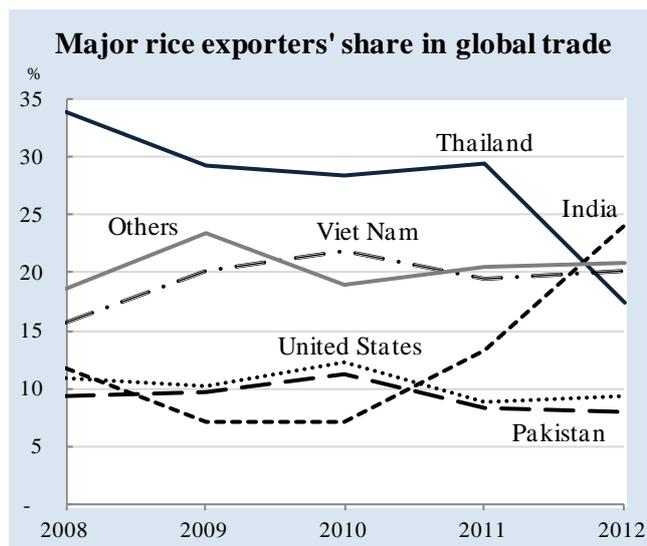
<sup>3</sup> These rates include a 5 percent import tariff on husked rice, to which a 25 percent levy is added, and a tariff rate of 10 percent for semi/wholly milled rice, in addition to a levy of 40 percent, plus other applicable surcharges. Nigeria applies import charges on all types of rice based on a single benchmark price, irrespective of origin or effective FOB price paid. In the second and third quarters of 2012, this benchmark price for customs valuation was set at USD 699 per tonne, up from a previous USD 640 per tonne. For the last three months of the year, a lower benchmark price of USD 673 per tonne is to be applicable.

*Caribbean*, the **Dominican Republic**, **Haiti**, **Honduras**, **Mexico** and **Panama** are also forecast to purchase more this year, while sufficient supplies available locally may enable **Costa Rica**, **Cuba**, and **Nicaragua** to cut imports.

*In the other regions*, the **European Union** is foreseen to take delivery of 1.3 million tonnes, up 100 000 tonnes year-on-year, while in the **United States**, officials anticipate purchases to amount to 700 000 tonnes, 13 percent more than in 2011.

## Exports in 2012

### Rice exports by India surge to new heights



FAO's forecast of trade in calendar 2012 now points to 37.3 million tonnes (milled basis) of rice been exchanged across the globe, a level that would surpass the 2011 record by 2 percent. Much of this growth is expected to be on account of **India**, whose deliveries have surged to new heights since the repeal of restrictions on non-basmati rice exports, possibly reaching 9 million tonnes by the end of the year, or 86 percent more than in 2011. The fast pace shipments is now anticipated to position the country as the number one supplier of rice in calendar 2012, as it captures an estimated 24 percent of global trade. Among the other rice exporters, **Australia**,

**Cambodia**, the **United States** and **Viet Nam** are also foreseen to step-up deliveries over the year, with consignments by **Egypt** also expected to be boosted by the recent lifting of restrictions on milled rice exports. India's re-emergence as an important rice exporter has mainly come to the detriment of **Thailand**, which has seen its competitive edge severely eroded by the high producer price policy implemented by the Government. As a result, Thai sales are forecast to plummet, relegating the country to the third position among exporters, behind India and Viet Nam. The availability of Indian supplies at highly competitive prices has also negatively impacted shipments from **China (Mainland)** and **Pakistan**. In addition, tighter supply situations have undermined exports by **Argentina**, **Brazil**, **Myanmar** and **Uruguay**.

The 2012 export outlook for **Cambodia** remains unchanged at 1.2 million tonnes, implying a 100 000 tonne increase from the previous year. As usual, the bulk is expected to be traded informally in the form of paddy, for eventual processing and re-export through Viet Nam and Thailand. Nevertheless, the local industry has received further impetus this year through the conclusion, in August, of an export agreement with Indonesia for the provision of 100 000 tonnes annually, on a need basis. Cambodia had already managed to make a first delivery of rice to China (Mainland) earlier in the year, which is consistent with its target to officially export 1.0 million tonnes of milled rice by 2015.

Similarly, the export forecast for **China (Mainland)** remains pegged at 400 000 tonnes, down 22 percent from the previous year. This fourth year of consecutive reductions reflects the relatively high domestic prices that have hindered the country's competitiveness, especially in the Indica rice segment.

FAO has revisited 2011 export figures for **India** by 1.7 million tonnes, following the release of official information that pointed to a more than doubling of consignments to 4.8 million tonnes. Over half of this volume, or some 2.5 million tonnes, was delivered in the last quarter of 2011, propelled by the September removal of restrictions on non-basmati rice exports. Based on the statistics, the rapid pace of shipments was sustained in 2012, as cumulative exports in the first half of the year reaching 5.5 million tonnes, with particularly strong sales made to African and Near-Eastern markets. India's excellent performance comes on the back of the competitiveness of its prices, even though significant port congestion problems were reported to have caused shipping delays lasting over a month. FAO now anticipates India to export 9.0 million tonnes in calendar 2012, 4.2 million tonnes above the 2011 level and the best performance the country has ever achieved.

By contrast, export prospects are subdued in **Myanmar**. Reflecting pressure from competition with other affordable suppliers of rice, compounded by a tighter domestic supply situation, 2012 shipments are anticipated to amount to 700 000 tonnes, down 11 percent from the previous year. Despite a recent sluggish performance, the sector is aiming to export 3.0 million tonnes by 2017. It is hoped that this level of exports will be facilitated by progressive increases in domestic rice production, as well as infrastructural improvements.

The export outlook has deteriorated further in **Pakistan**, which is now expected to deliver 3.0 million tonnes, 300 000 tonnes less than previously reported and 2 percent below 2011 consignments. Much of the retrenchment reflects a poor performance in the Basmati rice segment, where the country has faced intense competition from India, particularly in Near Eastern markets. The industry in Pakistan has also attributed loss of competitiveness to tighter availabilities of fragrant rice supplies, brought about by producers' shift towards cultivation of hybrid rice. Nevertheless, in the common rice market, the country has captured a good part of the demand stemming from China (Mainland) this year, in addition to retaining its traditional markets in Eastern Africa.

Forecasts of 2012 exports by **Thailand** have been reduced by 500 000 tonnes to 6.5 million tonnes since July, representing a 4.2 million tonne contraction from the previous year. The downgrade followed an even slower pace of shipments than previously anticipated, as availabilities in the Thai market have considerably tightened due to the absorption and subsequent storage of large quantities of output by the paddy pledging programme. The high prices resulting from the scheme's implementation have depressed the demand for Thai rice further. However, the massive public reserves amassed through the programme and the need to make room for new crop pledges have pressured authorities to begin offloading supplies more actively, with two tenders in August and September releasing a total of 287 300 tonnes on the market. More tenders are expected to be held on a regular basis in the coming months, with reports suggesting official plans to have up to 500 000 tonnes of fragrant rice discharged from stocks in the near future. Concurrently, the Thai Government has stepped up its efforts to strengthen cooperation among regional suppliers, namely Cambodia, the Lao PDR, Myanmar and Viet Nam. In particular, Thailand has reiterated an old proposal calling for the formation of a rice alliance geared at preventing world prices from falling below profitable levels, in addition to creating a platform for the five ASEAN members to exchange information regarding production practices and boost processing capacity and trade amongst them.

After a slow first half of the year, rice shipments by **Viet Nam** rebounded in July. By September, cumulative deliveries were officially reported to have reached 6.4 million tonnes, up 7 percent from the same period in 2011, buoyed by strong demand from China (Mainland), which has stood out as the main destination for Vietnamese rice this year. Deliveries to other Asian markets, including Indonesia and the Philippines, have also held firm, adding to shipments completed to Africa and also across the border with Cambodia for eventual delivery to Thailand. To take account of this

rapid recovery, FAO has raised its 2012 forecast of exports by Viet Nam to 7.5 million tonnes, a level that would match official export expectations for the year and exceed the 2011 good performance by 5 percent.

Prospects of ample domestic supplies from an abundant 2012 harvest encouraged officials in **Egypt** to lift the ban on rice exports, which had been in place since March 2008, but implemented with varying degrees of rigour. The removal of restrictions has been effective since 1 October 2012 and has specifically concerned milled rice, given that shipments of brokens were already permitted, while those of paddy and husked rice remain barred. Based on the decision, traders will now have to pay an export fee of Pounds 1 000 (USD 161) per tonne of rice shipped, in addition to having to acquire export licenses allocated through a tendering system. A first auction of such permits for 100 000 tonnes was conducted in mid-October, with the country expected to find ready markets in its traditional of Northern African and the Near Eastern outlets. Overall, and making allowance for unofficial rice outflows, FAO anticipates Egyptian consignments to reach 370 000 tonnes in 2012, 170 000 tonnes more than estimated in 2011.

Based on the latest USDA forecasts, shipments by the **United States** are set to reach 3.5 million tonnes in 2012, up 8 percent year-on-year. On the other hand and while the local industry has held veered discussions regarding buyers' perception of a loss in the quality of US long-grain rice in recent years (attributed to growing cultivation of hybrids amongst other factors), medium-grain sales were also temporarily disrupted in September. This was after the Republic of Korea halted sales and bids for US supplies, following the publication of a consumer group report that suggested excessive presence of inorganic arsenic in US rice. Health fears were, however, allayed the following month and restrictions lifted after examinations confirmed the safety of supplies. The forthcoming completion of a first duty-free delivery to Colombia under the TRQ set out by the U.S.-Colombia Trade Promotion Agreement has however boosted US export prospects for the year, with additional encouragement provided by progress in talks with China (Mainland) regarding phytosanitary requirements that would enable the US to commence milled rice shipments to China. Talks on entry requisites have been ongoing since 2005, but reports suggest that recent progress could potentially see their completion as early as 2013.

In South America, FAO has raised the forecast of 2012 deliveries by **Brazil** to 1.2 million tonnes, 400 000 tonnes more than previously anticipated. The adjustment mirrors an upbeat pace of shipments, particularly to West African and Latin American markets, which boosted Brazilian exports to close to 1.0 million tonnes in the first nine-months of the year. Notwithstanding the sharp reduction in local output, the Brazilian industry has been able to meet external and domestic demand by importing rice and by drawing from the large inventories amassed the previous year. Nonetheless, the tightening of supplies has put considerable pressure on domestic prices. In the region, FAO anticipates **Paraguay** to ship 260 000 tonnes in 2012, up 23 percent year-on-year. The forecast growth is consistent with upward revisions to production figures for the country, as well as strong demand in Brazil, its largest traditional buyer. The export outlook is also positive in **Guyana**, which is foreseen to deliver 310 000 tonnes, 2 percent more than in 2011. By contrast, prospects remain subdued in **Argentina** and **Uruguay**, the other major suppliers in the sub-region. Tight availabilities from poor production results are foreseen to restrict deliveries to 700 000 tonnes in Argentina and to 900 000 tonnes in Uruguay, down 11 and 4 percent respectively from 2011.

## B. Trade in 2013

### World trade in rice to remain close to 2012 high

Based on the current outlook for 2012 crops in northern hemisphere countries, as well as early expectations for 2013 production in countries located south of the equator, FAO has set its forecast

of 2013 trade in rice at 37.5 million tonnes (milled basis), which is marginally above the current 2012 estimate. The small expansion in 2013 trade is expected to be driven by a slight recovery in volumes delivered to Asian countries, although import demand is expected to remain firm elsewhere in the globe. On the supply side, ample availabilities should enable several major suppliers of rice to step-up deliveries over the course of the year. This is expected to be the case of Thailand, which may see exports recover from the 2012 depressed level. Moreover and despite an anticipated shortfall in consignments, India is likely to remain an important market player in 2013, as prospects of a still bountiful 2012 harvest have eased concerns over the reinstatement of export restrictions in the country. Egypt's repeal of the ban on rice exports is also anticipated to bolster consignments by the country. The export outlook is also favourable for Australia, Cambodia, Pakistan and Viet Nam, which may compensate for declines primarily in Argentina, Brazil, the United States and Uruguay.

### Imports in 2013

#### Greater deliveries to Asian countries to sustain small increase in 2013 trade in rice

The anticipated increase in global trade in rice in 2013 reflects expectations of sustained imports by *Asian countries*, which combined may purchase 17.5 million tonnes, up 1 percent from the 2012 contracted level. Within the region, **Bangladesh** is anticipated to take delivery of some 500 000 tonnes, nearly 50 percent more than the current 2012 estimate, but still a below average level. The forecast relies on expectations of a modest production increase this season. Nevertheless and despite facing an ample supply situation and lower domestic prices, the Government continues to prohibit rice sales to foreign countries, a stance confirmed by a September decision renewing the ban on non-fragrant rice exports until June 2013.

On the other hand, FAO anticipates volumes delivered to **China (Mainland)** to contract by 15 percent, while still remaining at a high of 1.7 million tonnes. However, the country's ability to cut imports will very much depend on domestic price dynamics, which of recent have not reflected the overall ample domestic supply situation suggested by successive seasons of output gains and stock accumulation. Instead, Chinese purchases are most likely to continue for as long as more affordable supplies abroad enable traders to make good returns on their imports. For 2013, the Chinese government has left the Tariff Rate Quota unchanged at 5.32 million tonnes, to be divided equally between the private sector and state-owned enterprises.

Rice deliveries to **Indonesia** are foreseen to expand by 200 000 tonnes to 1.5 million tonnes, although this will very much depend on the progress of the 2013 season. This volume is expected to comprise part of the purchases being currently contracted by Bulog, following authorities' granting of permission to import up to 1.0 million tonnes this year in order to reconstitute stocks. As has been the case in most recent years, a large portion of these purchases is likely to be delivered early in 2013 and ahead of the 2013 main season harvest. Meanwhile, the country has also renewed a government-to-government agreement with Viet Nam, giving Indonesia the option to buy up to 1.5 million tonnes from Viet Nam annually until 2017. This latest deal adds to standing import agreements that Indonesia has already struck with Cambodia, Myanmar and Thailand, none of which of a binding nature.

Meanwhile, its minimum market access commitments to the WTO require that the **Republic of Korea** raises purchases by 8 percent in 2013 to 400 000 tonnes, while in **Japan** these are set to remain steady at 700 000 tonnes. FAO also anticipates growing domestic requirements to drive a 5 percent expansion in volumes delivered to **Malaysia** to 1.15 million tonnes. In **Nepal**, an expected production shortfall is behind current forecasts of a 100 000 tonnes annual expansion in imports to 200 000 tonnes.

Largely on expectations of production gains this season, rice consignments to the **Philippines** are forecast to decline by 11 percent to 800 000 tonnes in 2013. This volume compares to a much lower early official import target of 100 000-150 000 tonnes for the year, a level that authorities see as achievable if calendar 2012 production reaches its objective of 18.4 million tonnes of paddy. In their stride to both disengage the state from rice imports and support local productive activities, Filipino officials are reported to be seeking to boost the financial allocations to the NFA's local procurement programme, in order for it to purchase 1.8 million tonnes of paddy from producers in 2013. This is after financial constraints are reported to have led the agency to cut its 2012 procurement target from the original 1.2 million tonnes of paddy to only 540 000 tonnes. Rice purchases by the NFA, either local or from abroad, fall under the agency's mandate to stabilize domestic prices and to keep buffer stocks from falling below minimum levels. On the other hand, based on current prospects of good crops and less attractive domestic prices, the quantities of foreign rice flowing into **Thailand** and **Viet Nam** may diminish as well.

By contrast, growing consumption of rice is expected to underpin imports to various *Near Eastern Asian countries*, pushing aggregate deliveries to the sub-region to 7.4 million tonnes. The 3 percent year-on-year increase is primarily expected to be driven by larger purchases by **Iraq, Jordan, Saudi Arabia, and Turkey**. In the case of the latter, the projected growth would reflect the poor crop garnered in 2012, but also the resumption of rice consignments by Egypt, a historically important supplier for Turkey and for the sub-region as a whole. The **Islamic Republic of Iran** is expected to stand as the only exception to the growing import trend in 2013, as replenished stocks from large purchases in 2012 should enable it to cut imports over the course of the year.

Rice consignments to *African countries* in 2013 are currently foreseen to remain around last year's level of 12.7 million tonnes. Amongst the major buyers in the region, **Nigeria** is tentatively forecast to reduce its purchases by 7 percent to 2.6 million tonnes, reflecting sufficient availabilities in stock, but also the imposition of higher import duties on rice. Indeed in its October budgetary speech, the Nigerian President confirmed the Government's intentions to strengthen border protection again, by imposing a 10 percent import duty and an additional 100 percent levy on both husked and semi/wholly milled rice, effective 1 January 2013. However, there is some uncertainty regarding the implementation of the tariff rises given the recent losses incurred to widespread floods. In addition, the effectiveness of the measure could be further compromised by difficulties in controlling rice inflows from bordering countries. Conversely, deliveries to **Cote d'Ivoire** are anticipated to rise further, reaching 1.25 million tonnes in 2013, in order to meet growing consumption needs, while in **South Africa**, they may remain steady at 1.0 million tonnes. An only partial output recovery is also expected to maintain rice purchases by **Senegal** close to the 2012 high and in the order of 950 000 tonnes. Meanwhile, based on current expectations of poor seasonal harvests, **Benin, Burkina Faso, Cameroon** and **Niger** are all foreseen to step-up imports over the course of the year, while higher local availabilities enable **Gambia, Ghana, Guinea** and **Madagascar** to cut theirs.

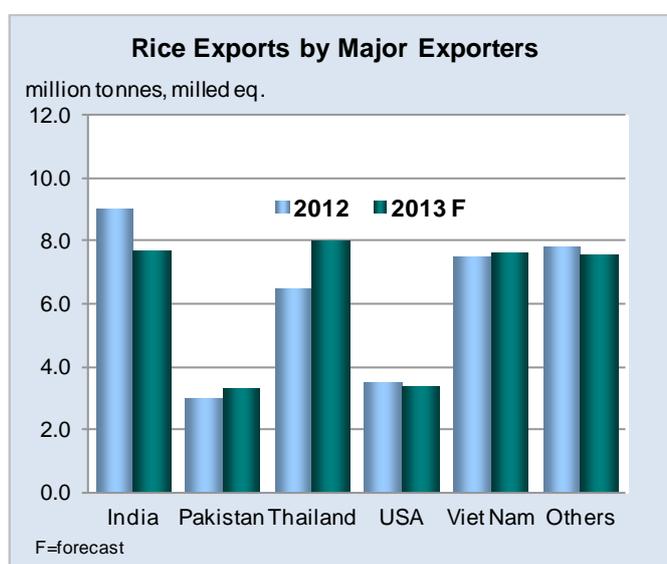
Combined, countries in *Latin America and the Caribbean* are envisaged to import 3.98 million tonnes of rice in 2013, down only fractionally from the previous year. Of these, some 2.4 million tonnes are expected to be routed to *Central America and the Caribbean*, implying a 3 percent increase from the 2012 level. Within the sub-region, production setbacks are anticipated to lead to larger purchases by both **Costa Rica** and **Panama**, while in **Cuba** and elsewhere in the area, imports may remain largely stable. In *South America*, an output upturn is forecast to lower shipments to **Ecuador** to marginal levels, while production gains in **Venezuela** may help the country to curb imports by 12 percent to 300 000 tonnes. Based on current prospects of a comparatively small 2013 harvest, rice purchases by **Brazil** are forecast to remain high and in the order of 900 000 tonnes. The bulk of Brazil's rice imports originate from Argentina, Paraguay and Uruguay. Over the course of the year, purchases from these fellow MERCOSUR members will continue being exempt from a 9.25 percent

federal tax on gross receipts, a status they have enjoyed since 2004. This follows a presidential order issued in September 2012 which vetoed a proposal to re-impose the taxes on imports of rice, wheat and wheat flour.

***In the other regions***, a poor seasonal turnout and strong demand are forecast to drive a 4 percent increase in deliveries to the **EU-27 zone** to 1.35 million tonnes. For the first half of the 2012/2013 marketing year, spanning from 1 September 2012 to 28 February 2013, EU import duties will remain pegged at Euro 30 per tonne on non-basmati husked rice and at Euro 175 per tonne for semi/wholly milled rice. On the other hand, the latest forecast released by the USDA points to a steady level of shipments to the **United States** of 700 000 tonnes, while on the back of output gains, FAO anticipates imports by the **Russian Federation** to contract by 11 percent to 160 000 tonnes.

## Exports in 2013

### Ample availabilities for export to support a small expansion of trade during 2013



On the supply side, the small expansion in world trade foreseen for 2013 is anticipated to reflect ample availabilities in various important suppliers of rice. The trading landscape is however expected to be somewhat different at a country level relative to 2012. More specifically, FAO anticipates shipments by **Thailand** to recover partially from the 2012 depressed level to 8.0 million tonnes. The forecast upturn rests on expectations of a gradual release of supplies from government stocks, as officials need to make room for the arrival of new crop pledges and secure revenue to finance the continuation of the scheme. However and whilst the country is also looking to capitalise

on standing government-to-government agreements, the extent to which exports by the country will recover is likely to be dictated by officials' willingness to offload stock supplies at competitive prices, even if these imply a loss to the state. The forecast recovery in Thai sales is presently foreseen to compensate for a 14 percent reduction in 2013 consignments by **India** to 7.7 million tonnes next year. India's anticipated production shortfall in 2012 might indeed compromise the competitive edge that had propelled the country's deliveries to new heights in 2012. Nonetheless, India is still likely to remain among the three top world rice exporters in 2013, as prospects of a still bountiful 2012 harvest have eased concerns over the reinstatement of export restrictions in the country.

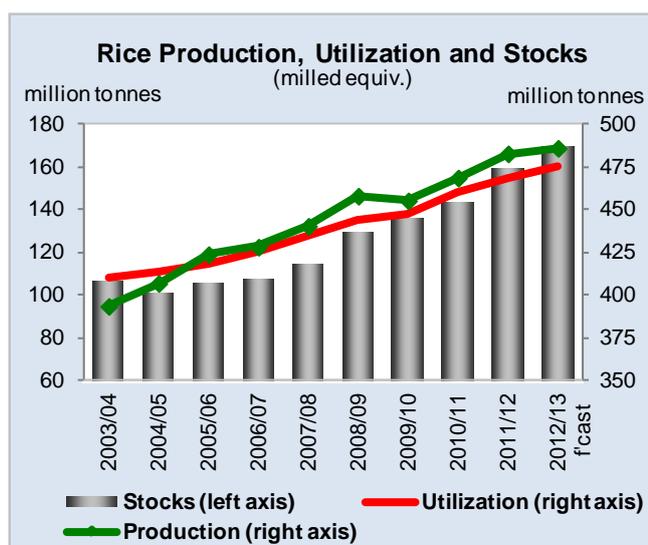
Amongst other Asian suppliers, **Cambodia** is expected to count on sufficient supplies to raise deliveries by 100 000 tonnes to 1.3 million tonnes. FAO also expects rice shipments by **China (Mainland)** to register a 100 000 tonne recovery to 500 000 tonnes in 2013, while still remaining below average. This disappointing prospect reflects a loss of market share to more competitive suppliers, especially in Africa, which in previous years had been the main outlet for China's Indica rice shipments. Meanwhile, based on current expectations of another weather-affected seasonal outcome, exports by **Myanmar** are predicted to remain modest and in the order of 700 000 tonnes. Rice sales by the country could, however, receive a boost should legislative proposals currently under review approve the reinstatement of privileges for the country under the EU's Generalised System of Preferences (GSP), granting duty-free access of its supplies to European markets under

the Everything-But-Arms initiative. On the other hand, a good crop and competitive pricing may enable exports by **Pakistan** to recover by 10 percent to 3.3 million tonnes. Having cemented its position as a reliable and affordable source of supplies, FAO also anticipates shipments from **Viet Nam** to remain high and in the order of 7.6 million tonnes, up 1 percent from the current 2012 estimate.

Outside of Asia, based on prospects of a bountiful harvest, **Egypt** is foreseen to regain much of its market share, particularly in Near Eastern markets, shipping a total of 700 000 tonnes in 2013. The forecast growth is contingent on milled rice outflows remaining unrestrained, given that officials have announced the intention to reinstate restrictions should domestic prices rise to unacceptable levels. The return of Egyptian rice to the market could impair the performance of other exporters that had capitalised on Egypt's export restrictions in recent years. This could be the case of the **Russian Federation**, which had started consolidating its status as a rice exporter by shipping growing amounts of supplies through Turkey since 2008. As a result, FAO anticipates Russian rice exports to shrink by 32 percent to 150 000 tonnes in 2013. Still in the Japonica market, based on expectations of yet another abundant harvest, **Australia** may step-up deliveries by 25 percent to 500 000 tonnes. Prospects of growing competition from Australia and Egypt are most likely to put pressure on sales by the **United States**, which is also poised to gather a smaller medium grain crop this year. Officials forecast overall US shipments to contract by 4 percent to 3.35 million. In the long grain segment, however, the country could keep benefiting from less rivalry from South American suppliers. Indeed, a replication of the poor 2012 harvest would continue to limit availabilities in **Argentina** and **Uruguay**, causing deliveries from the two countries to fall to 550 000 tonnes and 800 000 tonnes respectively. In the case of **Brazil**, rice shipments are forecast to incur a sharper fall of 25 percent to 900 000 tonnes. While this volume would stand short of the 1.3-1.2 million tonnes shipped by the country over the past two years, the country is still expected to maintain some hold over some of its recently established markets, recurring to imports to fulfil much of its domestic consumption needs.

### III. RICE UTILIZATION AND DOMESTIC PRICES

#### Growing consumption of rice as food to sustain a 6.7 million tonne increase in global rice utilization in 2013



Based on current prospects of 2012 rice production, from which the bulk of supplies will be drawn from, FAO has set its forecast of **world rice utilization in 2013** at 474.7 million tonnes (milled basis), representing a 6.7 million tonne rise from the previous year. Much of the increase in global use of rice is expected to reflect growing consumption of rice as food, which is forecast to absorb 401.5 million tonnes, some 5.7 million tonnes more than in 2012. All other end-uses of rice may also grow somewhat. In the case of animal feed, the volumes are foreseen to rise by 1 percent to 12.5 million tonnes, while post harvest losses, seeds and industrial uses of rice, combined, could reach about 60.6 million tonnes, up 540 000 tonnes year-on-year.

Based on current trends, the anticipated growth in global use of rice would be sufficient to keep pace with expected population growth, maintaining the **global rice per caput use** figure in 2013 at

a steady 56.8 kilos. This trend would reflect stable levels of consumption in **developing countries** of 66.7 kilos per person, whilst intake in **developed nations** recovers by 4 percent to 12.3 kilos per person. From a regional perspective, average consumption in *Asia* is forecast to grow by a small margin of 0.2 kilos to 82.2 kilos per person. To some degree, the slowdown in consumption growth could reflect stubbornly high prices across many countries in the region. Indeed, if compared to their levels a year earlier, domestic quotations in Bhutan, China (Mainland), India, Indonesia, Mongolia, Nepal, Pakistan, Sri Lanka and Thailand have all registered increases, while prices in Bangladesh, Cambodia, the Lao PDR, Myanmar and Viet Nam have tended to decline.

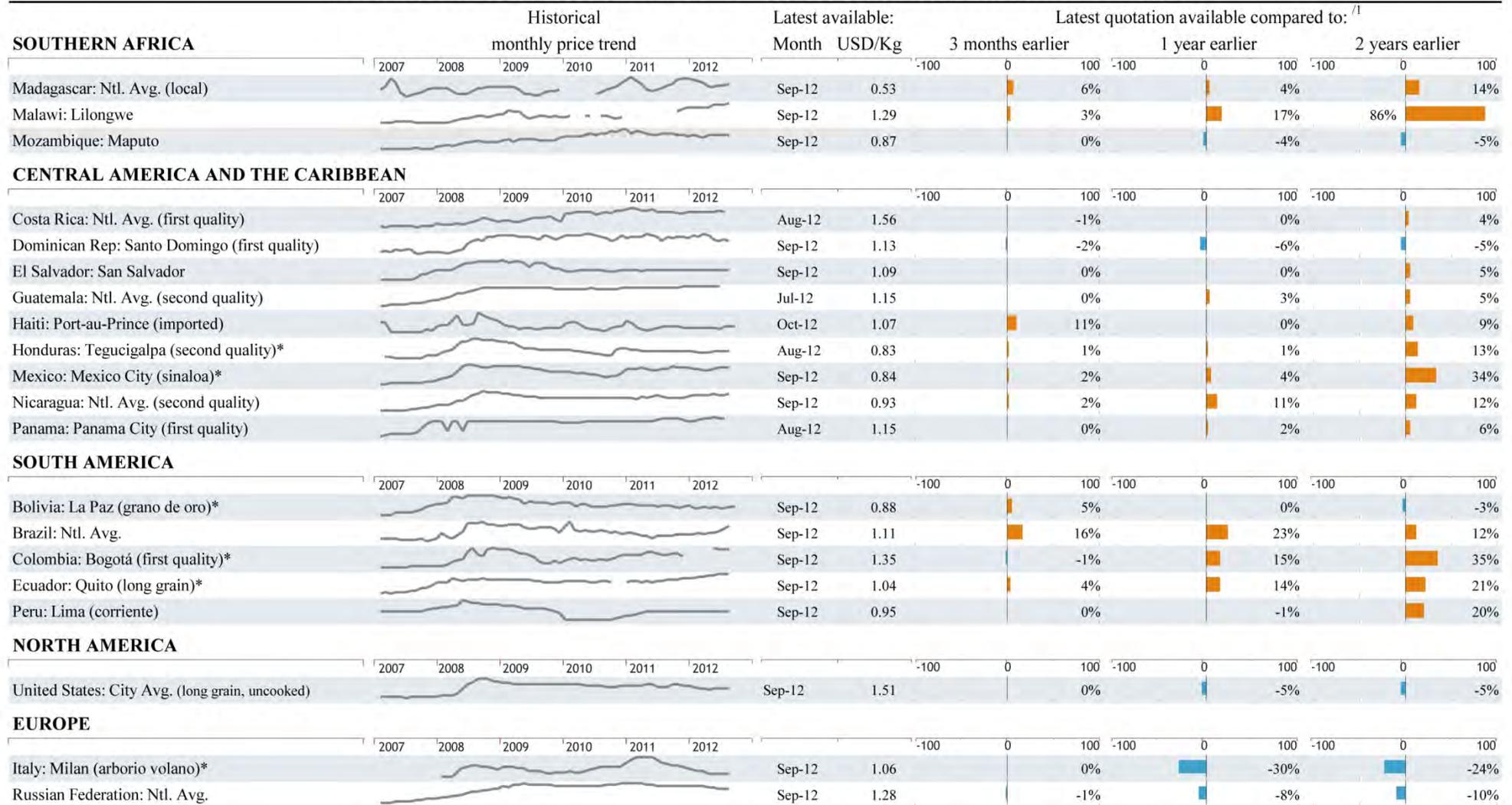
Similarly, FAO anticipates average rice consumption in *Africa* to remain stable at around 23.9 kilos per person in 2013. A look at quotations in the region reveals continued increases in rice prices in Cape Verde, Senegal, the Democratic Republic of Congo, Madagascar, Malawi. However, the pressure for prices to rise above all characterized East African markets, including in Burundi, Rwanda, Uganda and the United Republic of Tanzania. These tendencies were contrasted by falling local quotations in Chad, Mali, Somalia and Mozambique.

*Elsewhere in the world*, North America and Oceania are foreseen to increase their rice consumption, consuming an average of 10.9 and 15.7 kilos per person per year, respectively. On the other hand, per capita intake in Latin America and the Caribbean is set to decline to around 29.1 kilos in 2013, while it remains largely stable in Europe at 5.1 kilos. Based on available quotations for these regions, in the case of Italy, the United States and the Russian Federation, the projected consumption trends could be accompanied by lower prices. In Latin American and Caribbean markets, however, rice quotations have gained ground in Brazil, Colombia, Ecuador, Mexico and Nicaragua, while declining mainly in the Dominican Republic.

## 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)							Oct-12	0.35	1%	-10%	-12%						
Bhutan: Samdrup Jongkhar (white)							Aug-12	0.35	7%	7%	-2%						
Cambodia: Phnom Penh (mix)*							Sep-12	0.44	-1%	-4%	6%						
China: 50 City Avg. (japonica second quality)							Sep-12	0.88	3%	3%	18%						
India: Delhi							Sep-12	0.47	5%	8%	14%						
Indonesia: Ntl. Avg.							Sep-12	1.09	1%	8%	24%						
Lao PDR: Vientiane (glutinous first quality)							Sep-12	0.78	-23%	-23%	-32%						
Mongolia: Ulaanbaatar							Aug-12	1.25	4%	5%	-6%						
Pakistan: Karachi (irri)							Oct-12	0.53	0%	14%	41%						
Philippines: Ntl. Avg. (well-milled)							Sep-12	0.85	1%	2%	4%						
Sri Lanka: Colombo (white)							Oct-12	0.45	4%	9%	11%						
Thailand: Bangkok (5% broken)*							Aug-12	0.54	-4%	10%	31%						
Viet Nam: Dong Thap (25% broken)							Sep-12	0.38	11%	-18%	7%						
<b>WESTERN AFRICA</b>																	
	2007	2008	2009	2010	2011	2012			-100	0	100	-100	0	100	-100	0	100
Benin: Cotonou (imported)							Aug-12	1.00	0%	0%	0%						
Burkina Faso: Ouagadougou (imported)*							Oct-12	0.75	6%	-1%	12%						
Cape Verde: Santiago (imported)							Aug-12	1.23	2%	12%	20%						
Chad: N'Djamena (imported)							Aug-12	0.95	-6%	-3%	10%						
Mali: Bamako*							Oct-12	0.74	1%	-6%	17%						
Mauritania: Nouakchott (imported)							Jul-12	0.70	3%	-2%	-27%						
Niger: Niamey (imported)*							Oct-12	0.79	0%	0%	0%						
Senegal: Dakar (imported)							Jul-12	0.83	-8%	11%	11%						
<b>CENTRAL AFRICA</b>																	
	2007	2008	2009	2010	2011	2012			-100	0	100	-100	0	100	-100	0	100
Dem. Rep. Congo: Kinshasa (imported)							Aug-12	1.23	1%	9%	13%						
<b>EASTERN AFRICA</b>																	
	2007	2008	2009	2010	2011	2012			-100	0	100	-100	0	100	-100	0	100
Burundi: Bujumbura							Aug-12	1.15	-18%	23%	26%						
Rwanda: Kigali*							Oct-12	1.30	3%	37%	63%						
Somalia: Mogadishu (imported)							Jul-12	0.73	-20%	-38%	-36%						
Uganda: Kampala*							Oct-12	1.14	5%	19%	100%						
United Rep. of Tanzania: Dar es Salaam*							Oct-12	0.98	-4%	45%	44%						

## MONTHLY RETAIL PRICES OF RICE IN SELECTED MARKETS



<sup>1</sup> Quotations in the month specified in the fourth column were compared to their levels in the preceding three, twelve and twenty-four months. Price comparisons were made in nominal local currency units.

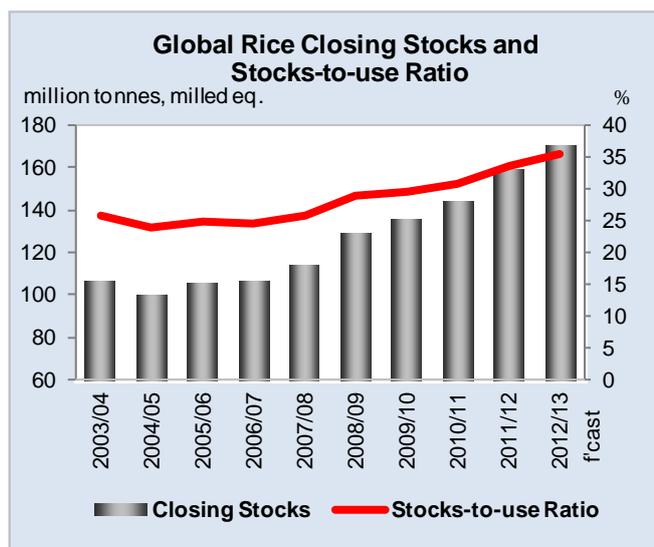
\* Wholesale prices.

Sources: FAO/GIEWS GIEWS Food Price Data and Analysis Tool; U.S. Bureau of Labor Statistics (BLS); Associazione Industrie Risiere Italiane (AIRI).

## IV. CLOSING STOCKS

**Following revisions to 2012 and 2013 annual figures, world rice carry-overs in 2013 now forecast at an even higher 169.8 million tonnes**

FAO has revisited its estimates of global rice carry-overs at the close of the marketing years ending in **2012** by 3.5 million tonnes to 159.3 million tonnes (milled basis), 11 percent above their opening level. Most of this upward revision resulted from adjustments to inventories held by Thailand, although China (Mainland), Nigeria and the United States are also assessed to have ended the season with larger stocks than previously reported. Amendments to figures in these countries offset lower estimates of inventories in India, the Philippines and Viet Nam.



As to the **2013** season, FAO has also lifted the forecast of world rice inventories by 5.3 million tonnes to 169.8 million tonnes. The sizeable revision was again mostly attributable to Thailand. However, upward stock adjustments also concerned China (Mainland), the Islamic Republic of Iran, Pakistan and the United States, while closing inventories were revised down for India, Myanmar and the Philippines. The revised 2013 forecast level of close to 170 million tonnes would imply an eighth consecutive year of global stock accumulation and an even higher replenishment rate of 10.4 million tonnes, or 7 percent, relative to the 2012 season. Based on

this higher prediction, the **global stock-to-use ratio** is set to pass from an estimated 33.6 percent in 2012 to 35.5 percent in 2013, with global carry-overs now anticipated to be sufficient to cover 4.3 months of projected consumption. All of the forecast refurbishment is foreseen to occur in **developing countries**, which combined are expected to hold 165.3 million tonnes, whilst **developed nations** could end the season with 4.5 million tonnes of rice in reserves, or 4 percent less than the previous year.

Looking at stocks from a trade perspective, the **five major rice exporters**<sup>4</sup> are, on aggregate, predicted to end the year with a 2.6 million tonne increase in their carry over to 44.6 million tonnes. Most of this growth would reflect a steep rise in public inventories in **Thailand**, owing to a second year of implementation of the paddy pledging programme. By 3 October 2012, at the end of its first year of reinstatement, 21.5 million tonnes of paddy from the 2011 harvest were reported to have been procured under the programme, which FAO estimates to have boosted the country's inventories to 13.0 million tonnes, up 67 percent from their opening level. The considerably favourable terms still offered to farmers under the programme are likely to lead to a similarly upbeat pace of mortgaging over the 2013 round of the scheme, now underway. Even with foreseeable Government stock releases, much needed to sustain exports, FAO anticipates the country's inventories to increase by 4.2 million tonnes in 2013, to 17.2 million tonnes. Reflecting the excellent seasonal turnout, rice stocks in **Viet Nam** are also forecast to rise by 14 percent to 3.6 million tonnes. By contrast, all other major suppliers of rice may close their marketing years with lower reserves. This would be the case of **India**, due to an anticipated production shortfall, coupled with strong sales abroad. Public inventories in the country are, nonetheless, expected to remain well above the mandated minimum of 7.2 million tonnes. This would be especially so if state agencies

<sup>4</sup> India, Pakistan, Thailand, the United States and Viet Nam.

are able to meet the 40.0 million tonne local procurement target for the year, outdoing the 2011/2012 record purchase campaign by 5.0 million tonnes. A steady level of shipments is also foreseen to trim **Pakistan's** inventories by 7 percent to 500 000 tonnes, whilst in the **United States** officials anticipate the comparatively small crop harvested in 2012 to lead to a 21 percent additional stock decline to 1.03 million tonnes. Based on these expectations, the five major rice exporters' **stock-to-disappearance ratio**<sup>5</sup> is forecast to pass from a 2012 high of 26.0 percent to 27.1 percent in 2013.

Conversely, **rice importing countries** are foreseen to end the season with a 3 percent stock decline to 26.8 million tonnes. Amongst the major traditional buyers, inventories in **the Philippines** are now forecast to drop to their lowest level in the decade, to some 1.5 million tonnes. The anticipated draw-down, the third since inventories reached a 2010 high of 3.3 million tonnes, would be required to meet domestic demand in the face of ever smaller imports resulting from the country's stride towards self-sufficiency in rice. The implementation of protective measures to curb reliance on purchases abroad is also behind forecasts of a decline in reserves held by **Nigeria** to 400 000 tonnes. The reduction would nonetheless follow a year of significant stock replenishments, as traders in 2012 anticipated their purchases in a bid to complete arrivals ahead of the planned imposition of higher duties and levies on rice on 1 January 2013. Reflecting expectations of another poor seasonal turnout, closing stocks are similarly officially forecast to end lower in the **European Union** and in **Brazil**. In the case of the latter, FAO anticipates the drawdown to be necessary to meet domestic consumption needs and maintain a hold over some its recently established exports markets. By contrast, production gains and official efforts to refurbish stocks through local procurement and imports, are foreseen to permit **Indonesia** to replenish stocks by 2 percent to 6.3 million tonnes. Meanwhile, based on current expectations of output gains and a sustained level of imports, **China (Mainland)**, which accounts a large share of global rice carry-overs, is now foreseen to end the season with 93.7 million tonnes in stock, 12 percent more than at the start of the year and equivalent to over 70 percent of the country's estimated consumption.

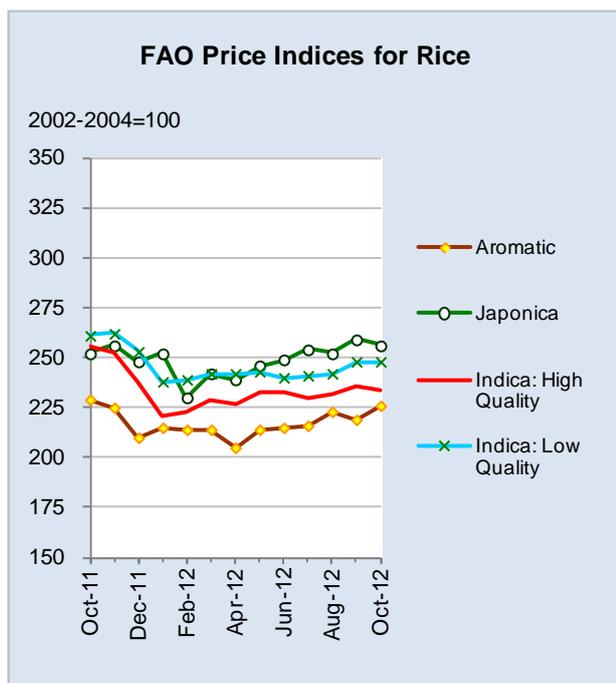
## V. INTERNATIONAL PRICES

### International rice export prices remain firm ahead of the arrival of 2012 main season crops into the market

International rice export prices have strengthened somewhat since July, as import demand remained firm ahead of the harvest of main paddy crops in major northern hemisphere producing countries. This was mirrored in the FAO Rice Price Index passing from a July value of 239 to 244 points in October. The price strength was evident across all market segments, with the most pronounced increase registered in the Aromatica market, where October prices stood 5 percent above their value three months earlier. In the non-fragrant segments, strong buying interest also sustained a 3 percent increase in the lower quality Indica Index to 248 points. The price strength was somewhat more contained in the case of high quality Indica rice, as mirrored in its Index rising by 2 percent to 234 points in October. Japonica prices also firmed, increasing their Index value by 1 percent to 256 points. From an annual stance however, this recent price strength was not sufficient to obscure the bearish undertone of rice quotations this year, with January-October prices remaining 6 percent below the high levels registered in the corresponding period in 2011.

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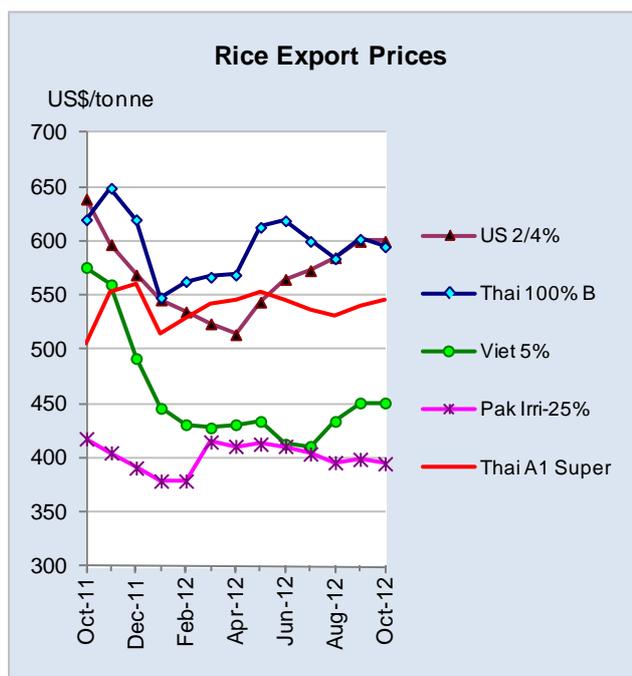
<sup>5</sup> Defined as the sum of the five major exporters' stocks divided by the sum of the five countries' domestic utilization plus exports.



Amongst the various origins, weak buying interest continued to exert downward pressure on **Thai** prices over much of the third quarter of the year and, by October, Benchmark Thai 100% B stood 1 percent below its July value at USD 595 per tonne. The propensity for Thai quotations to lose ground was notwithstanding support provided by the paddy pledging program, which tightened domestic availabilities by absorbing 21.5 million tonnes of paddy in 2011/2012, the equivalent of 63 percent of the 2011 local harvest. In part, the price slide also reflected a round of public stock releases which, aiming to sell 864 000 tonnes, concluded with effective discharge of 287 300 tonnes into the Thai market. Sluggish buying interest has not concerned all Thai qualities, however. Steadfast demand from Nigerian buyers seeking to complete deliveries ahead of the 1 January 2013 imposition of higher duties and levies on imported rice, underpinned

Thai parboiled prices. For most part of the year these have tended to exceed those of 100% B white rice.

By contrast, keen demand from Latin American and Caribbean buyers ahead of the harvest of 2012 crops supported steady gains in quotations in the **United States** and by October US No.2, 4% was quoted 5 percent above its July level at USD 600 per tonne. In the medium grain segment, the price strength held until September. The following month, however, the announced resumption of exports by Egypt and competition with Australia, resulted in US N.1/4 medium grain prices declining by 2 percent to USD 755 per tonne.



After registering steady declines in the first half of the year, quotations in **Viet Nam** recovered in July and continued to gain ground thereafter. By October, 25% broken in the country was quoted at USD 420 per tonne, up 11 percent on its July value. The completion of a stockpiling plan of 500 000 tonne provided some support to quotations in August, but prices were above all sustained by a rebounding of import demand across borders with China (Mainland), but also Cambodia, through which supplies transited en route to Thailand. Vietnamese quotations only displayed a propensity to abate in October, with part of the decline reportedly resulting from liquidity constraints faced by traders who had participated in the July-August stockpiling program. The situation was however short-lived, as it not only prompted the Viet Nam Food Association to request that commercial

banks grant an extension of debt repayment periods to rice exporters, but also to impose higher minimum export prices. These were set at USD 435 in the case of a tonne of 25% broken rice and at

USD 460 per tonne of 5% broken rice, up 10 dollars each from floor prices last set in April. Vietnamese quotations found further support by the end of the month from a large sale to Indonesia.

Strong import demand, particularly from African buyers, and a recent appreciation of the Rupee also pushed **Indian** prices higher. October quotations of 25% broken rice from the country stood 4 percent above July levels at USD 410 per tonne. Prices of basmati rice were also affected by thin availabilities ahead of the new crop arrivals, rising by 10 percent to USD 1 083 in India, while in **Pakistan** they were quoted unchanged at USD 935 per tonne. After incurring some harvesting delays, the arrival of 2012 IRRI crops into the market instead tended to ease quotations of 25% broken rice in Pakistan, where it was quoted in October at USD 395 per tonne, 2 percent less than in July.

As to prospects for the coming months, international rice export prices are likely to come under increasing pressure from the completion of crop gathering activities in major northern hemisphere countries. However, the implementation of policy measures, particularly by rice exporting countries, could limit their fall. In the case of Thailand, prices will continue to be sustained by a renewed paddy pledging programme. Nevertheless, support provided by the scheme could be somewhat mitigated by the gradual release of supplies from vast public reserves, a move required not only to keep the country as an active player in the international market but also to fund the continuation of the programme during the year. In the case of India, current prospects of a large harvest, notwithstanding a shortfall caused by early monsoon dryness, have eased fears of restrictions on rice exports being reinstated. Still, domestic prices trends and final decisions regarding the reform and expansion of the country's public distribution programme will need to be monitored. Against a backdrop of strong import demand, purchasing decisions by major buyers are also expected to play an important role, particularly if fears of domestic cereal scarcity, in the context of high international prices of other grains, influence their rice purchasing behaviour.

FAO Rice Price Indices (2002-2004=100)					
	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> 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	233	227	242	239	205
May	238	233	243	246	214
June	238	233	240	249	215
July	239	230	241	254	216
August	240	232	242	252	223
September	245	236	248	259	219
October	244	234	248	256	226
<b>2011</b> Jan.-Oct.	251	235	248	278	229
<b>2012</b> Jan.-Oct.	238	230	242	248	216
<b>% Change</b>	-5.5	-2.2	-2.5	-11.0	-5.5

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>														
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	470	384	411	553	384	546	772	825	1091
May	613	622	544	602	434	470	379	412	580	388	554	780	881	1078
June	619	615	565	609	413	470	382	411	579	369	545	783	931	1062
July	600	584	572	588	411	470	394	404	564	379	536	788	931	1062
August	584	601	585	568	434	482	391	396	552	407	532	799	935	1069
September	602	605	600	585	451	485	405	399	566	421	540	794	875	1093
October	595	600	600	578	450	505	410	395	565	420	545	788	935	1111
<b>2011 Jan.-Oct.</b>	551	553	576	535	501	479	428	440	495	463	445	868	1026	1038
<b>2012 Jan.-Oct.</b>	586	595	558	571	433	477	391	400	558	396	539	792	916	1088
<b>% Change</b>	6.2	7.6	-3.1	6.8	-13.5	-0.4	-8.6	-9.0	12.8	-14.4	21.1	-8.8	-10.7	4.9

**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		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>	675.9	702.9	723.7	728.7	4.9	0.7	724.5	4.2
Developing countries	651.2	675.9	698.7	703.0	4.3	0.6	699.2	3.8
Developed countries	24.7	27.0	25.0	25.7	0.7	2.7	25.3	0.3
<b>ASIA</b>	612.9	635.0	655.6	660.6	5.0	0.8	657.5	3.1
Bangladesh	46.1	50.3 G	50.7 G	51.3	0.6	1.2	51.3	-
Cambodia	7.2	8.2 G	8.8 G	8.7	-0.1	-0.9	8.7	-
China	192.5	197.2	202.5	206.5	3.9	1.9	206.5	-
of which China (Mainland)	191.0	195.8 G	201.0 G	205.0 G	4.0	2.0	205.0 G	-
India	142.5	144.0 G	156.5 G	150.0	-6.5	-4.1	147.7	2.3
Indonesia	60.6	66.5 G	65.8 G	68.6 G	2.8	4.3	68.6 G	-
Iran, Islamic Rep. of	2.4	2.3 G	2.3	2.4	0.1	4.3	2.4	-
Japan	10.8	10.6 G	10.5 G	10.5	0.0	0.4	10.5	-
Korea Rep. of	6.3	5.8 G	5.6 G	5.5 G	-0.1	-2.0	5.4	0.1
Lao PDR	2.9	3.1 G	3.0 G	3.1	0.1	3.4	3.1	-
Malaysia	2.4	2.5 G	2.7 G	2.7	0.0	1.3	2.7	-
Myanmar	31.0	30.8	30.0	30.0	0.0	0.0	31.0	-1.0
Nepal	4.3	4.5 G	5.1 G	4.8	-0.3	-5.3	4.8	-
Pakistan	9.7	7.2 G	9.2 G	9.4	0.2	1.8	9.4	-
Philippines	16.4	16.7 G	17.0 G	18.0	1.0	5.9	17.5	0.5
Sri Lanka	3.6	4.3 G	3.9 G	4.2 G	0.4	9.3	4.3	0.0
Thailand	31.9	35.9 G	34.5 G	36.0	1.5	4.3	36.0	-
Viet Nam	37.9	40.0 G	42.3 G	43.4 G	1.1	2.5	42.5 G	0.9
<b>AFRICA</b>	22.9	26.0	25.3	26.4	1.1	4.3	26.0	0.4
<b>North Africa</b>	6.6	5.2	5.7	6.6	0.8	14.8	6.0	0.6
Egypt	6.6	5.2	5.7 G	6.5 G	0.8	14.9	5.9	0.6
<b>Western Africa</b>	9.6	12.9	12.3	12.7	0.5	4.0	13.0	-0.2
Côte d'Ivoire	0.7	0.7 G	0.7 G	0.7	0.0	3.9	0.7	-
Guinea	1.5	1.6 G	1.7 G	1.7	0.0	1.8	1.7	-
Mali	1.6	2.3 G	1.7 G	1.9	0.2	9.1	1.9	-
Nigeria	3.4	4.5 G	4.6 G	4.7	0.1	2.9	4.7	-
Sierra Leone	0.7	1.0 G	1.2 G	1.3	0.1	9.8	1.3	-
<b>Central Africa</b>	0.5	0.5	0.5	0.5	-0.1	-9.8	0.5	-0.1
<b>Eastern Africa</b>	1.8	2.1	2.0	2.0	0.0	1.6	2.0	-
Tanzania	1.3	1.7 G	1.5 G	1.5	0.0	2.6	1.5	-
<b>Southern Africa</b>	4.4	5.2	4.8	4.5	-0.2	-5.1	4.5	0.1
Madagascar	4.0	4.8 G	4.3	4.0	-0.3	-7.0	4.0	-
Mozambique	0.2	0.3 G	0.3 G	0.3 G	0.1	26.3	0.3	0.1
<b>CENTRAL AMERICA &amp; CAR</b>	2.6	2.8	2.8	2.7	-0.1	-2.7	2.7	0.0
Cuba	0.5	0.5 G	0.6 G	0.5	0.0	-7.3	0.5	0.0
Dominican Rep.	0.8	0.9 G	0.8 G	0.9	0.0	1.8	0.9	-
<b>SOUTH AMERICA</b>	24.2	23.5	26.4	24.7	-1.7	-6.5	24.4	0.3
Argentina	1.2	1.2 G	1.7 G	1.6 G	-0.2	-9.9	1.6 G	-
Brazil	12.0	11.7 G	13.6 G	11.6 G	-2.0	-14.8	11.6 G	0.0
Colombia	2.7	2.4 G	2.5 G	2.6 G	0.0	1.4	2.7	-0.1
Ecuador	1.6	1.7 G	1.5 G	1.4	-0.1	-5.3	1.4	-
Peru	2.7	2.8 G	2.6 G	2.9	0.3	10.9	2.7	0.2
Uruguay	1.3	1.1 G	1.6 G	1.4 G	-0.2	-13.3	1.4 G	-
<b>NORTH AMERICA</b>	9.4	11.0	8.4	9.0	0.6	7.5	8.7	0.4
United States	9.4	11.0 G	8.4 G	9.0 G	0.6	7.5	8.7 G	0.4
<b>EUROPE</b>	3.8	4.4	4.5	4.3	-0.2	-5.5	4.3	0.0
EU	2.8	3.1 G	3.1 G	2.9	-0.3	-8.3	2.9	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	1.0	0.2	33.1	1.0	0.0
Australia	0.1	0.2 G	0.7 G	1.0 G	0.2	33.9	1.0 G	0.0

## 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

	2008-2010	2011	2012	2013	Annual Change		2012 Forecast	
	Average		Estimate	Forecast	2013 over 2012		Previous	Revision
	<i>million tonnes</i>				<i>million tonnes</i>	%	<i>million tonnes</i>	
<b>WORLD</b>	30.4	36.4	37.3	37.5	0.2	0.5	34.2	3.1
Developing countries	25.7	31.6	32.3	32.5	0.1	0.4	29.3	3.1
Developed countries	4.7	4.8	4.9	5.0	0.0	1.0	4.9	0.0
<b>ASIA</b>	14.3	18.0	17.4	17.5	0.2	0.9	15.6	1.7
Bangladesh	0.8	1.5 G	0.3	0.5	0.2	47.1	0.3	0.0
China	1.0	1.2	2.6	2.3	-0.3	-11.1	2.0	0.6
of which China (Mainland)	0.3	0.6 G	2.0	1.7	-0.3	-15.0	1.4	0.6
Indonesia	0.5	2.8	1.3	1.5	0.2	15.4	1.3	-
Iran, Islamic Rep. of	1.2	1.2	1.6	1.5	-0.1	-6.3	1.3	0.3
Iraq	1.0	1.3	1.4	1.4	0.0	3.7	1.3	0.1
Japan	0.6	0.7 G	0.7	0.7	0.0	0.0	0.7	-
Malaysia	1.1	1.0 G	1.1	1.2	0.0	4.5	1.1	-
Philippines	2.2	1.2	0.9	0.8	-0.1	-11.1	0.9	-
Saudi Arabia	1.0	1.3	1.3	1.4	0.1	3.8	1.3	-
United Arab Emirates	0.6	0.6	0.6	0.7	0.0	4.7	0.6	-
<b>AFRICA</b>	9.7	11.8	12.7	12.7	0.0	0.0	11.4	1.4
Côte d'Ivoire	0.9	1.1	1.2	1.3	0.1	4.2	1.0	0.3
Nigeria	2.0	2.4	2.8	2.6	-0.2	-7.1	2.0	0.8
Senegal	0.8	0.8 G	1.0	1.0	0.0	0.0	0.9	0.1
South Africa	0.8	0.9	1.0	1.0	0.0	0.0	1.0	0.1
<b>CENTRAL AMERICA &amp; CAR</b>	2.1	2.3	2.3	2.4	0.1	2.7	2.3	-
Cuba	0.5	0.5	0.5	0.5	0.0	0.0	0.5	-
Mexico	0.6	0.7	0.7	0.7	0.0	0.0	0.7	-
<b>SOUTH AMERICA</b>	1.1	1.1	1.7	1.6	-0.1	-4.9	1.7	0.0
Brazil	0.6	0.6 G	0.9	0.9	0.0	0.0	0.9	-
<b>NORTH AMERICA</b>	1.0	1.0	1.0	1.1	0.0	1.0	1.1	0.0
United States	0.6	0.6 G	0.7 G	0.7 G	0.0	0.0	0.7 G	0.0
<b>EUROPE</b>	1.7	1.6	1.7	1.8	0.0	2.3	1.7	-
EU 1/	1.2	1.2	1.3	1.4	0.1	3.8	1.3	-
Russian Federation	0.2	0.2 G	0.2	0.2	0.0	-11.1	0.2	-
<b>OCEANIA</b>	0.5	0.5	0.4	0.4	0.0	0.0	0.4	-

## FOOTNOTES:

Totals computed from unrounded data.

1/ Excluding intra-trade.

G Official figure.

TABLE 3: WORLD RICE EXPORTS

	2008-2010	2011	2012	2013	Annual Change		2012 Forecast	
	Average		Estimate	Forecast	2013 over 2012		Previous	Revision
	<i>million tonnes</i>				<i>million tonnes</i>	%	<i>million tonnes</i>	
<b>WORLD</b>	30.4	36.4	37.3	37.5	0.3	0.7	34.2	3.1
Developing countries	26.4	32.3	32.6	33.1	0.5	1.5	29.5	3.1
Developed countries	4.0	4.1	4.7	4.5	-0.2	-4.8	4.7	0.0
<b>ASIA</b>	23.6	28.5	28.8	29.5	0.7	2.6	26.3	2.5
Cambodia	1.0	1.1	1.2	1.3	0.1	8.3	1.2	-
China	0.9	0.6	0.5	0.5	0.1	20.0	0.5	-
of which China (Mainland)	0.8	0.5 G	0.4	0.5	0.1	25.0	0.4	-
India	2.6	4.8 G	9.0	7.7	-1.3	-14.4	6.5	2.5
Myanmar	0.7	0.8 G	0.7	0.7	0.0	0.0	0.7	-
Pakistan	3.1	3.1 G	3.0	3.3	0.3	10.0	3.3	-0.3
Thailand	9.3	10.7 G	6.5	8.0	1.5	23.1	7.0	-0.5
Viet Nam	5.9	7.1 G	7.5	7.6	0.1	1.3	6.8	0.7
<b>AFRICA</b>	0.7	0.3	0.5	0.8	0.3	68.6	0.4	0.1
Egypt	0.5	0.2	0.4	0.7	0.3	89.2	0.3	0.1
<b>SOUTH AMERICA</b>	2.3	3.7	3.6	2.9	-0.6	-17.9	3.0	0.6
Argentina	0.4	0.8 G	0.7	0.6	-0.2	-21.4	0.7	-
Brazil	0.5	1.3 G	1.2	0.9	-0.3	-25.0	0.8	0.4
Guyana	0.2	0.3 G	0.3	0.3	0.0	0.0	0.3	0.0
Uruguay	0.8	0.9 G	0.9	0.8	-0.1	-11.1	0.9	-
<b>NORTH AMERICA</b>	3.4	3.2	3.5	3.4	-0.2	-4.3	3.5	0.1
United States	3.4	3.2 G	3.5 G	3.4 G	-0.2	-4.3	3.5 G	0.1
<b>EUROPE</b>	0.3	0.4	0.5	0.4	-0.1	-22.6	0.6	0.0
EU 1/	0.2	0.3	0.3	0.3	-0.1	-16.7	0.3	-
Russian Federation	0.1	0.2 G	0.2	0.2	-0.1	-31.8	0.3	0.0
<b>OCEANIA</b>	0.1	0.3	0.4	0.5	0.1	25.0	0.4	-
Australia	0.1	0.3 G	0.4	0.5	0.1	25.0	0.4	-

## FOOTNOTES:

Totals computed from unrounded data.

1/ Excluding intra-trade.

G Official figure.

TABLE 4: END OF SEASON STOCKS 1/

	2008-2010	2011	2012	2013	Annual Change		2013 Forecast	
	Average		Estimate	Forecast	2013 over 2012		Previous	Revision
	<i>million tonnes</i>				<i>million tonnes</i>	%	<i>million tonnes</i>	
<b>WORLD</b>	126.4	143.7	159.3	169.8	10.4	6.5	164.5	5.3
Developing countries	122.3	138.8	154.6	165.3	10.6	6.9	160.1	5.1
Developed countries	4.1	4.9	4.7	4.5	-0.2	-3.9	4.3	0.2
<b>ASIA</b>	120.0	136.5	152.5	163.7	11.2	7.3	158.8	4.9
Bangladesh	5.1	6.9	7.0	7.1	0.1	1.4	7.1	-
Cambodia	1.4	1.6	1.7	1.6	-0.1	-4.1	1.6	-
China	64.3	75.6	84.2	93.9	9.7	11.5	93.2	0.7
of which China (Mainland)	64.1	75.4	84.0	93.7	9.7	11.5	93.0	0.7
India	21.4	21.5	24.0	22.3	-1.7	-7.1	22.8	-0.5
Indonesia	3.6	5.3	6.2	6.3	0.1	1.6	6.3	-
Iran, Islamic Rep. of	0.3	0.3	0.5	0.5	0.0	0.0	0.3	0.2
Japan	2.3	2.7	2.7	2.7	0.0	1.1	2.7	-
Korea Rep. of	1.1	1.7	1.6	1.4	-0.2	-10.8	1.4	-
Lao PDR	0.3	0.3	0.3	0.3	0.0	-1.0	0.3	-
Malaysia	0.2	0.2	0.2	0.3	0.1	27.3	0.3	-
Myanmar	5.5	4.8	3.9	2.9	-1.0	-25.6	3.4	-0.5
Nepal	0.3	0.2	0.3	0.2	-0.1	-20.0	0.2	-
Pakistan	0.8	0.3	0.5	0.5	0.0	-7.4	0.3	0.2
Philippines	2.8	3.0 G	1.9 G	1.5	-0.5	-23.6	1.7	-0.2
Sri Lanka	0.2	0.4	0.3	0.3	0.0	8.0	0.3	-
Thailand	5.4	7.8	13.0	17.2	4.2	32.3	12.0	5.2
Viet Nam	4.1	2.9	3.2	3.6	0.5	14.3	4.0	-0.4
<b>AFRICA</b>	3.0	3.5	3.5	3.2	-0.3	-9.0	3.0	0.2
Egypt	1.3	1.2	1.3	1.3	0.0	0.0	1.2	0.0
Nigeria	0.3	0.4	0.5	0.4	-0.1	-25.9	0.4	-
<b>CENTRAL AMERICA &amp; CAR</b>	0.4	0.4	0.4	0.3	-0.1	-14.9	0.3	0.0
Dominican Rep.	0.1	0.1	0.1	0.1	0.0	-16.7	0.1	-
<b>SOUTH AMERICA</b>	1.3	1.1	1.0	0.9	-0.1	-12.7	0.8	0.0
Argentina	0.1	0.0	0.0	0.0	0.0	0.0	0.0	-
Brazil	0.2	0.3	0.3	0.2	-0.2	-50.0	0.2	-0.1
Ecuador	0.1	0.1	0.1	0.0	0.0	-18.2	0.0	-
Peru	0.3	0.3	0.3	0.3	0.0	9.6	0.2	0.1
<b>NORTH AMERICA</b>	1.1	1.6	1.3	1.1	-0.3	-20.0	1.0	0.1
United States	1.0	1.5 G	1.3 G	1.0 G	-0.3	-20.6	0.9 G	0.1
<b>EUROPE</b>	0.5	0.6	0.5	0.6	0.0	1.8	0.5	0.0
EU	0.5	0.5 G	0.5 G	0.5 G	0.0	-4.3	0.5 G	-
Russian Federation	0.0	0.0	0.0	0.1	0.0	75.0	0.0	0.0
<b>OCEANIA</b>	0.0	0.0	0.1	0.1	0.0	7.9	0.1	-
Australia	0.0	0.0	0.1	0.1	0.0	10.0	0.1	-
<b>GOVERNMENT STOCKS</b>								
Bangladesh	0.6	0.6 G	1.2	1.3	0.1	8.3	1.3	-
India	13.4	20.4 G	23.4 G	21.5	-1.9	-8.0	21.5	-
Japan	0.9	0.8 G	0.7	0.7	0.0	0.0	0.7	-
Korea Rep. of	0.7	0.9	0.8	0.7	-0.1	-11.9	0.7	-
Philippines	1.5	1.5 G	0.6 G	0.4	-0.2	-32.2	0.7	-0.3

## 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>							
2010-11	70 666	135 156	1 157	206 978	130 847	556	75 575
2011-12 est.	75 575	138 810	2 601	216 986	132 371	450	84 165
2012-13 f'cast	84 165	141 484	2 311	227 960	133 565	540	93 855
<b>INDIA</b> <sup>2/</sup>							
2010-11	21 400	95 980 G	100	117 480	91 144	4 836 G	21 500
2011-12 est.	21 500	104 319 G	100	125 919	92 919	9 000	24 000
2012-13 f'cast	24 000	100 000	100	124 100	94 100	7 700	22 300
<b>PAKISTAN</b> <sup>2/</sup>							
2010-11	1 045	4 822 G	60	5 927	2 614	3 063 G	250
2011-12 est.	250	6 160 G	60	6 470	2 930	3 000	540
2012-13 f'cast	540	6 270	60	6 870	3 070	3 300	500
<b>THAILAND</b> <sup>2/</sup>							
2010-11	6 350	23 755 G	400	30 505	11 999	10 706 G	7 800
2011-12 est.	7 800	22 848 G	750	31 398	11 898	6 500	13 000
2012-13 f'cast	13 000	23 832	600	37 432	12 232	8 000	17 200
<b>UNITED STATES</b> <sup>4/</sup>							
2010-11	1 184 G	7 593 G	621 G	9 398	4 637	3 247 G	1 514
2011-12 est.	1 514 G	5 869 G	700 G	8 083	3 280	3 500 G	1 303
2012-13 f'cast	1 303 G	6 337 G	700 G	8 340	3 956	3 350 G	1 034
<b>VIET NAM</b> <sup>2/</sup>							
2010-11	3 450	26 673 G	600	30 723	20 711	7 112 G	2 900
2011-12 est.	2 900	28 230 G	600	31 730	21 080	7 500	3 150
2012-13 f'cast	3 150	28 948 G	550	32 648	21 448	7 600	3 600

**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 State  
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