



**April 2013**

***Volume XVI - Issue No. 2***

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***FAO***

***Rice Market Monitor***

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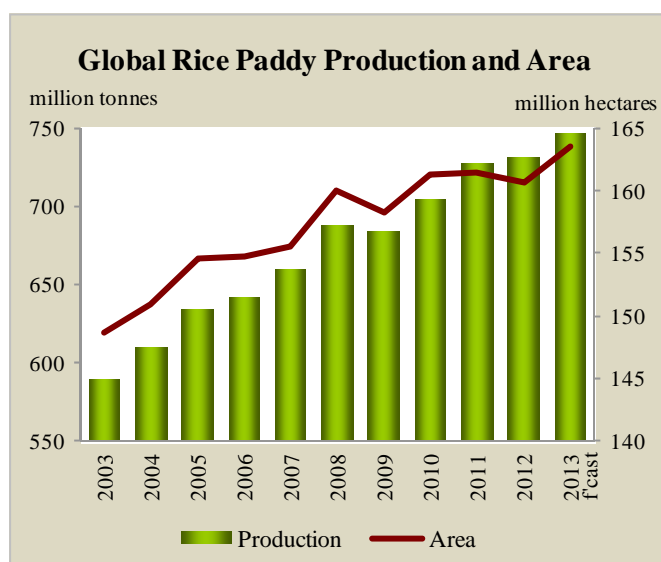
## ROUND UP

- The latest FAO estimate of **global paddy production in 2012** has been lifted by almost 1 million tonnes since January, largely on account of India, Myanmar and Madagascar, and in spite of downward revisions of production in Bangladesh, Mali, Pakistan, Sri Lanka and Thailand. At 731.2 million tonnes (487.5 million tonnes, milled basis), the 2012 new world production aggregate would be slightly above the record achieved in 2011, the estimate of which was also raised by 3 million tonnes following the release of new official figures. With the 2012 season about to conclude, the market attention is shifting to the **2013 paddy season**, the plantings of which are starting or in progress in Northern Hemisphere countries. Still tentatively, and assuming a return to a more normal weather pattern, FAO foresees production in the forthcoming 2013 season to rise to 746.7 million tonnes (497.7 million tonnes, milled), 2.1 percent, some 16 million tonnes, more than in 2012.
- The relatively modest 2012 world production performance reflects the outcome of the season in **Asia**, where 662.9 million tonnes were harvested, only 3.4 million tonnes more than in 2011. The increase was fuelled by large gains in China, Indonesia, the Philippines, Thailand and Viet Nam, which more than compensated for output shortfalls in India, Nepal and Pakistan, largely caused by unfavourable weather. Assuming more regular climatic conditions, Asian production in 2013, could rise by 2.2 percent, or 15 million tonnes, to 677.5 million tonnes (451.7 million tonnes). At this preliminary stage, virtually all producing countries in the region are anticipated to harvest larger crops, with both India and Indonesia heading to increases of more than 3 million tonnes each. In **Africa**, the 2012 production forecast has been slightly heightened to reflect more buoyant estimates in Madagascar. Production in the region is now gauged at 26.6 million tonnes, 5 percent more than in 2011. Much of the gain originated in Egypt, Guinea, Madagascar, Mali and Senegal, while output fell in Nigeria and Tanzania. In 2013, 27.7 million tonnes of paddy are expected to be harvested in the region, 3.9 percent more than in 2012, with the largest absolute gains expected in Egypt, Mali, Nigeria and Tanzania. However, prospects are negative for Madagascar where the 2013 main crops are already at an advanced growing stage. In **Latin America and the Caribbean**, production contracted by almost 7 percent to 27.3 million tonnes in 2012, following weather and price-induced reductions in Argentina, Brazil, Ecuador and Uruguay. While production in the region may witness a small rebound to 27.7 million tonnes in 2013, it is expected to remain well short of the 2011 record. In **the other regions**, output in 2012 rose by 30 percent in Australia and by 8 percent in the United States, but stagnated in the EU. Prospects for 2013 are positive for Australia, but remain downbeat in the United States and the EU, reflecting unattractive price expectations.
- FAO has raised its January estimates of **international rice trade in 2012** by 800 000 tonnes to 38.6 million tonnes (milled basis) and **in 2013** by 500 000 tonnes to 37.4 million tonnes. The 2013 upward revision mainly stemmed from larger than previously forecast imports by Indonesia, Nepal, Nigeria and Senegal, and, on the export side, by larger than previously forecast deliveries by India and Viet Nam. Compared to last year, imports by China, Indonesia, Nigeria and Senegal are anticipated to retreat the most in absolute terms, while purchases by the Republic of Korea may rebound. Most of the expected contraction of trade in 2013 would be associated with sharply reduced sales from India, to a level still keeping the country among the leading suppliers, but also from Brazil. Part of these shortfalls is to be covered through increased exports from Egypt, Thailand and the United States.
- **Global rice utilization** in 2012/13 is predicted to rise by 1.8 percent to 478 million tonnes, with per caput food consumption averaging 56.9 kg in 2012/13, 0.7 percent more than the previous year. Consumer prices have been rather stable in the past three months, but, compared to last year, have drifted higher in several Asian countries, especially India and Myanmar, while they have tended to decline in Eastern Africa.
- **FAO's forecast of global rice carryover stocks** at the close of marketing years ending in 2013 have been lifted to 171.8 million tonnes since last RMM issue. At that level, inventories would be 6 percent larger than their opening level, lifting the world stock-to-use ratio from 33.9 percent in 2012 to 34.9 percent this year. The January estimate of stocks to be carried-in by the five major rice exporting countries (India, Pakistan, Thailand, United States and Viet Nam) to the next 2013 season has been cut down amid expectation of a reduced secondary crop in Thailand. Compared to 2012, the five countries' stocks are nonetheless forecast to end 4 percent larger, lifting the exporters' stocks-to-disappearance ratio from 25.2 percent in 2012 to 25.7 percent in 2013.
- **International rice prices** have been stable in the past four months, with the FAO All Rice Price Index (2002-04=100) averaging 240 points in April 2013, unchanged from a revised January value. Across the various qualities and types, fragrant rice varieties were priced 7 percent higher than in January, reflecting tighter supply availabilities amidst strong buying interest, which contrasted with a continuing slide of Japonica prices amidst accrued competition among suppliers. Prices in the other rice segments were more stable, with the lower quality Indica index gaining 1 point and the higher quality Indica subsiding 2 points since January. Seen from an origin perspective, Thai quotations have weakened since January, on the arrival of new crop supplies, in spite of continued government purchases under the pledging programme. The large public stocks held in Thailand also weighed on market sentiment, prompting competing Viet Nam to lower its own prices, ahead of a possible offloading of large volumes of Thai rice on world markets. By contrast, prices showed a tendency to strengthen in India and Pakistan, especially for Basmati rice but also for the non-fragrant varieties. Limited availabilities also sustained long-grain quotations in the United States and in South America. In the next few months, the market attention is likely to focus on the Thai government decisions regarding the possible release of stocks, but also on India, where the widening of the rice distribution system, may have an impact on export availabilities and prices.

## I. PRODUCTION

### Higher yields behind a minor expansion in global paddy production in 2012

As the season nears completion, a number of countries have released new assessments of crop output, which combined raised the estimate of world paddy production in 2012 by 950 000 tonnes.<sup>1</sup> At a country level, the largest upward revision has concerned India, where officials gauge the impact of erratic rains since June last year to have been less damaging than previously thought. Production figures for the Chinese Province of Taiwan, the European Union, Madagascar and Myanmar were also raised, offsetting downgraded prospects in Bangladesh, Mali, Pakistan, Sri Lanka and Thailand. As a result of these adjustments, global paddy production in 2012 is now anticipated to reach 731.2 million tonnes (487.5 million tonnes, milled basis), outstripping the 2011 record by 0.5 percent. The increase is estimated to stem from a 1 percent improvement in paddy yields to 4.6 tonnes per hectare as the overall area contracted by close to 800 000 hectares to 160.6 million hectares. The contraction of plantings confirm the adverse impact of erratic monsoon rains over much of Asia and of subdued price prospects in Latin America and the Caribbean. Nearly all of the season's growth concentrated in Asia, but larger harvests were also reaped in Africa, Oceania and North America. These more than compensated for the negative results attained in Latin America and the Caribbean, while production in Europe remained largely unchanged.



As for the 2013 paddy season, this is well underway in southern hemisphere countries, most of which are already collecting their main crops. The season is at very early stages in the northern hemisphere, especially in Asia, where most countries will not begin to plant until May or June. Although still rather tentative, since the performance of the seasonal rains will prove of critical importance, FAO has set its first forecast of global paddy production in 2013 at 746.7 million tonnes (497.7 million tonnes, milled basis), 2.1 percent above the current 2012 estimate. The projected increase assumes a return to more normal climatic conditions. It is anticipated to rest on a strong recovery in area planted to paddy to 163.6 million hectares

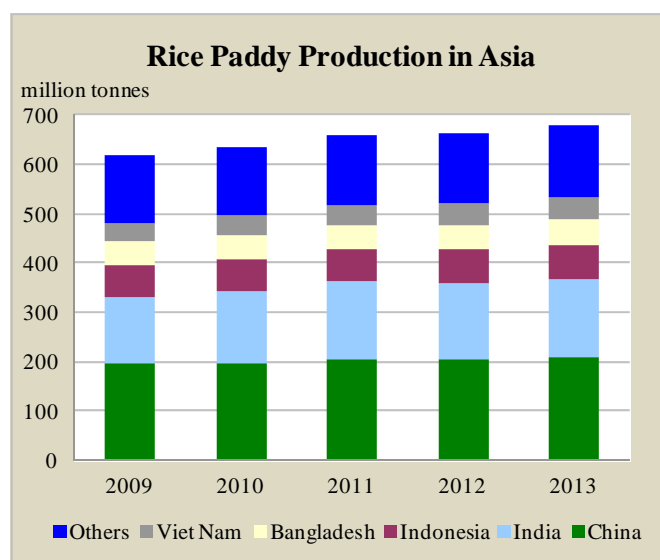
and stable yields around the 2012 high level. Given expectations of continued strong support from Governments, Asia is projected to lead the growth, with countries that had production impaired in 2012 foreseen to face a recovery. Early prospects also point to continued gains in Africa and in Australia, which together with a small upturn in Latin America and the Caribbean could prove sufficient to outweigh expected contractions in the United States and Europe.

<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.

## A. ASIA

### Climatic setbacks limit Asia's production growth in 2012, but a return to more normal weather may foster a 2 percent rebound in 2013

With harvests of secondary paddy crops already underway in many northern hemisphere countries, the 2012 season is about to conclude in *Asia*. FAO's production forecast for the region now stands at 662.9 million tonnes (442.0 million tonnes, milled basis), up 700 000 tonnes from figures released in January and 0.5 percent above an even higher estimate of 2011 output. At a country level, larger crops in **China (Mainland)** and **Indonesia** are estimated to have driven much of this growth. Important gains were also recorded in the **Philippines**, **Viet Nam** and **Thailand**, with **Afghanistan**, **Cambodia**, the **Islamic republic of Iran**, **Japan**, the **Democratic People's Republic of Korea**, **Malaysia** and **Timor Leste** all closing the season with positive results. Put together, positive results in these countries served to outweigh contractions elsewhere in the continent caused by inclement weather. Foremost amongst these was **India**, which saw output depressed by an erratic monsoon performance. A combination of delayed rains and floods is now also assessed to have induced a sharp contraction in **Pakistan**, with weather-related reductions also incurred by the **Chinese Province of Taiwan**, the **Republic of Korea**, the **Lao PDR**, **Nepal**, and **Sri Lanka**.



Although still preliminary, for the 2013 season, FAO has set its production forecast for Asia at 677.5 million tonnes (451.7 million tonnes, milled basis), 2.2 percent up from the 2012 level. To a large extent, such an expansion relies on expectations of a recovery in **India**, with further large absolute gains anticipated in **China (Mainland)** and **Indonesia**. Assuming growing conditions normalise, output in 2013 is expected to recover in the **Republic of Korea**, **Myanmar**, **Pakistan** and **Sri Lanka**, with increases also anticipated in **Bangladesh**, **Cambodia**, **Philippines** and **Thailand**. By contrast, early prospects in **Japan** and **Viet Nam** point to a retreat following expectations of less ideal weather conditions compared to 2012.

In **Afghanistan**, estimates of 2012 production have been subject to a small upward revision, with officials reporting the November-ended harvest to have reached 703 000 tonnes (471 000 tonnes, milled basis). The adjusted figure would represent a 5 percent expansion from the previous year, as a favourable growing climate boosted yields to an average of 3.4 tonnes per hectare. During the just-started 2013 season, Afghanistan is forecast to replicate the good 2012 performance with a harvest of 700 000 tonnes (469 000 tonnes, milled basis), provided water supplies for the predominantly irrigated crop remain sufficient.

In **Bangladesh**, the 2012 season is yet to conclude. FAO's estimates now points to an overall harvest of 50.6 million tonnes (33.7 million tonnes, milled basis), down 150 000 tonnes from the previous forecast and from the 2011 level. The projected stagnation follows area diversions to more profitable crops, which induced a 7 percent decline in the Aus crop to 3.2 million tonnes (2.2 million tonnes, milled basis), only partly compensated by a higher Aman harvest. Officials assess the latter to have risen by 0.8 percent to 19.3 million tonnes (12.9 million tonnes, milled basis), underpinned by growing cultivation of high yielding varieties, whose coverage reached 3.97 million hectares. Current prospects, nonetheless, show little growth in the Boro crop, as expectations of area cuts, prompted by

higher fuel costs for irrigation, may be balanced off by yield improvements from favourable growing conditions. The Government of Bangladesh has announced that it seeks to buy 900 000 tonnes of rice and 150 000 tonnes of paddy from this Boro harvest, which will be purchased between May and September at Taka 29 (USD 365 per tonne) and Taka 18.5 per kilo (USD 233 per tonne), respectively.<sup>2</sup>

As sowing activities for the 2013 campaign readied to launch in April, the Government of Bangladesh also renewed incentives to boost the mainly rainfed Aus crop, amid concerns over depleting water tables from extensive cultivation of the largely irrigated Boro crop. At Taka 430 million (USD 5.4 million), the support package allocated for the purpose is to provide an estimated 325 500 smallholders with free fertilizers and seeds of high yielding and Nerica rice varieties. Assuming no major setbacks are incurred, FAO envisages Bangladesh to gather 51.2 million tonnes (34.1 million tonnes, milled basis) in 2013, up 1 percent from the current 2012 estimate.

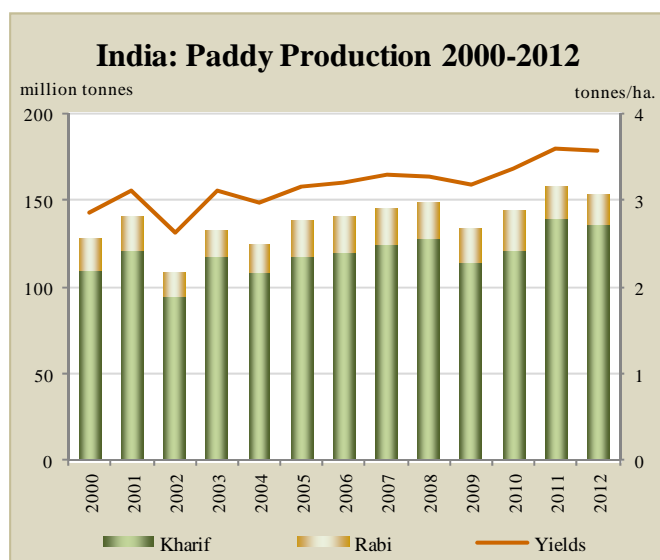
In **Cambodia**, the latest official assessments continue to indicate a record-breaking harvest of 9.3 million tonnes (6.0 million tonnes milled basis) for 2012. Overturning previous expectations of a decline in the main wet-season crop following a combination of early-season dryness and subsequent floods, authorities now estimate the crop output to have risen by 7 percent to 7.2 million tonnes (4.6 million tonnes, milled basis), with a further 3 percent expansion anticipated from the secondary crop harvest, just completed. Although much will depend on the performance of the rains, production in the forthcoming 2013 season is preliminary forecast at 9.5 million tonnes (6.1 million tonnes, milled basis), up 2 percent from the 2012 record. If confirmed, it would mark the ninth year of uninterrupted production gains in the country.

On 31 January, the Chinese Government issued the Number 1 Central Document, dedicating it for the tenth year to agricultural and rural issues. The main policy text underscored the country's commitment to maintain self-sufficiency in grains and announced that authorities will continue subsidising the grain sector and raising minimum procurement prices of rice and wheat for the purpose. Stressing the need to support rural migrant workers, the Number 1 Document also envisages new incentives to promote large-scale farming, namely through specialised farming-units, family-run farms and cooperatives. These are seen as a means to ensure productive efficiency, raising rural incomes and engaging younger segments of the population in farming. In line with the directives, the National Development and Reform Commission (NDRC) raised procurement prices in 2013 by 7-10 percent compared to their 2012 level. In 2012, **China (Mainland)** is officially gauged to have gathered 204.3 million tonnes (139.9 million tonnes, milled basis), 2 percent more than the previous year, thanks to higher coverage and yields. Considering the higher official purchasing prices and other Government support programmes, FAO anticipates the country to outdo this level by 1 percent in 2013, producing 207.0 million tonnes (141.8 million tonnes, milled basis).

<b>China: Government paddy procurement prices</b>									
	Early Indica Rice	Intermediate and Late Indica Rice	Japonica Rice	Early Indica Rice	Intermediate and Late Indica Rice	Japonica Rice	Early Indica Rice	Intermediate and Late Indica Rice	Japonica Rice
	Yuan per 50 kilo			Yuan / tonne			USD / tonne		
2007	70	72	75	1,400	1,440	1,500	181	186	194
2008	77	79	82	1,540	1,580	1,640	220	226	234
2009	90	92	95	1,800	1,840	1,900	263	269	278
2010	93	97	105	1,860	1,940	2,100	272	284	308
2011	102	107	128	2,040	2,140	2,560	311	326	390
2012	120	125	140	2,400	2,500	2,800	378	394	441
2013	132	135	150	2,640	2,700	3,000	420	430	478

<sup>2</sup> All currency conversions are based on exchange rates as of 1 April 2013.





In **India**, the Second Advanced Estimates of 2012 Production, released in February, have reassessed the effects of late and erratic monsoon rainfall on the season's main, Kharif, crop. According to the assessment, the crop output reached 136.0 million tonnes (90.7 million tonnes, milled basis), 7.65 million tonnes more than previously foreseen, but 2 percent below the year-earlier level, which was also revised up to a record of 139.1 million tonnes (92.75 million tonnes, milled basis). As to the secondary Rabi crop, currently at harvest stage, officials foresee production to contract by 12 percent to 16.7 million tonnes (11.1 million tonnes, milled basis), mirroring the shortfalls in water and electricity for irrigation incurred in

southern producing states. Consequently, on the whole, 2012 production in India is now gauged at 152.7 million tonnes (101.8 million tonnes, milled basis), 3 percent short of the 2011 all-time high, but still an above average outturn.

Prospects for the 2013 season are very preliminary, since planting activities will not be until the arrival of the southwest monsoon in May/June, the pattern and distribution of which are of critical importance for the main Kharif crop. In this connection, on 26 April 2013, the India Meteorological Department (IMD) issued its first forecast of monsoon rainfall for the 2013 season, indicating that precipitation levels over the June-September period are likely to remain at 98 percent from the long-period average. Based on the favourable climatic outlook and on expectations that it could permit plantings to recover at least to 2011 levels, FAO tentatively forecasts India to produce 156.7 million tonnes (104.5 million tonnes, milled basis), up 4.0 million tonnes year-on-year.

On the policy front, Indian officials have also re-affirmed their commitment to support the agricultural sector in their 2013-14 budgetary allocations. Recognizing the output gains achieved since its 2010 inception, they renewed the "Bringing the Green Revolution to Eastern India" (BGREI) scheme through a Rupees 10.0 billion (USD 183 million) allotment. A further Rupees 5.0 billion (USD 92 million) were allocated to encourage crop diversification in states such as Punjab and Haryana, where concerns over depleting water tables and stagnating yields continue to surface. Amongst other provisions, targeted agricultural credit disbursements were raised, the subsidised credit scheme renewed and expanded, while funds were assigned to expand public and private storage capacity. The latter initiative comes after record-breaking wheat and rice procurement levels have resulted in 59.7 million tonnes of grains being held in public stocks by 1 April 2013. Reflecting the pressure on government granaries and mounting costs to the State, in April, the Commission for Agricultural Costs and Prices recommended that minimum support prices for paddy in 2013 be raised by a maximum of 5 percent above their year earlier level. This could prove a rather modest increase if compared with the 16 percent approved in 2012.

The 2013 season is well advanced in **Indonesia**, where farmers are already collecting their main crops. The Government anticipates paddy output to reach 72.1 million tonnes (45.4 million tonnes, milled basis) in 2013, 4 percent above the previous year's result, further assisting the country to near its self-sufficiency ambitions. In 2012, the Indonesian Government approved a new food governance document, which reaffirmed food self-sufficiency and sovereignty as the mainstay of Indonesian policy. The Indonesian Food Law No. 18/2012 which replaces the Act No. 7 of 1996 concerning Food, provides a comprehensive framework to regulate the availability, affordability, safety, and consumption of foodstuffs, amongst others aspects. Specific clauses of the law stipulate that food

imports are to take place only in the event of production and national reserve shortfalls. Beyond setting guidelines for the management of state reserves, a public distribution system, and trade related provisions, the legislation envisages the maintenance of stable food prices and supplies, through the setting of official purchasing and selling prices and anti-hoarding provisions.

In **Japan**, the 2012 season closed in October with a harvest of 10.65 million tonnes (7.7 million tonnes, milled basis), up 1.5 percent from 2011. The small expansion was made possible by favourable weather conditions, which boosted yields. Current prospects for the 2013 season, which was opened with the April to May planting of crops, point to a harvest of 10.6 million tonnes (7.7 million tonnes, milled basis), down slightly from the 2012 estimate, on expectations of average yields returning to more normal levels.

The 2012 season concluded with negative results in the **Republic of Korea**. Production contracted by 211 000 tonnes to 5.4 million tonnes (4.0 million tonnes, milled basis), primarily as a result of lower productivity levels, following the passage of typhoons, ensuing floods and strong winds. Assuming growing conditions permit yields to recover, thusly offsetting possible area losses promoted by the official rice reduction programme, the country is provisionally forecast to produce 5.7 million tonnes in 2013 (4.2 tonnes, milled basis), 5 percent above the 2012 estimate.

The April to June harvest of secondary paddy crops marks the closure of the 2012 season in the **Lao People's Democratic Republic**. On the whole, production in the country is forecast to remain little changed from the 2011 flood-affected outcome, at 3.05 million tonnes (1.83 million tonnes, milled basis). The stagnation follows various setbacks incurred, including excessive rains that led to floods, shortages of inputs and infrastructural constraints arising from damages caused by storms in 2011. Government targets for 2012 had envisaged production rising to 3.6 million tonnes (2.2 million tonnes, milled basis), a volume aimed to gradually increase until it reaches 4.2 million tonnes (2.5 million tonnes, milled basis) by 2015. This target would be attained thanks to higher yields of 4.5-5.5 tonnes per hectare and 170 000 hectares more of plantations. The objectives fall part of official ambitions to consolidate the country's position as a rice exporter by 2015, when they aim to ship 600 000 tonnes of high quality non-glutinous rice. For the 2013 season, not due for launch until May, FAO anticipates output in the Lao PDR to remain largely stable at 3.06 million tonnes (1.8 million tonnes, milled basis).

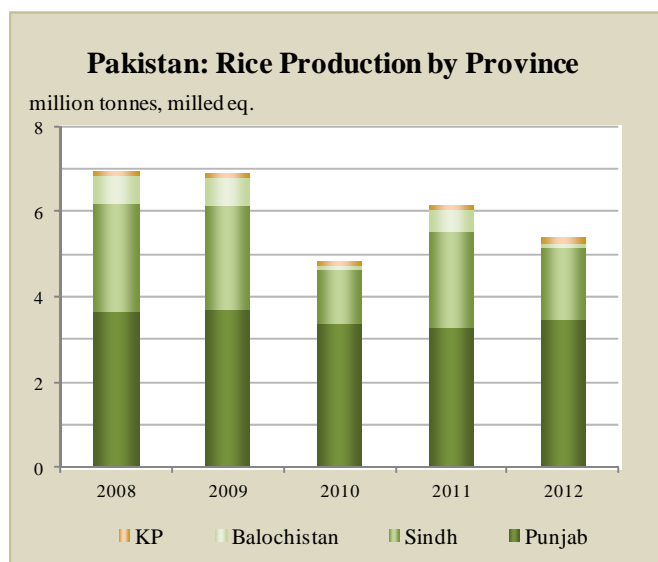
Historical production estimates for **Myanmar** have been revised upwards to match Government released figures. The country is officially assessed to have gathered 32.6 million tonnes (20.5 million tonnes, milled basis) in 2010. In 2011, FAO estimated output to have declined by 3 percent, as a result of floods. For the 2012 season, set to close in May, FAO continues to forecast output to stagnate due to a combination of unseasonable dryness and recurring flood problems. Barring major setbacks and in part assisted by official support measures, production prospects for the 2013 season are more positive, at 32.5 million tonnes (20.5 million tonnes, milled basis). As part of its efforts to boost agricultural development, the Government of Myanmar has been keen to promote investment, mechanisation and the adoption of high yielding varieties. Major reforms have also regarded land tenure, with new legislation concerning land use rights and the cultivation of fallow, vacant or virgin lands approved in 2012.<sup>3</sup>

The 2012 season in **Nepal**, concluded in November with negative results. Output declined by 11 percent to 4.5 million tonnes (2.97 million tonnes, milled basis), reflecting area and yield losses. The reductions were imputable to late and poor seasonal rains in June and July, which delayed plantings and compounded on protracted shortages of fertilizers. Under the Government's fertilizer subsidy

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<sup>3</sup> Namely, the Farmland Law and the Vacant, Fallow and Virgin Lands Management Law enacted by Parliament on 30 March 2012.

programme, farmers with holdings of up to 0.75 hectares in the hills and 4 hectares in terai regions are entitled to receive the input at cost equal to the price of importation born by the Agriculture Inputs Corporation (AIC), plus transport and handling costs. Ahead of the 2013 season launch, officials are reported to have nearly doubled their allocations to the programme in order to permit the agency to increase its fertilizer purchases over the 100 000 tonnes normally brought-in from abroad. Assuming normal growing conditions, which may permit a area planted to paddy and yields to recover, Nepal is provisionally forecast to gather 4.6 million tonnes in 2013 (3.0 million tonnes, milled basis).



Following the release of official assessments, the 2012 production estimate for **Pakistan** has been downgraded to 8.05 million tonnes (5.4 million tonnes, milled basis), 13 percent less than in 2011 and 1.4 million tonnes less than previously foreseen. The contraction resulted from area and yields retrenchments, reflecting delays in plantings due to limited availability of irrigation water and a third consecutive season of floods. Losses to inundations are now reported to have been particularly pronounced in Sindh and Balochistan, where output contracted by 25 percent and 77 percent year-on-year, respectively. As to prospects for 2013 crops, availability of irrigation water will be a key determinant of the season's outcome, as

will access to basic inputs. Assuming average growing conditions, Pakistan is currently anticipated to gather 9.3 million tonnes (6.2 million tonnes, milled basis), 15 percent above the poor 2012 outcome.

The 2012 production outlook for **the Philippines**, where secondary crops are being harvested, remains unchanged. On the whole, the country is to collect a record-breaking 18.0 million tonnes (11.8 million tonnes, milled basis), up 6 percent year-on-year, underpinned by an overall good growing climate and support to the sector. The Government of the Philippines is targeting to achieve self-sufficiency in rice in 2013 by producing 20.04 million tonnes (13.1 million tonnes, milled rice, on a calendar year basis). The objective envisages raising area harvested to 4.85 million hectares and average yields to 3.0 tonne per hectare in rainfed areas and to 4.7 tonnes per hectare in irrigated production systems. The latest support package unveiled to this end by Filipino officials in April 2013 includes the allocation of Pesos 500 million (USD 12 million) to encourage greater hybrid rice cultivation. The aim is to raise its coverage to 284 000 hectares in 2013 and 390 000 hectares in 2014, up from an estimated 165 000 hectares in 2012. Although still very uncertain, since the season is not due to start until July when main crops will be planted, FAO anticipates the Philippines to produce 18.9 million tonnes (12.4 million tonnes, milled basis) in 2013 (July-June), which, if confirmed, would be 5 percent above the 2012 all time high.

Based on the final estimates of production released by the Department of Census and Statistics, **Sri Lanka** gathered 3.8 million tonnes (2.6 million tonnes, milled basis) in 2012, 390 000 tonnes less than previously reported and 1.2 percent below the already subdued 2011 outcome. The revised estimates indicate even larger damages to Yala crops from the prolonged drought. The unfavourable climate caused output from this secondary crop to slide 41 percent below the 2011 high to 1.1 million tonnes (770 000 tonnes, milled basis), more than cancelling out gains from a 36 percent surge in Maha output to 2.7 million tonnes (1.8 million tonnes, milled basis). Sri Lanka has also incurred setbacks during the ongoing 2013 season. In particular, floods are assessed to have negatively impacted some 79 000 hectares of Maha paddies, although, by end of February, plantings of this



main crop stood 10 percent ahead of the previous year's level at 775 000 hectares. On these bases, authorities anticipate the main crop output to remain close to the 2012 level and within a range of 2.6 -2.8 million tonnes (1.8 -1.9 million tonnes, milled basis). On the whole, and assuming a more conducive climate during the unfolding of the Yala crop, FAO anticipates overall 2013 output in Sri Lanka to recover by 7 percent to 4.1 tonnes (2.8 million tonnes, milled basis).

The 2012 production forecast for **Thailand**, where the off-season crop harvest is ongoing, has been lowered by 1.8 million tonnes to 36.0 million tonnes (23.8 million tonnes, milled basis), still pointing to a 2 percent increase from the previous year. The reduction mirrors losses incurred as a result of dry conditions and water shortages, which have impaired crop development of the irrigated secondary crop in central and northern provinces. The unfavourable climate is now expected to depress offseason output to 9.9 tonnes (6.5 million tonnes, milled basis), 13 percent below the record achieved in 2011, partly cancelling out gains achieved during the main season harvest. Forecasts released by the Thai Meteorological Department, however, indicate a likelihood of weather conditions normalising during the May-June period, with rainfall levels expected to be within normal or slightly above normal ranges across the country. This bodes well for the forthcoming 2013 main crop, as this period coincides with its planting. As a result and considering the unrelenting support that the Government provides to the sector, FAO anticipates Thailand to harvest 36.5 million tonnes (24.2 million tonnes, milled basis) in 2013, a 500 000 tonne increase from the current 2012 estimate.

On 30 March 2013, the Thai authorities approved the extension of the Paddy Pledging Programme for 2012-2013 off-season crops. After some initial speculation over their intentions to lower support prices, amid growing concerns over the programme's cost to the state, mortgaging prices were kept unchanged at Baht 13 800-20 000 (USD 468-678) per tonne of paddy. Unlike previous runs of the scheme, farmers will no longer be permitted to pledge various short-duration varieties, due to quality concerns. In addition, mortgaged amounts will be subject to a value ceiling of Baht 500 000 (USD 16 900). The 2012 offseason round of the programme is officially expected to absorb up to 7.0 million tonnes between its April 2013 and September 2013 run, for an estimated cost of Baht 105 billion (USD 3.6 billion). This volume would add to the 13 million tonnes of paddy pledged between October 2012 and March 2013, during the 2012 main-crop round of the scheme, which is gauged to have cost close to Baht 200 billion (USD 6.8 billion).

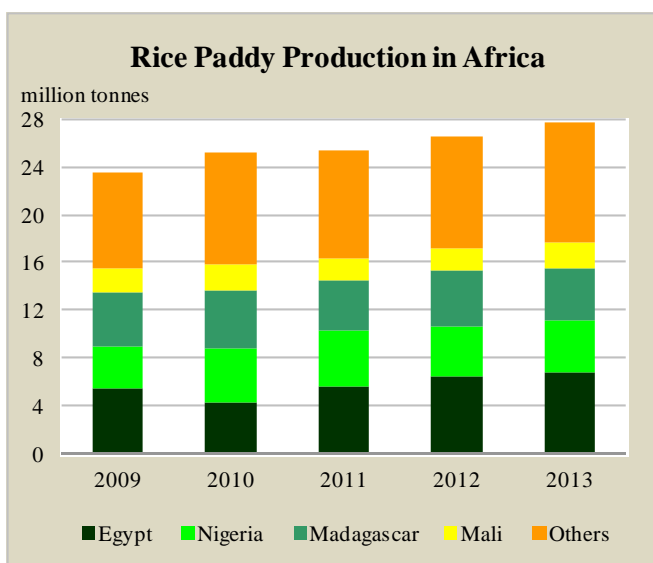
The 2013 season is more advanced in **Viet Nam**, where the harvest of the winter-spring crop is underway. By 15 of April 2013, 3.1 million hectares were reported collected, slightly ahead of progress during the corresponding period in 2012. Prospects for this first and most important crop remain favourable, notwithstanding the unseasonable dry conditions that developed over parts of the country after the early completion of plantings. Although concerns over water availability and salt-water infiltration linger, as plantings of the summer-autumn crop gain momentum, overall production is officially anticipated to fall only 150 000 tonnes short of the 2012 record-breaking outcome to 43.5 million tonnes (29.0 million tonnes, milled basis). As over 85 percent of paddy farming households were assessed to cultivate rice in plots of 0.5 hectares or less in 2011, the Vietnamese Government has since then encouraged farmers to draw together under a large-scale rice production model. While in the 2013 winter-spring crop cycle, southern provinces are said to have grown rice over 76 500 hectares under such model, officials are reported to be studying new incentives to encourage producer participation. These would include the provision of subsidised credit and inputs, with an aim to have 200 000 hectares cultivated on a large scale basis by 2014.

## B. AFRICA

### An output expansion in Egypt drives a 5 percent increase in 2012 production in Africa, with further gains anticipated for 2013

Most countries in *Africa* have already concluded their main harvests and only a few are awaiting collection of secondary paddy crops. Production prospects for the region have been upgraded by nearly 200 000 tonnes since January to 26.6 million tonnes (17.5 million tonnes, milled basis), still suggesting a 5 percent increase from the 2011 outcome. A significant production increase in Egypt is assessed to have been largely behind the expansion, although a recovery was also staged in West Africa. The latest figures similarly indicate larger crops were gathered in southern parts of the continent, which more than compensated for declines in Eastern and Central Africa.

At this time of the year, planting activities of the 2013 crops are commencing or have already being completed in Egypt and various Eastern African countries, while main paddy crops are already at harvest stage in Southern Africa. FAO's first 2013 production forecast for the continent currently suggests a 4 percent production expansion to 27.7 million tonnes (18.2 million tonnes milled, basis), largely on the back of larger area planted to paddy. Early prospects point to West African countries being responsible for much of the projected growth, although output in Egypt, the largest Northern African producer, is expected to continue rising. After two seasons of contractions, a more normal climatic unfolding of the season may also permit production in Eastern Africa to recover, whereas forecasts point to potential declines in Southern Africa.



In *Northern Africa*, the 2012 season in Egypt is estimated to have closed with a 15 percent output upturn to 6.5 million tonnes (4.5 million tonnes, milled basis), as producers reacted to favorable prices by expanding plantings beyond cultivation limits. For the 2013 season, FAO anticipates strong local prices to continue driving area enlargements, fostering an additional 3 percent increase of output to 6.8 million tonnes (4.7 million tonnes, milled basis). Counter to previously intimated plans to tighten the enforcement of the 1.1 million feddan (462 000 hectare) ceiling on rice plantations, a stated pre-condition for fine cancellations of violations to cultivation limits in 2012, authorities have stated that sufficient irrigation

water would be ensured to plant 1.76 million feddans (739 000 hectares) of rice during the 2013 season.

Latest official assessments of 2012 harvests in *West Africa* confirm a favourable production turnout, with generally improved growing conditions fostering a partial recovery from the 2011 poor outcome to 12.7 million tonnes (8.0 million tonnes, milled basis). This level would imply a 4 percent year-on-year expansion, although standing 420 000 tonnes short of the previous forecast. Compared to figures reported in January, production estimates were downgraded in **Mali**, where authorities report the harvest to have amounted to 1.9 million tonnes (1.3 million tonnes, milled basis), 10 percent above the 2011 weather affected level, but below the 2010 record of 2.3 million tonnes (1.6 million tonnes, milled basis). Less buoyant output assessments were also released by **Mauritania**, where shortfalls in productive equipment impaired plantings activities. In **Niger**, floods are behind a 1 percent production decline to 85 000 tonnes (55 000 tonnes, milled basis). Severe inundations also

negatively impacted crops in **Nigeria**, which is estimated by FAO to have produced 4.2 million tonnes (2.5 million tonnes, milled basis), 8 percent less than in 2011.

These negative performances aside, abundant and well distributed rains, together with sustained support to the sector, permitted various other countries in the sub-region to expand output over the season. The largest increase is reported in **Senegal**, where officials assess the 2012 harvest at 628 000 tonnes (439 000 tonnes, milled basis), up 55 percent year-on-year, on the basis of significant area and yield improvements. Good growing conditions coupled with fertilizer, seed and other input distributions, are also estimated to have sustained a 7 percent yield-driven increase in **Guinea** to 1.9 million tonnes (1.3 million tonnes, milled basis), while larger area coverage, despite some losses to floods, permitted output in **Sierra Leone** to expand by 10 percent to 1.1 million tonnes (685 000 tonnes, milled basis). **Burkina Faso, Chad, Cote d'Ivoire, Gambia, Ghana, Liberia** and **Togo** similarly closed the season with favorable outcomes.

As for prospects for the 2013 season, FAO tentatively forecasts production in West Africa to expand by an additional 5 percent to 13.4 million tonnes (8.5 million tonnes, milled basis). Much of the forecast increase reflects expectations of an upturn in **Nigeria**, foreseen to gather 4.4 million tonnes (2.6 million tonnes, milled basis). According to rainfall predictions released by the Nigerian Meteorological Agency (NIMET), the 2013 rainy season is likely to be characterized by early-to-normal onset and retreat of the seasonal rains over much of Nigeria, with generally normal precipitation levels expected. Moreover and in line with the 2015 self-sufficiency target set out under the Agricultural Transformation Agenda (ATA), official incentives to expand production are planned to remain strong and channeled through flagship programmes, such as the inputs distribution system scheme and those seeking to address credit and marketing constraints. Provided growing conditions prove conducive, output in **Mali** is similarly expected to continue on its path of recovery, reaching 2.2 million tonnes (1.5 million tonnes, milled basis). In **Cote d'Ivoire**, a January framework agreement between the Government and Louis Dreyfus, a multinational commodity trading company, will seek to boost rice production in the country by 300 000 tonnes, by cultivating up to 200 000 hectares in the northern areas of Poro, Tchologo and Bagoué. The agreement adds to investment interest on the rice sector expressed by various other local and international companies under the framework of the G8's New Alliance for Food Security and Nutrition in Cote d'Ivoire. Further assisted by investment initiatives of the like, FAO anticipates 2013 production in Cote d'Ivoire to reach 745 000 tonnes (447 000 tonnes, milled basis), up 2 percent year-on-year. Current prospects also point to continued gains being achieved in **Burkina Faso, Gambia, Ghana, Guinea, Senegal** and **Sierra Leone** with output in **Chad, Mauritania** and **Niger** also expected to stage a recovery.

In **Eastern Africa**, production assessments conducted by authorities in **Kenya** indicate that the 2012 season concluded with a harvest of 122 000 tonnes (79 000 tonnes, milled basis), up 11 percent year-on-year. The increase primarily reflected higher yields, although area under paddy also expanded. For the 2013 season, assuming that reported difficulties in marketing of supplies and high production costs do not negatively influence farmer's planting decisions, FAO anticipates Kenya to step-up production by a further 2 percent to 125 000 tonnes (81 000 tonnes, milled basis). Sowing activities of 2012 main crops were completed in February in the **United Republic of Tanzania**. Following two consecutive years of weather-induced declines, FAO tentatively forecasts paddy production in the country to recover to 1.4 million tonnes (910 000 tonnes, milled basis), up 270 000 tonnes from the 2012 level. The projected upturn assumes growing conditions normalise over the season, while expectations of favourable returns may stimulate a recovery in area planted to paddy. Further incentive is being provided by the Government, which has been actively promoting private investment in the sector through initiatives such as the Southern Agricultural Growth Corridor of Tanzania (SAGCOT). Under the scheme, which is part of the Tanzania Agriculture and Food Security Investment Plan (TAFSIP), authorities have initially targeted to drive investments in three

locations in the Kilombero and Pwani regions, combined covering approximately 73 000 hectares. Elsewhere in the sub-region, prospects of paddy production in **Uganda** point to a likely 4 increase in output to 245 000 tonnes (163 000 tonnes, milled basis).

Reversing earlier expectations of an contraction, officials in **Madagascar**, the largest producer in **Southern Africa**, have released new estimates of 2012 production, which point to a 6 percent output recovery from the 2011 level to 4.6 million tonnes (3.0 million tonnes, milled basis). The season's favourable outcome would come in spite of damages inflicted by the passage of cyclones in January and February 2012, instead reflecting gains achieved primarily in the province of Antananarivo. Paddy production is similarly assessed to have expanded in Fianarantsoa, Toamasina and Antsiranana, which served to outweigh contractions in the provinces of Mahajanga and Toliara.

<b>Madagascar: Paddy Production by Province (000 Mt)</b>					
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Madagascar</b>	<b>3,914</b>	<b>4,540</b>	<b>4,738</b>	<b>4,300</b>	<b>4,551</b>
Antananarivo	1,034	1,202	1,281	1,221	1,451
Antsiranana	259	270	303	250	283
Fianarantsoa	788	931	945	743	800
Mahajanga	736	884	916	933	848
Toamasina	708	801	821	643	725
Toliara	390	452	473	511	443

Source: Ministry of Agriculture - Agricultural Statistics Service

Turning to the 2013 season, rainfall brought by the January landfall of Cyclone Felleng over eastern areas of Madagascar served to provide respite to main-crops which had been negatively impacted by unseasonable dryness since December. In south-western parts of the country, preliminary assessments indicate that flood-related damages induced by the passage of cyclone Haruna in February may have been limited to close to 14 000 hectares, although the storm served to create conditions suitable for locust breeding. Based on the latest assessments, if left untreated, the current locust plague, which has been affecting western and south-western parts of the country since April 2012, could spread over 1.5 million hectares by September 2013, necessitating a three-year spraying programme to overcome. Pending more information, FAO tentatively forecasts output in Madagascar to decline by 3 percent to 4.4 million tonnes (2.9 million tonnes, milled basis).

In **Mozambique**, heavy downpours, following prolonged precipitation deficits, resulted in floods in central and southern parts of the country. The January inundations are estimated to have destroyed close to 210 000 hectares of cultivations of various crops, further inflicting damages to infrastructure on important irrigation schemes located in the southern province of Gaza. Although the extent of damages on paddy fields is still unclear, FAO has set its production forecast for Mozambique at 290 000 tonnes (193 000 tonnes, milled basis), which would be some 50 000 tonnes below the 2012 exceptional level, but still an average outcome. In **Angola**, efforts have been launched by officials to propel growth in the sector under a five-year initiative that will initially concentrate in the Huambo and Bié provinces, benefitting from technical assistance provided by Japan. Over the 2012 season, the country is estimated to have reaped 25 000 tonnes of paddy (17 000 tonnes, milled basis), a level that FAO envisages could be topped by 4 percent over the current season to 26 000 tonnes (17 000 tonnes, milled basis).

## C. CENTRAL AMERICA AND THE CARIBBEAN

### The 2012 season to conclude with negative production results, while early prospects for 2013 point to a likely recovery

The 2012 season is yet to conclude in Central America and the Caribbean, where some countries have still to gather, or are in the process of gathering, secondary paddy crops. Overall, the outlook for the sub-region remains negative and pointing to a 1 percent production contraction to 2.8 million tonnes (1.8 million tonnes, milled basis). Amongst the individual countries, the largest retrenchment is now estimated to have been incurred by the **Dominican Republic**, where officials assess damages by the passage of Tropical Storm Isaac in August 2012 and of Hurricane Sandy in October 2012 to have led to a 7 percent yield-driven shortfall to 773 000 tonnes (510 000 tonnes, milled basis). The two storms also impacted crops in **Haiti**. Coupled with reduced plantings due to high input prices, they led production in the country to contract by 4 percent to 115 000 tonnes (77 000 tonnes, milled basis). In **Costa Rica**, an 8 percent decline to 260 000 tonnes (170 000 tonnes, milled basis) was associated with efforts to cut back on surplus output and address product placement issues. In **Panama**, inclement weather and prospects of lower margins are gauged to have driven a 8 percent output slide to 268 000 tonnes (175 000 tonnes, milled basis). Smaller crops in these countries outweighed gains in **El Salvador**, **Honduras**, **Mexico** and **Nicaragua**. Output in **Cuba** is now also anticipated to end 2 percent higher at 580 000 tonnes (387 000 tonnes, milled basis), based on larger estimated coverage, supported by an improved and timely availability of basic inputs.

On the other hand and although still preliminary since much will depend on growing conditions and in particularly on the unfolding of the Atlantic Hurricane season, which spans from 1 June to 30 November, FAO's forecast of production for the sub-region sees output in 2013 recovering by 5 percent to 2.9 million tonnes (1.9 million tonnes, milled basis). Much of the forecast upturn rests on expectations of a larger crop in the **Dominican Republic**, which after two consecutive years of negative results is forecast to collect 860 000 tonnes (570 000 tonnes, milled basis) in 2013. **Cuba** is similarly envisaged to gather 3 percent more, or 600 000 tonnes (400 000 tonnes, milled basis), with gains likely underpinned by support provided under the official import substitution programme. Prospects of continued area expansions, as producers react to favourable prices, are also anticipated to support gains in **Honduras**, which is presently foreseen to surpass the 2012 record harvest by 33 percent to 92 000 tonnes (61 000 tonnes, milled basis).

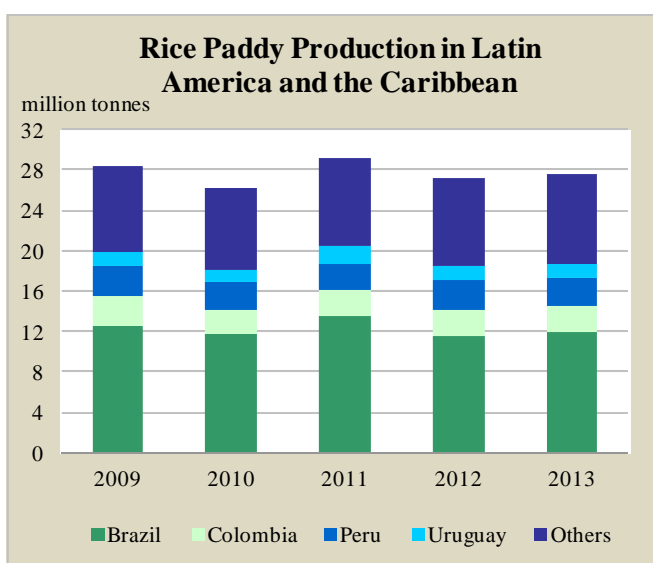
The outlook is more subdued elsewhere in the sub-region, much of which because of sector constraints related to high production costs and lower price prospects. In **Costa Rica**, the industry has been additionally vocal against a growing trend in imports, a factor that has led the sector to re-introduce a request for the application of safeguard measures. The 2013 paddy season was also opened under much uncertainty in **Panama**, with the sector expressing discontent over high production costs, displacement of imports and credit constraints. In response, the Government announced in April 2013 that USD 6 million worth of credit and marketing assistance would be provided to the industry. FAO currently sees the country gathering 285 000 tonnes (186 000 tonnes, milled basis) in 2013, up 6 percent from the 2012 depressed level, but below the record 314 000 tonnes (205 000 tonnes, milled basis) gathered in 2008.



## D. SOUTH AMERICA

### Paddy production to stage a modest recovery in 2013, on prospects of lower returns

With many major producing countries engaged in harvesting activities of their main paddy crops, the 2013 season is well advanced in South America. Production prospects for the sub-region currently point to an overall output level of 24.8 million tonnes (16.6 million tonnes, milled basis), an only modest recovery, in the order of 1 percent, from the 2012 depressed outcome. Improved growing conditions in **Brazil** are expected to contribute most to the forecast expansion, although prospects are also positive for **Colombia, Ecuador, Guyana, Paraguay and Suriname**. Conversely, **Argentina, Bolivia, Chile, Peru, Uruguay and Venezuela** are set to incur contractions, in most cases as a reflection of reduced margins to producers, which are promoting a shift away from paddy cultivation.



The 2013 crop harvest is well advanced in **Argentina**, where by 18 April 2013, 73 percent of area cultivated had already been harvested. Forecasts of production released by authorities indicate a likely 70 000 tonne output contraction for the season to 1.48 million tonnes (1.0 million tonnes, milled basis). The shortfall is primarily expected to be driven by a 2 percent area retrenchment to 233 000 hectares, reflecting sustained cost difficulties faced by producers in the country. This is especially the case in the important growing region of Entre Rios, where farmers are faced with more attractive prices for other crops, which, on the backdrop of high irrigation costs stemming from reliance on fuel-powered irrigation, is fostering

a shift away from rice.

The 2012 estimate of production in **Bolivia** has been downgraded. Officials report the country to have collected 520 000 tonnes (357 000 tonnes, milled basis), up 10 percent year-on-year and an all time record. Prospects are less buoyant for the 2013 season, given expectations of lower prices, and climatic obstacles, including heavy downpours from November to January, which delayed plantings, and were followed by a period of unseasonable dryness. FAO anticipates the 2013 paddy campaign, now at harvest stage, to conclude with a 13 percent contraction to 450 000 tonnes (309 000 tonnes, milled basis). Meanwhile, the state entity EMAPA, which had earlier declared a procurement target of 66 000 tonnes, has announced that it will pay USD 55 for 200 kilo fanega (USD 275 per tonne) this season, up 20 percent from prices offered the previous year.

Since January, CONAB has downgraded its 2013 production forecast for **Brazil** by 120 000 tonnes, now pointing to a harvest of 11.94 million tonnes (8.0 million tonnes, milled basis). The revision takes into account the effects of setbacks incurred during the season's early stages, including low water levels in reservoir at planting time, erratic rains, cold temperatures and ensuing planting delays. The adjusted output figure would still suggest a 3.0 percent recovery from the 2012 contracted level, an upturn that is expected to be sustained solely by yield improvements. On the policy front, on 8 March, the Brazilian Government announced that products composing the basic food basket, including rice, would be exonerated from PIS (Social Integration Program), COFINS (Contribution to Social Security Financing) and IPI (Industrialized Products Tax) taxes. The move will make the exemption permanent in the case of rice, which had been intermittently exempt from the federal levies in recent years.

<b>Brazil: Paddy Production by Region in 2012 and 2013 (for Brazil: 2011/12 and 2012/13 paddy seasons)</b>									
Region	Area (000 ha)			Yields (Mt/ha)			Production (000 Mt)		
	2012	2013	Var %	2012	2013	Var %	2012	2013	Var %
<b>Brazil</b>	<b>2,427</b>	<b>2,410</b>	<b>-0.7</b>	<b>4.78</b>	<b>4.96</b>	<b>3.7</b>	<b>11,600</b>	<b>11,943</b>	<b>3.0</b>
North	319	311	-2.4	2.97	3.12	5.1	947	973	2.7
Northeast	597	588	-1.5	1.29	1.58	22.8	769	931	21.0
Centre-West	219	217	-0.8	3.41	3.23	-5.3	745	700	-6.0
South East	54	44	-18.2	2.88	2.92	1.4	155	128	-17.1
South	1,239	1,250	0.9	7.25	7.37	1.7	8,984	9,213	2.5

Source: CONAB – Crop 2012/2013 - Seventh Assessment – April 2013

The 2013 season has just started in **Colombia**, where planting of main summer crops is still ongoing. Barring major setbacks, FAO's first forecast of production for the country points to an overall harvest of 2.6 million tonnes (1.8 million tonnes, milled basis), little changed from the 2012 level. Growth prospects for the sector have been dampened by falling prices, high production costs and growing competition with produce from abroad. In an effort to address the challenges, in March 2013, the Colombian Government agreed to institute reference floor/ceiling prices for paddy. According to the decision, applicable through the end of 2013, producers are to receive a minimum of Pesos 108 000-122 000 per 125 kilos (USD 475 - 537 per tonne) depending on the various production areas, and no more than Pesos 118 000-132 000 (USD 519 - 581 per tonne). The price band will be implemented within the framework of the storage incentive programme and will be accompanied by efforts to increase border protection and support the industry gain competitiveness.

<b>Colombia: Green Paddy Prices 2005 – 2013 (Pesos / Tonne)</b>									
	2005	2006	2007	2008	2009	2010	2011	2012	2013
January	558,695	572,875	629,274	655,558	1,081,257	771,400	916,952	931,243	895,286
February	554,892	575,261	635,716	720,560	977,409	864,130	924,153	970,649	868,929
March	572,237	579,048	643,238	813,125	898,977	816,955	955,943	1,002,312	892,829
April	575,652	595,607	644,727	829,629	893,742	778,100	978,143	1,048,971	922,362
May	575,995	621,153	644,877	867,679	893,442	793,595	1,036,745	1,150,841	
June	571,048	643,542	643,871	1,110,247	852,100	832,805	1,002,370	1,114,683	
July	562,597	643,174	640,345	1,163,903	794,429	807,915	865,737	1,122,483	
August	556,406	637,856	638,336	921,966	763,565	807,480	900,251	1,154,330	
September	559,982	655,604	639,559	950,861	721,275	838,221	952,343	1,194,179	
October	563,921	666,771	643,286	1,094,995	718,119	863,665	1,005,129	1,181,372	
November	567,496	651,249	645,877	1,133,320	732,007	898,325	1,026,569	1,072,822	
December	571,262	628,655	647,991	1,111,287	725,278	915,632	969,039	988,143	

Source: Fedearroz.

April marks the start of winter crop harvesting activities in **Ecuador**. In spite of some reported localised losses to floods, production prospects for the country are favourable, indicating a likely 10 percent recovery from the 2012 weather and disease affected level to 1.5 million tonnes (878 000 tonnes, milled basis). The achievement is anticipated to be supported by official assistance to the sector, including the provision of subsidised inputs, flood prevention programmes and projects geared at boosting irrigation capacity. Following a meeting of the Rice Consultative Council, officials have also announced that a higher paddy producer price of USD 34.5 per 200 pounds (USD 380 per tonne) will be applicable for the season. In February 2013, the Government of Ecuador also approved the institution of reference wholesale prices for a set of 46 products, including selected qualities of rice. These are to assist officials in monitoring quotations in local markets and in thwarting food price speculation.

The 2012 season yielded favourable results in **Guyana**, where authorities assess output to have reached a new record of 649 000 tonnes (422 000 tonnes, milled basis), up 5 percent year-on-year. For the 2013 season, the Government sees this level outstripped by 4 percent to 677 000 tonnes (440 000 tonnes, milled basis), on expectations that favourable prices and investment in irrigation and drainage infrastructure sustain the sector's expansionary trend. Official endeavours to expand rice production to the interior savannah areas to cover close to 4 000 hectares by 2015 are also underway, while the country is reported to have successfully completed a pilot cultivation of aromatic varieties, which is expected to be released for cultivation over the course of the season.

The 2013 season harvest has by now been completed in **Paraguay**. FAO forecasts production in the country to reach 600 000 tonnes (420 000 tonnes, milled basis) in 2013, up 20 percent year-on-year and a new record. The season's growth is projected to be sustained by continued expansions in area planted to paddy, but also by yield gains, reflecting concerted efforts by the industry to raise productivity and cater to growing markets abroad.

After gathering a large 2012 crop of 2.9 million tonnes (2.0 million tonnes, milled basis), the 2013 season opened in **Peru** under depressed market conditions, characterised by difficulties in placing produce and a slump in producer prices. According to an agreement reached by officials and producer associations in April 2013, to address the challenge, the Government will promote exports to fellow Andean countries and, at the same time, continue encouraging producers in northern regions to replace rice with maize. While the industry is looking to channel greater volumes to state programmes, officials have pledged to promote domestic consumption of local rice. For the full season, FAO anticipates Peru to gather 2.8 million tonnes (1.9 million tonnes, milled basis), which would stand 5 percent short of the previous year's level.

The 2013 production outlook is similarly subdued for **Uruguay**, reflecting expectations of area cuts as producers move away from rice to cultivate more profitable crops. Nevertheless, and despite some reported setbacks due to untimely rains, contrary to conditions prevailing the previous campaign, the season has progressed under generally favourable conditions. As a result and anticipating that yield improvements will partly compensate for the lower coverage, the 2013 paddy campaign in Uruguay is forecast to end with a 3 percent production contraction to 1.4 million tonnes (966 000 tonnes, milled basis).

Paddy production in **Venezuela** has been constrained for successive seasons by a combination of unfavourable weather, shortages of productive inputs, pest attacks and diseases. While in 2012, an improved growing climate facilitated a second year of recoveries, production remained at a below average level of 925 000 tonnes (647 000 tonnes, milled basis). Current prospects for the ongoing 2013 season remain downcast, reflecting continued constraints related to high input prices, inefficient equipment and reported shortages of seeds. Consequently, FAO anticipates 2013 output in Venezuela to amount to 850 000 tonnes (595 000 tonnes, milled basis), 8 percent below the current 2012 estimate.

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

### **In 2013, production in Australia to rebound to a twelve year high, while low price prospects depress plantings in the United States and the European Union**

In **North America**, officials in the **United States** have left the 2012 paddy production estimate largely untouched at 9.0 million tonnes, although official milling rates were lowered slightly since January. This has resulted in small downward adjustment to the milled rice production figure to 6.3 million tonnes, which is still 8 percent above the year-earlier level. The increase was made possible

by a small recovery in area harvested and excellent growing conditions which boosted yields to a record of 8.35 tonnes per hectare. Meanwhile, planting activities of 2013 crops, launched in April, have progressed slowly, particularly in the Delta where cold and wet weather conditions were encountered. According to the USDA's March survey of planting intentions, area sown to paddy is likely to amount to 1.06 million hectares in 2013, down 3 percent from the 2012 extension. The retrenchment stems from expectations of more remunerative prices for other crops, which are likely to drive area cuts in all producing states, except Louisiana and Texas. Taking the expected area cuts into account and assuming yields come down from their record 2012 levels, in part also due to the delayed plantings, FAO currently anticipates the United States to gather 8.4 million tonnes in 2013 (5.9 million tonnes, milled basis), down 7 percent from the 2012 estimate.

USA – 2013 Rice Prospective Plantings: Area by Class and State <sup>1/</sup> (000 ha.)								
	2012				2013			
	Long Grain	Medium Grain	Short Grain	All	Long Grain	Medium Grain	Short Grain	All
<b>Total</b>	<b>807</b>	<b>263</b>	<b>23</b>	<b>1,092</b>	<b>782</b>	<b>252</b>	<b>23</b>	<b>1,057</b>
Arkansas	476	47	0	522	453	42	0	496
California	2	202	22	227	2	198	22	223
Louisiana	152	11	0	163	162	8	0	170
Mississippi	53	-	0	53	49	0	0	49
Missouri	71	2	0	73	64	1	0	65
Texas	53	1	0	55	53	2	0	55

1/ Released March 28, 2013  
Source: National Agricultural Statistics Service (NASS), Agricultural Statistics Board, USDA.

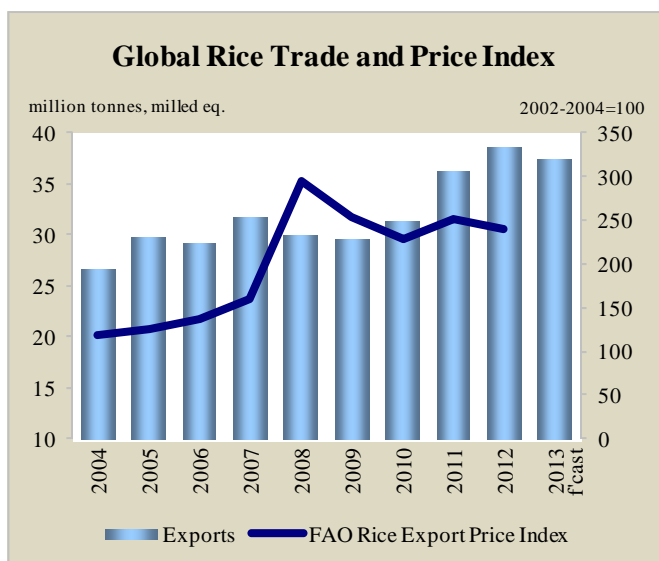
In **Europe**, the latest estimates indicate that 2012 production in the **EU-27** stagnated at 3.2 million tonnes (1.9 million tonnes, milled basis), given that productivity gains were offset by widespread area cuts. In Italy, which alone account for over half of production in the region, producers are now readying to plant 2013 crops. Amid continued expectations of low prices, planting intentions revealed by an industry survey indicate that 2013 could see further area cuts in the country. On the whole, 219 000 hectares are expected to be put under paddy, 7 percent less than in 2012 and a level that FAO anticipates could drive production down to 1.5 million tonnes (918 000 tonnes, milled basis). The outlook is more favourable for Spain, the second largest producer in the area. On expectations of improved availabilities of irrigation water, the country is forecast to record a 4 percent production growth to 920 000 tonnes (552 000 tonnes, milled basis). Based on these trends and expecting output recoveries in Bulgaria, Hungary, and Romania to be outweighed by a reduction in Greece, 2013 production in the EU-27 zone is preliminarily forecast to contract by 4 percent to 3.1 million tonnes (1.8 million tonnes, milled basis). Among other European producing countries, authorities gauge output in the **Russian Federation** to have remained largely steady in 2012 at 1.05 million tonnes (702 000 tonnes, milled basis). Official expectations for the 2013 are more buoyant. They point to a likely 3 percent production growth to 1.08 million tonnes (723 000 tonnes, milled basis), part of which will be destined to export markets.

In **Oceania**, the 2013 season is well underway in **Australia**. According to ABARES, production this season is to expand to 1.1 million tonnes (722 000 tonnes, milled basis), 15 percent above the already good 2012 outcome, which would bring output to its highest level since 2001. The increase is expected to rely primarily on a 12 percent expansion in planted area, made possible by abundant water supplies for irrigation. Harvesting activities in New South Wales were reported to be 25 percent complete by end of March, with officials confirming the good yield expectations, as producers were able to rely on sufficient water to contrast the above-average temperatures recorded this season.

## II. INTERNATIONAL TRADE IN RICE

### World trade forecasts upgraded, but still pointing to a 3 percent contraction in 2013

Following the release of full calendar year data, a number of revisions continued to be made to the 2012 trade figures, which, all combined, pushed the **2012** estimate of global trade in rice up by close to 760 000 tonnes to an all time high of 38.6 million tonnes (milled basis). On the supply side, export estimates were most notably raised for India, which more than compensated for cuts mainly for Brazil, Myanmar and Pakistan. As for imports, figures were adjusted upwards primarily for Cote d'Ivoire, Indonesia, Nepal, Nigeria, Senegal and South Africa, whereas they were reduced in the case of Bangladesh.



As for **2013**, international trade in rice is anticipated to reach 37.4 million tonnes, roughly 400 000 tonnes higher than presented in the January issue of the RMM. The upward revision reflects expectations of larger purchases by Indonesia, the Republic of Korea, Nepal, Thailand, Nigeria and Senegal, which more than offset downward revisions for Bangladesh. Among exporters, forecast shipments were raised for India, but also the United States, Uruguay and Viet Nam. Instead, they were trimmed for Egypt, Myanmar and Pakistan. At 37.4 million tonnes, international trade in rice in 2013 would stand 3 percent short of the 2012 record. The contraction is expected to be demand driven, reflecting reduced need

for imports by Asian and African countries, many of which should have sufficient domestic availabilities from larger harvests and refurbished stocks. In the other regions, import demand is anticipated to remain firm, with aggregate deliveries to Europe, North America and Latin America and the Caribbean set to surpass 2012 levels. On the export side, India is anticipated to reduce deliveries abroad, although the ample supplies held in stocks would allow it to keep playing a leading role in the market. Argentina, Brazil, Myanmar and Uruguay are also foreseen to curtail sales, largely on tightened availabilities, unlike Pakistan, the United States, Thailand and Viet Nam, which may improve their export performances.

### Imports in 2013

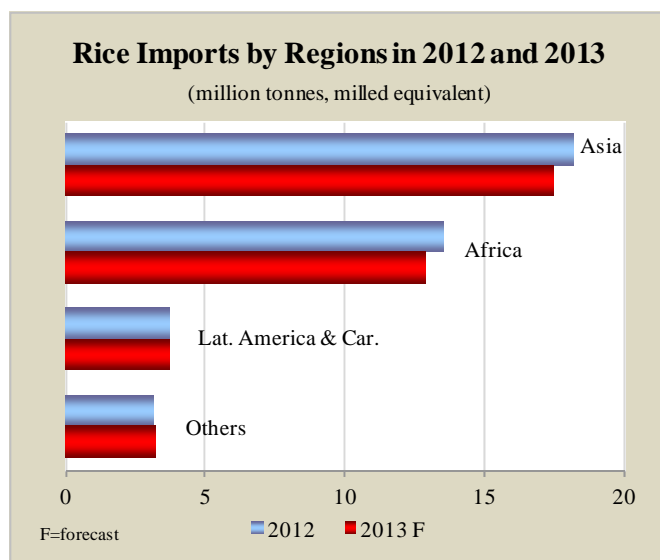
#### Trade in rice to contract by 3 percent on fewer shipments to the Far East and West Africa

To a large extent, the anticipated contraction in 2013 trade in rice is forecast to mirror reduced purchases by countries in **Asia**, which, together, are anticipated to absorb 17.5 million tonnes of rice, 4 percent less in 2012. Individually, **China (Mainland)**, **Indonesia** and the **Islamic Republic of Iran** would be responsible for much of the contraction, based on a combination of good harvest results and refurbished stocks from large purchase drives the previous year. **Afghanistan**, the **Democratic People's Republic of Korea**, **Nepal**, the **Philippines** and **Thailand** are also expected to take-in smaller amounts, more than offsetting larger imports by **Bangladesh**, the **Republic of Korea** and various Near Eastern markets, including **Iraq**, **Jordan**, **Saudi Arabia**, **Turkey** and the **United Arab Emirates**.

Government officials in **Bangladesh** indicate that rice imports by the country amounted to 53 000 tonnes only in 2012, well below the 340 000 tonnes that had been anticipated by FAO and a sharp



reduction from the 1.5 million tonnes brought in 2011. For the current calendar 2013, FAO forecasts Bangladesh to import 200 000 tonnes, a volume expected to be sourced primarily by private operators. Indeed, officials are expected to concentrate government purchases on domestic rice and are to embark in May in a local purchasing campaign of 900 000 of rice and 100 000 tonne of paddy from the Boro harvest. Ensuring sufficient and stable domestic availabilities remains high in the Government's agenda, as reflected by the reported inclusion of non-aromatic rice in the list of prohibited items for export under the country's export policy for 2012-2015.



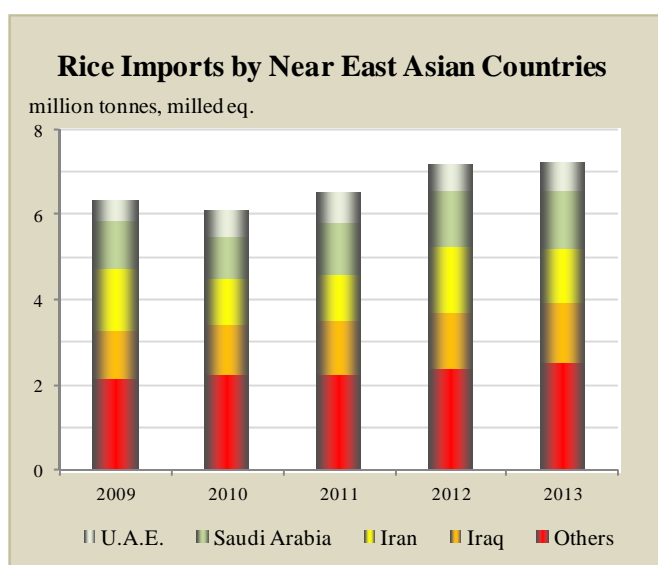
High domestic prices relative to those available on world markets are expected to keep **China (Mainland)** as an active rice importer in 2013. Overall, the country is forecast to take consignment of 2.0 million tonnes of rice over the year, which compares to the 2.4 million tonnes officially reported for 2012. Chinese rice imports have remained strong ahead of the harvest of the first 2013 crop in June. By March, 691 000 tonnes of rice had already been purchased, most of which from Viet Nam and Pakistan. Traditionally a buyer of high quality aromatic varieties, mainly from Thailand, since 2012 China (Mainland) has concentrated its purchases primarily on lower quality rice destined to food manufacturing and rice-based

alcohol production.

Following the release of full-year data, 2012 estimates of imports by **Indonesia** have been revised upwards by 300 000 tonnes to 1.8 million tonnes, still well inferior to the 2.9 million tonnes delivered in 2011. As for 2013, based on current prospects of a favorable production outcome, FAO tentatively forecasts the country to slash volumes further to 1.3 million tonnes. Indonesian officials have reiterated their goal of keeping imports at a minimum during the year, provided Bulog's domestic purchase operations progress unhindered. The state agency seeks to source 3.2 million tonnes locally to meet a mandated 2.0 million stock level at the close of the year, as well as to sustain its market interventions and the public subsidized distribution scheme (Raskin). In this connection, effective January 2014, rations under the Raskin programme will be raised by 5 kilos to 20 kilos per household, which will continue to be sold at Rupiah 1 600 (USD 0.2) per kilo. However, the number of eligible families was revised down from the 17.5 million entitled to the assistance in 2012 to 15.5 million in 2013.

Rice purchases by **Japan** in calendar 2013 are envisaged to stay in line with its Minimum Market Access (MMA) obligations at 700 000 tonnes, which would be 11 percent more than quantities actually delivered in 2012. In the **Republic of Korea** imports are foreseen to rise by 280 000 tonnes to 520 000 tonnes, a level that is expected to comprise volumes acquired under the 2012 MMA purchase drive, as well as those from the ongoing 2013 tendering process. Indeed and while import commitments under the WTO require the country to purchase close to 400 000 tonnes this year, the Korean Government has decided to anticipate the 2013 purchase drive to have the rice delivered within the year and keep local prices in check. In line with growing consumption needs, FAO anticipates **Malaysia** to buy 1.15 million tonnes, 5 percent more than in 2012. On the other hand, estimates of 2012 consignments to **Nepal** have been revised upwards to 350 000 tonnes, notwithstanding the 2011 bumper harvest, on evidence of a fast pace of deliveries from neighbouring India. Given the subdued result obtained from the 2012 season, Nepal's imports are expected to remain in the order of 300 000 tonnes in 2013.

In March, the **Philippines** announced Government intentions to purchase 187 000 tonnes of rice by 30 June 2013, a volume necessary to reconstitute reserves and equivalent to the global quota of its Minimum Access Volume (MAV) commitment under the WTO.<sup>4</sup> Unlike in 2012, which had seen the private sector also partake in this share of MAV imports, the purchases are to be conducted in their entirety by the National Food Authority (NFA) and sourced directly from Viet Nam. Private entities will, nevertheless bring in the remaining 163 000 tonnes of rice under MAV country-specific quotas, applications of which started in April 2013. FAO anticipates 2013 purchases by the Philippines to decline by 9 percent year-on-year to 1.0 million tonnes, reflecting expectations of large production gains, supported by efforts to achieve self-sufficiency in rice. Meanwhile, concern over unofficial rice inflows have been growing, which has prompted officials to head an agreement with industry representatives in Luzon, which envisages the involvement of the private sector in the distribution of rice imported through the agency's "Institutionalised Farmers as Distributors Program".



Rice import demand is instead expected to remain firm in *Near East Asia*, which is forecast to take delivery of 7.2 million tonnes overall. Within the sub-region, **Iraq** is anticipated to buy 4 percent more, or 1.4 million tonnes, to meet the bulk of requirements of its food rationing system. Iraqi officials have, indeed, abandoned plans passed in November to abolish the public distribution programme in favour of direct cash payments of Dinars 12 000 (USD 10) to an estimated 6 million eligible families, a measure that was intended to come into effect in March 2013. The country's public distribution programme has been in place since 1990 and supplies the majority of the Iraqi population with a monthly ration of 3 kilos of rice per

person. Amongst the other major buyers in the area, **Saudi Arabia** is expected to raise the volume of its purchases to 1.35 million tonnes. Increased deliveries to **Jordan, Oman, Turkey, United Arab Emirates** and **Yemen** are also anticipated.

Growing deliveries to these countries are expected to be only partially offset by a 4 percent reduction in purchases by **Afghanistan** to 250 000 tonnes, thanks to improved local availabilities, and of 15 percent in the **Islamic Republic of Iran** to 1.3 million tonnes, owing to refurbished stocks from a large purchase drive carried out in 2012. Iranian demand for imported rice, which accounts for close to half of the country's estimated food requirements, could nevertheless end higher should official plans approved in February 2013 come into effect, providing the country's poor segments with subsidised meat, vegetable oils and rice every three months. The initiative is geared at assisting the population cope with high inflation rates and a steep decline in the value of the Rial, amid tightening international sanctions. Although these have also entailed difficulties in settling payments for imports, a Rupee payment mechanism set-up with India, its principle supplier of rice, have enabled the country to complete its rice orders.

<sup>4</sup> Under the WTO special treatment on rice, the Philippines is to purchase a minimum of 350 000 tonnes of rice per year, subject to an in-quota rate of 40 percent. Of this volume, 163 000 tonnes are allocated to country-specific quotas as follows: 15 000 tonnes to Australia, 25,000 tonnes to China and India, each, and 98,000 tonnes to Thailand. Although formally expired on 30 of June 2012, the Philippines continues to adhere to the regime while awaiting the conclusion of negotiations to extend its coverage until 30 June 2017.

After taking delivery of a record 13.5 million tonnes of rice in 2012, *African countries* are forecast to cut their 2013 imports by 5 percent to 12.9 million tonnes. Looking at the individual countries, the decrease would be mostly due to a contraction of purchases by **Nigeria**, on account of large stocks amassed from a brisk pace of imports in 2012, carried out ahead of the imposition of higher duties and levies on rice this year. Imports by the country are forecast to pass from an even higher estimate of 3.0 million tonnes in 2012 to 2.7 million tonnes in 2013. Although smaller, the forecast volume for 2013 remains substantial on expectations of large unofficial inflows crossing Nigeria's porous land borders. As a result, the country is anticipated to stand as the single most important destination of imported rice again in 2013. Refurbished reserves from a record breaking crop are similarly expected to trim rice purchases by **Senegal** to 900 000 tonnes, 300 000 tonnes short of their year-earlier level and by 4 percent in **Cote d'Ivoire** to 1.3 million tonnes, also thanks to considerable imports in 2012. Reflecting improved local availabilities, deliveries by **Guinea** are expected to end 17 percent lower than in 2012 at 300 000 tonnes, with a Government-to-Government agreement struck with Viet Nam in March also ensuring that the country could have access to a similar volume on an annual basis until 2015. Current prospects, on the other hand, point to growing consumption needs leading **Benin, Burkina Faso, Chad, Liberia** and **Togo** to import more over the course of 2013. In the case of **Cameroon, Mauritania** and **Niger**, larger purchases would be needed to compensate for their production shortfalls.

In *Eastern Africa*, **Burundi** officially decided in December 2012 to extend the suspension of value added taxes and other administrative charges levied on imported rice and eleven other commodities until 30 of June 2013. The measure was first approved in May 2012 on the backdrop of production shortfalls and rising prices, being accompanied by a six-month suspension of the 75 percent import duty on rice applicable under the East African Community's Common External Tariff. On the whole, rice imports by the country are expected to remain contained in 2013 and close to 5 000 tonnes. Despite expectations of a small production gain, deliveries to **Kenya** are forecast to end virtually unchanged at 320 000 tonnes. Amongst the major *Southern African* importers, **Madagascar** is forecast to take 250 000 tonnes, largely steady if compared to the year earlier level, as a strong local currency may stimulate continued interest in rice imports. In **Mozambique**, these are forecast to increase by 13 percent to 320 000 tonnes, while strong local demand keeps deliveries to **South Africa** at 1.2 million tonnes. This compares to the 1.3 million tonne high officially reported for 2012, much of which on account of larger deliveries by India, but also by China (Mainland) whose deliveries alone are reported to have surged from virtually nil in 2011 to over 450 000 tonnes in 2012. This figure exceeds the full export volume reported by China (Mainland) for 2012.

Combined, countries located in *Latin America and the Caribbean* are foreseen to take delivery of 3.7 million tonnes, 1 percent more than in 2012. *Central America and the Caribbean* is forecast to account for the bulk of this growth, on aggregate absorbing 2.1 million tonnes. At a country level, tight domestic availabilities are expected to prompt **Costa Rican** purchases to climb to 80 000 tonnes, against a revised level of 69 000 tonnes for 2012. **Mexico** is similarly projected to step-up imports by 6 percent to 640 000 tonnes, as a modest production gain fails to keep-up with growing domestic consumption. By contrast, forecasts of deliveries to **Cuba** have been lowered to 410 000 tonnes, down slightly from similarly downgraded levels of 415 000 tonnes for 2012, which are consistent with production inroads promoted by the country's import substitution programme. Deliveries are also foreseen to fall in **Honduras** on the backdrop of consecutive bumper crops and to remain largely stable in **Haiti**, at 370 000 tonnes.

Current prospects point to little change in the import pattern of *South American countries*. Overall, deliveries to the sub-region are expected to remain close to 1.6 million tonnes, 700 000 tonnes of which are foreseen to be destined to **Brazil**. This would imply a small reduction from the 719 000 tonnes taken-in by the country the previous year, while also falling short of an overall 800 000 tonne ceiling on imports from fellow MERCOSUR countries that the local industry has solicited to enforce.

The industry argues that monthly import limits are necessary to provide price support to producers, particularly at harvest time, since they are faced with higher costs of production relative to their neighbouring countries. In **Colombia**, rice imports are forecast to pass from 84 000 tonnes in 2012 to 200 000 tonnes this year, much of which accounted for by an import quota under the U.S.–Colombia Trade Promotion Agreement (TPA) and by a separate allocation for Andean Community countries. Furthermore, under a March 2013 accord with the local sector, the Colombian Government has opened the possibility of issuing additional import permits for the year should local producer prices exceed agreed-upon ceilings of Pesos 118 000-132 000 per 125 kilos of paddy (USD 519 - 581 per tonne). Import forecasts for **Venezuela** remain set at 345 000 tonnes, which would be 14 percent short of 2012 purchases, but still a high level, reflecting expectations of an overall below-average output performance. By contrast, a large domestic surplus is expected to permit **Peru** to cut purchases by 17 percent to 210 000 tonnes.

In **Europe**, purchases by the **EU-27** are forecast to increase by 4 percent to 1.4 million tonnes, underpinned by strong import demand and tight local availabilities. For the second half of the 2012/2013 marketing year, which ends on 31 August 2013, import duties on non-basmati husked rice and on semi/wholly milled rice are to remain unchanged at Euro 30 and Euro 175 per tonne, respectively. In the **Russian Federation**, in early February, officials announced that, effective 19 February 2013, temporary import restrictions would be imposed on rice originated from India. The move comes in response to phytosanitary concerns arising from detected presence of khapra beetle on a consignment of rice from the Asian country in December 2012. India stood out as the largest single supplier of rice to Russia in calendar 2012, together with Myanmar, displacing Thailand and Vietnam as the country's top origins. For 2013, in anticipation that potential reduction in Indian deliveries would be filled by imports from competing origins, FAO expects Russia to take consignment of 190 000 tonnes, 2 percent less than in 2012. Official forecasts of deliveries to the **United States** in 2013 remain pegged at 700 000 tonnes, implying a 9 percent year-on-year increase. Thailand has historically supplied the bulk US rice imports, followed by India and Pakistan. Calendar 2012, however, saw a steep rise in deliveries of broken rice from Viet Nam, with a recent purchasing order for 10 000 tonnes of rice from the latter indicating a possible continuation of this trend into 2013.

## Exports in 2013

### Despite an expected trade contraction, India and Viet Nam to retain leadership roles in 2013

FAO's forecast of 2013 international trade in rice now stands at 37.4 million tonnes (milled basis), down from a revised estimate of 38.6 million tonnes for 2012. On the export side, the 3 percent contraction continues to reflect expectations of fewer shipments by **India**, although on the back of affordable and still ample availabilities, the country is now forecast to continue representing a major driving force of trade during the calendar year. Among the other major rice exporters, supported by a flexible pricing strategy and efforts to move into new markets, **Viet Nam** is foreseen to exceed its 2012 record of consignments. The **United States** and **Pakistan** are similarly expected to step-up deliveries, while exports by **Thailand** may improve somewhat relative to the poor 2012 performance, provided officials let prices fall to more competitive levels by releasing stocks or limiting their purchases under the pledging programme. By contrast, tightening domestic supply situations may curtail exports from the major South American origins, including **Argentina**, **Brazil** and **Uruguay**, but also by **Myanmar**, outweighing increases in **Australia**, **Cambodia**, **China (Mainland)**, **Ecuador**, **Egypt**, **Guyana**, and **Paraguay**.

Based on available statistics, the first quarter of 2013 has seen a steep rise in direct rice shipments by **Cambodia**, with cumulative deliveries reaching 95 200 tonnes, nearly 60 000 tonnes more than their year-earlier level, with close to half of the amount corresponding to fragrant varieties. High Thai



prices have not only fostered growing interest in Cambodia's more affordable aromatic rice, but have also made it stand out as a lucrative market for Thai investors interested in capitalising on its lower costs and preferential access to European countries under the Everything-But-Arms initiative. Although much of it is still expected to be comprised of unofficial paddy outflows through neighbouring countries, given the significant infrastructural and processing constraints faced, FAO's export outlook for Cambodia points to 1.3 million tonnes being delivered by the country in 2013. This compares to a 1.2 million tonnes estimate for 2012, which is much higher than the 206 000 tonnes of direct exports officially reported by Cambodia.

Rice exports by **China (Mainland)** are forecast to remain small and in the order of 300 000 tonnes, on expectations of limited sales of Indica qualities due to uncompetitive prices. Prospects may prove more positive in the Japonica segment, given anticipation of a revival in demand from the Republic of Korea, which together with Japan, constitutes a major outlet for Chinese japonica producers.



Following the release of consolidated data for the full calendar year, estimates of exports by **India** in 2012 have been raised by 1.1 million tonnes to an all time high of 10.3 million tonnes. Forecasts of 2013 exports by the country have been also upgraded by 800 000 tonnes to 8.3 million tonnes, in line with upward revisions to production estimates for 2012. The revised figures continue to point to 19 percent year-on-year contraction, on expectations of a more subdued demand from some key African markets, including Nigeria, Senegal and Cote d'Ivoire, but also important Asian outlets, such as Indonesia and the Islamic Republic of Iran. Nevertheless, given prospects of ample local availabilities, at 8.3 million tonnes, Indian 2013

exports would stand second only to the 2012 record, suggesting the country is likely to continue playing a leading role in international rice trade again this year.

By contrast, export forecasts for **Myanmar** are downcast at 500 000 tonnes, 100 000 tonnes less than estimated in 2012. Myanmar faces numerous challenges in raising exports to targeted levels, including limited processing capacity, which is compounded on by electricity shortages. The local industry has, however, received much encouragement by an announced joint-venture with Japanese investors, which will bolster milling capacity, while also shipping 5 000 tonnes of rice to the Far Eastern nation in the coming months. While EU decisions regarding the reinstatement of market access privileges to the country under the Everything-But-Arms initiative are still forthcoming, a further boost was granted by the April conclusion of a Memorandum of Understanding with Indonesia for the annual provision of up to 500 000 tonnes of rice, on a need basis.

Given the production shortfall incurred to floods, **Pakistan** is anticipated to ship 2.9 million tonnes, 4 percent more than a revised 2012 figure, but 400 000 tonnes less than anticipated earlier. Export prospects for Pakistan continue to be dampened by falling Basmati output and a loss of Iranian market share to India, given difficulties in settling payments with the country due to international sanctions. In addition, protracted shortages of electricity have kept constraining milling operations. In this connection, processors in Sindh, where the bulk of the country's Irri production concentrates, look set to benefit from a recently approved credit line at subsidised rates for millers to upgrade facilities. The initiative could serve to boost the country's performance in the non-fragrant segment, where it still holds a competitive advantage over alternative origins.



FAO's export forecast for **Thailand** remains unchanged at 7.7 million tonnes, an 11 percent recovery from the 2012 poor performance. The projected upturn rests on expectations of Government stock releases easing the tight supply situation caused by the absorption of a large share of local output by the pledging programme. This could enable exporters to reduce the large premium that Thai supplies still command over those in competing origins, but also raise difficulties with the WTO. Some indication of such releases has been given by the Thai authorities, amid growing concerns over the budgetary costs that the programme has entailed since its reinstatement in 2011. Officials would expect to redeem Baht 180 billion (USD 6.1 billion) worth of revenue from the sale of public stocks by the end of September 2013, in order to cover part of the estimated Baht 300 billion (USD 10.2 billion) cost of the 2012/13 programme.

The first three months of the year have seen **Viet Nam's** exporters compete aggressively to secure contracts, with first quarter deliveries combined standing at 1.46 million tonnes, 10 percent ahead of progress last year. China continues to represent an important market for Vietnamese sellers, while an initial deal of 187 000 tonnes has also been secured with the Philippines. Asian countries have, indeed, traditionally constituted the prime outlet for Vietnamese rice. However, prospects of a more subdued demand from the continent have also prompted the country to look elsewhere to expand sales, in particular to Africa. While its limited parboiled sales may keep it from tapping into the larger African outlets, a March agreement with Guinea opened the possibility of selling 300 000 tonnes annually to the country through 2015. The agreement adds to a similar deal reached with Haiti in 2012 and, although small, growing deliveries are also being recorded to the United States. On the whole, FAO now anticipates Viet Nam to deliver 7.8 million tonnes in 2013, a level that would surpass the 2012 record by 1 percent.

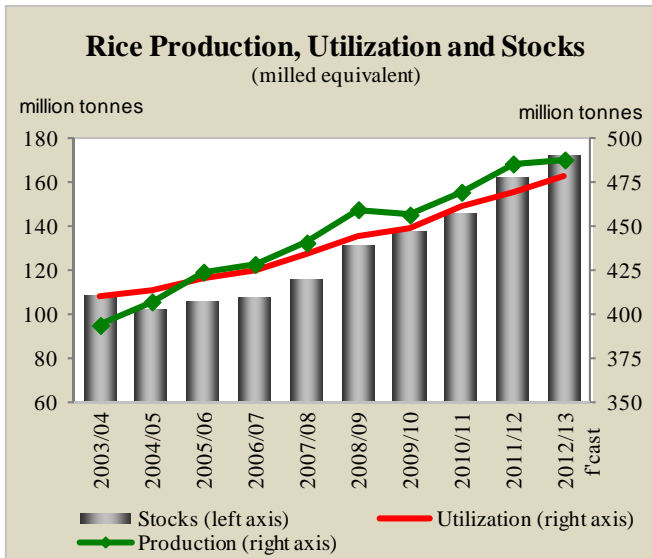
Since lifting the ban on milled rice exports in October 2012, the Government of **Egypt** has issued export licences for a total 463 000 tonnes of rice. Licences for 173 000 tonnes were awarded in their third and latest of tenders held in February 2013, a volume that was to be shipped by 15 April of the same year. Nonetheless, pace of deliveries by the country are reported to have fallen below licensed amounts, due to intense competition with other medium grain suppliers and logistical constraints faced at ports. At the same time, unofficial outflows are reported to be sustained, encouraged by the export tax of Pounds 1000 (USD 145) per tonne and costs of obtaining a shipping license. For the full year, FAO anticipates Egypt to ship 500 000 tonnes, which would still be some 130 000 tonnes more than the 2012 estimate, but 200 000 tonnes less than previously anticipated.

The USDA has slightly upgraded the official forecast of exports by the **United States** since January to 3.5 million tonnes, or 5 percent more than in 2012. The increase would be attributable to long-grain varieties, which would offset reductions in medium grain exports amid stiffer competition from Australia and Egypt. US rice is foreseen to expand markets in Latin American countries, with surprising sales to the Islamic Republic of Iran also recorded. In February 2013, the United States was reported to have already shipped 31 400 tonnes to the near Eastern nation.

The favourable production outcome is also expected to permit **Australia** to raise its level of deliveries to 500 000 tonnes, 22 percent more than the estimate for 2012. Growing competition with other medium grain suppliers for some of its recently established markets, such as Turkey and Libya, is instead anticipated to depress deliveries by the **Russian Federation** to 200 000 tonnes. Prospects are also negative for the major South American origins, many of which face supply constraints following two consecutive year of output shortfalls. In the case of **Argentina**, the reduction is expected to be in the order of 13 percent to 550 000 tonnes. **Brazil** and **Uruguay** are each anticipated to export roughly 900 000 tonnes, which would represent a 19 percent and 9 percent year-on-year reduction, respectively. By contrast, improved availabilities are expected to support increased exports by **Ecuador**, **Guyana** and **Paraguay**.

### III. RICE UTILIZATION AND DOMESTIC PRICES

#### Forecasts of global rice utilisation in 2013 upgraded by 1.9 million tonnes



FAO's forecast of **global rice utilisation in 2013** stands at 477.6 million tonnes (milled basis), 1.9 million tonnes of rice more than foreseen earlier. The upward revision mirrors expectations of higher consumption of rice as food, now forecast to absorb 402.7 million tonnes, 2 percent more than the previous year. Volumes of rice utilised as animal feed are also expected to rise to 13.4 million tonnes, while other uses, including post harvest losses, seed and industrial uses, may absorb 61.5 million tonnes. On the other hand and based on early expectations of 2013 production, FAO has set its first forecast of **world utilisation during the 2014 season** at 492.2 million tonnes, which is 3 percent more than the current 2013 estimate.

Food consumption is again expected to drive much of this growth, on aggregate rising to 410.4 million tonnes. This expansion would be sufficient to support a fourth year of increase in average **per caput consumption** figure, which may pass from an estimate of 56.9 kilos per person in 2013 to 57.2 kilograms per person in 2014. **Developing countries** are forecast to sustain this growth, consuming on average 0.6 percent more or 68.1 kilos per year, while **developed countries** cut their intake by 0.8 percent to 12.1 kilos per year.

Looking at domestic price developments in Asia, retail/wholesale prices have strengthened in both **Bangladesh** and **India** over the first quarter of the year compared to their values three-months before, while in the **Lao PDR**, **Myanmar** and **Viet Nam** they have taken a downward trend. However, relative to a year ago, local prices stand generally higher in numerous Asian countries, in particular, India and Myanmar. In *Africa*, recent consumer prices have witnessed significant rises in various *West African countries*, including **Mali**, **Niger** and **Senegal**, although prices in these same countries were not too distant from year-earlier values, except in Senegal where they were quoted lower. After reaching new heights in the course of 2012, local quotations in *Eastern Africa* have continued on their downward trend. This has been particularly the case of **Rwanda**, **Uganda** and the **United Republic of Tanzania**, with prices also recently declining in **Somalia** and the **Democratic Republic of Congo**. First quarter quotations in *Latin American and the Caribbean* have, instead, strengthened primarily in the **Dominican Republic**, which contrasts with a sharp decline witnessed in **Colombia**. South American prices stand generally above those recorded in the corresponding period in 2012, while in Central America they were higher mostly in **Honduras** and lower in **El Salvador**. In the *other regions*, prices have eased in **Italy** and the **Russian Federation**, relative to both a year and three-months earlier, while remaining largely stable in the **United States**.

## MONTHLY RETAIL PRICES OF RICE IN SELECTED MARKETS

ASIA	Historical monthly price trend						Latest available: Month USD/Kg					Latest quotation available compared to: <sup>/1</sup>								
	2007	2008	2009	2010	2011	2012	2013													
Bangladesh: Dhaka (coarse)							Mar-13	0.39		7%		8%		-9%						
Cambodia: Phnom Penh (mix)*							Mar-13	0.45		0%		8%		10%						
China: 50 City Avg. (japonica second quality)							Mar-13	0.91		1%		6%		7%						
India: Delhi							Mar-13	0.50		7%		14%		19%						
Indonesia: Ntl. Avg. (medium quality)							Mar-13	0.86		1%		3%		17%						
Lao PDR: Vientiane (glutinous first quality)							Mar-13	0.95		-6%		-6%		-6%						
Mongolia: Ulaanbaatar							Mar-13	1.22		0%		4%		2%						
Myanmar: Yangon (Emata 25%)*							Jan-13	0.30		-12%		13%		-2%						
Nepal: Kathmandu (coarse)							Jan-13	0.41		0%		3%		6%						
Pakistan: Karachi (irri)							Mar-13	0.53		0%		6%		24%						
Philippines: Ntl. Avg. (well-milled)							Mar-13	0.87		0%		0%		2%						
Sri Lanka: Colombo (white)							Mar-13	0.47		-2%		9%		0%						
Thailand: Bangkok (5% broken)*							Mar-13	0.52		-5%		1%		16%						
Viet Nam: Dong Thap (25% broken)							Mar-13	0.35		-6%		-1%		-10%						
<b>WESTERN AFRICA</b>																				
Benin: Cotonou (imported)							Feb-13	1.08		0%		0%		4%						
Burkina Faso: Ouagadougou (imported)*							Mar-13	0.75		0%		3%		-1%						
Chad: N'Djamena (imported)							Mar-13	0.99		0%		-5%		6%						
Mali: Bamako*							Mar-13	0.74		12%		1%		15%						
Mauritania: Nouakchott (imported)							Feb-13	0.80		-1%		20%		-16%						
Niger: Niamey (imported)*							Mar-13	0.85		8%		0%		-2%						
Senegal: Dakar (imported)							Mar-13	0.93		5%		-6%		19%						
<b>CENTRAL AFRICA</b>																				
Dem. Rep. Congo: Kinshasa (imported)							Mar-13	1.20		1%		2%		3%						
<b>EASTERN AFRICA</b>																				
Burundi: Bujumbura							Feb-13	1.17		-2%		-2%		41%						
Rwanda: Kigali*							Mar-13	1.02		-21%		-14%		20%						
Somalia: Mogadishu (imported)							Mar-13	0.65		-14%		-37%		-48%						
Uganda: Kampala*							Mar-13	1.06		-5%		-20%		41%						
United Rep. of Tanzania: Dar es Salaam*							Mar-13	1.06		-8%		-19%		31%						



## MONTHLY RETAIL PRICES OF RICE IN SELECTED MARKETS

SOUTHERN AFRICA	Historical monthly price trend 2007 2008 2009 2010 2011 2012 2013	Latest available:		Latest quotation available compared to: <sup>1/</sup>					
		Month	USD/Kg	3 months earlier	1 year earlier	2 years earlier	3 months earlier	1 year earlier	2 years earlier
Madagascar: Ntl. Avg. (local)		Mar-13	0.59	3%	3%	3%			
Malawi: Lilongwe		Mar-13	1.00	4%	27%	-			
Mozambique: Maputo		Mar-13	0.84	0%	6%	-13%			
<b>CENTRAL AMERICA AND THE CARIBBEAN</b>									
Costa Rica: Ntl. Avg. (first quality)		Mar-13	1.55	-	1%	-7%			
Dominican Rep: Santo Domingo (first quality)		Feb-13	1.13	7%	-4%	-1%			
El Salvador: San Salvador		Mar-13	1.00	-7%	-7%	-7%			
Guatemala: Ntl. Avg. (second quality)		Mar-13	1.17	0%	2%	6%			
Haiti: Port-au-Prince (imported)		Mar-13	1.08	0%	4%	6%			
Honduras: Tegucigalpa (second quality)*		Mar-13	0.88	1%	13%	4%			
Mexico: Mexico City (sinaloa)*		Mar-13	0.85	-3%	3%	1%			
Nicaragua: Ntl. Avg. (second quality)		Mar-13	0.91	0%	3%	18%			
Panama: Panama City (first quality)		Mar-13	1.20	-	8%	10%			
<b>SOUTH AMERICA</b>									
Bolivia: La Paz (grano de oro)*		Mar-13	0.92	1%	9%	0%			
Brazil: São Paulo		Mar-13	1.24	0%	27%	31%			
Colombia: Bogotá (first quality)*		Mar-13	1.20	-10%	-	4%			
Ecuador: Quito (long grain)*		Mar-13	1.05	0%	9%	22%			
Peru: Lima (corriente)		Mar-13	0.95	0%	-1%	6%			
<b>NORTH AMERICA</b>									
United States: City Avg. (long grain, uncooked)		Mar-13	1.57	0%	2%	-4%			
<b>EUROPE</b>									
Italy: Milan (arborio volano)*		Mar-13	0.97	-10%	-20%	-47%			
Russian Federation: Ntl. Avg.		Mar-13	1.24	-8%	-12%	-19%			

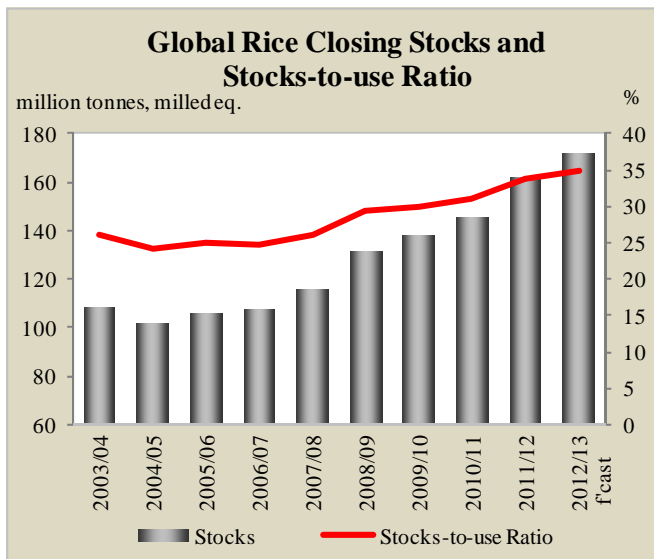
<sup>1/</sup> Quotations in the month specified in the fourth column were compared to their levels in the preceding three, twelve and twenty-four months. Price comparisons were made in nominal local currency units.

\* 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

### World rice carryovers forecast to reach 172 million tonnes in 2013



Since the January issue of the RMM, FAO has raised its forecast of stocks at the close of the 2012-2013 marketing year by 700 000 tonnes, primarily reflecting upgraded carryover estimates for Myanmar, following revisions to historical production figures for the country. These, together with higher inventory forecasts for Brazil, Indonesia, the Republic of Korea, Madagascar, Nepal, Senegal and the United States, outweighed downward adjustments mainly for India, Pakistan, Thailand and Viet Nam. On the whole, global rice inventories are now anticipated to end 6 percent above their opening levels at 171.8 million tonnes (milled basis), a level that would be sufficient to support a percentage point increase in the global

**stocks-to-use ratio** to 34.9 percent. From a regional perspective, all of the refurbishment is expected to concentrate in Asia, which may end holding 7 percent more or 165.2 million tonnes by the end of the season, much of which on account of a 9.7 million tonne build-up in **China (Mainland)** to 94.2 million tonnes. All other major regions, except for Oceania, are conversely expected draw on their reserves.

Based on the latest estimates, the **five major exporters**<sup>5</sup> are set to conclude their individual marketing years with a combined 42.9 million tonnes of rice on stock, up 4 percent year-on-year, but nearly 3.0 million tonnes less than previously foreseen. The downgraded outlook follows prospects of smaller crop in **Thailand**, which has seen secondary crop output cut short by prevailing dryness and insufficient water availabilities for irrigation. In spite of the reduction, Thailand is still forecast to end its 2012/13 marketing year with a record reserve of 16.3 million tonnes, most of which accounted for by Government as a result of the paddy pledging programme. Compared to figures released in January, 2013 carry-overs are anticipated lower also in **India** at 22.0 million tonnes. The 8 percent reduction from 2012 is consistent with prospects of a still upbeat pace of exports by the country, but also with the increased allocations for subsidised public distribution approved this year. In the run-up to the reform of the welfare scheme, public godowns in India were reported to hold 59.8 million tonnes of grains by 1 April 2013, which compares to an anticipated requirement of 61.2 million tonnes for the implementation of the National Food Security Act. A revised version of the Act, approved by the Indian Cabinet in March, is awaiting Parliamentary endorsement and would grant legal entitlement of 5 kilograms of grains per person per month, with more vulnerable families receiving a monthly ration of 35 kilos of foodgrains per family, at highly subsidised prices.<sup>6</sup> The scheme is expected to cover up to 75 percent of the rural population and 50 percent of urban dwellers, when enacted, with 100 billion (USD 1.8 billion) of extra outlays being set aside under the country's 2013-14 budget to fund its gradual roll-out.

<sup>5</sup> India, Pakistan, Thailand, the United States and Viet Nam.

<sup>6</sup> The rations would be sold at Rupees 3 (USD 0.05) per kilo of rice, Rupees 2 in the case of a kilo of wheat (USD 0.04) and Rupees 1 (USD 0.02) per kilo of millet for the first three years of implementation of the scheme, being subsequently sold at a price determined in relation to the crops' minimum support prices.



Among the other major suppliers of rice, production shortfalls are forecast to require that **Pakistan** draw its inventories down by nearly 60 percent to 250 000 tonnes to meet export commitments and local demand. Officials in the **United States** also anticipate that an upbeat pace of sales, in the face of a reduced crop, will lead to a 17 percent run down of reserves to 1.1 million tonnes. By contrast, abundant harvests may permit **Viet Nam** to refurbish stocks by 11 percent to 3.3 million tonnes. Based on these tendencies, the major exporters' **stock-to-disappearance ratio**<sup>7</sup> is now foreseen to reach 25.7 percent in 2013, inferior to the earlier estimate of 27.8 percent, but above its year-earlier level of 25.2 percent.

Combined, **rice importing countries** are forecast to hold 28.2 million tonnes of rice on reserve in 2013, 3 percent less than in 2012. Among the major traditional buyers, **Bangladesh** is expected to draw its inventories down to 6.8 million tonnes, mostly on expectations of a decline in public reserves needed to supply larger food distribution operations. On the backdrop of smaller local availabilities, authorities expect the **European Union** to hold 3 percent less or 470 000 tonnes. Negative seasonal outcomes may lead to smaller inventories also in **Brazil** and **Nepal**, the **Philippines** and **Nigeria**. In the latter two countries, the declines are expected to be associated with efforts to cut reliance on imports under on-going self-sufficiency programmes. By contrast a good crop, supplemented by state purchases abroad, are foreseen to boost stocks in **Indonesia** by 4 percent to 6.4 million tonnes, with gains also anticipated in the **Republic of Korea**, **Senegal** and **South Africa**.

Based on preliminary expectations of 2013 crops, FAO has set its first forecast of **world rice stocks at the end of the 2013-2014 marketing years** at 178.0 million tonnes, implying a further 4 percent rebuilding in global inventories. The bulk of the increase is expected to concentrate in **developing countries**, which are forecast to hold 173.7 million tonnes by the end of the season, while another poor output result may lead to a third consecutive year of carry-over declines in **developed nations** to 4.3 million tonnes. Individually, **China (Mainland)** is again predicted to be responsible for much of the increase. Prospects of a good forthcoming crop and sustained large imports may lead the country to amass an additional 4.8 million tonnes to 99.0 million tonnes, a level that would be sufficient to cover up to 9 months of estimated domestic requirements. Based on the forecast increase world rice inventories, the global **stocks-to-use ratio** could rise further to an estimated 35.4 percent in 2014.

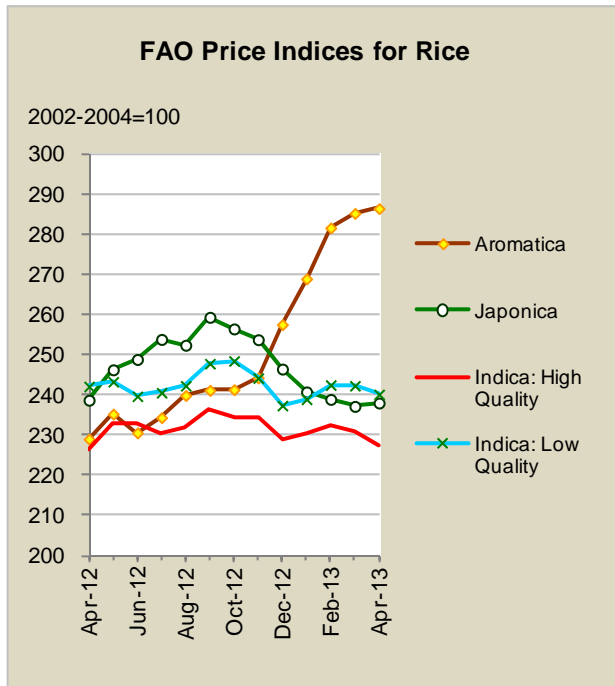
## V. INTERNATIONAL PRICES

### International rice export prices remain firm in the first four months of 2013

After easing for much of the latter part of 2012, international rice prices have tended to remain stable in the first four months of 2013. This was reflected by the FAO All Rice Price Index (2002-2004=100), which averaged 240 points in April, unchanged from a revised January value. Looking at the various segments, however, prices of fragrant rice varieties have sustained the upward trend initiated in the latter part of 2012, underpinned by tight supply availabilities amidst strong buying interest. At an average of 286 points in April, the Aromatic Index stood 7 percent above its January value and at its highest level since May 2008. Although less pronounced, the Low Quality Indica Index also gained ground to 240 points, supported by a sustained pace of sales and public purchases

<sup>7</sup> Defined as the sum of the five major exporters' stocks divided by the sum of the five countries' domestic utilization plus exports.

in major exporting countries. By contrast, quotations of high quality Indica have tended to weaken, causing a 1 percent decline in their corresponding index to 228 points. Price weakness also continued to dominate the short/medium grain market, with the Japonica Index falling 1 percent below its January value to 238 points. From an annual perspective, the FAO All Rice Price Index stood 3 percent above its average in the corresponding period in 2012, primarily mirroring a firming up of prices in the Aromatic market, and to a lesser extent of Indica prices, while quotations of medium/short-grain rice eased.

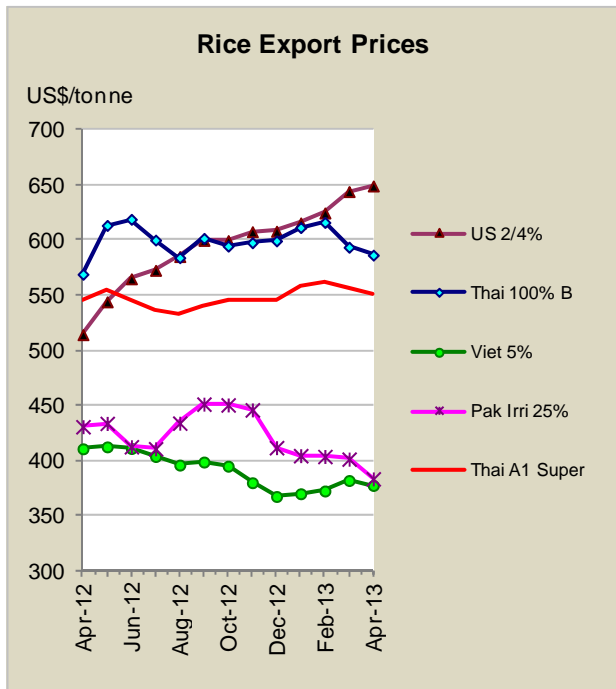


Amongst the major origins, quotations in **Thailand** lost ground, as pressure from the gradual arrival of new supplies from the secondary crop harvest, coupled with a dearth in inquiries, offset support provided by the paddy pledging programme and an appreciating Baht. By April 2013, the benchmark Thai white rice 100% B was quoted 4 percent less than in January 2013 at USD 586. The large stocks accumulated by the Thai Government through the paddy pledging programme also weighed on market sentiment. The main-crop round of the scheme finished with close to 13 million tonnes of paddy absorbed and an additional 7 million tonnes are expected to be mortgaged under the April-launched offseason round. Indications by Thai officials that large Government stocks sales were forthcoming and needed so as to fund the continuation of the program contributed to this weak sentiment, although substantial stock releases

for export have yet to take place.

Thin availabilities and steady demand from Latin American and Caribbean markets, instead, underpinned long-grain quotations in the **United States**, where US N.2 4% was priced 5 percent higher at USD 649 per tonne. Additional support has been provided by continued US sales of rice to the Islamic Republic of Iran. In the medium-grain segment, competition with other suppliers continued to depress quotations, which reversed their downward tendency only in March, amid a rekindling of demand by Far Eastern markets.

In **Viet Nam**, support provided by the stockpiling programme of 1.0 million tonnes of freshly harvested winter-spring rice proved short-lived, as by April prices of 25% broken eased by a further 3 percent to USD 361 per tonne. Slow demand from its traditional Asian markets have forced sellers from the country to compete aggressively for contracts, with the Vietnam Food Association also adjusting minimum export prices (MEPs) in order to rouse buying interest. In February, MEPs for 5% broken rice were set to USD 410 per tonne, down from their October level of USD 460, while in the case of 35% broken rice, these were set at USD 365 per tonne, USD 5 less than the floor level last stipulated in December 2012. In a further move, the VFA was reported to have completely removed floor prices for 5% broken rice in March 2013.



buying interest from African and Chinese buyers also underpinned a 2 percent rise in Pakistan's IRRI 25% quotations to USD 378 per tonne.

International rice export prices are likely to be influenced in the next few months by the progress of secondary crop harvests in northern hemisphere countries and by the arrival into the market of supplies from 2013 main crops in countries located along and south of the Equator. Although, on the whole, supply availabilities appear ample enough to meet prospective demand, import decisions by major buyers will weigh on the market and will need to be gauged across the various rice market segments. However, much of the market and competitors' attention will focus in the coming months on Thailand. Indeed, the Thai Government's reticence to release large volumes of supplies from stocks at prices below purchase levels may be outweighed by the need to secure enough storage space and finance for the continuation of the programme beyond the 2012/2013 season. Developments in India regarding the expansion of the public distribution systems will also need to be watched closely, as will efforts by other major players to keep prices at profitable levels for producers. As always, currency movements and developments in other cereal markets will also influence international prices.

Ahead of the April start to the Rabi harvest, in **India** lower overall availabilities and large Government purchases were behind gains in the prices of non-fragrant rice. By 12 April 2013, public agencies had procured 29.95 million tonnes of rice, 1 percent ahead of purchasing progress a year earlier and accounting for a third of expected 2012 main-crop output. Price strength, however, primarily characterised the Indian Basmati segment, with quotations surging by 17 percent since January to USD 1 350 per tonne, their highest level since mid 2010. Lower availabilities and unrelenting demand in Near East Asian markets have sustained this steep rise. A tight Basmati supply situation has similarly supported a strengthening of fragrant prices in **Pakistan**, which stood at USD 1 362 per tonne in April, up 1 percent from January and 22 percent above their year-earlier level. Reduced availabilities and good

FAO Rice Price Indices (2002-2004=100)					
	All	Indica		Japonica	Aromatic
		High quality	Low quality		
2002-2004 = 100					
<b>2009</b>	<b>253</b>	<b>229</b>	<b>196</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>231</b>
<b>2012</b>	<b>240</b>	<b>230</b>	<b>242</b>	<b>248</b>	<b>236</b>
<b>2012</b> April	235	227	242	239	229
May	240	233	243	246	235
June	239	233	240	249	231
July	241	230	241	254	234
August	242	232	242	252	240
September	247	236	248	259	241
October	246	234	248	256	241
November	244	235	244	254	244
December	240	229	237	246	258
<b>2013</b> January	240	230	239	241	269
February	242	232	242	239	282
March	242	231	242	237	285
April	240	228	240	238	286
<b>2012</b> Jan.-Apr.	234	225	240	241	225
<b>2013</b> Jan.-Apr.	241	230	241	239	280
<b>% Change</b>	2.9	2.4	0.3	-0.8	24.4

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.

EXPORT PRICES FOR RICE														
	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 3/	Thai Fragrant 100%
	<i>(US \$/tonne, f.o.b.)</i>													
<b>2008</b>	695	722	782	682	614	584	345	498	603	553	506	913	1 077	914
<b>2009</b>	587	619	545	555	432	459	...	351	460	384	329	1 019	937	954
<b>2010</b>	518	532	510	492	416	499	...	372	444	387	386	764	881	1 045
<b>2011</b>	565	563	577	549	505	475	409	433	511	467	464	855	1 060	1 054
<b>2012</b>	588	594	567	573	432	488	391	396	560	397	540	790	1 137	1 091
<b>2012</b>														
April	569	608	514	552	431	470	384	411	553	384	546	772	1 112	1 091
May	613	622	544	602	434	470	379	412	580	388	554	780	1 138	1 078
June	619	615	565	609	413	470	382	411	579	369	545	783	1 121	1 062
July	600	584	572	588	411	470	394	404	564	379	536	788	1 150	1 062
August	584	601	585	568	434	482	391	396	552	407	532	799	1 142	1 069
September	602	605	600	585	451	485	405	399	566	421	540	794	1 149	1 093
October	594	600	600	578	450	505	410	395	565	420	544	785	1 120	1 111
November	598	603	608	582	446	540	396	380	567	418	545	783	1 185	1 111
December	599	580	608	583	412	540	390	368	568	384	546	772	1 312	1 098
<b>2013</b>														
January	611	603	616	595	404	540	398	370	579	373	558	750	1 350	1 171
February	616	604	624	599	404	535	420	372	584	369	562	750	1 369	1 197
March	594	577	644	576	401	520	415	382	570	369	557	750	1 365	1 216
April	586	566	649	569	384	519	418	378	564	361	551	750	1 362	1 244
<b>2012 Jan.-Apr</b>	562	581	530	545	434	473	387	396	544	394	533	798	1 081	1 102
<b>2013 Jan.-Apr</b>	602	587	633	585	398	529	413	376	575	368	557	750	1 362	1 207
<b>% Change</b>	7.1	1.1	19.5	7.2	-8.2	11.7	6.6	-5.2	5.6	-6.6	4.4	-6.0	26.0	9.5

Sources: Livericeindex.com, Thai Department of Foreign Trade (DFT) and other public sources.

1/ White broken rice. 2/ No. 1, maximum 4-percent broken, sacked, California mill. 3/ Series revised starting in June 2011.

... = 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

	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>	691.8	727.6	731.2	746.7	15.5	2.1	730.2	0.9
Developing countries	666.2	702.9	705.3	721.5	16.2	2.3	704.4	0.8
Developed countries	25.6	24.7	25.9	25.2	-0.7	-2.6	25.8	0.1
<b>ASIA</b>	626.3	659.5	662.9	677.5	14.7	2.2	662.2	0.7
Bangladesh	48.4	50.7 G	50.6	51.2	0.6	1.2	50.7	-0.2
Cambodia	7.7	8.8 G	9.3 G	9.5	0.2	2.1	9.3 G	0.0
China	195.7	202.7	205.9	208.7	2.8	1.3	205.7	0.2
of which China (Mainland)	194.3	201.0 G	204.3 G	207.0	2.7	1.3	204.3 G	-
India	142.1	158.0 G	152.7 G	156.7	4.0	2.7	150.0	2.7
Indonesia	63.7	65.8 G	69.0 G	72.1 G	3.1	4.4	69.0 G	0.1
Iran, Islamic Rep. of	2.2	2.3	2.4	2.4	0.0	0.0	2.4	-
Japan	10.7	10.5 G	10.7 G	10.6	-0.1	-0.5	10.6 G	0.0
Korea Rep. of	6.3	5.6 G	5.4 G	5.7	0.3	5.5	5.4 G	-
Lao PDR	3.0	3.1 G	3.1	3.1	0.0	0.3	3.1	-
Malaysia	2.4	2.7 G	2.7	2.7	0.0	1.5	2.7	-
Myanmar	32.6	31.5	31.5	32.5	1.0	3.2	30.0	1.5
Nepal	4.3	5.1 G	4.5 G	4.6	0.1	2.1	4.5 G	-
Pakistan	9.3	9.2 G	8.0 G	9.3	1.2	15.5	9.4	-1.4
Philippines	16.4	17.0 G	18.0 G	18.9	0.9	4.7	18.0 G	-
Sri Lanka	3.9	3.9 G	3.8 G	4.1	0.3	6.6	4.2 G	-0.4
Thailand	33.2	35.3 G	36.0	36.5	0.5	1.4	37.8 G	-1.8
Viet Nam	39.2	42.3 G	43.7 G	43.5 G	-0.2	-0.4	43.7 G	-
<b>AFRICA</b>	24.1	25.3	26.6	27.7	1.0	3.9	26.4	0.2
<b>North Africa</b>	5.8	5.7	6.6	6.8	0.2	3.5	6.6	-
Egypt	5.7	5.7 G	6.5 G	6.8	0.2	3.5	6.5 G	-
<b>Western Africa</b>	11.1	12.2	12.7	13.4	0.7	5.4	13.1	-0.4
Côte d'Ivoire	0.7	0.7 G	0.7	0.7	0.0	2.1	0.7	-
Guinea	1.5	1.8 G	1.9 G	2.0	0.0	1.6	1.9 G	-
Mali	2.0	1.7 G	1.9 G	2.2	0.3	14.9	2.4 G	-0.4
Nigeria	3.8	4.6 G	4.2	4.4	0.2	4.8	4.2	-
Sierra Leone	0.9	1.0 G	1.1 G	1.2	0.0	2.5	1.1 G	-
<b>Central Africa</b>	0.5	0.5	0.5	0.5	0.0	5.7	0.5	0.0
<b>Eastern Africa</b>	1.9	2.0	1.7	2.0	0.3	17.3	1.7	0.0
Tanzania	1.5	1.5 G	1.1 G	1.4	0.3	24.1	1.1 G	-
<b>Southern Africa</b>	4.8	4.8	5.1	4.9	-0.2	-3.9	4.5	0.6
Madagascar	4.4	4.3 G	4.6 G	4.4	-0.2	-3.3	4.0	0.6
Mozambique	0.2	0.3 G	0.3 G	0.3	-0.1	-15.4	0.3 G	-
<b>CENTRAL AMERICA &amp; CAR</b>	2.7	2.8	2.8	2.9	0.2	5.4	2.8	0.0
Cuba	0.5	0.6 G	0.6	0.6	0.0	3.4	0.5	0.1
Dominican Rep.	0.8	0.8 G	0.8 G	0.9	0.1	11.3	0.9	-0.1
<b>SOUTH AMERICA</b>	24.5	26.4	24.5	24.8	0.3	1.0	24.5	0.0
Argentina	1.3	1.7 G	1.6 G	1.5 G	-0.1	-4.5	1.6 G	0.0
Brazil	12.1	13.6 G	11.6 G	11.9 G	0.3	3.0	11.6 G	-
Colombia	2.7	2.5 G	2.6 G	2.6	0.0	1.3	2.6 G	-
Ecuador	1.6	1.5 G	1.4	1.5	0.1	10.0	1.4	-
Peru	2.9	2.6 G	2.9 G	2.8	-0.1	-4.7	2.9 G	0.0
Uruguay	1.3	1.6 G	1.4 G	1.4	0.0	-3.1	1.4 G	-
<b>NORTH AMERICA</b>	10.1	8.4	9.0	8.4	-0.6	-7.2	9.0	-
United States	10.1	8.4 G	9.0 G	8.4	-0.6	-7.2	9.0 G	-
<b>EUROPE</b>	4.0	4.4	4.4	4.3	-0.1	-2.1	4.3	0.1
EU	3.0	3.2 G	3.2 G	3.1	-0.1	-3.9	3.1 G	0.1
Russian Federation	0.9	1.1 G	1.1 G	1.1 G	0.0	3.0	1.1 G	-
<b>OCEANIA</b>	0.1	0.7	1.0	1.1	0.1	14.7	1.0	-
Australia	0.1	0.7 G	0.9 G	1.1 G	0.1	15.0	0.9 G	-

## FOOTNOTES:

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

Totals computed from unrounded data.

G Official figure.

**TABLE 2: WORLD RICE IMPORTS (MILLED BASIS)**

	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>	30.3	36.2	38.6	37.4	-1.2	-3.1	37.0	0.4
Developing countries	25.6	31.5	33.4	32.2	-1.3	-3.8	31.8	0.4
Developed countries	4.7	4.7	5.1	5.2	0.1	1.2	5.2	-
<b>ASIA</b>	14.2	18.1	18.2	17.5	-0.7	-3.9	17.3	0.2
Bangladesh	0.8	1.5 G	0.1 G	0.2	0.1	277.4	0.6	-0.4
China	1.0	1.2	3.0	2.6	-0.4	-12.0	2.6	-
of which China (Mainland)	0.3	0.6 G	2.4 G	2.0	-0.4	-15.5	2.0	-
Indonesia	0.5	2.9	1.8	1.3	-0.5	-28.2	1.1	0.2
Iran, Islamic Rep. of	1.2	1.1 G	1.5 G	1.3	-0.2	-15.4	1.3	-
Iraq	1.0	1.3	1.4	1.4	0.0	3.7	1.4	-
Japan	0.6	0.7 G	0.6 G	0.7	0.1	11.1	0.7	-
Malaysia	1.1	1.0 G	1.1	1.2	0.0	4.5	1.2	-
Philippines	2.2	1.2	1.1	1.0	-0.1	-9.1	1.0	-
Saudi Arabia	1.0	1.3	1.3	1.4	0.1	3.8	1.4	-
United Arab Emirates	0.5	0.7	0.6	0.7	0.0	4.7	0.7	-
<b>AFRICA</b>	9.7	11.8	13.5	12.9	-0.6	-4.5	12.5	0.4
Côte d'Ivoire	0.9	1.1	1.3	1.3	-0.1	-3.8	1.3	-
Nigeria	2.0	2.4	3.0	2.7	-0.3	-10.0	2.5	0.2
Senegal	0.8	0.8 G	1.2	0.9	-0.3	-25.0	0.8	0.1
South Africa	0.8	0.9	1.3	1.2	-0.1	-7.7	1.2	-
<b>CENTRAL AMERICA &amp; CAR</b>	2.1	2.1	2.1	2.1	0.0	2.1	2.3	-0.2
Cuba	0.5	0.5	0.4	0.4	0.0	-1.2	0.5	-0.1
Mexico	0.6	0.7 G	0.6 G	0.6	0.0	6.0	0.7	-0.1
<b>SOUTH AMERICA</b>	1.1	1.1	1.6	1.6	0.0	-1.3	1.6	0.0
Brazil	0.6	0.6 G	0.7 G	0.7	0.0	-2.7	0.7	-
<b>NORTH AMERICA</b>	1.0	1.0	1.0	1.1	0.1	7.1	1.1	-
United States	0.6	0.6 G	0.6 G	0.7 G	0.1	9.4	0.7 G	-
<b>EUROPE</b>	1.7	1.6	1.7	1.8	0.1	3.3	1.8	-
EU 1/	1.2	1.2	1.3	1.4	0.1	3.8	1.4	-
Russian Federation	0.2	0.2 G	0.2 G	0.2	0.0	-2.2	0.2	-
<b>OCEANIA</b>	0.5	0.5	0.5	0.4	0.0	-7.5	0.4	0.0

**FOOTNOTES:**

Totals computed from unrounded data.

1/ Excluding intra-trade.

G Official figure.

**TABLE 3: WORLD RICE EXPORTS (MILLED BASIS)**

	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>	30.3	36.2	38.6	37.4	-1.2	-3.1	37.0	0.5
Developing countries	26.4	32.1	34.1	32.7	-1.4	-4.0	32.4	0.4
Developed countries	3.9	4.1	4.6	4.7	0.1	3.2	4.6	0.1
<b>ASIA</b>	23.7	28.4	30.3	29.2	-1.1	-3.6	28.7	0.5
Cambodia	1.0	1.0	1.2	1.3	0.1	8.3	1.3	-
China	0.9	0.6	0.3	0.3	0.0	3.3	0.3	-
of which China (Mainland)	0.8	0.5 G	0.3 G	0.3	0.0	7.5	0.3	-
India	2.6	4.8 G	10.3 G	8.3	-2.0	-19.4	7.5	0.8
Myanmar	0.7	0.8 G	0.6	0.5	-0.1	-16.7	0.7	-0.2
Pakistan	3.1	3.1 G	2.8 G	2.9	0.1	3.5	3.3	-0.4
Thailand	9.3	10.7 G	7.0 G	7.7	0.7	10.7	7.7	-
Viet Nam	5.9	7.1 G	7.7 G	7.8	0.1	1.0	7.5 G	0.3
<b>AFRICA</b>	0.6	0.2	0.5	0.6	0.1	26.6	0.8	-0.2
Egypt	0.5	0.1	0.4	0.5	0.1	35.1	0.7	-0.2
<b>SOUTH AMERICA</b>	2.3	3.6	3.4	3.1	-0.4	-10.5	3.0	0.1
Argentina	0.4	0.7 G	0.6 G	0.6	-0.1	-12.6	0.6	-
Brazil	0.5	1.3 G	1.1 G	0.9	-0.2	-18.6	0.9	-
Guyana	0.2	0.3 G	0.3 G	0.3	0.0	-4.2	0.3	-
Uruguay	0.8	0.9 G	1.0	0.9	-0.1	-9.3	0.8	0.1
<b>NORTH AMERICA</b>	3.4	3.2	3.3	3.5	0.2	5.2	3.5	0.1
United States	3.4	3.2 G	3.3 G	3.5 G	0.2	5.2	3.5 G	0.1
<b>EUROPE</b>	0.3	0.4	0.6	0.5	-0.1	-21.8	0.5	-
EU 1/	0.2	0.3	0.3	0.3	-0.1	-16.7	0.3	-
Russian Federation	0.1	0.1 G	0.3 G	0.2	-0.1	-26.7	0.2	-
<b>OCEANIA</b>	0.0	0.3	0.4	0.5	0.1	22.0	0.5	-
Australia	0.0	0.3 G	0.4	0.5	0.1	22.0	0.5	-

**FOOTNOTES:**

Totals computed from unrounded data.

1/ Excluding intra-trade.

G Official figure.

TABLE 4: END OF SEASON STOCKS (MILLED BASIS) 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>	128.1	145.6	161.7	171.8	10.1	6.3	171.1	0.7
Developing countries	124.0	140.7	157.1	167.3	10.2	6.5	166.8	0.6
Developed countries	4.1	4.9	4.6	4.5	-0.1	-1.9	4.4	0.1
<b>ASIA</b>	120.4	137.7	154.3	165.2	10.9	7.1	165.3	0.0
Bangladesh	5.1	6.9	7.0	6.8	-0.2	-2.9	6.8	-
Cambodia	1.5	1.7	1.7	1.8	0.1	5.9	1.8	-
China	64.3	75.6	84.7	94.3	9.7	11.4	94.4	0.0
of which China (Mainland)	64.1	75.4	84.5	94.2	9.7	11.5	94.2	-
India	21.4	21.5	23.8	22.0	-1.8	-7.6	22.5	-0.5
Indonesia	3.6	5.3	6.2	6.4	0.2	3.9	6.3	0.1
Iran, Islamic Rep. of	0.3	0.2	0.5	0.5	0.0	0.0	0.5	-
Japan	2.3	2.7	2.6	2.7	0.0	1.9	2.7	-0.1
Korea Rep. of	1.1	1.7	1.6	1.7	0.1	3.8	1.4	0.3
Lao PDR	0.3	0.3	0.3	0.3	0.0	-7.0	0.3	0.0
Malaysia	0.2	0.2	0.2	0.3	0.1	22.7	0.3	0.0
Myanmar	6.0	6.1	5.8	5.5	-0.3	-5.2	2.9	2.6
Nepal	0.3	0.2	0.4	0.3	-0.1	-27.3	0.2	0.1
Pakistan	0.8	0.3	0.6	0.3	-0.4	-58.3	0.5	-0.3
Philippines	2.8	3.0 G	1.9 G	1.5	-0.4	-21.5	1.5	0.0
Sri Lanka	0.2	0.4	0.3	0.2	-0.1	-37.9	0.3	-0.1
Thailand	5.4	7.7	12.6	16.3	3.7	29.4	18.2	-1.9
Viet Nam	4.1	2.9	2.9	3.3	0.3	11.3	3.7	-0.4
<b>AFRICA</b>	2.9	2.9	3.3	3.0	-0.3	-8.7	2.6	0.4
Egypt	1.2	0.6	0.6	0.7	0.1	13.3	0.6	0.1
Nigeria	0.3	0.4	0.7	0.3	-0.3	-52.3	0.3	0.0
<b>CENTRAL AMERICA &amp; CAR</b>	0.4	0.4	0.3	0.3	0.0	-12.7	0.3	0.0
Dominican Rep.	0.1	0.1	0.1	0.1	0.0	-20.0	0.1	-
<b>SOUTH AMERICA</b>	2.7	2.5	1.8	1.6	-0.2	-12.0	1.4	0.2
Argentina	0.1	0.0	0.0	0.0	0.0	-14.3	0.0	-
Brazil	1.6	1.7 G	1.1 G	0.9 G	-0.2	-21.2	0.7	0.2
Ecuador	0.1	0.1	0.1	0.0	0.0	-25.0	0.0	-
Peru	0.3	0.3	0.3	0.3	0.1	23.1	0.3	0.0
<b>NORTH AMERICA</b>	1.1	1.6	1.3	1.1	-0.2	-16.5	1.0	0.1
United States	1.0	1.5 G	1.3 G	1.1 G	-0.2	-17.0	1.0 G	0.1
<b>EUROPE</b>	0.5	0.6	0.6	0.5	0.0	-2.4	0.5	-
EU	0.5	0.5 G	0.5 G	0.5 G	0.0	-2.7	0.5 G	-
Russian Federation	0.0	0.1	0.0	0.0	0.0	0.0	0.0	-
<b>OCEANIA</b>	0.0	0.0	0.1	0.1	0.0	9.4	0.1	0.0
Australia	0.0	0.0	0.0	0.0	0.0	12.5	0.0	0.0
<b>GOVERNMENT STOCKS</b>								
Bangladesh	0.6	0.6 G	1.2	1.0	-0.2	-16.7	1.0	-
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	0.9	0.0	6.3	0.7	0.1
Philippines	1.5	1.5 G	0.6 G	0.4	-0.2	-32.2	0.4	-

**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	Imports 1/	Total Supply	Domestic Use	Exports 1/	Closing Stocks
<i>thousand tonnes, milled basis</i>							
<b>CHINA</b> <sup>2/</sup>							
2010-11	70 666	135 156	1 157	206 978	130 847	556	75 575
2011-12 est.	75 575	138 902	2 969	217 446	132 447	329	84 670
2012-13 f'cast	84 670	141 103	2 611	228 384	133 699	340	94 345
<b>INDIA</b>							
2010-11	21 400	95 980 G	100	117 480	91 144	4 836 G	21 500
2011-12 est.	21 500	105 310 G	100	126 910	92 806	10 304 G	23 800
2012-13 f'cast	23 800	101 800 G	100	125 700	95 400	8 300	22 000
<b>PAKISTAN</b>							
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	3 068	2 802 G	600
2012-13 f'cast	600	5 369 G	60	6 029	2 879	2 900	250
<b>THAILAND</b>							
2010-11	6 350	23 835 G	400	30 585	12 179	10 706 G	7 700
2011-12 est.	7 700	23 375 G	750	31 825	12 271	6 954 G	12 600
2012-13 f'cast	12 600	23 832	500	36 932	12 932	7 700	16 300
<b>UNITED STATES</b>							
2010-11	1 184 G	7 593 G	621 G	9 398	4 637	3 247 G	1 514 G
2011-12 est.	1 514 G	5 866 G	640 G	8 020	3 391	3 326 G	1 303 G
2012-13 f'cast	1 303 G	6 334 G	700 G	8 337	3 756	3 500 G	1 081 G
<b>VIET NAM</b>							
2010-11	3 450	26 684 G	600	30 734	20 722	7 112 G	2 900
2011-12 est.	2 900	28 231 G	600	31 731	21 091	7 720 G	2 920
2012-13 f'cast	2 920	29 122 G	600	32 642	21 592	7 800	3 250

**FOOTNOTES:**

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

Totals computed from unrounded data.

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

2/ Including Taiwan province.

G Official figure