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## ROUND-UP

- The estimate of **world paddy production in 2010** has been lowered by 2 million tonnes since January, mainly on account of a worsened outlook in India. At the new forecasted level of 699 million tonnes (466 million tonnes, in milled rice basis), global output would be 2.4 percent larger than in 2009 and a new record, a positive outcome given the many setbacks endured by farmers over the season, amid a back-to-back manifestation of el Niño and la Niña weather anomalies. From a regional perspective, much of the season 16 million tonne expansion would arise from output recoveries in Asia as well as gains in North America, Africa, Oceania and Europe, more than compensating for declines in Latin America and the Caribbean.
- Although very preliminary, FAO's first forecast **of world paddy production in 2011** portends a 3 percent increase from the 2010 season to 720 million tonnes (480 million tonnes, milled basis). This rather buoyant outlook relies on expectations of improved weather conditions, as the effects of La Niña look set to dissipate in the next few months. Governments are also maintaining their support to the sector, in a bid to contain food inflation and secure long-run supplies. The bulk of the increase is again expected to stem from good performances in Asia, with output also anticipated to increase in Europe, Oceania and Latin America and the Caribbean. By contrast, little change is foreseen in Africa, while prospects are negative in North America. Output in *Asia* is forecast to record a 3 percent growth in 2011 to 651 million tonnes (434 million tonnes, milled basis), sustained by sizeable increases in China (Mainland) and India and a recovery in Pakistan. However, gains are expected to be widespread, with production growing further in Bangladesh, Cambodia, Indonesia, the Democratic People's Republic of Korea, Nepal, the Philippines and Viet Nam and rebounding in the Chinese Province of Taiwan, the Republic of Korea, Malaysia, Myanmar and Thailand. By contrast, the outlook has been marred in Sri Lanka by consecutive rounds of flood, and, in Japan, by the 11 March catastrophic earthquake and the ensuing tsunami and nuclear crisis. Early production prospects in *Africa* point to a replication of the 2010 outcome, as progress in Western countries compensates for a policy-induced contraction in Egypt. Output may also fall in Southern Africa, on possible losses in Madagascar, but little change is foreseen in the rest of the region. Paddy production in *Latin America and the Caribbean (LAC)* is forecast to rebound by 9.2 percent to 29.2 million tonnes in 2011, underpinned by a strong recovery in the southern part of the continent, in particular in Argentina, Brazil, Colombia, Uruguay and Venezuela, which are already harvesting their main paddy crops. Output in Central America and the Caribbean may grow by 1 percent. In the *other regions*, prospects are positive for Australia, which may reap its largest crop since 2006, the European Union, owing to an expected recovery in Italy, and the Russian Federation. However, in the United States, producers are expected to divert land away from rice into more profitable crops, possibly resulting in a 15 percent drop in the coming season's output.
- Since the January issue of the RMM, the FAO forecast of **world rice trade in 2011** has been raised by 350 000 tonnes to 31.8 million tonnes, following upward revisions to imports by Asian countries, particularly Bangladesh, the Chinese Province of Taiwan and Malaysia. The new figure reverses earlier expectations of a slight decline in world trade in 2011 and now indicates a 1 percent expansion. Greater deliveries to countries in Africa but also North America and Europe are behind the increase, compensating for reduced imports in Asia and in Latin America and the Caribbean. On the export side, Thailand is still expected to account for much of the expansion, but volumes delivered by Viet Nam as well as Brazil, Cambodia, China (Mainland), India and Uruguay are also foreseen to rise in 2011, offsetting reduced consignments from Egypt, Pakistan and the United States.
- Global **rice utilization in 2010/11** is forecast to rise by 2 percent to 460 million tonnes (milled basis), with 389 million tonnes estimated to be destined to food, almost 7 million tonnes more than in 2009/10, resulting in a modest increase in average per caput consumption to 56 kilos. Consumers in many countries are facing hefty increases in rice retail prices, which many governments are trying to contain through a wide range of measures, including export restrictions, facilitation of imports, retail price controls and subsidized rice distribution.
- **Global rice stocks** carried over at the close of the marketing seasons ending in 2011 have been raised to 139 million tonnes, 7 million tonnes more than in 2010. Developing countries would account for much of this increase, but developed countries are also foreseen to boost reserves. However, while expected to rise in importing countries, stocks held by the five major exporting countries are set to contract by 3 percent to 29.2 million tonnes in 2011. Early prospects for 2012 point to a further strong rise in closing world rice inventories to 150 million tonnes, conditional on the realization of the optimistic 2011 production forecasts.
- **International rice prices** have been receding since January, pressured by the arrival of new crop harvests in major exporting countries. By the fourth week of April, the FAO All Rice Price Index (2002-2004=100) stood 3 percent below its January value at 245 points. Prices of all rice segments and qualities subsided.

**INFORMATION UPDATE AS OF 22 APRIL 2011**

## I. PRODUCTION

**In spite of a 2 million tonne downward revision, global paddy production is estimated to reach a new record in 2010. Early prospects for the 2011 season point to additional gains**

The **2010** paddy season has come to a close in most regions, except in a number of northern hemisphere Asian countries, where secondary crop harvests are in progress.<sup>1</sup> The FAO world production forecast has undergone a near 2.0 tonne downward revision since the previous issue of the RMM, following less optimistic prospects for crops in Asia, notably in India. Despite the reduction, FAO estimates 2010 global output to have reached a new high of 699.1 million tonnes (466.0 million tonnes, milled basis), a 2 percent upturn from the 2009 poor result. The achievement was primarily sustained by greater plantings, assessed in the order of 161.0 million hectares. Slightly higher yields of 4.3 tonnes per hectare were also achieved, notwithstanding several climatic difficulties associated with the back-to-back el Niño and la Niña manifestations. From a regional perspective, much of the season 16.0 million tonne expansion is attributable to output recoveries in Asia. North America, Africa, Oceania and Europe also closed the season with positive results, which more than compensated for declines in Latin America and the Caribbean.

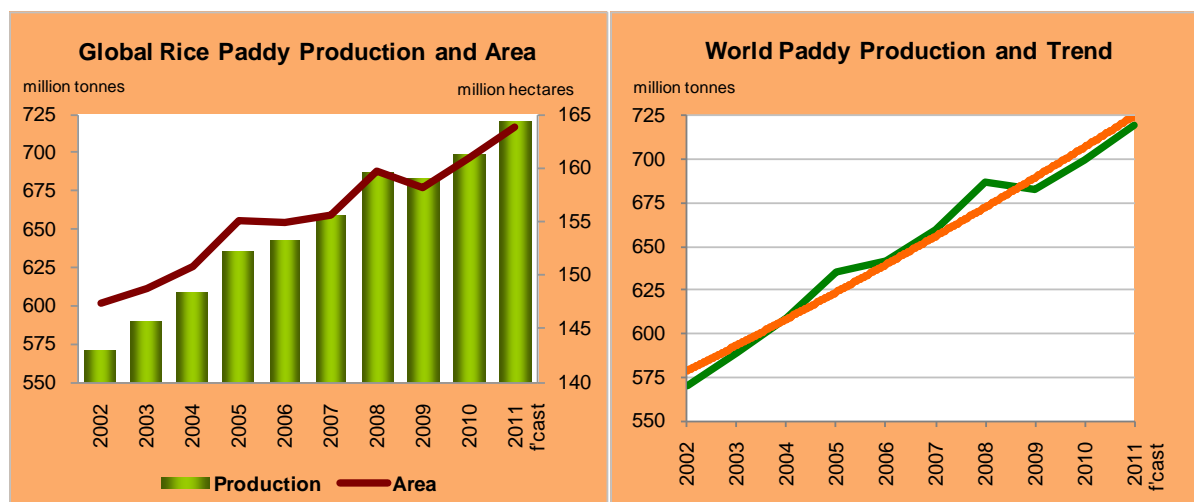
<b>Principal Revisions to 2010 Paddy Production Forecasts (millions of tonnes)</b>											
	January f'cast		April f'cast		Revision		January f'cast		April f'cast		Revision
<b>WORLD</b>	<b>700.9</b>		<b>699.1</b>		<b>-1.7</b>	Nepal	4.1	F	4.5	G	+0.4
<b>ASIA</b>	<b>633.7</b>		<b>632.1</b>		<b>-1.6</b>	Pakistan	6.3	F	8.3	F	+2.0
Cambodia	8.0	G	8.3	G	+0.3	Philippines	17.0	F	16.8	G	-0.2
India	145.5	F	141.2	G	-4.3	Thailand	31.4	G	31.6	G	+0.2
Indonesia	66.0	G	66.4	G	+0.4	<b>SOUTH AMERICA</b>	<b>24.0</b>		<b>23.8</b>		<b>-0.2</b>
Malaysia	2.6	F	2.5	G	-0.1	Colombia	2.9	F	2.8	F	-0.1

G: Official Figure; F: FAO forecast/estimate.

At this time of the year, countries along and south of the Equator are already harvesting their **2011** main paddy crops, but sowing of the 2011 crops is only beginning in several major northern hemisphere producers. Although prospects for the upcoming season still remain tentative, recent climatic forecasts point to a high likelihood of La Niña conditions continuing on a weakening path over the coming months, with associated weather anomalies possibly dissipating by June 2011. As a result and based on expectations of a return to normal weather conditions, a first forecast of 2011 global production sees world output expanding to 719.8 million tonnes (479.9 million tonnes, milled basis), up 3 percent from the current 2010 estimate. Countries in Asia are foreseen to continue driving this growth, although production in Europe may also increase and recoveries in Latin America and the Caribbean and in

<sup>1</sup> The 2010 rice production season normally includes rice from the main paddy crops whose harvests fall in 2010, 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 2010 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 2011. In the case of southern hemisphere countries, production in 2010 normally comprises rice from the main paddy crops assembled in the first part of 2010, plus rice from the secondary crops, generally gathered in the latter part of 2010. This approach to assess rice production is applicable to any given season.

Oceania are also forecast. By contrast, while output in Africa is preliminarily expected to remain close to 2010's level, prospects are negative in North America.



## A. ASIA

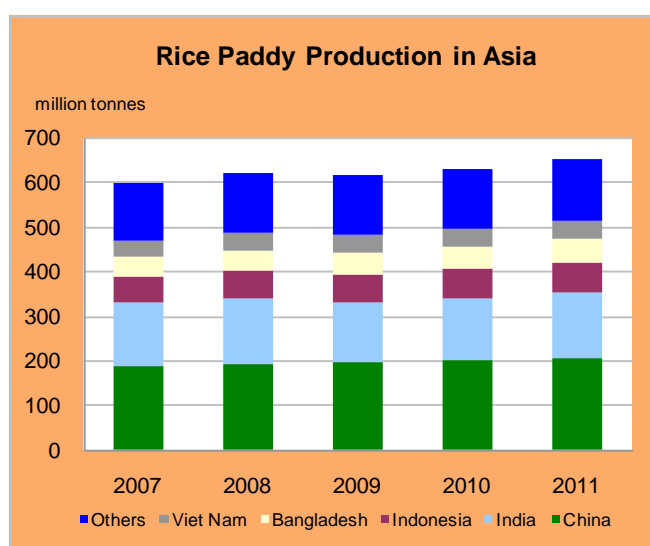
### 2010 production in Asia rebounds by 16.4 million tonnes

Various countries in *Asia* have yet to conclude the 2010 season and are currently in the process of gathering secondary paddy crops. The production outlook for the region remains positive, even if it has been subject to a 1.6 million tonne reduction since January, mainly on account of less favourable prospects in India, but also in Malaysia and the Philippines, which were only partially offset by upward revisions to estimates in Cambodia, Indonesia, Nepal and Pakistan. Production in Asia is now anticipated to expand to a record of 632.1 million tonnes (421.7 million tonnes, milled basis), 3 percent above the poor 2009 level. **China (Mainland)** and **India** account for the bulk of this projected 16.4 million tonne increase, although **Bangladesh, Cambodia, the Democratic People's Republic of Korea, Indonesia, the Islamic Republic of Iran, Iraq, Nepal, the Philippines, Sri Lanka, Turkey and Viet Nam** are all estimated to have gathered larger crops. Gains in these countries served to more than compensate for a significant output decline in **Pakistan** following devastating floods, but also for shortfalls in the **Chinese Province of Taiwan, the Republic of Korea, the Lao People's Democratic Republic, Malaysia, Myanmar and Thailand**.

Meanwhile, Asian countries located in the southern hemisphere are already well advanced into the 2011 season and are, by now, harvesting their main paddy crops. In northern hemisphere nations, 2011 crops will not be planted until the arrival of the monsoon rains, whose performance will greatly influence the outcome of the season. Nonetheless, assuming normal growing conditions, output in the region is provisionally forecast to expand by an additional 19.2 million tonnes to 651.3 million tonnes (434.5 million tonnes, milled basis). Much of this increase is expected to again concentrate in **China (Mainland)** and **India**, although a recovery in **Pakistan** is also foreseen to make a notable contribution to this growth. The **Chinese Province of Taiwan, the Republic of Korea, the Lao People's Democratic Republic, Malaysia, Myanmar and Thailand** are also expected to recuperate losses incurred in 2010, while **Bangladesh, Cambodia, Indonesia, the Democratic People's Republic of Korea, Nepal, the Philippines and Viet Nam** continue to make gains. By

contrast, consecutive rounds of floods have already marred the outlook for **Sri Lanka**, while production in **Japan** is also expected to decline under the impact of the catastrophic earthquake and ensuing tsunami that hit the country in March, as well from the consequences of the ongoing nuclear crisis.

The 2010 season progresses well in **Bangladesh**, where the Boro crop is currently at harvest stage. This third and most important crop has benefitted from favourable weather, as well as abundant availability of water for irrigation and official efforts to guarantee adequate power supplies. FAO anticipates these factors to translate into a 3 percent output increase to 27.8 million tonnes (18.6 million tonnes, milled basis). This volume would add to the positive results already reaped this season, including a 25 percent rebounding of the Aus crop to 3.2 million tonnes (2.13 million tonnes, milled basis) and, despite deficient precipitation, a 5 percent increase in the Aman harvest to 19.2 million tonnes (12.81 million tonnes, milled basis). Overall, 2010 production in the country is forecast to reach 50.3 million tonnes (33.5 million tonnes, milled basis), 5 percent above a revised 2009 harvest of 47.97 million tonnes (31.98 million tonnes, milled basis), but still nearly 3.0 million tonnes short of the officially targeted volume.



Meanwhile, crop planting activities for the 2011 Aus crop have already been launched in the country. This year, in addition to introducing Nerica varieties on a trial basis, the Bangladeshi Government will provide an estimated 537 000 farmers with free fertilisers in order to boost Aus crop production by 200 000 tonnes. Although prospects for the forthcoming season still remain rather preliminary, assuming normal growing conditions and in anticipation of favourable price prospects driving a small increase in paddy plantings, a first forecast of production sees output in Bangladesh rising by an additional 1 percent to 51.0 million tonnes (34.0 million tonnes, milled basis).

In **Cambodia**, the 2010 season comes to a close with the March harvest of secondary paddy crops. Officials forecast a record production of 8.25 million tonnes (5.3 million tonnes, milled basis) to be gathered this season, 9 percent above 2009 harvest and nearly 300 000 tonnes more than previously reported. The achievement comes on the back of a 85 000 hectare expansion and boosted yields, assessed in the order of 3.0 tonnes per hectare. In recent years, the country has made considerable headway in raising output in an effort to realize its export potential, with production increasing by nearly 40 percent in the past five years alone. Over the 2011 season, not due for launch until the June planting of main paddy crops, FAO anticipates this trend to continue with up to 8.5 million tonnes of paddy forecast to be produced (5.4 million tonnes, milled basis).

The 2010 semi-official production forecast for **China (Mainland)** remains pegged at 199.0 million tonnes (136.3 million tonnes, milled basis), up 2 percent from the previous year. A bumper intermediate and late rice crops made this expansion possible, more than

compensating for a weather induced decline in the early rice harvest. On the other hand, the 2011 season has already opened with the planting of early rice crops in February. According to an official survey of planting intentions, overall area coverage in 2011 looks set to increase by 1.9 percent to 30.4 million hectares, with the share of japonica varieties in north-eastern provinces to rise by 5.9 percent. The growth will likely be sustained by prospects of greater returns, as ahead of the launch of crop planting activities, the National Development and Reform Commission (NDRC) raised minimum procurement prices for rice by 10-22 percent to Yuan 102-128 per 50 kilo bag of rice (USD 311-390 per tonne).<sup>2</sup> FAO now forecast the country's 2011 production at 204.0 million tonnes (139.7 million tonnes, milled basis), 5.0 million tonnes above the 2010 level.

China: Government paddy procurement prices									
	Early Indica Rice	Intermediate and Late Indica Rice	Japonica Rice	Early Indica Rice	Intermediate and Late Indica Rice	Japonica Rice	Early Indica Rice	Intermediate and Late Indica Rice	Japonica Rice
	Yuan per 50 kilo			Yuan / tonne			USD / tonne		
2006	70	72	75	1400	1440	1500	175	180	187
2007	70	72	75	1400	1440	1500	181	186	194
2008	77	79	82	1540	1580	1640	220	226	234
2009	90	92	95	1800	1840	1900	263	269	278
2010	93	97	105	1860	1940	2100	272	284	308
2011	102	107	128	2040	2140	2560	311	326	390

This latest increase in minimum support prices by the Chinese Government comes in addition to a Yuan 130 billion (USD 19.8 billion) increase in 2011 Government allocations to the agricultural sector to Yuan 988 billion (USD 150.6 billion), nearly 15 percent of which will go to finance direct payments to grain producers, subsidies on purchase of agricultural supplies, improved seed varieties, tools and farm machinery. A Yuan 12.9 billion (USD 2.0 billion) package has also been set aside for drought mitigation measures, while the Ministry of Agriculture is also reportedly aiming to maintain hybrid rice coverage over the coming season at 6.7 million hectares, 22 percent of total perspective plantings. Over the mid-term, targets to increase the proportion of mechanised rice planting to 45% and of mechanised harvesting to 80% were also set. Single cropping rice production systems in north-eastern provinces and mid and lower areas of Yangtze river are expected to be fully mechanised by 2015.

The 2010 season ended with negative results in the **Chinese Province of Taiwan**, where output is estimated to have dropped by 5 percent to 1.5 million tonnes (1.1 million tonnes, milled basis). The contraction was driven by area losses and depressed yields, resulting from water availability constraints and damaged irrigation and other infrastructure. In January, the 2011 season, opened with the planting of main crops. Notwithstanding reported shortages of water in some north-central areas of the province, FAO expects overall production to partially recover with 1.54 million tonnes (1.1 million tonnes, milled basis) gathered. Meanwhile, on the backdrop of mounting costs of imported grains, starting in March, authorities will be releasing 65 000 tonnes of rice from reserves to the feed industry at a price of TWD 8.74 per kilo (USD 297 per tonne). The Government has also reportedly launched a campaign to address declining rice consumption through promotional efforts that will see new rice based products marketed.

<sup>2</sup> All currency conversions are based on exchange rates as on 1 April 2011.

Based on the April release of the Government's Third Advanced Estimates, FAO has downscaled its January forecast of 2010 production in **India** by 4.3 million tonnes to 141.2 million tonnes (94.1 million tonnes, milled basis). The reduction follows evidence of a greater than previously foreseen impact of deficient precipitation in various eastern states, as well as damages from floods in Haryana, Punjab and Andhra Pradesh. Although well below the record 2008 production, the current forecast level still suggests a 6 percent output recovery from the poor 2009 outcome, resulting from a 6 percent upturn in the main Kharif crop to 120.6 million tonnes (80.4 million tonnes) and a 4 percent increase in the secondary Rabi crop to 20.6 million tonnes (13.7 million tonnes). Greater production in the rest of the country, facilitated by good monsoon rains, are estimated to have made up for the shortfall. Abundant precipitation in the post-monsoon period is also expected to favour secondary crops, currently being gathered. As for prospects for 2011 crops, these remain tentative, given that seasonal progress will be highly dependent on the performance and distribution of monsoon rains. Nevertheless, based on the India Meteorological Department's first monsoon forecast, released in April, rainfall performance during the critical June to September period is expected to be normal, with cumulative precipitation predicted at 98 percent of the long-period average. On this basis, FAO forecasts 2011 output in India to reach 150.0 million tonnes (100.0 million tonnes, milled basis), 6 percent above the 2010 level, and matching the official target set for the year.

Over the season, Government efforts to advance production will generally concentrate on capitalising potential productivity gains, particularly in eastern regions, and often through the promotion of hybrid rice. For this purpose, authorities have renewed the "Extending the Green Revolution to Eastern India" initiative for a second season, with a Rupees 4 billion (USD 88.5 million) allocation that will go to enhance rice production in seven states.<sup>3</sup> Support to producers in fourteen other states will also continue through the National Food Security Mission (NFSM), initiated in 2007 with the aim to raise rice production by 10 million tonnes by 2011-2012, through the increase of hybrid rice seed coverage to 3.0 million hectares, the promotion of improved technologies and better farm management practices. In non-NFSM areas, assistance to producers is also offered under the Integrated Cereal Development Programme in Rice Based Cropping Systems (ICDP).

Based on the Government's First Forecasting Figures, 2011 production in **Indonesia**, where main crops are at harvest stage, looks set to register a 1 percent yield driven expansion to 67.3 million tonnes (42.4 million tonnes, milled basis). Even if this level falls well short of the 68.8 million tonne objective for the year, its attainment is in spite of above normal rainfall conditions, associated with a La Niña event, as well brown plant hopper infestations over an estimated 191 000 hectares. Over a five to ten year horizon and in order to maintain a comfortable self-sufficiency level, the Government has announced its intention to raise production so as to achieve an annual rice surplus of 10.0 million tonnes. It plans to do so by rehabilitating idle land, ensuring greater producer access to seeds and fertilisers and boosting irrigation systems. On the other hand, the procurement target for 2011 has been set at 3.5 million tonnes. Bulog will be purchasing these supplies starting in March for eventual distribution under public welfare schemes, and to raise its reserves by 500 000 tonnes to 2.0 million tonnes.

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<sup>3</sup> Assam, Bihar, Chattisgarh, Jharkhand, Orissa, Eastern Uttar Pradesh and West Bengal.

<b>Indonesia: Paddy Production 2007-2010</b>					
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011*</b>
<b>Area Harvested (000 ha.)</b>	12,148	12,327	12,883	13,244	13,259
Dryland Paddy	1,106	1,070	1,086	1,133	1,047
Wetland Paddy	11,041	11,258	11,797	12,111	12,211
<b>Yields (Mt/ha.)</b>	4.71	4.89	4.99	5.01	5.08
Dryland Paddy	2.67	2.95	2.97	2.98	3.10
Wetland Paddy	4.91	5.08	5.18	5.23	5.25
<b>Production (000 Mt)</b>	57,157	60,326	64,399	66,411	67,307
Dryland Paddy	2,958	3,156	3,221	3,448	3,244
Wetland Paddy	54,200	57,170	61,108	62,963	64,063
*First Forecasting Figures Source: Ministry of Agriculture					

In **Japan**, officials estimate output from the 2010 paddy season, ended in October, largely unchanged from the previous year at 10.6 million tonnes (7.7 million tonnes, milled basis).

On 11 March, a month prior to the scheduled launch of the 2011 season, the country was struck by a massive 9.0 magnitude earthquake in the Richter scale, which devastated north-eastern coastal regions of the nation's main island. The six prefectures that comprise the district of Tohoku, which accounts for close to a quarter of all rice production, stand as the most affected by what has been officially dubbed as the Great East Japan Earthquake.<sup>4</sup> Further to inflicting immense loss of human life and causing widespread destruction to housing and infrastructure, enormous tsunami waves unleashed by the earthquake are estimated to have inundated close to 443 square kilometres. Nuclear facilities in the Fukushima prefecture were also severely crippled, releasing radioactive material into the environment and forcing the evacuation of inhabitants within a 20-30 kilometre radius.

Based on preliminary Government estimates, from a total cultivated land of 900 900 hectares, 23 600 hectares were damaged by the tsunami floods across the six most affected prefectures. Of these, 21 151 hectares were rice paddies, expected to be severely affected by salt water infiltration. Works to restore impacted areas and infrastructure were launched soon after the disaster, with measures put in place to provide financial assistance to affected farmers. Efforts to contain the spread of nuclear contamination are still ongoing, however, the detection of radioactive substances in various products has prompted the Japanese Government to preventively restrict the sale and distribution of certain foodstuffs.<sup>5</sup> In respects to rice and given the imminent April launch of the 2011 season, the Government has encouraged farmers, particularly in Fukushima, to delay plantings until a clearer picture of the spread of nuclear contamination emerges. Officials have also indicated that cultivation in regions where soil samples showed traces of radioactive caesium above a 5 000 becquerels per kilogram threshold would be prohibited and affected farmers compensated. Results from tests conducted thus far, however, have shown concentration of caesium above this threshold level only in areas in the proximity of the impacted nuclear power plants.

<sup>4</sup> The six prefectures are Aomori, Iwate, Miyagi, Akita, Yamagata and Fukushima.

<sup>5</sup> Namely, vegetables and dairy products.



<b>Japan: Estimated Agricultural Land Damaged by Tsunami Washout and Floods</b>							
Prefecture	Total Agricultural Land	Damaged Agricultural Land					
		Total		Rice Fields		Other Crops	
	ha.	ha.	% of total	ha.	% of total	ha.	% of total
<b>Total</b>	<b>900,900</b>	<b>23,600</b>	<b>2.6</b>	<b>20,151</b>	<b>2.2</b>	<b>3,449</b>	<b>0.4</b>
Aomori	156,800	79	0.1	76	0.0	3	0.0
Iwate	153,900	1,838	1.2	1,172	0.8	666	0.4
Miyagi	136,300	15,002	11.0	12,685	9.3	2,317	1.7
Fukushima	149,900	5,923	4.0	5,588	3.7	335	0.2
Ibaragi	175,200	531	0.3	525	0.3	6	0.0
Chiba	128,800	227	0.2	105	0.1	122	0.1
Source: Ministry of Agriculture, Forestry and Fisheries							

Taking account of these preliminary damage assessments, FAO has tentatively set its 2011 production forecast for Japan at 10.3 million tonnes (7.5 million tonnes, milled basis), a 300 000 tonne decline from the previous year. However, on the backdrop of large displacements of what was already an ageing farm population, the final outcome of the 2011 season will depend on whether officials encourage greater plantings in non-affected areas. Indeed, in spite of the scale of the disaster, there is much scope for expanding cultivations. In 2010, for instance, the area under paddy was 5 percent lower than in 2005, a reflection of the longstanding official policy to cap rice production.

The 2010 season in the **Democratic People's Republic of Korea** was concluded in October, with positive results. In spite of excess rains leading to localised floods and delayed transplanting activities due to low temperatures, paddy production is officially assessed to have expanded by 4 percent to 2.43 million tonnes (1.6 million tonnes, milled basis). Yield improvements resulting from greater water and energy availability for irrigation, as well as improved access to basic inputs drove this growth. While the 2011 season will not be launched until the May planting of crops, barring any major setbacks, FAO preliminarily anticipates production in the country to rise by a additional 1 percent to 2.5 million tonnes (1.6 million tonnes, milled basis).

Conversely, unfavourable weather significantly constrained 2010 production in the **Republic of Korea**, causing it to fall to 5.8 million tonnes (4.3 million tonnes, milled basis), 13 percent below the 2009 level and the lowest volume in three decades. The contraction was the result of area cuts and depressed yields from cold spring temperatures, which were followed by a summer characterised by low sunshine, heavy rains, typhoons and high temperatures. Assuming a return to more normal weather which may permit yields to recuperate, 2011 output in the country is foreseen to recover partially to 6.0 million tonnes (4.4 million tonnes, milled basis). Further to official incentives to restrict rice cultivation in favour of other crops, declining domestic rice consumption and consecutive bumper harvests have put considerable downward pressure on prices since early 2009. This is expected to promote additional area cuts during the coming season. Although recent months have witnessed a reversal of this trend, with domestic rice quotations rebounding, the Government has already announced that it will intervene by releasing 51 000 tonnes of rice from reserves starting in March, while an additional 100 000 tonnes are also to be readied in case the trend continues.

Following the release of official figures, FAO has downgraded the 2010 production estimate for **Malaysia** by nearly 150 000 tonnes to 2.46 million tonnes (1.6 million tonnes, milled basis), implying a 2 percent yield driven contraction from the previous year. On the other hand, 2011 main season crops are already at harvest stage. Notwithstanding reported incidents

of floods in northern regions, the outlook is favourable, with output forecast to fully recover to the 2009 level of 2.5 million tonnes (1.6 million tonnes, milled basis). For 2011 the Government has allocated a budget of RM 974 million (USD 322 million) to fund fertiliser and seed subsidies and the price subsidy programme. An additional RM 230 million (USD 76 million) will go to incentives to improve rice yields, while programmes to encourage use of high quality seeds and irrigation infrastructure upgrades in the MUDA and KEDA granaries will be supported through a RM 235 million fund (USD 78 million). Further to a reassessing the 75 percent self-sufficiency target set out under the 10<sup>th</sup> Malaysia Plan, authorities would also be seeking the renewal of the 2008-2010 National Food Security Policy, established in the backdrop of the 2008 soaring price crisis.

In **Myanmar**, harvest of 2010 off-season crops is about to conclude. Production prospects for the country remain negative, much as a result of damages on main paddy crops caused by high temperatures, delayed onset of the seasonal rains and storms. Consequently, FAO estimates 2010 production to decline by 1 percent to 30.8 million tonnes (19.4 million tonnes, milled basis). As for the 2011 season, this will not open until June, when main crop sowing activities will begin. On expectations of a return to normal growing conditions, the country is preliminarily anticipated to recuperate much of the losses endured this season, with 31.0 million tonnes (19.5 million tonnes, milled basis) forecast to be gathered.

In **Nepal**, the 2010 season was concluded positively. Benefitting from good rainfall conditions and support to the sector in the form of subsidised fertiliser and seed distribution, officials estimate production at 4.47 million tonnes (2.9 million tonnes, milled basis), up 11 percent from the 2009 drought affected outcome and 360 000 tonnes more than previously anticipated. For 2011, FAO expects this volume to be topped by 1 percent to 4.5 million tonnes (3.0 million tonnes, milled basis).

Torrential monsoon rains leading to devastating floods severely affected the 2010 paddy season in **Pakistan**. With up to 871 000 hectares, or 33 percent of total plantings, assessed to have been affected, FAO estimates production in the country to have amounted to 8.3 million tonnes (5.5 million tonnes, milled basis), 20 percent below the previous year, but 2.0 million tonnes higher than previously foreseen. While the IRRI producing region of Sindh was the hardest hit by the inundations, losses in Punjab, a key Basmati growing region, are reported to have been partially offset by above-average yields in non-flood affected areas. Meanwhile, prospects for the 2011 season, opened with the April planting of crops, will be highly dependent on the restoration of key infrastructure, as well as water availability for irrigation. Although reports would have drainage of flood waters and rehabilitation of irrigation networks behind schedule in Sindh, good snow cover received during this winter season may prove beneficial in providing water supplies. As such and assuming no major setbacks are incurred, 2011 production in the country is tentatively forecast to partially recover to 10.0 million tonnes (6.7 million tonnes, milled basis), up 1.7 million tonnes year-on-year.

Harvesting activities of secondary paddy crops have just been launched in the **Philippines**. The 2010 production (July 2010 – June 2011) outlook for the country remains favourable, with output officially anticipated to surpass the 2009 drought and storm affected outcome by 8 percent to 16.8 million tonnes (11.0 million tonnes, milled basis). The expansion reflects a 3 percent growth in the main crop to 9.2 million tonnes (6.0 million tonnes, milled basis) and anticipation of a 15 percent upturn in the offseason harvest to 7.6 million tonnes (5.0 million tonnes, milled basis). Even if still provisional, given the Government's renewed commitment

to achieving self-sufficiency in rice, FAO's first forecast of 2011 production points to a 3 percent growth to a record 17.3 million tonnes (11.3 million tonnes, milled basis).

Although the specifics of a recently launched proposal to reduce reliance on imports towards 2016 are yet to be revealed, official statements would have the Filipino Government intensifying efforts to rehabilitate irrigation infrastructure, encouraging greater cultivation of high yielding varieties and boosting investment on post-harvest facilities to reduce losses and increase milling rates. This year alone an additional 156 000 hectares of land are expected to come under irrigation. Officials have also announced a paddy procurement target of 870 000 tonnes for 2011, to be purchased by the National Food Authority (NFA) at Pesos 17 per kilo (USD 391 per tonne). While this volume would only represent close to 5 percent of total projected production, by 2013 the Government would expect the share of overall domestic output absorbed by the NFA to rise to 10 percent.

In **Sri Lanka**, torrential north-easterly monsoon rains have caused successive rounds of floods across northern, north-central and eastern provinces. The inundations are estimated to have severely damaged over 233 000 hectares of main Maha crop plantings, from a total extension of 739 501 hectares. As a result of these area losses and with foreseeable yield declines from low sunshine conditions, the 2011 Maha harvest, concluded in March, is estimated to have yielded 2.0 million tonnes (1.4 million tonnes, milled basis), 23 percent less than its outstanding 2010 level. Part of the losses incurred are, nonetheless, anticipated to be compensated by greater production from the secondary Yala crop, currently at planting stage, which may be facilitated by good water availability for irrigation and renewed Government support. Indeed, officials have set aside a budget of Rupees 33 billion (USD 299 million) for rehabilitation works, which will include restoration of damaged irrigation networks and canals, fertiliser subsidies and for provision of seeds free of cost. FAO currently anticipates overall 2011 production in the country to amount to 3.75 million tonnes (2.6 million tonnes, milled basis), a 13 percent contraction from the record 2010 production level.

In **Thailand**, 2010 offseason crops are currently being gathered. Officials have upgraded the outlook by 220 000 tonnes since January, with total production now anticipated to contract to 31.6 million tonnes (20.9 million tonnes, milled basis), 2 percent below the 2009 outcome. Although partially offset by a record secondary crop of 9.4 million tonnes (6.2 million tonnes, milled basis), the reduction follows damages from extensive floods, which are estimated to have led a 5 percent decline in the main crop to 22.2 million tonnes (14.7 million tonnes, milled basis). Meanwhile, the Thai Government appears to be advancing previously announced plans to restrict rice cultivation to two crops per year, in a bid to boost yields and prevent further spreads of pest infestations. Insect attacks, namely brown plant hoppers, have affected crops with varying severity since mid 2009, being attributed to over-planting and disproportionate use of agro-chemicals. Nevertheless, FAO anticipates any potential area losses ensuing from the implementation of the plan to be offset by yield improvements, particularly in light of current climatic forecast foretelling normal to above-normal rainfall conditions over the country, through June. As a result, Thai production over the coming 2011 season is preliminarily anticipated to recover by 2 percent to 32.3 million tonnes (21.4 million tonnes, milled basis).

As harvest of offseason crops progressed and with a view to guarantee a 40 percent profit margin to farmers who have faced higher production costs, in March officials approved a 5 tonne increase in the maximum admitted tonnage per household under price insurance programme to 30 tonnes. Insured prices were additionally raised by 10 percent to Baht 11 000

per tonne (USD 363 per tonne) in the case of white rice, by 5 percent for Pathum Thani paddy to Baht 11 500 Baht per tonne (USD 379 per tonne), and by 5 percent for glutinous rice to Baht 10 000 per tonne (USD 330 per tonne). The Government will also be undertaking a supplementary direct purchase scheme, which will aim to buy 2.0 million tonnes of secondary paddy at insured prices.

In **Viet Nam**, harvest of 2011 winter-spring crops is in full swing. FAO currently forecast overall production in the country to expand by 2 percent to 40.7 million tonnes (27.15 million tonnes, milled basis), based on both larger area and yield improvements. In spite of damages reported from localised attacks of black dwarf disease, prospects are already favourable for this winter-spring crop, the first to be harvested and the most important for the export sector. Winter-spring plantings are reported to have reached 3.1 million hectares as of 15 March, up 0.7 percent from last year, on the back of greater cultivation in southern provinces. The Mekong Delta region has already harvested 991 800 hectares of this extension, 11 percent ahead of progress during the corresponding period a year ago, with early indications pointing to yields remaining close to last year's level.

For the full 2011 season, the Vietnamese Government is targeting a production increase of 1.0 million tonnes, over the 39.94 million tonnes (16.6 million tonnes, milled basis) gathered in 2010. Officials are to encourage farmers to reduce cultivation of the April planted summer-autumn crop by up to 50 000 hectares, due to the crop's susceptibility to natural disasters and lower yields relative to other crops. Plantings of the smaller, but more productive, autumn-winter crop will instead be boosted by 100 000 hectares, particularly in the Mekong Delta, where works on bolstering infrastructure and irrigation systems have already begun. To support prices during this winter-spring harvest, between March and April, member companies of the Vietnam Food Association have also been purchasing 1.0 million tonnes paddy at a price of VND 5 000 per kilo (USD 250 per tonne).

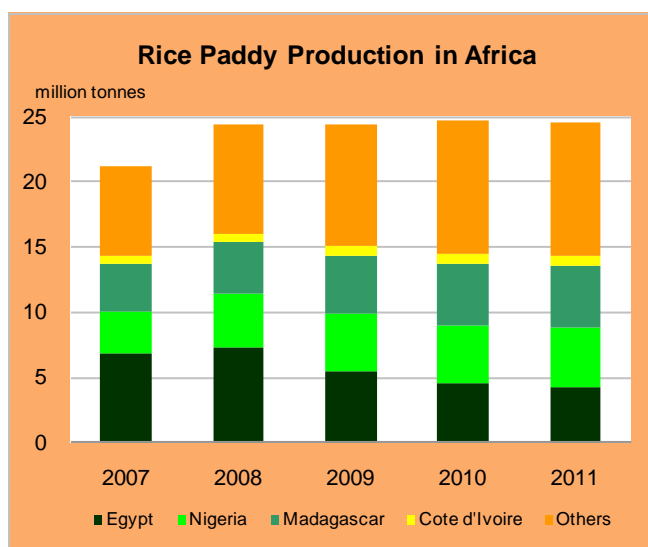
## B. AFRICA

### Greater production in Western African countries compensate for reduced output in Egypt

The 2010 season in Africa concluded with favourable results. Overall production is estimated to have outdone the good 2009 performance by 1 percent to 24.7 million tonnes (16.1 million tonnes, milled basis). The achievement was in spite of a major contraction in Egypt, the leading producer in the region, and primarily owing to good harvests in Western African countries, although output also expanded in Southern and in Eastern parts of the continent. Turning to the 2011 season, which is already well advanced in southern parts, early prospects for the region point to a possible replication of the 2010 outcome. Indeed, while production in Egypt is expected to contract further, under policies that limit rice cultivation, gains in the Western countries may again make-up for the shortfall. A small output decline is also anticipated in Southern Africa, while production in Eastern parts of the continent may remain largely unchanged.

In Northern Africa, **Egypt** concluded the 2010 season with a significant output decline to 4.5 million tonnes (3.1 million tonnes, milled basis), 18 percent below the previous year's outturn. The reduction was consistent with the implementation of Government restrictions on rice cultivation, as water scarcity concerns prompted authorities to embark on a plan to

substitute rice with other crops. Given possible additional area retrenchments over the coming season, FAO preliminarily anticipates the 2011 production in Egypt to fall by a further 4 percent to 4.3 million tonnes (2.97 million tonnes, milled basis).



The 2010 season in Western Africa has virtually concluded, as only a few countries are still harvesting off-season crops. Overall, the season ended with excellent results, as aggregate production in the region is estimated to have risen by 10 percent to 12.5 million tonnes (7.9 million tonnes, milled basis). Good growing conditions and strong public support to the sector sustained the achievement, with significant production gains witnessed in **Burkina Faso, Chad, Gambia, Guinea Bissau, Mali, Mauritania, Senegal and Sierra Leone**. Larger crops were also gathered in **Cote**

**d'Ivoire, Ghana, Guinea, Liberia and Nigeria**. Conversely, much as a result of erratic precipitation and floods, **Benin, Niger and Togo** incurred declines.

Meanwhile, farmers in various countries are engaged in land preparation activities for 2011 crops, which will be planted with the arrival of seasonal rains over the sub-region. Although the outcome of the season will be highly dependent on rainfall performance, assuming normal growing conditions, FAO anticipates aggregate production in Western Africa to top the 2010 outstanding outcome by 2 percent to 12.7 million tonnes (8.1 million tonnes, milled basis). **Nigeria**, the second largest producer in the continent, is expected to account for much of this increase. Indeed, based on forecasts by the Nigerian Meteorological Agency, the 2011 agricultural season in the country could benefit from normal to above normal rainfall levels and a generally longer rainy season. This could in turn boost yields, driving a 2 percent production increase for the fourth consecutive year to 4.6 million tonnes (1.8 million tonnes, milled basis).

Amongst the other producers in the area, primarily relying on continued area expansions, FAO forecasts 2011 production in **Ghana** to amount to 430 000 tonnes (258 000 tonnes, milled basis), 4 percent above the 2010 harvest. As part of its plans to support the sector over the coming season, the Government has announced that the Buffer Stock Company will continue to procure local supplies at a minimum guaranteed price, expanding its reserves from 34 000 tonnes to 60 000 tonnes this year. In addition to a planned set up of an Agricultural Development Fund and continuing state subsidies on fertilisers, authorities would additionally be in the process of establishing a warehouse receipts programme along with a commodity exchange, that would also trade in rice.

The outlook is also favourable in **Guinea**, where FAO forecasts 1.7 million tonnes (1.1 million tonnes, milled basis) may be gathered, which compares to the record 1.6 million tonnes (1.1 million tonnes, milled basis) officially reported for 2010. Notwithstanding the good 2010 output performance, inflationary pressure remains a concern in the country, a situation that in January prompted authorities to institute a fixed retail price of Guinea Franc 160 000 per 50 kilo bag of rice (USD 480 per tonne). In a bid to ease pressure on prices, the

Government is also reported to have imported rice for distribution in local markets, further to restricting outflows to neighbouring countries.

Assuming average growing conditions, greater area and yield improvements may also advance 2011 production in **Mali** by 1 percent to 2.3 million tonnes (1.6 million tonnes, milled basis). Over the forthcoming season, the main producing zone of the Office du Niger is targeting to increase production to 682 700 tonnes of paddy, in fields stretching over 108 000 hectares. The region will also benefit from a FCFA 9.5 billion fund (USD 20 million) availed by the West African Development Bank to extend land under irrigation, provide training and improve access to credit.

In **Senegal**, public efforts to expand irrigated land and improve drainage capacity have been supported by a Millennium Challenge Account project since 2010. The scheme seeks to expand irrigation coverage by 39 740 hectares in the Senegal River Valley, by bringing between 8 500-10 500 hectares of new land under irrigation and preventing abandonment of 26 000 hectares of already irrigated fields. In five year's time, the project expects to contribute to the production of an additional 263 000 of paddy. In 2011, FAO anticipates that the country could gather 610 000 tonnes (427 000 tonnes, milled basis), which would be 2 percent above the previous year's harvest, but below the 699 761 tonne target set for the season.

In *Eastern Africa*, as part of its efforts to reduce reliance on imports, **Rwanda** has launched a programme to rehabilitate irrigation schemes in the Eastern province, with support from the World Bank. The project is expected to boost rice cultivation in marshlands, facilitating the production of an additional 20 000 tonnes of paddy a year. For the 2011 season, largely driven by an increase in area coverage, FAO forecasts output on the country to recover by 22 percent from the poor 2010 harvest to 81 000 tonnes (54 000 tonnes, milled basis). Under the influence of a La Niña manifestation, rice transplanting activities in several central regions of the **United Republic of Tanzania** are reported to have been affected by below average precipitation since the onset of the year. With current climatic predictions pointing to a likely continuation of moisture deficits through June in these areas, FAO has provisionally maintained forecasts of 2011 output in the country unchanged from the previous year at 1.4 million tonnes (910 000 tonnes, milled basis).

The 2011 season is well underway in *Southern Africa*, where most countries completed planting of main crops in the latter part of 2010. In **Madagascar**, the February passage of cyclone Bingiza is reported to have caused localised damages on paddy crops. In addition, heavy rains and ensuing floods have affected southern regions since the start of the year, while a late arrival of the seasonal rains delayed planting activities in northern areas. As a result, FAO now anticipates output in the country at 4.7 million tonnes (3.15 million tonnes, milled basis), a modest decline, relative to the excellent 2010 performance.

Excessive rains leading to floods have also affected central and southern provinces of **Mozambique**. The abundant precipitation received this season is, nevertheless, expected to permit a partial recovery in plantings from the 2010 drought affected levels, as well as some yield improvements. Consequently, FAO forecasts the country to harvest 190 000 tonnes (127 000 tonnes, milled basis), up 6 percent from the previous year.

## C. CENTRAL AMERICA AND THE CARIBBEAN

### 2010 production in the sub-region forecast to increase by 1 percent

The 2010 season has been virtually concluded in *Central America and the Caribbean*, as only a few countries are still gathering secondary paddy crops. The production outlook for the sub-region has changed little since January, with output forecast at 2.86 million tonnes (1.89 million tonnes, milled basis), 1 percent above the 2009 outcome. Principally owing to favourable weather conditions, which permitted plantings to expand, **Costa Rica, El Salvador, the Dominican Republic, Haiti, Nicaragua** and **Panama** concluded the season with positive results. By contrast, damages to crops from floods and the passage of hurricane Karl are now estimated to have induced a 5 percent output contraction in **Mexico** to 250 000 tonnes (167 000 tonnes, milled basis). Storms also negatively impacted production in **Guatemala** and **Honduras**, while precipitation shortfalls at the start of the season resulted in an output shortfall in **Cuba**.

As to prospects for 2011 crops, much of their success will depend on the hurricane season, the timing of which coincides with the launch of planting activities in several countries. Nonetheless, a first forecast of production in the sub-region sees output increasing by a further 1 percent to 2.9 million tonnes (1.9 million tonnes, milled basis). The growth is mainly expected to result from additional gains in the **Dominican Republic** and **Nicaragua**, as well as recoveries in **Cuba, Guatemala** and **Honduras**, which may outweigh declines in **Costa Rica** and **Mexico**.

In **Costa Rica**, under a new rice policy framework, the Government has announced its intentions of gradually removing fixed producer prices, in a bid to comply with its WTO commitments and maintain total agricultural subsidies below a USD 15.95 million annual ceiling. Public support to the sector will now concentrate on improving productivity and increasing the income of an estimated 727 small and medium size producers, with holdings of 50 hectares or less. To this end, authorities intend to avail Colones 5 billion (USD 10 million) for technical and business management training and Colones 4.1 billion (USD 8 million) for credit. In order to ensure access to supplies at affordable prices, the new framework also contemplates the maintenance of the consumer price ceiling for type 80-20 rice, which, effective May 2011, will be 6 percent lower at Colones 691 per kilo (USD 1.37 per kilo). While these various programmes are set to be implemented as of the second quarter of 2011 and following consultations with producer organisations, in November 2010 the Government authorised a 17 percent reduction in producer prices to Colones 20 050 per 73.6 kilogram (USD 539 per tonne). The measure was, however, rescinded by a January judicial decision in a court case initiated by farmers, which has temporarily established a producer price at a higher level of Colones 22 604 per 73.6 kilogram bag (USD 608 per tonne) until a final ruling is pronounced. As the phase-out of the price support programme is expected to foster a contraction of plantings, FAO now anticipates 2011 production in the country to decline by 5 percent to 270 000 tonnes (176 000 tonnes, milled basis).

<b>Costa Rica: Government Fixed Producer Prices</b>			
<b>Effective Date</b>	<b>Colones / 73.6 kg. bag</b>	<b>Colones / tonne</b>	<b>USD / tonne</b>
15-Jun-03	7,240	98,370	254
15-Nov-03	7,900	107,337	259
06-Apr-04	8,152	110,761	258
03-Jun-04	8,926	121,277	278
19-Apr-05	10,183	138,356	295
24-Mar-06	11,652	158,315	314
29-Nov-06	12,652	171,902	333
14-Mar-07	12,967	176,182	340
07-Sep-07	13,514	183,614	354
30-Nov-07	14,827	201,454	392
27-May-08	17,981	244,307	478
23-Jul-08	21,370	290,353	541
14-Nov-08	24,315	330,367	597
01-Jan-11	20,050	272,418	539
31-Jan-11	22,604	307,120	608

Source: CONARROZ/FAO

Assuming normal growing conditions, production in **Cuba** is forecast to recover from the 2010 weather reduced level by 3 percent to 510 000 tonnes (340 000 tonnes, milled basis). The upturn is expected to be primarily sustained by an expansion in plantings, facilitated by increased access to state-owned idle land. Efforts to boost production over the season are also reported to concentrate around improving access to machinery, drying and milling equipment, whose scarcity has been identified as another driving factor behind the previous season's poor result. Meanwhile, in February, a Government resolution included imported rice amongst the list of products to be sold in the parallel food markets. According to the dispositions, it is to be marketed at a price of Pesos 5.0 per pound (USD 0.216 per kg), while local produce will remain available at a price of 3.5 per pound (USD 0.151 per kg) through the state rationing system. The outlook is also positive in the **Dominican Republic**, where FAO anticipates the 2011 harvest to amount to 900 000 tonnes (594 000 tonnes, milled basis), up 3 percent from the previous year. By contrast, the prospects are negative in **Mexico**, where additional cuts to area planted to paddy are expected to result in an 8 percent output to 230 000 tonnes (153 000 tonnes, milled basis). Indeed, producers are reported to be faced with increased financial constraints, following the closure of a major rice marketing entity, which accounted for up to 35 percent of all rice distributed in the country.

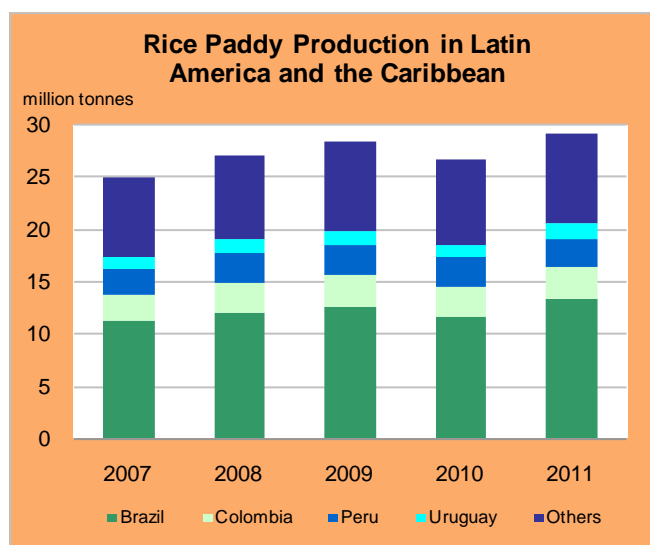
#### **D. SOUTH AMERICA**

##### **Brazil behind an expected 10 percent recovery in 2011 output in the sub-region**

The 2011 season is well advanced in South America, where several countries are already gathering main season crops. Based on current expectations, paddy output in the sub-region looks set to rebound to 26.3 million tonnes (17.6 million tonnes, milled basis) this season, 10 percent or 2.4 million tonnes above the poor 2010 harvest. **Brazil** is expected to account for much of this recovery, as favourable growing conditions, associated with a La Niña event, are anticipated to translate into a record 2011 crop in the country. Nevertheless, gains are expected to be widespread, with **Argentina, Chile, Colombia, Guyana, Paraguay, Uruguay**



and **Venezuela** all forecast to harvest larger crops, more than compensating for an output decline in **Bolivia, Ecuador** and **Peru**.



Harvesting activities of 2011 crops are underway in **Argentina**. Based on the latest official reports, 256 000 hectares were sown to paddy across the country, implying a 16.5 percent expansion from the previous year. In addition, owing to a sufficient availability of water for irrigation and generally favourable weather conditions, early indications from producers in key growing areas point to productivity gains this season. As a result, FAO anticipates 2011 paddy production in the country to reach 1.5 million tonnes (1.0 million tonnes, milled basis), a 21 percent recovery from the 2010 weather affected crop.

Prospects are negative in **Bolivia**, where the 2011 harvest is forecast to contract to 450 000 tonnes (309 000 tonnes, milled basis), 10 percent below the previous year's result. The reduction follows climatic setbacks incurred, in the form of early season dryness and some floods, which are reported to have delayed plantings.

According to CONAB's April crop assessment, 2011 production in **Brazil** may rebound by 15 percent to 13.5 million tonnes (9.0 million tonnes, milled basis). The southern state of Rio Grande do Sol is foreseen to account for the bulk of this 1.8 million tonne recovery, with production in the region rising by 21 percent to 8.8 million tonnes (5.9 million tonnes, milled basis). Contrary to the adverse weather prevailing over the previous season, paddy crops, particularly those grown under irrigated conditions, have benefitted from ample water supplies and a good climate this season. Meanwhile, with domestic prices coming under pressure, the Brazilian Government has allocated a budget of Real 303 million (USD 186 million) to fund price support measures in southern producing regions through its Prêmio Equalizador Pago ao Produtor, (PEPRO) and Prêmio e Valor de Escoamento de Produto (PEP) programmes. Under the schemes, producers will be guaranteed a minimum price of Real 25.8 per 50 kilogram bag of paddy (USD 317 per tonne)

In **Colombia** the 2010 paddy season was closed in February, with the harvest of secondary winter crops. FAO has downgraded its production forecast for the country by 100 000 tonnes to 2.8 million tonnes (1.9 million tonnes, milled basis). This would represent a 6 percent contraction from the previous year, reflecting area losses due to early season rainfall deficits and widespread floods. Over the 2011 season, which was launched with the March sowing of main summer crops, the country is preliminarily expected to recover much of these losses, with paddy output rising to 2.9 million tonnes (2.0 million tonnes, milled basis). Indeed, improved price prospects may encourage producers to plant more. The Colombian Government has also announced support measures to the sector, which will come in the form of funds to construct drying and storage facilities, credit lines for works on irrigation infrastructure and an intensification of border controls.

Main winter crops are on the ground in **Ecuador**. Driven by both area and yield losses, FAO's first forecast of production in the country sees output over the 2011 season falling by 13 percent to 1.4 million tonnes (798 000 tonnes, milled basis). The sector has been adversely impacted by prolonged rainfall deficits, with coastal areas of the country, including the important growing regions of Los Rios and Guayas amongst the most affected. To mitigate potential losses, the Government is reported to have availed a budget of USD 46 million for supplementary irrigation.

On expectations of good weather conditions, which may facilitate an expansion in area sown to paddy, officials expect 2011 production in **Guyana** to rise to a record of 584 000 tonnes (380 000 tonnes, milled basis). The 7 percent year-on-year increase is also anticipated to derive from boosted yields, following greater adoption of improved varieties. To support the achievement, the Government has announced that it will step up efforts to improve drainage and irrigation infrastructure, while providing seed facilities and training on better farming practices.

The outlook is negative in **Peru**, where 2011 crops have already been planted. Prolonged precipitation deficits over northern coastal areas are reported to have led to delays in sowing activities and unfulfilled planting intentions. The important producing regions of Lambayeque, Piura and Cajamarca have been most affected by the dry climate and depleted water levels in major reservoirs. Although the dry climate is reported to have put 25 000 hectares at risk, part of these losses are expected to be compensated by greater plantings in non-affected areas. As a consequence, FAO anticipates 2011 output in the country to contract by 5 percent to 2.7 million tonnes (1.8 million tonnes milled basis).

By contrast prospects are favourable in **Uruguay**. On ample water availability for irrigation and positive price prospects, 2011 plantings are estimated to have expanded by an impressive 22 percent to 195 000 hectares. Although some producing regions are reported to have required supplementary irrigation, the dry and sunny conditions which have prevailed this season are also anticipated to benefit yields, which may rebound by 10 percent to an average of 7.9 tonnes per hectare. As a result, 2011 production is forecast to reach a new high of 1.5 million tonnes (1.1 million tonnes, milled basis), up 31 percent from the previous year.

In **Venezuela**, severe drought conditions and widespread floods are estimated to have depressed 2010 output by 25 percent to 900 000 tonnes (630 000 tonnes, milled basis). Assuming a return to more favourable weather, FAO anticipates these losses to be recovered over the 2011 season, with 1.1 million tonnes of paddy forecast to be gathered (770 000 tonnes, milled basis), up 22 percent year-on-year. The recovery may be assisted by greater public support to the sector. Indeed, under the "Misión Agro Venezuela" initiative launched in January, the Government intends to avail agricultural inputs and machinery to producers of basic foodstuffs, with a view to boosting the country's food self-sufficiency level. In the case of rice, officials would be aiming to raise production by 33 percent to 1.39 million tonnes during the year. Under a February decree, the Venezuelan Government has also laid out debt relief measures for agricultural producers affected by the torrential rains that swept the country in the latter part of 2010.

## E. NORTH AMERICA, EUROPE AND OCEANIA

### Prospects of 2011 crops negative in the United States, while Australia is set to harvest its largest crop since 2006

In North America, the 2010 season in the **United States** was completed with a record harvest of 11.03 million tonnes (7.5 million tonnes, milled basis), up 11 percent from the previous year. Despite the excellent result, several setbacks were endured, particularly in Southern producing states, where above average temperatures and delayed plantings resulted in depressed yields and the lowest milling rates observed in fifty years. As to prospects for 2011 crops, according to the USDA's Prospective Plantings report, area planted to paddy may contract by 17 percent to 1.22 million hectares over the coming season, as farmers replace rice in favour of more profitable crops, such as soybeans, maize or cotton. Area retrenchments are expected to concern only long-grain varieties, which may dip by 24 percent to 876 000 hectares, while plantings of medium grain rice could increase by 8 percent to 329 000 hectares. As a result, and anticipating yields to return to more normal levels, 2011 production in the country is currently forecast to contract by 15 percent to 9.4 million tonnes (6.5 million tonnes, milled basis).

USA – 2011 Rice Prospective Plantings: Area by Class and State <sup>1/</sup> (000 ha.)								
	2010				2011			
	Long Grain	Medium Grain	Short Grain	All	Long Grain	Medium Grain	Short Grain	All
<b>Total</b>	<b>1,150</b>	<b>304</b>	<b>17</b>	<b>1,471</b>	<b>876</b>	<b>329</b>	<b>17</b>	<b>1,221</b>
<b>Arkansas</b>	645	79	0	725	478	89	0	567
<b>California</b>	2	206	17	226	2	214	16	233
<b>Louisiana</b>	202	16	0	219	170	20	0	190
<b>Mississippi</b>	123	0	0	123	81	0	0	81
<b>Missouri</b>	101	1	0	102	79	3	0	82
<b>Texas</b>	75	2	0	76	67	2	0	69

<sup>1/</sup> Released March 31, 2011  
Source: National Agricultural Statistics Service (NASS), Agricultural Statistics Board, USDA.

In Europe, 2010 paddy output in the **EU-27** zone is estimated to have incurred a 3 percent decline to 3.1 million tonnes (1.9 million tonnes, milled basis). Although production also fell in France, Hungary and Romania, the contraction was mainly imputable to Italy, where colder and wetter than normal conditions depressed yields. As the April launch of the 2011 season approaches, a survey of planting intentions in Italy reveals that area sown could see a slight decline to 244 000 hectares over the coming year, principally due to lower plantings of Indica varieties. However, should normal weather prevail, permitting yields to rebound, FAO anticipates 2011 paddy output in the country to recover by 2 percent to 1.6 million tonnes (960 000 tonnes, milled basis). Spain, the second largest producer in the region, is also foreseen to expand production by 2 percent to 945 000 tonnes (567 000 tonnes, milled basis). Largely on the back of gains in these two countries, FAO's first forecast of 2011 output in the EU-27 zone sees a modest production increase to 3.2 million tonnes (1.9 million tonnes, milled basis).

The outlook is also favourable in the **Russian Federation**, where continued expansions in area planted are expected to boost production to 1.1 million tonnes (734 000 tonnes, milled basis), 4 percent above the 1.06 million tonne (708 000 tonnes, milled basis) record gathered

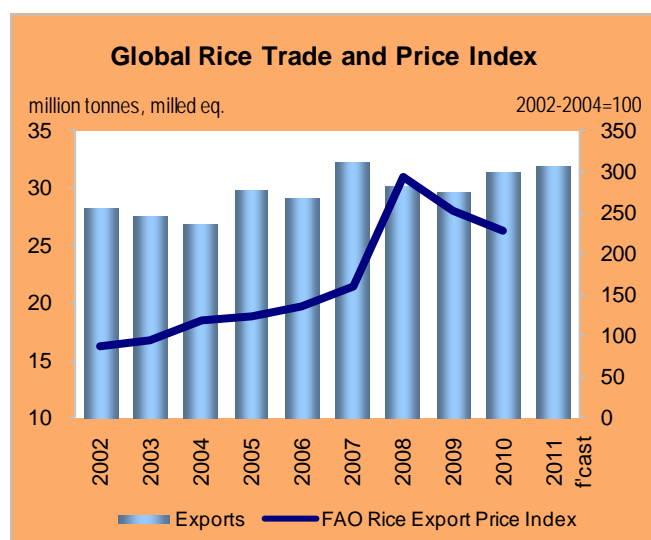
in 2010. Indeed, sustained by public support, recent production gains have also permitted the country to ship small volumes abroad, primarily to Turkey.

In *Oceania*, 2011 crops are already at harvest stage in **Australia**. Based on the latest assessment from ABARE, a bumper crop of 802 000 tonnes (535 000 tonnes, milled basis) is set to be collected this season. This level would imply a near 600 000 tonne increase from the previous year and the highest level achieved since 2006, when a prolonged drought began crippling the sector. Plentiful water supplies this season, from abundant rains in New South Wales, have permitted plantings to quadruple to 89 000 hectares. However, some crops are reported to have been negatively impacted by cold temperatures, a situation that is likely to translate into lower yields, relative to the record level of 10.8 tonnes per hectare registered in 2010.

## II. INTERNATIONAL TRADE IN RICE

### Forecasts of 2011 international trade in rice upgraded, now pointing to a small increase relative to 2010

Since the January issue of the RMM, the FAO forecast of world trade in 2011 has been adjusted upwards by 350 000 tonnes to 31.8 million tonnes. The revision reflects expectations of higher imports by Asian countries, particularly Bangladesh, the Chinese Province of Taiwan and Malaysia, which more than offset reductions in Cameroon, China (Mainland), the Democratic People's Republic of Korea, Nigeria and the Philippines. On the export side, forecast were raised for Pakistan, Uruguay and Viet Nam but lowered in the case of Cambodia, China (Mainland), Egypt, India, Myanmar and the United States.



The current forecast level of 31.8 million tonnes has reversed earlier expectations of a slight decline in world trade in rice in 2011, with revised figures now pointing to a likely expansion of 1 percent. Greater demand from African countries is anticipated to sustain this small increase, while volumes delivered to North America and Europe also expected to rise. Larger shipments to these regions are now anticipated to more than compensate for reduced demand in Asia and in Latin America and the Caribbean, where prospects of larger crops are likely to depress

purchases. On the export side, Thailand is still expected to account for much of the expansion, but volumes delivered by Viet Nam as well as Brazil, Cambodia, China (Mainland), India and Uruguay are also foreseen to rise in 2011, offsetting reduced consignments from Egypt, Pakistan and the United States.

Principal Revisions to 2011 International Trade in Rice (million tonnes)							
2011 IMPORTS				2011 EXPORTS			
	January f'cast	April f'cast	Revision		January f'cast	April f'cast	Revision
<b>WORLD</b>	<b>31.4</b>	<b>31.8</b>	<b>+0.4</b>	<b>WORLD</b>	<b>31.4</b>	<b>31.8</b>	<b>+0.4</b>
<b>ASIA</b>	<b>15.1</b>	<b>15.5</b>	<b>+0.5</b>	<b>ASIA</b>	<b>24.4</b>	<b>24.7</b>	<b>+0.3</b>
Bangladesh	0.7	F 1.2	F +0.5	Cambodia	1.6	F 1.4	F -0.2
China (Mainland)	0.5	F 0.4	F -0.1	China (Mainland)	1.0	F 0.7	F -0.3
China (Taiwan Prov.)	0.2	F 0.4	F +0.2	India	2.5	F 2.3	F -0.2
Korea DPR	0.4	F 0.2	F -0.2	Myanmar	0.8	F 0.4	F -0.4
Malaysia	0.9	F 1.1	F +0.3	Pakistan	1.8	F 2.7	F +0.9
Philippines	1.7	F 1.3	F -0.4	Viet Nam	6.5	F 7.1	F +0.6
<b>AFRICA</b>	<b>9.8</b>	<b>9.8</b>	<b>-0.1</b>	<b>AFRICA</b>	<b>0.6</b>	<b>0.3</b>	<b>-0.3</b>
Nigeria	2.0	F 1.9	F -0.1	Egypt	0.3	F 0.1	F -0.2
Cameroon	0.5	F 0.4	F -0.1	<b>NORTH AMERICA</b>	<b>3.5</b>	<b>3.4</b>	<b>-0.1</b>
				United States	3.5	G 3.4	G -0.1
				<b>LATIN AMERICA &amp;</b>	<b>2.5</b>	<b>2.6</b>	<b>+0.1</b>
				<b>THE CARIBBEAN</b>			
				Uruguay	0.7	F 0.9	F +0.2

G: Official Figure; F: FAO forecast/estimate.

## Imports in 2011

### Greater demand from Africa to sustain expansion in 2011 trade in rice

**Asia** is expected to remain a key destination of international trade in rice in 2011, absorbing virtually half of globally traded volumes over the year. However, on current expectations of large 2010 harvests in the region, shipments to Asian countries are forecast to decline by 1 percent to 15.5 million tonnes, overall. The reduction is mainly imputable to the **Philippines**, where the government has confirmed its intentions of sharply reducing purchases. The **Chinese Province of Taiwan, Indonesia, the Islamic Republic of Iran, Turkey and the United Arab Emirates** are also foreseen to take fewer deliveries, more than outweighing larger imports by **Bangladesh, China (Mainland), Iraq, the Democratic People's Republic of Korea, the Republic of Korea, Malaysia and Saudi Arabia**.

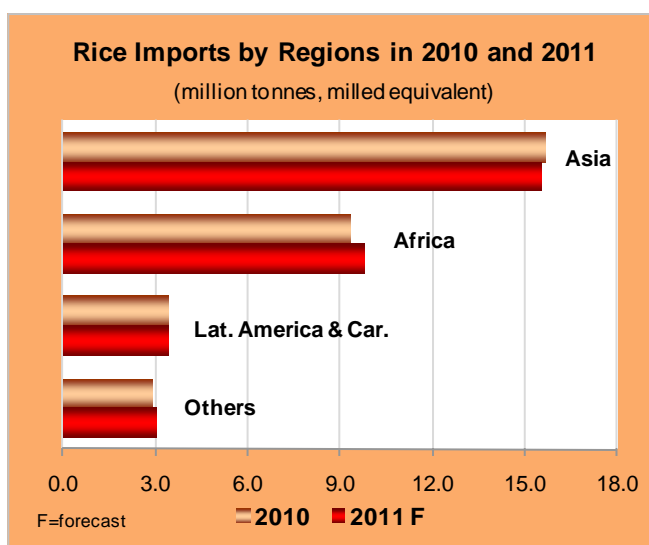
In a bid to replenish stocks and contain surging domestic prices, **Bangladesh** has been one of the most active buyers in the market in recent months and is now forecast to take delivery of 1.2 million tonnes in 2011, twice the 2010 level and 500 000 tonnes more than previously anticipated. The bulk of this volume is expected to consist of purchases contracted under government-to-government channels. Indeed, the Government has already struck several supply deals with India, Thailand and specially Viet Nam, with whom it has also entered into a three-year trading agreement. Under an April memorandum of understanding signed between the two countries, Viet Nam will prioritize Bangladesh in the provision of up to 1.0 million tonnes annually, at negotiable prices.

Based on the release of official statistics, FAO has downgraded estimates of 2010 imports by **China (Mainland)** by 100 000 tonnes to 388 000 tonnes, implying a 9 percent increase from deliveries a year earlier. Over the course of 2011, the country is now anticipated to raise

volumes purchased to 400 000 tonnes, chiefly consisting of high quality varieties from Thailand.

Based on exporter delivery reports, estimates of 2010 imports by **Indonesia** have also been revised to 1.0 million tonnes, 750 000 tonnes more than the previous year and the highest volume since 2007. Since October last year, Bulog has been in the international market to source large quantities of supplies, reportedly to reconstitute stocks to a 1.5 million tonne level. Purchases by the state agency were further facilitated by a January removal of a Rupiah 450 per kilo import duty (USD 50 per tonne), with authorities expecting close to 900 000 tonnes already contracted to be delivered before the harvest of main crops. Indeed, in line with previously announced intentions, on 1 April, the import duties were reinstated. Officials have further declared that, should 2011 production results prove positive, no further rice would not be imported beyond first quarter deliveries. As a result and based on current production prospects, FAO anticipates the country to limit its purchases to 900 000 tonnes, 8 percent below the revised 2010 level.

Overall imports by **Japan** in calendar 2011 are anticipated to remain steady at 700 000, in line with the its minimum access commitments to the WTO. In spite of a forecast decline in 2011 production from damages to the devastating earthquake and tsunami, the country is anticipated to rely on ample reserves to outweigh any potential domestic shortfall. In fact, according to official reports, Government inventories at the end of the 2010-2011 marketing year, which do not include minimum access quantities, may reach 834 000 tonnes. Yet, little is known over the damage to rice reserves caused by the triple disaster the country suffered in March. Should these losses be important, Japan may resort to additional imports.



Based on information provided by a joint FAO/WFP field assessment concerning Government commercial import intentions, estimates of 2010 deliveries to the **Democratic People's Republic of Korea** have been adjusted to 90 000 tonnes, significantly down from a previously reported FAO estimate of 400 000 tonnes. Over calendar 2011, the country is now expected to take consignment of 155 000 tonnes. The bulk of this volume is likely to continue being sourced on commercial bases, given the considerable reduction of food aid deliveries to the country in recent years.

Conversely, in line with its obligations to the WTO, purchases by the **Republic of Korea** are anticipated to rise by 13 percent to 348 000 tonnes and in **Malaysia** to a more normal level of 1.1 million tonnes, up from an officially reported 2010 low of 931 000 tonnes. On the other hand, largely on the back of production gains achieved in 2010, **Nepal** is forecast to maintain purchases steady and in the order of 250 000 tonnes.

In the **Philippines**, ample rice inventories and favourable prospects for 2010 crops have encouraged the authorities to seek a large reduction in foreign rice purchases, in line with

renewed efforts to boost the country's self-sufficiency level. While imports of up to 1.3 million tonnes have been approved for calendar 2011, officials have sought to keep purchases below this level, announcing an initially import target of 886 000 tonnes. What is more, private sector participation in rice trade has been significantly boosted, with a duty free import quota of 660 000 tonnes allocated to traders and farm cooperatives, subject to a minimum service fee of Pesos 100 per 50 kilo bag (USD 46 per tonne). This share comes on top of a more limited contingent of 200 000 tonnes for the National Food Authority (NFA), already secured from Viet Nam through a March deal. On these basis, FAO has downscaled forecasts overall imports by the country by 400 000 tonnes to 1.3 million tonne, matching the ceiling of officially authorised imports for the year and implying a 900 000 tonne retrenchment from 2010 volumes delivered.

Notwithstanding an anticipated decline in 2011 output owing to damages from floods, **Sri Lanka** is expected to count on sufficient reserves from a record 2010 harvest. As a result, 2011 rice purchases by the country are forecast to remain in the order of 110 000 tonnes, which compares to an estimate of 105 000 tonnes the previous year.

By contrast, FAO anticipates imports by the two leading rice exporters, **Thailand** and **Viet Nam**, mainly in the form of unofficial flows from neighbouring countries, to increase over the course of the year. These are expected to reach 400 000 tonnes in the case of Thailand and 600 000 tonnes in the case of Viet Nam, up 33 and 20 percent from the previous year, respectively.

In *Near East Asia*, plentiful domestic supplies in the **Islamic Republic of Iran** may lead to an 8 percent decline in deliveries to 1.1 million tonnes. The contraction could also result from recent reported problems in settling payments with India, one of its major suppliers. In order to meet requirements under its food distribution system, **Iraq** is, instead, forecast to maintain 2011 purchases at 1.2 million tonnes, up slightly from the 1.19 officially reported the previous year. Growing consumption in **Saudi Arabia** may also result in a 15 percent increase to 1.15 million tonnes. Deliveries to **Syria** are forecast to amount to 350 000 tonnes, unchanged from 2010. Over the course of the year purchases will, nevertheless, be facilitated by a lower import duty of 1 percent, down from a previous applicable level of 3 percent. The country has reportedly encountered several difficulties in contracting rice after its main provider, Egypt, imposed restrictions on shipments abroad. This has disrupted the flow of supplies to its rationing card system and mounting domestic prices. Meanwhile, deliveries to the **United Arab Emirates** may decline by 2 percent to 600 000 tonnes.

Aggregate imports by *African countries* in calendar 2011 are set to reach 9.8 million tonnes, up 5 percent from a revised 2010 estimate of 9.3 million tonnes. Within the region, a significant reduction in domestic output due to caps on rice cultivation may require **Egypt** to raise purchases to 100 000 tonnes. Supply shortages in **Cameroon** and **Mozambique** are equally foreseen to result in higher imports of 400 000 and 380 000 tonnes, up 29 and 47 percent, respectively. Amongst the major buyers in the continent, in the absence of a local industry, **South Africa** is anticipated to raise purchases by 19 percent to 950 000 tonnes, in order to meet growing consumption needs, while consignment to **Cote d'Ivoire** could remain steady and in the order of 900 000 tonnes. This is notwithstanding obstacles to delivery associated with recent strife in the country, which have necessitated that shipments be redirected to neighbouring countries' ports. With domestic output gains still assessed insufficient to cater to growing rice consumption, FAO forecasts **Senegal** to take delivery of 720 000 tonnes, 11 percent more than in 2010.

By contrast, mirroring good production results and refurbished stocks, several African countries may find themselves in a position to cut purchases over the course of the year. This is expected to be the case of **Burkina Faso, Chad, Gambia, Guinea Bissau, Mauritania, Nigeria** and **Sierra Leone**. To a lesser extent, the reduction may also reflect the institution of policies geared at containing regional cross-border flows. This has been the case in **Nigeria**, where further to reducing the benchmark price used for customs valuation to from USD 640 to USD 560 per tonne, the Government prohibited importation of rice through land borders, in a bid to contain unofficial imports through its porous boundaries, resulting from large disparities with neighbours' customs regimes. FAO now anticipates deliveries to Nigeria to amount to 1.9 million tonnes, which, while standing 13 percent below the previous year's level, would make the country the largest single global destination for traded rice. Mounting domestic rice prices since early 2009 have also prompted **Madagascar** to impose restrictions on outflows this year. The Government has additionally waived duties and taxes on imports, have fixed retail price levels, while sourcing a contingent of 20 000 tonnes since December to distribute in open markets at subsidised costs. Under similar circumstances, both **Guinea** and **Sierra Leone** are reported to be limiting deliveries abroad, while, in the former, the state has also imported rice to undertake sales operations at set prices.

Combined volumes delivered to *Latin America and the Caribbean* are expected to amount to 3.4 million tonnes in 2011, 1 percent below the 2010 level. Countries in ***Central America and the Caribbean*** are forecast to absorb the bulk of this volume, taking delivery of 2.1 million tonnes over the year. Amongst these, consistent with growing domestic demand and output declines over the 2010 season, **Mexico** is anticipated to step up imports to 620 000 tonnes, up 2 percent from the estimate for the previous year. The need to compensate for output shortfalls is also expected to drive **Cuba** to purchase 530 000 tonnes, 6 percent above the 2010 level. An agreement with Viet Nam has already secured delivery of 250 000 tonnes from this volume under preferential terms, while up to 58 000 tonnes are also reported to have been sourced from Brazil.

By contrast, overall consignments to countries in ***South America*** look set to fall by 8 percent to 1.3 million tonnes. The reduction primarily reflects an expected 23 percent drop in volumes shipped to **Brazil** to 600 000 tonnes, following prospects of a record level crop and declining domestic quotations. On the other hand, 2011 deliveries to **Colombia** may rise by 30 000 tonnes to 110 000 tonnes. Last December, officials had already announced that they would permit purchase of 40 000 tonnes of paddy from Andean Community countries, in a bid to mitigate any potential supply shortfall resulting from widespread floods. In **Peru**, though still subject to applicable levies under the price band system, late in 2010, duties on broken rice and certain types of paddy were lowered to 0 percent, from a previous level of 9 percent. For 2011, deliveries to the country, virtually all comprised of milled rice, are expected to reach 130 000 tonnes, up 40 000 tonnes from the previous year to offset losses from a drought reduced 2011 crop. Domestic supply constraints from weather affected output are also expected to encourage **Venezuela** to maintain purchases high and in the order of 300 000 tonnes. Public sector imports, undertaken to supply state marketing chains, are likely to account for the bulk of this volume. In this connection, the Venezuelan Government is already reported to have sealed an agreement with Argentina that will provide it with 150 000 tonnes of paddy and 15 000 tonnes of milled rice over the year.

In *Europe*, volumes shipped to the **EU-27** zone are foreseen to recover to 1.2 million tonnes, 100 000 tonnes above imports officially reported in 2010. For the second half of the 2010-



2011 marketing year ending on 31 August 2011, import duties on husked rice (excluding Basmati) and on semi/wholly milled rice will remain pegged at Euro 30 and Euro 175 per tonne, respectively. Indeed, non-Basmati husked rice imports between September 2010 and February 2011 are reported to have remained rather subdued, totalling 133 993 tonnes, well below the 382 226 tonne maximum import level permissible under the lower range duty. Conversely, with 192 891 tonnes contracted, deliveries of semi/wholly milled during the reference period continued to surpass the threshold of 182 239 tonnes.

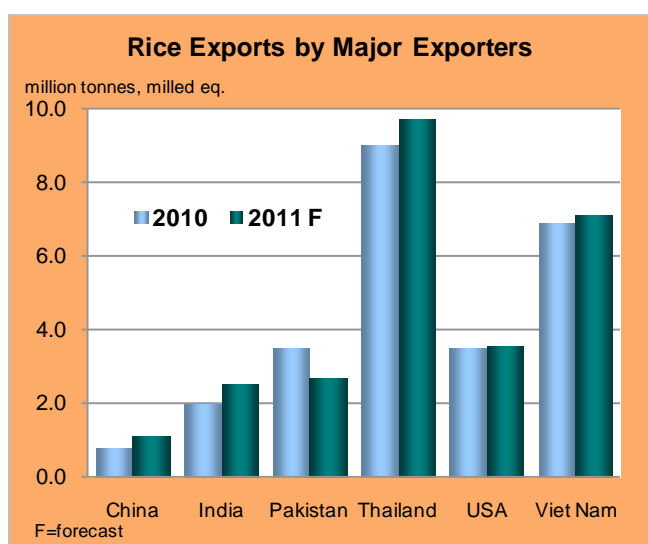
European Union -Husked and Semi/Wholly Milled Rice Imports (tonnes)									
	2008/09			2009/10			2010/11		
	1 Sep - 28-Feb	1 Mar - 31-Aug	Total	1 Sep - 28-Feb	1 Mar - 31-Aug	Total	1 Sep - 28-Feb	1 Mar - 31-Aug*	Total
<b>Husked (excluding basmati)</b>	221,765	228,017	449,782	168,642	150,897	319,539	133,993	43,719	177,712
<b>Semi-milled or wholly milled</b>	160,203	183,619	343,822	207,074	192,591	399,665	192,891	40,451	233,342
<b>Total</b>	381,968	411,636	793,604	375,717	343,488	719,204	326,884	84,170	411,054

\* As of 13 April 2011  
Source: EU Commission, based on import licenses issued.

In the **Russian Federation**, largely on the back of excellent seasonal results in 2010, which have also permitted the country export some supplies, imports are anticipated to fall by 6 percent to 200 000 tonnes. On the other hand, the **United States** is officially forecast to step-up 2011 purchases by 10 percent to 620 000 tonnes.

## Exports in 2011

### Global rice exports forecast to rise by 1 percent in 2011



Based on the latest estimates, world rice trade in calendar 2011 looks set to expand by 1 percent 31.8 million tonnes. **Thailand** is still expected to play a significant role this year, counting on a comfortable supply situation also thanks to large government stock releases. Nonetheless, competitive prices in **Viet Nam** are now also foreseen to raise the country's shipments to a new record. Based on current expectations of favourable seasonal results, **Argentina, Australia, Brazil, Cambodia, China (Mainland), India and Uruguay** may also expand deliveries. By contrasts, the

outlook is negative in the **United States** and **Pakistan**, while restrictions on exports in **Egypt** and **Myanmar** look set to significantly constrain shipments by the two countries this year.

A considerable surplus from a record 2010 crop is anticipated to enable **Cambodia** to step up 2011 exports by 8 percent to 1.4 million tonnes, the bulk of which will be expected to flow

unrecorded, mainly to Viet Nam and Thailand. Indeed, officials have recently estimated that the country would require investment worth USD 350 million to raise milling capacity and ease financial constraints on procurement, in order to meet the 1.0 million tonne target for official exports by 2015.

Shipments by **China (Mainland)** are also foreseen to rise to 700 000 tonnes, up 12 percent from the low 2010 level, but 300 000 tonnes less than previously anticipated. Chinese rice shipments are undertaken exclusively by state trading agencies and mainly consisting of lower quality varieties destined to African countries and higher quality volumes to Far-eastern markets, such as Japan and the Republic of Korea.

FAO has downgraded estimates of 2010 exports by **India** by 400 000 tonnes to 2.0 million tonnes, now pointing to a 5 percent decline in consignments from the previous year. The reduction follows the postponement into 2011 of a 300 000 tonne shipment of parboiled rice to Bangladesh, which was exempted from the existing ban on non-Basmati rice exports in August last year. Staunch competition with Pakistan over some traditional Basmati markets has also been faced, as has been the case in the European Union, where reports of found presence of agrochemicals<sup>6</sup> above arbitrary maximum residue limits, also depressed shipments. Of late, payment disruptions with the Islamic Republic of Iran have also been cause of concern to the sector, as official December directives have instructed that transactions with the country be settled outside the Asian Clearing Union, a long standing regional payment mechanism. Meanwhile, in February, the Indian Government approved additional exceptions to the ban on common rice exports by permitting 150 000 tonnes of Sona Masoori, Ponni Samba and Matta varieties to be shipped to any destination, subject to a minimum export price of USD 850 per tonne. Based on improved supply prospects, FAO now anticipates 2011 deliveries by the country to rebound by 300 000 tonnes to 2.3 million tonnes.

In **Myanmar**, a February decision by Government suspended rice exports over concerns on domestic inflationary pressure. The measure is, however, reportedly in place on a temporary basis, or at least until April harvested secondary crop supplies ease local market constraints. Nevertheless, given the timing of the prohibition, which coincides with the months during which large consignments are generally made, FAO has downscaled forecasts of exports by the country to 400 000 tonnes, which would match the 2010 low level of deliveries, when delays in the issuance of export licences also kept shipments small.

Consistent with upward revisions to 2010 production figures, forecast of 2011 exports by **Pakistan** have been raised by 900 000 tonnes to 2.7 million tonnes. This level would still imply a 25 percent contraction from the 2010 high of 3.6 million tonnes, attributable to supply constraints from losses to devastating floods. Lately, the industry has also voiced unease over potential increases in the cost of procuring supplies, which may be associated with a recent imposition of higher levies on buying agents' commissions and the withdrawal of exemptions on fiscal payments for persons selling produce, other than farmers themselves.

Notwithstanding an anticipated reduction in 2010 domestic output, **Thailand** is forecast to ship 9.7 million tonnes in 2011, 670 000 tonnes more than in 2010 and above the official 9.5 million tonne target. The good performance is anticipated to be enabled by large availability of exportable supplies due to the release of close to 4.0 million tonnes of rice from government reserves since mid last year. Nonetheless, the country is still expected to face

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<sup>6</sup> More specifically, carbendazim and isoprothiolane.

strong competition from other regional suppliers, namely Viet Nam, prospects of which have already prompted authorities to advance a strategy to improve quality of supplies and reaffirm the country's stronghold in the premium variety market. Over the mid-term, strengthening ties with Myanmar and Cambodia, to draw advantage from its large milling capacity for re-export, has also been proposed as avenues to maintain the country's leading position as a global supplier of rice.

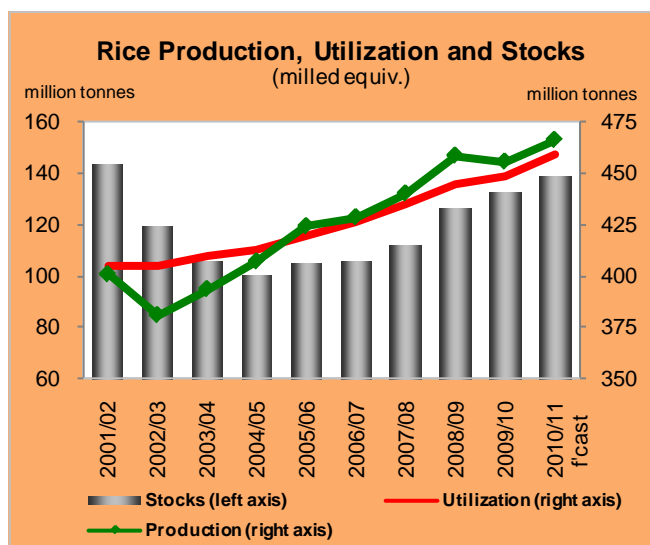
Based on favourable 2011 production prospects and a dynamic pace of shipments held to date, FAO has raised its January forecast of 2011 exports by **Viet Nam** by 600 000 tonnes to 7.1 million tonnes, implying a 3 percent increase from the previous year and a new record. Indeed, abundant supplies from a good winter-spring harvest have permitted 1.7 million tonnes to be delivered in first quarter of 2011 alone, up 17 percent year-on-year, with up to 1.6 million tonnes already contracted for shipment between April and June. Further aided by another significant currency devaluation in February, Viet Nam continues to maintain a competitive edge over other regional suppliers. In spite of prospects of smaller consignments to its major buyer, the Philippines, the country has been actively seeking new contracts, having already signed agreements to supply Cuba and Indonesia, in addition to entering into a long-term deal to provide Bangladesh with up to 1.0 million tonnes annually.

In an effort to secure sufficient domestic supplies and quell pressure on local rice prices, in September 2010, the **Egyptian** Government renewed the export ban on rice for an additional year. However, unlike previous years, when export licenses were granted in return for delivery of equal amounts for the public distribution system, to date only small shipments of broken rice are reportedly permitted for sale abroad. As a result, overall 2011 exports by the country are now anticipated to amount to 100 000 tonnes, 200 000 tonnes less than previously foreseen and a mere quarter of the previous year's level.

The USDA has upgraded estimates of 2010 exports by the **United States** to 3.8 million tonnes, 315 000 tonnes more than previously reported and 28 percent above deliveries the previous year. As to prospects for 2011, the latest official forecast points to a likely 10 percent decline in shipments by the country to 3.4 million tonnes. The reduction is expected to result from strong competition with other suppliers. Indeed, while the country is anticipated to benefit from Egypt's continued restrictions on rice exports, the return of Australia to the market may weigh on sales of medium grade rice. Concerns also exist over the reduced quality of 2010 harvested crops, which in recent months have, however, led to increased sales of broken to some west African markets.

A considerable recovery from consecutive drought-reduced harvests is anticipated to permit **Australia** to resume deliveries abroad. FAO forecasts exports by the country to amount to 250 000 tonnes, the highest since 2006 when deliveries reached 479 000 tonnes. On expectations of favourable 2011 season results, several South American countries are also anticipated to count on sufficient supplies to step up exports over the year. This is primarily expected to be the case of **Brazil** where shipments may rebound by 40 percent to 600 000 tonnes. A large share of this volume will likely be destined to West African countries, which already in 2010 accounted for virtually all supplies shipped abroad. Consignments by **Argentina** and **Guyana** are also foreseen to rise by 3 percent to 530 000 tonnes and in by 5 percent to 280 000 tonnes, respectively. Likewise, a record level crop, may enable **Uruguay** to increase shipments by 22 percent to 900 000 tonnes.

### III. RICE UTILIZATION AND DOMESTIC PRICES



Reflecting current prospects for 2010 crops, much of which will be consumed over the course of 2011, **global rice utilization in 2011** is forecast to rise by 2 percent to 459.5 million tonnes (milled basis). The majority of this volume, or some 389.2 million tonnes, is anticipated to be consumed as food, 6.7 million tonnes more than in 2010. Use of rice as seed, non-food uses and post-harvest losses, are also forecast to increase to 58.4 million tonnes, while small volumes channelled to the animal feed industry may amount to 12.0 million tonnes, 2 percent above the previous year's level.

Based on current estimates, this would result in a modest increase in **global per caput consumption** to 56.4 kilos, mirroring a relatively stable average rice intake in developing countries, of close to 67.4 kilos, and an increase in developed countries to 12.0 kilos per person.

Meanwhile, **domestic rice quotations** in several *Asia countries* have continued on an upward trend during the first quarter of 2011. This has been the case specially in Bangladesh, China (Mainland), the Republic of Korea, Myanmar, Pakistan and Thailand, where several governments have again intervened to keep rice at affordable prices. In the case of **Bangladesh**, official measures to contain domestic rice quotations have involved the resumption of open market sales of up to 5 kilos per person at a subsidised price of Taka 24 per kilo (USD 325 per tonne). A supplementary Fair Price Card programme will also provide eligible household with up to 20 kilos of rice at the same cost, while targeted distributions to fourth class government workers are also being undertaken. In **China (Mainland)** efforts to quell inflationary pressure have generally involved the release of rice from state reserves through weekly auctions. Over the course of 2010 alone, the government is reported to have discharged 13.43 million tonnes of rice from reserves to the market, in this manner.

In **India**, further to a maintenance of a ban on exports of non-basmati rice, authorities continue to provide assistance to vulnerable groups through the Targeted Public Distribution System (TPDS). Under the scheme, households in the Antyodaya Anna Yojana and Below Poverty Line groups receive up to 35 kilos of foodgrains per month at a price of Rupee 2.0 and 4.15 per kilo (USD 92 and USD 44 per tonne), respectively; while between August 2010 and February 2011 Above Poverty Line households have received a higher allocation of 15 kilos per month at Rupees 7.95 per kilo (USD 176 per tonne). In addition, the Indian Government has also released supplies under open market operations. However, progressive increases in official procurement prices over recent years and the maintenance of TPDS issue prices unchanged since 2002 have entailed a surge in food subsidy costs to the state, which according to recent official estimates, based on data to December 2010, reached Rupees 512 billion (USD 11.3 billion) in 2010-2011, up from Rupees 120 billion (USD 2.7 billion) in 2000-2001.

During marketing year 2010-2011, **Indonesia** is expected to channel 3.15 million tonnes of rice to 17.5 million households under its public distribution system. Eligible families will receive monthly rations of up to 15 kilos at a price of Rupiah 1 600 per kilo (USD 176 per tonne). In addition to undertaking large foreign purchases this year to sustain its welfare schemes and market operations, authorities would also be reportedly targeting to diminish overall rice consumption in the country by 1.5 percent annually, by encouraging the population to diversify their diets.

In the **Republic of Korea**, a sudden pick-up in domestic rice quotations after nearly two years of progressive declines, prompted authorities to announce the release of 150 000 tonnes of rice from reserves to the market, starting in March. On the other hand, a February Government decision in **Myanmar** imposed a ban on rice exports to avoid domestic shortages and ease pressure on prices. This year, the **Philippines** is, instead, reorienting assistance to vulnerable groups through a conditional cash transfer programme managed by the Department of Social Welfare and Development. The measure follows official attempts to progressively disengage state agencies, namely the National Food Authority (NFA), from sale of rice at below market costs, which in December entailed an 8 percent increase in prices of NFA rice to Pesos 27 per kilo (USD 621 per tonne). In **Sri Lanka**, authorities reinstated retail price controls in December 2010, requiring one kilo of Samba rice to be marketed at no more than Rupees 70 (USD 631 per tonne) and at Rupees 60 per kilo (USD 541 per tonne) in the case of Nadu rice. With losses to floods anticipated to lead to output declines, officials have recently declared their readiness to continue releasing supplies from buffer stocks to ease any potential market tightness. Meanwhile, under an agreement reached between the Government of the **United Arab Emirates** and a marketing chain, effective from April 2011 to the end of the year, rice will be sold at 2004 price levels.

Based on available price information for *Africa* during the first quarter of 2011, retail/wholesale prices of rice in the region registered considerable increases, relative to their levels three months earlier, in Burkina Faso, Chad, the Democratic Republic of Congo, Mali, Rwanda, Somalia, Uganda and the United Republic of Tanzania. Conversely, price declined mainly in Benin and Mozambique. Although domestic quotations in **Guinea** and **Sierra Leone** are not readily available, concern over mounting domestic prices is reported to have prompted authorities in both countries to institute restrictions on rice outflows. In Guinea, the measure was further supplemented in January by the institution of a fixed retail price of Guinea Franc 160 000 per 50 kilo bag of rice (USD 480 per tonne) and by the distribution of imported rice in local markets. A similar initiative has been adopted in **Madagascar**, where a fixed retail rice price of Airy 1 180 per kilo (USD 555 per tonne) was set in January. In addition to suspending duties and levies on imported rice, and sourcing a contingent of 20 000 tonnes from abroad to be distributed at low prices, the Government has also restricted rice exports.

In *Latin America and the Caribbean*, significant increases in domestic rice quotations in the first three months of 2011 have mainly concerned Costa Rica, Mexico and Peru. Instead, prices tended to decline in Bolivia, Haiti and Honduras. *Elsewhere*, rice quotations have increased considerably in Italy.

## MONTHLY RETAIL PRICES OF RICE IN SELECTED MARKETS

Latest available quotation:

Latest available quotation compared to: <sup>1/</sup>

Asia	Month	USD/Kg	3 months earlier	6 months earlier	1 year earlier	2 years earlier
Bangladesh: Ntl. Avg. (coarse)	Feb-11	0.46	6%	13%	25%	40%
Bhutan: Samdrup Jongkhar (white)	Mar-11	0.40	0%	-10%	13%	20%
Cambodia: Phnom Penh (mix)*	Mar-11	0.41	-8%	-4%	-14%	10%
China: Hubei (indica first quality)*	Jan-11	0.49	12%	14%	21%	21%
India: Delhi	Mar-11	0.51	0%	2%	0%	7%
Indonesia: Ntl. Avg.	Mar-11	1.00	-3%	4%	17%	31%
Japan: Tokyo Ku-area (non-glutinous)	Mar-11	4.91	-1%	-7%	-8%	-10%
Republic of Korea: Ntl. Avg.	Mar-11	1.94	6%	5%	3%	-7%
Lao PDR: Vientiane (ordinary first quality)	Mar-11	1.12	0%	-3%	13%	13%
Mongolia: Ulaanbaatar	Mar-11	1.36	-6%	-5%	13%	25%
Myanmar: Ntl. Avg.	Jan-11	0.51	3%	8%	21%	26%
Pakistan: Karachi (irri)	Mar-11	0.49	14%	18%	20%	32%
Philippines: Ntl. Avg. (well-milled)	Mar-11	0.80	1%	1%	0%	0%
Sri Lanka: Colombo (white)	Mar-11	0.54	2%	22%	12%	-3%
Thailand: Bangkok (5% broken)*	Feb-11	0.48	4%	14%	-8%	-19%
Viet Nam: Dong Thap (25% broken)	Mar-11	0.39	-7%	8%	29%	29%
<b>Western Africa</b>	<b>Month</b>	<b>USD/Kg</b>	<b>3 months earlier</b>	<b>6 months earlier</b>	<b>1 year earlier</b>	<b>2 years earlier</b>
Benin: Cotonou (imported)	Mar-11	1.02	-9%	-9%	-9%	0%
Burkina Faso: Ouagadougou (imported)*	Mar-11	0.82	4%	20%	20%	5%
Cape Verde: Santiago (imported)	Feb-11	1.17	-1%	3%	-2%	10%
Chad: N'Djamena (imported)	Feb-11	0.90	24%	-6%	-6%	-13%
Mali: Bamako (imported)*	Mar-11	0.69	5%	0%	14%	3%
Senegal: Dakar (imported)	Jan-11	0.81	0%	0%	8%	-11%
<b>Central Africa</b>	<b>Month</b>	<b>USD/Kg</b>	<b>3 months earlier</b>	<b>6 months earlier</b>	<b>1 year earlier</b>	<b>2 years earlier</b>
Dem. Rep. Congo: Kinshasa (imported)	Mar-11	1.17	4%	7%	5%	11%
<b>Eastern Africa</b>	<b>Month</b>	<b>USD/Kg</b>	<b>3 months earlier</b>	<b>6 months earlier</b>	<b>1 year earlier</b>	<b>2 years earlier</b>
Burundi: Bujumbura	Mar-11	1.08	0%	2%	-1%	3%
Rwanda: Kigali*	Mar-11	0.84	10%	3%	-20%	-21%
Somalia: Mogadishu (imported)	Mar-11	0.77	10%	11%	16%	9%
Uganda: Kampala*	Mar-11	0.75	18%	22%	-11%	2%
United Rep. of Tanzania: Dar es Salaam*	Mar-11	0.80	7%	22%	-13%	-13%
<b>Southern Africa</b>	<b>Month</b>	<b>USD/Kg</b>	<b>3 months earlier</b>	<b>6 months earlier</b>	<b>1 year earlier</b>	<b>2 years earlier</b>
Mozambique: Maputo	Dec-10	0.88	-4%	9%	20%	53%
<b>Central America and the Caribbean</b>	<b>Month</b>	<b>USD/Kg</b>	<b>3 months earlier</b>	<b>6 months earlier</b>	<b>1 year earlier</b>	<b>2 years earlier</b>
Costa Rica: Ntl. Avg. (first quality)	Feb-11	1.74	9%	16%	15%	47%
Dominican Rep: Santo Domingo (first quality)	Mar-11	1.24	-2%	2%	-3%	-1%
El Salvador: San Salvador	Mar-11	1.09	0%	4%	4%	-23%
Guatemala: Ntl. Avg. (second quality)	Mar-11	1.13	0%	1%	1%	0%
Haiti: Port-au-Prince (imported)	Mar-11	1.06	-6%	18%	-18%	-6%
Honduras: Tegucigalpa (second quality)*	Mar-11	0.84	-4%	15%	2%	-16%
Mexico: Mexico City (sinaloa)*	Mar-11	0.88	14%	29%	12%	-8%
Nicaragua: Ntl. Avg. (second quality)	Feb-11	0.89	0%	2%	0%	-9%
Panama: Panama City (first quality)	Mar-11	1.09	0%	0%	4%	0%
<b>South America</b>	<b>Month</b>	<b>USD/Kg</b>	<b>3 months earlier</b>	<b>6 months earlier</b>	<b>1 year earlier</b>	<b>2 years earlier</b>
Bolivia: La Paz (grano de oro)*	Mar-11	0.89	-4%	3%	5%	-20%
Brazil: Ntl. Avg.	Mar-11	1.13	-1%	-6%	-8%	-18%
Colombia: Bogotá (first quality)*	Mar-11	1.11	1%	15%	9%	-10%
Peru: Lima (corriente)	Mar-11	0.84	8%	13%	15%	-17%
Uruguay: Ntl. Avg.	Feb-11	0.97	1%	0%	1%	-5%
<b>North America</b>	<b>Month</b>	<b>USD/Kg</b>	<b>3 months earlier</b>	<b>6 months earlier</b>	<b>1 year earlier</b>	<b>2 years earlier</b>
United States: City Avg. (long grain, uncooked)	Mar-11	1.64	2%	3%	-2%	-4%
<b>Europe</b>	<b>Month</b>	<b>USD/Kg</b>	<b>3 months earlier</b>	<b>6 months earlier</b>	<b>1 year earlier</b>	<b>2 years earlier</b>
Italy: Milan (arborio volcano)*	Mar-11	2.01	29%	33%	58%	34%

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

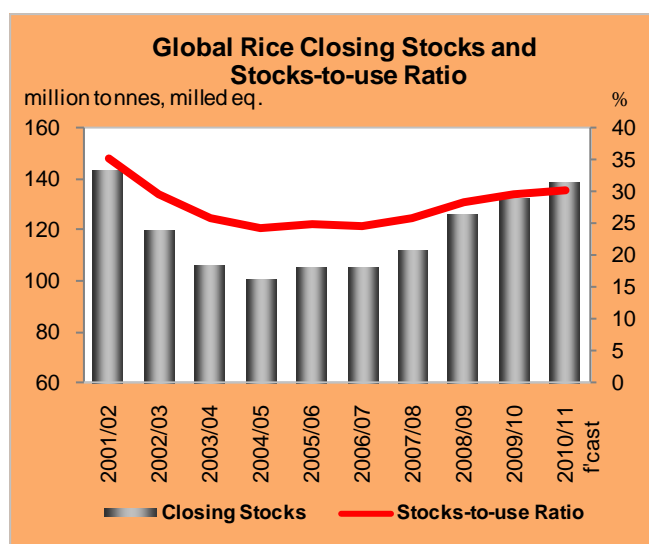
\* Wholesale prices.

Sources: FAO/GIEWS National Food Price database; Monthly Report on the Retail Price Survey, Japan Ministry of Internal Affairs and Communications; Korea Agricultural Marketing Information Service (KAMIS); U.S. Bureau of Labor Statistics (BLS); Associazione Industrie Risiere Italiane (AIRI).

Percentage price decrease  
 Percentage price increase

## IV. CLOSING STOCKS

### Global rice inventories at the close of marketing years ending in 2011 set to reach 139 million tonnes



Following revisions to 2010 production and stocks figures and 2011 trade projections, FAO has upgraded forecasts of global rice reserves at the close of the 2010-2011 marketing year by 1.7 million tonnes to 138.9 million tonnes. The upward revision primarily reflects larger than previously foreseen closing inventories in Bangladesh, China (Mainland), Egypt, Japan, Myanmar and Pakistan, which served to compensate for downscaled estimates mainly in India, the Philippines and Viet Nam. The current forecasts level of 138.9 million tonnes implies a 5 percent rebuilding of

global rice carry-overs, to a level that would be sufficient to meet 30 percent of projected needs over the year. **Developing countries** are anticipated to be responsible for much of this increase, refurbishing stocks by nearly 6.0 million tonnes to 134.0 million tonnes. A 10 percent rise in reserves held by **China (Mainland)** to 77.2 million tonnes, accounts for the bulk of this increase. Nonetheless, **developed countries** are also foreseen to boost reserves by 17 percent to 5.0 million tonnes.

Principal Revisions to 2010-2011 Closing Stocks (millions of tonnes)										
	January			April			Revision			
	f'cast			f'cast			f'cast			
<b>WORLD</b>	137.2			138.9			+1.7			
<b>ASIA</b>	131.1			132.4			+1.3			
Bangladesh	6.2	F		6.4	F		+0.2			
Cambodia	1.2	F		1.3	F		+0.2			
China (Mainland)	77.0	F		77.2	F		+0.2			
India	20.0	F		19.1	F		-0.9			
Indonesia	5.3	F		5.4	F		+0.1			
Japan	1.4	F		2.6	F		+1.3			
	<b>AFRICA</b>			<b>2.6</b>			<b>2.8</b>			<b>+0.2</b>
	Myanmar			4.7		F	5.1		F	+0.4
	Nepal			0.1		F	0.2		F	+0.1
	Pakistan			0.1		F	0.4		F	+0.3
	Philippines			3.0		F	2.7		F	-0.3
	Viet Nam			3.2		F	2.8		F	-0.4
	Egypt			0.5		F	0.8		F	+0.3
	Madagascar			0.3		F	0.2		F	-0.1

G: Official Figure; F: FAO forecast/estimate.

Rice stocks held by the five **major exporting countries**, as a group, are now projected to close the 2010/2011 marketing year with a 3 percent decline to 29.2 million tonnes. A brisk pace of shipments during the year may result in a 9 percent fall in inventories in **Thailand** to 5.2 million tonnes. The decline is also expected to mirror the gradual reduction of government held reserves to a 100 000 tonne desired emergency level, which began mid last year with the release of up to 4.0 million tonnes of rice. Similarly, on expectations of another record export performance, rice inventories held by **Viet Nam** may contract by 16 percent to 2.8 million tonnes. Crop losses endured from floods are also likely to require **Pakistan** to draw on reserves to meet export commitments during the year, leading to a near 60 percent decline in stocks held by the country to 380 000 tonnes. By contrast, rice carry-overs in **India** are

expected to rise, but to a much smaller extent than previously foreseen, given less buoyant production prospects for the 2010 season. These are now projected in the order of 19.1 million tonnes, 1 percent above their opening level. A much higher replenishment is being forecast in the **United States**, where a record 2010 crop is officially expected to lead to an all time high carry-over of 1.7 million tonnes, up 530 000 from the previous year.

Rice **importing countries** are now forecast to rebuild their inventories by 7 percent to 26.1 million tonnes, up from a January forecast of 24.6 million tonnes. The increase primarily follows adjustments to historical estimates of stocks in **Japan**, which now take account of volumes purchased under its minimum access commitments to the WTO. Total inventories held by the country, inclusive of an 834 000 tonne government reserve, are estimated in the order of 2.6 million tonnes in 2010-2011, 200 000 tonnes above their opening level. Consistent with official efforts to replenish stocks through large imports, end of season inventories in **Bangladesh** are foreseen to rise by 21 percent to 6.4 million tonnes and in **Indonesia** by 20 percent to 5.4 million tonnes. Conversely, as the country strives to significantly limit foreign purchases over the year, the **Philippines** is forecast to close the year with a 12 percent stock-draw down to 2.7 million tonnes. Amongst other major rice importers, **Brazil**, the **Republic of Korea**, **Malaysia** and **Nigeria** are also expected to incur declines, while, by contrast, reserves held by the **European Union**, the **Islamic Republic of Iran** and **Saudi Arabia** are forecast to increase.

On the other hand, based on very preliminary expectations for 2011 crops, FAO's first forecast of global inventories at the end of the 2011-2012 marketing year points to an additional 8 percent world stock replenishment to 149.5 million tonnes. On the back of eight consecutive years of increases, this level would imply an even higher global stock-to-use ratio of 32 percent. **China (Mainland)** is anticipated to be responsible for much of this increase, amassing a further 8.8 million tonnes by the end of the season to 86.0 million tonnes. Rice inventories held by the major exporters are also forecast to rise to 31.5 million tonnes, implying an 8 percent recovery from their opening level. Based on prospects of a good 2011 season, the increase mainly mirrors anticipated gains in **India**, which is expected to reconstitute stocks by 10 percent to 21.0 million tonnes. Carry-overs may also rebound in **Thailand** to 5.7 million tonnes and in **Viet Nam** to 3.1 million tonnes. On the other hand, while FAO anticipates inventories in **Pakistan** to rise modestly to 400 000 tonnes, officials predict inventories held by the **United States** to decline by 26 percent to 1.25 million tonnes. On the import side, on the back of Government efforts to raise reserves to a desired 2.0 million tonne level, stocks in **Indonesia** are expected to surpass their opening level by 7 percent to 5.8 million tonnes, while in the **Philippines** they are foreseen to continue declining to 2.6 million tonnes.

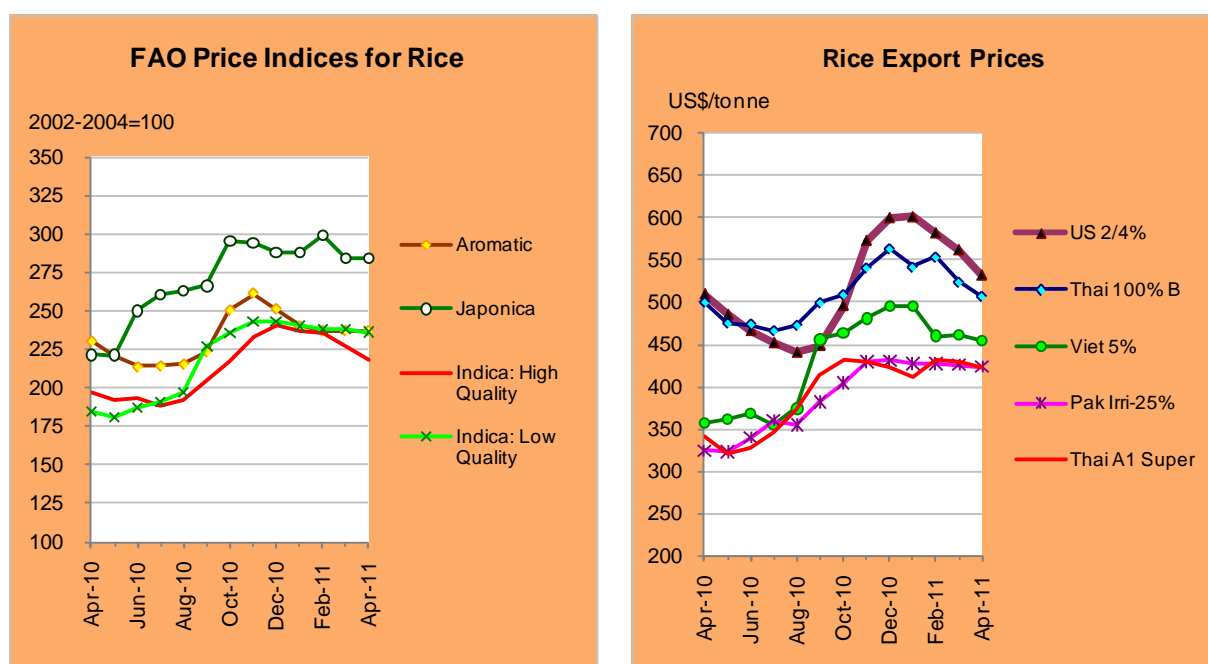
## V. INTERNATIONAL PRICES

### International rice export prices under continued downward pressure from ample supply availability

In contrast to what has been the case for other cereals, international rice export prices have continued to recede since January, pressured by the arrival of secondary crop harvests in northern hemisphere countries. By the fourth week of April, the FAO All Rice Price Index (2002-2004=100) stood 3 percent below its January value at 245 points. Weakening prices in the high quality indica segment contributed most to this fall, with their corresponding index



passing from a January average of 237 to 218 by April. Fragrant and small/medium grain prices have also tended to decline, resulting in the Aromatic and Japonica indices shedding 3 and 4 points, respectively, to 237 and 284. Meanwhile, the low quality indica Index has passed from a January average of 240 to 236 by April. Yet, on an annual basis and in spite of the overall downward tendency, the FAO All Rice Price Index still stood 9 percent above its 2010 value. This chiefly reflects some resilience manifested by the low quality indica segment due to high purchasing interest and continued supply constraints in the Japonica segment, owing to Egypt's and Australia's absence from the market.



Viewed from an origin perspective, benchmark **Thai** 100% B prices rose by 2 percent in February to USD 554 per tonne, supported by high buying interest. As secondary crop harvests gathered momentum, however, the trend was inverted in March when quotations slid by 5 percent and again in April by 3 percent to USD 507 per tonne, prompting the Government to approve a supplementary direct purchase programme for 2.0 million tonnes. Indeed, the newly harvested crops have added to an ample supply situation, following the release of up to 4 million tonnes of rice from government reserves since mid 2010. Quotations were also subdued in the **United States**, where US N.2 4% was priced at USD 532 per tonne in April, down 11 percent from January, as knowledge of large availabilities and unease over the quality of 2010 harvested long grain crops tended to weigh on prices. Declines were slightly less pronounced in **Viet Nam**, with 25% broken traded at USD 423, down from USD 455 tonnes in January. The weakening was consistent with improved supply availability following the harvest of winter-spring crops, and with the third devaluation of Dong in twelve months. During the period, the Viet Nam Food Association has also repeatedly altered minimum export prices to cater to perspective sales. Since 25 March, floor prices stand at USD 490 per tonne in the case of 5% broken rice and at USD 470 per tonne of 25% broken, down USD 30 and USD 28 since their January level, respectively. Export quotations for IRRI 25% broken in **Pakistan** have fallen by 1 percent since January to USD 424 per tonne.

Prices in the coming months will likely feel the pressure of the anticipated abundant secondary crop harvests in major northern hemisphere suppliers and of the main 2011 crops in southern hemisphere countries. Nonetheless, the tendency for prices to fall is likely to be checked by the higher production costs farmers are facing. On the other hand, amid rising inflation, there is already evidence that governments are reacting to contain the increases in rice consumer prices, through export restrictions, import facilitation, retail price controls and a widening of subsidized rice distribution schemes. Together with currency factors, such moves will also influence world rice quotations.

<b>FAO Rice Price Indices (2002-2004=100)</b>					
	All	Indica		Japonica	Aromatic
		High quality	Low quality		
<b>2006</b>	<b>137</b>	<b>135</b>	<b>129</b>	<b>153</b>	<b>117</b>
<b>2007</b>	<b>161</b>	<b>156</b>	<b>159</b>	<b>168</b>	<b>157</b>
<b>2008</b>	<b>295</b>	<b>296</b>	<b>289</b>	<b>315</b>	<b>251</b>
<b>2009</b>	<b>253</b>	<b>229</b>	<b>197</b>	<b>341</b>	<b>232</b>
<b>2010</b>	<b>229</b>	<b>211</b>	<b>213</b>	<b>264</b>	<b>231</b>
<b>2010</b> April	204	197	185	221	230
May	200	192	181	221	221
June	210	193	187	250	214
July	214	189	191	261	214
August	217	192	197	263	216
September	232	205	227	266	224
October	249	217	235	296	250
November	257	233	243	294	261
December	256	240	243	288	251
<b>2011</b> January	253	237	240	288	240
February	255	235	238	299	237
March	248	227	238	284	237
April*	245	218	236	284	237
<b>2010</b> Jan.-Apr.	229	217	211	257	231
<b>2011</b> Jan.-Apr.	250	229	238	289	238
<b>% Change</b>	9.4	5.6	12.4	12.2	2.7

*Source: FAO*

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

*\* Four weeks only.*

RICE EXPORT PRICES													
	Thai White 100% B Second grade	Thai Parboiled 100%	U.S. Long Grain 2,4%	Thai 5%	Viet 5%	Thai 25%	Viet 25%	Pak 25%	Thai A1 Super 1/	U.S. California Medium Grain 2/	Egypt Short Grain, Grade 2,5% 178 Camolino	Pak Basmati Ordinary	Thai Fragrant 100%
	<i>(US \$/tonne, f.o.b.)</i>												
<b>2006</b>	311	300	394	304	266	269	249	230	217	512	353	516	470
<b>2007</b>	335	332	436	325	313	305	294	290	275	557	404	677	550
<b>2008</b>	695	722	782	682	614	603	553	498	506	913	n.a.	1077	914
<b>2009</b>	587	619	545	555	432	460	384	351	329	1019	765	937	954
<b>2010</b>	518	532	510	492	416	444	387	372	386	764	n.a.	881	1045
<b>2010</b>													
April	500	492	510	466	357	411	328	325	341	728	575	856	1000
May	475	460	485	446	362	390	332	323	322	719	577	760	983
June	474	470	466	443	369	390	343	340	327	739	n.a.	760	957
July	466	480	452	438	355	397	325	360	345	728	n.a.	752	998
August	472	513	441	454	374	417	332	355	372	722	n.a.	750	1021
September	499	539	449	482	456	451	427	382	414	741	n.a.	750	1105
October	508	558	496	494	463	464	432	404	430	794	n.a.	1020	1140
November	541	557	573	524	481	478	452	429	430	852	n.a.	1200	1152
December	564	552	600	547	495	486	458	431	423	871	n.a.	1150	1141
<b>2011</b>													
January	542	542	601	525	495	472	455	428	412	871	n.a.	1150	1016
February	554	551	582	538	460	490	420	428	433	871	n.a.	1150	978
March	524	524	562	507	462	476	426	426	429	871	n.a.	1150	984
April *	507	515	532	490	454	465	423	424	423	871	n.a.	1150	990
<b>2010 Jan.-Apr.</b>	555	564	541	520	410	463	385	361	392	751	622	858	1011
<b>2011 Jan.-Apr.</b>	532	533	569	515	468	475	431	426	424	871	n.a.	1150	992
<b>% Change</b>	-4.1	-5.4	5.2	-0.9	14.0	2.7	11.8	18.1	8.3	16.0	n.a.	34.1	-1.9

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

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

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

\* Four weeks only.

WORLD PADDY PRODUCTION			
	2009	2010	2011
	(estimated)	(estimated)	(forecast)
	million tonnes		
<b>WORLD</b>	<b>682.8</b>	<b>699.1</b>	<b>719.8</b>
Developing countries	657.2	672.2	694.2
Developed countries	25.6	26.9	25.6
<b>ASIA</b>	<b>615.7</b>	<b>632.1</b>	<b>651.3</b>
Bangladesh	48.0	50.3	51.0
Cambodia	7.6	8.3	8.5
China	196.7	200.5	205.5
of which Taiwan Prov.	1.6	1.5	1.5
India	133.6	141.2	150.0
Indonesia	64.4	66.4	67.3
Iran, Islamic Rep. of	2.3	2.5	2.5
Japan	10.6	10.6	10.3
Korea Rep. of	6.6	5.8	6.0
Myanmar	31.0	30.8	31.0
Pakistan	10.3	8.3	10.0
Philippines	15.5	16.8	17.3
Sri Lanka	3.7	4.3	3.8
Thailand	32.1	31.6	32.3
Viet Nam	38.9	39.9	40.7
<b>AFRICA</b>	<b>24.4</b>	<b>24.7</b>	<b>24.6</b>
<b>North Africa</b>	<b>5.6</b>	<b>4.5</b>	<b>4.3</b>
Egypt	5.5	4.5	4.3
<b>Sub-Saharan Africa</b>	<b>18.7</b>	<b>19.9</b>	<b>20.1</b>
Western Africa	11.4	12.5	12.7
Côte d'Ivoire	0.7	0.8	0.7
Guinea	1.5	1.6	1.7
Mali	2.0	2.3	2.3
Nigeria	4.3	4.5	4.6
Central Africa	0.5	0.5	0.5
Eastern Africa	1.8	1.8	1.8
Tanzania	1.3	1.4	1.4
Southern Africa	5.0	5.1	5.1
Madagascar	4.5	4.8	4.7
Mozambique	0.3	0.2	0.2
<b>CENTRAL AMERICA</b>	<b>2.8</b>	<b>2.9</b>	<b>2.9</b>
Cuba	0.6	0.5	0.5
Dominican Rep.	0.8	0.9	0.9
Mexico	0.3	0.3	0.2
<b>SOUTH AMERICA</b>	<b>25.6</b>	<b>23.8</b>	<b>26.3</b>
Argentina	1.3	1.2	1.5
Brazil	12.6	11.7	13.5
Colombia	3.0	2.8	2.9
Peru	3.0	2.8	2.7
Uruguay	1.3	1.1	1.5
<b>NORTH AMERICA</b>	<b>10.0</b>	<b>11.0</b>	<b>9.4</b>
United States	10.0	11.0	9.4
<b>EUROPE</b>	<b>4.3</b>	<b>4.4</b>	<b>4.5</b>
EU	3.2	3.1	3.2
<b>OCEANIA</b>	<b>0.1</b>	<b>0.2</b>	<b>0.8</b>
Australia	0.1	0.2	0.8

## FOOTNOTES:

Totals computed from unrounded data.

1/ Highly tentative.

2/ Excluding intra-trade.

WORLD IMPORTS OF RICE			
	2009	2010	2011 <sup>1/</sup>
	(estimated)	(estimated)	(forecast)
	million tonnes, milled eq.		
<b>WORLD</b>	<b>29.6</b>	<b>31.4</b>	<b>31.8</b>
Developing countries	24.8	26.9	27.0
Developed countries	4.8	4.5	4.7
<b>ASIA</b>	<b>13.5</b>	<b>15.7</b>	<b>15.5</b>
Bangladesh	0.1	0.6	1.2
China	1.0	1.2	1.2
of which Taiwan Prov.	0.3	0.5	0.4
Indonesia	0.3	1.0	0.9
Iran, Islamic Rep. of	1.3	1.2	1.1
Iraq	1.1	1.2	1.2
Japan	0.7	0.7	0.7
Malaysia	1.1	0.9	1.1
Philippines	1.8	2.2	1.3
Saudi Arabia	1.1	1.0	1.2
Sri Lanka	0.1	0.1	0.1
<b>AFRICA</b>	<b>9.9</b>	<b>9.3</b>	<b>9.8</b>
Côte d'Ivoire	0.9	0.9	0.9
Nigeria	1.9	2.0	1.9
Senegal	0.8	0.7	0.7
South Africa	0.9	0.8	1.0
<b>CENTRAL AMERICA</b>	<b>2.0</b>	<b>2.1</b>	<b>2.1</b>
Cuba	0.5	0.5	0.5
Mexico	0.6	0.6	0.6
<b>SOUTH AMERICA</b>	<b>1.1</b>	<b>1.4</b>	<b>1.3</b>
Brazil	0.7	0.8	0.6
Peru	0.1	0.1	0.1
<b>NORTH AMERICA</b>	<b>1.0</b>	<b>0.9</b>	<b>1.0</b>
Canada	0.3	0.3	0.3
United States	0.7	0.6	0.6
<b>EUROPE</b>	<b>1.7</b>	<b>1.6</b>	<b>1.7</b>
EU 2/	1.2	1.1	1.2
Russian Fed.	0.2	0.2	0.2
<b>OCEANIA</b>	<b>0.5</b>	<b>0.5</b>	<b>0.4</b>

WORLD EXPORTS OF RICE			
	2009	2010	2011 <sup>1/</sup>
	(estimated)	(estimated)	(forecast)
	million tonnes, milled eq.		
<b>WORLD</b>	<b>29.6</b>	<b>31.4</b>	<b>31.8</b>
Developing countries	26.1	26.8	27.3
Developed countries	3.5	4.6	4.5
<b>ASIA</b>	<b>22.9</b>	<b>24.2</b>	<b>24.7</b>
China	0.9	0.7	0.8
of which Taiwan Prov.	0.1	0.1	0.1
India	2.1	2.0	2.3
Myanmar	1.1	0.4	0.4
Pakistan	2.9	3.6	2.7
Thailand	8.6	9.0	9.7
Viet Nam	6.0	6.9	7.1
<b>AFRICA</b>	<b>0.7</b>	<b>0.5</b>	<b>0.3</b>
Egypt	0.6	0.4	0.1
<b>SOUTH AMERICA</b>	<b>2.7</b>	<b>2.3</b>	<b>2.5</b>
Argentina	0.5	0.5	0.5
Guyana	0.3	0.3	0.3
Uruguay	1.0	0.7	0.9
<b>NORTH AMERICA</b>	<b>3.0</b>	<b>3.8</b>	<b>3.4</b>
United States	3.0	3.8	3.4
<b>EUROPE</b>	<b>0.2</b>	<b>0.5</b>	<b>0.6</b>
EU 2/	0.1	0.3	0.3
<b>OCEANIA</b>	<b>0.1</b>	<b>0.1</b>	<b>0.3</b>
Australia	0.1	0.1	0.3

**RICE : Supply and Utilization in Main Exporting Countries.  
(National Crop Years)**

	CHINA 2/ 3/ (Oct./Sep.)			INDIA 2/ (Oct./Sep.)		
	2008/2009	2009/2010	2010/2011 <sup>5/</sup>	2008/2009	2009/2010	2010/2011 <sup>5/</sup>
	prelim. f'cast (..... thousand tonnes .....)			prelim. f'cast (..... thousand tonnes .....)		
Opening Stocks	58295 F	63750 F	70640 F	16700 F	21900 F	19000 F
Production 1/	132513 G	134798 G	137410 *	99180 G	89100 G	94110 F
Imports	640 F	853 F	800 F	80 F	100 F	100 F
Total Supply	191448	199401	208850	115960	111100	113210
Domestic Use	126846	128039	130630	91949	90100	91810
Exports	852 F	722 F	800 F	2111 *	2000 F	2300 F
Closing Stocks	63750 F	70640 F	77420 F	21900 F	19000 F	19100 F
	PAKISTAN 2/ (Nov./Oct.)			THAILAND 2/ (Nov./Oct.)		
	2008/2009	2009/2010	2010/2011 <sup>5/</sup>	2008/2009	2009/2010	2010/2011 <sup>5/</sup>
	prelim. f'cast (..... thousand tonnes .....)			prelim. f'cast (..... thousand tonnes .....)		
Opening Stocks	350 F	1040 F	900 F	4150 F	5200 F	5700 F
Production 1/	6954 G	6883 G	5536 F	20953 G	21261 G	20917 G
Imports	1 F	15 F	15 F	400 G	300 F	400 F
Total Supply	7305	7938	6451	25503	26761	27017
Domestic Use	3397	3438	3371	11683	12031	12117
Exports	2868 G	3600 F	2700 F	8620 G	9030 F	9700 F
Closing Stocks	1040 F	900 F	380 F	5200 F	5700 F	5200 F
	UNITED STATES 4/ (Aug./Jul.)			VIET NAM 2/ (Nov./Oct.)		
	2008/2009	2009/2010	2010/2011 <sup>5/</sup>	2008/2009	2009/2010	2010/2011 <sup>5/</sup>
	prelim. f'cast (..... thousand tonnes .....)			prelim. f'cast (..... thousand tonnes .....)		
Opening Stocks	918 G	960 G	1154 G	4400 F	4300 F	3350 F
Production 1/	6400 G	6917 G	7471 G	25830 G	25943 G	26640 F
Imports	610 G	604 G	572 G	350 F	500 F	600 F
Total Supply	7928	8481	9197	30580	30743	30590
Domestic Use	3964	3861	3948	20322	20513	20690
Exports	3004 G	3466 G	3565 G	5958 G	6880 F	7100 F
Closing Stocks	960 G	1154 G	1684 G	4300 F	3350 F	2800 F

**Symbols:**

- G Official figure  
\* Unofficial figure  
F FAO estimate/forecast

**Footnotes:**

- Totals computed from unrounded data.  
1/ Milled basis.  
2/ Rice trade data refer to the calendar year of the second year shown.  
3/ Including Taiwan province.  
4/ Rice trade data refer to the August/July marketing season.  
5/ Highly tentative.