



**July 2012**

***Volume XV - Issue No. 3***

Use of material is subject to credit being given to source:

***FAO***

***Rice Market Monitor***

Trade and Markets Division

Food and Agriculture Organization of the United Nations

**Contact or enquiries**

Facsimile: ++(39-06) 570-54495

Telephone: ++(39-06) 570-54136

E-mail: [\*\*Commodity-Queries@fao.org\*\*](mailto:Commodity-Queries@fao.org)

Also available on the Internet at the following address:

<http://www.fao.org/economic/est/publications/rice-publications/rice-market-monitor-rmm/en/>

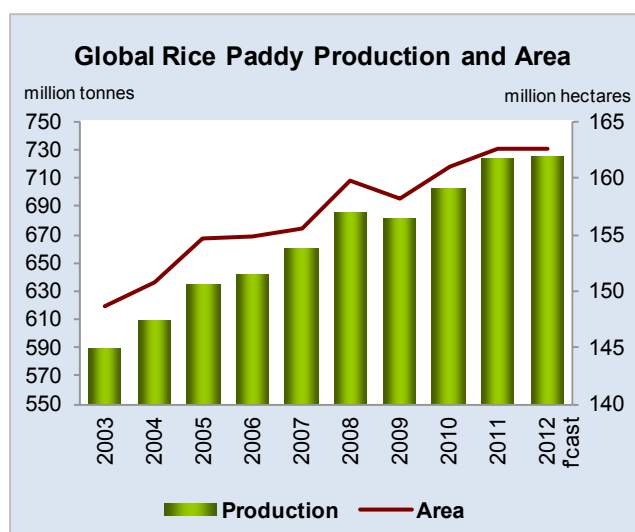
## ROUND-UP

- FAO has lowered its April forecast of **global paddy production** in 2012 by 7.8 million tonnes following a worsening of the outlook in Asia. The downward revision mainly concerned India, where the critical monsoon rains were 22 percent short of the Long Period Average by mid-July. As the season progressed, production forecasts for Bangladesh, Brazil, Cambodia, the Democratic People's Republic of Korea, the Republic of Korea, Mali, Pakistan and Sri Lanka were also downgraded. On the positive side, the 2012 production forecasts in China (Mainland), Indonesia, the United Republic of Tanzania, Thailand and the United States were all scaled up. At the new forecast level of 724.5 million tonnes (483.1 million tonnes, milled basis), global production in 2012 would be only marginally above the excellent 2011 results, recently further revised upwards. Across the various regions, *Asia* is predicted to reap 657 million tonnes in 2012, 0.4 percent above the outstanding 2011 performance. Such a modest growth reflects expectations of a poor season in India, but also in Cambodia, the Chinese Province of Taiwan, the DPR Korea, the Rep. of Korea and Nepal, all of which may see production drop in 2012. By contrast, China (Mainland), Indonesia and Thailand are anticipated to record sizeable gains, with smaller, but widespread, increases expected in the rest of the region. Production in *Africa* looks set to recover in 2012, possibly jumping by 3 percent, which, to a large extent, draws on expectations of an improved performance in western Africa. Prospects are also positive in Eastern and Northern Africa, but the season may end negatively in the Southern part of the continent. In *Latin America and the Caribbean (LAC)*, a lack of precipitation and a shift towards more remunerative products in Brazil, Argentina, Paraguay and Uruguay are behind a 7 percent drop of production in the region in 2012. Yet, prospects remain positive for Bolivia, Colombia, Guyana, Peru and Venezuela. In *the other regions*, Australia already concluded the season with an outstanding 32 percent area-led increase. As for output in the United States, it is officially anticipated to recover from last year's low, yet remaining well short of pre-2011 volumes. By contrast, production may fall in the EU, owing to a lingering drought in Spain.
- Based on trade performance so far this year, FAO has lowered its April forecast of **global rice trade in calendar 2012** by 160 000 tonnes to 34.2 million tonnes. Import forecasts were trimmed for Bangladesh and Indonesia, but raised for China (Mainland) and the Islamic Republic of Iran. As for export forecasts, deliveries from Pakistan, Thailand and Viet Nam have been lowered since April, outweighing upward revisions for Argentina, Brazil, India and the United States. At 34.2 million tonnes, global rice trade in 2012 would be about 1.0 million tonnes smaller than the 2011 record. Reduced import demand by countries in Far East Asia are behind this fall, as deliveries to Africa, LAC, Europe and North America are expected to rise compared with 2011. As for exports, Thailand is predicted to face a sharp decline in 2012, with Argentina, Brazil, China (Mainland), Myanmar, Uruguay and Viet Nam also foreseen to ship less. Part of these reductions are expected to be offset by greater sales, especially by India, but also Australia, Cambodia, Pakistan and the United States.
- Global rice utilization in 2012/13 is projected to hover around 474 million tonnes (milled basis), 6 million tonnes more than the 2011/12 estimate. Of these, 400 million tonnes are estimated to be used as food, up from 395 million tonnes in the previous year. This would keep rice food consumption per capita stable around 56.6 kilo per annum, even though domestic prices in many locations are above those prevailing one year ago. Utilizations of rice for feed and for other uses are anticipated to change little, at 12.6 million and 61.4 million tonnes, respectively.
- The FAO forecast of **global rice inventories** at the close of the 2012-2013 marketing years has been revised up by 200 000 tonnes to 164.5 million tonnes (milled basis). At that level, carryover stocks would be 6 percent (or 8.6 million tonnes) larger than the previous year, marking the eighth consecutive season of stock accumulation. As a result, the global stock-to-use ratio would be up to an estimated 34 percent in 2013. Much of the reserve building this season is expected to be concentrated among exporting countries, while reduced imports may result in smaller reserves held by traditionally importing countries.
- After gaining 2 percent in May, **international rice prices** have remained surprisingly stable, in sharp contrast with trends observed in the maize and wheat markets. Although the abundance of rice supplies lessens the prospect of a strong rebounding of prices in the coming months, still much uncertainty prevails as to their future direction. For instance, the necessity for Thailand to release stocks ahead of the new harvest in October must be weighed against India's possible consideration of a reinstatement of export restrictions, in spite of the country's ample inventories. Developments in the other cereal markets, will also need to be closely monitored.

## I. PRODUCTION

### A slow advancement of the monsoon rains in Asia depresses prospects for global production growth in 2012

At this time of the year, the 2011 rice season has come to a close and producers are concentrating on their 2012 crops. Northern-hemisphere producing countries are either engaged in or have concluded planting of their 2012 main crops, while these have already been harvested along or south of the equator.<sup>1</sup> Thus, the weather pattern prevailing in the forthcoming few months, corresponding to a critical period for rice crop development in several of the most important producing countries, will be decisive to the outcome of the season.



Since the April issue of the RMM, various governments have released new estimates of output in 2011 and, as a result, world paddy production last season is now estimated to have totalled a record of 723.1 million tonnes (482.3 million tonnes, milled basis), 3.1 million tonnes more than previously reported and 3 percent above the already outstanding 2010 outcome. The upward revision mainly reflects more buoyant estimates in India, Indonesia and Thailand, which more than offset reductions in Colombia, Egypt, the Islamic Republic of Iran and, specially, Pakistan.

Turning to the 2012 season, FAO has lowered the global production forecast by 7.8 million tonnes to 724.5 million tonnes (483.1 million tonnes, milled basis). The adjustment primarily reflects a deterioration of crop prospects in Asia, especially for India, but also for Bangladesh, Cambodia, the Democratic People's Republic of Korea, the Republic of Korea, Pakistan and Sri Lanka. By contrast, forecasts were raised for China (Mainland), Indonesia and Thailand. In the other regions, the 2012 outputs in Brazil and Mali were revised downwards, while they were upgraded for the United Republic of Tanzania and the United States.

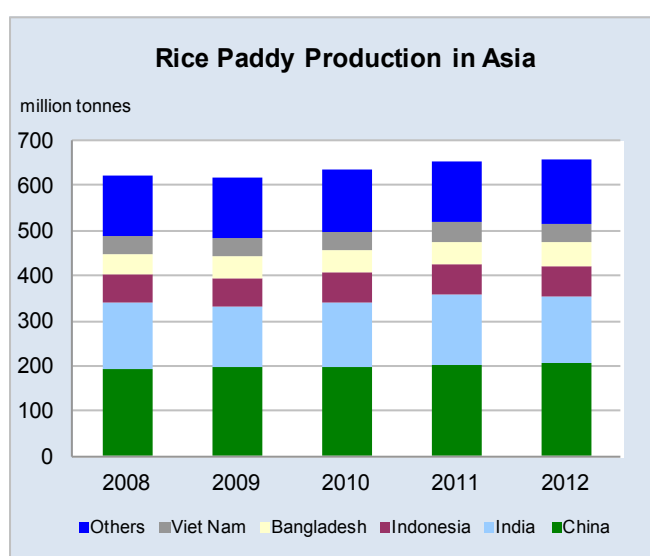
The revised 2012 production forecast of 724.5 million tonnes (483.1 million tonnes, milled basis), would imply a marginal increase of 0.2 percent, or 1.4 million tonnes, in world paddy production, compared with last year. The outlook is still subject to much uncertainty, especially in view of the growing probability of an El Niño event developing over the August to October period, as predicted by several weather prediction centres. There is already evidence that the onset of the rainy season in Asia, of critical importance to predominantly rainfed main crops, has got off to a difficult start. Still, and partly a reflection of the strong government assistance that the sector enjoys, the paddy season in Asia is expected to end with an overall positive result. In Oceania, a larger crop has already been collected in Australia, while outputs in Africa and North America are set to recover. On the other hand, production is expected to decline in Latin America and the Caribbean and in Europe.

<sup>1</sup> The 2012 rice production season normally includes rice from the main paddy crops whose harvests fall in 2012, to which rice from all subsequent secondary crops, if any, is added. In the case of northern hemisphere countries, this principle implies that production in 2012 comprises the main rice crop, which is usually collected in the latter part of the year, plus the volume obtained from the successive secondary crops, commonly harvested in the first half of 2013. In the case of southern hemisphere countries, production in 2012 normally comprises rice from the main paddy crops assembled in the first part of 2012, plus rice from the secondary crops, generally gathered in the latter part of 2012. This approach to assess rice production is applicable to any given season.

## A. ASIA

### China (Mainland), Indonesia and Thailand behind a small increase in Asia's paddy production in 2012

With the harvest of secondary paddy crops in northern-hemisphere producing countries completed, the 2011 season has come to a full close in Asia. Overall, the region is estimated to have produced 655.1 million tonnes (437.1 million tonnes, milled basis), 3.2 million tonnes more than previously foreseen. Compared to figures reported in April, the production estimate is now significantly higher in **Thailand**, now assessed to have incurred substantially less damage to the 2011 floods than originally thought. Climatic setbacks also impacted crops in other countries, especially in **Indonesia, Myanmar and Sri Lanka**. Despite these losses, aggregate output in the region is estimated to have topped the 2010 outcome by 3 percent. An exceptional performance in India made possible by favourable weather, was largely behind the increase, although sizeable gains were also registered in **China (Mainland), Pakistan, and Viet Nam**.



As for the 2012 season, it is at early stages in many important Asian producing countries. FAO's latest forecast for production in the region points to a small 0.4 percent, or 2.4 million tonne, expansion from the 2011 excellent outcome, to 657.5 million tonnes (438.5 million tonnes, milled basis). Much of the progress is expected to reflect gains in **China (Mainland)**, as well as recoveries in **Indonesia and Thailand**. Despite being subject to downward revisions, output prospects remain favourable for **Bangladesh, Pakistan and Sri Lanka**, with larger crops also anticipated in **Japan, the Islamic Republic of Iran, the Lao People's Democratic Republic, Myanmar, the**

**Philippines and Viet Nam**. On the other hand, the slow and erratic advancement of the southwest monsoon has warranted a downgrading of production prospects for **India**, now anticipated to face a contraction from 2011. Unfavourable climatic conditions are also behind expectations of smaller crops in **Cambodia, the Chinese Province of Taiwan, the Democratic People's Republic of Korea, the Republic of Korea and Nepal**.

In **Bangladesh**, the 2012 season is still at early stages, with the harvest of the Aus crop, the first and smallest of the three crops produced every year, currently underway. Whilst lowered by 450 000 tonnes, FAO's production outlook for the country remains favourable pointing to a harvest of 51.3 million tonnes (34.2 million tonnes, milled basis) or 1 percent above the 2011 record. This is notwithstanding prospects for falling farm prices and profit margins. Indeed, average wholesale prices in Dhaka during June stood 11 percent below their level a year earlier at Taka 28.5 per kilo (USD 344 per tonne).<sup>2</sup> The Government is, however, taking steps to provide relief to producers, who since 2011 have faced higher prices of energy, fuel and fertilizers. Officials announced in May that the state would procure 900 000 tonnes of Boro rice and 150 000 tonnes of paddy at Taka 28 and 18 per kilo (USD 338 and 217 per tonne) respectively, from 3 May until 30 September 2012.

<sup>2</sup> All currency conversions are as on 1 July 2012.

This is on top of the 350 000 tonnes of 2011 Aman rice already procured by the public sector. Further to the continuing distribution of subsidised seeds and fertilisers, plans have also been laid out to expand public food storage infrastructure for a total capacity of 2.2 million tonnes by 2015. Additional incentives have been announced as part of the 2012 budgetary outlays, including the exemption of agricultural machinery and processing equipment from value added taxes.

In **Cambodia**, farmers are busy planting their main season crops, which will only be gathered between December and January. Based on official assessment of crop progress to June, below average rainfall conditions have slowed the sowing of the main crop, now standing at 857 000 hectares, 69 000 hectares behind the previous year's extension. Much as a result of these delays, FAO now anticipates 8.7 million tonnes to be gathered in the country during the season (5.6 million tonnes, milled basis), 1 percent below the 2011 outcome, but still the second largest on record.

Despite some localised drought problems and concerns over pest attacks, semi-official forecasts of rice production in **China (Mainland)** released by the China National Grain and Oils Information Centre suggest that the first early rice crop will be 1 percent larger than in 2011, reaching some 33.0 million tonnes (22.6 million tonnes, milled basis). The outlook is even more favourable for the intermediate crop, currently at vegetative stage. On the back of expanded area, this most important crop, which accounts for roughly two-thirds of the seasonal output, is anticipated to surpass the previous year's level by 2 percent, to reach 136.1 million tonnes (93.2 million tonnes, milled basis), adding to an expected stable late rice harvest of 35.9 million tonnes (24.6 million tonnes, milled basis). As a result, overall production in China (Mainland) is predicted to reach 205.0 million tonnes (140.4 million tonnes, milled basis), 3.0 million tonnes more than previously foreseen and 2 percent above last year's record. The continuous production gains recorded since the early 2000s are consistent with the strong government support granted to the cereal sector, including heightened support prices over the season.

Prospects are not as favourable in the **Chinese Province of Taiwan**, where the collection of the season's main crop is nearing completion. Indeed, 13 000 hectares of paddies were damaged by torrential rains and floods brought by the June landfall of Tropical Storm Talim. As a consequence, production in the Province is now anticipated to fall to 1.45 million tonnes (1.06 million tonnes, milled basis), 6 percent below the 2011 estimate. Affected producers are to be assisted, however, in particular through the purchase of damaged produce and extension of subsidised credit.

Following the harvest of secondary Rabi crops completed in May and based on the "Fourth Advanced Estimates", officials in **India** have raised the 2011 production figure to a new record of 156.5 million tonnes (104.3 million tonnes, milled basis), up 9 percent year-on-year and 1.4 million tonnes more than previously assessed. On the other hand, the 2012 season opened with the arrival of the southwest monsoon over the coast of Kerala on 5 June, four days behind its usual arrival date. Since then, progress of the seasonal rains has been slow and erratic, with the cumulative precipitation for the country as a whole between 1 and 18 July gauged 22 percent below the Long Period Average. Important producing states such as Punjab, West Bengal and Uttar Pradesh have all received deficient precipitation, although rains have fared better over eastern producing areas. The slow advancement has implied significant delays in plantings of the predominantly rainfed Kharif crops, as, by 20 July, 14.5 million hectares were reported to have been put under paddy, 6 percent below normal and 10 percent less than in 2011. With the optimal period for sowing activities coming nearly to a close, the persistent dryness could not only cancel out area gains, but also entail some yield losses. Against this background, FAO has lowered its April forecast for production in India by 9.8 million tonnes to 147.7 million tonnes (98.5 million tonnes, milled basis), which would imply a 6 percent contraction from the 2011 high. Indeed, and provided deficient rains don't compromise supplies of water availability for irrigation, part of the losses resulting from the unfavourable climate could still be recuperated with the secondary Rabi crop. This would be

particularly the case considering public support provided to the sector, which this season also includes a 16 percent increase in minimum support prices to Rupees 12 500 per tonne of common varieties and Rupees of 12 800 per tonne of Grade A paddy (USD 224 and 229 per tonne, respectively).

<b>India – Rainfall during monsoon season</b>						
<b>No. of Meteorological Sub-Divisions with rainfall</b>	<b>For the period from 1<sup>st</sup> June to:</b>					
	<b>18 July 2007</b>	<b>16 July 2008</b>	<b>15 July 2009</b>	<b>21 July 2010</b>	<b>20 July 2011</b>	<b>18 July 2012</b>
Excess	16	14	02	05	08	01
Normal	13	08	12	21	22	10
<b>Total</b>	<b>29</b>	<b>22</b>	<b>14</b>	<b>26</b>	<b>30</b>	<b>11</b>
Deficient	07	13	20	10	06	22
Scanty	00	01	02	00	00	03
No rain	00	00	00	00	00	00
<b>Total</b>	<b>07</b>	<b>14</b>	<b>22</b>	<b>10</b>	<b>06</b>	<b>25</b>
Data Inadequate	00	00	00	00	00	00
<b>TOTAL</b>	<b>36</b>	<b>36</b>	<b>36</b>	<b>36</b>	<b>36</b>	<b>36</b>

**Notes:**

Excess = + 20% or more than normal rainfall; Normal = +19% to -19%; Deficient = -20% to -59%; Scanty = -60% to -99%

Source: India Meteorological Department (Ministry of Earth Sciences)

<b>India – Minimum Support Prices (MSP) for Paddy Rice (Rupees/tonne)</b>					
	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
<b>Common</b>	8,500 <sup>1/</sup>	9,500 <sup>2/</sup>	10,000	10,800	12,500
<b>Grade ‘A’</b>	8,800 <sup>1/</sup>	9,800 <sup>2/</sup>	10,300	11,100	12,800

1/ Subject to an additional incentive bonus of Rs. 500 per tonne.

2/ Subject to an additional incentive bonus of Rs. 500 per tonne.

Source: Ministry of Agriculture, Department of Agriculture & Cooperation.

On the other hand, with over two months left for the purchasing campaign to be completed, public procurement in India continued at an unprecedented pace: as of 13 July, state agencies had purchased 34.5 million tonnes of rice, which compares to 34.1 million tonnes during the full 2010-2011 campaign and an initial procurement target of 35.3 million tonnes. Despite a more active involvement of the country in the export market since September 2011, such an active pace of purchases has put considerable pressure on state granaries, specially against the backdrop of equally record breaking wheat procurement. The situation has prompted a number of measures to be announced to buttress state storage and handling capacity. Officials have also been encouraged to offload greater quantities to the local market, including by raising subsidised sales of wheat and rice through the Public Distribution System by an additional 5.0 million tonnes for Below Poverty Line families and by 6.0 million tonnes for families categorized as Above Poverty Line.

Located in the southern hemisphere, **Indonesia** has already collected the bulk of its 2012 paddy crops. Based on July official forecasts, the season is likely to unfolded well, with a return to normal weather conditions facilitating a 1.8 percent increase in area to 13.4 million hectares. Moreover, as favourable weather conditions and fewer pest attacks are expected to boost yields, output in the country could reach 68.6 million tonnes (43.2 million tonnes, milled basis), up 2.8 million tonnes from the poor 2011 outcome. Much of the year’s projected recovery is anticipated to originate in Java, which normally accounts for over half of total output. Pressure, in Java, to convert agricultural land to other uses is encouraging the authorities to promote rice cultivation outside of this isle. The

latest of such initiatives aims to put 100 000 hectares of land under rice cultivation in Kalimantan. Similar programmes were launched in 2009, with the purpose of opening over a million hectares in estate farms in the Papua region for the cultivation of various crops, including rice. The project appears to have made little headway since then, constrained by difficulties in securing access to land and insufficient infrastructure capacity to sustain productive activities. These factors would have recently led officials to rescale the project's target extension for cultivation to 200 000 hectares.

The 2012 paddy crop in **Japan** is at a vegetative stage, having been sown between April and May. FAO has kept its production forecast for the country unchanged, with output expected to remain largely stable at 10.5 million tonnes (7.6 million tonnes, milled basis).

The outlook for the **Democratic People's Republic of Korea** is less favourable. Planting activities of paddy crops, which normally take place in May-June, were hindered this season by a prolonged dry spell that started in May. Above average temperatures and deficient rains affected crops in important producing areas, including South Hwanghae, and North and South Pyongyang, compounding on the country's already constrained irrigation capacity and limited availability of agricultural inputs. Consequently and while the full extent of damages to paddy crops caused by the drought is not yet clear, FAO has tentatively set its production forecast for the country at 2.3 million tonnes (1.5 million tonnes, milled basis), which would be 7 percent below the 2011 outcome.

Severe precipitation shortfalls have also impacted the **Republic of Korea**, in what has been the worst drought recorded in the country since 1908. Whilst early July rains are reported to have provided some respite to crops, which are predominantly grown under irrigated conditions, delayed plantings due to the prolonged spell, potentially also entailed some yield losses. These, coupled with a declining area driven by official incentives, are presently foreseen to lead to a 4 percent output contraction in the country to 5.4 million tonnes (4.0 million tonnes, milled basis).

At this time of the year, the bulk of the 2012 paddy crop has already been collected in **Malaysia**. FAO's current outlook foresees the country replicating the excellent 2011 outcome with output amounting to 2.7 million tonnes (1.7 million tonnes, milled basis). At this level, local production would be sufficient to cover nearly 70 percent of the country's domestic food needs, matching the self-sufficiency target established in the Tenth Malaysia Plan (2011-2015). Recent official statements, however, suggest that the officials would be considering raising the target to 80 percent by the year 2020, primarily through yield gains. Emphasis on productivity enhancement, value addition, marketing, research and development are at the heart of the National Agro-Food Policy 2011-2020, the current framework for the country's food security policy.

Sowing of early paddy crops is still underway in **Nepal**. In 2011, the country officially reported to have gathered a record crop of 5.1 million tonnes (3.3 million tonnes, milled basis), predominantly thanks to higher yields, which were boosted by timely and abundant rains and good availability of agricultural inputs. For 2012, FAO anticipates Nepal to gather 4.8 million tonnes (3.2 million tonnes, milled basis), somewhat less than last year. The decline rests on expectations of average yields returning to more normal levels, especially as shortages of inputs, namely fertilisers, have been reported to be hampering planting activities in the western part of the country.

In **Pakistan** the official 2011 production estimate has been subject to a 1.1 million tonne downward revision to 9.2 million tonnes (6.2 million tonnes, milled basis). The adjusted figures would still imply an impressive 28 percent upturn from the 2010 level, which was severely impacted by devastating floods. Turning to the 2012 season, rice crops have just been put on the ground and will not be harvested before September-October. FAO foresees Pakistan to reap 9.4 million tonnes of paddy rice (6.3 million tonnes, milled basis), 1.4 million tonnes less than previously foreseen, but

still 2 percent more than in 2011. The outlook has been somewhat dampened by reports of protracted water shortages in Sindh, as well as sustained concerns in Punjab over the stagnating basmati yields and its substitution with common varieties. The sector is also constrained by energy shortages, which have impacted the local urea industry, putting significant upward pressure on domestic fertilizer prices. Still, the forecast rice production growth is expected to rely on larger plantings, as prospects of favourable returns have stimulated a switch from other crops to rice cultivation.

<b>Pakistan – Average retail prices of fertilizers (Rupees/50 Kg. bags)</b>					
	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12<sup>1/</sup></b>
<b>Urea</b>	581	751	799	1,035	1,705
<b>Diammonium Phosphate</b>	1,934	2,578	2,267	3,236	4,118
<b>Nitrophosphate</b>	1,267	1,700	1,452	2,108	2,768

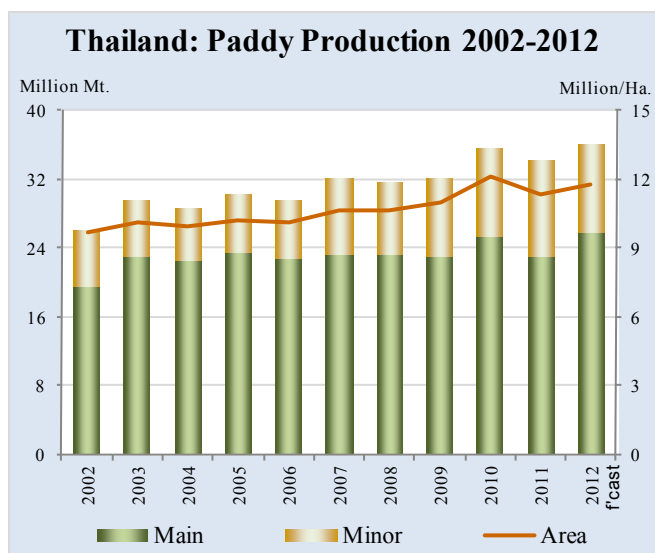
1/ Provisional (Jul-Mar)

Source: Pakistan Bureau of Statistics- National Fertilizer Development Centre

In the **Philippines** the 2011 season has just come to a close with the harvest of dry-season paddy crops. Officials assessed the volume collected in April-June 2012 at 7.9 million tonnes (5.2 million tonnes, milled basis), up 4 percent year-on-year. This increase was sufficient to offset the 1 percent decline in the storm-reduced main crop, bringing total production for the 2011/12 season to 16.98 million tonnes (11.1 million tonnes, milled basis), 1.5 percent above the previous season's level. As to the 2012 season, FAO has kept its outlook for the country unchanged at 17.5 million tonnes (11.5 million tonnes, milled basis), or 3 percent more than the current 2011 estimate. Based on a Government survey of planting intentions, 3.4 million tonnes are to be produced between in July and September this year, with much of this growth deriving from area expansions. The Government of the Philippines is also keen to stimulate further output gains, in a bid to fulfil its rice self-sufficiency ambitions by 2013. To this effect, it allocated Pesos 2.6 billion (USD 62 million) for distribution of machinery and equipment to producers during the year, under an initiative set out in the Food Staples Self-sufficiency Roadmap (FSSR). Officials would be further reviewing proposals to form a joint-venture with Saudi Arabian investors, which would concern up to 200 000 hectares of land under paddy cultivation.

The 2012 season is fairly advanced in **Sri Lanka**, where the main (Maha) crop has already been collected. The outlook for the country has deteriorated somewhat since April, due to the development of drought conditions, which are impacting the secondary (Yala) crop. Precipitation shortfalls, specially over North-western and North Central provinces, are estimated to have induced a 28 percent contraction in Yala plantings to 349 000 hectares. This compares to a 515 000 hectare extension initially targeted for the crop. While the dry spell is presently expected to cut 2012 Yala output by an estimated 33 percent to 1.9 million tonnes (1.3 million tonnes, milled basis), the shortfall is likely to be more than compensated by a larger Maha crop. Indeed, harvest of this main crop is officially estimated to have struck a new high of 3.0 million tonnes (2.0 million tonnes, milled basis), supported by favourable growing conditions. As a result, Sri Lanka is foreseen to gather 4.3 million tonnes (2.9 million tonnes, milled basis) over the full season, still 10 percent above the flood-reduced 2011 outcome, but short of the record 4.3 million tonnes gathered in 2010.





In **Thailand**, the 2011 production estimate has been officially raised to 34.2 million tonnes (22.7 million tonnes, milled basis), 4 percent less than in 2010, but 2.6 million tonnes more than previously reported. The severe floods that affected the country are now gauged to have curtailed the main-crop output by 10 percent to 22.99 million tonnes (15.2 million tonnes, milled basis). On the other hand, officials have confirmed expectations of an 11 percent increase in the March started second crop harvest to 11.2 million tonnes (7.5 million tonnes, milled basis), resulting from greater area coverage stimulated by high prices under the government pledging programme. Regarding the 2012 season,

output from the main crop is officially forecast to rebound by 13 percent to 25.88 million tonnes (17.1 million tonnes, milled basis). For the full season FAO anticipates Thailand to harvest a record of 36.0 million tonnes (23.8 million tonnes, milled basis), up 5 percent from the 2011 estimate, largely on expectations of generally normal rainfall performance between June and September 2012.

Meanwhile, mortgaging of the 2011 secondary rice crop under the offseason round of the paddy pledging programme has been progressing fast. After absorbing 6.8 million tonnes of paddy from 2011 main crop output, 9.5 million tonnes of the secondary crop are reported to have been mortgaged by 986 000 farmers, between 1 March and 8 July. This compares to an initial expected volume of 8.0 million for the full second round of the programme. Thai officials have already announced plans to extend the programme to the 2012 crops. While it has been suggested that the timing of the programme may be adjusted in order to ensure coverage of out-of-season crops, official statements indicate that mortgaging prices will remain unchanged. Under the programme's current conditions, farmers receive between Baht 13 800 and 20 000 (USD 431-625) per tonne of paddy they choose to pledge, for a maximum quantity of 33 tonnes or value equivalent of Baht 500 000 (USD 15 615).

In **Viet Nam** producers are busy harvesting the summer-autumn paddy, the second of the three crops produced each year. The season progressed well to date, with the June completed harvest of the most important winter-spring crop officially assessed at 20.25 million tonnes (13.5 million tonnes, milled basis), up 2.4 percent from 2011, primarily due to higher yields. As of 15 of June, area coverage of the summer-autumn paddy, largely concentrated in the Mekong Delta region, was reported to be slightly ahead of its pace in 2011. As a result, and provided the climate remains favourable throughout the remainder of the season, FAO anticipates the country to reap 42.5 million tonnes (28.3 million tonnes, milled basis), up slightly from the 2011 record.

In July, Vietnamese authorities announced a stockpiling plan of 500 000 tonnes of summer-autumn paddy, to be undertaken between July and August. The initiative is geared at ensuring that farmers receive a 30 percent profit margin for their produce. It follows a 1.0 million tonne procurement drive similarly undertaken to support the 2012 winter-spring harvest. In May, the Vietnamese Government also took steps to arrest the conversion of area dedicated to rice cultivation to other uses, requiring any transfer to meet specific criteria and receive prior approval by authorities. With a fund of Dong 4 trillion (USD191 million) announced for implementation, the new provisions, effective 1 July 2012, also extend Dong 500 000 (USD 25) of financial support per hectare of wet paddy cultivated each year, covering between 50-70 percent of costs of fertilisers and other inputs

when crops incur significant damages to natural disasters or disease. Financial provisions to support land reclamation or rehabilitation for paddy cultivation purposes were also included. The measures intend to ensure that the area planted to paddy does not fall below 3.8 million hectares by 2020.

## B. AFRICA

### Larger crops in West Africa behind expected 3 percent output recovery in the region

At this time of the year, Eastern and Southern African countries have already collected main paddy crops, while producers in various West African countries are still engaged in planting activities that were launched with the arrival of the seasonal rains. FAO's 2012 production outlook for Africa points to a 773 000 tonne recovery in output to 26.0 million tonnes (17.0 million tonnes, milled basis). Much of the forecast growth is expected to stem from gains in Western African countries, although overall prospects are also positive for Eastern African and Egypt. Based on the latest figures, these gains would be more than sufficient to compensate for declines in southern parts of the continent.

In *Northern Africa*, the 2011 production estimate for **Egypt** has been revisited, based on a slightly lower estimate of area under paddy. Production in the country is nonetheless estimated to have surpassed the 2010 low level by 10 percent to 5.7 million tonnes (3.9 million tonnes, milled basis). Over the 2012 season, producers are expected to continue expanding rice acreage, based on prospects of remunerative prices, but also of a potential review of existing restrictions on rice exports following the instalment of a new Government administration. As a result, FAO forecast production by Egypt to amount to 5.9 million tonnes (4.1 million tonnes, milled basis), up 4 percent year-on-year.

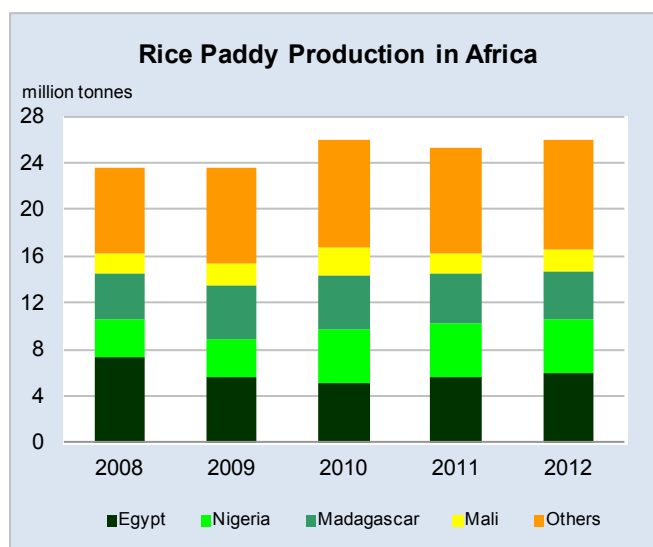
In *Western Africa*, the 2012 paddy campaign was launched between April and June, with the arrival of the season's first rains. May predictions of rainfall performance over the sub-region pointed to average to above-normal precipitation in eastern parts of the Sahel, West African coastal nations and portions of Burkina Faso, Togo, Benin and Ghana, but to average-to-deficient precipitation in parts of Mali, Mauritania and Senegal. Assuming no major shock throughout the rest of the season, West African countries are forecast to gather a total of 13.0 million tonnes (8.2 million tonnes, milled basis). This level would represent a 6 percent recovery from the 2011 season, when crops in various countries were negatively impacted by late and erratic precipitation. Based on the latest figures, **Benin, Burkina Faso, Ghana, Guinea, Liberia, and Togo** are all set to gather larger crops, with particularly large increases anticipated in **Mali, Nigeria, Senegal and Sierra Leone**.

In **Liberia**, the launch of 2012 planting activities in April is reported to have taken place under generally favourable conditions, on the backdrop of a timely arrival of rains. FAO anticipates production in the country to amount to 300 000 tonnes in 2012 (195 000 tonnes, milled basis), up 1 percent from the 2011 result. While efforts to promote the adoption of low land varieties are underway, the country is also set to benefit from financial assistance under a project financed by the Africa Development Bank. The initiative seeks to raise production of cassava and rice across twelve of the fifteen existing counties, by boosting research and storage capacity, technical training and marketing.

While planting activities are ongoing in **Mali**, officials have announced a production target of 2.58 million tonnes (1.8 million tonnes, milled basis) for 2012, a level that, if achieved, would beat the 2010 record by 12 percent. The Office du Niger is foreseen to harvest 701 295 tonnes, or roughly 40 percent of the total. These output objectives are expected to be supported by a continuance of

agricultural input subsidies on items such as seeds and fertilisers. However, FAO's outlook for 2012 is more modest, mainly due to the political unrest currently affecting the country, which has resulted in large population displacements, disrupted markets and reduced availability of productive assets. Mali is currently foreseen to gather 1.9 million tonnes (1.3 million tonnes, milled basis), a level that would nonetheless point to 9 percent recovery from the 2011 poor outcome.

FAO currently anticipates **Nigeria** to harvest 4.7 million tonnes of paddy (2.8 million tonnes, milled basis) in 2012, or 4 percent more than in 2011. Since first announcing the Agricultural Transformation Action Plan (ATAP), officials have taken several measures to promote growth in the local rice sector. These have involved an overhaul of the fertiliser distribution system, the elevation of border protection and the introduction of a scheme geared at improving producer access to credit. Although efforts to boost output in the country have traditionally relied on the promotion of NERICA varieties, hybrid rice is to be introduced through a partnership with China. China is also to assist in the construction of 100 mills across the country.



In **Senegal**, the 2012 season started with the June-July planting of main season crops. FAO foresees production in the country to recover from last year unfavourable growing conditions, reaching 610 000 tonnes (427 000 tonnes, milled basis), or 39 percent more than in 2011. The new Senegalese administration would also appear to support the previous government's rice self-sufficiency objective. Based on official statements, this is to be pursued through the reclamation of up to 100 000 hectares of land and support to the predominantly rainfed southern and eastern areas, including the important producing region of Casamance.

In **Eastern Africa**, FAO has lowered its 2011 production estimate for **Ethiopia**, following the release of an official figure of 90 000 tonnes (59 000 tonnes, milled basis). This would imply a 36 percent year-on-year decline, imputable to area reductions, as farmers reacted to more attractive prices of alternative crops. In 2012, production is forecast to recover to 104 000 tonnes (67 000 tonnes, milled basis), still short of the 2010 high of 140 000 tonnes, mainly due to the delayed and erratic rainfall.

The 2012 paddy harvest in **Kenya** is anticipated to remain largely unchanged from the previous year, at some 45 000 tonnes (29 000 tonnes, milled basis). Rice in Kenya is predominantly grown under irrigation and support programmes have primarily focused on expanding irrigation capacity. Although planned outlays for 2012 appear to confirm the continuation of irrigation development projects, the Government has also outlined debt relief measures for producers of rice and other crops.

In the **United Republic of Tanzania**, the production estimate for 2011 has been lowered, following the release of an official figure that points to a larger decline than previously foreseen. Authorities estimated that 1.46 million tonnes (950 000 tonnes, milled basis) were harvested in 2011, 14 percent below a revised 2010 output of 1.7 million tonnes (1.1 million tonnes, milled basis). For the ongoing season, which is currently at the main crop harvest stage, FAO anticipates production in Tanzania to recover by 3 percent to 1.5 million tonnes (975 000 tonnes, milled basis). Despite an erratic performance of the rains over some regions and reported input shortages in Zanzibar, the

expected increase in output rests on expectations that favourable price prospects will boost plantings. Meanwhile, plans to enhance irrigation capacity, alongside investment in rice processing and marketing have been laid out, through a Shillings 16.7 billion (USD 10.5 billion) allocation under the Tanzania Agriculture and Food Security Investment Plan (TAFSIP). The initiative is geared at guiding the implementation of the country's commitments under the Comprehensive Africa Agriculture Development Programme (CAADP). It will focus on boosting output through private sector alliances over 350 000 hectares across five regions.<sup>3</sup>

In ***Southern Africa***, the 2012 main season harvest was concluded in June in **Madagascar**. FAO's production outlook for the country remains negative pointing to a second consecutive season of contractions to 4.0 million tonnes (2.7 million tonnes, milled basis). The 7 percent year-on-year fall is mainly attributable to damages from the passage of storms, although late and erratic rains also impacted activities at the onset of the season.

By contrast, **Mozambique** is estimated to have ended the 2012 rice campaign with an output of 280 000 tonnes (187 000 tonnes, milled basis), or 3 percent above 2011. This is despite some localised damage to crops caused by intense rains and floods. The January inundations would have inflicted some damage to the country's largest irrigation scheme, Chokwe, where salinity problems are additionally being reported. Repair and upgrade works would however be presently ongoing thanks to external support, including that of China. A separate major irrigation perimeter in the Gaza province also looks set to benefit from support by the Asian country, mainly in the area of technical training to boosting yields, while separate investments to raise processing capacity would be equally underway. Meanwhile, officials in **Zambia** estimate area declines to have resulted in an 8 percent drop of production to 45 000 tonnes (30 000 tonnes, milled basis).

## C. CENTRAL AMERICA AND THE CARIBBEAN

### Little change in production foreseen in 2012

Main paddy crops are already in the ground in most countries located in ***Central America and the Caribbean***, as planting of the 2012 new crops were launched in most of the sub-region from April to May, coinciding with the arrival of the seasonal rains. The success of these crops will depend, to a significant extent, on the unfolding of the Atlantic Hurricane season, which extends from June to November. Based on May forecasts released by NOAA's Climate Prediction Centre (CPC) hurricane activity in the Atlantic basin is to remain at near-normal levels this season, which would imply a less intense hurricane activity than witnessed in recent years. FAO's production outlook for Central America and the Caribbean indicates little change relative to the 2011 level, with 2.7 million tonnes (1.8 million tonnes, milled basis), expected to be gathered, up 0.6 percent year-on-year. The forecast reflects expectations of production gains in **Cuba, the Dominican Republic, Mexico** and **Nicaragua**, which are expected to outweigh declines in **Costa Rica** and **Panama**.

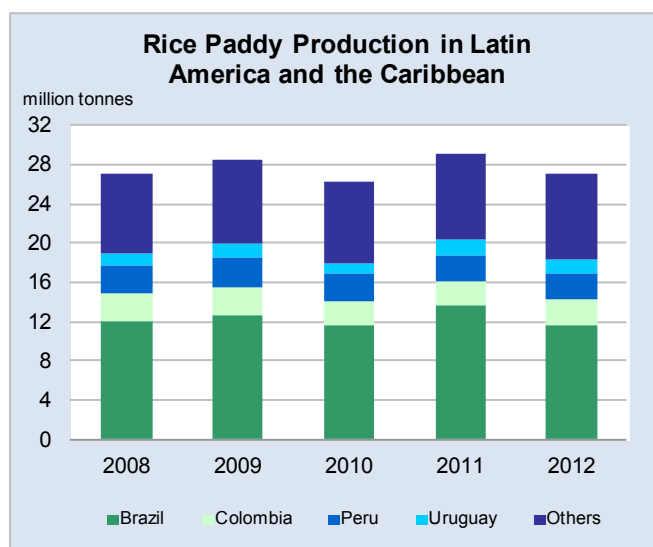
In **Cuba**, producers have just concluded the planting of 2012 spring crops, which will be harvested between October and December. In support of productive activities this season, Cuban officials have announced that up to USD 108 million would be spent over the year to provide machinery and inputs to producers. The funds would be part of a USD 450 million package, to be released through 2016, to purchase machinery and equipment, boost seed production and improve storage and processing capacity. Partly reflecting these efforts to reduce reliance on imports, FAO currently anticipates Cuba's production to expand 50 000 tonnes to 510 000 tonnes in 2012 (340 000 tonnes, milled basis). The outlook is likewise positive for **Nicaragua**, where FAO forecasts a 4 percent

<sup>3</sup> Namely Coast region, Morogoro, Rukwa, Iringa and Mbeya.

growth of output to 440 000 tonnes (286 000 tonnes, milled basis). Under a “Crissol Program”, the Government will be assisting some 6 500 smallholders to produce rice over 9 000 hectares through an interest-free credit facility, as part of an overall strategy to boost cereal output by 6 percent this year. Elsewhere in the sub-region, **Panama** is anticipated to face a production drop of 12 percent to 268 000 tonnes (175 000 tonnes, milled basis), as unremunerative prices and rising production costs are reported to be encouraging producers to substitute paddy for other crops.

## D. SOUTH AMERICA

### 2012 production in South America to fall 8 percent short of the 2011 record



The 2012 season has already concluded or is nearing completion in various South American countries. Overall, the season yielded negative results, as unfavourable weather compounded on lower prices and higher production costs. Overall, the region is estimated to have gathered 24.4 million tonnes in 2012 (16.4 million tonnes, milled basis), representing a 8 percent area-led decline from the 2011 record output level. At a country level, **Brazil** was responsible for much of the contraction, although expectations of lower prices and dry conditions under the influence of the La Niña event also impaired production in **Argentina**, **Paraguay** and **Uruguay**. The season is unfolding more positively in **Bolivia** and

**Guyana**, while production in **Colombia**, **Peru** and **Venezuela** also registered recoveries.

The latest assessment of production in **Argentina** points to a 10 percent contraction from the 2011 high to 1.55 million tonnes (1.1 million tonnes, milled basis). Much of the decline concentrated in the second most important producing region of Entre Rios, where output fell by 23 percent to 571 000 tonnes (388 000 tonnes milled basis), as producers turned to more profitable crops. Inadequate water availability also constrained production in Corrientes, the largest producing region, which experienced a 10 percent decline to 629 000 tonnes (428 000 tonnes, milled basis).

The 2012 season harvest has been completed in **Bolivia**. FAO estimates production in the country to have reached 600 000 tonnes (412 000 tonnes, milled basis), up 3 percent from the already favourable 2011 harvest, owing to an expansion in plantings. Notwithstanding the favourable outcome, the season was not without setbacks. Dryness impacted crops early in the season, while heavy rainfall and localised floods were reported to have inhibited gathering activities over 10 000 hectares, potentially also compromising the quality of produce in affected areas.

While the bulk of the 2012 crop has already been harvested in central and southern **Brazil**, farmers in northern and north-eastern regions are still busy collecting crops. CONAB's July crop assessment has only slightly revisited Brazil's 2012 production forecast, which still indicates a 15 percent, or 2.1 million tonne drop to 11.6 million tonnes (7.7 million tonnes, milled basis) from the 2011 record. The production decline was mainly driven by a contraction of plantings, much of which was concentrated in the major producing state of Rio Grande do Sul, where difficulties in marketing the 2011 record harvest led farmers to shift to other products. While, overall average productivity is

estimated at a relative high level of 4.7 tonnes per hectare, this was less than the 4.8 tonnes per hectare obtained in 2011, reflecting scanty rainfall, particularly in upland rice areas.

<b>Brazil: Paddy Production by Region in 2011 and 2012 (for Brazil: 2010/11 and 2011/12 paddy seasons)</b>									
Region	Area (000 ha)			Yields (kg/ha)			Production (000 Mt)		
	2011	2012	Var%	2011	2012	Var%	2011	2012	Var%
<b>Brazil</b>	<b>2,820</b>	<b>2,453</b>	<b>-13.0</b>	<b>4,827</b>	<b>4,712</b>	<b>-2.4</b>	<b>13,613</b>	<b>11,559</b>	<b>-15.1</b>
North	359	317	-11.6	2,854	2,904	1.8	1,024	921	-10.0
Northeast	683	612	-10.5	1,792	1,237	-31.0	1,225	757	-38.2
Centre-West	356	233	-34.6	3,132	3,201	2.2	1,115	745	-33.2
South East	61	53	-12.9	2,611	2,877	10.2	159	152	-4.0
South	1,362	1,239	-9.0	7,412	7,252	-2.2	10,091	8,984	-11.0

Source: CONAB – Tenth Crop Assessment – July 2012

The season is not as advanced in **Colombia**, where the main summer crop is presently being gathered. FAO has left the country's 2012 production forecast unchanged at 2.7 million tonnes (1.8 million tonnes, milled basis), which is 6 percent more than in 2011. Meanwhile, in a bid to assist the agricultural sector through a lowering of production costs, in May the Colombian Government took steps to simplify procedures to source supplies, such as fertilizers and pesticides, from abroad. Any legal person or entity is now permitted to import agricultural inputs directly for its own use.

In **Ecuador**, the 2012 main crop harvest has already been concluded and producers are now planting the secondary paddy crops. The production outlook for the country has deteriorated since April, on evidence of greater losses having been caused by excessive rains and floods that hit the country early this year. While measures have been taken to contain plagues, widespread infestations (mainly of golden apple snails, but also of fungal diseases) have also been reported. As a result, FAO now anticipates output in the country to amount to 1.4 million tonnes (798 000 tonnes, milled basis), down 5 percent from a revised 2011 level. On the policy front, minimum prices were raised by 7 percent in May, bringing the value of a 200 pounds sack of paddy to USD 33.25 (USD 367 per tonne).

At this time of the year, the bulk of the 2012 paddy crop has already been collected in **Peru**. FAO estimates generally favourable weather conditions and sufficient supplies of water for irrigation to have fostered a 3 percent recovery of plantings to 370 000 hectares. Mainly reflecting these gains, production in Peru is forecast to reach 2.7 million tonnes (1.8 million tonnes, milled basis), 3 percent more than last year. Declining producer prices have nonetheless proved a concern to the sector, especially as it faced rising production costs. To assist producers, the Peruvian Government has allocated funds to support harvesting and marketing activities and set-out debt-relief measures. In addition, plans would have officials purchasing 20 000 tonnes from farmers in main producing regions through the National Food Assistance Program (PRONAA) as well as promoting rice exports.

July marks the end of the 2012 harvest in **Uruguay**, where officials estimate production to have contracted by 13 percent to 1.4 million tonnes (997 000 tonnes, milled basis). Part of the decline reflected constraints in the availability of water for irrigation, as well as pressure from rising production costs. Moreover, setbacks that were incurred at sowing time due to untimely rains are now assessed to have depressed average yields by 7 percent to 7.9 tonnes per hectare, down from the record 8.4 tonnes per hectare in 2011. Although still very early, given that planting activities are not set to start until October, an official assessment of planting intentions for the 2013 season, points to further area declines in the country, with a total of 179 000 hectares expected to go under paddy over the next season, which compares with 181 000 hectares harvested in 2012.

After reaching a high of 1.4 million tonnes in 2008, paddy production in **Venezuela** was significantly constrained by unfavourable weather conditions in 2010 and 2011. FAO anticipates production to recover in 2012 to some 1.1 million tonnes (785 000 tonnes, milled basis), up 33 percent year-on-year. A return to a more normal weather conditions is anticipated to support the output growth, along with government assistance in the form of higher producer prices, distribution of inputs and subsidised credit. Reports, however, point to agricultural activities in the important producing areas of Portuguesa and Guárico being hindered by shortages of electricity and fuel.

## E. NORTH AMERICA, EUROPE AND OCEANIA

### 2012 Production prospects improve for the United States but worsen for the EU Zone

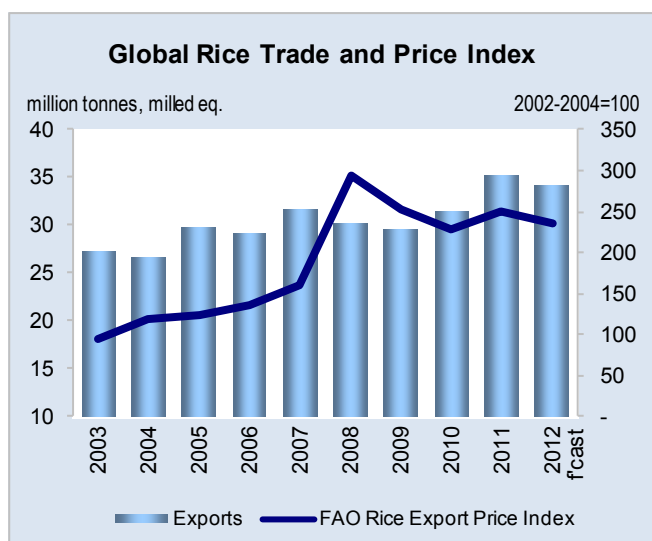
In **North America**, planting of 2012 crops in the **United States** was completed in June. Based on the USDA's survey of area coverage, relatively poor prices fostered a retrenchment in plantings from 1.088 million hectares in 2011 to 1.077 million hectares this year, the lowest since 1987, with all of the fall imputable to medium-grain varieties. So far, rice crops have benefited from generally favourable climate: conditions by 8 July were reported good to excellent for 69 percent of the crop, which compares to 61 percent for the corresponding period in 2011, a year in which output was marred by both floods and drought. Assuming growing conditions remain satisfactory, yields are expected to reach 8.1 tonnes per hectare. The new area and yield forecasts for 2012 outdo the ones released in April and lift the production outlook by some 500 000 tonnes to 8.67 million tonnes (6.1 million tonnes, milled basis), representing a 3 percent increase from last year.

In **Europe**, the production outlook for the **EU-27 zone** has deteriorated, now pointing to an 8 percent decrease to 2.9 million tonnes (1.7 million tonnes, milled basis). Much of the expected year-on-year fall would be on account of Spain, the second largest EU producer, where the sector has been hit by a prolonged winter drought. Based on assessments by the Spanish government, reduced water availability for irrigation led to a 5 percent contraction of plantings, with much of the decline concentrated in the regions of Aragón and Navarra. Moreover, with the dryness also likely to depress yields, production in Spain may end 13 percent lower than last year, at 811 000 tonnes (487 000 tonnes, milled basis). Prospects are also unfavourable in Italy, where expectations of lower prices may have prompted a 3 percent area-led contraction to 1.45 million tonnes (870 000 tonnes, milled basis). Production outlooks in the other EU member states are favourable for Bulgaria and Romania, but point to contractions in Hungary, France, Greece and Portugal. Elsewhere in the continent, expectations remains positive in the **Russian Federation**, where output may grow by 3 percent to 1.2 million tonnes (827 000 tonnes, milled basis).

In **Oceania**, the 2012 season is well over in **Australia**. Overall, the campaign ended with favourable results, notwithstanding cold temperatures, inundations and pest attacks having depressed yields by an estimated 10 percent to an average of 8.8 tonnes per hectare. Based on a 45 percent surge of the area, officials assess 955 000 tonnes to have been collected (637 000 tonnes, milled basis) in 2012, 32 percent more than in 2011 and the fourth consecutive year of recoveries from prolonged drought.

## II. INTERNATIONAL TRADE IN RICE

### World trade in rice in 2012 to fall 3 percent short of the 2011 record



FAO's forecast of global rice trade in calendar 2012 has changed little since the previous issue of the RMM, now standing at 34.2 million tonnes, 160 000 tonnes less than reported in April. At the country level, Bangladesh and Indonesia are now foreseen to import less than previously thought, while forecasts of purchases by China (Mainland) and the Islamic Republic of Iran were revised upwards. Amongst exporters, sales from Pakistan, Thailand and Viet Nam were lowered, while they were raised for Argentina, Brazil, India and the United States.

At the new forecast level, global rice trade would be about 1.0 million tonnes shorter than the 2011 high. Weak import demand in Far Eastern Asian markets is expected to drive this fall, more than offsetting projected increases of deliveries to Africa, Latin America and the Caribbean, Europe and North America. On the export side, the contraction is expected to primarily reflect a sharp fall in shipments by Thailand, although deliveries by Argentina, Brazil, China (Mainland), Myanmar, Uruguay and Viet Nam are similarly set to fall. Reductions in these countries are expected to be only partly compensated by greater consignments by India, but also Australia, Cambodia, Pakistan and the United States.

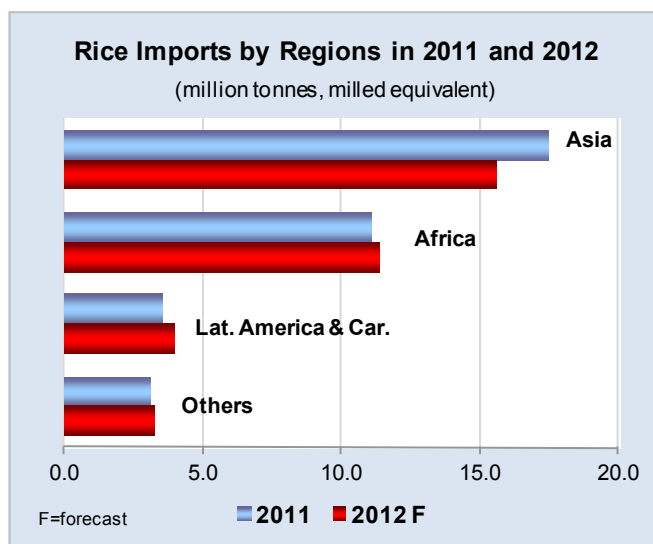
### Imports in 2012

#### Rice imports to fall in Asia, but growing flows forecast elsewhere

Asia is currently foreseen to be responsible for all of the expected contraction in world rice imports in 2012, taking delivery of 15.6 million tonnes, down 11 percent year-on-year. Looking at the major buyers in the region, **Bangladesh** and **Indonesia** are expected to account for much of the cut, reflecting their success in boosting domestic output and refurbishing stocks through local purchases. The **Philippines** and **Nepal** are also anticipated to buy less. On the other hand, **China (Mainland)**, **the Chinese Province of Taiwan**, **the Democratic People's Republic of Korea**, **the Republic of Korea** and **Malaysia** are foreseen to import more. Demand by Near East Asian countries, especially **the Islamic Republic of Iran**, **Iraq**, **Saudi Arabia** and **the United Arab Emirates**, is also anticipated to remain strong.

**Bangladesh** is now foreseen to take delivery of 300 000 tonnes in 2012, half the amount anticipated in April and a fraction of the 1.5 million tonnes purchased in 2011. Indeed, an abundant crop and lower prices have encouraged the Government to procure rice for the public distribution system locally rather than through imports. Officials announced in May that the state would purchase 900 00 tonnes of Boro rice and 150 000 tonnes of paddy from the domestic market between 3 May and 30 September 2012, on top of the 350 000 tonnes of Aman rice already bought. By 28 June, nearly 320 000 tonnes had been purchased by the state, while 851 000 tonnes had already been contracted. The pace of purchases is officially reported to have facilitated the replenishment of public sector stocks, which by 28 June stood at 1.05 million tonnes.





On the backdrop of high domestic prices and local shortfalls, rice deliveries to **China (Mainland)** between January and May were officially reported at 965 000 tonnes. To take account of this fast pace of shipments, FAO has raised its forecast of overall imports for 2012 by 400 000 tonnes to 1.4 million tonnes, 400 000 tonnes more than in 2011. Much of the country's rice imports are sourced traditionally from Thailand and Viet Nam, but this year Pakistan has emerged as an important supplier to China. Moreover, 2012 has seen Indian basmati rice gain access to the Chinese market, and more recently also rice originating from the Chinese Province of Taiwan and Cambodia.

Faced with a weather reduced harvest and considerable pressure on domestic prices, **Indonesia** was the single most important Asian destination of rice in calendar 2011, taking in an estimated 2.8 million tonnes of rice and contracting an additional 770 000 tonnes for delivery between January and March 2012. Although, the domestic supply situation appears much improved this year local retail prices have remained stubbornly high, being quoted at Rupiah 10 286 (USD 1.1) per kilo in May, 18 percent above their value a year earlier. Such high prices do not appear to have inhibited local procurement activities by Bulog as they did last year, however. By early July, the agency was reported to have purchased up to 2.4 million tonnes locally, which compares to 1.3 million tonnes in the corresponding period in 2011. As a result and consistent with the improved production outlook for the country, FAO has lowered the 2012 import forecast for Indonesia to 1.3 million tonnes, 200 000 tonnes less than anticipated in April.

Rice imports by **Japan** continue to be governed by WTO commitments. Accordingly, the country is forecast to take 700 000 tonnes in calendar 2012. This volume compares to 742 000 tonnes in 2011. Similarly, the **Republic of Korea** is scheduled to raise purchases by 6 percent to 368 000 tonnes, in order meet its WTO obligations.

FAO currently foresees **Malaysia** to import 1.1 million tonnes in calendar 2012, 7 percent more than in 2011. The volume will continue to be sourced in its entirety by the local agency, BERNAS, after the Malaysian Government, last year extended exclusive rights over rice imports to the entity until 2021. The exclusive treatment may not hold beyond then, however, at least not for imports from Australia. Indeed, commitments made under the Malaysia-Australia Free Trade Agreement, signed in May 2012 and scheduled to come into force in January 2013, include provisions for Australian deliveries to be undertaken under an open licensing system, permitting any entity to apply for rice import licences as of 2023. The same year will also mark the introduction a bound tariff of 30 percent for shipments from Australia, which will be reduced annually until they are phased out completely in 2026.

Reflecting the ample supply situation facilitated by record level production, imports by **Nepal** are expected to remain small in 2012, sliding by 60 percent to 100 000 tonnes. Nepal has been the latest of countries to announce the removal of restrictions on rice exports, first instituted in 2008. Based on a July decision by authorities, 10 000 tonnes of rice would be permitted for delivery to China, although earlier proposals would have considered between 50 000 and 100 000 tonnes of rice shipped abroad.

Amongst other Asian buyers, the **Philippines**, is seen to cut imports by 22 percent to 900 000 tonnes. This year, in its quest for self-sufficiency in rice the government limited rice import allocations to 500 000 tonnes, 120 000 tonnes of which were reserved to the National Food Authority and successfully bid out in June, with the remainder purchased by the private sector. Meanwhile, negotiations over the extension the WTO special treatment, already expired on 30 June, which allowed the country to maintain non-tariff barriers on rice have yet to conclude. Based on official statements, whilst a decision is being taken, the out-of-quota rate of 50 percent will continue to apply for volumes imported outside of the 350 000 tonne minimum access volume. The Philippines was already successful in renewing the special treatment on rice in 2006.

Notwithstanding a deteriorated production outlook due to drought, **Sri Lanka** is unlikely have to rely on imports to cover domestic needs, largely thanks to sufficient supplies in stock. Indeed, reflecting the comfortable level of supplies facilitated by an unprecedented 2012 Maha crop, purchases by the Paddy Marketing Board, the state entity entrusted with maintaining buffer stocks, were reported to have reached a new high, surpassing 100 000 tonnes. However, the unfavourable climate compromised the country's ambition to export rice this year, as in a bid to avert potential price rises, in June officials prohibited all rice shipments until supplies from the forthcoming 2013 Maha crop arrive in local markets.

The anticipated weakening of import demand in 2012 is only expected to concern Far Eastern markets, as prospects point to larger purchases by *Near East Asian countries*. Foremost amongst these is the **Islamic Republic of Iran**, which is now forecast to take 1.3 million tonnes, nearly 200 000 tonnes more than anticipated in April. The upward revision follows evidence of a fast pace of consignments in the first four months of the year, which saw almost 717 000 tonnes delivered to the country, more than double the quantity imported during the corresponding period in 2011. This is notwithstanding the imposition of financial sanctions on the country, which made it difficult to make payments in hard currencies, a difficulty circumvented through the introduction of a Rupee payment mechanism for produce originated from India, its largest supplier. Imports by **Iraq** are similarly foreseen to rise by 8 percent to 1.3 million tonnes, a volume that will be channelled to the population through the public food rationing system. Strong local demand is anticipated to lead **Saudi Arabia** to take in a similar volume over the course of the year, while domestic supply shortages from a bad crop may prompt **Afghanistan** to raise purchases by 50 000 tonnes to 260 000 tonnes.

The current forecast of 2012 rice imports by countries in *Africa* point to an aggregate level of 11.4 million tonnes, 3 percent more than in 2011. At a country level, the increase is expected to stem from larger purchases by **Burkina Faso**, **Chad**, **Gambia**, **Guinea Bissau**, **Mali** and **Niger**, all of which faced poor harvests in 2011. In the case of **Mali**, they are expected to surge to 180 000 tonnes, up from an estimated 10 000 tonnes in 2011. The rise would also mirror the exemption of rice from import duties approved earlier in the year and extended in May until 8 August, alongside a reduction of the price ceiling to FCFA 315 (USD 595 per tonne) per kilo at wholesale level and of FCFA 340 per kilo (USD 643 per tonne) at retail level. Indeed, numerous African countries are facing abnormally high cereal prices, a situation that has prompted Governments to institute policy measures to dampen pressure on consumers. These have involved expanded distribution of supplies to vulnerable groups, but also the instatement of price ceilings. This has been the case of **Cote D'Ivoire**, where officials have approved maximum prices for imported rice ranging from FCFA 297 to 447 (USD 561-846 per tonne) per kilo, depending on the various varieties and origins. FAO currently foresee the country to take delivery of 950 000 tonnes, a volume that would include 240 000 tonnes reportedly sourced from Thailand under a government-to-government agreement. In **Senegal**, rice shipments are foreseen to rise by 12 percent to 900 000 tonnes. Consultations with industry stakeholders also resulted in the setting of reference prices in the country, of FCFA 280 per kilo of ordinary rice and of FCFA 435 per kilo in the case of fragrant rice (USD 529 and USD 822

per tonne, respectively). FAO anticipates consignments to **Nigeria**, traditionally one of the major rice importing country, to decline by 9 percent to 2.0 million tonnes. The expected reduction follows the imposition of higher protective measures through steeper import tariffs, which will be applied on a higher benchmark price for customs valuations of USD 699 per tonne.

In the eastern part of the continent, rice deliveries to **Kenya** are foreseen to rise by 4 percent to 350 000 tonnes in 2012. The increment will be facilitated by the renewal of exemptions to the East African Community's (EAC) Common External Tariff (CET) for an additional year, which will keep tariffs on rice at 35 percent or at USD 200 per tonne, whichever is higher. This is substantially less than the 75 percent duty rate that rice normally accrues under the block's CET. Since its coming into force in 2005, Kenya has made recursive use of CET exemptions to meet local needs. However, on the backdrop of poor production results and considerable increases in domestic quotations, other east African countries have also appealed to apply lower tariffs for the year. For instance, **Burundi** announced in May the removal of the 75 percent rice import duty until December. For a period of one-year period, **Rwanda** will also apply a lower rate of 30 percent, or USD 200 per tonne. Purchases from the two countries are, however, expected to stay small and in the order of 4 000 tonnes and 23 000 tonnes, respectively. In the **United Republic of Tanzania** they are anticipated to remain steady at 100 000 tonnes. Elsewhere in *Africa*, high local quotations have also encouraged **Egypt** to source supplies for its public rationing system abroad, a move that may drive deliveries to the country up by 8 percent to 400 000 tonnes. Meanwhile, strong domestic demand is foster a 6 percent rise in purchases by **South Africa** to 950 000 tonnes, while **Madagascar** may require 300 000 tonnes to make up for production losses endured this year.

Volumes delivered to *Latin America and the Caribbean* countries in 2012 are foreseen to reach 3.97 million tonnes, 13 percent above 2011. The increase mainly reflects expectations of a 300 000 tonne rebounding in deliveries to **Brazil** to 900 000 tonnes, necessary to compensate for the poor 2012 production results and maintain a level of exports. Amongst other countries in *South America*, **Colombia** is also forecast to step up purchases to 84 000 tonnes, from 34 000 tonnes in 2011. Much of this volume is expected to originate from the United States, following the coming into force of the U.S.- Colombia Free Trade Agreement in May, which has established an initial tariff-rate quota of 79 000 tonnes for rice originated from the United States. In April, the Colombian authorities also approved the importation of 35 000 tonnes of paddy from fellow Andean Community countries, namely Bolivia, Ecuador and Peru. On 31 July 2012, **Venezuela** is to become a full member of the Common Market of the Southern Cone (MERCOSUR). The country's application to the block had originally been scheduled for 2006, but its full accession stalled pending ratification by Paraguay, who was in turn suspended from MERCOSUR in June. The 2006 terms of Venezuela's accession outline a four-year period for the country to adopt the block's Common External Tariff (CET), with a deadline of 1 January 2012 to remove all tariffs for goods originating from MERCOSUR partners.<sup>4</sup> Sensitive products would be an exception to this timeframe, for which an extension to January 2014 was set out. However, it is still unclear whether rice is to be considered a sensitive product. FAO currently anticipates the country to take delivery of 340 000 tonnes, unchanged from 2011. Consignments to *Central American and Caribbean* countries are similarly foreseen to rise, combined, reaching 2.3 million tonnes. The 4 percent year-on-year expansion would be largely attributable to greater purchases by **Cuba**, **Haiti**, **Honduras**, **Mexico** and **Panama**, while **Costa Rica** and **Nicaragua** cut theirs.

*In the other regions*, successive seasons of output c may entail that the **European Union** raise its 2012 purchases by 8 percent to 1.3 million tonnes. Following the instatement in January of more rigorous controls on containers originating from China, found presence of unauthorised genetically modified strains in imports continue to be reported in the region. The latest of such cases concerns

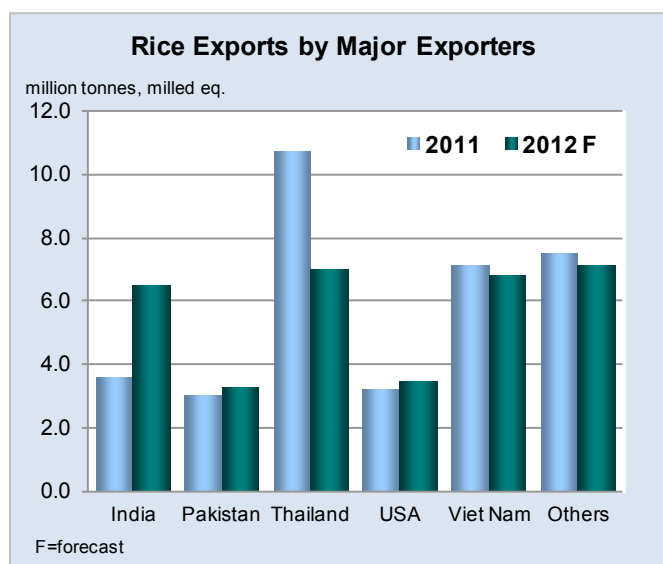
<sup>4</sup> Namely, Argentina, Brazil, Paraguay and Uruguay.

consignments of fragrant rice varieties from both India and Pakistan, countries where commercial cultivation of GM rice is not authorised. On the other hand, imports by the **Russian Federation** are foreseen to reach 180 000 tonnes, up from an officially reported 2011 level of 167 000 tonnes. Part of the increase would reflect the institution of lower import protection as part of the country's accession to the WTO, which will see most types of rice accruing an ad-valorem rate of 15 percent, but not less than Euro 45 per tonne, down from the Euro 120 per tonne currently applicable. In the **United States**, officials have kept the 2012 import forecast at 725 000 tonnes, which compares to a 620 000 tonnes volume in 2011.

## Exports in 2012

### Rice exports by Thailand to contract to a twelve year low

Based on FAO's latest forecasts, generally favourable production results in 2011 are likely to translate into 3 percent decline in global rice shipments in 2012 to 34.2 million tonnes. From the export side, the contraction is mainly forecast to affect deliveries by **Thailand**, which have been undermined by high prices resulting from the paddy pledging programme. Notwithstanding efforts to release part of the stocks accumulated through the scheme, exports by the country are now forecast to sink to the lowest volume since 2000, undercutting its share in the global rice market from 30 percent in 2011 to 20 percent this year. Subdued buying interest and growing competition may also negatively impact shipments by **Viet Nam**, the second largest exporter of rice. **Argentina**, **Brazil**, **China (Mainland)**, **Myanmar** and **Uruguay** are similarly foreseen to deliver less, mostly as a reflection of tighter availabilities. By contrast, exports by **India** look set to reach new highs, promoted by ample and affordable supplies from successive abundant harvests, as well as official measures to advance trade. Current prospects also point to larger shipments by **Australia**, **Cambodia**, **Pakistan** and the **United States**.



Consisting mainly of paddy deliveries through cross-border trade, FAO currently sees 2012 exports by **Cambodia** to amount to 1.2 million tonnes, up 9 percent year-on-year. The local industry has been making concerted efforts, however, to sustain growth in direct milled rice exports, which are officially targeted to reach 400 000 tonnes this year. One such effort was the formation, in May, of the Alliance of Rice Producers and Exporters of Cambodia, bringing industry representatives together to coordinate and promote rice shipments. Furthermore, although earlier plans of Cambodia to arrive at an export agreement with the Philippines did not materialized, official statements

would have Indonesia in talks for a similar deal. The local industry has also received further encouragement by the completion of a small consignment to China (Mainland).

In the first five months of the year, rice exports by **China (Mainland)** were officially reported to have amounted to 175 000 tonnes, 19 percent below the corresponding period in 2011. They were mostly destined to Far Eastern markets, including the Republic of Korea, Japan and the Democratic People's Republic of Korea. For the full year, FAO anticipates China to cut its shipments to 400 000 tonnes, 22 percent below the already contracted 2011 level, reflecting expectations of continuing firm local prices.

Successive large crops, leading to considerable surpluses and the build-up of hefty public sector stocks have encouraged officials in **India** to take on an activate stance to promote rice exports so as to ease pressure on the local market. After the September 2011 lifting of the ban on common rice exports, the minimum export price (MEP) on basmati rice was eliminated in July. This is after it had already been lowered to USD 700 per tonne earlier in February 2012. The initiative is expected to buttress deliveries of fragrant varieties, especially to Near Eastern countries. This comes on top of a very strong pace of sales on the non-basmati segment, underpinned by attractive prices and a depreciating Rupee, which hit historical lows against the dollar in recent months. FAO now anticipates these factors to translate into an overall level of Indian shipments of 6.5 million tonnes, 200 000 more than previously foreseen and a level that would top the 2011 estimate by 3.1 million tonnes.

Rice consignments by **Myanmar** in calendar 2012 are foreseen to amount to 700 000 tonnes, down from 789 000 tonnes in 2011. Notwithstanding official efforts to propel growth in the sector, the forecast cut would reflect a tightening of exportable supplies, due to a flood-reduced 2011 harvest, but also from growing competition in some of Myanmar's most important African markets.

FAO's April forecasts of exports by **Pakistan** have been lowered by 200 000 tonnes, while still pointing to an 8 percent year-on-year expansion to 3.3 million tonnes. The reduction is consistent with lower estimates of production in 2011, but also with a slower pace of deliveries this year, particularly of Basmati varieties. Sales of aromatic rice from Pakistan first came under increasing pressure by the February lowering of Minimum export prices in India, followed in July by their complete removal. Moreover, failure to conclude a barter agreement with the Islamic Republic of Iran, in the absence of a mechanism to circumvent financial sanctions on the country, further constrained sales in this segment. However and while the sector still faces difficulties related to severe energy shortages, the overall good performance is expected to be sustained by ample and affordable availabilities of common varieties, shipments of which have been further aided by a depreciating Rupee.

Bogged down by uncompetitive prices, cumulative **Thai** deliveries between 1 January and 12 July amounted to 3.6 million tonnes, 47 percent short of their level a year earlier. The bleak performance contrasts with a rather optimistic Government outlook for the full year, which foresees up to 9.0 million tonnes of rice shipped, including 3.0 million tonnes of government-to-government exports. The latter target would reflect the need to release supplies from overflowing public granaries, given that an accelerated pace of mortgaging of secondary crops had led to 12.8 million tonnes of public stocks accumulated by early July. Nonetheless, first attempts to offload supplies through tenders have been unsuccessful, with low price offerings leading to their cancellation. Officials have also targeted exports to Bangladesh, Indonesia and the Philippines, with whom import agreements are in place, while also allegedly engaging China and Near Eastern countries in talks for similar deals. Yet, with the exception of a reported official sale to Cote d'Ivoire, these public initiatives have still to translate into effective shipments. As a result, FAO anticipates Thailand to deliver a total of 7.0 million tonnes in 2012, 500 000 tonnes less than previously forecast and 35 percent below shipments in 2011.

Export prospects are also subdued in **Viet Nam**, which is forecast to ship 6.8 million tonnes, 400 000 tonnes less than anticipated in April and 4 percent below 2011. In the first six months of the year, the country officially shipped 3.7 million tonnes, 8 percent less than in the first semester in 2011. The disappointing pace, notwithstanding ample availabilities, mainly reflects difficulties in competing with India and Pakistan for lower quality Indica markets in Africa, although Viet Nam has been able capture a large share of Chinese demand, while remaining the most important supplier of the Philippines. Sales in the higher quality Indica segment are faring better, given a large price

edge existing with its Thai competitor. Expectations of strong demand from Hong Kong SAR and the Chinese Province of Taiwan would also be behind officials targeting up to 600 000 tonnes of fragrant rice shipments for 2012.

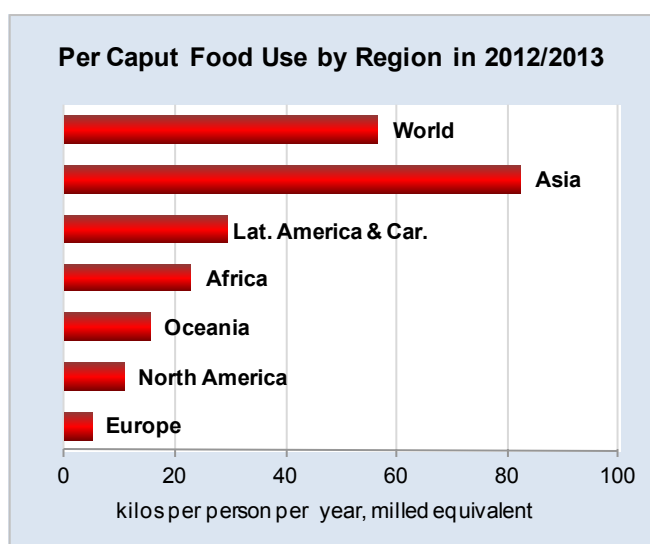
Amongst other traditional suppliers of rice, exports by **Egypt** are expected to amount to 300 000 tonnes, up from 200 000 tonnes in 2011. Although the change in administration in the country fuelled anticipation of a potential lifting of the ban on rice exports, decisions to this effect are yet to be communicated. As such, and pending a review of the prevailing policy, shipments by the country are expected to remain small, mainly consisting of volumes making their way out of the country unrecorded. As for **Australia**, FAO anticipates the country to deliver 400 000 tonnes of rice in 2012, against the 314 000 tonnes officially reported last year.

Reversing earlier expectations of a decline, the latest official forecasts of rice shipments by the **United States** point to a 7 percent annual upturn to 3.45 million tonnes. Indeed and whilst the return of Australia to the market and the availability some of Egyptian supplies have contested part of its hold in the Japonica market, sales of medium grain varieties to Near Eastern and Far Eastern markets have remained firm. Moreover, in the long-grain segment, the country looks set to benefit from a reduced availabilities in competing South American origins, a factor that is likely to boost United States' sales to Latin American and Caribbean markets.

Export prospects are unfavourable in **Argentina**, where a smaller crop is expected to depress shipments by 11 percent to 700 000 tonnes. A more pronounced reduction is anticipated in **Brazil**, where calendar deliveries may pass from 1.3 million tonnes in 2011 to 800 000 tonnes this year. The forecast level is 200 000 tonnes more than previously foreseen, as despite a bleak production outlook, the country continues to attract buying interest, especially for parboiled and broken supplies from African countries, whilst shipments to Latin American and Caribbean countries, including Cuba and Nicaragua, are also taking place. Exports by **Uruguay** are also predicted to decline, although in a more contained manner, retreating by only 4 percent to 900 000 tonnes in 2012. Sales from the country were hampered by the imposition of financial sanctions on the Islamic Republic of Iran, one of its most important markets. However, Uruguay has positioned itself as an important supplier of Iraq, shipping 63 000 tonnes to that destination in the first four months of the year alone.

### III. RICE UTILIZATION AND DOMESTIC PRICES

#### Per caput rice consumption to remain largely stable in 2013



**Global rice utilization** is forecast to hover around 474 million tonnes (milled basis) in 2012/13, 6 million tonnes more than the 2011/12 estimate. Rice consumption as food is to take up 400 million tonnes, up from 395 million tonnes in the previous year. Quantities utilised as feed are similarly foreseen to grow by 2 percent to some 12.6 million tonnes, while other uses (including seeds, post-harvest losses and industrial uses) may absorb 61.4 million tonnes. The latest figures suggest that the growth in global rice utilisation in 2012/13 would keep up with population, maintaining the **global per caput food use** largely steady at roughly 56.6 kilos per person. The projected

stability reflects expectations of a steady intake of 67.5 kilos and of 12.1 kilos per person in developing countries and developed countries, respectively.

Meanwhile, based on a review of retail/wholesale prices, excepting Africa, **domestic rice quotations** have remained relatively stable in the past three months, although these were generally higher than in both 2011 and 2010. In *Asia*, prices changed little in the second quarter of the year compared to their level in the first three months of the year. The major exceptions included **Cambodia, Pakistan and Thailand**, where prices showed a tendency to strengthen and **Sri Lanka**, where the large Maha crop kept prices on a downward trend. In *Africa*, quotations in **Madagascar, Somalia, the United Republic of Tanzania and Uganda** tended to weaken, although, in some cases, the recent falls succeeded to sharp price hikes in the first quarter of the year. On the other hand, various African countries witnessed pressure for prices to rise over the past three months, in particular **Cape Verde, Chad, Mali, Mozambique, Rwanda and Senegal**. Numerous initiatives continue to be taken by governments to attenuate the inflationary pressure on consumers. Earlier in the year, for instance, **Mali** exempted imports of rice from duties and taxes, a measure extended in May until 8 August 2012. Mali also lowered the price ceiling to FCFA 315 (USD 595 per tonne) per kilo at the wholesale level and to FCFA 340 per kilo (USD 643 per tonne) at the retail level. In April, authorities in **Cote d'Ivoire** also approved ceiling prices for imported rice, ranging from FCFA 297 to 447 per kilo (USD 561-846 per tonne), depending on the rice variety and origin.<sup>5</sup> **Burkina Faso, Niger and Mali** have also expanded distribution of subsidised supplies to vulnerable groups, while officials in **Senegal** have taken steps to lower prices of rice and other commodities through consultations with industry stakeholders. These consultations resulted in the setting of reference prices of FCFA 280 per kilo of ordinary rice and of FCFA 435 per kilo in the case of fragrant rice (USD 529 and USD 822 per tonne, respectively). In **Burundi**, the Government decided in May to suspend the application of duties on the importation of rice and other products until December 2012. Amongst other East African Community members, **Kenya and Rwanda** have appealed to a reduce the rice import duty below the 75 percent normally accrued under the block Common External Tariff (CET). On the other hand, in *Latin America and the Caribbean*, domestic rice quotations have registered sizeable gains mainly in **Honduras, Mexico and Panama**, while falling in **Haiti**. *Elsewhere*, rice prices also tended to decline in the **United States** and in **Italy**.

---

<sup>5</sup> In the case of 25% broken rice the price ceilings stand at FCFA 297-317 per kilo at retail level (USD 561-599 per tonne) and at FCFA 270-277 per kilo at wholesale level (USD 510-524 per tonne). For 5% broken rice, maximum wholesale prices were set at FCFA 335-347 per kilo (USD 633-656 per tonne) and at FCFA 362-367 at retail level (USD 684-694 per tonne) and for fragrant rice at FCFA 360-727 per kilo (USD 680-694 per tonne) at wholesale level and FCFA 387-760 at retail level (USD 731-1436 per tonne).

## MONTHLY RETAIL PRICES OF RICE IN SELECTED MARKETS

ASIA	Historical monthly price trend 2007 2008 2009 2010 2011 2012	Latest available:		Latest quotation available compared to: <sup>1</sup>			
		Month	USD/Kg	3 months earlier	1 year earlier	2 years earlier	
Bangladesh: Dhaka (coarse)		Jun-12	0.35	-1%	-11%	-2%	
Bhutan: Samdrup Jongkhar (white)		Apr-12	0.35	0%	0%	9%	
Cambodia: Phnom Penh (mix)*		Jun-12	0.43	5%	-3%	-8%	
China: 50 City Avg. (japonica second quality)		Jun-12	0.86	1%	1%	18%	
India: Delhi		Jun-12	0.44	2%	7%	12%	
Indonesia: Ntl. Avg.		May-12	1.10	-2%	18%	39%	
Lao PDR: Vientiane (ordinary first quality)		May-12	1.00	0%	0%	0%	
Mongolia: Ulaanbaatar		May-12	1.25	-1%	0%	4%	
Nepal: Kathmandu (coarse)		Jun-12	0.42	3%	3%	6%	
Pakistan: Karachi (irri)		Jun-12	0.55	6%	21%	49%	
Philippines: Ntl. Avg. (well-milled)		Jun-12	0.82	0%	2%	3%	
Sri Lanka: Colombo (white)		Jun-12	0.40	-4%	-9%	1%	
Thailand: Bangkok (5% broken)*		May-12	0.57	17%	36%	38%	
Viet Nam: Dong Thap (25% broken)		Jun-12	0.35	0%	-14%	23%	
<b>WESTERN AFRICA</b>							
Benin: Cotonou (imported)		May-12	1.03	0%	0%	0%	
Burkina Faso: Ouagadougou (imported)*		Jun-12	0.69	-3%	-6%	13%	
Cape Verde: Santiago (imported)		May-12	1.24	15%	12%	18%	
Chad: N'Djamena (imported)		May-12	1.05	7%	13%	17%	
Mali: Bamako*		Jun-12	0.64	12%	19%	11%	
Mauritania: Nouakchott (imported)		Apr-12	0.69	0%	-29%	-34%	
Senegal: Dakar (imported)		Apr-12	0.81	17%	33%	21%	
<b>EASTERN AFRICA</b>							
Rwanda: Kigali*		Apr-12	1.26	7%	62%	37%	
Somalia: Mogadishu (imported)		May-12	0.78	-5%	-24%	-13%	
Uganda: Kampala*		Jun-12	1.10	-18%	17%	45%	
United Rep. of Tanzania: Dar es Salaam*		Jun-12	1.19	-8%	44%	51%	
<b>SOUTHERN AFRICA</b>							
Madagascar: Ntl. Avg. (local)		Jun-12	0.52	-11%	11%	-	
Mozambique: Maputo		Jun-12	0.90	6%	-1%	-5%	
<b>CENTRAL AMERICA AND THE CARIBBEAN</b>							
Costa Rica: Ntl. Avg. (first quality)		May-12	1.57	1%	-4%	2%	
Dominican Rep: Santo Domingo (first quality)		May-12	1.22	1%	0%	-1%	
El Salvador: San Salvador		Jun-12	1.09	0%	0%	-2%	
Guatemala: Ntl. Avg. (second quality)		May-12	1.15	0%	3%	4%	
Haiti: Port-au-Prince (imported)		Jun-12	1.01	-4%	3%	2%	
Honduras: Tegucigalpa (second quality)*		Jun-12	0.82	4%	0%	3%	
Mexico: Mexico City (sinaloa)*		Jun-12	0.77	4%	5%	20%	
Nicaragua: Ntl. Avg. (second quality)		May-12	0.91	1%	9%	10%	
Panama: Panama City (first quality)		Jun-12	1.15	4%	6%	6%	
<b>SOUTH AMERICA</b>							
Bolivia: La Paz (grano de oro)*		Jun-12	0.87	3%	-5%	-2%	
Brazil: Ntl. Avg.		Jun-12	0.95	1%	13%	-4%	
Ecuador: Quito (long grain)*		Apr-12	0.97	-1%	-1%	21%	
Peru: Lima (corriente)		Jun-12	0.92	-1%	-1%	21%	
<b>NORTH AMERICA</b>							
United States: City Avg. (long grain, uncooked)		May-12	1.49	-6%	-12%	-9%	
<b>EUROPE</b>							
Italy: Milan (arborio volano)*		Jun-12	1.04	-13%	-43%	-17%	
Russian Federation: Ntl. Avg.		Apr-12	1.62	-2%	-8%	-1%	

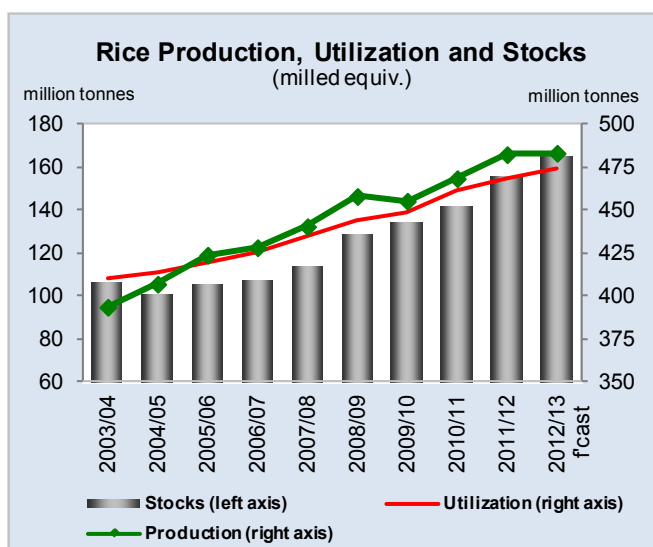
<sup>1</sup> Quotations in the month specified in the third column were compared to their levels in the preceding three, twelve and twenty-four months. Price comparisons were made in nominal local currency units. Sources: FAO/GIEWS Food Price Data and Analysis Tool; Monthly Report on the Retail Price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

\* Wholesale prices.



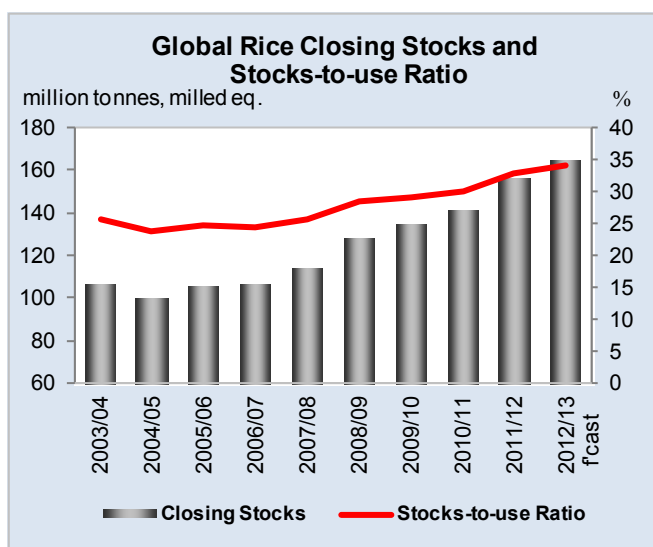
## IV. CLOSING STOCKS

### Rice stocks carried over 2013 forecast to reach a new record of 164.5 million tonnes



FAO's forecast of global rice inventories at the close of the 2012-2013 marketing years now stands at 164.5 million tonnes (milled basis), 200 000 tonnes more than reported earlier. Compared to the April issue of the RMM, the forecasts of rice carry-overs were raised particularly for China (Mainland), Indonesia and Thailand. These revisions more than compensated for downward adjustments, in countries such as Bangladesh, Cambodia, India, Pakistan, the Philippines, Sri Lanka, and the United States. Marking the eighth consecutive year of increases, the revised forecast would imply a 6 percent global stock rebuilding from last year and the highest level on record. The expected increase, equivalent

to 8.6 million tonnes, would lift the **global stock-to-use ratio** by 1 percentage point to an estimated 34 percent in 2013. Developing countries are expected to account for all of the projected increase, holding 160.1 million tonnes as a group, 6 percent more than the previous year. By contrast, developed countries are foreseen to see their rice reserves fall by 3 percent to 4.3 million tonnes.



From a trade status perspective, **rice exporting countries** are projected to be responsible for all of the increase in global rice carry-overs in 2013. Based on the current favourable outlook for production, **China (mainland)** could end the season with an 11 percent stock refurbishment to 93.0 million tonnes, equivalent to an estimated 70 percent of domestic use. Amongst the five major rice exporters,<sup>6</sup> particularly sizable gains are also anticipated in **Thailand**, reflecting expectations of significant quantities of local produce continuing to be absorbed by the Paddy Pledging Programme rather than being exported. Implementation of the programme for a second consecutive season, as already

announced, is expected to boost Thai inventories at the close of the season to a high of 12.0 million tonnes, 35 percent above the current estimate for 2012. Although much smaller in magnitude, a stock accumulation is also expected in **Viet Nam** and **Pakistan**, where they may reach 4.0 million tonnes and 300 000 tonnes, respectively. By contrast, FAO anticipates 2013 rice carry-overs in **India** to fall to 22.8 million tonnes, 10 percent below their opening level. The reduction is consistent with the recent worsening of the 2012 production outlook in India, but also with to the planned reform of the country's subsidised distribution system and expanded coverage, under the National Food Security Bill. Rice carry-overs in the **United States** are anticipated to contract by 16 percent to 923 000 tonnes, their lowest level since 2009. As a group, the five leading rice exporters, are anticipated to hold 40.0 million tonnes by the end of the marketing year, a level that would

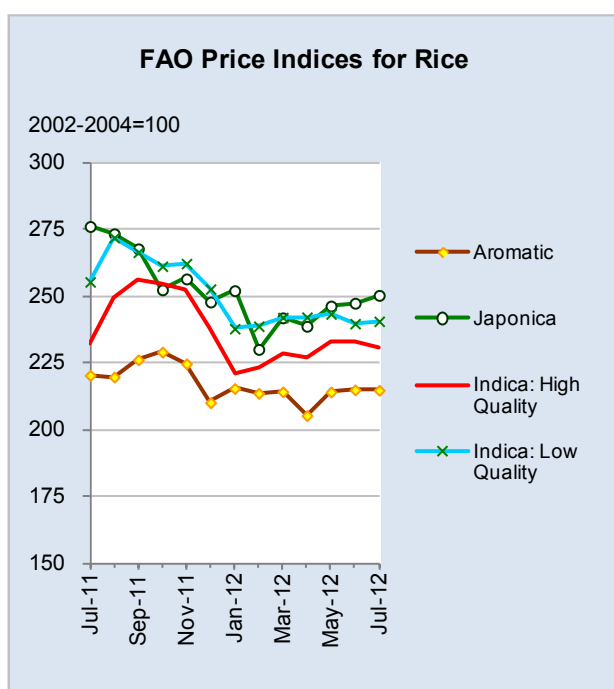
<sup>6</sup> Thailand, Viet Nam, the United States, India and Pakistan.

suffice to keep their **stock-to-disappearance ratio**<sup>7</sup> largely steady at an estimated 24.4 percent in 2013.

Conversely, aggregate reserves held by **rice importers** as a group are foreseen to incur a 4 percent drawdown to 26.5 million tonnes. In the **Philippines**, expectations of limited purchases from abroad in the face of a strong domestic demand are behind a 28 percent cut in the rice carryover to 1.7 million tonnes. Reflecting two consecutive seasons of negative production outcomes, inventories in the **European Union** are also expected to diminish, with officials anticipating the 27 EU countries combined to hold 450 000 tonnes by the end of the season, down 4 percent from the previous year. **Brazil** and the **Islamic Republic of Iran** are also anticipated to reduce the size of their reserves, while successive increases in production would permit **Bangladesh** to refurbish stocks by 1 percent to 7.1 million tonnes. Gains in production, complemented by imports, are also expected to boost **Indonesia's** carry-overs by 2 percent to 6.3 million tonnes.

## V. INTERNATIONAL PRICES

### World rice prices stable to higher since April



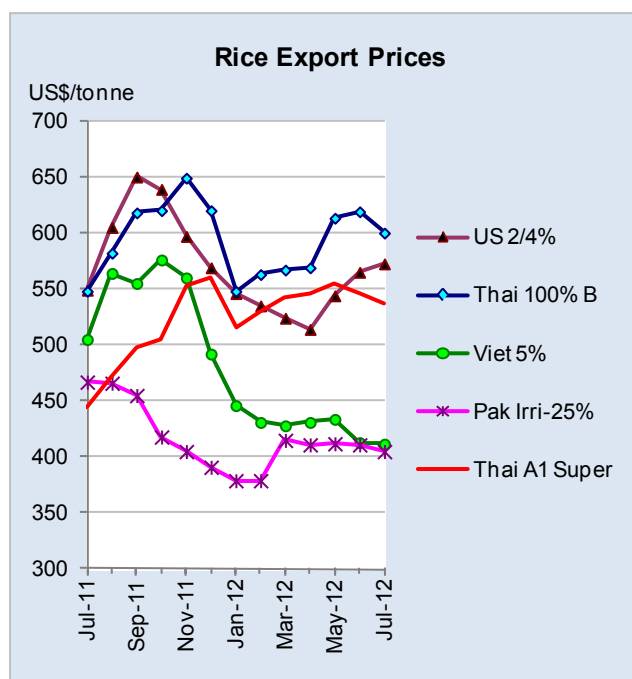
Notwithstanding the arrival, over the first half of the year, of new rice crops into the market, international rice export prices have strengthened somewhat compared to April, but have remained stable since then. This was reflected in the FAO All Rice Price Index, which passed from an April value of 233 points, to 238 in May. The Index has hovered around that value since then. Looking at the various market segments, prices of the high quality Indica rice continued to strengthen, with the corresponding Index rising by 3 points to 230 since April. Strong demand also underpinned prices in the medium-grain and fragrant rice markets, resulting in the Japonica Index climbing by 11 points to 250 and the Aromatic Index by 10 points to 215. These tendencies contrasted with a steady-to-downward trend witnessed in the lower quality Indica segment, with the corresponding Index shedding

one point since April to reach 241 in July. Despite the recent firming of prices, in January-June these were 6 percent lower than during the corresponding period in 2011.

Looking at the various origins, rice quotations in **Thailand** continued to be influenced by the Paddy Pledging Program reinstated one year ago. Thai quotations firmed until June, sustained by a fast pace of mortgaging, which had picked-up since March after falling below expectations in the first round of implementation. By 8 July 2012, 9.5 million tonnes of paddy out of an estimated 11.2 million tonnes harvested from the 2011 secondary crop were reported to have been mortgaged by farmers, a volume coming on top of the 6.8 million tonnes of the 2011 main crop paddy already absorbed by the scheme. In spite of the announced renewal of the program over the 2012 season, the slow pace of exports along with prospects of releases from the public stockpile began to weigh

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

on prices by July, causing benchmark Thai 100% B to drop 3 percent below its June value to USD 600 per tonne. Tighter supplies and renewed demand for imports, principally from countries in Latin America and the Caribbean upheld export prices in the **United States**. The rebounding concerned both Indica and Japonica rice varieties, with the US No.2, 4 % quoted 11 percent higher in July than in April, at USD 573 per tonne. In the medium grain segment, strong demand, notwithstanding pressure by greater competition from Australia, supported a 4 percent rise in US N.1/4 medium grain quotations to USD 715 per tonne.



By contrast, quotations in **Viet Nam** have continued to abate after the completion of the winter-spring harvest and the start of summer-autumn crop gathering activities. The abundant harvests, coupled with an overall weak external demand, were behind a 1 percent fall in the quotation of Viet Nam rice, 25% broken, to USD 379 tonne. However, the slide could have been more pronounced had it not been for the July launch of a government procurement campaign of 500 000 tonnes. Viet Nam's price retreat accentuated the gap between the Thai and Vietnamese 25% broken quotations to a USD 191 per tonne differential. Prices in the high quality Indica segment also diverged, with 5% broken Vietnamese rice undercutting its Thai competitor by USD 186 dollars per tonne. Meanwhile, prices of 25% broken rice in **India** were stronger in July than April, as a marked

currency depreciation was outweighed by a lingering strong demand for its produce. Purchases ahead of the start of Ramadan festivities also provided support to quotations of basmati in India and Pakistan, which stood 7 percent and 13 percent higher in July than in April, respectively, at USD 950 and 931 per tonne.

Looking ahead to the coming months, international rice export prices are likely to be influenced by the progress of the paddy growing season in important northern hemisphere countries. The pattern of the monsoon in Asia will be of particular importance, as it will determine how much exportable supplies are available in major supplying countries. Government policies are also expected to play an important role, however, especially those concerning the release of stocks in India and Thailand, and restrictions on trade. In this respect, while the unrestricted flow of exports of non-basmati rice in India is likely to be contingent on the country's domestic supply and price situation, any fear of potential shortfalls arising from a slow and deficient progress of the monsoon needs to be viewed within the context of India's large size of rice reserves, including public ones. Decisions regarding the disposal of hefty government stockpiles in Thailand will also need to be monitored. Prospects of large crops availabilities and ample world reserves have so far insulated rice markets from the turbulent price behaviour dominating the maize and wheat markets. Nonetheless, developments in other cereal markets may eventually trickle down to affect the rice economy. Purchasing decisions by important importers will also hold sway over the market, as will currency movements.

<b>FAO Rice Price Indices (2002-2004=100)</b>					
	All	Indica		Japonica	Aromatic
		High quality	Low quality		
<b>2007</b>	<b>161</b>	<b>156</b>	<b>159</b>	<b>168</b>	<b>157</b>
<b>2008</b>	<b>294</b>	<b>296</b>	<b>287</b>	<b>314</b>	<b>251</b>
<b>2009</b>	<b>253</b>	<b>229</b>	<b>196</b>	<b>341</b>	<b>232</b>
<b>2010</b>	<b>229</b>	<b>211</b>	<b>212</b>	<b>264</b>	<b>231</b>
<b>2011</b>	<b>251</b>	<b>237</b>	<b>250</b>	<b>274</b>	<b>227</b>
<b>2011</b> July	251	232	255	276	220
August	260	249	272	273	220
September	260	256	266	268	226
October	253	255	261	252	229
November	254	252	262	256	225
December	242	238	253	248	210
<b>2012</b> January	235	221	238	252	215
February	229	223	239	230	214
March	235	229	242	242	214
April	233	227	242	239	205
May	238	233	243	246	214
June	237	233	240	247	215
July	238	230	241	250	215
<b>2011</b> Jan.-Jul.	249	227	241	284	230
<b>2012</b> Jan.-Jul.	235	228	241	244	213
<b>% Change</b>	-5.5	0.3	-0.1	-14.3	-7.4

*Source: FAO*

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

RICE EXPORT PRICES														
	Thai White 100% B Second grade	Thai Parboiled 100%	U.S. Long Grain 2,4%	Thai 5%	Viet 5%	Argentina max 10%	India 25%	Pak 25%	Thai 25%	Viet 25%	Thai A1 Super 1/	U.S. California Medium Grain 2/	Pak Basmati Ordinary	Thai Fragrant 100%
	<i>(US \$/tonne, f.o.b.)</i>													
2007	335	332	436	325	313	338	289	290	305	294	275	557	677	550
2008	695	722	782	682	614	584	...	498	603	553	506	913	1077	914
2009	587	619	545	555	432	459	...	351	460	384	329	1019	937	954
2010	518	532	510	492	416	499	...	372	444	387	386	764	881	1045
2011	565	563	577	549	505	475	409	433	511	467	464	855	1008	1054
<b>2011</b>														
July	548	548	549	532	505	450	...	467	490	466	445	871	910	1062
August	582	588	605	566	564	450	...	466	520	530	471	866	875	1096
September	618	625	650	601	555	450	437	455	550	515	497	860	950	1110
October	620	610	639	604	576	450	419	418	556	524	505	860	962	1140
November	649	624	597	632	560	450	396	405	594	515	553	816	950	1141
December	620	598	569	603	492	468	384	391	587	464	560	764	890	1125
<b>2012</b>														
January	548	531	546	531	446	475	390	379	529	410	515	816	950	1087
February	563	570	535	547	431	475	395	379	542	395	530	816	950	1110
March	567	614	524	551	428	472	379	415	551	387	543	788	950	1120
April	569	608	514	552	431	470	384	411	553	384	546	772	825	1091
May	613	622	544	602	434	470	379	412	580	388	554	780	881	1078
June	619	615	565	609	413	470	382	411	579	369	545	783	931	1062
July	600	584	572	597	411	470	394	404	570	379	536	788	931	1062
2011 Jan.-Jul.	528	530	552	511	473	491	...	437	474	437	426	871	1068	1004
2012 Jan.-Jul.	583	592	543	570	428	472	386	402	558	387	538	792	917	1087
% Change	10.4	11.7	-1.7	11.6	-9.6	-3.9	...	-8.0	17.6	-11.3	26.4	-9.1	-14.1	8.2

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

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

... = unquoted

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

TABLE 1: WORLD PADDY PRODUCTION

	2007-2009	2010	2011	2012	Annual Change		2012 Forecast	
	Average		Estimate	Forecast	2012 over 2011		Previous	Revision
	<i>million tonnes</i>				<i>million tonnes</i>	%	<i>million tonnes</i>	
<b>WORLD</b>	675.9	702.6	723.1	724.5	1.4	0.2	732.3	-7.8
Developing countries	651.2	675.5	698.1	699.2	1.1	0.2	707.4	-8.2
Developed countries	24.7	27.0	25.0	25.3	0.3	1.3	24.9	0.4
<b>ASIA</b>	612.9	634.7	655.1	657.5	2.4	0.4	665.5	-8.0
Bangladesh	46.1	50.3 G	50.8 G	51.3	0.6	1.1	51.8	-0.5
Cambodia	7.2	8.2 G	8.8 G	8.7	-0.1	-0.9	9.0	-0.3
China	192.5	197.2	202.3	206.5	4.1	2.0	203.5	2.9
of which China (Mainland)	191.0	195.8 G	200.8 G	205.0 G	4.2	2.1	202.0	3.0
India	142.5	144.0 G	156.5 G	147.7	-8.7	-5.6	157.5	-9.7
Indonesia	60.6	66.5 G	65.8 G	68.6 G	2.8	4.3	68.0 G	0.6
Iran, Islamic Rep. of	2.4	2.3 G	2.3	2.4	0.1	4.3	2.4	-
Japan	10.8	10.6 G	10.5 G	10.5	0.0	0.4	10.5	-
Korea Rep. of	6.3	5.8 G	5.6 G	5.4	-0.2	-3.8	5.6	-0.2
Lao PDR	2.9	3.1 G	3.0 G	3.1	0.1	3.4	3.1	-
Malaysia	2.4	2.5 G	2.7 G	2.7	0.0	1.3	2.7	-
Myanmar	31.0	30.8	30.0	31.0	1.0	3.3	31.0	-
Nepal	4.3	4.5 G	5.1 G	4.8	-0.3	-5.3	4.8	-
Pakistan	9.7	7.2 G	9.2 G	9.4	0.2	1.8	10.8	-1.4
Philippines	16.4	16.7 G	17.0 G	17.5	0.5	3.1	17.5	-
Sri Lanka	3.6	4.3 G	3.9 G	4.3	0.4	9.7	4.5	-0.3
Thailand	31.9	35.6 G	34.2 G	36.0	1.8	5.1	35.0	1.0
Viet Nam	37.9	40.0 G	42.3 G	42.5 G	0.2	0.4	42.5 G	-
<b>AFRICA</b>	22.9	25.9	25.3	26.0	0.8	3.1	26.1	-0.1
<b>North Africa</b>	6.6	5.2	5.7	6.0	0.2	4.0	6.0	-
Egypt	6.6	5.2	5.7	5.9	0.2	4.1	5.9	-
<b>Western Africa</b>	9.6	12.8	12.2	13.0	0.8	6.3	13.1	-0.1
Côte d'Ivoire	0.7	0.7 G	0.7 G	0.7	0.0	3.9	0.7	-
Guinea	1.5	1.6 G	1.7 G	1.7	0.0	1.8	1.7	-
Mali	1.6	2.3 G	1.7 G	1.9	0.2	9.1	2.0	-0.1
Nigeria	3.4	4.5 G	4.5	4.7	0.2	4.4	4.7	-
Sierra Leone	0.7	1.0 G	1.2 G	1.3	0.1	9.8	1.3	-
<b>Central Africa</b>	0.5	0.5	0.5	0.5	0.0	5.9	0.5	-
<b>Eastern Africa</b>	1.8	2.1	2.0	2.0	0.0	1.6	1.9	0.1
Tanzania	1.3	1.7 G	1.5 G	1.5	0.0	2.6	1.4	0.1
<b>Southern Africa</b>	4.4	5.2	4.8	4.5	-0.3	-6.5	4.5	0.0
Madagascar	4.0	4.8 G	4.3	4.0	-0.3	-7.0	4.0	-
Mozambique	0.2	0.3 G	0.3 G	0.3	0.0	3.2	0.3	-
<b>CENTRAL AMERICA &amp; CAR</b>	2.6	2.8	2.7	2.7	0.0	0.6	2.7	-
Cuba	0.5	0.5 G	0.5 G	0.5	0.1	10.9	0.5	-
Dominican Rep.	0.8	0.9 G	0.8 G	0.9	0.0	1.8	0.9	-
<b>SOUTH AMERICA</b>	24.2	23.5	26.4	24.4	-2.0	-7.6	24.5	-0.1
Argentina	1.2	1.2 G	1.7 G	1.6 G	-0.2	-9.9	1.5 G	0.1
Brazil	12.0	11.7 G	13.6 G	11.6 G	-2.1	-15.1	11.7 G	-0.1
Colombia	2.7	2.4 G	2.5 G	2.7	0.2	6.1	2.7	-
Ecuador	1.6	1.7 G	1.5 G	1.4	-0.1	-5.3	1.4	-
Peru	2.7	2.8 G	2.6 G	2.7	0.1	2.7	2.7	-
Uruguay	1.3	1.1 G	1.6 G	1.4 G	-0.2	-13.3	1.5	-0.1
<b>NORTH AMERICA</b>	9.4	11.0	8.4	8.7	0.3	3.2	8.2	0.5
United States	9.4	11.0 G	8.4 G	8.7 G	0.3	3.2	8.2	0.5
<b>EUROPE</b>	3.8	4.4	4.5	4.3	-0.2	-5.0	4.4	-0.1
EU	2.8	3.1 G	3.1 G	2.9	-0.2	-7.6	3.0	-0.1
Russian Federation	0.8	1.1 G	1.2	1.2	0.0	3.3	1.2	-
<b>OCEANIA</b>	0.1	0.2	0.7	1.0	0.2	30.8	0.9	0.0
Australia	0.1	0.2 G	0.7 G	1.0 G	0.2	31.5	0.9 G	0.0

## FOOTNOTES:

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

Totals computed from unrounded data.

G Official figure.

TABLE 2: WORLD RICE IMPORTS

	2007-2009	2010	2011	2012	Annual Change		2012 Forecast	
	Average		Estimate	Forecast	2012 over 2011		Previous	Revision
	<i>million tonnes</i>				<i>million tonnes</i> %		<i>million tonnes</i>	
<b>WORLD</b>	30.5	31.4	35.2	34.2	-1.0	-2.8	34.3	-0.2
Developing countries	25.7	26.9	30.4	29.3	-1.1	-3.8	29.4	-0.2
Developed countries	4.8	4.5	4.8	4.9	0.1	3.1	4.9	-
<b>ASIA</b>	14.3	15.6	17.5	15.6	-1.9	-10.7	15.8	-0.2
Bangladesh	1.1	0.7 G	1.5 G	0.3	-1.2	-79.8	0.6	-0.3
China	0.9	1.2	1.2	2.0	0.8	73.0	1.6	0.4
of which China (Mainland)	0.4	0.4 G	0.6 G	1.4	0.8	134.2	1.0	0.4
Indonesia	0.8	1.0	2.8	1.3	-1.5	-53.6	1.5	-0.2
Iran, Islamic Rep. of	1.2	1.1	1.1	1.3	0.2	18.2	1.1	0.2
Iraq	0.9	1.2 G	1.2	1.3	0.1	8.3	1.3	-
Japan	0.6	0.7 G	0.7 G	0.7	0.0	-5.7	0.7	-
Malaysia	1.0	0.9 G	1.0 G	1.1	0.1	6.7	1.1	-
Philippines	2.0	2.4 G	1.2	0.9	-0.3	-21.7	0.9	-
Saudi Arabia	1.0	1.0	1.3	1.3	0.1	4.0	1.3	-
United Arab Emirates	0.6	0.6	0.6	0.6	0.0	1.6	0.6	-
<b>AFRICA</b>	9.9	9.5	11.1	11.4	0.3	2.6	11.4	0.0
Côte d'Ivoire	0.8	0.8	1.0	1.0	0.0	0.0	1.0	-
Nigeria	1.9	2.1	2.2	2.0	-0.2	-9.1	2.0	-
Senegal	0.9	0.7 G	0.8 G	0.9	0.1	11.8	0.9	-
South Africa	0.9	0.8	0.9	1.0	0.0	5.6	1.0	-
<b>CENTRAL AMERICA &amp; CAR</b>	2.2	2.0	2.2	2.3	0.1	4.3	2.3	0.0
Cuba	0.6	0.4 G	0.5	0.5	0.0	4.2	0.5	-
Mexico	0.6	0.6	0.7	0.7	0.0	4.2	0.7	-
<b>SOUTH AMERICA</b>	1.0	1.3	1.3	1.7	0.4	27.1	1.6	0.0
Brazil	0.6	0.8 G	0.6 G	0.9	0.3	49.9	0.9	-
<b>NORTH AMERICA</b>	1.0	0.9	1.0	1.1	0.1	10.9	1.1	-
United States	0.7	0.6 G	0.6 G	0.7 G	0.1	16.9	0.7 G	-
<b>EUROPE</b>	1.8	1.6	1.6	1.7	0.1	6.4	1.7	-
EU 1/	1.2	1.1 G	1.2	1.3	0.1	8.3	1.3	-
Russian Federation	0.2	0.2 G	0.2 G	0.2	0.0	8.1	0.2	-
<b>OCEANIA</b>	0.4	0.5	0.5	0.4	-0.1	-14.3	0.4	-

## FOOTNOTES:

Totals computed from unrounded data.

1/ Excluding intra-trade.

G Official figure.

TABLE 3: WORLD RICE EXPORTS

	2007-2009	2010	2011	2012	Annual Change		2012 Forecast	
	Average		Estimate	Forecast	2012 over 2011		Previous	Revision
	<i>million tonnes</i>				<i>million tonnes</i>	%	<i>million tonnes</i>	
<b>WORLD</b>	30.5	31.4	35.2	34.2	-1.0	-2.9	34.3	-0.2
Developing countries	26.9	26.8	31.1	29.5	-1.6	-5.1	30.0	-0.5
Developed countries	3.6	4.6	4.1	4.7	0.6	14.2	4.3	0.4
<b>ASIA</b>	24.0	24.1	27.2	26.3	-0.9	-3.4	27.2	-0.9
Cambodia	0.9	1.0	1.1	1.2	0.1	9.1	1.2	-
China	1.1	0.7	0.6	0.5	-0.1	-19.0	0.5	-
of which China (Mainland)	1.0	0.6 G	0.5 G	0.4	-0.1	-22.4	0.4	-
India	4.0	2.2 G	3.6	6.5	2.9	80.6	6.3	0.2
Myanmar	0.6	0.5 G	0.8 G	0.7	-0.1	-11.3	0.7	-
Pakistan	2.8	3.5 G	3.1 G	3.3	0.2	7.7	3.5	-0.2
Thailand	9.3	8.9 G	10.7 G	7.0	-3.7	-34.6	7.5	-0.5
Viet Nam	5.1	6.9 G	7.1 G	6.8	-0.3	-4.4	7.2	-0.4
<b>AFRICA</b>	0.9	0.7	0.3	0.4	0.1	46.8	0.4	-
Egypt	0.8	0.5 G	0.2	0.3	0.1	50.0	0.3	-
<b>SOUTH AMERICA</b>	2.2	2.3	3.7	3.0	-0.7	-18.2	2.6	0.4
Argentina	0.4	0.5 G	0.8 G	0.7	-0.1	-11.4	0.6	0.2
Brazil	0.4	0.4 G	1.3 G	0.8	-0.5	-38.6	0.6	0.2
Guyana	0.2	0.3 G	0.3 G	0.3	0.0	-1.8	0.3	-
Uruguay	0.9	0.7 G	0.9 G	0.9	0.0	-4.0	0.9	-
<b>NORTH AMERICA</b>	3.1	3.9	3.2	3.5	0.2	7.4	3.1	0.4
United States	3.1	3.9 G	3.2 G	3.5 G	0.2	7.4	3.1 G	0.4
<b>EUROPE</b>	0.2	0.5	0.4	0.6	0.1	36.4	0.6	-
EU 1/	0.1	0.3 G	0.3	0.3	0.1	20.0	0.3	-
Russian Federation	0.0	0.2 G	0.2 G	0.3	0.1	66.2	0.3	-
<b>OCEANIA</b>	0.1	0.1	0.3	0.4	0.1	27.3	0.4	-
Australia	0.1	0.1	0.3 G	0.4	0.1	27.3	0.4	-

## FOOTNOTES:

Totals computed from unrounded data.

1/ Excluding intra-trade.

G Official figure.



TABLE 4: END OF SEASON STOCKS 1/

	2008-2010	2011	2012	2013	Annual Change		2013 Forecast	
	Average		Estimate	Forecast	2013 over 2012		Previous	Revision
	<i>million tonnes</i>				<i>million tonnes</i>	%	<i>million tonnes</i>	
<b>WORLD</b>	125.3	141.1	155.9	164.5	8.6	5.5	164.3	0.2
Developing countries	121.2	136.2	151.4	160.1	8.7	5.8	159.9	0.2
Developed countries	4.1	4.9	4.5	4.3	-0.1	-3.1	4.4	-0.1
<b>ASIA</b>	118.9	134.1	149.5	158.8	9.2	6.2	158.2	0.6
Bangladesh	5.1	6.9	7.0	7.1	0.1	1.4	7.4	-0.3
Cambodia	1.4	1.6	1.7	1.6	-0.1	-4.1	1.7	-0.1
China	64.3	75.6	83.7	93.2	9.5	11.3	90.6	2.5
of which China (Mainland)	64.1	75.4	83.5	93.0	9.5	11.4	90.5	2.5
India	21.1	21.5	25.3	22.8	-2.5	-9.9	27.0	-4.2
Indonesia	3.6	5.3	6.2	6.3	0.1	1.6	6.0	0.3
Iran, Islamic Rep. of	0.3	0.3	0.3	0.3	-0.1	-16.7	0.3	-
Japan	2.3	2.7	2.7	2.7	0.0	1.1	2.7	-
Korea Rep. of	1.1	1.5	1.5	1.4	-0.1	-6.7	1.2	0.2
Lao PDR	0.3	0.3	0.3	0.3	0.0	-1.0	0.3	-
Malaysia	0.2	0.2	0.2	0.3	0.1	27.3	0.3	-
Myanmar	5.5	4.8	3.9	3.4	-0.6	-14.1	3.4	-
Nepal	0.3	0.2	0.3	0.2	-0.1	-20.0	0.2	-
Pakistan	0.8	0.3	0.4	0.3	-0.1	-25.0	0.9	-0.6
Philippines	2.8	3.0 G	2.4	1.7	-0.7	-28.0	2.1	-0.4
Sri Lanka	0.2	0.4	0.3	0.3	0.0	8.0	0.4	-0.1
Thailand	4.7	5.8	8.9	12.0	3.1	34.8	9.1	2.9
Viet Nam	4.0	2.7	3.5	4.0	0.5	12.9	3.5	0.5
<b>AFRICA</b>	3.0	3.3	3.2	3.0	-0.2	-7.3	3.1	-0.1
Egypt	1.3	1.1	1.3	1.2	0.0	-3.2	1.3	-0.1
Nigeria	0.3	0.4	0.4	0.4	0.0	0.0	0.4	-
<b>CENTRAL AMERICA &amp; CAR</b>	0.4	0.4	0.4	0.3	0.0	-7.9	0.3	0.0
Dominican Rep.	0.1	0.1	0.1	0.1	0.0	-16.7	0.1	-
<b>SOUTH AMERICA</b>	1.3	1.2	1.0	0.8	-0.1	-14.6	1.0	-0.2
Argentina	0.1	0.0	0.0	0.0	0.0	0.0	0.1	-0.1
Brazil	0.2	0.3	0.3	0.2	-0.1	-33.3	0.2	-
Ecuador	0.1	0.1	0.1	0.0	0.0	-18.2	0.1	0.0
Peru	0.3	0.3	0.3	0.2	-0.1	-18.5	0.2	0.0
<b>NORTH AMERICA</b>	1.1	1.6	1.1	1.0	-0.2	-15.2	1.0	-0.1
United States	1.0	1.5 G	1.1 G	0.9 G	-0.2	-15.7	1.0	-0.1
<b>EUROPE</b>	0.5	0.6	0.5	0.5	0.0	-5.5	0.5	-
EU	0.5	0.5 G	0.5 G	0.5 G	0.0	-4.3	0.5 G	-
Russian Federation	0.0	0.0	0.0	0.0	0.0	-25.0	0.0	-
<b>OCEANIA</b>	0.0	0.0	0.1	0.1	0.0	7.9	0.1	-
Australia	0.0	0.0	0.1	0.1	0.0	10.0	0.1	-
<b>GOVERNMENT STOCKS</b>								
Bangladesh	0.6	0.6 G	1.2	1.3	0.1	8.3	1.3	-
India	13.4	20.3 G	23.0	21.5	-1.5	-6.5	24.0	-2.5
Japan	0.9	0.8 G	0.7	0.7	0.0	0.0	0.7	-
Korea Rep. of	0.7	0.8	0.8	0.7	-0.1	-7.5	0.7	-
Philippines	1.5	1.5 G	1.5	0.7	-0.8	-55.2	1.4	-0.8

## FOOTNOTES:

Totals computed from unrounded data.

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

G Official figure.

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

	Opening Stocks	Production 1/	Imports	Total Supply	Domestic Use	Exports	Closing Stocks
<i>thousand tonnes</i>							
<b>CHINA</b> <sup>2/3/</sup>							
2010-11	70 666	135 156	1 157	206 978	130 847	556	75 575
2011-12 est.	75 575	138 659	2 001	216 235	132 120	450	83 665
2012-13 f'cast	83 665	141 484	1 811	226 960	133 165	640	93 155
<b>INDIA</b> <sup>2/</sup>							
2010-11	21 000	95 980 G	100	117 080	91 980	3 600	21 500
2011-12 est.	21 500	104 319 G	50	125 869	94 069	6 500	25 300
2012-13 f'cast	25 300	98 500	50	123 850	95 050	6 000	22 800
<b>PAKISTAN</b> <sup>2/</sup>							
2010-11	1 045	4 822 G	60	5 927	2 614	3 063 G	250
2011-12 est.	250	6 160 G	60	6 470	2 770	3 300	400
2012-13 f'cast	400	6 270	15	6 685	2 885	3 500	300
<b>THAILAND</b> <sup>2/</sup>							
2010-11	5 250	23 557 G	400	29 207	12 701	10 706 G	5 800
2011-12 est.	5 800	22 669 G	100	28 569	12 669	7 000	8 900
2012-13 f'cast	8 900	23 832	100	32 832	13 332	7 500	12 000
<b>UNITED STATES</b> <sup>4/</sup>							
2010-11	1 184 G	7 593 G	620 G	9 397	4 670	3 213 G	1 514 G
2011-12 est.	1 514 G	5 874 G	725 G	8 113	3 568	3 450 G	1 095 G
2012-13 f'cast	1 095 G	6 087 G	750 G	7 932	3 909	3 100 G	923 G
<b>VIET NAM</b> <sup>2/</sup>							
2010-11	3 350	26 673 G	600	30 623	20 791	7 112 G	2 720
2011-12 est.	2 720	28 230 G	600	31 550	21 250	6 800	3 500
2012-13 f'cast	3 500	28 348 G	550	32 398	21 448	7 000	3 950

**FOOTNOTES:**

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

Totals computed from unrounded data.

1/ Milled basis.

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

3/ Including Taiwan province.

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

G Official figure

\* Unofficial figure