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RICE MARKET MONITOR

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ROUND UP

With main-crop harvests nearing completion in the northern hemisphere, FAO now anticipates **world paddy production in 2016** to reach 748.0 million tonnes (496.7 million tonnes, milled basis), which is 1.8 million tonnes less than reported in the October issue of the RMM. The revision primarily mirrors deteriorated crop prospects in China (Mainland), where officials indicate that exceptionally wet conditions this year undermined output by a greater margin than anticipated. With crops similarly impaired by inclement weather, Ecuador and Viet Nam are also seen gathering less than previously projected. All combined, downward revisions to production in these countries more than outweighed all other upward adjustments, the largest of which concerning Bangladesh, Guinea, Mali and Nepal.

Despite the revision, the forecast level of 748.0 million tonnes would continue to suggest a record outcome to the 2016 campaign, with global paddy output exceeding the 2015 subdued level by 8.1 million tonnes, or 1.1 percent. The upturn is forecast to rest on larger plantings of close to 163.1 million hectares, while world yields remain little varied year-to-year at a robust 4.6 tonnes per hectare. **Asia** is projected to lead the year's production rebound, garnering a record of 676.5 million tonnes, up 7.3 million tonnes from 2015, largely thanks to more normal weather patterns this season. These took the form of plentiful monsoon rains, which permitted plantings in northern hemisphere Asia to regain pace, more than compensating for weather induced shortfalls incurred earlier in the year along and south of the Equator. Although the abundant rains also translated into crop losses, most notably in China (Mainland), they are expected to foster sizeable recoveries in the Philippines, Thailand and, especially, in India. Cambodia, the Chinese Province of Taiwan, the Islamic Republic of Iran, Iraq, Japan, the Democratic People's Republic of Korea, the Lao People's Democratic Republic, Myanmar, Nepal and Pakistan are also poised to gather more this season, more than compensating for falls in China (Mainland), Indonesia, in the Republic of Korea, Malaysia, Sri Lanka and Viet Nam.

Growing conditions have also proven conducive across much of **Africa**, where 2016 production is now forecast to expand by 5 percent to an all-time high of 30.2 million tonnes. Within the region, Guinea, Mali, Nigeria and the United Republic of Tanzania are all headed towards bumper crops, with production in Egypt also set to recover after attractive prices and a move away from cotton cultivation underpinned plantings. Gains in these countries would more than compensate for reductions in Cote d'Ivoire, Malawi, Mauritania, Mozambique and Zambia, in most cases owing to late and poor performing rains. The outlook is more subdued for **Latin America and the Caribbean**, pointing to a six-year production low of 26.1 million tonnes. The reduction would stem from losses incurred by Argentina, Bolivia, Brazil, Ecuador, Guyana, Paraguay, Uruguay and Venezuela to a combination of unfavourable weather and prospects of reduced margins, with early season dryness and storm damages also slowing the pace of recoveries across Central America and the Caribbean. In **North America**, notwithstanding disruptions posed by extensive August floods, production in the United States is set to rebound to its second highest on record, as poor margins for competing crops instigated a surge in plantings. Inroads in Italy and the Russian Federation are also expected to sustain a small production

GLOBAL RICE MARKET SUMMARY

	2014-15	2015-16 est.	2016-17 f'cast	2016-17/ 2015-16 Var
	million tonnes, milled eq.			*%*
Production	494.7	491.3	496.7	1.1
Supply	712.5	710.0	711.8	0.2
Utilization	491.4	495.0	500.2	1.1
Food use	393.9	397.3	402.5	1.3
Feed use	17.8	18.0	18.0	-0.0
Other uses	79.7	79.6	79.7	0.1
Trade [1/]	44.7	42.0	42.9	2.2
Ending stocks [2/]	174.7	171.0	170.3	-0.4
		%		
Global stock-to-use ratio	35.3	34.2	33.5	-
Major exporters' stock-to-disappearance ratio [3/]	24.2	19.2	17.7	-

[1/] Data refer to the calendar year trade (Jan.-Dec.) of the second year shown.

[2/] Stocks carried over in the second year shown.

[3/] Defined as the sum of the five major rice exporters' (India, Pakistan, Thailand, the United States and Viet Nam) stocks divided by the sum of their domestic utilization plus exports.

advance in **Europe**, while limited and costly water supplies for irrigation caused output in **Australia** to slump.

Since the October issue of the RMM, FAO has lowered its forecast of **international rice trade in calendar 2016** by 1.1 million tonnes to 42.0 million tonnes (milled basis), representing a 6 percent reduction from the already depressed 2015 outcome. The subdued outlook mostly follows prospects of a more pronounced cut in Asian deliveries than previously anticipated, reflecting the combined effects of improved local availabilities and more restrictive trade policies. This was especially the case for Bangladesh, China (Mainland), the Islamic Republic of Iran and the Philippines, which have been behind the downward revision in world import prospects. The reduction in Asian purchases, added to an only timid recovery in consignments to Africa, as demand in the region remained limited for a second successive year by good harvests and depreciating currencies. This tended to overshadow gains in Europe, North America and, especially, Latin America and the Caribbean, where output shortfalls and high local prices drove purchases to a new record. On the supply side, Viet Nam is anticipated to stand most affected by the retrenchment in world rice deliveries in 2016, having its shipments depressed to a seven-year low in the aftermath of an output shortfall and reduced demand from key outlets. Nonetheless, Australia, Brazil and India all saw shipments undermined by output contractions, with exports by Myanmar also impacted by Chinese efforts to curtail unofficial imports across borders. Instead, ample availabilities on store have permitted Argentina, Pakistan, Paraguay, Thailand, the United States and Uruguay to ship more this year, along with Cambodia, China (Mainland), the European Union and the Russian Federation.

Looking ahead, FAO anticipates **global rice deliveries in calendar 2017** to reach 42.9 million tonnes, implying a partial (2.0 percent) recovery from the 2016 depressed level. The upturn rests on expectations that more attractive prices abroad will encourage a somewhat livelier pace of imports by key Asian and African buyers, who have seen their availabilities reduced by production shortfalls or by a low pace of imports in 2016. This is even if the import outlook for both regions remains tempered by lingering constraints posed by weak local currencies and restrictive import policy measures, factors that are likely to keep purchases well below heights attained in 2014 or 2015. Prospects are more buoyant for Europe and North America, where strong local demand could underpin further gains next year. Buying interest could instead wane somewhat in Latin America and the Caribbean, amid larger local crops and easing domestic quotations. Among the exporters, an output recovery is envisaged to permit India to retain its primacy in the world trade arena for a sixth successive year. Australia, China (Mainland), Pakistan, the United States and Viet Nam are similarly envisaged to boost exports in 2017, as opposed to Argentina, Brazil, Cambodia, Guyana, Myanmar, Paraguay, Thailand and Uruguay which could see their shipments fall amid heightened competition for markets.

Despite a 1.0 million tonne downward revision, **world rice utilization in 2016/17** is forecast to exceed the 2015/16 high by 5.2 million tonnes, reaching 500.2 million tonnes (milled basis). The projected increase would be sustained by 1.5 percent advance in global food use to 402.5 million tonnes, primarily mirroring gains in Asia, owing to population growth, and upbeat demand in Africa, following improved availabilities and easing prices. Instead, quantities destined to animal feed and other end uses (namely seeds, post-harvest losses and industrial uses) are seen hovering around 18.0 and 79.7 million tonnes, respectively. Based on these tendencies, global per caput food use in 2016/17 is likely to pass from an average of 54.1 kilos per person in 2015/16 to 54.2 kilos per person this season.

As global production is forecast to fall only slightly short of utilization in 2016/17, **global rice inventories** at the close of 2016/17 marketing years are seen posting a modest (0.4 percent) decline to 170.3 million tonnes (milled basis). This would result in the world stocks-to-use ratio passing from 34.2 in 2015/16 to a still abundant 33.5 percent this season. At a country level, India and Thailand are envisaged to lead the reduction in world rice stocks, along with Australia, Bangladesh and Brazil. Yet, drawdowns in these countries stand against prospects of accumulations elsewhere, in particular in China (Mainland), Colombia, Egypt, the United States and Viet Nam.

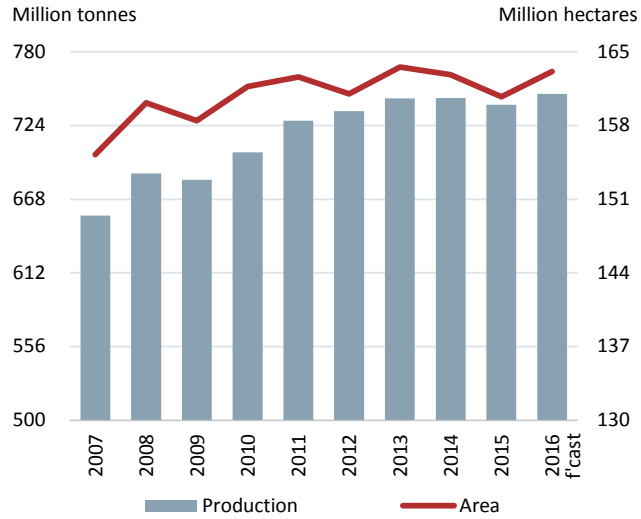
Although prices have followed diverging trends depending on the origin and quality, harvest progress and subdued buying interest have tended to keep international rice prices in check in recent months. This was reflected in the FAO All Rice Price Index (2002-2004=100), which has hovered around a value of 185-186 points since October. Looking at the various market segments, a somewhat livelier pace of sales, together with Thai efforts to shore up local quotations, resulted in the Higher Quality Indica Index edging up by 1 percent since October to a mid-December value of 170 points. More active trading activity in the Far East also aided a 2 point advance in the Japonica Index to 219 points. Yet, these gains were contrasted by a 1 percent decline in the value of the Aromatica and Lower Quality Indica indices, following the arrival of freshly harvested Hom Mali rice into the market and easing tightness of fully broken supplies. From an annual perspective, international quotations in 2016 stood 8 percent below their levels in 2015, reflecting soft Japonica and Aromatic quotations. Indica prices tended to be less affected by the weakness, given production disruptions incurred in the first half of the year. These stood 2 percent below 2015 levels in the case of higher quality Indica rice, but 2 percent over last year's values in the case of lower quality Indica supplies.

PRODUCTION

Despite a 1.8 million tonne downward revision, world paddy production to hit a new record in 2016

The 2016 season has come to a full close in the southern hemisphere. Meanwhile, north of the Equator, main-crop harvests are nearing completion, with various countries also busy planting offseason crops.[1] FAO now anticipates world paddy production to amount to 748.0 million tonnes (496.7 million tonnes, milled basis) in 2016, which is 1.8 million tonnes less than reported in October. The revision primarily mirrors deteriorated crop prospects in China (Mainland), where officials indicate that exceptionally wet conditions this year undermined output by a greater margin than anticipated. With crop development similarly impaired by inclement weather, Ecuador and Viet Nam are also seen gathering less than previously projected. All combined, downward revisions to production in these countries more than outweighed all other upward adjustments, the largest of which concerning Bangladesh, Guinea, Mali and Nepal.

Global paddy production and area



Despite the revision, at 748.0 million tonnes (496.7 million tonnes, milled basis) world paddy production in 2016, would still exceed the 2015 subdued level by 8.1 million tonnes and stand at a new record. The 1.1 percent annual upturn is forecast to stem from an expansion in area under paddy to 163.1 million hectares, while world yields remain at a robust 4.6 tonnes per hectare. Although accounting for much of the production revision since October, Asia remains projected to drive the global production upturn, with gains across the region promoted by continued state assistance and a generally positive unfolding of the rains this season. Nonetheless, an excellent crop is similarly forecast to be gathered in Africa. Production in the United States is also seen staging a strong rebound, along with further inroads in Europe. The outlook is more subdued in Latin America and the Caribbean, mirroring losses incurred in various South American countries to a combination of poor weather and reduced margins. In Oceania, production also slumped in Australia, as plantings were constrained by insufficient and costly water supplies for irrigation.

Asia

Prospects deteriorate in China (Mainland), but most other northern hemisphere countries to gather more

Although forecasts could still undergo changes pending the arrival of secondary crops as of the first quarter of 2017, based on the latest figures, ***Asia*** is set to gather 676.5 million tonnes (449.1 million tonnes, milled basis) in 2016. This level would imply a 7.3 million tonne annual rebound and an all-time high for the region. The forecast expansion mirrors the positive impact of a more normal climatic unfolding of the season this year. This took the form of abundant monsoon rains, which permitted plantings in northern hemisphere Asia to regain pace, more than compensating for shortfalls incurred earlier in the year in countries such as **Indonesia**, **Malaysia**, **Sri Lanka** and **Viet Nam**. Although abundant rains also translated into crop losses, most notably in **China (Mainland)**, large absolute gains are expected in the **Philippines** and **Thailand** and, especially, **India**. **Cambodia**, the **Chinese Province of Taiwan**, the **Islamic Republic of Iran**, **Iraq**, **Japan**, the **Democratic People's Republic of Korea**, the **Lao People's Democratic Republic, Myanmar, Nepal** and **Pakistan** are all similarly poised to gather more this season. Instead, poor prices prospects caused output to stagnate in **Bangladesh**, with efforts to limit surplus production additionally behind cuts in the **Republic of Korea.**

The 2016 season is nearing completion in **Bangladesh**, with the Aman harvest now underway. Production prospects for the country have been upgraded by 160 000 tonnes since October, now pointing to total paddy output stabilising at the 2015 level of 52.5 million tonnes (35.0 million tonnes, milled basis). The upward revision follows indications of higher Aman plantings. Buoyed by an upturn in prices, area under this third and second largest crop of

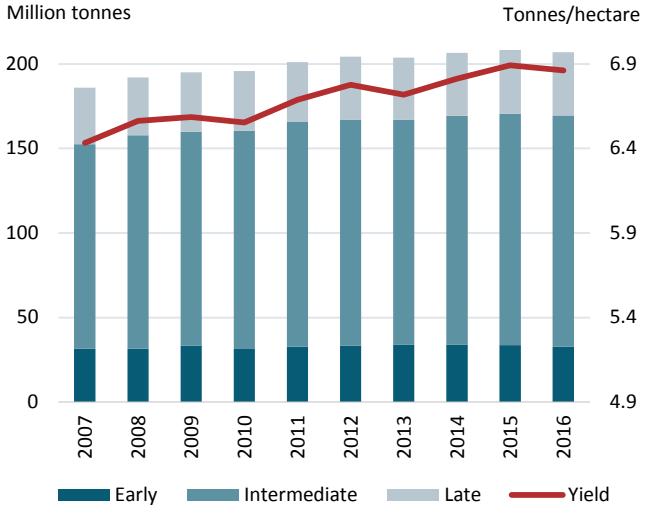
[1] The 2016 rice production season normally includes rice from the main paddy crops whose harvests fall in 2016, to which rice from all subsequent secondary crops, if any, is added. In the case of northern hemisphere countries, this principle implies that production in 2016 comprises the main rice crop, 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 2017. In the case of southern hemisphere countries, production in 2016 normally comprises rice from the main paddy crops assembled in the first part of 2016, plus rice from the secondary crops, generally gathered in the latter part of 2016. This approach to assess rice production is applicable to any given season.

the season would have outdone the 2015 high by 2 percent to 5.7 million hectares. Combined with expectations of yield improvements, owing to an overall conducive climate and growing cultivation of high yielding varieties, this extension would be more than sufficient to outweigh cuts in the Boro and Aus cycles. The latter were instigated by subdued prices, which encouraged a substitution of rice for more profitable crops. Meanwhile, officials seek to absorb 300 000 tonnes of rice from the 2016 Aman harvest, offering BDT 33 per kilo (USD 426 per tonne) purchased, 6 percent more than in 2015.[2] If fully realised, these purchases would bring total state procurement from the 2016 season to 1.3 million tonnes, up 4 percent from volumes bought the previous year.

Authorities in **Cambodia** indicate that 2.6 million hectares were sown to main-crop paddy this season, up 42 000 hectares year-on-year. The advance was made possible by a generally a favourable climatic unfolding of the campaign, notwithstanding pockets of dryness early in the season and floods affecting some 20 000 hectares of crops. Although much will still depend on the outcome of the offseason cycle, based on this progress, Cambodia is forecast to gather 9.5 million tonnes (5.7 million tonnes, milled basis) in 2016. This would be 2 percent above the 2015 outturn.

Production forecasts for **China (Mainland)** have been downgraded by 2.2 million tonnes, following the December release of official estimates by the National Bureau of Statistics. According to the agency, 2016 output in the country amounted to 206.9 million tonnes (141.8 million tonnes, milled basis), down 0.6 percent year-on-year, but still the second highest on record. The contraction was driven by yield depressions triggered by excess rains, the passage of successive storms and low sunshine conditions. Hubei and Anhui provinces stood worst affected by the inclement weather, although up to 9.0 million hectares of agricultural crops would have been flooded across the country. Plantings proved somewhat more resilient, falling marginally to 30.2 million hectares, amid still strong production incentives entailed by the state's minimum purchases prices. According to the National Agricultural Modernization Plan 2016-2020, released in October, China is to maintain the minimum purchase system for rice and wheat, while pursuing reforms in its support mechanisms for other crops. The document has also reaffirmed the Government's goal to raise grain production to 550 million tonnes by 2020, while maintaining full self-sufficiency in wheat and rice. Rice specific measures to this end envisage strengthening the production capacity of Japonica rice in northern regions and double cropping of paddy in southern China, while boosting area planted to high-quality varieties.

China: paddy production and yields



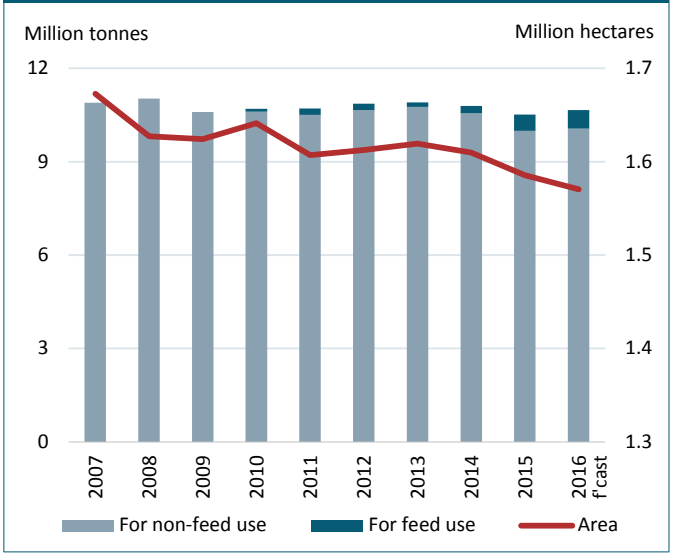
After bringing rainfall shortfalls of 12 to 14 percent the previous two years, the 2016 monsoon brought favourable rains over **India.** Cumulative precipitation between June and September stood at a normal 97 percent of the long-period average. The conducive climate boosted yield prospects for the season, permitting farmers to respond to production incentives provided in the form of large state acquisitions by expanding plantings. Early progress of secondary (Rabi) plantings has been somewhat more trying. On the weather front, by 7 December, cumulative post-monsoon rains over the country as a whole stood 44 percent below the long-period average. Shortfalls were widespread, but southern peninsular and north-western states stood most affected, including Tamil Nadu, which draws nearly half of its annual rainfall over the October-December period. These states normally account for a comparatively small share of Rabi rice production. Instead, the larger portion originates in Andrah Pradesh and West Bengal, where water levels in major reservoirs were reported at better positions than last year. Additional challenges are reported to have been faced by producers following the Government's withdrawal of INR 500 and 1000 notes from circulation in early November. Coming when farmers were still busy gathering their crops or readying to plant Rabi paddy, the cash shortages that ensued would have inhibited payments to labourers, slowed crop harvests and sales, while also leaving some producers short of cash to purchase needed inputs. To ease such constraints, the Government extended deadlines for payments of crop insurance premiums, lifted ceilings on bank withdrawals for farmers, while also permitting the voided INR 500 notes to be used to purchase seeds in state outlets. The Rabi planting window stretches into February, if not March in some states, providing still ample room for early season delays to be made up in the coming months. As such and primarily reflecting gains in the Kharif crop enabled by the more

[2] All currency conversions are as of 1 December 2016.

conducive summer climate, FAO anticipates India will gather 161.5 million tonnes (107.7 million tonnes, milled basis) in 2016. This level would imply a 3 percent recovery from last year's weather affected outturn.

Japan is estimated to have gathered 10.7 million tonnes (7.7 million tonnes, milled basis) this season, 150 000 tonnes more than the 2015 depressed level. The recovery was made possible by conducive growing conditions, which boosted average yields by 2 percent to 6.8 tonnes per hectare. Instead, area under paddy declined slightly to around 1.6 million hectares, owing to a shift in plantings of rice for non-feed uses towards other crops. These were only partly compensated by gains in area planted to rice exclusively for animal feed. Although still accounting for a small share of overall output, production of rice for feed in Japan has posted strong gains over the past two years thanks to Government incentives that target to raise it 1.1 million tonnes (brown basis) by 2025. After more than doubling last year, area planted to rice for feed is officially assessed to have risen by another 15 percent this season to 91 000 hectares. This would place production of rice for feed at close to 500 000 tonnes (brown basis) in 2016 and on track to meet nearly half of the Government's target.

Japan: paddy production and area



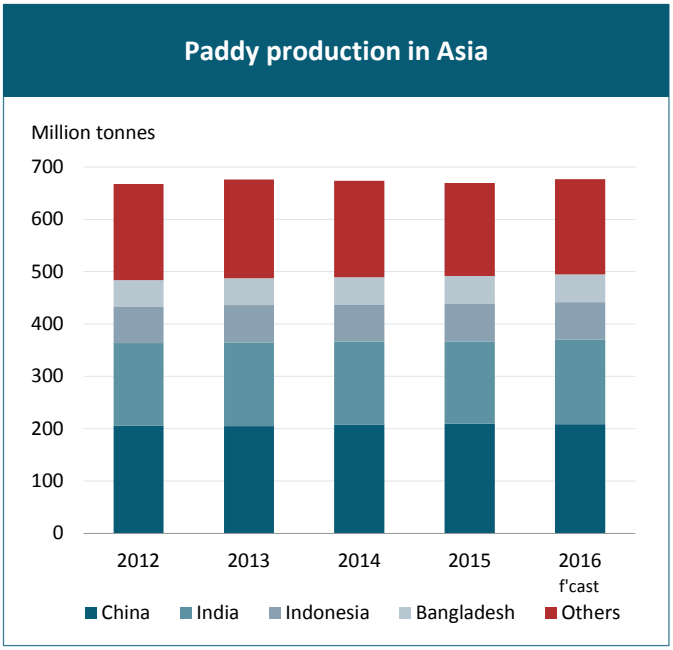
November Government assessments of the 2016 harvest in the **Republic of Korea** have changed production prospects for the country only marginally. Overall, 5.6 million tonnes of paddy (4.2 million tonnes, milled basis) are estimated to have been collected. Although this level would fall 3 percent below the 2015 outcome, it would still stand out as an abundant harvest when seen against the country's officially estimated requirements of 3.9 million tonnes (milled basis). The output decline stemmed from continued area conversions to non-agricultural uses and a shift towards cultivation of other crops. The latter was encouraged by the Government's area diversion programme and by weak paddy prices. The season progressed favourably otherwise, with conducive weather at key stages of crop development keeping yields close to the 2015 record of 7.2 tonnes per hectares.

November marked the onset of the northeast monsoon over **Malaysia**, with forecasts indicating that precipitation levels through April are likely to be within normal to slightly below-normal bounds over main producing areas of the country. If confirmed, this could assist in replenishing water availabilities in reservoirs for 2017 main crops currently being planted. This is after above average temperatures and water shortages are estimated to have depressed 2016 production in Malaysia by 3 percent to 2.6 million tonnes (1.7 million tonnes, milled basis). On the policy front, officials have renewed their assistance to the sector as part of their 2017 budgetary allocations. The latter foresee the provision of MYR 1.3 billion (USD 291 million) to extend price and input assistance programmes for paddy farmers and to fund irrigation and drainage infrastructure upgrades.

Despite a five-day delay in its onset, the 2016 monsoon proved propitious for cropping activities in **Nepal**, bringing abundant and late receding rains. Prospects for the campaign were further boosted by improvements in the availability of basic inputs, especially if compared to last year, when the supply of fertilisers and fuel was disrupted by unrest in the Terai. Combined, these factors are now expected to be behind a 700 000 tonne recovery in 2016 output to 5.0 million tonnes (3.3 million tonnes, milled basis). The Government aims to make Nepal self-sufficient in rice by 2018, having announced that it would seek to bolster credit and input assistance for the purpose, in addition to expanding processing, storage and technical capacity. In a move geared at shielding farmers from low returns, officials also re-established minimum support prices for paddy in November, a practice that had been discontinued in 1997/1998. These were set at NPR 22 300 (USD 207 per tonne) in the case of common paddy and at NPR 20 700 (USD 192 per tonne) in the case of Mota Dhan varieties.

Fields reports in **Pakistan** suggest that production trends were mixed across the main producing provinces this season. In Sindh, which normally accounts for nearly 40 percent of national production, farmers would have reacted to ample supplies of water for irrigation and input subsidies by expanding plantings. Instead, authorities in Punjab put overall area under paddy 4 percent below year-earlier levels at 1.7 million hectares, as low prices at planting time encouraged farmers to substitute rice for other crops. The reduction would have concerned non-fragrant varieties, as area under basmati in Punjab is provisionally reported up by 7 percent year-on-year to 1.3 million hectares. Punjab is Pakistan's largest producing

province, gathering close to half of overall output and normally accounting for over 90 percent basmati production. Last year, 3.4 million tonnes (2.3 million tonnes, milled basis) of basmati are estimated to have been collected in the province. On the whole, FAO estimates that the November-ended harvest in Pakistan amounted to 10.3 million tonnes (6.9 million tonnes, milled basis), implying a 1 percent expansion from the 2015 depressed outcome.



Officials in the **Philippines** report that the 2016 main-crop harvest (July-December) is likely to yield 10.1 million tonnes (6.6 million tonnes, milled basis). This level would imply a 3 percent recovery from 2015. The increase was made possible by an improved rainfall performance in the July-September period. Expectations are more subdued for October-December harvests, which are pegged 1 percent below the 2015 reduced level at 7.2 million tonnes (4.7 million tonnes, milled basis). This would be largely on account of damages inflicted by passing storms, especially typhoon Sarika and super typhoon Haima. The intense rains and winds brought by the back-to-back typhoons in October are assessed to have affected 340 000 hectares of paddies, but the majority of this extension (79 percent) was deemed salvageable. Conditions also appear ripe for losses to be compensated with greater offseason output, considering the improved water supply situation that this largely irrigated crop will benefit from. The Government of the Philippines has moreover advanced plans to abolish the 2-3 cavans (100-150 kg) per hectare fee charged on users of irrigation as of 2017. The move comes in addition to efforts to boost procurement of local produce, promote the cultivation of high yielding varieties and expend irrigation coverage. Over the full 2016 season (July-June), FAO anticipates the Philippines will gather 18.7 million tonnes (12.2 million tonnes, milled basis), marginally changed from October expectations and 7 percent over the 2015 depressed outcome.

The 2016 season yielded negative results in **Sri Lanka.** Although conducive growing conditions permitted main-crop production to strike a new record, unseasonable dryness and subsequent floods curtailed output from the secondary (Yala) crop. As a result, officials estimate that 4.5 million tonnes (3.0 million tonnes, milled basis) were gathered in Sri Lanka in 2016, implying a 7 percent contraction from the 2015 record performance.

There have been no changes to 2016 production forecasts for **Thailand**. Output in the country is seen recovering by 9 percent year-on-year to 31.1 million tonnes (20.6 million tonnes, milled basis). The anticipated upturn mirrors expectations of improvements in both main-crop and offseason production, in both cases promoted by easing drought constraints. After two successive years of precipitation shortages, cumulative precipitation over northern and central Thailand had exceeded the long-period average by 1-11 percent at the close of the rainy season in October. Barring initial sowing delays in irrigated perimeters, growing conditions proved generally conducive for yield improvements. They also progressively restored water levels in major reservoirs, boding well for the largely irrigated offseason crop about to be planted. More challenges have been faced on the price front, as the arrival of freshly harvested supplies has exerted increasing downward pressure on quotations. This was especially the case of fragrant supplies, whose farmgate prices stood 27 percent below year-earlier levels by October at THB 9 500 (USD 267) per tonne. The weakness prompted the Government to announce a host of measures to assist producers, including upward revisions to pledging prices offered under the on-farm mortgaging program for Hom Mali and glutinous rice and the scheme's extension into Indica and Pathumthani fragrant varieties. The programme seeks to postpone the arrival of 3.0 million tonnes of paddy into the market, offering producers THB 10 500-13 000 (USD 295-365) per tonne of paddy mortgaged. At the same time, authorities have stepped up efforts to encourage farmers to substitute rice with other crops. The drive targets to divert 350 000 hectares of offseason paddies, offering credit and input assistance to producers as incentives.

The 2016 paddy campaign unfolded under challenging climactic conditions in **Viet Nam**. Precipitation shortages endured in 2015 undermined irrigation water supplies for the winter-spring crop cycle, giving way to severe salt-water intrusion problems in the Mekong Delta. Although more vigorous summer rains permitted part of these losses to be successively compensated by greater summer-autumn production, the third (winter) crop, currently being collected, was beset by unfavourable weather. In northern producing areas, this took the form of water shortages or excess rains leading to floods, while in southern provinces lingering salinity problems hampered

plantings. All combined, these factors are now anticipated to lower output in Viet Nam to 43.9 million tonnes (28.5 million tonnes, milled basis) in 2016. This level would stand 1.3 million tonnes below the 2015 record and mark a four-year low for the country.

Africa

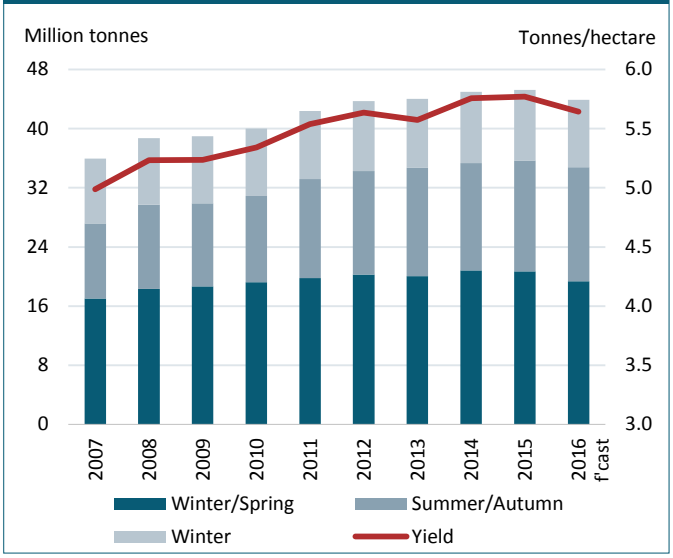
Production in 2016 upgraded to an all-time high of 30.2 million tonnes

With main-crop harvests gathered across much of the continent, the production outlook for Africa is becoming firmer. FAO now anticipates the continent to gather 30.2 million tonnes (19.8 million tonnes, milled basis) in 2016, up 520 000 tonnes from October expectations and an all-time high. Much of the anticipated growth would stem from excellent outturns in West Africa and the United Republic of Tanzania, where despite some flooding problems crops benefitted from conducive growing conditions and continued state assistance. Combined with a price-driven recovery in Egypt, gains in these areas would more than compensate for weather-affected outturns across southern parts of Africa.

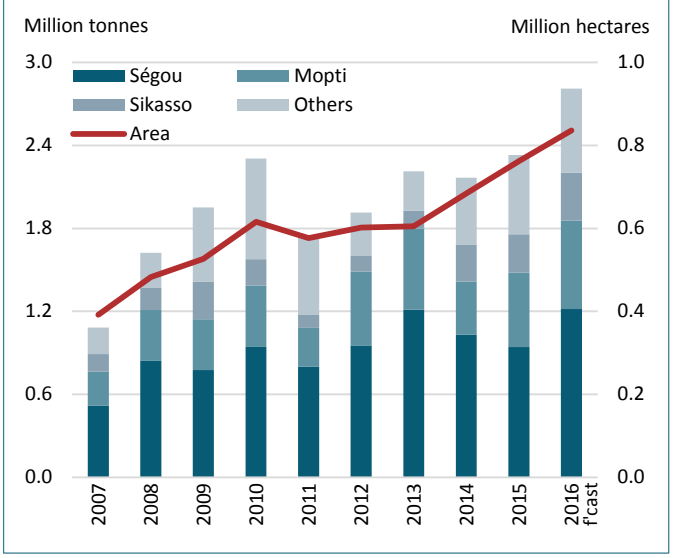
In ***Northern Africa,*** despite the risk of fines, farmers in **Egypt** have consistently defied area cultivation limits instituted by the Government in order to preserve scarce water resources. The 2016 season was no exception, with high local prices and difficulties in marketing cotton raising plantings well over the 1.1 million feddan (452 000 hectares) official area limit. As a result, 2016 output is estimated to have exceeded the 2015 depressed level by 7 percent to 6.3 million tonnes (4.3 million tonnes, milled basis). Effective next year, the area ceiling for rice plantings in Egypt will be lowered to 704 500 feddans (296 000 hectares), with only six governorates allowed to engage in paddy cultivation. The Government's water conservation efforts have also entailed the continuance exports prohibitions, while, in the context of high local prices, authorities are concomitantly keen on reconstituting reserves and meeting the needs of the public distribution system. For the purpose, a procurement target of 2.0 million tonnes of paddy was announced last August, with purchasing prices set at EGP 2 300–2 400 (USD 128-134) per tonne. Yet, according to media reports, the prices were met with only limited interest by farmers, with Egyptian officials subsequently raising them to EGP 3 000 (USD 167) per tonne.

Main-crop harvests are drawing to a close in ***West Africa***, with a few countries also engaged in offseason planting operations. Production prospects for the sub-region have undergone a 570 000 tonne upward revision since October, with 15.3 million tonnes (9.8 million tonnes, milled basis) now forecast to be gathered in 2016, up 7 percent year-on-year. If confirmed, this level would mark a new record, reflecting the beneficial impact of generally abundant rains received over the sub-region. Although these also entailed floods, damages were on whole limited, with weather conditions conducive to further state efforts to cut reliance on imports. Compared with figures reported in October, the largest upward adjustment has concerned **Mali**, where officials indicate that a record of 2.8 million tonnes (1.9 million tonnes, milled basis) are set to be gathered in 2016. This would represent an impressive 21 percent year-on-year expansion, a feat that would be owed to area and yield improvements promoted by input and machinery subsidies. This is notwithstanding setbacks associated with a somewhat late establishment of the rains over selected areas and flood losses across 130 000 hectares. The

Viet Nam: paddy production and yields



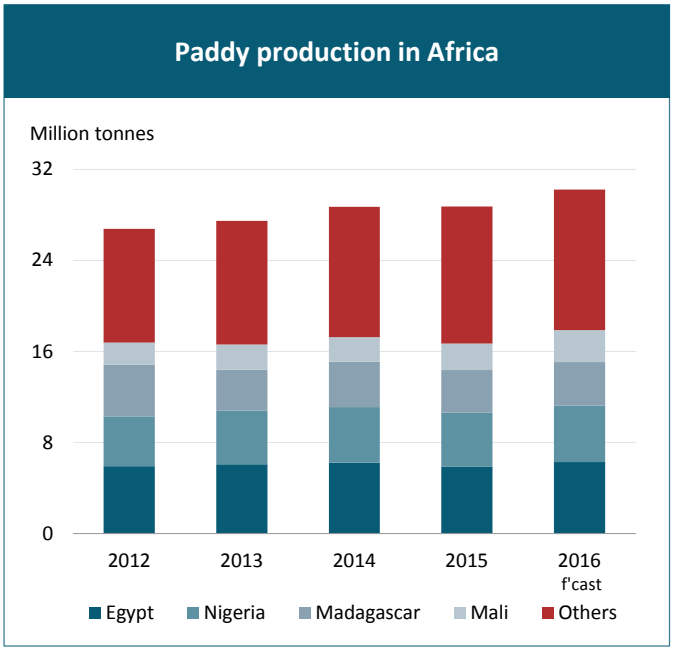
Mali: paddy production and area



inundations bore the most impact on the important producing regions of Gao and Mopti, where a combined 115 000 hectares of agricultural crops were lost. However, Ségou, which alone accounts for close to half of output in Mali, housing the Office du Niger, would have been largely spared. Benefitting from ample water availabilities to return production to the 2013 record level, the region looks set to drive much of Mali's forecast production growth this year.

Elsewhere in the sub-region, **Benin**, **Burkina Faso**, **Chad**, **Ghana, Guinea Bissau** and **Senegal** are all headed towards larger crops. Improved yield expectations have similarly resulted in a 130 000 tonne increase in production prospects for **Guinea**. Output in the country is now seen expanding by 6 percent year-on-year to 2.2 million tonnes (1.5 million tonnes, milled basis), underpinned by increased access to inputs and abundant and well-distributed precipitation. In the case of **Nigeria**, FAO expectations are that 5.0 million tonnes (3.0 million tonnes, milled basis) will be gathered in 2016, implying a 4 percent expansion from 2015. The result would be aided by a normal unfolding of the rainy season, barring pockets of dryness in the northern areas of the country. The high local prices triggered by a slump imports in the country provide further incentive for farmers to expand plantings. On the policy front, producers in Nigeria have also benefitted from credit assistance under the Anchor Borrower's programme. Input distribution under the previous administration's Growth Enhancement Scheme (GES) is also set to resume for the ongoing 2016 dry-season. After a near one-year hiatus, the Government expects the scheme will channel subsidised fertilizers, seeds and other basic inputs to farmers across twelve states. Input subsidies and steps to boost mechanisation and technical capacity are also foreseen in **Sierra Leone** under the second phase of the President's Recovery Priorities, a roadmap outlining post-Ebola recovery interventions. The initiative has also entailed steps to boost local procurement, with an eye to meet at least 10 percent of rice requirements of public institutions with domestic produce. As above normal rains have further benefitted cropping activities in the country, officials anticipate that Sierra Leone will gather 1.1 million tonnes (664 000 tonnes, milled basis) in 2016, implying a 110 000 tonne year-on-year expansion.

Shortfalls are expected to concern a few countries within the sub-region, nonetheless. This would include **Cote d'Ivoire** and **Togo**, where growing conditions were less encouraging this season. This is also the case of **Liberia**, where the Government indicates that 269 000 tonnes (175 000 tonnes, milled basis) are likely to be produced in 2016. The 9 percent annual shortfall mirrors the adverse impact of pest attacks and poor rains, with difficulties in placing and storing produce playing a further disheartening role. The production outlook was similarly downscaled for **Gambia** and now points to a 6 percent year-on-year contraction to 50 000 tonnes (33 000 tonnes, milled basis), as losses incurred to late and poorly distributed rains, as well as floods, depressed both yields and area under paddy. Although the climatic unfolding of the season proved more adequate in **Mauritania**, production prospects this year were dampened by limited access to basic inputs, together with lack of markets for local crops. Officials indicate that the resulting area cuts are likely to depress production in the country for the second successive year, this time by some 19 percent, to 180 000 tonnes (108 000 tonnes, milled basis).



There have been only a few adjustments to the production outlook for ***Eastern Africa*** since October, as only a few countries have yet to conclude the campaign. On the whole, 3.6 million tonnes (2.3 million tonnes, milled basis) are expected to be collected this season, up 1 percent from the excellent outcome of 2015. At a country level, much of this increase would reflect another record outturn in the **United Republic of Tanzania** of 3.0 million tonnes (2.0 million tonnes, milled basis), sustained by yield improvements promoted by conducive growing conditions this season. Output is also estimated to have ended higher in **Rwanda**, at 105 000 tonnes (70 000 tonnes, milled basis), thanks to beneficial rains early in the year. In the case of **Burundi**, forecasts were downscaled to 48 000 tonnes (32 000 tonnes, milled basis), following adjustments to historical production estimates. However, the revised level continues to suggest a 10 000 tonne year-on-year recovery, as abundant precipitation facilitated an excellent season A harvest. Meanwhile, the outlook deteriorated for both Kenya and Uganda, following the emergence of unseasonably dry conditions. In **Kenya**, where the bulk of rice is cultivated under irrigated conditions, rainfall shortages curtailed water availabilities

in Mwea, the country's largest irrigation scheme, thus likely returning 2016 production to a more normal level of 125 000 tonnes (81 000 tonnes, milled basis). In the case of **Uganda**, 2016 output is now seen in the order of 220 000 tonnes (147 000 tonnes, milled basis), down 4 percent year-on-year. The forecast assumes losses of second season crops, triggered by late and poorly distributed rains, are partly compensated by greater production during the first season, which would require that rainfall conditions normalise by the start of this cropping cycle in January.

Most countries in ***Southern Africa*** have long concluded the 2016 season. The campaign yielded negative results, with crops in **Malawi**, **Mozambique** and **Zambia** all hindered by late and insufficient rainfall for the second successive year. Although growing conditions proved more favourable in central and northern growing areas of **Madagascar**, 2016 output in the country was also kept at a below-average range of 3.8 million tonnes (2.6 million tonnes, milled basis), as unseasonable dryness gripped southern and western parts of the isle. Meanwhile, 2017 cropping activities are now underway across Southern Africa. Some concerns have emerged regarding the depletion of cereal seed stocks in some countries. Otherwise, early seasonal progress has been more propitious this year, with rains setting early over parts of Madagascar and Malawi and fully establishing by mid-November across much of the sub-region. Weather forecasts indicate a greater likelihood of rainfall remaining at normal to above-normal bounds through February in most rice growing countries in the area. Precipitation levels over Madagascar are however seen at normal to below normal levels. The outcome of the rainy season will play a critical role in determining the size of 2017 crops in Southern Africa, given that the large part of them are cultivated under rainfed conditions.

Central America and the Caribbean

Production in 2016 to recover partially

Main-season harvests are now well underway in ***Central America and the Caribbean.*** FAO's outlook for 2016 production in the sub-region stands at 2.8 million tonnes (1.8 million tonnes, milled basis). This level would imply an only partial (6 percent) output recovery from the 2015 depressed outcome, mirroring the impact of lingering dryness on main crops early in the season. The precipitation shortfalls tended to aggravate water shortages ensuing from successive years of below average precipitation. Although a more normal unfolding of the rains has since created conditions for secondary crops to make up for much of the shortages incurred in the first cropping cycle, further setbacks were incurred due to passing storms. Indeed, the 2016 Atlantic Hurricane season, which closed on 30 November, proved the most active since 2012, bringing 15 storms over the area, including seven hurricanes. The most lethal of these, category 4 hurricane Matthew, made landfall on 4 October and battered **Haiti**, in particular. Further to causing loss of life and property, the storm laid waste to crops that had still to be harvested, damaging irrigation and drainage infrastructure. These factors, together with limited access to inputs and credit, are expected to depress production in Haiti for the second successive year to 125 000 tonnes (83 000 tonnes, milled basis). More recently, on 24 November, hurricane Otto struck northern Costa Rica and southern Nicaragua. Although no major damages are reported to date in the latter, in **Costa Rica,** preliminary assessments indicate that the storm damaged some 2 000 hectares of rice plantings. Crops in important northern and eastern producing regions in the country were also hindered by precipitation shortfalls lasting well into August. As a result, Costa Rica is forecast to gather 200 000 tonnes (131 000 tonnes, milled basis) in 2016, which while 5 percent above the 2015 level would still imply a below average performance.

Flood and storm related damages are reported to have been largely avoided in the **Dominican Republic,** which is seen relying on sufficient water supplies for irrigation to gather 920 000 tonnes (552 000 tonnes, milled basis), up 2 percent year-on-year. The expected growth would be notwithstanding difficulties posed by more limited water availabilities for irrigation early in the season, which caused plantings to occur with some delays. After severe dryness lowered 2015 output to a ten-year low, relative improvements in the availability of water for irrigation are expected to allow **Cuba** to gather 500 000 tonnes (334 000 tonnes, milled basis) in 2016. Favourable yield outturns are being reported in the country, with the sector further benefiting from continued efforts to improve the access to basic inputs and machinery. Following a more normal unfolding of the rainy season, **Nicaragua** is similarly seen recuperating losses incurred the previous year and gathering 335 000 tonnes (218 000 tonnes, milled basis), up 6 percent year-on-year. The production outlook is also positive for **Guatemala**, **Mexico**, **Honduras**, and **Panama**, whereas **El Salvador** is seen gathering less this season.

South America

Poor weather and reduced margins depress 2016 production, early prospects for 2017 mixed

Only a few countries in South America have still to conclude the 2016 season. The sub-region is estimated to have collected 9 percent less than in 2015, or 23.3 million tonnes (15.8 million tonnes, milled basis). To a large extent, the shortfall mirrored a yield-driven contraction in **Brazil**, where crops were negatively impacted by poor sunshine conditions and excess rains that led to floods.

Output also fell in **Argentina**, **Bolivia**, **Ecuador**, **Guyana**, **Paraguay**, **Uruguay**, and **Venezuela**, as prospects of limited returns in these countries were similarly aggravated by poor growing conditions associated with the prevalence of the El Niño phenomenon earlier in the year. Only a few countries were in a position to advance production. **Colombia** was foremost amongst these, having gathered a record crop thanks to attractive local prices. An excellent turnout also concerned **Chile,** with output in **Peru** similarly seen outdoing the 2015 record by a small margin.

With the 2016 season well over in **Argentina**, there have been no changes to official production estimates for the country. Prospects of poor returns, together with excess rains and cloudy conditions, depressed output by 10 percent to 1.4 million tonnes (952 000 tonnes, milled basis). Authorities indicate that planting activities of 2017 crops were concluded by 1 December in Argentina. A total of 209 000 hectares are reported to have been put under paddy, some 6 000 hectares below plantings in 2016. The cut would have concentrated in Entre Rios and, especially, in Santa Fe, in both cases owing to financial constraints posed by flood losses incurred last season. Despite some sowing delays, yield expectations remain positive otherwise, with improved sunshine conditions and fewer rainy days anticipated to aid crop development this season. In Entre Rios, producers incurring losses to poor weather in 2016 will also benefit from credit assistance worth ARP 20 million (USD 1.3 million) to fund this season's cropping activities.

The 2016 season yielded negative results in **Bolivia**, where FAO estimates 360 000 tonnes (247 000 tonnes, milled basis) were gathered. The 24 percent annual contraction followed area cuts triggered by poor price prospects, to which weather and pest related yield depressions added. The 2017 season got off to a challenging start in Bolivia, with drought conditions continuing to grip much of the country at the season's onset in October. Although more adequate rains have since benefitted Santa Cruz, reduced soil moisture conditions still posed a challenge in the country's main producing department. Producers also reported some delays in the distribution of basic inputs. The latter include seeds, fertilisers and fuel, which are being provided by the Government to smallholders in order jumpstart a recovery in the sector.

Seasonal progress has been far more favourable in **Brazil**, where conducive winter conditions permitted 2017 planting operations in Rio Grande do Sul to make a speedy start. Although untimely rains in October slowed activities and caused some fields to need replanting, by 1 December, 1.06 million hectares were reported sown in Brazil's largest rice producing state. This level would represent 97 percent of intended plantings and compare to an 86 progress reported the previous year. Rio Grande do Sul accounts for over two-thirds of output in Brazil. During the 2016 season, cropping activities in the state were severely hindered by excess rains leading to floods. Combined with area losses triggered by high production costs, the ensuing yield depressions lowered Brazilian output by 15 percent to 10.6 million tonnes (7.2 million tonnes, milled basis). Yet, with the bulk of crops in the State put on the ground within the recommended sowing window this year, conditions would appear ripe to sustain productivity improvements. CONAB in fact anticipates average yields in Brazil to recover by 12 percent in 2017 to an all-time high of 5.9 tonnes per hectare. Area expectations are downcast instead, as high production costs and credit constraints are seen encouraging producers to substitute rice for more profitable crops. The resulting 3 percent contraction in plantings would place 2017 production in Brazil at 11.5 million tonnes (7.8 million tonnes, milled basis). This level would represent a 9 percent recovery from the 2016 depressed level, although still standing out as the second lowest harvest since 2007.

The 2016 summer crop harvest is drawing to close in **Ecuador**. Production prospects for the country have deteriorated since October and now point to 1.1 million tonnes (718 000 tonnes, milled basis) being gathered in

BRAZIL: PADDY PRODUCTION BY REGION IN 2016 AND 2017[1/]

Region	Area (000 ha)			Yields (Mt/ha)			Production (000 Mt)		
	2016	2017	Var %	2016	2017	Var %	2016	2017	Var %
BRAZIL	**2,008**	**1,947**	**-3.0**	**5.3**	**5.9**	**11.9**	**10,603**	**11,507**	**8.5**
North	265	269	1.2	3.8	3.8	0.3	1,018	1,033	1.5
Northeast	283	228	-19.6	1.4	1.8	29.9	394	411	4.5
Centre-West	193	161	-16.4	3.2	3.5	12.2	608	571	-6.1
South East	17	15	-10.0	3.2	3.3	2.7	55	50	-7.9
South	1,250	1,274	1.9	6.8	7.4	8.6	8,529	9,441	10.7

1/ For Brazil: 2015/16 and 2016/17 paddy seasons

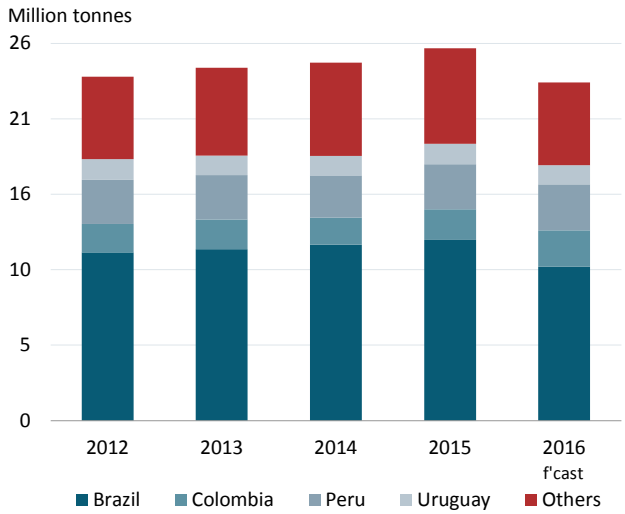
Source: CONAB – Crop 2016/2017 - Third Assessment – December 2016

2016. This compares to a revised 2015 estimate of 1.3 million tonnes (836 000 tonnes, milled basis), itself representing a five-year high for the country. This year's poor harvest follows lower yield outturns resulting from a combination of pest attacks and reduced access to inputs. Fear of El Niño-related weather anomalies are additionally reported to have encourages producers to fallow some fields. Despite the forecast contraction, prices in main producing regions of Ecuador have come under downward pressure in recent months. The local industry has attributed declines to increased Peruvian arrivals across borders. Peru has traditionally imported rice from Ecuador, but improved local availabilities in recent years and the strength of the dollar would be encouraging unofficial exports into Ecuador. In order to aid an industry that has seen concomitantly seen exports dry-up since 2014, authorities begun purchasing milled rice in November. The procurement drive comes in addition to the state's habitual paddy purchases and offers USD 750 per tonne of rice bought.

The 2016 paddy campaign in **Guyana** was hindered by adverse growing conditions linked to the El Niño weather phenomenon, which exacerbated prospects of lower returns following the loss of the country's largest single export outlet, Venezuela. With pest infestations reported to have posed additional challenges, FAO estimates that these factors depressed output in 2016 by 19 percent year-on-year to 860 000 tonnes (559 000 tonnes, milled basis). The Government of Guyana is encouraging greater production of aromatic rice and of rice-based processed foods, as a means to boost sector returns. The initiative would have already led to 1 300 hectares being cultivated to fragrant varieties in 2016. Government budgetary allocations foresee the continuance of such efforts into 2017, along with steps to introduce high-yielding varieties, among other measures.

The 2016 offseason harvest is still in progress in **Peru**. PFAO has downscaled its production forecast for the country somewhat, amid expectations that above-average temperatures will return yields to more normal levels relative to highs attained the previous year. The unseasonable climate is also reported to have favored the spread of diseases, likely offsetting some gains promoted by positive price prospects. As a result, output in the country is now pegged at 3.2 million tonnes (2.2 million tonnes, milled basis) in 2016, slightly above the 2015 record outcome. As plantings of 2017 crops get underway in the country, concerns have emerged regarding water availabilities for irrigation. By early December, major reservoirs in important northern coastal producing regions were reported to be at 13 to 20 percent of capacity. In Lambayeque, the situation has led producers to postpone plantings until more seasonable rains permit water levels to be replenished.

Paddy production in South America



Sowing operations of 2017 crops proceeded without major setbacks in **Uruguay** and were concluded in late November. Area under paddy is reported to have remained little varied from the 2016 extension of close to 162 000 hectares, amid constraints posed by high production costs and sector indebtedness. Overall prospects for the season remain positive nonetheless, on expectations that a more normal climate will permit productivity levels to return to more normal levels. Like various countries in the sub-region, 2016 crops in Uruguay were negatively affected by above-average rains linked to the El Niño phenomenon. These led to floods and reduced sunshine conditions, lowering overall output by 7 percent to 1.3 million tonnes (913 000 tonnes, milled basis). On the policy front, officials have renewed a trust fund geared at assisting producers service debts and fund productive activities. A total of USD 60 million will go for the purpose and will be financed through a 3 percent tax on rice exports over the course of eight years.

North America, Europe and Oceania

Production in Australia to rebound to a four-year high in 2017

In ***North America***, the 2016 crop has been fully collected in the **United States.** Since October, the USDA has lowered its yield forecast for the crop to 8.4 tonnes per hectare, mirroring mostly the impact of a surge in August rains, which led to extensive floods in southern producing states. The revised productivity level would still stand somewhat higher than the 8.37 tonnes per hectare achieved the previous season, when yields were depressed by drought in California and Texas, as well as above average temperatures in the south. Combined with the surge in

long-grain plantings witnesses this year in response to poor margins for competing crops, this would place 2016 production in the United States at 10.6 million tonnes (7.5 million tonnes, milled basis), up 22 percent year-on-year and the second highest on record.

In ***Europe***, FAO now anticipates the 2016 crop in the **European Union** to amount to 3.0 million tonnes (1.8 million tonnes, milled basis), on par with the 2015 good outcome. At a country level, better than expected yields are reported in Italy, the region's largest producing country, where poorer returns for alternate crops had also led producers to expand plantings by 3 percent this season. Accordingly, Italy is set to gather 1.6 million tonnes (952 000 tonnes, milled basis) in 2016, up 6 percent year-on-year and representing a four-year high for the country. The outlook is more subdued for all other rice-producing countries in the EU. For instance, officials in Spain indicate that a 2 percent annual production contraction is likely to 828 000 tonnes (497 000 tonnes, milled basis). The retrenchment would be owed to poorer productivity levels mainly in Seville and Catalonia, where plantings were delayed by unseasonable spring conditions. Snail infestations also continued to pose a problem in the Ebro Delta. Untimely spring rains similarly delayed sowing progress in Portugal, where crop development was further hindered by above-average summer temperatures and diseases. Officials see these factors translating into a 10 percent yield-driven production shortfall in 2016 to 166 000 tonnes (100 000 tonnes, milled basis). Output is also seen edging down in Bulgaria, France and Romania, while excess precipitation precluded Greece from maintaining the record yields attained in 2015. Elsewhere in the continent, conducive growing conditions and continued area expansions remain forecast to sustain a 4 percent increase in output in the **Russian Federation** to an all-time high of 1.2 million tonnes (767 000 tonnes, milled basis).

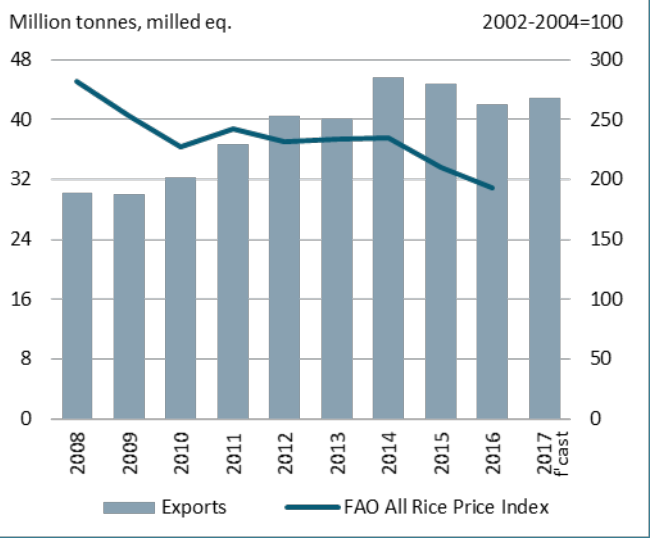
In ***Oceania***, after seeing 2016 production reduced to a six-year low of 250 000 tonnes (167 000 tonnes, milled basis), abundant springs rains ensured a more propitious onset of the 2017 season in **Australia**. Although the wet conditions stretched into October, the resulting sowing delays are not reported to have significantly inhibited producers from responding to increased water allocations and more affordable water prices by expanding area under paddy. ABARES' latest assessment in fact puts 2017 plantings at 90 000 hectares, implying a near fourfold rebound from the 2016 reduced level. Official yield expectations meanwhile remain at an average of 10.2 tonnes per hectares, which would place 2017 output in Australia at 916 000 tonnes (611 000 tonnes, milled basis). This would represent a 670 000 tonnes year-on-year recovery and a four-year high for the country.

INTERNATIONAL TRADE

World trade in rice to decline by 6 percent in 2016, early prospects point to a modest recovery in 2017

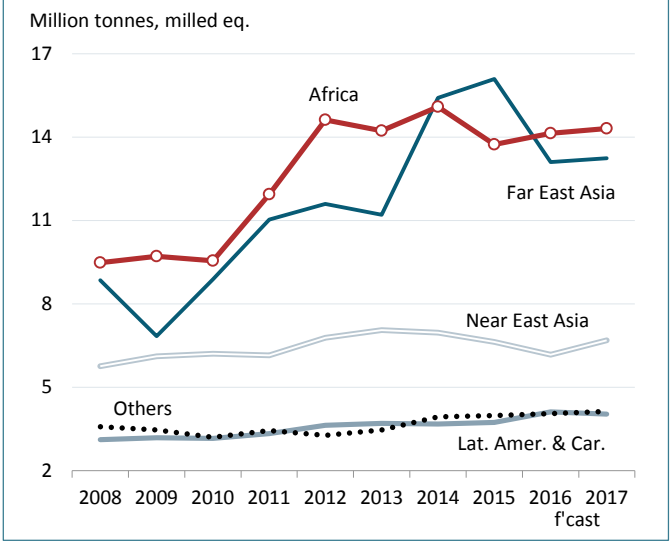
FAO has lowered its forecast of world trade in rice in calendar ***2016*** by 1.1 million tonnes since October to 42.0 million tonnes (milled basis), implying a 6 percent reduction from the already depressed 2015 level. The subdued outlook mostly follows prospects of a more pronounced cut in Asian deliveries than previously anticipated, reflecting the combined effects of improved local availabilities in the continent and more restrictive trade policies. This was the case of Sri Lanka and, especially, Bangladesh, which saw 2016 imports reduced to multi-year lows in the wake of local price declines and the imposition of higher duties on rice. A similar sharp fall is now anticipated to concern the Philippines, which may see purchases cut by almost 1.0 million tonnes year-on-year, as stable prices and sufficient inventories encouraged fewer official imports this year. Relying on sufficient supplies on store, Saudi Arabia was similarly in position to curtail purchases, while in the case of China (Mainland) reductions come in the wake of heightened border surveillance. The move is now gauged to have depressed unofficial inflows 400 000 tonnes more than previously intimated, lowering overall purchases by the country by 11 percent to 5.9 million tonnes. The reduction in Asian purchases, added to an only timid recovery in consignments to Africa, as demand in the region remained limited for a second successive year by good harvests and depreciating currencies. This tended to overshadow gains in Europe, North America and, especially, Latin America and the Caribbean, where output shortfalls and high local prices drove purchases to a new record.

Global rice trade and FAO All Rice Price Index



On the supply side, Viet Nam is forecast to bear much of the impact of the retrenchment in world rice deliveries in 2016, having its shipments depressed to a seven-year low in the aftermath of an output shortfall and reduced demand from key outlets. Nonetheless, with its shipments similarly impacted by Chinese efforts to curtail unofficial imports across borders, prospects have also deteriorated for Myanmar, adding to anticipated cuts in Australia, Brazil and India, all linked to output shortfalls. Instead, ample availabilities on store have permitted Argentina, Pakistan, Paraguay, Thailand, the United States and Uruguay to weather the impact of production contractions and ship more this year. Cambodia, China (Mainland), the European Union, the Russian Federation are all also expected to advance sales in 2016.

Rice imports by region



As to prospects for next year, world trade in rice in calendar ***2017*** is now anticipated to amount to 42.9 million tonnes, implying a partial (2.0 percent) recovery from the 2016 depressed level. The upturn comes amid expectations that more attractive prices abroad will encourage a somewhat livelier pace of imports by key Asian and African buyers, who have seen availabilities reduced by production shortfalls or by a low pace of imports in 2016. This is even if the import outlook for both regions remains tempered by lingering constraints posed by weak local currencies and restrictive policy measures, factors that are likely to keep purchases well below heights attained in 2014 or 2015. Prospects are more buoyant for Europe and North America, where strong local demand could underpin further gains next year, whereas buying interest could wane somewhat in Latin America and the Caribbean, amid larger local crops and easing domestic quotations. Among the exporters, India is forecast to remain the world's leading supplier of rice for a sixth successive year, having its competitive edge enhanced by an output recovery this year. Rekindling demand from key outlets may also underpin some export improvements in Viet Nam. Australia, China (Mainland), Pakistan, the United States are similarly envisaged to count on sufficient availabilities to boost exports, although in all cases export growth could be capped by intense competition for markets. Under similar circumstances, Argentina, Brazil, Cambodia, Guyana, Myanmar, Paraguay, Thailand and Uruguay could see their exports fall in 2017.

Imports

After faltering by 15 percent in 2016, Asian imports to recover by 4 percent in 2017

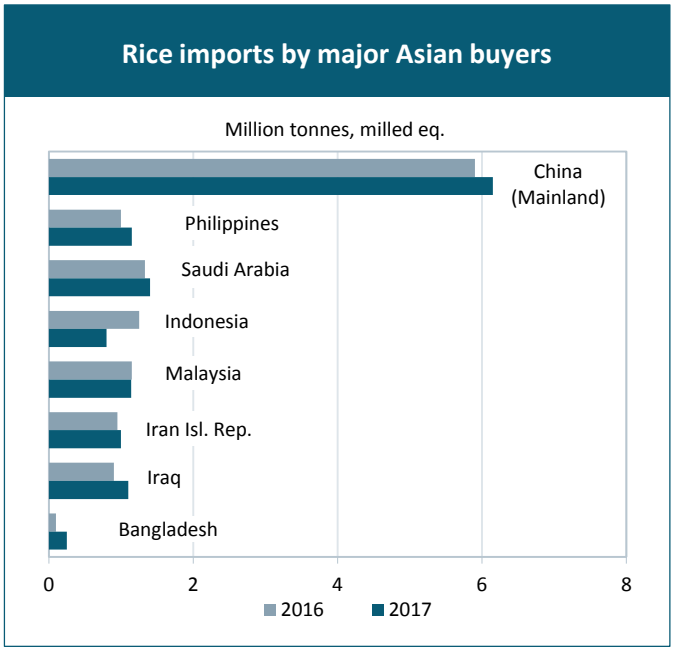
Based on the latest figures, subdued demand in the Far East depressed 2016 deliveries to ***Asia*** by 15 percent to 19.7 million tonnes. Meanwhile, early prospects for 2017 point to 4 percent upturn in Asian imports to 20.4 million tonnes. Within the region, **China (Mainland)** is forecast to remain the world's prime destination of rice, taking 6.2 million tonnes in 2017. The forecast compares to a lower anticipated volume of 5.9 million tonnes in 2016, itself reflecting the impact of increased border surveillance, which is estimated to have reduced unofficial imports from Viet Nam and Myanmar by close to a million tonnes over the course of 2016 to 2.4 million tonnes. Growth in documented deliveries continues otherwise, amid large differentials between Chinese quotations and those of nearby origins. These gaps could widen further in the aftermath of a smaller 2016 crop and continued large intervention purchases by the Government. Yet, it remains to be seen whether Chinese authorities will loosen their stance towards border controls or increase releases from public granaries, in the context of bulging state inventories. Moreover, documented imports in the country remain subject to limits that reserve half of the 5.3 million tonne annual import quota to Japonica supplies and a similar share to state-owned enterprises.

Rice imports by **Bangladesh** in 2017 are now put at 250 000 tonnes, up from 100 000 tonnes in 2016, but just a fraction of the 1.1 to 1.3 million tonnes purchased the preceding two years. All imports by Bangladesh have been conducted by the private sector since 2012, with cuts witnessed in 2016 following steep falls in local quotations, which triggered the re-imposition of import duties on rice. The Government has instead relied on purchases from the local market to meet its public distribution needs, having set a zero rice import target for the fiscal year ending in June 2017. However, this has not precluded plans to renew a supply agreement with Thailand for the provision of up to 1.0 million tonnes of rice annually, on a need basis. In the case of the **Republic of Korea**, deliveries are envisaged to pass 320 000 tonnes in 2016 to 450 000 tonnes next year, under the assumption that its WTO Minimum Market Access (MMA) quota for 2017 is fully

purchased and consigned within the year, in addition to purchases under 2016 MMA commitments that are still to be delivered.

Meanwhile, forecasts of 2017 imports by the **Philippines** have been lowered to 1.2 million tonnes. This compares to a revised level of 1.0 million tonnes for 2016, with adjustments mirroring the Government's recent decision to forego the purchase of 250 000 tonnes of rice owing to fewer than anticipated storm losses. The forecast volume would include private sector imports undertaken under WTO mandated Minimum Access Volumes, as well as potential government purchases conducted to meet stock mandates and distribution needs. The bulk of the latter requirements are normally met through imports, considering that official purchases from the local market in recent years have averaged less than 200 000 tonnes per year, on milled basis. Yet, a final decision regarding the extension of the WTO's special treatment on rice is still forthcoming. Quantitative restrictions on rice are due to expire on 30 June 2017. Whereas Cabinet officials in the country are advocating their repeal thereafter, the Department of Agriculture would be eyeing to extend them for an additional two years in order to allow the local sector to address factors inhibiting its ability to compete with imports.

Rice imports by major Asian buyers

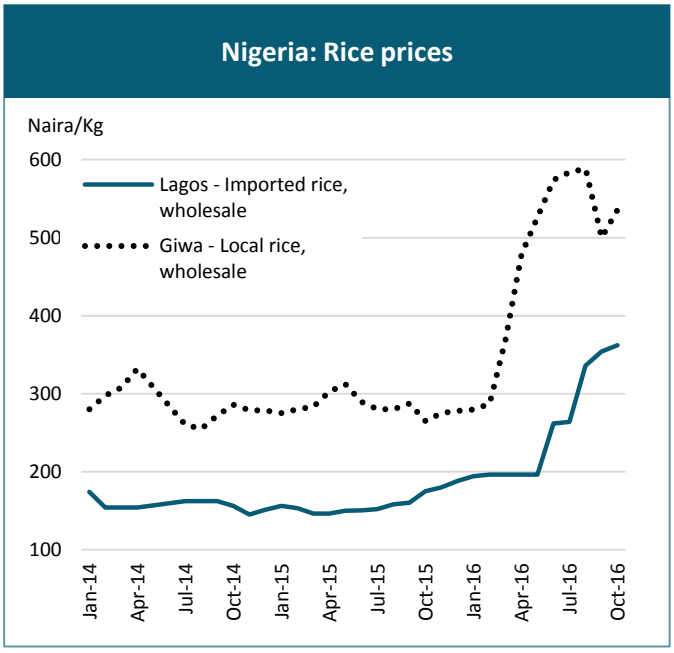


Depleted rice inventories in the aftermath of a slump in 2015 production and reduced purchases from abroad would also require that **Iraq** lift purchases by 200 000 tonnes in 2017 to 1.1 million tonnes, in order to avert significant drops in local consumptions. The need to refurbish stockpiles is also anticipated to foster a near 100 000 tonne rise in 2017 purchases by **Saudi Arabia** to 1.4 million tonnes. Similarly lacking a production base of their own, **Kuwait**, **Oman**, **Singapore**, the **United Arab Emirates** would need to step-up purchases next year in order to meet consumption needs. In the case of **Turkey**, 2017 imports are seen recovering to 240 000 tonnes, but the weakness of the Lira and an overall abundant harvest are likely to limit increases next year.

Import demand is forecast to be more subdued elsewhere in the region. This is primarily expected to be the case of **Indonesia**, which may see purchases from abroad pass from 1.3 million tonnes in 2016 to 800 000 tonnes next year. The cut mirrors the overall favourable progress of 2017 crops in the country, with the Government's renewed drive to achieve self-sufficiency in rice also likely precluding large public purchases from abroad, should the state's ability to source supplies locally remain satisfactory as in 2016. Officials from the **Islamic Republic of Iran** have been recently active in the international market, purchasing 60 000 tonnes of rice, part of which would be delivered over the course of 2017. The move follows the November lifting of seasonal restrictions on rice imports, put in place to protect the local industry at harvest time. Yet, considering the favourable outlook for crops in the country and the state's drive to protect the local sector from competition with imports, overall purchases by the Islamic Republic of Iran are anticipated to remain subdued in 2017 and in the order of 1.0 million tonnes. After two successive seasons of poor harvests, a production recovery may enable **Nepal** to reduce 2017 imports by 8 percent to 460 000 tonnes, while these pass to 150 000 tonnes in the **Lao People's Democratic Republic,** under similar circumstances. **Viet Nam** is instead seen cutting imports by 18 percent next year to 450 000 tonnes, on the backdrop of ample local availabilities and a subdued export pace. The bulk of imports by Viet Nam are delivered informally across borders, but preferential import quotas are also established for rice originated in Cambodia and the Lao People's Democratic Republic. One of such agreements has been recently renewed, thus permitting duty-free access to 300 000 tonnes of Cambodian rice per year.

Based on the latest figures, countries in ***Africa*** may take a combined 14.3 million tonnes of rice in calendar 2017, up 1 percent from expected imports in 2016. At a country level, the largest year-on-year increase is envisaged to concern **Nigeria**, on expectations that more attractive international prices will spur a livelier pace of purchases. Imports by the country are seen passing from 2.3 million tonnes in 2016 to 2.5 million tonnes next year. Yet, this volume would still represent a comparatively restrained amount for the country, especially if compared to the 3.4 million tonnes imported in 2014. Since then, Nigeria has seen purchases significantly constrained by a slump in the value of the Naira, prohibitive import duties and official restrictions on imports through land-borders and on rice traders' access to foreign exchange. In the absence of major policy or exchange rate developments, these same factors are likely to continue capping import gains in the

coming year. This is while quotations of both local and imported rice have seen significant spikes in the country. Wholesale prices of imported rice in Lagos were quoted at nearly twice their level a year earlier at NGN 362 (USD 1.2) per kilo by October. In the important producing state of Kaduna, locally produced rice, traditionally costlier and less preferred to foreign supplies, has seen a stronger (126 percent) year-on-year rise to NGN 536 (USD 1.7) per kilo.



Within the region, price gains have also concerned countries such as **Mozambique** and **Liberia,** where availabilities have been drawn thin by poor weather and depreciating currencies. With supplies hence anticipated to be needed to refurbish stockpiles, Liberia is forecast to lift purchases to 330 000 tonnes, while 2017 imports by Mozambique reach 520 000 tonnes. Following successive seasons of poor production outturns, **Mauritania** is similarly envisaged to require 100 000 tonnes from abroad to cater to domestic needs. This level compares to a low of 65 000 tonnes in 2016, when purchases were discouraged by the imposition of a higher import levy on rice. In the case of **Kenya** and **Ethiopia,** gains would be associated with strong domestic demand for rice, whose growth has tended to outstrip production gains, with purchases by **Benin**, **Burkina Faso**, **Chad**, **Niger** and **Rwanda**, all forecast to rise under similar circumstances. Conversely, 2017 imports by **Mali** and the **United Republic of Tanzania** could fall to 150 000 tonnes and 110 000 tonnes, respectively, in the wake of bumper harvests. Further cuts are also expected to concern **Senegal**, where purchases may ease by 4 percent to 1.2 million tonnes, due to a large harvest and ongoing official steps to ensure a market for local produce by tying the issuance of import permits to purchases of domestic supplies. Following a spree of purchases in 2016, **Ghana** and **Cote d'Ivoire** could similarly count on sufficient supplies on store to reduce 2017 imports somewhat to 670 000 tonnes and 1.4 million tonnes, respectively.

Aggregate imports by ***Latin America and the Caribbean*** in 2017 are now forecast to amount to 4.0 million tonnes, down 2 percent from the 2016 record volume. Singularly, **Colombia** would be behind much of the fall, given expectations of a record crop in the country and easing local prices. Imports by the country in 2017 are accordingly seen at just half the level of 2016, or 150 000 tonnes. A few countries in *Central America and the Caribbean* are also anticipated to be in a position to cut purchases next year. This is expected to be the case of **Cuba**, which on back of a production upturn, may take consignment of 4 percent less, or 480 000 tonnes. Improved local availabilities are also forecast to foster cuts in **Honduras** and **Panama**. In the latter, amid expectations of a bumper 2016 crop, the local sector has been increasingly vocal over difficulties in placing freshly harvested supplies. In response, authorities have committed to step-up local purchases and absorb 23 000 tonnes of domestic rice through the Agricultural Marketing Institute. Among the countries expected to require more imports next year, **Haiti** and **Venezuela** may take close to 420 000 tonnes each, in the aftermath of successive poor harvests. The October establishment of a duty-free import quota of 63 000 tonnes of paddy is also envisaged to facilitate an above-average import volume of 115 000 tonnes in **Costa Rica.** In **Peru**, 2017 purchases are seen rising to 270 000 tonnes owing to strong local demand and a weather-restricted crop. With the prevailing weakness of the Peso likely capping growth, **Mexico** is seen raising 2017 purchases only slightly to 640 000 tonnes. Meanwhile, given prospects of an only partial output recovery and depleted rice inventories, **Brazil** may need to hold imports steady at the 2016 abundant level of 700 000 tonnes in order to cater to domestic and export markets.

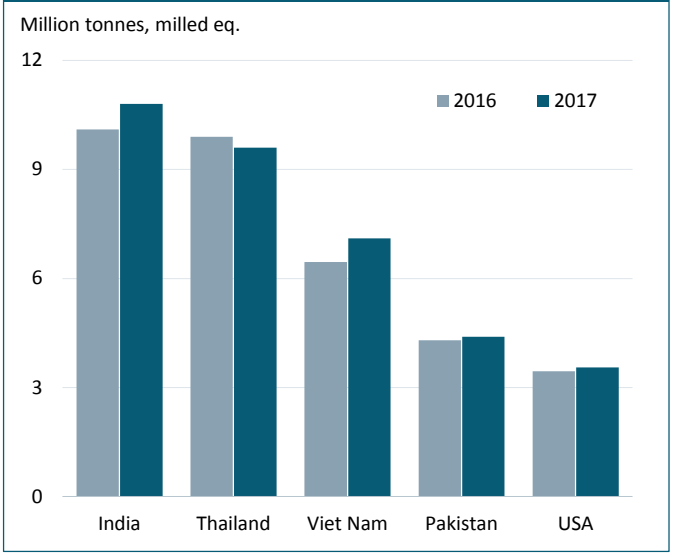
Elsewhere in the world, forecasts of 2017 imports by the ***European Union*** are little varied relative to October expectations. Robust demand for Indica and fragrant varieties are anticipated to advance purchases by the Union by an additional 3 percent to 1.9 million tonnes. In light of prospects of a good 2016 crop, the **Russian Federation** may instead keep imports at reduced levels of 210 000 tonnes, while officials in the **United States**, see the country lifting them slightly, but to an all-time high of 775 000 tonnes.

Exports

India to retain its export primacy in 2017, some improvements also expected for Viet Nam

On the export side, much of the projected recovery in global rice deliveries in 2017 is forecast to be sustained by **India**, which could see an output recovery cement its position as the world's leading supplier of rice for a sixth successive year. On anticipation that greater demand from key African and Near Eastern outlets will further underpin its shipments next year, Indian consignments are forecast to rise 7 percent over the 2016 reduced level to 10.8 million tonnes. On the basmati front, the local sector has received a further boost, following successful completion of inspections by the Chinese Government for fourteen basmati exporting entities. Indian fragrant exports to China had been approved in April 2012, but a lack of requisite phytosanitary clearances had impeded shipments from occurring since then.

Rice exports by the five major exporters



Next to India, the largest year-on-year gain is anticipated to concern **Viet Nam**, which could ship 7.1 million tonnes in 2017. This level would be 10 percent over a dismal 2016 outcome of 6.5 million tonnes. The anticipated advance primarily rests on expectations of a pick-up in demand in its single largest market, China (Mainland), but also of somewhat larger shipments to the Philippines. Yet, the forecast would still stand out as a below-average performance for the country, which has shipped as much as 8.4 million tonnes in the past. Viet Nam has traditionally stood out as an affordable source of supplies, but it saw its competitive edge eroded early in 2016 by weather-induced output cuts and more recently by falls in quotations of alternate origins. On this backdrop, the scope for a strong export recovery in 2017 would appear limited, considering prospects of subdued demand from Far Eastern buyers extending into 2017, but also of increased competition in alternate West African outlets, many of which are also heading into the new year well-supplied.

A number of other countries are similarly anticipated to count on sufficient availabilities to boost exports next year, with gains only capped by heightened competition for markets. This is anticipated to be the case of **Pakistan**, which on the back of competitively prices non-basmati supplies, could ship 4.4 million tonnes in 2017, up 2 percent from 2016 expectations. Officials in the **United States** have also maintained an overall positive outlook for 2017, anticipating the country will ship 3.55 million tonnes. This would imply a 3 percent year-on-year expansion, although representing a comparatively restrained volume, considering expectations of an output rebound this year. The somewhat subdued outlook mirrors prospects of greater rivalry for long-grain outlets with South American and Asian suppliers and with Egypt and Australia in tshe medium-grain segment. In this connection, while the maintenance of official export prohibitions could limit Egypt's consignments to some 400 000 tonnes next year, in the wake of an output recovery, **Australia**'s shipments could rebound to 350 000 tonnes.

Meanwhile, exports prospects are somewhat improved for **Thailand**, which is now envisaged to ship 9.6 million tonnes in 2017, up 200 000 tonnes from October expectations. This level would represent a 3 percent shortfall from 2016, but still stand out as an overall positive performance. The forecast rests on expectations that more competitive prices and continued sales to China (Mainland), facilitated by a Government-to-Government agreement and a production upturn, will partly compensate for relatively subdued demand in the Far East. Yet, it remains to be seen whether in the context of increased pressure on local quotations, the Thai Government will be take an aggressive stance towards its stock releases, thus sustaining the lively pace of shipments of lower grade rice to West Africa seen in 2016.

The outlook is more subdued for **Cambodia** and **Myanmar**, where the bulk of rice deliveries constitute cross-border sales. In the case of Cambodia, a 4 percent annual export reduction to 1.2 million tonnes would be linked to prospects of even lower demand for paddy across borders with Viet Nam and Thailand, which would serve to offset gains in direct milled rice deliveries. The latter have found support in Government-led efforts to ease processor credit restrains, lower transport costs and find new outlets for produce. This would include China (Mainland), which has agreed to double its import quota of Cambodian rice to 200 000 tonnes next year. A similar move is being pursued by Myanmar, which aims to quadruple the volume it is officially permitted to ship to China per year to 400 000

tonnes. Yet, the majority of Myanmar's rice shipments constitute informal purchases by Chinese buyers across borders. These have been considerably undermined this year by heightened border surveillance. Further setbacks were associated with the November outbreak of violence in northern Shan State, which brought trade temporarily to a standstill in the key cross-border point of Muse. Myanmar, otherwise, stands as significantly competitive source of supplies, especially of lower quality rice, having seaborne shipments only restrained by high transport costs and logistical constraints at ports impeding year-round shipments. In the absence of a substantial advance in such deliveries or progress in officialising its sales to China, these constraints could keep Myanmar's exports in 2017 at 1.1 million tonnes, down from a revised level of 1.2 million tonnes in 2016.

Looking at South American exporters, **Brazil** is now anticipated to ship 600 000 tonnes in 2017. This compares to a six-year low of 640 000 tonnes for 2016, with its competitiveness likely undermined again next year by an only partial output recovery and depleted rice inventories. The outlook is less pessimistic for the other major suppliers in the sub-region, considering the comparatively easier supply situations they are likely to face next year and expectations of still firm demand from Brazil. This could help **Argentina** and **Paraguay** to export close to 500 000 tonnes, each, while **Uruguay** ships another 880 000 tonnes. In all cases, however, much will likely depend on the countries' ability to compensate for reduced demand from other Latin American buyers such as Colombia, which had been behind much of their above-average export performances in 2016. In this connection, the rice sector of Uruguay received a boost in November, resuming trade with the Islamic Republic of Iran, after a full year's pause.

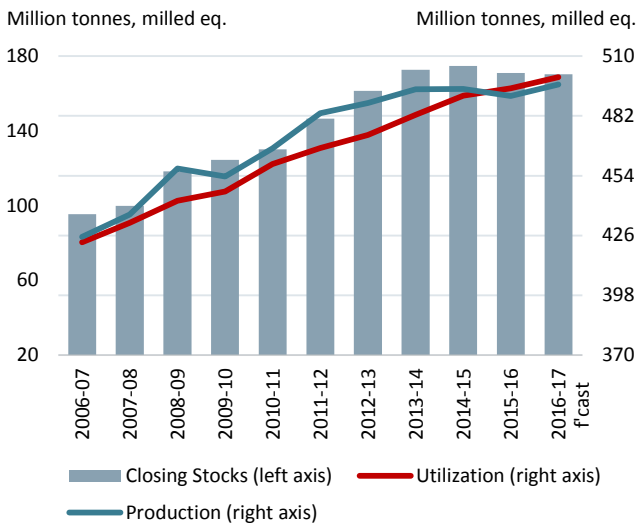
RICE UTILIZATION AND DOMESTIC PRICES

Forecasts of total world rice use trimmed slightly

FAO has downscaled its forecast of ***global rice utilization in 2016/17*** by 1.0 million tonnes since October to 500.2 million tonnes (milled basis). The revision primarily mirrors less buoyant consumption prospects for China (Mainland), consistent with the deteriorated outlook for crops in the country and a subdued pace of imports in the first half of the marketing year. A slow progress purchases from abroad entailed further cuts to intake across Southern Africa, more than outweighing upward adjustments to use forecasts primarily for Mali, Myanmar and Viet Nam. Despite the downward revision, world rice utilization in 2016/17 is still expected to exceed the 2015/16 high by 1.0 percent, or 5.2 million tonnes. The projected increase would be sustained by 1.3 percent advance in global food use to 402.5 million tonnes. This would primarily mirror gains in Asia, owing to population growth, and upbeat demand in Africa, following improved availabilities and easing prices. As a result of these tendencies, **global per caput food use** in 2016/17 is seen passing from an average of 54.1 kilos per person in 2015/16 to 54.2 kilos per person this season.

Prospects are less buoyant for the other use categories. For instance, volumes destined to animal feed could remain little varied at close to 18.0 million tonnes, as lower feed use in China (Mainland) largely offsets gains in the Republic of Korea and Japan. The latter are being promoted by governments, in order to dispose of surplus produce. Other end uses (including seed, post-harvest losses and industrial uses) are instead seen hovering around 79.7 million tonnes, sustained by higher expected post-harvest losses and greater offloads of rice no longer deemed suitable for human consumption from public granaries in Thailand.

Rice production, utilization and stocks



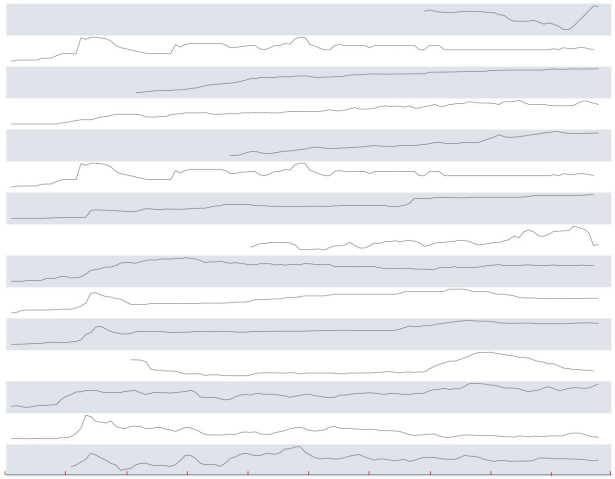
Looking at **retail/wholesale prices** over the last quarter of 2016, domestic quotations in ***Asia*** were firmer when compared to their levels a year earlier mostly in Bangladesh and Sri Lanka. In both cases, seasonal tightness has tended to be exacerbated by poor production outturns and cuts to imports. In Sri Lanka, the strengthening has led officials to consider facilitating purchases from abroad once more, further to additional public stock releases. By contrast, weighed by ample availabilities on store, quotations were visibly lower in Saudi Arabia and the Republic of Korea, with downward pressure in the latter further exerted by an above-average crop and steady cuts to rice consumption. Amid subdued demand for export and harvest pressure, declines have also concerned various rice exporters in the region,

namely Thailand, Viet Nam and, especially, Myanmar. In Thailand, the weakness called on authorities to extend the on-farm mortgaging program to white and Pathumthani fragrant rice, while official proposals in Myanmar would have domestic produce purchased by the Government.

In ***Africa,*** prices have eased considerably in the United Republic of Tanzania following an excellent seasonal turnout, with a good pace of imports also lowering prices in both Togo and Zimbabwe. Instead, quotations were noticeably firm in Mali, ahead of the arrival of 2016 crops into the market, while depreciating currencies supported gains in Rwanda and Mauritania. Yet, the most pronounced gain within the region has concerned Nigeria. In the wake of two years of subdued imports following the imposition of restrictive import policies and a slump in the value of the Naira, the country has seen quotations double in the year to October. Significant increases have likewise been witnessed across Southern Africa, as availabilities in the sub-region have been cut short by poor precipitation since 2014, with the strength of the US dollar further rendering imported supplies more costly. In ***Latin America and the Caribbean,*** domestic quotations were steady to lower, except in Brazil, Ecuador and Paraguay, where they were firmer in the aftermath of weather induced production disruptions. Weak local currencies also underpinned prices in both Haiti and Mexico. ***Elsewhere*** in the world, the arrival of the 2016 bumper harvest has weighed heavily on quotations in Italy.

DOMESTIC RICE PRICES IN SELECTED COUNTRIES

ASIA	Historical monthly price trend	Latest available: Month	USD/Kg	Latest quotation available compared to: [1] 3 months earlier	1 year earlier	2 years earlier
Bangladesh: Dhaka (coarse)		Nov-16	0.48	15%	27%	7%
Cambodia: Phnom Penh (mix)*		Oct-16	0.39	-6%	0%	0%
China: 50 City Avg. (japonica second quality)		Nov-16	0.92	0%	2%	5%
India: Delhi		Nov-16	0.42	-8%	0%	-3%
Indonesia: Ntl. Avg. (medium quality)		Nov-16	0.80	1%	2%	18%
Republic of Korea: Ntl. Avg.		Nov-16	1.58	-7%	-15%	-20%
Mongolia: Ulaanbaatar		Oct-16	1.09	2%	2%	9%
Myanmar: Yangon (Emata, Manawthukha FQ)*		Nov-16	0.26	-34%	-22%	2%
Occupied Palestinian Territory: West Bank (short grain)		Oct-16	1.92	-1%	-1%	4%
Pakistan: Karachi (irri)		Nov-16	0.41	1%	1%	-22%
Philippines: Ntl. Avg. (well-milled)		Nov-16	0.84	-1%	1%	-5%
Saudi Arabia: Ntl. Avg. (Basmati, White Indian)		Oct-16	2.13	-1%	-9%	-14%
Sri Lanka: Colombo (white)		Nov-16	0.52	12%	18%	-1%
Thailand: Bangkok (5% broken)*		Nov-16	0.32	-14%	-5%	-9%
Viet Nam: Dong Thap (25% broken)*		Nov-16	0.31	-2%	-6%	-8%
WESTERN AFRICA						
Burkina Faso: Ouagadougou (imported)*		Nov-16	0.57	0%	0%	-13%
Chad: N'Djamena (imported)		Oct-16	0.84	2%	-1%	-1%
Mali: Bamako*		Nov-16	0.61	0%	14%	6%
Mauritania: Nouakchott (imported)		Oct-16	0.94	-	7%	-11%
Niger: Niamey (imported)*		Nov-16	0.62	-5%	0%	3%
Nigeria: Lagos (imported)*		Oct-16	1.15	37%	107%	132%
Togo: Lomé (imported)		Oct-16	0.61	-8%	-12%	-33%
EASTERN AFRICA						
Rwanda: Kigali*		Nov-16	0.90	5%	7%	9%
Somalia: Mogadishu (imported)		Nov-16	0.46	2%	-2%	-16%
Uganda: Kampala*		Nov-16	0.82	6%	-1%	20%
United Rep. of Tanzania: Dar es Salaam*		Nov-16	0.70	-20%	-20%	-



[1] *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.*

** Wholesale prices.*

Sources: FAO/GIEWS GIEWS Food Price Data and Analysis Tool; Korea Agricultural Marketing Information Service (KAMIS); Japan Ministry of Agriculture, Forestry and Fisheries; U.S. Bureau of Labor Statistics (BLS); Associazione Industrie Risiere Italiane (AIRI). Please note that prices shown are comparable over time, but not across countries, as they may refer to different stages of the marketing chain (e.g. retail versus wholesale prices), different rice types (e.g. aromatic versus non-aromatic) or different qualities of rice (e.g fully broken versus 5% brokens).

DOMESTIC RICE PRICES IN SELECTED COUNTRIES

	Historical monthly price trend	Latest available: Month	USD/Kg	Latest quotation available compared to: /1 3 months earlier	1 year earlier	2 years earlier
SOUTHERN AFRICA	2007 2008 2009 2010 2011 2012 2013 2014 2015 2016			-100 0 100	-100 0 100	-100 0 100
Angola: Luanda		Oct-16	3.76	1%	76%	91%
Malawi: Lilongwe		Oct-16	1.04	0%	59%	76%
Mozambique: Maputo		Oct-16	0.64	-	100%	100%
Namibia: Windhoek		Oct-16	1.38	18%	46%	27%
Zimbabwe: Harare		Oct-16	1.18	0%	-4%	-15%
CENTRAL AMERICA AND THE CARIBBEAN	2007 2008 2009 2010 2011 2012 2013 2014 2015 2016			-100 0 100	-100 0 100	-100 0 100
Costa Rica: Ntl. Avg. (first quality)		Oct-16	1.30	-2%	-3%	-6%
Dominican Rep: Santo Domingo (first quality)		Nov-16	1.01	-1%	1%	2%
El Salvador: San Salvador		Oct-16	0.97	0%	0%	-12%
Guatemala: Guatemala City (second quality)*		Nov-16	0.75	-2%	-6%	-16%
Haiti: Port-au-Prince (imported)		Nov-16	0.85	15%	20%	20%
Honduras: San Pedro Sula (second quality)*		Nov-16	0.70	-5%	-8%	-11%
Mexico: Mexico City (sinaloa)*		Nov-16	0.68	3%	5%	16%
Nicaragua: Managua (oriental) (first quality)*		Nov-16	0.93	0%	2%	3%
Panama: Panama City (first quality)*		Nov-16	0.87	0%	0%	0%
SOUTH AMERICA	2007 2008 2009 2010 2011 2012 2013 2014 2015 2016			-100 0 100	-100 0 100	-100 0 100
Bolivia: La Paz (grano de oro)*		Nov-16	0.92	-8%	2%	-21%
Brazil: São Paulo		Oct-16	1.04	2%	17%	26%
Colombia: Ntl. Avg (first quality)		Nov-16	1.03	-4%	3%	30%
Ecuador: Quito (long grain)*		Nov-16	1.26	-1%	5%	22%
Paraguay: Asunción*		Oct-16	0.71	0%	11%	15%
Peru: Lima (corriente) *		Nov-16	0.63	3%	2%	1%
Uruguay: Ntl. Avg. (grade 1)*		Nov-16	1.10	2%	2%	28%
NORTH AMERICA	2007 2008 2009 2010 2011 2012 2013 2014 2015 2016			-100 0 100	-100 0 100	-100 0 100
United States: City Avg. (long grain, uncooked)		Oct-16	1.54	-6%	1%	-4%
EUROPE	2007 2008 2009 2010 2011 2012 2013 2014 2015 2016			-100 0 100	-100 0 100	-100 0 100
Italy: Milan (arborio volano)*		Nov-16	1.10	-28%	-33%	-28%

/1 *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.*

** Wholesale prices.*

Sources: FAO/GIEWS GIEWS Food Price Data and Analysis Tool; Korea Agricultural Marketing Information Service (KAMIS); Japan Ministry of Agriculture, Forestry and Fisheries; U.S. Bureau of Labor Statistics (BLS); Associazione Industrie Risiere Italiane (AIRI). Please note that prices shown are comparable over time, but not across countries, as they may refer to different stages of the marketing chain (e.g. retail versus wholesale prices), different rice types (e.g. aromatic versus non-aromatic) or different qualities of rice (e.g fully broken versus 5% brokens).

CLOSING STOCKS

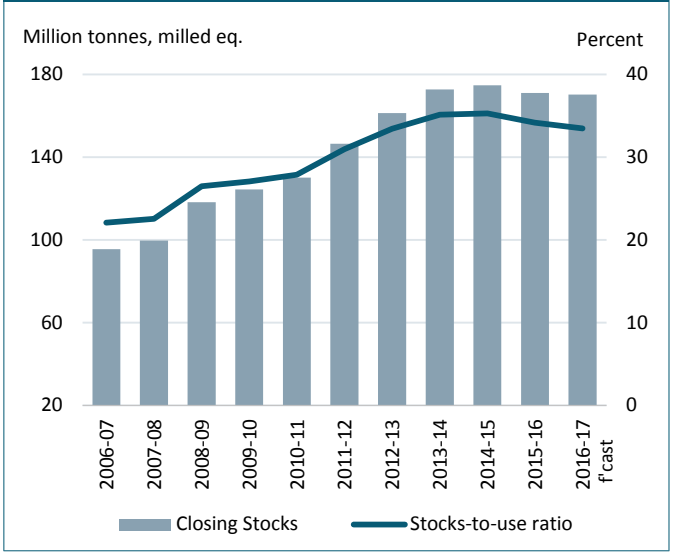
Global rice stocks in 2016/17 to remain mostly steady

Following adjustments to production and trade figures, FAO's forecasts of global rice inventories at the close of 2016/17 marketing years has been raised to 170.3 million tonnes (milled basis), up 400 000 tonnes from October expectations. At the revised level, world carryovers would stand 0.4 percent, or 730 000 tonnes, below their opening levels. This would result in the **world stocks-to-use ratio** passing from 34.2 in 2015/16 to a still abundant 33.5 percent in 2016/17. The reduction is forecast to concentrate in developing countries, where aggregate quantities stored could decline by 1 percent to 163.7 million tonnes. Instead, reserves held by developed nations are predicted to rise by 4 percent to 6.6 million tonnes.

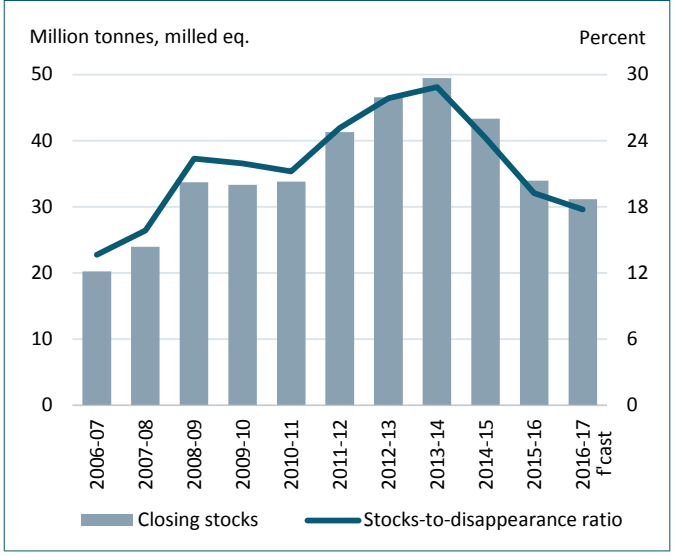
As a group, the ***five major rice exporters***[3] are now anticipated to close the 2016/17 season with 31.1 million tonnes on store, 400 000 tonnes more than reported in October, but still 8 percent lower than at the start of the season. The revision partly reflects a somewhat higher anticipated level of inventories in **India**. These are now placed at 16.7 million tonnes, down 7 percent year-on-year, on expectations of a livelier pace of Government stock releases through the public distribution programme. Yet, closing stocks could end higher in the country, should public procurement remain as upbeat as to date. By 1 December 2016, state agencies had absorbed 16.6 million tonnes of rice, up from 14.1 million tonnes during the corresponding year of 2015. A sharper drawdown is anticipated to concern **Thailand**, where public efforts to dispose of the still large quantities held in state granaries could lower overall inventories by 21 percent year-on-year to 8.4 million tonnes. Official stock releases have yet to resume in Thailand, as main-crop harvests are still in progress. Still, weather induced shortages of sugar are reported to be behind official plans to step-up releases of publicly owned deteriorated rice for ethanol production. While **Pakistan** is seen holding reserves broadly steady year-to-year, inventories by **Viet Nam** are now envisaged to strike a high of 3.3 million tonnes in 2016/17. This level would be 200 000 tonnes over October forecasts, owing to more subdued export prospects for 2016. Officials envisage a similar accumulation in the **United States**, which could see carryovers rise by 29 percent to 1.9 million tonnes, in the wake of bumper crop and an overall modest export advance. Based on these trends, the groups' **stock-to-disappearance ratio**[4] would pass from an estimated 19.2 in 2015/16 to 17.7 at the close of the current season.

Among ***rice importers***, the largest revision since October has concerned **China (Mainland)**, following downward adjustments to production estimates for the country. Inventories in China are now put 500 000 tonnes below previous expectations at 101.0 million tonnes. Yet, this level would continue to exceed the previous season's high by 3 percent, considering expectations that the high producer price policy pursued by authorities will lead to continued public stock accumulations. At the same time, interest in Government owned rice has remained limited. A total of 6.8 million tonnes of rice were sold from Chinese state reserves since start of 2016, representing just 5 percent of total volumes offered over the period. Among other buyers, forecasts were downscaled for the **Republic of Korea**, on higher anticipated feed consumption, and in the **Philippines** due to lower imports. Yet, inventories in

Global closing stocks and stocks-to-use ratio



Stocks held by the five major rice exporters and stock-to-disappearance ratio



[3] India, Pakistan, Thailand, the United States and Viet Nam.

[4] Defined as the sum of the five major exporters' stocks divided by the sum of the five countries' domestic utilization plus exports.

the former are still expected to exceed their opening levels by 12 percent, underpinned by an above average harvest and steady cuts in food use. Instead, a production upturn is expected to permit the Philippines to hold them steady at 2.7 million tonnes. Conversely, **Ghana**, **Madagascar**, **Mali** and **the United Republic of Tanzania** are all seen holding larger volumes than previously reported, adding to expected year-to-year gains in **Colombia**, the **European Union**, **Nepal** and **Peru**. Combined, these gains could largely offset drawdowns elsewhere. The largest of these would concern **Bangladesh,** on account of import cuts, but also **Sri Lanka** and **Brazil**, following poor production outturns.

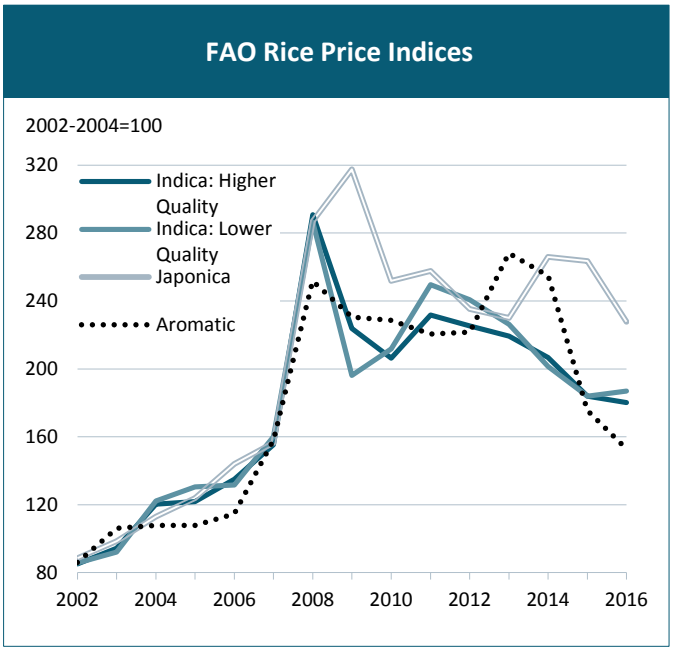
INTERNATIONAL PRICES

Harvest progress and lacklustre trade keep international rice prices in check

Although prices have followed diverging trends depending on the origin and quality, harvest progress and subdued buying interest have tended to keep international rice prices in check in recent months. This was reflected in the FAO All Rice Price Index (2002-2004=100), which has hovered around a value of 185-186 points since October. Looking at the various market segments, a somewhat livelier pace of sales, together with Thai efforts to shore up local quotations, resulted in the Higher Quality Indica Index edging up to a mid-December value of 170 points, 1 percent over October levels. Livelier trading activity in the Far East similarly aided a 2 point advance in the Japonica Index to 219 points. Yet, these gains were contrasted by a 1 percent decline in the value of the Aromatica and lower quality Indica indices, following the arrival of freshly harvested Hom Mali rice into the market and easing tightness of fully broken supplies.

From an annual perspective, international quotations in 2016 stood 8 percent below their levels in 2015, mirroring soft Japonica and Aromatic quotations. Indica prices tended to be less affected by the weakness, given production disruptions incurred in the first half of the year. These stood 2 percent below 2015 levels in the case of higher quality Indica rice, but 2 percent over last year's values in the case of lower quality Indica supplies.

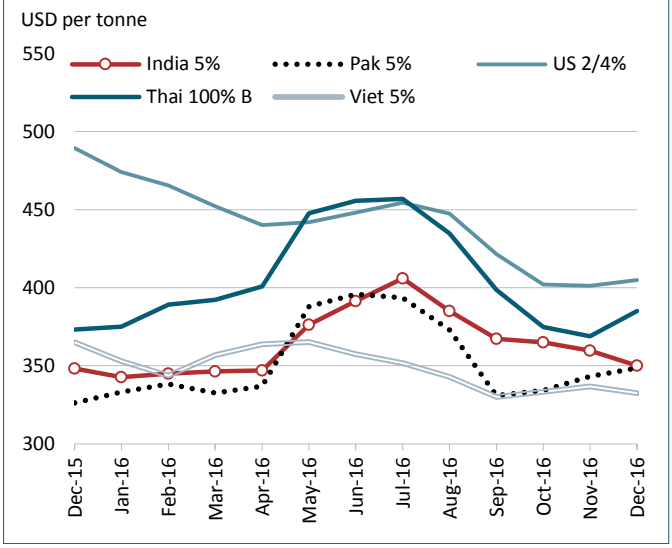
Looking at the major origins, new crop arrivals and subdued demand kept quotations in **Thailand** under pressure through much of November. Benchmark Thai 100% B white rice hit a fourteen-month low of USD 369 per tonne that month. Even steeper declines concerned fragrant varieties, with new crop Hom Mali rice quoted 29 percent below year-earlier values, at USD 630 per tonne. Thai prices only showed signs of a recovery in the latter part of November, as harvest pressure eased and support provided by the Government began to take a hold. The latter took the form of the extension on-farm pledging scheme to white and Pathumthani fragrant rice. The scheme now aims to delay the arrival of up to 3.0 million tonnes paddy into the market, adding to previously announced price support measures, including the suspension of stocks releases during harvest months and incentives to millers and traders to temporarily store up to 8.0 million tonnes of paddy. Combined with sales to private buyers in the Philippines, these measures resulted in Thai prices reversing nearly all losses incurred over the last quarter of the year. Thus by mid-December, Thai 100% B white rice stood 3 percent over its October level, exceeding its value at the close of 2015 by a similar margin.



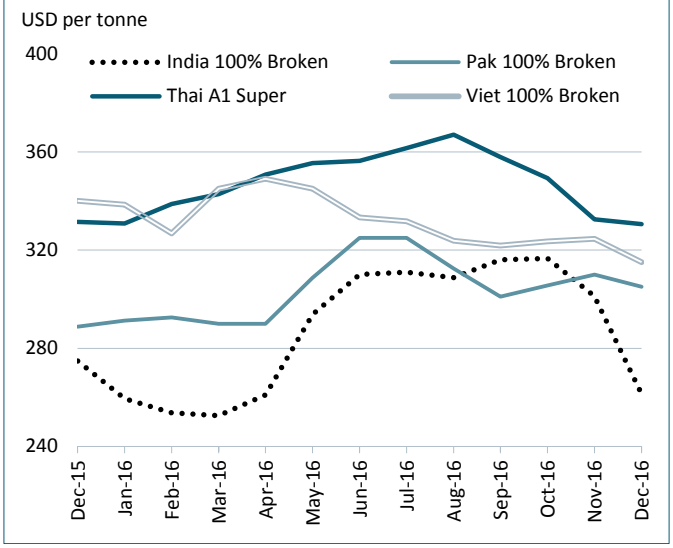
Export quotations also tended to regain ground in **Pakistan**, following of revival of sales to regular Asian and African outlets. Although upturns concerned most qualities traded by the country, gains were most evident for higher quality Indica varieties. Prices of 5% broken from Pakistan stood at USD 349 per tonne by mid-December, up 4 percent from October levels and essentially at par with Indian values against which it had traded at discount since mid-year.

Following the completion of the 2016 bumper harvest, lacklustre trade and currency factors provided little room for export prices to move up in the **United States.** US N.2 4% was quoted at USD 405 per tonne by December, up only slightly from October levels, but as much as 17 percent below year-earlier values. Sales to regular Far Eastern markets lent some more support in the medium-grain segment, where US N.1/4 recovered by 2 percent over the same period to USD 590 per tonne.

Export prices of higher quality Indica rice



Export prices of broken rice



Notwithstanding a fast pace of Government local purchases, quotations have tended to ease in **India**, pressured by new crop arrivals and a depreciating Rupee. Yet, movements proved limited, in the context of liquidity constraints associated with the November announced demonetisation policy, which slowed harvest progress and trading activity. Prices of fully broken supplies and basmati rice proved an exception to this trend. After rising almost uninterruptedly since March due to tight Rabi availabilities, Indian 100% brokens shed 17 percent of their October value to USD 262 per tonne. Instead, Pusa basmati prices have rebounded by 12 percent to USD 950 per tonne, underpinned by combination of increased sales to Near Eastern buyers and a lower basmati harvest.

Harvest delays and storm-related damages to crops sustained quotations in **Viet Nam** during November. Yet, gains proved short-lived as much anticipated sales to the Philippines and Indonesia failed to materialise, exacerbating on reduced cross-border sales to China (Mainland) stemming from increased border controls. This resulted in 25% brokens from the country easing to USD 320 per tonne in December, on par with price floors established by the Viet Nam Food Association in October and up to 7 percent below December 2015 values.

Looking ahead, harvest pressure on international quotations is likely to ease, as main-crop harvests in northern hemisphere countries draw to a close in the next few weeks. On the supply side, attention is then likely to turn to the progress of offseason crops north of the Equator and of 2017 main-crops in the southern hemisphere. Yet, considering that these crops will only be harvested during the second quarter of 2017, much is still likely to hinge on import decisions. Current prospects are that world demand will rekindle over the next calendar year, but Government decisions and currency factors are likely to continue to play a determining role in these respects. On the supply side, efforts to sustain prices in the major exporters, such as India and Thailand, will also be influential, as will developments in other cereal markets.

FAO Rice Price Indices

	All	Indica		Japonica	Aromatic
		Higher quality	Lower quality		
	2002-2004 = 100				
2012	**231**	**225**	**241**	**235**	**222**
2013	**233**	**219**	**226**	**230**	**268**
2014	**235**	**207**	**201**	**266**	**255**
2015	**211**	**184**	**184**	**263**	**176**
2015 December	197	180	181	242	152
2016 January	195	179	181	240	149
February	197	180	181	244	148
March	196	180	184	242	142
April	195	181	187	236	145
May	199	191	195	230	151
June	198	191	198	223	159
July	200	193	199	222	166
August	195	186	192	221	161
September	189	174	184	221	156
October	186	168	182	217	154
November	185	167	181	218	149
December*	186	170	181	219	152
2015 Jan.-Dec.	211	184	184	263	176
2016 Jan.-Dec.	193	180	187	228	153
% Change	-8.1	-2.1	1.7	-13.6	-13.0

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 brokens. The Sub-Index for Aromatic Rice follows movements in prices of Basmati and Fragrant rice.

** Two weeks only.*

EXPORT PRICES FOR RICE

		Thai White 100% B Second grade	Thai Parboiled 100%	U.S. Long Grain #2, 4%	Thai 5%	Viet 5%	Uru 5% 1/	India 25%	Pak 25%	Thai 25%	Viet 25%	Thai A1 Super 2/	U.S. California Medium Grain #1, 4%	Pak Basmati 3/	Thai Fragrant 4/
								(US $/tonne, f.o.b.)							
2011		**565**	**563**	**577**	**549**	**505**	**546**	**409**	**433**	**511**	**467**	**464**	**821**	**1 060**	**1 054**
2012		**588**	**594**	**567**	**573**	**432**	**584**	**391**	**396**	**560**	**397**	**540**	**718**	**1 137**	**1 091**
2013		**534**	**530**	**628**	**518**	**391**	**598**	**402**	**371**	**504**	**363**	**483**	**692**	**1 372**	**1 180**
2014		**435**	**435**	**571**	**423**	**410**	**599**	**377**	**366**	**382**	**377**	**322**	**1 007**	**1 324**	**1 150**
2015		**395**	**392**	**490**	**386**	**353**	**541**	**337**	**318**	**373**	**334**	**327**	**857**	**849**	**1 008**
2015															
	December	373	364	490	363	365	503	326	296	356	345	332	790	716	782
2016															
	January	375	377	474	369	353	479	321	303	361	340	331	775	734	783
	February	389	390	466	384	344	470	316	310	374	330	339	770	745	795
	March	392	391	452	384	357	435	323	309	375	341	343	745	681	793
	April	401	402	440	393	364	427	327	317	383	345	351	691	679	797
	May	448	444	442	433	365	453	346	348	415	346	355	658	750	802
	June	456	455	448	441	358	463	361	360	422	337	356	610	825	830
	July	457	492	454	442	352	492	362	367	423	332	362	606	907	816
	August	435	438	448	422	343	505	337	346	409	328	367	603	863	783
	September	399	396	421	385	330	502	326	318	379	319	358	602	836	770
	October	375	383	402	369	333	484	328	309	365	317	349	579	825	739
	November	369	365	401	360	337	479	325	317	354	324	333	586	823	630
	December*	385	380	405	374	333	480	325	318	364	320	331	590	840	683
2015	Jan.-Dec.	395	392	490	386	353	541	337	318	373	334	327	857	849	1 008
2016	Jan.-Dec.	407	409	438	396	347	472	333	327	385	332	348	651	792	768
% Change		2.8	4.4	-10.6	2.6	-1.5	-12.8	-1.3	2.7	3.3	-0.8	6.5	-24.0	-6.7	-23.7

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

1/ Long grain white rice, fob fcl. 2/ White broken rice. 3/ Basmati ordinary up to May 2011. Super kernel white basmati 2% from June 2011 onwards.

4/ Hom Mali rice, grade A.

... = unquoted

* Two weeks only.

RICE POLICY DEVELOPMENTS [5]

Area	Date	Policy Instrument	Description
Bangladesh	Nov-16	Government procurement	Announced that it would purchase 300 000 tonnes of rice from the 2016 Aman harvest. The procurement drive will run between 1 December 2016 and 15 March 2017, offering BDT 33 per kilo (USD 426 per tonne) purchased, up 6 percent from prices offered the previous year.
Cambodia	Oct-16	Export promotion	Reduced container loading fees charged on milled rice exports to USD 16 for 40-foot containers and to USD 10 for smaller ones. The measure seeks to enhance the sector's competitiveness and will be effective from 1 November 2016 to 31 December 2018.
China (Mainland)	Oct-16	Sector policy framework	Released the 13th Five-Year Plan for the Grain Industry. The plan emphasizes the importance of solving periodical and structural issues surrounding China's food supply and demand balance, while ensuring national food security in the long term. It states that the minimum purchase price policy for paddy and wheat will be maintained and improved, along with steady progress in reforming the maize procurement system, developing the target price policy for soybeans and improving the purchase policy for rapeseed. Technological innovation is also to be strengthened, along with the usage of information system in the agricultural sector. In particular, a "big data" strategy will be implemented by building national, provincial and corporate level information platforms. Information will also be open to the public, once necessary regulatory frameworks are put in place for the purpose. Additional objectives concern the reduction of grain losses at the farm, processing, transportation, and commercial stages and food waste at the consumer level. Among other points, the plan also encourages grain enterprises to develop cross-border production, storage, processing and logistic systems, and become top-tier international companies through mergers and acquisitions.
China (Mainland)	Oct-16	Sector policy framework	Released the National Agricultural Modernization Plan 2016-2020. The document lays emphasis in modernising agriculture, ensuring national food security, raising the quality and efficiency of agricultural production, improving farmer welfare and environmental sustainability. A grain production target of 550 million tonnes is set out for 2020, with officials seeking to maintain 100 percent self-sufficiency in wheat and rice. In particular, the plan calls upon stabilizing winter wheat area, while strengthening the production capacity of Japonica rice in northern regions and double cropping of paddy in southern China. Area planted to maize is to be reduced to 500 million mu (33.3 million hectares) in the “sickle bend” region, while area under soybeans would be raised to 140 million mu (9.3 million hectares) by 2020. The plan advocates the maintenance and improvement of the minimum purchase price policy for paddy and wheat, along with reforms to the maize procurement system. Among other objectives, the plan aims for a 97 percent rate of qualification in routine monitoring of agriculture products, and a 70 percent agricultural mechanization rate. Rural insurance and financial instruments are also to be strengthened and expanded.
China (Mainland)	Oct-16	Stock release	Offered a combined 512 553 tonnes of paddy for sale from state reserves through an auction held on 11 October 2016. The auction closed without a sale.
China (Mainland)	Oct-16	Stock release	Sold 984 tonnes of paddy from state reserves, out of a total of 458 399 tonnes offered through an auction held on 18 October 2016.
China (Mainland)	Oct-16	Stock release	Sold 2 569 tonnes of paddy from state reserves through an auction held on 25 October 2016. A combined 510 515 tonnes of paddy were offered for sale in the tender.

[5] The full collection of rice policies, starting in January 2011, is available at: http://www.fao.org/economic/est/est commodities/commodity policy archive/en/?groupANDcommodity=rice

Area	Date	Policy Instrument	Description
China (Mainland)	Nov-16	Stock release	Sold 16 101 tonnes of paddy from state reserves, out of a total of 511 895 tonnes offered through an auction held on 1 November 2016.
China (Mainland)	Nov-16	Stock release	Sold 4 845 tonnes of paddy from state reserve through an auction held on 8 November 2016. The total offered volume was 454 606 tonnes.
China (Mainland)	Nov-16	Stock release	Offered a combined 508 012 tonnes of paddy for sale from state reserve through an auction held on 15 November 2016. The auction closed without a sale.
China (Mainland)	Nov-16	Stock release	Sold 900 tonnes of paddy from state reserves, out of a total of 507 997 tonnes offered through an auction held on 22 November 2016.
China (Mainland)	Nov-16	Stock release	Sold 3 645 tonnes of paddy from state reserve through an auction held on 29 November 2016. Volumes offered amounted to 506 963 tonnes.
China (Mainland)	Dec-16	Stock release	Sold 7 601 tonnes of paddy from state reserves, out of a total of 507 241 tonnes offered through an auction held on 6 December 2016.
Ecuador	Oct-16	Production support, support prices	Announced that the National Storage Unit (Unidad Nacional de Almacenamiento) would purchase milled rice in addition to paddy, in order to sustain local quotations. The drive would offer USD 34 per 100 pounds (USD 750 per tonne) of Grade 1 rice and USD 33.5 for 100 pounds (USD 739 per tonne) of Grade 2 rice.
Egypt	Oct-16	Cultivation limits	Decided that a maximum of 704 500 feddans (296 000 hectares) could be cultivated with rice during the 2017 season, down from the 1.08 million feddan (452 000 hectares) area limit previously applicable. The measures is geared at preserving water resources, with rice cultivation further restricted to the Beheira, Damietta, Daqahliya, Kafr El-Sheikh, Port Said and Sharqiya governorates.
Egypt	Nov-16	Government procurement	Announced that it would raise the Government's paddy purchasing price to EGP 3 000 (USD 167) per tonne, up from EGP 2 300–2 400 (USD 128–134) per tonne announced in August 2016.
India	Nov-16	Production support	Following the withdrawal of INR 500 and 1000 notes from circulation in early November, decided that deadlines for payments of crop insurance premiums would be extended by fifteen days, in order to assist producers market their produce and fund cropping activities during the Rabi campaign. In addition, farmers would be permitted to withdraw up to INR 25 000 (USD 366) in cash per week from bank accounts, provided these were compliant with Know Your Customer (KCY) guidelines. Traders registered in the Agricultural Produce Market Committee (APMC) markets would also be allowed to withdraw INR 50 000 per week (USD 731) from their KCY compliant accounts.
India	Nov-16	Production support	Decided that farmers would be permitted to use the INR 500 notes, which were voided on 8 November as part of the demonetisation campaign, to purchase seeds from Government or state-sanctioned outlets.
India	Nov-16	Production support	Decided to disburse an additional INR 210 billion (USD 3.1) as credit through the National Bank for Agriculture and Rural Development (NABARD), in order to ease liquidity constraints faced by farmers during the Rabi campaign following the demonetisation drive.
Malaysia	Oct-16	Budgetary allocations/ Production	Announced that MYR 1.3 billion (USD 291 million) would be allocated to continue subsidies on fertilizers, seeds and prices for rice producers, as part of its 2017 budgetary allocations. A similar amount would additionally go to boost food production through infrastructural improvements, such as the expansion of irrigation and drainage infrastructure, farm roads, paddy

Area	Date	Policy Instrument	Description
		support	estates, and to enhance marketing of produce.
Nepal	Nov-16	Support prices	Re-established minimum support prices for paddy, which had been discontinued in 1997/1998. These were set at NPR 22 300 (USD 207 per tonne) in the case of common paddy and at NPR 20 700 (USD 192 per tonne) in the case of Mota Dhan varieties.
Pakistan	Nov-16	Futures trade	Approved the listing of Super Basmati paddy rice futures contracts in the Pakistan Mercantile Exchange.
Philippines	Oct-16	Production support	Approved a fund of PHP 2.3 billion (USD 46 million) to enable the National Irrigation Administration to cover operational costs, while abolishing the 2-3 cavans (100-150 kg) per hectare fee charged on users of irrigation as of 2017.
Sri Lanka	Nov-16	Budgetary allocations/ Production support	Announced that it would destine LKR 400 million (USD 2.8 million) to promote productivity improvements and modernisation in the agricultural sector, as part of its 2017 budgetary allocations. The funds would provide a 50 percent interest subsidy to farmers and farmer cooperatives investing in productivity enhancing practices or technologies and to medium-scale rice millers located in surplus producing regions that invest on processing and storage capacity. Additional funds would go to boost credit to farmer cooperatives, irrigation projects and to expand storage facilities, among others, with duties and taxes levied on imports of agricultural machinery also to be removed.
Sri Lanka	Nov-16	Food subsidies	Announced that 5 kilos of rice would be distributed to beneficiaries of the Samurdhi programme, as part of its 2017 budgetary allocations. The measure would come in addition to an expanded network of Lak Sathosa outlets in order to enhance vulnerable groups' access to rice and other foodstuffs at affordable prices.
Thailand	Nov-16	Production support	Set pledging prices for Hom Mali paddy to be applicable under the 2016 on-farm mortgaging programme. According to the decision, producers of Hom Mali paddy will receive THB 13 000 (USD 365) per tonne under the programme, inclusive of THB 2 000 (USD 56) outlay for harvesting and handling costs and THB 1 500 (USD 42) as compensation for storage costs. The scheme is to run from 1 November 2016 until 28 February 2017, targeting to cover 2.0 million tonnes of glutinous and fragrant paddy. Farmers not participating in the programme would still be eligible to receive the THB 2 000 (USD 56) assistance for harvesting and quality improvements.
Thailand	Nov-16	Production support	Decided to extend on-farm mortgaging programme for 2016 main crops to white and Pathum Thani fragrant paddy, allocating THB 18 billion (USD 506 million) for the purpose. Participating farmers will receive THB 10 500 (USD 295) per tonne white paddy pledged and THB 11 300 (USD 317) per tonne of Pathum Thani fragrant paddy. The mortgaging prices are inclusive of storage, harvesting and quality improvement incentives. Up to 1 million tonnes of Pathum Thani fragrant and white paddy are anticipated to be mortgaged under the scheme.
Thailand	Nov-16	Production adjustment program	Approved a budget of THB 8 billion (USD 225 million) to extend credit and input assistance to rice farmers agreeing to cultivate other crops during the 2016 secondary crop cycle. The scheme aims to convert 2.2 million rai (350 000 hectares) of offseason paddies to alternate crops, mostly maize.
Thailand	Nov-16	Production support	Decided that farmers pledging glutinous paddy under the 2016 on-farm mortgaging scheme would receive THB 13 000 (USD 365) per tonne of paddy, on par with mortgaging prices for Hom Mali paddy. As with other varieties, the sum is inclusive of a combined THB 3 500 (USD 98) outlay for storage, harvesting and quality improvements.
Turkey	Oct-16	Government procurement	Raised Government purchasing prices for Osmancık varieties (with a milling yield of 60 percent) by 6 percent to TRY 1 675 (USD 490) per tonne.
Uruguay	Nov-16	Production	Renewed a trust fund to assist rice producers service debts and fund productive activities, through a USD 60 million allocation.

Area	Date	Policy Instrument	Description
		support	The fund will be financed through a 3 percent tax on rice exports, applicable from 1 March 2017.
Venezuela	Oct-16	Import tariff	Exempted 94 basic necessities, including paddy seed, non-parboiled paddy, and polished/glazed milled rice, from customs duties. The measure will be effective for one year, effective 27 October 2016.
Vietnam	Oct-16	Minimum export prices	Set minimum export prices for 25% broken rice at USD 320 per tonne, effective 14 October 2016.
Vietnam	Oct-16	Import quota	Renewed a bilateral trade agreement with Cambodia, under which up to 300 000 tonnes of Cambodian rice may be imported free of duties per year.

TABLE 1: WORLD PADDY PRODUCTION

	2011-2013 Average	2014	2015 Estimate	2016 Forecast	Annual Change 2016 / 2015		2016 Previous	2016 Revision
	million tonnes					%	million tonnes	
WORLD	735.7	744.8	739.8	748.0	8.1	1.1	749.7	-1.8
Developing countries	710.2	718.3	714.8	721.3	6.5	0.9	723.0	-1.7
Developed countries	25.5	26.5	25.0	26.7	1.7	6.7	26.7	0.0
ASIA	667.6	673.7	669.2	676.5	7.3	1.1	678.6	-2.1
Bangladesh	50.8	51.8 G	52.5 G	52.5	0.0	0.1	52.3	0.2
Cambodia	9.2	9.3 G	9.3 G	9.5	0.2	1.8	9.5	-
China	204.6	208.2	209.8	208.6	-1.2	-0.6	210.8	-2.2
of which China (Mainland)	202.9	206.5 G	208.3 G	206.9 G	-1.3	-0.6	209.1 G	-2.2
India	158.6	158.2 G	156.5 G	161.5	5.0	3.2	161.5	-
Indonesia	68.7	70.8 G	73.0	71.9	-1.1	-1.5	71.9	-
Iran, Islamic Rep. of	2.2	2.3 G	2.7 G	2.9	0.2	7.4	2.9	-
Japan	10.8	10.8 G	10.5 G	10.7	0.1	1.4	10.6	0.0
Korea Rep. of	5.6	5.6 G	5.8 G	5.6 G	-0.1	-2.5	5.6 G	0.0
Lao PDR	3.3	4.0 G	3.8	4.0	0.2	4.7	4.0	-
Malaysia	2.6	2.6 G	2.7 G	2.6	-0.1	-3.5	2.6	-
Myanmar	28.3	28.2 G	27.5 G	28.0	0.5	1.9	28.0	-
Nepal	4.9	4.8 G	4.3 G	5.0	0.7	16.3	4.8	0.2
Pakistan	9.2	10.5 G	10.2 G	10.3	0.1	0.9	10.3	-
Philippines	18.0	18.9 G	17.5 G	18.7	1.2	6.9	18.7	-
Sri Lanka	4.1	3.4 G	4.8 G	4.5 G	-0.3	-7.2	4.5 G	-
Thailand	37.6	33.5	28.5	31.1	2.6	9.1	31.1	-
Viet Nam	43.4	45.0 G	45.2 G	43.9	-1.3	-2.9	44.2	-0.3
AFRICA	26.8	28.7	28.7	30.2	1.5	5.2	29.7	0.5
North Africa	5.9	6.3	5.9	6.3	0.4	6.8	6.3	-
Egypt	5.9	6.2	5.9	6.3	0.4	6.8	6.3	-
Western Africa	12.9	14.0	14.3	15.3	1.0	7.0	14.8	0.6
Côte d'Ivoire	0.7	0.8	0.9	0.8	0.0	-5.0	0.8	-
Guinea	1.9	2.0 G	2.0 G	2.2 G	0.1	6.2	2.1	0.1
Mali	2.0	2.2 G	2.3 G	2.8 G	0.5	20.6	2.5	0.4
Nigeria	4.6	4.9	4.8	5.0	0.2	4.2	5.0	-
Sierra Leone	1.2	1.2	1.0 G	1.1 G	0.1	11.1	1.1	0.1
Central Africa	0.5	0.6	0.5	0.5	0.0	-0.4	0.5	-
Eastern Africa	2.6	3.2	3.5	3.6	0.0	0.9	3.6	-0.1
Tanzania	2.1	2.6 G	3.0 G	3.0	0.0	1.3	3.0	-
Southern Africa	4.7	4.6	4.3	4.3	0.1	1.5	4.3	-
Madagascar	4.2	4.0 G	3.7 G	3.8 G	0.1	2.5	3.8 G	-
Mozambique	0.3	0.4 G	0.4 G	0.3 G	0.0	-6.7	0.3 G	-
CENTRAL AMERICA & CAR.	2.8	2.8	2.6	2.8	0.2	6.1	2.8	0.0
Cuba	0.6	0.6 G	0.4 G	0.5	0.1	19.6	0.5	-
Dominican Rep.	0.9	0.9 G	0.9 G	0.9	0.0	1.6	0.9	-
SOUTH AMERICA	24.5	24.7	25.7	23.3	-2.4	-9.2	23.4	-0.1
Argentina	1.6	1.6 G	1.6 G	1.4 G	-0.2	-10.3	1.4 G	-
Brazil	12.3	12.1 G	12.4 G	10.6 G	-1.8	-14.8	10.6 G	-
Colombia	2.0	1.9 G	2.1	2.5	0.4	19.6	2.5	-
Ecuador	1.2	1.1 G	1.3 G	1.1	-0.2	-14.0	1.2	-0.1
Peru	2.9	2.9 G	3.1 G	3.2	0.0	1.5	3.2	0.0
Uruguay	1.5	1.3 G	1.4 G	1.3 G	-0.1	-6.6	1.3 G	-
NORTH AMERICA	8.7	10.1	8.7	10.6	1.9	22.1	10.7	-0.1
United States	8.7	10.1 G	8.7 G	10.6 G	1.9	22.1	10.7 G	-0.1
EUROPE	4.3	4.0	4.2	4.3	0.1	1.2	4.3	0.0
EU	3.1	2.9 G	3.0 G	3.0	0.0	0.0	3.0	0.0
Russian Federation	1.0	1.0 G	1.1 G	1.2	0.0	3.7	1.2	-
OCEANIA	0.9	0.8	0.7	0.3	-0.4	-62.0	0.3	-
Australia	0.9	0.8 G	0.7 G	0.3 G	-0.4	-63.7	0.3 G	-

NOTES:

The 2016 paddy production season normally includes rice from the main paddy crops whose harvests fall in 2016, to which rice from all subsequent secondary crops, if any, is added.

Totals computed from unrounded data.

G Official figure.

TABLE 2: WORLD RICE IMPORTS

	2012-2014 Average	2015	2016 Estimate	2017 Forecast	Annual Change 2017 / 2016		2017 Previous	2017 Revision
	million tonnes, milled basis					%	million tonnes	
WORLD	42.0	44.7	42.0	42.9	0.9	2.1	43.4	-0.5
Developing countries	36.6	38.9	36.3	37.0	0.7	2.0	37.5	-0.4
Developed countries	5.4	5.7	5.7	5.9	0.2	3.2	6.0	-0.1
ASIA	20.1	23.2	19.7	20.4	0.7	3.6	21.1	-0.7
Bangladesh	0.5	1.1 G	0.1	0.3	0.2	150.0	0.4	-0.2
China	5.5	7.1	6.4	6.6	0.3	4.0	6.8	-0.2
of which China (Mainland)	5.0	6.6	5.9	6.2	0.3	4.2	6.3	-0.2
Indonesia	1.1	1.3	1.3	0.8	-0.5	-36.0	0.8	-
Iran, Islamic Rep. of	1.6	0.8 G	1.0	1.0	0.1	5.3	1.1	-0.1
Iraq	1.3	1.0	0.9	1.1	0.2	22.2	1.1	-
Japan	0.7	0.7 G	0.7	0.7	0.0	0.0	0.7	-
Malaysia	1.0	1.2	1.2	1.1	0.0	-0.9	1.2	-0.1
Philippines	1.2	2.0	1.0	1.2	0.2	15.0	1.3	-0.2
Saudi Arabia	1.3	1.6 G	1.3	1.4	0.1	5.3	1.5	-0.1
United Arab Emirates	0.7	0.9	0.8	0.9	0.0	6.3	0.9	-
AFRICA	14.6	13.7	14.1	14.3	0.2	1.2	14.1	0.2
Côte d'Ivoire	1.3	1.4	1.4	1.4	0.0	-2.8	1.3	0.1
Nigeria	3.3	2.2	2.3	2.5	0.2	8.7	2.5	-
Senegal	1.2	1.4	1.2	1.2	-0.1	-4.2	1.1	0.1
South Africa	1.0	0.9 G	0.8	0.9	0.0	4.9	0.9	-0.1
CENTRAL AMERICA & CAR.	2.0	2.3	2.3	2.3	0.0	-1.6	2.4	-0.1
Cuba	0.4	0.5 G	0.5	0.5	0.0	-4.0	0.5	0.0
Mexico	0.6	0.6 G	0.6	0.6	0.0	1.6	0.7	0.0
SOUTH AMERICA	1.6	1.5	1.8	1.7	0.0	-2.3	1.7	0.1
Brazil	0.7	0.3 G	0.7	0.7	0.0	0.0	0.7	0.1
NORTH AMERICA	1.1	1.1	1.2	1.2	0.0	0.9	1.2	0.0
United States	0.7	0.8 G	0.8 G	0.8 G	0.0	1.3	0.8 G	-
EUROPE	2.0	2.3	2.4	2.4	0.1	3.3	2.5	0.0
EU 1/	1.4	1.8 G	1.8	1.9	0.1	3.3	1.9	0.0
Russian Federation	0.2	0.2 G	0.2	0.2	0.0	0.0	0.2	-
OCEANIA	0.5	0.5	0.5	0.5	0.0	-1.2	0.5	0.0

NOTES:

Totals computed from unrounded data.

G Official figure.

1/ Excluding EU intra-trade.

TABLE 3: WORLD RICE EXPORTS

	2012-2014 Average	2015	2016 Estimate	2017 Forecast	Annual Change 2017 / 2016		2017 Previous	2017 Revision
	million tonnes, milled basis					%	million tonnes	
WORLD	42.1	44.7	42.0	42.9	0.9	2.2	43.4	-0.5
Developing countries	37.8	40.5	37.8	38.5	0.7	1.8	39.0	-0.5
Developed countries	4.3	4.2	4.2	4.4	0.2	5.6	4.4	-
ASIA	34.0	37.1	34.0	34.9	0.9	2.5	35.5	-0.6
Cambodia	1.2	1.2	1.3	1.2	-0.1	-4.0	1.3	-0.1
China	0.4	0.3	0.5	0.4	0.0	-8.7	0.4	-
of which China (Mainland)	0.4	0.3 G	0.4	0.4	0.0	5.7	0.4	-
India	10.8	11.2 G	10.1	10.8	0.7	6.9	10.7	0.1
Myanmar	1.4	1.7 G	1.2	1.1	-0.1	-8.3	1.5	-0.4
Pakistan	3.7	4.1 G	4.3	4.4	0.1	2.3	4.5	-0.1
Thailand	8.1	9.8 G	9.9	9.6	-0.3	-3.0	9.4	0.2
Viet Nam	8.2	8.4	6.5	7.1	0.6	10.1	7.4	-0.3
AFRICA	0.6	0.5	0.6	0.6	0.0	-1.5	0.5	0.1
Egypt	0.4	0.4	0.4	0.4	0.0	0.0	0.4	0.0
SOUTH AMERICA	3.3	2.9	3.2	3.1	-0.1	-4.4	3.1	0.0
Argentina	0.5	0.3 G	0.6	0.5	0.0	-3.6	0.5	0.0
Brazil	0.9	0.9 G	0.6	0.6	0.0	-6.3	0.7	-0.1
Guyana	0.4	0.5 G	0.5	0.5	0.0	-4.0	0.5	-
Uruguay	0.9	0.7 G	0.9	0.9	0.0	-2.2	0.9	0.0
NORTH AMERICA	3.2	3.4	3.5	3.6	0.1	2.9	3.6	-
United States	3.2	3.4 G	3.5 G	3.6 G	0.1	2.9	3.6 G	-
EUROPE	0.4	0.4	0.4	0.4	0.0	-6.4	0.4	-
EU 1/	0.2	0.2 G	0.3	0.2	0.0	-15.4	0.2	-
Russian Federation	0.2	0.2 G	0.2	0.2	0.0	9.7	0.2	-
OCEANIA	0.5	0.3	0.2	0.4	0.2	74.8	0.4	-
Australia	0.5	0.3	0.2	0.4	0.2	75.0	0.4	-

NOTES:

Totals computed from unrounded data.

G Official figure.

1/ Excluding EU intra-trade.

TABLE 4: END OF SEASON STOCKS 1/

	2012-2014 Average	2015	2016 Estimate	2017 Forecast	Annual Change 2017 / 2016		2017 Previous	2017 Revision
	million tonnes, milled basis					%	million tonnes	
WORLD	160.2	174.7	171.0	170.3	-0.7	-0.4	169.9	0.4
Developing countries	154.4	168.4	164.7	163.7	-1.0	-0.6	163.4	0.4
Developed countries	5.8	6.3	6.3	6.5	0.2	4.0	6.5	0.0
ASIA	150.2	164.3	160.1	159.6	-0.5	-0.3	159.6	0.1
Bangladesh	6.9	7.5	7.3	6.7	-0.6	-8.2	6.7	-
Cambodia	1.5	1.7	1.6	1.7	0.1	6.3	1.7	0.1
China	76.7	92.9	98.0	101.3	3.3	3.3	101.8	-0.5
of which China (Mainland)	76.5	92.6	97.8	101.0	3.2	3.3	101.5	-0.5
India	25.2	21.5	18.0	16.7	-1.3	-7.2	16.5	0.2
Indonesia	7.0	6.3	6.6	6.5	-0.1	-1.5	6.5	-
Iran, Islamic Rep. of	0.7	0.6	0.4	0.5	0.1	12.5	0.5	-
Japan	3.5	3.5 G	3.4	3.3	-0.1	-2.4	3.3	0.0
Korea Rep. of	1.1	1.5	1.6	1.8	0.2	12.1	2.0	-0.1
Lao PDR	0.3	0.5	0.5	0.6	0.1	14.0	0.6	-
Malaysia	0.3	0.3	0.3	0.3	0.0	-3.1	0.2	0.1
Myanmar	3.2	2.5	2.4	2.5	0.1	4.2	2.2	0.3
Nepal	0.4	0.5	0.3	0.4	0.1	33.3	0.4	-
Pakistan	0.5	1.1	0.9	0.9	0.0	0.0	0.9	-
Philippines	2.0	2.6 G	2.7 G	2.7	0.0	-1.2	2.8	-0.1
Sri Lanka	0.2	0.4	0.7	0.6	-0.2	-21.4	0.6	-
Thailand	16.2	16.2	10.7	8.4	-2.3	-21.5	8.4	-
Viet Nam	2.8	3.0	2.9	3.3	0.4	13.8	3.1	0.2
AFRICA	5.1	5.7	5.3	5.3	0.0	0.7	4.9	0.4
Egypt	0.7	0.7	0.6	0.8	0.2	27.1	0.8	-
Nigeria	1.1	1.0	0.6	0.6	0.0	3.4	0.6	-
CENTRAL AMERICA & CAR.	0.5	0.5	0.5	0.5	0.0	0.2	0.5	0.0
Dominican Rep.	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SOUTH AMERICA	2.4	1.7	2.5	1.8	-0.7	-26.6	1.9	0.0
Argentina	0.1	0.2	0.4	0.2	-0.1	-34.2	0.2	-
Brazil	1.3	0.6 G	0.7 G	0.2 G	-0.4	-67.2	0.2 G	-
Ecuador	0.1	0.0	0.1	0.0	-0.1	-52.6	0.0	0.0
Peru	0.3	0.3	0.4	0.4	0.0	9.1	0.4	-
NORTH AMERICA	1.2	1.6	1.5	1.9	0.4	27.5	2.0	0.0
United States	1.2	1.6 G	1.5 G	1.9 G	0.4	28.6	1.9 G	0.0
EUROPE	0.7	0.7	0.8	1.0	0.2	18.0	1.0	0.0
EU	0.5	0.4 G	0.6 G	0.7	0.1	21.9	0.7	0.0
Russian Federation	0.1	0.1	0.1	0.1	0.0	18.2	0.1	-
OCEANIA	0.2	0.2	0.3	0.1	-0.2	-60.7	0.1	0.0
Australia	0.1	0.2	0.2	0.1	-0.2	-76.1	0.1	-
GOVERNMENT STOCKS								
Bangladesh	0.9	0.9 G	1.0 G	0.8	-0.2	-16.7	0.8	-
India	21.7	14.2 G	15.9 G	13.5	-2.4	-15.2	13.5	-
Japan	1.6	1.5 G	1.5	1.4	-0.1	-6.2	1.4	-
Philippines	0.6	0.8 G	0.9 G	1.0	0.0	4.0	1.0	-

NOTES:

Totals computed from unrounded data.

G Official figure.

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

TABLE 5: RICE SUPPLY AND UTILIZATION IN MAIN EXPORTING COUNTRIES

	Opening Stocks	Production	Imports	Total Supply	Domestic Use	Exports	Closing Stocks
	thousand tonnes, milled basis						
INDIA							
2014-15	25 500	105 479 G	2 G	130 980	97 265	12 216 G	21 500
2015-16 est.	21 500	104 320 G	1 G	125 821	97 520	10 301 G	18 000
2016-17 f'cast	18 000	107 672	1	125 673	98 923	10 050	16 700
PAKISTAN							
2014-15	650	7 003 G	42 G	7 695	2 737	3 908 G	1 050
2015-16 est.	1 050	6 811 G	40	7 901	2 707	4 344 G	850
2016-17 f'cast	850	6 870	40	7 760	2 760	4 150	850
THAILAND							
2014-15	19 550	22 147	266	41 963	15 237	10 526 G	16 200
2015-16 est.	16 200	18 867	250	35 317	14 591	10 026 G	10 700
2016-17 f'cast	10 700	20 588	250	31 538	13 638	9 500	8 400
UNITED STATES							
2014-15	1 025 G	7 106 G	783 G	8 914 G	4 301 G	3 061 G	1 552 G
2015-16 est.	1 552 G	6 107 G	766 G	8 425 G	3 529 G	3 421 G	1 475 G
2016-17 f'cast	1 475 G	7 454 G	746 G	9 675 G	4 222 G	3 556 G	1 897 G
VIET NAM							
2014-15	2 730	29 234 G	543	32 507	21 492	8 015	3 000
2015-16 est.	3 000	29 390 G	500	32 890	21 568	8 422	2 900
2016-17 f'cast	2 900	28 535	550	31 985	22 235	6 450	3 300

FOOTNOTES:

Data refers to national marketing years: October-September for India, September-August for Pakistan, August-July for Thailand and the United States and January-December for Viet Nam.

Totals computed from unrounded data.

G Official figure.

The FAO Rice Market Monitor (RMM) provides an analysis of the most recent developments in the global rice market, including a short-term outlook. Current and previous issues of the RMM can be consulted at: **http://www.fao.org/economic/RMM**.

Monthly updates of selected rice export prices are available on the FAO Rice Price Update at: **http://www.fao.org/economic/RPU.**

A collection of major rice policy developments starting in January 2011 is available at: http://www.fao.org/economic/est/est-commodities/commodity-policy-archive/en/?groupANDcommodity=rice.

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