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Commodity Markets, Policy Analysis and Projections Service
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ROUND-UP

- Estimates of **world paddy production in 2006** have been cut by 2 million tonnes since December 2006, to 629 million tonnes. At that level, the 2006 paddy season, just concluded, would yield 4 million tonnes less than the record achieved in 2005. Much of the contraction is anticipated to reflect smaller crops in **Asia**, which were negatively affected by an irregular pattern of the monsoons and insect attacks. Production also fell in **Latin America and the Caribbean,** but rose in **Africa** for the fifth consecutive year. Results were mixed in the **rest of the world.**
- The first forecast of **world production in 2007**, although still very tentative, points to a recovery to 633 million tonnes, matching the 2005 record. The upturn would be driven by developing countries, since production in the developed countries is anticipated to fall for the third consecutive year, bringing their participation down to less than 4 percent of the world total. Expectations of growth generally reflect positive price expectations and renewed institutional support to the sector, but also assume a return to average growing conditions.
- Much of the 2007 expected production gains are expected to originate in ***Asia,*** where all the major producing countries are foreseen to grow more rice this season, with a few exceptions. Among these, production may fall in Japan and the Republic of Korea, a consequence of undergoing sectoral reforms, but also in Indonesia, where a late arrival of the rainfall reduced plantings, and in Sri Lanka. On the other hand, strong output growth is anticipated in Bangladesh, Cambodia, the Islamic Republic of Iran, Laos, Malaysia and Nepal, with more modest gains foreseen for China, India, Thailand and Viet Nam.
- In ***Africa***, a further increase in paddy output may be witnessed in 2007, provided growing conditions in the coming months are not unfavourable. Much of the increase would be prompted by rising prices but also by government support to the sector. However, in Madagascar, where the season is already quite advanced, production may fall, as a result of heavy floods that hit the country early this year.
- In ***Latin America and the Caribbean (LAC)***, the outlook is positive in Central America and the Caribbean, but negative in South America, especially for Argentina, Brazil and Uruguay. However, Colombia, Guyana, Peru and Venezuela may all reap larger crops, owing mainly to improved return prospects, which could boost plantings.
- For countries belonging to ***other regions,*** expectations are mixed: again in the grip of drought, Australia is set to harvest one of the smallest crops on record. A 3 percent decline is foreseen in the United States, where producers are shifting to more profitable crops. This contrast with positive prospects for the EU, where the sector is set to recover from last year's lack of rainfall, and for the Russian Federation, where reduced external competition, following the stepping up of border protection, is anticipated to stimulate production further.
- As production prospects deteriorated, FAO's forecast of **World trade in 2007** has again been raised and now stands at 29.8 million tonnes, 900 000 tonnes more than previously anticipated. This would represent a 1.2 million tonne increase from 2006 and almost match the 2005 trade record. The anticipated rise in trade in 2007 reflects greater supply needs by importing countries facing production shortfalls. There is less pressure for trade expansion from an exporter perspective, given that major exporting countries may also face supply constraints.
- Much of the expected increase in **world imports** in 2007 would be on account of increased deliveries to **Asian countries**, especially Bangladesh, Indonesia, Nepal, the Philippines and Viet Nam, while **African countries** could cut theirs in the trail of good 2006 paddy seasons. Imports by countries in **LAC** are set to rise, sustained by larger purchases by Brazil, Colombia and Peru, that would compensate for smaller shipments to Mexico and Cuba. In the ***rest of the world***, the United States and the European Union are poised to import more in 2007, while an increase in border protection could depress purchases by the Russian Federation.
- Among **exporters**, only Thailand and Cambodia appear to be in a position to respond to the growing import demand by substantially stepping up deliveries. Attractive world prices may also foster a small increase of exports from India and Egypt, but most of the other major suppliers, including Australia, Pakistan, the United States and Viet Nam are now foreseen to cut theirs.
- **World rice inventories** at the end of national crop seasons in 2007 have been revised downwards to 103 million tonnes from a previous estimate of 105 million tonnes, largely a reflection of the worsening of the 2006 production outlook. At that level, global rice inventories would have fallen by almost 3 million tonnes compared with their opening levels, resulting in a deterioration of the stock-to-use ratio from 25.1% to 24.3 % between 2006 and 2007.
- Since December last year, **export prices of rice** from all origins have remained on a steady upward trend, as indicated by the FAO All Rice Price Index (1998-2000=100) that passed from 115 in December 2006 to 120 in March 2007. The strength concerned most quotations, in particular fragrant rice varieties and rice from Pakistan.
- As April and May coincide with the harvesting of the main 2007 crops in the southern hemisphere and of the secondary 2006 crops in the Northern hemisphere, the tendency for prices to rise may be dampened until June by the arrival of new supplies to the market. However, prices are unlikely to weaken much, given expectations of continued strong import demand, while governments in Thailand, Viet Nam and now Cambodia are also adamant about keeping them at remunerative levels. The general price outlook therefore points to continued gains in the coming months.

Commodity Exchanges and their Role in Market Development and Transparency

15 – 16 May 2007, Grand Cevahir Convention Centre in Istanbul, Turkey

Registration is free of charge but advance booking is required *

HIGHLIGHTS

Commodity exchanges and derivatives markets
Ann Berg – Industry Expert

Commodity trading in Turkey and challenges to viable derivatives contracts
Kivilcim Metin – Özcan – Bilkent University

China's commodity exchanges
Xiqui Li – China National Grain and Oils Information Centre, Beijing, China

Success stories and challenges of introducing agricultural contracts in India
Lamon Rutten – Joint Managing Director of Multi Commodity Exchange of India Ltd –MCX

Cereal markets in the Former Soviet Union – Why commodity and derivative markets are needed
Alex Belozertsev – Industry Expert

Innovative mechanisms in Latin American and Caribbean commodities exchanges
Leonela Santana Boada – UNCTAD

The relevance of export driven derivatives markets for South American producers
Jorge Westcamp, Chairman – ROFEX

Improving the functioning of commodity markets in developing countries – Practical experience
Andrey Kuleshov – CFC

The new order of global derivatives trading
Adam Gross – UNCTAD

Future of agricultural trading on mega– exchanges
James Cashman – CBOT

PROPOSED ACCOMMODATION

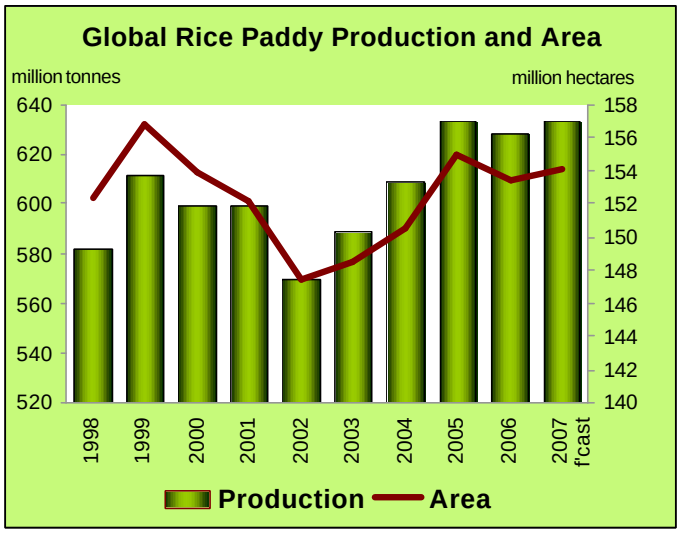
1. **Grand Cevahir Hotel and Convention Centre**, 34112 Darulaceze Sokak 9 Sisli, Istanbul, Turkey (Five stars) – http://www.grandcevahirhotel.com/eng/default.htm
2. **Dedeman Hotel,** Yildiz Posta Caddesi No: 50, Esentepe 34340 Istanbul, Turkey (Five stars) – http://www.turkeyhotelstours.com/dedemanhotelistanbul.asp
3. **Divan City Hotel,** Büyükdere Cad. No:84 34398 Gayrettepe / Istanbul (Four stars) – http://www.divan.com.tr/hotel/cityist/default.asp?sxx=0

* More information on the event is available at:
http://www.fao.org/es/esc/en/20953/21002/21510/event_111108en.html
Enquiries may be addressed to the secretariat at: IGG-Rice-and-Grains-2007@fao.org

I. PRODUCTION

1.1. REVIEW OF PRODUCTION IN 2006

Latest estimates confirm a slight contraction in global paddy production in 2006



The global paddy production outlook for 2006 has been cut by about 2 million tonnes since the release of the December issue of the Rice Market Monitor, as prospects deteriorated in several countries. Downward revisions mainly concerned Bangladesh (-1.8 million tonnes), Cambodia (- 200 000 tonnes), Indonesia (- 258 000 tonnes), the Islamic Republic of Iran (- 300 000 tonnes), Pakistan (-300 000 tonnes), Thailand (- 268 000 tonnes), Viet Nam (- 369 000 tonnes), Madagascar (- 100 000 tonnes), Nigeria (- 876 000 tonnes), the Dominican Republic (- 72 000 tonnes), Peru (- 175 000 tonnes) and Venezuela (- 215 000 tonnes). By contrast, the 2006 production estimates were raised in the case of India (+ 1.6 million tonnes), the Democratic Republic of Korea (+279 000 tonnes), the Philippines (+118 000 tonnes), Burkina Faso (+99 000 tonnes), Guinea (+330 000 tonnes), Mali (+69 000 tonnes), The European Union (+63 000 tonnes) and the Russian Federation (+55 000 tonnes).

Based on the latest estimates, world paddy production declined from a record 633 million tonnes in 2005 to 629 million tonnes in 2006, largely confirming the adverse impacts of an erratic monsoon in Asia and the development of an El Niño event in the later part of 2006. Intensive rice cultivation also gave rise to disease and insect attacks problems that entailed heavy losses in several Asian countries.

A. Asia

The 2006 paddy season ends negatively in the region

In *Asia*, the 2006 paddy season ended negatively with production falling by 3 million tonnes to 569 million tonnes, reflecting widespread declines across the region, largely imputable to an irregular pattern of the monsoon rains. In **Bangladesh**, production in 2006 is anticipated to fall to 39.2 million tonnes, well below the initial government target of 44 million tonnes and a 1.5 percent less than the 39.8 million tonnes harvested in 2005. The first Aus crop was 14 percent smaller than that of the 2005 season, reflecting a lack of rainfall but also the competition from higher value crops. The main Aman crop, harvested between November and January, also suffered from scanty precipitation and shortages of fertilizers and rising fuel costs. Likewise, shortages of basic inputs have marred prospects for the third, irrigated, Boro crop. Although the Government distributed high yielding seeds to farmers, severe shortages of fertilizers were reported up to early March 2007, causing farmer unrest and demonstrations in several parts of the country. **China** (**Mainland)** ended the 2006

paddy season with virtually no growth, largely reflecting adverse conditions which reduced the size of the intermediate, single rice crop, the shortfall of which was compensated through an increased late-rice crop. As a result, the country's semi-official production estimate stands at 180.7 million tonnes, marginally above the 180.6 harvested in 2005. The 2006 paddy season is concluding in **Cambodia** with the gathering, in March, of the second, irrigated, crop. The government is predicting a 5 percent increase in production, which would make it strike a new record of 6.3 million tonnes. Much of that increase is likely to be destined to the export market. With the harvesting of the second Rabi crop, in April-May, **India** will have completed the 2006 paddy season. Although still preliminary, production is forecast to drop by 1.1 million tonnes in 2006 to 136.6 million tonnes (91.05 million tonnes, milled basis), against an initial target of over 139 million tonnes (92.79 million tonnes, milled basis). The year-to-year decline reflects expectations of a smaller secondary (Rabi) crop, partly caused by a shift of land from rice to wheat cultivation, following the stepping up of wheat support prices.

India – Rice Milled Production by Crop (million tonnes)

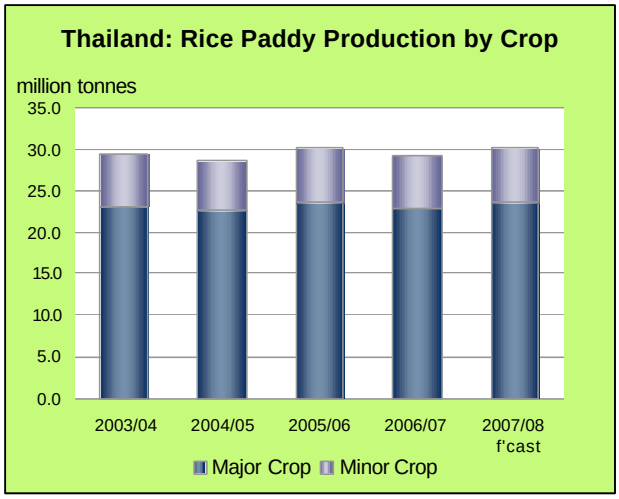
	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Kharif	77.48	72.78	80.52	63.08	78.62	72.23	78.27	78.54
Rabi	12.20	12.20	12.82	8.74	9.91	10.90	13.52	12.51
Total	**89.68**	**84.98**	**93.34**	**71.82**	**88.53**	**83.13**	**91.79**	**91.05**

Source: Department of Agriculture & Cooperation – India.

The 2006 season was generally positive for **Indonesia**, which recorded a small production increase to 54.4 million tonnes, reflecting favourable weather conditions, a low incidence of pests and diseases and marked increases in producer support prices. In **Japan**, paddy production in 2006 dropped by 5 percent to 10.684 million tonnes, owing to insufficient sunshine and the impact of two typhoons that hit the country in August and September. Official estimates in the **Democratic Popular Republic of Korea** (Korea, DPR) indicate a more optimistic outcome of the 2006 season than previously anticipated, with production set at 2 478 521 tonnes and yields at 4.248 tonnes per ha, which would result in a 100 000 tonne decline only from the relatively buoyant output in 2005. Production in the **Republic of Korea** fell by 2 percent in 2006, following a contraction in the area under rice.

Floods at harvest time also contributed to a drop in **Malaysia**. In **Myanmar**, production in 2006 remains forecast at 25.2 million tonnes, marginally above the 25.08 million tonne officially estimated for 2005. Following a downward revision by the Government, paddy production in **Pakistan** is estimated to have fallen to 8.1 million tonnes in 2006, down from a record 8.3 million tonnes in 2005 and 300 000 tonnes less than last prospected. The yearly decline mainly reflect substantial crop losses in the lower Sindh, caused by excessive rainfall. Besides the quantitative cut, the adverse weather conditions also impaired the quality of the grain, making it more difficult for exporters to get suitable supplies to meet contracted sales. As a result, strong price increases have been witnessed over the past three months, disrupting the normal flow of trade which now absorbs about 57 percent of production. In **the Philippines,** paddy production in 2006 (July 2006 – June 2007) has been slightly revised upward to 15.4 million tonnes, which would imply a 2 percent rise from 2005 and a new record. The increase from the previous season reflects a good main paddy crop grown over the second semester of 2006, as damage from the typhoons that hit the country in the last quarter was limited, but also positive crop prospects over January-June 2007. Over that

period, improved water availability is reckoned to foster an increase in plantings, while yield growth could be sustained by a larger use of hybrids.



According to the latest official forecast, **Thailand** harvested 29.4 million tonnes of paddy in 2006, slightly less than the 29.7 million tonnes previously anticipated, and 860 000 tonne below the 2005 outcome of 30.3 million tonnes. The cut was largely caused by flooding problems which reduced the area under rice in the northern and central plains over the main crop, but also by an unusually dry and cool weather in several north and north-eastern provinces, which caused problems to the secondary crop harvested in March. The Government rice procurement scheme over the main paddy season, which was opened on 1 November 2006, concluded on 28 February 2007. Although the programme had made allowance for the purchase of up to 9 million tonnes of paddy from the main 2006 crop, the actual volume pledged by producers amounted to 1.8 million tonnes only, well down from the 5.3 million tonne procured over the main 2005 paddy crop. The drop was mainly a reflection of the high prices farmers could obtain from private traders, which rendered the scheme less attractive to them. Procurement for the secondary paddy crop will be operational from 16 March 2007 to 31 July. The Government has allocated funds for purchasing up to 2.5 million tonnes from that crop, at slightly higher prices than those applied over the main season. Indeed, the official prices of the various rice qualities covered by the pledging scheme were all raised by Baht 100 per tonne compared with those applied to the main crop, reaching Baht 6600 per tonne for 100% white rice, Baht 6500 per tonne for 5% broken and Baht 6000 per tonne for 25% broken white rice.

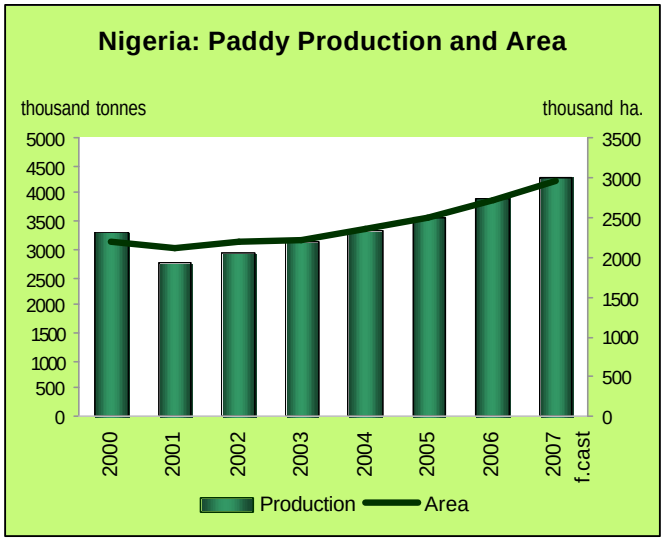
In **Viet Nam,** the latest official estimate of paddy production in 2006 was revised downward from 36.2 million tonnes to 35.8 million tonnes to take account of damage caused in the north by a cold spell, at the beginning of the season, and drought in the Red River Delta. Growing regions in the south also incurred losses from drought followed by flooding over the summer/autumn crop growing period, while severe insect attacks affected 100 000 hectares of rice fields in the Mekong River Delta. The sector was further impaired by rising prices of petrol, fertilizers and insecticides. Despite all those hindrances, the level of production of 35.8 million tonnes estimated for 2006 was virtually unchanged compared with 2005.

B. Africa

Paddy production in Africa rises for the sixth consecutive year

Production in *Africa* is estimated to have reached 21.6 million tonnes in 2006, 1.2 million tonnes or 6 percent above 2005 and the fifth consecutive year of increases. In the *Northern part of the region*, **Egypt** officially reported to have gathered 6.528 million tonnes, about 400 000 tonnes more than in 2005 and the highest level on record. The growth reflected an expansion of the area from 613 300 hectares to 669 100 hectares (well above the Government ceiling of 420 000 hectares), which compensated for a small drop in yields. Much of the increase in plantings was sustained by strong domestic and export demand, which kept producer prices buoyant. In *Western Africa*, the latest estimates confirm the generally positive outcomes of paddy crops in 2006, consistent with the

favourable weather conditions that prevailed over the season and the positive effects of the adoption of Nerica rice varieties, which are spreading in the sub-region. Substantial production increases were reported in **Burkina Faso, Gambia, Guinea, Mali, Niger, Nigeria, Senegal and Togo**. Gains were spectacular in **Burkina Faso,** where production rose by 102 percent to 189 175 tonnes. Despite a contraction of plantings, production also rose extensively in **Mali**, which harvested over 1 million tonnes in 2006, up from 946 000 tonnes in 2005, as excellent growing conditions boosted yields.



In **Nigeria,** the tendency for production to rise was confirmed by the official figures recently released, although these were lower than those carried by FAO. According to the government, the country gathered 3.924 million tonnes in 2006, 876 000 tonnes lower than FAO's estimate, but 10 percent above the 2005 official level of 3.567 million tonnes. Growth in 2006 was sustained by favourable weather conditions and by strong institutional support under the "Presidential Initiative on Rice Production, Processing and Export" in place since 2004.

By contrast, production in **Chad, Côte d'Ivoire** and **Mauritania** is estimated to have fallen in 2006. In *Southern Africa*, goods rains and improved access to fertilizers and seeds led to a doubling of production in **Malawi** in 2006. **Madagascar** also gathered a relatively good crop, now estimated at 3.4 million tonnes, 100 000 tonnes less than the previous forecast and virtually unchanged from 2005. In *Eastern Africa*, production rose strongly slightly in **Tanzania** and **Uganda.** Some gains were also recorded in **Kenya.**

C. Latin America and the Caribbean

In absence of major setbacks, paddy production in Central America and the Caribbean recovered in 2006, while it fell in South America

Overall, paddy production in *Latin America and the Caribbean* is estimated to have fallen from 26.4 million tonnes in 2005 to 24.6 million tonnes in 2006, as increases in *Central America and the Caribbean* failed to compensate for a reduction in South America. In Central America and the Caribbean, most countries ended their paddy season positively, as the incidence of hurricanes this year was lower than usual, especially if compared with 2005. In the aggregate, production rose to 2.41 million tonnes, from 2.30 million tonnes in 2005. Much of the increase reflected gains in **Cuba, the Dominican Republic, El Salvador, Guatemala** and **Mexico**, which compensated for some decline in **Costa Rica**, **Nicaragua** and **Panama**. In the **Dominican Republic**, the success in raising production to levels close to self-sufficiency was attributed to the policies designed by the National Rice Committee, where private and public rice stakeholders are represented, and to the well-functioning of the national warehouse receipt programme ("Programa Nacional de Pignoración), which helps finance storage costs born by rice producers and millers at harvest time.

In *South America*, production fell from 24.1 million tonnes in 2005 to 22.2 million tonnes in 2006, largely reflecting cuts in **Brazil, Colombia, Ecuador, Peru** and **Venezuela**, largely caused by poor prices in 2005, which depressed rice cultivation. The decline was particularly severe in **Brazil** and

Venezuela, where production is estimated to have fallen by 12 percent and 20 percent, respectively, reflecting a shift of resources from rice to more remunerative crops. Based on the latest government estimates, **Peru** witnessed a 10 percent decline to 2.225 million tonnes. On the other hand, excellent yields helped propel production in **Argentina, Bolivia** and **Chile**. Despite incurring some losses to floods, which affected the first crop, paddy production in **Guyana** recovered partly in 2006, reaching some 469 000 tonnes, up from 420 000 tonnes in 2005. Much of this growth was the result of good yields over the second paddy crop.

E. Rest of the world

Production in 2006 expands in Australia and the Russian Federation but declines in the EU and the United States

In the rest of the world, production in the **United States** contracted by 13 percent to 8.788 million tonnes in 2006, the lowest level since 2000, following a 20 percent cut of the area, attributed to adverse weather conditions and rising costs. Because of drought problems, production in the **European Union** also declined, though less than last anticipated, with the Union's overall output now estimated at 2.613 million tonnes, compared with 2.693 million tonnes in 2005. By contrast, the sector recorded an increase of 19 percent and 8 percent, respectively, in the **Russian Federation** and **Ukraine**. In **Australia, a** respite from lingering drought problems also made production rebound to its higher level since 2002.

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1.2. PRODUCTION OUTLOOK FOR 2007

Global production in 2007 set to recover to a near record level

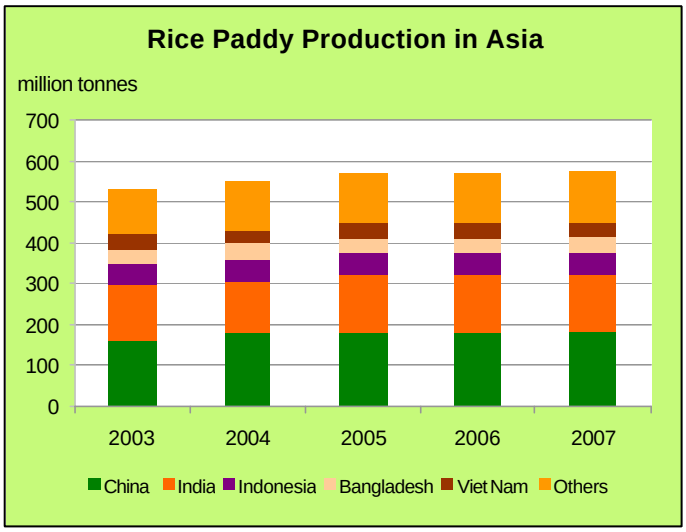
According to the climate organizations, the 2006/07 El Niño conditions dissipated in February 2007, which is expected to result in a more normal rainfall pattern in the next few months. This would positively influence the late development of 2007 crops in the southern hemisphere, but also spring planting in several northern hemisphere countries. As a result, FAO's first outlook of global production in 2007 is positive, under the assumption of a return to more "normal" weather conditions, given the relatively high prices that have prevailed in most countries and the renewed commitment for support to the sector from governments. At the current forecast of 633 million tonnes, production in 2007 would be very close to the record level achieved in 2005 and 4 million tonnes larger than in 2006. The recovery is anticipated to be sustained by developing countries, since production in the developed countries could fall for the third consecutive year to 23.2 million tonnes, 1.5 million tonnes less than in 2006, bringing their participation in the world total down to less than 4 percent.

At this time of the year, however, production forecasts are very tentative, as the 2007 paddy season has not yet started in countries located in the northern hemisphere, which include the major producers. On the other hand, countries along and south of the equator are already harvesting their first 2007 crops, which were put in the ground in the last few months of 2006.

A. Asia

Production in Asia forecast to recover in 2007

Based on the more favourable weather outlook, positive prospects on prices and renewed support by governments, paddy production in Asia is forecast to reach 574 million tonnes in 2007, 5.1 million tonnes, or 0.9 percent, above the current 2006 estimate.

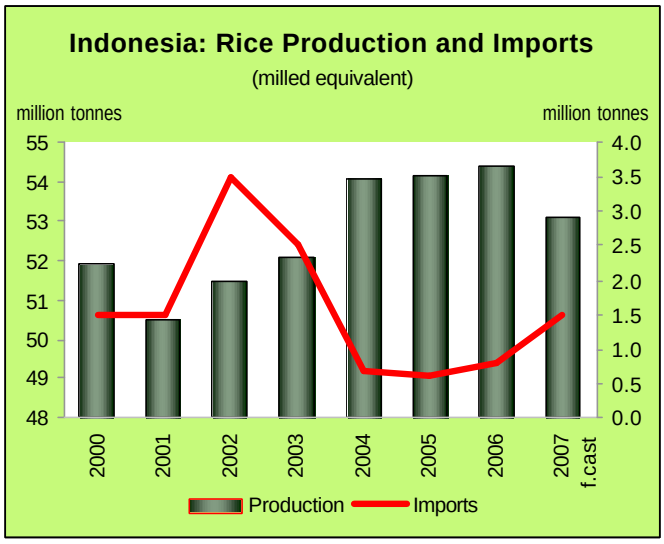


As **Bangladesh** will not start planting the first (Aus) 2007 paddy crop until April, prospects for production in the coming season are very uncertain. Assuming average growing conditions, FAO's first production forecast stands at 40.50 million tonnes, 1.3 million tonnes more than currently estimated for 2006. Prices have been rising in the country, also affecting retail levels. To check the surge, the government recently announced it would release rice through open market sales, at a price of Taka 15.25 per kg, starting on 15 March 2007, and reactivate the Food-for-Work Programme.

Cambodia's production prospects for the 2007 paddy season, which will not begin until the main crop is planted in June, are also positive, at 6.5 million tonnes, as rising exports are anticipated to sustain prices. In **China (mainland)**, production is set to register a 1 percent increase over the 2007 season, the first crop of which is currently at the planting stage. Although the semi-official forecast points to a production level of 187 million tonnes, FAO's outlook is more bearish, at 183 million tonnes, given reports of below normal precipitation in southern and south-western China this spring, which is affecting important rice-growing provinces such as Sichuan. Nonetheless, some growth is anticipated, given continued state support to the sector through various programmes. For instance, rice producers in a number of key rice-producing provinces (Anhui, Heilongjiang, Hubei, Hunan, Jiangxi, Jilin and Sichuan) will continue to benefit from "protective prices" set at Yuan 1500 (US$ 186) per tonne for Japonica paddy rice and Yuan1400 (US$ 186) per tonne for Indica paddy rice, which represent the minimum levels at which procurement corporations such as "SinoGrain" buy from farmers. Other support measures include subsidies on high yielding seeds, fuel, fertilizers, a 20-30 percent contribution on the purchase of agricultural machinery and a subsidy of up to 60 percent on insurance premiums. In addition, agricultural land taxes have been abolished since 2004. China, which is estimated to have lost 8 million hectares of arable land between 1996 and 2005, is viewing with concern the results of a report from various key departments and research centres, on the potential impacts of climate changes on agriculture in the country. According to study results published in January, China's average temperature might increase by 2 to 3 degrees Celsius in the coming 50-80 years, which could depress grain yields by up to 37 percent. This is particularly worrying for a country that will have to rely exclusively on productivity gains to sustain production. Despite the resulting pressure, China's Bio-safety Committee meeting in November declined from recommending the commercial release of GM rice varieties for cultivation by farmers.

In **India**, the 2007 paddy season will begin in June, with the arrival of the south-west monsoon rains that will trigger plantings of the main Kharif crop. Given the dependence of the paddy season

on the monsoon rains, production in the country can fluctuate widely. Assuming a normal progress and distribution of the rains over the season, production may recover to 137 million tonnes in 2007. As China, India is becoming growingly concerned by the consequences of climate change for agricultural production. Studies in the country looking at the impacts of climate change on rice production highlighted the negative long term effects of a rise in temperatures over the growing season, with an increase of one degree Celsius roughly estimated to lower paddy yields by 10 percent. Climatologists predict a world-wide rise in mean air temperatures within a range of 1.4 -5.8 degree Celsius by the end of the century.



The 2007 paddy season is already well advanced in **Indonesia**, since the country, located south of the equator, gathers about 65 percent of annual rice output between March and June. According to the Government first forecast, paddy production in 2007 may fall by 2 percent to 53.1 million tonnes, following a 3 percent cut in plantings caused by the late arrival of rainfall, normally due in September – October, but which only reached the country in December. As part of a rice production expansion programme, the government announced in March the distribution of 8000 tonnes of hybrid rice seeds for sale to farmers, subject to a maximum price. Meanwhile, rice retail prices have kept rising in the country, prompting the state agency, Bulog, to release about 250 000 tonnes of rice a month since November under open market operations. However, high farm prices are constraining Bulog's ability to purchase rice locally to meet the quantities needed to cover the government distribution programmes.

In **Japan,** the government announced a production target, of 8.280 million tonnes of husked rice, equivalent to 10.350 million tonnes of paddy for 2007. The target, announced in November 2006, has been allocated by the Ministry of Agriculture, Forestry and Fisheries to individual prefectures. However, according to the on-going reform of the rice sector, 2007 should be the last year the Ministry would fix a rice production target. In the **Democratic Republic of Korea**, production is expected to remain in the order of 2.5 million tonnes in 2007, as neighbouring Republic of Korea announced it would resume its deliveries of fertilizers to the neighbouring country. These had been suspended following the DPR Korea's missile and nuclear tests in July and October 2006. In the **Republic of Korea,** plantings are expected to fall again in 2007, as farmers have strong incentives to leave their rice land idle as they receive a "direct payment for the adjustment of rice production" of Won 3 million (US$ 3000) per hectare. So, assuming a similar tendency as observed in recent years, plantings may fall by around 20 000 ha in 2007 to 935 000 ha, which under normal yield conditions of about 6.64 tonnes per ha, would bring paddy production down to 6.2 million tonnes, compared with 6.3 million tonnes in 2006.

Under its 2006-2010 Development Plan, **Laos** has targeted rice production to rise to 3.3 million tonnes by 2010. Meanwhile, FAO's forecast for 2007 stands at 2.8 million tonnes, 8 percent more than in 2006. Much of the progress should reflect the dissemination of higher yielding rice varieties in the country and positive prospects for rice exports. Like in 2006, flooding has also hampered paddy crops in **Malaysia** in December and January, although no assessment of the damage has been yet released. Reflecting the supportive policy stance, the country is expected to harvest 2.2 million

tonnes of paddy in 2007, which would imply a 10 percent recovery from last season. Given the recurrence of the floods and fear of more permanent effects from climate change and global warming, the Government was reported in March to be studying the introduction of a programme to prevent and respond to natural disasters and emergencies. Under the Ninth Five Year Development Plan, covering the 2006-2010 period, Malaysia has given agriculture a central role to play as an engine of economic growth and a vehicle for narrowing the urban/rural income gap. A major breakthrough of the Plan was the shift of emphasis from the export-oriented agricultural sector to food production for the domestic market. For rice, it led to a much higher 2010 self-sufficiency target of 90 percent, substantially above the previous target of 65 percent. The new orientation was also evidenced by a 12.5 percent rise in paddy producer support prices in 2006/07, which had not been changed for the past ten years. In December 2006, the country also announced the introduction of its first high-yielding hybrid rice variety, as instrumental to raise the rate of rice self-sufficiency. In **Myanmar**, the 2007 paddy season will not start until June, when planting of the main crop starts. FAO does not foresee much change in production, currently set to remain around 25.2 million tonnes. Domestic prices have been reported surging in the country since late last year, which triggered restrictions on inter-provincial rice movements, latter suspended.

In **Pakistan**, output in 2007 is very preliminary forecast at 8.4 million tonnes. To some extent, such an outcome could be achieved if increased support is provided to the sector. In March 2007, the Government announced the allocation of Rupees 15 billion (US$ 247 million) to promote irrigation efficiency and productivity of smaller producers. However, rice was not included among the commodities benefiting from a number of incentives, such as less stringent terms on credits obtained under the Export Finance Scheme and the exemption of sale taxes on utilities and packaging material. On the other hand, there have been rumours about the government allowing the trading of rice, wheat sugar, cotton and crude palm oil futures contracts in the National Commodity Exchange. In the **Philippines**, the 2007 season starts in July. FAO's first forecast points to a 400 000 tonne increase to 15.8 million tonnes, assuming normal weather conditions and continued strong support under various programmes. In this connection, the government announced its intention to raise the area under hybrid rice and certified seeds from 225 371 ha in 2006 to 400 000 ha in 2007, under a Pesos 2.1 billion (US$ 44 million) allocated to rice this year. On the other hand, the withdrawal of the 50 percent subsidy on hybrid rice seed, as of 2007, may contrasts with such goals. Under the current objective to achieve self-sufficiency by 2010, the Government has earmarked Pesos 27.5 billion (US$ 570 million) for the rehabilitation and development of irrigation over 2008-2012, which should permit to increase irrigated rice fields by 7 percent to 1.6 million hectares and paddy production by over 500 000 tonnes a year. In **Sri Lanka,** harvesting of the 2007 main, Maha, crop has been in progress since February and is about to conclude. Preliminary assessments by the authorities point to an 8.7 percent smaller Maha crop compared with 2006, which, according to FAO, may translate into a 4 percent decline in production to 3.2 million tonnes for the full paddy season, which also covers the secondary Yala crop. The Government has been reported to have purchased paddy from farmers at Rupees 17.50 per kilo (US$ 159 per tonne) for Samba paddy and Rupees 16.50 per kilo (US$ 150 per tonne) for Nadu paddy, somewhat above market prices, while at the same time trying to release rice supplies from stocks to free space for the new crop.

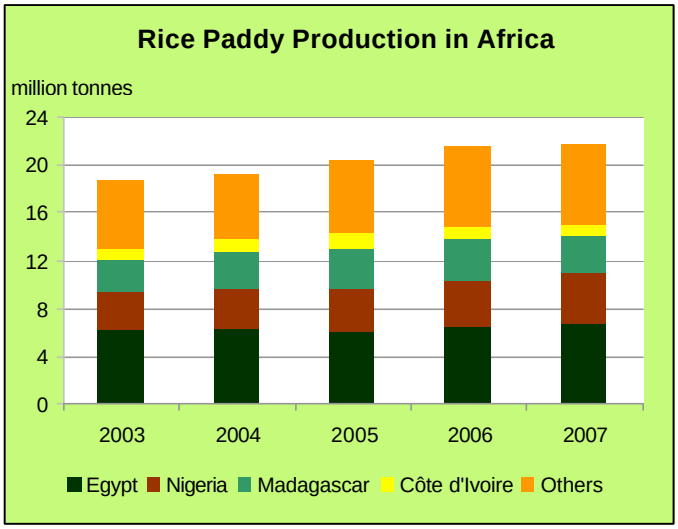
Prospects of production in **Thailand** over the 2007 paddy season have been tarnished by fears of a recurrence of an El Nino phenomenon later over the year, against which the government has announced preventive measures. Farmers, in particular, will be encouraged to shift to less water-demanding crops, while local governments will be called to store more water in reservoirs. As a result, FAO only foresees production to recover to 30.2 million tonnes in 2007, up from the 29.4 million tonnes estimated in 2006. **Viet Nam** is now engaged in harvesting the first 2007 (winter-spring) paddy crop. Insect attacks, in particular brown plant hoppers, have been recurring in the

Mekong River Delta, where rice is cultivated intensively, with three paddy crops being grown in succession every year. The pest epidemic, which broke in mid-2006, remains a threat in about 500 000 hectares of winter / spring rice fields in southern Viet Nam, prompting the Government to launch preventive measures, including by funding farmer purchases of plant protection products. As a result, the current official forecast for paddy production is 2007 is rather subdued, at 36 million tonnes, also reflecting fears of an El Niño recurrence.

B. Africa

After the strong growth in 2006, production is forecast to change little in 2007, as less favourable weather conditions are likely to prevail

At this period of the year, 2007 paddy crops are at the harvest stage in countries south of the equator, while northern, western and eastern African countries will plant them between April and June.



In *Northern Africa*, **Egypt** is currently forecast to harvest 6.6 million tonnes in 2007, slightly more than in 2006, as producers are likely to respond to continued attractive prices by intensifying cultivation. The increase in production is expected to stem from productivity gains, given the limited scope for further area growth. Egypt is one of most performing countries in terms of rice productivity, gathering up to 9.9 tonnes of paddy rice per hectare, as virtually all producers use high yielding, short-maturing and water-saving varieties.

In *Western Africa*, countries are preparing land for planting, as rains should soon reach the region. Given the importance of rainfed rice systems in the region, the outcome of the season highly depends on the pattern of rainfall in the coming months. Assuming average conditions, the sub-region may gather about 9.6 million tonnes, up from the current estimate of 9.3 million tonnes in 2006. Much of this growth is likely to originate in **Nigeria**, which is set to harvest 4.3 million tonnes, 10 percent more than in 2006. Production is also likely to increase in **Ghana** and **Guinea** and to recover in **Chad** and **Benin.** In **Senegal,** the Government has launched a national rice programme with an ambitious production target of 375 000 tonnes in 2007, which would represent a 28 percent increase from 2006. However, FAO's forecast is more restrained, at 300 000 tonnes, which would represent only a small increase from the previous season. By contrast, prospects are negative in **Burkina Faso**, where the good 2006 crop was reported to have depressed prices, and for **Côte d'Ivoire.** On the other hand, a return to normal, less favourable, yields may bring production down somewhat in **Mali**.

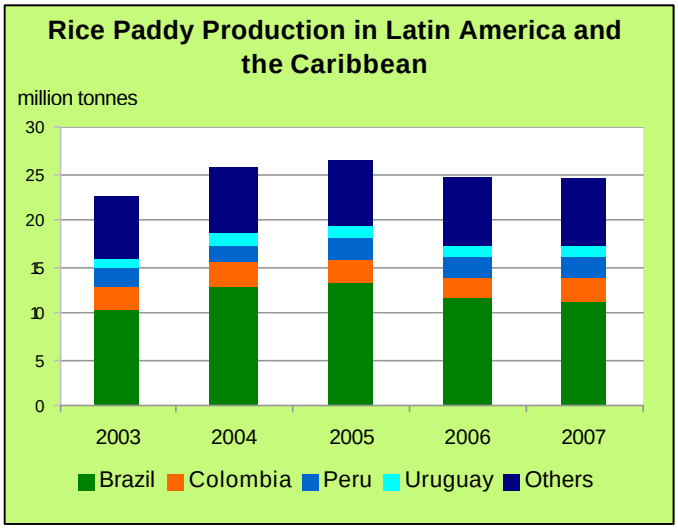
In southern Africa, the first 2007 paddy crops were planted late last year, with harvests starting in April. Heavy rains in December and January were reported to have caused localized floods in **Malawi, Mozambique** and **Madagascar**. In the first two countries, the impact on rice crops is expected to be limited, while in **Madagascar**, 200 000 tonnes were estimated to have been lost. Production in the country is now set to fall to 3.2 million tonnes, down from a revised 3.4 million tonnes in 2006. In January 2007, the authorities announced their intention to promote rice

cultivation with the purpose to double production within 5 years and reach a self-sufficiency level of 7 million tonnes by 2012. In eastern Africa, precipitation in **Tanzania** was above-normal in January, which was reported to be favouring the development of rice crops planted in December. As a result, rice production is forecast to remain close to the high level of 1.2 million tonnes gathered in 2006.

C. Latin America and the Caribbean

Little change in paddy production anticipated for 2007

Overall, paddy production in Latin America and the Caribbean is forecast to reach 24.5 million tonnes in 2007, marginally below the estimate for 2006. Based largely on expectations of normal weather conditions, production in *Central America and the Caribbean* is foreseen to rise slightly to 2.5 million tonnes. Only **Costa Rica** is anticipated to record a sizeable increase, as the sector recovers from a drought-induced drop in 2006.



Likewise, little change is anticipated in *South America*. Harvesting of the 2007 main paddy crops is already in progress in most countries in the sub-region, where an overall 22.1 million tonnes are expected to be gathered, slightly less than in 2006. The decline would be mostly imputable to **Brazil**. According to the sixth planting survey conducted by CONAB, the area under rice in the country would be similar to last year's level of 3 million hectares, since a reduction in central and southern regions would be largely compensated by increases in the north and in the northeast. However, given the much lower yields obtained in the later regions, overall production is expected to fall by about 2 percent to 11.3 million tonnes. In **Argentina**, the area planted this season has been estimated in the order of 168 850 ha, down from 170 320 ha in 2006. Growing conditions so far have been satisfactory, raising expectations of a production level of 1.13 million tonnes, slightly below the 1.19 million tonnes harvested in 2006. In **Uruguay,** the area under rice also fell, by as much as 21 percent, because of drought in the last months of 2006. Excellent growing conditions, however, have sustained yields to a record of 8.0 tonne per ha, which has offset somewhat the cut in the area. As a result, rice production is set to fall to 1.120 million tonnes in 2007, 13 percent less than last year.

By contrast, production is expected to rebound in **Colombia,** as attractive producer prices in 2006 are expected to foster a recovery in plantings. In addition, the Government has renewed its support to agriculture and launched in December 2006 a programme "Agro, Ingreso Seguro" (Agriculture, Secure income). The programme aims at supporting those agricultural products most exposed to import competition following the conclusion of bilateral trade agreements. It also promotes investments to modernize the sector and to enhance commercialization of its products. About Pesos 38.4 billion (US$ 16.3 million) were earmarked for the rice sector, to be used to fund low interest rate investment loans.

Colombia: Average monthly paddy prices						
	2001	2002	2003	2004	2005	2006
	Pesos per tonne					
January	448.207	483.521	523.744	618.100	558.695	572.875
February	521.455	484.568	573.711	636.973	554.892	575.261
March	549.128	485.424	591.124	625.173	572.237	579.048
April	536.771	491.874	601.186	620.771	575.652	595.607
May	517.999	513.164	602.941	611.025	575.995	621.153
June	517.771	520.263	607.540	586.612	571.048	643.542
July	491.696	513.263	594.080	573.889	562.597	643.174
August	474.756	489.584	536.325	547.336	556.406	637.856
September	478.536	490.360	534.822	519.150	559.982	655.604
October	481.061	492.113	553.242	519.616	563.921	666.771
November	482.543	496.717	578.681	521.000	567.496	651.249
December	482.329	504.939	593.647	537.314	571.262	628.655
Source: Fedearroz						

In **Ecuador**, planting of the 2007 main paddy crop has been completed. Production over the season might be affected by an on-going drought that is affecting the early development of the crop in the coastal regions. Consequently, FAO anticipates production to fall somewhat this season. According to the Government target for 2007, **Guyana's** output may grow by about 20 000 tonnes, to 494 300 tonnes. The country is currently engaged in modernizing the sector, under a US$ 3 billion "Rice Competitiveness Project", largely focused on improving drainage and irrigation infrastructures. Expectations in **Peru** are positive, with the sector set to recover in 2007. In the medium term, however, production could be affected by the decision of the government to cut rice cultivation in the coastal areas, as a means to preserve water. In **Venezuela,** a small recovery may take place in 2007, to 800 000 tonnes, following the granting by the government of a Bolivar 73 000 (US$ 34) per tonne subsidy to rice producers over the season, to compensate for rising costs.

E. Rest of the world

Negative 2007 production outlooks for Australia and the United States contrast with positive expectations in the European Union and the Russian Federation

In *Oceania*, **Australia** is again heading towards a dismal 2007 crop, as drought since August 2006 has sharply reduced availability of water for irrigation. In its February report, the Australian Bureau of Agricultural and Resource Economics (ABARE) reported water storage levels falling well short of capacity in most regions, including in New South Wales where the bulk rice is grown. Water scarcity is estimated to have resulted in an 89 percent cut of the area under rice to 12 000 hectares.

In *North America*, the area under rice in the **United States** may fall by almost 7 percent to 1.070 million hectares in 2007, according to the USDA survey on planting intentions released in March, with much of drop concentrated in the Delta and South East. Under expectations of continued yield growth, the area reduction is foreseen to bring production down to some 8.5 million tonnes, the lowest since 1998.

USA – Rice Prospective Plantings: Area by Class and State [1/] (000 ha.)								
	2006				2007			
	Long Grain	Medium Grain	Short Grain	All	Long Grain	Medium Grain	Short Grain	All
Arkansas	526.1	42.5	0.4	569.0	457.3	36.4	0.4	494.1
California	2.4	186.2	24.3	212.9	2.8	186.2	26.3	215.3
Louisiana	137.6	4.0	0.0	141.6	141.6	4.0	0.0	145.7
Mississippi	76.9	0.0	0.0	76.9	72.8	0.0	0.0	72.8
Missouri	87.0	0.4	0.0	87.4	76.9	0.4	0.0	77.3
Texas	60.3	0.4	0.0	60.7	64.3	0.4	0.0	64.8
Total	**890.3**	**233.5**	**24.7**	**1148.5**	**815.9**	**227.4**	**26.7**	**1070.0**

[1/] Released March 30, 2007.

Source: National Agricultural Statistics Service (NASS), Agricultural Statistics Board, USDA.

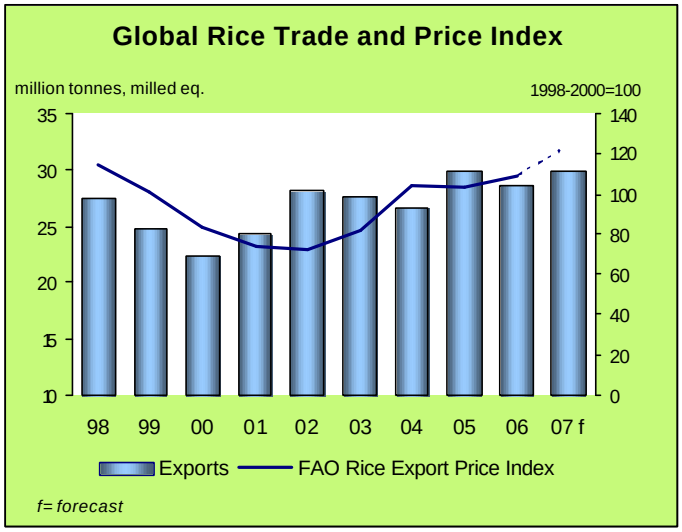
In *Europe*, **the European Union** is forecast to record a 6 percent increase in production to 2.772 million tonnes in 2007, reflecting the high producer prices that have prevailing since the enlargement of the Union to 25 members in 2005, which may encourage producing member countries to raise plantings to their established area ceilings. A strong increase is envisaged in Spain, where two consecutive years of drought in 2005 and 2006 had led to sizeable cuts in rice cultivation. Based on current planting intentions, the area under rice may increase in **Italy** by 1.5 percent this season to 232 500 hectares, despite a lack of precipitation this winter, which could boost output in the major producing country in the Union. Following the accession of **Romania** and **Bulgaria** in 2007, a rice base area of 4166 hectares and of 500 hectares is to be assigned to Bulgaria and Romania, respectively. Because the overall EU base area is to remain at 400 689 ha, the accession of the two countries will result in small downward adjustments to the base areas of the other 25 member countries. Production in the **Russian Federation** is expected to remain close to the high level achieved in 2006.

II. INTERNATIONAL TRADE IN RICE

Trade in rice to expand by 4 percent in 2007 to a new record

Because a large part of the crops harvested in the northern hemisphere countries in 2006 would be traded in 2007, the deterioration of the 2006 outlook and resulting expectation of a global production decline point to a particularly tight world rice supply and demand situation in 2007. Furthermore, because prospects regarding the 2007 crops currently under harvest in southern hemisphere countries are also poor, the market situation may tauten further in the course of the year.

The latest FAO forecast for global rice trade in 2007 stands at 29.8 million tonnes, about 900 000 tonnes more than previously anticipated and 1.2 million tonnes above the current 2006 trade estimate. The upward revision mirrors increased needs by importing countries facing production shortfalls, since there is little pressure for trade to expand from an exporter perspective, given the limited supplies held in exporting countries. If the current outlook is confirmed, trade in 2007 would virtually match the 2005 record.



The most relevant upward revisions to the 2007 import prospects, compared with those presented in the previous issue of the RMM, concerned Bangladesh (+400 000 tonnes), Brazil (+150 000 tonnes), the EU (+150 000 tonnes), Indonesia (+700 000 tonnes), the Islamic Republic of Iran (+150 000), the Philippines (+200 000 tonnes) and Viet Nam (+100 000 tonnes). On the other hand, import forecasts were lowered for Guinea (-100 000 tonnes), Senegal (-50 000 tonnes) and Turkey (-235 000 tonnes).

As for exports in 2007, a more buoyant outlook was drawn for Cambodia (+300 000 tonnes), China mainland (+300 000 tonnes), India (+400 000 tonnes), Thailand (+300 000 tonnes) and the United States (+100 000 tonnes), which more than offsetting a lowering of export forecasts in the Republic of Korea (-100 000 tonnes) and Pakistan (-450 000 tonnes).

A. Rice imports in 2007

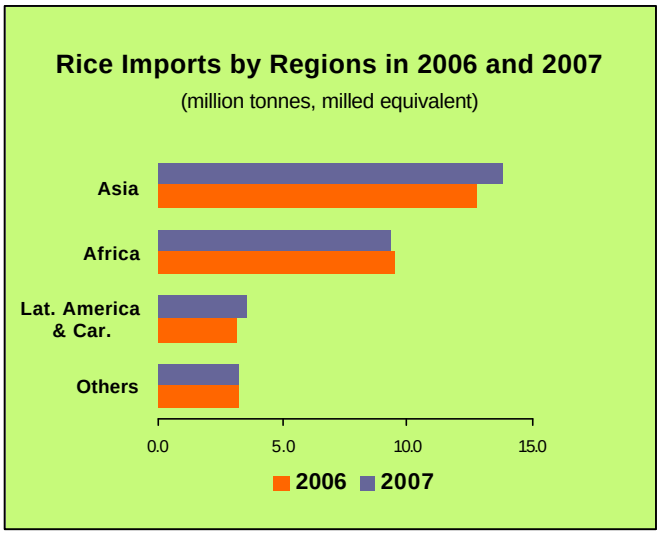
Stronger demand in Asia sustains global import growth

Much of the 1.2 million tonne increase in world imports expected in 2007 would be fuelled by larger deliveries to some of the major traditional importing countries, in particular Bangladesh, Brazil, Indonesia and the European Union, that would more than compensate for smaller shipments to the Islamic Republic of Iran, the Republic of Korea, Guinea, Nigeria, Senegal, Cuba and the Russian Federation.

Asian countries are now foreseen to be responsible for much of the increase in world imports this year. As a whole, imports in the region are estimated to rise to 13.8 million tonnes, compared with 12.9 million tonnes in 2006, mostly reflecting larger purchases by **Bangladesh, Indonesia, Nepal, the Philippines** and **Viet Nam**, which are facing domestic supply constraints. In **Bangladesh**, pressure from rising retail prices has induced the government to suspend a 5 percent import duty in March 2007, which may prompt an increase of imports from 700 000 tonnes in 2006 to 1 million tonnes in 2007. Imports by **Indonesia** are foreseen to almost double from 800 000 tonnes in 2006 to 1.5 million tonnes in 2007. According to prevailing regulations, rice can be imported only if rice stocks held by Bulog, the state food agency, fall below 1 million tonnes or the retail market price of medium grade rice exceeds Rupiah 3 550 per kg (US$ 390 per tonne). Market prices in March were in the order of Rupiah 4 500 – 5 000 per kg, well above the price threshold. As a result, the country has engaged in government-to-government as well as direct imports through Bulog. A reduced number of private firms has also been appointed to import 137 000 tonnes of rice by 31 March, which they also committed to distribute locally, as partners of Bulog, subject to official price ceilings. To facilitate the process, the Government agreed to temporarily lower the import duty from Rupiah 450 per kg to Rupiah 200 per kg till 31 May. This would be the first time since the beginning of 2004 that the private sector has been allowed to engage in rice importation. Shipments to the **Democratic Popular Republic of Korea** in 2007 are forecast to be in the order of 240 000 tonnes, slightly more than the 210 000 tonne estimate in 2006, but well down from the volumes imported in the early 2000s, mostly as food aid, which ranged between 600 000 tonnes and 800 000

tonnes. The country was reported to be purchasing large amounts of rice from China over the first few months of the year. So, unless food aid deliveries resume, overall shipments will be limited to those it can afford to purchase on commercial terms.

Despite steady gains in rice production in the **Philippines**, sustained population growth is boosting import demand. As a result, the National Food Authority (NFA), the state trading agency, announced the country would step up purchases of foreign rice in 2007 to some 1.65 million - 1.8 million tonnes, 350 000 tonnes of which for import by private traders (to be delivered by 31 March) and 163 000 tonnes by producer groups (to be delivered by 31 May). As a result, FAO's forecast has been raised to 1.7 million tonnes, which compares with an official estimate of 1.65 million tonnes for 2006. According to information released in February 2007, the country successfully concluded its negotiations to extend the right, expired in 2005, to retain quantitative restrictions on rice imports until 2012. The negotiation process involved nine WTO countries (Argentina, Australia, Canada, China, Egypt, India, Pakistan, Thailand and the United States). Faced with a very tight rice balance, **Viet Nam** announced in January 2007 it would waive tariffs on the import of milled and paddy rice from Laos until the end of the year, replicating a measure already in place since 2006 for Cambodia. As a result, Viet Nam, the second largest rice exporter, is expected to import about 300 000 tonnes in the course of the year, up from an estimate of 200 000 tonnes in 2006. By contrast, imports may decline in **the Islamic Republic of Iran**, now anticipated in the order of 950 000 tonnes, or 150 000 tonnes less than in 2006. Part of the decline would be caused by the elimination of special rights granted to people living along the border with Pakistan to bring rice at reduced duty rates. **Japan** is expected to limit its purchases to the 770 000 tonnes, in husked rice equivalent, pledged under the WTO Agreement, or 700 000 tonnes, on a milled basis. Following the 2005 agreement with interested WTO parties, **the Republic of Korea** is set to import 266 269 tonnes of milled rice in 2007 under a minimum import quota attracting a 5 percent duty. Much of the rice should originate from China, Thailand and the United States, which were granted specific country quotas. Imports this year are unlikely to exceed the volume committed under the minimum import quota, which would imply a contraction compared with the level of 330 000 tonnes estimated to have been imported in 2006, when the Republic of Korea also had to bring part of 2005 quota it had failed to fill. Although the country recently signed a Free Trade Agreement with the United States, this especifically excluded rice.



Current forecasts of imports by *African countries* indicate little change for the region as a whole, with overall shipments summing up to some 9.3 million tonnes, down from a current estimate of 9.4 million tonnes in 2006. Mainly an exporter, **Egypt** imported about 100 000 tonnes of rice in 2007, most of it originating from India, to check a tendency for domestic prices to rise. The move was promoted by the authorities, as a means to stabilize domestic supplies, which had been drained by large exports. Imports in 2007 are expected to reach a similar volume. Shipments to **Côte D'Ivoire** may also have to be raised to offset the expected production shortfall. By January 2007, **Madagascar** was already reported to have imported 100 000 tonnes to compensate for flood-related losses. Over the full year, the country is expected to buy 250 000 tonnes of rice, 50 000 tonnes more than in 2006. By contrast, **Nigeria** may cut its purchases from 1.8 million tonnes to 1.7 million tonnes, given the

positive 2006 production outcome and restrictions on imports. Similarly, 2006 bumper crops in **Guinea, Mali** and **Senegal** may lead to smaller deliveries to those markets in 2007.

In principle, 2007 should be a transition year for western African countries. In January 2006, the Heads of States of countries belonging to **the Economic Community of West African States[1] (ECOWAS)** agreed to implement a Common External Tariff (CET) as of January 2008, allowing for a one year transition till 31 December 2007. The CET adopted by ECOWAS was that of the West African Economic and Monetary Union[2] (WAEMU), which had already been applied since 1 January 2000 by those ECOWAS countries belonging to the WAEMU. Rice imports under the WAEMU CET attract a custom duty rate of 10 percent, a 1 percent statistical fee and a solidarity tax of 0.5 percent if imported from third countries[3]. Application of the WAEMU framework would imply a strong cut in protection for some ECOWAS countries, in particular Nigeria[4]. The impact would be lighter for the other countries where rice attracts already low rates of duty (Gambia: 0 percent, Ghana: 20 percent; Guinea: 10 percent; and Sierra Leone: 15 percent).

Rice imports by countries in *Latin America and the Caribbean* are now set to reach 3.5 million tonnes, about 400 000 tonnes more than in 2006. In Central America and the Caribbean, overall shipments in the sub-region are expected to remain in the order of 2.3 million tonnes. Good crops in **Cuba** will likely depress imports, while deliveries to **Mexico** may resent from the requirement that all shipments from the United States be certified to be free of genetically modified material. By contrast, imports by South American countries are forecast to rise from some 800 000 tonnes in 2006 to 1.2 million tonnes this year, with growth sustained by larger purchases by **Brazil, Chile, Colombia** and **Peru**, mainly to make up for production shortfalls. In the case of **Colombia**, imports will also be facilitated by the strengthening of the local currency. Because Colombia's Most Favoured Nations (MFN) tariff on rice is equal to 80 percent[5], rice is mainly imported under preferential tariff rate quotas allocated to companies buying local rice through spot or futures auctions at the National Agricultural Commodity Exchange. Under a March 2005 Decree, a preferential 70 percent tariff rate import quota of 75 118 tonnes has been granted to non-Andean countries for 2006 and 2007, with over-quota imports subject to the full 80 percent tariff. Following the signing of a side-agreement between the Andean Community (Bolivia, Colombia, Ecuador, Peru and Venezuela) and Mercosur, Colombia is to phase out over 15 years the rice base duties on imports from Mercosur countries. In 2007, these will be granted a 27 percent reduction on those base duty rates, but still be subject to the variable duty of up to 60 percent On the other hand, under the free trade agreement signed with the United States, Colombia committed to grant a tariff-rate quota of 79 000 tonnes to the United States, which is to increase by 4.5 percent a year. In addition, the 80 percent rice tariff is to be eliminated over 19 years, with a 6 year grace period. As Colombia, **Peru** concluded its negotiations for a free trade agreement with the United States. The agreement will result in the opening by Peru of a rice free trade tariff-rate quota of 72 000 tonnes, to be raised by 6 percent every year, until the complete abolition of import tariffs after 17 years. Rice imports from the United States will only attract the 25 percent base duty, but not the variable levy arising from the implementation of the price band mechanism. The parliaments of Colombia, Peru and the United States have not yet ratified the deal.

[1] Benin, Burkina, Cape Verde, Côte d'Ivoire, The Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo

[2] Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegaland Togo.

[3] WAEMU countries also levy a common value-added tax rate of 18 percent, payable at the port of entry plus a service fee of 6 percent or 12 percent, depending on the customs classification. Overall, tariffs on imported rice to the WAEMU countries range from 35 percent to 45 percent. Provisions exist for safeguard action.

[4] Nigeria's total tariff approximates 110 percent (50 percent tariff, 50 percent additional levy of dutiable value and a 7 percent surcharge)

[5] of which base duty of 15 percent on paddy rice and 20 percent on milled rice and the rest as a variable duty under a price band mechanism

Among *other countries*, imports by the 27 countries of the **European Union** are foreseen to reach 1.2 million tonnes, compared with 1.0 million tonnes in 2006. Part of the rise reflects the accession of Romania and Bulgaria (which have added some 80 000 tonnes to the EU-25 import estimate) but also mirrors the prevailing high internal prices, which are likely to boost import demand, notwithstanding the elevation of tariffs on non-basmati husked rice. This was triggered by large purchases in the first semester of the rice marketing year (1 Sept – 28 Feb), when the Union imported 352 809 tonnes of husked, non-basmati, rice. As this exceeded the threshold of 255 115 tonnes, the import duty charged from 1 March 2007 to 31 August 2007 will be set at € 65 per tonne, instead of the € 42.5 per tonne applied from 1 September 2006 to 28 February 2007. On the other hand, because imports of milled and semi-milled rice were less than the 182 239 tonne ceiling, the duty applicable on their imports until end August remains at € 145 per tonne. The narrowing of the duty differential between husked and milled rice will have negative effects on the Union's milling industry.

European Union: Applied tariffs on rice imports (Euro per tonne)

		2001/02	2002/03	2003/04	2004/05		2005/06		2006/07	
					1 Sep-28 Feb	1 Mar-31 Aug	1 Sep-28 Feb	1 Mar-31 Aug	1 Sep-28 Feb	1 Mar-31 Aug
Paddy		211	211	211	211	211	211	211	211	211
Husked	Japonica	257	262	228	65	42.5	42.5	65	42.5	65
	Indica	264	264	233	65	42.5	42.5	65	42.5	65
Milled	Japonica	416	416	416	175	175	145	145	145	145
	Indica	416	416	416	175	175	145	145	145	145
Brokens		128	128	128	128	128	65	65	65	65

Souce: EU Commission

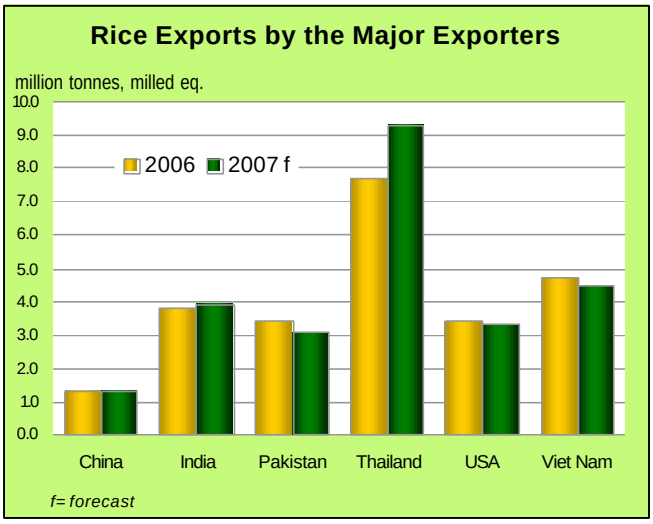
Based on USDA's forecasts, imports by the **United States** may reach a record of 675 000 tonnes in 2007, compared with 633 000 tonnes last year, reflecting the poor outcome of the 2006 season and high domestic prices. Based on government forecasts, purchases by **Australia** may decline from 101 700 tonnes in 2006 to 96 600 tonnes in 2007 but, given the extremely low paddy output expected this season, the latter may fall short of the country's real needs. Deliveries to the **Russian Federation** are likely to fall by over 20 percent to 250 000 tonnes, following the application of phytosanitary restrictions on rice from the major exporting countries and the introduction of a seasonal duty of € 120 per tonne that will be applied from 1 March to 31 May and from 1 October to 31 December, replacing the € 70 per tonne introduced in April 2005.

B. Rice exports in 2007

Thailand still foreseen to account for much of expected increase in world trade

Based on current production estimates and forecasts, several of the major rice exporting countries may face short supply situations in the coming months, which would impede them from responding fully to the expected growth in import demand. Only **Thailand**, because of the high public stocks accumulated under the high support price policy conducted in 2005 and 2006, seems to be in position to do so, in spite of the 2006 production shortfall. As a result, FAO anticipates exports by the country to increase from 7.7 million tonnes in 2006 to 9.3 million tonnes in 2007, more than 1 million tonnes of which are likely to consist of government-to-government transactions, in particular with Iraq, the Islamic Republic of Iran and Indonesia. The new FAO forecast exceeds the government current (March 2007) export target of 8.5 million tonnes and FAO's preceding export forecast of 9.0 million tonnes.

The situation is likely to be different for **India**, where the anticipated 2006 production shortfall, if confirmed, would result in higher domestic prices that would reduce the competitiveness of Indian rice on world markets, also hindering the ability of the Food Corporation of India (FCI) to secure enough supplies domestically for its rice distribution programmes. The pressure may therefore build up in the future for the government to take steps to restrain exports. In March, it already reacted to a hike in cereal prices by banning the trading in rice and wheat futures on its commodity exchanges. At present however, FAO forecasts the country to export 3.9 million tonnes, a modest increase from the 3.8 million tonnes estimated in 2006 and well below the 5.041 million tonnes officially delivered in 2005.



Given the expected drop in 2006 production, exports by **Pakistan** could fall to 3.1 million tonnes, compared with last year's level of 3.350 million tonnes. Part of the drop would reflect quality problems, caused by heavy rainfall at harvest time and lack of proper storage. In this connection, the government is becoming increasing conscious of the importance of rice as an a foreign exchange earner and is launching an awareness campaign to raise the quality of the grain produced, the lack of consistency of which has been a major problem for the sector to gain a foothold in the most remunerative markets, including for basmati rice. Quality problems have also caused difficulties on traditional markets, which has led the Rice Export Association of Pakistan (REAP) to mobilize itself. In February 2007, for instance, the organization signed a memorandum of understanding with the Kenya Bureau of Standards, to issue rice export certificates based on international standards, to prevent the recurring of trade disputes. The Memorandum commits REAP to monitor, certify and take responsibility for non-conformity of shipments with certificates. Since 2005, Kenya has been applying the Pre-shipment Verification of Conformity programme.

Exports by **China mainland** are expected to amount to some 1.3 million tonnes, 5 percent above last year. The country is therefore predicted to remain a net rice exporter, selling lower quality rice to some Asian and African countries and higher quality rice to the Republic of Korea and Japan, while importing high quality rice, Hom Mali from Thailand, in particular.

Based on the latest response to the FAO's questionnaire, **the Republic of Korea** may suspend all exports of rice in 2007, given the tensions caused by the nuclear tests in the

Korea DPR, which led the Republic of Korea to suspend food aid deliveries to that country. As a result, exports by the Republic of Korea were officially forecast to fall from 90 000 tonnes in 2006 to nil in 2007. Although recent news informed that trade between the two countries had resumed, the export forecast remains as officially indicated, pending the release of new figures by the government.

Under the current positive 2007 crop prospects, **Sri Lanka** may again have some surplus rice available for export in 2007 and may ship some 40 000 tonnes of rice in 2007, mostly to India, the same volume of exports as estimated in 2006.

In **Viet Nam,** harvesting of the Winter/Spring crop is currently under progress, which has eased the supply tightness prevailing since last year and led to the lifting, in February 2007, of the export ban that had been in place since November 2006. Despite that move, the official export target, was set at only 4.5 million tonnes for 2007, which might be revised later during the season, which would imply a retrenchment from the 4.749 million tonnes officially exported by the country in 2006. The decline also reflects the government decision to raise the minimum export price from US$ 290 to US$ 300 per tonne for 5 percent broken rice and from US$ 270 to US$.280 per tonne for 25 percent broken rice. The minimum export price of all the other grades of rice were also raised by US$ 10 a tonne.

Outside of Asia, exports by **Egypt** are estimated to rise by 10 percent to 1.1 million tonnes in 2007, in response to buoyant import demand from Near East countries and limited competition from Australia and the United States, the other major suppliers of medium and short grain rice to world markets. Growing demand from Near East countries would compensate for the loss of the market in Romania, following the accession of the country to the EU as of 1 January 2007.

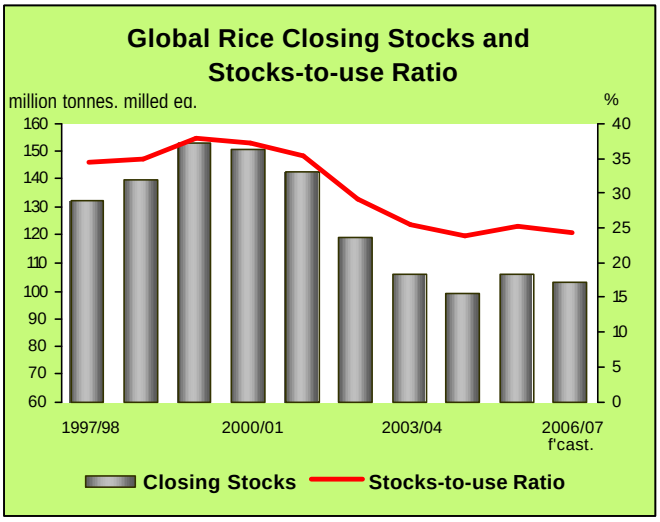
The latest official export forecast by the **United States**, at 3.30 million tonnes, would only imply a small contraction from the 2006 level of 3.36 million tonnes. The decline would be consistent with the drop in production in 2006 but also reflect the difficulty to sell rice in certain markets that required US rice consignments to be certified GM-free. Such difficulties could be further exacerbated by the finding in March of GM seeds (Bayer's Liberty Link 604) in long grain rice planting material (non-biotech Clearfield 131 rice seeds).

Lower production levels in South America are also likely to depress exports in the region. In particular, **Brazil** is expected to cut sales abroad from an official 290 100 tonnes in 2006 to 200 000 tonnes this year. Likewise, shipments from **Argentina**, **Ecuador** and **Uruguay** may be constrained by the fall in production. By contrast, official forecasts point to a small increase in **Guyana's** exports, from 204 300 tonnes in 2006 to 213 000 tonnes in 2007. Given the bleak production outlook in **Australia**, FAO anticipates shipments by the country to fall from an official estimate of 479 300 tonnes in 2006 to 25 000 tonnes this year. This would be well below the government current forecast of 182 100 tonnes.

III. STOCKS

Global rice inventories expected to fall in 2007, with only a slight recovery expected in 2008

World rice inventories at the end of national crop seasons in 2007 have been revised downwards to 103 million tonnes from a previous estimate of 105 million tonnes, largely reflecting the worsening of the 2006 production outlook. At that level, global rice inventories would have fallen by almost 3 million tonnes compared with their opening levels. A marked reduction is foreseen in **Thailand,** the leading exporter, but as a group, importing countries are expected to account for the bulk of the stock drawdown. For instance, closing inventories in **Bangladesh**, **Brazil**, **Indonesia**, the **Islamic Republic of Iran**, **Nepal,** and **Senegal** are all expected to undergo cuts, but they may grow somewhat in the **Philippines** and **Sri Lanka**. Among exporting countries, **Cambodia**, **Thailand**, **India** and the **United States** may witness a drop, while stocks may increase in **Pakistan, Myanmar** and, especially, **China**. Reserves held by **Viet Nam** are anticipated to change little.



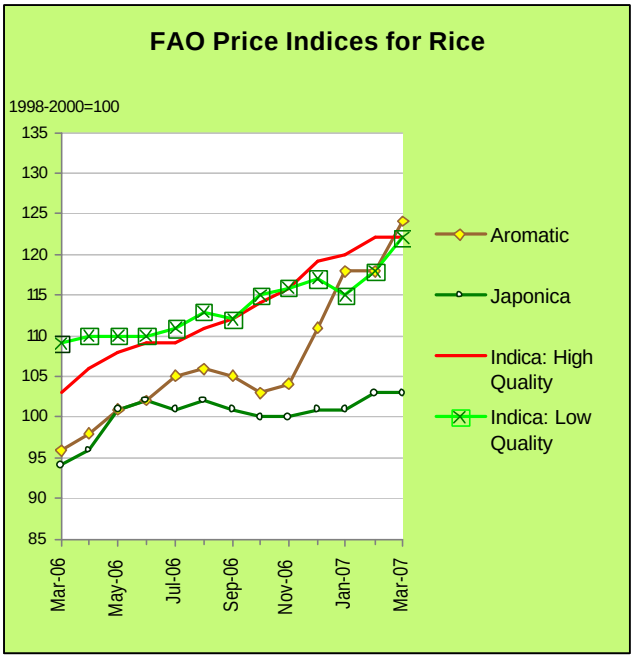
The downward revision in the 2007 estimate of world rice carryovers resulted in a lower **rice stocks-to-utilization ratio** of 24.3, which compares with the 24.7 previously estimated and 25.1 in 2006. The ratio is often used as a food security indicator because it measures the extent to which rice reserves could cover rice consumption in the following year.

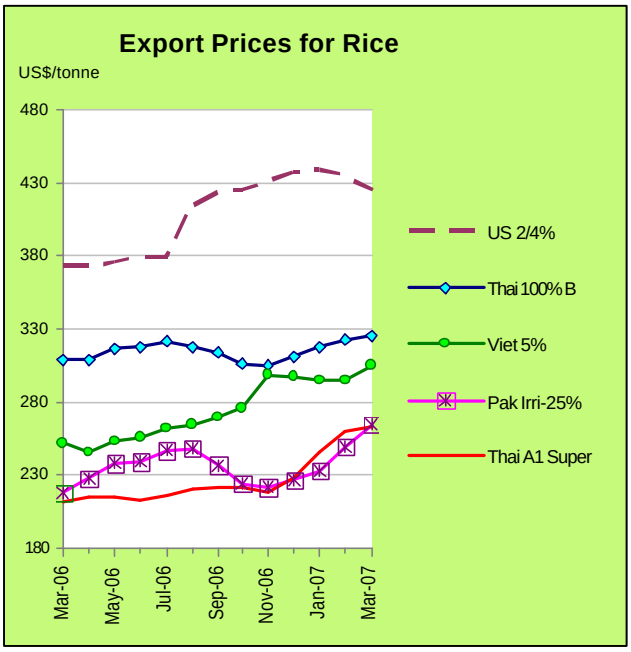
As for **stocks at the close of crop seasons ending in 2008**, estimates are very preliminary. Based on the provisional world production, trade and consumption forecasts, closing rice inventories may rise slightly above the 2007 level.

IV. INTERNATIONAL PRICES

International rice prices to remain on an upward trend

Since December last year, export prices of rice from all origins have remained on an upward trend, as indicated by the FAO All Rice Price Index (1998-2000=100), which gained two points in January and February and 1 point in March, passing from 115 in December 2006 to 120 in March 2007. The strength concerned most quotations, with fragrant rice varieties and rice from Pakistan subject to particularly marked increases.





In **Thailand,** the announcement, late last year, that state-owned rice would be sold progressively through auctions failed to dampen the tendency for prices to rise, especially since a decision was taken to sell the supplies under government – to – government contracts whenever the prices offered at auctions did not reach the minimum targeted level. Buoyant demand for export and a strong Baht contributed to keeping prices on the rise in February while, in March, the opening of government purchases over the second paddy crop in March offered additional support, preventing prices from falling when fresh secondary crop supplies reached the market. Active purchases in **India** by the domestic procurement agencies under the Levy system made prices leap in December, but little growth has been observed since February, as exporters waited for new supplies from the secondary Rabi crop, which started reaching the market in March. As prices from other origins kept rising, India became the most competitive source: for instance, milled rice with 25% broken from the country averaged US$ 260 per tonne in March, compared with US$ 264 in

Pakistan, US$ 288 in Viet Nam and US$ 293 in Thailand. Export prices in **Egypt,** which caters for the medium and short grain rice markets, have remained stable in March after undergoing strong increases in January and February. On the other hand, limited availability of good quality rice in **Pakistan** resulted in strong price increases, with the quotation of 25% broken rice surging by 16 percent between December and March. Similarly, strong increases in prices were recorded in **Viet Nam**, reflecting a combination of limited supplies and new sales, in particular to Indonesia and the Philippines. The pattern of prices in the **United States** in the first quarter deviated from that observed in the other major exporting countries, as they tended to weaken from their December 2006 level, largely reflecting a lack of new demand and the difficulty to overcome the GM contamination problem, which led to the introduction of tighter certification requirements on US rice imports in some major rice markets.

As April and May coincide with the harvesting period of the main 2007 crops in several countries in the southern hemisphere and of the secondary 2006 crops in the Northern hemisphere, the tendency for prices to rise is likely to be tempered until June by the arrival of new supplies to the market. However, prices in the next few months are not anticipated to weaken much, as import demand is forecast to remain strong, while governments in Thailand, Viet Nam and now Cambodia are adamant about keeping them at remunerative levels. The general price outlook therefore points to continued gains in the coming months.

FAO Rice Price Indices

	All Rice	Indica Rice		Japonica Rice	Aromatic Rice
		Higher quality	Lower quality		
	1998-2000 = 100				
2002	**72**	**73**	**75**	**67**	**74**
2003	**82**	**79**	**81**	**82**	**91**
2004	**104**	**101**	**110**	**104**	**96**
2005	**103**	**104**	**115**	**92**	**94**
2006	**109**	**114**	**114**	**101**	**102**
2006 March	106	109	110	102	96
April	106	109	111	101	98
May	108	111	113	102	101
June	108	112	112	101	102
July	109	114	115	100	105
August	110	116	116	100	106
September	111	119	117	101	105
October	111	120	115	101	103
November	113	122	118	103	104
December	115	122	122	103	111
2007 January	117	123	125	104	118
February	119	124	128	104	118
March	120	126	131	103	124
2006 Jan.-Mar.	105	107	110	100	95
2007 Jan.-Mar.	119	124	128	103	120

***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.

EXPORT PRICES FOR RICE

	Thai White 100% B Second grade	Thai Parboiled 100%	U.S. Long Grain 2,4%	Viet 5%	Thai 25%	India 25%	Viet 25%	Pak 25%	Thai A1 Super 1/	U.S. California Medium Grain 2/	Egypt Short Grain, Grade 2,6% 178 Camolino	Pak Basmati Ordinary	Thai Fragrant 100%
						US $/tonne, f.o.b.							
2002	**197**	**194**	**207**	**187**	**171**	**140**	**168**	**159**	**151**	**271**	**279**	**366**	**306**
2003	**201**	**196**	**284**	**183**	**176**	**163**	**167**	**175**	**151**	**370**	**291**	**357**	**449**
2004	**244**	**247**	**372**	**224**	**225**	**n.a.**	**212**	**230**	**207**	**493**	**317**	**468**	**443**
2005	**291**	**285**	**319**	**255**	**259**	**236**	**239**	**235**	**219**	**418**	**327**	**473**	**404**
2006	**311**	**300**	**394**	**266**	**269**	**247**	**249**	**230**	**217**	**512**	**353**	**516**	**470**
2006													
March	308	290	373	252	265	238	240	218	212	491	358	500	436
April	309	290	373	246	267	243	231	228	215	485	361	500	442
May	316	296	375	253	271	243	237	238	215	498	357	513	467
June	318	299	379	256	272	243	233	239	213	507	373	525	479
July	321	311	379	262	274	243	245	247	216	507	… 3/	525	511
August	318	311	415	265	274	243	250	248	220	507	… 3/	525	520
September	314	308	423	269	272	252	252	237	222	518	358	525	515
October	306	307	424	276	267	252	251	224	221	529	326	525	494
November	305	303	431	298	267	257	283	221	218	529	343	525	454
December	311	305	437	297	273	270	282	227	228	551	366	525	490
2007													
January	318	311	439	295	283	270	280	233	245	551	377	586	529
February	322	315	435	295	291	270	280	249	259	551	392	600	523
March	325	318	424	305	293	260	288	264	263	551	392	615	537
2006 Jan.-Mar.	306	289	361	257	264	238	242	217	212	502	349	500	422
2007 Jan.-Mar.	322	315	433	298	289	267	283	249	256	551	387	600	530

Sources: Jackson Son & Co. (London) Ltd. and other public sources.

1/ White broken rice. 2/ Up to August 2005 U.S. medium grain No.2, 4%; since September 2005 onwards No. 1, maximum 4-percent brokens, sacked, California mill. 3/ Not quoted.

WORLD PADDY PRODUCTION

	2005	2006 (estimated)	2007 (forecast)
	million tonnes		
WORLD	**632.9**	**628.7**	**632.8**
Developing countries	607.0	604.0	609.6
Developed countries	25.8	24.7	23.2
ASIA	**572.2**	**569.2**	**574.3**
Bangladesh	39.8	39.2	40.5
Cambodia	6.0	6.3	6.5
China	182.1	182.2	184.5
of which Taiwan Prov.	1.5	1.5	1.5
India	137.7	136.6	137.0
Indonesia	54.2	54.4	53.1
Iran, Islamic Rep. of	3.3	3.3	3.5
Japan	11.3	10.7	10.4
Korea Rep. of	6.4	6.3	6.2
Myanmar	25.1	25.2	25.2
Pakistan	8.3	8.1	8.4
Philippines	15.1	15.4	15.8
Sri Lanka	3.2	3.3	3.2
Thailand	30.3	29.4	30.2
Viet Nam	35.8	35.8	36.0
AFRICA	**20.4**	**21.6**	**21.7**
North Africa	**6.2**	**6.6**	**6.6**
Egypt	6.1	6.5	6.6
Sub-Saharan Africa	**14.2**	**15.0**	**15.1**
Western Africa	8.8	9.3	9.6
Côte d'Ivoire	1.2	1.1	1.0
Guinea	1.3	1.3	1.4
Mali	0.9	1.0	1.0
Nigeria	3.6	3.9	4.3
Central Africa	0.4	0.4	0.4
Eastern Africa	1.4	1.6	1.6
Tanzania	1.0	1.2	1.2
Southern Africa	3.7	3.7	3.5
Madagascar	3.4	3.4	3.2
Mozambique	0.2	0.2	0.2
CENTRAL AMERICA	**2.3**	**2.4**	**2.5**
Cuba	0.4	0.5	0.5
Dominican Rep.	0.6	0.7	0.7
Mexico	0.3	0.3	0.4
SOUTH AMERICA	**24.1**	**22.2**	**22.1**
Argentina	1.0	1.2	1.1
Brazil	13.2	11.6	11.3
Colombia	2.5	2.3	2.5
Peru	2.5	2.2	2.4
Uruguay	1.2	1.3	1.1
NORTH AMERICA	**10.1**	**8.8**	**8.5**
United States	10.1	8.8	8.5
EUROPE	**3.4**	**3.4**	**3.5**
EU	2.7	2.6	2.8
OCEANIA	**0.3**	**1.1**	**0.1**
Australia	0.3	1.0	0.1

FOOTNOTES:
Totals computed from unrounded data.
1/ Tentative.

WORLD IMPORTS OF RICE

	2005	2006 (estimated)	2007[1/] (forecast)
	million tonnes, milled eq.		
WORLD	**29.8**	**28.6**	**29.8**
Developing countries	25.5	24.0	25.2
Developed countries	4.3	4.5	4.6
ASIA	13.3	12.8	13.8
Bangladesh	1.0	0.7	1.0
China	0.9	1.2	1.1
of which Taiwan Prov.	0.1	0.1	0.1
Indonesia	0.6	0.8	1.5
Iran, Islamic Rep. of	1.2	1.1	1.0
Iraq	1.1	1.2	1.2
Japan	0.8	0.6	0.7
Malaysia	0.8	0.8	0.8
Philippines	1.8	1.7	1.7
Saudi Arabia	1.0	1.1	1.1
Sri Lanka	0.1	0.0	0.0
AFRICA	**10.5**	**9.5**	**9.3**
Côte d'Ivoire	0.9	0.9	0.9
Nigeria	2.3	1.8	1.7
Senegal	0.9	0.8	0.8
South Africa	0.8	0.7	0.7
CENTRAL AMERICA	**2.4**	**2.3**	**2.3**
Cuba	0.7	0.7	0.7
Mexico	0.5	0.6	0.5
SOUTH AMERICA	**0.8**	**0.8**	**1.2**
Brazil	0.5	0.6	0.9
Peru	0.1	0.0	0.1
NORTH AMERICA	**0.7**	**1.0**	**1.0**
Canada	0.3	0.3	0.3
United States	0.4	0.6	0.7
EUROPE	**1.6**	**1.8**	**1.7**
EU	0.8	1.0	1.2
Russian Fed.	0.4	0.3	0.3
OCEANIA	**0.4**	**0.4**	**0.4**

WORLD EXPORTS OF RICE

	2005	2006 (estimated)	2007[1/] (forecast)
	million tonnes, milled eq.		
WORLD	**29.8**	**28.6**	**29.8**
Developing countries	25.5	24.4	26.1
Developed countries	4.3	4.2	3.7
ASIA	**22.9**	**21.6**	**23.5**
China	0.7	1.3	1.3
of which Taiwan Prov.	0.0	0.0	0.0
India	5.0	3.8	3.9
Myanmar	0.2	0.1	0.2
Pakistan	3.5	3.4	3.1
Thailand	7.5	7.7	9.3
Viet Nam	5.2	4.7	4.5
AFRICA	**1.1**	**1.0**	**1.1**
Egypt	1.1	1.0	1.1
SOUTH AMERICA	**1.7**	**2.0**	**1.7**
Argentina	0.3	0.5	0.5
Guyana	0.2	0.2	0.2
Uruguay	0.7	0.8	0.7
NORTH AMERICA	**3.9**	**3.4**	**3.3**
United States	3.9	3.4	3.3
EUROPE	**0.2**	**0.2**	**0.2**
EU	0.2	0.2	0.2
OCEANIA	**0.1**	**0.5**	**0.0**
Australia	0.1	0.5	0.0

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

	CHINA 2/ 3/ (Oct./Sep.)			INDIA 2/ (Oct./Sep.)		
	2004/2005	**2005/2006** prelim.	**2006/2007** f'cast	**2004/2005**	**2005/2006** prelim.	**2006/2007** f'cast
	(..... thousand tonnes .....)			*(..... thousand tonnes .....)*		
Opening Stocks	59200 F	56000 F	57085 F	13000 F	9000 F	11600 F
Production 1/	123723 G	124774 G	124865 *	83130 G	91790 G	91050 G
Imports	581 G	828 G	810 F	50 F	82 F	50 F
Total Supply	183504	181602	182760	96180	100872	102700
Domestic Use	126806	123255	123055	82139	85472	87600
Exports	698 *	1262 *	1325 F	5041 G	3800 F	3900 F
Closing Stocks	56000 F	57085 F	58380 F	9000 F	11600 F	11200 F

	PAKISTAN 2/ (Nov./Oct.)			THAILAND 2/ (Nov./Oct.)		
	2004/2005	**2005/2006** prelim.	**2006/2007** f'cast	**2004/2005**	**2005/2006** prelim.	**2006/2007** f'cast
	(..... thousand tonnes .....)			*(..... thousand tonnes .....)*		
Opening Stocks	650 F	150 F	200 F	3200 F	3800 F	5000 F
Production 1/	5025 G	5547 G	5400 G	18892 G	20053 G	19484 G
Imports	1 F	1 F	1 F	8 G	1 F	1 F
Total Supply	5676	5698	5601	22100	23854	24485
Domestic Use	2050	2148	2201	10763	11149	11125
Exports	3475 G	3350 F	3100 F	7537 G	7705 G	9300 F
Closing Stocks	150 F	200 F	300 F	3800 F	5000 F	4060 F

	UNITED STATES 4/ (Aug./Jul.)			VIET NAM 2/ (Nov./Oct.)		
	2004/2005	**2005/2006** prelim.	**2006/2007** f'cast	**2004/2005**	**2005/2006** prelim.	**2006/2007** f'cast
	(..... thousand tonnes .....)			*(..... thousand tonnes .....)*		
Opening Stocks	761 G	1211 G	1370 G	4900 F	4700 F	4700 F
Production 1/	7463 G	7113 G	6195 G	24112 G	23873 G	23896 G
Imports	424 G	545 G	640 G	40 F	200 F	300 F
Total Supply	8648	8869	8205	29052	28773	28896
Domestic Use	3943	3809	3923	19152	19324	19696
Exports	3494 G	3690 G	3262 G	5200 G	4749 G	4500 F
Closing Stocks	1211 G	1370 G	1020 G	4700 F	4700 F	4700 F

Symbols:

G Official figure
* Unofficial figure
F FAO estimate/forecast

Footnotes:

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