Rice Market Monitor

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FAO Rice Market Monitor
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OVERVIEW

- There have been a number of revisions to FAO's forecasts on paddy production in 2005, resulting in much less buoyant prospects for crops this season. The outlook deteriorated especially in the case of China and India, the two major paddy producers, but also of Colombia, Cuba, the Republic of Korea, Laos, Nepal, Pakistan, and Venezuela. By contrast, expectations over production in Ecuador, the Philippines, the United States and Viet Nam improved.

- Notwithstanding lower forecasts, global paddy production is now expected to rise to 615 million tonnes, 2 percent or 9 million tonnes above the revised output estimate for 2004 and still a record high. In general, countries in Asia are seen to reap larger crops, although the increases are likely to be less marked than last anticipated. Gains in output are expected in Bangladesh, mainland China, India, Myanmar, the Philippines, Sri Lanka, Thailand and Vietnam, while a decline may be incurred in the Republic of Korea, Laos and Nepal.

- Production prospects in Africa now point to a 4 percent increase for the region, mainly sustained by increases in Egypt, Madagascar and Nigeria. In Latin America and the Caribbean, Brazil, Ecuador and Peru are set to harvest larger crops, while Colombia, Cuba and Guyana may face a contraction. In the rest of the world, output might fall slightly in the European Union and the United States, while Australia is estimated to have harvested this season its smallest crop in 30 years.

- FAO has raised its forecast for global rice trade in calendar 2005 to 27.0 million tonnes, reversing earlier expectations of a contraction. At that level, the volume exchanged would be 1 percent above last year's performance of 26.7 million tonnes. Although little changed overall compared with last year, the current trade outlook points to large variations in the relative contributions of the major market players. In particular, an anticipated contraction in exports by Thailand and mainland China could be compensated by increased shipments from Egypt, India, Pakistan, the United States and Vietnam.

- As for imports, increased rice deliveries to Asian countries are currently anticipated, especially to Bangladesh and the Philippines, where strong rises in domestic prices have been witnessed. Indonesia is expected to take more rice this year, following the relaxation of the ban on rice imports introduced in January 2004. Likewise, imports by Cuba, the EU, Niger and Senegal are forecast to increase. On the other hand, shipments to mainland China, the Islamic Republic of Iran, Malaysia, Sri Lanka, Benin, Madagascar, Nigeria, South Africa, Brazil, Colombia and the United States are likely to be smaller than in 2004.

- Less buoyant prospects for paddy production in 2005 resulted in a downward revision in expected global rice inventories at the close of the 2005/06 marketing years, now anticipated at some 95 million tonnes. At that level, stocks would be 3.4 million tonnes below their opening levels, meaning that for the sixth consecutive year rice reserves would need to be drawn down to meet the expected shortfall between global production and consumption.

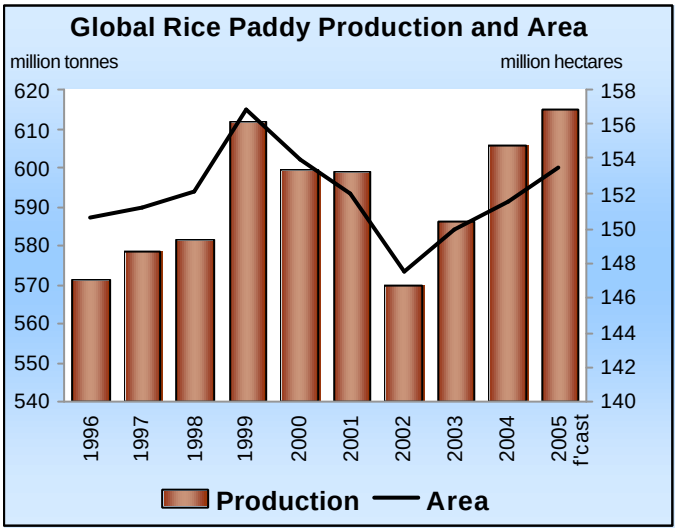
- International rice prices were subdued in June and July, reflecting sluggish import demand and relatively large supplies following the harvests of the 2004 secondary crops by some major exporting countries. Renewed competition from India and China also tended to depress prices. In August, prices regained some strength, driven up by higher quotations of Indica (both of the lower and higher quality) and Aromatic rice, as the announcement of higher procurement prices in Thailand and the resumption of shipments to Africa and Iraq imparted new strength to the market.

- International prices have continued to firm in the first weeks of September, reflecting the return of Indonesia on the import market, strong sales to Africa and new contract for deliveries to Iraq. The price strength is expected to continue in the coming months, partly in reaction to the rising production and marketing costs, which have been associated with the surge in oil prices. In the short term, however, prices are expected to react strongly to developments regarding crops and government policies.

RICE SITUATION UPDATE AS OF 15 SEPTEMBER 2005

I. PRODUCTION

Less buoyant outlook for crops in 2005 mars prospects for a large increase in world production this season



FAO's outlook for global paddy production in 2005 has deteriorated compared with the last market report and now stands at 615 million tonnes, 6 million tonnes less than previously anticipated, but still 9 million tonnes above the revised output estimate for 2004. The downward adjustment for 2005 is mainly the result of less buoyant expectations for production in Asia, especially in China and India, the two largest rice producing countries.

I.1 ASIA

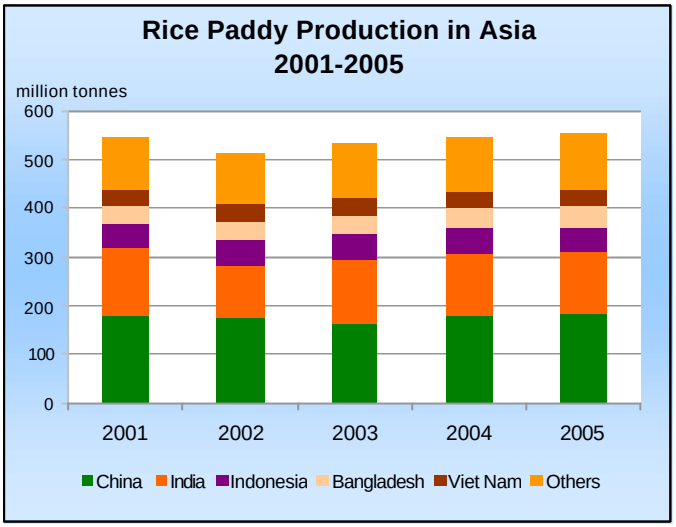
Most countries in the region expected to harvest larger paddy crops in 2005

Many of the *Asian* producing countries in the northern hemisphere have completed the planting of their main paddy crops, which normally starts with arrival of the monsoon rains, providing a more solid basis to forecast production this season. According to the current outlook, paddy production in the region may be of the order of 555 million tonnes, up from 547 million tonnes in 2004, but lower than previously foreseen.

Despite the large number of downward revisions in production, most Asian countries are anticipated to end the 2005 season with increases. **Bangladesh** is set to reap 39.8 million tonnes, 1.8 million tonnes above the revised 2004 output, notwithstanding the floods that have affected the country in July. The Government has started procuring rice locally, at prices of Taka 9 250 (US$ 141) per tonne per tonne for paddy and Taka 14 500 (US$ 221) for milled rice, to secure the supply necessary to its food distribution programme. At the same time, however, 500 000 tonnes of rice from public stocks were released under open market sale operations to dampen down the tendency for prices to increase. Another 120 000 tonnes will be distributed through Vulnerable Group Feeding cards to poor households from 15 September 2005.

Insufficient rainfall thwarted the expectation of a full recovery in **Cambodia**, which, last year, already was affected by drought problems. Overall the country is set to harvest 4.3 million

tonnes, up from 4.2 million tonnes last year, but well down the 4.7 million tonnes it gathered in 2003.



FAO's production forecast for **China** has been lowered by 2 million tonnes to 180.1 million tonnes in the on-going season, as typhoons were reported to have caused damage to rice crops in the south-eastern provinces, especially in Guanxi, Guangdong and Fujian. Before being hit by storms and strong winds, the country had been affected by drought and high temperatures. More recently, in the southern provinces, where two rice crops are commonly grown every year, damage from pests and diseases outbreaks was reported. Despite the downward revision, the 2005 production forecast still points to a 1 million tonnes increase compared with the revised output estimate for 2004, recently released by the National Statistical Bureau. The increase reflects the positive effects of government special incentives to grain producers, in addition to the abolition of the agricultural tax in a majority of provinces. Paddy growers have also benefited from minimum paddy protective prices, at RMB 1400 (US$ 169) per tonne for (non glutinous) Indica rice grown in the early crop and at RMB 1440 (US$ 174) per tonne for the (non glutinous) Indica rice grown over the intermediate and late rice crops. The minimum price for round grain paddy was set higher at RMB 1500 (US$ 181) per tonne.

The **Chinese Province of Taiwan** was also affected by adverse weather and although the production forecast was slightly lowered, it still points to a small recovery compared with 2004.

There continues to be some controversy in **India** regarding the final outcome of the 2004 paddy season. According to the Ministry of Agriculture's fourth advanced estimate, some 128 million tonnes were produced, about 3 million tonnes less than had previously been assessed. As for the on-going 2005 season, the pattern of the monsoon has been erratic, with a late arrival, uneven distribution and early withdrawal of the rains. Based on expectations of an only small increase in plantings compared with 2004 to 42.7 million hectares, FAO's forecast for 2005 production has been lowered by 4.5 million tonnes to 129 million tonnes. The new output forecast would be less than 1 percent above last season.

India is attempting to reform its grain procurement and distribution policy, which should result in a more decentralized system by making individual state governments responsible for procuring, storing and distributing rice at the centrally-fixed prices. The system should help farmers in remote states to gain access to public procurement centres as well as to economize on transportation and distribution costs. Traditionally, a disproportionate share of rice procured by the Food Corporation of India originated from the northern states of Haryana, Punjab and Uttar Pradesh. In addition, a possible amendment of the 1955 Essential Commodity Act, to allow the Government to alter the list of commodity covered, is also

under discussion. The Act limits the movement between States of the goods it covers, which include rice and other cereals.

Paddy crops in the **Democratic Republic of Korea** appear to be developing under satisfactory conditions. Resources have been mobilized to boost production this year. As a result, the country is set to harvest 2.50 million tonnes, up from 2.37 million tonnes last year.

In **Pakistan**, where rice is mostly grown under irrigation, the Government recently cut its 2005 production forecast by 400 000 tonnes to 7.5 million tonnes, which remains nonetheless marginally above the record gathered last year.

The forecast for **Philippines'** paddy production over the 2005 season (July 2005- June 2006) has been raised by 200 000 tonnes to 14.8 million tonnes, 2 percent more than last season. The revision reflects anticipation of a good crop over July-December 2005, as growing conditions have been favourable so far. In addition, to boost output of the main crop currently in the field, the government has provided incentives for farmers to increase the area planted to hybrid rice by 90 000 hectares to 300 000 hectares. While support in disseminating hybrid rice varieties by subsidizing the prices of the seeding material has been at the core of the expansionary production policy fostered by the Government, the elimination of those subsidies as of 2007 was recently announced.

Pending a completion of the secondary Yala paddy crop, currently at the harvesting stage, **Sri Lanka** released official estimates for the 2005 main Maha crop, at almost 2 million tonnes or 19 percent larger than last year. As the outlook is also positive for the secondary crop currently at the harvest stage, the country is forecast to record a 14 percent increase in paddy production, to a 3 million tonne record.

Despite insufficient precipitation in several rice-growing regions, especially in the North East, production prospects continue to be positive in **Thailand,** where the main crop, which will be reaped from November, is officially anticipated to rebound by 14 percent from last season's poor outcome. FAO's production forecast for the whole season remains at 27.0 million tonnes, up from 23.9 million tonnes in 2004 and the second highest output on record. The Government continues to play an active role in sustaining the market and already announced it was prepared to purchase up to 9 million tonnes of paddy from the main 2005 season currently in progress. The government intervention programme has been announced to begin on 3 November 2005 and to end on 28 February 2006. The level of the official procurement prices, which had been announced already higher in August compared with last season, were subject to a new increase in mid-September to Baht 7 000 (US$ 171) per tonne for 5% broken paddy, Baht 7100 (US$ 173) per tonne for 100B paddy.

Thailand – Intervention Prices for Paddy Rice

	5% Broken		100% B	
	(Baht/tonne)	(US$/tonne)	(Baht/tonne)	(US$/tonne)
2000	5 185	120	5 280	123
2001	5 235	119	5 330	122
2002	5 235	121	5 330	123
2003	5 235	132	5 330	134
2004	6 500	166	6 600	168
2005	7 000	171	7 100	173

Source: Commerce Ministry.

The 2005 production outlook also improved in **Viet Nam**, where 37 million tonnes are now expected to be harvested, up from 36.1 million tonnes last year. At the beginning of the season, drought and low temperatures problems in the North-Eastern region as well as an early ending of the rains in the southern province had raised fears over supplies and induced the Government to put a 3.8 million tonne ceiling on exports. Since then, the situation has greatly improved, as the Winter-Spring and Summer-Autumn crops were assessed to be larger than last year. Meanwhile, in June 2005 the Government approved a master restructuring plan for agriculture, which envisions a sizeable reduction in rice cultivation, which is to be offset through strong gains in productivity, allowing production to reach some 40 million tonnes by 2010.

So far, only a few countries in the region are expected to see their production fall in 2005. In the case of **Indonesia**, the decline should be modest, as officials are now forecasting production to end close to the outstanding 2004 performance, notwithstanding the occurrence of some pest problems. Despite the positive outcome, Bulog, the official State Logistics Enterprise, has found purchasing paddy rice at the official procurement price difficult. Although this was increased from Rupiah 1230 to Rupiah 1330 (US$ 135 per tonne) per kilo last May, the government was reported to be considering to raise them further as of October.

Japan's official crop forecast in 2005 remains unchanged at 10.6 million tonnes, which would be 2.5 percent less than last year. The country continues in its endeavour to increase the exposure of the sector to market forces and recently confirmed a new policy for implementation in 2007, which would result in the elimination of government control over production. In addition, the country intends to re-instate the futures market for rice, which was abolished 70 years ago.

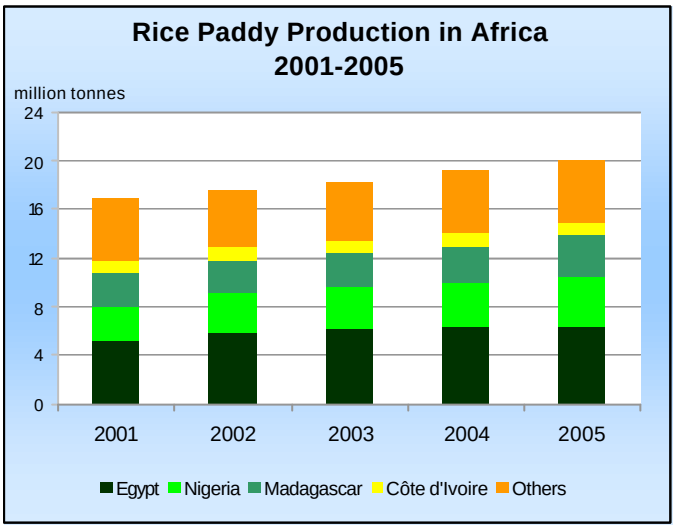
According to a national crop survey, in the **Republic of Korea**, the land put under paddy cultivation continued to shrink, falling for the first time below the 1 million hectare mark. Besides the reduction in plantings, flooding problems were reported early in August to have affected 12 000 hectares of paddies. As a result, prospects for production this year have deteriorated, with output now envisaged to contract to 6.5 million tonnes, down from 6.7 million tonnes in 2004. Faced with the prospect of a larger rice imports, under the WTO, the country has engaged in deep reforms of the national rice policy, hinging to a large extent on a shift from price support to direct payments to producers (see the June issue of the FAO Rice Market Monitor). While the agreement reached with other nine WTO member countries over the opening of the rice market still needs to be ratified by the Korean Parliament, proposals have been made to raise the fixed per hectare payment to rice producers from Won 600 000 (US$ 590 000) per hectare in 2005 to Won 700 000 next year. Under the proposal, the Government would also maintain a rise stockpile of 864 000 tonnes and commit to buy 432 000 tonnes every year from farmers.

Lingering drought problems have also undermined crop prospects in **Laos**, where production is now forecast at 2.4 million tonnes, the lowest level since 2001. As of mid August, precipitation was also well below normal in **Nepal,** where 23 out of 75 districts were reported under strain. As a result, FAO has lowered the country's production forecast this season to 4.2 million tonnes, which would imply a further contraction from last season.

I.2 AFRICA

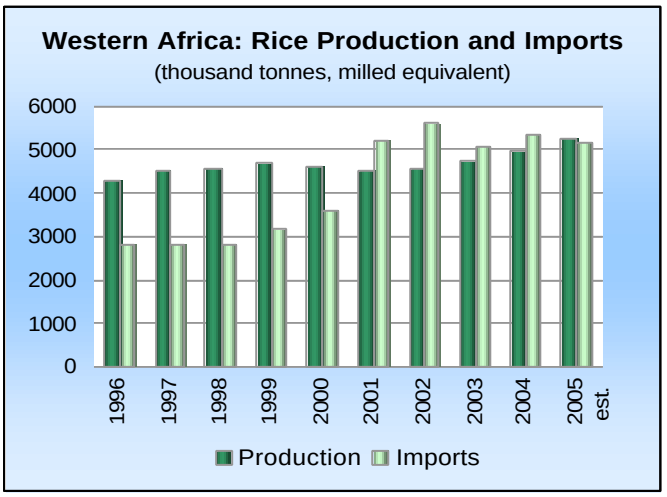
Favourable outlook for paddy production in 2005 while strong price hikes reported in several countries

FAO's forecast for paddy production in *Africa* has been raised somewhat compared with the previous issue of the FAO Rice Market Monitor, reflecting mainly new official production estimates for **Côte d'Ivoire**. Based on the latest forecasts, paddy output in Africa might grow by 4 percent to reach some 19.9 million tonnes in 2005, 500 000 tonnes more than previously anticipated.



Egypt, the largest producer in the region, is seen to experience a small increase from the record volume harvested in 2004, a reflection of the high domestic prices that have been associated with a growing demand for export. Despite limited water resources, the country has been able to boost paddy production in recent years thanks to the dissemination of early, fast growing varieties.

In *western Africa* where the new paddy season is just starting, many countries are going through the lean period of the year and rice prices have been reported soaring in several locations, reflecting insufficient supplies from the 2004 season, sharp rises in the rate of exchange of local currencies to the US dollar and higher freights. The situation is reported to be particularly tense in **Guinea, Chad, Mali, Niger** and even **Nigeria**, in parts of which the surge in prices has been causing civil unrest. In several of these countries, governments have taken action to bring relief, for instance by eliminating an 18 percent value-added-tax in Mali, or launching some free and targeted distribution of rice in Niger.



Regarding the new paddy season, most western African countries benefited from abundant and well distributed rainfall as of mid-August, raising expectations of good paddy crops in **Burkina Faso, Chad, Côte d'Ivoire,** and **Senegal**. However, shortages of seeds in **Mali** and **Niger** have been reported, following the drought and locust infestation that afflicted the two countries last year. Production in **Nigeria**, the largest producer in the sub-region, is also likely to rise strongly, reaching 4 million tonnes. The Government, which is engaged in the promotion and the dissemination of improved rice varieties, recently approved the

allocation of Naira 1 billion (US$ 7.4 million) for the mass reproduction of Nerica rice seedlings over five years. The project falls within the Rice Initiative launched by the Government to raise the country self-sufficiency in rice.

In the rest of the region, most countries have completed their 2005 rice season. It was concluded positively in **Madagascar**, which posted a 12 percent increase in output this season, while a small contraction was incurred by **Mozambique**.

I.3 CENTRAL AMERICA AND THE CARIBBEAN

Drought and flooding mar production prospects in 2005

While most of the countries situated in *Central America and the Caribbean* have completed their paddy planting operations, FAO's forecast of production in the sub-region remains of the order of 2.5 million tonnes, 3 percent above the poor 2004 crop outcome, but still short of the output levels achieved between 2000 and 2003.

Indeed, several countries continued to face adverse growing conditions, in particular **Cuba**, one of the largest producing countries in the area, which has been hit by a persistent drought since 2003. The impact has been particularly severe for rice produced by the public farm sector, which depends fully on irrigation and which may experience a decline in production of up to 50 percent this year. However, rice grown by "Movimiento Popular de Cultivo de Arroz" project, which was reported to involve 190 000 individual producers on 165 000 hectares, is likely to be less severely affected by the lack of water resources. Consequently, FAO's production forecast for the country has been lowered from 650 000 tonnes to 580 000 tonnes, below the 610 000 tonnes currently estimated to have been harvested in 2004.

Similarly, in **Costa Rica** production has been officially set to contract by 8 percent to 234 000 tonnes, partly reflecting excessive rainfall and floods in the main producing region of Chorotega.

In the **Dominican Republic**, the sector was also affected by heavy rainfalls and flooding early this year. However, owing mainly to stronger institutional support, in particular through a 32 percent increase in credit loans, paddy production is currently expected to grow by about 10 percent compared with 2004, to 636 000 tonnes.

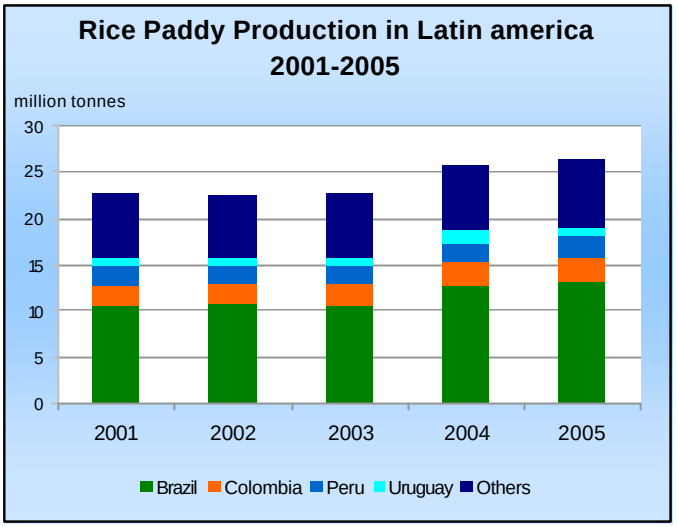
Crop prospects in most of the other central American and Caribbean countries remain positive, with **Mexico, Nicaragua** and **Panama,** in particular, poised to raise output to 300 000 tonnes, 250 000 tonnes and 260 000 tonnes respectively.

I.4 SOUTH AMERICA

Production in South America to rise by 500 000 tonnes in 2005, or 2.1 percent

While most countries in South America have concluded or are about to conclude their paddy season, FAO forecasts an overall increase in paddy production in the sub-region of 500 000

tonne compared with 2004, to 23.8 million tonnes. Most of the growth reflects developments in Brazil, which alone, accounts for more than half of the regional aggregate.



With the harvesting of the crop in the Southern and Central States, the 2005 paddy season is also over in **Brazil**. Based on results from its sixth field survey, CONAB, the national supply agency, estimated production in 2005 at 13.2 million tonnes, 3.1 percent more than last year. Overall, the country expanded cultivation by over 7 percent in reaction to relatively good prices last year, but adverse climatic conditions contributed to lower yields. In the first half of the year, the arrival on the market of abundant newly harvested supplies was reported to have depressed domestic paddy prices, with the January to August average dropping 38 percent compared with the same period last year. The market weakness resulted in producer prices falling short of the minimum level set by the Government, which induced CONAB to launch public option contracts. Eventually, as the measures were not effective in halting the price slide, the Government suspended option contracts and concentrated resources to purchase rice directly from producers in Santa Caterina and Mato Grosso, the two major producing states.

Ecuador recently released official estimates for production in 2004, which showed that a bumper crop of 1.346 million tonnes was harvested, clearly contradicting former FAO's expectation of a shortfall. The Government also released forecast for 2005 paddy production, at 1.375 million tonnes.

A bumper crop is estimated to have been harvested in **Peru** as production is set to reach 2.2 million tonne this season, more than 20 percent larger than in 2004. Rice output may continue on the rise next season, as information on producer planting intentions for 2006 indicated rice could cover an area of 350 000 hectares, about 7 percent more than in 2005.

In contrast with the previous countries, most of the other producers in the sub-region are likely to witness a contraction in output this season.

For instance, in **Argentina,** production has been assessed to fall marginally, as improved yields almost compensated for a 4 percent decline in plantings.

In **Chile**, low temperatures at the panicle formation stage also depressed yields and production. Meanwhile, the country is already preparing to plant the 2006 crop, which is to start in October. Stimulated by relatively high prices this year, the area under rice is anticipated to rise by 8 percent compared with 2005, mainly at the expense of maize cultivation.

According to the **Colombia**'s Agricultural Minister, the area under rice dropped by 4 percent this season, reflecting relatively low paddy prices since September last year. As a result, production is anticipated to be of the order of 2.6 million tonnes, 100 000 tonnes less than last season. The

Government is currently launching a set of measures to address the price decline, in particular the reactivation of incentives to millers to keep some 370 000 tonnes of rice under storage during the peak supply months in August/September.

Colombia: Monthly Prices for Green Paddy Rice, 2003-2005			
	2003	2004	2005
	(Pesos/tonne)		
January	523 744	618 100	555 695
February	573 711	636 973	554 892
March	591 124	625 173	572 237
April	601 186	620 771	574 824*
May	602 941	611 025	
June	607 540	586 612	
July	594 080	573 889	
August	536 325	547 336	
September	534 821	519 150	
October	553 242	519 616	
November	578 681	521 000	
December	593 647	531 891	

* Two weeks only.
Source: FEDEARROZ

Guyana's production forecast remains at 440 000 tonnes, which would be 12 percent lower than last year, as floods in January and February caused severe losses. To enable producers facing damage to replant their crops, the Government has launched a flood relief package with includes the payment of G$ 10 000 (US$ 53) or G$ 25 000 (US$ 132) per farm, depending on the region, plus G$ 10 000 per acre (US$ 131 per hectare) for up to 80 acres (32 hectares) and a seed bag per acre, to facilitate replanting. So far, claims have been made by 2 000 farmers, encompassing 10 117hectares.

The 2005 production estimate is also unchanged for **Uruguay**, where the crop has been assessed at 1 215 million tonnes, some 48 000 tonnes less than last season. Rice market prices have fallen considerably this year, bringing hardship to producers, many of whom will face difficulty in securing credit to finance cultivation over the next season crop, which starts in September / November. The current price weakness is already weighting on the planting intentions of the 2006 paddy crop, with a 10 percent to 15 percent contraction in the area already prospected. To limit the contraction, producers have asked the Government to draw from a US$ 12 million fund, due to the sector as indirect tax refunds, to finance production activities. Such an initiative would imply a change in the way the tax is returned, which is now directly related to the value of the exports. Instead, the sector is proposing an anti-cyclical approach to operate the fund, by making it available only when producer prices are particularly low.

The outlook for production in **Venezuela** has worsened somewhat, as falling prices associated with large supplies in 2004 and rising costs are expected to induce farmers to shift land out of rice. As a result, the forecast for production in 2005 has been lowered to 940 000 tonnes, 9 percent below the bumper crop harvested last season. Producers have been asking the government to raise the institutional price of the crop above last year level of Bolivar 514 per kilogramme (US$ 239 per tonne), to reflect rising costs.

I.5 REST OF THE WORLD

Production prospects positive in the United States and the Russian Federation, while drought may have affected EU's crops negatively

Harvesting of the rice crop in the **United States** has been delayed as, by 11 September, only 33 percent of the crop had been harvested, 8 percent less than at the same time last year. Despite its devastating effects on the population and coastal towns, Hurricane Katrina, which hit the Louisiana Gulf Coast on 29 August, appears to have caused only minimal damage to rice crops in Louisiana and Mississippi. According to the USDA report released on 9 September, paddy production in the United States is forecast to reach 10.4 million tonnes, 200 000 tonnes greater than last reported in the RMM and only marginally short of the 2004 exceptional outturn.
The expansion was in long rice varieties, as medium/short grain rice production fell to its lowest level since 1998.

United States: Rice Paddy Production by Class (thousand tonnes)

	Long Grain	Medium Grain	Short Grain	All
2003	6 759	2 185	123	9 067
2004	7 661	2 662	147	10 470
2005	8 230	2 127 1/	…	10 357

1/ Including short grain production
Source: *World Agriculture Supply and Demand Estimates*, WAOB, USDA.
Updated September 12, 2005

Australia's latest estimate for production this season has been lowered to a new low of 305 000 tonnes, as yields were revised downward. The dismal performance reflects drought problems recurring since 2003 that have brought havoc to the sector. Dry conditions have continued to prevail in the main producing State of New South Wales, with 87 percent of the territory officially declared as drought stricken in August. However, based on expectations of improved water irrigation availability, ABARE anticipates the area that will be put under rice in 2006 to rise by 50 percent when the season starts in October and raised output accordingly to 650 000 tonnes.

Drought may have impaired crops somewhat in the **European Union**, especially in Italy and Spain, which, together with a 2 percent contraction in plantings, is anticipated to bring about a 3 percent decline in EU paddy production to 2.7 million tonnes. Despite the reform of the EU rice policy regime implemented in September 2004, which resulted in the halving of the intervention price, market price levels have strengthened, reflecting large sales to the new member states that joined the EU last year.

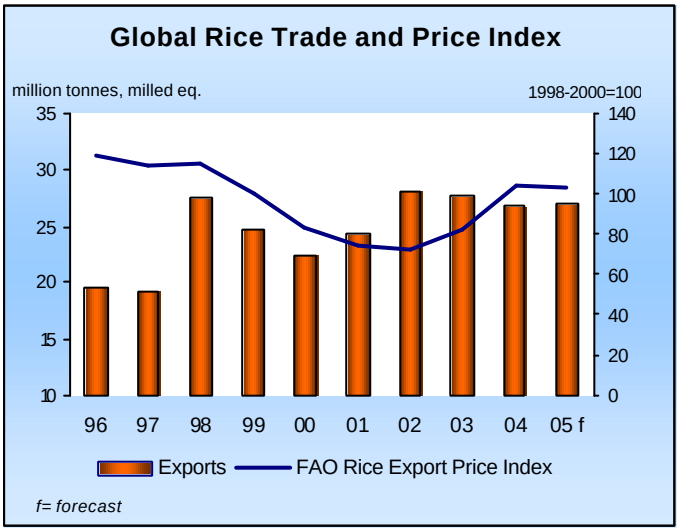
In **Ukraine**, an expected improvement of yields has raised expectations of a 3.7 percent increase in production to 84 000 tonnes in 2005.

The forecast for production in the **Russian Federation** has been raised to 580 000 tonnes, 100 000 tonnes more than last year, to reflect buoyant crop prospects in Krasnodar where an overwhelming share of the country's rice is produced.

II. INTERNATIONAL TRADE IN RICE

Latest FAO's forecast points to an increased volume of trade in 2005

As more evidence from actual flows becomes available, FAO has raised its forecast for global rice trade in calendar 2005, to 27.0 million tonnes, reversing earlier expectations of a contraction. At that level, the volume exchanged on the international arena would be 1 percent above last year performance of 26.7 million tonnes.



The upward revision in 2005 trade compared with the last RMM issue reflects expectations of much greater exports by India (+ 800 000 tonnes), the Republic of Korea (+ 200 000 tonnes), Pakistan (+ 350 000 tonnes), Viet Nam (+ 400 000 tonnes) and Egypt (+ 150 000 tonnes), based on a relatively lively pace of shipments reported so far. They more than compensated for smaller export prospects for Thailand (- 400 000 tonnes), Argentina (- 50 000 tonnes) and Uruguay (-40 000 tonnes).

FAO's rice import outlook for the current year has also undergone a number of changes, most of them pointing to a stronger demand than previously anticipated. In particular, the import forecast has been raised for Indonesia (+ 300 000 tonnes), the Islamic Republic of Iran (+ 160 000 tonnes), the Democratic Republic of Korea (+ 200 000 tonnes), the Philippines (+ 200 000 tonnes), Saudi Arabia (+ 100 000 tonnes), Sri Lanka (+ 60 000 tonnes), Kenya (+ 60 000 tonnes), Mozambique, (+ 50 000 tonnes), Niger (+ 170 000 tonnes), Senegal (+ 50 000 tonnes) and Cuba (+ 50 000 tonnes). At the same time, a few downward revisions were made to imports by Brazil (- 280 000 tonnes) and the United States (- 50 000 tonnes).

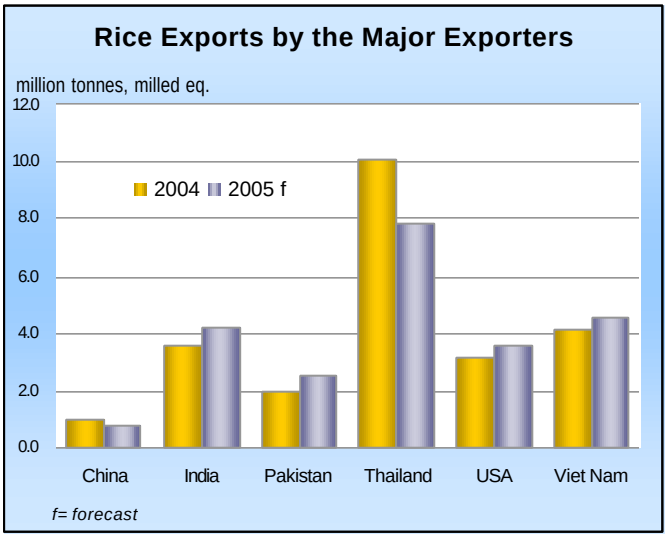
II.1 EXPORTS

Thailand's export shortfall likely to be filled by the other major exporters

Although little changed in the aggregate compared with last year, the current outlook for rice exports in 2005 highlights important changes in the relative shares of the major market players. In particular, a 23 percent anticipated contraction in sales by Thailand from the exceptional performance it achieved last year will largely be compensated by increased shipments from India, Pakistan, Vietnam, the United States and Egypt.

Prospects for sales by **Thailand**, the leading world rice supplier, have been lowered to 7.8 million tonnes in 2005, significantly less than the 10.1 million tonnes shipped last year. The expected contraction reflects reduced availabilities from the 2004 season but also the supportive policy of the Government, which has upheld prices above those prevailing in competing exporting countries. As government purchases of rice from the second 2004 crop ended in mid-August 2005 and pending the opening of a new procurement programme for the main 2005 crop starting in November, the Government sold 180 000 tonnes out of its large rice stocks in August and another 937 442 tonnes in September through tenders.

Similarly, exports by **China** are poised to fall by 100 000 tonnes to 800 000 tonnes this year, substantially below the volumes it used to ship between 1998 and 2003. Between January and July 2005, sales from the country amounted to 461 500 tonnes, 39 percent less than in the corresponding period in 2004. However, as domestic prices have tended to fall substantially, the Government (which still controls grain exports) is likely to intensify sales abroad in the coming months.



By contrast, all the other major rice suppliers are anticipated to step up exports. In particular, **India's** shipments of rice have been particularly dynamic between January and May, reaching 2.5 million tonnes, which is more than twice the level of 1.2 million tonnes exported in the same period in 2004. The positive performance was facilitated by relatively high domestic prices in competing exporting countries. It reflected much increased sales of non-basmati rice, which reached 2 million tonnes over the five month period, while sales of Basmati rice were little changed. Based on a more modest path of growth for the rest of the year, the country is now set to export 4.2 million tonnes of rice, up 600 000 tonnes from last year.

Following an agreement with the Democratic Republic of Korea, the government of the **Republic of Korea** is to supply the country with 500 000 tonnes of rice in the form of food aid, of which only 100 000 tonnes are expected to be sourced externally. Consequently, exports from the Republic of Korea have been raised to 400 000 tonnes, twice the level shipped last year.

Exports by **Pakistan** between January and July this year were reported at 1.9 million tonnes, much higher than the 1.0 million tonnes shipped in the corresponding seven months in 2004. Sales for the whole year are expected to reach an all time high of 2.5 million tonnes, up from 1.9 million tonnes in 2004, facilitated by the abundant supplies from last season and expectations of a bumper crop in 2005, which will start reaching the market in September/ October. Future export prospects have also improved since rice from Pakistan has been formally deemed suitable for import by China in July 2005. Based on a memorandum of

understanding between the two countries, China is to import 250 000 tonnes of rice (especially Basmati) from Pakistan every year for two years, which will be automatically renewed. In addition, a free trade agreement between Pakistan and Sri Lanka was rendered operational in February, which allows Pakistan to export 6 000 tonnes of Basmati rice to Sri Lanka at a zero rate of duty.

In view of the positive crop outlook for the on-going season, **Viet Nam** agreed to raise the limit on exports over this calendar year from 3.8 million to 4.1 million tonnes. FAO's forecast is higher at 4.5 million tonnes, which would be 11 percent more than last year.

In the rest of the region, **Cambodia** is forecast to sell only 100 000 tonnes of rice this year, but it is noteworthy that the Government is now opening up exports to the private sector, which might have important implications in the not-so-distant future.

Similarly, the Government of **Myanmar** has been reported to prepare a relaxation of the restrictions on private rice exports currently in place and to be in the process of re-organizing a group of private companies or consortiums to let them handle rice exports and domestic distribution. Pending the implementation of the new policy, shipments from the country are anticipated at only 200 000 tonnes, of which part is expected to flow to India's north-eastern states, which are facing shortages, under an Indo-Myanmar bilateral agreement.

Outside of Asia, **Egypt** is currently foreseen to sell 1.0 million tonnes of rice, which would be a new record after the 750 000 tonnes achieved last year. This expected exceptional performance reflects strong purchases by countries in the Near East and in Central and Eastern Europe.

In Latin America and the Caribbean, the 2005 export outlook changed little from last report, with **Argentina** and **Uruguay** still expected to raise shipments to 300 000 tonnes and 700 000 tonnes respectively. Rice flows from the two countries to Brazil, the largest import market in the region, have been hindered in recent months, as Brazilian rice producers obstructed the passage of trucks transporting rice from the two neighbouring countries.

Falling prices in **Brazil** have also allowed the country to sell rice abroad, which might reach 100 000 tonnes by the end of the year. Competition for markets in Latin America and the Caribbean has intensified, as export prices in the United States continued to weaken. In this connection, in July 2005, Uruguay announced its intention to file a formal complain at WTO to challenge the United States' domestic rice subsidies[1]. However, Uruguay later announced it would withdraw the case and engage, instead, in bilateral discussions with the United States.

According to the USDA, rice exports by the **United States** are forecast to reach 3.6 million tonnes, half a million tonnes more than in 2004 and the second highest in history. Much of the expansion reflects steep falls in US export prices compared with last year and relative to other exporters' quotations. The passage of Hurricane Katrina, however, caused serious damage to waterways, grain elevators and to the New Orleans port facilities, where 50 percent of the country's grain exports transit, raising fears over the a lengthy disruption of trade flows. On 2 August 2005, the United States' Congress signed into law the Central America Free Trade

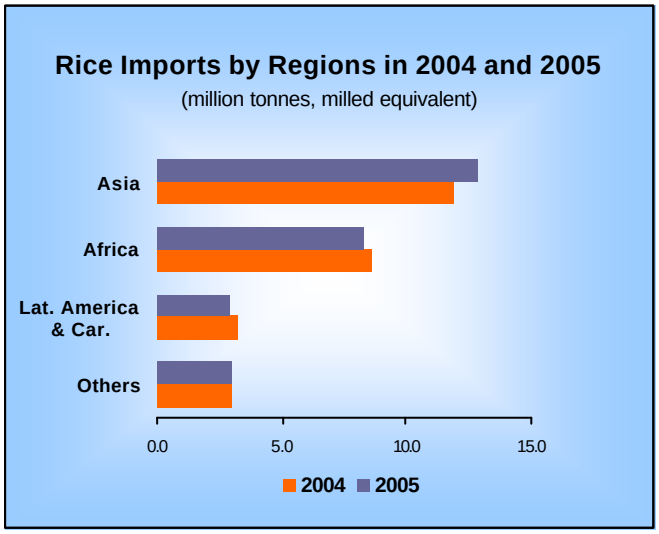
[1] In a previous case raised by Brazil against subsidies granted to USA's cotton producers, the WTO panel ruled that a number of US programmes, especially marketing loans, counter-cyclical payments to producers as well some export credit guarantee programme violated WTO rules.

Agreement (CAFTA), which will eliminate all tariffs on rice trade between six Central American countries and the United States within an 18 -20 year period. Out of the seven countries that are part of the CAFTA Regional Agreement, only El Salvador, Honduras, Guatemala and the United States have now signed the accord, while Costa Rica, the Dominican Republic and Nicaragua still have to ratify it. Under CAFTA, the six Central American countries will let 352 500 tonnes of paddy rice, 52 510 tonnes of milled rice and 2 140 tonnes of husked rice enter under a preferential tariff quota.

II.2 IMPORTS

Increased imports by Asian countries likely to offset declines in Africa and Latin America and the Caribbean

From the import side, the latest FAO forecasts point to substantial increases in rice deliveries to Asian countries, now expected to approach 13 million tonnes overall, 9 percent more than last year. The increase reflects expectations of much larger movements of rice into Bangladesh, the Philippines and, to a lower extent to Indonesia, where relatively poor 2004 crops have resulted in strong domestic price increases this year. By contrast most of the traditional importers in the region have either cut or maintained imports at the 2004 level.



In *Asia*, **Bangladesh** is now foreseen to take 1.2 million tonnes of rice this year, which would be 50 percent above last year. Along with a surge of imports by private traders, high domestic prices are expected to induce the Government to secure supplies on the international market for the public food distribution system. Concerns over possible shortages even resulted in the lifting of existing restrictions on rice (and sugar) imports through five land ports at the Indian border.

The 2004 production shortfall in the **Philippines** is resulting in a strong increase in import demand in the country over 2005. FAO's latest forecast point to an import volume of 1.8 million tonnes, well above the 1 million tonnes brought in last year. The country is currently negotiating with nine WTO member countries the extension till 2012 of the special treatment, expired last June, which Philippines applied to rice under the 1994 WTO Agreement. Under the current negotiations, the country has accepted to raise the minimum import quota to 350 000 tonnes, of which 98 000 tonnes have been allocated to Thailand, 25 000 tonnes to China and 15 000 tonnes to Australia. Rice brought under the quota will be subject to a 40 percent tariff.

Rice deliveries to **China (Mainland)** over the first seven months of 2005 amounted to only 250 000 tonnes, 44 percent lower than in the same period last year. The decline reflects to a large extent, much lower domestic prices compared with 2004, which have reduced the pressure to import. As a result, the country is anticipated to cut its purchases by 35 percent to

500 000 tonnes, considerably short of the preferential WTO import quota of 5.32 million tonnes that has been in place since 2004.

Indonesia announced in September it would relax the import ban in place since 2004 and allow imports of 250 000 tonnes by the State Logistic Agency Bulog, to enable it to rebuild its stocks. In August, the government had already accepted to let varieties not produced locally to be brought into the country. Overall, deliveries to the country are forecast in the order of 1 million tonnes, 100 000 tonnes above the 2004 estimate.

Forecast shipments to the **Islamic Republic of Iran** have been raised to 800 000 tonnes in 2005 based on lively sales reported by the major rice exporters so far this year. Despite the revision, imports are estimated to be 50 000 tonnes lower than in 2004.

Deliveries to the **Democratic Republic of Korea** have been adjusted upward to 700 000 tonnes, following an agreement with Republic of Korea for the delivery of rice in the form of food aid. Overall, about 700 000 tonnes of rice could reach the country, up from an estimated 600 000 tonnes last year.

Based on current forecasts, imports by *African countries* are anticipated to fall by 5 percent to 8.2 million tonnes. Much of the decline reflects anticipation of smaller deliveries to **Nigeria**, still foreseen at 1.3 million tonnes, 300 000 tonnes less than last year. Since March 2005, the country has raised the minimum import prices used to calculate the duties while strengthening the controls against illegal inflows. Although the Government recently authorised two firms to import 100 000 tonnes of husked rice at half the prevailing tariff of 100 percent, traders have expressed concern over current plans to forbid rice imports as of 2006.

Similarly, in **South Africa** large wheat and maize crops are estimated to depress demand for rice, with imports expected to fall by 15 percent to 850 000 tonnes this year.

Within the region, shipments to **Cote d'Ivoire** may hover around the same level of 800 000 tonnes estimated for 2004, while based on reported exporter deliveries, those destined to **Senegal** have been raised to 750 000 tonnes, 100 000 tonnes more than in 2004. In the wake of domestic cereal shortages, **Niger** is now set to double the level of its rice imports to more than 300 000 tonne.

In Latin America and the Caribbean, several of those countries which faced a crop shortfall last year are anticipated to respond by expanding imports, especially **Cuba,** which is now set to purchase a record 750 000 tonnes. Increased quantities are also likely to be imported by **Costa Rica**.

By contrast, faced with falling domestic prices, **Brazil** is anticipated to purchase 500 000 tonnes only, well down the level it bought in 2004. Imports by **Nicaragua** and **Peru** are also likely to fall compared with last year, reflecting improved domestic supplies.

Deliveries to **Mexico** are expected to amount to some 540 000 tonnes, same as in 2004. The country has announced it would appeal a recent WTO ruling, according to which a 10.18 percent anti-dumping tariff that Mexico imposed on milled long grain rice imports from particular US firms did not comply with international rules.

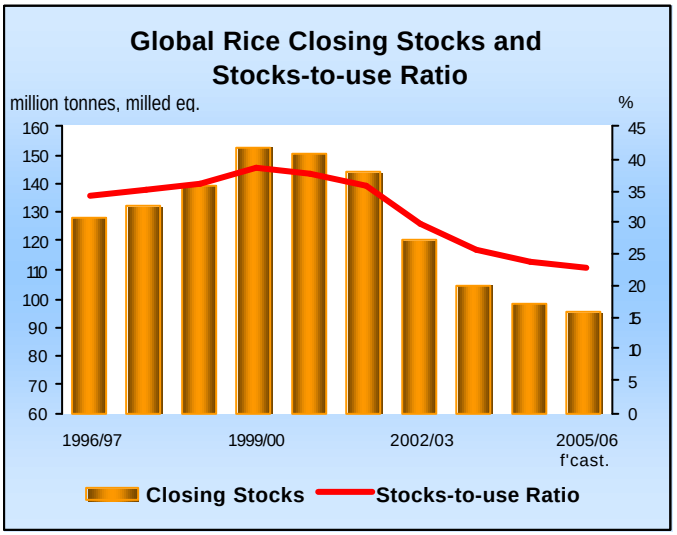
In the rest of the world, **Australia** is estimated to purchase 100 000 tonnes of rice, mainly in the form of husked rice, to ease domestic supply shortages. The **United States** recently lowered its import forecast to 425 000 tonnes, which would be some 50 000 tonnes less than last year.

Purchases by the **European Union** are still expected to be of the order of 900 000 tonnes. In August, the Commission reached an agreement with Thailand concerning imports by EU member countries of milled or semi-milled rice and of broken rice. As in the case of husked rice, flexible tariffs will be applied, depending on the level of actual imports relative to pre-determined reference levels, initially set at 182 239 tonnes for one semester and 387 743 tonnes for the full year. Below those marks, a tariff of € 145 (US$ 180) per tonne will be applied, which rises to € 175 (US$ 217) per tonne once they have been reached. In addition, the agreement provides for a milled/semi milled rice quota of 13 500 tonnes free-of-duty, of which 4 313 tonnes reserved for Thailand. On the other hand, broken rice imports will be imposed a fixed duty of € 65 (US$ 81) per tonne, which falls to € 45 (US$ 56) per tonne for rice imported under a preferential quota, the volume of which was raised from 80 000 to 100 000 tonnes. It is not clear whether the new provisions will be implemented at the beginning of the new crop season on 1 September 2005.

Although early this year, the **Russian Federation** more than doubled the tariff applied on rice imports, which passed from € 30 (US$ 37) to € 70 (US$ 88) per tonne, imports to the country are anticipated to remain close to the level of 470 000 tonnes purchased last year, reflecting, to some extent, a delay in the implementation of the new tariff rates.

III. CLOSING RICE INVENTORIES

Less buoyant prospects for paddy production in 2005 (a large share of which will be consumed in 2006) have resulted in a downward revision in expected global rice inventories at the close of the 2005/06 marketing years, now anticipated at 95 million tonnes. At that level, stocks would be 3 million tonnes below their opening levels. This would be the sixth consecutive year that rice reserves would need to be drawn down to meet the expected shortfall between global production and consumption.



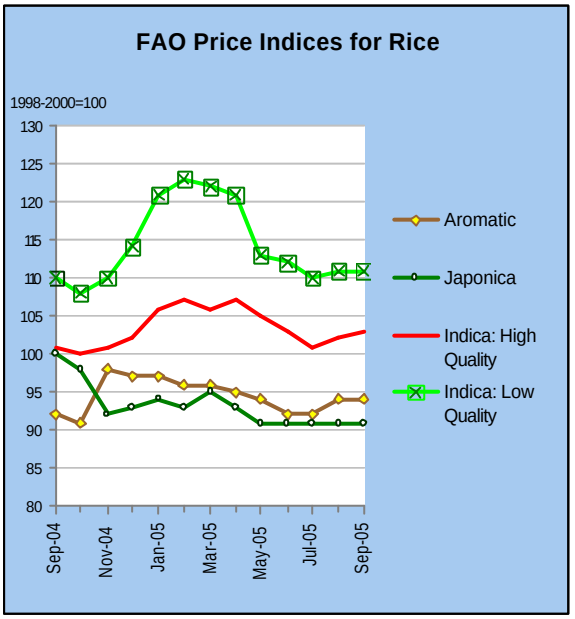
Among traditional exporting countries, the cut in the size of world rice reserves would be particularly marked in **China** and **India,** which might reduce their carry-over stocks by more than one million tonnes each. A more modest contraction is foreseen in the case of **Egypt** and the **United States**, while stocks are likely to remain close to their opening level in **Thailand** and actually grow in **Myanmar** and **Viet Nam**.

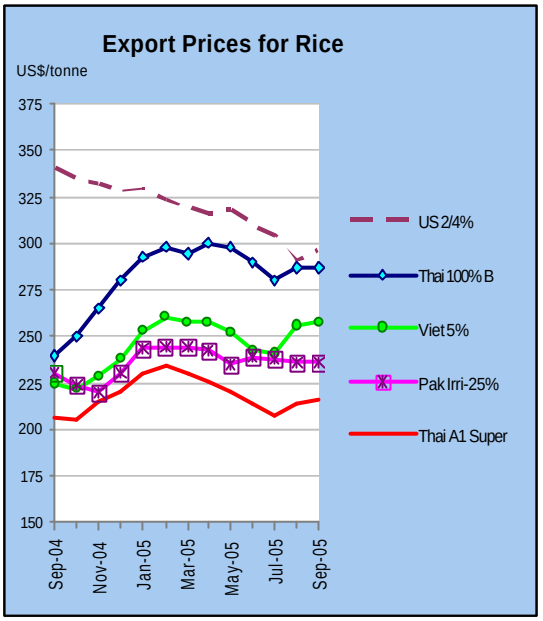
Several major importing countries are also expected to reduce the size of their inventories, in particular **Indonesia**, where they might fall by over one million tonnes, reflecting mainly low imports. Stocks might also end smaller in **Bangladesh, the EU**, **Nepal** and **the Philippines,** while the good production performance this year should boost them in **Brazil**.

Concerns over the availability of rice supplies at times of emergencies let ASEAN countries, to agree in July on an increase of the East Asia Emergency Rice Reserve from 87 000 tonnes to 200 000 tonnes in 2005- 2006.

IV. INTERNATIONAL RICE PRICES

International rice prices were subdued in June and July, as reflected in the FAO All Rice Price Index (1998-2000=100) losing one point in each of the two months, to 101 in June and 100 in July, the lowest index value since February 2004. The weakness reflected sluggish import demand and relatively large supplies in some major exporting countries that harvested their secondary 2004 crops, as well as renewed competition from India and China's exports.





In August, prices regained some strength with the Index rising one point, sustained by higher quotations especially of Indica (both of the lower and higher quality) and Aromatic rice. By contrast, the sub-index for Japonica rice failed to recover and stayed at 91 from May to August. The price recovery was mainly in response to the announcement in Thailand of the new procurement programme, at higher official prices. The resumption of shipments to Africa and Iraq also imparted new strength, especially to Thai and Viet Nam quotations. Rice prices in the United States, however, kept falling, as further evidence of a near record crop was released, with premium of US N.2 4% Long grain over Thai 100% B rice, for instance narrowing to only US$ 4 per tonne in August, down from a difference of US$ 37 per tonne in January 2005 and US$ 108 in August 2004.

International prices have continued to firm in the first weeks of September, reflecting the return of Indonesia as an important buyer, strong sales to Africa and new contract for

deliveries to Iraq. Thailand's sale, in September, of 900 000 tonnes of government-owned rice through tenders was made at relatively high prices and did not depress the market.

The tendency for prices to strengthen is expected to linger in the coming months, partly in reaction to the rise in production and marketing costs associated with the surge in oil prices. However, in the short term, prices are likely to react strongly to new developments regarding crops and government policies.

FAO Rice Price Indices

		All	Indica		Japonica	Aromatic
			High	Low		
		1998-2000 = 100				
2000		**84**	**84**	**83**	**83**	**89**
2001		**74**	**74**	**74**	**76**	**69**
2002		**72**	**73**	**75**	**67**	**74**
2003		**82**	**79**	**81**	**82**	**91**
2004		**104**	**101**	**110**	**104**	**96**
2004	September	102	101	110	100	92
	October	101	100	108	98	91
	November	101	101	110	92	98
	December	103	102	114	93	97
2005	January	106	106	121	94	97
	February	107	107	123	93	96
	March	106	106	122	95	96
	April	106	107	121	93	95
	May	102	105	113	91	94
	June	101	103	112	91	92
	July	100	101	110	91	92
	August	101	102	111	91	94
	September *	101	103	111	91	94
2004	Jan.-Sep.	104	101	109	106	96
2005	Jan.-Sep.	103	105	116	92	94

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 100% B 1/	**U.S. 2/4% Long grain**	**Viet 5%**	**Thai 25%**	**India 25%**	**Viet 25%**	**Pak 25%**	**Thai A1 Super** 2/	**U.S. 2/4% Medium Grain** 3/	**Pak Basmati** 4/	**Thai Fragrant 100%**
	US $/tonne, f.o.b.										
2000	**207**	**271**	**183**	**172**	**232**	**159**	**163**	**143**	**289**	**418**	**428**
2001	**177**	**264**	**166**	**153**	**185**	**148**	**148**	**135**	**256**	**332**	**275**
2002	**197**	**207**	**187**	**171**	**140**	**168**	**159**	**151**	**219**	**366**	**306**
2003	**201**	**284**	**183**	**176**	**163**	**167**	**175**	**151**	**310**	**357**	**449**
2004	**244**	**372**	**224**	**225**	**n.a.**	**212**	**230**	**207**	**420**	**468**	**443**
2004											
September	240	341	225	224	n.a.	216	231	207	375	n.a.	370
October	250	335	222	227	n.a.	211	224	205	366	479	382
November	265	332	228	242	n.a.	217	220	215	331	457	435
December	280	329	238	253	n.a.	226	230	220	331	455	424
2005											
January	293	330	253	265	n.a.	243	244	230	325	460	433
February	298	324	261	269	n.a.	247	245	234	309	453	437
March	295	319	258	266	n.a.	244	245	230	310	467	427
April	300	316	258	268	n.a.	245	243	226	309	472	417
May	298	318	252	263	237	239	235	220	309	472	403
June	290	310	243	255	242	230	239	213	309	472	382
July	280	304	241	247	240	222	238	208	309	473	377
August	287	291	256	255	229	238	236	214	309	475	406
September *	287	297	258	256	225	240	236	216	n.a.	475	406
2004 Jan.-Sep.	238	386	222	220	n.a.	210	231	205	446	494	453
2005 Jan.-Sep.	292	312	253	260	235	239	240	221	312	469	410

Sources: Jackson Son & Co. (London) Ltd. and other public sources.
1/ White rice, 100% second grade, f.o.b. Bangkok. 2/ White broken rice. 3/ F.A.S. basis. 4/ Basmati ordinary, f.o.b. Karachi.
* Two weeks only.

WORLD PADDY PRODUCTION

	2003	2004 (estimated)	2005 (forecast)
	million tonnes		
WORLD	**586.1**	**606.0**	**615.3**
Developing countries	562.9	580.0	590.0
Developed countries	23.2	26.0	25.4
ASIA	**532.6**	**546.7**	**555.0**
Bangladesh	39.3	38.0	39.8
Cambodia	4.7	4.2	4.3
China	162.3	180.5	181.6
of which Taiwan Prov	1.6	1.4	1.5
India	132.4	128.0	129.0
Indonesia	52.1	54.1	53.0
Iran, Islamic Rep. of	2.9	3.1	3.3
Japan	9.7	10.9	10.6
Korea Rep. of	6.2	6.7	6.5
Myanmar	23.1	23.4	24.5
Pakistan	7.3	7.5	7.5
Philippines	14.2	14.5	14.8
Sri Lanka	3.1	2.6	3.0
Thailand	27.2	23.9	27.0
Viet Nam	34.5	36.1	37.0
AFRICA	**18.2**	**19.1**	**19.9**
North Africa	**6.2**	**6.4**	**6.4**
Egypt	6.2	6.4	6.4
Sub-Saharan Africa	**12.0**	**12.7**	**13.5**
Western Africa	7.6	8.0	8.4
Côte d'Ivoire	1.0	1.2	1.2
Guinea	0.9	0.9	0.9
Mali	1.0	0.9	0.9
Nigeria	3.4	3.5	4.0
Central Africa	0.4	0.4	0.4
Eastern Africa	0.9	1.1	1.0
Tanzania	0.6	0.7	0.7
Southern Africa	3.1	3.3	3.7
Madagascar	2.8	3.0	3.4
Mozambique	0.2	0.2	0.2
CENTRAL AMERICA	**2.6**	**2.4**	**2.5**
Cuba	0.7	0.6	0.6
Dominican Rep.	0.6	0.6	0.6
Mexico	0.3	0.3	0.3
SOUTH AMERICA	**20.0**	**23.3**	**23.8**
Argentina	0.7	1.1	1.0
Brazil	10.4	12.8	13.2
Colombia	2.5	2.7	2.6
Peru	2.1	1.8	2.2
Uruguay	0.9	1.3	1.2
NORTH AMERICA	**9.1**	**10.5**	**10.4**
United States	9.1	10.5	10.4
EUROPE	**3.3**	**3.4**	**3.5**
EU 1/	2.7	2.8	2.7
OCEANIA	**0.4**	**0.6**	**0.3**
Australia	0.4	0.5	0.3

WORLD IMPORTS OF RICE

	2003	2004 (estimated)	2005 2/ (forecast)
	million tonnes, milled		
WORLD	**27.6**	**26.7**	**27.0**
Developing countries	23.2	22.0	22.5
Developed countries	4.3	4.7	4.5
ASIA	**13.5**	**11.9**	**12.9**
Bangladesh	1.6	0.8	1.2
China	0.4	0.9	0.7
of which Taiwan Prov.	0.1	0.2	0.2
Indonesia	2.5	0.9	1.0
Iran, Islamic Rep. of	0.9	0.9	0.8
Iraq	0.8	1.2	1.2
Japan	0.7	0.7	0.7
Malaysia	0.6	0.7	0.6
Philippines	0.9	1.0	1.8
Saudi Arabia	0.8	0.9	0.9
Sri Lanka	0.0	0.2	0.1
AFRICA	**8.0**	**8.6**	**8.2**
Côte d'Ivoire	0.8	0.8	0.8
Nigeria	1.5	1.6	1.3
Senegal	0.6	0.7	0.8
South Africa	0.8	1.0	0.9
CENTRAL AMERICA	**1.9**	**2.1**	**2.2**
Cuba	0.6	0.7	0.8
Mexico	0.5	0.5	0.5
SOUTH AMERICA	**1.4**	**1.1**	**0.7**
Brazil	1.1	0.9	0.5
Peru	0.0	0.1	0.0
NORTH AMERICA	**0.7**	**0.8**	**0.7**
Canada	0.3	0.3	0.3
United States	0.4	0.5	0.4
EUROPE	**1.8**	**1.8**	**1.8**
EU 1/	0.7	0.7	0.9
Russian Fed.	0.5	0.5	0.5
OCEANIA	**0.4**	**0.4**	**0.4**

WORLD EXPORTS OF RICE

	2003	2004 (estimated)	2005 2/ (forecast)
	million tonnes, milled		
WORLD	**27.6**	**26.7**	**27.0**
Developing countries	23.2	23.1	23.0
Developed countries	4.4	3.6	4.0
ASIA	**21.6**	**21.2**	**20.8**
China	2.7	1.0	0.8
of which Taiwan Prov.	0.1	0.1	0.0
India	4.4	3.6	4.2
Myanmar	0.4	0.1	0.2
Pakistan	2.0	1.9	2.5
Thailand	7.6	10.1	7.8
Viet Nam	3.9	4.1	4.5
AFRICA	**0.6**	**0.8**	**1.0**
Egypt	0.6	0.8	1.0
SOUTH AMERICA	**1.1**	**1.2**	**1.4**
Argentina	0.2	0.2	0.3
Guyana	0.2	0.2	0.2
Uruguay	0.6	0.6	0.7
NORTH AMERICA	**3.8**	**3.1**	**3.6**
United States	3.8	3.1	3.6
EUROPE	**0.2**	**0.3**	**0.2**
EU 1/	0.2	0.3	0.2
OCEANIA	**0.1**	**0.1**	**0.1**
Australia	0.1	0.1	0.1

FOOTNOTES:

Totals computed from unrounded data.

1/ EU-15 until 2003, EU-25 from 2004.

2/ Tentative.

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

	CHINA 2/ 3/ (Oct./Sep.)			INDIA 2/ (Oct./Sep.)		
	2003/2004	2004/2005 prelim.	2005/2006 4/ f'cast	2003/2004	2004/2005 prelim.	2005/2006 4/ f'cast
	(..... thousand tonnes .....)			(..... thousand tonnes .....)		
Opening Stocks	73700 F	59180 F	56600 F	12000 F	12400 F	9900 F
Production 1/	111252 G	123723 G	124450 F	88280 G	85310 G	86004 F
Imports	918 G	660 F	770 F	0 F	50 F	50 F
Total Supply	185870	183563	181820	100280	97760	95954
Domestic Use	125738	126123	125370	84321	83660	84354
Exports	952 G	840 F	850 F	3559 G	4200 F	3000 F
Closing Stocks	59180 F	56600 F	55600 F	12400 F	9900 F	8600 F

	PAKISTAN 2/ (Nov./Oct.)			THAILAND 2/ (Nov./Oct.)		
	2003/2004	2004/2005 prelim.	2005/2006 4/ f'cast	2003/2004	2004/2005 prelim.	2005/2006 4/ f'cast
	(..... thousand tonnes .....)			(..... thousand tonnes .....)		
Opening Stocks	370 F	550 F	350 F	4900 F	3300 F	1950 F
Production 1/	4848 G	4991 G	5001 F	18034 G	15795 G	17874 F
Imports	1 F	1 F	1 F	7 G	7 F	7 F
Total Supply	5219	5542	5352	22941	19102	19831
Domestic Use	2779	2692	2792	9526	9352	9631
Exports	1890 G	2500 F	2200 F	10114 G	7800 F	8200 F
Closing Stocks	550 F	350 F	360 F	3300 F	1950 F	2000 F

	UNITED STATES 5/ (Aug./Jul.)			VIET NAM 2/ (Nov./Oct.)		
	2003/2004	2004/2005 prelim.	2005/2006 4/ f'cast	2003/2004	2004/2005 prelim.	2005/2006 4/ f'cast
	(..... thousand tonnes .....)			(..... thousand tonnes .....)		
Opening Stocks	829 G	761 G	1209 G	4900 F	4900 F	5100 F
Production 1/	6419 G	7407 G	7250 G	23024 G	24091 G	24679 F
Imports	482 G	427 G	476 G	14 F	6 F	6 F
Total Supply	7730	8595	8935	27938	28997	29785
Domestic Use	3658	3856	4017	18983	19397	20085
Exports	3311 G	3530 G	3842 G	4055 G	4500 *	4300 F
Closing Stocks	761 G	1209 G	1076 G	4900 F	5100 F	5400 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/ Highly tentative.
5/ Rice trade data refer to the August/July marketing season.