Rice Market Monitor

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FAO Rice Market Monitor
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OVERVIEW

- As production prospects in several of the major rice producing countries have improved substantially compared with the September outlook, the **FAO forecast for global paddy production in 2005** has been raised by 7 million tonnes, to 622 million tonnes, which would be 2.6 percent higher than in 2004.

- Among **Asian** countries, large production increases are anticipated to be witnessed in 2005 in Bangladesh, China, India and Thailand. Output gains, though more modest, are also expected in Japan, the Islamic Republic of Iran, Myanmar, the Philippines and Sri Lanka, while a contraction might be faced by the Republic of Korea, Laos, Nepal and Viet Nam.

- Favourable growing conditions this season have boosted production prospects in **Africa.** While a strong expansion is foreseen in Madagascar and Nigeria, output in Egypt might fall based on an officially forecast contraction in plantings. Across the region, the arrival of the new harvests on the market has brought relief to populations, as they helped ease the tight conditions that had caused strong rises in prices earlier this year.

- In **Latin America and the Caribbean**, the outlook for crops in 2005 has deteriorated in Central America and the Caribbean, while in the southern cone, planting of the 2006 crops is already well advanced. Relatively large crops in Brazil, Colombia, Ecuador and Peru have exerted a strong depressing effect on domestic prices in 2005, which are weighting negatively on plantings intentions in the forthcoming 2006 season. In the **rest of the world**, a lower output was harvested by the European Union, the United States and Australia. In the latter, increased water allocations are anticipated to foster a strong recovery in plantings in 2006.

- FAO has again raised its forecast for **global rice trade in calendar 2005**, now set to reach 27.6 million tonnes, almost 1 million tonnes more than last year's performance of 26.7 million tonnes. The expansion in global exports was in spite of a retrenchment of Thailand, whose shipments were constrained by reduced availabilities and government intervention to sustain prices. Indeed, many of the other leading exporters stepped up their shipments and more than compensated for Thailand's shortfall. Much of the rise in world imports stemmed from increased demand by Asian countries, in particular Bangladesh and the Philippines, and, to a lower extent, by countries in Africa and Central America and the Caribbean. Imports to South and North America tended to fall.

- **International trade in 2006** is forecast by FAO to be in the order of 26.1 million tonnes, or 5 percent lower than the current year's forecast. Based on the current supply prospects, export availabilities are likely to be ampler next year, so the foreseen contraction in trade would be on account of reduced demand by several of the major importing countries, including Bangladesh, Indonesia, Nigeria and the Philippines.

- Mainly as a result of the upward revision in the 2005 production forecasts, the estimate of **global rice inventories** at the close of the 2005/06 crop seasons has been raised, with stocks now anticipated to be of the order of 97 million tonnes, only 1 million tonnes below their opening level. Unlike in the preceding years, China is seen to keep its reserves basically unchanged, which might signal the end of the downward adjustment process the country has undergone since 2000.

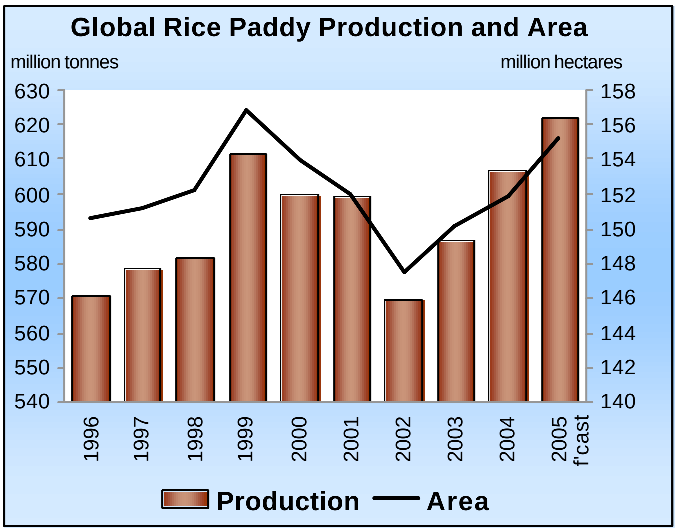
- Despite the arrival of freshly harvested supplies in major producing countries, **international rice prices** have held relatively steady since September. However, Thai prices faltered in November, but prices at other origins were stable or, as in the case of the United States, on the rise. Prices in the coming months are foreseen to hover around current levels. As for 2006, world rice prices may fall by 5 percent on average based on current supply/demand prospects.

RICE SITUATION UPDATE AS OF 30 NOVEMBER 2005

I. PRODUCTION

As prospects improve in some of the major producing countries, FAO revises its estimate of global paddy production up by 7 million tonnes

With calendar 2005 coming to a close, most countries in the Northern Hemisphere are harvesting their main paddy crops. In the Southern Hemisphere, the 2005 crops were generally gathered in the first half of the year and farmers are now engaged in land preparation for direct seeding or transplanting of their 2006 first paddy crops.



The FAO forecast for global production in 2005 has been raised by 7 million tonnes to 622 million tonnes compared to the previous outlook, reflecting, in particular, more buoyant prospects in Bangladesh, Cambodia, Mainland China, India, Indonesia, Japan, the Russian Federation, Sri Lanka, Tanzania, Togo and Turkey. By contrast, expectations worsened for Egypt, the European Union, the Republic of Korea, the United States and Vietnam. At the latest estimated level of 622 million tonnes, world paddy production would be 2.6 percent, or close to 16 million tonnes higher than in 2004.

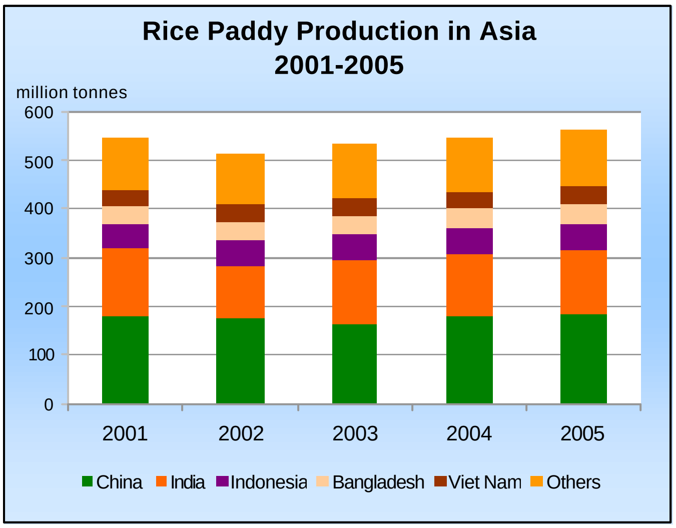
I.1 ASIA

Prospects for paddy crops in 2005 improve in major producing countries

The global production increase expected in 2005 reflects developments in Asia, where about 562 million tonnes of paddy are likely to be harvested, breaching last year's record of 547 million tonnes.

The 2005 season has been progressing satisfactorily in **Bangladesh** and is now anticipated to yield an all time high of 42 million tonnes, 4 million tonnes larger than in 2004. Record Aus, Aman and Boro harvests, the three paddy crops grown in the country, are expected to be gathered, despite some flood damage reported in October. The expansion reflects favourable monsoon rains and the relatively high domestic prices observed over the year. To alleviate the impact of rising prices on consumers, the government launched in October a Vulnerable Group Feeding scheme to benefit some 20 million people.

Prospects have improved in **Cambodia** after abundant rainfall in September put an end to the drought that had delayed planting of the main, wet season rice crop. By early October, the area planted to rice had exceeded that recorded by the same period in 2004. As yields are also expected to recover, the country is anticipated to witness an 8 percent overall increase in final output.



The latest semi-official production forecast for **mainland China** puts the country's production at 182.8 million tonnes in 2005, close to 3 million tonnes higher than previously anticipated and 3.7 million tonnes (or 2 percent) more than in 2004. The response to government incentives to plant more rice has been lukewarm this year, as the area expanded by only 2.4 percent compared with 7.1 percent in 2004. The slow-down reflects the relatively low domestic rice prices that have prevailed in the course of the year. In addition, adverse weather conditions during the growing period have had a negative impact on yields of the early and intermediate rice crops, dampening the effect of larger plantings on output.

The outlook for production in **India** points to a better than previously anticipated outturn of 130.5 million tonnes this season, which would be 1.5 million tonnes above the preceding forecast and 2.5 million tonne more than in 2004. The government is reporting a 4 percent expansion of the area under the (main) Kharif crop. As the South-West monsoon receded in September, it has been estimated that the seasonal rainfall was 99 percent of the long-term average in 2005, but its course was erratic with a delayed arrival of precipitation in June, abundant downpours in July, followed by insufficient showers in August. The geographical distribution has also been irregular with less than normal precipitation recorded in Northwest and Northeast India and well above average in South Peninsula and Central India.

India: Geographical distribution of the 2005 south-west monsoon rains			
Region	Actual (mm)	Normal(mm)	% Departure
All-India	879.3	892.5	-1 %
Northeast India	1140.9	1430.7	-20%
Northwest India	552.1	611.6	-10%
Central India	1094.9	993.2	+10%
South peninsula	808.9	722.6	+12%
Source: India Meteorological Department			

Overall, the abundance of rainfall has allowed the replenishment of reservoirs with bodes well for the second, irrigated, Rabi paddy crop, which will be planted between November and February.

According to the third forecast by the Ministry of Agriculture, **Indonesia** gathered almost 54 million tonnes of paddy rice over 2005, up from an earlier estimate of a 53 million tonnes. At that level, output this year would virtually match the excellent results of the 2004 bumper crop. Meanwhile, in September the parliament approved the proposal to raise the wet paddy rice procurement price from Rupiah 1330 per kilo (US$ 132 per tonne) to Rupiah 1730 per kilo (US$ 173 per tonne) as of January next year, in an attempt to dampen the impact of an increase of fuel prices imposed on 1 October 2005. As planting of the main 2006 crop already started, the Government has announced a production target of 54.86 million tonnes for the coming season, confirming the strong drive towards rice self-sufficiency. Last October, the Government was reported to have allocated Rupiah 600 billion to improve irrigation infrastructure, which is key to the rice sector as 95 percent of the country's rice is irrigated. Over the medium term, the Government has announced its intention to promote production further, by encouraging productivity gains and a 540 000 hectare increase of the area under rice by 2010. According to the Ministry of Agriculture, the plan would require an investment of Rupiah 18.5 trillion (US$ 1.8 billion), much of which would rely on investments by the private sector.

While harvesting of the 2005 rice crop in **Japan** is about to be completed, the Government released in September a forecast for production of 9.11 million tonnes on an husked rice basis, equivalent to about 11.4 million tonnes of paddy rice, substantially higher than the original 2005 production target of 8.51 million tonnes (10.6 million tonnes, paddy basis) and 4.6 percent more than last season. The upward revision reflects the results of the August survey, which rated the crop as "above normal", with a national index of 102 (where 100 indicates a normal year rating). The growth would be on account of improved yields, now expected to average close to 7 tonnes of paddy per hectare. According to the Ministry of Agriculture, output would exceed consumption by around 560 000 tonnes in paddy terms. As for 2006, the government is considering lowering the production target for the season to less than 8.44 million tonnes, husked basis (equivalent to some 10.55 million tonnes of paddy).

Following expectations of a bumper crop of 2.5 million tonnes in the **Democratic Republic of Korea,** the Government was reported to have asked the international community to interrupt food aid deliveries by the end of 2005. With the return of paddy production to more satisfactory levels, there have been reports that the local authorities have re-introduced the cereal rationing system for allocation to consumers that had been abolished in 2002.

According to its latest crop survey, **the Republic of Korea** is foreseen to harvest 6.432 million tonnes in 2005, down from 6.737 million tonnes in 2004. The contraction reflects on-going policies to divert land out of rice, resulting in a 21 500 hectare decline in the area to 979 700 hectares. In addition, low temperatures and insufficient sunlight in June combined with reduced fertilizer applications depressed yields by 2.2 percent. Following the 2005 reform of the Food Grain Management Act and the Rice Income Compensation Act (see June 2005 issue of the Rice Market Monitor), the Government will cease to procure rice at minimum producer prices and only buy, at market price levels, the volumes required to keep emergency stocks.

Harvesting of the main, wet season rice crop in **Laos** started late in October and will not be completed until December. Although torrential rains in August and September put an end to a prolonged drought, they were reported to have caused flooding, affecting 50 000 hectares of paddies (5-6 percent of the area under rice). As a result, the country may face a 7 percent contraction in output to 2.3 million tonnes.

Lao PDR – Rice Paddy Production by Crop (thousand tonnes)						
	2000/01	**2001/02**	**2002/03**	**2003/04**	**2004/05**	**2005/06**
Upland	258.8	278.6	240.3	186.2	211.2	n.a.
Lowland	1,552.8	1,619.9	1,801.2	1,819.8	1,976.0	n.a.
Dry season	390.1	436.2	375.0	369.1	341.8	n.a.
Total	**2,201.7**	**2,334.7**	**2,416.5**	**2,375.1**	**2,529.0**	**2,350.0 F**

F = FAO forecast
Source: Ministry of Agriculture and Forestry – Lao PDR.

Prospects for rice production in **Myanmar** remain at 24.5 million tonnes, 3.4 percent above the 2004 revised estimate. Recently, private sector representatives were reported to have proposed the Government to develop a special rice production zone, targeted to export markets. According to the news, the area would be developed in the Delta region of Ayeyawaddy River and cover between 364 500 hectares and 729 000 hectares.

After lingering drought problems between June and August, torrential rains poured over **Nepal** in September causing landslides. The 2005 paddy production is now forecast to fall to 4.1 million tonnes, about 200 000 tonnes less than gathered in 2004, as the late arrival of the rain is likely to have hindered planting operations and crop development.

By contrast, **the Philippines** is currently foreseen to gather a record output of 14.8 million tonnes over the 2005 season (July 2005 – June 2006), a 2 percent increase from last year's previous record, reflecting expectations of a bumper main crop harvest between November and February. The Government continues on its drive to promote the sector through the dissemination of hybrid rice varieties. In addition, through the National Food Agency, it has guaranteed a purchasing price to producers of Pesos 10 per kilo (US$ 183 per tonne) for the 2005 wet season rice, up from Pesos 9 per kilo last year.

In **Sri Lanka**, the Department of Census and Statistics recently raised the country's estimate of production in 2005, to 3.126 million tonnes. At this level, output would be 19 percent above the poor 2004 season outcome.

Sri Lanka – Rice Paddy Production by Crop (thousand tonnes)						
	2000/01	**2001/02**	**2002/03**	**2003/04**	**2004/05**	**2005/06**
Maha season	1,781	1,613	1,774	1,895	1,670	2,013
Yala season	1,079	1,082	1,086	1,176	958	1,113
Total	**2,860**	**2,695**	**2,860**	**3,071**	**2,628**	**3,126**

Source: Department of Census and Statistics – Sri Lanka.

In **Thailand**, growing conditions this season have been better than in 2004, raising expectations of a 9 percent recovery of the main crop. A much larger secondary, irrigated, crop is also likely to be harvested next spring compared with the drought-stricken 2004 secondary crop. Overall, the country is anticipated to gather 27.0 million tonnes of rice, up from 23.86 million tonnes in 2004. On 1 November, the Government launched a new round of intervention purchases covering rice from the main 2005 season, which is to last until February next year. Allowance has been made to purchase up to 9 million tonnes of paddy rice over the round, at higher minimum prices[1]. The procurement programme has been instrumental in sustaining domestic producer prices. Looking at the medium term future, the Government was reported to have agreed, in September, to a land restructuring plan that envisages cutting the area under rice by 1.1 million hectares (about 12 percent of current rice land) between 2006 and 2008. Because, in principle, the reduction in plantings would mainly concern the regions most prone to natural disasters and be compensated by productivity and quality improvements elsewhere, it should not result in a decline of national output.

Official production estimates in **Turkey** have been raised by 90 000 tonnes to 490 000 tonnes in 2004 and by 125 000 tonnes to 525 000 tonnes in 2005, an exceptionally high level for the country. Since 2004, producers have been benefiting from a crop absorption scheme that has constrained traders to buy rice locally at relatively high purchasing prices to obtain rice import licenses. In 2005, prices for procurement by the Government were set at TRY 760 (US$ 558) per tonne for Baldo rice, TRY 720 (US$ 528) per tonne for other long grain rice, TRY 650 (US$ 477) per tonne for medium grain rice and TRY 590 (US$ 433) per tonne for short grain rice.

Viet Nam's production outlook has deteriorated following the passage of typhoon Damrey and typhoon Kai-Tak in September and November respectively, which battered the northern and central regions. According to an official estimate released in October, despite a good outturn in the southern provinces, national paddy production is expected to decline by 300 000 tonnes from the record achieved in 2004, to 35.8 million tonnes. Following the passage of typhoon Damrey, the authorities have announced the launching of temporary relief measures in the affected areas, including the delivery of 10 kg of rice per household, per month.

I.2. AFRICA

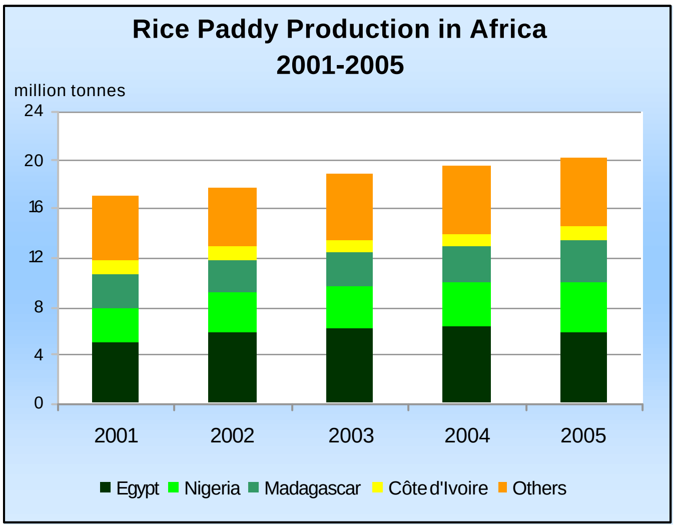
Favourable growing conditions raise crop expectations in Western Africa

With the harvesting of rice crops in Western and Northern Africa countries, the 2005 season in the region is about to be concluded. Growing conditions have been generally favourable, allowing for expansion of plantings and yields. Based on the latest forecast, production in the region would increase by 3.8 percent to 20 million tonnes.

In **Egypt**, newly harvested rice started reaching the market in September. Based on an October forecast by the Ministry of Agricultural and Land Reclamation, the area under rice declined by 7 percent to 600 800 hectares this season. On the other hand, yields were reported to be excellent. On balance, the contraction in plantings may lower paddy production from the record 6.4 million tonnes harvested in 2004 to 6.0 million tonnes this year. However, official rice information only reflects developments in the Delta and do not take account of the rice cultivated in the new South Valley reclaimed land, in breach of Government rules. According to unofficial sources, these may add another 200 000 hectares to the official area estimate.

Most countries in *western Africa* have completed their 2005 crop harvests. Growing conditions over the season were generally favourable, with abundant rainfall and a relatively

[1] The purchasing price was set at Baht 7000 (US$ 171) per tonne for 5% broken paddy, standard varieties.



low pest incidence. Good weather, together with the high domestic rice prices that have prevailed this year in the region, is estimated to have fostered an increase in plantings. As a result, excellent crops are likely to be harvested by **Burkina Faso**, **Chad, Gambia, Guinea, Mali, Niger and Senegal**. A recovery in output is also foreseen in **Mauritania,** despite drought and seed shortages arising from the 2004 widespread desert locust invasion. Prospects are also positive in **Nigeria**, where production may reach 4 million tonnes, 13 percent more than in 2004. However, a contraction in output may be experienced by **Benin** and **Ghana**, because of the late arrival of the rainy period, which delayed planting, and subsequent dry spells. In the **Cote d'Ivoire**, logistic problems related with the country political situation were reported to be hampering agricultural activities, so production in the country is forecast to change little compared with 2004. Reflecting new officially released information, **Sierra Leone**'s production series have been adjusted to reflect a progressive recovery of the sector since 2001. Accordingly, the country is set to have harvested 471 000 tonnes of paddy in 2004, a level which may rise to 490 000 tonnes in the current season, reflecting a return of refugees and improved distribution of inputs.

In *eastern Africa*, paddy production is expected to increase in **Kenya,** where crops benefited from abundant precipitation, notwithstanding a late start of the rainy season. The country is reporting the increased use of Nerica rice varieties by producers, a tendency prevailing all across the region. A surge in production is forecast in **Rwanda**, where favourable weather over the season "B" together with the implementation of several rice schemes in the Gitarama and Umutara Provinces are estimated to have boosted output by 34 percent to some 62 000 tonnes. Likewise, **Tanzania** is estimated to have gathered 1 million tonne of paddy, about 10 percent above 2004, almost matching the 2003 record performance.

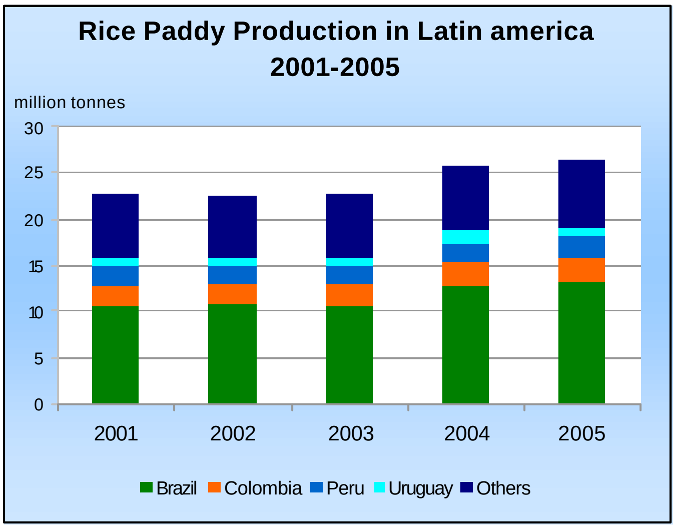
In *southern Africa*, a record crop of 3.4 million tonnes was harvested earlier this year in **Madagascar,** where farmers are now engaged in land preparation to plant their 2006 main paddy crop. By contrast, **Mozambique** faced a production shortfall in 2005. The country already started planting the new 2006 crop, amid favourable rainfall prospects.

I.3. LATIN AMERICA AND THE CARIBBEAN

Production prospects in Central America undermined by Hurricanes

Overall paddy production in Latin America and the Caribbean is set to reach 26.2 million tonnes, up from 25.7 million tonnes in 2004.

In *Central America and the Caribbean*, a number of countries are in the process of harvesting their 2005 main crop. The outlook for production in the sub-region has been downgraded since the last report and now points to basically no change from last year. Prospects have deteriorated somewhat in **Costa Rica, El Salvador, Honduras, Guatemala, Mexico** and **Nicaragua**, reflecting the passage of Hurricane Stan, which caused flooding and, in some case, mudslides. As a result, a larger number of countries are now expected to face a production shortfall compared with last year, including **Costa Rice, Cuba, El Salvador, Guatemala** and **Honduras**, while **Mexico** and **Nicaragua** are now likely to harvest a similar output level as last season, reversing earlier expectations of an increase. On the other hand, the **Dominican Republic** and **Panama** are still foreseen to reap larger crops this season. On a positive note, the rice mite that had hit crops last year in Central America, in particular in Costa Rica, now appears under control.



Several countries in *South America* have already started seeding their 2006 first crops, in a generally depressed environment dominated by much less favourable rice prices than last season and a rise in production costs associated with the surge in international oil prices. Based on the latest official assessment, production in **Argentina** declined by 3 percent in 2005 to 1.027 million tonnes. The 2006 paddy season is already well advanced in the country, as close to 110 000 hectares were under rice by the end of October out of the 167 000 tonnes that farmers, reportedly, intend to plant in 2006. If confirmed, the area would be 2 percent larger than in 2005. Following information from the Ministry of a sizeable increase in planting of the main paddy crop, **Bolivia**'s 2005 production forecast has been raised somewhat, resulting in a 9 percent gain from the previous season. In **Brazil**, the record volume of 13.2 million tonnes gathered in 2005 has been confirmed by the authorities. As the country is about to start the 2006 paddy season, a fall in prices and difficulties to market the produce since mid-2004 are weighting heavily on planting intentions. According to the first survey by CONAB, farmers could cut the rice land by between 12 percent and 15 percent, with declines expected to be particularly marked in the second largest producing region of Mato Grosso. As a result, production next season is officially forecast at 11.981 million tonnes, 9 percent less than in 2005. Production in **Chile** dropped somewhat in 2005, according to the Government crop estimates, reflecting unfavourable growing conditions over the season. However, relatively high prices in 2005 are anticipated to boost plantings by 8 percent in 2006. In **Colombia,** output is set to decline from the record achieved in 2004, mainly because of much less favourable producer prices and rising costs, which prompted an 18 percent contraction in the area under rice in 2005, which was particularly pronounced in the rainfed eastern Llanos region. In order to soften the pressure from new crop supplies on market prices, the Government has activated storage subsidies to encourage millers to keep rice in stores until October. In addition, it suspended the tenders to allocate import licenses and restricted rice flows from countries of the Andean Community[2]. Despite lingering drought problems, **Ecuador** gathered a bumper crop in 2005, as it relies mainly on irrigation, which remained available. However, falling producer prices have been a major concern also in the country, a situation that has been exacerbated by the restrictions on imports imposed by

[2] In July 2004, Colombia already resorted to an Andean Pact safeguard against imports from Peru and Venezuela.

Colombia. In **Paraguay**, a drop in plantings and yields was witnessed in 2005, resulting in a decline of 18 percent in paddy production. Similarly, in **Uruguay** production fell by 4 percent in 2005. A further decline is likely in 2006, as the area under rice is likely to shrink by 8 percent, especially in the central and eastern parts of the country, a reflection of the rising costs and falling prices that have prevailed in the course of the year. Growers, however, benefited from a US$ 12 per tonne advanced payment of the tax refund due from the Government, which should assist them in financing their planting operations.

I.4. REST OF THE WORLD

Production to drop in 2005 in Australia, the EU and the United States

Despite the series of hurricanes that have hit the **United States** since August, the country is estimated to have harvested in 2005 its second largest crop on record, as the 10.0 million tonne output estimate this season would be 5 percent lower than the all time 2004 harvest. The decline in output was mainly concentrated in California and principally affected the medium/short grain rice crops.

USA – Rice Paddy Production, Area Harvested and Yield by State

	2004			2005 [1/]		
	Production	**Area**	**Yield**	**Production**	**Area**	**Yield**
	(‘000 tonnes)	(‘000 ha.)	(tonne/ha.)	(‘000 tonnes)	(‘000 ha.)	(tonne/ha.)
Total	10,469.7	1,345.6	7.781	10,012.1	1,352.9	7.401
Arkansas	4,873.4	629.3	7.744	4,902.1	661.7	7.409
California	2,302.4	238.8	9.643	1,682.1	205.6	8.182
Louisiana	1,293.7	215.7	5.998	1,393.1	212.5	6.557
Mississippi	732.4	94.7	7.734	775.4	106.4	7.285
Missouri	601.5	78.9	7.622	603.0	85.4	7.061
Texas	666.3	88.2	7.553	656.4	81.3	8.070

[1/] Forecast as of November 1, 2005.
Source: National Agricultural Statistics Service (NASS), USDA.

For the third consecutive year, **Australia** harvested a dismal rice crop of 345 000 tonnes in 2005. With the return of abundant rainfall in September 2005, water allocations to producers have increased, enabling them to double the area under rice to some 105 000 hectares in the coming 2006 paddy season. As a result, Abare, in its 23 November report, suggests paddy production could reach 924 000 tonnes in 2006, more than three time the size of the current season harvest.

Forecast production in the **European Union** has been lowered somewhat since the last report and now stands at 2.645 million tonnes, 3 percent less than in 2004. The contraction reflects reduced plantings in all producing members (France, Italy, Greece, Portugal and Spain) compounded with lower yields, following drought in the Mediterranean basin. Despite the drop in plantings, Italy, Greece and Spain are estimated to have again exceeded the maximum guaranteed rice area they are entitled to plant under the EU Common Agricultural Policy, making them subject to fines.

EU 25 – Rice Paddy Production, Area and Yield by Member Country									
	2003			2004			2005		
	Production	Area	Yield	Production	Area	Yield	Production	Area	Yield
	(‘000 tonnes)	(‘000 ha.)	(kg./ha.)	(‘000 tonnes)	(‘000 ha.)	(kg./ha.)	(‘000 tonnes)	(‘000 ha.)	(kg./ha.)
Total	2,713.0	408.8	6,638	2,823.2	425.5	6,635	2,644.9 F	405.0 F	6,547
France	106.7	19.0	5,616	115.1	20.1	5,726	103.0	18.0	5,722
Greece	183.0	24.5	7,469	200.6	25.9	7,745	181.0 F	24.0 F	7,542
Hungary	11.2	2.6	4,373	9.6	2.8	3,410	11.5	2.8	4,077
Italy	1,402.4	218.7	6,413	1,448.2	229.7	6,304	1,400.0 F	224.0	6,250
Portugal	147.8	25.7	5,761	149.3	25.7	5,817	119.4	20.5	5,817
Spain	861.9	118.3	7,287	900.4	121.3	7,423	830.0 F	115.7	7,174
Sources: EUROSTAT for 2003 and 2004; official government sources, except F (FAO estimate) for 2005.									

By contrast, the estimate of production in the **Russian Federation** was revised upward to 620 000 tonnes this season, which would represent an increase of 32 percent from 2004. The progress reflected larger plantings and better yields, which have been attributed to the stepping up of protection against imports. The 2005 production outcome in **Ukraine** is also positive.

II. INTERNATIONAL TRADE

II.1. Trade in 2005 to expand by 3 percent in 2005

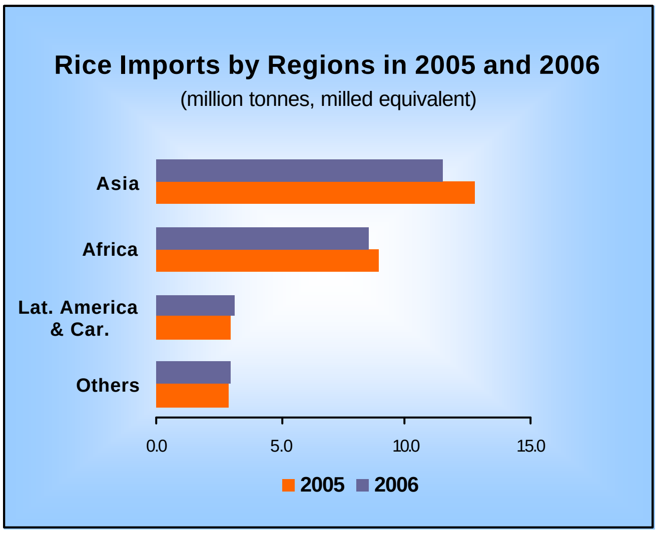
The FAO latest forecast for global rice trade in the current year has been raised by about 600 000 tonnes, mainly on account of more buoyant prospects for exports by **India, Pakistan, the United States** and **Viet Nam**, which outweighed reduced expectations for sales by **China** and **Thailand**. On the import side, the adjustment principally reflects larger forecast deliveries to **Bangladesh**, **Cuba, Madagascar, Nigeria** and **South Africa**.

Imports in 2005

Rice imports rise in all regions except South America

World trade in rice in 2005 is now foreseen to reach 27.6 million tonnes, 0.9 million tonnes more than in 2004. The year-to-year expansion results from an expected increase of imports by countries in Asia, Africa and Central America and the Caribbean, mostly in response to falling domestic production and relatively high domestic prices. By contrast, demand by South American countries weakened.

By year-end, Asian countries are forecast to import 12.8 million tonnes of rice, about 800 000 tonnes more than in 2004, reflecting mainly larger expected deliveries to **Bangladesh** and **the Philippines**, which both faced production shortages in the course of the year. Growing demand is also anticipated to foster increased shipments to **Syria** and **Turkey**. In August 2004, Turkey introduced a quota system that required traders to give evidence of local rice purchases in order to be issued import licenses. Custom duties, however, continued to be applied, at a rate of 32 percent for paddy, 34 percent for husked rice and 43 percent for milled rice on imports from 1 November 2004 to 31 July 2005. Imports by **Indonesia** are forecast to fall somewhat, reflecting prevailing restrictions, recently extended till the end of the year. According to the Presidential Instruction 5/2005, the country would only engage in imports if rice domestic prices surpassed Rupiah 3500 per kilo (US$ 348 per tonne) or the national stock held by the Bulog, the State Logistics Agency, fell short of 1 million tonnes. As domestic prices have been rising since August, the country was reported last September to be on the market to buy 250 000 tonnes of rice through the Agency. However, it now appears that the transaction will only become effective in the first months of 2006. As a result, the country's import forecast in 2005 has been lowered to 800 000 tonnes, which would be 200 000 tonnes less than in 2004. Based on reported deliveries between January and October, purchases by **mainland China** are also anticipated to decline to some 450 000 tonnes, consistent with the relatively low prices prevailing in the country. However, interest in the China's high quality rice market is intensifying, as illustrated by Japan's effort to have the country lift the phytosanitary import restrictions it imposes on Japanese rice. The **Islamic Republic of Iran** is also likely to cut its purchases, partly in response to the imposition, since March 2005 of a rice custom duty of 150 percent, substantially higher than the 100 percent rate that had been applied in the precedent Iranian year (21 March 2004 to 20 March 2005). Smaller imports are also likely to be made by **Sri Lanka** after the bumper crop it reaped this season.



The FAO latest forecast of rice imports by *African countries*, at 8.9 million tonnes, now points to a 4 percent increase from last year. Despite relatively high international prices, demand strengthened in much of the region as supply shortages tended to arise as a result of crop failures last year. The increase in overall imports to the region would be mainly on account of larger imports by **South Africa**, now set to take about 1 million tonnes, 37 percent more than in 2004, but also of **Kenya, Madagascar** and **Mozambique**. In some of these countries, the increase was facilitated by a temporary lifting of customs duties and taxes, as governments attempted to contain the surge in domestic prices through cheaper imports. Although much larger deliveries to **Cameroon** were reported by exporting countries, much of the increase is believed to have been destined to **Nigeria**. Imports to the latter are now estimated to reach 1.5 million tonnes, 100 000 tonnes less than in 2004. Although the country has tightened border controls, a substantial share of its imports still enters unregistered, reflecting large differences in tariff rates compared with neighbouring countries. In a recent move, it appears that the authorities are promoting the import of husked rice as a means to support the national milling industry, through the imposition of a 50 percent tariff, or half the rate applied on imports of milled rice. Overall imports by *Central American* countries are likely to be in the order of 2.3 million tonnes this year, up from 2.0 million tonnes in 2004. Much of the growth would be sustained by **Cuba, El Salvador, Mexico and Nicaragua**, which are likely to have stepped up their purchases this year, in the wake of the various natural disasters that affected the sub-region. By contrast, the **Dominican Republic**, which escaped unscathed the passage of numerous hurricanes that hit the area in recent months, is forecast to import less than last year. Excellent crops this season are estimated to have resulted in lower purchases by Latin American countries, now estimated at 724 000 tonnes, 37 percent less than last year. Most of the contraction is on account of **Brazil** and **Peru**, which are anticipated to cut their imports substantially. **Colombia** is also expected to reduce its purchases, after the government suspended import tenders in the second half of the year and, in July, banned shipments from the Andean Community entering under preferential access.

Among other importers, the **United States'** official import forecast point to a 14 percent contraction in 2005, reflecting the abundant domestic supplies and much less attractive local prices than last year. By contrast, **Australia** is estimated to import 100 000 tonnes of rice this year, to ease the tight supply situation it faced again this season. The **European Union** is also foreseen to step up its purchases by 25 percent to 900 000 tonnes. Much of the increase may be associated with the much lower tariff rates on husked rice imports agreed in July 2005 (subject to retroactive application on imports made since March 2005). A subsequent agreement to lower tariffs on brokens and milled rice still has to be ratified by member countries in the face of strong opposition from the European milling industry.

Exports in 2005

Large shipments from Egypt, India, Pakistan and Viet Nam underpins world trade expansion

Behind the expansion in global trade in 2005 lies an expected surge in exports by **India** and **Pakistan**, which have benefited most from the suspension, in October, of new sales by Viet Nam and from the relatively high prices prevailing in Thailand. The latest forecast points to a 22 percent expansion in **India's** exports to 4.4 million tonnes, and to an even larger 40 percent increase for Pakistan, to 2.7 million tonnes. As in October, the Government again stopped issuing licenses for export in 2005, **Viet Nam** shipments are now likely to hover around 4.65 million tonnes, still 15 percent more than last year. Strong demand in the Near East boosted **Egypt's** exports. Despite smaller opportunities for sale to Brazil, both **Argentina** and **Uruguay** are anticipated to increase their shipments, as substantial amount were reported to have flowed to markets outside of Latin America, in particular to countries in central Europe and the Near East. Similarly, exports from the **United States** are set to reach near record levels, as much lower prices have allowed it to compete effectively, especially in markets of Latin America and the Caribbean.

By contrast, **China's** exports, now assessed at 700 000 tonnes, would be smaller than in 2004 while, in the case of **Thailand**, they might decline by a fourth to 7.6 million tonnes from the exceptional export performance of last year.

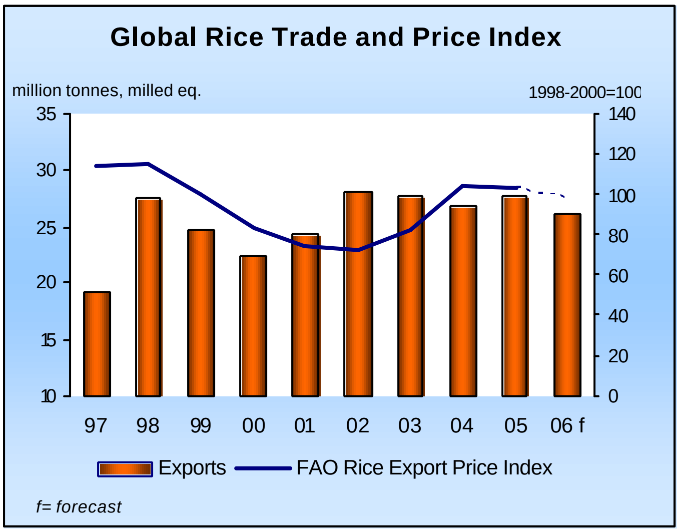
II.2. Early prospects for rice trade in 2006 point to a contraction

Based on the latest estimates of production over the 2005 paddy seasons, which will determine, to a large extent, the availability of supplies for export and import requirements in 2006, global rice trade next year is anticipated to be of the order of 26.0 million tonnes, 6 percent less than the current estimate for 2005.

Imports in 2006

Some of the major importing countries likely to cut imports in 2006

Several of the countries that are expected to sustain growth in trade in 2005 may reduce their imports next year. This is likely to be the case of Bangladesh and the Philippines, which would face much ampler supplies from bumper crops in the 2005 season. Currently, imports to **Bangladesh** are forecast to fall by half to 650 000 tonnes, while those to **the Philippines** may be cut by a third to 1.2 million tonnes. On the policy front, the Philippines has made progress in its negotiation of an extension[3], till 1 July 2012, of the WTO Special Treatment Clause that has allowed it to maintain quantitative restrictions on rice imports between 1995 and 2004. As of early November, all of the nine WTO partners that had requested to participate in the negotiations (Argentina, Australia, Canada, China, Egypt, India, Pakistan, Thailand and the United States) had agreed to the extension, except India, which is still negotiating. The terms of the agreement allow the Philippines to maintain the rice exception, provided it widens its minimum import quota from 238 000 tonnes to 350 000 tonnes and lowers the in-quota tariff rate from 50 percent to 40 percent as of January 2006. The agreement includes specific country allocations of the quota, with 98 000 tonnes earmarked for Thailand, 25 000 tonnes for China and 15 000 tonnes for Pakistan. Since imports by the Philippines are usually well above the minimum import quota, the new agreement is unlikely to have a strong impact on the volume of imports in 2006, but it will allow players others than the National Food Agency to participate in the trade. Imports by **Indonesia** may experience a further contraction next year, especially if the country realizes its ambitious production target in 2006. Similarly, increased production in 2005 in the **Democratic Republic of Korea** should reduce the country's need to import. In this connection, the Government announced, in September 2005, it would stop needing food aid by the end of the year. Deliveries to the **Islamic Republic of Iran** are also foreseen to decline, in light of the good crops harvested in 2005 and the tight import restrictions imposed by both countries. In November 2005, the United States announced it would launch a WTO dispute against **Turkey's** rice import regime, which has been based since 2004, on a crop-absorption system requiring traders to purchase rice locally from farmers or from the Turkish Grain Board as a pre-condition to obtain import licenses. The rates of local purchases required to import 1 tonne of rice varies depending on whether rice is bought from the Turkish Grain Board, from a registered rice producer, from a producer cooperative or from a Union. They also differ depending on the region and the degree of rice processing. For instance, according to the provisions applying from 1 November 2005 to 31 July 2006, to secure a license to import 1 tonne of milled rice, a trader buying from the Turkish Grain Board would need to purchase 3.3 tonnes of paddy or 2.0 tonnes of milled rice.



Only few countries in the region are currently foreseen to step up their imports in 2006. This could be the case of **mainland China**, especially if the adverse weather conditions prevailing this season have negatively affected the quality of the grain produced. China has also signed

[3] Based on the WTO agreement, the Philippines's right to maintain non-tariff restrictions on rice trade expired on 30 June 2005. The country had 90 days to renegotiate the agreement, up to 30 September 2005.

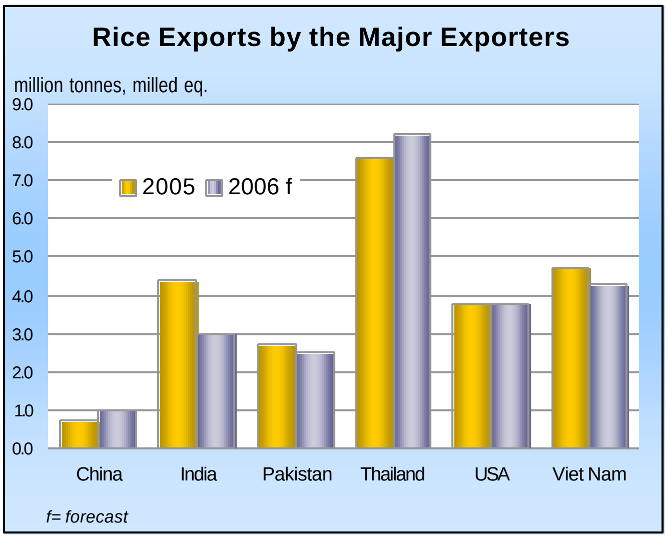
various agreements with a number of rice exporters, which should facilitate their access to the Chinese market. The bulk of China's imports consist of high quality rice. A small rise in imports by the **Republic of Korea** is also anticipated**.** On 23 November, the parliament ratified a December 2004 agreement between the Government and various WTO countries, to allow the Republic of Korea to extend the WTO Special Treatment on rice until 2014. The Agreement, which entails a progressive expansion of the minimum import quota from 4 percent to 7.96 percent of base domestic consumption by 2014, has been fiercely opposed by farmers groups. Shipments to **Iraq** and **Turkey** are also anticipated to increase. In **Turkey**, tariff rates have been cut, last November, from 32 percent to 20 percent in the case of paddy rice and from 34 percent to 25 percent in the case of husked rice. Rates were left unchanged at 43 percent on milled rice. The new rates will be effective from 1 November 2005 to 31 July 2006.

African rice imports in 2006 are forecast to be in the order of 8.5 million tonnes, down from a current estimate of 8.9 million tonnes in 2005. The decline reflects expectations of lower imports by **Nigeria** in the light of the positive 2005 production outcome and the maintenance of high trade barriers. Although the government had announced it would ban imports of rice as of 2006, it was recently reported to have postponed the move until 2007. Shipments to **Madagascar** and to **South Africa** are also likely to fall. Few changes in imports by Central American and Caribbean countries are anticipated. By contrast, in South America less buoyant prospects for crops in **Brazil** and **Colombia** may boost their purchases next year. In the other regions, imports by the **EU** are set to reach 1 million tonnes, up from the 900 000 tonnes in 2005, prompted by the lowering of the import tariffs on husked rice earlier this year and, more recently, on brokens and milled rice, provided the later agreement with Thailand is ratified at the European parliament. Similarly, shipments to the **United States** are officially forecast to rise, while they may decline in **Australia** and **the Russian Federation**.

Exports in 2006

Some of the exporting countries responsible for growth in trade in 2005 may be less competitive next year

The expected contraction in rice trade in 2006 would arise mainly from reduced shipments by **Egypt, India, Pakistan** and **Viet Nam.** All of these countries are facing rising production and transportation costs, which might render export a less attractive option in 2006. Shipments from the Republic Korea, which are mainly destined for food aid, are also expected to decline, as the government is likely to reduce its food aid deliveries to the Democratic Republic of Korea. By contrast, shipments by mainland **China, Myanmar** and especially **Thailand** might increase. Thailand, in particular, may look for special government-to-government deals involving rice as a means to dispose of its large publicly-owned stocks while minimizing the negative impacts their release on export prices. The anticipated surge in



Brazilian rice imports may enable **Argentina** and **Uruguay** to maintain the level of their sales at around the 2005 levels, as they are likely to face stronger competition outside of Latin America and the Caribbean. Official prospects for exports by the **United States** point to a similar performance as in 2005.

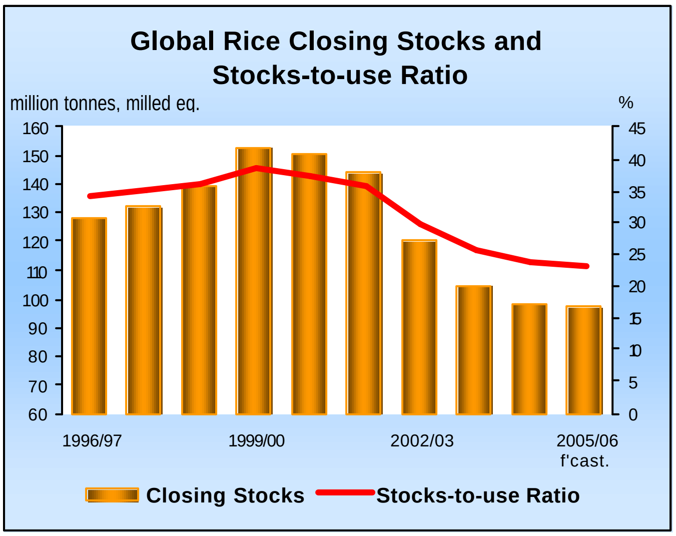
III. RICE UTILIZATION

Population growth sustains the expansion of global rice consumption

World rice consumption in 2005/06, which includes food, feed and other uses, is forecast to rise 1.3 percent to some 417 million tonnes, in milled rice equivalent[4], to a large extent supported by increased production in 2005. Of these, 368 million tonnes are estimated to be consumed as food, as average per caput consumption is foreseen to remain stable around 57 kg. Some recovery in per caput intake is anticipated in Africa and in several low-income countries in Asia, which experienced consumer price sprees in 2004/05. However, the average per caput rice consumption level in Asia is expected to remain virtually unchanged, given the long-standing tendency in the fast-growing economies for diets to diversify. Per caput food consumption is forecast to remain of the order of 69 kg per year in the developing countries, while it may rise slightly to some 13 kg in the developed countries.

IV. GLOBAL RICE CARRYOVER STOCKS

Little change in global rice stocks at the end of the 2005 crop seasons is expected because of closer balance between world production and consumption



The FAO forecast of global rice inventories at the close of the 2005 crop seasons has been raised compared with the previous issue to 97 million tonnes, reflecting the more optimistic prospects for 2005 crops. At that level, stocks would be one million tonnes lower than their opening level, which means world production would fall short of consumption for the 6th consecutive year, although by much less than in previous years. While **mainland China** was the main force driving the reduction in world stocks in the previous years, the country is forecast to maintain its reserves virtually unchanged. This might signal that China has basically concluded the adjustment process it initiated in 2000. Inventories are expected to rise in **Japan**, reflecting the relatively large 2005 crop, and in the **Republic of Korea,** due mainly to the expected cut in food aid shipments in 2006. **Myanmar** is also likely to end the season with larger reserves. By contrast, closing stocks in **India, Egypt** and the **United States** are anticipated to decline, as the level of production currently forecast for 2005 would not be

[4] This compares with a 2005 global production of 416 million tonnes, when converted in milled rice.

sufficient to cover fully their expected domestic use and exports. Most of the other rice exporters, including **Pakistan Thailand** and **Viet Nam** are seen to maintain their stocks close to their opening levels.

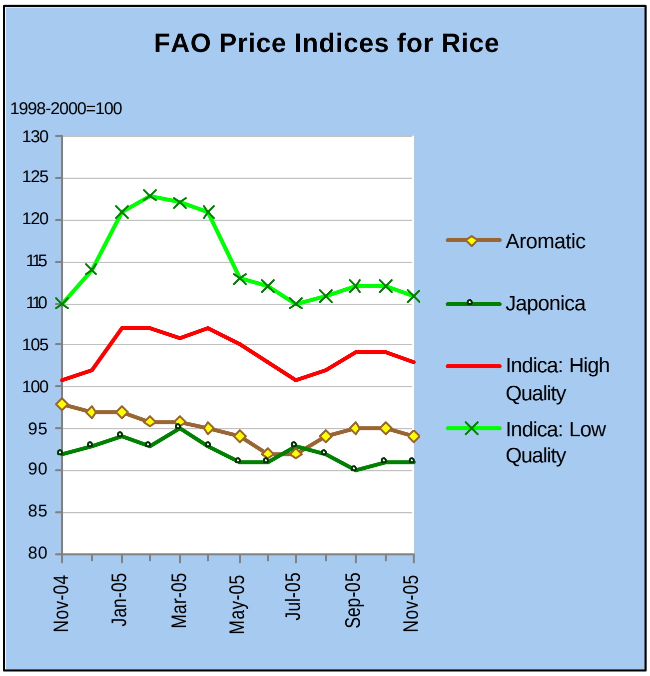
As for importing countries, expectations of relatively low 2006 imports in **the Philippines** and **Indonesia** may result in smaller carryovers in those countries**.** By contrast, the bumper crops harvested by **Bangladesh** and **Brazil** are likely to boost the size of theirs. Closing stocks are forecast to remain unchanged at around 700 000 tonnes in the **EU**.

A meeting of the ten members of the **Association of Southeast Asian Nations (Asean),** plus Japan, China and the Republic of Korea was convened last September to review the operation of the Scheme for East Asian Emergency Rice Reserve System, which was put in place in 2004 for a 3-year testing period. The regional emergency reserve holds about 300 000 tonnes of rice, of which 250 000 tonnes provided by Japan. A number of members, including Laos, and the Philippines supported a proposal from Japan to hold the reserve on a permanent basis, based on voluntary participation, but the decision was deferred until an assessment of the scheme over the trial period is conducted.

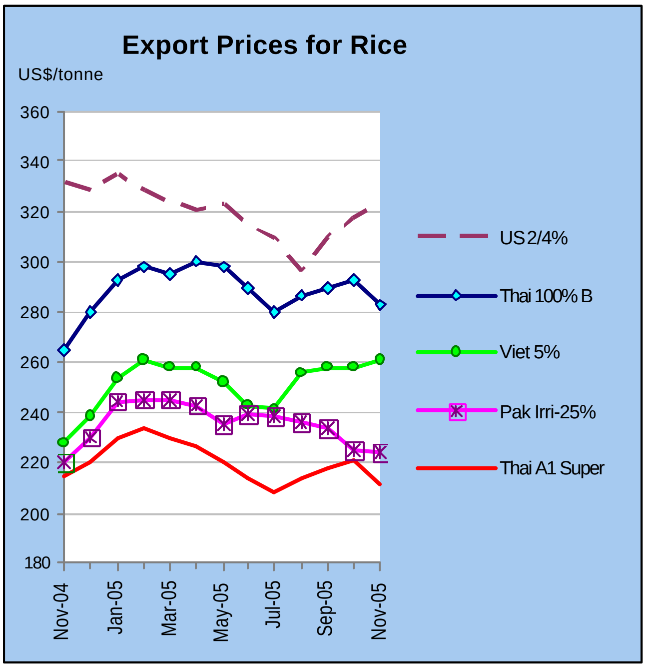
V. INTERNATIONAL PRICES

Rice prices hold steady despite the arrival of large crops on the market

Despite the arrival of large harvests on the market in Northern Hemisphere countries, international prices have held relatively steady since September, with the All Rice FAO Price Index, virtually unchanged at 101. Among the various rices, the price indices of the lower and higher quality Indica were stable in September and October, but fell slightly in November, when large supplies from the main crop in Thailand put prices there under pressure. The Japonica price index declined in September, but subsequently regained ground, reflecting the smaller output of medium grain rice in the United States and the launching of various import tenders by Japan, the Republic of Korea and the Chinese Republic of Taiwan. Little change in the aromatic rice price index has been noted since September, although they tended to weaken in November, reflecting lower quotations of fragrant rice from Thailand and of Basmati from India, following a reported slackening of import demand.



In the next few months, the demand for rice imports is anticipated to slow down, as new supplies from the 2005 season will become available in some of the major importing countries. The resulting downward pressure on world prices would be lessened should Indonesia resume importing rice in substantial amounts. On the export side, Viet Nam is unlikely to commit to major deals until it can predict the size of its Winter/Spring crop, which will not be harvested until April. In addition, the implementation of government procurement programmes in Thailand and India would tend to limit the price erosion, especially in a context of rising producing and marketing costs. Thus, on balance, international rice prices in the first quarter of 2006 are expected to remain steady.



As for next year, improved prospects for production in 2005 have tended to depress expectations on prices, as larger 2005 harvests would result in abundant export availabilities in countries such as Thailand and India and also reduce the need for imports in some of the traditional rice markets, especially Bangladesh. As a result, market conditions could ease and world prices fall compared with last year. Based on current supply and demand forecasts, it was estimated that international rice prices could fall by 5 percent in 2006.

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 November	101	101	110	92	98
December	103	102	114	93	97
2005 January	106	107	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	101	101	110	93	92
August	101	102	111	92	94
September	101	104	112	90	95
October	101	104	112	91	95
November	101	103	111	92	94
2004 Jan.-Nov.	104	101	109	105	95
2005 Jan.-Nov.	103	105	115	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.

EXPORT PRICES FOR RICE

	Thai 100% B 1/	Thai Parboiled 100%	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/	Egypt Grade 2/ 6% 178 Camolino Short Grain	Pak Basmati ordinary	Thai Fragrant 100%
	US $/tonne, f.o.b.												
2000	**207**	**221**	**271**	**183**	**172**	**232**	**159**	**163**	**143**	**289**	**302**	**418**	**428**
2001	**177**	**194**	**264**	**166**	**153**	**185**	**148**	**148**	**135**	**256**	**204**	**332**	**275**
2002	**197**	**194**	**207**	**187**	**171**	**140**	**168**	**159**	**151**	**219**	**279**	**366**	**306**
2003	**201**	**196**	**284**	**183**	**176**	**163**	**167**	**175**	**151**	**310**	**291**	**357**	**449**
2004	**244**	**247**	**372**	**224**	**225**	**n.a.**	**212**	**230**	**207**	**420**	**317**	**468**	**443**
2004													
November	265	261	332	228	242	n.a.	217	220	215	331	295	457	435
December	280	278	329	238	253	n.a.	226	230	220	331	315	455	424
2005													
January	293	288	335	253	265	n.a.	243	244	230	325	317	460	433
February	298	291	329	261	269	n.a.	247	245	234	309	326	453	437
March	295	288	324	258	266	n.a.	244	245	230	310	324	467	427
April	300	299	321	258	268	n.a.	245	243	226	309	324	472	417
May	298	290	323	252	263	237	239	235	220	309	326	472	403
June	290	283	315	243	255	242	230	239	213	309	338	472	382
July	280	274	309	241	247	240	222	238	208	309	331	473	377
August	287	282	296	256	255	229	238	236	214	309	341	475	406
September	290	287	309	258	258	229	240	234	218	n.a.	326	475	401
October	293	286	318	258	260	236	240	225	221	n.a.	315	475	395
November	283	275	324	261	250	236	243	223	211	n.a.	312	488	383
2004 Jan.-Nov.	241	244	376	223	223	n.a.	211	230	206	428	319	489	445
2005 Jan.-Nov.	291	286	318	254	259	236	239	237	220	310	325	471	405

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.

WORLD PADDY PRODUCTION

	2003	2004 (estimated)	2005 (forecast)
		million tonnes	
WORLD	**586.4**	**606.7**	**622.5**
Developing countries	563.2	580.8	596.8
Developed countries	23.2	26.0	25.7
ASIA	**532.2**	**547.0**	**562.3**
Bangladesh	39.3	38.0	42.0
Cambodia	4.7	4.2	4.5
China	162.3	180.5	184.3
of which Taiwan Prov.	1.6	1.4	1.5
India	132.4	128.0	130.5
Indonesia	52.1	54.1	54.0
Iran, Islamic Rep. of	2.9	3.1	3.3
Japan	9.7	10.9	11.4
Korea Rep. of	6.2	6.7	6.4
Myanmar	23.1	23.7	24.5
Pakistan	7.3	7.5	7.5
Philippines	14.2	14.5	14.8
Sri Lanka	3.1	2.6	3.1
Thailand	27.0	23.9	27.0
Viet Nam	34.6	36.1	35.8
AFRICA	**18.9**	**19.5**	**20.2**
North Africa	**6.2**	**6.4**	**6.0**
Egypt	6.2	6.4	6.0
Sub-Saharan Africa	**12.7**	**13.1**	**14.2**
Western Africa	7.8	8.2	8.8
Côte d'Ivoire	1.0	1.2	1.2
Guinea	0.9	0.9	0.9
Mali	0.9	0.9	0.9
Nigeria	3.4	3.5	4.0
Central Africa	0.4	0.4	0.4
Eastern Africa	1.4	1.3	1.4
Tanzania	1.1	0.9	1.0
Southern Africa	3.1	3.3	3.6
Madagascar	2.8	3.0	3.4
Mozambique	0.2	0.2	0.2
CENTRAL AMERICA	**2.6**	**2.4**	**2.4**
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**	**10.0**
United States	9.1	10.5	10.0
EUROPE	**3.3**	**3.4**	**3.4**
EU 2/	2.7	2.8	2.6
OCEANIA	**0.4**	**0.6**	**0.3**
Australia	0.4	0.5	0.3

FOOTNOTES:
Totals computed from unrounded data.
1/ EU-15 until 2003, EU-25 from 2004.
2/ Highly tentative.

WORLD IMPORTS OF RICE

	2004	2005 (estimated)	2006 3/ (forecast)
		million tonnes, milled	
WORLD	**26.7**	**27.6**	**26.1**
Developing countries	22.3	23.0	21.5
Developed countries	4.4	4.6	4.6
ASIA	**12.0**	**12.8**	**11.5**
Bangladesh	0.8	1.3	0.7
China	0.9	0.6	0.8
of which Taiwan Prov.	0.2	0.2	0.2
Indonesia	0.9	0.8	0.7
Iran, Islamic Rep. of	1.0	0.8	0.8
Iraq	1.1	1.1	1.2
Japan	0.7	0.7	0.7
Malaysia	0.7	0.6	0.6
Philippines	1.0	1.8	1.2
Saudi Arabia	0.9	0.9	0.9
Sri Lanka	0.2	0.1	0.0
AFRICA	**8.5**	**8.9**	**8.5**
Côte d'Ivoire	0.8	0.8	0.8
Nigeria	1.6	1.5	1.3
Senegal	0.8	0.8	0.8
South Africa	0.7	1.0	0.9
CENTRAL AMERICA	**2.0**	**2.3**	**2.2**
Cuba	0.6	0.8	0.8
Mexico	0.5	0.5	0.5
SOUTH AMERICA	**1.1**	**0.7**	**1.0**
Brazil	0.9	0.5	0.7
Peru	0.1	0.0	0.0
NORTH AMERICA	**0.8**	**0.7**	**0.8**
Canada	0.3	0.3	0.3
United States	0.5	0.4	0.5
EUROPE	**1.8**	**1.8**	**1.8**
EU 2/	0.7	0.9	1.0
Russian Fed.	0.5	0.5	0.4
OCEANIA	**0.4**	**0.4**	**0.4**

WORLD EXPORTS OF RICE

	2004	2005 (estimated)	2006 3/ (forecast)
		million tonnes, milled	
WORLD	**26.7**	**27.6**	**26.1**
Developing countries	23.2	23.3	21.8
Developed countries	3.6	4.3	4.4
ASIA	**21.2**	**21.0**	**19.8**
China	1.0	0.7	1.0
of which Taiwan Prov.	0.1	0.0	0.1
India	3.6	4.4	3.0
Myanmar	0.1	0.2	0.3
Pakistan	1.9	2.7	2.5
Thailand	10.1	7.6	8.2
Viet Nam	4.1	4.7	4.3
AFRICA	**0.8**	**1.0**	**0.8**
Egypt	0.8	1.0	0.8
SOUTH AMERICA	**1.2**	**1.5**	**1.4**
Argentina	0.3	0.3	0.3
Guyana	0.3	0.2	0.2
Uruguay	0.6	0.7	0.7
NORTH AMERICA	**3.1**	**3.8**	**3.8**
United States	3.1	3.8	3.8
EUROPE	**0.3**	**0.2**	**0.2**
EU 2/	0.3	0.2	0.2
OCEANIA	**0.1**	**0.1**	**0.2**
Australia	0.1	0.1	0.2

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

CHINA 2/ 3/ (Oct./Sep.)

	2003/2004		**2004/2005** prelim.		**2005/2006** f'cast	
	(......... thousand tonnes ....)					
Opening Stocks	73,700	F	59,180	F	56,600	F
Production 1/	111,252	G	123,723	G	126,313	*
Imports	918	G	610	F	770	F
Total Supply	185,870		183,513		183,683	
Domestic Use	125,738		126,173		125,633	
Exports	952	G	740	F	950	F
Closing Stocks	59,180	F	56,600	F	57,100	F

INDIA 2/ (Oct./Sep.)

	2003/2004		**2004/2005** prelim.		**2005/2006** f'cast	
	(......... thousand tonnes ....)					
Opening Stocks	12,000	F	12,400	F	9,900	F
Production 1/	88,280	G	85,310	G	87,000	F
Imports	0	F	50	F	50	F
Total Supply	100,280		97,760		96,950	
Domestic Use	84,321		83,460		85,150	
Exports	3,559	F	4,400	F	3,000	F
Closing Stocks	12,400	F	9,900	F	8,800	F

PAKISTAN 2/ (Nov./Oct.)

	2003/2004		**2004/2005** prelim.		**2005/2006** f'cast	
	(......... thousand tonnes ....)					
Opening Stocks	370	F	570	F	300	F
Production 1/	4,848	G	4,991	G	5,000	G
Imports	1	F	1	F	1	F
Total Supply	5,219		5,562		5,301	
Domestic Use	2,759		2,562		2,501	
Exports	1,890	G	2,700	F	2,500	F
Closing Stocks	570	F	300	F	300	F

THAILAND 2/ (Nov./Oct.)

	2003/2004		**2004/2005** prelim.		**2005/2006** f'cast	
	(......... thousand tonnes ....)					
Opening Stocks	4,900	F	3,200	F	2,000	F
Production 1/	17,899	G	15,795	G	17,874	F
Imports	1	G	7	F	7	F
Total Supply	22,800		19,002		19,881	
Domestic Use	9,486		9,402		9,631	
Exports	10,114	G	7,600	F	8,200	F
Closing Stocks	3,200	F	2,000	F	2,050	F

UNITED STATES 4/ (Aug./Jul.)

	2003/2004		**2004/2005** prelim.		**2005/2006** f'cast	
	(......... thousand tonnes ....)					
Opening Stocks	829	G	761	G	1,209	G
Production 1/	6,419	G	7,407	G	7,009	G
Imports	482	G	424	G	476	G
Total Supply	7,730		8,592		8,694	
Domestic Use	3,658		3,840		4,019	
Exports	3,311	G	3,543	G	3,842	G
Closing Stocks	761	G	1,209	G	833	G

VIET NAM 2/ (Nov./Oct.)

	2003/2004		**2004/2005** prelim.		**2005/2006** f'cast	
	(......... thousand tonnes ....)					
Opening Stocks	4,900	F	4,900	F	4,900	F
Production 1/	23,057	G	24,091	G	23,879	G
Imports	14	F	6	F	6	F
Total Supply	27,971		28,997		28,785	
Domestic Use	19,016		19,447		19,585	
Exports	4,055	G	4,650	F	4,300	F
Closing Stocks	4,900	F	4,900	F	4,900	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.