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Rice Market Monitor

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ROUND UP

- FAO has raised its December estimate of **global paddy production in 2009** by 2.3 million tonnes to 680 million tonnes to reflect improved prospects in Asia and Latin America and the Caribbean. At that level, global output would stand 1 percent below the 2008 outstanding harvest, with much of the reduction being on account of Asia, where crops were impaired by erratic monsoon rains and the resurgence of El Niño conditions. Production also fell in Africa, while gains were registered in Latin America and the Caribbean, Europe, North America and Oceania.
- Although highly tentative at this time of the year, FAO's first forecast of **world paddy production in 2010** points to a 4 percent output expansion to a record 710 million tonnes. The annual increase is expected to concentrate in **Asian countries**, forecast to gather 643 million tonnes overall, 29 million tonnes more than in 2009. India is anticipated to drive much of the production upturn in the region, with recoveries also foreseen in the Philippines, Sri Lanka and Thailand. Prospects are positive in Bangladesh, China, mainland, Indonesia and Myanmar, while the Chinese Province of Taiwan and the Republic of Korea may incur a decline.
- Assuming average growing conditions, **Africa** is tentatively forecast to gather 24.8 million tonnes of paddy, 4 percent more than in 2009. The expansion reflects expectations of continued production gains in Western African countries, particularly Mali, Nigeria and Sierra Leone, driven by relatively favourable market prices and strong government and external incentives to the sector. Output recoveries are also foreseen in Egypt and in the United Republic of Tanzania, while unfavourable weather may result in declines in Madagascar, Malawi and Mozambique.
- The outlook is negative in **Latin American and the Caribbean**, where production is set to fall by 3 percent to 26.9 million tonnes. The drop would result from contractions in South American countries, principally Brazil, but also Bolivia, Chile and Uruguay, which would more than outweigh increases in Argentina, Colombia, Ecuador and Venezuela. In Central America, countries such as the Dominican Republic and Cuba are expected to gather larger crops. **In the other regions**, prospects point to further output gains in Australia, the EU-27, the Russian Federation and the United States.
- Principally reflecting revisions to 2009 production figures, FAO has raised its forecasts of **world rice trade in 2010** to 31.3 million tonnes, 5 percent above 2009's low of 29.7 million tonnes. The recovery is anticipated to be import-driven, with Asian countries largely behind the increase in **world rice imports in 2010**. Bangladesh, Iraq, Nepal, Sri Lanka and especially the Philippines are expected to purchase more over the year to offset drought and flood-induced production shortfalls. Imports by European and Latin American countries are also set to increase, while they may fractionally decline in Africa. Despite anticipation of lower international rice prices, greater protective measures and reinstatement, in various countries, of import duties that had been exempted in 2008 and most of 2009 may limit trade growth in 2010.
- The expansion in world rice trade in 2010 is forecast to be met by larger **exports** from China, mainland, Myanmar, Thailand, the United States and specially Pakistan. On the other hand, a reduction of domestic supplies and, in the case of India, the maintenance of export restrictions, is expected to depress shipments from this country, but also from Brazil and Uruguay.
- **Global rice consumption in 2010** is forecast to increase by 2.1 percent to 454 million tonnes, milled basis. Of these, 388 million tonnes are expected to be consumed as food, 6 million tonnes more than in 2009. Supplies utilized for other ends are also projected to rise to 53 million tonnes, while the small proportion of rice used as animal feed may decline to 12.1 million tonnes. Based on current estimates, global per caput rice consumption in 2010 is set to increase from 56.5 kilos per person in 2009 to 56.8 kilos, reflecting an increase in average rice consumption in developing countries as well as in developed countries.
- **World rice inventories** at the close of the 2009/2010 marketing years are now forecast to fall by 1 percent or close to 600 000 tonnes, to 123.5 million tonnes, milled basis. The decline would stem from stock draw-downs in major rice exporting countries, principally India, but also Pakistan, Viet Nam and Thailand. On the other hand, larger crops are forecast to boost rice reserves in China, mainland and the United States. Likewise, inventories held by rice importing countries, such as Bangladesh, the Republic of Korea the Islamic Republic of Iran, Brazil and the European Union are projected to rise for the third consecutive year.
- The rebounding of **international rice prices** observed at the end of 2009 came to an end by January 2010, when they resumed the slide that had characterised the market for most of 2009. This was reflected in the FAO All Rice Price Index, which passed from 251 points in January 2010 to 206 points in April 2010. The weakening has been widespread, with sluggish world import demand negatively affecting all the rice market segments. The completion of the 2009 secondary crop harvests in northern hemisphere countries and of the 2010 main crops in southern hemisphere countries are likely to keep prices under downward pressure in the coming months, especially as rice remains particularly expensive compared to other cereals, wheat, in particular.

INFORMATION UPDATE AS OF 30 APRIL 2010

I. PRODUCTION

REVIEW OF PRODUCTION IN 2009

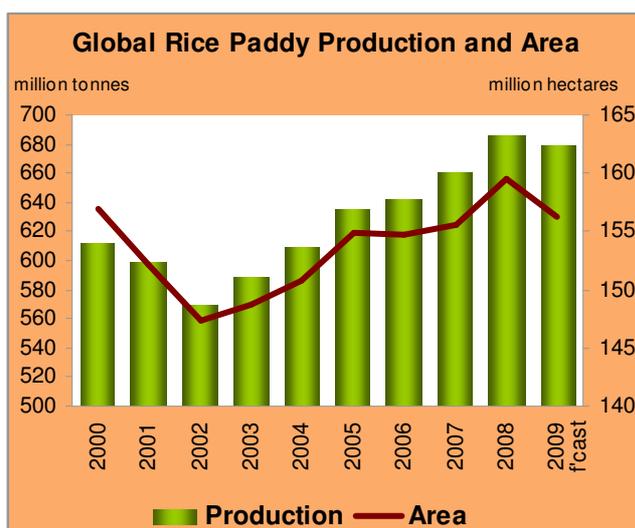
Global paddy production falls by 1 percent in 2009

The 2009 paddy season has already been concluded in many regions, with the exception of some Northern Hemisphere in Asia where harvest of secondary paddy crops is currently in progress.¹ Since the December issue of the Rice Market Monitor, FAO has raised its estimate of global paddy production in 2009 by 2.3 million tonnes to 680 million tonnes (454 million tonnes, milled basis) to reflect better prospects than originally foreseen in Asia, as well as in Latin America and the Caribbean. Upward adjustment in these regions more than compensated for downscaled estimates in Africa.

Principal Revisions to the 2009 Paddy Production Forecasts (millions of tonnes)											
	December 2009 f'cast		April 2010 f'cast		Revision		December 2009 f'cast		April 2010 f'cast		Revision
WORLD	677.6		679.9		+2.3	AFRICA	24.5		23.8		-0.6
ASIA	611.6		614.0		+2.4	Cote d'Ivoire	0.8	F	0.7	G	-0.1
Bangladesh	45.8	F	50.0	F	+4.2	Ethiopia	0.0		0.2	F	+0.2
Cambodia	7.3	G	7.6	G	+0.3	Sierra Leone	1.5	F	0.8	G	-0.7
India	130.8	F	131.3	G	+0.5						
Indonesia	63.8	G	64.3	G	+0.5	LATIN AMERICA AND					
Iran Islamic Rep.	3.3	F	2.7	F	-0.6	THE CARIBBEAN	27.4		27.8		+0.4
Japan	10.7	F	10.6	G	-0.1	Bolivia	0.5	G	0.6	G	+0.1
Myanmar	31.5	F	31.0	F	-0.5	Colombia	2.6	F	2.8	G	+0.2
Pakistan	9.6	G	10.0	G	+0.5	Ecuador	1.3	F	1.5	F	+0.2
Philippines	16.7	F	16.0	G	-0.7	Venezuela	1.3	F	1.0	G	-0.3
Thailand	31.5	G	29.8	G	-1.7						

G: Official Figure; F: FAO forecast/estimate.

¹ The 2009 rice production season normally includes rice from the main paddy crops whose harvests fall in 2009, to which rice from all subsequent secondary crops, if any, is added. In the case of northern hemisphere countries, this principle implies that production in 2009 comprises the main rice crop, which is usually collected in the latter part of the year, plus the volume obtained from the successive secondary crops, commonly harvested in the first half of 2010. In the case of southern hemisphere countries, production in 2009 normally comprises rice from the main paddy crops assembled in the first part of 2009, plus rice from the secondary crops, generally gathered in the latter part of 2009. This approach to assess rice production is applicable to any given season.



The current forecast level of 680 million tonnes (454 million tonnes, milled basis) confirms expectations of global paddy production in 2009 emerging as the second highest achieved, with world output falling only 1 percent below the 2008 outstanding harvest. The contraction mirrored a 3.1 million hectare retrenchment in area sown to paddy to 156 million hectares, as average yields rose by 1 percent to 4.4 tonnes. The reduction in plantings was concentrated in Asia, which suffered from an erratic pattern of the monsoon rains and the resurgence of El Niño

conditions. Nonetheless, production also fell in Africa, while output gains were registered in Latin America and the Caribbean, Europe, North America and Oceania.

A. ASIA

Despite an adverse climate, 2009 paddy production prospects improve in Asia

The 2009 paddy season is yet to conclude in several Asian countries, where gathering activities of secondary crops are currently underway. Based on the latest figures, production in the region is set fall to 614 million tonnes (410 million tonnes, milled basis) in 2009, 8.8 million tonnes less than in 2008, but 2.4 million tonnes more than previously anticipated. Driven by a 3 percent retrenchment in plantings to 139 million hectares, the contraction is imputable to the erratic climatic conditions, which have affected various countries since the onset of the season. Indeed, with crops being constrained by drought and flood problems, production in **Bhutan, Chinese Province of Taiwan, India, Iraq, Nepal, the Philippines, Sri Lanka and Thailand** declined over the season, while smaller crops were also gathered in **Japan and Pakistan**. Production losses in these countries served to more than offset gains in **Afghanistan, Bangladesh, Cambodia, China (mainland), DPR Korea, Indonesia, the Islamic Republic of Iran, the Republic of Korea, Lao PDR, Malaysia, Myanmar, Turkey and Viet Nam**.

Production prospects have substantially improved in **Bangladesh**, where the third and largest irrigated Boro crop is being harvested. FAO has raised the December forecasts of overall output in 2009 by 4.2 million tonnes to 50.0 million tonnes (33.3 million tonnes, milled basis), representing a 6 percent yield-driven increase from the previous year. Indeed, on the back of emergency measures put in place to mitigate the effects of erratic monsoon rains, 19.7 million tonnes of Aman paddy (13.1 million tonnes, milled basis) are officially reported to have been gathered this season, 600 000 tonnes above the official target and sufficient to compensate for a 10 percent contraction in the smaller Aus harvest of 2.6 million tonnes (1.71 million tonnes, milled basis). Prospects are also positive for the ongoing Boro harvest, which is expected to surpass the 2008 outcome by 4 percent and reach 27.8 million tonnes (18.5 million tonnes, milled basis). The expansion would reflect good climatic conditions as well as a renewal of public assistance to the sector, in the form of a cash subsidy of Taka 5.00 (USD

0.07) per litre of diesel, to support producers with irrigation costs during the campaign.² Up to 9.1 million farmers are expected to benefit from the scheme, which has been implemented through an Agri-Input Assistance Card and Cash Assistance facility introduced in February 2010, to extend public support under pre-established schemes via direct bank transfers.

Notwithstanding the arrival of greater supplies into the market, domestic retail prices have come under increasing upward pressure in recent months. By March 2010, they stood nearly 40 percent above their September 2009 level at Taka 26 per kilo (USD 368 per tonne). The Authorities, which have attributed the rise to speculative activities, have introduced more stringent anti-hoarding measures, including a reduction in the loan repayment period for rice purchases by millers and traders. The upward price trend also negatively impacted official Aman procurement, as on 20 March 2010, domestic purchases by public agencies stood at 14 600 tonnes, less than 5 percent of the target set for the season. Meanwhile, an April decision raised prices for the Boro procurement campaign, which is to run from 1 May 2010 – 31 August 2010. Accordingly, public agencies will purchase 1.1 million tonnes of milled rice at Taka 25 per kilo (USD 354 per tonne) and 150 000 tonnes of paddy at Taka 17 per kilo (USD 241 per tonne).

Harvest of 2009 secondary rice crops is underway in **Cambodia**. According to the latest official estimate, paddy production over the season is set to register a 6 percent growth to 7.6 million tonnes (4.86 million tonnes, milled basis). Despite some damages on the main paddy crop incurred from the passage of storms and drought, the anticipated increase would reflect both yield improvements and expanded area under paddy as producers reacted to attractive prices. Although dry conditions have also prevailed over the country in recent months, secondary paddy crops, mainly irrigated, are reported to have been little affected by the unfavourable climate.

The National Grains and Oils Information Centre has maintained its semi-official forecasts of paddy production in **China, mainland** at 195.8 million tonnes (134.1 million tonnes, milled basis). The 3.9 million tonne year-on-year expansion, equivalent to a 2 percent growth from 2008's good harvest, was principally driven by greater area under paddy, although yields were also boosted to an estimated 6.6 tonnes per hectare. This performance would be in line with objectives set out in November 2009 in a medium term plan, which aims to increase cereal production in the country by 50 million tonnes by 2020. Seen as a requisite to meet a projected annual domestic demand of 572.5 million tonnes and maintaining a 95 percent self-sufficiency ratio, the plan seeks to boost cereal production through yield improvements, requiring productivity to rise by 0.9 percent annually while preserving the area under cereals stable at 120 million hectares.

The season closed with unfavourable results in the **Chinese Province of Taiwan**. Being affected by low temperatures and damages caused by the passage of storms, FAO estimates paddy production in the country to have contracted by 4 percent to 1.4 million tonnes (1.0 million tonnes, milled basis) in 2009.

The 2009 paddy season will be completed in **India** with the May harvest of the secondary Rabi crop. In February, the Department of Agriculture reduced its estimates of the losses incurred by the main Kharif crop from deficient monsoon rains and subsequent floods to 18.1

² All currency conversions are based on exchange rates as on 1 April 2010.

million tonnes. As a result, its projections of Kharif output were raised to 109.3 million tonnes (72.9 million tonnes, milled basis). On the other hand, officials have maintained expectations of a favourable 2009-2010 Rabi campaign. This is so, notwithstanding area under the winter-sown crop falling 7 percent below 2008's extension to 4.44 million hectares as on 22 April, principally due to retrenchments in Andhra Pradesh and West Bengal. With area losses likely compensated by improved yields, the 2009 Rabi crop is officially anticipated to outstrip the previous season's outcome by 3 percent, reaching 22.0 million tonnes (14.7 million tonnes, milled basis). Accordingly, the 2009 overall production forecast now stands at 131.3 million tonnes (87.6 million tonnes, milled basis), 12 percent below the 2008 record harvest. Meanwhile, rice procurement by the Food Corporation of India is reported to have reached 26.4 million tonnes by 23 April, surpassing the 26 million tonne public distribution system annual need.

Officials have revised estimates of 2009 paddy production in **Indonesia**, with new figures now pointing to a bumper harvest of 64.33 million tonnes (40.5 million tonnes, milled basis), some 500 000 tonnes more than previously reported and 4 million tonnes over the production level achieved in 2008. Crops benefited from good weather conditions, which fostered a 4 percent rise in plantings to 12.9 million hectares and boosted yields to 5.0 tonnes per hectare.

FAO estimates the 2009 paddy season in the **Islamic Republic of Iran** to have closed with a harvest of 2.7 million tonnes (1.7 million tonnes, milled basis), 24 percent above 2008's drought affected crop of 2.2 million tonnes. The recovery was facilitated by improved weather conditions as well as high Government guaranteed prices, which drove area under paddy up to an estimated 620 000 hectares.

By contrast, paddy production in **Iraq** is estimated to have declined by 28 percent to 180 000 tonnes (108 000 tonnes milled basis) following consecutive years of drought and falling water levels in the Euphrates river, which provides much of the water used for crop irrigation. The reduction of domestic supplies are behind a 15 percent decline of deliveries to state agencies, to 102 000 tonnes in 2009, despite the high procurement price of Dinars 900 000 per tonne (USD 765 per tonne) paid by the agency. These supplies are needed for later release through the Public Distribution System.

Cool temperatures and insufficient sunshine negatively impacted crops in **Japan**, depressing yields by 4 percent to 6.5 tonnes per hectare. Added to slight area retrenchments, 2009 output in the country is estimated to have fallen by 4 percent 10.6 million tonnes (7.7 million tonnes, milled basis).

By contrast, the season is reported to have closed with positive results in the **Democratic People's Republic of Korea**. Though remaining constrained by severe input scarcity, paddy production is officially estimated to have risen by 16 percent to 2.3 million tonnes (1.54 million tonnes, milled basis), the highest since 2006, owing to favourable climatic conditions.

Good weather also favoured crops in the **Republic of Korea**, boosting yields to a record 7.2 tonnes per hectare and driving paddy production up by 1.5 percent to 6.6 million tonnes (4.9 million tonnes, milled basis). According to a recent survey by Korea Statistics, notwithstanding lower production costs of Won 624 970 (USD 550) per square kilometre, mainly due to a fall in land-rental expenses, unremunerative prices and diminishing consumption of rice translated into an annual drop in gross producer income of 7 percent to

Won 944 438 (USD 831) per square kilometre of paddy cultivated. In order to shore up prices, authorities have announced the launch of an additional procurement programme to purchase up to 200 000 tonnes of rice from the market in the coming months.

Based on the latest official statistics, paddy production in the **Lao People's Democratic Republic** rose by 4 percent to 3.0 million tonnes (1.8 million tonnes, milled basis) in 2009. Positive results were also achieved in **Malaysia**, where 2.4 million tonnes (1.6 million tonnes, milled basis) were gathered, up 2 percent from the previous year.

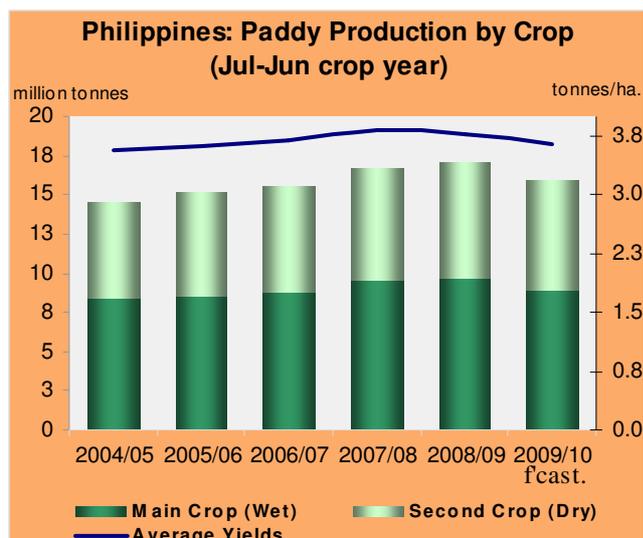
In **Myanmar**, the 2009 season will come to a close with the April harvest of secondary paddy crops. FAO has lowered its production forecast for the country to 31.0 million tonnes (19.5 million tonnes milled basis) to reflect main crop production losses incurred as a result of floods and rodent infestations. On the other hand, prolonged dry conditions are also affecting secondary rice crops in central areas of the country. Nonetheless, at the current forecast level, output would stand 2 percent above the 2008 Nargis affected outcome, sustained by a recovery in area planted under paddy which is expected to more than offset depressed yields.

Consecutive years of drought and an erratic pattern of monsoon rains also constrained paddy crops in **Nepal**, leading to an 11 percent output contraction to 4.0 million tonnes (2.7 million tonnes, milled basis).

The 2009 season was concluded in **Pakistan** with paddy production officially estimated to have fallen to 10.0 million tonnes (6.7 million tonnes, milled basis), some 400 000 tonnes less than 2008's record harvest, but still above the Government target of 8.9 million tonnes. Despite a reduction in water availability for irrigation due to a weak monsoon, yields are estimated to have been little affected. Instead, the 4 percent output shortfall was driven by reduction of plantings, as producers responded to prospects of lower returns. Notwithstanding attempts to support prices through official procurement activities, credit constraints also stemming from an inability to offload supplies procured in 2008 without incurring financial losses, are reported to have impeded PASSCO from fulfilling its 2009 rice procurement target.

The 2009 production outlook is negative in the **Philippines**, where, overall production is now officially forecast at 15.98 million tonnes (10.5 million tonnes, milled basis), 6 percent lower than the 2008 excellent outcome. On top of the 800 120 tonne main crop deficit from damages inflicted by the successive passage of storms, prospects for the season's second dry crop have been marred by scanty rainfall associated with El Niño conditions. Based on the latest official assessment, 453 204 hectares of paddy fields over 14 provinces may be affected, leading to a second crop output contraction of 4 percent to 7.09 million tonnes.

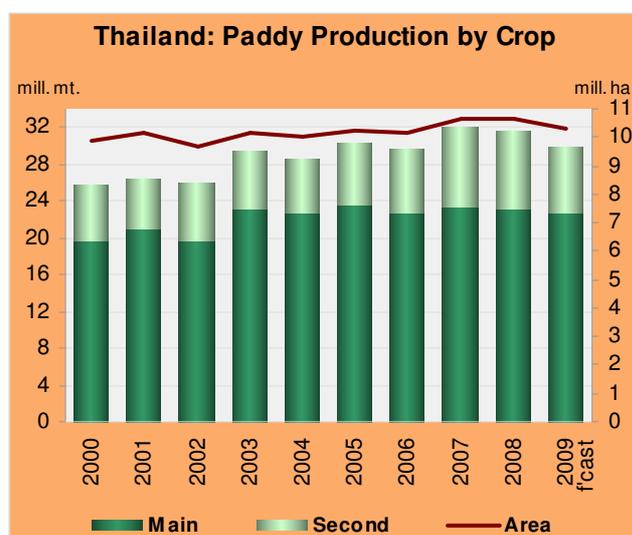
To mitigate crop damages caused by the dry spell, authorities have allocated a fund of Pesos



1.7 billion (USD 38 million) for cloud seeding operations, inputs distribution, and improvements on irrigation capacity through the construction of tube wells and pumps. The National Irrigation Administration will also waive service fees for drought affected farmers cultivating 34 000 hectares of irrigated paddy fields. Within its overall objective to expand hybrid rice coverage to between 500 000 and 700 000 hectares by 2013, the Department of Agriculture has targeted to extend hybrid rice seed coverage to 185 000 hectares during this dry paddy campaign, mainly in the Central Luzon

region. Meanwhile, the 2010 public procurement target is reported to have been scaled-back to 584 300 tonnes, after 2009 purchases fell 49 percent below their original target to 453 000 tonnes, due to higher prices offered in local markets.

The 2009 paddy crop in **Sri Lanka** was also affected by unfavourable weather. Notwithstanding a 10 percent area driven increase in Maha output, deficient precipitation constrained plantings of the secondary Yala crop. As a result, 3.65 million tonnes (2.5 million tonnes milled basis) are officially estimated to have been gathered in 2009, representing 6 percent output decline from the previous year.



Production prospects have deteriorated in **Thailand**, where the harvest of secondary paddy crops is about to be concluded. On account of both area retrenchments and yield losses, output of the main crops harvested between November and January is officially reported to have fallen by 2 percent to 22.8 million tonnes (15.1 million tonnes, milled basis). The outlook for the 2009 secondary crops, currently at the harvest stage, is also negative, as drought and insect attacks may cause a 1.4 million tonne contraction to 7.0 million tonnes. Accordingly, FAO's forecast of Thailand's overall production in 2009

now stands at 29.8 million tonnes (19.7 million tonnes, milled basis), 6 percent below the 2008 harvest.

Severe drought conditions in 60 provinces, principally in the northern and central producing plains, have negatively impacted off-season crops. The situation has been compounded by brown plant-hopper infestations, which are reported to have affected 368 000 hectares of paddy fields in eleven provinces since July 2009, with their spread being attributed to over-planting and excessive use of agro-chemicals. The authorities have announced a programme

for drought relief operations. In addition, measures to thwart the spread of the pest infestation have been implemented, including instituting a limit in the number of rice crops that can be cultivated per season in affected areas. In order to alleviate the effects of drought on affected producers, the Government has announced plans to implement a preferential loan scheme that would allow Baht 30 000 (USD 924) to be borrowed per producer at subsidised interest rates.

On the other hand, Baht 9 billion (USD 277 million) have been approved to fund the price guarantee programme for the off-season crop, to compensate an estimated 600 000 participants for the difference between a guaranteed price and a market reference price. Around 3.1 million farmers had already participated in the first round of the scheme, pertaining the main paddy crop, which gave rise to compensation worth Baht 27.0 billion (USD 831 million). In response to sharp declines in domestic rice prices following the arrival of secondary paddy crops in the market, additional measures have also been implemented in parallel to the price insurance programme, including the direct purchase of paddy crops at set reference prices as during the main crop harvest period. However, implementation of the scheme, for which Baht 20 billion (USD 616 million) were allocated, is reported to have been only partially undertaken. Indeed, a review of the programme, to grant greater incentives to millers to participate, is still to receive official approval.

The 2009 paddy season in **Viet Nam** is officially reported to have closed with no significant growth in output, which remains at 38.9 million tonnes (25.94 million tonnes, milled basis). The slight output rise of 171 000 tonnes registered over the season reflected greater area under the winter-spring crop, which was partly offset by a smaller summer-autumn crop due to area retrenchments and slight productivity losses.

B. AFRICA

A decline in Egypt much behind an expected contraction of Africa's rice production in 2009

Production in Africa is estimated to have fallen by 2 percent to 23.8 million tonnes (15.6 million tonnes, milled basis) in 2009. However, much of the contraction reflected an output drop in Egypt, the largest producer in the continent, while the season's results were generally excellent in the rest of the region. The success of the campaign has to be seen against the backdrop of relatively high market prices, new initiatives launched by governments to achieve rice self-sufficiency and growing domestic and foreign investor interest in rice cultivation.

This was not the case in *Northern Africa*, where **Egypt** has taken measures to limit the usage of scarce water resources. Production in the country is officially reported to have declined by 22 percent to 5.7 million tonnes (3.9 million tonnes, milled basis).

In *West Africa*, 2009 paddy production surpassed the 2008 excellent outcome by 8 percent to 11.0 million tonnes (7.0 million tons, milled basis). Despite an irregular start of the seasonal rains, good weather conditions along with continued domestic and external support to the sector were behind the 7 percent increase in plantings, to 5.8 million hectares. Production increases were registered in nearly all countries, with significant gains achieved in **Benin, Burkina Faso, Gambia, Ghana, Liberia, Mali, Senegal, Sierra Leone and Togo**.

According to the latest official assessment in **Ghana**, paddy production expanded by 30 percent to 391 000 tonnes (239 000 tonnes, milled basis) in 2009, on the back of a sizeable expansion in plantings and boosted yields. The bumper harvest was facilitated by refurbished irrigation infrastructure, as well as by public provision of inputs through schemes like the Youth in Agriculture Programme, which supported productive activities over 7 000 hectares. In **Mali**, despite an inconsistent weather pattern at the onset of the season, official figures point to output having reached a new high of 1.6 million tonnes (1.1 million tonnes, milled basis), 300 000 tonnes over the 2008 harvest, owing to a 27 percent increase in area planted to 616 000 hectares. The season also closed with positive results in **Nigeria**, the second largest producer in the continent, where 4.3 million tonnes (2.6 million tonnes, milled basis) are estimated to have been gathered, up 3 percent from the previous year.

Notwithstanding an erratic pattern and early withdrawal to seasonal rains that severely impacted cereal crops, paddy production in **Niger** grew by 19 percent to 91 000 tonnes (59 000 tonnes, milled basis), with the achievement reported to have been made possible by refurbished irrigation infrastructure in the Diffa region. In **Sierra Leone**, the Ministry of Agriculture has revised historical production statistics downwards. During the 2009 season, paddy production in the country is officially estimated to have expanded by 15 percent to reach 785 000 tonnes (471 000 tonnes, milled basis), owing both to plantings and yield gains. In a bid to boost farm mechanisation in the country, the Government is reported to have used assistance from India to avail machinery and equipment to producers.

Sierra Leone: Paddy Production 2001-2009										
		2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Area	(000 ha)	259	343	357	427	428	423	432	476	523
Yield	(Mt/ha)	1.2	1.2	1.3	1.3	1.3	1.3	1.4	1.4	1.5
Production	(000 Mt)	311	422	446	542	552	562	588	680	785

Source: Planning, Evaluation, Monitoring and Statistics Directorate (PEMSD) - Ministry of Agriculture.

In the sub-region, a negative outcome was registered in **Chad**, where the season closed with a 23 percent output reduction to 131 000 tonnes (90 000 tonnes, milled basis). Prospects also point to a decline in **Mauritania**, where the suspension of a farm credit scheme and lack of availability of agricultural inputs are reported to have inhibited planting activities in the Senegal River Valley, resulting in large trenches of irrigated farm land being left uncultivated. As a result, current official forecast put paddy production in the country at 67 000 tonnes (40 000 tonnes, milled basis), 38 percent below the previous season.

In **Eastern Africa**, **Kenya** is estimated to have closed the season with 2.8 percent output expansion to 65 000 tonnes (36 000 tonnes, milled basis). Conversely, paddy crops in the **United Republic of Tanzania** continued to be constrained by a prolonged drought. As a result, 1.34 million tonnes (871 000 tonnes, milled basis) are estimated to have been harvested, down 3 percent from 2008. By contrast, the season unfolded favourably in **Uganda**, permitting a sustained 3 percent growth to 185 000 tonnes (123 000 tonnes, milled basis).

The season was also positive in **Southern Africa**. Despite crop losses from the passage of large storms, paddy production in **Madagascar** expanded by 2 percent to 4.2 million tonnes (2.8 million tonnes, milled basis). More marked increases were registered in **Mozambique**

and **Zambia**, where production rose by 37 percent and 38 percent to 260 000 tonnes (170 000 tonnes, milled basis) and 42 000 tonnes (28 000 tonnes, milled basis), respectively.

C. CENTRAL AMERICA AND THE CARIBBEAN

Gains in virtually all countries forecast to boost 2009 production by 9 percent in Central America and the Caribbean

The season progresses favourably in Central America and the Caribbean. A low incidence of hurricanes, associated with the occurrence of El Niño, has facilitated crop development in virtually all countries, with overall output in the region now forecast to expand by 9 percent to 2.7 million tonnes (1.8 million tonnes, milled basis).

Particular gains have been registered in the **Dominican Republic**, where the season has already closed with production growing for the fifth consecutive year to a record 847 000 tonnes (559 000 tonnes, milled basis), 9 percent above the 2008 harvest. The expansion was made possible by favourable climatic conditions. In addition, as part of the warehouse receipts programme funded by the Government, a total of 193 000 tonnes of rice have been stored in 2009 for later release in the market, while producers were also assisted through subsidised credit disbursed by the Agricultural Bank. In **Cuba**, the 2009 campaign will only come to a close with the April-July harvest of secondary crops. Output in the country is anticipated to register a 15 percent growth in 2009, to 500 000 tonnes (334 000 tonnes, milled basis), despite diminishing supply of water for irrigation that has been affected a number of producing areas suffering drier than average conditions. The progress is consistent with government efforts to increase cultivation of rice, so as to reduce reliance on imports. Likewise, a 17 percent boost in area sown to paddy to 62 000 hectares is anticipated to drive paddy production in **Costa Rica** up to 270 000 tonnes (181 000 tonnes, milled basis), 40 000 tonnes more than in 2008. The achievement is anticipated in spite of localized dry conditions, and largely driven by higher producer prices, set at Colones 330 per kilo of rice (USD 622 per tonne), as well as by incentives to production set out under the 2008 National Food Plan. Elsewhere in the region, larger crops are also forecast to be gathered in **El Salvador, Mexico, Nicaragua** and **Panama**.

D. SOUTH AMERICA

Extensive gains in most countries foster a 6 percent expansion of production in South America in 2009

Based on the latest official figures, South American countries harvested 25.1 million tonnes of paddy in 2009 (16.8 million tonnes, milled basis), representing a 6 percent increase from a year earlier. Much of the growth in the sub-region was on account of **Brazil**, where production closed with a 529 000 tonne boost to 12.6 million tonnes (8.44 million tonnes, milled basis). The 4 percent expansion was principally driven by yield improvements, mirroring the high productivity in the main producing state of Rio Grande do Sol, where yields reached a record of 7.15 tonnes per hectare. Nonetheless, a strong contribution to the regions' output growth was also made by **Colombia**, where 2.8 million tonnes of paddy (1.9 million tonnes, milled basis) were gathered, up 17 percent from the 2008 harvest mostly on

the back of yield improvements. Production also rose by 6 percent in **Argentina** to 1.35 million tonnes (901 000 tonnes, milled basis), driven by an 11 percent rise in plantings which compensated for depressed yields. Similarly, considerable expansions in area under paddy boosted production in **Bolivia** to 572 000 tonnes (393 000 tonnes, milled basis), 31 percent over the 2008 outcome. **Guyana** is officially reported to have produced 554 500 tonnes of paddy (359 000 tonnes, milled basis) in 2009, 27 000 tonnes over the annual target and the second highest level on record. The bumper crop benefited from good weather, which facilitated a 4 percent area expansion to 125 000 hectares and record yields of 4.4 tonnes per hectare. A record crop of 3.0 million tonnes (2.0 million tonnes, milled basis) was also harvested in **Peru**. In spite of Government efforts to relocate rice cultivation from northern to eastern regions on water concerns, much of the increase in 2009 was on account of greater cultivation in the northern Lambayeque and La Libertad regions, although output also rose in the eastern area of San Martín. Conversely, deficient rainfall at planting time resulted in a 5 percent area cut in **Uruguay** to 160 000 hectares. Although the loss was partly compensated by record level yields of 8.0 tonnes per hectare, production in the country closed with a 3 percent decline to 1.3 million tonnes (901 000 tonnes, milled basis). Severe drought conditions also affected the 2009 paddy crop in **Venezuela**, where production is officially reported to have incurred a 7 percent area based contraction to 1.0 million tonnes (701 000 tonnes, milled basis).

E. NORTH AMERICA, EUROPE AND OCEANIA

Production increases in the United States, the European Union, the Russian Federation and Ukraine

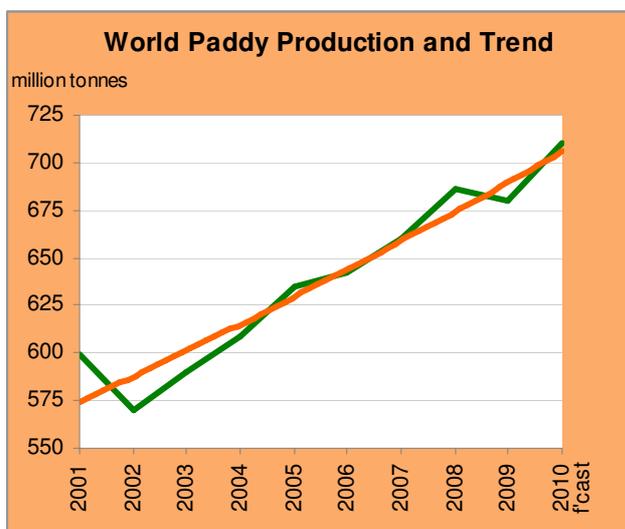
In *North America*, the USDA has upgraded its estimates of 2009 paddy production in the **United States** to 9.97 million tonnes (7.0 million tonnes, milled basis), up 8 percent from a year earlier. The positive outcome reflected both area expansions, particularly for medium/short grain varieties in southern states, as well as higher yields, second only to 2007's record of 8.1 tonnes per hectare.

In *Europe*, paddy production in the **EU-27** zone registered a 24 percent recovery over 2008's low, to 3.2 million tonnes (2.2 million tonnes, milled basis). Much of the increase was on account of sizeable area expansions in Italy and Spain, the main producers in the region. Nonetheless, positive results were also attained in Hungary and Romania; Bulgaria, Greece, and Portugal being the countries to have harvested a smaller crop during the season. Benefiting from greater public support, paddy production in the **Russian Federation** is also estimated to have surged to a record 908 000 tonnes in 2009 (606 000 tonnes, milled basis), up 23 percent from the previous year. Paddy production in the **Ukraine** also increased significantly, reaching 135 000 tonnes in 2009 (90 000 tonnes, milled basis), 34 percent above 2008's harvest.

In *Oceania*, drought conditions continued to constrain paddy production in **Australia**. Although greater water allocations allowed for a substantial increase in output relative to 2008's low, the 2009 harvest of 63 000 tonnes (42 000 tonnes, milled basis) remained well short of the 1.0 million tonnes of paddy (699 000 tonnes, milled basis) produced in 2006.

PRODUCTION OUTLOOK FOR 2010

Global production forecast to rebound to a new record in 2010

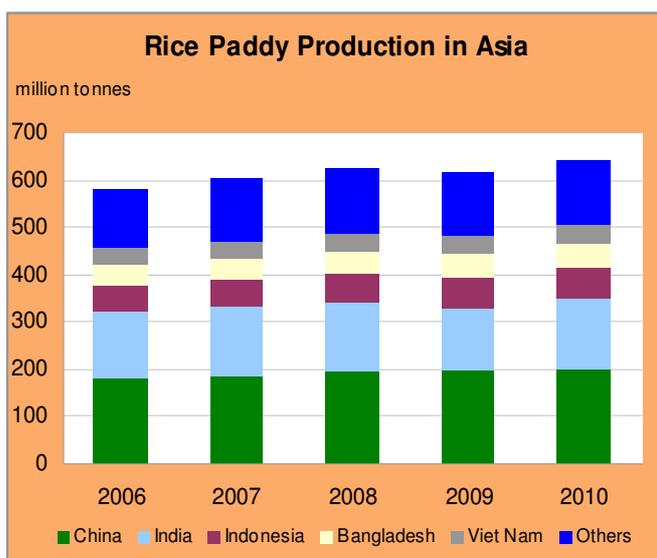


The 2010 paddy season is yet to begin in northern hemisphere countries, some of which are still engaged in gathering activities of 2009 crops. On the other hand, countries along and south of the equatorial line are well advanced into the season and already harvesting their main 2010 crops. According to the latest climate forecasts, chances of El Niño conditions dissipating over the coming months have improved, which would support a return to more normal weather conditions to the benefit of still to be planted crops. As a result, and though remaining highly tentative at this time of the year, FAO's first forecast of

production in 2010 is positive, with global paddy output projected to rise to 710 million tonnes (474 million tonnes, milled basis), 4 percent above the current 2009 estimate and the highest on record. Much of the annual increase in global production is expected to concentrate in Asia, although the outlook is also positive in Africa, Europe, North America and Oceania. By contrast, production prospects are unfavourable in Latin America and the Caribbean.

A. ASIA

A strong recovery in Asia's paddy production expected in 2010



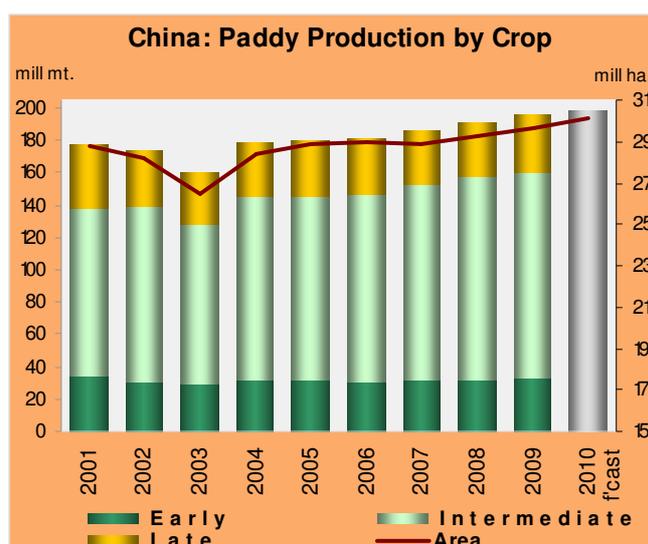
Largely based on the assumption of a return to normal climatic conditions, aggregate production in Asia is forecast to reach 643 million tonnes (429 million tonnes, milled basis), 29 million tonnes, or 5 percent, over the current 2009 depressed estimate. The recovery in the region is expected to be primarily on account of an increase in plantings. **India** is anticipated to drive much of the production upturn in the region, with a recovery also foreseen in the **Philippines, Sri Lanka and Thailand**. Prospects are also positive in **Bangladesh, China, mainland, Indonesia** and **Myanmar**. By

contrast, production may decline in the **Chinese Province of Taiwan** and the **Republic of Korea**, where policies are implemented to avert output surpluses.

In **Bangladesh**, the 2010 season already began with the April planting of Aus crops, the smallest of the three crops cultivated each year. Assuming normal growing conditions, a first forecast sees output expanding to 50.5 million tonnes in 2010 (33.6 million tonnes, milled basis), some 500 000 tonnes more than the current 2009 estimate. Further to a renewal of government incentives to the sector, recent increases in domestic rice prices may encourage farmers to plant more over the season. The Government has also announced intentions to boost irrigation capacity in order to increase the second and largest paddy Aman crop output, which is grown predominantly under rainfed conditions.

An initial forecast of paddy production in **Bhutan**, where planting of 2010 paddy crops is in progress, points to an 8 percent output recovery from the 2009 drought affected crop to 82 000 tonnes (49 000 tonnes, milled basis). As part of the rice commercialisation programme launched in 2008 with the support of the European Union, in January a rice mill was inaugurated in Gelephu, the first of its kind to function in the country. Under the same initiative authorities aim to raise production in Chuzargang by promoting double cropping, farm mechanisation and cooperative development.

In **Cambodia**, the 2010 paddy season is not due for launch until June, when main paddy crops will be planted. A first forecast of production sees a sustained pace of growth of 2 percent to 7.75 million tonnes (5.0 million tonnes, milled basis) in 2010. The Government has announced that a series of irrigation projects will be launched this year to boost production to 15 million tonnes by 2015. The aim of the initiative is to raise yields, which hover around 2.7 tonnes per hectare constrained by droughts and floods, while at the same time permitting more crops to be planted during a year. To these effects, USD 310 million will be invested in upgrading irrigation infrastructure over the next two years, funded mainly by China. The national assembly has also been requested to review the country's offshore borrowing limits in order to have up to USD 400 million of foreign credit for investment in irrigation systems.



In **China, mainland**, the 2010 season opened with the planting of the early paddy crop in February. Notwithstanding the severe drought conditions that have been affecting south-western provinces, overall production in the country is forecast to reach 199.0 million tonnes of paddy (136.3 million tonnes, milled basis) in 2010, up 2 percent from 2009 output. The anticipated growth would reflect a renewal of public incentives to the sector, as announced in the Government's 2010 main policy document, which has been once more dedicated to agriculture and rural issues. Stressing the need to maintain the

expansionary momentum in national grain production amongst its key points, the No. 1 Central Document has called upon greater investment to be channelled to rural infrastructure,

increased subsidies to farmers and a strengthening of financial services in rural areas. In this connection, on February 4, the Government earmarked Yuan 86.7 billion (USD 12.7 billion) to support grain farmers with seed, pesticide and fertilizer costs during spring planting activities, while a further Yuan 28.6 billion (USD 4.2 billion) were allocated for subsidies on use of improved seed varieties and machinery. In support of the 2010 crop, the National Development and Reform Commission also raised official procurement prices by 3 – 10 percent to USD 272 – 307 per tonne.

China: Government paddy procurement prices									
	Early Indica Rice	Intermediate and Late Indica Rice	Japonica Rice	Early Indica Rice	Intermediate and Late Indica Rice	Japonica Rice	Early Indica Rice	Intermediate and Late Indica Rice	Japonica Rice
	Yuan per 50 kilo			Yuan / tonne			USD / tonne		
2006	70	72	75	1400	1440	1500	205	211	219
2007	70	72	75	1400	1440	1500	205	211	219
2008	77	79	82	1540	1580	1640	225	231	240
2009	90	92	95	1800	1840	1900	263	269	278
2010	93	97	105	1860	1940	2100	272	284	307

Prospects are unfavourable in the **Chinese Province of Taiwan**, where the 2010 main paddy crop, now at planting stage, has been constrained by water shortages from lingering drought problems. As a consequence, output over the year is expected to incur a 2 percent area driven contraction to 1.37 million tonnes (1.0 million tonnes, milled basis). In order to ensure enough water availability for household and industrial consumption, in February 2010, the Government announced a compensation of NT 80 000 (USD 2 521) per hectare for farmers keeping their rice fields unsown, while producers securing their own water for irrigation will be able to sell their product to state agencies at set prices. However, the measures may not come to full effect, as regional authorities in southern counties are also reported to have offered incentives to farmers to continue cultivating rice in spite of the adverse climate.

In **India**, the 2010 season will be opened with the May-June arrival of the southwest monsoon over the Kerala coast, which will launch planting activities for the main Kharif crop. Given the reliance of summer-sown crops on seasonal rains, production prospects at this time of the year depend on the expected performance of the monsoon. In April, the meteorological department issued its first long-term forecast, which anticipated the unfolding of a normal monsoon during the annual June-September period, with average monsoon rainfall expected to reach 98 percent of the long period average. Assuming normal growing conditions on this basis, paddy production in the country is provisionally forecast at 151.0 million tonnes (100.7 million tonnes, milled basis), 19.7 million tonnes above the 2009 drought and flood-affected crop.

Various provisions are being taken by the Government to ensure the sector recovery, including the preparation of contingency plans to cope with various monsoon scenarios. On the other hand, several initiatives to boost yields and area coverage under the 2010 Kharif crop have been announced within a framework of a second green revolution, with particular attention being taken to address low productivity levels in the eastern regions. These measures will be supported by a Rupees 4 billion (USD 89 million) allotment in the 2010 Government budget, which has also raised overall annual allocations to the agricultural sector by 27 percent to Rupees 209 billion (USD 4.6 billion). In addition to increasing the target for farm

credit disbursements by 15 percent to Rupees 3.75 trillion (USD 83.4 billion), officials have extended the deadline for agricultural loan repayments by six months to 30 June 2010 and reduced annual interest rates for timely repayments by 1 percent. The last two measures are directed to farmers that endured unfavourable climate in 2009. The Government has also overhauled its fertilizer subsidy programme in a bid to increase productivity through a more balanced use of nutrients. According to the new provisions, effective from 1 April 2010, the maximum retail price of urea has been raised by 10 percent to Rupee 5 310 per tonne (USD 118 per tonne), and a new Nutrient-Based Subsidy put in place for non-urea fertilizers.³

India: Strategies for Increasing Rice Productivity – Kharif 2010	
<ul style="list-style-type: none"> • Expansion of areas under rice by increasing cropping intensity specially in the States of Assam, Bihar, Chattisgarh, Orissa, Eastern U.P. and West Bengal. • Increasing the coverage under irrigation in the Eastern Region of the country through the development of minor irrigation by using ground water which is in abundance in the region. • Enhancing the seed replacement rate in ICDP – Rice under Macro Management in –National Food Security Mission districts with area specific high yielding varieties. • Integrated and balanced use of nutrients and need based use of micro nutrients on the basis of soil tests. • Promotion system of rice intensification (SRI) in identified districts under upland conditions with assured irrigation facilities 	<ul style="list-style-type: none"> • Enhancing the yield through adoption of short duration /location specific varieties /hybrids well supported by improved package of practices in Integrated Cereals Development Programme in Rice Based Cropping System Areas (ICDP-Rice) under Macro Management in non NFSM districts. • Amelioration of soil with lime application in acidic soils especially in Assam, Bihar and Jharkhand and with gypsum in alkaline/saline soils for enhancing the land productivity. • Promotion of cultivation of hybrid rice. • Promotion of farm mechanization particularly cono-weeder for weeding in rice. • Integrated pest management for minimizing crop losses and enhancing returns to the farmers.
<p>Source: Department of Agriculture and Cooperation. <i>National Conference on Agriculture for Kharif Campaign – 2010 – Background Notes.</i></p>	

Being located in the southern hemisphere, the 2010 season is well advanced in **Indonesia** where gathering of main paddy crops began in February. Based on the first forecasts released by the Ministry of Agriculture, output this season is set to reach 64.9 million tonnes (40.9 million tonnes, milled basis), 1 percent above the 2009 bumper harvest, but short of the 66.8 million tonnes originally targeted. The relatively subdued outlook reflects concerns over the impact of El Niño, which is already expected to lead to a one-month delay of main crop harvesting activities in some regions. As the climate anomaly could also bring forward the beginning of the dry season, high-quality seeds and water pumps are to be provided to support affected producers during secondary crop activities, scheduled to take off in April. Meanwhile, the 2010 public procurement target has been set at 3.2 million tonnes, 15 percent less than the previous year, and prices paid by the State Logistics Agency (Bulog) since 1 January 2010 have been raised by 10 percent. Indeed, market prices have been on the rise since early this year, which prompted the Government to intervene in late January and release 300 000 tonnes of rice from public stocks, at Rupiah 5 500 per kilogram (USD 605 per tonne), in an attempt to dampen food inflation.

³ Under the scheme, maximum retail prices for non-urea fertilizer have been replaced with a fixed subsidy, extended on the basis of fertilizer nutrient content of nitrogen, phosphate, potash and sulphur. An additional per tonne subsidy is also applicable for other secondary and micro nutrients.

Indonesia: Paddy Production 2005-2010						
	2005	2006	2007	2008	2009	2010*
Area Harvested (000 ha)	11,839	11,786	12,148	12,327	12,878	12,892
Dryland Paddy	1,105	1,073	1,106	1,070	1,086	1,108
Wetland Paddy	10,734	10,713	11,041	11,258	11,792	11,784
Yields (Mt/ha)	4.57	4.62	4.71	4.89	5.00	5.03
Dryland Paddy	2.56	2.62	2.67	2.95	2.97	2.98
Wetland Paddy	4.78	4.82	4.91	5.08	5.18	5.23
Production (000 Mt)	54,151	54,455	57,157	60,326	64,329	64,898
Dryland Paddy	2,833	2,807	2,958	3,156	3,221	3,295
Wetland Paddy	51,318	51,647	54,200	57,170	61,108	61,603
*First Forecasting Figures Source: Ministry of Agriculture						

The outlook is positive in **the Islamic Republic of Iran**, where production is anticipated to increase by 4 percent to 2.8 million tonnes (1.8 million tonnes, milled basis) in 2010. The forecast expansion reflects strong government commitment towards the sector, in the form of protective measures and high government guaranteed prices. In a bid to lower rice production costs, the Government is also promoting mechanisation of rice farming in northern regions. To this end, Rial 70 billion (USD 7 million) have been allocated to purchase machinery and equipment in the Mazandaran province, while 5 billion (USD 500 000) have been set aside to provide low-interest loans to farmers. On the other hand, assuming a return to average growing conditions, 2010 paddy production in **Iraq** is anticipated in the order of 250 000 tonnes (150 000 tonnes, milled basis), 70 000 tonnes over the 2009 drought affected crop.

A preliminary forecast of production in **Japan**, where the 2010 paddy crop is planted in April, sees production recovering to 10.7 million tonnes (7.5 million tonnes, milled basis), 110 000 tonnes above 2009 output. According to official statements, over the next decade the Government would be intensifying its efforts to boost rice production for animal feed, in a bid to reduce the country's dependence of grain imports. The scheme falls under an overall framework to raise the country's food self-sufficiency level to 50 percent by the year 2020 and also incorporates plans to increase domestic rice flour production. In this connection, a budget of Yen 6.8 billion (USD 72.8 million) has been earmarked to extend a newly introduced subsidy, applicable until 31 March 2011, to wheat, soybean and rice farmers and processors.

Under average growing conditions, the **Democratic People's Republic of Korea** might gather 2.4 million tonnes of paddy (1.6 million tonnes, milled basis) in 2010, 3 percent above the official 2009 production figure. Although planting activities are not scheduled to start until May, the result of the season will also be determined by the availability of agricultural inputs, which has been severely limited since the cessation of humanitarian aid deliveries to the country. Meanwhile, unconfirmed reports would have rice prices soaring across the country following the implementation of a series of economic reforms in late 2009. These include the revaluation of the Democratic of People's Republic of Korea Won, as well as limitations on market operations and circulation of foreign currency. Also, the authorities were reported to have responded to the price surge by increasing rice distribution and enforcing regulated prices more strictly.

In the **Republic of Korea**, prospects of falling returns are anticipated to result in a 2 percent area driven output contraction to 6.5 million tonnes (4.8 million tonnes, milled basis) in 2010.

At the same time, the Government is intensifying its efforts to compensate a fall in direct rice consumption by stimulating increased rice use in processed food products. To these effects, public annual allocations to the preferential loan scheme have been boosted from 10 billion Won (USD 8.8 million) to Won 60 billion (USD 52.8 million) this year. In addition, companies seeking subsidised loans to upgrade production facilities and purchase equipment will be allowed to borrow up to Won 5 billion (USD 4.4 million) as of 2010, up from a previously allowed maximum of Won 400 million (USD 352 000).

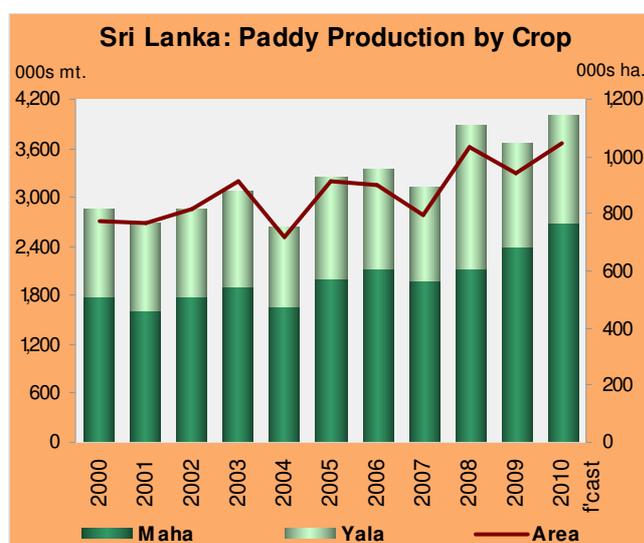
Prospects are positive in the **Lao People's Democratic Republic**, where 3.2 million tonnes of paddy (1.9 million tonnes, milled basis) are officially forecast to be gathered in 2010, up from the 3.0 million tonnes in 2009. Under a set of cooperation agreements with its Mongolian counterpart, the Government appear to be considering ceding land use rights over 10 000 hectares to Mongolian companies to engage in rice production, in addition to having agreed to form joint ventures for rice production and processing. Laos will also benefit this year from a European Union funded project aiming to improve rice production and processing across six provinces through the provision of technical training as well as processing facility upgrades.

Gathering activities of 2010 main paddy crops have already been concluded in **Malaysia**, where secondary paddy crops are now being planted. Production in the country is officially anticipated to reach 2.5 million tonnes this year (1.6 million tonnes, milled basis), a 3 percent yield-driven expansion from the previous season. The anticipated growth is in spite of prolonged precipitation deficits which affected north-western provinces and Sarawak. Meanwhile, in pursuit of its self-sufficiency objectives, the Government is targeting to raise paddy output by 5 and 10 percent in the northern Mada and Kada rice granaries, respectively. To help achieve this goal, Ringgit 17 million (USD 5.2 million) have been allocated to provide inputs to the areas and mitigate potential losses from pest infestation.

In **Myanmar**, the 2010 will not be launched until June, when main paddy crops will be planted. Assuming average growing conditions, production over the season is forecast to expand to 32.0 million tonnes (20.2 million tonnes, milled basis), up 3 percent from 2009 on the basis of both yield improvements and greater area sown to paddy. This year, three entities representing producers, millers and traders have formed the Myanmar Rice Industry Association, the first institution of its kind in the country. With the objective to strengthen Myanmar's position in the export market, the Association will support producers with preferential credit, fertilizers and seeds. As shortage of agricultural credit remains one of the major constraints of the sector, in 2009 the Government reportedly sanctioned the formation of agricultural development companies by private entities to provide low interest rate loans to producers.

A preliminary forecast of production in **Pakistan** sees output rising to 10.1 million tonnes in 2010 (6.7 million tonnes milled basis), up 1 percent from production in 2009, fuelled by a strong export demand. Ahead of the April launching of the 2010 paddy season, the Government approved the importation of 400 000 tonnes of urea to support the campaign. It has informed that, in order to better influence planting intentions, procurement prices paid by state agencies are to be announced prior to the sowing period. On the other hand, in order to avoid the setbacks incurred during the 2009 procurement campaign, financial institutions have been requested to make resources available to the Pakistan Agricultural Storage and Supply Corporation (PASSCO), to help the state agency begin procurement activities by 1 October in Sindh and 1 November in Punjab.

The 2010 season will only begin in July in the **Philippines**. FAO's tentative paddy production forecast for the country stands at 17.4 million tonnes (11.4 million tonnes, milled basis), 9 percent above the disappointing 2009 season outcome. Assuming no major setbacks, the upturn would mainly reflect a recovery in yields, also in view of an announced stepping up of distribution of hybrid seeds. Their dissemination will also be facilitated by the continuation of a subsidy of Pesos 1 000 per 50 kilo bag of seeds until the end of main crop planting activities. In these respects, under its 2010 annual budget, the Government has earmarked a total of Pesos 3.1 billion (USD 68.4 million) for the Ginintuang Masaganang Ani (GMA) Rice programme. Funds will be utilised to distribute 60 800 tonnes of seeds to 860 000 farmers and to provide training to 373 000 producers and extension workers. In support of the Philippines' aim to reduce reliance on rice imports by boosting production to 21.6 million tonnes by 2013, the European Union has also extended a Euro 10 million grant (USD 13.5 million) to finance certified seed distribution and improve on irrigation infrastructure.



In **Sri Lanka**, the 2010 Maha paddy crops have already been harvested, while planting activities for secondary Yala crops have just been launched. Supported by higher prices and government assistance in the form of fertilizer subsidies and land rehabilitation programmes, area planted under the season's main crop is reported to have reached unprecedented levels. This, coupled with generally favourable growing conditions, is expected to drive a 12 percent expansion in Maha output to 2.68 million tonnes. This, along with an average performance of the secondary

Yala crop, could boost Sri Lanka's production to a new high of 4.0 million tonnes (2.7 million tonnes, milled basis), 350 000 tonnes more than in 2009. Since the arrival of the new crop in the market, the Government has been procuring 140 000 tonnes of rice through the Paddy Marketing Board and Cooperative Societies, at Rupees 28 per kilo for Nadu rice (USD 245 per tonne) and Rupees 30 per kilo for Samba rice (USD 280 per tonne).

With the May-June planting of main paddy crops, the 2010 season is soon to be launched in **Thailand**. Although production prospects have been marred by the development an El Niño induced drought, current forecast for the upcoming rainy season point to increased chances of climatic conditions normalising by May. In fact, on the back of Government intervention to support domestic prices, officials expect area under paddy to recover over the season, allowing main crop output to expand by 400 000 tonnes to 23.2 million tonnes. Accordingly, Thai paddy production is preliminarily anticipated in the order of to 31.6 million tonnes (20.9 million tonnes, milled basis), up 6 percent from the poor 2009 harvest.

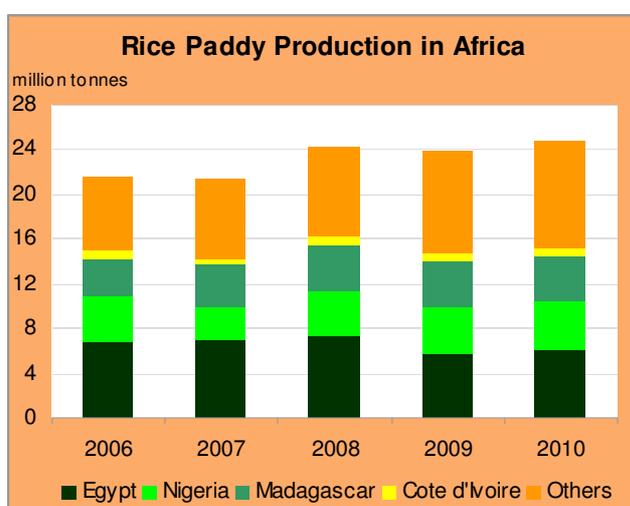
Dry conditions and high temperatures, associated to the influence of El Niño have also been affecting the Mekong Delta in **Viet Nam**, where the first crop of the season, winter-spring paddy has reached harvesting stage. Deficient precipitation since the end of the rainy season has caused water levels in the Mekong River to drop, raising concerns over salinity problems

from sea water intrusion, which officials estimate could affect 100 000 hectares of land in the Delta. Despite the unfavourable climate, however, as on 15 March, area planted under paddy nationwide was officially reported to have surpassed 2009's level by 2.5 percent reaching 3.05 million hectares. Indeed, principally relying on greater cultivation in southern provinces, the season's winter-spring harvest, the most important for the export sector, is expected amount to 9.97 million tonnes in 2010, 117 000 tonnes more than last year. Accordingly, assuming normal growing condition for the remainder of the season, overall paddy production may reach 38.8 million tonnes (25.9 million tonnes, milled basis), virtually replicating the 2009 outcome.

To support producer prices during the winter-spring harvest, state commercial banks have been requested to facilitate credit to assist purchases of rice for domestic and export markets. In addition, the Government will be procuring 108 000 tonnes of rice to replenish the national grain reserve, while a fund of Dong 35.2 billion (USD 1.8 million) has been allocated to enhance storage infrastructure. To sustain the market during the harvest period and until the end of April, member companies of the Viet Nam Food Association will be purchasing a total of 1.5 million tonnes of rice at a minimum price of Dong 4 000 per kilo (USD 200 per tonne). The VFA procurement price, which seeks to guarantee a profit margin of 30-40 percent for producers, is reported to have been set on the basis of an estimated production cost of Dong 2500 – 2800 per kilo of rice (USD 125-140 per tonne).

B. AFRICA

Paddy production in Africa forecast to rebound in 2010



Most countries in Africa are yet to launch planting activities for the 2010 season, except for countries south of the Equator, where harvesting of main paddy crops started in April. Assuming average growing conditions, paddy production in the continent is preliminarily forecast to reach 24.8 million tonnes this season, 4 percent over the 23.8 million tonnes produced in 2009. Much of the expansion relies on expectations of continued production gains in Western African countries, although prospects are also favourable in the Eastern parts of the

region and in North Africa, where a partial output recovery is anticipated in Egypt. On the other hand, due to unfavourable weather, production is set to fall in Southern Africa.

In ***Northern Africa***, planting activities for the main 2010 crop will be launched in April in **Egypt**. Production there is preliminarily forecast to recover to 6.0 million tonnes (4.1 million tonnes, milled basis) in 2010, up 6 percent from the 2009 outcome. The anticipated recovery is largely based on the assumption that Government restrictions on exports and policies introduced in 2009 aimed at curbing cultivation of rice to preserve water resources would be

somewhat eased over the year. Nonetheless, at the current forecast level, production would stand well short of the record 7.3 million tonnes achieved in 2008.

In **West Africa**, countries are currently engaged in land preparations in advance of the arrival of the rains. Although the outcome of the season will be heavily influenced by the performance of the seasonal rains, under normal conditions, production in the sub-region may reach 11.8 million tonnes (7.4 million tonnes, milled basis), 7 percent over the current 2009 estimate. The anticipated growth mirrors the continuation of relatively favourable market prices, as well as strong Government and external incentives to the sector.

Among the largest producers in the sub-region, the outlook is favourable in **Mali**, where some 1.8 million tonnes of paddy (1.2 million tonnes, milled basis) might be gathered in 2010, up 12 percent from the previous year. With the close of the 2009 paddy season, the authorities have begun rehabilitating sections of the irrigation canals along the Office du Niger, with assistance from the Millennium Challenge Account, which has provided a FCFA 21 billion (USD 42.2 million) grant for the purpose. The six regions comprising the main producing zone of the Office du Niger are aiming to bolster rice cultivation to 98 939 hectares over the season to produce 597 044 tonnes. They will benefit for the coming ten years from a FCFA 4 billion fund (USD 8 million) under the programme “Fonds d’appui aux initiatives rurales” (FAIR), to improve producer access to credit.

In **Ghana**, authorities announced that USD 18 million had been allocated to expand credit facilities to 34 000 farmers over the season. The Government also aims to furnish each of the country’s districts with a mechanisation centre to ensure producer access to machinery and equipment, while it will continue the drive to rehabilitate irrigation infrastructure in order to add an additional 33 000 metric tonnes of rice to national output. In this connection, Thai support in expanding production in the Tono and Veve irrigation schemes has also been announced. The country is now forecast to produce 430 000 tonnes in 2010, 10 percent above the 391 000 tonnes gathered in 2009.

Assuming average growing conditions, FAO forecasts production in **Nigeria** to expand to 4.5 million tonnes in 2010 (2.7 million tonnes, milled basis), 5 percent more than in 2009. On 29 March 2010, the Government launched the National Rice Development Strategy, as formulated in 2009 for the Coalition for Africa Rice Development (CARD). The plan ultimately aims to expand national rice output to 12.85 million tonnes by the year 2018, predominantly relying on greater production in rainfed and irrigated lowlands in north-central producing regions. Upland (rainfed) rice production in northern, central and south-western areas are also to be promoted through greater diffusion of NERICA rice.

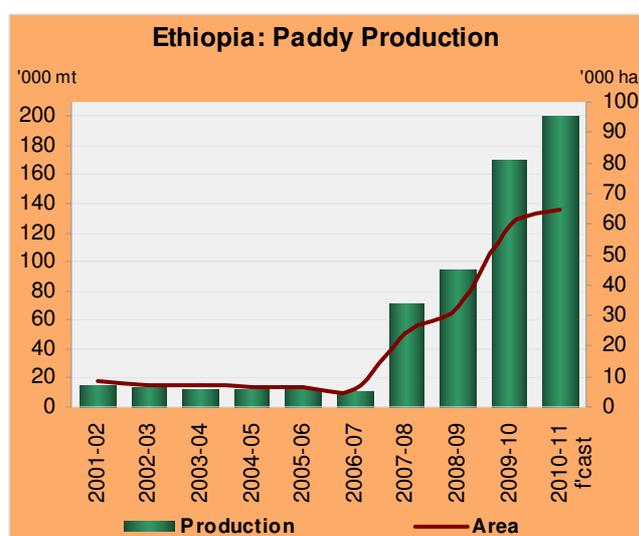
Year	Rain-fed Upland			Rain-fed Lowland			Irrigated Lowland			Total		
	Area	Yield	Production	Area	Yield	Production	Area	Yield	Production	Area	Yield	Production
	000 ha	Mt/ha	000 Mt	000 ha	Mt/ha	000 Mt	000 ha	Mt/ha	000 Mt	000 ha	Mt/ha	000 Mt
2008	510	1.6	826	1,243	2.0	2,472	48	3.5	167	1,801	1.9	3,465
2013	715	1.7	1,230	1,663	2.2	3,664	270	4.5	1,214	2,648	2.3	6,107
2018	875	2.0	1,750	2,065	3.4	7,021	560	8.0	4,480	3,500	3.8	13,251

Source: National Rice Development Strategy. Federal Republic of Nigeria.

In **Senegal**, the 2009 paddy season is expected to close with a 4 percent output boost to 520 000 tonnes (364 000 tonnes, milled basis), which would confirm the progress made by

the sector since 2008. To support rice production in the northern delta region, France is funding FCFA 6.5 billion (USD 13.1 million) to improve the marketing of local produce and facilitate an expansion of rice cultivation by reinforcing and extending irrigation capacity in the area. Assuming no major setbacks are incurred, production is also forecast to recover in **Chad** and **Mauritania**, with output gains also expected in **Benin**, **Burkina Faso**, **Gambia** and **Sierra Leone**.

In **Central Africa**, officials in **Cameroon** have announced that the public sector will be acquiring large trenches of land to put under rice cultivation. Within its overall objective to raise national production and reduce imports, further to providing high yielding variety seeds for this year campaign, authorities will be initiating construction of large scale rice processing facilities. The 2010 season which, is not due for launch until the June planting of main paddy crop, is expected to yield some 130 000 tonnes of paddy (88 000 tonnes, milled basis), 6 percent more than a season earlier.



In **Eastern Africa**, cultivation of rice in **Ethiopia** has steadily increased since 2007, with production passing from an annual average of 13 000 tonnes until then, to an estimated 170 000 tonnes in 2009. The output boost has mirrored increases in the area cultivated with rice and the dissemination of improved Nerica varieties and yield enhancing techniques like the System of Rice Intensification (SRI), which have propelled yields. The expansionary drive has been supported by the Government, which has been promoting private sector investment, identifying areas with high potential for

rice cultivation across six regions.⁴ Already in 2009, a Saudi venture is reported to be targeting rice cultivation over 10 000 hectares, also providing a fund of Birr 125 million (USD 9.1 million) to construct processing facilities in the Gambella region. On the back of continued investment in the sector, FAO estimates that some 200 000 tonnes of paddy (130 000 tonnes, milled basis) may be produced by Ethiopia in 2010.

Prospects are favourable in **the United Republic of Tanzania**, where the 2010 paddy crop was planted in February. Being associated with the influence of El Niño, by mid-January the country had already received heavy precipitation, which is also reported to have hampered planting activities in central regions. Nonetheless, with current forecasts pointing to a near normal continuation of the rainy season through the March to May period, greater water availability and increased use of inputs are expected to favour crops. As a result, a preliminary forecast of paddy production sees output recovering to 1.4 million tonnes (910 000 tonnes, milled basis), 4 percent over the 2009 poor harvest. The 2010 campaign in the central corridor is also expected to benefit from a USD 2.3 million funding, provided by the Swiss government to improve rice production and marketing.

⁴ Namely, in the Amhara, Benshangul, Gameblla, SNNPR, Somale and Oromia regions.

By contrast, the production outlook is negative in ***Southern Africa***, where main paddy crops were due for harvest in April. In **Madagascar**, prospects of lower returns further to a suspension of Government incentives, including the distribution of seeds and fertilizers, are expected to have depressed sowing this season. Moreover, paddy crops in southern and western regions have been exposed to prolonged rainfall deficits since December, with 61 000 hectares of paddy in five south-eastern districts reporting damage from floods provoked by the landing of tropical storm Hubert on 10 March 2010. Given the timing of the storm's landfall, which was late in the season, replanting is not expected to be taking place in various affected areas. Consequently, the 2010 season may close with a 5 percent contraction to 4.0 million tonnes (2.7 million tonnes, milled basis).

Similar conditions have been reported in **Mozambique**. Scanty precipitation and high temperatures, followed by torrential rains and localised flooding in March, have heavily impacted crops in the central and southern regions. Due to the irregular climate, officials estimate that some 66 000 hectares of paddy are seriously at risk, likely resulting in output falling short of the season's 340 000 tonne target. As a result and pending a more thorough assessment of damages, FAO has maintained its forecast of production in 2010 steady at 260 000 tonnes (173 000 tonnes, milled basis).

C. CENTRAL AMERICA AND THE CARIBBEAN

Further production gains expected in 2010

Most countries in Central America and the Caribbean will not begin planting 2010 crops until April-June. Assuming average growing condition, production in the sub-region is forecast to grow by 3 percent 2.8 million tonnes (1.85 million tonnes, milled basis), principally supported by gains in **Costa Rica, Cuba and the Dominican Republic**.

In **Cuba**, greater cultivation of paddy has been facilitated since 2008 by a government decree granting access to idle state land. With plantings anticipated to continue expanding, production is forecast in the order of 540 000 tonnes (360 000 tonnes, milled basis), up 8 percent from 2009. In line with the expected growth in the sector over the forthcoming year, the National Association of Small Farmers (ANAP) has targeted to increase rice sales to the state by 10 percent to 294 000 tonnes.

In the **Dominican Republic**, planting activities for the spring winter crop are already underway. A first forecast of production in the country sees output expanding by 6 percent to 900 000 tonnes (594 000 tonnes, milled basis) in 2010. The anticipated growth would be in spite of the dry conditions prevailing over the region, which have affected paddy crops in the north-eastern area. The Government is reported to have renewed the exemption of a tax advanced payment on agricultural production for a further year, in addition to having reached an agreement with producer associations to maintain paddy producer prices between RD 16.3 and 17.5 per kilo (USD 444 – 478 per tonne) over the year.

In 2009, **Jamaica** launched a programme to rehabilitate rice cultivation, with the objective to meet 25 percent of annual domestic demand within seven years. Adherence to the programme has been reportedly successful, with the support of China, which provided planting and

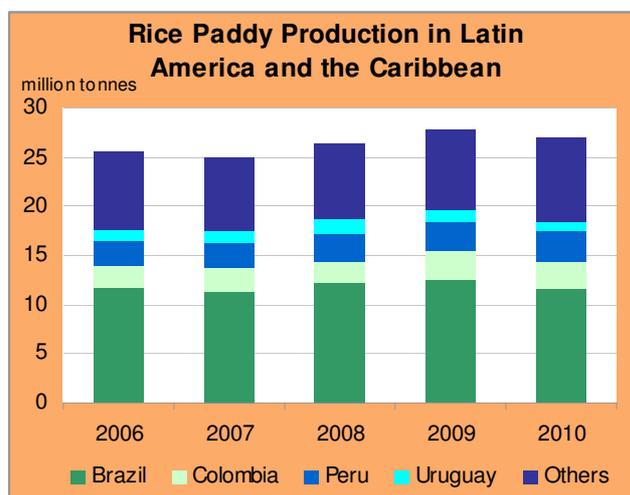
harvesting equipment. The programme is expected to intensify over the coming year, with a further investment of USD 500 000 on milling infrastructure already announced.

Paddy production in **Mexico** is anticipated in the order of 240 000 tonnes in 2010 (160 000 tonnes, milled basis), 20 000 tonnes less than in 2009. Production in the country has steadily declined since reaching a high of 335 000 tonnes in 2006. Of recent, industry organisations have associated the downscaling of the sector to negative effects of increases in imports.

Nicaragua has also set a target to achieve self-sufficiency by 2011. Within this framework, authorities would be aiming to boost 2010 rice output to 230 000 tonnes, providing a fund of Cordobas 4 billion (USD 186 million) to support food production by small/medium holder farmers. FAO forecasts production in the country to remain largely unchanged and in the order of 325 000 (211 000 tonnes, milled basis).

D. SOUTH AMERICA

Poor rice crops in Brazil likely to drive South America's production down in 2010



The season is well advanced in South America, where various countries are already harvesting their 2010 crops. Current production prospects are negative for the region, with overall output set to contract by 4 percent to 24.1 million tonnes (16.1 million tonnes, milled basis). The decline would be mostly imputable to **Brazil**, where extreme weather has severely constrained crops since planting time, late last year. Nonetheless, unfavourable growing conditions, often associated to the El Niño event, are also expected to cause production declines in

Bolivia, Chile and Uruguay, which would more than offset gains anticipated in **Argentina, Colombia, Ecuador, Peru, Guyana and Venezuela**.

Gathering activities of the 2010 paddy crop are underway in **Argentina**. In spite of unfavourable climatic conditions this season, positive price expectations are officially reported to have sustained a 1 percent expansion in overall area sown to paddy to 219 000 hectares. Larger plantings are expected to compensate for depressed yields, ensuing from the excessive precipitation and low sunshine duration, which have affected several producing areas since the onset of the season, including the major production region of Corrientes where 8 000 hectares are reported to have been lost. On balance, production in 2010 is expected in the order of 1.4 million tonnes (952 000 tonnes, milled basis), surpassing last year's harvest by 6 percent.

Heavy rains and floods also affected northern and valley producing regions in **Bolivia** delaying sowing activities into December, a month after they are scheduled to end. The unfavourable weather is expected to translate into an 8 percent retrenchment in planting,

which, with depressed yields, are forecast to push production down to 500 000 tonnes (343 000 tonnes, milled basis), 13 percent below the 2009 record harvest. According to a March 2010 agreement between producer organizations and authorities, the public food agency, EMAPA is to pay producers USD 57 per fanega⁵ (USD 285 per tonne) of paddy, with 20 percent maximum humidity content

The production outlook is negative in **Brazil**, where adverse climatic condition significantly hindered sowing activities in the main producing state of Rio Grande do Sol. Due to excessive precipitation at planting time and subsequent floods, over 50 000 hectares are reported to have been lost in the region. While some producers replanted their fields after the cessation of rains, sowing activities were generally completed outside of the recommended period; a situation expected to translate in a 5 percent fall in average national yields to 4.2 tonnes per hectare. Moreover, rainfed rice cultivation also retrenched due to competition with other crops. As a result, CONAB's April 2010 survey sees 2010 output in the country contracting by 9 percent to 11.49 million tonnes (7.7 million tonnes, milled basis).

Brazil Paddy Production by Region in 2009 and 2010 (for Brazil: 2008/09 and 2009/10 paddy seasons)									
	Area (000 ha)			Yields (kg/ha)			Production (000 tonnes)		
	2009	2010	Var %	2009	2010	Var %	2009	2010	Var %
Total	2,909	2,794	-4.0	4,332	4,112	-5.1	12,603	11,488	-8.8
North	387	399	3.2	2,421	2,488	2.8	936	993	6.1
Northeast	720	687	-4.6	1,493	1,542	3.3	1,076	1,060	-1.5
Centre-West	420	359	-14.6	2,995	3,002	0.2	1,258	1,077	-14.4
South East	83	79	-4.9	2,605	2,641	1.4	216	208	-3.6
South	1,299	1,270	-2.2	7,018	6,417	-8.6	9,116	8,150	-10.6

Source: CONAB – Seventh Planting Survey – April 2010

Paddy production in **Chile**, where 2010 crops are currently being gathered, is forecast to decline by 5 percent to 121 000 tonnes over the season (81 000 tonnes, milled basis). All of the reduction is anticipated to stem from yield losses, as further to a delay in planting activities, irrigation infrastructure was severely damaged by the devastating earthquake that struck the country on 27 February 2010.

In **Colombia**, the 2010 season was opened with the March planting of summer crops. Production is officially forecast to reach 2.9 million tonnes (1.97 million tonnes, milled basis) this season, up 4 percent from the previous year and a new record. With prospects of low prices following the 2009 bumper harvest anticipated to lead to a 1 percent retrenchment in plantings to 460 000 hectare, the expansion is forecast to be supported by improved yields, expected in the order of 6.3 tonnes per hectare. This is notwithstanding the high temperatures and reduced supply of water for irrigation which are affecting Andean and Pacific regions of the country. The unseasonable climate is also reported to have resulted in pest infestations in some western and coastal areas, particularly in Tolima where it is also being attributed to use of uncertified seeds.

Prospects are positive in **Guyana**, where production, which is officially reported on a calendar basis, could end with an increase of 6 000 tonnes to 560 000 tonnes (364 000 tonnes, milled basis) in 2010. Notwithstanding the occurrence of an El Niño-induced drought, output

⁵ Equivalent to 200 kilos.

from the smaller of the two crops harvested in March-April is officially estimated to have increased by 8 percent to 172 000 tonnes. The expansion was achieved on the back of measures put in place to mitigate losses in the agricultural sector, including the provision of water pumps and tanks to boost irrigation capacity. The Government appears to be formulating a similar scheme to aid farmers alleviate the effects of the dry climate on the 2010 main paddy crops planted in May-June, further to continuing fertilizer distribution programmes and the construction of drying facilities. Since 2009, Guyana's producers have been assisted through legal provisions, to ensure their timely payments by millers. In addition the sector is benefiting from a 60 percent reduction in the export commission.

The outlook is positive in **Ecuador**, where the main paddy crops are being gathered. Assisted by the provision of subsidized fertilizers, production in the country is forecast to grow by 7 percent to 1.6 million tonnes (912 000 tonnes, milled basis) in 2010. In order to avert a sharp fall in producer prices, the Government is stepping up local rice purchases, which this season are expected to absorb up to 30 percent of the main crop, at a minimum price of USD 28 per 45.5 kilos (USD 615 per tonne). Nonetheless, with a large surplus being anticipated for the season, authorities are also launching new initiatives to export rice.

The 2010 season was launched in January in **Peru**. Production in the country is anticipated to remain largely unchanged from the previous year and in the order of 3.0 million tonnes (2.0 million tonnes, milled basis). Indeed, despite a significant decline in prices received by producers following a record 2009 harvest, farmers are reported to have switched from cotton to rice cultivation, due to prospects of higher returns on rice as well as climatic factors. On the other hand, substantial increases in the costs of irrigation water in the producing region of Piura, could negatively impact the outcome of the season in the region.

Harvesting activities have just been commenced in **Uruguay**. Despite persistent precipitation at planting time, area sown to paddy recovered by 3 percent to 165 000 hectares this season. Nonetheless, according to industry reports, due to bad weather as much as 30 percent of the 2010 crop was sown late in the high-yielding northern producing region, a situation likely to result in average productivity falling below 2009's record of 8.0 tonnes per hectare. As a result, FAO estimates that some 1.1 million tonnes of paddy may be gathered this season, 15 percent less than the previous year.

Assuming normal growing conditions, the 2010 paddy production in **Venezuela** is anticipated to recover by 5 percent to 1.1 million tonnes (735 000 tonnes, milled basis). Under the 2010-2011 Integrated Plan for Agricultural Development (PIDA), the Government has set a target extension of 267 000 hectares for the season, 25 percent higher than the 213 000 hectares officially sown in 2009. In order to achieve the objective, producer organisations have requested a rise in support prices, as well as the inclusion of agricultural machinery and other equipment in the list of imported items eligible to lower exchange rates. While the latter request has been accepted, to date price adjustments have been limited to retail prices, raised to Bolivares Fuertes 3.29-3.66 per kilo of rice (USD 765-851 per tonne) on March 2010.⁶ A decree of the same month also established a new public food enterprise, "Corporación

⁶ More specifically, retail prices for Type I rice (1 to 10 percent broken) have been raised from Bolivares Fuertes 2.82 to 3.66 (USD 851 per tonne); for Type II rice (10 and 18 percent broken) from 2.71 to 3.42 (USD 795 per tonne); and from Bolivares Fuertes 2.62 to 3.29 (USD 765 per tonne) for Type III rice (18 and up to 25 percent broken).

Venezolana de Alimentos” (CVAL), which will be tasked, amongst other things, with supporting food production, commercialisation and trade.

E. NORTH AMERICA, EUROPE AND OCEANIA

In *North America*, the area sown to paddy in the **United States** looks set to register a 9 percent increase to 1.4 million hectares in 2010, according to the USDA’s March survey of planting intentions. All rice producing states are expected to plant more, as higher prices relative to other crops, mainly maize and soybeans, favoured a substitution towards rice. The anticipated expansion reflects a 12 percent recovery in plantings of long-grain varieties, which would more than compensate for a slight reduction under medium and short grain rice. As on 25 April 2010, planting activities have progressed favourably with 69 percent of the intended coverage for the season already fulfilled, ahead of a 47 percent progress at the corresponding time in 2009 and a five-year average of 50 percent for the period. Accordingly and assuming normal growing conditions, FAO forecasts the United States production in 2010 at 10.8 million tonnes (7.6 million tonnes, milled basis), 830 000 tonnes more than in 2009.

USA – 2010 Rice Prospective Plantings: Area by Class and State ^{1/} (000 ha.)								
	2009				2010			
	Long Grain	Medium Grain	Short Grain	All	Long Grain	Medium Grain	Short Grain	All
Total	927	321	21	1,269	1,042	318	21	1,380
Arkansas	510	91	0	601	579	81	0	660
California	2	204	21	227	4	219	20	243
Louisiana	168	22	0	190	190	16	0	206
Mississippi	99	0	0	99	109	0	0	109
Missouri	81	1	0	82	87	1	0	88
Texas	67	2	0	69	73	1	0	74

^{1/} Released March 31, 2010
Source: National Agricultural Statistics Service (NASS), Agricultural Statistics Board, USDA.

In *Europe*, favourable prices in Italy and Spain along with exceptionally abundant water supplies in reservoirs in the two countries are expected to translate into further area expansions over the 2010 paddy season in the EU zone. A preliminary forecast of 2010 paddy production in the region sees output rising to 3.2 million tonnes (2.2 million tonnes, milled basis), slightly more than the outstanding 2009 performance. Production in the **Russian Federation** is also forecast to increase by 5 percent to 950 000 tonnes (634 000 tonnes, milled basis) in 2010. Output in the **Ukraine** is officially anticipated to remain at last year’s high of 135 000 tonnes (90 000 tonnes, milled basis).

In *Oceania*, the 2010 season is well advanced in **Australia**, where harvesting activities for the 2010 crop have already been launched. In February, ABARE raised its forecasts of paddy production to reflect prospects of improved yields. These are anticipated to register a 21 percent boost to 9.41 tonnes per hectare, as warm summer temperatures and good rainfall over the main producing region of New South Wales favoured crop growth. Eventually, yields could turn out even higher, since the industry is claiming to have gathered up to 11 tonnes per hectare this season. Although greater water availability for irrigation permitted the area planted under paddy to more than double to 19 000 hectares in 2010, drought conditions have continued to constrain the sector. Australia’s production is hence officially forecast to remain

in the order of 175 000 tonnes (117 000 tonnes, milled basis), more than twice the level produced in 2009, but low if compared with the 1.0 million tonnes gathered in 2006. There is some doubt concerning the ability of the sector to return to past levels of production as consecutive years of droughts and limited water resources have prompted a number of farmers in New South Wales to sell irrigation entitlements, while others switched from rice cultivation to cotton.

With drought conditions reported to have affected crops in the Western region, production in the **Fiji Islands** is anticipated to fall from 18 000 tonnes to 14 000 tonnes (9 000 tonnes, milled basis) in 2010. Meanwhile, authorities have announced a target extension of 10 000 hectares by the year 2012, which is expected to facilitate production of 43 500 tonnes of rice and drastically reduce dependence on imports. In this connection, producers in the islands benefit from public assistance under the Import Substitution Programme, which provides funds for inputs and planting materials, machinery and equipment, as well as training.

II. INTERNATIONAL TRADE IN RICE

Global trade in rice in 2010 forecast to recover by 5 percent

Since December 2009, FAO has raised its forecast of world rice trade in calendar year 2010 from 30.5 million tonnes to 31.3 million tonnes (milled rice basis). On the import side, African countries are mainly behind the revision, as more pessimistic prospects over crops in countries such as Cote d'Ivoire, Madagascar, Mozambique or Sierra Leone will mean the region will need to rely more on external supplies than had previously been foreseen. As for exports, forecast deliveries from Cambodia, Egypt, India, Myanmar, Pakistan and the United States have been adjusted upwards, in most cases in line with improved 2009 production prospects. These revisions would more than compensate for lower anticipated exports from China mainland and Thailand.

Principal Revisions to 2010 International Trade in Rice (millions of tonnes)							
	2010 IMPORTS			2010 EXPORTS			
	December 2009 f'cast	April 2010 f'cast	Revision	December 2009 f'cast	April 2010 f'cast	Revision	Revision
WORLD	30.5	31.3	+0.8	WORLD	30.5	31.3	+0.8
ASIA	14.5	14.5	+0.1	ASIA	24.5	24.8	+0.3
Bangladesh	0.6 F	0.4 F	-0.2	China (Mainland)	1.4 F	1.0 F	-0.40
Thailand	0.3 F	0.5 F	+0.2	India	1.8 F	2.2 F	+0.4
AFRICA	9.3	9.8	+0.5	Korea Republic	0.2 F	F	-0.20
Madagascar	0.1 F	0.2 F	+0.1	Myanmar	1.0 F	1.3 F	+0.3
Mozambique	0.3 F	0.4 F	+0.1	Pakistan	2.8 F	3.4 F	+0.6
LATIN AMERICA AND THE CARIBBEAN	3.6	3.8	+0.2	Thailand	9.2 F	8.8 F	-0.4
Brazil	0.8 F	1.0 F	+0.2	AFRICA	0.4	0.6	0.2
				Egypt	0.4 F	0.6 F	+0.2
				NORTH AMERICA	3.1	3.3	+0.3
				United States	3.1 G	3.3 G	+0.3

G: Official Figure; F: FAO forecast/estimate.

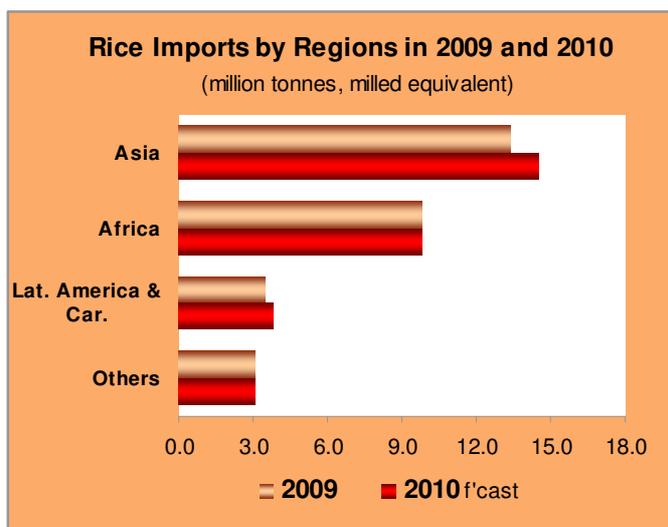


At the forecast level of 31.3 million tonnes, world rice trade would stand 5 percent above a revised estimate of 29.7 million tonnes in 2009, while staying 3 percent short of the record volume traded in 2007. The anticipated recovery in globally traded volumes compared with 2009 is expected to be import-driven, as several countries, especially in Asia, will need to compensate for smaller 2009 crops to meet their needs. Unfavourable prospects for 2010 paddy crops in a number of southern hemisphere countries are also expected to sustain imports over the current calendar year. On the other

hand, various countries, especially in western Africa and in Asia, have raised or reinstated the duties on imports that had been exempted in 2008 and most of 2009. Such moves are forecast to limit trade growth this year, despite anticipation of lower international prices.

Imports in 2010

Greater demand from Asian and South American countries sustains import growth in 2010



Asian countries are anticipated to account for much of the year-to-year increase in globally traded volumes in 2010, with 14.5 million tonnes of rice forecast to be delivered to countries in the region, 1.2 million tonnes more than in 2009. **Bangladesh, India, Iraq, Nepal, the Philippines and Sri Lanka** are anticipated to raise their purchases to offset drought and flood induced production shortfalls. A pick up in demand in **China, mainland, Malaysia, Thailand** and the **United Arab Emirates** to meet increasing domestic needs for consumption or

stock rebuilding is also forecast to boost deliveries. By contrast, reflecting greater availability of domestic supplies, **Afghanistan, Indonesia, Lao People's Democratic Republic, and Turkey** are foreseen to take fewer consignments in 2010. Less open policies look also set to depress imports to the **Islamic Republic of Iran and Saudi Arabia**.

In **Bangladesh**, the Government announced that it would fulfil its 300 000 tonnes import target for the fiscal year ending in June, in a bid to boost domestic stocks as local procurement activities have been slow as a result of rising market prices. To date, the country has already launched two tenders to source a combined 100 000 tonnes of supplies, while another 25 000 tonnes have been commissioned from Myanmar. With production prospects for the season

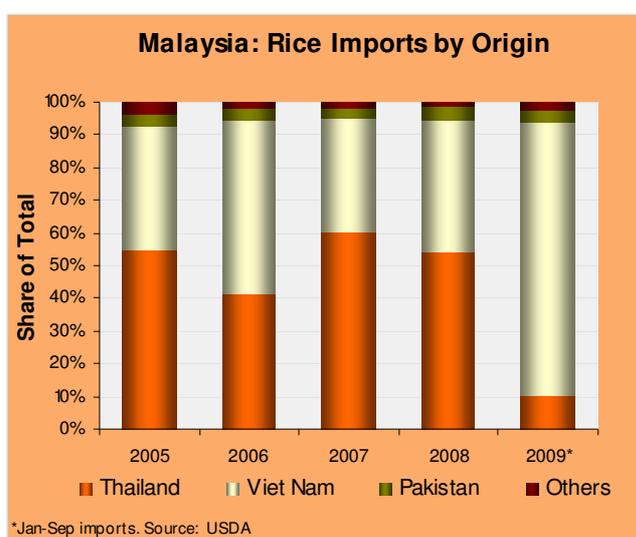
pointing to favourable results, FAO estimates deliveries to Bangladesh to remain in the order of 400 000 tonnes in 2010, up from 149 000 tonnes in 2009, but still low compared to the 1.7 million tonnes sourced in 2008.

According to reports, **China, mainland** will be finalizing an agreement in the coming months that would grant Indian Basmati rice access to its market. The move would conclude a procedure begun in 2006 to have supplies from India comply with the country's phytosanitary standards and certification procedures. Over the calendar year, consignments to China, which are mainly comprised of high-quality varieties from Thailand, are forecast to amount to 400 000 tonnes, representing a 12 percent increase from 2009.

On the back of substantial crop losses endured from an erratic monsoon season, in October 2009, **India** waived import duties on milled and semi-milled rice until 30 September 2010. Since the measure was instituted, however, it has become increasingly unlikely that the country would have to recur to large foreign purchases, particularly if current expectations of a positive 2009 Rabi campaign are fulfilled. Indeed, with 26.7 million tonnes of rice reported to be stocked in the Central Pool by the end of March 2010, against the 14.2 million tonnes required under the country's buffer norms and strategic reserves, the country does not appear to be considering importing rice. Accordingly, 2010 deliveries to the country, mainly comprised of private sector purchases, are forecast in the order of 100 000 tonnes.

With greater availability of domestic produce from a bumper 2009 crop and favourable expectations for the ongoing harvest, **Indonesia** is also not anticipated to have to recur to large international purchases. As a result, FAO forecasts imports by the country, mainly of high quality varieties, to remain low and in the order of 200 000 tonnes, 20 percent less than in 2009. Nonetheless, the potential impact of El Niño on the 2010 paddy crop is likely to preclude large exports by the country this year, with supplies being instead channelled to the domestic market to prevent possible tightness.

Consistent with its obligation to the World Trade Organisation, **Japan** is expected to take consignment of 700 000 tonnes in 2010, unchanged from a year earlier. Likewise imports by the **Republic of Korea** are foreseen to increase by 7 percent to 327 000 tonnes in accordance with its international commitments. On the back of a positive 2009 production outcome and limited food aid flows the **Democratic Republic of Korea** is anticipated to maintain deliveries steady at 400 000 tonnes.



Purchases by **Malaysia** are foreseen to increase to 920 000 tonnes in 2010, 8 percent above 2009. Although Thailand has historically supplied the bulk of shipments contracted by Bernas, the state agency responsible for Malaysia's imports, in 2009 Viet Nam overtook its Asian competitor as the Malaysia's main source of rice imports, accounting for over 80 percent of the total. Meanwhile, the Government of Malaysia would be considering limitations on the sale of imported Super Tempatan 15 percent

broken rice over concerns that its quality would be lower than that of domestic production, while remaining subject to the same price controls.

The **Philippines** is anticipated to account for much of the growth in trade in 2010, with consignments forecast to reach 2.45 million tonnes, 675 000 tonnes more than in 2009 and the highest volume on record. Since launching four large tenders in late 2009 through which 2.25 million tonnes of rice were contracted, the National Food Authority has not undertaken any auction. The Government has resorted, instead, to a 200 000 tonne allocation to the private sector, to be imported free of duties by 15 September 2010. According to official statements, the authorities would not be considering further imports for the calendar year after crop losses from an El Niño-induced drought are expected to be relatively contained. On the other hand, a memorandum of understanding has been finalized with the Thai Government that will allow the Philippines to delay scheduled tariff cuts under ASEAN Free Trade Area. The terms of the agreement permit the Philippines to maintain rice import duties at 40 percent through 2014, with the lowering of rates to 35 percent happening only thereafter. In compensation, Thailand will receive an annual duty-free quota of 367 000 tonnes, which will have to be sourced on a competitive price basis and is inclusive of 50 000 tonnes of premium rice.

Pressured by a tightening of supplies and rising domestic prices, in December 2009 **Sri Lanka** waived duties and charges on imported rice and imposed a reduced levy of RS 1 per kilogram (USD 9 per tonne) for a period of three months. The measure is reported to have facilitated deliveries from Pakistan and Myanmar, subsequently sold at subsidised prices. Although Sri Lanka is also to take delivery of 20 000 tonnes of Ponni Samba rice from India, coinciding with the arrival of newly harvested crops, the level of protection previously applicable was reinstated on 23 March: a Rupee 20 per kilogram, as customs duty, plus a Rupee 5 per kilogram (USD 219 per tonne) levy. With current prospects for 2010 paddy season pointing to favourable results, consignments to Sri Lanka are expected to remain in the order of 80 000 tonnes, up 20 000 tonnes from 2009.

Increased production in 2009 and boosted stocks should enable **Afghanistan** to cut purchases by 13 percent to 260 000 tonnes in 2010. Likewise, a larger 2009 harvest, together with the maintenance of high duties are expected to depress rice imports to **the Islamic Republic of Iran** by 150 000 tonnes to 1.2 million tonnes. According to official assessments, **Iraq** will need to raise 2010 purchases by 6 percent to 1.19 million tonnes to ensure sufficient rice availability to provide a monthly ration of 3 kilograms of rice to the population through the Public Distribution System. Some imports could also be required to put in place a planned emergency stockpile of 200 000 tonnes, sufficient to cover two months of national consumption needs. Iraq has so far finalized the purchase of 209 000 tonnes of rice, while an additional 60 000 tonnes have been commissioned through an April tender. On the other hand, after the withdrawal, in 29 November 2009, of a subsidy on imported rice, purchases by **Saudi Arabia** are forecast to fall by 10 percent to 900 000 tonnes. Likewise, **Turkey** is anticipated to cut shipments by 6 percent to 160 000 tonnes over the calendar year. Part of this volume is expected to be contracted by the Turkish Grain Board, which in late December 2009 was allocated a quota of 100 000 tonnes of rice by the Government to refurbish rice stocks. The contingent is to be imported free of duties before 31 December 2010. By contrast, the **United Arab Emirates** may step up purchases by 10 percent to 550 000 tonnes in 2010.

Overall, **African countries** look set to purchase 9.8 million tonnes of rice over the calendar year, fractionally below last year. Within the region, imports to **Burkina Faso, Gambia,**

Ghana, Guinea, Liberia, Mali, Senegal and Sierra Leone are expected to decline, following a successful 2009 paddy campaign and the reinstatement, in late 2009, of the import duties that had been exempted in 2008 and most of 2009. Shipments to **Cote d'Ivoire** and **Nigeria** are forecast to remain steady, in the order of 850 000 tonnes and 1.8 million tonnes, respectively. However, in Nigeria, representatives of the sector have raised concerns over a surge of unofficial rice inflows to the country, following a recent 8 percent increase of the benchmark price used for customs valuation to USD 640 per tonne. The new reference price would increase the difference in the levels of external protection between Nigeria and neighbouring countries, despite the reinstatement in most of western Africa of the 5 to 10 percent rice common external tariff that had been waived in 2008 and part of 2009. As a result, the profits to be made from importing rice for illegal re-export into Nigeria have increased. Deliveries to **South Africa** are expected to increase to 950 000 tonnes, sustained by lower world prices. Similarly, **Chad, Guinea Bissau, Kenya, Madagascar, Mauritania, Mozambique** and the **United Republic of Tanzania** are forecast to step up purchases in 2010. Meanwhile, an April decision by the Government in the **United Republic of Tanzania** has lifted a ban on cereal exports first instituted in May 2008 on the wake of domestic price surges. The move is expected to facilitate cross-border outflows to neighbouring countries such as Malawi and Zambia.

Imports by ***Central America and the Caribbean*** are expected to increase by 2 percent to 2.4 million tonnes, mainly on account of larger consignments to **Haiti** and **Mexico**, which would more than compensate for reductions in **Costa Rica**, the **Dominican Republic** and **Panama**. **Cuba** is also foreseen to cut imports by 5 percent to 540 000 tonnes, consistent with production gains achieved over the 2009 season. The country is already reported to have scaled back the volume to be delivered by Viet Nam under a habitual purchase agreement by 11 percent to 400 000 tonnes this year. Under the terms of the agreement, payments for the delivery will be deferred by 18 months. On the other hand, the lifting of the restrictions applied by the United States on rice destined to Cuba is still under discussion.

Aggregate imports by ***South American countries***, are forecast to reach 1.5 million tonnes in 2010, 27 percent more than in 2009. The anticipated increase is on account of **Brazil**, which is expected to step up purchases by 350 000 tonnes to 1.0 million tonnes to compensate for production losses from unfavourable weather this season. The bulk is likely to be sourced from Argentina and Uruguay, its traditional trade partners, but also from Paraguay, which, in recent years, has destined increasing volumes of produce to Brazil. By contrast, a good crop in **Colombia** is foreseen to depress rice shipments by 18 percent to 100 000 tonnes in 2010. Government efforts to contain rice inflows have, however, been rebuked by the Andean Court of Justice which has ruled against Colombia's use of restrictive measures, including phytosanitary controls, on rice imports originating from the Andean Community (CAN).⁷ According to a March 2010 directive, Colombia was to liberalise intra-Andean trade in rice within one month, before retaliatory sanctions were triggered. However, despite the holding of negotiations with Peru and Ecuador, Colombia has announced it would maintain import restrictions to safeguard rice producer interests. Deliveries by **Bolivia** and **Chile** are anticipated to register a slight increase to 5 000 and 130 000 tonnes, while they may fall by nearly 60 percent in **Peru** to 40 000 tonnes, as the country is likely to have rice surplus to dispose of.

⁷ Andean Community members are Bolivia, Colombia, Ecuador and Peru.

A drought-induced reduction in domestic supplies is forecast to boost **Venezuela's** purchases by 30 000 tonnes to 150 000 tonnes in 2010. According to official statements, the Government intends to have the public sector conducting all food import operations and subsequently hand out the supplies to private entities. Since the introduction of a two-tier currency exchange rate system, on 8 January 2010, imports of rice and other basic items have benefited from the lower exchange rate of Bs.F. 2.6 per US dollar, rather than the higher Bs.F. 4.3 per US dollar, a move intend to keep prices low. The Government has also included husked rice among the commodities allowed to be traded under the ALBA's Sucre, a virtual currency adopted earlier this year by Cuba, Bolivia, Ecuador, Nicaragua and Venezuela, to trade among themselves (See December 2009 issue of the FAO RMM).

In 2006, Venezuela officially applied to become a member of Southern Cone Common Market (MERCOSUR), committing to conform to its Common External Tariff in four year's time by reducing tariffs for non-sensitive products by January 2012 and by 2014 for sensitive goods. Its admission to the southern block, however, still depends on Paraguay's ratification of the treaty of accession. On the other hand, although Venezuela officially withdrew from the Andean Community in April 2006, it will continue to adhere to the community's Common External Tariff (CET) for products originating from non-Andean countries until a five year phase-out period is completed. As a result, rice imports into the country remain covered by the Andean Price Band System which adjusts ad-valorem rates on white rice based upon the difference between biweekly market reference prices and floor/ceiling prices determined by the Andean Community on an annual basis.⁸ In these respects, applicable from 1 April 2010 to 31 March 2011, the Andean Community has set the floor price for white rice at USD 395 per tonne and a ceiling price at USD 571 per tonne, up respectively from the USD 337 and USD 502 per tonne applied in 2009-2010.

Elsewhere, 2010 imports by the **European Union** are anticipated in the order of 1.1 million tonnes, 100 000 tonnes over a revised 2009 low of 1.0 million tonnes. Deliveries were low in the latest part of 2009, with imports of husked non-Basmati rice and semi/wholly milled rice combined, which comprise the bulk of deliveries to the region, falling by 2 percent to 376 000 tonnes during 1 September 2009 - 28 February 2010.

European Union -Husked and Semi/Wholly Milled Rice Imports (tonnes)											
	2006/07			2007/08			2008/09			2009/10	
	1 Sep-28-Feb	1 Mar-31-Aug	Total	1 Sep-28-Feb	1 Mar-31-Aug	Total	1 Sep-28-Feb	1 Mar-31-Aug*	Total	1 Sep-28-Feb	1 Mar-31-Aug
Husked (excluding basmati)	352,615	171,533	524,149	307,448	243,293	550,741	221,765	228,017	449,782	168,643	-
Semi-milled or wholly milled	140,766	142,891	283,657	203,597	227,842	431,438	160,203	183,619	343,822	207,074	-
Total	493,381	314,424	807,806	511,045	471,135	982,179	381,968	411,636	793,604	375,717	-
* Calculated by difference. Source: EU Commission, based on import licenses issued.											

As a consequence and with the completion of the first-half of the 2009-2010 marketing year, the European Commission has reviewed import duties applicable over the second half, from 1 March 2010 to 31 August 2010. Regarding milled and semi-milled rice, imports between 1

⁸ More specifically, a base CET duty of 15% is applied in the case of paddy for non-seed uses and 20% in the case of husked, milled, semi-milled and broken rice.

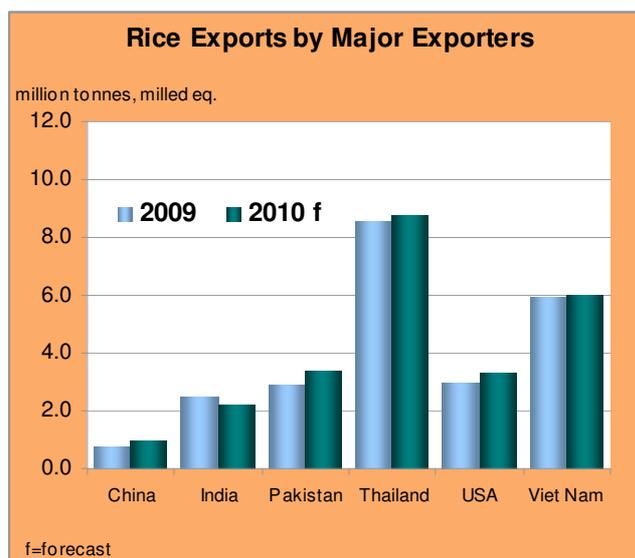
September 2009 and 28 February 2010 amounted to 207 074 tonnes, surpassing the annual threshold of 182 239 tonnes. As a result, the duties applicable from 1 March 2010 to 31 August 2010 will be raised from Euro 145 to Euro 175 per tonne. By contrast, because imports of non-Basmati husked rice between 1 September 2009 and 28 February 2010 were reported at 168 643 tonnes, well below the minimum of 382 226 tonne threshold, duties have been reduced from Euro 42.5 to the lowest rate of Euro 30 per tonne until 31 August 2010.

In a separate development, the European Commission took the decision to lift the testing requirements on rice supplies originated from the United States, which was instituted in the aftermath of found presence of genetically modified LL601 rice in 2006. The decision comes on the backdrop of test results published by the US rice industry indicating that no Liberty Link traits were found in 2009 rice crops. According to reports, notwithstanding the elimination of requirements, U.S. exporters will continue to submit supplies for testing on a voluntary basis.

Imports by the **Russian Federation** are forecast to fall by 2 percent this year, to 200 000 tonnes. The anticipated reduction would mirror greater domestic produce availability, as well as the institution of protective measures. Indeed, with the coming into effect of the Euroasian Economic Community (EurAsEc) Customs Union's Common External Tariff in 1 January 2010, the seasonal import duty of Euro 120 per tonne introduced in September 2009 has been made permanent and extended to Kazakhstan and Belarus. On the other hand, imports by the **United States** are officially forecast to increase to 735 000 tonnes over the year, 8 percent above 2009 deliveries.

Exports in 2010

Pakistan, Thailand and the United States sustain expansion in global rice trade in 2010



Based on current production prospects, world rice exports are set to register a 1.6 million tonne expansion to 31.3 million tonnes over calendar year 2010. Much of the expected growth is anticipated to be met by larger exports from **Cambodia, China, mainland, Myanmar, Thailand, Viet Nam, the United States** and, especially, **Pakistan**. On the other hand, a reduction of domestic supplies and, in the case of **India**, the maintenance of export restrictions is expected to depress shipments from this country, but also from **Brazil** and **Uruguay**.

Consistent output gains over the past decade have enabled **Cambodia** to consolidate its position as an important supplier of rice in recent years. In 2010 alone, FAO estimates that some 1.7 million tonnes may be exported, 6 percent more than a revised estimate for 2009,

although only a limited part flowing through formal channels. Recently, the authorities have shown concern over the country's ability to find new outlets, sufficient to absorb production surpluses, particularly in view of the ambitious expansionary rice production drive launched by the country. As shortage of credit and lack of processing and transportation infrastructure limit exports, in the near term, officials would be considering increasing volumes shipped under preferential agreements as well as bonded warehouses arrangements with neighbouring Viet Nam, as potential options to overcome these hurdles. Meanwhile, in an attempt to facilitate rice outflows, an April 2010 decision eliminated the export permit requirements that had been introduced in 2008, for all rice deliveries equal or exceeding 200 tonnes.

Exports by **China, mainland** are expected to rebound to 1.0 million tonnes in 2010. This level would imply a 214 000 tonne recovery from the low volume of shipments maintained in 2009. China principally exports lower quality rice to West African countries and higher-quality supplies to Far Eastern markets, such as Japan and the Republic of Korea.

In **India**, reduced domestic availability from the poor 2009 harvest has justified the maintenance of an export ban on non-basmati rice, first introduced in April 2008. In early March 2010, there was a small exemption that permitted 45 000 tonnes of non-basmati rice to be exported to Nepal and Sri Lanka through government channels. However, for the remainder of the calendar year, shipments are likely to be restricted to the superior Basmati varieties. Accordingly, FAO estimates that some 2.2 million tonnes may be exported in 2010, 12 percent less than in 2009, when exceptions to export restrictions allowed a sizable amount of common rice to be shipped under official channels. On the other hand, exports of Basmati and Pusa 1121 may surge by 20 percent, with the opening of new markets, including Mexico and China, with whom accords to grant access to supplies are being negotiated.

Exports by **Myanmar** are forecast to reach 1.25 million tonnes over the calendar year, 14 percent above the record sale of 1.1 million tonnes officially reported in 2009. Indeed, the country has positioned itself as a competitive source of supplies, particularly for lower grade varieties. Over 2010, reports would have the country seeking to expand rice sales in Africa, Europe and Near East markets.

On the back of an ample exportable surplus from a large 2009, FAO has raised its export forecasts for **Pakistan** to 3.4 million tonnes, some 500 000 tonne above 2009, which would position the country as the third largest global supplier of rice. Nearly a third of this volume, or 1.1 million tonnes, mainly consisting of non-basmati varieties, had already been shipped in the first two months of 2010. The sector is expecting further momentum to this year's sales, aiming to raise Pakistan's share in the Saudi Arabian market and to quadruple sales to Malaysia. In January 2010, public enterprises were reported to have been allowed to export rice on a government-to-government basis, subject to a minimum export price of USD 900 per tonne for Super Basmati rice. However, 2009 basmati purchases by public agencies do not appear to have exceeded 50 000 tonnes.

Consistent with downward revisions to 2009 production figures, forecast of shipments by **Thailand** during the 2010 calendar year have been downgraded to 8.8 million tonnes. At this level exports by the country would stand 3 percent above 2009, but short of the 9.0 million tonne official target. Indeed, much of the country's export performance will continue to be influenced by state interventions geared at maintaining high domestic rice prices. In this connection, the March 2010 decision to postpone all disposals of government-owned

inventories through auctions and futures exchanges may weigh on the country's competitiveness, particularly given the anticipated tightening of domestic supplies. As government-to-government sales would remain as the only alternative to dispose of the large public-held rice stocks, the authorities were reported to be considering launching a promotional campaign to seal agreements with up to 10 countries.

Exports by **Viet Nam** are anticipated to match the 2009 record of 6.0 million tonnes, despite the slow pace registered at the beginning of the year. Between January and March 2010, 1.44 million tonnes were reported to have been shipped, 18 percent less than in the first quarter 2009. However, competitive prices relative to other leading Asian origins are expected to enable the country to replicate the strong export performance achieved last year. In a bid to stimulate greater demand, since late March the Viet Nam Food Association is reported to have lowered floor export prices, which currently stand at USD 350 per tonne for 25% broken rice and at USD 390 per tonne for 5% broken rice. Efforts to shore up the country's competitiveness have also been supported by a weakening of the Dong, which has been twice devaluated since November 2009. Meanwhile, in a bid to improve the quality of exportable supplies, a fund of USD 6 million is reported to have been set up with financial contributions from traders, to finance storage and processing infrastructure works.

Egypt has also maintained restriction on rice exports since first instituting them in 2008. Even though a full export ban was replaced with a system of controlled export licences in 2009, the Government announced that restrictions were to be held in place until October 2010. More recently, officials stated that they would expect between 600 000 and 800 000 tonnes of rice to be exported during the year. FAO estimates shipments by the country may amount to 600 000 tonnes in 2010, which would represent a 150 000 tonne increase from 2009, but still half the volume exported in 2007. Meanwhile, an agreement has been finalised with the European Community which replaces the old EU preferential tariff-rate quotas granted to Egypt⁹ with new duty-free quotas of 20 000 tonnes of husked rice, 70 000 tonnes of semi-milled and wholly-milled rice and 80 000 tonnes of broken rice. These volumes will be raised by 3 percent on an annual basis for the next five years.

A good 2010 paddy crop and greater regional demand, are expected to lead **Argentina** to step-up sales by 2 percent to 500 000 tonnes. Similarly, exports by **Guyana** are anticipated to rise by 1 percent to 264 000 tonnes. Under an April agreement inked with Venezuela, Guyana is to ship to this country 10 000 tonnes of paddy and 40 000 tonnes of white rice over the course of the year. Surplus crops in **Ecuador** and **Peru** may allow the two countries to ship more, with 2010 exports anticipated in the order of 50 000 tonnes and 30 000 tonnes, respectively. By contrast, supply constraints in **Brazil** are forecast to lead to a 16 percent reduction in shipments to 500 000 tonnes; while a weather affected crop in **Uruguay** may also translate into a 7 percent fall in shipments to 700 000 tonnes.

Based on the latest estimates released by the USDA, exports by the **United States** are set to reach 3.3 million tonnes in 2010, a 12 percent recovery from a revised 2009 low of 2.95 million tonnes. The expansion would reflect expectations of greater deliveries to Latin American markets, as well as steady flows of supplies to Far Eastern countries. Since the

⁹ Tariff-rate quotas previously applicable were mainly: 32 000 tonnes for all rice types at -25 percent MFN; 5605 tonnes with a Euro 0 duty per tonne; 57 000 tonnes with a duty of 11 Euro per tonne in the case of husked rice; 19 600 tonnes of milled rice with a duty of Euro 33 per tonne; and 5 000 tonnes of broken rice with a duty of Euro 13 per tonne.

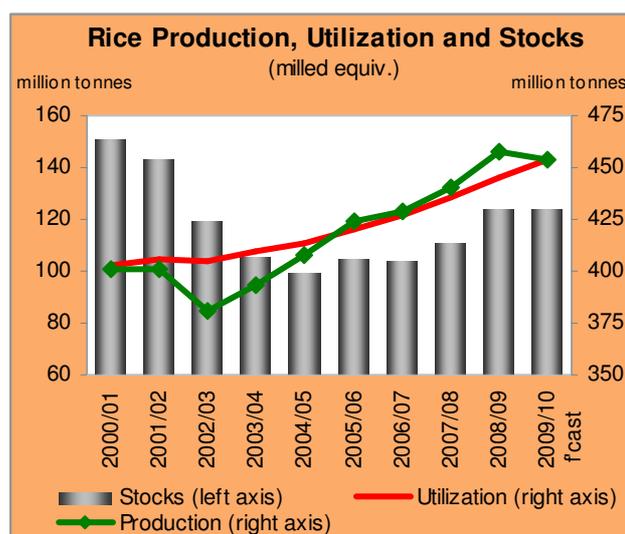
institution of export restrictions in Egypt and Australia's retrenchment from the market, the United States has also gained an important share of the medium grain market, with shipments to Turkey, for instance, also expected to rise over the year.

III. RICE UTILIZATION

Per caput rice consumption increasing slightly in 2010

Principally drawing on supplies produced over the 2009 season, global rice consumption in 2010, including use of rice for food, feed and other end-uses, is forecast to expand by 2.1 percent to 454 million tonnes, milled basis. Of these, 86 percent, equivalent to 388 million tonnes are expected to be utilized as food, 6 million tonnes more than in 2009. Supplies utilized for other ends, amongst which seeds, non-food industrial uses and post harvest losses are also anticipated to rise to 53 million tonnes, while the small proportion of rice used as animal feed would decline to 12 million tonnes. Based on current estimates, global per caput rice consumption in 2010 is set to increase slightly from 56.5 kilos consumed in 2009 to 56.8 kilos, reflecting an increase in average rice consumption in developing countries to 67.8 kilos as well as in developed countries to 12.6 kilograms.

At a regional level, per caput rice intake in *Asia* is forecast to rise from 82.03 kilos in 2009 to 82.3 kilos in 2010. A 0.9 percent increase to 22.0 kilos per person is also anticipated in *Africa*. Within the region, greater availability of supplies and easing prices should facilitate a greater intake of 35.1 kilos in Western Africa and 27.5 kilos in Southern Africa, while remaining in the order of 10.0 kilos per person in Eastern regions. Likewise, average rice consumption in *Latin America and the Caribbean* is set to rise to 30.5 kilos, to 11.7 kilos in *North America*, to 5.2 kilos in *Europe* and 14.4 kilos in *Oceania*.



Notwithstanding a tightening of supplies from the meagre 2009 paddy season, the relative firmness of rice consumption across regions mirrors both the relatively weak responses of rice consumers to price changes and the institution of policy measures aimed at maintaining supplies at affordable levels. Indeed, with recent inflationary pressure; several governments have extended their preferential rice distribution system to a larger number of beneficiaries, in an effort to protect vulnerable segments of the population. This has been chiefly the case in Asia. For instance, the Government of **Bangladesh** has introduced a new support scheme for 2.2 million ultra-poor families not sustained through other programmes, who will now receive 20 kilos of rice on a monthly basis. Since 14 January, authorities have also released rice from public stocks under open-market operations in Dhaka, later expanded to other district capitals, under which 25 kilograms of rice are sold at a subsidised price of Taka 22 per kilo (USD 322 per tonne). The programme is expected to continue until domestic prices stabilise and comes

on top of an allocation of 200 000 tonnes of rice for release via the Food for Work and Test Relief programme.

In **India**, on the whole, 27.7 million tonnes of grain have been allocated to the Targeted Public Distribution System (TPDS) for the 2009-2010 year, of these, 18.1 million tonnes of rice are being distributed under 35 kilos monthly grain rations to 65.2 million families falling under the Below Poverty Line and Antayodaya Anna Yojana categories, while allocations to Above-Poverty Line families remain subject to availability of supplies at the Central Pool. In addition to these provisions, an extra 10 kilos of food grains were distributed to all families under the TPDS in January and February 2010 at a minimum support price based cost. To contain inflationary pressure, aside from maintaining an export ban on non-basmati rice since 2008, a 1.06 million tonnes of rice release through open-market sales this season has also been approved.

In **Indonesia**, 2.7 million tonnes of rice are expected to be channelled through the food distribution system this year in support of 17.5 million families that will be provided with a monthly ration of 13 kilograms of rice at a subsidised price of Rupiah 1 600 per kilogramme (USD 176 per tonne). Steady increases in rice prices also prompted the Government to intervene in late January 2010 by releasing 300 000 tonnes of rice from public stocks at a lower price of Rupiah 5 500 per kilogram (USD 605 per tonne). Likewise, in January 2010, **Sri Lanka** released 35 000 tonnes of rice from buffer stocks to mills in an effort to cool prices. Supplies were marketed at Rupee 60 per kilo of Nadu rice and Rupees 70 rupees per kilo of Samba rice (USD 526 and 613 per tonne, respectively). Meanwhile, the Government in the **Philippines** has allocated an additional budget of Pesos 1 billion (USD 22 million) to fund subsidised rice distribution to one million households in 26 drought affected provinces this year.

A look at the latest **retail/wholesale price developments** in recent months in selected rice markets reveals diverging patterns across the various regions. Based on the survey of countries available, prices at the beginning of the year have tended to decline compared to their three month earlier levels in Nepal, in eastern Africa (Somalia, Rwanda and Uganda), Central America (Panama and El Salvador), South America (Peru and Uruguay) and western Africa (Burkina Faso, Liberia). By contrast, consumer prices registered sizeable increases early this year in Asia (Bangladesh, Bhutan, Cambodia and Viet Nam), Western Africa (Cape Verde, Mauritania and Senegal), Southern Africa (Malawi, Madagascar and Mozambique) and South America (Brazil and Colombia). Although not strictly comparable quality and timewise, in the first few months of the year, prices converted into US dollar varied from a minimum USD 0.35 per kilo in Myanmar to a maximum of USD 1.5 per kilo in Costa Rica. More generally, rice appears to be particularly expensive in Latin America and the Caribbean and in Eastern and Western Africa, where they were often close or above USD 1 per kilo. Rice, the mainstay of the diets in Asia, was generally much cheaper in this region.

MONTHLY RETAIL PRICES OF RICE IN SELECTED MARKETS

Latest available quotation:

Latest available quotation compared to: ¹¹

Asia	Month	USD/Mt	3 months earlier	6 months earlier	1 year earlier	2 years earlier
Bangladesh: Ntl. Avg. (coarse)	Mar-10	373	18%	37%	23%	-12%
Bhutan: Gelephu (white)	Feb-10	399	13%	38%	44%	-
Cambodia: Phnom Penh (mix)*	Feb-10	446	10%	36%	24%	36%
China: Hubei (Indica first quality)*	Feb-10	398	2%	-1%	-1%	6%
India: Delhi	Mar-10	505	0%	5%	5%	28%
Myanmar- Ntl. Avg.	Jan-10	347	-3%	0%	4%	31%
Nepal: Kathmandu (coarse)	Feb-10	432	-20%	-6%	-11%	-2%
Pakistan- Karachi (irri)	Feb-10	395	1%	1%	6%	31%
Philippines: Ntl. Avg. (well-milled)	Feb-10	744	2%	1%	0%	32%
Sri Lanka: Colombo (white)	Mar-10	464	-1%	2%	-4%	-1%
Thailand: Bangkok (5% broken)*	Feb-10	483	-1%	-2%	-12%	17%
Viet Nam: Hanoi	Jan-10	590	31%	33%	25%	52%
Western Africa	Month	USD/Mt	3 months earlier	6 months earlier	1 year earlier	2 years earlier
Burkina Faso: Ouagadougou (imported)*	Mar-10	651	-11%	-11%	-12%	10%
Cape Verde: Santiago (imported)	Feb-10	1,188	10%	9%	11%	85%
Chad: N'Djamena (imported)	Feb-10	960	0%	-1%	-8%	19%
Liberia: Monrovia (imported, butter)	Feb-10	834	-16%	-	-18%	-
Mali: Bamako (imported)*	Mar-10	580	0%	-19%	-16%	-8%
Mauritania: Nouakchott (imported)	Jan-10	1,399	83%	85%	85%	92%
Niger: Niamey (imported)	Feb-10	834	0%	-11%	-11%	-
Senegal: Dakar (imported)	Jan-10	803	6%	0%	-18%	37%
Central Africa	Month	USD/Mt	3 months earlier	6 months earlier	1 year earlier	2 years earlier
Cameroon: Yaoundé	Mar-10	912	-4%	-1%	-5%	22%
Dem. Rep. Congo: Kinshasa (imported)	Mar-10	1,114	11%	10%	6%	77%
Eastern Africa	Month	USD/Mt	3 months earlier	6 months earlier	1 year earlier	2 years earlier
Burundi: Bujumbura	Feb-10	1,064	-1%	6%	-2%	49%
Rwanda: Kigali	Mar-10	1,075	-5%	5%	-7%	57%
Somalia: Mogadishu (imported)	Mar-10	646	-24%	-28%	-6%	24%
Uganda: Kampala*	Mar-10	841	-9%	-3%	14%	27%
United Rep. of Tanzania: Dar es Salaam*	Mar-10	920	-4%	10%	0%	17%
Southern Africa	Month	USD/Mt	3 months earlier	6 months earlier	1 year earlier	2 years earlier
Madagascar: Ntl. Avg. (local)	Dec-09	528	6%	9%	-8%	-4%
Malawi: Lilongwe	Feb-10	1,232	4%	1%	-29%	88%
Mozambique: Maputo	Mar-10	861	10%	18%	29%	54%
Central America and the Caribbean	Month	USD/Mt	3 months earlier	6 months earlier	1 year earlier	2 years earlier
Costa Rica: Ntl. Avg. (first quality)	Feb-10	1,510	23%	17%	28%	56%
Dominican Rep: Santo Domingo (first quality)	Mar-10	1,311	4%	1%	1%	37%
El Salvador: San Salvador	Feb-10	1,043	-8%	-23%	-24%	-4%
Guatemala: Ntl. Avg. (second quality)	Jan-10	1,034	-1%	-1%	-1%	30%
Haiti: Port-au-Prince (imported)	Mar-10	1,304	20%	24%	15%	-4%
Honduras: Tegucigalpa (second quality)*	Mar-10	808	-3%	-4%	-17%	-4%
Mexico: Mexico City (sinaloa)*	Mar-10	750	-1%	-7%	-18%	11%
Nicaragua: Ntl. Avg. (second quality)	Feb-10	935	0%	-1%	-10%	26%
Panama: Panama City (first quality)	Feb-10	1,043	-4%	-4%	-4%	20%
South America	Month	USD/Mt	3 months earlier	6 months earlier	1 year earlier	2 years earlier
Bolivia: La Paz (grano de oro)*	Mar-10	844	1%	0%	-15%	-2%
Brazil: Ntl. Avg.	Mar-10	1,141	5%	-5%	-10%	20%
Colombia: Bogotá (first quality)*	Mar-10	1,006	16%	19%	-17%	12%
Ecuador: Ntl. Avg.	Feb-10	840	1%	0%	-5%	6%
Peru: Lima (corriente)	Mar-10	703	-17%	-23%	-27%	-28%
Uruguay: Ntl. Avg.	Mar-10	961	3%	-2%	-5%	39%

¹¹ Quotations in the month specified in the second column were compared to their levels in the preceding three, six, twelve and twenty-four months. Price comparisons were made in nominal local currency units.

 Percentage price decrease
 Percentage price increase

* Wholesale prices.

IV. CLOSING STOCKS

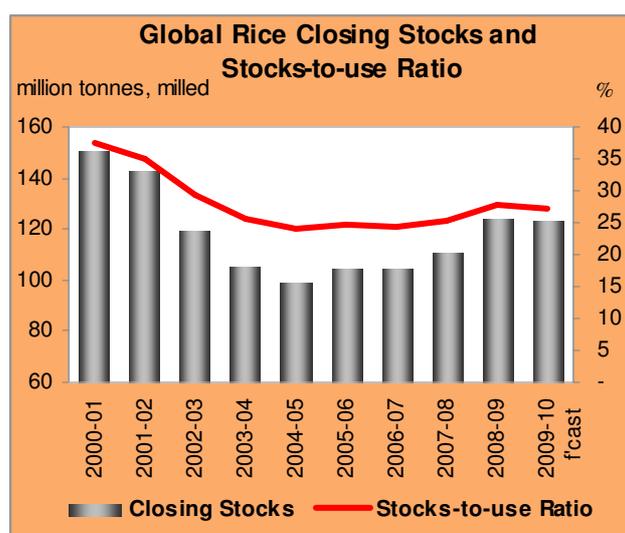
Global rice stocks forecast to fall marginally in 2010

World stocks at the close of the 2009-2010 marketing year are now anticipated in the order of 124 million tonnes on milled rice basis, some 500 000 tonnes above the December forecast. The revision mainly derives from larger carryovers than previously anticipated in Asia, where forecasts were lifted by 870 000 tonnes, more than compensating for a 350 000 tonne reduction in North America.

Principal Revisions to 2009-2010 Closing Stocks (millions of tonnes)									
	December f'cast		April f'cast	Revision		December f'cast		April f'cast	Revision
WORLD	123.0		123.5	+0.5	Thailand	5.3	F	5.1	-0.2
ASIA	116.4		117.3	+0.9	Viet Nam	3.8	F	4.0	+0.2
Bangladesh	5.6	F	6.0	+0.4	AFRICA	2.8		2.7	-0.1
Cambodia	0.5	F	0.8	+0.3	Egypt	0.9	F	1.1	+0.2
China (mainland)	70.2	F	70.6	+0.4	Sierra Leone	0.2	F	0.0	-0.2
Japan	1.6	F	1.4	-0.2	NORTH AMERICA	1.4		1.1	-0.3
Myanmar	4.8	F	4.5	-0.3	United States	1.4	G	1.0	-0.3
Pakistan	0.5	F	1.1	+0.7					

G: Official Figure; F: FAO forecast/estimate.

At the current forecast level of 124 million tonnes, global stocks would stand less than 1 percent, or 584 000 tonnes, below their opening level, and be sufficient to cover 27 percent of global consumption. The contraction is anticipated to be absorbed by **developing countries**, where end of season inventories are forecast to decline by 1 percent to 120 million tonnes, while stocks held by **developed countries** are projected to close with a 4 percent increase 3.0 million tonnes.



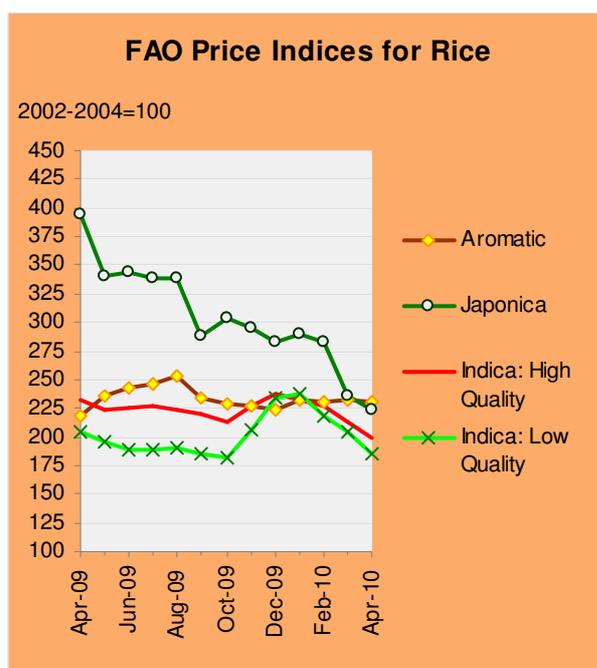
From a trade status perspective, all of the anticipated contraction in 2010 stocks would concentrate in **rice exporting countries**, with carry-overs at the end of the marketing year for the group as a whole expected to incur 2.4 million tonne draw-down to 101.7 million tonnes. The forecast decrease is mainly on account of **India**, where public sector withdrawals are expected to lead to a 7.6 million tonne reduction in carryovers to 13.6 million tonnes. Nonetheless, **Cambodia, Egypt, Myanmar, Pakistan** and **Viet Nam** are also expected to end with smaller inventories, as they accommodate for larger sales during the year. A deteriorated production outlook in **Thailand** may also bring about a 4 percent reduction in the country's end-of-season stocks to 5.1 million tonnes. These declines are forecast to be partly compensated by an 11 percent boost in reserves held by **China, mainland** to 70.6 million

tonnes, sustained by the harvest of a large 2009 crop. Carry-overs into 2010 are also anticipated larger in the **United States**, where they are officially forecast to close with a 6 percent boost to 1.0 million tonnes.

Conversely, inventories held by **rice importing countries** as a group are projected to increase for the third consecutive year to 22.0 million tonnes, 9 percent above their opening level. Production gains and some imports should allow **Bangladesh** to refurbish stocks by 18 percent to 6.0 million tonnes. An exceptional harvest in **Indonesia** is also expected to boost reserves by 1.0 million tonnes to 4.5 million tonnes, while a stepping up of public procurement activities in the **Republic of Korea** is also forecast to lead to larger carry-overs, expected in the order of 1.0 million tonnes. Amongst other major importers, the **Islamic Republic of Iran, Brazil** and the **European Union** are anticipated to replenish reserves, while a reduction in end-of-season inventories is projected in **Nigeria** and the **Philippines**.

V. INTERNATIONAL PRICES

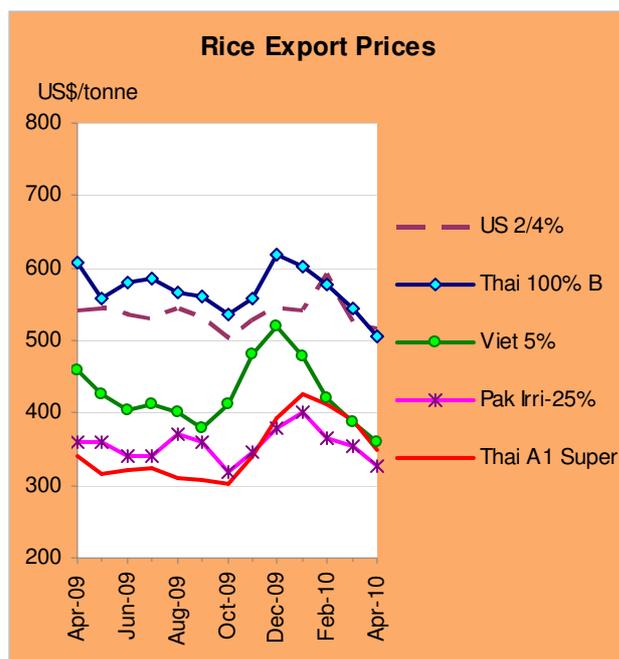
All rice prices under downward pressure



The rebounding of international rice prices observed at the end of 2009 came to an end by January 2010. That temporary strength was associated to the launching of large tenders in the Philippines, which triggered concerns over a repetition of the surges observed in late 2007 and first half of 2008. However, amid subsiding demand from the Philippines, low purchasing interest from other major importers and large rice availabilities in exporting countries, world rice prices resumed a downward trend in the first quarter of 2010. This was reflected by the FAO All Rice Price Index, which has steadily declined since January, passing from 251 points to 206 points by April 2010. The downward tendency has been prevalent in all market segments. With sluggish world import demand for Low-quality and High-

quality Indica, their corresponding price indices dropped to 186 and 199 points in April 2010, 51 and 33 points below their January level. A more pronounced decline was evident in the Japonica rice market, whose index slid from a January average of 289 to 224 points in April. This 65 point fall reflects subdued demand and abundant supplies from a large harvest in the United States. Although more resilience was manifested by Aromatica rice prices, which remained between 231 and 232 points in the January-March period, these too have assumed a downward trajectory in the last month, falling by 2 points to an April value of 230. As a result of these trends, in January-April 2010, the Index averaged 229 points, 41 points below the January-April average in 2009.

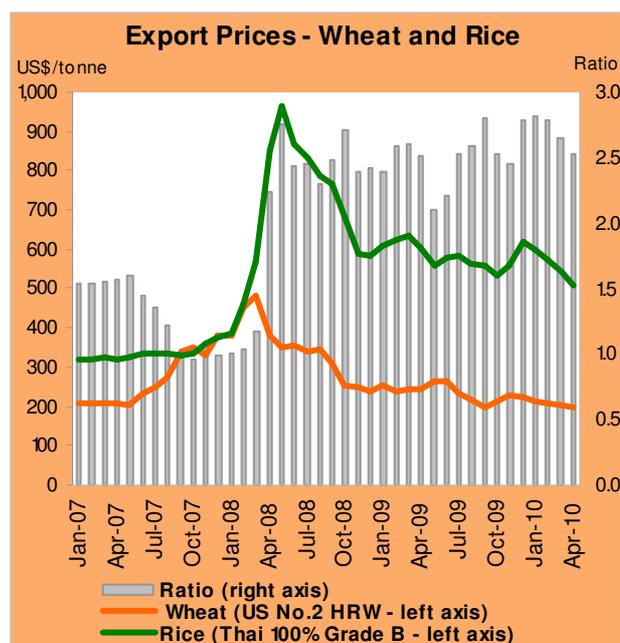
From an origin perspective, export prices in **Thailand** declined in spite of the strength of the Baht relative to the US Dollar and various Government initiatives aimed at shoring up



producer prices. These include the price guarantee programme to support the March harvest of off-season crops and the launch of a supplementary market purchase scheme worth Baht 20 billion (USD 616 million). Although the announcement and subsequent bidding of public reserves during January-February may have added pressure on export quotations, the delay and eventual cancellation of all stock releases did not arrest the weakening of Thai export prices. In fact, the benchmark Thai 100% B rice traded at an average of USD 506 per tonne in April 2010, 16 percent below its value in January and the lowest since February 2008. Quotations also followed a downward trend in the **United States**. Although US N.2 4% rice prices rose by 9 percent to USD 590 per

tonne in February, sustained by a large sale to Iraq, they subsided to USD 522 in March and again to USD 517 in April. Above all, however, the weakening of export prices has been particularly evident in **Viet Nam**. After steep rises in the last quarter of 2009, following the launch of large tenders by the Philippines, 25% broken Vietnamese rice fell by 122 dollars from a January value of USD 451 to USD 329 per tonne in April. The decline, largely coinciding with the arrival of new supplies from the winter-spring crop harvest, was also supported by a weaker Dong, which was devalued by 3.25 percent in February for the second time since November. Indeed, abundant supplies and a general weakening of demand have been behind the lowering of the minimum export prices by Viet Nam Food Association, with 25% broken and 5% broken floor prices now standing at USD 350 and USD 390 per tonne, respectively. Amongst the other leading origins, Basmati export quotes have declined in **India** by 3 percent to USD 1 465 per tonne since the beginning of the year, while in **Pakistan**, the price of IRRI 25% broken rice dropped between January and April by 19 percent to USD 326 dollars per tonne, a level that has placed Pakistan amongst the most competitive sources of supply.

As to prospects for the coming months, greater availability of supplies from the harvesting of the 2009 secondary crop in the northern hemisphere and of the 2010 main crops south of the equator could give grounds for further price slides. This could be the case as import demand may remain weak, especially as the Philippines has already contracted most of its import requirements for the year. Policies, especially of major rice exporting countries such as India, Thailand and Viet Nam, will also influence quotations. For instance, producer price supporting measures in Thailand could help contain the price slide. Looking at the other cereals, and at wheat in particular, rice remains expensive in international markets, with the rice-to-wheat price relationship (Thai 100% B Rice –US No.2 Hard Red Wheat) still hovering around 2.5, well above the 1.0 to 1.6 ratios prevailing over 2007.



FAO Rice Price Indices					
	All	Indica		Japonica	Aromatic
		High quality	Low quality		
2002-2004 = 100					
2005	125	124	128	127	108
2006	137	135	129	153	117
2007	161	156	159	168	157
2008	295	296	289	315	251
2009	253	229	197	341	232
2009 April	271	232	204	394	218
May	251	224	195	341	236
June	252	225	189	344	243
July	251	227	189	338	247
August	251	223	190	339	253
September	232	221	185	288	234
October	232	213	182	304	228
November	241	227	207	295	227
December	249	238	234	283	224
2010 January	251	232	237	289	232
February	242	227	218	283	231
March	219	213	205	235	232
April *	206	199	186	224	230
2009 Jan.-Apr.	270	237	199	390	222
2010 Jan.-Apr.	229	218	212	258	231
% Change	-15.1	-8.3	6.4	-33.9	4.2

Source : FAO

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

* Four weeks only.

RICE EXPORT PRICES													
	Thai White 100% B Second grade	Thai Parboiled 100%	U.S. Long Grain 2,4%	Thai 5%	Viet 5%	Thai 25%	Viet 25%	Pak 25%	Thai A1 Super 1/	U.S. California Medium Grain 2/	Egypt Short Grain, Grade 2,5% 178 Camolino	Pak Basmati Ordinary	Thai Fragrant 100%
	<i>(US \$/tonne, f.o.b.)</i>												
2005	291	285	319	285	255	259	239	235	219	418	327	473	404
2006	311	300	394	304	266	269	249	230	217	512	353	516	470
2007	335	332	436	325	313	305	294	290	275	557	404	677	550
2008	695	722	782	682	614	603	553	498	506	913	n.a.	1077	914
2009	587	619	545	555	432	460	384	351	329	1019	765	937	954
2009													
April	606	604	540	568	460	473	400	360	341	1208	n.a.	900	888
May	559	575	544	529	426	445	377	360	316	1202	760	1060	901
June	581	612	537	551	405	457	362	340	320	1150	780	1100	916
July	586	632	530	556	413	459	359	340	323	1067	767	1100	956
August	565	586	544	532	400	443	345	370	310	948	762	1100	972
September	560	616	532	530	380	440	332	360	306	895	762	838	1022
October	535	581	504	504	412	422	360	318	303	849	762	750	1060
November	558	593	528	527	481	443	432	345	338	816	782	750	1083
December	618	622	544	588	520	496	488	380	394	794	742	750	1009
2010													
January	601	616	542	570	478	503	451	401	426	772	652	830	1024
February	576	594	590	542	420	485	401	364	410	772	652	865	1016
March	543	552	522	502	386	453	361	354	388	732	607	880	1005
April *	506	501	517	472	359	417	329	326	348	728	575	858	999
2009 Jan.-Apr.	620	653	570	587	438	478	388	351	335	1100	n.a.	950	881
2010 Jan.-Apr.	556	566	543	521	411	464	386	361	393	751	622	858	1011
% Change	-10.2	-13.3	-4.9	-11.2	-6.2	-2.8	-0.7	2.9	17.3	-31.7	n.a.	-9.7	14.8

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

1/ White broken rice. 2/ Up to August 2005 U.S. medium grain No.2, 4%; since September 2005 onwards No. 1, maximum 4-percent broken, sacked, California mill.

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

* Four weeks only.

WORLD PADDY PRODUCTION			
	2008	2009	2010
		(estimated)	(forecast)
	million tonnes		
WORLD	686.1	679.9	710.4
Developing countries	661.8	654.4	683.7
Developed countries	24.3	25.5	26.7
ASIA	622.8	614.0	643.4
Bangladesh	47.0	50.0	50.5
Cambodia	7.2	7.6	7.8
China	193.4	197.2	200.4
of which Taiwan Prov.	1.5	1.4	1.4
India	148.8	131.3	151.0
Indonesia	60.3	64.3	64.9
Iran, Islamic Rep. of	2.2	2.7	2.8
Japan	11.0	10.6	10.7
Korea Rep. of	6.5	6.6	6.5
Myanmar	30.5	31.0	32.0
Pakistan	10.4	10.0	10.1
Philippines	17.1	16.0	17.4
Sri Lanka	3.9	3.7	4.0
Thailand	31.7	29.8	31.6
Viet Nam	38.7	38.9	38.8
AFRICA	24.3	23.8	24.8
North Africa	7.3	5.7	6.0
Egypt	7.3	5.7	6.0
Sub-Saharan Africa	16.9	18.0	18.6
Western Africa	10.2	11.0	11.8
Côte d'Ivoire	0.7	0.7	0.7
Guinea	1.5	1.5	1.5
Mali	1.3	1.6	1.8
Nigeria	4.2	4.3	4.5
Central Africa	0.4	0.5	0.5
Eastern Africa	1.8	1.8	1.9
Tanzania	1.4	1.3	1.4
Southern Africa	4.4	4.6	4.4
Madagascar	4.1	4.2	4.0
Mozambique	0.2	0.3	0.3
CENTRAL AMERICA	2.5	2.7	2.8
Cuba	0.4	0.5	0.5
Dominican Rep.	0.8	0.8	0.9
Mexico	0.2	0.3	0.2
SOUTH AMERICA	23.8	25.1	24.1
Argentina	1.2	1.3	1.4
Brazil	12.1	12.6	11.5
Colombia	2.4	2.8	2.9
Peru	2.8	3.0	3.0
Uruguay	1.3	1.3	1.1
NORTH AMERICA	9.2	10.0	10.8
United States	9.2	10.0	10.8
EUROPE	3.4	4.2	4.3
EU	2.5	3.2	3.2
OCEANIA	0.0	0.1	0.2
Australia	0.0	0.1	0.2

FOOTNOTES:

Totals computed from unrounded data.

1/ Tentative.

2/ Excluding intra-trade.

WORLD IMPORTS OF RICE			
	2008	2009	2010 ^{1/}
		(estimated)	(forecast)
	million tonnes, milled eq.		
WORLD	30.1	29.7	31.3
Developing countries	25.4	25.0	26.5
Developed countries	4.7	4.7	4.8
ASIA	14.0	13.4	14.5
Bangladesh	1.7	0.1	0.4
China	0.7	0.0	0.0
of which Taiwan Prov.	0.1	0.2	0.2
Indonesia	0.3	0.3	0.2
Iran, Islamic Rep. of	1.0	1.4	1.2
Iraq	0.8	1.1	1.2
Japan	0.6	0.7	0.7
Malaysia	1.0	0.9	0.9
Philippines	2.3	1.8	2.5
Saudi Arabia	1.0	1.0	0.9
Sri Lanka	0.1	0.1	0.1
AFRICA	9.6	9.8	9.8
Côte d'Ivoire	0.9	0.9	0.9
Nigeria	2.0	1.8	1.8
Senegal	0.9	0.9	0.8
South Africa	0.8	0.9	1.0
CENTRAL AMERICA	2.3	2.3	2.4
Cuba	0.6	0.6	0.5
Mexico	0.6	0.6	0.6
SOUTH AMERICA	0.9	1.2	1.5
Brazil	0.4	0.7	1.0
Peru	0.1	0.1	0.0
NORTH AMERICA	1.0	1.0	1.1
Canada	0.3	0.3	0.3
United States	0.7	0.7	0.7
EUROPE	1.8	1.5	1.6
EU 2/	1.3	1.0	1.1
Russian Fed.	0.3	0.3	0.2
OCEANIA	0.4	0.5	0.5

WORLD EXPORTS OF RICE			
	2008	2009	2010 ^{1/}
		(estimated)	(forecast)
	million tonnes, milled eq.		
WORLD	30.1	29.7	31.3
Developing countries	26.4	26.3	27.4
Developed countries	3.7	3.4	3.9
ASIA	24.1	23.8	24.8
China	1.0	0.0	0.0
of which Taiwan Prov.	0.1	0.1	0.1
India	3.5	2.5	2.2
Myanmar	0.2	1.1	1.3
Pakistan	2.8	2.9	3.4
Thailand	10.0	8.5	8.8
Viet Nam	4.7	6.0	6.0
AFRICA	0.5	0.5	0.6
Egypt	0.5	0.5	0.6
SOUTH AMERICA	2.0	2.3	2.2
Argentina	0.3	0.5	0.5
Guyana	0.2	0.3	0.3
Uruguay	0.8	0.8	0.7
NORTH AMERICA	3.3	3.0	3.3
United States	3.3	3.0	3.3
EUROPE	0.1	0.2	0.3
EU 2/	0.1	0.1	0.2
OCEANIA	0.1	0.1	0.1
Australia	0.1	0.1	0.1

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

	CHINA 2/ 3/ (Oct./Sep.)			INDIA 2/ (Oct./Sep.)		
	2007/2008	2008/2009	2009/2010 ^{5/}	2007/2008	2008/2009	2009/2010 ^{5/}
		prelim.	f'cast		prelim.	f'cast
	(..... thousand tonnes)			(..... thousand tonnes)		
Opening Stocks	56372 F	58290 F	63772 F	12300 F	16700 F	21200 F
Production 1/	128429 G	132513 G	135145 *	96690 G	99180 G	87560 G
Imports	746 F	932 F	910 F	50 F	80 F	100 F
Total Supply	185547	191735	199827	109040	115960	108860
Domestic Use	126235	127102	127996	88812	92260	93060
Exports	1022 G	861 G	1065 F	3528 G	2500 F	2200 F
Closing Stocks	58290 F	63772 F	70766 F	16700 F	21200 F	13600 F
	PAKISTAN 2/ (Nov./Oct.)			THAILAND 2/ (Nov./Oct.)		
	2007/2008	2008/2009	2009/2010 ^{5/}	2007/2008	2008/2009	2009/2010 ^{5/}
		prelim.	f'cast		prelim.	f'cast
	(..... thousand tonnes)			(..... thousand tonnes)		
Opening Stocks	400 F	350 F	1200 F	4350 F	4150 F	5300 F
Production 1/	5559 G	6954 G	6680 G	21250 G	20952 G	19728 G
Imports	1 F	1 F	1 F	150 F	400 F	500 F
Total Supply	5960	7305	7881	25750	25502	25528
Domestic Use	2781	3211	3381	11631	11681	11678
Exports	2829 G	2894 G	3400 F	9969 G	8521 G	8750 F
Closing Stocks	350 F	1200 F	1100 F	4150 F	5300 F	5100 F
	UNITED STATES 4/ (Aug./Jul.)			VIET NAM 2/ (Nov./Oct.)		
	2007/2008	2008/2009	2009/2010 ^{5/}	2007/2008	2008/2009	2009/2010 ^{5/}
		prelim.	f'cast		prelim.	f'cast
	(..... thousand tonnes)			(..... thousand tonnes)		
Opening Stocks	1266 G	942 G	974 G	4800 F	4400 F	4250 F
Production 1/	6345 G	6515 G	7030 G	23974 G	25830 G	25943 G
Imports	764 G	614 G	672 G	200 F	400 F	500 F
Total Supply	8375	8071	8676	28974	30630	30693
Domestic Use	4085	4104	4349	19854	20422	20693
Exports	3348 G	2993 G	3294 G	4720 G	5958 G	6000 F
Closing Stocks	942 G	974 G	1033 G	4400 F	4250 F	4000 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.
5/ Tentative.