



RICE MARKET MONITOR

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ROUND UP

The **2015 paddy season** is already well advanced south of the equator and approaching a critical period in the northern hemisphere, where climatic conditions, rainfall in particular, in July and August will very much influence yields of the main crops, but also the amount of water in reservoirs that will be available for the cultivation of the mostly irrigated secondary crops. Based on available information on plantings and climatic predictions for the coming months, FAO has downgraded its April forecast for **global paddy production in 2015** by about 0.7 million tonnes to 749.1 million tonnes. The revision mainly takes account of adverse weather conditions in several countries, in the form of belated arrival and insufficient rainfall, often associated to the prevalence of an El Niño anomaly and its likely persistence until early next year. In absolute terms, the countries most affected by the downgrading of prospects were India, the Democratic Republic of Korea, Nepal, the Philippines, Thailand and Viet Nam. Outside Asia, crop forecasts were lowered substantially for the United States, but also Cuba. Only part of the downward revisions was compensated by improved output expectations, especially for China, Indonesia and Pakistan, but also Argentina, Brazil, Chad, Mozambique, Peru, Senegal and Uruguay.

At 749.1 million tonnes (499.3 million tonnes, milled), global paddy production in 2015 is forecast to stage a 0.9 percent (7.3 million tonnes, paddy) recovery from 2014, a season impaired by low precipitation and other climatic setbacks. The increase would mainly stem from growth in Asia, where paddy production may approach 678 million tonnes, 1.1 percent more than last year. The forecast expansion is driven foremost by Indonesia, now officially anticipated to harvest a record crop despite a difficult start of the season, and China, where the campaign is progressing well. Under current prospects of another bleak monsoon, India's output is expected to recover only part of the losses incurred in 2014. Current outlooks also point to production increases in the Islamic Republic of Iran, Malaysia, Myanmar, Sri Lanka, Thailand, Timor Leste and Turkey, suggesting instead a contraction in Bangladesh, the Chinese Province of Taiwan, the Democratic People's Republic of Korea, the Republic of Korea, Nepal, Pakistan, the Philippines and Viet Nam, amid a combination of unfavourable weather and/or unattractive prices. In Africa, output is forecast at 28.7 million tonnes (18.8 million tonnes, milled), 1 percent

above the 2014 generally good performance. Much of the 2015 expansion is expected to concentrate in Western African countries, where, barring major setbacks, the sector is expected to continue expanding, but also in Madagascar, despite some weather-related hindrances. Increases in those countries will more than compensate for anticipated declines in Egypt and Nigeria. In the Americas, the 2015 season is already well advanced in Latin America and the Caribbean, where production is set to expand by 2.4 percent to 28.4 million tonnes (19.0 million tonnes, milled) compared to 2014, about 0.5 million tonnes more than forecast in April. The positive outlook reflects prospects of growth in South America, where following a challenging start, weather conditions have been favourable, especially in Brazil, Colombia, Paraguay and Peru. The outcome of the season is likely to be less positive in Central America and the Caribbean, where drought conditions might be exacerbated by a lingering El Niño. Prospects are also downbeat in the

GLOBAL RICE MARKET SUMMARY

	2013-14	2014-15	2015-16	2015-16/ 2014-15
		est.	f'cast	Var
	million tonnes, milled eq.			%
Production	496.7	494.7	499.3	0.9
Supply	715.4	719.5	718.6	-0.1
Utilization	490.3	500.3	507.2	1.4
Food use	408.2	413.8	419.6	1.4
Feed use	14.1	14.9	15.1	1.5
Other uses	68.0	71.7	72.5	1.2
Trade ^{1/}	42.8	42.0	42.1	0.2
Ending stocks ^{2/}	182.3	177.2	169.4	-4.4
	%			
Global stock-to-use ratio	36.4	34.9	32.8	-
Major exporters' stock-to-disappearance ratio ^{3/}	26.9	23.2	19.0	-

^{1/} Data refer to the calendar year trade (Jan.-Dec.) of the second year shown.

^{2/} Stocks carried over in the second year shown.

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

United States, where output may fall 6 percent below last year, on less attractive prices and a four year-long drought in California. In Europe, good crop results are anticipated for both the EU and the Russian Federation, unlike in Oceania, where Australia's limited water supplies constrained plantings, curbing production by 12 percent.

FAO has raised its forecast of **global rice trade in calendar 2015** to 42.0 million tonnes (milled basis), which is nearly 700 000 tonnes above expectations in April. On the import side, the revision primarily reflects greater anticipated deliveries to Bangladesh, Colombia and the Philippines, reflecting, in the first two countries, a brisk pace of inflows in the first months of the year and, in the Philippines, government efforts to refurbish stockpiles in anticipation of possible production shortfalls arising from El Niño. Combined, these changes more than offset reduced import forecasts for the Islamic Republic of Iran, Yemen and Nigeria. On the export side, the revision in the world total reflects the improved outlook for India, whose pace of deliveries has continued unabated over the first quarter of the year, which more than compensated for less buoyant predictions of sales by Thailand and Viet Nam.

At the current forecast of 42.0 million tonnes, global rice flows in 2015 stand 2 percent, or close to 800 000 tonnes, short of the 2014 record. The expected trade contraction would be mainly demand-driven, coming in the wake of generally good crops in major rice importing countries. The expected fall also reflects the imposition by some governments of new protective measures, amid concerns about cheap imports undermining local production. The reduction of world imports in 2015 would be largely attributable to Asian countries, in particular Bangladesh, Indonesia, Sri Lanka and Timor Leste. Purchases by African countries are also expected to fall, depressed by currency depreciations and large carryovers from large imports in 2014. Elsewhere in the world, import demand is anticipated to remain firm in Latin America and the Caribbean, sustained by sizable purchases by Colombia, Cuba, Haiti and Panama. Strong domestic demand may also keep rice flows to Europe and North America at above-average levels, while Australia's production shortfall is behind the expected rise of imports to Oceania. Viewed from the supply side, the predicted contraction in 2015 world exports mainly concerns India, where increasing domestic needs and disappointing production results in 2014 may result in tighter supplies for export. Likewise, Viet Nam's official shipments may slide, falling to a six-year low, amid stiff competition with the other major suppliers. Tighter availabilities or uncompetitive prices are also expected to curb exports by Argentina, Australia, Brazil and Uruguay. By contrast, shipments from Thailand are forecast to remain around 10.9 million tonnes in 2015, unchanged from last year despite the relatively poor 2014 season results, as the auctioning of rice from the large public inventories this year will ease the supply tightness. On the other hand, exports by Cambodia, China

(Mainland), Ecuador, the European Union, Guyana, Myanmar, Pakistan, Paraguay, the Russian Federation and the United States may increase.

Forecasts of **global rice utilization in 2015/16** have been upgraded by 1.5 million tonnes since April to 507.2 million tonnes (milled basis), on expectations of a greater use of rice for feed and industrial processing than last reported. The revised level would imply a 6.9 million tonne annual increase. Much of the predicted growth in world rice consumption in 2015/16 is still expected to be underpinned by greater consumption of rice as food. At a projected 419.6 million tonnes, world food intake would stand 5.8 million tonnes over year-earlier levels, sufficient to keep the global per-caput food use estimate stable at 57.4 kilos per person.

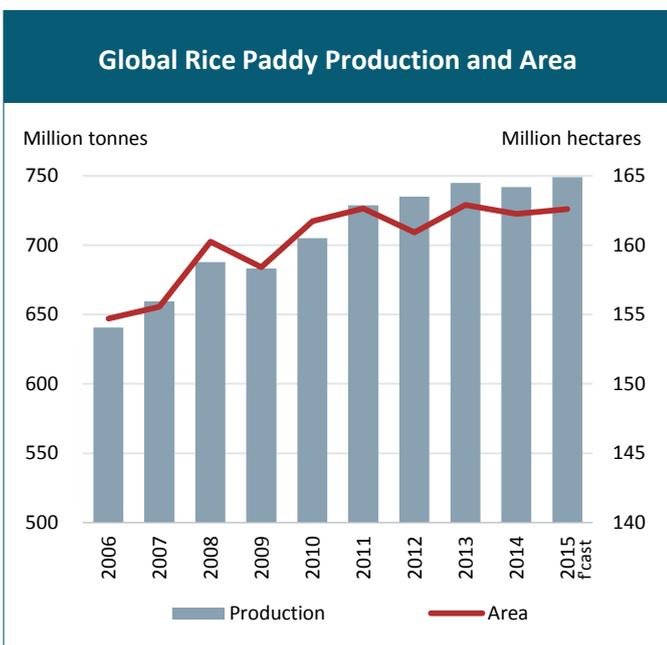
Forecasts of **world rice stocks carried in 2016** have been lowered by 1.6 million tonnes since April to 169.4 million tonnes (milled basis). At a country level, the largest downward revisions concern India, but also Bangladesh, the Islamic Republic of Iran, Nepal, Thailand, the United States and Viet Nam. Under current expectations, global rice inventories in 2016 would fall 7.8 million tonnes short of their opening level, marking the second consecutive year of drawdowns after nine years of uninterrupted accumulation, but still exceed pre-2013 levels. Mirroring these trends, the world stocks-to-use ratio is forecast to fall to 32.8 percent in 2015/16, down from 34.9 percent the previous year. However, with much of the offloading of inventories concentrated in the five major exporting countries, their stock-to-disappearance ratio would fall more markedly passing from 23.2 percent in 2014/15 to 19.0 percent in 2015/16, its lowest since 2007/08.

International rice export prices continued to soften in the second quarter of 2015, as reflected by the FAO All Rice Price Index (2002-2004=100) falling 3 percent below March values to 213 points in June. Across the various rice market segments, the tendency for prices to weaken was most evident in the fragrant market, reflecting a combination of subdued buying interest and large export availabilities from bumper harvests. Trends were more mixed in the long-grain segment, with a dearth of new sales driving a 3 percent slide in the Higher Quality Indica Index, while a combination of tight supplies for broken and strong domestic demand in some major origins lent support to lower quality Indica rice quotations, keeping the respective Index close to March levels at 188 points. Meanwhile, weak buying interest prolonged the tendency for medium/short grain prices to subside into the second quarter, despite prospects of smaller crops in this segment.

PRODUCTION

Forecasts of world production in 2015 downscaled, but still pointing to a 1 percent year-on-year output recovery

The 2014 season came to a full close with the June completion of offseason harvests.¹ New assessments released by Governments since the last issue of this report have raised the 2014 world production estimate by 450 000 tonnes to 741.8 million tonnes (494.7 million tonnes, milled basis). The revised level continues to suggest a small, 0.4 percent, contraction in global paddy output, much of which associated with poor results in Asia, where crops were negatively impacted by precipitation deficits. Although poor growing conditions also curtailed output in Australia and Europe, these losses were partly compensated by strong showings in Africa, the United States and, to a lesser extent, also Latin America and the Caribbean. Thus, global production is assessed to have remained at its second highest level on record, a feat sustained by broadly stable yields of 4.6 tonnes per hectare. Compared to figures reported in April, the largest upward adjustment has concerned Pakistan, where despite heavy flooding problems larger plantings are assessed to have boosted production to an all-time high. More buoyant results also pertained Bangladesh,



The 2014 rice production season normally includes rice from the main paddy crops whose harvests fall in 2014, 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 2014 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 2015. In the case of southern hemisphere countries, production in 2014 normally comprises rice from the main paddy crops assembled in the first part of 2014, plus rice from the secondary crops, generally gathered in the latter part of 2014. This approach to assess rice production is applicable to any given season.

Venezuela and numerous West African countries, of which particularly Senegal. Combined, these more than compensated for downscaled estimates namely in India and the Philippines, in both cases reflecting poorer prospects for offseason harvests owing to short water supplies.

As for the on-going 2015 season, FAO's April forecast of world paddy production has been cut by 700 000 tonnes to 749.1 million tonnes (499.3 million tonnes, milled basis), still 1 percent above the 2014 depressed level. The downgraded outlook comes amid uncertainties concerning the climatic unfolding of the season. This is mostly owing to the emergence of the El Niño phenomenon and the 85 percent likelihood of its persistence into the early part of 2016, as portended by climate forecasting centers. Given the largely rain-fed nature of main paddy crops across Asia, the weather anomaly's association with a subdued rainfall performance bears particular weight in the southern parts of the region. However, the 2015 season in the northern-hemisphere is still at early stages, with sowing operations of main paddy crops having just been concluded or still underway. As such, conditions in the months to come will determine both the size of main harvest, as well as whether sufficient water supplies will be available for the offseason crops planted in the last quarter of the year. Given the more advanced stage of the season, the main crops in the southern hemisphere have been left largely unscathed by the phenomenon, especially in Asia, in part explaining the still favourable production outlook for the continent. Although El Niño induced precipitation deficits in Central America and the Caribbean are cause of concern, main-crop harvests in the southern cone have been concluded with good results, thus raising overall prospects for Latin America and the Caribbean to near record levels. The outlook is also positive for Europe, where the paddy campaign has got off to a good start, with further inroads expected to be made in Africa. Conversely, in Australia, short water availabilities for irrigation have again resulted in an output shortfall, whereas in the United States, production is seen declining under a combination of poor price prospects and a four-year long drought in California.

Asia

China and Indonesia to drive a 1 percent production expansion in 2015

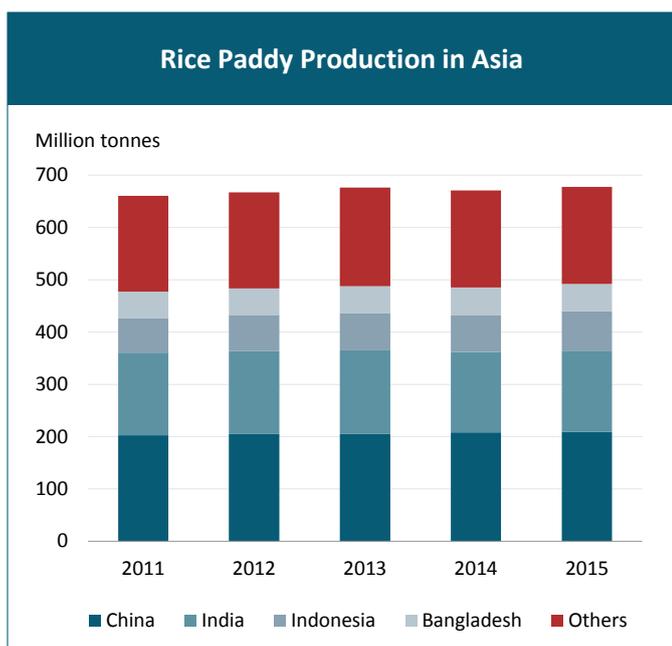
Since the last issue of the RMM, FAO has cut its forecast of 2015 production in Asia by 1.2 million tonnes to 677.7 million tonnes (451.9 million tonnes, milled basis), a level that would still suggest a 1 percent improvement relative to the 2014 reduced outcome. Underlying the less buoyant outlook are prospects of a second consecutive season of weather-related setbacks, particularly over northern

hemisphere part of the region, where however the season is still at early stages. This is particularly the case of **India**, which is largely behind the forecast revision. Output in the country is now seen posting an only partial year-to-year recovery, given prospects of another bleak monsoon performance, even though seasonal progress to date has been comparatively more favourable than last year's. Meanwhile, the paddy campaign is progressing well in **China (Mainland)** and **Indonesia**, the two other leading global rice producers, now poised to drive much of the region's annual output inroads. The outlook also remains positive for the **Islamic Republic of Iran, Malaysia, Myanmar, Sri Lanka, Thailand, Timor Leste** and **Turkey**, while shortfalls are expected in **Bangladesh**, the **Chinese Province of Taiwan**, the **Democratic People's Republic of Korea**, the **Republic of Korea, Nepal, Pakistan**, the **Philippines** and **Viet Nam**, amid a combination of unfavourable weather and/or unattractive prices.

In **Bangladesh**, the Aus crop, the first and smallest of the three crops planted each year is by now approaching the harvesting stage. Farmers in the country are concomitantly preparing fields to sow the Aman crop. There have been only minor revisions to the production prospects for the country since April, with overall output anticipated to amount to 52.0 million tonnes (34.6 million tonnes, milled basis), 420 000 tonne less than in 2014, but still an above average outcome. The annual contraction is anticipated to stem from area cuts, prompted by prospects of smaller margins, while yields are expected to keep rising, given a growing adoption of high-yielding varieties, but also due to the assistance provided by Government. Indeed farmers in the country look set to continue benefitting from incentives for Aus paddy cultivation through a Taka 302 million (USD 3.9 million) allocation.² The scheme forms

parts of state efforts to encourage producers to reduce cultivation of the irrigated Boro crop in favour of the rain-fed Aus crop, amid concerns over depleting water tables. As part of the programme, the Government will provide up to 210 000 farmers with subsidized fertilizers and seeds of high yielding and Nerica rice varieties. Meanwhile, under the 2015/16 budget, Government allocations to agricultural subsidies, including input and credit support, have been left unvaried, year-to-year, at Taka 90 billion (USD 1.2 billion), while provisions have been made to raise domestic rice procurement by 7 percent to 1.5 million tonnes.

In **China (Mainland)**, an April survey of planting intentions released by the National Bureau of Statistics indicated that farmers were likely to raise the area under paddy by a small margin of 0.2 percent over the 2015 season. However, the semi-official forecasts released by the China National Grains and Oils Information Center are less buoyant, pointing to a likely stagnation of plantings at 30.3 million hectares, amid land constraints and the Government decision to leave minimum support prices unchanged this season. The Center has, nonetheless, maintained a positive outlook for 2015 production, under expectations that average yields will continue to rise to an average of 6.9 tonnes per hectare. The increase in China's production would primarily stem from the intermediate crop, which is envisaged to account for much of this year's growth, reaching 136.9 million tonnes (93.8 million tonnes, milled basis), propelled by a 5 percent rise in Heilongjiang. Nonetheless, and notwithstanding some concerns over the impact of excess rains in parts of southern China, the early crop is also seen rising slightly to 34.1 million tonnes (23.4 million tonnes, milled basis). By contrast, the late crop is forecast to drop by 215 000 drop to 37.0 million tonnes (25.3 million tonnes, milled basis), under the expectation that yields return to more average levels, after the record attained in 2014. As a result, the Centre anticipates production in China to strike a new record of 208.0 million tonnes (142.5 million tonnes, milled basis) in 2015, 0.7 percent more than in 2014 and 1.0 million tonnes above the previous FAO forecast.



² All currency conversions are as of 15 June 2015.

The second long-range prediction of monsoon rains released by the India Meteorological Department (IMD) on 2 June indicate that, under the influence of the El Niño phenomenon, cumulative monsoon precipitation over **India** during the June-September period would stand at 88% of the long-period average (±4%). If confirmed, this level would match last year's deficient monsoon performance. As was the case in 2014, north-western India is envisaged to be the most affected by precipitation deficits, with cumulative rainfall over the area predicted to stand at 85% of normal levels. Below-average precipitation is similarly foreshadowed for all other major geographical regions, with rains projected to reach 90% of the long-

period average in north-east and central India and 92% in the southern region ($\pm 8\%$ in all cases). However, since its onset on 5 June over the coast of Kerala, the south-west monsoon has performed well in quantitative terms, as cumulative precipitation over the country as a whole was 13 percent above normal by 01 July. This is in sharp contrast with the severe deficits incurred in June 2014, when rains stood at their fourth lowest level in 114 years, causing significant delays to main-crop sowing operations and undermining main-crop yields. Still, the performance of the rains in the months to come will prove critical in determining the success of the Kharif crop, which accounts for 86 percent of overall production and is predominantly cultivated under rain-fed conditions. Despite the favourable performance to-date and a sturdy early start, 2.3 million hectares were reported to have been planted by 26 June, 7 percent less than in the same period last year. Moreover, the authorities have warned of a potential waning of the rains in the month to come, with the IMD's predicting in June that precipitation levels would stand at 92% and 90% of normal ($\pm 9\%$) in July and August respectively, which compares to the 90% range actually received in both months of 2014. On the other hand, with pre-monsoon showers between March and May proving 38 percent above normal, storage levels in major reservoirs in the important north-western producing states, such as Punjab and Himachal Pradesh, where rice is mostly grown under irrigation, stand above their respective positions in 2014 and the ten-year average. Consequently and pending developments in the coming months, FAO has tentatively lowered by 3.0 million tonnes India's production forecast to 155.2 million tonnes (103.5 million tonnes, milled basis), which would imply an only small increase over an already reduced 2014 crop of 153.8 million tonnes (102.5 million tonnes, milled basis). On the policy front, the Indian Government confirmed on 17 June that a 4 percent increase to minimum support prices to Rupees 14 100-14 500 (USD 220-226) per tonne would be applied this year, a move that will likely encourage producers to keep plantings at comparatively high levels. This is especially so as rice, along with wheat,

are the two sole commodities for which minimum support prices are enforced through substantial public procurement programmes, thus ensuring farmers with an outlet for their crop. However, state intervention buying does not extend to basmati rice and, given the heavy falls in basmati quotations witnessed in the aftermath of a large 2014 harvest, it remains to be seen whether Indian producers will continue favouring fragrant rice. Last year, a 460 000 hectare hike in plantings boosted basmati output by 33 percent to 8.8 million tonnes. The rise in acreage was primarily linked to prospects of favourable margins, but the choice of fragrant over non-basmati cultivation was also influenced by their early maturity and their lower water requirements, a move also promoted by state diversification programmes. Since 2013, these have sought to promote a shift away from non-basmati growing in north-western states, amid concerns over depleted water tables. Yet, a post-harvest survey conducted by Agricultural and Processed Food Products Export Development Authority (APEDA) last year found that, in spite of the price declines witnessed in 2014, farmers would still favour Pusa Basmati 1509 cultivation in 2015. This high-yielding variety, just released in 2013, accounted for 25 percent of basmati volumes produced in 2014, although half of fragrant volumes produced over that year corresponded to Pusa Basmati 1121.

The 2015 season in **Indonesia**, opened last October, got off to a difficult start. Delays in the establishment of the seasonal rains slowed planting progress, although a pick-up of the rains in December permitted sowing operations to gain momentum. Good sunshine conditions, combined with reduced flooding and pest attacks further boosted crop development, with productivity gains also promoted by the state distribution of subsidized seeds of high-yielding varieties. As a result, officials indicate that output over the January-April cycle was up 4.5 percent year-on-year to 32.98 million tonnes (20.8 million tonnes, milled basis). The Government also maintains a positive outlook for the two other crop cycles of the season, under expectations of a combined 8 percent year-on-year

INDIA: STATE-WISE BASMATI PRODUCTION ESTIMATES DURING KHARIF 2014^{1/}

STATES/ Uts	Pusa Basmati 1121	PB-1	Pusa Basmati 1401	Punjab Basmati 3	Super	Pusa Basmati 1509	CSR-30	Type-3 & Others
	(000 tons)							
INDIA	4,580	832	178	144	12	2,223	541	264
Haryana	1,761	528	178	41	12	680	502	-
Punjab	2,118	114	-	103	-	1,125	39	-
W. Uttar Pradesh	657	183	-	-	-	382	-	38
Uttarakhand	16	7	-	-	-	28	-	15
Himachal Pradesh	2	-	-	-	-	-	-	-
Jammu & Kashmir	22	-	-	-	-	8	-	210
Delhi	3	-	-	-	-	0	-	-

1/ Released November 27, 2014

Source: APEDA, Ministry of Commerce and Industry, Government of India

increase of area to 8.2 million hectares. On these basis and together with prospects for favourable yield outturns, overall 2015 production in Indonesia is officially forecast to rebound by 7 percent to an all-time high of 75.6 million tonnes (47.6 million tonnes, milled basis). On the policy front, although rainfall over Indonesia remained abundant two months after the traditional onset of the dry-season in May, authorities have identified some 200 000 hectares of land that would be susceptible to drought under the influence of the current El Niño event. Plans to distribute water pumps to producers in the affected areas have been announced, that would supplement ongoing efforts to rehabilitate irrigation facilities. Meanwhile, media reports suggest that the Merauke regency of Papua is to be again the focus of Government efforts to bolster domestic food production through the establishment of large-scale commercial plantations. Initial targets would have 250 000 hectares open for paddy cultivation in 2015 in the area, with this extension expanded to cover 1.0 million hectares over a three-year span. Merauke and Kalimantan have been the target of similar estate farm projects put forward in 2009 and 2012, but progress has been constrained by difficulties in securing access to land and by insufficient infrastructure.

Production prospects have deteriorated in the **Democratic Peoples’ Republic of Korea**, where the 2015 planting activities came to a close in June. Severe rainfall deficits have hit the country since mid-April, posing serious constraints to transplanting activities. Officials reports of planting progress indicate that, as a result of the dry spell and short supplies of water for irrigation, already undermined by abnormally dry conditions in 2014, only 441 600 hectares of paddies had been transplanted by 8 June. This would be well short of the 543 500 hectares targeted for the season, with a considerable share, some 31 percent, of this extension already stressed by drought. North and South Hwanghae, which, together, normally account for close to a third of overall rice production, have been worst impacted, having a combined 103 000 hectares of paddies damaged. As a result and although some recent rains may have provided some respite to crops, FAO has preliminarily lowered its 2015 production forecast for the Democratic Peoples’ Republic of Korea to 2.3 million tonnes (1.5 million tonnes, milled basis), 12 percent below the already drought-reduced harvest in 2014 and the lowest in eight years.

Planting activities of 2015 crops are nearing completion in the **Republic of Korea**. FAO has kept its production outlook for the country unchanged at 5.5 million tonnes (4.1 million tonnes, milled basis), down 3 percent year-on-year. The forecast decline rests on expectations that the steady cuts in plantings witnessed over the past thirteen years will extend into the 2015 season, with average yields also predicted to return to more normal levels, relative to

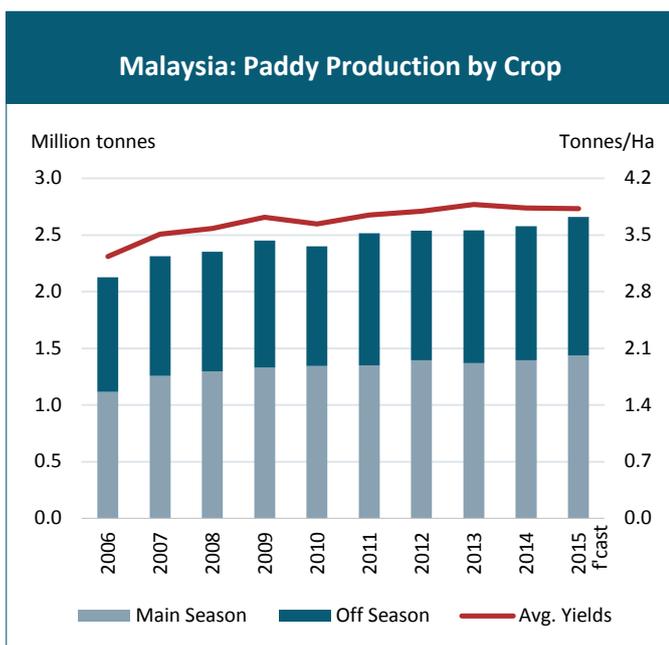


the high levels attained in 2014. Average rice harvest prices in the Republic of Korea were reported to have fallen by 5 percent year-on-year in 2014 to Won 2 078 per kilo (USD 1 849 per tonne). This level is well below the Won 2 350 per kilo (USD 2 092 per tonne) target price of the Rice Income Compensation Act, thus calling on a deficiency payment of Won 53 per kilo (USD 47 per tonne) to be issued to farmers on top of the Won 900 000 (USD 801) per hectare received as area payment under the programme. In April, officials also announced that they would purchase a further 77 000 tonnes of surplus produce from the local market, bringing total volumes absorbed under the Public Rice Stockholding Program, for the ASEAN Plus Three Emergency Rice Reserve (APTERR) and previous price stabilisation measures to 640 000 tonnes, or 12 percent of the 2014 season harvest.

Notwithstanding some recurring flood and pest-attacks, authorities indicate that the 2014 season in **Malaysia** ended favourably. Farmers gathered 2.6 million tonnes (1.7 million tonnes, milled basis), up 2 percent year-on-year and the fourth consecutive annual gain. The increase was area-driven, although, at 3.8 tonnes per hectare, yields remained at above-average levels. Turning to 2015, the season has already seen main-crops gathered across the country, with no major setback reported other than some limited damages due to December floods hitting the east coast of Peninsular Malaysia. Productivity improvements are at the heart of Malaysia’s thrust towards rice self-sufficiency, with interventions towards this end elaborated in the National Agro-food Policy (2011-2020). The recently issued Eleventh Malaysia Plan (2016-2020) foresees eliminating reliance on rice imports by 2020, with Government support to agriculture focusing, among others, on boosting productivity, enhancing market access for farmers and increasing financial assistance to

the sector. This year, authorities also announced Ringgit 70 million (USD 19 million) worth of incentives for dry-land rice cultivation on hill slopes of Sabah and Sarawak, together with the establishment of four new granaries covering 26 000 hectares. These measures would come on top of the input subsidies, guaranteed minimum prices and infrastructural improvement set out in favour of the rice sector. Aided by such initiatives and given official expectations of generally normal rains through November, when offseason harvests will be completed, FAO anticipates production in Malaysia to grow by a further 1 percent in 2015, to 2.7 million tonnes (1.7 million tonnes, milled basis).

combined with damages to infrastructure, including irrigation facilities, and population displacements. The fifteen most affected districts, most of which located in the Central Region, normally cultivate 124 000 hectares of paddies, some 8 percent of average national plantings, but efforts to facilitate access to needed inputs, in particular seeds and fertilisers, have been prioritised and are ongoing. As a result, FAO tentatively forecasts Nepal to gather 4.6 million tonnes (3.0 million tonnes, milled basis) in 2015, 4 decline less than the already reduced 2014 outturn.



In 2014, crops in **Nepal** were negatively impacted by late and subdued rains lasting into August, which caused significant delays to transplanting activities, with further damage caused by subsequent excess rains and flood. The outlook for the 2015 season in the country is also dampened by April forecasts indicating that rainfall in the June to September period is likely to again remain at below average levels over much of the country, and in particular over the important Terai regions, which normally account for close to 70 percent of national production. Although a week ahead compared to 2014, this year’s monsoon rains already reached Nepal three days behind the normal onset date of 10 June. Adding to the subdued climatic prediction are losses resulting from the 25 April earthquake, which, together with successive strong aftershocks, caused vast loss of life and damage to infrastructure. Although the earthquake left 2014 production unscathed, given that their harvest had concluded five months earlier, the earthquake struck weeks ahead of the launch of 2015 planting activities, thus putting at peril production due to the seed losses incurred,

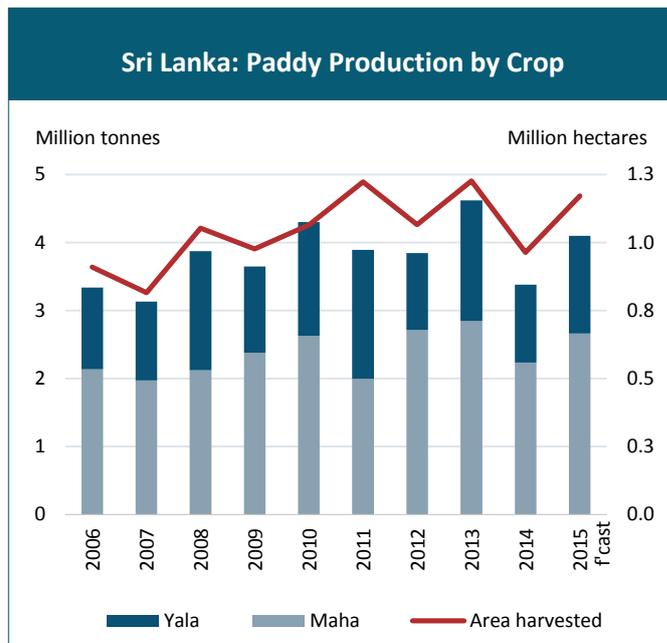
Reversing earlier expectations of a 1 percent flood-induced contraction, in June, the Government of **Pakistan** raised its 2014 output estimate by 430 000 tonnes to 10.5 million tonnes (7.0 million tonnes, milled basis). The revised figure stands some 300 000 tonnes above the already good 2013 result, marking a new record. The bumper harvest relied on a larger area under paddy of 2.9 million hectares, with much of the 102 000 hectare annual expansion corresponding to basmati plantings, stimulated by attractive prices. Turning to the 2015 season, by now, it has reached the transplanting stage. FAO’s production outlook for the country remains negative at 10.3 million tonnes (6.9 million tonnes, milled basis). The forecast 2 percent year-on-year contraction rests on expectations that a combination of costlier inputs and weak prices, especially for basmati varieties, will dissuade farmers from keeping plantings at 2014 highs. On the weather front, officials have warned that monsoon rains over the July to September period could prove slightly weaker than normal, although an adequate supply of water for irrigation was reported ahead of the season’s launch. It also remains to be seen whether steps to enforce the long-standing ban on rice cultivation in the left bank of the Indus river will be successful, especially amid low prices of competing crops, such as cotton. Authorities have announced that, in an effort to help farmers sustain the high irrigation costs associated with reliance on fuel or electricity powered tube wells, credit incentives will be provided to agricultural producers to replace them with solar tube wells. Tax exemptions will also be extended to rice processors to aid them bear losses arising from a subdued export demand. This would be in addition to ongoing schemes geared at facilitating access to credit, as well as reductions to levies and taxes on imported agricultural machinery and equipment.

In the **Philippines**, officials have downgraded production forecasts for the 2014 (July 2014 – June 2015) paddy season by 150 000 tonnes since April to 18.85 million tonnes (12.4 million tonnes, milled basis), now pointing to an only marginal year-on-year gain. The deteriorated outlook takes into account the impact of prolonged dry spells, which cut plantings of the offseason crop by 2 percent to 2.1 million hectares. With pest attacks further

compromising yields, output from this crop is now expected to drop by 1.4 percent to 8.3 million tonnes (5.4 million tonnes, milled basis). As planting activities of 2015 main-crops get underway, FAO has also lowered its 2015 production forecast for the country to 18.4 million tonnes (12.0 million tonnes, milled basis), 500 000 tonnes below the current 2014 estimate. Underlying the negative outlook is primarily the El Niño phenomenon, which, while linked to a reduced incidence of storms, is commonly associated in the Philippines with a poor rainfall performance. By May, 80 percent of the country was already reported affected by rainfall shortages. Although a late arrival of the rains in June provided relief to farmers intending to raise plantings by 13 percent by September to 872 000 hectares, the weather anomaly is officially expected to impair rains in the last quarter of the year. If confirmed, this could hinder the availability of water for irrigation for the offseason harvest, adding to damages already caused to early planted main crops. Against this backdrop, Government officials have encouraged farmers to bring plantings forward, while promoting water conservation and drought resistant varieties. Cloud seeding operations have been similarly readied along with the distribution of water pumps.

The latest Government assessments confirm an overall favourable progress of the 2015 season in **Sri Lanka**. Buoyed by good supplies of water for irrigation and favourable prices, plantings of main Maha crop exceeded their drought-reduced 2014 level by 23 percent reaching 802 000 hectares. After accounting for some flood-related losses, this extension is forecast to sustain a 19 percent upturn in the main harvest to 2.7 million tonnes (1.8 million tonnes, milled basis). Prospects for the secondary Yala crop are also favourable, given ample availability of water supplies in major reservoirs ahead of the launch of the campaign and notwithstanding warnings of potential rainfall shortages over the May-August period. Reflective of this, acreage under this offseason crop was already reported to have outdone its year-earlier level by 70 percent by the end of April, reaching close to 150 000 hectares. As a result, and barring major setbacks, Sri Lanka is forecast to close the 2015 season with a 21 percent rebound in overall production to 4.1 million tonnes (2.8 million tonnes, milled basis).

Reminiscent of conditions prevailing last year, the 2015 season got off to a difficult start in **Thailand**, as precipitation in May, the month that normally marks the onset of the rainy season, fell 46 percent short of long-term averages. Despite good pre-seasonal rains in the northern and central areas of the country, the unseasonable dryness prevented water levels in major reservoirs from being recharged, prompting officials to urge farmers in low-lying irrigated areas of the Chao Phraya covering 640 000 hectares (or 6 percent of main-



crop area) to delay their sowing until July, when rains are expected to improve. Already last year Thailand saw main-crop yields hindered by delayed plantings from precipitation deficits, although the little reprieve provided by June showers this year has raised prospects of further yield depressions for this main crop. This is even as forecasts by the Thai Meteorological Department indicate that near normal rainfall levels are to fall across Thailand during the July to October period. As a result, and pending developments in the coming months, the main-crop output forecast has been lowered to 26.9 million tonnes (17.8 million tonnes, milled basis), implying a likely 1 percent decline from the already reduced 2014 level. As to prospects for offseason crops, which are to be planted as of December, these remain uncertain at this stage. A normalization of rains starting in July could indeed restore water levels in major reservoirs, but plantings will also be influenced by policies and prices. Despite two successive seasons of output cuts, local quotations in Thailand have failed to recover, making it all the more difficult for the Government to dispose of the large stockpiles it still holds in store. In this context, the government has continued to encourage a diversion of paddies towards other crops and, should the combination of rainfall deficits and bearish prices persist, restrictions on the discharge of water for offseason crop irrigation could be extended for a second season. Yet, the effectiveness of such measures has been only limited to date. With the 2014 offseason harvest just concluded, the official planting targets for that crop are estimated to have been exceeded by more than 50 percent, as producer remained reluctant, or economically unable, to surrender their means of livelihood. Consequently, production forecasts for the 2015 secondary crop remain provisionally set at 7.9 million tonnes (5.2 million tonnes, milled basis), up 9 percent year-on-year, but still the second lowest since 2006.

Together with expectations of a weather-induced decline in the main crop production, this would bring overall output in Thailand to 34.7 million tonnes (23.0 million tonnes, milled basis), up 1 percent year-on-year, but nearly 2.0 million tonnes below the 2009-2013 average.

The 2015 is well advanced in **Viet Nam**, where farmers have already collected the largest of the three crops cultivated each year. According to official assessments, this winter-spring harvest yielded 20.7 million tonnes (13.8 million tonnes, milled basis), down 150 000 tonnes from the 2014 record. The small retrenchment came notwithstanding a largely stable coverage of 3.1 million tonnes, reflecting mild yield losses stemming from a combination of plant diseases, salt water intrusion and a switch towards cultivation of high quality, but lower-yielding, varieties. Indeed, industry assessments indicate that, in response to their more remunerative prices, fragrant rice cultivation expanded markedly this season, partly displacing non-aromatic varieties. Meanwhile, sowing progress of summer-autumn crops has lagged somewhat behind so far, covering 2.0 million hectares by mid-June. In some parts of the Mekong Delta, which normally accounts for 84 percent of this crop's acreage, the delays have been associated to water shortages and persistent salt-water intrusion. However, officials indicate that the unseasonable dryness has mostly hindered sowing progress in northern and central highland provinces, putting at peril 44 000 hectares of summer-autumn plantings. Considering progress reported to date and on expectations that the Government's effort to divert area under paddy in favour of alternative crops bears effect on winter plantings, FAO anticipates Viet Nam to produce 44.7 million tonnes (29.8 million tonnes, milled basis) in 2015. This would be down 1 percent year-on-year, but still stand out as the second best season on record.

Africa

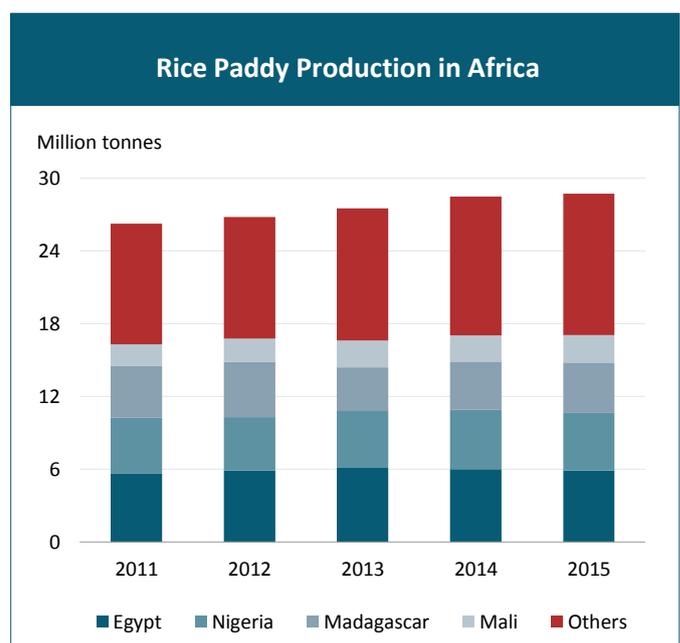
West Africa and Madagascar to drive a small production expansion in 2015

The 2015 season is still at early stages in North and West African countries, where farmers have just concluded or are still engaged in sowing activities of their main paddy crops. In the Eastern and Southern parts of the continent, these have already reached the harvesting stage and producers are soon to launch planting operations for offseason crops, where cultivated. Aggregate output in Africa is now envisaged to reach 28.7 million tonnes (18.8 million tonnes, milled basis) in 2015, up 1 percent from a somewhat higher 2014 estimate. The expansion is primarily expected to concentrate in Western Africa, where, barring major setbacks, the sector is expected to continue responding positively to Government incentives, often channelled through ambitious self-sufficiency

programs. Output in Madagascar, the region's second largest producer after Egypt, is expected to continue on its path of recovery, despite some weather-related setbacks. Combined with further headway in East and West Africa, the increase would help offset expected losses in Egypt, where poor margins may again constrain the sector.

In **Northern Africa**, there have been no changes to production forecasts for **Egypt**, where sowing operations have just been completed. Reflecting expectations of additional cuts in area, the country is predicted to see paddy output declining for a second consecutive season, to a level of 5.9 million tonnes (4.1 million tonnes, milled basis), down 2 percent year-on-year. The Egyptian Government's long-standing policy to limit the area under paddy to 462 000 hectares to preserve scarce water resources remains in effect. At the same time, officials are encouraging greater cultivation of maize in order to cut reliance on imports. It remains to be seen, however, whether the January Government removal of subsidies to cotton growers will not encourage farmers to shift to paddy cultivation during the ongoing season.

Following the completion of offseason harvests, estimates of 2014 production in **West Africa** have been lifted by nearly 400 000 tonnes to 14.0 million tonnes (8.8 million tonnes, milled basis), or 1 percent above the already good 2013 performance. The season's growth relied on an 80 000 hectare area increase to 6.6 million hectares, which came notwithstanding difficulties posed by erratic rains in various producing countries, which compounded the losses propelled by the Ebola outbreak. In line with this revision, forecasts of 2015 production in West Africa now stand at 14.2 million tonnes (9.0 million tonnes, milled basis). This would be up 2 percent year-on-year, on expectations that producers will continue to favour rice cultivation and keep expanding plantings. The forecast



remains preliminary at this stage, as planting activities have only just gotten underway across much of the sub-region. Moreover, climatic forecasts released in May point to a potentially mixed performance of the seasonal rains again this season, which could see deficient precipitation between June and September over much of Guinea, Liberia and Sierra Leone, as well as portions of Cote d'Ivoire, Mali and Nigeria.

Reversing previous expectations of a production contraction, officials in **Benin** indicate that paddy output in 2014 staged a 13 percent annual expansion to 234 000 tonnes (141 000 tonnes, milled basis). The record result was sustained by good rainfall conditions, with further support provided by Government, especially through the provision of credit and subsidized inputs, as well as purchases from the local market for distribution to vulnerable groups. Considering the generally positive rainfall performance reported over main producing areas of the country to date, FAO anticipates that Benin will be able to top the 2014 excellent performance by 3 percent, gathering 240 000 tonnes (144 000 tonnes, milled basis). Despite a difficult start to the 2014 season in **Burkina Faso**, Government figures also point to a more favourable performance for the season than previously envisaged, at 348 000 tonnes (229 000 tonnes, milled basis). The 14 percent year-on-year rise was mainly attributable to higher yields, boosted by improved rainfall performance from July onwards. Current expectations are that Burkina Faso will largely replicate the 2014 good results and produce 350 000 tonnes (231 000 tonnes, milled basis) in 2015. The forecast assumes yields return to more normal levels, even if efforts to popularize the adoption of improved seed varieties and practices, including the System of Rice Intensification, through a regional initiative, continue.

Provided growing conditions prove normal, the 2015 season is expected to see **Chad, Gambia and Guinea Bissau** recuperate losses incurred the previous year to belated and poorly distributed rains. FAO has similarly maintained its positive outlook for **Guinea, Liberia and Sierra Leone**, which are expected to see output recovering partially from the lows attained in 2014 amid labour and input shortages associated with the Ebola epidemic. However, much will still depend on prevailing conditions in the months to come, especially as climatic forecasts indicate chances of reduced rains over these countries, even though progress has been favourable to date. On the policy front, official endeavours to facilitate a sector recovery in **Liberia** have included the distribution of certified seeds to farmers. Complementary interventions identified under the country's Economic Stabilization and Recovery Plan include the provision of basic inputs to farmers, efforts to boost access to credit, storage and processing capacity, as well as procurement of produce

from farmers lacking access to markets. In **Sierra Leone**, recovery efforts also envisage distribution of some 2 000 tonnes of seeds to farmers for the ongoing season, together with fertilizers, with similar initiatives ongoing in **Guinea**. FAO has set production forecasts for Guinea and Sierra Leone at 2.0 million tonnes and 1.2 million tonnes (1.3 million and 720 000 tonnes, milled basis), up 1 percent and 4 percent, respectively, from 2014.

The latest official assessment of 2014 output in **Mali** indicates that the country gathered 2.2 million tonnes (1.5 million tonnes, milled basis). The outturn stands some 45 000 tonnes short of the 2013 production result, an outcome imputable to yield losses ensuing from dry-spells and reduced precipitation, especially in the earlier part of the season. Such losses offset a 13 percent expansion in paddy plantings, which reached a high of 684 000 hectares. Assuming that more favourable weather conditions prevail over the 2015 season and on expectations that still favourable prices will keep the area under paddy at the 2014 highs, FAO anticipates output in Mali to rebound by 4 percent to 2.3 million tonnes (1.5 million tonnes, milled basis) in 2015. Producers in the country look set to continue benefitting from state subsidies on fertilizers, with authorities having further previewed plans to avail agricultural machinery at subsidised prices.

Meanwhile, authorities in **Senegal** indicate that the 2014 season in the country concluded with excellent results, notwithstanding the erratic and poorly distributed rains that characterised the early part of the campaign. A total of 559 000 tonnes (391 000 tonnes, milled basis) are assessed to have been gathered, or 28 percent more than in 2014 and second only to the 2010 record outcome. The increase was largely sustained by a 135 000 hectare increase of plantings, attributed to improved access to inputs, machinery and marketing of produce, as promoted by the Government's rice self-sufficiency programme. The Senegalese Government aims to lift paddy output to 1.6 million tonnes by 2017-18, with interventions to this end channelled through the Program for the Relaunch and Acceleration of Senegalese Agriculture (PRACAS). Recent efforts to sustain the sector have also involved steps to ensure appropriate returns to farmers by facilitating the placement of surplus produce and brokering a 4 percent increase in paddy prices for farmers in the Senegal River Valley to FCFA 125 per kilo (USD 215 per tonne). As a result, FAO anticipates the country will be able to exceed somewhat the 2014 performance and gather 580 000 tonnes (406 000 tonnes, milled basis).

The 2015 season is more advanced in **Eastern Africa**, where various countries are currently engaged in main-crop harvesting activities. FAO has provisionally left its 2015 production forecast for the **United Republic of**

Tanzania unchanged at 2.6 million tonnes (1.7 million tonnes, milled basis), up 1 percent from the 2014 record harvest. Seasonal progress to date has, however, not been without problems, as insufficient and poorly distributed rains have impacted the central and northern areas of the country. Despite delays in the establishment of the rains, conditions have fared better in the lake, coastal and southern highland regions of Tanzania, which combined normally account for over 80 percent of national output.

Among the other producing countries in the sub-region, officials in **Ethiopia** report that the 2014 season closed with an exceptional harvest of 132 000 tonnes (86 000 tonnes, milled basis). This level would represent a 43 percent annual expansion and a new record, facilitated by good precipitation. Provided no major setback is incurred and considering ongoing investments in the sector, the 2015 season is expected to see Ethiopia surpass this volume, gathering 136 000 tonnes (88 000 tonnes, milled basis).

FAO has also raised its 2014 production estimate for **Kenya** to 155 000 tonnes (101 000 tonnes, milled basis), on Government assessments pointing to continued gains in irrigated lands, especially in the Mwea irrigation scheme. These would have been facilitated by sufficient water supplies and infrastructural improvements, despite credit constraints and more profitable prices for other crops encouraging a shift away from paddy cultivation in Western irrigation schemes. Current expectations are that this expansionary trend will continue into the 2015 season, with further support provided to promote greater adoption of improved seed varieties, including NERICA. As a result, Kenya is forecast to produce some 160 000 tonnes (104 000 tonnes, milled basis) in 2015, up 3 percent year-on-year.

FAO has similarly maintained its positive outlook for 2015 production in **Rwanda** at 97 000 tonnes (65 000 tonnes, milled basis), implying a full recovery from the 2014 weather-affected level and a new record. The paddy campaign is well advanced in the country. Season A crops, which have already been gathered, benefitted from favourable growing conditions, with particularly positive results reported in the important producing Eastern Province of the country. This is despite the Season B, which is now seeing crops approach the harvesting stage, having been characterized by poor March rains over parts of the country and some subsequent flooding problems.

Production prospects for **Southern Africa**, where most countries have already concluded their main-crop harvests, continue to point to an aggregate output expansion of 2 percent in 2015 to 4.7 million tonnes (3.1 million tonnes, milled basis). All of the projected increase is forecast to concentrate in **Madagascar**, where larger

plantings, facilitated by adequate rains in the main central and northern producing regions, would sustain a 3 percent annual expansion to 4.1 million tonnes (2.7 million tonnes, milled basis) in 2015. This would be the second consecutive year of production gains following the weather and locust-related lows attained in 2013. However, the recovery is expected to be moderated this season by damages inflicted by the January and February passage of cyclones and by localized losses to dry spells in the southern part of the country. Meanwhile, official efforts to ensure a positive outcome to the season are concentrating on promoting the adoption of improved seed varieties, as well as infrastructural improvements, especially those concerning irrigation facilities.

The production outlook is negative for all other producing countries in the southern Africa, much as a result of erratic precipitation. Individually, **Zambia** is assessed to have been most affected, with officials estimating that late and insufficient rains resulted in a 49 percent decline of output to a seven-year low of 26 000 tonnes (17 000 tonnes, milled basis). **Malawi** and **Mozambique** were also negatively impacted by a combination of late seasonal rains and subsequent heavy downpours leading to floods. In the case of **Malawi**, FAO estimates that these factors translated into an 8 percent contraction in production to 120 000 tonnes (78 000 tonnes, milled basis). As for **Mozambique**, output is expected to drop to 365 000 tonnes (244 000 tonnes, milled basis). This would be down from a revised estimate of 383 000 tonnes (256 000 tonnes, milled basis) for 2014, a new high achieved last season thanks to yield improvements and notwithstanding recurring flooding problems.

Central America and the Caribbean

Production prospects dampened by El Niño related uncertainties

As harvesting activities of 2014 secondary crops come to a close in Central America and the Caribbean, estimates released by governments point to a more pronounced impact of water shortages on crops than previously envisaged. Combined, these brought aggregate production for the sub-region to 2.98 million tonnes (1.9 million tonnes, milled basis), down 6 percent from 2013. At a country level, the largest downward adjustments concerned **Cuba**, which is officially assessed to have endured a 14 percent year-on-year production drop to 576 000 tonnes (385 tonnes, milled basis), as a result of tight water supplies for irrigation. Estimates for 2014 have also been lowered in the **Dominican Republic**, as drought conditions developing over the last quarter of the year are now assessed to have erased all the benefits from favourable climatic conditions and attractive prices earlier in the year. Thus, overall output in the largest producer of the sub-region ended

only marginally above the 2013 result, at 910 000 tonnes (546 000 tonnes, milled basis). Together with drought induced shortfalls in **Guatemala, El Salvador, Haiti, Nicaragua** and **Panama**, these losses more than offset gains in **Honduras** and **Mexico**.

Meanwhile, current prospects for 2015 production in Central America and the Caribbean point to little-to-no production growth from the poor 2014 performance. Dampening the outlook is primarily the emergence of the El Niño phenomenon, which associated with repressed rains over parts of the sub-region, may exacerbate the already short water supply situation prevailing in various countries at the onset of the season. For instance, in **Costa Rica**, forecasts released by national authorities indicate that under the influence of the weather anomaly the June-August period could see widespread precipitation deficits along Pacific regions of the country, while excess rains could fall over the Caribbean areas of the country. The outlook is particularly dismal for the Chorotega region, where between 4 000 and 5 000 hectares, or 8 percent of national plantings, are cultivated under rainfed conditions during this period and where rainfall deficits of up to 80 percent are foreseen. Pending developments in the coming months and considering that part of these potential cuts could be compensated by greater plantings in the Caribbean producing regions or during the secondary crop cycle, FAO forecasts production in Costa Rica at 245 000 tonnes (160 000 tonnes, milled basis), unchanged from the 2014 estimated level. Following a poor harvest last season, persistent precipitation deficits in **Cuba** are reported to have caused water levels in major reservoirs to stand short of the 40 percent of capacity mark a month into the conventional start of the rainy season, a period that coincides with sowing activities of spring crops across the country. The tight water supply situation has particularly disrupted planting operations in eastern areas of the country. While recent Government efforts to stimulate growth in the agricultural sector have verged towards lowering input costs and setting new procurement prices, Cuba's production is now expected to incur a second consecutive drop to 530 000 tonnes (354 000 tonnes, milled basis), much as a result of the unseasonable dryness. Production in the **Dominican Republic** is currently forecast at 912 000 tonnes (547 000 tonnes, milled basis) in 2015, broadly stable compared with last year. This is notwithstanding the positive impact that sector efforts to confine plantings to two annual crop cycles, in order to avert pest attacks, may have on average yields. In **Haiti**, the 2015 spring campaign, which normally accounts for close to a third of overall output, was marked by a late establishment of the seasonal rains, compounding on difficulties posed by limited supply of basic inputs and irrigation infrastructure in disrepair. As a result, output in the country is provisionally forecast to fall

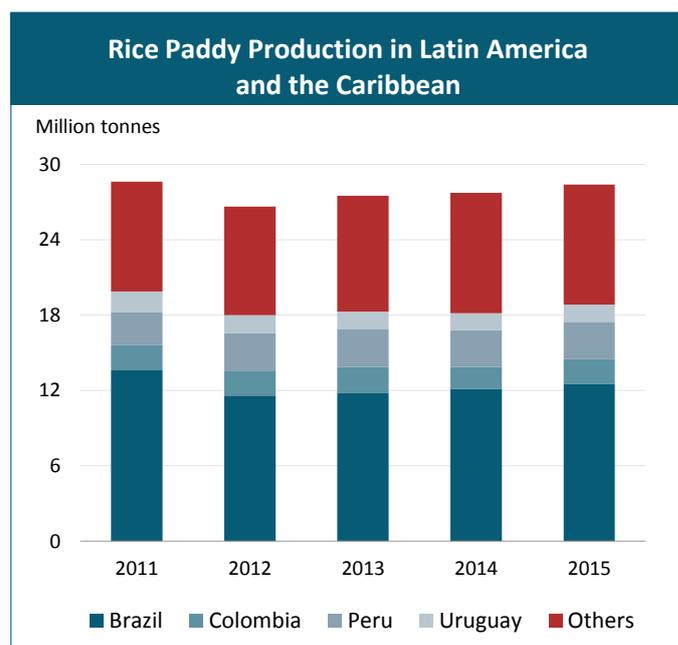
4 percent below the 2014 poor turnout, amounting to 120 000 tonnes (80 000 tonnes, milled basis).

South America

Improved prospects in Brazil raise 2015 production forecasts for South America to near record levels

The 2015 season is well advanced in South America, where most countries have concluded harvesting their main paddy crops. Production prospects for the sub-region have improved by 635 000 tonnes since April, on field assessments indicating a less pronounced impact of planting delays on yields caused by above average rains in important producing countries. On aggregate, the sub-region is now envisaged to close the 2015 season gathering 3 percent more than in 2014, or 25.4 million tonnes (17.1 million tonnes, milled basis). If confirmed, this level would stand second only to the 2011 all-time high. Following a challenging start to the season, **Brazil** is set to account for much of this expected growth, thanks to improved climatic conditions, which raised yields to record levels. More conducive weather and attractive prices are also forecast to sustain recoveries in **Bolivia, Ecuador, Colombia** and **Peru**, with further gains anticipated in **Chile, Guyana** and **Paraguay**. These would serve to compensate for cuts in **Argentina** and **Venezuela**, in all cases primarily associated with reduced plantings amid expectations of poor margins.

Based on the latest government assessments, the May ended harvest in **Argentina** yielded 1.55 million tonnes (1.1 million tonnes, milled basis), down 2 percent from 2014, but 60 000 tonnes more than previously envisaged.



The contraction was imputable to a 2 percent cut in plantings to 239 000 hectares, as high production costs associated with fuel-powered irrigation and added pest problems in the case of Santa Fe province negatively influenced planting decisions. Climatic setbacks, which resulted in a loss of 6 500 hectares of plantings to floods, compounded on the prospects of poor returns. This is even as late plantings and successive excess rains are assessed to have had little impact on yields, which recovered by 3 percent relative to their 2014 weather depressed levels, to an average of 6.7 tonnes per hectare.

Following two consecutive seasons of production cuts in the aftermath of poor weather and low price prospects, the 2015 season in **Bolivia** is assessed to have concluded with a harvest of 420 000 tonnes (288 tonnes, milled basis). This would be up from a revised official estimate of 378 000 tonnes (259 000 tonnes, milled basis) for the previous year, with the expansion chiefly attributable to an expansion of area. On the backdrop of large availabilities amassed through large imports in 2014, quotations in Bolivia came under considerable downward pressure following the arrival of 2015 supplies in the local market. By May, wholesale prices in the main producing region of Santa Cruz stood 17 percent below year-earlier levels. The depressed price situation has prompted the sector to call for greater border surveillance, while, in parallel, officials have previewed their intentions of allowing rice exports. These have remained subject to Government approval and caps since restrictions were introduced in 2008 on a number of agricultural commodities.

In **Brazil**, where the bulk of the season's crop has already been collected, CONAB has raised its forecast of 2015 production by 400 000 tonnes since April to 12.5 million tonnes (8.4 million tonnes, milled basis). The forecast level would stand 3 percent above the 2014 harvest result. The expansion is solely attributable to yield improvements, which compensated for a 3 percent cut in coverage to 2.3 million hectares, owing to competition with other crops and adverse weather conditions. At a sub-national level, nearly all of the season's production growth is expected to

concentrate on Rio Grande do Sul, where record yields look set to boost output to 8.6 million tonnes (5.8 million tonnes, milled basis), up 512 000 tonnes year-on-year. Despite initial concerns over the impact of some planting delays and pest attacks, crops benefited from adequate availability of water supplies for irrigation, with the bulk of crops planted within the recommended period buoyed by improved temperatures at critical stages of crop development, including reduced daytime/night-time differentials.

FAO has also raised its forecast of 2015 production in **Chile** based on a larger estimate of area under paddy. Facilitated by an adequate supply of water for irrigation at the onset of the season and Government efforts to enhance access to machinery and improved seed varieties, officials indicate that paddy plantings in the country rose by 6 percent to 24 000 hectares. This extension is now officially expected to give way to a 143 000 tonne (96 000 tonnes, milled basis) harvest, up 6 percent from the 2014 result. The forecast assumes yields return to more normal levels, given the warmer temperatures prevailing this season compared to 2014, although some losses are reported to have been incurred to unseasonable dryness midway through the season.

Production prospects remain favourable for **Ecuador**, where harvesting of the winter crop, the larger of the two crops cultivated each year, is about to conclude. Reflecting a recovery in paddy plantings, stimulated by attractive prices, output in the country is forecast to stage a 3 percent upturn in 2015 to 1.2 million tonnes (762 000 tonnes, milled basis). If confirmed, this level would represent the first production expansion to occur in Ecuador in three years, as floods and protracted pest problems have consistently constrained area and yields. The season has, however, not been without disruptions, given some delays in the establishment of the seasonal rains and diseases, which are reported to continue posing a challenge.

The outlook is similarly positive for **Guyana**, where 1.0 million tonnes (650 000 tonnes, milled basis) are projected

BRAZIL: PADDY PRODUCTION BY REGION IN 2014 AND 2015^{1/}

Region	Area (000 ha)			Yields (Mt/ha)			Production (000 Mt)		
	2014	2015	Var %	2014	2015	Var %	2014	2015	Var %
BRAZIL	2,373	2,312	-2.6	5.1	5.4	6.2	12,122	12,544	3.5
North	269	263	-2.1	3.6	3.8	5.1	967	996	2.9
Northeast	540	501	-7.2	1.7	1.7	-2.5	915	827	-9.5
Centre-West	230	225	-2.1	3.5	3.5	0.1	814	797	-2.1
South East	35	27	-21.3	2.5	2.8	13.5	87	77	-10.8
South	1,300	1,296	-0.3	7.2	7.6	5.7	9,339	9,847	5.4

1/ For Brazil: 2013/14 and 2014/15 paddy seasons

Source: CONAB – Crop 2014/2015 - Ninth Assessment – June 2015

to be gathered in 2015, up 2 percent year-on-year and above the Government target for the season of 618 000 tonnes (milled basis). Initial reports suggest a positive result to first, spring-crop, harvest, which benefitted from generally favourable growing conditions, notwithstanding some minor flooding problems.

Rice production in **Paraguay** has grown at an exceptional annual pace of 30 percent over the past five years, as the local industry consolidated its position in international markets, to which it destines over two-thirds of local output. The 2015 season is assessed to have been no exception, with continued area expansions, combined with producer efforts to advance plantings, so as to avert the possible adverse impact of a feared El Niño emergence in 2014, boosting production to 905 000 tonnes (634 000 tonnes, milled basis). This level would stand 12 percent above the record 2014 performance, although this year's expansion is estimated to have been comparatively more moderate, in part due to concerns over reduced flows in the Tebicuary river, from which paddies in the main producing regions of Misiones and Itapua rely on for irrigation. These culminated last August in a two-year Government suspension of permits for new or expanded areas to come under irrigation using waters from the river. At the same time, however, plans are underway to open new tracks of land for paddy cultivation along the banks of the Paraguay river, with a Brazilian investment to these effects considering to cultivate a first tranche of 5 000 hectares in 2015.

There have been only marginal adjustments to production forecasts for **Peru**, which, barring major setbacks, may reap 3.0 million tonnes (2.0 million tonnes, milled basis) in 2015. The 3 percent annual production upturn is notwithstanding some initial difficulties posed by delays in the establishment of the seasonal rains and subsequent losses to localised floods. Indeed, first quarter plantings were reported to stand nearly 30 percent ahead of progress a year earlier at 172 000 hectares, as initial limits to water supplies in major reservoirs in important northern coastal areas were fully erased by copious rains normally associated with the El Niño phenomenon in Peru. The encouraging water supply situation, with storage levels in major northern reservoirs standing between 84 and 96 of full capacity by late May, is reported to be prompting producers to favour rice over alternative crops such as cotton or maize.

The 2015 harvest in **Uruguay** came to full close in April. Production forecast for the country now stand at 1.4 million tonnes (952 000 tonnes, milled basis), which is some 110 000 tonnes above April expectations. The upward adjustments follows field reports of positive yield out-turns, as optimal weather conditions during the flowering and grain-filling phases mitigated the impact of

late plantings caused by excess rains lasting into mid-January. Nonetheless, at the revised level, production in the country would stand little over the reduced 2014 result, reflecting mounting production costs, which led producers to cut plantings for the fourth consecutive season.

Estimates of 2014 production in **Venezuela** have been raised by 200 000 tonnes to 1.3 million tonnes (893 000 tonnes, milled basis), following the release of official estimates of production. The revised figure would imply a 17 percent area-led expansion, made possible by remunerative prices. Meanwhile, prospects for the 2015 season, which, by now, has seen summer crops harvested, remain negative at 1.1 million tonnes (749 000 tonnes, milled basis). The 16 percent expected contraction reflects prospects of area cuts and yield losses prompted by limited availability and access to inputs and machinery, combined with prospects of poor returns. This is notwithstanding Government efforts to facilitate access to credit and inputs through ongoing schemes, such as the Agropatria programme.

North America, Europe and Oceania

Poor price prospects and cuts in drought-hit California curb plantings in the United States by 6 percent

In **North America**, sowing activities in the **United States** were completed by early June, after a number of southern producing states experienced delays due to unseasonable rains and cool conditions. Reflecting these disruptions, crop conditions as of 28 June were reported mixed, with 85 percent of crops in California rated in good to excellent condition, compared to 49 percent and 59 percent in Texas and Missouri, respectively. Based on the USDA's June Acreage report, a total of 1.12 million hectares were planted to paddy in the United States this season, some 70 000 hectares lower than suggested by the March survey of planting intentions. Much of the decline concentrated in the long-grain segment, which saw plantings curtailed by 6 percent to 839 000 hectares on poor price prospects. Nevertheless, scarce water resources following a four year-long drought also depressed plantings in high-yielding California by 11 percent compared to the already low 2014 level, to 156 000 hectares, a cut not fully compensated by larger coverage in southern producing states. Thus, medium/short-grain acreage also fell by 5 percent to 281 000 hectares. Based on this extension and on anticipation of yields remaining largely steady, production in the **United States** is now anticipated to contract by 600 000 tonnes to 9.4 million tonnes (6.6 million tonnes, milled basis).

In **Europe**, planting activities in the **European Union** drew to a close in May. FAO has maintained its positive outlook for 2015 production in the region at 2.95 million tonnes (1.8 million tonnes, milled basis). This is up from a somewhat higher estimate of 2.88 million tonnes (1.7 million tonnes, milled basis) for 2014. The 2 percent annual expansion is envisaged to result from a slight increase in area under paddy, mostly of japonica varieties, which, thanks to attractive prices, look set to continue displacing indica throughout the region. Seasonal progress has also been favourable to date, which, after two consecutive seasons of poor results, may help yields return to more normal levels of close to 6.8 tonnes per hectare. At a country level, the largest increase is expected to take place in Italy, which may end the season gathering 1.4 million tonnes (852 000 tonnes, milled basis), up 2 percent from 2014, owing to yield improvements and a largely stable area. The 2015 season in the country got off to a much improved start, with warm spring temperatures and drier conditions, especially relative to recent years, enabling planting activities to be conducted on a timely fashion. Spain is similarly expected to see output rising slightly to 870 000 tonnes (522 000 tonnes, milled basis), largely based on the reported plantings to date. At 112 000 hectares, coverage in the country would stand some 1 percent above year-earlier levels. In the case of Portugal, expectations of output gains to 172 000 tonnes (103 000 tonnes, milled basis) are instead linked to prospects of improved yields, after these were depressed last season by adverse weather and ensuing pest attacks. FAO's production forecast for the **Russian Federation** remains at 1.06 million tonnes, slightly above the 2014 level, with plantings progressing at a good pace and matching last year full level by 22 June.

In **Oceania**, **Australia** concluded the 2015 season harvest by June. ABARES' latest crop assessment has raised estimates of production in the country by 40 000 tonnes, still pointing to a 12 percent year-on-year contraction to a four-year low of 724 000 tonnes (483 000 tonnes, milled basis). A 4 000 hectare cut in area under paddy

contributed to this reduction, as limited and costly water supplies for irrigation impeded producers from reacting to strong japonica prices. Yields also fell short of the 2014 all time-high, although at close to 10.2 tonnes per hectares, 2015 productivity levels in Australia still stood above average, reflecting the overall conducive climate under which the season unfolded.

INTERNATIONAL TRADE

Waning import demand to curb global rice exchanges by 2 percent in calendar 2015

FAO has raised its forecast of global rice trade in calendar 2015 to 42.0 million tonnes (milled basis), which is nearly 700 000 tonnes above April expectations. On the import side, the revision primarily reflects expectations of greater deliveries than last foreseen for Bangladesh, Colombia and the Philippines. In the first two nations, the revised figures take into account of the brisk pace of inflows witnessed in the first months of the year, whereas expectations of greater imports by the Philippines are associated with Government efforts to refurbish stockpiles to avert the potential impact of ongoing El Niño event on crops. Combined, these changes more than offset cuts in import forecasts for the Islamic Republic of Iran, Yemen and Nigeria. On the export side, these upward adjustments were primarily met by higher export forecasts for India, which more than compensated for less buoyant predictions of consignments by both Thailand and Viet Nam.

Taking these changes into account, at 42.0 million tonnes, global rice trade in 2015 would stand 2 percent, or close to 800 000 tonnes, short of the 2014 record. The contraction is expected to be demand-driven, coming in the wake of generally good crops gathered in major rice importing countries. To some extent, the fall would also reflect the imposition of greater protective measures by some countries, amid concerns over cheaper imports

USA – 2015 RICE ACREAGE: AREA BY CLASS AND STATE^{1/}

Region	2014 (000 ha)				2015 (000 ha)			
	Long Grain	Medium Grain	Short Grain	All	Long Grain	Medium Grain	Short Grain	All
USA	893	282	15	1,189	839	268	13	1,120
Arkansas	514	87	0	601	465	97	0	563
California	2	160	14	176	1	142	13	156
Louisiana	159	28	-	187	158	24	-	182
Mississippi	77	0	-	77	73	0	-	73
Missouri	85	2	-	87	85	2	-	87
Texas	57	4	-	61	57	2	-	59

1/ Released June 30, 2015

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

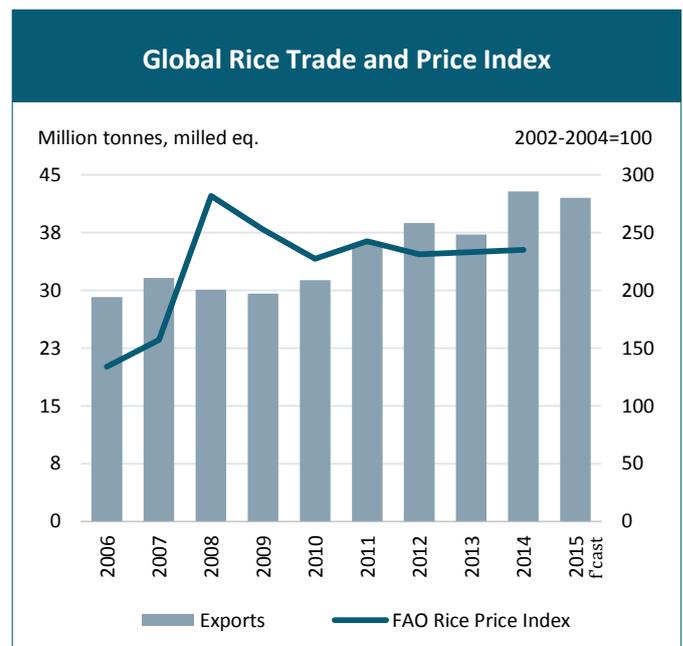
undermining local production. From a regional perspective, Asian countries are forecast to drive the year's reduction, although currency depreciations and large carryovers from a spate of imports in 2014 may also curb deliveries to African countries. Import demand is instead expected to remain firm elsewhere in the world, with reduced harvests in Latin America and the Caribbean actually boosting purchases in the region to an all-time high. Strong domestic demand may also keep consignments to Europe and North America at above-average levels, while greater flows to Oceania are mostly associated with a production shortfall in Australia.

Viewed from the supply side, the predicted contraction in world rice deliveries is still forecast to affect deliveries by India most, although amid continued expectations of a strong performance by Thailand, Viet Nam could also see its official exports slide to a six-year low. Argentina, Australia, Brazil and Uruguay are similarly envisaged to export less, owing to tighter availabilities or uncompetitive prices, while Cambodia, China (Mainland), Ecuador, the European Union, Guyana, Pakistan, Paraguay, the Russian Federation and the United States may all see their export performance improve in 2015.

Imports

Falling purchases by Bangladesh and Sri Lanka behind an expected contraction in 2015 deliveries to Asia

From a regional perspective, much of the anticipated decline in world rice trade in 2015 would stem from import cuts in **Asia**. Put together, countries in the region look set to see deliveries fall 3 percent short of the 2014 record to 20.1 million tonnes. At a country level, however, import forecasts have been upgraded for **Bangladesh**, as, spurred by high price differentials with its main traditional supplier, India, deliveries to the country continued at a brisk pace in the first months of the year. By April, cumulative consignments, all undertaken by the private sector and free of duties, crossed the 700 000 tonne mark. Yet, the large inflows, together with the progressive arrival of supplies from the Boro harvest have continued to exert downward pressure on local quotations, which, by May were 24 percent below their year-earlier level at Taka 22 700 (USD 292) per tonne (Dhaka). The conspicuous fall in prices and efforts to protect local farmers prompted officials that month to impose a 10 percent import duty on milled rice. On expectations that the greater protective measure will slow the pace of inflows over the remainder of the year and considering the narrowing of price differentials observed in recent months, 2015 consignments to Bangladesh are now forecast at 1.0 million tonnes. This would down from a higher estimate of 1.3 million tonnes in 2014, which already constituted a three-year import high for the country.



Next to Bangladesh, the largest single cut in 2015 Asian rice imports is expected to concern **Sri Lanka**. After taking in a record of 600 000 tonnes in 2014, Sri Lanka may see deliveries fall to 225 000 tonnes this year. The fall is expected to mirror a much improved local supply situation, which has also prompted officials to adopt a greater protective stance towards rice imports. This has come in the form of an import duty of Rupees 35 per kilo (USD 260 per tonne) put in place in May, which is higher than the Rupee 20 per kilo (USD 149 per tonne) tariff prevailing prior to the April 2014 removal of all charges on rice imports, a move designed to ease the then prevailing tight supply situation. After taking delivery of large volumes in 2014 to make up for output shortfalls, **Timor Leste** and **Turkey** are similarly expected to count on sufficient availabilities on store and from good harvests to trim imports over the year, whereas **Yemen** may see deliveries slide by 32 percent year-on-year to 300 000 tonnes. In the absence of any local production, Yemen relies exclusively on rice imports to meet an estimated 400 000 tonnes worth of domestic consumption needs. Yet, the naval blockade and disrupted internal markets associated with ongoing conflict have severely hindered rice flows to the country.

Among other important Asian buyers, import forecasts remain set at 900 000 tonnes for **Indonesia**, based on the favourable outlook for production in the country. Still, much uncertainty continues to surround official plans for the year, even if authorities remain committed to the pursuit of self-sufficiency in rice. This follows delays in harvesting activities, which combined with higher local quotations, limited domestic procurement by the state agency, Bulog, to 1.3 million tonnes by mid-June, less than half the targeted amount for the year. While Indonesian authorities ruled out the need to rely on foreign purchases

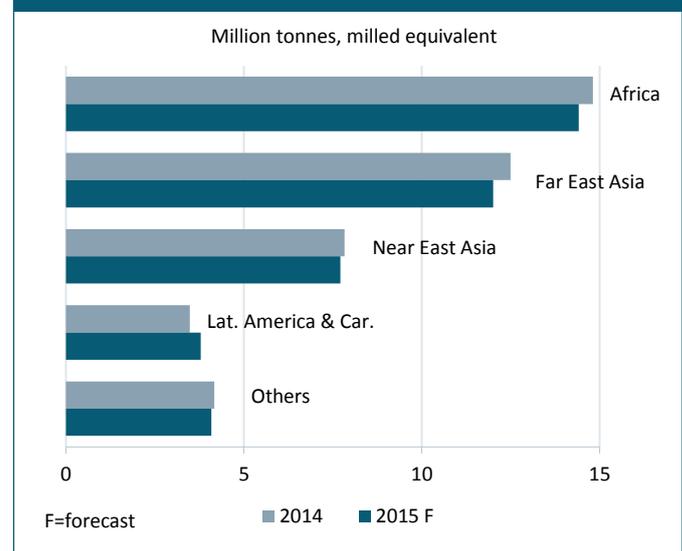
to meet rising needs during the month of Ramadan, provisions were made in June to enable the Government to cap prices of staples during periods of such high demand. Last year, a slow pace of procurement and the need to ensure sufficient supplies for welfare programs, while keeping government stocks at mandated levels, led to the approval of 425 000 of imports by Bulog. The move was largely behind a doubling of flows into the country to an estimated 1.0 million tonnes.

Current expectations are that cuts in these countries' imports will more than offset increases elsewhere in the region. Singularly, **China (Mainland)** is foreseen to record the largest year-to-year gain. Forecasts of formal imports by the country are set at 2.7 million tonnes, up 6 percent from officially reported import in 2014, on expectations that high local prices relative to offerings abroad will continue to stimulate the inflow of rice from abroad. The forecast level assumes that deliveries regain pace over the months to come. Indeed, cumulative consignments to China by May stood some 7 percent below year-earlier progress at 1.0 million tonnes. The lag reflected delays in the issuance of import licences, associated with the new requirements imposed earlier this year that make it requisite for private sector traders to purchase supplies from state reserves in order to receive import licences. Since emerging as a leading global importer of rice in 2012, China has relied on Viet Nam to supply the bulk of its needs. This is so on an official basis, but also through informal cross border trade through which between 1.5-2.0 million tonnes have been additionally received. More competitive prices have however enabled Thailand, once China's prime supplier with high quality rice, to regain footing in that market. Efforts to diversify the source of its supplies have also fostered official purchase deals with Cambodia and steps to officialise trade with Myanmar, which has also provided China between 0.7-1.0 million tonne of rice annually since 2012 through border trade, not recorded on China's official import statistics.

Imports by **Japan** in calendar 2015 are anticipated to remain in the order of 700 000 tonnes, broadly in line with its WTO commitments, while in the case of the **Democratic People's Republic of Korea**, 130 000 tonnes are now envisaged to be needed to compensate for drought-induced production shortfalls. Forecasts of deliveries by the **Republic of Korea** remain set at 460 000 tonnes, up 22 percent year-on-year. The increase would reflect delivery of volumes ordered under the country's 2014 Minimum Market Access commitments, under the assumption that all of the year's scheduled 409 000 tonne worth of imports under this year's WTO commitments are consigned within 2015. Import forecasts have, instead, been downgraded for the **Islamic Republic of Iran** to 1.4 million tonnes, which takes into account the slow pace of deliveries to the country witnessed to date. By May, cumulative import by

the country were officially reported at 406 000 tonnes, more than 200 000 tonnes short of the year-earlier level, mirroring sustained restraint by authorities in the issuance of import licences due to still ample domestic availabilities. The need to refurbish stockpiles is nevertheless expected to accelerate the country's pace of purchases in the latter part of the year, thus keeping overall consignments some 4 percent above year-earlier levels. In the case of **Malaysia**, 1.15 million tonnes are expected to be required from abroad to meet the consumption needs of a growing population, while **Nepal** may see purchases rice by 9 percent to 560 000 tonnes this year, owing to tighter domestic availabilities. A portion of this volume is expected to be made in the form of food aid, committed in the aftermath of the devastating earthquake that struck the country in April.

Rice Imports by Regions in 2014 and 2015



Meanwhile, forecasts of rice deliveries to the **Philippines** have been raised by 500 000 tonnes since April, mirroring steps taken by the Government to enhance rice inflows amid concerns over the impact of the El Niño on production. These have entailed purchase, to date, of 750 000 tonnes through Government-to-Government channels to ensure sufficient supplies for the lean season, with the National Food Authority (NFA) receiving approval to take-in an additional 250 000 tonnes should the impact of weather anomalies prove greater than foreseen. Under the terms of the WTO special treatment of rice, extended last year until June 2017, the NFA retains the first right to import Minimum Access Volumes (MAV) in any given year. Yet, this year has also seen officials revert to greater private sector participation in rice imports. Not only was the omnibus portion of the 2014 quota carried into 2015 and allocated to private traders, but the higher 805 200 tonne MAV quota for 2015 has been open to them in full. According to the June decision, this volume is to be

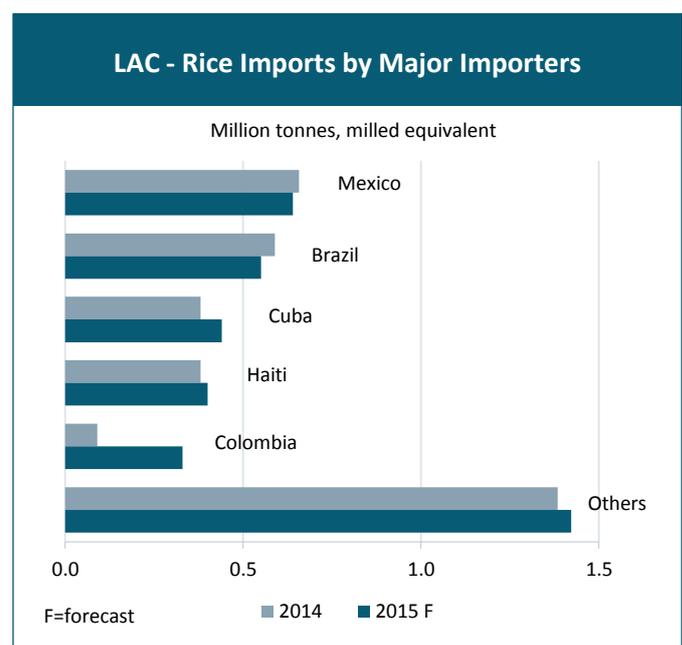
delivered by the end of November and will be subject to the lower duty of 35 percent. Such option is likely to remain attractive as, although subsiding, local prices remain at comparatively high levels. As a result, overall 2015 consignments to the Philippines are now envisaged to reach 2.0 million tonnes, up 100 000 tonnes from 2014 and a five-year import high for the country.

Combined, **African** countries are expected to take delivery of 14.4 million tonnes, down 3 percent from the record purchased in 2014 and 120 000 tonnes less than the April forecast. At a country level, the largest cut is predicted to take place in **Nigeria**, which on the backdrop of ample availabilities from stock and production, combined with a slide in the Naira, may reduce its purchases by 7 percent year-on-year to 2.8 million tonnes. In a move geared at encouraging greater domestic production and alleviating pressure on the local currency, heavily affected by the slide in petroleum prices, officials in Nigeria confirmed in June that importers of rice and other products would be barred from accessing foreign exchange markets and would have to rely instead on their own funds to purchase rice from abroad. The move is likely to exacerbate the uncertainty already surrounding the new government's stance towards rice imports, in particular, on whether the new administration will uphold the regime granting a lower import tariff of 30 percent to traders investing in local production, for a quota deemed necessary to cover the national supply gap. Queries surrounding payments of duty arrears for volumes imported in excess of quotas set by authorities for 2014 have already been associated with a slowdown in purchases by the country in the first months of the year. Under the regime, 1.5 million tonnes were allowed to be imported at the preferential duty rate in 2014, with officials announcing in April that this volume would be reduced to 1.3 million tonnes for the year ending in March 2016. Yet, a May decision by the late administration is said to have revised this volume down to just under 800 000 tonnes. Among other major buyers in West Africa, **Senegal** is envisaged to cut imports by 9 percent in 2015 to 1.2 million tonnes, reflecting the improved 2014 production results and expectations that a weaker West African CFA Franc will render imports more costly. In the case of **Guinea**, a 150 000 tonne cut in purchases to 400 000 tonnes is expected to be associated with sufficient supplies on store from a record pace of imports in 2014. Current indications are also that good crops will enable **Burkina Faso**, **Ghana**, **Mauritania** and **Togo** to reduce reliance on imports in 2015, while **Liberia** and **Sierra Leone** may still need to raise purchases to make up for Ebola related production losses.

Elsewhere in Africa, based on the current positive outlook for production, the **United Republic of Tanzania** is predicted to slash 2015 purchases by 105 000 tonnes relative to highs taken-in a year earlier to 80 000 tonnes. As part of the East African Community's (EAC) review of

the Common External Tariff (CET), effective 1 July 2015, Tanzania, along with Burundi and Uganda, will raise the specific duty on rice imported, from USD 200 to USD 345 per tonne, should the ad-valorem rate of 75 percent fall below that level. The new rate will, however, not be applied by either **Kenya** or **Rwanda**, as the two nations have again availed themselves of exemptions from the block's CET. The decision will keep a rice tariff of 45 percent in the case of Rwanda, while rice imports to Kenya will continue to accrue a duty of 35 percent (or USD 200 per tonne, whichever is higher). FAO currently foresees that strong local demand for rice will hold purchases by Kenya largely steady at highs of 590 000 tonnes in 2015, while in Rwanda imports edge up to 75 000 tonnes. In Southern Africa, import forecasts for **Angola** point to deliveries falling close to the 450 000 tonne quota set for the year, given the small volumes produced in the country, while **Madagascar** may cut them by 45 000 tonnes, to 300 000 tonnes, owing to some production improvements achieved this season. Meanwhile, amid depleted inventories and rising maize quotations, **South Africa** remains projected to step-up purchases in 2015 by 21 percent to 1.1 million tonnes.

Imports forecasts for **Latin America and the Caribbean** have been raised by 130 000 tonnes since April, now pointing to a 9 percent year-on-year increase in purchases by the region to a record of 3.8 million tonnes. Among **Central American and Caribbean** countries, expectations are that **Cuba** will take in 440 000 tonnes in 2015, some 50 000 tonnes more than envisaged in April and consistent with the poorer production outturn reported in the country. In the case of **Panama**, imports could rise to a high of 95 000 tonnes to compensate for output shortfalls, up from 66 000 tonnes in 2014. Last year, Panama entered into an agreement with Guyana for the supply of up to



60 000 tonnes annually, subject to renewal in 2015. More recently, a duty-free import quota of 45 360 tonnes of paddy was established, to be delivered by 31 December, and over and above the 14 520 tonnes of rice scheduled to be brought into the country free of duties under the US-Panama Trade Promotion Agreement. Panama has established a uniform duty of 90 percent for husked and semi/wholly milled rice imports carried out outside of existing trade agreements. Previously applicable rates varied from 15 percent to 50 percent in the case of husked rice and from 15 percent to 90 percent for semi/wholly milled rice. Similarly faced with reduced local availabilities on account of drought, **Guatemala**, **Haiti** and **Nicaragua** are all seen stepping-up imports in 2015, while a good crop, combined with the imposition of greater protective measures, may entail 3 percent cut in purchases by **Mexico** to 640 000 tonnes. In April, **Costa Rica** announced compensatory measures for the imposition of safeguard measures against imports of selected classes of milled rice this year from Argentina and Uruguay, the two most affected South American origins. Accordingly, 6 960 tonnes of milled rice from Uruguay will be permitted to enter Costa Rica annually through February 2019 at a 35 percent import duty, while a further 3 062 tonnes of paddy and 1 100 tonnes of parboiled rice would be exempted from duties during this period. In the case of Argentina the measure envisages 3 786 tonnes of milled rice being subject to an import duty of 35 percent, while another 2 235 tonnes of parboiled rice will be allowed to enter the country free of duties. Import forecasts for Costa Rica remain set at 70 000 tonnes, down 11 percent year-on-year.

Current indications are that purchases by **South American** countries will stage a sizeable increase in 2015, rising 14 percent over the 2014 depressed level to a record of 1.6 million tonnes. Much of this growth is expected to concentrate in **Colombia**, which, following a sharp production reduction last year and a spike in local quotations, may see imports rise to an all-time high of 330 000 tonnes. This volume would be up from the 90 000 tonnes purchased in 2014 and stand some 130 000 tonnes above April expectations. The revision mirrors a surge in purchases from the United States, much of which undertaken outside of the US-Colombia Trade Promotion Agreement, even if subject to an 80 percent import duty. Rice deliveries from the United States were already reported to have reached 222 000 tonnes by April, well over the 90 152 tonne quota set out under the trade agreement, 30 percent of which had still to be allocated by that time. Adding to this volume are a further 80 000 tonnes opened for import from Ecuador, also free of duties. Under expectations of a good 2014 seasonal turnout, forecast deliveries to **Venezuela** have been lowered to 300 000 tonnes, while **Peru** is also anticipated to hold purchases largely steady at 210 000 tonnes. By

contrast, a larger crop may enable **Bolivia** to cut imports by 40 percent to 55 000 tonnes, much of which originating from Argentina and Brazil. Indeed, a slide in local quotations following a good 2015 harvest has prompted the sector to call for greater protective measures against rice imports, including through the imposition of safeguard measures. Officials have already announced that greater border controls would be instituted to avert unofficial rice inflows across borders, while also contemplating issuing rice export permits to ease the prevailing oversupply situation. Meanwhile, in **Brazil**, greater domestic availabilities from a good crop, combined with a decline in exports, may curb imports by the country by 7 percent to 550 000 tonnes in 2015.

In the other regions, the pace of imports is expected to remain brisk in the **European Union**, in the aftermath of successive reductions in local production. At an official forecast of 1.5 million tonnes, 2015 purchases by the EU would stand 9 percent above year-earlier levels. By contrast, the **Russian Federation** may see consignments drop 14 percent below the 2014 record level to 260 000 tonnes, against the backdrop of a good harvest and weaker currency. Meanwhile, officials have raised forecasts of imports by the **United States** by 30 000 tonnes to 700 000 tonnes, which would be 7 percent less than in 2014, but still stand out as the second largest volume on record.

Exports

Viet Nam's hold over markets challenged by India and Thailand

Based on the latest figures, global trade in rice in calendar 2015 is set to fall 2 percent short of the 2014 record, to 42.0 million tonnes. On the supply side, India would be responsible for much of the contraction, although sales by the country have continued at a comparatively brisk pace to date, resulting in a higher export forecast for the country compared to April. Efforts to dispose of large public stocks, including through government-to-government deals, are also expected to keep deliveries by **Thailand** large relative to recent years. By contrast, **Viet Nam** may see official deliveries fall to a six-year low, amid subdued import demand and efforts by its key buyers to diversify the origin of their supplies. Production shortfalls and/or uncompetitive prices may also curb exports by **Argentina**, **Australia**, **Brazil** and **Uruguay**. On the other hand, abundant supplies may allow **Cambodia**, **China (Mainland)**, **Ecuador**, the **European Union**, **Guyana**, **Pakistan**, **Paraguay**, the **Russian Federation** and the **United States** to step up their shipments abroad.

Forecast of calendar 2015 exports by **Cambodia** remain set at 1.15 million tonnes, up 5 percent from a revised 2014 estimate, under expectations that reduced demand for

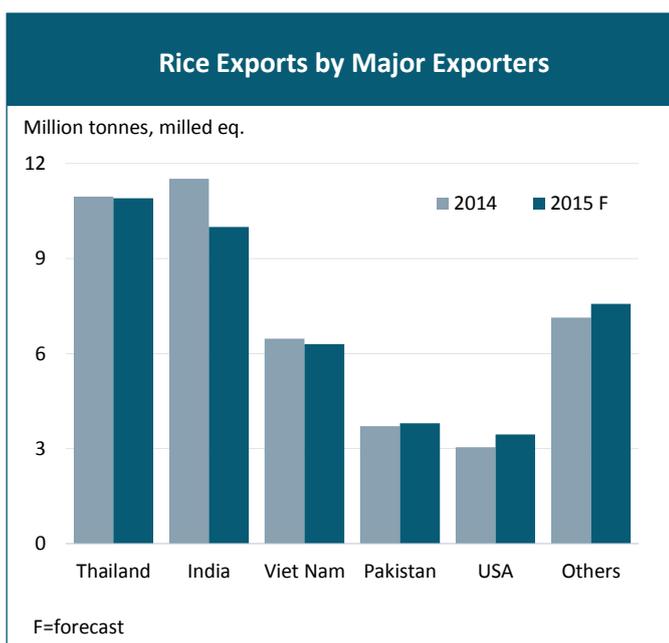
paddy for shipment across borders will be more than offset by greater direct deliveries of milled rice abroad. The latter have indeed progressed particularly well to date. Underpinned by greater consignments to China (Mainland) and a still firm pace of deliveries to the European Union, official exports from Cambodia in the first five months of the year rallied 64 percent over year-earlier levels, to 243 000 tonnes.

Exports forecasts for **India** have been raised by 700 000 tonnes since April to 10.0 million tonnes. The revision is in line with expectations of greater import needs in some of its traditional South Asian markets, mostly Bangladesh, and takes into account the competitive advantage India still holds over other major exporters. This has enabled monthly deliveries by the country to consistently surpass the 1.0 million mark since last September, resulting in 3.3 million tonnes being delivered over the first quarter of 2015. Albeit somewhat short of volumes shipped in the latter part of 2014, this level was up 13 percent year-on-year, buoyed by greater sales of parboiled rice, but also of basmati. The latter feat was sustained by rising deliveries to Saudi Arabia, the UAE and Iraq, as the much awaited return of the Islamic Republic of Iran to buy quantities as large as in 2013 failed to materialise. Indian basmati deliveries to Iran have remained subdued since early 2014, following Iran's application of stricter sanitary and quality control measures and a limited issuance of import licenses. Despite the upward adjustment, at 10.0 million tonnes, 2015 exports by India would still stand 1.5 million tonnes below the record achieved in 2014. Indeed, a tighter supply situation, following the reduced 2014 harvest, is still expected to hinder India's ability to compete with other exporters, resulting in a progressive slow-down of sales over the remainder of the year.

In the first five months of the year, shipments from

Pakistan reached 1.9 million tonnes, 5 percent above year-earlier levels. All of the growth stemmed from greater sales of non-basmati rice, especially to well-established East and Southern African outlets. Pakistan is facing greater competition on the Chinese market, but the local sector is working to gain greater access to new Asian outlets, including the Philippines. Deliveries to the latter essentially came to halt in 2014, yet the opening of a 50 000 tonne import quota under the Philippines' Minimum Access Volume this year has raised prospects of larger sales to the country. Pakistan's sales of basmati rice have not fared as favourably to date, as cumulative deliveries by May nearly halved to 180 000 tonnes. The fall comes amid intense competition with India, with further disruptions posed by difficulties to ship rice to Yemen, which has on average accounted for 78 000 tonnes of Pakistan's rice deliveries.

FAO's forecast of 2015 rice deliveries by **Thailand** has been lowered by 300 000 tonnes since April to 10.9 million tonnes, suggesting a replication of the excellent 2014 export performance. Thai deliveries to date have fallen behind, dropping to 2.8 million tonnes by April, 117 000 tonnes short of cumulative consignments in the corresponding period of 2014. The bulk of this reduction reflected lower shipments to West African outlets, consistent with the reduced demand from the sub-region, but also with the intense competition in those markets with India, whose supplies continue to be more competitively priced than those of Thailand. The forecast stability in Thai exports relies on expectations of a pick-up in sales in the second half of the year, in particular to Asian countries. Thai shipments to the continent have already outdone year-earlier levels, underpinned by steady sales to China (Mainland) and increased volumes to the Philippines. Thai deliveries to China have been so far sustained by an official sale agreement clutched last year,



with expectations that a commitment for an additional 2.0 million tonnes for delivery between 2015 and 2016 will be honoured. In this connection, indications are that an agreement is to be finalised in early July for consignment of the first 1.0 million tonne batch of the deal. While Thailand has been only partially successful in meeting the purchase terms of the Government of the Philippines to date, the country is anticipated to avail itself of the 293 000 tonne private sector import quota opened under the country's Minimum Access Volume.

Since reaching a high of 8.0 million tonnes in 2012, official rice exports by **Viet Nam** have consistently remained close to 6.5 million tonnes. The reduction mirrored a loss of long-grain market share in Africa, first to India and then to Thailand, as well as the reorientation of between 1.5 to 2.0 million tonnes of trade to unrecorded channels across borders with China (Mainland). While increased deliveries to the Philippines and China (also on an official basis) permitted the country to maintain its foothold in Asia during this period, Vietnam's position in these markets is coming increasingly under pressure. This is so as both China and the Philippines, which together accounted for over half of 2014 Vietnamese official shipments, have moved to diversify the origins of their supplies. Such efforts have, for instance, led China to sign import agreements with Cambodia and Thailand, while also taking steps to officialise trade with Myanmar. In the case of the Philippines, this step has mostly come in the form of an 805 200 import quota to the private sector, of which only 293 000 tonnes is opened exclusively to Vietnamese rice. Reflective of this trend, cumulative deliveries up to May already lagged some 11 percent behind year-earlier levels to 2.5 million tonnes. Against this backdrop, the industry is moving towards enhancing its position on both the fragrant and glutinous markets. Already in 2014, Viet Nam's fragrant and glutinous rice exports reached 1.0 million tonnes and 600 000 tonnes respectively. As a result and under expectations that efforts to gain share in these segments will help compensate for reduced indica deliveries, official rice shipments by Viet Nam in 2015 are now envisaged to amount to 6.3 million tonnes. This level would stand some 200 000 tonnes short of April expectations and 3 percent below the subdued 2014 performance.

In the Americas, the USDA has raised forecasts of 2015 rice consignments by the **United States** by 50 000 tonnes to a five-year high of 3.45 million tonnes. The 13 percent year-to-year export rebound is predicted to be sustained by greater outflows to traditional Latin American and Caribbean markets and to the Near East. This would be made possible by an easing of export quotations to more competitive levels, in the aftermath of a bumper 2014 harvest. Colombia looks set to be amongst the strongest performing outlets for the United States in 2015, having

taken consignment of up to 222 000 tonnes by April. This volume is more than two-and-a-half times the volume sold to Colombia in 2014 and well over the 90 152 tonne quota set out by the US-Colombia Trade Promotion Agreement, which has yet to be fully delivered. The US rice industry retains that sales to Colombia could be topped further, were a temporary phytosanitary protocol, which requires that paddy consignments be restricted to a single Colombian port, be lifted.

In the long-grain segment, the forecast rebound in the United States' deliveries could bear negative implications for various South American origins, which compete with the US for markets in the Americas as well as in the Near East, particularly in the much contested Iraqi market. Faced with supply shortfalls, **Argentina's** export prospects point to shipments falling 5 percent below 2014 levels to 470 000 tonnes. The decline is in line with reduced import demand in Brazil, its largest traditional market, a prospect that has prompted the sector to call for a suspension of the 5-10 percent export tax levied on shipments. In the case of **Uruguay**, export forecasts have been raised to 880 000 tonnes, consistent with the improved production outlook, although still foreshadowing a 3 percent annual retrenchment from a revised 2014 volume of 909 000 tonnes. Faced with a common prospect of subdued demand from Brazil, both Argentina and Uruguay are looking to raise shipments to Venezuela to mitigate sales shortfalls. Uruguay is further pursuing official talks with Peru, which normally accounts for up to 16 percent of its overall deliveries, to reduce charges on Uruguayan rice imports. In spite of an improved supply situation, **Brazil** too is envisaged to see its exports negatively impacted by uncompetitive prices relative to major origins. At an expected 800 000 tonnes, Brazilian rice sales in 2015 would stand 4 percent short of a year earlier, while still well above pre-2010 levels, amid expectations that the slide in the Real will cushion part of the fall. On expectations of further inroads made in shipping supplies to Brazil, the outlook remains favourable for exports by **Paraguay**, at 460 000 tonnes, and even more so for **Guyana**, at 550 000 tonnes. This would be up from a higher official estimate of 501 000 tonnes for 2014, itself representing a 27 percent gain from 2013. The record performance was underpinned by greater sales to Venezuela under the Petro Caribe accord, while Guyana continues to benefit from preferential access to Caribbean and European Union markets.

Among Japonica exporters, expectations of production shortfalls are behind a forecast 4 percent cut in rice deliveries by **Australia** to 390 000 tonnes. The outlook is more favourable for the **Russian Federation** and the **European Union**. In the case of the former, FAO anticipates the bumper 2014 harvest to facilitate a 9 percent increase in rice consignments in 2015, much of

which destined to Turkey for processing and re-export. On the other hand, officials envisage the EU to ship 319 000 tonnes in 2015, up from a higher estimate of 257 000 tonnes in 2014, the bulk of which also destined to Turkey.

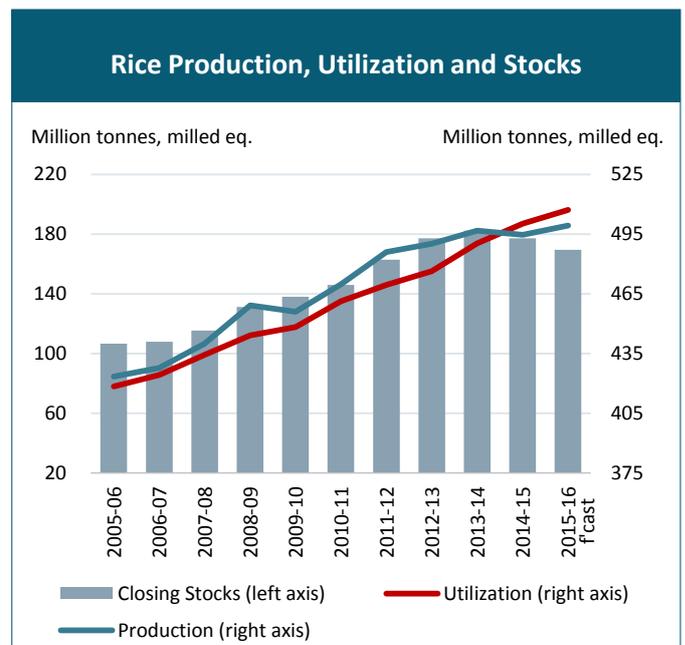
RICE UTILIZATION AND DOMESTIC PRICES

Expectations of greater feed and industrial use raise the forecast of world rice utilization in 2015/16 by 1.5 million tonnes

Forecasts of global rice utilization in 2015/16 have been upgraded by 1.5 million tonnes since April to 507.2 million tonnes (milled basis), implying a 6.9 million tonne annual increase. Behind the upward adjustment are primarily expectations of greater use of rice for feed and industrial processing than last reported. In particular, forecasts of forecasts feed use in 2015/16 have been raised by 600 000 tonnes, following indications by Vietnamese authorities concerning volumes normally used for feed purposes on-farm, and expectations of greater consumption by the livestock sector in Thailand. The country is now expected to destine about 1.8 million tonnes, mostly brokens, to the animal feed industry in 2015, 200 000 tonnes more than in 2014, a rise facilitated by greater supply of brokens from government stock releases. Despite the upward adjustment, at 15.1 million tonnes, world the use of rice as feed would account for barely 3 percent of total global rice utilization.

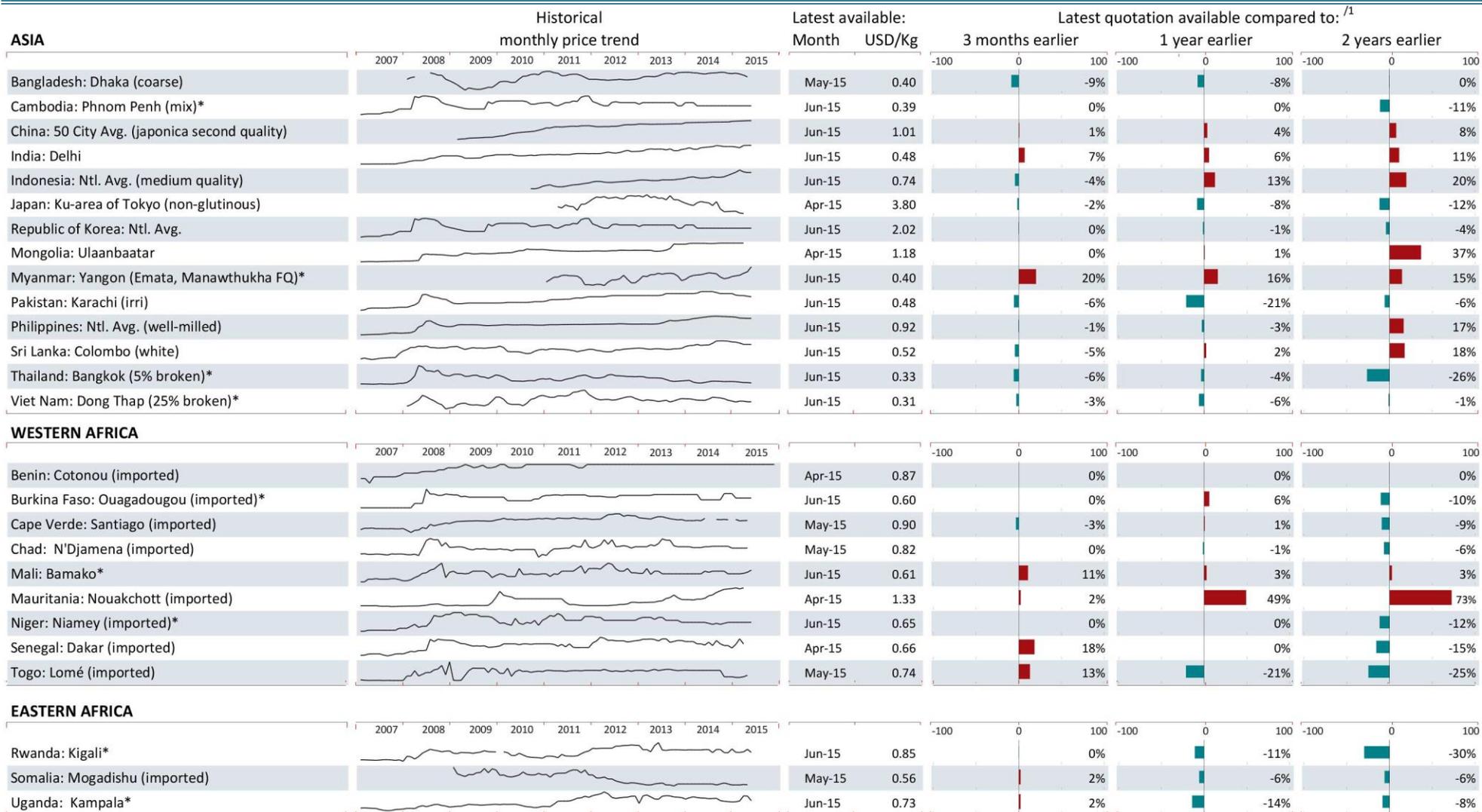
Put together, other uses, which include seed, industrial uses and post-harvest losses, are predicted to absorb 72.5 million tonnes of rice in 2015/16, up 1 percent from a year earlier and 1.2 million tonnes above April figures. At a country level, much of the adjustment has concerned China (Mainland), where alcoholic beverages account for the bulk of non-food rice industrial use. Forecasts of other-uses by Thailand were also raised, consistent with official endeavours to liquidate supplies held in public store that are no longer deemed fit for human consumption.

Despite these upward adjustments, much of the year's predicted growth in world rice consumption in 2015/16 is still expected to be underpinned by greater consumption of rice as food. At a projected 419.6 million tonnes, world food intake would stand 5.8 million tonnes over year-earlier levels, with the volume sufficient enough to keep the **global per-caput food use** figure stable at 57.4 kilos per person. The forecast reflects expectations of broadly steady levels of per caput food consumption in **developing countries** of 68.1 kilos and in **developed nations** at 12.3 kilos per person.

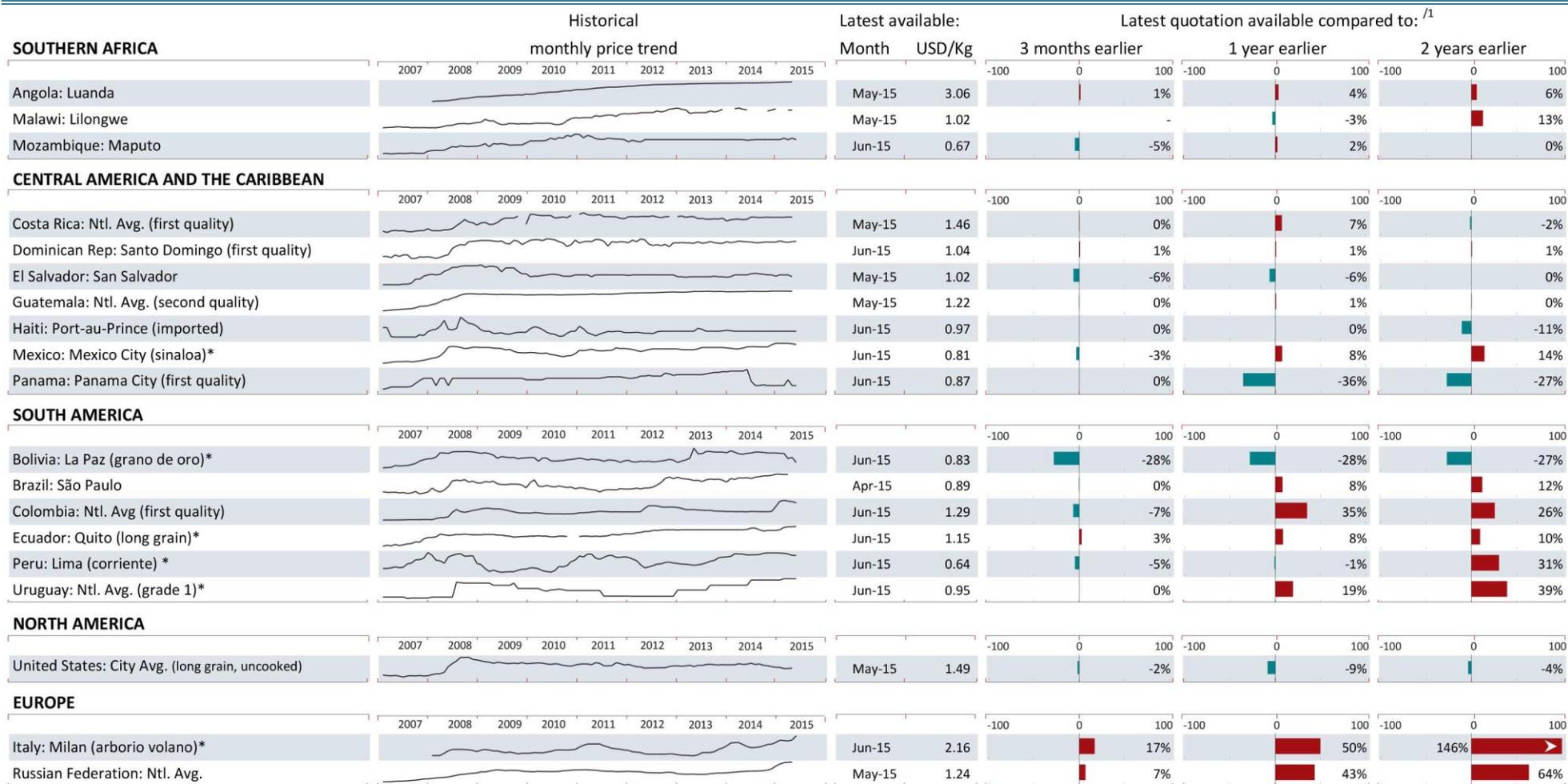


Retail/wholesale price developments in the second quarter of 2015 were mixed across much of **Asia**. Among the traditional rice importers, **Bangladesh, Indonesia, Sri Lanka** and, to a lesser extent, **the Philippines** saw quotations subside relative to their levels three months earlier. In most cases, this trend was consistent with the arrival of freshly harvested supplies into the market, although in the case of Bangladesh and Sri Lanka, these were supplemented by large imports. Ample stock availabilities also continued to exert downward pressure on local prices in **Japan**, whereas slides in **Pakistan, Thailand** and **Viet Nam** were all associated with subdued export demand. By contrast, in **Myanmar**, large sales abroad, in particular to China (Mainland), have resulted in steady domestic price rises since November 2014, with tighter availabilities and a still upbeat pace of exports also sustaining increases in **India** over the past three months. In **Africa**, the onset of the traditional lean season combined with strong local demand over the month of Ramadan have supported quotations in **Mali**, with prices also recovering in **Senegal** and **Togo**. Price variations were more limited across the rest of the continent, although quotations in **Mozambique** showed a tendency to subside following the completion of main crop harvests. In **Latin America and the Caribbean** the most conspicuous price developments concerned the southern cone. In particular, improved supply availabilities from production and imports brought prices down in **Colombia, Peru** and especially **Bolivia**. Despite these recent movements, quotations in **Brazil, Colombia** and **Ecuador** remain noticeably higher than year-earlier levels. **Elsewhere** in the world, local quotations continued to increase in both **Italy** and the **Russian Federation**.

DOMESTIC RICE PRICES IN SELECTED COUNTRIES



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¹ Quotations in the month specified in the third column were compared to their levels in the preceding three, twelve and twenty-four months. Price comparisons were made in nominal local currency units.

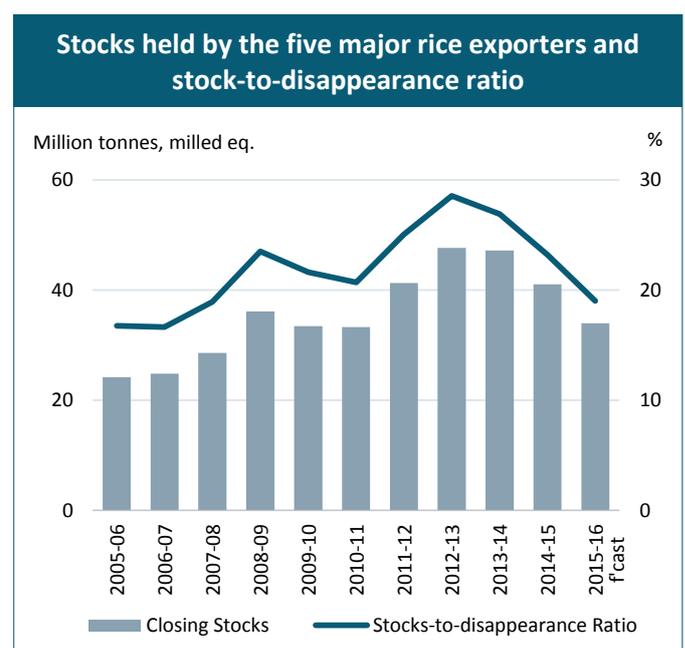
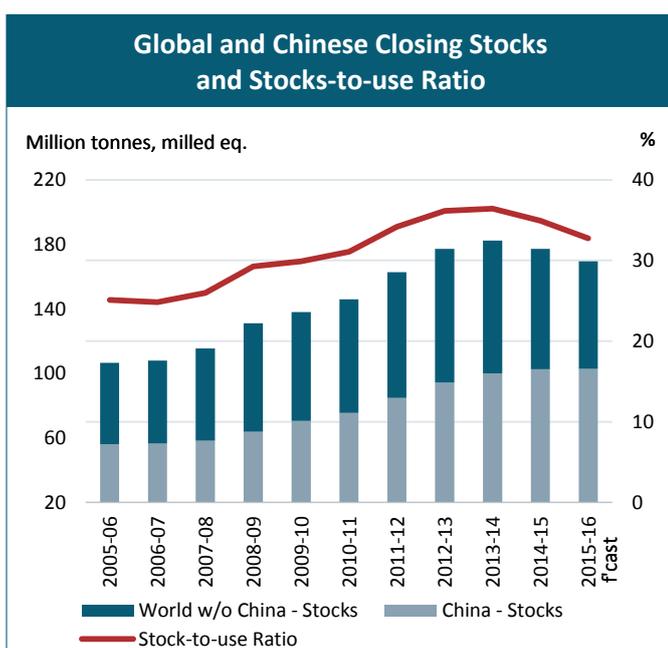
* Wholesale prices.

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

CLOSING STOCKS

World rice inventories to fall by 7.8 million tonnes in 2016, on major exporter drawdowns

Forecasts of world rice stocks at the close of marketing years ending in 2016 have been lowered by 1.6 million tonnes since April to 169.4 million tonnes (milled basis). At a country level, the largest downward revision has concerned India, but forecasts of carryovers were also cut for Bangladesh, the Islamic Republic of Iran, Nepal, Thailand, the United States and Viet Nam. Combined, these more than offset upward adjustments to inventory figures, the largest of which corresponded to Indonesia, but also Brazil, Cote d'Ivoire and Pakistan. Taking these changes into account, **global rice inventories** in 2016 are predicted to fall 7.8 million tonnes short of their opening level. This would mark the second consecutive year of stock-drawdowns, but follow nine years of uninterrupted accumulation, leaving world carryovers still above levels estimated for 2012. The relative abundance is mostly reflective of expectations of sizeable inventories being held by **China (Mainland)**, of close to 103 million tonnes. This would come amid a combination of successive production gains in the country, reported declines in rice food consumption as diets in the country diversify, together with large purchases conducted by the public sector. Nevertheless, much uncertainty surrounds the true size of carryovers in China (Mainland). Put together, rice **inventories elsewhere in the world** are predicted to incur an 8.1 million tonne contraction to their lowest level since 2008. Mirroring these trends, the **world stocks-to-use ratio** is forecast to fall to 32.8 percent in 2015/16, down from 34.9 percent the previous year.



Among the **five major rice exporters**,³ forecasts of 2016 rice inventories held by **India** have been set at 15.0 million tonnes, down 1.0 million tonnes from April expectations and 3.0 million tonnes short of a revised opening level. This would be in line with a less buoyant outlook for crops in the country, but also with state efforts to liquidate excess public inventories amassed over previous years. Such endeavours, even in the face of delayed progress in the implementation of the National Food Security Act, are predicted to bring Government stock levels closer to the 10.2 million tonne floor mandated under the revised Buffer Stock Norms for the 1 October end of the marketing season in India. Forecasts of rice inventories by **Thailand** have also been lowered by close to 1.0 million tonnes to 10.6 million since April, under expectations of an brisk pace of exports, together with prospects of a below average harvest and official efforts to reduce the size of the public stockpile. Besides resuming the releases of rice from state reserves and promoting government-to-government sales abroad, such efforts have recently also entailed announcements that volumes in state granaries would be destined for feed and industrial uses. To these effects, 5.9 million tonnes of stocks have been targeted for industrial uses, mostly for ethanol production. In **Viet Nam**, inventories are expected to hold broadly steady year-to-year, while expectations of increased exports are behind small drawdowns in **Pakistan** and **the United States**. In the case of Pakistan, 2016 carry-overs are expected to reach 700 000 tonnes, down from a five-year high of 800 000 tonnes in 2015. Amid poorer crop prospects, stocks in the United States may see a 4 percent decline to 1.4 million tonnes, still the second highest level since 2012. Based on these trends, the major exporters' carryovers would fall to a five-year low of 34.0 million tonnes in 2016, resulting in their **stock-to-disappearance**

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

ratio⁴ falling from 23.2 in 2014/15 to 19.0 percent in 2015/16, its lowest since 2007/08.

All combined, **rice importing countries** are predicted to end their individual marketing years with 30.7 million tonnes in store, or 1 percent less than in 2015. Among them, the largest year-to-year cut is envisaged to take place in **Bangladesh**. Primarily reflecting falling purchases from abroad, in part reflecting greater protective measures, rice stockpiles in the country are predicted to fall 10 percent short of the 2014/15 record to 6.5 million tonnes. A more restrained pace of imports may similarly require the **Islamic Republic of Iran** to continue drawing from stocks to meet consumption requirements. **Nepal** is now anticipated to draw more than 100 000 tonnes from stocks to compensate for production cuts and supply losses associated with the adverse weather and the April earthquake. The **Chinese Province of Taiwan, Nigeria** and **Senegal** are all similarly forecast to hold less by the close of their marketing years, but declines in these countries would be largely offset by gains elsewhere. In particular, in **Indonesia**, a 16 percent expansion in inventories to 6.5 million tonnes is expected to be associated with a bumper harvest this year. Under current prospects of an improved production and falling deliveries abroad, reserves held by **Brazil** are also officially expected to approach 650 000 tonnes, close to 100 000 tonnes above their tight levels a year-earlier. In the case of the **Philippines** stockpiles are forecast to stay largely unvaried at 2.2 million tonnes, with the relative stability, reflecting expectations of still above-average imports to make-up for production shortfalls. Rice reserves by the **European Union** are also expected to remain largely unchanged from 2015 lows, on anticipation of a still vigorous pace of exports.

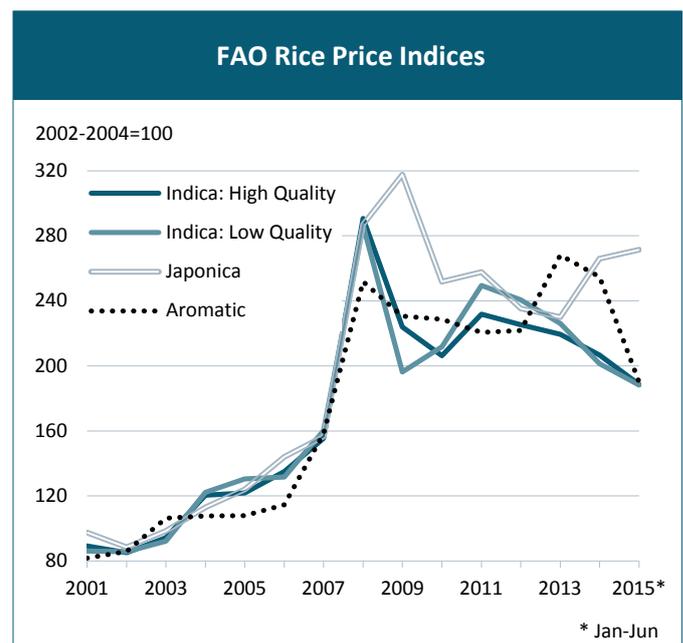
INTERNATIONAL PRICES

Large supply availabilities and subdued buying interest continue to weigh on rice export prices

International rice export prices continued to soften in the second quarter of the year, as reflected by the FAO All Rice Price Index (2002-2004=100) falling 3 percent below March values to 213 points in June. Across the various rice market segments, the tendency for prices to weaken was most evident in the fragrant market, reflecting a combination of subdued buying interest and large export availabilities from bumper harvests. As a result, the Aromatica price Index was 6 percent below its March level in June at 182 points, its lowest value since October 2007. Trends were more mixed in the long-grain segment, with a dearth of sales driving a 3 percent slide in the Higher

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

Quality Indica Index to 184 points. Instead, a combination of tight supplies for brokens and strong domestic demand in some major origins lent support to the quotations of lower quality Indica rice, thus keeping the respective Index close to March levels at 188 points. Meanwhile, weak buying interest prolonged the tendency for medium/short grain prices to subside into the second quarter, despite prospects of smaller crops in this segment. As a result, the Japonica Index shed 7 points since March to arrive at a June value of 265 points. Based on these tendencies, the January-June average of the Index stood 7 percent below year-earlier values. Excepting for medium/short-grain rice, the decline reflected an easing of prices in the indica market segments and in particular softer fragrant prices.



Looking at the major origins, benchmark 100% B in **Thailand** is now quoted 8 percent below March values at USD 385 per tonne. Despite a smaller rice harvest, quotations were depressed by a combination of sluggish buying interest, a weakening currency and ample warehouse availabilities. Particularly heavy falls were incurred in May, when the Thai Baht slid to its lowest level in five years, with an official announcement of a resumption of rice sales from Government granaries adding pressure on prices. These were interrupted in March to avoid pressuring local quotations during harvest time. To date, the sales plan has seen 840 000 tonnes of rice offloaded through a June auction. This would represent 79 percent of volumes offered through the auction, underscoring the still firm demand for publicly held supplies, notwithstanding declarations as to their poor quality, which would have rendered a large share of them unsuitable for human consumption. Officials have scheduled a second tender for another 1.4 million tonnes on 7 July. If fully awarded, they would bring total volumes

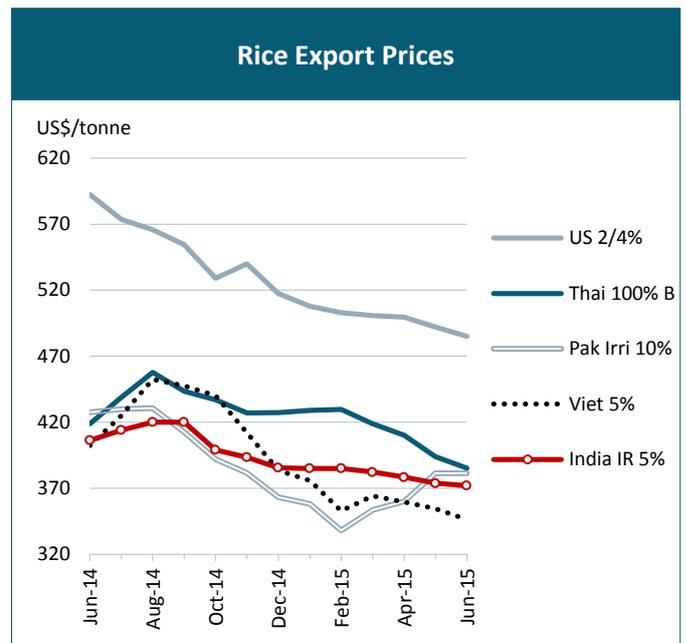
of rice released from Government stores since the start of the year to 3.5 million tonnes.

Weak buying interest similarly weighed on rice export prices in **India**. Particularly affected was the parboiled segment, which saw quotations of IR64 PB 5% slide 6 percent below March values to USD 365 per tonne. The easing of prices was in line with lukewarm demand from well-supplied West African buyers, namely Nigeria, with additional pressure exerted by a weaker Rupee. The tendency for prices to fall was more contained in the white rice segment, in the order of 1 percent in the case of 25% broken rice, influenced also by the gradual arrival of the Rabi crop into the market. Quotations of fragrant varieties similarly eased, especially for traditional basmati now quoted at USD 1 300 per tonne, down from 1 325 in March, although some temporary support was lent by the anticipation of an imminent resumption of trade with the Islamic Republic of Iran, which, however, failed to materialize.

A lack of substantial sales tended to extend the downward streak of long-grain quotations in the **United States**. At USD 485 per tonne in June, US N.2 4% prices stood 3 percent behind March values, still quoted close to USD 100 above quotations of comparable qualities from other origins. Despite concerns of an even smaller crop in drought-hit California, the weakness also dominated the medium-grain market, where, amid lack of buying interest, US N.1/4 quotes reached in June a 17-month low of USD 845 per tonne.

In **Viet Nam**, 25% broken was quoted 4 percent below March values by June. Underlying the weak performance have been the conclusion of 1.0 million tonne procurement programme for winter-spring crops in April and weak buying interest, an inconsistent demand from China (Mainland) across borders and a second small devaluation of the Dong in May. The award of a combined 250 000 tonne purchase by the Philippines on a government-to-government basis underpinned Vietnamese quotation somewhat in June. However, gains proved insufficient to reverse earlier losses, as sales to important Asian buyers remained consistently below year-earlier levels. The Viet Nam Food Association has meanwhile adjusted floor prices for 25% broken rice three times since March, last setting them at USD 340 per tonne, some 3 percent less than last reported.

Among the five major exporters, **Pakistan** stands out at the sole origin to have remained unaffected by the bearish sentiment dominating much of the long grain market. Buoyed by sales to traditional southern and eastern African countries and, in particular, by strong domestic demand ahead of Ramadan, Pakistan’s quotations of 25% broken rose steadily, touching a eight-month high of USD



353 per tonne in May. This tendency proved short-lived however, with a June lull in demand driving a partial reversal of these gains. The fragrant market was less resilient, with Pakistani Basmati actually shedding 12 percent of its value to USD 871 per tonne between March and June, as large availabilities and efforts to attract Near Eastern buyers ahead of Ramadan exerted pressure on prices.

As to prospects for the coming months, international rice export prices are expected to be influenced by the progress of main-crops in northern-hemisphere countries, as fresh supplies are not scheduled to enter the market until the last quarter of the year, when these harvests get underway. Given the spectre of El Nino-induced dryness, the progress of the monsoon rains over Asia will play a key role in shaping price expectations, as it will determine the size of crops in major global suppliers such as India and Thailand, but also the needs of important buyers. Indeed, an emerging reluctance to accept bids lower than current price levels could find further buttress in prospects of reduced main-crop availabilities. This is even as no major dearth of supplies appears imminent. On the contrary, large stockpiles availabilities in key suppliers and subdued importers’ interest continue to weigh heavily on market sentiment. In this context, buying decisions and government policies concerning the disposal of such stockpiles will hold particular sway, as will currency developments.

FAO Rice Price Indices					
	All	Indica		Japonica	Aromatic
		Higher quality	Lower quality		
2002-2004 = 100					
2011	242	232	250	258	220
2012	231	225	241	235	222
2013	233	219	226	230	268
2014	235	207	201	266	255
2014 June	236	209	202	263	265
July	239	212	206	265	265
August	242	215	213	263	271
September	239	207	208	265	272
October	235	203	204	260	268
November	233	199	200	289	211
December	224	195	191	283	187
2015 January	222	194	189	279	189
February	220	189	186	276	196
March	219	189	187	272	194
April	218	188	189	271	193
May	215	186	190	266	185
June	213	184	188	265	182
2014 Jan.-Jun.	235	208	199	261	264
2015 Jan.-Jun.	218	189	188	271	190
% Change	-7.3	-9.6	-5.4	4.0	-28.0

Source: FAO

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

RICE POLICY DEVELOPMENTS

Area	Date	Policy Instrument	Description
East African Community	Jun-15	Import tariff	Raised the specific duty levied on rice imports under the Common External Tariff to USD 345 per tonne, up from USD 200 per tonne previously. The duty is to be applied when an ad valorem rate of 75 percent of CIF value falls below this level.
Bangladesh	Jun-15	Budgetary allocations, production support, Government procurement, food subsidies	As part of its 2015/2016 budgetary allocations, announced that it would keep allotments to agricultural subsidies unvaried at Taka 90 billion (USD 1.2 billion), while continuing credit and input support programmes. Additional measures are to include infrastructural improvements, training and extension services, as well as continued support to research initiatives, including those related to breeding of improved rice varieties. The 2015/2016 (July-June) rice import target was set at 100 000 tonnes. An additional 1.5 million tonnes are expected to be procured from local markets by the Government, with 2.8 million tonnes of grain (of which 1.7 million tonnes corresponding to rice) distributed under existing welfare schemes, up 9 percent from a revised 2014/15 target.
Bangladesh	Apr-15	Production support	Renewed incentives for Aus paddy cultivation for the 2015 season, allocating Taka 302 million (USD 3.9 million). The funds will serve to provide up to 210 000 farmers with subsidized fertilizers and seeds of high yielding and Nerica rice varieties, facilitating production of an additional 70 000 tonnes of Aus rice.
Bangladesh	May-15	Import tariff	Imposed a 10 percent import duty on semi/wholly milled rice, in an effort to protect the local farmers from competition with imports.
Costa Rica	Apr-15	Safeguard measures	Allocated annual import quotas to Uruguay and Argentina in a bid to compensate the two South American origins for the imposition of safeguard measures against imports of selected classes of milled rice. According to the decision, 6 960 tonnes of milled rice from Uruguay will be permitted to enter Costa Rica annually during the four-year duration of the safeguard application, subject to an import tariff of 35 percent, with an additional 3 062 tonnes of paddy and 1 100 tonnes of parboiled rice exempted from duties. In the case of Argentina, 3 786 tonnes of milled rice will be levied an import duty of 35 percent, while 2 235 tonnes of parboiled rice will be allowed free of duties every year.
Cuba	May-15	Producer prices	As part of its efforts to encourage greater domestic production and cut reliance on imports, established new retail prices for a wide set of agricultural inputs, tools and equipment, while also setting purchasing prices of various agricultural products. In the case of paddy these were set at Pesos 190-250 per quintal (178-235 per tonne) and at Pesos 330-335 (USD 310-315 per tonne) for rice purchased by state entities, effective 1 June 2015.
Dominican Republic	Apr-15	Support prices	Paddy support prices set at Pesos 2 150–2 250 per 120-kg fanega (USD 397–415 per tonne) by the National Rice Commission.
Ecuador	May-15	Production support, support prices	Set paddy producer prices at USD 34.5 per 200 pounds (USD 380 per tonne) for the 2015 season, unchanged from the levels the previous two years.
India	Apr-15	Food subsidies	Extended the deadline for States and Union Territories to implement the National Food Security Act by an additional six months to 30 September 2015.

Area	Date	Policy Instrument	Description
India	Jun-15	Support prices, Government procurement	Raised minimum support prices by 4 percent to Rupees 14 100 (USD 220) per tonne of common varieties and to Rupees 14 500 (USD 226) per tonne of Grade A paddy. It further announced that provisions would be made to strengthen government procurement operations in Eastern Indian states.
Kenya	Jun-15	Import tariff	Renewed exemptions to the 75 percent rice import duty applicable under the Common External Tariff of the East African Community. According to the decisions, rice imports will continue to accrue a tariff of 35 percent (or USD 200 per tonne, whichever is higher) for a period of one year, effective 1 July 2015.
Liberia	Jun-16	Import tariff	Renewed import tariff exemptions on semi/wholly milled and broken rice in an effort to keep local prices from rising. The suspension will have immediate effect.
Mali	Jun-15	Import tariffs	Announced that in order to avert price increases in the month of Ramadan, duties on imported rice would be assessed against a lower value of FCFA 130 000 (USD 224) per tonne.
Nigeria	Jun-15	Import restrictions	Announced that importers of rice and 39 other products would be barred from accessing Nigerian foreign exchange reserves and would instead have to rely on their own funds to bring in these goods from abroad. The measure is geared at stabilising the local currency and encouraging greater domestic production of these commodities.
Pakistan	Jun-15	Budgetary allocations, production support, export promotion	As part of its 2015/2016 budgetary allocations, announced that in order to aid farmers face irrigation costs associated with reliance on fuel or electricity powered tube wells, credit incentives will be provided to agricultural producers to replace them with solar tube wells. Additional provisions include tax exemptions to rice processor facing losses arising from subdued export demand, further to the continuation of schemes facilitating access to credit, reductions to levies and taxes on imported agricultural machinery and equipment.
Panama	Apr-15	Import tariff	Raised import duties on husked and semi/wholly milled rice (whether or not parboiled) to 90%, effective 24 April 2015. Previously applicable rates varied from 15% to 50% in the case of husked rice and from 15% to 90% for semi/wholly milled rice. The decision also eliminates six tariff lines, including those for jasmine or basmati rice and for husked or milled imports in packages of up to 5 kilos for retail sale.
Panama	Jun-15	Import quota	Approved a shortage import quota of 45 360 tonnes of paddy, to be imported free of tariffs by 31 December 2015, on top of the 14 520 tonnes duty-free quota set out under the US-Panama Trade Promotion Agreement for the year.
Peru	Apr-15	Import restrictions, phytosanitary measures	Set forth the phytosanitary requirements to import paddy and husked rice from the United States.
Philippines	May-15	Import quota	Authorised the National Food Authority to import up to 250 000 tonnes of rice in order to refurbish inventories for the lean season. The National Food Authority also retains the option to import a further 250 000 tonnes should the need arise.
Philippines	Jun-15	Import quota	Conducted a tender to import 250 000 tonnes of 25 percent broken rice for delivery by mid-August 2015. Of this volume, 150 000 tonnes were awarded to Viet Nam on that occasion, with the remainder re-tendered on 16 June 2015 and awarded to Viet Nam the following day.

Area	Date	Policy Instrument	Description
Philippines	Jun-15	Import quota	Announced that applications to import 805 200 tonnes of rice under Minimum Access Volume (MAV) country-specific and omnibus quotas, subject to a 35 percent duty, would be opened to the private sector on 1 July 2015. Imported volumes are to comprise specialty rice and/or well-milled rice with less than 25% broken and to arrive no later than 30 November 2015.
Republic of Korea	Apr-15	Government procurement	Announced that it would purchase 77 000 tonnes of surplus produce from the local market, as part of its price stabilization measures. This volume would come in addition to the 563 000 tonnes previously purchased under the Public Rice Stockholding Program, to keep prices in check and for the ASEAN Plus Three Emergency Rice Reserve (APTERR).
Rwanda	Jun-15	Import tariff	Renewed exemptions to the 75 percent rice import duty applicable under the Common External Tariff of the East African Community. Rice imports will continue to accrue a tariff of 45 percent for a period of one year, effective 1 July 2015.
Sri Lanka	May-15	Import tariff	Heightened import duties levied on paddy, husked, semi/wholly milled and/or broken rice to Rupees 35 per kilo (USD 260 per tonne), up from a previous level of Rupees 20 per kilo (USD 149 per tonne), effective 6 May 2015.
Thailand	Apr-15	Production support	Approved a budget of Bath 476 million (USD 14.1 million) to extend subsidised insurance against natural disasters and diseases to rice farmers during the 2015/16 main season crop. Up to 240 000 hectares of paddies are expected to be covered by the programme, up from 130 000 hectares the previous year, with the area expected to double by 2016.
Thailand	May-15	Stock release	Decided to resume the release of supplies from Government stockpiles by putting 2.0 million tonnes of rice to auction between June and July 2015.
Thailand	Jun-15	Stock release	Reportedly sold 840 000 tonnes of rice from Government stocks for domestic use and export, out of a total of 1.07 million tonnes of white, glutinous, fragrant and broken rice offered through a tender held on 15 June 2015.
Thailand	Jun-15	Stock release	Announced that it would put 1.4 million tonnes of rice from Government stocks to auction on 7 July 2015.
Vietnam	Apr-15	Production support/Land conservation	Revised provisions put in place in 2012 to avert the conversion of paddies to other purposes. Effective 1 July 2015, the measures foresees the extension of Dong 500 000-1.0 million (USD 25-50) per hectare per year to support rice cultivation, up from the Dong 100 000-500 000 (USD 5-25) per hectare previously allotted, with the sum to be disbursed on top of existing state support for paddy cultivation. A separate Dong 10 million (USD 500) per hectare is to be allotted on a one-time basis to support land reclamation, with further provisions including assistance for the development of infrastructure, research and the provision of technical support.
Vietnam	Apr-15	Minimum export prices	Lowered minimum export prices for 25% broken rice by USD 10 to USD 340 per tonne, effective 30 April 2015.
Vietnam	Jun-15	Minimum export prices	Raised minimum export prices for 25% broken rice by USD 10 to USD 350 per tonne, effective 1 June 2015.
Vietnam	Jun-15	Minimum export prices	Reversed a previous increase in minimum export prices for 25% broken rice, re-establishing floor prices for this quality at USD 340 per tonne, effective 8 June 2015.

TABLE I: WORLD PADDY PRODUCTION

	2010-2012	2013	2014	2015	Annual Change		2015	
	Average		Estimate	Forecast	2015 / 2014		Previous	Revision
	<i>million tonnes</i>				<i>%</i>		<i>million tonnes</i>	
WORLD	723.0	744.9	741.8	749.1	7.3	1.0	749.8	-0.7
Developing countries	697.1	719.5	715.5	723.5	8.0	1.1	723.8	-0.2
Developed countries	25.9	25.4	26.2	25.6	-0.7	-2.5	26.0	-0.5
ASIA	655.1	676.0	670.7	677.7	7.1	1.1	679.0	-1.2
Bangladesh	50.6	51.5 G	52.4	52.0	-0.4	-0.8	51.8	0.1
Cambodia	8.8	9.4 G	9.3 G	9.4	0.1	0.8	9.3	0.1
China	201.9	205.2	208.2	209.5	1.3	0.6	208.5	1.0
of which China (Mainland)	200.3	203.6 G	206.5 G	208.0 G	1.5	0.7	207.0	1.0
India	153.3	160.0 G	153.8 G	155.2	1.5	0.9	158.2	-3.0
Indonesia	67.1	71.3 G	70.8 G	75.6 G	4.7	6.6	73.0	2.6
Iran, Islamic Rep. of	2.7	2.5 G	2.6	2.7	0.0	1.9	2.7	-
Japan	10.6	10.8 G	10.5 G	10.5	0.0	-0.5	10.5	-
Korea Rep. of	5.6	5.6 G	5.6 G	5.5	-0.2	-3.3	5.5	-
Lao PDR	3.2	3.4 G	3.3	3.4	0.1	3.0	3.4	-
Malaysia	2.5	2.6 G	2.6 G	2.7	0.0	0.6	2.6	0.0
Myanmar	29.8	28.3 G	28.9	29.2	0.3	1.0	29.2	-
Nepal	4.7	5.0 G	4.8 G	4.6	-0.2	-3.9	5.0	-0.4
Pakistan	8.3	10.2 G	10.5 G	10.3	-0.2	-2.4	9.7	0.6
Philippines	17.3	18.8 G	18.9 G	18.4	-0.5	-2.4	19.8	-1.4
Sri Lanka	4.0	4.6 G	3.4 G	4.1	0.7	21.3	4.1	0.0
Thailand	37.4	36.8 G	34.3	34.7	0.4	1.3	35.0	-0.3
Viet Nam	42.0	44.0 G	45.0 G	44.7	-0.3	-0.7	44.8	-0.1
AFRICA	26.4	27.5	28.5	28.7	0.2	0.8	28.2	0.5
North Africa	5.4	6.1	6.0	6.0	-0.1	-1.6	6.0	-
Egypt	5.3	6.1	6.0	5.9	-0.1	-1.7	5.9	-
Western Africa	12.6	13.8	14.0	14.2	0.2	1.6	13.8	0.4
Côte d'Ivoire	0.7	0.8 G	0.8	0.8	0.0	4.3	0.8	0.1
Guinea	1.8	2.1 G	2.0 G	2.0	0.0	1.5	2.0	-
Mali	2.0	2.2 G	2.2 G	2.3	0.1	3.8	2.3	-0.1
Nigeria	4.5	4.7	4.9	4.8	-0.1	-2.0	4.8	-
Sierra Leone	1.1	1.3 G	1.2	1.2	0.0	3.9	1.2	-
Central Africa	0.5	0.5	0.6	0.5	0.0	-1.5	0.5	-
Eastern Africa	2.8	2.8	3.2	3.2	0.0	1.3	3.2	0.0
Tanzania	2.2	2.2 G	2.6 G	2.6	0.0	0.5	2.6	-
Southern Africa	5.0	4.2	4.6	4.7	0.1	1.5	4.6	0.0
Madagascar	4.5	3.6 G	4.0 G	4.1	0.1	3.1	4.1	-
Mozambique	0.3	0.3 G	0.4 G	0.4	0.0	-4.7	0.3	0.0
CENTRAL AMERICA & CAR.	3.0	3.2	3.0	3.0	0.0	-0.3	3.1	-0.1
Cuba	0.6	0.7 G	0.6 G	0.5	0.0	-8.0	0.6	-0.1
Dominican Rep.	0.9	0.9 G	0.9 G	0.9	0.0	0.3	1.0	-0.1
SOUTH AMERICA	24.0	24.3	24.8	25.4	0.7	2.7	24.8	0.6
Argentina	1.5	1.6 G	1.6 G	1.6 G	0.0	-1.9	1.5	0.1
Brazil	12.3	11.8 G	12.1 G	12.5 G	0.4	3.5	12.2 G	0.4
Colombia	2.0	2.0 G	1.8	2.0	0.2	10.2	2.0	-
Ecuador	1.3	1.2 G	1.2	1.2	0.0	3.4	1.2	0.0
Peru	2.8	3.0 G	2.9 G	3.0	0.1	2.8	2.9	0.1
Uruguay	1.4	1.4 G	1.3 G	1.4	0.0	0.9	1.3	0.1
NORTH AMERICA	9.5	8.6	10.0	9.4	-0.6	-6.1	9.9	-0.5
United States	9.5	8.6 G	10.0 G	9.4	-0.6	-6.1	9.9 G	-0.5
EUROPE	4.4	4.1	4.0	4.1	0.1	2.1	4.1	0.0
EU	3.2	2.9 G	2.9 G	2.9	0.1	2.4	2.9	0.1
Russian Federation	1.1	0.9 G	1.0 G	1.1	0.0	0.8	1.1	-
OCEANIA	0.6	1.2	0.8	0.7	-0.1	-11.3	0.7	0.0
Australia	0.6	1.2 G	0.8 G	0.7 G	-0.1	-11.6	0.7 G	0.0

NOTES:

The 2014 paddy production season normally includes rice from the main paddy crops whose harvests fall in 2014, to which rice from all subsequent secondary crops, if any, is added.

Totals computed from unrounded data.

G Official figure.

TABLE 2: WORLD RICE IMPORTS

	2010-2012	2013	2014	2015	Annual Change		2015	
	Average		Estimate	Forecast	2015 / 2014		Previous	Revision
	<i>million tonnes, milled basis</i>					%	<i>million tonnes</i>	
WORLD	35.5	37.2	42.8	42.0	-0.8	-1.8	41.3	0.6
Developing countries	30.8	31.8	37.3	36.4	-0.9	-2.5	35.8	0.6
Developed countries	4.7	5.3	5.4	5.6	0.1	2.4	5.5	0.1
ASIA	17.0	16.5	20.8	20.1	-0.7	-3.3	19.5	0.6
Bangladesh	0.7	0.2 G	1.3	1.0	-0.3	-23.1	0.7	0.3
China	1.6	2.7	3.0	3.2	0.2	5.2	3.2	-
of which China (Mainland)	1.1	2.2 G	2.5 G	2.7	0.2	5.9	2.7	-
Indonesia	1.9	0.5	1.0	0.9	-0.1	-10.0	0.9	-
Iran, Islamic Rep. of	1.2	1.9 G	1.4 G	1.4	0.0	3.7	1.6	-0.2
Iraq	1.3	1.4	1.4	1.5	0.0	0.7	1.5	-0.1
Japan	0.7	0.7 G	0.7 G	0.7	0.0	4.9	0.7	-
Malaysia	1.0	0.9 G	1.1	1.2	0.0	4.5	1.2	-
Philippines	1.6	0.7	1.9	2.0	0.1	5.3	1.5	0.5
Saudi Arabia	1.2	1.3 G	1.4	1.5	0.0	2.8	1.5	0.0
United Arab Emirates	0.6	0.7	0.8	0.8	0.0	1.3	0.8	0.0
AFRICA	12.0	14.0	14.8	14.4	-0.4	-2.7	14.5	-0.1
Côte d'Ivoire	1.1	1.3	1.2	1.2	0.0	0.0	1.2	-
Nigeria	2.5	2.4	3.0	2.8	-0.2	-6.7	2.9	-0.1
Senegal	1.0	1.1	1.3	1.2	-0.1	-9.0	1.2	-0.1
South Africa	1.0	1.3 G	0.9 G	1.1	0.2	21.0	1.1	-
CENTRAL AMERICA & CAR.	2.1	2.0	2.1	2.2	0.1	5.7	2.1	0.1
Cuba	0.4	0.3 G	0.4	0.4	0.1	15.8	0.4	0.1
Mexico	0.6	0.7 G	0.7 G	0.6	0.0	-2.6	0.6	-
SOUTH AMERICA	1.3	1.5	1.4	1.6	0.2	13.1	1.5	0.1
Brazil	0.7	0.7 G	0.6 G	0.6	0.0	-6.7	0.6	0.0
NORTH AMERICA	1.0	1.1	1.1	1.1	0.0	-4.1	1.1	0.0
United States	0.6	0.7 G	0.8 G	0.7 G	-0.1	-7.2	0.7 G	0.0
EUROPE	1.6	1.7	2.0	2.1	0.0	0.6	2.0	0.0
EU 1/	1.2	1.2 G	1.4 G	1.5 G	0.1	8.7	1.5 G	0.0
Russian Federation	0.2	0.2 G	0.3 G	0.3	0.0	-13.8	0.3	-
OCEANIA	0.5	0.5	0.5	0.5	0.0	4.7	0.5	0.0

NOTES:

Totals computed from unrounded data.

G Official figure.

1/ Excluding EU intra-trade.

TABLE 3: WORLD RICE EXPORTS

	2010-2012	2013	2014	2015	Annual Change		2015	
	Average		Estimate	Forecast	2015 / 2014		Previous	Revision
	<i>million tonnes, milled basis</i>				<i>%</i>		<i>million tonnes</i>	
WORLD	35.4	37.2	42.8	42.0	-0.8	-1.9	41.3	0.7
Developing countries	31.0	33.1	38.8	37.6	-1.3	-3.3	37.0	0.5
Developed countries	4.4	4.2	4.0	4.5	0.5	11.9	4.3	0.1
ASIA	27.6	29.3	35.0	33.7	-1.3	-3.8	33.3	0.4
Cambodia	1.0	1.2	1.1	1.2	0.0	4.5	1.1	0.1
China	0.5	0.5	0.4	0.5	0.1	12.6	0.5	0.0
of which China (Mainland)	0.5	0.5 G	0.4 G	0.5	0.1	13.9	0.4	0.0
India	5.8	10.5 G	11.5 G	10.0	-1.5	-13.2	9.3	0.7
Myanmar	0.6	0.7	0.7	0.8	0.2	22.7	0.8	0.1
Pakistan	3.1	3.1 G	3.7 G	3.8	0.1	2.6	3.8	-
Thailand	8.8	6.6 G	11.0 G	10.9	-0.1	-0.5	11.2	-0.3
Viet Nam	7.3	6.6 G	6.5 G	6.3	-0.2	-2.6	6.5	-0.2
AFRICA	0.5	0.6	0.6	0.6	0.0	0.8	0.6	0.0
Egypt	0.3	0.4	0.4	0.5	0.0	7.1	0.5	-
SOUTH AMERICA	3.0	3.1	3.2	3.3	0.1	2.6	3.2	0.1
Argentina	0.6	0.5 G	0.5 G	0.5	0.0	-4.6	0.5	-
Brazil	0.9	0.8 G	0.8 G	0.8	0.0	-4.4	0.8	-
Guyana	0.3	0.4 G	0.5 G	0.6	0.0	9.7	0.5	0.1
Uruguay	0.9	0.9 G	0.9 G	0.9	0.0	-3.2	0.8	0.1
NORTH AMERICA	3.5	3.3	3.0	3.5	0.4	13.4	3.4	0.1
United States	3.5	3.3 G	3.0 G	3.5 G	0.4	13.4	3.4 G	0.1
EUROPE	0.4	0.4	0.5	0.5	0.1	16.7	0.5	0.1
EU 1/	0.2	0.2 G	0.3 G	0.3 G	0.1	24.1	0.3 G	0.1
Russian Federation	0.2	0.1 G	0.2 G	0.2	0.0	8.8	0.2	0.0
OCEANIA	0.3	0.5	0.4	0.4	0.0	-3.5	0.4	-
Australia	0.3	0.5 G	0.4 G	0.4	0.0	-3.5	0.4	-

NOTES:

Totals computed from unrounded data.

G Official figure.

1/ Excluding EU intra-trade.

TABLE 4: END OF SEASON STOCKS I/

	2011-2013	2014	2015	2016	Annual Change		2016	
	Average		Estimate	Forecast	2016 / 2015		Previous	Revision
	<i>million tonnes, milled basis</i>				<i>%</i>		<i>million tonnes</i>	
WORLD	162.0	182.3	177.2	169.4	-7.8	-4.4	170.9	-1.5
Developing countries	157.2	177.4	172.1	164.5	-7.7	-4.4	165.8	-1.3
Developed countries	4.7	4.9	5.1	4.9	-0.1	-2.9	5.1	-0.2
ASIA	153.2	174.2	169.4	162.3	-7.1	-4.2	164.1	-1.8
Bangladesh	6.9	7.1	7.2	6.5	-0.7	-9.7	6.9	-0.4
Cambodia	1.9	2.3	2.3	2.3	0.0	-1.3	2.3	-
China	84.8	100.0	102.5	102.8	0.2	0.2	102.7	0.1
of which China (Mainland)	84.6	99.8	102.3	102.7	0.4	0.3	102.6	0.1
India	22.9	23.1	18.0	15.0	-3.0	-16.7	16.0	-1.0
Indonesia	6.0	6.3	5.6	6.5	0.9	16.1	5.7	0.8
Iran, Islamic Rep. of	0.4	0.4	0.3	0.3	-0.1	-16.1	0.4	-0.1
Japan	2.6	2.8	2.8	2.8	0.0	1.1	2.9	0.0
Korea Rep. of	1.6	1.7	1.8	1.8	0.0	0.0	1.9	0.0
Lao PDR	0.4	0.5	0.5	0.5	0.0	1.0	0.5	-
Malaysia	0.3	0.2	0.2	0.3	0.1	28.3	0.3	0.0
Myanmar	4.7	2.2	1.8	1.5	-0.3	-18.3	1.5	0.0
Nepal	0.3	0.5	0.4	0.3	-0.1	-30.6	0.4	-0.1
Pakistan	0.5	0.6	0.8	0.7	-0.1	-12.5	0.5	0.2
Philippines	2.4	2.0 G	2.2	2.2	0.0	0.0	2.3	-0.1
Sri Lanka	0.3	0.3	0.4	0.5	0.1	18.4	0.4	0.0
Thailand	12.8	17.3	14.5	10.6	-4.0	-27.2	11.5	-1.0
Viet Nam	3.3	5.2	6.3	6.3	0.0	0.0	6.6	-0.3
AFRICA	3.7	4.1	3.6	3.1	-0.5	-14.5	2.9	0.2
Egypt	0.5	0.5	0.4	0.2	-0.2	-45.9	0.2	-
Nigeria	0.5	0.5	0.4	0.4	0.0	-4.5	0.4	0.1
CENTRAL AMERICA & CAR.	0.5	0.5	0.4	0.4	-0.1	-11.5	0.4	-0.1
Dominican Rep.	0.1	0.1	0.1	0.1	0.0	-3.8	0.1	0.0
SOUTH AMERICA	2.6	1.6	1.6	1.6	0.1	4.3	1.3	0.3
Argentina	0.0	0.1	0.2	0.2	0.1	33.3	0.1	0.1
Brazil	1.6	0.7 G	0.6 G	0.6 G	0.1	17.5	0.4 G	0.3
Ecuador	0.1	0.1	0.1	0.0	0.0	-63.6	0.0	-
Peru	0.3	0.4	0.3	0.3	0.0	-12.1	0.3	-
NORTH AMERICA	1.4	1.1	1.5	1.5	0.0	-2.4	1.6	-0.1
United States	1.3	1.0 G	1.5 G	1.4	-0.1	-3.5	1.5 G	-0.1
EUROPE	0.6	0.7	0.6	0.5	0.0	-7.6	0.6	-0.1
EU	0.5	0.5 G	0.4 G	0.4 G	0.0	0.0	0.4	-0.1
Russian Federation	0.1	0.1	0.1	0.0	0.0	-50.0	0.0	-
OCEANIA	0.1	0.2	0.1	0.1	-0.1	-51.6	0.1	0.0
Australia	0.0	0.1	0.1	0.0	-0.1	-60.0	0.0	0.0
GOVERNMENT STOCKS								
Bangladesh	0.7	0.7 G	0.9	0.9	0.0	0.0	0.9	-
India	22.5	18.6 G	15.0	12.0	-3.0	-20.0	12.5	-0.5
Japan	0.8	0.8	0.8	0.8	0.0	0.0	0.8	-
Korea Rep. of	0.8	0.8	0.8	0.8	0.0	0.0	0.8	-
Philippines	0.9	0.5 G	0.6	0.6	0.0	3.4	0.6	-

NOTES:

Totals computed from unrounded data.

G Official figure.

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

TABLE 5: RICE SUPPLY AND UTILIZATION IN MAIN EXPORTING COUNTRIES

	Opening Stocks	Production	Imports 1/	Total Supply	Domestic Use	Exports 1/	Closing Stocks
<i>thousand tonnes, milled basis</i>							
INDIA							
2013-14	23 850	106 650 G	100	130 600	95 983	11 517 G	23 100
2014-15 est.	23 100	102 530 G	100	125 730	97 730	10 000	18 000
2015-16 f'cast	18 000	103 500	100	121 600	98 600	8 000	15 000
PAKISTAN							
2013-14	350	6 798 G	60	7 208	2 934	3 704 G	570
2014-15 est.	570	7 005 G	60	7 635	3 035	3 800	800
2015-16 f'cast	800	6 840	60	7 700	3 100	3 900	700
THAILAND							
2013-14	18 000	24 337 G	400	42 737	14 486	10 951 G	17 300
2014-15 est.	17 300	22 700	300	40 300	14 900	10 900	14 500
2015-16 f'cast	14 500	22 985	300	37 785	15 235	12 000	10 550
UNITED STATES							
2013-14	1 156 G	6 117 G	754 G	8 027	3 960	3 042 G	1 025 G
2014-15 est.	1 025 G	7 068 G	700 G	8 793	3 892	3 450 G	1 451 G
2015-16 f'cast	1 451 G	6 588	750 G	8 789	3 889	3 500 G	1 400
VIET NAM							
2013-14	4 300	29 374 G	550	34 224	22 557	6 467 G	5 200
2014-15 est.	5 200	29 998 G	550	35 748	23 148	6 300	6 300
2015-16 f'cast	6 300	29 802	550	36 652	23 552	6 800	6 300

FOOTNOTES:

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

Totals computed from unrounded data.

G Official figure.

1/ Rice trade data refer to the calendar year of the second year shown.

2/ Including Taiwan province.

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