# Rice Market Monitor

*Volume IV, Issue No. 1 – March 2001*

## CONTENTS





**Contact or enquiries**

Senior Commodity Specialist (C. Calpe)
Basic Foodstuffs Service
Commodities and Trade Division

Facsimile: ++(39-06) 570-54495
Telephone:++(39-06) 570-54136
E-Mail: concepcion.calpe@fao.org

***HIGHLIGHTS***

- Global paddy production in the 2000 rice season, about to be concluded, is currently estimated at 594 million tonnes, or 17 million tonnes less than the record achieved in 1999. The fall reflects the general weakness of prices, which has encouraged a shift towards other crops, weather-related problems in some areas and changes in China's cereal policies, which have prompted a cut in plantings.
- World rice trade in 2000 is estimated to have declined to 22.3 million tonnes, 2.6 million tonnes below the volume traded last year and 5.1 million tonnes less than the 1998 high. The contraction was caused by weak import demand, reflecting bumper crops in traditional importing countries in the past few years. As export availabilities were ample, the weakness of the market exacerbated competition among exporters, with a strong depressing effect on international prices. Although an attempt was made by Thailand and Vietnam to create a pool of rice for export to prevent each from undercutting the other's prices, the initiative did not have a noticeable impact on the market.
- The prices of rice from most origins trended downward during most of 2000. The FAO Rice Export Price Index (1982-84=100) started the year with a monthly average of 106 points in January and ended with an average of 94 points in December. For the entire year, the index averaged 98 points, down from the 1999 average of 114 points and the lowest since 1987.
- FAO's estimate of global rice stocks at the end of the 1999/2000 marketing year stands at 162.2 million tonnes[1], 6 million tonnes higher than their opening levels, reflecting abundant crops in the 1999 season. Most of the increase was concentrated in Asia.
- It is too early to make a solid forecast of paddy production for the 2001 season, because rice crops are largely dependent on the summer monsoon season yet to begin in the Northern Hemisphere, where most of world rice is grown. However, assuming a return to normal growing conditions in those countries that endured drought or flood problems last year and based on current price trends and planting intentions in major producing countries, world paddy production is forecast to record a moderate increase in 2001.
- The international rice market continues to face weak import demand in 2001, in the face of large inventories world-wide. World rice trade in 2001 is tentatively forecast to increase by about 4.9 percent to around to 23.4 million tonnes, up 1.1 million tonnes from the volume traded last year. The expected performance could be hampered by the announced implementation, in a number of large importing countries, of policies pursuing self-sufficiency and by their recent introduction of trade policy measures to curb imports.
- The year 2001 started with an unchanged market situation for the high quality Thai 100 % B. The price of Thai 100 % B stood at US $190 in early February, unchanged from the price quoted in November 2000. However, at this level, the current price of Thai 100% B is US$ 60 below the price quoted in February 2000. In the United States, the price of high quality US No.2/4 long grain rice declined by US$ 3 to US$ 291 in February 2001. Such a price weakness reflected low import demand from the traditional importers in South and Central America where harvesting of the 2001 rice crops is in progress.
- Global rice stocks at the end of the marketing seasons in 2001 are expected at 155 million tonnes, about 8 million tonnes less than the opening levels as global utilization may exceed production for the second year in a row. China (Mainland) and some South American countries are forecast to account for most of the contraction due to the expected production shortfalls.

[1] The level of world rice stocks has been raised substantially compared to that reported in previous issues. The change reflects a major upward adjustment in the series of China's rice inventories. The revision has not affected year-to-year changes. More background information on those changes is contained in the February 2001 issue of Food Outlook.

# I. REVIEW OF THE RICE MARKET IN 2000

## *1. Production falls in 2000*

### 1.1 Asia

Although the growing conditions of the 2000 season crops in Asia were generally good, localised weather problems and low prices depressed rice production in some countries and delayed planting and harvesting in others. As a result, production in the region in 2000 is estimated at 541 million tonnes, 15 million tonnes below the 1999 record season.

### Northern Hemisphere

Harvesting of the 2000 late paddy crops is about to be completed in the major rice producing countries. A number of countries in the region were not able to replicate the record performance achieved in 1999 because of weather problems. For instance, production fell in Cambodia because of heavy monsoon rains and severe floods, last year, while output in Afghanistan, India, the Democratic People Republic of Korea, Pakistan and Uzbekistan was affected by drought. In ***Vietnam,*** harvesting of the $10^{th}$ month rice, which was delayed by flooding during the planting period, is coming to an end, while harvesting of the main winter-spring crop has started in some areas. Overall, Vietnam's paddy production for the 2000 season is expected to reach 32.7 million tonnes, unchanged from the 1999 revised performance, and 100 000 tonnes more than previously reported. In ***Thailand***, the main rice crop is currently being harvested. The country's output in 2000 is officially estimated at 24.0 million tonnes, about 200 000 tonnes lower than last year's revised production, but up 500 000 tonnes from the last report. In ***China*** (Mainland), gathering of the late double crop has been completed. Rice output in 2000 has been revised downward by about 200 000 tonnes to 188.3 million tonnes. At that level, the season would end with a 10 million tonnes year-to-year contraction, much of which imputable to the low producer prices and to weather problems, which depressed the late and semi-late rice crops. In addition, about one third of the drop was caused by a smaller early rice crop, following the removal, in 2000, of early rice from the list of commodities subject to "protective" or minimum producer prices, consistent with the Government objective to reduce production of low quality grains. In ***Cambodia***, harvesting of the last 2000 crop is in progress. The 2000 rice season has been revised upward from the last report by about 200 000 tonnes to 3.8 million tonnes, which would still mean a 200 000 tonnes shortfall from the revised 1999 season, reflecting the severe flood problems experienced by the country last year. The estimate of the 2000 paddy season in ***India*** stands at 129.9 million tonnes, unchanged from the last report, but 4.5 million tonnes less than in 1999. In the ***Democratic People's Republic of Korea***, persistent drought conditions and the lack of irrigation during the critical planting period particularly affected rice production and resulted in widespread famine. By contrast, the ***Philippines*** is expected to harvest an all time high rice season estimated at 12.5 million tonnes, following a 300 000 tonnes upward revision from the last report. In ***Bangladesh,*** harvesting of the Boro rice, the country's third and last rice crop is scheduled to start in April/May. According to FAO statistics, the 2000 rice prospects remain unchanged from the last report at 35.1 million tonnes, about 1 million tonnes above the previous year, despite the flood damage caused to rice fields in the south western region.

Early shortages of irrigation during the planting period lowered ***Pakistan***'s 2000 rice output to the recently revised 6.9 million tonnes, about 150 000 tonnes less than earlier anticipated and some 800 000 tonnes below the 1999 season outturn. The production situation remains unchanged from the last report in ***Afghanistan***, ***Japan***, the ***Republic of Korea*** and ***Laos***.

### Southern Hemisphere

In ***Indonesia***, the 2000 rice season has been revised downward by 1 million tonnes from the last report to 51.0 million tonnes, marginally higher than in 1999, as unprecedented heavy rainfall and floods in Sumatra, the country's second largest rice producing area, are reported to have caused damage to thousands of hectares of near-harvested dry season rice.

## 1.2 Africa

Rice production in Africa in 2000 is estimated at 17.2 million tonnes, marginally below the high outcome of the previous year. Growing conditions were good, in general, with a few isolated weather disturbances in some areas. However, a drop in the area and yield reduced rice output in some countries, while civil strife caused disruptions in rice production activities in others, affecting their rice crop performance.

**North Africa** – In ***Egypt***, harvesting of the 2000 rice crop is finished and paddy output is anticipated to reach 6.0 million tonnes, about 100 000 tonnes higher than previously reported and 180 000 more than last year. The increase reflected optimum growing conditions during the year combined with a wider usage of new high-yielding varieties, which have boosted yields to a world record.

**Western Africa** – Despite generally favourable growing conditions during the planting and growing periods, rice output dropped in some countries. In ***Sierra Leone***, persistent civil conflicts caused production to fall to 200 000 tonnes in 2000, the lowest level in the last decade, with severe implications for food security. Production in ***Senegal*** has been lowered by about 80 000 tonnes to 218 000 tonnes, or 22 000 tonnes less than in 1999. The situation in ***Cote-d'Ivoire*** and ***Nigeria*** remains unchanged from the last report.

**Eastern Africa**- In ***Tanzania***, the major rice producing country in the sub-region, production remains unchanged since the last report. Despite isolated drought conditions experienced in some areas in the country, the 2000 rice output is slightly above last year's disastrous outcome, reflecting an increase in planting and a recovery in yields. Nonetheless, it remains below average.

**Southern Africa** – The 2000 rice output remains unchanged in ***Madagascar*** and ***Mozambique*** since the last report. Rice production in the first country stands at the previously anticipated 2.2 million tonnes, a drop of about 15 percent from 1999 while it is estimated to have fallen by 25 percent in Mozambique to 140 000 tonnes.

### 1.3 Latin America and The Caribbean

An unusually long summer dry spell "canicula" and torrential rains and flooding caused by Hurricane "Keith" are reported to have damaged the agricultural sector, including rice production in Central America. In South America, low prices are responsible for most of the contraction in plantings and production.

In Central America, the severe summer dry spell coupled with the impact of hurricane Keith affected negatively rice crops in ***El Salvador*** and ***Haiti***, but spared ***Nicaragua*** where rice output expanded by 14 percent to about 300 000 tonnes. In South America, the 2000 rice output in ***Brazil***, ***Argentina***, and ***Uruguay*** declined, as the weakness of prices since mid-1999 depressed plantings. Much of the 2000 rice output in these countries remained unchanged from the previous report. In ***Peru***, acreage reduction and yield caused rice output to drop by 125 000 tonnes to 1.8 million tonnes while in ***Bolivia'***s rice output increased by 160 000 tonnes to roughly 350 000 tonnes in 2000, as a result of higher area and yield.

### 1.4 Other Regions

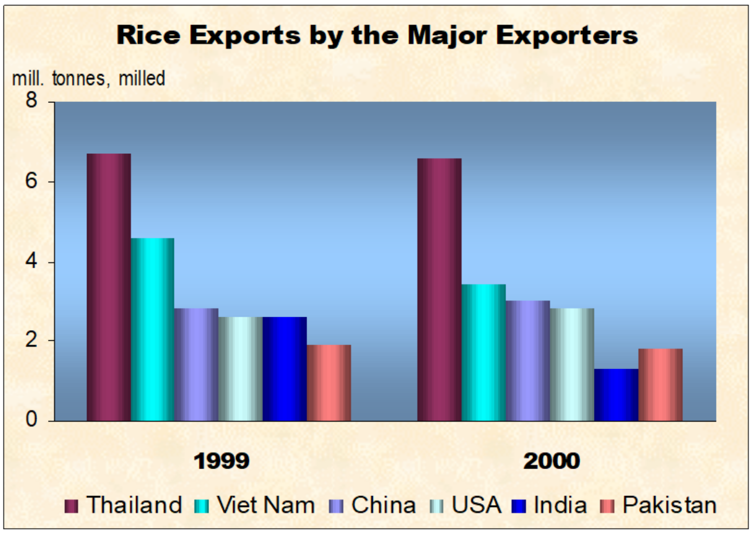
In ***Australia***, the rice industry suffered from low temperatures during the prime growing period at the beginning of 2000. Low water allocations also forced farmers to reduce area planted to rice. As a result, the 2000 rice crop dropped to 1.1 million tonnes, down 300 000 tonnes from the previous year. In the ***United States,*** rice output fell by 676 000 tonnes to 8.7 million tonnes in 2000, as low prices in 1999 discouraged planting. In ***Italy***, flooding during harvesting, in October, damaged the rice crop and affected its quality. In Spain**,** salination problems depressed rice yields. Overall, the ***EC*** 2000 rice crop is estimated to have fallen by 11 percent to roughly 2.4 million tonnes, unchanged from the last report.

## *2. Global rice trade fell in 2000*

International rice trade in 2000 contracted to an estimated 22.3 million tonnes, 200 000 tonnes less than previously reported and 2.7 million tonnes below the revised volume traded in 1999. The year-to-year decline reflected the retrenchment of major importers from the market following several bumper crop years. Since export availability remained ample world-wide, exporters' competition for markets intensified causing international rice prices to fall during most of 2000, with low quality rice the most affected.

Much of the contraction in trade in 2000 reflected smaller shipments to major rice importers, especially ***Indonesia, Bangladesh, the Philippines, Sri Lanka and Brazil,*** following abundant harvests or, in the case of Indonesia and Sri Lanka, a tightening of trade restrictions. However, a number of countries stepped up imports, including the ***Democratic Republic of Korea***, most of which in the form of food aid, the ***Islamic Republic of Iran***, ***Iraq, Malaysia, South Africa and the Côte d'Ivoire.***

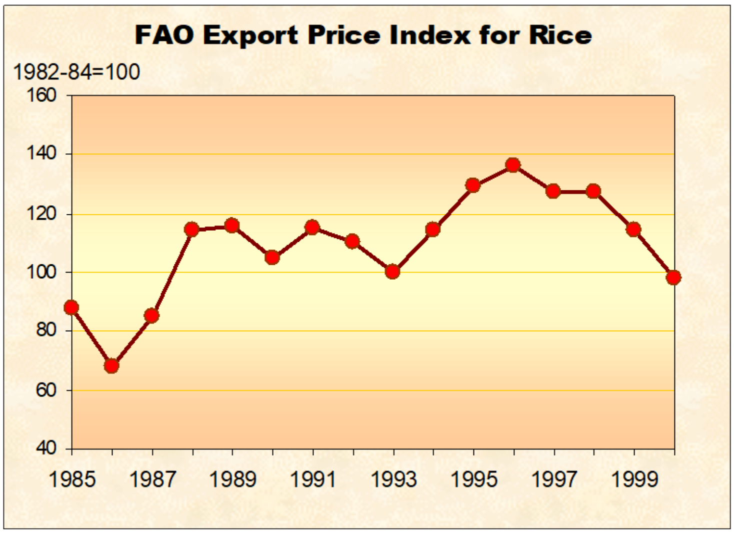
The weakness of international rice demand in 2000 had a depressing effect on shipments of all major suppliers with the exception of ***China, Egypt, Myanmar and Japan***. For instance, sales by ***Vietnam*** fell by 1.2 million tonnes to 3.4 million tonnes, 210 000 tonnes less than previously reported, while those by India halved to 1.3 million tonnes, reflecting high domestic prices. The year-to-year drop was more contained, at 120 000 tonnes, in the case of ***Thailand,*** which shipped 6.5 million tonnes in 2000, 500 000 tonnes more than anticipated in the previous report, and above the Government's target of 6 million tonnes. Exports by ***Pakistan*** were also marginally lower than in 1999. ***Australia, Argentina and Uruguay*** also experienced a contraction in exports in 2000.




### *3. International prices of rice continue to slide*

International prices for rice from most origins trended downward during much of 2000. The lower quality rice grades were the most affected reflecting large availabilities on the market and fierce competition among exporters for sales to Africa..

The FAO Rice Export Price Index (1982-84=100) started the year 2000 with a monthly average of 106 points in January and ended with an average of 94 points in December. For the entire year, the index averaged 98 points, down from the 1999 average of 114 points and the lowest level since 1987.




In 2000, the average price of higher quality Thai 100 % B dropped by US $46 over last year to US $207. Following the same trend, the average price of the high quality US No. 2/4 % long grain rice, averaged at US $271, US $62 less than in 1999. The 2000 average prices of low quality Thai A1 Super declined by US $49 to US $143.

### *4. Closing stocks mount in 2000*

Following a major revision in the stock series for China, FAO estimates global rice stocks at the end of the marketing seasons in 1999/2000 at 162.6 million tonnes, 7 million tonnes higher than their opening levels. As supplies exceeded domestic utilisation and exports, Vietnam, Bangladesh, Myanmar and Pakistan all recorded increases in rice holdings. India's stocks also surged, reflecting mainly the sharp drop in exports

## II. Rice Outlook – 2001

### *1. A Moderate Increase in 2001 Paddy Production Tentatively Forecast*

It is too early to make a solid forecast of paddy production for the 2001 season, because rice crops are largely dependent on the summer monsoon season yet to begin in the Northern Hemisphere, where most of world rice is grown. However, assuming a return to normal growing conditions in those countries that endured drought or flood problems last year and based on current price trends and planting intentions in major producing countries, world paddy production is forecast to record a moderate increase in 2001 .

### 1.1. Asia

The 2001 season is well advanced in some countries in the Southern Hemisphere and around the equatorial belt. In the Northern Hemisphere, countries are still in the process of harvesting the 2000 secondary crops since planting of the main 2001 crops normally starts between April and June, with the arrival of the monsoon rains. In general, low prices during the past season and continuing grim price prospects for the next few months may deter producers from expanding the area under rice. However, a number of countries, among which several important importers, have embarked in expansionary production policies with ambitious investment programmes and raised paddy support prices and other assistance programmes. Others are pursuing a shift of production towards high quality rice varieties more in tune with demand.

#### Southern Hemisphere and Equatorial Belt

***Indonesia***'s 2001 main rice harvest starts around March and lasts until May and June. The Government has announced an ambitious production target range of minimum 52 million tonnes, 1 million tonnes higher than achieved last year. At the same time, support prices have been raised and import restrictions tightened to protect producers from import competition. Harvesting of the main crop in 2001 has already started in ***Malaysia,*** while planting of the second smaller crop will begin in April/May. Widespread rainfall in late October last year increased moisture for the planting of a large portion of this year's main crop. The outlook for rice prospects is favourable, based on good growing conditions and government initiatives to boost paddy production. Harvesting of the main Maha rice crop, which accounts for two thirds of ***Sri Lanka***'s rice production is underway. Planting of the dry season Yala crop is scheduled to start in April/May for harvest in August/September. Growing conditions have been good so far, so early expectations for the 2001 rice season are favourable.

#### Northern Hemisphere

In ***China*** (Mainland), the rice season starts in February with the planting of the early rice crop. Under the current Government policy, the area planted to that crop could be cut further this year. However, under normal weather conditions, the resulting decline in overall paddy production should be modest compared with 2000, at some 200 000 tonnes, which would bring the country's paddy output in 2001 to 188.1 million tonnes. In ***Vietnam***, planting of the 2001 $10^{th}$ month rice crop will begin May to coincide with the arrival of the monsoon rains. Despite the poor export performance last year, the Government has announced an expansion in the area under high quality varieties. At the same time, marginal or eroded irrigated rice lands are to be shifted to other uses. In ***Thailand***, the 2001 season will start with the planting of the main rainfed season crop in May/June in the north and central areas. Rice yields which are projected to continue to increase with improved technology and quality input supplies are expected to boost the country's output in 2001. In the ***Philippines,*** the rice season has started with the planting of the second rice crop. Planting of the third crop is scheduled in May while the 2001 main season crop will begin in July. The 2001 overall production is anticipated to increase. In ***Myanmar***, planting of the 2001 main wet rice season is scheduled in April/May. Land reclamation has been a key factor in increasing the country's rice area and yield in the recent years, despite the high costs of critical inputs and low seed quality. As more fallow and wetlands are being reclaimed, an expansion in rice output is anticipated again this year. In ***India***, planting of the 2001 Kharif (main) crop is expected in May and prospects for the 2001 rice production will depend on the June-September monsoon. Support paddy prices for the 2001 season have been raised, which may again render necessary large intervention purchases by the Government agencies at harvest time. Given the large rice surpluses already hanging over the market, pressure to export may intensify during the course of the year. Two rice crops are harvested in ***Cambodia***. Planting of the main crop, which accounts for about 80 percent of the country's production and is dependent on the monsoon rain season, will begin in May. The torrential rains and floods that struck the country during the last quarter of 2000 are expected to be beneficial to the country's 2001 season. In ***Japan***, planting of the 2001 rice crop is expected to start in May for harvest in September through November. In an attempt to curb production, the Government recently raised the target for paddy land diversion from 963 000 hectares to 1.063 million hectares, which together with a reduction of yields to average levels may contribute to a drop of output this year. In ***Bangladesh***, planting of the 2001 Aus crop, the first and smallest of the three crops, has started but information is still lacking on planted area and expected output.

### Africa

Planting of the 2001 crops is about to begin in Northern and Western Africa but the season is well advanced in Southern Africa

### North Africa

In ***Egypt***, field preparation for the planting of 2001 irrigated paddy crop is underway, however there is no clear indication as to the area to be planted to rice, a decision that is usually made based on the availability of irrigation water. Low prices in 2000 may have depressed plantings this year, bringing them closer to the government maximum ceiling, which has constantly been surpassed over the past several years. In ***Côte-d'Ivoire***, planting of the 2001 season is scheduled to start in April when rainfalls become more consistent. Expansion in area and yield and assumed good growing conditions could boost the country's rice production in 2001.

### West Africa

Preparations for the 2001 rice season is underway, but information on area and output expectations are not yet available. In ***Sierra Leone***, planting of the 2001 rice season is scheduled to begin in May. The food supply situation in the country has continued to deteriorate, as many areas are inaccessible due transportation and security problems. A reduced harvest is anticipated, as planted areas are likely to be significantly below last year's level as hostility is still affecting some parts of the country. In ***Liberia,*** planting of the 2001 rice crop, the country's main staple will begin in April/July for harvest in September/October. However, constant shortage of inputs and lack of infrastructure could hamper the country's rice output and yield. In ***Nigeria***, planting of the 2001 rice season is scheduled for April. Information as to planting and output is not yet available.

**Southern Africa**

Although above-average rains in October provided adequate moisture for planting of the 2001 rice crop in ***Mozambique***, the second largest rice producer in the sub-region, this season crop could be hampered, for the second consecutive year, by torrential rains and floods in January and late February. In ***Madagascar***, harvesting of the 2001 season will begin in April to June. Despite a decline in area and based on the benefits from adequate rainfalls during the growing period and new techniques of production, this year rice crop could recover to an average production level.

**Latin America and The Caribbean**

In South America, harvesting of the 2001 paddy crop has started in some countries of the region. The general weakness of prices has prompted a reduction in rice cultivation in some countries. The area planted to rice is estimated to have dropped by 9 percent to about 3.3 million hectares in ***Brazil***, the region's largest rice producer. The Government of ***Argentina*** has estimated a 33 percent decline in rice area for the 2001 crop. As a result, production is expected to fall.

**Developed countries**

In ***Australia***, excellent weather and growing conditions throughout November and January have been beneficial to the 2001 rice crop and harvest is set to start earlier than normally scheduled for March. Rice outcome is reportedly expected to break all records this year. The Australian Bureau of Agricultural and Resources Economics estimated rice production to reach 1.75 million tonnes, an increase of 59 percent over last year's crop. Planted area for this year crop has also increased to 186 000 hectares from 152 000 hectares last year.

In the ***United States***, planting of the 2001 season will start in March/April. As the area under rice is projected to increase this year by about 3 percent over last year, the 2001 rice season is anticipated to increase by about 200 000 tonnes to 8.9 million tonnes.

In the ***EC***, preparations for the 2001 paddy are underway and information is not yet available regarding plantings.

## ***2. Rice Trade may recover in 2001 but Import Restrictions may limit the rise***

The international rice market continues to face weak import demand in the face of large inventories world-wide. World rice trade in 2001 is tentatively forecast to increase by about 4.9 percent to around to 23.4 million tonnes, up 1.1 million tonnes from the volume traded last year. The expected performance could be hampered by the announced implementation, in a number of large importing countries, of policies pursuing self-sufficiency and by their recent introduction of trade policy measures to curb imports.

The bulk of the trade expansion in 2001 originates from expected purchases by Brazil, and countries in Asia and Africa. As the ***Philippines*** is aiming at becoming rice self-sufficient, imports are expected to remain unchanged from last year. ***Brazil*** is also anticipated to raise imports in 2001 to make up for the expected domestic shortfall in 2001. Accordingly, Brazil is expected to purchase some 800 000 tonnes this year, 120 000 tonnes more than in 2000. While the ***Islamic Republic of Iran*** and ***Iraq*** are projected to buy 1.2 million tonnes each, ***Saudi Arabia*** is anticipated to import 900 000 million tonnes in 2001. By contrast, in ***Indonesia***, the world leading rice importer, the outlook weights heavily on trade and producer policies on rice. As the country is moving toward rice self-sufficiency, the Government has announced that it would not import rice in the course of the year and would restrict rice purchases by the private sector to the lean months (from October to February) subject to the payment of a variable tariff duty. Imports by the country are preliminarily forecast at 1.8 million tonnes, compared with 2 million tonnes last year. Based on FAO 2001 forecast, ***Bangladesh'***s purchases are expected to remain similar to last year. Rice imports are expected to remain a small portion of consumption and production in ***China*** (Mainland). As in the past, a large share will likely consist of high-priced and quality fragrant rice from Thailand. ***Malaysia***'s imports are expected to remain at the same level as last year at 700 000 tonnes although the Government is reinforcing control at the borders to curb smuggling of cheap but quality rice from Thailand. In ***Nigeria***, the Government has increased import tax for rice from 50 percent to 60 percent which could reduce the 2001 expected shipments estimated at 950 000 tonnes.

Major rice exporting countries in Asia should continue to account for the bulk of the expansion in world rice exports in 2001. Sales by ***Vietnam*** are targeted to reach 4.0 million tonnes in 2001, about 600 000 tonnes more than last year. The country has launched special zones of production for export in an attempt to enhance the quality and reliability of its supplies. Drawing from its ample stock availability, ***China*** (Mainland) is expected to increase exports to 3.3 million tonnes, 300 000 tonnes more than in 2000. There is much uncertainty regarding the size of shipments from ***India*** this year, as the country faces serious oversupply problems. Under the current export policy and weak international price prospects, the country is expected to deliver 1.7 million tonnes, 400 000 tonnes more than in 2000. The disastrous earthquake in Gujarat, which caused serious damage to the Kandla port, one of the main ports used for rice shipments, could hinder exports temporarily and add pressure on the country's rice stocks. Deliveries by ***Pakistan***, ***Egypt*** and ***Australia*** are expected to improve by a total of about 300 000 tonnes in 2001. Offsetting the increases is the noticeable reduction in ***Thailand***'s shipments. With forecast sales estimated at 6.2 million tonnes, , the 2001 export performance would be 400 000 tonnes short of the volume traded in 2000 but 200 000 tonnes above the Government's target. Similarly, shipments from the ***United States*** are forecast to drop by about 100 000 tonnes to 2.7 million tonnes as import demand in the country's traditional markets continues to weaken. Smaller output could also lower deliveries from ***Argentina*** by 100 000 tonnes to 300 000 tonnes and from ***Uruguay*** by 65 000 tonnes to 585 000 tonnes.

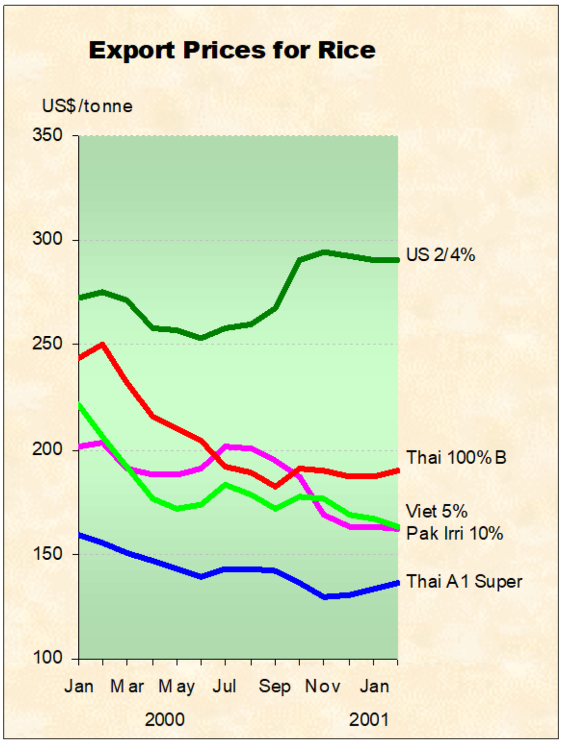
## 3. *Prices*

Since the last report in November, the market remained quiet during the celebrations of the holiday season, causing the Index to drop to an average of 94 points in December 2000 and January, 2001. The Index improved by one point to an average of 95 points in February 2001, with information on the expected production in the Southern Hemisphere and planting intentions in the Northern Hemisphere become available.

| WORLD PRICE INDICES FOR RICE | | | | |
|---|---|---|---|---|
| | | FAO INDICES | | |
| | | Total | Quality | |
| | | | High | Low |
| January-December Averages | | 1982-84 = 100 | | |
| 1994 | | 114 | 118 | 104 |
| 1995 | | 129 | 124 | 146 |
| 1996 | | 136 | 136 | 136 |
| 1997 | | 127 | 129 | 120 |
| 1998 | | 127 | 128 | 126 |
| 1999 | | 114 | 115 | 110 |
| 2000 | | 98 | 101 | 89 |
| 2000 | February | 106 | 108 | 98 |
| | March | 102 | 105 | 93 |
| | April | 101 | 104 | 89 |
| | May | 96 | 100 | 86 |
| | June | 96 | 100 | 85 |
| | July | 96 | 99 | 88 |
| | August | 96 | 98 | 87 |
| | September | 94 | 97 | 86 |
| | October | 97 | 100 | 86 |
| | November | 95 | 98 | 84 |
| | December | 94 | 98 | 84 |
| 2001 | January | 94 | 98 | 84 |
| | February | 95 | 98 | 84 |

***Source**: FAO*
*N.B.-The FAO indices are calculated using the Laspeyre formula. In this table, two groups representing "High" and "Low"quality rice are shown.*
*- The Rice Export Price Index is calculated for 15 export prices.*

The year 2001 started with an unchanged market situation for the high quality Thai 100 % B. The price of Thai 100 % B stood at US $190 in early February, unchanged from the price quoted in November 2000. However, at this level, the current price of Thai 100% B is US$ 60 below the price quoted in February 2000.




In the United States, the price of high quality US No.2/4 long grain rice declined by US$ 3 to US$ 291 in February 2001. Such a price weakness reflected low import demand from the traditional importers in South and Central America where harvesting of the 2001 rice crops is in progress.

| EXPORT PRICES FOR RICE (f.o.b. US$/ton) | | | | | | |
|---|---|---|---|---|---|---|
| Type | Effective Date | Latest | 1 week ago | 1 month ago | 1 year ago | Average (82-84) |
| Thai 100B | 16/02/2001 | 186 | 193 | 188 | 248 | 236 |
| Thai 35% | 16/02/2001 | 155 | 157 | 154 | 193 | 213 |
| Thai A1 Super | 16/02/2001 | 135 | 136 | 135 | 156 | 174 |
| Viet 5% | 16/02/2001 | 162 | 163 | 167 | 200 | n.a. |
| India 25% | 16/02/2001 | 223 | 223 | 223 | n.a. | n.a. |
| Pak 10% [1/] | 16/02/2001 | 162 | 162 | 162 | 205 | n.a. |
| US 2/4% Long | 16/02/2001 | 291 | 291 | 291 | 275 | 393 |

1/ Please note that the series has changed as prices for Pakistan's Irri 15-20% are no longer available.
*Source: International rice brokers, rice merchants and national sources.*
... *not available*
*n.a. not applicable*

Barring a major supply or demand shock, world prices are expected to remain under pressure at least until mid-year, when more will be known of the production prospects in the Northern Hemisphere.

### *4. Lower Ending-Stocks Projected for 2001*

Global rice stocks at the end of the marketing seasons in 2001 are expected at 155 million tonnes, about 8 million tonnes less than the opening levels as global utilization may exceed production for the second year in a row. China (Mainland) and some South American countries are forecast to account for most of the contraction due to the expected production shortfalls. Of the main exporting countries, Thailand is anticipated to close the 2001 season with larger stocks as a result of increasing production. As Indian rice is not competitive on the international market, which should limit the country's ability to export unless the Government subsidizes those sales, rice stocks in the country are expected to remain high. Among the importing countries, Indonesia is anticipated to draw down from its rice reserves as a result of reduced imports. By contrast, rice feeding programmes and food aid shipments by Japan are forecast to curb the size of the country's rice inventories.