

# RICE MARKET MONITOR

|                                      |    |                          |    |
|--------------------------------------|----|--------------------------|----|
| Production                           | 10 | Closing Stocks           | 19 |
| International Trade                  | 10 | International Prices     | 20 |
| Rice Utilization and Domestic Prices | 15 | Rice Policy Developments | 23 |

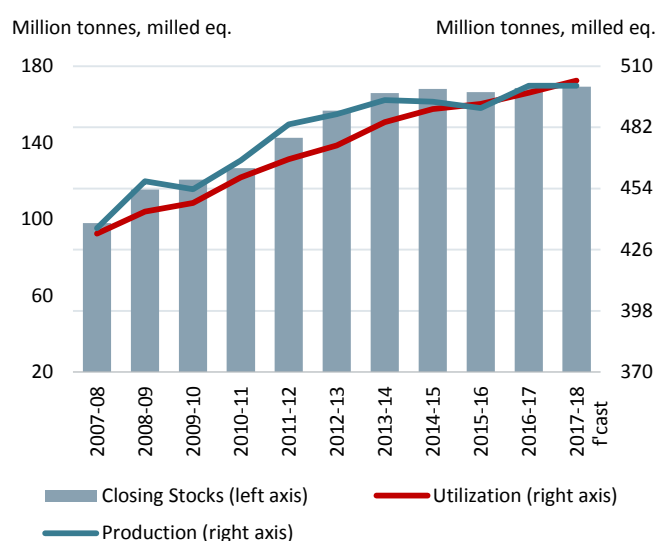
## ROUND UP

With 2017 main-crops in the northern hemisphere now at the harvest stage, FAO has lowered its forecast of **world paddy production** in 2017 to 754.6 million tonnes (500.8 million tonnes, milled basis). This level would be only nominally changed (60 000 tonnes) from the 2016 all-time high, while falling 4.1 million tonnes short of July expectations. The downward adjustment primarily reflects deteriorated crop prospects in **Asia**, following a somewhat challenging climatic unfolding of the season, which has been characterised by abnormal dryness as in the case of Sri Lanka and the Democratic People's Republic of Korea, floods in Bangladesh, or a combination of both as was the case of India and Nepal. All of these countries are now envisaged to see 2017 production reduced as a result. Current prospects also point to a second successive season of retrenchments in the Republic of Korea and Viet Nam, but these losses are likely to be compensated by larger crops elsewhere, thus keeping output in the sub-region only marginally below the 2016 all-time high at 682.1 million tonnes. Singularly, the largest absolute production gains are expected to take place in Indonesia and Thailand, although Cambodia, Pakistan and the Philippines are all headed towards record-breaking harvests. Increases are also envisaged in the Islamic Republic of Iran, Iraq, the Lao People's Democratic Republic, Malaysia, Myanmar and Turkey, while 2017 output stagnates in China (Mainland), although at a comparatively ample level.

The 2017 production outlook is more positive for **Africa**, pointing to aggregate output exceeding the 2016 record by 1 percent to reach 31.1 million tonnes. Another bumper harvest in West Africa is likely to be behind the feat, as ample rains have enabled producers in the sub-region to react to attractive prices and government assistance programs by expanding plantings. Within the sub-region, particularly favorable results are foreseen for Nigeria, Mali and Senegal. Combined with a mild yield-driven expansion in Egypt, these gains look set to outweigh a sharp output fall in Madagascar and, to a lesser extent, in the United Republic of Tanzania, where crops were hindered by erratic rains.

The latest forecasts also point an excellent 2017 result in **Latin America and the Caribbean**, where an all-time record of 28.4 million tonnes is set to be collected. The 7 percent annual rebound is despite damages inflicted by successive storms in the Caribbean, as well as generally

### Rice production, utilization and stocks



### GLOBAL RICE MARKET SUMMARY

|  | 2015-16                    | 2016-17 | 2017-18 | 2017-18/<br>2016-17 |
|--|----------------------------|---------|---------|---------------------|
|  |                            | est.    | f'cast  | var.                |
|  | million tonnes, milled eq. |         |         | %                   |
| <b>Production</b>  | 490.9                      | 501.0   | 500.8   | 0.0                 |
| <b>Supply</b>  | 703.3                      | 710.7   | 715.9   | 0.7                 |
| <b>Utilization</b>   | 492.6                      | 497.8   | 503.2   | 1.1                 |
| <b>Food use</b>  | 395.8                      | 400.9   | 406.6   | 1.4                 |
| <b>Feed use</b>  | 18.2                       | 17.7    | 17.8    | 0.2                 |
| <b>Other uses</b>  | 78.6                       | 79.1    | 78.8    | -0.3                |
| <b>Trade <sup>1/</sup></b>   | 41.5                       | 45.0    | 45.4    | 1.0                 |
| <b>Ending stocks <sup>2/</sup></b>                                 | 166.5                      | 168.5   | 169.2   | 0.4                 |
|  | %                          |         |         |                     |
| <b>Global stock-to-use ratio</b>                                   | 33.4                       | 33.5    | 33.1    | -                   |
| <b>Major exporters' stock-to-disappearance ratio <sup>3/</sup></b> | 19.3                       | 18.5    | 16.9    | -                   |

<sup>1/</sup> Data refer to the calendar year trade (Jan.-Dec.) of the second year shown.

<sup>2/</sup> Stocks carried over in the second year shown.

<sup>3/</sup> 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.

lower plantings in South America owing to tight producer margins. At a country level, Brazil is expected to lead the region's production expansion, although larger crops are also envisioned in Colombia, Guyana, Mexico and Uruguay, more than compensating for reductions in Argentina, Costa Rica, Chile, Ecuador and Peru.

In **Oceania**, officials in Australia confirm the positive turnout of the 2017 season, which saw output stage a three-fold recovery thanks to ample water supplies and still attractive producer margins. The opposite is the case in the **United States**, where plantings contracted sharply amid competition with other crops, while additional cuts were fostered by overly wet conditions. Area retrenchments in response to poor price prospects are also set to undermine output in **Europe** this season.

Following a 750 000 tonne upward revision, **world trade in rice in calendar 2017** is now expected to amount to 45.0 million tonnes (milled basis), up 8.5 percent year-on-year and implying a full recovery from the 2016 depressed level. The expansion is expected to stem from brisk demand in Asia and Africa, led by greater imports by the Islamic Republic of Iran, Iraq, Madagascar, Nigeria, the Philippines and, especially, Bangladesh and Sri Lanka. Indeed, supply shortfalls and high domestic quotations have encouraged a particularly upbeat pace of imports by the South Asian countries, more than compensating for import reductions in Colombia, Indonesia, Ghana and Nepal. On the export side, ample exportable availabilities have promoted intense competition amongst the leading rice suppliers, India and Thailand, but also strong export comebacks from China (Mainland) and Myanmar. Greater shipments by these countries, along with Cambodia, the United States, Uruguay and Viet Nam, have come at the expense of deliveries by Argentina, Brazil and Pakistan. Continued export restraints are also set to lower deliveries by Egypt for the second successive year.

Based on current supply prospects, FAO tentatively forecasts **international rice deliveries** to expand by a modest rate of 1.0 percent in **calendar 2018** to 45.4 million tonnes. Underlying the forecast growth are expectations of somewhat larger purchases by countries in Asia, in particular, Indonesia, Malaysia, the Philippines and Saudi Arabia, where supplies would be needed to refurbish dwindling inventories. This is even if generally ample local supplies and the continued pursuit of self-sufficiency policies could again keep Asian imports well short of heights seen in 2015 next year. On the other hand, import demand is forecast to stall in Europe and Africa, while it falls in Latin America and the Caribbean, depressed by good crops and higher international prices. Among suppliers, Argentina, India, Thailand, the United States and Uruguay are all envisaged to see their competitive edge eroded by more limited exportable availabilities in 2018. However, Australia, Brazil, Cambodia, China (Mainland), Guyana, Pakistan, Paraguay, and especially, Viet Nam,

should count on sufficient supplies to more than compensate for these export reductions.

Notwithstanding a 2.6 million tonne downward adjustment since July, **world rice utilization** in 2017/18 is still predicted to expand by 1.1 percent to 503.2 million tonnes (milled basis). Food use is forecast to account for all of this growth, absorbing 406.6 million tonnes, 1.4 percent more than in 2016/17. This level would be sufficient to sustain a small (0.2 kilo) advance in **global per capita food consumption** to 53.8 kilos. All other uses are seen essentially unvaried year-to-year, with animal feed accounting for 17.8 million tonnes, while seeds, non-food industrial uses and post-harvest losses absorb another 78.8 million tonnes.

FAO's forecast continues to point to minor, 0.4 percent, expansion in **global rice inventories** at the close of 2017/18 seasons to 169.2 million tonnes (milled basis). Much of this increase is expected to concentrate in China (Mainland), although Bangladesh, Brazil and the Philippines are also expected to close the season with more rice on store. By contrast, current prospects point to sharp drawdowns in some major rice exporters, namely Thailand and the United States, along with Sri Lanka and the Republic of Korea. As a result of these trends, the **world stocks-to-use ratio** is still seen at a comfortable level 33.1 percent in 2017/18, but the major exporters' **stock-to-disappearance ratio** could be reduced to a ten-year low of 16.9 percent.

**International rice prices** have posted steady, but modest, gains since July. This was reflected in the FAO All Rice Price Index (2002-04=100) passing to a mid-October average of 217 points, up 3 percent from July levels. All of this recent strength has mirrored seasonal supply constraints in the fragrant and medium/short grain markets, exacerbated by harvest delays. These factors lifted the mid-October values of the Aromatica and Japonica Indices by 6 and 8 percent, respectively, to 220 and 250 points. Although at those levels the two sub-indices stood at multi-year highs, equally striking has been the relative price stability of the more widely traded Indica rice since July, considering that the bulk of freshly harvested crops in the northern hemisphere have yet to reach the market. Indeed, stiff competition among Asian suppliers to secure sales to the Far East and West Africa have tended to keep high quality Indica values in check, as reflected in the Higher Quality Indica Index hovering around a value of 187 points since July. Sentiment has been weaker in the lower quality Indica market, where prices have faltered by 5 percent since July, pressured by weak buying interest.

## PRODUCTION

### *Global production to stabilise around the 2016 record*

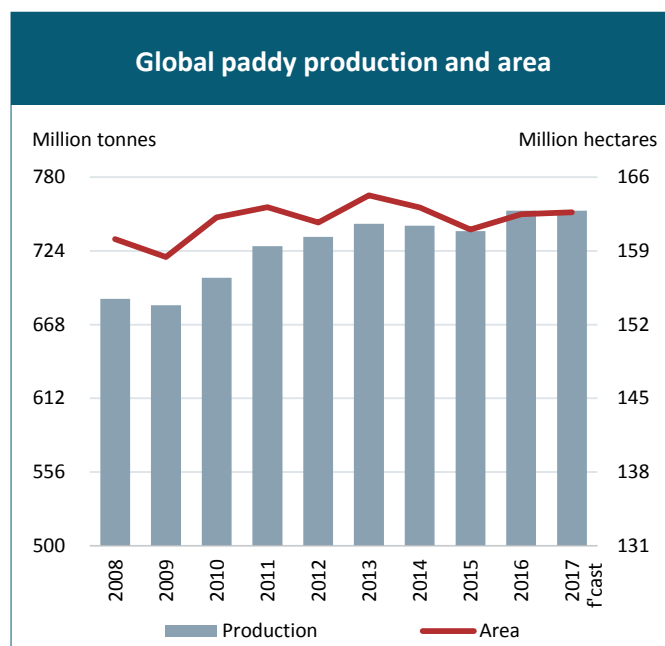
At this time of the year, producers in the northern hemisphere are already busy harvesting their 2017 main-crops or getting ready to do so. Instead, the 2017 season has ended south of the Equator, where farmers are now planting their 2018 crops.<sup>1</sup> FAO's outlook for world paddy production in 2017 has deteriorated since July, now pointing to a global harvest of 754.6 million tonnes (500.8 million tonnes, milled basis). This level would be only nominally changed (60 000 tonnes) from the 2016 all-time high, while falling 4.1 million tonnes short of July expectations. The downward adjustment primarily reflects less buoyant area and yield prospects for Asia, where a combination of dry spells and flooding episodes dashed expectations of paddy output surpassing the 2016 record. Nonetheless, a resilient level of plantings, often a result of state production incentives, is still likely to ensure another copious Asian harvest in 2017. Instead, the latest forecasts point to even better results in Africa and Latin America and the Caribbean, where growing conditions have proved generally conducive for crop development, barring storm-related damages and dryness over Tanzania and Madagascar. In Australia, officials also confirm the positive turnout of the 2017 season, which saw output stage a three-fold expansion thanks to ample water supplies and still attractive margins. The opposite is the case in the United States, where plantings contracted sharply on competition with other crops, to which flooding damages added. Area cuts in response to poor price prospects are also set to undermine output in Europe this season.

### **Asia**

#### *A mixed performance of the rains undermines growth prospects, but another abundant crop still likely*

FAO has lowered its July forecast of 2017 production in **Asia** by 4.1 million tonnes to 682.1 million tonnes (452.5 million tonnes, milled basis), which is marginally (0.1 percent) below the 2016 record outcome. The revision takes into account a somewhat challenging climatic unfolding of the season, which has been characterised by

<sup>1</sup> The 2017 rice production season normally includes rice from the main paddy crops whose harvests fall in 2017, 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 2017 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 2018. In the case of southern hemisphere countries, production in 2017 normally comprises rice from the main paddy crops assembled in the first part of 2017, plus rice from the secondary crops, generally gathered in the latter part of 2017. This approach to assess rice production is applicable to any given season.



abnormal dryness in **Sri Lanka** and the **Democratic People's Republic of Korea**, floods in **Bangladesh**, or a combination of both, as was the case of **India** and **Nepal**. All of these countries are now envisaged to see 2017 production reduced as a result. Current prospects also point to a second successive season of retrenchments in the **Republic of Korea** and **Viet Nam**, but the season has progressed more favourably elsewhere in the continent, which will likely enable most of these losses to be compensated. Singularly, the largest absolute gains are anticipated to take place in **Indonesia** and **Thailand**, although **Cambodia**, **Pakistan** and the **Philippines** are all headed towards record-breaking outcomes. Increases are also envisaged in the **Islamic Republic of Iran**, **Iraq**, the **Lao People's Democratic Republic**, **Malaysia**, **Myanmar** and **Turkey**, while 2017 output stagnates in **China (Mainland)**, although at a comparatively ample level.

The 2017 season has faced multiple setbacks in **Bangladesh**. The first and largest of three crops cultivated each year (the Boro crop) was struck by flash floods in April, which were aggravated by localised pest-attacks. Abundant rains and attractive paddy prices enabled sowings of the second (Aus) crop to advance speedily, although some 20 000 hectares of crops were again flooded in July. More significant damage was inflicted in early August, when heavy monsoon downpours triggered the worst floods to hit the country in four decades. Affecting 8 million people further to causing considerable damage to infrastructure and facilities, the inundations submerged over 600 000 hectares of standing crops. Aman paddies accounted for the bulk of this extension, much of which located in comparatively higher-yielding divisions in the north, such as Rangpur and Rajshahi that had already been struck by previous floods. The August inundations

dashed all expectations that earlier crop losses would be recuperated with a larger Aman harvest, even though damages are likely to be partly mitigated by the replanting that occurred as soon as flood waters began to recede in late August and by yield improvements promoted by abundant rains and silt deposited by the floodwaters. As a result, after seeing production register little or negative growth over the past two seasons, in 2017 Bangladesh is now forecast to gather a total of 51.2 million tonnes (34.2 million tonnes, milled basis). This level would imply a 2 percent annual reduction and stand 1.0 million tonnes below July expectations.

By contrast, growing conditions have been generally favourable in **Cambodia**, fostering expectations of a 2 percent production expansion to 10.1 million tonnes (6.1 million tonnes, milled basis). A positive result is envisaged to concern the wet crop, to be harvested between November and February. Indeed, main-crop plantings were reported to have reached 2.6 million hectares by early October, up 1 percent year-on-year, with flood-related damages affecting an only marginal portion of this extension. On the other hand, Government efforts to arrest price declines by availing credit to millers received a boost this year through a USD 50 million allocation. This is even if uptake of the credit line was reported to be limited last year, amid slow demand for export and constraints posed by limited storage facilities.

The China National Grains and Oil Information Center has downgraded its July forecasts of 2017 production in **China (Mainland)** by 700 000 tonnes, now suggesting that output in the country is likely to stagnate at a comparatively large level of 207.0 million tonnes (141.8 million tonnes, milled basis). The reduction comes amid subdued results from July-ended early harvest. The crop is put at 31.7 million tonnes (21.7 million tonnes, milled basis), down 3 percent from year-earlier levels, mostly on account of area cuts

induced by import competition and a shift away from double cropping into single-rice cultivation. Planting delays, combined with incessant summer rains and high temperatures, also hampered early-crop yields. A mild contraction is also anticipated to concern the late crop, given area reductions instigated by this year's cut in Government purchasing prices. Nonetheless, a 1.5 million tonne increase in the intermediate harvest is poised to make up for all of these losses. Intermediate paddies were reported to have been largely unscathed by the unseasonable dryness and warm temperatures prevailing in northeastern provinces this year. Plantings of this crop also expanded, as producers shifted away from maize cultivation towards still profitable Japonica rice production.

Although closing at an overall normal range of 95 percent of the long-period average (LPA), the 2017 southwest monsoon in **India** proved somewhat uneven in its distribution across time and space. A strong start to the rains was followed by dryer conditions in August and September, when precipitation fell to 87 and 88 percent of the LPA. Northwestern and southern parts of the country withstood the brunt of this dryer second half of the monsoon season, while floods were hitting northeastern and northern-western states. Authorities report that by 28 September the 2017 main (Kharif) crop covered 37.9 million hectares, down 330 000 hectares year-on-year. Most of this small retrenchment took place in Maharashtra and southern states facing precipitation shortages, but cuts also concerned Punjab, where farmers favored cotton over paddy, amid prospects of better returns. This tendency spread to the fragrant sector, where an 8 percent increase in acreage of the higher-yielding Pusa Basmati 1509 variety would have been far outweighed by an 11 percent cut in plantings of Pusa 1121 and a 4 percent reduction in Pusa Basmati 1 acreage.

#### INDIA: AREA UNDER MAJOR BASMATI VARIETIES<sup>1/</sup>

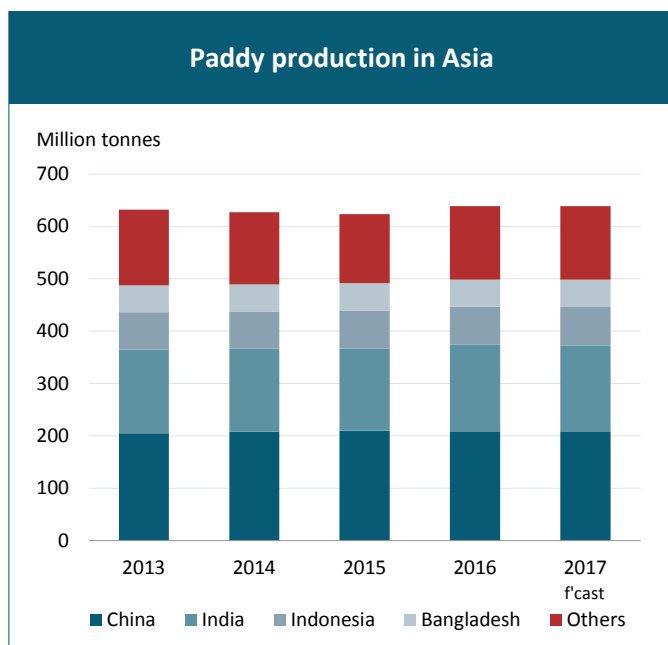
| STATES/ Uts      | Pusa Basmati 1121 |               |              | Pusa Basmati 1 |              |             | Pusa Basmati 1509 |              |            |
|------------------|-------------------|---------------|--------------|----------------|--------------|-------------|-------------------|--------------|------------|
|                  | 2016              | 2017          | Var. %       | 2016           | 2017         | Var. %      | 2016              | 2017         | Var. %     |
|                  | (000 hectares)    |               |              |                |              |             |                   |              |            |
| <b>INDIA</b>     | <b>1233.1</b>     | <b>1103.3</b> | <b>-10.5</b> | <b>160.6</b>   | <b>153.8</b> | <b>-4.2</b> | <b>119.9</b>      | <b>129.5</b> | <b>8.0</b> |
| Haryana          | 504.9             | 443.5         | -12.2        | 90.7           | 85.6         | -5.6        | 26.2              | 29.9         | 14.1       |
| Punjab           | 555.8             | 499.5         | -10.1        | 24.3           | 23           | -5.3        | 35.2              | 38.7         | 9.9        |
| Uttar Pradesh    | 156.3             | 144.4         | -7.6         | 43.3           | 42.9         | -0.9        | 53.7              | 56           | 4.3        |
| Uttarakhand      | 4.2               | 4.1           | -2.4         | 2.3            | 2.3          | 0.0         | 2.5               | 2.6          | 4.0        |
| Himachal Pradesh | 2                 | 2             | 0.0          | -              | -            | -           | 2                 | 2            | 0.0        |
| Jammu & Kashmir  | 8.4               | 8.3           | -1.2         | -              | -            | -           | 0.3               | 0.3          | 0.0        |
| Delhi            | 1.5               | 1.5           | 0.0          | -              | -            | -           | -                 | -            | -          |

1/ Released September 12, 2017

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



Barring these setbacks however, crop conditions are reported to be satisfactory in India, which will likely favor another season of relatively strong yield outturns. Moreover, scope still exists for acreage to advance further, especially in states such as Tamil Nadu, where the planting window stretches into December and where, unlike last year, normal northeast monsoon rains are officially expected. Meanwhile, early prospects for the secondary Rabi crop remain uncertain at this stage, given a rather mixed water supply picture across the country. By mid-October, water levels in major reservoirs located in Andhra Pradesh and Telangana had declined below last year's levels, while storage levels improved in other important Rabi producers such as Karnataka and, especially, West Bengal. To take account of these factors, FAO has lowered its 2017 production forecast for India to 164.2 million tonnes (109.5 million tonnes, milled basis), which is 1.3 million tonnes below July expectations, but still the second highest on record.



Officials in the **Republic of Korea** confirm that farmers responded to poor price prospects and incentives under the state's area diversion programme by cutting plantings for the sixteenth successive year to 755 000 hectares. Unseasonably dry conditions early in the season and heavy bouts of rains in July and August also caused yields to fall 3 percent below the 2016 record of 7.2 tonnes per hectare. As a result, the Republic of Korea is officially predicted to collect 6 percent less than in 2016, or 5.3 million tonnes (4.0 million tonnes, milled basis). Although this level would suggest the smallest harvest to be gathered in the country since 1980, official attention remains centred on stabilising domestic prices, since despite this year's likely output reduction, local food consumption continues to decline while stockpiles remain ample. To these effects, the Government has indicated that it would purchase up to

720 000 tonnes from the 2017 harvest, further to continuing programmes encouraging greater use of rice as feed and for processing, as well as expanding food aid deliveries abroad.

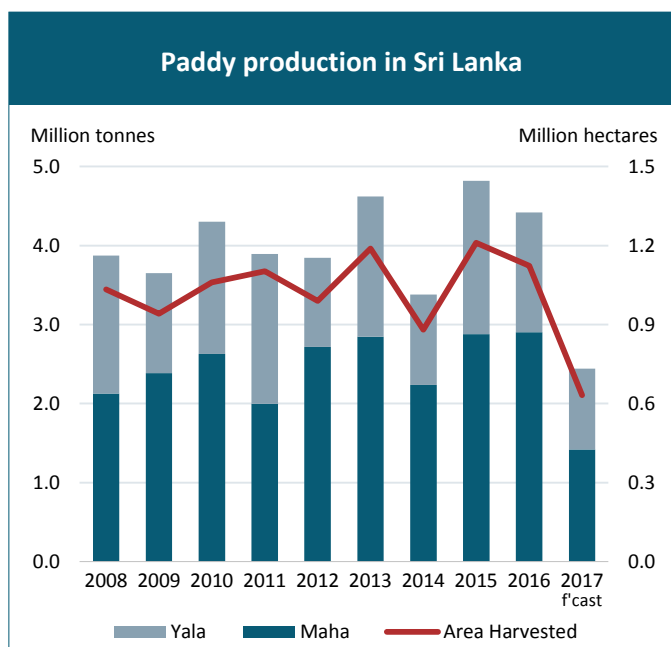
In **Nepal**, transplanting activities of 2017 crops were hindered by erratic rainfall during the first half of the monsoon season. Although a successive improvement of the rains allowed field operations to regain momentum, acreage by the close of August continued to lag behind year-earlier levels. Additional challenges were posed by torrential rains that month that led to floods and landslides across 35 of the country's 75 districts. The southern plains of the Terai, which normally account for some 70 percent of overall national production, stood most impacted by the inundations, which preliminary official assessments indicate submerged close to 200 000 hectares of standing crops. Although subsidised inputs and credit facilities were availed to producers to encourage them to replant, the timing of the floods left a narrow window for farmers to transplant crops after waters had subsided. As a result, FAO now anticipates Nepal will gather 4.8 million tonnes (3.2 million tonnes, milled basis) in 2017, 8 percent less than the 2016 record and 550 000 tonnes below July expectations.

Despite a somewhat uneven monsoon performance, prospects of improved margins and generally adequate water availabilities for irrigation permitted plantings to expand in **Pakistan's** leading producing provinces, Sindh and Punjab. Crops also developed well as, barring some untimely September rains, no major setback was incurred. These factors are now expected to translate into a harvest of 10.8 million tonnes (7.2 million tonnes, milled basis) in 2017, up 5 percent year-on-year and 350 000 tonnes more than last reported.

The outlook has also improved for the **Philippines**, which looks headed towards a record 2017 harvest (July-June) of 19.2 million tonnes (12.6 million tonnes, milled basis). The revised forecast would imply a 4 percent annual expansion, mirroring more buoyant prospects for the main crop currently being collected. Output from this crop is officially seen staging a 6 percent annual expansion to 10.6 million tonnes (7.0 million tonnes, milled basis), aided by adequate water availabilities, combined with input assistance programmes, and a lower incidence of tropical cyclones early in the season. FAO's outlook for the offseason crop is also positive, considering the prevailing firmness of paddy prices and expectations that normal rains in the months ahead will ensure sufficient water availabilities for irrigation. Authorities also reported that they aimed to boost paddy output to 19.8 million tonnes in 2018 (January-December). For this purpose, they would target to raise coverage of hybrids in irrigated lands by 47 percent to 500 000 hectares, further to continuing efforts

to develop and maintain irrigation infrastructure and promote farm mechanisation.

The Department of Census and Statistics of **Sri Lanka** recently released its assessment of the 2017 main (Maha) crop, confirming the severe losses incurred to poor performing rains and shortages of water availability for irrigation. Maha output was pegged at 1.4 million tonnes (965 000 tonnes, milled basis), half its level of 2016 and 160 000 tonnes less than envisaged by FAO. Prospects are equally downcast for the September-ended Yala harvest, as despite some rainfall improvements in February and March, water levels in reservoirs proved insufficient to sustain a normal level of plantings. To these effects, officials indicate that acreage under this crop fell 31 percent below the already reduced 2016 extension, which combined with localised weather and pest damages, depressed Yala output by 33 percent year-on-year. As a result, Sri Lanka is estimated to have gathered a total of 2.4 million tonnes (1.7 million tonnes, milled basis) in 2017, down 45 percent year-on-year and a 20-year low. As farmers in Sri Lanka are now starting to sow their 2018 crops, concerns persist regarding low storage levels in major reservoirs, although weather forecasts point to a likelihood of generally normal rains through November. Advisories have been issued encouraging farmers to use short duration strains, while the Government has declared 2018 the Year of Local Food Production, announcing that a host of measures would soon be instated under a three-year programme to bolster output.



Despite some 440 000 hectares of paddies being damaged by floods this season, the outlook is still positive for **Thailand**, which may gather 3 percent more than in 2016, or 33.7 million (22.3 million tonnes, milled basis). Indeed, a relatively speedy recession of floodwaters would have

permitted fields to be replanted, with ample scope also existing for damages to be compensated with greater offseason output. In fact, secondary crops look set to benefit from another year of ample water availabilities, as plentiful summer rains had boosted water levels in major reservoirs to 74-89 percent of capacity by early October. On the other hand, state programmes geared at alleviating downward pressure on prices also continue, offering producers between 3 and 14 percent more for supplies pledged under this year's on-farm mortgaging programme. The scheme, along with two other programmes availing credit to farmer groups and traders, seeks to delay the arrival of 12.5 million tonnes of paddy from the market.

In **Viet Nam**, the 2017 production outlook deteriorated following the arrival of early flooding in the Mekong Delta, which caused some fields that would have been sown to the late summer-autumn crop to be fallowed. Additional disruptions were posed by successive storms, although to-date these are not reported to have compromised yields of the summer-autumn crop or the third (winter) crop, which is still being sown. Predominantly grown in northern parts of the country, the lower-yielding winter crop has seen plantings decline steadily since 2014, as producers switch to more profitable alternatives. This year has been no exception to this trend, with winter acreage reported to stand 2 percent behind year-earlier levels by mid-September, at 1.6 million hectares. Based on this progress and taking into account earlier losses incurred in the winter-spring cycle to a combination of excess rains and lingering salinity problems, Viet Nam is now predicted to gather 43.3 million tonnes (28.2 million tonnes, milled basis) in 2017, down 270 000 tonnes from the already reduced 2016 result.

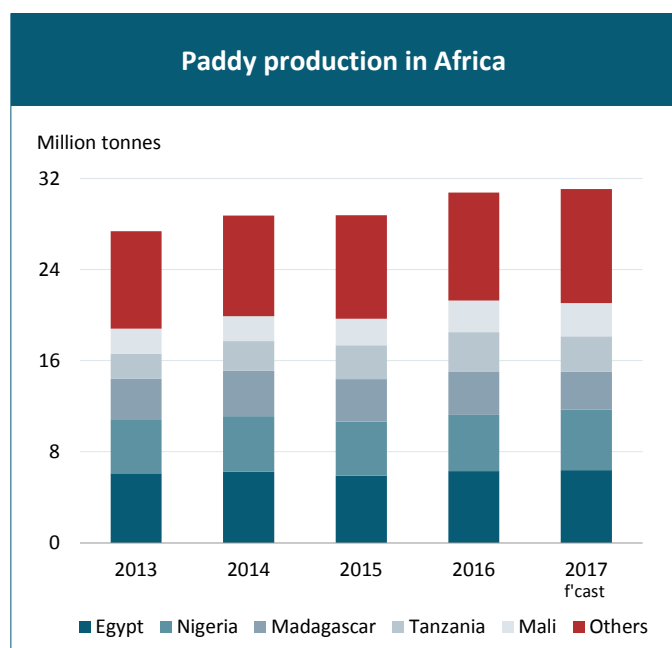
## Africa

### Generally abundant rains boost the production outlook for West Africa

The latest figures point to aggregate output in Africa exceeding the 2016 record by 1 percent to 31.1 million tonnes (20.3 million tonnes, milled basis). The feat would be mostly on account of West Africa, where weather conditions have been conducive for continued production growth. A mild improvement is also seen taking place in Egypt. The outlook is less positive for the other African sub-regions, much as a result of rainfall shortages affecting crops in Madagascar and the United Republic of Tanzania, with further damages in Madagascar associated with the strike of cyclone Enawo.

In **Northern Africa**, there have been no changes in the production outlook for **Egypt**, where the 2017 harvest is about to conclude. The country is forecast to gather 6.4

million tonnes (4.4 million tonnes, milled basis), up 80 000 tonnes year-on-year. The small expansion relies on expectations that yield improvements will offset a mild cut in area planted to paddy, as some lands returned to cotton cultivation this season. Meanwhile, the Government has refrained from setting a paddy procurement price for the 2017 crop, reportedly in order to avoid difficulties encountered last year, when producer discontent over the official purchase price undermined the public procurement campaign. Instead, officials will acquire supplies needed to service public distribution needs and refurbish state reserves from traders through a tendering process.



Generally plentiful rains have facilitated area expansions in **Western Africa** this season, further to raising prospects of overall positive yield outcomes. Although in a few cases cropping activities were disrupted by uneven rains or flooding episodes, the generally conducive climate is now expected to boost 2017 output in the sub-region by 6 percent to 16.3 million tonnes (10.4 million tonnes, milled basis), which is 340 000 tonnes more than last reported. At a country level, **Nigeria** remains forecast to lead the production expansion, harvesting 8 percent more than in 2016, or 5.4 million tonnes (3.2 million tonnes, milled basis). The forecast growth is expected to be area-based, mirroring the strong planting incentive provided by high domestic prices, along with state input assistance programs.

Compared to July expectations, the outlook has improved for **Ghana** and **Guinea**, where officials indicate a faster rate of area expansions than previously foreseen by FAO. Encouraged by incentives under the Planting for Food and Jobs campaign, farmers in Ghana are reported to have boosted plantings by 11 percent year-on-year to 262 000

hectares, while in Guinea area growth was put in the order of 4 percent to 1.8 million hectares. Barring some localized flooding problems, and pest attacks in Guinea, beneficial rains have also aided crop development in both countries. As a result, Ghana may gather 770 000 tonnes (462 000 tonnes, milled basis) in 2017, up 12 percent from a revised estimate for 2016. In the case of Guinea, output is now seen staging a 110 000 tonnes annual expansion to 2.3 million tonnes (1.5 million tonnes, milled basis).

Planting progress was also upbeat in **Mali**, especially in the Office du Niger, where sowing pace has raised expectations that this year's ambitious 1.0 million tonne production target will be met. On the weather front, no major setback has been reported, unlike 2016 when heavy downpours inundated some 130 000 hectares of agricultural crops. Put together, these factors may result in a 5 percent annual production expansion in Mali to 2.9 million tonnes (2.0 million tonnes, milled basis). In **Senegal**, producers are reported to have drawn further encouragement this season by timely input distributions and a July Government move fixing paddy prices at XOF 125 per kilo (USD 225 per tonne). The measures are part of the country's renewed aim to achieve self-sufficiency in rice this year through the Program for the Relaunch and Acceleration of Senegalese Agriculture (PRACAS). To this end, seeds, fertilisers and machinery were distributed, while an outlet for local produce has been found by tying the issuance of import licences to local purchases. Meanwhile, rainfall performance to date has been within normal bounds over the country, with the exception of northern areas, where however the bulk of paddies rely on irrigation. As a result, Senegal is now predicted to gather 1.1 million tonnes (770 000 tonnes, milled basis) in 2017, implying a 150 000 year-on-year expansion and an all-time high. Among other producers in the sub-region, the outlook is also positive for **Cote d'Ivoire**, **Gambia**, **Niger** and **Togo**.

In December 2016, authorities in **Benin** launched the 2016-2021 Government Action Programme (PAG), "Revealing Benin", a national investment plan geared at revitalising the economy. Identifying agriculture as a key driver of economic growth and job creation, the roadmap envisages the establishment of regional hubs through which the development of seven value chains, including that of rice, would be prioritised. One of 45 flagship projects envisaged by the PAG aims to boost rice productivity and reduce reliance on imports by facilitating access to basic inputs and equipment, as well improving water management and promoting the adoption of new technologies. As to the progress of the 2017 season, a somewhat irregular temporal and geographic distribution of the rains is expected to preclude a second year of above-average yield outturns in the country. However, with plantings staging another 2 percent year-on-year

expansion, authorities indicate that output is likely to remain at an abundant 277 000 tonnes (166 000 tonnes, milled basis), down just 1 percent from the 2016 record outcome.

The outlook is less encouraging in **Burkina Faso**, where output is officially envisaged at 339 000 tonnes (223 000 tonnes, milled basis), down 12 percent from the 2016 record. Although the 2017 season got off to a good start in the country, yield expectations were undermined by dry-spells in July and August. Additional challenges were posed by gran-eating birds and fall armyworm infestations, although the latter would have mostly concerned maize crops and are reported have been largely contained. In the case of **Chad**, an overall favorable climatic unfolding of the season was overshadowed by area cuts triggered by constraints in the availability of inputs. As a result, 2017 output in the country is seen remaining close to the 2016 depressed level, at 259 000 tonnes (177 000 tonnes, milled basis). The outlook is likewise negative for **Guinea Bissau**, where a delayed onset of the seasonal rains, coupled with flooding problems and unseasonable September dryness may lower output by 2 percent to 182 000 tonnes (121 000 tonnes, milled basis). Credit constrains, along with insufficient precipitation levels, are instead forecast to be behind an additional 30 000 tonne output contraction in **Mauritania** to 146 000 tonnes (87 000 tonnes, milled basis).

In **Eastern Africa**, where most countries have already collected their main crops, aggregate production remains forecast to fall 7 percent below of the 2016 record to 3.8 million tonnes (2.5 million tonnes, milled basis). Much of this contraction would concentrate in the **United Republic of Tanzania**, where crops were negatively impacted by erratic rains. Nonetheless, lingering dryness at the start of the season is also envisaged to undermine production in **Burundi** and keep **Kenya's** output close to the 2016 drought-reduced level. Prospects are more positive elsewhere, especially in **Rwanda**, where production may climb by 17 percent to an all-time high of 129 000 tonnes (86 000 tonnes, milled basis). Rainfall performance was generally conducive for crop development in Rwanda this season. Moreover, efforts to boost rice cultivation in marshlands continue, with output gains being further attributed to improved growing practices and input assistance programs. Current expectations are also that improved rainfall performance since July, when sowing activities of the first cropping cycle of the 2017 began, will assist **Uganda** to recover losses endured in 2016 due to poor performing rains. Overall, Uganda is seen gathering 240 000 tonnes (160 000 tonnes, milled basis) in 2017, up 9 percent year-on-year.

The 2017 season has already ended in **Southern Africa**. The campaign yielded negative results in **Madagascar**,

where plantings and yields were undercut by severe rainfall shortages lasting into February. Although improvements were recorded in March, reports indicate that the resurgence of the rains proved insufficient to offset earlier dryness, with additional damages incurred following the strike of cyclone Enawo that month. Pending final results of a FAO/WFP crop assessment, FAO has lowered its forecast of 2017 production in Madagascar to a thirteen-year low of 3.3 million tonnes (2.2 million tonnes, milled basis). The season proved more positive elsewhere. After two successive years of unseasonable dryness, a return to more normal precipitation patterns permitted **Malawi** to raise 2017 output by 39 percent to 121 000 tonnes (78 000 tonnes, milled basis), while annual growth was in the order of 44 percent in the case of **Zambia** to 38 000 tonnes (26 000 tonnes, milled basis). The latest official assessments in **Mozambique** also dispel previous concerns that somewhat irregular rains in central producing areas affected crop performance. Instead, the country is reported to have gathered a record crop of 402 000 tonnes (268 000 tonnes, milled basis) in 2017, 21 percent more than a year earlier thanks to larger plantings.

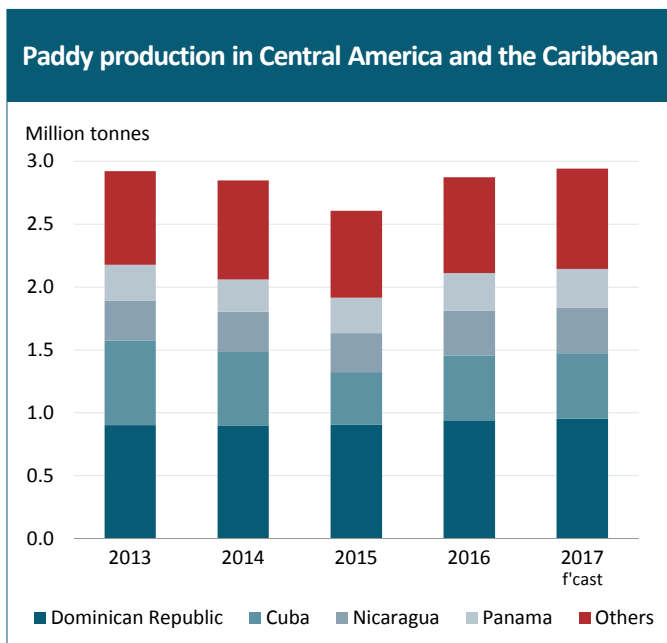
## **Central America and the Caribbean**

### *Production prospects positive, but hurricanes damage crops*

Main-crop harvests are now underway in Central America and the Caribbean. FAO now anticipates 2017 output in the sub-region to expand by 2 percent to 2.9 million tonnes (1.9 million tonnes, milled basis), underpinned by larger crops in **El Salvador, the Dominican Republic, Haiti, Honduras, Mexico, Nicaragua** and **Panama**. The outlook could however be subject to revision as more information emerges regarding storm-related damages, in what has been an intensely active hurricane season. For instance, in Costa Rica, early reports indicate that more than 20 percent of the normal first-crop extension (9 000 hectares) were negatively impacted by the early October strike of tropical storm Nate. Prior to Nate, hurricane Irma, a category 5 storm, already wrought havoc over its 3-day trajectory through the Caribbean and was closely followed by Hurricane Maria, another category 5 hurricane. Early official assessments in **Cuba** however indicate that the plantains and maize sectors experienced the worst damage from Irma, while the affected paddy extension amounted to under 2 000 hectares. Facilities and drying infrastructure would have been damaged, nonetheless. On the other hand, the heavy downpours brought by the hurricane also served to replenish major reservoirs that had been considerably undermined by successive years of drought. This will likely benefit cropping activities in 2018. FAO has provisionally lowered its production forecast for



Cuba to 520 000 tonnes (347 000 tonnes, milled basis), little changed from the 2016 outcome.



In the **Dominican Republic**, assessments indicate that the rice sector stood amongst the worst hit by the passage of hurricanes Irma and Maria. Between 6 000 and 10 000 hectares of paddies would have been flooded, much of which in the important northeastern rice producing areas. The storms dented the outlook for a season that had otherwise been characterised by conducive growing conditions. Indeed, officials reported that due to growing cultivation of improved seed varieties and continued state assistance under the warehouse receipts programme, paddy production between January and June 2017 had expanded by 7 percent to 490 000 tonnes. Based on this progress and taking into account damages reported to date, output in the Dominican Republic is now seen in the order of 950 000 tonnes (572 000 tonnes, milled basis), which is 1 percent above the 2016 level. In **Haiti**, where the storms had a comparatively limited impact, officials point to a considerably more buoyant turnout to the 2016 season. Output is assessed to have staged a 30 percent annual recovery to 172 000 tonnes (115 000 tonnes, milled basis). Considering the conducive weather that benefitted the spring crop (already collected), along with steps to improve irrigation and drainage infrastructure, Haiti is now forecast to outdo this production level by 10 percent in 2017, gathering 190 000 tonnes (127 000 tonnes, milled basis).

## South America

### *Tight producer margins dampen early outlook for 2018 crops*

Only a few countries in South America have still to conclude the 2017 season. The latest figures confirm the overall positive turnout of the campaign, with yield improvements facilitating an 8 percent rebound in aggregate output to 25.5 million tonnes (17.3 million tonnes, milled basis). Much of the sub-region's production recovery concentrated in **Brazil**, although **Colombia**, **Guyana**, **Paraguay** and **Uruguay** are also assessed to have gathered more this year. Instead, output fell in **Argentina**, **Bolivia**, **Chile**, **Ecuador** and **Peru**, constrained by prospects of poor returns and/or inclement weather.

Various South American producers are already busy plantings their 2018 crops. Early indications point to plantings in the sub-region possibly falling for the fifth successive season, amid lingering pressure exerted by high production costs. On the weather front, although no major concerns have surrounded water availabilities for irrigation, untimely rains have also posed some challenges to initial fieldwork.

Official estimates of the 2017 harvest in **Argentina** remain set at 1.3 million tonnes (904 000 tonnes, milled basis). This level represents a 5 percent year-on-year contraction imputable mostly to yield depressions instigated by untimely rains. Area planted to paddy in Argentina has declined steadily since 2014 due to weather vagaries and tight producer margins. The 2017 season was no exception, with acreage hitting an eight-year low of 206 000 hectares. Early indications for the 2018 season, launched in September, point to a steady-to-lower area coverage. Despite adequate water availabilities for irrigation, high electricity and fuel costs, together with intense competition in international markets, have continued to weigh heavily on producer planting intentions.

The 2017 season is also assessed to have closed with negative results in **Bolivia**. FAO estimates production in the country to have fallen 7 percent short of the 2016 depressed outcome to 380 000 tonnes (261 000 tonnes, milled basis). The reduction followed area cuts prompted by poor price prospects and lingering dryness at the start of the season. These were only partly compensated by yield improvements promoted by attenuating pest infestations.

Contrary to the previous season, 2017 crops in **Brazil** were sown within the optimal planting window, with good sunshine conditions and adequate temperatures further promoting crop development. Although credit constraints and competition with other crops caused plantings to

decline, the conducive weather permitted yields to rebound to an all-time record of 6.2 tonnes per hectare. As a result, the 2017 Brazilian harvest is officially assessed at 12.3 million tonnes (8.4 million tonnes, milled basis), up 16 percent from the poor 2016 outcome.

At the onset of the 2018 season, in mid-September, paddy prices in the main Brazilian producing state of Rio Grande do Sul stood at BRL 743 (USD 235) per tonne, down from an above-average level of BRL 1 000 (USD 316) per tonne a year earlier and close to the 2017 minimum support price of BRL 699 (USD 221) per tonne. The sector reports that production costs have meanwhile continued to make inroads, reaching BRL 6 062 (USD 1 915) per hectare, up 8 percent year-on-year and 41 percent above 2014 levels. These factors have fuelled sector calls for official assistance and for producers to curb plantings in favour of more profitable alternatives, such as soybeans. In response, authorities announced in September that they would study alternatives to lower the cost of energy. A fund of BRL 100 (USD 31.6) million would also be availed to cover public purchases in the event that producer prices fell below stipulated floors for 2017. This is further to July's approval of a 3 percent increase in minimum support prices for the 2018 season. Meanwhile, CONAB's first outlook for the forthcoming campaign sees output in Brazil ranging from 11.8-11.9 million tonnes (8.0-8.1 million tonnes, milled basis) in 2018, down 4-5 percent from 2017, mostly on expectations of yields returning to more normal levels.

In **Colombia**, despite sector calls to trim plantings in order to avert further downward pressure on prices, the latest Government assessment indicates that area planted to the 2017 second-semester crop grew by another 5 percent to 414 000 hectares. Much of this increase is reported to have taken place in the eastern plains, where a downturn in the local oil industry would have encouraged a growing number of people to take up rice cultivation. Considering gains in first-semester production already recorded, the area expansion is now envisaged to lift total production in

Colombia to 2.9 million tonnes (2.0 million tonnes, milled basis) in 2017, up 8 percent from the 2016 record harvest and 330 000 tonnes more than forecast in July.

The 2017 season is nearing conclusion in **Ecuador**, as the secondary (summer) crop harvest is now underway. FAO's production outlook for the country is now set at 1.2 million tonnes (756 000 tonnes, milled basis), down 80 000 tonnes from July expectations and implying a second successive season of production cuts. The 3 percent annual contraction would mostly mirror area retrenchments, as producers reacted to unattractive prices by cutting plantings. Nonetheless, excess rains and continued pest infestations are also reported to have undermined yields of the first (winter) crop harvest.

The second (autumn) crop of the 2017 season is now being collected in **Guyana**. FAO has maintained its 2017 positive outlook for production in the country at 960 000 tonnes (624 000 tonnes, milled basis). This level would imply a 17 percent annual upturn, facilitated by more normal weather conditions, which permitted plantings to recover. This is notwithstanding tighter margins following the loss of the lucrative Venezuelan market, as well as localised damages caused by heavy downpours.

Prospects in **Peru** were marred by short water supplies for irrigation at the start of the campaign and successive flooding problems, associated with the coastal El Niño phenomenon. These factors are expected to translate into a 6 percent production contraction in 2017 to 3.0 million tonnes (2.0 million tonnes, milled basis). Yet, this level would still imply an overall abundant harvest, as attractive paddy prices and improved growing conditions are anticipated to encourage producers to make up for area losses incurred early in the season. To these effects, a Government survey of producer planting intentions indicates that Peruvian farmers intend to raise plantings between August 2017 and July 2018 by 5 percent to 447 000 hectares. The overall area gain would be notwithstanding sector apprehensions over increasing

**BRAZIL: MINIMUM SUPPORT PRICES IN 2017 AND 2018<sup>1/</sup>**

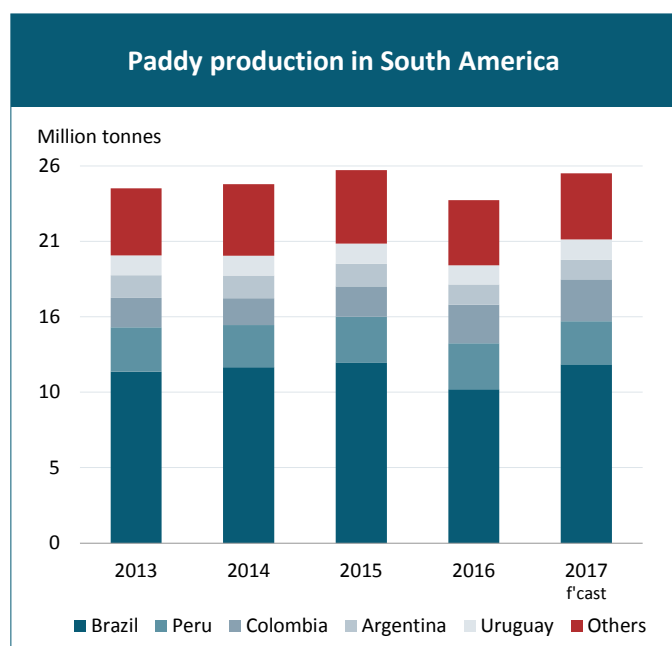
| Commodity                        | Regions and States covered   | Type         | 2017/18 |        | 2018/19 <sup>1/</sup> |        |
|----------------------------------|--|--------------|---------|--------|-----------------------|--------|
|                                  |  |              | BRL/MT  | USD/MT | BRL/MT                | USD/MT |
| Fine long-grain rice in the husk | Southern region (except Paraná)                                      | Type 1-58/10 | 699     | 221    | 720                   | 228    |
|                                  | Centre West, Northeast, Northern, Southeast regions and Paraná State |              | 700     | 221    | 720                   | 228    |
| Long-grain rice in husk          | Southern region (except Paraná)                                      | Type 2-55/13 | 378     | 119    | 378                   | 119    |
|                                  | Centre West, Northeast, Northern, Southeast regions and Paraná State |              | 408     | 129    | 408                   | 129    |

1/ For Brazil 2017/18. Effective February 2018 to January 2019.

Source: Ministry of Agriculture.

import competition, as well as cuts in some leading northern producing areas. The latter namely concern San Martin, where officials efforts to address weather and pest-affected yield outcomes are likely to result in some areas being fallowed.

The 2017 season closed with positive results in **Uruguay**. Timely plantings, combined with conducive temperatures and sunshine conditions facilitated an 8 percent output recovery to 1.4 million tonnes (987 000 tonnes, milled basis). The 2018 campaign opened in September under less auspicious conditions. Continuous rains slowed field preparations, while on the economic front producers indicate that high indebtedness and mounting production costs have prevented the sector from benefitting from favourable export conditions this year. The industry retains that these factors would likely result in a 10 percent cut in 2018 plantings to 148 000 hectares, unless energy and fuel costs subside and credit relief measures were taken. Requests concerning the latter have specifically called for authorities to approve a 1-year deferral of repayments of a trust fund approved in 2016 to assist the rice sector. These repayments currently deduct USD 0.48 per 50-kilogramme bag from paddy prices received by producers.



## North America, Europe and Oceania

*Poor price prospects and inclement weather to lower output in the United States to a 21-year low*

In **North America**, harvesting activities of 2017 crops are nearly complete in the **United States**. According to the USDA's latest assessment, the country is set to gather its smallest crop since 1996, or 8.1 million tonnes (5.7 million

tonnes, milled basis). This level would stand 577 000 tonnes below July forecasts and imply a 20 percent annual shortfall. The reduction would be attributable to area cuts instigated by unattractive prices and flooding problems in April and May. On the other hand, despite the devastation brought by Hurricane Harvey in September, the agency indicates that the storm's impact on rice crops is likely to be confined to the small ratoon crop planted in Texas, since by the time of the hurricane's strike the bulk of crops had already been collected. From a segment perspective, the long-grain crop remains forecast to account for the bulk of the reduction, dipping 24 percent below 2016 levels to 5.7 million tonnes (4.0 million tonnes, milled basis). Nonetheless, planting delays in California caused by overly wet conditions are also seen driving a 9 percent year-on-year reduction in short/medium grain output to 2.4 million tonnes (1.7 million tonnes, milled basis).

In **Europe**, the 2017 harvest has entered its final stages across the **European Union**. FAO's latest outlook for the area points now points to an only marginal (0.5 percent) decline in 2017 output to 3.0 million tonnes (1.8 million tonnes, milled basis). The relative stability comes amid expectations that yield improvements will mostly compensate for area cuts, as with a few exceptions, warm summer temperatures this season are not reported to have borne any major impact on crop development. At a country level, the result would be sustained by a yield-driven expansion in Spain, which would largely compensate for contractions in Greece and Italy, associated with poor price prospects, and in Portugal, due to short water supplies for irrigation. Indeed, officials indicate that Spain is set to gather 857 000 tonnes (514 000 tonnes, milled basis), up 4 percent from 2016, when late plantings negatively affected yields. The recovery would be despite not-so-encouraging field reports regarding yields in some important producing provinces, such as Valencia and Catalonia, due to rice blast disease. Prospects are also positive for France, Hungary and Romania, whereas output in Bulgaria may dip somewhat.

In **Oceania**, although somewhat lower than last reported, ABARES' latest figures confirm the excellent turnout of the 2017 season in **Australia**. Ample water availabilities supplies and lower irrigation costs permitted the April-ended harvest to rebound by 197 percent to 814 000 tonnes (543 000 tonnes, milled basis). What is more, the agency predicts this trend to continue in the 2018 season, just launched in the country. Despite dry winter conditions, water availabilities are seen sufficient to sustain an additional 5 percent growth in plantings to 84 000 hectares. This would in turn raise 2018 output by a similar margin to 854 000 tonnes (570 000 tonnes, milled basis).

## INTERNATIONAL TRADE

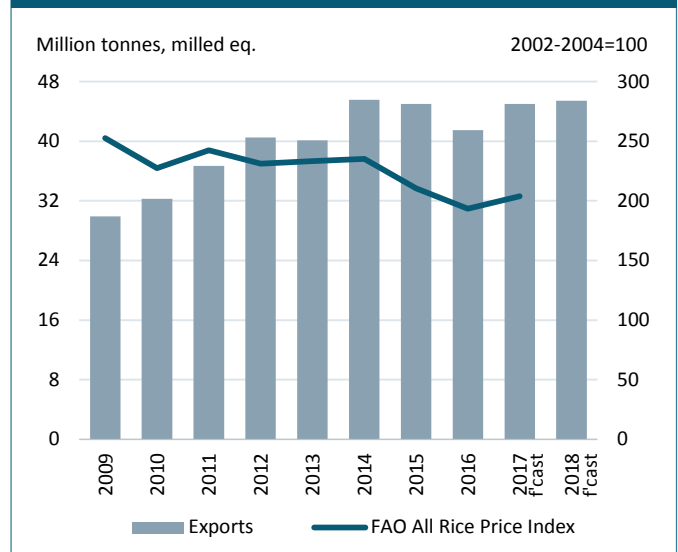
### *Trade growth to decelerate in 2018*

Since July, FAO has raised its forecast of world trade in rice in calendar 2017 by 750 000 tonnes. The revision primarily mirrors an upbeat pace of purchases by various African countries, in particular Nigeria, but also Benin and Senegal. A steady stream of orders placed by public and private sector actors in Bangladesh also called for upward adjustments to import forecasts for the country. However, the outlook for aggregate deliveries to Asia was somewhat curbed by prospects of even lower imports by Indonesia, along with expectations that some shipments destined to the Philippines will be carried over into 2018. On the supply side, China (Mainland), India, Myanmar and Thailand are all anticipated to export more than reported in the July issue of the RMM. Instead, export forecasts were cut mainly for Australia, the Lao People's Democratic Republic and Pakistan, in all cases based on reported pace of shipments.

Based on these changes, world trade in rice in calendar **2017** is now expected to amount to 45.0 million tonnes (milled basis), up 8.5 percent year-on-year and implying a full recovery from the 2016 depressed level. From a regional perspective, the expansion mirrors brisk demand in Asia, where greater imports are being promoted in an attempt to rein in domestic quotations and compensate for supply shortfalls. Strong local demand and attractive international offerings are also expected to encourage a strong advance in imports by African countries. Volumes delivered to other regions are poised to remain steadier year-to-year, albeit at comparatively abundant levels. On the export side, ample exportable availabilities have promoted intense competition amongst the leading rice suppliers, India and Thailand, but also strong export comebacks from China (Mainland) and Myanmar. Greater shipments by these countries, along with Cambodia, the United States, Uruguay and Viet Nam, have come at the expense of deliveries by Argentina, Brazil and Pakistan, the most. Continued export restraints are also set to lower shipments by Egypt.

Based on current expectations for 2017 production in the northern-hemisphere and early prospects for 2018 crops south of the Equator, FAO forecasts global rice deliveries in calendar **2018** to expand by an only modest rate of 1.0 percent to 45.4 million tonnes. Underlying the forecast growth are expectations of somewhat larger purchases by countries in Asia. This is even if generally ample local supplies and the continued pursuit of self-sufficiency policies are likely to keep imports by Asia short of heights seen in 2015. Demand is instead forecast to stall in Europe and in Africa, while it falls in Latin America and the Caribbean, depressed by good crops and higher international prices. Among suppliers, Argentina, India,

### Global rice trade and FAO All Rice Price Index



Thailand, the United States and Uruguay are all envisaged to see their competitive edge eroded by more limited exportable availabilities next year. However, Australia, Brazil, Cambodia, China (Mainland), Guyana, Pakistan, Paraguay, and especially, Viet Nam, should count on sufficient supplies to advance exports in 2018.

## Imports

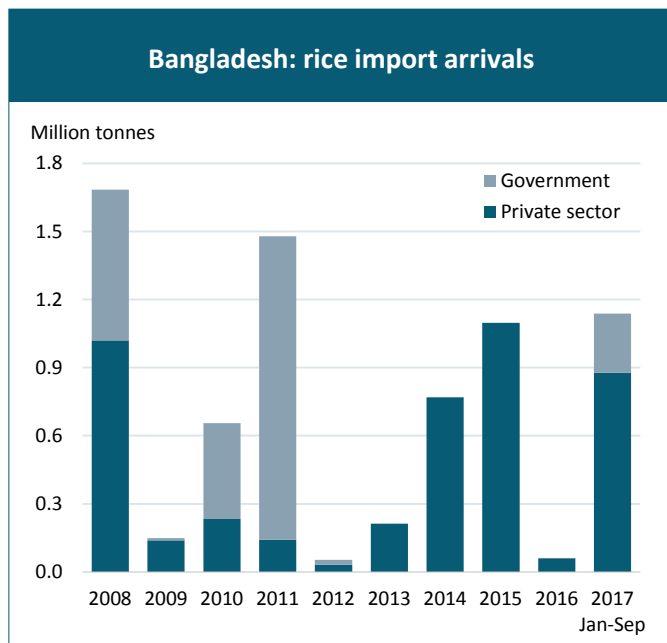
### *Asian imports to continue to grow in 2018*

Despite a 500 000 tonne downward revision to the region's import forecast since July, **Asia** is still predicted to lead the **2017** global trade expansion. Put together, Asian countries look set to raise imports 11 percent above the 2016 depressed level to 21.1 million tonnes. Much of this increase would stem from a surge in purchases by **Bangladesh**, coming in the aftermath of multiple flooding problems this year. The inundations aggravated supply tightness engendered by import cuts and successive years of little or negative production growth. This in turn propelled authorities to place multiple orders from abroad, while also facilitating private sector imports in an attempt to cool escalating domestic prices.<sup>2</sup> Although part of the resulting orders are likely to be delivered in 2018, such efforts are now anticipated to lift consignments to Bangladesh from a mere 62 000 tonnes in 2016 to 1.5 million tonnes this year. Similarly faced with a weather-reduced crop and high local prices, authorities in **Sri Lanka**

<sup>2</sup> Official efforts to source supplies from abroad have entailed calling for nine international tenders since May to purchase a combined 450 000 tonnes, signing multiple supply agreements with other governments, successive import duty cuts and the approval of more lenient financing terms for rice traders. See the Policy Developments section for more details.



have also sourced supplies directly, further to approving multiple tariff cuts. As a result, Sri Lanka is expected to take delivery of 650 000 tonnes in 2017, up from just 30 000 tonnes in 2016, when ample inventories from successive bumper harvest discouraged imports.



On the other hand, the latest forecasts for the **Philippines** suggest a much more contained import expansion than previously envisaged, reflecting the Government's August decision to schedule private sector purchases under the 2017 Minimum Access Volume quotas towards 2018. The move is geared at avoiding import arrivals at harvest time that could exert downward pressure on local prices. It also remains to be seen whether officials will recur to imports later in the year to compensate for potential typhoon-related losses. Accordingly, 2017 deliveries to the Philippines are now seen in the order 1.1 million tonnes, up 330 000 tonnes from 2016, but well short of the 2.0 million tonnes bought a year earlier. **China (Mainland)**, **Iraq**, the **Islamic Republic of Iran**, the **Republic of Korea**, **Kuwait** and the **United Arab Emirates** all remain forecast to step-up purchases in 2017, more than outweighing reductions in **Nepal**, the **Lao People's Democratic Republic**, and especially, **Indonesia**. Indeed, Indonesian authorities have abstained from recurring to international purchases so far, notwithstanding shortfalls in domestic procurement. As a result, imports by Indonesia are now seen in the order of 400 000 tonnes in 2017, down from 1.3 million tonnes in 2016 and 400 000 tonnes less than previously envisaged.

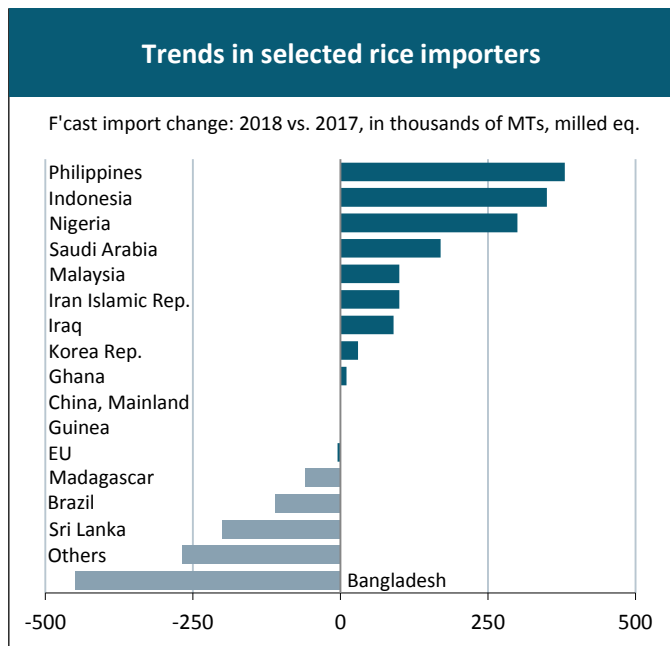
Based on current supply prospects, Asian imports are forecast to continue to grow in **2018**, although generally ample local availabilities are likely to keep them below the 2015 record, at around 21.9 million tonnes. A few countries facing production shortfalls this year, such as

**Afghanistan** and **Nepal**, are expected to step-up imports in 2018. This would also be the case of the **Islamic Republic of Iran**, **Iraq** and **Malaysia**, where output gains are likely to be insufficient to meet the consumption needs next year. However, much of the region's predicted import growth is anticipated to be on account of Indonesia, the Philippines and Saudi Arabia. Although much will depend on the size of 2018 crops, imports by **Indonesia** are preliminarily put at 750 000 tonnes to account for possible public sector imports to refurbish state reserves reduced by shortfalls in domestic procurement this year. Nonetheless, the forecast would imply a comparatively modest import volume for the country, considering the Government's unwavering self-sufficiency drive, but also changes to price stabilisation and social assistance schemes that could entail fewer in-kind requirements for Government safety-net programmes. These have namely entailed the introduction of ceiling prices for various rice qualities, along with plans to expand the coverage of the Bantuan Pangan Non Tunai (BPNT) programme to 10 million households in 2018.<sup>3</sup> The move could reduce the Government's need for in-kind rice distribution under the Rastra programme by close to 1.0 million tonnes next year, although the state is still likely to require supplies to conduct open market operations and maintain emergency reserves.

Similarly, shipments to the **Philippines** are forecast to rise to 1.5 million tonnes in 2018, underpinned by state efforts to replenish dwindling public reserves constrained by successive years of import cuts. To these effects, authorities in the country have already indicated that they targeted to import close to 600 000 tonnes of rice in 2018, compared to the 250 000 tonnes bought so far this year. However, these imports would come along a near five-fold increase in domestic procurement to 1.2 million tonnes facilitated by increases in government procurement prices, currently being studied. As to private sector imports, final decisions are still forthcoming regarding tariffication process in the Philippines. However, some legislative proposals have been put forward a 400 percent tariff rate for out-of-quota imports. In the case of **Saudi Arabia**, where rice is not locally grown, low carry-ins in the aftermath of successive years of subdued imports may require that country lift 2018 purchases by 13 percent to 1.5 million tonnes. Among other major buyers in the region, production recoveries next year could allow **Bangladesh** and **Sri Lanka** to reduce imports to 1.1 million and 450 000 tonnes, respectively. In both cases, however,

<sup>3</sup> The Bantuan Pangan Non Tunai (BPNT) is currently being piloted, covering 1.2 million households across 44 Indonesian cities. The scheme provides each household a monthly outlay of IDR 110 000 (USD 8.) to purchase up to 10 kilos of rice and other essential items in selected outlets, as an alternative to the Rastra programme under which 14.4 million households are provided with monthly ration of 15 kilos of rice at subsidised price of IDR 1 600 (USD 0.12) per kilo.

purchases are likely to remain at comparably ample levels, as upward pressure on domestic quotations could persist until the arrival of 2018 main-crops, not scheduled until the second quarter of the year. In the case of **China (Mainland)**, import volumes are envisaged to be little changed, at around 5.9 million tonnes, as despite some declines in domestic quotations, large price differentials with outside origins persist, likely encouraging continued reliance on more affordable supplies from abroad.

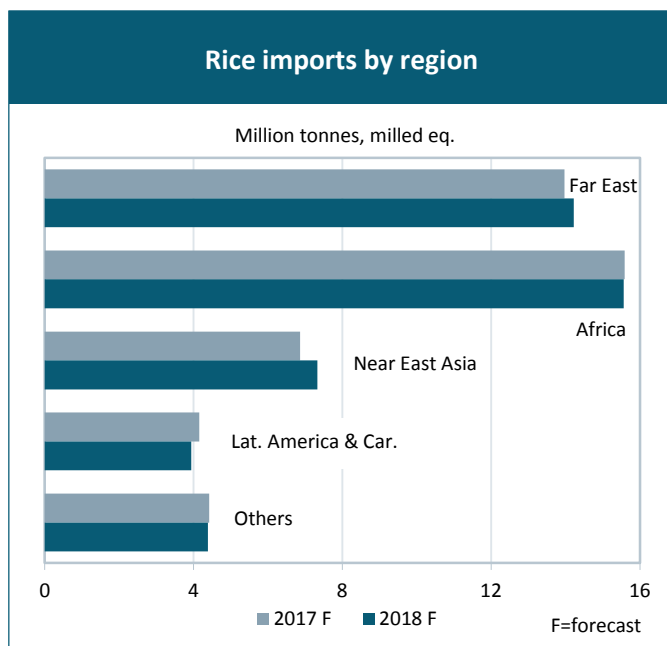


**African** rice imports look headed towards a new high of 15.6 million tonnes in **2017**, up 10 percent year-on-year and 1.1 million tonnes more than last envisaged. Compared to figures reported in July, the import outlook has been primarily raised for **Nigeria**, where after two years of subdued purchases, tight availabilities and high local prices are set to instigate an 18 percent annual import expansion to 2.6 million tonnes. Nonetheless, the pace of imports has been intense throughout the region this year, reflecting the need to compensate for weather-induced output shortfalls, as is the case of **Cote d'Ivoire**, **Kenya**, **Uganda** and, especially, **Madagascar**, quell inflationary pressure, as in **Guinea Bissau** and **Liberia**, or meet rapidly expanding demand needs, as in **Angola**, **Ethiopia**, **Mozambique** and **Sierra Leone**. Only a few countries are anticipated to see consignments decline this year. This would namely be the case of **Ghana** and **Guinea**, where a combination of production gains and ample imported supplies on store are likely to lower 2017 purchases to 685 000 tonnes and 600 000 tonnes, respectively. Although falling by a smaller margin than previously envisaged, 2017 imports by **Mali** are also seen down to around 220 000 tonnes, along with those of the **United Republic of Tanzania**, which may take some 100 000 tonnes.

Imports by African countries are forecast to stagnate in **2018** at around 15.6 million tonnes, constrained by higher international prices and larger local availabilities. Of this volume, 9.7 million tonnes would be destined to West Africa, representing a 3 percent annual expansion. Much of this increase would be on account of **Nigeria**, where, despite anticipated production gains and policy deterrents under the Government's self-sufficiency drive, 2018 imports are seen rising to 2.9 million tonnes in order to meet demand from a fast-expanding population. In the wake of production shortfalls, **Burkina Faso**, **Guinea Bissau** and **Mauritania** are similarly seen stepping up purchases next year. This would more than compensating for cuts in **Senegal**, **Mali** and **Sierra Leone**, facilitated by larger crops, and in **Benin** by ample inventories. In Mali, a still resilient level of imports has also given way to sector calls for the institution of an import quota system, akin to that of Senegal, whereby imports are linked to purchases of local produce. A recent review of the marketing platform under which these import allocations have been determined in Senegal over the past two-years indicates that strides would have been made in placing local supplies. The relatively higher prices of domestic produce and difficulties in marketing whole-grain rice, over the more widely preferred imported broken, would however continue to pose challenges. Elsewhere in the region, import demand is expected to be weaker in 2018. This would be especially the case of **Kenya** and **Madagascar**, where production recoveries could enable imports to come down to 600 000 tonnes and 370 000 tonnes, respectively. In the case of Madagascar, however, falls are likely to be partly mitigated by the need to refurbish stockpiles, severely depleted in the wake of a dismal 2017 harvest.

In **Latin America and the Caribbean**, aggregated imports in **2017** are now anticipated to hover around 4.2 million tonnes, just 1 percent short of the 2016 high. At a country level, greater local availabilities following good harvests are still expected to translate into import cuts in **Costa Rica**, **Cuba**, **Honduras**, **Panama** and, especially **Colombia**. However, these reductions look set to be compensated by greater imports elsewhere. This would be namely the case in **Brazil**, where notwithstanding a good 2017 crop, a strong local currency has undermined the competitiveness of local supplies, likely resulting in a 9 percent import increase to 780 000 tonnes. Purchases were likewise stimulated by attractive international offerings in **Haiti** and **Mexico**, which may take 470 000 tonnes and 700 000 tonnes, respectively. In the case of Mexico, they received a further boost by the opening of a duty-free import quota for rice of all origins early in the year. Instead, expected gains in **Chile** and **Venezuela**, would be associated with poor production results. To some extent, this would also be the case of **Peru**, where however the sector attributes import growth, especially from non-traditional Asian

suppliers, to adjustments approved in 2016 to floors/ceilings applied under the price band mechanism.<sup>4</sup>



In **2018**, deliveries to the Latin America and the Caribbean are seen declining by 5 percent to 3.9 million tonnes. To a large extent, the reduction reflects expectations that large local availabilities will curb purchases by **Brazil** by 14 percent to 670 000 tonnes. However, ample carry-overs from good crops and large 2017 imports are also predicted to reduce deliveries to **Haiti, Mexico** and **Peru**. Instead, **Costa Rica** is seen raising imports by 30 000 tonnes to 110 000 tonnes, in order to make up for production shortfalls incurred this year. Barring a strong output recovery in 2018, **Bolivia** may also need to step-up purchases to 70 000 tonnes in 2018, in order to refurbish stockpiles depleted by successive poor harvests. Under similar circumstances, 2018 purchases by **Venezuela** are envisaged to expand by another 5 percent to 400 000 tonnes.

In the **other regions**, FAO has raised its forecast of 2017 consignments to the **European Union** to a steady year-on-year level of 1.8 million tonnes, amid expectations that greater broken deliveries will compensate for fewer purchases of other rice classes. Fully broken rice constitutes roughly 20 percent of total EU imports, being sourced primarily from Egypt, Myanmar and Thailand. Last year, these flows were somewhat depressed by Egypt's imposition of export restraints. Broken imports have

<sup>4</sup> Although rice imports in Peru attract a 0% ad valorem import duty, a variable tariff is applied under the price band mechanism, based on the difference between biweekly reference import prices and semi-annual floors/ceilings. Under the system, a surcharge is applied when reference prices fall below the predetermined floor prices or a rebate when these exceed the ceiling.

however progressed speedily this year, amid unrelenting growth in purchases from Myanmar and, to a lesser extent, a turn towards purchases from fellow Japonica procurers Russia and Kazakhstan. FAO currently sees little change in the EU's import pattern in 2018, with aggregate deliveries amounting to 1.8 million tonnes. The USDA envisages 2018 imports by the **United States** to stabilize around the 2017 level of 750 000 tonnes.

## Exports

### *India and Thailand to have their competitive edge eroded next year*

The world's leading rice exporters, **India** and **Thailand**, have been spearheading the **2017** trade revival, thanks to ample exportable supplies from bumper harvests last year. In the case of India, further support has been provided by brisk demand for parboiled and broken rice from African and South Asian buyers. These factors are now expected to translate into an 11 percent increase in 2017 Indian shipments to 11.2 million tonnes. Although this level would confirm India's primacy amongst rice exporters for the sixth successive year, underscoring the intense competition for markets that has characterized the trading arena this year, deliveries by Thailand are seen just short of this level in 2017, at 10.9 million tonnes. As with India, Thailand's expected 10 percent export growth would come on the back of a production recovery in 2016, to which Government stock releases have added. This has in turn enabled Thailand to maintain an upbeat pace of parboiled and fragrant deliveries, more than compensating for reduced demand for lower-quality Indica rice.

Confirming expectations of a strong export comeback, the latest figures suggest that 2017 shipments by **China (Mainland)** could be headed towards a decade-high of 900 000 tonnes, up from 370 000 tonnes in 2016. Indeed, Chinese deliveries to African countries, part of which in the form of food aid, remain brisk in parallel with a robust pace of sales to East Asia. As for **Myanmar**, a near 600 000 tonne export rebound to an all-time high of 1.95 million tonnes would be attributable to competitive pricing, which has allowed the country to capitalize on this year's surge in South Asian demand. To these effects, a first Government-to-Government sale of 100 000 tonnes has been secured with Bangladesh, under recent memorandum of understanding that would envisage Myanmar providing up to 300 000 tonnes of rice to Bangladesh per year, on a need basis. At the same time, Myanmar has maintained its foothold in the Chinese market, notwithstanding China's crackdown on smuggling. To date, the latter has borne considerably more impact on **Viet Nam's** cross border deliveries, although the bulk of these exports to China have been reoriented towards official channels. Coupled

with sales progress in non-traditional outlets, such as Bangladesh and Iraq, this realignment is expected to enable Viet Nam to ship 6.9 million tonnes in 2017, up 12 percent from last year's dismal performance, but still 1.6 million tonnes short of the 2015 record.

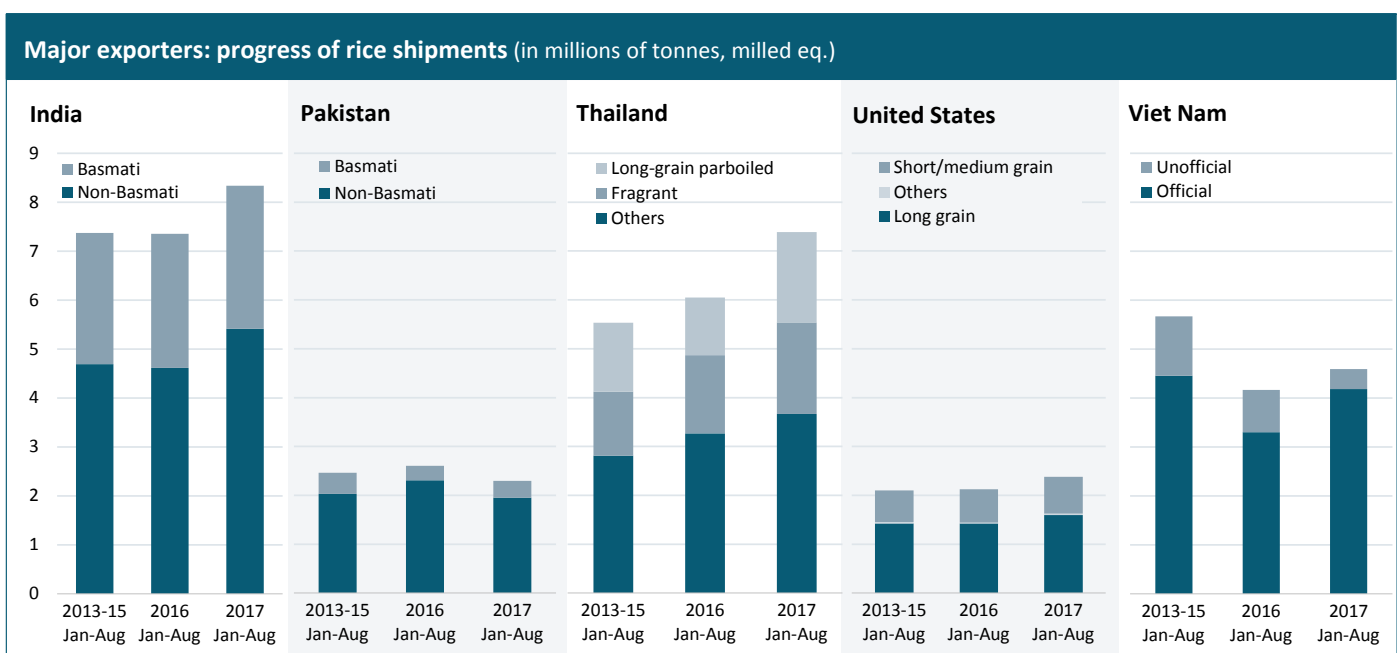
The outlook is similarly positive for the **United States** and **Uruguay**, which on the back of good crops, are set to lift 2017 shipments by 5 percent each to 3.6 million tonnes and 940 000 tonnes, respectively. Prospects are less positive elsewhere, especially for **Pakistan**. Primarily reflecting a disappointing pace of non-basmati sales to China and Malaysia, the country is now envisaged to see 2017 exports depressed by 6 percent to 3.7 million tonnes. **Argentina** and **Brazil** have also had their ability to compete hindered this year in key Latin American outlets. In the case of the former, this was due to a smaller crop, which will likely result in a 5 percent export retreat to 500 000 tonnes. Instead, Brazil is now expected to ship 540 000 tonnes in 2017, down 14 percent year-on-year and the lowest volume since 2010, as despite harvesting a bumper 2017 crop its competitive edge has been reduced by a stronger Real.

As to **2018** trade prospects, although current FAO forecasts point to a relatively modest change in global rice exchanges, the trading landscape is predicted to see various adjustments at the country level next year. Export growth is primarily forecast to concentrate in **Viet Nam**, which barring major production setbacks next year, could raise 2018 shipments by an additional 10 percent to 7.5 million tonnes. The predicted growth would be in line with expectations of a pick-up in demand from traditional Indica outlets such as the Philippines and Indonesia, although Vietnamese exports continue to make strong

headway in the fragrant and glutinous markets. This trend has extended into the Japonica segment, where shipments are approaching the 200 000 tonne mark, on the back of production investments by Australian (SunRice) and Dutch/Vietnamese ventures. Official efforts to streamline export procedures could provide a further boost next year, given plans to remove onerous conditions requiring that entities count on storage and processing capacity in order to engage in rice trade.

The export outlook is also favourable for **Pakistan**, at 4.0 million tonnes, amid expectations that a bumper 2017 crop will restore its competitive edge in the non-basmati market. On the fragrant front, the local industry is also hopeful that lack of tricyclazole use in Pakistan will result in a greater share of the EU market. Last May's definition of a payment settlement mechanism with the Islamic republic of Iran is also seen ushering in greater fragrant sales, although its use is still reported to be slow to date. Exports by **Myanmar** are expected to reach an unprecedented 2.2 million tonnes in 2018, as attractive export prices allow it to compete in the Indica segment. Although much will depend on policy decisions, considering that exports remain in the hands of state-owned enterprises, deliveries by **China (Mainland)** are also seen up by 300 000 tonnes in 2018 to 1.2 million tonnes, underpinned by ample exportable availabilities.

Despite early indications of a smaller 2018 crop and barring adverse currency movements, reduced competition with fellow South American suppliers and ample carry-ins are expected to underpin a 30 percent rebound in shipments by **Brazil** to 700 000 tonnes. Prospects of less fierce competition with the United States and another bountiful harvest also bolster the export





outlook for **Australia**, which may raise deliveries to a four-year high of 380 000 tonnes. Nonetheless, uncertainties linger regarding Australian sales prospects to Papua New Guinea, where officials have renewed their intent of adopting a more protective trade stance in order to boost local output. A good crop, combined with continued efforts to diversify its outlets, may also enable **Paraguay** to boost 2018 exports by 6 percent to 530 000 tonnes, while under similar circumstances, shipments by **Guyana** could rise by a further 9 percent to 480 000 tonnes.

Conversely, **India** and **Thailand** could see more limited exportable availabilities reduce their 2018 shipments to 10.7 and 10.4 million tonnes, respectively. In the case of India, this would be in line with prospects of a somewhat smaller 2017 crop, whereas Thailand looks set to count on more limited volumes of affordably priced low-grade rice, following the depletion of old-crop Government inventories. In both cases, however, retrenchments are expected to be relatively contained, at around 4 to 5 percent, considering prospects of still firm demand from buyers in the Far East and Africa and the comparatively limited parboiling capacity of alternate origins. Based on current prospects of poor crop outturns, some leading suppliers in the Americas are similarly expected to see their shipments reduced in 2018. This is even though authorities in the **United States** see 2018 exports at a still above-average 3.5 million tonnes, a level that would require a considerable downsizing of both domestic use and inventories. As for **Argentina** and **Uruguay**, FAO sees their export volumes falling to 450 000 tonnes and 840 000 tonnes, respectively.

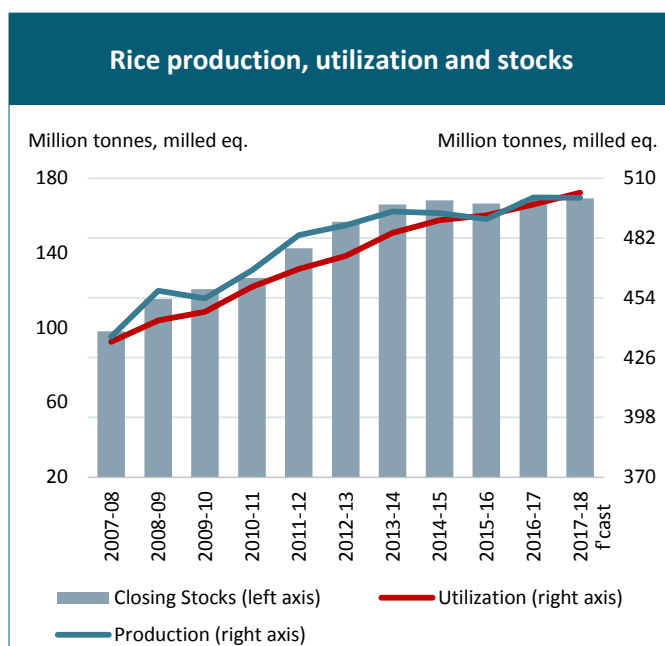
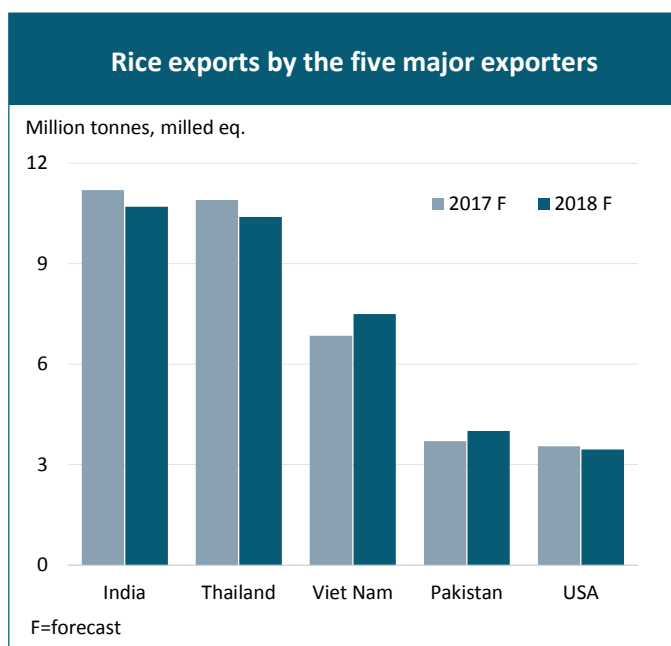
## RICE UTILIZATION AND DOMESTIC PRICES

### Forecasts of world rice utilisation lowered further

FAO has downgraded its forecast of world rice utilization in 2017/18 by 2.6 million tonnes since July. The revision primarily mirrors lower than previous anticipated use in Bangladesh, the Democratic People’s Republic of Korea, India and the United States, in all cases owing to deteriorated production outlooks. Improved export prospects also resulted in lower forecasts for Myanmar and Thailand, while the release of the UN’s *World Population Prospects: 2017 Revision* called for slight adjustments to historical estimates for a number of other countries. Upward revisions to use forecasts were mostly confined to Colombia and Nigeria, on account of larger expected crops, and the Republic of Korea, based on Government indications that over 700 000 tonnes of rice would be destined to animal feed over the season.

As a result, world rice use is now predicted to expand by 1.1 percent in 2017/18 to 503.2 million tonnes (milled basis). Food use is envisaged to account for all of this growth, expanding by 1.4 percent to 406.6 million tonnes. Taking into account projected population growth, this increase would result in a slight (0.2 kilo) increase in **global per capita consumption** to 53.8 kilos. On the other hand, volumes destined to animal feed are seen largely unvaried year-on-year, at 17.8 million tonnes, as are seeds, non-food industrial uses and post-harvest losses, which may absorb a combined 78.8 million tonnes.

Looking at **retail/wholesale price developments** in recent months, prices were mixed across **Asia**, when compared to their levels during the second quarter of 2017. In



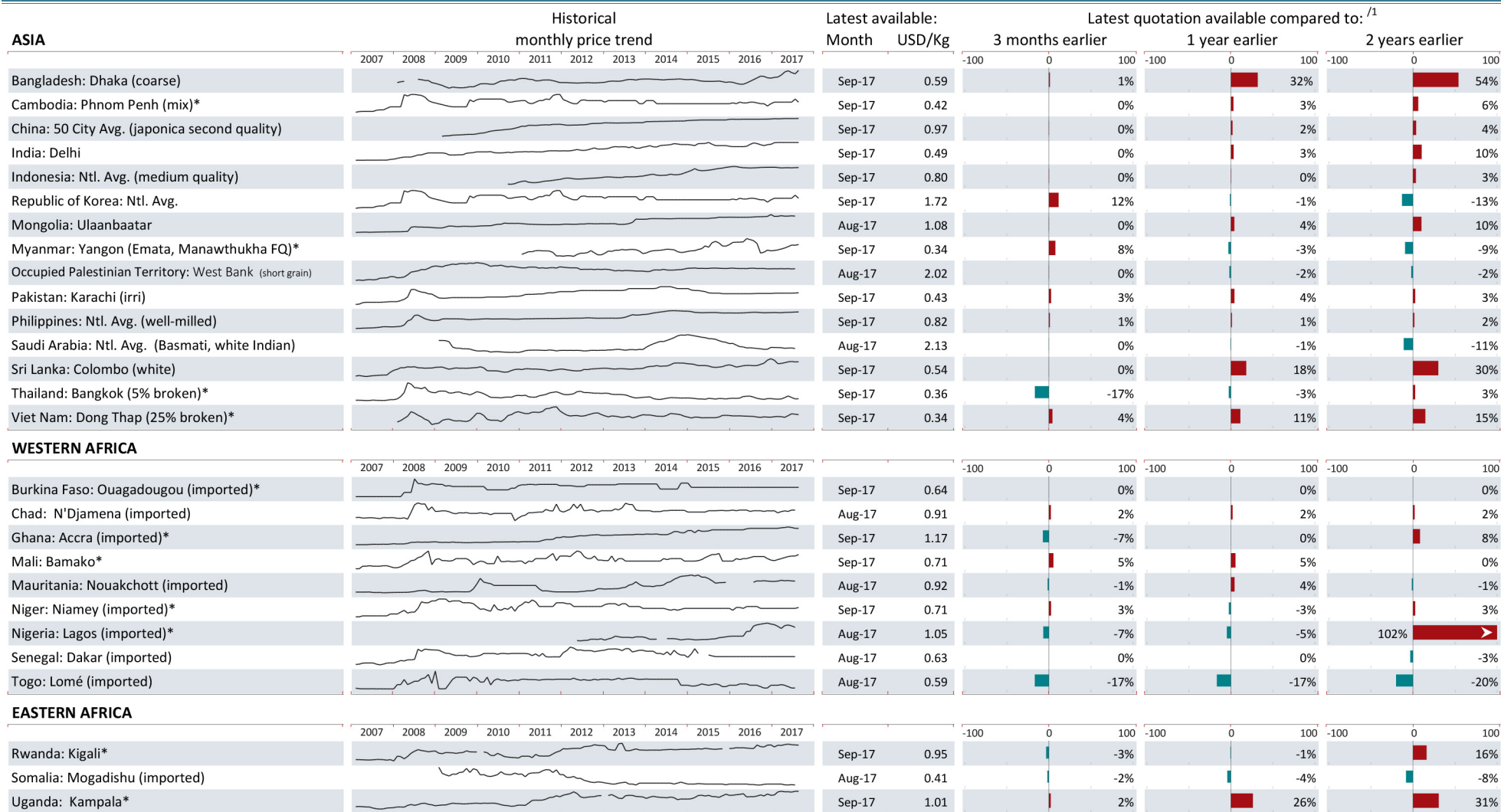
Bangladesh and Sri Lanka, quotations remained close to heights attained earlier in the year, as import arrivals capped support provided by weather-induced production losses. Governments in both countries also continued to intervene to ensure access to affordable supplies. Although in Bangladesh reduced public inventories are reported to have caused delays in this year's implementation of the "Food-friendly Programme",<sup>5</sup> anti-hoarding operations were undertaken, along-side open market sales. This is further to a state import drive involving the launch of a host of international tenders, multiple government-to-government supply agreements and cuts in import duties. In Sri Lanka, import duty concessions were extended to broken rice, while officials announced that they would avail access to supplies at lower prices through Lak Sathosa outlets. On the other hand, prices tended to increase in Pakistan and Myanmar, underpinned by a good pace of shipments and seasonal tightness. In Viet Nam, additional support was provided by successive poor harvests, with a downcast outlook for 2017 crops also behind some price recoveries in the Republic of Korea. By contrast, domestic prices in Thailand backtracked the sharp increases they had recorded earlier in the year, on evidence of ample domestic availabilities to meet export demand and intense competition with other Asian suppliers.

In **Africa**, local quotations were higher mostly in Angola and Mali, mirroring strong local demand, whereas ample availabilities of imported rice weighed on quotations in Ghana and Togo. Prices also subsided somewhat in Nigeria, even if they remained well over levels seen prior to 2016. In **Latin America and the Caribbean**, domestic quotations were generally steady to lower. Particularly sharp falls concerned Mexico and Peru, following an upbeat pace of imports, although bumper harvests also weighed on quotations in Brazil and Colombia. **Elsewhere**, prospects of a smaller crop lent some support to prices in the United States, while large carry-ins kept quotations subdued in Italy and the Russian Federation.

---

<sup>5</sup> The scheme provides 5.0 million ultra-poor households with a monthly ration of 30 kilos of rice, for a period of five months, at a subsidized price of BDT 10 (USD 0.1) per kilo.

## DOMESTIC RICE PRICES IN SELECTED COUNTRIES



<sup>/1</sup> 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).

## DOMESTIC RICE PRICES IN SELECTED COUNTRIES

| COUNTRY   | Historical monthly price trend<br>2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 | Latest available: Latest quotation available compared to: <sup>1</sup> |        |                  |                |                 |
|---|--|--|--------|------------------|----------------|-----------------|
|   |  | Month  | USD/Kg | 3 months earlier | 1 year earlier | 2 years earlier |
| <b>SOUTHERN AFRICA</b>                          |  |  |        |                  |                |                 |
| Angola: Luanda                                  |  | Aug-17   | 4.14   | 4%               | 8%             | 100%            |
| Mozambique: Maputo                              |  | Sep-17   | 0.91   | 2%               | 13%            | -               |
| Namibia: Windhoek                               |  | Aug-17   | 1.28   | 1%               | -7%            | 7%              |
| Swaziland: Ntl. Avg.                            |  | Aug-17   | 0.98   | 3%               | -1%            | 30%             |
| Zimbabwe: Harare                                |  | Aug-17   | 1.36   | 3%               | 20%            | -3%             |
| <b>CENTRAL AMERICA AND THE CARIBBEAN</b>        |  |  |        |                  |                |                 |
| Costa Rica: Ntl. Avg. (first quality)           |  | Sep-17   | 1.26   | -1%              | 0%             | -2%             |
| Dominican Rep: Santo Domingo (first quality)    |  | Sep-17   | 0.99   | 0%               | -1%            | 2%              |
| Guatemala: Guatemala City (second quality)*     |  | Sep-17   | 0.86   | 0%               | 10%            | 5%              |
| Haiti: Port-au-Prince (imported)                |  | Sep-17   | 0.87   | 0%               | 15%            | 19%             |
| Honduras: San Pedro Sula (second quality)*      |  | Sep-17   | 0.69   | 0%               | -5%            | -6%             |
| Mexico: Mexico City (sinaloa)*                  |  | Sep-17   | 0.83   | -8%              | 10%            | 14%             |
| Nicaragua: Managua (oriental) (first quality)*  |  | Sep-17   | 0.94   | 0%               | 4%             | 6%              |
| Panama: Panama City (first quality)*            |  | Sep-17   | 0.86   | 0%               | -1%            | -2%             |
| <b>SOUTH AMERICA</b>                            |  |  |        |                  |                |                 |
| Bolivia: La Paz (grano de oro)                  |  | Aug-17   | 1.29   | 0%               | -1%            | -4%             |
| Brazil: São Paulo                               |  | Aug-17   | 1.00   | -3%              | -4%            | 19%             |
| Colombia: Ntl. Avg (first quality)              |  | Sep-17   | 1.01   | -5%              | -10%           | -3%             |
| Peru: Lima (corriente)*                         |  | Sep-17   | 0.66   | -7%              | 0%             | 3%              |
| Uruguay: Ntl. Avg. (grade 1)*                   |  | Sep-17   | 1.08   | 0%               | 2%             | 2%              |
| <b>NORTH AMERICA</b>                            |  |  |        |                  |                |                 |
| United States: City Avg. (long grain, uncooked) |  | Aug-17   | 1.66   | 4%               | 3%             | 13%             |
| <b>EUROPE</b>                                   |  |  |        |                  |                |                 |
| Italy: Milan (arborio volano)*                  |  | Sep-17   | 0.89   | -1%              | -47%           | -55%            |
| Russian Federation: Ntl. Avg.                   |  | Sep-17   | 1.09   | 0%               | -3%            | -6%             |

<sup>1</sup> 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

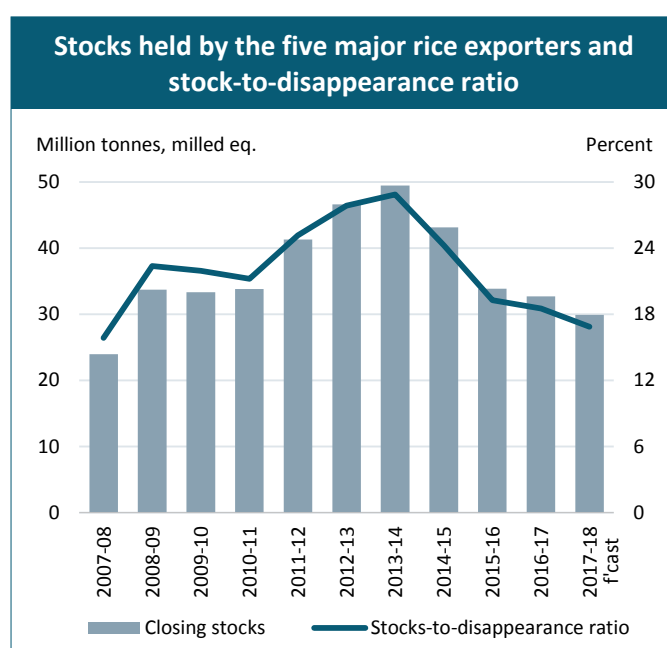
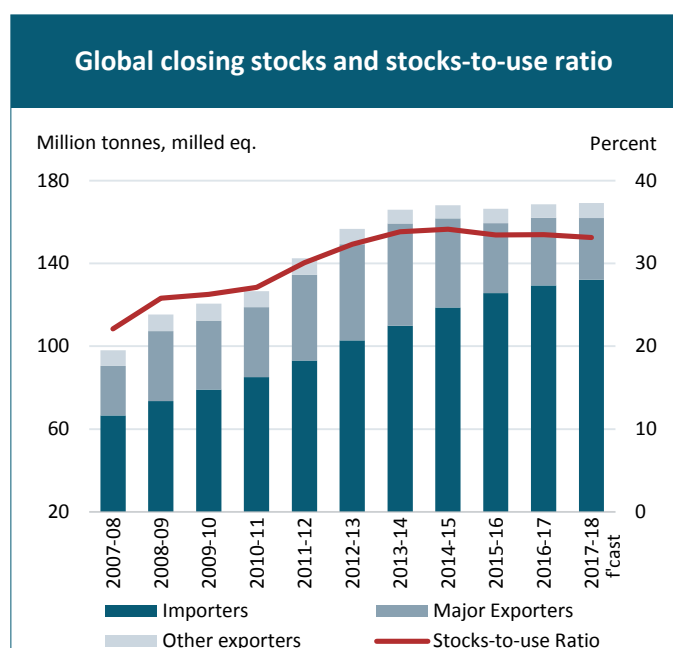
### China to sustain a small expansion in world carry-overs

Consistent with the deteriorated outlook for 2017 production and following revisions to historical world use figures, FAO has lowered its July forecast of global rice inventories at the close of 2017/18 seasons by 1.7 million tonnes to 169.2 million tonnes (milled basis). Despite the revision, world rice carry-overs are still predicted to stand some 0.6 million tonnes, or 0.4 percent, above their opening level. Taking into consideration projected use, this volume would be sufficient to keep the **world stocks-to-use ratio** largely steady year-on-year, at 33.1 percent.

The slight increase in world rice reserves is forecast to be sustained by a 2.8 million tonne annual increase in stocks held by **rice importing countries** to 132.1 million tonnes. **China (Mainland)** is expected to be behind this growth, with hefty carry-ins, a large crop, and still sizeable imports forecast to translate into a 3 percent annual accumulation in the country to 102.2 million tonnes. Yet, the forecast would imply a considerably slow-down in build-ups in the country, considering prospects of a strong pick-up in exports, along with official steps to attenuate pressure from bulging inventories, for instance by cutting government purchasing prices and continuing public stock auctions. Faced with the opposite problem, namely depleted state inventories and a poor outlook for 2017 production, officials in **Bangladesh** have placed a stream of import orders since May, while also encouraging private sector imports through various initiatives. Such efforts are envisaged to assist stocks in the country to recover by 7 percent to 6.9 million tonnes. While authorities in the **Philippines** have also resorted to purchases from abroad, plans would also be afoot to raise the size of government

domestic procurement by a considerable margin. Combined with a record level-crop, this may facilitate an 11 percent rise in the country's reserves to 2.6 million tonnes. **Iraq** and **Nigeria** are likewise seen boosting the size of their inventories, on a combination of larger crops and greater imports. However, gains in these countries are likely to be partly offset by sizeable cuts in **Madagascar**, **Sri Lanka** and the **United Republic of Tanzania**, in all cases linked to weather-induced production contractions, and in the **Republic of Korea**, where surpluses are being addressed by destining greater quantities to the industrial and feed sectors. Rice reserves are now also seen posting a small annual decline of 1 percent in **Indonesia** to 6.7 million tonnes, reflecting fewer expected public inventories, following a slow pace of domestic procurement this year.

Inventories in the **five major rice exporters**<sup>6</sup> are seen in the order of 29.9 million tonnes in 2017/18, down 2.8 million tonnes year-on-year. **Thailand** remains forecast to drive the contraction, as despite expected production growth, lower carry-ins may require that the country draw its reserves down by 2.1 million tonnes in order to meet firm demand from abroad. Next to Thailand, the largest annual cut is predicted to concern the **United States**, where officials indicate that a sharply reduced 2017 crop is likely to cut reserves by 40 percent to a 14-year low of 880 000 tonnes. A deteriorated crop outlook has also resulted in lower stock forecasts for **Viet Nam**, even if at around 3.3 million tonnes they would still be comparatively ample, owing to hefty carry-ins accumulated due to a poor 2016 export performance. Meanwhile, current expectations are that continued large public purchases in **India** will keep overall inventories in the country largely steady at 19.0 million tonnes, while they rise in Pakistan by 9 percent to 750 000 tonnes. Based



<sup>6</sup> India, Pakistan, Thailand, the United States and Viet Nam.

on these tendencies, the group's **stock-to-disappearance ratio**<sup>7</sup> is seen passing from an estimated 18.5 percent in 2017 to a ten-year low of 16.9 percent in 2018.

Conversely, current prospects point to aggregate inventories held by **other rice exporters** growing by 10 percent to 7.2 million tonnes. To a large extent, this mirrors expectations that a large 2017 crop and reduced exports will lift carry-overs in **Brazil** from 293 000 tonnes last season to a 5-year high of 900 000 tonnes in 2018. Despite expectations of more upbeat exports, larger crops are likewise expected to boost reserves in **Cambodia** and **Myanmar** to 1.8 and 2.4 million tonnes, respectively. Combined with another accumulation in **Egypt**, these gains would more than offset cuts in **Argentina**, in the wake of a smaller crop, and in **Uruguay**, due to a fast pace of exports.

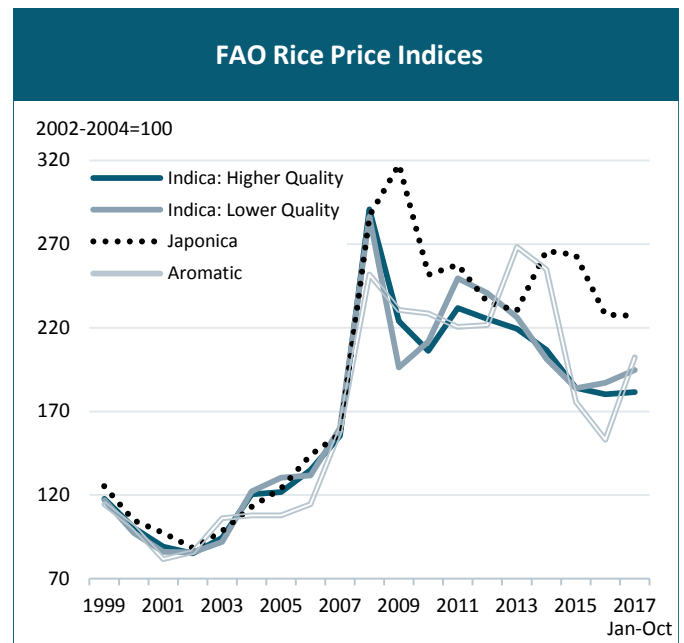
## INTERNATIONAL PRICES

*Ample availabilities and competition among suppliers keep Indica prices steady to lower*

International rice prices have posted steady, but modest, gains since July. This was reflected in the FAO All Rice Price Index (2002-04=100) passing to a mid-October average of 217 points, up 3 percent from July levels. All of this recent strength has mirrored seasonal supply constraints in the fragrant and medium/short grain markets, which were exacerbated by untimely rains causing harvest delays. These factors lifted the mid-October values of the Aromatic and Japonica Indices by 6 and 8 percent, respectively, to 220 and 250 points. Although at those levels the two sub-indices stood at multi-year highs, equally striking has been the relative price stability of the more widely traded Indica rice since July, considering that the bulk of freshly harvested crops in the northern hemisphere have yet to reach the market. Indeed, stiff competition among Asian suppliers to secure sales to the Far East and West Africa have tended to keep high quality Indica values in check, as reflected in the Higher Quality Indica Index hovering around a value of 187 points since July. Sentiment has been weaker in the lower quality Indica market, where prices have faltered by 5 percent since July, pressured by weak buying interest.

Looking at the various origins, after reaching multi-year highs in mid-June, white and parboiled quotations in **Thailand** have tended to be subdued by either limited buying interest or competition with Asian suppliers. Although increased sales to Bangladesh and West Africa, along with currency movements, provided temporary

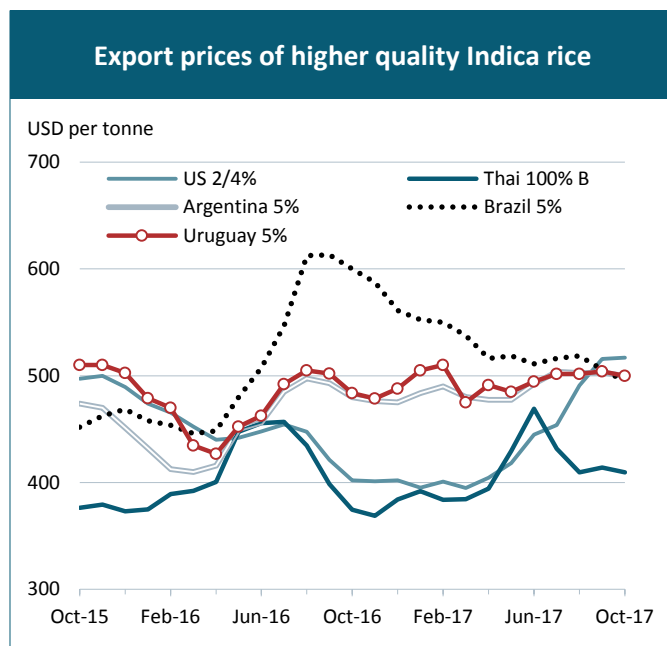
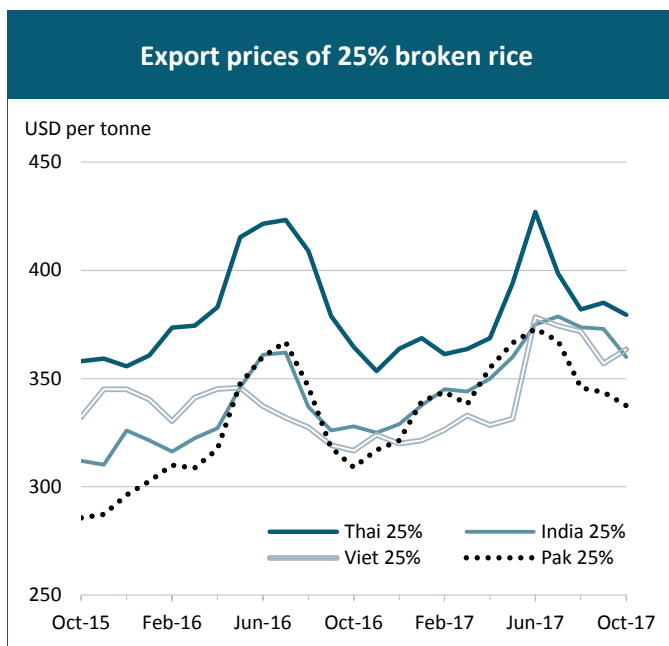
backing, by mid-October Thai 100% B white and parboiled rice had each shed 3 to 5 percent of their July values to USD 410 and 428, respectively. The undertone was considerably firmer in the Thai fragrant market, where sharp gains have been registered following a spate of sales to China and Iran. By September, Thai Hom Mali 100% B had reached USD 1 064 per tonne, up 25 percent from July and a level not seen since May 2015.



Steady flows to China and a July deal with the Philippines proved insufficient to sustain Indica quotations in **Viet Nam**. Pressured by increased summer-autumn arrivals and otherwise quiet trading activity, by mid-October Vietnamese 25% broken was quoted 3 percent below July levels at USD 364 per tonne. Fragrant supplies proved more resilient, trading around July's high of USD 563 per tonne. The firmness mirrored steady progress in fragrant deliveries this year, thanks to strong demand from China and Iraq and notwithstanding a smaller crop.

A disappointing pace of sales, along with efforts to free storage space ahead of new crop arrivals, also weighed on Indica values in **Pakistan**. Prices of 25% broken from the country were quoted at USD 338 per tonne by mid-October, down 8 percent from July levels and USD 23-42 below quotations in competing origins. In the aromatic segment, the retreat of Iranian buyers from the market in August, following the re-imposition of seasonal import restrictions in that country, initially caused Pakistani Basmati values to ease. However, these since regained all of the lost ground, while awaiting for 2017 crops to reach the market.

<sup>7</sup> Defined as the sum of the five major exporters' stocks divided by the sum of the five countries' domestic utilization plus exports.



In **India**, white rice quotations interrupted a four-month upward streak in August, as support lent by tight availabilities and currency movements was more than offset by a slowdown in sales. A successive Rupee depreciation added to the pressure, lowering 25% broken 5 percent below July levels to USD 360 per tonne. Instead, strong buying interest from traders in Bangladesh and West Africa proved somewhat supportive of Indian parboiled prices, as these have steadied at around USD 415 per tonne, in the case of IR64 parboiled rice.

The downcast outlook for the 2017 long-grain crop has continued to influence market sentiment in the **United States**, even as harvests progressed in the country. Damage inflicted by Hurricane Harvey added to concerns in late August, although initial fears of significant crop losses were eventually dispelled, along with reports of disappointing yield and quality outcomes of early harvested crops. Still, quotations of US N.2 4% continued to rise, reaching a 34-month high of USD 517 per tonne by mid-October. The bullish stride has amplified the gap between US N.2 4% and the comparable Thai 100% B white rice to over USD 100 per tonne, while also positioning prices of the US quality above those of competing South American origins, against which it had traded at a discount over the past 16 months. Sentiment was similarly bullish in the Japonica segment, with support lent by expectations of lower output in California, harvest delays and the resumption of trading activity in the Far East. Combined, these factors raised US N.1/4 medium-grain prices by an additional 15 percent to USD 775 per tonne, its highest level since February 2016.

| FAO Rice Price Indices |            |                |               |            |            |
|------------------------|------------|----------------|---------------|------------|------------|
|                        | All        | Indica         |               | Japonica   | Aromatic   |
|                        |            | Higher quality | Lower quality |            |            |
| 2002-2004 = 100        |            |                |               |            |            |
| <b>2013</b>            | <b>233</b> | <b>219</b>     | <b>226</b>    | <b>230</b> | <b>268</b> |
| <b>2014</b>            | <b>235</b> | <b>207</b>     | <b>201</b>    | <b>266</b> | <b>255</b> |
| <b>2015</b>            | <b>211</b> | <b>184</b>     | <b>184</b>    | <b>263</b> | <b>176</b> |
| <b>2016</b>            | <b>194</b> | <b>180</b>     | <b>187</b>    | <b>228</b> | <b>153</b> |
| <b>2016</b> October    | 186        | 168            | 182           | 217        | 154        |
| November               | 185        | 167            | 181           | 218        | 149        |
| December               | 187        | 170            | 182           | 218        | 156        |
| <b>2017</b> January    | 190        | 173            | 186           | 217        | 169        |
| February               | 194        | 173            | 189           | 216        | 187        |
| March                  | 195        | 171            | 189           | 216        | 193        |
| April                  | 198        | 174            | 191           | 216        | 208        |
| May                    | 202        | 181            | 193           | 218        | 209        |
| June                   | 209        | 194            | 204           | 224        | 205        |
| July                   | 210        | 188            | 204           | 231        | 208        |
| August                 | 212        | 186            | 200           | 241        | 209        |
| September              | 213        | 188            | 197           | 241        | 215        |
| October*               | 217        | 187            | 194           | 250        | 220        |
| <b>2016</b> Jan.-Oct.  | 195        | 182            | 188           | 230        | 153        |
| <b>2017</b> Jan.-Oct.  | 204        | 182            | 195           | 227        | 202        |
| <b>% Change</b>        | 4.6        | -0.5           | 3.4           | -1.1       | 32.1       |

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 higher (lower) 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.

\* Two weeks only.

## EXPORT PRICES FOR RICE

|                       | Thai White 100% B Second grade | Thai Parboiled 100% | U.S. Long Grain #2, 4% | Thai 5% | Viet 5% | Uru 5% 1/ | India 25% | Pak 25% | Thai 25% | Viet 25% | Thai A1 Super 2/ | U.S. California Medium Grain #1, 4% | Pak Basmati 3/ | Thai Fragrant 4/ |
|-----------------------|--------------------------------|---------------------|------------------------|---------|---------|-----------|-----------|---------|----------|----------|------------------|-------------------------------------|----------------|------------------|
|                       | <i>(US \$/tonne, f.o.b.)</i>   |                     |                        |         |         |           |           |         |          |          |                  |                                     |                |                  |
| <b>2012</b>           | 588                            | 594                 | 567                    | 573     | 432     | 584       | 391       | 396     | 560      | 397      | 540              | 718                                 | 1 137          | 1 091            |
| <b>2013</b>           | 534                            | 530                 | 628                    | 518     | 391     | 598       | 402       | 371     | 504      | 363      | 483              | 692                                 | 1 372          | 1 180            |
| <b>2014</b>           | 435                            | 435                 | 571                    | 423     | 410     | 599       | 377       | 366     | 382      | 377      | 322              | 1 007                               | 1 324          | 1 150            |
| <b>2015</b>           | 395                            | 392                 | 490                    | 386     | 353     | 541       | 337       | 318     | 373      | 334      | 327              | 857                                 | 849            | 1 008            |
| <b>2016</b>           | 407                            | 410                 | 438                    | 396     | 347     | 473       | 333       | 327     | 385      | 332      | 348              | 651                                 | 795            | 768              |
| <b>2016</b>           |                                |                     |                        |         |         |           |           |         |          |          |                  |                                     |                |                  |
| October               | 375                            | 383                 | 402                    | 369     | 333     | 484       | 328       | 309     | 365      | 317      | 349              | 579                                 | 825            | 739              |
| November              | 369                            | 365                 | 401                    | 360     | 337     | 479       | 325       | 317     | 354      | 324      | 333              | 586                                 | 823            | 630              |
| December              | 384                            | 382                 | 402                    | 373     | 333     | 488       | 329       | 321     | 364      | 320      | 331              | 588                                 | 874            | 682              |
| <b>2017</b>           |                                |                     |                        |         |         |           |           |         |          |          |                  |                                     |                |                  |
| January               | 392                            | 394                 | 395                    | 377     | 335     | 505       | 338       | 340     | 369      | 322      | 336              | 575                                 | 969            | 689              |
| February              | 384                            | 392                 | 401                    | 367     | 346     | 510       | 345       | 344     | 361      | 326      | 339              | 571                                 | 1 029          | 696              |
| March                 | 385                            | 383                 | 395                    | 370     | 351     | 475       | 344       | 338     | 364      | 333      | 340              | 577                                 | 1 078          | 683              |
| April                 | 394                            | 393                 | 405                    | 380     | 342     | 491       | 350       | 355     | 369      | 329      | 332              | 578                                 | 1 204          | 697              |
| May                   | 430                            | 431                 | 418                    | 415     | 352     | 485       | 360       | 367     | 394      | 332      | 322              | 590                                 | 1 214          | 717              |
| June                  | 469                            | 479                 | 445                    | 454     | 405     | 495       | 375       | 373     | 427      | 378      | 337              | 627                                 | 1 205          | 799              |
| July                  | 432                            | 442                 | 454                    | 417     | 397     | 502       | 379       | 367     | 399      | 375      | 337              | 675                                 | 1 195          | 851              |
| August                | 410                            | 416                 | 491                    | 394     | 389     | 502       | 374       | 346     | 382      | 372      | 339              | 706                                 | 1 125          | 949              |
| September             | 414                            | 426                 | 516                    | 399     | 380     | 504       | 373       | 344     | 385      | 357      | 337              | 717                                 | 1 100          | 1 064            |
| October*              | 410                            | 428                 | 517                    | 395     | 387     | 500       | 360       | 338     | 380      | 364      | 327              | 775                                 | 1 200          | 988              |
| <b>2016</b> Jan.-Oct. | 413                            | 417                 | 445                    | 402     | 350     | 471       | 335       | 329     | 390      | 334      | 351              | 664                                 | 784            | 791              |
| <b>2017</b> Jan.-Oct. | 412                            | 418                 | 444                    | 397     | 368     | 497       | 360       | 351     | 383      | 349      | 334              | 639                                 | 1 132          | 813              |
| <b>% Change</b>       | -0.2                           | 0.4                 | -0.2                   | -1.3    | 5.3     | 5.5       | 7.5       | 6.8     | -1.9     | 4.5      | -4.7             | -3.7                                | 44.3           | 2.8              |

Sources: Livericeindex.com, Thai Department of Foreign Trade (DFT) and other public sources.

1/ Long grain white rice, fob fcl. 2/ White broken rice. 3/ Basmati ordinary up to May 2011. Super kernel white basmati 2% from June 2011 onwards.

4/ Hom Mali rice, grade A.

... = unquoted

\* Two weeks only.



RICE POLICY DEVELOPMENTS <sup>8</sup>

| Area             | Date   | Policy Instrument                     | Description  |
|------------------|--------|---------------------------------------|--|
| Bangladesh       | Jul-17 | Finance and credit facilities         | Allowed banks to issue Letters of Credit to rice importers on a deferred payment or usance basis, or under buyer's credit. The measure seeks to facilitate private sector imports of rice and will be effective until 31 December 2017.  |
| Bangladesh       | Jul-17 | Import tender                         | Opened an international tender for 50 000 tonnes of non-Basmati parboiled rice.  |
| Bangladesh       | Jul-17 | Import tender                         | Opened another international tender for 50 000 tonnes of non-Basmati parboiled rice, to be delivered within 40 days of contract.   |
| Bangladesh       | Aug-17 | Import agreement                      | Signed a Memorandum of Understanding with Cambodia, giving Bangladesh the option to import up to 1 million tonnes of rice until 2022.  |
| Bangladesh       | Aug-17 | Import agreement                      | Signed a Memorandum of Understanding with Thailand, allowing Bangladesh to purchase up to 1.0 million tonnes of Thai rice per year until 2021.   |
| Bangladesh       | Aug-17 | Import tariff                         | Reduced customs duties on imported husked, semi/wholly-milled and broken rice from 10 percent to 2 percent, effective 17 August 2017.  |
| Bangladesh       | Aug-17 | Import tender                         | Issued another international tender for 50 000 tonnes of non-Basmati parboiled rice.   |
| Bangladesh       | Sep-17 | Import agreement                      | Signed a Memorandum of Understanding with Myanmar giving it the option to purchase 250 000 tonnes of white rice and 50 000 tonnes of parboiled rice, per year, until 2022. An October decision authorised the first purchase under the agreement, for a total of 100 000 tonnes of rice.   |
| Bangladesh       | Sep-17 | Import tender                         | Floated an international tender for 50 000 tonnes of non-Basmati parboiled rice.   |
| Bangladesh       | Oct-17 | Import agreement                      | According to official statements to the press, reached deals with officials in India and Thailand to purchase a total of 250 000 tonnes of rice.   |
| Brazil           | Jul-17 | Minimum support prices                | Approved minimum support prices (MSPs) for the 2018/19 season (2017/18 season for Brazil), effective from February 2018 to January 2019. The MSP for fine long grain paddy was raised by 3 percent to BRL 720.20 (USD 227.54) per tonne for the Southern region (except Paraná) and to BRL 720.17 (USD 227.53) for all other regions. The MSPs for long-grain paddy was instead left unvaried at BRL 378.0 (USD 119.4) per tonne for the Southern region (except Paraná) and at BRL 407.5 (USD 128.7) per tonne for other regions. |
| Cambodia         | Aug-17 | Production support, credit facilities | Announced that a credit line for rice millers and exporters would be raised from USD 27 million to USD 50 million. The funds will provide processors and traders low-interest loans through the Rural Development Bank (RDB) in order to assist them purchase paddy from the 2017 main-crop harvest and stabilise prices. Additional funds would go to bolster storage and drying capacity.  |
| China (Mainland) | Jul-17 | Stock release                         | Sold 181 500 tonnes of paddy through an auction held on 5 July 2017. The tender offered a total of 2.61 million tonnes for sale.   |
| China (Mainland) | Jul-17 | Stock release                         | Sold 198 865 tonnes of paddy from state reserves, after offering 1.46 million tonnes in an auction held on 7 July 2017.  |
| China (Mainland) | Jul-17 | Stock release                         | Sold 154 683 tonnes of paddy from state reserves, out of a total of 2.62 million tonnes offered through an auction held on   |

<sup>8</sup> The full collection of rice policies, starting in January 2011, is available at: [http://www.fao.org/economic/est/est\\_commodities/commodity\\_policy\\_archive/en/?groupANDcommodity=rice](http://www.fao.org/economic/est/est_commodities/commodity_policy_archive/en/?groupANDcommodity=rice)

| Area             | Date   | Policy Instrument | Description  |
|------------------|--------|-------------------|--|
|                  |        |                   | 12 July 2017.  |
| China (Mainland) | Jul-17 | Stock release     | Put 1.4 million tonnes of paddy from state reserves for auction on 14 July 2017. Out of this volume, 42 454 tonnes were actually sold.                   |
| China (Mainland) | Jul-17 | Stock release     | Sold 124 824 tonnes of paddy through an auction held on 19 July 2017, which offered a total of 1.62 million tonnes for sale.                             |
| China (Mainland) | Jul-17 | Stock release     | Offered 1.32 million tonnes of paddy for sale from state reserves through an auction held on 21 July 2017, out of which, 36 000 tonnes were sold.        |
| China (Mainland) | Jul-17 | Stock release     | Sold 121 456 tonnes of paddy from state reserves, after offering 1.6 million tonnes in an auction held on 26 July 2017.                                  |
| China (Mainland) | Jul-17 | Stock release     | Sold 1.05 million tonnes of paddy on 28 July 2017, through an auction offering a total of 2.82 million tonnes.   |
| China (Mainland) | Aug-17 | Stock release     | Sold 93 392 tonnes of paddy, after offering 1.62 million tonnes through an auction held on 2 August 2017.  |
| China (Mainland) | Aug-17 | Stock release     | Put 2.33 million tonnes of paddy on sale through an auction held on 4 August 2017. Of this volume, 830 163 tonnes were sold.                             |
| China (Mainland) | Aug-17 | Stock release     | Sold 85 659 tonnes of paddy from state reserves through an auction held on 9 August 2017, which offered a total of 1.61 million tonnes.                  |
| China (Mainland) | Aug-17 | Stock release     | Sold 511 019 tonnes of paddy from state reserves on 11 August 2017, through an auction that offered 2.24 million tonnes.                                 |
| China (Mainland) | Aug-17 | Stock release     | Sold 97 038 tonnes of paddy from state reserves, out of a total 1.58 million tonnes offered in auction on 16 August 2017.                                |
| China (Mainland) | Aug-17 | Stock release     | Put 2.19 million tonnes of paddy on sale in an auction held on 18 August 2017. The auction resulted in 511 818 tonnes being sold.                        |
| China (Mainland) | Aug-17 | Stock release     | Sold 101 972 tonnes of paddy from state reserves through an auction held on 23 August 2017. Total volumes offered amounted to 1.61 million tonnes.       |
| China (Mainland) | Aug-17 | Stock release     | Found buyers for 522 763 tonnes of paddy from state reserves through an auction that offered 2.2 million tonnes for sale on 25 August 2017.              |
| China (Mainland) | Aug-17 | Stock release     | Sold 65 512 tonnes of paddy from public stocks, out of a total of 1.6 million tonnes offered through an auction held on 30 August 2017.                  |
| China (Mainland) | Sep-17 | Stock release     | Sold 614 125 tonnes of paddy from public reserves, after offering 2.19 million tonnes in an auction held on 1 September 2017.                            |
| China (Mainland) | Sep-17 | Stock release     | Put 1.20 million tonnes of paddy on sale through an auction held on 6 September 2017, out of which 73 803 tonnes were sold.                              |
| China (Mainland) | Sep-17 | Stock release     | Sold 550 095 tonnes of paddy through an auction held on 8 September 2017. The tender offered a total of 2.14 million tonnes for sale.                    |
| China (Mainland) | Sep-17 | Stock release     | Sold 42 123 tonnes of paddy from state reserves, after offering 1.20 million tonnes of paddy in a tender held on 13 September 2017.                      |
| China (Mainland) | Sep-17 | Stock release     | Sold 661 514 tonnes of paddy from state reserves on 15 September 2017, through an auction that offered a total of 2.11 million tonnes of paddy for sale. |

| Area             | Date   | Policy Instrument                          | Description  |
|------------------|--------|--|--|
| China (Mainland) | Sep-17 | Stock release                              | Found buyers for 26 849 tonnes of paddy, after offering 600 649 tonnes of paddy from state reserves in an auction held on 20 September 2017.   |
| China (Mainland) | Sep-17 | Stock release                              | Sold 288 233 tonnes, out of 607 679 tonnes of paddy from state reserves offered through an auction held on 22 September 2017.  |
| China (Mainland) | Sep-17 | Stock release                              | Put 575 561 tonnes of paddy on sale in an auction held on 27 September 2017. The auction resulted in 13 540 tonnes being sold.   |
| China (Mainland) | Sep-17 | Stock release                              | Sold 176 797 tonnes of paddy, after offering 529 252 tonnes through an auction held on 29 September 2017.  |
| China (Mainland) | Oct-17 | Stock release                              | Offered 506 184 tonnes of paddy from state reserves through an auction held on 11 October 2017. The auction closed without a sale.   |
| China (Mainland) | Oct-17 | Stock release                              | Sold 247 345 tonnes of paddy from public stocks, out of a total of 459 547 tonnes offered through an auction held on 13 October 2017.  |
| Colombia         | Aug-17 | Support prices, warehouse receipts program | Decided that the storage incentive programme for 2017 second-semester crops would be implemented from 11 August 2017 to 30 December 2017. The scheme will extend a COP 28 890 (USD 9.6) outlay to cover the cost of storing a tonne of paddy per month, for up to 400 000 tonnes, provided that these volumes are purchased at reference paddy prices of COP 106 250–157 000 per 125 kilos (USD 283-418 per tonne). Volumes purchased under the programme will determine potential rice import requirements for 2018, their allocation amongst participants, as well as entities' eligibility to participate in public procurement campaigns, special credit lines and export negotiations, should the need for these arise. |
| Colombia         | Aug-17 | Production support                         | Decided to extend a marketing assistance package for up to 161 800 tonnes of paddy from the 2017 second semester harvest, in order to aid rice producers cope with declines in local quotations ensuing from successive bumper harvests. The package will consist of a COP 64 000 (USD 21.3) outlay per tonne of paddy marketed by producers between 24 August and 15 November 2017, except for farmers in Caquetá, Casanare, Tolima, Huila and Meta, who will receive an additional COP 50 000 (USD 16.6) per tonne of paddy sold for up to 116 000 tonnes.   |
| Costa Rica       | Sep-17 | Safeguard measures                         | Put in place safeguard measures on selected classes of husked rice imports (SAC codes 10062000091 and 1006200099), originating in countries not party to a preferential trade agreement with Costa Rica. Effective from 6 September 2017 to 31 December 2017, an additional import tariff of 11.67 percent will be levied on these classes, since cumulative imports from 1 January 2017 surpassed a 3 805.2 tonne threshold that activates the measure. The surcharge will be applied on top of a 35 percent import duty accrued by these classes.  |
| Cote d'Ivoire    | Jul-17 | Price controls                             | Set price caps on various commodities, including imported rice, for a period of six months. Price ceilings on imported rice range from XOF 307 to 397 (USD 0.55-0.71) per kilo at the retail level in Abidjan, but vary depending on the origin and quality of supplies, place of sale, as well as the stage of the marketing chain.   |
| Guinea-Bissau    | Aug-17 | Price controls                             | Set a maximum retail price of XOF 16 500 per 50 kg bag of fully broken rice (USD 0.59 per kilo) in Bissau and of XOF 17 000 per 50 kg bag (USD 0.61 per kilo) for other parts of the country. According to press reports, the government would also take other steps to quell increases in domestic rice prices, including temporary tax relief measures.  |
| Indonesia        | Aug-17 | Price controls                             | Set the maximum retail price (MRP) for medium quality rice at IDR 9 450-10 250 (USD 0.69-0.75) per kilo, depending on the various provinces. Price ceilings ranging from IDR 12 800 to 13 600 (USD 0.93-0.99) per kilo were instead set for  |

| Area              | Date   | Policy Instrument                         | Description  |
|-------------------|--------|---|--|
|                   |        |   | premium qualities, while no ceiling would apply for specialty rice. The MRPs will be effective on 1 September 2017 and compare to a ceiling of IDR 9 500 (USD 0.69) per kilo that applied to all rice qualities between September 2016 and July 2017.  |
| Indonesia         | Aug-17 | Government procurement, purchasing prices | Announced that the state enterprise, Bulog, had been allowed to pay up to IDR 4 070-8 030 per kilo (USD 296-584 per tonne) of supplies purchased from the local market, 10 percent more than the applicable government purchase prices. The move is geared at enabling the agency to step-up local procurement during the 2017 offseason harvest, as higher market prices relative to government offers slowed its pace of domestic purchases. |
| Italy             | Aug-17 | Origin labelling                          | Issued a decision requiring that labels of all rice (products falling under HS code 1006) marketed in Italy indicate the country in which the product was grown, processed and packaged. The measure will be effective from 16 February 2018 until 31 December 2020, on a trial basis, or until rules on origin labelling are implemented at the European Union level.   |
| Japan             | Sep-17 | Import regulation                         | Issued rules prohibiting the sale or transfer of imported rice among entities participating in Simultaneous Buy and Sell tenders, unless the supplies are otherwise processed, packaged or transformed.  |
| Liberia           | Aug-17 | Import tariff                             | Renewed import tariff exemptions on semi/wholly milled and broken rice, with immediate effect.   |
| Philippines       | Aug-17 | Import quota                              | Opened applications for private sector imports of 805 200 tonnes of rice, under WTO mandated Minimum Access Volume (MAV) quotas. Volumes imported should comprise specialty rice and/or well-milled rice with maximum broken content of 25%. Quantities imported under the quota will accrue a 35 percent import tariff and must be delivered between 20 December 2017 and 28 February 2018, or from 1 June 2018 to 31 August 2018.            |
| Republic of Korea | Sep-17 | Government procurement                    | Announced that the Government would purchase 720 000 tonnes of rice from the 2017 harvest. The volume would include 350 000 tonnes as part of the Public Rice Stockholding Program, and 370 000 tonnes geared at stabilising domestic prices.  |
| Republic of Korea | Sep-17 | Food aid                                  | Announced that it would expand its food aid deliveries of rice, upon completing its accession to the Food Assistance Convention at the end of 2017. To these effects, it aimed to provide up to 50 000 tonnes of rice as food aid through the World Food Program in 2018.  |
| Senegal           | Jul-17 | Production support                        | Announced that paddy prices would be fixed at XOF 125 per kilo (USD 225 per tonne) in order to ensure sufficient returns for rice farmers.   |
| Sri Lanka         | Aug-17 | Price controls                            | Raised the maximum retail price of imported Nadu rice by 4 percent to LKR 75 (USD 0.5) per kilo and lowered the price ceiling for imported raw rice by 7 percent to LKR 65 (USD 0.4) per kilo. The revised rates took effect on 4 August 2017, while price caps for locally produced rice and for imported Samba rice were left unvaried.  |
| Sri Lanka         | Aug-17 | Price controls                            | Removed maximum retail prices of locally produced and imported rice, effective 16 August 2017.   |
| Sri Lanka         | Sep-17 | Consumer prices                           | Lowered prices of eight qualities of rice sold through Lak Sathosa outlets by 2-8 percent to LKR 60-90 (USD 0.4-0.6) per kilo, effective 29 September 2017.  |
| Sri Lanka         | Aug-17 | Import tariff                             | Reduced the Special Commodity Levy (SCL) on imported broken rice from LKR 5 per kilo (USD 32 per tonne) to LKR 0.25 per kilo (USD 2 per tonne). The revised rate will be effective from 2 August 2017 to 31 December 2017.   |
| Thailand          | Sep-17 | Production support                        | Approved a budget of THB 87.2 billion (USD 2.6 billion) to implement three schemes geared at assisting rice producers and easing downward pressure on prices at harvest time. The first scheme, an on-farm mortgaging programme for 2.0 million  |



| Area     | Date   | Policy Instrument   | Description  |
|----------|--------|---------------------|--|
|          |        |                     | tonnes of main-crop paddy, will run from 1 November 2017 to 28 February 2018. Under the programme, participating farmers would receive THB 10 800 (USD 322) per tonne for Hom Mali and glutinous paddy, while producers of white paddy and Pathum Thani fragrant paddy would receive THB 7 200 (USD 215) and 8 500 (USD 253) per tonne, respectively. Another THB 1 500 per tonne (USD 45) would be availed to compensate farmers for storage costs, while THB 1 200 per rai (USD 223 per hectare) would go to support harvesting and quality improvements, for a maximum of THB 12 000 (USD 358) per household. Two separate schemes, each running from 1 October 2017 to 30 September 2018, would avail credit to cooperatives and farmer groups to encourage them to delay the sale of 2.5 million tonnes of paddy, and target to stockpile another 8.0 million tonnes of paddy by providing interest subsidies to processors and traders agreeing to store supplies for two to six months. |
| Thailand | Aug-17 | Stock release       | A Supreme Administrative Court decision lifted a July 2017 sales suspension order for 2.6 million tonnes of non-food grade rice from Government reserves that had been tendered off in April and June 2017. The decision allowed sales of 0.5 million tonnes of rice for industrial use to proceed, along with the release of 2.1 million tonnes of feed quality rice.   |
| Turkey   | Oct-17 | Import requirements | According to official statements, imports of nine agricultural products from the Russian Federation, including paddy, would require government approval as of 9 October 2017.  |

TABLE 1: WORLD PADDY PRODUCTION

|                                   | 2012-2014             | 2015    | 2016     | 2017     | Annual Change |       | 2017                  |          |
|-----------------------------------|-----------------------|---------|----------|----------|---------------|-------|-----------------------|----------|
|                                   | Average               |         | Estimate | Forecast | 2017 / 2016   |       | Previous              | Revision |
|                                   | <i>million tonnes</i> |         |          |          |               | %     | <i>million tonnes</i> |          |
| <b>WORLD</b>                      | 740.8                 | 739.1   | 754.6    | 754.6    | 0.1           | 0.0   | 758.8                 | -4.1     |
| Developed regions                 | 25.2                  | 24.2    | 25.3     | 23.5     | -1.8          | -7.1  | 24.2                  | -0.7     |
| Developing Regions                | 715.6                 | 715.0   | 729.3    | 731.1    | 1.9           | 0.3   | 734.5                 | -3.4     |
| <b>ASIA</b>                       | 671.8                 | 668.4   | 682.6    | 682.1    | -0.6          | -0.1  | 686.1                 | -4.1     |
| Bangladesh                        | 51.2                  | 52.5 G  | 52.1 G   | 51.2     | -0.9          | -1.7  | 52.2                  | -1.0     |
| Cambodia                          | 9.3                   | 9.3 G   | 10.0 G   | 10.1     | 0.2           | 1.9   | 10.0                  | 0.1      |
| China                             | 206.5                 | 209.8   | 208.5    | 208.7    | 0.2           | 0.1   | 209.4                 | -0.7     |
| of which China (Mainland)         | 204.8                 | 208.2 G | 206.9 G  | 207.0 G  | 0.1           | 0.0   | 207.7 G               | -0.7     |
| India                             | 158.7                 | 156.6 G | 165.2 G  | 164.2    | -1.0          | -0.6  | 165.5                 | -1.3     |
| Indonesia                         | 70.4                  | 73.0    | 72.7     | 74.2     | 1.5           | 2.1   | 74.2                  | 0.0      |
| Iran, Islamic Rep. of             | 2.4                   | 2.3 G   | 2.5      | 2.7      | 0.2           | 6.3   | 2.6                   | 0.1      |
| Japan                             | 10.8                  | 10.5 G  | 10.7 G   | 10.5     | -0.2          | -1.8  | 10.7 G                | -0.2     |
| Korea Rep. of                     | 5.6                   | 5.8 G   | 5.6 G    | 5.3 G    | -0.3          | -5.8  | 5.5                   | -0.1     |
| Lao PDR                           | 3.6                   | 3.8     | 3.9      | 4.0      | 0.1           | 2.6   | 4.0                   | 0.0      |
| Malaysia                          | 2.7                   | 3.3 G   | 3.0      | 3.1      | 0.1           | 3.7   | 3.1                   | 0.0      |
| Myanmar                           | 28.1                  | 27.5 G  | 28.5     | 28.9     | 0.3           | 1.2   | 28.9                  | 0.0      |
| Nepal                             | 4.8                   | 4.3 G   | 5.2 G    | 4.8      | -0.4          | -8.2  | 5.4                   | -0.6     |
| Pakistan                          | 9.7                   | 10.2 G  | 10.3 G   | 10.8     | 0.5           | 4.9   | 10.4                  | 0.4      |
| Philippines                       | 18.6                  | 17.5 G  | 18.5 G   | 19.2     | 0.7           | 3.7   | 18.7                  | 0.6      |
| Sri Lanka                         | 3.9                   | 4.8 G   | 4.4 G    | 2.4 G    | -2.0          | -44.7 | 2.7                   | -0.3     |
| Thailand                          | 35.5                  | 27.4 G  | 32.6     | 33.7     | 1.1           | 3.2   | 33.7                  | 0.0      |
| Viet Nam                          | 44.3                  | 45.1 G  | 43.6 G   | 43.3     | -0.3          | -0.6  | 43.8                  | -0.5     |
| <b>AFRICA</b>                     | 27.6                  | 28.8    | 30.8     | 31.1     | 0.3           | 1.0   | 30.9                  | 0.2      |
| <b>North Africa</b>               | 6.1                   | 6.0     | 6.3      | 6.4      | 0.1           | 1.3   | 6.4                   | 0.0      |
| Egypt                             | 6.1                   | 5.9     | 6.3      | 6.4      | 0.1           | 1.3   | 6.4                   | 0.0      |
| <b>Western Africa</b>             | 13.5                  | 14.4    | 15.4     | 16.3     | 0.9           | 5.8   | 16.0                  | 0.3      |
| Côte d'Ivoire                     | 0.8                   | 0.9     | 0.8      | 0.9      | 0.0           | 4.6   | 0.9                   | 0.0      |
| Guinea                            | 1.9                   | 2.0 G   | 2.2 G    | 2.3      | 0.1           | 5.1   | 2.2                   | 0.1      |
| Mali                              | 2.1                   | 2.3 G   | 2.8 G    | 2.9      | 0.1           | 4.9   | 2.9                   | 0.1      |
| Nigeria                           | 4.7                   | 4.8     | 5.0      | 5.4      | 0.4           | 8.1   | 5.3                   | 0.1      |
| Sierra Leone                      | 1.2                   | 1.0 G   | 1.2 G    | 1.2      | 0.0           | 3.4   | 1.1                   | 0.1      |
| <b>Central Africa</b>             | 0.5                   | 0.5     | 0.5      | 0.5      | 0.0           | 1.3   | 0.5                   | 0.0      |
| <b>Eastern Africa</b>             | 2.9                   | 3.7     | 4.1      | 3.8      | -0.3          | -7.0  | 3.8                   | 0.0      |
| Tanzania, United Rep. of          | 2.2                   | 3.0 G   | 3.4 G    | 3.1      | -0.3          | -9.6  | 3.1                   | 0.0      |
| <b>Southern Africa</b>            | 4.6                   | 4.3     | 4.3      | 3.9      | -0.4          | -9.2  | 4.1                   | -0.2     |
| Madagascar                        | 4.0                   | 3.7 G   | 3.8 G    | 3.3      | -0.5          | -13.5 | 3.5                   | -0.2     |
| Mozambique                        | 0.4                   | 0.4 G   | 0.3 G    | 0.4 G    | 0.1           | 21.3  | 0.4                   | 0.0      |
| <b>CENTRAL AMERICA &amp; CAR.</b> | 2.8                   | 2.6     | 2.9      | 2.9      | 0.1           | 2.3   | 2.9                   | 0.0      |
| Cuba                              | 0.6                   | 0.4 G   | 0.5 G    | 0.5      | 0.0           | 1.2   | 0.5                   | 0.0      |
| Dominican Rep.                    | 0.9                   | 0.9 G   | 0.9 G    | 1.0      | 0.0           | 1.3   | 1.0                   | 0.0      |
| <b>SOUTH AMERICA</b>              | 24.2                  | 25.7    | 23.6     | 25.5     | 1.9           | 7.8   | 25.3                  | 0.2      |
| Argentina                         | 1.6                   | 1.6 G   | 1.4 G    | 1.3 G    | -0.1          | -5.0  | 1.3 G                 | 0.0      |
| Brazil                            | 11.8                  | 12.4 G  | 10.6 G   | 12.3 G   | 1.7           | 16.3  | 12.3 G                | 0.0      |
| Colombia                          | 1.9                   | 2.1 G   | 2.7 G    | 2.9      | 0.2           | 8.1   | 2.6                   | 0.3      |
| Ecuador                           | 1.2                   | 1.3 G   | 1.2 G    | 1.2      | 0.0           | -2.5  | 1.3                   | -0.1     |
| Peru                              | 3.0                   | 3.2 G   | 3.2 G    | 3.0      | -0.2          | -6.0  | 3.0                   | 0.0      |
| Uruguay                           | 1.4                   | 1.4 G   | 1.3 G    | 1.4 G    | 0.1           | 8.1   | 1.4 G                 | 0.0      |
| <b>NORTHERN AMERICA</b>           | 9.3                   | 8.8     | 10.2     | 8.1      | -2.1          | -20.3 | 8.7                   | -0.6     |
| United States                     | 9.3                   | 8.8 G   | 10.2 G   | 8.1 G    | -2.1          | -20.3 | 8.7 G                 | -0.6     |
| <b>EUROPE</b>                     | 4.1                   | 4.2     | 4.2      | 4.1      | -0.1          | -2.0  | 4.1                   | 0.1      |
| EU                                | 3.0                   | 3.0 G   | 3.0 G    | 3.0      | 0.0           | -0.5  | 2.9                   | 0.1      |
| Russian Federation                | 1.0                   | 1.1 G   | 1.1 G    | 1.0      | -0.1          | -6.2  | 1.0                   | 0.0      |
| <b>OCEANIA</b>                    | 1.0                   | 0.7     | 0.3      | 0.8      | 0.5           | 188.4 | 0.8                   | 0.0      |
| Australia                         | 1.0                   | 0.7 G   | 0.3 G    | 0.8 G    | 0.5           | 197.3 | 0.8 G                 | 0.0      |

**NOTES:**

The 2017 paddy production season normally includes rice from the main paddy crops whose harvests fall in 2017, 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

|                                   | 2013-2015                           | 2016  | 2017     | 2018     | Annual Change |       | 2017                  |          |
|-----------------------------------|-------------------------------------|-------|----------|----------|---------------|-------|-----------------------|----------|
|                                   | Average                             |       | Estimate | Forecast | 2018 / 2017   |       | Previous              | Revision |
|                                   | <i>million tonnes, milled basis</i> |       |          |          | <i>%</i>      |       | <i>million tonnes</i> |          |
| <b>WORLD</b>                      | 43.6                                | 41.5  | 45.0     | 45.4     | 0.4           | 1.0   | 44.2                  | 0.8      |
| Developed regions                 | 4.2                                 | 4.5   | 4.5      | 4.4      | 0.0           | -0.9  | 4.4                   | 0.1      |
| Developing Regions                | 39.4                                | 37.0  | 40.5     | 41.0     | 0.5           | 1.2   | 39.9                  | 0.7      |
| <b>ASIA</b>                       | 21.6                                | 19.0  | 21.1     | 21.9     | 0.7           | 3.4   | 21.6                  | -0.5     |
| Bangladesh                        | 0.9                                 | 0.1 G | 1.5      | 1.1      | -0.5          | -30.0 | 1.0                   | 0.5      |
| China                             | 6.4                                 | 6.3   | 6.4      | 6.4      | 0.0           | 0.1   | 6.4                   | 0.0      |
| of which China (Mainland)         | 5.9                                 | 5.8   | 5.9      | 5.9      | 0.0           | 0.0   | 5.9                   | 0.0      |
| Indonesia                         | 0.9                                 | 1.3   | 0.4      | 0.8      | 0.4           | 87.5  | 0.8                   | -0.4     |
| Iran, Islamic Rep. of             | 1.5                                 | 1.1   | 1.3      | 1.4      | 0.1           | 8.0   | 1.3                   | -0.1     |
| Iraq                              | 1.1                                 | 0.9   | 1.1      | 1.2      | 0.1           | 8.2   | 1.1                   | 0.0      |
| Japan                             | 0.7                                 | 0.7 G | 0.7      | 0.7      | 0.0           | 0.0   | 0.7                   | 0.0      |
| Malaysia                          | 1.0                                 | 0.9   | 0.9      | 1.0      | 0.1           | 11.8  | 1.0                   | -0.1     |
| Philippines                       | 1.5                                 | 0.7   | 1.1      | 1.5      | 0.4           | 35.5  | 1.5                   | -0.4     |
| Saudi Arabia                      | 1.4                                 | 1.2 G | 1.3      | 1.5      | 0.2           | 13.1  | 1.3                   | 0.0      |
| United Arab Emirates              | 0.7                                 | 0.8   | 0.8      | 0.8      | 0.0           | 0.0   | 0.9                   | -0.1     |
| <b>AFRICA</b>                     | 14.4                                | 14.2  | 15.6     | 15.6     | 0.0           | -0.1  | 14.5                  | 1.1      |
| Côte d'Ivoire                     | 1.3                                 | 1.4   | 1.5      | 1.5      | 0.0           | 0.7   | 1.4                   | 0.1      |
| Nigeria                           | 2.8                                 | 2.2   | 2.6      | 2.9      | 0.3           | 11.5  | 2.4                   | 0.2      |
| Senegal                           | 1.3                                 | 1.1   | 1.3      | 1.2      | -0.1          | -4.8  | 1.2                   | 0.1      |
| South Africa                      | 0.9                                 | 0.8 G | 0.9      | 0.9      | 0.0           | 1.1   | 0.8                   | 0.0      |
| <b>CENTRAL AMERICA &amp; CAR.</b> | 2.1                                 | 2.4   | 2.4      | 2.3      | -0.1          | -4.2  | 2.4                   | 0.0      |
| Cuba                              | 0.4                                 | 0.5 G | 0.5      | 0.5      | 0.0           | -3.8  | 0.5                   | 0.0      |
| Mexico                            | 0.7                                 | 0.7 G | 0.7      | 0.7      | 0.0           | -7.1  | 0.7                   | 0.0      |
| <b>SOUTH AMERICA</b>              | 1.6                                 | 1.8   | 1.8      | 1.7      | -0.1          | -6.3  | 1.7                   | 0.0      |
| Brazil                            | 0.6                                 | 0.7 G | 0.8      | 0.7      | -0.1          | -14.1 | 0.7                   | 0.1      |
| <b>NORTHERN AMERICA</b>           | 1.1                                 | 1.2   | 1.2      | 1.2      | 0.0           | -1.7  | 1.2                   | 0.1      |
| United States                     | 0.7                                 | 0.8 G | 0.8 G    | 0.8 G    | 0.0           | 0.0   | 0.8 G                 | 0.0      |
| <b>EUROPE</b>                     | 2.2                                 | 2.3   | 2.4      | 2.4      | 0.0           | -0.4  | 2.3                   | 0.1      |
| EU 1/                             | 1.6                                 | 1.8 G | 1.8      | 1.8      | 0.0           | -0.3  | 1.8                   | 0.0      |
| Russian Federation                | 0.3                                 | 0.2 G | 0.2      | 0.2      | 0.0           | -8.3  | 0.2                   | 0.0      |
| <b>OCEANIA</b>                    | 0.5                                 | 0.5   | 0.5      | 0.5      | 0.0           | -2.9  | 0.5                   | 0.0      |

**NOTES:**

Totals computed from unrounded data.

G Official figure.

1/ Excluding EU intra-trade.

TABLE 3: WORLD RICE EXPORTS

|                           | 2013-2015                           | 2016   | 2017     | 2018     | Annual Change |       | 2017                  |          |
|---------------------------|-------------------------------------|--------|----------|----------|---------------|-------|-----------------------|----------|
|                           | Average                             |        | Estimate | Forecast | 2018 / 2017   |       | Previous              | Revision |
|                           | <i>million tonnes, milled basis</i> |        |          |          | <i>%</i>      |       | <i>million tonnes</i> |          |
| <b>WORLD</b>              | 43.5                                | 41.5   | 45.0     | 45.4     | 0.5           | 1.0   | 44.2                  | 0.7      |
| Developed regions         | 4.1                                 | 4.0    | 4.3      | 4.3      | 0.0           | 0.2   | 4.4                   | -0.1     |
| Developing Regions        | 39.4                                | 37.4   | 40.7     | 41.2     | 0.4           | 1.1   | 39.9                  | 0.9      |
| <b>ASIA</b>               | 35.7                                | 33.5   | 37.1     | 37.6     | 0.5           | 1.4   | 36.3                  | 0.8      |
| Cambodia                  | 1.2                                 | 1.2    | 1.3      | 1.3      | 0.1           | 4.0   | 1.3                   | 0.0      |
| China                     | 0.4                                 | 0.5    | 0.9      | 1.2      | 0.3           | 33.0  | 0.8                   | 0.1      |
| of which China (Mainland) | 0.4                                 | 0.4 G  | 0.9      | 1.2      | 0.3           | 33.3  | 0.8                   | 0.2      |
| India                     | 11.1                                | 10.1 G | 11.2     | 10.7     | -0.5          | -4.5  | 11.0                  | 0.3      |
| Myanmar                   | 1.5                                 | 1.4 G  | 2.0      | 2.2      | 0.2           | 10.3  | 1.8                   | 0.2      |
| Pakistan                  | 3.9                                 | 4.0 G  | 3.7      | 4.0      | 0.3           | 8.1   | 3.8                   | -0.1     |
| Thailand                  | 9.1                                 | 9.9 G  | 10.9     | 10.4     | -0.5          | -4.6  | 10.5                  | 0.5      |
| Viet Nam                  | 8.2                                 | 6.1    | 6.9      | 7.5      | 0.7           | 9.5   | 6.9                   | 0.0      |
| <b>AFRICA</b>             | 0.7                                 | 0.7    | 0.6      | 0.5      | -0.1          | -13.9 | 0.4                   | 0.1      |
| Egypt                     | 0.4                                 | 0.3    | 0.2      | 0.2      | 0.0           | -9.1  | 0.2                   | 0.0      |
| <b>SOUTH AMERICA</b>      | 3.0                                 | 3.2    | 3.0      | 3.1      | 0.1           | 1.8   | 3.2                   | -0.1     |
| Argentina                 | 0.4                                 | 0.5 G  | 0.5      | 0.5      | -0.1          | -10.0 | 0.5                   | 0.0      |
| Brazil                    | 0.8                                 | 0.6 G  | 0.5      | 0.7      | 0.2           | 29.6  | 0.6                   | -0.1     |
| Guyana                    | 0.4                                 | 0.4    | 0.4      | 0.5      | 0.0           | 9.1   | 0.4                   | 0.0      |
| Uruguay                   | 0.8                                 | 0.9 G  | 0.9      | 0.8      | -0.1          | -10.6 | 0.9                   | 0.0      |
| <b>NORTH AMERICA</b>      | 3.2                                 | 3.4    | 3.6      | 3.5      | -0.1          | -2.8  | 3.6                   | -0.1     |
| United States             | 3.2                                 | 3.4 G  | 3.6 G    | 3.5 G    | -0.1          | -2.8  | 3.6 G                 | -0.1     |
| <b>EUROPE</b>             | 0.4                                 | 0.5    | 0.5      | 0.4      | -0.1          | -14.3 | 0.4                   | 0.0      |
| EU 1/                     | 0.2                                 | 0.3 G  | 0.3      | 0.3      | -0.1          | -16.7 | 0.3                   | 0.0      |
| Russian Federation        | 0.2                                 | 0.2 G  | 0.2      | 0.2      | 0.0           | -11.1 | 0.2                   | 0.0      |
| <b>OCEANIA</b>            | 0.4                                 | 0.2    | 0.2      | 0.4      | 0.2           | 89.8  | 0.3                   | -0.1     |
| Australia                 | 0.4                                 | 0.2    | 0.2      | 0.4      | 0.2           | 90.0  | 0.3                   | -0.1     |

**NOTES:**

Totals computed from unrounded data.

G Official figure.

1/ Excluding EU intra-trade.



TABLE 4: END OF SEASON STOCKS I /

|                                   | 2013-2015                           | 2016   | 2017     | 2018     | Annual Change |       | 2018                  |          |
|-----------------------------------|-------------------------------------|--------|----------|----------|---------------|-------|-----------------------|----------|
|                                   | Average                             |        | Estimate | Forecast | 2018 / 2017   |       | Previous              | Revision |
|                                   | <i>million tonnes, milled basis</i> |        |          |          | <i>%</i>      |       | <i>million tonnes</i> |          |
| <b>WORLD</b>                      | 163.6                               | 166.5  | 168.5    | 169.2    | 0.6           | 0.4   | 170.8                 | -1.7     |
| Developed regions                 | 5.7                                 | 5.9    | 5.9      | 5.4      | -0.5          | -8.2  | 5.4                   | 0.0      |
| Developing Regions                | 157.9                               | 160.6  | 162.6    | 163.8    | 1.1           | 0.7   | 165.5                 | -1.7     |
| <b>ASIA</b>                       | 154.1                               | 156.5  | 158.8    | 159.7    | 0.9           | 0.5   | 161.0                 | -1.4     |
| Bangladesh                        | 7.0                                 | 7.3    | 6.4      | 6.9      | 0.5           | 7.1   | 6.7                   | 0.2      |
| Cambodia                          | 1.6                                 | 1.6    | 1.7      | 1.8      | 0.1           | 6.4   | 1.8                   | 0.0      |
| China                             | 79.9                                | 94.0   | 99.0     | 102.5    | 3.4           | 3.5   | 103.2                 | -0.7     |
| of which China (Mainland)         | 79.6                                | 93.8   | 98.8     | 102.2    | 3.4           | 3.4   | 102.9                 | -0.7     |
| India                             | 24.0                                | 18.3   | 19.1     | 19.0     | -0.1          | -0.5  | 18.7                  | 0.4      |
| Indonesia                         | 6.8                                 | 6.7    | 6.8      | 6.7      | -0.1          | -1.5  | 6.9                   | -0.2     |
| Iran, Islamic Rep. of             | 0.7                                 | 0.6    | 0.5      | 0.5      | 0.0           | 2.1   | 0.5                   | 0.0      |
| Japan                             | 3.6                                 | 3.4    | 3.4      | 3.4      | 0.0           | 0.6   | 3.3                   | 0.1      |
| Korea Rep. of                     | 1.2                                 | 1.6    | 1.5      | 1.0      | -0.5          | -33.3 | 1.5                   | -0.5     |
| Lao PDR                           | 0.3                                 | 0.5    | 0.6      | 0.6      | 0.0           | 5.5   | 0.5                   | 0.1      |
| Malaysia                          | 0.3                                 | 0.5    | 0.4      | 0.3      | -0.1          | -18.5 | 0.4                   | 0.0      |
| Myanmar                           | 2.8                                 | 2.4    | 2.4      | 2.4      | 0.0           | 2.1   | 2.7                   | -0.3     |
| Nepal                             | 0.4                                 | 0.3    | 0.5      | 0.4      | -0.1          | -13.3 | 0.5                   | -0.1     |
| Pakistan                          | 0.5                                 | 0.5    | 0.7      | 0.8      | 0.1           | 8.7   | 0.7                   | 0.1      |
| Philippines                       | 2.3                                 | 2.7 G  | 2.3 G    | 2.6      | 0.3           | 10.7  | 2.5                   | 0.1      |
| Sri Lanka                         | 0.3                                 | 0.8    | 0.6      | 0.3      | -0.4          | -60.9 | 0.3                   | 0.0      |
| Thailand                          | 17.8                                | 10.7   | 8.1      | 6.0      | -2.1          | -25.9 | 6.0                   | 0.0      |
| Viet Nam                          | 2.9                                 | 2.8    | 3.4      | 3.3      | -0.1          | -3.0  | 3.4                   | -0.2     |
| <b>AFRICA</b>                     | 4.9                                 | 4.5    | 4.7      | 4.6      | 0.0           | -0.8  | 4.8                   | -0.2     |
| Egypt                             | 0.6                                 | 0.5    | 0.7      | 0.7      | 0.0           | 4.5   | 0.7                   | 0.0      |
| Nigeria                           | 0.9                                 | 0.7    | 0.4      | 0.5      | 0.1           | 30.0  | 0.5                   | 0.0      |
| <b>CENTRAL AMERICA &amp; CAR.</b> | 0.5                                 | 0.5    | 0.6      | 0.6      | 0.0           | -2.8  | 0.6                   | 0.0      |
| Dominican Rep.                    | 0.1                                 | 0.0    | 0.1      | 0.1      | 0.0           | -3.3  | 0.1                   | 0.0      |
| <b>SOUTH AMERICA</b>              | 2.0                                 | 2.4    | 1.9      | 2.3      | 0.3           | 17.1  | 2.3                   | 0.0      |
| Argentina                         | 0.1                                 | 0.4    | 0.3      | 0.1      | -0.1          | -47.2 | 0.1                   | 0.0      |
| Brazil                            | 0.9                                 | 0.7 G  | 0.3 G    | 0.9      | 0.6           | 207.3 | 0.8 G                 | 0.1      |
| Ecuador                           | 0.1                                 | 0.1    | 0.1      | 0.1      | -0.1          | -41.7 | 0.1                   | -0.1     |
| Peru                              | 0.4                                 | 0.4    | 0.4      | 0.3      | 0.0           | -8.1  | 0.4                   | 0.0      |
| <b>NORTHERN AMERICA</b>           | 1.3                                 | 1.6    | 1.6      | 1.0      | -0.6          | -38.5 | 1.1                   | -0.1     |
| United States                     | 1.2                                 | 1.5 G  | 1.5 G    | 0.9 G    | -0.6          | -39.5 | 1.0 G                 | -0.2     |
| <b>EUROPE</b>                     | 0.7                                 | 0.8    | 0.8      | 0.8      | 0.0           | 1.2   | 0.8                   | 0.0      |
| EU                                | 0.5                                 | 0.5 G  | 0.6      | 0.6      | 0.0           | 5.2   | 0.6                   | 0.0      |
| Russian Federation                | 0.1                                 | 0.1    | 0.1      | 0.1      | 0.0           | -18.2 | 0.1                   | 0.0      |
| <b>OCEANIA</b>                    | 0.2                                 | 0.3    | 0.2      | 0.3      | 0.1           | 44.4  | 0.2                   | 0.1      |
| Australia                         | 0.2                                 | 0.2    | 0.2      | 0.2      | 0.1           | 54.8  | 0.2                   | 0.1      |
| <b>GOVERNMENT STOCKS</b>          |                                     |        |          |          |               |       |                       |          |
| Bangladesh                        | 0.9                                 | 1.0 G  | 0.5 G    | 0.8      | 0.3           | 63.3  | 0.6                   | 0.2      |
| India                             | 18.6                                | 15.9 G | 17.0     | 16.8     | -0.2          | -1.2  | 16.1                  | 0.8      |
| Japan                             | 1.5                                 | 1.5    | 1.5      | 1.5      | 0.0           | 0.7   | 1.4                   | 0.1      |
| Philippines                       | 0.6                                 | 0.9 G  | 0.2 G    | 0.5      | 0.3           | 222.7 | 0.5                   | 0.0      |

**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<br>Stocks | Production | Imports | Total<br>Supply | Domestic<br>Use | Exports  | Closing<br>Stocks |
|--------------------------------------|-------------------|------------|---------|-----------------|-----------------|----------|-------------------|
| <i>thousand tonnes, milled basis</i> |                   |            |         |                 |                 |          |                   |
| <b>INDIA</b>                         |                   |            |         |                 |                 |          |                   |
| 2015-16                              | 21 500            | 104 405 G  | 1 G     | 125 906         | 97 231          | 10 354 G | 18 322            |
| 2016-17 est.                         | 18 322            | 110 150 G  | 1       | 128 473         | 98 173          | 11 200   | 19 100            |
| 2017-18 f'cast                       | 19 100            | 109 459    | 1       | 128 560         | 99 230          | 10 330   | 19 000            |
| <b>PAKISTAN</b>                      |                   |            |         |                 |                 |          |                   |
| 2015-16                              | 720               | 6 801 G    | 12 G    | 7 533           | 2 821           | 4 172 G  | 540               |
| 2016-17 est.                         | 540               | 6 849 G    | 9       | 7 398           | 3 013           | 3 695 G  | 690               |
| 2017-18 f'cast                       | 690               | 7 184      | 8       | 7 882           | 3 182           | 3 950    | 750               |
| <b>THAILAND</b>                      |                   |            |         |                 |                 |          |                   |
| 2015-16                              | 16 200            | 18 153 G   | 250     | 34 603          | 13 877          | 10 026 G | 10 700            |
| 2016-17 est.                         | 10 700            | 21 581     | 240     | 32 521          | 13 578          | 10 843 G | 8 100             |
| 2017-18 f'cast                       | 8 100             | 22 276     | 250     | 30 626          | 14 476          | 10 150   | 6 000             |
| <b>UNITED STATES</b>                 |                   |            |         |                 |                 |          |                   |
| 2015-16                              | 1 552 G           | 6 133 G    | 766 G   | 8 451 G         | 3 580 G         | 3 396 G  | 1 475 G           |
| 2016-17 est.                         | 1 475 G           | 7 117 G    | 745 G   | 9 337 G         | 4 171 G         | 3 704 G  | 1 462 G           |
| 2017-18 f'cast                       | 1 462 G           | 5 670 G    | 768 G   | 7 900 G         | 3 650 G         | 3 366 G  | 884 G             |
| <b>VIET NAM</b>                      |                   |            |         |                 |                 |          |                   |
| 2015-16                              | 3 150             | 29 319 G   | 490     | 32 959          | 21 737          | 8 422    | 2 800             |
| 2016-17 est.                         | 2 800             | 28 346 G   | 550     | 31 696          | 22 205          | 6 141    | 3 350             |
| 2017-18 f'cast                       | 3 350             | 28 171     | 530     | 32 051          | 21 951          | 6 850    | 3 250             |

**FOOTNOTES:**

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

Totals computed from unrounded data.

G Official figure.

The FAO Rice Market Monitor (RMM) provides an analysis of the most recent developments in the global rice market, including a short-term outlook. Current and previous issues of the RMM can be consulted at:  
**<http://www.fao.org/economic/RMM>**.

Monthly updates of selected rice export prices are available on the FAO Rice Price Update at:  
**<http://www.fao.org/economic/RPU>**.

A collection of major rice policy developments starting in January 2011 is available at:  
<http://www.fao.org/economic/est/est-commodities/commodity-policy-archive/en/?groupANDcommodity=rice>.

To subscribe to the FAO Rice Price Update and the FAO Rice Market Monitor, please send an e-mail to [rice-network@fao.org](mailto:rice-network@fao.org) with "subscribe" in the subject line.

Use of material subject to credit given to source:  
FAO Rice Market Monitor  
Trade and Markets Division  
Food and Agriculture Organization of the United Nations