



# RICE MARKET MONITOR

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## ROUND UP

The 2016 season is well advanced, as main crops in the northern hemisphere have reached the harvesting stage, with various countries now readying to sow offseason crops. Since July, FAO has raised its forecast of **world paddy production** in 2016 by 2.9 million tonnes. The revision primarily mirrors improved crop prospects in Asia, where weather conditions have enabled cropping activities to unfold considerably better than in the past two seasons. This was the case in India, which accounted for much of the upward adjustment, but the outlook also improved for Brazil, Cambodia, Colombia, the Islamic Republic of Iran, Nigeria and Thailand. Instead, prospects deteriorated in China (Mainland), the United States and Viet Nam.

Taking these revisions into account, world paddy production is now anticipated to reach a record of 749.7 million tonnes (497.9 million tonnes, milled basis). This level would exceed the 2015 depressed outcome by 10.1 million tonnes, marking the first global production expansion to occur since 2013. The feat would be sustained by a 1.6 percent area increase to 163.3 million hectares, an expansion made possible by more normal weather patterns following the return to ENSO neutral condition last May. This has been especially the case in **Asia**, where abundant monsoon rains have enabled plantings to regain momentum. The region is now envisaged to gather a high of 678.6 million tonnes in 2016, up 1.4 percent year-on-year. Much of the season's projected growth would be underpinned by a rebound in output in India. Nonetheless, easing drought constraints are also expected to support marked improvements in the Philippines and Thailand, with Cambodia, China (Mainland), the Democratic People's Republic of Korea, the Islamic Republic of Iran, the Lao People's Democratic Republic, Myanmar and Nepal similarly headed towards larger crops. This would more than compensate for poor results in Indonesia, Malaysia, Sri Lanka and Viet Nam, owing to unfavorable weather, and in Bangladesh and the Republic of Korea, due to price or policy-driven area cuts.

The outlook is similarly positive for **Africa**, with 2016 output in the region poised to expand by 4 percent to a record of 29.7 million tonnes. At a country level, production is set to recover in Egypt, as high local prices and a shift away from cotton cultivation boosted plantings in the country. Prospects also point to continued expansions in the United Republic of Tanzania and in West

Africa, in particular. Despite some flooding problems, crops in West Africa have benefited from abundant precipitation this year, adding to support provided to the sector as part of self-sufficiency programs. The season proved more challenging in Southern Africa, where numerous producers saw output depressed or kept below average levels due to El Niño-induced drought.

The weather anomaly also contributed to lowering production in **Latin America and the Caribbean** by 7 percent to 26.2 million tonnes, as it aggravated area cuts registered in numerous South American producers due to subdued prices or high production costs. Output in Argentina, Brazil, Bolivia, Guyana, Paraguay, Uruguay, Suriname and Venezuela is expected to fall as a result. Production shortfalls in these countries would more than outweigh gains in Chile, Colombia, Cuba, the Dominican Republic, Mexico and Peru, fostered by more conducive weather or attractive paddy prices.

### GLOBAL RICE MARKET SUMMARY

	2014-15	2015-16	2016-17	2016-17/ 2015-16
		est.	f'cast	Var
	<i>million tonnes, milled eq.</i>			<i>%</i>
<b>Production</b>	494.8	491.2	497.9	1.4
<b>Supply</b>	712.6	710.0	713.6	0.5
<b>Utilization</b>	491.5	495.1	501.2	1.2
<b>Food use</b>	394.1	397.5	402.5	1.3
<b>Feed use</b>	17.8	18.1	18.3	0.9
<b>Other uses</b>	79.7	79.5	80.5	1.2
<b>Trade</b> <sup>1/</sup>	44.6	43.1	43.4	0.7
<b>Ending stocks</b> <sup>2/</sup>	174.8	170.9	169.9	-0.6
	<i>%</i>			
<b>Global stock-to-use ratio</b>	35.3	34.1	33.3	-
<b>Major exporters' stock-to-disappearance ratio</b> <sup>3/</sup>	24.2	19.4	17.5	-

<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.

In **North America**, the USDA's latest assessments sees paddy output in the United States at its second highest on record, or 10.7 million tonnes, notwithstanding losses incurred to extensive August floods. The 23 percent year-on-year gain follows a surge in long-grain plantings, promoted by less attractive margins for competing crops. Elsewhere, area expansions and conducive weather may foster gains in the European Union and the Russian Federation, lifting production in **Europe** by 2 percent to 4.3 million tonnes. By contrast, in **Oceania**, Australia closed the season with negative results, as short water availabilities triggered a significant cut in plantings.

FAO has lowered its forecast of **international trade in rice** in calendar **2016** by 800 000 tonnes since July, now pointing to global rice deliveries amounting to 43.1 million tonnes. This level would stand 3 percent short of the 2015 volume, marking the second successive year of trade retrenchments. The reduction would be imputable to reduced demand in Asia, where imports have been discouraged by ample supplies on store or more restrictive policies. Deliveries to Africa are also expected to remain close to five-year lows, amid improved domestic availabilities and weak local currencies. Instead, Australia, the United States, the European Union and Latin America and the Caribbean would take-in larger volumes. On the supply side, exports by both India and Viet Nam look set to incur the steepest year-on-year reductions, as subdued demand from key outlets has tended to compound their tighter supply situations this year. Shipments by Australia, Brazil, Guyana and Myanmar are also forecast to fall, while Argentina, Cambodia, China (Mainland), Paraguay, Uruguay, United States, Pakistan and Thailand are all seen closing the year with greater exports.

FAO anticipates world trade in rice to in calendar **2017** to stage an only modest, 0.7 percent, recovery to 43.4 million tonnes. Underlying the outlook are prospects of reduced deliveries to the Far East, mirroring good production prospects for the sub-region. Easing inflationary pressure may similarly reduce demand from Latin America and the Caribbean, but more attractive international prices and the need to refurbish reserves could stimulate a somewhat livelier pace of purchases by African and Near East Asian countries next year. As for exports, improved exportable availabilities would best position India to meet the slight trade expansion anticipated for 2017, although Australia, Cambodia and Pakistan and the United States are also seen stepping up exports. By contrast, heightened competition for markets could see shipments by Argentina, Brazil, Uruguay and Thailand falter, keeping those of Viet Nam close to six-year lows.

**Global rice utilization** is projected to hover around 501.2 million tonnes (milled basis) in 2016/17, which is 1 percent more than the 2015/16 estimate. The increase would be sustained by a 5.0 million tonne expansion in food use to 402.5 million tonnes, much of which concentrating in Asia

and Africa. As a result, global per capita food use is forecast to stage a small (0.1 kilo) advance to 54.2 kilograms per person. Quantities destined to animal feed are also expected to expand to 18.3 million tonnes, while another 80.5 million tonnes are used for other uses (seed, non-food industrial uses and post-harvest losses).

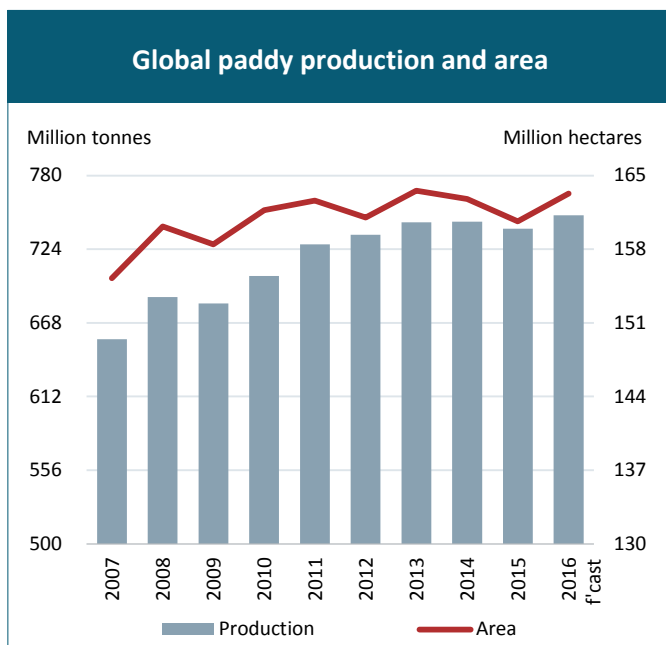
FAO has upgraded its forecast of **world rice stocks** at the close of 2016/17 marketing years by 4.4 million tonnes to 169.9 million tonnes (milled basis). The revised level would continue to suggest a second successive season of world stock drawdowns, although the forecast fall would be comparatively contained at 0.6 percent, or 1.0 million tonnes. This would enable world reserves to cover over 3 months of projected utilization, positioning the global stocks-to-use ratio at a still comfortable 33.3 percent in 2016/17. The five major rice exporters remain projected to drive the global stock reduction, as a group, cutting reserves by 10 percent to 30.8 million tonnes. Among the individual countries, drawdowns are expected to concern Thailand and India the most, amid expectations of continued efforts to reduce the size of state reserves. However, cuts in these two countries may be largely offset by accumulations elsewhere, especially in China (Mainland), but also in Colombia, the Republic of Korea and the United States.

**International rice prices** interrupted a two-year downward trajectory in May, amid a tightening of exportable availabilities in the major rice origins. This tendency lasted until August, when prospects of good harvests in the northern hemisphere and a lack of revival in import demand began to weigh on market sentiment. The FAO All Rice Price Index (2002-2004=100) shed 5 points that month and another 10 points since then to arrive at a mid-October value of 185 points. Prices eased in all the major rice market segments, but the most pronounced falls concerned the Indica market. Subdued demand for both white and parboiled supplies lowered the October value of the Higher Quality Indica Index to its lowest since October 2007, or 168 points. The Lower Quality Indica and Aromatica indices also hit multi-year lows of 181 and 152 points, respectively, as poor buying interest outweighing support provided by tight broken availabilities and prospects of reduced basmati output. Declines in medium-grain quotations were somewhat more contained, thanks to a pick-up in sales to the Far East. This positioned the Japonica Index at 217 points in mid-October, 2 percent below July levels. Looking ahead, international rice quotations could remain under downward pressure, as main-crop harvests gather pace in the northern hemisphere in the next few months. Still, much is still likely to hinge on demand-side factors. Depreciated currencies and generally adequate domestic availabilities dampen expectations of marked improvements in import demand. However, lower international offerings could encourage the return of major buyers to the market, thus attenuating seasonal pressure on quotations.

## PRODUCTION

### *Global paddy production to rebound to a new record*

Main paddy crops have reached the harvesting stage in the northern hemisphere by now, while the 2016 season has been virtually concluded along and south of the Equator.<sup>1</sup> Since July, FAO has raised its forecast of world paddy production by 2.9 million tonnes to a record of 749.7 million tonnes (497.9 million tonnes, milled basis). The revision primarily mirrors improved crop prospects in Asia, in particular India, which accounted for much of the upward revision. Nonetheless, output is also expected to end higher than previously reported in Cambodia, the Islamic Republic of Iran and Thailand. Combined, these upward adjustment more than outweighed reductions for China (Mainland) and Viet Nam. Outside of Asia, forecasts were raised most notably for Brazil, Colombia and Nigeria, while these were lowered in the case of the United States.



The revised forecast of 749.7 million tonnes (497.9 million tonnes, milled basis) would stand 10.1 million tonnes above the 2015 depressed outcome and imply a new record. The 1.4 percent upturn is forecast to rely on a 2.6 million hectare area expansion to 163.3 million hectares,

<sup>1</sup> The 2016 rice production season normally includes rice from the main paddy crops whose harvests fall in 2016, 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 2016 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 2017. In the case of southern hemisphere countries, production in 2016 normally comprises rice from the main paddy crops assembled in the first part of 2016, plus rice from the secondary crops, generally gathered in the latter part of 2016. This approach to assess rice production is applicable to any given season.

while average yields remain at comparative high of 4.6 tonnes per hectare. If confirmed, 2016 would mark the first global output expansion to occur since 2013, mirroring the more normal weather patterns ensuing from the dissipation of the El Niño anomaly last May. Indeed, concerns over the possible emergence of a La Niña event have eased. Climate forecasting agencies now indicate that the ENSO neutral conditions that have prevailed since May have a greater (55-60 percent) likelihood to persist through the northern-hemisphere fall and winter. This would bode well for secondary crops that are still to be planted, especially in northern hemisphere Asia. The region is in fact envisaged to spearhead the global production recovery, as a propitious monsoon and continued state attention to the sector have already enabled plantings to regain momentum. Production is also poised to strike a new record in Africa, amid attractive prices and overall conducive weather. Less favourable margins for competing crops are similarly anticipated to lead to a strong rebound in the United States and to further gains in Europe. Combined, these would more than outweigh losses incurred in Latin America and the Caribbean. These resulted from poor outturns in South America, where various countries saw poor margins and unseasonable weather depress output. In Oceania, Australia also closed the season with negative results, as short water availabilities compelled producers to cut plantings significantly.

## Asia

### *India to drive a 9.4 million tonne recovery in Asian output in 2016*

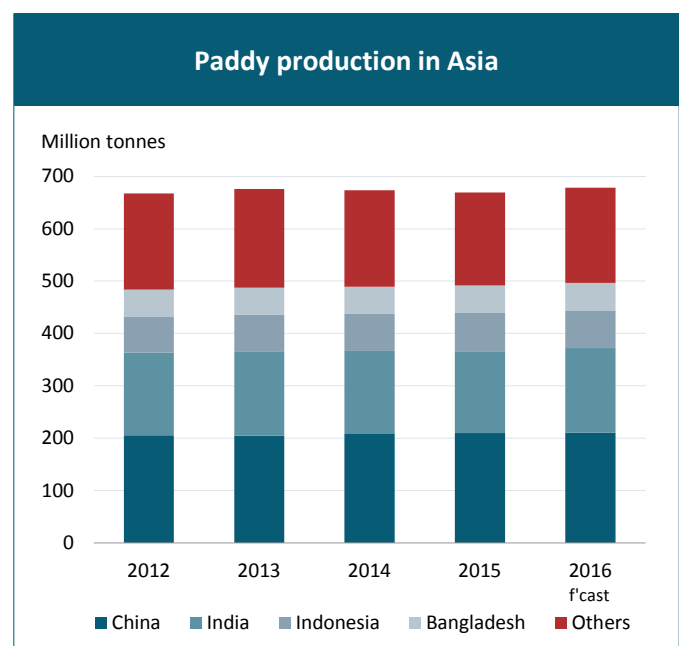
Improved weather conditions have enabled 2016 cropping activities in northern hemisphere Asia to unfold considerably better than in the past two seasons. Abundant monsoon rains facilitated main-crop plantings, bolstering water supplies for secondary crops to be sown as of the last quarter of the year. These factors have led FAO to raise its July forecast of production in Asia by 3.0 million tonnes, with aggregate output in the region now seen staging a 9.4 million tonne annual recovery to 678.6 million tonnes (450.5 million tonnes, milled basis). Singularly, **India** is expected to be behind much of the region's growth, as producers in the country have reacted to the conducive growing environment and ongoing state assistance by expanding plantings. Nonetheless, easing drought constraints are also expected to give way to sizeable upturns in both the **Philippines** and **Thailand**, with output in **China (Mainland)** also forecast to exceed the 2015 record, notwithstanding challenges posed by excess precipitation. Prospects also remain positive for **Cambodia**, the **Chinese Province of Taiwan**, the **Islamic Republic of Iran**, **Iraq**, **Japan**, **Myanmar**, **Nepal** and **Pakistan**, but the outlook is more subdued for countries

along or south of the Equator. This is the case of **Indonesia, Malaysia, Sri Lanka, Timor Leste** and **Viet Nam**, where crops were negatively impacted by unseasonable weather early in the year. Output is similarly anticipated to fall in **Bangladesh** due to poor price prospects, with area cuts also resulting in somewhat smaller harvest in the **Republic of Korea**.

The 2016 season is well advanced in **Bangladesh**, as two of the three crops cultivated each season have already been collected. Production prospects for the country are little changed relative to July expectations, pointing to a slight production contraction to 52.3 million tonnes (34.9 million tonnes, milled basis). Much of this reduction would mirror retrenchments in the first two crop-cycles of the season, the Boro and Aus crops. In both cases, these would stem from planting cuts, as unremunerative prices stimulated a shift away from rice cultivation. Yet, improved price prospects since June have underpinned a livelier pace of Aman plantings. Area under this second largest crop of the season, due for harvest as of November, is reported to have exceeded its targeted extension of 5.3 million hectares. Aman yield expectations remain positive as well, despite the excess rains and floods incurred in July and August across nineteen districts of the country. Indeed, a speedy recession of floodwaters and sufficient time for re-plantings served to contain overall damages, with a Government assistance package providing seeds and fertilizers to some 400 000 rice farmers also aiding the recovery.

The 2016 season has not been without challenges in **Cambodia**. Lingering drought problems affected early planted crops, with close to 150 000 hectares of agricultural land still affected by precipitation shortages by the end of September. Still, conditions have proven more conducive for cropping activities than last year, as reflected in a robust level of main (wet) season plantings. Officials indicate that by early October area sown to paddy had exceeded year-earlier progress by 2 percent, reaching 2.6 million hectares. Generally improved rains also bode well for water supplies for the irrigated secondary crop, although the outcome of this cycle will also likely hinge on the prevailing prices at planting time. Quotations of early wet-season crops in Cambodia were reported to have come under increasing downward pressure in September, prompting the Government to avail a credit line of USD 27 million to processors to aid them procure close to 100 000 tonnes of rice. Officials have further announced that they would seek a USD 300 million-credit assistance package from China to construct processing, drying and storage infrastructure. For the full 2016 season, FAO anticipates Cambodia to gather 9.5 million tonnes (5.7 million tonnes, milled basis), implying a 200 000 tonne increase from the 2015 level.

Semi-official forecasts by the China National Grains and Oils Information Center peg 2016 production in **China (Mainland)** at 209.1 million tonnes (143.2 million tonnes, milled basis), which is 0.4 percent above the 2015 record, but 200 000 tonnes short of July forecasts. Looking at the individual crops, the reduction mirrors more subdued prospects for the first (early) harvest, which is put 3 percent below the 2015 level at 32.8 million tonnes (22.5 million tonnes, milled basis). The early crop has been steadily on the decline in China since 2013, pressured by import competition and shift in cropping patterns towards intermediate/late crop cultivation. Wet and cloudy conditions, as well as labour shortages would have added to this season's 900 000 tonne reduction, further to the disincentive provided by this year's reduction in support prices for this specific crop. Still, the Centre has maintained its positive outlook for both the intermediate and late crops. Area gains, concentrating in the northeast, where conditions have proved generally more conducive, are expected to more than offset yield depressions stemming from poor sunshine conditions and exceptionally wet conditions since June. The latter have chiefly affected the southern producing provinces of Hubei and Anhui, where 2.3 million hectares of agricultural land were inundated by mid-July.

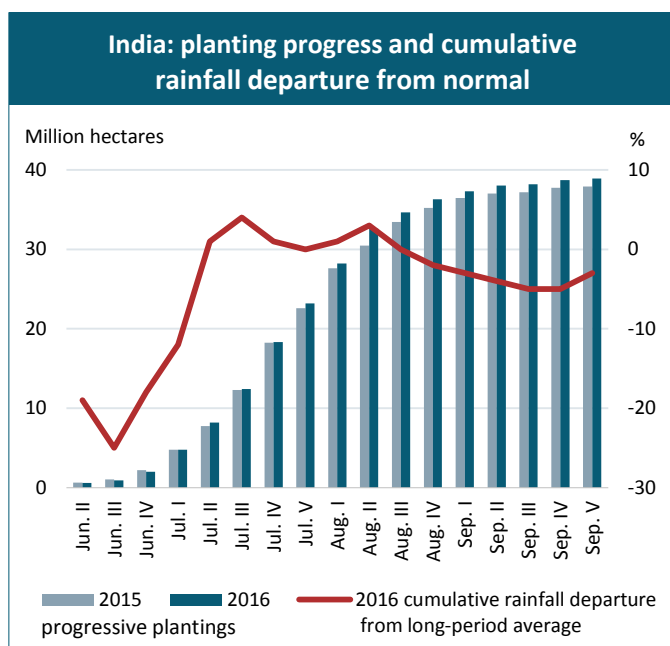


Authorities in the **Chinese Province of Taiwan** indicate that water restrictions, triggered by extensive drought, and typhoon damages depressed 2015 production to 1.6 million tonnes (1.15 million tonnes, milled basis). This level would imply a 150 000 tonne shortfall from 2014, but stand some 70 000 tonnes above previous FAO expectations. Progress this season has been far more conducive, with officials reporting that a near full recovery in main-crop area to 170 000 hectares and positive progress of secondary plantings. Some setbacks were



associated with the 8 July landfall of typhoon Nepartak, but overall damage to rice fields is reported to have been limited. As a result, the Chinese Province of Taiwan is forecast to produce 1.7 million tonnes (1.2 million tonnes, milled basis) in 2016, up 8 percent year-on-year.

On 22 September, the Government of **India** released its First Advanced Estimates of production, pegging 2016 output from the main (Kharif) crop at 140.8 million tonnes (93.9 million tonnes, milled basis). This level would stand 3 percent over a revised estimate for 2015 and imply a new record. The buoyant outlook mirrored a favourable unfolding of the rains this season. Indeed, after a timid June start, the monsoon strengthened in July, covering the country as whole midway that month. Although somewhat less vigorous August and September rains tamed surpluses, by the close of the rainy season on 30 September, cumulative precipitation over India as a whole stood at a normal 862.0 mm, 3 percent below the long period average. This compares to a 14 percent shortfall recorded last year and the 12 percent deficit registered the year earlier. The overall normal unfolding of the monsoon boosted soil moisture conditions and allowed for an upbeat progress of Kharif crop plantings. By the close of September, area under the main crop was reported to have reached 38.9 million hectares, 1.0 million hectares over progress a year-earlier.



From a regional perspective, much of this upbeat pace was sustained by greater planting in northeastern states, especially West Bengal. This was notwithstanding a larger (11 percent) shortfall of the rains in this region. Buoyed by a 6 percent precipitation surplus, sizeable gains also concerned central areas of the country, as well as Haryana in the North West, which could rely on sufficient water supplies for irrigation. In Haryana, which along with

Punjab, accounts for the bulk of basmati production, progress was solely sustained by greater non-fragrant plantings. In fact, officials estimate that the poor basmati prices fetched by farmers over the past two seasons induced a 28 percent cut in basmati area in the two northeastern states to 1.2 million hectares. The bulk of this reduction mirrored cuts in Pusa 1509 cultivation, which despite being a short-duration, high-yielding variety, received a poorer reception in outside markets. Meanwhile, prospects for the Rabi crop, to be planted as of November, remain positive, considering that the minimum support prices policy and the sizeable state acquisitions that accompany it are likely to continue rendering rice an attractive choice for farmers. The water supply outlook for this irrigated crop is also generally improved compared to last year. As a result, for the full 2016 season, FAO now anticipates India to gather 161.5 million tonnes (107.7 million tonnes, milled basis), implying a 3 percent advance from the 2015 depressed level and a new record.

Official statistics of area sown in the **Republic of Korea** point to 779 000 hectares being put under paddy in 2016, down 3 percent year-on-year and marking the fourteenth year of uninterrupted area cuts. The retrenchment was owed to the combined effects of area conversions to non-agricultural uses and the Government’s programme to encourage a substitution of rice for other crops. The season progressed well otherwise, with warm temperatures and good sunshine conditions allowing yields to remain close to last year’s record of 7.2 tonnes per hectare. According to authorities, this would bring 2016 production in the Republic of Korea to 5.6 million tonnes (4.2 million tonnes, milled basis), down by almost 200 000 tonnes from 2015, but still an overall good crop. Indeed, prospects of another bountiful harvest, on the backdrop of already weak local quotations, have already renewed concerns that the oversupply situation that the country faces due to successive large harvest and steady cuts in domestic food use would be aggravated. In response, the Government announced that it would purchase all surplus output to stabilize local quotations. Loans to aid processors purchase local supplies would also be availed, as well as steps taken to encourage greater exports and use of rice for non-food purposes.

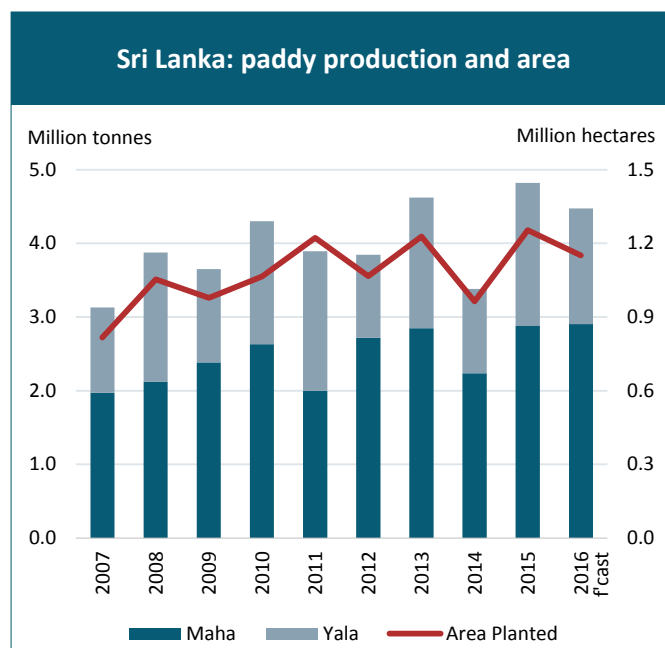
The production outlook is favourable for **Nepal**, where the early crop harvest is in progress. After two years of successive weather-induced retrenchments, output in the country is expected to stage a 13 percent expansion to 4.8 million tonnes (3.2 million tonnes, milled basis). Although some flooding problems have been incurred, the upturn is expected to be sustained by both area and yield gains. These would reflect the favourable patten of the monsoon rains this season, as well as an improved input supply situation.

Crops in **Pakistan** were reported to be developing well through early September, when the first crop harvests began across the country. The overall positive unfolding of the season was made possible by adequate water availabilities for irrigation and abundant monsoon rains. Yet, the outlook for the season has been somewhat clouded by the low domestic quotations prevailing at planting time. These are expected to preclude significant gains in area under paddy this season. Already last year, Pakistan saw output reduced by 3 percent, as producers reacted to unremunerative prices and mounting production costs by cutting plantings. The challenging economic environment concerned rice but also other crops, reducing the scope for producers to shift to more profitable alternatives. This is notwithstanding increased Government efforts to raise agricultural revenues by lowering, for instance, the costs of fertilizers and other basic inputs. Provided no major setback is incurred through the end of harvesting operations in November, production in Pakistan is forecast to amount to 10.3 million tonnes (6.9 million tonnes, milled basis), close to the 2015 level.

Crops across much of the **Philippines** have benefitted from near to above normal rains this season. Although early season dryness and flooding problems did emerge, no major setback has been incurred to date. Yield expectations for the season have been further underpinned by official efforts to avail basic inputs to farmers, as well as growing cultivation of hybrids. Nonetheless, much will still depend on the outcome of the secondary crops to be sown as of the last quarter of the year. Climate forecasts point to precipitation levels through the end of 2016 likely remaining at normal to above-normal ranges over much of the Philippines. If confirmed, this could ensure that sufficient water supplies are available for irrigation, although some concerns linger in the country regarding a possible emergence of a La Niña event. Assuming average growing conditions prevail, FAO forecasts the Philippines to gather 18.7 million tonnes (12.2 million tonnes, milled basis) in 2016 season, 1.2 million tonnes more than the 2015 depressed outcome.

The August to September harvest of the secondary (Yala) crop brought the 2016 season to a close in **Sri Lanka**. The campaign yielded mixed results. Overall conducive growing conditions permitted Maha plantings to expand, raising output from this main crop to an all-time high of 2.9 million tonnes (2.0 million tonnes, milled basis). Instead, floods impaired plantings of the secondary Yala crop, inflicting further damage to irrigation infrastructure. Although part of the affected fields were successively replanted, the setback is officially estimated to have reduced the Yala harvest by 19 percent to 1.6 million tonnes (1.1 million tonnes, milled basis). This reduction depressed overall production in 2016 to 4.5 million tonnes

(3.0 tonnes, milled basis), down 7 percent from the 2015 record outturn, but still an above-average outturn.



Producers in **Thailand** began harvesting their 2016 main crops in August, but the bulk of the crop will not be collected until November. Following two years of precipitation shortages, the 2016 monsoon brought abundant rains over the country, erasing all deficits accrued since the start of the year by August. Although the abundant rains also entailed some flash floods, they bolstered yield expectations for rainfed paddies. Initial sowing delays encountered in irrigated swathes due to critically low reservoir levels at the start of the season, were also redressed by a gradual improvement in the water supply. This enabled plantings in major irrigation schemes to exceed year-earlier levels by 7 percent to 2.3 million hectares by early September. By 10 October in fact, major reservoirs in northern areas were reported to be at 61-66 of capacity, as opposed to the 40-44 percent in the corresponding period of 2015. As a result, reflecting expectations of gains in main and secondary crop output, production in Thailand is now forecast at 31.1 million tonnes (20.1 million tonnes, milled basis). This would imply a 9 percent recovery from a revised 2015 estimate.

Nonetheless, uncertainties remain, including the price outlook and the Thai government's stance towards water releases for irrigation. On the one hand, measures have been put in place to shore prices at harvest time, for instance through an on-farm mortgaging program for fragrant and glutinous paddy, which will seek to keep 2 million tonnes of paddy away from the market for two months. Under a separate scheme, traders and processors will be provided with an interest rate cut to encourage them to store 8.0 million tonnes of paddy for up to six months. Farmers are being concomitantly encouraged to avail themselves of insurance against natural disasters,

while being offered concessional loans to encourage the consolidation of holdings into mega-farms. The latter would help reduce production costs and raise yields. At the same time, officials remain intent in averting an oversupply situation such as that created by the implementation of paddy pledging scheme between 2011 and 2014. These efforts have also entailed a TBH 2 000 (USD 58) per rai outlay to rice producers willing to cultivate alternate products.<sup>2</sup>

The summer-autumn crop is now being collected in **Viet Nam**, while winter crop sowing progresses. Since July, FAO has downgraded its outlook for the country by 300 000 tonnes on more subdued prospects for the winter cycle. Sowing progress of this third and last crop of the season lagged 2 percent behind year-earlier levels by mid-September, amounting to 1.7 million hectares. The delays reflected setbacks associated with water shortages, substitution of rice for more profitable crops and the passages of successive storms in northern producing areas. The latter included the landfall of tropical storm Mirinae on 27 July, which alone is estimated to have flooded 200 000 hectares of paddies. The resulting output losses would add to cuts registered during the winter-spring cycle due to insufficient water supplies for irrigation and severe salt-water intrusion problems. However, prospects remain favourable for the summer-autumn crop, under expectations that early-crop losses associated with lingering dryness will be offset by area gains of late-planted crops. Consequently, on the whole, Viet Nam is now forecast to gather 44.2 million tonnes (28.7 million tonnes, milled basis) in 2016, down 2 percent from the 2015 record.

## Africa

### *An output recovery in Egypt and larger crops in West Africa to sustain a 4 percent expansion to a new record*

Farmers in North and West Africa are by now busy collecting their 2016 main crops. Most producers in Eastern and Southern Africa have already done so, with only a few remaining to gather crops. Production prospects for the region now stand at 29.7 million tonnes (19.4 million tonnes, milled basis), implying a 4 percent year-on-year expansion and a new record. The favorable result would be sustained by an output recovery in Egypt and steady headway in West Africa. In the former, this would result from price-driven expansion in plantings, whereas crops in West Africa have benefited from abundant precipitation, adding to support provided in the sector as part of import substitution programs. Conducive weather is also envisaged to give way to larger crops in eastern parts of the continent, more than compensating

for shortfalls in Southern Africa, where output fell because of El Niño-induced drought.

In **Northern Africa**, producers in **Egypt** are about to conclude harvesting activities of 2016 crops. The country remains forecast to gather 6.3 million tonnes (4.3 million tonnes, milled basis) in 2016. The 7 percent production recovery would be sustained by area expansions, stimulated by a surge in local quotations and a shift away from cotton cultivation. The Government of Egypt has announced that it will resume its direct purchases from farmers this season. Official objectives are to absorb 2.0 million tonnes of paddy, with prices offered to farmers set at EGP 2 300-2 400 (USD 259-270) per tonne of paddy. The drive seeks to ensure that sufficient supplies are channeled to consumers at subsidized prices. This is after a lack of official procurement, ahead of the relaxation of export prohibitions last year, coupled with a surge in local quotations, inhibited the Government's ability to supply the public distribution system. Yet, reports suggest that the procurement campaign has been met with only limited interest by farmers to date, due to their higher price expectations. This led the Government to recur to international markets for supplies for the second time in October.

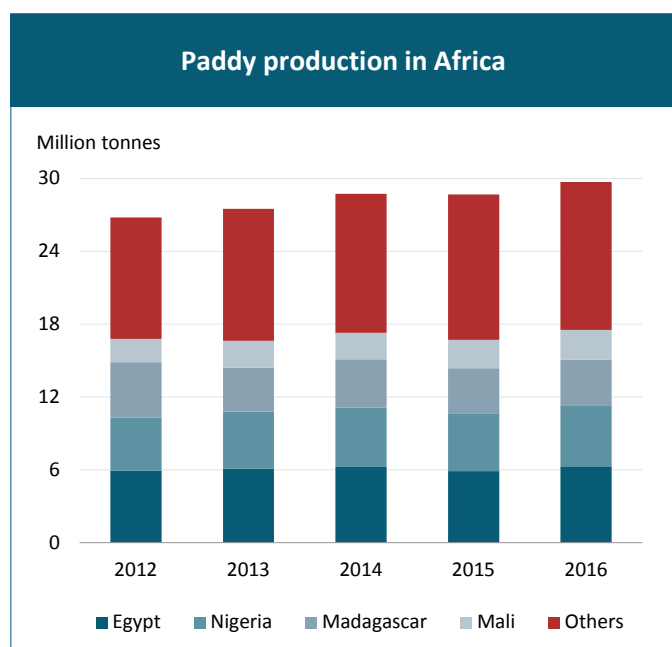
Since its onset, the rainy season in **West Africa** has brought average-to-above-average and well distributed precipitation across much of the sub-region. Even where early season dryness was encountered, for instance in Guinea, Liberia, and Sierra Leone, more vigorous precipitation as of July permitted cropping activities to regain pace. The abundant rains also entailed flooding problems, especially along the Benue and Niger rivers, where the risk of inundations remains. Yet, to date, overall crop damages were reported to have been contained. As a result and provided these setbacks do not escalate, West Africa is now forecast to gather 14.8 million tonnes (9.4 million tonnes, milled basis) in 2016, implying a 4 percent annual expansion and an all-time high. At a country level, enhanced rainfall performance, coupled with sustained state assistance, is expected to give way to widespread production gains. Only **Togo** and **Cote d'Ivoire** would stand as an exception, mirroring in both cases a less propitious progress of the rains this year. The outlook for **Mauritania** is also somewhat downcast, at 200 000 tonnes (120 000 tonnes, milled basis). This would mirror sector discontent over a lack of outlets for its produce, which along with reported constraints in access to credit, is expected to limit the country's production recovery this season.

After seeing crops reduced by below average rains for two successive years, the 2016 season has proved more conducive in **Chad**. Rains set over the country ahead of normal, progressing well thereafter over all major producing regions of the country. Coupled with positive

<sup>2</sup> All currency conversions are as of 1 October 2016.

price prospects at planting time, the conducive climate is officially expected to translate into a harvest of 284 000 tonnes (195 000 tonnes, milled basis), up 17 percent from the 2015 reduced level.

An early onset of the seasonal rains was also followed by well-distributed precipitation in both time and space in **Mali**. Despite some sowing delays and localised damages inflicted by floods along the Niger River, crops were reported to be developing well through early September, amid good moisture conditions and ample water levels in major rivers. The conducive climate this season would come in addition to state efforts to promote growth, through the distribution of inputs and machinery, as well as steps to expand irrigation coverage. All combined, these factors are now envisaged to sustain a 5 percent year-on-year rise in production in Mali to a high of 2.5 million tonnes (1.7 million tonnes, milled basis).



Prospects also remain favorable for **Nigeria** at 5.0 million tonnes (3.0 million tonnes, milled basis), implying a 4 percent year-on-year expansion. The forecast growth rests on expectations that producers in the country will react to the strong prices resulting from a slump in imports by expanding plantings. Still, some uncertainties remain, including flood risks along the Benue and Niger rivers. On the policy front, the Government of Nigeria launched the Agricultural Sector Policy Roadmap ("Green Alternative") in August. The document builds on the previous administration's Agricultural Transformation Agenda, setting out food security, import substitution, job creation and economic diversification as the State's policy priorities until 2020. Under the framework, the Federal Government, together with state level authorities, will give initial focus to expanding production of rice, wheat, maize soybeans and tomatoes by 2018. For the purpose,

productivity improvements would be sponsored, by enhancing access to inputs, soil fertility, expanding irrigation infrastructure and mechanization, among other measures. Private sector investment in agriculture would also be promoted by expanding access to finance. The objectives envisage continued support to rice producers under the Anchor Borrowers' Programme, along with steps to expand rice processing and storage capacity, in order to attain self-sufficiency in rice by 2018.

Efforts to cut reliance on imports are also ongoing in **Senegal**. These have recently entailed the renewal of state efforts to enhance marketing of produce at higher prices. The initiative has seen importers commit to purchase 50 000 tonnes of rice from the 2016 harvest and 1 500 tonnes currently stored by millers. These supplies would fetch XOF 240 000-245 000 (USD 406-414) per tonne, in the case of 100% broken rice, and XOF 275 000-280 000 (USD 465-473) per tonne of whole-grains. As to seasonal progress, Senegal has also registered some losses to riverine floods, while rainfall deficits have more recently concerned central portions of the country. Overall, however, precipitation levels were reported to be sufficient to sustain a normal development of crops in the main producing regions. As a result and on anticipation that potential yield losses will be outweighed by area gains promoted by the state's self-sufficiency drive, Senegal is forecast to gather 950 000 tonnes (665 000 tonnes, milled basis) in 2016, up 5 percent from the 2015 record performance.

The outlook is also positive for **Eastern Africa**, where most countries have already collected their 2016 main crops. Overall, 3.6 million tonnes (2.4 million tonnes, milled basis) are forecast to be gathered in the sub-region, outdoing the 2015 excellent performance by 2 percent. Much of this growth would reflect gains in the **United Republic of Tanzania**, where generally conducive growing conditions are expected to sustain a 1 percent year-on-year rise from to the 2015 record crop to 3.0 million tonnes (2.0 tonnes, milled basis). Prospects are also favourable for **Burundi**, at 68 000 tonnes (45 000 tonnes, milled basis), mirroring well performing Season A and Season B harvests. These were enabled by abundant rains, notwithstanding conflict related disruptions, and localised flooding problems. In the case of **Rwanda**, 2016 output is put at 105 000 tonnes (70 000 tonnes, milled basis). The 8 percent year-on-year expansion comes after official indications of an exceptional Season A turnout of 49 000 tonnes (33 000 tonnes, milled basis). Season B crops were instead marred by belated and poorly distributed rains affecting various important eastern districts of the country. Prospects for the 2016 season in **Uganda**, which began with the August planting of second season crops, have been somewhat tempered by expectations of below average rains. Already last year, secondary crop output is reported to have been hindered by the late establishment of the seasonal rains in eastern parts of the country.



Pending developments in the coming months, output in Uganda is accordingly seen stagnating at the 2015 level of 230 000 tonnes (153 000 tonnes, milled basis).

There have been only small changes to the 2016 outlook for **Southern Africa**, as most countries in the sub-region have already concluded the season. The campaign yielded negative results. After seeing crops reduced by precipitation shortages in 2015, most countries in the sub-region were again negatively impacted in 2016 by belated and overall poor rains under the influence of the El Niño weather anomaly. Production in **Malawi** and **Mozambique** stood most affected by the adverse climate, although output in **Zambia** also remained close to the 2015 reduced level. A somewhat more favorable outturn concerned **Madagascar**. Based on provisional crop assessments, output in the country reached 3.8 million tonnes (2.6 million tonnes, milled basis). The 90 000 tonne upturn was enabled by more conducive growing conditions in important central and northern growing areas of the country. This is even if severe drought problems in southern parts of the isle, combined with protracted obstacles to production, namely low usage of inputs and infrastructural constraints, kept overall production in Madagascar at below average levels.

## Central America and the Caribbean

### Early season setbacks slow production recovery in 2016

Production prospects for Central America and the Caribbean, where main-crop harvests are underway, have changed little since July. On aggregate, 2.8 million tonnes (1.8 million tonnes, milled basis) are forecast to be gathered in the sub-region in 2016. This level would represent a 6 percent production recovery, although it would fall short of the record gathered in 2013 by 6 percent. The somewhat subdued outlook mirrors the challenging start to the season, which saw numerous countries in the sub-region negatively impacted by a late establishment of the rains and irregular precipitation patterns. These tended to exacerbate on the short water supply situation entailed by two successive years of severe drought. Where multiple crops are grown each season however, scope still exists for early season losses to be recuperated through greater offseason output. This is the case of **Costa Rica**, for instance, which is seen gathering 205 000 tonnes (134 000 tonnes, milled basis) in 2016, up 8 percent from a revised 2015 estimate. Various important production regions in the country, such as Liberia and Upala, were still facing marked cumulative rainfall shortfalls by August. This is even if normal rains through November, as presaged by climate forecasts, could give way to increased plantings of the *segunda* crop. On the policy front, officials approved a reduction in retail rice prices in September, but they decided to leave reference

producer prices for paddy unchanged at CRC 22 139 per 73.6 kilo bag (USD 532 per tonne). The move considered the losses endured by farmers due to El Niño induced drought last year, which had arrested plans to raise yields to the targeted 5.2 tonnes per hectare by 2018.

The **Dominican Republic** has similarly seen first semester output affected by sowing delays associated with dry conditions at the start of the year. Yet, improvements in water availabilities for irrigation in the second quarter of the year permitted plantings to regain pace and exceed their year-earlier level by 5 percent by the close of June. The intense rains brought by hurricane Matthew on 4 October may have served to enhance these water supplies further, as preliminary official appraisals indicate that damages inflicted by the hurricane were contained. As a result, the Dominican Republic remains forecast to gather 920 000 tonnes (552 000 tonnes, milled basis) in 2016, up 2 percent year-on-year.

The outlook is more subdued in the case of **Haiti**. The country was severely impacted by hurricane Mathew's strike, which caused considerable damage to housing and infrastructure, affecting close to 2.1 million people. Preliminary assessments point to widespread damages to standing crops in the Grand'Anse, South, South East and Nippes departments. These areas account for an only limited share of national rice output and, at the time of the hurricane's strike, the bulk of harvests would have normally been concluded. However, the intense rains brought by the hurricane are reported to have triggered floods and damaged infrastructure in the main producing area of Artibonite, when harvests of summer/fall crops would have been already underway. As a result and pending assessments of losses incurred, 2016 output in Haiti is put at 130 000 tonnes (87 000 tonnes, milled basis), down 5 percent the already poor 2015 outcome.

In **Panama**, plantings of 2016 season crops advanced at good pace. Last year the country gathered an excellent crop of 282 000 tonnes (184 000 tonnes, milled basis), as setbacks associated with precipitation shortages were more than offset by yield and area gains in non-affected areas. Although the local sector has raised concerns that competition with imports may encourage a substitution of rice for sugar, based on progress to date and provided non major setback is incurred, production Panama is envisaged to outdo the 2015 level by 3 percent to 290 000 tonnes (190 000 tonnes, milled basis). Current expectations are that **Cuba**, **Honduras**, **Mexico** and **Nicaragua**, will similarly close the season with larger crops, while output in **El Salvador** and **Guatemala** remains close to 2015 depressed levels.

## South America

### Output hits a six-year low, driven by a sharp reduction in Brazil

The 2016 season is nearing completion in South America, as only a few countries have still to complete secondary crop harvests. Production prospects for the sub-region have been raised by 450 000 tonnes since July, now pointing to an aggregate 2016 harvest of 23.4 million tonnes (15.9 million tonnes, milled basis). Despite the upward adjustment, the forecast level would continue to suggest an 8 percent production contraction from the good 2015 outcome. At a country level, **Brazil** was behind much of this fall, although **Argentina, Bolivia, Guyana, Paraguay, Uruguay, Suriname** and **Venezuela**, all registered losses. These were induced by prospects of reduced margins and adverse weather, under the influence of the El Niño anomaly, which curtailed area and depressed yields in these countries. On the other hand, more conducive growing climate, coupled with strong local prices, lifted output to all-time highs in **Chile, Colombia** and **Peru**.

There have been no changes to production estimates for **Argentina**, where the 2016 crop was fully collected by May. Officials estimate that 1.4 million tonnes (952 000 tonnes, milled basis) were gathered in 2016, down 160 000 tonnes from 2015. The 10 percent contraction stemmed from a combination of reduced margins and inclement weather, namely floods and poor sunshine conditions. Planting activities of 2016 crops are already underway in Argentina, amid somewhat mixed prospects. In the main producing region of Corrientes, sector expectations point to a 3 percent expansion in plantings to 91 000 hectares. The growth would come on the back of a more favourable climate, sufficient water availabilities for irrigation and improved export prices. Preliminary indications point to steady or downbeat prospects for other parts of the country. This would be especially in Entre Rios, where planting intentions have been

dampened by electricity and fuel costs, combined with damages incurred to poor weather in 2016. An industry survey indicates that producers in Entre Rios are accordingly likely to cut 2017 plantings by 10 percent to 71 400 hectares.

The 2016 season also closed with negative results in **Bolivia**, as poor prices prospects induced area cuts, to which drought conditions and the spread of diseases added. FAO estimates that these factors depressed output by 24 percent year-on-year to 360 000 tonnes (247 000 tonnes, milled basis). Ahead of the launch of 2017 planting operations, the Bolivian Government announced a host of measures to aid the agricultural sector combat the effects of a severe drought that had spread over eight of its nine departments by early September. In addition to taking steps to enhance producer access to credit and boost irrigation capacity, imports of certified paddy seeds were facilitated, with agricultural machinery and other inputs also exempted from import duties.

CONAB's latest assessment pegs 2016 production in **Brazil** at 10.6 million tonnes (7.2 million tonnes, milled basis), up slightly from July figures, but still representing a 14-year low for the country. The 15 percent annual contraction followed area and yield losses instigated by high production costs and inclement weather. This was especially the case of Rio Grande do Sul, which typically accounts for close to 70 percent Brazilian production and where crops were negatively impacted by extensive floods and poor sunshine conditions. Meanwhile, 2017 plantings have progressed far more favourably in the southern state this year. Nearly 400 000 hectares were reported sown in Rio Grande do Sul by 6 October, representing 36 percent of intended plantings in the state. This compares to the 13 percent progress at the corresponding period of 2015 and 5 percent margin for the year before. CONAB's first outlook for the 2017 season puts production in Brazil, as a whole, at 11.6-12.0 million tonnes (7.9-8.2 million tonnes, milled basis), up between 9 and 14 percent from the 2016 result. Nearly all of this expected growth mirrors buoyant

BRAZIL: PADDY PRODUCTION BY REGION IN 2016 AND 2017<sup>1/</sup>

Region	Area (000 ha)			Yields (Mt/ha)		Production (000 Mt)		
	2016	2017		2016	2017	2016	2017	
		Low. Lim	Up. Lim				Low. Lim	Up. Lim
<b>BRAZIL</b>	<b>2,008</b>	<b>2,007</b>	<b>2,089</b>	<b>5.3</b>	<b>5.8</b>	<b>10,603</b>	<b>11,558</b>	<b>12,038</b>
North	265	256	264	3.8	3.9	1,018	990	1,022
Northeast	283	279	285	1.4	1.5	394	430	439
Centre-West	193	180	196	3.2	3.5	608	635	689
South East	17	16	17	3.2	3.2	55	50	53
South	1,250	1,276	1,327	6.8	7.4	8,529	9,453	9,836

1/ For Brazil: 2015/16 and 2016/17 paddy seasons

Source: CONAB – Crop 2016/2017 - First Assessment – October 2016

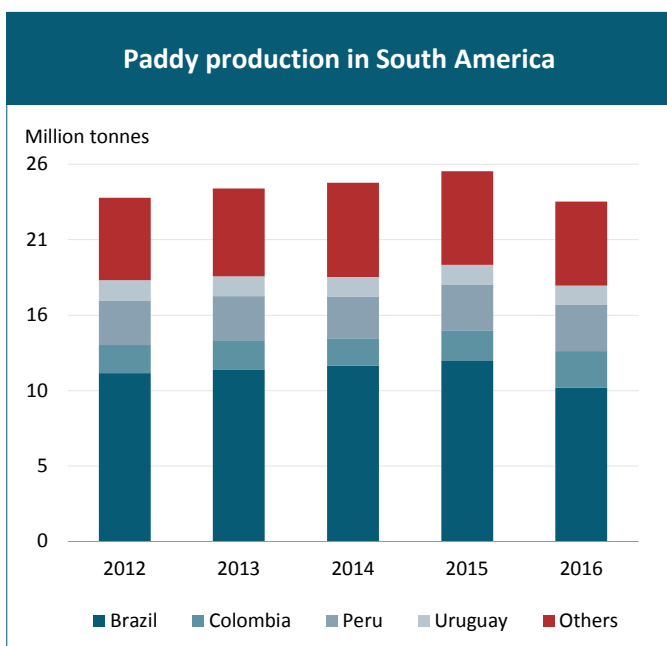
expectations for yields, which are put at a record of 5.8 tonnes per hectare. This would mirror more conducive weather and sufficient water for irrigation, especially in high-yielding Rio Grande do Sul. The agency predicts that yield upturns will enable the state to lead the country's production recovery in 2017, gathering between 0.9 and 1.3 million tonnes more, or 8.3-8.6 million tonnes (5.6-5.9 million tonnes, milled basis). Prospects are less optimistic on the area front, which CONAB expects will at best post an only partial recovery of 4 percent to a total 2.1 million hectares. The more restrained area outlook would be notwithstanding record level local quotations, mirroring instead the persistently high production costs and liquidity constraints faced by producers, particularly those incurring flood losses in 2016.

The 2016 season is less advanced in **Colombia**, where the second crop of the year is currently being collected. Prospects for the country have been upgraded by 300 000 tonnes since July, to 2.5 million tonnes (1.7 million tonnes, milled basis). This level would imply a 20 percent year-on-year expansion and a new record. The upward revision follows official indications of a pronounced jump in plantings of second semester mechanized crops. Stimulated by attractive prices, these would have surged 28 percent over the year-earlier level to 390 000 hectares. Meanwhile, the Government of Colombia has renewed storage incentives for second semester crops in order to sustain prices of this bumper crop. Under the scheme, a price band of COP 127 000-COP 157 000 per 125 kilos of paddy (USD 345-427 per tonne) will be applicable to processors buying up to 500 000 tonnes of paddy through December. Unlike previous years, this year's scheme will be implemented in tranches, with processors covered for 80 percent of their storage costs in order to compensate for somewhat higher prices offered to producers.

After eight years of uninterrupted production growth, **Guyana** saw the first crop of the 2016 season severely hampered by dry weather and prospects of reduced remuneration. Although part of these losses could have been recouped through the second crop, untimely rains undermined planting progress in this cycle, with the spread of diseases reported to have posed additional challenges. As a result, Guyana is now forecast to collect 860 000 tonnes (559 000 tonnes, milled basis) in 2016, implying a near 200 000 tonne contraction from the 2015 record.

The 2016 season is progressing generally well in **Peru**, where area gains enabled by sufficient water supplies and attractive prices boosted first semester output by 4 percent to 2.1 million tonnes (1.4 million tonnes, milled basis). According to an official survey of planting intentions, area under paddy in Peru could expand by an additional 5 percent in 2016/17 (July-June) to 428 000 hectares. The increase would be stimulated by consistently attractive prices, originating primarily in Lambayeque and the smaller producing regions of Ucayali and Cajamarca. In San Martin, producers would instead be intent on cutting plantings by 7 percent due to losses endured this season to the spread of bacterial panicle blight, combined with high temperatures and excess rains. Overall, FAO anticipates 2016 production in Peru (January-December) to exceed the 2015 record by 3 percent, reaching 3.2 million tonnes (2.2 million tonnes, milled basis).

Like various producing countries in the sub-region, 2016 cropping activities in **Uruguay** were adversely affected by the El Niño phenomenon. The weather anomaly brought cloudy conditions and above-average rains, which delayed sowing operations and led to floods. The resulting area and yield losses depressed output by 7 percent year-on-year to 1.3 million tonnes (913 000 tonnes, milled basis). Producers in Uruguay are now busy sowing 2017 crops. Much uncertainty still surrounds the size of plantings in the forthcoming season. June negotiations between producers and processors concluded with a provisional producer price of USD 190-220 per tonne for the 2016 harvest, down 13-11 percent from an already reduced final price for the 2015 crop. As Uruguay destines the bulk of its production abroad, the provisional prices mirrored the challenging international markets conditions found at the start of year, while not factoring in price gains registered since then, due to a rebound in sales to Brazil at higher values. Uncertainties over the prices fetched by producers have dampened what would be a positive outlook, otherwise. Indeed, expectations are that more normal weather and ample water for irrigation will enable yields to recover in the country, with an anticipated renewal of a trust fund set to provide producers with further aid to service debts and finance productive activities.

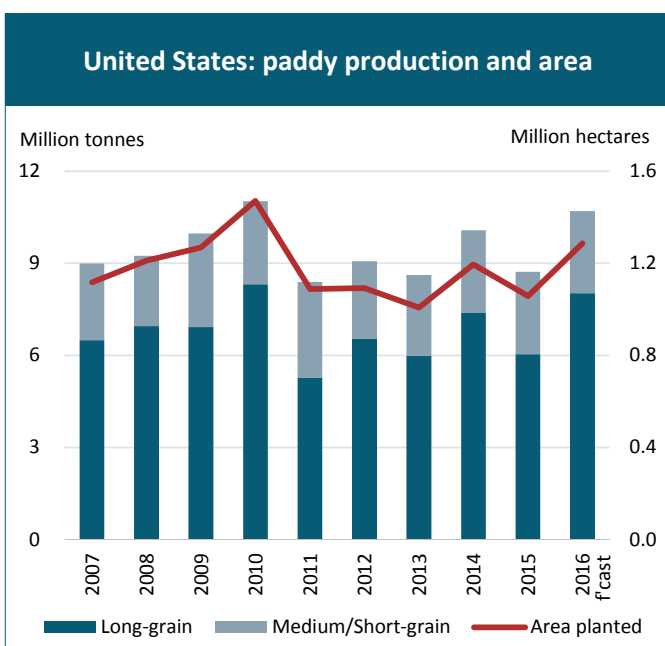


Production forecasts for **Venezuela** remain set at 750 000 tonnes (525 000 tonnes, milled basis) for 2016. This level would represent a 10 percent contraction from the already reduced 2015 outcome. The forecast fall comes amid expectations of continued area and yield losses, stemming from shortages of basic inputs and machinery, to which unseasonably dry conditions early in the year added.

### North America, Europe and Oceania

#### Production in the United States forecast at its second highest on record, despite flooding problems

In **North America**, a mid-August surge in rainfall led to extensive flooding problems across the south of the **United States**, affecting rice-growing areas of Louisiana and Arkansas the most. The inundations reduced yield and quality prospects for crops that had still to be collected, although, at the time of their strike, harvesting operations were advanced thanks to the early plantings. Much as a result of this setback, the USDA's October assessment pegged 2016 production in the United States at 10.7 million tonnes (7.5 million tonnes, milled basis). This level would stand 400 000 tonnes short of July expectations, but still 23 percent over the 2015 depressed outcome and the second highest outturn on record. The bumper crop would be sustained by 33 percent recovery in long-grain output to 8.0 million tonnes (5.6 million tonnes, milled basis), a reflection of the surge in plantings registered this season due to less attractive margins for competing crops. Part of these gains came at the expense of Japonica plantings in the south. However, a 30 percent rebound in output in California, enabled by easing drought conditions, is forecast to keep short/medium production only marginally lower at 2.7 million tonnes (1.9 million tonnes, milled basis).



In **Europe**, 2016 harvests are ongoing in the **European Union**. Production prospects for the area have changed little since July, pointing to modest area gains lifting 2016 output in the EU to 3.0 million tonnes (1.8 million tonnes, milled basis), 1 percent over the 2015 good outcome. At a country level, forecasts were raised for Italy, based on a larger reported area under paddy. A total of 234 000 hectares are estimated to have been sown in the country, up 3 percent from 2015, with producers confirming that more positive price prospects induced another shift towards Japonica varieties. The latter would have risen by 4 percent to 201 000 hectares, whereas stiff competition with imports induced a 4 percent retrenchment in Indica varieties to 33 600 hectares. Based on this extension and given the overall normal climatic unfolding of the season, the EU's largest rice producer is now forecast to gather 60 000 tonnes more than in 2015, or 1.6 million tonnes (945 000 tonnes, milled basis). The outlook is also somewhat improved for Portugal, thanks to more buoyant official expectations regarding yields. These are put close to the 2015 record of 6.3 tonnes per hectare, although at this level they would be insufficient to outweigh the area cuts propelled by untimely rains at planting time. As a result, Portugal is still expected to face a 5 percent annual contraction to 176 000 tonnes (105 000 tonnes, milled basis). Conducive summer temperatures are reported to have allowed rain-induced sowing delays similarly incurred over parts of Spain to be more than compensated for, with area planted to paddy remaining largely steady-year-to-year at 109 000 hectares. Spain is currently forecast to gather 850 000 tonnes (510 000 tonnes, milled basis) in 2016, up marginally from 2015. Among the other EU producing countries, area retrenchments are behind expectations of output declining in France, Hungary, Romania and Bulgaria, with prospects in the latter further undermined by excess rains and cool temperatures this year.

Elsewhere in the region, 2016 production forecasts for the **Russian Federation** now point to a 4 percent annual expansion to a record of 1.2 million tonnes (767 000 tonnes, milled basis). Officials in the country indicate that plantings this season exceeded the 2015 level by 3 percent, reaching 206 000 hectares. The area gains add to positive yield expectations, thanks to the favourable prevailing climate and adequate water supplies for irrigation.

In **Oceania**, the latest ABARES assessment confirms the poor outcome to the 2016 season in **Australia**, which saw low water allocations and costly water supplies induce a 64 percent slump in plantings to 23 000 hectares. Despite near record yields of 10.9 tonnes per hectare, the retrenchments reduced output in the country by 440 000 tonnes to a six-year low of 290 000 tonnes (167 000 tonnes, milled basis). Producers in Australia are by now



busy preparing to launch the 2017 season. The outlook for the sector, which destines the bulk of its production abroad, appears far more promising for the upcoming season. Although more challenging international market conditions have raised prospects of paddy producer prices falling below the AUD 415 (USD 317) per tonne guaranteed by the industry for 2016 Reiziq varieties, abundant winter rains have enabled significant increases in water allocations and lowered water prices. ABARES expects these factors to translate into a near four-fold expansion in plantings to 90 000 hectares. Combined with average yield expectations, this extension is seen boosting 2017 output in Australia to 926 000 tonnes (614 000 tonnes, milled basis), its highest since 2013.

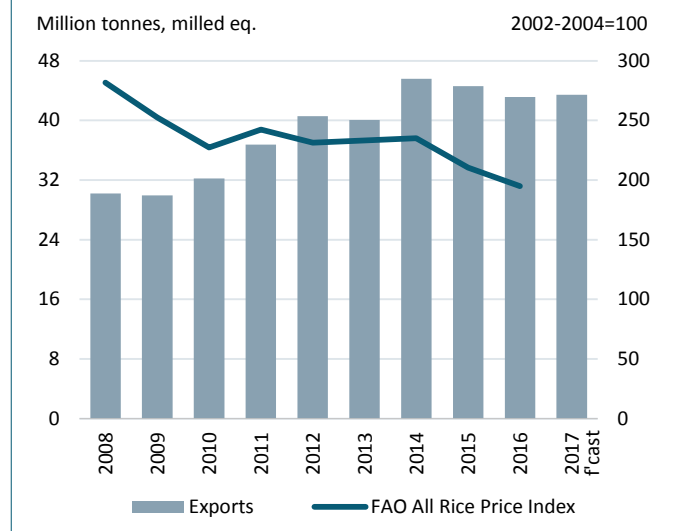
## INTERNATIONAL TRADE

*Trade in rice in 2016 to contract for the second successive year, with little prospects of a recovery in 2017*

FAO has lowered its forecast of **2016** global rice deliveries by 800 000 tonnes since July. The revision primarily mirrors lower than previously anticipated imports by Bangladesh, Indonesia, Iraq, the Philippines and Saudi Arabia, whereas a lively pace of purchases to date called for upward adjustments to forecasts mainly for Cote d'Ivoire, Egypt and Senegal. On the export side, these revisions were primarily met by downgrading the export outlook for Viet Nam. Taking these changes into account, world trade in rice in calendar 2016 is now envisaged to fall 3 percent short of the already reduced 2015 level to 43.1 million tonnes. The decline is expected to be demand-driven, concentrating in Asia, where various traditional rice importers have been able to rely on ample supplies on store to meet domestic needs. Nonetheless, deliveries to Africa are also expected to remain close to five-year lows, mirroring mostly subdued purchases by West Africa, where demand remains depressed by improved domestic availabilities and weak local currencies. Import demand is expected to be more robust elsewhere in the world, with Australia, the United States, the European Union and, especially, Latin America and the Caribbean predicted to take-in larger volumes. On the supply side, exports by both India and Viet Nam look set to incur the steepest year-on-year falls, as subdued demand from key outlets has tended to compound their tighter supply situations this year. Shipments by Australia, Brazil, Guyana and Myanmar are also forecast to fall, while Argentina, Cambodia, China (Mainland), Paraguay, Uruguay, United States, Pakistan and Thailand are all seen closing the year with greater exports.

FAO anticipates world trade in rice to amount to 43.4 million tonnes in calendar **2017**. If confirmed, this level would imply an only small, 0.7 percent, gain over the 2016 level, marking the third successive year of little to no

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



global trade growth. Underlying the outlook are prospects of reduced deliveries to the Far East, a reflection of the good crops expected in the sub-region. Nonetheless, easing inflationary pressure may also reduce imports by Latin America and the Caribbean. Instead, more attractive international prices and the need to refurbish reserves could stimulate a somewhat livelier pace of purchases by African and Near East Asian countries over the course of the year, with imports by the European Union also expected to remain on the rise. On the supply side, improved local availabilities from good crops would best position India to meet the slight trade expansion forecast for 2017, although Australia, Cambodia, Pakistan and the United States are similarly seen advancing their export positions in 2017. By contrast, heightened competition for markets could see shipments by Argentina, Brazil, Uruguay and Thailand falter, keeping those of Viet Nam close to six-year lows.

## Imports

*Fewer purchases by the Far East behind subdued trade prospects in 2016 and 2017*

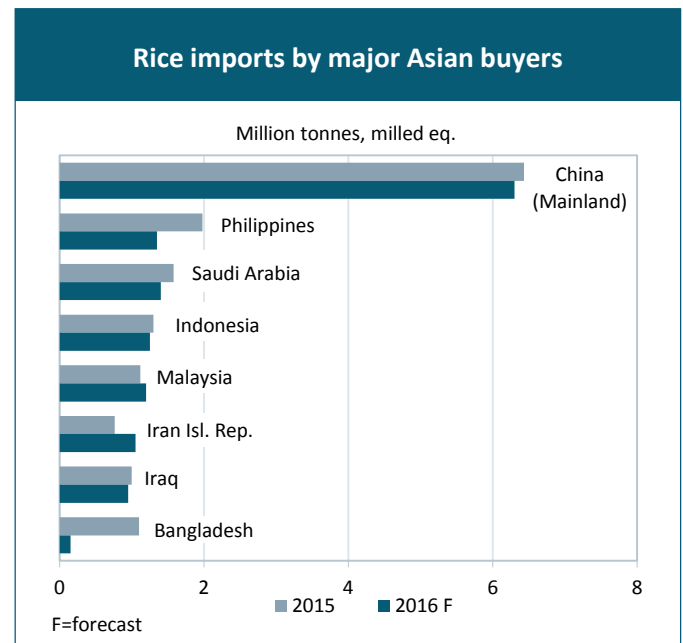
From a regional perspective, much of the forecast contraction in **2016** deliveries is anticipated to mirror import cuts in **Asia**, where aggregate deliveries may fall 10 percent short of the 2015 high to 20.9 million tonnes. At a country level, **Bangladesh** remains forecast to drive the retrenchment, curtailing imports from 1.1 million tonnes in 2015 to 150 000 tonnes this year. The cut comes in the wake of successive large harvests, which pressured local quotations below those of nearby origins. These falls instigated the instatement of greater protective measures, in the form of successive increases to import duties, which were last set at 25 percent.

Next to Bangladesh, the largest year-on-year fall is now anticipated to concern the **Philippines**, which may see deliveries pass from 2.0 million tonnes in 2015 to 1.35 million tonnes this year. The 32 percent cut mirrors a subdued pace of purchases in the first part of the year, as ample inventories and stable local quotations encouraged the National Food Authority to forego purchases that would have normally taken place to ensure sufficient availabilities for the lean season. The Government of the Philippines has been back in the international market since late August, sourcing 250 000 tonnes of rice through a government-to-government deal and alluding to imports of a similar amount later in the year. These would be further to the 805 200 tonnes of that it authorized the private sector to import in September, as part of its 2016 Minimum Access Volume (MAV) commitment. A portion of this volume is, however, likely to be delivered over the course 2017.

Imports forecasts were also curbed for **Indonesia**, which is now envisaged to take in 1.25 million tonnes in 2016, down 4 percent from volumes estimated for 2015 and 550 000 tonnes below July expectations. The reduction comes amid prospects of fewer public sector imports, since Government needs are likely to be met through local produce. Domestic procurement by the state agency, Bulog, was reported to have amounted to 2.4 million tonnes by mid-September. This would be up from the 1.8 million tonnes a year-earlier, with room still left for the 3.2 million tonne procurement target for the year to be met through purchases of ongoing offseason harvests. As such, the majority of the import volume forecast for 2016 would constitute purchases undertaken late last year and consigned in early 2016 to mitigate production shortfalls associated with the El Niño phenomenon. The bulk of remaining volume would consist of private sector specialty and broken rice imports, which are subject to authorisation from authorities. This assumes private sector imports gain momentum in the second half of the year, after amounting to just 76 000 tonnes in the first six months of 2016. This was down 61 percent from the corresponding period of 2015.

In the case of **China (Mainland)**, a 5 percent retreat in in deliveries to 6.3 million tonnes is linked to renewed efforts to stem the flow of rice through borders with Viet Nam and Myanmar. However, part of the resulting cuts are expected to be compensated by greater documented consignments. Since high local prices continue to provide strong incentive to import, by August cumulative deliveries to the country had surged 19 percent over year-earlier levels to 2.3 million tonnes. Despite a negative production outturn, **Sri Lanka** is expected to count on sufficient availabilities on store to meet consumption requirements without recurring to imports. Consignments to the country are accordingly seen at 30 000 tonnes. This would be just a

fraction of the near 300 000 tonnes delivered in 2015, with part of the fall also attributable to the instatement of higher import duties. Ample reserves amassed through a spate of purchases last year are similarly expected to permit **Afghanistan**, **Saudi Arabia**, the **United Arab Emirates** and **Timor Leste** to curb purchases over the course of the year, with expectations of reduced consignments to **Yemen** instead tied to constrained access to foreign exchange and ongoing conflict.



Combined, reductions in the countries would more than outweigh gains elsewhere in the region. For instance, a more lenient stance towards rice imports, in the form of a January-July rescindment of the import ban, is anticipated to sustain a recovery in deliveries to the **Islamic Republic of Iran** to 1.1 million tonnes. In the aftermath of poor harvests, both **Nepal** and **Malaysia** are also seen taking in larger volumes of 550 000 and 1.2 million tonnes, respectively. Instead, gains in **Kuwait**, **Oman** and **Qatar** would be needed to meet the requirements of expanding populations, as rice is not locally produced in these nations. In the case of **Japan**, imports are expected to fall in line with WTO minimum market access commitments of 700 000 tonnes. This is also the case of imports by the **Chinese Province of Taiwan**, which may amount to 125 000 tonnes. This would be despite an output shortfall last year, as Taiwan has counted on sufficient availabilities to export rice to Papua New Guinea, further to its usual food aid shipments.

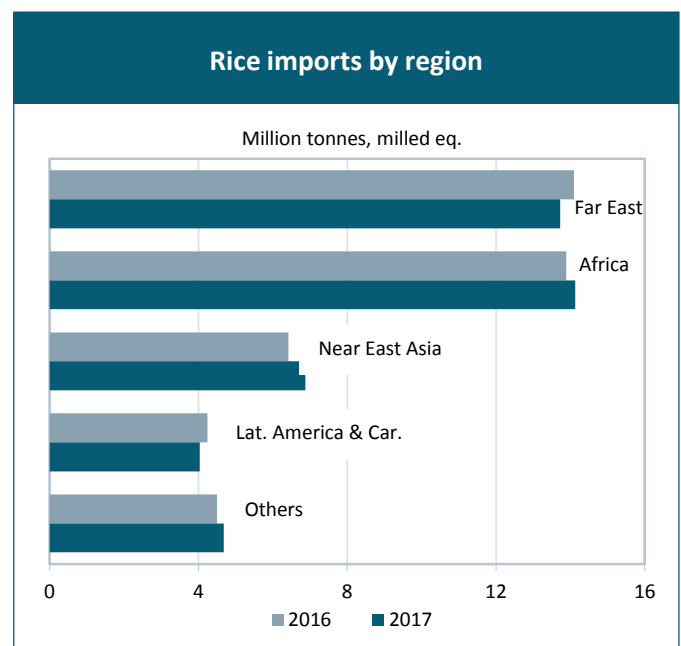
Meanwhile, rice shipments to Asia in calendar **2017** are forecast to remain close to the 2016 depressed level at 21.1 million tonnes. The forecast primarily mirrors prospects of continued subdued demand in the Far East, where aggregate deliveries may ease by a further 3 percent to 13.7 million tonnes. At a country level, improved domestic availabilities could enable various

countries in the sub-region to reduce purchases next year. This is expected to be the case of **Nepal**, the **Lao People's Democratic Republic** and even **Viet Nam**, which normally imports paddy across borders for processing and re-export. Singularly, however, the largest fall could concern **Indonesia**, which may take 800 000 tonnes in 2017. The 450 000 tonne annual fall assumes no major production setback is incurred, although much will depend on the outcome of the 2017 season, which was just launched in the country. The projected volume would include purchases conducted by the private sector and the state agency, Bulog. However, authorities in Indonesia generally only recur to international markets when local purchases by Bulog fall below the anticipated needs of the public distribution system and other market operations. Moreover, renewed efforts to attain full self-sufficiency in rice provide further disincentive for such purchases.

In the **Philippines**, news suggest that authorities would be inclined to move towards tariffication, by foregoing requests to extend the WTO special treatment on rice upon its expiration on 30 June 2017. This would mark a departure from previous stances that had quantitative restrictions on rice renewed twice, while the country strove to attain self-sufficiency. The change would be geared at rendering rice more affordable to the public, considering the lower prices fetched in international markets. Under the current regime, Minimum Access Volumes (MAV), amounting to 805 200 tonnes per year, attract a duty of 35 percent, while out-of-quota shipments are levied a higher 50 percent tariff. The National Food Authority (NFA), a state agency, retains the right to import these volumes or to allocate them to the private sector. Further to servicing emergency and market intervention needs, NFA purchases are linked to official mandates that require that public stockpiles meet at least 15 days' worth of consumption at any point in time and double that volume by the end of June of every year. The move towards tariffication would entail maintaining the 805 200 tonne import quota, with its current 35 percent tariff, while liberalising out-of-quota imports at a tariff-equivalent to be determined. The role of the NFA would then be limited to regulatory functions and to one of maintaining emergency reserves. If confirmed, the move could stimulate higher imports, although much would still depend on the tariff equivalent that would apply to out-of-quota volumes. As such, pending final decisions on the matter and considering that the move towards tariffication will still require negotiations regarding the tariff equivalent to apply, 2017 imports by the Philippines are put at 1.3 million tonnes. This would be down 4 percent year-on-year, consistent with expectations of a recovery in 2016 production.

Imports by **China (Mainland)** in 2017 are expected to remain largely steady year-on-year at 6.3 million tonnes.

The stability mirrors expectations that cuts in unofficial inflows, resulting from increased border surveillance, will be offset by continued growth in documented deliveries. The forecast considers that the unabated strength of Chinese quotations will continue to make imports an attractive choice. On the policy front, Chinese authorities have decided to maintain WTO mandated tariff rate quotas unchanged at 5.32 million tonnes for 2017. This volume is to be divided equally between Indica and Japonica varieties, with state-owned enterprises reserved a 50 percent share. Purchases by **Malaysia** are similarly seen unchanged at 1.2 million tonnes. This would be notwithstanding a possible production recovery next year, on anticipation that the country will need to refurbish stockpiles and service the consumption needs of an expanding population.



Within the sub-region, only a few countries are expected to step-up purchases. This would be the case of **Bhutan**, **Singapore** and the **Republic of Korea**. Growth in the latter would be mostly linked to the need to fulfil WTO obligations, by purchasing 410 000 tonnes over the year. Yet, the largest year-on-year gain could concern **Bangladesh**, which has seen domestic quotations rebound in the wake of a somewhat smaller crop. Even then, however, 2017 imports are seen at 400 000 tonnes, well below the 2014 level of 1.3 million tonnes. This considers the disincentive provided by the higher prevailing import duties and the potential for domestic prices to ease upon the arrival of a larger Aman crop into the market.

Contrary to trends in the Far East, current expectations are that demand will rekindle in Near East Asia over the course of 2017, bringing aggregate deliveries to the sub-region to 6.9 million tonnes, up from the 6.4 million tonnes expected for 2016. The outlook rests on expectations that

**Jordan, Saudi Arabia, the United Arab Emirates** will require greater quantities to refurbish stockpiles, after these were drawn by reduced purchases the previous year. This is also expected to be the case of **Iraq**, where in the aftermath of successive years of imports cuts and reduced crops, 1.1 million tonnes would be needed to cover domestic needs. The bulk of imports conducted by Iraq are channelled to the population through public rationing system. In the case of **Turkey**, 2017 imports are put at 270 000 tonnes, implying a 50 000 tonne recovery from the 2016 subdued level. In August, officials in the country put forward proposals that would replace the zero tolerance policy on blending of rice varieties with a 5 percent threshold for unintended blending that may occur at the production, processing or handling level. If approved, it is hoped that the measure will enable the state to identify and pursue entities purposely blending varieties in an effort to cut costs. Meanwhile, rice purchases by **the Islamic Republic of Iran** are put close to the 2016 level of 1.1 million tonnes, considering the positive outlook for the 2016 harvest in the country and state efforts protect the local sector against import competition through intermittent bans on rice imports.

Forecasts of **2016** aggregate imports by **Africa** have been raised by 500 000 tonnes since July, now pointing to deliveries to the region edging up by 2 percent to 13.9 million tonnes. Compared to figures reported in the July issue of the RMM, upward adjustments to forecasts have primarily concerned West African countries. This was especially the case of **Cote d'Ivoire**, which notwithstanding a record 2015 crop, is now expected to take a high of 1.4 million tonnes. A fast progress of deliveries similarly resulted in forecasts for **Senegal** being raised to 1.2 million tonnes. Nonetheless, this level would continue to suggest a 200 000 tonne annual retreat, facilitated by a favourable seasonal turnout. Strong demand for fragrant varieties is now expected to raise deliveries to **Ghana** 100 000 tonnes over 2015 levels to 620 000 tonnes, whereas import forecasts were lowered in the case of **Sierra Leone** to a six-year low of 250 000 tonnes. The fall would come in the aftermath of a larger 2015 harvest and a depreciated Leone. Based on these adjustments, overall deliveries to West Africa in 2016 are now put at 8.3 million tonnes, barely (150 000 tonnes) above the 2015 reduced level. The subdued outlook mirrors improved local availabilities from good 2015 harvests, but also difficulties posed by weak local currencies.

Elsewhere in the continent, 2016 import forecasts were raised for **Egypt** to 200 000 tonnes, mirroring a recent Government initiative to source supplies abroad in order to reconstitute reserves and lower domestic quotations. Although the move would entail sourcing up to 500 000 tonnes abroad, it remains to be seen whether these purchases would be conducted in the event of a pick-up in

official local procurement. Even then, however, these additional volumes would likely to be consigned over the course of 2017. On the other hand, 2016 import expectations were curbed for **South Africa** to 900 000 tonnes, as notwithstanding prospects of greater needs due to spikes in local maize quotations, a weak Rand has rendered rice a costly alternative. This was reflected in cumulative deliveries to the country falling 9 percent short of year earlier levels by August to 570 000 tonnes.

Countries in Africa are forecast to take consignments of 14.1 million tonnes in calendar **2017**, 2 percent more than current 2016 expectations, but 1.0 million tonnes below the heights registered in 2014. Underlying the somewhat downcast outlook are prospects of even better local availabilities in the continent, which may lead countries such as **Cote d'Ivoire, Mali, Mozambique, Madagascar** and **Senegal** to curtail imports in the coming year. This is even if, more attractive international prices could stimulate a somewhat livelier pace of purchases, permitting countries where demand growth has tended to outstrip production gains or where stocks have been drawn thin to meet consumption needs through greater imports. This is anticipated to be the case of **Burkina Faso, Ghana, Liberia** and **Mauritania**. In the case of Liberia, gains would be further facilitated by continued import duty exemptions approved this year, with Ghana also rescinding the ban on rice imports through land borders, which had been put in place in November 2013. Expectations are also that the need to refurbish stockpiles and avert further price escalations will support a 200 000 tonne rise in deliveries to **Nigeria** to 2.5 million tonnes. However, this level would stand well short of the 3.6 million tonnes delivered to the country in 2012, considering the lingering weakness of the Naira, coupled with ongoing import restrictions. These policies prevent access to formal currency markets to rice traders, ban overland deliveries and charge prohibitive duties on direct consignments to the country, all in support of the country's self-sufficiency aspirations. Import demand is expected to be firmer in Eastern Africa, underpinned by gains in **Kenya** to 470 000 tonnes, but also in **Ethiopia**. The latter has seen demand growth stimulate a near three-fold increase in rice deliveries since 2011, with imports by the country seen in the order of 270 000 tonnes in 2017.

Overall imports by **Latin America and the Caribbean** are set to reach 4.2 million tonnes in **2016**, up 12 percent year-on-year and a new record. Much of this growth would be imputable to **Brazil**, where a bad crop is expected to lift 2016 purchases to 750 000 tonnes. This level would be up from 350 000 in 2015, when imports were depressed by a combination of adequate local availabilities and a weak local currency. Next to Brazil, the largest year-on-year expansion is expected to concern **Colombia**, which may take-in a high 300 000 tonnes in



2016. The forecast would imply an 8 percent annual advance, following official steps to facilitate imports to ease inflationary pressure. Demand is also forecast to remain strong in Central America and the Caribbean, reflecting production setbacks incurred to successive years of drought. Within the sub-region, **Costa Rica, El Salvador, Guatemala and Nicaragua** are all seen purchasing more. A poor seasonal outturn is similarly expected to translate into a 3 percent advance in imports by **Mexico** to 660 000 tonnes, with 2016 deliveries to **Cuba** seen at highs of 550 000 tonnes.

As to prospects for **2017**, FAO forecasts aggregate deliveries to the region to subside to 4.0 million tonnes, down 5 percent from current 2016 expectations. The reduction reflects prospects of a retreat in imports by South America to 1.7 million tonnes, with much of the fall concentrated in **Colombia**. Refurbished stockpiles from a record 2016 crop should enable the country to reduce imports to a more normal level of 150 000 tonnes in 2017. Yet, much will likely depend on price developments in the coming months. While domestic quotations have been on the decline for the most part of 2016, ahead of the second semester crop, retail prices remained 6 percent over year-earlier levels, at a September average of USD 1.0 per kilo. Meanwhile, authorities in Colombia have announced that the storage incentive program, a scheme geared at sustaining producer prices at harvest time, will also serve to determine the allocation of potential imports among its participants.

Although much will depend on the size of the 2017 crop, imports by **Brazil** are preliminarily put at 650 000 tonnes. This would be down 100 000 tonnes from 2016, while still representing a comparatively large level for the country. Without a strong rebound in output, availabilities in Brazil could remain tight due to the significantly smaller carry-ins, with imports also needed to enable the country to maintain a presence in international markets. An output recovery may also enable **Cuba** to reduce reliance on imports by taking in 500 000 tonnes, but part of these reductions would be compensated by greater deliveries to **Peru and Venezuela**. In the case of the former, strong local demand is seen lifting consignments to 250 000 tonnes in 2017, whereas Venezuela is forecast to need 430 000 tonnes in order to make up for successive seasons of output shortfalls. Various Central American and Caribbean countries are also expected to step-up imports over the course of 2017, mirroring in part only partial output recoveries expected for 2016. This is the case of **Haiti, Honduras**, but also **Costa Rica**. In the latter in fact, officials announced a duty free import quota for 63 000 tonnes of paddy, that would be delivered in the first half of 2017 to ease market tightness.

*Elsewhere*, there have been no changes to import forecasts for the **European Union**, which may see strong demand for Indica and fragrant varieties raise consignments to 1.85 million tonnes in 2016 and to 1.9 million tonnes the following year. With the closure of the 2015/16 (September-August) marketing year in the EU, duties levied on imports of non-basmati husked rice and semi/wholly milled rice conducted outside of existing trade agreements have been re-examined. Since 357 278 tonnes of non-basmati husked rice were brought into the region over the course of the marketing year, slightly below the 382 226 threshold that triggers the higher tariff, this class will continue to accrue the lower duty of Euro 30 (USD 34) per tonne until 29 February 2017. Duties on semi/wholly milled rice will similarly remain at Euro 175 (USD 196) per tonne, as 700 944 tonnes of semi/wholly milled rice were brought into the region, far exceeding the 387 743 tonne threshold that triggers this higher duty. Meanwhile, 2017 imports by the **Russian Federation** are seen little varied from year-earlier levels at 210 000 tonnes. By contrast and notwithstanding a sizeable local crop, officials in the **United States** anticipate 2017 deliveries to the country to surpass the already abundant 2016 level by 1 percent, reaching 775 000 tonnes.

## Exports

### *Viet Nam and India behind fall in 2016 world trade in rice*

Based on the latest figures, world trade in rice in calendar **2016** is likely to amount to 43.1 million tonnes (milled basis), down 3 percent from the 2015 reduced level. On the export side, much of the forecast reduction is now expected to be shouldered by **Viet Nam**, which may see 2016 deliveries fall by 1.3 million tonnes year-on-year to a six-year low of 7.2 million tonnes. The fall comes in the wake of a slow pace of white rice shipments to key Asian destinations, such as the Philippines and Malaysia, as well as increasing competition with Thailand over its market share in China (Mainland). These resulted in documented deliveries falling 17 percent behind year-earlier levels in the first eight months of 2016 to 3.3 million tonnes. Continued progress in fragrant deliveries to Africa and renewed sales to the Philippines since late August have provided partial respite, although these have come in tandem to other challenges. These would include decisions by authorities to halt rice deliveries to the United States temporarily, as numerous Vietnamese shipments had been rejected by the United States due pesticide residue problems. Progress has been equally subdued in the unofficial front. A combination of adverse currency movements and heightened security across borders with China depressed cumulative undocumented sales to 900 000 tonnes by August, nearly a third less than in the corresponding period of 2015.

### Viet Nam: official rice exports by variety



The export outlook remains similarly downcast for **India**, which may see shipments fall to 10.0 million tonnes over the year. The 10 percent year-on-year contraction would come amid faltering demand from key Asian outlets, such as Bangladesh, Sri Lanka and Saudi Arabia, which coincided with a thinning of Indian availabilities following two successive seasons of poor monsoon performances. The forecast reduction comes notwithstanding a good pace of sales to African destinations this year, enabled by competitively priced supplies of white and parboiled rice. By July, these exceeded year-earlier progress by 10 percent, amounting to 2.8 million tonnes.

As in Viet Nam, consignments by **Myanmar** have been hindered by Chinese efforts to crackdown on smuggling. The setbacks came on the backdrop of reduced availabilities due to weather-related output losses last year. Combined, these are expected to be behind a 7 percent retrenchment in 2016 exports by Myanmar to 1.6 million tonnes. Following a rather upbeat pace of outflows in the first half of the year, **Brazil** saw its competitiveness vis-à-vis other regional suppliers eroded by a significant output shortfall this year. The supply tightness resulted in September export quotations in the country standing almost 40 percent over April levels. The price escalation is now envisaged to lower the country's shipments over the full year by 15 percent to 750 000 tonnes. Depleting inventories following consecutive years of production cuts are also expected to undermine exports by **Australia** in 2016, with **Guyana** and the **Russian Federation** similarly seen exporting less over the year.

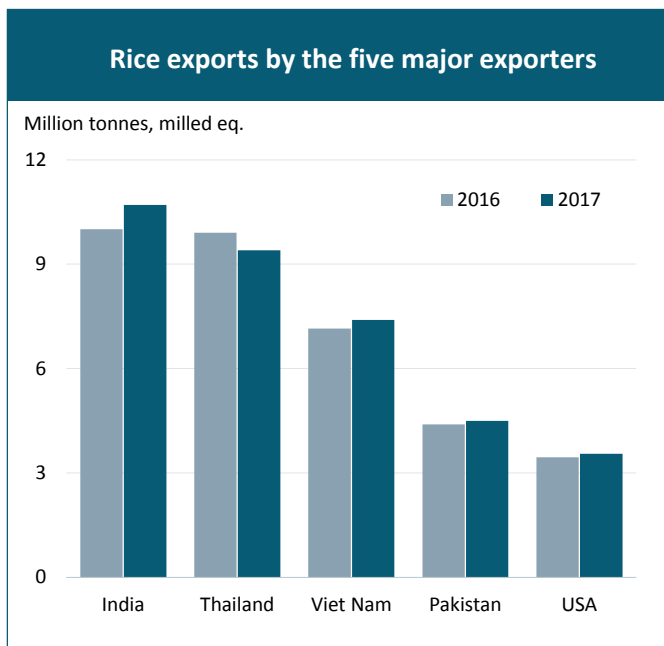
Although various other international suppliers saw adverse weather disrupt production, more ample availabilities on store have permitted them to maintain hold over their export markets. This is the case of South American exporters, such as **Argentina**, **Paraguay** and **Uruguay**,

where sales have further benefitted this year from a rekindling of regional demand. **Pakistan**, too, appears on track to raise shipments to a record of 4.4 million tonnes in 2016, thanks to competitively priced non-basmati supplies. In the case of **Thailand**, 2016 deliveries are put at 9.9 million tonnes, up 1 percent from 2015 thanks to sales of supplies from Government inventories. These have served to compensate for severe output shortfalls incurred to drought in both 2014 and 2015, facilitating various government-to-government deals with countries such as China (Mainland), Indonesia and the Philippines. Instead, expectations of a 4 percent year-on-year gain in deliveries by **Cambodia** to 1.3 million tonnes are linked to higher paddy sales across borders with Viet Nam and Thailand. Indeed, headway in official milled rice deliveries has been hindered by competition for markets and reported liquidity constraints impeding purchases of paddy for processing. With progress to date primarily sustained by a faster pace of sales to drought-stricken Central American and Caribbean, Iraq and Japan, the **United States** is also officially envisaged to close 2016 with a 3 percent increase in exports to 3.5 million tonnes.

FAO currently anticipates global rice deliveries in **2017** to amount to 43.4 million tonnes, up only marginally from 2016 expectations. At a country level, the small year-on-year gain is forecast to be sustained by a 7 percent recovery of deliveries by **India** to 10.7 million tonnes. The expansion would be consistent with a much improved supply situation following a record 2016 crop, which may enable it to maintain its competitive edge over most other global suppliers. The forecast recovery would come especially if current expectations that demand growth next year will mostly concentrate in Near East and West Africa are confirmed. These two sub-regions have accounted for nearly 70 percent of Indian shipments over the past five years, being a prime destination of the country's parboiled and fragrant supplies.

Current expectations are also that **Pakistan** will count on sufficient availabilities to boost exports to 4.5 million tonnes in 2017. The forecast assumes the country is able to maintain its hold over the Chinese market, an increasingly sought out destination, to which it has shipped an average of close to 400 000 tonnes since 2012. Efforts are also underway to materialize sales to Indonesia, under a memorandum of understanding signed with Bulog last year. In the case of **Cambodia**, a 4 percent expansion in 2017 shipments to 1.3 million tonnes is linked to reported commitments from officials in China (Mainland) to double imports from the country to 200 000 tonnes next year. Coupled with continued sales to the European Union, to which duty and quota free access is granted to Cambodian rice under the Everything-but-Arms agreement, these sales would be needed to make up for

reductions in cross-border deliveries to Viet Nam and Thailand.



The outlook is also positive for the **United States**, which is officially forecast to ship 3.6 million tonnes in 2017, up 3 percent from 2016. This level would imply a seven-year high for the country, although representing a comparatively contained gain considering the bumper expectations for the 2016 crop. In the long-grain segment, increased availabilities could enhance the country's competitiveness, especially over important outlets in Latin American and Near East. In this connection, a renewable memorandum of understanding reached with Iraq last July could help advance sales to the Near East, although it remains unclear whether the agreement carries a firm commitment from the part of Iraq to purchase supplies from the United States. In the medium-grain market, stiffer competition could be encountered with Egypt and Australia, since both origins are set to benefit from increased exportable availabilities.

Indeed, expectations of a near fourfold expansion in 2017 output in **Australia** raise prospects of the country counting on sufficient availabilities to raise exports well over the 200 000 tonnes anticipated for 2016. This is even if export prospects for the country have been somewhat clouded by uncertainties regarding its hold over an important outlet, Papua New Guinea. This follows official announcements in the latter that would have an import quota put in place, admonishing 80 percent of the Papuan market to an Indonesian entity in return for a large-scale investment in rice production. Australia supplies rice to Papua New Guinea through a subsidiary of Ricegrowers Limited (SunRice). Under a marketing arrangement currently under review, SunRice holds exclusive rights to export supplies produced in New South Wales, where the near totality of

Australian rice is grown. Australia is presently forecast to deliver 350 000 tonnes in 2017.

Exports prospects are more subdued elsewhere in the world. This would be the case of **Thailand**, which may see 2017 exports decline by 5 percent to 9.4 million tonnes. The downcast outlook comes amid expectations of heightened competition for markets, especially with India and Viet Nam. On this backdrop, much will depend on the Government's stance towards public stock releases and at what price officials agree to dispose of the 8.4 million tonnes of remaining in public granaries. Thai authorities have reaffirmed their intent of disposing of public rice stocks by next year. At the same time, however, they remain intent on averting downward pressure on local quotations. To these effects, stock releases were suspended during harvest time, with officials even alluding to the possibility of instating minimum export prices last August. The statement came in response to hefty falls in Thai export quotations registered that month.

The export outlook for **Viet Nam** is similarly dampened by prospects of more subdued demand for white rice from key destinations such as Indonesia and the Philippines next year. These countries represent important outlets for Viet Nam's lower and medium quality Indica rice. This year's poor export performance has already given rise to Government plans to move away from the lower quality Indica segment, by reducing the share of lower grade rice in total shipments to just 15 percent by 2020. The objective would be to raise the share of high-grade white rice, glutinous or fragrant supplies in total exports to 60 percent by that year. Steady headway has already been in raising glutinous and fragrant deliveries over the past years, although white rice deliveries to Asian countries continued to account for the bulk of the country's shipments. Assuming that Viet Nam is able to compensate for falls in such shipments with greater fragrant and glutinous sales, forecasts of 2017 deliveries by the country are put at 7.4 million tonnes. This level would stand 3 percent above 2016 expectations, but fall well short of the record 8.4 million tonnes shipped in 2014.

Although much will still depend on the outcome of 2017 crops in these countries, shipments by various South American suppliers are expected to retreat over the course of 2017. Falls would mostly mirror expectations of reduced demand from key outlets such as Colombia and Brazil, but also of more intense competition with the United States over other regional outlets. On these basis, 2017 shipments by both **Argentina** and **Paraguay** are seen easing to 500 000 and 450 000 tonnes, respectively, with **Uruguay** instead envisaged to see a 6 percent annual contraction to 850 000 tonnes. In the absence of a pronounced rebound in output, **Brazil** could similarly see lingering supply tightness from depleted inventories

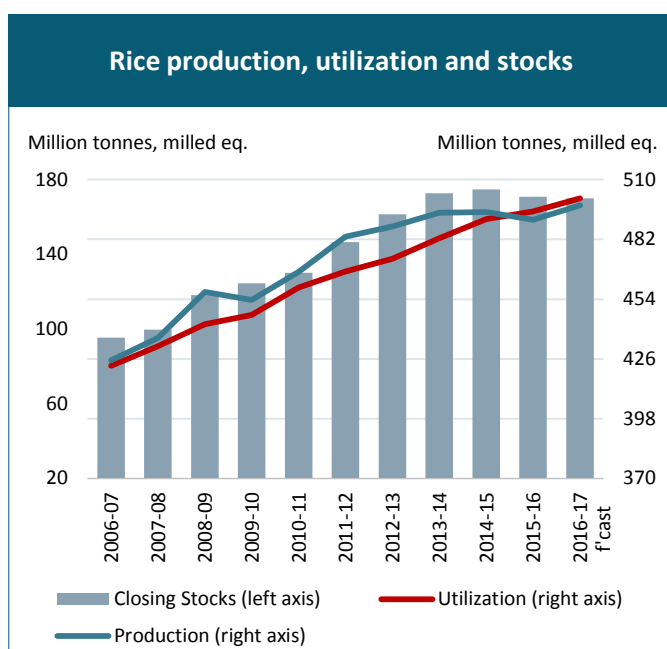
undermine its shipments for a second successive year to 750 000 tonnes. In the case of **Egypt**, 2017 exports are put at a steady level of 400 000 tonnes. The forecast stagnation follows the renewal of the export ban on milled rice exports in August and its extension to fully broken supplies. Broken shipments, constituted close to 100 000 tonnes of Egypt’s exports in 2015, up from 55 000 tonnes the year earlier, being mostly destined to the European Union. Nonetheless, considering the positive production expectations for the country, these retrenchments could be compensated by increased unofficial rice exports. This considers that supplies have continued to make way out of the country unrecorded, notwithstanding ongoing export restrictions.

## RICE UTILIZATION AND DOMESTIC PRICES

*Greater food intake in Asia and Africa to sustain a slight increase in global per capita food use in 2016/17*

Global rice utilization is forecast to amount to 501.2 million tonnes (milled basis) in 2016/17, up 1 percent from a revised 2015/16 figure. Consumption of rice as food remains projected to account for nearly all of this increase, passing from an estimated 397.5 million tonnes in 2015/16 to 402.5 million tonnes this season. Quantities destined to animal feed are also expected to expand somewhat to 18.3 million tonnes, with another 80.5 million tonnes are used for seed, non-food industrial uses and post-harvest losses. Taking into account projected population growth, global *per capita food use* would pass from 54.1 kilos in 2015/16 to 54.2 kilograms per person this season.

From a regional perspective, much of the forecast advance in food use in 2016/17 would mirror expectations of a slight (0.1 kilo) increase in food intake in Asia to 78.4 kilos per person. The gain would be enabled by improved 2016 harvests, but also by continued state assistance under state distribution schemes. This is the case in Bangladesh, where officials have announced that under a new scheme 5.0 million ultra-poor families would be provided with a subsidised monthly ration of 30 kilos of rice for five months. This would also concern India, where close to 31 million tonnes are annually provided under the public distribution program. This assumes a more vigorous pace of releases in the coming year, as these were officially reported at a cumulative 26.0 million tonnes for the October 2015 to July 2016 period, down 1 percent from year-earlier progress. In Indonesia, where close to 3.0 million tonnes of rice are annually provided to vulnerable groups under the Raskin program, officials have also introduced a reference consumer price of IDR 9 500 (USD 0.7) per kilo to guide the Government’s market operations and keep supplies at affordable prices. In the Philippines, plans would have the state’s conditional cash-assistance scheme, the Pantawid Pamilyang Pilipino Program (4Ps), gradually introduce a monthly rice allowance for its 4.5 million targeted households as of 2017. Current expectations are also that average food use in Africa will similarly advance to some 24.8 kilos per person, sustained primarily by a recovery in Egypt and steady growth in West Africa. In both cases, this would be assisted by easing local quotations, aided by larger crops and imports. In Egypt, for instance, further to announcing that close to 2.0 million tonnes of paddy would be procured by the state to channel to consumers through the rationing system, officials have embarked in imports in a bid to lower consumer prices from heights touched earlier in the year.

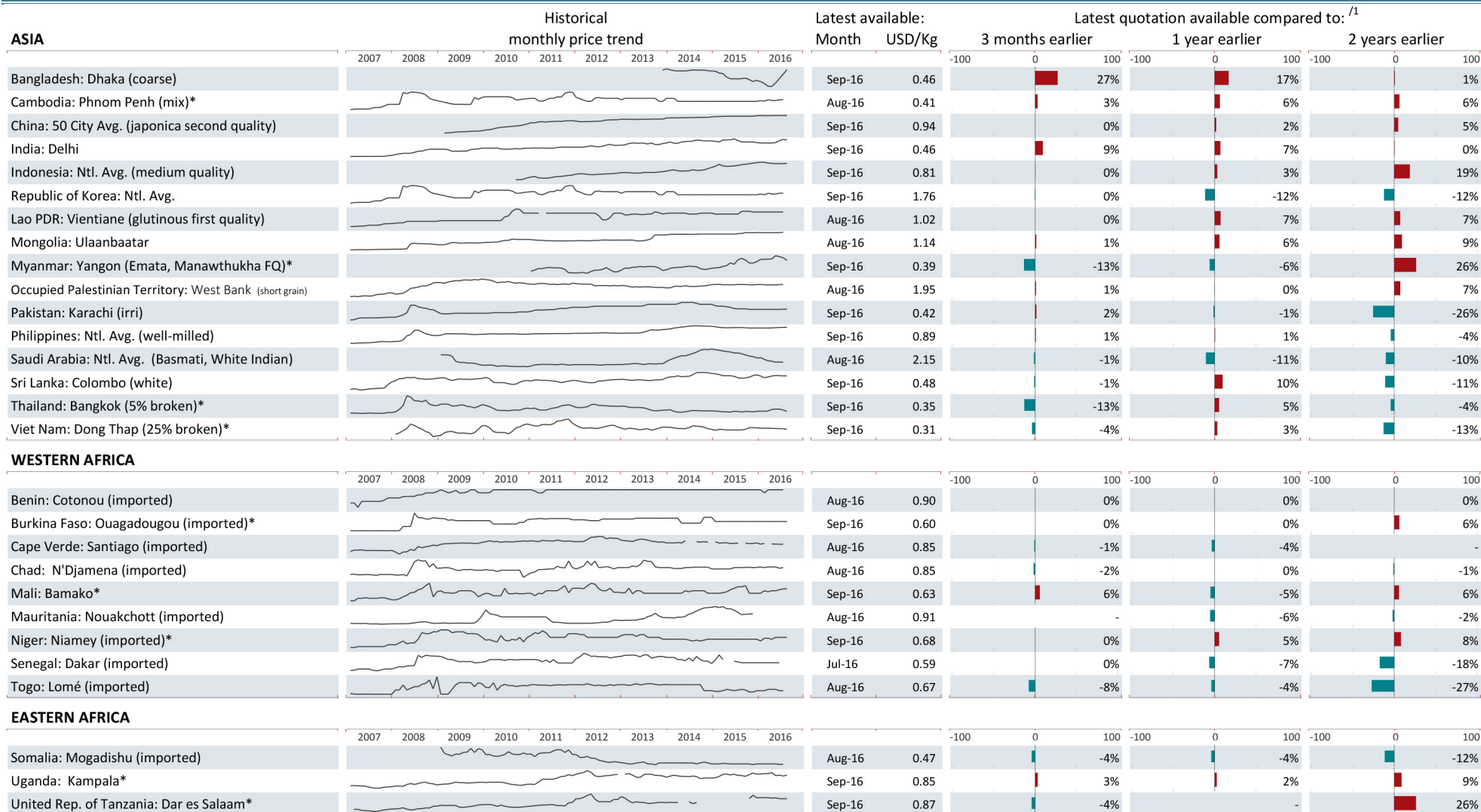


Looking at *retail/wholesale price developments*, domestic quotations in **Asia** were mostly stable during the third quarter of the year, when compared to their level three months earlier. The most notably exception to this trend was Bangladesh, where domestic prices rebounded strongly, following shortfalls in the Boro and Aus harvests, combined with smaller rice imports. A smaller Rabi crop similarly lent support to quotations in India, ahead of the 2016 Kharif crop harvest. By contrast, subdued demand for export tended to depress quotations in Myanmar, Thailand and Viet Nam, with downward pressure in latter two added by new crop arrivals. In **Africa**, domestic prices were especially higher in Angola, mostly sustained by a weak local currency, although seasonal tightness also underpinned marked gains in Mali. Prices were mostly steady across **Central America and the Caribbean**, as imports tended to alleviate tightness stemming from output shortfalls. Within the sub-region, however, quotations moved up in Mexico, on seasonal tightness and a weak Peso. In **South America**, the most pronounced



movement concerned Brazil, where quotations hit historical highs, in the aftermath of a poor 2016 crop and abundant exports. These encouraged officials to resume the release of supplies from Government stockpiles, which combined with a more upbeat pace of imports, attenuated gains in September. **Elsewhere**, domestic prices tended to decline in Italy, mirroring good crop prospects for 2016, amid already ample inventories.

### DOMESTIC RICE PRICES IN SELECTED COUNTRIES

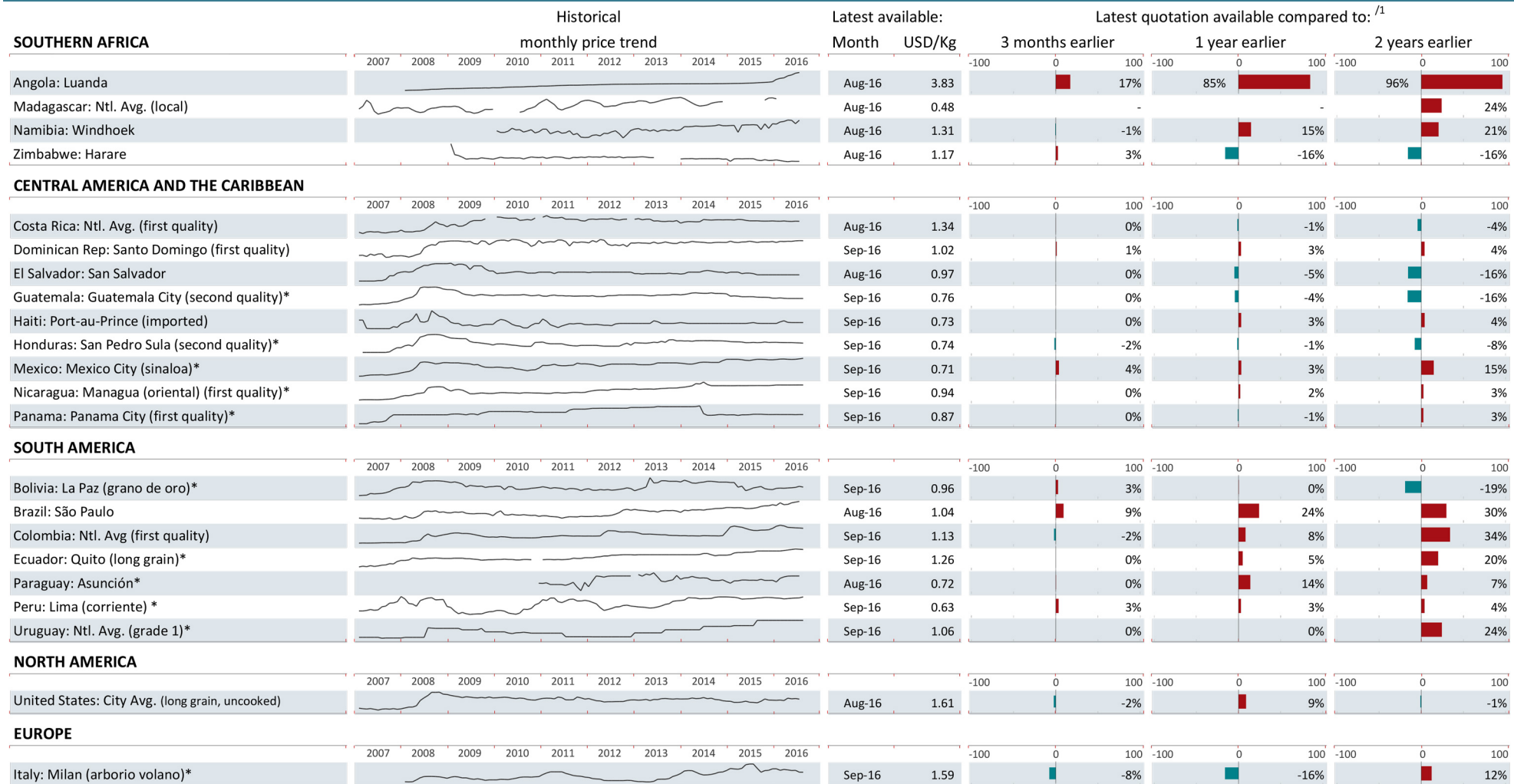


<sup>1</sup> Quotations in the month specified in the third column were compared to their levels in the preceding three, twelve and twenty-four months. Price comparisons were made in nominal local currency units.

\* Wholesale prices.

Sources: FAO/GIEWS 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).

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## CLOSING STOCKS

*Drawdowns in the major rice exporters to be largely outweighed by accumulations elsewhere*

Since July, FAO has upgraded its forecast of world rice stocks at the close of 2016/17 marketing years by 4.4 million tonnes to 169.9 million tonnes (milled basis). Much of this upward revision mirrors expectations of larger carry-overs in India, consistent with the improved production outlook for the country, but also larger estimated carry-ins. Nonetheless, Brazil, Cambodia, China (Mainland), the Chinese Province of Taiwan, Colombia, Myanmar, Nigeria, Pakistan, Thailand, the United States and Viet Nam, are all envisaged to accumulate more than previously reported. By contrast, stock expectations were mostly trimmed for Bangladesh, Oman and Saudi Arabia, in all cases on account of a more subdued pace of imports than earlier anticipated.

The revised level of 169.9 million tonnes would continue to suggest a second successive season of world stock drawdowns. However, the reduction is expected to be comparatively contained at 0.6 percent, or 1.0 million tonnes, which compares to the 3.9 million tonne cut estimated for the year earlier. This would enable world reserves to cover over 3 months of projected utilization, positioning the global stocks-to-use ratio at a still comfortable 33.3 percent in 2016/17.

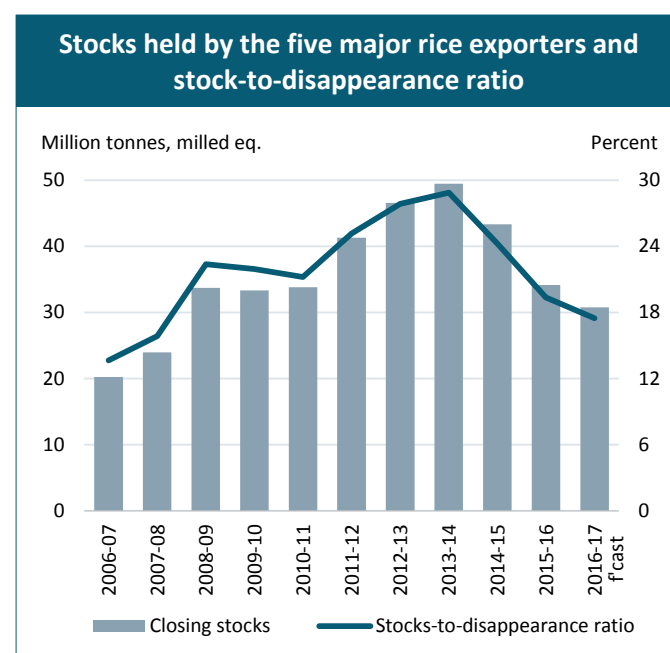
From a trade perspective, the *five major rice exporters*<sup>3</sup> remain projected to drive the global stock reduction, as a group, cutting reserves by 10 percent to 30.8 million tonnes. Looking at the individual countries, the largest reduction is now expected to concern **Thailand**, which may

close the season with 8.4 million tonnes on reserve. This level would stand 400 000 tonnes over July forecasts, while still implying a 21 percent annual cut, amid expectations that the Government will continue its attempts to dispose of its stockpile in 2017. Rice carry-overs in **India** have undergone a more considerable revision since July, now put at 16.5 million tonnes. This would be down from a revised carry-in of 18.2 million tonnes. Yet, much is likely to hinge on official decisions regarding quantities offloaded through the public distribution system. A slow pace of public releases in the earlier part of the 2015/16 marketing year, notwithstanding a smaller 2015 harvest and record procurement, raised public inventories in India to 15.9 million tonnes on 1 October 2016. This was well over the 10.2 million tonne floor mandated by the Buffer-Stock Norms, a level that is likely to be exceeded again next year. This would be especially so if Government plans to raise procurement from the 2016 Kharif crop by 3.0 million tonnes are successful. Reduced export expectations also resulted in upward adjustments to forecast for **Viet Nam**, where in spite of a poor production turnout reserves are now seen rising by 7 percent year-on-year to 3.1 million tonnes. In the case of **Pakistan**, carry-outs are placed at a steady year-on-year level of 850 000 tonnes, whereas officials in the **United States** indicate that the bumper 2016 crop will likely raise inventories in the country to their highest in three decades, or 1.9 million tonnes. Based on these tendencies, the group's **stock-to-disappearance ratio**<sup>4</sup> is now predicted to pass from 19.4 percent in 2015/16 to 17.5 percent this season.

Much of the projected drawdown in the major exporters is expected to be offset by accumulations elsewhere in the



<sup>3</sup> India, Pakistan, Thailand, the United States and Viet Nam.



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



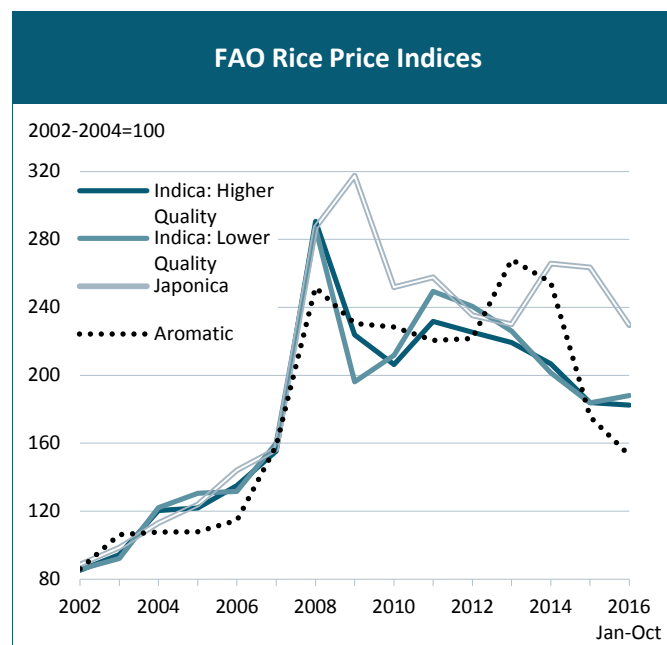
world. This would be especially the case in **China (Mainland)**, where successive years of output gains and large imports may raise reserves by 4 percent to 101.5 million tonnes. Although efforts to dispose of hefty state stockpiles are also ongoing in China, the pace of these releases has been tamed by competition with more competitively priced foreign supplies. In the **Republic of Korea**, rice reserves are forecast to expand for the fourth successive year, this time by 17 percent to 2.0 million tonnes. The expansions result from a combination of good harvests and steady cuts in domestic rice consumption. These have entailed increasingly larger volumes of state procurement in recent years, as officials attenuate downward pressure on local prices. In the case of **Egypt**, a 27 percent gain to 750 000 tonnes would also be linked to government efforts to reconstitute stockpiles. In addition to a resumption of local procurement and the extension of the ban on rice exports, these have recently entailed imports through the General Authority for Supply Commodities (GASC). Good production results may also lead to accumulations in both **Colombia** and the **European Union**, with an output recovery also enabling some gains in the **Philippines** to 2.8 million tonnes. Conversely, **Bangladesh** is seen drawing its reserves down by 600 000 tonnes to 6.7 million tonnes, in order to meet consumption needs in the wake of smaller crop and significant import cuts. An output reduction and fewer imports are also anticipated to lower **Sri Lanka's** record 2015/16 stockpile to some 550 000 tonnes, with cuts in **Japan** instead associated with greater use of rice in non-food uses, mostly as animal feed. A more severe cut is expected to take place in **Brazil**, where inventories are officially seen 67 percent lower year-on-year, at 215 000 tonnes, in the wake of poor 2016 crop and still sizeable exports.

## INTERNATIONAL PRICES

### *International rice prices resume their downward trajectory*

International rice prices interrupted a two-year downward trajectory in May, amid a tightening of exportable availabilities in the major rice origins. This tendency lasted until August, when prospects of good harvests in the northern hemisphere and a lack of revival in import demand began to weigh on market sentiment. The FAO All Rice Price Index (2002-2004=100) shed 5 points that month and another 10 points since then to arrive at a mid-October value of 185 points. Prices eased in all the major rice market segments, but the most pronounced falls concerned the Indica market. Subdued demand for both white and parboiled supplies lowered the October value of the Higher Quality Indica Index to its lowest in eight years, or 168 points. The Lower Quality Indica and Aromatica indices also hit multi-year lows of 181 and 152 points,

respectively, as poor buying interest outweighing support provided by tight broken availabilities and prospects of reduced basmati output. Declines in medium-grain quotations were somewhat more contained, thanks to a pick-up in sales to the Far East. This positioned the Japonica Index at 217 points, 2 percent below July levels. As a result of these trends, the January-October average of the FAO All Rice Price Index stood 9 percent below its corresponding level in 2015, at 195 points.



Among the various origins, export quotations in **Thailand** registered the steepest gains over the second quarter of 2016, surging up to 22 percent over their level at the start of 2016. The strength mirrored a particularly poor 2015 off-season outcome, encouraging the Thai Government to increase the pace of supply releases from its stockpiles. The multiple auctions held by Thai officials between May and August concluded with the sale of 3.0 million tonnes of rice, representing a third of the total volume offered by the Government. The only partial success mirrored more optimistic official expectations regarding prices fetched by these supplies and an otherwise subdued trading environment. Indeed, by August Thai quotations had come under downward pressure, amid a dearth of substantial sales and increasingly clear prospects of improved 2016 availabilities in both Thailand and its main competitors. Benchmark Thai 100% B declined by 5 percent that month and by a further 14 percent since then. This repositioned it close January 2016 levels at an October<sup>5</sup> average of USD 374 per tonne. Thai parboiled rice incurred an even steeper fall, following the arrival of freshly harvested paddy and intense competition with India to cater to the little demand left in the absence of important West African buyers, such as Nigeria.

<sup>5</sup> Two weeks only.

With sales confined to traditional Latin American and Caribbean outlets, expectations of a bumper crop also pressured long-grain quotations in the **United States**. US N.2 4% slid to USD 404 per tonne, down 11 percent from July and its lowest since August 2006. In the Japonica segment, sales to Far Eastern markets tended to cushion falls. Nonetheless, reflecting the heavy losses registered earlier in the year, by October US N.1/4 was quoted 31 percent below year-earlier values, at USD 580 per tonne.

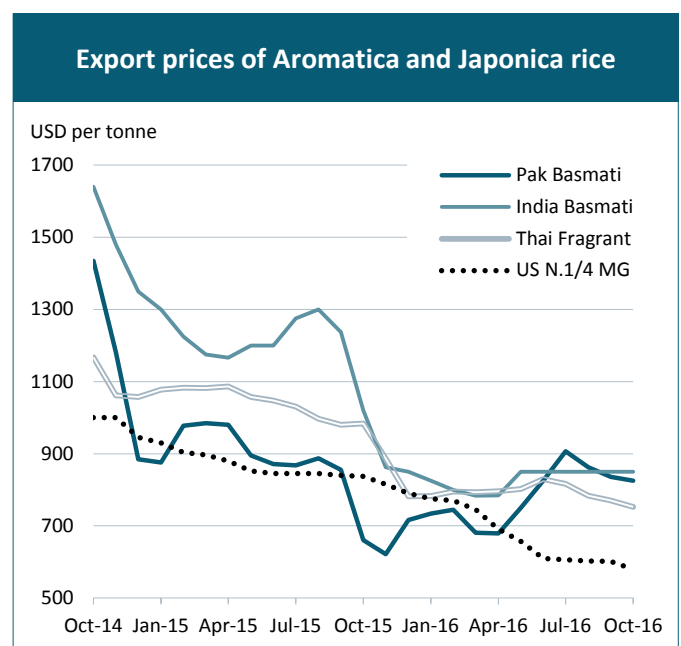
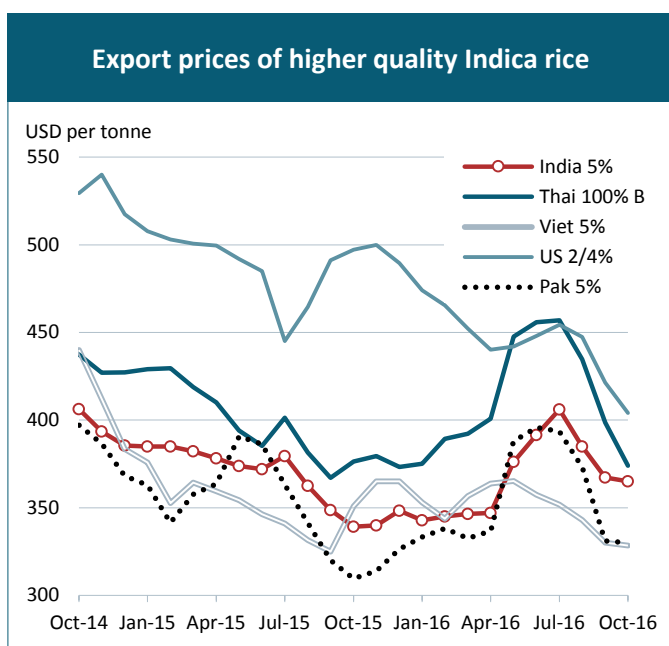
**Viet Nam** stood as the only major origin to remain largely unaffected by the price strength exhibited in the second quarter of the year. Export quotations in the country declined steadily since May, reflecting a sluggish pace of sales to Asian destinations. This was the case in China (Mainland), where Vietnamese exports have faced strong competition with those of Pakistan and Thailand on the official front, while cross-border sales were being concomitantly slowed by heightened Chinese border surveillance. With added pressure exerted by summer-autumn arrivals, these factors served to more than outweigh support provided by the return of Filipino buyers since late August. As a result, October quotes of Vietnamese 25% broken rice stood at USD 313 per tonne, down 6 percent from July values.

A four-month upward streak in quotations in **Pakistan** came to end in August, when efforts to attract fresh sales ahead of new crop arrivals weighed heavily on quotations. By October, 25% broken from the country traded at USD 305 per tonne, down 17 percent from July and 2 percent below Vietnamese equivalents against which it had commanded a premium since May. In the absence of substantial deals, tighter availabilities ahead of the new harvest also failed to support Aromatica quotations in the

country. Accordingly, Basmati quotes shed 9 percent of their July value to arrive at USD 825 per tonne.

Efforts to attract new business also pressured white rice prices in **India**, as reflected in a 9 percent slide in 25% broken prices to USD 328 per tonne. Falls extended into the parboiled segment, as support provided by tight paddy availabilities and sales to Iraq failed to compensate for diminished demand from Nigeria. Indian fragrant quotations displayed more resilience, amid expectations of a sharply reduced basmati crop. Nonetheless, sentiment in this segment remained weighed by the absence of Iranian buyers, keeping Pusa Basmati 17 percent below year-earlier levels at USD 850 per tonne.

As to prospects for the upcoming months, international rice quotations could remain under downward pressure as main-crop harvests gather pace in the northern hemisphere. On the supply side, developments affecting the progress of 2016 secondary crops in the northern hemisphere and of 2017 main crops south of the Equator could also influence price movements in the months ahead. However, much is still likely to hinge on demand-side factors. Depreciated currencies and generally adequate domestic availabilities dampen expectations of marked improvement in import demand. However, lower international offerings could encourage the return of major buyers to the market, thus attenuating seasonal pressure on quotations. Policies will also need continued attention, for instance in Thailand, which has already announced a halt to stock release in order to avert downward pressure on prices. The pace of Government procurement in India and other official steps to sustain local quotations will be similarly influential, as will development in other cereal markets.



FAO Rice Price Indices					
	All	Indica		Japonica	Aromatic
		Higher quality	Lower quality		
2002-2004 = 100					
<b>2012</b>	<b>231</b>	<b>225</b>	<b>241</b>	<b>235</b>	<b>222</b>
<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>2015</b> October	199	179	175	251	154
November	196	180	178	244	146
December	197	180	181	242	152
<b>2016</b> January	195	179	181	240	149
February	197	180	181	244	148
March	196	180	184	242	142
April	195	181	187	236	145
May	199	191	195	230	151
June	198	191	198	223	159
July	200	193	199	222	166
August	195	186	192	221	161
September	189	174	184	221	156
October*	185	168	181	217	152
<b>2015</b> Jan.-Oct.	213	185	185	268	181
<b>2016</b> Jan.-Oct.	195	182	188	230	153
<b>% Change</b>	-8.6	-1.3	1.8	-14.2	-15.5

Source: FAO

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

\*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>2011</b>	565	563	577	549	505	546	409	433	511	467	464	821	1 060	1 054
<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>2015</b>														
October	376	373	497	368	351	510	312	286	358	332	323	837	661	984
November	380	371	500	368	365	510	310	287	359	345	329	815	621	887
December	373	364	490	363	365	503	326	296	356	345	332	790	716	782
<b>2016</b>														
January	375	377	474	369	353	479	321	303	361	340	331	775	734	783
February	389	390	466	384	344	470	316	310	374	330	339	770	745	795
March	392	391	452	384	357	435	323	309	375	341	343	745	681	793
April	401	402	440	393	364	427	327	317	383	345	351	691	679	797
May	448	444	442	433	365	453	346	348	415	346	355	658	750	802
June	456	455	448	441	358	463	361	360	422	337	356	610	825	830
July	457	492	454	442	352	492	362	367	423	332	362	606	907	816
August	435	438	448	422	343	505	337	346	409	328	367	603	863	783
September	399	396	421	385	330	502	326	318	379	319	358	602	836	770
October*	374	382	404	368	329	488	328	305	364	313	350	580	825	753
<b>2015</b> Jan.-Oct.	399	397	489	390	350	548	341	324	376	332	326	867	886	1 043
<b>2016</b> Jan.-Oct.	413	417	445	402	349	471	335	328	390	333	351	664	784	792
<b>% Change</b>	3.3	5.0	-8.9	3.0	-0.2	-14.1	-1.9	1.5	3.9	0.3	7.7	-23.5	-11.4	-24.0

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>6</sup>

Area	Date	Policy Instrument	Description
Bangladesh	Aug-16	Food subsidies	Extended the 2016 Boro procurement target by an additional 250 000 tonnes, to a total of 700 000 tonnes of paddy and 850 000 tonnes of milled rice. Supplies are to be purchased by 30 September 2016, at a price of BDT 23 per kg (USD 288 per tonne) for paddy and BDT 32 per kg (USD 400 per tonne) for rice.
Bangladesh	Sep-16	Food subsidies	Launched the “Food-friendly Programme”, under which the government will provide 5.0 million ultra-poor families with 30 kg of rice per month for a period of five months (September–November and March–April), at a subsidized price of BDT 10 (USD 0.1) per kg.
Brazil	Sep-16	Stock release	Sold 17 100 tonnes of paddy from state reserves, out of a total of 35 000 tonnes offered through two auctions held on 1 September 2016.
Brazil	Sep-16	Stock release	Sold 5 500 tonnes of paddy from Government reserves through two auctions held on 14 September 2016. The latter offered a combined 17 900 tonnes of paddy for sale.
Brazil	Sep-16	Stock release	Sold 25 200 tonnes of paddy from Government reserves, out of 35 000 tonnes offered through two auctions held on 30 September 2016.
Brazil	Oct-16	Stock release	Sold 10 100 tonnes of paddy from Government reserves through two auctions held on 7 October 2016. These offered a combined 10 800 tonnes of paddy for sale.
Cambodia	Sep-16	Production support	Announced that it would avail a credit line of USD 27 million to processors through the Rural Development Bank (RDB) to aid them procure close to 100 000 tonnes of fragrant rice from the domestic market. The measure seeks to stabilise domestic quotations at harvest time.
China (Mainland)	Oct-16	Import quota	Decided to keep the 2016 tariff-rate import quota for rice unchanged at 5.32 million tonnes.
Colombia	Aug-16	Support prices, warehouse receipts program, import quota	Decided that the storage incentive programme would cover 500 000 tonnes of paddy harvested in the second half of 2016. The scheme would be executed in two phases: the first covering up to 173 000 tonnes of paddy, starting from August 2016; while the remaining volume would be covered successively depending on available financial resources. The programme will provide COP 28 890 (USD 9.7) to cover the cost of storing a tonne of paddy per month, on condition that these supplies be purchased at reference prices ranging from a minimum of COP 127 000 to a maximum of COP 157 000 per 125 kg of paddy (USD 345–427 per tonne), depending on the various producing regions. Purchases conducted under the programme would also serve to determine potential rice import requirements and their allocation among its participants in 2017 and 2018.
Costa Rica	Sep-16	Consumer prices	Amended ceiling/floor prices of various rice qualities consumed in the country, effective 6 September 2016. According to the decision, the price band of the widely consumed 80–20 rice would be replaced by fixed retail price of CRC 621 (USD 1.1) per kg, representing a 1.6 percent reduction from the previously applicable minimum price.

<sup>6</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
Costa Rica	Oct-16	Import quota	Authorised the National Rice Corporation (CONARROZ) to import 63 000 tonnes of paddy, free of import tariffs, in order to ensure sufficient availabilities domestic consumption. Volumes are to be brought into the country between January and June 2017.
Egypt	Aug-16	Government procurement	Announced that it would target to absorb 2.0 million tonnes of domestic paddy, under its 2016 procurement campaign. The drive would offer farmers EGP 2 300–2 400 (USD 259–270) per tonne of paddy sold.
Egypt	Aug-16	Export ban	Decided that the ban on milled rice exports would remain in place and that it would be extended to all forms of rice, in order to ensure sufficient local availabilities and stable prices. Fully broken rice had been previously exempted from export restrictions.
Egypt	Oct-16	Import tender	Opened an international tender for the supply of at least 100 000 tonnes of rice, for prompt delivery. The tender followed official statements that would have the Egyptian Government import 500 000 tonnes of rice, in order to quell inflationary pressure and build a strategic reserve converging up to six months of domestic consumption.
Ghana	Jul-16	Import restrictions	Rescinded the ban on rice imports through land borders, in place since November 2013. According to the decision, imports through the Elubo, Sampa and Nkrankwanta borders would be permitted as of 1 August 2016, with further border points to be open successively for overland deliveries.
India	Aug-16	Export restrictions	Permitted exports of basmati rice through Land Custom Stations on the Indo-Bangladesh and Indo-Nepal borders, subject to volumes being registered with the Director General of Foreign Trade (DGFT). Effective 1 October 2016, exports of basmati rice under Documents against Acceptance will also no longer be permitted, unless such transactions are guaranteed by a bank or the Export Credit Guarantee Corporation of India, Ltd. (ECGC).
Indonesia	Sep-16	Consumer prices	Established reference prices for seven commodities to guide the state's market intervention schemes and stabilize prices. In the case of milled rice, the producer price floor was set at IDR 7 300 (USD 561 per tonne), while a ceiling of IDR 9 500 (USD 0.7 per kilo) would apply for consumer prices. The reference prices will be valid for four months.
Iraq	Jul-16	Import agreement	Signed a memorandum of understanding with the United States, under which the latter would provide Iraq with technical assistance on international purchases of agricultural products, while being considered the preferred supplier of rice in tenders conducted by Iraq to source supplies for its public distribution system.
Liberia	Aug-16	Import tariff	Renewed import tariff exemptions on semi/wholly milled and broken rice, with immediate effect. The move is geared at keeping supplies of rice at affordable prices for domestic consumers.
Nigeria	Aug-16	Production support	Launched the Agricultural Sector Policy Roadmap ("Green Alternative"), setting out food security, import substitution, job creation and economic diversification as its 2016–2020 policy priorities. For the purpose, it would seek to promote productivity improvements, private sector investment in agriculture, while pursuing institutional strengthening and realignment, in partnership with state-level authorities. Initial focus would be given to improving food security by expanding production of rice, wheat, maize, soybeans and tomatoes, while also promoting exports of cocoa, cassava, oil palm, sesame and gum Arabic.
Philippines	Aug-16	Import quota	Held a tender to import 250 000 tonnes of 25% broken rice, on a government-to-government basis, in order to refurbish stockpiles and compensate for output losses associated with the El Niño weather anomaly. Of this volume, 150 000 tonnes were awarded to Viet Nam, with Thailand supplying the balance.

Area	Date	Policy Instrument	Description
Philippines	Sep-16	Import quota	Opened applications to the private sector to import 805 200 tonnes of rice under Minimum Access Volume (MAV) country-specific and omnibus quotas. Imported volumes are to comprise specialty rice and/or well-milled rice with less than 25% broken. They will be liable to a 35 percent import duty and are to arrive in the country no later than 28 February 2017.
Republic of Korea	Sep-16	Government procurement	Announced that the government would purchase 390 000 tonnes of rice from the 2016 harvest to stabilize local quotations. Payment for these purchases would be issued in advance, with the volume comprising 360 000 tonnes of rice, as part of the Public Rice Stockholding Program, and 30 000 tonnes as the country's contribution to the ASEAN Plus Three Emergency Rice Reserve (APTERR). Additional support measures would include loans to aid processors' purchase of local supplies, and steps to encourage greater export and use of rice for non-food purposes.
Republic of Korea	Oct-16	Government procurement	Announced that it would purchase all quantities deemed in excess of consumption, in order to stabilise domestic prices. The final volumes to be purchased would be determined in November, with these purchases coming in addition to the 390 000 tonne volume announced in September 2016.
Senegal	Aug-16	Production support	Oversaw the signing of a memorandum of understanding between sector representatives under which importers committed to purchase 50 000 tonnes of rice from the 2016 season harvest and 1 500 tonnes currently stored by millers. Under the accord, importers would pay XOF 240 000–245 000 (USD 405–414) per tonne of 100% broken rice and XOF 275 000–280 000 (USD 465–473) per tonne of whole-grains.
Sri Lanka	Aug-16	Government procurement	Decided to purchase 120 000 tonnes of paddy from the 2016 Yala harvest, allocating LKR 4 billion (USD 27 million) for the purpose. Under the procurement drive, the Paddy Marketing Board will offer farmers LKR 50 per kg of Keeri Samba purchased (USD 334 per tonne), LKR 41 per kg (USD 274 per tonne) of Samba paddy and LKR 38 per kg (USD 254 per tonne) in the case of Nadu paddy.
Taiwan province of China	Jun-16	Production support	Announced that it would implement a pilot project in six townships in order to encourage environment-friendly, high-quality rice production. Under the initiative, qualified farmers would receive a direct payment of NTD 10 000 (USD 319) per hectare, as an alternative to the prices guaranteed under the state's purchasing programmes. The outlay would be issued for the second crop of 2016, to farmers possessing a land lease contract or other farming arrangements and who have cultivated the second crop in the preceding three years.
Thailand	Oct-16	Production support	Approved amendments to the on-farm mortgaging programme for fragrant and glutinous paddy from northern and north-eastern provinces. According to the decision, to assist producers put off the sale of 2.0 million tonnes of paddy, ceilings on loans issued to cooperatives and other farming communities will be set at THB 5 and 20 million (USD 144 000–576 000), respectively, while producers would be allowed to redeem a portion of THB 1 500 (USD 43) per tonne storage compensation before they sell their produce into the market. In order to encourage the storage of an additional 8.0 million tonnes of paddy, traders and processors storing supplies for 60-90 days will receive an interest rate cut of 3 percentage points, whereas those holding on to paddy for 91-180 days will be provided with 4 percent interest cut.
Thailand	Jul-16	Stock release	Sold 370 000 tonnes of rice from Government reserves through three tenders held on 25 July 2016, which offered a combined 3.8 million tonnes of rice for sale. Volumes sold included 325 000 tonnes of rice for export and 45 000 tonnes of rice fit for food or industrial uses.

Area	Date	Policy Instrument	Description
Thailand	Aug-16	Stock release	Sold 755 000 tonnes of rice from Government reserves, out of a total of 1.0 million tonnes offered through two tenders held on 29 and 30 August 2016. Auctioned volumes comprised 703 000 tonnes of food-grade rice for export and 52 000 tonnes of broken rice for industrial uses.
Thailand	Sep-16	Stock release	Announced that it would suspend the release of supplies from government reserves in order to avoid downward pressure on local quotations at harvest time.
Thailand	Jul-16	Export promotion	Announced that it would take steps to streamline export procedures of strategic products, including rice. The initiative targets to cut the time required to export these commodities by 20 days and to cut the costs incurred by traders by 60 percent, by reducing the number of entities involved in procedures and encouraging the adoption of electronic platforms.



TABLE 1: WORLD PADDY PRODUCTION

	2011-2013	2014	2015	2016	Annual Change		2016	
	Average		Estimate	Forecast	2016 / 2015		Previous	Revision
	<i>million tonnes</i>					%	<i>million tonnes</i>	
<b>WORLD</b>	735.7	744.9	739.6	749.7	10.1	1.4	746.8	2.9
Developing countries	710.2	718.4	714.6	723.0	8.4	1.2	719.8	3.2
Developed countries	25.5	26.5	25.0	26.7	1.7	6.9	27.1	-0.4
<b>ASIA</b>	667.6	673.7	669.2	678.6	9.4	1.4	675.6	3.0
Bangladesh	50.8	51.8 G	52.4 G	52.3	-0.1	-0.2	52.3	0.1
Cambodia	9.2	9.3 G	9.3 G	9.5	0.2	1.8	9.4	0.1
China	204.6	208.2	209.8	210.8	1.0	0.5	211.0	-0.1
of which China (Mainland)	202.9	206.5 G	208.3 G	209.1 G	0.8	0.4	209.3 G	-0.2
India	158.6	158.2 G	156.5 G	161.5	5.0	3.2	159.0	2.5
Indonesia	68.7	70.8 G	73.0	71.9	-1.1	-1.5	71.9	-
Iran, Islamic Rep. of	2.2	2.3 G	2.7 G	2.9	0.2	7.4	2.8	0.1
Japan	10.8	10.8 G	10.5 G	10.6	0.1	1.1	10.6	-
Korea Rep. of	5.6	5.6 G	5.8 G	5.6 G	-0.2	-2.9	5.6	0.0
Lao PDR	3.3	4.0 G	3.8	4.0	0.2	4.7	4.0	-
Malaysia	2.6	2.6 G	2.7 G	2.6	-0.1	-3.5	2.6	-
Myanmar	28.3	28.2 G	27.5 G	28.0	0.5	1.9	28.0	-
Nepal	4.9	4.8 G	4.3 G	4.8	0.5	12.6	4.8	-
Pakistan	9.2	10.5 G	10.2 G	10.3	0.1	0.9	10.3	-
Philippines	18.0	18.9 G	17.5 G	18.7	1.2	6.9	18.7	0.0
Sri Lanka	4.1	3.4 G	4.8 G	4.5 G	-0.3	-7.2	4.5	0.0
Thailand	37.6	33.5	28.5	31.1	2.6	9.1	30.3	0.8
Viet Nam	43.4	45.0 G	45.2 G	44.2	-1.0	-2.2	44.5	-0.3
<b>AFRICA</b>	26.8	28.7	28.7	29.7	1.0	3.6	29.9	-0.2
<b>North Africa</b>	5.9	6.3	5.9	6.3	0.4	6.8	6.3	-
Egypt	5.9	6.2	5.9	6.3	0.4	6.8	6.3	-
<b>Western Africa</b>	12.9	14.0	14.3	14.8	0.5	3.5	15.0	-0.2
Côte d'Ivoire	0.7	0.8	0.9	0.8	0.0	-5.0	0.9	-0.1
Guinea	1.9	2.0 G	2.0 G	2.1	0.0	0.6	2.1	-
Mali	2.0	2.2 G	2.3 G	2.5	0.1	5.1	2.5	-
Nigeria	4.6	4.9	4.8	5.0	0.2	4.2	4.9	0.1
Sierra Leone	1.2	1.2	1.0 G	1.1	0.1	5.5	1.3	-0.2
<b>Central Africa</b>	0.5	0.6	0.5	0.5	0.0	-0.4	0.5	0.0
<b>Eastern Africa</b>	2.6	3.2	3.6	3.6	0.1	1.5	3.7	0.0
Tanzania	2.1	2.6 G	3.0 G	3.0	0.0	1.3	3.0	-
<b>Southern Africa</b>	4.7	4.6	4.3	4.3	0.1	1.5	4.3	0.0
Madagascar	4.2	4.0 G	3.7 G	3.8 G	0.1	2.5	3.8	0.0
Mozambique	0.3	0.4 G	0.4 G	0.3 G	0.0	-6.7	0.3 G	-
<b>CENTRAL AMERICA &amp; CAR.</b>	2.8	2.9	2.6	2.8	0.2	6.1	2.8	0.0
Cuba	0.6	0.6 G	0.4 G	0.5	0.1	19.6	0.5	-
Dominican Rep.	0.9	0.9 G	0.9 G	0.9	0.0	1.6	0.9	-
<b>SOUTH AMERICA</b>	24.5	24.7	25.5	23.4	-2.1	-8.3	23.0	0.4
Argentina	1.6	1.6 G	1.6 G	1.4 G	-0.2	-10.3	1.4 G	-
Brazil	12.3	12.1 G	12.4 G	10.6 G	-1.8	-14.8	10.5 G	0.1
Colombia	2.0	1.9 G	2.1	2.5	0.4	19.6	2.2	0.3
Ecuador	1.2	1.2 G	1.2	1.2	0.0	0.8	1.2	-
Peru	2.9	2.9 G	3.1 G	3.2	0.1	3.1	3.2	0.1
Uruguay	1.5	1.3 G	1.4 G	1.3 G	-0.1	-6.6	1.3 G	-
<b>NORTH AMERICA</b>	8.7	10.1	8.7	10.7	2.0	22.7	11.1	-0.4
United States	8.7	10.1 G	8.7 G	10.7 G	2.0	22.7	11.1 G	-0.4
<b>EUROPE</b>	4.3	4.0	4.2	4.3	0.1	1.9	4.2	0.1
EU	3.1	2.9 G	3.0 G	3.0	0.0	1.0	3.0	0.0
Russian Federation	1.0	1.0 G	1.1 G	1.2	0.0	3.7	1.1	0.0
<b>OCEANIA</b>	1.0	0.8	0.7	0.3	-0.4	-62.0	0.3	-
Australia	0.9	0.8 G	0.7 G	0.3 G	-0.4	-63.7	0.3 G	-

## NOTES:

The 2016 paddy production season normally includes rice from the main paddy crops whose harvests fall in 2016, 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

	2012-2014	2015	2016	2017	Annual Change		2016	
	Average		Estimate	Forecast	2017 / 2016		Previous	Revision
	<i>million tonnes, milled basis</i>					%	<i>million tonnes</i>	
<b>WORLD</b>	42.0	44.6	43.1	43.4	0.3	0.7	43.9	-0.8
Developing countries	36.6	38.9	37.4	37.5	0.1	0.3	38.1	-0.7
Developed countries	5.4	5.7	5.8	6.0	0.2	3.5	5.8	-0.1
<b>ASIA</b>	20.1	23.2	20.9	21.1	0.2	0.8	22.2	-1.2
Bangladesh	0.5	1.1 G	0.2	0.4	0.3	166.7	0.3	-0.2
China	5.5	7.1	6.8	6.8	0.0	0.1	6.8	-
of which China (Mainland)	5.0	6.6	6.3	6.3	0.0	0.0	6.3	-
Indonesia	1.1	1.3	1.3	0.8	-0.5	-36.0	1.8	-0.6
Iran, Islamic Rep. of	1.6	0.8 G	1.1	1.1	0.1	4.8	1.1	-
Iraq	1.3	1.0	1.0	1.1	0.2	15.8	1.2	-0.2
Japan	0.7	0.7 G	0.7	0.7	0.0	0.0	0.7	-
Malaysia	1.0	1.1	1.2	1.2	0.0	0.0	1.2	-
Philippines	1.2	2.0	1.4	1.3	-0.1	-3.7	1.6	-0.3
Saudi Arabia	1.3	1.6 G	1.4	1.5	0.1	3.6	1.5	-0.1
United Arab Emirates	0.7	0.9	0.8	0.9	0.0	6.3	0.8	-
<b>AFRICA</b>	14.6	13.6	13.9	14.1	0.2	1.7	13.4	0.5
Côte d'Ivoire	1.3	1.3	1.4	1.3	-0.1	-5.0	1.2	0.2
Nigeria	3.3	2.2	2.3	2.5	0.2	8.7	2.3	-
Senegal	1.2	1.4	1.2	1.1	0.0	-4.3	1.1	0.1
South Africa	1.0	0.9 G	0.9	0.9	0.0	3.4	1.0	-0.1
<b>CENTRAL AMERICA &amp; CAR.</b>	2.0	2.3	2.4	2.4	0.0	0.0	2.4	0.0
Cuba	0.4	0.6	0.6	0.5	-0.1	-9.1	0.6	0.0
Mexico	0.6	0.6 G	0.7	0.7	0.0	2.3	0.7	0.0
<b>SOUTH AMERICA</b>	1.6	1.5	1.9	1.7	-0.2	-11.2	1.9	-
Brazil	0.7	0.3 G	0.8	0.7	-0.1	-13.3	0.8	-
<b>NORTH AMERICA</b>	1.1	1.1	1.2	1.2	0.0	0.9	1.2	-
United States	0.7	0.8 G	0.8 G	0.8 G	0.0	1.3	0.8 G	-
<b>EUROPE</b>	2.0	2.3	2.4	2.5	0.1	2.9	2.4	-
EU 1/	1.4	1.8 G	1.9	1.9	0.0	2.7	1.9	-
Russian Federation	0.2	0.2 G	0.2	0.2	0.0	0.0	0.2	-
<b>OCEANIA</b>	0.5	0.5	0.5	0.5	0.0	4.8	0.5	0.0

**NOTES:**

Totals computed from unrounded data.

G Official figure.

1/ Excluding EU intra-trade.

TABLE 3: WORLD RICE EXPORTS

	2012-2014	2015	2016	2017	Annual Change		2016	
	Average		Estimate	Forecast	2017 / 2016		Previous	Revision
	<i>million tonnes, milled basis</i>				<i>%</i>		<i>million tonnes</i>	
<b>WORLD</b>	42.1	44.6	43.1	43.4	0.3	0.7	43.9	-0.8
Developing countries	37.8	40.4	39.0	39.0	0.0	0.1	39.7	-0.8
Developed countries	4.3	4.2	4.1	4.4	0.3	6.1	4.2	0.0
<b>ASIA</b>	34.0	37.0	35.1	35.5	0.4	1.0	36.0	-0.8
Cambodia	1.2	1.2	1.3	1.3	0.1	4.0	1.3	-
China	0.4	0.3	0.5	0.4	0.0	-8.7	0.4	0.1
of which China (Mainland)	0.4	0.3 G	0.4	0.4	0.0	5.7	0.4	-
India	10.8	11.1 G	10.0	10.7	0.7	7.0	10.0	-
Myanmar	1.4	1.7 G	1.6	1.5	-0.1	-6.3	1.6	-
Pakistan	3.7	4.1 G	4.4	4.5	0.1	2.3	4.4	-
Thailand	8.1	9.8 G	9.9	9.4	-0.5	-5.1	9.9	-
Viet Nam	8.2	8.4	7.2	7.4	0.3	3.5	8.0	-0.9
<b>AFRICA</b>	0.6	0.5	0.6	0.5	0.0	-8.3	0.5	0.1
Egypt	0.4	0.4	0.4	0.4	0.0	-5.0	0.4	-
<b>SOUTH AMERICA</b>	3.3	2.9	3.3	3.1	-0.2	-7.1	3.4	0.0
Argentina	0.5	0.3 G	0.6	0.5	-0.1	-9.1	0.6	-
Brazil	0.9	0.9 G	0.8	0.7	-0.1	-6.7	0.8	-0.1
Guyana	0.4	0.5 G	0.5	0.5	0.0	-4.0	0.5	-
Uruguay	0.9	0.7 G	0.9	0.9	-0.1	-5.6	0.9	-
<b>NORTH AMERICA</b>	3.2	3.4	3.5	3.6	0.1	2.9	3.5	-
United States	3.2	3.4 G	3.5 G	3.6 G	0.1	2.9	3.5 G	-
<b>EUROPE</b>	0.4	0.4	0.4	0.4	0.0	-1.7	0.4	0.0
EU 1/	0.2	0.2 G	0.2	0.2	0.0	-8.3	0.2	0.0
Russian Federation	0.2	0.2 G	0.2	0.2	0.0	9.7	0.2	0.0
<b>OCEANIA</b>	0.5	0.3	0.2	0.4	0.2	74.8	0.2	-
Australia	0.5	0.3	0.2	0.4	0.2	75.0	0.2	-

**NOTES:**

Totals computed from unrounded data.

G Official figure.

1/ Excluding EU intra-trade.

TABLE 4: END OF SEASON STOCKS I /

	2012-2014	2015	2016	2017	Annual Change		2017	
	Average		Estimate	Forecast	2017 / 2016		Previous	Revision
	<i>million tonnes, milled basis</i>				<i>%</i>		<i>million tonnes</i>	
<b>WORLD</b>	160.2	174.8	170.9	169.9	-1.0	-0.6	165.5	4.4
Developing countries	154.4	168.4	164.6	163.4	-1.3	-0.8	159.2	4.1
Developed countries	5.8	6.4	6.3	6.5	0.3	4.4	6.3	0.3
<b>ASIA</b>	150.2	164.3	160.2	159.6	-0.6	-0.4	155.8	3.8
Bangladesh	6.9	7.5	7.3	6.7	-0.6	-8.2	6.9	-0.2
Cambodia	1.5	1.7	1.6	1.7	0.0	3.1	1.6	0.1
China	76.7	92.9	98.0	101.8	3.8	3.8	101.3	0.4
of which China (Mainland)	76.5	92.6	97.8	101.5	3.7	3.8	101.2	0.3
India	25.2	21.5	18.2	16.5	-1.7	-9.3	14.0	2.5
Indonesia	7.0	6.3	6.6	6.5	-0.1	-1.5	6.5	-
Iran, Islamic Rep. of	0.7	0.6	0.5	0.5	0.0	0.0	0.4	0.1
Japan	3.5	3.5 G	3.4	3.3	-0.1	-3.0	3.3	-
Korea Rep. of	1.1	1.5	1.7	2.0	0.3	16.8	2.0	-
Lao PDR	0.3	0.5	0.5	0.6	0.1	14.0	0.5	0.1
Malaysia	0.3	0.2	0.2	0.2	0.0	-2.2	0.2	-
Myanmar	3.2	2.5	2.2	2.2	0.0	0.0	1.8	0.4
Nepal	0.4	0.5	0.4	0.4	0.0	5.3	0.4	-
Pakistan	0.5	1.1	0.9	0.9	0.0	0.0	0.8	0.1
Philippines	2.0	2.6 G	2.7 G	2.8	0.1	2.4	2.8	0.1
Sri Lanka	0.2	0.4	0.7	0.6	-0.2	-21.4	0.6	-0.1
Thailand	16.2	16.2	10.7	8.4	-2.3	-21.5	8.0	0.4
Viet Nam	2.8	3.0	2.9	3.1	0.2	6.9	2.8	0.3
<b>AFRICA</b>	5.1	5.7	5.1	4.9	-0.2	-3.2	4.8	0.1
Egypt	0.7	0.7	0.6	0.8	0.2	27.1	0.7	0.1
Nigeria	1.1	1.0	0.6	0.6	0.0	0.0	0.5	0.1
<b>CENTRAL AMERICA &amp; CAR.</b>	0.5	0.5	0.5	0.5	0.0	7.7	0.5	0.0
Dominican Rep.	0.1	0.0	0.0	0.0	0.0	0.0	0.0	-
<b>SOUTH AMERICA</b>	2.4	1.7	2.5	1.9	-0.6	-25.0	1.6	0.2
Argentina	0.1	0.2	0.4	0.2	-0.1	-34.2	0.2	-
Brazil	1.3	0.6 G	0.7 G	0.2 G	-0.4	-67.2	0.1 G	0.1
Ecuador	0.1	0.1	0.1	0.0	0.0	-35.2	0.0	-
Peru	0.3	0.3	0.4	0.4	0.0	9.1	0.4	0.0
<b>NORTH AMERICA</b>	1.2	1.6	1.5	2.0	0.5	30.0	1.8	0.1
United States	1.2	1.6 G	1.5 G	1.9 G	0.5	31.2	1.8 G	0.1
<b>EUROPE</b>	0.7	0.7	0.8	1.0	0.1	14.4	0.9	0.1
EU	0.5	0.4 G	0.6 G	0.7	0.1	16.9	0.7	-
Russian Federation	0.1	0.1	0.1	0.1	0.0	18.2	0.1	0.1
<b>OCEANIA</b>	0.2	0.2	0.3	0.1	-0.2	-61.0	0.1	0.0
Australia	0.1	0.2	0.2	0.1	-0.2	-76.1	0.1	-
<b>GOVERNMENT STOCKS</b>								
Bangladesh	0.9	0.9 G	1.0 G	0.8	-0.2	-16.7	0.8	-
India	21.7	14.2 G	15.9 G	13.5	-2.4	-15.2	10.5	3.0
Japan	1.6	1.5 G	1.5	1.4	-0.1	-6.2	1.4	-
Philippines	0.6	0.8 G	0.9 G	1.0	0.0	4.0	0.9	0.1

**NOTES:**

Totals computed from unrounded data.

G Official figure.

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



**TABLE 5: RICE SUPPLY AND UTILIZATION IN MAIN EXPORTING COUNTRIES**

	Opening Stocks	Production	Imports	Total Supply	Domestic Use	Exports	Closing Stocks
<i>thousand tonnes, milled basis</i>							
<b>INDIA</b>							
2014-15	25 500	105 479 G	2 G	130 980	97 288	12 192 G	21 500
2015-16 est.	21 500	104 320 G	1	125 821	97 621	10 000	18 200
2016-17 f'cast	18 200	107 672	1	125 873	99 173	10 200	16 500
<b>PAKISTAN</b>							
2014-15	650	7 003 G	42 G	7 695	2 777	3 869 G	1 050
2015-16 est.	1 050	6 811 G	40	7 901	2 701	4 350	850
2016-17 f'cast	850	6 870	40	7 760	2 710	4 200	850
<b>THAILAND</b>							
2014-15	19 550	22 147	266	41 963	15 237	10 526 G	16 200
2015-16 est.	16 200	18 867	250	35 317	14 591	10 026 G	10 700
2016-17 f'cast	10 700	20 588	250	31 538	13 838	9 300	8 400
<b>UNITED STATES</b>							
2014-15	1 025 G	7 106 G	783 G	8 914 G	4 301 G	3 061 G	1 552 G
2015-16 est.	1 552 G	6 107 G	766 G	8 425 G	3 529 G	3 421 G	1 475 G
2016-17 f'cast	1 475 G	7 493 G	746 G	9 714 G	4 223 G	3 556 G	1 935 G
<b>VIET NAM</b>							
2014-15	2 730	29 234 G	543	32 507	21 492	8 015	3 000
2015-16 est.	3 000	29 390 G	500	32 890	21 568	8 422	2 900
2016-17 f'cast	2 900	28 730	550	32 180	21 930	7 150	3 100

**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>.

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