



# RICE MARKET MONITOR

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## ROUND UP

With the 2013 season about to be concluded, several countries have heightened their 2013 production estimates above those reported in November. They included China (Mainland), India, Pakistan and the Philippines, which had endured a number of climatic setbacks, but where damage to crops was reckoned to have been less severe than previously foreshadowed. Prospects also improved for Colombia, Indonesia, the Islamic Republic of Iran, Japan, Nepal, Sri Lanka, Tanzania and Thailand, while they deteriorated for Cambodia, the Lao People's Democratic Republic, Myanmar and Russia.

Overall, the revisions translated into a 3.5 million tonne upgrade of **2013 global paddy rice production** to 744.9 million tonnes (496.6 million tonnes, milled basis), which would entail a relatively low 1.1 percent increase from the previous season. The relatively modest performance of the rice sector over the season was the result of climatic problems witnessed by several important producers in Asia, including China, the Lao People's Democratic Republic and Malaysia, where production fell. On the other hand, most of the other countries in the region harvested larger crops, with sizeable increases expected in India, Indonesia and Pakistan. In Africa, strong production gains in the western and eastern parts of the continent were offset by a contraction in Madagascar, where output was depressed by erratic weather and pests. In the rest of the world, more favourable growing conditions boosted crops in Australia and in Latin America and the Caribbean, while poor price prospects at planting time trimmed output in the United States and in Europe.

This is the time of the year when the market attention is turning to the forthcoming season crops, some of which are already approaching the harvesting stage. According to the FAO first forecast, **global paddy production in 2014** could reach 751.0 million tonnes (500.7 million tonnes, milled basis), 0.8 percent more than currently estimated for 2013 and a third consecutive season of subdued growth. Much of the predicted slowdown rests on expectations of an El Niño recurring in mid-2014. Being associated with drought in Asia, the hub of rice production, the event may have a strong impact on yields, besides fostering a shift of planting towards less water demanding crops during the dry season. South of and along the equator, where the paddy campaign is more

advanced, sizeable increases in output are expected in South America, while drought conditions have hindered crops in Australia. Elsewhere, early expectations point to output rebounding in Africa, North America and Europe.

FAO has slightly lowered its November estimate of **international rice trade in calendar 2013**, which now stands at 37.3 million tonnes, about 3 percent (1.0 million tonnes) less than the 2012 record. Much of the year-to-year reduction in world imports was caused by a marked retreat of Indonesia and the Philippines from the market, following bumper crops. Nigeria and China, the most important rice destinations, also cut imports, albeit slightly, while inflows to the Islamic Republic of Iran, the Republic of Korea and Madagascar are estimated to have risen compared to 2012. As for exports, much of the brunt of the trade contraction was borne by Viet Nam, whose official exports were reported to have fallen by 1 million tonnes, consistent with the reduced purchases by Indonesia and the Philippines, two of Viet Nam's most important buyers. More contained reductions were experienced by Brazil, Myanmar, Thailand and Uruguay, a

## GLOBAL RICE MARKET SUMMARY

	2012-13	2013-14	2014-15	2013-14/ 2014-15
	Est.	F'cast	F'cast	Var
	<i>million tonnes, milled eq.</i>			%
<b>Production</b>	491.3	496.6	500.7	0.8
<b>Supply</b>	690.8	710.1	721.0	1.5
<b>Utilization</b>	461.7	470.6	478.4	1.6
<b>Food use</b>	402.5	410.4	417.1	1.6
<b>Feed use</b>	13.4	13.9	14.2	2.0
<b>Other uses</b>	62.4	66.0	70.8	7.3
<b>Trade</b> <sup>1/</sup>	37.3	39.3	39.5	0.4
<b>Ending stocks</b> <sup>2/</sup>	174.8	180.5	179.5	-0.5
				%
<b>Global stock-to-use ratio</b>	35.7	35.9	35.1	-
<b>Major exporters' stock-to-disappearance ratio</b>	28.0	27.8	27.0	-

<sup>1/</sup> January/December of the second year shown.

<sup>2/</sup> Closing stocks at the end of individual countries' marketing years.

consequence of high domestic prices. By contrast, Cambodia, China, India and Pakistan managed to step up their sales abroad.

**International trade in rice in 2014** is forecast to recover by 5 percent to 39.3 million tonnes, 1.0 million tonnes higher than foreseen in November and a new high. Faced with rising domestic prices and a thinning of reserves, Asian countries (Bangladesh, China, Indonesia, Malaysia, Nepal, the Philippines and Sri Lanka) would be responsible for much of the 2.0 million tonne expected increase in world imports. However, rice flows to countries in Africa are also anticipated to edge higher, mainly on larger purchases by Nigeria, Mali and Tanzania, as deliveries to Madagascar and Mozambique are forecast to be cut. Imports by countries in Latin America and the Caribbean may also rise, supported by larger inflows to Haiti and Bolivia, while those directed to Brazil may decline. On the supply side, ample availabilities in exporting countries, following large harvests and inventories, are intensifying competition for markets. Amid sustained efforts to curb its public inventories, Thailand is expected to capture much of the expansion in world demand, although most of the other rice exporters (Argentina, Brazil, Cambodia, China, Egypt, Guyana, Pakistan, Paraguay, the United States and Viet Nam) are also forecast to export more. Larger deliveries by these countries would come at the expense of reduced exports by India, which may, nonetheless, retain its number one position among exporters.

Consistent with the more positive outlook for 2013 crops, since November FAO has lifted its forecast of **global rice utilization in 2013-2014** by 1.0 million tonnes to 490.3 million tonnes (milled basis), or 2.5 percent above the previous year. Much of the season's consumption growth would be sustained by a continuing rise in direct human consumption, but larger amounts are also forecast to be destined to animal feed and other uses. Still tentative and based on early expectations over 2014 production, FAO sees **global rice utilization 2014-15** expanding further and reaching 502.0 million tonnes. Food intake is again expected to drive much of the growth, absorbing 83 percent of anticipated total use. Taking into account a projected 1.4 percent increase in world population, the **average rice per caput food intake** would rise marginally above the 2013-14 estimate of 56.9 kilos, to 57.0 kilos. Indeed, rice remains expensive in domestic markets, with many countries reporting lingering increases in local prices.

Based on the latest estimates, **global rice stocks carried over in 2014** are set to rise for the ninth consecutive year, reaching 180.5 million tonnes (milled basis), 1.5 million tonnes more than foreseen in November, and 3.2 percent above their opening level. Developing countries would be responsible for all of the stockpile, amassing 3 percent more, largely sustained by an increase in China. By contrast, much as a result of poor production results,

carryovers in developed nations could fall by 3 percent. Overall, the five major rice exporters are also expected to build up their reserves, owing to larger inventories in Pakistan, Thailand and Viet Nam, which would compensate for a drawdown in India and the United States. As a result of these changes, the **world stock-to-use ratio**, a key indicator of food security, is predicted to rise from 35.7 percent in 2012-13 to 35.9 percent in 2013-14. As for the five major exporters' **stock-to-disappearance ratio**, an indicator of the expected international market tightness, current forecasts point to a decline from 28.0 percent to 27.8 percent over the same period. Although still very preliminary and based on current prospects for production, trade and utilization, **global rice stocks carried over in 2015** are forecast to be trimmed for the first time in ten years, albeit by only 0.5 percent.

**International rice prices** have followed diverging trends in the past four months. Prices in the medium grain segment rose sharply amid prospects of diminished availabilities in the United States and Australia, the major Japonica suppliers, and continued export restraints in Egypt. This strength contrasted sharply with the weakness dominating the long-grain segment since early 2013. Indeed, reflecting the ample availabilities in the hands of major exporters, as well lukewarm buying interest, the high and low quality Indica sub-indices have continued to fall, retreating by 2-3 percent from November. Aromatic rice prices also edged lower, albeit less markedly, reflecting more ample supplies and a retreat of important buyers from the market, with the fragrant sub-index shedding 1 percent since November.

International rice export prices in the next few months are likely to be influenced by the progress of secondary crop harvests in northern hemisphere countries and of 2014 main crops along and south of the Equator. Given expectations of an overall ample supply in major exporting countries, these harvests could exert additional pressure on export quotations. Against this backdrop, buying decisions will play an important role. The Government of the Philippines has already announced plans to conduct an import tender in April, but the return of other important buyers could further attenuate the pressure for prices to fall. Looking forward, climatic events affecting the development of 2014 season crops, such as the potential El Niño event, are also likely to influence market sentiment. On the policy front, decisions in Thailand concerning Government support to the rice sector will hold particular sway, as will the pace with which officials continue the disposal of public stocks. The review of milled rice export restrictions by officials in Egypt will also need to be watched, as Egypt's return to the market could ease some of the on-going upward pressure on Japonica prices. Finally, as witnessed in recent months, movements of exchange rates could also very much influence prices in the various origins.

## PRODUCTION

### *Larger plantings sustain a 1.1 percent increase in global paddy production in 2013*

As the 2013 season is now approaching closure, FAO's forecast of global paddy production has been subject to a 3.5 million tonne upward revision.<sup>1</sup> The adjustment primarily reflects an improved outlook for crops in Asia, where the effects of adverse weather conditions on production are estimated to have been less pronounced than previously envisaged. This is particularly the case of China (Mainland), India, Pakistan and the Philippines, all of which are set to harvest larger crops. More buoyant output figures have also concerned Indonesia, the Islamic Republic of Iran, Japan, Nepal, Sri Lanka and Thailand, while projections were downscaled in the case of Cambodia, the Lao People's Democratic Republic and Myanmar. Outside of Asia, forecasts were mainly upgraded for Colombia and the United Republic of Tanzania, whereas prospects for the Russian Federation tended to deteriorate.

Taking these changes into account, global paddy production in 2013 is now forecast to expand by 1.1 percent to 744.9 million tonnes (496.6 million tonnes,

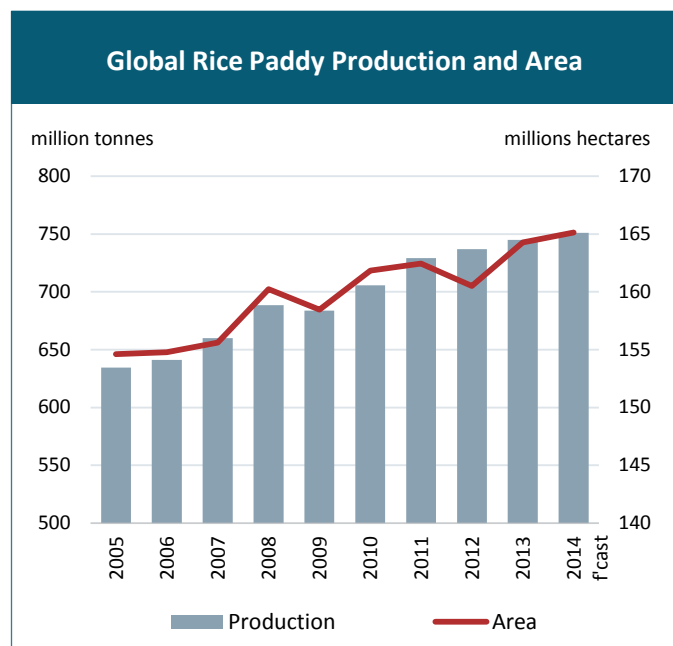
milled basis). All of the growth is anticipated to stem from an expansion in area under paddy to 164.3 million hectares, as average yields look set to decline by 1.2 percent to 4.5 tonnes per hectare. The depressed productivity levels mostly attest to the climatic difficulties endured by various important producers in Asia, which partly cancelled out the gains derived from area expansions supported Governments. More favourable growing conditions tended to boost crops in Australia and Latin America and the Caribbean, while low price prospects induced output contractions in the United States and Europe. In Africa, strong production growth in the western and eastern parts of the continent were offset by a weather and pest related shortfall in Madagascar, causing output in the region to stagnate.

At this time of the year, most countries located south of the Equator are already engaged in harvesting their 2014 main paddy crops, while the season has yet to begin across northern hemisphere countries. Based on FAO's first forecast for the season, global paddy production in 2014 is set to reach 751.0 million tonnes (500.7 million tonnes, milled basis). The forecast level would represent a 0.8 percent area-led expansion, implying a third consecutive season of subdued production growth. From a regional perspective, Asia is foreseen to drive much of the projected growth, although production prospects for the region are somewhat tempered by current climatic predictions pointing to a 50 percent likelihood of an El Niño event emerging during the northern hemisphere summer or fall. The occurrence of the weather phenomenon, which is often associated with drier conditions over parts of Asia, could prove of particular influence to the performance of the sector, given the reliance of main-crops on seasonal rains. South or along the Equator, where the paddy campaign is more advanced, more marked gains are expected to be staged in South American countries, which account for the bulk of Latin American production, while drought conditions have hindered crops in Australia. Elsewhere, early expectations point to output recovering in Africa, North America and Europe.

## Asia

### *India, Indonesia and Pakistan behind a 1 percent production expansion in Asia*

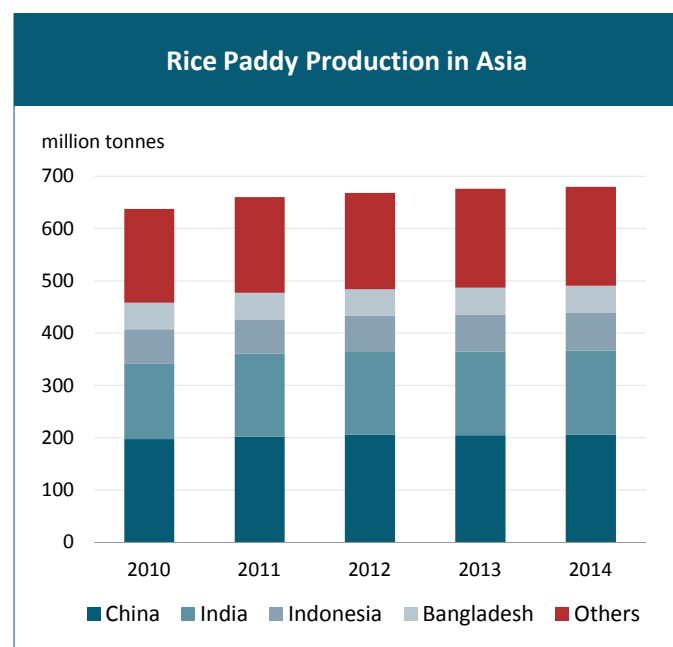
Since the last issue of the RMM, FAO has raised its forecast of 2013 paddy production in Asia to 675.8 million tonnes (450.7 million tonnes, milled basis), or 1 percent above the 2012 record. This positive turnout in the region is notwithstanding several important producers having faced adverse climatic conditions, often in the form of floods and storms. The erratic weather is anticipated to be reflected in a 1.4 percent decline in average yields in the region to 4.6 tonnes per hectare, which would partly offset



<sup>1</sup> The 2013 rice production season normally includes rice from the main paddy crops whose harvests fall in 2013, 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 2013 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 2014. In the case of southern hemisphere countries, production in 2013 normally comprises rice from the main paddy crops assembled in the first part of 2013, plus rice from the secondary crops, generally gathered in the latter part of 2013. This approach to assess rice production is applicable to any given season.

gains from a 2.6 percent expansion in coverage to 146.6 million hectares. At a country level, larger crops in **India**, **Indonesia** and **Pakistan** are expected to contribute to much of the season's growth, although **Bangladesh**, **Cambodia**, the **Islamic Republic of Iran**, **Japan**, the **Democratic People's Republic of Korea**, the **Republic of Korea**, **Nepal**, the **Philippines**, **Sri Lanka**, **Thailand** and **Viet Nam** are all forecast to end the season with favourable results. Gains in these countries would more than compensate for anticipated declines in **China (Mainland)**, **Malaysia**, the **Lao People's Democratic Republic** and **Timor Leste**.

As most countries in Asia will not launch the 2014 season until the arrival of monsoon rains over the region, FAO tentatively forecast production in Asia to expand by 3.7 million tonnes to 679.5 million tonnes (453.1 million tonnes, milled basis). A recovery in **China (Mainland)** and **Myanmar**, combined with further progress in **Indonesia**, would account for much of the projected growth. Nevertheless, prospects are also favourable for **Bangladesh**, **Cambodia**, the **Chinese Province of Taiwan**, **India**, **Democratic People's Republic of Korea**, the **Republic of Korea**, **Malaysia**, **Pakistan** and the **Philippines**. Conversely, less remunerative prices are anticipated to drive down production in **Japan**, the **Lao People's Democratic Republic** and **Thailand**, with weather induced contractions also anticipated in both **Nepal** and **Sri Lanka**.



In **Bangladesh**, the latest Government estimates confirm the overall favourable advance of the 2013 season. The first and smallest crop of the campaign, the Aus crop, is gauged at 3.5 million tonnes (2.3 million tonnes, milled basis), 8 percent above the previous year's poor outcome. The larger Aman crop, gathered between November and January, is also assessed 1 percent higher at 19.5 million tonnes (13.0 million tonnes, milled basis). In both cases,

the expansion was chiefly attributable to improved productivity, a reflection of the favourable climate prevailing, but also of the growing adoption of high yielding rice varieties. By now, farmers in the country are readying to garner the Boro crop, which is the season's largest. In spite of disruptions in the supply of fertilizers and fuel, associated with political turmoil early this year, FAO's outlook for this third crop is also positive, given the good weather conditions it has benefitted from and the area gains prompted by attractive prices. As a result, overall output in Bangladesh is forecast at 51.5 million tonnes (34.3 million tonnes, milled basis), up 750 000 tonnes from the 2012 level.

Although still preliminary at this stage, since planting of the Aus crop is just starting, FAO anticipates Bangladesh to gather 52.0 million tonnes (34.7 million tonnes, milled basis) in 2014. The forecast assumes average growing conditions prevail over the season and Government support to the sector, namely in the form of seed, fertilizer and fuel subsidies, continues as officials remain committed to minimising reliance on rice imports. In this vein, authorities in Bangladesh announced that an additional 1.1 million tonnes would be purchased from the 2014 Boro harvest. This is after the 2013/14 Aman procurement target was already doubled to 400 000 tonnes earlier in the year.

Production forecasts for **Cambodia** have been lowered by 160 000 tonnes since November, on Government assessments putting the 2013 harvest at 9.34 million tonnes (6.0 million tonnes, milled basis). The revised level would imply a 1 percent output expansion from the 2012 record level, an achievement that would come despite the loss of 128 500 hectares of paddies to the floods that affected 21 provinces of the country between September and November. Barring major setbacks, Cambodia is forecast to produce 9.4 million tonnes (6.0 million tonnes, milled basis) in 2014, largely replicating the 2013 excellent performance.

In February, the China National Grains and Oils Information Center raised its estimates of 2013 production in **China (Mainland)** by 540 000 tonnes to 203.3 million tonnes (139.25 million tonnes, milled basis). This would represent a 0.5 percent contraction from the 2012 production level, a shortfall primarily caused by falling yields, amid dry conditions and high temperatures. Compared to figures released in November, the late rice crop, the most negatively impacted by the adverse climate, is now assessed to have contracted by 5 percent to 35.6 million tonnes (24.4 million tonnes, milled basis), while estimates of early and intermediate crop output remained unchanged at 34.1 and 133.6 million tonnes (23.3 million and 91.5 million tonnes, milled basis), respectively. Meanwhile, farmers in the country are



already busy planting the 2014 early crop. Provided growing conditions normalise and given the continued Government incentives extended to the sector, overall output in China (Mainland) is forecast to amount to 204.5 million tonnes (140.1 million tonnes, milled basis) in 2014, 1 percent above the current 2013 estimate.

On 19 January 2014, The Chinese Government issued the Number 1 Central Document, reaffirming its commitment to promote grain production and maintain absolute self-sufficiency in rice and wheat. To this end, grain subsidies (including direct payments to farmers, subsidies on seeds and machinery and other inputs) are to be maintained and expanded, as will minimum support prices for rice and wheat. The main policy guidelines further underscored the need to keep arable land above the 120 million hectare “red line”, while promoting the development of trial subsidy programs linking support to actual areas planted or volumes produced, as a means of improving targeting of direct payments to farmers. In line with these directives, in February 2014, the National Development and Reform Commission (NDRC) raised support prices for rice by 2-3 percent to 2 700-3 100 (USD 439-504) per tonne.<sup>2</sup> Although this would mark the seventh successive annual increase in support prices, this year's is far more modest than the 7-10 percent rise approved in 2013 or the 9-18 percent rise approved in 2012.

The 2013 season will come to a close in **India** with the April-May harvest of secondary Rabi crops. Based on the Second Advanced Estimates of Production released by the Government in mid-February, 2013 paddy production in India is set to reach 159.3 million tonnes (106.2 million tonnes, milled basis), 1 percent above a revised 2012 outcome and nearly 300 000 tonnes more than envisaged in November by FAO. The record performance is expected to come notwithstanding a 0.4 percent contraction in the main Kharif crop to 137.99 million tonnes (92.0 million tonnes, milled basis). The decline was induced by below

average rains over eastern and north-eastern parts of India and by the passage of storms, namely cyclone Phailin and severe cyclonic storm Helen, which particularly damaged crops on areas of Odisha, West Bengal and Andhra Pradesh. Instead, all of the season's growth is forecast to stem from a 10 percent expansion in the Rabi crop to 21.3 million tonnes (14.2 million tonnes, milled basis), supported by favourable price prospects and ample water supplies ensured by overall abundant monsoon rains.

As to prospects for 2014, based on expectations of continued strong support to the sector, FAO anticipates production in India to expand further to 160.5 million tonnes (107.0 million tonnes, milled basis), up 1 percent year-on-year. The forecast is rather tentative at this stage, as the season will only be launched with the arrival of the monsoon early in June. The performance of the seasonal rains will be critical to the development of the main Kharif crop, which accounts for 86 percent of the country's overall production and is predominantly cultivated under rainfed conditions. On this backdrop, early indications of a possible occurrence of an el Niño event during the northern-hemisphere summer are particularly worrisome, as the climatic phenomenon is often associated with deficient monsoon rainfall. Although the first official forecast of monsoon rains over India has yet to be released, officials have already indicated that contingency plans are ready to be put in place to avert the potential negative impact of rainfall anomalies.

On the policy front, the Commission for Agricultural Costs and Prices has recommended that the Indian Government increase minimum support prices for paddy by 3-5 percent above the Rupees 13 100-13 450 (USD 213-219) per tonne set for 2013 crops. Official support through the Bringing the Green Revolution to Eastern India scheme is also set to continue, as is assistance provided under the National Food Security Mission (NFSM). First launched in October

#### CHINA: GOVERNMENT PADDY PROCUREMENT PRICES

	Early Indica Rice	Intermediate and Late Indica Rice	Japonica Rice	Early Indica Rice	Intermediate and Late Indica Rice	Japonica Rice	Early Indica Rice	Intermediate and Late Indica Rice	Japonica Rice
	Yuan per 50 kilo			Yuan / tonne			USD / tonne		
2006	70	72	75	1,400	1,440	1,500	175	180	187
2007	70	72	75	1,400	1,440	1,500	181	186	194
2008	77	79	82	1,540	1,580	1,640	220	226	234
2009	90	92	95	1,800	1,840	1,900	263	269	278
2010	93	97	105	1,860	1,940	2,100	272	284	308
2011	102	107	128	2,040	2,140	2,560	311	326	390
2012	120	125	140	2,400	2,500	2,800	378	394	441
2013	132	135	150	2,640	2,700	3,000	420	430	478
2014	135	138	155	2,700	2,760	3,100	439	449	504

<sup>2</sup> All currency conversions are as of 15 March 2014.

2007, the latter program has been extended under the country's 12<sup>th</sup> Five-Year plan (2012–17). Through its rice component, expanded to cover 24 states, the NFSM targets to raise rice production by 10.0 million tonnes through area expansions and yield improvements. Interventions to these effects comprise the promotion of the System of Rice Intensification (SRI) and hybrids, including through the provision of a Rupees 50/kilo (or 50 percent of the cost) subsidy on hybrid seeds, as well as financial assistance for buying agro-chemicals, micro-nutrients and farm implements.

In March, the **Indonesian** Government raised its estimates of 2013 production by 425 000 tonnes to 71.3 million tonnes (44.9 million tonnes, milled basis). The revised figure stands 3 percent above the already good 2012 result, an increase that relied solely on an expanded coverage of 13.8 million hectares, as yields remained stable around a high of 5.15 tonnes per hectare. As for the 2014 season, which is now approaching the main-crop harvest stage, FAO anticipates Indonesia to increase production by 700 000 tonnes, to 72.0 million tonnes (45.4 million tonnes, milled basis). Indeed, the paddy season is progressing generally well, despite sustained concerns over pest infestations, namely brown plant-hoppers in Eastern and Central Java. Heavy rains and ensuing floods also inflicted damages to crops, but assessments indicate that the impact of inundations on overall output will likely be small, especially as the Government is offering fertilizer and seed support to farmers to replant fields.

Based on the latest official data, the November-ended 2013 harvest in **Japan** yielded 10.8 million tonnes (7.8 million tonnes, milled basis), up 105 000 tonnes from the previous year. An 18 000 hectare area expansion was behind the increase, while, given favourable weather conditions, yields remained largely steady at highs of 6.7 tonnes per hectare. For the April-launched 2014 season, Japan is forecast to cut production by 1 percent to 10.6 million tonnes (7.7 million tonnes, milled basis). The decline rests on expectations that prospects of less favourable prices, which have been pressured by successive large harvests, will prompt farmers to plant less.

In November, the Japanese Government announced a significant overhaul of the country's national rice policy. The plan, to be put forward for parliamentary approval, envisages the abolition of the long-standing rice production adjustment program by the end of March 2019. This would leave farmers to make their planting decisions based on prices and the prevailing supply and demand situation, without Government-set targets geared at preventing excess production. Specific measures would include a gradual reduction of the Yen 15 000 per 10are (USD 1 476 per hectare) subsidy granted to producers

adhering to the rice diversion program and the abolition of payments to farmers in the event that prices fall below previous years' level, measures that had been set out in 2010 under the Income Support Direct Payments scheme. While these efforts seek to result in voluntary cuts to table rice cultivation, production of rice for other purposes is to be actively promoted via increases in the Yen 80 000 per 10are (USD 7 872) subsidy offered to farmers producing rice for flour or animal feed. Officials have also outlined plans to promote the consolidation of land from smallholders for lease to larger-scale farming operations. The initiatives are geared at addressing the structural problems facing the country's sector, namely the declining trend in food consumption of rice, small and fragmented farm holdings and an aging agricultural population, much of which engaged in farming only on a part-time basis.

There have been no changes in 2013 production figures for the **Republic of Korea**, which remain set at 5.72 million tonnes (4.2 million tonnes, milled basis), implying a full recovery from the losses incurred in 2012 to inclement weather. The 6 percent upturn was supported by higher yields, which compensated for continued declines in area planted to paddy. As for the 2014 season, which is not due for launch until the June planting of crops, FAO envisages little change in paddy output in the country, now forecast to amount to 5.74 million tonnes (4.26 million tonnes, milled basis).

In January 2014, the Korean Government raised support provided to paddy farmers under the Rice Income Compensation Act. According to the measure, producers will receive, as a direct payment, Won 900 000 (USD 837) per hectare of paddies cultivated in 1998-2000, 13 percent more than previously offered. The target price used in calculating deficiency payments was also raised to Won 188 000 per 80 kilos (USD 2 186 per tonne), up from the Won 170 083 (USD 1 977) level applicable since 2005, but short of the Won 230 000 (USD 2 674 per tonne) that had been demanded by farmers.

The 2013 offseason harvest is in progress in the **Lao People's Democratic Republic**. FAO has downgraded its forecast of 2013 production in the country by 200 000 tonnes to 3.3 million tonnes (2.0 million tonnes, milled basis), 5 percent below the year earlier level. The contraction is primarily expected to arise from area cuts, prompted by more attractive prices for alternative crops. FAO's production forecast for the 2014 season also points to a subdued outcome due to sustained infrastructural problems, namely damaged irrigation facilities, which are reported to continue hampering the reclamation of land for paddy cultivation. A total of 3.2 million tonnes (1.9 million tonnes, milled basis) of paddy are expected to be gathered in the country during the 2014 season, which will

only be launched with the May planting of main paddy crops.

The 2014 season is well advanced in **Malaysia**, where the bulk of the main crop harvest has already been collected. FAO's production outlook for the country is positive, pointing to a 3 percent annual recovery to 2.7 million tonnes (1.7 million tonnes, milled basis). The expansion is expected to be supported by an upturn in average yields, but also Government assistance to the sector, in the form of subsidies on inputs and machinery and incentives to raise yields. This year, farmers will also benefit from higher prices, after a January Government decision set paddy producer prices at Ringgit 1 200 per tonne (USD 366 per tonne).

In **Nepal**, officials indicate that the November-ended 2013 harvest concluded with excellent results. On the whole, 5.05 million tonnes (3.3 million tonnes, milled basis) are estimated to have been gathered, 12 percent more than the poor 2012 result and 450 000 tonnes more than previously envisaged. The outstanding turnout was facilitated by timely and abundant rains, which combined with sufficient input availabilities, permitted plantings to rise to 1.5 million hectares and yields to strike a new record of 3.4 tonnes per hectare. The 2014 season in Nepal will not be launched until the May planting of early paddy crops. Assuming a return to normal weather conditions, which may prompt yields to come down from 2013 highs, output in the country is preliminarily forecast to amount to 4.8 million tonnes (3.2 million tonnes, milled basis).

The estimate of 2013 production in **Pakistan** has also been subject to an upward revision of 932 000 tonnes to 9.6 million tonnes (6.4 million tonnes, milled basis). Government officials report that damages to floods affecting areas of Punjab were outweighed by recoveries in Sindh and Balochistan, permitting output to stage a 16 percent year-on-year recovery. All of the increase is reported to have derived from area expansions, a reflection of farmer's preference for rice over cotton and sugar cultivation. Looking at the qualities, much of the production increase reflected gains in non-basmati output, although aromatic rice production also rose to 3.1 million tonnes (2.0 million tonnes, milled basis). As for the 2014

season, Pakistan is provisionally forecast to produce 2 percent more, or 9.8 million tonnes (6.5 million tonnes, milled basis), under expectations that favourable price prospects and growing adoption of high yielding varieties will continue to drive area and yield gains. However, much of the success of the season will depend on the availability of water supplies for irrigation.

Overtuning earlier expectations of a production decline due to losses inflicted by the passage of storms, officials in the **Philippines** indicate that paddy production over the 2013-14 season (July-June) is set to expand by 4 percent to 18.9 million tonnes (12.4 million tonnes, milled basis). The figure is approximately 900 000 tonnes more than previously envisaged by FAO and an all-time record. According to Government assessments, sufficient input and water supplies, as well as Government programs promoting intensive cropping, translated into a 3.0 percent rise in main-crop output to 10.44 million tonnes (6.8 million tonnes, milled basis). From a regional perspective, larger crops in the Autonomous Region in Muslim Mindanao (ARMM), Caraga, SOCCSKSARGEN and Central Luzon more than compensated for losses caused by successive typhoons, including typhoon Haiyan, which affected crops in the Visayas the most. Official expectations are also of a strong increase in secondary crop production, thanks to a combination of attractive prices, ample water availabilities and a quick rehabilitation of damaged areas. Up to 8.4 million tonnes (5.5 million tonnes, milled basis) are expected to be gathered during the ongoing offseason harvest, 5.4 percent more than the year earlier. Prospects for the 2014 season in the country are rather preliminary at this stage, as the season will not be launched until July. Still, assuming growing conditions remain normal and on expectations that farmers will continue to react to strong domestic prices by expanding plantings, FAO tentatively forecasts the Philippines to outdo the 2013 production level by 2 percent, gathering 19.3 million tonnes (12.6 million tonnes, milled basis).

According to the latest figures released by officials, **Sri Lanka** gathered a record 4.5 million tonne (3.0 million tonnes, milled basis) crop during the 2013 season, concluded in September, implying a 16 percent area driven expansion. Prospects for the ongoing 2014 campaign are less favourable, on account of the unseasonable dryness

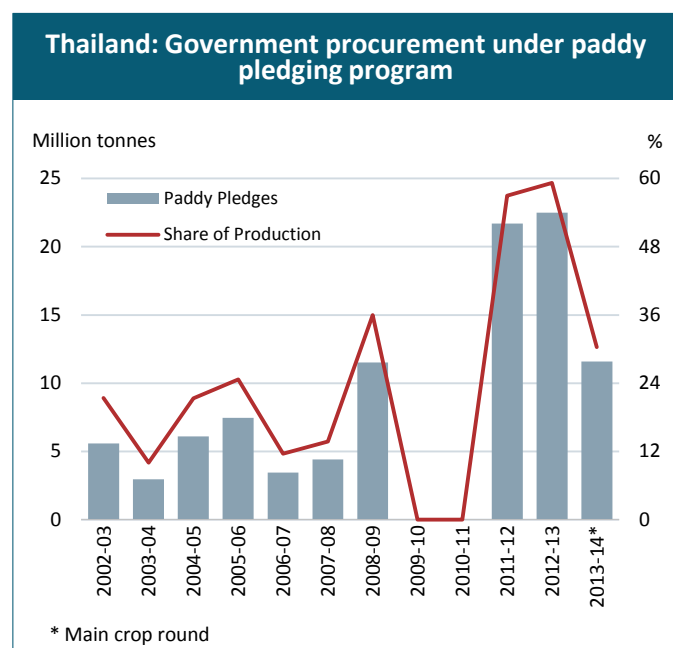
#### PAKISTAN: RICE PRODUCTION BY QUALITY

	Basmati			Non-Basmati			Total		
	2012-13	2013-14	Var %	2012-13	2013-14	Var %	2012-13	2013-14	Var %
	<i>000 tonnes, milled eq.</i>								
PAKISTAN	1758	2036	15.8	3778	4385	16.1	5536	6421	16.0
Punjab	1758	2036	15.8	1720	1351	-21.5	3478	3387	-2.6
Sindh	0	0	-	1844	2366	28.3	1844	2366	28.3
KPK	0	0	-	94	91	-3.2	94	91	-3.2
Balochistan	0	0	-	120	577	380.8	120	577	380.8

Source: Ministry of Food Security and Research

that has constrained the main paddy crop. By November, rainfall deficiencies are officially reported to have limited area coverage of the Maha crop to half its targeted extension of 808 000 hectares, with sowing operation in northern and eastern parts of the country hindered the most. Reduced water availabilities have also marred the outlook for the largely irrigated Yala crop, even as the Government launches efforts to bring more land under cultivation under a new three-year programme. As a result, production in Sri Lanka is forecast to contract to 3.8 million tonnes (2.6 million tonnes, milled basis), which, if confirmed, would stand 16 percent below the excellent 2013 outcome and at a six-year low.

FAO has raised forecasts of 2013 production in **Thailand** by 247 000 tonnes based on Government assessments indicating a likely harvest of 38.2 million tonnes (25.3 million tonnes, milled basis), which is 0.6 percent above a revised estimate for 2012. A 3 percent expansion in main-crop output to 28.0 million tonnes (18.6 million tonnes, milled basis) is anticipated to sustain all of the season's growth. It would serve to compensate for a 5 percent contraction in offseason production to 10.2 million tonnes (6.8 million tonnes, milled basis). The shortfall is reflective of the prolonged dry conditions that limited water availabilities for irrigation in the northern and central parts of the country, with offseason yields also negatively impacted by cold spells. The unfavourable climate compounded on prospects of reduced support under an amended paddy pledging program, thus stimulating cuts in area planted to paddy.



After absorbing a combined 44.2 million tonnes of paddy from the 2011 and 2012 crop harvests, the 2013/14 main crop round of the paddy pledging program in Thailand is reported to have ended with 11.6 million tonnes of paddy

pledged. Participating farmers have, however, faced significant delays in the issuance of payments, despite official efforts to shore up funds for the scheme through an accelerated pace of public stock releases, bond sales and emergency budgetary allocations. While the financial burden of the programme on the state have long been source of controversy, the electoral impasse gripping Thailand has culminated in the suspension the offseason round of the scheme. This is so given that, in its care-taker capacity, the Government does not possess the authority to commit resources to it. The cancellation of the secondary crop round of the scheme comes after local prices had already come under increasing downward pressure from amendments to the scope of the programme and public stock offloading. After falling steadily for much of 2013, farm-gate prices in Thailand stood at Baht 7 800 (USD 241) per tonne in February, 26 percent below their year-earlier level. As the price decline is expected to weigh on producer planting decisions and considering the uncertainty surrounding the future of Government support to farmers, FAO anticipates 2014 production in Thailand to fall to 37.5 million tonnes (24.8 million tonnes, milled basis), down 2 percent from the 2013 level.

The 2014 season is more advanced in **Viet Nam**, where harvest of winter-spring crops, the first and most important of the three cultivated each year, is underway. FAO's production outlook for the country points to the good 2013 performance being largely replicated, with 44.2 million tonnes (29.5 million tonnes, milled basis) expected to be gathered. Indeed, the season progresses well in Viet Nam, as winter-spring crops have benefitted from good climatic conditions, conducive to yield increases. The productivity gains are presently envisaged to offset losses stemming from official efforts to divert paddy land to other crops. The plan envisages putting 130 000 hectares of paddies to maize and soybean cultivation in order to curb excess paddy production and avert downward pressure on prices. In a bid to support quotations during harvest time, officials have also instructed member companies of the Vietnam Food Association to purchase 1.0 million tonnes of winter-spring rice, starting in March.

## Africa

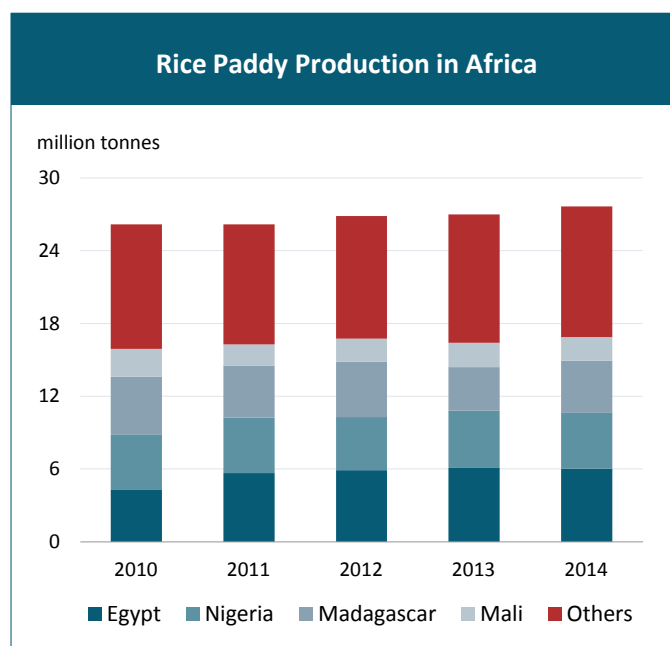
*Production to rise marginally in 2013, but larger crops in West and Southern Africa expected to revive growth in 2014*

The 2013 paddy season in Africa is still ongoing, as a few Western African countries have yet to gather offseason crops. The latest figures point to overall output in the continent reaching 27.0 million tonnes (17.6 million tonnes, milled basis) in 2013, up 200 000 tonnes from last reported in November, but marginally above the 2012 level. Looking at the various sub-regions, the shortfall incurred by Madagascar as a result of inclement weather



and locust outbreaks is assessed to have been largely balanced off by larger crops in Western and Eastern Africa. Output also grew in Egypt, the largest producer in the continent, while improved weather conditions are also assessed to have facilitated a recovery in Central Africa.

At this time of the year, the 2014 season is well underway in the southern parts of Africa, where main-crop harvesting activities are soon to be launched. Main paddy crops are also already in the ground in the eastern parts of the continent. The season is instead just starting in Egypt, while in West Africa it will not begin until May/June. FAO's first forecast of production for the African continent sees growth rekindling over 2014, with 27.7 million tonnes (18.1 million tonnes, milled basis) expected to be gathered. The anticipated 3 percent expansion would primarily reflect expectations of an output recovery in Madagascar, but production prospects in West and Central Africa are also positive. Paddy output in Egypt is, instead, foreseen to remain largely unchanged, while early prospects point to potential declines in eastern parts of the continent.



In **Northern Africa**, despite a long standing policy to curb rice cultivation to preserve scarce water resources, area expansions are estimated to have underpinned a 3 percent increase in 2013 production in **Egypt** to 6.1 million tonnes (4.2 million tonnes, milled basis). Egyptian authorities have recently affirmed their intentions of again limiting paddy plantings over the forthcoming season to 1.1 million feddans (462 000 hectares). However, official efforts to contain rice plantations have been met with little success in recent years, as farmers continue to opt for paddy cultivation due to attractive prices relative to other crops, especially cotton. As a result, FAO currently anticipates little change in Egyptian production in 2014, with the April

planted crop expected to remain in the order of 6.0 million tonnes (4.2 million tonnes, milled basis).

In **West Africa**, where a few countries are still engaged in offseason crop cultivation, the latest available figures confirm the overall favourable turnout of the 2013 season. On the whole, the sub-region is gauged to have gathered 13.4 million tonnes of paddy (8.5 million tonnes, milled basis), up 5 percent year-on-year and an all-time record. The excellent performance is in spite of late and poorly distributed rains, which negatively impacted crops in various countries. The most affected by the unfavourable weather were **Benin, Liberia, Niger** and **Senegal**, which are forecast to incur shortfalls as a result. Good crops in **Burkina Faso, Chad, Cote d'Ivoire, Gambia, Ghana, Guinea Bissau, Mali, Mauritania, Sierra Leone** and **Togo** are projected to make up for these contractions. At a country level, however, much of the growth would be imputable to a 7 percent production recovery in **Nigeria** to 4.7 million tonnes (2.8 million tonnes, milled basis), facilitated by a normal unfolding of the rainy season. In addition, the Government has continued to back the sector, including through the renewal of assistance to dry-season cultivation. A fund of Naira 14 billion (USD 84 million) has been allocated to the program, which targets to raise 2013/14 offseason production to 1.6 million tonnes by supporting 800 000 farmers with seeds and fertilizers at discounted prices. A favorable rainfall performance also permitted **Guinea** to make a sizeable contribution to the region's growth, producing a record-level crop of 2.1 million tonnes (1.4 million tonnes milled, basis), up 2 percent from 2012.

As to prospects for 2014 crops, these remain rather tentative at this stage, as much will depend on the performance of the seasonal rains, on which crops in the sub-region are largely dependent. Assuming climatic conditions remain normal, the sub-region is forecast to produce 13.6 million tonnes (8.6 million tonnes, milled basis), which would imply 1 percent rise from the current 2013 estimate. Rice continues to be at the centre of ambitious self-sufficiency programs in West Africa, which have promoted private and public investment in the sector, the adoption of improved seed varieties as well improvements in processing capacity. This is the case of **Cote d'Ivoire**, which is seeking to eliminate reliance on imports by 2016 and to export surplus produce by 2018, when production is targeted to reach 2.1 million tonnes. Recent initiatives to this end include an FCFA 79 billion (USD 167 million) investment, co-funded by the Government, Singaporean Export Trading Group (ETG) and sector representatives. The package is destined to boost processing capacity and provide inputs and machinery to six north-western regions of the country. The partnership adds to separate agreements struck last year with the French conglomerate Louis Dreyfus and the Swiss Novel

Group, which will in turn seek to boost production in the savannah and Yamoussoukro regions of the country. Supported by such initiatives, 2014 production in the country is envisaged to grow by 4 percent to 790 000 tonnes (474 000 tonnes, milled basis).

**Nigeria** is among the West African countries most notably engaged in efforts to cut reliance on imports, having set 2015 as its target self-sufficiency year under the Agricultural Transformation Agenda (ATA). Through the Growth Enhancement Support Scheme (GESS) and the Nigeria Incentive-Based Risk-Sharing System for Agricultural Lending (NIRSAL) schemes, the ATA program has promoted increased access to productive inputs and credit. Efforts to boost mechanisation have also been launched, while fourteen food processing clusters are eyed to be established across the country through public and private investment. Production prospects for the country have, however, been marred by forecasts issued by the Nigerian Meteorological Agency, which indicate likely delayed and early receding rains in 2014. As the predictions also point to most parts of the country receiving below average rains over the coming season, FAO preliminarily forecasts 2014 output in Nigeria to amount to 4.6 million tonnes (2.8 million tonnes, milled basis), which would imply a 2 percent contraction from the 2013 performance, but still stand out as an above-average performance.

Provided weather conditions normalize, **Senegal** is envisaged to recover much of the losses incurred in 2013 to inclement weather, gathering 700 000 tonnes (490 000 tonnes, milled basis). This level would stand 17 percent above the poor 2013 performance, but below the 900 000 tonnes targeted by the Government for the season. The objective falls part of a recently launched “Program for the Relaunch and Acceleration of Senegalese Agriculture” (PRACAS), which includes a rice specific component formulated to assist the Senegalese Government’s self-sufficiency endeavor. The country targets to raise paddy production to 1.6 million tonnes by 2017/18, more than twice the current outturn, an objective estimated to cost FCFA 425 billion (USD 897 million). Under the PRACAS program, efforts are to concentrate on intensifying irrigated rice cultivation in the Senegal River Valley and Anambé basin and, in the case of rainfed rice, in the Casamance region.

Among the major producers in the sub-region, output in **Sierra Leone**, which has followed an expansionary trend for the past ten years, is anticipated to rise further in 2014 to 1.2 million tonnes (720 000 tonnes, milled basis). Prospects for 2014 also point to favorable outturns in **Guinea**, with 2.1 million tonnes (1.4 million tonnes, milled basis) gathered, and in **Ghana**, with 530 000 tonnes (318 000 tonnes, milled basis) produced. **Burkina Faso**, **Gambia**,

**Guinea Bissau**, **Niger** and **Togo** may all also see production expanding, while less ideal weather conditions may entail contractions in **Chad** and **Mauritania**.

In **Eastern Africa**, 2013 production estimates for **United Republic of Tanzania** have been revised upwards by 150 000 tonnes to 2.0 million tonnes (1.3 million tonnes, milled basis), on higher estimated plantings and yields. The revised level would suggest an 11 percent output recovery from the 2012 poor outcome, an achievement made possible by good growing conditions and strong domestic prices. Production prospects for the 2014 season are not as favourable, primarily due to late and poorly distributed rains received during October through January, a period that coincides with plantings of the main season crop in the country. Although part of the losses could be compensated by greater offseason output or by larger crops in southern producing areas where rains were more favourable, Tanzania is presently forecast to gather 1.9 million tonnes (1.2 million tonnes, milled basis) in 2014, down 5 percent from the previous year’s estimate.

Countries located in **Southern Africa**, are well into the 2014 season, being about to launch main-crop harvesting activities. Within the sub-region, output prospects are positive for **Madagascar**, the largest producer in the area, which may close the year with a harvest of 4.3 million tonnes (2.9 million tonnes, milled basis). This level would represent a 19 percent upturn from the 2013 weather and pest-depressed outcome and an overall average performance. Indeed, the season has proceeded without major setbacks in the country, with crops receiving adequate rainfall, despite some localised cases of floods and dryness. Locust mitigation efforts are also ongoing under a three-year control program launched by FAO and the Government of Madagascar in November. Current expectations are that the impact of the migratory locust plague on paddy production will be limited this season. Crops in **Mozambique** also benefited from abundant precipitation this season, although incessant rains in February led to floods causing losses in the Zambezia and Sofala provinces. Against this backdrop, FAO anticipates to the country to harvest 340 000 tonnes (227 000 tonnes, milled basis) in 2014, 3 percent below the 2013 result, but still an above average performance.

## Central America and the Caribbean

### *Paddy production to stage a strong recovery from the 2012 storm affected outcome*

Production forecasts for Central America and the Caribbean, where a few countries have still to collect their 2013 secondary paddy crops, have been raised by 100 000 tonnes to 3.0 million tonnes (2.0 million tonnes, milled basis). The revised level would represent a 9 percent output recovery from the 2012 storm-affected outcome

and an all time record. The excellent performance was, to a large extent, facilitated by a low incidence of hurricanes. Indeed and despite early expectations of an active season over the Atlantic, 2013 closed with the fewest number of hurricanes since 1982. At a country level, production prospects have particularly improved for **Cuba**, where the season officially closed with a 16 percent expansion to 746 000 tonnes (498 000 tonnes, milled basis). The record-level achievement resulted from expanded coverage and higher yields, ensuing from a combination of favourable growing conditions and sustained investments in the sector. Higher productivity levels are also estimated to have supported a 10 percent production upturn in the **Dominican Republic** to 830 000 tonnes (548 000 tonnes, milled basis), with **Costa Rica**, **Haiti**, **Mexico** and **Nicaragua** also estimated to have posted gains. Although markedly lower than previously anticipated due to secondary crop losses caused by incessant rains and floods, **Honduras** too is anticipated to end the season with a 1 percent output expansion to 80 000 tonnes (53 000 tonnes, milled basis).

Largely based on expectations of normal weather conditions, Central America and the Caribbean is envisaged to replicate the excellent 2013 season outcome, with 3.0 million tonnes (2.0 million tonnes, milled basis) forecast to be gathered in 2014. Within the sub-region, forecasts point to **Cuba**, **Costa Rica** and **Mexico** making further inroads. In the case of the former, gains are expected to be anchored in the country's self-sufficiency programme, which has promoted investment in drying, processing and irrigation facilities, as well as the adoption of improved seed varieties. In Costa Rica, the expansion would be in part facilitated by the official decision to maintain the fixed-price regime for rice until 1 March 2015. In part sustained by a shift away from sugar cultivation, **Mexico** is also forecast to gather 5 percent more in 2014, or 220 000 tonnes (147 000 tonnes, milled basis). Under an Agricultural Sector Development Program, announced in December, the Government has set a target of raising paddy production to 270 000 tonnes by 2018. Interventions to this end will promote, among other efforts, productivity enhancements, including through an overhaul of the PROCAMPO payment scheme, as well as extension of inputs and infrastructural programs. Prospects are instead downbeat for **Panama**, given the high production costs and increasing competition with imports faced by the sector, which may depress output for the third consecutive year to 215 000 tonnes (141 000 tonnes, milled basis).

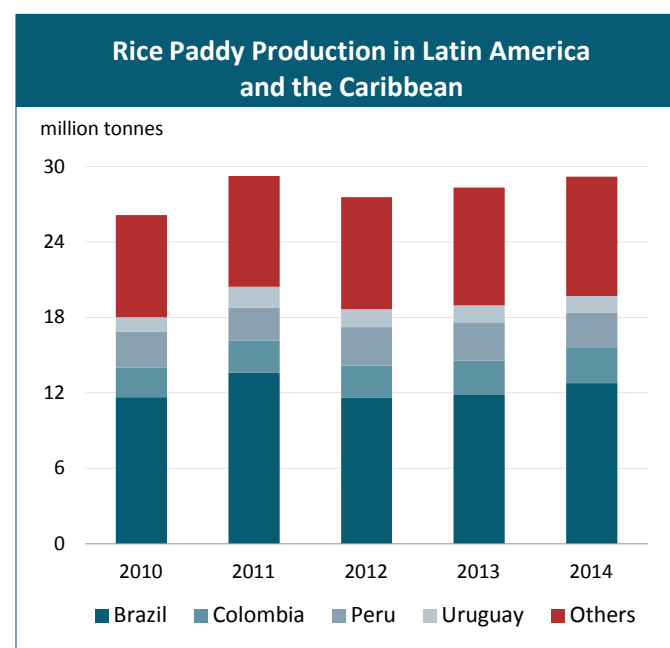
## South America

### *Brazil to lead a 3 percent output expansion in 2014*

In South America, where the season has come to full close, the 2013 production estimate stands somewhat higher than last reported, at 25.3 million tonnes (16.9 million

tonnes, milled basis). The revised figure continues to indicate a limited output recovery, in the order of 2 percent, relative to the 2012 contracted level. **Brazil**, which accounted much of the 2013 season's growth, is now assessed to have gathered 11.8 million tonnes (7.9 million tonnes, milled basis), 2 percent more than in 2012, thanks to higher yields. At 3.0 million tonnes (2.1 million tonnes, milled basis), estimates for **Peru** have also been raised and now practically match a revised 2012 record performance. Strong demand from the export sector, coupled with overall favourable growing conditions, also sustained record-level crops in **Guyana** and **Paraguay**, while output in **Venezuela** continued to recover. Favourable outcomes in these countries offset contractions in **Argentina**, **Bolivia**, **Chile** and **Uruguay**.

As to the 2014 season, now at main-crop harvest stage, prospects point to more pronounced gains in South America, which is forecast to gather 26.2 million tonnes (17.5 million tonnes, milled basis), up 3.4 percent year-on-year. Much of the increase would be on account of **Brazil**, where attractive prices and favourable growing conditions are likely to support a further increase in output. The production outlook is similarly positive for **Argentina**, **Colombia**, **Ecuador**, **Guyana** and **Paraguay**, whereas adverse weather conditions are predicted to prompt declines in **Bolivia**, **Peru** and **Uruguay**.



The latest assessment released by the Government of **Argentina**, where the 2014 harvest is ongoing, indicates that area planted to paddy grew by 4 percent relative to the 2013 low to 242 000 hectares. The expansion was facilitated by ample water supplies for irrigation, with producers in the country making further efforts to cut production costs by moving away from fuel to power irrigation. As a result and on expectations that the

generally favourable growing conditions prevailing will promote additional yield improvements, FAO anticipates output in Argentina to grow by 5 percent to 1.6 million tonnes (1.1 million tonnes, milled basis).

The 2014 season has proved more challenging in **Bolivia**, where 130 000 hectares are estimated to have been cultivated, down from 155 000 hectares the previous year. The decline reflects disruptions by untimely rains, with the industry further citing insufficient seed supplies and credit constraints as factors encouraging producers to shift to other crops. The area cuts were compounded by losses inflicted by torrential rains and floods in February, which particularly affected crops in the department of Beni. As a result, 2014 production in Bolivia is forecast to fall 8 percent below the already poor 2013 harvest to 400 000 tonnes (275 000 tonnes, milled basis).

In **Brazil**, where harvesting activities are in progress, production in 2014 is predicted to expand by 8 percent to 12.77 million tonnes (8.6 million tonnes, milled basis). Based on CONAB's latest production survey, 2.49 million hectares were put under paddy in the country. The 4 percent year-on-year expansion was supported by larger plantings in Mato Grosso and Rio Grande do Sul, which compensated for retrenchments incurred in north-eastern producing states under sustained competition with soybeans. In Mato Grosso, a sizable expansion is being associated with choice of rice cultivation over newly converted pastures, eventually destined to maize and soybean cultivation, due to the higher tolerance of rice to acid soils. Attractive prices and ample water supplies for irrigation were instead behind expansions in Rio Grande do Sul. Based on expectations of further productivity enhancements, this largest and most productive state is predicted to account for nearly half of the expected output growth. This is notwithstanding excessive rains forcing a part of the area under rice to be planted outside of the recommended period and further causing some delays at harvest time.

The outlook for **Chile**, where the 2014 season harvest is also underway, points to another subdued seasonal result. Production in the country is expected to amount to

131 000 tonnes (88 000 tonnes, milled basis), largely unchanged from the 2013 low level and below the 150 000 tonnes (101 000 tonnes, milled basis) collected in 2012. The stagnation follows sustained constraints in the availability of water for irrigation, as well as unseasonably high temperatures and windy conditions, factors that are anticipated to depress yields to a three-year low of 6.1 tonnes per hectare.

Production prospects are more favourable for **Ecuador**, which may see output expanding by 3 percent to 1.7 million tonnes (941 000 tonnes, milled basis). The increase is chiefly expected to reflect yield gains, facilitated by mild winter conditions, which have attenuated the spread of pests and diseases that negatively impacted productivity in previous years.

The 2014 campaign also progresses well in **Guyana**. Main season crops, by now already collected, developed under favourable weather conditions and without major setbacks. As a result and on expectations that the good climate will be conducive of further yield gains, overall production in the country is forecast to reach 850 000 tonnes (550 000 tonnes, milled basis), up 3 percent from the 2013 record. The forecast growth is notwithstanding downward pressure on domestic prices being exerted by successive large harvests, which have prompted the country to actively look for new outlets abroad.

The 2014 production outlook for **Peru** is negative, pointing to an 8 percent year-on-year contraction to 2.8 million tonnes (1.9 million tonnes, milled basis). The reduction is anticipated to stem from cuts in area planted to paddy, as rainfall shortfalls since November have significantly constrained water supplies for irrigation in important northern producing states. This is expected to be primarily the case of Piura and Lambayeque, two regions that normally account for a third of overall output in the country and where producers have been encouraged to cultivate less water demanding crops.

Production prospects have also deteriorated in **Uruguay**, which is now forecast to gather 1.33 million tonnes (931 million tonnes, milled basis), down from a revised level of 1.36 million tonnes (951 000 tonnes, milled basis) in 2013.

#### BRAZIL: PADDY PRODUCTION BY REGION IN 2013 AND 2014<sup>1/</sup>

Region	Area (000 ha)			Yields (Mt/ha)			Production (000 Mt)		
	2013	2014	Var %	2013	2014	Var %	2013	2014	Var %
<b>BRAZIL</b>	<b>2,400</b>	<b>2,486</b>	<b>3.6</b>	<b>4.93</b>	<b>5.14</b>	<b>4.3</b>	<b>11,820</b>	<b>12,770</b>	<b>8.0</b>
North	292	289	-1.1	3.53	3.58	1.3	1,030.2	1,032.8	0.3
Northeast	588	554	-5.7	1.27	1.79	40.6	747.3	990.4	32.5
Centre-West	225	316	40.1	3.42	3.28	-4.3	770.8	1,033.3	34.1
South East	45	39	-12.1	3.11	2.58	-16.9	138.5	101.1	-27.0
South	1,250	1,288	3.0	7.31	7.46	2.1	9,132.9	9,612.3	5.2

1/ For Brazil: 2012/13 and 2013/14 paddy seasons

Source: CONAB – Crop 2013/2014 - Sixth Assessment – March 2014



This would mark the third consecutive year of output contractions, reflecting setbacks encountered at planting time, namely untimely rains, which caused sowing delays and forced producers to leave some fields unplanted. Yield prospects were further compromised by above average rainfall and low sunshine levels during the crop reproductive stage.

## **North America, Europe and Oceania**

*Early prospects for 2014 point to output recoveries in the United States and the European Union, while insufficient water supplies constrain crops in Australia*

In **North America**, 2013 production estimates for the **United States** have only been slightly revised since the last issue of the RMM, with output officially assessed to have contracted by 5 percent to 8.6 million tonnes (6.1 million tonnes, milled basis). The retrenchment was imputable to area cuts resulting from more remunerative prices for alternative crops, as well as adverse weather at planting time. Still, average rice yields are assessed to have struck a new record of 8.6 tonnes per hectare, a reflection of growing adoption of long-grain hybrid varieties in Southern producing states, as well as improved weather after plantings. Meanwhile, the USDA's first outlook for 2014 crops, due for planting in April, points to area recoveries in reaction to prospects of favourable margins sustaining a 12 percent output rebound to 9.7 million tonnes (6.9 million tonnes, milled basis). Southern producing states are foreseen to account for all of the upturn, more than compensating for cuts in medium-grain output in California, where a reduction in water supplies for irrigation from a prolonged drought over the Sacramento Valley is expected to constrain plantings.

The anticipated 2014 production recovery in the United States comes notwithstanding an end to direct payments to growers, as the US Government moves away from providing guaranteed income support to farmers towards an insurance-based support program. This follows the 7 February 2014 passage of the Agricultural Act of 2014, or 2014 Farm Bill, which brought a close to a two-year negotiation over the future of farm policy in the United States. The Farm Bill, which authorizes agricultural programmes for 2014-2018 period, provides for the continuation of marketing assistance loans but repeals the Direct and Counter-Cyclical Payment Program (DCP) and the Average Crop Revenue Election (ACRE) programme starting with the 2014 crop year. In their stead, US farmers will have to opt between revenue-loss protection, offered under the Agricultural Risk Coverage programme (either on a commodity-by-commodity basis or for all covered commodities cultivated in a farm), or for protection against low prices under the Price Loss Coverage Programme (PLC). Choice of the latter will make farmers eligible for further revenue loss protection under a

supplementary programme, with the scheme expected to be of particular interest to US rice producers, who stand amongst those losing the most from the Direct Payments repeal. Similar to the previous counter-cyclical payments (CCPs), the PLC will issue payments to enrolled farmers in the event that Marketing Year Average Prices (or marketing assistance loan rates, depending on which is higher) fall below the reference prices established by Congress, namely USD 14.0/cwt (USD 309 per tonne) for long and medium grain rice and USD 16.1/cwt (USD 355 per tonne) in the case of Calrose medium grain rice. These levels exceed the USD 10.5/cwt (USD 231 per tonne) target price of the previous CCP programme, ensuring a higher probability of payments to producers in the event of a price fall.

In **Europe**, the 2013 season also closed with negative results in the **European Union**. Overall production is officially assessed at 2.87 million tonnes (1.7 million tonnes, milled basis), 8 percent short of the 2012 already contracted level. The retrenchment was the result of declines in both area and yields, following untimely rains and cold spring temperatures during early parts of the season. The contraction affected most producing countries, with France, Hungary, Italy, Portugal, Romania and Spain all gathering smaller crops. In Italy, the largest producer in the EU, successive area reductions have also been attributed to the 2012 integration of the Euro 75 (USD 104) per tonne crop-specific (coupled) payment into the decoupled area payment. Although not entailing a reduction in overall EU support to farmers, the move is said to have exposed rice to more competition with alternative crops. As for the 2014 season, it is fast approaching in the EU, with most countries expected to begin planting crops in April. Assuming weather conditions are more normal, rice output in the region is tentatively forecast to recover by 3 percent to 3.0 million tonnes (1.8 million tonnes, milled basis).

Meanwhile, the decoupled payment of Euro 177 per tonne, set out under the EU's Single payment scheme (SPS), will continue to be applicable for one last season in 2014. Indeed, 2014 is also expected to constitute an important transition year for the European rice sector, in particular with regards to changes to official support measures ensuing from the 2013 reform of the Common Agricultural Policy (CAP). The reform, which was finalized in December 2013 with the Council's approval of four basic legal texts, entered into effect on 1 January 2014 (except for the new direct payments system). It sets out new support eligibility criteria and provides for a gradual adjustment of direct payments through 2019 in order to make distribution of income support to farmers more equitable across the EU and within member countries. Under the new arrangements, the Single payment scheme is to be replaced by a Basic payment scheme (BPS) as of 1

January 2015, with individual countries opting to allocate up to 68 percent of their national support envelope to this program. EU member states will also be required to extent assistance to young farmers under the age of 40, while another mandatory "greening" payment, will make 30 percent of income support to farmers conditional on their observance of practices beneficial to the climate and environment (such as the maintenance of permanent grasslands, crop diversification and the establishment of "ecological focus areas"). Individual states may also opt to grant higher payments to small-scale farmers and/or areas with natural constraints, provide a simplified support scheme for smallholders, or allocate between 8 and 15 percent of their support envelope to coupled payments for selected sectors facing particular difficulties or deemed of economic, environmental and/or social importance.

Of particular relevance to the EU rice sector was the decision to exempt producers growing rice over 75 percent of their holdings (provided the remaining extension does not exceed 30 hectares) from the new "greening" requirements, in particular crop diversification and the obligation of allocating at least 5 percent of their holdings to ecological focus areas. Still, countries will only formally communicate by August 2014 their decisions as to the share of national envelopes to be allocated to each of the available support programs and whether they will opt to provide additional payments to the rice and rice seed sector under the voluntary coupled payments scheme, to which both sectors were made eligible.

Elsewhere in Europe, estimates of 2013 production in the **Russian Federation** have been revised downwards by 150 000 tonnes, with officials indicating that area and yield contractions drove an 11 percent production shortfall in the country to 935 000 tonnes (624 000 tonnes, milled basis). The reduction followed a combination of setbacks incurred in main producing areas, including insufficient water availabilities for irrigation, pest attacks and untimely rains at harvest time.

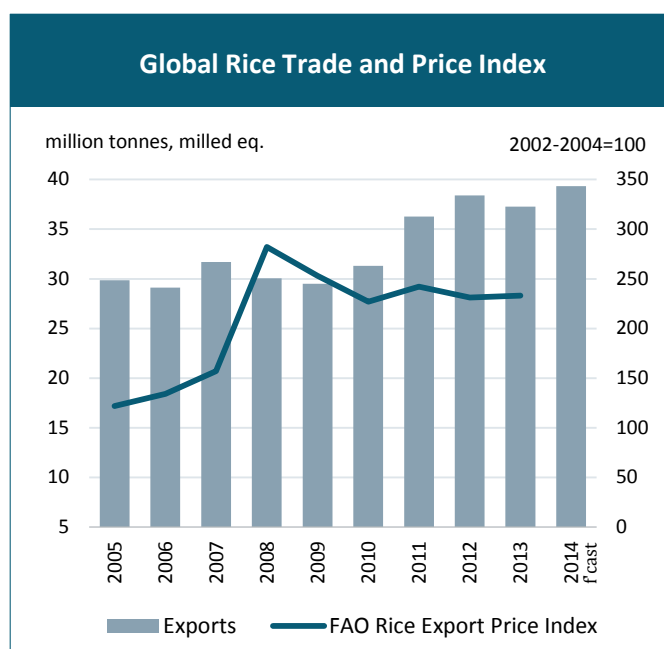
In **Oceania, Australia** is well into the 2014 season, with growers expected to begin collecting the bulk of the year's crop in April. Based on the latest ABARES assessment, 2014 output in Australia is likely to fall by 22 percent to 907 000 tonnes (605 000 tonnes, milled basis). The reduction stems from area retrenchments, as tight water supplies resulting from prolonged drought conditions depressed plantings in New South Wales by 12 percent to 100 000 hectares. Current expectations also point to average yields falling 12 percent short of the excellent 10.2 tonnes per hectare achieved in 2013, in part reflecting the cool and windy conditions prevailing through parts of January.

## INTERNATIONAL TRADE

*Global trade in rice to recover to an all time high of 39.3 million tonnes in 2014*

With the close of the calendar year, FAO has made several revisions to 2013 trade figures, which, combined, brought down the global estimate of 2013 deliveries to 37.3 million tonnes (milled basis), some 3 percent below the 2012 record. On the import side, the largest reductions concerned China (Mainland), the Chinese Province of Taiwan, Indonesia, Nigeria and the Philippines, offsetting larger estimated deliveries to the Islamic Republic of Iran, Ghana and Madagascar. Among the exporters, Thailand, Viet Nam and the United States are now assessed to have delivered less, whereas more buoyant figures are reported for both Brazil and Pakistan.

As for rice trade in calendar 2014, FAO's forecast stands 1.0 million tonnes higher than last reported, at 39.3 million tonnes. The revision reflects expectations of larger imports by Bangladesh, Cote d'Ivoire, Malaysia, Nigeria, Senegal, Sri Lanka and South Africa, while projected deliveries to Brazil and the European Union were lowered. Greater imports by these countries are primarily expected to be met by larger exports from Brazil, India, Pakistan, Thailand and the United States.



The revised forecast of 39.3 million tonnes would imply a strong recovery of global trade in rice during calendar 2014. The 5 percent, or 2.0 million tonne, trade upturn is expected to be underpinned by ample exportable availabilities and lower international prices, amid sustained efforts by importing nations to rebuild inventories and/or keep domestic prices in check. The revival in import demand is expected to concern all major geographical regions, although much of the growth is

envisaged to concentrate in Asia, in particular in the Far East. On the supply side, ample availabilities in exporting countries, following large harvests and accumulated inventories, are intensifying competition for markets. Amid sustained efforts to curb its public inventories, Thailand is expected to capture much of the global demand growth, although Argentina, Brazil, Cambodia, China (Mainland), Egypt, Guyana, Pakistan, Paraguay and the United States may also export more. Larger deliveries by these countries are chiefly expected to come at the expense of exports by India, which, however, may still retain its dominant position in the global rice market.

## Imports

### *Far Eastern countries to lead growth in global trade in rice in 2014*

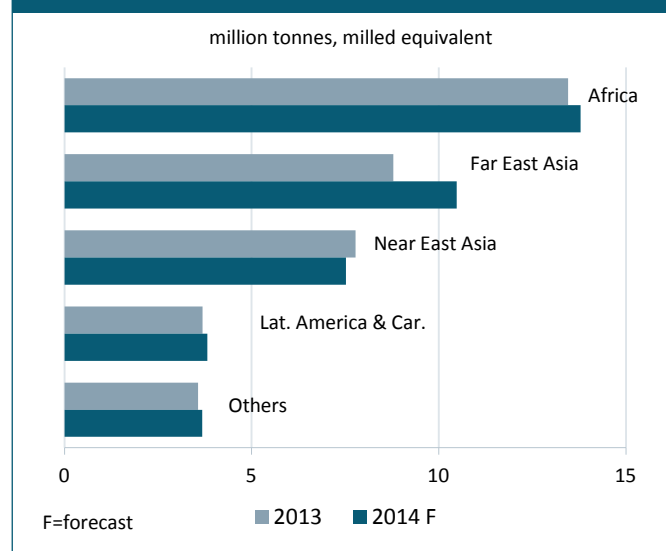
Based on the latest figures, trade in rice is set to expand to a new record of 39.3 million tonnes in 2014. From a regional perspective, a strong recovery in **Asian** import demand would drive the year's expansion, with the continent now expected to take-in 18.3 million tonnes, 9 percent more than the subdued 2013 level. The projected revival is expected to concentrate in the Far East where a combination of attractive international prices and the need to refurbish inventories may prompt **Bangladesh, China (Mainland), Indonesia, Malaysia, Nepal, the Philippines and Sri Lanka** to purchase more over the year. The import outlook is different for the Asian Near East, primarily on expectations of a retreat in deliveries to the **Islamic Republic of Iran**, an increasingly important global player in recent years, which however, appears to hold sufficient supplies in store to meet local needs. Within the sub-region, limited-to-inexistent local production, along with growing consumption requirements, may nevertheless sustain larger purchases by **Iraq, Kuwait, Saudi Arabia, Turkey and Yemen**.

Among the individual countries, **Bangladesh** is envisaged to raise its purchases from a mere 15 000 tonnes in 2013 to 400 000 tonnes this year. Much of this volume is anticipated to consist of private sector purchases, spurred by domestic price differentials relative to offerings abroad. Domestic rice prices in Bangladesh were on the rise for much of 2013, with increases early this year being accentuated by supply disruptions associated with political unrest. Government efforts are, however, still concentrating on sourcing supplies for the public distribution system domestically, as evidenced by the successive increases in the target of Aman procurement and the more recently declared intentions of purchasing up to 1.1 million tonnes of rice from the upcoming Boro harvest. These efforts are expected to keep imports by the country well below the 1.5 million tonne mark recorded in 2011.

**China (Mainland)** remains forecast to absorb 2.7 million tonnes of rice over the course of 2014, up from an officially reported level of 2.2 million tonnes in 2013. As in recent years, the increase is expected to be price driven, with high domestic quotations, underpinned by the Government's support price policy, expected to encourage private traders to keep sourcing more affordable supplies from abroad. However, it remains to be seen whether recently announced Government intentions to tackle informal trade in agricultural commodities will have an impact on rice inflows across the country's borders, in particular with Viet Nam and Myanmar. Cross-border trade with Viet Nam alone, which is not accounted for in official customs data, was reported to have been in the order of 1.0 - 1.5 million tonnes in 2013.

Forecasts of 2014 imports by **Indonesia** remain set at 1.1 million tonnes. This compares to a revised estimate of 700 000 tonnes for 2013, when a large harvest and good pace of local procurement permitted Bulog to refrain from sourcing supplies abroad. Import decisions by officials will likely not be announced until a better picture of the 2014 harvest emerges. This will in turn determine whether mandated stock levels and welfare scheme operations can be met through local purchases. Over the course of 2014, Bulog targets to procure 3.85 million tonnes of domestic rice, up from the 3.62 million tonnes purchased in 2013.

### Rice Imports by Regions in 2013 and 2014



By contrast, 2014 rice purchases by **Japan** are foreseen to remain stable around 700 000 tonnes, in line with its commitment to the WTO. In the case of the **Republic of Korea**, Minimum Market Access (MMA) commitments require that the import quota be expanded to 408 700 tonnes over the year. This compares to an estimated import level of 580 000 tonnes in 2013, a volume that included deliveries conducted as part of the 2012 and

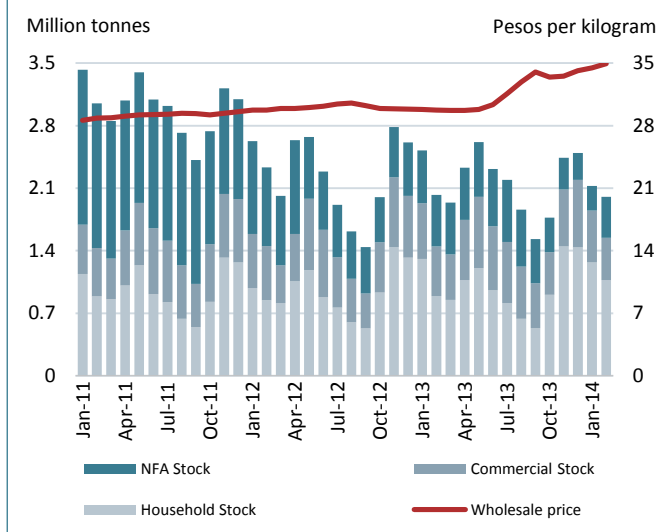
2013 MMA purchase rounds. 2014 marks the end of the special treatment on rice, which, under the terms of its 2004 extension, has required that the Republic of Korea raise the preferential annual import quota from 225 575 tonnes in 2005 to 408 700 tonnes in 2014 in order to cover 8 percent of domestic consumption. Officials in the country will now have to decide whether to pursue a further extension of the Special Treatment or move towards tariffication. Given the declining trend in rice consumption, a tariff-rate quota system has long been considered the most favourable option for officials, who seek to avoid pressure applied by surplus produce on domestic prices. Final decisions on the matter, including the duty levels to apply, should tariffication be pursued, will only be formally communicated by September 2014, however. Meanwhile, rice remains a protected commodity for the Republic of Korea, having been excluded from recent bilateral agreements reached by the country, including the U.S.-South Korea Free Trade Agreement, in effect since 2012, and the Australia-Korea Free Trade Agreement reached last December.

Despite expectations of a recovery in 2014 production, **Malaysia** is anticipated to require a 10 percent rise in imports to 1.1 million tonnes to meet domestic demand. Imports by **Nepal**, too, are foreseen to rise by 13 percent to 450 000 tonnes to satisfy the consumption requirements of a growing population. In the case of **Sri Lanka**, rice purchases are forecast to pass from 30 000 tonnes in 2013 to 120 000 tonnes this year, given the significant output shortfall that the country is anticipated to face over the season.

Within the sub-region, the **Philippines** is expected to witness the most pronounced year-to-year increase in imports. Reflecting official efforts to refurbish stockpiles and stabilise domestic prices, purchases by the country are forecast to pass from a revised low of 700 000 tonnes in 2013 to 1.2 million tonnes this year. Amid diminishing rice inventories, domestic quotations in the Philippines have been rising since the latter half of 2013. The need to refurbish public stocks, drawn-down by relief operations launched in the aftermath of typhoon Haiyan, already prompted the Government to secure 500 000 tonnes from Viet Nam in November 2013, part of which will be delivered this year. Since then, officials have authorized an additional 800 000 tonnes of imports in preparation for the lean season, as the National Food Authority (NFA) is mandated to maintain 30-days' worth of requirements at its start on 1 July. Despite the boost provided by the November purchase from Viet Nam, by February the NFA was reported to hold 460 000 tonnes in store, 20 percent less than a year-earlier.

Contrary to the prevailing trend in the rest of the region, *Near East Asian* countries are forecast to cut imports by 3

### Philippines: rice stocks and wholesale prices



percent to 7.5 million tonnes in 2014. The decline would be mostly imputable to a 400 000 tonne retreat in deliveries to the **Islamic Republic of Iran** to 1.5 million tonnes, as the country appears to hold sufficient inventories to meet local requirements. This is after two years of abnormally large purchases, which allowed the country to meet growing demand for rice in the context of high inflationary pressure, a falling currency and international economic sanctions. Supplies sourced abroad have also been used by the Government in its efforts to compensate the population for planned cuts to subsidies on bread and fuel. The February initiative involved the distribution of free packages of food, containing 10 kilos of rice among other commodities, to 15 million families earning up to 5.0 million Rials (USD 200) per month.

Successive favourable harvests are also expected to assist **Afghanistan** in cutting purchases further to 250 000 tonnes in 2014. However, import demand is expected to remain strong in the remainder of the sub-region. In the case of **Iraq**, deliveries are envisaged to reach 1.5 million tonnes, a volume that will be channelled to the population through the public rationing system. **Saudi Arabia** is also expected to lift its purchases to 1.4 million tonnes, while imports by **Turkey** may rise by 11 percent over the year to 250 000 tonnes, reflecting efforts by the Turkish Grain Board (TMO) to quell pressure on domestic prices. The price stabilisation operation has involved sale of public inventories at a price of TRY 2.5 (USD 1.1) per kilo at the retail level.

Based on the latest figures, **African countries** may absorb 13.8 million tonnes over the course of 2014, up 3 percent year-on-year. The expansion is anticipated to be driven by larger deliveries to West African countries, including **Benin, Burkina Faso, Liberia, Mali** and **Togo**. Singularly,



however, much of the forecast rise is likely to concentrate in **Nigeria**, where efforts to rebuild inventories are expected to boost imports by 12 percent to 2.8 million tonnes. Officials in Nigeria have announced intentions to revisit the 10 percent import duty and a 100 percent levy on husked and milled/semi-milled rice instituted last year in the run-up to a full ban on rice imports planned for 2015. The move would recognize the effect that the prohibitive tariffs have had, namely a diversion of nearly all of rice imports towards unofficial channels, given the large tariff differentials with neighbouring countries and ineffective border controls. While the decision to lower tariffs has been reiterated on various occasions, much confusion continues to surround the effective change and its date of implementation. Under the terms of a November agreement reached with industry representatives, the tariff review would have involved a reduction of the dutiable rate on rice from USD 570 to USD 190 per tonne. However, the revision has yet to be implemented, a situation that has reportedly led to shipments commissioned based on the announced rates being held at seas.

Among the other major buyers in the region, purchases by **South Africa** are projected at 1.4 million tonnes, exceeding the 2013 high level by 4 percent, as consumers substitute higher priced cereals for rice. Shipments to both **Senegal** and **Cote d'Ivoire** are forecast to remain largely stable, at 950 000 and 1.3 million tonnes, respectively. Conversely, current expectations point to **Ghana** cutting purchases by 4 percent to 680 000 tonnes, on government efforts to reduce reliance on imports, but also based on steep declines in the value of the Cedi, which may render imports more costly. Favorable harvest results and sufficient inventories are similarly expected to enable both **Guinea** and the **United Republic of Tanzania** to meet domestic needs without recurring to larger purchases, while an output recovery is expected to be behind a 17 percent cut in imports by **Madagascar** from the 400 000 tonne high registered in 2013.

Overtaking previous expectations of a contraction, forecasts of 2014 deliveries to **Latin America and the Caribbean** now stand at 3.8 million tonnes, up 3.7 percent from a revised 2013 estimate of 3.7 million tonnes. The revision chiefly stems from larger anticipated deliveries to **South America**, where imports are anticipated to rise by 3 percent to 1.7 million tonnes. Looking at the individual countries, after several consecutive seasons of production shortfalls, **Bolivia** may need to raise imports to 50 000 tonnes in 2014, while in the case of **Peru**, the 2014 drought-affected crop is expected to boost consignments by 13 percent to 200 000 tonnes. A lower than previously anticipated crop is also behind an upward revision of import forecasts by **Venezuela** to 370 000 tonnes, a level that would nevertheless continue to suggest a 3 percent

year-on-year cut in deliveries. Higher expected domestic availabilities are also expected to curb imports by **Brazil**, offsetting part of the increases envisaged elsewhere in the sub-region.

Compared to figures released in November, purchases by *Central America and the Caribbean* are also forecast higher, at 2.2 million tonnes. The 4 percent year-on-year increase would be mostly on account of larger deliveries to **Haiti** and **Costa Rica**. In the case of the former, rice consignments are forecast to reach 400 000 tonnes, in part facilitated by the continuation of a supply agreement with Viet Nam. The 2012 government-to-government deal gave way for 66 000 tonnes of Vietnamese rice to be delivered to the Caribbean nation in 2013, with officials now indicating that state efforts to keep domestic prices stable by sourcing rice from Viet Nam are likely to intensify over the course of 2014. In the case of **Costa Rica**, imports are forecast to continue rising over the year, reaching 95 000 tonnes. The expansionary trend, which follows three seasons of generally poor production, has prompted the local industry to renew its call for safeguard measures to be instituted against milled rice imports originated in South America. The request, currently under consideration by the Costa Rican Government, highlights the steady headway made by South American suppliers in markets that have traditionally relied on the United States to supply much of their needs. Within the sub-region, larger domestic availabilities are foreseen to enable **Cuba** to cut imports further to 390 000 tonnes, while little change is anticipated in **Mexico**, which remains forecast to take delivery of 670 000 tonnes.

In **Europe**, officials have lowered the forecast for 2014 calendar import by the **European Union** by 100 000 tonnes to 1.3 million tonnes, which is still 6 percent above the 2013 estimate. In the first half of the marketing year ending in August, deliveries to the EU exceeded their year-earlier levels by 2 percent, reaching 616 000 tonnes. Of these, 27 percent originated in countries beneficiary to the Everything-but-Arms arrangement (EBA), nearly double the amount they delivered during the corresponding period of 2012/2013. The EU rice sector has been particularly vocal against the rising trend of rice imports from EBA countries. To date, these have mostly reflected growing shipments by Cambodia, which passed from 29 000 tonnes in 2009/10 to 196 000 tonnes in 2012/13. Nevertheless, against the backdrop of ongoing trade negotiations between the EU and major rice suppliers (including India, Thailand, the United States and Viet Nam), the potential of larger consignments also being delivered by Myanmar, following the June 2013 reinstatement of EBA benefits to the country, are also deemed threatening to the local industry.

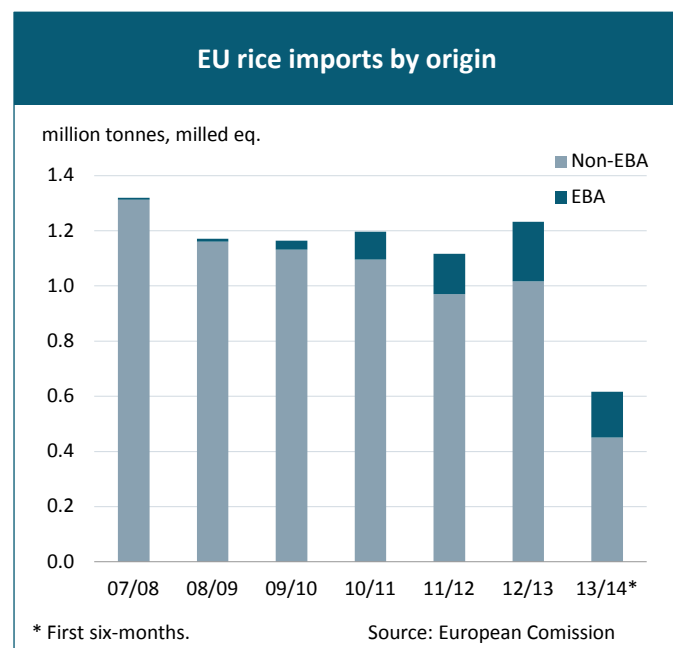
In line with downward adjustments to production figures, forecasts of rice consignments to the **Russian Federation** now stand at 230 000 tonnes, up 5 percent year-in-year and 40 000 tonnes above previous forecasts. Viet Nam and Thailand have traditionally stood out as Russia's largest suppliers of rice. Following the removal of restrictions on non-basmati exports, India's deliveries to the country also made a strong return in 2012, but these fell short the following year as found presence of khapra beetles prompted the imposition of temporary import restrictions by Russia. Rice trade with Pakistan, which in 2012

**Nam**, with a more positive export outlook also concerning **Pakistan** and the **United States**. **Argentina, Brazil, Cambodia, China (Mainland), Egypt, Guyana** and **Paraguay** are similarly seen exporting more over the year. By contrast, tighter supply availabilities may result in falling exports by **Australia** and **Uruguay**. Among all the exporters, however, **India** looks set to stand most negatively impacted by the accrued competition for markets among suppliers.

**Cambodia's** export outlook for 2014 remains set at 1.3 million tonnes, up 150 000 tonnes from the 2013 estimated level. As in previous years, given limited local milling capacity and infrastructural constraints, a large portion of this volume is expected to be sold in the form of paddy to Thailand and Vietnam. Still, Cambodia has made considerable progress in shipping milled rice directly, with officially recorded deliveries rising from 13 000 tonnes in 2009 to 379 000 in 2013. Much of this volume has been destined to EU markets, where the country enjoys preferential access. While steps are being taken to address the credit constraints that limit local entities' ability to procure and mill paddy for export, the sector has adopted a self-regulatory mechanism to certify the origin of Cambodian rice exports. The move follows allegations in the EU that rice imported from Cambodia was being mixed with produce from Viet Nam, a claim that was feared could jeopardize the EU tariff concessions offered to Cambodia under the Everything-but-Arms arrangement.

Strong demand from the Near East, Africa and South East Asian countries, combined with a weak Rupee, permitted **India** to keep 2013 exports at record-breaking levels. Over the course of 2014, the country is expected to face stiffer competition for some of its African outlets, in particular from Thailand, where export quotations have eased significantly. The export outlook for India is also dampened by a potential slow-down in trade with the Islamic Republic of Iran, a market it has dominated since 2012 thanks, to a large extent, to the Rupee payment mechanism that circumvented sanctions imposed on the Near Eastern nation. Following successive years of large purchases, Iran appears sufficiently well stocked to reduce imports over the course of the year. Progress in negotiations over its nuclear program, which in November already saw a deal relaxing sanctions reached, have also raised prospects of Iran soon finding itself in a position to diversify the origin of its rice purchases. FAO has set its forecast of 2014 exports by India at 9.5 million tonnes, which is 200 000 tonnes more than last envisaged, but 10 percent less than in 2013.

Overtaking previous expectations of a decline, the 2014 export forecast for **Pakistan** also stands 400 000 tonnes higher than last reported at 3.3 million tonnes, which is 6 percent above the 2013 level of sales. The improved



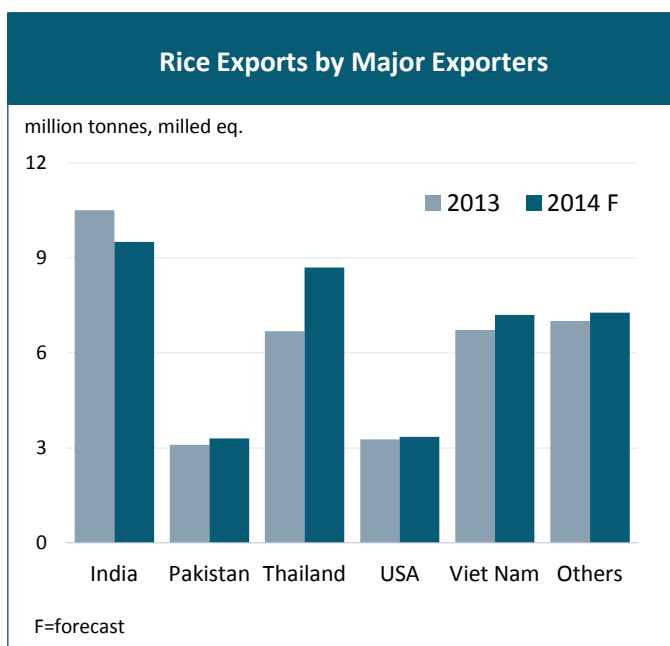
accounted for close to 12 percent of the Russia's purchases, was also disrupted last October by the imposition of restrictions on a number of agricultural goods from Pakistan, including rice. The phytosanitary concerns that prompted the measure have, however, been resolved, with restrictions effectively lifted on 24 February 2014. Meanwhile, the USDA has lowered its forecast of rice imports by the **United States** to 700 000 tonnes. The figure, however, suggests a 4 percent year-on-year expansions in deliveries to the country.

## Exports

*Exports by Thailand to stage a strong recovery, as the country recoups its competitiveness*

FAO's global rice export forecast for 2014 has been raised by 1.0 million tonnes to 39.3 million tonnes (milled basis). The revised figure would imply a 5 percent upturn in globally traded volumes and a new record. On the export side, the expansion is expected to be sustained by a recovery in deliveries by **Thailand**, where the price gap with competing origins has significantly narrowed. Prospects of a revival in import demand in its traditional outlets are also expected to underpin deliveries by **Viet**

outlook is in line with the more buoyant production figures released by the country, with Pakistan now expected to rely on sufficient availabilities to maintain a hold over its traditional indica outlets, including eastern and southern African countries. The sector also vests much hope in raising deliveries to China (Mainland), with further encouragement provided by the February lifting of import restrictions imposed by Russia last October. It remains to be seen, however, whether greater basmati production this season will reduce the price differential with competing Indian rice, thereby supporting a recovery in Pakistan's exports in this segment.



In light of the higher expected availabilities and sustained declines in Thai export quotations, FAO anticipates **Thailand** to raise its level of exports to 8.7 million tonnes, 200 000 tonnes more than last projected and 2.0 million tonnes above the 2013 poor performance. Rice export prices in Thailand took a downward trend in 2013 when efforts to limit financial losses incurred under the paddy pledging program prompted officials to reduce its scope and accelerate public stock releases. On the backdrop of the political turmoil gripping the country since November, difficulties in securing funds to pay farmers participating in the 2013/14 main-crop round of the scheme intensified such efforts. Nearly three million tonnes of rice have been put to auction by the Government since November, with added sales reportedly also conducted on a closed-tender basis. The off-season round of the program has now been suspended, as in its caretaker capacity, the Government lacks the authority to renew it. This has raised prospects of more supplies entering the open market as offseason harvests get underway. This could place additional pressure on Thai export quotations and fully re-establish the country's position as a competitive source, particularly in the white rice and parboiled markets, which stood most affected by the high producer price policy.

The 2013 export estimate for **Viet Nam** has been subject to a near 200 000 tonnes downward revision, with officials indicating rice exports to have slumped 13 percent below 2012 to 6.7 million tonnes. The poor performance was imputable to reduced demand from major Asian buyers, although the official export figure fails to take into account quantities delivered by Viet Nam to China (Mainland) unofficially across its borders. These volumes are estimated to have ranged between 1.0 and 1.5 million tonnes in 2013. As to prospects for 2014, FAO anticipates Viet Nam to be in a position to raise its volume of official deliveries to 7.2 million tonnes. The forecast relies on expectations that competitive pricing will enable the country to meet the revived import demand of its traditional Asian markets, namely Indonesia, Malaysia and the Philippines, coupled with prospects of sustained sales to China (Mainland).

Outside of Asia, pending developments on the policy front, 2014 rice exports by **Egypt** remain projected at 450 000 tonnes, up 50 000 tonnes from the 2013 estimate. The forecast level takes into account volumes making their way out of the country unrecorded, as the Government's stance towards rice exports remains uncertain. After having awarded export licenses for 102 000 tonnes in November, concerns over rising domestic prices, coupled with difficulties in procuring local supplies for the public rationing system, prompted officials to re-instate restrictions on milled rice exports the same month. Recent reports, however, suggest the policy is under review, with officials instead looking to imports to fulfil the requirements of the public distribution system.

Officials in the **United States** have revisited the country's 2014 exports forecasts based on the pace of deliveries recorded through 2013. Shipments by the US are now foreseen to reach 3.4 million tonnes, a volume that would encompass 150 000 tonnes of export commitments made in 2013. The implied 2 percent year-on-year expansion would mark a particularly positive performance, considering the output shortfall incurred in 2013.

Despite expectations of a smaller 2014 crop, FAO anticipates **Australian** rice exports to fall only marginally to 450 000 tonnes, with the country seen drawing-on its reserves to meet demand from abroad. This is expected to be particularly the case if expectations of a smaller 2014 US medium-grain crop are confirmed and if Egypt, the other major global supplier of japonica rice, maintains restraints on rice exports.

The export outlook is more positive for the various South American suppliers. Boosted by larger supply availabilities and weaker currencies, both **Brazil** and **Argentina** are seen raising their level of deliveries to 850 000 tonnes and

580 000 tonnes, respectively. The outlook is also positive for **Guyana**, which on the back of successive large harvests, may close the year with a 23 percent increase in deliveries to 400 000 tonnes. The expansion is expected to be underpinned by sustained efforts to capitalize on the preferential access to Venezuelan and Caribbean markets, under the CARICOM and PetroCaribe accords, which have more than compensated for progressive reductions in deliveries to the European Union. Current expectations for both **Paraguay** and **Ecuador** are also of continued export gains, while tight availabilities may result in a second year of export contractions in **Uruguay** to 840 000 tonnes.

## RICE UTILIZATION AND DOMESTIC PRICES

*Global per caput food consumption to rise slightly above the 2014 high of 56.9 kilos per person*

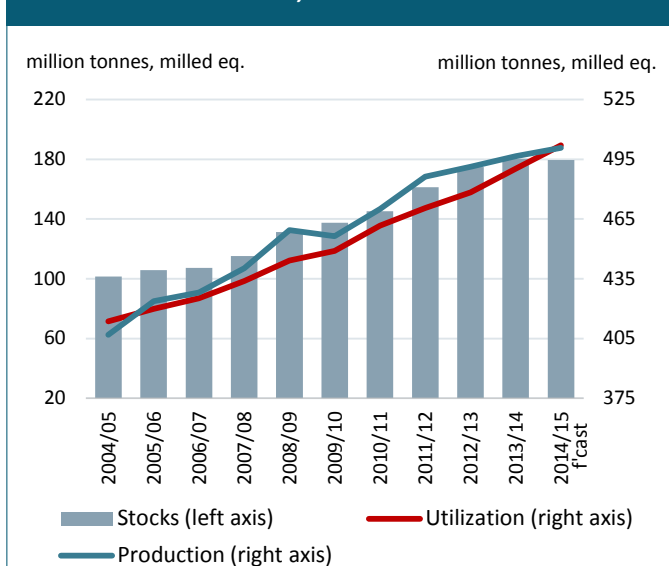
Consistent with the more positive outlook for 2013 crops, since November FAO has lifted its forecast of global rice utilisation in 2013-2014 by approximately 1.0 million tonnes to 490.3 million tonnes (milled basis). At that level, world rice use would exceed the previous year's record by 2.5 percent, or 12.0 million tonnes. Much of the season's growth is anticipated to be sustained by a continuing rise in world food use to 410.4 million tonnes. Nevertheless, larger amounts are also forecast to be destined to animal feed (13.9 million tonnes) and other uses (66.0 million tonnes), including seed, non-food industrial uses and post-harvest losses.

Largely based on early expectations of 2014 world rice production, much of which will be consumed next year, FAO anticipates global rice utilization 2014-15 to expand further and reach 502.0 million tonnes. Food intake is again expected to drive much of the growth, absorbing 83 percent of anticipated total use, or 417.0 million tonnes. Taking into account a projected 1.4 percent increase in

world population, the **average rice per caput food intake** would rise slightly above the 2013-14 estimate of 56.9 kilos, to reach 57.0 kilos. The forecast reflects expectations of a largely stable level of consumption in developing countries of 67.6 kilos, and of a 1 percent increase in developed nations to 12.5 kilos per person.

Looking at domestic price developments over recent months, **retail/wholesale prices** have tended to remain firm in **Asia**. This was particularly the case in Bangladesh, Indonesia, the Lao People's Democratic Republic, Mongolia, Nepal, Pakistan, the Philippines and Sri Lanka, where quotations stand noticeably above year-earlier levels. Among the major buyers in the region, price gains in Bangladesh are being attributed to supply disruptions caused by prolonged unrest, whereas in Indonesia, they have been associated to the increase in subsidised prices of fuel last June. After holding largely stable in recent years, dwindling stock levels have also exerted pressure on domestic quotations in the Philippines, while increases in Sri Lanka come amid expectations of a drought-reduced 2014 crop. Based on available data, the only exceptions to this trend in the region are Japan and Thailand, in both cases thanks to overall large harvests and, in Thailand, due to an intensified pace of Government stock sales. Local quotations in much of **Latin America and the Caribbean** have either remained unvaried or strengthened significantly, as in the case Bolivia, Peru and Uruguay. By contrast, they weakened considerably in Costa Rica and Colombia. In **Africa**, rice consumer prices followed mixed trends: progressing in Ghana, Mauritania, Uganda and Malawi, while declining in Burundi, Chad, the Democratic Republic of Congo, Mali, Niger, and in the United Republic of Tanzania.

Rice Production, Utilization and Stocks

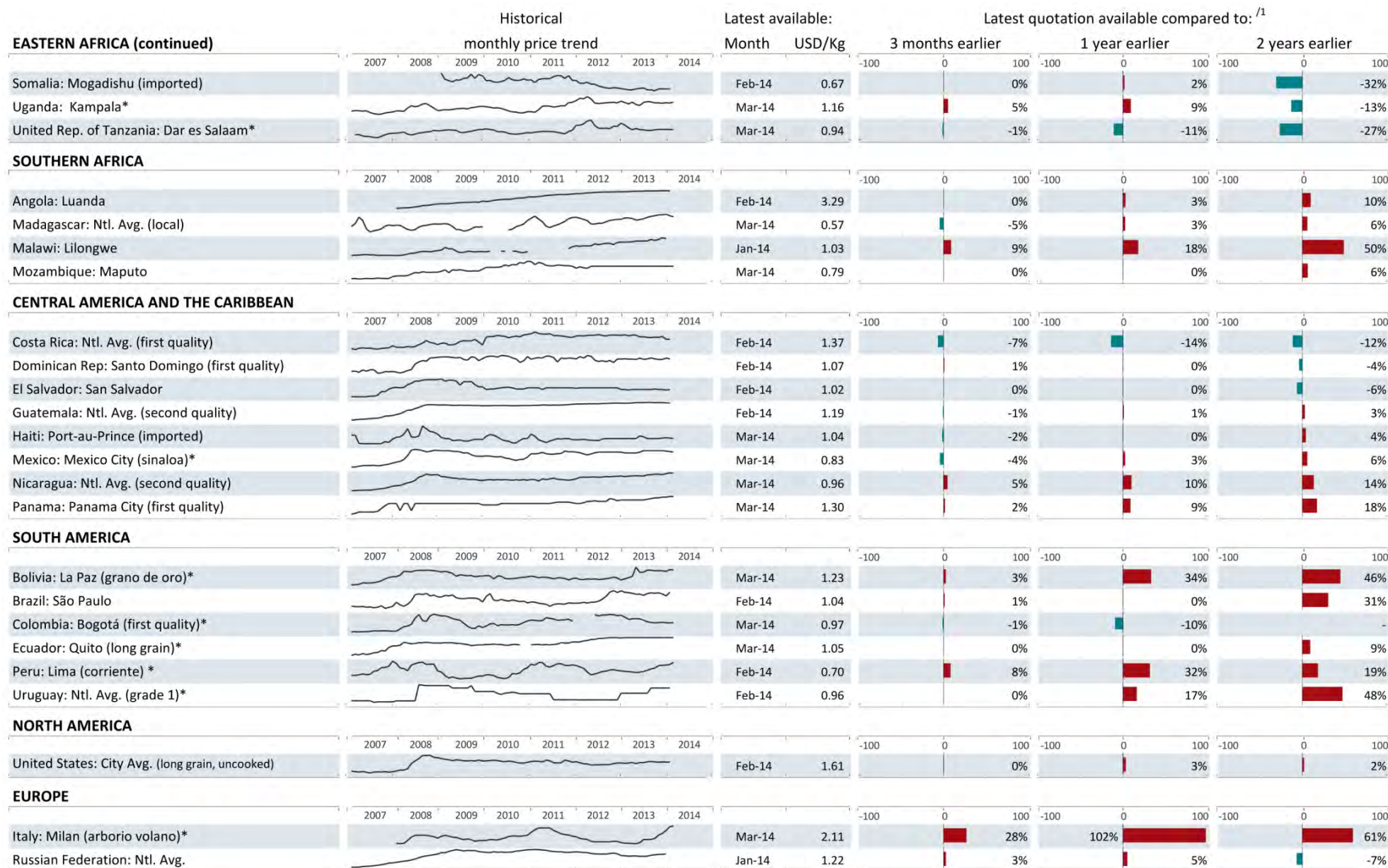




## DOMESTIC RICE PRICES IN SELECTED COUNTRIES

ASIA	Historical monthly price trend 2007 2008 2009 2010 2011 2012 2013 2014	Latest available: Month USD/Kg	Latest quotation available compared to: <sup>/1</sup>					
			3 months earlier	1 year earlier	2 years earlier			
Bangladesh: Dhaka (coarse)		Feb-14 0.44	-1%	9%	20%			
Cambodia: Phnom Penh (mix)*		Feb-14 0.45	13%	0%	1%			
China: 50 City Avg. (japonica second quality)		Mar-14 0.96	3%	4%	10%			
India: Delhi		Feb-14 0.47	3%	4%	19%			
Indonesia: Ntl. Avg. (medium quality)		Mar-14 0.79	5%	8%	11%			
Japan: Ku-area of Tokyo (non-glutinous)		Jan-14 4.74	-3%	-5%	-3%			
Republic of Korea: Ntl. Avg.		Mar-14 2.17	-1%	0%	6%			
Lao PDR: Vientiane (glutinous first quality)		Feb-14 1.00	-1%	7%	0%			
Mongolia: Ulaanbaatar		Feb-14 1.33	3%	36%	39%			
Myanmar: Yangon (Emata, Manawthukha FQ)*		Feb-14 0.36	14%	2%	27%			
Nepal: Kathmandu (coarse)		Dec-13 0.41	8%	14%	17%			
Pakistan: Karachi (irri)		Mar-14 0.56	0%	10%	16%			
Philippines: Ntl. Avg. (well-milled)		Mar-14 0.91	4%	16%	16%			
Sri Lanka: Colombo (white)		Mar-14 0.51	11%	14%	24%			
Thailand: Bangkok (5% broken)*		Jan-14 0.41	7%	-19%	-14%			
Viet Nam: Dong Thap (25% broken)		Feb-14 0.36	6%	5%	0%			
<b>WESTERN AFRICA</b>								
Benin: Cotonou (imported)		Feb-14 1.10	0%	0%	0%			
Burkina Faso: Ouagadougou (imported)*		Mar-14 0.82	0%	3%	5%			
Cape Verde: Santiago (imported)		Feb-14 1.10	-2%	-7%	-4%			
Chad: N'Djamena (imported)		Dec-13 1.04	-16%	0%	0%			
Ghana: Accra (imported)*		Dec-13 1.51	2%	8%	33%			
Mali: Bamako*		Mar-14 0.68	0%	-13%	-12%			
Mauritania: Nouakchott (imported)		Jan-14 0.94	-17%	16%	37%			
Niger: Niamey (imported)*		Mar-14 0.80	0%	-12%	-12%			
Senegal: Dakar (imported)		Dec-13 0.94	6%	1%	30%			
Togo: Lomé (imported)		Feb-14 1.14	1%	0%	0%			
<b>CENTRAL AFRICA</b>								
Cameroon: Yaoundé		Dec-13 1.01	2%	4%	7%			
Dem. Rep. Congo: Kinshasa (imported)		Feb-14 1.15	-2%	-5%	9%			
<b>EASTERN AFRICA</b>								
Burundi: Bujumbura		Dec-13 1.04	0%	-13%	-10%			
Djibouti: Djibouti (Belem)*		Jan-00 0.59	2%	4%	-13%			
Rwanda: Kigali*		Mar-14 0.98	-1%	-4%	-16%			





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

\* Wholesale prices.

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

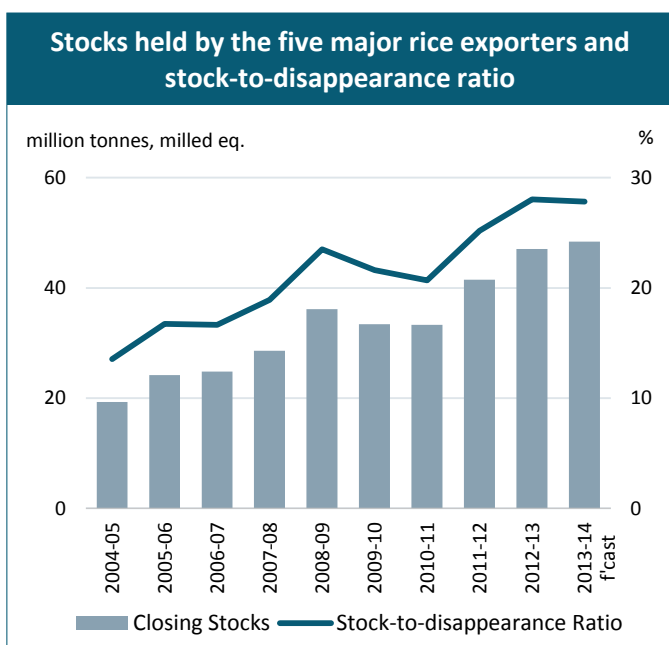
## CLOSING STOCKS

*Early expectations point to a world reserve drawn-down in 2015*

Based on the latest estimates, rice stocks carried over in 2014 are set to rise for the ninth consecutive year, reaching 180.5 million tonnes (milled basis), some 1.5 million tonnes more than reported in the last issue of the RMM. The revision primarily mirrors expectations of larger inventories in Bangladesh, Brazil, India, Indonesia, the Islamic Republic of Iran, Nepal, Nigeria, Pakistan, the Philippines and the United Republic of Tanzania. On the other hand, stocks in Thailand and Viet Nam are now projected lower.

At 180.5 million tonnes, global rice stockpiles in 2014 would stand 5.6 million tonnes above their opening level, a build-up that brings the world **stocks-to-use ratio** up slightly, from an estimated 35.7 percent to 35.9 percent. **Developing countries** are anticipated to be responsible for the stockpile, amassing 3 percent more, or 176.1 million tonnes. To a large extent, this refurbishment reflects another important (6 percent) expansion in inventories in China (Mainland) to 99.8 million tonnes, following the comparatively large crop gathered there, together with several years of sizeable imports. By contrast, much as a result of poor production outcomes, carryovers in **developed nations** look set to fall to 4.4 million tonnes, 3 percent short of their opening levels.

Combined, the **five major rice exporters**<sup>3</sup> remain projected to end their individual 2013/14 marketing years with 3 percent more on reserve, or 48.4 million tonnes.



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

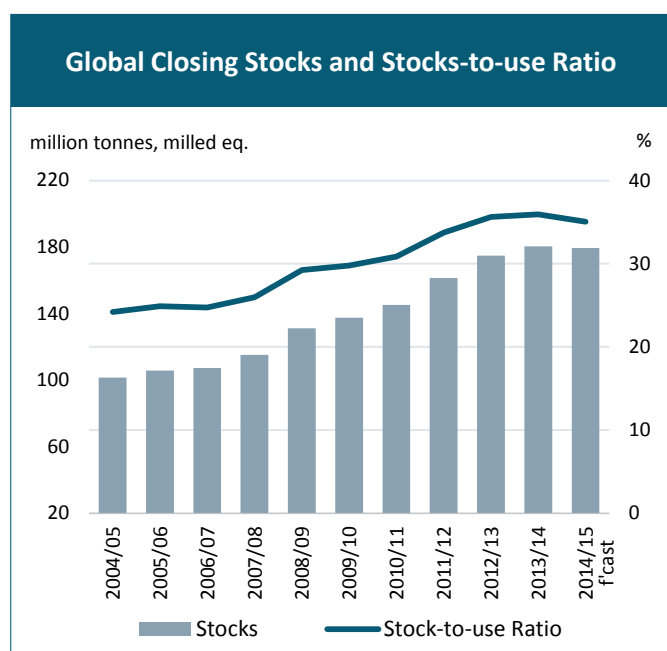
Much of this growth would reflect larger holdings in **Thailand** supported by an overall good harvest and official procurement under the main-crop round of the 2013/14 paddy pledging programme. Nevertheless, reserves in the country are forecast to end 1.1 million tonnes lower than previously envisaged, at 19.3 million tonnes, consistent with the country's improved outlook for exports in 2014, following the accelerated pace of Government stock releases since the latter half of 2013 and the suspension of the secondary crop round of the scheme. Larger domestic availabilities from favourable harvest results are also forecast to underpin reserves in **Pakistan** and **Viet Nam**. The contrary is expected for the **United States**, which, faced with a tight supply situation and a good pace of exports, is officially predicted to cut stocks by 21 percent to 912 000 tonnes. Five months ahead of the close of the rice marketing year in the United States, on 1 March 2014, the USDA indicated that milled rice inventories in the country stood 12 percent below year earlier levels at 265 080 tonnes, while in the case of paddy, the shortfall was in the order of 15 percent to 4.03 million tonnes. In India, larger rice allocations under welfare schemes are also expected to result in a 4 percent reduction of stocks, to 23.0 million tonnes. The decline would also be in line with the slower pace of Government procurement seen to date, as firm domestic quotations pushed official purchases down to 25.7 million tonnes by 21 March, 11 percent behind last year's pace. Based on these trends and taking into account the higher projected deliveries for the group as a whole, the major exporters' **stock-to-disappearance ratio**<sup>4</sup> is now anticipated to fall somewhat below the 2012-13 level to 27.8 percent.

Conversely, the latest forecasts of reserves carried over by **rice importing countries** point to a far smaller contraction relative to previous expectations, with the group predicted to hold 29.5 million tonnes of rice as whole. The 0.6 percent year-on-year draw-down is projected to result mainly from cuts in **Bangladesh**, **Indonesia** and the **Islamic Republic of Iran**, reflecting reduced purchases from abroad, while in the case of **Malaysia** and **Madagascar** declines are associated with negative seasonal turnouts. Among the major traditional buyers, however, forecasts of rice inventories have been raised for the **Philippines** to 2.4 million tonnes, based on recent Government efforts to refurbish stockpiles and stabilise prices through imports. This would imply a 10 percent recovery in inventories in the country, after three years of progressive drawn-downs due to cuts in official imports. Officials in **Brazil** also indicate an 11 percent year-on-year increase in inventories to 1.1 million tonnes, which is 230 000 tonnes above earlier expectations. The refurbishment is notwithstanding a sustained pace of Government stock sales, conducted ahead of the new harvest in an attempt to check domestic

<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.

price rises. Larger 2013 crops are also expected to foster increases of reserves in **Japan, Nepal and Sri Lanka**.

FAO's first forecast sees **rice carry-overs in 2015** contracting by 0.5 percent to 179.5 million tonnes. If confirmed, this would mark the first reduction in world reserves since 2004-05, as anticipated global production levels would prove insufficient to cover projected consumption. Based on the forecast reduction, the **world stocks-to-use ratio** would pass from 35.9 percent to 35.1 percent in 2015, still a comfortable level, considering that inventories would be sufficient to cover 4.3 months of projected consumption. **Developing countries** are anticipated to account for all of the reduction, cutting reserves by 0.6 percent to 175.0 million tonnes, while **developed nations** are anticipated to hold 1 percent more, or 4.4 million tonnes.



From a trade perspective, the 2015 draw-down would be imputable to falling reserves in the **major rice exporting countries**, in particular in India and Thailand. In the case of the latter, this could be particularly the case if expectations of production shortfalls are confirmed, while officials continue to sell rice from the public inventories amassed since the reinstatement of the paddy pledging programme in 2011. As for India, the stock drawdown could result from the progressive expansion of the public distribution system under the National Food Security Act, which by January had begun implementation in seven of the country's states. Early prospects, nevertheless, indicate that cuts in these countries could be largely compensated by an increase in rice reserves in **importing countries**, in particular in Brazil, China (Mainland), Indonesia and the Philippines.

## INTERNATIONAL PRICES

*Lingering weak Indica prices offset by a sharp rise in Japonica prices*

After losing considerable ground over the third quarter of 2013, the FAO All Rice Price Index (2002-2004=100) reversed its direction in December and has remained on an upward trend since then. This resulted in the March value of the Index reaching 238 points, 6 percent more than last November and largely unvaried from a year earlier. All of the strength reflected gains in the medium grain segment, where quotations rose sharply in response to prospects of diminished availabilities in the United States and Australia, the major Japonica suppliers, while export restraints remain in place in Egypt. The turnaround in medium-grain prices pushed the Japonica Index to a 33 month high of 270 points by March 2014, contrasting the weakness dominating the long-grain segment since early 2013. Indeed, reflecting the ample availabilities in the hands of major exporters, as well lukewarm buying interest, the high and low quality Indica sub-indices have continued to fall, standing at 207 and 199 points respectively by March, down 2-3 percent from November and 9-17 percent short of year-earlier levels. Aromatic rice prices also edged lower, albeit less markedly, reflecting more ample supplies and a retreat of important buyers from the market, with the fragrant sub-index shedding 1 percent since November 2013 to 264 points. As a result, and primarily driven by the Indica market weakness, the Index averaged 234 points in January-March 2014, down 1.3 percent year-on-year.

Looking at the major origins, barring a short upturn supported by a strengthening Baht and a pause in public stock releases, Government efforts to trim the large public inventories accumulated since the 2011 re-instatement of the paddy pledging programme have kept quotations in **Thailand** under downward pressure. Close to 3.0 million tonnes of rice have been put to open auction by the Government since November in a bid to shore up funds to settle overdue payments to farmers participating in the 2013/14 main-crop round of the scheme. Despite some support provided by renewed buying interest, losses were particularly pronounced in March 2014, when prices of benchmark Thai 100% B fell to USD 430 per tonne, 5 percent below its November value and at its lowest since January 2008. The decline also reflects the large volumes entering the open markets following the suspension of the secondary round of the paddy pledging programme. The season's second procurement campaign was originally set to take off on 1 March, but the limited spending powers of the Thai Government, which continues to function on a caretaker capacity given the electoral impasse in the country, have prevented its renewal.



In the **United States**, despite tight availabilities, a slower pace of sales of long-grain rice tended to ease US N.2 4% quotations. This weakness was in sharp contrast with developments in the medium grain market, which saw expectations of a large reduction in the corresponding 2014 crop drive a 67 percent surge in US N.1/4 medium quotations to USD 1100 per tonne. The concerns, fuelled by the severe drought conditions gripping California's Sacramento Valley, came on the backdrop of already reduced expectations for the 2014 crop in Australia, itself also impaired by drought, and the confirmation in November 2013 by officials in Egypt that milled rice export restraints were being maintained.

In **Viet Nam**, export prices, which had been supported by border trade with China (Mainland) and the November sale of 500 000 tonnes to the Government of the Philippines, started to slide by the close of 2013, reflecting a considerable slow-down in sales. The pressure augmented by March 2014, with the arrival of fresh winter-spring crops, prompting the Government to initiate a 1.0 million tonne purchase from the domestic market. In line with these trends and in a bid to attract new sales, the Viet Nam Food Association lowered its minimum export prices on two occasions in March, last setting them at USD 355 per tonne for 25%-100% broken rice.

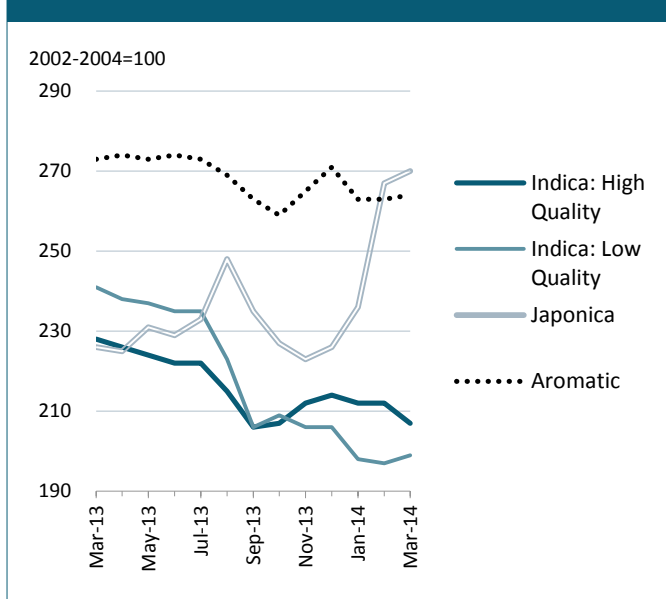
By contrast, after posting losses for much of the second and third quarter of 2013, long-grain quotations in **Pakistan** recovered in November and have remained on an upward trend since then. Quotations have been underpinned by steady sales to traditional African markets, but in particular by a fast appreciation of the Rupee. The opposite was the case in the aromatic segment, however, where, in spite of the stronger

currency, ample availabilities from a good 2013 harvest resulted in a softening of Pakistani basmati quotations relative to November values.

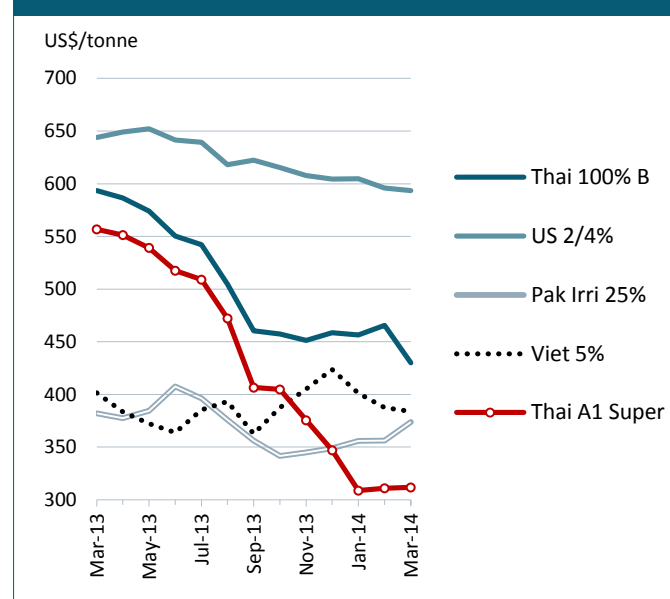
Export quotations have tended to be somewhat less varied in **India**, where, ahead of the secondary Rabi harvest, downward pressure from a January lapse in demand and a weaker currency was offset by ongoing Government purchases and a subsequent appreciation of the Rupee. Although lagging behind year-earlier levels, official procurement in India remains comparatively large, with 25.7 million tonnes of rice reportedly purchased by the Government by 21 March 2014.

As to prospects for the upcoming months, international rice export prices are likely to be influenced by the progress of secondary crop harvests in northern hemisphere countries and of 2014 main crops along and south of the Equator. Given expectations of an overall ample supply in major exporting countries, new arrivals from these harvests could exert additional pressure on export quotations. Against this backdrop, buying decisions will play an important role. The Government of the Philippines has already announced plans to conduct an import tender in April, but the return of other important buyers could further attenuate the pressure for prices to fall. Looking forward, climatic events affecting the development of 2014 season crops, such as the potential El Niño event, are also likely to influence market sentiment. On the policy front, official decisions in Thailand concerning the future of Government support to the rice sector will hold particular sway, as will the pace with which officials continue the disposal of public stocks. The review of milled rice export restrictions by officials in Egypt will also need to be watched, as Egypt's return to

FAO Price Indices for Rice



Rice Export Prices



the market could ease some of the on-going upward pressure on Japonica prices.

FAO Rice Price Indices						
	All	Indica		Japonica	Aromatic	
		High quality	Low quality			
	2002-2004 = 100					
2010	227	206	212	252	229	
2011	242	232	250	258	220	
2012	231	225	241	235	222	
2013	233	219	226	230	268	
2013	March	238	228	241	226	273
	April	237	226	238	225	274
	May	238	224	237	231	273
	June	237	222	235	229	274
	July	237	222	235	233	273
	August	238	215	223	248	269
	September	226	206	206	235	263
	October	224	207	209	227	259
	November	224	212	206	223	265
	December	227	214	206	226	271
2014	January	227	212	198	236	263
	February	237	212	197	267	263
	March	238	207	199	270	264
2013	Jan.-Mar.	237	228	239	228	266
2014	Jan.-Mar.	234	210	198	257	263
% Change		-1.3	-7.8	-17.3	12.9	-0.9

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.

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>2009</b>	<b>587</b>	<b>619</b>	<b>545</b>	<b>555</b>	<b>432</b>	<b>530</b>	<b>...</b>	<b>351</b>	<b>460</b>	<b>384</b>	<b>329</b>	<b>1 068</b>	<b>937</b>	<b>954</b>
<b>2010</b>	<b>518</b>	<b>532</b>	<b>510</b>	<b>492</b>	<b>416</b>	<b>559</b>	<b>...</b>	<b>372</b>	<b>444</b>	<b>387</b>	<b>386</b>	<b>737</b>	<b>881</b>	<b>1 045</b>
<b>2011</b>	<b>565</b>	<b>563</b>	<b>577</b>	<b>549</b>	<b>505</b>	<b>546</b>	<b>409</b>	<b>433</b>	<b>511</b>	<b>467</b>	<b>464</b>	<b>821</b>	<b>1 060</b>	<b>1 054</b>
<b>2012</b>	<b>588</b>	<b>594</b>	<b>567</b>	<b>573</b>	<b>432</b>	<b>584</b>	<b>391</b>	<b>396</b>	<b>560</b>	<b>397</b>	<b>540</b>	<b>718</b>	<b>1 137</b>	<b>1 091</b>
<b>2013</b>	<b>534</b>	<b>530</b>	<b>628</b>	<b>518</b>	<b>391</b>	<b>598</b>	<b>402</b>	<b>371</b>	<b>504</b>	<b>363</b>	<b>483</b>	<b>692</b>	<b>1 372</b>	<b>1 180</b>
<b>2013</b>														
March	594	577	644	576	401	584	415	382	570	369	557	670	1 365	1 216
April	586	566	649	569	384	592	418	378	564	361	551	685	1 362	1 244
May	574	560	652	557	372	606	418	384	552	352	539	707	1 375	1 220
June	550	552	642	534	364	602	416	408	529	341	518	720	1 415	1 187
July	542	547	639	525	386	604	428	396	521	352	509	742	1 405	1 175
August	505	515	618	489	393	601	388	376	484	362	472	739	1 398	1 139
September	460	466	622	444	362	602	376	356	428	340	406	696	1 324	1 127
October	457	446	615	440	388	601	386	342	425	362	405	686	1 310	1 149
November	451	454	608	437	405	596	379	345	408	375	376	660	1 385	1 176
December	459	466	604	451	424	604	382	349	399	398	347	686	1 411	1 163
<b>2014</b>														
January	456	459	605	450	401	602	373	356	377	380	309	774	1 396	1 146
February	466	467	596	459	388	599	378	356	382	368	311	1 065	1 348	1 158
March	430	428	594	422	384	581	381	374	366	358	312	1 100	1 362	1 170
<b>2013</b> Jan.-Mar.	607	594	628	590	403	588	411	375	578	370	559	705	1 361	1 195
<b>2014</b> Jan.-Mar.	451	451	598	444	391	594	377	362	375	368	311	815	1 369	1 158
<b>% Change</b>	-25.7	-24.1	-4.8	-24.8	-3.1	1.0	-8.2	-3.4	-35.1	-0.5	-44.4	15.6	0.5	-3.1

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

## RICE POLICY DEVELOPMENTS

Area	Date	Policy Instrument	Description
Bangladesh	Nov-13	Government procurement, purchasing prices	Set an Aman procurement target of 200 000 tonnes of parboiled rice, to be purchased at Taka 30 per kilo (USD 378 per tonne) between 1 December 2013 and 28 February 2014.
Bangladesh	Feb-14	Government procurement	Extended the Aman procurement target by an additional 200 000 tonnes to 400 000 tonnes. Supplies are to be purchased by 31 March 2014.
Bangladesh	Mar-14	Government procurement, purchasing prices	Announced that it intends to buy 1.0 million tonnes of rice and 150 000 tonnes of paddy from the 2013-2014 Boro harvest. Volumes are to be purchased between May and September 2014 at Taka 31 per kilo (USD 391 per tonne) of rice and Taka 20 per kilo of paddy (USD 252 per tonne).
Bolivia	Jan-14	Production support	Announced that farmers in the main producing region of Santa Cruz would receive support in the form of credit for the acquisition of farm machinery.
Brazil	Dec-13	Stock release	Released 39 876 tonnes of paddy from public reserves, out of a total of 50 261 tonnes offered in two auctions held on 10 December 2013.
Brazil	Dec-13	Stock release	Released 66 555 tonnes of paddy from public reserves, out of a total of 70 092 tonnes offered in two auctions held on 18 December 2013.
Brazil	Jan-14	Stock release	Released 90 298 tonnes of paddy from public reserves, out of a total of 100 394 tonnes offered in two auctions held on 7 January 2014.
Brazil	Jan-14	Stock release	Released 85 186 tonnes of paddy from public reserves, out of a total of 94 694 tonnes offered in four auctions held on 14 January 2014.
Brazil	Jan-14	Stock release	Released 66 400 tonnes of paddy from public reserves, out of a total of 91 800 tonnes offered in four auctions held on 22 January 2014.
Brazil	Feb-14	Stock release	Released 38 700 tonnes of paddy from public reserves, out of a total of 44 800 tonnes offered in two auctions held on 07 February 2014. The auctions are expected to be the last held by CONAB ahead of the 2014 harvesting season.
Cambodia	Feb-14	Certification of origin	Launched a self-regulatory mechanism (code of conduct), together with industry representatives, to certify the origin of Cambodian rice exports. The initiative comes in response to allegations that rice originated from Vietnam was being mixed with Cambodian produce reaching EU markets.
China (mainland)	Nov-13	Transport subsidy	Extended a Yuan 140 per tonne (USD 23) subsidy to companies purchasing japonica paddy and maize produced in the northeastern provinces of Jilin, Liaoning and Heilongjiang at government support prices. The measure will be effective until 30 June 2014.
China (mainland)	Feb-14	Support prices	Raised government paddy procurement prices for the 2014 season by 2 percent to Yuan 135 per 50 kg bag (USD 439 per tonne) of early indica rice; by 2 percent to Yuan 138 per 50 kg bag (USD 449 per tonne) for late/intermediate indica rice; and by 3 percent to Yuan 155 per 50 kg bag of japonica rice (USD 504 per tonne).



Area	Date	Policy Instrument	Description
China (mainland)	Feb-14	Import agreement	According to Thai officials, a state enterprise from Heilongjiang, Beidahuang, cancelled an import agreement for 1.2 million tonnes of rice reportedly reached with Thailand in November 2013. The withdrawal from the agreement would arise from concerns over an ongoing investigation by Thai national anti-corruption commission over the transparency of said deal.
China (mainland)	Mar-14	Import agreement	Based on Thai official statements, the state trading enterprise, COFCO, signed an agreement to import 1.0 million tonnes of rice from Thailand for delivery over the next twelve months.
Colombia	Dec-13	Production support	Decided to extend a Pesos 100 000 (USD 49) per tonne assistance package for up to 24 000 tonnes of paddy from Mojana, North Cesar, Magdalena and Guajira marketed between 9 and 30 December 2013. The measure is geared at assisting producers in the regions cope with surplus produce that remained uncovered by the 2013 second-semester storage incentive programme.
Colombia	Jan-14	Production support	Extended the marketing assistance programme launched in December 2013 by two additional months. Producers in the regions of Mojana, North Cesar, Magdalena and Guajira will be eligible to receive Pesos 100 000 (USD 49) per tonne for up to 30 000 tonnes of paddy marketed between 2 January and 28 February 2014.
Colombia	Jan-14	Support prices, warehouse receipts program	Extended the storage incentive programme, expired on 30 December 2013, to 31 March 2014. Price floors of Pesos 105 000-122 000 per 125 kilos (USD 412 - 478 per tonne) and ceilings of Pesos 115 000-132 000 (USD 451 - 517 per tonne), depending on the various production areas, will continue to apply, with the scheme expected to cover up to 215 000 tonnes of paddy.
Colombia	Mar-14	Production support, minimum purchasing prices, warehouse receipts	Established minimum purchasing prices for green paddy produced in selected regions of the country, namely Villavicencio, San Martín, Granada, Puerto López, Yopal, Aguazul, Villanueva, Ibagué, Espinal, Huila, North Santander, Cesar, Guajira, Córdoba, Sucre, Bolívar and Magdalena. Producers in these regions will receive between Pesos 840 000 and 976 000 (USD 412-478) per tonne of paddy sold, while prices will remain freely negotiable outside of these areas. Additional support measures to the sector will include a review of credit lines available to the industry and the continuation of the storage incentive programme, which is to run over the second half of 2014. Given the ample volume of stocks in millers' hands, officials also indicated that they would not authorize imports from Andean Community countries during the year.
Costa Rica	Dec-13	Support prices	Delayed the elimination of fixed producer and consumer prices for rice, originally foreseen for 1 March 2014, to 1 September 2014. The decision is expected to allow authorities and sector representatives more time to design an alternate framework to support the rice sector.
Costa Rica	Jan-14	Support prices	Delayed the elimination of fixed prices for rice by another six months, to 1 March 2015. Following consultations with sector representatives, authorities also agreed to consider the sector's request to implement safeguard measures for milled rice imports from South American countries as well as measures to reduce crop insurance costs.
Côte d'Ivoire	Nov-13	Foreign agricultural investment	Signed a partnership agreement with the Singaporean Export Trading Group (ETG) and sector representatives to, combined, invest FCFA 79 billion (USD 167 million) in processing capacity, inputs and machinery in six north-

Area	Date	Policy Instrument	Description
			western regions.
Dominican republic	Mar-14	Support prices, warehouse receipts	Paddy support prices set by the National Rice Commission at Pesos 1 950 – 2 050 per 120 kilo fanega (USD 372 - 391 per tonne) of ambar, prosequisa 4, prosequisa 5 and idiaf 1 varieties harvested during the spring of 2014. Applicable paddy prices will be Pesos 2 125-2 225 per 120 kilo fanega (USD 406 -425 per tonne) for jaragua, puita, juma 67, yokahu and quisqueya varieties. The Government also agreed to operate the national warehouse receipts programme between 1 April and 31 December 2014.
Egypt	Nov-13	Export ban, export licenses	Re-introduced the ban on milled rice exports and revoked the export licenses for 102 000 tonnes of rice awarded in a 7 November 2013 auction. The measure is geared at averting domestic price increases and ensuring sufficient availabilities for the public rationing system.
European union	Dec-13	Production support, sector policy framework	Adopted the common agricultural policy (CAP) reform package providing an agricultural policy framework for the 2014-2020 period, effective on 1 January 2014 (except for the new direct payments system). Key elements of the reformed CAP's first pillar ("production support") include new support eligibility criteria and the gradual adjustment of direct payments through 2019 in order to make the distribution of income support to farmers more equitable across the EU ("external convergence") and within member countries ("internal convergence"). Effective 1 January 2015, the Single Payment Scheme is to be replaced by a Basic Payment Scheme (BPS), with individual countries opting to allocate up to 68 percent of their national support envelope to this programme. EU member states will also be required to extent assistance to young farmers under the age of 40, while another mandatory "greening" payment, will make 30 percent of direct income support to farmers conditional on their observance of practices beneficial to the climate and environment, namely the maintenance of permanent grasslands, crop diversification and the establishment of ecological focus areas. Individual states may also opt to grant higher payments to small-scale farmers and/or areas with natural constraints, provide a simplified support scheme for smallholders, or allocate between 8 and 15 percent of their support envelope to coupled payments for selected sectors facing particular difficulties or deemed of economic, environmental and/or social importance. Of specific relevance to the EU rice sector are provisions that exempt producers growing rice over 75 percent of their holdings (provided the remaining extension does not exceed 30 hectares) from the new "greening" requirements and eligibility of the sector to the voluntary "coupled" payments scheme.
Ghana	Jan-14	Import restrictions	In response to reports suggesting that the ban on rice imports via land borders had been lifted, officials clarified that restrictions had only been eased for those importers that had made financial commitments ahead of the ban's imposition. With those exceptions, rice imports remained restricted to the ports of Tema and Takoradi and to the Kotoka International Airport.
India	Feb-14	Tax policy	Exempted rice loading, unloading, packing and storage and warehousing from service taxes.
India	Feb-14	Food subsidies	As part of its 2014-15 budget, raised allocations to food subsidies to Rupees 1.15 trillion (USD 19 billion), up from Rupees 920 billion (USD 15 billion) the previous year. The funds will be mainly destined to implement the National Food Security Act.

Area	Date	Policy Instrument	Description
India	Nov-13	Stock limits, licensing requirements	Extended orders permitting individual States to impose stock limits and licensing requirements on rice and paddy until 30 November 2014.
India	Nov-13	Stock limits, licensing requirements	Exempted exporters from stockholding limits applicable for rice, paddy, edible oils and edible oilseeds.
Islamic Rep. of Iran	Feb-14	Food subsidies	Distributed free packages of food containing 10 kilos of rice to 15 million families earning up to 5.0 million Rials (USD 200) per month. The initiative is part of Government efforts to compensate the population for planned cuts to subsidies on food and fuel.
Japan	Nov-13	Production adjustment program	Announced that it planned to abolish the long-standing rice production adjustment programme by end March 2019. The plan envisages a gradual reduction of the subsidy of Yen 15,000 per 10are (USD 1 476 per hectare) granted to producers adhering to the rice diversion programme and the abolition of payments made to farmers in the event that prices fall below previous years' level. At the same time, production of non-table rice is to be actively promoted via increases in the Yen 80,000 per 10are (USD 7 872 per hectare) subsidy offered to farmers producing rice for flour or animal feed. Separate plans also aim to promote the consolidation of land from small-holders for lease to larger-scale farming operations.
Malaysia	Jan-14	Food subsidies	Announced that subsidized Super Tempatan 15 (ST15) rice would only be distributed in selected outlets starting on 1 April 2014. The move is geared at ensuring that only the targeted low-income population benefit from the scheme.
Malaysia	Jan-14	Support prices	Set paddy producer prices at Ringgit 1 200 per tonne (USD 366). The measure will be applicable across the country starting with the March launch of 2014 crop harvesting activities and is expected to assist in reducing the number of middlemen in the supply chain and ensuring better profits to farmers.
Nigeria	Jan-14	Production support	Allocated Naira 14 billion (USD 84 million) to fund the continuation of input subsidies for the 2013/14 dry season rice crop. The programme targets to support 800 000 farmers, including wheat, maize and groundnut producers for the first time, with seeds and fertilizers at discounted prices. The funds come in addition to the Naira 3.6 billion (USD 22 million) earmarked to boost mechanization through the National Agricultural Mechanisation Transformation Agenda and the launch of the first Staple Crop Processing Zone in Kogi State. The latter initiative aims to reduce processing costs and post-harvest losses of staples such as rice, sorghum and cassava, by establishing fourteen processing clusters across the country through public and private investment.
Nigeria	Nov-13	Customs valuation	Following an agreement with sector representatives, announced plans to lower import duties on rice. The move is geared at arresting the large unofficial rice inflows through land borders triggered by the imposition of a 10 percent duty and a 100 percent levy on imported husked and milled/semi-milled rice in 2013.
Philippines	Jan-14	Food subsidies	Doubled allocations of Government subsidized rice released through accredited dealers in Manila, San Juan and Quezon City to assist vulnerable groups cope with rising prices.
Philippines	Nov-13	Import quota	Approved imports of 500 000 tonnes of rice to refurbish inventories and service relief operations launched in the

Area	Date	Policy Instrument	Description
			aftermath of typhoon Haiyan.
Philippines	Dec-13	Import quota	Extended to 31 January 2014 the permissible period of arrival of imports undertaken as part of 2013 Minimum Access Volume (MAV) country-specific quotas.
Philippines	Jan-14	Import quota	Announced that applications to import 163 000 tonnes of rice under 2014 Minimum Access Volume (MAV) country-specific quotas would be opened to the private sector, starting 1 February 2014. Imported volumes are to arrive no later than 31 December 2014.
Philippines	Mar-14	Import quota	Announced that it would conduct an open tender on 15 April to import 800 000 tonnes of 15 percent broken rice for delivery between May and August 2014. The supplies are needed to refurbish inventories ahead of the lean season and to stabilize prices.
Republic of Korea	Jan-14	Production support	Raised direct area payments to rice farmers under the Rice Income Compensation Act by 13 percent to Won 900 000 (USD 837) per hectare. The rice target price used to calculate deficiency payments was also raised by 11 percent to Won 188 000 per 80 kilos (USD 2 186 per tonne).
Russia	Oct-13	Import restrictions, phytosanitary measures	Imposed temporary import restrictions on quarantine products of high phytosanitary risk, including rice, originated in Pakistan. Restrictions came into effect on 1 October 2013.
Russia	Feb-14	Import restrictions, phytosanitary measures	Lifted the temporary import restrictions imposed in October 2013 on all quarantine products of high phytosanitary risk originated in Pakistan (except for potatoes) effective 24 February 2014.
Senegal	Feb-14	Production support	Introduced the Programme for the Re-launch and Acceleration of Senegalese Agriculture (PRACAS). The scheme's rice component is expected to support the country's goal of reaching self-sufficiency in rice 2017, by intensifying irrigated rice production in the Senegal River Valley and Anambé basin and rainfed production in the Casamance region.
Sri Lanka	Nov-13	Tax policy	Removed the exemptions of value added tax (VAT) on imported rice, paddy and rice flour, along with various other products, effective 1 January 2014.
Sri Lanka	Nov-13	Production support	As part of its 2014 budgetary allocations, announced that fertilizers would continue to be sold at a subsidized rate of rupees 350 per 50 kilo bag (USD 54 per tonne) to paddy farmers in 2014 and that the crop insurance scheme introduced a year earlier would be expanded. Additional government initiatives will include the launch of a three-year programme to bring abandoned paddy land back into cultivation of paddy and other crops. They also encompass incentives to produce high quality seeds and planting material, as well as the rehabilitation of irrigation infrastructure.
Sri Lanka	Nov-13	Export promotion	As part of its 2014 budgetary allocations, announced plans to donate 50 000 tonnes of rice to the World Food Programme.
Thailand	Feb-14	Government procurement	Announced that it could not extend the paddy pledging programme to cover 2013/14 offseason crops because of the limited spending powers it held as a caretaker government.



Area	Date	Policy Instrument	Description
Thailand	Dec-13	Stock release	Opened bids for 17 000 tonnes of fragrant rice and 139 000 tonnes of 5 percent broken rice from government stocks through the Agricultural Futures Exchange of Thailand (AFET), on 20 December 2013.
Thailand	Jan-14	Stock release	Granted permission for the care-taker government to resume the release of rice from government stocks.
Thailand	Jan-14	Stock release	Auctioned off 38 500 tonnes of fragrant rice and 110 500 tonnes of 5 percent broken rice from government stocks through the Agricultural Futures Exchange of Thailand (AFET), on 22 January 2014.
Thailand	Feb-14	Stock release	Offered 468 000 tonnes of rice (white, fragrant and glutinous) from government stocks through an open tender held on 12 February 2014.
Thailand	Feb-14	Stock release	Opened bids for 167 000 tonnes of 5 percent broken rice and 74 500 tonnes of fragrant rice from government stocks through the Agricultural Futures Exchange of Thailand (AFET), on 13 February 2014.
Thailand	Feb-14	Stock release	Auctioned off 162 000 tonnes of 5 percent rice and 69 000 tonnes of fragrant rice from government stocks through the Agricultural Futures Exchange of Thailand (AFET), on 26 February 2014.
Thailand	Mar-14	Stock release	Offered 518 000 tonnes of rice (5 percent white and fragrant) from government stocks through an open tender on 10 March 2014.
Thailand	Mar-14	Stock release	Opened bids for 100 000 tonnes of rice from government stocks on 18 March 2014, for delivery to China (Mainland) under a government-to-government agreement signed that month.
Thailand	Mar-14	Stock release	Held a tender for 80 400 tonnes of fragrant rice and 164 100 tonnes of 5 percent broken rice from government stocks through the Agricultural Futures Exchange of Thailand (AFET), on 19 March 2014.
Thailand	Mar-14	Stock release	Offered 50 600 tonnes of fragrant rice and 183 000 tonnes of 5 percent broken rice from government stocks through the Agricultural Futures Exchange of Thailand (AFET), on 26 March 2014.
Thailand	Mar-14	Stock release	Announced that it would seek to sell 1.0 million tonnes of rice from government stocks through the Agricultural Futures Exchange of Thailand (AFET) by June 2014.
Thailand	Mar-14	Stock release	Announced that it would open bids for 198 000 tonnes of white and fragrant rice from government stocks through the Agricultural Futures Exchange of Thailand (AFET), on 9 April 2014.
United States of America	Feb-14	Production support, sector policy framework	Passed the Agricultural Act of 2014, or 2014 Farm Bill, authorizing agricultural programmes for the 2014-2018 period. Key provisions of the Act include the continuation of marketing assistance loans and the repeal of the Direct and Counter-Cyclical Payment Programme (DCP) and the Average Crop Revenue Election (ACRE) programme starting with the 2014 crop year. In their stead, US farmers will have to opt between revenue-loss protection offered under the Agricultural Risk Coverage programme (either on a commodity-by-commodity basis or for all covered commodities cultivated in a farm), or for protection against low prices under the Price Loss Coverage Programme (PLC). The latter will issue payments to enrolled farmers in the event that Marketing Year Average Prices (or marketing assistance loan rates, depending on which is higher) fall below the following reference levels: USD 14.0/cwt (USD 309 per tonne) for long and medium grain rice and USD 16.1/cwt (USD 355 per tonne) in the

Area	Date	Policy Instrument	Description
			case of Calrose medium grain rice.
Uruguay	Apr-14	Production support	Announced that it would open a USD 40 million trust fund to assist the rice sector face high production costs and related debt problems.
Venezuela	Mar-14	Production support, support prices	Approved a Bolívares 4.7 subsidy per kg (USD 746 per tonne) of paddy produced between 1 January and 31 July 2014. The assistance will be granted on top of official producer support prices of Bolívares 2.50–2.58 per kg (USD 397–409 per tonne). Prices of rice gathered after 31 July 2014 will be determined by officials based on production costs.
Vietnam	Mar-14	Government procurement	Announced that member companies of the Vietnam Food Association would purchase 1.0 million tonnes of winter-spring rice from farmers between March and June 2014. Enterprises participating in the purchase drive will receive credit assistance from the Government for the purpose.
Vietnam	Feb-14	Import quota	Renewed import duty exemptions on 70 000 tonnes of rice originating from the Lao PDR, effective 11 February to 31 December 2014.
Vietnam	Feb-14	Import quota	Renewed import duty exemptions on rice originating from Cambodia. Effective for 2014 and 2015, 300 000 tonnes of Cambodian rice will be allowed to enter the country annually free of duties.
Vietnam	Mar-14	Minimum export prices	Lowered minimum export prices for 25-100 percent broken rice to USD 355 per tonne, down from a level of USD 365 per tonne set earlier in the month.

TABLE I: WORLD PADDY PRODUCTION

	2009-2011	2012	2013	2014	Annual Change		2013 Forecast	
	Average		Estimate	Forecast	2014 over 2013		Previous	Revision
	million tonnes				million tonnes	%	million tonnes	
<b>WORLD</b>	706.3	736.9	744.9	751.0	6.1	0.8	741.4	3.5
Developing countries	680.4	711.1	719.5	724.9	5.4	0.8	716.1	3.4
Developed countries	25.8	25.8	25.4	26.1	0.7	2.8	25.3	0.1
<b>ASIA</b>	638.5	668.1	675.8	679.5	3.7	0.6	672.7	3.1
Bangladesh	49.7	50.8 G	51.5	52.0	0.5	1.0	51.5	-
Cambodia	8.2	9.3 G	9.3 G	9.4	0.1	0.6	9.5	-0.2
China	198.9	205.9	205.0	206.2	1.3	0.6	204.4	0.6
of which China (Mainland)	197.3	204.2 G	203.3 G	204.5	1.2	0.6	202.8 G	0.5
India	145.2	157.9 G	159.3 G	160.5	1.2	0.8	159.0	0.3
Indonesia	65.5	69.1 G	71.3 G	72.0	0.7	1.0	70.9 G	0.4
Iran, Islamic Rep. of	2.7	2.8	2.9	3.0	0.1	1.7	2.5	0.4
Japan	10.6	10.7 G	10.8 G	10.6	-0.2	-1.5	10.6	0.2
Korea Rep. of	6.0	5.4 G	5.7 G	5.7	0.0	0.3	5.7 G	-
Lao PDR	3.1	3.5 G	3.3	3.2	-0.1	-3.0	3.5	-0.2
Malaysia	2.5	2.8 G	2.6 G	2.7	0.1	2.8	2.6 G	-
Myanmar	31.4	28.1 G	28.0	29.0	1.0	3.6	29.0	-1.0
Nepal	4.5	4.5 G	5.0 G	4.8	-0.2	-4.9	4.6	0.4
Pakistan	8.9	8.3 G	9.6 G	9.8	0.2	1.8	8.7	0.9
Philippines	16.4	18.1 G	18.9 G	19.3	0.4	2.3	18.0	0.9
Sri Lanka	3.9	3.8 G	4.5 G	3.8	-0.7	-16.1	4.3 G	0.1
Thailand	35.5	38.0 G	38.2 G	37.5	-0.7	-2.0	38.0	0.2
Viet Nam	40.5	43.7 G	44.1 G	44.2	0.1	0.3	44.1 G	0.0
<b>AFRICA</b>	25.3	26.9	27.0	27.7	0.7	2.5	26.8	0.2
<b>North Africa</b>	5.2	6.0	6.2	6.1	-0.1	-1.0	6.2	-
Egypt	5.2	5.9 G	6.1	6.0	-0.1	-1.0	6.1	-
<b>Western Africa</b>	11.9	12.8	13.4	13.6	0.1	1.1	13.4	0.0
Côte d'Ivoire	0.7	0.7 G	0.8 G	0.8	0.0	4.1	0.8 G	-
Guinea	1.6	1.9 G	2.1 G	2.1	0.0	2.3	2.1 G	-
Mali	2.0	1.9 G	2.0	2.0	-0.1	-2.5	2.0	-
Nigeria	4.2	4.4 G	4.7	4.6	-0.1	-2.1	4.7	-
Sierra Leone	1.0	1.1 G	1.2	1.2	0.0	2.6	1.2	-
<b>Central Africa</b>	0.5	0.5	0.5	0.5	0.0	0.8	0.5	0.0
<b>Eastern Africa</b>	2.6	2.4	2.6	2.5	-0.1	-3.7	2.4	0.1
Tanzania	2.1	1.8 G	2.0	1.9	-0.1	-5.0	1.9	0.2
<b>Southern Africa</b>	5.0	5.1	4.2	4.8	0.7	16.3	4.2	-
Madagascar	4.5	4.6 G	3.6 G	4.3	0.7	19.1	3.6 G	-
Mozambique	0.3	0.3 G	0.4 G	0.3	0.0	-3.2	0.4 G	-
<b>CENTRAL AMERICA &amp; CAR.</b>	2.8	2.7	3.0	3.0	0.0	-0.5	2.9	0.1
Cuba	0.5	0.6 G	0.7	0.8	0.0	0.5	0.7	0.1
Dominican Rep.	0.9	0.8 G	0.8	0.8	0.0	0.0	0.8	0.0
<b>SOUTH AMERICA</b>	25.1	24.8	25.3	26.2	0.9	3.4	25.1	0.2
Argentina	1.4	1.6 G	1.6 G	1.6	0.1	5.1	1.6 G	-
Brazil	12.6	11.6 G	11.8 G	12.8 G	1.0	8.0	11.7 G	0.1
Colombia	2.6	2.6 G	2.8	2.8	0.0	1.8	2.6	0.1
Ecuador	1.6	1.6 G	1.6	1.7	0.0	3.1	1.6	-
Peru	2.8	3.0 G	3.0 G	2.8	-0.2	-7.7	3.0	0.0
Uruguay	1.4	1.4 G	1.4 G	1.3	0.0	-2.1	1.4	-0.1
<b>NORTH AMERICA</b>	9.8	9.1	8.6	9.7	1.1	12.4	8.6	0.1
United States	9.8	9.1 G	8.6 G	9.7 G	1.1	12.4	8.6 G	0.1
<b>EUROPE</b>	4.4	4.4	4.0	4.0	0.0	1.0	4.1	-0.1
EU	3.2	3.1 G	2.9 G	3.0	0.1	2.9	2.9	0.0
Russian Federation	1.0	1.1 G	0.9 G	0.9	0.0	-3.7	1.1 G	-0.1
<b>OCEANIA</b>	0.3	0.9	1.2	0.9	-0.3	-21.6	1.2	-
Australia	0.3	0.9 G	1.2 G	0.9 G	-0.3	-22.2	1.2 G	-

## FOOTNOTES:

The 2013 paddy production season normally includes rice from the main paddy crops whose harvests fall in 2013, to which rice from all subsequent secondary crops, if any, is added. In the case of northern hemisphere countries, production in 2013 comprises the main rice crop, 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 2014. In the case of southern hemisphere countries, production in 2013 normally comprises rice from the main paddy crops assembled in the first part of 2013, plus rice from the secondary crops, generally gathered in the latter part of 2013. This approach to assess rice production is applicable to any given season.

Totals computed from unrounded data.

G Official figure.

TABLE 2: WORLD RICE IMPORTS

	2009-2011	2012	2013	2014	Annual Change		2014 Forecast	
	Average		Estimate	Forecast	2014 over 2013		Previous	Revision
	<i>million tonnes, milled basis</i>				<i>million tonnes</i>	%	<i>million tonnes</i>	
<b>WORLD</b>	32.4	38.4	37.3	39.3	2.0	5.4	38.3	1.0
Developing countries	27.7	33.4	31.9	33.8	1.9	5.8	32.8	1.0
Developed countries	4.6	5.0	5.3	5.5	0.2	2.9	5.5	0.0
<b>ASIA</b>	15.6	18.0	16.9	18.3	1.4	8.5	18.0	0.3
Bangladesh	0.8	0.1 G	0.0 G	0.4	0.4	2,658.6	0.2	0.3
China	1.1	3.0	2.7	3.3	0.5	19.7	3.3	-0.1
of which China (Mainland)	0.4	2.4 G	2.2 G	2.7	0.5	20.3	2.7	-
Indonesia	1.4	1.8 G	0.7	1.1	0.4	57.1	1.1	-
Iran, Islamic Rep. of	1.2	1.5 G	1.9 G	1.5	-0.4	-20.9	1.5	-
Iraq	1.2	1.5	1.5	1.5	0.0	2.1	1.5	-
Japan	0.7	0.6 G	0.7	0.7	0.0	0.0	0.7	-
Malaysia	1.0	1.0 G	1.0 G	1.1	0.1	9.9	1.0	0.1
Philippines	1.8	1.3	0.7	1.2	0.5	71.4	1.2	-
Saudi Arabia	1.1	1.3	1.4	1.4	0.0	0.7	1.4	-
United Arab Emirates	0.6	0.7	0.7	0.7	0.0	0.0	0.7	-
<b>AFRICA</b>	10.4	13.6	13.5	13.8	0.3	2.5	13.1	0.6
Côte d'Ivoire	1.0	1.3	1.3	1.3	0.0	0.0	1.2	0.1
Nigeria	2.1	3.0	2.5	2.8	0.3	12.0	2.7	0.1
Senegal	0.7	1.2	1.0	1.0	0.0	0.0	0.9	0.1
South Africa	0.8	1.3 G	1.4	1.4	0.0	3.7	1.4	0.1
<b>CENTRAL AMERICA &amp; CAR.</b>	2.1	2.0	2.1	2.2	0.1	4.3	2.2	0.0
Cuba	0.5	0.4 G	0.4	0.4	0.0	-2.5	0.4	-
Mexico	0.6	0.6 G	0.7 G	0.7	0.0	0.0	0.7	-
<b>SOUTH AMERICA</b>	1.2	1.7	1.6	1.7	0.0	2.9	1.6	0.0
Brazil	0.7	0.7 G	0.7 G	0.7	0.0	-5.4	0.8	-0.1
<b>NORTH AMERICA</b>	1.0	1.0	1.1	1.1	0.0	2.3	1.1	0.0
United States	0.6	0.6 G	0.7 G	0.7 G	0.0	3.7	0.7 G	0.0
<b>EUROPE</b>	1.6	1.5	1.7	1.8	0.1	4.6	1.8	-0.1
EU 1/	1.2	1.2 G	1.2 G	1.3 G	0.1	5.5	1.4	-0.1
Russian Federation	0.2	0.2 G	0.2 G	0.2	0.0	5.4	0.2	0.0
<b>OCEANIA</b>	0.5	0.5	0.5	0.5	0.0	0.6	0.5	0.0

## FOOTNOTES:

Totals computed from unrounded data.

1/ Excluding intra-trade.

G Official figure.



TABLE 3: WORLD RICE EXPORTS

	2009-2011	2012	2013	2014	Annual Change		2014 Forecast	
	Average		Estimate	Forecast	2014 over 2013		Previous	Revision
	<i>million tonnes, milled basis</i>				<i>million tonnes</i>	%	<i>million tonnes</i>	
<b>WORLD</b>	32.4	38.4	37.3	39.3	2.0	5.5	38.3	1.1
Developing countries	28.3	33.9	33.0	35.1	2.1	6.3	34.1	1.0
Developed countries	4.1	4.5	4.3	4.3	0.0	-1.0	4.2	0.1
<b>ASIA</b>	25.1	30.1	29.6	31.5	1.9	6.4	30.7	0.8
Cambodia	1.0	1.1	1.2	1.3	0.2	13.0	1.3	-
China	0.7	0.3	0.5	0.5	0.0	4.2	0.5	-
of which China (Mainland)	0.6	0.3 G	0.5 G	0.5	0.0	4.5	0.5	-
India	3.1	10.4 G	10.5	9.5	-1.0	-9.5	9.3	0.2
Myanmar	0.8	0.6 G	0.5	0.6	0.0	1.9	0.6	-
Pakistan	3.2	2.8 G	3.1	3.3	0.2	6.5	2.9	0.4
Thailand	9.4	6.7 G	6.7 G	8.7	2.0	30.2	8.5	0.2
Viet Nam	6.7	7.7 G	6.7 G	7.2	0.5	7.1	7.2	-
<b>AFRICA</b>	0.5	0.5	0.5	0.6	0.1	10.0	0.6	-
Egypt	0.4	0.4	0.4	0.5	0.1	12.5	0.5	-
<b>SOUTH AMERICA</b>	2.8	3.5	3.1	3.2	0.1	3.6	3.0	0.2
Argentina	0.6	0.6 G	0.5 G	0.6	0.1	10.1	0.6	0.0
Brazil	0.8	1.1 G	0.8 G	0.9	0.0	3.7	0.8	0.1
Guyana	0.3	0.3 G	0.3 G	0.4	0.1	22.7	0.4	0.0
Uruguay	0.9	1.0 G	0.9 G	0.8	0.0	-5.2	0.8	0.0
<b>NORTH AMERICA</b>	3.4	3.3	3.3	3.4	0.1	2.4	3.2	0.2
United States	3.4	3.3 G	3.3 G	3.4 G	0.1	2.4	3.2 G	0.2
<b>EUROPE</b>	0.3	0.5	0.3	0.2	-0.1	-26.1	0.3	-0.1
EU 1/	0.2	0.2 G	0.2 G	0.1 G	-0.1	-42.5	0.1	0.0
Russian Federation	0.1	0.3 G	0.1 G	0.1	0.0	-4.3	0.2	0.0
<b>OCEANIA</b>	0.1	0.5	0.5	0.5	0.0	-2.4	0.5	-
Australia	0.1	0.5 G	0.5 G	0.5	0.0	-2.4	0.5	-

## FOOTNOTES:

Totals computed from unrounded data.

1/ Excluding intra-trade.

G Official figure.

TABLE 4: END OF SEASON STOCKS 1/

	2009-2011	2012	2013	2014	Annual Change		2014 Forecast	
	Average		Estimate	Forecast	2014 over 2013		Previous	Revision
	<i>million tonnes, milled basis</i>				<i>million tonnes</i>	%	<i>million tonnes</i>	
<b>WORLD</b>	138.0	161.4	174.8	180.5	5.6	3.2	179.0	1.5
Developing countries	133.7	156.8	170.3	176.1	5.8	3.4	174.7	1.4
Developed countries	4.4	4.6	4.5	4.4	-0.2	-3.4	4.4	0.0
<b>ASIA</b>	130.1	153.6	167.7	173.8	6.0	3.6	173.1	0.7
Bangladesh	5.8	7.0	6.6	6.4	-0.2	-3.0	6.3	0.1
Cambodia	1.5	1.8	2.0	2.0	0.0	0.0	2.0	0.0
China	70.0	84.7	94.1	99.9	5.8	6.2	100.0	0.0
of which China (Mainland)	69.8	84.5	94.0	99.8	5.8	6.2	99.8	-
India	22.3	23.5	23.9	23.0	-0.9	-3.6	22.0	1.0
Indonesia	4.4	6.2	6.5	6.4	-0.1	-1.5	6.3	0.1
Iran, Islamic Rep. of	0.3	0.4	0.6	0.6	-0.1	-14.1	0.5	0.1
Japan	2.5	2.6	2.6	2.7	0.1	4.6	2.7	0.1
Korea Rep. of	1.4	1.6	1.7	1.7	0.1	4.5	1.7	0.0
Lao PDR	0.3	0.3	0.5	0.5	0.1	13.3	0.5	-
Malaysia	0.3	0.2	0.3	0.2	-0.1	-38.0	0.2	0.0
Myanmar	6.0	4.8	3.2	1.7	-1.5	-46.9	1.8	-0.1
Nepal	0.2	0.4	0.4	0.5	0.1	28.6	0.4	0.1
Pakistan	0.8	0.8	0.4	0.4	0.1	14.3	0.3	0.2
Philippines	3.0	1.9 G	2.2 G	2.4	0.2	9.6	2.1	0.3
Sri Lanka	0.3	0.3	0.1	0.2	0.1	108.7	0.2	0.1
Thailand	6.4	13.0	17.5	19.3	1.8	10.3	20.4	-1.1
Viet Nam	3.6	2.9	4.2	4.8	0.6	14.3	4.9	-0.1
<b>AFRICA</b>	2.9	3.5	3.2	2.9	-0.3	-8.9	2.4	0.5
Egypt	1.0	0.6	0.6	0.6	0.0	0.0	0.6	-
Nigeria	0.3	0.7	0.4	0.5	0.1	12.5	0.3	0.2
<b>CENTRAL AMERICA &amp; CAR.</b>	0.4	0.3	0.2	0.3	0.0	14.9	0.2	0.0
Dominican Rep.	0.1	0.1	0.1	0.1	0.0	10.3	0.1	0.0
<b>SOUTH AMERICA</b>	2.8	2.1	1.8	1.9	0.1	6.0	1.6	0.3
Argentina	0.1	0.0	0.0	0.1	0.0	100.0	0.0	0.0
Brazil	1.7	1.4 G	1.0 G	1.1 G	0.1	10.8	0.9	0.2
Ecuador	0.1	0.1	0.1	0.1	0.0	-21.1	0.1	0.0
Peru	0.4	0.3	0.4	0.4	0.0	1.3	0.3	0.1
<b>NORTH AMERICA</b>	1.3	1.3	1.2	1.0	-0.2	-20.0	1.0	-0.1
United States	1.2	1.3 G	1.2 G	0.9 G	-0.2	-21.1	1.0 G	-0.1
<b>EUROPE</b>	0.5	0.6	0.6	0.5	-0.1	-19.6	0.5	-0.1
EU	0.5	0.5 G	0.5 G	0.4 G	-0.1	-18.4	0.5 G	-0.1
Russian Federation	0.0	0.0	0.1	0.0	0.0	-41.7	0.0	-
<b>OCEANIA</b>	0.0	0.1	0.0	0.1	0.1	275.7	0.0	0.1
Australia	0.0	0.1	0.0	0.1	0.1	488.2	0.0	0.1
<b>GOVERNMENT STOCKS</b>								
Bangladesh	0.4	0.9 G	0.7 G	0.7	0.0	-2.1	0.8	-0.1
India	18.0	23.4 G	23.8 G	18.0	-5.8	-24.4	18.0	-
Japan	0.8	0.9 G	0.9	0.8	0.0	-5.9	0.8	-
Korea Rep. of	0.8	0.8	0.9	0.9	0.1	5.9	0.9	-
Philippines	1.7	0.6 G	0.7 G	0.7	0.0	0.0	0.7	-

## FOOTNOTES:

Totals computed from unrounded data.

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

G Official figure.

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

	Opening Stocks	Production	Imports 1/	Total Supply	Domestic Use	Exports 1/	Closing Stocks
<i>thousand tonnes, milled basis</i>							
<b>CHINA <sup>2/</sup></b>							
2011-12	75 578	138 902	2 974	217 454	132 453	329	84 672
2012-13 est.	84 672	141 143	2 726	228 540	133 922	518	94 100
2013-14 f'cast	94 100	140 495	3 261	237 856	137 406	540	99 910
<b>INDIA</b>							
2011-12	21 200	105 300 G	100	126 600	92 692	10 408 G	23 500
2012-13 est.	23 500	105 240 G	100	128 840	94 490	10 500	23 850
2013-14 f'cast	23 850	106 190 G	100	130 140	97 640	9 500	23 000
<b>PAKISTAN</b>							
2011-12	250	6 160 G	60	6 470	2 918	2 802 G	750
2012-13 est.	750	5 536 G	60	6 346	2 896	3 100	350
2013-14 f'cast	350	6 421 G	60	6 831	3 131	3 300	400
<b>THAILAND</b>							
2011-12	7 400	25 224 G	670	33 294	13 560	6 734 G	13 000
2012-13 est.	13 000	25 156 G	550	38 706	14 526	6 680 G	17 500
2013-14 f'cast	17 500	25 320 G	400	43 220	15 220	8 700	19 300
<b>UNITED STATES</b>							
2011-12	1 514 G	5 866 G	640 G	8 020	3 412	3 305 G	1 303 G
2012-13 est.	1 303 G	6 336 G	675 G	8 314	3 887	3 271 G	1 156 G
2013-14 f'cast	1 156 G	6 115 G	700 G	7 971	3 709	3 350 G	912 G
<b>VIET NAM</b>							
2011-12	2 900	28 280 G	600	31 780	21 120	7 720 G	2 940
2012-13 est.	2 940	29 165 G	600	32 705	21 783	6 722 G	4 200
2013-14 f'cast	4 200	29 399 G	550	34 149	22 149	7 200	4 800

**FOOTNOTES:**

Data refers to national crop years: October-September for China and India, November-October for Pakistan, Thailand and Viet Nam and August-July for the United States. Totals computed from unrounded data.

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

2/ Including Taiwan province.

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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