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RICE MARKET MONITOR

ROUND UP

With the exception of a few northern hemisphere countries that are still harvesting their last crops, the **2015 paddy season** is closed by now. Reflecting the influence of the El Niño weather anomaly, the global outlook has deteriorated if compared to December expectations, mostly on worsening prospects for India, the DPR Korea, Myanmar and Thailand. At the current forecast of 738.2 million tonnes (490.3 million tonnes, milled basis), global paddy production in 2015 would trail 0.8 percent behind the already poor 2014 outcome, depressed by a 1.3 percent dip of plantings to 160.6 million hectares, as average paddy yields rose slightly to 4.60 tonnes per hectare. From a regional perspective, much of the 2015 fall would concentrate in Asia, where plantings were curtailed for a second successive season owing to poor rains. Thailand, India, the Philippines, the DPR Korea and Myanmar were responsible for much of the decline, in sharp contrast with China (Mainland), Indonesia and Sri Lanka, which harvested bumper crops. Despite drought-constrained crops across Southern and Eastern Africa and abnormally high temperatures in Egypt, production for the whole of the region is estimated to end only 1 percent below the 2014 record, amid an excellent seasonal outturn in Western Africa. In Latin America and the Caribbean, favourable weather boosted production to new heights in South America, more than offsetting losses associated with El Niño-induced droughts in Central America and the Caribbean. In the other regions, output was depressed by low prices and unfavourable weather in the United States and by recurring problems of water scarcity in Australia, while prospects of favourable margins fostered a production recovery in Europe.

Turning to the **2016 season**, climate predictions indicate that after peaking in November-December 2015, the current strong El Niño event is likely to gradually dissipate in the next few months, with a 50 percent chance that it will give way to its opposite, La Niña, in August-October. The tailing influence of El Niño, however, already marred the 2016 production outlook of countries south and along the Equator, where the first crops of the season were sown in the fourth quarter of 2015. By contrast, the portended return to neutral-El Niño conditions by June 2016 bodes well for the sector in the Northern Hemisphere countries, as the month coincides with the bulk of main crop plantings.

Amid expectations of a more normal unfolding of the season, FAO has set its first global production forecast for 2016 at 745.5 million tonnes (495.2 million tonnes, milled basis), only 1.0 percent above the current estimate for 2015. Underlying such a conservative 2016 outlook are setbacks already incurred by Southern Hemisphere producers, along with prospects of limited returns. Among the various regions, Asia is expected to drive the 2016 global production recovery, spearheaded by an upturn in India and Thailand, but also in Myanmar, DPR Korea, Nepal and the Philippines, and by steady increases in Bangladesh and China (Mainland). Under expectations of continued strong official support, production in Africa is expected to increase, underpinned by a rebound in Egypt, continued brisk growth in Western Africa and mild recoveries in Southern and Eastern Africa. In Latin America and the Caribbean, poor margins and El Niño-related droughts/floods have marred the outlook for South America. Output is also set to rebound in North America (the United States) and in Europe. Instead, in Oceania,

GLOBAL RICE MARKET SUMMARY

	2014-15	2015-16 est.	2016-17 f'cast	2016-17/ 2015-16 Var
	million tonnes, milled eq.			*%*
Production	494.3	490.3	495.2	1.0
Supply	711.5	708.4	710.4	0.3
Utilization	491.5	496.2	503.4	1.5
Food use	395.3	400.0	405.0	1.3
Feed use	17.8	17.9	18.3	1.9
Other uses	78.4	78.3	80.0	2.3
Trade [1/]	44.6	44.9	44.1	-1.8
Ending stocks [2/]	173.7	168.9	164.0	-2.9
		%		
Global stock-to-use ratio	35.0	33.5	32.0	-
Major exporters' stock-to-disappearance ratio [3/]	23.9	18.1	14.7	-

[1/] Data refer to the calendar year trade (Jan.-Dec.) of the second year shown.

[2/] Stocks carried over in the second year shown.

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

Australia is heading towards another negative season, amid a further tightening of water supplies.

At 44.6 million tonnes, FAO's estimate of **international trade in calendar 2015** continues to point to a 2 percent contraction from the 2014 record. West African countries were much behind the lower volume of trade last year, as good crop harvests and/or depreciating currencies curbed their imports. However, greater purchases by countries in the Far East, including China (Mainland), Indonesia, the Lao PDR and the Philippines, raised Asian imports to new heights. Elsewhere in the world, import demand remained robust in Europe, the United States and, especially, in Latin America and the Caribbean, where production shortfalls accelerated the rate of purchases. Among exporters, Thailand bore much of brunt of the 2015 trade contraction. Although shipping somewhat more than last reported, the country saw itself consistently outcompeted in price sensitive markets. New estimates have instead lowered 2015 exports by India, even though competitive prices kept its deliveries close to 2014 records, confirming the country as the world's leading rice exporter for the fourth consecutive year. Argentina, Australia, China (Mainland), Egypt, the European Union, Myanmar, the Russian Federation, Paraguay and Uruguay all saw shipments fall in 2015, while Brazil, Cambodia, Guyana, Pakistan, the United States and Viet Nam exported more.

FAO's current forecast suggests only a modest 1 percent recovery in **international rice trade in 2016** to 44.9 million tonnes. Looking at the various regions, high domestic prices, along with efforts to reconstitute stockpiles and mitigate supply shortfalls, are expected to keep Asian imports sizeable, sustained by greater purchases by Indonesia and the Islamic Republic of Iran. This is even as improved domestic availabilities, combined with more restrictive tariff regimes, prompt some traditional Asian buyers to cut rice inflows. Deteriorating output prospects or stubbornly high quotations are instead forecast to lift shipments to Latin America and the Caribbean to new heights, with firm domestic demand also underpinning purchases by the United States and the EU. Imports by Africa are predicted to rise only slightly above the 2015 depressed level. The little increase would reflect greater needs in Southern Africa, as otherwise comfortable supply situations and/or financial constraints may again dampen imports in the rest of the region. On the export side, the modest recovery in 2016 world trade would reflect a general tightening of supplies, as various important rice origins have faced successive poor harvests. India, in particular, may witness a sharp contraction, while shipments by Thailand are likely to remain steady around the 2015 reduced level. Less attractive sale prices, often the result of supply shortfalls, could weigh on exports by Australia, Brazil and the United States. By contrast, these are expected to rise in the case of Argentina, Cambodia, Pakistan, Paraguay and Uruguay and Viet Nam.

World rice utilization in 2015/16 is assessed at 496.2 million tonnes (milled basis), 1 percent more than in the previous year. Of these, about 400 million tonnes are expected to be for direct human food consumption, 1.2 percent more than in the previous year. This would give way to an average 54.4 kilos per caput food intake, slightly superior to the previous year's estimate owing mainly to a small gain in Asia to 78.7 kilos per person. Based on FAO's first outlook, global rice utilization in 2016/17 could increase to 503.4 million tonnes, again propped up by an expansion of food consumption to 405 million tonnes.

Global rice inventories at the end of 2015/16 are projected to fall to 168.9 million tonnes. The 3 percent annual decline would position the world stocks-to-use ratio at 33.5 percent in 2015/16, down from an estimated 35.0 percent in 2014/15. The five major rice exporters are anticipated to lead the decline, amid generally poor 2015 crops gathered and government efforts to trim public inventories. Overall, the five countries are seen slashing inventories by a quarter to 32.0 million tonnes, which would lower the groups' stock-to-disappearance ratio to 18.1 percent, down from 23.9 percent in 2014/15 and its lowest level since 2008/09. FAO's first forecast of world rice stocks carried out from the 2016/17 seasons, has been set at 164.0 million tonnes, implying an additional 3 percent drawdown of reserves and a global stocks-to-use ratio of 32.0 percent in 2016/17, the lowest in five years. Like in 2015/16, much of the inventory reduction is expected to arise from the five major exporters, lowering their stock-to-disappearance ratio in 2016/17 to a ten-year low of 14.7 percent.

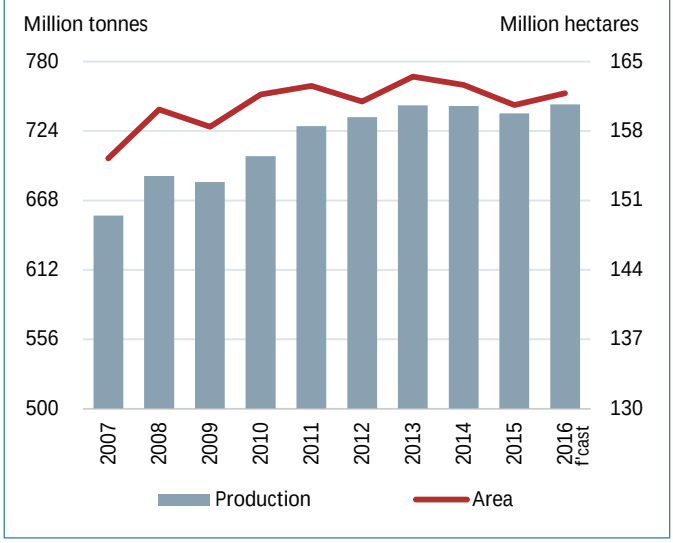
International rice export prices were little changed in the first quarter of 2016, remaining close to the low levels witnessed in late 2015. As a result, the FAO All Rice Price Index (2002-2004=100) remained steady around 195-197 points. Across individual segments, the Higher and Lower Quality Indica Indices have stabilised since the start of 2016 around 180 and 181 points, respectively. The Japonica Index also stayed close to its December value at 242 points. Meanwhile, downward pressure continued unabated in the fragrant rice segment, with the Aromatica Price Index sliding to 142 points, 6 percent below December and the lowest level since March 2007. Looking ahead to the coming months, international prices will have to balance rather subdued demands from importers against increasingly tight availabilities in exporting countries, at least until the last quarter of the year, when the bulk of 2016 production will be harvested. However, given the shrinking stocks available in exporting countries, much of which are in Government hands, the market looks particularly vulnerable to sudden demand surges or policy changes, which could boost price volatility.

PRODUCTION

Deteriorating prospects in Asia result in a 1.9 million tonne downward revision to the 2015 global production forecast

The 2015 season will soon draw to a close, as secondary crop harvests in the northern hemisphere are now underway.[1] Since December, a clearer picture of production setbacks associated with the poor climatic conditions prevailing for much of 2015 has emerged. This is especially the case for Asia, which is behind a 1.9 million tonne downward revision in the 2015 global production forecast. Compared to figures reported in December, inclement weather is now assessed to have borne a greater impact on production in India, the Democratic People's Republic of Korea, Myanmar and Thailand. In the case of Bangladesh and Japan, smaller area estimates due to weak prices are behind poorer production outlooks, whereas in Afghanistan, prospects deteriorated due to reduced water availabilities and escalating conflict in important northern producing provinces. Within the region, upward revisions concerned Viet Nam and, especially, China (Mainland), but these were insufficient to offset other cuts. Outside of Asia, production forecasts were also trimmed for Venezuela, while they were raised mostly for Colombia.

Global paddy production and area



[1] The 2015 rice production season normally includes rice from the main paddy crops whose harvests fall in 2015, 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 2015 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 2016. In the case of southern hemisphere countries, production in 2015 normally comprises rice from the main paddy crops assembled in the first part of 2015, plus rice from the secondary crops, generally gathered in the latter part of 2015. This approach to assess rice production is applicable to any given season.

Taking these adjustments into account, world paddy production in 2015 is now forecast at 738.2 million tonnes (490.3 million tonnes, milled basis), or 0.8 percent less than the already disappointing 2014 outturn. From a regional perspective, much of the fall would concentrate in Asia, where plantings were curtailed for a second successive season owing to poor rains, often associated with the El Niño weather anomaly. A combination of low prices and unfavourable weather also depressed output in the United States, while in the case of Australia falls were imputable to short water availabilities for irrigation. The 2015 season progressed more favourably elsewhere in the world. Albeit somewhat short of the 2014 record, excellent harvests in western parts of Africa are anticipated to keep production high in the continent. Prospects of favourable margins also fostered output recoveries across Europe. In Latin America and the Caribbean, favourable weather boosted production to new heights in South America, which more than offset losses associated with El Niño-induced drought in Central America and the Caribbean.

Meanwhile, climate forecasts indicate that after peaking in November-December 2015, the current strong El Niño event is likely to continue weakening until it fully dissipates by the northern-hemisphere spring or early summer. A 50 percent likelihood also exists that this event could give way to its opposite, La Niña, in August-October, although much uncertainty remains regarding this possible transition.

If confirmed, the return to El Niño neutral conditions by June would bode well for the 2016 crops in the northern hemisphere, as this period coincides with the bulk of main-season plantings. This would be especially the case in Asia, where rice is predominantly cultivated under rain-fed conditions, depending critically on the performance of the monsoon. On this assumption, FAO has set its first global production forecast for 2016 at 745.5 million tonnes (495.2 million tonnes, milled basis). This level would represent a 1.0 percent upturn from current 2015 expectations, which while positive, would fall short of the pace of growth sustained between 2010 and 2013. Underlying the comparatively conservative outlook are setbacks already incurred in the Southern Hemisphere, where cropping activities are more advanced and where the lingering impacts of El Niño are still being felt. Moreover, prospects of limited returns continue to limit growth expectations in various important producing countries, particularly those that rely on exports. Yet, rice is likely to remain a relatively attractive production option, either due to special Government programmes availed for the sector or due to even less remunerative prices for competing crops.

Among the various regions, Asia is expected to drive the global production recovery, although output in North America (the United States) is also set to rebound. Likewise, under expectations of continued strong official support, production in Africa is expected to increase, with output in Europe also edging up somewhat. Instead, Australia is heading towards another negative season, amid even tighter water supply availabilities. In Latin America and the Caribbean, a combination of poor margins and El Niño-related droughts/floods have marred the outlook for South America.

Asia

After two negative seasons, early prospects point to a production recovery in 2016

Numerous countries in northern hemisphere Asia saw ***2015*** main-crop planting operations again disrupted by belated and generally weak rains. The unseasonable climate, often associated to a strong El Niño occurrence, prevented main-crop plantings from being fully realised, also curtailing water supplies for subsequent secondary crops. Reflective of these setbacks, aggregate output in the continent is now expected to contract to 667.8 million tonnes (443.4 million tonnes, milled basis) in 2015, 5.1 million tonnes below 2014 levels and 1.9 million tonnes less than portended in December. At a country level, **Thailand** and **India** were impacted the most, although poor rains also constrained production in **Cambodia**, the **Chinese Province of Taiwan**, the **Democratic People's Republic of Korea**, the **Lao People's Democratic Republic**, **Nepal**, the **Philippines** and **Timor Leste**. Instead, a decline in **Myanmar** is linked to damages caused by heavy downpours and floods, while in **Japan** and **Pakistan** it was mainly a response to poor price prospects. Nonetheless, the 2015 season ended positively in various countries, especially **Bangladesh, China (Mainland)**, **Indonesia, Sri Lanka**, **Turkey** and **Viet Nam**, where record crops were gathered. Output also grew in the **Islamic Republic of Iran**, the **Republic of Korea** and **Malaysia**.

As most countries in Asia will not start planting until the May/June arrival of the monsoon rains, prospects for production in ***2016*** are very tentative at this stage. Assuming that the El Niño weather anomaly dissipates in time for main-crop plantings in the northern hemisphere, FAO's first forecast sees 2016 output in Asia recovering by 1.1 percent to 675.0 million tonnes (448.2 million tonnes, milled basis). More normal growing conditions could indeed permit various countries that had poor rains in 2015 to expand paddy cultivation in the current year. This would particularly concern **India,** although production is also expected to recover in **Afghanistan**, **Cambodia**, the **Chinese Province of Taiwan**, the **Democratic People's Republic of Korea**, the **Lao People's Democratic Republic**, **Myanmar**, **Nepal**, the **Philippines** and **Thailand**. Official support lent to the sector is similarly anticipated to boost production in **Bangladesh**, **China (Mainland)** and the **Islamic Republic of Iran**. However, in southern hemisphere Asia, where the 2016 season is more advanced, cropping activities often coincided with peaking El Niño conditions, bringing unseasonable dry conditions, water shortages and/or high temperatures. This was the case of **Indonesia**, **Malaysia** and **Viet Nam**, where output is forecast to fall as a result. Government efforts to cut plantings and surplus production are also behind an anticipated output reduction in the **Republic of Korea**.

Production estimates of the 2015 season in **Bangladesh**, which was concluded with the November-January harvest of the Aman crop, have been downscaled by 200 000 tonnes since December. The adjustment follows the release of final official estimates for the Aus crop. Authorities indicate that a move to cultivate more profitable crops triggered a 7 percent Aus contraction to 3.3 million tonnes (2.2 million tonnes, milled basis). Despite the downward revision, the 2015 season as a whole yielded positive results in Bangladesh. On aggregate, 52.3 million tonnes (34.9 million tonnes, milled basis) are estimated to have been harvested, up 1 percent from 2014 and an all-time high. The gain was mainly owed to larger Boro and Aman harvests and came in spite of flooding episodes in June and July and input supply disruptions caused by prolonged transport blockades early in the season.

Meanwhile, the 2016 season is already underway in Bangladesh, where the first and largest of the three crops cultivated each year (the Boro crop), has reached the harvest stage. FAO's first forecast of production in the country points to an overall harvest of 52.9 million tonnes (35.3 million tonnes, milled basis) in 2016. This would imply a 600 000 tonne annual gain, chiefly underpinned by yield improvements. Indeed, Boro planting activities progressed at a good pace this season, facilitated by favorable weather conditions. Yet, expectations of area expansions continue to be dampened by lingering weak quotations and rising production costs. This is even as the Government's move to instate greater protective measures against rice imports is widely expected to give way to a gradual recovery in domestic prices, possibly underpinning area gains later in the season. Input assistance programs also continue, including those reserved for Aus (mostly rainfed) cultivation. The aim of the latter is to prevent the depletion of ground water resources, stressed by extensive cultivation of irrigated Boro paddy.

On 27 January 2016, officials in **China (Mainland)** released the No. 1 Central Document, dedicating it to agriculture and rural issues for the thirteenth successive year. The

Document reaffirmed the Government's commitment to modernise agriculture and raise rural incomes, goals that were also enshrined in the Government's 2016 work plan and the 13th Five-Year Plan (2016-2020). Authorities have emphasized the need for supply-side reforms, acknowledging that twelve consecutive years of uninterrupted grain production gains have resulted in the accumulation of massive stockpiles and raised environmental concerns. This is while high production costs have eroded the competitiveness of the local industry. Steps to address structural imbalances would include the continuation of efforts to convert marginal cropland into forest and grasslands, the designation of permanent, protected, cropland and the maintenance of the minimum "red line" of 120 million hectares of farmland. Investment in agriculture, rural infrastructure and services are also to be boosted, while the quality of cultivated land will be enhanced by subsoil and water efficiency improvements, crop rotation and fallowing lands. No growth in the use of chemical fertiliser and insecticides is also being targeted, as a means to ensure that high quality land stretches over 53 million hectares by 2020.

Official plans also intend to integrate direct payments and subsidies on productive inputs offered to grain producers into a single subsidy, with value addition promoted through processing advancements. Measures to reduce the size of stockpiles and improve the price setting mechanism are also to be pursued, such that farmers adapt production choices to market demands. The latter thrust has entailed announcements of significant reforms to the maize sector, especially through the discontinuation of the temporary stockpiling programme and the pursuit of output cuts. Nevertheless and consistent with Government's mainstay policy of maintaining "absolute" self-sufficiency in wheat and rice, while pursuing only "basic" self-sufficiency in other grains, the procurement system for wheat and rice will be maintained. In line with these guidelines, the National Development and Reform Commission announced that official procurement prices for 2016 paddy would be unchanged at CNY 138 and 155 per 50 kg bag (USD 428 and USD 481 per tonne) of late/intermediate Indica and Japonica rice, respectively. Instead, they would be lowered slightly the case of early Indica rice to CNY 133 per 50 kg bag (USD 412 per tonne).[2]

The early crop is the smallest of the three crops cultivated in China (Mainland) each year, typically accounting for 16 percent of overall production. Grown in the south, the crop has been the most exposed to competition with imports, recording steady output declines since 2013. Yet, the drop in the early crop output has been more than offset by greater production from the late and/or intermediate crops. This was also the case in 2015, when yield gains, especially for the intermediate crop, boosted production to a record of 208.3 million tonnes (142.7 million tonnes, milled basis). Under expectations that this trend will continue and, considering that the Government's support prices and grain subsidies will continue to encourage producers to favour rice, if not boost its cultivation, output in China (Mainland) is provisionally forecast to rise by an additional 1.2 million tonnes in 2016 to 209.5 million tonnes (143.5 million tonnes, milled basis).

Transplanting operations in **the Democratic People's Republic of Korea** in 2015 were heavily impacted by scant spring rains until June, which aggravated an already poor water supply situation following drier-than-normal conditions in the second half of 2014. Despite efforts to secure supplementary irrigation from alternative sources, officials report that the unseasonable dryness resulted in an 11 percent annual cut in the area under paddy to 465 000 hectares. Although rains resumed with more vigour in July, they proved too late to mitigate damages

DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA: PADDY PRODUCTION BY REGION

Region	Area (000 ha)			Yields (Mt/ha)			Production (000 Mt)		
	2014	2015	Var %	2014	2015	Var %	2014	2015	Var %
DPRK	**525**	**465**	**-11.4**	**5.0**	**4.2**	**-16.4**	**2,626**	**1,946**	**-25.9**
S. Hwanghae	140	122	-12.7	4.6	3.1	-33.0	642	376	-41.5
N. Pyongan	101	97	-3.5	6.2	4.9	-20.1	619	477	-22.9
S. Pyongan	81	74	-8.9	6.2	5.5	-10.9	505	410	-18.9
S. Hamgyong	58	54	-6.6	4.8	4.2	-12.7	281	229	-18.5
N. Hwanghae	47	27	-42.5	3.5	2.9	-17.3	164	78	-52.4
Nampo City	26	23	-14.7	3.5	3.8	7.3	93	85	-8.5
Kangwon	27	22	-19.0	4.2	3.6	-15.2	114	78	-31.3
Others	45	46	3.6	4.7	4.6	-1.5	208	212	2.1

Source: Ministry of Agriculture

[2] All currency conversions are as of 1 April 2016.

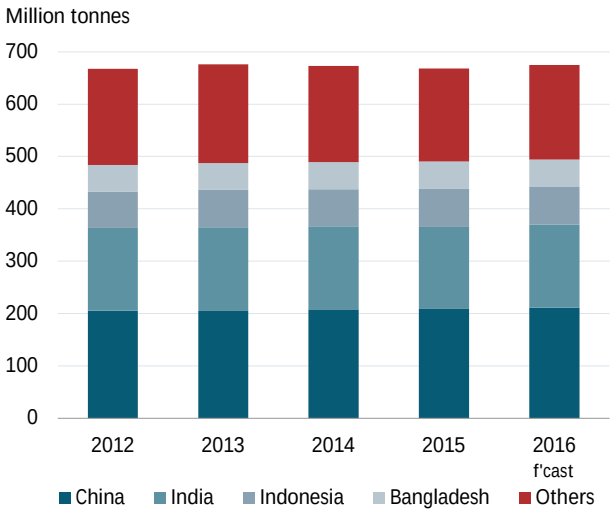
already incurred and yield drops were widespread. Particularly heavy losses were observed in North Pyongan and South Hwanghae, which together typically account for 45 percent of national output, and where productivity levels were reduced by 20-33 percent year-on-year. On the whole, officials report that 1.95 million tonnes (1.3 million tonnes, milled basis) were gathered in 2015, 26 percent less than the already reduced 2014 level and the smallest harvest since 2007. Early expectations for the 2016 season are more favourable, considering the improved water supply for irrigation facilitated by rains in the latter quarter of 2015. Assuming no major additional disruption is incurred, the country is provisionally forecast to harvest 2.4 million tonnes (1.6 million tonnes, milled basis) in 2016, up 450 000 tonnes from the 2015 depressed level.

The 2015 paddy campaign in the **Republic of Korea** closed with a third successive season of output gains. Boosted by favourable weather conditions, yields rose to a record of 7.2 tonnes per hectare, more than offsetting area diversions to other uses. Overall, 5.8 million tonnes (4.3 million tonnes, milled basis) are assessed to have been garnered, exceeding the 2014 outturn by 2 percent. Yet, the achievement received a mixed welcome, as previous abundant harvests had already put local quotations under much pressure, while domestic consumption of rice remains on a steady decline. To mitigate its impact on the market, authorities stepped up local purchase operations, announcing in their latest move that an additional 157 000 tonnes of local rice would be procured. This would bring total purchase commitments for the 2015/16 season to close to 750 000 tonnes, or 17 percent of production. Amid surging state stockpiles, the Government will also launch a new production adjustment programme, encouraging a gradual conversion of 88 000 hectares of paddies to other uses by 2018. Steps to promote local rice consumption as food, feed and industrial uses as well as exports were announced as well. Current expectations for the 2016 season in the Republic of Korea, point to a harvest of 5.6 million tonnes (4.2 million tonnes, milled basis). This would be down 170 000 tonnes from 2015, on anticipation of further area cuts and a return of yields to less buoyant levels.

The Second Advanced Estimates of Production, released by Indian authorities in February, lowered forecasts of 2015 output in **India** by 300 000 tonnes to 155.4 million tonnes (103.6 million tonnes, milled basis). The revision mirrors prospects of a smaller Rabi crop of 19.5 million tonnes (13.0 million tonnes, milled basis), as reduced water availability for irrigation following deficient monsoon rains in 2015 curbed Rabi plantings by 8 percent to 3.9 million hectares. This latest forecast puts production in 2015 some 1.8 percent short of the 2014 estimate, which was instead raised to 158.2 million tonnes (105.5 million tonnes, milled basis).

As to the 2016 season, FAO anticipates production in India to recover to 158.4 million tonnes (105.6 million tonnes, milled basis), up 2 percent from current 2015 expectations. The forecast remains highly tentative however, as the performance of the monsoon rains, which normally reach the country around the 1st of June, will be critical in determining the season's success. Close to 58 percent of paddies in India were officially assessed to be under some sort of irrigation in 2012. Yet, as observed in the past two seasons, rainfall performance is also critical in ensuring sufficient water availabilities for irrigation. Thus, on expectations of a return to a normal pattern of precipitation, average yields are anticipated to retake their gradual upward trajectory in 2016, with farmers in the country also expected to continue favouring rice cultivation over other crops. This considers the security provided by large domestic procurement operations conducted by the Government at minimum support prices.

Paddy production in Asia



On the policy front, the 2016 budgetary allocations of the Indian Government laid emphasis on water resources, soil fertility, input use and enhancing farmers' access to markets. These aim to double rural incomes by 2022, while addressing critical factors hindering agricultural productivity in the country. Through a new "Pradhan Mantri Sinchai Yojana" scheme and by fast-tracking existing projects, officials intend to bring an additional 10.9 million hectares of farmland under irrigation. This would be further to creating a Long Term Irrigation Fund and enhancing groundwater management. Efforts to address deteriorating soil conditions by extending soil health cards are to be continued, as will steps to promote organic farming, including through the "Parmparagat Krishi Vikas Yojana" scheme launched in 2015. Agricultural credit

and storage capacity is to be boosted, while on the input side, a pilot programme extending direct payments to farmers to assist them purchase fertilisers would be implemented. Fertiliser subsidies, much of which destined to urea, constitute the second largest Government outlay after food subsidies, accounting for 0.5 percent of GDP. Since 2010, subsidies on di-ammonium phosphate and muriate of potash have been extended to manufacturers and importers under the Nutrient-Based Subsidy scheme and sold at de-regulated prices. Instead, urea remains subject to a substantially cheaper maximum retail price of INR 268 per kilo (USD 4 000 per tonne), with further financial assistance extended to urea importers and producers. The pilot scheme would aim to address inefficiencies in the current fertilizer system, including the over-use of urea and its diversion to other scopes or outside markets, by also bringing urea under the Nutrient-Based Subsidy and de-regulating its price. The Government will meanwhile also seeking to enhance farmer access to markets through the Unified Agricultural Marketing Scheme and to improve the official procurement system, including through greater de-centralisation. The January approved "Pradhan Mantri Fasal Bima Yojana" will also avail farmers with crop insurance against natural disasters, at highly subsidised premiums.

Located in the southern hemisphere, the 2016 season is well advanced in **Indonesia**, where the main-crop has reached the harvest stage. Current production prospects for the country are negative, pointing to a 1.5 percent decline from the 2015 level to 71.9 million tonnes (45.1 million tonnes, milled basis). The reduction follows a rather challenging start to the campaign, which saw the onset of the seasonal rains delayed by up to 45 days, under the influence of the prevailing El Niño event. Although rice is predominantly cultivated under irrigated conditions in Indonesia, the belated and generally weak rainfall received through December postponed cropping activities across large swathes, including in parts of Sulawesi and Sumatera, where comparatively more paddies are rain-dependent. Delays were also observed in key growing areas of Java, where planting operations by the end of 2015 were reported to be close to 200 000 hectares behind progress in 2014. Rains since the second half of January have been more abundant, improving the water supply outlook for the remainder of the season and permitting producers to make-up for earlier planting delays. However, yield expectations have been dampened by the setbacks already incurred, as parts of the late-planted fields could suffer from drier conditions following the normal retreat of the rains in April.

Estimates of 2014 production in **Myanmar** have been lowered by 700 000 tonnes and aligned to Government figures, which indicate that an area-led contraction in the offseason (summer) crop depressed overall output to 28.2 million tonnes (16.9 million tonnes, milled basis). As for the 2015 season, based on the results of a FAO/WFP mission conducted in November/December, Myanmar is set to harvest 27.5 million tonnes (16.5 million tonnes, milled basis), down 2.5 percent from the 2014 reduced level. The drop would stem from a smaller monsoon crop, following extensive floods triggered by heavy 2015 rains and the July landfall of cyclone Komen. Further to destroying infrastructure and causing large population displacements, the inundations damaged close to 300 000 hectares of monsoon paddies, much of which in the Ayeyarwaddy, Rakhine and Bago regions. Close to half of this extension was subsequently re-planted, but yields were nonetheless depressed by 2 percent, on average. With the impact of the inundations largely confined to the main crop, prospects for the ongoing summer crop harvest remain favourable, on anticipation that farmers will respond to record-level quotations by expanding plantings.

As to prospects for the forthcoming campaign, apprehensions exist that the prevailing El Niño event could prolong and intensify the ongoing dry season in Myanmar, possibly affecting early stages of the 2016 season. Such concerns have incited industry calls to boost local reserves so as to meet potential emergency needs. FAO's preliminary production outlook remains positive nonetheless, pointing at a 2 percent annual recovery to 28.0 million tonnes (16.8 million tonnes, milled basis) in 2016. The forecast assumes average growing conditions prevail, considering that monsoon-cropping activities will

MYANMAR: PADDY PRODUCTION BY CROP

Year	Area (000 ha)			Yields (Mt/ha)			Production (000 Mt)		
	Monsoon	Summer	Total	Monsoon	Summer	Total	Monsoon	Summer	Total
2011	6,503	1,064	7,567	3.7	4.6	3.8	24,078	4,932	29,010
2012	6,165	1,043	7,208	3.7	4.8	3.8	22,700	5,004	27,704
2013	6,199	1,065	7,264	3.7	4.8	3.9	23,200	5,122	28,322
2014	6,185	967	7,152	3.8	4.6	3.9	23,718	4,475	28,193
2015	6,053	1,000	7,053	3.8	4.7	3.9	22,810	4,678	27,488

Source: Ministry of Agriculture and Irrigation

not get underway until May or even June in Myanmar, when most climate forecasting agencies predict the weather anomaly will have largely dissipated.

Transplanting activities of 2015 season crops in **Nepal** were disrupted for the second consecutive season by late and overall weak rains. The June-September monsoon period saw cumulative precipitation levels over the country as whole at 78 percent of the long period average. The unseasonable weather was exacerbated by constrained access to fertilizers and fuel, due to border closures and transportation difficulties associated with civil unrest in the Terai. Officials indicate that these factors translated into a harvest of 4.3 million tonnes (2.8 million tonnes, milled basis), down 10 percent from the already reduced 2014 level and the lowest since 2009. Meanwhile, 2016 sowing operations will not be in full swing until June in Nepal. Assuming average growing conditions and on expectations that the February reopening of borders with India will lead to a gradual improvement in the supply of basic inputs, production in Nepal is forecast to recover by 500 000 tonnes to 4.8 million tonnes (3.2 million tonnes, milled basis).

Pakistan closed the 2015 season with negative results, as profit margins were squeezed by rising production costs and steep price declines, especially in the basmati segment. As a result, farmers shifted from rice to more profitable crops, which, together with some flood-related yield losses, depressed output by 6 percent to 9.9 million tonnes (6.6 million tonnes, milled basis). As for the coming season, FAO forecasts 2016 production in Pakistan to remain close to 9.9 million tonnes (6.6 million tonnes, milled basis). Indeed, the outlook for the country remains clouded by subdued price prospects. This is even as expectations of steep area cuts are attenuated by similarly weak prices for competing crops, namely cotton. The rice sector could also draw benefit from official measures put in place last September to contain production costs and enhance access to credit. The initiative included a PKR 20 billion (USD 190 million) subsidy destined to cut prices of nitrate and potassium fertilisers. As much of the 2016 season's success will still depend on whether water availability will be sufficient, the predicted early arrival of monsoon rains over the country could similarly bode well for the season.

There have been only slight upward revisions to 2015 production forecasts for the **Philippines**, where offseason harvests are still ongoing. Overall, prospects remain negative, officially pointing to a 5 percent output contraction to 17.9 million tonnes (11.7 million tonnes, milled basis). Much of this fall is expected to rest on a smaller main-crop harvest, mirroring the combined impacts of El Niño-induced drought, some pest attacks, and storm damages, especially those inflicted by typhoon Koppu. Prospects for the dry season harvest have improved somewhat since December. This follows Government expectations that newly rehabilitated irrigation infrastructure and shifts in cropping patterns, stemming from late releases of water for irrigation, will offset losses resulting from short water supplies and storm damages. On these bases, output from the offseason crop is seen edging down 2 percent year-on-year to 8.1 million tonnes (5.3 million tonnes, milled basis). As to the 2016 season, which will only commence in June, it is provisionally forecast to yield 18.7 million tonnes (12.0 million tonnes, milled basis). The Philippines, as other Southeast Asian countries, is susceptible to rainfall shortages under El Niño phenomena and, by late March, 23 provinces of the country remained gripped by drought. Authorities predict the unseasonable dryness will begin easing as of May, with 13 percent of its territory expected to be impacted by June.

The 2016 season was launched last October in **Sri Lanka**. The campaign has progressed favourably since then, with above average rains through December boosting water supplies and facilitating planting operations. By the close of February, a record extension of 797 000 hectares had

PAKISTAN: PADDY PRICES IN PUNJAB

	2014				2015				2016	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2[1/]
Type/District	Rupee/tonne									
IRRI										
Okara	2,159	2,154	2,183	2,032	1,982	1,971	1,930	1,594	1,582	1,555
Vehari	2,333	2,330	2,309	2,284	2,201	1,808	1,875	1,297	1,779	1,875
BASMATI										
Okara	5,445	5,378	...	3,819	3,561	3,531	...	2,879	3,278	3,150
Vehari	5,400	5,292	5,516	4,047	3,288	2,993	3,125	2,618	2,955	2,625

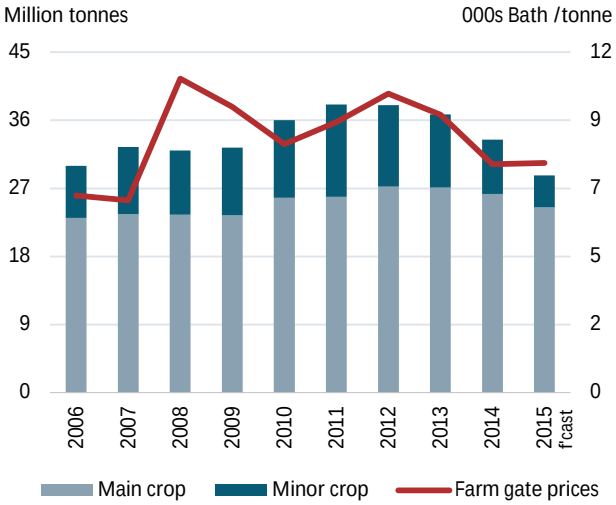
1/ Includes prices for April 2016.
... : not available.
Source: Agriculture Marketing Information Service, Punjab Directorate of Agriculture.

been brought under the main (Maha) crop, with damages to floods and diseases largely contained. Producers in the country are now getting ready to sow the season's secondary (Yala) crop. Although water supplies were considered adequate by March, some reservations have been expressed regarding its future availability, amid expectations of below average inter-monsoon rains. On the policy front, officials fixed the maximum price for a 50 kilo bag of fertilizers at SLR 2 500 (USD 329 per tonne). The move is geared at shielding producers from reported increases prices of this input, following the replacement of fertiliser subsidies with direct cash handouts announced last November. Amid expectations of yields falling to a more normal levels, relative to 2015 records, Sri Lanka is forecast to reap 4.8 million tonnes (3.2 million tonnes, milled basis) in 2016. This would be down slightly from a year earlier, but still stand out as the second largest crop on record.

Following a 2014 season already characterised by reduced precipitation, **Thailand** experienced its worst drought in over two decades in 2015. The ensuing depletion of major reservoirs led officials to restrict the release of water for farming, constraining plantings in irrigated perimeters. The erratic rainfall pattern also resulted in area and yield cuts in rain-fed paddies. Combined with generally depressed prices since the discontinuation of state purchases in 2014, these setbacks are predicted to depress 2015 output in Thailand to 28.7 million tonnes (19.0 million tonnes, milled basis). This level would stand 14 percent below the reduced 2014 outcome and some 600 000 tonnes short of December expectations. The revision stems from a slower pace of plantings of offseason crops than previously anticipated, especially of rainfed paddies. Despite abundant December and January rains, by the close of March their extension trailed 47 percent behind year-earlier levels to just over 300 000 hectares.

The 2016 season in Thailand will only begin in May with the planting of main-crop in northern areas. FAO preliminarily sees 2016 output in the country rebounding by 6 percent to 30.3 million tonnes (20.1 million tonnes, milled basis). The forecast hinges on expectations that some rainfed land, abandoned due to increasingly dry conditions last year, will return to cultivation and that a progressive improvement in weather conditions will sustain an upturn of yields. The production recovery is expected to be only partial however, considering the few economic incentives and weather-related uncertainties still prevailing. Farm-gate prices in Thailand remain relatively low, providing little encouragement to reclaim large swathes of land under cultivation, especially in time for the rainy season. Moreover, as forecasts by the Thai Meteorological Department indicate that precipitation levels will remain slightly below average in the months preceding the rainy season, the recharge of water levels in

Thailand: paddy production and farm gate prices



reservoirs could prove insufficient to sustain a timely launch of planting activities in irrigated fields. The outcome of the offseason crop will also depend on official decisions regarding the level of water discharges from reservoirs. In this respect, authorities have already announced a target to contain Thai paddy output at 25-27 million tonnes, under sustained efforts to address the oversupply situation.

The 2015 season was not without challenges in **Viet Nam**. Output from the winter-spring crop, the first and largest of the three cultivated by the country, fell due of drought conditions and a shift of producers towards lower yielding, but more profitable varieties. The winter crop (Lua Mua) also contracted slightly to 9.5 million tonnes (6.2 million tonnes, milled basis), amid official efforts to divert land to other crops. Yet, these combined losses were more than offset by a record summer-autumn harvest of 15.0 million tonnes (9.7 million tonnes, milled basis). The feat was achieved notwithstanding disruptions at early stages of the crop cycle posed by lingering drought. As a result, officials indicate that a total of 45.2 million tonnes (29.4 million tonnes, milled basis) were gathered in 2015, outdoing the 2014 record outcome by some 200 000 tonnes.

The 2016 season has progressed less favourably in Viet Nam, as the generally weak and early receding rains observed in 2015 compromised water availability for the irrigated winter-spring crop, giving way to the worst salinity problems in almost a century. Salt-water seeped 50-75 kilometres inland as early as January, combined with drought problems, affecting close to 230 000 hectares of winter-spring paddies by early April. Salinity problems are expected to ease as of this month, thanks to increased river flows, in part following China's March decision to raise water discharges from upstream dams. Yet, yield

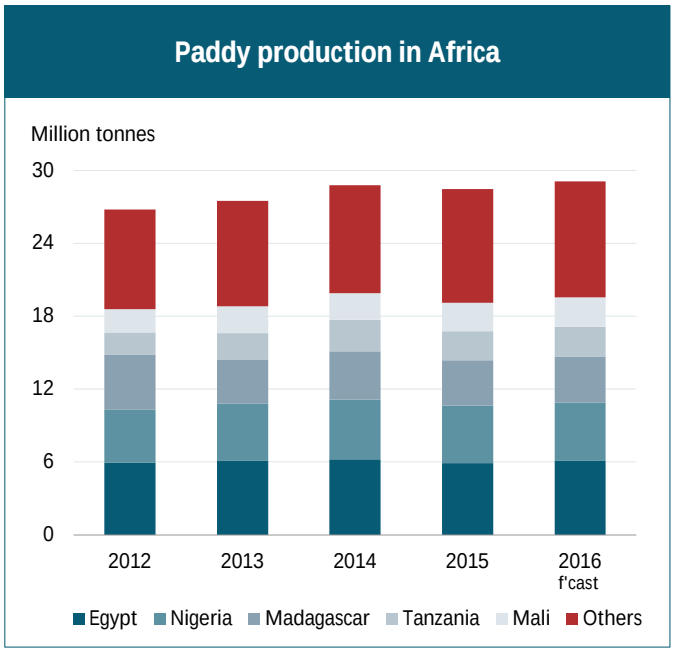
prospects have already been compromised for the winter-spring crop, which is already well at the harvest stage. This is specially so in the Mekong Delta, where most of the damaged paddies were located, and where half of national winter-spring production originates. Mekong Delta provinces also account for over 80 percent of overall summer-autumn plantings, cultivating this crop in two stages: the first "early summer-autumn" crop as of April and the "autumn-winter" crop as of August each year. Official indications that weak precipitation ahead of the rainy season will limit the recharge of reservoirs raise the prospect of early summer-autumn plantings also being disrupted in these areas. Yet, considering that conditions are envisaged to normalise by August, scope exists for losses to be recuperated with greater autumn-winter output in the Mekong and/or greater winter production, mostly from northern provinces. Indeed, notwithstanding official efforts to divert paddies to alternative crops since 2013, plantings in Viet Nam have proved rather resilient. This in part reflects difficulties associated with lack of post-harvest facilities and outlets for substitutes, which have rendered the choice to move away from rice cultivation difficult, especially against the backdrop of rebounding local prices. As a result and on anticipation that winter-spring losses will be partly offset by greater output from successive harvests, Viet Nam is forecast to gather 44.5 million tonnes (28.9 million tonnes, milled basis) in 2016, some 700 000 tonnes below the 2015 record.

Africa

Insufficient precipitation mars the outlook for 2016 production in Southern Africa

Most countries in Africa have already harvested their ***2015*** crops, with only a few still engaged in off-season cropping activities. Prospects for the region continue to point to output trailing closely behind the 2014 record, with 28.5 million tonnes (18.6 million tonnes, milled basis) expected to be collected in the region. The overall positive turnout would be in spite of numerous setbacks, including above-normal temperatures in Egypt and erratic rains across the southern and eastern parts of the continent. Although these factors were behind poor crop results in important producers such as Egypt, the United Republic of Tanzania and Madagascar, overall conducive growing conditions boosted output to new heights in Western Africa, largely offsetting the losses incurred in the rest of the region.

The ***2016*** season is well advanced in Eastern and Southern Africa, where producers are in the process, or getting ready, to collect the season's main crop. The season has only started in Egypt and will not go into full swing in Western Africa before June/July. Early expectations for the 2016 campaign see paddy production in the continent expanding by 2 percent to 29.1 million tonnes (19.0 tonnes, milled basis). Barring major setbacks, West African countries would drive the growth, boosting plantings partly in response to strong government incentives. A return to more normal climate conditions is also expected to sustain recoveries in Eastern Africa and Egypt. However, the outlook is negative for much of Southern Africa, where crops already suffered from severe precipitation shortages induced by El Niño.



In ***Northern Africa,*** the 2015 season closed with negative results in **Egypt,** where a combination of high production costs and excessive summer temperatures are estimated to have triggered a 5 percent production decline to 5.9 million tonnes (4.1 million tonnes, milled basis). Barring major disruptions, output in Egypt is predicted to recover to 6.1 million tonnes (4.2 million tonnes, milled basis) in 2016. The forecast upturn rests on expectations that producers will continue favouring rice over alternative crops, due to higher prospective margins. This is in spite of continued state efforts to limit the area under rice cultivation (this year to 450 000 hectares), in order to conserve water resources.

Forecasts of ***2015*** production in ***West Africa*** have changed little since December, as only a few countries are still gathering their offseason crops. Overall, the campaign is assessed to have yielded 14.6 million tonnes (9.2 million tonnes, milled basis), representing a 4 percent year-on-year expansion and a new record. Some delays in the establishment of the rains aside, the excellent turnout was facilitated by a generally favourable climate, which provided a further boost to state efforts to raise output, often under self-sufficiency agendas. This was especially the case of **Senegal**. According to officials, the country reaped a record 906 000 tonnes (634 000 tonnes, milled basis), up 62 percent, or nearly 350 000 tonnes, from a year earlier. A strong recovery was also staged in **Mali**, as

better rains and water flows boosted yields, also permitting producers to react to attractive prices by expanding plantings. Although somewhat less than last reported, officials in the country anticipate these factors to translate into an 8 percent annual expansion to a record of 2.3 million tonnes (1.6 million tonnes, milled basis). Reversing previous expectations of a contraction, Government assessments in **Ghana** now suggest that 2015 output exceeded the 2014 all-time high by 6 percent, reaching 642 000 tonne (385 000 tonnes, milled basis). The increase would rest on area expansions, registered notwithstanding generally poor rains over the country. Ebola recovery efforts and a gradual easing of constraints associated with the spread of the virus, similarly underpinned recoveries in **Liberia** and **Guinea**, with output making further headway in **Cote d'Ivoire, Gambia** and **Guinea Bissau**. FAO has also provisionally kept its forecast of production in **Sierra Leone** at a positive level of 1.3 million tonnes (762 00 tonnes, milled basis), although recent field evaluations indicate that population movement restrictions in the earlier part of the season may have limited the production recovery.

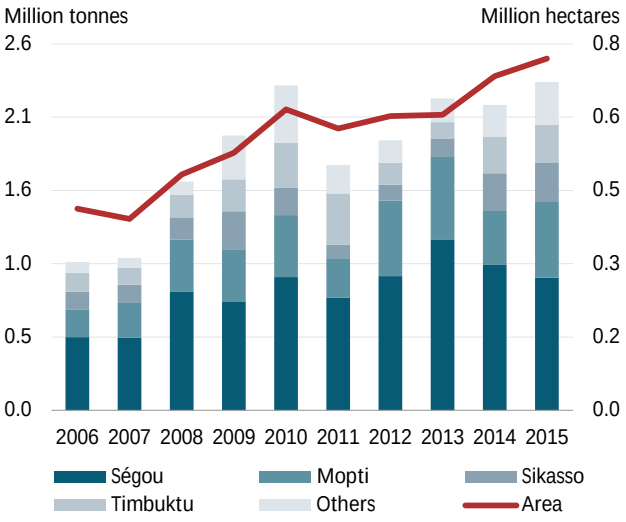
The season progressed less positively in other West African countries. This was the case of **Benin**, **Burkina Faso**, **Chad** and **Togo**, where poorly distributed rains and/or floods constrained output. After seeing production rise to new heights in 2014, authorities in **Mauritania** indicate that the season will likely close with a 24 percent area-led decline to 223 000 tonnes (134 000 tonnes, milled basis). The contraction has been attributed to producer reluctance to engage in rice farming, amid a combination of surging production costs, volatile prices and difficulties in marketing supplies, to which losses incurred to grain-eating birds would have added. These factors have prompted sector calls for authorities to lift intervention purchases over and above the 40 000 tonne volume announced in August last year. In a move geared at shielding the local industry from competition with imports, officials have meanwhile raised duties on foreign supplies. A 3 percent production reduction in **Nigeria** to 4.8 million tonnes (2.9 million tonnes, milled basis) is instead linked to less propitious rainfall, but also floods, even if at that level output remained above recent years' average. Although similarly representing an abundant turnout, output is also anticipated to fall to 93 000 tonnes (60 000 tonnes, milled basis) in **Niger**, where concerns over the impact of low river flows on the offseason crop have also emerged.

Early expectations for ***2016*** point to aggregate output in West Africa reaching 14.9 million tonnes (9.5 million tonnes, milled basis), up 2 percent from the current 2015 estimate. The forecast assumes that growing conditions remain normal over the season, even if regional climate prediction centres have forewarned that portions of Benin, Guinea, Ghana, Nigeria and Togo could once again see early seasonal progress disrupted by below average rains through June.

At a country level, after incurring two seasonal declines due to inclement weather, good price prospects could lift 2016 output in **Chad** to 270 000 tonnes (185 000 tonnes, milled basis). Albeit more modest, prospects also point to an increase for **Ghana** to 660 000 tonnes (396 000 tonnes, milled basis). Indeed, expectations of a marked production expansion in the country are somewhat dampened by producer grievances over growing indebtedness and increasing competition with imported rice. This is even as rice receives much state attention, being considered a strategic good by authorities targeting full self-sufficiency.

Officials in **Mali** are aiming to raise production in 2016 to 2.7 million tonnes (1.8 million tonnes, milled basis), over close to 950 000 hectares. To achieve this end, subsidies on agricultural inputs and machinery are to be extended, under an agricultural support budget of over XOF 51 billion (USD 88 million), which also foresees infrastructural improvements. These would include irrigation facilities, with international assistance also secured to bring 27 000 hectares under cultivation in irrigated perimeters in the Moyen Bani plains and Djenné. The latter are located in Mopti and Segou regions, which already account for almost two thirds of national output and house large irrigation schemes, most notably the Office du Niger. While more conservative than official expectations, considering the Government support provided to the sector and the still good prices prevailing, FAO sees output in Mali advancing further in 2016 to some 2.4 million tonnes (1.6 million tonnes, milled basis).

Mali: paddy production by region and area



Mauritania is similarly forecast to gather 240 000 tonnes (144 000 tonnes, milled basis) in 2016, up 7 percent from the 2015 depressed level, as the recent Government move

to raise protective measures against imports may encourage producers to increase plantings.

Meanwhile, current expectations are that **Nigeria** will produce 4.8 million tonnes (2.9 million tonnes, milled basis) in 2016, up slightly from the 2015 estimate. The forecast takes into consideration warnings by the Nigeria Meteorological Department that this year's rainy season could again be less than ideal, with late arriving and early receding rains potentially affecting vast areas of the country. On the policy front, it also remains unclear when input subsidies channelled through the Growth Enhancement Support Scheme (GESS) will resume. A flagship of the previous Government's Agricultural Transformation Agenda, the programme is reported to be under official review, as the quality of supplies channelled to farmers is being probed and arrears settled. Since 2015, farmers have had to recur to open markets for input supplies in its absence, with further fertiliser supply disruptions reported to be linked to official efforts to prevent their use in explosives in the northern areas affected by conflict. Specific support to the rice sector has however been channelled for dry-season farming under the Anchor Borrowers' Programme, which provides credit at subsidised rates, along with an out-grower scheme component. Authorities have concomitantly maintained restrictions on rice imports, namely by barring access to foreign exchange to finance them, with the explicit goal to make the country fully rice self-sufficient by 2018.

The 2016 season is more advanced in ***Eastern Africa***, where main-crops are approaching, or have already reached, the harvesting stage. Prospects are generally positive, as various countries in the sub-region have benefitted from abundant rains since the season's onset, consistent with the typical influence of the El Niño weather pattern over the sub-region. At a country level, the outlook is positive for the **United Republic of Tanzania**. In the aftermath of a 2015 season characterized by erratic rains, the country is anticipated to harvest 2.5 million tonnes (1.6 million tonnes, milled basis) in 2016, up 2 percent year-on-year. The increase would be in spite of some localized flooding episodes, although much will still depend on rainfall performance through May. Current expectations are that conditions will remain adequate to sustain crop development over most of the country. Meanwhile, Government efforts to expand irrigation coverage and graduate smallholders into commercial farming through partnerships with agri-investors continue. These include interventions under the Southern Agricultural Growth Corridor of Tanzania (SAGCOT), launched in 2011, which concentrates on alluvial plains in the Kilombero and Pwani regions.

With the aim of achieving self-sufficiency in rice by 2018, steps to boost output by expanding cultivation in the marshlands are also active in **Rwanda** through the Rural Sector Support Project. Greater linkages across the value chain are also being promoted, including through recent official efforts to broker prices among market actors. Considering the generally favourable progress of the season to date, Rwanda is forecast to gather 100 000 tonnes (67 000 tonnes, milled basis) in 2016, surpassing the 2015 excellent performance by 3 percent. The outlook is similarly positive for **Kenya** and **Uganda**, which may gather 165 000 tonnes and 240 000 tonnes (107 000 tonnes and 160 000 tonnes, milled basis), respectively. In the case of Kenya, this would be notwithstanding disruptions posed by heavy downpours, which are reported to have caused floods and a spread of diseases in important irrigation schemes.

Prospects for 2016 crops in ***Southern Africa*** have been marred by severe precipitation deficits incurred under the influence of the El Niño phenomenon. Coming in the aftermath of a 2015 season already plagued by erratic rains, the inclement weather caused widespread planting delays and undermined yield prospects. As a result, current expectations for the sub-region point to an only shy output recovery, with aggregate production expected to hover around 4.3 million tonnes (2.9 million tonnes, milled basis). Shortfalls are predicted to concern most of the rice producing countries, including **Malawi**, **Zambia** and **Mozambique**. In the latter, precipitation shortages have primarily affected central and southern regions, also limiting water availabilities in important irrigation perimeters in the province of Gaza. Conditions have fared better in northern parts of Mozambique, where rains have been abundant, albeit also causing some flooding problems. Reflecting this mixed rainfall performance, output in Mozambique is envisaged to fall to a three-year low of 340 000 tonnes (227 000 tonnes, milled basis).

In the case of **Madagascar**, the third largest producer in Africa, prospects point to the 2016 harvest remaining close to the 2015 reduced level, at 3.8 million tonnes (2.5 million tonnes, milled basis). Underlying the conservative growth outlook is a somewhat mixed performance of the rains this season, with precipitation deficits impacting western and southern parts of the isle, while important producing central and northern areas of the country received better rains. Production in Madagascar has been consistently constrained by locust attacks and inclement weather since 2012. These have added to inherent infrastructural constraints and low input use, which tend to limit yield growth. This season, cropping activities were reported to have been brought forward, in a bid to diminish the main harvest's susceptibility to storm damages. The consequent increases in output early in the season would be contributing to keep prices comparatively stable during the traditionally lean period that precedes the main crop harvest.

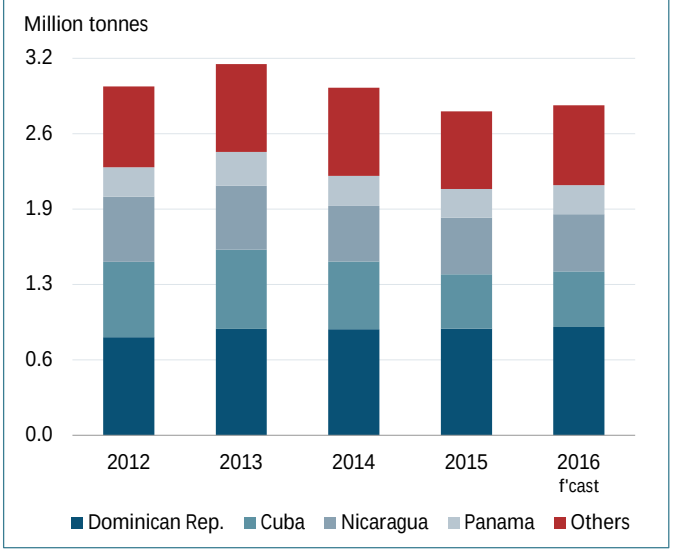
Central America and the Caribbean

Drought conditions reduce 2015 production to an 8-year low, but early expectations point to a recovery in 2016

The ***2015*** season is drawing to close in Central America and Caribbean, with only a few countries still to harvest secondary crops. Prospects for the season remain generally downcast, chiefly due to precipitation deficits, which negatively influenced the development of the main-crops across the sub-region. Overall, 2.8 million tonnes (1.8 million tonnes, milled basis) are expected to be produced in 2015, down 7 percent year-on-year. At country level, the largest reduction is expected in **Cuba**, where short water availabilities for irrigation resulting from the most severe drought in over a century are assessed to have prompted a 20 percent cut in output to 460 000 tonnes (307 000 tonnes, milled basis). A combination of drought and floods, together with pest attacks, are similarly forecast to cut production in **Mexico**, with crops in **Haiti**, **Honduras**, **Guatemala**, **El Salvado**r and **Panama**, all affected by unseasonable dryness. Only the **Dominican Republic** and **Nicaragua** are assessed to have been largely unscathed. In the **Dominican Republic**, officials report that Government efforts to conserve water resources by rehabilitating and cleaning irrigation infrastructure, combined with steps to curb pest infestations, helped production expand by 1 percent to 906 000 tonnes (543 000 tonnes, milled basis). On the other hand, output in **Nicaragua** is assessed to have remained close to the 2014 reduced level, at 480 000 tonnes (312 000 tonnes, milled basis), with conditions somewhat salvaged by more vigorous rains in the second crop-cycle.

As to prospects for the ***2016*** season, output in the sub-region is tentatively forecast to recover by 2 percent to 2.8 million tonnes (1.8 million tonnes, milled basis). Nonetheless, much will depend on the performance of the rains. In this connection and while generally boding well for overall rainfall levels, an expected transition into El Niño neutral conditions could also entail more vigorous hurricane activity over the sub-region during the June-October period. El Niño conditions are generally linked to fewer storms over that part of the world, with the opposite often holding true during La Niña years. Meanwhile, where the season is more advanced, difficulties associated with depleted water supplies remain. In **Cuba**, for instance, water levels in major reservoirs were boosted by rains early in the year, but overall supplies remain tight, especially in eastern areas of the country that were most impacted by the drought. While steps to enhance access to inputs and equipment continue, including through a new partnership with Chinese authorities, Cuba is tentatively forecast to harvest 470 000 tonnes (314 000 tonnes, milled basis), only slightly above the 2015 constrained level. Progress has been more favourable in the **Dominican Republic**, where crops (grown under irrigation) were assessed in good conditions, amid sufficient water availabilities for irrigation. Production in the country is expected to reach 920 000 tonnes (552 000 tonnes, milled basis) in 2016. A combination of irrigation improvements and cultivation of higher yielding varieties, could also underpin 2016 output in **Mexico**, while in **Nicaragua** output may edge up to 485 000 tonnes (315 000 tonnes, milled basis). Provided no major setback is incurred, output is also provisionally forecast to recover in **Costa Rica**, **Honduras** and **Panama**.

Paddy production in Central America and the Caribbean



South America

Reduced margins and weather vagaries to depress output by 7 percent in 2016

With a few exceptions, most countries in South America are by now gathering their main 2016 crops. Under the prevailing El Niño conditions, the paddy campaign has posed significant challenges to producers in the sub-region. Argentina, Brazil, Paraguay and Uruguay, all saw crop progress constrained by heavy downpours, floods and poor sunshine conditions. At the same time, countries such as Colombia, Guyana, Venezuela and portions of Bolivia, have faced precipitation deficits since the onset of the season. In many cases, the weather vagaries added to an already uncertain economic environment, marked by difficulties associated with generally weak domestic quotations and rising production costs. Combined, these factors are anticipated to depress 2016 production in South America by 7 percent to 23.7 million tonnes (16.1 million tonnes, milled basis). Much of the anticipated retrenchment would concentrate in **Brazil**, the region's largest producer, but **Argentina**, **Bolivia**, **Colombia**, **Guyana**, **Paraguay**, **Suriname**, **Uruguay** and **Venezuela** are

all likely to see production fall. Instead, the outlook remains favourable for **Peru**, **Chile** and **Ecuador**.

Authorities in **Argentina** report that producers cut 2016 plantings by 10 percent to 215 000 hectares. The retrenchment stemmed from a combination of high production costs and difficulty in marketing produce, although sowing activities were also disrupted by excess rains. While also affecting areas of Entre Rios and Santa Fe, flooding episodes were most severe in Corrientes, where low-lying riverine areas were reported to have been fallowed amid fears of El Niño related inundations. Yield prospects have additionally been tempered by the reduced sunshine conditions and low temperatures prevailing in the first half of the cropping cycle. However, and potentially reflective of improved conditions since January, authorities have maintained overall positive expectations regarding yields. They peg 2016 output at 1.5 million tonnes (1.0 million tonnes, milled basis), 4 percent below last year's level. The Government has concomitantly taken steps to ease the sector's liquidity constraints. The initiative would entail availing up to ARS 300 million (USD 20.5 million) in credit lines at subsidised rates, further to pursuing plans for a rice mortgaging instrument.

Prospects are also negative for **Bolivia**, where 2016 harvesting operations are underway. Production in the country is seen retreating to 380 000 tonnes (261 000 tonnes, milled basis). The 100 000 tonne fall would reflect cuts in area planted to paddy, as producers reacted to unattractive prices. Following last year's above-average outturn, yields are also expected to fall to more normal levels of close to 2.7 tonnes per hectare. The forecast yield decline would also mirror some weather challenges endured this season, namely localised dryness in the main production region of Santa Cruz.

Adding to expectations of reduced plantings due to higher production costs, 2016 sowing operations in **Brazil** were considerably disrupted by adverse weather conditions. This was especially the case in Rio Grande do Sul. Amid incessant rains, only 55 percent of plantings in Brazil's largest producing state were completed within the recommended period. Subsequent recurring floods also called for fields to be re-planted, pushing sowing progress into February. The inundations impacted some 160 000 hectares in the southern state, which, by local estimates, could put at peril 15 percent of its expected production, or 1.4 million tonnes. These factors have led CONAB to cut its 2016 production forecast for Rio Grande do Sul to 7.8 million tonnes (5.3 million tonnes, milled basis), or 9.6 percent less than last year. Compared to December predictions, officials have also scaled-back prospects for the north-eastern and central regions. In the former, where rice cultivation has been steadily in decline, producers shifted to more profitable crops this season, whereas central regions were also impacted by heavy downpours and low sunshine conditions. On aggregate, CONAB now anticipates Brazil to harvest 11.2 million tonnes (7.6 million tonnes, milled basis) in 2016, down 10.2 percent year-on-year and its lowest since 2002.

Estimates of 2015 production in **Colombia** have been raised by 100 000 tonnes, based on Government indications of a larger planting extension. Colombia is now estimated to have reaped 2.1 million tonnes (1.4 million tonnes, milled basis) in 2015, up more than 200 000 tonnes from the 2014 drought-reduced outturn. As to the 2016 season, production from the first crop cycle, which normally accounts for some 30 percent of the total, has been affected by dry conditions. This is especially so over central Andean regions of the country, where planting delays were incurred, with accompanying risk of diseases from high temperatures. Nonetheless, the sector has maintained an overall positive outlook for 2016, confident that greater second-crop plantings in the eastern plains will more than make up for the shortfall. This would be consistent with the sustained firmness of local prices, the strength of which is, however, also attributed to costlier inputs resulting from a weaker local currency. FAO provisionally forecasts Colombia to gather 2.0 million tonnes (1.4 million tonnes, milled basis) in 2016, 3 percent less than in 2015, but still an above-average turnout.

In **Ecuador,** plantings of the 2016 winter crop concluded by February. No major disruption has been reported to date, even though apprehension exist regarding the

BRAZIL: PADDY PRODUCTION BY REGION IN 2015 AND 2016[1/]

Region	Area (000 ha)			Yields (Mt/ha)			Production (000 Mt)		
	2015	2016	Var %	2015	2016	Var %	2015	2016	Var %
BRAZIL	**2,295**	**2,024**	**-11.8**	**5.4**	**5.5**	**1.8**	**12,436**	**11,168**	**-10.2**
North	262	259	-0.9	3.8	3.7	-1.9	994	966	-2.8
Northeast	477	298	-37.5	1.4	1.6	9.5	686	470	-31.5
Centre-West	234	198	-15.6	3.6	3.5	-2.8	839	688	-18.0
South East	27	19	-31.0	2.8	3.2	12.8	77	60	-22.2
South	1,295	1,250	-3.5	7.6	7.2	-5.4	9,841	8,984	-8.7

1/ For Brazil: 2014/15 and 2015/16 paddy seasons

Source: CONAB – Crop 2015/2016 - Seventh Assessment – April 2016

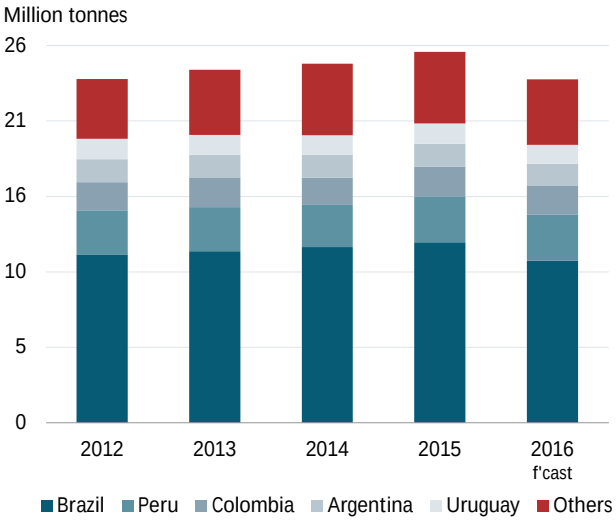
possible impact of El Niño. The weather anomaly is generally associated with excess precipitation in the country, especially in coastal areas, which may be susceptible to floods. Strong local quotations and Government input assistance programs are expected to underpin plantings, otherwise. As a result, output in Ecuador is seen remaining largely steady at 1.2 million tonnes (762 000 tonnes, milled basis) in 2016.

High production costs and lower prices dampened the outlook for 2016 plantings in **Guyana** since the season's onset in November. These conditions were aggravated by precipitation shortages associated with the El Niño phenomenon. Just weeks ahead of its harvest, area under the year's first crop, which normally accounts for about half of overall production, was reported to amount to 76 000 hectares. This extension would be below the already reduced official target of 91 000 hectares and more than 20 percent behind levels reported in 2015. Although steps to conserve water resources and provide supplementary irrigation have been put in place, the unseasonable dryness is likely to affect yields. Nonetheless, scope still exists for some losses to be recuperated with the second crop cycle, slated to begin in June. This considers expectations that weather patterns would normalise as of May this year. On these bases, 2016 production in Guyana is predicted to fall 11 percent short of the 2015 record to 940 000 tonnes (611 000 tonnes, milled basis). If confirmed, this would mark the first production contraction to occur in the country since 2007.

Although similarly coming in the aftermath of price declines associated with diminished demand for export, weather vagaries took the opposite form in **Paraguay**. Heavy rains impeded producers from fulfilling their 2016 planting intentions. To these setbacks were added generally poor sunshine conditions, as well as losses to floods. The latter mostly regarded low-lying areas of the Tebicuary River, where most of the country's production concentrates. Reflecting both area and yield losses associated with the unfavourable climate, 2016 production in Paraguay is predicted to fall some 14 percent year-on-year to 780 000 tonnes (550 000 tonnes, milled basis). The expected poor result follows years of brisk growth, namely a fourfold rise in production since 2008. The gains were propelled by both area gains, in response to strong export demand, although yields also rose, mirroring an increasing adoption of improved seed varieties.

Prospects are more favourable in **Peru**, where output is provisionally forecast at 3.2 million tonnes (2.1 million tonnes, milled basis), or 1 percent above the already excellent 2015 harvest. The increase reflects expectations that producers will continue to favour rice over other crops, given strong price incentives. It would also be facilitated by ample supply of water for irrigation available in important northern producing provinces. Some setbacks have however concerned selected regions of the south, due to tighter water availabilities. Still, the 2016 season is at comparatively early stages in Peru, with the bulk of the year's harvest not expected until May/June.

Paddy production in South America



According to industry assessments, 20 percent of 2016 paddies in **Uruguay** were sown beyond the optimal planting window, due to heavy downpours associated with El Niño conditions. Planting activities were only brought to a close in early December, as low temperatures and incessant rains also entailed that early-planted fields had to be re-sown. Northern regions were most affected by the delays, with subsequent flooding problems also damaging irrigation and drainage infrastructure, further to affecting some 4 000 hectares of paddies in these areas. Sowing activities proceeded more normally in the eastern producing region, which typically accounts for about 70 percent of production. Considering the more severe planting delays incurred compared to last year, it would seem unlikely that record yields attained in 2015 would be replicated this season. Nonetheless, improved temperatures and sunshine conditions between January and February have buoyed crop development. As a result, and taking into account the area losses suffered to the unseasonable climate, Uruguay is presently forecast to produce 7 percent less than in 2015, or 1.3 million tonnes (910 000 tonnes, milled basis).

According to authorities, **Venezuela** suffered a more severe output contraction in 2015 than previously reported. Prospects of poor margins induced a 28 percent cut in plantings, precipitating a 300 000 tonne decline in output to 836 000 tonnes (585 000 tonnes, milled basis). Prospects for the 2016 season are equally downcast, provisionally pointing to a six-year low of 750 000 tonnes (525 000 tonnes, milled basis). Plantings of the summer

crop, the smaller of the two cultivated each year, have been hindered once more by limited access to machinery and basic inputs due to scarce foreign exchange. Liquidity constrains associated with late payments of subsidies on crops harvested last year are further reported to have compounded difficulties arising from a lack of maintenance of irrigation infrastructure and insecurity problems. Water availability, already reduced by prolonged dryness associated with El Niño conditions, would be thus even scarcer. On the other hand, in a move welcome by the sector, in March the Venezuelan Government more than trebled paddy producer prices relative to levels established last October. These now stand at VEF 70 per kilo.

North America, Europe and Oceania

Less attractive prices for alternative crops to boost 2016 rice plantings in the United States

In ***North America***, estimates of 2015 production in the **United States** have been upgraded slightly since December, reflecting somewhat higher yield outturns. Officials estimate that 8.7 million tonnes (6.1 million tonnes, milled basis) were harvested in 2015, down 13 percent year-on-year. The contraction mostly followed area cuts induced by a combination of poor prices and adverse weather, but yields also declined due to an unseasonably warm summer. The 2016 season has already opened, with planting operations reported underway as early as March in some States. Based on the USDA's survey of planting intentions, US producers plan to expand aggregate area under paddy by 17 percent to 1.2 million hectares in 2016. The recovery would stem from buoyant expectations in the long-grain segment, where a 31 percent annual rebound would follow prospects of poorer margins for competing crops. Such competing crops also include japonica varieties in southern producing states, namely Arkansas and Louisiana, where medium-grain plantings had risen considerably over the past two years, amid strong prices and in compensation for cuts in drought-stricken California. As a result of this substitution and notwithstanding a much improved water supply situation in California, 2016 plantings of the medium/short grain rice are anticipated to fall by 17 percent year-on-year to 248 000 hectares. Based on these indications and assuming yields return to more normal levels, FAO provisionally forecasts production in the United States to rise by 1.7 million tonnes to 10.4 million tonnes (7.3 million tonnes, milled basis). If confirmed, this level would stand second only to the 2010 record outcome.

In ***Europe***, the 2015 season closed with positive results in the **European Union**. Paddy output staged its first recovery in four years, rising to 2.97 million tonnes (1.8 million tonnes, milled basis), up 4 percent from a revised 2014 estimate. The result was attained thanks to yield improvements following a more normal unfolding of the season, although plantings also rose in response to strong Japonica prices. Italy, the region's largest producer, led the gain, producing 1.5 million tonnes (911 000 tonnes, milled basis), or 7 percent more than the 2014 depressed level. More benign pest attacks and drier conditions compared to the excessively wet 2014 campaign also underpinned growth in Portugal, with Bulgaria and Romania also harvesting larger crops. Gains in these countries more than compensated for cuts in France and Spain. In the latter, the decline was caused by excessive temperatures and diseases, which depressed yields.

Meanwhile, as planting activities get underway across the region, FAO's first production outlook for 2016 sees the European Union replicating the good 2015 performance of 3.0 million tonnes (1.8 million tonnes, milled basis). The outlook rests on expectations that the still generally strong

USA – 2016 RICE PROSPECTIVE PLANTINGS: AREA BY CLASS AND STATE[1/]

Region	2015 (000 ha)				2016 (000 ha)			
	Long Grain	Medium Grain	Short Grain	All	Long Grain	Medium Grain	Short Grain	All
USA	**758**	**284**	**15**	**1,058**	**992**	**235**	**13**	**1,240**
Arkansas	429	99	0	529	579	61	0	640
California	3	154	15	171	3	158	12	173
Louisiana	144	26	-	170	166	12	-	178
Mississippi	61	-	-	61	89	-	-	89
Missouri	71	3	-	74	81	3	-	84
Texas	51	2	-	54	75	2	-	76

1/ Released on 31 March 2016

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

Japonica prices will encourage producers to continue favouring these varieties over alternative crops. First signs of this come from Italy, where, against the backdrop of poor price prospects for substitutes such as maize, producers expressed the intention of raising the area under rice by a modest 1 percent to 230 000 hectares. All of the increase would correspond to Japonica rice varieties, as competition with imports may lower area under Indica rice to 33 000 hectares, or less than half their level in 2013. Yet, much will still depend on the prevailing growing environment, given concerns about water availabilities due to atypically dry autumn and winter conditions in both northern Italy and Spain. This is even as wetter February and March weather have somewhat eased such fears. In Portugal and Greece, growth prospects are also being tempered by weaker local quotations. These have been associated with difficulties in placing produce in outside markets in Greece.

In the aftermath of a record 2015 harvest, producers in the **Russian Federation** have also expressed concern about reduced demand from key export destinations. Yet, considering the strong official support offered to the sector, FAO forecasts the country to make further headway in 2016 and collect 1.1 million tonnes (754 000 tonnes, milled basis). Russian officials were indeed reported to be studying a special allocation of up to RUB 3 billion (USD 44 million) for the sector, with the objective of raising plantings to 250 000 hectares in the medium term. This compares to the 202 000 hectares planted in 2015 and the 204 000 hectares authorities anticipate will be sown in 2016.

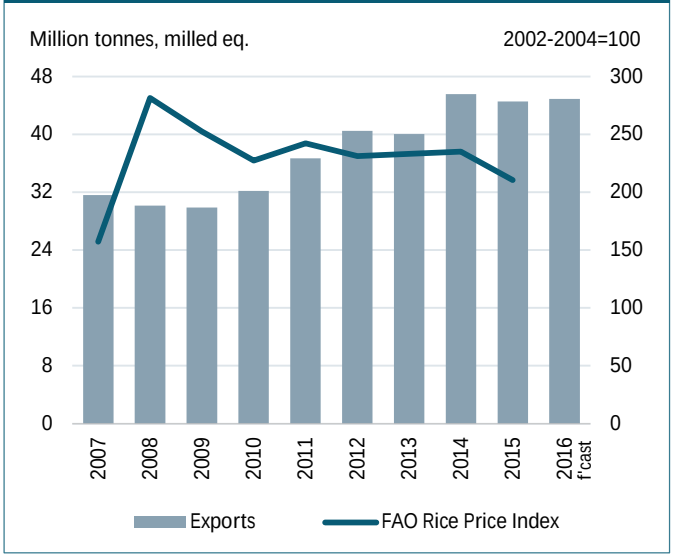
In ***Oceania***, the 2016 season is well advanced in **Australia,** as producers are by now harvesting the crop. Prospects for the country remain particularly downcast, due to lingering poor availability of water for irrigation. Officials indicate that because of low water allocations and otherwise costly water supplies, plantings in the country were cut by nearly 60 percent to their lowest level since 2010, or 31 000 hectares. Combined with expectations of average yield outturns, the acreage cut is officially envisaged to bring 2016 production down by nearly 400 000 tonnes to 305 000 tonnes (203 000 tonnes, milled basis).

INTERNATIONAL TRADE

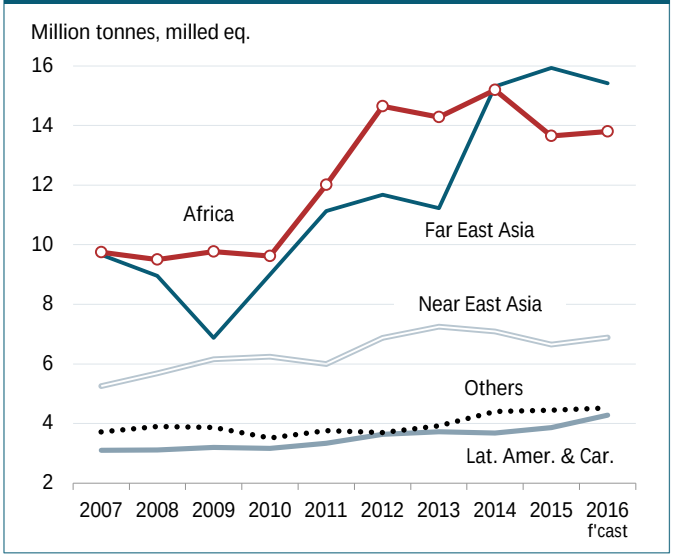
West African demand no longer an engine of trade growth in 2015 or 2016

FAO's estimate of world trade in rice in calendar ***2015*** has changed little since December, pointing to a 2 percent annual contraction to 44.6 million tonnes (milled basis). At a country level however, a number of revisions followed the release of complete calendar year trade data. This was especially the case in West Africa, which was behind much of the world trade contraction, as good crop harvests and/or depreciating currencies curbed import demand. Within the sub-region, estimates have been reduced for Guinea and, in particular, for Nigeria. The latter is now assessed to have cut 2015 purchases to a six-year low in the aftermath of a steep currency depreciation and the imposition of restrictive import measures. Cuts in the Islamic Republic of Iran and Iraq also depressed deliveries to the Near East, but greater purchases by countries in the Far East, many of which linked to El Niño related fears, raised Asian imports to new heights in 2015. Elsewhere in the world, demand remained robust in Europe, the United States and, especially, in Latin America and the Caribbean, where production shortfalls accelerated the rate of purchases.

Global rice trade and FAO Rice Price Index



Rice imports by region



Among the exporters, Thailand bore much of brunt of the 2015 world trade contraction. Although shipping somewhat more than last reported, the country saw itself consistently outcompeted in price sensitive markets. New estimates have instead lowered 2015 consignments by India, even though competitive prices kept the country's deliveries close to 2014 records. Thus, its position as the world's leading rice exporter was confirmed for the fourth consecutive year. Tighter availabilities and/or weak demand in key markets similarly undermined shipments by Argentina, Australia, China (Mainland), the European Union, the Russian Federation, Paraguay and Uruguay, Poor performances by Egypt and Myanmar were also associated with the imposition of export prohibitions. Instead, revised figures now point to a more impressive pace of export growth for both Pakistan and Viet Nam, with gains also concerning Brazil, Cambodia, Guyana and the United States.

Meanwhile, forecasts of ***2016*** global rice deliveries have undergone a 350 000 tonne downward revision. This follows expectations of lower imports by Guinea, Iraq, Nepal, Nigeria and the Philippines, which would more than compensate for larger expected deliveries primarily to China (Mainland) and Brazil. On the supply side, these amendments were met by downgrading forecasts for India and Thailand, whereas these were raised in the case of Argentina, Brazil, Paraguay, Uruguay and Viet Nam.

Based on these revisions, world trade in rice is now forecast to hover around 44.9 million tonnes in 2016, up some 400 000 tonnes from the 2015 figure. Looking at the various regions, efforts to reconstitute stockpiles and mitigate production shortfalls are expected to keep Asian imports over the 20 million tonne mark they have consistently exceeded since 2014. This is even as improved domestic availabilities, combined with more restrictive tariff regimes, lead some traditional Asian buyers, such as Bangladesh and Sri Lanka, to cut imports. Deteriorating output prospects or stubbornly high quotations are instead forecast to lift consignments to Latin America and the Caribbean to new heights, with unwavering domestic demand also underpinning purchases by Europe and the United States for another year. On the other hand, imports by Africa are predicted to remain close to the 2015 depressed level. The little gains anticipated in the continent would mostly reflect greater needs in Southern Africa, as otherwise comfortable supply situations and/or lingering pressure on major importer's buying power continue to dampen the import outlook for the region.

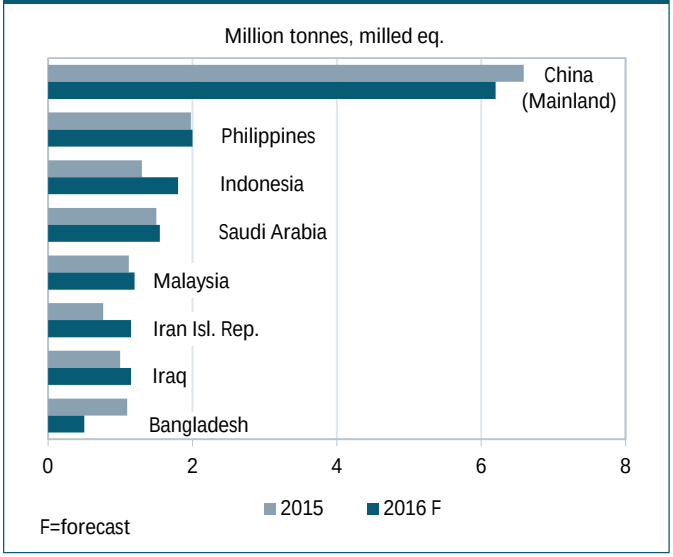
On the supply side, the modest recovery in world rice trade would also reflect a general tightening of exportable availabilities, as various important rice origins have faced successive poor harvests. This is the case of India, which may see the largest annual contraction among exporters, but shipments by Thailand are also seen largely stagnant, being sustained mostly by releases from Government stockpiles. Less attractive offerings, often the result of supply shortfalls, could also compromise exports by Australia, Brazil and the United States, but these are expected to rise in the case of Viet Nam, consistent with a revival of demand in its traditional outlets. Relying on large carry-ins, Argentina, Cambodia, Pakistan, Paraguay and Uruguay would also appear well placed to advance their export positions over the year.

Imports

Stronger demand from Indonesia and the Islamic Republic of Iran to keep Asian imports sizeable in 2016

FAO's latest forecast of 2016 trade in rice points to global rice deliveries remaining close to 2015 levels, at 44.9 million tonnes (milled basis). Looking at the various regions, countries in ***Asia*** are expected to take consignment of 22.7 million tonnes, only 300 000 tonnes less than the 2015 record. The above-average pace of inflows to the region would mirror supply shortfalls, often associated to the El Niño weather anomalies, which have stimulated efforts to reconstitute stockpiles since late last year. At a country level, given the poor outlook for 2016 production, **Indonesia** remains projected to record the largest year-to-year gain, importing 1.8 million tonnes. Official steps to ensure sufficient supplies for the public distribution system and to quell inflationary pressure are behind expectations of this 40 percent annual gain. This volume includes supplies contracted from Thailand and Viet Nam late last year, for delivery within the first quarter of 2016. Since then, Indonesian officials are also understood to have secured commitments from Myanmar, Pakistan and India for further supplies.

Rice imports by major Asian buyers

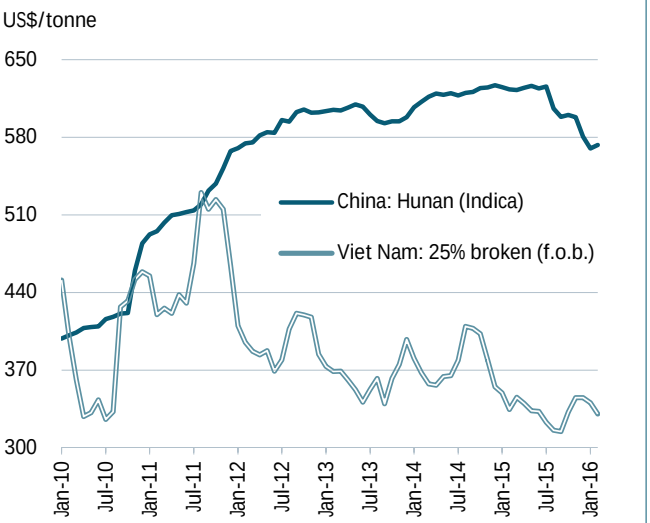


Next to Indonesia, the largest import rebound is expected from the **Islamic Republic of Iran**, where 1.2 million tonnes may be delivered in 2016, up from a fourteen-year low of under 800 000 tonnes in 2015. The supplies would be needed to refurbish depleted stockpiles following successive years of import cuts. The October easing of official import restrictions and the January lifting of financial sanctions on the country is expected to facilitate the recovery. The sanctions had hindered payments for transactions concluded with most origins, other than India, since 2012. In the aftermath of poor crop harvests and limited purchases in 2015, both **Nepal** and **Iraq** are similarly expected to step up imports to 600 000 and 1.2 million tonnes, respectively. In Nepal, the forecast increase would also follow the February lifting of four-month long blockades along borders with India, its prime supplier of rice. Shorter local availabilities may also compel **Afghanistan, the Democratic People's Republic of Korea** and **Malaysia** to raise purchases to cover consumption needs. In the case of the Malaysia, greater supplies would also be needed to cover the announced MyBeras programme, under which the Government plans to supply hard-core poor households with a monthly ration of 20 kilos of rice through December 2016. Attractive outside offerings are also expected to maintain demand from **Saudi Arabia** high, at close to 1.6 million tonnes.

In the case of the **Republic of Korea,** expectations of a rise in shipments to 440 000 tonnes are instead linked to the timing of deliveries of purchases conducted under its minimum market access commitments to the WTO, with **Japan** seen acquiring close to 700 000 tonnes under similar obligations. On the other hand, 2016 import forecasts for the **Philippines** are now set at 2.0 million tonnes. This level would stand close to a revised 2015 estimate, which marked a five-year high for the country, given supply disruptions associated with prevailing drought. Official import plans by the Philippines are still forthcoming nonetheless, although a comfortable level of reserves and easing local quotations have encouraged officials to put-off earlier plans to purchase 500 000 tonnes.

Demand is expected to wane elsewhere in Asia. For instance in **Bangladesh**, imports may pass from 1.1 million tonnes in 2015 to just 500 000 tonnes this year. The reduction would be consistent with the lingering weakness of local quotations in the country, which together with greater protective measures, is likely to render imports less attractive. **China (Mainland)** is also provisionally forecast to cut imports by 6 percent to 6.2 million tonnes. Yet, the import outlook for the country remains clouded in uncertainty. All incentives for China to maintain purchases at large levels, namely expensive local supplies, remain in place, even as steps to rein-in unofficial inflows are ongoing. Already last year, a 31 percent surge in documented deliveries to 3.3 million tonnes served to more than offset a slightly decline in cross-border imports. At the same time and although their size is unknown, public inventories are said to have swelled to record levels, following successive years of large domestic purchases and difficulties in disposing of produce. Yet, Government-to-Government purchases continue to be enforced, as do market access approvals. The most recent of such approvals have allowed imports from the Russian Federation and the Republic of Korea, while a five-year long process to grant phytosanitary approval for rice originated in the United Sates is also reported to be at advanced stages.

Wholesale rice prices in China (Mainland) vs export prices in Vietnam

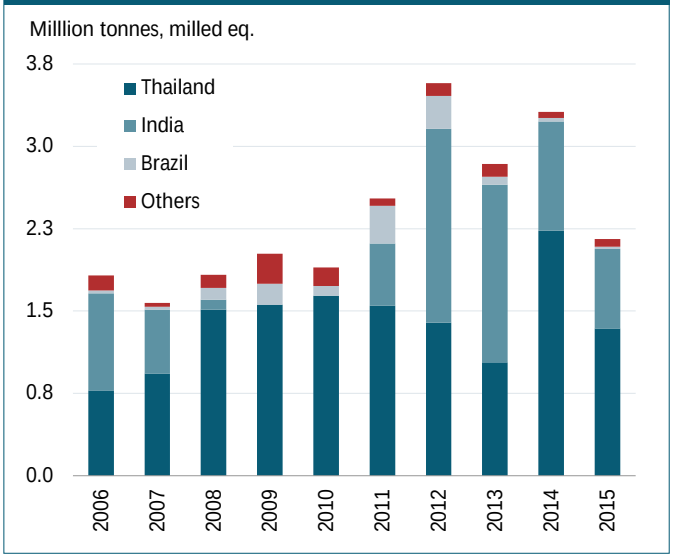


After buying an above average 200 000 tonnes in 2015, imports by the **Lao People's Democratic Republic** are also seen easing to more normal levels of 70 000 tonnes in 2016, while in the case of **Sri Lanka**, another bountiful harvest, combined with already abundant inventories, could see imports cut considerably over the year. These are expected to amount to just 30 000 tonnes, down from close to 300 000 tonnes in 2015 and a level comparable to imports prior to 2013. Since February, purchases from abroad are liable to a higher import duty of LKR 50 per kilo (USD 329 per tonne), with Sri Lankan officials also meaning to encourage greater local rice use by raising tariffs on wheat. Among Asian countries in the Near East, a good crop harvest may keep imports by **Turkey** low and in the order of 250 000 tonnes. On the other hand, expectations of a 25 percent cut in volumes delivered to **Yemen** to close to 400 000 tonnes are linked to the ongoing conflict afflicting the country, as well as official efforts to preserve scarce foreign exchange. The latter would include the reported exclusion of rice from commodities eligible to credit at preferential exchange rates, a measure announced in February this year. On the other hand, an expected reduction of deliveries to the **United Arab**

Emirates to 800 000 tonnes is anticipated to mirror large local stockpiles, amassed through a spree of purchases in 2015. Much of these are meant for re-export, especially to the Islamic Republic of Iran.

Estimates of ***2015*** imports by ***Africa*** have been lowered by 600 000 tonnes since December to 13.6 million tonnes. The revised figure now points to a 10 percent cut in aggregated deliveries to the continent relative to the 2014 all-time high. The reduction was imputable to reduced demand from *West African* buyers, a reflection of good crops harvested in the area, but also of weak local currencies, which rendered imports more costly. This was especially the case of Nigeria, which is estimated to have cut purchases by 35 percent to a five-year low of 2.2 million tonnes. The slump followed the imposition of restrictions on the access to foreign exchange, as part of the Government's efforts to preserve scarce foreign reserves and sustain its self-sufficiency agenda.

Nigeria: imports by origin



The outlook for ***2016*** imports by African countries remains influenced by the good local availabilities at hand, but also by lingering pressure on major buyers' buying power stemming from a combination of restrictive policies or weak local currencies. At 13.8 million tonnes, 2016 aggregate deliveries in the region are expected to exceed the 2015 depressed level only slightly. The expansion would mirror, to a large extent, a rekindling of demand by various Southern African countries, which would come in the aftermath of production constraints associated with drought. Even in non-rice producing countries, the supply shortfalls could drive a move to substitute costlier local grains with imported rice. This could be the case of **Malawi**, **Mozambique**, **South Africa, Zambia**, and even **Madagascar.** The forecast increase for Madagascar considers anticipated needs to refurbish inventories, reduced last year due to a poor crop and limited imports.

In the case of **Burkina Faso**, **Guinea Bissau**, **Kenya** and **Liberia**, expectations of increases in 2016 imports are associated with production gains proving insufficient to cater to a fast growing consumption base. This is also expected to be the case of **Gambia**, where official plans would have rice imports prohibited as of September this year, as part of the country's self-sufficiency drive. In the rest of the region, **Ghana** remains forecast to raise purchases to some 600 000 tonnes. Ghana began implementing the ECOWAS Common External Tariff on 1 February 2016. Yet, the move will have no significant influence on rice deliveries, as tariffs on milled and broken rice, which account for the near totality of the Ghana's imports, were kept at 20 percent.

Refurbished reserves after record-breaking crops may allow a number of African countries to reduce imports in 2016. This is expected to be the case of **Mali**, **Sierra Leone** and **Togo**. Singularly, however, the largest year-to-year cuts are expected in **Senegal** and **Cote d'Ivoire**, where bumper harvests, together with above average purchases in 2015, could bring imports down to 1.0 million and 1.2 million tonnes, respectively. The import outlook is also somewhat dampened for **Cameroon** and **Mauritania** by greater protective measures recently put in place. In the case of Cameroon, where rice had been free of duties since March 2008, tariffs were reinstated last January at a rate of 5 per cent. In Mauritania rice will now attract a duty of 20 percent, up from a previous applicable rate of 13 percent, a hike meant to shield the local industry from competition. Given the persistent weakness of the Naira, deliveries to **Nigeria** are also predicted to remain limited and in the order of 2.5 million tonnes. If confirmed, the import recovery might not be sufficient to avert cuts in local per capita rice consumption. Although varying significantly from state to state, quotations in Nigeria are reported to be on the rise, in Kano standing 44 percent above year-earlier levels by February at NGN 179 (USD 0.9) per kilo. This is while officials have concomitantly announced that penalties would be applied on financial institutions diverting foreign currency to import prohibited items, such as rice. March also saw the reinstatement of the ban on overland deliveries. However, the move alone is unlikely to significantly curtail unofficial cross-border trade, given the historically limited capacity to surveil the country's vast borders.

In line with deteriorating production prospects for the region, forecasts of 2016 imports by ***Latin America and the Caribbean*** have been upgraded to 4.3 million tonnes, implying an 11 percent year-on-year rise to a new record. Within the region, the largest upward revision has concerned **Brazil**, where a rebound in imports to 750 000 tonnes is now seen necessary to compensate for a poor 2016 crop and for the country to keep a footing in export markets. Brazil saw consignments reduced to 350 000

tonnes in 2015, by a combination of ample local availabilities and a weak Real. Although a still comparatively weak local currency could continue rendering imports costly, officials were said to be studying special credit lines to facilitate purchases from abroad earlier in the year. Domestic prices have meanwhile remained stubbornly high in **Colombia**, despite a strong rebound in 2015 production and imports. Part of the strength is attributable to increased border controls and, especially, a strong dollar, which have rendered inflows that would have normally occurred from neighbouring countries prohibitive. These factors, combined with concerns over supply disruptions due to unseasonable dryness, prompted Colombia officials to authorise a 200 000 tonne import quota (subject to duties). Much of this volume has already been contracted from Mercosur origins, after the necessary phytosanitary requirements were secured. Expectations are also that an additional 94 000 tonne duty-free quota open to the United States as part of the Trade Promotion Agreement will be fulfilled. Imports by Colombia are accordingly forecast to remain at historical highs of 300 000 tonnes in 2016. Attractive exporter prices, in the context of reduced local availabilities, are also seen stimulating an import recovery in **Bolivia**, whereas in the case of **Venezuela,** 430 000 tonnes are now envisaged to be needed to cover domestic consumption. By contrast, both **Chile** and **Peru** may reduce purchases somewhat, on a combination of positive harvest results and above-average purchases in 2015.

Import demand is expected to remain strong in *Central American and the Caribbean*, as a number of countries in the sub-region suffered local supply shortfalls in the wake of El Niño-induced droughts. This is the case of **Cuba**, which may import 550 000 tonnes, unchanged from the 2015 high. In the case of **Haiti**, a record of 420 000 tonnes is forecast to be needed to compensate for the dismal 2015 crop. **Costa Rica**, **Mexico**, **Panama**, **El Salvador** are similarly expected to step-up purchases in 2016. Although rice production in **Nicaragua** was less impacted by drought than other countries in the sub-region, rice imports by the country are also seen rising somewhat to 95 000 tonnes. Authorities in Nicaragua established a "shortage" import quota of 120 000 tonnes of paddy and 20 000 tonnes of husked/milled/broken rice last December. The volume must be consigned by the close of 2016 and will be free of duties. As many other countries in the sub-region, Nicaragua traditionally relied on the United States to meet much of its import needs, with purchases conducted under the Dominican Republic–Central America Free Trade Agreement. However, the past five years have seen growing reliance on South American origins, especially Brazil, which alone accounted for almost 60 percent of rice deliveries to Nicaragua in 2015.

In ***Europe,*** estimates of 2015 imports by the **European Union** have been raised to a record of 1.8 million tonnes, based on complete customs data for the year. The 14 percent annual gain was sustained by continued growth in broken and milled rice imports from countries benefitting from preferential access to the region under the Everything-But-Arms arrangement and a strong recovery in shipments from Guyana. Nonetheless, strong growth was also registered in the basmati segment, where attractive prices encouraged a 19 percent year-on-year import recovery to 478 000 tonnes (husked basis). The latter volumes also enter the European Union free of duties, as part of agreements reached with India and Pakistan in 2004. As to imports of non-basmati husked rice and semi/wholly milled rice falling outside of existing trade agreements, these remain subject to variable tariffs. These are re-evaluated midway and at the close of marketing years ending in August based on the pace of imports relative to pre-established floors/ceilings. The latest of

EU: IMPORTS BY ORIGIN

	EU 25	EU 27							EU 28	
	2006	2007	2008	2009	2010	2011	2012	2013[1/]	2014	2015
Country	(000 tonnes, milled equivalent)									
Total	**1,135**	**1,361**	**1,537**	**1,401**	**1,242**	**1,504**	**1,320**	**1,384**	**1,575**	**1,797**
India	212	337	279	230	224	222	450	335	315	401
Thailand	247	416	486	468	355	385	215	206	265	280
Cambodia	3	2	3	12	39	123	120	227	251	303
Pakistan	91	116	191	136	179	197	80	128	218	217
Myanmar	-	-	1	0	0	12	26	40	158	198
Guyana	96	122	110	135	137	71	41	61	77	159
Uruguay	10	132	115	127	58	117	93	76	62	37
United States	264	41	115	74	80	107	61	51	37	46
Others	582	490	578	555	445	565	429	448	368	398

1/ EU 27 until 30/06/2013; thereafter EU 28.

Source: Eurostat, Comext

such evaluations, on 29 February 2016, indicated that 173 400 tonnes of non-basmati husked rice (husked basis) had been purchased by the region since September 2015. This would imply that duties on these classes will remain set at the lower end of Euro 30 (USD 33) per tonne until August 2016. In the case of semi/wholly milled rice, cumulative deliveries amounted to 362 100 tonnes over the period, far exceeding the 182 239 tonne threshold that triggers the higher tariff. As a result, these classes of rice will be liable to the Euro 175 (USD 195) per tonne duty that they have attracted since March 2010. As for prospects for 2016, FAO's forecast for EU imports is now set at 1.9 million tonnes, up 4 percent year-on-year, on anticipation of continued strong demand for fragrant and Indica varieties in the region. By contrast, current expectations are that the **Russian Federation** will take delivery of 210 000 tonnes over the course of 2016. This would be down from an already depressed level of 230 000 tonnes in 2015, on a combination of ample domestic availabilities and a weak local currency. Russia is largely self-sufficient in rice, with the comparatively small volumes imported by the country comprising mostly non-locally produced Indica rice, a large portion of which is also parboiled. In the **United States**, officials have lowered forecasts of 2016 purchases to 775 000 tonnes, although this level would continue to suggest a 2 percent rise from 2015 and an all-time high for the country.

Exports

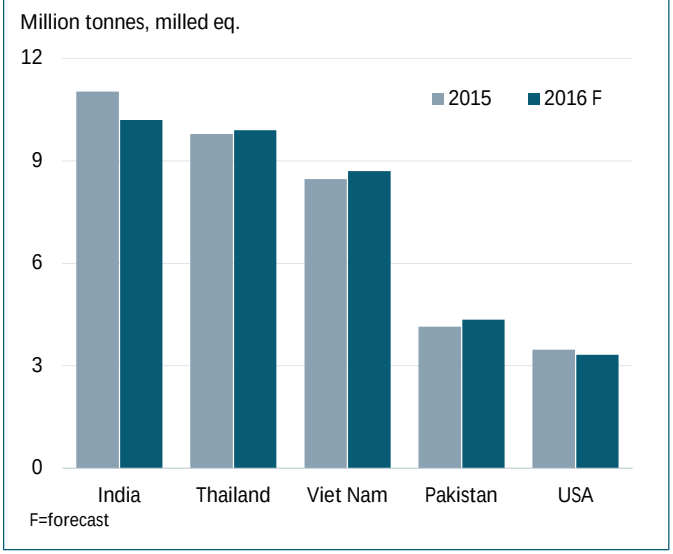
Little growth forecast for Thai exports in 2016, while shipments by India set fall

Based on the latest figures, world trade in rice in calendar 2016 will amount to 44.9 million tonnes, implying a 0.8 percent upturn from the 2015 reduced level. From an export viewpoint, greater deliveries by Argentina, Cambodia, Pakistan, Paraguay, Uruguay and Viet Nam would underpin this modest recovery. Gains in these countries mirror expectations that the more comfortable supply situation faced by them, in many cases due to large carry-ins, will enable them to remain attractive origins in what is still an intensely competitive trade arena. Although this could also be said of Thailand, where supplies held in Government granaries remain ample, a cautious official approach towards their release, combined with otherwise tight availabilities, is seen limiting export growth over the year. Supply shortfalls are expected to impinge more significantly in other origins. India is foremost amongst these, considering the country also faces prospects of reduced demand from key buyers. Nonetheless, Australia, Brazil, Ecuador, European Union, Guyana, the Russian Federation and the United States are all envisaged to see 2016 exports fall.

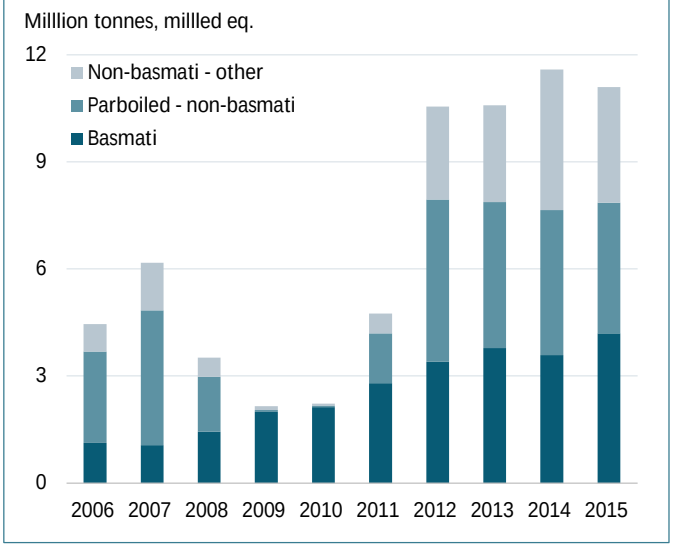
Authorities in **Cambodia** indicate that official milled rice deliveries resumed their brisk advance in 2015, surging 39 percent year-on-year to 540 000 tonnes. China (Mainland) stood out as the largest single destination, although the 117 000 tonnes shipped to China constituted a little over a third of volumes exported to the European Union under the Everything-but-Arms agreement. The positive performance was met with only mild satisfaction nonetheless, as it fell short of the 1.0 million tonne target set by the Government in 2010. The perceived failure to meet the objective came at a time of increasing sector concerns that export growth, already stifled by a lack of access to financing and high transportation and energy costs, could be further challenged by competition with Viet Nam, Myanmar and the Lao PDR. More recently, the local industry has been vocal against reported surges in inflows from Viet Nam, which, together with Thailand, has traditionally constituted a destination of Cambodian paddy for eventual milling and re-export. To address such concerns, officials in March announced measures geared at lowering processing costs, further to agreeing to pursue entities labelling imported rice as Cambodian. Reflecting prospects of continued growth in formal deliveries, but also of a revival of demand across borders, FAO's 2016 outlook points to Cambodian deliveries rising by 150 000 tonnes to 1.35 million tonnes.

Following the release of consolidated customs data, 2015 export estimates for **India** have been lowered by 700 000 tonnes to 11.0 million tonnes. The revised level would stand some 500 000 tonnes below the 2014 all-time high, but still represent the second largest volume on record. The slight annual retrenchment mirrored waning demand for white and parboiled rice in key destinations, such as Bangladesh, Sri Lanka and Nigeria. Progress proved more favourable in the basmati segment, which saw shipped volumes surge 18 percent year-on-year to 4.2 million tonnes. The upswing was underpinned by attractive prices, which spurred growth in deliveries mainly to Iraq, Saudi Arabia and the United Arab Emirates.

Rice exports by the five major exporters



India: exports by segment



As to export forecasts for 2016, these too have been lowered by 400 000 tonnes to 10.2 million tonnes, implying an 8 percent year-on-year cut in shipments. The reduction is anticipated to stem from a combination of tighter supply availabilities and lingering subdued demand from principal buyers. Yet, to date India remains a very competitive origin, with ample availabilities in the hands of the Government also precluding shortages of supplies for the expanded public distribution system. The comparatively comfortable supply situation has also opened export avenues to non-traditional outlets. This is the case of Indonesia, with which a 1.0 million tonne non-binding Government-to-Government agreement is reportedly under consideration. If executed, volumes delivered under such a deal would constitute the first rice shipments from public inventories to occur since 2003-2004, barring the small quantities issued as aid donations since then.

Forecasts of 2016 exports by **Myanmar** remain set at 1.65 million tonnes, up slightly from a revised estimate of 1.6 million tonnes for 2015. The predicted expansion relies on expectations of improved supply availabilities in the latter part of the year, even if deliveries are anticipated to remain below the 2014 record. Indeed, two consecutive seasons of output shortfalls are exerting considerable upward pressure on local quotations in Myanmar, to which a rebounding Kyat has added in recent months. Although headway has been made in increasing sales to the European Union under the Everything-but-Arms arrangement, between 50 and 70 percent of the Myanmar's official exports have been delivered to China (Mainland) across borders since 2012. Vibrant cross-border trade between the two countries, involving rice as well as other agricultural commodities, has also been source of investment interest, with projects to boost infrastructure and commercial facilities in key crossings, such as that of Muse, reportedly underway.

Prospects remain favourable for **Pakistan**, which is expected to rely on sufficient availabilities on store from a bumper 2014 crop to maintain a hold over outlets. Overall shipments by the country are seen reaching 4.4 million tonnes in 2016, up 5 percent from the good 2015 performance. The expected growth is notwithstanding continued challenges in the basmati sector, where little reprieve was provided last year. Shipments in this segment fell to a fresh low of just over 400 000 tonnes, which compares to 1.1 million tonnes shipped just five years prior. Much of this arrested performance is imputable to stiff competition with India, which gathered consecutive bumper crops, thanks in part to the introduction of the new Pusa 1509 variety. Against this backdrop, greater sales to Near Eastern markets are being actively sought especially to the Islamic Republic of Iran, but also Saudi Arabia. Officials are concomitantly seeking to expand the 6 000 tonne duty free quota to Sri Lanka, applicable under existing Free Trade Agreement between the two countries.

The export outlook has deteriorated for **Thailand**, which is now seen shipping 9.9 million tonnes in 2016. This would be marginally above the 2015 reduced performance and some 500 000 tonnes less than previously envisaged. The downward revision is consistent with poorer prospects for the 2015 crop, which may prevent a recovery in parboiled and broken rice shipments. These were undermined by competition with India last year, especially in price-sensitive African markets. Prospects may prove more favourable in other segments, as supplies could be drawn from the ample availabilities held by Government in store. This is even as, in the context of still subdued local quotations, officials have been rather cautious in their release. Meanwhile, Thai shipments to China (Mainland) continue, thanks to a Government-to-Government deal renewed last year for up to 1.0 million tonnes. In what could prove a further boost, private export commitments for 300 000 tonnes are also reported to have been struck in February with the Islamic Republic of Iran. These shipments are expected to commence in the latter half of 2016, after the required phytosanitary inspections have been concluded.

Instead, expectations of a 3 percent increase in 2016 deliveries by **Viet Nam** to 8.7 million tonnes are linked to a revival in demand from traditional Asian buyers, namely Indonesia and the Philippines, under Government-to-Government agreements struck in the last quarter of 2015. The anticipated strong export performance is notwithstanding prospects of a somewhat smaller crop and rests on expectations that increased formal rice exports, will offset falls in cross-border deliveries to China (Mainland) due to tighter border surveillance. Moreover,

considering reports of another bountiful crop, as farmers renewed their preference for these varieties this year, the country could find itself in a position to advance fragrant exports further. Viet Nam has established itself as an increasingly important origin of fragrant rice, a large part of which is also destined to African countries. Documented deliveries in this segment have witnessed a near five-fold rise since 2010, with shipments hovering around 1.2 million tonnes over the past two years.

Official forecasts of 2016 exports by the **United States** have been raised by 75 000 tonnes since December. Overall, 3.3 million tonnes are expected to be delivered by the country in 2016. This level compares to a revised five-year high of 3.5 million tonnes in 2015, with the 4 percent contraction expected to stem from less attractive Indica prices relative to competing origins. The export outlook is also negative for **Australia**, considering the sharp output reduction experienced this year, while expectations of a second year of poor export performances by the **European Union** and the **Russian Federation** are linked to prospects of continued weak demand in important markets. In the case of **Egypt**, a stagnation at close to 400 000 tonnes would be associated with tight availabilities. Quotations in Egypt surged in recent months, a tendency that has been attributed to speculative activities. To ease associated supply shortages for the public distribution system, the Government has turned to the international market to meet its needs, further reinstating prohibitions on milled rice exports as of April 2016. However, formal rice exports by Egypt progressed only timidly since the October relaxation of the ban, as traders found the conditional USD 254 export tax, payable in dollars, too prohibitive in the context of limited foreign exchange availability.

Export prospects have instead improved for various South American origins, where sizable carry-ins look set to cushion tightness associated with lower output in 2016. This is the case of **Argentina**, where a further boost was provided by the elimination of the 5-10 percent tax on rice exports in mid-December and by the subsequent depreciation of the Peso following the removal of currency controls. Argentina is seen shipping 550 000 tonnes in 2016, which compares to a twelve-year low of 310 000 tonnes in 2015, when uncompetitive prices and poor demand significantly hindered its deliveries. Shipments by **Paraguay** are also forecast to recover to 500 000 tonnes in 2016, given prospects of increasing needs in Brazil and successful efforts to tap into new regional outlets, including Colombia. The rebound would also come in the eve of a poor 2015 export performance, associated with the steep devaluation of the Real, which curtailed demand in Brazil, Paraguay's prime destination. Ample availabilities on store, combined with favourable currency movements, are also expected to underpin a full recovery in exports by **Uruguay** to 900 000 tonnes. With phytosanitary requirements secured in February 2016, Uruguay, like Paraguay, has been able to cater to the needs of Colombia this year. Efforts to regain market share in the Islamic Republic of Iran, which prior to 2012 represented a near 100 000 tonne outlet for the country are also ongoing. Uruguay is also striving to secure preferential access for its supplies in Peru, where a variable tariff is applied under the price band system. This is while sales to Venezuela under an official accord signed between the two nations last year would have been only partially fulfilled due to difficulties in completing payments. The accord envisaged delivery of some 90 000 tonnes of rice to Venezuela by 2015's end.

Within the region, Guyana, Ecuador and Brazil stand as exceptions to this trend. In the case of **Guyana**, the export outlook remains clouded by the loss of Venezuela as key rice outlet last year, notwithstanding ongoing efforts to tap into alternative markets. A forecast third year of absence from the international market by **Ecuador** is instead associated with tight availabilities and a strong US dollar (its local currency), factors that have eroded its competitive edge in regional markets. As for **Brazil**, exports are forecast to drop to 800 000 tonnes, a level that assumes that the persisting weakness of the Real permits the country to maintain its hold over established markets. Yet, all indications to date point to a considerable tightening of availabilities in Brazil, given the poor expectations for the 2016 crop and depleted inventories. As such, its export performance is likely to hinge heavily on its concomitant ability to import rice to cover domestic needs.

RICE UTILIZATION AND DOMESTIC PRICES

World food use in 2015/16 downscaled, but average per capita consumption seen increasing slightly

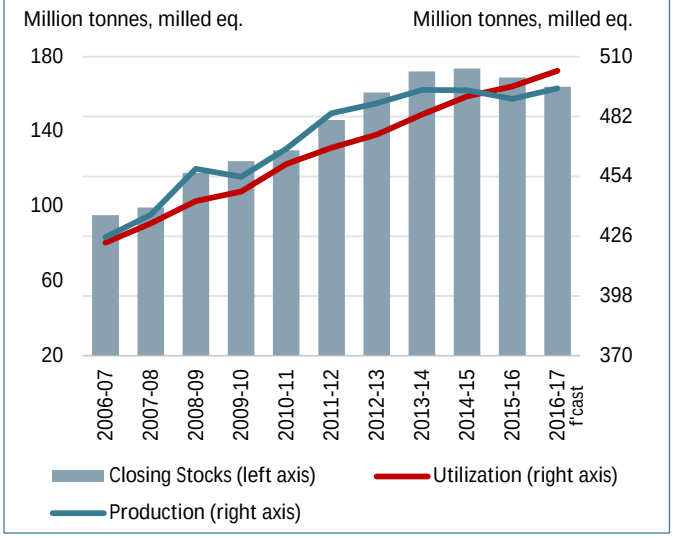
FAO's latest forecast of world rice utilization in **2015/16** stands at 496.2 million tonnes (milled basis), up 4.7 million tonnes year-on-year. The season's growth remains projected to be sustained by a 1.2 percent rise in global food use, although at a revised level of 400.0 million tonnes, this would stand 1.5 million tonnes below December expectations. The reduction primarily mirrors downward revisions to forecasts for the Democratic People's Republic of Korea and Myanmar, following deteriorated crop prospects. Nonetheless, lower than previously anticipated imports also called for downward revisions for the Islamic Republic of Iran, Iraq, Nepal and Nigeria, whereas in the case of Egypt cuts were associated with reported shortages of supplies for the public distribution systems and related price spikes. Despite the downward adjustment, world food use is forecast to

remain sufficient to lift average per caput food intake slightly to 54.4 kilos per person over the year. The 0.1 kilo gain would primarily mirror prospects of a slight expansion in average consumption in Asia to 78.7 kilos per person.

As to forecasts of volumes destined to animal feed, these too have been downscaled, mostly on account of less buoyant expectations for Thailand. This follows a combination of lower prospective output and a better than previously anticipated export performance. Yet, quantities destined to animal feed are still seen increasing to a record of 17.9 million tonnes in 2015/16, boosted primarily by greater use in Japan and Thailand. Seeds, industrial use and post-harvest losses, all combined, may instead absorb another 78.2 million tonnes.

Based on preliminary prospects for 2016 crops, much of which will be consumed over the course of 2017, FAO sees global rice utilization in **2016/17** reaching 503.4 million tonnes. Eighty percent of this volume would correspond to food use, which resting on a 5.1 million tonne annual rise would keep pace with projected world population growth. Thus, per caput food intake is forecast to stabilise at the 2015/16 level of 54.4 kilos per person. Global use of rice as animal feed is also predicted to rise, supported by ongoing efforts to dispose of surplus produce by Governments in the Far East, Thailand and Japan, in particular. Nevertheless, in the aftermath of large harvests and high local market purchases, the Republic of Korea also recently announced that 90 000 tonnes from state stockpiles would be released for animal feed. Overall, 18.3 million tonnes are expected to be destined to the livestock sector in 2016/17. Put together, seed, industrial use and post-harvest losses would absorb 2 percent more year-on-year, or 80.1 million tonnes.

Rice production, utilization and stocks



Looking at **retail/wholesale price developments** over the first quarter of 2016, quotations were mixed across ***Asia***, if compared to their levels three months prior. Ahead of the 2016 main (Boro) harvest, bumper 2015 crops and a spree of imports continued to weigh on prices in **Bangladesh**. To hasten sales of public stockpiles before new crop arrivals, the Government also lowered prices of rice channelled to vulnerable groups through Open Market Sales. These are now set at BDT 15 (USD 0.2) per kilo, down 25 percent from November-established levels. Domestic quotations also edged down in **India** and **Viet Nam**, but large local availabilities rendered falls were more consistent and pronounced in the **Republic of Korea** and **Sri Lanka**. The pressure was compounded in the Republic of Korea by steadily declining consumption and in Sri Lanka by prospects of another bountiful 2016 harvest. Against this backdrop, Governments in both countries were called to action. Price stabilisation measures in the Republic of Korea will concentrate on promoting greater local consumption of rice as food, feed, industrial uses and for export, while also trimming production. In the case of Sri Lanka, further to ongoing local procurement activities, the Government raised import tariffs on rice and wheat. The latter move seeks to encourage greater use of rice in flour production. Conversely, amid poor crop prospects, quotations continued to rise in **Indonesia** and, especially, in **Myanmar**, where still large outflows to China (Mainland) contributed to the strengthening. Notwithstanding sharply reduced 2014 and 2015 crops, increases were more contained in **Thailand**, where large public stockpiles and weak demand for export limited gains.

Domestic quotations in ***Africa*** tended to weaken mainly in the **United Republic of Tanzania** and **Uganda**, while they firmed in **Togo** and much of **Southern Africa**. The strengthening observed in the latter highlights the bleak prospects for 2016 cereal crops due to El Niño-induced drought, as rice stands as a substitute for local grains. Currency depreciations also exacerbated the price rises, considering that most countries in the sub-region are net-rice importers. Although price series are not readily available, significant gains are also reported in **Egypt** and **Nigeria**. In the former, they have been attributed to hoarding, with a lack of official procurement of supplies prior to the relaxation of export prohibitions last October also hindering the Government's ability to supply public distribution system with rice. As for Nigeria, pressure would stem from a slump in imports, following last year's imposition of restrictions on the access to foreign exchange to rice importers. The move came as the Government sought to preserve scarce foreign exchange and promote rice self-sufficiency.

In ***Latin America and the Caribbean***, price gains in **Haiti** were mostly associated with a strong dollar, whereas in

Bolivia and **Brazil**, increases came amid poor crops prospects. This is even as pressure from imports and ample stocks kept quotations in Bolivia still well below year-earlier levels. In the case of **Colombia**, a price rebound mirrored concerns over supply disruptions, caused by unseasonable dryness, together with reduced cross-border inflows and a weaker Peso. These factors motivated authorities last December to authorise 200 000 tonnes of imports. By contrast, quotations in **Paraguay** were negatively influenced by large domestic availabilities resulting from a poor 2015 exports performance. Elsewhere, prices held largely steady in the **United States** and **Italy**.

DOMESTIC RICE PRICES IN SELECTED COUNTRIES

	Historical monthly price trend	Latest available: Month	USD/Kg	Latest quotation available compared to: [1] 3 months earlier	1 year earlier	2 years earlier
ASIA	2007 2008 2009 2010 2011 2012 2013 2014 2015 2016			-100 0 100	-100 0 100	-100 0 100
Bangladesh: Dhaka (coarse)		Mar-16	0.35	-4%	-17%	-20%
Cambodia: Phnom Penh (mix)*		Mar-16	0.39	0%	0%	-11%
China: 50 City Avg. (japonica second quality)		Mar-16	0.96	1%	2%	5%
India: Delhi		Mar-16	0.42	-3%	-3%	1%
Indonesia: Ntl. Avg. (medium quality)		Mar-16	0.87	2%	5%	21%
Japan: Ku-area of Tokyo (non-glutinous)		Jan-16	3.91	0%	0%	0%
Republic of Korea: Ntl. Avg.		Mar-16	1.77	-4%	-7%	-10%
Lao PDR: Vientiane (glutinous first quality)		Mar-16	0.42	-2%	4%	5%
Mongolia: Ulaanbaatar		Jan-16	1.21	0%	7%	11%
Myanmar: Yangon (Emata, Manawthukha FQ)*		Mar-16	0.40	14%	36%	37%
Occupied Palestinian Territory: West Bank (short grain)		Feb-16	0.00	1%	0%	13%
Pakistan: Karachi (irri)		Mar-16	0.41	0%	-16%	-23%
Philippines: Ntl. Avg. (well-milled)		Mar-16	0.88	0%	-2%	0%
Saudi Arabia: Ntl. Avg. (Basmati, White Indian)		Feb-16	2.27	-2%	-9%	2%
Sri Lanka: Colombo (white)		Mar-16	0.44	-8%	-11%	-3%
Thailand: Bangkok (5% broken)*		Mar-16	0.34	4%	1%	1%
Viet Nam: Dong Thap (25% broken)*		Mar-16	0.29	-3%	6%	-2%
WESTERN AFRICA						
	2007 2008 2009 2010 2011 2012 2013 2014 2015 2016			-100 0 100	-100 0 100	-100 0 100
Benin: Cotonou (imported)		Jan-16	0.87	0%	0%	0%
Burkina Faso: Ouagadougou (imported)*		Mar-16	0.59	0%	0%	-10%
Cape Verde: Santiago (imported)		Jan-16	0.00	-3%	-8%	-5%
Chad: N'Djamena (imported)		Jan-16	0.83	0%	5%	0%
Mali: Bamako*		Mar-16	0.53	-2%	-5%	-3%
Niger: Niamey (imported)*		Mar-16	0.66	3%	3%	3%
Senegal: Dakar (imported)		Jan-16	0.56	0%	4%	-20%
Togo: Lomé (imported)		Feb-16	0.67	9%	4%	-27%
EASTERN AFRICA						
	2007 2008 2009 2010 2011 2012 2013 2014 2015 2016			-100 0 100	-100 0 100	-100 0 100
Somalia: Mogadishu (imported)		Jan-16	0.52	0%	0%	-8%
Uganda: Kampala*		Mar-16	0.89	-4%	15%	7%
United Rep. of Tanzania: Dar es Salaam*		Mar-16	0.80	-11%	-5%	34%

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

* *Wholesale prices.*

Sources: FAO/GIEWS GIEWS Food Price Data and Analysis Tool; Korea Agricultural Marketing Information Service (KAMIS); Japan Ministry of Agriculture, Forestry and Fisheries; U.S. Bureau of Labor Statistics (BLS); Associazione Industrie Risiere Italiane (AIRI).

Please note that prices shown are comparable over time, but not across countries, as they may refer to different stages of the marketing chain (e.g. retail versus wholesale prices), different rice types (e.g. aromatic versus non-aromatic) or different qualities of rice (e.g fully broken versus 5% brokens).

DOMESTIC RICE PRICES IN SELECTED COUNTRIES

	Historical monthly price trend	Latest available: Month	USD/Kg	Latest quotation available compared to: /1 3 months earlier	1 year earlier	2 years earlier
SOUTHERN AFRICA	2007 2008 2009 2010 2011 2012 2013 2014 2015 2016			-100 0 100	-100 0 100	-100 0 100
Angola: Luanda		Jan-16	2.53	7%	15%	18%
Madagascar: Ntl. Avg. (local)		Feb-16	0.43	5%	-	4%
Malawi: Lilongwe		Jan-16	0.96	27%	26%	-
Mozambique: Maputo		Mar-16	0.69	40%	33%	40%
Namibia: Windhoe		Jan-16	0.99	23%	7%	24%
Swaziland: Ntl. Avg.		Feb-16	0.75	9%	20%	20%
Zimbabwe: Harare		Jan-16	1.25	2%	-8%	-9%
CENTRAL AMERICA AND THE CARIBBEAN						
	2007 2008 2009 2010 2011 2012 2013 2014 2015 2016			-100 0 100	-100 0 100	-100 0 100
Costa Rica: Ntl. Avg. (first quality)		Feb-16	1.37	0%	-4%	3%
Dominican Rep: Santo Domingo (first quality)		Mar-16	1.03	1%	1%	2%
El Salvador: San Salvador		Mar-16	0.97	0%	-10%	-5%
Haiti: Port-au-Prince (imported)		Mar-16	0.76	4%	4%	4%
Honduras: San Pedro Sula (second quality)*		Mar-16	0.75	0%	-2%	-5%
Mexico: Mexico City (sinaloa)*		Mar-16	0.74	3%	1%	20%
Nicaragua: Managua (oriental) (first quality)		Mar-16	0.96	2%	3%	6%
Panama: Panama City (first quality)*		Mar-16	0.87	0%	1%	-20%
SOUTH AMERICA						
	2007 2008 2009 2010 2011 2012 2013 2014 2015 2016			-100 0 100	-100 0 100	-100 0 100
Bolivia: La Paz (grano de oro)*		Mar-16	0.94	6%	-19%	-22%
Brazil: São Paulo		Jan-16	0.74	6%	10%	32%
Colombia: Ntl. Avg (first quality)		Mar-16	1.14	16%	2%	48%
Ecuador: Quito (long grain)*		Feb-16	1.20	0%	15%	14%
Paraguay: Asunción*		Feb-16	0.57	-5%	5%	-12%
Peru: Lima (corriente) *		Mar-16	0.60	-2%	-2%	-1%
Uruguay: Ntl. Avg. (grade 1)*		Mar-16	0.96	0%	20%	44%
NORTH AMERICA						
	2007 2008 2009 2010 2011 2012 2013 2014 2015 2016			-100 0 100	-100 0 100	-100 0 100
United States: City Avg. (long grain, uncooked)		Feb-16	1.56	-3%	3%	-3%
EUROPE						
	2007 2008 2009 2010 2011 2012 2013 2014 2015 2016			-100 0 100	-100 0 100	-100 0 100
Italy: Milan (arborio volano)*		Mar-16	1.72	0%	-6%	1%

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

** Wholesale prices.*

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

CLOSING STOCKS

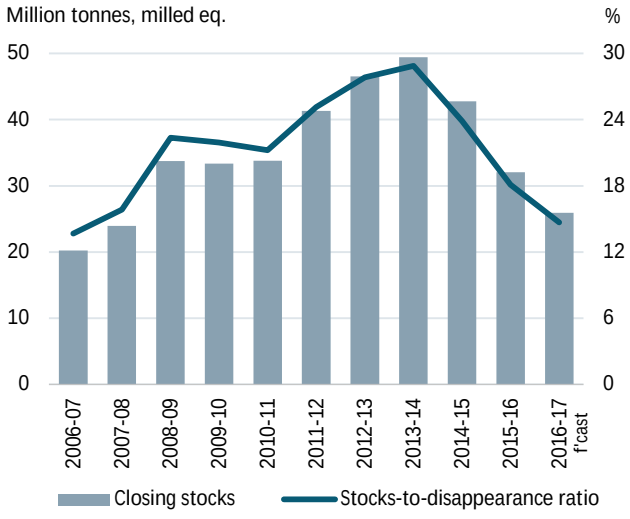
World rice reserves to close 2016/17 3 percent lower, on continued drawdowns by India and Thailand

Since the last issue of the RMM, FAO has raised its forecast of global rice inventories at the close of the **2015/16** marketing seasons by 2.5 million tonnes to 168.9 million tonnes (milled basis). At a country level, the largest upward adjustment concerned India, mirroring a less buoyant export outlook, combined with larger estimated carry-ins. Under similar expectations, forecasts were also raised for Egypt and Pakistan, while larger than previously anticipated inflows from abroad called for a scaling up for Bangladesh, the European Union, the Philippines and the United Arab Emirates. Put together, these changes more than offset cuts mainly for China (Mainland) and Japan, based on larger expected domestic uses. Nonetheless, downward revisions also concerned Viet Nam and Myanmar, following more upbeat export performances than earlier envisaged.

Despite the upward revision, global rice inventories at the end of 2015/16 remain projected to fall to 168.9 million tonnes, or 4.9 million tonnes short of their opening level. The 3 percent annual decline would position **the world stocks-to-use ratio** at 33.5 percent in 2015/16, down from an estimated 35.0 for 2014/15. The inventory decline is expected to concentrate in developing countries, which may cut reserves by 3 percent to 162.8 million tonnes. Carry-overs by developed nations are also seen falling by 200 000 tonnes to 6.1 million tonnes.

The **five major rice exporters**[3] are expected to lead the 2015/16 global stock decline, considering the generally poor 2015 crops gathered by the group and government efforts to trim large public inventories. The group is seen slashing 2016 inventories by a quarter year-to-year to 32.0 million tonnes. The predicted decline would lower the groups' **stock-to-disappearance ratio**[4] to 18.1 percent, down from 23.9 percent in 2014/15 and its lowest level since 2008/09. India and Thailand remain projected to account for nearly all of the shortfall. This is even as less buoyant export expectations have raised forecasts of carry-overs in **India** to 16.0 million tonnes since December. The 1.5 million tonne upward revision also reflects larger estimated carry-ins, following revisions to 2014 production figures, and especially an upbeat pace of Government domestic purchases. The latter had seen volumes absorbed by state agencies rise 20 percent year-on-year by 1 April 2016, to 30.2 million tonnes. Even under expectations that increasingly tighter availabilities will decelerate purchases in the coming months, the fast pace of procurement seen to date is now expected to keep official reserves in India well over the mandated level of 10.25 million tonnes. In the case of **Thailand**, a second successive drought-reduced crop is forecast to contribute to official efforts to trim public reserves, lowering overall inventories 32 percent year-on-year to 11.0 million tonnes. Drawdowns are anticipated to be less pronounced in the other major rice origins, being in part attenuated by large carry-ins from abundant harvests in 2014. This is the case of **Pakistan** and the **United States**, where cuts are mostly associated with poor 2015 production outturns. Nonetheless, an export recovery is also assessed to have lowered 2015/16 closing stocks in **Viet Nam** to 2.8 million tonnes. This would be down 5 percent from three-year highs a year earlier.

Stocks held by the five major rice exporters and stock-to-disappearance ratio



Rice carryouts held by other important global suppliers of rice are also envisaged to be less affected by cuts, remaining otherwise abundant. This is especially the case of a number of South American exporters, namely **Argentina**, **Guyana**, **Paraguay** and **Uruguay**, where 2015/16 marketing years are assessed to have closed with significant build-ups. These came amid a combination of good 2015 harvests and particularly poor demand for export. **Myanmar** and **Brazil** stand as exceptions to this trend. In Myanmar, draw-downs are expected to be needed to shoulder the combined effects of a flood-reduced crop and large outflows, while in the case of Brazil (traditionally a rice importer) a 24 percent cut is associated with an upbeat pace of 2015/16 exports.

Turning to ***importing countries***, forecasts of 2015/2016 rice carry-overs have been upgraded by 1.4 million to 34.7 million tonnes, essentially matching the 2014/2015 record level. Compared to figures reported in December, estimates of end-of-season reserves were raised for **Bangladesh**, now pointing to a 200 000 tonne draw-dawn

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

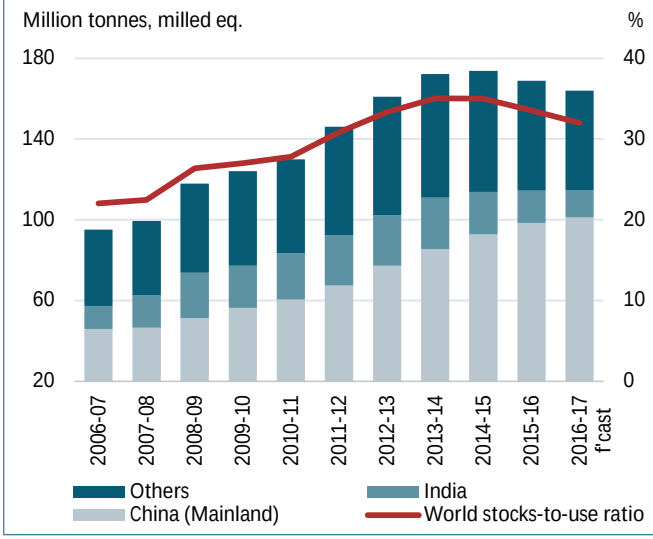
[4] Defined as the sum of the five major exporters' stocks divided by the sum of the five countries' domestic utilization plus exports.

from the 2015 record carryout of 7.5 million tonnes. The projected level reflects expectations of ample availabilities in hands of the private sector, following successive record harvests and above average imports in 2015. As for the Government inventories, they are seen ending at a four year high of 1.0 million tonnes, sustained by an upbeat pace of procurement and reported delays in the subsidized public distribution. Forecasts were also upgraded for the **Republic of Korea** to a high of 1.8 million tonnes, up 23 percent year-on-year, following the release of lower official estimates of food consumption in the country. This would represent the third successive year of build-ups in the country, ensuing from above average harvests and steady declines in rice intake. In the case of the **Philippines**, a higher forecast of 2.8 million tonnes would rest on a somewhat improved production outlook, but in particular with on Government-sponsored imports undertaken to lessen the impact of the drought-related losses. Similar Government moves are anticipated to keep carry-outs in **Indonesia** at 6.6 million tonnes, while officials in the **European Union** indicate that the good 2015 crop might boost reserves by 41 percent, year-on-year, to 624 000 tonnes. The build-up is primarily expected to consist of Japonica varieties, considering expectations of reduced demand for export in this segment. Steep year-to-year gains are similarly foreseen in **Sri Lanka** and in the **United Arab Emirates**, given a brisk pace of imports in 2015. Reserves may also end lower in the **Chinese Province of Taiwan**, **the Democratic People's Republic of Korea**, **Nepal**, **Madagascar** and **Timor Leste**, in all cases due to weather-reduced crops. Yet, **Nigeria** might experience the largest drop in rice inventories, following the heavy cuts to imports associated with restricted access to foreign exchange.

Based on preliminary prospects for 2016 crops, FAO has set its first forecast of global rice inventories at the close of **2016/2017** seasons at 164.0 million tonnes. This level would imply an additional 3 percent drawdown in world carry-overs, lowering the global **stocks-to-use ratio** to a five-year low of 32.0 percent. At a country level, **Thailand** and **India** are predicted to lead the reduction once again. In the case of India, prospects of further cuts are primarily linked to expectations of public inventories being brought closer to mandated levels of 10.25 million tonnes, as the National Food Security Act underpins domestic use. In Thailand, efforts to dispose of the large stockpiles accumulated through the defunct paddy-pledging scheme are also expected to continue. However, the forecast inventory cut for the country would also be associated with an only timid recovery in 2016 production. Combined with anticipated declines in both **Viet Nam** and **Pakistan**, these reductions would lower the five major exporters' stock-to-disappearance ratio to a decade low of 14.7 percent in 2016/2017. A poor crop may also lead to reductions in **Brazil**, whereas import curbs are behind expectations of drawdowns in **Bangladesh** and **Nigeria**.

The above cuts stand against expectations of build-ups in the **Republic of Korea**, the **United States** and, especially, **China (Mainland)**. The expected accumulation in China assumes that the maintenance of the high producer price policy will continue to sustain further production gains, while also attracting large imports. In the past several years, large official procurement campaigns, combined with difficulties in attracting buyers for produce, have reportedly resulted in hefty stockpiles and associated storage problems. Although much uncertainty surrounds the true size of carry-overs in China (Mainland), based on these trends, they are expected to reach 101.1 million tonnes in 2017, sufficient to cover up to 8 months of national consumption.

Rice closing stocks and global stocks-to-use ratio



INTERNATIONAL PRICES

Weak international demand keeps export prices close to eight-year lows in early 2016

International rice export prices were little changed in the first quarter of 2016 compared to levels reported in the last issue of the RMM, as lingering weak world import demand continued to offset pressure exerted by a tightening of export availabilities. This tendency was reflected in the FAO All Rice Price Index (2002-2004=100),[5] which averaged 196 points by March, marginally below the

[5] 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 brokens. The Sub-Index for Aromatic Rice follows movements in prices of Basmati and Fragrant rice.

197 points registered at the close of December 2015. Looking at the individual segments, the Higher and Lower Quality Indica Indices have stabilised around 180 and 181 points, respectively, in the first months of 2016. The lower quality Indica segment only showed visible signs of a revival in March, when expectations of a further tightening of availabilities in the second quarter of 2016 provided some support to long-grain quotations. The Japonica Index has also remained close to December values at 242 points, as still abundant supplies in other origins compensated for a strengthening of quotations in Egypt. Meanwhile, the weakness dominating the fragrant segment remained unabated, with the Aromatica Index sliding to 142 points, 6 percent below December, and the lowest level since March 2007. From an annual perspective, the January-March average of the FAO All Rice Price Index stood 11 percent below its value in the corresponding period of 2015, reflecting declines in all the rice market segments, in particular of Aromatica and Japonica rice.

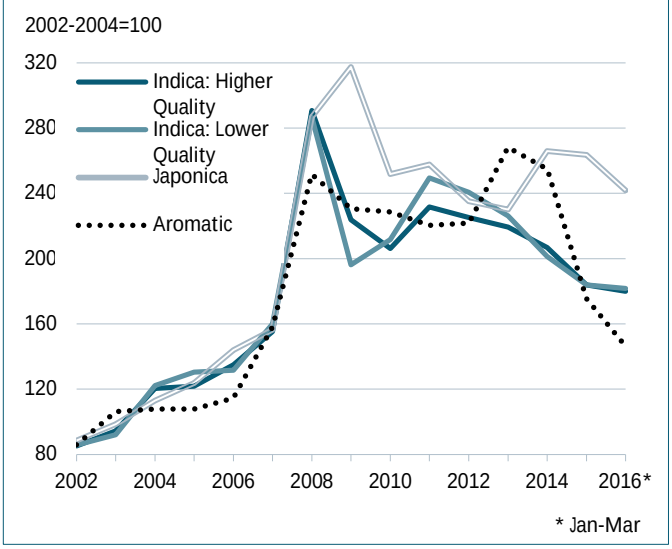
Among the major origins, quotations in **Thailand** tended to regain ground. Benchmark Thai 100% B was quoted at USD 392 per tonne in March, up 5 percent from December levels. The strengthening was associated to a stronger Baht and tightening availabilities following successive drought-reduced crops. Price gains also extended into the parboiled and fragrant segments. This was notwithstanding overall tepid demand for export. With the conclusion of main-crop harvests, the less bearish price environment also encouraged Thai officials to resume releases from Government stockpiles, with a combined 1.2 million tonnes put on offer for food and industrial uses since the onset of the year.

In the **United States,** the US N.2 4% slid 8 percent below December levels to USD 452 per tonne. The decline was imputable to thin demand and competition with other origins, especially South American suppliers, vying in particular for the Colombian and Iraqi markets. US medium grain quotations also eased by 6 percent over the period, reflecting the absence of major sales, other than to regular Near East and Far East Asian markets. These added to pressure exerted by prospects of greater output in California in the wake of improved water supply, which, however, were later largely dispelled by a survey of planting intentions.

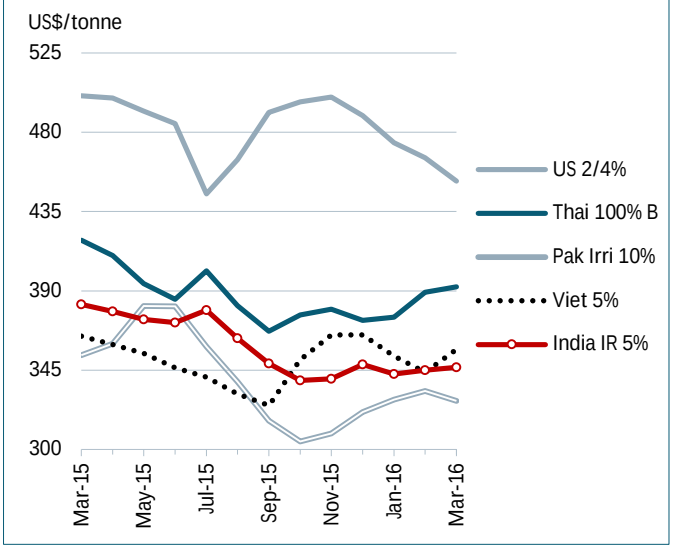
Following surges in the last quarter of 2015 propelled by large Government-to-Government deals with Indonesia and the Philippines, a lack of fresh sales tended to weaken quotations in **Viet Nam**. Prices of 25% broken rice fell steadily through February, also influenced by an offload of old-crop supplies ahead of the 2016 winter-spring harvest. Quotations in the country only bounced back in March, when concerns over the impact of salt-water intrusion and drought on the winter-spring crop heightened, adding to anticipation of major Asian buyers returning to the international market. Against this backdrop, Vietnamese officials decided to forego the winter-spring procurement drive this season. The programme had traditionally encouraged the storage of 1.0 million tonnes of main-crop supplies to support farmers at harvest time.

Meanwhile, a reduced crop and regular sales to African countries underpinned steady gains in the Indica prices in **Pakistan**, where 25% broken rice was quoted 4 percent higher in March, at USD 309 per tonne. The firming of prices, however, did not extend to the Pakistani fragrant segment, where sluggish demand depressed quotations by a further 5 percent compared to December, to USD 681 per tonne. The basmati market in **India** was similarly affected, with Pusa Basmati sliding by 8 percent over the same period to USD 783 per tonne. This would be almost USD 400 below its level in March 2015. Indian long-grain

FAO Rice Price Indices



High quality Indica export prices



quotations proved more resilient, limiting their fall to 1 percent in the case of 25% brokens to USD 323 per tonne. Partial support was provided by an overall smaller harvest in this segment and, in particular, by large Government domestic purchases. Up to 30.2 million tonnes of rice had been procured by the Indian Government by 1 April, up 20 percent year-on-year.

Looking ahead, the supply outlook remains grim for the next few months, amid expectations of reduced output from secondary crop harvests in northern-hemisphere countries and of main-crops in those situated along and south of the Equator. Although early prospects point to more normal weather underpinning 2016 production recoveries in the northern hemisphere, supplies from these harvests will not enter the market until the last quarter of 2016. So far, sentiment has been heavily influence by faltering import demand, yet generally diminished exportable availabilities in the major rice origins continue to render market conditions vulnerable to sudden shocks. In this context, import decisions and their timing are expected to continue playing a determining role in shaping price developments. These will in turn be determined by currency movements and policies, considering the traditionally high involvement of Governments in rice trade. While still sizeable, a large portion of rice reserves in Thailand and India also remain in the hands of Governments, making official decisions as to their disposal particularly influential. As always, developments in other cereal markets will also need to be monitored.

FAO Rice Price Indices

	All	Indica		Japonica	Aromatic
		Higher quality	Lower quality		
	2002-2004 = 100				
2012	**231**	**225**	**241**	**235**	**222**
2013	**233**	**219**	**226**	**230**	**268**
2014	**235**	**207**	**201**	**266**	**255**
2015	**211**	**184**	**184**	**263**	**176**
	0	**0**	**0**	**0**	**0**
2015 March	219	189	187	272	194
April	218	188	189	271	193
May	215	186	190	266	185
June	213	184	188	265	180
July	211	182	185	265	175
August	210	179	182	267	175
September	206	176	176	266	168
October	199	179	175	251	154
November	196	180	178	244	146
December	197	180	181	242	152
2016 January	195	179	181	240	149
February	197	180	181	244	148
March	196	180	184	242	142
2015 Jan.-Mar.	220	191	187	276	193
2016 Jan.-Mar.	196	180	182	242	146
% Change	-11.0	-5.7	-3.0	-12.2	-24.2

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 brokens. 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/
							(US $/tonne, f.o.b.)							
2011	**565**	**563**	**577**	**549**	**505**	**546**	**409**	**433**	**511**	**467**	**464**	**821**	**1 060**	**1 054**
2012	**588**	**594**	**567**	**573**	**432**	**584**	**391**	**396**	**560**	**397**	**540**	**718**	**1 137**	**1 091**
2013	**534**	**530**	**628**	**518**	**391**	**598**	**402**	**371**	**504**	**363**	**483**	**692**	**1 372**	**1 180**
2014	**435**	**435**	**571**	**423**	**410**	**599**	**377**	**366**	**382**	**377**	**322**	**1 007**	**1 324**	**1 150**
2015	**395**	**392**	**490**	**386**	**353**	**541**	**337**	**318**	**373**	**334**	**327**	**857**	**849**	**1 008**
2015														
March	419	417	501	410	364	585	348	318	392	345	330	896	985	1 083
April	410	402	500	401	360	568	348	333	385	340	333	880	980	1 087
May	394	388	492	385	354	550	347	353	372	333	326	852	895	1 057
June	385	382	485	376	346	538	344	346	365	333	327	845	871	1 048
July	401	399	445	392	341	526	351	332	376	323	321	845	868	1 031
August	382	387	465	373	332	510	339	324	362	316	324	845	888	997
September	367	367	491	359	325	510	325	303	348	315	316	840	855	980
October	376	373	497	368	351	510	312	286	358	332	323	837	661	984
November	380	371	500	368	365	510	310	287	359	345	329	815	621	887
December	373	364	490	363	365	503	326	296	356	345	332	790	716	782
2016														
January	375	377	474	369	353	479	321	303	361	340	331	775	734	783
February	389	390	466	384	344	470	316	310	374	330	339	770	745	795
March	392	391	452	384	357	435	323	309	375	341	343	745	681	793
2015 Jan.-Mar.	426	424	504	416	364	591	349	320	397	343	330	910	946	1 081
2016 Jan.-Mar.	386	386	464	379	351	461	320	307	370	337	337	763	720	790
% Change	-9.5	-8.9	-7.9	-9.0	-3.6	-22.0	-8.3	-4.0	-6.9	-1.7	2.3	-16.1	-23.9	-26.9

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 [6]

Area	Date	Policy Instrument	Description
Argentina	Feb-16	Production support, credit	Announced that it would treble working capital loans availed to the rice sector through Banco Nación to ARS 300 million (USD 20.5 million). In addition, ARS 45 million (USD 3.1 million) would be jointly contributed between the national Government and provincial authorities in Corrientes to a revolving fund destined to aid harvesting operations. The initiatives are geared at assisting the sector face liquidity issues associated with a poor export performance in 2015.
Argentina	Dec-15	Export taxes	Withdrew the 5-10% export tax levied on exports of paddy, husked, semi/wholly milled and/or broken rice, effective 16 December 2015.
Bangladesh	Feb-16	Food subsidies	Lowered the Open Market Sales price of rice by 25 percent to BDT 15 (USD 0.2) per kilo. The measure is meant to hasten sales of Government stockpiles and free storage space, ahead of the 2016 Boro harvest.
Bangladesh	Mar-16	Production support	Announced that incentives on Aus rice cultivation would be renewed for the 2016 season under a BDT 336.2 million (USD 4.2 million) package. The funds are to provide some 230 000 smallholders with free fertilizers and seeds of high yielding and Nerica varieties, in addition to cash outlays to cover irrigation costs.
Bilateral/Multilateral	Mar-16	Production support, management of natural resources	Announced that, in response to a request from Viet Nam, China (Mainland) would raise water discharges from the Jinghong Hydropower Station in Yunnan between 15 March and 10 April 2016. The measure is meant to raise water levels in the Mekong River and help alleviate water shortages associated with drought in Cambodia, Myanmar, the Lao People's Democratic Republic and Viet Nam.
Brazil	Jan-16	Stock release	Authorised the release of up to 100 000 tonnes of paddy from Government inventories, at a stock release sale price (Preço de Liberação de Estoques) of BRL 36.57 per 50 kilos (USD 203 per tonne).
Brazil	Feb-16	Stock release	Sold 21 600 tonnes of paddy from Government stocks through two auctions held on 05 February 2016, which offered a combined 25 000 tonnes.
Brazil	Mar-16	Stock release	Sold 96 000 tonnes of paddy from state reserves, out of a total of 128 000 tonnes offered in two tenders held on 30 March 2016.
Brazil	Apr-16	Stock release	Sold 32 000 tonnes of paddy from state reserves through an auction held on 06 April 2016.
Cambodia	Mar-16	Export promotion, credit, tax policy	Announced that in order to aid the sector cut production costs, the 10 percent value added tax levied on unprocessed rice would soon be abolished and that measures would be taken against entities labelling imported rice as Cambodian. Officials would also take into consideration rice sector's requests for credit assistance to help processors cover the cost of local purchases. Negotiations with Thai officials were also being pursued to enable Cambodian rice to be exported via the Thai Lam Chabang port.

[6] The full collection of rice policies, starting in January 2011, is available at: http://www.fao.org/economic/est/est commodities/commodity policy archive/en/?groupANDcommodity=rice

Area	Date	Policy Instrument	Description
Cameroon	Dec-15	Import tariff	Re-instated import tariffs that had been suspended in March 2008. According to the decision, paddy, husked, semi/wholly milled and broken rice will attract an import duty of 5 percent, effective 1 January 2016.
China (Mainland)	Feb-16	Support prices	Decided to keep government paddy procurement prices for the 2016 season unchanged at CNY 138 per 50 kg bag for late/intermediate Indica (USD 428 per tonne) and at CNY 155 per 50 kg bag for Japonica varieties (USD 481 per tonne). In the case of early Indica paddy, procurement prices were lowered by 1.5 percent year-to-year to CNY 133 per 50 kg bag (USD 412 per tonne).
Colombia	Dec-15	Import quota	Announced that it would authorise 200 000 tonnes of rice imports in 2016, in order to avert supply shortages. Volumes imported under the quota may originate in Andean Community members or other nations and will be liable to existing import duty payments.
Colombia	Feb-16	Import requirements, phytosanitary measures	Set forth the sanitary and phytosanitary requirements to import rice from Uruguay.
Egypt	Jan-16	Import tender	Opened an international tender to source unspecified quantities of rice for immediate delivery. The tender was subsequently cancelled to allow more time for suppliers to meet the necessary requirements.
Egypt	Mar-16	Import tender	Announced that offers for the supply of at least 10 000 tonnes of rice, for delivery between 20 April and 10 May 2016, would be received until 26 March 2016. The tender was subsequently cancelled.
Egypt	Mar-16	Export ban	Announced that the suspension of the ban on milled rice exports would not be extended beyond its original six-month period. As such, milled rice shipments would again be prohibited as of 04 April 2016.
Egypt	Apr-16	Import tender	Opened an international tender for the supply of at least 10 000 tonnes of rice, for delivery between 1 May and 20 May 2016. The tender was subsequently cancelled, with officials stating that they would pursue direct agreements with foreign suppliers, should the price of offers not be reduced.
Guyana	Jan-16	Budgetary allocations, production support, tax policy, export promotion	As part of its 2016 budget, announced that GYD 20.3 billion (USD 94 million) would be allocated to the agricultural sector. Steps would be taken to encourage agricultural diversification, boost competitiveness and to intensify agricultural research, training and extension services. The Government would also continue to assist the rice sector find new outlets for its produce, with parboiled rice exempted from value added taxes.
India	Jan-16	Production support, crop insurance	Approved the “Pradhan Mantri Fasal Bima Yojana” crop insurance scheme, to replace the National Agricultural Insurance Scheme (NAIS) and the Modified National Agricultural Insurance Scheme (MNAIS) as of the 2016 Kharif season. The programme aims to provide comprehensive crop insurance against losses incurred due to natural calamities, with premiums to be paid by farmers set at lows of 2% for Kharif crops and at 1.5% for Rabi crops.

Area	Date	Policy Instrument	Description
			Government outlays will cover the balance of premiums, abolishing pre-existing ceilings, such that farmers are in a position to claim insured amounts in full when facing losses.
India	Feb-16	Budgetary allocations, production support	As part of its 2016 budgetary allocations, set a target to double rural incomes by 2022. Officials will additionally seek to bring 10.9 million hectares of farmland under irrigation through the "Pradhan Mantri Sinchai Yojana" scheme and by fast-tracking 89 irrigation projects. This would be further to creating a Long Term Irrigation Fund and enhancing groundwater management. Efforts to address deteriorating soil health by extending soil health cards to farmers will be continued, as will steps to promote organic farming, including through the "Parmparagat Krishi Vikas Yojana" scheme launched last year. Agricultural credit and storage capacity is also to be boosted, while a pilot programme extending direct payments to farmers to help them purchase fertilisers would be implemented. Steps to enhance farmer access to markets through the Unified Agricultural Marketing Scheme will also be taken, together with improvements to the procurement system. The latter would include encouraging greater de-centralisation and online procurement by the Food Corporation of India. Meanwhile, INR 55 billion (USD 830 million) will go to implement the "Pradhan Mantri Fasal Bima Yojana" crop insurance scheme approved in January.
Indonesia	Dec-15	Import regulation	Issued new regulations, relaxing registration and licencing requirements for private sector imports of specialty rice, rice for use by processing industries and rice for dietary purposes, effective 1 January 2016.
Malaysia	Jan-16	Food subsidies	Announced that the Government would supply hard-core poor households with a monthly ration of 20 kilos of rice through December 2016, under the MyBeras programme. The initiative forms part of the 2016 Budget Recalibration and is geared at aiding vulnerable groups cope with rising prices. The scheme was originally targeted to begin as of March 2016, but official statements to the press later indicated that it would be implemented between May 2016 and February 2017.
Malaysia	Jan-16	Production support	As part of the 2016 Budget Recalibration, announced that the Government would extend an additional MYR 50 (USD 13) per tonne outlay to rice producers, in a bid to stimulate growth in the sector. Additional support measures would include steps to improve the grading system.
Mauritania	Dec-15	Import tariff	As part of its 2016 budget, raised import duties levied on paddy, husked, semi/wholly milled and broken rice to 20 percent.
Nicaragua	Dec-15	Import quota	Established a shortage import of 119 700 tonnes of paddy and 20 150 tonnes of husked/milled/broken rice. Imported volumes must be brought into the country by 31 December 2016 and will be free of duties.
Nigeria	Mar-16	Import restrictions	Reintroduced the ban on rice imports through land borders, with immediate effect.
Philippines	Jan-16	Import quota	After taking into consideration the expected impact of El Niño on supplies, decided to abstain from importing rice in the first quarter of 2016, as local availabilities were deemed sufficient.

Area	Date	Policy Instrument	Description
Republic of Korea	Dec-15	Production adjustment program	Announced that it would launch a production adjustment programme encouraging the gradual conversion of 88 000 hectares of paddies to other uses by 2018. The move is part of official efforts to stabilise the local market and ease oversupply problems associated with successive bumper harvests and declining consumption. Officials would also promote greater local consumption of rice as food, feed and industrial uses, as well as exports, in an attempt to reduce the size of the Government stockpile to 800 000 tonnes by October 2018.
Republic of Korea	Feb-16	Stock release	Announced that it would release 99 000 tonnes of husked rice from Government stocks for use as animal feed, at a price of KRW 200 per kilo (USD 174 per tonne).
Republic of Korea	Mar-16	Government procurement	Decided to purchase an additional 157 000 tonnes of surplus rice from the local market, in an effort to stabilise prices.
Sri Lanka	Feb-16	Import tariff	Set import duties on paddy, husked, semi/wholly milled and/or broken rice at LKR 50 per kilo (USD 329 per tonne), up from a previous applicable rate of LKR 35 per kilo (USD 230). The measure is effective 1 February 2016.
Thailand	Feb-16	Production support, production adjustment program	Approved a budget of THB 10 billion (USD 284 million) to cover rice interventions during the 2016 season. The majority of the funds will be destined to price stabilisation measures, namely extending loans to farmers storing paddy. Nonetheless, as officials seek to keep paddy output at 27.0 million tonnes during the season, THB 3.3 billion (USD 94 million) of this outlay will go to encouraging cultivation of alternative crops or premium rice varieties, while also promoting the consolidation of holdings, as a means to cut production costs.
Thailand	Feb-16	Stock release	Sold 152 400 tonnes of rice from Government stocks, out of a total of 205 000 tonnes of fragrant, glutinous and broken rice fit for human consumption offered through a tender held on 16 February 2016.
Thailand	Feb-16	Stock release	Sold 245 300 tonnes of rice from Government stocks, out of a total of 364 100 tonnes of rice fit for feed or industrial uses, through an auction held on 17 February 2016.
Thailand	Feb-16	Stock release	Issued statements indicating that it would consider allowing foreign bidders to participate in future auctions of Government rice stockpiles.
Thailand	Mar-16	Stock release	Put 419 000 tonnes of white, glutinous and fragrant rice from Government stocks to auction on 30 March 2016. The supplies were deemed fit for human consumption.
Thailand	Mar-16	Stock release	Opened bids for 224 000 tonnes of rice from Government stocks, fit for feed or industrial uses only.
Turkey	Dec-15	Government procurement	Set Government purchasing prices for at TRY 1 580 (USD 558) per tonne of 2015 season Osmancık varieties with a milling yield of 60 percent.
Venezuela	Mar-16	Price controls	Set consumer level Fair Prices at VEF 120.0 for a kilo of Type I rice, VEF 119.11 per kilo of Type II rice and at VEF 118.33 per kilo of Type III rice. Previously applicable levels ranged between VEF 22.0 and 25.0 per kilo.
Venezuela	Mar-16	Production support, support	Raised paddy producer prices to VEF 70.0 per kilo of Type A paddy and to VEF 69.58 per kilo of Type B paddy, up from the VEF 16.8-16.7 per kilo set in October 2015.

Area	Date	Policy Instrument	Description
		prices	
Viet Nam	Mar-16	Government procurement	According to official statements to the press, the Viet Nam Food Association would not pursue a stockpiling programme for the 2016 winter-spring harvest, as rice prices were on the rise.
Viet Nam	Dec-15	Import quota	Established an annual, duty-free, import quota for 70 000 tonnes of paddy and husked rice originating in the Lao PDR, effective from 14 February 2016 to 03 October 2020. Paddy and husked rice imports conducted outside of this quota will also be entitled to a 50 percent duty reduction over the period to 2.5 percent.
Yemen	Feb-16	Finance and credit facilities	According to press reports, the Central Bank would no longer provide credit to rice and sugar importers at the official exchange rates, as it sought to preserve foreign exchange reserves.

TABLE 1: WORLD PADDY PRODUCTION

	2011-2013 Average	2014	2015 Estimate	2016 Forecast	Annual Change 2016 / 2015		2015 Previous	2015 Revision
	million tonnes					%	million tonnes	
WORLD	735.9	744.2	738.2	745.5	7.3	1.0	740.2	-1.9
Developing countries	710.4	717.7	713.2	719.1	5.9	0.8	715.1	-1.9
Developed countries	25.5	26.5	25.0	26.4	1.4	5.7	25.1	-0.1
ASIA	667.5	672.9	667.8	675.0	7.2	1.1	669.7	-1.9
Bangladesh	50.8	51.8 G	52.3	52.9	0.6	1.2	52.5	-0.2
Cambodia	9.2	9.3 G	9.2 G	9.4	0.1	1.4	9.2 G	-
China	204.6	208.2	209.8	211.2	1.4	0.7	209.0	0.7
of which China (Mainland)	202.9	206.5 G	208.3 G	209.5	1.3	0.6	207.5 G	0.7
India	158.6	158.2 G	155.4 G	158.4	3.0	1.9	155.7	-0.3
Indonesia	68.7	70.8 G	73.0	71.9	-1.1	-1.5	73.0	-
Iran, Islamic Rep. of	2.2	2.3 G	2.7 G	2.8	0.1	3.7	2.8	-0.1
Japan	10.8	10.8 G	10.5 G	10.6	0.1	1.2	10.7	-0.2
Korea Rep. of	5.6	5.6 G	5.8 G	5.6	-0.2	-3.0	5.8 G	-
Lao PDR	3.2	3.4	3.2	3.4	0.1	3.4	3.2	-
Malaysia	2.6	2.6 G	2.7 G	2.6	-0.1	-3.1	2.7 G	-
Myanmar	28.3	28.2 G	27.5 G	28.0	0.5	1.9	28.4	-0.9
Nepal	4.9	4.8 G	4.3 G	4.8	0.5	12.6	4.3 G	-
Pakistan	9.2	10.5 G	9.9 G	9.9	0.0	0.0	9.9 G	-
Philippines	18.0	18.9 G	17.9 G	18.7	0.7	4.0	17.9	0.1
Sri Lanka	4.1	3.4 G	4.8 G	4.8	-0.1	-1.4	4.8 G	0.0
Thailand	37.6	33.2	28.7	30.3	1.6	5.6	29.3	-0.6
Viet Nam	43.4	45.0 G	45.2 G	44.5	-0.7	-1.6	45.1	0.1
AFRICA	26.9	28.8	28.5	29.1	0.6	2.2	28.4	0.0
North Africa	6.0	6.3	5.9	6.1	0.2	3.4	6.0	0.0
Egypt	5.9	6.2	5.9	6.1	0.2	3.4	5.9	-
Western Africa	12.9	14.0	14.6	14.9	0.3	2.1	14.5	0.0
Côte d'Ivoire	0.7	0.8	0.9	0.9	0.0	2.2	0.8	0.1
Guinea	1.9	2.0 G	2.0 G	2.1	0.0	0.6	2.0 G	-
Mali	2.0	2.2 G	2.3 G	2.4	0.1	3.0	2.5 G	-0.1
Nigeria	4.6	4.9	4.8	4.8	0.0	1.1	4.8	-
Sierra Leone	1.2	1.2	1.3	1.3	0.0	0.8	1.2	0.1
Central Africa	0.5	0.6	0.5	0.5	0.0	-0.2	0.5	-
Eastern Africa	2.7	3.2	3.0	3.1	0.1	2.0	3.0	0.0
Tanzania	2.1	2.6 G	2.4	2.5	0.1	2.1	2.4	-
Southern Africa	4.7	4.6	4.3	4.3	0.0	1.1	4.3	0.0
Madagascar	4.2	4.0 G	3.7 G	3.8	0.1	2.1	3.7 G	-
Mozambique	0.3	0.4 G	0.4 G	0.3	0.0	-4.8	0.4 G	-
CENTRAL AMERICA & CAR.	3.0	3.0	2.7	2.8	0.1	1.9	2.9	-0.1
Cuba	0.6	0.6 G	0.5	0.5	0.0	2.2	0.5	-0.1
Dominican Rep.	0.9	0.9 G	0.9 G	0.9	0.0	1.6	0.9	0.0
SOUTH AMERICA	24.5	24.7	25.6	23.7	-1.9	-7.4	25.6	0.0
Argentina	1.6	1.6 G	1.6 G	1.5 G	-0.1	-4.5	1.6 G	-
Brazil	12.3	12.1 G	12.4 G	11.2 G	-1.3	-10.2	12.4 G	-
Colombia	2.0	1.9 G	2.1	2.0	-0.1	-3.2	2.0	0.1
Ecuador	1.2	1.2 G	1.2	1.2	0.0	0.8	1.2	0.0
Peru	2.9	2.9 G	3.1 G	3.2	0.0	1.2	3.1	0.0
Uruguay	1.5	1.3 G	1.4 G	1.3	-0.1	-6.9	1.4	0.0
NORTH AMERICA	8.7	10.1	8.7	10.4	1.7	19.7	8.7	0.1
United States	8.7	10.1 G	8.7 G	10.4	1.7	19.7	8.7 G	0.1
EUROPE	4.3	4.0	4.2	4.2	0.0	0.4	4.2	0.0
EU	3.1	2.9 G	3.0 G	3.0	0.0	-0.4	3.0 G	0.0
Russian Federation	1.0	1.0 G	1.1 G	1.1	0.0	1.9	1.1	0.0
OCEANIA	1.0	0.8	0.7	0.3	-0.4	-56.3	0.7	-
Australia	0.9	0.8 G	0.7 G	0.3 G	-0.4	-57.9	0.7 G	-

NOTES:

The 2016 paddy production season normally includes rice from the main paddy crops whose harvests fall in 2016, to which rice from all subsequent secondary crops, if any, is added.

Totals computed from unrounded data.

G Official figure.

TABLE 2: WORLD RICE IMPORTS

	2011-2013 Average	2014	2015 Estimate	2016 Forecast	Annual Change 2016 / 2015		2016 Previous	2016 Revision
	million tonnes, milled basis					%	million tonnes	
WORLD	39.1	45.7	44.5	44.9	0.4	0.8	45.3	-0.4
Developing countries	33.7	40.0	38.7	38.9	0.2	0.5	39.4	-0.5
Developed countries	5.3	5.7	5.8	6.0	0.2	3.1	5.9	0.1
ASIA	18.4	22.9	23.0	22.7	-0.3	-1.4	22.9	-0.2
Bangladesh	0.6	1.3	1.1 G	0.5	-0.6	-54.5	0.5	-
China	3.8	6.4	7.1	6.7	-0.4	-5.3	6.3	0.4
of which China (Mainland)	3.3	5.9	6.6	6.2	-0.4	-5.9	5.8	0.4
Indonesia	1.7	1.0	1.3	1.8	0.5	38.5	1.8	-
Iran, Islamic Rep. of	1.5	1.4 G	0.8 G	1.2	0.4	50.6	1.2	-
Iraq	1.3	1.1	1.0	1.2	0.2	15.0	1.3	-0.1
Japan	0.7	0.7 G	0.7 G	0.7	0.0	1.7	0.7	-
Malaysia	1.0	1.1	1.1	1.2	0.1	7.1	1.2	-
Philippines	1.1	1.7	2.0	2.0	0.0	1.0	2.2	-0.2
Saudi Arabia	1.2	1.4	1.5	1.6	0.1	3.3	1.6	-0.1
United Arab Emirates	0.7	0.8	1.0	0.8	-0.2	-20.0	0.8	0.0
AFRICA	13.6	15.2	13.6	13.8	0.1	1.1	14.6	-0.8
Côte d'Ivoire	1.3	1.2	1.3	1.2	-0.1	-10.9	1.3	-0.1
Nigeria	3.0	3.4	2.2	2.5	0.3	13.6	2.8	-0.3
Senegal	1.1	1.3	1.3	1.1	-0.3	-21.6	1.1	-
South Africa	1.1	0.9 G	1.0 G	1.1	0.1	9.5	1.2	-0.1
CENTRAL AMERICA & CAR.	2.1	2.2	2.3	2.4	0.1	3.1	2.4	0.0
Cuba	0.4	0.5 G	0.6	0.6	0.0	0.0	0.5	0.1
Mexico	0.6	0.7 G	0.6 G	0.7	0.0	5.3	0.7	0.0
SOUTH AMERICA	1.5	1.5	1.5	1.9	0.3	22.3	1.4	0.5
Brazil	0.7	0.6 G	0.3 G	0.8	0.4	116.6	0.4	0.4
NORTH AMERICA	1.0	1.1	1.1	1.2	0.0	2.5	1.2	0.0
United States	0.6	0.8 G	0.8 G	0.8 G	0.0	2.2	0.8 G	0.0
EUROPE	1.9	2.3	2.3	2.4	0.1	2.8	2.2	0.2
EU 1/	1.4	1.6 G	1.8 G	1.9	0.1	4.1	1.8	0.1
Russian Federation	0.2	0.3 G	0.2 G	0.2	0.0	-7.7	0.2	0.0
OCEANIA	0.5	0.5	0.5	0.5	0.0	5.4	0.5	0.0

NOTES:

Totals computed from unrounded data.

G Official figure.

1/ Excluding EU intra-trade.

TABLE 3: WORLD RICE EXPORTS

	2011-2013 Average	2014	2015 Estimate	2016 Forecast	Annual Change 2016 / 2015		2016 Previous	2016 Revision
	million tonnes, milled basis					%	million tonnes	
WORLD	39.1	45.6	44.6	44.9	0.3	0.7	45.3	-0.4
Developing countries	34.8	41.5	40.2	40.7	0.5	1.3	41.1	-0.4
Developed countries	4.3	4.0	4.3	4.1	-0.2	-4.4	4.2	-0.1
ASIA	31.1	37.7	36.9	37.0	0.1	0.3	37.7	-0.7
Cambodia	1.1	1.1	1.2	1.4	0.2	12.5	1.3	0.1
China	0.4	0.4	0.3	0.4	0.1	24.3	0.5	-0.1
of which China (Mainland)	0.4	0.4 G	0.3 G	0.4	0.1	32.7	0.4	-0.1
India	8.6	11.5 G	11.0 G	10.2	-0.8	-7.5	10.6	-0.4
Myanmar	1.1	1.7 G	1.6	1.7	0.1	3.8	1.7	-
Pakistan	3.6	3.8 G	4.1 G	4.4	0.2	5.1	4.4	-
Thailand	8.0	11.0 G	9.8 G	9.9	0.1	1.2	10.4	-0.5
Viet Nam	8.0	8.0	8.5	8.7	0.2	2.8	8.7	-
AFRICA	0.5	0.6	0.5	0.5	0.0	-6.2	0.6	-0.1
Egypt	0.3	0.4	0.4	0.4	0.0	0.0	0.5	-0.1
SOUTH AMERICA	3.4	3.2	2.9	3.4	0.5	16.1	2.9	0.4
Argentina	0.6	0.5 G	0.3 G	0.6	0.2	77.4	0.5	0.1
Brazil	1.1	0.8 G	0.9 G	0.8	-0.1	-8.9	0.7	0.1
Guyana	0.3	0.5 G	0.5 G	0.5	0.0	-6.9	0.5	0.1
Uruguay	0.9	0.9 G	0.7 G	0.9	0.2	29.3	0.8	0.2
NORTH AMERICA	3.3	3.0	3.5	3.3	-0.1	-4.2	3.3	0.1
United States	3.3	3.0 G	3.5 G	3.3 G	-0.1	-4.2	3.3 G	0.1
EUROPE	0.4	0.5	0.4	0.4	0.0	-1.1	0.5	-0.1
EU 1/	0.2	0.3 G	0.2 G	0.2	0.0	-7.5	0.3	0.0
Russian Federation	0.2	0.2 G	0.2 G	0.2	0.0	5.8	0.3	-0.1
OCEANIA	0.4	0.4	0.3	0.3	-0.1	-15.4	0.3	0.0
Australia	0.4	0.4	0.3	0.3	-0.1	-15.4	0.3	0.0

NOTES:

Totals computed from unrounded data.

G Official figure.

1/ Excluding EU intra-trade.

TABLE 4: END OF SEASON STOCKS 1/

	2012-2014 Average	2015	2016 Estimate	2017 Forecast	Annual Change 2017 / 2016		2016 Previous	2016 Revision
	million tonnes, milled basis					%	million tonnes	
WORLD	159.8	173.7	168.9	164.0	-4.9	-2.9	166.4	2.5
Developing countries	154.1	167.5	162.8	157.9	-4.9	-3.0	160.4	2.4
Developed countries	5.7	6.3	6.1	6.0	0.0	-0.7	6.0	0.1
ASIA	149.9	163.3	158.6	154.5	-4.1	-2.6	157.4	1.1
Bangladesh	6.9	7.5	7.3	6.9	-0.4	-5.5	6.9	0.4
Cambodia	1.5	1.6	1.6	1.5	-0.1	-6.4	1.5	0.0
China	76.7	92.8	98.4	101.2	2.8	2.8	99.1	-0.7
of which China (Mainland)	76.5	92.6	98.3	101.1	2.8	2.8	99.0	-0.7
India	25.2	21.0	16.0	13.5	-2.5	-15.6	14.5	1.5
Indonesia	7.0	6.3	6.6	6.5	-0.1	-1.5	6.7	-0.1
Iran, Islamic Rep. of	0.6	0.5	0.4	0.4	0.0	-2.5	0.3	0.1
Japan	3.5	3.6 G	3.4	3.3	-0.1	-3.0	3.7	-0.3
Korea Rep. of	1.1	1.4	1.8	2.0	0.2	10.8	1.7	0.1
Lao PDR	0.4	0.6	0.4	0.4	0.0	-10.3	0.4	0.1
Malaysia	0.3	0.2	0.2	0.2	0.0	2.3	0.3	0.0
Myanmar	3.0	2.3	2.0	1.8	-0.2	-10.0	2.2	-0.2
Nepal	0.4	0.4	0.3	0.4	0.1	18.8	0.3	0.1
Pakistan	0.5	1.0	0.8	0.5	-0.4	-43.8	0.6	0.2
Philippines	2.0	2.6 G	2.8	2.9	0.1	3.6	2.6	0.2
Sri Lanka	0.2	0.4	0.8	0.8	0.0	0.7	0.8	0.0
Thailand	16.2	16.2	11.0	8.0	-3.0	-27.3	11.0	-
Viet Nam	2.8	3.0	2.8	2.4	-0.5	-17.3	3.0	-0.2
AFRICA	4.9	5.6	4.8	4.5	-0.3	-6.1	4.1	0.7
Egypt	0.7	0.7	0.6	0.6	0.0	-3.4	0.4	0.2
Nigeria	1.1	1.0	0.6	0.4	-0.2	-35.5	0.7	0.0
CENTRAL AMERICA & CAR.	0.6	0.6	0.6	0.6	0.0	0.6	0.5	0.0
Dominican Rep.	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SOUTH AMERICA	2.4	1.7	2.3	1.7	-0.6	-25.9	2.2	0.2
Argentina	0.1	0.2	0.4	0.3	-0.1	-23.3	0.4	0.0
Brazil	1.3	0.6 G	0.4 G	0.2 G	-0.3	-65.7	0.5 G	0.0
Ecuador	0.1	0.1	0.1	0.0	0.0	-35.2	0.0	0.0
Peru	0.3	0.3	0.4	0.4	0.0	0.0	0.4	0.0
NORTH AMERICA	1.2	1.6	1.4	1.6	0.2	14.1	1.3	0.2
United States	1.2	1.6 G	1.4 G	1.6	0.2	14.9	1.2 G	0.2
EUROPE	0.7	0.7	0.9	0.9	0.0	4.8	0.6	0.3
EU	0.5	0.4 G	0.6 G	0.7	0.1	12.2	0.5 G	0.2
Russian Federation	0.1	0.1	0.1	0.1	0.0	-31.8	0.0	0.1
OCEANIA	0.1	0.2	0.3	0.1	-0.2	-66.4	0.2	0.0
Australia	0.1	0.2	0.2	0.1	-0.2	-76.7	0.2	0.0
GOVERNMENT STOCKS								
Bangladesh	0.9	0.9 G	1.0 G	0.8	-0.2	-16.7	0.9	0.1
India	21.7	14.2 G	13.0	10.5	-2.5	-19.2	11.5	1.5
Japan	1.6	1.5 G	1.4	1.4	0.0	-2.1	1.6	-0.2
Philippines	0.6	0.8 G	0.8	0.9	0.1	8.4	0.8	-

NOTES:

Totals computed from unrounded data.

G Official figure.

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

TABLE 5: RICE SUPPLY AND UTILIZATION IN MAIN EXPORTING COUNTRIES

	Opening Stocks	Production	Imports	Total Supply	Domestic Use	Exports	Closing Stocks
	thousand tonnes, milled basis						
INDIA							
2014-15	25 500	105 479 G	1	130 980	97 804	12 176 G	21 000
2015-16 est.	21 000	103 610 G	1	124 611	98 721	9 890	16 000
2016-17 f'cast	16 000	105 600	1	121 601	99 711	8 390	13 500
PAKISTAN							
2014-15	650	7 005 G	40	7 695	2 794	3 901 G	1 000
2015-16 est.	1 000	6 606 G	40	7 646	2 606	4 240	800
2016-17 f'cast	800	6 603	40	7 443	2 623	4 370	450
THAILAND							
2014-15	19 550	21 999	239	41 788	15 062	10 526 G	16 200
2015-16 est.	16 200	18 999	256	35 455	14 565	9 890	11 000
2016-17 f'cast	11 000	20 059	332	31 391	13 591	9 800	8 000
UNITED STATES							
2014-15	1 025 G	7 106 G	783 G	8 914 G	4 155 G	3 207 G	1 552 G
2015-16 est.	1 552 G	6 107 G	762 G	8 421 G	3 853 G	3 175 G	1 393 G
2016-17 f'cast	1 393 G	7 310	710	9 413	4 393	3 420	1 600
VIET NAM							
2014-15	2 730	29 234 G	543	32 507	21 487	8 015	3 005
2015-16 est.	3 005	29 390 G	500	32 895	21 593	8 462	2 840
2016-17 f'cast	2 840	28 925	550	32 315	21 265	8 700	2 350

FOOTNOTES:

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

Totals computed from unrounded data.

G Official figure.

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

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

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

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