Agricultural Market Information System

Rice: World market situation and 2016/17 outlook

TENTH SESSION OF THE AMIS GLOBAL FOOD MARKET INFORMATION GROUP

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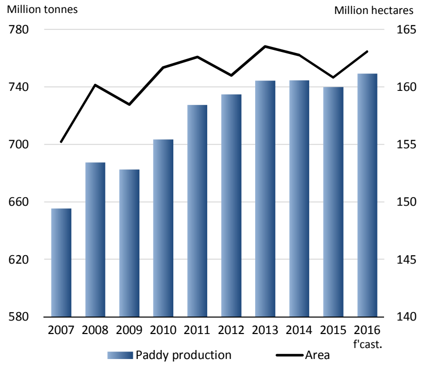
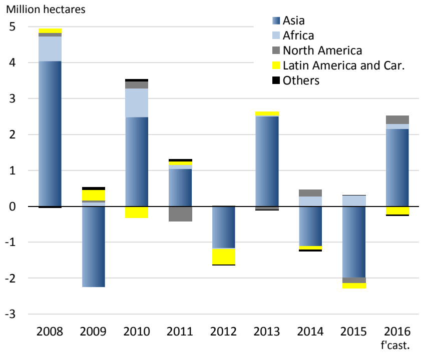
GLOBAL RICE PRODUCTION

Despite poor outcomes in the southern hemisphere, world rice production to strike a new record of 750 million tonnes (paddy basis). A 2 million hectare recovery in plantings in Asia to drive the growth.

Global paddy production and area



Annual change in paddy plantings by region



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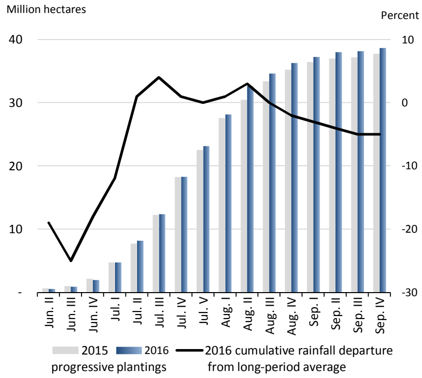
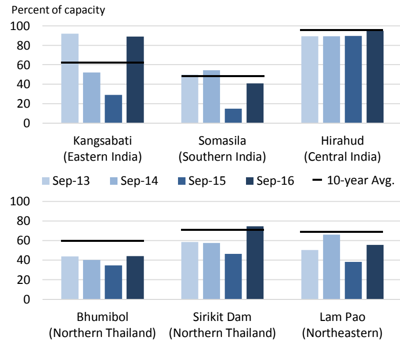
A NORMAL MONSOON FACILITATES RECOVERY

A normal pattern of the monsoon allows for an upbeat progress of main-crop plantings in northern hemisphere Asia, boosting water supplies for offseason crops.

India: Weekly Planting Progress



India and Thailand: Water Levels in Major Reservoirs



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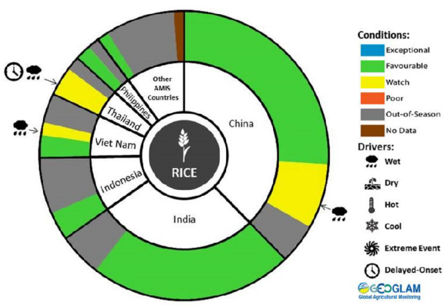
PRODUCTION IN THE MAJOR PLAYERS

India to account for much of the 2016 global recovery, but the Philippines, Thailand and the United States to make sizeable contributions.

	2014	2015	2016 F	2016/2015 Change
	million tonnes, milled eq.			%
World	**494.6**	**491.5**	**497.8**	**1.3**
China (Mainland)	141.5	142.7	143.2	0.4
India	105.5	104.3	107.7	3.2
Indonesia	44.4	45.8	45.1	-1.5
Bangladesh	34.5	35.0	34.8	-0.4
Viet Nam	29.2	29.4	28.9	-1.6
Thailand	22.0	19.0	20.1	5.6
Myanmar	16.9	16.5	16.8	1.9
Philippines	12.4	11.4	12.2	7.0
Brazil	8.2	8.5	7.2	-14.8
Japan	7.8	7.6	7.7	1.1
United States	7.1	6.1	7.5	23.3
Pakistan	7.0	6.8	6.9	0.9

Countries ranked according to their position in 2014-2016 average production.
F=forecast



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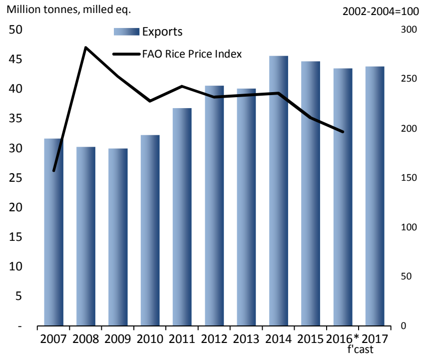
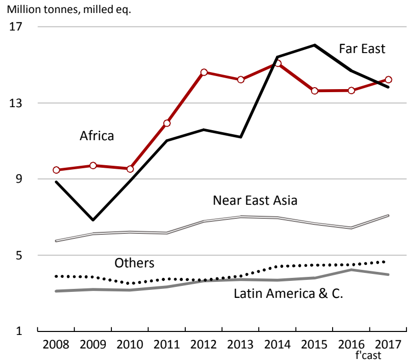
INTERNATIONAL TRADE IN RICE

World trade in rice subdued for three-successive years.

World rice trade and FAO Rice Price Index



Rice imports by region



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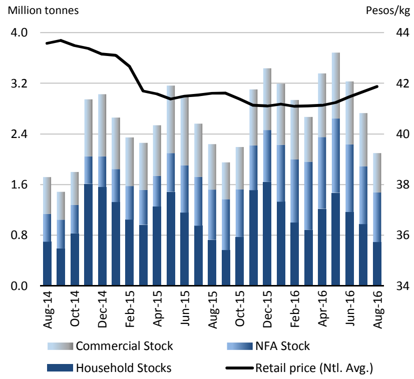
RICE IMPORTS

Sufficient local availabilities and reduced price pressure lower imports by the Far East. Currency factors and restrictive policies hinder growth elsewhere.

	2015	2016 F	2017 F	2017/2016 Change
	million tonnes, milled eq.			%
World	**44.6**	**43.5**	**43.8**	**0.7**
China (mainland)	6.6	6.3	6.3	0.0
Nigeria	2.2	2.3	2.5	8.7
EU	1.8	1.9	1.9	2.7
Philippines	2.0	1.3	1.2	-7.7
Saudi Arabia	1.6	1.4	1.6	10.7
Indonesia	1.3	1.8	1.0	-44.4
Côte d'Ivoire	1.3	1.4	1.3	-3.7
Senegal	1.4	1.2	1.1	-4.3
Malaysia	1.1	1.2	1.2	0.0
Iraq	1.0	1.0	1.1	15.8
Iran, Islam. Rep of	0.8	1.1	1.1	4.8
Others	23.5	22.9	23.6	3.0

Countries ranked according to their position in 2015-2017 average imports.
F=forecast

Philippines: stocks by sector and retail prices



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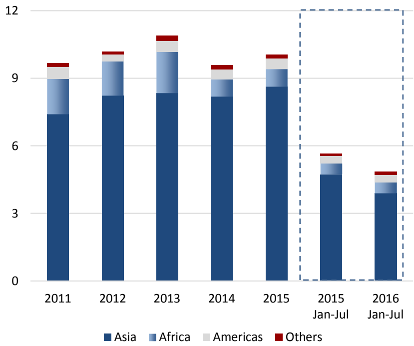
RICE EXPORTS

Improved availabilities to allow India to retain its position as the leading global supplier of rice for the sixth successive year, while exports by Viet Nam are reduced to six-year lows.

	2015	2016 F	2017 F	2017/2016 Change
	million tonnes, milled eq.			%
World	**44.6**	**43.5**	**43.8**	**0.7**
India	11.1	10.0	10.7	7.0
Thailand	9.8	9.9	9.5	-4.0
Viet Nam	8.4	7.5	7.6	1.3
Pakistan	4.1	4.4	4.5	2.3
United States	3.4	3.5	3.7	5.8
Myanmar	1.7	1.6	1.5	-6.3
Cambodia	1.2	1.3	1.3	4.0
Brazil	0.9	0.8	0.7	-13.3
Uruguay	0.7	0.9	0.9	-5.6
Guyana	0.5	0.5	0.5	-4.0
Others	2.8	3.2	3.0	-5.6

Countries ranked according to their position in 2015-2017 average exports.
F=forecast

Viet Nam: Rice Exports by Region



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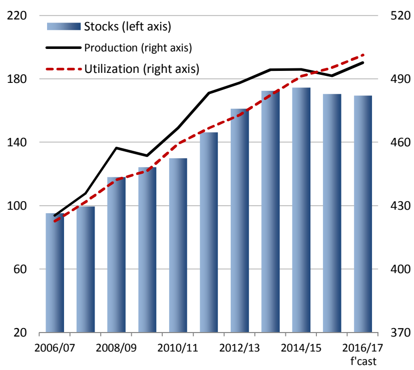
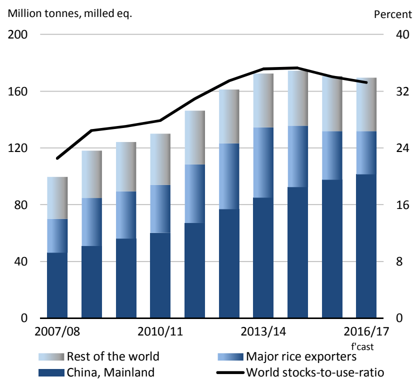
GLOBAL RICE UTILIZATION AND STOCKS

Draw-downs in the major exporters behind a slight contraction in carryovers, but world rice reserves to remain adequate.



Global Closing Stocks and Stocks-to-use Ratio



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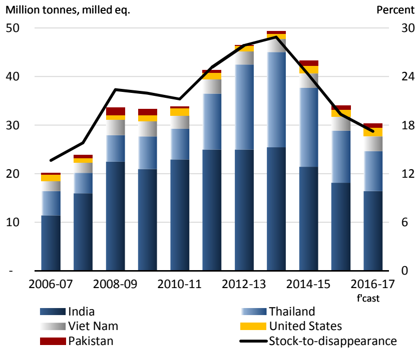
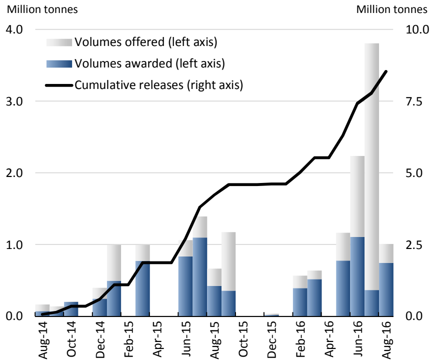
MAJOR EXPORTERS' STOCKS

To decline for the third successive year, but much will depend on the success of Thai Government stock release plans.

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



Thailand: Public Rice Stock Auctions (Aug/2014-Aug/2016)



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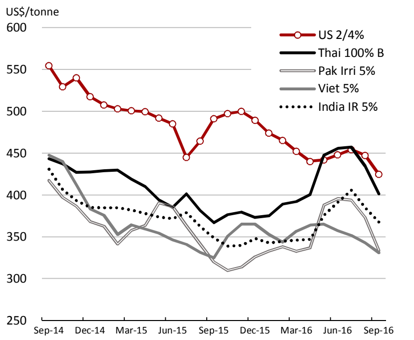
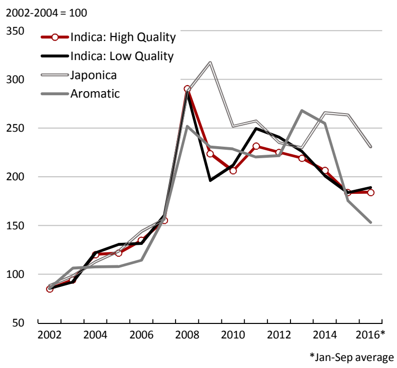
INTERNATIONAL RICE PRICES

Resume their downward trajectory in August, on a combination of thin buying interest and prospects of larger availabilities from imminent crop harvests.

High Quality Indica Prices



FAO Rice Price Indices



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UNCERTAINTIES

- Weather
  - Although we have passed the most critical stage of the season, weather events (such as La Niña, storms, etc.) could still affect the outcome of 2016 secondary crops in the northern hemisphere and of 2017 main-crops in the southern hemisphere
- Policies
  - In major exporters: public stocks releases in Thailand and India
  - In major importing countries: China (border protection), Indonesia, Nigeria (self-sufficiency) and the Philippines (tariffication?)
- Macro-economic factors
  - Exchange rates
  - Oil prices, etc.
- Developments in other cereal markets