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Trade and Markets Division
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Contact or enquiries

Facsimile: ++(39-06) 570-54495
Telephone: ++(39-06) 570-54136
E-mail: **Commodity-Queries@fao.org**

Also available on the Internet at the following address:
http://www.fao.org/economic/est/publications/rice-publications/rice-market-monitor-rmm/en/

ROUND-UP

- The 2011 paddy season is fairly advanced, although secondary crops in the Northern Hemisphere are still at the development stage. Since November, the forecast for **global paddy production in 2011** has been lifted by 700 000 tonnes, mainly on improved prospects for crops in Asia. At the expected 721 million tonnes, world rice production would be 21.4 million tonnes, or 3 percent, larger than in 2010 and hit a new record. This excellent performance confirms the resilience of the sector and its ability to respond to attractive prices, even against the backdrop of numerous weather setbacks and widespread increases in basic input prices. Paddy production in ***Asia*** is forecast at 653 million tonnes, 3 percent above 2010, and 1.5 million tonnes more than anticipated in November. The revision reflects improved prospects especially for Pakistan, but also Cambodia, Nepal, the Philippines and Viet Nam, while expectations for China and Thailand deteriorated. Compared with 2010, particularly large production gains are to be witnessed by Bangladesh, China, India, Pakistan and Viet Nam, but the season may end negatively in Indonesia, Japan, the Republic of Korea, Myanmar, Sri Lanka and Thailand. In ***Africa***, production is foreseen to reach 25.5 million tonnes, 1 percent up from 2010, driven largely by an expected rebound in Egypt and gains in Guinea, Nigeria and Sierra Leone. However, Mali, and Madagascar incurred severe contractions. The season was very favourable in ***Latin America and the Caribbean***, where all the major producers, except Ecuador and Peru, harvested bumper crops. In ***Europe, North America and Oceania***, sizeable gains were recorded in Australia and the Russian Federation but production fell in the EU and, notably, in the United States.

- **Global trade in rice in calendar 2011** is estimated to have reached an unprecedented level of 34.5 million tonnes, up nearly 3.0 million tonnes from 2010. All regions, except South America, purchased more, but countries in Asia (e.g. Bangladesh, China and Indonesia) and Africa (e.g. Egypt, Ghana, Nigeria, Senegal) drove the increase in world imports. As for exporters, shipments from India and Thailand surged. Sales by Argentina, Brazil and Viet Nam also reached record levels. By contrast, deliveries by China (Mainland), Egypt, Pakistan and the United States fell, largely reflecting reduced availability or high domestic prices.

- FAO has lowered its forecasts of **international trade in rice in 2012** by 1.0 million tonnes, as improved prospects for production in several major importing countries may weaken world import demand. At the forecast level of 32.8 million tonnes (milled basis), trade would be 5 percent lower than in 2011, with much of the decline driven by a cut of purchases by Bangladesh, Indonesia, Nepal, Nigeria and the Philippines. As for suppliers, uncompetitive prices may depress exports from Thailand, but supply constraints are seen also to curb shipments from Argentina, Brazil, Myanmar, the United States and Uruguay. Sales from Viet Nam may also fall short of the 2011 high. On the other hand, a full return to the market, following the lifting of the non-basmati export ban, may enable India to make up for part of these shortfalls, with Cambodia, China (Mainland) and Pakistan also forecast to step-up deliveries.

- The strong expected gains in world rice production are foreseen to foster an 11 million tonnes or 2 percent increase of **global rice utilization in 2011-2012** to 471 million tonnes, with **average per caput rice consumption** up 1 percent to 57.1 kg per year. They are also anticipated to bolster **global rice inventories** carried over in 2012 to 151 million tonnes (milled basis), 10 million tonnes more than in 2011 and the highest since 2000. At that level, reserves would be sufficient to cover 32 percent of anticipated world consumption, up from 30 percent in 2011. Exporting countries are set to account for much of the increase in world inventories, which would boost their **stock-to-disappearance ratio** from 20 percent in 2011 to 22 percent in 2012.

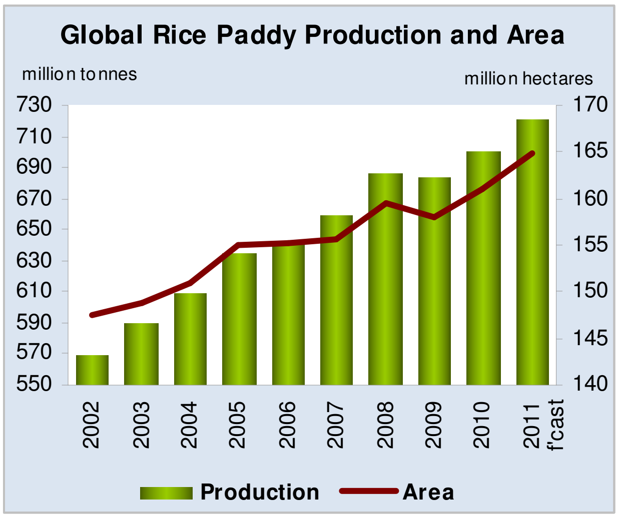
- **International rice export prices** have followed a downward trend in recent months, with the FAO All Rice Price Index (2002-2004=100) shedding 7 percent since October to 235 points by the fourth week of January 2012. Quotations fell in all the rice market segments, pressured by harvests and fierce competition amongst suppliers to meet what was, nonetheless, a brisk demand. The Indica and fragrant rice markets were the most affected by this tendency, while Japonica rice quotations recovered in January. Yet, in spite of the recent downward trend, international rice prices in 2011 remained, on average, 10 percent above 2010, a reflection of the firmness that characterized markets between June and September. However, there was, a widespread tendency for price volatility to lessen in 2011. In the coming months, the market will be influenced by the progress of secondary crops in northern-hemisphere countries and of main crops along and south of the equator. These harvests could put additional downward pressure on export quotations, especially if current expectations of weakening import demand are fulfilled. In this context, decisions in major importing countries regarding the quantities and modalities of international purchases will continue to influence the market. On the export side, in addition to currency factors, the recent Thai decision to extend coverage of the Paddy Pledging Programme to the secondary paddy crop will continue to influence its competitiveness. Similarly, domestic distribution needs and the evolution of domestic prices in India will dictate how much the country will be able or willing to export.

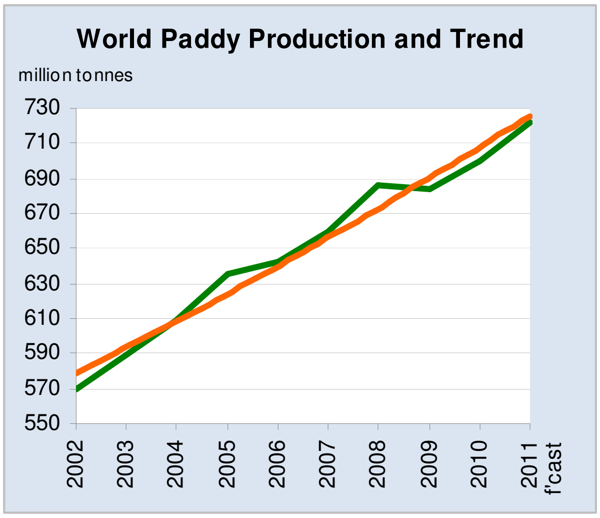
INFORMATION UPDATE AS OF 30 JANUARY 2012

I. PRODUCTION

World paddy production forecast to grow by 3 percent to 721 million tonnes

At this time of the year harvest of main 2011 paddy crops is nearing completion, or has already been concluded, in most northern hemisphere producing countries. In the southern hemisphere, the 2011 season is well over and by now most 2012 main crops are already on the ground. Since the November issue of the RMM, FAO has upgraded its forecast of world paddy production in 2011 by 712 000 tonnes to 721.4 million tonnes (481.2 million tonnes, milled basis). The revision stems from more buoyant prospects in Asia, in particular Cambodia, the Philippines and Pakistan, where unfavourable climatic conditions this season are now assessed to have had a more limited impact on crops than previously foreseen. Nonetheless, figures were also upgraded for Nepal and Viet Nam, which outweighed reductions mainly for Australia, China (Mainland), the European Union, Mali and Thailand.





At the revised forecast level of 721.4 million tonnes (481.2 million tonnes, milled basis), world paddy production would surpass the record 2010 outcome by 3 percent, or 21.4 million tonnes. The anticipated growth is notwithstanding a widespread increase in prices of basic inputs as well as severe climatic setbacks in various major producing countries, under the influence of the prevailing la Niña conditions. The forecast expansion in paddy production is expected to rely on a 3.7 million hectare increase in area under paddy to 164.8 million tonnes, with average world yields also anticipated to rise slightly to 4.4 tonnes per hectare. Asia looks set to account for much of the growth, although overall prospects remain favourable in Africa, Latin America and the Caribbean and Europe. In Oceania, the season in Australia closed with a marked output recovery, while, in North America, the United States registered a sharp contraction

A. ASIA

Record level harvests foreseen in several major producing countries

With the harvest of 2011 main crops concluded in various northern-hemisphere Asian countries, new assessments regarding crop progress in the region have been made available. As a result, FAO has raised its November production forecast for Asia by 1.5 million tonnes to 652.7 million tonnes (435.5 million tonnes, milled basis). This production level would imply a 3 percent expansion from the already good 2010 turnout, with the forecast growth chiefly reflecting expectations of expansions in **Bangladesh, China (Mainland), India, Pakistan** and **Viet Nam,** all of which are projected to gather record-level crops. The **Chinese Province of Taiwan,** the **Islamic Republic of Iran,** the **Democratic People's Republic of Korea, Malaysia, Nepal,** the **Philippines** and **Turkey** are also foreseen to end the season with favourable results, more than compensating for contractions in **Afghanistan, Indonesia, Japan,** the **Republic of Korea, Myanmar, Sri Lanka** and **Thailand.**

The 2011 season progressed well in **Bangladesh**, where two of the three crops cultivated each year have already been collected. Reflecting favourable growing conditions, FAO anticipates the country to reap 51.9 million tonnes (34.6 million tonnes, milled basis), up 3 percent from the previous year. The forecast growth mirrors gains in the two most important crops of the season, the rainfed Aman which may rise by 4 percent to 20.0 million tonnes (13.3 million tonnes, milled basis) and the irrigated Boro crop, anticipated to surpass the 2010 performance by 3 percent to 28.7 million tonnes (19.1 million tonnes, milled basis). Faced with signs of an abundant harvest from the November-January Aman crop, the Government has announced that it would resume procurement of Aman rice this season, after it had been suspended in 2010 so as not to add pressure on already mounting domestic prices. This year's procurement campaign will purchase 200 000 tonnes of Aman rice at Taka 28 per kilo (USD 333 per tonne)[1] between 5 December and 28 February. The purchases are geared at refurbishing stocks for public distribution programs as well as underpinning farmer prices, given indications of a considerable rise in production costs this season.

In **Cambodia,** farmers are still harvesting their 2011 main crop, while preparing land for secondary dry-crop planting. Based on official assessments released in January, FAO has upgraded production prospects to 8.4 million tonnes (5.4 million tonnes, milled basis), 217 000 tonnes more than previously anticipated and 2 percent above the 2010 production outcome. The season's expected increase, equivalent to 167 000 tonnes, is notwithstanding crop losses to major floods which affected 17 of the country's provinces earlier in the year. However, reports point to good yields having been achieved in non-flood affected areas, with gains in secondary crop output also anticipated.

The 2011 production forecast for **China (Mainland)** has been reviewed following the release of official figures by the National Bureau of Statistics, which estimate overall output at 200.78 million tonnes (137.5 million tonnes, milled basis), 720 000 tonnes less than previously anticipated. The revision stems from a smaller area under paddy than previously reported, now assessed at 30.0 million hectares, largely unchanged from 2010. However, with average yields gauged to have risen to 6.7 tonnes per hectare, the revised output estimate still implies a 2.6 percent expansion from 2010. Over the forthcoming campaign, official statements would have the Chinese Government placing greater emphasis on agricultural technology and disaster response.

China (Mainland): Paddy Production by Crop in 2010 and 2011

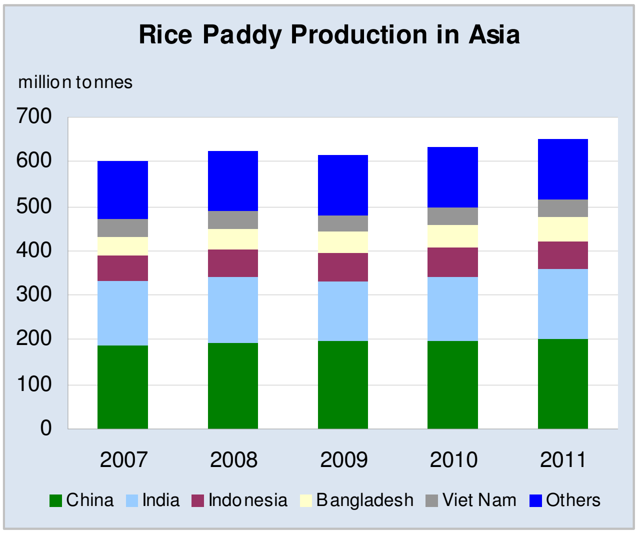
	Area (000 ha)			**Yields (kg/ha)**			**Production (000 Mt)**		
	2010	**2011**	**Var %**	**2010**	**2011**	**Var %**	**2010**	**2011**	**Var %**
Total	**29,873**	**30,000**	**0.4**	**6,553**	**6,693**	**2.1**	**195,761**	**200,780**	**2.6**
Early crop	5,796	5,751	-0.8	5,407	5,697	5.4	31,337	32,763	4.6
Late crop	6,225	6,249	0.4	5,667	5,764	1.7	35,277	36,017	2.1
Intermediate	17,853	18,000	0.8	7,234	7,333	1.4	129,148	132,000	2.2

Source: China National Oil & Grain Information Centre

In the **Chinese Province of Taiwan**, the season came to a close with the September-November harvest of secondary crops. FAO forecasts paddy production in 2011 to have recovered to 1.5 million tonnes (1.1 million tonnes, milled basis), up 11 percent from the poor 2010 outcome, chiefly

[1] All currency conversions are as on 1 January 2012.

on the basis of yield improvements. With the 2012 season about to be launched, officials have recently expressed concern over rising losses to cold spells in eastern areas arising from a growingly popular practice of planting the main crops ahead of the traditional February-March time window. Warmer temperatures in these areas would have prompted farmers in recent years to anticipate the launch of the season by up to a month.



FAO has kept its paddy production forecast for **India** unchanged at 154.5 million tonnes (103.0 million tonnes, milled basis), implying an 8 percent area-driven increase from the 2010 level and an all time high. The anticipated growth follows a favourable 2011 monsoon performance and positive price prospects, which are predicted to boost the main Kharif crop by 10.4 million tonnes from the previous year's level to 131.4 million tonnes (87.6 million tonnes, milled basis). With adequate availability of water supplies for the irrigated Rabi crop, planting progress of this secondary crop has also been favourable so far, with 916 000 hectares covered as of 13 January, 3 percent ahead of its advancement during the corresponding time in 2010. Meanwhile, the 2011 Government procurement campaign is also in full speed. As on 13 January 2012, state agencies had bought 18.7 million tonnes of rice, 15 percent above the previous year's corresponding level. The upbeat pace of purchases has in fact permitted official inventories to swell to 29.8 million tonnes by 1 January 2012, well above the 11.8 million tonne level required under the country's buffer norms.

In **Indonesia,** the 2011 season concluded in October with unfavourable results. Bad weather and pest attacks depressed yields by 1.4 percent, which, coupled with a small area retrenchment, translated into a 2 percent production shortfall to 65.4 million tonnes (41.2 million tonnes, milled basis). Farmers in the country are already in the process of planting their 2012 main crops, for harvest in February. Banking on a return to more normal growing conditions, the Indonesian Government has announced its intention to raise 2012 paddy output by 10 percent to 72.0 million tonnes. For the purpose, authorities would put an additional 100 000 hectares under paddy cultivations over the year, further to improving on input distribution and irrigation facilities. The programme is part of the government plan to raise production to a level that would permit the country to generate a 10.0 million tonne surplus by 2014.

Production prospects in **Japan** this season were marred by the devastating March 2011 earthquake and tsunami that severely impacted the country's Tohoku district. As a result of area losses to the disaster, output in 2011 is estimated by FAO to have fallen by 3 percent compared to 2010, to 10.3 million tonnes (7.5 million tonnes, milled basis). Further to this anticipated reduction, the sector is faced with the added difficulty of dwindling consumer confidence due to health fears. Indeed, as the harvest of the crop came to close in November, traces of radiation on rice originating from areas in the vicinity of crippled nuclear plant were found for the first time to have surpassed the official threshold of 500 Becquerel per kilo considered safe for human consumption. The finding prompted the imposition of restrictions on the movement of crops from the area, successively extended to other localities in the Fukushima prefecture following similar evidence of radioactive contamination.

Based on a FAO/WFP assessment mission, the 2011 season in the **Democratic People's Republic of Korea** was characterised by cold spring temperatures, which were followed by a cloudy summer, with above-average precipitations, typhoons and, last, floods. While the prolonged winter, coupled with shortages of basic inputs, was responsible for delaying planting, the development of the crop was particularly affected by bad weather in important cereal producing south-eastern regions. Some of the effects of the unfavourable climate, however, appeared to have been offset by an improved availability of inputs, including fertiliser, but also electrical power, and irrigation, which resulted in yields rising, albeit not to their full potential. With area assessed largely unchanged from the previous year, these productivity gains are expected to boost production by 2 percent in 2011 to 2.48 million tonnes (1.64 million tonnes, milled basis).

Despite more favourable climatic conditions, paddy production in the **Republic of Korea** dropped 2 percent below the already poor 2010 harvest to 5.7 million tonnes (4.2 million tonnes, milled basis), the lowest level in over three decades. The contraction was attributable to a near 40 000 hectare reduction in acreage, a retrenchment that was in line with official efforts to limit plantings by encouraging farmers to cultivate other crops.

The outlook is also negative in **Myanmar** much as a result of damages to floods that impacted crops in the important Irrawady and Bago producing zones. Overall, FAO anticipates 30.0 million tonnes of paddy (18.9 million tonnes, milled basis) to be gathered in 2011, which would represent a 3 percent contraction from the 2010 estimate. Meanwhile, although no indication of official prices is available, since mid-December the Government has been purchasing 500 000 tonnes of rice from local markets in collaboration with industry representatives, under a scheme geared at building emergency reserves and ensuring domestic price stability.

The 2011 season came to a close in **Nepal** with the November harvest of late crops. Production prospects for the country have improved by 570 000 tonnes since the previous issue of the RMM, with officials forecasts assessing output at 5.1 million tonnes (3.3 million tonnes, milled basis), up 14 percent from the previous year and the highest level on record. The increase is attributable to higher yields, facilitated by plentiful monsoon rains and greater access to inputs.

Forecasts of 2011 crops in **Pakistan**, where the harvest was completed in October, have been raised by 1.0 million tonnes. The revision follows the release of official assessments indicating that the area planted to paddy rebounded by 730 000 hectares over the season to 3.1 million hectares. Ample availability of water for irrigation and overall favourable growing conditions supported the increase, also boosting yields. As a consequence, production in the country is estimated to have risen to 10.8 million tonnes (7.2 million tonnes, milled basis), 3.5 million tonnes above the 2010 flood decimated turnout and a new record. Despite the outstanding revival, the season was not without setbacks, as floods affected close to 93 000 hectares of plantings, mainly in Sindh, and considerable increases in prices of basic inputs were registered. This was particularly the case of fertilisers, the production of which is reported to have been impacted by electrical power shortages.

Pakistan: Rice Production by Province in 2010 and 2011

Province	**Area (000 ha)**			**Yields (kg/ha)**			**Production (000 tonnes, milled eq.)**		
	2010	**2011**	**Var %**	**2010**	**2011**	**Var %**	**2010**	**2011**	**Var %**
Total	**2,365**	**3,095**	**31**	**2,039**	**2,320**	**14**	**4,823**	**7,182**	**49**
Punjab	1,767	1,995	13	1,915	1,950	2	3,384	3,890	15
Sindh	361	700	94	3,406	3,090	-9	1,230	2,163	76
KP	46	140	204	1,701	2,033	20	78	285	264
Balochistan	191	260	36	683	3,246	375	131	844	546

Source: Pakistan Space and Upper Atmosphere Research Commission (SUPARCO)

In the **Philippines**, the Bureau of Agricultural Statistics has released assessments of crop damages to the major tropical storms that hit the country this season. Based on the report, the 2011 main-paddy crop looks set to decline by 0.5 percent to 9.1 million tonnes (6.0 million tonnes, milled basis). Substantial area driven gains in the July-September harvested crops thanks to abundant precipitation would have largely offset losses to October-December harvests caused by typhoons Nesat and Nalgae, which particularly impacted crops in the Central Luzon, Bicol and Calabarzon. Despite reported setbacks due to unremitting December rains, these damages are expected to be further compensated by a 3 percent increase in secondary crops to 7.8 million tonnes (5.1 million tonnes, milled basis), as abundant water supplies and good access to inputs looks set to benefit crops. As a result, officials expect the country to gather 16.9 million tonnes (11.1 million tonnes, milled basis) over the full season, which would be a 1 percent increase from the 2010 harvest.

Philippines: Paddy Production in 2010 and 2011 (Jul-Jun crop year)

	Main Crop (Wet)			Second Crop (Dry)			Total		
	2010	2011	Var %	2010	2011	Var %	2010	2011	Var %
Area Harvested (000 ha)	2,535	2,543	0	1,993	2,021	1	4,528	4,564	1
Irrigated	1,635	1,596	-2	1,476	1,479	0	3,111	3,075	-1
Rainfed	900	947	5	517	542	5	1,417	1,489	5
Yields (Mt/ha.)	3.61	3.58	-1	3.80	3.85	1	3.69	3.70	0
Irrigated	3.95	3.89	-2	4.17	4.24	2	4.05	4.06	0
Rainfed	2.99	3.06	2	2.76	2.79	1	2.91	2.96	2
Production (000 Mt)	9,151	9,107	0	7,577	7,782	3	16,728	16,889	1
Irrigated	6,458	6,208	-4	6,151	6,269	2	12,609	12,477	-1
Rainfed	2,693	2,899	8	1,426	1,513	6	4,119	4,412	7

Source: Bureau of Agricultural Statistics - Rice and Corn Situation and Outlook

Meanwhile, the Filipino Government is reported to have increased funding to the Department of Agriculture in 2012 by over 50 percent to Pesos 61.7 billion (USD 1.4 billion), the bulk of which will be earmarked for infrastructural interventions, in line with the Food Staple Self-Sufficiency Roadmap (FSSR) 2011-2016. The policy framework, aims to raise paddy production to a self-reliant level of 21.11 million tonnes by calendar 2013. The Roadmap envisages achieving this objective by promoting output gains, with interventions such as rehabilitation and construction of new irrigation infrastructure, greater farm mechanisation and reduced post harvest losses through the provision of processing facilities, machinery and equipment. Production incentives under the programme are also to include public procurement of rice at progressively higher support prices, whilst provisions have been made to increase access to credit and provide a crop insurance mechanism. On the demand side, authorities are aiming to increase consumption of brown rice and reduce table waste and to promote a diversification of diets by boosting output of other key staples.

In **Sri Lanka,** where the 2011 season is well over**,** production fell by 1 percent to 4.26 million tonnes (2.9 million tonnes, milled basis) due to damages to successive floods. Despite the negative outcome, the 2011 harvest stood out as the second largest on record. As for the 2012 season, which was launched with the October-November sowing of main Maha crops, Government assessments paint a bright outlook for the season. Despite reported planting delays and localised losses to drought and floods, officials expect up to 2.8 million tonnes (1.9 million tonnes, milled basis) of Maha paddy to be gathered in 2012, up 19 percent from the previous year. Indeed, the steady growth witnessed in recent years has permitted the country to minimise imports. In this connection, officials are now aiming to convert Sri Lanka into a net-exporter of rice, targeting the sale of 250 000 tonnes by 2015, for which efforts to improve processing facilities will be launched. Authorities have also ascertained that they would continue purchasing Maha supplies in 2012 through the Paddy Marketing Board, in anticipation of which, an early January decision announced the release of 100 000 tonnes from public stocks into the open market.

In **Thailand,** following the major floods that impacted 1.6 million hectares over the last quarter of last year, officials have reassessed the 2011 main-crop production forecast at 20.4 million tonnes (13.5 million tonnes, milled basis). This is 600 000 tonnes less than foreseen by FAO in November and 3.98 million tonnes smaller than the main crop harvested in 2010. Although the receding flood waters are expected to entail delays in plantings, prospects for the 2011 secondary crop remain positive, with officials projecting it to increase by 10 percent to 11.1 million tonnes (7.4 million tonnes, milled basis). Indeed, farmers currently engaged in off-season crop planting activities will count on ample availability of water for irrigation, improved soil conditions and favourable prices, all of which are likely to promote both area and yields. In addition, the Government has extended assistance to flood-affected producers that are now receiving seeds and fertilisers, as well as credit on preferential terms. Based on such expectations, Thai overall paddy production in 2011 is forecast to end 9 percent lower than in 2010, at 31.5 million tonnes (20.84 million tonnes, milled basis).

Thailand: Paddy Production by Crop

	Area Planted (000 ha)			Yield (kg/ha.)			Production (000 Mt)		
	Main	Minor	Total	Main	Minor	Total	Main	Minor	Total
2007	9,182	2,048	11,230	2,539	4,292	2,858	23,308	8,791	32,099
2008	9,188	1,984	11,172	2,529	4,241	2,833	23,236	8,415	31,651
2009	9,200	2,436	11,635	2,517	3,639	2,752	23,153	8,863	32,016
2010	9,886	2,576	12,462	2,463	3,936	2,767	24,344	10,142	34,485
2011	9,911	2,671	12,582	2,055	4,160	2,502	20,364	11,111	31,475

Source: Office of Agriculture Economics (OAE)

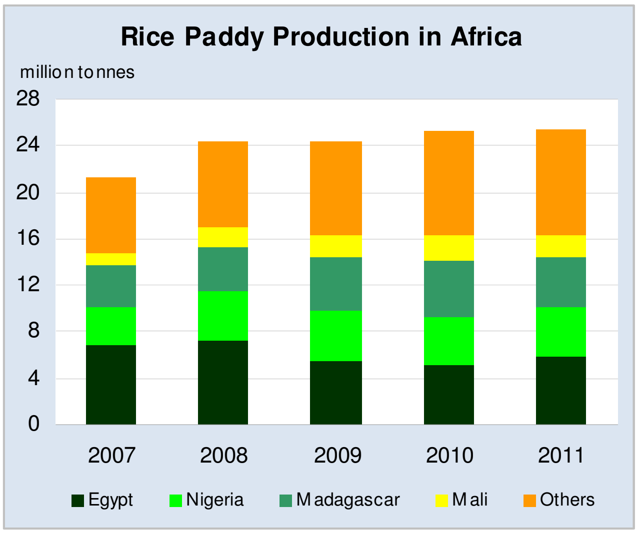
Meanwhile, as farmers are still gathering their main season crops, the Government continues to procure rice under the Paddy Pledging Programme. By 15 January, however, only 5.3 million tonnes of paddy were reported to have been mortgaged under the Programme, even though the Thai Government has amended some of the terms of the scheme since its October re-inception. More specifically, it permitted farmers in northern and north-eastern provinces to store up to 1.0 million tonnes in their own facilities, so as to compensate for low miller participation in the programme. Nonetheless, mortgaging progress has remained slow, if compared to the original expectations that up to 10.0 million tonnes would be absorbed by the scheme by 28 February 2012. Some assessments point to farmers preferring to sell supplies in open markers, even if at lower prices, due to initial logistical hurdles related to floods, costs of transporting supplies to pledging centres, as well as hesitance over administrative procedures and delays in the issuance of payments.

Authorities in **Viet Nam** have also released new production forecasts for the 2011 season, which peg overall output at an all-time high of 42.3 million tonnes (28.2 million tonnes, milled basis). The revised figure is 300 000 tonnes higher than previously reported and stands 2.3 million tonnes above the 2010 result. The good performance was achieved on the back of a bumper summer-autumn crop, estimated to have yielded 13.3 million tonnes (8.9 million tonnes, milled basis), up 1.6 million tonnes year-on-year on both larger area and yield. Nonetheless, gains were also achieved in the other two crops cultivated each season, with the winter-spring harvest rising by 3 percent to 19.8 million tonnes (13.2 million tonnes, milled basis), and the smaller winter crop by 1 percent to 9.2 million tonnes (6.1 million tonnes, milled basis). On the other hand, the 2012 season, which opened in December with the sowing of winter-spring crops, is being delayed by a slow recession of flood waters in some areas. This is reported to be hindering plantings in the southern provinces, as only 875 300 hectares had been covered with winter-spring paddy as of 15 December 2011, well behind the 1.17 million hectares planted at the same period in 2010.

B. AFRICA

Production prospects deteriorate in West Africa but an output upturn in Egypt is expected to keep production rising in the region

Since the November issue of the RMM, FAO has downgraded forecasts of paddy production in ***Africa*** by 500 000 tonnes to 25.5 million tonnes (16.7 million tonnes, milled basis) to reflect a deterioration in prospects for West African countries. Despite the downward revision, the new forecast for Africa as a whole still points to a 1 percent increase from 2010, driven largely by an expected production rebound in Egypt that would more than offset contractions in Eastern and Southern Africa.



In ***Northern Africa***, 2011 crop harvesting activities are nearing completion in **Egypt.** The production outlook for the country remains unchanged, pointing to a 12 percent rebounding to 5.8 million tonnes (4.0 million tonnes, milled basis). Although shortages of basic inputs are being reported this season, the growth is anticipated to be sustained by a recovery in plantings, as producers react to favourable prices and weak enforcement of cultivation limits. Indeed, prices in the local market have remained firm, notwithstanding the extension of a ban on rice exports instituted to ensure a comfortable and affordable level of domestic supplies. Whilst officials are attributing the high domestic prices to hoarding, one of the direct effects of the market firmness has been to constrain direct purchases by Government from farmers, with these falling below initial expectations.

By now, most countries in ***West Africa*** have completed the harvest of 2011 main crops, with some producers currently engaged in planting activities of off-season crops. FAO has downgraded the production forecast for the sub-region by 500 000 tonnes to reflect losses endured in various countries as a result of erratic and poorly distributed rains. Overall production in West Africa is now forecast to reach 12.4 million tonnes (7.9 million tonnes, milled basis), practically unchanged from the 2010 excellent outcome. Compared to November, the worsening outlook particularly concerns **Mali,** where rainfed crops were affected by a delayed onset to the seasonal rains, followed by their overall poor and erratic performance. Moreover, weak floods translated into major water constraints for flood-recession cultivations along the Niger River, with an early withdrawal of waters in Ségou, Mopti, Gao and Tombouctou compounding the losses. As a result, FAO now estimates 1.9 million tonnes (1.3 million tonnes, milled basis) may be gathered in the country this season. This would represent a 18 percent contraction from the previous year, although recent reports point to even larger losses possibly being incurred. Under similar circumstances and with late and irregular precipitation also negatively impacting crops, **Burkina Faso, Chad, Guinea Bissau, Mauritania** and **Niger** are all set to incur a contraction of production. In **Cote D'Ivoire**, the 2011 season unfolded under generally average rainfall conditions. Productive activities were, however, significantly disrupted by post-electoral civil unrest, which resulted in population displacements, loss of assets and rising costs of inputs. Combined, these factors are officially estimated to have translated into a 2 percent production decline to 744 000 tonnes (447 000 tonnes, milled basis).

Based on the latest available assessments, output losses in the above countries look set to be compensated by larger crops in **Benin, Gambia, Ghana, Liberia, Nigeria, Senegal** and **Sierra Leone.** FAO similarly anticipates a bumper crop to be gathered in **Guinea,** where the season is just coming to a close. On the back of area expansions led by favorable prices prospects, 2011 output in the country is forecast to grow by 9 percent to 1.75 million tonnes (1.2 million tonnes, milled basis). The anticipated growth also reflects public assistance to the sector in the form of inputs distribution, a support provided to boost local output to a self-sufficient level by 2013. FAO's forecast for **Nigeria** currently point to 4 percent increase of production to 4.3 million tonnes (2.6 million tonnes, milled basis)**,** reflecting the generally favorable growing conditions which prevailed this season and area gains as farmers switch to rice cultivation from other crops. The country is also pursuing self-sufficiency in rice in four-year's time under the Agricultural Transformation Action Plan (ATAP). Further to the announced revamping of the fertilizer distribution mechanism, the Nigerian Government wants to raise the share of loans granted to the agricultural sector from their current 1.4 percent to 7 percent in ten year's time. For the purpose, they have introduced a framework geared at enhancing farmer access to credit through a risk sharing mechanism, the Nigerian Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL). The program complements other supportive measures for the sector at large, including a stepping up of border protection, investments in milling infrastructure, the removal of import duties on agricultural machinery and the provision of loan guarantees for inputs. The production outlook is also positive in **Sierra Leone,** where a bumper crop of 1.2 million tonnes (710 000 tonnes, milled basis) is officially anticipated, up 15 percent from 2010. The sector is also to benefit from greater investment this year, after an agreement between the Government and Chinese investors was reached, that will see 135 000 hectares of land put to rice and rubber cultivation over a six year period. Under the first phase of the project, set to start in February 2012, 25 000 hectares will be planted to paddy in northern regions.

In ***Eastern Africa,*** the November-December harvest of secondary crops marked an end to the 2011 season in the **United Republic of Tanzania.** FAO estimates a total of 1.3 million tonnes (871 000 tonnes, milled basis) to have been gathered in the country over the season, 4 percent less than in the previous year. The shortfall mirrors climatic setbacks endured in several producing provinces, in the form of insufficient and badly distributed rains. Largely grown under irrigated conditions, paddy production in **Kenya** is forecast to remain steady and in the order of 45 000 tonnes (29 000 tonnes, milled basis), while a bumper crop of 95 000 tonnes (63 000 tonnes, milled basis) is estimated to have been collected in **Rwanda**, up from the 67 000 tonne (44 00 tonnes, milled basis) poor output gathered in 2010. Likewise, continuing the trend of progressive production gains witnessed in recent years, a 10 percent increase in 2011 output in **Uganda** is foreseen to 220 000 tonnes (147 000 tonnes, milled basis).

With the bulk of 2011 season crops already harvested in ***Southern Africa***, FAO has made few changes to the production figures for the sub-region. Overall, the season's outcome was negative, much as a result of a 10 percent output contraction in **Madagascar**, where FAO estimates some 4.3 million tonnes were harvested (2.9 million tonnes, milled basis). The year-on-year decline was mainly due to late and erratic rainfall, as well as losses to passing storms, which depressed yields. Nonetheless, a bumper crop was gathered in **Mozambique**, which is officially estimated to have closed the season with the harvest of 271 000 tonnes (181 000 tonnes, milled basis), up 5 percent from 2010. Authorities in the country have already stated their intentions of topping this volume by 40 000 tonnes over the 2012 season, by producing 309 000 tonnes over an extension of 261 000 hectares. The development of the sector in the country was fostered by greater investment in recent years and direct technical assistance from various Asian countries, including China (Mainland), Japan and Viet Nam. As for the 2012 season, various areas in the sub-region have had planting activities delayed by erratic rainfall since the October start of the season. Over parts of Mozambique and Madagascar, the moisture deficits were partly alleviated by heavy precipitation brought on by the tropical storm Chanda on 8 January.

C. CENTRAL AMERICA AND THE CARIBBEAN

Despite a downward revision, 2011 paddy production in the sub-region still forecast to grow by 2 percent

With the 30 November closing of the Atlantic hurricane season, 2011 paddy crops in ***Central America and the Caribbean*** have passed through a critical stage. Indeed, intense rains, floods and landslides affected various countries in the sub-region, with the October passage of tropical depression Twelve-E having causing particular damage. While the torrential rains brought by the storm affected millions of people, preliminary estimates report relatively small paddy losses at national level, with Costa Rica, El Salvador and Guatemala enduring the largest damage. As a result, FAO has lowered its forecast of 2011 production in the sub-region to 2.9 million tonnes (1.9 million tonnes, milled basis), a level that would still indicate a small increase in the order of 2 percent from the previous season.

Amongst the individual countries, **Cuba** is expected to be behind much of the production growth in the sub-region, harvesting some 510 000 tonnes (340 000 tonnes, milled basis) in 2011, up 12 percent from the reduced 2010 level, mainly on the back of larger plantings. Renewed efforts to contain reliance on imports are reported to be leading to ever greater investment in the country's sector, particularly on irrigation infrastructure, milling facilities and machinery. Effective 1 December 2011, the direct sale of rice and other products to entities in the tourism sector, an activity previously reserved to state enterprises, has been liberalised at prices to be negotiated between the contracting parties.

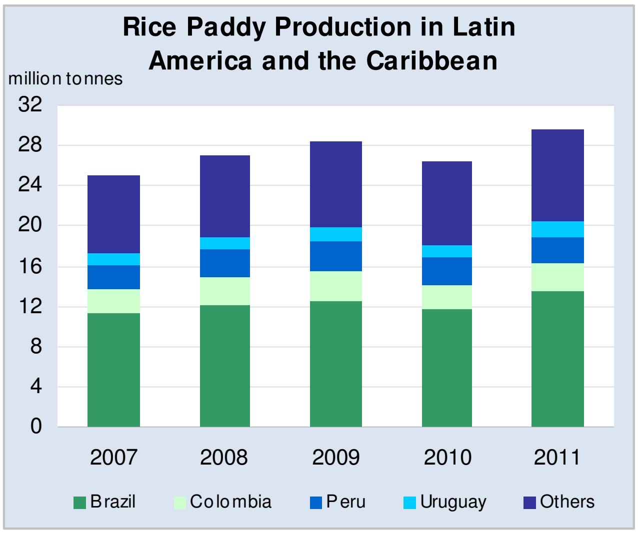
Production is also forecast to increase in the **Dominican Republic**, which has concluded the 2011 season with the December harvest of the second, winter crop. With the campaign having benefitted from plentiful rains and good weather, FAO estimates some 900 000 tonnes of paddy (594 000 tonnes, milled basis) to have been collected, 3 percent above the already good 2010 outcome. Already faced with abundant supplies, in November officials announced that they would authorize the export of 45 000 tonnes, further to various measures to assist a local industry that has recently been vocal about difficulties related to surplus produce, high production costs, weakening prices and indebtedness. Support measures include the setting of paddy support prices between RD 1 850 (USD 397 per tonne) and 2 100 per fanega (USD 451 per tonne), depending on the various varieties, as well as the storage of close to 100 000 tonnes of winter harvested paddy through the warehouse receipts programme and the Institute for Price Stabilization.

Paddy production in **Nicaragua** is forecast to expand by 10 percent to 500 000 tonnes (325 000 tonnes, milled basis) as public assistance to the sector fostered rice cultivation. The anticipated growth is notwithstanding climatic setbacks, such as excessive rains, which negatively impacted the quality of the grain.

By contrast, **El Salvador** and **Guatemala** are expected to end the season with smaller harvests of 26 000 tonnes (17 000 tonnes, milled basis) and 26 000 tonnes (17 000 tonnes, milled basis), respectively, much as a result of unfavourable weather. Prospects are also negative in **Mexico**, reflecting bad weather conditions and financial problems faced by the sector, which encouraged producers to switch to more profitable crops. FAO estimates the September-ended 2011 harvest to have amounted to 230 000 tonnes (153 000 tonnes, milled basis), 8 percent less than the previous year. Likewise, a 2 percent area-led output retrenchment to 305 000 tonnes (200 000 tonnes, milled basis) is foreseen in **Panama.** The local industry is attributing the area contractions this season to mounting production costs and un-remunerative prices.

D. SOUTH AMERICA

Production in 2011 strikes a new record, but prospects for 2012 remain unfavourable



Based on the latest assessments, overall output in ***South America*** reached 26.6 million tonnes (17.8 million tonnes, milled basis) in 2011, 13 percent above the previous year's poor harvest. The expansion reflected buoyant prices prospects, which encouraged producers to expand plantings often to unprecedented levels, while favourable growing conditions underpinned productivity. **Argentina, Bolivia**, **Brazil, Chile, Colombia, Guyana, Paraguay, Uruguay** and **Venezuela** are all estimated to have gathered larger crops**,** more than compensating for reductions in **Ecuador** and **Peru**. On the other hand, several countries in the sub-region are by now well into the 2012 season, with some having already completed sowing activities of their main crops. Early assessments in the sub-region continue to point to a substantial contraction in area planted, as further to constraints in the supply of water for irrigation under a La Nina induced dryness, the sector is facing unfavourable price prospects as well as mounting production costs.

Although the 2011 season is well over in **Argentina**, officials in the country have slightly revised the production estimate since November, now standing at 1.75 million tonnes (1.2 million tonnes, milled basis), 41 percent above the 2010 turnout, on both area and yield gains. As to the 2012 crop, whose planting was completed by mid-December, official assessments point to a likely 7 percent reduction in area from the 2011 record to 240 000 hectares. In the largest producing regions of Corrientes and Entre Rios, the area declines are being attributed to reduced availability of water for irrigation compared to the previous season, lower prices as well as rising production costs, of which particularly fuel to power irrigation.

Area retrenchments are also foreseen in **Bolivia**. Industry reports indicate that rainfall deficits in the main producing area of Santa Cruz delayed plantings this year, which are generally completed by November. Moreover, the abundant 2011 season crop, estimated by FAO at 580 000 tonnes (398 000 tonnes, milled basis), has put local prices under increased downward pressure. This, together with existing restrictions on rice exports are expected to provide little incentive for producers to keep area under paddy from falling.

In **Brazil,** CONAB's January crop assessment reports 2012 planting activities in the main centre-south region of Rio Grande du Sol to have started ahead of time in September. However, the appraisal also confirmed expectations of a sharp area decline over the current season, with overall plantings now anticipated to stretch over 2.6 million hectares, 9.5 percent less than in 2011. Further compounded by a rise in production costs and low water levels in major reservoirs, the retrenchment reflects producers' difficulties in selling their harvest in 2011. As a consequence and coupled with expectations of a return to more normal yield levels, officials in the country now forecast 2012 production to decline by 16 percent to 11.5 million tonnes (7.7 million tonnes, milled basis), the lowest level since 2007.

Brazil: Paddy Production by Region in 2011 and 2012 (for Brazil: 2010/11 and 2011/12 paddy seasons)									
Region	Area (000 ha)			Yields (kg/ha)			Production (000 Mt)		
	2011	2012	Var %	2011	2012	Var %	2011	2012	Var %
Brazil	**2,820**	**2,553**	**-9.5**	**4,827**	**4,490**	**-7.0**	**13,613**	**11,462**	**-15.8**
North	359	352	-1.8	2,854	2,712	-5.0	1,024	955	-6.7
Northeast	683	679	-0.7	1,792	1,602	-10.6	1,225	1,088	-11.2
Centre-West	356	226	-36.5	3,132	2,996	-4.4	1,115	678	-39.2
South East	61	56	-7.7	2,611	2,773	6.2	159	155	-2.0
South	1,362	1,240	-8.9	7,412	6,926	-6.6	10,091	8,586	-14.9
Source: CONAB – Forth Planting Survey – January 2012									

The 2011 season in **Colombia** concluded with the January-February harvest of winter crops. Production in the country remains forecast to recover by 10 percent from the 2010 weather-affected output to 2.7 million tonnes (1.8 million tonnes, milled basis). The Colombian rice sector has recently prepared a plan to address the anticipated challenges resulting from the recent approval of the U.S.-Colombia Free Trade Agreement that will see rice imports originating from the United States gradually liberalised over a period of 19 years. The strategy hinges on raising the local industry competitiveness by lowering production costs by 20 percent and raising average yields by 2.0 tonnes per hectare in six years, mainly through increased adoption of technology. Government officials have also expressed their willingness to assist the sector in this endeavour by co-funding part of the costs.

The December-ended harvest of summer crops has drawn the 2011 season to a close in **Ecuador.** Reflecting losses caused by prolonged drought conditions earlier in the year, as well as pest attacks, FAO estimates output in 2011 to have fallen by 18 percent to 1.4 million tonnes (800 000 tonnes, milled basis). Rainfall deficits and reduced availability of water for irrigation in important northern producing areas are similarly behind a negative 2011 outcome in **Peru.** Driven by area losses, FAO estimates paddy production in the country to have declined by 8 percent to 2.6 million tonnes (1.8 million tonnes milled basis).

By contrast, favourable weather facilitated a record 2011 harvest in **Uruguay**, where 1.6 million tonnes (1.2 million tonnes milled basis) are officially gauged to have been collected, 43 percent more than in the previous year. Prospects for the ongoing 2012 season, which started with the September-December planting of crops, are not as favourable, given prevailing dry conditions and rising production costs. The local industry expects these factors to depress plantings by 10 000 – 15 000 hectares, down from the 195 000 hectares sown in 2011.

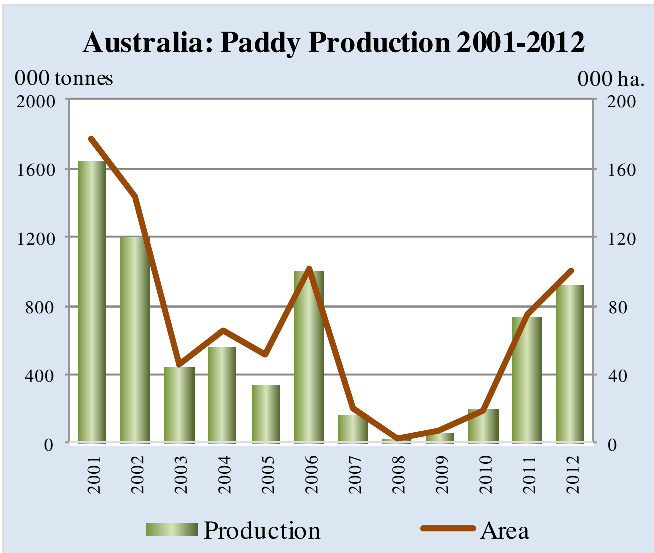
Harvest of 2011 summer crops was completed in October in **Venezuela**. FAO has kept its production forecast for the country unchanged at 1.1 million tonnes (770 000 tonnes, milled basis). This level would imply a 22 percent upturn from the dismal 2010 harvest, facilitated by a return to more normal growing conditions as well as public support to the sector, in the form of higher support prices and subsidised inputs.

E. NORTH AMERICA, EUROPE AND OCEANIA

Production in the United States and the EU-27 zone declines, while it recovered strongly in Australia

In ***North America,*** the November-ended harvest of 2011 crops in the **United States** is officially forecast at 8.4 million tonnes (6.0 million tonnes, milled basis), 23 percent less than the previous year and the lowest output level in thirteen years. This exceptionally bad performance was imputable to significant area cuts following climatic setbacks incurred over the season, including drought in southern producing states as well as floods in the Delta. On the other hand, very early prospects for the 2012 season, which is not due for launch until the April planting of crops, point to further area retrenchments, given industry concerns over the availability of water for irrigation in some states, higher production costs as well as lower prices.

In ***Europe,*** the outlook has deteriorated in the **EU-27** zone, where paddy production is now foreseen to fall by 2 percent to 3.1 million tonnes (1.8 million tonnes, milled basis). The decline mainly mirrors a 5 percent yield driven contraction in Italy to 1.5 million tonnes (894 000 tonnes, milled basis). Erratic weather, which also facilitated the spread of pests and diseases, was behind productivity losses this season. Reductions are also forecast in Spain to 918 000 tonnes (551 000 tonnes, milled basis) and in France to 114 000 tonnes (68 000 tonnes, milled basis). On the contrary, amongst the other small producers in the zone, Bulgaria, Hungary and Romania are foreseen to end the season with larger crops. Elsewhere in Europe, the September harvested 2011 crop in the **Russian Federation** is anticipated to strike a record of 1.2 million tonnes (800 000 tonnes, milled basis), up 13 percent year-on-year, on the back of continued area expansions and productivity gains.



In ***Oceania***, **Australian** production figures for 2011 have been revised down by 81 000 tonnes to 726 000 tonnes (484 000 tonnes, milled basis), based on December official assessments. Despite the reduction, this level would still stand nearly 530 000 tonnes above the 2009 figure, a production rebound that was made possible by greater availability of water supplies for irrigation. Meanwhile, as the 2012 crops are to become ready for harvest in March, ABARES has confirmed expectations of a continued increase, as ample water availability is again anticipated to permit growers to expand plantings by 35 percent to 101 000 hectares. Largely on the back of this increase, output in Australia is forecast to reach 915 000 tonnes (610 000 tonnes, milled basis) in 2012, which if confirmed, would stand as the highest level achieved since 2006, though still short of the 1.6 million tonnes produced in 2001.

II. INTERNATIONAL TRADE IN RICE

A. TRADE IN 2011

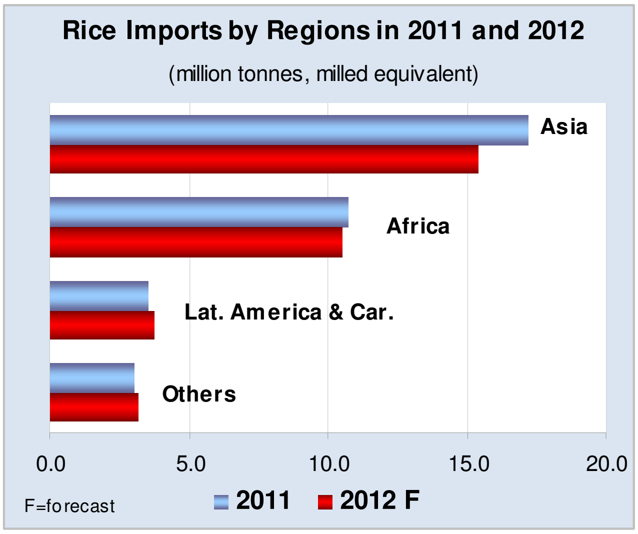
2011 trade in rice expands by 10 percent

Based on the latest figures, global trade in rice in 2011 reached an unprecedented level of 34.5 million tonnes, nearly 3.0 million tonnes over the volume traded in the previous year and about 200 000 tonnes more than previously foreseen. Strong import demand was behind this growth, often motivated by high domestic prices and the need of governments to refurbish stocks. All regions, excepting South America, are estimated to have purchased more, although Asian and African countries were largely responsible for the increase. On the export side, availabilities proved ample in Thailand, while the resumption of non-basmati rice exports in India fuelled further trade growth. Shipments by Argentina, Brazil and Viet Nam reached record levels, but Australia, Myanmar and

Uruguay also stepped-up deliveries. These increases are estimated to have more than compensated for a contraction of exports by China (Mainland), Egypt, Pakistan and the United States.

Imports in 2011

Greater purchases by Asian and African countries drive 2011 imports to a record



Although several countries in ***Asia*** found themselves in a comfortable domestic supply situation thanks to production gains from the previous seasons, the latest figures confirm that countries in the region were behind much of the increase in global rice imports in 2011, taking delivery of 17.2 million tonnes, 9 percent more than in 2010. Amongst the individual countries, **Indonesia** was responsible for much of the rise, with an estimated purchase of 2.4 million tonnes of rice in 2011. This compares to volumes of imports of 1.0 million tonnes in 2010, 300 000 tonnes in 2009 and 250 000 tonnes in 2008, a period during which the country had made much progress towards self-sufficiency in rice. However, mounting domestic prices and the need to refurbish stocks to service public distribution schemes prompted officials to permit Bulog to bring foreign supplies already in 2010. To facilitate the drive, imports were also temporarily exempted from duties in 2010, although these were reinstated in March 2011 ahead of the main season harvest.

In 2011, deliveries to **Bangladesh** reached their highest level since 2008, reflecting a surge in government purchases of foreign rice following an unsuccessful domestic procurement drive. Imports by the country are officially reported to have more than doubled in 2011, passing from 656 000 tonnes the year earlier to 1.47 million tonnes. Although still representing a fraction of annual domestic consumption needs, purchases by **China (Mainland)** also rose considerably, from 388 000 tonnes in 2010 to an estimated 620 000 tonnes in 2011. In line with its WTO obligations, the **Republic of Korea** stepped-up its purchases by 13 percent to 348 000 tonnes. With production gains achieved over the season still insufficient to meet growing consumption needs, **Malaysia** is gauged to have raised purchases by 7 percent to 1.0 million tonnes. Similarly, in *Near East Asia,* the **Islamic Republic of Iran, Iraq** and **Saudi Arabia** are all estimated to have imported more, each taking delivery of roughly 1.2 million tonnes. These increases were mostly behind a 2 percent growth of rice deliveries to the *Near East Asia* sub-region to an overall 6.2 million tonnes in 2011.

By contrast, several countries within Asia managed to cut imports. In particular, the **Philippines**, traditionally the largest single market in the region, cut rice purchases heavily over the course of the year. FAO estimates the country to have taken in 1.15 million tonnes in 2011, less than half the volume imported in 2010. A renewed commitment to achieve self-sufficiency in rice encouraged Filipino authorities to sharply reduce the volume imported by the National Food Authority to 200 000 tonnes, which compares to the 2.2 million tonnes tendered by the agency in 2010. Large state reserves amassed during 2010 served to meet domestic distribution needs, while the private sector was granted a greater role in contracting supplies from the international market through a duty-free quota of 660 000 tonnes. Likewise, **Sri Lanka** was able to compensate for a production shortfall by drawing from its reserves while cutting imports from 116 000 tonnes in 2010 to 20 000 tonnes last year. Progressive output gains in **Turkey** also resulted in smaller consignments to the country, estimated at 260 000 tonnes, 35 percent less than in 2010, while in the **United Arab Emirates** these declined by 2 percent to 600 000 tonnes.

On the other hand, imports by **Japan** are estimated to have remained steady at 700 000 tonnes in 2011, as ample domestic stocks were available to compensate for the losses provoked by the March 2011 earthquake and tsunami. Volumes purchased by **Nepal** are also assessed to have remained stable at 250 000 tonnes.

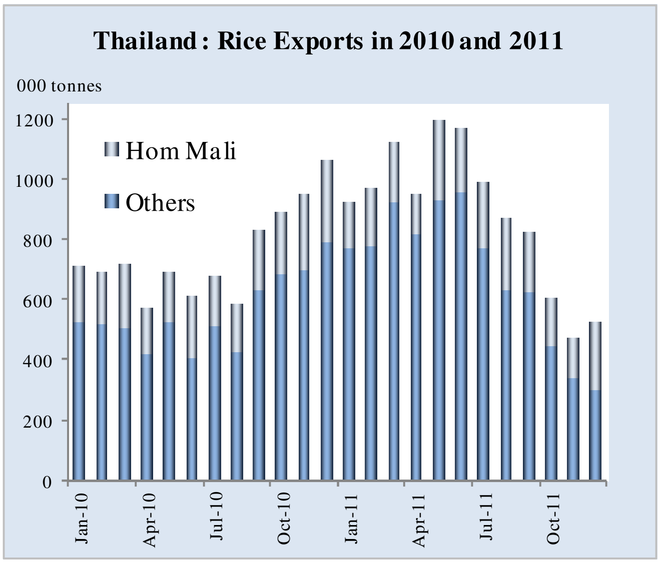
Asian countries were not the sole driver of growth in international rice trade in calendar 2011, as ***African countries*** made a strong contribution as well, stepping-up purchases by 1.3 million tonnes to 10.7 million tonnes. Inflows of rice to ***Western Africa***, which normally accounts for about 60 percent of the region total, amounted to an estimated 6.4 million tonnes, 10 percent more than last year, with the increase fuelled by increased imports to all of the largest markets, including **Nigeria,** (up 5 percent to 2.1 million tonnes), notwithstanding the limitations that were imposed on movements of rice through land borders; **Cote d'Ivoire** (up 6 percent to 850 000 tonnes) and **Senegal (**up 15 percent to 750 000 tonnes). Similarly, **Guinea**, **Mali,** and **Sierra Leone**, all purchased more over the year, often under relaxed customs regimes, which were combined with measures geared at curbing border flows. In the other parts of the continent, **Madagascar** and **Mozambique** also increased rice consignments in 2011. In **Madagascar,** stubbornly high prices prompted officials in November to renew import authorizations, this time for an additional 20 000 tonnes. The move follows a similar measure taken earlier in the year, which is estimated to have facilitated delivery of 180 000 tonnes in 2011. Though traditionally a rice exporting country, **Egypt** also resorted to imports to meet the needs of its public distribution system as high domestic prices undermined official purchases from farmers. In December, authorities purchased 221 000 tonnes of imported rice, mainly from India, as local prices continued on the rise notwithstanding existing restrictions on exports. Overall, FAO estimates the country to have imported 350 000 tonnes in the course 2011. Expanding demand also boosted **South Africa**'s rice purchases by 13 percent to 900 000 tonnes.

Reflecting greater demand in *Central America and the Caribbean*, aggregate imports by countries in ***Latin America and the Caribbean*** are estimated to have risen by 3 percent in 2011 to 3.5 million tonnes. The increase mainly mirrors greater deliveries to **Cuba,** assessed to have raised purchases by 100 000 tonnes to 600 000 tonnes to compensate for a drought-induced production shortfall. Poor harvest results are also gauged to have propelled purchases by **Honduras** and **Mexico**. On the other hand, imports by *South American* countries fell by 3 percent. The reduction largely reflected a 23 percent decline in deliveries to **Brazil** to 601 000 tonnes, following the record harvest gathered by the country in 2011. Nonetheless, weather-induced output contractions also resulted in greater imports by several countries in the sub-region. For instance, 2011 deliveries to **Colombia** rose to 40 000 tonnes, as the Government permitted a contingent to be sourced from Andean Community countries to make up for flood-related losses in 2010. A drought reduced harvest also boosted shipments to **Peru** from 94 000 tonnes in 2010 to 200 000 tonnes last year, while purchases by **Venezuela** are assessed to have remained in the order of 300 000 tonnes.

Elsewhere in the world, strong demand coupled with poor local harvests are estimated to have driven a 9 percent increase in imports by the **European Union** to 1.2 million tonnes. By contrast, steady output gains in recent years enabled the **Russian Federation** to turn into a net-exporter in 2011, permitting it to cut its level of purchases by 6 percent to 200 000 tonnes. On the other hand, officials in the **United States** assess imports by the country to have recovered by 9 percent from a 2010 low of 562 000 tonnes to 615 000 tonnes.

Exports in 2011

Bumper crops and high world prices entice more countries to engage in rice export



Global trade in rice is estimated to have hit a record of 34.5 million tonnes in 2011. From the export side, the 3.0 million tonne annual increase in traded volumes was facilitated by abundant availabilities in some key exporting countries but also in less important sources. This was the case of **Thailand,** whose deliveries over the year rose by 1.5 million tonnes to 10.5 million tonnes. The excellent performance was made possible by the release of Government reserves started in mid-2010, which enabled the industry to considerably step up shipments in the first half of the year, with up to 1.2 million tonnes of rice shipped in May alone. The pace of shipments, however, slowed down substantially over the second half of the year, after domestic prices were propelled by the announcement of the re-instatement, in October, of the Paddy Pledging Programme. The unsettling effect of the Thai policy move on the world market was dampened, however, by the resumption of India's exports of regular (non-basmati) rice after four years of absence. Proving an extremely competitive origin, the September removal of export restrictions enabled India to ship around 1.1 million tonnes of non-basmati rice by December 2011, mainly to Asian and African markets. This brisk pace of shipments is estimated to have sustained a 56 percent surge in 2011 basmati and non-basmati rice exports by India to 3.5 million tonnes. Similarly, shipments by **Viet Nam** rose by 3 percent to a new record of 7.1 million tonnes, as the country consistently maintained a competitive edge. Despite several difficulties encountered, including unfavourable currency movements, deliveries by **Myanmar** recovered from 451 000 tonnes in 2010 to 700 000 tonnes last year, an upturn facilitated by a reduction of taxes to the sector.

Cambodian deliveries are estimated to have remained stable at 1.1 million tonnes in 2011, which also makes provision for unrecorded outflows to neighbouring Thailand and Viet Nam. However, greater investment in the sector, seeking to capitalise on the country's preferential access to the European Union through the Everything but Arms initiative, led to a steep rise in official exports of milled rice to the EU. These were reported to have risen to 95 109 tonnes from January to October, up from 30 007 tonnes in the previous year. By contrast, deliveries by **China (Mainland)** fell for the second consecutive year to 550 000 tonnes, a decline that could mirror a more cautious approach to exports by officials, in light of continued inflationary pressure. 2011 shipments by **Pakistan** also ended smaller, chiefly due to a considerable reduction in exportable supplies, following the devastating 2010 floods. Consignments by the country in 2011 are estimated to have fallen 18 percent below their 2010 level to 2.9 million tonnes.

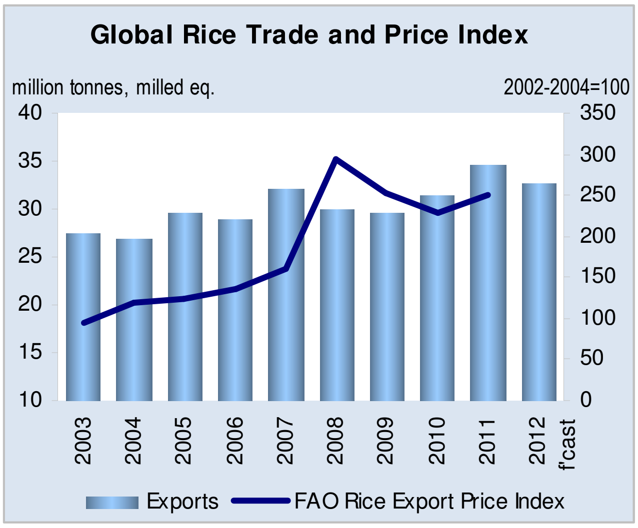
In **Egypt,** the continued imposition of restrictions on exports, first introduced in 2008, triggered an even sharper contraction in deliveries from 400 000 tonnes in 2010 to 50 000 tonnes in 2011. Indeed, in a bid to ensure domestic price stability, only small volumes of brokens were permitted for export. On the other hand, one of the direct results of Egypt's absence from the market was the progress made by the United States in the medium grain export segment in recent years. Over the course of 2011, this position was partly rivalled by **Australia,** which exported 260 000 tonnes, but also by the **Russian Federation**, which is assessed to have stepped-up 2011 exports by roughly 100 000 tonnes to 300 000 tonnes. Moreover, the **United States** faced fierce competition from

South American suppliers, which contributed to depress US rice shipments by 16 percent to 3.25 million tonnes in 2011. On the other hand, on the back of a record 2011 crop, **Brazilian** exports rose by nearly 900 000 tonnes in 2011 to an all time high of 1.3 million tonnes, facilitated by the granting of state support through the "PEP" (Prêmio e Valor de Escoamento de Produto) programme. Bumper harvests also propelled exports from **Argentina** by 18 percent to 610 000 tonnes, and **Uruguay** by 22 percent to 900 000 tonnes.

B. TRADE IN 2012

Forecasts of 2012 trade in rice cut, now pointing to a 5 percent contraction in exchanged volumes

Since the November issue of the RMM, FAO has lowered its forecasts of 2012 trade in rice by 1.1 million tonnes to 32.8 million tonnes (milled basis). The downward revision is consistent with an improved production outlook for crops in several major importing countries, particularly Indonesia, Nepal, Nigeria and the Philippines, which are now likely to require less rice from world markets than originally expected. As for exporters, the downward trade revision mainly concerned Australia, Brazil, Thailand and Viet Nam, which more than offset improved expectations for Cambodia and Pakistan.



At the revised forecast of 32.8 million tonnes, 2012, world trade in rice would be 5 percent below the 2011 record. Given current expectations of overall favourable results to 2011 harvests, the contraction is expected to be led by a reduction of imports, principally by Asian and, to a lesser extent also by African, countries. On the other hand, deliveries to Latin America and the Caribbean, North America and Europe are expected to end larger. On the supply side, the export outlook has deteriorated further in Thailand, because of uncompetitive prices. Supply shortages in Argentina, Brazil, Myanmar, the United States and Uruguay are also expected to depress shipments from these countries. Sales prospects are similarly negative in Viet Nam, while consignments by Egypt are foreseen to remain small. Amid ample exportable availabilities and competitive prices, a full return of India to the market, following the lifting of the non-basmati export ban, is likely to make up for a large share of these shortfalls, with Cambodia, China (Mainland) and Pakistan also forecast to step-up deliveries over the course of the year.

Imports in 2012

Smaller deliveries to Bangladesh and Indonesia to drive a 10 percent decline in Asian imports

Reflecting the favourable production outlook for 2011 crops, ***Asian countries*** are expected to be largely behind the anticipated reduction in traded volumes in 2012, with them taking total of 15.4 million tonnes, 10 percent less than currently estimated for 2011. Cuts are expected to be particularly pronounced in **Bangladesh** and **Indonesia**, which were the two major destinations of rice within the region in 2011. In the former, record-level crop prospects and good domestic procurement progress encouraged authorities to confirm in December a halt to official imports for the remainder of the fiscal year (ending in June). FAO currently anticipates the sharp cut in direct

Government purchases to result in a 60 percent contraction in overall imports by Bangladesh to 600 000 tonnes. Similarly, Indonesia is now forecast to take 1.0 million tonnes in 2012, 1.4 million tonnes below the 2011 estimate and 500 000 tonnes less than the November forecast. The reduced forecast reflects the timing of arrivals commissioned under a 2011 import quota, with greater amounts than previously foreseen shipped to the country in the latter part of 2011. Moreover, Bulog, which is tasked with public distribution programmes and the maintenance of stocks at a minimum level of 1.5 million tonnes, has announced that, in 2012, it will seek to source the bulk of its 4.0 million tonne requirements locally. The country has, nonetheless, pushed ahead with the renewal of an import agreement with Thailand, which will prioritise it for the provision of up to 1.0 million tonnes annually.

Following the favourable 2011 season turnout, deliveries to **China (Mainland)** are forecast to return to a more normal level of 450 000 tonnes, which compares to 620 000 tonnes in 2011. Likewise, an excellent seasonal outcome is expected to enable **Nepal** to trim imports by 150 000 tonnes to 100 000 tonnes. Purchases by **Sri Lanka** are forecast to remain small and in the order of 30 000 tonnes. Indeed, announcing a boost in investments on processing facilities, officials in the country have recently advanced more details about their plans to turn Sri Lanka into a net exporter of rice. Originally, they would be seeking to ship some 25 000 tonnes of rice abroad in 2012, a volume that it is hoped would rise tenfold by 2015. Imports by **Japan** are expected to remain largely unchanged from the previous year at 700 000 tonnes.

To meet its Minimum Market Access commitments, the **Republic of Korea** is, instead, required to raise purchases by 6 percent to 368 000 tonnes. In this connection, the Government is reported to have suspended plans to push for tariffication ahead of the scheduled 2014 time frame, a call repeatedly made on grounds that it would prove less costly than the current import quota regime. Imports by **Malaysia** are also forecast to rise by 100 000 tonnes to 1.1 million tonnes. Of this volume, 500 000 tonnes have already been secured through deals with Viet Nam, although the country has also been acquiring supplies from Pakistan. Consistent with an improved production outlook, FAO has lowered forecasts of purchases by the **Philippines** by 600 000 tonnes to 1.2 million tonnes in 2012, which is 50 000 tonnes above the current 2011 estimate. Filipino officials have already announced a first import target of 500 000 tonnes for the year, licenses for which are soon expected to go out for bidding. Much like in 2011, the Government appears to be intent on minimising direct official purchases and has assigned the full 500 000 tonne allocation to private traders and farmer cooperatives. These groups will be able to bring supplies free of duties and at a small service fee, although ahead of the launch of import license biddings, some private traders were already reported to have booked deals with Pakistan.

Most *Near East Asian* countries are also expected to import more over the year. Amongst these, **Afghanistan** may have to raise purchases by 50 000 tonnes to 260 000 tonnes, in order to offset production shortfalls incurred in 2011. An 8 percent rise in consignments is also foreseen to both the **Islamic Republic of Iran** and **Iraq,** each taking delivery of 1.3 million tonnes of rice in 2012. **Saudi Arabia** is now forecast to import 1.2 million tonnes in 2012, up 4 percent from the previous year, while the **United Arab Emirates** may boost purchases to 640 000 tonnes.

In ***Africa,*** rice imports are forecast to reach 10.5 million tonnes in 2012, 2 percent below estimated purchases in 2011. The decline reflects expectations of more ample domestic supplies which may enable **Benin**, **Guinea**, **Sierra Leone** and the **United Republic of Tanzania** to cut imports. FAO also anticipates deliveries to **Egypt** to contract to 100 000 tonnes, down from a 350 000 tonne estimate for 2011. A reduction of purchases by the country will, however, be conditional on the success of official procurement drives from the local market, or a rejection of imported long grain varieties by domestic consumers over the traditionally preferred medium-grain rice. **Nigeria,** the largest destination in the continent, is similarly anticipated to lower purchases by 8 percent to 1.9

million tonnes, a reduction that could mirror output gains in 2011, but also the imposition of greater protective measures. As part of its aim to achieve self-sufficiency in rice by 2015, the Nigerian Government has in fact reiterated its intentions of imposing a 25 percent levy on imported paddy/husked rice as of 1 July 2012, on top of the 5 percent tariff it already charges. In the same way, plans would have levies on milled/semi-milled rice raised from their current 20 percent level to 40 percent, meaning this category would then effectively accrue a 50 percent charge at customs, with an additional levy increase to 100 percent envisioned as of 31 December 2012. Implementation of these measures would mark a shift in Nigerian customs policy, which in recent years had seen a general lowering of rates in the process of aligning them with the ECOWAS Common External Tariff (CET). By contrast, amongst other major markets in the region, **Senegal** is expected to step up purchases by 4 percent to 780 000 tonnes. Likewise, **Cote d'Ivoire** and **South Africa** are both foreseen to increase imports, which may reach 900 000 tonnes and 950 000 tonnes, respectively.

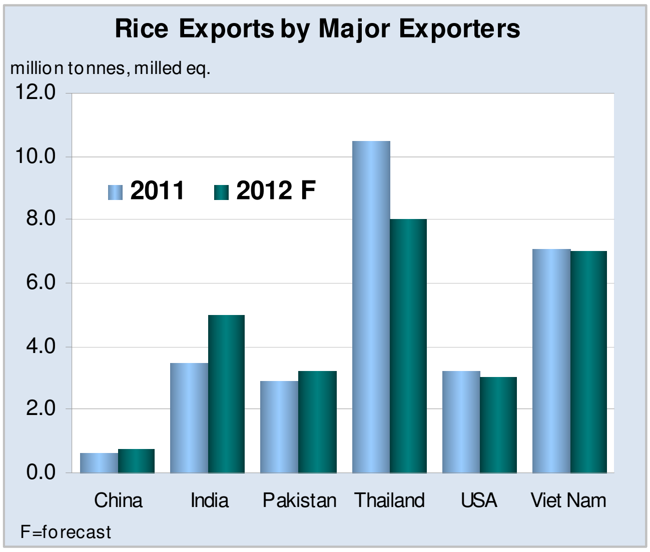
Overall rice imports by countries in ***Latin America and the Caribbean*** are currently forecast to rise by 6 percent to 3.7 million tonnes in 2012. On expectations of a considerable contraction in domestic output, **Brazil** is foreseen to account for much of this growth, taking in 800 000 tonnes over the course of the year, 200 000 tonnes more than the 2011 low. Output shortfalls in **Haiti, Mexico, Panama** and **Peru** may also require that the countries step-up purchases, while a production recovery in **Colombia** may lead 2012 consignments to return to a more normal level of 20 000 tonnes. On the other hand, good prospects for crops in **Cuba** are behind an anticipated 5 percent cut in imports to 570 000 tonnes. Consistent with a quest for self-sufficiency, officials in the country are reportedly targeting to substitute 117 000 tonnes of imports with local production over the year. The country generally relies on Viet Nam for much of its supplies, which are delivered under preferential terms. Nonetheless, an agreement to import up to 15 000 tonnes from Argentina would have also been struck this year.

In ***Europe***, the **EU-27** is currently forecast to import 1.3 million tonnes, 8 percent more than the 2011 estimate. However, starting in January 2012, more stringent controls are to be imposed on rice and rice-based products originating from China, following repeated found presence of unauthorised genetically modified strains since 2010. Based on new regulations, all traders will be required to give prior notification of rice shipped from China, time of arrival and place of entry, in addition to undergoing pre and post shipment tests for presence of unauthorised GMO traces. The measure is to be reviewed after six months of its coming into effect and comes on top of similar requirements in place since 2008, when traces of GM rice were first found on Chinese containers. Official forecasts of imports by the **United States** in 2012 point to a second consecutive year of increases to 650 000 tonnes, while based on a favourable production outlook, FAO forecast the **Russian Federation** to continue trimming purchases to 180 000 tonnes.

Exports in 2012

Thai deliveries to incur a sharp reduction, while Indian exports likely to rebound to their highest in five years

Based on the latest forecasts, 2012 trade in rice is likely to fall 5 percent short of the 2011 record to 32.8 million tonnes. Among the various origins, prospects are most subdued for exports from **Thailand,** now foreseen to incur a 24 percent contraction to 8.0 million tonnes. The unfavourable outlook reflects expectations that uncompetitive prices, resulting from the Government's high support price policy, will continue to divert demand towards other suppliers, with further constraints arising from the major 2011 flood episode. Although progress of the scheme has so far fallen below initial official expectations, by 15 January, 5.3 million tonnes of paddy had been mortgaged under the programme; this on top of an estimated 2.0 million tonnes in Government holdings carried-over from the previous season. In light of recent official statements ruling out provision of assistance to the export industry through subsidies, it would seem unlikely that the country would be able to replicate the 2011 exceptionally good performance without offloading these large Government stocks at prices well below those currently offered in the Thai market. The December decision to honour a government-to-government agreement with Indonesia for 300 000 tonnes, which was negotiated by the previous administration at prices that were considered too low, could signal that officials indeed intend to proceed in this direction.



The outlook for **Viet Nam** is also negative, with 2012 shipments anticipated to fall to 7.0 million tonnes, 100 000 tonnes less than the current 2011 estimate. The country is also facing stiff competition from other affordable origins, especially for lower grade rice. With the turn of the year, concerns have been raised about the comparatively low level of contracts already stricken ahead of the March harvest of its main winter/spring crop. In this connection, officials have been encouraging farmers to move into cultivation of higher quality varieties, including fragrant rice, while announcing intentions of stepping up investment in parboiled rice production. Among other suppliers in Asia, deliveries by **Myanmar** are foreseen to fall by 14 percent to 600 000 tonnes, reflecting flood-related losses in 2011. In addition, and even as the country remains a competitive source of lower grade varieties, the sector continues to be negatively affected by adverse currency movements as well as significant logistical impediments.

In **Egypt**, continued upward pressure on prices prompted the Government to renew the ban on rice exports until October 2012. Consequently, shipments by the country are forecast in the order of 100 000 tonnes, twice the level estimated for 2011. Exported volumes by Egypt could however see a revival over the year, should, as has been suggested, export prohibitions be relaxed, while the country continues to resort to imports to supply the public distribution programme. In the **United States**, the latest forecast released by the USDA sees shipments by the country contracting by a further 6 percent to 3.1 million tonnes. In the medium grain segment, the forecast follows expectations of competition with Australia and Egypt intensifying over the course of 2012, while supply constraints in the long-grain market, from a much reduced 2011 crop, are likely to be supportive of U.S. quotations. On expectations of smaller 2012 harvests, **Argentina, Brazil** and **Uruguay** are likewise forecast to cut deliveries.

On the other hand, since first lifting its restrictions on non-basmati rice exports, extremely competitive quotations and a depreciated Rupee have enabled **India** to gain a wider share of the world rice market. FAO anticipates this trend to continue in the course of 2012, with India's shipments reaching 5.0 million tonnes, 1.5 million tonnes above the current 2011 estimate and the highest since 2007. Indeed, on the backdrop of abating inflation, given favourable 2011 production expectations and overflowing public inventories, officials recently confirmed that non-basmati exports will continue unrestricted. The announcement provided greater assurance that the country will play a pivotal role in 2012 trade in the non-fragrant varieties. On the basmati segment, prospects would also improve if the Government were to heed calls by exporters to lower basmati minimum export prices from their current USD 900 per tonne level, a move that could propel India's exports to an even higher level. Abundant and inexpensive supplies from an excellent 2011 crop may also permit **Pakistan** to raise 2012 consignments by 300 000 tonnes to 3.2 million tonnes.

The anticipated recovery is notwithstanding some recent setbacks affecting the sector, including electrical supply shortages, which have affected milling operations, and unpredictable currency movements. In this connection, the export industry has been rather vocal, fearing that its competitive edge could be eroded by government intervention. More specifically, authorities have been called to launch a round of state purchases to support producer prices, a move strongly opposed by exporters. Counting on sufficient availability, **Cambodia** is similarly expected to step-up deliveries by 9 percent to 1.2 million tonnes. A comfortable supply situation in **China (Mainland)** could also translate into lower domestic and export quotations, possibly fostering a recovery of shipments from the country to 700 000 tonnes.

III. RICE UTILIZATION

Global per caput rice consumption to rise by 1 percent

Under current expectations of strong gains in world rice production, **global rice utilization in 2012** is now forecast to amount to some 471 million tonnes, 11 million tonnes, or 2 percent, more than the estimate for 2011. The increase is predicted to reflect a 9 million tonne rise in volumes consumed as food to 399 million tonnes, accounting for 85 percent of expected global utilization. Although rising by 3 percent, quantities of rice used as animal feed are expected to remain small and in the order of 12 million tonnes. Combined, volumes used as seed, industrial uses and post-harvest losses, may absorb 60 million tonnes. **Annual average per caput rice consumption** is now forecast to rise by 1 percent to 57.1 kg in 2012. The increase chiefly reflects expectations of rising average intake in Asia and Africa, to 82.9 kg and 22.6 kg per person, respectively. Per caput rice consumption in Europe, Oceania and Latin America and the Caribbean is, instead, forecast to remain steady at 4.8 kg, 14.9 kg and 30.5 kg respectively, whilst it is seen declining to 10.5 kg in North America.

To a certain extent the anticipated gain in average rice consumption is being supported by Government policies geared at attenuating pressure on consumer prices. Within Asia, this has been particularly true in 2011 in **Bangladesh, India** and **Indonesia**, all of which expanded public distribution schemes or stepped-up imports to assist vulnerable groups face inflation. In this connection, the Government of **India** has made further headway in advancing a proposal that would expand entitlements under the Public Distribution System to 75 percent of the rural population and 50 percent of urban inhabitants. Under the National Food Security Bill, currently under legislative review, Below Poverty Line households would receive a foodgrain ration of 7.0 kg of per month at a subsidised prices of Rupee 2 per kg for wheat (USD 0.04 per kg) and Rupees 3 per kg of rice (USD 0.06 per kg). In addition to making special provisions for pregnant/lactating women, children, destitute and other special groups, households under a separate General category would be entitled to 3 kg of foodgrains per month at prices not exceeding half of minimum support prices offered to grain farmers. While, in case of supply shortfalls, the Bill also provides for the issuance of a cash food security allowance to beneficiaries, its implementation is expected to entail a stepping-up of domestic procurement by public agencies to meet close to 64 million tonnes of grain requirements, with early estimates placing costs of implementing the programme to up to Rupees 3.5 trillion (USD 67 billion).

Nonetheless, within ***Asia***, several countries continue to face upward pressure on **domestic rice prices**, as revealed by a review of local quotations in the last quarter of 2011. For instance, prices in **Cambodia, Indonesia, Japan, Pakistan, Sri Lanka** and **Thailand** have continued on an upward trajectory, often standing well above their levels a year earlier. This is so even though **Bangladesh, Bhutan** and **Viet Nam** recently experienced some declines. Similarly, in spite of measures taken by various African countries to ease pressure, considerable price increases have been witnessed in many East African countries, in particular **Burundi, Rwanda, Uganda** and **the United Republic of**

Tanzania. Within the region, prices also registered continued gains in **Chad, the Democratic Republic of Congo** and **Madagascar**, while they softened in **Burkina Faso, Djibouti, Mozambique, Senegal** and **Somalia**. On the other hand, in ***Latin America and the Caribbean***, domestic quotations declined mainly in **Bolivia, Costa Rica** and **Haiti**, but rose in **Colombia** and **Mexico**. In Europe, quotations in **Italy** tended to soften over the last quarter of the year.

MONTHLY RETAIL PRICES OF RICE IN SELECTED MARKETS

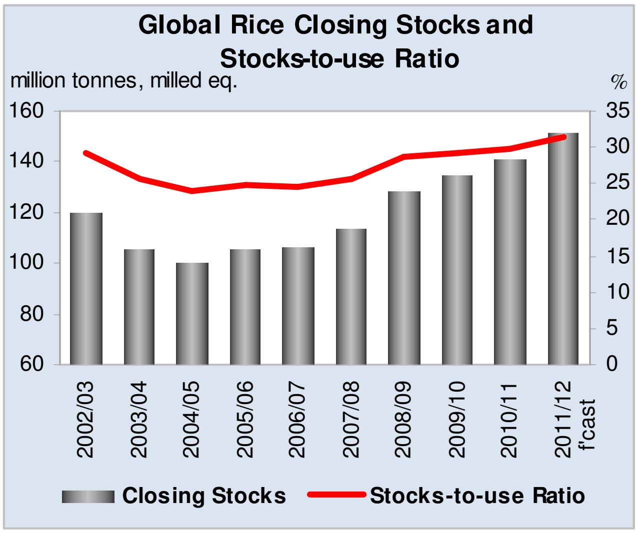
	Latest available: Month	USD/Kg	Latest quotation available compared to: [1] 3 months earlier	1 year earlier	2 years earlier
ASIA					
Bangladesh: Ntl. Avg. (coarse)*	Dec-11	0.33	-16%	-22%	13%
Bhutan: Samdrup Jongkhar (white)	Dec-11	0.31	-11%	-11%	3%
Cambodia: Phnom Penh (mix)*	Dec-11	0.54	18%	24%	18%
China: Hubei (indica first quality)*	Oct-11	0.56	1%	22%	33%
India: Delhi	Dec-11	0.45	-1%	4%	4%
Indonesia: Ntl. Avg.	Dec-11	1.11	5%	11%	46%
Japan: Tokyo Ku-area (white)	Nov-11	5.49	4%	4%	-4%
Lao PDR: Vientiane (ordinary first quality)	Dec-11	1.00	0%	-11%	0%
Mongolia: Ulaanbaatar	Nov-11	1.23	0%	-8%	16%
Myanmar: Ntl. Avg.	Oct-11	0.50	-1%	-1%	13%
Nepal: Kathmandu (coarse)	Nov-11	0.43	0%	0%	-12%
Pakistan: Karachi (irri)	Dec-11	0.54	6%	33%	46%
Philippines: Ntl. Avg. (well-milled)	Nov-11	0.81	0%	2%	3%
Sri Lanka: Colombo (white)	Dec-11	0.51	11%	0%	-8%
Thailand: Bangkok (5% broken)*	Nov-11	0.56	13%	23%	7%
Viet Nam: Dong Thap (25% broken)	Dec-11	0.45	-3%	10%	16%
WESTERN AFRICA					
Benin: Cotonou (imported)	Nov-11	1.10	0%	0%	9%
Burkina Faso: Ouagadougou (imported)*	Dec-11	0.74	-4%	0%	3%
Cape Verde: Santiago (imported)	Nov-11	1.17	-3%	0%	9%
Chad: N'Djamena (imported)	Nov-11	1.24	15%	71%	30%
Mali: Bamako*	Dec-11	0.75	0%	15%	21%
Niger: Niamey (imported)	Nov-11	0.93	0%	12%	12%
Senegal: Dakar (imported)	Oct-11	0.72	-14%	-14%	-1%
CENTRAL AFRICA					
Dem. Rep. Congo: Kinshasa (imported)	Oct-11	1.20	5%	7%	19%
EASTERN AFIRCA					
Burundi: Bujumbura	Oct-11	1.35	25%	28%	27%
Djibouti: Djibouti (Belem)*	Nov-11	0.70	-9%	15%	0%
Rwanda: Kigali*	Dec-11	1.07	25%	39%	-1%
Somalia: Mogadishu (imported)	Dec-11	0.83	-19%	-1%	-19%
Uganda: Kampala*	Dec-11	1.15	19%	81%	24%
United Rep. of Tanzania: Dar es Salaam*	Dec-11	0.90	24%	20%	-5%
SOUTHERN AFRICA					
Madagascar: Ntl. Avg. (local)	Dec-11	0.62	15%	8%	28%
Mozambique: Maputo	Dec-11	0.94	-4%	-16%	13%
CENTRAL AMERICA AND THE CARIBBEAN					
Costa Rica: Ntl. Avg. (first quality)	Nov-11	1.48	-5%	-7%	20%
Dominican Rep: Santo Domingo (first quality)	Dec-11	1.22	0%	-3%	1%
El Salvador: San Salvador	Dec-11	1.09	0%	0%	-4%
Guatemala: Ntl. Avg. (second quality)	Dec-11	1.15	2%	3%	4%
Haiti: Port-au-Prince (imported)	Dec-11	1.08	-3%	-5%	-1%
Honduras: Tegucigalpa (second quality)*	Dec-11	0.82	0%	-8%	-5%
Mexico: Mexico City (sinaloa)*	Dec-11	0.81	6%	20%	16%
Nicaragua: Ntl. Avg. (second quality)	Dec-11	0.85	-2%	1%	2%
Panama: Panama City (first quality)	Dec-11	1.13	0%	4%	8%
SOUTH AMERICA					
Bolivia: La Paz (grano de oro)*	Dec-11	0.88	-3%	-7%	-11%
Brazil: Ntl. Avg.	Dec-11	1.02	2%	-1%	-4%
Colombia: Bogotá (first quality)*	Nov-11	1.14	3%	10%	24%
Ecuador: Quito (long grain)*	Dec-11	0.93	2%	-	9%
Peru: Lima (corriente)	Dec-11	0.92	0%	15%	2%
NORTH AMERICA					
United States: City Avg. (long grain, uncooked)	Dec-11	1.61	1%	0%	-3%
EUROPE					
Italy: Milan (arborio volano)*	Dec-11	1.41	-9%	-4%	22%
Russian Federation: Ntl. Avg.	Nov-11	1.40	-2%	-6%	-3%

[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. Sources: FAO/GIEWS GIEWS Food Price Data and Analysis Tool; Monthly Report on the Retail Price Survey, Japan Ministry of Internal Affairs and Communications; U.S. Bureau of Labor Statistics (BLS); Associazione Industrie Risiere Italiane (AIRI).*

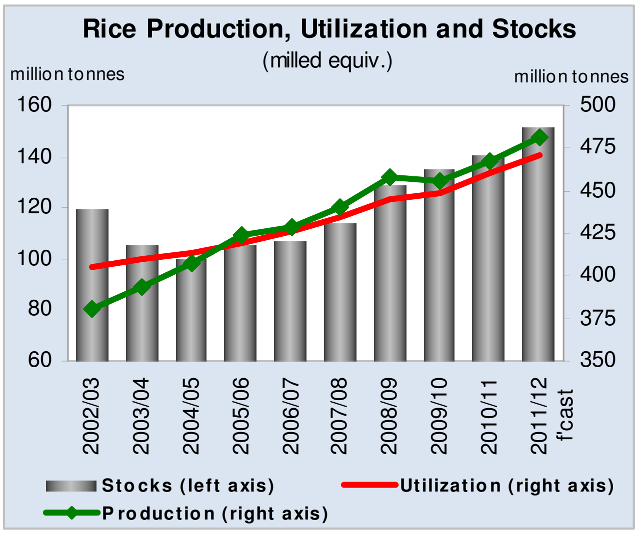
* *Wholesale prices.*

I. CLOSING STOCKS

Forecasts of global rice inventories upgraded, now pointing a 7 percent increase



In line with an improved outlook for 2011 paddy crops and current prospects for 2012 trade in rice, FAO has raised its November forecast of global rice inventories at the close of the 2011-2012 marketing years by 2 million tonnes to 151 million tonnes (milled basis). The revision mainly reflects upgrades to stock estimates for **India, Pakistan, Viet Nam, Egypt** and **Thailand**, which more than offset reductions in **China (Mainland)** and **the Philippines**. The revised forecast suggests a likely 10 million tonne refurbishing of global rice reserves over the year to the highest level since 1999-2000, an increase that is expected to enable global inventories to cover roughly 32 percent of anticipated rice consumption, up from the estimated 30 percent in 2010-2011. **Developing countries** are still predicted to be behind all of the projected increase, refurbishing reserves by 10.5 million tonnes to 146 million tonnes; whilst **developed countries** cut theirs by 4 percent to 4.6 million tonnes.



The latest figures indicate that **rice exporters** will be responsible for all of the forecast accumulation in 2011-2012. Among these, the five **major exporting countries**[2] are foreseen to hold 36.3 million tonnes in reserve, 2.5 million tonnes more than the November forecast and 13 percent higher than the year before. Reflecting this increase, the major exporters' **stock-to-disappearance ratio**[3] is forecast to pass from 20 percent in 2010-2011 to 22 percent in 2011-2012. Much of this growth is expected to concentrate in **India** and **Thailand**. In the former, inventories may reach 24.0 million tonnes, up 12 percent from their opening level, thanks to active official purchases from the local market. Despite a flood-induced output contraction, the retention of rice in public reserves through the Paddy Pledging Programme and an anticipated slowdown in shipments may result in a 16 percent increase in stockpiles in **Thailand** to 7.0 million tonnes. Excellent seasonal turnouts, on the other hand, are anticipated to lead to a rebuilding of stocks in **Pakistan** and **Viet Nam,** while in the **United States,** these are officially foreseen to contract by 18 percent to 1.2 million tonnes, under a tightening of supplies following the poor 2011 harvest. Amongst other suppliers of rice, **China (Mainland)** is forecast to hold 82.2 million tonnes by the end of the marketing year, up 9 percent from a year earlier, whilst reserves are expected to remain largely unchanged in **Egypt** and to fall in **Myanmar.**

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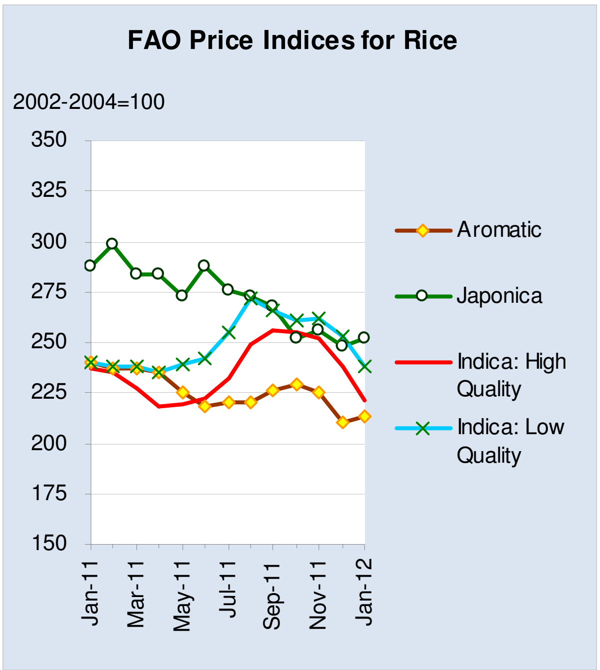
[2] Thailand, Viet Nam, the United States, India and Pakistan
[3] Defined as the five countries' stocks divided by the five countries' domestic utilization plus exports

Amongst traditional **rice importing countries**, a good harvest and greater public local purchases are forecast to permit **Bangladesh** to keep inventories steady and in the order of 6.5 million tonnes. Instead, a fast pace of imports in 2011 is expected to contribute to an 11 percent stock refurbishment in **Indonesia** to 6.0 million tonnes. Although fairly small, rice inventories held by the **Islamic Republic of Iran** and the **European Union** are also foreseen to close higher. Conversely, carry-overs in the **Philippines** may fall by 14 percent below their opening level to 2.6 million tonnes, on the back of official efforts to contain purchases from abroad. Largely reflecting output losses this season, rice carryovers in the **Republic of Korea** are also foreseen to contract by 3 percent to 1.3 million tonnes, while they may remain steady in **Japan** at 2.6 million tonnes. As a result of these trends, rice importers as a group are now forecast to hold 26.6 million tonnes in reserve by the end of the marketing year, a level that would be imply little change from the previous year.

II. INTERNATIONAL PRICES

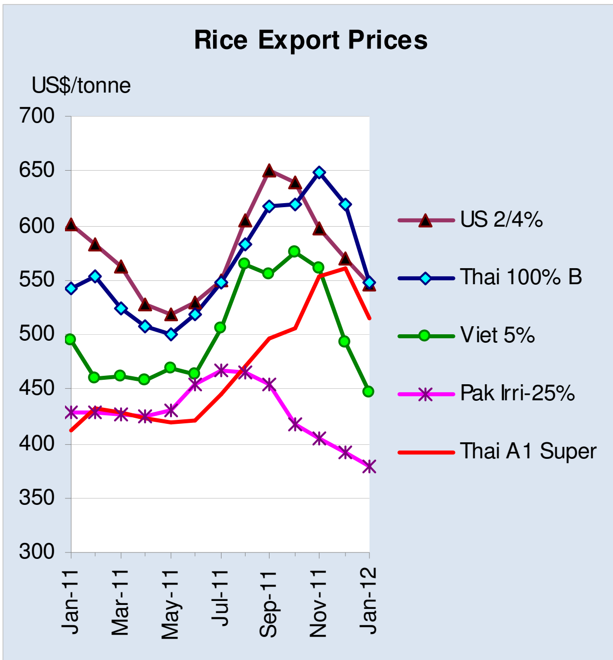
International prices weaken amid ample availabilities and fierce competition among suppliers



Amid abundant supplies from the arrival of newly harvested main crops in several major exporting countries, international rice export prices have followed a downward trend in recent months. This has been reflected in the FAO All Rice Price Index (2002-2004=100) shedding 7 percent of its value since October to reach 235 points by January 2012. Quotations fell in all the rice market segments, pressured by harvests and fierce competition amongst suppliers to meet what was, nonetheless, a brisk demand. The Indica market was the most affected by this tendency, as high quality Indica prices were 13 percent lower in January than in October, while lower quality varieties weakened by 9 percent. Fragrant rice quotations were similarly subdued, with the corresponding Index averaging 213 points, 16 points below October. The Japonica market has been the only exception to this current: after declining by 3 percent in December, medium/small grain rice quotations recovered in January. This resilience resulted in the Japonica Index remaining unchanged from its October value at 252. Yet, and in spite of the recent downward trend, the FAO All Rice Price Index averaged 251 in 2011, 10 percent above its 2010 value, a reflection of the firmness that characterized the rice market between June and September.

Among the various origins, quotations in **Thailand** gained further ground in November, when benchmark Thai 100% B was quoted at USD 649 per tonne, as the flow of supplies was hindered by floods. This price strength was, however, abruptly reversed in December, when quotations fell by 4 percent and again in January, by 12 percent to USD 548 per tonne. The drop coincided with a considerable reduction in buying interest, as well as a weakening of the Baht relative to the US dollar. These factors served to offset the upward pressure on quotations exerted by the Government's high support price policy under the Paddy Pledging Programme. Indeed, progress of the scheme, in terms of mortgaged volumes, has thus far fallen below initial expectations, calling upon officials to scale down expectations of total main crop absorption, initially set at 10.0 million tonnes, to 7.0 million tonnes.

On the backdrop of strong competition with South American suppliers over Latin American and Near Eastern markets, considerable declines were also witnessed in the **United States,** where N.2 4% long grain rice was priced at USD 546 per tonne, 15 percent less than in October and virtually at par with Thai 100% B. More strength was, nevertheless, evident in the medium grain market. After incurring losses in October and December, a sustained demand from Far Eastern markets supported a partial recovery in January, which boosted the price of US N.1/4 medium grain to USD 723 per tonne.

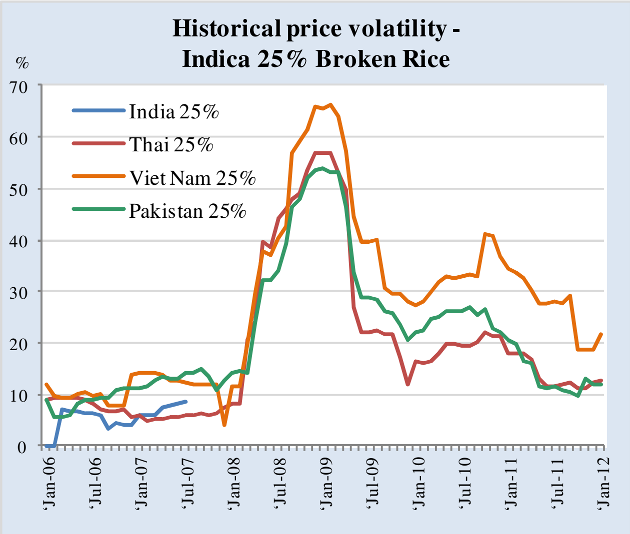


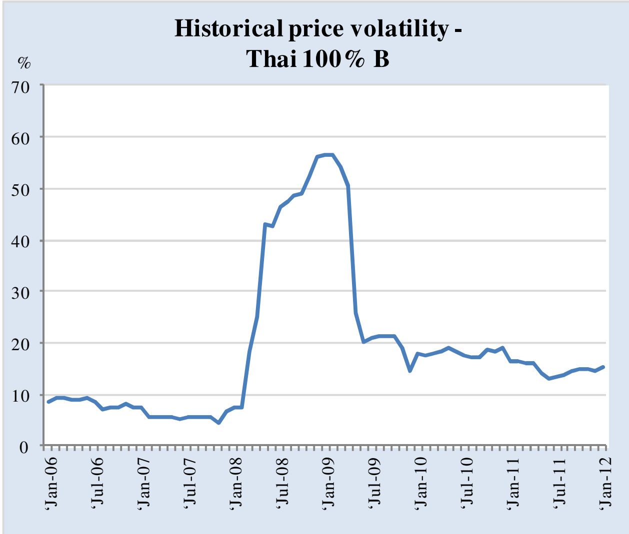
Efforts to protect market shares also led to strong declines in export prices in **Viet Nam,** despite a tightening of supplies ahead of the harvest of main winter/spring crops. After falling by 2 percent to USD 515 per tonne in November, prices of Vietnamese 25% broken dropped by a further 10 percent in December and again by 12 percent the following month to USD 410 per tonne. These declines effectively narrowed the differential between quotations from Viet Nam and those of comparable qualities in India and Pakistan to USD 20-31 per tonne, respectively. The strong losses to competition further called upon the Viet Nam Food Association to intervene, by lowering Minimum Export Prices repeatedly since December. These now stand at USD 450 per tonne in the case of 5% broken and at USD 425 per tonne in the case of 25% broken rice.

Meanwhile, in line with the arrival of fresh supplies from the October-November harvest, quotations of 25% broken rice from **Pakistan** fell by 9 percent to USD 379 per tonne. The tendency for prices to weaken reflected ample exportable availabilities and efforts to remain competitive with other sources, in particular India. In **India**, 25% broken rice was quoted at USD 390 per tonne in January. This level compares to USD 419 in October, a decline that also mirrors the sharp depreciation of the Rupee relative to the US dollar seen in the latter part of 2011.

On the other hand, a review of historical price volatility reveals that rice export quotations exhibited a more regular pattern in 2011 than in the previous year.[4] Across the various market segments, this trend was most evident in the Low Quality Indica market, where fluctuations of quotations from all origins were less pronounced. This pattern was less obvious for the higher quality Indica rice, as depicted by benchmark Thai 100% B, whose volatility, after trending lower in the first half of 2011, increased in the latter part of the year. From an origin perspective, quotations from Viet Nam witnessed the largest swings, but prices from Thailand and Pakistan were also subject to wide month-to-month variations. However, a look at the evolution of prices since 2006 shows that, despite the overall tendency for volatility to lessen in 2011, this continued to exceed the levels seen prior to the 2008 price crisis.

[4] Historical price volatility is defined as the annualized standard deviation of monthly price changes, calculated on a twelve month moving average.





As for prospects for the coming months, the market will be heavily influenced by the progress of secondary crops in northern-hemisphere countries, as well as main crops in nations along and south of the Equator. These harvests could put additional downward pressure on international export quotations, especially if current expectations of a weakening of import demand are fulfilled. In this context, Government policies in major importing countries, in particular relative to quantities and modalities of international purchases, will continue to play a significant role. On the export side, in addition to currency factors, the recent decision by the Thai Government to extend coverage of the Paddy Pledging Programme to secondary paddy crops will influence its competitiveness on the market. Similarly, domestic distribution needs and the evolution of prices in India will dictate how much it will be able or willing to export.

FAO Rice Price Indices (2002-2004=100)

		All	Indica		Japonica	Aromatic
			High quality	Low quality		
2007		**161**	**156**	**159**	**168**	**157**
2008		**295**	**296**	**289**	**315**	**251**
2009		**253**	**229**	**197**	**341**	**232**
2010		**229**	**211**	**212**	**264**	**231**
2011		**251**	**237**	**250**	**274**	**227**
2011	January	253	237	240	288	240
	February	255	235	238	299	237
	March	248	227	238	284	237
	April	245	218	235	284	235
	May	242	219	239	273	225
	June	247	222	242	288	218
	July	251	232	255	276	220
	August	260	249	272	273	220
	September	260	256	266	268	226
	October	253	255	261	252	229
	November	254	252	262	256	225
	December	242	238	253	248	210
2012	January	235	221	238	252	213
2011	Jan.	253	237	240	288	240
2012	Jan.	235	221	238	252	213
% Change		-7.4	-6.6	-0.8	-12.3	-11.5

***Source**: FAO*

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

RICE EXPORT PRICES

	Thai White 100% B Second grade	Thai Parboiled 100%	U.S. Long Grain 2,4%	Thai 5%	Viet 5%	Argentina max 10%	India 25%	Pak 25%	Thai 25%	Viet 25%	Thai A1 Super 1/	U.S. California Medium Grain 2/	Pak Basmati Ordinary	Thai Fragrant 100%
	(US $/tonne, f.o.b.)													
2007	**335**	**332**	**436**	**325**	**313**	**338**	**289**	**290**	**305**	**294**	**275**	**557**	**677**	**550**
2008	**695**	**722**	**782**	**682**	**614**	**584**	**...**	**498**	**603**	**553**	**506**	**913**	**1077**	**914**
2009	**587**	**619**	**545**	**555**	**432**	**459**	**...**	**351**	**460**	**384**	**329**	**1019**	**937**	**954**
2010	**518**	**532**	**510**	**492**	**416**	**499**	**...**	**372**	**444**	**387**	**386**	**764**	**881**	**1045**
2011	**565**	**563**	**577**	**549**	**506**	**475**	**409**	**433**	**511**	**468**	**464**	**855**	**1008**	**1054**
2011														
January	542	542	601	525	495	510	...	428	472	455	412	871	1150	1016
February	554	551	582	538	460	510	...	428	490	420	433	871	1150	978
March	524	524	562	507	462	510	...	426	476	426	429	871	1150	984
April	507	516	528	490	457	510	...	424	465	421	423	871	1150	990
May	500	508	518	483	469	496	...	430	460	438	419	871	1025	993
June	518	521	529	502	464	450	...	454	468	430	421	871	938	1007
July	548	548	549	532	505	450	...	467	490	466	445	871	910	1062
August	582	588	605	566	564	450	...	466	520	530	471	866	875	1096
September	618	625	650	601	555	450	437	455	550	515	497	860	950	1110
October	620	610	639	604	576	450	419	418	556	524	505	860	962	1140
November	649	624	597	632	560	450	396	405	594	515	553	816	950	1141
December	620	598	569	531	492	468	384	391	587	464	560	764	890	1125
2012														
January	548	531	546	603	446	475	390	379	529	410	515	816	950	1087
2011 Jan.	542	542	601	525	495	510	...	428	472	455	412	871	1150	1016
2012 Jan.	548	531	546	531	446	475	390	379	529	410	515	816	950	1087
% Change	1.0	-2.1	-9.1	1.1	-9.8	-6.9	...	-11.5	12.1	-9.9	25.1	-6.3	-17.4	7.0

Sources: Jackson Son & Co. (London) Ltd., Thai Department of Foreign Trade (DFT) and other public sources.
1/ White broken rice. 2/ No. 1, maximum 4-percent brokens, sacked, California mill.
... = unquoted
Note: Please note that data may have been subject to revision due to temporary unavailability and/or late publishing of weekly price quotations.

TABLE 1: WORLD PADDY PRODUCTION

	2006-2008 Average	2009	2010 Estimate	2011 Forecast	Annual Change 2011 over 2010		2011 Forecast Previous	2011 Forecast Revision
	million tonnes				million tonnes	%	million tonnes	
WORLD	662.8	683.4	700.0	721.4	21.4	3.1	720.7	0.7
Developing countries	638.3	657.7	673.0	696.7	23.7	3.5	695.7	1.0
Developed countries	24.5	25.6	27.0	24.7	-2.3	-8.5	25.0	-0.3
ASIA	601.6	616.1	632.5	652.7	20.2	3.2	651.3	1.5
Bangladesh	43.8	48.4 G	50.3 G	51.9	1.6	3.2	51.9	-
Cambodia	6.7	7.6 G	8.2 G	8.4 G	0.2	2.0	8.2	0.2
China	188.0	196.7	197.2	202.3	5.2	2.6	203.0	-0.7
of which China (Mainland)	186.5	195.1 G	195.8 G	200.8 G	5.0	2.6	201.5	-0.7
India	144.6	133.6 G	143.0 G	154.5 G	11.5	8.1	154.5 G	-
Indonesia	57.3	64.4 G	66.5 G	65.4 G	-1.1	-1.6	65.4 G	-
Iran, Islamic Rep. of	2.5	2.3 G	2.3 G	2.4	0.1	4.9	2.4	-
Japan	10.9	10.6 G	10.6 G	10.3	-0.3	-2.9	10.3	-
Korea Rep. of	6.2	6.6 G	5.8 G	5.7 G	-0.1	-1.8	5.7 G	-
Lao PDR	2.8	3.1 G	3.0	3.0	0.0	0.0	3.0	-
Malaysia	2.3	2.5 G	2.5 G	2.7 G	0.1	4.6	2.7 G	-
Myanmar	31.0	31.0	30.8	30.0	-0.8	-2.6	30.0	-
Nepal	4.2	4.0 G	4.5 G	5.1 G	0.6	13.7	4.5	0.6
Pakistan	9.0	10.3 G	7.2 G	10.8 G	3.5	48.9	9.7	1.0
Philippines	16.4	15.5 G	16.7 G	16.9 G	0.2	1.0	16.4	0.5
Sri Lanka	3.4	3.7 G	4.3 G	4.3 G	0.0	-1.1	4.3 G	-
Thailand	31.1	32.0 G	34.5 G	31.5 G	-3.0	-8.7	32.0	-0.5
Viet Nam	36.8	39.0 G	40.0 G	42.3 G	2.3	5.8	42.0 G	0.3
AFRICA	22.4	24.5	25.3	25.5	0.2	0.7	26.0	-0.5
North Africa	7.0	5.6	5.2	5.8	0.6	12.2	5.8	-
Egypt	7.0	5.5 G	5.2	5.8	0.6	12.4	5.8	-
Western Africa	9.2	11.5	12.5	12.4	0.0	-0.3	12.9	-0.5
Côte d'Ivoire	0.7	0.7 G	0.8 G	0.7 G	0.0	-1.6	0.7 G	-
Guinea	1.4	1.5 G	1.6 G	1.8	0.1	9.1	1.8	-
Mali	1.3	2.0 G	2.3 G	1.9	-0.4	-17.7	2.4	-0.5
Nigeria	3.8	4.3	4.2	4.3	0.1	3.6	4.3	-
Sierra Leone	0.6	0.9 G	1.0 G	1.2 G	0.2	15.2	1.2 G	-
Central Africa	0.4	0.5	0.5	0.5	0.0	0.3	0.5	-
Eastern Africa	1.7	1.8	1.8	1.8	0.0	-0.1	1.8	0.0
Tanzania	1.3	1.3 G	1.4	1.3	-0.1	-4.3	1.3	-
Southern Africa	4.0	5.0	5.2	4.8	-0.4	-8.3	4.8	-
Madagascar	3.7	4.5 G	4.8 G	4.3	-0.5	-9.7	4.3	-
Mozambique	0.2	0.3 G	0.3 G	0.3 G	0.0	5.4	0.3 G	-
CENTRAL AMERICA & CAR	2.5	2.8	2.9	2.9	0.0	1.7	3.0	0.0
Cuba	0.4	0.6 G	0.5 G	0.5	0.1	12.2	0.5	-
Dominican Rep.	0.7	0.8 G	0.9 G	0.9	0.0	3.4	0.9	-
SOUTH AMERICA	23.3	25.6	23.6	26.6	3.0	12.7	26.6	0.0
Argentina	1.2	1.3 G	1.2 G	1.7 G	0.5	40.9	1.7 G	0.0
Brazil	11.7	12.6 G	11.7 G	13.6 G	2.0	16.7	13.6 G	-
Colombia	2.5	3.0 G	2.4 G	2.7	0.2	9.9	2.7	-
Ecuador	1.6	1.6 G	1.7 G	1.4	-0.3	-17.9	1.4	-
Peru	2.5	3.0 G	2.8 G	2.6	-0.2	-8.4	2.6	-
Uruguay	1.3	1.3 G	1.1 G	1.6 G	0.5	43.0	1.7 G	0.0
NORTH AMERICA	9.0	10.0	11.0	8.4	-2.6	-23.9	8.5	-0.1
United States	9.0	10.0 G	11.0 G	8.4 G	-2.6	-23.9	8.5 G	-0.1
EUROPE	3.5	4.3	4.4	4.5	0.1	1.4	4.6	-0.1
EU	2.6	3.2 G	3.1 G	3.1	-0.1	-2.4	3.2	-0.1
Russian Federation	0.7	0.9 G	1.1 G	1.2	0.1	13.1	1.2	-
OCEANIA	0.4	0.1	0.2	0.7	0.5	246.4	0.8	-0.1
Australia	0.4	0.1 G	0.2 G	0.7 G	0.5	268.5	0.8 G	-0.1

FOOTNOTES:

The 2011 paddy production season normally includes rice from the main paddy crops whose harvests fall in 2011, to which rice from all subsequent secondary crops, if any, is added. In the case of northern hemisphere countries, production in 2011 comprises the main rice crop, usually collected in the latter part of the year, plus the volume obtained from the successive secondary crops, commonly harvested in the first half of 2012. In the case of southern hemisphere countries, production in 2011 normally comprises rice from the main paddy crops assembled in the first part of 2011, plus rice from the secondary crops, generally gathered in the latter part of 2011. This approach to assess rice production is applicable to any given season.

Totals computed from unrounded data.

G Official figure.

TABLE 2: WORLD RICE IMPORTS

	2007-2009 Average	2010	2011 Estimate	2012 Forecast	Annual Change 2012 over 2011		2012 Forecast Previous	2012 Forecast Revision
	million tonnes				million tonnes	%	million tonnes	
WORLD	30.5	31.5	34.5	32.8	-1.7	-4.9	33.8	-1.1
Developing countries	25.7	27.0	29.8	27.9	-1.8	-6.2	29.0	-1.1
Developed countries	4.8	4.5	4.7	4.9	0.2	3.3	4.9	0.0
ASIA	14.3	15.8	17.2	15.4	-1.8	-10.2	16.5	-1.0
Bangladesh	1.1	0.7 G	1.5 G	0.6	-0.9	-59.3	0.6	-
China	0.9	1.2	1.4	1.2	-0.2	-11.5	1.1	0.1
of which China (Mainland)	0.4	0.4 G	0.6	0.5	-0.2	-27.4	0.4	0.1
Indonesia	0.8	1.0	2.4	1.0	-1.4	-58.3	1.5	-0.5
Iran, Islamic Rep. of	1.1	1.1	1.2	1.3	0.1	8.3	1.3	-
Iraq	0.9	1.2 G	1.2	1.3	0.1	8.3	1.3	-
Japan	0.6	0.7	0.7	0.7	0.0	0.0	0.7	-
Malaysia	1.0	0.9 G	1.0	1.1	0.1	10.0	1.1	-
Philippines	2.0	2.4 G	1.2	1.2	0.1	4.3	1.8	-0.6
Saudi Arabia	1.0	1.0	1.2	1.2	0.1	4.3	1.2	-
United Arab Emirates	0.6	0.6	0.6	0.6	0.0	6.7	0.6	-
AFRICA	9.9	9.4	10.7	10.5	-0.2	-2.3	10.5	0.0
Côte d'Ivoire	0.8	0.8	0.9	0.9	0.1	5.9	0.9	-
Nigeria	1.9	2.0	2.1	1.9	-0.2	-7.6	2.2	-0.3
Senegal	0.9	0.7 G	0.8	0.8	0.0	4.0	0.8	-
South Africa	0.9	0.8	0.9	1.0	0.0	5.6	1.0	-
CENTRAL AMERICA & CAR	2.2	2.1	2.2	2.2	0.0	1.0	2.2	-
Cuba	0.6	0.5	0.6	0.6	0.0	-5.0	0.6	-
Mexico	0.6	0.6	0.7	0.7	0.0	1.5	0.7	-
SOUTH AMERICA	1.0	1.3	1.3	1.5	0.2	14.9	1.5	-
Brazil	0.6	0.8 G	0.6 G	0.8	0.2	33.2	0.8	-
NORTH AMERICA	1.0	0.9	1.0	1.0	0.0	3.7	1.0	0.0
United States	0.7	0.6 G	0.6 G	0.7 G	0.0	5.7	0.7 G	0.0
EUROPE	1.8	1.6	1.7	1.7	0.1	4.8	1.7	-
EU 1/	1.2	1.1 G	1.2	1.3	0.1	8.3	1.3	-
Russian Federation	0.2	0.2 G	0.2	0.2	0.0	-10.0	0.2	-
OCEANIA	0.4	0.5	0.4	0.4	0.0	-2.3	0.4	-

FOOTNOTES:

Totals computed from unrounded data.

1/ Excluding intra-trade.

G Official figure.

TABLE 3: WORLD RICE EXPORTS

	2007-2009 Average	2010	2011 Estimate	2012 Forecast	Annual Change 2012 over 2011		2012 Forecast Previous	2012 Forecast Revision
	million tonnes				*million tonnes*	*%*	*million tonnes*	
WORLD	30.5	31.5	34.5	32.8	-1.7	-5.0	33.8	-1.0
Developing countries	26.9	26.9	30.2	28.5	-1.7	-5.7	29.4	-0.9
Developed countries	3.6	4.6	4.3	4.3	0.0	0.3	4.4	-0.1
ASIA	24.0	24.3	26.8	26.2	-0.6	-2.4	26.7	-0.5
Cambodia	0.9	1.1	1.1	1.2	0.1	9.1	1.1	0.1
China	1.1	0.7	0.7	0.8	0.1	20.0	0.8	-
of which China (Mainland)	1.0	0.6 G	0.6	0.7	0.2	27.3	0.7	-
India	4.0	2.2 G	3.5	5.0	1.5	42.9	5.0	-
Myanmar	0.6	0.5 G	0.7	0.6	-0.1	-14.3	0.6	-
Pakistan	2.8	3.5 G	2.9	3.2	0.3	10.3	3.0	0.2
Thailand	9.4	9.0 G	10.5	8.0	-2.5	-23.8	8.5	-0.5
Viet Nam	5.1	6.9 G	7.1	7.0	-0.1	-1.4	7.3	-0.3
AFRICA	0.9	0.5	0.2	0.3	0.1	32.5	0.3	-0.1
Egypt	0.8	0.4	0.1	0.1	0.1	100.0	0.1	-
SOUTH AMERICA	2.2	2.3	3.3	2.2	-1.1	-33.8	2.6	-0.4
Argentina	0.4	0.5 G	0.6	0.5	-0.1	-18.0	0.5	-
Brazil	0.4	0.4 G	1.3 G	0.4	-0.9	-69.3	0.8	-0.4
Guyana	0.2	0.3 G	0.3	0.3	0.0	7.1	0.3	-
Uruguay	0.9	0.7 G	0.9	0.8	-0.2	-16.7	0.8	-
NORTH AMERICA	3.1	3.9	3.3	3.1	-0.2	-6.2	3.1	-
United States	3.1	3.9 G	3.3 G	3.1 G	-0.2	-6.2	3.1 G	-
EUROPE	0.2	0.5	0.6	0.6	0.1	12.5	0.6	-
EU 1/	0.1	0.3 G	0.3	0.3	0.1	20.0	0.3	-
Russian Federation	0.0	0.2 G	0.3	0.3	0.0	6.7	0.3	-
OCEANIA	0.1	0.1	0.3	0.4	0.1	53.8	0.5	-0.1
Australia	0.1	0.1	0.3	0.4	0.1	53.8	0.5	-0.1

FOOTNOTES:

Totals computed from unrounded data.

1/ Excluding intra-trade.

G Official figure.

TABLE 4: END OF SEASON STOCKS 1/

	2007-2009 Average	2010	2011 Estimate	2012 Forecast	Annual Change 2012 over 2011		2012 Forecast	
							Previous	Revision
	million tonnes				*million tonnes*	*%*	*million tonnes*	
WORLD	116.2	134.7	140.8	151.1	10.3	7.3	148.9	2.2
Developing countries	112.1	130.4	136.0	146.4	10.5	7.7	144.3	2.2
Developed countries	4.1	4.3	4.8	4.6	-0.2	-3.7	4.6	0.1
ASIA	109.8	127.9	133.9	144.7	10.8	8.1	142.5	2.2
Bangladesh	4.7	5.4	6.5	6.5	0.0	0.8	6.5	-
Cambodia	1.4	1.4	1.6	1.6	0.1	3.2	1.6	0.1
China	59.5	70.7	75.6	82.5	6.8	9.0	82.6	-0.1
of which China (Mainland)	59.3	70.4	75.4	82.2	6.8	9.0	82.3	-0.1
India	18.6	21.0	21.5	24.0	2.5	11.6	23.0	1.0
Indonesia	2.8	4.5	5.4	6.0	0.6	11.1	6.0	-
Iran, Islamic Rep. of	0.3	0.3	0.3	0.4	0.1	25.0	0.4	-
Japan	2.3	2.4	2.6	2.6	0.0	0.0	2.6	-
Korea Rep. of	0.8	1.4 G	1.4	1.3	0.0	-2.9	1.3	-
Lao PDR	0.3	0.3	0.3	0.3	0.0	-10.3	0.3	-
Malaysia	0.2	0.3	0.2	0.2	0.0	-10.0	0.2	-
Myanmar	5.6	5.3	4.8	4.0	-0.9	-17.7	4.0	-
Nepal	0.3	0.2	0.2	0.3	0.1	25.0	0.2	0.1
Pakistan	0.6	0.9	0.3	0.8	0.5	150.0	0.5	0.3
Philippines	2.2	3.4 G	3.0 G	2.6	-0.4	-13.9	2.8	-0.2
Sri Lanka	0.1	0.2	0.4	0.4	0.0	0.0	0.4	-
Thailand	4.6	5.7	6.1	7.0	1.0	15.7	6.2	0.8
Viet Nam	4.5	3.4	2.7	3.4	0.6	23.2	3.0	0.4
AFRICA	2.8	3.1	3.2	2.8	-0.4	-12.1	2.8	0.0
Egypt	1.1	1.3	1.3	1.3	0.0	0.0	1.2	0.1
Nigeria	0.3	0.3	0.3	0.2	-0.2	-45.5	0.3	-0.1
CENTRAL AMERICA & CAR	0.4	0.4	0.4	0.4	0.0	5.3	0.4	0.0
Dominican Rep.	0.1	0.1	0.1	0.1	0.0	15.8	0.1	0.0
SOUTH AMERICA	1.5	1.5	1.1	1.2	0.1	5.6	1.2	-0.1
Argentina	0.1	0.1	0.0	0.1	0.1	300.0	0.1	-
Brazil	0.4	0.3	0.3	0.3	0.0	0.0	0.4	-0.1
Ecuador	0.1	0.1	0.1	0.1	-0.1	-50.0	0.1	-
Peru	0.3	0.4	0.3	0.3	-0.1	-27.5	0.3	-
NORTH AMERICA	1.1	1.2	1.6	1.3	-0.3	-18.2	1.2	0.1
United States	1.1	1.2 G	1.5 G	1.2 G	-0.3	-18.4	1.2 G	0.1
EUROPE	0.5	0.6	0.6	0.6	0.0	3.4	0.6	-
EU	0.4	0.5 G	0.5	0.5	0.0	3.8	0.5	-
Russian Federation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
OCEANIA	0.1	0.0	0.0	0.1	0.0	194.8	0.1	-
Australia	0.1	0.0	0.0	0.1	0.0	450.0	0.1	-
GOVERNMENT STOCKS								
Bangladesh	0.6	0.5 G	0.6 G	1.2	0.6	110.9	1.2	-
India	9.1	18.4 G	20.3 G	23.0	2.7	13.3	22.0	1.0
Japan	0.8	0.9 G	0.8 G	0.7	-0.1	-16.1	0.7	-
Korea Rep. of	0.7	0.8 G	0.8	0.7	0.0	-1.3	0.7	-
Philippines	0.9	2.0 G	1.5 G	1.5	0.0	-0.7	1.5	-

FOOTNOTES:

Totals computed from unrounded data.

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

G Official figure.

TABLE 5: RICE SUPPLY AND UTILIZATION IN MAIN EXPORTING COUNTRIES

	Opening Stocks	Production 1/	Imports	Total Supply	Domestic Use	Exports	Closing Stocks
	thousand tonnes						
CHINA 2/ 3/							
2009-10	63 777	134 798	1 214	199 789	128 401	722	70 666
2010-11 est.	70 666	135 113	1 386	207 164	130 868	650	75 646
2011-12 f'cast	75 646	138 659	1 226	215 531	132 285	780	82 466
INDIA 2/							
2009-10	23 800	89 100 G	100	113 000	89 758	2 242 G	21 000
2010-11 est.	21 000	95 320 G	100	116 420	91 420	3 500	21 500
2011-12 f'cast	21 500	103 000 G	50	124 550	95 550	5 000	24 000
PAKISTAN 2/							
2009-10	1 040	6 883 G	16	7 939	3 475	3 524 G	940
2010-11 est.	940	4 822 G	60	5 822	2 622	2 900	300
2011-12 f'cast	300	7 182 G	15	7 497	3 547	3 200	750
THAILAND 2/							
2009-10	5 200	21 195 G	300	26 695	11 965	9 030 G	5 700
2010-11 est.	5 700	22 829 G	400	28 929	12 379	10 500	6 050
2011-12 f'cast	6 050	20 837 G	400	27 287	12 287	8 000	7 000
UNITED STATES 4/							
2009-10	977 G	7 133 G	562 G	8 672	3 620	3 868 G	1 184 G
2010-11 est.	1 184 G	7 593 G	615 G	9 392	4 628	3 250 G	1 514 G
2011-12 f'cast	1 514 G	5 937 G	650 G	8 101	3 816	3 050 G	1 235 G
VIET NAM 2/							
2009-10	4 300	25 980 G	500	30 780	20 550	6 880 G	3 350
2010-11 est.	3 350	26 673 G	600	30 623	20 803	7 100	2 720
2011-12 f'cast	2 720	28 230 G	600	31 550	21 200	7 000	3 350

FOOTNOTES:

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

Totals computed from unrounded data.

1/ Milled basis.

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

3/ Including Taiwan province.

4/ Rice trade data refer to the August/July marketing season.

G Official figure

* Unofficial figure