

RICE MARKET MONITOR

Production
International Trade
Rice Utilization and
Domestic Prices

1
7
10

Closing Stocks
International Prices
Rice Policy
Developments

13
14
17

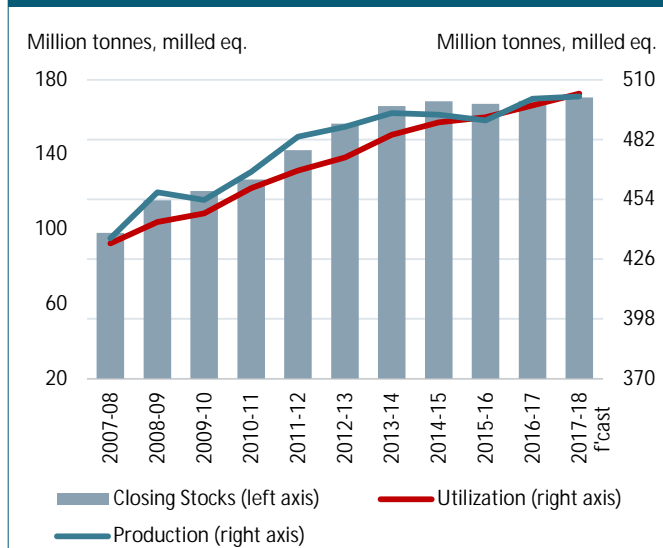
ROUND UP

Since the October issue of the RMM, FAO has raised its forecast of **world paddy production** in 2017 by 2.1 million tonnes to 756.7 million tonnes (502.2 million tonnes, milled basis). The revisions primarily mirrors improved crop prospects for China (Mainland) and Myanmar, although Pakistan, the Philippines, Sierra Leone are all predicted to gather more than reported in October. Combined, these changes more than offset various downward revisions, the largest of which concerning Bangladesh and Madagascar.

At the revised level of 756.7 million tonnes, global paddy production would surpass the 2016 all-time high by a small margin of 0.2 percent. From a regional perspective, the comparatively stable outlook mirrors prospects of only modest output growth in **Asia**, where uneven rainfall patterns look set to temper area expansions promoted by continued state assistance and positive margins. Put together, countries in Asia are seen producing 684.2 million tonnes in 2017, up 1.4 million tonnes from the 2016 record. The largest absolute expansions in the region are expected to take place in China (Mainland), Indonesia, the Philippines and Thailand, but Cambodia, the Islamic Republic of Iran, Iraq, the Lao People's Democratic Republic, Malaysia, Myanmar, Pakistan and Timor Leste are all set to gather larger crops. The outlook is more subdued elsewhere, especially for South Asian producers that experienced a series of weather setbacks. This was namely the case of Bangladesh, Nepal and Sri Lanka and, to a lesser extent, India. Afghanistan, the Democratic People's Republic of Korea, the Republic of Korea, Japan, Turkey and Viet Nam are all similarly set to face production declines this season.

FAO's outlook continues to point to 2017 production in **Africa** exceeding the 2016 all-time high by 1 percent to reach 31.1 million tonnes. Generally favorable precipitation levels through September permitted producers in most West African countries to react to attractive prices and government assistance programs by expanding plantings. Prospects are also positive for Egypt, more than compensating for contractions in Burkina Faso, Gambia, Niger and, especially Madagascar and the United Republic of Tanzania, where crops were impaired by erratic rains.

Rice production, utilization and stocks



GLOBAL RICE MARKET SUMMARY

	2015-16	2016-17	2017-18	2017-18/ 2016-17
		est.	f'cast	var.
	<i>million tonnes, milled eq.</i>			<i>%</i>
Production	491.0	501.2	502.2	0.2
Supply	703.8	712.0	718.4	0.9
Utilization	492.5	497.9	503.5	1.1
Food use	395.6	400.9	406.7	1.4
Feed use	18.2	17.8	17.5	-1.7
Other uses	78.7	79.2	79.4	0.1
Trade ^{1/}	41.5	46.2	45.8	-0.7
Ending stocks ^{2/}	167.1	168.6	170.5	1.1
	<i>%</i>			
Global stock-to-use ratio	33.6	33.5	33.4	-
Major exporters' stock-to-disappearance ratio ^{3/}	19.6	18.7	17.2	-

^{1/} Data refer to the calendar year trade (Jan.-Dec.) of the second year shown.

^{2/} Stocks carried over in the second year shown.

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

Paddy production in **Latin America and the Caribbean** is predicted to recover by 7 percent in 2017 to a new high of 28.4 million tonnes. Conducive growing conditions boosted yields to all-time records in South America, more than offsetting area retrenchments triggered by tight producer margins. Production recovered the most in Brazil, but Colombia, Guyana and Uruguay all gathered more, offsetting reductions in Argentina, Bolivia, Chile, Ecuador and Peru. In Central American and Caribbean, growth prospects were partly undermined by hurricane damages this season, although Haiti, Honduras, Mexico, the Dominican Republic and Panama may end the season with positive results.

Elsewhere in the world, the latest figures confirm the negative outlook for the **United States**, where 2017 production is set to fall to its lowest since 1997, owing to competition with other crops and weather disruptions. In **Europe**, area cuts instigated by prospects of reduced margins are similarly set to depress production in the European Union and the Russian Federation, while ample and less costly water supplies for irrigation enabled 2017 output to stage a strong rebound in **Australia**.

Following a 1.2 million tonne upward revision, **world trade in rice in calendar 2017** is now expected to stage an 11 percent annual rebound to an all-time record of 46.2 million tonnes. The more buoyant outlook primarily stems from expectations of a strong upturn in Asian imports, sustained by a record pace of purchases by Bangladesh, along with greater imports by the Islamic Republic of Iran, Iraq, the Philippines and Sri Lanka. Attractive international prices are also set to raise deliveries to Africa and Latin America and the Caribbean to new heights, while imports hold broadly *elsewhere* in world. On the export side, the recovery in global demand is mainly expected to be met by larger shipments from India, Myanmar and Thailand, although significant export recoveries are also envisaged to concern China (Mainland) and Viet Nam. Combined with greater exports by the European Union, the United States and Uruguay, these gains would more than compensate for export retrenchments in Argentina, Brazil, Egypt, Pakistan and Paraguay.

FAO's forecast of **world rice deliveries in 2018** now stands at 45.8 million tonnes, just 340 000 tonnes below the 2017 level and marginally above October forecasts. The comparatively upbeat outlook chiefly mirrors expectations that import demand will remain firm in Asia, owing to larger purchases by Indonesia, the Philippines and Saudi Arabia, in particular. Imports are instead seen stabilising in Europe and the United States, while they fall in Africa and Latin America and the Caribbean, deterred by ample local supplies and somewhat higher international prices. Among suppliers, India and Thailand are predicted to incur the sharpest export reductions in 2018, as tighter exportable availabilities could hinder their ability to compete next year. The outlook is also negative for Argentina, Uruguay

and the Russian Federation, in view of expected output shortfalls. Conversely, deliveries by Viet Nam and Pakistan are seen making strong headways next year, with Australia, Brazil, Cambodia, China (Mainland) and Myanmar also envisaged to count on sufficient supplies to step-up shipments in 2018.

A total of 503.5 million tonnes (milled basis) of rice are forecast to be consumed around the world over the course of the 2017/18 season, up from 498.0 million tonnes in 2016/17. The 1 percent expansion is expected to be driven by higher food use, of around 406.7 million tonnes. On a per caput basis, this volume would put **world consumption of rice** as food at 53.9 kilos per person, up 0.2 kilos from 2016/17. Quantities destined to animal feed are projected to decline by 2 percent to 17.5 million tonnes, with another 79.4 million tonnes are used for seed, non-food industrial uses and post-harvest losses, unchanged from the previous season.

Consistent with the improved outlook for 2017 global production, FAO has raised its forecast of **world rice inventories** at the close of 2017/18 marketing years by 1.4 million tonnes to 170.5 million tonnes (milled basis). This level would represent a 1.1 percent increase from the 2016/17 record volume, resulting in a largely stable world stocks-to-use ratio of 33.4 percent. Rice importing countries remain forecast to account for all of the projected growth in global rice inventories. This would be namely be the case of China (Mainland), although Bangladesh, the Islamic Republic of Iran, Nigeria and the Philippines are all similarly envisaged to end their respective marketing years with larger reserves. Stock expansions in these countries would more than compensate for drawdowns in the major rice exporters, driven by cuts in Thailand and the United States, and for stock reductions in the Republic of Korea, Madagascar and Sri Lanka.

Although the last quarter of the year normally marks the onset of harvesting activities across major northern-hemisphere suppliers, **international rice prices** have continued to gain ground since October. This was reflected by the FAO All Rice Price Index (2002-2004=100), which passed from an October average of 216 points to 221 points in mid-December. Higher quality Indica and Japonica rice led the advance, rising by 3 percent, each, owing to stern import demand from South Asian and Far Eastern buyers, along with currency appreciations in some major rice exporters. Gains were in the order 2 percent for Aromatica supplies and of 1 percent for lower quality Indica rice, mirroring some downward pressure exerted in these segments by tepid buying interest and harvest progress. From an annual stance, these latest tendencies positioned the annual average FAO All Rice Price Index at 207 points, 7 percent higher than in 2016 and just short of its 2015 average of 211 points.

PRODUCTION

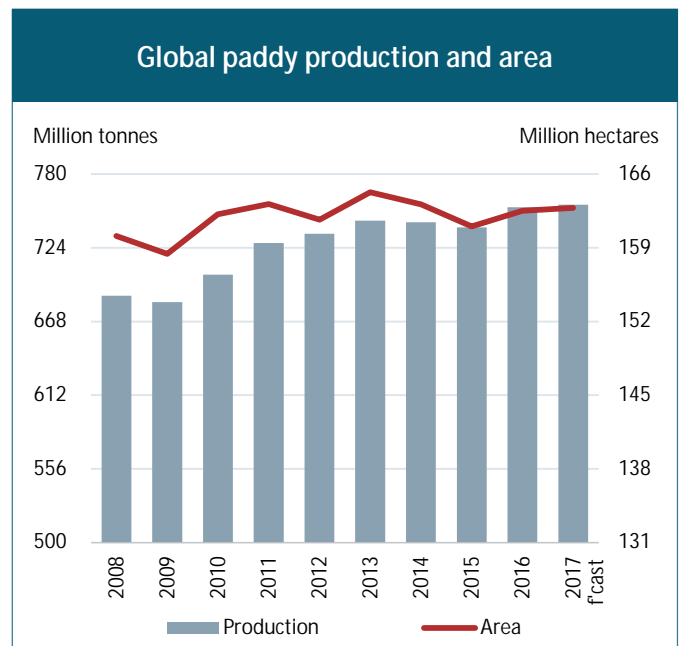
Global production forecast upgraded by 2.1 million tonnes

With harvests of main paddy crops drawing to a close in northern-hemisphere producers,¹ FAO has raised its October forecast of world paddy production in 2017 by 2.1 million tonnes to 756.7 million tonnes (502.2 million tonnes, milled basis). At a country level, the upward adjustment primarily mirrors more buoyant prospects for China (Mainland), based on December assessments by the National Bureau of Statics, which showed higher plantings in the country and record yield outcomes. Next to China, the largest upward revision concerned Myanmar, given a generally normal unfolding of the 2017 main cropping cycle, along with expectations that attractive local prices will lead to more pronounced expansions in secondary crop acreage. Evidence of greater plantings and favourable yield outcomes also boosted the outlook for Pakistan, the Philippines and Sierra Leone. These changes more than offset various downward revisions, the largest of which concerning Bangladesh, as Government assessments of the country's main (Boro) harvest pointed to larger than earlier anticipated damages to April flash floods. Production forecasts were also downgraded for Madagascar following the release of a FAO/WFP crop assessment indicating more significant crop losses incurred as a result of severe precipitation deficits and storm damages. In the case of Viet Nam, slight downward adjustments to yield expectations were mostly reflective of overly wet conditions during the last (winter) crop cycle.

At the revised level of 756.7 million tonnes (502.2 million tonnes, milled basis), global paddy production would surpass the 2016 all-time high by a small margin of 0.2 percent. From a regional perspective, the forecast mirrors prospects of modest output gains in Asia, where uneven rainfall patterns look set to temper area expansions promoted by continued state assistance and positive margin. Record crops are anticipated gathered in Africa and Latin America and the Caribbean, while ample and less costly water supplies for irrigation also enabled 2017 production in Australia to stage a strong rebound. Instead, 2017 output is set to contract in the United States and

¹ The 2017 rice production season normally includes rice from the main paddy crops whose harvests fall in 2017, to which rice from all subsequent secondary crops, if any, is added. In the case of northern hemisphere countries, this principle implies that production in 2017 comprises the main rice crop, which is usually collected in the latter part of the year, plus the volume obtained from the successive secondary crops, commonly harvested in the first half of 2018. In the case of southern hemisphere countries, production in 2017 normally comprises rice from the main paddy crops assembled in the first part of 2017, plus rice from the secondary crops, generally gathered in the latter part of 2017. This approach to assess rice production is applicable to any given season.

Europe, depressed by area retrenchments instigated by prospects of reduced margins.



Asia

Asian output to outstrip 2016 record by 1.4 million tonnes

Although the 2017 season in *Asia* has been characterised by uneven rainfall patterns, FAO's latest forecast suggests that aggregate output in the continent is likely to exceed the 2016 all-time high by a small margin of 0.2 percent to 684.2 million tonnes (454.0 million tonnes, milled basis). The relatively favourable outcome would rely on a 0.5 million hectare expansion in plantings to 145.3 million hectares, a reflection of continued state assistance programmes and positive margins. Looking at the major producers, the 2017 outlook has improved for **China (Mainland)**, as December estimates by the National Bureau of Statics dispelled earlier expectations a mild area contraction. Instead, 2017 plantings are said to have stabilised at 30.2 million hectares, mirroring the still attractive margins fetched by paddy producers, notwithstanding this year's cut to government purchase prices. Combined with record-breaking yields, this lifted 2017 production in China (Mainland) to 208.6 million tonnes (142.9 million tonnes, milled basis), up 1.5 million tonnes from 2016 and matching the 2015 all-time high.

In **Indonesia**, conducive rains, combined with adequate water supplies for irrigation and state support programmes, are assessed to have underpinned a 2 percent output expansion in 2017 to 74.2 million tonnes (46.6 million tonnes, milled basis). Larger plantings thanks to improved price prospects and continued subsidies on basic inputs are also anticipated to sustain an 8 percent output recovery in **Pakistan** to a record of 11.1 million

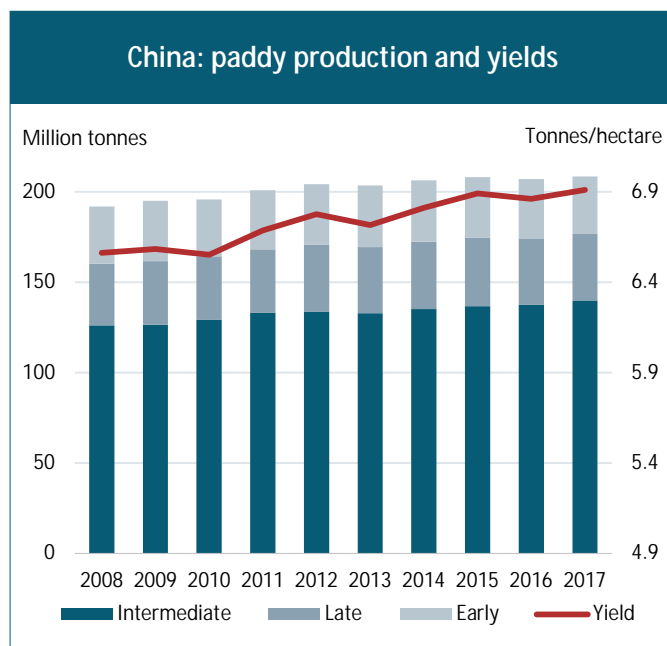
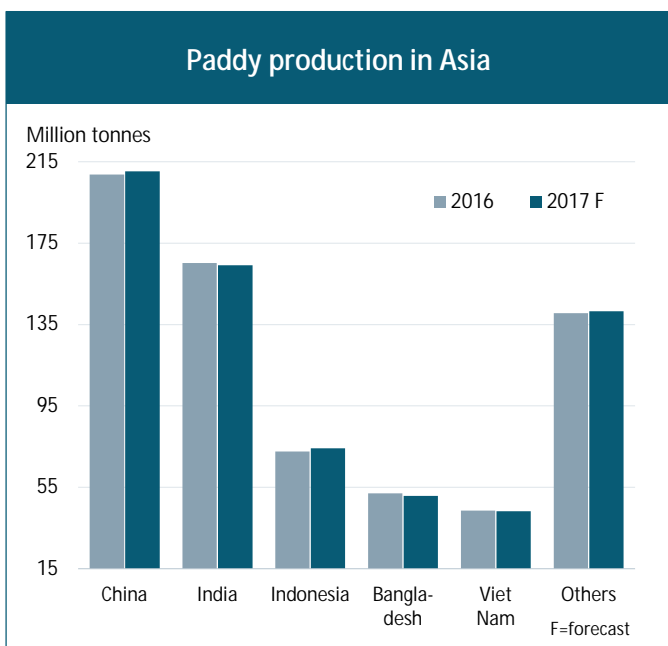
tonnes (7.4 million tonnes, milled basis). In Punjab, Pakistan's largest rice producing province that accounts for over 90 percent of the country's Basmati crop, production growth would especially concern the fragrant crop. Mostly on the back of yield improvements, basmati production in the province is officially assessed to have expanded for the second successive season to reach 2.8 million tonnes (milled basis), up 10 percent year-on-year.

In the **Philippines**, a forecast 5 percent production increase to a record of 19.6 million tonnes (12.8 million tonnes, milled basis) would be mostly attributable to a larger main-crop (July-December) harvest, which benefitted from adequate water supplies for irrigation and government support. Nonetheless, encouraged by inputs assistance programmes, producer planting intention surveys indicate that further area expansions are likely to occur during the 2017/18 offseason (January-June) cycle. Meanwhile, FAO's 2017 production outlook for **Thailand** remains set at 33.7 million tonnes (22.3 million tonnes, milled basis), up 3 percent from 2016. The forecast growth mostly mirrors greater expected offseason output, and comes notwithstanding flood damages, affecting glutinous and fragrant crops in northeastern producing provinces of the country. **Cambodia**, the **Chinese Province of Taiwan**, the **Islamic Republic of Iran**, **Iraq**, the **Lao People's Democratic Republic**, **Malaysia**, **Myanmar**, and **Timor Leste** are all similarly forecast to end the season with larger crops.

The outlook is less favourable elsewhere in the continent, especially for South Asian producers that experienced a series of weather setbacks. For instance, in **Sri Lanka**, severe drought conditions curtailed plantings by 29 percent, causing an additional 165 000 hectares of paddies to be lost. As a result, officials estimate that 2017 production fell 43 percent below the 2016 level to a

twenty-year low of 2.5 million tonnes (1.7 million tonnes, milled basis). Next to Sri Lanka, the largest absolute output fall is expected to concern **Bangladesh**, following losses incurred to three rounds of floods since April. Output in the country is put at five-year low of 50.8 million tonnes (33.9 million tonnes, milled basis), 2 percent below the already subdued 2016 outcome. Northern states of **India** were similarly hit by floods this season, while precipitation deficits affected main (Kharif) crop production in southern parts of the country. However, production gains elsewhere in the country are expected to partly attenuate these falls, while early progress of Rabi plantings has also been strong. Accordingly, 2017 production in India is seen hovering around 164.2 million tonnes (109.5 million tonnes, milled basis), down 1 percent year-on-year, but still the second highest on record. In **Nepal**, paddy plantings in 2017 were depressed by subdued monsoon rainfall between June and July and successive floods in the southern Terai. In view of these area falls, the county is forecast to gather 8 percent less than the 2016 record crop, or 4.8 million tonnes (3.2 million tonnes, milled basis).

In **Japan** and the **Republic of Korea**, cloudy and rainy summer conditions prevented yields from remaining at the records set in 2016. In the Republic of Korea, the yield depressions accentuated cuts stemming from poor price prospects and the state's area diversion programme. As a result, output in Japan is put 3 percent below the 2016 level at 10.4 million tonnes (7.5 million tonnes, milled basis), whereas the contraction in the Republic of Korea is officially seen in the order of 6 percent to 5.3 million tonnes (4.0 million tonnes, milled basis). Output is also anticipated to decline for the second successive season in **Viet Nam** to 43.3 million tonnes (28.1 million tonnes, milled basis), following losses incurred during the winter-spring cycle to lingering salinity problems and excess



precipitation. Damages from successive storms and a shift away from rice cultivation are also set to depress winter output, more than offsetting yield-driven gains to the summer-autumn crop, which benefitted from more conducive weather. Production is also seen ending lower in **Afghanistan**, the **Democratic People's Republic of Korea** and **Turkey**.

Africa

Larger crops in Guinea, Nigeria and Sierra Leone to drive a 1 percent expansion in African production

Most countries in **Africa** have already collected their 2017 main crops or are in the process of doing so, with only a few producers now engaged in off-season cropping activities. FAO's 2017 outlook for the continent continues to suggest that aggregate production will exceed the 2016 all-time high by 1 percent, reaching 31.1 million tonnes (20.3 million tonnes, milled basis). The projected growth mirrors expectations that weather induced shortfalls in Eastern and Southern Africa, namely in Madagascar and the United Republic of Tanzania, will be more than compensated by greater output in western parts of the continent. Prospects are also positive for the largest single African rice producer, **Egypt**. Despite attractive cotton prices and penalties for growers cultivating rice beyond Government-set ceilings, FAO puts the October-ended harvest in Egypt at 6.4 million tonnes (4.4 million tonnes, milled basis). This level would stand 80 000 tonnes above the 2016 estimate, largely the reflection of yield improvements and still attractive margins for rice cultivation.

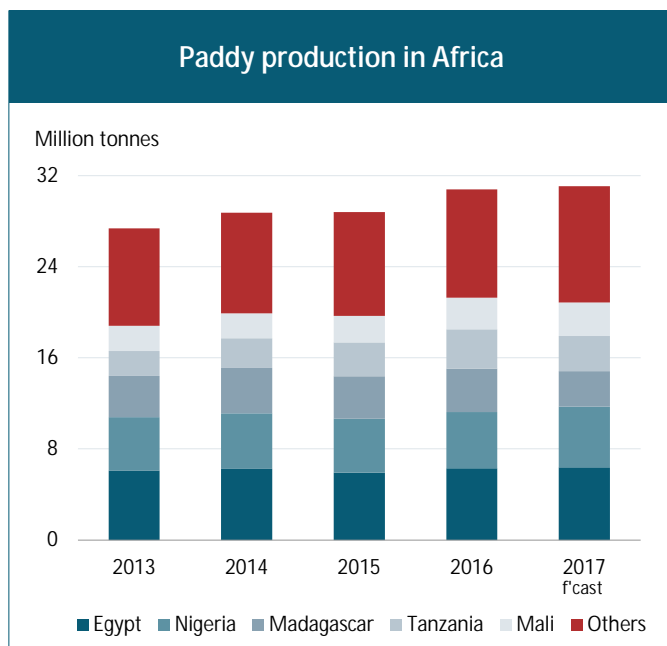
In **West Africa**, generally favorable precipitation levels through September permitted producers to react to attractive prices and government assistance programs by expanding plantings. Although unseasonable dryness developed over various countries successively, the latest Government assessments indicate that the sub-region's expansionary trend is unlikely to be hindered. Accordingly, aggregate output in West Africa is forecast to stage a 7 percent annual expansion to a new record of 16.6 million tonnes (10.5 million tonnes, milled basis). FAO anticipates that **Nigeria** will lead the 2017 expansion, due to generally conducive weather and area gains promoted by high local quotations. However, equally strong results are now expected to take place in **Guinea** and **Sierra Leone**, where aided by adequate rains output is set to reach unprecedented levels. In Sierra Leone, officials have also recently confirmed their self-sufficiency ambitions, seeking to attract private sector investment and assistance from development partners to bolster production in southern districts and enhance access to machinery and equipment. In **Senegal**, even though the 2017-projected outcome would stand at more than twice the level produced in 2012, it would fall short of the 1.6 million tonnes paddy target set under the state's self-sufficiency program. As a result, the Government would now be eying to attain full self-sufficiency in rice by 2019. Reversing earlier expectations of declines, authorities in **Mauritania** and **Chad** indicate that crops in their countries are likely to recover from 2016 weather and price depressed levels. Expansions in both countries would be notwithstanding reported area constraints this season, in Chad owing to lack of access to basic inputs and in Mauritania, due to growing sector indebtedness. Among other producer, **Cote d'Ivoire**, **Ghana**, **Mali** and **Togo** are all forecast to gather more in 2017.

WEST AFRICA: PADDY PRODUCTION

	2011-2015	2016	2017	2017/2016		2017	
	Average	Estimate	Forecast	Var.		Previous	Revision
	(.....thousands of metric tonnes.....)			(%)		(..thousands of metric tonnes..)	
WEST AFRICA	13,414	15,470	16,554	1,084	7	16,349	205
Benin	217	281 G	277 G	-4	-1	277 G	0
Burkina Faso	308	385 G	362 G	-23	-6	339 G	24
Chad	255	258 G	281 G	23	9	259	22
Cote d'Ivoire	777	849	928	78	9	888	40
Gambia	58	49 G	30 G	-19	-39	60	-30
Ghana	552	688 G	720 G	33	5	770	-50
Guinea	1,915	2,174 G	2,348 G	174	8	2,285	62
Guinea-Bissau	177	186 G	165 G	-21	-11	182	-17
Liberia	284	269 G	279 G	10	4	275	4
Mali	2,073	2,781 G	2,921 G	140	5	2,918	3
Mauritania	212	207 G	227 G	19	9	146	81
Niger	89	149 G	100 G	-49	-33	151	-51
Nigeria	4,660	4,950	5,350	400	8	5,350	0
Senegal	555	946 G	1,015 G	70	7	1,100	-85
Sierra Leone	1,135	1,161 G	1,401 G	241	21	1,200	201
Togo	146	137 G	149 G	12	9	149 G	0

G Official figure.

Instead, the 2017 production outlook has deteriorated for **Gambia** and **Guinea Bissau**, in both cases mirroring precipitation shortages in the latter part of the rainy season, which exacerbated earlier losses incurred to floods. Although April-approved cuts to fertilizer prices are reported to have provided some encouragement in Gambia, output in the country is officially expected to slump by 39 percent year-on-year to 30 000 tonnes (19 000 tonnes, milled basis). According to authorities, the reduction would be in the order of 11 percent in Guinea Bissau to 165 000 tonnes (110 000 tonnes, milled basis). **Benin** and **Burkina Faso** are similarly forecast to face contractions in 2017 due to poorly distributed rains, which in the case of Burkina Faso were compounded by pest attacks.



Put together, countries in **Eastern Africa** are forecast to gather 7 percent less than the 2016 record, or 3.8 million tonnes (2.5 million tonnes, milled basis). Paddy production in the **United Republic of Tanzania** and **Burundi** was negatively impacted by unseasonable dryness this season, with lingering shortages of water for irrigation early in the year similarly hindering a marked recovery in **Kenya**. **Uganda**, like Kenya, saw 2016 production hit by drought. However, more conducive weather has aided Uganda's first cropping cycle, while last year's launch of a Government-backed outgrower scheme covering up to 25 000 smallholders has also fostered expectations of output growth. Provided weather conditions hold through the June end of the second cycle of the season, Uganda may see production pass from 215 000 tonnes (143 000 tonnes, milled basis) in 2016, to 235 000 tonnes (157 000 tonnes, milled basis) this season. Meanwhile, the latest official assessments confirm the excellent turnout of the 2017 season in **Rwanda**, where attractive paddy margins and input assistance underpinned a 18 percent annual

expansion to an all-time high of 130 000 tonnes (87 000 tonnes, milled basis).

After two successive seasons of El Niño related setbacks, most rice producing countries in **Southern Africa** benefitted from improved growing conditions. Beneficial rains permitted area and yield to rebound, facilitating double-digit output recoveries **Malawi**, **Mozambique**, and **Zambia**. **Madagascar** proved an exception to this trend, seeing output severely hit by late and insufficient rainfall, along with damages caused by the March strike of cyclone Enawo. Based on the results of a FAO/WFP crop assessment, these factors lowered 2017 production in Madagascar to 3.1 million tonnes (2.1 million tonnes, milled basis), down 19 percent from 2016 and its lowest since 2005.

Central America and the Caribbean

Production growth curbed by hurricane damages

The 2017 Atlantic Hurricane Season (June-November) proved to be the most active since 2005, bringing 17 storms, 10 of which hurricanes. Category 5 hurricanes Irma and Maria, along with tropical storm Nate, proved particularly deadly, denting the outlook for a season that had been otherwise characterised by conducive growing conditions. Reflective of this pattern and of expected gains in non-storm affected areas, 2017 output in the sub-region is expected to reach 2.9 million tonnes (1.9 million tonnes, milled basis), up 2 percent year-on-year. Compared to figures reported in October, revisions to historical output estimates lifted forecasts of 2017 production in **Honduras** to 81 000 tonnes (53 000 tonnes, milled basis), up 10 percent year-on-year. This would mark the sixth successive season of output gains in Honduras, with this year's outturn facilitated by conducive weather and growing usage of improved seeds. The outlook for **Mexico** is similarly bolstered by greater reported uptake of higher-yielding varieties, along with a 3 percent expansion in spring/summer crop plantings. Assuming that normal growing conditions allow producers to realise their intended 9 percent increase in autumn/winter acreage, 2017 production in Mexico is expected to stage an 8 percent annual expansion to a total of 270 000 tonnes (180 000 tonnes, milled basis).

Meanwhile, FAO has lowered its forecast of 2017 production in the **Dominican Republic** and **Haiti** to 942 000 tonnes (565 000 tonnes, milled basis) and 179 000 tonnes (119 000 tonnes, milled basis), respectively. The reductions seek to better account for hurricane related losses, even if in both cases revised figures would still suggest generally positive outcomes, given output gains registered prior to Hurricane Irma and Maria. Growth prospects for **Cuba** were also undermined by tight water

supplies for irrigation early in the season and setbacks associated with strike of Hurricane Irma, while in **Costa Rica** an expected production contraction this season would be owed to damages inflicted by the strike of tropical storm Nate.

South America

2018 outlook dampened by tight producer margins and sowing delays

In **South America**, where most countries have already concluded the season, 2017 production is estimated at a total of 25.5 million tonnes (17.3 million tonnes, milled basis). This level would represent an 8 percent annual recovery, falling just 200 000 tonnes short of the 2015 all-time high. The feat came largely on the back of a 16 percent production rebound in **Brazil** to 12.3 million tonnes (8.4 million tonnes, milled basis). The upturn was facilitated by conducive weather, which boosted yields to new records. Amid improved growing conditions, **Guyana** and **Uruguay** also saw output expand by over 100 000 tonnes, each, to 948 000 tonnes (616 000 tonnes, milled basis) and 1.4 million tonnes (987 000 tonnes, milled basis). In **Colombia**, notwithstanding steep declines in local quotations, producers' continued preference for rice over other crops lifted output to record of 2.9 million tonnes (2.0 million tonnes, milled basis).

The 2017 season closed with less encouraging results elsewhere in the sub-region. **Peru** is estimated to have witnessed the largest absolute decline, due to short water availabilities for irrigation and flooding problems. Output in the country is put 6 percent below the 2016 record to 3.0 million tonnes (2.0 million tonnes, milled basis). Tight producer margins and unseasonable rains also depressed output in **Argentina** by 5 percent to 1.3 million tonnes (904 000 tonnes, milled basis). Instead, cuts in **Bolivia** and **Chile** were in linked to unseasonable dryness, which in the case of Bolivia where compounded by poor price

prospects. Price declines along with pest attacks are also assessed to have depressed 2017 output in **Ecuador** by another 4 percent 1.2 million tonnes (743 000 tonnes, milled basis).

Meanwhile, early progress of the **2018** season points to negative outturns in some important South American producers, which have seen plantings curbed by tight margins, often the result of high energy or fuel costs for irrigation. Compounding on the reduced remuneration prospects were heavy October downpours. These hindered sowing operations, calling into question prospects of a second successive season of excellent yield results. Even though drier November conditions allowed farmers to make considerable planting inroads, in **Argentina** officials indicate that between 12 and 14 percent of crops in the main producing provinces were planted past the optimal sowing window that ends in mid-November. In **Uruguay** and **Brazil's** Rio Grande do Sul this share was in the order of 10 and 23 percent, respectively. On this backdrop, the latest assessments indicate that a total of 194 500 hectares were put under paddy in Argentina, down 6 percent from 2017 and representing the fourth successive season of area retrenchments. In Uruguay, although some relief was provided by a November Government decision approving a 15 percent discount on electricity charges on irrigation, industry assessments suggest that area coverage hovers around 150 000 hectares, down 9 percent year-on-year and an eleven-year low. CONAB's December assessment in similarly downcast, seeing Brazil headed towards a 6 percent production contraction in 2018 to 11.6 million tonnes (7.9 million tonnes, milled basis).

Although October rains also posed sowing challenges in **Chile** and **Paraguay**, higher prices have raised prospects of a 30 percent rebound in plantings in Chile. Anticipated gains in Paraguay would instead be associated to a favourable export performance, along with credit assistance programmes for smallholders. The outlook is

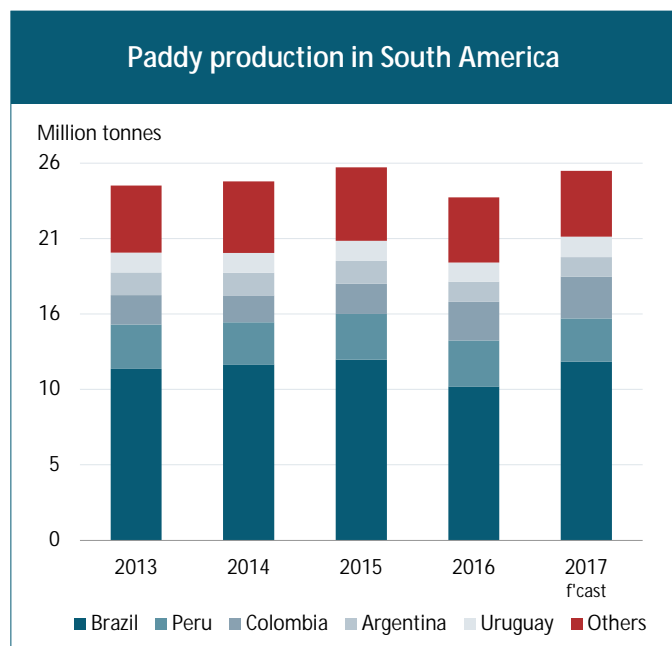
BRAZIL: PADDY PRODUCTION BY REGION IN 2017 AND 2018^{1/}

Region	Area (000 ha)			Yields (Mt/ha)			Production (000 Mt)		
	2017	2018	Var %	2017	2018	Var %	2017	2018	Var %
BRAZIL	1,981	1,946	-1.8	6.2	6.0	-4.1	12,328	11,612	-5.8
North	263	260	-1.1	4.1	4.1	-0.9	1,086	1,064	-2.0
Northeast	229	240	4.5	1.9	1.6	-14.6	437	390	-10.8
Centre-West	199	183	-8.2	3.7	3.6	-2.8	732	654	-10.8
South East	16	16	-2.5	3.4	3.5	2.1	55	55	-0.2
South	1,273	1,248	-2.0	7.9	7.6	-3.7	10,018	9,449	-5.7

1/ For Brazil: 2016/17 and 2017/18 paddy seasons

Source: CONAB – Crop 2017/2018 - Third Assessment – December 2017

likewise positive for **Bolivia**, where beneficial rains and more attractive prices have aided sowing operations, giving rise to expectations of a strong production recovery in 2018.



North America, Europe and Oceania

Negative prospects for the United States and Europe confirmed, as is output rebound in Australia

In **North America**, the USDA's outlook for 2017 production in the **United States** has changed little since last issue of the RMM. The October-ended harvest is pegged at 8.1 million tonnes (5.7 million tonnes, milled basis), down 20 percent from 2016 and the smallest crop gathered since 1997. The fall was mostly imputable to a 24 percent shortfall in long-grain output, as producers reacted to more attractive margins for competing crops by slashing plantings. Additional losses were triggered by April/May floods in southern producing states and by the August strike of Hurricane Harvey. Short/medium-grain output also retreated by 9 percent year-on-year, mostly owing to planting setbacks incurred in California as a result of overly wet conditions.

Less buoyant yield outcomes in the two largest producers of the **European Union**, Italy and Spain, have lowered October forecasts of aggregate output in the block by 70 000 tonnes to 3.0 million tonnes in 2017 (1.8 million tonnes, milled basis), down 3 percent year-on-year. In Italy, output is reported to have fallen 5 percent short of 2016 levels to an overall average volume of 1.5 million tonnes (906 000 tonnes, milled basis). The fall was yield-driven, although area also fell, as cuts to Japonica plantings were only partly compensated by a recovery in Indica acreage. In the case of Spain, officials now peg 2017 output at 840 000 tonnes (504 000 tonnes, milled basis), still 2 percent above the 2016 weather-depressed level, owing to productivity improvements. With the exception of France and Romania, all other EU rice producers are assessed to have gathered less in 2017. To a large extent, falls reflected area retrenchments induced by poor price prospects, although in the case of Portugal declines were imputable to water shortages and unseasonably warm conditions. Elsewhere in Europe, the 2017 outlook is also negative for the **Russian Federation**, at 1.0 million tonnes (676 000 tonnes, milled basis). The 6 percent annual fall mirrors area reductions driven by unattractive prices, although yield improvements are expected to mitigate the area reduction somewhat.

In **Oceania**, dispelling earlier expectations of another area expansion, December assessments by ABARES indicate that 2018 plantings in **Australia** amounted to 80 000 hectares, down 2 percent from 2017. At that level, area coverage would still stand out at their second highest in five years, as water carry-overs ensured adequate water supplies for irrigation, adding to favourable weather conditions at planting time. Further encouragement was provided by recoveries in international Japonica quotations and industry calls to move towards greater cultivation of higher-valued specialty rices. The latter would be in order to avert competition with other remunerative crops, such as cotton. As a result, after staging a 195 percent annual rebound in 2017 to 809 000 tonnes (540 000 tonnes, milled basis), production in Australia is officially seen little changed in 2018, at 800 000 tonnes (534 000 tonnes, milled basis).

USA: RICE PRODUCTION BY CLASS

Year	2013	2014	2015	2016	2017	2017/ 2016
	(.....thousands of metric tonnes, milled basis)					Var %
ALL	6,117	7,106	6,133	7,117	5,664	-20
Long Grain	4,248	5,202	4,236	5,286	4,005	-24
Medium Grain	1,769	1,830	1,811	1,732	1,570	-9
Short Grain	101	74	86	100	88	-12

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

INTERNATIONAL TRADE

Forecasts of world rice trade in 2017 raised by another 1.2 million tonnes

Following a 1.2 million tonne upward revision since October, world trade in rice in calendar **2017** is now predicted to stage an 11 percent annual rebound to an all-time record of 46.2 million tonnes. The more buoyant outlook primarily stems from expectations of a 15 percent upturn in Asian imports to 21.8 million tonnes. Bangladesh would account for much of Asia's import revision and the region's expected import increase, seeing deliveries climb by 2.1 million tonnes year-on-year, in the aftermath of output losses to multiple floods and spikes in local quotations. Combined with greater purchases by the Islamic Republic of Iran, Iraq, the Philippines and Sri Lanka, this surge more than offset a sharp reduction in deliveries to Indonesia. In Africa, 2017 imports are set to expand by 12 percent to an all-time high of 16.0 million tonnes, sustained by strong demand from West African buyers, in particular Nigeria and Senegal, along with greater imports by drought-hit Madagascar. Meanwhile, upward revisions to import forecast for Brazil, Haiti, Mexico and Peru overturned earlier expectations of no import growth in Latin America and the Caribbean. Consignments to the region are now seen exceeding 2016 records by 2 percent to 4.3 million tonnes thanks to attractive international prices. Trade flows have been less varied *elsewhere* in world, with deliveries to Europe, the United States and Oceania holding broadly steady year-on-year and close to levels reported in October.

On the export side, the most significant upward revision to 2017 forecasts concerned Myanmar, which thanks to competitive prices and strong demand from China across borders looks set to close 2017 with an unprecedented

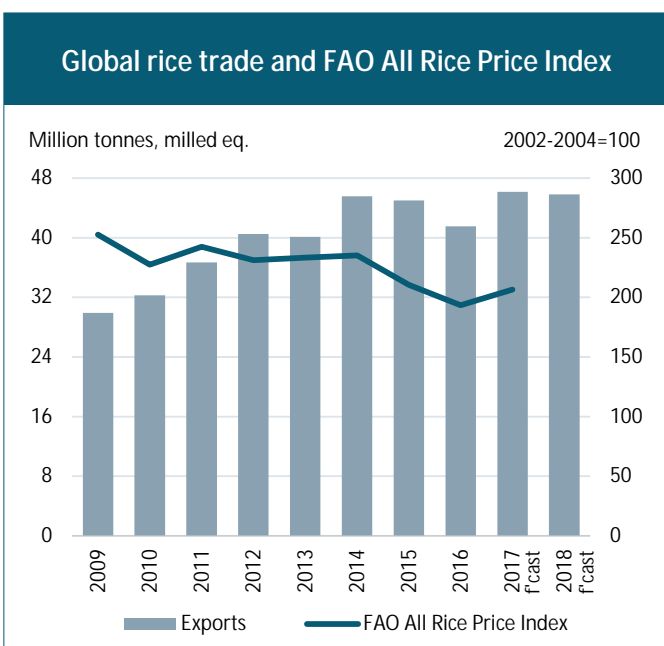
export volume of 2.7 million tonnes. The latest figures also point to record-breaking exports by India, which is set to consolidate its role as the world's leading rice exporter for the sixth consecutive year by shipping 11.8 million tonnes. More buoyant export outlooks have also concerned China (Mainland) and Thailand and, although less than previously forecast, deliveries are also seen up in Viet Nam and the United States. Combined with expected expansions by the European Union and Uruguay, these gains would more than compensate for export retrenchments in Argentina, Brazil, Egypt, Pakistan and Paraguay.

As to prospects for next year, world rice deliveries are predicted to amount to 45.8 million tonnes in **2018**, just 340 000 tonnes below the 2017 level and marginally above October forecasts. The comparatively upbeat outlook chiefly mirrors expectations that import demand will remain firm in Asia, as result of efforts to reconstitute stockpiles. Imports are instead seen stabilising in Europe and the United States, while they fall in Africa and Latin America and the Caribbean, depressed by ample local supplies and somewhat higher international prices. Among suppliers, India and Thailand are predicted to incur the sharpest export reductions, as tighter exportable availabilities could hinder their ability to compete next year. The outlook is also negative for Argentina, Uruguay and the Russian Federation, owing to expected output shortfalls. Conversely, deliveries by Viet Nam and Pakistan are seen making strong headways, with Australia, Brazil, Cambodia, China (Mainland) and Myanmar also envisaged to count on sufficient supplies to step-up shipments in 2018.

Imports

Asian demand to remain firm in 2018

On aggregate, countries in **Asia** are forecast to take delivery of 22.0 million tonnes in 2018, up from 21.8 million tonnes in 2017. At a country level, the expansion mirrors expectations of large purchases by **Indonesia**, the **Philippines** and **Saudi Arabia**. In the former two, forecast increases are envisaged to mirror state efforts to refurbish state stockpiles and service public distribution programmes. This is even if, at a forecast of 750 000 tonnes, 2018 deliveries to Indonesia would remain at comparatively limited levels, given the state's unwavering self-sufficiency ambitions and its intentions to move towards greater voucher-based food assistance. After two years of subdued imports and in the absence of any local production, Saudi Arabia may see purchases pass from 1.2 million tonnes in 2017 to 1.4 million tonnes next year, whereas **Iraq** may need to raise them to 1.2 million tonnes to offset linger supply tightness arising from another below average crop and reduced inventories. Production

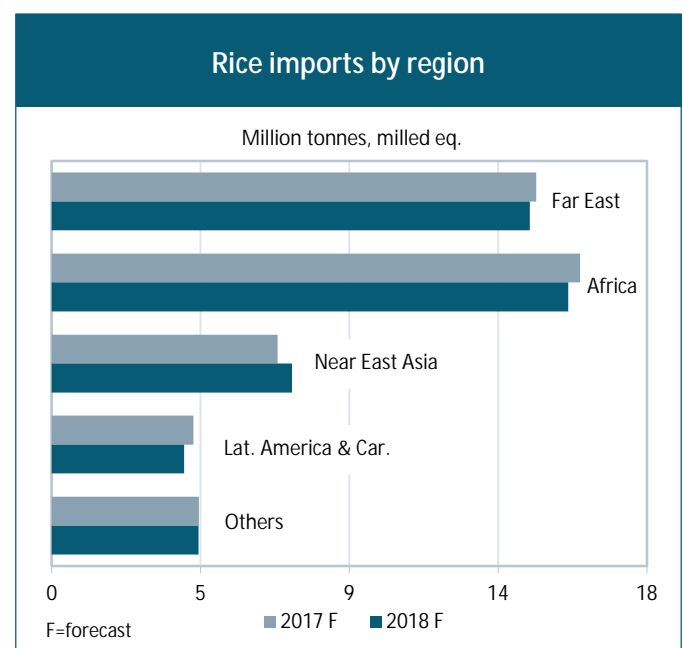


shortfalls are likewise expected to encourage **Afghanistan** and **Nepal** to step-up imports over the course of 2018, with larger purchases also envisaged in the **Republic of Korea**, **Malaysia** and the **United Arab Emirates**.

Combined, these would more than compensate for reductions in **Bangladesh** and **Sri Lanka**, where provided no major production setbacks are incurred next year, 2018 imports could ease to 1.4 million tonnes and 500 000 tonnes, respectively. In both cases, however, forecast levels would remain well over volumes normally purchased by both countries, given expectations of lingering supply tightness ahead of new-crop harvests in the second quarter of the year. Moreover, state stockpiles in Bangladesh were still reported to be below the 400 000 tonne mark in late November, compared to the 1.2 million tonnes held in this period between 2014 and 2015. The reduced levels were in spite of numerous supply deals reached in 2017, part of which are expected to be fulfilled over the course of 2018. Comparatively good harvests and a spate in 2017 imports are similarly expected to diminish 2018 purchases by the **Islamic Republic of Iran** and **Turkey**, with reductions in the former also stemming from intermittent bans on rice imports. In the case of Turkey, a forecast import volume of 280 000 tonnes would include state purchases conducted by the Turkish Grain Board (TMO), which received approval in July to import up to 100 000 tonnes of rice, free of duties, until 31 August 2018. In **China (Mainland)**, the world's largest single rice destination, 2018 purchases are seen holding steady at 5.8 million tonnes, amid continued large differentials between Chinese quotations and those of nearby origins. Meanwhile, the Chinese Government has left WTO mandated tariff rate quotas unchanged at 5.32 million tonnes for 2018. This volume is to be divided equally between Indica and Japonica varieties, with state-owned enterprises reserved a 50 percent share.

After striking an all-time record of 16.0 million tonnes in 2017, deliveries to **Africa** are forecast to ease by 2 percent in 2018 to 15.6 million tonnes. The reduction primarily stems from lower expected deliveries to **Senegal**, **Guinea**, **Mali** and **Sierra Leone**. These would be largely the reflection of good local harvests in these countries, although somewhat higher international prices could also temper import demand over the year. Rice purchases are also forecast to return to more normal levels of around 20 000 tonnes in **Egypt**, as the renewal of an agreement between the Government and the local industry to supply rice for public distribution programs may negate the need to recur to imports next year. Traditionally a rice exporter, Egypt had seen high local quotations and setbacks in local Government procurement lead to imports of around 100 000 tonnes in 2016 and 2017. In the case of **Kenya** and **Madagascar**, forecast import reductions assume a normal unfolding of the 2018 season in both countries. This is

even if depleted inventories from drought-hit crops in 2017 may keep 2018 purchases at above-average levels of around 600 000 tonnes in Kenya, while Madagascar takes another 400 000 tonnes. By contrast, mirroring expectations that demand growth will continue to outstrip production gains, **Nigeria** is seen purchasing 300 000 tonnes more than in 2017, or 2.9 million tonnes. Due to prohibitive import duties and porous borders, the bulk of rice deliveries to Nigeria constitute unofficial inflows from neighboring countries with more lenient tariff regimes. The Nigerian Government has however recently announced that in its efforts to tackle smuggling, they would seek cooperation with Benin under the Badagry Agreement, a 2003 accord between the two countries on cross-border crimes. **Burkina Faso**, **Cameroon**, **Gambia**, **Guinea Bissau**, **Mauritania**, **Niger** and **South Africa** are all similarly forecast to purchase more in 2018.



Aggregate imports by **Latin America and the Caribbean** are predicted to pass from 4.3 million tonnes in 2017 to 4.0 million tonnes next year. The two largest destinations in the region, **Brazil** and **Mexico**, would account for much of the expected 6 percent contraction. In light of prospects of ample local availabilities from a good 2017 crops and record imports, Brazil is seen cutting 2018 purchases by 11 percent to 700 000 tonnes, while under similar circumstances Mexico lowers them by 9 percent to 680 000 tonnes. **Cuba** and **Haiti** are also envisaged to import less in 2018, largely offsetting gains in **Bolivia**, **Chile**, **Costa Rica** and **Venezuela**, where supplies would be needed to compensate for output shortfalls and to refurbish inventories. In the case of **Peru**, 2018 consignments are seen in the order of 270 000 tonnes, down 80 000 tonnes year-on-year, amid expected production recoveries. On the policy front, the Peruvian Government has also announced that it would exclude rice from the price band mechanism and instate an ad valorem

duty in its stead.² The December move follows an agreement with sector representatives, who retained that a surge in imports from Asian countries was largely the result of 2016 amendments to reference import prices used under the scheme. The local industry in **Colombia** has also recently issued calls for the Government to review concessions on rice imports from the United States and Andean Community members. The calls comes in the context of significant falls in local quotations following successive bumper harvests. Officials in the country were also reported to have reached an agreement with their Ecuadorian counterparts that would open the Colombian market to Ecuadorian rice. The move would be geared at resolving long-standing disputes with the fellow Andean Community member over phytosanitary measures and the use of rice import quotas. Imports by Colombia are put in the order of 105 000 tonnes in 2018, up 5 000 tonnes year-on-year.

Elsewhere, 2018 imports by the **European Union** are seen little changed year-to-year at 1.8 million tonnes, while the USDA also points to a likely stable level of purchases by the **United States** of around 760 000 tonnes. In the European Union, however, it remains to be seen what the impact of the lower (0.01 mg/kg) maximum residue level (MRL) for *Tricyclazole*³ will be on basmati flows. In November, the Italian Government also put forward a formal request to instate safe-guard measures against imports conducted under the Everything-But-Arms Agreement, namely from Cambodia and Myanmar, which enjoy duty and quota free access to the EU market, under the accord.

Exports

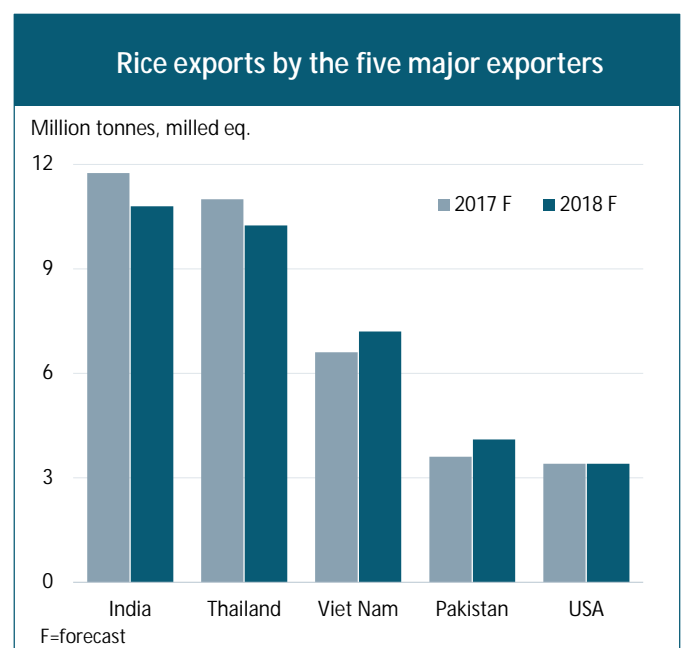
Lower exports by India and Thailand behind forecast trade contraction in 2018

India and **Thailand** are predicted to retain their positions as the world's leading rice exporters over the course of 2018, even if shipments by both countries are envisaged to fall below of the excellent levels attained in 2017. Following shortfalls in basmati output and prospects of somewhat softer South Asian demand, 2018 deliveries by India are seen in the order of 10.8 million tonnes, down 8 percent year-on-year. An expected 750 000 tonne export retrenchment in Thailand to 10.3 million tonnes would instead be linked to the depletion of public stockpiles of

² Rice imports currently attract a 0% ad valorem import duty in Peru. However, under the price band mechanism, they are liable to a surcharge (rebate) when biweekly reference import prices fall below (above) the predetermined floor (ceiling) prices.

³ The EU's revised MRL for Tricyclazole 0.01 mg/kg will be applicable for basmati imports as of 1 January 2018, while for other classes of imported or locally produced rice, the revised rate became effective on July 2017.

food-grade rice, which may compound on intense competition with other Asian suppliers, particularly in lower grade segments. On the other hand, deliveries by **Viet Nam** are envisaged to make further headway in 2018, underpinned by strong expected Asian demand, including from traditional outlets such as the Philippines and Indonesia. Even if much will still depend on the size of the country's 2018 crop, on these bases, Viet Nam is seen shipping 7.2 million tonnes in 2018, up from 6.6 million tonnes in 2017. Rice shipments by **Pakistan** are likewise seen staging a 500 000 tonne rebound in 2018 to 4.1 million tonnes, in the wake of a bumper 2017 harvest. A more modest (4 percent) expansion in deliveries by **Cambodia** hinges on expectations of greater deliveries to China (Mainland), following China's reported agreement to expand its 2018 quota for Cambodian rice to 300 000 tonnes. Amid ample expected exportable availabilities, rice shipments by **Myanmar** and **China (Mainland)** are predicted to continue growing in 2018, reaching 2.8 million tonnes and 1.4 million tonnes, respectively. In Myanmar, local sources point to an emerging trend of paddy exports to China (Mainland). As these remain illicit in Myanmar, the advent of such flows would have elicited official attention.



Outside of Asia, despite a sharp production contraction this season, officials anticipate 2018 shipments by the **United States** to match the 2017 outcome. This would place overall deliveries by the country at 3.4 million tonnes, still the second highest volume since 2010. FAO's outlook is more downcast for **Argentina** and **Uruguay**, in view of expected production shortfalls, which may hinder the countries' ability to compete abroad. Deliveries by Uruguay are seen in the order of 800 000 tonnes in 2018, down from 940 000 tonnes in 2017, while they are expected fall by 5 percent in Argentina to 400 000 tonnes. Although current prospects also suggest that a smaller

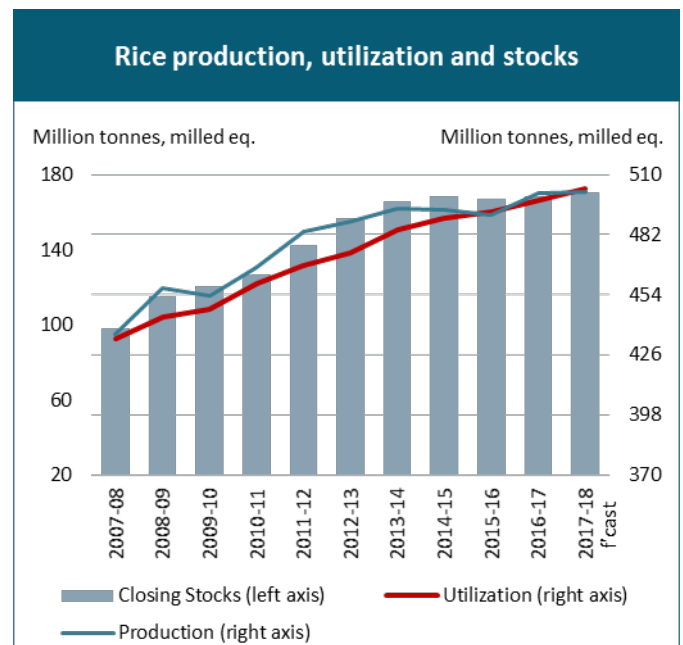
2018 crop is likely to be gathered in **Brazil**, ample inventories along with less intense competition with fellow South American suppliers could still enable the country to step-up shipments to around 720 000 tonnes next year. If confirmed, this volume would reposition Brazil as a net rice exporter, a position it lost in 2016, when an output shortfalls and a successive appreciation of the Real began to depress deliveries. The export outlook is similarly positive for **Australia, Paraguay and Guyana**, all of which should count on sufficient availabilities to export more in 2018. In the case of Guyana, expected gains would also reflect the country's progress in diversifying its destination markets. Cuba, Mexico and Panama have all emerged as important destinations of Guyanese rice since 2016, compensating for sluggish deliveries to the European Union and, in particular, to Venezuela following the interruption of the PetroCaribe rice-for-oil barter agreement in late 2015.

RICE UTILIZATION AND DOMESTIC PRICES

Greater food consumption to drive a 1 percent increase in world rice use

Forecasts of world rice utilisation in 2017/18 have undergone only minor adjustments since the October issue of the RMM, as somewhat higher than previously anticipated use forecasts for Bangladesh and Viet Nam were largely compensated by downward corrections for China (Mainland), India and Myanmar. Overall, 503.5 million tonnes (milled basis) are projected to be used over the course of the season, up from 497.9 million tonnes in 2016/17. Consumption of rice as food remains forecast to account for all of this increase, passing from 400.9 million tonnes in 2016/17 to 406.7 million tonnes this season. On a per caput basis, this volume would put world rice consumption as food at 53.9 kilos per person, up just 0.2 kilos from 2016/17. Quantities destined to animal feed are forecast to decline by 2 percent to 17.5 million tonnes in 2017/18, with another 79.4 million tonnes are used for seed, non-food industrial uses and post-harvest losses, unchanged from the previous season.

Looking at *retail/wholesale price developments*, domestic quotations in **Asia** were steady to firmer during the fourth quarter of the year, when compared to their level three months earlier. The most notably exception to this trend was Cambodia, where domestic prices eased markedly, following the start of main-crop harvesting activities. Instead, quotations in the Republic of Korea accelerated their pace of recovery, reaching a 22-month high by November, following the completion of the smallest harvest since 1980. Although more moderately, prices also



strengthened in India, where Government procurement got off to a strong start, in concert to a good pace of exports. Sales abroad also underpinned prices in Pakistan and Viet Nam, with storm-inflicted damages to the winter crop adding further price support in the latter. In **Africa**, domestic prices were higher in Angola and Togo, sustained by strong local demand, although seasonal tightness also underpinned gains in Chad and Guinea. Instead, the arrival of freshly harvested supplies weighed heavily on domestic quotations in Mali and Nigeria, with further pressure in the Nigeria exerted by greater import arrivals this year. **Elsewhere in the world**, domestic quotations were only moderately changed, with a few exceptions. In Haiti, prices returned to levels prevailing since late 2016, after a momentary August lapse triggered by ample imports and a stronger Gourde. Conversely, domestic quotations were notably weaker in Colombia, pressured by a bumper 2017 harvest, and in Peru owing to sizeable imports.

DOMESTIC RICE PRICES IN SELECTED COUNTRIES



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

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

DOMESTIC RICE PRICES IN SELECTED COUNTRIES

	Historical monthly price trend	Latest quotation available compared to: ^{/1}				
		Month	USD/Kg	3 months earlier	1 year earlier	2 years earlier
SOUTHERN AFRICA						
Angola: Luanda		Oct-17	4.37	8%	16%	104%
Mozambique: Maputo		Nov-17	0.90	-1%	10%	120%
Namibia: Windhoek		Oct-17	1.26	-2%	-11%	30%
Swaziland: Ntl. Avg.		Oct-17	0.94	-3%	-4%	22%
CENTRAL AMERICA AND THE CARIBBEAN						
Costa Rica: Ntl. Avg. (first quality)		Oct-17	1.27	0%	-1%	-2%
Dominican Rep: Santo Domingo (first quality)		Nov-17	1.00	2%	2%	4%
Guatemala: Guatemala City (second quality)*		Nov-17	0.85	0%	12%	6%
Haiti: Port-au-Prince (imported)		Nov-17	0.87	6%	0%	20%
Honduras: San Pedro Sula (second quality)*		Nov-17	0.68	1%	0%	-8%
Mexico: Mexico City (sinaloa)*		Nov-17	0.82	2%	14%	20%
Nicaragua: Managua (oriental) (first quality)*		Nov-17	0.93	0%	4%	7%
Panama: Panama City (first quality)*		Nov-17	0.87	2%	1%	1%
SOUTH AMERICA						
Bolivia: La Paz (grano de oro)		Oct-17	1.28	0%	-1%	-3%
Brazil: São Paulo		Oct-17	1.02	2%	-2%	14%
Colombia: Ntl. Avg (first quality)		Nov-17	0.89	-10%	-15%	-13%
Peru: Lima (corriente)*		Nov-17	0.63	-7%	-6%	-3%
Uruguay: Ntl. Avg. (grade 1)*		Nov-17	1.07	0%	-1%	2%
NORTH AMERICA						
United States: City Avg. (long grain, uncooked)		Oct-17	1.63	-3%	6%	7%
EUROPE						
Italy: Milan (arborio volano)*		Nov-17	0.85	-3%	-29%	-52%
Russian Federation: Ntl. Avg.		Nov-17	1.06	0%	-2%	-8%

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

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

CLOSING STOCKS

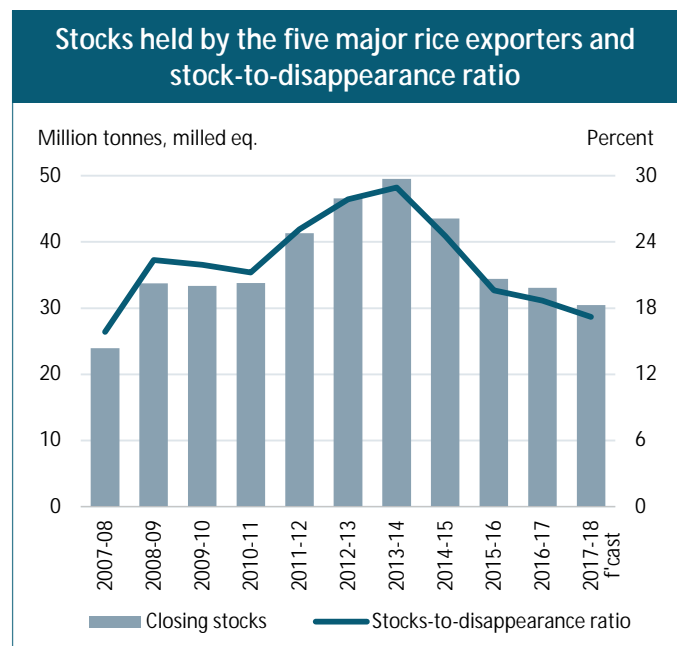
China to sustain a 1.9 million tonne increase in global rice reserves in 2017/18

FAO’s forecast of global rice inventories at the close of 2017/18 marketing years has been raised by 1.4 million tonnes since October to 170.5 million tonnes (milled basis). This level would represent a 1.1 percent increase from the 2016/17 record outcome, resulting in a largely stable **world stocks-to-use ratio** of 33.4 percent for 2017/18. The forecast expansion is anticipated to rely on a 1.5 percent increase in reserves held by **developing countries** to 165.1 million tonnes. This would more than compensate for an 8 percent reduction in **developed nations’** carryovers to 5.4 million tonnes.

Rice importers remain forecast to account for all of the predicted expansion in global rice carry-overs in 2017/18, lifting reserves by 3 percent to a combined 132.8 million tonnes. **China (Mainland)** would account for nearly all of the group’s reserve expansion. Given the more buoyant production results reported by the country, forecasts of rice carryovers China (Mainland) are put 800 000 tonnes above October expectations, at 103.0 million tonnes. This level would represent a 4.2 million tonne increase from 2016/17 and the eleventh consecutive season of accumulations. Greater imports are also predicted to enable **Bangladesh** to reconstitute reserves by 850 000 tonnes, with gains in the **Islamic Republic of Iran, Nigeria** and the **Philippines** further aided by good harvest results. However, these accumulations are likely to be largely offset by sharp reserve reductions anticipated in the **Republic of Korea, Madagascar** and **Sri Lanka**, in all cases

due to sizeable production contractions this season, and in **Saudi Arabia** due to a slow pace of imports.

Despite a 600 000 tonne upward revision to forecasts since October, the **five major rice exporters**⁴ are still predicted to end the season with 8 percent less on reserve, or 30.5 million tonnes. This would lower the group’s **stock-to-disappearance ratio**⁵ from an estimated 18.7 percent in 2016/17 to a ten-year low of 17.2 percent in 2017/18. Much of this expected 2.6 million tonnes shortfall would concentrate in **Thailand**. The country is seen drawing reserves down by nearly a quarter in 2017/18 to 6.1 million tonnes, in order to cater to export markets in the absence of Government stockpiles of food grade rice. Next to Thailand, the sharpest contraction in carryovers is expected to take place in the **United States**, where despite a 100 000 tonne upward revision, a sharp output contraction is officially seen lowering carry-outs to a nine-year low of 982 000 tonnes. All other major suppliers of rice are anticipated to end their respective seasons with far smaller reserve reductions, or even expansions, as in the case of **Pakistan**, where carryover are seen hitting an eight-year high of 800 000 tonnes, in the wake of a record 2017 harvest. In **India**, 2017/18 reverses are put in the order of 19.3 million tonnes, up from a revised estimate of 19.5 million tonnes for the previous season, with sizeable state reserves amassed through acquisitions contributing to the relative stability. In the case of Viet Nam, an only partial export recovery in 2017 is predicted to keep stocks just 50 000 tonnes shy of the 2016 abundant level of 3.35 million tonnes.



⁴ India, Pakistan, Thailand, the United States and Viet Nam.

⁵ Defined as the sum of the five major exporters’ stocks divided by the sum of the five countries’ domestic utilization plus exports.

INTERNATIONAL PRICES

International rice prices continue to inch up

Although the last quarter of the year normally marks the onset of harvesting activities across major northern-hemisphere suppliers, international rice prices have continued to gain ground over the past two months. This was reflected by the FAO All Rice Price Index (2002-2004=100), which passed from an October average of 216 points to 221 points in mid-December.⁶ Higher quality Indica and Japonica rice led the advance, rising by 3 percent each, owing to stern import demand from South Asian and Far Eastern buyers and currency appreciations in some major rice exporters. Gains were in the order 2 percent for Aromatica supplies and of 1 percent for lower quality Indica rice, mirroring some downward pressure exerted in these segments by tepid buying interest and harvest progress.

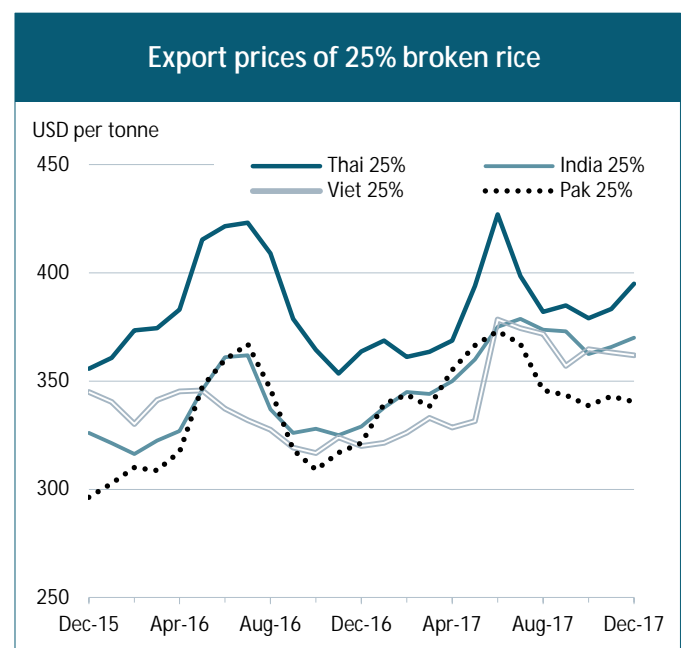
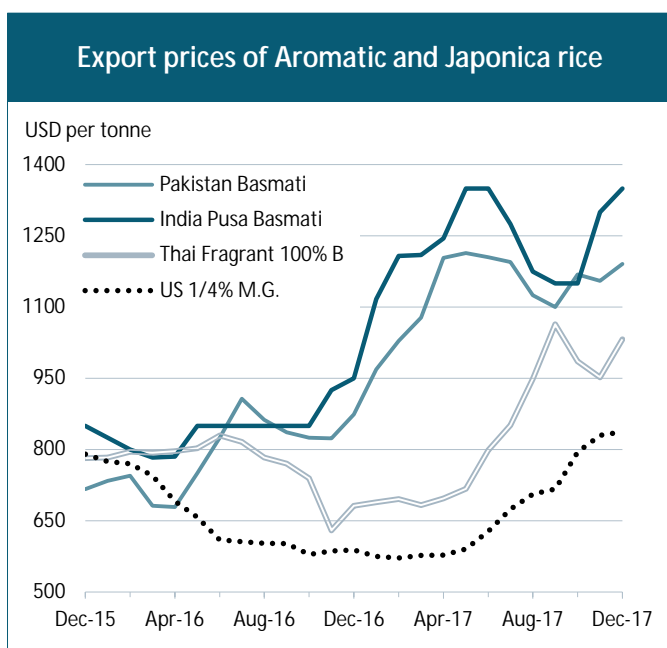
Looking at the major rice origins, export quotations have tended to strengthen in **Thailand**. Benchmark 100% B white rice was quoted at a six-month high of USD 437 per tonne in mid-December, up 6 percent from October levels. The increase coincided with a further strengthening of the Baht, which hit a 31-month high in late November, along with the launch of Government programmes seeking to stabilise prices by delaying the arrival of 12.5 million tonnes of paddy into the market. In the fragrant market, concerns over crop damages caused by floods provided additional support to quotations, more than offsetting downward pressure from subdued buying interest.

In **India**, although a Rupee appreciation along with a fast pace of Government procurement were generally

supportive of export quotations, competition with Thailand remained steadfast in the parboiled segment. Accordingly, Indian values of 25% broken white rice posted a 2 percent increase to USD 370 per tonne, while prices of IR64 5% parboiled rice eased by 2 percent to USD 400 per tonne. Sentiment was considerably firmer in the Indian fragrant market, where Pusa Basmati prices reacted to prospects lower fragrant output by reversing all losses incurred since June 2017. The quality was quoted at a mid-December value of USD 1350 per tonne, up 17 percent from October levels.

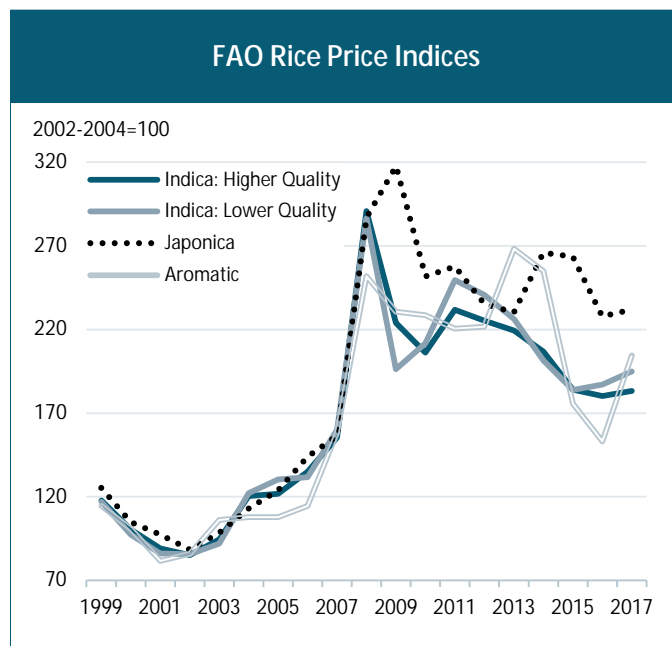
In the **United States**, many of the factors that had underpinned price recoveries earlier in the year continued to be at play in the past few months, namely lower 2017 output and a series of import tenders by Japan and the Republic of Korea. A mid-November sale of 90 000 tonnes to Iraq, conducted under a memorandum of understanding first reached with the Government of Iraq in mid-2016, lent some more support prices in the long-grain segment.

In **Pakistan**, sales to regular East African outlets have sustained a 1 percent recovery in Indica quotations since October. This is even if 25% broken from the country continued to trade between USD 22-55 below values of competing origins, pressured by a sluggish export performance this year and new crop arrivals from an expected bumper 2017 harvest. Against the general tendency, export prices had a soft undertone in **Viet Nam**, mirroring a slowdown in trading activities since October. Still, crop losses incurred to successive storms tended to narrow decreases, maintaining 25% broken about 1 percent short of October levels at USD 362 per tonne.



⁶ All December 2017 values are based on price averages during the first two weeks only.

From an annual stance, these tendencies positioned the annual average FAO All Rice Price Index at 207 points, 7 percent higher than in 2016 and just short of its 2015 average of 211 points. Price recoveries have been ubiquitous this year, but the strongest rebound concerned fragrant varieties (+34 percent), followed by lower quality Indica rice (+4 percent). In the higher quality Indica and Japonica segments, subdued trading activity early in the year tended to moderate gains to around 2 percent.



FAO Rice Price Indices					
	All	Indica		Japonica	Aromatic
		Higher quality	Lower quality		
2002-2004 = 100					
2013	233	219	226	230	268
2014	235	207	201	266	255
2015	211	184	184	263	176
2016	194	180	187	228	153
2016 December	187	170	182	218	156
2017 January	190	173	186	217	169
February	194	173	189	216	187
March	195	171	189	216	193
April	198	174	191	216	208
May	202	181	193	218	209
June	209	194	204	224	205
July	210	188	204	231	208
August	212	186	200	241	209
September	212	188	197	238	215
October	216	188	195	250	216
November	219	191	196	256	213
December*	221	193	197	257	221
2016 Jan.-Dec.	194	180	187	228	153
2017 Jan.-Dec.	207	183	195	232	204
% Change	6.7	1.7	4.2	1.8	33.6

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 higher (lower) quality referring to rice with less (equal to or more) than 20 percent broken. The Sub-Index for Aromatic Rice follows movements in prices of Basmati and Fragrant rice.

*Two weeks only.

EXPORT PRICES FOR RICE

	Thai White 100% B Second grade	Thai Parboiled 100%	U.S. Long Grain #2, 4%	Thai 5%	Viet 5%	Uru 5% 1/	India 25%	Pak 25%	Thai 25%	Viet 25%	Thai A1 Super 2/	U.S. California Medium Grain #1, 4%	Pak Basmati 3/	Thai Fragrant 4/
	<i>(US \$/tonne, f.o.b.)</i>													
2012	588	594	567	573	432	584	391	396	560	397	540	718	1 137	1 091
2013	534	530	628	518	391	598	402	371	504	363	483	692	1 372	1 180
2014	435	435	571	423	410	599	377	366	382	377	322	1 007	1 324	1 150
2015	395	392	490	386	353	541	337	318	373	334	327	857	849	1 008
2016	407	410	438	396	347	473	333	327	385	332	348	651	795	768
2016														
December	384	382	402	373	333	488	329	321	364	320	331	588	874	682
2017														
January	392	394	395	377	335	505	338	340	369	322	336	575	969	689
February	384	392	401	367	346	510	345	344	361	326	339	571	1 029	696
March	385	383	395	370	351	475	344	338	364	333	340	577	1 078	683
April	394	393	405	380	342	491	350	355	369	329	332	578	1 204	697
May	430	431	418	415	352	485	360	367	394	332	322	590	1 214	717
June	469	479	445	454	405	495	375	373	427	378	337	627	1 205	799
July	432	442	454	417	397	502	379	367	399	375	337	675	1 195	851
August	410	416	491	394	389	502	374	346	382	372	339	706	1 125	949
September	414	426	516	399	380	504	373	344	385	357	337	717	1 100	1 064
October	411	429	516	394	390	500	363	339	379	365	328	795	1 169	986
November	424	428	516	399	392	509	366	343	383	363	330	830	1 155	952
December*	437	437	518	412	386	508	370	341	395	362	337	837	1 191	1 032
2016 Jan.-Dec.	407	409	438	396	347	473	333	327	385	332	348	651	795	768
2017 Jan.-Dec.	415	421	456	398	372	499	361	350	384	351	334	673	1 136	843
% Change	2.1	2.8	4.2	0.5	7.1	5.5	8.4	6.9	-0.3	5.9	-3.9	3.4	42.9	9.7

Sources: Livericeindex.com, Thai Department of Foreign Trade (DFT) and other public sources.

1/ Long grain white rice, fob fcl. 2/ White broken rice. 3/ Basmati ordinary up to May 2011. Super kernel white basmati 2% from June 2011 onwards.

4/ Hom Mali rice, grade A.

... = unquoted

* Two weeks only.

RICE POLICY DEVELOPMENTS ⁷

Area	Date	Policy Instrument	Description
Azerbaijan	Nov-17	Import tariff	Lowered customs duties on imported paddy for sowing, effective 1 January 2018. According to the decision, imports of paddy for sowing would be duty-free between January and April and accrue an import tariff of 5 percent in the remaining months of the year. The revised rates compare to a current duty of 5 percent for January through April and of 15 percent for the remaining months of the year. Customs tariffs for all other classes of rice were left unchanged at 15 percent.
Bangladesh	Nov-17	Government procurement, purchasing prices	Announced that it would buy 300 000 tonnes of Aman rice, between December 2017 and February 2018. Volumes would be purchased at BDT 39 per kg (USD 464 per tonne), up from the BDT 33 per kg (USD 393 per tonne) offered a year earlier.
Bangladesh	Nov-17	Imports, Government procurement	Decided that it would purchase 100 000 tonnes of imported parboiled rice through a local tender.
China (Mainland)	Oct-17	Stock release	Put 478 518 tonnes of paddy on sale through an auction held on 18 October 2017. The auction resulted in 6 787 tonnes being sold.
China (Mainland)	Oct-17	Stock release	Sold 156 174 tonnes of paddy through an auction held on 20 October 2017. The tender offered a total of 393 997 tonnes for sale.
China (Mainland)	Oct-17	Stock release	Offered 499 897 tonnes of paddy from state reserves through an auction held on 25 October 2017. The auction resulted in 3 775 tonnes being sold.
China (Mainland)	Oct-17	Stock release	Found buyers for 108 962 tonnes of paddy from state reserves, after offering 490 822 tonnes of paddy in an auction held on 27 October 2017.
China (Mainland)	Nov-17	Stock release	Sold 2 562 tonnes of paddy from state reserves, after offering 478 342 tonnes of paddy through a tender held on 1 November 2017.
China (Mainland)	Nov-17	Stock release	Put 498 636 tonnes of paddy from state reserves for auction on 3 November 2017, out of which 36 355 tonnes of paddy were sold.
China (Mainland)	Nov-17	Stock release	Sold 11 363 tonnes of paddy from state reserves, out of a total of 500 364 tonnes offered through an auction held on 8 November 2017.
China (Mainland)	Nov-17	Stock release	Offered 496 311 tonnes of paddy from state reserves, through an auction held on 10 November 2017. The auction resulted in 55 265 tonnes being sold.
China (Mainland)	Nov-17	Stock release	Sold 5 054 tonnes of paddy from state reserves, after offering 462 588 tonnes of paddy in an auction held on 15 November 2017.
China (Mainland)	Nov-17	Stock release	Sold 40 123 tonnes of paddy from state reserves through an auction held on 17 November 2017. Volumes offered amounted to 389 110 tonnes.

⁷ The full collection of rice policies, starting in January 2011, is available at: http://www.fao.org/economic/est/est_commodities/commodity_policy_archive/en/?groupANDcommodity=rice

Area	Date	Policy Instrument	Description
China (Mainland)	Nov-17	Stock release	Put 493 921 tonnes of paddy on sale in an auction held on 22 November 2017. The auction resulted in 4 212 tonnes being sold.
China (Mainland)	Nov-17	Stock release	Sold 34 870 tonnes of paddy from state reserves, after offering 441 046 tonnes of paddy in a tender held on 24 November 2017.
China (Mainland)	Nov-17	Stock release	Offered 468 041 tonnes of paddy for sale from state reserves through an auction held on 29 November 2017, out of which 6 841 tonnes were sold.
China (Mainland)	Dec-17	Stock release	Sold 41 720 tonnes of paddy from state reserves, out of a total of 333 673 tonnes offered through an auction held on 1 December 2017.
China (Mainland)	Dec-17	Stock release	Found buyers for 4 098 tonnes of paddy from state reserves, after offering 512 591 tonnes of paddy in an auction held on 6 December 2017.
China (Mainland)	Dec-17	Stock release	Put 400 699 tonnes of paddy from state reserves for auction on 8 December 2017, of which 40 155 tonnes of paddy were sold.
China (Mainland)	Dec-17	Stock release	Sold 14 989 tonnes of paddy from state reserves through an auction held on 13 December 2017. Volumes offered amounted to 485 644 tonnes.
China (Mainland)	Oct-17	Import quota	Announced that the 2018 tariff-rate import quota for rice would be kept unchanged at 5.32 million tonnes.
Egypt	Nov-17	Government procurement	Reached an agreement with the industry, whereby traders and processors would supply the Government with rice at a price of EGP 6.1 per kilo (USD 344 per tonne) to enable the state to continue selling rice to consumers through Government outlets at EGP 6.5 per kg (USD 367 per tonne).
Guatemala	Nov-17	Import quota	Decided that 26 000 tonnes of paddy from any origin would be exempted from import duties between 1 January and 31 December 2018.
Malaysia	Oct-17	Budgetary allocations/ Production support	Announced that it would set aside MYR 6.5 billion (USD 1.6 billion) to support the agricultural sector, as part of its 2018 budgetary allocations. The sum would include MYR 2.3 billion (USD 562 million) to fund input assistance programmes for paddy producers, rubber farmers and fishermen, further to improvements to irrigation and road infrastructure. Another MYR 150 million (USD 37 million) would go to channel a monthly outlay of MYR 200 (USD 49) to paddy farmers for three months preceding the harvest period.
Nigeria	Nov-17	Budgetary allocations/ Production support	Announced that it would continue to channel assistance to farmers through the Anchor Borrowers Programme and the President's Fertilizer Initiative, as part of its 2018 budgetary allocations. Additional efforts to bolster agriculture growth would include the completion of irrigation projects, steps to combat smuggling of foodstuffs and fast tracking the establishment of six Staple Crop Processing Zones to enhance production, processing and storage capacity.
Sri Lanka	Nov-17	Consumer prices	Adjusted the prices of three qualities of rice sold through Lak Sathosa outlets, setting them between LKR 65-78 (USD 0.4-0.5) per kg, effective 2 November 2017.
Sri Lanka	Nov-17	Budgetary allocations/ Production support	Announced that it would set aside LKR 3.0 billion (USD 19.4 million) to launch a weather index insurance scheme, as part of its 2018 budgetary allocations. Insurance premiums under the programme would be partly subsidised by the Government, with the scheme providing minimum coverage of LKR 40 000 (USD 258) per acre planted to paddy, or five other crops. Additional resources would go to boost storage capacity, monitor groundwater resources, address

Area	Date	Policy Instrument	Description
			soil fertility problems and conserve water resources. Credit assistance for smallholders, processors and farmer organisations would also be provided under the Enterprise Sri Lanka Credit Scheme.
Sri Lanka	Oct-17	Import tender	Issued an international tender to import 150 000 tonnes of parboiled rice and 50 000 tonnes of white rice. Half of the total volume sought would need to be delivered by 30 November 2017 and the balance by 31 December 2017.
Thailand	Oct-17	Stock release	Announced that it would refrain from releasing supplies from Government inventories at harvest time in order to avoid pressuring local quotations. Subsequent statements by officials specified that auctions of state-owned rice would not resume until 2018.
Uruguay	Nov-17	Production support	Approved a 15 percent discount on electricity tariffs for irrigation, valid from November 2017 until March 2018.
Venezuela	Nov-17	Price controls	Set ceilings on consumer prices for Type I rice at VEF 15 561 per kg, at VEF 13 709 per kg for Type II rice, and at VEF 12 537 per kg in the case of Type III rice.
Venezuela	Nov-17	Support prices, price controls	Set producer prices for wet paddy at VEF 4 000 per kg. The move follows September discussions between sector representatives and Government entities, under the Law on Sovereign Supply and Agreed Prices (Plan 50) initiative that sets forth a new system to determine the prices of 50 necessities.
Zimbabwe	Nov-17	Consumer prices	As part of its efforts to stabilise domestic quotations, announced that prices of rice along with 15 other products deemed essential would be closely monitored and that recommended price levels for these goods would be disseminated to be public every fortnight. Essential commodities would also be prioritised in foreign exchange allocations in order to facilitate their import.

TABLE 1: WORLD PADDY PRODUCTION

	2012-2014	2015	2016	2017	Annual Change		2017	
	Average		Estimate	Forecast	2017 / 2016		Previous	Revision
	<i>million tonnes</i>					%	<i>million tonnes</i>	
WORLD	740.8	739.4	754.9	756.7	1.9	0.2	754.6	2.1
Developed regions	25.2	24.2	25.3	23.4	-2.0	-7.7	23.5	-0.2
Developing Regions	715.6	715.2	729.5	733.4	3.8	0.5	731.1	2.2
ASIA	671.8	668.6	682.8	684.2	1.4	0.2	682.1	2.2
Bangladesh	51.2	52.5 G	52.1 G	50.8	-1.3	-2.5	51.2	-0.4
Cambodia	9.3	9.3 G	10.0 G	10.1	0.2	1.9	10.1	0.0
China	206.5	209.8	208.7	210.2	1.6	0.8	208.7	1.6
of which China (Mainland)	204.8	208.2 G	207.1 G	208.6 G	1.5	0.7	207.0 G	1.6
India	158.7	156.6 G	165.2 G	164.2	-1.0	-0.6	164.2	0.0
Indonesia	70.4	73.0	72.7	74.2	1.5	2.1	74.2	0.0
Iran, Islamic Rep. of	2.4	2.3 G	2.5	2.7	0.2	6.3	2.7	0.0
Japan	10.8	10.5 G	10.7 G	10.4	-0.3	-2.5	10.5	-0.1
Korea Rep. of	5.6	5.8 G	5.6 G	5.3 G	-0.3	-6.0	5.3 G	0.0
Lao PDR	3.6	3.8	3.9	4.0	0.1	2.6	4.0	0.0
Malaysia	2.7	3.3 G	3.0	3.1	0.1	3.7	3.1	0.0
Myanmar	28.1	27.7 G	28.6	29.5	0.8	2.9	28.9	0.6
Nepal	4.8	4.3 G	5.2 G	4.8	-0.4	-8.2	4.8	0.0
Pakistan	9.7	10.2 G	10.3 G	11.1	0.9	8.3	10.8	0.4
Philippines	18.6	17.5 G	18.5 G	19.6	1.0	5.4	19.2	0.3
Sri Lanka	3.9	4.8 G	4.4 G	2.5 G	-1.9	-43.5	2.4 G	0.1
Thailand	35.5	27.4 G	32.6	33.7	1.1	3.2	33.7	0.0
Viet Nam	44.3	45.1 G	43.6 G	43.3	-0.4	-0.8	43.3	-0.1
AFRICA	27.6	28.8	30.8	31.1	0.3	0.9	31.1	0.0
North Africa	6.1	6.0	6.3	6.4	0.1	1.3	6.4	0.0
Egypt	6.1	5.9	6.3	6.4	0.1	1.3	6.4	0.0
Western Africa	13.5	14.4	15.5	16.6	1.1	7.0	16.3	0.2
Côte d'Ivoire	0.8	0.9	0.8	0.9	0.1	9.2	0.9	0.0
Guinea	1.9	2.0 G	2.2 G	2.3 G	0.2	8.0	2.3	0.1
Mali	2.1	2.3 G	2.8 G	2.9 G	0.1	5.0	2.9	0.0
Nigeria	4.7	4.8	5.0	5.4	0.4	8.1	5.4	0.0
Sierra Leone	1.2	1.0 G	1.2 G	1.4 G	0.2	20.7	1.2	0.2
Central Africa	0.5	0.5	0.5	0.5	0.0	1.3	0.5	0.0
Eastern Africa	2.9	3.7	4.1	3.8	-0.3	-7.0	3.8	0.0
Tanzania, United Rep. of	2.2	3.0 G	3.4 G	3.1	-0.3	-9.6	3.1	0.0
Southern Africa	4.6	4.3	4.3	3.7	-0.6	-13.8	3.9	-0.2
Madagascar	4.0	3.7 G	3.8 G	3.1 G	-0.7	-18.7	3.3	-0.2
Mozambique	0.4	0.4 G	0.3 G	0.4 G	0.1	21.3	0.4 G	0.0
CENTRAL AMERICA & CAR.	2.8	2.6	2.9	2.9	0.1	1.7	2.9	0.0
Cuba	0.6	0.4 G	0.5 G	0.5	0.0	1.2	0.5	0.0
Dominican Rep.	0.9	0.9 G	0.9 G	0.9	0.0	0.1	1.0	0.0
SOUTH AMERICA	24.2	25.7	23.6	25.5	1.8	7.7	25.5	0.0
Argentina	1.6	1.6 G	1.4 G	1.3 G	-0.1	-5.0	1.3 G	0.0
Brazil	11.8	12.4 G	10.6 G	12.3 G	1.7	16.3	12.3 G	0.0
Colombia	1.9	2.1 G	2.7 G	2.9	0.2	8.1	2.9	0.0
Ecuador	1.2	1.3 G	1.2 G	1.2	-0.1	-4.2	1.2	0.0
Peru	3.0	3.2 G	3.2 G	3.0	-0.2	-6.0	3.0	0.0
Uruguay	1.4	1.4 G	1.3 G	1.4 G	0.1	8.1	1.4 G	0.0
NORTHERN AMERICA	9.3	8.8	10.2	8.1	-2.1	-20.4	8.1	0.0
United States	9.3	8.8 G	10.2 G	8.1 G	-2.1	-20.4	8.1 G	0.0
EUROPE	4.1	4.2	4.2	4.1	-0.2	-3.6	4.1	-0.1
EU	3.0	3.0 G	3.1 G	3.0	-0.1	-3.0	3.0	-0.1
Russian Federation	1.0	1.1 G	1.1 G	1.0	-0.1	-6.2	1.0	0.0
OCEANIA	1.0	0.7	0.3	0.8	0.5	186.6	0.8	0.0
Australia	1.0	0.7 G	0.3 G	0.8 G	0.5	195.4	0.8 G	0.0

NOTES:

The 2017 paddy production season normally includes rice from the main paddy crops whose harvests fall in 2017, to which rice from all subsequent secondary crops, if any, is added.

Totals computed from unrounded data.

G Official figure.

TABLE 2: WORLD RICE IMPORTS

	2013-2015	2016	2017	2018	Annual Change		2018	
	Average		Estimate	Forecast	2018 / 2017		Previous	Revision
	<i>million tonnes, milled basis</i>					%	<i>million tonnes</i>	
WORLD	43.6	41.5	46.2	45.8	-0.4	-0.9	45.4	0.4
Developed regions	4.2	4.4	4.5	4.5	0.0	-0.6	4.4	0.0
Developing Regions	39.4	37.0	41.7	41.3	-0.4	-0.9	41.0	0.3
ASIA	21.6	18.9	21.8	22.0	0.2	1.1	21.9	0.2
Bangladesh	0.9	0.1 G	2.2	1.4	-0.8	-35.5	1.1	0.4
China	6.4	6.3	6.3	6.3	0.0	0.1	6.4	-0.1
of which China (Mainland)	5.9	5.9	5.8	5.8	0.0	0.0	5.9	-0.1
Indonesia	0.9	1.3	0.4	0.8	0.4	87.5	0.8	0.0
Iran, Islamic Rep. of	1.5	1.1	1.5	1.3	-0.2	-10.3	1.4	-0.1
Iraq	1.1	0.9	1.1	1.2	0.1	8.2	1.2	0.0
Japan	0.7	0.7 G	0.7	0.7	0.0	0.0	0.7	0.0
Malaysia	1.0	0.8 G	0.9	0.9	0.1	5.9	1.0	-0.1
Philippines	1.5	0.7	1.1	1.5	0.4	35.5	1.5	0.0
Saudi Arabia	1.4	1.2 G	1.2	1.4	0.2	18.6	1.5	-0.1
United Arab Emirates	0.7	0.8	0.8	0.8	0.1	6.7	0.8	0.0
AFRICA	14.4	14.3	16.0	15.6	-0.4	-2.2	15.6	0.1
Côte d'Ivoire	1.3	1.4	1.5	1.5	0.0	0.7	1.5	0.0
Nigeria	2.8	2.2	2.6	2.9	0.3	11.5	2.9	0.0
Senegal	1.3	1.1	1.4	1.2	-0.2	-12.1	1.2	0.0
South Africa	0.9	0.8 G	0.9	0.9	0.0	1.1	0.9	0.0
CENTRAL AMERICA & CAR.	2.1	2.4	2.4	2.3	-0.1	-5.4	2.3	0.0
Cuba	0.4	0.5 G	0.5	0.5	0.0	-3.8	0.5	0.0
Mexico	0.7	0.7 G	0.8	0.7	-0.1	-9.3	0.7	0.0
SOUTH AMERICA	1.6	1.8	1.8	1.7	-0.1	-7.8	1.7	0.0
Brazil	0.6	0.7 G	0.8	0.7	-0.1	-11.4	0.7	0.0
NORTHERN AMERICA	1.1	1.2	1.2	1.2	0.0	-0.8	1.2	0.0
United States	0.7	0.8 G	0.8 G	0.8 G	0.0	0.0	0.8 G	0.0
EUROPE	2.2	2.3	2.4	2.4	0.0	-0.2	2.4	0.0
EU 1/	1.6	1.8 G	1.8	1.8	0.0	-0.5	1.8	0.0
Russian Federation	0.3	0.2 G	0.2	0.2	0.0	-4.2	0.2	0.0
OCEANIA	0.5	0.5	0.5	0.5	0.0	-0.9	0.5	0.0

NOTES:

Totals computed from unrounded data.

G Official figure.

1/ Excluding EU intra-trade.

TABLE 3: WORLD RICE EXPORTS

	2013-2015	2016	2017	2018	Annual Change		2018	
	Average		Estimate	Forecast	2018 / 2017		Previous	Revision
	<i>million tonnes, milled basis</i>				<i>%</i>		<i>million tonnes</i>	
WORLD	43.5	41.5	46.2	45.8	-0.3	-0.7	45.4	0.4
Developed regions	4.1	4.0	4.1	4.2	0.1	3.4	4.3	0.0
Developing Regions	39.4	37.5	42.1	41.6	-0.5	-1.1	41.2	0.4
ASIA	35.7	33.6	38.4	38.1	-0.3	-0.8	37.6	0.5
Cambodia	1.2	1.2	1.3	1.3	0.1	4.0	1.3	0.0
China	0.4	0.5	1.2	1.4	0.2	16.7	1.2	0.2
of which China (Mainland)	0.4	0.4 G	1.2	1.4	0.2	16.7	1.2	0.2
India	11.1	10.1 G	11.8	10.8	-0.9	-8.1	10.7	0.1
Myanmar	1.5	1.4 G	2.7	2.8	0.0	1.9	2.2	0.6
Pakistan	3.9	4.0 G	3.6	4.1	0.5	13.9	4.0	0.1
Thailand	9.1	9.9 G	11.0	10.3	-0.8	-6.8	10.4	-0.2
Viet Nam	8.2	6.1	6.6	7.2	0.6	9.1	7.5	-0.3
AFRICA	0.7	0.7	0.6	0.5	-0.1	-14.4	0.5	0.0
Egypt	0.4	0.3	0.2	0.2	0.0	-9.1	0.2	0.0
SOUTH AMERICA	3.0	3.2	3.0	3.0	0.0	0.1	3.1	-0.1
Argentina	0.4	0.5 G	0.4	0.4	0.0	-4.8	0.5	-0.1
Brazil	0.8	0.6 G	0.6	0.7	0.1	24.1	0.7	0.0
Guyana	0.4	0.4	0.4	0.5	0.0	7.1	0.5	0.0
Uruguay	0.8	0.9 G	0.9	0.8	-0.1	-14.9	0.8	0.0
NORTH AMERICA	3.2	3.4	3.4	3.4	0.0	0.0	3.5	-0.1
United States	3.2	3.4 G	3.4 G	3.4 G	0.0	0.0	3.5 G	-0.1
EUROPE	0.4	0.5	0.5	0.5	0.0	0.1	0.4	0.1
EU 1/	0.2	0.3 G	0.3	0.3	0.0	6.3	0.3	0.1
Russian Federation	0.2	0.2 G	0.2	0.2	0.0	-11.1	0.2	0.0
OCEANIA	0.4	0.2	0.2	0.3	0.1	87.2	0.4	-0.1
Australia	0.4	0.2	0.2	0.3	0.1	87.5	0.4	-0.1

NOTES:

Totals computed from unrounded data.

G Official figure.

1/ Excluding EU intra-trade.

TABLE 4: END OF SEASON STOCKS 1/

	2013-2015	2016	2017	2018	Annual Change		2018	
	Average		Estimate	Forecast	2018 / 2017		Previous	Revision
	<i>million tonnes, milled basis</i>					%	<i>million tonnes</i>	
WORLD	163.6	167.1	168.6	170.5	1.9	1.1	169.2	1.4
Developed regions	5.7	5.9	5.9	5.4	-0.5	-8.1	5.4	0.0
Developing Regions	157.9	161.2	162.7	165.1	2.4	1.5	163.8	1.4
ASIA	154.2	157.1	158.8	161.0	2.2	1.4	159.7	1.3
Bangladesh	6.8	7.0	6.0	6.9	0.9	14.2	6.9	-0.1
Cambodia	1.6	1.6	1.7	1.8	0.1	6.4	1.8	0.0
China	79.9	94.0	99.0	103.3	4.2	4.3	102.5	0.8
of which China (Mainland)	79.6	93.8	98.8	103.0	4.2	4.3	102.2	0.8
India	24.2	18.9	19.5	19.3	-0.2	-0.9	19.0	0.3
Indonesia	6.8	6.7	6.8	6.7	-0.1	-1.5	6.7	0.0
Iran, Islamic Rep. of	0.7	0.6	0.6	0.6	0.0	3.3	0.5	0.2
Japan	3.6	3.4	3.4	3.3	-0.1	-1.5	3.4	-0.1
Korea Rep. of	1.2	1.6	1.5	1.0	-0.5	-32.0	1.0	0.0
Lao PDR	0.3	0.5	0.6	0.6	0.0	5.5	0.6	0.0
Malaysia	0.3	0.5	0.4	0.3	-0.1	-15.4	0.3	0.0
Myanmar	3.0	2.8	2.3	2.5	0.1	4.7	2.4	0.1
Nepal	0.4	0.3	0.5	0.4	-0.1	-15.2	0.4	0.0
Pakistan	0.5	0.5	0.7	0.8	0.1	15.9	0.8	0.1
Philippines	2.3	2.7 G	2.3 G	2.7	0.4	15.0	2.6	0.1
Sri Lanka	0.3	0.8	0.6	0.3	-0.3	-55.2	0.3	0.0
Thailand	17.8	10.7	8.1	6.1	-2.0	-24.7	6.0	0.1
Viet Nam	2.9	2.8	3.4	3.3	-0.1	-1.5	3.3	0.1
AFRICA	4.9	4.5	4.7	4.6	-0.2	-3.7	4.6	-0.1
Egypt	0.6	0.5	0.7	0.7	0.0	4.5	0.7	0.0
Nigeria	0.9	0.7	0.4	0.5	0.1	30.0	0.5	0.0
CENTRAL AMERICA & CAR.	0.5	0.4	0.6	0.5	0.0	-4.7	0.6	0.0
Dominican Rep.	0.1	0.0	0.1	0.1	0.0	-3.3	0.1	0.0
SOUTH AMERICA	2.0	2.4	1.9	2.3	0.4	18.5	2.3	0.0
Argentina	0.1	0.4	0.3	0.2	-0.1	-28.0	0.1	0.0
Brazil	0.9	0.7 G	0.3 G	0.9	0.6	200.4	0.9	0.0
Ecuador	0.1	0.1	0.1	0.1	-0.1	-50.0	0.1	0.0
Peru	0.4	0.4	0.4	0.4	0.0	-2.7	0.3	0.0
NORTHERN AMERICA	1.3	1.6	1.6	1.1	-0.5	-31.9	1.0	0.1
United States	1.2	1.5 G	1.5 G	1.0 G	-0.5	-32.8	0.9 G	0.1
EUROPE	0.7	0.8	0.8	0.8	0.0	-4.9	0.8	-0.1
EU	0.5	0.5 G	0.6	0.6	0.0	-3.4	0.6	-0.1
Russian Federation	0.1	0.1	0.1	0.1	0.0	-18.2	0.1	0.0
OCEANIA	0.2	0.3	0.2	0.3	0.1	52.4	0.3	0.0
Australia	0.2	0.2	0.2	0.3	0.1	67.7	0.2	0.0
GOVERNMENT STOCKS								
Bangladesh	0.9	1.0 G	0.5 G	0.8	0.3	67.3	0.8	0.0
India	18.6	15.9 G	17.5 G	17.2	-0.3	-1.8	16.8	0.4
Japan	1.5	1.5	1.5	1.5	0.0	-1.3	1.5	0.0
Philippines	0.6	0.9 G	0.2 G	0.5	0.3	222.7	0.5	0.0

NOTES:

Totals computed from unrounded data.

G Official figure.

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

TABLE 5: RICE SUPPLY AND UTILIZATION IN MAIN EXPORTING COUNTRIES

	Opening Stocks	Production	Imports	Total Supply	Domestic Use	Exports	Closing Stocks
<i>thousand tonnes, milled basis</i>							
INDIA							
2015-16	21 900	104 405 G	1 G	126 306	97 053	10 354 G	18 900
2016-17 est.	18 900	110 150 G	1 G	129 052	98 002	11 580 G	19 470
2017-18 f'cast	19 470	109 459	1	128 930	99 100	10 530	19 300
PAKISTAN							
2015-16	720	6 801 G	12 G	7 533	2 821	4 172 G	540
2016-17 est.	540	6 849 G	9	7 398	3 013	3 695 G	690
2017-18 f'cast	690	7 417	8	8 115	3 215	4 100	800
THAILAND							
2015-16	16 200	18 153 G	250	34 603	13 877	10 026 G	10 700
2016-17 est.	10 700	21 581	240	32 521	13 578	10 843 G	8 100
2017-18 f'cast	8 100	22 276	250	30 626	14 476	10 050	6 100
UNITED STATES							
2015-16	1 552	6 133 G	766 G	8 451	3 580	3 396 G	1 475 G
2016-17 est.	1 475	7 117 G	745 G	9 337	4 171	3 704 G	1 462 G
2017-18 f'cast	1 462	5 664 G	778 G	7 904	3 652	3 270 G	982 G
VIET NAM							
2015-16	3 150	29 319 G	490	32 959	21 736	8 422	2 800
2016-17 est.	2 800	28 346 G	550	31 696	22 205	6 141	3 350
2017-18 f'cast	3 350	28 113	530	31 993	22 093	6 600	3 300

FOOTNOTES:

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

Totals computed from unrounded data.

G Official figure.

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

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

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

To subscribe to the FAO Rice Price Update and the FAO Rice Market Monitor, please send an e-mail to rice-network@fao.org with "subscribe" in the subject line.

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