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Electronic Outlook Report from the Economic Research Service

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2010/11 Rice Yearbook

Nathan Childs

Abstract

In 2010/11, the U.S. produced a record 243.1 million cwt of rice, a result of a 16-percent increase in plantings. In contrast, an extremely hot summer across the South reduced both field yields and milling rates for the 2010/11 U.S. rice crop. Although both total domestic and residual use and exports were higher than a year earlier, U.S. ending stocks in 2010/11 rose 24 percent to 48.5 million cwt, the highest since 1986/87. With record supplies, the U.S. long-grain season-average farm price (SAFP) dropped 15 percent from a year earlier, while tighter supplies resulted in a slightly higher U.S. medium- and short-grain SAFP in 2010/11.

In the global market, expanded area boosted 2010/11 world production more than 2 percent to 453.2 million tons, the largest to date. South Asia, South America, and Sub-Saharan Africa accounted for the bulk of the global production expansion. Despite a 2-percent increase in global disappearance, global ending stocks in 2010/11 rose almost 8 percent to 97.8 million tons (milled basis), the highest since 2002/03 and fourth consecutive year of an increase. Global rice trade in calendar year 2011 rose 10 percent to a record 35.1 million tons (milled basis), with Asia and Sub-Saharan Africa accounting for most of the import expansion. Global rice prices began the 2010/11 market year on a slight rise largely due to India's export ban, a production shortfall in Pakistan, and severe flooding in Thailand. By early 2011, prices began to fall as India's production rebounded from the 2009/10 shortfall and Thailand harvested a bumper dry-season crop that spring.

Keywords: Rice, area, yield, production, imports, exports, stocks, prices, global trade

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Rice Conversions
1 cwt = 100 pounds = 2.22 bushels = .0453 metric ton
1 metric ton = 2,204.6 pounds = 22.046 cwt = 48.992 bushels
1 cwt rough rice = .032 metric ton milled
1 metric ton milled = 31 cwt rough

Excel spreadsheet versions of the tables printed here can be downloaded from the ERS website at
<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1285>

Approved by the World Agricultural Outlook Board. All estimates and forecast are from the March 2012 *World Agricultural Supply and Demand* report. The *monthly Rice Outlook* and the text of the *Rice Yearbook* may be accessed electronically. For details, call ERS Customer Service (202) 694-5050.

U.S. 2010/11 Rice Plantings Were the Second-Highest on Record

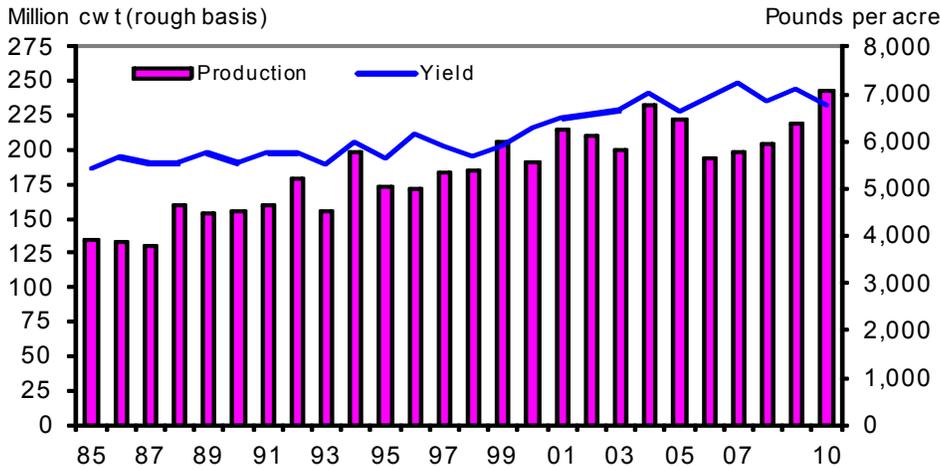
In 2010/11 (August 2010-July 2011), U.S. rice growers expanded plantings 16 percent from a year earlier to 3.64 million acres, second only to the record 3.83 million acres planted in 1981/82. The 2010/11 expansion was largely due to expectations of favorable returns to rice production compared with alternative crops, especially in the Mississippi Delta, the largest rice-growing region in the United States. Although average farm prices for rice had declined since the start of the 2009/10 market year in August, the decline by late-winter 2010 was less than the decline for competing crops such as soybeans and corn. In fact, from August 2009 until February 2010, while reported cash prices for U.S. soybeans dropped about 13 percent and average cash prices for corn dropped 7 percent, the average all-rice rough-rice price declined less than 1 percent, with medium- and short-grain accounting for all of the decline in U.S. rice prices.

By class, long-grain plantings expanded 24 percent to 2.84 million acres in 2010/11. Arkansas accounted for more than 60 percent of the 551,000-acre expansion in U.S. long-grain plantings, increasing its 2010/11 plantings by 27 percent. Mississippi and Missouri each boosted their long-grain acreage by 25-26 percent. Louisiana expanded its long-grain plantings by 21 percent and Texas growers increased their long-grain area by 11 percent. Long-grain plantings were record high in 2010/11 in Arkansas and Missouri. From August 2009 until February 2010, the U.S. long-grain rough-rice prices increased about 4 percent.

In contrast, U.S. medium/short-grain plantings decreased 6 percent in 2010/11 to 795,000 acres, with area declining in both the South and California. In the South, medium/short-grain area decreased 16 percent to 243,000 acres—still the second-highest level for the region since 2000/01. Arkansas accounted for two-thirds of the medium- and short-grain area contraction in South; Louisiana accounted for nearly all of the remainder. These two States produce almost all the southern medium- and short-grain crop. California growers reduced medium- and short-grain plantings almost 1 percent to 552,000 acres in 2010/11. The State produces more than two-thirds of the U.S. medium- and short-grain crop. U.S. medium- and short-grain prices dropped 25 percent from August 2009 until February 2010, a major factor in the smaller plantings in 2010/11.

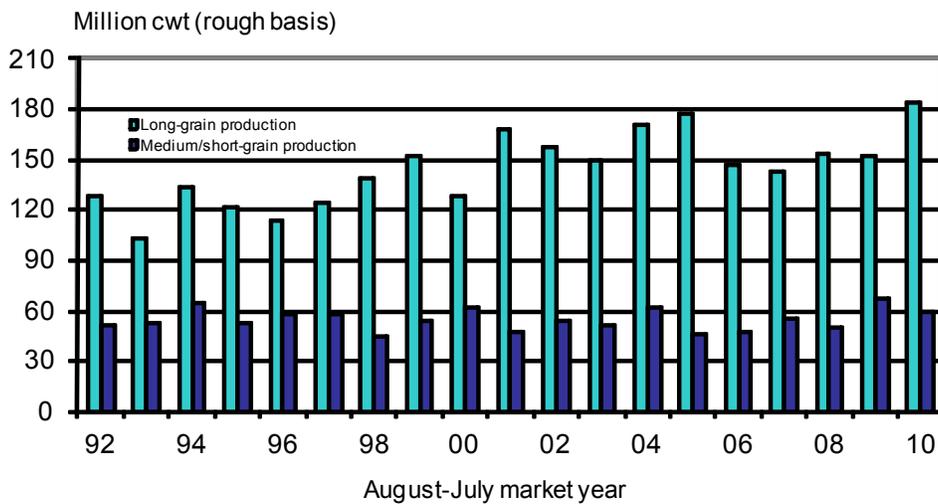
Rice plantings expanded from a year earlier in all reported States in 2010/11 except California, with Arkansas accounting for 60 percent of the total increase. At 1.79 million acres, total rice plantings in Arkansas were 21 percent higher than a year earlier and the highest on record. Mississippi growers boosted total rice plantings nearly 25 percent to 305,000 acres, the highest since 1999/2000. The State produces only long-grain rice. Rice plantings in Missouri increased 25 percent to a record 253,000 acres. In Texas, rice plantings rose 11 percent to 189,000 acres. Long-grain rice accounts for the bulk of rice production in Missouri and Texas. Louisiana's total rice plantings of 540,000 acres were 15 percent larger than a year earlier. In contrast, California growers reduced total plantings by 3,000 acres to 558,000 acres. California produces almost entirely medium- and short-grain rice, while Louisiana grows mostly long-grain varieties.

Figure 1
U.S. rice production was the highest on record in 2010/11



Source: USDA, National Agricultural Statistics Service--Quick Stats, U.S. & All States Data--Crops.

Figure 2
U.S. long-grain production increased 20 percent in 2010/11

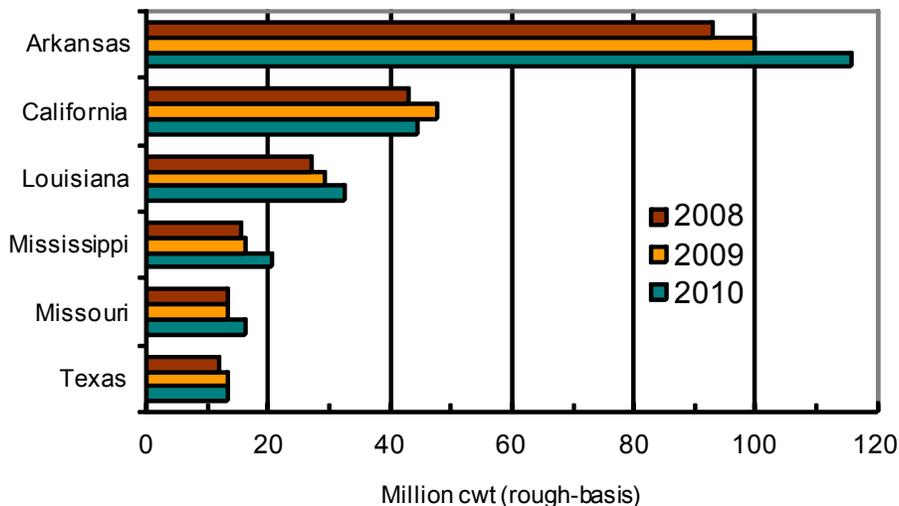


Source: USDA, National Agricultural Statistics Service--Quick Stats, U.S. & All States Data--Crops.

http://www.nass.usda.gov/Data_and_Statistics/Quick_Stats/index.asp.

Figure 3

Rice production in 2010/11 was higher in all reporting States except in California



Source: USDA, National Agricultural Statistics Service--Quick Stats, U.S. & All States Data--Crops. http://www.nass.usda.gov/Data_and_Statistics/Quick_Stats/index.asp.

Severe Summer Heat in 2010 Cut Average Field Yields Across the South

The average U.S. field yield in 2010/11 was 6,725 pounds per acre, a 5-percent decline from a year earlier and the lowest since 2005/06. Adverse weather in most growing areas and the fact that lower-yielding southern long-grain varieties were responsible for a larger share of the total crop accounted for the weaker average U.S. yield in 2010/11.

By class, the long-grain field yield was 6,486 pounds per acre, a 4-percent decrease from a year earlier and the smallest since 2005/06. Almost all long-grain rice is grown in the South. The combined medium- and short-grain field yield was 7,580 pounds per acre, 5 percent below a year earlier and the weakest since 2006/07. About two-thirds of the U.S. medium- and short-grain crop is grown in California.

Despite an early start to planting in the South and high average field yields for early harvested rice in the region, average field yields declined in 2010/11 in all reporting southern States except Mississippi. An extremely hot summer reduced yields on much of the later-planted rice, as temperatures soared during the critical heading period in the Delta. In Arkansas, yields declined 5 percent from a year earlier to 6,480 pounds per acre, the weakest since 2002/03. The average field yield in Louisiana dropped 3 percent to 6,100 pounds per acre. In Missouri, yields declined more than 3 percent to 6,480 pounds per acre, the smallest since 2006/07. The average field yield in Texas of 7,160 pounds per acre was 8 percent below the year

earlier record. In contrast, the average field yield in Mississippi increased more than 2 percent to 6,850 pounds per acre.

In California, the average field yield was 8,020 pounds per acre, a decline of 7 percent from a year earlier and the smallest since 2006/07. Heavy rains delayed plantings several weeks in California, pushing harvest well into late fall, adversely impacting yields. The State also received heavy rains in October, further impacting yields and slowing harvest progress.

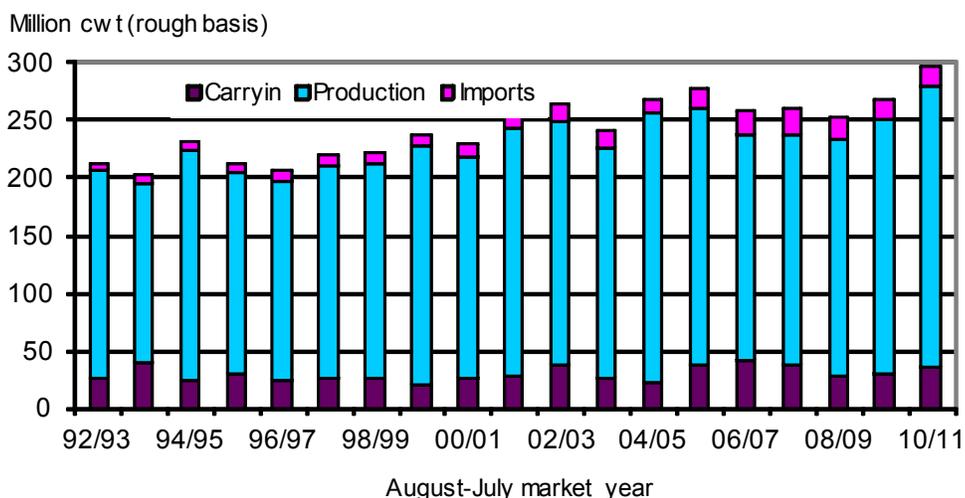
Despite a Weaker Yield, Total 2010/11 U.S. Production Was the Highest on Record

Total U.S. production in 2010/11 was 243.1 million cwt, an increase of 11 percent from a year earlier and the highest on record. The bumper crop was the result of a substantial expansion of area. By class, long-grain production was 183.3 million cwt, a 20-percent increase from a year earlier and the highest on record. In contrast, combined medium/short-grain production of 59.8 million cwt was 11 percent below a year earlier.

Production in 2010/11 was higher than a year earlier in all reported States except California, with record crops harvested in Arkansas, Louisiana, Mississippi, and Missouri. Arkansas’ production of 115.7 million cwt was up 16 percent from a year earlier, with long-grain accounting for all of the increase. Louisiana growers increased production 12 percent 32.6 million cwt, also with long-grain accounting for all of the production increase. Mississippi’s rice crop of 20.8 million cwt was nearly 28 percent larger than a year earlier. The Missouri rice crop of 16.3 million cwt was 21 percent larger than a year earlier. In Texas, production increased 2

Figure 4

Total U.S. rice supplies in 2010/11 were the highest on record



Sources: USDA Economic Research Service, 1992/93-2008/09 *Rice Yearbook Data Set*, USDA, World Agricultural Outlook Board, 2009/10-2010/11, *World Agricultural Supply and Demand Estimates*, <http://www.usda.gov/oce/commodity/wasde/index.htm>.

percent to 13.5 million cwt. In contrast, rice production in California declined 7 percent to 44.3 million cwt, still one of the largest rice crops harvested in the State.

Although the U.S. rough-rice crop was the largest on record, weather problems—mostly in the South—resulted in a milling rate of just 68.86 percent, well below the 71.53 percent calculated a year earlier and one of the lowest on record. The low milling rate drove up milling costs and reduced the supply of high-quality milled rice. The quantity of broken rice was higher than is typical, a result of a record crop and quality concerns.

Record Production and Larger Carryin Boosted Total U.S. Supplies in 2010/11 by 11 Percent

Total supplies of U.S. rice in 2010/11 are estimated at 297.9 million cwt, up 28.6 million cwt from a year earlier and the highest on record. The substantial increase was due to a record crop and a larger carryin. By class, long-grain total supplies were a record 222.2 million cwt, up 17 percent from a year earlier. In contrast, combined medium- and short-grain total supplies declined 7 percent to 73.1 million cwt due to a smaller crop.

The 2010/11 all-rice carryin is calculated at 36.5 million cwt, an increase of 20 percent from a year earlier. Both the long-grain and combined medium- and short-grain carryin were larger than a year earlier. At 23.0 million cwt, the long-grain carryin was 15 percent larger than a year earlier. The medium- and short-grain carryin of 12.0 million cwt was 50 percent larger than a year earlier.

In 2010/11, the U.S. imported 18.3 million cwt of rice, down 4 percent from a year earlier and the smallest since 2005/06. Long-grain accounted for virtually all of the decline in imports. At 15.8 million cwt, long-grain imports were 4 percent below a year earlier. Nearly all of the shipments from Thailand were specialty rice, mostly its premium jasmine rice. In 2010/11, U.S. imports of Thai rice fell 2 percent to 393,401 tons, the smallest since 2006/07. In contrast, shipments from India expanded 2 percent to a record 96,454 tons. Imports from Pakistan declined 11 percent to 17,317 tons. Pakistan's 2010/11 crop was severely damaged by summer flooding. Nearly all rice imported by the United States from India and Pakistan is the premium basmati rice. Shipments from South America—nearly all long-grain—soared 176 percent to a record 24,375 tons in 2010/11, with Uruguay shipping 15,350 tons, Brazil shipping 6,331 tons, and Argentina 2,677 tons. The region had record supplies and competitive prices in 2010/11.

In 2010/11, the United States imported 2.5 million cwt of medium- and short-grain rice, fractionally below a year earlier and the smallest since 2000/01. Specialty rice from Thailand classified by the U.S. Census Bureau as medium- and short-grain rice accounts for more than 70 percent of U.S. imports of this class of rice. Arborio rice from Italy and small shipments of specialty rice from India account for most of the remainder of U.S. medium- and short-grain rice imports.

Total Use of U.S. Rice in 2010/11 Increased to a Record 249.5 Million Cwt

Total use of U.S. rice increased 7 percent to a record 249.5 million cwt, with both exports and total domestic and residual use higher than a year earlier. Total use of long-grain rice increased 12 percent to a record 186.5 million cwt. In contrast, total use of U.S. medium- and short-grain rice declined more than 5 percent to 63.0 million cwt.

Total domestic and residual use of all-rice is estimated at 137.8 million cwt, an increase of 11 percent from a year earlier and highest on record. Much of the substantial year-to-year increase was due to a larger residual. The residual includes unaccounted losses in processing, transporting, and handling, as well as any statistical error in another account. The actual level of the residual is unknown. By class, long-grain domestic and residual use increased 18 percent to a record 108.5 million cwt. In contrast, combined medium- and short-grain domestic and residual use declined 10 percent to 29.4 million.

Based on monthly data reported by the U.S. Treasury Department, U.S. shipments of all-rice for use in beer in 2010/11 are estimated at 10.9 million cwt, up 6 percent from a year and the first increase since 2000/01. An abnormally large number of brokens from the 2010/11 crop likely contributed to the increase in beer use of rice in 2010/11. Rice use in beer peaked in 2000/01 at 17.0 million cwt and had declined since. The decline was due to weaker overall beer sales, substitution to other inputs besides rice in making beer, and more competition from imported beers and micro-brewers. This trend is expected to continue.

Seed use for 2010/11 is calculated at 3.32 million cwt, down 26 percent from a year. The seed estimate is based on the area planted for the 2011/12 crop—a topic which will be revisited later in the report.

U.S. 2010/11 Rice Exports Increased 3 Percent Due to Larger Supplies and Competitive Prices

U.S. rice exports increased 3 percent to 111.6 million cwt (rough-equivalent of milled-, brown, and rough-rice) in 2010/11, the third highest on record. Record U.S. supplies, continued high global prices, and export restrictions by two global suppliers were behind the expanded U.S. exports. Some of the estimated expansion of exports on a rough-basis was due to a near-historic low milling rate, meaning more rough-rice was needed for any given quantity of milled rice. On a milled-basis, U.S. exports in 2010/11 were nearly unchanged from 2009/10. The low milling rate boosted the domestic and residual use estimate as well. In addition, due to quality concerns and a record crop, the U.S. had a larger supply of brokens available for export and domestic use.

Milled-rice and long-grain rice exports up

Milled-rice accounted for all of the year-to-year increase in U.S. rice exports. At 76.75 million cwt, U.S. milled rice exports were up more than 3 percent from a year earlier and the highest since 2002/03. Libya accounted for much of the year-to-year

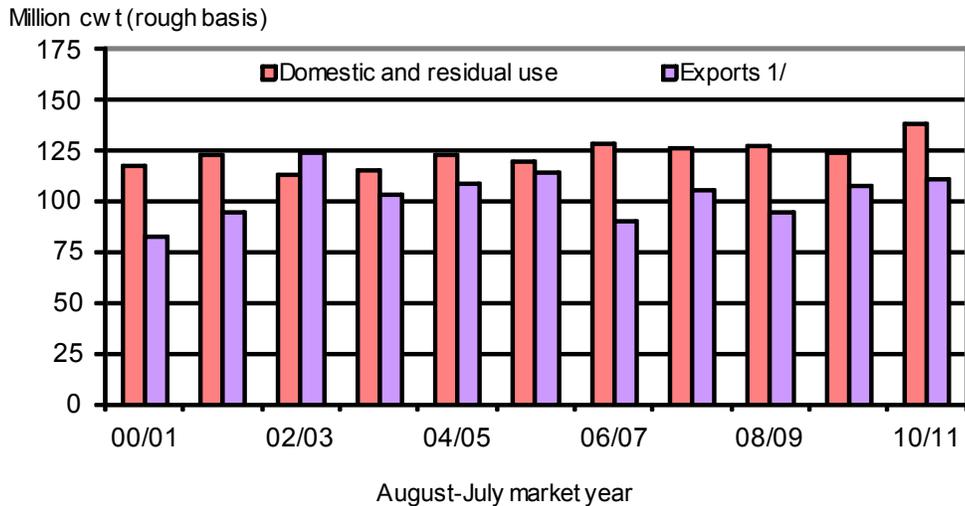
increase. In contrast, U.S. rough-rice exports declined almost 14 percent to 34.9 million cwt, with Venezuela and Turkey accounting for most of the decline. Shipments to the core export markets for U.S. rough-rice of Mexico and Central America were down slightly from 2009/10, likely a result of quality concerns.

Long-grain accounts for all of the expected increase in U.S. rice exports. At 78.0 million cwt, U.S. long-grain exports are up 5 percent from a year earlier and the highest since 2007/08. Ghana, Liberia, and Senegal accounted for most of the increase. These increases were partially offset by weaker long-grain shipments to Venezuela.

North America:

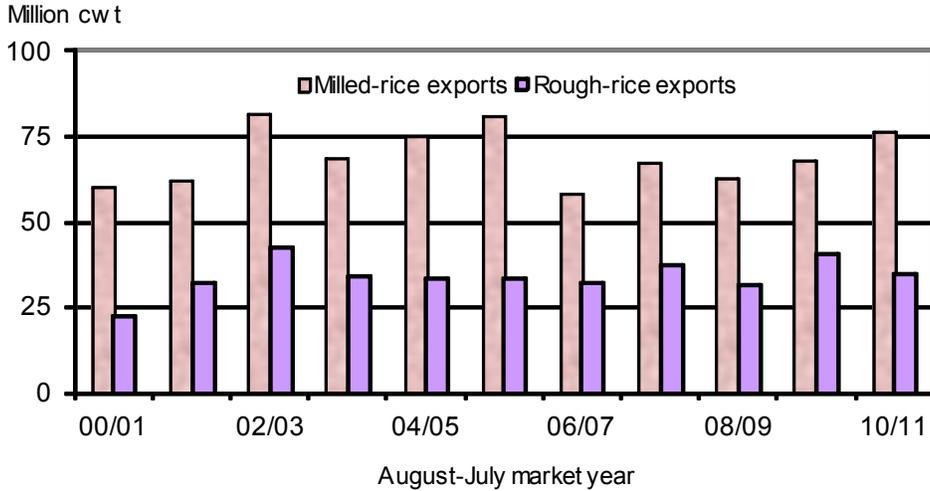
Canada is one of the largest markets for U.S. long-grain milled-rice, and it is unique in that it is one of the few large U.S. export markets that do not produce rice. Imports of U.S. rice by Canada in 2010/11 were 217,700 tons (milled basis), fractionally above a year earlier. Though the U.S. remains the largest source of Canadian rice imports, aromatic imports from Thailand, India, and Pakistan are increasing—partly due to the country’s changing ethnic mix, which includes more consumers from Asian backgrounds. (All U.S. country-specific shipment data are reported on a milled-equivalent basis.)

Figure 5
U.S. total domestic and residual use was the highest on record in 2010/11



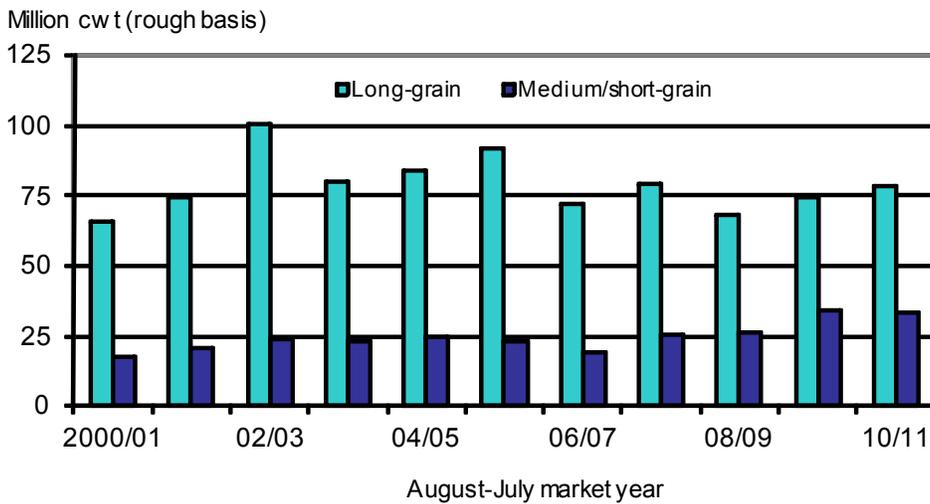
1/ Total of milled, brown, and rough-rice exports on a rough-basis.
 Sources: USDA, Economic Research Service, 2000/01-2008/09, *Rice Yearbook Data Set*; USDA, World Agricultural Outlook Board, 2009/10-2010/11, *World Agricultural Supply and Demand Estimates*

Figure 6
U.S. milled-rice exports increased 13 percent in 2010/11 1/



1/ Total of milled, brown, and rough-rice export on a rough basis.
 Sources: USDA Economic Research Service, 1992/93-2008/09, *Rice Yearbook Data Set*, USDA, World Agricultural Outlook Board, 2009/10-2010/11, *World Agricultural Supply and Demand Estimated*,
<http://www.usda.gov/oce/commodity/wasde/index.htm>

Figure 7
U.S. long-grain exports increased 5 percent in 2010/11 1/



1/ Total of milled, brown, and rough-rice exports on a rough basis
 Sources: USDA, Economic Research Service, 2000/01-2008/09, *Rice Yearbook Data Set*, USDA; World Agricultural Outlook Board, 2009/10-2010/11, *World Agricultural Supply and Demand Estimates*,

Shipments to **Mexico**—the largest single-country market for U.S. rice exports—increased by almost 1 percent to 631,000 tons in 2010/11, the second highest on record. Mexico's production declined in 2010/11 and has been on a long-term decline for nearly 3 decades. Imports now account for the bulk of the rice consumed in Mexico.

The U.S. continues to have little international competition in the Mexican market, primarily because Mexico imports mostly long-grain rough-rice from the U.S. (the country also imports small quantities of U.S. milled and brown rice, as well as small amounts of U.S. medium- and short-grain rough-rice). Few suppliers, however, will export rough rice, preferring instead to capture the value-added in their own domestic milling sectors. Because Mexico's production of rough rice has declined over the past three decades, the country has excess milling capacity and generally prefers imports of unmilled rice to run its mills at capacity.

Central America:

U.S. exports to Central America, the third-largest U.S. export market in 2010/11, decreased 8 percent to 413,300 tons. The decline was partly due to larger production in the region. The region imports mostly long-grain rough rice from the U.S. and the U.S. supplies almost all of the rice imported by Central America. The U.S. has recently faced greater competition from South American exporters in the region.

- **Nicaragua** imported 81,900 tons of rice from the U.S. in 2010/11, an increase of 5 percent from a year earlier, despite a record crop.
- **Panama** imported 63,100 tons of rice from the U.S. in 2010/11, a decrease of 17 percent from a year earlier.
- At 99,300 tons, U.S. shipments to **Honduras** in 2010/11 were up 6 percent from year earlier.
- U.S. shipments to **Costa Rica** in 2010/11 declined 33 percent to 52,400 tons. The country harvested a record crop in 2010/11, largely a response to increased producer support.
- U.S. shipments to **El Salvador** dropped 8 percent to 61,600 tons. El Salvador grows very little rice.

The Caribbean:

The Caribbean imported 368,700 tons of rice from the U.S. in 2010/11, down 7 percent from a year earlier. Haiti is the largest buyer of U.S. rice in the region and is the largest market for U.S. long-grain milled-rice. The region imports mostly long-grain rice.

- **Haiti** imported 307,300 tons of U.S. rice in 2010/11, down 5 percent from a year earlier. Almost all U.S. shipments to Haiti are commercial sales of

high-quality rice. The decline is largely the result of shipments to Haiti from Brazil beginning late in the 2010/11 market year. Brazil harvested a record crop in 2010/11, and its rice was competitively priced largely due to its producer subsidy program.

- U.S. shipments to the **Dominican Republic** dropped 52 percent to 12,800 tons. The country harvested a record crop in 2010/11 and is nearly self-sufficient in rice.
- In contrast, the U.S. boosted shipments to **Jamaica** by 34 percent to 21,300 tons.

South America:

U.S. shipments to South America dropped 34 percent in 2010/11 to 132,000 tons, the smallest since 2007/08. Venezuela accounted for most of the sales and decline. Like most of Latin America, the region imports mostly long-grain rice, with many buyers, such as Venezuela and Brazil, preferring rough rice. South America is not typically a market for U.S. rice, unless supplies in the region are tight.

- At 101,500 tons, U.S. shipments to **Venezuela** in 2010/11 were down 42 percent from a year earlier. Regional suppliers—Argentina, Ecuador, and Guyana—boosted sales to Venezuela. The country is not a typical buyer of U.S. rice.
- **Brazil** imported 20,300 tons of rice from the U.S. in 2010/11, up 30 percent from a year earlier, a result of a weak 2009/10 crop.

The Middle East and North Africa:

The Middle East was the second-largest rice export market for U.S. rice in 2010/11, importing 540,700 tons, a decrease of 13 percent from a year earlier. The region imports both long-grain and medium- and short-grain rice from the U.S.

- **Turkey** reported the largest decrease in imports from the U.S. in 2010/11, with shipments declining 25 percent to 157,300 tons. Turkey imports mostly medium- and short-grain rough rice. Higher U.S. prices and greater competition from the former Soviet Union accounted for much of the decline.
- At 33,900 tons, U.S. shipments to **Israel** were down 24 percent from a year earlier.
- In contrast, U.S. shipments to **Jordan** increased 16 percent to a near record 85,200 tons. Both Israel and Jordan are primarily medium- and short-grain markets.

- **Iraq** purchased 114,000 tons of milled rice from the U.S.—all long-grain—down 16 percent from 2009/10.
- **Saudi Arabia's** purchases from the U.S. in 2010/11 dropped 5 percent to 117,500 tons, all long-grain.

Declines in U.S. sales of long-grain rice to the region were largely due to lower prices from competitors.

North Africa:

North Africa imported a record 168,200 tons, with **Libya** accounting for nearly all purchases, taking almost exclusively medium- and short-grain rice. The region typically imports little rice from the U.S., taking most of its rice from local suppliers, primarily Egypt. Export restrictions by Egypt opened this market to the U.S. in 2010/11. The long-term status of U.S. sales to North Africa is uncertain.

Sub-Saharan Africa:

Sub-Saharan Africa imported 353,400 tons of rice from the U.S. in 2010/11, more than double a year earlier and the highest since 1994/95. Large supplies of brokens and competitive prices supported the large U.S. shipments to Sub-Saharan Africa in 2010/11. Sub-Saharan Africa is typically the largest destination for U.S. food aid shipments. Food aid typically accounts for less than 4 percent of U.S. rice exports.

- Ghana was the largest commercial buyer of U.S. rice in the region, importing a record 109,000 tons, up 222 percent from a year earlier.
- Senegal received 49,600 tons of U.S. rice in 2010/11, compared with no shipments in 2009/10. Brokens accounted for more than half the shipments.
- Nigeria purchased 52,200 tons of U.S. rice in 2010/11, up 12 percent from a year earlier. Nigeria is not a typical buyer of U.S. rice. Export restrictions by India supported U.S. sales to this large global buyer in 2009/10 and 2010/11.

Northeast Asia:

The U.S. exported 412,700 tons of rice to Northeast Asia in 2010/11, down 22 percent from a year earlier. Nearly all of this rice was purchased under World Trade Organization (WTO) commitments by Japan, South Korea, and Taiwan. The year-to-year decline was largely due to the timing of annual WTO purchases. Except for South Korea, whose commitments are scheduled to slowly increase each year through 2014, these annual commitments are now at fixed levels. The region imports almost exclusively medium- and short-grain rice from the U.S.

Japan is the largest buyer, taking about 303,500 tons, a decline of 16 percent from a year earlier. **South Korea** imported 77,200 tons from the U.S. in 2010/11, an increase of more than 3 percent. **Taiwan** imported 29,800 tons of rice from the

U.S., a decline of 65 percent from 2009/10. The U.S. also ships much smaller amounts of rice to **Hong Kong** and **China**.

Southeast Asia:

While the U.S. is not competitive in most Southeast Asian rice markets, it did ship 23,700 tons to Southeast Asia in 2010/11, a drop of 8 percent from a year earlier. **Singapore** purchased 7,400 tons, all medium- and short-grain milled rice. The **Philippines** received 5,700 tons and **Cambodia** 3,200 tons of U.S. long-grain rice as food aid.

South Asia:

South Asia imported 34,500 tons of rice from the U.S. in 2010/11, up 33 percent from a year earlier. Nearly all U.S. shipments to the region are long-grain milled- and brown-rice shipped under food aid programs. **Pakistan** accounted for the bulk of the shipments, taking 24,000 tons, all food aid. Pakistan, a major exporter, does not typically import rice. **Bangladesh** received almost 1,700 tons and **Nepal** about 8,000 tons of rice from the United States.

Oceania:

The U.S. exported 75,000 tons of rice—nearly all milled medium- and short-grain—to Oceania in 2010/11, down 39 percent from a year earlier. The U.S. had gained markets in this region when Australia withdrew in late 2004 due to very tight supplies. Australia had been the largest supplier to Oceania.

- **New Guinea** accounted for most of the decline, with U.S. shipments dropping 45 percent in 2010/11 to 43,200 tons. New Guinea has returned as largest importer in the region.
- U.S. shipments to **Australia** dropped 45 percent in 2010/11 to 14,400 tons. From 2007-2010 Australia was the largest importer in Oceania. However, in 2010/11, Australia's crop recovered from several years of drought. Australia's export began to increase again by late spring 2011 and Australia's imports returned to more normal levels.

Europe and Former Soviet Union:

U.S. rice exports to the **EU** increased 6 percent in 2010/11 to 89,600 tons. Though the U.S. had exported nearly 250,000 tons—mostly brown rice—to this market as recently as 2005/06, the EU imposed stringent testing requirements on U.S. rice after the discovery of trace amounts Liberty Link 161 (genetically engineered rice) in U.S. rice supplies in 2006, which made U.S. rice more expensive than rice from competing suppliers' origins. The U.S. rice industry took a proactive approach to confront the problem, and a further presence of GE rice in U.S. supplies has not been detected. In May of 2010, the EU lifted their mandatory testing requirement, but U.S. exports to the EU remain well below pre-2006 levels. About 70 percent of U.S. shipments to the EU go to the UK.

The **non-EU European countries** imported 3,200 tons of rice from the U.S. in 2010/11, up 218 percent from a year earlier. Albania accounted for more than half the shipments and most of the increase. The non-EU European countries produce almost no rice.

The **former Soviet Union** imported 6,700 tons of rice from the U.S. in 2010/11, more than double the level imported a year earlier. Russia, Georgia, and Ukraine accounted for almost all U.S. shipments to the former Soviet Union, with virtually all sales commercial. The region is increasing its production and sources most of its rice imports from Asia.

U.S. Ending Stocks in 2010/11 Were the Highest Since 1986/87

U.S. ending stocks of rice in 2010/11 are estimated at 48.5 million cwt, an increase of 33 percent from a year earlier and the highest since 1986/87. The substantial increase was largely due to a record crop and only modest expansion in exports. The estimate is based on revised data reported in the September 2011 Rice Stocks. The stocks-to-use ratio is calculated at 19.4 percent, up from 15.7 percent a year earlier and the highest since 1992/93.

By class, long-grain stocks are estimated at 35.6 million cwt, an increase of 55 percent from a year earlier and highest since 1985/86. At 19.1 percent, the stocks-to-use ratio is the highest since 1987/88. In contrast, medium- and short-grain ending stocks are calculated at 10.1 million cwt, a decrease of 16 percent from 2009/10. The stocks-to-use ratio for medium- and short-grain of 16.1 percent is 2 percentage points below a year earlier.

Arkansas accounted for over half of all reported U.S. rice stocks. At 25.3 million cwt, rice stocks in Arkansas were up 34 percent from a year earlier. At 9.1 million cwt, rice stocks in California—nearly all medium- and short-grain—are virtually unchanged from a year earlier. Rice stocks in Texas are estimated at 4.1 million cwt, an increase of 17 percent from 2009/10. In contrast, rice stocks in Louisiana declined 5 percent to 2.8 million cwt. Rice stocks in Mississippi are estimated at 2.0 million cwt and in Missouri at 2.2 million cwt.

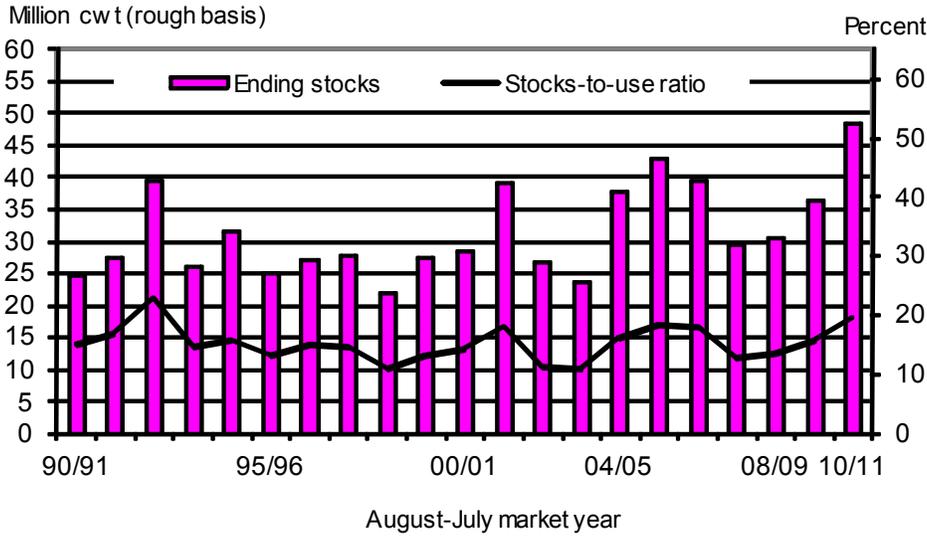
A Look at 2011/12

A large U.S. carryin and higher expected returns from lower cost alternative crops pulled U.S. rice plantings down in 2011/12 in all reported States except California. In addition, severe flooding in much of the Delta early in the season further reduced U.S. plantings in 2011/12, especially in Arkansas and Missouri. Total U.S. rice plantings in 2011/12 are estimated to have dropped 26 percent to 2.7 million cwt, the smallest since 1987/88.

In Arkansas, total rice plantings dropped 33 percent to 1.2 million acres, the smallest since 1989/90. Missouri's plantings declined 44 percent to 143,000 acres, the smallest since 1997/98. Rice plantings in Mississippi dropped 49 percent from a year earlier to 160,000 acres, the smallest since 1977/78. The severe flooding in the Delta early last spring contributed to the area decline as some intended rice acreage was left unplanted or went into other crops. In Louisiana, rice plantings dropped 22

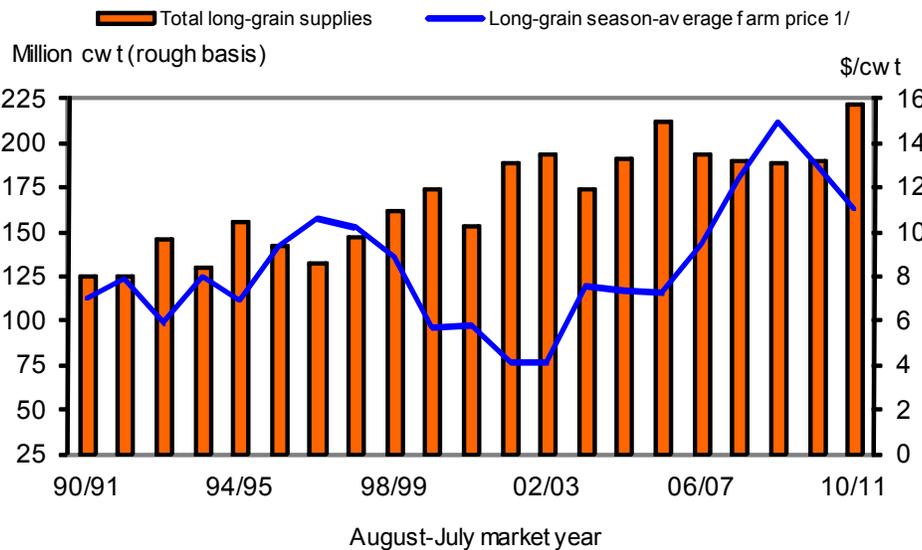
percent to 423,000 acres. Texas plantings of 182,000 acres were down 4 percent from a year earlier. In contrast to the South, plantings in California increased 5 percent to 585,000 acres, one of the highest on record for the State.

Figure 8
U.S. 2010/11 ending stocks rose 33 percent



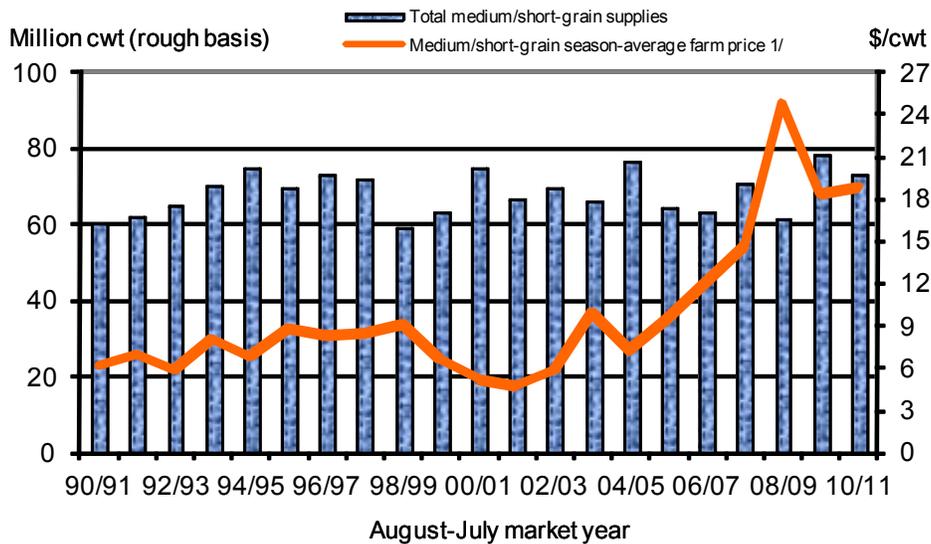
Sources: USDA, Economic Research Service, 1990/91-2008/09 *Rice Yearbook Data Set*; USDA, World Agricultural Outlook Board, 2009/10-2010/11 *World Agricultural Supply and Demand Estimates*, <http://www.usda.gov/oce/commodity/wasde/index.htm>

Figure 9
U.S. long-grain season-average price dropped 15 percent in 2010/11



Sources: USDA, Economic Research Service, 1990/91-2008/09 *Rice Yearbook Data Set*; USDA, World Agricultural Outlook Board, 2009/10-2010/11 *World Agricultural Supply and Demand Estimates*, <http://www.usda.gov/oce/commodity/wasde/index.htm>

Figure 10
U.S. medium/short-grain rough-rice prices rose slightly in 2010/11



Sources: USDA, Economic Research Service, 1990/91-2008/09 *Rice Yearbook Data Set*; USDA, World Agricultural Outlook Board, 2009/10-2010/11 *World Agricultural Supply and Demand Estimates*, <http://www.usda.gov/oce/commodity/wasde/index.htm>

Conclusion

High expected returns for rice in 2010/11 boosted plantings 16 percent to the second highest level on record. Production—a record 243.1 million cwt—would have been even higher if yields had not been impacted by late plantings and extreme heat in the South. With strong competition in the global market, expanded exports could absorb only a small share of the increased supplies, causing ending stocks to rise to the highest level since 1986/87. With record supplies and some quality concerns, U.S. long-grain prices declined. A near-historic low milling rate increased demand for rough rice, but raised costs to mills. The large carry-out and high-production costs for rice set the stage for a substantial area reduction in 2011/12.

International Outlook for 2010/11

Global production, use, and stocks are aggregates of local marketing years, with this report focusing on the 2010/11 market year. Due to differences in timing of production, the global market year covers more than 18 months. Because of these market year differences, global trade is reported on a January to December calendar-year basis, with the recently completed 2011 calendar year the focus of this analysis. Trade estimates are primarily based on shipment data reported by exporters. Around 10 percent of global rice shipments annually reported by exporters are not specified by destination. These non-market-specified exports are listed in the “unaccounted” import category, which typically represents about 10 percent of total imports each year.

Larger Crops in South and Southeast Asia Boosted Global Production in 2010/11 to a Record 449.8 Million Tons

Global rice production in 2010/11 increased more than 2 percent to 453.2 million tons (milled basis), the largest crop harvested to date. The bumper global crop was due to both expanded area and a higher average yield. At 157.2 million hectares, global harvested area for rice was up 1.2 million hectares a year earlier and was the second highest on record to date. At 4.30 tons per hectare (rough-rice basis), the average global field yield was up almost 2 percent from a year earlier and the highest to date.

South Asia, South America, and Sub-Saharan Africa accounted for the bulk of the global area and production expansion. In contrast, rice production slightly declined in East Asia and also decreased in North Africa. Outside South Asia, much of the area expansion was due to rising global prices largely caused by India’s export ban on non-basmati rice and by severe flooding in Pakistan, also a major rice exporter.

South Asia:

Rice production in South Asia in 2010/11 increased 5 percent to 139.7 million tons, the second highest on record to date. South Asia is the second largest rice producing region in the world. India accounted for most of the 2010/11 production increase in the region.

- At 96.0 million tons, total rice production in **India** was up 8 percent from a year earlier, but still below the 2008/09 crop of 99.2 million tons. The strong recovery was due to both expanded area, up 2.4 percent to 42.9 million hectares, and a 5-percent increase in the average yield of 3.36 tons per hectare, the highest to date. In 2009/10, an erratic monsoon reduced India’s rice production 10 percent from a year earlier, mostly due to reduced area. Recovery in 2010/11 was especially strong for India’s main-season *kharif* crop. The *rabi* crop was slightly larger than year earlier as well. The *kharif* crop refers to crops sown in the summer months with the first monsoon rains and then harvested in the autumn. In India, the *kharif* crop makes up approximately 85 percent of the country’s total annual rice production. The *rabi* crop refers to crop planted in the winter months and

harvested the spring. The *rabi* crop typically accounts for no more than 15 percent of total rice production in India.

- **Bangladesh's** total production increased 7 percent to a record 33.2 million tons, with both area and yield the highest to date. Most of the increase in Bangladesh's production over the past decade has been due to rapid expansion of its high-yielding dry-season *boro* crop. The *boro* crop now accounts for more than half of Bangladesh's rice production and the area shift to this crop is responsible for much of the average yield growth achieved. The *boro* crop is planted December-January and harvested April-May.
- In contrast, **Pakistan's** 2010/11 rice production declined more than 26 percent to 5.0 million tons, the smallest crop since 2002/03. The sharp decline was due to severe flooding just prior to the 2010/11 harvest that reduced harvested area 25 percent to 2.1 million hectares and cut yields almost 2 percent to 3.57 tons per hectare.
- Also posting a decline was **Sri Lanka**, whose 2010/11 crop declined more than 9 percent to 2.4 million tons, a result of both smaller area and a weaker yield. Sri Lanka experienced severe flooding in several major rice growing provinces in early winter just prior to the harvest of the main-season *Maha* crop. In 2009/10, production rose 19 percent to 2.65 million tons, the highest to date. Production in 2009/10 was boosted by the end of hostilities. The *Maha* crop is Sri Lanka's largest rice crop and is planted in the fourth quarter and harvested in March-April.

Southeast Asia:

Rice production in Southeast Asia in 2010/11 increased 1.6 percent to 113.3 million tons, the highest to date. The bumper crop was primarily due to a record average yield. Area, estimated at a record 46.2 million hectares, was up just 0.1 million hectares from a year earlier. The region is the third-largest rice-growing region in the world, the largest source of global rice exports by a wide margin, and a major importing region. Every exporting country in Southeast Asia harvested a record or near-record rice crop in 2010/11.

- **Thailand**, the world's largest rice-exporting country, produced 20.3 million tons of rice in 2010/11, virtually unchanged from a year earlier and the largest to date. An increase in the dry-season crop more than offset a slight decline in the earlier harvested main-season monsoon crop. The main-season crop was reduced by severe flooding in late October, while subsequent high prices encouraged strong plantings of the smaller dry-season crop that was harvested in the spring of 2011.
- **Vietnam**, the second-largest rice exporting country, produced a record 26.3 million tons of rice in 2010/11, up 5 percent from a year earlier. Production was higher in 2010/11 for all three of Vietnam's crops, with its *summer-autumn* crop expanding the most. The *summer-autumn* and Vietnam's main crop—the *winter-spring* crop—were the highest on record. Total area

expanded almost three percent to a near-record 7.6 million hectares, a result of strong prices at planting. The average yield of 5.53 tons per hectare was the highest to date. Vietnam achieves the highest average yield among countries in Southeast Asia, largely due to its substantial irrigation facilities, use of modern high-yielding varieties, and the large share of production accounted for by its irrigated dry-season crop.

- **Burma**, a mid-level exporter, harvested a record 11.9 million tons of rice in 2010/11, an increase of almost 2 percent from a year earlier. The yield was the highest to date, while area remained at a near-record 7.0 million hectares. Burma's dry-season crop is quite small. Poor-quality seed, lack of irrigation facilities, and limited inputs and credit hinder Burma's rice farming.
- **Cambodia** expanded production 9 percent in 2010/11 to 5.3 million tons, with both area and yield the highest to date. The country has sharply expanded area and production since 2005/06, largely due to outside investment. Cambodia's rice sector had declined and then stagnated for more than 3 decades due to severe political instability. Only recently has Cambodia—once a major exporter during the first half of the 20th century—returned as a mid-level exporter.
- **The Philippines**—typically the world's largest rice-importing country—produced 10.5 million tons of rice in 2010/11, up 8 percent from a year earlier and one of the largest crops on record. The 2009/10 crop was adversely impacted by severe typhoons that lowered area and yield. The 2010/11 area of 4.53 million hectares was up 3 percent from a year earlier, but unchanged from 2008/09. The average yield increased 5 percent in 2010/11 to 3.69 tons per hectare. Average yields are low in the Philippines compared with other countries in the region, partly due to the large number of typhoons that typically hit the islands.
- Production in **Indonesia**, the world's third-largest producing country and typically a major importer, declined more than 2 percent to 35.5 million tons, mostly due to a lower yield caused by a smaller share of the crop grown on the high-yielding island of Java. This is the smallest crop for Indonesia since 2006/07.
- **Malaysia's** rice production increased almost 2 percent to 1.64 million tons, a result of a higher yield and slight area expansion. Malaysia imports about 35 percent of its annual rice consumption, the highest share for any Asian country that is a non-city state.
- **Laos**, virtually self-sufficient in rice, experienced a 6-percent decline in production in 2010/11 to 1.9 million tons, with both area and yield lower than a year earlier. Laos was affected by a prolonged dry period at the beginning of the 2010 main season and by localized flooding toward the end of the season. Much like Cambodia, production in Laos has increased substantially since 2004/05.

East Asia:

East Asia is the largest rice-growing region in the world. At 151.6 million tons, total rice production in the region was down fractionally from the year earlier record, a result of a slightly lower average yield.

- In **China**, the world's largest rice-producing country, production rose slightly to 137.0 million tons, the largest since 1999/2000. The increase was due to a slight expansion in area to 29.87 million hectares, the highest since 2000/01. The average yield declined slightly, mostly due to low spring temperatures and excessive summer rainfall and flooding that reduced the early-harvested low-quality indica crop in the south. The high-quality single-crop, predominately japonica, continues to account for a larger share of total output.
- Production in **Japan** in 2010/11 was virtually unchanged from a year earlier at 7.72 million tons, with area up slightly and average yields fractionally lower. The crop was harvested prior to the devastating earthquake and tsunami that struck the country in March. Area and production in Japan have declined for several decades, with yields indicating no trend for the past decade.
- Production in **South Korea's** declined in 2010/11 due to cooler temperatures in early summer, heavy rains and less sunshine from August to October, and typhoons in August and September. South Korea's production declined 13 percent to just 4.3 million tons, the smallest since 1980/81, with area the lowest in more than 5 decades.
- Production in **North Korea** declined 16 percent to 1.6 million tons—also the result heavy rains—the smallest since 2007/08. Production in North Korea remains well below levels achieved in the 1980s, with a lack of inputs and quality seed being the major factors. The country is food deficit.
- Production on **Taiwan** declined 9 percent to 1.02 million tons, a result of both a weaker yield and a smaller area. Taiwan was struck by the powerful Typhoon Megi in October 2010.

South America:

In 2010/11, South America harvested a record 17.4 million tons of rice, up more than 11 percent from a year earlier, with exporters accounting for most of the increase. The bumper crop was the result of expanded area and a record average yield for the region. South America is the largest non-Asian rice producing region in the world and is a net-exporter of rice. Production has increased by more than one-third over the past decade, mostly due to rising yields. Rice area in South America is currently well below the record levels planted in the 1970s and 1980s, with the low-yielding dry-land rice accounting for nearly all of the area decline.

In 2010/11, four mid-level South American exporters—Argentina, Brazil, Paraguay, and Uruguay—produced record crops.

- **Brazil** is the largest non-Asian rice-producing country in the world and was a net exporter of rice in 2011. In 2010/11, Brazil produced a record 9.3 million tons of rice, up 17 percent from a year earlier. The bumper crop was largely due to a 14-percent boost in yield to a record 4.8 tons per acre. Area expanded 2.5 percent from 2009/10 to 2.83 million hectares, when adverse weather reduced plantings. Virtually all of the area and production expansion was in the high-yielding southern State of Rio Grande do Sul, where all of the rice is irrigated. Rio Grande do Sul produces almost two-thirds of Brazil's rice crop. Part of the area expansion in Brazil was due to government support programs that provided marketing, credit, and price support that were extended to rice producers beginning in November 2010, making Brazil a competitive supplier in the global export market. Brazil is also a regular rice importer, buying almost exclusively from regional suppliers.
- **Argentina** produced a record 1.12 million tons of rice in 2010/11, up 58 percent from a year earlier. Area expanded almost 20 percent to a record 257,000 hectares and the yield jumped 32 percent to a near-record. Like most countries in the region, Argentina's 2009/10 crop was adversely impacted by weather.
- **Uruguay** produced a record 1.15 million tons of rice in 2010/11, up 43 percent from a year earlier. Both area and yield were the highest on record.
- **Paraguay's** record production of 271,000 tons was up 28 percent from a year earlier and was the result of record area. Paraguay has trebled production over the past 5 years and emerged as an exporter.
- **Guyana's** production of 361,000 tons was virtually unchanged from a year earlier, as expanded area offset a lower yield. Production has grown slowly in Guyana over the past decade. Substantial additional investment would be needed for a major area expansion. The country's exports have remained rather stable over the past decade.
- **Suriname's** production increased fractionally to 124,000 tons, with a slight area expansion nearly offset by a lower yield. Production remains below levels achieved in the 1980s. Suriname is a small regional exporter.

In contrast, South America's major net importers—mostly located in the Andean Region—harvested smaller crops in 2010/11, mostly due to reduced plantings.

- **Colombia**, the second-largest rice-producing country in South America, produced 1.5 million tons of rice in 2010/11, down more than 12 percent from a year earlier and the smallest since 2005/06. The small crop was largely due to severe flooding that dropped area more than 10 percent to 420,000 hectares, the smallest rice area in Colombia since 1998/99.

- **Venezuela's** production dropped 30 percent from a year earlier to 350,000 tons, the smallest since 2002/03. Unlike Colombia, the decline was totally due to a weak yield largely caused by a lack of agricultural inputs and credit.
- **Ecuador's** 2010/11 production expanded almost 5 percent to 900,000 tons, a result of a higher yield. Area actually declined slightly.
- **Peru** saw 2010/11 production drop 7 percent to 1.9 million tons due to reduced plantings and a weaker yield caused by a lack of rain.
- **Bolivia's** 2010/11 production declined 14 percent to 268,000 tons due to smaller plantings.
- In contrast, **Chile's** 2010/11 crop expanded 36 percent to 83,000 tons due to a powerful yield recovery.

Sub-Saharan Africa:

Rice production in Sub-Saharan Africa increased almost 8 percent in 2010/11 to a record 12.5 million tons, a result of both an area expansion and a record average yield. Since the food price increases of 2007/08 and rice export embargoes, the region has expanded production to reduce dependency in imports. Much of this effort has relied on outside investment. In 2010/11, the weather was generally favorable in the major rice growing areas of Sub-Saharan Africa, especially in much of West Africa which produces the bulk of the region's crop.

West Africa:

- **Nigeria's** 2011/11 production declined 4 percent to 2.62 million tons. The decline was solely due to a weaker yield, area slightly increased. Several States in the northern Nigeria experienced an unfavorable rainfall patterns in 2010. This included a late onset of the rainy season, prolonged dry spells, and torrential rains and flooding of farmlands in August and September 2010. Nigeria is one of the largest rice importers in the world and is the largest producer in West Africa.
- **Guinea's** production in 2010/11 of 1.06 million tons was up 7 percent from a year earlier and the largest to date. The bumper crop was a result of a substantial area expansion.
- **Mali** harvested 1.50 million tons of rice in 2010/11, a 46-percent increase from a year earlier and largest to date. The bumper crop was a result of a big expansion in area and a substantial yield boost.
- **Cote d'Ivoire** also harvested a record 2010/11 crop, estimated at 491,000 tons, up 10 percent from a year earlier. The larger crop was the result of a higher yield.

- **Sierra Leone's** record 2010/11 harvest of 523,000 tons was up 6 percent from a year earlier, a result of a record yield.
- **Senegal** also harvested a record crop in 2010/11, estimated at 408,000 tons, an increase of 18 percent from a year earlier. The bumper crop was the result of both record area and yield.

Other Sub-Saharan Africa

- **Madagascar** harvested a record 3.1 million tons of rice in 2010/11, an increase of 6 percent from a year earlier and the largest production in Sub-Saharan Africa. The bumper crop was due to a record yield.
- **Tanzania** also produced a record crop, estimated at 924,000 tons, an increase of almost 5 percent. The larger crop was a result of a higher yield.

Rest-of-the-World:

There were important production changes in other parts of the world that impacted the global market, especially among exporters.

- **Egypt's** 2010/11 crop dropped 28 percent to 3.3 million tons, the smallest since 1998/99. The decline was the result of a substantial drop in area to just 450,000 hectares, a response to government policy restricting exports and diverting production to less water-intensive crops.
- Production in the **United States** expanded more than 6 percent in 2010/11 to a record 7.6 million cwt, a result of a 16-percent increase in area to 1.46 million hectares, the second-largest area on record. The yield dropped 5 percent, largely due to excessive heat in the summer.
- Production in the **European Union**—a major global importer of rice—was 2.03 million tons in 2010/11, fractionally below the year earlier record.
- **Australia's** 2010/11 increased 269 percent to 523,000 tons due to a huge area expansion a result of an increase in reservoir levels due to abnormally heavy rains. This was the largest crop since 2005/06. Australia's production had been sharply reduced for several years due to drought, nearly taking Australia out of the export market.

Despite Record Disappearance in 2010/11, Global Rice Ending Stocks Increased for a Fourth Consecutive Year

Global disappearance, including unreported losses in processing, marketing, and transporting, is estimated at 449.6 million tons (milled basis) in 2010/11, an increase of 2 percent from a year earlier. India accounted for the bulk of the increase. Consumption and residual use in India increased 5 percent to 90.2 million tons, primarily due to much larger supplies. Disappearance in India often fluctuates from year-to-year because consumers can shift between rice and wheat-based foods. This level of substitution is not common in most other countries.

Disappearance in Bangladesh in 2010/11 expanded almost 8 percent to 34.0 million tons, the largest to date. Population growth and rising per capita use are behind the steady increase in disappearance in Bangladesh. Consumption growth in East Asia in 2010/11 was very small. Except for North Korea, rising incomes are encouraging diet diversification away from rice and population growth is very slow or declining.

In Southeast Asia, Cambodia's disappearance climbed 11 percent to 4.3 million tons, the highest to date, partly due to much larger supplies. Indonesia's disappearance increased almost 3 percent to 39.0 million tons. Both Thailand and Vietnam posted small increases in disappearance, also largely due to population growth.

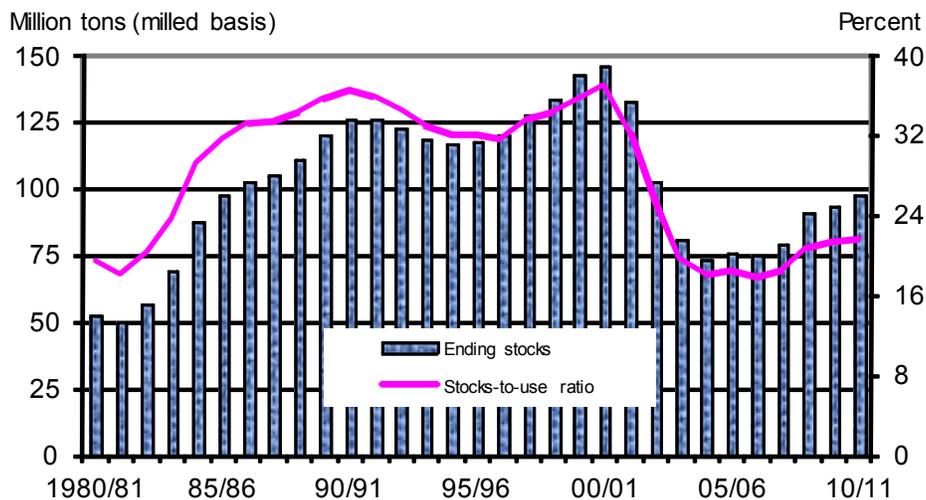
Outside Asia, Nigeria's disappearance increased 10 percent to a record 5.0 million tons, a rate of increase well ahead of population growth. For Sub-Saharan Africa as a whole, domestic disappearance increased 9 percent to 21.5 million tons, also well ahead of population growth. The region is one of the few areas where higher incomes are associated with higher per capita use. A near-historic low milling rate and large residual use associated with a record crop boosted the U.S. disappearance 8.5 percent to a record 4.36 million tons. In contrast, tight supplies lowered Egypt's rice disappearance 9 percent to 3.6 million tons.

In 2010/11, global ending stocks rose almost 8 percent to 97.8 million tons (milled basis), the highest since 2002/03 and fourth consecutive year of an increase. The stocks-to-use ratio was 21.7 percent, slightly higher than a year earlier and the highest since 2002/03. China and India account for most of the increase in global stocks. At 42.6 million tons, China's ending stocks are 5 percent above a year earlier and the highest since 2003/04. Despite the increase, China's stocks remain well below the 1999/2000 record of 97.35 million tons. India's stocks rose 15 percent to a record 23.5 million tons, a result of a production recovery and a ban on non-basmati exports.

In Southeast Asia, Indonesia's stocks dropped 11 percent to 5.85 million tons, a result of a smaller crop and rising disappearance. Despite a record crop, Thailand's stocks fell 9 percent to 5.6 million tons, mostly due to a record pace of exports in 2011. In contrast, Vietnam's ending stocks rose 27 percent to almost 1.9 million tons as the larger crop more than offset record exports and a small expansion in domestic disappearance. Stocks in the Philippines declined 30 percent to 2.5 million tons, mostly due to weaker imports. Finally, U.S. ending stocks soared 28 percent to 1.5 million tons, the highest since 1986/87. A record crop and only modest expansion in total use accounted for the 28 percent increase in U.S. ending stocks to 1.5 million tons.

Figure 11

Global ending stocks increased for the fourth consecutive year in 2010/11



Source : USDA, Foreign Agricultural Service, *Production, Supply, and Distribution database*, <http://www.fas.usda.gov/psd>

Global Rice Trade in 2011 Was the Highest on Record

Global rice trade in calendar year 2011 was a record 35.1 million tons (milled basis), an increase of more than 10 percent from a year earlier. On the export side, India and Thailand accounted for the bulk of the increase. All trade estimates are on a milled-equivalent basis.

Exporters:

Southeast Asia:

Southeast Asia is the largest source of rice exports and accounted for more than four-fifths of the 2011 increase.

At 10.5 million tons, **Thailand's** 2011 rice exports were up 16 percent from a year earlier and the largest amount of rice ever shipped by one country. Thailand benefited from India's ban on non-basmati exports early in the year, shipping rice at a record pace. By early fall 2011, Thailand's export pace slowed, as India resumed sales of non-basmati rice. Thailand is the world's largest rice exporter, shipping both regular milled rice and parboiled rice. Thailand sells high-, medium-, and low-quality rice and is the largest exporter of glutinous rice, a specialty rice grown mostly in Southeast Asia.

- **Vietnam**, the world's second-largest rice-exporting country, shipped a record 7.0 million tons of rice in 2011, an increase of 4 percent from a year earlier. Like Thailand, Vietnam's exporters benefited from India's export restrictions during much of 2011 and Vietnam's rice was priced competitively. Vietnam exports mostly low- and medium-quality regular milled white rice, with Southeast Asia a top market. The country is trying to improve the quality of its rice and to export aromatic rice.
- **Cambodia** exported 1.0 million tons of rice in 2011, unchanged from the year earlier record. Vietnam is the major destination for Cambodia's rice, with Vietnam taking mostly unmilled rice from Cambodia. Cambodia only recently returned to the global export market after several decades of absence largely due to political instability. Cambodia was a major rice exporter during much of the first half of the 20th Century.
- **Burma** exported 750,000 tons of rice in 2011, up more than 300,000 tons from 2010, but well below levels shipped prior to World War II. Burma was the world's largest rice exporter from the 1920s until the early 1960s, when shipments began to drop, mostly a result of policies that did not promote exports. Burma exports mostly low-quality milled rice.

South Asia:

South Asia is the second-largest exporting region, accounting for around 20 percent of global exports.

- **India** exported 4.2 million tons of rice in 2011, up almost 89 percent from a year earlier and the highest for the country since 2007. In early 2008, the Government of India implemented a ban on non-basmati rice exports, with exceptions for Bangladesh and certain markets in Africa. The ban was intended to slow the rate of inflation. India is the third-largest exporter of rice and the largest exporter of basmati rice, shipping about 2 million tons of basmati rice a year, mostly to higher income countries. In addition to its premium basmati rice, India exports both regular milled and parboiled rice, with the Middle East and Sub-Saharan Africa top destinations.
- **Pakistan** exported 3.0 million tons of rice in 2011, down 1.0 million from the year earlier record, a result of tight supplies. Pakistan's 2010/11 rice crop was sharply reduced due to severe late-summer flooding. Pakistan exports both basmati rice to higher income markets and long-grain milled-rice to less affluent markets, mostly in East Africa. Unlike the other Asian rice-exporting countries, Pakistan is not a rice based economy, with a per capita rice consumption level well below the Asian average.

East Asia:

Although a net importer, East Asia also exports rice.

- **China** exported 500,000 tons of rice in 2011, down 19 percent from a year earlier and well below levels shipped during most of the 1990s and early 21st century. China exports long-grain, medium-grain, and short-grain

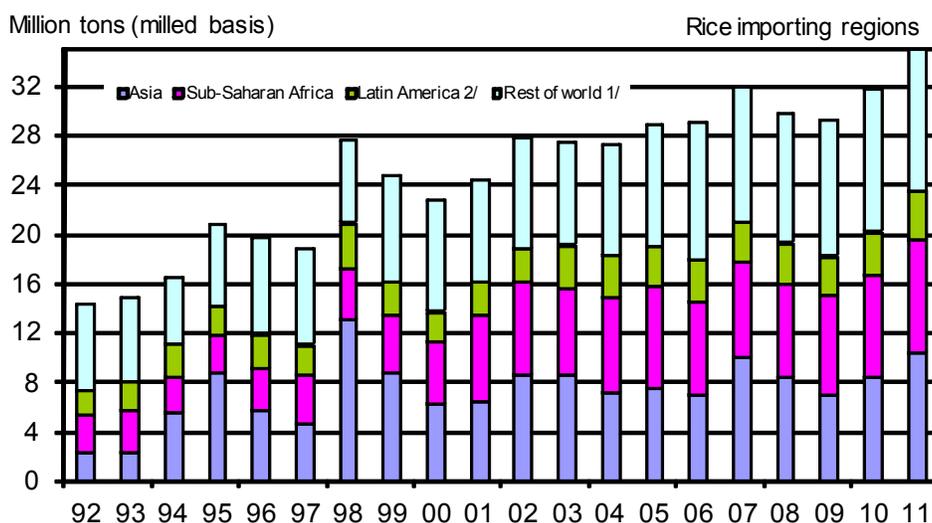
rice. China is also a rice importer and is typically a small net exporter. Trade accounts for a very small share of China's rice production or consumption.

- **Japan** exported 200,000 tons of rice in 2011, unchanged from a year earlier. All of Japan's rice exports are donations, with the country a net importer of rice. Japan is an extremely high-cost producer of rice.

Western Hemisphere:

North and South America are the largest non-Asian sources of rice exports, with North America historically the larger of the two by a wide margin. However, in 2011, South America exported a record 3.5 million tons of rice, up 54 percent from a year earlier and about 9 percent more than North America shipped. The countries of the Southern Cone account for most of the South America's exports and nearly all of the 2011 expansion. The substantial increase in exports from South America was largely a result of a record crop for the region.

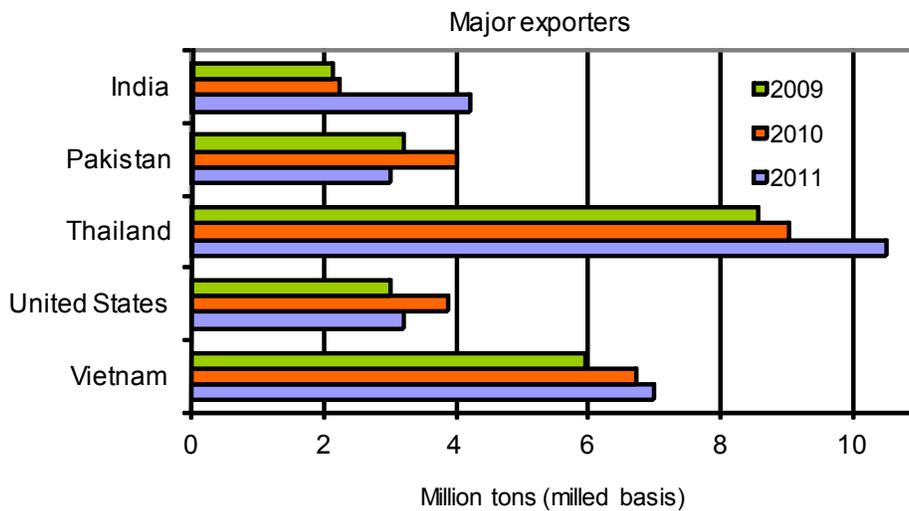
Figure 12
Global rice trade was the highest on record in 2011



1/ Includes imports not assigned a specific country. 2/ Mexico, Central America, the Caribbean, and South America.
 Source: USDA, Foreign Agricultural Service, *Production, Supply, and Distribution* database, <http://www.fas.usda.gov/psd>

Figure 13

Thailand's exports hit a record high in 2011



These five countries account for more than 80 percent of global rice exports. 1/ Includes imports not assigned a specific country. 2/ Mexico, Central America, the Caribbean, and South America.

Source: USDA, Foreign Agricultural Service, *Production, Supply, and Distribution* database, <http://www.fas.usda.gov/psd>

- The **United States** is the largest non-Asian rice exporting country and only North American exporter, shipping 3.21 million tons in 2011, down 17 percent from a year earlier. The U.S. shipment pace dropped sharply in the last four months of 2011, as the country faced strong price competition from Asian and South American competitors in the global long-grain market. By class, about a third of U.S. rice exports are medium- and short-grain, with Northeast Asia the largest market, followed by the Eastern Middle East and Oceania. The bulk of U.S. long-grain exports go to Latin America, mostly Mexico and Central America. Sub-Saharan Africa, parts of the Middle East, and Canada are also top markets for U.S. long-grain rice, with South America an occasional buyer. By type, the U.S. exports fully milled rice, brown rice, and rough rice, with rough rice more than a third of total exports and rising as a share. Sub-Saharan Africa, Canada, and the Caribbean purchase mostly milled rice from the U.S., the EU takes mostly brown rice, and Mexico and Central America purchase mostly rough rice. Except for Turkey, which is a rough-rice market, the Middle East imports milled rice.
- Brazil**, the largest rice producer in the region, exported a record 1.3 million tons of rice in 2011, more than 3 times the level shipped a year earlier and more than double the previous record achieved in 2009. Much of Brazil's 2011 export expansion was due to a record crop that largely resulted from its producer subsidy program and a weak currency. Neither Brazil's

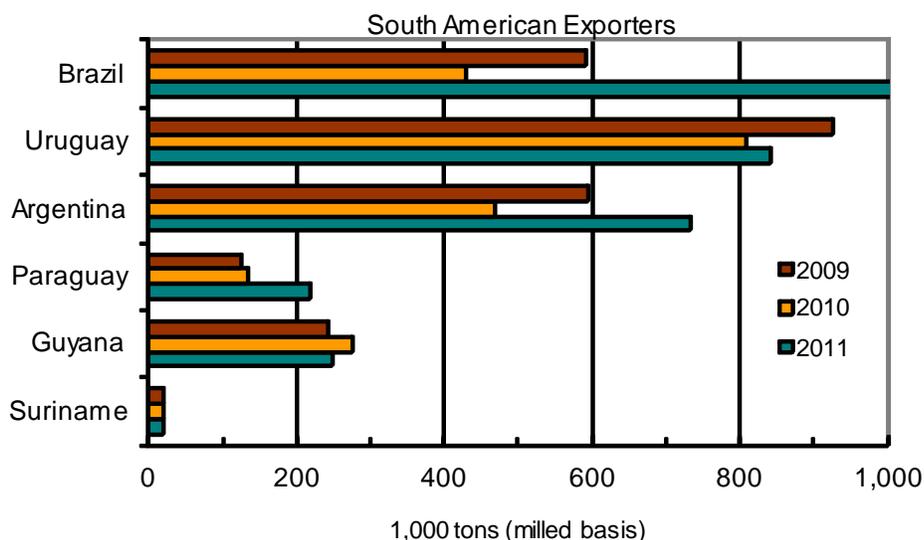
production nor exports are expected to remain at this level. Brazil exports long-grain milled-rice to Africa, the Middle East, and markets in the Western Hemisphere.

- **Uruguay** exported 841,000 tons of rice in 2011, up 4 percent from a year earlier. Uruguay ships to markets in South America, as well as to Africa and the Middle East. The bulk of Uruguay's production is exported, with long-grain accounting for almost all of its production. Uruguay is typically the largest exporter in the region.
- **Argentina** exported 732,000 tons of rice—nearly all long-grain—in 2011. That was an increase of 56 percent from a year earlier and the largest amount ever shipped by Argentina. Brazil is the largest buyer of rice from Argentina, taking mostly rough rice. Like Uruguay, the bulk of Argentina's crop is exported. In addition, Argentina has the potential to expand rice area.
- **Paraguay** exported a record 220,000 tons of rice in 2011, up 63 percent from a year earlier. Both production and exports have sharply risen in Paraguay in recent years. Paraguay ships most of its rice to nearby Brazil and Chile, with long-grain accounting for nearly all of its shipments.
- **Guyana** exported 250,000 tons of rice in 2011, down 9 percent from a year earlier. Guyana ships milled rice mostly to the Caribbean and Europe. Neither Guyana's production nor exports have shown any sustained increase in recent years.
- **Surinam** and **Ecuador** also export rice, shipping small amounts locally.

North Africa, EU, FSU, and Oceania:

- Egypt is the only rice exporter in North Africa, shipping 120,000 tons of rice in 2011, down 79 percent from a year earlier. The substantial decline was due to an export ban and area restriction imposed by the Government to conserve water use and limit food price increases. Egypt harvested just 3.3 million tons of rice in 2010/11, down 28 percent from a year earlier. Both production and exports are projected to return to more typical levels in 2011/12. Egypt exported a record 1.1 million tons of rice in 2005. The bulk of Egypt's rice exports, nearly all medium- and short-grain milled rice, are shipped to markets in the Middle East and North Africa. Egypt consumes most of the rice it produces and is a large importer of wheat.

Figure 14
Southern Cone rice exporters boosted shipments in 2011



Source: USDA, Foreign Agricultural Service, *Production, Supply, and Distribution* database, <http://www.fas.usda.gov/psd>

- The **European Union** exported 300,000 tons of rice in 2011, up more than 6 percent from a year earlier. The region is a net importer of rice, exporting mostly medium- and short-grain rice and importing mostly long-grain rice. Italy accounts for most of the EU's rice exports, with the Middle East and the United States the top commercial markets. The EU ships some rice as food aid as well. The EU is unlikely to expand exports, since its production costs are quite high.
- The **former Soviet Union** exported 160,000 tons of rice in 2011, down 19 percent from a year earlier, with Russia accounting for more than three-fourths of the shipments. The region exports mostly medium- and short-grain rice and has sharply boosted export levels since 2009, mostly due to substantial increases in production.
- **Australia**, also a medium- and short-grain exporter, shipped 350,000 tons of rice in 2011, up from just 54,000 tons a year earlier and the highest since 2002. Since 2002, Australia's rice exports had been limited by severe drought that sharply reduced production, making Australia a small net importer for several years. Although Australia's crop showed a strong recovery in 2010/11, area and production were well below the 2000/01 records. The future of Australia's rice industry is not known and will be dependent on water availability. Most of Australia's rice crop is exported, with Northeast Asia and Oceania the top markets.

Importers:

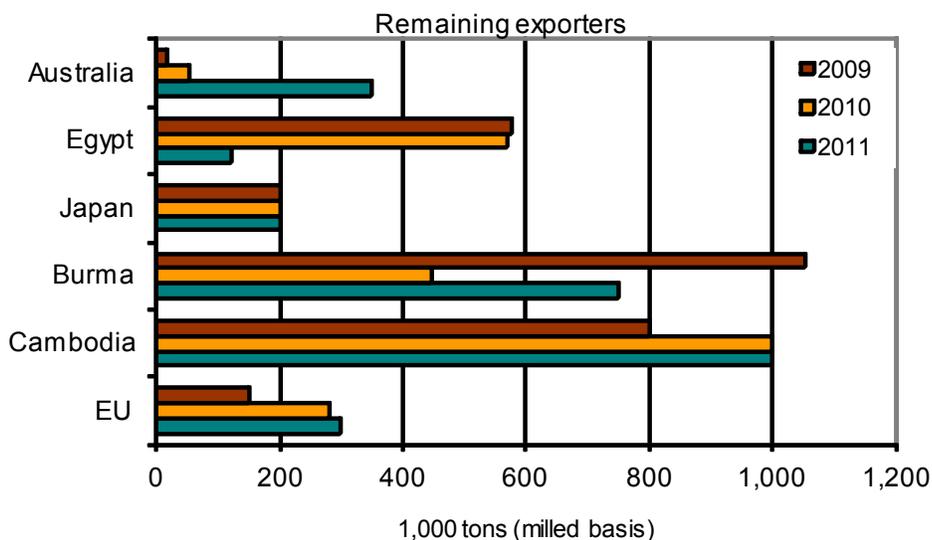
Asia:

Asia imported a near-record 10.4 million tons of rice in 2011, up 22 percent from a year earlier and second only to the record 13.1 million tons imported in 1998 when a severe El Niño devastated crops in the region. Imports were higher in 2011 in all three Asian sub regions—East, Southeast, and South Asia. By country, Indonesia and Bangladesh accounted for most of the increase in imports by Asia in 2011.

Southeast Asia imported 6.1 million tons of rice in 2011, up 9 percent from a year earlier. Southeast Asia was the second-largest rice importing region in 2011 after Sub-Saharan Africa.

- At 2.78 million tons, **Indonesia's** 2011 rice imports were up 141 percent from a year earlier and the largest amount of rice imported by a single country in 2011. Despite the increase, Indonesia's imports were well below the record 5.8 million imported in 1998. The substantial increase in Indonesia's imports in 2011 was largely due to a crop shortfall. With an increasing population and a high per capita consumption level, Indonesia often sharply boosts imports when faced with a crop shortfall.
- In contrast, the **Philippines'** imports plunged 900,000 tons to 1.5 million in 2011, as the government is seeking to reduce dependency on the global market.

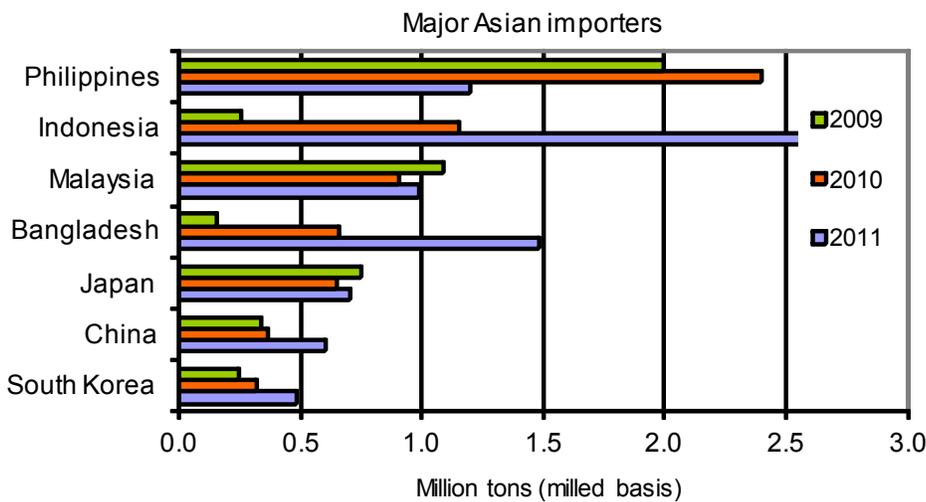
Figure 15
Australia's exports rose sharply in 2011



Source: USDA, Foreign Agricultural Service, *Production, Supply, and Distribution* database, <http://www.fas.usda.gov/psd>

Figure 16

Bangladesh and Indonesia sharply boosted imports in 2011



Source: USDA, Foreign Agricultural Service, *Production, Supply, and Distribution* database, <http://www.fas.usda.gov/psd>

- **Malaysia** increased its imports 15 percent to a near-record 1.04 million, as production growth is very slow. Imports now account for 40 percent of Malaysia’s rice imports, up from less than a third a decade ago and the highest ratio of imports to consumption for any Asian country (not including city states like Singapore).
- Although a major net exporter, **Vietnam** imported 500,000 tons of rice in 2011, an increase of 25 percent from a year earlier and even with 2009 imports. These are the largest amount imported by Vietnam since 1976. Nearly all of the rice imported by Vietnam is from Cambodia.

South Asia imported 1.84 million tons of rice in 2011, up 81 percent from a year earlier, with Bangladesh the largest buyer. Like Southeast Asia, the region is a net-exporter of rice.

- **Bangladesh** increased rice imports 112 percent in 2011 to 1.4 million tons, the highest since 2008, but well below the 1998 record of 2.5 million tons. The 2011 increase occurred despite a record crop, as the Government imported rice to reduce food price inflation. Since 2000, Bangladesh had reduced its dependence on rice imports by raising production faster than consumption.
- **Afghanistan** imported 300,000 tons of rice in 2011, up 81 percent from a year earlier and the highest on record. Production in Afghanistan dropped 18 percent in 2010/11 and has shown no upward trend over the past decade.

- Once a major rice importer, **Sri Lanka** is now nearly self-sufficient in rice, as the end of civil unrest has allowed rice production to increase. Sri Lanka imported just 40,000 tons of rice in 2011, about a third of the level imported in 2010.

East Asia imported 2.4 million tons of rice in 2011, up 23 percent from a year earlier and the highest since 2004. Imports by Japan, South Korea, and Taiwan—all part of agreements made under the WTO—account for around half the regions rice imports. These three high-income Asian countries have not imported any rice beyond their WTO commitments.

- At 700,000 tons, **Japans** 2011 rice imports were up 8 percent from a year earlier, a result of the timing of its annual WTO purchases. Japan's WTO imports have been fixed at 682,000 tons a year since Japan's fiscal April-March year 2000/01. The U.S. provides about half of Japan's rice imports. The bulk of Japan's rice imports are medium- and short-grain rice, with long-grain a very small share of imports; long-grain is used for processed purposes.
- **South Korea** imported 480,000 tons of rice in 2011, up 50 percent from a year earlier. Unlike Japan, South Korea's annual WTO rice imports are scheduled to increase through 2014. South Korea imports mostly medium- and short-grain rice, with China the largest supplier followed by the U.S. and Thailand.
- **North Korea** received 100,000 tons of rice in 2011, down 10,000 tons from 2010. Food aid accounted for all of North Korea's imports.
- **Taiwan** imported 125,000 tons of rice in 2011, down 14 percent from a year earlier, with the U.S. the largest supplier. Like Japan, Taiwan's annual WTO purchases are fixed at the current level until another agreement is reached.
- **China** imported 600,000 tons of rice in 2011, up 64 percent from a year earlier and the largest since 2006. Thailand and Vietnam supply most of China's rice imports, shipping mostly aromatic rice.
- **Hong Kong** imported 410,000 tons of rice in 2011, up 5 percent from a year earlier. Like China, Thailand and Vietnam supply the bulk of China's rice imports, shipping mostly aromatic varieties. Hong Kong does not produce rice.

Sub-Saharan Africa:

Sub-Saharan Africa imported a record 9.3 million tons of rice in 2011, making it the largest rice-importing region in the world. The region imports mostly long-grain rice.

- **Nigeria** is the largest rice importer in the region, taking a record 2.3 million tons, up 15 percent from 2010. Nigeria imports mostly parboiled-rice from Asia. Despite substantial efforts to expand area and boost yields, Nigeria remains dependent on imports for nearly half its domestic use.
- **Cote d'Ivoire** is the region's second largest importer, taking 900,000 tons in 2011, up 7 percent from a year earlier. Imports, mostly from Asia, account for more than 70 percent of Cote d'Ivoire's rice imports.
- **Senegal** imported 800,000 tons of rice in 2011, up 17 percent from a year earlier, but still below the 2001 record of 874,000 tons. Imports, mostly broken, account for three-fourths of Senegal's rice consumption.
- **South Africa** imported 760,000 tons of rice in 2011, a 4-percent increase from a year earlier. South Africa imports all of its rice needs, mostly from Asian sources.
- **Ghana** imported a record 520,000 tons of rice in 2011, up 63 percent from a year earlier. The country imports two-thirds of its rice needs. The U.S. is an important commercial supplier to Ghana.
- **Mozambique** imported 400,000 tons of rice in 2011, up 23 percent from a year earlier. Imports now account for about three-fourths for Mozambique's rice consumption.
- **Guinea** imported 320,000 tons of rice in 2011, unchanged from a year earlier. Imports account for about a fourth of Guinea's rice needs, down from more than a third a decade ago.

The Middle East:

The Middle East imported a record 5.63 million tons of rice in 2011, up 7 percent from a year earlier. The region includes three very large importers—Iran, Iraq, and Saudi Arabia—who purchase mostly long-grain rice. Smaller importers on the Mediterranean coast purchase mostly medium- and short-grain rice, while the Gulf States import long-grain. The oil exporting Arab countries, including the Gulf States, import aromatic rice as well. The region counts on imports for 75 percent of its total domestic use of rice, the highest share of any region. The bulk of the Middle East is not suitable for rice growing.

- **Iran** imported 1.4 million tons of rice in 2011, up 40 percent from a year earlier. Iran's imports typically fluctuate by large amounts each year.
- **Iraq** imported 1.15 million tons of rice in 2011, up fractionally from a year earlier. Imports account for almost all of Iraq's rice needs.
- **Saudi Arabia** imported 1.1 million tons of rice in 2011, also up fractionally from a year earlier. Saudi Arabia does not produce rice. The U.S. supplies about 15 percent of Saudi Arabia's rice.

- **Turkey** imported 300,000 tons of rice in 2011, down 27 percent from a year earlier. Imports account for less than half of Turkey's consumption. The U.S. is a major supplier of rice to Turkey.

The remaining importers in the Middle East do not produce rice.

- **Jordan** imported 140,000 tons of rice in 2011, up fractionally from a year earlier. The U.S. is a major supplier of rice to Jordan.
- **Syria** imported a record 350,000 tons of rice in 2011, an 11-percent increase, with the U.S. a small supplier.
- The **United Arab Emirates** imported a record 420,000 tons of rice in 2011, a 5-percent increase from a year earlier. Some of this rice is likely transshipped.
- **Oman** imported 100,000 tons in 2011, down 24 percent from a year earlier.
- **Kuwait** imported a near-record 200,000 tons in 2011, up 11 percent from 2010. The U.S. is a small supplier to these countries.
- **Israel** and **Lebanon** are much smaller importers. U.S. sales are rising to Israel.

North America:

North America imported a record 1.74 million tons of rice in 2011, a 16-percent increase from a year earlier. Mexico accounted for most of the increase.

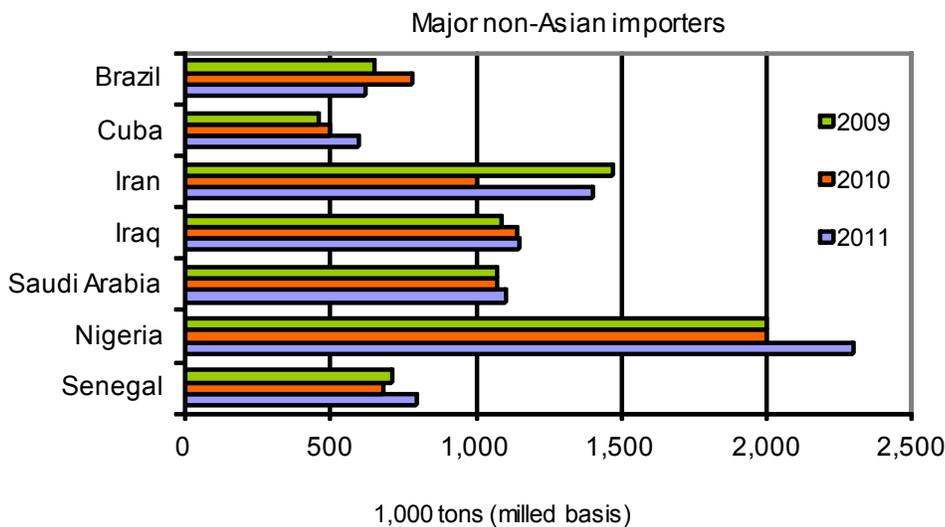
- **Mexico** imported a record 791,000 tons of rice, nearly all from the U.S., with long-grain rough rice accounting for most of the shipments. Production in Mexico has declined for almost three decades, with imports now accounting for more than 85 percent of use.
- The **United States** imported 620,000 tons of rice in 2011, up 10 percent from a year earlier. Thailand supplies about two-thirds of U.S. rice imports and India and Pakistan supply most of the rest. The bulk of these shipments are specific aromatic varieties not grown in the U.S. Imports account for about 15 percent of U.S. rice consumption.

The Caribbean:

The Caribbean imported 1.15 million tons of rice in 2011, up 17 percent from a year earlier. The region imports about half the rice it consumes. Cuba is the largest importer in the region.

Figure 17

Nigeria's imports were record high in 2011



Source: USDA, Foreign Agricultural Service, *Production, Supply, and Distribution* database, <http://www.fas.usda.gov/psd>

- **Cuba** imported 600,000 tons of rice in 2011, an increase of more than 20 percent from a year earlier. Vietnam supplies nearly all of Cuba’s rice imports. The level of Cuba’s imports varies depending on the country’s production, which is often impacted by hurricanes.
- **Haiti** imported a near-record 395,000 tons of rice in 2011, up 17 percent from 2010, with the U.S. the primary supplier. Haiti is the largest market for U.S. long-grain milled rice, with almost all sales commercial. Imports account for the bulk of Haiti’s rice consumption.

Central America:

Central America imported 509,000 tons of rice in 2011, up 11 percent from a year earlier. The U.S. supplies nearly all rice imported by the region, shipping mostly long-grain rough rice. Nicaragua, Costa Rica, and Panama account for most of the regions production. Imports by Central America have trended down over the past 4 years as production has increased faster than use.

- **Honduras** imported 130,000 tons of rice in 2011, up 38 percent from a year earlier.
- **Nicaragua** imported 100,000 tons of rice, an increase of 12 percent from 2009/10.
- **El Salvador’s** imports of 80,000 tons were 18 percent higher than a year earlier.

- In contrast, **Panama's** imports dropped 20 percent to 60,000 tons and Costa Rica's imports declined 10 percent to 64,000 tons. Costa Rica has sharply boosted rice production since 2004/05 after several years of decline.

South America:

South America imported 1.4 million tons of rice in 2011, virtually unchanged from a year earlier. The region is nearly self-sufficient in rice, with imports a small share of total use. South America imports mostly long-grain rice, with most of the rice supplied by regional exporters.

- **Brazil** imported 620,000 tons of rice in 2011, a drop of 20 percent from a year earlier. The sharp decline was largely due to a record 2010/11 crop in Brazil.
- **Venezuela** imported 300,000 tons of rice in 2011, down 14 percent from the year earlier record. Venezuela's imports rose sharply after 2007 in response to several crop shortfalls.
- **Colombia** imported 125,000 tons in 2011, up from just 8,000 tons a year earlier. Colombia typically produces most of the rice consumed in the country and is the second largest producer in South America.
- **Peru** imported 150,000 tons of rice in 2011, up 50 percent from a year earlier. Imports are a small share of Peru's consumption.
- **Chile** imported 132,000 tons of rice in 2011, up 20 percent from a year earlier. Imports account for around two-thirds of Chile's rice consumption.

These five countries account for more than 90 percent of the region's rice imports.

Rest of the World:

The remaining regions of the world consume little rice and have low per capita use levels.

- The **European Union (EU)** imported 1.15 million tons of rice in 2011, down 5 percent from a year earlier. Imports have steadily declined since 2008, when 1.5 million tons were imported. The region imports long-grain rice, mostly brown rice, as well as aromatic rice from Asia. Consumption is nearly flat in the EU, while production is at a record level.
- The **former Soviet Union** imported 327,000 tons of rice in 2011, down 18 percent from a year earlier and well below levels imported early in the 2000s. Production has increased in the region over the past 5 years.
- **Oceania** imported 345,000 tons of rice in 2011, a decline of 19 percent from a year earlier. The region is primarily a medium- and short-grain market. During the first decade of this Century, imports by Oceania were

boosted by production shortfalls in Australia which accounts for all of the rice produced in Oceania. Papua New Guinea has returned as the largest import market in the region.

Global Trading Prices

Thailand's Paddy Mortgage Scheme Reversed the Global Rice Price Decline in 2010/11

Global rice prices began the 2010/11 market year in August on a slight rise largely due to India's continued export ban on non-basmati rice, a major production shortfall in Pakistan, and severe flooding in Thailand. However, by early 2011, prices began to fall as India's recently harvested main-season kharif crop rebounded from the 2009/10 shortfall and Thai farmers offset their rainy-season crop losses with record dry season plantings. In addition, the record U.S. 2010/11 harvest provided substantial supplies in the event of a major crop failure.

Thailand:

From early August 2010 through mid-November 2010, price quotes for Thailand's 100 percent Grade B long-grain milled-rice rose 19 percent to \$556 per ton. By late May 2011, the price had declined 11 percent to \$493 per ton, with both a record Thai dry season crop coming in and a bumper rabi crop in India being harvested. However, the promise in late May by the Pheu Thai Party of Prime Minister candidate Yingluck Shinawatra of a paddy mortgage scheme offering farmers prices double current market levels to secure the support of the country's 8 million rice farmers in the July general elections led to rapid increases in trading prices. From early June until early December 2011, Thai price quotes rose 27 percent to \$624 per ton, making Thailand uncompetitive in the global rice market.

Vietnam:

Vietnam's prices followed a similar pattern. Price quotes for Vietnam's 5-percent double water polished rice—Vietnam's top quality—rose from \$360 per ton at the end of July 2010 to \$500 per ton by mid-November 2010, on concerns over possible tight global supplies. As concerns over supply shortfalls diminished, Vietnam's prices declined, falling to \$460 by late May 2011. With the promise of a Thai paddy mortgage scheme announced in late May, Vietnam's prices began to climb, reaching \$580 by mid-October. Vietnam's prices began to drop again as concerns over flooding in Southeast Asia abated and India resumed exporting non-basmati rice in September 2011 after almost 4 years of a ban. Vietnam was a very competitively priced exporter during 2011, a major factor behind its record exports that year.

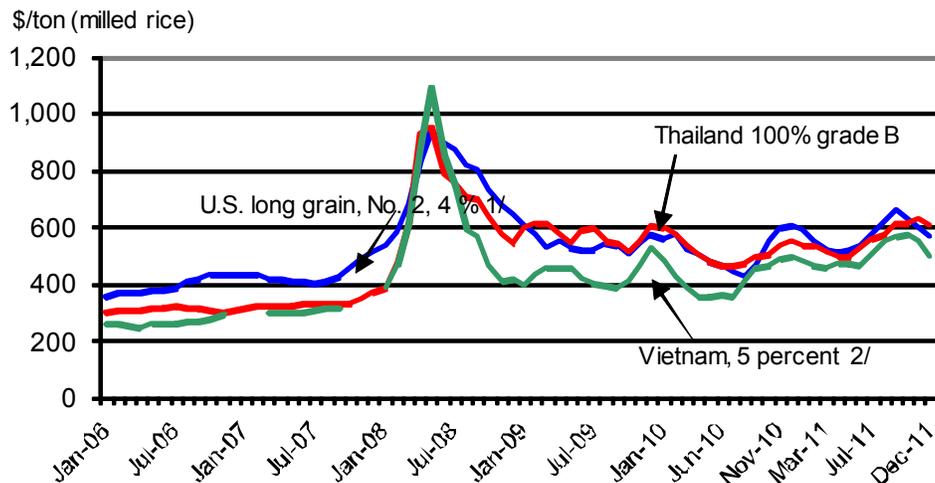
United States:

Despite the onset of a record harvest in 2010/11, U.S. long-grain milled-rice prices increased from \$413 at the start of the 2010/11 market year in August to \$595 by late November 2010, a result of rising global prices and quality concerns and low milling rates from the U.S. southern crop that reduced supplies of high-quality rice. In January 2011, U.S. prices began to decline as world prices dropped and record harvests came off in Southeast Asia, the largest exporting region.

Prices for U.S. Number 2, 4 percent broken (free along side a vessel in a U.S. Gulf port) fell to \$496 per ton by mid-May 2011 and then rose again on rising Thai prices and expectations of a much smaller U.S. crop in 2011/12. By September 2011, the U.S. price reached \$650 per ton, making the U.S. uncompetitive in many milled-rice markets compared with price quotes from Vietnam, Pakistan, and South American exporters. With India's return to the global non-basmati market in September 2011 and a slow pace of U.S. exports, U.S. prices declined to \$546 per ton by the end of 2011, about \$26 per ton below Thai quotes for comparable qualities on a free-on-board basis. Thailand had few, if any, white rice sales at its quoted prices.

U.S. medium-grain price quotes took a somewhat different movement. Prices for package-quality California medium grain rice (sacked) rose from \$728 per ton at the start of the 2010/11 market year to \$871 by mid-November, mostly due to a smaller U.S. crop and tight global supplies. Egypt's 2010/11 harvest was down 36 percent from a year earlier due to severe area restrictions to conserve water and the Government announced a ban on exports to reduce food price inflation. Although Australia's 2010/11 crop rebounded 268 percent, supplies were not available for export until May and June on 2011. The California medium-grain price remained at \$871 until mid-August when it dropped to \$860 on expectation of another large U.S. crop and from competition from Australia. However, strong U.S. sales to Northeast Asia pushed the California price back to \$772 by late December 2011.

Figure 18
Global prices began to decrease in late 2011



Monthly prices are simple average of weekly quotes. All prices quoted “free-on-board” vessel. 1/ The U.S. reported free-alongside price is adjusted to reflect a free-on-board status. 2/ April-June 2008 and December 2009 nominal price quotes only, not actual trading prices. Sources: U.S. Agricultural Counselor, U.S. Embassy in Bangkok, *Thailand Grain and Feed Weekly Rice Price Update* for Thai rice price quotes; *Creed Rice Market Report* for U.S. and Vietnam rice price quotes.

At Look at 2012

The global rice market will likely see weaker prices in 2012 as Indonesia and Bangladesh reduce imports and India, Egypt, and Australia ship more rice. Thailand’s exports will likely fall due to uncompetitive prices. Reduced exportable supplies will pull U.S. exports down.