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RICE MARKET MONITOR

ROUND UP

With the 2014 season fairly advanced, firmer crop estimates have been issued, which have resulted overall in a slight increase of 250 000 tonnes in the global paddy production forecast. At country level, prospects for the 2014 season output have improved since the October release of this report, particularly for China, Indonesia, the Republic of Korea, Nigeria, and Viet Nam. The higher figures more than compensated for a downgrading in India, hit by the cyclonic storm Hudhud, and in the Democratic People's Republic of Korea and Thailand, which both endured severe precipitation shortfalls. Disruptions to agricultural activities caused by the Ebola outbreak also worsened prospects for Guinea, Liberia and Sierra Leone. At 744.7 million tonnes (496.6 million tonnes, milled basis), the resulting **2014 global production forecast** would be slightly (0.2 percent) lower than the 2013 level, reflecting a 0.1 percent contraction of both plantings and yields to 162.9 million hectares and 4.57 tonnes per hectare, respectively brought about by unfavourable weather conditions.

The anticipated year-to-year drop of global production in 2014 very much reflects negative expectations in Asia, where the season is anticipated to close with a minor 0.5 percent decline to 674.4 million tonnes (449.8 milled basis). Indeed, widespread climatic setbacks were endured in the course of the season, which are expected to result in substantial production declines in India, Indonesia, Nepal, Sri Lanka and Thailand. By contrast, Bangladesh, China, Myanmar and Viet Nam are all expected to post sizeable gains. Current prospects point to a positive, albeit modest, production growth in Africa, underpinned by a rebounding of output in the Eastern and Southern parts of the region, driven mostly by a recovery in Madagascar, and continued progress in the United Republic of Tanzania. By contrast, output is projected to contract in North Africa, on account of Egypt, and in Western Africa, reflecting the combination of poor rains and of the Ebola outbreak. In Oceania, limits on water allocation have resulted in plummeting production in Australia. By contrast, good crop results in such countries as Argentina, Brazil, Cuba, Guyana and Paraguay have helped sustained a 1 percent increase of output in Latin America and the Caribbean. A similar pace of growth is expected in Europe, despite a 3 percent retreat in the EU, reflecting an excellent performance of the sector in the Russian Federation. Results are likely to be even more buoyant in North America, where the United States is heading towards a 16 percent output recovery.

While several countries in the Northern Hemisphere still have to harvest their 2014 secondary crops, along and south of the equator, producers are already engaged in sowing their first 2015 crops. Although very preliminary, prospects for **2015 production** in the latter countries are mixed: while in Argentina and Uruguay high production costs and/or excess precipitation may deter plantings, the area under rice is expected to expand in Bolivia, Chile and Paraguay in 2015. In Asia, Indonesia’s government recently announced a paddy production target of 73.4 million tonnes (46.2 million tonnes, milled basis), which would imply a 4 percent increase from 2014. In Sri Lanka, production is set to recover, following a return of the rains. In Africa, prospects for Madagascar and Tanzania are positive, barring any major setback. On the other hand, official forecasts point to an 18 percent output contraction in Australia, as water allocations have again been curtailed and their prices heightened.

GLOBAL RICE MARKET SUMMARY

	2012-13	2013-14 est.	2014-15 f'cast	2014-15/ 2013-14 Var
	million tonnes, milled eq.			*%*
Production	490.5	497.5	496.6	-0.2
Supply	690.7	712.5	718.6	0.8
Utilization	477.4	491.2	500.5	1.9
Food use	401.9	409.6	415.4	1.4
Feed use	13.3	14.1	14.5	2.8
Other uses	62.3	67.5	70.6	4.6
Trade [1/]	37.3	40.2	40.5	0.6
Ending stocks [2/]	175.7	181.2	177.5	-2.1
	%			
Global stock-to-use ratio	35.8	36.2	34.8	-
Major exporters' stock-to-disappearance ratio [3/]	28.2	27.6	24.6	-

[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.

Since October, FAO has raised its forecast of **international trade in rice in calendar 2014** by some 500 000 tonnes to 40.2 million tonnes, primarily on higher expected imports to Bangladesh and Guinea, and, based on reported shipment progress, also to Djibouti, Sri Lanka, Turkey and Zimbabwe. Import forecasts were instead lowered for the Republic of Korea and the Islamic Republic of Iran, with revisions to historical estimates also entailing cuts in import figures for Egypt. On the export side, these changes were met with more buoyant sales mostly by Thailand, but also Viet Nam. Rice deliveries in 2014 by Brazil and Pakistan were revised down. At the new forecast level of 40.2 million tonnes, 2014 world trade in rice would be 8 percent larger than in 2013 and hit a new high. The increase rests mostly on growing imports in the Far East, where important buyers face poor harvest results and/or high local quotations. Competitive world prices are also behind steady increases in rice imports by countries in Africa, but also in Latin America and the Caribbean, Europe and North America. Among exporters, 2014 is marking a resurgence of Thailand as a leading rice supplier. Brazil, Guyana, Pakistan, Paraguay and Uruguay are also expected to ship more rice over the year. Much of these increases are anticipated to come at the expense of deliveries by India, but also Australia, Cambodia, China (Mainland), the European Union and the United States, with expectations also pointing to shipments by Viet Nam stagnating at relatively low levels.

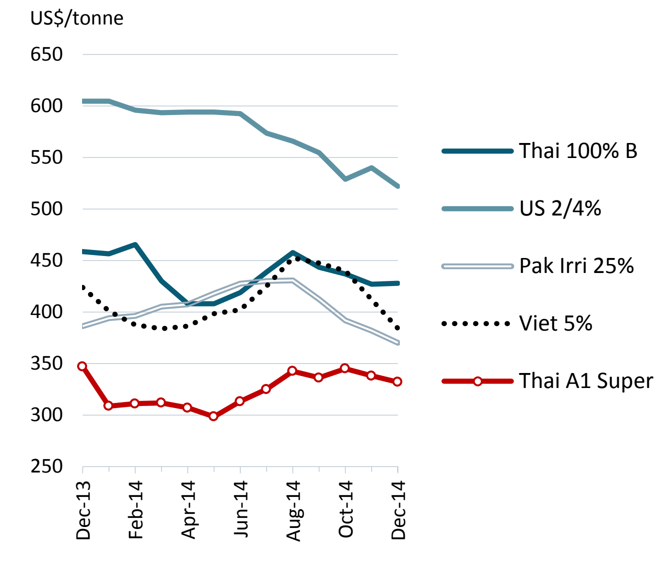
FAO forecasts **world trade in calendar 2015** at 40.5 million tonnes, implying a small 0.6 percent growth from the current 2014 estimate. On the demand side, the expansion reflects expectations of continued increases of imports by countries in Africa and Latin America and the Caribbean, amid a combination of poor harvests and/or fast-expanding consumption bases. By contrast, deliveries in North America and Europe are seen falling, while stabilizing at high levels in the case of Asia. Looking at the suppliers, Thailand is expected to dominate the market, with its deliveries climbing to new heights. Cambodia, China (Mainland), Guyana, Myanmar, Pakistan, Paraguay and the United States are also envisaged to ship more, while in the context of steadfast competition for markets, deliveries by Argentina, Australia, Brazil, and especially India could be undermined by less attractive prices.

World rice utilization in 2014/15 is currently projected at 500.5 million tonnes (milled basis), 200 000 tonnes less than forecast in October, but still 1.9 percent above the 2013/14 estimate. About 83 percent of utilization, or 415.4 million tonnes, would correspond to food intake, while feed would absorb 14.5 million tonnes, or 3 percent of the total, with the remaining 70.6 million tonnes, or 14 percent of utilization accounted for by seeds, non-food industrial use and waste. On a per capita basis, food consumption would be up slightly from 57.3 kg in 2013/14 to 57.5 kg in 2014/15, in spite of high retail prices prevailing in most regions compared with last year.

For the first time in a decade, in 2014/15, global rice utilization is predicted to surpass production, resulting in a 3.8 million tonne drawdown of **global rice stocks in 2015** to 177.5 million tonnes. The offloading would mainly concern exporting countries (India, Myanmar, and Thailand), but inventories may end smaller also in some major importing countries, such as Indonesia. Despite the decline, world reserves will remain high, with the stocks-to-use ratio estimated at 34.8 percent in 2014/15, down from 36.2 percent a year earlier, but sufficient to cover more than four months of requirements.

International rice prices, which have been steadily falling since September 2014, lost further ground in November. Particularly steep falls have been evident in the aromatic rice segment, amid prospects of large availabilities coupled with reduced import demand. Indica rice prices have also been under much pressure, reflecting a sluggish import demand and the arrival on the market of newly harvested crops. Quotations in all of the major origins have been falling, especially those of India, Pakistan and Viet Nam. Prices also fell in Thailand, although the decline since September was less than witnessed in competing countries, as a cautious release of public stocks helped contain the slide.

Rice Export Prices



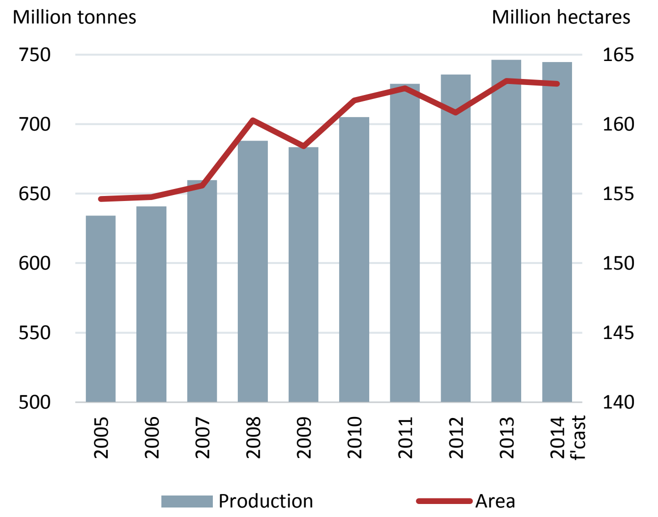
PRODUCTION

A poor seasonal outturn in Asia mainly behind a 1.6 million tonne decline in global paddy production in 2014

Harvesting 2014 season main-crops are drawing to a close across the northern hemisphere, with producers now preparing or already engaged in offseason sowing activities. In the southern hemisphere, the 2014 season is well concluded, with 2015 main-crop planting operations ongoing.[1] FAO's forecast of global paddy production in 2014 now stands at 744.6 million tonnes (496.6 million tonnes, milled basis), which is about 250 000 tonnes above October expectations. The revision is chiefly due to improved prospects for China (Mainland) and Indonesia, where officials report the impact of unseasonable weather on crops to have been milder. Nevertheless, output in Ghana, the Republic of Korea, Nigeria, Paraguay, the Philippines, the Russian Federation, the United States and Viet Nam is also assessed above previously reported levels. Lower forecasts have instead been drawn for the Democratic People's Republic of Korea, India, and Thailand, where prospects have been marred by poor weather and in the case of Guinea, Liberia and Sierra Leone by disruptions to agricultural activities caused by the Ebola outbreak. Adjustments to historical production figures also called upon reductions to production forecasts for Bangladesh, Colombia and Myanmar.

All combined, these revisions have positioned the 2014 global production forecast 0.2 percent below a revised 2013 record estimate of 746.3 million tonnes (497.5 million tonnes, milled basis), reflecting a 0.1 percent contraction of both plantings and yields to 162.9 million hectares and 4.57 tonnes per hectare. The forecast level would indeed mark the first world output contraction to occur since 2009, while still standing out as the second largest crop on record. The season's 1.6 million tonne production shortfall remains forecast to arise from cuts in Asia, where various important producers have been negatively impacted by a combination of late and insufficient rains and/or floods. In Oceania, Australia also closed the season negatively, with output constrained by insufficient water for irrigation. Instead, current expectations are that Africa, Europe and Latin America and the Caribbean will see production rising, albeit modestly, with more marked gains envisaged in North America, namely the United States.

Global Rice Paddy Production and Area



[1] The 2014 rice production season normally includes rice from the main paddy crops whose harvests fall in 2014, 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 2014 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 2015. In the case of southern hemisphere countries, production in 2014 normally comprises rice from the main paddy crops assembled in the first part of 2014, plus rice from the secondary crops, generally gathered in the latter part of 2014. This approach to assess rice production is applicable to any given season.

Asia

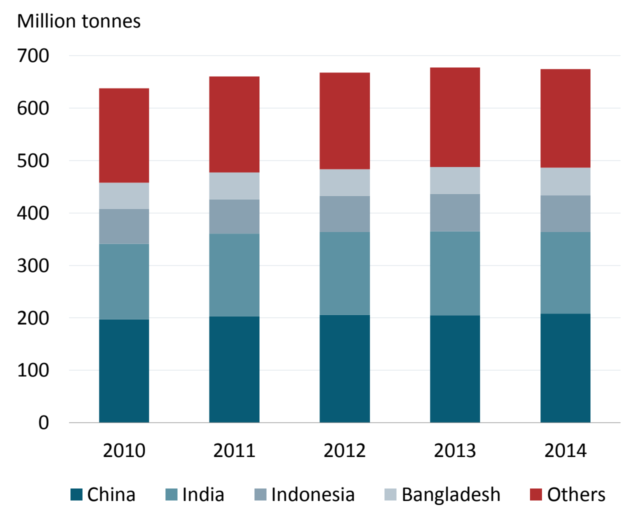
A shortfall in India behind forecast reduction in 2014 paddy production in Asia

Although still subject to revision pending the outcome of secondary crops currently being planted, FAO's 2014 production forecast for Asia points to a likely 0.5 percent contraction in Asian output to 674.4 million tonnes (449.8 million tonnes, milled basis). The forecast reflects expectations of area and yield losses stemming from unseasonable weather. Singularly, **India** is set to account for much of the region's shortfall, reflecting the overall subdued monsoon performance, with added damages caused by floods and storms. Drought conditions have also impaired crops in the **Democratic People's Republic of Korea**, **Sri Lanka** and **Thailand**, with **Nepal**, **Indonesia**, **the Lao People's Democratic Republic**, and **Pakistan** all set to face constrictions this season due to inclement weather. By contrast, the season is set to end with positive performances in **Afghanistan**, **Bangladesh**, **China (Mainland)**, the **Chinese Province of Taiwan**, **the Islamic Republic of Iran**, the **Republic Korea**, **Malaysia**, **Myanmar**, **Timor Leste** and **Viet Nam**.

FAO's 2014 production forecast for **Bangladesh**, where the Aman harvest is in progress, has been raised to 52.4 million tonnes (34.9 million tonnes, milled basis), up from a revised 2013 estimate of 51.5 million tonnes (34.4 million tonnes, milled basis). The forecast expansion relies on expectations of both area and yield gains being promoted by prospects of favourable margins and an overall conducive climate. Indeed, field reports point to a likely good Aman turnout, as much of the area losses incurred to August floods was subsequently replanted. FAO's outlook is also positive for the Boro crop, currently at sowing stage, which in the absence of major constraints in availability of water for irrigation is expected to post additional yield gains from growing adoption of improved seed varieties. Official expectations are less upbeat, pointing instead to a largely stable outturn for this third and largest crop of the season of close to 19.0 million tonnes (milled basis).

With the 2014 season harvest fully concluded, the China National Grains and Oils Information Centre raised its forecasts of 2014 production in **China (Mainland)** by 1.4 million tonnes in December. Overturning earlier expectations of a weather-induced drop in late rice output, the centre indicates that the crop yielded some 400 000 tonnes more than the 2013 depressed level, or 36.9 million tonnes (25.3 million tonnes, milled basis). More buoyant estimates have also concerned the larger intermediate crop, which, under expectations of a 2 percent rise in yields, is set to reach 135.5 million tonnes (92.8 million tonnes, milled basis), up 2 percent year-on-year. As a result and notwithstanding a small contraction in early crop production, overall paddy output in China (Mainland) is assessed at an all-time high of 206.4 million tonnes (141.4 million tonnes, milled basis). This level would exceed the 2013 subdued outcome by 1.4 percent, a feat estimated to have relied solely on improved yields of 6.8 tonnes per hectare, while area under paddy stagnated at a high of 30.3 million hectares.

Rice Paddy Production in Asia



In **India**, the 2014 monsoon season closed with cumulative precipitation over the country as a whole falling 12 percent below the Long Period Average (LPA). The monsoon proved particularly poor in the month of June, when rains stood 57 percent below the LPA, significantly delaying planting activities of main Kharif crops. An upturn mid-way through July however raised precipitation to 90 percent of the LPA in July and August and to 108 percent of the LPA in September, permitting Kharif acreage to eventually exceed 2013 season levels by some 360 000 hectares to 38.03 million hectares. Nonetheless, additional weather-related setbacks were incurred, namely torrential September downpours and floods over parts of Assam, Bihar, eastern Uttar Pradesh, Jammu and Kashmir. Further disruptions were posed by the 12 October landfall of very severe cyclonic storm Hudhud, which brought torrential rains and wind speeds of up to 180 kilometres per hour at a time when crops had reached tillering to panicle initiation stage. The storm particularly impacted northern Andrah Pradesh and southern Odisha. Although field reports indicate losses in the latter may have been limited, in the case of Andrah Pradesh, early appraisals put damages on agricultural crops at close to 240 000 hectares. As a result and pending assessments of actual rice field losses, FAO has scaled back its October forecast of overall 2014 production by India to 155.5 million tonnes (103.7 million tonnes, milled basis). This level would imply a 3 percent, or 4.3 million tonne, shortfall relative to the 2013 record outcome, chiefly reflecting yield losses stemming from planting delays and an overall subdued monsoon performance this season.

In **Indonesia**, harvesting activities of 2014 secondary (dry-season) crops are virtually concluded. Based on November Government assessments, the country is set to gather 70.6 million tonnes (44.5 million tonnes, milled basis), some 740 000 tonnes more than previously reported, but still 0.9 percent below the 2013 all-time high. The upgraded outlook reflects easing concerns over the potential impact of unseasonably dry weather on offseason crop development, which would have exacerbated flood losses incurred early in the season. The year's poorer production outcome has also been attributed to constraints posed by irrigation facilities in disarray. These are now at the centre of the new administration's thrust towards rice self-sufficiency, under a plan that envisages diverting Rupiah 100 trillion (USD 8.0 billion) worth of 2015 state funds, freed by November's 31-36 percent increase in subsidized fuel prices, to the development of infrastructure in the agricultural sector, amongst others.[2] In particular, plans would have 3.0 million hectares of irrigation facilities repaired in three years' time, with further interventions including the rehabilitation of other water management infrastructure, as well as the distribution of seeds, fertilizers and agricultural machinery. The announcement of the stimulus package came at a time when farmers in Indonesia were preparing or had just launched planting activities for the 2015 main paddy crops. Over the

[2] All currency conversions are as of 15 November 2014.

forthcoming season, the Government aims to sustain the sector achieve a 4 percent annual expansion. This is while the seasonal rains have been slow to establish over much of the country to date.

Following six years of production gains, the October-ended 2014 harvest concluded with negative results in the **Democratic People's Republic of Korea**. Constrained by persistent precipitation shortages and limited availability of water for irrigation, the country is officially assessed to have gathered 2.6 million tonnes of paddy (1.7 million tonnes, milled basis). The 9 percent reduction relative to the 2013 outcome, mirrored retrenchments in both area and yields, caused by the unseasonable climatic conditions, which are assessed to have damaged some 72 400 hectares of paddies.

Reversing earlier expectations of a production contraction, a November survey released by the Government of the **Republic of Korea** indicates that the country gathered 5.65 million tonnes (4.24 million tonnes, milled basis). This compares to the 5.63 million tonnes (4.23 million tonnes, milled basis) harvest of 2013. The stability was obtained thanks to high yields of 6.9 tonnes per hectare, second only to the 2009 record, facilitated by favourable weather conditions during key crop growth stages. These served to counterweigh cuts in area planted, as paddies were diverted to non-agricultural and alternative crops for the twelfth straight year.

After attaining a record breaking harvest of 5.05 million tonnes (3.3 million tonnes, milled basis) in 2013, production in **Nepal** this season is expected to be negatively impacted by untimely and insufficient rains, exacerbated by losses incurred to floods and landslides. At a forecast level of 4.6 million tonnes (3.0 million tonnes, milled basis), output in the country would fall 9 percent below the 2013 level, while remaining in line with a five-year average performance.

In **Pakistan**, the torrential September rains and ensuing heavy floods along the Chenab and Jhelum rivers are assessed to have damaged 117 000 hectares of paddies across 17 districts of Punjab, causing loss of an estimated 220 000 tonnes (milled basis) of basmati crops. As a result of these damages, officials estimate that this fourth consecutive season characterised by flooding problems will yield 10.1 million tonnes (6.72 million tonnes, milled basis). This level would stand 75 000 tonnes above FAO's previous forecast and 1 percent below the 2013 good outturn. Despite the expected reduction, the arrival of a still above-average crop, combined with loss of basmati markets to well supplied India, has seen local fragrant prices in Pakistan come under increasing downward pressure. To aid producers face the depressed price situation, the Government has decided to extend a Rupees 5 000 per acre (USD 120 per hectare) direct aid to basmati smallholders, who have not benefitted from a special compensation package for flood-related losses.

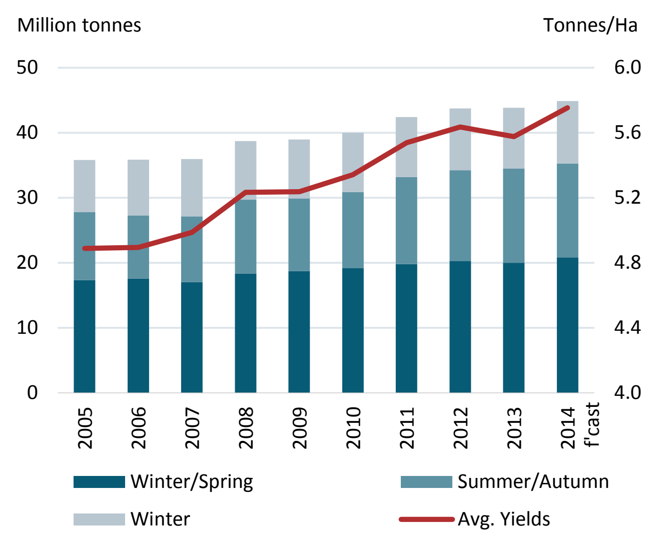
Despite a difficult seasonal start, characterised by late and insufficient rainfall, the ongoing main-crop harvest in the **Philippines** is officially expected to yield 10.5 million tonnes (6.9 million tonnes, milled basis), up 1 percent year-on-year and 330 000 tonnes above previous expectations. The positive turnout reflects yield improvements arising from use of improved seeds, including hybrids, reduced incidence of pest attacks, as well as steps taken to recuperate storm-related losses. The outlook is more subdued for secondary crops to be harvested in the first half of calendar 2015. Indeed, authorities indicate that farmers in the country would be intent on cutting area during the first quarter of the year by 2 percent, as alternate crops are favoured over rice, in spite of attractive rice prices this season. Producer fears of an El Niño occurrence were being cited, with additional setbacks incurred as a result of the 6 December landfall of Typhoon Hagupit. While losses in main-crop output were reported to have been largely avoided thanks to efforts to complete harvesting activities before its strike, early official assessments suggest some 56 000 hectares of standing crops in the vegetative to reproductive stage were damaged by the storm. As a result and even assuming an above-average seasonal turn-out for the latter half of the offseason harvest, FAO now anticipates overall production (July–June) in the Philippines to amount to 18.8 million tonnes (12.3 million tonnes, milled basis), which would be 0.4 percent below the 2013 record outcome.

There have been only minor adjustments to the 2014 production estimates for **Sri Lanka** since October. Severe precipitation shortfalls, arising from a weak monsoon performance, are officially assessed to have constrained output to a seven year low of 3.6 million tonnes (2.4 million tonnes milled basis). The 2015 season, launched in October, started on a more positive note, with inter-monsoonal rains improving soil moisture conditions for Maha crops and providing an opportunity for reservoirs to be replenished. Up to mid-November, plantings of this main crop were reported to have covered 243 000 hectares and to be progressing at a fast pace. On the policy front, officials have reiterated their support to the sector by announcing the continuation of the subsidized fertilizer programme, the provision of subsidy on seeds to paddy farmers free of costs, as well as higher guaranteed prices. The season's objective would be to support a 25 percent recovery in Maha plantings to 822 000 hectares.

With water levels in major reservoirs in northern and central regions expected to sink to 15-year lows following a weak performance of the seasonal rains this year, officials in **Thailand** have issued heightened calls for farmers to refrain from cultivating a secondary paddy crop this season. These have entailed announcements that restrictions would be put in place on the discharge of water into irrigation systems and a public works scheme established, to provide an alternative source of revenue for complying producers. Prospects of severe water scarcity have compounded on an already depressed market situation, which has seen assistance measures, including the extension of subsidized credit for processors to purchase paddy, provide limited support to prices during the ongoing main-crop harvest. On this back-drop, Thai officials have set-out to implement an on-farm mortgaging program to cover 2.0 million tonnes of fragrant and glutinous paddy from the 2014 season harvest. The scheme will provide farmers Bath 14 400 (USD 438) per tonne of Hom Mali and Baht 11 700 (USD 356) for glutinous paddy. This is on top of a Baht 1 000 outlay to cover storage costs for the scheme's four-month duration. Amid expectations of losses of the main crop following precipitation deficits and cuts to plantings resulting from a combination of poor price prospects and constrained supply of water for irrigation, FAO forecasts production in Thailand at 37.0 million tonnes (24.5 million tonnes, milled basis), down 3 percent year-on-year and some 500 000 tonnes less than previously reported.

Prospects of 2014 production in **Viet Nam** have been upgraded by 400 000 tonnes since October, on more buoyant Government assessments placing overall output at 44.9 million tonnes (29.95 million tonnes, milled basis). This would represent a 1.0 million tonne annual expansion and an all-time record. Compared to October figures, the upward adjustment has primarily concerned the soon to be concluded winter harvest, which officials indicate is to exceed the 2013 result by 2 percent to 9.6 million tonnes (6.4 million tonnes, milled basis). Much like this year's winter-spring and summer-autumn harvest results, the winter crop gain would be sustained by yield improvements. These would be pronounced enough to offset planting reductions prompted by prospects of lower margins and the Government's area diversion plan. Meanwhile, sowing activities of the first 2015 winter-spring crop were launched in November in southern-producing areas, amid warnings of potential declines in water levels in the Mekong River and related salt-water intrusion problems. The Vietnamese Government aims to convert 112 000 hectares of paddies in the Mekong River Delta to alternative crops by 2015. The plan forms part of greater Government objectives to reduce paddy area by 770 000 hectares by 2020, mostly in favour of maize, soybean and horticultural product cultivation.

Viet Nam: Paddy Production by Crop

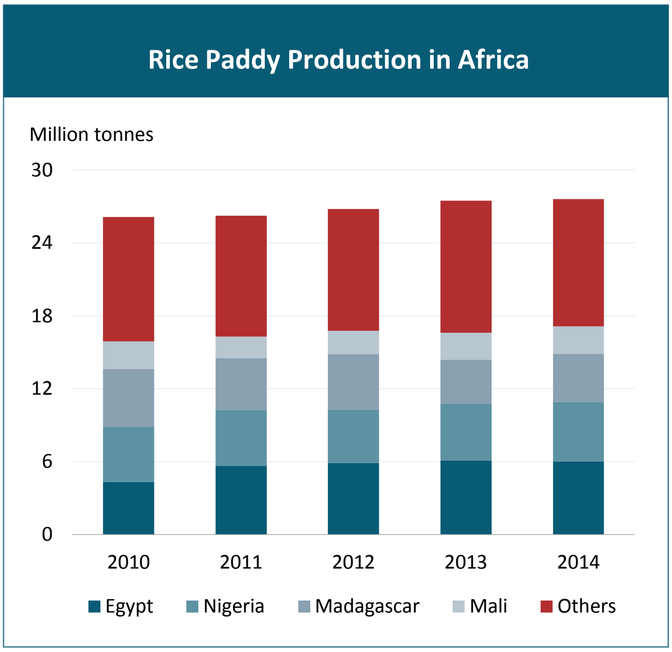


Africa

Reduced expectations for crops in West Africa curb growth prospects for the continent to 0.5 percent

Harvesting activities of main paddy crops in Western and Northern Africa are nearing completion by now, while the season has come to a full close in Southern and Eastern parts of the continent. Based on the latest figures, 2014 paddy production in Africa is set to reach 27.6 million tonnes (18.0 million tonnes, milled basis), a level that would exceed the good 2013 performance by a small margin of 0.5 percent. The more subdued growth forecast relative to October expectations primarily mirrors setbacks incurred in Western parts of the continent, as a result of inclement weather, as well as the impact of the Ebola epidemic on farming activities in the most affected nations. Combined with expectations of a smaller crop in Egypt, these losses are now anticipated to partly outweigh gains in Southern Africa, especially Madagascar, and to a lesser extend in Eastern parts of the continent, namely the United Republic of Tanzania.

In ***Northern Africa***, there have been no changes to the 2014 production forecast for **Egypt**, which is still anticipated to see a 2 percent annual drop in output to 6.0 million tons (4.1 million tonnes, milled basis). On the backdrop of consecutive years of restrained rice exports, the Egyptian rice sector has faced problems in marketing surplus, falling paddy prices and rising production costs. The latter namely concern fuel and fertilisers, the prices of which were raised by the authorities in July and October this year. Elsewhere in the sub-region, FAO anticipates **Morocco** to gather 48 000 tonnes (31 000 tonnes, milled basis) in 2014. This would imply a near 30 percent recovery from the poor 2013 outcome, largely based on expectations of an upturn in area planted to paddy. Under an agreement signed by the Government and sector representatives earlier this year, MAD 270 million (USD 33 million) are to be invested in rice production in Morocco through 2020. The accord aims to revert recent declines in area planted to paddy, such that 11 000 hectares come under paddy in six years' time, yields raised by 14 percent to 8.0 tonnes per hectare. Interventions to this end will include the promotion of efficient use of irrigation water and other inputs, as well as improvements in storage and processing facilities.



FAO's 2014 production forecast for ***West Africa*** now stands at 13.6 million tonnes (8.6 million tonnes, milled basis), down 2 percent from a revised 2013 estimate. The negative outlook reflects expectations of both area and yield losses incurred under the combined effects of belated and poorly distributed rains and of the Ebola outbreak. Looking at the individual countries, the largest year-to-year drop (in absolute terms) is now anticipated to concern **Chad,** where officials expect inclement weather, compounded by limited supply of inputs, to translate into harvest of 208 000 tonnes (142 000 tonnes, milled basis). This would imply a 45 percent production drop from the heights achieved in 2013. Particularly poor results are also envisaged in **Gambia**, where, despite area gains promoted by the Government's self-sufficiency programme, output is officially anticipated to stage a 57 percent contraction to 30 000 tonnes (20 000 tonnes, milled basis). The reduction reflects the impact of late and poorly distributed rains, as well as constrained access to seeds, which impeded fields from being re-planted following losses incurred to dry spells. **Benin**, **Guinea Bissau**, **Senegal** and **Togo** are similarly envisaged to face lower harvests due to poor weather. In the case of **Senegal,** FAO anticipates the contraction to be in the order of 4 percent to 420 000 tonnes (294 000 tonnes, milled basis), reflecting upland losses caused by precipitation deficits. This is in spite of positive expectations for irrigated output in the Senegal River Valley. Particularly favourable results were already registered in that part of the country during the 2013/14 offseason cycle, reflecting support provided to the sector as part of the country's self-sufficiency drive. In this connection, in addition to the provision of inputs and machinery and debt relief measures previously announced, officials have declared that domestic rice will be exempted from value added taxes.

Productions prospects have similarly deteriorated for Guinea, Liberia and Sierra Leone, the three countries most affected by the Ebola outbreak, which in spite of an overall favourable rainfall performance have seen farming activities disrupted by labour and input shortages associated with the epidemic. In the case of **Guinea**, preliminary assessments by officials indicate a likely 4 percent production contraction to 1.97 million tonnes (1.3 million tonnes, milled basis). The poor outcome follows expectations of widespread output cuts, although losses would particularly concentrate in the Guinée forestière region. The region normally accounts for 23 percent of overall production and is amongst those most struck by the epidemic. In the case of **Liberia**, which has also seen the most productive areas amongst the worst hit by the virus, FAO anticipates the reduction to be in the order of 12 percent, with output falling to 237 000 tonnes (154 000 tonnes, milled basis). The drop would be on account of area losses driven by labour shortages, which impeded planting operations and harvesting activities in the affected areas. Average yields are also expected to be negatively impacted by short supplies of imported inputs due to border closures, as well as reduced crop maintenance given disruptions to the traditional *kuu* system,[3] arising from a reluctance to congregate in groups. **Sierra Leone** has also seen operations hindered by reduced labour availability due to death, illness and fear of contagion, which have reportedly led to the abandonment of fields, as populations migrated away from the Ebola-affected areas. These have been further compounded by restrictions on the movement of people. According to FAO, these factors could translate into an 8 percent production shortfall from the record 2013 performance to 1.16 million tonnes (693 000 tonnes, milled basis). Meanwhile, production losses in countries hit by the disease are being further aggravated by transport and marketing disruptions, ensuing from quarantines and movement restrictions. These have led to spikes in local quotations in deficit areas, while also reducing the number of outlets for farmers to sell their crops.

Based on current expectations, output losses in these countries are to be partly offset by gains in **Burkina Faso**, **Cote d'Ivoire**, **Mauritania** and especially **Nigeria.** Indeed, field assessments in the latter indicate an overall

[3] A reciprocal labour exchange arrangement, whereby fields are prepared and harvested collectively.

favourable development of crops this season, despite the incidence of dryspells and localised floods. The positive performance is attributed to overall favourable weather, together with support from the Government under the Agricultural Transformation Agenda (ATA). As a result, FAO has raised its production forecast for the country by 300 000 tonnes to 4.9 million tonnes (2.9 million tonnes, milled basis), up 4 percent year-on-year and an all-time record. Contrary to earlier expectations, officials also indicate a likely favourable turnout of the season in **Ghana**, of 604 000 tonnes (363 000 tonnes, milled basis). This would be up from a revised estimate of 570 000 tonnes (342 000 tonnes, milled basis) for 2013, when the impact of unevenly distributed rains has been reported to have been mitigated by area gains, stemming mainly from large stretches of land coming under irrigated cultivation in large scale commercial operations. FAO's outlook also remains positive for **Mali**, where output is predicted to expand by 2 percent to 2.25 million tonnes (1.5 million tonnes, milled basis). The forecast relies on expectations that losses induced by persistent precipitation deficits in areas located in Gao, Kayes, Mopti and Tombouctou will be compensated by gains elsewhere in the country, following a normalization of rainfall performance in the latter part of July, as well as by increases in offseason production. Further support has been provided by the Government this season, namely in the form of lower priced subsidized inputs.

FAO's estimate of 2014 paddy production in ***Eastern Africa*** remains pegged at 2.7 million tonnes (1.7 million tonnes, milled basis). This level would imply a 3 percent year-on-year expansion, sustained primarily by gains in **Uganda** and **the United Republic of Tanzania**, which compensated for weather induced shortfalls in **Burundi, Ethiopia and Rwanda**. In the **United Republic of Tanzania** a 4 percent year-on-year expansion is also being attributed to investments in the sector put in motion by the public-private investment partnership, Southern Agricultural Growth Corridor of Tanzania (SAGCOT). The program, launched in 2011, is being further complemented by interventions under the Big Results Now initiative, introduced by the Government in January 2013. Under its agriculture component, the latter initiative aims to enable investment projects over 25 large-scale rice and sugarcane commercial farms, while concurrently sustaining improved operation and management of 78 smallholder rice irrigation and marketing schemes over a three-year span. Within the sub-region, production prospects also point to a favourable result in **Sudan**, where output is officially assessed to reach 29 000 tonnes (20 000 tonnes, milled basis) this season, thanks to good yields. Positive results are being reported from a Japanese technical assistance programme in the country, which is reported to have facilitated average yields attaining 8.0 tonnes per hectare.

The have been only minor revisions to production figures for ***Southern Africa*** since October, as most countries have already concluded the 2014 season. On aggregate, the sub-region is estimated to have gathered 9 percent more than in 2013, or 4.54 million tonnes (3.0 million tonnes, milled basis), driven by increases in **Malawi**, **Zambia** and in particular **Madagascar**. Officials in the country now indicate that the 2014 campaign yielded 3.98 million tonnes (2.7 million tonnes, milled basis), some 64 000 tonnes more than previously envisaged. The result would represent a 10 percent area-led recovery from the 2013 dismal outcome. However, it would still stand 9 percent short of a five-year average, reflecting poor weather in southern producing regions, locust attacks, as well as input and infrastructural constrains. Authorities in Madagascar aim to sustain a full recovery of the sector over the course of the 2015 season, just started, with 4.5 million tonnes (3.0 million tonnes, milled basis) targeted to be produced. For the purpose, further to continuing locust control measures, steps to rehabilitate and expand irrigation infrastructure would be taken and producer access to inputs facilitated, in particular of hybrid seed varieties.

Central America and the Caribbean

Precipitation deficits to constrain output by 2 percent in 2014

FAO currently predicts 2014 paddy production in Central America and the Caribbean, where most countries are currently engaged in main crop harvesting activities, to fall to 2.9 million tonnes (1.9 million tonnes, milled basis), down 2 percent from a revised 2013 estimate. The reduction is envisaged to result from a combination of area and yield losses, caused by precipitation shortages throughout much of the sub-region. At a country level, production prospects have particularly deteriorated for **Haiti,** where output is officially forecast to fall 26 percent short of the good 2013 result to 125 000 tonnes (83 000 tonnes, milled basis). The 45 000 tonne reduction would be the consequence of deficient rains, compounded by lack of maintenance of infrastructure, high input costs and reduced state incentives ensuing from delays in budgetary outlays. Production in **Nicaragua** is also forecast to contract by 10 percent this season, as a result of delayed and insufficient rains for the main paddy crop just harvested. This is even as part of these losses could be recuperated with greater offseason output. This is especially so considering the abundant October rains recorded over much of the country, which may have enhanced soil moisture conditions and replenished water supplies for irrigation. Drought induced yield and area losses, combined with prospects of low remuneration, are similarly expected to foster a 10 percent contraction in **Panama** to 260 000 tonnes (170 000 tonnes, milled basis).

El Salvador and **Guatemala** are similarly forecast to face drops in output in 2014.

On the other hand, prospects for **Costa Rica** remain favourable, pointing to a harvest of 230 000 tonnes (150 000 tonnes, milled basis). This would be up from a revised 2013 estimate of 225 000 tonnes (147 000 tonnes, milled basis). Northern and central pacific regions of Costa Rica were also impacted by prolonged rainfall deficiencies this season, but reports to date suggest the effects to have been limited to the rainfed crops, under a comparatively limited extension. The outlook is similarly positive for **Cuba** at 700 000 tonnes (467 000 tonnes, milled basis). This would imply a 4 percent year-on-year increase, but short of the 10 percent annual growth targeted for the season, largely due to water and inputs availability constraints incurred in the important producing province of Granma. At a forecast level of 824 000 tonnes (544 000 tonnes, milled basis), 2014 production in the **Dominican Republic** would match the good 2013 season result, a performance envisaged to be underpinned by area gains, in part facilitated by greater access to credit. Unseasonably low rainfall this season led officials in the Dominican Republic to announce that the release of water for irrigation would be rationalised. However, with the 2014 season nearing completion, the decision is likely to have greater implications on 2015 crops, due for planting as of December. Meanwhile, FAO forecasts of 2014 production in **Mexico** have been raised to 200 000 tonnes (133 000 tonnes, milled basis) to take account of the upbeat planting progress of spring-summer crops, aided by favourable weather conditions. Officials in the country have, moreover, announced a host of measures to aid farmers face marketing difficulties and growing competition with imports. These have included the extension of a Pesos 200 (USD 15) per tonne direct assistance to growers, as well as the reinstatement of tariffs on imports undertaken outside of pre-existing trade agreements.

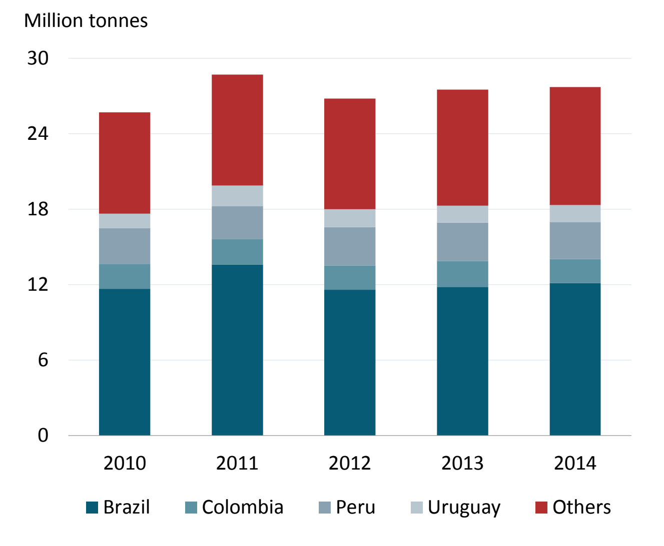
South America

The 2014 season concluded favourably, but poor weather and high production costs dampen outlook for 2015 crops

The 2014 season in South America ended with overall favourable results. Although inclement weather constrained plantings to an aggregate of 4.8 million hectares, a 2 percent increase in average yields permitted production to expand to 24.8 million tonnes (16.6 million tonnes, milled basis), up 1.1 percent year-on-year. Much of this gain concentrated in **Brazil**, thanks to attractive prices, but above all due to excellent yield outturns. Nevertheless, strong gains were also staged in both **Guyana** and **Paraguay**, which closed the season setting new output records. **Argentina**, **Chile** and **Suriname** also gathered larger crops, more than compensating for weather-depressed results in **Bolivia, Colombia**, **Ecuador**, **Peru, Uruguay** and **Venezuela**.

Meanwhile, many South American countries are already engaged in, or have already concluded, planting operations of 2015 crops. The season got off to a difficult start in some important producing countries such Brazil and Uruguay, where poor weather conditions, mostly in the form of above-normal rains, obstructed planting progress. Although this initial setback has not compromised seasonal prospects for Brazil, the region's largest producer, high production costs and prospects of narrow margins continue to constrain growth in both Argentina and Uruguay. This is while early indications point to additional gains being staged in Paraguay, with Bolivia and Chile similarly anticipated to see expansions in area planted over the 2015 season.

Rice Paddy Production in Latin America and the Caribbean



In **Argentina**, official estimates of production during the 2014 season remain unchanged at 1.6 million tonnes (1.1 million tonnes, milled basis). This level would imply 1.3 percent year-on-year expansion, made possible by area gains, which offset a decline in yields. As to the 2015 season, planting activities were reported to have been largely concluded by 27 November, 8 percent points ahead of year-earlier levels. While the early completion of sowing activities may bode well for yields, authorities report overall plantings in Argentina to have been cut by 1.4 percent to 240 000 hectares. The largely export-oriented industry has indeed continued to express concerns over high production costs, gauged in the order of USD 1 600 per hectare. By 2020, the sector aims to raise area planted in the country to 300 000 hectares and paddy production to 2.1 million tonnes. For the goal to be achieve, sector representatives highlight the need to address infrastructural constraints, particularly high transport and irrigation costs, while immediate steps outlined to assist the outcome of the 2015 campaign include assistance to cover fuel costs as well as fiscal incentives, including through the temporary suspension of the 5-10 percent tax levied on rice exports.

In **Bolivia**, early expectations by the sector regarding plantings in 2015 indicate that 153 000 hectares are likely to come under paddy this season. This compares to a 147 000 hectare coverage in 2014, when excess rains impeded producers from fulfilling planting intentions, bringing output down for the second straight year to 357 000 tonnes (245 000 tonnes, milled basis). Despite the 2014 season's poor result and industry concerns over growing import competition, local procurement activities of the state enterprise EMAPA are reported to have progressed particularly well. The agency absorbed 114 000 tonnes of paddy, nearly one third of production attained in the country in 2014.

There have been only small changes to production estimates for **Brazil** since October, as the 2014 season (2013/14 season for Brazil) is well concluded. The country is officially assessed to have posted a 3 percent yield-driven expansion in 2014 to 12.1 million tonnes (8.12 million tonnes, milled basis). As to prospects for the 2015 campaign (2014/15 season for Brazil), CONAB's December crop assessment sees area diversions to competing crops together with weather-related setbacks resulting in a small, 13 000 hectare, retrenchment in plantings to 2.36 million hectares. The agency has, however, maintained a positive outlook for average yields. At a forecast of 5.2 tonnes per hectare these would exceed the 2014 excellent level by 1 percent, largely reflecting positive expectations for crops in Rio Grande do Sul. This is notwithstanding sowing operations in Brazil's largest producer and highest yielding state incurring significant delays for the second consecutive year, due to above-average rains lasting into November. However, with a reprieve in the latter half of that month permitting planting operations in the southern State to regain pace and eventually exceed year-earlier progress, CONAB predicts Rio Grande do Sul to gather 2 percent more than in 2014, or 8.3 million tonnes (5.6 million tonnes, milled basis). Mostly on the back of this positive result, Brazil i close the 2015 season with a 0.7 percent year-on-year production expansion to 12.2 million tonnes (8.2 million tonnes, milled basis).

Historical estimates of paddy production in **Colombia** have been revised downward, to account for the high moisture content in official production figures previously reported. Over the 2013 season the country is now gauged to have gathered 2.05 million tonnes of paddy (1.4 million tonnes, milled basis), up 6 percent year-on-year. As for the prospects for the 2014 season, which is nearing completion, FAO's outlook remains negative, at 1.92 million tonnes (1.3 million tonnes, milled basis). The 6 percent year-on-year reduction is expected to primarily stem form cuts in area, amid unseasonable weather, in the form of drought, and prospects of low prices.

Production in **Ecuador,** where the offseason harvest is coming to a close, is also anticipated to decline in 2014. At a forecast level of 1.45 million tonnes (827 000 tonnes, milled basis), output would be 4 percent short of the already depressed 2013 result. The reduction partly reflects precipitation shortages at planting time, later compounded by persistent pest attacks. Reduced access to credit and high input costs are additionally reported to have posed problems for the sector this season.

Conversely, and notwithstanding some flood-related problems, **Paraguay** is officially assessed to have closed the 2014 season with a record breaking harvest of 804 000 tonnes (563 000 tonnes, milled basis). The result would imply a near 30 percent area driven expansion relative to 2013, exceeding FAO's previous expectations by 125 000 tonnes. Meanwhile, Paraguay launched its 2015 paddy season as early as August, with sowing operations reportedly brought forward in order to avert the potential impact of excessive rains under the influence of an El Niño event. Industry expectations point to a continuation of the fast-expansionary trend in 2015, with additional areas coming under paddy cultivation. This is while over-reliance on the Tebicuary river to irrigate paddies in the main growing regions of Itapua and Misiones have raised environmental concerns. In these respects, the industry

BRAZIL: PADDY PRODUCTION BY REGION IN 2014 AND 2015 [1/]

	Area (000 ha)			Yields (Mt/ha)			Production (000 Mt)		
Region	2014	2015	Var %	2014	2015	Var %	2014	2015	Var %
BRAZIL	**2,373**	**2,360**	**-0.6**	**5.1**	**5.2**	**1.3**	**12,122**	**12,209**	**0.7**
North	269	271	0.7	3.6	3.8	4.8	967	1,021	5.6
Northeast	540	532	-1.4	1.7	1.5	-13.2	915	782	-14.5
Centre-West	230	236	2.6	3.5	3.5	-0.7	814	829	1.8
South East	35	27	-22.4	2.5	2.8	12.7	87	76	-12.6
South	1,300	1294	-0.4	7.2	7.3	2.2	9,339	9,501	1.7

1/ For Brazil: 2013/14 and 2014/15 paddy seasons
Source: CONAB – Crop 2014/2015 - Third Assessment – December 2014

has called for a reactivation of a thirty-year old infrastructural project that would permit the use of waters from Yacyretá Reservoir to meet the irrigation requirements of 55 000 hectares of paddies.

In **Uruguay**, 2014 paddy plantings were constrained by a combination of high production costs and poor weather. These factors prolonged the sector's poor performance to a third season, resulting in a 1 percent output drop to 1.3 million tonnes (944 000 tonnes, milled basis). With plantings of the 2015 crops on-going, a large part has been reported to have been conducted outside of the recommended period, as activities were frequently interrupted by untimely rains. As a result, field indications now point to 160 000 hectares being sown to rice in 2015, down 4 percent from the 2014 official area estimate. Adding to this cut and concerns over the impact of delayed plantings on yields, stand lingering fears over weather anomalies under a possible El Niño emergence.

Production prospects for **Venezuela** in 2014 are unchanged at 980 000 tonnes (686 000 tonnes, milled basis). This level would imply a 2 percent reduction from the good 2013 season outcome, reflecting losses incurred to prolonged drought, as well as constraints in the availability of productive inputs. For 2015, the Venezuelan Governments aims to raise production of basic foodstuffs by 17 percent. The objective will be supported through the allocation of a Bolivares 6.0 billion (USD 1 billion) special assistance package, with a separate USD 2.2 billion provided as part of the foreign exchange plan for the provision of productive inputs and machinery. The plan also envisages the introduction of a "Buen Productor para el buen vivir" card that will channel state support to producers facilitating access to social programs. The initiative is part of government efforts to reduce reliance on imports, as part of a renewed "Gran Mission AgroVenezuela" programme.

North America, Europe and Oceania

Forecasts of 2014 production upgraded for the United States and Russia, while prospects deteriorate for the European Union

In ***North America,*** harvesting activities of 2014 crops were concluded by November in the **United States**. Based on the USDA's December outlook, the season will yield 10.03 million tonnes (7.1 million tonnes, milled basis), which is 130 000 tonnes more than previously envisaged and 16 percent above the depressed 2013 outturn. The revision comes on the back of improved yield prospects, as the negative impacts on productivity of a cold and wet spring and ensuing plantings delays were gauged milder. At 8.5 tonnes per hectare, average yields this season would be second only to the record attained in 2013, although all of the year-to-year increase would rest on larger plantings. Prompted by expectations of favourable returns, area under paddy expanded in all producing states, excepting drought-stricken California. Compared to figures reported in October, the upward revision has particularly concerned long-grain output, now seen rebounding by 22 percent to 7.3 million tonnes (5.1 million tonnes, milled basis), but medium/short grain output is also seen higher at 2.8 million tonnes (1.9 million tonnes, milled basis), up 5 percent year-on-year.

In ***Europe,*** production prospects have deteriorated for the **European Union**, which is now estimated to have gathered 2.8 million tonnes (1.7 million tonnes, milled basis), implying 3 percent year-on-year contraction and a six-year low. At a country level, the largest retrenchment took place in Italy, where industry assessments indicate a likely 54 000 tonnes output cut from 2013 to 1.4 million tonnes (824 000 tonnes, milled basis). The reduction mirrors expectations of poor yields, as crop development was constrained by cool and wet summer conditions, which fostered the spread of pest attacks. A negative seasonal outcome is similarly anticipated in Portugal, where a 10

EUROPEAN UNION: PADDY PRODUCTION BY COUNTRY IN 2013 AND 2014

Region	Area (000 ha)			Yields (Mt/ha)			Production (000 Mt)		
	2013	2014	Var %	2013	2014	Var %	2013	2014	Var %
EU	**435**	**427**	**-1.9**	**6.6**	**6.6**	**-1.3**	**2,888**	**2,796**	**-3.2**
Italy	216	220	1.6	6.6	6.3	-5.3	1,427	1,373	-3.8
Spain	113	110	-2.8	7.5	7.8	4.1	852	861	1.1
Greece	31	31	0.7	7.5	6.9	-8.6	229	211	-8.0
Portugal	30	29	-4.0	6.0	5.6	-6.4	180	162	-10.1
France	21	15	-27.5	3.9	5.5	41.6	81	83	2.6
Romania	12	11	-2.6	4.7	4.8	1.7	55	54	-0.9
Bulgaria	10	9	-14.7	5.5	5.0	-9.1	56	44	-22.5
Hungary	3	3	0.0	3.3	3.3	0.0	9	9	0.0

Source: Eurostat, Ministries of Agriculture and industry associations.

percent retrenchment to 162 000 tonnes (97 000 tonnes, milled basis) is attributed to unseasonable cool temperatures, which caused planting delays and were followed by excessive September rains. Greece, Bulgaria and Romania are also anticipated to gather less this season. Of all producers in the area, only France and Spain are expected to gather larger crops. In the former output is assessed at 83 000 tonnes (50 000 tonnes, milled basis), as a return to more normal yields, from the lows recorded in 2013, compensates for declines in the area. In Spain, on the other hand, officials now indicate that a 3 percent cut in plantings was similarly outweighed by higher yields, lifting output 1 percent over the poor 2013 level to 861 000 tonnes (517 000 tonnes, milled basis). Elsewhere in the region, the outlook is particularly positive for the **Russian Federation,** where a record crop of 1.2 million tonnes (767 000 tonnes, milled basis) is set to be gathered. This would be up 15 percent from the reduced 2013 outcome, primarily reflecting higher yields, boosted by an overall favourable climate and fewer incidences of pest attacks.

In ***Oceania,*** official estimates of 2014 production in **Australia** remain at 833 000 tonnes (556 000 tonnes, milled basis), down 28 percent from 2013, reflecting area cuts triggered by reduced allocations of water for irrigation. As to the 2015 season, ABARES has scaled back its production forecast to 684 000 tonnes (456 000 tonnes, milled basis), down 18 percent year-on-year. The reduction relies on expectations of a 7 percent area retrenchment to 71 000 hectares and a return to more average yield levels, following records attained in 2014. The poor outlook comes as reduced water allocations in the Murray and Murrumbidgee valleys, combined with high water prices, have hindered the ability of producers to expand or maintain their paddy area in response to attractive prices.

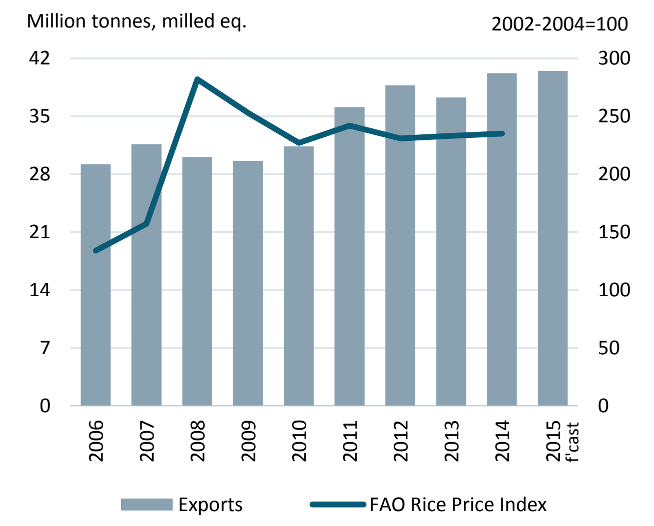
INTERNATIONAL TRADE

Global trade in rice to surpass the 40 million tonne mark in 2014, with a further small expansion expected in 2015

FAO has raised its October forecast of global trade in rice in calendar **2014** by some 500 000 tonnes to 40.2 million (milled basis) tonnes. The revision reflects prospects of higher consignments primarily to Bangladesh and Guinea, although reported progress of deliveries to date also called upon smaller upward adjustments to forecasts for Djibouti, Sri Lanka, Turkey and Zimbabwe. Import expectations were instead lowered for the Republic of Korea and the Islamic Republic of Iran, with revisions to historical estimates also entailing cuts in import figures for Egypt. On the export side, these changes were met with higher expected sales mostly by Thailand, but also Viet Nam, while rice deliveries by Brazil and Pakistan were lowered.

At the revised forecast of 40.2 million tonnes, 2014 world trade in rice would stand 8 percent above the 2013 level, and at an all-time high. The expansion is expected to rest mostly on greater import needs in the Far East, where important buyers have faced poor harvest results and/or high local quotations. However, strong domestic demand, in the context of affordable availabilities abroad, are also behind steady increases in rice imports by countries in Africa as well as Latin America and the Caribbean, Europe and North America. Among exporters, 2014 is expected to mark a resurgence of Thailand as a leading rice supplier, an advance made possible by a restoration of its competitive edge following key policy changes regarding state market intervention. Brazil, Guyana, Pakistan, Paraguay and Uruguay are also expected to ship more rice over the year. Much of these increases are anticipated to come at the expense of deliveries by India, but also Australia, Cambodia, China (Mainland), the European Union and the United States, with expectations also pointing to shipments by Viet Nam stagnating at depressed levels.

Global Rice Trade and Price Index



On the other hand, FAO forecasts world trade in calendar **2015** to reach 40.5 million tonnes, implying a small 0.6 percent growth from the current 2014 estimate. On the import side, the expansion reflects expectations of continued strong demand in Africa and Latin America and the Caribbean, amid a combination of poor harvests and/or fast-expanding consumption bases. By contrast, deliveries in North America and Europe are seen falling, while these stabilize at high levels in the case of Asia. Looking at the suppliers, Thailand's market dominance is expected to be largely unrivalled, with the deliveries by the country forecast to climb to new heights. Cambodia, China (Mainland), Guyana, Myanmar, Pakistan, Paraguay and the United States are also envisaged to sell more, while in the context of heightened competition for markets, deliveries by Argentina, Australia, Brazil, and especially India could be undermined by less attractive prices.

Imports

Demand from Far Eastern nations propels 2014 trade to new records, with the Near East and West Africa poised to sustain a small trade expansion in 2015

The anticipated growth in global rice trade in **2014** is forecast to be sustained by a near 2.0 million tonne surge in shipments to ***Asian countries*** to 18.9 million tonnes. At a country level, the increase would mostly mirror a resurgence of demand from the **Philippines**, in the aftermath of damages incurred as a result of typhoon Haiyan and depleted inventories. The country may close the year with delivery of 1.8 million tonnes, up 1.1 million tonnes year-on-year, part of which to reconstitute public rice reserves. Supply shortfalls and difficulties in meeting programmed local purchases necessary to service welfare programs also induced the Government of **Indonesia** to recur to international markets this year. The move is expected to underpin a 500 000 tonnes rise in deliveries to the country to 1.2 million tonnes. Traditionally a self-sufficient nation, **Sri Lanka** has been compelled to rely on supplies from abroad to compensate for significant production shortfalls, with 280 000 tonnes assessed to have been purchased by the country. High domestic prices, particularly in the context of cheaper offerings abroad, also underpinned a steep rise in consignments to both **Bangladesh** and **Turkey,** now forecast at a higher level of 700 000 tonnes and 400 000 tonnes, respectively. **Iraq**, the **Democratic People's Republic of Korea**, **Malaysia**, **Nepal**, **Saudi Arabia** and **Qatar** are all similarly envisaged to purchase more in 2014, while official deliveries to **China (Mainland)** hold steady at around 2.3 million tonnes.

Nevertheless, various countries within the region are anticipated to count on sufficient availabilities at hand to reduce imports in 2014. For instance, large carry-over amassed through above average purchases in 2012 and 2013 are now expected to lead to a 500 000 tonne retrenchment in deliveries to the **Islamic Republic of Iran** to 1.4 million tonnes. The decline would also reflect a more protective stance towards rice imports taken by Iranian authorities this year. Deliveries to the **Republic of Korea** are set to end some 230 000 tonnes lower year-on-year at 350 000 tonnes, with volumes contracted as part of 2014's minimum access commitments likely to be delivered in 2015. In the case of **Thailand,** inflows are seen falling to some 360 000 tonnes, depressed by lower local quotations following the suspension of the paddy pledging programme, which reduced incentive to import paddy across borders for eventual processing.

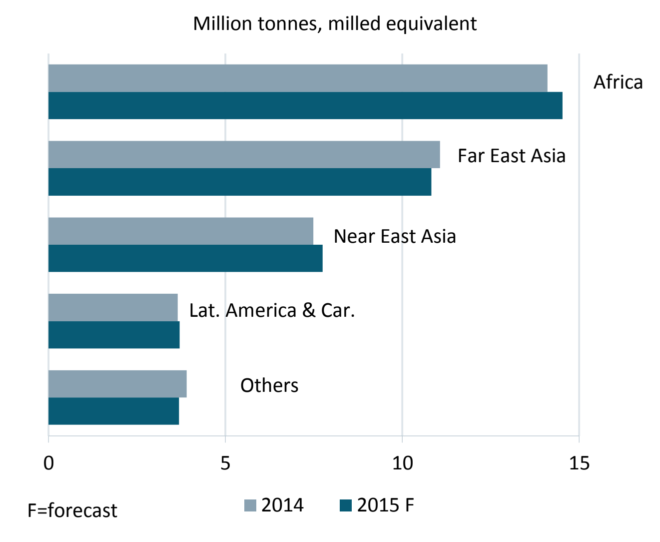
Forecasts of deliveries to Asia over the course of **2015** are now set at 18.9 million tonnes, which would imply a replication of the 2014 record pace of deliveries. Looking at the individual countries, volumes officially delivered to **China (Mainland)** are forecast to rise by 7 percent to 2.4 million tonnes, as elevated local prices, resulting from a high producer price policy, relative to world levels continue to provide incentive to source supplies from abroad. The increase in official imports would also reflect efforts by the Government to clamp down on unofficial cross-border trade by stepping up border protection under the "Green Wind" campaign or by officializing part of these flows, as is being done with Myanmar. Although it remains unclear how far this process has progressed, indications point to 100 000-200 000 tonnes already being agreed to be delivered by Myanmar starting in January 2015. At the same time, state enterprises have been reported to be engaged in negotiations with Thailand for delivery of 2 million tonnes of rice over a two-year span. Meanwhile, media reports suggest Chinese authorities would be considering changes to how preferential grain import quotas under the country's WTO obligations are allocated to traders, with a tender process or requirements to buy supplies from government stockpiles being contemplated.

Volumes delivered to **Malaysia** are also expected to exceed 2014 levels and reach 1.1 million tonnes, while **Nepal** may require around 500 000 tonnes to meet local demand in the aftermath of a poor seasonal result. Current forecasts also point to the **Philippines** remaining an active buyer over the course of 2015, with deliveries holding broadly steady at 1.8 million tonnes. Underlying this stability are expectations of little, if any, growth in 2014 production, which would oblige the country to rely on large external supplies again to service distribution needs and meet mandated stock floors. Strong local quotations have also tended to limit domestic procurement operations to a minimum. Although historically accounting for only a small share of local output, volumes procured domestically by the National Food Authority from January to September were reported to stand at 8 000 tonnes of paddy, down from 286 000 tonnes in the corresponding period of 2013. Indeed, and although still requiring approval, proposals have already been put forward for the NFA to use a standing permit to import supplies in case of emergencies to acquire 600 000 tonnes in 2015. The volume would be needed for the agency to meet its mandated stock minimum of 30 days' worth of national consumption at the start of the lean season, on 1 July.

In the absence of domestic production, various *Near Eastern* countries, including **Jordan**, **Kuwait**, **Lebanon** and **Oman** are also anticipated to buy more over the year, so as to meet the requirements of their growing populations**.** Amongst the largest buyers in the sub-region, **Iraq** is set to import 1.5 million tonnes and **Saudi Arabia** close to 1.4 million tonnes. Singularly, however, the **Islamic Republic of Iran** is predicted to witness the strongest increase. Following a comparatively restrained pace in 2014, the country is envisaged to raise rice purchases to 1.6 million tonnes in order to meet consumption and refurbish stocks.

Larger imports to these countries are expected to be partly offset by cuts elsewhere. In particular, **Bangladesh** is forecast to reduce them by 200 000 tonnes, amid anticipation that a good crop harvest this year will reduce private sector imports. However, much will depend on the price differentials with outside offerings, especially those of India. To date, local quotations in Bangladesh have held steady relative to year-earlier levels. Consequently, forecasts of imports by the country have been set at 500 000 tonnes, down 29 percent year-on-year, but well above the 53 000 tonne low recorded in 2012. FAO has also preliminarily set its 2015 import forecast for **Indonesia** at 1.0 million tonnes, implying a 17 percent year-on-year cut, although much will still depend on the outcome of 2015 crops. The fall would be consistent with reinvigorated efforts by the Government to attain rice self-sufficiency by 2017. For its part, the state agency, Bulog, has announced that it will seek to purchase 3.2 million tonnes of local rice in 2015. The supplies will be used to meet mandated stock levels, service market operations and the public distribution programme. Yet, unlike the past, cuts in fuel subsidies through this year's 31-36 percent rise in fuel prices have not been accompanied by plans to compensate poor households with increased rice allocations under the Raskin programme. The scheme, which provides 15 kilos of rice per month to 15.5 million households at subsidized prices, has come under increasing scrutiny over allegations of missing supplies, ineffective targeting, as well as undue prices paid by beneficiaries. Meanwhile, provided no major setback is incurred, an output recovery may permit **Sri Lanka** to reduce purchases to 150 000 tonnes, while following the large volumes purchased in 2014, **Turkey** may count on sufficient availabilities to cut them to 300 000 tonnes.

Rice Imports by region in 2014 and 2015



Buoyed by larger deliveries to Western parts of the continent, **<u>2014</u>** rice imports in ***Africa*** are forecast to reach 14.1 million tonnes, up 4 percent year-on-year and close to 150 000 tonnes over the October forecast. Compared to figures reported in the last issue of the RMM, a strong rise in consignments is now anticipated to concern **Guinea,** which may close the year taking delivery of 420 000 tonnes. This level is based on a fast pace of deliveries to the country reported in the first three quarters of the year and compares to a 300 000 tonne estimate for 2013. Import forecasts are more subdued for the two other nations most impacted by the Ebola epidemic, **Liberia** and **Sierra Leone**, at 300 000 tonnes and 230 000 tonnes, respectively. These would entail a 12 percent fall of imports in the case of Sierra Leone and of 21 percent in the case of Liberia. Although in the case of the former the retrenchment could also be associated with greater domestic availabilities following successive bumper harvests, underlining the expected import cuts are also weaker local currencies and difficulties reported by traders in completing deliveries to the nations. These have, in particular, concerned reluctance by shipping companies and crews to trade with Ebola affected nations over fear of contagion and/or the imposition of higher freight rates and insurance premiums. Preventive measures put in place in non-Ebola affected nations to avert the spread of the virus were also reported to have posed logistical and procedural challenges.

Among other market players in the region, import forecasts were also raised for both **Nigeria** and **Senegal**. In the case of the former, rice imports are now expected to stage a 400 000 tonnes upturn, after having been contained in 2013 by the instatement of prohibitive import tariffs. Facilitated by an easing of such policy, but also by sustained unofficial inflows from bordering countries, overall imports by Nigeria in 2014 are assessed at 2.9 million tonnes. In the case of Senegal, strong domestic demand is expected to keep deliveries at close to 1.1 million tonnes. On the other hand, current expectations are that larger domestic availabilities from good production results will permit **Chad**, **Ghana**, **Mauritania**, the **United Republic of Tanzania** to reduce imports. Likewise, **South Africa** may take-in less in 2014, holding sufficient supplies on store following a spate of purchases in previous years.

FAO's forecast of **2015** deliveries to Africa continues to point to yet another year of strong imports in the region, with 14.5 million tonnes expected to be delivered. Much of the anticipated 3 percent increase would be on account of robust demand from Western parts of the continent. Indeed and although the sub-region has made great strides in raising local production in recent years, often under ambitious self-sufficiency programmes, the expansion has come with concomitant increases in rice imports, mirroring fast-expanding consumption needs, in the face of growing urban base and less competitive local offerings, often associated with insufficient processing and infrastructural constraints. The 2015 outlook for the sub-region is further grounded on expectations of poor 2014 production results, which may induce **Benin**, **Burkina Faso**, **Chad**, **Gambia**, **Guinea Bissau** and **Senegal** to rely on greater volumes from abroad. Among the major buyers in the region, **Nigeria** is predicted to take 3.0 million tonnes, down somewhat from previous forecasts, but still 3 percent above the 2014 level, on anticipation that demand for imported parboiled rice in the country will remain strong, notwithstanding recent gains in local rice output. With production gains posted still assessed insufficient to cater to growing consumption needs, rice deliveries to **Cote d'Ivoire** are also forecast to remain strong and in the order of 1.3 million tonnes. Based on the current production outlook for these countries, FAO presently anticipates 365 000 tonnes and 275 000 tonnes to be required in **Liberia** and **Sierra Leone**, respectively, to cover losses incurred as a result of disruptions associated with the Ebola outbreak. In the case of **Guinea**, these are placed at 300 000 tonnes, in part reflecting expectations that supplies imported in 2014 will be drawn from, together with those that would have been normally exported in the absence of border closures. Outside of the sub-region, current expectations are also that deliveries to **Kenya** will expand to 445 000 tonnes, while those directed to **South Africa** remain at 1.25 million tonnes.

Forecasts of **2014** imports by countries in ***Latin America and the Caribbean*** are little changed since October, with the region anticipated to take an aggregate of 3.6 million tonnes, 3 percent more than in 2013. The largest contribution to this growth is expected to be made by **Venezuela**, which, in spite of a production recovery, is forecast to require 300 000 tonnes from abroad. In the aftermath of consecutive poor harvests, **Bolivia**, too, is set to step-up purchases considerably to 70 000 tonnes. Short local supplies are also behind expectations of larger deliveries to **Peru,** now set at 190 000 tonnes, somewhat less than previously reported, based on pace of deliveries to date. In the case of **Colombia**, larger consignments are primarily expected to reflect growth of deliveries under a trade agreement with the United States. **Costa Rica**, **Haiti**, **Honduras**, and **Panama** are similarly predicted to take-in more from abroad. Meanwhile, **Brazil**, which has stood as the largest single market in the region, is set to import 680 000 tonnes, 5 percent less than in 2013, reflecting larger local availabilities. **Ecuador** is now anticipated to do without imports, as supply shortfalls have been mitigated to date by reduced deliveries abroad.

FAO currently anticipates rice consignments to the region to stage a further 2 percent expansion in **2015**, reaching 3.7 million tonnes. Unlike current expectations for 2014, next year's growth is predicted to stem from stronger demand in *Central America and the Caribbean*, amid expectations of greater consignments to **El Salvador**, **Guatemala**, **Nicaragua** and **Panama**, in all cases associated with drought-related output losses. Import forecasts have also been raised for **Haiti** to 380 000 tonnes, implying a 9 percent annual expansion, consistent with the deteriorated production outlook for the country. Within the sub-region, only **Cuba** is assessed to count on sufficient supplies to cut imports over the year. On the policy front, a deliberation appears imminent in **Costa Rica** as to whether safeguard measures will be imposed against selected classes of milled rice imports originating in countries not party to a trade agreement with Costa Rica. This is after an October decision ruled out the imposition of a provisional import tariff increase, pending the conclusion of the safeguard investigation. In the case of **Mexico**, an official pronouncement has been made, with the industry's calls for the reinstatement of imports tariffs, last lifted in May 2008, heeded in December. Accordingly, effective 9 January 2015, paddy imports carried outside of existing trade agreements will be levied an import duty of 9 percent, while husked, milled/semi-milled and broken rice will accrue a tariff of 20 percent. FAO's 2015 import forecast for Mexico remains set at a largely stable level of 670 000 tonnes, under expectations that potential reductions in deliveries mostly from Uruguay and Viet Nam prompted by the protective measure will be compensated by larger imports from the United States, Mexico's traditional main supplier, which will remain exempt from such tariffs.

Current indications also point to import demand remaining strong in *South America*, in part reflecting prospects of a recovery in rice deliveries to **Brazil** to some 700 000 tonnes, but also of continued growth in shipments to **Venezuela** to some 340 000 tonnes. Provided the season progresses without major setbacks, both **Bolivia** and **Peru** may instead find themselves in a position to cut purchases to some 20 000 and 170 000 tonnes, respectively. Meanwhile, a November deliberation by a WTO panel has ruled against Peru in a case initiated by Guatemala regarding additional import charges levied on rice, sugar, maize and dairy products, as part of Peru's price band system.[4] Although the decision finds that charges applied under the system do not constitute ordinary customs duties and thus need to be brought in compliance with Peru's obligations to the WTO, it does not call on the price band system to be eliminated.

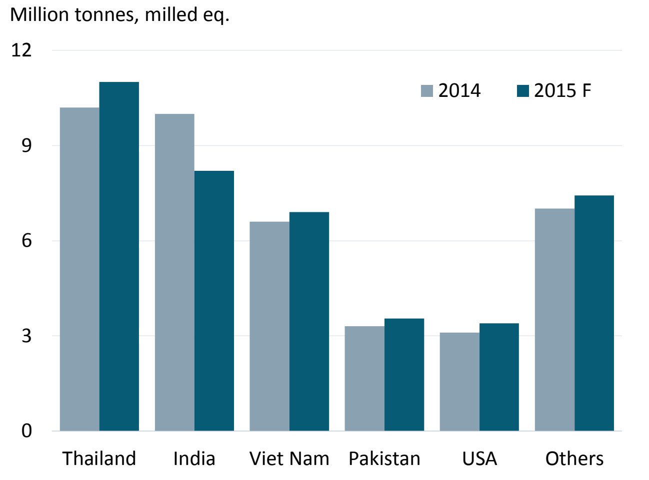
In Europe, official expectations of **2014** deliveries to the **European Union** continue to point to a likely 10 percent increase in the region's imports to a record of 1.4 million tonnes. Authorities in the region indicate this level is unlikely to be sustained in **2015**, when the region is expected to be sufficiently supplied to cut purchases by 4 percent to 1.3 million tonnes. Based on ample expected local availabilities, FAO similarly anticipates the **Russian Federation** to cut imports from 230 000 tonnes in 2014 to 210 000 tonnes in 2015. Meanwhile, the USDA has left its forecast of **2014** imports by the **United States** at a high of 730 000 tonnes, with **2015** deliveries, instead, projected to retrench to 670 000 tonnes, in part reflecting reduced demand for japonica brokens in the country.

Exports

India's export primacy displaced by a surge in Thai deliveries

Much of the forecast growth in **2014** global trade in rice is poised to be sustained by **Thailand**. Indeed, a development dominating international rice trade this year has been the resurgence of Thailand as a leading rice exporter, an advance made possible by key policy changes regarding government market intervention, namely the suspension of the paddy pledging programme and public stock sales. The ensuing restoration of its competitive edge has permitted Thailand to recapture much of the market share lost to India and Viet Nam over the past two years. Thai sales to West African and Far Eastern nations have indeed proved particularly buoyant to date, but to also to Southern Africa, more than compensating for cuts in deliveries to the Near East. These are now expected to propel exports by the country to 10.2 million tonnes in 2014, which, if confirmed, would stand only 500 000 tonnes short of the 2011 record pace of exports. Nevertheless, a number of other countries count on sufficient availabilities to boost exports by year's end. This is expected to be the case of **Pakistan,** which, remaining a competitive origin, may see sales expand by 5 percent to 3.3 million tonnes. The 2014 export outlook is also positive for a number of South American providers, including

Rice Exports by Major Exporters



F=forecast

Brazil, **Guyana, Paraguay** and **Uruguay**, reflecting a consolidation of their export positions in the Americas, but also headway in the Near East.

Conversely, after rising to new heights since the 2011 removal of the ban on non-basmati rice, current expectations are that rice deliveries by **India** will fall by 5 percent to 10.0 million tonnes in 2014, depressed by a combination of heightened competition for markets, mostly with Thailand in the parboiled segment, and a reduction in demand in its key basmati outlet the Islamic Republic of Iran. The pace of white rice sales has, however, proved more resilient to date, underpinned by strong demand from Asian markets including Bangladesh, Nepal, and Turkey. To September, 1.9 million tonnes were officially reported to have been shipped in this segment, up close to 800 000 tonnes year-on-year. The export outlook is also bleak for **Viet Nam,** where official deliveries are now projected to remain close to the 2013 depressed level of 6.6 million tonnes, as the country is out priced in Africa and rivalled by Thailand in important Far Eastern markets, such as the Philippines, Indonesia and Malaysia. Despite ample availabilities for export, shipments by both **Cambodia** and **China (Mainland)** are also foreseen to be constrained by reduced import demand. This would be the case of Thailand in the case of Cambodia's cross-border paddy deliveries and the Republic of Korea for Chinese japonica shipments. Meanwhile, the **United States** is officially projected to face a 6 percent year-on-year reduction to 3.1 million tonnes, based on tighter export availabilities that kept offerings above those of competing origins. Similarly, supply constraints are undermining deliveries by a number of smaller suppliers, mostly of japonica varieties, namely **Australia**, but also the **European Union** and the **Russian Federation**.

[4] While rice imports in Peru accrue a 0% ad valorem import duty, under the mechanism, a variable tariff is also applied based upon the difference between biweekly reference import prices and semi-annual floors/ceilings, whereby a surcharge is applied when reference prices fall below the predetermined floor prices or a rebate should these exceed the ceiling.

As for world trade in calendar **2015,** FAO's latest forecast sees volumes expanding further to reach 40.5 million tonnes. Looking at individual suppliers, **Thailand's** market dominance is expected to be largely unrivalled, with the deliveries by the country forecast to climb to a new record of 11.0 million tonnes. The buoyant outlook is in spite of the likely output reduction this season, as potential shortfalls will be checked by the still large government rice inventories. Thai authorities are moreover keen to make inroads in the Chinese market, as highlighted by their offer of a 2.0 million tonne contract to China for delivery between 2015 and 2016, on a government-to-government basis. The deal would add to an existing order for 1.0 million tonnes, also to be completed over 2015. Officials in the **United States** also indicate a likely strong rebound in 2015 exports by the country, forecast at 3.4 million tonnes. The 10 percent expansion relies on expectations that the excellent crop gathered this year will restore the country's competitive edge, promoting larger sales to Latin American and Caribbean markets. Prospects in the medium-grain segment are also positive amid likely lessened competition from Australia, but also of persisting limitations to exports by Egypt. Indeed, and contrary to developments reported in the last issue of the RMM, in October, the **Egyptian** Government approved a relaxation to the ban on milled rice exports, effective through August 2015. The decision has had, however, a limited impact on export prospects for the country, in part reflecting the onerous conditions imposed on such exports. These namely entail that, for every tonne they intend to export, traders deliver 1 tonne of rice to the General Authority for Supply Commodities, at EGP 2 000 (USD 279) per tonne, with milled rice exports additionally subject to a USD 280 per tonne tax. FAO's export forecast for the country now stands at 500 000 tonnes, which, while 11 percent above current expectations for 2014, would fall well short of the 1.2 million tonne record volume delivered in 2007.

The export outlook is similarly positive for **Pakistan,** which is envisaged to raise volumes consigned in 2015 by about 8 percent to 3.6 million tonnes. The local export industry vests much hope in regaining footing in the Islamic Republic of Iran, with officials recently pledging their support to such endeavours, in the wake of a recent visit of Iranian rice importers. Prior to 2010, Pakistan's official milled deliveries to the Iranian market averaged close to 300 000 tonnes. Intense competition with India, particularly in the absence of a payment mechanism to circumvent financial sanctions imposed on Iran, have resulted in steady declines since then, with deliveries to Iran officially recorded by Pakistan at just over 20 000 tonnes in 2013. Avenues explored to overcome such payment difficulties have included proposals to sell basmati rice against Pakistan's overdue payments for electricity imports from Iran. Meanwhile, FAO has kept its forecast of 2015 official deliveries by **Viet Nam** unchanged at 6.9 million tonnes, up 5 percent from the depressed 2013 and 2014, but well below the 8.0 million tonnes shipped in 2012. The forecast expansion assumes a favourable turnout to the 2015 season just started and that the country will be able to re-route to official channels part of the large volumes that had made their way to China (Mainland) unrecorded since 2012. Such re-routing would in part arise from steps taken by Chinese authorities to clamp down on volumes smuggled into the country. Efforts to tap into new markets are also envisaged to sustain a recovery of deliveries by **Cambodia,** with exports by **China (Mainland)**, **Guyana, Myanmar,** and **Paraguay** similarly predicted to rise in 2015.

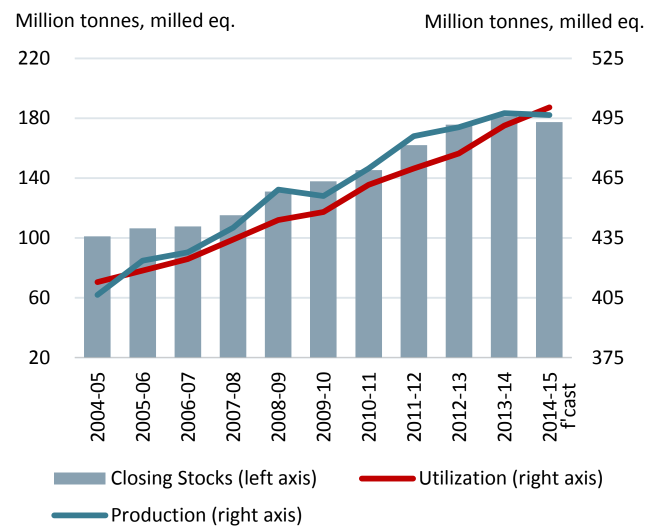
Instead, export prospects remain negative for **India**, with deliveries expected to contract for the second consecutive season to 8.2 million tonnes. The reduction would be consistent with prospects of a poor seasonal outturn, which is expected to impinge further into the country's ability to compete in the non-fragrant sector. The export outlook has similarly deteriorated for several southern-hemisphere countries. This has been particularly the case of the three largest South American exporters, **Argentina**, **Brazil** and **Uruguay**, which may see their competitiveness undermined by tight availabilities over the season. Prospects for these countries are additionally dampened by expectations of a return of more competitively priced supplies from the United States, not only in the America's but also in the Near East, as presaged by the November award to the United States by Iraq of a 120 000 tonne sale. Faced with such prospects, the industry in Argentina has called upon the Government for assistance, including through a suspension of the 5-10 percent export tax levied on rice, in handling export formalities and a re-lunch of bilateral negotiations with Venezuela. In the case of Uruguay avenues explored to maintain a competitive edge have involved proposals to raise volumes exported in the form of paddy, rather than in the traditional form of milled rice. Under prospects of another reduced crop, supply constraints are also predicted to curb shipments from **Australia** to 420 000 tonnes.

RICE UTILIZATION AND DOMESTIC PRICES

Growth in per caput food use moderated by smaller expected availabilities

FAO's forecast of world rice utilization in 2014/15 now stands at 500.5 million tonnes (milled basis), some 200 000 tonnes higher than October forecasts and 1.9 percent above the 2013/14 record estimate. Much of the year's 9.3 million tonne utilization expansion would correspond to food intake, which accounting for 83 percent of the total, is set to reach 415.4 million tonnes. Taking into consideration expected population growth over the year, this volume would be sufficient to sustain a further rise in **global per caput food use** to 57.5 kilos per person, albeit at a more moderated pace of 0.3 percent. This compares to a 0.7 percent expansion the previous year and an average growth rate of 0.5 percent in the preceding five-year period. Combined, volumes destined to seeds, industrial use and post-harvest losses are also envisaged to rise to some 70.6 million tonnes, while quantities destined to animal feed reach 14.5 million tonnes, up 3 percent year-on-year.

Rice Production, Utilization and Stocks



As to recent retail/wholesale price developments, compared to the preceding three months, quotations tended to remain stable-to-higher across much of *Asia*, with the exception of **Myanmar**, **Pakistan** and **Viet Nam**, where prices eased under seasonal pressure, combined with reduced demand for export. **Sri Lanka** too stands as an exception, as drought-related production shortfalls have continued to boost local quotations since December last year. Prices of imported supplies also tended to be costlier in West African countries, namely **Burkina Faso**, **Mauritania** and **Senegal**, as was the case of local rice in **Madagascar** during these first two months of the country's lean season. Within the continent, only **Uganda** has seen quotations decline considerably over the past few months, amid ample availabilities. Elsewhere, prices also subsided in **Ecuador** and the **United States**, while prospects of a weather-reduced harvest provided particular support to quotations in **Italy**.

DOMESTIC RICE PRICES IN SELECTED COUNTRIES

ASIA	Latest available: Month	USD/Kg	Latest quotation available compared to: /1 3 months earlier	1 year earlier	2 years earlier
Bangladesh: Dhaka (coarse)	Nov-14	0.45	1%	1%	20%
Cambodia: Phnom Penh (mix)*	Nov-14	0.39	0%	0%	-11%
China: 50 City Avg. (japonica second quality)	Nov-14	0.98	0%	4%	6%
India: Delhi	Nov-14	0.49	0%	13%	17%
Indonesia: Ntl. Avg. (medium quality)	Nov-14	0.74	0%	6%	11%
Japan: Ku-area of Tokyo (non-glutinous)	Sep-14	4.66	1%	-4%	-2%
Republic of Korea: Ntl. Avg.	Nov-14	2.11	3%	-2%	-1%
Mongolia: Ulaanbaatar	Oct-14	1.26	2%	3%	38%
Myanmar: Yangon (Emata, Manawthukha FQ)*	Nov-14	0.33	-12%	-6%	12%
Pakistan: Karachi (irri)	Nov-14	0.55	-8%	0%	10%
Philippines: Ntl. Avg. (well-milled)	Nov-14	0.96	-2%	11%	23%
Sri Lanka: Colombo (white)	Nov-14	0.60	8%	32%	32%
Thailand: Bangkok (5% broken)*	Nov-14	0.38	-3%	-3%	-25%
Viet Nam: Dong Thap (25% broken)*	Nov-14	0.36	-4%	5%	-6%
WESTERN AFRICA					
Benin: Cotonou (imported)	Oct-14	1.02	0%	0%	0%
Burkina Faso: Ouagadougou (imported)*	Nov-14	0.76	21%	3%	5%
Cape Verde: Santiago (imported)	Oct-14	1.05	-	-2%	-13%
Chad: N'Djamena (imported)	Oct-14	0.98	1%	-1%	0%
Mali: Bamako*	Nov-14	0.67	0%	8%	4%
Mauritania: Nouakchott (imported)	Oct-14	1.30	19%	16%	72%
Niger: Niamey (imported)*	Nov-14	0.70	3%	-8%	-8%
Senegal: Dakar (imported)	Sep-14	0.89	17%	6%	1%
Togo: Lomé (imported)	Oct-14	1.06	0%	-1%	0%
EASTERN AFRICA					
Djibouti: Djibouti (Belem)*	Sep-14	0.58	2%	0%	-6%
Rwanda: Kigali*	Nov-14	0.86	0%	-11%	-25%
Somalia: Mogadishu (imported)	Oct-14	0.61	0%	18%	-4%
Uganda: Kampala*	Nov-14	0.80	-16%	-22%	-25%

	Historical monthly price trend	Latest available: Month	USD/Kg	Latest quotation available compared to: [/1] 3 months earlier	1 year earlier	2 years earlier
SOUTHERN AFRICA						
Angola: Luanda		Oct-14	3.31	1%	2%	5%
Madagascar: Ntl. Avg. (local)		Nov-14	0.47	8%	-9%	2%
Mozambique: Maputo		Nov-14	0.81	0%	0%	0%
CENTRAL AMERICA AND THE CARIBBEAN						
Costa Rica: Ntl. Avg. (first quality)		Oct-14	1.43	-1%	4%	-2%
Dominican Rep: Santo Domingo (first quality)		Oct-14	1.07	0%	1%	4%
El Salvador: San Salvador		Oct-14	1.11	-2%	7%	2%
Guatemala: Ntl. Avg. (second quality)		Oct-14	1.22	0%	0%	2%
Haiti: Port-au-Prince (imported)		Nov-14	1.00	0%	0%	0%
Mexico: Mexico City (sinaloa)*		Nov-14	0.86	-1%	2%	6%
Nicaragua: Ntl. Avg. (second quality)		Nov-14	0.99	0%	12%	20%
Panama: Panama City (first quality)		Nov-14	0.87	0%	-31%	-29%
SOUTH AMERICA						
Bolivia: La Paz (grano de oro)*		Nov-14	1.16	-3%	-3%	24%
Brazil: São Paulo		Nov-14	1.04	3%	8%	3%
Colombia: Ntl. Avg (first quality)		Nov-14	1.15	-1%	-2%	-16%
Ecuador: Quito (long grain)*		Nov-14	1.03	-6%	-2%	-2%
Peru: Lima (corriente) *		Nov-14	0.73	4%	13%	27%
Uruguay: Ntl. Avg. (grade 1)*		Nov-14	1.03	0%	16%	71%
NORTH AMERICA						
United States: City Avg. (long grain, uncooked)		Oct-14	1.59	-5%	-1%	6%
EUROPE						
Italy: Milan (arborio volano)*		Nov-14	1.76	15%	26%	67%
Russian Federation: Ntl. Avg.		Oct-14	1.11	2%	14%	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% brokens).

CLOSING STOCKS

Draw-downs by major rice exporters to drive a 2 percent fall in 2015 world rice carry-overs

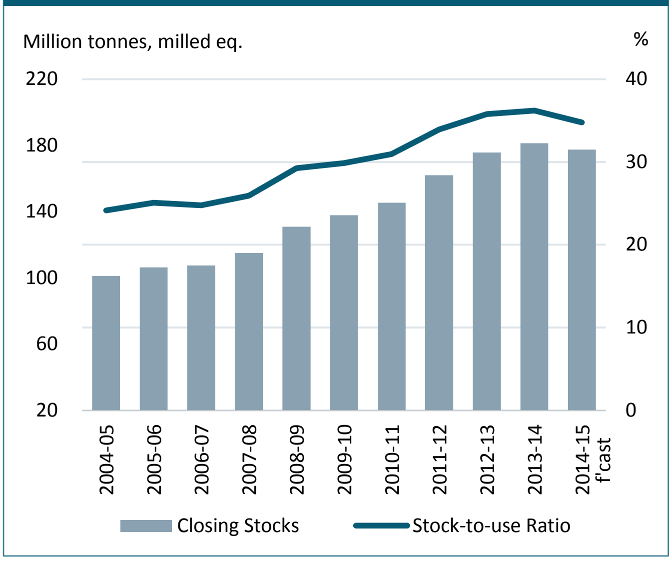
FAO's forecast of global rice carryovers at the close of marketing years ending in 2015 has been scaled back by 240 000 tonnes since October to 177.5 million tonnes (milled basis). The revision primarily reflects lower carry-overs than previously anticipated in India and Thailand, given the more subdued output prospects for these countries, coupled with expectations of larger exports. These more than outweighed upward adjustments to inventories especially in China (Mainland) and Indonesia and, to a lesser extent, in the United States and Senegal.

Taking into account the revisions, global rice inventories in 2014/15 are now envisaged to fall 2.1 percent short of the highs attained in 2013-14. Despite the draw-down, the **global stocks-to-use ratio** is expected to remain at a comfortable level of 34.8 percent, meaning rice inventories would be sufficient to cover 4.2 months of projected consumption. The inventory reduction is predicted to concentrate in **developing countries,** where carry-overs may be trimmed by 3.9 million tonnes to 172.8 million tonnes, while **developed nations** hold 4.7 million tonnes, 2 percent more than in 2014.

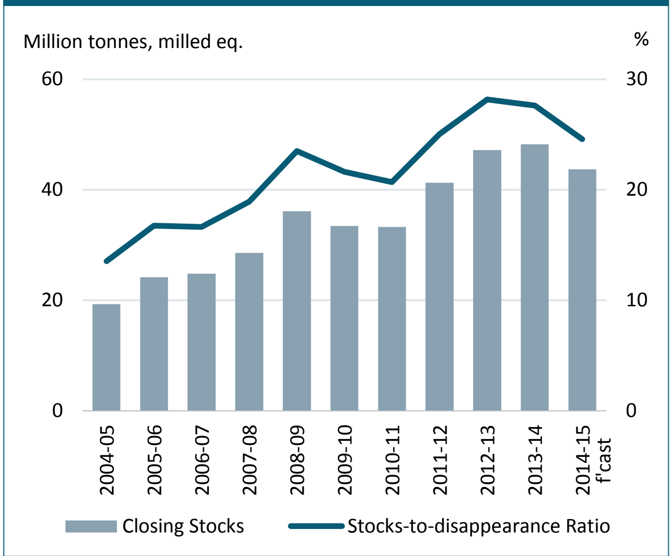
From a trade perspective, all of the season's cut would mirror draw-downs by the **five major rice exporters**[5], which combined are expected to hold 9 percent less than the preceding year, or 43.7 million tonnes. Individually, **India** is foreseen to account for much of this decline, reducing inventories by 15 percent over the year to 20.0 million tonnes. The draw-down is anticipated to be on account of a combination of greater domestic needs, set against still large deliveries abroad and a reduced harvest. A large portion of this decline is, moreover, expected to be absorbed by the public sector, given expectations of sustained needs under the public distribution programme. This would be especially so if official purchases from the domestic market continue at the subdued pace recorded to date. A 10 percent draw-down in inventories to 16.1 million tonnes is, instead, expected in **Thailand**, against prospects of a drought reduced crop and a resurgence of rice deliveries abroad, made possible by the discontinuation of state intervention purchases under the paddy pledging programme. Officials, meanwhile, indicate that of the 18.0 million tonnes of public inventories surveyed earlier in 2014, 10 percent was of good quality, 70 percent in below-standard conditions, with the remaining 20 percent was judged either unfit for human consumption or unaccounted for. Current expectations are that cuts in these two countries would more than outweigh gains in the United States and Viet Nam, in both cases on account of good harvests, while inventories in **Pakistan** hold steady, notwithstanding a small local output reduction. In the case of the **United States,** officials anticipate the season to close with a 24 percent reconstitution in stocks to 1.3 million tonnes, while FAO predicts **Viet Nam** to carry over 5.7 million tonnes. As a result of these trends, the group's **stock-to-disappearance ratio**[6] is expected to decline to 24.6 percent in 2014/15, down from 27.6 percent a year earlier.

Forecasts of inventories held by rice **importing countries** are now set at 28.9 million tonnes, 400 000 tonnes higher than last reported, but still 4 percent below a year-earlier. The fall primarily reflects expectations of a 14 percent

Global Closing Stocks and Stocks-to-use Ratio



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



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

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

draw-down in **Indonesia**, following the season's poor harvest and still strong domestic demand. **Nepal**, **Peru** and **Sri Lanka** are also expected to need inventory reductions in order to meet consumption needs in the face of poor seasonal turnouts. The **European Union**, **Madagascar**, **South Africa** and **Turkey** may also cut the size of their stocks amassed the previous year following a spate of purchases from abroad. Conversely, a favourable crop harvest is anticipated to enable **Bangladesh** to raise carryovers by 1 percent over the season, while in the **Philippines** larger anticipated imports may sustain an 8 percent reconstitution of reserves to 2.2 million tonnes. Meanwhile, FAO's forecast of rice inventories held by **China (Mainland)** is set at 102.4 million tonnes, up 3 percent year-on-year and accounting for nearly 60 percent of the global total.

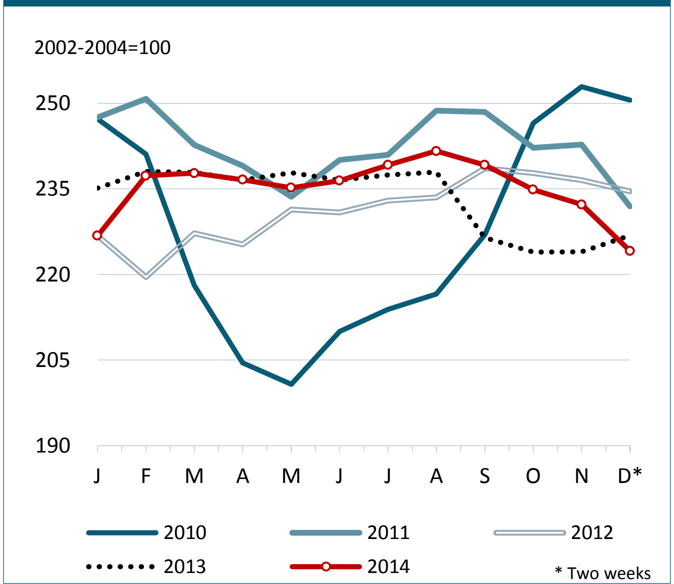
INTERNATIONAL PRICES

International rice prices ease further, amid increasing new crop arrivals and demand lapses

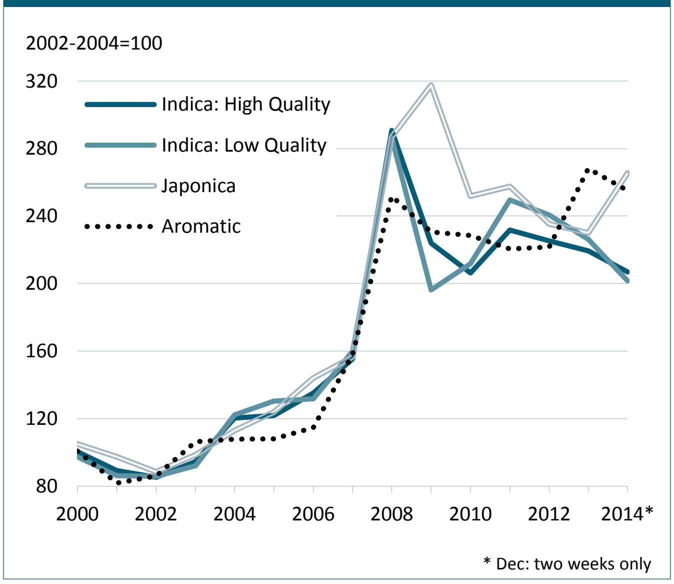
Since taking on a downward trajectory in September, international rice export prices have tended to lose further ground. This is reflected in the FAO All Rice Price Index (2002-2004=100), which passed to a December[7] value of 224 points, down 6 percent from September. Particularly steep falls have been evident in the fragrant segment, where quotations were weighed by prospects of large availabilities this season coupled with reduced import demand. These factors resulted in a 30 percent slump in the Aromatic rice sub-Index to seven year low of 190 points. Increasing market arrivals, amid thinning buying interest, also commanded losses in the long-grain segment, with the High and Low Quality Indica sub-indices shedding 6-7 percent of their values since September to arrive at 195 and 192 points, respectively. As to the medium-grain market, FAO's Japonica Index now stands at 281 points, compared to 265 points in September. The increase is solely reflective of the re-introduction of Egyptian medium-grain prices in its computation. This follows the October easing of export restrictions in the country under conditions that have, however, commanded prices far higher than those prevailing when Egyptian milled rice was last quoted in May 2013. Medium-grain rice has, otherwise, tended to trade at steady to lower price levels since September. Considering this year's prior ascent in Japonica quotations in other major origins, themselves sustained by concerns of supply shortfalls, this latest increase has positioned the January-December average of the Japonica Index 15 above year-earlier levels at 266 points. This strength has eclipsed declines in all the other rice market segments, resulting in the annual average of the FAO All Rice Price Index still standing 1 percent above its corresponding value in 2013 at 235 points.

Looking at the rice suppliers, quotations in all of the major origins have come under increasing harvest pressure and intense competition for markets. In the case of benchmark **Thai** 100% B white rice, the decline since September has been in the order of 3 percent to USD 428 per tonne, with further pressure applied by a weakening local currency. Losses were more marked for Thai fragrant prices, which have seen new crop arrivals drive a 10 percent fall in quotations to USD 1 060. Much of this weakening occurred ahead of the instatement by Thai authorities of a new on-

FAO All Rice Price Index



FAO Rice Price Indices



[7] First two weeks only.

farm mortgaging program for 2.0 million tonnes of fragrant and glutinous paddy. The scheme would offer farmers Bath 14 400 (USD 438) per tonne of Hom Mali, plus Baht 1 000 (USD 30) to cover storage costs over its four-month duration. This compares to the Baht 20 000 (USD 608) per tonne offered to Hom Mali farmers under the previous administration's mortgaging programme. Meanwhile, public stock releases have been limited to date. Only 263 000 tonnes of brokens and 5% broken rice have been sold off since the start of October, with Thai authorities keen on avoiding further downward pressure on local quotations.

Intensifying competition for markets was also behind a slide in quotations in **India,** with a particularly weak sentiment dominating the parboiled and fragrant segments. In the case of the former, a 11 percent drop in quotations of IR64 Parboiled 5% broken to USD 385 per tonne was associated with waning import demand from now well-supplied West African buyers, coupled with loss of market share in this sub-region to Thailand. Much like the latter, Indian exporters have reported additional difficulties in completing deliveries to West Africa as a result of the Ebola epidemic. In the fragrant market, Pusa Basmati 5% slid 20 percent below September values to USD 1 350 per tonne. The retreat of Near Eastern buyers from the market, namely the Islamic Republic of Iran, were largely behind this easing, with mounting pressure applied by the progressive arrival of a large basmati harvest. The large crop was facilitated by a producer shift towards less water demanding fragrant varieties, in the wake of a weak monsoon performance, as well as an extensive adoption of Pusa 1509, a high-yielding, short duration variety.

After securing large orders from traditional Asian buyers over the third quarter of the year, a lack of substantial sales since October has weighed on **Vietnamese** quotations. As a result, prices of 25% broken rice from the country erased all gains posted between May and August, much of which also attributable to large unofficial outflows to China (Mainland). These flows have however concurrently slowed, amid intensifying efforts by Chinese authorities to clamp down on smuggling. Against this backdrop, eagerness to attract buyers has encouraged the Viet Nam Food Association to lower minimum export prices for 25% broken rice by 7 percent to USD 380 per tonne in December. Barring regular contracts with traditional Latin American and Far Eastern markets, a slow pace of sales extended losses in the **United States**. In the long-grain segment a temporary boost was, however, provided by a November award of an Iraqi tender for 120 000 tonnes. In line with trends in competing origins, long-grain quotations similarly eased in **Pakistan**, notwithstanding some support provided by a large October contract with Malaysia and steady demand from traditional East African markets. Losses were more striking in the fragrant market where, despite some flood-related losses, Super kernel white basmati prices ended 36 percent below September quotes, pressured by ample inventories and news of large availabilities in competing India.

As to price prospects in the upcoming months, seasonal pressure on rice export quotations is likely to ease by year's end, when main-crop harvesting activities largely draw to a close across various important northern-hemisphere providers. Price developments thereafter will be likely influenced by progress of secondary crops in the northern hemisphere and of main 2015 crops in countries located south of the Equator, neither of which are, however, due to enter the market until the second quarter of 2015. On the policy front, stockholding policies by major rice exporters will remain of particular importance, given the large share of rice inventories that remain in the hands of Governments, as will producer support decisions, particularly in the wake of recent weakening of prices. Import decisions are also likely to be closely watched, with developments in other cereal markets and currency developments, as usual, remaining influential.

FAO Rice Price Indices

		All	Indica		Japonica	Aromatic
			Higher quality	Lower quality		
		2002-2004 = 100				
2010		**227**	**206**	**212**	**252**	**229**
2011		**242**	**232**	**250**	**258**	**220**
2012		**231**	**225**	**241**	**235**	**222**
2013		**233**	**219**	**226**	**230**	**268**
2013	December	227	214	206	226	271
2014	January	227	212	198	236	263
	February	237	212	197	267	263
	March	238	207	199	270	264
	April	237	205	198	268	264
	May	235	207	199	262	264
	June	236	209	202	263	265
	July	239	212	206	265	265
	August	242	215	213	263	271
	September	239	207	208	265	272
	October	235	203	204	260	268
	November	232	199	200	287	211
	December*	224	195	192	281	190
2013	Jan.-Dec.	233	219	226	230	268
2014	Jan.-Dec.	235	207	201	266	255
% Change		0.8	-5.7	-10.9	15.4	-4.9

Source: FAO

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

**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/
								(US $/tonne, f.o.b.)							
2009		**587**	**619**	**545**	**555**	**432**	**530**	**...**	**351**	**460**	**384**	**329**	**1 068**	**937**	**954**
2010		**518**	**532**	**510**	**492**	**416**	**559**	**...**	**372**	**444**	**387**	**386**	**737**	**881**	**1 045**
2011		**565**	**563**	**577**	**549**	**505**	**546**	**409**	**433**	**511**	**467**	**464**	**821**	**1 060**	**1 054**
2012		**588**	**594**	**567**	**573**	**432**	**584**	**391**	**396**	**560**	**397**	**540**	**718**	**1 137**	**1 091**
2013		**534**	**530**	**628**	**518**	**391**	**598**	**402**	**371**	**504**	**363**	**483**	**692**	**1 372**	**1 180**
2013															
	December	459	466	604	451	424	604	382	349	399	398	347	686	1 411	1 163
2014															
	January	456	459	605	450	401	602	373	356	377	380	309	774	1 396	1 146
	February	466	467	596	459	388	599	378	356	382	368	311	1 065	1 348	1 158
	March	430	428	594	422	384	581	381	374	366	358	312	1 100	1 362	1 170
	April	408	417	594	395	386	581	381	376	352	356	307	1 081	1 350	1 172
	May	408	418	594	389	398	596	384	382	347	364	298	1 025	1 350	1 166
	June	419	428	592	397	402	611	385	385	356	365	313	1 025	1 350	1 164
	July	439	444	574	420	425	611	385	390	373	379	325	1 025	1 350	1 178
	August	458	452	566	442	452	609	385	392	408	409	343	1 025	1 430	1 185
	September	444	436	554	432	448	598	384	359	410	408	336	1 019	1 450	1 178
	October	437	430	529	428	440	597	371	345	409	403	345	1 000	1 435	1 167
	November	427	420	540	418	412	600	362	352	400	379	338	1 000	1 181	1 062
	December*	428	417	522	419	384	600	352	338	399	355	332	950	925	1 060
2013	Jan.-Dec.	534	530	628	518	391	598	402	371	504	363	483	674	1 372	1 180
2014	Jan.-Dec.	435	435	572	423	410	599	377	367	382	377	322	933	1 327	1 150
% Change		-18.5	-17.9	-8.9	-18.4	5.0	0.2	-6.3	-1.2	-24.2	3.9	-33.3	38.5	-3.3	-2.6

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

Area	Date	Policy Instrument	Description
Bangladesh	Oct-14	Government procurement, purchasing prices	Announced that it would buy 300 000 tonnes of rice from the 2014 Aman harvest at Taka 32 per kilo (USD 406 per tonne). The purchasing campaign is to run between 15 November 2014 and 28 February 2015.
Brazil	Oct-14	Stock release	Auctioned off 37 583 tonnes of paddy from state reserves, out of a total of 40 177 tonnes offered in two auctions held on 09 October 2014.
Brazil	Oct-14	Stock release	Released 35 761 tonnes of paddy from state reserves, out of a total of 36 612 tonnes offered in two auctions held on 30 October 2014.
Brazil	Nov-14	Stock release	Put to auction 40 000 tonnes of paddy from public reserve, in two auctions held on 13 November 2014.
Brazil	Nov-14	Stock release	Released 72 600 tonnes of paddy from public reserves, from a total of 75 000 tonnes offered in two auctions held on 27 November 2014.
Brazil	Dec-14	Stock release	Sold 67 000 tonnes of paddy from state reserves, out of a total of 75 000 tonnes offered in two auctions held on 11 December 2014.
Costa Rica	Oct-14	Safeguard measures	Ruled out a provisional import tariff increase on selected classes of milled rice, pending the completion of a safeguard investigation.
Egypt	Oct-14	Government procurement	Announced that the Government would procure supplies from local farmers at a price of Pounds 2 050 (USD 286) per tonne.
Egypt	Oct-14	Export ban	Relaxed the ban on milled rice exports. Effective until August 2015, traders will be permitted to ship supplies abroad provided that, for every tonne they intend to export, they deliver 1 tonne of rice to the General Authority for Supply Commodities at Pounds 2 000 per tonne (USD 279). Exports will be additionally subject to USD 280 per tonne tax.
India	Oct-14	Food subsidies	Extended the deadline for States and Union Territories to implement the National Food Security Act by an additional six months to 4 April 2015.
Indonesia	Nov-14	Production support	Announced that it planned to allocate Rupiah 100 trillion (USD 8.0 billion) worth of 2015 state funds, released from the reduction of fuel subsidies, following a 31-36 percent increase in fuel prices, to the development of infrastructure in the agricultural sector and other productive sectors. Under the plan, which is part of state efforts to attain rice self-sufficiency by 2017, 3.0 million hectares of irrigation facilities would be repaired in three years' time. Further interventions include the rehabilitation of other water management infrastructure, as well as the distribution of seeds, fertilizers and agricultural machinery.
Malaysia	Oct-14	Budgetary allocations, production support	As part of its budgetary allocations for 2015, announced that Ringgit 6 billion (USD 1.8 billion) would be set aside for the Agriculture and Agro-based Industry to, among others, establish farmer markets and extend credit assistance through the Farmers Organisation Authority. Additional measures include support to cultivation of 26 000 hectares

Area	Date	Policy Instrument	Description
			of paddies through the establishment of four new Integrated Agriculture Development Areas, via a Ringgit 100 million (USD 30 million) outlay, and the introduction of a special subsidy for farmers cultivating hill paddies over 76 000 hectares in Sabah and Sarawak, via a Ringgit 70 million (USD 21 million) envelope.
Mexico	Nov-14	Production support	Decided to extend a Pesos 200 (USD 15) per tonne direct assistance to rice farmers in order to aid them face marketing difficulties arising from declines in international rice quotations and growing competition with imports. The scheme will cover 64 000 tonnes of rice produced across eight states during the 2013-14 autumn-winter and 2014 spring-summer (irrigated) campaigns.
Mexico	Nov-14	Production support	Issued new target prices for cereal and oilseed products, including rice, under the Target Income Program, applicable from the 2014 spring-summer campaign. In the case of rice, these were set at Pesos 3 650 (USD 268) per tonne, with producers under the programme receiving a deficiency payment in the event that prices of marketed produce fall below this pre-determined level.
Mexico	Dec-14	Import tariff	Re-instated tariffs on rice imports, last suspended in May 2008. According to the decision, effective 9 January 2015, import duties levied on paddy will be set at 9 percent, while husked, milled/semi-milled and broken rice will accrue a tariff of 20 percent.
Myanmar	Nov-14	Government procurement	Would be considering the launch of a local procurement campaign, via the National Rice Reserves Supervisory Committee, to lend support to paddy prices, after these have come under pressure from disruptions to border trade with China (Mainland).
Pakistan	Nov-14	Production support	Decided to extend a one-off Rupees 5 000 per acre (USD 120 per hectare) direct aid to basmati producers cultivating a maximum of 25 acres and who have not benefitted from a special compensation package availed for flood-related losses.
Republic of Korea	Oct-14	Government procurement	Announced that it intended to purchase surplus produce, estimated at 180 000 tonnes, to stabilize the local market. The volume would be in addition to purchases planned under the Public Rice Stockholding Program and to service commitments to the ASEAN Plus Three Emergency Rice Reserve (APTERR).
Senegal	Oct-14	Tax policy	Announced that it would exempt domestically produced rice from value added taxes (VAT), as part of its self-sufficiency program.
Sri Lanka	Nov-14	Consumer prices	Announced that, with immediate effect, Lak Sathosa outlets would sell imported rice at subsidised rates of Rupees 60 (USD 0.46) in the case of a kilo of Samba, Rupees 55 (USD 0.42) per kilo of Nadu and Rupees 50 (USD 0.38) per kilo of imported white rice.
Sri Lanka	Oct-14	Budgetary allocations, production support, support prices, credit	Announced that the subsidized fertilizer programme would be continued, as part of its 2015 budgetary allocations. Additional support measures to the sector would include the provision of rice seeds to smallholders free of costs, as well as higher guaranteed prices of Rupees 34 - 40 per kilo (USD 259-305 per tonne). A separate Rupees 2.3 billion (USD 17.5 million) would be allocated to develop abandoned paddies, under a three-year rehabilitation programme launched in 2014, with credit and extension services availed to producers who cultivate these lands.

Area	Date	Policy Instrument	Description
Sri Lanka	Dec-14	Import Agreement	Signed an agreement with the Government of Bangladesh to import 25 000 tonnes of parboiled coarse rice from Bangladesh, on an official basis.
Taiwan province of China	Nov-14	Import ban	Lifted import restrictions on long-grain rice originated in the United States, first imposed in 2006 when traces of genetically modified LL601 rice were found in U.S. shipments.
Thailand	Oct-14	Cultivation limits	Announced that the Royal Irrigation Department would restrict in the Chao Phraya basin the discharge of water for irrigation of off-season paddies, given that below average precipitation had reduced water levels in major reservoirs to critically low levels.
Thailand	Nov-14	Government procurement, support prices	Endorsed a proposal for an on-farm mortgaging program to cover 2.0 million tonnes of fragrant and glutinous paddy from the 2014 main season harvest. The scheme is to run for four months, providing farmers Baht 14 400 per tonne (USD 438) of Hom Mali and Baht 11 700 (USD 356) per tonne of glutinous paddy, for a maximum of Baht 300 000 (USD 9 120) and a volume limit of 20 tonnes per household. A separate outlay of Baht 1 000 (USD 30) will be extended to cover storage costs through the scheme's duration.
Thailand	Oct-14	Stock release	Reportedly sold over 50 000 tonnes of rice from Government reserves to exporters through closed tenders.
Thailand	Oct-14	Stock release	Auctioned off 203 000 tonnes of brokens and 5 percent broken rice from Government stocks, through an open tender conducted on 28 October 2014.
Thailand	Dec-14	Stock release	Announced that it would auction 400 000 tonnes of white rice, glutinous rice and brokens from government stocks through a tender on 22 December 2014.
Venezuela	Oct-14	Price controls	Set ceilings on retail prices at Bolívares 25.0 (USD 4.0) per kg of Type I rice, at Bolívares 23.23 (USD 3.7) per kg of Type II rice and at Bolívares 22.0 (USD 3.5) per kg of Type III rice.
Vietnam	Nov-14	Minimum export prices	Lowered minimum export prices for 25% broken rice by USD 30 to USD 380 per tonne, effective 25 November 2014.

TABLE 1: WORLD PADDY PRODUCTION

	2009-2011 Average	2012	2013 Estimate	2014 Forecast	Annual Change 2014 / 2013		2014 Previous	2014 Revision
	million tonnes					*%*	*million tonnes*	
WORLD	705.8	735.7	746.3	744.7	-1.6	-0.2	744.4	0.3
Developing countries	680.0	709.8	720.8	718.3	-2.6	-0.4	718.1	0.1
Developed countries	25.8	25.8	25.4	26.4	1.0	3.9	26.3	0.1
ASIA	638.5	667.7	677.4	674.4	-3.1	-0.5	673.6	0.7
Bangladesh	49.7	50.8 G	51.5 G	52.4	0.8	1.6	52.5	-0.1
Cambodia	8.2	9.3 G	9.4 G	9.3	-0.1	-1.0	9.3	-
China	198.9	205.9	205.2	208.1	2.9	1.4	206.8	1.4
of which China (Mainland)	197.3	204.2 G	203.6 G	206.4 G	2.8	1.4	205.0 G	1.4
India	145.2	157.9 G	159.8 G	155.5	-4.3	-2.7	156.0	-0.5
Indonesia	65.5	69.1 G	71.3 G	70.6 G	-0.7	-0.9	69.9 G	0.7
Iran, Islamic Rep. of	2.7	2.8 G	2.9	3.0	0.1	1.7	3.0	-
Japan	10.6	10.7 G	10.8 G	10.6	-0.2	-1.5	10.6	-
Korea Rep. of	6.0	5.4 G	5.6 G	5.6 G	0.0	0.3	5.5	0.1
Lao PDR	3.1	3.5 G	3.4 G	3.3	-0.1	-3.4	3.3	-
Malaysia	2.5	2.6 G	2.6 G	2.6	0.0	0.5	2.6	-
Myanmar	31.4	27.7 G	28.3 G	28.9	0.6	2.0	29.5	-0.6
Nepal	4.5	4.5 G	5.0 G	4.6	-0.4	-8.9	4.6	-
Pakistan	8.9	8.3 G	10.2 G	10.1 G	-0.1	-1.1	10.0	0.1
Philippines	16.4	18.1 G	18.8 G	18.8	-0.1	-0.4	18.6	0.1
Sri Lanka	3.9	3.8 G	4.6 G	3.6 G	-1.0	-22.3	3.6 G	0.0
Thailand	35.5	38.0 G	38.1 G	37.0	-1.1	-2.9	37.5	-0.5
Viet Nam	40.5	43.7 G	43.9 G	44.9 G	1.0	2.4	44.5	0.4
AFRICA	25.3	26.8	27.5	27.6	0.1	0.5	27.6	0.0
North Africa	5.2	6.0	6.1	6.0	-0.1	-1.5	6.1	0.0
Egypt	5.2	5.9 G	6.1	6.0	-0.1	-1.6	6.0	-
Western Africa	11.9	12.7	13.8	13.6	-0.2	-1.6	13.7	0.0
Côte d'Ivoire	0.7	0.7 G	0.8 G	0.8	0.0	1.4	0.8	-
Guinea	1.6	1.9 G	2.1 G	2.0 G	-0.1	-4.0	2.2	-0.2
Mali	2.0	1.9 G	2.2 G	2.3	0.0	1.7	2.3	-
Nigeria	4.2	4.4 G	4.7	4.9	0.2	4.3	4.6	0.3
Sierra Leone	1.0	1.1 G	1.3 G	1.2	-0.1	-8.0	1.3	-0.1
Central Africa	0.5	0.5	0.5	0.6	0.0	1.9	0.6	-
Eastern Africa	2.6	2.4	2.6	2.7	0.1	2.8	2.7	-
Tanzania	2.1	1.8 G	2.0 G	2.1	0.1	4.4	2.1	-
Southern Africa	5.0	5.1	4.2	4.5	0.4	8.8	4.5	0.1
Madagascar	4.5	4.6 G	3.6 G	4.0 G	0.4	10.2	3.9 G	0.1
Mozambique	0.3	0.3 G	0.4 G	0.3	0.0	-3.2	0.3	-
CENTRAL AMERICA & CAR.	2.8	2.8	3.0	2.9	-0.1	-2.4	2.9	0.0
Cuba	0.5	0.6 G	0.7 G	0.7	0.0	4.1	0.7	-
Dominican Rep.	0.9	0.8 G	0.8 G	0.8	0.0	0.0	0.8	-
SOUTH AMERICA	24.6	24.0	24.6	24.8	0.3	1.1	25.4	-0.6
Argentina	1.4	1.6 G	1.6 G	1.6 G	0.0	1.3	1.6 G	-
Brazil	12.6	11.6 G	11.8 G	12.1 G	0.3	2.6	12.2 G	0.0
Colombia	2.2	1.9 G	2.0 G	1.9	-0.1	-6.3	2.6	-0.7
Ecuador	1.6	1.6 G	1.5 G	1.5	-0.1	-4.4	1.5	-
Peru	2.8	3.0 G	3.1 G	3.0	-0.1	-3.3	3.0	-
Uruguay	1.4	1.4 G	1.4 G	1.3 G	0.0	-0.8	1.3 G	-
NORTH AMERICA	9.8	9.1	8.6	10.0	1.4	16.4	9.9	0.1
United States	9.8	9.1 G	8.6 G	10.0 G	1.4	16.4	9.9 G	0.1
EUROPE	4.4	4.4	4.1	4.1	0.0	1.2	4.1	0.0
EU	3.2	3.1 G	2.9 G	2.8 G	-0.1	-3.2	2.9	-0.1
Russian Federation	1.0	1.1 G	1.0 G	1.2	0.1	14.6	1.0 G	0.1
OCEANIA	0.3	0.9	1.2	0.9	-0.3	-27.6	0.9	-
Australia	0.3	0.9 G	1.2 G	0.8 G	-0.3	-28.3	0.8 G	-

NOTES:

The 2014 paddy production season normally includes rice from the main paddy crops whose harvests fall in 2014, 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

	2010-2012 Average	2013	2014 Estimate	2015 Forecast	Annual Change 2015 / 2014		2014 Previous	2014 Revision
	million tonnes, milled basis					*%*	*million tonnes*	
WORLD	35.4	37.3	40.2	40.5	0.3	0.7	39.7	0.5
Developing countries	30.7	32.0	34.7	35.1	0.4	1.3	34.4	0.3
Developed countries	4.7	5.3	5.5	5.3	-0.2	-3.0	5.3	0.2
ASIA	17.2	17.0	18.9	18.9	0.0	0.0	18.7	0.2
Bangladesh	0.7	0.2 G	0.7	0.5	-0.2	-28.6	0.6	0.1
China	1.8	2.7	2.8	3.0	0.1	4.2	2.8	0.0
of which China (Mainland)	1.1	2.2 G	2.3	2.4	0.2	6.7	2.3	-
Indonesia	1.9	0.7	1.2	1.0	-0.2	-16.7	1.2	-
Iran, Islamic Rep. of	1.2	1.9 G	1.4	1.6	0.2	14.3	1.5	-0.1
Iraq	1.3	1.4	1.4	1.5	0.1	4.2	1.4	-
Japan	0.7	0.7 G	0.7	0.7	0.0	0.0	0.7	-
Malaysia	1.0	0.9 G	1.0	1.1	0.1	10.0	1.0	-
Philippines	1.6	0.7	1.8	1.8	0.0	0.0	1.8	-
Saudi Arabia	1.2	1.4	1.4	1.4	0.0	2.9	1.4	-
United Arab Emirates	0.6	0.7	0.7	0.7	0.0	0.0	0.7	-
AFRICA	11.8	13.5	14.1	14.5	0.4	3.0	14.0	0.1
Côte d'Ivoire	1.1	1.2	1.3	1.3	0.1	4.0	1.3	-
Nigeria	2.5	2.5	2.9	3.0	0.1	3.4	2.9	0.1
Senegal	0.9	1.1	1.1	1.1	0.1	4.8	1.0	0.1
South Africa	1.0	1.3 G	1.2	1.3	0.1	4.2	1.2	-
CENTRAL AMERICA & CAR.	2.1	2.1	2.1	2.1	0.0	2.2	2.1	-
Cuba	0.4	0.4	0.4	0.4	0.0	-5.1	0.4	-
Mexico	0.6	0.7 G	0.7	0.7	0.0	0.0	0.7	-
SOUTH AMERICA	1.3	1.5	1.5	1.6	0.0	0.7	1.6	0.0
Brazil	0.7	0.7 G	0.7	0.7	0.0	2.9	0.7	-
NORTH AMERICA	1.0	1.1	1.2	1.1	-0.1	-5.2	1.2	-
United States	0.6	0.7 G	0.7 G	0.7 G	-0.1	-8.2	0.7 G	-
EUROPE	1.6	1.7	1.9	1.7	-0.2	-8.0	1.8	0.1
EU 1/	1.2	1.2 G	1.4 G	1.3 G	-0.1	-3.7	1.3 G	0.1
Russian Federation	0.2	0.2 G	0.2	0.2	0.0	-8.7	0.2	-
OCEANIA	0.5	0.5	0.5	0.5	0.0	2.1	0.5	-

NOTES:

Totals computed from unrounded data.

G Official figure.

1/ Excluding EU intra-trade.

TABLE 3: WORLD RICE EXPORTS

	2010-2012 Average	2013	2014 Estimate	2015 Forecast	Annual Change 2015 / 2014		2014 Previous	2014 Revision
	million tonnes, milled basis					*%*	*million tonnes*	
WORLD	35.4	37.3	40.2	40.5	0.3	0.6	39.7	0.5
Developing countries	31.0	32.9	36.2	36.1	-0.1	-0.3	35.7	0.5
Developed countries	4.4	4.3	4.0	4.4	0.4	9.2	4.0	-
ASIA	27.6	29.4	32.5	32.4	0.0	-0.2	31.9	0.6
Cambodia	1.0	1.1	1.0	1.2	0.2	15.0	1.0	-
China	0.5	0.5	0.3	0.4	0.1	29.4	0.3	-
of which China (Mainland)	0.5	0.5 G	0.3	0.4	0.1	33.3	0.3	-
India	5.8	10.5 G	10.0	8.2	-1.8	-18.0	10.0	-
Myanmar	0.6	0.6	0.7	0.8	0.2	23.1	0.7	-
Pakistan	3.1	3.1 G	3.3	3.6	0.3	7.6	3.4	-0.1
Thailand	8.8	6.6 G	10.2	11.0	0.8	7.8	9.6	0.6
Viet Nam	7.3	6.6 G	6.6	6.9	0.3	4.5	6.5	0.1
AFRICA	0.5	0.6	0.6	0.6	0.0	5.7	0.6	0.0
Egypt	0.3	0.4	0.5	0.5	0.1	11.1	0.5	-
SOUTH AMERICA	3.0	3.1	3.3	3.3	-0.1	-2.1	3.4	-0.1
Argentina	0.6	0.5 G	0.6	0.6	0.0	-3.3	0.6	0.0
Brazil	0.9	0.8 G	0.9	0.8	0.0	-5.9	1.0	-0.1
Guyana	0.3	0.3 G	0.5	0.5	0.0	2.2	0.4	0.0
Uruguay	0.9	0.9 G	0.9	0.8	-0.1	-6.7	0.9	0.0
NORTH AMERICA	3.5	3.3	3.1	3.4	0.3	9.7	3.1	-
United States	3.5	3.3 G	3.1 G	3.4 G	0.3	9.7	3.1 G	-
EUROPE	0.4	0.3	0.2	0.3	0.1	29.4	0.2	-
EU 1/	0.2	0.2 G	0.1 G	0.1	0.0	0.0	0.1 G	-
Russian Federation	0.2	0.1 G	0.1	0.2	0.1	63.6	0.1	-
OCEANIA	0.3	0.5	0.4	0.4	0.0	-4.5	0.4	-
Australia	0.3	0.5 G	0.4	0.4	0.0	-4.5	0.4	-

NOTES:

Totals computed from unrounded data.

G Official figure.

1/ Excluding EU intra-trade.

TABLE 4: END OF SEASON STOCKS 1/

	2010-2012 Average	2013	2014 Estimate	2015 Forecast	Annual Change 2015 / 2014		2015 Previous	Revision
	million tonnes, milled basis					*%*	*million tonnes*	
WORLD	148.4	175.7	181.2	177.5	-3.8	-2.1	177.7	-0.2
Developing countries	143.8	171.1	176.7	172.8	-3.9	-2.2	173.1	-0.3
Developed countries	4.6	4.6	4.6	4.7	0.1	1.6	4.6	0.0
ASIA	140.3	168.1	174.5	171.0	-3.5	-2.0	171.4	-0.4
Bangladesh	6.5	6.6	6.7	6.8	0.1	1.5	6.8	-
Cambodia	1.7	2.1	2.3	2.4	0.0	0.9	2.4	-0.1
China	77.0	94.1	99.9	102.5	2.6	2.6	102.1	0.4
of which China (Mainland)	76.8	94.0	99.8	102.4	2.6	2.6	102.0	0.4
India	22.0	23.9	23.5	20.0	-3.5	-14.9	20.5	-0.5
Indonesia	5.3	6.5	6.4	5.5	-0.9	-14.1	5.3	0.2
Iran, Islamic Rep. of	0.3	0.6	0.5	0.5	0.1	11.1	0.6	-0.1
Japan	2.6	2.6	2.7	2.7	0.0	0.4	2.7	-
Korea Rep. of	1.6	1.7	1.7	1.8	0.1	5.9	1.8	-
Lao PDR	0.3	0.4	0.5	0.5	0.0	-2.0	0.5	-
Malaysia	0.3	0.3	0.2	0.2	0.0	-10.0	0.2	-
Myanmar	5.7	3.3	2.2	1.8	-0.4	-19.3	1.9	-0.1
Nepal	0.2	0.4	0.5	0.3	-0.1	-28.9	0.3	-
Pakistan	0.7	0.4	0.7	0.7	0.0	0.0	0.7	-
Philippines	2.8	2.2 G	2.0 G	2.2	0.2	8.4	2.2	-
Sri Lanka	0.3	0.1	0.3	0.2	-0.1	-41.2	0.2	0.1
Thailand	8.9	17.5	17.8	16.1	-1.7	-9.6	16.5	-0.4
Viet Nam	3.0	4.3	5.2	5.7	0.5	8.7	5.7	-
AFRICA	3.2	3.2	3.2	2.8	-0.4	-12.1	2.7	0.1
Egypt	0.7	0.5	0.4	0.3	-0.2	-37.5	0.4	-0.2
Nigeria	0.4	0.4	0.4	0.5	0.1	12.5	0.5	-
CENTRAL AMERICA & CAR.	0.4	0.3	0.3	0.3	0.0	-6.6	0.3	0.0
Dominican Rep.	0.1	0.1	0.1	0.0	0.0	-33.3	0.0	-
SOUTH AMERICA	2.6	2.2	1.5	1.5	0.0	-3.1	1.5	0.0
Argentina	0.0	0.1	0.1	0.1	0.0	-11.1	0.1	0.0
Brazil	1.7	1.4 G	0.7 G	0.8 G	0.1	7.7	0.8 G	-
Ecuador	0.1	0.1	0.0	0.0	0.0	-75.0	0.0	-
Peru	0.3	0.4	0.4	0.3	-0.1	-16.9	0.3	-
NORTH AMERICA	1.4	1.2	1.1	1.3	0.3	24.2	1.3	0.1
United States	1.3	1.2 G	1.0 G	1.3 G	0.3	24.5	1.2 G	0.1
EUROPE	0.6	0.6	0.5	0.4	-0.1	-11.5	0.5	0.0
EU	0.5	0.5 G	0.4 G	0.4	-0.1	-12.5	0.4	-0.1
Russian Federation	0.0	0.1	0.0	0.1	0.0	22.2	0.0	0.0
OCEANIA	0.1	0.0	0.2	0.1	-0.1	-47.3	0.1	-
Australia	0.0	0.0	0.1	0.1	-0.1	-53.8	0.1	-
GOVERNMENT STOCKS								
Bangladesh	0.7	0.7 G	0.7 G	0.9	0.1	15.8	0.9	-
India	20.7	23.8 G	18.6 G	16.0	-2.6	-14.1	19.5	-3.5
Japan	0.8	0.9	0.8	0.8	0.0	0.0	0.8	-
Korea Rep. of	0.9	0.8 G	0.8	0.8	0.0	-2.5	0.8	-
Philippines	1.4	0.7 G	0.5 G	1.0	0.5	117.4	1.0	-

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 1/	Total Supply	Domestic Use	Exports 1/	Closing Stocks
	thousand tonnes, milled basis						
CHINA [2/]							
2012-13	84 672	141 143	2 725	228 540	133 922	518	94 100
2013-14 est.	94 100	140 635	2 841	237 576	137 331	340	99 905
2014-15 f'cast	99 905	142 636	2 961	245 502	142 552	440	102 510
INDIA							
2012-13	23 500	105 241 G	100	128 841	94 476	10 515 G	23 850
2013-14 est.	23 850	106 540 G	100	130 490	96 990	10 000	23 500
2014-15 f'cast	23 500	103 650	100	127 250	99 050	8 200	20 000
PAKISTAN							
2012-13	750	5 536 G	60	6 346	2 862	3 135 G	350
2013-14 est.	350	6 798 G	60	7 208	3 208	3 300	700
2014-15 f'cast	700	6 720 G	60	7 480	3 230	3 550	700
THAILAND							
2012-13	13 000	25 156 G	550	38 706	14 593	6 613 G	17 500
2013-14 est.	17 500	25 228 G	360	43 088	15 088	10 200	17 800
2014-15 f'cast	17 800	24 494	300	42 594	15 494	11 000	16 100
UNITED STATES							
2012-13	1 303 G	6 348 G	675 G	8 326	3 877	3 293 G	1 156 G
2013-14 est.	1 156 G	6 115 G	730 G	8 001	3 876	3 100 G	1 025 G
2014-15 f'cast	1 025 G	7 069 G	670 G	8 764	4 088	3 400 G	1 276 G
VIET NAM							
2012-13	2 700	29 173 G	550	32 423	21 533	6 590 G	4 300
2013-14 est.	4 300	29 254 G	500	34 054	22 254	6 600	5 200
2014-15 f'cast	5 200	29 948 G	500	35 648	23 098	6 900	5 650

FOOTNOTES:

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

Totals computed from unrounded data.

G Official figure.

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

2/ Including Taiwan province.

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**.

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