

InterRice

Monthly report of the world market of rice

April 2011

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RICE: World prices relatively stable

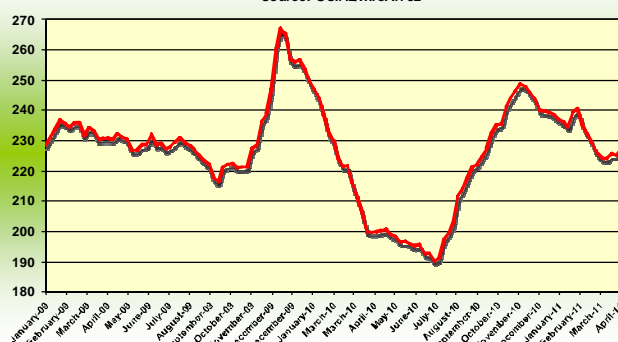
Market Trends

In April, **world prices** were relatively stable. Export availabilities are still abundant and the world outlook is optimistic. In Thailand and the United States, export prices decreased once again within a very active market. By contrast, prices rose in Vietnam due to recent increases in domestic markets, following a rise in production costs. In 2011, the world demand is expected to grow due to oversupply, but also because of the high prices of wheat, especially in Asia. This could stimulate a transfer of consumption to rice.

In April, the OSIRIZ/InfoArroz index (IPO) declined by 2.3 points, scoring an average of 225.7 points (basis 100 = January 2000) against 228.0 points in March. In early May, the IPO index remained at 227 points.

OSIRIZ/InfoArroz International prices Index (IPO)

base 100 = January 2000
source: Osiriz/InfoArroz

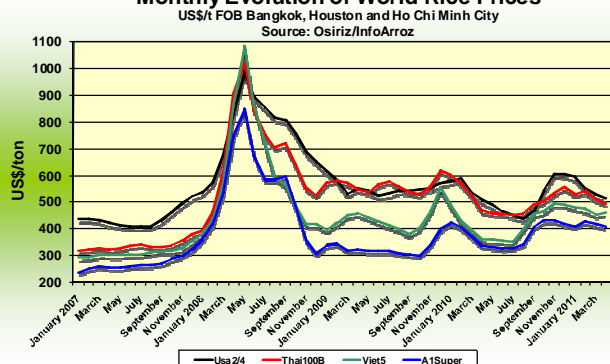


IPO Index and Export Rice Prices (US\$/t FOB - Source: OSIRIZ)

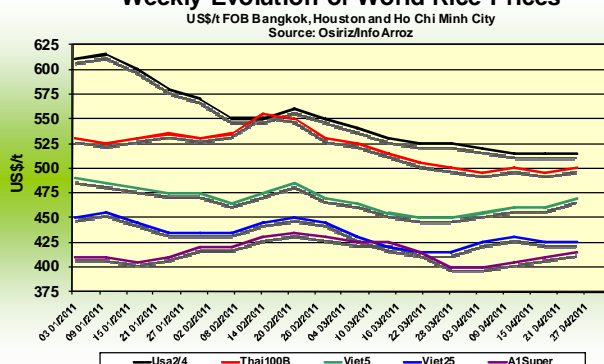
	IPO	Usa2/4	Thai100B	Thai5	Thai Parb	India5	Viet5	Tai25	Viet25	Pak25	A1Super	
2009	231.9	553	564	540	-	-	435	456	368	352	327	
2010	220.1	523	506	481	517	-	420	439	387	370	380	
2011*	231.8	551	521	506	523	-	472	458	437	429	415	
OCT – DEC	238.0	587	531	512	540	-	485	472	448	415	428	
JAN – MAR	233.5	562	528	512	528	-	471	462	437	426	418	
MARCH	228.0	530	511	496	518	-	455	454	420	425	416	
APRIL	225.7	516	498	483	506	-	461	446	426	439	408	
	04-apr-11	224.2	520	495	480	505	-	455	445	425	430	400
	11-apr-11	225.7	515	500	485	505	-	460	450	430	435	405
	18-apr-11	225.3	515	495	480	505	-	460	445	425	440	410
	25-apr-11	227.7	515	500	485	510	-	470	445	425	450	415

Source: Osiriz/InfoArroz, *January - April

Monthly Evolution of World Rice Prices



Weekly Evolution of World Rice Prices

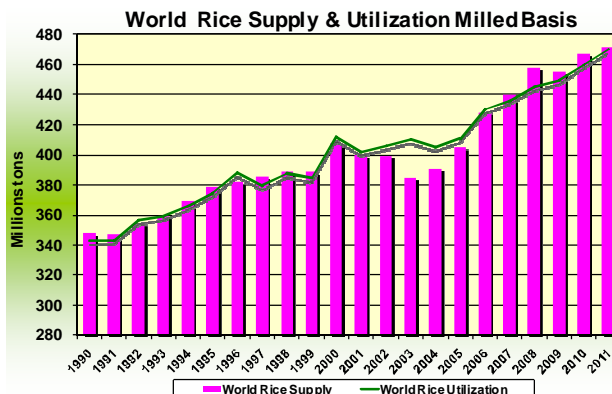
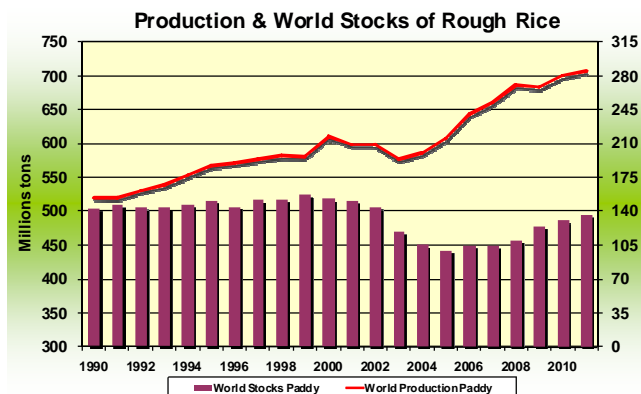


World production and trade

According to FAO, **world production** in 2010/2011 is expected to reach a record 700 million tons (466 Mt of white rice) against 683 Mt of paddy rice in 2009/2010, an increase of 2.5%. Outputs have improved in almost all rice growing regions of the world, due to an expansion of production areas, which could reach about 162Mha. Essential, production will mainly increase in the Asian region, especially China, India, Indonesia and Bangladesh, the major producers. These countries answer for two-thirds of total world production.

In 2010, **world trade** rose by 6% to 31.4 Mt from 29.7 Mt in 2009. In 2011, trade flows should go slightly up by 1% to 31.7 Mt. Export availabilities of the major world exporters are likely to be more than enough to meet global demand.

Global rice **stocks** at the end of 2010 increased by 4.6% to 131.3 Mt from 125.5 Mt in 2009. These reserves represent 30% of global needs. In 2011, global stocks should rise further to 136.8 Mt. But this figure may be lower if the increase in world consumption is confirmed.



Export market

In **Thailand**, prices fell by an average of 2.5% due to the abundant supply and the firm behavior of Bath against the Dollar. The foreign market is still active with exports exceeding 1Mt on average per month. During the first four months of the year, exports have increased by 45% when compared to 2010. The outlook for exports this year is higher and may exceed 10Mt. In April, Thai 100% B was pigged at US\$ 498/ton FOB, against \$ 511 in March. Thai Parboiled rice marked \$ 506/ton Fob from \$ 518/ton in March. The Broken A1 Super also dropped to \$ 408/ton against \$ 416/ton in March.

In **Vietnam**, unlike the neighbor Thailand, export prices slightly increased by 1.5%. Despite the proximity of the spring harvest arrival, domestic prices are firm. Producers anticipate higher prices in the coming months and hold their rice in their farms. Higher input prices also explain the increase in paddy prices. Exports continue to progress by 30% when compared to last year and could surpass 7Mt in 2011. In April, the Viet 5% marked \$ 461/ton against \$ 455/ton in March. The Viet 25% rose to \$ 426/ton against \$ 420 earlier.

In **Pakistan**, prices rose by 3.5% in a month. Supply has become shorter due to the decrease of the production in 2010, after severe floods hampered the country. Total exports in 2011 could decline by one third as compared to last year. The Pak 25% was quoted at \$ 439/ton against \$ 425/ton in March.

In **India**, weather conditions remain normal and the prospects for a record harvest are likely to be confirmed at 100Mt. Despite export restrictions of non-aromatic rice, in place since late 2007, foreign sales of aromatic Basmati rice may increase due to strong demand from the Middle East, India's main market for aromatic rice.

In the **United States**, export prices dropped by 2.5 in April. Since early January, U.S. prices have fallen by 15%. At Chicago Board of Trade, future prices for July 2011 rose by 6% in a month. The market is upward-oriented, following trends in major grain futures markets. In April, the price for Long Grain 2/4 was \$ 518/ton against \$ 530 in March.

In **Mercosur**, export prices declined further by 1% when compared to March. Export surpluses are abundant, especially in Brazil, where the crop begins to hit the market and prices paid to rice growers are at the lowest level since 2006. In Uruguay, the foreign market is increasingly shifting to destinations outside the Mercosur, especially to Andean countries, where import demand is strong, and the Middle Eastern countries.

In **Africa**, production continues to increase thanks to new areas planted with rice and better yields. However, these events hardly offset the additional requirements that regularly grow at a rate of 6% per year. Therefore, currently imports tend to stabilize, but still representing 40% of regional needs and almost a third of global imports.

Millions ton	Production milled rice		Exports		Stocks
	2009	2010	2010	2011p	2010
World	455.6	467.3	31.4	31.7	130.0
China	134.0	136.3	0.8	1.0	70.6
India	91.1	99.1	2.4	2.5	19.0
Indonesia	43.2	44.2	0.1	-	5.9
Vietnam	26.0	26.7	6.9	7.0	3.3
Thailand	21.9	21.4	9.1	10.0	5.5
Brazil	8.6	8.0	0.4	0.6	2.0
USA	6.9	7.5	3.5	3.6	1.2
Pakistan	6.8	4.3	3.5	1.8	0.7

Sources: FAO & USDA April 2011

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This monthly report is made by Patricio Méndez del Villar, researcher at the Centre de Coopération Internationale en Recherche Agronomique pour le Développement - CIRAD, in France (www.cirad.fr). The contents are available in four languages: French (Osiriz), Spanish (InfoArroz), English (InterRice) and Portuguese (InterArroz) with the support of InfoComm project from the United Nations Conference on Trade and Development (UNCTAD, www.unctad.org/infocomm/). All these versions can be found at the website www.infoarroz.org. It is a partnership with Natural Consultoria & Comunicação, a Brazilian company that contributes to divulge this work. All rights reserved. Osiriz, InfoArroz, InterRice and InterArroz are registered marks