June 2006

Volume IX - Issue No. 2

FAO Rice Market Monitor
Basic Foodstuffs Service
Commodities and Trade Division
Food and Agriculture Organization of the United Nations

Contact or enquiries

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

Also available on the Internet at the following address:
http://www.fao.org/es/ESC/en/index.html
(click on "*Rice*")

ROUND-UP

- FAO has revised upwards by 3 million tonnes its **forecast for global paddy production in 2006**, which now stands at 637 million tonnes, only 1.0 percent more than in 2005. Such a sluggish growth is imputable to a general rise in production, processing and marketing costs, but also reflects expectations that growing conditions in the current season might not be as favourable as in 2005.
- **Asian countries** are now expected to gather 577 million tonnes in 2006, 4 million tonnes more than previously forecast and 7.5 million tonnes larger than last year. Much of the increase would reflect progress in Bangladesh, China and Viet Nam and, to a smaller extent, in Indonesia, Myanmar, the Philippines and Thailand. Crop prospects continue to be negative in Japan, the Republic of Korea and Sri Lanka and, now, also in Pakistan.
- **Africa's** outlook in 2006 has improved slightly and production in the region is now forecast to reach 21.5 million tonnes, 700 000 tonnes larger than in 2005. Much of the change is expected from gains in Nigeria. Of those countries where the season is more advanced, Madagascar, Malawi and Mozambique might record some increase but prospects are negative in Kenya and Tanzania. Growing conditions are generally favourable in Egypt and Western Africa.
- In **Central America and the Caribbean**, paddy production is anticipated to rise by 6 percent, with widespread gains expected across the region, in particular in the Dominican Republic and Cuba. However, in **South America**, production is forecast to decline by 7 percent to 22.4 million tonnes, influenced by the negative performance of Brazil, the dominant producer in the region, but also of Ecuador, Peru and Venezuela. By contrast, Argentina, Chile and Uruguay already reported to have harvested larger crops this season. In the **rest of the world**, prospects are mixed, with production likely to fall in the EU and the United States, while production in Australia recovered strongly.
- FAO has raised its **global rice trade** forecast in 2006, reflecting more buoyant expectations for exports by India and Pakistan, while prospects deteriorated in the case of Thailand. Despite the upward adjustment, world rice trade in 2006, at 28.5 million tonnes, would still be 1.3 million tonnes or 4 percent less than last year.
- The drop in **global imports** would mainly reflect a weakening of import demand by African countries, in particular Nigeria. In Asia, imports by Bangladesh, Cambodia, the Democratic Republic of Korea and Japan are also foreseen to decline, while they are expected to change little in the Philippines. By contrast, imports by China, the Islamic Republic of Iran, Iraq, the Republic of Korea, Saudi Arabia and Turkey may rise this year. As for Indonesia, government restrictions currently extended till end-July 2006, may constrain imports to 600 000 tonnes only, unless a decision is taken to lift them to respond to rising domestic prices and falling rice reserves. In the other regions, Brazil, the EU and the United States are all forecast to purchase more rice this year.
- The expected contraction of **global exports** is likely to affect many exporters, in particularly Egypt, India, Pakistan and the United States. Exports by Thailand could also be hindered by the current high prices relative to competitive sources. On the other hand, Viet Nam are set to remain of unchanged while those from Argentina, Australia, Cambodia, China and Uruguay are anticipated to rise.
- The FAO estimate of **world rice inventories** at the close of the 2005/06 marketing seasons has been raised from the March figure and now stands at 102 million tonnes, which would imply a 3.3 million tonne increase from their opening level. Preliminary forecasts for closing rice inventories at the end of the 2006/07 marketing seasons point to a continuation of the stock rebuilding process initiated in 2005, with global rice inventories expected to rise to 106 million tonnes. Much of the increase in carryover stocks is expected to be concentrated in China with some larger reserves also foreseen in Thailand.
- International prices have remained strong since April, as reflected by the FAO all rice price index, which averaged 108 in both May and June (first three weeks), compared with 106 in March and April. The price strength dominated the various rice market segments with the exception of Japonica rice, the index of which has remained unchanged since April. Seen from a one year perspective, prices are also well above the levels prevailing in May and June 2005.
- Prices are expected to remain strong at least until September, when numerous countries in the northern hemisphere will be harvesting their main crops. However, there is still much uncertainty regarding the market, especially on the import side especially regarding the Philippines and Indonesia. On the other hand, developments regarding the pattern of the monsoon could also influence heavily prices in the last quarter of the year, both positively and negatively.

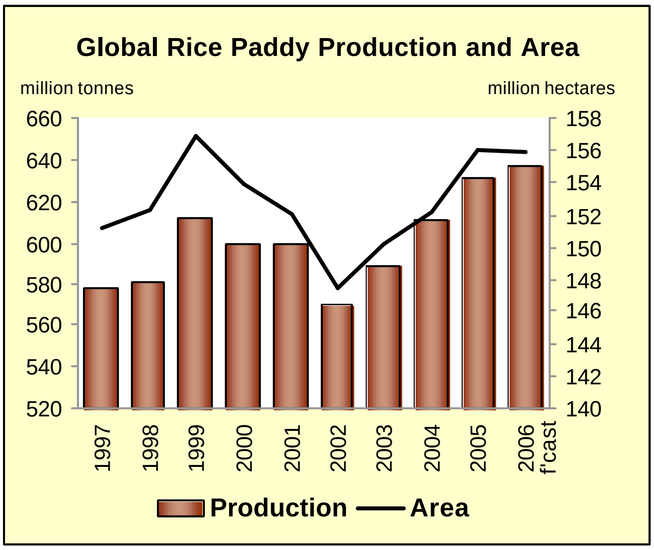
.

INFORMATION UPDATE AS OF 28 JUNE 2006

I. PRODUCTION

New production estimates point to an even more exceptional 2005 season performance, but prospects for growth in 2006 remain subdued, amidst rising production costs

By June, most countries in the Southern Hemisphere and along the equatorial belt have finished harvesting their main season paddy crops, with mixed results. However, the major producing countries lie north of the equator, where crops are at the development stage or awaiting the arrival of the monsoon rains to be planted. Thus, the next few months will be critical to the outcome of the 2006 season.



As the 2005 season is now virtually completed with the gathering of secondary crops, several governments have furnished revised estimates of their country's production last season, resulting in an even larger global output estimate of 631 million tonnes. Estimates were raised for Bangladesh (up 372 thousand tonnes to 41.5 million tonnes), Cambodia (up 386 thousand tonnes to 6.0 million tonnes), India (up 3.0 million tonnes to 134.8 million tonnes), Pakistan (up 616 thousand tonnes to 8.3 million tonnes) and the Philippines (up 132 thousand tonnes to 15.1 million tonnes). Overall, global production increased by 3.2 percent or 20 million tonnes in 2005, which confirms the exceptional outturn of the 2005 season.

As for the on-going 2006 paddy season, the FAO latest forecast stands at 637 million tonnes, which improves the previous prospect of 634 million tonnes. The new forecast would imply only a modest increase from last year, in the order of 1 percent, or 6.5 million tonnes. Such a sluggish growth is imputable to a general rise in production, processing and marketing costs, but also reflects expectations that growing conditions in the current season might not be as favourable as in 2005.

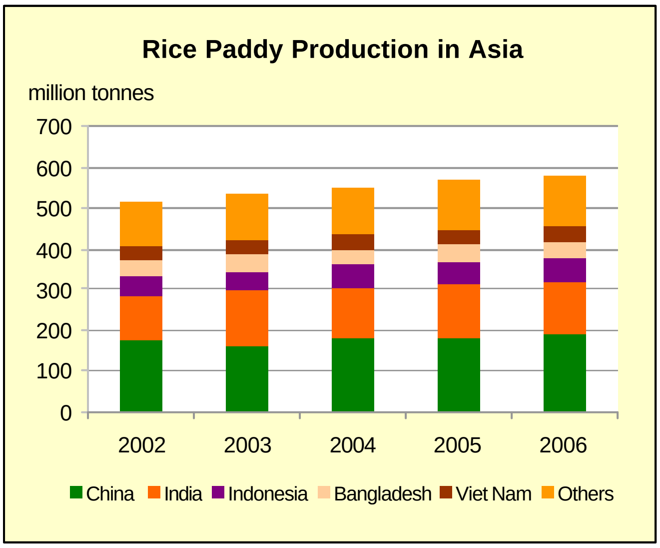
A. ASIA

The outlook for the 2006 paddy crops in Asia continues to be positive, but still subject to much uncertainty

Based on the latest estimates reported by governments, 2005 paddy production in Asia is now gauged at 570 million tonnes, about 18 million tonnes, or 3.3 percent, more than in 2004, resulting in an exceptional performance for the season. While most countries in the region harvested larger crops in 2005, production in India surged by almost 7 million tonnes. Sizeable increases were also recorded by Bangladesh, Cambodia, China, Pakistan and Thailand.

In several countries in the region that were awaiting the monsoon to open the 2006 season, rains arrived early this year, enabling them to start planting their main 2006 paddy crops ahead of time. In others, the season is well advanced or even concluded in areas located south and along the equator.

Overall, the region is now expected to gather 577 million tonnes in 2006, 4 million tonnes more than previously forecast. At that level, production in the region would be 7.5 million tonnes larger than last year, a rather modest gain if compared with that recorded in 2005. Much of the increase would reflect progress in Bangladesh, China and Viet Nam and, to a smaller extent, in Indonesia, Myanmar, the Philippines and Thailand. Production prospects continue to be negative for Japan, the Republic of Korea and Sri Lanka and, now, also for Pakistan.

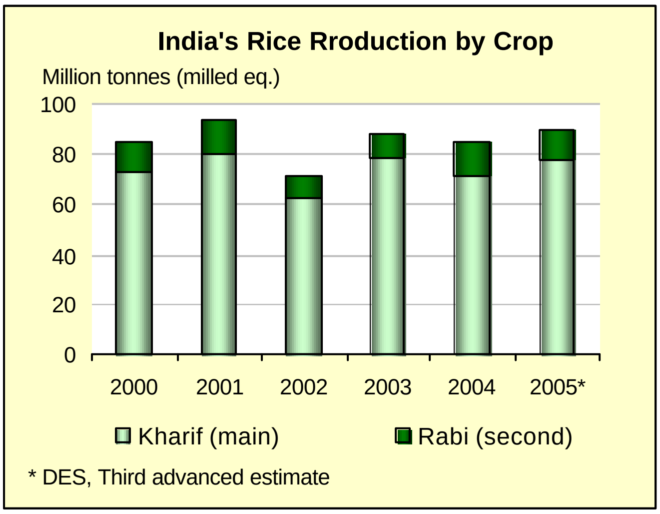


With the harvesting of the Boro paddy crop in March/April, **Bangladesh** just concluded its 2005 paddy season. According to the Government, the Boro paddy crop, cultivated under irrigation during the dry season between December and April, yielded a record output in the order of 15 million tonnes on a milled rice basis, 9 percent larger than in the previous season. This good performance helped compensate for a mediocre Aman crop and, overall, the country is now gauged to have gathered 41.5 million tonnes in 2005, 400 000 tonnes higher than the previous estimate. As for 2006, the monsoon rains, the arrival of which marks the opening of the season, reached the country on 26 May, two weeks earlier than normal. This bodes well for the season, although an early monsoon raises the risk of flooding. FAO's forecast of production in 2006 now stands at 42.5 million tonnes, 1 million tonnes above the 2005 estimate.

The latest 2005 official estimate of production in **Cambodia** has been raised to almost 6.0 million tonnes, which would represent an outstanding 44 percent gain compared with 2004. With the opening of the wet season on 15 April, producers have already transplanted the seedlings. Because crops in the country are highly vulnerable to the vagaries of the weather, the outcome of the season is still very uncertain. Currently, output in 2006 is forecast to remain around the high level of 6 million tonnes achieved in 2005.

Forecasts for **mainland China** by the China National Grain & Oils Information Centre point to a rather subdued growth of 3.0 percent in 2006 to 186 million tonnes. Below-normal temperatures in April and heavy rains in May were reported to have caused damage to the early rice crop, now at the harvest stage. The government continues to deliberate over the commercial release of genetically modified rice varieties, which have given excellent results in testing plots. The authorities, however, appear reluctant to release genetically-modified rice varieties for free cultivation by farmers, in fear that it could jeopardize China's access to rice markets that do not allow imports of GM rice.

According to the third official forecast, **India** harvested 134.8 million tonnes from the Kharif (main) and Rabi (second) crops in 2005, which raises the previous production estimate by 3 million tonnes. This would mean an increase of 5 percent compared with 2004, to its highest level since 2001. The excellent outturn of crops in 2005 has enabled the Food Corporation of India to procure larger quantities of rice, helping compensate for a wheat procurement shortfall. From 1 October to 1 May, it reportedly purchased 23.560 million tonnes of rice (in milled rice terms) from the 2005 season, up from 21.067 million tonnes in the same period in the preceding season. Over the entire 2004 marketing year, between 1 October 2003 and 30 September 2004, the FCI procured 24.684 million tonnes of rice.



The South-west monsoon rains, critical to India's main (Kharif) crop, were reported to have reached the coast of the southern Kerala State on 26 May, 6 days earlier than the normal schedule, marking the opening of the 2006 paddy season. While an early arrival of the rains is normally taken as a favourable sign, the development of the Kharif crop will largely depend on the distribution of the rainfall, over space and time, from June to September. For the time being, FAO's forecast for overall production in 2006 has been raised to 135 million tonnes of paddy, pending more information on the progress of the monsoon.

Despite the earthquake that hit Java in **Indonesia** last May, paddy production in the country, is estimated to rise by about 200 000 tonnes to 54.3 million tonnes this season. Crops were reported to have benefited from favourable weather conditions and a low incidence of pests and diseases. In addition, producers were encouraged to plant more in response to strong increases of subsidies on seeds and fertilizers and favourable government support prices, which were set at Rupiah 2,250 per kilo (US$ 243 per tonne) for dry paddy (see March issue of the FAO RMM). However, the volume procured domestically by Bulog, the State Trading Agency remains limited, in the order of 2 million tonnes, or 6 percent of domestic output. Rice procured by Bulog is mostly destined to supply rice to poor families, under the "Raskin" distribution programme. In addition, Bulog has the obligation to maintain stocks of at least 1 million of rice as a special food security reserve.

FAO's forecast of production in the **Islamic Republic of Iran** remains at 3.4 million tonnes, 3 percent above the estimate for 2005. The country, which has announced its intention to promote production to achieve self-sufficiency in the near future, had recently announced to have extended the area under hybrid rice and to have authorized testing the cultivation of genetically-modified rice. In May, however, an official declaration from the Ministry of Agriculture Jihad, clarified that the country did not intend to embark in GM rice production. So far, no country has yet officially authorized the release of GM rice seeds for commercial production.

Japan's 2006 paddy crop is currently under the ground and will not be harvested until September. The official 2006 production forecast remains at 10.55 million tonnes, 7.4 percent less than in 2005. Meanwhile, the government released in May 2006 some draft regulations regarding domestic rice transactions, which revise the system of tenders at the National Rice Trade and Price Formation Centre[1], possibly for implementation this season. The new approach increases the number of tenders held at the Centre from once a month to once a week and introduces forward market transactions. However, in line with farmer organizations which opposed the move, the government did not accept the trading of rice in futures markets in Japan's commodity bourses, such as the Tokyo Grain Exchange, although this already deals with futures in maize, soybean, sugar and other agricultural products. Rice futures in the country have been forbidden since 1939 and, currently, are only listed in the Chicago Board of Trade and Agricultural Futures Exchange of Thailand.

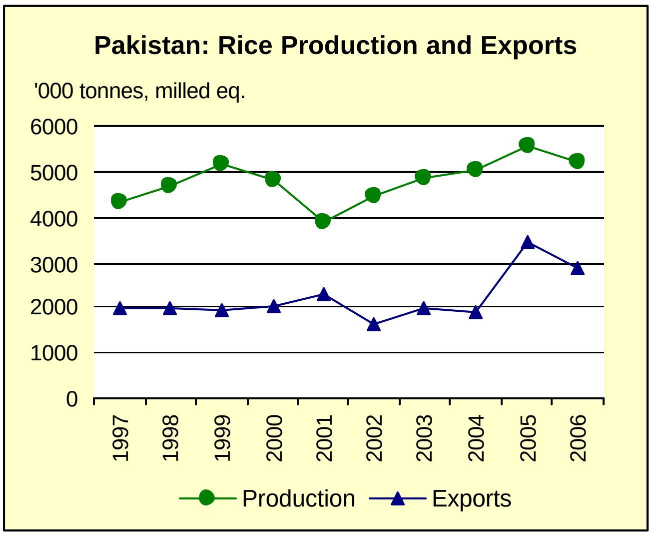
In May, Japan's government also anticipated some details concerning a new approach to Agricultural Policies Administration for the 21 Century. The proposal sets a new strategy for domestic agriculture

[1] The Voluntarily Marketed Rice Price Formation Centre was established with the Staple Food Law in 1995. The Centre determines the price of 'freely' marketed rice through monthly public tenders by wholesalers and then uses it to set a price band for rice marketed through the agricultural cooperative system.

but also for international negotiations. on the strategy for domestic agriculture, the proposal outlines three basic aims: to reach a number of 330 000 - 370 000 units of efficient and stable family farm operations by 2015; to triple the number of private companies engaged in agricultural operations within five years; and to reduce by 20 percent domestic food costs, also within five years. To do the latter, the government plans to promote the supply of low-priced farm inputs and to reform the distribution system, which will also involve the National Federation of Agricultural Co-operative Associations. The new proposal is in line with the new policy framework announced in December, which was aimed at stabilizing agricultural incomes and at promoting a consolidation of farms (see March issue of the FAO RMM).

After a 6 percent shortfall in 2005, production in **Laos** is anticipated to recover to 2.5 million tonnes this season, as favourable weather has already enabled farmers to plant most of the main season rice. The Government has engaged in a campaign to discourage the practice of “slash and burn” through the promotion of integrated agriculture production. In addition, it calls for a greater use of hybrid rice varieties in both lowlands and uplands to foster an increase in paddy production.

Pakistan’s latest official forecast for production in 2005 has been raised by some 600 000 tonnes to a record 8.3 million tonnes, a 10 percent increase from 2004, which was supported by a 4 percent and 6 percent gains in area and yields, respectively. Production in 2006 is forecast to be less buoyant, reflecting water shortages in major reservoirs and irrigation canals, following a 40 percent winter rain shortfall, which has delayed planting operations. The fall in production in 2006, if confirmed, may constrain exports, which now represent more than half of production, especially in calendar 2007.

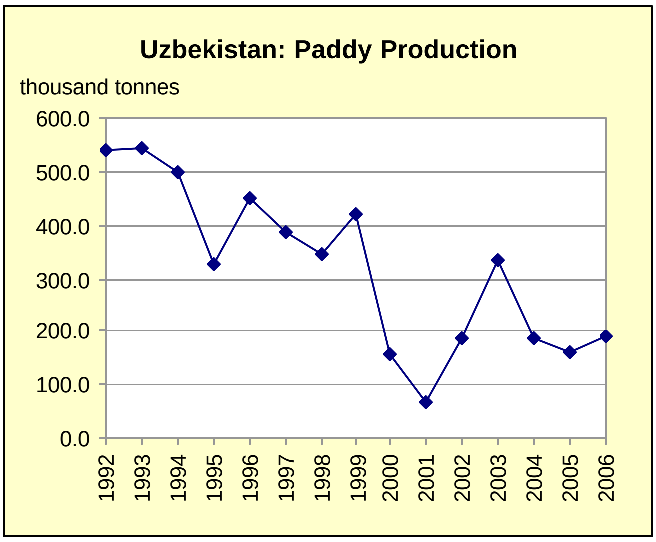


Although official purchases of rice by the Pakistan Agricultural Services and Storage Corporation (PASSCO) is very limited, the government announces support price levels, mostly for indicative purposes. According to a report on “Agricultural Perspective and Policy” released in 2004, Pakistan Government will continue to establish support price levels for rice (as well as wheat, cotton and sugar cane), but will rename them as “rescue prices”, to make clear to farmers that procurement by the government at those levels is not compulsory but would only be activated as a last resort when prices fall to unacceptably low levels. On 5th June 2006, Pakistan released the Federal Budget for 2006-07, which strongly raises government contributions to Agriculture. In particular, allocations were increased on fertilizer subsidies from Rupees 5.0 billion in 2005/06 to Rupees 12.3 billion in 2006/07, aimed at keeping prices affordable to farmers, as well as on investment in irrigation infrastructure, including dams and canals.

Based on the latest official figures, paddy output in **the Philippines** over the 2005 season (July 2005- June 2006), just about to end, is gauged at 15.1 million tonnes, slightly above the previous estimate and 4 percent larger than in 2004. The increase reflects the abundance of precipitation since late last year, which has been associated with a recurrence of La Niña weather anomaly. The rainfall boosted production between January and July this year by 8 percent, high producer prices and subsidies on hybrid seeds also contributing to the increase. Paddy production over the 2006 season (July 2006-June 2007) is set to reach 15.5 million tonnes, up from a previous forecast of 15.2 million tonnes and 400 000 tonnes more than in 2005. The country already reported an excellent outturn of crops in July-September, following an early arrival of the rains, which induced a strong increase in plantings and yields. The increase in production also reflects an upward trend in paddy producer prices since November 2005, which has more than compensated for rising fertilizer prices. The Government has reiterated its intention to achieve rice self-sufficiency by 2009, but has also announced the removal of the hybrid seed subsidy as of 2008.

Following bumper Maha and Yala paddy harvests in 2005, the Government of **Sri Lanka** established in 2006 the Agriculture Produce Marketing Authority, under the Ministry of trade, Commerce and Marketing Development. The Agency will be the responsible to procure rice domestically at a paddy support price of Rupees 17 500 per tonne (US$ 175 per tonne) in 2006. The country is reported to have allocated Rupees 2 billion for that purpose. This season, FAO forecasts production to decline to 3.1 million tonnes, 4 percent below the record achieved last year, reflecting expectations of less favourable growing conditions.

FAO has lowered by 300 000 tonnes its forecast for production in **Thailand** in 2006 to 30.2 million tonnes, following revised prospects for the main paddy crop by the Ministry of Agriculture. Notwithstanding the adjustment, the outlook remains positive, as the season would end 1 percent higher than the record achieved in 2005. Abundant rains in May were reported to have caused flooding problems in the five Northern provinces. However, together with the relatively high prices fetched by farmers under the pledging programme, they are likely to foster to an expansion of plantings this season.



Uzbekistan released official estimates last March, which pointed to a 15 percent contraction in paddy production to 160 400 tonnes in 2005, probably reflecting a shift of plantings to cotton but also to wheat. Rice production in the country, which was in the order of 540 000 tonnes in 1992, has been following a declining trend. FAO is forecasting a small output recovery in 2006 to 190 000 tonnes, although much will depend on water availability and on paddy prices relative to competing crops.

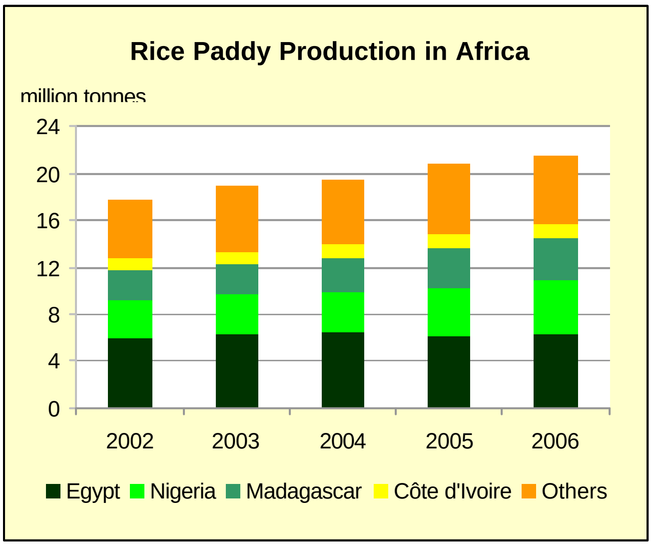
Following the publication of estimates for the three major paddy crops in **Viet Nam**, the country's paddy production estimate in 2005 has been lowered to 35.8 million tonnes. This would imply a 1 percent decline compared with 2004, confirming the negative impact from drought, late last year, which impaired the third (10^{th} month) paddy crop. The country, where harvesting of the summer/autumn crop is now underway, has faced favourable weather conditions so far and FAO's outlook for production in 2006 still points to a 2 percent increase from last year, at 36.5 million tonnes.

B. AFRICA

Paddy production still forecast to rise by 2.4 percent in 2006

In Africa, the 2006 paddy season is already well advanced in countries in southern cone, but the crops are still at the planting stage in much of western Africa where the rainy season just started. FAO has made virtually no revision to its estimate of production in the region in 2005, which remains at 20.8 million tonnes, 7 percent more than in the previous year. The relatively good 2005 production outcome and large imports in 2005 have enabled several countries to reconstitute cereal reserves, including rice, a development of particular importance for the lean season, which has just started with the arrival of the rains. The food situation, which has much improved for countries in western Africa compared with last year, remains, however, of concern in several countries in Southern Africa.

Africa's paddy production outlook in 2006 has been raised slightly from the previous report to 21.5 million tonnes. At that level, output in the region would be 700 000 tonnes, or 3.5 percent larger than in 2005. Much of the change is expected to arise from gains in Nigeria.



In *northern Africa*, **Egypt** is forecast to harvest 6.2 million tonnes, up somewhat from the 6.131 million tonnes officially harvested in 2005. However, given the high prevailing prices, farmers might increasingly turn to rice in the current season which may boost output beyond current expectations despite existing limitations on water supply. Production in **Sudan** is now forecast to rise by some 15 percent to 30 000 tonnes, in line with the tendency for the sector to expand, although this would have to be reviewed, given reports of insecurity problems that may have disrupted farmer's ability to plant.

In the *southern part* of the continent, the 2006 season is mostly concluded. In **Madagascar**, severe drought problems were reported to have affected the south-western part of the island between February and March, threatening crops. In May, a hailstorm also caused damage to rice in three provinces. However, the government latest forecast still points to a sizable increase in paddy production this season. For the time being and pending more information on the impact of the drought, FAO has maintained production prospects at 3.5 million tonnes, which is 100 000 tonnes more than in 2005. The country is reported to have started the new harvest with still high levels of inventories, either of rice produced in 2005 or imported, which are pressuring down the prices of the newly harvested paddy. Output is anticipated to rise in **Mozambique** and **Malawi**, reflecting a more normal rainfall pattern this season, after larger swathes of the country were affected by drought in 2005. In the case of **Malawi**, the recovery is expected to be impressive according to the Government latest figures, with output virtually doubling to 81 000 tonnes. The increase in **Mozambique** might be in the order of 4 percent, bringing production to 180 000 tonnes, as a late arrival of the rains was compensated by abundant precipitation in the first months of the year.

In *Western Africa*, rainfall is reported to have followed a normal pattern so far this season, which bodes well for rice crops. However, sizeable increases are only expected in **Nigeria**, where production is set to rise by 600 000 tonnes or 13 percent to 4.8 million tonnes. Recently, the government has announced the launching of a Naira 50 billion (US$ 400 million) financial scheme aimed at boosting agricultural production. Under the lending facility, Naira 30 billion will be earmarked to large farmers and Naira 20 billion to smaller land holders. The loans will be repaid at an annual rate of 14 percent, of which 8 percent covered by the government as a subsidy and only 6 percent charged to farmers. Production prospects are also positive for **Niger** and **Senegal,** which are anticipated to harvest larger crops this season. In **Senegal**, the sector has benefited since 2003 from a 50 percent subsidy on seeds, fertilizers and pesticides and of a 75-80 percent subsidy on agricultural machinery. Production in 2006 is not expected to change much in some of the largest producers in the sub-region, such as the **Democratic Republic of Congo** (316 000 tonnes) **Cote d'Ivoire** (1.15 million tonnes), **Ghana** (235 000 tonnes), **Mali** (910 000 tonnes) or **Guinea** (970 000 tonnes). By contrast production is anticipated to fall by 8 percent in **Guinea Bissau**, as floods in 2005 were reported to have seriously impaired the irrigation infrastructure in the southern regions of Tombali and Quinara. A decline may also be witnessed in **Burkina Faso and Chad**.

In the *rest of the region*, prospects are positive in **Cameroon**, which is forecast to record a 13 percent increase in production to 85 000 tonnes. The sector occupies a special position within a new ten year agriculture development strategy, which identifies special zones for the opening of 14 000 hectares for rice. Under the programme, national paddy production is planned to rise to 150 000 tonnes by 2010. Returning to the 2006 production outlook, drought problems earlier in the season are still weighting negatively on the prospects in **Kenya** and **Tanzania**.

C. CENTRAL AMERICA AND THE CARIBBEAN

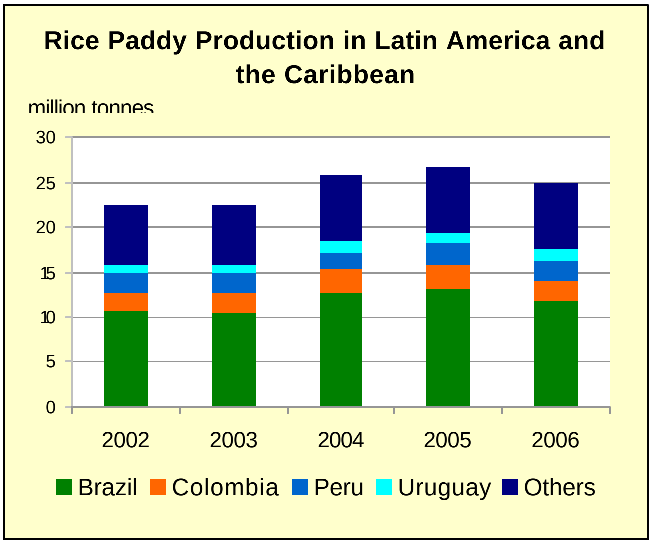
Production still poised to rise by 6 percent in 2006

Planting of the first paddy season in Central America and the Caribbean started with the arrival of the rains in April/May and is already well advanced in most countries. Rainfall this far into the year is reported to have been normal, giving rise to favourable conditions for planting the "Primera" season crops. As a result, the early outlook for paddy crops in 2006 points to an overall 6 percent expansion in production, mainly arising from large expected gains in the **Dominican Republic**, where production might reach 700 000 tonnes, some 10 percent more than in 2005, supported by the government through a rice pledging scheme ("Programa Nacional de Pignoración Arrocera"). A recovery is anticipated in **Cuba**, where normal rainfall in June should facilitate planting activities and allow a replenishment of reservoirs. In the recent past, the country has faced a sharp rainfall deficit in June 2000, 2001 and 2004. Production is also likely to rise in **El Salvador, Guatemala, Nicaragua** and **Panama** while it may hover around 310 000 tonnes in **Mexico**, marginally above last year.

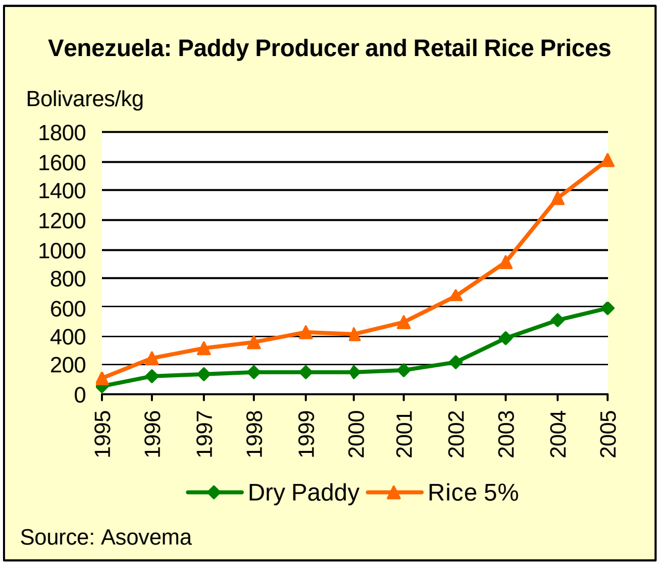
D. SOUTH AMERICA

Production prospects in 2006 improve, but the region's output is still anticipated to fall

As the 2006 paddy season is about to be concluded in most countries in South America, governments are already releasing official estimates of production for the season, with contrasting results. Overall, production in the region is set to fall by 7 percent to 22.4 million tonnes, influenced by the negative performance of **Brazil**, the dominant producer in the region. This is almost 500 000 tonnes higher than the previous assessment, reflecting improved prospects in Brazil and Uruguay. According to the seventh crop assessment that CONAB conducted in June, production in Brazil is estimated to fall by 12 percent (or 1.6 million tonnes) to 11.6 million tonnes in 2006, driven by a 22 percent contraction in the area, as low producer prices over the 2005 season encouraged farmers to shift to other crops,



especially in the Centre-West region. The Government already announced to have allocated US$ 143.3 million to support rice commercialization this season, which are to be channelled principally through auctions. FAO also anticipates production to fall in **Ecuador**, **Peru and Venezuela**.



In **Venezuela,** the drop should reflect a 12 percent contraction in the area, driven by a fall of the sector's profitability and heavy crop losses in the Guarico State. Official prices for the 2006 season were published on 14 February 2006 and fixed at Bolivar 500.00 per kilo (US$ 233 per tonne) for type "A" paddy, up from Bolivar 490.00 per kilo in 2005. In 2005, prices received by farmers averaged Bolivar 584,520 (US$ 272) per tonne.

By contrast, production rose in **Argentina**, sustained by a 3 percent expansion in plantings and excellent growing conditions, resulting in a 23 percent growth in production to 1.17 million tonnes. Similarly in **Chile**, attractive domestic prices in 2005 fostered a 37 percent increase in output. In **Uruguay**, the rise in production costs led producers to cut the area under rice by 4 percent. However, favourable conditions boosted yields to an all time high 7.4 tonnes per hectare. As a result, the country is now expected to harvest 1.292 million tonnes, 6.4 percent more than in 2005.

E. REST OF THE WORLD

In 2006, paddy production likely to fall in the United States and in the EU

In the **United States,** the crop is progressing satisfactorily except in California where low temperatures and excessive rainfall since April have delayed planting and crop development. According to the latest USDA forecast, paddy production in the country might fall to 9.3 million tonnes in 2006, the lowest level since 2003 and an 8 percent drop from 2005. The decline is imputable to an expected 12 percent contraction in planting, part of which could be compensated by a 5 percent improvement in yields. Long grain rice is expected to account for the contraction, as buoyant prices are likely to boost production of medium and short grain rice by 5 percent.

On 27 March, the USDA Commodity Credit Corporation (CCC) announced the marketing assistance loan rates applicable to the 2006 paddy crop, which vary according to the type of rice (long, medium or short) and by region. The national weighted average loan rate has been fixed under the 2002 Farm Security and Rural Investment Act at US$ 6.50 per CWT for paddy ("rough") rice between 2002 and 2007. Thus, the changes announced by the CCC are only geared towards reflecting variations in historical production and in milling rates, with the aim to ensure that the product-weighted national average loan rate for paddy rice is equal to the $6.50 per cwt stipulated under the Act.

United States: Paddy Rice Marketing Assistance Loans Rates, by Region, 2006						
	Long	Medium	Short	Long	Medium	Short
	US$ per cwt			US$ per tonne		
Arkansas	6.59	6.06	6.10	145.18	133.50	134.38
California	6.48	6.08	6.10	142.75	133.94	134.38
Louisiana	6.71	6.09	6.10	147.82	134.16	134.38
Mississippi	6.68	6.07	6.10	147.16	133.72	134.38
Missouri	6.50	6.07	6.10	143.20	133.72	134.38
Texas	6.91	6.07	6.10	152.23	133.72	134.38
Source: USDA						

Harvesting of the paddy crop has been concluded in **Australia**. The latest official production estimate has been set at 1.050 million tonnes, slightly more than previously reported and up from 323 000 tonnes in 2005. The recovery reflects the ending of the drought in New South Wales where the bulk of the crop is produced, which resulted in increased water allocations to rice farmers and a strong recovery in planting from 48 000 hectares to 105 000 hectares.

In Europe, production in the **European Union** (EU) is now forecast to reach 2.577 million tonnes, some 150 000 tonnes less than previously prospected and 4 percent below the 2005 level. The drop would reflect a 5 percent contraction in planting to 389,200 hectares, imputable to Spain, where a severe drought is resulting in reduced water allocation to rice fields in the Guadalquivir producing area. Little change is anticipated in the other major five producing countries, namely Italy, France, Greece, Portugal and Hungary. Domestic prices in the Union have remained remarkably high this year, despite the lowering of the import duties for husked and milled rice, reflecting a strong demand from the ten new EU members that joined in 2004.

The recent reduction in import tariffs may encourage in the coming seasons a shift of EU rice producers back towards japonica, round grain, rice varieties, which are likely to better stand competition from cheap imports. These considerations already may have influenced the production patterns in Italy, the major producer in the Union, where, according to an early survey on planting intentions, farmers were willing to raise the area under round grain by almost 13 percent. However, long grain rice varieties remain the most popular among Italian producers.

Based on the production forecast for the **Russian Federation** points to a similar output level to that of last year, at 580 000 tonnes.

II. INTERNATIONAL TRADE IN RICE

FAO raises its forecast for trade in 2006, but a 5 year contraction from last year record is still anticipated

FAO has further raised its estimate of world trade in rice in calendar 2005, which now stands at 29.9 million tonnes, some 900 000 tonnes above the previous estimate. The revision reflects an upward adjustment in exports from Pakistan, now gauged to have reached a record 3.475 million tonnes. There were also several revisions made to imports in 2005, the most important of which corresponded to Nigeria. Imports to the country are now believed to have reached about 2.3 million tonnes in 2005, a large part of which trans-shipped from neighbouring countries.

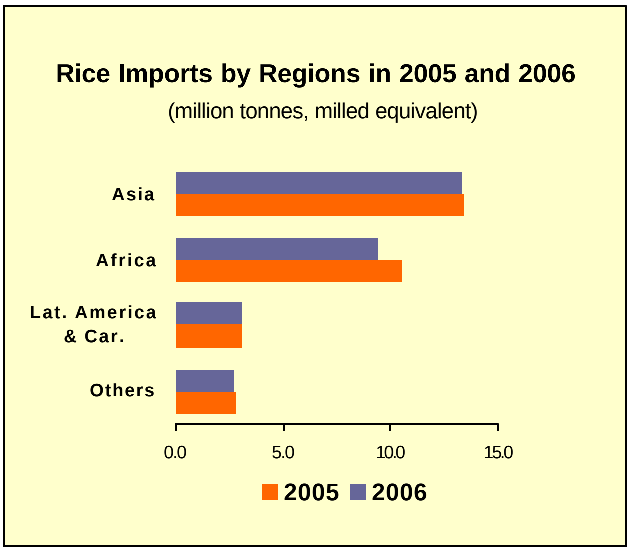
The rice international market has continued to be brisk during the first half of 2006 as the anticipated retrenchment of African importers was scarcely noticed. Indeed, as in recent years, demand for imports in the continent continues to be particularly dynamic. In some cases, the quantities delivered to individual African countries appear well too large to cater for their domestic needs, which may imply that part of the imported supplies are re-exported unrecorded to neighbouring or close-by countries.

FAO has also adjusted upward its forecast for rice trade in 2006 by about 700 000 tonnes from the March estimate, reflecting more buoyant expectations for exports by India and Pakistan, while prospects deteriorated in the case of Thailand. Following the upward adjustment, world rice trade in 2006 is anticipated to be in the order of 28.5 million tonnes, 1.3 million tonnes or 4 percent less than last year but still the second highest level on record.

A. IMPORTS

Smaller imports by African countries still expected to drive down trade in 2006

The drop in global imports in 2006 is anticipated to result from a general weakening of import demand by ***African countries***, where good crops were harvested in 2005. Although FAO has raised its forecast of imports by the region by 700 000 tonnes, to 9.4 million tonnes, they would still be 1.2 million tonnes or 11 percent less than in 2005. Much of that contraction would be on account of **Nigeria**, where shipments are forecast to drop to 1.8 million tonnes from a revised 2.3 million tonnes in 2005. The imposition of a ban on milled rice imports since the beginning of 2006 does not appear to have slow down much the flow of rice shipped into the country, especially as much of trade still consists of rice transhipped from neighbouring countries, unrecorded. Though falling, rice deliveries to **Cote d'Ivoire, Senegal** and **South Africa** are likely to remain large, in the order of 700 000-800 000 tonnes.



Overall, forecast imports by ***Asian countries*** in 2006 have been raised by 300 000 tonnes, to some 13.3 million, virtually unchanged from last year. Among the various destinations, deliveries to **Bangladesh** and **Cambodia** are expected to drop, reflecting the bumper crops the two countries harvested over the 2005 season. Expected deliveries to **Bangladesh**, which have been lowered by 200 000 tonnes from the March figure in line with the upward revision in 2005 production, now stands at 600 000 tonnes, substantially less than the 1.0 million tonnes purchased last year. Shipments to the **Democratic Republic of Korea** are foreseen to fall to some 500 000 tonnes, 200 000 tonnes less than in 2005. A sizeable share of these imports originates from food aid deliveries by the Republic of Korea, the supply of which could be jeopardized this year, as political tensions between the two countries have recently intensified. Within the region, a decline of imports is also anticipated for **Japan** and the **United Arab Emirates.** The drop in **Japan** has been associated with the implementation, in December 2005, of new regulations on Maximum Residue Levels (MRLs) and of changes introduced by the Ministry of Agriculture in the Simultaneous Buy and Sell tender, including tender dates, minimum size of shipment and testing protocols, which are reported to have hindered exports to the country. Following reports of new launching of purchasing tenders by the National Food Agency (NFA), FAO's forecast of imports by the **Philippines** have been raised by 300 000 tonnes to 1.8 million tonnes, a level close to the 1.86 million tonnes delivered last year and the maximum the NFA was permitted to import for the full 2006. Of these, 1.7 million tonnes were already committed by end June, when new tenders were opened also to fill the minimum import quota of 131,944 tonnes (92,064 tons from Thailand, 24,880 tons from China and 15 000 tons from Australia) that the Philippines has agreed to grant in exchange of an extension until 2012 of the preferential treatment it gives to rice under WTO rules**.**

Among the other major importers in the region, FAO has raised by 400 000 tonnes its forecast for purchases by the **Islamic Republic of Iran** to 1.2 million tonnes, or 100 000 tonnes more than in 2005, despite a good 2005 paddy harvest. Indeed, tensions on the international front have instigated the country to step up imports in an attempt to build up reserves. Likewise, purchases by **China** are set to rise to some 750 000 tonnes, following several trade agreements clinched last year with several exporting countries and growing domestic demand for quality rice. **Iraq, the Republic of Korea, Saudi Arabia** and **Turkey** are also foreseen to import more this year. As for **Indonesia**, one of the major traditional rice markets, government restrictions currently extended till end-July 2006, are likely to keep imports in 2006 around the 600 000 tonnes delivered last year. The decision to bar most imports of rice conflicts with the rise in domestic prices and low government stocks. On 5 June, rice reserves held by the national logistic company, Bulog, were reported to have fallen to only 500 000 -700 000 tonnes, substantially below the minimum security level of 1.2 million tonnes the institution is required to hold.

In ***Latin America and the Caribbean***, aggregate shipments are expected to remain very close to the level of 3.1 million tonnes imported in 2005. Of these 2.2 million tonnes, or 71 percent are expected to be shipped to *Central America and the Caribbean*, in particular to **Cuba, Mexico** and **Haiti**, all of which, however, may take less rice this year. On the other hand, imports by *South American countries* are forecast to rise to close to 900 000 tonnes, much of which destined to **Brazil**. The country is now foreseen to import 700 000 tonnes, 100 000 tonnes less than previously forecast, but up from 500 000 tonnes in 2005. By contrast, the official forecast in **Peru** foresees imports into the country to halve to some 60 000 tonnes. Most of the other countries in the region has expected to maintain their purchases around the 2005 level.

In the ***rest of the world***, imports by the **United States** are officially forecast to rise to an official level of 525 000 tonnes, 50 000 tonnes more than earlier anticipated and 26 percent above the level imported in 2005. This would be the highest level on record, reflecting a strong demand for aromatic rice. In the **European Union** (EU), the reform of the rice import system, which has entailed a strong reduction of duties on husked rice and on milled rice imports, is likely to lift the level of rice deliveries to the Union in 2006 to some 800 000 tonnes. Under the new regime, milled rice will be subject to a duty of either € 145 or € 175 per tonne and husked rice of, either, € 30, € 42.5 or € 65 per tonne, depending on the actual level of imports. Much of these consist of husked Basmati rice from India and Pakistan, which enter the Union free-of-duty, as illustrated by the table below. Note that the figures are reported on a marketing year basis (1 September-31 August) and do not necessarily correspond to the calendar year figures reported in the main RMM tables.

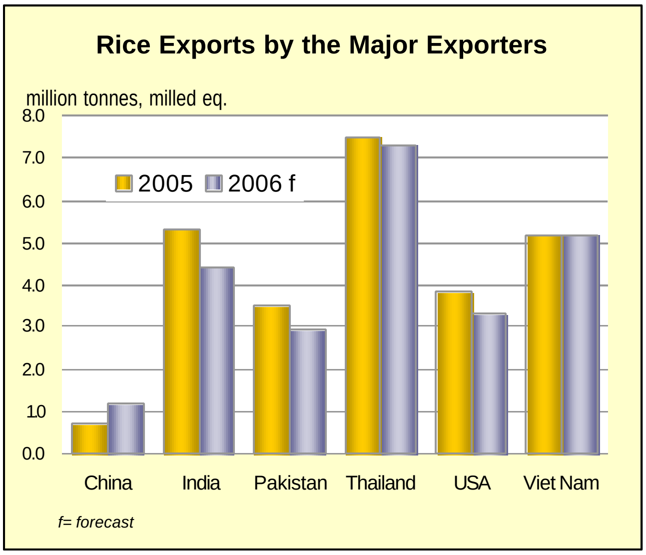
EU Rice Imports, marketing year 2004/05: 1 September 2004 – 31 August 2005, tonnes			
	Basmati	**Non-Basmati**	**Total**
UK	83,877	118,869	202,746
France	22,453	100,658	123,111
Netherlands	22,016	72,072	94,088
Germany	13,535	55,357	68,892
Italy	21,065	16,936	38,001
Spain	2,622	29,160	31,782
Belgium	15,394	14,603	29,997
Others	5,082	59,885	64,967
Total	186,044	467,540	653,584

By contrast, purchases by the **Russian Federation** might fall, following the harvesting of a bumper crop last season and the imposition over the full year of the € 70 per tonne duty on imports.

B. EXPORTS

The fall in world trade in 2006 to affect most exporters

Viewed from the export side, the expected contraction of international trade in 2006 is likely to affect most of the leading exporting countries, in particularly **India**, which shipped 5.3 million tonnes last year, second only to Thailand. In 2006, India's rice sales are forecast to drop by 17 percent to 4.4 million tonnes, as prices in the country were well above those of competitors such as Pakistan or Viet Nam, at least during the first half of the year. Exports by **Pakistan** and the **United States** may also decline, reflecting a tightening of supplies. Likewise, concerns over possible rice shortages for the period of Ramadan, which this year falls between 24 September and 23 October, has led the government in **Egypt** to restrict exports, initially from 1 July to 15 September. The country is now expected to ship 900 000 tonnes, down from 1.1 million tonnes in 2005. FAO has revised downward prospects for sales by **Thailand**, as its shipments continue to lag behind last year's performance. The country's rice competitiveness has been eroded since April by the strength of the Baht relative to the US currency, which, together with the Government rice pledging scheme, has contributed to a rise in export quotations, resulting in a 2 percent contraction in shipments from January to mid June, from the same period in 2005. Accordingly, exports from the country are currently forecast to fall to 7.3 million tonnes, 3 percent less than last year.

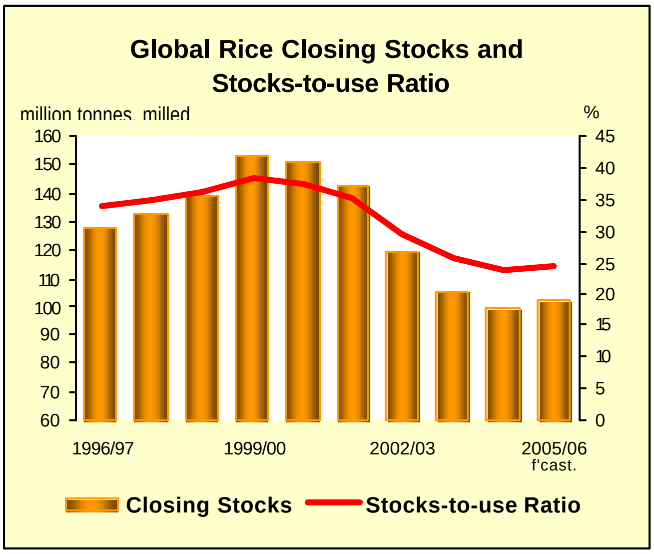


On the other hand, **Viet Nam's** shipments are set to remain of the order of 5.2 million tonnes, unchanged from last year but above the government 5 million tonne target, as the country had already shipped 2.9 million tonnes by end June 2006. By contrast, shipments from **China**, which remain under government control, may rebound to 1.2 million tonnes, up from the particularly low level of 700 000 tonnes shipped in 2005. Exports from **Cambodia** are also expected to rise in 2006, to 300 000 tonnes, up from an estimate of 100 000 tonnes in 2005. Similarly, the ending of the drought and the resulting recovery of production in 2006 should enable **Australia** to recapture some of the markets lost in the past four years. Likewise, sales by **Argentina** and **Uruguay** are expected to rise by 14 percent and 5 percent respectively.

III. CLOSING RICE INVENTORIES

Global rice inventories still foreseen to end higher at the close of the 2005/06 marketing seasons, with a further increase forecast in 2006/07

The FAO estimate of world rice inventories at the close of the 2005/06 marketing seasons has been raised by 2.8 million tonnes compared with the March figure, consistent with the upward revisions made to the 2005 production estimates. As a result, world rice stocks at the close of the 2005 seasons are set to reach 102 million tonnes, 3.3 million tonnes above their opening level. The build-up over the year reflected the large gains in production witnessed in the 2005 season, which also allowed covering global consumption at a slightly higher average per caput level of 57.1 kg.



Much of the stock rebuilding is estimated to take place in **China** and **Thailand.** In **China,** the good 2005 harvest and the slowdown of rice consumption permitted production to outpace utilization, prompting a 1.1 million tonnes increase in reserves, to an FAO estimate of 57 million tonnes. The positive 2005 production performance and a decline in exports also boosted stocks in **Thailand** by 37 percent to 5.2 million tonnes. At the same time, the good performance of crops in 2005 permitted many other countries to raise their stocks, in particular **Bangladesh, Cambodia, India, the Islamic Republic of Iran, Japan** and **Myanmar**. There were a few exceptions among ***Asian countries***, as reserves are estimated to have fallen in **Indonesia** and **Viet Nam.**

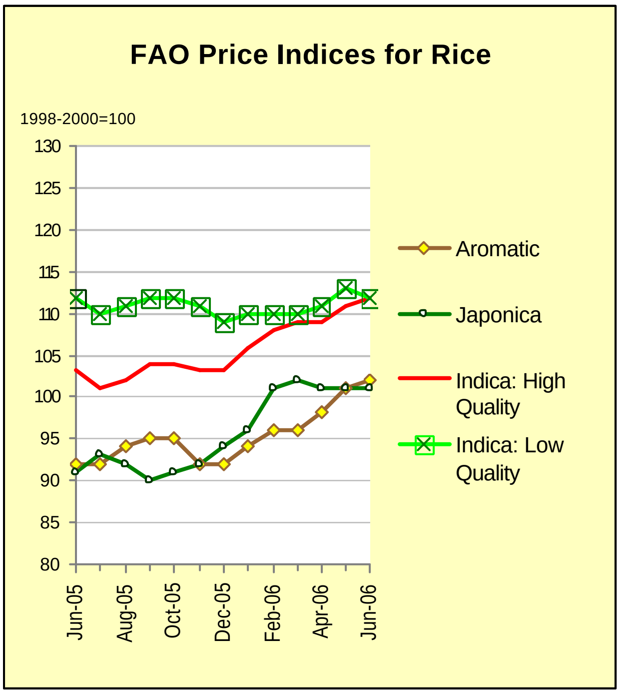
In ***Africa***, the anticipated contraction in imports to the region in 2006 is also expected to depress stocks, despite much improved production performance in 2005. This was the case of **Egypt**, were inventories were drawn down to meet a strong domestic and export demand. The larger crops harvested in 2005 in ***South America*** also allowed some rebuilding of rice reserves in the sub-region, mainly concentrated in **Brazil** and **Peru**. Among developed countries, inventories increased in **Japan** and the **United States**.

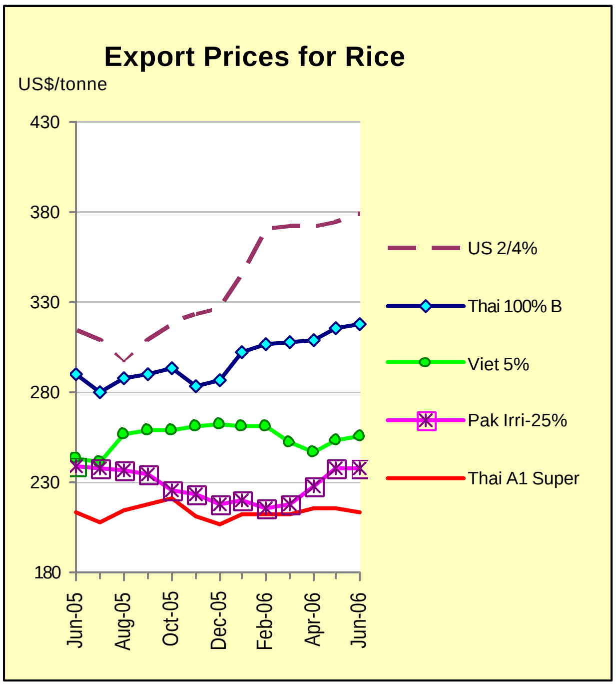
Preliminary forecasts for closing rice inventories at the end of the 2006/07 marketing seasons point to a continuation of the stock rebuilding process initiated in 2005, with global rice inventories expected to rise to 106 million tonnes. Most of the increase, is again expected to be concentrated in China, with some larger reserves also foreseen in Thailand. However, stocks in most of the other countries might end lower, including those held by major rice exporters, in particular India and the United States.

IV. INTERNATIONAL PRICES

International rice prices continue to be firm

International prices have remained strong since April, as reflected by the FAO all rice price index, which averaged 108 in both May and June (first three weeks), compared with 106 in March and April. The price strength dominated the various rice market segments with the exception of Japonica rice, the index of which has remained unchanged since April. Seen from a one year perspective, prices are also well above the levels prevailing in May and June 2005.





The market strength reflects not only a tightening of supplies in several major exporting countries, such as Egypt, Pakistan and Viet Nam, but only a steady import demand, in particular by the Islamic Republic of Iran, Iraq and the Philippines. At the same time, government support continued to underpin export quotations in Thailand.

Across the various origins, rice from Thailand remained the most expensive, with the Indica 25 % broken priced at US$ 271 per tonne in May, which was between US$ 28 and US$ 34 above prices reported for the same specification in other exporting countries.

Prices are expected to remain strong at least until September, when numerous countries in the northern hemisphere will have harvested their main crops. However, there is still much uncertainty regarding the market, especially on the import side. For instance, imports by the Philippines beyond the current government-imposed ceiling on NFA purchases would strengthen world prices further. A return of Indonesia as a buyer would also invigorate the market. On the other hand, developments regarding the pattern of the monsoon could also influence heavily prices in the last quarter of the year, either positively or negatively.

FAO Rice Price Indices		All	Indica High	Indica Low	Japonica	Aromatic
		1998-2000 = 100				
2001		**74**	**74**	**74**	**76**	**69**
2002		**72**	**73**	**75**	**67**	**74**
2003		**82**	**79**	**81**	**82**	**91**
2004		**104**	**101**	**110**	**104**	**96**
2005		**103**	**104**	**115**	**92**	**94**
2005	June	101	103	112	91	92
	July	101	101	110	93	92
	August	101	102	111	92	94
	September	101	104	112	90	95
	October	101	104	112	91	95
	November	101	103	111	92	92
	December	101	103	109	94	92
2006	January	103	106	110	96	94
	February	105	108	110	101	96
	March	106	109	110	102	96
	April	106	109	111	101	98
	May	108	111	113	101	101
	June *	108	112	112	101	102
2005	Jan.-Jun.	105	106	118	93	95
2006	Jan.-Jun.	106	109	111	100	98

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.

* Three weeks only.

EXPORT PRICES FOR RICE

	Thai White 100% B Second grade	Thai Parboiled 100%	U.S. Long Grain 2,4%	Viet 5%	Thai 25%	India 25%	Viet 25%	Pak 25%	Thai A1 Super 1/	U.S. California Medium Grain 2/	Egypt Short Grain, Grade 2,6% 178 Camolino	Pak Basmati Ordinary	Thai Fragrant 100%
	US $/tonne, f.o.b.												
2001	**177**	**194**	**264**	**166**	**153**	**185**	**148**	**148**	**135**	**267**	**204**	**332**	**275**
2002	**197**	**194**	**207**	**187**	**171**	**140**	**168**	**159**	**151**	**271**	**279**	**366**	**306**
2003	**201**	**196**	**284**	**183**	**176**	**163**	**167**	**175**	**151**	**370**	**291**	**357**	**449**
2004	**244**	**247**	**372**	**224**	**225**	**n.a.**	**212**	**230**	**207**	**493**	**317**	**468**	**443**
2005	**291**	**285**	**319**	**255**	**259**	**236**	**239**	**235**	**219**	**418**	**327**	**473**	**404**
2005													
June	290	283	315	243	255	242	230	239	213	375	338	472	382
July	280	274	309	241	247	240	222	238	208	367	331	473	377
August	287	282	296	256	255	229	238	236	214	379	341	475	406
September	290	287	309	258	258	229	240	234	218	441	326	475	401
October	293	286	318	258	260	236	240	225	221	474	315	475	395
November	283	275	324	261	250	236	243	223	211	507	312	488	383
December	286	276	327	262	251	237	243	218	206	507	339	500	388
2006													
January	303	286	346	261	263	237	244	220	212	507	341	500	408
February	307	289	370	261	263	238	245	215	212	507	348	500	423
March	308	290	373	252	265	238	240	218	212	491	358	500	436
April	309	290	373	246	267	243	231	228	215	485	361	500	442
May	316	296	375	253	271	243	237	238	215	498	357	513	467
June *	318	298	379	255	272	243	234	238	213	507	373	525	472
2005 Jan.-Jun.	295	290	320	254	264	240	241	242	225	390	325	466	416
2006 Jan.-Jun.	310	292	369	255	267	240	239	226	213	499	356	506	441

Sources: Jackson Son & Co. (London) Ltd. and other public sources.

1/ White broken rice. 2/ No. 1, maximum 4-percent brokens, sacked, California mill. This series replaces the U.S. medium grain No.2, 4% the quotations of which have been missing since September 2005.

* Three weeks only.

WORLD PADDY PRODUCTION

	2004	2005 (estimated)	2006 (forecast)
		million tonnes	
WORLD	**611.4**	**630.9**	**637.4**
Developing countries	585.3	605.0	612.5
Developed countries	26.1	25.9	24.9
ASIA	**551.7**	**569.7**	**577.2**
Bangladesh	37.7	41.5	42.5
Cambodia	4.2	6.0	6.0
China	180.5	182.1	187.6
of which Taiwan Prov	1.4	1.5	1.6
India	128.0	134.8	135.0
Indonesia	54.1	54.1	54.3
Iran, Islamic Rep. of	3.1	3.3	3.4
Japan	10.9	11.4	10.6
Korea Rep. of	6.7	6.4	6.3
Myanmar	23.7	24.5	24.8
Pakistan	7.5	8.3	7.8
Philippines	14.5	15.1	15.5
Sri Lanka	2.6	3.2	3.1
Thailand	28.5	29.9	30.2
Viet Nam	36.2	35.8	36.5
AFRICA	**19.4**	**20.8**	**21.5**
North Africa	**6.4**	**6.2**	**6.2**
Egypt	6.4	6.1	6.2
Sub-Saharan Africa	**13.0**	**14.6**	**15.3**
Western Africa	8.1	9.2	9.8
Côte d'Ivoire	1.2	1.2	1.2
Guinea	0.9	1.0	1.0
Mali	0.7	0.9	0.9
Nigeria	3.5	4.2	4.8
Central Africa	0.4	0.4	0.4
Eastern Africa	1.2	1.4	1.3
Tanzania	0.9	1.0	0.9
Southern Africa	3.3	3.6	3.8
Madagascar	3.0	3.4	3.5
Mozambique	0.2	0.2	0.2
CENTRAL AMERICA	**2.4**	**2.5**	**2.6**
Cuba	0.6	0.6	0.6
Dominican Rep.	0.6	0.6	0.7
Mexico	0.3	0.3	0.3
SOUTH AMERICA	**23.3**	**24.1**	**22.4**
Argentina	1.1	1.0	1.2
Brazil	12.8	13.2	11.6
Colombia	2.7	2.6	2.6
Peru	1.8	2.5	2.2
Uruguay	1.3	1.2	1.3
NORTH AMERICA	**10.5**	**10.1**	**9.3**
United States	10.5	10.1	9.3
EUROPE	**3.4**	**3.4**	**3.3**
EU 1/	2.8	2.7	2.6
OCEANIA	**0.6**	**0.3**	**1.1**
Australia	0.5	0.3	1.1

WORLD IMPORTS OF RICE

	2004	2005 (estimated)	2006 2/ (forecast)
		million tonnes, milled	
WORLD	**26.7**	**29.9**	**28.5**
Developing countries	22.3	25.5	24.3
Developed countries	4.4	4.3	4.3
ASIA	11.9	13.4	13.3
Bangladesh	1.0	1.0	0.6
China	1.3	1.0	1.3
of which Taiwan Prov.	0.2	0.1	0.2
Indonesia	0.7	0.6	0.6
Iran, Islamic Rep. of	1.0	1.1	1.2
Iraq	1.1	1.0	1.2
Japan	0.7	0.8	0.7
Malaysia	0.8	0.8	0.8
Philippines	1.0	1.9	1.8
Saudi Arabia	0.9	1.0	1.1
Sri Lanka	0.2	0.1	0.1
AFRICA	**8.6**	**10.6**	**9.4**
Côte d'Ivoire	0.8	0.9	0.9
Nigeria	1.6	2.3	1.8
Senegal	0.8	0.9	0.8
South Africa	0.7	0.8	0.7
CENTRAL AMERICA	**2.0**	**2.3**	**2.2**
Cuba	0.6	0.7	0.7
Mexico	0.5	0.5	0.5
SOUTH AMERICA	**1.1**	**0.8**	**0.9**
Brazil	0.9	0.5	0.7
Peru	0.1	0.1	0.1
NORTH AMERICA	**0.8**	**0.7**	**0.9**
Canada	0.3	0.3	0.3
United States	0.5	0.4	0.5
EUROPE	**1.8**	**1.6**	**1.6**
EU 2/	0.7	0.8	0.8
Russian Fed.	0.5	0.4	0.3
OCEANIA	**0.4**	**0.4**	**0.0**

WORLD EXPORTS OF RICE

	2004	2005 (estimated)	2006 2/ (forecast)
		million tonnes, milled	
WORLD	**26.7**	**29.9**	**28.5**
Developing countries	23.2	25.6	24.3
Developed countries	3.6	4.3	4.2
ASIA	**21.2**	**23.1**	**22.0**
China	1.0	0.7	1.2
of which Taiwan Prov.	0.1	0.0	0.0
India	3.6	5.3	4.4
Myanmar	0.1	0.2	0.2
Pakistan	1.9	3.5	2.9
Thailand	10.1	7.5	7.3
Viet Nam	4.1	5.2	5.2
AFRICA	**0.8**	**1.1**	**0.9**
Egypt	0.8	1.1	0.9
SOUTH AMERICA	**1.2**	**1.7**	**1.7**
Argentina	0.3	0.3	0.4
Guyana	0.3	0.2	0.2
Uruguay	0.6	0.7	0.8
NORTH AMERICA	**3.1**	**3.8**	**3.3**
United States	3.1	3.8	3.3
EUROPE	**0.3**	**0.2**	**0.2**
EU 1/	0.3	0.2	0.2
OCEANIA	**0.1**	**0.1**	**0.4**
Australia	0.1	0.1	0.4

FOOTNOTES:
Totals computed from unrounded data.
1/ EU-15 until 2003, EU-25 from 2004.
2/ Tentative.

RICE : Supply and Utilization in Main Exporting Countries. (National Crop Years)

CHINA 2/ 3/ (Oct./Sep.) — (......... thousand tonnes ....)

	2004/2005	2005/2006 prelim.	2006/2007 [5/] f'cast
Opening Stocks	59180 F	56000 F	57105 F
Production 1/	123723 G	124777 G	128578 *
Imports	659 F	920 F	895 F
Total Supply	183562	181697	186578
Domestic Use	126864	123362	123608
Exports	698 F	1230 F	1350 F
Closing Stocks	56000 F	57105 F	61620 F

INDIA 2/ (Oct./Sep.) — (......... thousand tonnes ....)

	2004/2005	2005/2006 prelim.	2006/2007 [5/] f'cast
Opening Stocks	13000 F	9200 F	9500 F
Production 1/	85310 G	89880 G	90000 F
Imports	50 F	50 F	50 F
Total Supply	98360	99130	99550
Domestic Use	83875	85230	86650
Exports	5285 *	4400 F	3600 F
Closing Stocks	9200 F	9500 F	9300 F

PAKISTAN 2/ (Nov./Oct.) — (......... thousand tonnes ....)

	2004/2005	2005/2006 prelim.	2006/2007 [5/] f'cast
Opening Stocks	650 F	150 F	300 F
Production 1/	5023 G	5547 G	5203 F
Imports	1 F	1 F	1 F
Total Supply	5674	5698	5504
Domestic Use	2049	2498	2704
Exports	3475 G	2900 F	2500 F
Closing Stocks	150 F	300 F	300 F

THAILAND 2/ (Nov./Oct.) — (......... thousand tonnes ....)

	2004/2005	2005/2006 prelim.	2006/2007 [5/] f'cast
Opening Stocks	3200 F	3800 F	5200 F
Production 1/	18892 G	19804 G	19992 F
Imports	8 G	1 F	1 F
Total Supply	22100	23605	25193
Domestic Use	10763	11105	11393
Exports	7537 G	7300 F	8000 F
Closing Stocks	3800 F	5200 F	5800 F

UNITED STATES 4/ (Aug./Jul.) — (......... thousand tonnes ....)

	2004/2005	2005/2006 prelim.	2006/2007 [5/] f'cast
Opening Stocks	761 G	1211 G	1088 G
Production 1/	7463 G	7088 G	6510 G
Imports	424 G	508 G	572 G
Total Supply	8648	8807	8170
Domestic Use	3937	4036	4120
Exports	3500 G	3683 G	3270 G
Closing Stocks	1211 G	1088 G	780 G

VIET NAM 2/ (Nov./Oct.) — (......... thousand tonnes ....)

	2004/2005	2005/2006 prelim.	2006/2007 [5/] f'cast
Opening Stocks	4900 F	4700 F	4250 F
Production 1/	24112 G	23873 G	24346 F
Imports	14 F	14 F	14 F
Total Supply	29026	28587	28610
Domestic Use	19126	19137	19510
Exports	5200 G	5200 F	4800 F
Closing Stocks	4700 F	4250 F	4300 F

Symbols:

G Official figure

* Unofficial figure

F FAO estimate/forecast

Footnotes:

Totals computed from unrounded data.

1/ Milled basis.

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

3/ Including Taiwan province.

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

5/ Highly tentative.