



Quarterly International Trade Report

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Rice

World Situation and Outlook

Global PS&D

Production for 2005/06 has been reduced since last quarter, largely due to reductions in India. Consumption will continue to outpace production for the fifth year in a row. Global stocks will also shrink with the majority of the reduction in China.

Global Trade in 2005

Global prices remain firm. While Thai prices have retreated from the \$300 per ton level, the government intervention policy continues to provide support to the market. Viet prices have strengthened as well, with Viet 5% now approaching \$260 per ton, FOB.

Although Thailand is estimated to maintain its number one exporter slot, its dominance in the global market has shrunk from 2004. With a smaller crop, tighter free stocks, and subsequently higher prices, exports are expected to be down nearly 25 percent in 2005.

Consequently, the usual suspects are picking up the slack. Vietnam has a larger-than-expected crop and more competitive prices. Additionally, despite a government-imposed export ban, sales to select big-ticket markets, such as the Philippines, are still permitted. India, too, has taken a larger slice of the pie, focusing its efforts in the parboiled markets – Saudi Arabia, Nigeria, and South Africa, where it competes virtually one-on-one with Thailand. Meanwhile, as the gap between Thai and U.S. prices shrinks to under \$10 per metric ton, FOB, the United States is experiencing great success in the Iraqi market.

SUMMARY POINTS

- Global consumption continues to outpace production
- Vietnam, India, and the U.S. to gain markets at the expense of Thailand.
- U.S. exports expected to boom in CY 2006

U.S. Situation and Outlook

The 2004/05 marketing year ended on a quick pace. The current WASDE estimate is at 109 million cwt; final census numbers have not yet been reported. The forecast for 2005/06 is at 121 million cwt assuming increased competitiveness in key markets such as Iraq.

WORLD RICE PRODUCTION, CONSUMPTION AND STOCKS						
	2003/04	2004/05	2005/06	Annual Change		
Production	391.192	401.066	405.285	4.219	1%	
Consumption	414.948	413.262	413.577	0.315	0%	
Trade	27.116	26.376	25.171	-1.205	-5%	
Ending Stocks	86.959	74.763	66.471	-8.292	-11%	
U.S. RICE PRODUCTION, CONSUMPTION AND STOCKS						
Production	6.402	7.407	7.2	-0.207	-3%	
Consumption	3.656	3.946	4.018	0.072	2%	
Exports	3.097	3.55	3.8	0.25	7%	
Ending Stocks	0.761	1.153	0.938	-0.215	-19%	
	MMT	MMT	MMT		MMT	

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