Quarterly International Trade Report

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Rice

World Situation and Outlook

Global PS&D
Production for 2005/06 has been revised up slightly since last quarter and is second only to the 1999/2000 record. 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 2006
Global trade is projected to fall by over 2 million tons from 2005 to 2006. Most of the decrease will be in markets such as the Philippines, which is anticipated to return to more traditional import levels and in Sub-Saharan Africa where import demand is set to shrink by over 1 million tons due to recovering production and large carry-over stocks.

Global prices are likely to remain firm. The Thai intervention program began on November 1 and will provide support to prices despite large government stocks. This will continue to inhibit the white rice export movement out of Thailand, thereby reducing exports to 7.0 million tons, the lowest level in 6 years. While Thailand will be losing markets, its competitors such as Vietnam and the United States are poised to maintain the markets that Thailand ceded last year.

U.S. Situation and Outlook

The 2005/06 marketing year is off to a fast start for U.S. exports, especially in milled markets. The current WASDE forecast is for 121 million hundredweight (cwt), with strong exports expected to Iraq and traditional Western hemisphere markets.

WORLD RICE PRODUCTION, CONSUMPTION AND STOCKS						
	2003/04	2004/05	2005/06	Annual Change		
Production	391.507	402.071	406.83	4.759	1%	
Consumption	415.674	415.348	413.85	-1.498	0%	
Trade	27.116	27.716	25.436	-2.28	-8%	
Ending Stocks	86.154	72.877	65.857	-7.02	-10%	
U.S. RICE PRODUCTION, CONSUMPTION AND STOCKS						
Production	6.42	7.405	7.009	-0.396	-5%	
Consumption	3.656	3.836	4.019	0.183	5%	
Exports	3.09	3.8	3.8	0	0%	
Ending Stocks	0.761	1.209	0.833	-0.376	-31%	
	MMT	MMT	MMT		MMT	

For more information, please contact:
Stephanie Murphy at (202) 690-4298 or Stephanie.Murphy@fas.usda.gov