INTER-RICE

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WORLD RICE PRICES FELL FURTHER

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Market trends

In April, **world rice prices** weakened by a further 3% due to a slowdown in global demand and the end of the off-season harvest arriving on the market. Declines were recorded on all world markets, including in the Western Hemisphere. However, more significant falls were recorded in Thailand, due in part to the weakening of the bath against the dollar. In Pakistan, prices weakened due to a sluggish external market. By contrast, declines were less pronounced in Vietnam and India, by around 1%, thanks to sustained demand, particularly from Southeast Asia and sub-Saharan Africa. Global demand began to pick up again at the end of April, and prices showed a clear upward trend at the beginning of May, also due to the appreciation of Asian currencies against the dollar. This trend continued in mid-May due to higher import demand, while supply had not yet increased. However, this sudden rise is unlikely to continue in the coming weeks, as the outlook for world production has been revised upwards and world trade is still expected to decline, by 3% compared with 2023. Finally, the market is expecting India's back to the world market, but this is not likely to be fully effective before the second half of 2024.

In April, the OSIRIZ/InfoArroz (**IPO**) index fell by 9.2 points to 287.2 points (base 100=January 2000) from 296.4 points in March. In mid-May, the IPO index was tending to recover to 290 points.



World production

According to the latest FAO estimates, **world rice production** in 2023 improved by 0.7% to 797.0 Mt (529.2 Mt milled basis), against 791.8 Mt in 2022, even surpassing its record level of 2021. This improvement reflects good prospects in Asia, Africa and North America. In Pakistan, production is up by 30%, partly offset reductions in India, Thailand and China. In the United States, after a disappointing season in 2022, production recorded a strong rebound of 37% in 2023, back to its 2021 level. In contrast, Mercosur's rice production has once again declined due to poor weather conditions.

World trade and global stocks

World rice trade in 2023 fell by 6% to 52.9 Mt from 56.4 Mt previously. This drop is mainly due to lower Chinese imports, but also to increased production in some deficit regions, especially in Africa, Middle East and South Asia. In addition, India's decision to ban exports of non-basmati rice (a quarter of Indian exports and 11% of world exports) tends to amplify the drop-in trade. The sharp rise in world prices, largely due to these restrictions, forced some importing countries to defer and/or reduce their import demand. However, part of the decline in Indian exports was offset by Thailand and Vietnam, which increased their exports by 15% in 2023. In contrast, Indian rice exports, in all categories, fell by 20%. Early forecasts for 2024 indicate a further drop in world trade of 3.4% to 51.1 Mt.

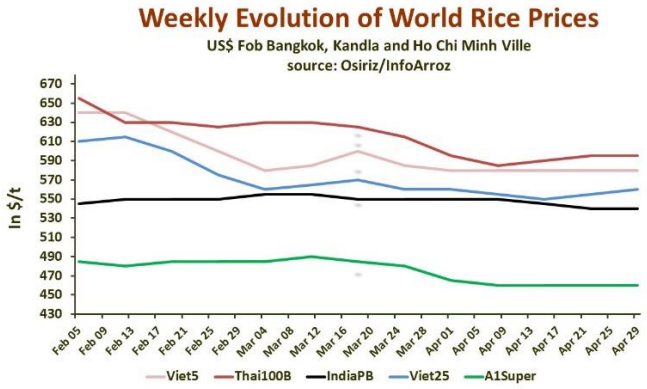
World rice stocks ending in 2023 would finally have remained stable at 196.0 Mt, against 196.2 Mt in 2022, representing 37% of world consumption requirements. By 2023, Chinese stocks have fallen again to compensate for stagnating production and falling imports. However, Chinese reserves remain large, representing 70% of annual domestic consumption and 50% of world stocks. In India, the stocks would have increased by 4%, largely due to export restrictions. Stocks in the main exporting countries would have reached 57.5 Mt in 2023, slightly down from 2022 and equivalent to 30% of world stocks. In 2024, world stocks are expected to increase by 1.6%, currently estimated at 199.2 Mt.

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). All rights reserved. Osiriz. InfoArroz. InterRice and InterArroz are registered marks. Any reproduction, even partial, is not allowed without prior written consent of the author. The full report can be downloaded only from the website www.infoarroz.org.

OSIRIZ Index (IPO 100 = January 2000) & Export Rice Prices (US$/t FOB – source: OSIRIZ)													
		IPO	Usa 2/4	Thai100B	Thai Parb	Ind Parb	Viet5	Camb5	Burma5	Uru5	Thai25	Viet25	Pak25	A1Super
2023		**289.5**	**734**	**553**	**540**	**470**	**548**	**548**	**565**	**631**	**504**	**530**	**484**	**451**
2024*		**280.8**	**781**	**627**	**612**	**541**	**609**	**720**	**618**	**782**	**559**	**583**	**554**	**476**
OCT-DECEMBER		**242.4**	**751**	**613**	**596**	**509**	**650**	**548**	**606**	**765**	**548**	**634**	**502**	**474**
JANUARY-MARCH		**247.8**	**774**	**644**	**628**	**541**	**624**	**572**	**623**	**808**	**572**	**598**	**561**	**485**
FEBRUARY		**296.4**	**808**	**625**	**614**	**553**	**588**	**720**	**629**	**780**	**561**	**564**	**564**	**485**
MARCH		**287.2**	**797**	**592**	**579**	**545**	**580**	**720**	**618**	**740**	**533**	**556**	**549**	**461**
	01-apr-24	**289.8**	800	595	585	550	580	720	630	760	545	560	555	465
	08-apr-24	**286.8**	795	585	575	550	580	720	625	740	530	555	550	460
	15-apr-24	**286.4**	795	590	575	545	580	720	620	720	530	550	550	460
	22-apr-24	**286.5**	795	595	580	540	580	720	610	740	530	555	545	460
	29-apr-24	**286.6**	800	595	580	540	580	720	605	740	530	560	545	460

source: Osiriz/InfoArroz; *January-April

In **India**, parboiled rice price fell by 1.5% due to a slowdown in African demand, as buyers were expecting further declines. Prospects for the Rabi harvest are promising, thanks to good weather conditions. India's export policy is still uncertain for the coming months. The market is still awaiting the decisions to be taken by the new government following the general elections, the results of which will not be known until early June. For the moment, Indian exports are estimated at 16.5 Mt in 2024, compared with 17.9 Mt in 2023. In April, Indian parboiled rice traded at $ 545/t Fob, against $ 553 previously. In mid-May, the price stood at $ 535.

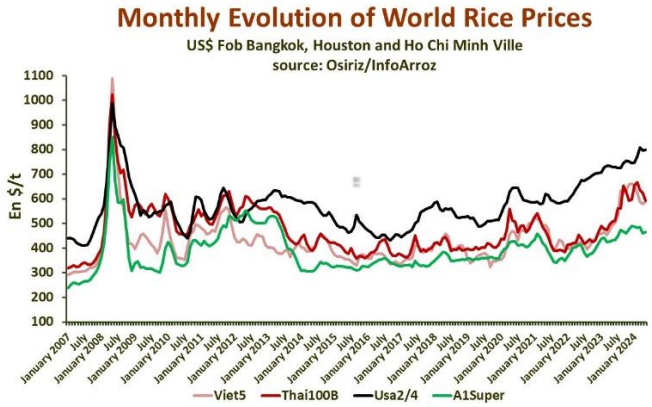


In **Thailand**, prices declined significantly by 5.5%, due to the new harvest and the depreciation of the bath against the dollar. Despite the stagnation of 2023/2024 production, export supply should remain good and external sales could reach around 8.5 Mt, against 8.7 Mt in 2023. In April, Thai 100%B averaged $ 592, against $ 625 in March. Rice Parboiled fell to $ 579 from $ 614. Broken rice *A1 Super* also fell by 5% to $ 461 from $ 485. By mid-May, Thai prices were strengthening on the back of increased import demand, combined with a stronger bath against the dollar.

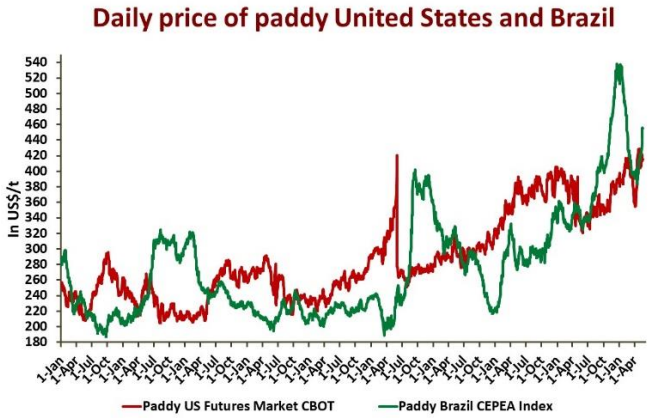
In **Vietnam**, export prices were more resilient, losing only 1.5% thanks to demand from the Philippines, its main market. In April, Vietnamese exports were once again very active, exceeding 1 Mt, as in the previous month. They would have reached 3.2 Mt for the first four months of the year, up 10% from 2023. In all, Vietnamese exports could exceed 8 Mt, against 8.2 Mt in 2023. In April, Viet 5% traded at $ 580 against $ 588 previously. Viet 25% marked $ 556 against $564. By mid-May, prices were tending to firm up, in a still fairly active external market.

In **Pakistan**, rice prices fell by 2.5% in a softer export market. Importers are awaiting an easing of India's trade restrictions, and are tending to hold off on bulk purchases. Pakistan's export outlook for 2024 remains bullish with possible record sales of 5.5 Mt against 4.5 Mt in 2023. In April, Pak 25% marked $ 549, against $ 564 in March. In mid-May, prices held steady at $ 550.

In **China**, according to the latest estimates, imports in 2024 could decline further to 1.9 Mt, against 2.7 Mt in 2023, becoming the 3rd or 4th largest importer in the world, behind the Philippines and Indonesia, and probably also behind the European Union.



In the **United States**, rice prices fell by 1.3%, marking the first decline since the beginning of 2024. External sales, which had been very active during the first quarter of the year, fell back sharply in April to 265,000 t against 405,000 t in March. However, they were still up 40% from 2023. In April, indicative price for *Long Grain 2/4* was $ 797/t, against $ 808 in March. In mid-May, the price tended to rise to $ 800. On the Chicago Board of Trade, paddy rice futures were up 2% to $ 395/t from $ 387 in March. By mid-May, futures had recovered by 5% to $ 415.



In **Mercosur**, export prices fell by a further 5-6% due to increased supply with the arrival of the new harvest, up 10% on the previous season. The Brazilian paddy indicative price fell by 1.3% to $ 397/t from $ 403 in March. In mid-May, it had risen sharply to $ 430, partly due to speculative movements following the floods which affected the south of the country at the end of the harvest.

In **sub-Saharan Africa**, local rice stocks are under pressure and prices are rising due to strong demand. In the main consumer markets, prices are holding relatively steady thanks to supplies of imported rice, whose stocks held by traders are considered to be good. In 2024, harvests are expected to increase, and African imports could fall once again, while remaining high, equivalent to 40% of consumption requirements.

Rice (millions of tons)

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Paddy rice								(e)	(p)
World Production	**736.4**	**748.5**	**752.8**	**764.6**	**758.3**	**780.3**	**792.5**	**791.8**	**797.0**
China	212.1	211.1	212.7	212.2	210.0	211.9	212.8	208.5	206.6
India	156.5	163.7	168.5	172.6	178.3	184.5	194.2	203.6	201.1
Indonesia	61.0	54.0.9	55.3	59.2	67.7	54.6	54.4	54.0	52.5
Bangladesh	51.8	50.4	54.2	54.5	55.2	55.9	56.8	57.8	58.6
Vietnam	45.1	42.8	42.8	44.0	43.4	42.7	43.9	42.7	43.5
Thailand	27.4	32.4	33.7	32.7	28.3	30.3	33.0	34.9	33.4
Burma	27.7	28.6	29.5	30.4	25.3	25.1	24.9	24.7	25.6
Brazil	12.4	10.6	12.3	12.1	10.5	11.2	11.8	10.8	10.0
Japan	10.5	10.7	10.8	10.6	10.5	10.5	10.6	10.4	10.3
Milled rice									
World Exports	**45.0**	**41.3**	**48.3**	**48.5**	**44.3**	**45.8**	**52.1**	**56.4**	**52.9**
India	11.2	10.1	12.5	11.6	9.8	14.5	21.4	22.5	17.9
Thailand	9.8	9.9	11.6	11.1	7.6	5.7	6.1	7.7	8.8
Vietnam	6.6	5.8	5.9	6.6	7.0	6.2	6.5	7.2	8.3
Pakistan	4.1	4.0	3.7	3.9	4.5	4.0	3.9	4.6	4.5
China	0.3	0.5	1.2	2.8	2.6	2.5	2.4	2.2	2.0
United States	3.5	3.5	3.3	3.1	3.1	3.1	2.9	2.2	2.4
Burma	3.1	2.8	3.1	2.7	2.5	2.2	1.8	2.2	2.2
Brazil	0.9	0.6	0.6	1.2	0.8	1.4	1.2	1.4	1.0
Others	5.6	4.1	6.3	6.4	6.3	6.4	6.2	6.1	5.7
World Imports	**45.0**	**41.3**	**48.3**	**48.5**	**44.3**	**45.8**	**52.1**	**56.4**	**52.9**
China	7.1	6.3	5.9	4.5	3.8	3.6	5.1	6.6	2.7
Nigeria	2.2	2.2	2.7	2.3	2.3	2.0	2.0	2.4	2.2
Philippines	2.0	0.8	1.2	2.5	2.8	2.5	3.0	3.9	3.7
European Union	1.8	1.8	2.0	1.9	2.2	2.0	1.9	2.5	2.2
Cote d'Ivoire	1.4	1.4	1.6	1.7	1.4	1.3	1.8	2.0	1.7
Iran	0.8	1.1	1.4	1.3	1.4	1.0	0.9	1.8	1.2
Saudi Arabia	1.6	1.2	1.1	1.2	1.3	1.1	1.2	1.3	1.2
Senegal	1.4	1.1	1.6	1.4	1.0	1.2	1.5	1.9	1.4
Indonesia	1.3	1.3	0.3	2.3	0.4	0.5	0.6	0.5	3.3
Brazil	0.3	0.7	0.8	0.6	0.7	0.9	0.7	0.8	1.0
Japan	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Fed. Russia	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Eastern Asia	**16.7**	**13.4**	**16.4**	**17.1**	**12.8**	**12.4**	**16.2**	**18.3**	**16.3**
Africa	**13.8**	**14.3**	**17.1**	**16.7**	**16.0**	**16.2**	**17.6**	**18.7**	**16.6**
Near & Middle East	**8.1**	**7.3**	**8.4**	**8.6**	**8.5**	**8.6**	**8.6**	**8.6**	**8.6**
Latin America	**3.8**	**4.3**	**4.4**	**4.3**	**4.2**	**4.9**	**4.0**	**4.2**	**4.4**
Developed countries	**4.1**	**3.9**	**4.2**	**4.3**	**5.0**	**5.7**	**5.2**	**6.3**	**6.2**
Stocks ending	**175.9**	**173.9**	**174.5**	**177.5**	**187.0**	**187.7**	**194.5**	**196.2**	**196.0**
China	92.9	98.0	99.0	103.3	105.9	103.9	102.8	100.6	100.1
India	21.5	18.1	19.5	21.7	28.8	32.7	35.6	41.4	43.2
Pakistan	1.1	0.9	0.7	0.8	0.6	0.6	1.1	1.0	0.4
Thailand	16.2	10.7	8.2	5.6	5.4	6.0	8.0	9.9	10.1
Vietnam	3.2	2.8	3.2	3.1	3.0	3.4	3.1	4.2	3.8
United States	1.5	1.5	1.5	0.9	1.4	0.9	1.4	1.3	0.9

Sources: FAO & USDA. 2024