



Rice Outlook

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In this report:

- [Domestic Outlook](#)
- [International Outlook](#)

U.S. 2018/19 Export Forecast Raised

There were several revisions this month to the 2018/19 U.S. rice balance sheet. First, carryin was increased 3.0 million cwt to 37.3 million due to trade revisions for 2017/18. Second, the 2018/19 import forecast was raised 1.0 million cwt to a record 27.0 million cwt, with the increase all long-grain. Third, 2018/19 U.S. exports were raised 2.0 million cwt to 103.0 million cwt based on expected delayed shipments of medium- and short-grain sales made in 2017/18. Finally, domestic use in 2018/19 was increased 1.0 million cwt to 123.0 million cwt based on larger supplies. These revisions resulted in a 1.0-million cwt increase in the 2018/19 all-rice ending stocks forecast to 41.5 million cwt. The 2018/19 season-average price forecasts for all classes of rice were unchanged from last month.

In the 2018/19 global rice market, production was lowered 2.15 million tons to 487.4 million, mostly due to a smaller crop forecast for China, the largest rice producing country. The weaker China crop pulled China's 2018/19 ending stocks forecast down 1.3 million tons to 96.0 million tons, still the largest since 1999/2000. The global ending stocks forecast was lowered 1.5 million tons to 143.2 million tons, 0.7 million tons below a year earlier and the first decline since 2006/07. Global trade in calendar year 2019 remains projected at a record high of 49.5 million tons, with India again expected to be the largest exporter. Over the past month, export price quotes from Thailand and Vietnam dropped 2-3 percent, while U.S. export price quotes for long-grain and medium-grain milled were unchanged.

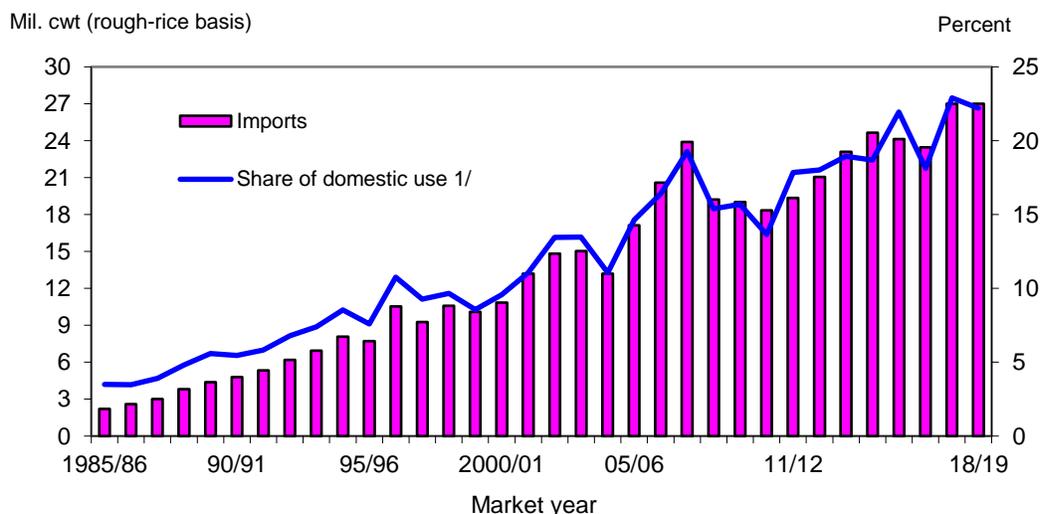
Domestic Outlook

U.S. 2018/19 Rice Imports Projected at Record 27.0 Million Cwt

There were two supply side revisions to the 2018/19 U.S. rice balance sheet this month. First, beginning stocks were increased 3.0 million cwt to 37.3 million cwt due to larger imports and weaker exports in 2017/18. Despite the upward revision, the 2018/19 carryin is forecast 19 percent below a year earlier. The 2018/19 long-grain carryin was increased 1.0 million cwt to 21.4 million cwt, 31 percent below a year earlier. The 2018/19 medium- and short-grain carryin forecast was raised 2.0 million cwt to 12.4 million cwt, nearly 8 percent larger than a year earlier. Beginning stocks of broken, included in total stock estimates, are not classified by length of grain.

Second, the 2018/19 U.S. rice import forecast was increased 1.0 million cwt—all long-grain—to 27.0 million cwt, unchanged from the year-earlier revised record. The upward revision was based on a record pace of monthly shipments from August 2017 through April 2018. The 2018/19 U.S. long-grain import forecast was increased 4 percent to 23.5 million, also unchanged from the year-earlier record. Similar to 2017/18, Asian aromatics are expected to account for the bulk of U.S. rice imports, with Thailand the largest supplier, followed by India. Combined medium- and short-grain imports remain forecast at 3.5 million cwt, unchanged from a year earlier, but well below the 2006/07 record of 6.3 million cwt. Specialty rice from Thailand accounts for most of U.S. medium- and short-grain rice imports, with Italy's premium Arborio much of the remainder.

U.S. rice imports are projected to remain record high in 2018/19



2017/18 and 2018/19 are forecasts.

1/ Does not include seed use. Sources: 1985/86-2014/15, *Rice Yearbook Data Set*, Economic Research Service, USDA; 2015/16-2017/18, *World Agricultural Supply and Demand Estimates*, World Agricultural Outlook Board, USDA.

The 2018/19 U.S. rice crop remains projected at 203.2 million cwt, up 14 percent from a year earlier. The expected production increase is due primarily to expanded area, along with a slightly higher average yield. Long-grain production remains forecast at 150.2 million cwt, up 17.5 percent from a year earlier, mostly due to expanded plantings in the South. Almost all U.S. long-

grain rice is grown in the South. Combined medium- and short-grain production is projected at 53.0 million cwt, up 5 percent from a year earlier.

Area forecasts for the 2018/19 crop are currently based on the March survey of farmers planting intentions. The results of first USDA survey, conducted this month, of actual 2018/19 rice plantings will be released on June 29 in the *Acreage* report. Yield forecasts for 2018/19 are currently based on 20-year trends by class. The first survey-based yield forecasts for the 2018/19 crop—all-rice and by State—will be released on August 10 in the *Crop Production* report.

Planting of the 2018/19 U.S. rice crop is complete, with crop emergence near 100 percent in all six rice producing States. The crop has just started to head on parts of the Gulf Coast, and heading will begin in the Delta late this month. Harvest is expected to begin on the Gulf Coast in late July, slightly behind a year earlier, with harvest typically beginning a month later in the southern Delta. Despite an abnormally cool and wet early spring that initially delayed planting and progress in many areas, much of the South—particularly the Gulf Coast—had been extremely hot and dry in recent weeks, likely accelerating development but possibly hindering conditions. Overall, the condition of the 2018/19 U.S. crop is superior to a year earlier as weather has been more favorable than in 2017/18, when early season flooding and late-season excessive heat adversely impacted much of the southern rice crop, especially in the Delta. For the week ending June 10, 2018, 71 percent of the total U.S. rice crop was rated in good or excellent condition, down from 74 percent a week earlier but 3 percentage points above a year earlier.

Conditions were reported higher than a year earlier in the Delta, the largest rice growing region in the U.S. In the Delta, 66 percent of the 2018/19 Arkansas rice crop was rated in good or excellent condition for the week ending June 10, down from 70 percent a week earlier but 5 percentage points above 2017/18. Also, just 5 percent of the Arkansas crop was rated in poor or very poor condition, compared with 12 percent a year earlier. In nearby Missouri, 69 percent of the 2018/19 rice crop was rated in good or excellent condition, up 1 percentage point from a week earlier and 5 percentage points higher than in 2017/18. In addition, just 4 percent of Missouri's 2018/19 crop was rated in poor or very poor condition, well below 10 percent a year ago. In Mississippi, for the week ending June 10, 85 percent of the 2018/19 crop was rated in good or excellent condition, up 1 percentage point from a week earlier and well above 67 percent in 2017/18.

In contrast, on the Gulf Coast, crop conditions were rated below a year earlier. For the week ending June 10, 69 percent of Louisiana's 2018/19 rice crop was reported in good or excellent condition, down 1 percentage point from a week earlier and 4 percentage points below conditions in 2017/18. In Texas, just 57 percent of the 2018/19 rice crop was rated in good or excellent condition, down 8 percentage points from both a week earlier and a year ago. In addition, 8 percent of the 2018/19 Texas rice crop was rated in poor or very poor condition compared with none a year earlier. Temperatures have been extremely hot in both States in recent weeks, with little rain. In California, 90 percent of the 2018/19 rice crop was reported in good or excellent condition, unchanged from last week or a year earlier.

Total U.S. rice supplies in 2018/19 are projected at 267.5 million cwt, up 4.0 million cwt from the previous forecast—a result of a larger carryin and a higher import forecast—and more than 6 percent large than a year earlier. The year-to-year supply increase is due to a much larger crop. Long-grain supplies are projected at 195.1 million cwt, up 2.0 million cwt from the previous forecast and up 7 percent from a year earlier, also due to a much larger crop. Medium- and short-grain supplies are forecast at 68.9 million cwt, up 2 million cwt from the previous forecast due to a larger carryin and more than 5 percent larger than in 2017/18. Despite the expected increases, total U.S. rice supplies remain below record for all-rice and for both classes of rice.

Forecasts for 2018/19 U.S. Exports and Domestic Use Raised

This month, USDA raised its 2018/19 forecasts for both domestic use and exports. Total domestic and residual use of rice in 2018/19 is projected at 123.0 million cwt, up 1.0 million cwt from the previous forecast and 2.5 percent larger than a year earlier. The upward revision was primarily based on a larger supply forecast. Despite the upward revision, domestic use is still well below the 2010/11 record of 136.9 million cwt. Domestic and residual use account for post-harvest losses, including unreported losses in processing, marketing, and transporting. These losses are typically proportional to the crop size. Long-grain domestic and residual use is projected at 96.0 million cwt, an increase of 1.0 million cwt from the previous forecast and 4 percent larger than in 2017/18. Medium- and short-grain domestic and residual use remains projected at 27.0 million cwt, a decrease of almost 4 percent from 2017/18, as exports are projected to account for a larger share of use in 2018/19 than in 2017/18.

Total U.S. rice exports in 2018/19 are projected at 103.0 million cwt, an increase of 2.0 million cwt from the previous forecast and almost 10 percent larger than a year earlier. This month's upward revision in exports is based on expectations that current sales from the 2017/18 market year—mostly medium- and short-grain purchased by Japan—will not actually ship until early 2018/19. On an annual basis, the expected export increase in 2018/19 is based on larger supplies, slightly lower prices for long-grain and southern medium-grain rice, and a smaller price difference with major Asian and South American competitors in the global long-grain market.

Rough rice exports in 2018/19 remain projected at 34.0 million cwt, up 10 percent from 2017/18, with expanded shipments to Latin America accounting for most of the expected increase. U.S. sales to the Mediterranean are expected to be higher as well, largely due to a much smaller crop in Egypt, a major supplier to the region. Latin America accounts for the bulk of U.S. rough-rice exports, taking almost exclusively long-grain rice. Markets in the Mediterranean account for most of the remaining U.S. rough-rice exports, purchasing mostly medium-grain rice, typically from the South.

U.S. milled rice exports (combined milled and brown rice exports on a rough basis) in 2018/19 are projected at 69.0 million cwt, an increase of 2.0 million cwt from the previous forecast and 9.5 percent above a year earlier. The upward revision was totally due to expectations that some shipments already purchased by Japan in 2017/18 will not actually ship until after the start of the 2018/19 market. These sales were all medium- and short-grain and purchased as part of Japan's World Trade Organization commitments. On an annual basis, Latin America, the Middle East, and Northeast Asia are likely to import more U.S. milled-rice in 2018/19, with the expected growth in Northeast Asia mostly accounted for by the shipments purchased in 2017/18. These three markets and Canada account for the bulk of U.S. milled rice exports. Europe and Sub-Saharan Africa purchase much smaller amounts.

U.S. long-grain exports in 2018/19 remain projected at 72.0 million cwt, up 3.0 million cwt from a year earlier. Latin America, the largest market for U.S. long-grain rice exports, is expected to account for much of the increase, mostly due to more competitive U.S. prices and larger supplies. In recent years, the United States has lost market shares in both Mexico and Central America, mostly to South American exporters and, to a lesser extent, some Asian exporters. The U.S. remains the largest supplier to both of these substantial rice-import markets, but its share continues to decline, mostly due to improved quality and more competitive prices from South American exporters. In 2017/18, the U.S. also lost market share in Venezuela as well, mostly to South American competitors.

Total use of U.S. rice in 2018/19 is projected at 226.0 million cwt, an increase of 3.0 million cwt from the previous forecast and 6 percent larger than a year earlier. Long-grain total use is projected at 168.0 million cwt, up 1.0 million cwt from the previous forecast—all due to larger domestic use—and 4 percent larger than in 2017/18. Medium- and short-grain total use in 2018/19 is projected at 58.0 million cwt, an increase of 2.0 million cwt from the previous forecast—a result of stronger exports—and more than 9 percent larger than a year earlier.

U.S. Ending Stocks Projected To Increase 11 Percent in 2018/19

U.S. ending stocks of all rice in 2018/19 are projected at 41.5 million cwt, an increase of 1.0 million cwt from the previous forecast and 11 percent larger than a year earlier. The substantial increase in ending stocks in 2018/19, despite higher expected domestic use and exports, is due to a 14-percent increase in production. The 2018/19 stocks-to-use ratio is projected at 18.4 percent, above 17.4 percent in 2017/18.

The stocks situation varies by class. Long-grain 2018/19 ending stocks are projected at 27.1 million cwt, an increase of 1.0 million cwt from the previous forecast and 27 percent larger than a year earlier. The long-grain stocks-to-use ratio is projected at 16.1 percent, almost 3 percentage points above 2017/18. An ending-stocks projection and stocks-to-use ratio of these levels will likely put downward pressure on long-grain prices during the 2018/19 market year.

For medium- and short-grain rice, 2018/19 ending stocks remain projected at 10.9 million cwt, down 12 percent from a year earlier. The medium- and short-grain stocks-to-use ratio is projected at 18.8 percent, down from 23.4 percent from 2017/18. This level of medium- and short-grain carryout is not excessive, with downward price pressure limited to the southern medium-grain due to expected higher area.

U.S. 2017/18 Export Forecast Lowered; Imports Raised

There were several revisions this month to the 2017/18 U.S. rice balance sheet. On the supply-side, the 2017/18 total import forecast was raised 1.0 million cwt to a record 27.0 million cwt, 15 percent larger than a year earlier. Through April 2018, total U.S. rice imports on a product-weight basis were up 16 percent from a year earlier. Thailand accounted for most of the increase. At more than 400,000 tons, U.S. rice imports from Thailand were up 10 percent from a year earlier and the highest on record for the first 9 months of a market year. At 138,500 tons, rice imports from India through April were up 24 percent from a year earlier and the highest on record for the first 9 months of a market year. Nearly all U.S. imports from Thailand and India are aromatic varieties, which are included in the long-grain supply category. Although a smaller supplier, through April 2018, Brazil shipped 35,300 tons of rice to the U.S., 3 times the level a year earlier. Brazil ships mostly long-grain milled-rice to the United States. By class, U.S. long-grain imports are projected at a record 23.5 million cwt, up 1.0 million cwt from the previous forecast and 16 percent higher than a year earlier. Medium- and short-grain imports remain projected at 3.5 million cwt, up 9 percent from 2016/17.

On the use side, the 2017/18 total export forecast was lowered 2.0 million cwt to 94.0 million cwt based on expectations that some sales of medium- and short-grain rice to Japan will not actually ship until early in the 2018/19 market year. As of May 31, Japan had more than 102,000 tons of purchased rice that had not yet shipped. Through April, monthly export data reported by the U.S. Bureau of the Census converted to a rough-rice basis indicated total U.S. rice exports from August

2017 through April 2018 at 67.0 million cwt. Thus, to achieve the 94.0 million cwt 2017/18 export forecast the pace of U.S. shipments will need to increase. Through April 2018, monthly U.S. exports were below a year earlier each month, with differences especially large in September, January, and February.

Milled rice accounted for all of the downward revision in U.S. 2017/18 exports. At 63.0 million cwt, 2017/18 milled-rice exports are 15 percent below a year earlier. By class, the U.S. medium- and short-grain 2017/18 export forecast was lowered 2.0 million cwt to 25.0 million cwt, down 34 percent from a year earlier and the lowest since 2006/07. Long-grain 2017/18 exports remain forecast at 69.0 million cwt, 12 percent below a year earlier and the lowest since 2008/09. The June 7 *U.S. Export Sales* included a 93,500-ton correction for previously unreported U.S. long-grain rough sales to Mexico.

On balance, these trade revisions raised 2017/18 ending stocks 3.0 million cwt to 37.3 million cwt, 19 percent below a year earlier. Long-grain ending stocks were raised 1.0 million cwt to 21.4 million cwt, 31 percent below a year earlier. The combined medium- and short-grain ending stocks forecast was increased 2.0 million cwt to 12.4 million cwt, almost 8 percent above a year ago.

2017/18 Long-Grain Season-Average Farm Price Lowered

There were no revisions to the 2018/19 season-average farm price (SAFP) forecasts this month. However, there was a slight revision to the 2017/18 long-grain SAFP. The long-grain 2017/18 SAFP range was lowered 10 cents on both ends to \$11.50-\$11.70, based on reported monthly prices through April and expectations regarding prices and marketings the remainder of the market year. In addition, the U.S. medium- and short-grain SAFP range was lowered 20 cents on both ends to \$14.70-\$15.30 per cwt, based on revised projected market year marketings by region. Neither the California nor the southern medium- and short-grain 2017/18 SAFP was revised this month. The SAFP revisions by class resulted in a 10-cent reduction on both the high and low ends to the all-rice 2017/18 SAFP to \$12.30-\$12.70 per cwt.

The 2018/19 long-grain SAFP remains projected at \$11.00-\$12.00 per cwt, with the midpoint down 10 cents from 2017/18. The slightly lower midpoint in 2018/19 is based on expected larger U.S. long-grain supplies. The southern medium- and short-grain season-average farm price remains projected at \$11.20-\$12.20 per cwt, with the midpoint 30 cents below a year earlier. The decline is based on larger supplies stemming from increased area. The California 2018/19 medium- and short-grain season-average price remains projected at \$16.50-\$17.50 per cwt compared with \$16.20-\$17.00 for 2017/18. The higher 2018/19 midpoint is based on smaller intended area reported in March by NASS. The U.S. 2018/19 medium- and short-grain season-average farm price remains projected at \$14.70-\$15.70 per cwt, with the mid-point up 20 cents from a year earlier. The all-rice 2018/19 season-average farm price remains projected at \$11.90-\$12.90 per cwt, with the midpoint 10 cents below a year earlier.

In late May, NASS reported the April long-grain price at \$12.00 per cwt, up 10 cents from a month earlier and the highest since January 2015. The southern medium- and short-grain April price was reported at \$12.80 per cwt, up 50 cents from March and highest since August 2015. The California medium- and short-grain April price was reported at \$17.10 per cwt, down 80 cents from March. The U.S. medium- and short-grain April price was reported at \$15.60 per cwt, unchanged from March. The all-rice April price was reported at \$12.90 per cwt, up 20 cents from March.

International Outlook

China's 2018/19 Rice Production Forecast Lowered 3 Percent

Global rice production in 2018/19 is projected at 487.4 million tons (milled basis), down 2.15 million tons from the previous forecast and 1.0 million tons below the year-earlier record. The expected decline in global production in 2018/19 is due to a lower average yield, partly caused by an area shift to lower yielding countries. At 161.6 million hectares, global rice area in 2018/19 is 0.86 million hectares above 2017/18 and just 0.2 million hectares below the 2013/14 record. Bangladesh, India, Thailand, and the United States account for most of the expected 2018/19 area increase, with low-yielding India increasing rice area the most. In contrast, harvested area is projected to decline in 2018/19 in China, Colombia, Egypt, Iraq, South Korea, and Venezuela, with declines in high-yielding countries China and Egypt especially large. The average global yield of 4.51 tons per hectare (rough basis) is slightly below the year-earlier record, partly due to expectations of a return to trend yields in China and India, the two largest rice producing countries, as well as the area shifts to lower yielding countries.

There were three downward production revisions this month for 2018/19. First, China's 2018/19 rice production forecast was lowered 2.3 million tons to 142.2 million tons, nearly 3 percent below a year earlier and the smallest since 2011/12. The reduced crop forecast is result of a 0.5-million hectare reduction in area to 29.5 million hectares, down 2 percent from a year earlier and the lowest since 2008/09. The substantial area decline is based on data from the Government of China. This year, the Government of China reduced support prices for rice to curb rice plantings, largely due to the accumulation of excessive stocks. The average yield of 6.89 tons per hectare is fractionally below the year-earlier record and is based on a log-term trend. Despite the substantial crop reduction, China has more than enough rice to satisfy domestic demand, expand exports, and still maintain huge stocks of rice at the end of the year.

The start of this year's sowing season in China was characterized by favorable weather and soil moisture across the major rice growing regions, facilitating rapid planting and early crop establishment based on the Standardized Precipitation Index (SPI). Rice is produced almost everywhere in China, but the major production regions are in Heilongjiang (20 percent), Hunan (20 percent), Sichuan, Hubei, Anhui, Jiangxi, Guangxi, Guangdong, Jiangsu, Jilin, and Yunnan. China produces both Indica rice and Japonica rice, with the Japonica rice higher priced.

Second, Mexico's 2018/19 rice production forecast was lowered 27,000 tons to 178,000 tons based on a 5,000-hectare reduction in the area forecast to 40,000 hectares. Both area and production in Mexico are slightly below a year earlier. Although Mexico was self-sufficient in rice until the late 1980s, imports now account for around 90 percent of the country's rice consumption as production declined for more than two decades while consumption steadily rose. Third, Russia's 2018/19 rice production forecast was reduced 20,000 tons to 630,000 tons based on Government of Russia data reporting slightly smaller area. Both area and production in Russia remain below levels achieved prior to the breakup of the Soviet Union.

There was only one upward revision this month for 2018/19 production: Thailand's 2018/19 rice production forecast was raised 0.2 million tons to a record 21.2 million tons, an increase of 4 percent from a year earlier. The upward revision in production is due to a 95,000-hectare increase in total harvested area to a record 11.14 million hectares, up 4 percent from a year earlier. The upward revision in area—primarily main-season fragrant rice in the northeast—is due to higher prices, favorable weather conditions, and ample supplies of water and early release of water for main-crop irrigation. Strong farm gate prices and the release of irrigation water a month earlier

than normal also account for the year-to-year area increase. The bulk of the main season crop relies on natural flooding from rivers caused by monsoon rains. In contrast, nearly all of Thailand's second season crop—about 15 percent of total production—relies on mechanical irrigation.

There were only slight revisions to the 2017/18 global rice production forecasts—all in Latin America—with global production raised just 84,000 tons. The largest production revision for 2017/18 was a 101,000 ton increase in Argentina's production to 891,000 tons based on a 6,000-hectare area increase to 198,000 hectares reported by the Government of Argentina. This upward revision was partially offset by a 5,000-ton reduction in Mexico's 2017/18 production to 183,000 tons and a 12,000-ton reduction in Uruguay's 2017/18 production to 884,000 tons. Both Argentina and Uruguay grow the bulk of their rice crop for export. In contrast, Mexico is one of the largest rice importers in the Western Hemisphere.

With consumption exceeding production for the first time in 14 years, 2018/19 global ending stocks are projected to decrease 0.7 million tons to 143.2 million tons, the first decline since 2006/07. China accounts for most of the downward revision in the 2018/19 global ending stocks forecast. At 96.0 million tons, China's 2018/19 ending stocks are 1.3 million tons below the previous forecast but 2.0 million tons above a year earlier and the highest since the 1999/2000 record of 97.4 million tons. India accounts for the bulk of the projected decline in global stocks in 2018/19. At 18.0 million tons, India's projected ending stocks are 2.2 million tons below a year earlier but still adequate for food security needs. The year-to-year decline in India's rice stocks is largely due to higher domestic use and record exports. In addition to China, ending stocks of rice are projected to be higher than a year earlier in Bangladesh, Indonesia, the Philippines, Thailand, and the United States. The global 2018/19 stocks-to-use ratio is projected at 29.3 percent, down slightly from a year earlier.

Egypt and Nigeria Are Projected To Boost Imports in 2019

Global rice trade in 2019 is projected at a record 49.5 million tons, nearly unchanged from last month's forecast but up 0.8 million from a year earlier and the third consecutive year of increasing global trade. On the 2019 export side, shipments are projected to be larger in 2019 from Cambodia, China, India, Paraguay, Thailand, and the United States. Thailand's 0.5-million-ton increase to 11.0 million tons is the largest. Both China and India are projected to expand exports 0.2 million tons in 2019 and U.S. exports are projected to increase 0.15 million tons. Paraguay's 2019 projected exports of 650,000 tons are the highest on record. These 2019 export expansions are projected to be partially offset by reduced shipments from Argentina, Brazil, Egypt, Peru, Uruguay, and Venezuela. Brazil's 150,000-ton reduction to 700,000 tons is the largest reduction, a decline due to tighter supplies. India is projected to remain the largest rice exporter for the 8th consecutive year. Burma's 2018 and 2019 projected rice exports of 3.5 million tons finally exceed the previous record, achieved shortly before World War II began in the Pacific in late 1941.

On the 2019 import side, purchases in 2019 are projected larger than a year earlier for Benin, Brazil, Burkina-Faso, Cameroon, Cote d'Ivoire, Egypt, the European Union, Iraq, Iran, Kenya, Malaysia, Nigeria, Saudi Arabia, Senegal, and the United Arab Emirates. Nigeria's 0.4 million-ton increase in imports to 3.0 million tons is the largest projected import increase for 2019, as production is unable to keep up with rising consumption largely driven by expanding population. Egypt's 350,000-ton import increase to a record 400,000 tons is the second largest increase in imports in 2019. Egypt's record import forecast is based on an expected 23-percent drop in production to just 3.3 million tons, the smallest since 2010/11. The smaller Egypt crop is the result of a Government-imposed area contraction due to limited water supplies. Prior to 2017/18, Egypt had been a net exporter of rice since at least 1960. Sub-Saharan Africa's 2019 projected imports

of 16.2 million tons are up 6 percent from a year earlier and the highest on record. Sub-Saharan Africa is the largest rice importing region in the world and imports continue to expand.

These projected import increases are expected to be partially offset by several reductions, with 2019 imports projected to decline for Bangladesh, Ecuador, Indonesia, Madagascar, the Philippines, and Venezuela. Indonesia's 2019 imports are projected to decline 0.8 million tons to 1.2 million tons due to a slightly larger crop and adequate domestic supplies. Madagascar's 2019 imports are projected to decline 0.2 million tons to 0.3 million as production rebounds to a more normal level. Remaining import reductions are much smaller. U.S. 2019 imports are projected to remain at a record 855,000 tons, making the United States the second largest rice importer in the Western Hemisphere, just 5,000 tons less than Mexico.

There were no significant 2019 export revisions this month. On the 2019 import side, Egypt's 2019 import forecast was raised 200,000 tons to a record 400,000 tons based on recent Government statements regarding import levels and on much tighter supplies caused by a substantial crop reduction. The U.S. 2019 import forecast was raised 30,000 tons to 855,000 tons, unchanged from the earlier record. The increase was based on a recent record pace of imports, mostly from Asia.

Global rice trade in 2018 is forecast at 48.7 million tons, down 245,000 from the previous forecast but up more than 1 percent from a year earlier. There were several important 2018 trade revisions this month, mostly based on shipment pace. On the export side, India's 2018 export forecast was lowered 0.4 million tons to 12.8 million tons, with India still the largest exporter. This substantial export reduction was partially offset by a 50,000-ton increase in Argentina's exports to 450,000 tons and a 100,000-ton increase in Brazil's exports to 850,000 tons.

On the 2018 import side, Bangladesh's 2018 import forecast was lowered 0.6 million tons to 1.2 million tons based on the recently announced reinstatement of the 25-percent tariff on rice imports, coupled with a 3-percent supplementary tariff, effective June 7, 2018. Elsewhere in Latin America, Cuba's 2018 import forecast was lowered 40,000 tons to 500,000 tons, and Mexico's imports were lowered 10,000 tons to 850,000 tons. Indonesia's 2018 import forecast was raised 0.2 million tons to 2.0 million tons based on purchase pace and a goal to build stocks. Finally, the U.S. 2018 import forecast was raised 30,000 tons to 855,000 tons based on a record pace since January.

In 2018, exports are projected higher than a year earlier for Argentina, Australia, Brazil, Burma, Cambodia, China, India, Pakistan, Paraguay, and Vietnam. China's 2018 exports are projected to increase 0.43 million tons to 1.6 million, the largest since 2003. Increases by Pakistan and Vietnam are the next largest, both expanding more than 0.3 million tons. India's 2018 rice exports are projected to increase 240,000 tons and Brazil's to expand 256,000 tons. The remaining 2018 export increases are smaller. Overall, these year-to-year export increases are projected to be partially offset by several declines. Thailand's 2018 exports are projected to drop 1.1 million tons to 10.5 million tons as low-priced sales of Government-held stocks of low-quality old-crop rice end. U.S. 2018 exports are projected to drop 234,000 tons to 3.15 million tons due to smaller supplies and higher prices. Uruguay's 2018 exports of 860,000 tons are nearly 0.2 million tons below 2017 due to tighter supplies. Much smaller export reductions in 2018 are projected for Egypt and EU.

Indonesia's 2018 imports are projected at 2.0 million tons, up 1.65 million tons from 2017, primarily due to stock building. Indonesia's crop sizes have varied little in recent years. The Philippines are projected to import 1.4 million tons in 2018, up 200,000 tons from 2017 based on timing of WTO Minimum Access Imports and strong growth in consumer demand. Cote d'Ivoire's 2018

imports are projected to increase 150,000 tons to a record 1.5 million tons on expanding demand and limited production growth. Smaller increases in imports in 2018 are projected for Afghanistan, Nigeria, the UAE, the United States, and Venezuela. In contrast, imports in 2018 are projected to decline for Bangladesh, Brazil, China, EU, Iran, Madagascar, Sri Lanka, and Vietnam.

Global Rice Trading Prices Decline; U.S. Prices Remain Firm

Price quotes for most grades of Thailand's regular milled white rice dropped 2-3 percent over the past month, mostly due to a lack of new inquiries from buyers as traders wait for the results of the expected June 14-15 sale of the remaining 2.0 million tons of Government-held rice. These tenders will consist of 1.5 million tons of nonfood-quality rice and 0.5 million tons of deteriorated rice. Around 60 percent of these rice stocks are 5-percent broken white rice, mainly from the 2011/12–2012/13 market year pledging programs. The remainder consists of 100 percent broken white rice and fragrant rice, as well as glutinous rice.

For the week ending June 11, Thailand's 100-percent grade B milled white rice was quoted at \$437 per ton, down \$9 from the week ending May 7. Prices for Thailand's lower quality 15-percent brokens were quoted at \$420 per ton for the week ending June 11, down \$10 from the week ending May 7. In contrast, prices for Thailand's premium jasmine rice—an aromatic—were quoted at \$1,235 per ton for the week ending June 11, up \$120 from the week ending May 7. All price quotes for Thailand's rice are from the *Weekly Rice Price Update* reported by the U.S. Agricultural Office in Bangkok.

Price quotes for Vietnam's rice decreased 2 percent over the past month, a result of harvest of the second 2018 rice crop in the Mekong Delta and reduced demand from top buyer China. For the week ending June 12, prices for Vietnam's 5-percent broken, regular milled white rice were quoted at \$455 per ton, down \$10 from the week ending May 8. Vietnam's prices are now about \$23 per ton higher than for comparable grades of rice from Thailand. Vietnam's rice typically sells at \$30 to \$50 below comparable grades of Thailand's rice.

U.S. prices for long-grain milled rice were unchanged over the past month. For the week ending June 12, prices for high-quality U.S. Southern long-grain rice (No. 2, 4-percent brokens, bagged, free on board (fob) vessel, U.S. Gulfport) remain quoted at \$620 per ton, unchanged since the start of May. The U.S. price difference over Thailand's 100-percent Grade B milled rice rose to \$183 per ton for the week ending June 12, up from \$174 in early May but still almost \$20 below record. Prices for U.S. long-grain rough-rice (bulk, fob vessel, New Orleans) were quoted at \$315 per ton for the week ending June 12, down \$15 from the first week of May.

Domestic and export price quotes in California are also unchanged. California medium-grain milled rice (No. 1, 4-percent brokens, sacked, free on board, domestic mill) remain quoted at \$948 per ton for the week ending June 12, unchanged since late April. Export prices for California medium-grain milled-rice (4-percent brokens, sacked, on board vessel in Oakland) remain quoted at \$970 per ton for the week ending June 12, unchanged since the start of March. Price quotes for Vietnam, U.S. long- and medium-grain milled-rice, and U.S. rough-rice export prices are from the weekly *Creed Rice Market Report*. All price quotes for Thailand's rice are from the *Weekly Rice Price Update* reported by the U.S. Agricultural Office in Bangkok.

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