Global Rice Market Update

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Key Messages
October meeting (Bangkok)

• Market will be range bound in the next few months.
  – Declining cereal prices (wheat and corn) may put downward pressure on rice.

• India will be key to any market rebound in 2015.
  – Exports may fall below 8 million tons (3.5 million tons basmati + 4.5 million tons on nonbasmati)

• Thailand should emerge as the top exporter in 2015.
Thailand and India Rice Exports

![Bar chart showing rice exports from Thailand and India from 2000 to 2015. The chart compares the two countries' exports each year, with Thailand represented by red bars and India by blue bars. Thailand generally has higher exports, but there are fluctuations year over year.] (Note: The chart is not provided in the image, but a description based on the given data is given.)
Commodity Price Meltdown

<table>
<thead>
<tr>
<th>IGC Grains &amp; Oilseeds Prices Index (GOI)*</th>
<th>GMR 457</th>
<th>Change**</th>
<th>y/y change</th>
</tr>
</thead>
<tbody>
<tr>
<td>IGC GOI</td>
<td>194</td>
<td>-2.5%</td>
<td>-19.6%</td>
</tr>
<tr>
<td>Wheat sub-Index</td>
<td>175</td>
<td>-5.7%</td>
<td>-19.9%</td>
</tr>
<tr>
<td>Maize sub-Index</td>
<td>178</td>
<td>-2.1%</td>
<td>-11.7%</td>
</tr>
<tr>
<td>Barley sub-Index</td>
<td>191</td>
<td>-3.5%</td>
<td>-13.7%</td>
</tr>
<tr>
<td>Rice sub-Index</td>
<td>156</td>
<td>-1.3%</td>
<td>-15.9%</td>
</tr>
<tr>
<td>Soyabean sub-Index</td>
<td>193</td>
<td>-0.3%</td>
<td>-23.8%</td>
</tr>
</tbody>
</table>

*Jan 2000=100, **Change vs. GMR 456
Thailand

India

25% Broken Rice Price
(March 2013 - June 2015)

US$/ton

Data Source: Pink Sheet, World Bank and FAO Rice Market Monitor
Global Rice Stocks vs Stock-to-Use Ratio

Data source: PSD Online Database, USDA (Accessed on July 5, 2015)
Thai Rice Inventory

Source: USDA
Indian procurement stocks
actual vs (buffer + strategic reserve)

Million metric tons

Data Source: Food Corporation of India
How long can the rice market defy 

EL NIÑO?

by Samarendu Mohanty

The extent of rainfall disruption in El Niño watch countries—India, Indonesia, and the Philippines—could disrupt the rice market in late 2015 as Thai rice stocks battle to keep the market in check.
Remote sensing based information on rice on a monthly basis

**Area planted (ha) per month**

Source: SSD, IRRI
Indian Monsoon Update

June rainfall: 16% above normal;
Monsoon disappeared from late-June to mid-July but situation is much better now.
August rainfall will decide the size of the kharif crop
East vs Northwest India Rice Production*

*East include Odisha, Uttar Pradesh, West Bengal, Assam, Bihar, Chhattisgarh and Jharkhand
Northwest includes Punjab and Haryana

Data source: www.Indiastat.com
Thai Rough Rice Production

Million Tons

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>30</td>
</tr>
<tr>
<td>2015</td>
<td>28</td>
</tr>
</tbody>
</table>
Indonesia

90% of 36 million tons rice crop is planted in Nov-Dec.

Source: GAIN Report, FAS, USDA
Rice Inventory in Indonesia and the Philippines

Data Source: PSD, USDA
Rice in Pakistan

![Graph showing rice production and exports in Pakistan from 2000/01 to 2014/15. The graph displays two bars for each year: one for exports and one for production. The y-axis represents Tons in thousands, ranging from 0 to 8,000. The x-axis lists the years from 2000/01 to 2014/15. The production line is in blue, and the exports bars are in red. The graph indicates variations in production and exports over the years, with some years showing a higher export value compared to others.](image-url)
Rising Carryover Rice Stocks in Pakistan

000 Tons

10/11 11/12 12/13 13/14 14/15

200 400 600 800 1000 1200 1400 1600 1800
Branding of High Quality Rice

- Originates in Thailand
- Meets the quality standards

Issued by the MoC

Thai Jasmine  Viet Jasmine  Indian Basmati rice

Cambodia Rice Federation is in the process of establishing first Cambodian Rice Standards
Pakistan Basmati Rice Industry

• No modern packaging and branding
• Large number of relatively small family-run firms (used to traditional trading practices)
  – Exports most of their rice in bulk
Tilda rice bought by US food group Hain Celestial

Sale marks end of 40 year ownership of the Thakrar family, credited with bringing Basmati rice to the Western World

Hain plans to grow the Tilda brand further using their existing solid distribution platform in the United States, Canada and Europe with Basmati and ready-to-heat rice product offerings," said Mr Simon.
Key Messages

• Given situation:
  – Negatives: Tight global stocks, lower Indian procurement stocks, Thai drought: 3-4 million tons production shortfall.
  – Positive: Thai mortgage stocks

• Going forward:
  – India holds the trump card.
  – August rainfall will be critical for Indian rice production.
  – A good kharif rice crop in India may further weaken price.

• Other possible market outcomes:
  – Drought (flood) in India, Indonesia and the Philippines: strong rebound in price (10-20%)
  – Good Indian crop but drought in Indonesia and the Philippines: Not much impact
The Path to Prosperity Starts with Rice