

### WORLD RICE PRICES CONTINUE TO FALL

WWW.INFOARROZ.ORG - @OSIRIZNEWS

Patricio Méndez del Villar – [patricio.mendez@cirad.fr](mailto:patricio.mendez@cirad.fr)

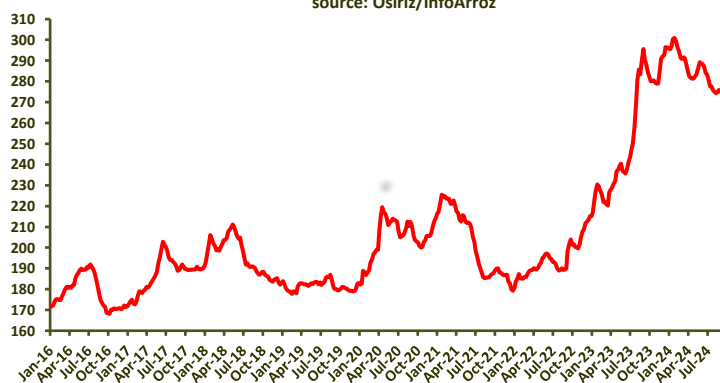
#### Market trends

In August, **world rice prices** fell again by an average of 1.5%. This downward trend began in mid-June, and import demand remains relatively low as traders anticipate a release in the India's export restrictions on non-basmati white rice. However, these measures were still in place as of mid-September, despite domestic pressure on the Indian government. Only Vietnamese prices showed some resilience, thanks to strong demand from the Philippines and Indonesia, the two largest rice importers in the world. In early September, after a brief rise due to a new tender from Indonesia and the strength of Asian currencies against the dollar, world prices fell back to their lowest level in three months, influenced by slowing global demand and, more significantly, by the progressive arrival of new Asian crops. These are expected to be better than anticipated due to good rainfall during the growing season. World trade is projected to decline by 1.5% for the second consecutive year. However, the continuation of the downward trend in global prices could stimulate international trade in 2025, with a forecasted increase of 2.5%.

In August, the OSIRIZ/InfoArroz index (IPO) fell 4.0 points to 275.0 points (base 100=January 2000) from 279.0 points in July. By mid-September, the IPO index continued to decline to 273 points.

#### OSIRIZ/InfoArroz International price Index (IPO)

base 100 = january 2000  
source: Osiriz/InfoArroz



#### World production

According to FAO estimates, **world rice production** in 2023 increased by 1.2% to 800.0 Mt (531.8 Mt milled basis) against 791.5 Mt in 2022. This improvement reflects good harvests in Asia, Africa, and North America. In Pakistan, production rose by 30%, partially offsetting reductions in India, Thailand, and China. In the United States, production rebounded strongly by 37%, back to its 2021 levels. In contrast, production in Mercosur region decreased again due to poor weather conditions. In 2024, news forecast indicates another increase in world production to 808.6 Mt (537.0 Mt milled basis).

#### World trade and global stocks

**World rice trade** in 2023 decreased by 6.2% to 52.9 Mt from 56.4 Mt previously. This reduction is mainly due to lower Chinese imports and increased production in some deficit regions, particularly in Africa, the Middle East, and South Asia. Moreover, India's embargo on its non-basmati white rice exports has further accentuated the decline in global trade. The sharp increase in global prices, largely due to these restrictions, has forced some importing countries to defer and/or reduce their import demand. However, part of this reduction was offset by Thailand and Vietnam, which saw a 15% increase in their external sales in 2023, while India's rice exports, across all categories, fell by 20%. In 2024, global trade is expected to decline again by 1.5% to 52.0 Mt. In contrast, initial projections for 2025 indicate a 2.5% recovery to 53.3 Mt, though still below the record of 56.4 Mt in 2022.

**World rice stocks** ending in 2023 slightly decreased to 194.7 Mt from 195.8 Mt in 2022, representing 37% of global consumption requirements. In 2023, Chinese stocks reportedly decreased to compensate for stagnating production and reduced imports. Nevertheless, Chinese stocks remain abundant, corresponding to 70% of annual domestic consumption and 50% of global stocks. Indian stocks increased by 5%, largely due to the limitation of exports. The reserves of the main exporting countries rose to 57.5 Mt in 2023, slightly below 2022 levels, representing 30% of global stocks. In 2024, global stocks are projected to increase by 1.7%, currently estimated at 198.0 Mt, and could rise again in 2025 to 204.8 Mt.

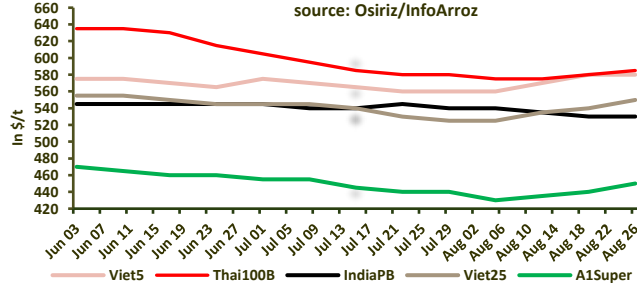
This monthly report is made by Patricio Méndez del Villar, researcher at the Centre de Coopération Internationale en Recherche Agronomique pour le Développement - CIRAD in France ([www.cirad.fr](http://www.cirad.fr)). The contents are available in four languages: French (Osiriz), Spanish (InfoArroz), 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](http://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	252.5	734	552	541	470	547	548	565	654	504	529	485	450
2024*	285.6	785	615	602	540	593	720	594	784	549	565	547	466
JANUARY-MARCH	294.9	774	644	628	541	624	572	623	808	572	598	561	485
APRIL-JUNE	284.7	801	611	597	543	579	547	601	742	547	556	549	463
JULY	279.0	792	589	581	542	566	720	572	800	529	537	532	447
AUGUST	275.0	780	579	570	534	573	720	539	814	514	538	523	439
05-aug-24	275.0	780	575	570	540	560	720	555	815	510	525	540	430
12-aug-24	274.3	780	575	565	535	570	720	535	815	510	535	525	435
19-aug-24	274.9	780	580	570	530	580	720	535	815	515	540	515	440
26-aug-24	275.9	780	585	575	530	580	720	530	810	520	550	510	450

source: Osiriz/InfoArroz; \*January-August

In **India**, parboiled rice price fell by 1.5% in a relatively calm market. Operators are waiting for the relaxation of restrictive export measures on non-basmati white rice. Domestic pressure is intensifying, but the Indian government appears to consider that inflation must fall further before authorizing exports. However, for logistical reasons, considering the high level of public stocks, it is possible that the change in trade policy will occur with the arrival of the main crop, which is expected to be larger than forecast. In the first eight months of the year, Indian exports reached around 11 Mt, marking a 25% shortfall from the same period last year. In August, Indian parboiled rice averaged \$ 534/ton FOB against \$ 542 previously. In early September, the price continued to fall to \$ 525.

**Weekly Evolution of World Rice Prices**  
US\$ Fob Bangkok, Kandla and Ho Chi Minh Ville  
source: Osiriz/InfoArroz



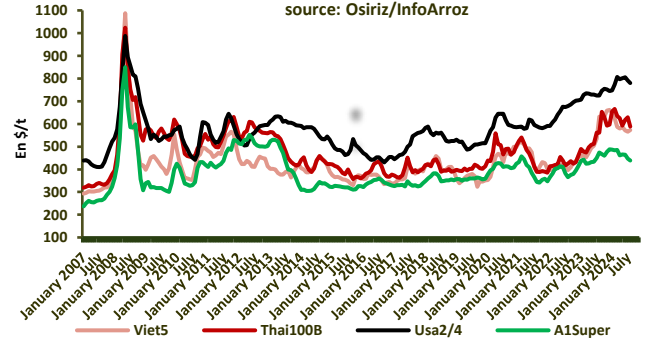
In **Thailand**, prices dropped by 2%, reaching their lowest level since November 2023. Prices tended to recover in mid-August due to the strengthening of the baht against the dollar. However, with the arrival of the new main crops, expected to slightly increase, and anticipating India's return to the export market, Thai prices remain under pressure. Thai exports are progressing well and reached about 6.5 Mt in the first eight months of the year, a 23% increase from the same period last year. In August, Thai 100%B rice averaged \$ 579 against \$ 589 in July. Thai parboiled rice also fell to \$ 570 from \$ 581 previously. Broken rice A1 Super dropped to \$ 439 from \$ 447. By mid-September, Thai prices remained weak.

In **Vietnam**, export prices better withstood the downward trend thanks to the always active demand from the Philippines and significant purchases by Indonesia, its main markets. However, external sales slightly decreased in August, but still showed a 6% increase from the previous year at the same period. In the first eight months of the year, Vietnamese exports reached 6.2 Mt and could rise to 8.2 Mt in 2024. In August, Viet 5% rice was traded at \$ 573 against \$ 566 previously. Viet 25% remained stable at \$ 538. By mid-September, prices were tending to decline due to strong competition and the imminent arrival of new crops on the market.

In **Pakistan**, rice prices fell significantly, especially for Pak 5%, in anticipation of increased new supplies with the harvest that began in mid-August, expected to rise by 30%. Thanks to more competitive prices, Pakistani exporters have seen some success in Indonesian tenders. In the first eight months of the year, Pakistani exports reached around 4.0 Mt, a 72% increase from the same period last year. Overall, Pakistani exports could surpass the historical record of 5 Mt in 2024 against 4.5 Mt in 2023. In August, Pak 5% averaged \$ 550 from \$ 586 in July. By mid-September, prices continued to decline.

In **China**, prolonged heatwaves in the eastern and central regions and flooding in the south may have affected the 2023/2024 rice production. For the 2024/2025 season, forecasts indicate a slight improvement in

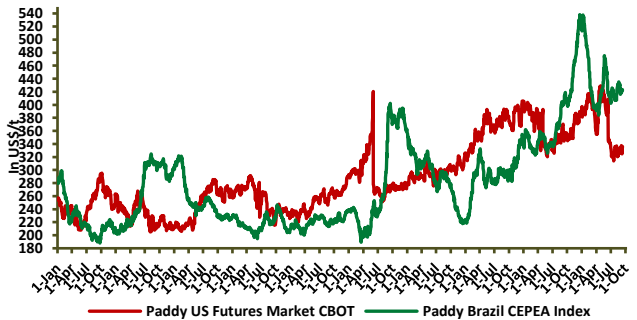
**Monthly Evolution of World Rice Prices**  
US\$ Fob Bangkok, Houston and Ho Chi Minh Ville  
source: Osiriz/InfoArroz



harvests. In 2024, Chinese rice imports are expected to decrease further to 1.9 Mt from 2.7 Mt in 2023, mainly due to reduced consumption.

In the **United States**, rice prices continue to decline in a relatively calm market. New supplies are starting to arrive and expected to be abundant due to another production increase. In August, exports fell again to 187,000 t from 265,000 t in July, but still marked a 45% increase from the same period in 2023. In August, the indicative price of Long Grain 2/4 rice averaged \$ 780/t from \$ 792. By mid-September, the price continued to fall to \$ 765. On the Chicago Board of Trade, paddy rice futures prices recovered slightly by 1% to \$ 329/t from \$ 326 in July. By mid-September, futures prices remained stable at \$ 332.

**Daily price of paddy United States and Brazil**



In **Mercosur**, export prices remained firm due to tight export offers following another production decline. Export supplies are at their lowest level, particularly in Uruguay and Paraguay. The indicative price of Brazilian paddy rice rose by 2% to \$ 424/t from \$ 415 in July. By mid-September, the paddy rice price was trending slightly down to \$ 421.

In **Sub-Saharan Africa**, market supply levels were under strain due to declining stocks. Early harvests have started, and local rice supply is expected to improve gradually with the arrival of new crops during the last quarter of the year. Consumer prices remain relatively high but are expected to ease with new imports of Asian rice. In 2024, harvest prospects are good due to favorable rainfall, and African imports could fall once again, while remaining high, equivalent to 40% of consumption requirements.

	Rice (millions of tons)									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	
<b>Paddy rice</b>								(e)	(p)	
<b>World Production</b>	<b>748.5</b>	<b>752.8</b>	<b>764.6</b>	<b>758.3</b>	<b>780.3</b>	<b>792.6</b>	<b>791.5</b>	<b>801.0</b>	<b>808.6</b>	
China	211.1	212.7	212.2	210.0	211.9	212.8	208.5	206.6	207.8	
India	163.7	168.5	172.6	178.3	184.5	194.2	203.6	202.9	205.0	
Indonesia	54.0	55.3	59.2	67.7	54.6	54.4	54.0	52.5	52.5	
Bangladesh	50.4	54.2	54.5	55.2	55.9	56.8	57.8	58.6	59.3	
Vietnam	42.8	42.8	44.0	43.4	42.7	43.9	42.7	43.5	42.8	
Thailand	32.4	33.7	32.7	28.3	30.3	33.0	33.9	32.6	33.0	
Burma	28.6	29.5	30.4	25.3	25.1	24.9	24.7	28.5	27.9	
Brazil	10.6	12.3	12.1	10.5	11.2	11.8	10.8	10.0	10.0	
Japan	10.7	10.8	10.6	10.5	10.5	10.6	10.4	10.2	10.2	
<b>Milled rice</b>										
<b>World Exports</b>	<b>41.3</b>	<b>48.3</b>	<b>48.5</b>	<b>44.3</b>	<b>45.8</b>	<b>52.1</b>	<b>56.4</b>	<b>52.9</b>	<b>52.0</b>	
India	10.1	12.5	11.6	9.8	14.5	21.4	22.5	17.9	16.0	
Thailand	9.9	11.6	11.1	7.6	5.7	6.1	7.7	8.8	9.0	
Vietnam	5.8	5.9	6.6	7.0	6.2	6.5	7.2	8.3	8.2	
Pakistan	4.0	3.7	3.9	4.5	4.0	3.9	4.6	4.5	5.0	
China	0.5	1.2	2.8	2.6	2.5	2.4	2.2	2.0	2.1	
United States	3.5	3.3	3.1	3.1	3.1	2.9	2.3	2.4	2.7	
Burma	2.8	3.1	2.7	2.5	2.2	1.8	2.2	1.8	2.6	
Brazil	0.6	0.6	1.2	0.8	1.4	1.2	1.4	1.2	0.8	
Others	4.1	6.3	6.4	6.3	6.5	6.1	6.4	6.0	4.9	
<b>World Imports</b>	<b>41.3</b>	<b>48.3</b>	<b>48.5</b>	<b>44.3</b>	<b>45.8</b>	<b>52.1</b>	<b>56.4</b>	<b>52.9</b>	<b>52.0</b>	
China	6.3	5.9	4.5	3.8	3.6	5.1	6.6	2.7	2.0	
Nigeria	2.2	2.7	2.3	2.3	2.0	2.0	2.4	2.1	2.2	
Philippines	0.8	1.2	2.5	2.8	2.5	3.0	3.9	3.7	3.8	
European Union	1.8	2.0	1.9	2.2	2.0	1.9	2.5	2.3	2.4	
Cote d'Ivoire	1.4	1.6	1.7	1.4	1.3	1.8	2.0	1.7	1.8	
Iran	1.1	1.4	1.3	1.4	1.0	0.9	1.3	0.8	1.2	
Saudi Arabia	1.2	1.1	1.2	1.3	1.1	1.2	1.3	1.4	1.4	
Senegal	1.1	1.6	1.4	1.0	1.2	1.5	1.9	1.4	1.4	
Indonesia	1.3	0.3	2.3	0.4	0.5	0.6	0.5	3.5	3.0	
Brazil	0.7	0.8	0.6	0.7	0.9	0.7	0.8	0.9	0.9	
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	0.3	
Eastern Asia	<b>13.4</b>	<b>16.4</b>	<b>17.1</b>	<b>12.8</b>	<b>12.4</b>	<b>16.2</b>	<b>18.3</b>	<b>17.3</b>	<b>16.8</b>	
Africa	<b>14.3</b>	<b>17.1</b>	<b>16.7</b>	<b>16.0</b>	<b>16.2</b>	<b>17.6</b>	<b>18.7</b>	<b>16.9</b>	<b>16.2</b>	
Near & Middle East	<b>7.3</b>	<b>8.4</b>	<b>8.6</b>	<b>8.5</b>	<b>8.6</b>	<b>8.6</b>	<b>8.6</b>	<b>8.6</b>	<b>8.6</b>	
Latin America	<b>4.3</b>	<b>4.4</b>	<b>4.3</b>	<b>4.2</b>	<b>4.9</b>	<b>4.0</b>	<b>4.2</b>	<b>4.4</b>	<b>4.8</b>	
Developed countries	<b>3.9</b>	<b>4.2</b>	<b>4.3</b>	<b>5.0</b>	<b>5.7</b>	<b>5.2</b>	<b>6.3</b>	<b>6.2</b>	<b>6.1</b>	
<b>Stocks ending</b>	<b>173.6</b>	<b>173.9</b>	<b>176.0</b>	<b>186.7</b>	<b>188.4</b>	<b>194.3</b>	<b>195.8</b>	<b>194.7</b>	<b>197.9</b>	
China	98.0	99.0	103.3	105.9	103.9	102.8	100.6	100.1	100.8	
India	18.1	19.5	21.7	28.8	32.7	35.6	41.4	43.2	46.8	
Pakistan	0.9	0.7	0.8	0.6	0.6	1.1	1.0	0.4	0.4	
Thailand	10.7	8.2	5.6	5.4	6.0	8.0	9.9	10.1	9.2	
Vietnam	2.8	3.2	3.1	3.0	3.4	3.1	4.2	3.8	3.5	
United States	1.5	1.5	0.9	1.4	0.9	1.4	1.3	1.0	1.3	

Sources: FAO &amp; USDA, 2024