

# 7th annual The Rice Trade

Grains & Rice Americas  
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**cirad**

LA RECHERCHE AGRONOMIQUE  
POUR LE DÉVELOPPEMENT

## **The Rice Market in Central America & Caribbean**

**Patricio Méndez del Villar**

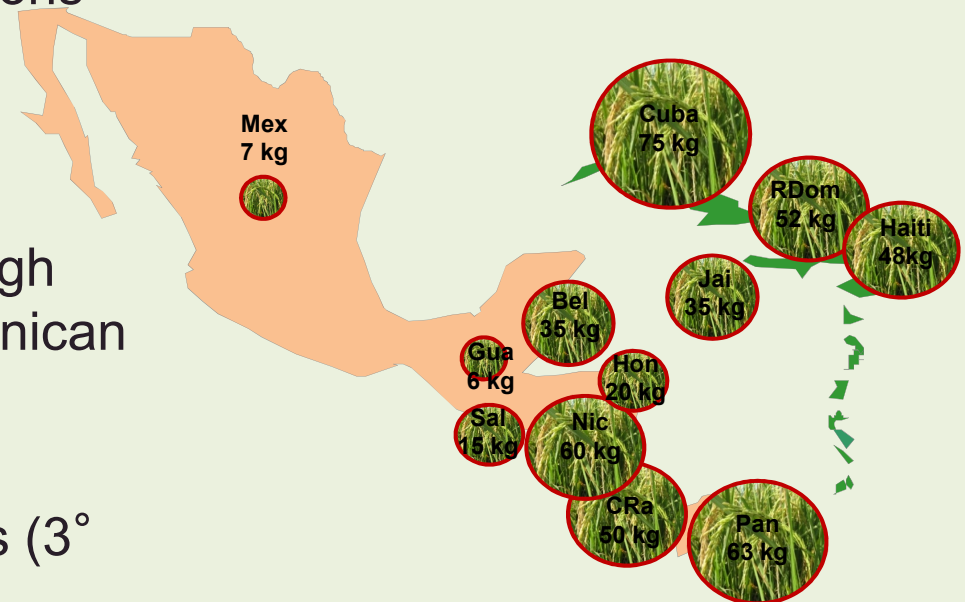
**Centre de Coopération Internationale en Recherche  
Agronomique pour le Développement**



# Rice Economy in Central America & Caribbean (CAC)

- Consumption ~ 4 millions tons per year
- Less 20kg/cap but high variability : 6kg to 75 kg
- Caribbean countries are high consumers as Cuba, Dominican Rep. & Haiti + Panama, Nicaragua, Costa Rica
- Production ~ 2millions tons (3° region in the Americas)
- 1<sup>st</sup> import region in the continent (structural deficit)
- A strategic market for all regional exporters

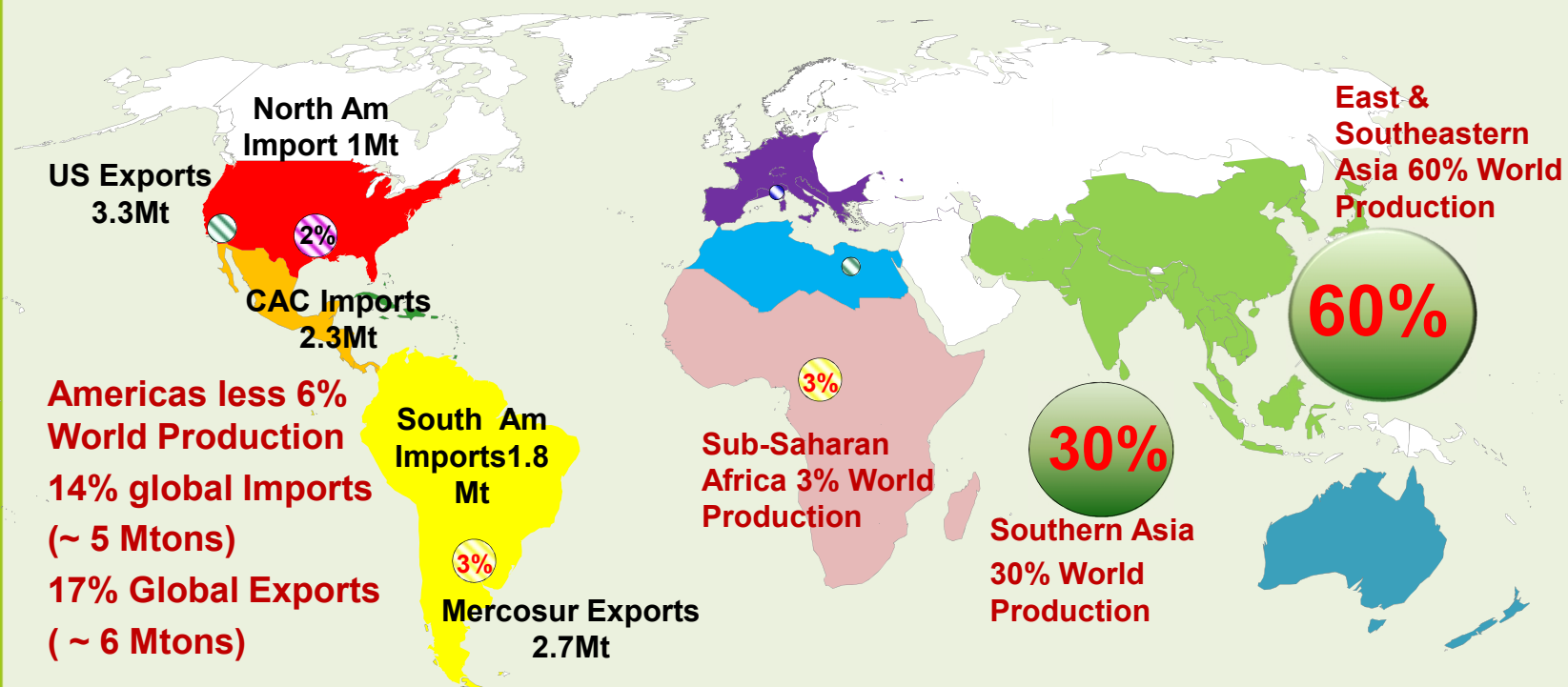
## Consumption per cap



- **Three levels of consumption (FAO data)**
  - **High consumers:** Cuba (75 kg/cap), Panamá (63 kg), Nicaragua (55 kg), Dominican Rep. (52 kg), Costa Rica (50 kg), Haiti (48 kg)
  - **Mid-consumers:** Belize (35 kg), Jamaica (32 kg), Trinidad & Tobago (20 kg), Honduras (20 kg)
  - **Low consumers:** El Salvador (14 kg), Mexico (6 kg), Guatemala (5 kg).

# Americas in Global Rice Market

Sources: FAO & USDA, 2014



- Global Production 503 millions tons (milled basis)
- Asia : 453 Mt (90%)
- **Americas : 26 Mt (6%)**
- Sub-Saharan Africa : 14 Mt (3%)
- Rest of de World : 13 Mt (3%)
- Global Trade 39 millions tons (milled basis)
- Sub-Saharan Africa: Imports 14 Mt (34%)
- Asia: Imports 12 Mt (30%) ; Exports 32Mt (78%)
- Middle East: Imports 7Mt (18%)
- **Americas: Imports 5.1Mt (14%) ; Exports 6 Mt (17%)**
- Rest of de World : Imports 2.6Mt (7%)

# CAC in Americas Rice Economy

Average 2009-2011

## Central America

Production: 0.7 Mt

Consumpt.: 2.0 Mt

**Deficit: 1.3 Mt**

3%

8.5%

## Rest of South America

Production: 7.5 Mt

Consumpt.: 6.3 Mt

**Surplus : 1.2 Mt**

30%

27%

30%

## North America

Production: 6.8 Mt

Consumpt.: 4.7 Mt

**Surplus 2.1 Mt**

19%

## Caribbean

Production: 1.0 Mt

Consumpt.: 2.0 Mt

**Deficit: 1 Mt**

4%

8.5%

33%

37%

## Brazil

Production: 8.4 Mt

Consumpt.: 8.4 Mt

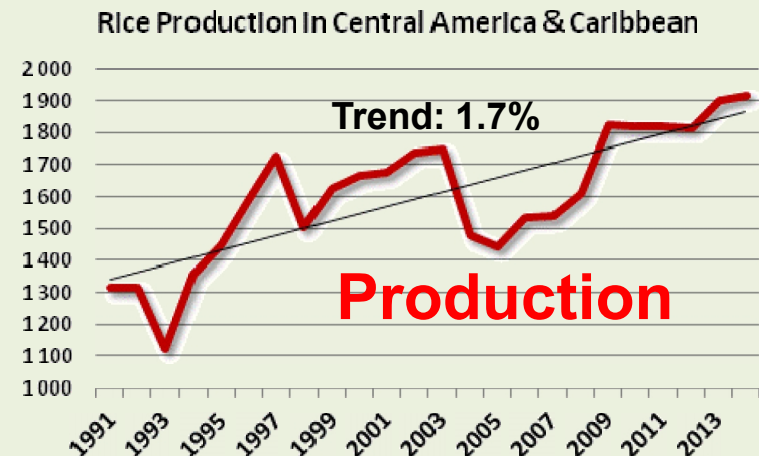
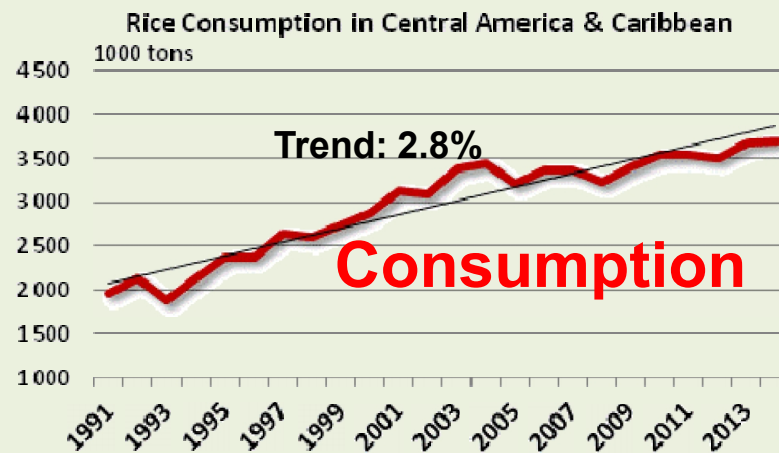
**Self-supplied**

 Production

 Consumption

# Why a deficit region?

- Consumption has almost doubled (2Mt → 3,7Mt) in the past 20 years
- Production growth only 40% (1994-2014)



Source: USDA data, 2014

**Increased Consumption  
... Where?**

# Consumption Trends by regions 1990's → Today

## ■ I. Strong growth

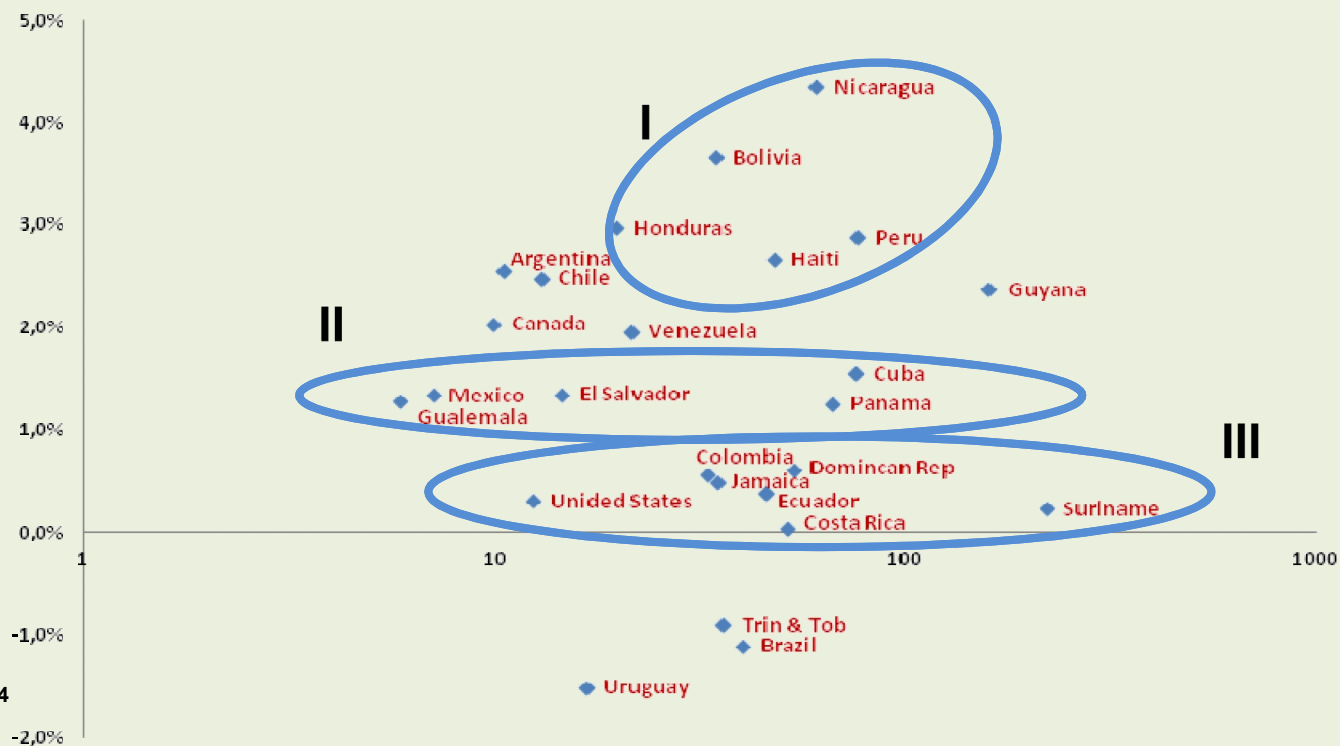
- Nicaragua 23 kg → 60 kg (4,4%) x 3 ; Honduras 10 kg → 20 kg (3%) x 2 and Haiti 25 kg → 48 kg (2,7%) x 2

## ■ II. Med Growth ~ 50% (1,3 to 1,6% per year)

- El Salvador 10 kg → 15 kg (1,4%); Guatemala 4 kg → 6 kg (1,3%); Mexico 5 kg → 7 kg (1,4%); Panama 50 kg → 65 kg (1,3%) and Cuba 55 kg → 75 kg (1,6%)

## ■ III. Stability

- Costa Rica ~ 50 Kg; Jamaica ~ 33 kg; Rep. Dominican ~50 kg

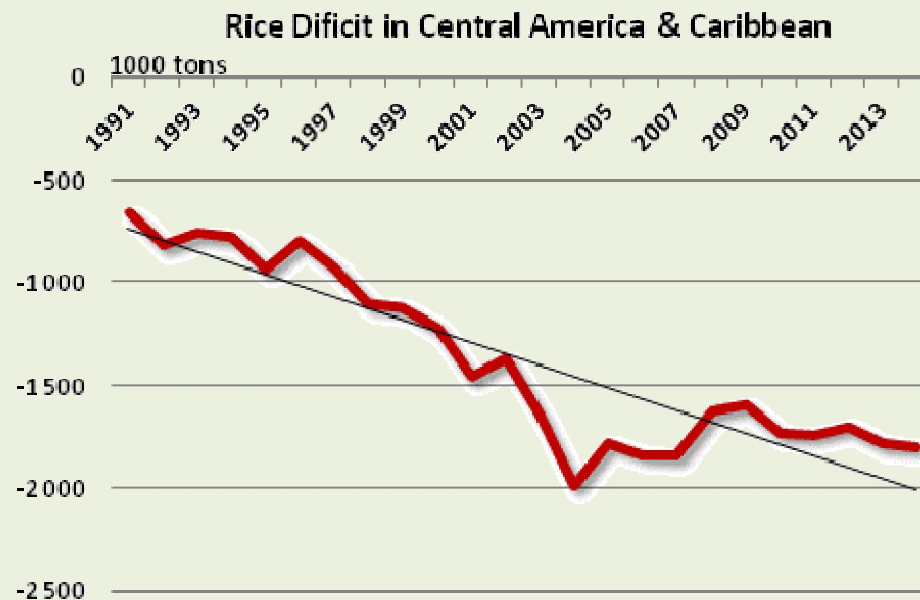


Source: USDA data, 2014

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# Rice Deficit Widens

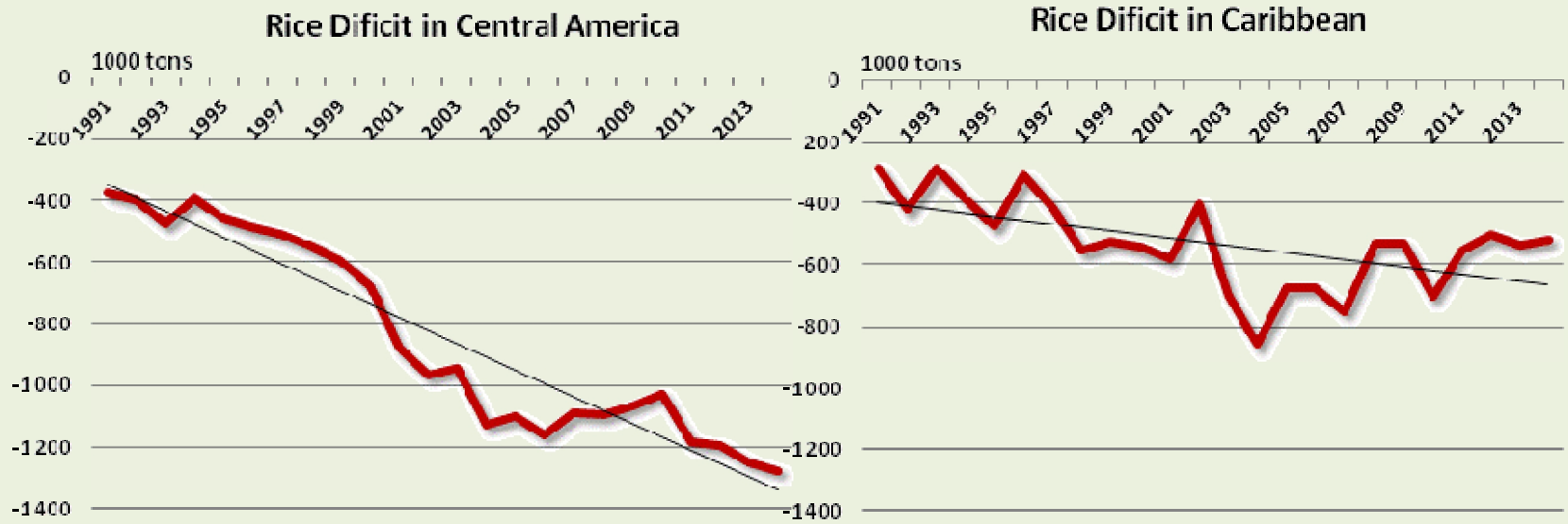
- From 750.000 t early 1990's to ~ 1,7 millions tons in 2014
- Region needs to import twice as much as 20 years ago



Source: USDA data, 2014

# Rice Deficit Widens (II)

- Higher in Central America: 0.4 Mtons → 1,2Mtons (X 3)
- Caribbean: 0.3Mtons → 0.5 Mtons

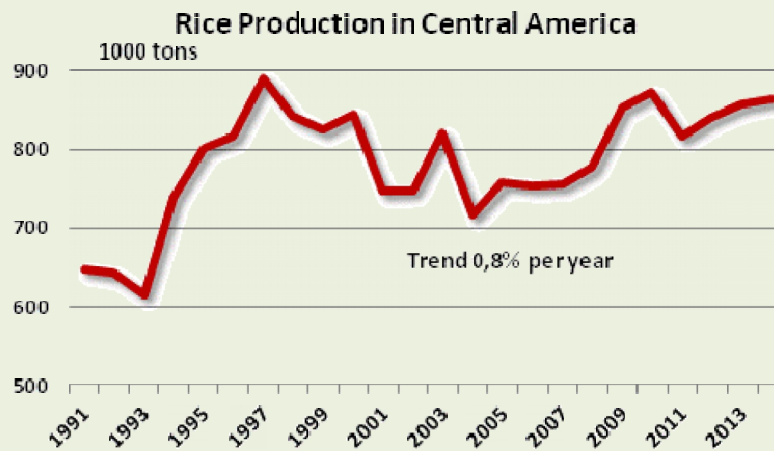


**Low production growth  
in Central America →**

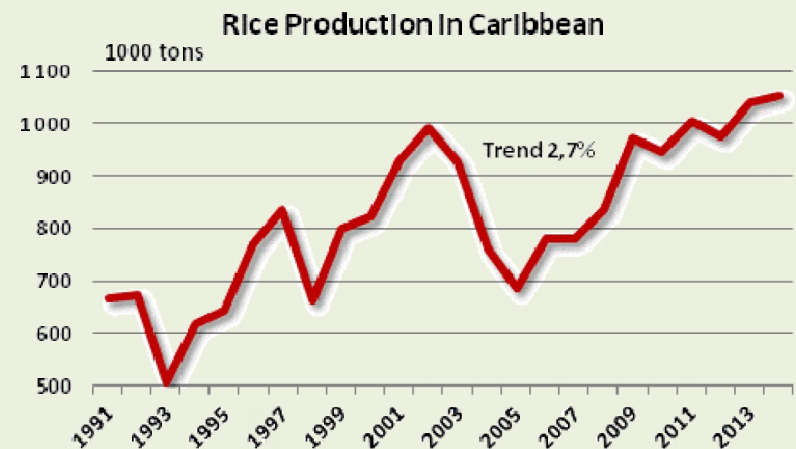


# Rice Production Trends

- Production growth: contrast by region last 20 years (1994-2014) : only **0,8%** per year in Central America

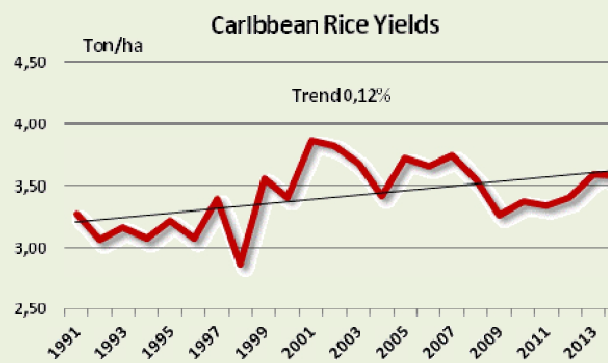
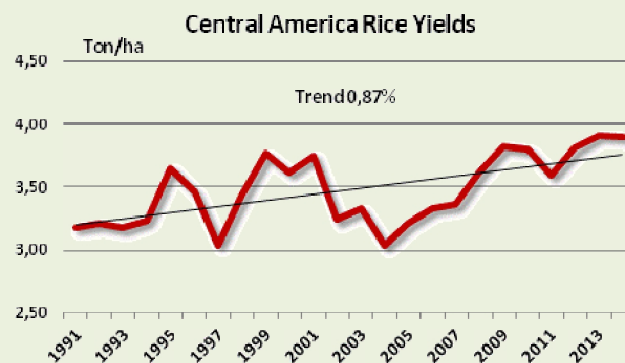
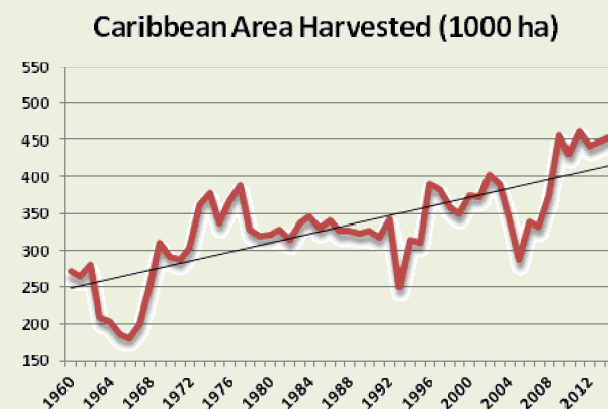
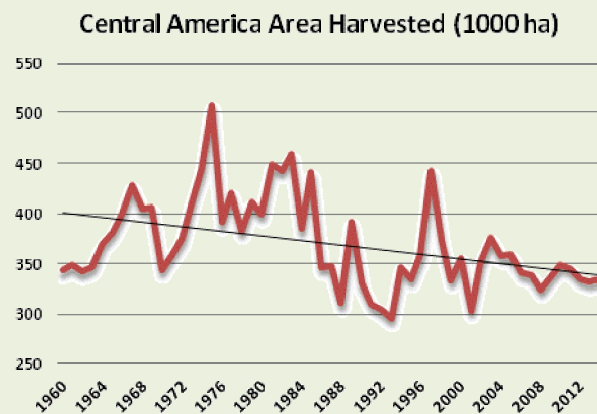


**Because decline rice areas  
in Central America... and  
stagnating yields**

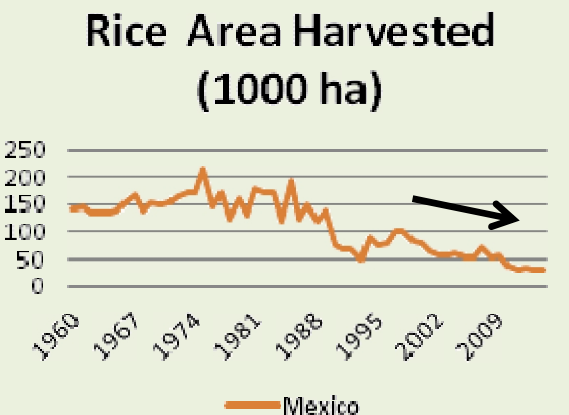
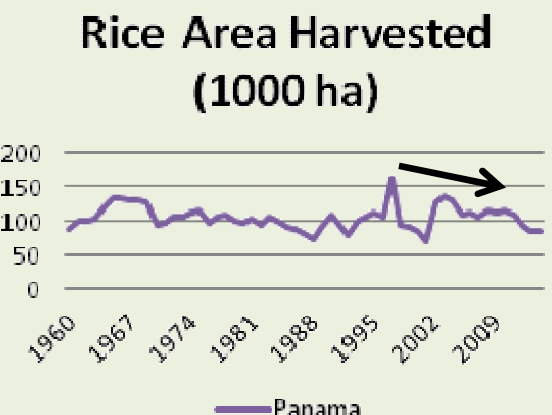
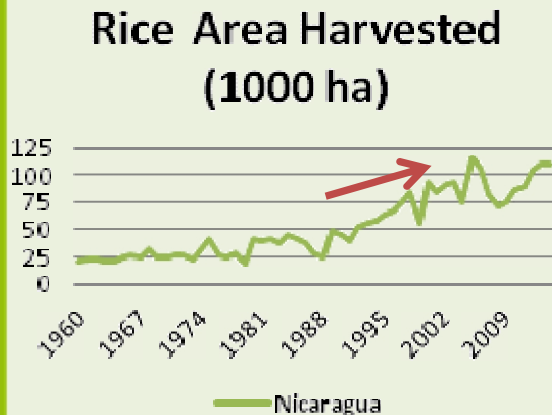
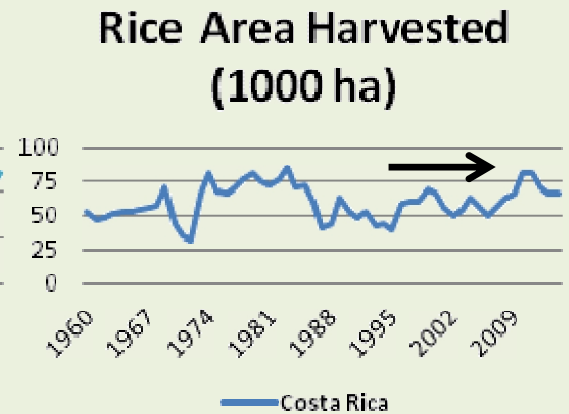
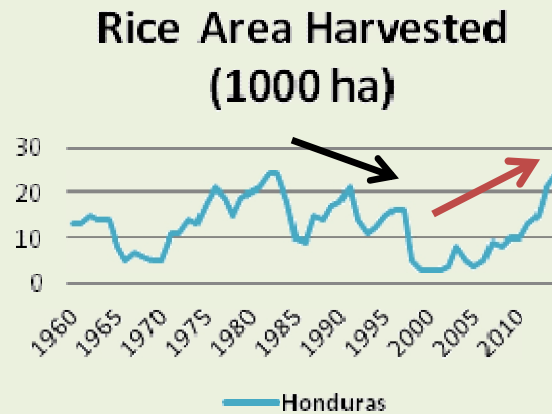
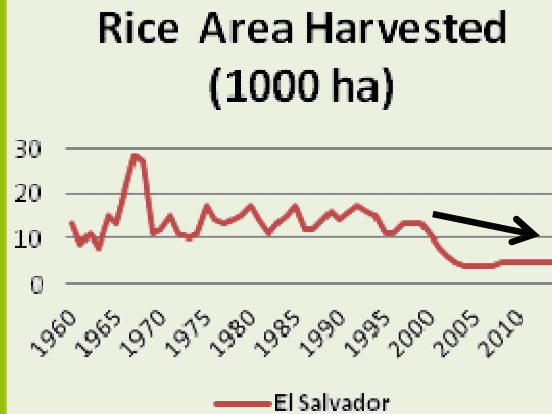


# Trends in Rice Areas & Yields

- Decline areas in Mexico
- Low or stability in other countries (even yields)...
- Increase in Caribbean (areas), but not enough



# Trends in Rice Areas in CA countries



**Uncompetitiveness? →  
See domestic prices...**

# Producer Prices in CAC (2012)

## ■ Less 300 US\$/ton

- Belize (282\$), Mexico (287\$)

## ■ 350\$ - 500\$/ton

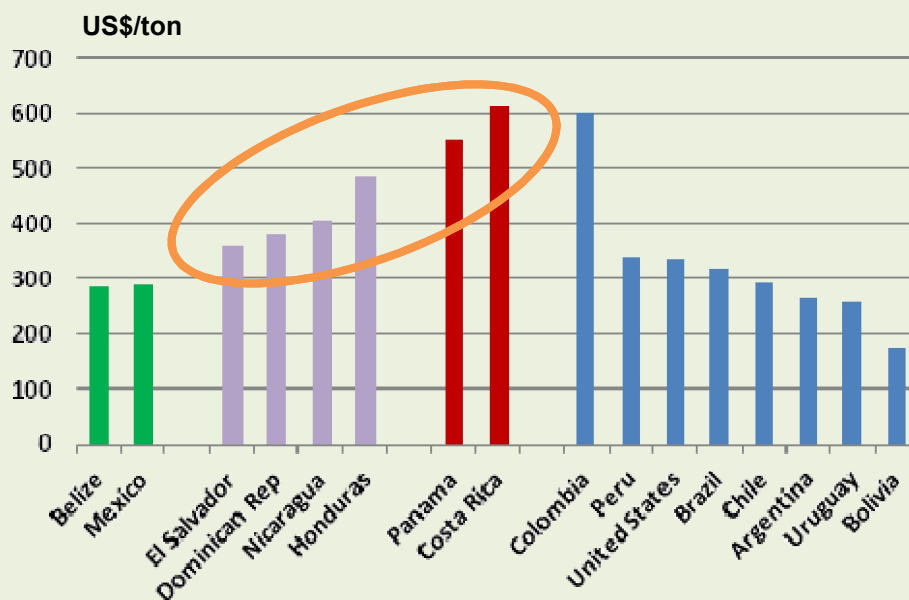
- El Salvador (360\$), Nicaragua (406\$), Honduras (482\$), Dominican Rep (380\$)

## ■ More 500 US\$/ton

- Panamá (552\$)
- Costa Rica (610\$)

## ■ Others countries in Americas

- Argentina (263\$), Bolivia (175\$), Brazil (317\$), Colombia (600\$), Chile (293\$), Peru (337\$)
- USA (332\$), Uruguay (259\$)



Source: FAO, <http://faostat3.fao.org/faostat-gateway/go/to/download/P/PP/E> (August 8th, 2014)

# Domestic Prices (Retail) in CAC May-July 2014

## ■ Less 1US\$/kg

- Dominican Rep. (0,50\$), Mexico (0,90\$), Guatemala (0,95\$)

## ■ 1,10 – 1,15 US\$/kg

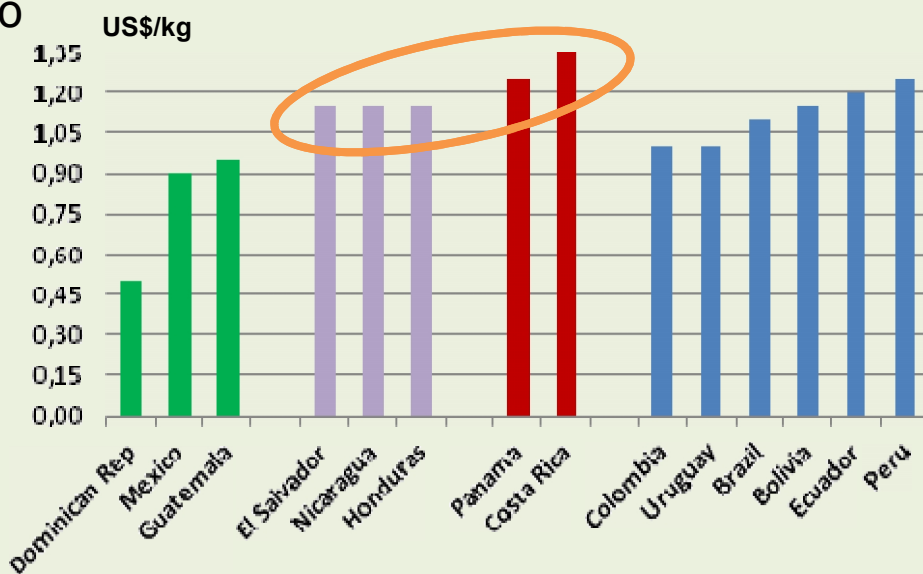
- El Salvador, Haiti, Nicaragua, Honduras (1,15\$),

## ■ More 1,20 US\$/kg

- Panamá (1,25\$)
- Costa Rica (1,35\$)

## ■ Others countries in LAC

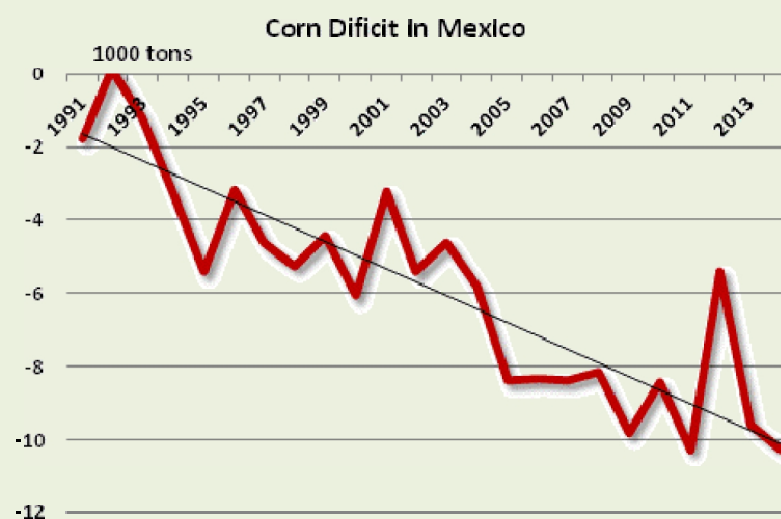
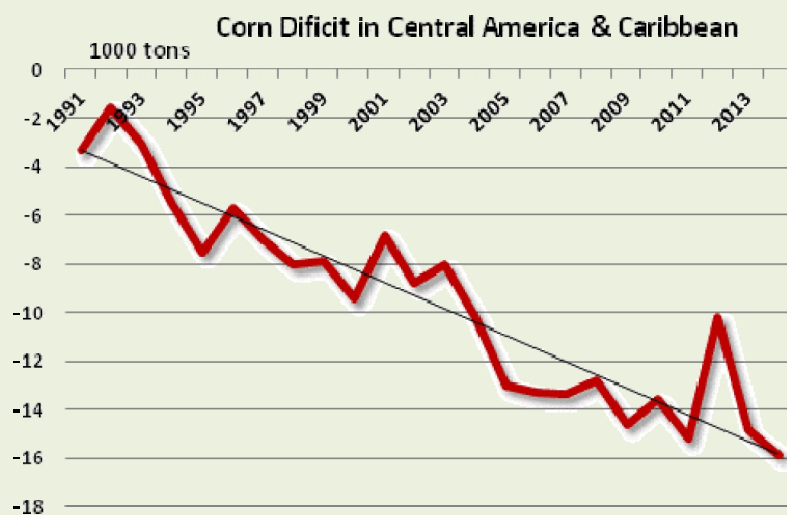
- Colombia & Uruguay (1,00\$),
- Brazil (1,10\$), Bolivia (1,15\$)
- Ecuador (1,20\$), Peru (1,25\$)



Source: FAO, <http://www.fao.org/giews/pricetool/> (August 8th, 2014)

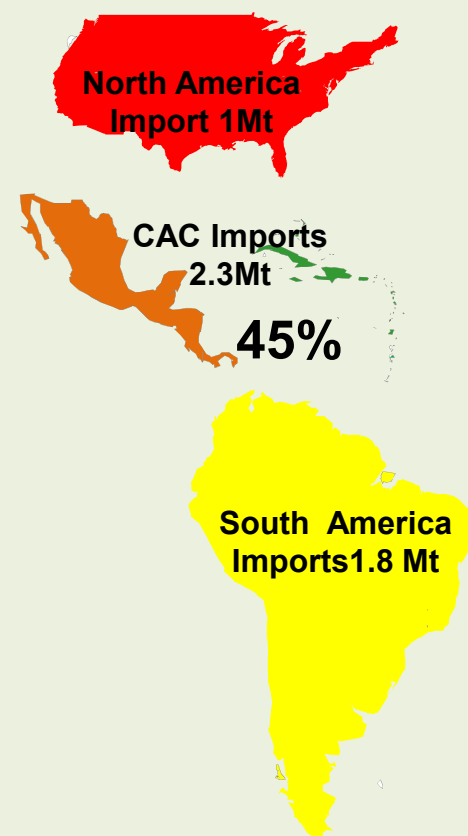
# Case in Mexico

- Rice Deficit in Mexico ~ Corn crops
- CAC: Corn deficit from less 5Mtons early 1990's. More 15 Mtons in 2014
- Mexico from less 2 Mtons Corn deficit. More 10 Mtons today



# CAC: a strategic rice market

- 2.300 Millions ton imports
  - **1,3 Mton for Central American countries**
  - **1 Mton for Caribbean**
- 45% imports in Americas
- **A strategic market for all regional exporters**



# Who are main importers in CAC ?

## ■ Main importers

- Mexico ~750.000 t
- Cuba ~ 400.000 t
- Haiti ~ 400.000 t

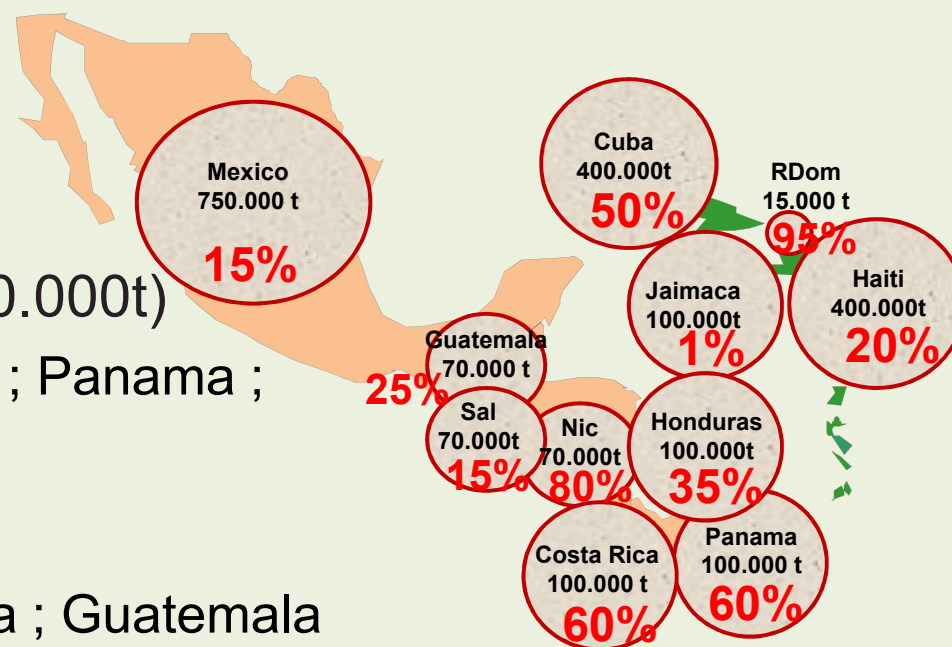
## ■ Others importers (~100.000t)

- Costa Rica ; Honduras ; Panama ;
- Jamaica

## ■ Less 80.000 t :

- El Salvador ; Nicaragua ; Guatemala
- Dominican Rep.

## Main Importers



**% Self-sufficiency**

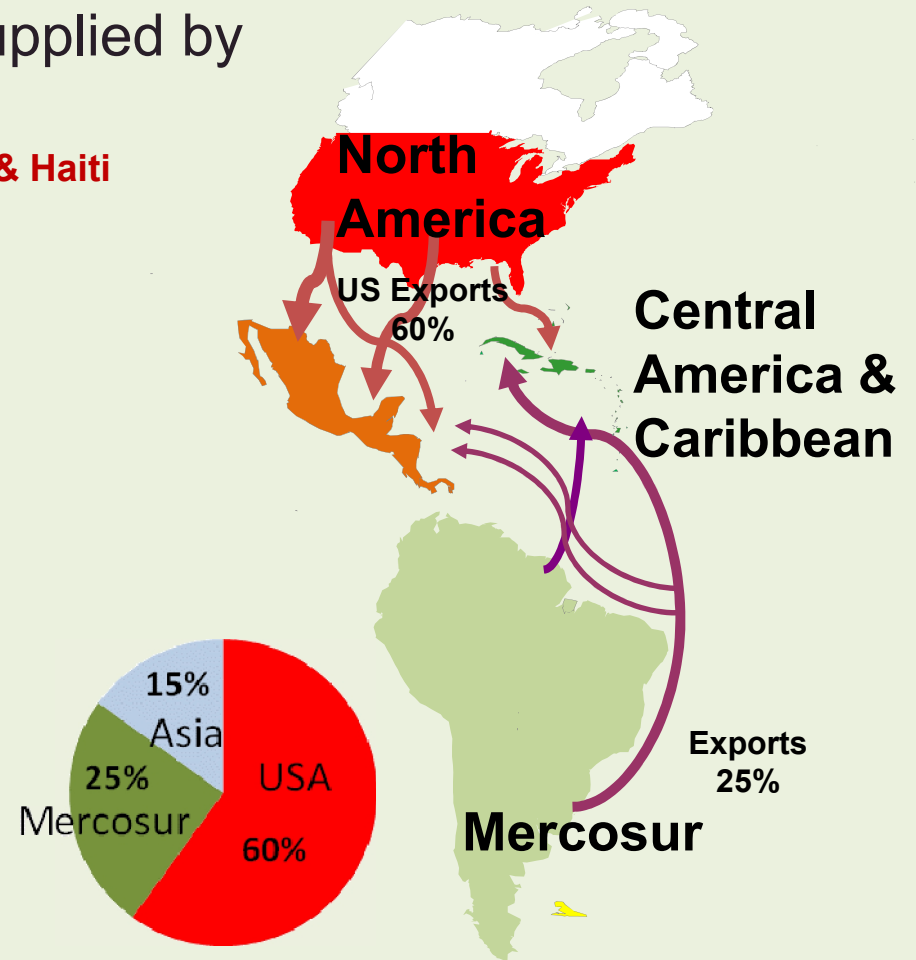


# Who are main suppliers in CAC ?

## A regional market

### ■ Almost rice imports are supplied by regional exporters

- **USA (60%)**: Major supplier of **Mexico & Haiti**
  - Mexico (more 700.000 t / year) ;
  - Haiti (300 to 340.000 t),
  - Honduras (120 to 140.000 t),
  - Guatemala & El Salvador (70 to 80.000 t),
  - Costa Rica (60 to 75.000 t),
  - Panama (40 to 60.000 t),
  - Nicaragua (30 to 40.000 t)
- **Mercosur (25%)**
- **Brazil**
  - **Nicaragua** (~100.000 t since 2013),
  - **Cuba** (~100.000 t),
  - Costa Rica & Panama (~25.000 t),
  - Trinidad & Tobago (~ 10.000 t)
- **Uruguay**
  - Costa Rica (~15.000 t since 2013)
  - Panama (~20.000 t)
- **Asian exporters (15%)**
- **Vietnam:**
  - **Cuba** (~200.000 t)



# Rice import main qualities in CAC

## ■ Paddy

- USA → Mexico
- Brazil (including seeds) → Nicaragua, Costa Rica

## ■ Milled rice not parboiled

- US → CAC
- Brazil → Panamá, Cuba
- Vietnam → Cuba

## ■ Milled rice Parboiled

- Brazil → Panamá, Trinidad & Tobago



# Trends in CAC ...

- **Import's Central America** increased almost **6%** per year during the last 20 year (Caribbean only 2,5%...)
- In **Central America**, **imports could double** in the next 10 years
- Actually largest importers (and probably in the future...) are **Mexico & Haiti**
- **Honduras & Panama** also became important buyers, along with **Costa Rica & Jamaica**, who were already significant importers 20 years ago
- **USA** remain their main supplier (60% total CAC Imports and ~ 45% total US Exports) but.. **Mercosur** is becoming a new actor in CAC region, specially **Brazil** since 2013.
- Mercosur :
  - **Brazil** increased its exports to CAC
  - **Argentina & Uruguay** are small suppliers (rather target Middle East markets)
- And the Asian exporters.... **Vietnam** still a important **Cuba's** supplier

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**Thanks you**  
**for your attention !**

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