

WORLD RICE PRICES AT THEIR LOWEST LEVEL SINCE JUNE 2023

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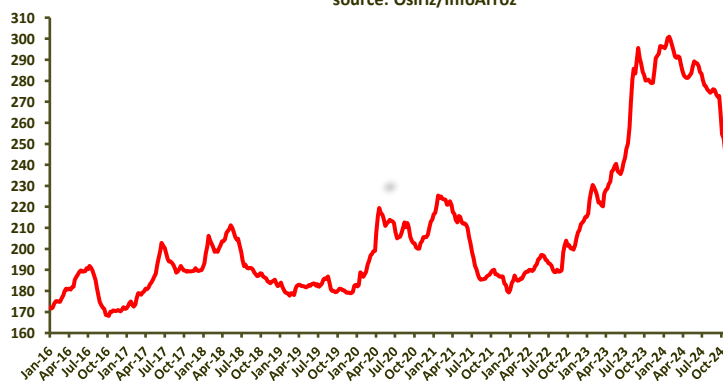
Market trends

In October, **world rice prices** dropped by 10%, reaching their lowest levels since June 2023, prior to India's restrictive export measures. Since India's return to the market in late September, exporters have faced intense pressure. External sales are slowing, while global import demand is rebounding, especially in Southeast Asia, the Middle East, and West Africa, driven by more attractive export offers. India has benefited from this global demand surge due to highly competitive prices following the removal of minimum export prices and export duty exemptions. Additionally, the depreciation of the Indian rupee against the dollar has enhanced the competitiveness of Indian rice. In the Western Hemisphere, price trends have been mixed. The U.S. export market remains active, while demand in Mercosur has declined due to uncompetitive prices. By early November, global prices were showing further weakening, though some stability was evident compared to the high volatility in early October. Global rice exports are expected to increase in the 2024/2025 season, mainly due to improved production in India, up by more than 5% from the previous season. Likewise, global rice consumption is expected to grow by 2% to a record level of 536 Mt, though still 3 Mt below the projected global production in 2025.

In October, the OSIRIZ/InfoArroz Index (IPO) fell significantly by 23.3 points to 248.6 points (base 100=January 2000) from 271.9 points in September. By mid-November, the IPO index had stabilized around 237 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 has risen by 1.2% to 805.3 Mt (534.7 Mt milled basis) up from 791.6 Mt in 2022. This improvement reflects good harvests in Asia, Africa and North America. Pakistan's production rose by 30%, partially offsetting declines in India, Thailand and China. In the United States, production rebounded strongly by 37%, returning to its 2021 level. By contrast, Mercosur production in 2023 declined again in 2023 due to poor weather conditions. Prospects for 2024 are very promising, with record sowing stimulated by high global prices during the first half of the year. Global production could reach a historic peak of 812 Mt (538.9 Mt milled basis), thanks largely to a substantial increase in Indian production. However, China's harvest may be less successful than expected, positioning **India is set to become the world's top rice producer by 2024.**

World trade and global stocks

World rice trade in 2023 fell by 6.2% to 52.9 Mt from 56.4 Mt previously, primarily due to reduced Chinese imports and increased production in some deficit regions, notably Africa, the Middle East, and South Asia. The sharp rise in global prices in 2023 led some importing countries to delay and/or reduce import demand. This trend continued in 2024 with another decrease in global trade of 1.9% to 51.8 Mt. However, the outlook for 2025 indicates a significant rebound in global trade by 4.1% to 54.9 Mt. This forecast could be further revised upward with India's return to the export market, potentially approaching the record trade levels of 2022.

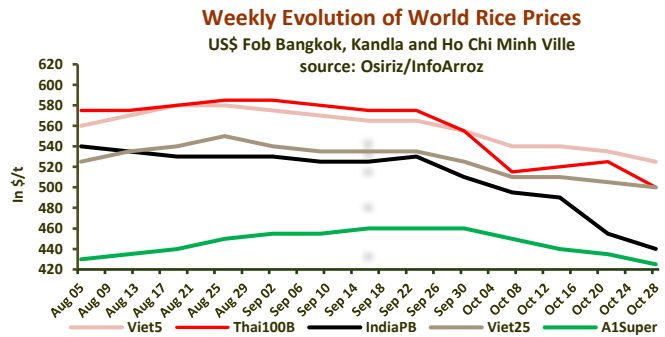
World rice stocks ending in 2023 fell only slightly to 194.1 Mt from 194.5 Mt in 2022, representing 38% of global consumption needs. Chinese stocks are expected to have further declined to compensate for stagnant production and reduced imports. However, China's reserves remain abundant, covering 70% of annual domestic consumption and 50% of global stocks. In India, stocks reportedly increased by 5%, largely due to export restrictions. Stocks in major exporting countries rose to 57.5 Mt in 2023, slightly down from 2022, representing 30% of global stocks. Global stocks are expected to rebound by 2.8% to 199.4 Mt in 2024, and could rise again in 2025, to a record 206.0 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	252.5	734	552	541	470	547	548	565	654	504	529	485	450
2024*	278.6	784	598	587	528	582	677	578	783	537	555	529	461
APRIL-JUNE	284.7	801	611	597	543	579	547	601	742	547	556	549	463
JULY-SEPTEMBER	275.3	781	581	574	533	568	521	545	803	521	536	519	449
AUGUST	271.9	770	574	569	524	566	630	524	796	519	534	502	458
SEPTEMBER	248.6	788	515	515	470	535	630	505	781	480	506	445	438
07-oct-24	254.5	790	515	515	495	540	630	505	790	485	510	470	450
14-oct-24	252.6	790	520	520	490	540	630	505	785	480	510	440	440
21-oct-24	247.4	790	525	525	455	535	630	505	780	485	505	445	435
28-oct-24	239.8	780	500	500	440	525	630	505	770	470	500	425	425

source: Osiriz/InfoArroz; *January-September

In **India**, white and parboiled rice prices fell by 10% after the removal of minimum export prices. Indian prices, well below those of competitors, are attracting Asian and African importers. The reduction in export duty on parboiled rice from 20% to 10% is also expected to boost Indian sales. Additionally, India's supply will be more abundant thanks to record harvest prospects for 2024/2025, up by 5% from the previous season. For the first ten months of the year, Indian exports are estimated to have exceeded 13 Mt, down 18% from the same period last year. In October, Indian white and parboiled rice averaged \$ 470/ton FOB, down from \$ 524. By mid-November, Indian prices ranged from \$ 440 to \$ 450.



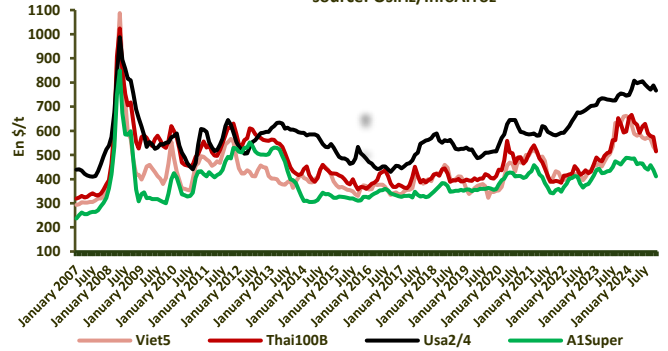
In **Thailand**, prices fell by 5% to 10% in October, depending on the category. Low-quality rice prices resisted downward pressure from India's return to the export market. Despite the baht's appreciation against the dollar, export prices continued to decline due to weaker domestic prices as the new crops hit the market. Thai exports in the first ten months of the year reached 8.3 Mt, up 21% from the same period in 2023. In October, Thai 100%B rice averaged \$ 515, down from \$ 574 in September. Thai parboiled rice also averaged \$ 515, against \$ 569. Broken rice A1 Super dropped by 5% to \$ 438, against \$ 458. By mid-November, Thai prices continued to fall.

In **Vietnam**, export prices dropped by 5% in an active market. The decline remained relatively moderate due to strong demand from Southeast Asia, especially the Philippines, whose imports could exceed 5 Mt for the 2024/2025 season. In the first ten months of the year, Vietnam exported 7.8 Mt, up 10% from the same period last year, and could reach a record 8.9 Mt in 2024. In October, Viet 5% rice traded at \$ 535, down from \$ 566. Viet 25% fell to \$ 506 from \$ 534. By mid-November, prices continued to soften under competitive pressure from India and Thailand.

In **Pakistan**, rice prices dropped by 10% to 11% following the reopening of India's export market. The price gap with India has narrowed to about \$ 10/t. For the first ten months of the year, Pakistan's exports were around 5 Mt, up 72% from the same period last year, and should reach a historic 5.5 Mt in 2024, up from 4.5 Mt in 2023. In October, Pak 5% averaged \$ 479, down from \$ 534 in September. By mid-November, Pakistani prices were stabilizing.

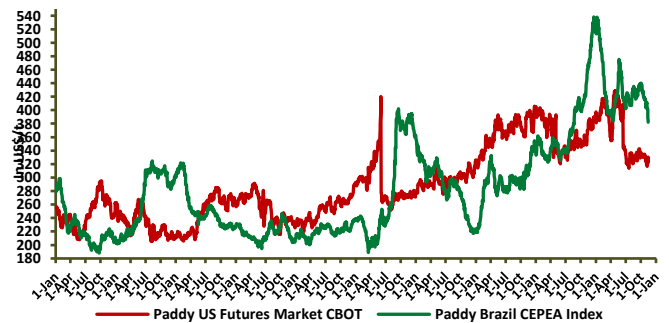
In **China**, production growth may be less than expected due to flooding affecting parts of the country. Additionally, with falling global rice prices, Chinese imports are expected to increase in 2025. China's main suppliers are Vietnam, Myanmar, Pakistan, Thailand, and Cambodia. In 2025, China's rice imports could reach 2 Mt, up from 1.4 Mt in 2024.

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



In the **United States**, unlike Asian markets, rice prices rose by 2.3% from September. Exports were relatively active for the second consecutive month, reaching 290,000 t, up from 275,000 t in September, representing a 45% increase from the same period in 2023. In October, the indicative price for Long Grain 2/4 rice averaged \$ 788/t, up from \$ 770. However, by mid-November, the price had fallen to \$ 760. On the Chicago Board of Trade, paddy rice futures remained stable at \$ 332/t, down slightly from \$ 335 in September. By mid-November, futures prices were trending down, averaging \$ 322.

Daily price of paddy United States and Brazil



In **Mercosur**, export prices fell by 2% in a sluggish market. Although South American markets are relatively disconnected from Asian markets, India's return to global markets may have something to do with this decline. Exportable surpluses are at their lowest, particularly in Uruguay and Paraguay, with only Brazil holding significant export volumes. Brazil's indicative paddy price fell by 1.2% to \$ 424/t, down from \$ 429 in September. By mid-November, paddy prices had fallen sharply by 5% to \$ 398.

In **Sub-Saharan Africa**, regional supply is improving with the arrival of new crops, adding to the strong availability of imported Asian rice. The short-term global trend is for local prices to stabilize and to decline in the medium term. A recovery in imports is expected in 2025 with India's return and falling global prices.

	Rice (millions of tons)									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Paddy rice								(e)	(p)	
World Production	748.5	752.8	764.6	758.3	780.2	792.7	791.6	805.3	811.5	
China	211.1	212.7	212.2	210.0	211.9	212.8	208.5	206.6	207.4	
India	163.7	168.5	172.6	178.3	184.5	194.2	203.6	202.9	209.7	
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	60.6	60.2	
Vietnam	42.8	42.8	44.0	43.4	42.7	43.9	42.7	43.5	43.2	
Thailand	32.4	33.7	32.7	28.3	30.3	33.0	33.9	33.0	33.4	
Burma	28.6	29.5	30.4	25.3	25.1	24.9	24.7	28.7	27.2	
Brazil	10.6	12.3	12.1	10.5	11.2	11.8	10.8	10.0	10.6	
Japan	10.7	10.8	10.6	10.5	10.5	10.6	10.4	10.2	10.2	
Milled rice										
World Exports	41.3	48.3	48.5	44.3	45.8	52.1	56.4	52.9	51.8	
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	
World Imports	41.3	48.3	48.5	44.3	45.8	52.1	56.4	52.9	51.8	
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	13.4	16.4	17.1	12.8	12.4	16.2	18.3	17.3	16.8	
Africa	14.3	17.1	16.7	16.0	16.2	17.6	18.7	16.9	16.2	
Near & Middle East	7.3	8.4	8.6	8.5	8.6	8.6	8.6	8.6	8.6	
Latin America	4.3	4.4	4.3	4.2	4.9	4.0	4.2	4.4	4.8	
Developed countries	3.9	4.2	4.3	5.0	5.7	5.2	6.3	6.2	6.1	
Stocks ending	173.6	173.9	176.0	187.2	187.6	193.8	194.5	194.1	199.4	
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 & USDA, 2024