

TOWARDS A STABILIZATION OF WORLD RICE PRICES

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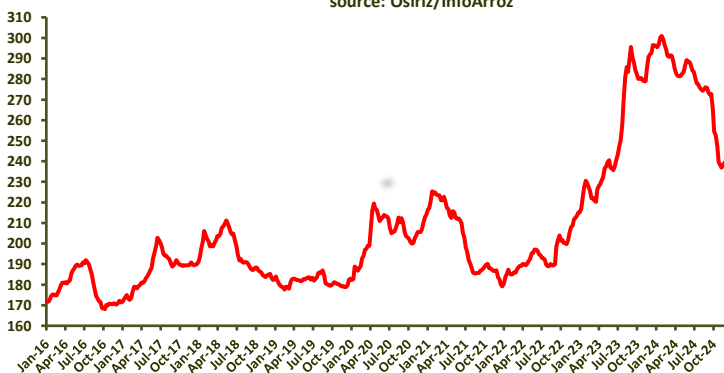
Market trends

In November, **world rice prices** decreased by 4%, but they started to stabilize mid-month. By the end of November, world prices even showed some firmness due to strong demand stimulated by India's return to the export market. With a more abundant supply and prices at their lowest level since June 2023, importers are returning to the market, particularly countries in West Africa and the Middle East. Additionally, world rice trade was significantly revised upward and is expected to reach 55.6 Mt in 2025, either a 3.6% increase over 2024. This growth will be mainly driven by India's return, as the market leader, while the export prospects for Thailand and Vietnam have been revised downward. The depreciation of the Indian rupee against the dollar also helps improve the competitiveness of Indian rice, with prices between \$ 45 and \$ 75/t lower than those of Thai and Vietnamese competitors. Nonetheless, the latter greatly benefited from India's withdrawal during the first ten months of the year and are expected to achieve record export figures in 2024. In the Western Hemisphere, prices also contracted in an active export market, especially in the United States. In Mercosur, the depreciation of national currencies against the dollar is stimulating demand for South American rice. In early December, world prices remained relatively stable, and with the approach of year-end festivities, global demand remains active.

In November, the OSIRIZ/InfoArroz Index (IPO) fell by 10.5 points to 238.1 points (base 100 = January 2000) from 248.6 points in October. By early December, the IPO index remained stable at around 239 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 1.7% to 805.4 Mt (534.8 Mt milled basis) up from 791.6 Mt in 2022. This increase 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. In contrast, Mercosur production fell again in 2023 due to poor weather conditions. Outlook for 2024 is very promising thanks to record planting stimulated by high global prices during the first half of the year. World production could reach a historic peak of 811.5 Mt (538.8 Mt milled basis), mainly as a substantial increase in Indian production. However, China's harvest may be less successful than expected, positioning India as 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. This reduction is mainly due to lower Chinese imports, as well as increased production in some deficit regions, especially in Africa, the Middle East and South Asia. The sharp rise in global prices in 2023 led several importing countries to defer or reduce import demand. However, this trend tends to reverse with India's return to the export market, during the last quarter of 2024, and the significant decline in world prices. World trade is expected to increase by 1.5% to 53.7 Mt. Projections for 2025 confirm this recovery in world trade, pointing to a significant increase of 3.6% to 55.6 Mt. These estimates could be revised upwards in the coming months, approaching the record level of 2022.

World rice stocks ending in 2023 remained stable at 194.3 Mt from 194.6 Mt in 2022, representing 38% of global consumption needs. Chinese stocks would have decreased again 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. By 2024, world stocks are expected to rebound by 2.6% to 199.3 Mt, and could rise again in 2025, to a record 204.5 Mt.

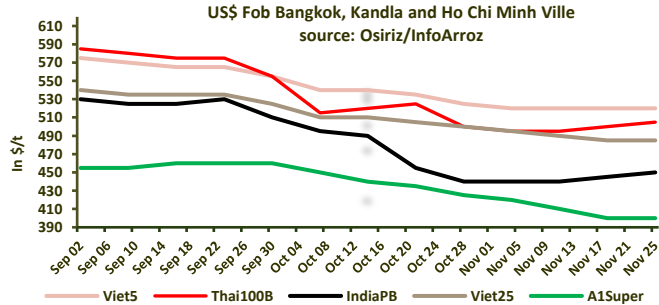
This monthly report is made by Patricio Méndez del Villar, researcher at the Centre de Coopération Internationale en Recherche Agronomique pour le Développement - CIRAD in France (www.cirad.fr). The contents are available in four languages: French (Osiriz), Spanish (InfoArroz), English (InterRice) and 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*	275.6	780	589	579	520	576	672	571	779	528	548	519	455	
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	
OCTOBER	248.6	788	515	515	470	535	630	505	781	480	506	445	438	
NOVEMBER	238.1	763	499	498	444	520	630	503	760	453	489	419	408	
	04-nov-24	238.1	780	495	500	440	520	630	505	765	460	495	420	420
	11-nov-24	236.9	760	495	490	440	520	630	500	765	450	490	420	410
	18-nov-24	237.9	760	500	500	445	520	630	500	765	450	485	415	400
	25-nov-24	239.3	750	505	500	450	520	630	505	745	450	485	420	400

source: Osiriz/InfoArroz; *January-November

In **India**, white rice 5% and parboiled rice prices decreased again by 6% and remain below the offers of Asian competitors. The competitive Indian prices are attracting Asian and African importers. In addition, India is considering removing restrictions on broken rice exports. In October, Indian exports reached 1.64 Mt against 0.97 Mt in September, up by 70%. Indian supply will remain abundant thanks to the prospects of a record crop in 2024/2025, 5% higher compared to the previous season. In total, Indian exports could reach 17 Mt in 2024, nearly of 2023's level. In November, white rice and parboiled prices averaged between \$ 445 and \$ 450/t FOB, against \$ 470 previously. In early December, Indian prices were stable at around \$ 450.

Weekly Evolution of World Rice Prices



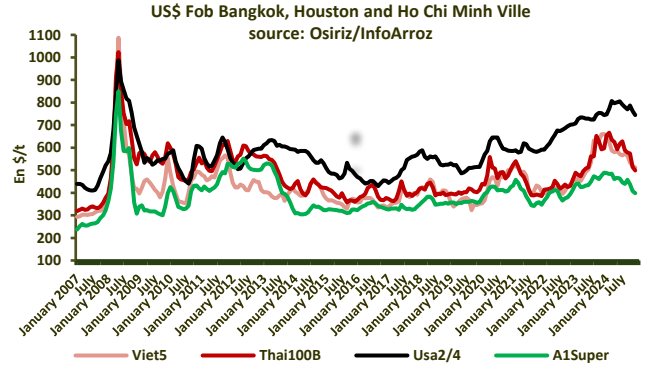
In **Thailand**, prices declined between 4% and 6%, depending on the category. The fall was more pronounced in low-quality rice, while high-quality rice held up better thanks to strong demand from Southeast Asia and the Middle East. During the first eleven months of the year, Thai exports would have reached 9.3 Mt, up by 17% from the same period last year. In November, Thai 100%B rice traded at \$ 499 against \$ 515 in October. Thai parboiled rice was \$ 498 from \$ 515 previously. Broken rice A1 Super fell significantly to \$ 408 against \$ 438. In early December, Thai prices tended to recover on the back of strong external demand.

In **Vietnam**, export prices are down again by 4% in a market that tends to mitigate due to strong competition from India and Thailand, especially in the Philippine and Indonesian markets. During the first eleven months of the year, Vietnam would have exported 8.5 Mt, up by 10% from the same period last year. In 2024, Vietnamese exports could exceed 9 Mt for the first time. In November, Viet5% rice traded at \$ 520 against \$ 535 previously. Viet25% fell to \$ 489 against \$ 506. In early December, prices continued to weaken under pressure from Thai competition.

In **Pakistan**, rice prices decreased by 5% to 6%, approaching Indian prices. However, the market remains under pressure from Indian competition and exports are tending to mitigate. Nevertheless, Pakistani exports could exceed a historical level of 6 Mt, against 4.5 Mt in 2023. In November, Pak5% rice marked \$ 456, against \$ 479 in October. In early December, Pakistani prices were stable.

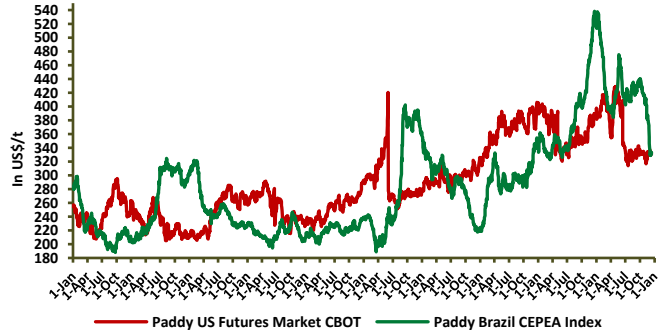
In **China**, production growth may be less than expected due to flooding affecting parts of the country. Additionally, with falling global rice prices, Chinese imports are expected to increase in 2025. China's main suppliers are Vietnam, Myanmar, Pakistan, Thailand, and Cambodia. In 2025, China's rice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

Monthly Evolution of World Rice Prices



In the **United States**, rice prices fell by 3% compared to October in an active foreign market. Exports would have reached 295,000 t against 290,000 t previously, up by 42% from the same period last year. In November, the indicative price for Long Grain 2/4 rice marked \$ 763/t, against \$ 788. In early December, prices remained weak at \$ 745. On the Chicago Board of Trade, paddy rice futures prices were down 1.2% at \$ 328/t from \$ 332 in October. In early December, futures prices were firmer at around \$ 333.

Daily price of paddy United States and Brazil



In **Mercosur**, export prices fell by 2% to 3% in a relatively active market. The appreciation of the dollar against national currencies tends to stimulate regional import demand. However, exportable surpluses are relatively limited. Only Brazil holding significant export volumes. The Brazilian paddy rice indicative price fell significantly by 9.3% to \$ 385/t, against \$ 424 in October. In early December, the paddy price had dropped by a further 14% to \$ 332.

In **sub-Saharan Africa**, regional supply has improved with the arrival of new crops on the market, coupled with the good availability of imported Asian rice stocks. 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 to the export market and falling global prices.

	Rice (millions of tons)									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Paddy rice								(e)	(p)	
World Production	748.3	752.6	764.3	758.1	780.0	792.5	791.6	805.4	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	53.7	
India	10.1	12.5	11.6	9.8	14.5	21.4	22.5	17.9	17.0	
Thailand	9.9	11.6	11.1	7.6	5.7	6.1	7.7	8.8	10.0	
Vietnam	5.8	5.9	6.6	7.0	6.2	6.5	7.2	8.3	9.0	
Pakistan	4.0	3.7	3.9	4.5	4.0	3.9	4.6	4.5	6.0	
China	0.5	1.2	2.8	2.6	2.5	2.4	2.2	2.0	1.1	
United States	3.5	3.3	3.1	3.1	3.1	2.9	2.3	2.4	3.2	
Burma	2.8	3.1	2.7	2.5	2.2	1.8	2.2	1.8	2.3	
Brazil	0.6	0.6	1.2	0.8	1.4	1.2	1.4	1.2	1.0	
Others	4.1	6.3	6.4	6.3	6.5	6.1	6.4	6.0	6.1	
World Imports	41.3	48.3	48.5	44.3	45.8	52.1	56.4	52.9	53.7	
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	194.6	194.3	199.3	
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