

TOWARDS TEN-YEAR LOWS IN WORLD RICE PRICES

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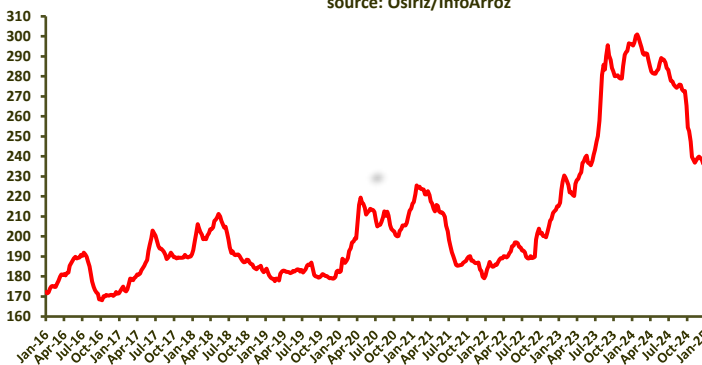
Market trends

In December, **world rice prices** remained relatively stable, but started to decline at the end of the month, and even showed a sharp drop in early January, which continues in mid-January. World price stability was short-lived, between mid-November and mid-December 2024, due to some balance between active import demand and India's return to the export market. However, given that more abundant export supplies are expected and that during the year-end period world trade is traditionally light, importing countries seem to have adopted a cautious wait-and-see attitude, anticipating further price declines. In fact, the downward trend could continue during the first half of the year as a result of the expected contraction of world rice trade in 2025, especially in the major importing countries, with the exception of the Philippines, the world's largest importer, whose import needs should increase again. This trend contrasts with 2024, which was described as a "golden year" for Asian exporters, whose sales reached record levels thanks to the sharp increase in import demand and India's restrictive export measures during three-quarters of the year. However, with India's comeback whose external sales could increase by 30% by 2025, Asian exporters will be significantly impacted, with sales expected at least 20% lower. Meanwhile, global prices could fall to their lowest level in a decade. Consequently, operators are hesitant, waiting for world prices to stabilize before committing to new contracts.

In December, the OSIRIZ/InterRice Index (IPO) remained stable at 237.9 points (base 100 = January 2000), against 238.1 points in November. In early January, the IPO index dropped by 10 points in a few days, and by mid-January, it continued to fall to 222 points, its lowest level since April 2023.

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 1.7% 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. In Pakistan, production rose by 30%, partly offsetting reductions in India, Thailand and China. In the United States, production rebounded strongly by 37%, returning to its 2021 level. In contrast, Mercosur production declined again due to poor weather conditions. In 2024, rice plantings would have increased significantly, boosted by the rise in world prices during the first half of the year. World production would have reached a historic peak of 811.5 Mt (538.8 Mt milled basis), mainly as a substantial improvement in Indian production. However, China's harvest would have been lower than expected. This would make India the world's leading rice producer by 2024.

World trade and global stocks

World rice trade in 2023 fell by 6.2%, reaching 52.9 Mt from 56.3 Mt previously. This reduction was mainly due to a decline in Chinese imports, as well as increased production in some deficit regions, particularly in Africa, the Middle East, and South Asia. The sharp rise in global prices in 2023 led several importing countries to defer or reduce their imports. This trend reversed during the last quarter of 2024 with India's return to the export market, and a significant drop in world prices. The latest estimates indicate that world trade in 2024 increased by 9%, reaching a historic peak of 57.7 Mt. Prospects for 2025 confirm this recovery, but considering the decline in demand from some major importing countries, particularly Indonesia, global trade could reach around 56 Mt—a historically high level, but 1.5% lower than in 2024.

World rice stocks ending 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. In 2025, a further increase is projected to a record level of 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)

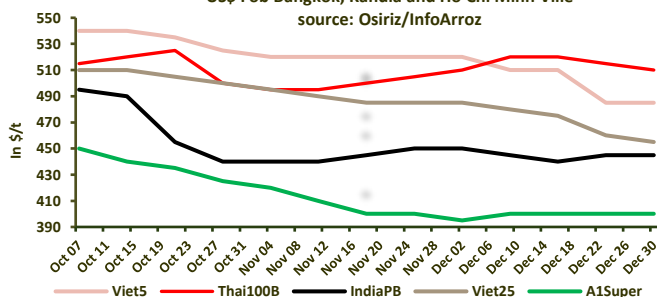
	IPO	Usa 2/4	Thai100B	Thai Parb	Ind Parb	Viet5	Camb5	Burma5	Uru5	Thai25	Viet25	Pak25	A1Super
2023	252.5	734	552	541	470	547	548	565	654	504	529	485	450
2024*	274.1	779	586	576	518	572	671	568	776	525	544	515	452
JULY-SEPTEMBER	275.3	781	581	574	533	568	521	545	803	521	536	519	449
OCTOBER-DECEMBER	275.3	781	581	574	533	568	521	545	803	521	536	519	449
NOVEMBER	238.1	763	499	498	444	520	630	503	760	453	489	419	408
DECEMBER	237.9	746	515	508	445	502	630	498	713	454	471	425	399
02-dec-24	239.9	745	510	505	450	520	630	505	725	450	485	425	395
09-dec-24	239.2	745	520	510	445	510	630	505	720	455	480	425	400
16-dec-24	238.3	745	520	510	440	510	630	500	710	455	475	425	400
23-dec-24	236.4	745	515	510	445	485	630	490	705	455	460	425	400
30-dec-24	235.7	750	510	505	445	485	630	490	705	455	455	425	400

source: Osiriz/InfoArroz; *January-December

In **India**, rice prices have remained fairly stable and have become the world market benchmark. With the return of Indian exports, importers are now focusing on Indian rice, forcing Asian competitors to lower their prices. In total, Indian exports would have reached 17 Mt in 2024, almost equivalent to 2023. In contrast, a jump to 22 Mt is expected in 2025, thanks to abundant supplies accumulated during the period of export restrictions and a sharp increase in production during the 2024/2025 season. In December, white rice and parboiled prices were between \$ 445 and \$ 450/t FOB, stable compared November. By mid-January, Indian prices were trending down by \$ 10/t, trading between \$ 450 and \$ 440.

Weekly Evolution of World Rice Prices

US\$ Fob Bangkok, Kandla and Ho Chi Minh Ville
source: Osiriz/InfoArroz



In **Thailand**, prices rose by 2 to 3%. This increase was during the first half of the month due a strength of the bath against the dollar, while import demand remained relatively stable. However, since mid-December, Thai prices have been under strong pressure, falling by 7% in the last four weeks. In total, Thai exports would have reached almost 10 Mt in 2024, but a significant decline is expected in 2025, to 7.5 Mt, as a result of a strong competition from India and lower global import demand, especially from Indonesia. In December, Thai 100%B rice traded at \$ 515, against \$ 499 in November. Thai parboiled rice was \$ 508, from \$498 previously. In contrast, Broken rice A1 Super fell 2% to \$ 399 against \$ 408. In mid-January, Thai prices continued to weaken due to easing external demand.

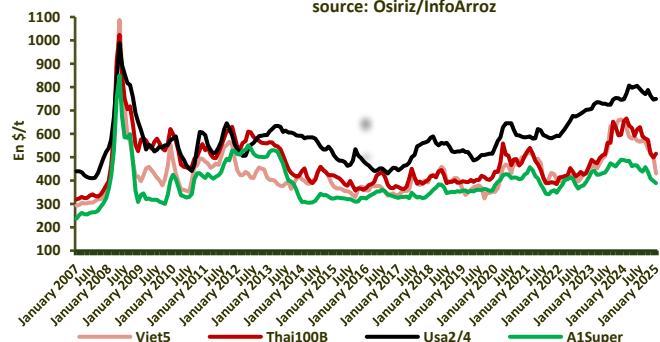
In **Vietnam**, export prices were down another 4% due to a drop-in import demand, mainly from the Philippines and Indonesia, its main customers. December exports were estimated at 590,000 t, from 700,000 t in November. In mid-January, Vietnamese prices were at their lowest level since April 2023, having fallen by almost 20% since mid-December. However, Vietnam took full advantage of India's absence in 2024, at the same time as Thailand and Pakistan. Vietnamese exports would have exceeded 9 Mt for the first time. By contrast, 2025 will be tight with a projected drop to 7.5 Mt. In December, Viet 5% rice traded at \$ 502, against \$ 520 previously. Viet 25% was down to \$ 471, versus \$ 489. In mid-January, prices continued to fall under Thai competition and as a result of easing global demand.

In **Pakistan**, rice prices remain relatively stable and in line with Indian prices. Since mid-December, Pakistani prices have declined by a moderate 1.5%, which contrasts with the sharp drop in Vietnamese prices. Pakistani exports have also benefited from India's restrictive measures, thus surpassing the historical target level of 6 Mt, versus 4.5 Mt in 2023. In December, Pak 5% was stable at around \$ 455. In mid-January, Pakistani prices remained stable.

In **China**, production would have increased by only 0.5% to 207.5 Mt (milled basis). This slight increase, lower than expected, is due to the floods that affected part of the country. With domestic stocks expected to decline, but

Monthly Evolution of World Rice Prices

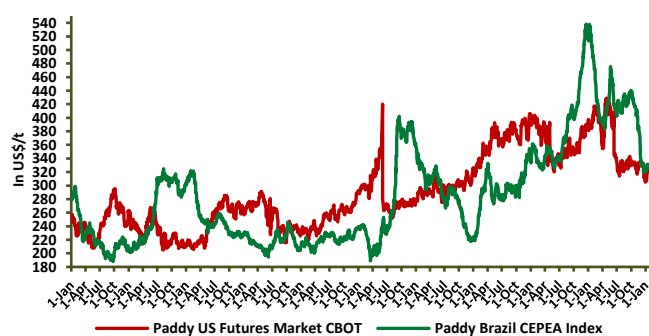
US\$ Fob Bangkok, Houston and Ho Chi Minh Ville
source: Osiriz/InfoArroz



still high, China is likely to increase its demand for imports, also stimulated by the fall in world prices. In 2025, Chinese rice imports could reach around 2 Mt, against 1.4 Mt in 2024.

In the **United States**, rice prices fell by another 2% in a rather quiet foreign market. In December, exports fell to 240,000 t against 290,000 t, but ended the year exporting 3.2 Mt, 33% more than in 2023. Mexico remains its main customer, accounting for a quarter of U.S. exports. In December, the indicative price for Long Grain 2/4 rice marked \$ 746/t, against \$ 763. In mid-January, prices remaining stable at \$ 745. On the Chicago Board of Trade, paddy rice futures prices were down 1.4% at \$ 324/t from \$ 328 in November. In mid-January, futures prices were relatively stable at around \$ 325.

Daily price of paddy United States and Brazil



In **Mercosur**, export prices continued to fall by 7%, largely due to the strength of the dollar against domestic currencies. Therefore, the Brazilian paddy rice indicative price fell significantly by 15% to \$ 327/t, against \$ 285 in November. In mid-January, the paddy rice price was relatively stable at \$ 325.

In **sub-Saharan Africa**, regional supply is tending to improve thanks to the steady progress of new harvests in fairly favorable climatic conditions. In 2025, local market supplies should be satisfactory, although an upturn in imports is anticipated, stimulated by the fall in world 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	57.7	
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	7.7	
World Imports	41.3	48.3	48.5	44.3	45.8	52.1	56.4	52.9	57.7	
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