
RICE: WORLD MARKETS AND TRADE

MONTHLY HIGHLIGHTS:

Thailand Plans to Sell Intervention Stocks: The Commerce Ministry will issue a tender on September 13 to sell over 900,000 tons of stocks from the 2004/05 crop year. This will be the second tranche of stocks sold in the last couple of months. In mid-August the government sold 181,000 tons at near-market prices. These stocks must be exported on the international market.

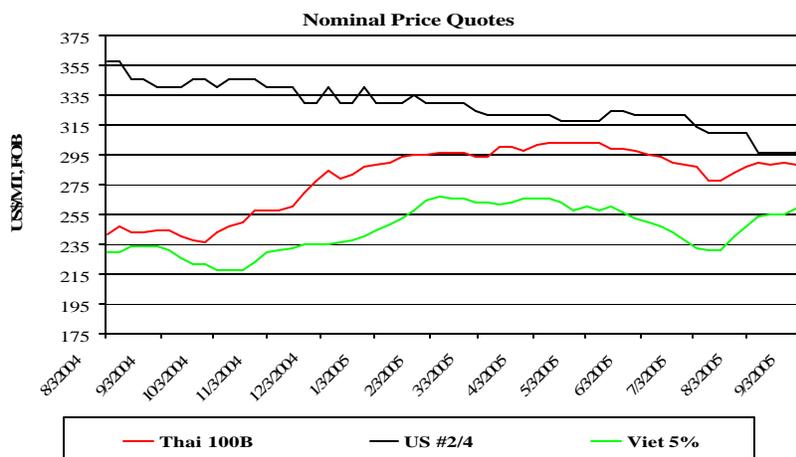
Has Indonesia Decided to Lift the Import Ban? Following weeks of speculation that BULOG (the government import entity) had been negotiating with Vietnam to import rice, the government confirmed that it will authorize up to 250,000 tons of imports. It has not specified origination of these imports, but they will likely be from Vietnam. Government officials have stated that imports will occur if domestic prices reach 3,500 rp/kg and stocks fall below 1.6 million tons. Currently, reports indicate that prices are on the rise but stocks are not yet near the critical trigger level. The trade believes that there are significant on-farm stocks as producers wait for further price increases during the Ramadan holiday.

Katrina's Impact on Gulf Rice Shipments: Nearly all U.S. long grain rice is exported via Gulf ports, which account for about 85% of total U.S. rice exports. Long grain rice exports are projected at 98 million cwt for 2005/06. Approximately 50 percent of U.S. rice exports are to the Western Hemisphere. Trade sources indicate that some rice shipments could be delayed a few weeks, but they do not expect a major impact to sales. The gulf rice harvest is virtually complete; however, heavy export shipments will likely not occur for several weeks yet.

Note: FGIS inspections are voluntary for rice shipments.

PRICES:

International: Thai prices, after jumping \$11 last month, have stagnated. Price quotes for Thai 100B are down \$1 at \$288 per ton, FOB. Prices in Vietnam have also leveled off. Viet 5% quotes are currently up \$2 at \$256 per ton, FOB. India 5% is currently quoted at \$252 per ton, FOB, down \$5 from last month.



Domestic: U.S. prices increased by \$14 over the month, with #2/4 currently quoted at \$310 per ton, FOB. The medium grain market in California is in a state of flux. Prices for U.S. #1/4 milled rice have jumped up to \$100 per ton since last month, with quotes as high as \$450 per ton, FOB.

TRADE CHANGES IN 2006

Selected Importers

- **Nicaragua** is up 20,000 to 120,000 based on consumption growth.
- **Sri Lanka** is reduced 50,000 to 100,000 tons based on production increases in the 2005/06 crop.

TRADE CHANGES IN 2005

Selected Exporters

- **China** is raised 100,000 to 750,000 tons based on increased sales to Africa.
- With strong shipments to its Middle East markets, such as Libya, Syria, and Turkey, **Egypt** is up 150,000 to a record 1.0 million tons.
- Due to finalized food aid donations to North Korea, **South Korea** is increased to 400,000 tons.

Selected Importers

- Once again, **Bangladesh** is raised 50,000 to 800,000 tons due to continued movement overland from India.

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- **Costa Rica** is up 40,000 to 140,000 tons based on pace of exports from the United States.
 - **Jordan** and **Libya** are both raised 25,000 tons due to larger shipments from Egypt.
 - **North Korea** is boosted 100,000 to 600,000 tons due to increased food aid donations.
 - **Sri Lanka** is reduced 50,000 to 100,000 tons due to weaker import demand in light of a larger crop.
 - Sub-Saharan Africa is raised 375,000 to nearly 7.2 million tons due to increased import demand from several markets including **Cote d'Ivoire, Ghana, and Senegal.**