

UPDATE: Global and domestic rice market conditions – 11 August 2016

- South Africa is a net importer of rice¹. The country's rice imports increased by 13% over the past 15 years, from 544 351 tons in 2001 to 615 805 tons in 2015 (see **Chart 1**). In the first quarter of 2016, rice imports reached 194 331 tons, which is 15% lower than corresponding period last year and the lowest quarterly import volume since Q2, 2014.
- In 2015, South Africa predominantly imported rice from Thailand with an import share of 50%, India at 36%, followed by Vietnam at 8%, United States at 2%, and Brazil at 2%, as well as Pakistan with a share of 1%.
- Generally, South African households prefer rice as a substitute for maize meal, which explains the interchange in rice import volumes and domestic white maize consumption (see **Chart 1**).
- Between 2013 and 2015, South Africa's rice imports halved. This can be explained by a number of reasons, in which include the country's re-exports to the region (Africa), as well as the weaker Rand against the US Dollar which made rice imports relatively more expensive. Over the period observed, Thailand's rice price decreased by 20%, from an average US\$489/ton in 2013 to US\$389/ton in 2015. At the same time, the Rand depreciated by 25% against the US Dollar.
- Meanwhile, global rice production has remained fairly stable, with production in 2015/16 season negatively affected by unfavourable weather conditions in major producing regions (see **Chart 2**). However, production is set to recover by 3% year-on-year in 2016/17 season. Key global rice producers are India, Vietnam, Thailand, US and Pakistan, China, Indonesia and Bangladesh.
- Moreover, 2016/17 global rice consumption is expected to increase by 1.2% from the previous season to 489 million tons (see **Chart 2**). In the same season, global ending stocks are expected to fall by 2% from the 2015/16 season to 100 million tons.

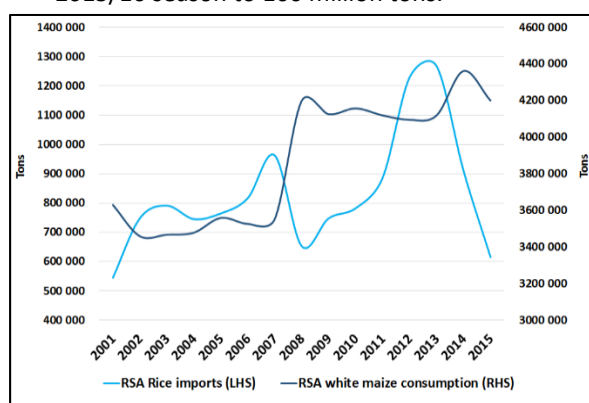


Chart 1: Rice imports and white maize consumption

Source: ITC, SAGIS and Agbiz Research

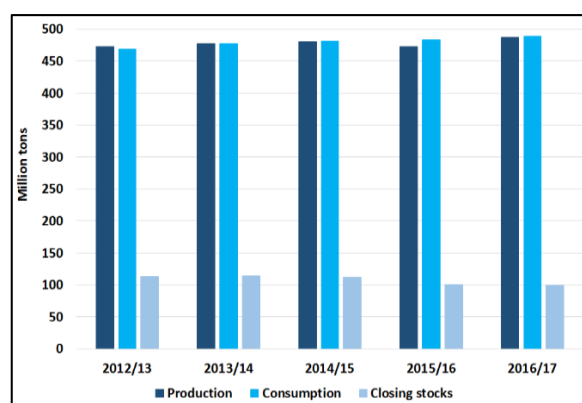


Chart 2: Global rice supply and demand

Source: International Grains Council and Agbiz Research

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¹ This includes paddy rice, brown rice, semi-milled rice and broken rice.

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