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Japan

Grain and Feed

Results of the 1st SBS Rice Tender

2004

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Report Highlights:

U.S. rice, accounting for 2,724 MT, or 13% of the total (20,764 MT) was contracted under the first JFY 04 Simultaneous Buy and Sell (SBS) rice tender on May 21. Despite early speculations that China may not have enough supplies to offer, contracts for Chinese rice reached 13,286 MT, or 64% of the total. Price mark-ups have returned to 2002 levels, reflecting a sharp decline in the price of Japanese domestic rice.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Tokyo [JA1]
[JA]

On May 21, the Ministry of Agriculture, Forestry and Fisheries (MAFF) conducted its first Simultaneous Buy and Sell (SBS) rice tender under the Uruguay Round minimum access commitment for Japan Fiscal Year 2004 (April 2004-March 2005). A total of 20,764 metric tons (MT) of foreign rice was contracted, falling short of the total allocation of 25,000 MT. This reflects the current situation of adequate supplies of domestic rice despite a significantly below-average harvest last fall.

A total of 2,724 MT of U.S. rice was contracted, accounting for 13% of the total. Despite early speculations that China may not have enough supplies to offer, contracts for Chinese rice reached 13,286 MT, or 64% of the total.

Mark-ups that soared in the 3rd and 4th tenders last fiscal year returned to the 2002 level, reflecting a sharp decline in prices for Japanese domestic rice.

Table 1. Total Contracted Amount and Share by Country

	China	U.S.	Thailand	Australia	Vietnam	Pakistan	India	Italy	Total
Quantity (MT)	13,286	2,724	216	4,324	40	139	18	17	20,764
Share	64.0%	13.1%	1.0%	20.8%	0.2%	0.7%	0.1%	0.1%	100%

Table 2. Detailed Results

Country	Type	Quantity		MAFF		Mark-up (\$/MT)
		Applied (MT)	Awarded (MT)	Buy Price (\$/MT)	Sell Price (\$/MT)	
U.S.A.	Short/Brown	210	110	1,226	2,186	960
	Short/Milled	472	252	1,325	2,284	959
	Medium/Milled	60	60	735	1,991	1,256
	Glut./Short/Brown	18	18	1,221	2,221	1,000
	Glut./Short/Milled	1,074	1,020	1,428	2,242	814
	Broken/Milled	3,186	1,264	604	1,124	520
	Total	5,020	2,724			
Italy	Medium/Milled	17	17	1,954	2,788	834
Australia	Short/Brown	42	0			
	Short/Milled	4,190	3,992	1,424	2,384	960
	Broken/Milled	588	332	622	1,245	623
	Total	4,820	4,324			
India	Long/Milled	18	18	2,080	3,416	1,336
Pakistan	Long/Milled	139	139	1,497	2,474	977
Thailand	Long/Milled	294	196	792	2,103	1,311
	Glut./Long/Milled	60	20	690	2,062	1,372
	Total	354	216			
China	Medium/Brown	100	100	1,156	2,632	1,476
	Short/Milled	11,942	10,454	1,085	2,207	1,122
	Glut./Short/Milled	1,900	1,828	1,023	2,168	1,145
	Broken/Milled	964	904	579	1,107	528
	Total	14,906	13,286			
Vietnam	Short/Milled	80	40	796	1,920	1,124
Grand Total		25,354	20,764			

Chart 1. Movements in Buy Price and Sell Price

