



USDA Foreign Agricultural Service

GAIN Report

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Brazil

Grain and Feed

Rice Update

2006

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Report Highlights:

In the coming year, Brazilian rice demand will be met by stable domestic production, a draw-down on government-held stocks, and imports from Uruguay, Argentina, Paraguay and Vietnam.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Unscheduled Report
Brasilia [BR1]
[BR]

Despite a reduction in area planted to rice in the South of Brazil, rice production is not expected to change significantly in the coming year, as farmers in the Central West Region shift land out of soybeans and into cotton or rice, either of which are more profitable at current domestic prices.

Between March 2005 and September 2006, CONAB increased government stocks of rice from a reported 3,200 tons (mt) to approximately 870,000 mt. Nearly 90 percent of those stocks are held in Rio Grande do Sul and Mato Grosso. Since the end of September, CONAB has offered at auctions in various states around the country more than 87,000 mt of rice and will auction another 60,000 mt in Rio Grande do Sul on November 9. Post expects the GOB to continue to offer rice for auction and, if it is considered necessary to keep prices stable, to utilize its transportation subsidy to shift stocks to deficit areas.

Brazil should be able to meet the rest of its domestic needs with imports from Uruguay, Argentina, and Paraguay. All are expected to have good crops in the coming year, unlike in 2002/03, the last time Brazil purchased rice from the United States. Any additional rice will likely come from Vietnam, which is already reported to have sold 100,000 mt of rice to Brazil.

Rice

Brazil							
Rice, Milled							
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		04/2005		04/2006		04/2007	MM/YYYY
Area Harvested	3921	3921	3150	2988	3600	3050	(1000 HA)
Beginning Stocks	1342	1342	1587	1686	587	1009	(1000 MT)
Milled Production	8996	8996	7800	7873	8500	7800	(1000 MT)
Rough Production	13229	13229	11471	11578	12500	11471	(1000 MT)
MILLING RATE (.9999)	6800	6800	6800	6800	6800	6800	(1000 MT)
TOTAL Imports	550	490	600	600	600	750	(1000 MT)
Jan-Dec Imports	547	492	550	550	650	750	(1000 MT)
Jan-Dec Import U.S.	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	10888	10828	9987	10159	9687	9559	(1000 MT)
TOTAL Exports	300	282	250	250	150	125	(1000 MT)
Jan-Dec Exports	272	272	250	250	150	150	(1000 MT)
TOTAL Dom. Consumption	9001	8860	9150	8900	9250	8950	(1000 MT)
Ending Stocks	1587	1686	587	1009	287	484	(1000 MT)
TOTAL DISTRIBUTION	10888	10828	9987	10159	9687	9559	(1000 MT)