

THE WORLD RICE SITUATION*

WORLD rice production in the past decade has shown two very marked upward movements—in 1924-25 and 1930-31—with a less notable rise in 1928-29. In 1931-32, however, there was a pronounced fall in production. The data now available, which cover countries accounting in 1931-32 for about 93 per cent. of the world total excluding China, for which no reliable statistics exist, point to a continuance of the decline in 1932-33 though to a moderate degree, the percentage fall in the past season amounting to about 1 per cent.

WORLD PRODUCTION OF ROUGH RICE (1)

(Million pounds)

Year				
1931-32	...	...	..	194,735
1930-31	...	...	...	201,680
1929-30	...	...	...	188,760
1928-29	...	...	...	192,420
1927-28	...	...	...	184,241
1926-27	...	...	...	185,013
1925-26	...	...	...	185,299
1924-25	...	...	...	186,864
1923-24	...	...	...	172,733

(1) Not including that of China, Turkey and Persia.

In the past season there were considerable increases of production in Burma and in Siam, while that of French Indo-China appears to have remained practically at the same level, the decrease in Cochin-China being balanced by the increase in Annam; in Korea, Formosa, Japan and the Netherlands East Indies there were also increases. On the other hand there was a very great fall in production in India excluding Burma, the effect of this on the total being an indication of the critical part played by the area in determining the variation of world production as a whole. The variation of production in the principal producing countries, with the possible exception of French Indo-China, where the total has in the last few years remained relatively stable, and of Formosa, where there has been a continued increase, has been the reverse of that of the previous season.

Even without taking into account the very large but statistically unknown production of China, 94 per cent. of the world's total in the quinquennium ending 1931-1932 was produced by the countries of monsoon Asia. Similarly, all but a relatively small proportion of the rice entering into international trade also originates in monsoon Asia, the principal surplus-producing countries being Burma (principally Lower Burma) French Indo-China (principally Cochin-China), Siam (almost entirely the five inner circles), Korea and Formosa. Since the two last-named countries supply principally

* By C. J. Robertson, in *International Review of Agriculture*, Year XXIV, No. 6, June, 1933.

Unless otherwise stated all data have been converted to terms of milled rice and derivatives the latter including broken rice and white flour or meal but not bran.

Japan and form with that country practically an economic unit, the supply situation on the world market depends principally on the crops of Burma, French Indo-China and Siam.

THE SITUATION IN THE THREE GREAT SURPLUS PRODUCING COUNTRIES

Despite the continuance of low prices there was in the past season a recovery in the area under padi in Burma, though the maximum of 1930-31 was not regained. Production, which in the past decade has, with the exception of 1931-32, when a reduction in area coincided with a weak monsoon, fluctuated only slightly about the level of 12,000 million pounds, increased by 17 per cent. in the past season.

The increase in area in the past season took place particularly in Lower Burma, from which the bulk of the export is derived. Production in 1932-33 increased, thanks to the increase in area and to favourable weather, and the final estimate of the surplus available for export (that is the exports in the year beginning in the middle of last December) showed an increase of 28 per cent. on the very small figure of the previous season. As total exports in 1932 amounted to 6,326 million pounds while the final estimate of the export surplus from the 1931-32 crop was only 6,048 million pounds, there was presumably no carryover at the beginning of the present export season and domestic stocks were probably greatly reduced in 1932, so that the surplus estimated for the current year may be taken as a maximum; in any case, actual exports during the past ten years have been more often than not smaller than the surpluses as finally estimated.

Exports (mainly of milled rice) from Rangoon to foreign ports and to Indian ports, which together normally make up about three-quarters of the total export of Burma, in the period from 1st January 1933, a date only fifteen days after the beginning of the season, to 27th May, 1933 were respectively 1,535 million and 787 million pounds (against 1,970 million and 393 million in 1932), in all 2,322 million against 2,363 million pounds.

PRODUCTION AND NET EXPORT OF MAJOR EXPORTING COUNTRIES

(Million pounds rice and rice derivatives)

Year	Production			Year	Net export			
	Burma	French Indo-China	Siam		Burma ⁽¹⁾ to foreign countries	to Indian ports	French Indo-China	Siam ⁽²⁾
1932-33	12,142	(3)8,364	(4)8,120	1933	—	—	—	—
1931-32	10,351	9,034	6,781	1932	4,219	2,107	2,624	3,379
1930-31	12,724	9,624	8,044	1931	4,323	3,177	2,101	2,683
1929-30	12,335	9,557	6,458	1930	5,187	2,015	2,465	2,315
1928-29	12,108	9,250	6,470	1929	3,930	2,269	3,229	2,625
1927-28	12,088	10,333	7,607	1928	3,379	2,856	3,904	3,500
1926-27	12,647	9,561	8,710	1927	4,383	2,414	3,630	3,708
1925-26	11,734	9,440	6,989	1926	4,621	1,457	3,506	2,780
1924-25	12,536	9,241	8,236	1925	4,805	2,754	3,277	2,947
1923-24	10,309	8,334	7,332	1924	4,138	1,042	2,646	2,278

(1) The official data are, for rice both in the husk and not in the husk but, as practically all the rice exported is milled, they have been taken to represent milled rice and derivatives.

(2) Exports from Bangkok, which make up 98 per cent. of the value of the total rice exports from Siam. Data refer to the season from 1st December to 30th November.

(3) Not including Cambodia.

(4) Provisional estimate.

Production in French Indo-China has fluctuated in the last decade between 9,000 and 10,000 million pounds. The export originates mainly in Cochin-China, which produces about one-third of the total. Rather less favourable conditions during the period of transplanting outweighed the increase in area in this region. The export surplus from the past crop is considered to be smaller than that from the 1931-32 crop; the most recent estimate places the surplus for export from Saigon during the present year at 2,464 million pounds, 291 million smaller than in 1932. Actual exports in the first three months of 1933 showed an increase of 13 per cent. on those in the corresponding period of 1932.

PRODUCTION IN FRENCH INDO-CHINA

(Million pounds rice and derivatives)

Year	Cochin-China	Cambodia	Tonkin	Annam	Laos
1932-33	3,267	—	2,892	1,642	563
1931-32	3,636	781	2,903	1,183	531
1930-31	2,985	1,446	3,220	1,442	531
1929-30	3,484	1,047	2,990	1,505	531
1928-29	3,405	976	2,849	1,473	547
1927-28	3,876	1,273	3,013	1,543	628
1926-27	3,405	1,448	2,211	1,918	579
1925-26	3,240	1,179	2,923	1,535	563
1924-25	3,565	902	2,521	1,770	483
1923-24	3,314	927	1,801	1,646	644

In Siam, as in Burma and, to a much less extent, in French Indo-China, there was an increase in the area of rice harvested in the past season, amounting in this case to 8.5 per cent. Production increased more than proportionately, namely by 20 per cent. The final estimate of the exportable surplus is 3,942 million pounds, which is over double the small export surplus of the previous season. Actual exports from Bangkok in the first four months of the export season were larger than those in the corresponding period of the last season.

THE SITUATION IN THE MINOR EXPORTING COUNTRIES

While their total production is relatively insignificant as compared with that of the great Asiatic producers, certain of the minor producing countries have special importance on the European and other markets where a demand for high-quality rices exists.

Amongst these producers of high-quality rices the most important are the United States, Italy and Spain.

There was a pronounced fall in production in the United States in 1932-33 and a slight fall in Italy, but in Spain production rose almost to the 1926 maximum. In the last-named country, the increase in production, amounting to 19.5 per cent. with respect to 1931, was due in part to increase in area, which amounted to 8.6 per cent., but still more to favourable growing conditions. In the United States there was a general reduction in area and in the three Southern States (Louisiana, Texas and Arkansas)

unfavourable weather also played a part in reducing production to a figure 14.5 per cent. below that of 1931 and 9.0 per cent. below the average for 1926-30. In Italy a reduction in area under the crop was outweighed by conditions on the whole favourable to growth.

Amongst other minor producers of relative importance Egypt had in the past season a production much above the five year average, thanks to the abundance of irrigation water, which enabled the Government to authorize an area under the crop over seven times the greatly reduced area of the previous year.

PRODUCTION AND NET EXPORT OF MINOR PRODUCING COUNTRIES

(Million pounds rice and derivatives)

Year	Production			Year	Net export		
	Italy	Spain	U.S.A.		Italy	Spain	U.S.A. (1)
1932	1,057	491	1,240	1933	—	—	—
1931	1,066	411	1,449	1932	335	87	270
1930	1,084	482	1,415	1931	327	83	237
1929	1,016	452	1,279	1930	456	125	252
1928	1,120	448	1,368	1929	379	86	376
1927	1,094	478	1,410	1928	413	131	286
1926	1,013	494	1,338	1927	561	118	251
1925	951	472	1,047	1926	430	142 ⁽²⁾	60
1924	838	456	1,015	1925	333	99	68
1923	747	374	1,062	1924	387	116	165

(1) August-July. (2) Net import.

Exports from Italy, which in 1932 showed a decline of 3 per cent. for milled rice and of 11 per cent. for brown rice, declined further in the first quarter of 1933 with respect to the same period of last year by 56 per cent. and 35 per cent. respectively. Exports of rough rice on the other hand, increased about 8½ times in 1932 and over three times in the first quarter of 1933. In Argentina which is the most important foreign market for Italian rice, there is reported to have been a great increase in the area harvested. Exports of milled rice from Spain increased by 4 per cent. in 1932, the decrease in takings of the United Kingdom and Cuba, the two leading markets, have being outweighed by the increase in those of France and certain other countries. Exports of milled rice from the United States, which go principally to the United Kingdom and Germany, declined by 27 per cent. in the first quarter of 1933 with respect to the corresponding period of 1932.

The relatively large export from Egypt in 1932 in comparison with previous years, which may be expected to be repeated this year, irrigation water in that country being again abundant, will accentuate competition in the Levant and the Balkan countries.

Exports from Brazil, the principal South American country with a surplus which are directed chiefly to Argentina, Uruguay and Germany, were in 1932 less than one-third of the record figure of 1931; in the first

three months of 1933 they were 88 per cent. below the figure for the corresponding period last year. British Guiana, which has a growing export surplus, is finding difficulty in its principal market, the British West Indies, owing to the competition of Burma rice.

CONDITIONS IN THE PRINCIPAL RICE-IMPORTING COUNTRIES

Production in India (excluding Burma), which is the world's greatest producer of rice with the possible exception of China, for which no reliable data are available, fluctuates very markedly depending on the character of the monsoon. In 1931-32 production attained the maximum of 71,262 million pounds rice and derivatives, area having been increased by 2.6 per cent. and rainfall having in that year been unusually favourable over the greater part of the area. In 1932-33, however, there was a reduction of 3.3 per cent. in area and rainfall was not so uniformly satisfactory. In Bihar and Orissa, which is normally second to Bengal amongst the provinces of India as a producer, the decline in production was no less than 26.8 per cent. below the level reached in the previous season. The deficit regions of India as a whole derive the bulk of their supplies from Burma. The relative shortage in India this year is reflected in the fact that coast-wise imports from Burma up to 27 May amounted to 787 million pounds against 393 million up to the corresponding date in 1932.

As regards China, information is as usual somewhat vague; it is reported that the 1932-33 crop was above average and probably about the same high level as that of 1930. In this case it may be expected that imports in 1933 will fall from last year's high figure to the low level of 1931. In fact, imports in the first quarter of 1933 were 25 per cent. smaller than those in the corresponding period of 1932.

PRODUCTION IN CERTAIN PROVINCES OF INDIA

(Million pounds rice and derivatives)

Year	All-India excluding Burma ⁽¹⁾	Bengal	Bihar and Orissa	Madras
1932-33	63,699	23,063	10,393	12,957
1931-32	71,262	23,483	14,198	13,322
1930-31	66,935	22,775	13,890	13,300
1929-30	64,686	20,292	14,872	13,001
1928-29	67,420	23,958	13,825	12,857
1927-28	57,764	16,064	10,832	12,576
1926-27	60,782	18,196	11,846	11,732
1925-26	64,311	20,331	12,095	13,167
1924-25	64,337	19,078	14,902	12,143
1923-24	59,453	18,587	12,118	11,210

(1) The all-India statistics exclude the production of the Punjab, the North-West Frontier Province, Ajmer-Marwara, Manpur, Pargana and certain other Indian States, which together produced 2,602 million pounds on the average of the five years ending 1930-31; they also exclude the production of the feudatory states of Bihar and Orissa, for which no reliable data are available.

Amongst the importing countries of the second rank, the Netherlands East Indies have in the past five years taken the first place. Imports into Java and Madura fluctuate considerably from year to year, depending on the size of the domestic crop; production in 1932-33 was larger than that of the previous year and than the average of the five years ending 1930-31. For the Outer Provinces data of production are not available but it is known, that owing to the concentration of the natives on export crops and to the rapid increase of population comparatively few areas have normally a surplus. Imports into these provinces are larger and more uniform than those into Java and Madura. In the first quarter of this year imports into Java and Madura showed a decrease of 19 per cent. with respect of those in the same period of 1932; those into the Outer Provinces during the same period were practically the same as last year, there being an increase of 0.4 per cent. Imports into the Netherlands East Indies has been prohibited for the period from 21 March 1933 to 21 July 1933. This embargo will affect particularly Burma, the chief source of imports, but is also a serious blow to the export trade from Siam and Cochin-China. Rice may, however, be imported into the Sumatra East Coast and Celebes by licence, should these provinces require such imports.

In British Malaya acute distress in the rubber and tin industries still dominates the situation in the peninsula. This has not only greatly reduced the purchasing power in the country, both by a general lowering of the standard of living and by leading to the return to India of much immigrant labour, but has also lead to an increase in the area under rice; not only is there the stimulus to many who formerly earned a living from employment in the major exporting industries to engage in rice cultivation but serious efforts are being made by the Government to encourage rice-growing with a view to lessening dependence on export crops and assuring a domestic supply of foodstuffs. Yields in the past season were very satisfactory in several States and the crop was generally well above the average. Imports, which have shown a downward tendency in the past two years, were 11 per cent. smaller in the first quarter of this year than in the corresponding period of 1932. The decline in imports of Burma rice, which is preferred by the immigrant Indian population, was proportionately greater. The falling off in this market affects principally, however, Siam rices, which take the first place in imports, largely owing to the taste of the Chinese population.

**NET IMPORTS INTO THE PRINCIPAL ASIATIC COUNTRIES
OF DEFICIT OTHER THAN INDIA PROPER AND JAPAN**
(Million pounds rice and derivatives)

Year	China	Netherlands East Indies	British Malaya	Ceylon
1932 ...	2,992	(1) 899	921	1,024
1931 ...	1,427	1,303	1,156	1,006
1930 ...	2,647	1,357	1,329	1,064
1929 ...	1,439	1,592	1,256	1,102
1928 ...	1,683	1,257	1,177	1,093
1927 ...	2,799	1,003	1,228	1,053
1926 ...	2,489	1,292	1,068	1,033
1925 ...	1,679	1,109	907	972
1924 ...	1,759	906	880	884

(1) Not taking into account the relatively small export from the Outer Provinces.

In Ceylon, as in British Malaya, reduced employment on the plantations with consequent lower purchasing-power and stimulus to local rice production, has resulted in the last two or three years in a decline in rice imports. In the first four months of 1933 the decline in the total with respect to the corresponding period of last year was 14 per cent. This reduction has been felt less severely by Burma, the principal source of imports, than by Siam and Cochin-China, the quantities originating in the latter two countries being, however, small in comparison with those from India proper.

SOURCES OF SUPPLY OF JAPAN

(Million pounds rice and derivatives)

Year	Production			Year	Net import of Japan		
	Japan	Korea	Formosa (first crop)		From foreign countries	From Korea	From Formosa
1932-33	19,020	5,079	1,322	1933	—	—	—
1931-32	17,346	4,999	1,143	1932	253	1,960	—
1930-31	21,063	6,041	1,094	1931	(1) 91	2,385	723
1929-30	18,758	4,305	896	1930	287	1,318	497
1928-29	18,945	4,245	1,004	1929	384	1,439	521
1927-28	19,510	5,435	1,022	1928	474	1,816	567
1926-27	17,465	4,807	892	1927	1,278	1,440	642
1925-26	18,804	4,641	997	1926	748	1,459	578
1924-25	17,961	4,163	939	1925	1,671	984	567
1923-24	17,463	4,779	819	1924	1,073	1,132	—

(1) Net export.

Japan rivals India proper in the quantity of its imports but, as it derives less than one-fifth of its total imports from foreign countries—the remainder being taken from its dependencies, Korea and Formosa—its importance on the world market is very small compared with that of India, China, British Malaya, Ceylon and the Netherlands East Indies.

Imports into Japan fluctuates within wide limits and generally inversely to domestic production. In recent years, as production in Korea and Formosa has increased, imports from foreign countries have been reduced. Production in the past season was 9.4 per cent. above that of last year and slightly below the five-year average. Korea, which is the principal source of rice imports, slightly increased its production despite a decrease in area, while in Formosa the first crop which is that exported to Japan, was a very large one, thanks partly to increased area but mainly to favourable weather and to the energetic measures taken by the Government on behalf of rice-growing. Total production in Japan and its dependencies was almost exactly halfway between the very small figure of the previous season and the record high figure of 1930-31. Stocks are reported to be larger than last year. Government control over the rice trade has been strengthened. Taking all these considerations together it may be expected that imports from foreign countries will this year show a further decline. In fact, while gross exports were 2 per cent. larger in the first three months of the year than those in the corresponding period of 1932, net imports were 20 per cent. smaller. Thanks to treaty obligations Siam and the United States are the only foreign countries to retain any considerable share in the import into Japan; the imports from the former are by far the greater of the two and are mainly composed of broken,

THE PRINCIPAL EUROPEAN IMPORTING COUNTRIES

European imports make up roughly one-fifth of the total international trade in rice. By far the greater part of this rice is worked up in the European mills and much of it is re-exported, generally after milling.

Germany, the largest European importer, takes milled rice and unmilled rice in relative proportions varying from year to year, both principally from Burma. In 1932 the imports of unmilled rice, in that year the larger of the two, showed a decline of 4 per cent., while those of milled rice declined by 9 per cent; exports of milled rice, which are very widely distributed, declined by 24 per cent., a still greater decline than that of the previous year. In the first four months of 1933 there was a decrease of 6 per cent. in imports of unmilled rice and an increase of 11 per cent. in those of milled rice with respect to the corresponding period of last year.

The new import duties and monopoly surcharges that came into force last December together constitute a serious blow to the rice import trade. The reduction in the rate of drawback on the customs duty on husked rice imported into Poland for working up may also be mentioned in this connection.

France imports mainly milled rice. In 1932 its imports of whole milled rice, flour and semolina, chiefly from French Indo-China, increased by 33 per cent. and those of brokens by 13 per cent. while those of rough rice, mainly from Italy, decreased by 10 per cent. In the first quarter of 1933 the total imports increased by 24 per cent; a large increase in those from the colonies outweighing a decrease of 30 per cent. in imports from foreign countries.

The Netherlands import of rough rice, which is mainly from Burma and Japan, decreased in 1932 by 51 per cent., while that of milled rice decreased by 47 per cent. Exports, which are very widely distributed, decreased by 10 per cent. in the case of rough rice, which goes mainly to Germany, and by 22 per cent. in that of milled rice, which is sent chiefly to Germany and the United Kingdom. In the first four months of 1933 imports of rough rice increased by 72 per cent. while those of milled, including brokens, increased by 5 per cent.

Imports into the United Kingdom are almost entirely of milled rice, chiefly from Burma, Spain and the United States. That from Burma is generally re-milled, however; there is a large import of brokens from this source. In 1932 there was a further increase of 2 per cent. in the total imports, those from British India (mainly Burma), increased by 13 per cent. but those from Spain and the United States decreased by 9 per cent. and 12 per cent. respectively. In the first five months of 1933 there was a decrease of 12 per cent. in the total imports, of 64 per cent. in those from the United States and of 96 per cent. in those from Spain, while those from British India increased by 32 per cent. The great falling off in foreign imports in the current year is due to the coming into force on 1. January, 1933 of a duty of 1d. per lb. on foreign whole milled and cargo rice. Only the superior quality of certain foreign rices enables them to retain part of the market.

THE GENERAL OUTLOOK

World production appears to have undergone a further decrease in 1932-33. The variation with respect to the previous year in the individual regions of production has, however, been in general the reverse of that in 1931-32. Production in 1932-33 in the three major exporting countries, Burma, French Indo-China and Siam, taken together increased, due mainly to the fact that weather during the season was on the whole more favourable in these countries than in 1931-32, when climatic conditions were bad.

In Japan and its dependencies production also increased, mainly as a consequence in Japan and Korea, too, of a reversal of climatic conditions with respect to those of 1931-32; in China also the bad climatic conditions of 1931-32 appear to have been succeeded in the past season by unusually favourable conditions. In India proper, on the other hand, the rainfall conditions were unsatisfactory in several important areas so that the heavy crop of 1931-32 was followed by a deficitary crop in 1932-33. In Java and probably in other importing countries of the second rank there were larger crops due in great part to increase in area under the influence of the depression in export crops and the efforts of the Governments concerned to stimulate domestic food production.

Amongst the major exporting countries only Burma, therefore, with its strong position in the Indian market, finds itself this year in a more favourable situation. Its new preferential advantage in the United Kingdom is largely offset by a deterioration of the position in continental markets. In China and the Far Eastern market generally the position has, from the point of view of the exporting countries seriously deteriorated; given the above-mentioned position of Burma, however, this will react most severely on French Indo-China and Siam, which normally, and especially in the latter case, market the great bulk of their surplus in the Far East.

As regards the trade in high-quality rices the general conditions of depression in purchasing-power and of increased taxes on the product in European markets lead to the expectation of still more acute competition amongst exporters of these qualities.