

RICE PRODUCTION AND TRADE IN THE EAST*

WORLD rice production, excluding that of China, for which no reliable data exist, rose to a maximum in 1930-31 and underwent successive declines in the two following seasons. In 1933-34, however, there appears to have been a recovery to about the level of 1931-32.

World production of rough rice (1)

(Million pounds).

1933-34 (very approximate) ...	...	194,000
1932-33 ...	...	193,100
1931-32 ...	...	194,670
1930-31 ...	...	199,960
1929-30 ...	...	188,827
1924-25/1928-29 ...	...	186,424

(1) Not including that of China, the U.S.S.R., Persia and certain other countries of smaller production for which statistics are very incomplete or are entirely lacking.

A record crop was harvested in Burma, the world's greatest exporter of rice, and possibly also in French Indo-China, while Siam also had a large crop. Of the Japanese territories both Japan proper and Chosen had larger crops than in 1932-33, the former country attaining a record. India proper, on the other hand, had a crop even smaller than in the previous season.

These countries, together with China, the Netherlands East Indies, the Philippines, British Malaya and Ceylon are responsible for all but a relatively insignificant part of the production of monsoon Asia and therefore for the bulk of world production. Owing to the lack of reliable statistics the production of China remains a very doubtful quantity. The more recent estimates lie between 90,000 and 120,000 million pounds of rough rice. The Netherlands East Indies, though until last year they have had large imports, have a production exceeding that of either French Indo-China or Siam, both in the first rank as exporters. The Philippines with a production of about 4,500 million pounds of rough rice, also import, though generally only relatively small quantities. British Malaya and Ceylon, with much smaller production, follow India and China as importers.

From the point of view of their influence on the rice market the countries of monsoon Asia may accordingly be divided into three groups. In the first place, those producing a surplus that must find an outlet

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largely in competitive markets: Burma, French Indo-China and Siam. Secondly, those producing a surplus that is normally absorbed by a preferential market: Chosen and Taiwan, which find such an outlet in Japan. Thirdly, deficit countries: India, China, Japan, British Malaya, Ceylon, the Netherlands East Indies and the Philippines.

THE SITUATION IN BURMA, FRENCH INDO-CHINA AND SIAM

In Burma the 1933 monsoon was fairly strong in June and the rains were widespread, enabling ploughing to be completed under good conditions. Meanwhile the firmer condition of the market in consequence of the strong demand from India, where the 1932-33 crop had been small, had led to prices being considerably above the level of the corresponding period in 1932. The price of Big Mills Specials at Rangoon, which had been rising since March, when the steady decline that had begun in March 1932 was checked, continued to move upward in May and June, when the land was being prepared. Thus both weather and market conditions were relatively favourable. At the same time the prices of goods bought by the cultivators had also fallen and costs of production were further reduced by the wider adoption of broadcasting in place of transplanting. The area actually planted rose to 12,851,000 acres, so continuing the recovery from the low figure to which it had fallen in 1931-32 but still remaining under the 1929-30 level. Though the area destroyed was larger than in 1932-33, consequent on excessive middle rains in some parts of Lower Burma, most of it was resown or retransplanted and the area actually matured remained larger than in the previous year. The course of the season continued over most of the area to be favourable. In the result production attained the record level of 12,828 million pounds rice and rice products.

Production and net export of major exporting countries

(Million pounds rice and rice derivatives).

Production				Net export			
Year	Burma	French Indo-China	Siam	Year	Burma*	French Indo-China	Siam†
					To Foreign Countries	To Indian Ports	
1933-34	12,828‡	8,574	8,278	1934	—	—	—
1932-33	12,155	9,428	8,460	1933	3665	3302	2698
1931-32	10,351	9,034	6,727	1932	4219	2107	2624
1930-31	12,724	9,624	7,980	1931	4323	3177	2101
1929-30	12,335	9,557	6,407	1930	5187	2015	2465
1928-29	12,108	9,314	6,419	1929	3930	2269	3229
1927-28	12,088	10,333	7,547	1928	3379	2856	3904
1926-27	12,647	9,561	8,641	1927	4383	2414	3630
1925-26	11,734	9,440	6,933	1926	4621	1457	3506
1924-25	12,536	9,241	8,171	1925	4805	2754	3277

* 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.—† 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 1 December to 30 November.—‡ not including Cambodia.

The bulk of the export from French Indo-China originates in Cochin-China. While there was a decrease of 3.6 per cent. in the area under rice, consequent on the difficult economic conditions in the western provinces, the favourable monsoon resulted in a crop larger than the poor one of 1932-33 and practically equivalent to the average of the five years ending 1931-32. The production of Cambodia, which also has a surplus for export, is not known at this date.

In the Union as a whole, even if the crop in Cambodia proves to have been little larger than the very small one of 1931-32, production will be at least as high as in 1932-33.

Production in French Indo-China

(Million pounds rice and derivatives.)

Year	Cochin-China	Cambodia	Tonkin	Annam	Laos
1933-34	3,465	—	2,836	1,690	583
1932-33	3,108	1,225	2,890	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	2,913	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

In Siam the area sown to rice increased but that harvested showed a decline. Production, though smaller than that of the previous season, was, however, one of the largest of recent years.

THE COUNTRIES OF DEFICIT

For the second year in succession India proper (that is, excluding Burma) had a small crop, production in 1933-34 being estimated at only 62,217 million pounds of rice and rice products against 64,761 million in 1932-33 and the maximum production of 71,262 million pounds in 1931-32. In the majority of provinces there was a decline in the rice area. In Bengal, the largest single rice producing province, the decline was especially marked in the case of the winter crop. In various provinces the rains were scanty or badly distributed, while in some insects caused severe damage.

The crop in China, which is of a size comparable with that of India proper but for which statistical information is as usual lacking, is confirmed to have been a large one. According to the Central Agricultural Experimental Station production in eighteen provinces amounted to 117,800 million pounds of rough rice. The large crop, together with the considerable carryover from the very large crop of 1932-33, ensures that China's requirements of rice from outside countries will be relatively small. The Government in Canton is expected to introduce measures for the encouragement of increased production in the South. Given the large crops reported, the improvement in the price of silver is not likely to be reflected in any increase in rice imports.

Amongst the importing countries of the second rank the Netherlands East Indies have until recently taken the lead. Production in Java has, however, tended fairly steadily upward in recent years, due partly, no doubt to the depressed situation of plantation crops, with the liberation of considerable areas for rice growing and simultaneously of much labour formerly employed on the plantations in Java or in the Outer Provinces. The Government has during the past year introduced a series of ordinances to regulate the trade in rice between Java and the Outer Provinces, which as a whole require to import, since the natives of these areas normally give priority of attention to export crops; not only has the import into Java and Madura been restricted, there having been little import since April, 1933, but it has been sought to encourage the movement of the large surpluses existing in Java and in certain parts of the Outer Provinces to those parts of the latter that have a deficit.

*Production and net export to foreign countries of
India (excluding Burma)*

(Million pounds rice and derivatives).

Year	Production				Year	Net export to foreign countries All-India excluding Burma†
	All India excluding Burma*	Bengal	Bihar and Orissa	Madras		
1933-34	62,217	21,391	10,619	12,593	1934	—
1932-33	64,761	23,167	10,394	13,375	1933	387
1931-32	71,262	23,483	14,198	13,322	1932	512
1930-31	66,935	22,775	13,890	13,300	1931	479
1929-30	64,686	20,292	14,872	13,001	1930	626
1928-29	67,420	23,958	13,825	12,857	1929	601
1927-28	57,764	16,064	10,832	12,576	1928	272
1926-27	60,782	18,196	11,846	11,732	1927	581
1925-26	64,311	20,331	12,095	13,167	1926	629
1924-25	64,337	19,078	14,902	12,143	1925	725

* 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 2,553 million pounds on the average of the five years ending 1931-32; they also exclude the production of the Feudatory States of Bihar and Orissa, for which no reliable data are available. In 1933-34 the production of Bhopal was included for the first time.—† Telquel; only a relatively small part consists of rough rice.

With this end in view an increasing number of districts have been closed to the import of foreign rice; a premium was also offered to Java rice to strengthen its competitive power in the Sumatra East Coast. In Java and Madura west monsoon plantings were completed early, the rains having been favourable. In February earliest-planted crops had already

been brought in and had given an outturn above the normal. At the end of February the condition of the standing crops was generally normal to good but in view of the persistent rains they were expected to be rather late.

In British Malaya good crops appear to have been obtained in most parts of the peninsula, only the flood damage in Kelantan and Johore and the delay in harvesting in parts of Perak having seriously affected the crop. The encouragement to rice-growing, through both the general economic depression and the steps taken by the Government to develop local food production by distributing improved varieties of rice and by other measures, is having its effect in reducing import requirements.

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
1933	2,841	752	982	1,003
1932	2,992	890	921	1,024
1931	1,427	1,304	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	1,258	1,177	1,093
1927	2,799	1,003	1,228	1,053
1926	2,489	1,293	1,068	1,033
1925	1,679	1,110	907	972
1924	1,759	907	880	884

Similar considerations are responsible for the decrease in imports into Ceylon, after rising steadily to a maximum in 1929, imports into that country have since shown a downward tendency. In both these countries, however, the recent improvement in the prices of their plantation crops may have a certain countervailing action on the market for rice.

In the Philippines, though local production, principally in Luzon, is increasing, the costs of transport between the islands enable foreign rice to compete in the large consuming area of Negroes.

THE JAPANESE RICE TRADE

Although the imports of Japan are normally on the same scale as those of India they have since 1927 been derived to only a relatively limited extent from foreign countries. Production in Chosen and Taiwan, while showing considerable fluctuations, has been on the upgrade and these countries have to an increasing extent met the deficit in the metropolitan market. Chosen had a record crop in 1933-34, exceeding that of last year by 11 per cent. and the average of the five years ending 1931-32 by 14 per cent. thanks mainly to the ideal weather throughout the season, the successive operations having been carried out in very good time and growth having been favoured by high temperatures and plentiful moisture. In Taiwan on the other hand, both the first and second crops were smaller than the large

ones of 1932-33, though they remained above the average and the production of Japanese varieties was high. Given the very large crop in Japan itself, however, added to the large stocks remaining in that country from previous years, the increasing production in the dependencies has become an embarrassment. The Government finds itself forced to make large appropriations to the Department of Agriculture for the purchase of rice from the growers and its segregation, to control the imports from Chosen and Taiwan and to endeavour to find an outlet on foreign markets for some of the surplus. Imports from foreign countries are admitted only by special licence.

Sources of supply of Japan

(Million pounds rice and derivatives.)

Year	Production			Year	Net import of Japan		
	Japan	Chosen	Taiwan		From Foreign Countries	From Chosen	From Taiwan
1933-34	20,902	5,353	2,468	1934	—	—	—
1932-33	17,816	4,822	2,640	1933	279	2,295	—
1931-32	16,290	4,683	2,207	1932	235	2,181	—
1930-31	19,730	5,659	2,174	1931	*137	2,659	738
1929-30	17,571	4,042	1,912	1930	273	1,470	514
1928-29	17,791	3,986	2,005	1929	395	1,632	554
1927-28	18,322	5,104	2,035	1928	496	2,050	595
1926-27	16,401	4,514	1,833	1927	1,278	1,643	664
1925-26	17,614	4,358	1,901	1926	748	1,661	607
1924-25	16,867	3,900	1,793	1925	1,671	1,148	576

* Net export.

THE GENERAL SITUATION IN THE COMPETITIVE MARKETS

Production in the three major exporting countries depending on the competitive market, that is, in Burma, French Indo-China and Siam, amounted in 1933-34 to 29,680 million pounds of rice and derivatives against 28,818 million in 1932-33, Cambodia being excluded in both cases as its estimate is not available at this date. Fortunately, owing to the poor crop in India proper, Burma, which is responsible for the increase, has found itself in a position to move its surplus, estimated at 7,205 million pounds, relatively easily to that country. Its exports to Indian ports up to 28th April, 1934 from Rangoon and up to 21st April for the other ports amounted to 1,832 million pounds against 1,038 million up to the corresponding date in 1933. Under the stimulus of these conditions movement of the crop from internal positions to Rangoon has been exceptionally rapid this year. Though the more difficult conditions in other markets have led to imports from Japan (in the first months of the season) and to a more considerable extent, from Siam and French Indo-China, the Indian market remains essentially (by proximity alone) a market for Burma, Burma's total exports to other countries up to the same dates amounted to 854 million pounds against 1,192 million in the corresponding period of 1933.

Total exports from French Indo-China in the period January-April were almost the same this year as last. The total exports of Siam in the first five months of the season, from December to April, amounted to 1,570 million pounds against 1,626 million in the corresponding period of last season.

Ceylon which may be said to fall into the same market group as India takes roughly two-thirds of its rice imports from Burma; in the first four months of 1934 its takings from that country were about the same as in the corresponding period of 1933 while Saigon rice had gained some ground.

In the Straits there was a general decrease in takings in the first four months of 1934 as compared with those in the corresponding period of last year. Siam and Burma supply this market, to a certain extent on a non-competitive basis owing to the different tastes of the Chinese and Indian immigrant populations, the former preferring Siam, of which the "field" types takes the lead in the total imports, and the latter the so-called Straits Quality. As in the previous season, the decline has been more marked in the case of Burma rice than in that of Siam rice, a phenomenon probably due to the large repatriation of Indian labourers that has taken place owing to the crisis on the plantations.

Burma, which has been the chief source of imports into the Netherlands East Indies, is seriously affected by the falling off in that market but Siam has also felt the repercussions of the new rice policy in the Netherlands possessions in the decline of its exports in that direction up to the end of April to a relatively insignificant figure.

In the Far Eastern markets, French Indo-China and Siam are in general the leading sources of supply. The importance of the Hongkong and China markets to Burma varies inversely with the demand from the Indian market. With rather large crops in both French Indo-China and Siam and an apparently bumper crop in China, competition between the two former countries in the Far East is intensified and prices were depressed by heavy shipments from both sources as the main bulk of the crop became available for export in February and March. Imports into China in the first months of the year show that French Indo-China has suffered from the decline much more than Siam, a result that may be partly due to exchange factors. Burma's exports to this market were also much smaller than in 1933. Unfortunately for French Indo-China, too, there has been a decline in the takings of France, which next to Hongkong is its principal market; the great increase in the production of Madagascar may also have repercussions on the marketing of Indo-China rice in certain countries. The fact that Japan has superabundant supplies from its own territories aggravates the situation of Siam, which has in recent years, owing to treaty obligations been the only one of the major foreign exporters to retain any considerable position in that market; in the first two months of 1934 Japan's imports from Siam were nil.

THE GENERAL OUTLOOK

World production in 1933-34 appears to have been larger than in the previous year. The most outstanding features of the season are the attainment of a record crop in Burma, the leading exporter and the very small crop in India, the leading importer. These two features may be regarded as neutralizing each other. Thanks to the Indian demand, the Rangoon market remained on the whole firm to mid-May. With the rapid movement of supplies to India in the first months of the season, the major part of the import requirements of that country has probably been met. Japan has also had a record crop and this, together with its large stocks and the abundant supplies available in its overseas dependencies, may lead to a considerable overflow from the territories of this group, which for some years recently could be regarded as somewhat detached from the general currents of world trade in rice. Outside these areas the most significant phenomenon is the reported large supplies in China. Along with the continued growth of production in the importing countries of the second rank, in part through Government encouragement by means of technical assistance and restriction of imports, this makes for acute competition in the marketing of the surpluses of French Indo-China and Siam and of that part of the Burma surplus that must be marketed outside India. The more difficult position of the former two countries seems likely to lead to reduction in prices in the Far Eastern markets and to greater pressure from these countries on the Middle Eastern markets — in the Straits, Ceylon and even in India — where Burma rice normally takes the predominant place. This situation will probably negate any possibility that the larger deficit in India might result in prices reaching any considerably higher level.