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Colombia

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Colombia Rice Update

Report Categories:

Grain and Feed

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Report Highlights:

A return to more normal weather patterns have enabled better than expected rough/paddy rice yields in Colombia. Accordingly, Post is revising upward rough/paddy rice production estimates from 1.7 to 1.9 million metric tons (MMT) in marketing year (MY) 2012/13. After implementation of the U.S.-Colombia Trade Promotion Agreement (CTPA), the United States has taken over almost 100 percent of the licit import market share of rice trade to Colombia. Trade in illegal, contraband rice is recognized by the Government of Colombia (GOC), millers and producers as a significant threat.

General Information:

The end of the excessive rains from the “La Niña” phenomena and a return to more normal weather patterns have enabled improved growing conditions and better than expected rough/paddy rice yields, increasing on average from 4.1 to 4.6 metric tons (MT) per hectare, or about 1.6 to 1.8 MT per acre. As a result, Post is revising upward MY2012/13 Colombian rice production estimates from 1.7 to 1.9 MMT.

Production:

Colombian rough/paddy rice production is expected to increase a marginal 14 thousand metric tons from 1.912 to 1.926 MMT in MY2013/14. In 2013, average grower prices increased 12 percent compared to 2012, stimulating an expansion of rice area planted, primarily in the eastern plains, or *Altillanura*, of Colombia. Better prices, expanded area in production and a return to more normal weather patterns would suggest a more dramatic increase in production in MY2013/14. However, unique climate patterns in the eastern plains, where most of the expansion is occurring, are not typically reflected in the other rice growing regions of Colombia. Rainfall in the eastern plains can be unpredictable with cloud cover negatively impacting photoperiod and reducing yields. Other factors that impact all rice growing regions, such as production inefficiencies, slow technology adoption, high input costs, deficient infrastructure and the mitigation challenges of the lingering *vanamiento* fungus, are conditions that will limit production capabilities into the future.

Trade:

Historically Colombia’s rice imports are primarily from neighboring countries, such as Ecuador, Peru and Venezuela, averaging about 85,000 MT since 2000. The tariff-rate-quota (TRQ) for the United States established under the CTPA was 82,555 MT in 2013 and will be fully subscribed with some imports out of quota. Data on rice imports demonstrate that the U.S. market share has taken over almost 100 percent of licit rice trade to Colombia. Illicit trade in agricultural products, particularly rice, is a serious concern of the GOC. To address the issue, the GOC established a special office to combat contraband trade and programs are in place to apprehend illegal products and detain those involved in smuggling. In a recent conference held by the Colombian Rice Industry Association, the head of the special office to address smuggling presented data on captures of illicit agricultural trade, including about 1,400 MT of contraband rice from Ecuador and Venezuela. Total illicit rice imports are estimated to be around 300,000 MT annually.

Production, Supply and Demand Data Statistics :

Rice, Milled Colombia	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Apr 2011		Market Year Begin: Apr 2012		Market Year Begin: May 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	450	450	410	410	410	450
Beginning Stocks	45	45	20	28	46	203
Milled Production	1,250	1,258	1,326	1,300	1,360	1,310
Rough Production	1,838	1,850	1,950	1,912	2,000	1,926
Milling Rate (.9999)	6,800	6,800	6,800	6,800	6,800	6,800
MY Imports	250	250	300	400	275	350
TY Imports	330	330	250	400	275	350
TY Imp. from U.S.	90	90	0	90	0	90
Total Supply	1,545	1,553	1,646	1,728	1,681	1,863

MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Consumption and Residual	1,525	1,525	1,600	1,525	1,625	1,525
Ending Stocks	20	28	46	203	56	338
Total Distribution	1,545	1,553	1,646	1,728	1,681	1,863
1000 HA, 1000 MT, MT/HA						