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Rice Production Grows, but Not Everywhere

This is the VOA Special English Agriculture Report.

The United Nations is expecting the world to harvest more rice in twenty twelve than was produced last year. The U.N.'s Food and Agriculture Organization says the world rice harvest should rise almost two percent, mainly because of increased production in Asia. Large gains are expected for Bangladesh, Burma, China, India, Pakistan, the Philippines and Thailand.

The FAO also is predicting a recovery for rice harvests in Africa. It expects increased production from Mali, Nigeria and Senegal.

But the UN agency says harvests will be lower in the European Union and the United States. Two reasons for this are unusually dry weather and falling rice prices, which have led some farmers to plant other crops. Smaller rice harvests also are expected in Latin America and the Caribbean.

Concepcion Calpe is an economist with the FAO. She says good harvests in Asia will lead to reduced demand for rice this year. Demand is expected to fall nine hundred thousand tons to about thirty-four million metric tons.

Ms. Calpe says one reason for the expected drop is better than expected production by some major importers, like Indonesia and Bangladesh. Other countries have set limits on how much rice they are willing to import.

The FAO says rice prices have stayed high for many reasons. They include higher costs for fuel, fertilizer and, in some areas, labor. One country where rice prices remain high is China. Concepcion Calpe says the high prices appear to be in disagreement with official Chinese reports of record harvests.

In Thailand, a government price-support program has led rice exports to fall by twenty percent, to less than eight million tons. The program keeps Thai rice export prices above market prices. As a result, the FAO says, exporters like Australia, India and Vietnam have captured a larger market share.

Ms. Calpe notes that Burma could become a major exporter of rice. Many Western governments have eased trade restrictions on Burma recently because of its efforts at political and economic reform. Foreign investment and increased productivity in Cambodia also might help that country export more rice.

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