

# 2009-10 Average Yield Second Highest Recorded



There were no supply side revisions this month to the 2009/10 U.S. rough-rice balance sheet. The crop remains estimated at 219.85 million cwt, 8 percent larger than a year earlier, a result of both a higher yield and expanded area. At 3.10 million acres, harvested area is more than 4 percent larger than 2008/09 area. The 2009/10 average yield of 7,085 pounds per acre is up 239 pounds from last year and the second highest on record.

The U.S. 2009/10 medium/short-grain crop remains estimated at a near-record 67.1 million cwt, 33 percent larger than a year earlier. Expanded plantings account for all of the increase.

In 2009/10, all reported States harvested rice crops larger than a year earlier, with Arkansas, California, and Louisiana accounting for 86 percent of the U.S. all-rice production increase. These are the largest rice-producing States in the U.S.

Total U.S. supplies of rice in 2009/10 remain projected at 271.3 million cwt, almost 8 percent larger than a year ago and the largest since 2005/06. Carryin, production, and imports are all larger in 2009/10 than a year earlier, with the larger crop accounting for most of the increase in total supplies. Medium/short-grain accounts for the bulk of the year-to-year increase in U.S. rice supplies. At 78.1 million cwt, total supplies of medium/short-grain rice are 26 percent above last year and the largest since 1983/84. U.S. long-grain supplies are estimated at 190.8 million cwt, up 1 percent from last year and the largest since 2006/07.

The 2009/10 all-rice carryin remains estimated at 30.4 million cwt, more than 3 percent above a year earlier, with long-grain accounting for all of the increase.

Imports of all-rice remain projected at 21.0 million cwt, up 9 percent from 2008/09 and the second highest on record. Long-grain imports remain estimated at a record 18.0 million. Medium/short-grain imports remain projected at 3.0 million, down 11 percent from a year ago.

## U.S. 2009/10 Rice Export Forecast Raised 2.0 Million Cwt to 101.0 Million

Total use of U.S. rice in 2009/10 is projected at 231.5 million cwt, up 3.0 million cwt from last month's forecast and 4 percent higher than last year. This month, projections for both exports and domestic disappearance were revised upward. On an annual basis, both exports and domestic disappearance are projected to be higher than last year, with exports accounting for most of the increase.

U.S. exports are projected at 101.0 million cwt, up 2.0 million cwt from last month's forecast and 8 percent above a year ago. The 2009/10 rough-rice export forecast is raised 2.0 million cwt to 37.0 million, up 19 percent from last year. Expanded sales to Mexico and Central America – the largest markets for U.S. rough-rice – and to markets in the Eastern Mediterranean a count for most of the expected increase in U.S. rough-rice exports in 2009/10.

Combined milled and brown rice exports remain projected at 64.0 million cwt, up more than 2 percent from a year earlier. Northeast Asia accounts for most of the expected expansion in U.S. milled rice sales in 2009/10. The region buys almost exclusively medium/short-grain milled-rice from the United States.

By class, long-grain exports are forecast at

70.0 million cwt, up 1.0 million cwt from last month's forecast and almost 8 percent larger than in 2008/09. Sales of U.S. long-grain rice have been quite strong since late 2009. Combined medium/shortgrain U.S. exports are forecast at a near-record 31.0 million cwt, up 1.0 million from last month's forecast and 9 percent above 2008/09.

Total domestic and residual use is projected at a record 130.5 million cwt, up 1.0 million cwt from last month's forecast, nearly 2 percent larger than a year earlier, and well above recent rates of increase.

By class, long-grain domestic and residual use remains forecast at 99.5 million cwt, down more than 3 percent from the year-earlier record. Medium/short-grain domestic and residual is forecast at 31.0 million cwt, up 1.0 million cwt from last month and 22 percent larger than a year earlier. In 2008/09, many food and industrial processors switched to long-grain rice from the much higher priced medium/short-grain rice.

U.S. ending stocks for 2009/10 are projected at 39.8 million cwt, down 3.0 million cwt from last month's forecast, but 31 percent above a year earlier. The stocks-to-use ratio, calculated at 17.2 percent, is up from 13.7 percent last year. By class, longgrain ending stocks are projected at 21.3 million cwt, down 1.0 million cwt from last month's forecast, but 6 percent above a year earlier. Medium/short-grain ending stocks are projected at 16.1 million cwt, down 2.0 million cwt from last month's forecast, but 101 percent larger than a year earlier. At 26.0 percent, the medium/short-grain stocks-to-use ratio is well above the 2008/09 ratio of 14.9 percent. The medium/short-grain stocks-to-use ratio is projected at its highest level since 1994/95.

## U.S. 2009/10 Medium/Short-Grain Season-Average Farm Price Forecast Raised to \$17.50-\$18.00 per Cwt

The 2009/10 season-average farm price (SAFP) for medium/short-grain rice is projected at \$17.50-\$18.00 per cwt, up from \$17.00-\$18.00 last month. The upward revision is based on reported NASS prices (including back-month revisions) through mid-January and expectations regarding prices and marketings the remainder of the market year. Despite this month's upward revision, the 2009/10 medium/short-grain SAFP is below the year-earlier's revised record of \$24.80. In January, NASS revised the 2008/09 medium/short-grain SAFP up \$1.10 per cwt from the previous reported estimate. The substantial year-to-year decline is primarily due to a near-record U.S. medium/short-grain crop and large supplies.

The U.S. long-grain 2009/10 SAFP is projected at \$12.90-\$13.40 per cwt, compared with a \$12.50-\$13.50 projection range last month. Similar to medium/short-grain, the revision is based on reported NASS prices and back-year revisions through mid- January and expectations regarding prices and marketings the remainder of the market year. The 2009/10 long-grain SAFP is well below the revised 2008/09 record of \$14.90 per cwt. In January, NASS revised the 2008/09 long-grain SAFP down 10 cents from the previous reported estimate. Last month, USDA reported a mid-January 2010 cash price for long-grain rice of \$13.30 per cwt, unchanged from the revised December 2009 price. The December price was raised 60 cents from a preliminary estimate of \$12.70. For medium/shortgrain rice, the mid-January price was reported at \$17.30 per cwt, up 30 cents from the revised December price. The December medium/short-grain price was raised 70 cents from the mid-month estimate to \$17.00 per cwt. In January, NASS reported revisions to for monthly cash prices and marketings for 2008/09 and 2009/10. Δ



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