

# All State Yield Estimates Boosted Except Mississippi



## ECONOMIC RESEARCH SERVICE

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Market Outlook on Rice is sponsored by RiceTec, Inc.

The 2011/12 U.S. rice production forecast was raised 2.8 million cwt this month to 190.9 million cwt. Despite the upward revision, the crop is down more than 21 percent from the year earlier record and is the smallest U.S. crop since 1998/99.

In contrast, the 2011/12 harvested area estimate was lowered 20,000 acres to 2.624 million acres – 27 percent below a year earlier and the smallest since 1987/88.

By class, the long-grain production estimate was lowered 4.9 million cwt to 119.2 million, down 35 percent from a year earlier and the smallest since 1996/97. In contrast, the combined medium- and short-grain production estimated was raised 7.7 million cwt to a record 71.6 million cwt.

On an annual basis, rice plantings declined in 2011/12 in all reporting States except California.

Yields are projected higher in 2011/12 than a year earlier in all reported States.

### Progress of the 2011/12

#### U.S. Rice Crop Remains Behind Last Year

Progress of the 2011/12 U.S. rice crop is currently behind last year, but about even with the U.S. 5-year average pace. For the week ending September 11, 96 percent of the 2011/12 U.S. rice crop was reported headed, 2 percentage points behind the U.S. 5-year average and 3 percentage point behind last year.

For the week ending September 11, 37 percent of the U.S. 2011/12 crop had been harvested, well behind 54 percent last year, but even with the U.S. 5-year average. However, harvest pace varied by State.

#### U.S. 2011/12 Total Rice Supplies Are Forecast To Decline 13 Percent

The total U.S. rice supply for 2011/12 is forecast at 258.3 million cwt, up 1.1 million cwt from last month's forecast, but 13 percent below a year earlier and the smallest since 2008/09. In 2011/12, a much smaller crop is expected to more than offset a larger carryin and a small increase in imports.

Beginning stocks of all-rice are calculated at 48.4 million cwt, down 2.7 million cwt from last month, but 33 percent larger than a year earlier. Despite this month's downward revision, beginning stocks are still the largest since 1987/88.

Total U.S. rice imports for 2011/12 are forecast at 19.0 million cwt, up 1.0 million cwt from last month's forecast and almost 4 percent above the year-earlier revised estimate.

#### U.S. 2011/12 Export Forecast

##### Lowered 4.0 Million Cwt to 93.0 Million Cwt

Total use of U.S. rice in 2011/12 is projected at 220.0 million cwt, down 4.0 million cwt from last month's forecast and 12 percent below the year-earlier record. Exports account for all of this month's downward revision in the all-rice total use projection.

Total domestic and residual use of all-rice remains projected at 127.0 million cwt for 2011/12, almost 8 percent smaller than the year-earlier revised record.

Total exports of U.S. rice in 2011/12 are pro-

jected at 93.0 million cwt, down 4.0 million cwt from last month's forecast and almost 17 percent below 2010/11. Long-grain accounts for all of the downward revision in U.S. exports this month.

#### U.S. 2011/12 Ending

##### Stocks Forecast

##### Raised to 38.3 Million Cwt

U.S. ending stocks of all-rice in 2011/12 are projected at 38.3 million cwt, 5.1 million cwt above last month's forecast, but 21 percent below a year earlier.

The medium/short-grain carryout is projected at 17.2 million cwt, up 4.9 million cwt from the previous forecast and 71 percent larger than a year earlier.

The medium/short-grain stocks-to-use ratio is calculated at 25.7 percent, up from 16.0 percent in 2010/11. Ending stocks of this size are expected to keep U.S. medium- and short-grain rice under downward price pressure all year.

#### 2010/11 U.S. Ending Stocks

##### Estimate Lowered to 48.4 million Cwt

There were several revisions this month to the 2011/12 rice balance sheet based on year-end trade data from the Census Bureau and August 1 stocks data reported by USDA's National Agricultural Statistics Service in the August 26 Rice Stocks. First, on the supply side, the all-rice import estimate was raised 2 percent to 18.34 million cwt, still nearly 4 percent below a year earlier. Long-grain accounted for almost all of the upward revision in the 2010/11 import estimate.

On the use side, the total export estimate was lowered almost 2 percent to 111.65 million cwt, still 3 percent above a year earlier.

Based on data reported in the August Rice Stocks, 2010/11 ending stocks (combined rough- and milled-rice stocks on a rough-basis) are calculated at 48.4 million cwt, 5 percent below last month's forecast, but still 33 percent above a year earlier.

The reduced export and ending stocks estimates resulted in a 4-percent increase in total domestic and residual use to 137.9 million cwt, almost 11 percent larger than a year earlier and highest on record.

Finally, the 2010/11 milling rate was raised to 68.86 percent from 68.50 percent based on year-end milling data collected by the USA Rice Federation. This is one of lowest rates reported since USDA began reporting annual milling rates in 1960/61.

#### U.S. Season-Average Long-grain Price Forecast for 2011/12 Raised

The 2011/12 season-average farm price (SAFP) for U.S. long-grain rice is projected at \$13.50-\$14.50 per cwt, up 80 cents on both the high and low ends from last month.

The combined medium- and short-grain 2011/12 U.S. SAFP is projected at \$15.00-16.00 per cwt, up 50 cents on both the high and low ends from last month's forecast.

Last month, NASS reported revised monthly price and marketing estimates for 2010/11 for all-rice and by class. The revisions resulted in a \$1.40 increase in the medium- short-grain SAFP to \$18.40 per cwt.

Also in late August, NASS reported a mid-August long-grain rough-rice price of \$11.70 per cwt, up from a revised \$11.40 for July. The July price was raised 20 cents from the mid-month estimate. For combined medium- and short-grain rice, the mid-August NASS price was reported at \$19.30 per cwt, up 60 cents from the revised July price. The July medium- and short-grain rough-rice cash price was raised 80 cents from the mid-month estimate to \$18.70 per cwt.

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