

Average Domestic Rice Yield Estimate Raised



ECONOMIC RESEARCH SERVICE
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The 2009/10 U.S. rough-rice crop is estimated at 219.85 million cwt, up almost 1 percent from the previous NASS forecast released in November, and 8 percent larger than a year earlier.

The 2009/10 average yield is raised 47 pounds to 7,085 pounds per acre, up 239 pounds from last year and the second highest on record. Yield forecasts were raised this month for Arkansas, California, Mississippi, and Texas, with the Texas yield raised 8 percent from the November forecast. In contrast, the yield estimates for Louisiana and Missouri were lowered.

By class, medium/short-grain accounts for the bulk of the upward revision in 2009/10 production. The U.S. 2009/10 medium/short-grain crop was raised 1.4 million cwt to a near-record 67.1 million, 33 percent larger than a year earlier.

The 2009/10 U.S. long-grain production estimate was raised 0.2 million cwt to 152.7 million cwt, fractionally below a year earlier. This year, a higher average yield was more than offset by smaller area. At 2.29 million acres, long-grain plantings are more than 3 percent below a year earlier.

Production estimates were raised this month for all reported States except Louisiana and Missouri, where crop estimates were lowered. California accounts for more than 70 percent of this month's upward revision in U.S. production.

Rice Production Estimated Higher in 2009/10 In All Reported States

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 Are Projected Almost 8 Percent Larger Than a Year Earlier

Total U.S. supplies of rice in 2009/10 are projected at 271.3 million cwt, up 1.6 million cwt from last month's forecast and almost 8 percent larger than a year ago.

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. Long-grain supplies are the largest since 2006/07. Record imports and a larger carryin account for the slight increase in U.S. long-grain supplies.

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 were raised 500,000 cwt to a record 18.0 million. Medium/short-grain imports were lowered 500,000 to 3.0 million.

U.S. Rice Export Forecast Raised 2.0 Million Cwt to 99.0 Million

Total use of U.S. rice in 2009/10 is projected at 228.5 million cwt, up 2.0 million cwt from last month's forecast and 3 percent higher than last year.

U.S. exports are projected at 99.0 million cwt, up 2.0 million cwt from last month's forecast and 6 percent above last year. The 2009/10 rough-rice export forecast remains projected at

35.0 million, up almost 13 percent from last year.

Combined milled and brown rice exports are projected at 64.0 million cwt, up 2.0 million from last month's forecast and more than 2 percent larger than a year earlier.

By class, long-grain exports are forecast at 69.0 million cwt, up 1.0 million cwt from last month's forecast and 6 percent larger than in 2008/09. Sales of U.S. long-grain rice – mostly rough-rice to Latin America – were quite strong in late 2009.

Total domestic and residual use remains projected at 129.5 million, about 1 percent larger than a year earlier and the highest on record. Since 2006/07, total domestic disappearance has increased very little.

By class, long-grain domestic and residual use remains forecast at 99.5 million, down more than 3 percent from the year-earlier record. Medium/short-grain domestic and residual remains forecast at 30.0 million, up more than 18 percent from a year earlier.

U.S. ending stocks for 2009/10 are projected at 42.8 million cwt, down 1 percent from last month's forecast, but 41 percent above a year earlier. The stocks-to-use ratio, calculated at 18.7 percent, is the highest since 1992/93. By class, long-grain ending stocks are projected at 22.3 million cwt, down more than 1 percent from last month's forecast, but 11 percent above a year earlier. Medium/short-grain ending stocks are projected at 18.1 million cwt, almost unchanged from last month's forecast, but 126 percent larger than a year earlier. At 30.2 percent, the medium/short-grain stocks-to-use ratio is twice the 2008/09 ratio. The medium/short-grain stocks-to-use ratio is projected at its highest level since 1992/93.

Data from the January 2010 NASS Rice Stocks report indicate total U.S. rice stocks on December 1, 2009, at 164.7 million (rough-basis of both milled and rough-rice stocks), up almost 13 percent from a year earlier. Long-grain stocks on December 1 are calculated at 106.3 million cwt, up almost 6 percent from a year earlier. December 1 combined medium/short-grain stocks are calculated at a near-record 55.4 million cwt, up 26 percent from a year earlier.

Stocks on December 1, 2009, are estimated higher in all reported States except Missouri.

U.S. 2009/10 Medium/Short-Grain Season-Average Farm Price Forecast Lowered to \$17.00 to \$18.00 per Cwt

The 2009/10 season-average farm price (SAFP) for all-rice is projected at \$13.65-\$14.65 per cwt, down 25 cents on both ends from last month's forecast and well below the 2008/09 record of \$16.80. The medium/short-grain 2009/10 SAFP is projected at \$17.00-\$18.00 per cwt, down 75 cents on both ends from last month and the second consecutive month of a reduction. The 2009/10 medium/short-grain SAFP is well below last year's record of \$23.70.

The long-grain 2009/10 SAFP is projected at \$12.50-\$13.50 per cwt, down 10 cents on both ends from last month and below the record \$15.00 last year. The slight downward revision is based on reported NASS prices through mid-December and expectations regarding prices the remainder of the market year.

Last month, USDA reported a mid-December all-rice rough-rice cash price of \$14.20 per cwt and lowered the November price 30 cents from the mid-month estimate to \$13.80. By class, the long-grain mid-December cash price was reported at \$12.70 per cwt, down 30 cents from the revised November cash price. The November long-grain price was raised 60 cents from the mid-month estimate to \$13.00. For medium/short-grain rice, the mid-December price was reported at \$16.30 per cwt, down 30 cents from the revised November price and the lowest since July 2008. The November medium/short-grain price was lowered \$2.30 from the mid-month estimate to \$16.60 per cwt.

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